

USING THE ACCOUNTING RECORDS:

Accounts Payable – This term refers to the amount that a company owes its creditors for items purchased on credit.

Accounts Receivable – **SEE** sales journals and sales ledgers.

Allowance for Spoilage and Breakage Journal – Brewers used this journal to keep track of the shrinkage inventory that was lost due to leakage, spoilage, broken bottles or goods that were below standard for any other reason. This prevented the brewery from paying taxes on unprofitable products. The entry was first created in the brewery, bottling plant or by the driver, who used this journal as a workbook. The information was later transferred to the brewery office where a permanent record was made in the general journal.

The Blatz collection contains the following *allowance for spoilage and breakage journal*:

X Branch Operations: Milwaukee, Wisconsin (1920-1925)

Assets – These are resources or items that a business owns. Assets may be "cash," "furniture," or raw materials such as corn or hops that were used in the production of beer.

Bills Receivable – **SEE** sales journals and sales ledgers.

Blotter – **SEE** day book.

Brewers Stamp Register – The Internal Revenue Service required brewers to purchase revenue stamps in order to ensure that the proper federal excise tax was paid on all beer products. Brewers also were required to maintain a stamp register. This register had to be signed by several employees of the brewery. Originally the Blatz stamp register included a bookkeeper's signature. In later years, the register was signed by the bookkeeper, an auditor, and the president of the brewing company. The signature of the deputy collector, who was an officer of the government, was also required. Later entries were notarized.

The Blatz collection contains the following *brewers stamp register*:

X Brewery Records (1907-1920)

Cash Book – A cash book is the original record for all transactions involving cash paid or received. A cash book can come in variant forms. One form includes both a record of credits and debits in a single volume, such as in the example below.

Cash

May 27, 1924

Deposited	Account of	Discount/ Exchange	Keg	Bottle	Country	Rents	Freight Claims	Transfer of Funds	General Ledger
18.00	Cash Sale - J. Alioto 346 Van Buren		11.00	7.00					464

- X Cash book entries typically have the word *Cash* written at the top of the page. In this type of entry, the date is also written at the top of each page, and each cash transaction for that day is recorded.
- X The **Deposited** column refers to the amount that was paid to the firm and deposited. (\$18.00)
- X The **Account of** column lists the name of the person or company involved in the transaction. In this case, J. Alioto, whose mailing address was 346 Van Buren, paid money to Blatz. If Blatz owed J. Alioto money, this column would be called "money owed" and it would say "give" rather than "cash sale".
- X **Discount/Exchange** refers to the amount of money that would have been returned if the merchandise had been damaged or if an adjustment needed to be made for other reasons.
- X **Keg, Bottle, Country, Rents** and **Freight Claims** refer to specific common accounts for which the customer paid. In this example, J. Alioto, gave Blatz \$11.00 for kegs of beer and \$7.00 for bottles of beer.
- X An entry in **Transfer of Funds** would be made when Blatz was paying the supplier for goods purchased from them. This column was seldom used in the cash books.
- X The final column, **General Ledger**, refers to a page number in the general ledger where a final summary of this particular transaction is found.
- X All entries to the right of the **Account of** column (called the credits) must add up to total the amount shown in the **Deposited** column (the debits).

In another form, the "cash book" is actually three separate records: a cash sales book, used to keep track of incoming money; a cash disbursement record used to record money paid out; and a "cash book" that summarizes the transactions from the other two records. The Blatz Bottling Plant handled its cash transactions in this way. Initially, all cash transactions were recorded in the cash sales and cash disbursement books. The summaries of these items were later written in the cash book with debits and credits listed in chronological order. Debits are shown on the left-hand page and credits appear on the facing page. An example of this type of entry appears below.

Page 52 Cash					Page 53 Cash 1863				
		Dr. [Debit]	1863				Cr.	[Credit]	
March 4		To Balance Over		727.50	March 4				
	6	Dr. Merchandise Sold	27.00			29	By Tax a/c US tax Feb. 1863	254.50	
	6	Dr. Grains Sold	9.15			24	Val Blatz paid him	4.50	
	6	Dr. Yeast Sold	.60			50	Mr. Sterm bill	.29	
	6	Dr. 2 Bags of Limes	.40			6	Merchandise 129 B. Barley @1.25	161.87	
	6	Dr. Sundries	2.16			6	92 B. Barley @1.30	120.25	541.41
	36	J. Weber & Co.	6.00				Balance		250.40
	68	W. Feldmeyer	19.00	64.31					
				791.81					791.81

Page 54 Cash					Page 55 Cash 1863				
		Dr. [Debit]	1863				Cr.	[Credit]	
March 5		To Balance Over		791.81	March 5				
	6	Dr. Merchandise Sold	35.00			6	100 B Barley @1.30	130.00	

The first column shows the date. The second column refers to the customer's account number that was assigned in the corresponding general ledger. The third column specifies the reason for the transaction. The fourth column states the amount of the transaction, and the fifth column is used to occasionally to tracks totals. At the bottom of the column, transactions are again totaled. The facing page credits accounts in the same way. The total at the bottom of the debit column must match the total at the bottom of the credit column. This total is then carried over to the next page and becomes the amount To Balance Over.

The Blatz collection contains the following series of *cash books*:

- X Brewery Records (1862-1865, 1867-1870, 1888-1922, 1924-1929)
- X Brewery Records – Private (1867-1868, 1877-1888, 1907-1911, 1914-1916)
- X Bottling Plant (1889-1918)
- X Branch Operations: Decatur, Illinois (1905-1906)
- X Branch Operations: Kankakee, Illinois (1894-1902)
- X Branch Operations: Terre Haute, Indiana (1892-1893)

The Blatz collection contains the following *cash sales book*:

- X Bottling Plant (1899-1904, 1907, 1910-1911)

Cash Disbursement Record – SEE cash book.

Cash Sales Book – **SEE** cash book.

City Customers – Refers to any customers found in the city of Milwaukee.

Country Customers - Refers to any United States customer found outside the city of Milwaukee.

Credit (Cr.) – A credit is always written on the right side of the page. Credit refers to an item that the company gave up. For example, the Blatz Brewing Company bought malt. They paid for the malt with cash, so they exchanged or gave up cash to receive the malt. The cash would be the credit and written on the right side of the column. The total amount of credits should equal the total amount of debits.

Customer Ledger – A customer ledger is actually a sales ledger used to record transactions with individual customers. **SEE** sales journals and sales ledgers.

Day Book – This record is a chronological listing of all receipts and expenditures as they occur. It is really a workbook that is used as the transaction happened. The information is later copied into the general journal, which serves as the permanent record. The entries are simple to read, listing basic information about the transaction and the amount of money involved. In the early days of accounting, this was a very popular type of accounting record. As accounting practices became more involved, day books were less widely used because they lacked all the necessary transaction details. Day books are sometimes referred to as a waste book or a blotter.

The Blatz collection contains the following *day book*:

X Bottling Plant (1907-1908)

Debit (Dr.) – A debit is always written on the left side of the page or column. A debit refers to an item that was received by the company. For example, the Blatz Brewing Company bought malt. They received the malt, so the malt would be the debit and written on the left side of the column. A debit indicates that assets increase and expenses increase. The total amount of debits should equal the total amount of credits.

Denatured Alcohol Report – The Internal Revenue Service required manufacturers or dealers of denatured alcohol to fill out this monthly report that detailed the amount of denatured alcohol which they used or disposed of during the previous month. It enabled the government to tax warehouses where denatured alcohol was stored. It also conformed to the Department of Agriculture's enforcement of the *Pure Food Act*.

The Blatz collection contains the following *denatured alcohol report*:

X Brewery Records (1912-1915)

Equity Journal – This journal is used to track the company’s net worth. The net worth or equity is calculated by finding the difference between assets and liabilities.

The Blatz collection contains the following *equity journal*:

X Brewery Records (1887-1895)

General Journal – **SEE** journal.

General Ledger – This is the final record that is created for all financial transactions, where all the information about a particular account is consolidated. Every transaction listed in the general journal is entered into the general ledger. The general ledger is divided into individual accounts and each account has its own separate page. Each transaction is entered chronologically within the corresponding account.

The Blatz collection contains the following general ledgers:

- X Brewery Records (1860-1889, 1893-1908)
- X Brewery Records – Private (1873-1889, 1898-1911)
- X Bottling Plant (1887-1889, 1894-1913)
- X Branch Operations: Benton Harbor, Michigan (1909-1913)
- X Branch Operations: Berlin, Wisconsin (1891-1892)
- X Branch Operations: Cedar Rapids, Iowa – Bottling Plant (1907-1908)
- X Branch Operations: Cleveland, Ohio (1914-1916)
- X Branch Operations: East Dubuque, Iowa (1916)
- X Branch Operations: Emmetsburg, Iowa (1909-1911)
- X Branch Operations: Florence, Wisconsin (1881-1882)
- X Branch Operations: Memphis, Tennessee (1879-1882)
- X Branch Operations: Minneapolis, Minnesota (1896-1899, 1912-1921)
- X Branch Operations: Norway, Michigan (1881-1882)
- X Branch Operations: St. Paul, Minnesota (1882-1883)
- X Miscellaneous Records – J. Peterson (1889-1898)

Journal – A journal, which is also referred to as a *general journal*, is the most basic and inclusive of accounting records. It is arranged chronologically, and provides a complete record of the company’s transactions in order of their occurrence. It was used for all types of transactions and has only two money columns: one for debits and the other for credits. As each transaction was entered into the journal, the total amount of money involved was simultaneously debited to one general ledger account and credited to another account. General journal entries often contain a brief description of the transaction. The information from the general journal was transferred at various intervals to the general ledger, which contained detailed information about each specific account.

Below is an example of a general journal.

June 1885

			[Debits]	[Credits]
73	8	Fine	.10	
22		To Association		.10
4	10	Cash	573.28	
47		To Ph. Best Brewing Co.		573.28
	15	Sundries		
47		Ph. Best Brewing Co.	87.58	
43		J. Schlitz Brewing Co.	575.23	
51		Val Blatz	145.99	
61		Fred Miller	113.84	
63		To Pool		922.64
			1496.02	1496.02

The first column refers to the account number in the *general ledger* where the entry will be found.

The second column is the date during in the month when the transaction took place.

The third column gives information about the transaction. Debited transactions stay on the left side of the column.

The fourth column is the debit column that shows the amount of money to be debited from the account number listed.

The fifth column is the credit column. The account number in the first column is credited by the amount listed. In the example shown here, the first row .10 was debited to *Fine*. This means that the *Fine* account has increased by .10. The next row shows .10 credited to *Association*. Therefore, the *Association* account is decreased by .10. For each transaction, the debit account will equal the credit account.

The transaction in this example that begins with the word *Sundries* does not have a debit or credit appearing in one of the last two columns. This is because *Sundries* refers to a group of miscellaneous items that follow with the next row. This saves space in the journal because each specific transaction does not have to be written out separately. The *pool* account to which this group of items was credited refers to a common account.

The Blatz collection contains the following *general journals*:

- X Brewery Records (1862-1865, 1873-1875, 1884-1927)
- X Brewery Records – Private (1889-1890)
- X Bottling Plant (1887-1892, 1902-1919)

- X Branch Operations: Cedar Rapids, Iowa (1880-1882)
- X Branch Operations: Kenosha, Wisconsin (1897-1902)
- X Branch Operations: Memphis, Tennessee (1882)
- X Miscellaneous Records – J. Peterson (1892-1898)
- X Miscellaneous Records – J. Peterson – Private (1893-1898)

Another type of journal is known as a *specialized journal*. All information was normally kept in one journal, the general journal, but there were circumstances when using a specialized journal was advantageous. Specialized journals might be used if a great number of transactions occurred in a company because it allowed a business to record individual transactions in groups. This allowed transactions to be handled more rapidly and efficiently because it greatly reduced the amount of detailed recording work. It also permitted a division of labor, since a different employee could handle each special journal. The terms “register” and “book” were also used for journal.

For example, the Blatz Bottling Plant created a specialized journal to keep track of empty bottle returns. It was convenient to keep the journal in the plant to record bottle and keg returns as they came in. On a periodic basis, the accounting office took the journal and added summary totals of these entries into their general journal. This would be more efficient than having someone in the plant deal with the office for each transaction.

There are many types of specialized journals within the Blatz Brewing Company Collection. For a more complete discussion of individual specialized journals, **SEE ALSO** allowance for spoilage and breakage journal, cash book, equity journal, petty cash journal, private ledgers and journals, purchase journal, sales journals and sales ledgers, and trial balance journal.

The Blatz collection contains the following *specialized journals*:

- X Brewery Records – Accounts Receivable Collections Journal (1916-1918)
- X Brewery Records – Cash Book (1862-1865, 1867-1870, 1888-1929)
- X Brewery Records – City Customer Weekly Sales Journal (1883-1913)
- X Brewery Records – Equity Journal (1887-1895)
- X Brewery Records – Petty Cash Journal (1902-1907, 1916-1917)
- X Brewery Records – Private – Cash Book (1867-1868, 1877-1888, 1907-1911, 1914-1916)
- X Brewery Records – Private Federal and State Tax Journal (1925-1944)
- X Brewery Records – Purchase Journal (1917-1919)
- X Brewery Records – Sales Journal (1899-1900)
- X Brewery Records – Total Sales Journal (1903-1910)
- X Brewery Records – Trial Balance Journal (1874-1883, 1915-1925)
- X Bottling Plant – City Customer Journal (1881-1911)
- X Bottling Plant – Empty Bottle Journal (1903-1918, 1923-1926)
- X Bottling Plant – Order Journal (1896-1919)

- X Bottling Plant – Sales Journal (1900-1902)
- X Branch Operations: Decatur, Illinois – Cash Book (1905-1906)
- X Branch Operations: Emmetsburg, Iowa – Cash Expense and Receipt Journal (1909-1911)
- X Branch Operations: Florence, WI – Sales Journal (1893-1895)
- X Branch Operations: Kankakee, Illinois – Cash Book (1894-1902)
- X Branch Operations: Louisville, Kentucky – Sales Journal (1876-1877)
- X Branch Operations: Milwaukee, Wisconsin – Allowance for Spoilage and Breakage Journal (1920-1925)
- X Branch Operations: Sioux Falls, South Dakota – Sales Journal (1917-1918)
- X Branch Operations: Terre Haute, Indiana – Cash Book (1892-1893)

Liabilities – This refers to debts that are payable to others, such as a loan owed to the bank or money owed to vendors.

Petty Cash Journal – A petty cash journal is a simplified form of the *cash book*. It is used to keep track of small amounts of cash that are set aside to pay for minor expenses such as postage, telegrams, and incidental office expenses. The cash comes from an account that is called petty cash. This cash is normally kept in a cash box or envelope in the office. When money is paid out of the petty cash fund, a journal entry is made that indicates the date, description, the account number that the expense falls under, and the amount of the transaction. The petty cash fund is replenished on a regular basis. Petty cash journals are used as a convenience, to keep track of small transactions as they take place. Petty cash accounts also save space in the main cash book. In such cases, the main cash books contain only a periodic summary of individual transactions posted in the petty cash journal.

The Blatz collection contains the following *petty cash journal*:

- X Brewery Records (1902-1907, 1916-1917)

Private Ledgers and Journals – Private ledgers and journals are those in which confidential accounts were kept. The “private” designation was used when secrecy was required for certain operations or to protect corporate processes from the general employee or the public. They were probably kept locked up in an office where only a few people were allowed to see them. Today, “private” ledgers and journals are rarely used.

Purchase Journal – Brewers used purchase journals to keep track of all raw materials purchased in the production of fermented liquors. Brewers were required to keep a separate record of these expenses in order to comply with Internal Revenue laws. An affidavit form attached to the purchase journal had to be stamped and notarized by a member or officer of the company.

The Blatz collection contains the following *purchase journal*:

X Brewery Records (1917-1919)

Purchase Records – These records document merchandise purchased on credit. In Blatz's Milwaukee location, this was part of the general journal and not kept in a separate record. In company branches, purchase records were sometimes kept with sales records in one volume. This information was periodically sent to the Milwaukee location and posted to their general ledger.

The Blatz collection contains the following *purchase and sales record*:

X Branch Operations: Unknown (1908-1914)

Register – **SEE** journal.

Sales Journals and Sales Ledgers – Sales journals and sales ledgers are used to record all sales that are made on credit, as opposed to cash sales. They are used with long-term customers who make purchases regularly and receive a monthly bill. They are designed to record merchandise sold, the sales amount, terms of sales, the purchaser's name and address, and the date of sale. Each entry represents a debit to the customer's account (which is also called accounts receivable) and a credit to sales. The term "bills receivable" refers to debts that are owed to the firm. Sales journals refer to volumes organized chronologically, while sales ledgers are organized by accounts.

The Blatz collection contains the following *accounts receivable collections journal*:

X Brewery Records (1916-1918)

The Blatz collection contains the following *accounts receivable ledgers*:

X Brewery Records – City Customer (1879-1887)

X Branch Operations: Rockford, Illinois – (1905-1908)

X Branch Operations: St. Paul, Minnesota (1883-1884, 1916-1922)

X Branch Operations: Streator, Illinois – Transfer (1916-1919)

The Blatz collection contains the following *bills receivable ledger*:

X Brewery Records (1888-1920)

X Branch Operations: Milwaukee, Wisconsin – Transfer (1915-1919)

The Blatz collection contains the following *sales journals*:

X Brewery Records (1899-1900)

X Brewery Records – City Customer Weekly (1883-1898, 1909-1913)

X Brewery Records – Total (1903-1910)

X Bottling Plant (1900-1902)

X Branch Operations: Florence, Wisconsin (1893-1895)

X Branch Operations: Louisville, Kentucky (1876-1877)

X Branch Operations: Milwaukee, Wisconsin (1915-1919)

X Branch Operations: Sioux Falls, South Dakota (1917-1918)

The Blatz collection contains the following *sales ledgers*:

- X Brewery Records (1920-1924)
- X Brewery Records – Country Customers (1918-1919)
- X Brewery Records – Customers and Calculations (1918-1919)
- X Branch Operations: Kansas City, Missouri – Customer Beer Sales and Expense Recapitulation Ledger (1913-1918)
- X Branch Operations: Medford, Wisconsin (1921-1923)
- X Branch Operations: St. Paul, Minnesota (1916-1922)
- X Branch Operations: Unknown, Minnesota – Country Customers (1883-1884)

Transfer Ledgers – This refers to information that any of Blatz's various branches or depots sent to Milwaukee. This part of the collection is not easily defined because different branches sent different information over different time periods. The information was compiled together in large ledgers at the home office in Milwaukee and often separated. When the collection was processed, the records were put back together within their various branches.

Trial Balance Journal – A trial balance is made at regular intervals to ensure that accounts balance.

The Blatz collection contains the following *trial balance journal*:

- X Brewery Records (1874-1883, 1915-1925)

Waste Book – **SEE** day book.