

# TRIAL BALANCE DESCRIPTION/TRIAL BALANCE SOFTWARE INFORMATION

## ***What is a trial balance?***

A trial balance is a listing of the various accounting general ledger balances at the end of a specific accounting cycle. It is generally presented in a debit/credit format with debit balances appearing on the left and credit balances appearing on the right. In some cases, the trial balance may be displayed in a single column format with the credit balances presented as negative amounts. One of the original purposes of trial balance presentations was to assure that the accounting records were, in fact, in balance (debits=credits) in a double entry accounting system. Debits and Credits are simply a way of attributing a plus or minus to various accounts within the general ledger. Debit amounts represent positive balances in Asset, Equity withdrawal, and Expense accounts. Credit amounts represent positive balances in Liability, Equity, and Revenue accounts.



## ***What is trial balance software?***

Most accountants who prepare financial statements and tax returns for business and other entities need some form of trial balance software to automate the process of making various final adjustments and combining various accounts for the preparation of financial and tax

related documents. In most cases, the entity's internal accounting system contains accounts in much greater detail than is desirable for external financial presentations and tax submissions. Trial balance software can make this data accumulation process more efficient and result in a total automation of this process in subsequent periods with well designed software.

In addition, if the entity maintains its internal accounting records on a different basis than it uses in the preparation of its tax returns, trial balance software provides for the necessary adjustments to the accounts, without disrupting the entity's internal accounting.

Lastly, for CPAs and other financial professionals, a well designed software package can automate the conversion of an entity's general ledger balances to professional appearing financial presentations, and in the case of TBFSwriter, provide an efficient means to consolidate separate entities and trial balances into a single financial entity for consolidated statements.

***While we believe that our trial balance packages are the most intuitive, easiest to use, and most cost effective products on the market, we encourage users to find the product that best meets their specific needs.***

To review some of the most prominent trial balance software packages and additional information consider the following sources:

CPAwriter, Inc.

Caseware International

CCH Prosystems Incorporated

Creative Solutions (Thomson Reuters)