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BURTON'S 50 RULES

FOR LOCATING AND PREVENTING
ERRORS IN TRIAL BALANCES

WITH THE CHECK FIGURE NINE

By C. D. BURTON



THE BOOK-KEEPER PUBLISHING
COMPANY, Ltd., DETROIT, MICH.

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BY

C. D. BURTON

THE BOOK-KEEPER PUBLISHING
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THE AVERAGE BOOK-KEEPER is so disappointed, hurt and rattled, when he finds his Trial Balance is "away out of sight," that he generally spends two days doing unnecessary checking before he begins to get an idea of what he ought to have done.

The following fifty rules are intended as the book-keeper's friend and guide, which will beneficently point out to him the path in which he should tread, and direct him steadfastly to the goal he desires to reach.

THE AUTHOR.

Burton's 50 Rules.



IN CONSIDERING the best method of obtaining a correct Trial Balance, it should be remembered that Prevention is better than Cure, as the latter may be difficult and tedious, notwithstanding the most ingenious Rules and Suggestions.

We will, however, treat the matter first from the point of view of a Cure, to be applied to what are now generally known as "old style books," and will take up Prevention later. The books are out of balance, and the problem is to locate the error.

1

Look carefully through the Trial Balance to see if a balance has been omitted, or has been entered on the wrong side.

2

Do not look through your postings to see if you can find the amount of the error unposted, unless you think you are familiar with such an amount. The required difference is generally made up of two or more errors.

3

Divide the amount of the difference by nine. If it is so divisible, it is probably a transposition or a slide; and in the latter case the posting to be looked for can be ascertained by the following process: Amount of error, $\$43.56 \div 9 = 4.84 \div 11 = 44$. Look for \$44.00 posted as 44 cents. This error is called a "double slide."

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4

If the difference is \$18.00, look for \$42.00 posted as \$24.00; \$31.00 posted as \$13.00; \$35.00 posted as \$53.00, etc.

5

If the difference is \$27.00, look for \$47.00 posted as \$74.00; \$14.00 posted as \$41.00, \$36.00 posted as \$63, etc.

6

If transpositions do not apply, look through the ledger for a balance omitted from the trial balance.

7

Look for an account closed but not ruled off, so that last month's balance has been taken again this month.

8

If the difference is an even number, it may be a debit posted as a credit, or a credit posted as a debit.

9

If the difference is 1 cent, or 10 cents, or \$1.00, the error is almost certain to be in addition or subtraction in drawing off the balances.

10

Check the footings of the trial balance, and the carrying of the totals to the recapitulation sheet.

11

Scan the folio columns of all books of original entry to see if any posting has been omitted.

12

See that you have not forgotten to include in the trial balance the balance of cash account.

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13

Look for some small account ruled off during the month to show a balance, but no balance brought down.

14

Carefully check over your sundry accounts receivable, and notes receivable accounts, as these two accounts are prolific sources of error.

15

If all these efforts to locate the difference are fruitless, check the additions of the ledger accounts, and the drawing off of the balances.

16

Proceed to check the postings as follows: On a sheet of paper take off from the ledger the credit postings of cash, using a separate column for each week. Foot the columns, ascertain the grand total, and compare it with the total called for by the cash book.

17

If the totals do not agree, compare the totals by weeks in order to locate the difference.

18

If the totals agree, draw off the debit cash postings in like manner.

19

Also the journal debit postings and credit postings.

20

If these all agree, draw off the postings to the ledger from the sales book, and compare total with total of sales book.

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21

It is supposed that the cash book and journal are self-proving so far as footings are concerned, but if the totals of postings from the sales book and the total of the sales book footings differ, the footings must be checked.

22

If a purchase book, or any other auxiliary record is kept, treat it in the same manner.

23

During the above checking process the error, or errors, must inevitably be located, and it is quicker and surer than checking individual postings, especially if the postings are "called off" to the book-keeper.

24

Also the error may be located in the cash book, or whichever book may be checked first, which will obviate the labor of checking anything else.

25

The above method of detecting errors is based on the supposition that the book-keeper keeps his ledger in good order, and distinguishes his postings from different books. If the book-keeper is a careless man, no rules are any good to him, and he must be left entirely to his own devices.

26

In drawing off the above analysis of the ledger, check each amount with a different colored pencil for each book from which postings are made. This greatly facilitates the detection of errors, and enables the book-keeper to keep exact track of what he is doing.

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27

THE PREVENTION OF ERRORS is more important to the book-keeper than their detection when made. The following rules will be found efficient and satisfactory:

28

Divide your ledger into alphabetical, or territorial, sections, as may be most convenient.

29

Have your cash book and cross-entry journal ruled with separate columns for each section.

30

Have your sales book ruled with separate columns for each ledger section.

31

In taking off your trial balance put down debits for the month in one column, credits for the month in another column, and the balances in a third column.

32

Foot all these columns and get separate totals for each section of the ledger.

33

We will suppose that the ledger is divided as follows: City (A-K), County (L-Z), Creditors, General.

34

Add together totals of cash debit column, city; journal credit column, city, and the result should equal total of city section of ledger credits.

35

Add together sales book debits, city; journal debits, city; cash book credits, city (if any), and the result should equal total of city section of ledger debits.

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36

The other sections of the ledger will be checked in like manner.

37

Thus the ledger can be easily proved in detail. An error can be at once located in the particular section in which it occurs, and quickly traced.

38

Where a book-keeper is unable to induce his employer to procure for him columnar cash-books, journals, and sales books, I would recommend him to employ the Slip System of Reverse Posting, as by this means he can attain the same end.

39

Let him prepare a sheet of paper ruled with columns as described above and place it on his desk at the side of his ledger.

40

When he posts a city sales debit to the ledger he will then also post the amount in the column provided for the purpose on his sheet of paper.

41

The advantage of this method is that the work can be proved each day without taking off the balances from the ledger.

42

By this method, at the end of the month the book-keeper has ONLY ONE DAY'S WORK TO PROVE instead of the work for the whole month.

43

The trial balance can therefore be obtained before leaving the office on the last day of the month.

44

There are other well-known preventatives, such as check figures, etc. These are constantly advertised, and their advantages secured at small cost.

**A FEW RULES FOR LOCATING ERRORS ON
SPECIALLY RULED ACCOUNT
BOOKS, ETC.**

45

On columnar cash books and journals look for amounts which should have been entered in special non-posting columns, but which have been entered in a ledger column and not posted.

46

On Safeguard ledgers look for balances which have been transferred without a journal entry.

47

Where ledgers are separated into sales, purchase, and general ledgers, look for sales which have been posted to accounts in the purchase or general ledgers.

48

Where the Goldman check figure is used look for double slides as described in Rule 3.

49

Also look for transpositions like the following, \$425 posted as \$524.

50

Last, but not least. Remember that a little care in posting will balance ten nights' work put in to find the error.

The Check Figure



While the check figure 11 is not infallible, it is reliable in most cases. An operation of this system may be described as follows:

Take two amounts of five figures each. Starting at the right hand, add the first, third and fifth figures and deduct the second and fourth. If the latter exceeds the former, add 11 and then deduct. The result is the proof figure.

The illustration merely shows that the footing is correct, the footing of the check figures giving the same check figure as the footing of the amounts. But if these amounts are posted to the ledger the same operation will prove the accuracy of the posting.

We will suppose that our book-keeper is enlightened and progressive, and desires to prove each day's work as he goes along, so as to be able to get his balance promptly without trouble on the first day of the month.

He will post from his sales book, or ticket, \$484.26. As he posts the amount in the ledger he extracts his proof figure "4," and writes it in the sales book in a column which he arranges for the purpose.

The proof figure of the footing of the sales book will then prove the accuracy of the postings to the ledger for the day by agreeing with the footing of the column of proof figures in the sales book which represent the postings to the ledger. The same operation will prove the accuracy of the day's

EXPLANATION OF CHECK FIGURE SYSTEM

1st. Amount	\$ 484.20				
2nd "	\$ 175.32				
		6 + 4 + 4	= 14		
		2 + 8	= $\frac{10}{14-10}$	=	4
		2 + 5 + 1 + 1 + 1*	= 10		
		3 + 7	= $\frac{10}{10-10}$	=	0
	659.58	8 + 9 + 6	= 23		0
		5 + 5	= $\frac{10}{23-10}$	=	13

* Add 11 when first quantity is less than quantity to be deducted.

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postings from the cash book, journal, purchase record, or any other book, so that it is within easy reach of every book-keeper with extraordinarily little trouble to prove each day's work as he goes along, and to be free from all bother and trouble of errors when he endeavors to obtain his monthly trial balance.

In order to make this matter perfectly clear, we append an illustration representing one day's work from the cash book and its proof.

The amounts posted to the ledger from the sundries column of the cash received side of the cash book are represented by the check figures in the check column, the footing of which is 29, or 9 minus 2 equals 7. The check figure extracted from the total of the sundries column—\$12,578.68—is also "7," thus proving the postings to be correct for the day. The postings from the sales book, journal, etc., are treated in like manner, each section of the work being thus proved separately and easily.

In entering balances from the ledger into the trial balance book the check figure should be extracted first, and the amount copied from the ledger after. The footing of the check figures will then check the correctness of the amounts in the trial balance book, which have been copied from the ledger, and any errors will be promptly located.

Cash Received.

No. 1

Date	Names	Folio	Check	Sundries	Cash Sales	Factory	Int. & Disc.
July 1	Amounts Ford.		4	12 198 60	117 20	345 28	56 50
	F. E. Brisco.	45	2	193 95			
	C. Churchill	176	7	165 84			
	A. Miller	13	10	6 81			
	A. T. Canfield	96	6	13 48			
			7	12 578 68			