

Download Journal Entry For Payroll Liabilities

Accounts payable is a current liability account in your chart of accounts that accounts for invoices that your business owes and pays. Payroll is defined as the cost that your small business accrues as part of paying your employees. The dividends declared journal entry impacts the accounting equation by increasing liabilities (dividends payable), and decreasing the owners equity. In the previous post, we defined and calculated gross pay, payroll taxes, and net pay. In this post, we will discuss how to record the paycheck and the employer taxes. You might be wondering why this is in the liabilities section of the course. So far we have discussed wage and salaries expense and payroll [...] Accounting Equation for Received Cash on Account Journal Entry. The accounting equation, $Assets = Liabilities + Owners\ Equity$ means that the total assets of the business are always equal to the total liabilities of the business This is true at any time and applies to each transaction.