Interbranch GL Accounts Summary

07/17/2025 5:37 pm EDT

The interbranch accounts are used automatically by the system when the lines of your journal entry hit two different branches.

The debits and credits in every GL entry must be equal. If you have a GL entry with one debit line for $50.00 in Branch A, and one credit line for $50.00 in Branch B, and you run your trial balance for all your branches, the resulting report will include a $50.00 debit, and a $50.00 credit (the debits and credits balance).

Usually, when customers have more than one branch, it's because they want to evaluate the financials for each branch individually. If you have the entry above and you run your reporting for just Branch A, you will see the debit line of the entry, but not the credit. Then, if you run the reporting for just Branch B, you will see the credit line of the entry but not the debit. Because the GL entry hit two different branches, the reporting is out of balance when run for each branch individually.

The interbranch accounts solve this problem. When the system sees you have made an entry to debit Branch A and credit Branch B, it automatically adds two additional lines to the entry. It sends a credit to the interbranch for Branch A, and a debit to the interbranch for Branch B. These two new lines offset each other, so there is a net $0.00 change to the GL, but they also offset the branch imbalance in your original entry. This allows your reporting to balance regardless of whether you run it for all branches or each branch individually.