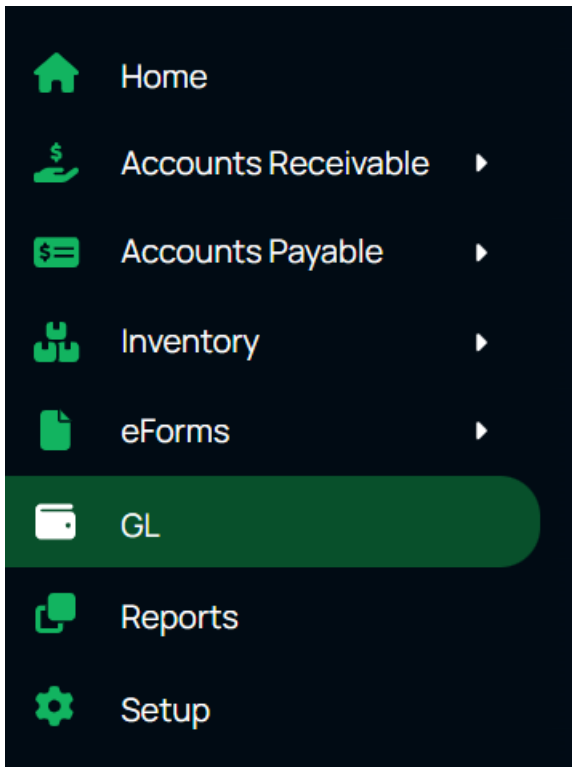


General Ledger Overview

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Managely is a complete financial application, from billing to financial statements. As a single software program, all the modules within the application are designed so all the financial transactions are immediately posted to the general ledger. Managely is an accrual based accounting system. For companies that need to report sales and remit sales tax on a cash basis, reports are included for this purpose.

The General Ledger can be accessed from the sidebar:



Accounting Basics

To use Managely, you need an understanding of accounting. Here are some basics.

Chart of Accounts

Your Chart of Accounts determines how financial transactions are stored. Think of two main groupings for your Chart of Accounts: Balance Sheet Accounts and Income Statement Accounts.

Balance Sheet Accounts

Balance Sheet Accounts track what you have (Assets) and what you owe (Liabilities). These accounts maintain a balance that continues forward even past your fiscal year. It also tracks what your company is worth (Equity).

Income and Expense Accounts

Managely tracks all your income and expenses in these account types. This is used to analyze the profitability of your business.

Income Accounts can be classified into two types of accounts: Income or Other Income. Ordinary income used to

determine the operating profitability should be classified as an Income account type. Non-operating income such as interest, or a sale of equipment, should be classified as Other Income.

Expenses can also be classified as regular Expenses and Other Expenses. There is also a special account type called Cost of Goods Sold, which is used to recognize the expense of inventory materials, labor and sales commissions.

Accrual Based Accounting

Managely is an accrual based accounting application. This means Income and Expenses are recorded at the time they are entered.

Deferred Income

Your Deferred Income is automatically tracked when you generate your recurring invoices. Income that is generated for a future accounting period when you create your recurring revenue invoices is tracked in a special account identified in the system as the "Deferred Revenue" account. For each accounting period thereafter the appropriate amount of income will be generated, and the Deferred Income will be properly lowered.

Deferred Income Example: September 20th, a quarterly monitoring invoice is generated for \$75.00, for the service period of October – December.

Account	Accounting Period			
	September	October	November	December
Accounts Receivable	DB: \$ 75.00			
Deferred Income	CR: \$ 75.00	DB: \$25.00	DB: \$25.00	DB: \$25.00
Monitoring Income		CR: \$ 25.00	CR: \$ 25.00	CR: \$ 25.00
