









# UNITED STATES PATENT OFFICE.

EDWARD R. EDWARDS, OF NORWOOD, OHIO.

## SYSTEM OF KEEPING ACCOUNTS.

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*To all whom it may concern:*

Be it known that I, EDWARD R. EDWARDS, a citizen of the United States, residing at Norwood, in the State of Ohio, have invented a certain new and useful Improved System of Keeping Accounts, of which the following is a specification.

My invention relates to the art of book-keeping and accounting; and its principal objects are to preserve a running balance or marshaling of assets and liabilities showing the state of business at the end of each day and week, to dispense with several of the entry-books commonly used in bookkeeping, to perfect the checks and balances, and to simplify the work of accounting; and it consists also in several improvements in forms, &c., as hereinafter set forth.

In the most ordinary method of keeping accounts there are used day-books, journal, cash-book, and ledger. In balancing up to show the state of finances at any time it is necessary to classify and bring together various entries from the different books in a re-classification and with various additions and subtractions to deduce an exhibit of the real state of the business reference is made to several books, and in the general balance results the balance of the several individual accounts, &c., do not appear on the same page of footings, and if a balance at the end of a day were required the same tedious process must be gone through with. My invention is principally designed to obviate this difficulty by such an arrangement of the entries as to present a complete history of any transaction at once and make it possible to see at a glance the state of any department of the business—that is, the same entries that serve to keep the daily record of the business also serve, without being copied in another book, to produce a balance under each general head and also to provide a convenient check against errors. In other words, the process of checking and footing up for balances is carried along incidentally with the daily entries in the regular course of business.

In order to clearly set forth the invention, I will describe it as particularly applied to the business of a laundry.

I refer to the accompanying drawings, in which—

Figure I shows the columnar arrangement of a daily register, the double-page sheet being severed at the middle and the left-hand portion above. Fig. II represents a sheet of the weekly-balance ledger. Fig. III shows the double-page sheet of the cash-journal and abstract, the sheet being severed and the left-hand portion above. Fig. IV shows the collection-record.

From day to day the ordinary entries are made in the register as indicated, the left-hand page showing all particulars of work received and the right-hand page showing all particulars as to the disposition of the work. The name, entered at *a*, has set against it on the left the amount charged the customer and the net amount to be earned by the laundry. Three possible dispositions of the bundle received are provided for on the right of the name. If work is paid for when delivered, it is entered at *c*, which will show the date of paying as well as of delivery. If charged on account, as of a regular customer, the amount set in column *b* shows the date of charge and delivery, while the reference to the ledger account of the customer is entered at the left of column *b*. If the work is delivered and neither paid in the week nor carried on regular account, it is entered at *d* and carried over to the balance-ledger, Fig. II, where when paid it enters columns *h*. If account be opened with the customer-columns, *g* shows this with date, &c., reference to ledger being entered at *f'*. If carried over without disposition to another week, the entry is made at *i*.

The collection-record, Fig. IV, is primarily to show the collections made from day to day on the charged accounts in the order in which made and showing the entries to be made in an individual ledger for regular customers. The names being entered under the heading "From whom" in the order of payments made, the sum of these payments for each driver's route and for each collector's route and also for the accounts paid in the office are extended into column marked "Account collections" for entry in the ledger and also summed up for the day for posting in the cash-journal. A column marked "Delivery collections" is also provided for the lump sum of the collection by each collector

made on delivering goods or by the office during the day. The summation of these columns for each day enters the cash-journal, and the footing of the "Delivery-collections" column checks the corresponding column in *c* of the register. The entries made in the register show the cash deliveries and charge deliveries set down in the order in which the bundles came to the office. Now the collection-record serves the purpose of checking these two columns and at the same time exhibits all moneys that came to the office in the order in which they came and also shows by whom turned in. Thus the different drivers, for instance, set down in the delivery-collection column in a lump sum the amounts taken on delivery of the goods during the day, and in the collection-column appears by items in regular order the cash collected on account of the names that appear in the ledger. In the same way whatever is collected at the office or by a special collector is entered. It will be seen, then, that the grand total of the "Delivery-collections" column will check up the column for that day in the cash deliveries at *c* in the register. The entries in this book are also transferred directly to an individual ledger, which will be shown by entry of the page in the "Ledger-folio" column. At the same time any rebates, &c., to be credited are carried over into the ledger.

The cash-journal and abstract provides for a complete showing of the effect of any transaction on the firm's accounts on the same line with a history of the transaction. Thus the amounts from the collection-record and the two delivery-columns of the balance-ledger are entered on the left page and credit goes to the customer's column or the earnings-column, showing the manner of taking in the revenue, while entry to the debit side at the same time shows the disposition in the accounts made of the sums taken in or earned. So, again, entry on the disbursement side of the book, as the entry "Coal," shows to whom, for what, when, and how the firm has become indebted, and on the same line appears in full the effect of the transaction on the firm's various accounts. Suppose this bill paid the following day. Then the second entry in *m* shows the debit to the creditor's account, while the credit portion of the page shows how paid and the effect on the bank or cash account. The correlative entries being brought together on the two pages in this way affords ready means for showing the exact state of business at any moment.

It is customary to provide in records of this sort different headings, as "Cash," "Mdse.," "Acct.," "Reed.," "Pd.," "Expense," "Bank," &c., and under each a subheading of "Debit" and "Credit;" but I collate the debits and credits together, as shown, so that the accounts credit and accounts debit are shown for all receipts together and for all expenditures together, as will be plain to those skilled in the art. The difference between the sum-

mations of the creditor's columns *m''* and *n'''* in this book will show the net liabilities. Also on the other side of the book the difference between the summations of the two customers' columns *l* and *k''* will show the revenue to be expected, and when the final summation is made from the individual ledgers it will be checked by this result. It will be seen, then, that this arrangement of entries therefore serves to show the total amount of expense of the firm and also the total of revenue to be expected and cash assets set opposite to each other at all times, together with the total earnings to date. Thus an immediate abstract of the total to date may be at once deduced. Since the sum of all the columns among the debits must equal the sum of all the credits on each side of the cash-journal, this furnishes a complete check on all transactions, and it will be observed that whenever an entry is made relating to revenue or to expenditure that the same is entered on the same line on the credit side and on the debit side. The agreement of the footings after adding cash on hand show not only that these columns contain all the cash transactions, but since opposite to each of these entries is placed the same sum to show, respectively, the source of the income and of the liabilities, balancing the credit and debit side of the page will prove that each of these entries has been properly entered. Discrepancies, then, are readily traced immediately to the source of error. The cash deliveries entered on the revenue side of the cash-journal are taken day by day from the footing of the delivery-collection column in the collection-record, and this sum is checked by a grand total each day of the columns *c* in the register and also the columns *h* of the weekly-balance ledger, this last-named book being but a continuation of the record on the register.

An additional advantage of the form of cash-journal I have presented is found in the arrangement for cash entries. Thus when a deposit in bank is made the sum is subtracted from the sum of the "Drawer" column and also entered under "Bank." The remainder is carried on as cash in the drawer, and so it is plain that the amount in this column, less the sum of cash-drawer credits, will show the net amount on hand, and at the same time the entries show in regular order the dealings with the bank, without destroying the full totals under "Cash," so that throughout the year the grand total of receipts and disbursements is carried along in order. Each page of the cash-journal furnishes directly an exhibit at all times of the state of finances, for whenever an entry shows a debit to expense or cash, for example, it also shows on the same line the correlative credit to be given to any of the other accounts, so that the net effect that would fall upon a final balance appears at once. The footings of all the columns clearly will give a complete abstract of the business without referring to other books.

The cash-journal provides for all entries that might be required, and it is evident that it is as applicable to any other form of business as that which I have described as pertaining to a laundry.

Having thus described my invention, I desire to secure by Letters Patent the following and I claim—

1. In an accounting system the combination with a register having ruled and properly-headed columns for entry of items of work undertaken for each customer, and a set of columns subheaded one for each day in the week showing date of payments on delivery of the work, of a supplementary book having a similar set of columns showing charges on delivery of work to the same parties, a collection-record showing when such charges are paid, and a cash-journal for entry of said payments.

2. The combination with a daily cash-journal having a central column for entry of items and on opposite sides thereof, "Cash-debit" and "Customers' credit," columns respectively so headed, of a register of daily orders containing entry-columns for detailed lists and price and sets of vertical columns respectively headed for entry of amounts of charge deliveries and cash deliveries of goods, each set containing one column headed for each day in the week, so that the entries may be summed up to give a total for each day for entry in the said cash-journal.

3. A cash-journal and abstract having a page with wide medial column for entering names and properly-headed ruled columns showing the correlative entries, in both the debit and credit aspects, of all revenues placed

on opposite sides of the medial column, and side by side therewith an opposing page similarly ruled and headed to exhibit both the debit and credit aspects of all liabilities incurred, whereby an immediate balance of finances at any time is provided for in one book by simple summation of the columns.

4. A cash-journal and abstract in which is provided on one page ruled columns properly headed for entry of the correlative accounts credit and accounts debit under the general head of revenues, and in juxtaposition therewith an opposing page having ruled columns properly headed to show the correlative accounts credit and accounts debit under a general head indicating expenditures, combined with a daily register and a ledger each having sets of columns headed one for each day of the week respectively under the general heads of charge deliveries and cash deliveries, so that the sums of the payment-columns therein may be gotten directly for each day, for entry in the said cash-journal.

5. The combination with a daily register, of a customer's weekly-balance ledger having respectively headed columns for customer's name, for amount owed, sets of columns for charge deliveries of goods and for cash deliveries of goods, each of these latter sets of columns being headed one for each day in the week, so that the sums of all payments may be directly made up for each day of the week.

In testimony whereof I have hereunto set my name in the presence of two witnesses.

E. R. EDWARDS.

Witnesses:

RUSSELL D. WILSON,  
CHAS. H. URBAN.