	Account Name				
	DR CR	Account #		DR	CR
1	Cash	1010		500,000	
	Current Portion of Long Term Debt		2150		92,000
	Notes Payable - Long Term Debt		2710		408,000

The dealer is planning some capital improvements in the service department.
Start of the month, take out a 5 year working capital loan for $500,000 (DR) increases cash.
The next 12 payments (the current portion of the loan) total $92,000(CR).
The 48 payments ($408,000 CR) after that are considered long term (months 13 to 60)
Cash goes up, current and long-term loans go up.

				DR	CR
2	Cash	1010		2,000	
	Contracts in Transit	1110		1,500	
	A/R Incentives	1220		0	
	Sales - New Vehicle		4010		33,500
	Cost of Sales - New Vehicle	5010		32,100	
	Inventory - New Vehicle		1310		32,100

You sell a new vehicle for $33,500 (CR). The customer puts $2,000 (DR) cash down and applys $1,500 (DR) factory incentive to the deal. The balance, $30,000 (DR) is financed through the F&I Office. The vehicle cost is $32,100 (DR & CR)
Note: Two parts to the transaction; revenue recognition and inventory reduction.
Revenue: Cash goes up (down payment), CIT goes up, A/R Receivable goes up, revenue goes up
Inventory: Cost of sale goes up, inventory goes down.
The gross profit on the deal is the sale price less the cost of sale (inventory cost).

				DR	CR
3	Cash	1010		30,000	
	Contracts in Transit		1110		30,000
	Notes Payable - New (Floorplan)	2130		32,100	
	Cash		1010		32,100

Three days later the deal is funded and you receive the $30,000 (DR & CR) in your checking account due on the CIT.
You immediately pay the floorplan amount of $32,100 (DR & CR) on that vehicle to remain in Trust
Cash goes up, CIT goes down, Floorplan goes down, Cash goes down.

				DR	CR
4	Cash	1010		20,000	
	Other Income		8000		20,000

The dealer receives $20,000 (DR & CR) from their OEM. This is an incentive tied to their overall facility compliance standard. The dealer elects to recognize this payment "below the line" in other income as it does not directly tie to a specific department.

Cash goes up, other income goes up.

5	Notes Payable - Long Term Debt	2710		7,541	
	Other Interest Expense	7030		1,667	
	Cash		1010		9,208

At the end of the month it is time to make the first loan payment on the working capital loan. The payment amounts are $7,541 (DR) principal, $1,667 (DR) interest. Total cash out the door is $9,208 (CR). Notice you reduced the long term debt, not the current portion. That is because until you have less than 12 future payments there will always be 12 months in the current portion.
Notes Payable goes down, Interest Expense goes up, Cash goes down.

6	Computer Equipment	1510		15,000	
	Accounts Payable - Trade		2110		15,000

The service department purchases 10 iPads for technicians to use and communicate with customers. These assets will be capitilized (not immediately expensed). The invoice will be paid 30 days after delivery. Total expenditure is $15,000 (DR & CR).
Fixed Assets go up, Accounts Payable goes up.

7	Cash	1010		8,500	
	Accounts Receivable - Parts, Service, Body Shop		1210		8,500

Jake's Body Shop pays invoice #1235 due for parts purchased last month.
The total is $8,500 (DR & CR). Cash goes up, A/R goes down.

8	Payroll Expense	6010		15,000	
	Floorplan Interest Expense	6210		1,000	
	Advertising Expense	6220		9,000	
	Rent Expense	7020		6,000	
	Cash		1010		31,000

For illustration purposes, all these expenses happen on the same day, cash is leaving the building for varios reasons. Payroll $15,000 (DR), Floorplan Interest $1,000 (DR) Advertising $9,000 (DR) and Rent $6,000 (DR). Total checks written $31,000 (CR)
All Expenses go up, Cash goes down.

681,408	711,408