

If the debits do not equal the credits on the Trial Balance, items should be checked in the following sequence to find the error in the accounting records.

1. If you are off by 3 (.03, 3.00, 33.00, etc.) and you are using a ten-key calculator by touch (not looking at the keyboard), it is probably a calculator error, so you should check all of your addition and subtraction.
2. If you are not off by 3, analyze the error in the trial balance to determine its characteristics.
  - a. Determine the amount that the Trial Balance is off; the difference between the total of the debits and the total of the credits.
  - b. Determine if the difference is divisible by two. A \$20 difference could represent a \$10 entry with both sides posted as debits or as credits (instead of one debit and one credit.)
  - c. Determine if the difference is divisible by nine. If the answer is a whole number (\$27 difference divided by 9 equal 3), the error could be a transposition of figures (recording the amount \$547 as \$574). This is one of the more difficult errors to find, so extra care must be exercised in checking for it.
3. Next spend a few minutes looking for the specific error. Quickly glance over all of your work, looking for a single figure of the exact difference and half of the difference. (Refer 2a and 2b above.) If you find either of these amounts, trace the postings to determine if you handled the entry correctly or not. Correct the entry if it was an error or continue to look for the mistake if that entry was handled properly. If the entry was corrected always prepare a new Trial Balance to verify that the books are now in balance.
4. The final step is to check all work thoroughly from the beginning (your initial analysis and recording of the transaction) to the bitter end (your trial balance). Go over each step in the accounting cycle very systematically. Be sure that you don't skip around and consequently miss something.
5. If you still can't find the error, work on something else for awhile, then come back to this problem after lunch or even the following morning. The mistake may be easier to find after a break, when it can be looked at with a fresh approach.
6. If it is possible, exchange work with someone else in the office and have them look for the error. It is generally much more difficult for the person who made the error, to find the mistake.
7. Get to know yourself. Bookkeepers and accountants have the tendency to make the same type of error over a given period of time. Attempt to determine what kind of error you make and remember that the type of error you make changes from time to time.