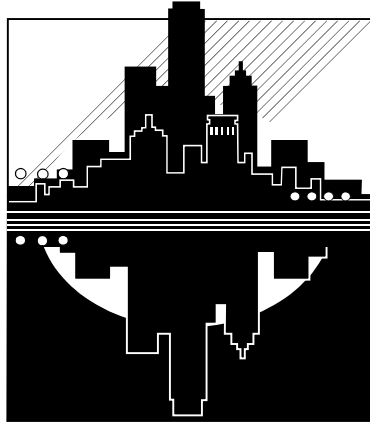
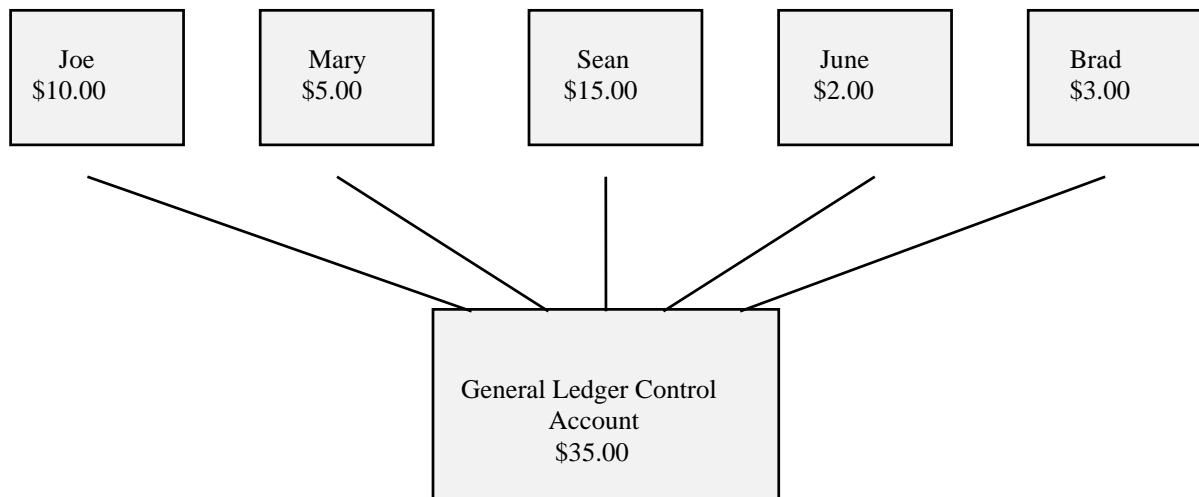


Subsidiary Ledgers



A subsidiary ledger is a book of accounts that provides *supporting details* on individual balances, the total of which appears in a general ledger controlling account. **A subsidiary ledger is NOT a part of the general ledger.** Subsidiary ledgers are maintained so that we may know how much a customer owes us or how much we owe a vendor.



At the end of each period, a list is prepared of each customer's (vendor's) name and balance. The total of the individual balances must equal Accounts Receivable (Accounts Payable) in the general ledger. This process is known as *balancing the ledgers*, or *proving the ledgers*.

Subsidiary ledgers give a complete history for each customer (vendor).