

How Do You Balance my Credit Cards When they are included as part of my Accounts Payable?

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These are instructions for balancing credit cards through ProfitMaker using the Checkwriting module when the balance of the credit card is included in the Accounts Payable general ledger. This is meant to explain how to reconcile the credit card statement, not issue a payment to the credit card. If you are paying off your credit card in full and do not need to carry a balance, you can reconcile when you write the check and do not have to follow these steps.

To prepare to balance your credit cards.

1. Make sure you have a separate Vendor Master to track the activity of each credit card. The activity will sit on this vendor under the Accounts Payable general ledger . The running balance of your credit card will also be held here.

Note: You may want to add the finance charge account to the G/L Purch Tab to make it easier in vouching.

What to do when the credit card statement comes in.

1. Make a copy of your credit card statement. That way if you need to go back and look at it again, you do not need to look through the copy that is marked up.
2. When the statement comes in, go into checkwriting, look up and select the vendor number for the credit card. Make sure you are selecting computer check.
3. The Balance of credit card as of the last statement is located on invoice "ENDBALANCE". Payments since the last credit card statement should have been entered as advances. Activity that should still clear your credit card statement will also be listed as separate invoices.

Note: *If this is the first time you are reconciling in this manner, you may need to do some adjusting to get your vendor to a good starting point.*

4. Mark off each charge on the credit card statement as you click the red circle next to the corresponding charge under the vendor in the checkwriting module of ProfitMaker.

5. Any charges not already recorded in ProfitMaker under the credit card vendor will need to be entered, either as an advance paid with credit card, or vouched to the credit card. This may require that you back out of checkwriting to record the advance and then go back in. If so, make sure you account for all the missing transactions so when you back out, you only have to do it once.

6. Once all the charges are recorded, the amount showing in "This check" on the checkwriting screen will match the "charges" on the credit card statement. Your finance charges may be included on your statement under charges or they may be listed separately. You may have to add the two totals together to get the total charges.

7. Next, click on the red circle representing any payments made on the credit card since the last statement. You will need to record payments as an advance against the credit card vendor and not applied to individual invoices. This way they will show under the credit card vendor when you are ready to reconcile.

8. The amount showing under "This Check" represents the net of all transactions on the credit card statement you are reconciling. This is the amount that needs to be adjusted to the "ENDBALANCE" invoice so that it will reflect the invoice will reflect the new ending balance.

9. Double -click on the "ENDBALANCE" invoice . This will allow us to edit the ending balance to reflect the current ending balance. In the amount paid enter the correct amount to offset or cancel out the amount showing in "This check". If your ending balance has increased since last month, "Amt paid" will be a negative number. If your ending balance has decreased, it will be a positive number. Then select "OK".

10. "This check" amount should go to zero. This will move all the transactions for the month you are reconciling to the "ENDBALANCE" invoice that holds your credit card balance. It will also leave any transactions that have not cleared your credit card statement yet under the vendor. Click "OK" to get out of the screen and then finish the checkwriting run. It will not ask you for a check number, but it will prompt you to print a journal.

11. After the checkwriting run has posted, the vouching will update the "ENDBALANCE" invoice to show the correct ending balance of the credit

card.