

What is the Best Way to Avoid Some Stress at Month End?

Tammy Mason - 2017-09-15 - in Customer

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The key to a successful month-end closing is to always balance your key G/L Accounts to the corresponding accounting reports daily and weekly. There are many reports listed in the EOM Procedures Section of the Balancing Guide that may be run prior to month-end. This will speed up the actual month-end closing.

Functions and Reports that may be run prior to Month-End Closing

The following functions and reports may be run anytime during the month. ASICS recommends running these between the 25th and the end of the month to help expedite your month-end closing procedures. Be sure to run the reports on the same date each month so the time period the reports cover is the same. If you prefer to run these reports prior to closing Accounts Receivable/Accounts Payable be sure to omit them from the Month-End Check List.

- **Apply Finance Charges:** If you charge a finance charge.
- **Print Customer Statements:** If you send out statements. If you charge finance charges, you **MUST** send out statements.
- **Print Customer & Vendor History :** ASICS recommends you keep at least 3 years of history on the computer. Print only the history you are deleting. You may print and delete history either monthly, quarterly, semi annually or annually. This is based on how many printouts you want for reference (12, 4, 2 or 1) and upon the size of your hard drive. When you print and delete history, always make the cutoff date an end of the month date.

Daily/Weekly Balancing Prior to Month-End Closing

Daily and Weekly Balancing assures that when you are ready to close the month, everything is in balance and ready to be closed. Always resolve an Out of Balance situation as soon as possible. This maintains a balanced system and the Support Staff will have more time to assist you when it is not the end of the month. If you cannot do this immediately, make sure the Out

of Balance amount is the same each day. If it is not, you have an additional problem.

The following should be balanced:

- Daily System Checks & Balances Reports (each section) to its related Accounting Report and G/L Accounts.
- A/R Sales Tax Summary Report to G/L Accounts.
- Billed Orders Report to G/L Accounts.
- G/L Financial Statements comparing Profit & Loss Statement to the Balance Sheet and both to the Trial Balance.

Daily Balancing includes:

- Use the Daily System Checks & Balances Report each day to verify that A/R, A/P, Commission and G/L are in balance. The report should print "Good Job - Balanced" on each total.
- To balance the Cash Account daily, compare the cash balance from the previous day to today's balance. The difference should be verified using the G/L Detail Report entries for G/L # 100, Cash Account, matching the Cash Receipts Journal, Checkwriting Journal, Void Check Journal plus any Journal Entries.

Weekly Balancing includes:

1. Balance the System Checks & Balances Report to the individual G/L Accounts (Cash to G/L #100; A/R to G/L #116, #124 and #244; A/P to G/L #204 and #132; Commissions to G/L #140, #149, and #212). Also balance the A/R and A/P totals to their corresponding subsidiary ledgers (Open Invoice Reports).

To Balance the G/L, the computer compares the total debits to the total credits. Use the Trial Balance Report for this comparison. The Trial Balance - Balance Sheet should have the same total as the Trial Balance

- Profit & Loss Statement. One will have a positive total and the other will have a negative total. Debits and Credits are also totaled at the end of the report and should also balance.

2. Balance the A/R Sales Tax Detail Report to the G/L Accounts Sales (G/L #300 & #301) and Sales Tax Payable (G/L #228) taking into consideration the use of multiple sales tax codes in Customer Masters. Tax Code Adjustments will affect this report. If you do not balance to the G/L Accounts, a tax code adjustment was made incorrectly or a journal entry could have been made. To verify this, use the Tax Code Adjustment Section at the bottom of your Cash Receipts Journals and Tax Code Adjustment Reports. Also, check G/L Detail for these accounts.

3. Balance the Billed Orders Report to the G/L Sales Accounts (G/L #300 & #301). Total sales on this report should match the total sales figure on the

A/R Sales Tax Detail Report if there have been no Tax Code Adjustments. Tax Code Adjustments made in Cash Receipts or in Tax Code Adjustments will not be reflected on the Billed Orders Report but will affect the A/R Sales Tax Detail and Summary Reports.

4. Balance Commission to Commission G/L Accounts based on your commission type(s) as follows:

Paid on Booked

- G/L #140, Prepaid Commission, balances to the Unbilled Orders Slspn Pd on Booked Report.
- G/L #149, Clearing Commission, balances to the Salesperson's Open Commission-Booked Commission Report.

Paid on Billed

- G/L #212, Accrued Commission Payable, balances to the Salesperson Open Commission - Billed Commission Report.

Paid on Paid

- G/L #212, Accrued Commission Payable, balances to the Salesperson Open Commission - Paid on Paid Commission Report.
- G/L #215, Accrued Commission Reserve, (Optional account no longer recommended by ASICS) balances to two reports: (1) The Salesperson Open Commission-Paid on Paid Commission Report, using the paid in partial and unpaid subtotals (2) The Slsp Pd on Pd-Billed-Not Pd By Cust Report.

If you use both Paid on Paid and Paid on Billed Commission Types, the G/L #212, Accrued Commission Payable, will include both commission types. The Paid on Paid and Paid on Billed sections of the Salesperson Open Commission Report will need to be added together to balance to this G/L Account.

5. Balance the Current YTD Profit from the Stockholders Equity section of the Balance Sheet to the YTD Total Operating Profit on the Profit & Loss Statement. If they do not balance, run a Trial Balance. Each account on the Trial Balance should appear only once on the Balance Sheet or the Profit & Loss Statement. Assets (100's), Liabilities (200's) and Owner's Equity (upper 200's) Accounts should be on the Balance Sheet. Sales (300's), Cost of Sales (400's), Miscellaneous Income and Expense (500's & 600's), Selling Expense (700's & 800's) and Operating Expense (900's) Accounts should be on the Profit & Loss Statement.

6. The Booked Orders Report should be reviewed for accuracy only. Because of differences in the way the system updates certain transactions (SH, G/L, and NOPRINT Line Items, Credit Memos, and Bill Onlys), this may not balance to the Booked/Billed Orders Comparison Report.