

CLOSE MONTH & YEAR



Month Close Process - General Ledger

Overview

Closing a period (calendar month or other fiscal period) in any Data Plus application involves following a series of required and optional steps. This document will take you through four standard tasks done at the end of a period:

- Final Transaction Posting
- Report Printing
- Reconciling Subsidiary Applications with General Ledger
- Running the “Close Month” Task

Final Postings

Closing a month in Data Plus does not mean that additional transactions cannot be reflected in the month closed. Posting into any period, past (closed), current or future is allowed. Therefore, if a transaction is missed until after the month close, or if adjusting entries need to be made into prior periods, the system will allow these entries.

However, before closing the month you will want to post all known transactions including any open batches with entries in the current or prior periods. Any empty batches must be deleted. Any batches with a future post month/year can be left unposted. You will also need to run any required or desired processes (such as ‘**Recurring Payments**’, ‘**Transfer To/From**’, etc.).

NOTE: The DPHS system will not allow the “Close Month” process to complete if there are unposted transactions in the current or prior periods.

Report Printing

Users can continue entry in the application being closed. However, once all transactions in the month being closed have been entered, users need to change the “Post Month/Year” field in the batch header to a future month.

After posting all current and prior period batches, print any required and desired reports. To see which reports are required and which have been printed, select ‘Monthly Processing’ - ‘Monthly Status’. All reports with “Required? = Yes”, need to have: “Printed = Yes” in order to close the month. Each time a report is printed the flag is set to “Yes”.

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Each time additional batches are posted that would affect these reports, the flag is reset to “No”, indicating the report needs to be reprinted to reflect the additional data.

Update		Monthly Status	
Fiscal Period	09	Calendar Period	9
Fiscal Year	2002	Calendar Year	2002
Starting Month of Fiscal Year 01			
EOM Reports	Required?	Printed?	
-----	-----	-----	
Trial Balance Report	no	yes	
General Ledger Report	no	yes	
Future Postings Report	no	yes	
Allocation Journal	no	no	
Unit General Ledger	no	yes	
Recurring Entries Generated? no			
<input type="button" value="Close Window"/>			

In General Ledger, in addition to the system reports, financial statements are usually printed at this time.

Note: The DPHS system will not allow the “**Close Month**” process to complete if there are unprinted required reports. If transactions are posted into the current or prior periods after reports have been printed, required reports need to be reprinted in order to close the month. You will receive a notification from the system if you do have required reports that have not yet been printed.

Reconciling with General Ledger

If subsidiary applications are interfaced to General Ledger, verifying the balance between the two applications is usually done through comparing account balances of the ‘Liability’ (A/P) and ‘Receivable’ (A/R) accounts.

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Accounts Payable / General Ledger

The balance of the General Ledger Liability Account for Accounts Payable can be found on the 'Trial Balance Report', and the 'General Ledger Report' through 'Inquiry', in 'Account Activity'. Compare the cumulative balance to the Accounts Payable system's 'Liability Audit Report' for the same account.

Another A/P report that can be used for comparison is the '**Ageing Report**'. This report should equal the account balance in '**General Ledger**' plus any postings in the futures file. (Ageing = G/L cumulative balance + future postings.) Future posting can be found by running the '**Future Postings Report**' under '**Monthly Reports**' in General Ledger.

Differences between the two applications may have been caused by transactions with the "Post Liability" flag set to "No", or by Journal Entries made directly to the Accounts Payable account in General Ledger and not reflected in the Accounts Payable application.

Post Liability Flag

When Accounts Payable is interfaced to General Ledger, all transactions usually update the General Ledger accounts as soon as they are posted. However, users can change the "**Post Liability**" (PL) flag to "**No**" on Invoices, Credit Memos, TA Commissions and Adjustment entries. Any transactions with a "**Post Liability**" flag set to "**No**" reflects in Accounts Payable, but not in the General Ledger.

Transactions with the "**Post Liability**" flag set to "**No**" can be isolated by running the '**Transaction Register**' Report. This report is run from **Accounts Payable**, '**Monthly Report**', '**Transaction Register**'. You can choose '**Select**' which will display the option to '**Post Liability to G/L ?**'. To isolate the A/P transactions which did not update into the General Ledger, set the '**Post Liability to G/L = NO**', and choose the post month and year you are reconciling. Only those transactions that were entered with the "Post Liability" flag set to "No" will print.

G/L Journal Entries

If differences between the two applications aren't accounted for by A/P transactions, which have not posted to G/L, the difference may be Journal Entries made in G/L. To isolate these entries, run the '**Journal Code Report**', or look at the '**Account Activity**' for this account. Entries with journal codes beginning with "**AP**" (APIV, APCD, etc.) are those sent by the Accounts Payable application. Journal Codes beginning otherwise, are entries made directly to the account though '**General Ledger**' -' **Journal Entries**'.

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Accounts Receivable/ General Ledger

The balance of the General Ledger asset account for Accounts Receivable can be found on the **'Trial Balance' Report**, the **'General Ledger' Report** or through **'Reports and Inquiries' - 'Account Activity'**. Compare the **"cumulative"** balance to the **'Receivable Audit' report**.

Another A/R report that can be used for comparison is the 'Ageing Report'. The total on the 'Ageing Report' should equal the cumulative account balance in General Ledger, plus any postings in the futures file. (A/R Aging = G/L cumulative balance + future postings.) Future posting amounts can be found by running the 'General Ledger' Monthly Report for 'Future Postings'.

If Receivables is interfaced to General Ledger and the account balances don't agree, some A/R transactions may have the 'Post Receivable' flag set to "No" or there may have been G/L Journal Entries posted directly to General Ledger.

Post Receivable Flag

To find A/R transactions with the "Post Receivable" flag set to "No", run the 'Transaction Register' (under Monthly Reports) and enter "No" in response to the question "Post Receivables?" Now enter the month you are reconciling at the Post Month/Year __/__ prompt. The report will print out any transactions with the "Post Receivable" flag set to "No".

G/L Journal Entries

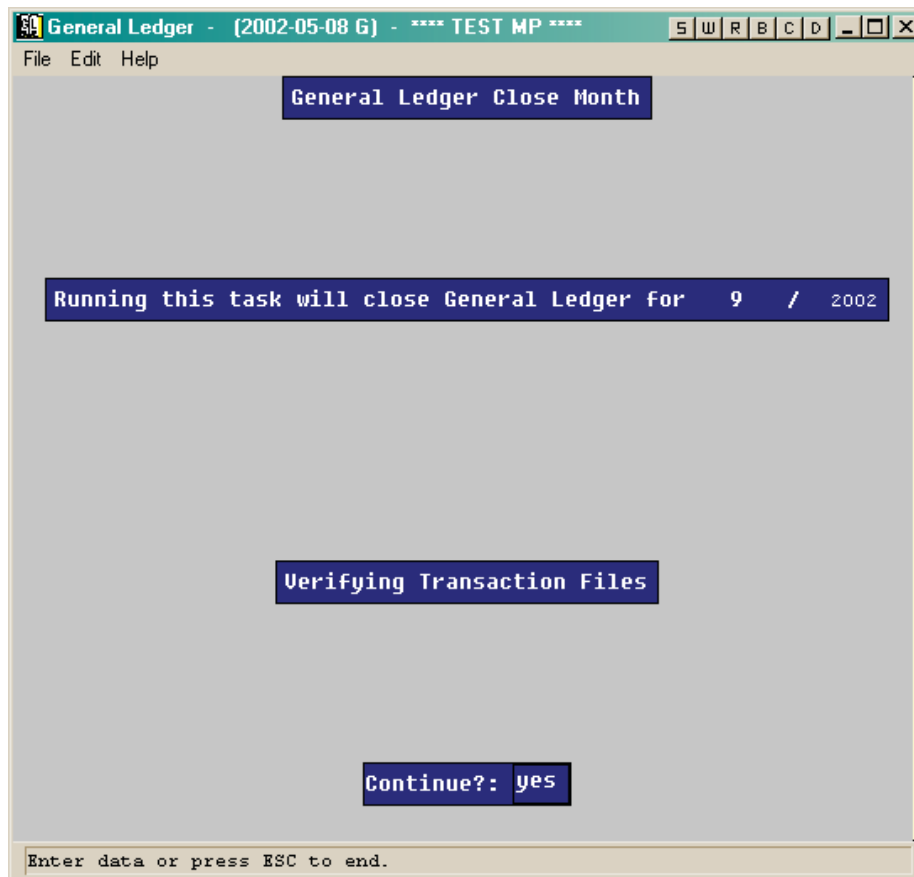
If differences are not accounted for by A/R transactions with "Post Receivable" flag set to "No", they may have been caused by G/L Journal entries made to the Accounts Receivable Account. Any transactions posted through Receivables will have a journal code beginning with "AR". Any journal codes beginning with something else were posted through 'Journal Entries' in General Ledger.

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Running Close

Once the above steps have been successfully completed, the “Close Month” process can begin. Under General Ledger ‘Monthly Processing’, choose ‘Close Month’. The following screen will appear:



Warning messages and/or error messages may appear. All error messages must be responded to before the “Close Month” process can successfully complete. (These normally pertain to unposted transactions or unprinted required reports).

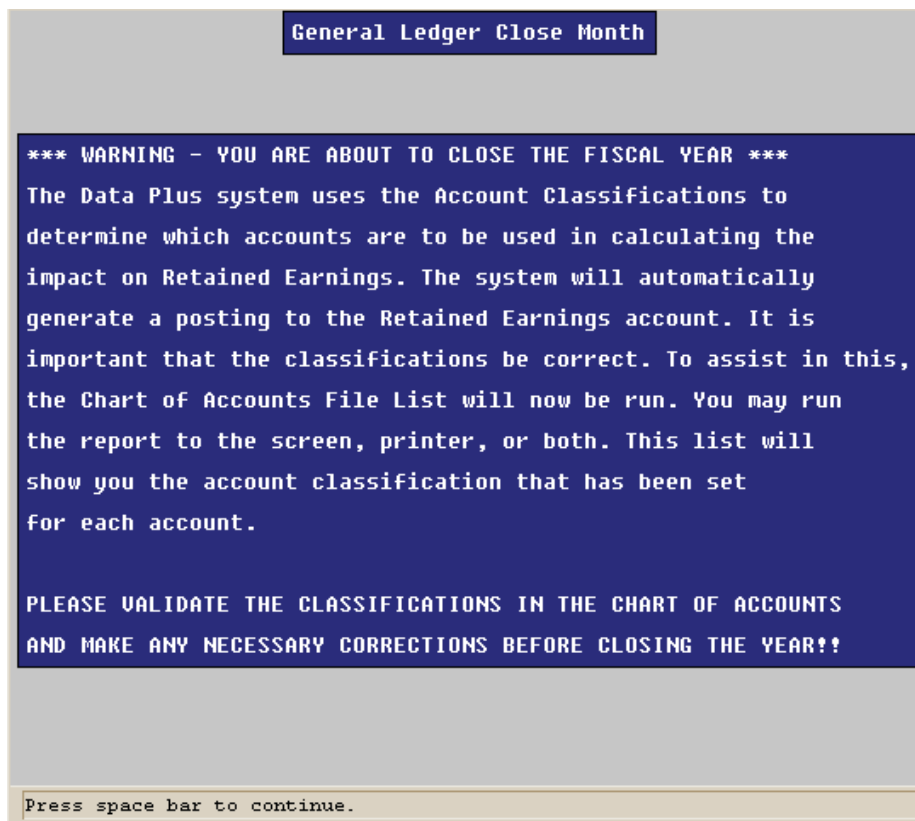
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Close Year

How long the “Close Month” process takes depends on the amount of data, speed of your system, other users in DPHS and various other factors. When the menu re-appears the process has finished. In ‘Monthly Status’, verify that the fiscal period has been incremented by one. If it doesn’t reflect the new month, call Data Plus Support before continuing work in DPHS.

Running the Close Year process requires the same steps as Close Month. The system recognizes the end of your Calendar or Fiscal Year and during the Close Month will zero out accounts that affect Retained Earnings, and move the balance of those accounts to the Retained Earnings account defined in Parameters. When running the Close Month for the last month/period in your calendar/ fiscal year, the system will produce the following screens instead of the normal Close Month screen you usually see.



At Close Year, the system requires that you view your Chart of Accounts File List to verify the Account Classifications are correct. It is imperative that these Classifications are correct as the settings will affect retained earnings. The following page displays a list of valid Account Classifications, and the effect they will have on Retained Earnings.

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Asset (A)	An account classified as 'Asset' will have its balance rolled forward at Close Year, and retained earnings will not be affected.
Balance Sheet (B)	An account classified as 'Balance Sheet' will have its balance rolled forward at Close Year, and retained earnings will not be affected.
Liability (L)	An account classified as 'Liability' will have its balance rolled forward at Close Year, and retained earnings will not be affected.
Expense (E)	An account classified as 'Expense' will have its balance zeroed out at Close Year, and the balance will be transferred to the Retained Earnings account.
Profit / Loss (P)	An account classified as 'Profit / Loss' will have its balance zeroed out at Close Year, and the balance will be transferred to the Retained Earnings account.
Revenue (R)	An account classified as 'Revenue' will have its balance zeroed out at Close Year, and the balance will be transferred to the Retained Earnings account.
Statistic (S)	An account classified as 'Statistic' will have its balance zeroed out at Close Year, but Retained Earnings will NOT be affected.

Once you have read the Warning message, press F2 to continue. The following screen will appear for you to run your Chart of Accounts list to the screen, to the printer, or both. Once you have made your selections press Run to continue.

Chart of Accounts List

Output To: c:/gchartoa.lst

Print to Screen

Print to Printer (Foreground)

Delete After Print

Run Exit Sort Select Control

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Sample Chart of Accounts List

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t1c                               6.3 Test - Single Property DE          gchartoa.lst
09/27/2002 11:01:52 AM          Chart of Accounts List                               1

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Account	A/ I Description	<Sub> MTD YTD	<GL> MTD YTD	DC Alternate Name/ID	Use Tax?	Appl Tax?	S/U/ /N	T y	C l
0000-1010-00	A CASH - First Federal Bank	yes Y	yes Y		yes	no			b
0000-1010-01	A Cash - Bank of England	yes Y	yes Y		no	no			b
0000-1010-05	A test new	yes Y	yes Y		no	no			b
0000-1010-10	A Another Cash Account	yes Y	yes Y		no	no			a
0000-1010-20	A Another Cash Account	yes Y	yes Y		no	no			a
0000-1011-00	A T/A COMM.-Fleet Bank	yes Y	yes Y		no	no			b
0000-1020-00	A PAYROLL - New Ireland Bank	yes Y	yes Y		no	no			b
0000-1030-00	A Receipts Suspense Account	yes Y	yes Y		no	no			b
0000-1230-00	A A/R GUEST RECEIVABLES	yes Y	yes Y		no	no			b
0000-1230-03	A A/R COMM RENTAL - BILLED	yes Y	yes Y		no	no			b
0000-1240-00	A A/R - EMPLOYEES	yes Y	yes Y		no	no			b

The very last column on this list 'CL' is where your Account Classifications are displayed. Changes to the account classifications can be made in G/L, 'File Maintenance', Chart of Accounts'. Once you have printed or viewed the list, the following screen will appear.

General Ledger Close Month

Running this task will close General Ledger for 12 / 2002

This close ends the fiscal year and will make closing entries for accounts with classifications of (R)evenue, (E)xpense, or (P)rofit and Loss

to the Retained Earnings Account Number: 0000290000

PLEASE VALIDATE THE CLASSIFICATIONS IN THE CHART OF ACCOUNTS AND MAKE ANY NECESSARY CORRECTIONS BEFORE CLOSING THE YEAR!!

Continue?:

Once you have determined the accuracy of the Chart of Accounts list, press Yes or No to continue. Selecting NO will bring you back to the main GL screen, where you may proceed to make changes to your Chart of Accounts, if needed. Select YES will run the Close Month process.

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Summary

Month close follows a logical series of steps, which meets the needs and requirements of your company and follows standard accounting procedures. After the first close, most companies experience few software-related problems. Following the above steps, including making backups along the way should make the month close a standard procedure.