

## ACCOUNTING MONTHLY ROUTINE

### **REVENUE**

This process must be completed at the end of each month to produce an accurate monthly income statement and balance sheet.

By entering all **sales orders** using Option 400 you have **automatically** posted your **revenue** for these sales to the General Ledger. Be sure to have all invoices (i.e. shipments) for the month entered by the last day of the month.

### **Cash Receipts – Option 100/101**

Be sure you apply all **payments received** (whether cash, check or charge) directly to the customer's A/R account as you get them. All inbound receipts should be posted before you complete month end.

If you get a payment that does not relate to any customer, post it directly to the General Ledger.

- ➔ Choose 1 Main Menu
- ➔ 100. Accounts Receivable
- ➔ 101. Apply Payments to A/R
- ➔ Select [**G/L Entry**]

Select a GL account that best describes the payment. (Example: a refund from UPS would be posted to freight expense).

**Note:** Use "Prompt" to get a drop-down menu to select the appropriate GL account.

### **Temporary Cash Journal- Option 100/102**

The system gives you the opportunity to check your work before finalizing your month-end process.

- ➔ Select 102. Print Temporary Cash Journal

Review the document to verify accuracy in the format you have pre-determined in your output Que. If everything is correct finalize month-end.

### **Final Cash Journal – Option 100/104**

- ➔ Select 104. Print Final Cash Journal

**Best practice is to print and retain a hard copy of this journal.** However, a copy of the journal is retained and can be found in 116. Reprint Cash Journal.

**Note:** Month end for sales and receivables close automatically at midnight on the last business day of the month.

## **EXPENSES**

Open all payable invoices (bills you receive from vendors) and write the correct GL account code on the invoice. Enter the invoice into the payables system as you get them using **Option 750, 100/102/121**. (Refer to the Accounting – Payables section of this Guide.)

We suggest you pay your bills weekly. Print checks using **Option 132. Pay with Checks/Due Date** in the financial menu (**Option 750, 100/103/132**.) This section will display all invoices ready for payment. Select the items you want to pay and hit enter. If you want to pay all open invoices for this vendor **hit F9, then F3** to go to the next selected vendor. Otherwise, **put a 1 in the Sel column to select a single item.**

You can also make a partial payment on an invoice by selecting the invoice, and typing a dollar amount in the **Partial \$ column**. Repeat this process for all vendors selected. This process insures all expenses get posted to the correct GL account number when you close the month for payables. All open invoices, or expenses, should be entered by the last day of the month.

**Accounts Payable must be closed** by the user using **Option 750, 100/105/171**. Before you close the month, you should print a monthly check register using **Option 184** and balance this report to the registers you created with each check run to be sure you have all payables balanced. **Keep all month end Payables reports with your permanent company records.**

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After your month end processes are complete for both Revenue and Payables (expenses), you should post all GL journal entries using **Option 750, 200/202/222 & 226**. These are entries made by the daily processing of your invoices (revenue) cash receipts, and payables (expenses). Manual journal entries should be entered using **Option 750, 200/221** for payroll entries, any corrections you may have to expenses previously entered, and bank service fees. Run an Edit using **Option 222** first to be sure all entries are in balance, then post the journals using **Option 226**.

Once all journals are posted, you are ready to print your Income statement and Balance sheet using **Option 750, 200/203/239**. The two reports should also balance. Verify the AR balance to your customer aging report in **Option 100/118**. Verify the AP balance to your AP aging report in **Option 750, 100/104/163**, balance the revenue to your sales journal, and balance the cash to your bank statement. Review all expenses for alarming changes from the prior month.

**Note:** Revenue from invoices will post to the calendar month you are in. Expenses will be posted to the posting month and year you select. Year to date balances will accumulate on the Income statement until you run the year end. Once the year end is processed using **Option 750, 200/204/242**, all income statement accounts will be brought to zero and the end of year profit or loss will be posted to retained earnings on the balance sheet. You are ready to start your next year.