

General Ledger

This section will cover information such as how to use minor class, subsidiary and relational codes. Also how to create recurring journals and how to import journals from one ledger to another ledger. Discuss how to reverse journal entries in a closed and open period. Discuss how to close the year.

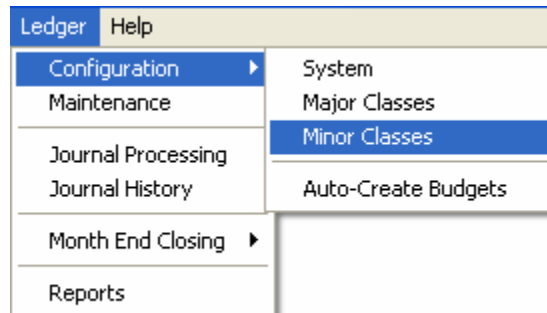
GENERAL LEDGER

This section will cover information outside the everyday normal procedures. It will instruct how to use more advance type General Ledger features enabling you to use the General ledger in *TEAM-DESIGN!* to its fullest capabilities.

Minor Classes

Minor class codes allow you to tie like accounts together for reporting purposes. For example, under CA - current assets you may have GL accounts set up for Operations checking, payroll checking, and petty cash. Placing the same minor class code on each of these accounts will provide the ability to combine these accounts into one entry on the balance sheet for Total Cash.

To create a minor class code, go to **Ledger | Configuration | Minor Classes**.



Click Add new master record.

Configuration

Major Class

Minor Class

Description

Print Detail

The Minor class code will need to be determined. This code is a 2 character (alpha or numeric) that is "user defined" or determined by you. Enter the major class code that should be associated with this minor code.

Click on the Major Class button and choose from the Major Class code listing. Enter a description of the minor class code. This description will print on the financial statement.

Example

If you are setting up a minor code to combine your cash accounts you could title it as Total Cash. A minor class code is unique by the Major Class code it is assigned to. Meaning it will only combine accounts according to the Major Class. Therefore, if there are two minor class codes set up with the code of 01, one is assigned to Current Assets and the other assigned to Fixed Assets, it will not combine amounts for current asset with Fixed Asset accounts if both type of accounts contain the minor code of 01. The "Print Detail" box determines if you want the combined total only to print or a breakdown of the total of each account with a combined total of all.

You have the three cash accounts and their balances. All three accounts have been assigned the minor class code of 01. If you answer "Y" to print detail it will print on the balance sheet as follows:

100.00 – Operations checking	\$ 10,000.00
100.01 – Payroll checking	\$ 9,000.00
100.02 – Petty Cash	\$ 1,000.00
TOTAL CASH	\$ 20,000.00

If you answer "N" to print detail then the balance sheet will resemble:

TOTAL CASH	\$ 20,000.00
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Once the Minor class code is created, it can be attached to an existing GL chart of account number. To do this, go to **Ledger | Maintenance | Highlight account number | Edit | Profile.**

General Ledger #: 100.00 - Cash in Checking - Operations

Description	Balances	Budgets
Description	<input type="text" value="Cash in Checking - Operations"/>	
Subsidiary	<input type="text"/>	
Relational	<input type="text"/>	
Major	<input type="text" value="CA"/>	
Minor	<input type="text" value="05"/>	
Appear On ALL Financials	<input type="text" value="Y"/>	
Corporate Interface ID	<input type="text"/>	

Here the Minor class code can be entered into the "Minor" field for that particular account number. An existing minor class code can be excluded from a GL account number by going to the account profile and simply removing the minor class code.

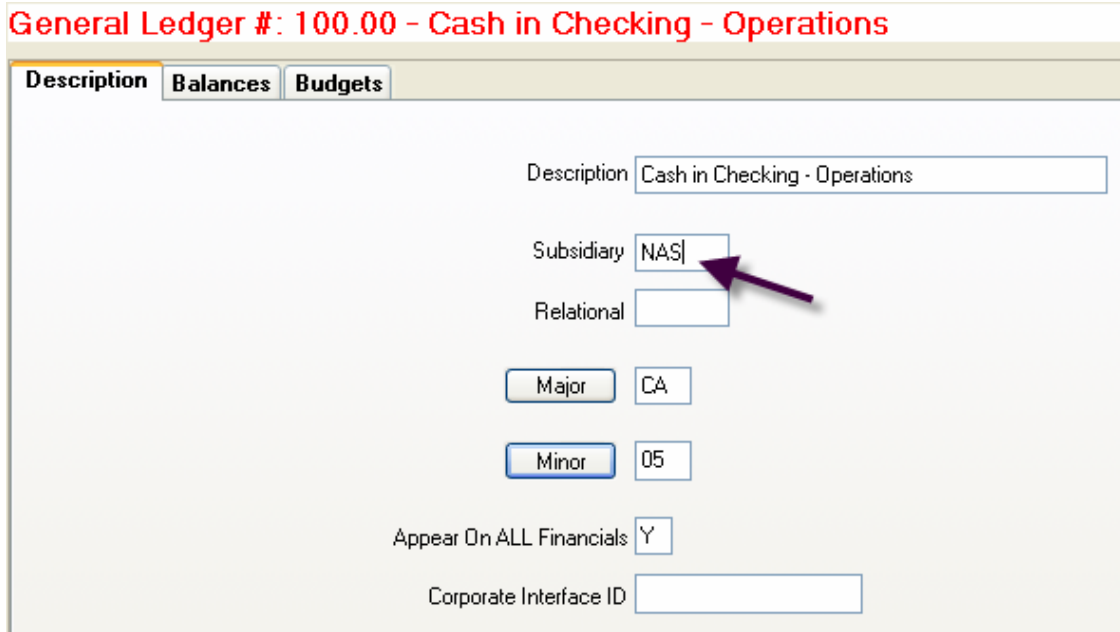
SUBSIDIARY CODES

Subsidiary codes can be used to compare profitability of multiple locations or regions. For instance, if you have two locations that you would like to get a separate financial report for, you can attach a subsidiary code of L1 to only the accounts that affect location #1. When printing the balance sheet or income statement, you can choose to only print accounts with that subsidiary code. At the same time, you can attach subsidiary code L2 to the accounts for location #2. Again you can choose to print the financials for just that location. If you do not specify a subsidiary code when printing the financials it will print all accounts combining both locations into one financial report.

To attach a subsidiary code to an account, go to **LEDGER | MAINTENANCE**. Choose the account number you want to attach the subsidiary code to or you can create a new account if need be.

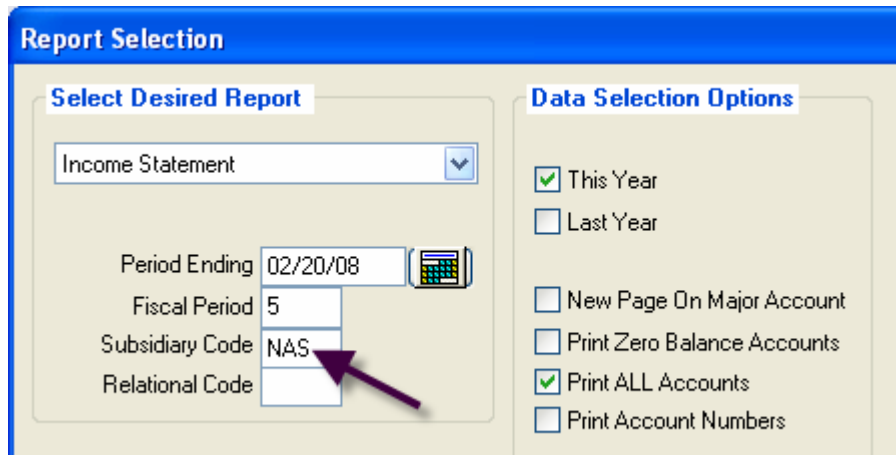
General Ledger #: 100.00 - Cash in Checking - Operations

Description	Balances	Budgets
Description	Cash in Checking - Operations	
Subsidiary	NAS	
Relational		
Major	CA	
Minor	05	
Appear On ALL Financials	Y	
Corporate Interface ID		



Once in the profile of the account, you will insert into the subsidiary field the code you want to use. The subsidiary code is a 2-character code, alpha or numeric, that is “user defined” or determined by you.

To print a financial report for just that subsidiary, go to **LEDGER | REPORTS**. Here you can choose the balance sheet or income statement.



Report Selection

Select Desired Report

Income Statement

Period Ending 02/20/08

Fiscal Period 5

Subsidiary Code NAS

Relational Code

Data Selection Options

This Year

Last Year

New Page On Major Account

Print Zero Balance Accounts

Print ALL Accounts

Print Account Numbers

You will place the subsidiary code into the subsidiary field. When printed, it will only pick up accounts that have that particular subsidiary code attached. If you choose not to print for a particular subsidiary, simply leave the field blank and it will pick up all accounts no matter what subsidiary code is attached.

RELATIONAL CODES

Relational codes work the same way as subsidiary codes. Using relational codes allows you to further breakdown the financial statements by a particular department or by salespeople. You do not have to use a subsidiary code in order for a relational code to work, but they can work along with subsidiary codes. For example, you may want to compare Joe Smith's, who works for location #2, profitability. You can assign a relational code of JS to account numbers for Joe (example: sales, cost, travel, etc). Then an income statement can be printed for just Joe at location #2 by placing the subsidiary code of L2 and relational code of JS into the fields when printing.

To attach a relational code to an account, go to **LEDGER | MAINTENANCE**. Choose the account number you want to attach the relational code to or you can create a new account if need be.

General Ledger #: 430.00 - Sales - Installation

The screenshot shows a web-based form for editing an account profile. At the top, there are three tabs: 'Description' (selected), 'Balances', and 'Budgets'. The form contains the following fields and values:

- Description: Sales - Installation
- Subsidiary: NAS
- Relational: INS (indicated by a purple arrow)
- Major: RV
- Minor: 10
- Appear On ALL Financials: Y
- Corporate Interface ID: (empty field)

Once in the profile of the account, you will insert into the relational field the code you want to use. The relational code is a 2-character code, alpha or numeric, that is "user defined" or determined by you.

To print a financial report for just that Relational code, go to **LEDGER | REPORTS**. Here you can choose the balance sheet or income statement.

The screenshot shows a 'Report Selection' dialog box with two main sections:

- Select Desired Report:** A dropdown menu set to 'Income Statement'. Below it are fields for 'Period Ending' (02/20/08), 'Fiscal Period' (5), 'Subsidiary Code' (empty), and 'Relational Code' (INS, indicated by a purple arrow).
- Data Selection Options:** A list of checkboxes:
 - This Year
 - Last Year
 - New Page On Major Account
 - Print Zero Balance Accounts
 - Print ALL Accounts
 - Print Account Numbers

You will place the Relational code into the Relational field. When printed, it will only print accounts that have that particular Relational code attached. If you choose not to print for a particular Relational code just simply leave the field blank and it will print all accounts no matter what Relational code is attached. Again, Relational codes can work along with Subsidiary codes. To print a Balance Sheet or Income statement for a particular Relational code and Subsidiary code, just simply fill in both fields with the corresponding codes.

JOURNAL PROCESSING

There are several types of journals in *TEAM-DESIGN!*. The following is a listing of some of the more common types of journals and how they originate.

Ledger | Journal Processing:

GENERAL LEDGER JOURNALS

Select Journal Type

<input type="text" value="0"/>	<input type="radio"/> AB - Auto-Balance W-I-P	<input type="text" value="0"/>	<input type="radio"/> GF - General Journals
<input type="text" value="0"/>	<input type="radio"/> AD - Adjustments	<input type="text" value="2"/>	<input type="radio"/> IV - Inventory Adjustments
<input type="text" value="11"/>	<input type="radio"/> AP - Accounts Payable	<input type="text" value="0"/>	<input type="radio"/> PR - Payroll
<input type="text" value="203"/>	<input type="radio"/> AR - Accounts Receivable	<input type="text" value="0"/>	<input type="radio"/> RC - Recurring
<input type="text" value="11"/>	<input type="radio"/> CD - Cash Disbursements		<input type="radio"/> IM - Import A Journal
<input type="text" value="24"/>	<input type="radio"/> CR - Cash Receipts		<input type="radio"/> Import ADP Payroll Journals

AB – Auto Balance journals -- This journal type is created when the Auto-Balance Wip feature is utilized.

AD – Adjustment journals -- This journal type (usually manually created) is the only journal that can be posted to a closed period for this year and last year.

AP – Accounts Payable -- This journal type is created when an accounts payable invoice is entered into the system thru vendor invoices.

AR – Accounts Receivable -- This journal type is created when an accounts receivable invoice is generated in the system thru customer invoices.

CD – Cash Disbursement -- This journal type is created when computer and manual checks are posted in the system.

CR – Cash Receipts -- This journal type is created when customer payments are entered into the system thru customer maintenance. Also this journal will update the check reconciliation screen when posted.

GF – General Journal -- This type of journal is manually created and is used for miscellaneous type journal entries.

IV – Inventory Adjustments -- This type of journal is created when manual inventory adjustments are created in the system.

PR – Payroll -- This type of journal is also manually created and would be used for entering payroll journals. Note: when using this journal for the payroll entries, it does not affect the check reconciliation.


RC – Recurring Journals -- Recurring type journals can be utilized when you have identical journal entries that need to be made every month, like depreciation.

Once journals are posted, the type of journal will be indicated on certain reports. For example, when printing the Trial Balance it will list the journal number, journal type and period it was posted to.

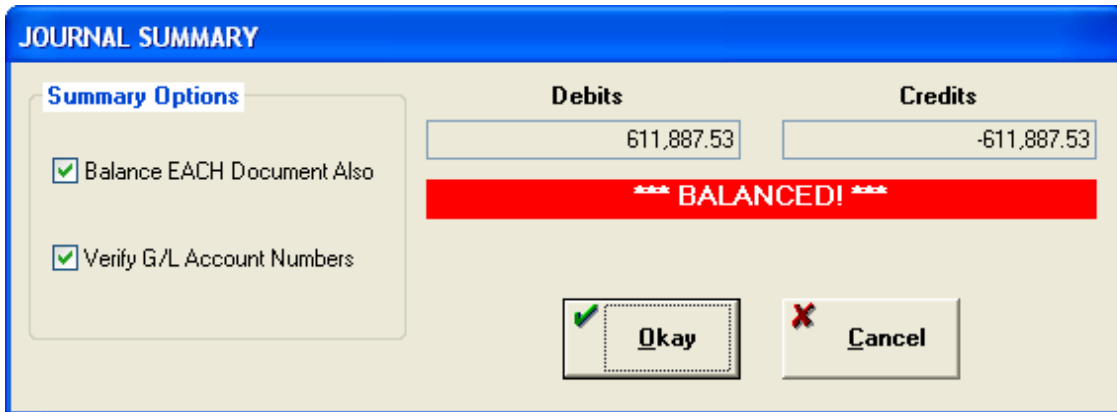
Example:

150001-AP-01, this is journal number 150001, it is an accounts payable type journal, and was posted to period 1.

ON SCREEN BALANCING

You can check to see if a journal is in balance before printing an edit. This enables you to correct errors before printing the edit. To utilize this feature, while in the journal processing screen click the summary  button.

This screen will appear:



Summary Options	Debits	Credits
<input checked="" type="checkbox"/> Balance EACH Document Also	611,887.53	-611,887.53
<input checked="" type="checkbox"/> Verify G/L Account Numbers	*** BALANCED! ***	
	<input type="button" value="Okay"/>	<input type="button" value="Cancel"/>

In the summary options, you will want to leave the “Balance EACH Document Also” and “Verify GL Account Numbers” boxes checked. Click the okay button. It will calculate and summarize all of the debits and credits for the journal. If the debits equal the credits it will indicate it is in balance by placing a red box stating, “***Balanced***”. It will also indicate if the journal is out of balance placing a red box stating “***Out Of Balance***”. If the journal is out of balance, it will stop on the record that is out of balance along with indicating the out of balance amount.

When “Balance each document ” is checked, *TEAM-DESIGN!* will check to see if journals for a particular document number (invoice number, check number, etc. depending on the type of journal) are in balance. If you run the summary with this option checked and it shows out of balance, try running the summary a second time with the “balance each document” unchecked. If it is then in balance, you will need to go back to the journal lines and resort the entries by clicking Tools | Sort by Document. This will place all journal entries with the same document number together. Journals with the same document number should be together in order for *TEAM-DESIGN!* to recognize the journal is in balance. Therefore, if you add a journal entry for a certain document number, that entry will need to fall in line with the other entries for that particular document number. Again, the Tools | Sort by document will do this.

When you select “Verify GL account numbers”, *TEAM-DESIGN!* will check to see if the account numbers used on the journal entries are valid account numbers set up in Ledger | Maintenance. Meaning, if that particular GL account number is set up in *TEAM-DESIGN!*, IT DOES NOT determine if the account number used is the correct account number to be used, only that it is a valid account number. If there is an invalid account number for a journal line, it can be corrected by highlighting the journal line and clicking Edit | Modify. The account number can be changed in this screen.

If a journal line needs to be deleted (it is vary rare that this should happen), highlight the line and click Edit | Delete. A confirmation message will appear to confirm deletion of the selected journal line.

If a grouping of journal lines needs to be deleted, a quicker way to delete the entries would be to highlight the first line to be deleted and select ALT + D. This will delete the selected journal line without having to confirm the deletion. If lines are deleted by mistake, click on File | Undelete All. This will UNDELETE ALL, not just the last entry deleted. Once journal lines are deleted, go to Tools | Renumber. This will renumber the journal lines to execute an accurate number sequence of the existing journal lines.

RECURRING JOURNALS

Recurring type journals can be utilized when you have identical journal entries that need to be made every month, like depreciation. When recurring journals are posted, the journal lines remain in the journal processing enabling you to post again next month without having to create them over again. All information in the journal lines will remain the same. However, they can be modified. You are able to change the amount, the description and even the account numbers to post to as well as easily mass change the date each month.

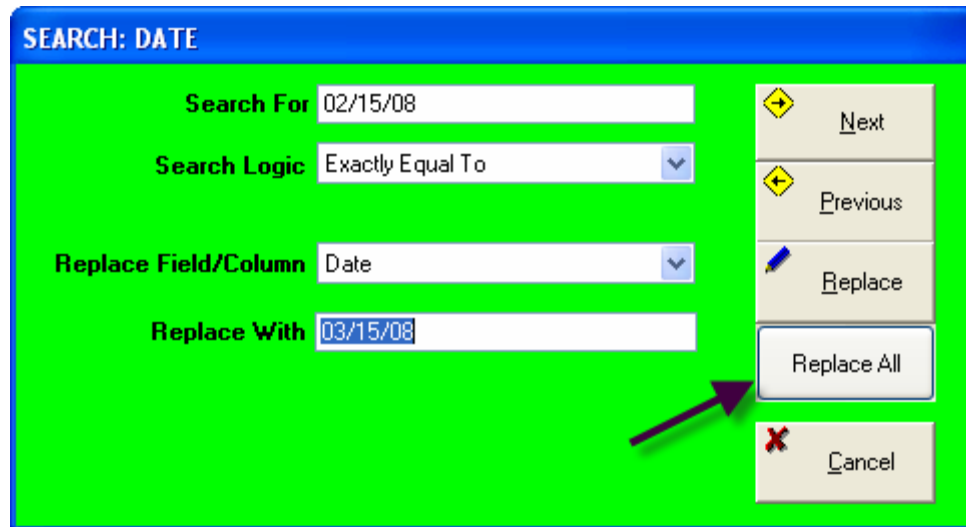
To create a recurring journal, go to Ledger | Journal Processing | select RC- Recurring Journals.

The screenshot shows a dialog box titled "GENERAL LEDGER JOURNALS". Inside, there is a section titled "Select Journal Type" with two columns of options. Each option consists of a text box containing a number and a radio button followed by the journal type name. The "RC - Recurring" option is selected, with a purple arrow pointing to its radio button. At the bottom of the dialog are two buttons: "Okay" with a green checkmark icon and "Cancel" with a red X icon.

Journal Type	Selected
0 AB - Auto-Balance W-I-P	<input type="radio"/>
0 AD - Adjustments	<input type="radio"/>
11 AP - Accounts Payable	<input type="radio"/>
203 AR - Accounts Receivable	<input type="radio"/>
11 CD - Cash Disbursements	<input type="radio"/>
24 CR - Cash Receipts	<input type="radio"/>
0 GF - General Journals	<input type="radio"/>
2 IV - Inventory Adjustments	<input type="radio"/>
0 PR - Payroll	<input type="radio"/>
0 RC - Recurring	<input checked="" type="radio"/>
IM - Import A Journal	<input type="radio"/>
Import ADP Payroll Journals	<input type="radio"/>

Select add new journal. Enter the account number, description, and amount for the journal entry.

Once the journal is posted, the records will remain in the journal processing. The original date of the journal will remain the same, but you have the ability to easily mass change the date before posting again. To change a single entry date, you can double click in the date column or highlight the line and choose edit/modify. A quick and easy way to change dates on multiple journal lines, would be to click the date of the first journal line. This will insert a dotted line around the date box. Next go to Tools | Master search and replace.



Enter the date to "search for" (the existing date that needs to be changed). The date must be entered exactly as shown on the screen, (example: correct entry would be 06/01/02, not 6-1-02). Change the search logic by hitting the drop down box and choosing exactly equal to. In the "replace field/column" make sure it has "date". In the "Replace with" enter the date you want to change it to. Again the date must be entered in the correct format (07/01/02). Click "Replace All". It will then search and replace the date.

If you no longer need to post a journal entry, simply delete the lines. Don't forget to perform the Tools | Renummer after deleting the journal lines.

Importing a General Ledger Journal

Use when a prior period has been closed and you now need to post an existing journal or you have multiple companies set up in *TEAM-DESIGN!* and need to combine all journals into one financial statement.

You will first need to know where the *TEAM-DESIGN!* data is located on your server drive. You can find this information by going to Help, then choose About *TEAM-DESIGN!*. You will see the path underneath the company name and should look similar to this:
T:\TMDESIGN.900\.

Next, go to Ledger | Journal Processing. Then choose IM – Import A Journal. After clicking on Importing A Journal, you will see an Import Path button.

GENERAL LEDGER JOURNALS

Select Journal Type

<input type="text" value="0"/>	<input type="radio"/> AB - Auto-Balance W-I-P	<input type="text" value="0"/>	<input type="radio"/> GF - General Journals
<input type="text" value="0"/>	<input type="radio"/> AD - Adjustments	<input type="text" value="2"/>	<input type="radio"/> IV - Inventory Adjustments
<input type="text" value="11"/>	<input type="radio"/> AP - Accounts Payable	<input type="text" value="0"/>	<input type="radio"/> PR - Payroll
<input type="text" value="203"/>	<input type="radio"/> AR - Accounts Receivable	<input type="text" value="0"/>	<input type="radio"/> RC - Recurring
<input type="text" value="11"/>	<input type="radio"/> CD - Cash Disbursements		<input checked="" type="radio"/> IM - Import A Journal
<input type="text" value="24"/>	<input type="radio"/> CR - Cash Receipts		<input type="radio"/> Import ADP Payroll Journals

Import Path


Click on the Import Path button and you will then browse to the data folder on the server drive. In this example, you would go to the T drive and choose the TMDESIGN.900 folder. Highlight the data folder and click open. You will now be able to view the different Journal database files. Each journal type has its own file. For example, the Cash Receipts journal is Crjournal.dbf. You will then need to choose the Journal file that you wish to import and click open. In this example, we will choose the Crjournal.dbf file and click open and now the Import Path is automatically filled in for you.

GENERAL LEDGER JOURNALS

Select Journal Type

<input type="text" value="0"/> <input type="radio"/> AB - Auto-Balance W-I-P	<input type="text" value="0"/> <input type="radio"/> GF - General Journals
<input type="text" value="0"/> <input type="radio"/> AD - Adjustments	<input type="text" value="2"/> <input type="radio"/> IV - Inventory Adjustments
<input type="text" value="11"/> <input type="radio"/> AP - Accounts Payable	<input type="text" value="0"/> <input type="radio"/> PR - Payroll
<input type="text" value="203"/> <input type="radio"/> AR - Accounts Receivable	<input type="text" value="0"/> <input type="radio"/> RC - Recurring
<input type="text" value="11"/> <input type="radio"/> CD - Cash Disbursements	<input checked="" type="radio"/> IM - Import A Journal
<input type="text" value="24"/> <input type="radio"/> CR - Cash Receipts	<input type="radio"/> Import ADP Payroll Journals

Import Path: T:\TMDESIGN\APJOURNAL.DBF AD ▾



You now need to choose what type of journal you want to copy the import into. In this example, we will choose to Import as an AD – Adjustment Journal. Using the drop down box to the right of the Import Path choose AD. Then click Okay. The existing Cash Receipt journals have now been copied into the Adjustment Journal for posting.

Please note that when using the Import feature, it is copying the information from one database to another. The existing records in the Cash Receipts journal will remain and will then need to be deleted.

Reversing Journal Entries

In *TEAM-DESIGN!*, when reversing a Journal the opposite entry from the original journal is created. If the original entry was a debit, reversing the journal creates a credit entry. The debit and credit cancel each other.

REVERSING A JOURNAL POSTED TO THE INCORRECT PERIOD WHEN THE PERIOD IS STILL OPEN

For this explanation, we will use the following example:

An A/R journal has been posted to Period 10, which is still open, and should have been posted to Period 11.

1. From the Main Menu, choose Ledger then Journal History. Click on the Edit menu option and choose Reverse Journal. Enter the Journal Number that you want to reverse. Select the Journal Type of the original journal, in this example A/R. This creates the opposite records of the original journal.
2. From the Main Menu, choose Ledger then Journal Processing. Select the A/R Journal.
3. Print the Journal Edit, selecting to post this journal to Period 10. Remember you must post to the original **incorrect** period in order to cancel out the original journal.
4. Post the Journal.
5. *We now need to post a Journal to the correct period.*
6. From the Main Menu, go back into Ledger then Journal History. Click on the Edit menu option and choose Reverse Journal. Enter the Journal Number you need to reverse (this will be the Journal number that was created from the Journal that was just posted). Select the Journal Type of the original journal, in this example A/R. This again creates the opposite records of the journal, in effect the same entries as the original journal.
7. Print the Journal Edit, selecting to post this journal to Period 11, which is the **correct** period.
8. Post the journal.

Note:

When reversing a journal, it is recommended that you start with an empty journal processing so that other records would not be mixed in with the reversing and posting process.

REVERSING A JOURNAL POSTED TO THE INCORRECT PERIOD WHEN THE INCORRECT PERIOD IS NOW CLOSED

In *TEAM-DESIGN!*, when reversing a Journal the opposite entry from the original journal is created. If the original entry was a debit, reversing the journal creates a credit entry. The debit and credit cancel each other.

For this explanation
we will use the
following example:

An A/R journal has been posted to Period 10, which has since been closed, and should have been posted to Period 11.

1. From the Main Menu, choose Ledger then Journal History. Click on the Edit menu option and choose Reverse Journal. Enter the Journal Number that you want to reverse. Select the Journal Type of A/D. This creates the opposite records of the original journal.
2. From the Main Menu, choose Ledger then Journal Processing. Select the A/D Journal.
3. Print the Journal Edit, selecting to post this journal to Period 10. Remember you must post to the original **incorrect** period in order to cancel out the original journal.
4. Post the Journal.

We now need to post a Journal to the correct period.

1. From the Main Menu, go back into Ledger then Journal History. Click on the Edit menu option and choose Reverse Journal. Enter the Journal Number you need to reverse (this will be the Journal number that was created from the Journal that was just posted). Select the Journal Type of the original journal, in this example A/R. This again creates the opposite records of the journal, in effect the same entries as the original journal.
2. Print the Journal Edit, selecting to post this journal to Period 11, which is the **correct** period.
3. Post the Journal.

Note:

It is important to reverse, print and post each journal before moving onto the next journal. If several journals are reversed at the same time, you will end up with one large A/D journal and will not be able to break that journal out into A/R, A/P, C/D etc. when posting to the correct period.

Accounting Reports

TEAM-DESIGN! has the ability to generate multiple financial reports that can be used to compare or recognize profitability.

12-Month Budget Report – Ledger | Reports -- This report will provide a listing of budget amounts that have been entered for individual accounts. It will print in Major category order. You can choose to print the report for Balance sheet accounts or Income Statement accounts. Also, it can be printed to show budgets for this year, last year or next year.

Income Budget Variance – Ledger | Reports -- This report will provide a comparison between actual amounts and budget amounts. It will show totals for the period and as well as YTD. It will print in Major category. Also, it can be generated for this year or last year. The report only prints Income statement accounts.

Selected Project Profit/Loss – Ledger | Journal History | File | Print Reports -- This report will provide an income statement for a particular project number. Journals must be posted and not archived in order to affect this report.

Selected Proposal Profit And Loss – Ledger | Journal History | File | Print Reports - This report will provide an income statement for a particular proposal number. Journals must be posted in order to affect this report.

Income Comparison Report – Ledger | Reports -- This report will provide a comparative income statement for this year's period income and last year's period actual. It will print by major category. The report is generated for this year's income statement accounts only.

Balance Sheet – Ledger | Reports -- This report provides the account balances for asset, liability and owner's equity accounts. This report is in balance when the assets equal the liabilities plus owner's equity.

Income Statement – Ledger | Reports -- This report provides account balances for Revenue and Expense accounts. The net income should tie back to the current retained earnings amount on the balance sheet.

Trial Balance – Ledger | Reports -- This report provides journal activity for all General Ledger accounts and their balances. It will give opening, current and closing amounts for each account. Note: If you ever receive a missing detail message for an account, refer to the "Missing Detail" document that follows.

“MISSING DETAIL” ENTRIES ON THE TRIAL BALANCE

While printing your Trial Balance, you receive the message “This Account is Missing Detail In The Amount of \$\$\$”.

This error is caused by, or related to, a power surge/outage or glitch in the environment, etc., and the system was not able to fully update all database files properly.

When the Trial Balance is printed, *TEAM-DESIGN!* prints the detail of the account, pulling this information from the GFDETAIL.DBF file. Then it prints the totals for the account, pulling this information from the GFMASTER.DBF file. If it doesn't foot, then the system prints the message “THIS ACCOUNT IS MISSING DETAIL IN THE AMOUNT OF \$\$\$”.

Use the following procedure to determine whether the detail is actually missing or if simply the account balance has not been updated.

For the account(s) you are “missing detail” you will need to review the period's journals to see when that account was affected. We suggest you review the “summary” page of each journal. If the account that is missing detail is on the summary page, then look at the detail page of the journal. Make sure all of the detail entries on the journal are also on the Detail Trial Balance. This is how you will locate what is actually missing.

If all detail is present and the account's “Closing Balance” is incorrect, call Technical Support and you will be guided on how to correct this.

Once you have located the detail journal entry/entries that are missing, determine if the detail AND the account balance are both incorrect or if just the detail entries are missing. IT IS VERY IMPORTANT THAT YOU KNOW WHETHER ONLY DETAIL IS MISSING OR IF THE ACCOUNT BALANCE IS INCORRECT OR BOTH.

If the entry/entries that needs to be made is one-sided or out-of-balance, call Technical Support for assistance in posting the journal.

Aged Accounts Receivable Report - Customers | Reports -- This report provides open accounts receivable invoices aged as of a certain date. It will also provide open customer deposits. Select the “aged as of date” thru the end of the current month. The “Deposits” amount should foot to the Customer Deposits on the Balance Sheet. The “Balance” amount of this report should foot to the Accounts Receivable amount on the Balance Sheet. If the amounts do NOT match, you will want to research the difference by performing the following:

RECONCILING A/R TO THE BALANCE SHEET

Determine the last period that the A/R aging matched the Balance Sheet. This might require the running of the aging and Balance Sheet for prior periods. Once you have determined the period that the A/R aging last matched the balance sheet, the reconciling will need to start the period after. For example: If period 1 is the last period in balance then period 2 is the period to reconcile.

At the main screen of *TEAM-DESIGN!*, choose LEDGER | JOURNAL PROCESSING

At the General Ledger Journal processing screen, select A/R - Accounts Receivable and make sure that all journals are posted for the month you are trying to reconcile. Next select CR - Cash Receipts and verify that all journals have been posted as well.

Then go to LEDGER | REPORTS.

Under LEDGER | REPORTS select the Trial Balance Report. Once the Trial Balance report is selected, enter the period that is being reconciled in the From Period and Thru Period. Also make sure that the report "Print Style" is Detail.

NOTE:

To run the report for the Accounts Receivable Account only, click on SmartFilter (Express Plus version and higher). Under the "Available Columns" select Account # and click the include button. This will move the element into the "Filter On Columns". Click on the Account # under the "Filter On Columns" and the Filter Options will become active. Click on "Exactly Equal To" and enter the Account Number in the blank box that appears. Then click the Okay button and Print the report.

First look at the Trial Balance and make sure that all the entries are either AR or CR. If there are any other Journal types, make sure they are correct and verify whether they affected the sub-ledger account. For example: If there are GF type journals then it only affected the General Ledger and not the Sub-Ledger, which would cause the Sub-Ledger to be out of balance to the General Ledger.

The next step is to go to CUSTOMERS | REPORTS.

Under CUSTOMERS | REPORTS, select the Transaction History List. When running the Transaction History List, enter the date range from the beginning of the period to the end of the period that is being reconciled. Deselect (unclick) "Deposits Received" as deposits do not affect Accounts Receivable until they are used. Also, make sure that the report "Print Style" is detail.

After running the Transaction History List, check it off against the Detailed Trial Balance. Each entry on the Transaction History List should match an entry on the Detailed Trial Balance.

There will either be an entry on the Transaction History Report that is not on the Trial Balance or an entry on the Trial Balance that is not on the Transaction History Report.

If there is an entry on the Transaction History List that is not on the Trial Balance, then verify the transaction created General Ledger journals. Once the journals are located, determine which period the journals were posted to. If the journals are posted to the incorrect period, then reverse the entries and post to the same incorrect period and then reverse that new reversal journal and post to the correct period. If the transaction did not create journal entries, recreate the journals in the appropriate Journal Processing, either AR - Accounts Receivable or CR - Cash Receipts. If a one-sided journal entry is needed, contact Technical Support.

If there is an AR or CR entry on the Trial Balance that is not on the Transaction History List, verify if the entry is on the customer's account either in the open detail or the historical detail. Once the entry is located, verify the date of the transaction. Then determine if the date is incorrect in the Sub-ledger or posted to the incorrect period of the General Ledger. To correct the date of the Sub-ledger, reverse the entry with the incorrect date and then re-enter with the correct date. If the General Ledger entry needs to be corrected, reverse the journal as described above.

After the corrections have been made, the Accounts Receivable Aging Report should now balance to the Balance Sheet for that period.

Aged Accounts Payable Report - Vendors | Reports -- This report will provide open accounts payable invoices aged as of a certain date. It will also provide open vendor deposits. Select the "aged as of date" thru the end of the current month. The "Deposits" amount should foot to the Vendor Deposits on the Balance Sheet. The "Open Amount" of this report should foot to the Accounts Payable amount on the Balance Sheet. If the amounts do NOT match, you will want to research the difference by performing the following:

RECONCILING A/P TO THE BALANCE SHEET

From the main screen of *TEAM-DESIGN!*, go to SYSTEM | SETUP | SYSTEM CONFIGURATION

Double click on the Company Name. All System Configuration tabs should now be visible. Click on the "Payables" tab. On the payables tab, there is a "Data Entry" section. Under that section, is the question "Use <I>nvoice or <R>eceipt Date For Journals". Verify the answer is an <I> for invoice date. If the question is answered <R> for receipt date, this could be the reason the Accounts Payable Aging Report does not match the Balance Sheet. The Accounts Payable Aging Report uses either Invoice Date or Due Date to age by, not the receipt date. If this is an <R> for receipt date, it can be changed to an <I> for invoice date. After a few months, it should start balancing.

On the same Payables Tab, check the answer to the question under the Document Printing section that reads Aged A/P Report Uses <I>nvoice or <D>ue Date. If the answer to the question is <D> for Due date, then this also could be the reason the Aging Report does not match the Balance Sheet. The journals can only be created by Invoice date or Receipt date. It is recommended the answer to this question be <I> for Invoice Date. If the answer is <D> for due date, change it to <I> for invoice date and rerun the Aging report to see if it then matches to the Balance Sheet. If not, continue with this document.

Determine the last period that the A/P aging matched the Balance Sheet. This might require the running of the Aging and Balance Sheet for prior periods. Once you have determined the period that the A/R aging last matched the balance sheet, the reconciling will need to start the period after. For example: If period 1 is the last period in balance then period 2 is the period to reconcile.

At the main screen of *TEAM-DESIGN!*, go to LEDGER | JOURNAL PROCESSING

At the General Ledger Journal processing screen, select A/P - Accounts Payable and make sure that all journals are posted for the month you are trying to reconcile. Next select CD - Cash Disbursements and verify that all journals have been posted as well.

Then go to LEDGER | REPORTS.

Under LEDGER | REPORTS select the Trial Balance Report. Once the Trial Balance report is selected, enter the period that is being reconciled in the From Period and Thru Period. Also make sure that the report Print Style is Detail.

NOTE:

To run the report for the Accounts Payable Account only, click on SmartFilter (Express Plus version and higher). Under the "Available Columns" select Account # and click the include button. This will move the element into the "Filter On Columns". Click on the Account # under the "Filter On Columns" and the Filter Options will become active. Click on "Exactly Equal To" and

enter the Account Number in the blank box that appears. Then click the Okay button and Print the report.

First look at the Trial Balance and make sure that all the entries are either AP or CD. If there are any other Journal types, make sure they are correct and verify whether they affected the sub-ledger account. For example: If there are GF type journals, then it only affected the General Ledger and not the Sub-Ledger, which would cause the Sub-Ledger to be out of balance to the General Ledger.

The next step is to go to VENDORS | REPORTS:

Under vendor reports, select Transaction History List. When running the Transaction History List, enter the date range from the beginning of the period to the end of the period that is being reconciled. Under the "Data Selection Options", make sure "Use Invoice Date Range", "Print Invoices", "Print Adjustments" are all selected. This will show all the invoices entered and Adjustments made for the date range selected. Also, make sure that the report "Print Style" is detail.

Then under VENDORS | REPORTS, from the drop down menu choose the 1099 Vendor Payment List. When running the Vendor Payment List, enter the date range from the beginning of the period to the end of the period that is being reconciled. Also make sure the "1099 Vendors only" box is unchecked and the print style is Detail. This report will list all the payments for the period.

After running all three reports, check the 1099 Payment List against the Detailed Trial Balance. Each entry on the Transaction History List should match an entry on the Detailed Trial Balance.

NOTE:

There will NOT be an entry on the Trial Balance for a "Deposit" type check, as deposits do not affect the Accounts Payable account until they are used. Then check the Transaction History List against the Detailed Trial Balance. Each entry on the Transaction History List should match an entry on the Detailed Trial Balance.

There will either be an entry on the Transaction History Report that is not on the Trial Balance or an entry on the Trial Balance that is not on the Transaction History Report.

If there is an entry on the Transaction History or the 1099 Vendor Payment List that is not on the Trial Balance, then verify the transaction created General Ledger journals. Remember that there will not be a General Ledger entry for a "Deposit" type check. Once the journals are located, determine which period the journals were posted to. If the journals are posted to the incorrect period, then reverse the entries and post to the same incorrect period and then reverse that new reversal journal and post to the correct period. If the transaction did not create journal entries, recreate the journals in the appropriate Journal Processing, either AP - Accounts Payable or CD - Cash Disbursements. If a one-sided journal entry is needed, contact Technical Support.

If there is an AP or CD entry on the Trial Balance that is not on the Transaction History or 1099 Vendor Payment List, verify if the entry is on the vendor's account either in the open detail or the historical detail. Once the entry is located, verify the date of the transaction. Then determine if the date is incorrect in the Sub-ledger or posted to the incorrect period of the General Ledger. To correct the date of the Sub-ledger, simply highlight the transaction and choose edit record. The "Receive", "Invoice", and "Due" dates can all be altered. If the General Ledger entry needs to be corrected, reverse the journal as described previously.

After the corrections have been made, the Accounts Payable Aging Report should now balance to the Balance Sheet for that period.

YEAR END CLOSING PROCEDURES

Closing the year-end will be handled the same as closing a normal month but with a few additional procedures and reports.

Printing reports

Once normal month end procedures have been performed, certain reports will need to be generated:

Balance Sheet - Ledger | Reports

Run for the current period.

12-Month Balance Sheet - Ledger/Reports

This is a good report to print at year-end and keep on file. This report will provide a balance sheet for periods 1 thru 12.

Income Statement – Ledger | Reports

Run for the current period.

12-Month Income Statement - Ledger/Reports

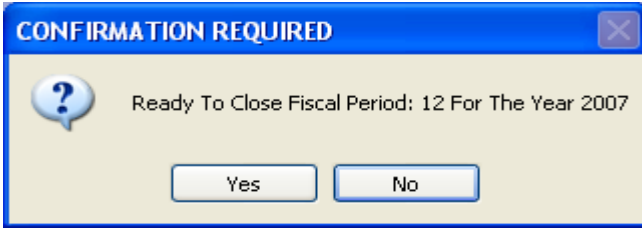
This also is a good report to run at year-end and keep on file. This report will provide an income statement for periods 1 thru 12.

Trial Balance – Ledger | Reports

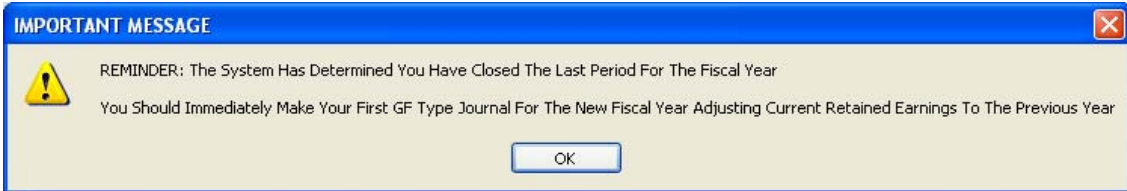
Run for periods 1 thru 12. This report will provide the opening balance for all GL account numbers from the beginning of the year, Debits and Credits during the year, as well as a closing balance for the year. It is beneficial to keep this report on file.

Closing The Year

To close the year go to Ledger | Month End Closing | Close Fiscal Period. A confirmation message will appear asking if you are ready to close period 12 (or 13) of the current year.



Once yes is clicked, it will then confirm that you are closing the current fiscal year and give a reminder for the manual retained earnings journal to be performed.

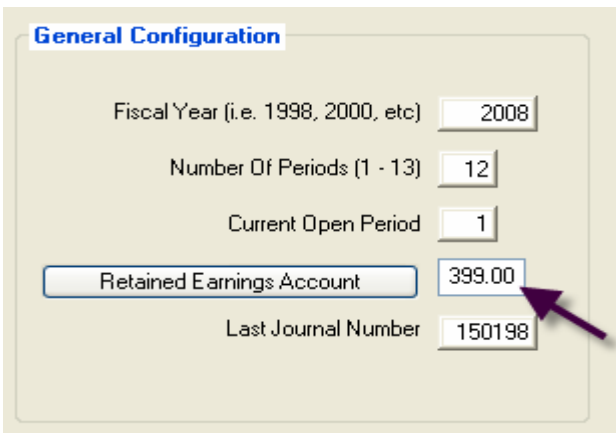


Once okay is clicked, it will then move balances forward into the new year (Balance Sheet accounts only) and update the Ledger | Configuration | System screen with the new fiscal year and period.

Retained Earnings

Once in period one of the new year, a manual journal entry will need to be made moving the amount in the current retained earnings account to the prior year retained earnings account. **THIS SHOULD BE THE FIRST JOURNAL ENTRY IN PERIOD ONE.** This journal entry will be posted to period one of this year, which is now the current year.

If you are recording retained earnings using a different account number for each individual year, a new GL account number will need to be set up for the current ("this year") retained earnings. Once the account number is created it will need to be placed into Ledger | Configuration | System.



On this screen, the new current retained earnings account will need to be entered into the retained earnings account field. The account number in this field determines which account number the auto retained earnings entry will post to.

Adjusting Journal Entries.

TEAM-DESIGN! has the ability to post to last year. Therefore, you do not have to leave the year open while waiting for the year-end journal entries. The year can be closed in order to post journal entries created for the new fiscal year. You CANNOT post journal entries to “next year”. Therefore, period 12 (or 13) must be closed before posting to Period 1 of a new year. Once year-end adjustment journals are ready to be made, they must be created under AD – Adjustment type journals. This is the ONLY journal type that will post to a closed period. To post these journals to period 12 (or 13) of last year it will need to be indicated while in the edit box.

The screenshot shows the 'EDIT AD Journals' dialog box. It is divided into several sections: 'Dates' with 'From', 'Thru', and 'Post' fields all set to 12/31/07; 'Periods' with 'Starting From' set to 12 and 'Ending' set to 1; 'Posting Year' with 'Last Year' selected (indicated by a purple arrow); 'Edit/Posting Style' with 'By Record #' selected; 'Posting Account' with 'Retained Earnings Account' and a value of 399.00; and 'Miscellaneous' with 'Use Binding Column' and 'Use Binding Header' unchecked, and 'Print To Device' set to a dropdown menu. At the bottom are buttons for 'Font Setup', 'Setup', 'Print', and 'Cancel'.

In this screen, the “from” and “thru” dates are automatically indicated by the earliest journal date to the latest journal date. The dates in these fields will determine what journal lines, by date, should be posted. The posting date will default to the current date. All three of these dates can manually be changed. In the “Starting From” period field, you will need to enter period 12 (or 13). The period in this field will determine what period the journals are posted to. The ending period will always reflect the current open period in *TEAM-DESIGN!*. This cannot be changed. Under posting year “last year” needs to be checked. By checking “last year” the journal will be posted to period 12 (or 13) of last year. YOU DO NOT NEED TO CHANGE THE RETAINED EARNINGS POSTING ACCOUNT unless you are recording retained earnings for each year in an individual account. If so, the account number can be changed to the retained earnings account for last year. If retained earnings are not recorded within a separate account for each year, leave the account number in the retained earnings field as is. If an Auto-Retained Earnings journal is made from the adjustment journal and you are not using separate retained earnings accounts for each individual year, you will then need to create another manual journal entry for that Auto-Retained earnings amount, moving it from the current retained earnings account to the prior year retained earnings account. This manual journal entry should be posted to period 1 of the current year.