Month-End Closing Procedures

When closing the month the following modules should be reconciled to the General Ledger:

Purchase Order – Purchases Clearing Report
Inventory – Inventory Valuation Report
Accounts Payable – A/P Trial Balance Report
Accounts Receivable – A/R Trial Balance Report

Before reconciling, check to be sure that the Daily Transaction Registers are all posted for each module.

Purchase Order:

The Purchases Clearing account is a temporary liability account that is credited when Inventory is received using Receipt of Goods. When the invoice is received using Receipt of Invoice, this account is debited.

The Purchases Clearing Report shows any open Purchase Orders that have not been received complete, meaning quantity ordered must match quantity received and quantity invoiced. The balance on this report should match the balance for the Purchases Clearing account in the General Ledger. **This report should be run at the end of the month BEFORE entering any receipts for the following month.**

Note: The Purchases Clearing account is entered on the Accounts tab in Product Line Maintenance in Inventory from the Setup Menu.

Purchases Clearing Report
Sorted by Purchase Order Number
For Item Types: Inventory Items

Demo Company (DMO)

P. O. Number / Item Code/Description	Order Date	Last Receipt Date	P.O. Type	Vendor Number	Product Line	Inventory Account Number	Quantity Ordered	Quantity Received	Quantity Invoiced	Unit Cost	Purchases Clearing
0010003 VOG-CM-MP-B MODESTY PANEL	5/15/2020	5/31/2020	S	01-CONT	WF&A	115-00-03	100.00	99.00	1.00-	26.750	2,675.00
0010003 VOG-CM-MP-B MODESTY PANEL	5/15/2020	5/31/2020	S	01-CONT	WF&A	115-00-03	66.00	50.00	0.00	26.750	1,337.50
0010003 VOG-CM-MSC STORAGE CUBE	5/15/2020	5/31/2020	S	01-CONT	WF&A	115-00-03	50.00	40.00	10.00-	144.770	7,238.50
0010009 PFS-007-CONN-M EIA RS323 CONECT 7 CONDUCTOR M	5/30/2020	5/31/2020	S	02-TELCOMM	C&A	115-00-03	10.00	12.00	0.00	8.250	99.00
0010014 1001-HON-H252 HON 2 DRAWER LETTER FLE W/O LK	5/31/2020	5/31/2020	S	01-STEV	WF&A	115-00-03	10.00	10.00	0.00	34.250	342.50
0010014 2480-8-50 DESK FILE 8" CAP 50	5/31/2020	5/31/2020	S	01-STEV	FD&A	115-00-03	2.00	2.00	0.00	1,545.300	3,090.60
0010021 ARS-9301 ART SPECIALTY BRONZE LAMP	5/29/2020	5/29/2020	S	01-SWAM	WF&A	115-00-01	2.00	2.00	0.00	59.550	119.10
0010026 1001-HON-H252 HON 2 DRAWER LETTER FLE W/O LK	5/30/2020		S	01-AIRWAY	WF&A	115-00-03	10.00	0.00	5.00	34.250	171.25-
0010026 1001-HON-H252LK HON 2 DRAWER LETTER FLE W/ LCK	5/30/2020		S	01-AIRWAY	WF&A	115-00-03	10.00	0.00	5.00	37.150	185.75-
0010026 1001-HON-H254 HON 4 DRAWER LETTER FLE W/O LK	5/30/2020		S	01-AIRWAY	WF&A	115-00-03	10.00	0.00	5.00	83.500	417.50-
0010026 1001-HON-H254LK HON 4 DRAWER LETTER FLE W/ LCK	5/30/2020		S	01-AIRWAY	WF&A	115-00-03	10.00	0.00	5.00	87.250	436.25-
0010027 GB-MD750 MODEM 9600 (SYNCHRONOUS)	5/30/2020		S	01-COMPAQ	DC	115-00-03	4.00	0.00	4.00	1,275.850	5,103.40-
0010027 GB-MD788 MODEM 300 (AUTO-ANSWER)	5/30/2020		S	01-COMPAQ	DC	115-00-03	4.00	0.00	4.00	67.450	269.80-
0010027 GB-MD789 MODEM 300	5/30/2020		S	01-COMPAQ	DC	115-00-03	4.00	0.00	4.00	39.540	158.16-
0010027 GB-MD791 MODEM 9600 FAST POLL	5/30/2020		S	01-COMPAQ	DC	115-00-03	4.00	0.00	4.00	1,107.500	4,430.00-
0010031 6655 PRINTER STAND W/ BASKET	5/3/2016	5/3/2016	S	01-COMPAQ	PS&A	115-00-03	2,000.00	1,920.00	0.00	8.125	15,600.00
										Report Total:	19,330.09

Account Maintenance (DMO) 5/1/2020

Account No. 200-03-00
Description Purchases clearing account

Tabs: 1. Main | 2. History | 3. Variance | 4. Transactions

Fiscal Year 2020

Period	Ending	Beginning Balance	Debits	Credits	Ending Balance
01	Jan 31	.00	.00	.00	.00
02	Feb 29	.00	.00	.00	.00
03	Mar 31	.00	.00	.00	.00
04	Apr 30	.00	.00	.00	.00
05	May 31	.00	182,422.11	201,752.20	19,330.09-
06	June 30	19,330.09-	.00	.00	19,330.09-

Inventory Management:

The **Negative Tier Report** should be run before processing Period End, if any of the following valuation methods are used – LIFO, FIFO, Lot or Serial. It identifies items that have a negative quantity in a cost tier. These quantities should be corrected before Period End is performed.

Inventory Negative Tier Report

Demo Company (DMO)

Item Code/Description				Product Line	Unit Of Measure		
	Warehouse	Quantity On Hand	Cost Tier			Tier Quantity	Tier Value
1001-HON-H252 HON 2 DRAWER LETTER FLE W/O LK				WF&A	EACH		
	001	992.00	OVERDIST			8.00-	-274.00
ARS-9101 ART SPECIALTY WALNUT CNDL LAMP				WF&A	EACH		
	001	1.00-	OVERDIST			1.00-	-45.25
ARS-9201 ART SPECIALTY GINGER JAR LAMP				WF&A	EACH		
	001	17.00-	OVERDIST			17.00-	-871.25
ARS-9401 ART SPECIALTY EMP CANDLE LAMP				WF&A	EACH		
	001	1.00-	OVERDIST			1.00-	-65.25
D1000 DESK 72" X 30"				WF&A	EACH		
	001	350.00-	OVERDIST			350.00-	-157,500.00
D1000-BBW/LIGHT BOOK BIN W/FLUORESCENT LIGHT				WF&A	EACH		
	001	1.00-	OVERDIST			1.00-	-65.00

The **Negative Tier Adjustment Register** will automatically adjust the negative tiers against the positive tier quantities that are available. Once printed, the system will prompt you to update. Any tiers that don't have a positive tier to adjust against will need to be manually corrected using Inventory Transaction Entry – Adjustment.

Inventory Negative Tier Adjustment Register
Journal Posting Date: 5/31/2020
Register Number: IN-000002

Demo Company (DMO)

Product Line: WF&A WORKSTATION FURN & ACCESS

Item Code/Description			Negative Cost Tiers			Adjusted Cost Tiers				
U/M	Whse	Cost Tier		Quantity	Unit Cost	Cost Tier		Quantity	Unit Cost	Adjustment
1001-HON-H252 HON 2 DRAWER LETTER FLE W/O LK										
EACH	001	OVERDIST		8.00-	34.250	5/1/2020	00000008	8.00	34.250	0.00
							Item 1001-HON-H252 Total:			0.00
							Product Line WF&A Total:			0.00
							Report Total:			0.00

The **Inventory Valuation Report** should be used to balance to the General Ledger. The report should be run before any transactions for the future month are entered. If it cannot be run by month end, then the Inventory Valuation by Period report may be used instead.

Inventory Valuation Report
Sorted by Item Code

Demo Company (DMO)

Item Code Product Line	Product Type	Valuation	Unit of Measure	Whse	Lot/Serial Number	Receipt Number	Receipt Date	Quantity On Hand	Unit Cost	Inventory Value
PFS-004-CONN-F		EIA RS232 CONECT 4 CONDUCTOR F								
C&A	Finished Good	Standard Cost	EACH	002				105.00	7.500	787.50
PFS-004-CONN-M		EUA RS232 CONECT 4 CONDUCTOR M								
C&A	Finished Good	Standard Cost	EACH	002				43.00	7.500	322.50
PFS-007-CABLE		EIA RS232 CABLE 7 CONDUCTOR								
C&A	Finished Good	Standard Cost	FT	002				3,800.00	0.110	418.00
PFS-007-CONN-F		EIA RS232 CONECT 7 CONDUCTOR F								
C&A	Finished Good	Standard Cost	EACH	002				102.00	8.250	841.50
PFS-007-CONN-M		EIA RS323 CONECT 7 CONDUCTOR M								
C&A	Finished Good	Standard Cost	EACH	002				45.00	8.250	371.25
VOG-CM-CASTERS		CASTERS (SET OF 4, 2 W/LOCK)								
WF&A	Finished Good	FIFO	SET	002		TRANSFR	5/7/2020	91.00	13.479	1,226.59
VOG-CM-CB		PRINTOUT CATCHER BASKET								
WF&A	Finished Good	FIFO	EACH	002		RC-0387	3/15/2020	2.00	28.250	56.50
						RC-0391	3/15/2020	8.00	28.250	226.00
						TRANSFR	5/7/2020	41.00	27.950	1,145.95
						Item Warehouse 002 Total:		51.00	28.009	1,428.45
VOG-CM-MP-B		MODESTY PANEL								
WF&A	Finished Good	FIFO	EACH	002		TRANSFR	5/3/2020	2.00	26.857	53.71
						TRANSFR	5/7/2020	2.00	26.750	53.50
						Item Warehouse 002 Total:		4.00	26.803	107.21
VOG-CM-MSC		STORAGE CUBE								
WF&A	Finished Good	FIFO	EACH	002		TRANSFR	5/3/2020	13.00	143.264	1,862.43
						TRANSFR	5/7/2020	15.00	144.770	2,171.55
						Item Warehouse 002 Total:		28.00	144.071	4,033.98
WJ-M-2107-A		POST BINDER 3/16 X 1 (100)								
WF&A	Finished Good	FIFO	BOX	002		TRANSFR	5/7/2020	21.00	13.250	278.25
WJ-M-2107-B		POST BINDER 3/8 X 1 (100)								
WF&A	Finished Good	FIFO	BOX	002		TRANSFR	5/7/2020	133.00	15.193	2,020.67
WJ-M-2109-A		POST BINDER 3/16 X 1/2 (100)								
WF&A	Finished Good	FIFO	BOX	002		TRANSFR	5/7/2020	30.00	12.254	367.62
						Report Total:				**103,911.28**

Account Maintenance (DMO) 5/31/2020

Account No. 115-00-02
Description: Inventory - West Warehouse

Tabs: 1. Main | 2. History | 3. Variance | 4. Transactions

Fiscal Year 2020

Period	Ending	Beginning Balance	Debits	Credits	Ending Balance
01	Jan 31	6,569.54	92,089.72	46,109.95	52,549.31
02	Feb 29	52,549.31	53,176.52	52,882.25	52,843.58
03	Mar 31	52,843.58	55,835.35	55,526.36	53,152.57
04	Apr 30	53,152.57	54,718.64	54,415.83	53,455.38
05	May 31	53,455.38	163,991.55	113,535.65	103,911.28
06	June 30	103,911.28	.00	.00	103,911.28
07	July 31	103,911.28	.00	.00	103,911.28
08	Aug 31	103,911.28	.00	.00	103,911.28
09	Sept 30	103,911.28	.00	.00	103,911.28

Accounts Payable:

The **Accounts Payable Trial Balance** report should be used to reconcile the Open payables to the General Ledger. This report uses the Posting Date verses the Accounts Payable Aging report, which uses Invoice Date.

Accounts Payable Trial Balance
All Open Invoices as of 5/31/2020

Demo Company (DMO)

Division Number: 02 OTHER ACCOUNTS PAYABLE

Vendor/ Invoice Number	Invoice	Due	Discount	Hold	Invoice Amount	Discount Amount	Invoice Balance	Type	Date	Amount	Check Number	Check Date
PACTEL Pacific Telephone												
0001053190												
1	5/31/2020	6/10/2020		No	6,497.97	0.00	6,497.97	INV	5/31/2020	6,497.97		
	5/31/2020	6/10/2020		No	1,000.00	0.00	1,000.00	INV	5/31/2020	1,000.00		
Vendor PACTEL Totals:					7,497.97	0.00	7,497.97			7,497.97		
SCR South Coast Rep Theater												
1												
	5/31/2020	6/10/2020		No	100.00	0.00	100.00	INV	5/31/2020	100.00		
Vendor SCR Totals:					100.00	0.00	100.00			100.00		
TELCOMM Tel-comm Communications												
1												
	5/31/2020	6/30/2020		No	100.00	0.00	100.00	INV	5/31/2020	100.00		
Vendor TELCOMM Totals:					100.00	0.00	100.00			100.00		
TOUCHWA Touche Waterhouse & Company												
1												
	5/31/2020	6/30/2020		No	100.00	0.00	100.00	INV	5/31/2020	100.00		
Vendor TOUCHWA Totals:					100.00	0.00	100.00			100.00		
Division 02 Totals:					46,160.65	25.48	46,160.65			46,160.65		
Report Totals:					464,474.77	305.81	438,899.77			438,899.77		

General Ledger Detail Report

Demo Company (DMO)

Summary Report for Period 05 Ending 5/31/2020

Account Number/Description		Beginning Balance	Debit	Credit	Net Change	Ending Balance
200-01-00	Accounts payable - trade	199,031.33-	312,005.22	505,713.01	193,707.79-	392,739.12-
200-02-00	Accounts payable - other	29,516.85-	40,121.72	56,765.52	16,643.80-	46,160.65-
	Report Total:	228,548.18-	352,126.94	562,478.53	210,351.59-	438,899.77-

Accounts Receivable:

The **Accounts Receivable Trial Balance** report should be used to reconcile the Open payables to the General Ledger. This report uses the Posting Date verses the Accounts Receivable Aging report, which uses Invoice Date.

Accounts Receivable Trial Balance
All Open Invoices as of 5/31/2020

ABC Distribution and Service Corp. (ABC)

Division Number: 02 WEST SALES OFFICE

Customer/ Invoice Number	Invoice	Due	Discount	Invoice Amount	Discount Amount	Invoice Balance	Type	Date	Amount	Check Number/Type	Deposit Date
JELLCO Jellco Packing											
0100038-IN	5/16/2020	6/15/2020		116.08	0.00	116.08	INV	5/31/2020	116.08		
			Customer JELLCO Totals:	5,055.91	0.00	5,055.91			5,055.91		
ORANGE Orange Door & Window Co.											
0100047-IN	5/31/2020	6/30/2020	6/10/2020	263.37	5.27	263.37	INV	5/31/2020	263.37		
			Customer ORANGE Totals:	263.37	5.27	263.37			263.37		
			Division 02 Totals:	147,729.29	771.30	145,481.21			145,481.21		
		Number of Customers:	10								
			Report Totals:	731,044.39	6,538.90	693,648.75			693,648.75		
		Number of Customers:	16								

General Ledger Detail Report

ABC Distribution and Service Corp. (ABC)

Summary Report for Period 05 Ending 5/31/2020

Account Number/Description		Beginning Balance	Debit	Credit	Net Change	Ending Balance
105-00-01	Accts. receiv. - East Warehse	311,187.89	569,408.28	332,428.63	236,979.65	548,167.54
105-00-02	Accts. receiv. - West Warehse	154,105.70	166,803.92	175,428.41	8,624.49-	145,481.21
	Report Total:	465,293.59	736,212.20	507,857.04	228,355.16	693,648.75

Sage 100 ERP Order of Closing

Order	Own	Closed	Module
1	☐	☐	System Wide Backup
2	☐	☐	B/M – Bill of materials
3	☐	☐	W/O – Work Order Processing
4	☐	☐	B/C - Bar Code
5	☐	☐	P/O - Purchase Order Processing
6	☐	☐	S/O - Sales Order Processing
7	☐	☐	I/M - Inventory Management
8	☐	☐	M/P - Material Requirements Planning
9	☐	☐	T/C - Timecard
10	☐	☐	P/R - Payroll
11	☐	☐	A/R - Accounts Receivable
12	☐	☐	A/P - Account Payable
13	☐	☐	J/C - Job Cost
14	☐	☐	B/R - Bank Reconciliation
15	☐	☐	G/L - General Ledger

Notes:
- The following modules don't have an actual period end: Bill of Materials, Work Order, Bar Code, MRP, Timecard and Bank Reconciliation

- Payroll is closed Quarterly

- General Ledger should always be closed last

Purchase Order Closing:
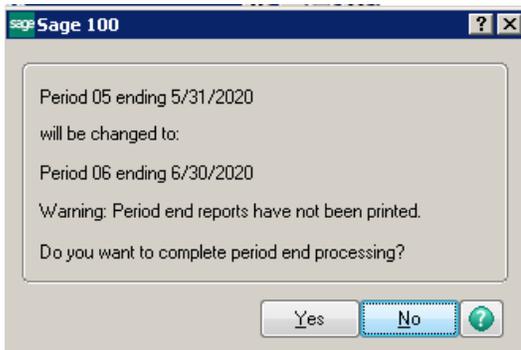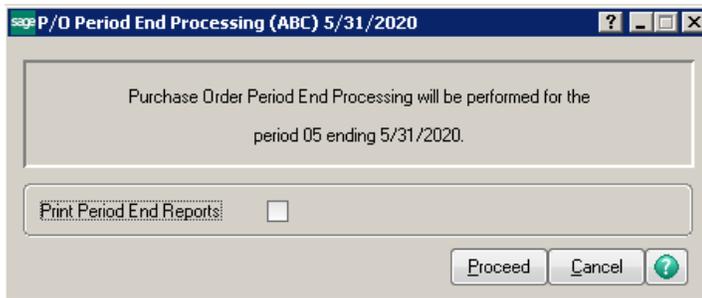
Fields in the Purchase Order Options window are used to determine the current accounting period and number of years to retain purchase history after year-end processing.

The following occurs during period-end or year-end:
- Expired master and repeating orders are automatically purged as of the period-ending date.
- Completed purchase orders are automatically purged based on the number of days to retain completed purchase orders in Purchase Order Options.
- The purchase order recap is automatically purged if selected in Purchase Order Options.
- Receipt history is automatically purged based on the selection made in Purchase Order Options.
- All purchase history and miscellaneous charge year-to-date balances are set to zero as of the year-ending date.

If you have not already printed period-end reports, you can do so during period-end processing. You can also select and print period-end reports without accessing Period End Processing by using Period End Report Selection.

Sales Order Closing:
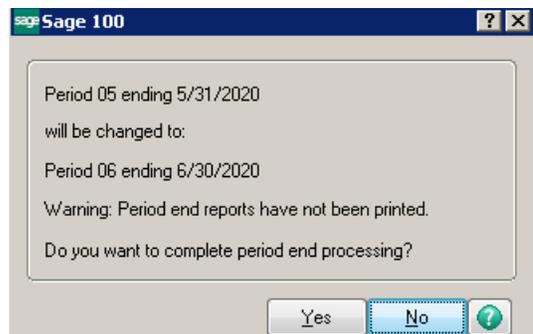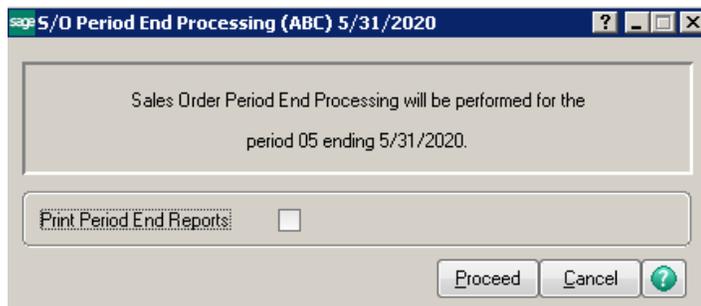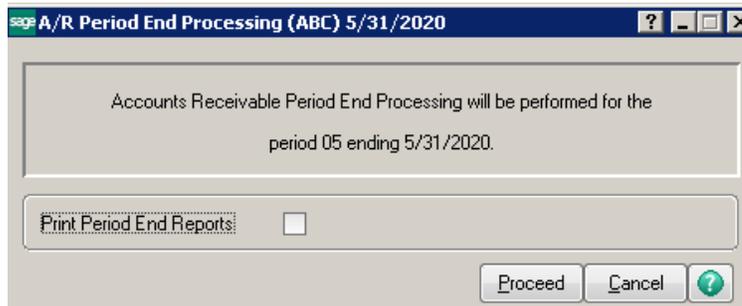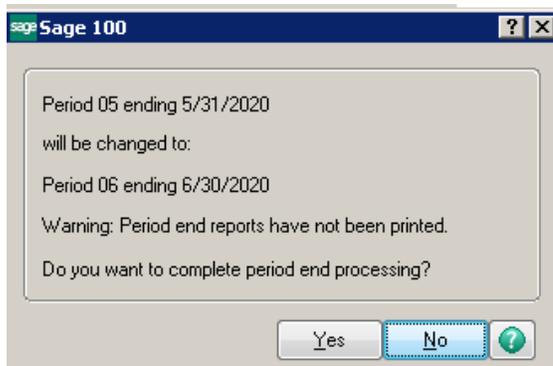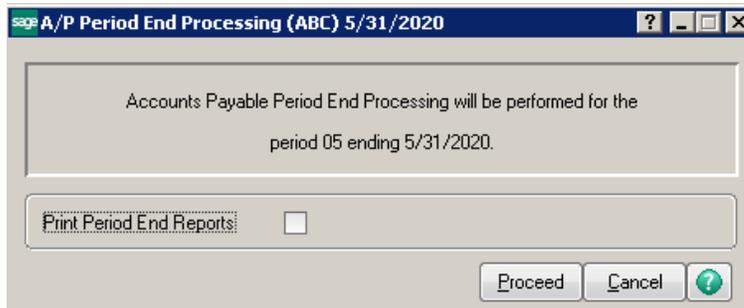

Fields in the Sales Order Options window are used to determine the current accounting period and number of years to retain sales history after year-end processing.

The following occurs during period-end or year-end:
- The Sales Order Recap is purged based on options selected in Sales Order Options during period-end and year-end.
- Expired master and repeating orders are automatically purged as of the period-ending date during period-end and year-end.
- Sales history is purged based on the number of years to retain sales history in Sales Order Options only during year-end processing.

If you have not already printed period-end reports, you can do so during period-end processing. You can also select and print period-end reports without accessing Period End Processing by using Period End Report Selection.

Inventory Management:
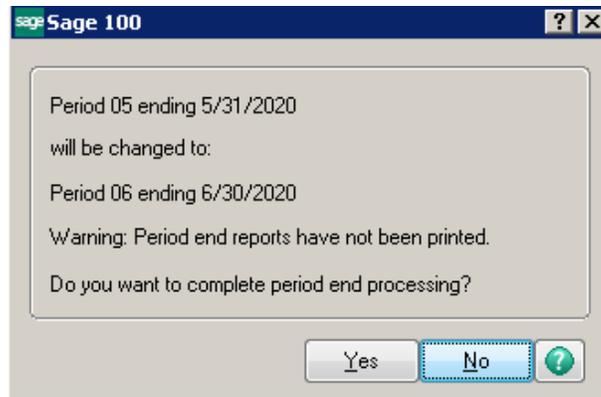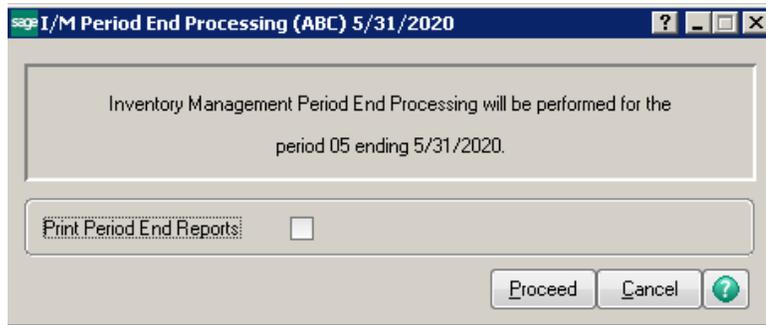
The following occurs during period-end or year-end:

- The year-to-date sales and issue information are cleared for each item based on the years to retain history in Inventory Management Options.

If you have not already printed period-end reports, you can do so during period-end processing. You can also select and print period-end reports without accessing Period End Processing by using Period End Report Selection.

Accounts Receivable Closing:
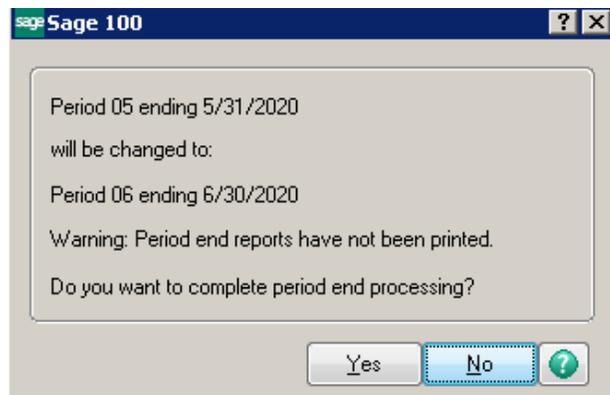
Fields in Accounts Receivable Options are used to determine the current accounting period and number of years to retain customer sales history, salesperson history and cash receipts history after year-end processing.

The following occurs during period-end or year-end:

- Temporary customers with zero balances are automatically purged during period- and year-end processing unless you selected the Retain Temporary Customers Paid Invoices check box in Accounts Receivable Options.
- Monthly cash receipts history, customer sales history and salesperson sales history is purged only during period year-end processing based on the selections made in the Years to Retain Cash Receipts History, Years to Retain Customer History and Years to Retain Salesperson History fields in Accounts Receivable Options. For example, if the number of years to retain cash receipts history, customer sales history, and salesperson history is set to three years, sales and cash receipts history for the year 2010 will be purged when year-end processing is performed for the year 2012.
- Open invoices with zero balances are removed during period- and year-end processing based on the number of days entered in the Days to Retain Paid Invoices field in Accounts Receivable Options.

If you have not already printed period-end reports, you can do so during period-end processing. Alternately, you can select and print period-end reports without accessing Period End Processing by using Period End Report Selection.

Accounts Payable Closing:

Fields in Accounts Payable Options are used to determine the current accounting period and the number of years to retain vendor purchase history, check history and 1099 payment history after year-end processing.

The following occurs during period-end or year-end:
- Temporary vendors with zero balances are automatically purged unless you selected to retain the temporary vendor in Vendor Maintenance.
- Check history information is cleared as of the period-ending date.
- Vendor electronic payment history is removed based on the number of years set up to retain electronic payment history in Accounts Payable Options.
- Vendor purchase history is removed based on the number of years set up to retain purchase history in Accounts Payable Options.
- Open invoices with zero balances are removed based on the number of days to retain paid invoices in Accounts Payable Options.
- If retaining invoice history, all current year invoice information is updated to the Last Year fields, and any invoice history with no current-year activity is removed based on options selected in Accounts Payable Options.

If you have not already printed period-end reports, you can do so during period-end processing. You can also select and print period-end reports without accessing Period End Processing by using Period End Report Selection.

General Ledger Closing:
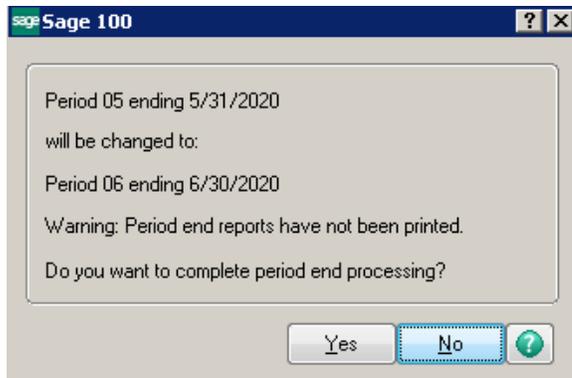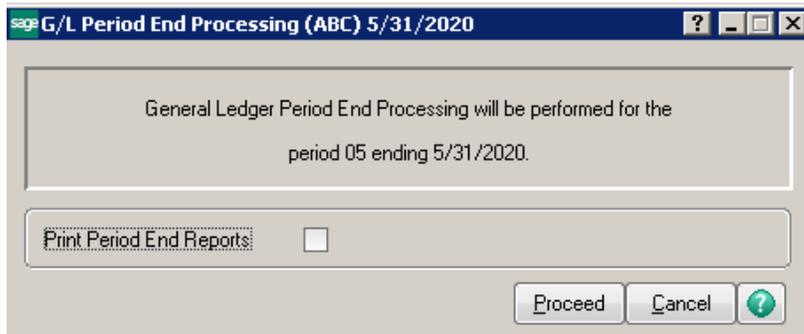
Fields in the General Ledger Options window are used to determine the current accounting period and number of years to retain transaction history after year-end processing.

The following occurs during period-end or year-end:
- Accounts with a Deleted status can be removed during year-end processing based on activity and the selection to retain history in General Ledger Options.
- Any accounts with no activity are automatically removed.
- If the Copy Actual to Default Budget at Year End check box is selected in the General Ledger Options window, the actual amounts for the closed fiscal year are copied to the default budget for the current fiscal year.
- Options for resetting journal numbers are performed.
- If the Clear Balances check box in Main Account Maintenance is selected for a main account value, balances are cleared for nonfinancial accounts at year end.
- If retaining transaction history, all current year transaction information is updated and any transaction history with no current year activity is removed based on options selected in General Ledger Options.

If you have not already posted allocations before performing period-end processing, you are prompted to post them. If you have not already printed period-end reports, you can do so during period-end processing. You can also select and print period-end reports without accessing Period End Processing using Period End Report Selection.

Bonus Round:

How to reopen General Ledger Year.

Click on Setup\General Ledger Options.
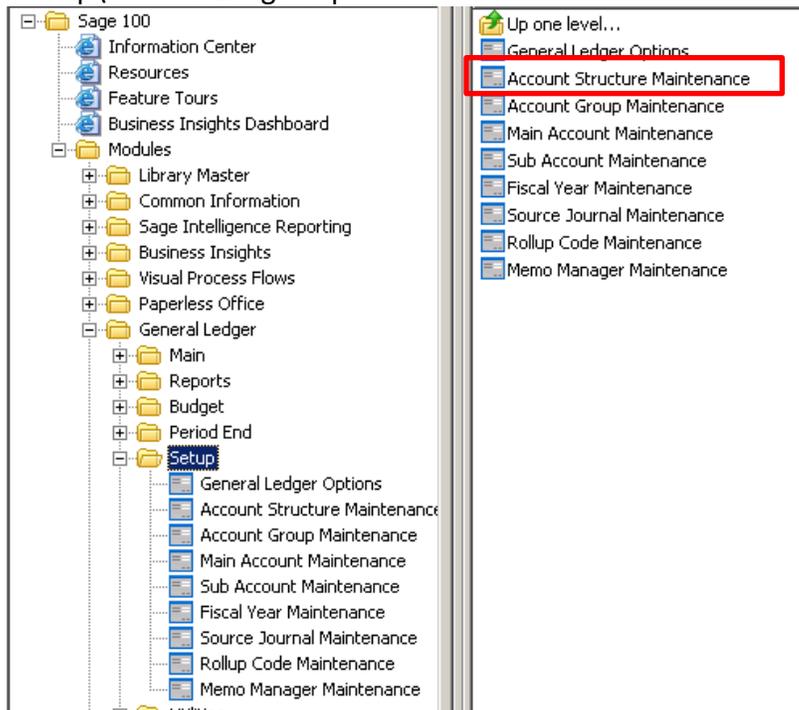
Click the down arrow on the Current Fiscal Year field and change it to the prior year. Click the down arrow at the Current Period field and change to desired Period. Click Accept.