

General Ledger End of Month Procedure

Finalise Individual Modules

Finalise individual modules, i.e. Cash Book, Debtors, Creditors etc. Run end of month reports for these modules and perform monthly update, integrating to General Ledger.

Print General Ledger Reports

Once all modules have been updated and integration to the general ledger has been performed, print the following reports for end of month checks;

GENERAL LEDGER SYSTEM

- 7 – GENERAL LEDGER REPORTS, 2 – GENERAL LEDGER TRIAL BALANCE
- 7 – GENERAL LEDGER REPORTS, 4 – GENERAL LEDGER REPORT, (After selecting the printer number enter the report code for your balance sheet). The main purpose for printing this is to check that it balances before printing all end of month General Ledger reports.

Check Balances

To ensure accuracy of monthly figures it is important to compare check that balances as per individual modules, i.e. Debtors, Creditors, Cash Book etc correspond with the general ledger balances as per the "GENERAL LEDGER TRIAL BALANCE". To do this see the following guidelines;

- Compare the "Debtors" account balance on the General Ledger Trial balance with that that appears on the Debtors Trial Balance. The same check is recommended for creditors.
- Cash Book, compare the cash book bank balance on the bank reconciliation (not to be confused with the "balance as per bank statement"), with the cash at bank account on the General Ledger Trial Balance – If operating more than one account perform this check for the respective accounts.

If a discrepancy exists when performing these checks you will need to perform an account reconciliation to find the imbalance – if you require assistance contact Natsoft Support Staff.

Clearing Account Reconciliation

When both Debtors/Creditors, Cashbook & General Ledger systems are in use concurrently NATSOFT will usually introduce a clearing account facility. For the sake of the exercise I will refer to clearing accounts from a debtors point of view. Clearing accounts, in principle, are a 'stepping' stone from the debtors module to the cash book.

Normally, the accounts involved in the processing of a debtor receipt are as follows:

Debit – Bank Account

Credit – Debtors Control Account

With Clearing account:

- Debtors will Debit Receipt Clearing and Credit Debtors Control.
- Cash Book will Debit Bank and Credit Clearing.

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Thus, the clearing account should be cleared to have a zero balance as a result of the above postings. However, timing differences can occur, in which the amount posted through the debtors in period 1 for instance may be posted through the cash book in period 2, this will obviously cause an imbalance in the clearing account.

It is possible to reconcile the postings into this account from the following information.

Debtors – Job 10 – PRINT CONTROL TOTALS / Receipts

Compare to:

Cash Book – Receipt analysis report, check the analysis for Debtors Receipts.

At the end of the month these two figures should correspond, the same principle applies if creditors is being used. If a discrepancy does exist, it may be because of one of the following scenarios (debtors is used as an example but all scenarios apply to creditors):

- Timing difference. Where the amount has been processed through debtors but the corresponding deposit not yet processed through the cash book or vice versa.
- Receipt reversed in Cash Book but corresponding reversal not processed in Debtors.

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