

Ledger Out of Balance Checklist

The following pages are designed to help you find and correct out of balance conditions in your Ledger or Ledger/Payroll program.

Answer the questions and complete the processes on the following pages, then refer to the numbered potential solutions. For example, if you answered YES to 'Are you using Masters/Subs?', look at solutions 1b and 4 for additional information and courses of action.

If you are still out of balance after completing the checklist and attempting the appropriate solutions, or if your out of balance is different than those listed, and you want PDS to try to find your out of balance, send the following items to our office:

- This page, signed.
- A current backup of your data
- A letter indicating your out of balance conditions, including your name, church name and zip code.
- The completed checklist.

You must sign and include this page, acknowledging that there will be research charges assessed if the out of balance is due to operator error or incorrect accounting procedure.

Charges

If you are a dealer or diocesan representative, the research fee is \$75 per hour.

If you have an Annual Support Agreement with PDS, the research fee is \$75 per hour.

If you do not have an Annual Support Agreement with PDS, the research fee is \$100 per hour.

If the out of balance is due to program error, there will be no charge.

THIS FORM MUST BE COMPLETED TO PROCESS YOUR REQUEST

Estimated Completion Time: 1 week

NOTE: This estimate is based on our work schedule as we know it today. Please keep in mind that complications in the data or changes to our workflow can delay the completion time. There is no way of accurately estimating completion time until work is actually started.

- Yes, I understand that the total cost of the research will vary according to the time taken to examine the data and that I will be billed per the above fee schedule for a minimum of one hour. I will be responsible to pay the remainder of the total bill, which may include charges for outgoing phone calls. I hereby authorize Parish Data System to begin work on my data.

CHURCH/ SCHOOL

PERSON REQUESTING REPORT

CITY/STATE

DATE

Before Converting from version 2.4 to version 3.1

Ledger version 2.4 allowed you to do a number of things that should not be allowed from an accounting standpoint. These accounting and operational issues are no longer allowed in version 3.1; however, the conversion process will not correct these issues if they appear in your 2.4 setup and data.

Before converting your data from version 2.4 to version 3.1, examine these areas of your data to help avoid accounting or out of balance problems in the new program.

- Run Verify Chart of Accounts (from the Main Menu: Utilities | Verify). Correct any account setup discrepancies that are reported.
- Examine your account levels. (from the Main Menu: Listings | COA)
 - Net Income should be level 9.
 - Heading and Detail accounts (including Masters and Subs) should be level 1.
 - Total of all Assets, Total of all Liabilities and Equity, Total of all Income, and Total of all Expense should be level 8, or should all have the same high level.
- Examine your Masters and Subs. Master accounts hold the totals from the Subs listed after them.
 - All Master accounts should be level 1, should not have any transactions posted to them, and should be followed by at least one Sub.
 - All Sub accounts should be level 1 and should have a Master or Sub immediately before them.
 - Master accounts should not have budgets or beginning balances of their own. Budgets and Beginning Balances should be part of the Sub accounts, which get totaled into the Master.
- Make sure that **none** of the following types of accounts have beginning balances. If they do, set the beginning balance to zero and run Trial Balance for each month of the fiscal year.
 - Headings
 - Income accounts
 - Expense accounts
 - Retained Earnings
 - Net Income
- Make sure that **none** of the following types of accounts have transactions posted to them, using the Transaction Register report (Main Menu: Reports, Transactions, Transaction Register). If they do, follow the steps listed for each, and run Verify COA. For example, if Master account 1500 has transactions, change it to a Sub account and create a new Master account.
 - Headings (change to Detail and create a new Heading)
 - Master accounts (change to Sub, and create a new Master)
 - Retained Earnings (create a new Retained Earnings, and change the Utility Setup screen to match it.)
 - Net Income (change the level to 1, create a new Net Income account, and change the Utility Setup screen to match it.)

Note: *After making any changes to the COA Maintenance screen, you must run the Verify COA utility.*

- Run Trial Balance for all months in the current fiscal year, which may include past or future months. (from the Main Menu: Reports | Accounting | Trial Balance)
- Run the Fix Utility, and correct any errors listed (from the Main Menu: Utilities | Fix).

THIS FORM MUST BE COMPLETED TO PROCESS YOUR REQUEST

Operator/Contact Name: _____
Church Name: _____
Church Zip Code: _____

Note: Before you do anything else, make a backup of your data to a floppy disk right now.

What version of the program are you using? Ledger only | Ledger/Payroll | version 3.1 | version 2.4

Describe the Out of Balance

- How much are you out of balance? _____
- What month does the out of balance occur? _____
- On what report does the out of balance occur?
 - Balance Sheet (Total Assets do not match Total Liabilities and Equity)
 - Balance Sheet (an Asset or Liability/Equity account does not match what is expected)
 - Income Statement (an Income or Expense account does not match what is expected)
- Which account is out of balance (name, number, type)? _____ 1a

- What was the Last month the item was correct or in balance? _____

Answer these Questions about your accounting setup

- Are you using Masters/Subs? Y N 1b, 4
- Have you added any new accounts, changed levels, or created new Masters/Subs? Y N 4
- Are you using Cash Basis or Accrual Basis? _____ 3
- Are there transactions posted to the:
 - Net Income Account? Y N 1c
 - Retained Earnings Account? Y N 1c
 - Prior Year Fund Balance Account? Y N 1d
 - Master Accounts? Y N 1b, 4
- What Date was the data converted from v2.4 to v3? _____ 2
- What was the Last month that was Trial Balanced in v2.4 _____ 2
- What is your Current Fiscal Month (v3.1) _____ 5
- What is your Current Fiscal Year (ie 01-02) _____ 5
- What other information might be important? _____

Processes and Reports

Use these processes and reports to help find and identify your out of balance.

- **Verify COA**

This button is found on the COA Detail screen, in the bottom right corner. It must be run anytime you add, delete or change information about an account on the General Information tab. It gives valuable information about your Chart of Account structure and setup, and it also recalculates the Actuals based on the Beginning Balance and Transactions.

This report is helpful for all solutions.

- **Balance Sheet for the month(s) in question.**

Click on Chart of Accounts | COA Reports | Accounting Reports | Balance Sheet.

The primary indicator of being out of balance is the Assets not matching the Liabilities and Equity on the Balance Sheet. Therefore, this report should be run for each month of the current fiscal year and for the last month of the prior fiscal year.

These reports are helpful for all solutions.

- **Original Balances report.**

Click on Chart of Accounts | COA Reports | Accounting Reports | Original Balances.

The final Balance Sheet for the last fiscal year should match this report for this fiscal year. This helps indicate whether a problem occurred during the End of Year process.

This report is helpful for solutions 1 and 4.

- **Income Statement for the month(s) in question.**

Click on Chart of Accounts | COA Reports | Accounting Reports | Income Statement.

The Income Statement is linked to the Balance Sheet by the Net Income account and the Retained Earnings account. If one report is incorrect, chances are there is something wrong with the other also.

This report is helpful for solutions 1 and 4.

- **COA View Listing.**

This tab, found next to the COA Detail tab, is used to view all accounts as a list. Setup the listing using these fields:

- Account number
- Account name
- Account Type
- Beginning Balance
- Total Level

This screen is helpful for solutions 1 and 4. Refer to page 12-22 in your manual for more information on using this screen.

- **Actuals Detail for the account(s) in question.**

This process is found on the COA Detail screen, in the bottom right corner. It is a brief listing of all transactions and hand-entered amounts for this account. Hand-entered amounts can be amounts entered on the Actuals screen before the first transaction was posted, or transactions that were not Trial Balanced in version 2.4 before conversion.

This report is helpful for solution 2.

- **General Ledger Report.**

Click on Chart of Accounts | COA Reports | Accounting Reports | General Ledger.

This report lists all transactions for an account for a given date range. It can be helpful when you know exactly which account is out of balance.

This report is helpful for all solutions.

- **Fix Utility**

This process, found on the Title Bar under Test/Fix, examines all of the data tables for errors and inconsistencies and reports them. You should always make a Backup of your data before running this process.

This process is helpful for all solutions.

Ledger 3.1 Scenarios

1

If the out of balance account is a Retained Earnings, Net Income, Prior Year Fund Balance, or Master account:

a

- Look for Beginning Balances in the Headings, Income, Expense, Retained Earnings or Net Income accounts. (use COA View Listing)
 - These types of accounts should never have beginning balances.
 - Use the COA View Listing to find them. If any of these accounts have beginning balances:
 1. Change the account to Other Asset.
 2. Set the beginning balance to zero.
 3. Change the account back to its normal type.
 4. Run Verify COA.

b

- Look for transactions in the Master accounts (there should not be any).
 1. Use COA Transaction History to find out if there are any transactions.
 2. Change the Master account to a Sub account and create a new Master.
 3. Check Levels. Masters and Subs should be level 1 detail accounts.
 4. Run Verify COA.

c

- Look for transactions in the Net Income or Retained Earnings accounts. Normally you should not post to these accounts as they are calculated internally. The YTD Retained Earnings from the Balance Sheet is taken from and should match the YTD Net Income from the Income Statement.
 - Use COA Transaction History to find out if there are any transactions.
 - To correct postings to these accounts:
 - Change the Retained Earnings account to regular detail Equity account and create a different Retained Earnings account.
 - Change the Net Income account to a regular detail Expense account (level 1) and create a different Net Income (level 9)
 - In version 2.4, also change the accounts on the Utility - Setup screen.
 - Check all other Levels.
 - Run Verify COA.

d

- If the Prior Year Fund Balance account is out of balance:
 - Version 2.4 allowed and calculated postings to this account properly.
 - Version 3.1A allows postings, but does not calculate them properly at End of Year. This has been corrected in version 3.1C.
 - If necessary, you can adjust the Beginning Balance of this account and run Verify COA.

2

If the Actuals Detail for the account(s) in question has hand-entered amounts in any out of balance month:

- There may be transactions that were not trial balanced in v2.4 before conversion to v3.1.
 - If you are running 2.4 and 3.1 in parallel, or have just recently converted from 2.4, you can re-Trial Balance all transactions in version 2.4, then reconvert. Use the Rescue program on the CD to delete the Ledger 3.1 data before reconverting.
 - If you are running solely in version 3.1, you can use the Clear Actuals process on the CD to delete all hand-entered amounts, then run the Fix Utility to recalculate the Actuals.
- Budget amounts may have been inadvertently placed on the Actuals tab. This is allowed by the program as long as no transactions have been posted to this account. After the first transaction is posted, the Actuals screen is locked.

3

If you have recently switched to Accrual Basis accounting in the program (i.e. right after conversion):

1. Switch back to Cash Basis (Click on System Processes | Initial Setup).
2. Setup new Liability detail account (level 1, no beginning balance).
3. Run Verify COA.
4. Switch back to Accrual Basis, and use the new liability account when it asks for a payables account.
5. Check to see if you are in balance now. Look at the transactions in the new liability account to see if they need special attention.

4

If you have recently added new accounts or changed anything on the COA Detail | General Information tab:

- Check Levels.
- Check Master/Subs.
- Check all beginning balances, especially the Prior Year Fund Balance account and any new accounts.
- Run Verify COA.
- Refer to Chapter 3 in the Ledger Manual for more information on these topics.

5

Click on System Processes | Initial Setup.

If the Current Fiscal Month is not within the Current Fiscal Year (for example, Month = June 2002, Year starts July 2002):

- The program allows you to alter the Current Fiscal Year, but you may have done so by accident or incorrectly, thinking that it is the End of Year process.
- Edit the Current Fiscal Year back to the beginning of that year (i.e. back to July 2001)
- Check all Beginning Balances and make sure they are the correct balances for the beginning of that year or the end of the prior year (i.e. June 2001). This includes setting the Beginning Balance for Retained Earnings to zero.
- Run Verify COA.
- Do the End of Year process by clicking on End of Period | Close Period | Close Fiscal Year for Ledger.