Chapter 16, "Monthly Closeout Procedure"

<u>**MONTHLY CLOSE OUT**</u>
Monthly Close Out in CC3 is really quite simple. You must approach it logically or you'll not get the expected results. Depending on your individual preference, you may want to set the "Lockout Date" to the date you are closing for before starting the following procedures. The advantage is no one can post within the date range you are closing without knowing the "Master Password". The disadvantage is that you will be prompted to enter the "Master Password" at virtually every posting instance. In other words, if you are closing out for say March, and in the middle of the following procedure someone posts an entry to March, your balance sheet might not balance or the income statement might not match current period earnings on the balance sheet, etc. The point is beware of what is going in your network.

1. Make sure all Invoices have been posted for the month.
2. Make sure all Job Costs have posted for the month.
3. Make sure you have closed all RO's that you wanted to for the month being closed.
4. Print a Closed ROs Listing for the month Reports 56 & 57. Use 57 for your sales tax report.
5. Run the Work In Process (50). You should elect to print the (P)rint RO Line by Line listing and also the totals screen. If satisfied, you may now Post WIP to the Journal. Posting occurs to current month(clearing expenses) and next month(posting forward).
6. Select Closed ROs Total, called report 5(9) Departmental report print and (D)istribute to the various Departments (sales distribution). This will post entries to the journal distributing the sales revenue from the RO s to specific departments (like Paint, Body,
Parts, Sublet, etc.).
7. Go to Journal check to make sure it is in balance by using (H) check balance. This certifies that all entries in the journal balance and are in order.
8. Run the Income Statement and Balance Sheet. This will post current period earnings to the balance sheet, to the current period earnings account. If the balance sheet does not balance, check the previous month's balance sheet for a balance, and in the Journal C(H)eck the journals to make sure they balance.

Remember that the CC3 Accounting System is Journal Driven. This means that if you back date any entry that goes into the Journal, it will reflect on the Income and Balance Sheets only if you Re-Calculate them. If you make such a back dated entry and do not re-calculate, then your figures will be off by that amount on a continuous basis. The balance sheet looks back at the preceding month and then runs it's calculations from that number. <u>It is best not to back date entries into the closed month; but if you do so, then be sure to rerun your balance sheet and any balance sheets after that month. There is a lock-date that is set and maintained in Setup-Security to prevent back dating, and allows forward dating for 60 days. You can edit the lock-date in setup-accounting.</u>

The accounting system is a perpetual system and when you really think about it, there is no "close". There is never a point when you can't get back into a month and work on it. The only difference between year end and month end is an automatic entry that clears current period earnings to retained earnings. In the Balance Sheet, when you choose the last month of the year, according to the 1ST MONTH date in SETUP/ACCOUNTING, the system will ask if you want to post the year end adjustment to the journal. Should you make a mistake and need to reclose the year, delete the

adjusting entry from the journal and rerun the balance sheet. When all is done, move the 1ST MONTH date forward a year, and LOCK DATE forward to 1st month of the year, both dates are now the same.

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