

Section 4 – Month-End Processing

Introduction

At the end of each month, the PDS Ledger activity should be reviewed to identify any processing errors and mispostings. It is difficult to effectively review work you performed, so if possible have a member of the Finance Council scan the General Ledger and Income Statement for obvious errors. Correct all mispostings and ensure the system is balanced prior to closing the month.

Using the following pages (4-2 through 4-7) to review and close the month in PDS Ledger.

Month-End Close Checklist and Review Procedures

Month being closed (Month/Year) _____ Date Completed: _____

Perform **all** Month End Reconciliations and Review Procedures before generating month end reports and closing.

Complete All Procedures:

1. Run the Fix Damaged Data Utility/Check for Updates:

Performed By/Date _____

- a) Click File on the menu bar. Click on Test/Fix, Fix Data Discrepancies. Click Fix Data, click Ok (for automatic back up).
- b) Print the report and scan for errors. **Errors must be researched and corrected** before continuing with the rest of these checklist procedures.
- c) Check for updates to PDS Ledger to ensure you are operating with the most recent edition of the software.
 - o Click File on the menu bar. Click on check program for updates. Click the button that says check. Run any necessary updates.

If you need assistance please call Computer Services. Once all errors are corrected, rerun the report. Attach report and/or corrected report to this checklist.

2. Complete the Bank Reconciliations:

Performed By/Date _____

- a) **All PDS Ledger assets must be reconciled using PDS Ledger.**
- b) Print the reconciliation reports (Reconciliation Summary Report, Outstanding Checks/Deposits and Reconciled Checks/Deposits).
- c) Attach all reconciliation reports to the appropriate bank statement.
- d) If Bank Reconciliation is done prior to month-end review, verify all reports are being printed and attached to bank statements.

3. Balance Sheet Review and Report Printing:

a) Total Assets versus Total Liabilities Review:

Performed By/Date _____

• Preview/Print Balance Sheet Report:

Click Reports, Chart of Accounts Reports, Accounting Reports, Stmt. of Financial Position (Bal. Sheet). Click Next; Next; Next; Balance Sheet Layout Options; Include/mark Comparison with "Last Year" and "**Print Account Numbers**", "Suppress Accounts with Zero Balances" and "**Print Out of Balance Warning on Report**". Click Next. Verify that the Report Date/Month of Report is correct. Click Preview, Print, Ok and Close.

• Review the Balance Sheet:

Make sure there is no "Out of Balance warning" on the balance sheet. If this warning appears, an out of balance condition could be an indication of bookkeeping issues, data problems, month end close problems or fiscal year end close issues. **Contact Computer Services** for assistance in resolving.

b) Liability (2000) Accounts Review:

Performed By/Date _____

• Review all liability (2000) accounts:

Scan all activity and ensure accuracy.

- Liability balances in most cases should be zero. Some account balances such as health insurance contributions or 403b may appear to "float" from month to month because a payment has not yet been sent to the related vendor.

- It should be possible to prove the balances for all of the employee withholding accounts by reviewing the payroll registers for the current month. However; in no case should any balance continue to grow from month to month.
- Send out checks for any outstanding special collections. Special Collection remittance must be made per the special collection schedule within 4-6 weeks of the weekend collection.

c) **Test Mass Stipend Accounts:** Performed By/Date_____

*** Complete this step only if your Mass Stipend Account is maintained in PDS Ledger.**

- Verify the Mass Stipend Asset Account(s) Balance is equal to the Mass Stipend Liability Account:

Asset Account Balance \$_____ = \$_____ Mass Liability Account Balance

The total Mass Asset Balance MUST equal the Mass Liability balance. If different review all transactions in the Mass asset account to ensure ALL transactions are posted to the Mass Liability account. Make correcting Adjusting Journal entries as needed. (The transactions in the Mass asset account(s) must not affect the parish Surplus (Deficit).

d) **Prior Year Fund Balance Account (PYFB) Review:** Performed By/Date_____

- There should not be any activity posted to this account, unless directed by Computer Services or Internal Audit. If activity is recorded, review for accuracy. If assistance is needed, contact Computer Services or Internal Audit.
- To review, run an income statement for the Prior Year Fund Balance Account. If the report is blank, no activity was recorded. If there was activity, print the report, and provide documentation to substantiate the activity. NOTE: Activity posted to Prior Year Fund Balance should only be posted at the direction of Internal Audit or Computer Services.

Continue to Step e on next page (4-4)

e) **Test Cash Balance:**

Performed By/Date _____

- This test is similar to the Reconciliation Box on page 2 of the Diocesan Annual Report. Its purpose is to prove the ending cash balance. **Note:** This test should only be completed after any discrepancies identified in the Total Asset versus Total Liabilities Review (step #3,a) have been corrected.
- Complete the chart below.

Category		Amount	Source Document
Prior Fiscal Year Total Assets		.	Prior Fiscal Year 8/31 Balance Sheet
Prior Fiscal Year Payroll/Other Liabilities (*)	-	.	Prior Fiscal Year 8/31 Balance Sheet
Current Fiscal Year YTD Surplus/Deficit	+	.	Current Fiscal Year Balance Sheet
Test Ending Cash	=	.	
Current Fiscal Year Total Assets		.	Current Fiscal Year Balance Sheet
Current Fiscal Year YTD Payroll/Other Liabilities (*)	-	.	Current Fiscal Year Balance Sheet
Prior Year Fund Balance (PYFB) Adjustments	+/-	.	PYFB Account in PDS Ledger (See Step #3d)
Adjusted Current Fiscal Year Total Assets	=	.	

* To compute this line, take your total liabilities less your Surplus/Deficit and Prior Year Fund Balance.

=Total Liabilities – (Surplus/Deficit + Prior Year Fund Balance)

Does the **Test Ending Cash** Agree with the **Adjusted Current Fiscal Year Total Assets**? Yes No

If **No**, then possible discrepancies:

- Pay careful attention to the signs of the amounts. On the Balance Sheet negatives are typically shown in brackets.
- Multiple cash accounts as reported on the Balance Sheet. It may be necessary to combine all the account balances together and record the total as the cash balance.
- Other liabilities, such as Prepaid Tuition as reported on the Balance Sheet. It may be necessary to combine other liabilities and record the total in the YTD Payroll Liabilities.

f) **Print Balance Sheet Report:**

Performed By/Date _____

When All Balance Sheet Review procedures (steps a -e) have been completed. Print a Balance Sheet Report for the Monthly records (if no changes were made, use the balance sheet printed in step 3a):

- Click Reports, Chart of Accounts Reports, Accounting Reports, Stmt. of Financial Position (Bal. Sheet). Click Next; Next; Next; Balance Sheet Layout Options; Include/mark Comparison with Last Year and Print Account Numbers. Click Next. Verify that the Report Date/Month of Report is correct. Click Preview, Print, Ok and Close. File in monthly folder.

g) **Print Money Transfer Batch Report:**

Performed By/Date _____

Note: All transfers between Assets should be recorded using the Money Transfer transaction option.

- Click Reports at the top. Click All Reports. Scroll down to Money Transfer Reports. Under Listing Reports, click Money Transfer Batch Report. Click Next; Next; Next; Next; until you get to the Select Money

Transfers page. Sortation/Sort Order should be set to Date and Date Range to Current Period. Click Preview, Print, OK and Close.

- The printed Money Transfer report should be filed in the monthly folder.

4. Income Statement/General Ledger Review and Report Printing:

a) **Run All Group Integrity Test:** Performed By/Date_____

- Open PDS Ledger, click on Reports at the top. Click on All Reports, scroll down to Group Reports. Click Group Easy Reports, Click Verify Group-Summary. (If this report is not in your system, contact Computer Services). Click Next, Next, Next, Next. Select Groups screen: Print ALL Group; Preview: Print: OK; Close
- Review the report for missing and duplicate accounts. All accounts listed on this report are not properly included in the ALL Group Income Statement. All Missing or Duplicate accounts **MUST** be corrected. Call Computer Services for assistance in correcting the All Group Income Statement Report.
- Once all missing and duplicate accounts have been corrected, **rerun** the report.
- Attach report and/or corrected report to this checklist.

b) **General Ledger Review:** Performed By/Date_____

- Print/Preview the General Ledger Report:
Click Reports, Chart of Account Reports, Accounting Reports, General Ledger Report.
Click Next; Next; Next; Next; Under Sortation: Sort Order should be Number. Set the Date Range to Current Period. Click Preview, Print, OK and Close.
- Review the General Ledger for errors and mispostings:
Scan the detail activity for all Receipt (3000) and Expense (4000) accounts. Determine if the activity posted to the account appears reasonable.
- Research activity that has a **negative amount**. There should absolutely be no negative numbers (debit balance in Receipts 3000 accounts or credit balance in Expenses 4000 accounts). This indicates an error in posting has occurred. For example, a cash receipt may have been incorrectly distributed to an expense account. Correct/Re-Classify by AJE. Refer to #4,e for how to print the General Ledger Report.
- If assistance is needed, please contact Computer Services, 847-8395 or Internal Audit, 847-5572.

c) **All Group Income Statement Review:** Performed By/Date_____

- Print/Preview the Income Statement Report:
Click Reports, Chart of Accounts Reports, Accounting Reports, Stmt. of Activity (Income Statement).
Click Next; Next; Next; Layout Options Style Name; "Budget" or "Standard" from the drop down menu.
Click Next. Under the Selection Information tab, select Group from the Sort Order drop down menu.
Select the appropriate COA Group from the drop down menu (usually the ALL Group). Set the date range to Current Period. Click Preview, Print, OK, Close.
- Review the Income statement to ensure all Receipt accounts (3000s) have a credit balance; debit balance will have (). Any Receipt accounts with a debit balance must be reviewed and corrected. Typically ONLY deposits should be recorded to receipts accounts. Post correcting Adjusting Journal Entries as necessary.
- Review the Income Statement to ensure all Expense accounts (4000s) have a debit balance; credit balances will have (). Any Expense accounts with a credit balance must be reviewed and corrected. Typically ONLY Paid Invoices and Disbursements should be recorded to Expense accounts. Post correcting Adjusting Journal Entries as necessary.
- Review the All Group Report sub totals and the total at the bottom of the report to ensure these are accurate. If the report does not total properly, incorrect total levels exist in the All Group Report. These must be corrected. Contact Computer Services for assistance, 847-8395.

- d) **Test Surplus/Deficit:** Performed By/Date _____
 The surplus/deficit on the Balance Sheet should equal the surplus/deficit on the Income Statement.
 This test ensures all revenue and expense accounts are included in the ALL Group Income Statements.

ALL Group Income Statement: Year to Date Surplus/Deficit _____

Balance Sheet Surplus/Deficit _____

Does the All Group Income Statement Surplus/Deficit agree with Balance Sheet Surplus/Deficit? Yes No

Possible source of discrepancies:

- Missing account(s) on the ALL Group Income Statement. Re-run All Group Integrity Test from step #4, a.
- Duplicate account(s) on the ALL Group Income Statement. Re-run All Group Integrity Test from step #4, a.
- Call Computer Services for assistance as needed, 847-8395.

- e) **Print Reports:** Performed By/Date _____

Only after completing the General Ledger Review, The All Group Income Statement Review and the Surplus/Deficit test, generate the PDS Ledger reports for the monthly file (if no changes were made during the month-end review, you may use the reports printed in 4b and 4c):

- Print the General Ledger Report:
 Click Reports, Chart of Account Reports, Accounting Reports, General Ledger Report.
 Click Next; Next; Next; Next; Under Sortation: Sort Order should be Number. Set the Date Range to Current Period. Click Preview, Print, OK and Close. File in Monthly Folder.
- Print the All Group Income Statement Report:
 Click Reports, Chart of Accounts Reports, Accounting Reports, Stmt. of Activity (Income Statement).
 Click Next; Next; Next; Layout Options Style Name; "Budget" or "Standard" from the drop down menu.
 Click Next. Under the Selection Information tab, select Group from the Sort Order drop down menu.
 Select the appropriate COA Group from the drop down menu (usually the ALL Group). Set the date range to Current Period. Click Preview, Print, OK, Close. File in Monthly Folder.
- Print Receipt Transaction Report:
 Click Reports at the top. Click All Reports, Cash Receipts Reports, Listing Reports, Receipt Transaction Report. Click Next; Next; Next; Next until you get to the Select Receipts page. Sortation/Sort Order should be set to Date. Set Date Range to Current Period. Click Preview, Print, OK and Close. File in Monthly Folder.
- Print the Journal Entry Batch Report:
 Click Reports at the top. Click All Reports. Scroll down to Adjusting Journal Entry Reports. Click Listing Reports, Adjusting Journal Entry Batch Report. Click Next; Next; Next; Next; until you get to the Select Journal Entries page. Sortation/Sort Order should be set to Date and Date Range to Current Period. Click Preview, Print, OK and Close. File in Monthly Folder.

5. Check Utilization Log & Check Register Review and Report:

This step is to ensure all checks have been accounted for and recorded in PDS Ledger.

Print/Preview the Check Register Report: Performed By/Date _____

- Click Reports at the top. Click All Reports, General Transaction Reports, Listing Reports, Check Register Report.

Click Next; Next; Next; Next; until you get to the Select Transactions page. Under Sortation: Sort Order should be set to Date and Date Range should be set to Current Period. Click Preview, Print, OK and Close.

- Review the Check Register Report in PDS Ledger: pay close attention to the check numbers. Look for duplicate or missing check numbers. Correct check number errors and gaps by adding voided checks. **Voided checks must be recorded in PDS Ledger;** even checks voided during the check printing process.
- Confirm actual check numbers using digital images from the bank.
- Ensure all checks have been recorded in the Check Utilization Log. Follow up by locating the missing checks or updating the log.
- All voided check stock should be attached to the applicable bank statement.

After all corrections have been made to the PDS Ledger check register: Print the Check Register Report (directions above) and file in the monthly folder.

6. **Synchronize Data with Diocese** Performed By/Date _____
- Click File, Data Synchronization, Synchronize with Diocese. Click Next. Verify that "Include a Fresh Data Backup" and "Include Alt. Account in name" checkboxes are marked. Click Next. Click Start Transfer.
7. **Close the Period:** Performed By/Date _____
- If you are closing the **fiscal year** skip this step and perform the Fiscal Year End Procedure.
- Click Transactions, End of Period, Close Month for Ledger. Click "Yes" to back up your data.
IMPORTANT: You should back up your data to a flash drive or CD and label it **PDS Ledger Month End Backup for month/year**. When the backup is complete, click Print, Ok and Close.
 - A popup window will appear asking you if you want to continue with the Close Month process. Click "Yes" if all the above steps have been completed. This will advance ledger to the next month.
8. **Distribution and Filing:** Performed By/Date _____
- a.) Make copies of all month end reports and distribute them to the Pastor.
 - b.) Place all reports generated & this completed checklist into the appropriate month end folder.
 - c.) All Cash Receipt and Adjusting Journal Entry Batch reports should be attached to supporting documentation.
 - d.) All Cash Receipt, Invoice, Paid Invoice, Money Transfer and Adjusting Journal Entry batch reports should be filed in batch number order by month.
 - e.) All paid bills should be filed alphabetically by payee, in separate paid bill files.

Retention: Checklist and all Reports Must be retained for 7 years, in monthly folder.