



Quickbooks All Versions | Month End Reports Overview

Introduction:

All Bookkeeping/Record keeping software is based on “GAAP” (General Accepted Accounting Practices) and requires maintenance through journal entries and month end reports pulled for reconciliation and review. The following documentation is an outline to suggest some procedures and reports that will be useful. If you are familiar with other accounting software you will notice QuickBooks does not have a formal closing procedure (meaning a menu item you use to set the new month). QB has the capability to stop the dating to prior years. QuickBooks is date sensitive and a lot of the quick reports are presented in date order, not document order.

Please read through the entire documentation before you start any of the instructions.

Closing Procedures for Accrual records

If you are tracking unpaid receipts (known as Accounts Receivable) and/or unpaid bills (known as Accounts Payable) you are considered to be on an accrual basis for bookkeeping and certain reports must be pulled at the end of each month. The “End of Month” (EOM) will be the point where you will no longer generate invoices, record bills, and record deposits or write checks for that particular month. Example:

June activity will end June 30, 20XX (EOM) unless the 30th falls on a weekend, then you may have some June activity to record while you are actually in the month of July.

The goal is to get your target month finalized as quickly as possible so as to identify problems and correct before they get out of control. It is strongly recommended that only one person generates the EOM reports and approves the move forward to next month.

The Month End reports consist of:

1. **“Aging Detail”**: find the “Reports” menu and select “Customer & Receivables”, then immediately select “Aging Detail”. Once the screen is open correct the date to EOM if necessary and use the refresh tab from tool bar to insure your new dates were accepted. Then from tool bar select the “Print” tab. You should not have to change any preset specs other than the date.
2. **“Aging Detail”**: find the “Reports” menu and select “Vendors & Payables”, then immediately select “Aging Detail”. Once the screen is open correct the date to EOM if necessary and use the refresh tab from tool bar to insure your new dates were accepted. Then from the tool bar select the “Print” tab. You should not have to change any preset specs other than the date.
3. **“Sales Tax Liability Report” (Only if you collect sales tax)**; find the “Reports” menu and select “Vendors & Payables”, then search down until you can select “Sales Tax Liability Report”. Once the screen is open correct the dates to reflect first day and last day of the month and refresh. Then select the “Print” tab. You should not have to change any preset specs other than dates.
4. **“Deposit Detail”**: find the “Reports” menu and select “Banking”. Once the screen is open correct the dates to reflect first day and last day of the month and refresh. Then select the “Print” tab. You should not have to change any preset specs other than dates.

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5. **“Check Detail” (not a Checkbook Register)**; find “Reports” menu and select “Banking”. Once the screen is open correct the dates to reflect first day and last day of the month and refresh. Then select the “Print” tab. You should not have to change any preset specs other than dates.
6. **Other reports**, ie. Purchase, Inventory and Payroll reports will be pulled if applicable using the same procedures described above.
7. **Create a back-up disk for your office.** (even if you have a network Back-up) You will be able to re-use this every month.
8. **Create a second back-up disk** and send to Better Results for review, (or allow for remote login) if you have taken advantage of their economical month-end review.

After you have created the back-up disks, the month end procedures are done. You will not make any new transactions or transactions to the past or prior months (Often referred to as backdating). If you back date transactions this could corrupt prior financial data.

IMPORTANT MEMO: Quickbooks will let you go back and see prior month activity for invoices, deposits, checks and bills. In Quickbooks, if you can see it you can change it, but do not (only exception would be spelling errors). This can become a recordkeeping nightmare. The policy should be look but **DO NOT TOUCH**. Do not record over, reuse, omit, delete or edit any and all transactions from the past. Errors to invoices should result in a credit or debit memo in the current period. We can even void and replace, but the key factor will be that it is dated for the current period you are working in. This is true of bills as well. If deposits or checks are incorrect it will be corrected at bank reconciliation time by journal entry. By completing corrections properly, we achieve an audit trail.

If you have a correction, always call Bette Rolland for help at 602-725-8656. It is much harder and time-consuming to correct a bad correction.

If you are not an accrual record keeper, all the above rules apply but you have fewer reports to print. You will not have A/R or A/P aging summaries.