

“Closing the Books” at End Of Year (or period, if needed)

“Closing the Books” is the process of transferring the total of all Income and Expense accounts to an Equity account. The net total of the Income and Expense accounts for the Fiscal Year is the Net Income (or Loss) for the year. After the transfer, all Income and Expense account balances should be zero as of the date of closing. Quite often, the Equity account that the balances are transferred into is the “Retained Earnings” account, but this can vary depending on the structure of your business. Ask your accountant for help with this process, if necessary. NOTE: The detail data is NOT removed from the accounts with this process, and can remain on your books as long as you wish.

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Open Window To Close Books At End of Year (or Period, if needed)

Task Menu
View CHS Setup Steps
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Vendor Bills, Checks (BI)
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Accounts Receivable (AR)
Bank Deposits (DP)
Trial Balance/Cash Flow (TB)
Job Closing Entries (JCE)
Close Books Year End (CBE)

To open the window for preparing closing journal entries at the end of a Fiscal Year (or period, if needed), use the button labeled 'Close Books Year End' under 'Task Menus' on the Navigation/Home window. OR, simply type 'CBE' in the "Index" field.

The windows that will open are designed to make it easier to post a journal entry to 'close' the Income Statement accounts at the end of a period. It is NOT required that these windows are used to prepare a closing entry. If your accountant prefers, they can prepare their own journal entry manually. (See Help documents for posting Adjusting Journal Entries.)

On the window shown below, enter the 'end of period' date. Since this is a date-sensitive program and Income Statements can be produced for any range of dates, it is NOT necessary to 'close' the books at the end of each month. Usually the date entered on the window will be for the end of your fiscal year for accounting.

The first account that is an Income Statement account and the last account account that is an Income Statement account will already be filled in for you. If there is some reason that you will not be 'closing' the balances in all of those accounts, select the appropriate range of 'Accounts To Close'.

Select the appropriate 'Equity Account To Close Into'. Since all Income Statement balances should be closed into an Equity account, those will be the only ones available to select from.

Continue to the next page.

Criteria for Closing Books End of Period

(CBE in Index)

Current Period

Usually Income Statement accounts are closed into an equity account (like Retained Earnings) at fiscal year end. Discuss this with your accountant.

Closing Entry Date ->

ACCOUNTS TO CLOSE: FROM-> TO ->

EQUITY ACCOUNT TO CLOSE INTO->

2900	COMMON STOCK	EQUITY
2910	ADDITIONAL PAID IN CAPITAL	EQUITY
2920	RETAINED EARNINGS	EQUITY
2921	Prior Period Adjustments	EQUITY
2950	PARTNERSHIP CAPITAL	EQUITY
2960	DRAWING ACCOUNT	EQUITY

REMOTE USERS! Before closing the books for a period, your data file to your local computer. Then rename the include something about the year (or period).

LOCAL USERS! Before closing the books for a period, it's a good idea to make a copy of your data file as a backup. Then rename the copied file to include something about the year (or period). Call CHS if you need help doing this.

Since this program is a date sensitive program, it is not necessary to close the books at the end of each month. However, you may do so if your accounting methods require a month end closing. It is recommended, however, that books are closed at year end only using this program.

The “Closing” Window

After the information is entered on the window shown to the left, use the button labeled ‘Continue To Closing Window’.

Closing Entry Date ->

ACCOUNTS TO CLOSE: FROM-> TO->

EQUITY ACCOUNT TO CLOSE INTO->

This window will open displaying all of the accounts that will be closed and their balances. The Total of these accounts is shown on the bottom of the window. Every account balance on the window is subtotaled by Job and Department. The entries made to the Equity account will be totaled by Job and Department, so that the Trial Balances by Job and Department can remain in balance. After you have reviewed the balances and totals on the screen, click the Command button labeled “**Create Closing Entry**”. A Journal Entry will be created and stored in the AJE Journal. You may view (or edit) the entry from the Add/Edit Journal Entries screen.

Continue to the next page.

LIST OF ACCOUNTS and BALANCES TO CLOSE				
Credits are shown as positive numbers and Debits as negative for viewing purposes.				
GL NUM	GL ACCOUNT NAME	BALANCE	JOB	DEPT
3050	SALES-DEVELOPED LOTS	\$63,067.69	SYLV2000	CH
3100	SALES-SINGLE FAMILY SPECS	\$584,523.94	MON7500	CH
3100	SALES-SINGLE FAMILY SPECS	\$450,000.00	SYLV410	CH
3100	SALES-SINGLE FAMILY SPECS	\$646,500.00	VENT860	CH
3120	SALES-SINGLE FAMILY CUSTOM	\$592,438.11	H129	CH
3120	SALES-SINGLE FAMILY CUSTOM	\$657,271.09	SYLV2010	CH
3320	OVERHEAD INCOME	\$37,250.00	H	CH
3400	MISCELLANEOUS INCOME	\$10,539.29	CREEK1115	OH
3500	COST OF SALE-LAND HELD FOR DEV	(\$28,355.64)	SYLV2000	CH
3600	COST OF SALES-SNGL FAM SPECS	(\$421.00)	H	OH
3600	COST OF SALES-SNGL FAM SPECS	(\$587,772.28)	MON7500	CH
3600	COST OF SALES-SNGL FAM SPECS	(\$426,489.90)	SYLV410	CH
3600	COST OF SALES-SNGL FAM SPECS	(\$605,846.66)	VENT860	CH
3620	COST OF SALES-SNGL FAM CUSTOM	(\$502,755.54)	H129	CH
3620	COST OF SALES-SNGL FAM CUSTOM	(\$554,386.03)	SYLV2010	CH
4010	SALARIES-SUPERINTENDENTS	(\$2,000.00)	H	OH
4130	HEALTH INSURANCE - CONSTR.	(\$275.96)	H	OH
4210	RENT - FIELD OFFICE	(\$91.31)	H	OH
TOTAL TO CLOSE INTO ACCT NUMBER		2920	\$6,307.65	

Record:

Review the Closing Journal Entry Batch

A Journal Entry batch has been created to close the accounts elected as of the date selected.

Select one of the options below:

[Exit and Review the journal entry batch.](#)

[I'm finished. Exit Closing Entry Windows.](#)

After using the button to 'Create Closing Entry' shown on the previous page, the program will pop up a window stating that a Journal Entry batch has been created. If the button labeled 'Exit and Review the journal entry batch.' is used, the window shown below will open. See Help Documents available on the 'Add/Edit Journal Entries' window for information on changing, deleting, or printing the records.

Add/Edit Journal Entries ((JE in index) - Entries Sorted By Entry Number

Find Another
JE Batch

Start a New
JE Batch

Delete This
JE Batch

Change Doc ID
or Date

Doc ID: CIs 12/2006

JE Date: 12/31/06

Post Credits as a negative (minus) amount and Debits as a positive (plus) amount. The TOTAL should equal zero when the AJE batch is complete.

Ent#			G/L Account Number	Job	Dept.	Description	Cost Code	Type	Markup	Amount		
40381		Edit Line	3050-SALES-DEVELOPED LOTS	SYLV2000	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$63,067.69	New Line	Copy Line
40382		Edit Line	3100-SALES-SINGLE FAMILY SPECS	MON7500	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$584,523.94	New Line	Copy Line
40383		Edit Line	3100-SALES-SINGLE FAMILY SPECS	SYLV410	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$450,000.00	New Line	Copy Line
40384		Edit Line	3100-SALES-SINGLE FAMILY SPECS	VENT860	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$646,500.00	New Line	Copy Line
40385		Edit Line	3120-SALES-SINGLE FAMILY CUSTOM	H129	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$592,438.11	New Line	Copy Line
40386		Edit Line	3120-SALES-SINGLE FAMILY CUSTOM	SYLV2010	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$657,271.09	New Line	Copy Line
40387		Edit Line	3320-OVERHEAD INCOME	H	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$37,250.00	New Line	Copy Line
40388		Edit Line	3400-MISCELLANEOUS	CREEK1115	OH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$10,539.29	New Line	Copy Line
40389		Edit Line	3500-COST OF SALE-LAND HELD FOR DEV	SYLV2000	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	(\$28,355.64)	New Line	Copy Line
40390		Edit Line	3600-COST OF SALES-SNGL FAM SPECS	H	OH	*End Of Period Closing Entry*	0-0-NONE		0.00%	(\$421.00)	New Line	Copy Line
40391		Edit Line	3600-COST OF SALES-SNGL FAM SPECS	MON7500	CH	*End Of Period Closing Entry*	0-0-NONE		0.00%	\$587,772.28)	New Line	Copy Line
40392		Edit Line	3600-COST OF SALES-	SYLV410	CH	*End Of Period Closing	0-0-NONE		0.00%	\$426,489.90)	New Line	Copy Line

Genl Ledger Bal

\$0.00

JOB REVENUES: Do not use this Journal Entries window to post Job Revenues that should display on Job Cost and Revenue reports. Use the Add/Edit Deposits window and the Deposit Categories that are needed for the reports. If needed, post a "zero" deposit. Use the allocation lines on the Deposit window to create the deposit in/out "journal entry". (DP in navigation index)

TOTAL \$0.00

(should be zero when finished)

