

E. 1. Zero Out Certain Accounts

What's the purpose of this setup step?

In this step, we'll zero out many of the accounts in Control to make it easier to enter the starting GL balances (the next step).

- 1) Print a GL Changes Summary from 1/1/2000 through the **transition date**.
 - a) In the main menu, click on **Reports**, then **Financial Reports & Closeouts**, then **GL Account Reports**, and then on **GL Changes Summary**.
 - b) Click on the **Show Detail** button under date.
 - c) Click on the date selection button that was revealed. Choose **Custom**.
 - d) Enter **1/1/2000** as the From Date.
 - e) Enter the transition date as the To Date.
 - f) Click on the **Entire Day** button.
 - g) Click on the **Print** button to output the report to the selected printer.

- 2) Create a new Journal Entry to record these offsetting entries.
 - a) In the main menu, click on **Banking** and then **New Journal Entry**.
 - b) Click on the **Date** drop-down in the top right and set it to the transition date.
 - c) In the **Description** line, enter **Reverse Pre-Startup Values**.
 - d) Type any notes you would like to record in the **Journal Notes** section.
 - e) Click in the **Account** cell in the first row.
 - f) Enter the first account name from the GL Changes Summary report by typing the name until the account is found or choosing it from the drop-down list.
 - g) Tab to the debits or credits column. To reverse the balance you must enter the amount in the opposite column. For example, a \$50 debit balance should be entered as a \$50 credit in this entry.
 - h) If desired, tab to the Notes column and enter any notes.
 - i) Hit the down-arrow key or click **Insert New Line** to add a new line.
 - j) Repeat for [almost] all accounts on the GL Changes Summary report.

IMPORTANT NOTES

1. The following accounts CAN NOT be adjusted manually and should be omitted from the reversing entry:
 - Accounts Receivable (asset)
 - Accounts Payable (liability)
 - Vendor Credits (asset)
 - Customer Credits (liability)
 - Customer Deposits (liability)
 - WIP (asset)

- Built (asset)
 - Orders Due (liability)
 - 2. WIP, Built, and Orders Due always balance so omitting them does not cause a problem.
 - 3. Create an entry for the **Opening Balance Equity** account in the amount of (Accounts Receivable - Accounts Payable + Vendor Credit - Customer Credit - Customer Deposits) and post this balance.
- k) Save the Journal Entry by clicking on the **Save** button on the Action Toolbar on the right.
- 3) Re-Print the GL Changes Summary from 1/1/2000 through the transition date and confirm that all accounts excluding the 8 above plus **Opening Balance Equity** are zero. If not, evaluate what items were missed and edit the previous journal entry or create a new entry with the additional changes.

Nice work. You're on the home stretch!