



# **Training Guide – Nominal Ledger**

## **Year End Adjustments**

After the Nominal Ledger has been closed for the end of year, figures posted in the previous year often need to be adjusted.

The Manual Nominal Postings program can be used to make any adjustments to the end of year figures.

# **Posting Manual Year End Adjustments**

Any adjustments to the Year End figures can be posted through the Nominal Ledger, Post Transactions, Post Manual/Reversing Journals screen.

We would recommend that any adjustments are made in Period 12 of the previous year to ensure that the P&L and Balance Sheet show the correct Year End figures.

- From the bottom bar, select the option YearPer and change the year number back to the previous year and period 12.

- Select the Manual option, then use the tab key to move to the Nominal Code box or click with the mouse. Enter the Nominal codes to be amended with the relevant Debit or Credit value
  - Once the postings have been completed, exit out of the Post Manual/Reversing Journals screen
  - From the main Nominal Menu select Period End Processing ...., Reconcile the Nominal Ledger.
  - Select YearPer and change to the previous year and Period 12



- ☛ Select Reconcile. If the net profit has been affected by the postings, the system will prompt to advise that The Nominal Ledger does not Reconcile – select OK, will then a further prompt will be displayed ‘Balance Sheet does not Balance, OK to update profit and loss?, select OK. System will update profit and loss and attempt to reconcile again. NB: System must reconcile before you are able to continue

## Updating the VAT Return

If any of the postings contain VAT entries which need to be updated to the VAT Return, a further process is required.

The VAT Return is updated by carrying out a Nominal Ledger Month End Process. As adjustments have been made to a period that has already been closed, a Month End cannot be completed. Therefore, an option has been included within the Nominal Ledger Cashbook, to Update the VAT.

- ☛ From the Nominal Ledger menu, select Cashbook..., Update VAT Analysis from Cashbook
- ☛ Select Year/Per and change to the previous Year, Period 12
- ☛ Select Update and then OK. NB: Although the menu title implies only Cashbook entries are updated to the VAT Return, Manual entries will also be updated

## Opening Balances for Current Year

When the Nominal Year End is performed, the Nominal Ledger for the new year is created and the closing figures are brought forward as opening figures for the new year. Posting adjustments to the previous year will change the closing figures but will not update the existing opening figures for the new year. In order to update the opening figures, the following process will need to be carried out:

- ☛ From the Nominal Menu, select Post Transactions ..., Post Opening Balances
- ☛ Select UpdFromLY from the Options at the bottom of the screen NB: the system will display the current period in the top left-hand corner of the screen but will only ever update the Opening Figures for Period 1

## Confirming Update to New Year has been completed

From the Nominal menu:

- ☛ Select Nominal Ledger Reporting..., Print Balance Sheet, print the report for Period 12 of the previous period
- ☛ Select Nominal Ledger Reporting..., Print Brought Forward Balances
- ☛ The updated closing figures on the Balance Sheet and the Brought Forward Opening Balances can then be compared, these should be identical



## Reconciling the Nominal

If the current Nominal Period is further on than Period 1, the Nominal will need to be reconciled for each period from Period 1 up to the current Period:

- ☛ Nominal Menu – select Period End Processing, Reconcile the Nominal
- ☛ Select YearPer and change to period 1 of the current year
- ☛ Select Reconcile – if the Nominal Reconciles, repeat for each period up to the current period
- ☛ If the Balance Sheet does not reconcile, system will confirm that the Nominal does not balance, select OK and a further prompt will be displayed ‘Balance Sheet does not Balance, OK to update profit and loss? select OK. System will update profit and loss and attempt to reconcile again

## Adjusting Stock Valuation

There are two methods for updating the Stock Valuation within the prof.ITplus system; using Opening/Closing Stock Valuation Accounts or an Adjustment Account. If unsure as to which method is being used in your system, you can check the Stock Parameters within the Stock Module:

- ☛ Within the Integration section of the General Stock Parameters, there is a radio button to select whether Open/Close or Adjustment Account being used:

<b>Period Settings</b>		Current Period Date Range <input type="text" value="1/12/18"/> Ending <input type="text" value="31/12/18"/>	
Current Year & Period Number		<input type="text" value="2018"/>	<input type="text" value="9"/> Periods/Year <input type="text" value="12"/>
<b>Searches</b>			
<input type="checkbox"/> Sch On Desc Line 2? <input type="radio"/> Desc <input type="radio"/> Code <input type="checkbox"/> Always Disp Levels? <input type="checkbox"/> Master Dep Free? <input type="checkbox"/> Chng Sch Desc? <input type="checkbox"/> By Cust.Part Alone? <input type="checkbox"/> Cust.Part Defit? <input type="checkbox"/> Supp.Part Defit? <input type="checkbox"/> Display Sup1 Price?		<input type="checkbox"/> Sch On Sales Desc? <input type="checkbox"/> Dep Code <input type="text" value="01"/> <input type="checkbox"/> Multi Depot? <input type="checkbox"/> Auto Issue? <input type="checkbox"/> Traceable Items? <input type="checkbox"/> 2nd Traceable Ref? <input type="checkbox"/> Multiple Bins? <input type="checkbox"/> Perpetual Stk Take? <input type="checkbox"/> Single Stock Take Count Entry For FIFO Items? <input type="checkbox"/> Clear Min/Max/Optimum when Modelling?	
<b>Integration</b>			
<input type="checkbox"/> Sales Orders? <input type="checkbox"/> Return Orders? <input type="checkbox"/> Purch Orders? <input type="checkbox"/> Work Orders? <input type="checkbox"/> Business Intelligence? <input type="checkbox"/> Nominal?    CoS: <input checked="" type="radio"/> Open/Close <input type="radio"/> Adjustment Acc <input type="checkbox"/> Upd: <input checked="" type="radio"/> End Of Per <input type="radio"/> Date Of Upd <input type="checkbox"/> Inc Neg. Stock? <input type="checkbox"/> Sequence Of Items On Shortage Lists?		<input type="checkbox"/> Stock Amends Log? <input type="checkbox"/> Special Ordering? <input type="checkbox"/> Clear After Change? <input type="checkbox"/> Web? <input type="checkbox"/> Print Depot Transf. On Ent.? <input type="checkbox"/> Layout <input type="text" value="*TR01B"/> <input type="checkbox"/> Ask	
<b>Pricing</b>			
<input type="checkbox"/> Quantity Breaks? <input type="checkbox"/> Fgn Curr Prices? <input type="checkbox"/> Price Margins? <input type="checkbox"/> Sup QtyBrks? <input type="checkbox"/> Price Matrices? <input type="checkbox"/> Haggle Costs? <input type="checkbox"/> Min Prc Warn Only? <input type="checkbox"/> Multi Sales Units? <input type="checkbox"/> Min Charges? <input type="checkbox"/> Retail Prices? Price Disp. Preference <input type="radio"/> Non-Retail <input type="radio"/> Retail Cost Base for Matrices <input type="radio"/> Valuation <input type="radio"/> Latest Profit Margin % Calc On <input type="radio"/> Sales <input type="radio"/> Cost Cost Base for Prof.Calc <input type="radio"/> Valuation <input type="radio"/> Latest Price Code to be Used <input type="radio"/> Customer <input type="radio"/> Invoice Acc <input type="radio"/> Price Src Sls.Ln.Val Rounding Pos <input type="radio"/> Value <input type="radio"/> Price		<input type="checkbox"/> Components Req'd? <input type="checkbox"/> Auto. Seq. Num? <input type="checkbox"/> Kits? <input type="checkbox"/> Hose Assemblies? Component Cost <input type="radio"/> Valn <input type="radio"/> Latest Assembly Weight <input type="radio"/> Manual <input type="radio"/> Calculated <input type="checkbox"/> Upd Assem Costs? <input type="checkbox"/> Upd Assem Prmp? <input type="checkbox"/> Excl.Outwork? <input type="checkbox"/> Excl.Spec.Codes? <input type="checkbox"/> Assem On Comp List Imp?	
<input type="button" value="Change"/> <input type="button" value="General"/> <input type="button" value="Per Dates"/> <input type="button" value="Mand/Desc"/> <input type="button" value="Default"/> <input type="button" value="Spec-code"/> <input type="button" value="Barcode"/> <input type="button" value="St. Code"/> <input type="button" value="Prompts"/> <input type="button" value="Mobile"/> <input type="button" value="AvailDisp"/> <input type="button" value="Exit"/>			

To adjust the stock valuation, a manual posting should be made through the Nominal Ledger as detailed above

- ☛ **Posting for Opening/Closing Stock Accounts** - the posting should be to the Stock Valuation Account (Balance Sheet) and the opposite entry to the Stock Contra Account (not included on either Balance Sheet or P&L). The reason being that when a posting is made direct into the Nominal Ledger to show an increase or decrease to the Stock Valuation, the profit is automatically adjusted, therefore if the opposite entry is posted to a P&L account the profit would be doubled. The figure posted should be the difference between the system figure and the adjusted value.
- ☛ **Posting for an Adjustment Account** – the posting should be against the Stock Valuation Account (Balance Sheet) and the opposite entry to the Adjustment Account (P&L)

