Month End Close: Review In-Process Transactions

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Overview

This document covers the documents to review while conducting the month end close. *This is more of a list of tips and guidelines rather than a concrete list of necessary steps.* The example is done in an OBeer Environment. More resources and information can be found at http://support.orchestrated.com/hc/en-us/articles/206420458-Quick-Start-Inventory-Revaluation

Month end close (aka period end close) is the process of tasks done to close a previous month or posting period. When it is complete, the books are officially 'closed' for that period – this means that no more transactions will be posted to that time period and the financial reports will never change for that period.

Open Sales and Purchase Orders

Make sure there are no open sales orders or purchase orders that should be closed. Orders may be left as 'open' because a line was not delivered or invoiced.

A good way to see a list of open orders is to use the Open Documents widget.

Sales Order Example:

1. click Sales Orders to open the Open Item List form. Sort by Due Date to easily group the open orders to period that you're closing.

2. Drill into each of the sales order and determine why it is still open. Some examples of orders you should close:
   - An order was created, but never fulfilled (not delivered, invoiced) and you don't plant to complete it.
   - An order line was partially or wholly not delivered and the rest of the order has be delivered, invoiced, and or payed for. See screen shots below. Don't forget that the Relationship Map (right click > Relationship map) can give you visibility into the order's related documents.

Sales Order

Customer Code	⇨ C1005				No.	Primary	10228
Customer Name	Pacific Distributing Inc.				Status		Open
Contact Person	⇨ Mike Kay ▼				Posting Date		11/28/2016
Customer Ref. No.					Planned Ship Date		11/29/2016
Local Currency ▼					Document Date		11/28/2016

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Item/Service Type: Item   Summary Type: No Summary ▼

#	Item No.	Item Description	Quantity	Unit Price	Discount %	Tax Code	Total	UoM Code	Blanket Agreement No.	Allow Pro...
1	⇨ 1002-B46	Pale Ale - Case 4/6/12 Btl	5	$ 16.1500	0.00	⇨ EX	$ 80.75	Manual		☐
2	⇨ 1002-K12	Pale Ale - Keg 1/2 BBL	5	$ 80.7500	0.00	⇨ EX	$ 403.75	Manual		☐
3	⇨ 1003-B46	IPA - Case 4/6/12 Btl	5	$ 15.3000	0.00	⇨ EX	$ 76.50	Manual		☐
4	⇨ 1003-K12	IPA - Keg 1/2 BBL	5	$ 78.2000	0.00	⇨ EX	$ 391.00	Manual		☐
5					0.00					☐

Sales Employee	Daniel Wilson ▼		Total Before Discount	$ 952.00
Owner	⇨ Wilson, Daniel		Discount ___ %	
Total Weight	1,745.00Lb		Freight ⇨	
Total Volume	5.73 BBL		☐ Rounding	
Est. Pallet Spots	1.42		Tax	
Remarks			Total	$ 952.00

OK | Cancel | Finalize | Validate Availability   Copy From | Copy To ▲

Relationship Map

Business Partners
C1005
Pacific Distributing Inc.

Sales Order	Delivery	A/R Invoice	Incoming Payments	A/R Credit Memo
10228	10188	10218	10144	5013
11/28/2016	11/28/2016	11/28/2016	11/28/2016	11/28/2016
$ 952.00	$ 561.00	$ 711.00	$ 634.50	$ 76.50

Marketing Document: Document Tree ▼

OK | Go Back | Go Forward
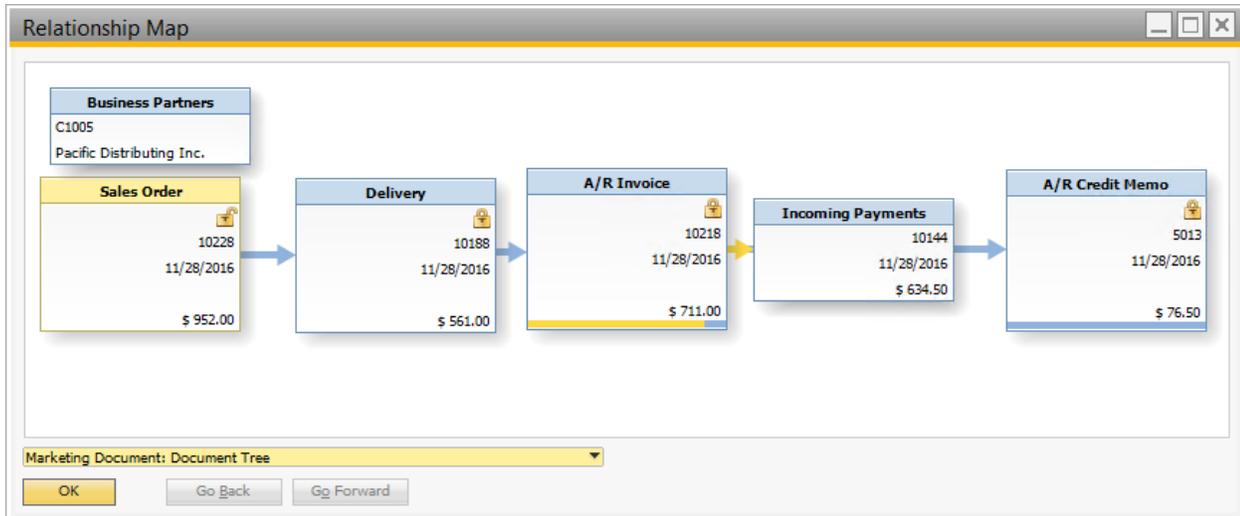
3. The example above should be closed; right click > Close. If I want to ship the last item on the sales order on a later date, I would create a new sales order on that date.

Goods Receipt POs not Invoiced

Similar process as with open orders. These can be accessed through the Open Documents widget.

- If there are open GRPOs that will not be received, close them.
- There may be blanket agreements or GRPOs to be received on later dates – just leave these open.
- Sometimes an invoice will be created for a GRPO but was not created from the GRPO in the system, and this GRPO needs to be closed.

Deliveries not Invoiced

This process is very similar to open orders.

- Sometimes an invoice will be created for a Delivery but it was not created from the Delivery in the system, and this Delivery needs to be closed.
- Find and close partial deliveries that will not be completed or invoiced in the period you are closing.

Open Production Orders

1. Navigate to Production > Automations > PdO Close Wizard.
2. Change the Status to 'Received' to only view productions with a completed qty.
3. You can adjust the Start Date and End Date to filter the orders within the period you are closing. Make sure the Close Date is within that period.
4. Click Search.

5. Select orders where the Planned Qty equals the Completed Qty, or where you know that no more qty will be received on that order. Investigate any outlying production orders. Make sure your production is all caught up!
6. Click Close, and Yes, to close the selected orders.

Open AR & AP Invoices

Find invoices that have not been paid, and what has not received money.

- Make sure all invoices that you've received are in the system.
- Apply payments that have not been applied to outstanding invoices, but if you have not received payment just leave the invoice open.
- Check credit memos as well, you may be able to apply them to open invoices.

Run Customer and Vendor Aging Reports

There are two system reports (Customer Receivables Aging, Vendor Liabilities Aging) under Business Partners > Business Partner Reports > Aging. These will show the open invoices and credit memos for selected criteria. The Selection Criteria looks like:

An important thing to note: if you're viewing transaction in the past, check the Display Customers with Zero Balance. Limit the Posting, Due or Document dates as you'd like to gain the proper visibility into the closing period. This is a good way to see which financial documents are open – hopefully at this point, the transaction in the report are documents that you want to remain open for now.