

CREDITOR TRIAL BALANCE ISSUES

SUMMARY

Although it is not supposed to happen, from time to time the creditor trial balance will not balance with the trade creditors G/L account. There are a couple of issues that can cause this but one of the main offending reasons is when an AP invoice is found to be post-date its corresponding AP remittance. Fixing the problem is easy, but finding the problem can be tedious and time consuming.

RECOMMENDATION

What we recommend to do is start at the current day and go back month by month until you find a point in time where the two account balance. Then go forward in time a week at a time until the two accounts go back out of balance, then go back in time day by day until you find the day it balances again. By doing this exercise, you will now know which exact day the accounts cease to balance.

The best two reports to run are the;

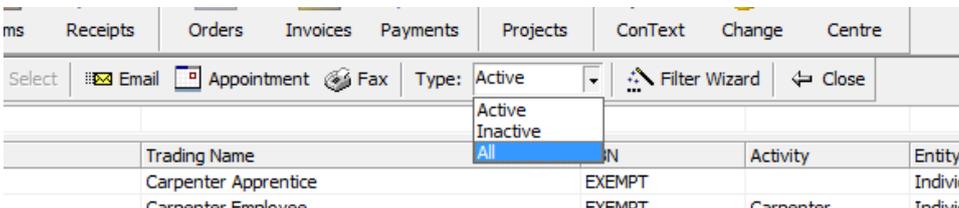
- Creditor Trial Balance
- G/L Account Movement Report

By running these two reports in combination, you will be able to see the balance of the Trade Creditors account on the same day as the Creditor Trial Balance

Creditor Trial Balance

To find the Creditor Trial Balance go to the Creditor Summary, click on the 'Reports' tab and select the report 'Creditor Trial Balance'.

When you run the report, make sure the summary is filtered in the 'Type' as a status of 'All'



ms	Receipts	Orders	Invoices	Payments	Projects	ConText	Change	Centre
Select	Email	Appointment	Fax	Type: Active	Filter Wizard	Close		
				Active				
				Inactive				
				All				
Trading Name				Activity	Entity			
Carpenter Apprentice				EXEMPT	Indivic			
Carpenter Employee				EXEMPT	Indivic			

Once filtered, highlight any creditor to activate the tabs along the bottom of the screen and select the 'Reports' tab and then select the report 'Creditor Trial Balance'.

Once selected, you will see three options on the report

- Include all un-invoiced payments – uncheck this box.
- Include employee information – unless you deliberately send project specific employee wages to the trade creditors G/L account, you can de-select this option.
- Include futures – you can de-select this option unless you have creditors that have trading terms '30 days End of Month' and the month your 'as at' date is within is a month that has less than 30 days.

Set your 'as at' date and run your report. On the last page you will have a total creditor balance.

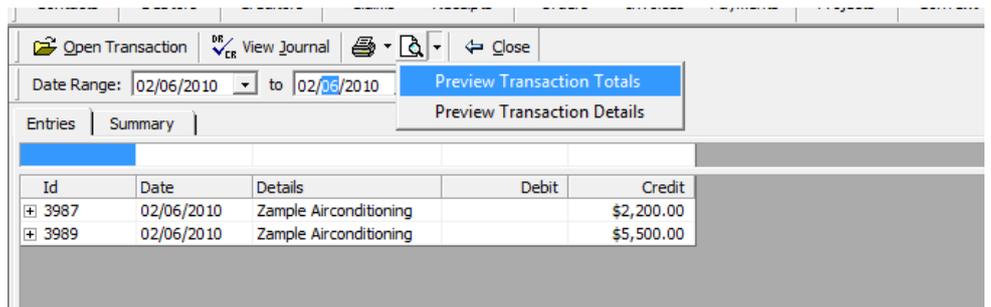
Sample Builders Pty Ltd							
Creditor Aged Trial Balance							
As at 02-Jun-2010							
ID	Creditor	Terms	Current	Overdue 1	Overdue 2	Overdue 3	Total Owning
103	Contractor to be nominated	COD	109.12	0.00	0.00	0.00	109.12
105	Zample Airconditioning	30 Days	7,810.00	0.00	0.00	-220.00	7,590.00
125	Zample Engineering Co.	30 Days	0.00	0.00	0.00	278.10	278.10
126	Zample Excavation Contractor	30 Days	0.00	0.00	0.00	185.40	185.40
150	Zample Plumbing & Hardware Co.	30 Days	0.00	0.00	0.00	825.00	825.00
151	Zample Plumbing Contractor	30 Days	0.00	0.00	0.00	1,496.59	1,496.59
			7,919.12	0.00	0.00	2,565.09	10,484.21

825.00	825.00
1,496.59	1,496.59
2,565.09	10,484.21

G/L Account Movement Report

This report can be run from a two locations but for this scenario the best way to run it is from the Chart of Accounts 'View Details' screen.

Navigate to the Chart of Accounts and highlight your default trade creditors account. Once highlighted, click on the 'View Details' button. This will take you to a screen where you can filter the trade creditors account. In the date ranges add in the 'as at' date into both fields that the creditor trial balance was run and click the 'Refresh' button. This will list all of the transactions for that day that were posted to this account. Once filtered, click on the 'Report' button and select the report "Preview Transaction Totals".



Id	Date	Details	Debit	Credit
3987	02/06/2010	Zample Airconditioning		\$2,200.00
3989	02/06/2010	Zample Airconditioning		\$5,500.00

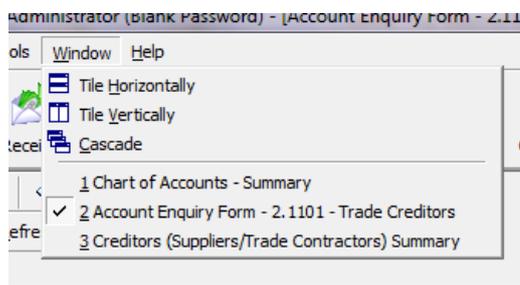
The report will generate giving you the details of the transaction but more importantly, giving you the balance of the Trade Creditors account for that specific day.

Sample Builders Pty Ltd		GL Account Movement		
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> Insert your Logo Here </div>		Transaction Totals		
		From: 02-Jun-2010 To: 02-Jun-2010		
Account No	Account Name	Opening Balance \$	Net Movement \$	Closing Balance \$
2.1101	Trade Creditors	2,784.21 CR	7,700.00 CR	10,484.21 CR
		Debit		Credit
	ID	Date	Type	Name
	00003987	02-Jun-2010	AP Invoice	Sample Airconditioning
	00003989	02-Jun-2010	AP Invoice	Sample Airconditioning
Totals:			7,700.00	

Closing Balance \$	
CR	10,484.21 CR
Credit	
	2,200.00
	5,500.00
	7,700.00

Toggle between the windows

To make this process easier, toggling between the two windows required, all you need to do is refresh the dates and re-run the reports. If you click on the 'Window' option in the Main Menu, you should be able to see the three screens that you will be required to have open and the two you need to toggle between.



The Account Enquiry Form where you run the G/L Account Movement Report from and the Creditor Summary from where you run the Creditor Trial Balance.

Finding the day

As stated earlier, it is recommended to go back in time until you find a date that these two reports/accounts last balanced. Then month by month take the two reports forward until you find a date where they no longer balance. Then go back in time week by week until they balance once more and then forward day by day until you can determine on which day the reports went out of balance.

Once you find the day the reports went out of balance, you can run G/L Account Movement – Transaction Details report along with the Creditor Trial Balance – Detailed report and you should be able to reconcile the two reports to find the transaction that is throwing out your balances.

Things to look out for

- Months that have less than 30 days in conjunction with creditors that have trading terms of '30 days End of Month (EOM)'. If this is the case, the Creditor Trial Balance will need to be run 'Including Futures'.
 - Cancelled cheques – If any cheques have been cancelled in the period that you are running your reports on, between the date of the invoice and the date of the cancellation, the Trade Creditors account still includes the total of that transaction where the Creditor Trial Balance does not.
 - The biggest cause of this problem is an invoice with a date later than the payment date.
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