

Sage Intacct: Best Practices-Month End Close and Reconciling

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Learning Objectives

- At the end of the session, you will be able to:
 - Recall how to utilize the Checklists feature in Sage Intacct to assign tasks to be completed and organize an efficient close
 - Identify how to wrap-up subledger and GL reconciliations
 - Review bank reconciliation best practices







Checklists to efficiently complete a month-end close



The Close Process

- The close process consists of processing transactions, journal entries and financial statements at the end of each fiscal month/period
- Common tasks associated with the close process include:
 - Close the AP/AR subledgers
 - Reconcile subledgers to the General Ledger
 - Bank and Credit Card Reconciliations
 - Create adjusting and/or period end journal entries
 - Close the General Ledger
 - Verify results by running:
 - Trial Balance
 - Balance Sheet
 - Profit & Loss





Checklists to assist with Closes

- Checklists are used to track business activity
- For example: month-end/year-end close checklist
 - Create the Checklist
 - Assign tasks to users and set restraints so certain tasks must be completed before others
- Import csv checklists
 - Checklist and assignments
 - Dependencies within assignments
 - Collaborate on assignments and checklists
- Build custom view on dashboard to see what is done
- Access through the Company application







Reconciliation Pitfall Checklist

- Quantify the difference between the two reports
- Pinpoint the period in which the differences first surfaced
- Check for transactions posted directly to AP/AR account
- Pre-reversal: may be corrected by matching the reversal date with the transaction date
- Post Reversals: depends, but may require engineering assistance (costly)

			L LEDGER s Pavable		
Feb. 15	General journal	1,400	Feb. 1	Balance	26,025
28	?	?	5	General journal	265
			11	General journal	550
			28	Purchases	13,400
				- 1	
			Feb. 28	Balance	10,500
		ACCOUNTS		LEDGER	10,500
	Benton	ACCOUNTS			10,500
	Benton Feb. 28	ACCOUNTS Bal. 4,600		LEDGER	
				LEDGER Parks	







Subledger Reconciliations



Sub-ledger Reconciliation Steps

- Account Payable and Accounts Receivable
 - Run General Ledger/Trial Balance through a specific date
 - Create Memorized General Ledger report with the AP/AR account already set
 - Run AP/AR ledger reports month to date
 - Close Intacct AP/AR module

AP/AR GL account balance = AP/AR sub ledger balance Vendor/Customer aging = AP/AR sub ledger balance





Reconciliation Steps

AP/AR GL account balance ≠ **AP/AR** sub ledger balance

Goal is to find point where reports last balanced

Worst Case: the two balances never agreed

- Confirm which balance is correct
- Adjust beginning balance entry or review open AP/AR activity

Alternatively: balances agreed at one point

- Run the general ledger report in detail to uncover transaction(s) causing difference
- Quantify the difference







Bank Reconciliation



Bank and Credit Card Feeds

- Eliminate manual matching of bank transactions with Intacct transactions and speed up your month-end/year-end process by enabling Bank Feeds (note: you will need to confirm if your bank is accepted)
 - Your bank not available? Let Intacct know so they can add your bank to their list
 - In the meantime, utilize the CSV import template to streamline your bank reconciliations
- Access bank transactions from checking/savings/credit card setup screens
- Users must have permissions to bank transactions (Ignore and Manual Match)
- Continuous improvements being made every release to streamline the use of Bank and Credit Card Feeds





Bank Transaction Rules

If using CSV or Bank feeds you will need to setup either Matching Rules and/or Create Rules in order to utilize Auto-match

Streamlines the transaction matching within Intacct, eliminating the need for manual reconciliation or manual transaction entry

Rules and Rule Sets:

Rule is what logically makes the match or creates the transaction

Rule set is the container of those rules

Rule sets allow you to specify the order and associate bank accounts or credit card accounts

May want all checking accounts to have the same rule set, or rule sets can vary per bank account

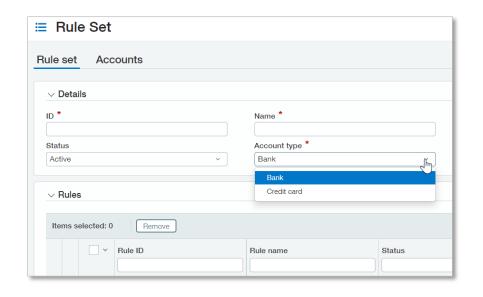
Each account can have 1 rule set





Bank Transaction Rules

- Rule sets should progress from specific to general in order to prevent unintended matches
- Rule sets are not shared between bank and credit card accounts
- Rerunning a Rule set will not cause manually matched transactions to be auto-matched
- Rules or Rule Sets once used can be put to inactive but cannot be deleted

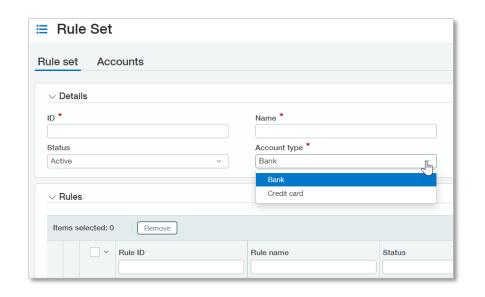






Creation Rules

- Missing transactions in Intacct? Create them during the Bank Reconciliation using a Create Rule
 - Journal Entries
 - Credit Card Transactions
- Or manually during reconciliation
 - Deposits: create other receipts from deposits
 - Journal entries: create journal entries to record deposits/withdrawals
 - Checks: manual payments from withdrawals







DEMO







Common causes and situations to avoid



Common Causes (Problem): Not Comparing apples to apples

- If using AP/AR alternatives, all accounts will be included in aging reports by default
- Be sure all AP/AR accounts are included in the GL report when comparing to the aging reports

Common Causes (Solution):

- Create memorized GL report to ensure consistency
- Memorize the settings in the report to include:
 - General ledger alternative accounts
 - Report Periods





Common Causes (Problem): Not Comparing apples to apples

- General ledger reports based on GL posting date
- AP/AR aging reports can be run based on:
 - Bill/Invoice Date
 - Due Date
 - GL Posting Date

Common Causes (Solution):

Run aging reports/AP/AR ledger reports based on GL posting date





Common Causes (Problem): Direct posting to AP/AR GL accounts

- No link on the date linking source doc to transaction
- All the other activity posted from APJ/ARJ and CDJ/CRJ
- Memo/description is uniform like other lines

Common Causes (Solution):

Disable posting to subledger accounts

Account number @ 1110 Title Accounts Receivable - Other Setup account titles QuickStart Category 3 Accounts Receivable Account type Balance Sheet Account Normal balance Debit Period end closing type Non-Closing Account Close into account GL account alternative Receivables Account

Disallow Direct Posting

Status Active





Common Causes (Problem): Situations that cause the GL to be out of balance

- AP: bill payment date prior to bill date
- AR: payment received prior to invoice date

Common Causes (Solution):

- Set void date = date of the transaction (payment or receipt)
- Record new transaction using the correct date





Common Causes (Problem): Payment reversed before the transaction date

- Example:
 - AP Bill entered in the future 04/01/2106
 - Payment date = 04/05/2015
 - Payment and invoice reversed on = 04/20/2016

Common Causes (Solution):

- Transaction not yet reversed:
 - Set void date = date of the transaction (payment or receipt)
 - Record new transaction using the correct date
- Transaction reversed with a current date:
 - Will require Intacct engineering assistance





Resources

- Sage University Training & Release Notes
- Intacct Customer Office Hours
- View and Subscribe to the CLA Intacct Blog

https://blogs.claconnect.com/intacct/

 Continue to join our monthly Sage Intacct Webinars

<u>2023 Sage Intacct Webinar Series : 2023 :</u> <u>Events : CLA (CliftonLarsonAllen)</u> (claconnect.com)



Month-End Checklists in Sage Intacct

April 30, 2021 | by Kathy Jastrzebski

Is your month-end close process chaotic? While this may be part of your month-end ritual now, we've compiled a month-end checklist and paired it with Intacct's newly released (R1 2021) checklist functionality to help you and your accounting team transform month-end into a well-orchestrated operation. We'll walk through how to create a monthend close checklist in Sage Intacct. And, because new feature user adoption is always half the battle, we'll show you how to add it to a month-end dashboard for easy accessibility.

Read More





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