

# Balancing Your A/P

## What It Does

When you use the A/P module, the system uses a master file and a batch file. When you make a posting, the system posts the same amount to both files. The batches will reflect the postings for a particular period. If you create a new A/P batch for each day, for example, then each batch reflects the postings for one business day.

The system also posts to the appropriate G/L control account. This control account reflects the amount that your A/P increases or decreases.

To remain accurate, all three files, the master file, batch file, and G/L file, must synchronize with each other. Suppose that you posted \$1,000 to A/P today. After you release your A/P batches at the end of the day, all three files (AP-BATCH, AP-MASTER, and GL-MASTER) must show A/P postings of \$1,000. When you balance A/P, you determine whether all three files show the same postings.

These files normally do show the same postings, but occasionally something happens that prevents them from matching. If you made a manual adjustment to G/L, for example, the three files would no longer match.

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Balancing your A/P can have an impact on your business. Suppose you go to the bank for a loan — they'll ask for your financial reports. If those look good, they'll probably also want to see detailed information on your invoices. To obtain this information, you'd print trial balance reports for your A/P, and also for A/R. If you haven't been balancing the A/P and A/R in the President's screens, though, the figures in these reports may not match the figures in your financial reports, and you won't know why.

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**Note:** Instructions for balancing A/R can be found in *Fax File 60: Balancing Your A/R*.

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## How to Do It

To balance your A/P totals daily, follow these steps:

- 1 Release A/P batches and print the A/P Batch Report, using the [A] Print A/P Batch function in the (QR) Accounts Payable Reports screen. (This is a part of your day-end procedures — for details, see the chapter about reports in the *DDMS Accounts Payable Manual*.)

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- 2 Look at the last page of this report, under the General Ledger Summation heading. The last line prints the Accounts Payable Trade figure. This figure should match the Daily Net Change figure in the (PDB) President's A/P Screen.

The daily figure is the one farthest to the right on the Net Change line in the (PDB) screen, as shown to the right.

- 3 You should also verify your daily check figure. To do this, note the check total from the A/P Check Register Report. (The check total is on the GRAND TOTAL line of the report, in the BALANCE column.) It should match the figure in the Daily Checks field in the (PDB) screen, which is the right-hand figure on the Checks line. (In the picture, Daily Checks displays \$200.)

By taking these simple steps daily, you can ensure that the figures in your (PD) screens remain accurate. If an error occurs, it's much easier to troubleshoot the problem if it's caught the same day.

15:43:21 (PDB) PRESIDENT'S A/P SCREEN REV. (10/22/99) 01/23/00

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	YTD	Daily 01/23/00
Previous Balance	\$ 3652.00	\$ 3652.00
Invoices	\$ .00	\$ 986.00
Checks	\$ .00	\$ 200.00
Disc. Taken	\$ .00	\$ .00
Net Change	\$ .00	\$ 786.00
New Balance	\$ 3652.00	\$ 4438.00

Location ( ) Action [ ]

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+-Inc, --Dec, S-Set Date, L-Set Loc,  
M-Period, Q-Quarterly, P-Print Screen, Screen Letter or ESC