



# Posting Retained Earnings



## What It Does

You must post Retained Earnings to General Ledger after you complete year-end procedures. Unfortunately, the very flexibility of the DDMS chart of accounts prevents us from automating this function.

You post retained earnings manually, as a one-sided entry. The retained earnings (net profit or loss) will be posted to the new fiscal year, to Period 00.

## How to Do It

To post retained earnings at the start of your new fiscal year, follow these steps:

### Checking the Parameters

First, make sure we can release out of balance batches by following these steps:

- 1 Go to the (LJ) General Ledger Parameters screen. In graphical software, double-click the Keyop Menu icon, double-click the Parameters icon, and select [J] General Ledger.
- 2 Check the parameter Do Not Release Out of Balance Batches. (See the figure at right.)

```

(LJ) General Ledger Parameters
-----
Action [I] (C=Change, I=Inquiry, 1=Archived Files)   G/L Location [ 1]
-----
Period From ?   To ?   Save Changes Y/N ?N   Edit "9000" Series Batches Y/N ?
Update Batch Number Index File Y/N ?   Update Journal Number Index File Y/N ?
Do Not Release Out of Balance Batches Y/N ?N
Add Location "00" Summary Accounts When Adding To Chartfile Y/N ?
# Of Previous Fiscal Years Chartfiles To Review When Deleting An Account #
# Of Previous Fiscal Years Chartfiles To Review When Adding An Account #
Passwords: Release ?DDMS   EOY ?DDMS   Delete ?DDMS   Reindex ?   Edit ?
Release Out of Balance Batches Password ?
-----
Journal Entry Numbers -----
J/E : #   Desc:   J/E : #   Desc:
J/E : #   Desc:   J/E : #   Desc:
J/E : #   Desc:   J/E : #   Desc:
-----

```

If this parameter is set to N or left blank, go to **Step 3**.

If this parameter is set to Y, select the [C] Change action code, and change it to N, and press ENTER to save the change. (We'll reset this after posting retained earnings.)

### Posting the Retained Earnings

Next, post the retained earnings to General Ledger, by following these steps:

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(K) General Ledger Posting Rev. (07/14/02) 12/31/03

Action [A] P=Post,I=Inq,R=Rebuild,L=Alloc,T=Total Fiscal :03 To :03  
 Batch # 910 Period :00 To :

G/L Nbr.	J/E No	Date	Remarks	Debits	Credits	Bch#	Pe
01-302-05		12/31/03					910

Correct G/L Number Y/N/Q=Query ?Y      G/L=CURRENT YEAR RETAINED EARNINGS

- 3 Go to the (K) General Ledger Posting screen. In graphical software, double-click the General Ledger icon, and double-click the GL Posting icon.
- 4 Select the [P] Post action code.
- 5 At Enter (A)dd, (D)elete, (E)dit, type **A**.
- 6 At Fiscal, accept the current year by pressing ENTER.
- 7 At Batch#, enter a batch number of your choice.

**Note:** Because you'll be releasing this batch, you may want to create a unique batch, so you do not have to worry about releasing other postings.

- 8 In the date field, accept the default date by pressing ENTER, or specify the date for this posting.
- 9 At Period, specify **00** and press ENTER.

**Note:** The system will update the beginning balance, and the Period and To field will go blank.

- 10 At G/L Nbr, specify the number of your current

year retained earnings account. (If you're using the default chart of accounts, this account is 01-302-05.)

- 11 At Correct G/L Number, type **Y**, as shown in the figure on the left.
- 12 The system displays the Journal Entry Window, if you created journal entry numbers in the (LJ) screen. Select a journal entry number by typing the corresponding number, or skip this field by pressing ENTER until the cursor moves to the Remarks field.

If you have not created journal entry numbers, the cursor stops in the J/E No field. Specify a number, or skip this field by pressing ENTER.

**Note:** Journal entry numbers are a ENTER to group G/L postings: you can assign any numbers and descriptions that are meaningful to you.

- 13 At Remarks, enter descriptive remarks, like RETAINED EARNINGS, for example, and press ENTER.
- 14 Enter a retained earnings loss in Debits, or tab to the Credits field and enter a retained earnings profit.
- 15 At Is This Correct, enter the appropriate response:
  - Y** Yes, this posting is correct.
  - N** No, you want to change the posting. When you

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specify **N**, the cursor goes back to the G/L Nbr field so you can enter the correct information.

- S** Yes, the posting is correct, and you want to add a special text line. Special text prints on the G/L Batch and G/L Journal reports. If you specify **S**, the cursor goes to the line beneath your posting so you can add text. To go to the next line, press ENTER. When you're finished, press ESC.

- 16** When the cursor returns to the G/L Nbr field, press ESC until your system displays the Master Menu.

### Verifying and Releasing the Batch

Next, verify and release the batch you posted retained earnings to, by following these steps:

- 17** Go to the (W) General Ledger Reports screen. In graphical software, double-click **Reports Menu** and then double-click **G/L Reports**.
- 18** Select the [A] Print G/L Batch function.
- 19** At Batch Number #, specify the batch you posted retained earnings to, and press TAB.  
At To#, specify the same batch number.
- 20** At Release, type **N**.
- 21** At Company From#, press ENTER.

- 22** At Period, specify **00**.

At To, specify **00**. Then press ENTER.

- 23** At Printer, accept the default printer by pressing TAB, or specify a different printer.
- 24** At Copies, press ENTER.
- 25** At Are You Sure, type **Y**.
- 26** Verify that the information on your G/L Batch Report is correct.
- 27** Release the batch. To do this, repeat **Steps 17–24**, but specify **Y** in the Release field. At Enter Password, specify the password from the Release field in the (LJ) screen.

### Resetting the G/L Parameters

Reset the G/L parameters as described in Step 2, by following these steps:

- 28** If in **Step 2** you changed the (LJ) screen parameters for this procedure, go to **Step 29**.  
If you did not change the (LJ) screen parameters for this procedure, go to **Step 31**.
- 29** Go to the (LJ) screen, and select the [C] Change code.
- 30** Tab to Do Not Release Out of Balance Batches, and set it back to **Y**. Press ENTER to save the change.

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## Verifying the Beginning Balances Are Correct

Finally, check your balances by following these steps:

- 31 Go to the (W) G/L Reports screen. In graphical software, double-click the General Ledger icon, and double-click the GL Reports icon.
- 32 At Report, select the [B] Select G/L Levels and or Detail reports.
- 33 Select the [4] Minor G/L Level.

**Note:** With the (WB4) Minor level, grand totals and individual totals will be listed for the beginning, current, and ending periods for each summary major account and each minor account within the limits you set. This information comes from the CHARTFILE.

- 34 At Sort by Account Number, accept the default sort by pressing ENTER. The report will sort the list of account numbers within G/L locations.
- 35 At Company From, press ENTER to accept the default Summation of All Companies.
- 36 At Fiscal Year, press TAB to accept the current fiscal year.
- 37 At Suppress Zero Accounts, press ENTER. (This field only applies to the [5] Detail G/L Level.)

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(W) General Ledger Reports rev. (07/14/02) 12/31/03
=====
A. Print G/L Batch          Batch Number #   To #   Release Y/N ?
B. Select G/L Levels and or Detail Reports. Sort By Account Number Y/N ?N
   Level ?4 (0=Blank, 1=Co, 2=Book, 3=Major, 4=Minor, 5=Detail, 6=A/P Detail)
   (1-99, Tab = Summation of All Companies)
   Company From #         To #..   (Tab = All)
   Book From #           To #..   (Tab = All)
   Major From #..        To #..   (Tab = All)
   Minor From #..        To #..   (Tab = All)
   Period From #..       To #..   (Tab = All)
   Fiscal Year #03       To #..   (Tab = Current Fiscal Year)
   Suppress Zero Accounts Y/N ?   Suppress Zero Balances Y/N ?
C. Print Financial Statements.  Periods - From ?.. To ?..
   Table Name ?..... Volume ?W2
D. Build Financial Report Tables.
E. Build Cost Of Goods Sold Batch.
F. Print Allocation Batches.    Update G/L Y/N ?N
=====
Report [B]          Printer [P1]        Copies [ 1]
```

- 38 At Printer, accept the default printer by pressing TAB, or specify a different printer.
- 39 At Copies, press ENTER.
- 40 At Are You Sure, type Y.
- 41 Verify that the G/L Journal Report is as follows:
  - a Accounts 100 – 399 should all have a beginning balance.
  - b Accounts 400 – 999 should all be zero.
  - c Grand Totals should be zero.
- 42 If any of the balances are not as described in Step 41, please call DDMS Technical Support.

