Overview

Using the <<GL, Journal Voucher>> function you can enter beginning general ledger balances for an association. This process provides an alternative to entering all transactions from the beginning of the year or not entering anything at all. When finished, you will be able to run an Association Income Statement that will match the same statement produced by your previous accounting system.

If your accounting method is other than cash, i.e. accrual or modified cash, before entering the association balances you must enter all outstanding Accounts Receivable and Accounts Payable items. These may affect the entries you make in the Journal Voucher function. See below.

You can use an income statement, balance sheet or trial balance through or as of the day prior to your starting date. Thus if April 1 is your start date, then an income statement from the beginning of the year through March 31, or a balance sheet or trial balance as of March 31 is required. See example on the next page.

Prior to entering the Journal Voucher you must verify that there are no transactions posted to the ledger on or before the start date. This will be the case if you have entered member prepayments. If there are transactions posted, run an income statement and change each account by that amount so the end result will match your initialization data. Whether your association is on a cash, modified cash or accrual accounting method, be sure to post the beginning balance journal voucher with all three methods checked.

If you are using an Income Statement and the ledger had a balance at the beginning of the year (retained earnings) you must enter two journal vouchers. The first would be a entry consisting of pair of offsetting line items affecting the bank account and an equity account (retained earnings, balance forward). The second involves entering the journal voucher line items for each income and expense on the Income Statement. The balance (net income year-to-date) is entered as an increase or decrease to the bank account.

If you want to recreate the year month by month you can use the Income Statement for each month to constitute the initialization. The advantage is you could then produce income statements for any set of monthly periods.

When initializing the ledger in this manner you are in effect entering all the transactions from the start of the year. The difference is that instead of entering them one at a time, you are entering one transaction for the net of each account.

You should have the following information to enter beginning balances:
- list of member balances as of your initialize date
- trial balance and income statement from the start of the accounting period through your initialize date
- bank statements
- list of uncleared checks and deposits to bank accounts that were not on bank statements
- unpaid invoices

Member Balances

Outstanding Charges
These include charges like fees, late fees, etc. Go to AR, Charge Member and post each outstanding charge. This will set up all the appropriate receivables into the association ledger for what the tenants owe. Use the date the charges were due.

Prepayments
Enter any prepayments through AR, Member Receipt as a prepayment or an open credit.

After all the prepayments are entered, go to Deposit Receipts for that bank account and record a deposit for the day prior to your starting date.

Unpaid Invoices
Enter any unpaid invoices using AP, Invoices. If you use accrual or modified cash accounting it is important to use the correct posting date on the invoices. This determines the accounting period the invoice will be included in on the financial reports.

NOTE: After entering the above, run an Income Statement for the day before your start date. Use any Accounts Receivable or Accounts Payable amounts to adjust the amounts showing on the report you are using to establish beginning association balances.

Initialize Association Balances - Set Year-to-Date Balances
Example 1
Income Statement 1/1 - 3/31

Beginning Balance	$10,334.82
Income	
Dues	$2550.00
Expenses	
Legal Fee	$204.00
Snow Removal	$1124.46
Plumbing	$142.27
Insurance	$929.27
Net Balance Change	$150.00
Ending Balance	$10,504.82

First Journal Voucher
Date - 12/31

Account	Acct Type	Debit or Credit	Amount
Retained Earnings	Equity	Credit	$10,334.82
Bank Account	Current Assets	Debit	$10,334.82

This establishes the beginning balance of $10,334.82

Second Journal Voucher

Date - 3/31

Account	Acct Type	Debit or Credit	Amount
Dues	Income	Credit	$2550.00
Legal Fee	Expense	Debit	$204.00
Snow Removal	Other Expense	Debit	$1124.46
Plumbing	Expense	Debit	$142.27
Insurance	Expense	Credit	-$929.27
Bank Account	Current Assets	Debit	$150.00

The $10,334.82 beginning balance and the bank account debit of $150 makes the associations's ending balance for March 31 equal $10,504.82.