



Tips and Tricks #62 – PBS General Ledger Trial Balance Sub-totals

Tips and Tricks #60 and #61 had some special calculation options available in the PBS™ Trial Balance print program that were referenced. The following is an expanded discussion on this topic.

Introduction

The Passport Business Solutions™ Trial Balance report contains a number of options to help you gain the most out of running the report. Most of these are parameters, such as printing period totals that you select at the time you run the report. One of these options, however requires a little setup in the Chart of Accounts but provides a pretty generous return for your efforts. This feature provides sub-totals of sets of accounts as part of the Trial Balance listing and, in effect can give you a “mini” financial statement every time you run the T/B report.

Setup

The screenshot shows the software interface for setting up T/B subtotals. At the top, there are buttons for 'New', 'Edit', 'Save', 'Save / New', 'Delete', 'Cancel', and 'Exit'. Below these is a table with the heading 'Select by ascending account number'.

Account number	Description
5999-000	Sub-ttl GPr- D/N/U for input
6000-000	Postage
6100-000	Allowances/Discounts
6150-000	Freight
6200-000	Scrap Inventory
6250-000	Drop Ship Clearing

Below the table are tabs for 'General' and 'Recap'. The 'General' tab is active. The 'Account #' field contains '5998-000' and the 'Description' field contains 'Sub-ttl CoS - D/N/U for input'. There is an 'Active' status indicator and an 'Inactivate' button. The 'T/B subtotal level' field is highlighted with a yellow circle and contains the value '4'. Other fields include 'Financial statement type' (Operating statement), 'SAF type' (None), 'Paren control code' (enclose when Credit), 'Compression code' (None), 'Cash flow type' (None), 'Audit group', 'Federal group', and 'Local group'.

The above shows an entry in the sub-total field of the Chart (sub-total level 4) indicating that whenever the range of accounts selected in the Trial Balance selection as seen below,

Report criteria

Fiscal year

Reporting period

Starting account #

Ending account #

Period	Starting date	Ending date
1	01/01/2023 thru	01/30/2023
2	01/31/2023 thru	02/27/2023
3	02/28/2023 thru	03/31/2023
4	04/01/2023 thru	04/30/2023
5	05/01/2023 thru	05/31/2023
6	06/01/2023 thru	06/30/2023
7	07/01/2023 thru	07/31/2023
8	08/01/2023 thru	08/31/2023
9	09/01/2023 thru	09/30/2023

includes the account with the indicator turned (in this case 5998), it will print the total of all accounts printed since the printing of the last sub-total level #4.

These statements probably require a little unpacking. The example we will follow has the following design:

- sub-total all Sales accounts to give a total Sales.
- sub-total all Cost of Sales account (Cos) to give a CoS total.
- sub-total all sales and cost of sales to give a gross profit.

With the sums indicated here, there is some hierarchy of the sums required, i.e. the gross profit has to include both Sales and CoS, and the other two are contained within this third sub-total.

This is where the sub-total *levels* come in.

- First rule: Think of the program as having 9 different “odometers” or counters built into the system: these are the sub-total counters. Every time you print an account the program will add the total value of that account for the selected period to all of the 9 counters.
- Second rule: when sub-total “#n” is printed, after that, the program clears the value in this counter and, as well, clears all counters with a smaller number (#n-1, #n-2 etc.). It does not touch any counter with a larger number.
- Third rule: the printing of a sub-total is caused by the program having to print a “dummy” account that has a sub-total level number in the sub-total field of the chart. In other words, the connection between when a sub-total is printed and what it prints is set up in the chart as an account entry.

In our example, when 5998 causes the current value in counter #4 to be printed, that operation also clears counters #4,3,2,1. That leaves counter #6 with its current value.

Our example is set up as follows:

- after the last sales account (4400) we insert an entry into the Chart (4999) that prints a sub-total level 4
- after the last CoS account (5500), we inserted an account e.g. example 5998, also at level 4
- after that entry in the Chart, we inserted account 5999 to print level 6.

Notice that the set of 3 chart entries here that are doing the printing, correspond to the specifications given above.

(I am pretty sure at this point you have a number of questions such as, why choose level 4 and level 6 out of the 9 available? And if the account 4999 is to show only the Sales, what about any

accounts coming before the first sales account (4000), why are the preceding values not also in the sub-total? Etc. These are practical issues and will be discussed in a minute.)

What will this look like?

	O/B	DB	CR	N/C	C/B
4000-000 Sales	.00	.00	56,287.73	56,287.73CR	56,287.73CR
4150-000 Sales Returns & Allowances	.00	1,553.67	.00	1,553.67	1,553.67
4200-000 Freight Sales	.00	.00	5,257.00	5,257.00CR	5,257.00CR
Subtotal-level 4:		1,553.67		59,991.06CR	
	.00		61,544.73		59,991.06CR
5000-000 Cost of Goods Sold	.00	47,552.40	.00	47,552.40	47,552.40
5200-000 Receiving Cost Corrections	.00	.00	145.88	145.88CR	145.88CR
5500-000 Customs, Duties, Landing Costs	.00	3,300.00	.00	3,300.00	3,300.00
Subtotal-level 4:		50,852.40		50,706.52	
	.00		145.88		50,706.52
Subtotal-level 6:		52,406.07		9,284.54CR	
	.00		61,690.61		9,284.54CR

As with any T/B, the columns are Opening Balance (for the period selected), Debits for the period, Credits, Net Change in Period and Closing Balance. The orange highlighted items are the net change for each of the accounts in the two sets (Sales and Cost of Sales). The green highlights give the totals for each set as well as the total for both sets together (Gross profit).

Clearly these are the kinds of totals you might want in a financial statement, so since the programming is flexible you can make this setup as simple or as complicated (within the limitation of 9 counters) as you choose.

Practical Considerations.

- Since the number and structure of the entries that cause the sub-total printing are accounts within the Chart, first off, you shouldn't use these accounts as active accounts receiving transactions.
- Since there is some work involved in inserting the sub-totaling accounts, and changing the structure involves changing these accounts, you will want to make allowances for future additions. For this, I might suggest initially starting with using just the even numbers for the sub-total levels. That way if you want to insert a new level between

two existing ones you are ok. For example, suppose you currently have a sub-total print at level 3 or 4 for Assets, then you can easily add a cash sub-total one level below. (Keep in mind a higher-level sub-total clears the lower-level ones when it prints.) You could even add types of cash, e.g., Petty cash, Investment accounts, Operating accounts. This way you might have 3 sub-totals, 1 for each of these, and a level two for all the cash accounts and those would all be part of the Asset group at level 3 or 4. There is no problem with having gaps in the sub-total – they don't all have to be used. So, no problem with using 2 and 4 but not 3. Or, as in our example above, we did not use 5 but did use 4 and 6.

- Keeping in mind that the overall TB for all accounts must net to zero, you might use sub-total level 8 or 9 once at the end of the balance sheet, e.g., account 3999 right before your first sales account, e.g., 4000 and then a second one after the last P&L account, e.g., 9999. This way you will have a total balance sheet and total P&L, and the P&L total is, in effect, an instantaneous profitability/retained earnings value.
- How did I get the level 4 sub-total for the Sales account to show only the Sales? I used my own suggestion as above and put a level 8 sub-total in just before the first sales account (4000). That way all the counters from 8 down to 1 were set to zero before starting into the P&L.

Our example here provides a sense of what the T/B print program can do and what the output is like and thus its usefulness for you becomes apparent.

Using the sub-total levels in the Trial Balance means understanding the potentially difficult portion of doing sub-totals in the financials statements. The theory is essentially the same and implementation is similar, but instead of adding “dummy” sub-total accounts numbers in the Chart, you insert a SUB1 through SUB9 into the financial statement layout and it does essentially the same thing as our example above. The “Sub-total functions” in the “Entering Layouts” chapter of the GL manual are similar enough to make it worthwhile to review the material in fine detail located there.

If you have questions or comments, we welcome your email at psi@pass-port.com