



## PBS Tips & Tricks #64 - End of Period Processing in AP, AR, IC

### Introduction

As it happens, our source for the topics in blogs often come from support incidents we have received. As a result, we find that there are features in PBS frequently not used or misunderstood. These are missed opportunities for use of a feature or taking advantage of something that could help reduce errors.

PBS has 20 modules not including the Control Module required to run all the rest. Of these, 12 are for the Financial/Distribution functions and 8 are for Manufacturing. As accounting or business modules, most of these have processes that are necessary or recommended to be exercised once a month and once a year to reconcile, consolidate or report on data to close the period. However, a number of these modules have explicit month-end/year-end processes that can be used. These functions are frequently overlooked. In this piece we will cover the month-end closing in AR, AP and IC which have functions.

What does this closing procedure provide?

- Keeps track of/accumulates basic statistics on purchases, sales, payments etc.
- Provides quick and easy access to Vendor, Customer and Item statistics in what is very close to real time
- Provides date validation to ensure the dates of your transactions are in a reasonable range
- Based on period end dates, allows this data to be cycled by monthly and annual closings

None of these are strictly necessary, but since they might be useful to you, they are worth going over. We will cover how to set these up, what they do in detail and what does the month-end close do.

### Setup and Context

Because these processes are all date sensitive, the control of these functions starts in the module's control file:

Company name	On The Go, Inc.
Address-1	181 Waukegan Rd
Address-2	Suite 201
Address-3	Northfield, IL 60093

Date control information			
Current period ending date	03/31/2025	Starting entry date	03/01/2025
Date control	Warning only	Ending entry date	03/31/2025

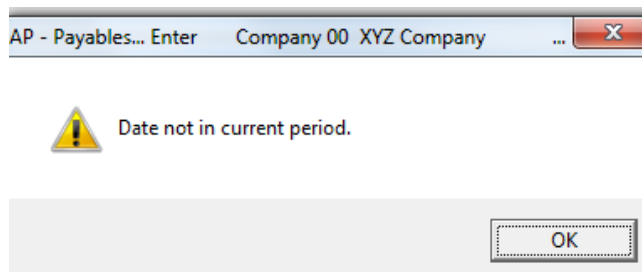
This sample, from the AP Control file, second tab, shows the *control dates* that are involved.

- The Current period ending data controls both the closing process (c.f. below) and transaction date validation

- If the “Date control” field has a “No control” value

then there will be no date validation and the other two fields will be blank

- A “Warning only” selection will produce a warning message but can be overridden for a date that is out of period.
- “Full” control means the entered transaction date must be within the range specified by two control dates. An attempt to enter an out-of-period date will be refused:



- In AR and AP, the other three fields control date validation. There is no date control in IC – the period end date is the only date and the period end date functions are otherwise the same as in AP and AR

Three additional comments

- Only dates that affect the distributions to the General Ledger are monitored. In this example the AP Distribution date (green) **will** be verified,



but the vendor invoice date (red) **will not**. This is equivalent to saying only accounting dates are verified (not operational dates). In AR and IC this is “automatic” since the transaction date itself (Invoice date, check date and receiving date) are all accounting dates.

- Although the control dates represent limits on the accounting dates, the control dates themselves do not have to correspond to an accounting period. For example, it might be expedient, because of the nature of your business, for you spend the first week of the current month catching up/cleaning up vouchers and payments from the last month’s AP. To expedite this, you could set the “Starting entry date” to be the last day of the *previous* month and the “Ending” date to be the last day of the *current* month e.g. “03/31/25” to “04/30.25”. This would mean in either Warning mode or Full control mode, that you could enter “late” transactions from the prior month while also processing the current month and not have unnecessary warnings or lockouts. Similarly, if you find yourself having to enter 2 or more months of data, say during an installation or setup, you could have Starting and Ending dates separated by several months to avoid unnecessary warnings.
- The A/R control screen is identical to the above. For IC on the “Current period end date” is available on the second tab and as indicated is missing the 3 date validations fields:

B/S liability account	1200-100		UIR - Uninvoiced
Purchase variance account	7050-000		Cost correction
Cr memo/Adj variance account	7050-100		Cost correction
Current period ending date	01/31/2012		

## Statistics and Accumulations

Every financial posting in AP, AR and IC automatically updates summary statistics related to that posting such as sales, purchases, or costs as dictated by the module – e.g. AR – sales, AP – purchases etc. These key performance indicators are accumulated in the master file record for the module for each Customer, Vendor and Item. So, sales and cash receipts are accumulated in each Customer Master record, purchases and payments are accumulated for each vendor and last sold and last receiving dates and summary counts are recorded in the Item Master and its related Warehouse/Status records. In the special case of inventory and because multiple warehouses are involved, most of the IC statistics are seen in the warehouse records that are part of the Item Master data. These statistics can be seen on one or more of the tabs in the Customer, Vendor and Item maintenance screens. (AP-tab 4, AR-tabs 3&4, IC Master tab 3 and IC Warehouse/status tabs 1 to 4).

Below is the statistics screen in AP for vendor Pacific Telephone:

New Edit Save Save / New Delete Cancel Exit

Select by ascending vendor #

Vendor #	Vendor name
700	Pacific Telephone
800	Hanson Manufacturing Company
900	Reynolds Tool and Hardware Co.
1100	Thompson Rubber and Plastic Co.
1200	ACME Bike and Wagon, Inc.
1300	Rolling Wheels, Inc.

Current period: March, 2025

General Terms Accounts Totals Contacts

Current balance 224.00

	Period to date	Next period	Year to date	Last year
Purchases	86.00	224.00	86.00	475.00
Discounts	.00	.00	.00	.00
Payments	86.00	.00	86.00	475.00
Memo purchases	.00	.00	.00	.00

Last purchase date 04/15/2025 Last payment # 15226

1099 amount year to date .00 Last payment date 03/13/2025

1099 amount next year .00 Last payment amount 86.00

The accumulators come in 5 categories, last transaction dates, period-to-date (PTD), year-to-date (YTD), prior-year-to-date LYTD, and next period-to-date (NPTD). During posting of the transaction:

1. If a transaction with a transaction date that is less than or equal to the Current-period end date (yellow above), that transaction will be accumulated into the PTD field and the YTD field.
2. A transaction that is greater than the current period end date will go into the NPTD.
3. LYRD is covered in the year-end process below.

For the AP version of the screen as seen above, there are also 2 last transaction-used dates fields and for checks the last check number and amount are also recorded. If this vendor is a contractor, the 1099 totals for them are accumulated for both the current year and the next year (in the same sense as above for PTD and NPTD). All of these are designed to be quick reference data you get simply by bringing up the vendor master and going to the appropriate tab.

Similar fields are available in the AR and IC master file tabs mentioned above.

Because the Inventory Control module has some rather unique requirements as far as statistics, and because multiple warehouses will each have their own sets of transactions, the main body

of the statistics is held in one or more records in the Warehouse/Status file instead of the Item Master itself. These data are accessed from the IC Item master by selecting the F7 key (see bottom of screen):

Select by ascending item number

Item number	Description	Cat/Sub	Track	Vend	Status	Qty-avail	Price
1	DRIVE, BELT 500M PTD	MECH	Normal	200	Inacti	6.013	190.00
2	GBX S2155052 G 211	TOOLS	Lot det	100	Active	-1,614,751.616	1,500.00
3	FURRING STRIP .1" X 3"-8"	TOOLS	Normal	500	Active	1,322	23.50
4	Saw, 2hp 7 1/4" Circular	TOOLS/ELEC	Serial	800	Active	101	56.00
5	Chisel, 5 pc Set	TOOLS	Normal	900	Active	1,080	5.00
6	Motor, 2hp Submersible	MECH/MTR	Serial	800	Active	-30	150.00

Item number  Description

Select by ascending warehouse

Warehse	On hand	Committed	Back order	On order	Work order
Central	528.00000	1,616,154.61600		40.00000	
1	750.00000				
2	125.00000				

<F1> = next, <SF1> = previous, <F3> = delete  
 <F5> = alternates, <F6> = notes, <F7> = status, <SF7> = multi-warehouses

This shows the item screen tab #5 (Warehouse) for Item #2 - "GBX 52155...". Hitting the F7 key and selecting item #2 will show:

Select by ascending warehouse

Warehouse	Qty on hand	Qty commit	Qty on order	Qty on BO	Qty on WO
Central	528.00000	1,616,154.61600	40.00000		
Central	750.00000				
Central	125.00000				

Item number  Description  Current period: January, 2012

Vendor  Vermont Metal Products

**Status information**

Warehouse

Location code

Stocking unit

Categ/sub-cat

Average on hand

Maximum qty

Reorder level

Last sold on

Last used on

**Period quantities**

Sold PTD

Sold next prd

Sold YTD

Used PTD

Used next prd

Used YTD

Returned PTD

Returned next prd

Returned YTD

**Sales**

Period to date

Next period

Year to date

**Costs**

Period to date

Next period

Year to date

This screen plus the three other tabs for this item give you an extensive list of statistics including month-by-month sold, used (in kits) and returned.

Several comments:

1. While the accumulation of these numbers is automatic, the resetting of these numbers on a monthly basis is not and involves the running of the Month End function c.f. below).
2. Note that whether the validation dates are in use or not, *any* date prior to the current period will be placed into the PTD accumulator. This another reason to have the date checking turned on so the any transactions posted to prior periods are deliberate.

## Closing a Period

The closing function pulls the automatic accumulation functions together by providing the management side of the process. When you close a period, you confirm which period you are closing and that sets the next-period dates you will be generating. After that, the program cycles the totals that have been accumulated.

Here is the closing screen:

Close a period criteria

**Closing out the period ending on 04/30/2025**

This program will clear the current Period to date purchases, payments, discounts and memo purchases. It will move the Next period amounts to period to date and add Next period to Year to date.

Is 04/30/2025 also your year-ending date ?

Please enter the new period-ending date

the new starting entry date

Ending entry date

Note: The current closing date is at the top and that will be changed to the period ending date being prompted in mid-screen. If date validation is turned on, the next two dates will be assigned. Normally these will be defaulted to be the next periods but they can be overridden at this point.

In the following discussion and for context, the following three screen shots are taken from the middle portion of the 4<sup>th</sup> tab of the Vendor maintenance screen. A complete image of that 4<sup>th</sup> tab screen is shown above on page 4.

For a monthly closing the next period (NPTD) value is *moved* into the PTD field overwriting whatever is there; the NPTD is *added* to the YTD total and the NPTD value is *cleared*. (Keep in mind that each time



the PTD value is updated in a posting, the YTD is also updated, so the YTD values always include any PTD value for that year.)

Before month end closing:

	Period to date	Next period	Year to date	Last year
Purchases	2,235.00	3,392.00	2,235.00	1,382.00
Discounts	10.00	.00	10.00	357.67
Payments	390.00	.00	390.00	17,126.03
Memo purchases	.00	.00	.00	.00

After month-end closing:

	Period to date	Next period	Year to date	Last year
Purchases	3,392.00	.00	5,627.00	1,382.00
Discounts	.00	.00	10.00	357.67
Payments	.00	.00	390.00	17,126.03
Memo purchases	.00	.00	.00	.00

When the month-end close is identified as also being the year-end the YTD value is *moved* into the PYTD value and the PTD value is *moved* into both the PTD and YTD fields. So taking the above “before” picture and doing a year-end close will produce:

Current balance	5,527.00			
	Period to date	Next period	Year to date	Last year
Purchases	3,392.00	.00	3,392.00	2,235.00
Discounts	.00	.00	.00	10.00
Payments	.00	.00	.00	390.00
Memo purchases	.00	.00	.00	.00

## Summary

A month end control system is in place for AR, AP and IC and has four components:

- A setup located in the AP control file that holds the period end date, and the controls for the date validation functions
- An automated process built into the transaction posting process that automatically accumulates key performance indicators (KPIs)
- These accumulators are held in the secondary tabs of each of the master files for AR, AP, IC. And in effect provide essentially a real-time KPI display from master file screens
- Month-end and year-end closing functions cycles the accumulators through the appropriate buckets for PTD, YTD and NPTD and LYTD