

GATHER PRIOR PERIOD COSTS AND REVENUES DETAIL

PLEASE INVOLVE YOUR ACCOUNTANT IN THIS PROCESS!

After the accounting Balances Forward have been entered, it may be necessary to post some “prior period” detail for some of the Balances Forward. For example, if there is an Accounts Payable balance forward on your books, the related UNPAID invoices need to be posted. Also, if you want to enter Prior Period revenues and costs detail for jobs in progress, there is a way to post them without affecting your Balances Forward. Follow the steps below to begin preparation for handling these issues:

Step 1 - Gather all UNPAID Accounts Payable Invoices as of the Balance Forward Date

The total of UNPAID Accounts Payable invoices as of the Balance Forward Date should equal the Balance Forward that was posted to the Prior Period Accounts Payable account. UNPAID invoices as of the Balance Forward date are referred to as “Prior Period” UNPAID invoices.

Step 2 - Prepare a Detail List of Prior Period Costs for Jobs that are in Progress

Separate the Prior Period Costs by PAID and UNPAID as of your Balance Forward date. Information that you will need is listed here:

- The date the cost was incurred (date of original invoice)
- The Vendor that was paid for the cost
- The Invoice number of the cost
- A description of the cost
- The appropriate General Ledger account number for jobs costs in progress (like Direct Constr Costs)
- Whether the cost is PAID or UNPAID
- If the cost is PAID, the date that it was paid
- If the cost is PAID, the check number
- The amount of the cost

Check that the total of the job costs in progress is equal to the Balances Forward account for job costs in progress.

Step 3 - Prepare a Detail List of Prior Period Revenues that you have received for Jobs that are in Progress (INCLUDING Lot Draws even though you did not actually receive the money)

Included on the list should be:

- The date the money was received
- Who the money was received from
- What the money was for (Down Payment, Loan Draw, Change Order, etc.)
- The appropriate General Ledger account number (Contract Deposits, Constr Loans Payable, etc.)
- The amount of the money received

Check that the total of the Job Revenues in progress is equal to the appropriate Balances Forward for accounts that hold your job Revenues (quite often those are construction liability accounts).

Step 4 - Make a Detail List of open Accounts Receivable Amounts due to your Company

- Date the amount was due (or billed)
- The invoice number and description
- Who the money is due from
- The appropriate General Ledger account number
- The amount due

The total of the list should tie directly to the Prior Period Accounts Receivable Balance Forward amount on your books.