

End-of-Period Procedures



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End of Period Procedures

- Follow instructions in project - do all procedures not done in previous parts of SUA (follow the Assignment Schedule)
 - Month-end procedures 1-7
 - Bank reconciliation, unemployment taxes, etc.
 - Note: These are not “adjusting entries”, they are normal entries of the period
 - Year-end procedures 1-7
 - worksheet
 - Adjusting entries – 5 AJE’s (4 + 1)
 - Closing entries – 3 Closing entries (no Dividends)

End of Period Procedures

- Closing Entries
 1. Close Revenues & Gains to Income Summary
 2. Close Expenses & Losses to Income Summary
 3. Close Income Summary to Retained Earnings
 4. Close Dividends to Retained Earnings

(Sample Entries: p. 23 Reference Book)

End of Period Procedures

- Notes:
 - Bad Debts method and Ending Inventory figure given on last page of Transaction List
 - Depreciation policy is the **half-year convention**.

End of Period Procedures

Finding Errors in the worksheet

- Calculate the difference between DR and CR and:
 1. Look for that number in your entries and posting (you may have forgotten to post the number)
 2. Look for an amount that is exactly half of that difference (you may have posted a debit as a credit or vice versa)
 3. Divide the difference by 9 and see if it divides with no remainder (indicates a transposition error)

Fixed Asset Trial Balance

(Do after depreciation AJE is made and posted)

Waren Sports Supply
Fixed Asset Trial Balance
December 31, 2005

Example

ASSET	Cost	Accumulated Depreciation	Net Book Value
Computers	\$ 15,000.00	\$12,000.00	\$ 3,000.00
Furniture	10,000.00	10,000.00	0.00
Equipment	<u>25,000.00</u>	<u>8,000.00</u>	<u>17,000.00</u>
TOTALS	\$ 50,000.00	\$ 30,000.00	\$ 20,000.00