Accountant's End of Year Adjustments

This document will explain:
Which Jim2 General Ledger accounts cannot be included in your accountants' end of year adjustments.

Prior to closing any Financial Year in Jim2, an adjusting end of year journal (which will be provided by your accountant) needs to be entered into Jim2 and dated 30th June 20XX (reflecting the year that is being closed). This will ensure that Jim2 provides accurate Profit and Loss and Balance Sheet Reports for the closed year. There are a few GL accounts in Jim2 that should not be used in general journals. Please make your accountant aware of these 'control' accounts. Journals to these accounts will affect the integrity of your database as they are 'controlled' via other transactions.

These 'control' accounts include:

1-XXXX Unbanked Funds: the balance in this account should always match the value in Accounts – Bank Deposits.

1-XXXX SOH accounts: the balances are generated by PO's when stock is purchased, and reduced when stock is sold. If these accounts are journalled to, the General Ledger value will be out of balance with the stock sub-ledger value.

1-XXXX Expenses on Purchases: this is a temporary account controlled by Jim2

1-XXXX Temp Stock on Hand – PO's on Received: this is a temporary account and should always match the Temp Creditors account

1-XXXX Trade Debtors: if this is journalled to, the GL will be out of balance with the Debtors sub-ledger

2-XXXX Trade Creditors: if this is journalled to, the GL will be out of balance with the Creditors sub-ledger

2-XXXX Temp Creditors – PO's on Received: this is a temporary account and should always match the Temp Stock on Hand account.

3-XXXX Current Year Earnings: this is a Jim2 calculated balance = the result of the P&L.

3-XXXX Retained Earnings: when you close off a financial year in Jim2, the balance in Current Year Earnings account for the year you are closing rolls up into Retained Earnings.

3-9999 Historical Balancing: this is a Jim2 calculated balance. The balance in this account must be zero before you can close off your first financial year in Jim2. If there is a balance other than zero it means that the GL Account Opening Debit and Credit Balances do not balance, so they must be corrected to bring this account balance to zero.

5-XXXX COGS accounts: the figures are internally generated by selling stock. When stock is sold the cost automatically moves from the relevant Asset SOH account to the relevant COGS account.

You may need to discuss the adjustments with your accountant prior to entering a General Journal in Jim2.

For further assistance or information please call Happen Business 02 9570 4696 or email support@happen.biz