



AccountMate Year-End Preparations

Technical Note: Consolidated Ledger Closing Procedures

Difficulty Level: Intermediate Level AccountMate User

Version(s) Affected: AccountMate 8 for SQL and Express
AccountMate 7 for SQL, Express and LAN
AccountMate 6.5 for SQL, MSDE and LAN

Module(s) Affected: CL and GL

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DESCRIPTION

This document is provided to assist you in performing final consolidation of your General Ledger (GL) account balances. It is designed to help you better understand year-end consolidation of the subsidiary company's account balances to the parent company's GL.

SOLUTION

CL Consolidation Checklist

Parent Company

- The company must be designated as a "parent company" in the **Company Setup** function.
- The Retained Earnings account must be active and must have an "Equity" account category type.
- The parent company's GL Account IDs to which the subsidiary company's GL Account IDs have been mapped must exist in the parent company's **Chart of Accounts**, are set up as posting accounts, and are active.
- The parent company's Consolidated Ledger module must not be restricted from posting to any period.
- The subsidiary's home currency exists in the parent company's currency code file if the parent and subsidiary company have different home currencies.
- AccountMate 7 for SQL/Express users who have activated the multi-currency feature in GL must verify that each subsidiary company's home currency code is updated with the correct exchange rate in the parent company's **Currency Code Maintenance** records.

Subsidiary Company

- The company must be designated as a "subsidiary company" in the **Company Setup** function.
- All GL Account IDs that carry balances or have transactions in the current or prior fiscal year must be valid and active.
- All the subsidiary company's GL Account IDs must be correctly mapped to the

parent company's GL Account IDs. Access the **Manual Account Mapping** option of the **Chart of Accounts Mapping** function from the **Maintenance** menu to review the mapping and check for any unmapped GL Account IDs. You can also print the **Consolidation Reports\Chart of Accounts Mapping List** from the **Reports** menu in the Consolidated Ledger (CL) module to review the account mapping.

- All fiscal periods in the subsidiary company's prior and current fiscal years must be mapped to a valid fiscal period in the parent company. If the parent and subsidiary companies' fiscal years are not identical and part of the parent company's current fiscal year falls within the subsidiary company's future fiscal year, those fiscal periods must be mapped as well. Access the **Fiscal Period Mapping** function from the **Maintenance** menu to review the subsidiary company's fiscal period mapping. The Pnt Year (Parent Year) and Pnt Period (Parent Period) fields in the Subsidiary Company Fiscal Period Table must not be blank for those periods that belong to the parent company's previous or current fiscal year.
- Transaction data from the subsidiary modules (i.e. AR, AP, IC, etc.) must be transferred to the subsidiary company's GL module before the subsidiary company's GL account balances are consolidated into the parent company's GL accounts.
- All JE batches in GL must be posted before the subsidiary company's GL accounts are consolidated into the parent company's GL.
- No period should be out of balance in the subsidiary company's GL. This could cause problems during consolidation.
- AccountMate 8 for SQL/Express users must set up the exchange rates in the **Consolidation Exchange Rates Maintenance** function for each period of the fiscal year if the parent and subsidiary company have different home currencies.
- No one else must be accessing any module in this company during consolidation. Access the **Current Login User List** function to verify whether there are users currently accessing AccountMate.

Notes

- A subsidiary company can be mapped to only one parent company, but a parent company can be assigned multiple subsidiary companies.
- Consolidation does not affect the subsidiary company's financial data or financial statements; it merely copies the subsidiary company's account balances into the parent company's GL module.
- Each consolidation from a subsidiary company to the parent company overwrites the previous consolidation; just as each transfer from a company's subsidiary module to the company's GL module overwrites the previous transfer from the subsidiary module.
- When you close a subsidiary company's fiscal year (e.g. 2010), AccountMate automatically makes a final consolidation of the subsidiary company's prior fiscal year (e.g. 2009) account balances to the mapped periods in the parent company's GL.

CL Year-End Consolidation Procedures

These procedures are specifically designed for the final consolidation of subsidiary accounts at fiscal year-end.

1. Finish posting all journal entry transactions and year-end adjustments for each subsidiary company.
2. Back up all data files for each subsidiary company and the parent company.
3. Review the exchange rates for each fiscal period in the Consolidation Exchange Rates Maintenance function.
4. Close all subsidiary modules through the last period of the current fiscal year for each subsidiary company.
5. Perform **Fiscal Year-End Closing** in each subsidiary company. The subsidiary company's account balances are automatically consolidated to the parent company when the subsidiary company closes its fiscal year.

AccountMate's Consolidated Ledger module is designed to facilitate consolidation of multiple companies' account balances to provide management a single set of financial statements to analyze. This document will help users to adequately prepare for the final consolidation during their fiscal year end.

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