Purchase Ledger Doesn't Balance – *HELP!!*

Purchase Ledger

1. The Total on the Aged Creditors differs from the balance on the Purchase Ledger Control account in the Nominal Ledger.

2. The Audit & VAT Report Total Outstanding differs from the balance on the Purchase Ledger Control account in the Nominal Ledger.

3. The Audit & VAT Report Movement in Month differs from the Current value on the Purchase Ledger Control account in the Nominal Ledger.

4. The Audit & VAT Report Total VAT differs to the Current value on the VAT Input account in the Nominal Ledger.

Suggested Actions:

1. **IMPORTANT. Have you checked the Nominal Suspense (Dump) account to correct and re-post any entries there?**

2. Run the Aged Creditors report setting the date at least one year ahead of the current date. If the values now balance, the problem probably relates to the entry of a transaction with an incorrect date. This could result in it being posted to the Nominal Ledger, Purchase Ledger Control account as a deferred entry, with a date beyond the original selected cut-off date. The problem can be resolved by entering a reversing transaction, using the original incorrect date, and then re-entering with its' correct date. Whilst the error was identified in the Purchase Ledger Control, all associated Nominal postings will also be in the wrong period. Any correction made must cover all aspects of the original entry. To identify all Nominal transactions to be re-posted, select the Purchase Ledger, Account Enquiry, Options, Nominal, and locate the transaction on the screen using the arrow or Cursor keys. Select the highlighted transaction with <Enter>, and full details of all Nominal transaction postings will be displayed.   The reversing entry should be entered through the Purchase Ledger, Transactions option. If an Invoice or Credit Note is entered, the Purchase Ledger Control and VAT values are posted from the entries you make on the first screen.

3. If the Total Aged Creditors still doesn't balance with the Purchase Ledger Control in the Nominal Ledger, access the option Nominal Ledger, Additional Facilities, Ledger Controls. Make the following entries:
    *   Select Purchase Control;
    *   Enter the Purchase Ledger Control Nominal account number;
    *   Search Criteria - Date Range;
    *   Date From - Date the ledger last balanced, or 00/00/0000 if this is the first time the program has been run;

- Date to - Current month end date;
- Remove Previously ticked items – Care is necessary in responding to this prompt. If the reconciliation has NEVER been processed before then the response 'Yes' may be used. If the program has been run before, then 'Yes' will reset all previously 'ticked' items, including those manually resolved. This would necessitate re-investigating all entries manually cleared on any earlier reconciliation. **It is recommended that, for other than the FIRST reconciliation, the parameters are defined with the 'Date From', set at the day of the previous reconciliation, and 'Remove Previously ticked items set to NO**.

- All Purchase Ledger transactions for the period are compared to the transactions in the Nominal Ledger and vice versa. A report is produced of transactions that appear in the Nominal but not the Purchase Ledger, and those that appear in the Purchase but not the Nominal Ledger. These transactions require investigation.
- For Nominal transactions that appear not to have an entry in the Purchase Ledger, using the Nominal Ledger Enquiry, locate and highlight the transaction, and <Enter>. The relevant purchase transaction should be displayed, giving details of the Purchase Account, etc. If no Purchase Transactions were displayed, it indicates a direct entry to the Nominal Ledger, such as a Nominal Journal. This will require investigation to identify why it has been posted directly to the Purchase Ledger Control account via the Nominal Ledger and not through the Purchase Ledger.
- For Purchase transactions that appear not to have an entry in the Nominal Ledger, using the Purchase Ledger Enquiry, select Options, Nominal, highlight the transaction<Enter>.   The relevant Nominal entries for this transaction should be displayed. This may highlight a mapping error, such as a prefix that has not been set. If no Nominal Transactions were displayed, it would indicate a

problem occurring at the final phase of posting. This may relate to a failure of the Nominal Poster at the time of posting. **Contact IBCOS Gold Support Desk**.

4. If the VAT totals do not balance, repeat Section 3, but select Purchase VAT instead of Purchase Control, and enter the Nominal Input VAT account number. As with the Purchase transactions, similar principles apply to VAT items shown on the report when running VAT reconciliation.

Other factors to be considered

The following are strongly recommended.

1. The Schedule A/C Flag, defined in Nominal Account Maintenance, should be set to **Yes** for the Sales Control, Purchase Control, VAT Input and VAT Output accounts, to prevent entry of any Nominal Journals, not reflected in the relevant Ledger.

2. Set **ALL** Nominal, Purchase and **External** Sales Ledger accounts as **OPEN ITEM**. Subject to Retention Periods set in the Company Control Files, System Periods, detailed history transactions may be viewed at any time. If set as Balance Forward, the Month End procedures consolidate individual transactions to a summary balance forward value for each Account. This removes the facility to view Nominal breakdowns, or Associated Nominals, for all but Current and Deferred entries.

3. If the previous Purchase Ledger Month end has not been processed, the entry and ALLOCATION of Cheques in the current month, against a previous month entry, may result in a difference between Aged Creditors total and balance on the Purchase Ledger Control account. (E.g. Current date is June, Purchase month end for May not processed, June payment entered with June date and allocated against May transaction invoices.)

    Dating problems can also occur posting Warranty Receipts with Sales and Purchase Ledgers in different periods. This can also occur with self-billing invoices.

4. Have you a VAT Liability account in the Nominal Ledger? This allows a Standard Journal, using 100% split, to transfer the current Nominal balances on Output and Input VAT to the Liability account, after reconciling the VAT figures, and just before processing the Nominal Ledger month end. The payment to Customs and Excise is then posted to the Liability account. The Nominal VAT Input and Output accounts effectively start each month with a zero balance, making monthly reconciliation easier.

If problems still exist – please contact the IBCOS Gold Support Desk who will be pleased to help.