Entering Retained Earnings and Year To Date Earnings - Opening Balances

Company Year End: Dec 31, 2008

Software Conversion Date: Dec 1, 2009

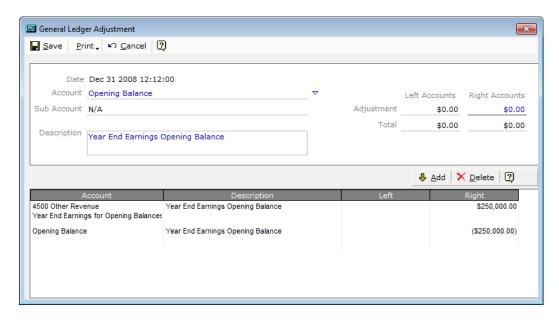Retained Earnings for Dec 31, 2008: $250,000

Year to Date Earnings for Nov 30, 2009: $50,000

Total Value of Inventory on Nov 30, 2009: $45,000

Enter Retain Earning for the Company Year End

1. Setup an Other Revenue Account for the Year End entry.
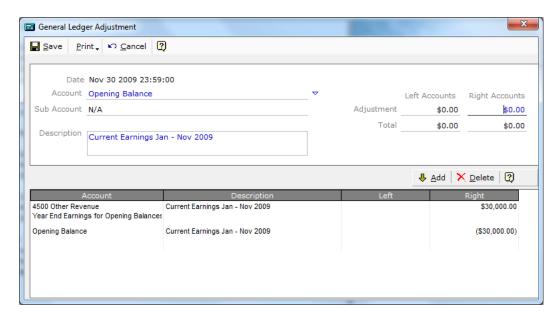2. Make a GL Adjustment similar to the one bellow.

Enter year to date Earnings

1. First run a Profit & Loss Statement from Jan 1, 2009 through Nov 30, 2009 to get the P&L balances in your new software system.
   a. Inventory Recounts & Opening Balances for Return Goods entered before Nov 30 will create balances on the P&L.

   (i.e. If the Balance on the P&L was $20,000, then calculate the net balance to enter.)

   b. Actual YTD Earnings $50,000 from Jan 1, 2009 through Nov 30, 2009
   c. YTD from P&L from new software system = $20,000 - $50,000 = $30,000

Now when you run the current year Balance Sheet (Jan1, 2009 through Dec 31, 2009) you will have proper numbers in retained earnings and YTD earnings.