

Inventory Opening Balance for Nov 30, 2009

This entry can be made any time after the Go Live date.

1. Determine the value of inventory at the end of day on Nov 30 from the previous system.
2. From Protractor, run a Balance sheet for the months, Jan 1 through Nov 30 to find the Inventory Value already in Protractor and determine the difference from the Inventory Value in the old system as of November 30th.
3. Setup a Current Asset Account "Opening Inventory Value Adjustment" for the entry.

i.e. If the difference is \$3,000 too low, then make the following entry.

The screenshot shows the 'General Ledger Adjustment' window. The date is 'Nov 30 2009 23:59:00'. The account is 'Opening Balance' and the sub-account is 'N/A'. The description is 'Opening Inventory Value Adjustment'. The adjustment table shows a total of \$3,000.00 on the right side. Below the table is a grid with the following entries:

Account	Description	Left	Right
1370 Other Current Assets	Opening Inventory Value Adjustment	\$3,000.00	
Opening Inventory Value Adjustment	Opening Inventory Value Adjustment		\$3,000.00
Opening Balance	Opening Inventory Value Adjustment		\$3,000.00

i.e. If the difference is \$3,000 too high, then make the following entry.

The screenshot shows the 'General Ledger Adjustment' window. The date is 'Nov 30 2009 23:59:00'. The account is 'Opening Balance' and the sub-account is 'N/A'. The description is 'Opening Inventory Value Adjustment'. The adjustment table shows a total of (\$3,000.00) on the right side. Below the table is a grid with the following entries:

Account	Description	Left	Right
1370 Other Current Assets	Opening Inventory Value Adjustment	(\$3,000.00)	
Opening Inventory Value Adjustment	Opening Inventory Value Adjustment		(\$3,000.00)
Opening Balance	Opening Inventory Value Adjustment		(\$3,000.00)

Inventory Recounts after Opening Balance for Nov 30, 2009 have been entered

As inventory continues to be adjusted (recount) after the conversion date, amounts will accumulate in the 4405 and 5405 accounts. At the end of the first month after converting, the amounts in these accounts should be adjusted against the Asset account that was setup for Opening Inventory Adjustment.

i.e. If Account 4405 showed \$4,000 and Account 5405 showed \$1,000, then a possible adjustment might be as follows.

The screenshot shows a 'General Ledger Adjustment' window. At the top, there are buttons for Save, Print, Cancel, and a help icon. The date is set to Dec 31 2009 23:59:00. The account is '1370 Other Current Assets' and the sub-account is 'Opening Inventory Value Adjustment'. The description is 'Inventory Adjustment Corrections (Recounts after Nov 30, 2009)'. A summary table shows the adjustment amounts: Adjustment is \$0.00 on both sides, and the total is (\$4,000.00) on both sides.

Account	Description	Left	Right
4405 Materials Growth (Recounts)	Inventory Adjustment Corrections (Recounts after Nov		(\$4,000.00)
5405 Materials Shrinkage (Recounts)	Inventory Adjustment Corrections (Recounts after Nov	(\$1,000.00)	
1370 Other Current Assets Opening Inventory Value Adjustment	Inventory Adjustment Corrections (Recounts after Nov	(\$3,000.00)	

This will clear the Opening Inventory Adjustment Asset Account.

Additionally it will clear the 4405 Inventory Growth and 5405 Inventory Shrinkage accounts off of the Profit & Loss Statement for Dec, 2009.