

PCLaw Month-end Close Processes

December 11, 2015



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Agenda

Introduction

Topic 1 – Items to be Completed Prior to EOM

Topic 2 – Month-end Checklist

Topic 3 – Bank Reconciliation for the Month

Topic 4 – Cash Triple Check



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Agenda

Topic 5 – Balance Cash Ledger to General Ledger

Topic 6 – Generate Reports

Topic 7 – Review P&L, Balance Sheet, Trial Balance & GL

Topic 8 – Close the Month

Conclusion / Q&A



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Items to be Completed Prior to EOM

- Billing
- Create Month End Folder in Windows Explorer
- Save Bank Statements to the Month End Folder



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Month-end Checklist

- Bank Reconciliations for the Month
- Cash Triple Check
- Balance Cash Ledger to General Ledger
- Generate Reports
- Review P&L, Balance Sheet, Trial Balance & GL
- Close the Month



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Bank Reconciliations for the Month

- Reconcile Bank Accounts
- Save Bank Reconciliation Reports to the Month End folder

Bank Reconciliation - Select Account

General
 Trust

Acct 1 Frost Bank

Start Date 6/20/2014 End Date 7/19/2014

Opening Balance 370077.00 Closing Balance 0.00

Skip Zero Balance Receipts
 Skip Zero Balance Checks
 Read Bank Statement from Disk
 Auto Save Every 5 Minutes
 Use Deposit Slips
 Verify Bank Journal Entries

OK
Cancel
Help
Reprint
Prev. Rec.
Reset

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Cash Triple Check

Jan/14/2015 Alumni Law Firm - Cash									
General Bank Journal									
Dec/31/2014 To Dec/31/2014									
Date	Received From/Paid To	Acct#	Che/Rec#/Clr /Btch	Allocated					
Entry #	Explanation	Matter	Client	G/L Acct	Cheque	Receipt	Entry Tot	Running Bal	
*** Bank Account Summary ***									
Bank Account				Open Bal	Check Tot	Rcpt Tot		Balance	
1	- Frost Bank			369977.00	0.00	0.00		369977.00	
99	- Money Market			26194.07	0.00	0.00		26194.07	
3	- Frost Bank Payroll			1000.00	0.00	0.00		1000.00	
Total:				<u>397171.07</u>	<u>0.00</u>	<u>0.00</u>		<u>397171.07</u>	
*** G/L Account Summary ***									
G/L Account				Debit	Credit				
Total:				<u>0.00</u>	<u>0.00</u>				

Be sure to save the General and Trust Bank Journals in the Month End Folder.



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Cash Triple Check

Printed on: January 14, 2015

Page: 1

Alumni Law Firm - Cash
Trial Balance
For Period Ending: December 31, 2014

Nickname	Account Name	Debits	Credits
1000	Frost Bank 30-9/1140	369,977.00	
1098	Petty Cash	26,194.07	
1100	Trust Bank Acct 1	11,821.18	
2100	Trust Funds Quad		11,021.10

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Cash Triple Check

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1000	Frost Bank 30-9/1140	369,977.00	
1098	Petty Cash	26,194.07	
1100	Trust Bank Acct 1	11,821.18	
2100	Trust Funds Quad		11,021.10

Jan/14/2015 Alumni Law Firm - Cash
 General Bank Journal
 Dec/31/2014 To Dec/31/2014

Date	Received From/Paid To	Acct#	Che/Rec#/Clr /Btch	Allocated				
Entry #	Explanation	Matter	Client	G/L Acct	Cheque	Receipt	Entry Tot	Running Bal
*** Bank Account Summary ***								
Bank Account				Open Bal	Check Tot	Rcpt Tot		Balance
1	- Frost Bank			369977.00	0.00	0.00		369977.00
99	- Money Market			26194.07	0.00	0.00		26194.07
8	- Frost Bank Payroll			1000.00	0.00	0.00		1000.00
Total:				397171.07	0.00	0.00		397171.07
*** G/L Account Summary ***								
G/L Account				Debit	Credit			
Total:				0.00	0.00			

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Cash Triple Check

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Alumni Law Firm - Cash
 Trial Balance
 For Period Ending: December 31, 2014

Nickname	Account Name	Debits	Credits
1000	Frost Bank 30-9/1140	369,977.00	
1098	Petty Cash	26,194.07	
1100	Trust Bank Acct 1	11,821.18	
2100	Trust Bank Acct 2		11,821.18

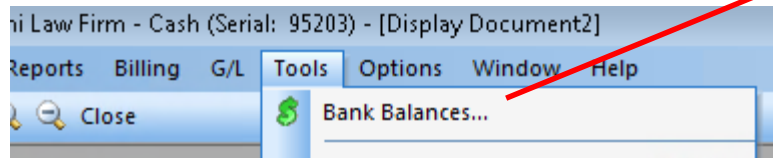
Date		Received From/Paid To	Acc#	Che/Rec#/Clr/Btch	Allocated	Entry Tot	Running Bal
Entry #	Explanation	Matter	Client	Cheque	Receipt		
*** Trust Bank Journal - Bank Account Summary ***							
Bank Account			Open Bal	Check Tot	Rcpt Tot		Balance
1	- Trust Bank Acct 1		11821.18	0.00	0.00		11821.18
REPORT SELECTIONS - Trust Bank Journal							
Layout Template	Default						
Advanced Search Filter	None						
Requested by	ADMIN						
Finished	Wednesday, January 14, 2015 at 09:38:38 PM						
Ver	13.0 SP2 (13.0.20140210)						
Date Range	Dec/31/2014 To Dec/31/2014						

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Cash Triple Check



Account	Bank Type	G/L Account	Account Name	Balance
1	General	1000	Frost Bank	369977.00
2	General	1001	test	0.00
3	General	1002	Frost Bank Payroll	1000.00
99	General	1098	Money Market	26161.07
1	Trust	1100	Trust Bank Acct 1	11821.18

Include: General Bank, Trust Bank
Balances: Including Post-Dated Items, As of Today (Jan 14/2015)

Printed on: January 14, 2015 Page: 1

Alumni Law Firm - Cash
Trial Balance
For Period Ending: January 14, 2015

Nickname	Account Name	Debits	Credits
1000	Frost Bank 30-9/1140	369,977.00	
1098	Petty Cash	26,161.07	
1100	Trust Bank Acct 1	11,821.18	

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Balance & Review Subsidiary Ledgers

- Client Costs (Modified Cash)
- Accounts Receivable (Accrual)
- Accounts Payable (Accrual)

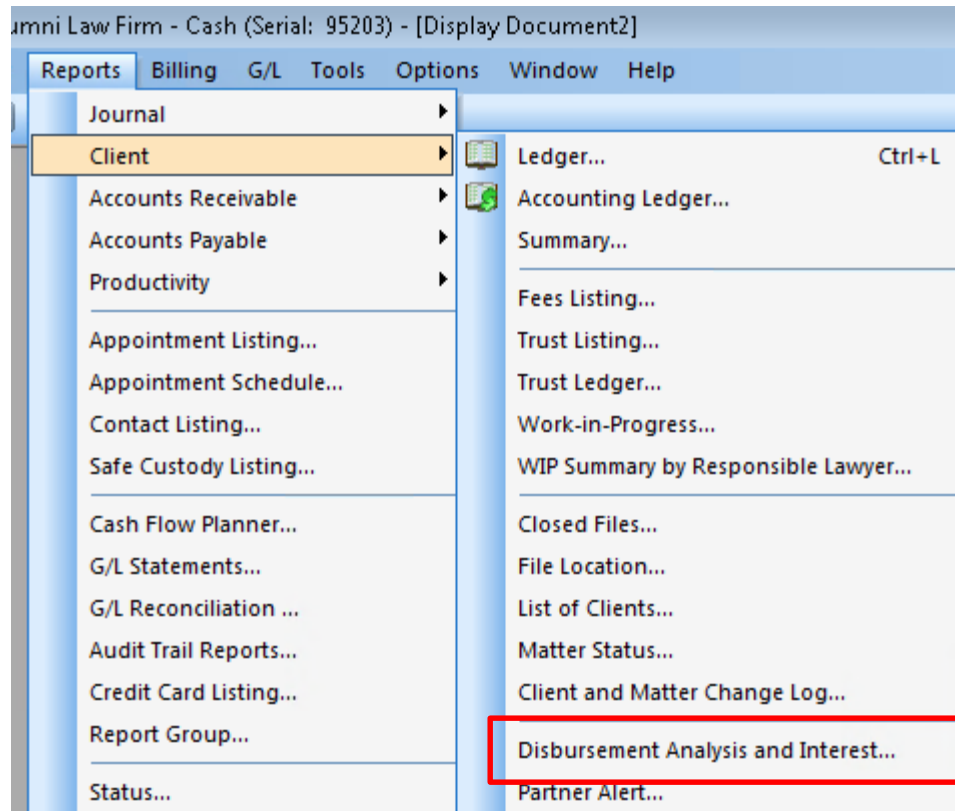


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Balance & Review Subsidiary Ledgers

Client Costs (Modified Cash)



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Balance & Review Subsidiary Ledgers

Client Costs (Modified Cash)

Disbursement Analysis and Interest

Common Matters Layout

Matter: <all> Client: <all> Resp Lawyer: <all>

Start Date: 1/1/1982 End Date: 12/31/2014

Disbursement History
 Disb. Analysis and Interest
 Hard and Soft Cost Analysis

Calculate Interest
Interest to: 1/14/2015
Interest Rate: 0

Billed Up To: 12/31/2014 Receipts Up To: 12/31/2014

Include:
 Billed
 Unbilled
 Billed + Unbilled
 Paid by Client
 Unpaid by Client
 Paid + Unpaid

Output:
 Printer
 Screen
 E-mail
 Editor

Summarize By:
 Resp. Lawyer
 Type of Law
 Expl. Code

Matter Totals Only
 Matter and Expl. Code Totals Only
 Firm Totals Only

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Balance & Review Subsidiary Ledgers

Client Costs (Modified Cash)

Hard and Soft Cost Analysis - Unpaid To Dec/31/2014											
Client Matter	Date	Src Ref#	Explanation	Law Type	Soft Cost	Hard Cost			Billed by Client	Paid Client	
						Advanced	A/P	Pending			Total
1001											
					est						
1001a-001											
	8/27/2009	CER 00009	Court Fee		50.00					Y	N
	8/27/2009	CER 00008	E-filing fee		242.30					Y	N
	10/6/2009	CER 00010	test		120.00					Y	N
	12/9/2014	AP	E115 Deposition transcripts			11.00			11.00	N	N
			Total		412.30	11.00	0.00		11.00		
Firm Total					753.14	9593.90	623.00		10216.90		

The total of the Hard Costs should match the balance of the 1210 account on Modified Cash (Separating Hard and Soft Costs)

Note: Some CPAs will say the 1210 should contain contingent costs only for tax purposes. By using the summary by area of practice you can determine the contingent expenses. This report is the support you will need either way.



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Accounts Receivable

- Accrual Basis – Reserve for Doubtful Accounts
 - Balance total to Trial Balance
- Modified Cash – Write-off Uncollectable Balances (Can be written up if collected)
 - Retain final report

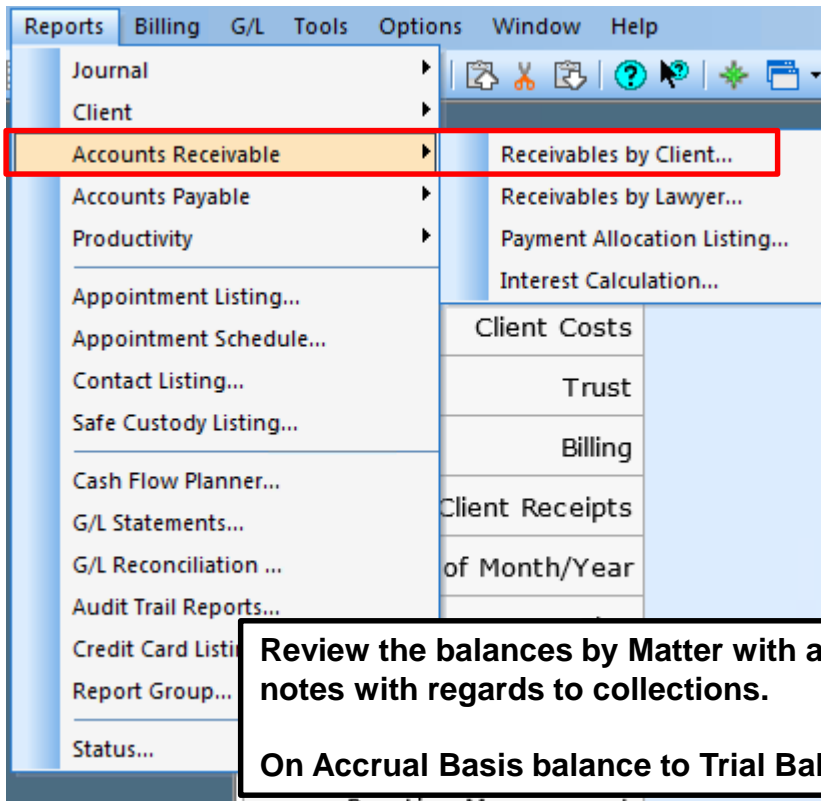


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Balance & Review Subsidiary Ledgers

Accounts Receivable



Reports Billing G/L Tools Options Window Help

- Journal
- Client
- Accounts Receivable**
 - Receivables by Client...**
 - Receivables by Lawyer...
 - Payment Allocation Listing...
 - Interest Calculation...
- Accounts Payable
- Productivity
- Appointment Listing...
- Appointment Schedule...
- Contact Listing...
- Safe Custody Listing...
- Cash Flow Planner...
- G/L Statements...
- G/L Reconciliation ...
- Audit Trail Reports...
- Credit Card Listi...
- Report Group...
- Status...

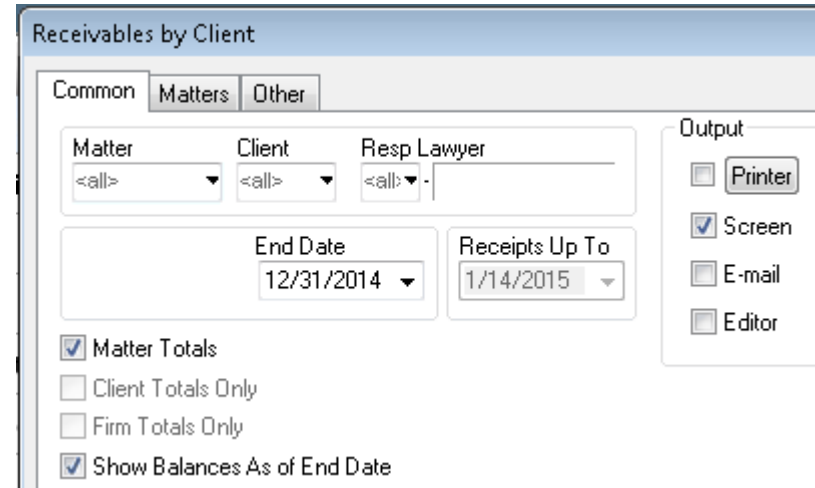
Client Costs

Trust

Billing

Client Receipts

of Month/Year



Receivables by Client

Common Matters Other

Matter Client Resp Lawyer

<all> <all> <all>

End Date Receipts Up To

12/31/2014 1/14/2015

Matter Totals

Client Totals Only

Firm Totals Only

Show Balances As of End Date

Output

Printer

Screen

E-mail

Editor

Review the balances by Matter with aging. Have Responsible Lawyer make notes with regards to collections.

On Accrual Basis balance to Trial Balance

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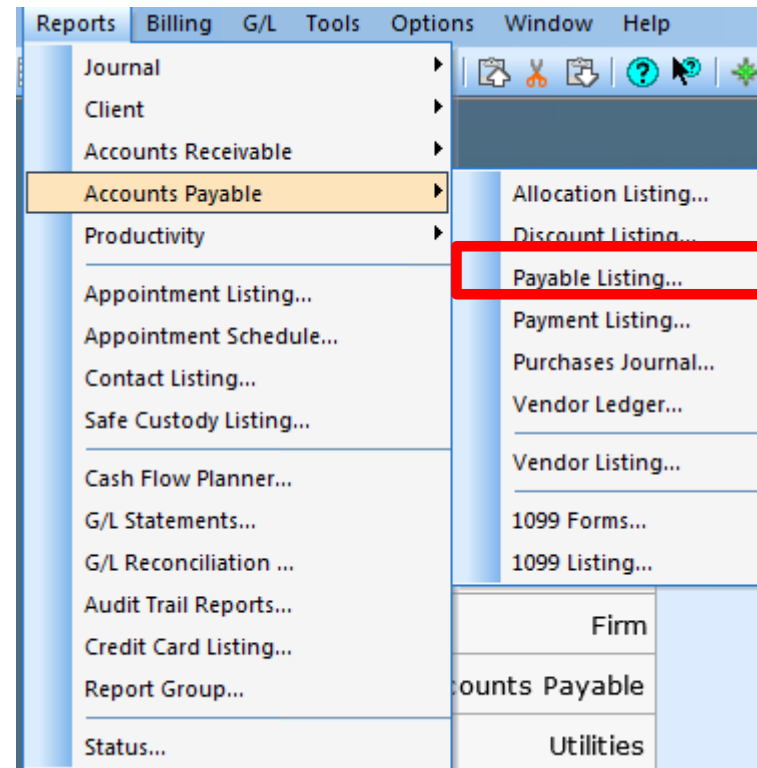
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Balance & Review Subsidiary Ledgers

Accounts Payable

- Review for accuracy



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Generate Reports

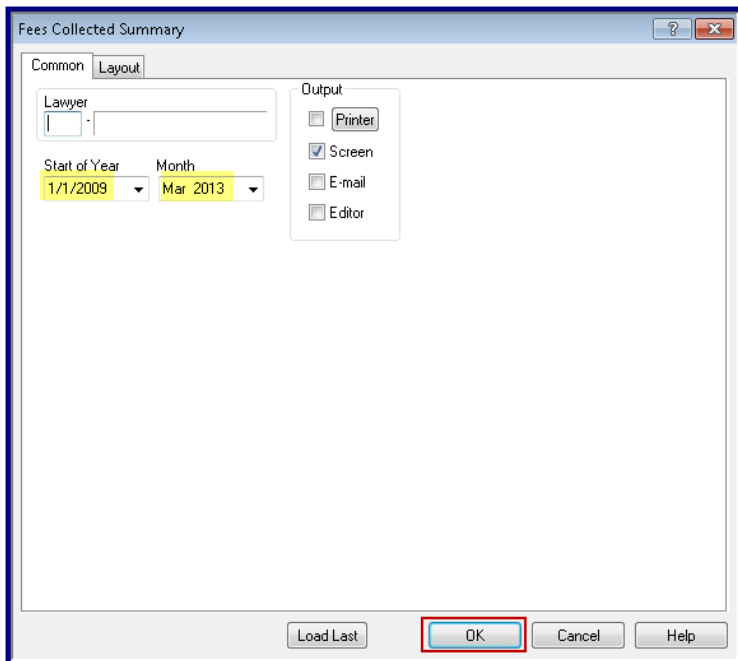
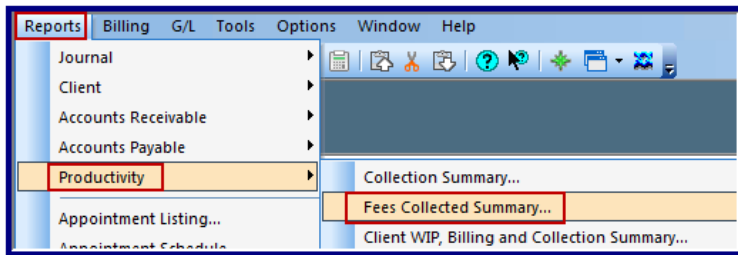
- Fees Collected Summary
- Work In Progress



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Generate Reports



The **Fees Collected Summary** provides a MTD and YTD analysis of the fees your firm collects. The report summarizes the fees by Fee Credit Lawyer and Responsible Lawyer. The report also compares YTD totals to the prior YTD totals and shows the percentage of change between the two years

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Generate Reports

Mar/14/2013 Alumni Law Firm - Cash
Fees Collected Summary
To Dec/31/2014

Lawyer	Fees Collected as Fee Credit Lawyer				Fees Collected as Responsible Lawyer			
	This Month	This YTD	Last YTD	% Change	This Month	This YTD	Last YTD	% Change
BEA - Barbara E. Angella	0.00	41742.14	41742.14	0.00%	0.00	37925.00	37925.00	0.00%
AAH - Albert A. Howell	0.00	28301.84	28301.84	0.00%	0.00	24575.00	24575.00	0.00%
RSB - Robert S. Brown	0.00	63258.08	50429.42	25.44%	0.00	127193.74	122829.50	3.55%
ASM - Allison S. Monroe	0.00	2037.70	2037.70	0.00%	0.00	0.00	0.00	%
MBA - Marshall B. Addison	0.00	150498.42	149862.84	0.42%	0.00	88520.00	88520.00	0.00%
MCC - Marilyn C. Campos	0.00	78625.56	78625.56	0.00%	0.00	86250.00	77150.00	11.80%
Total:	0.00	364463.74	350999.50		0.00	364463.74	350999.50	

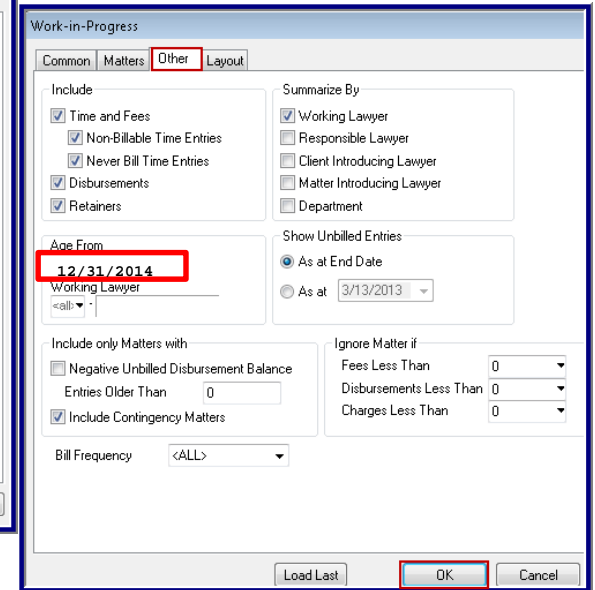
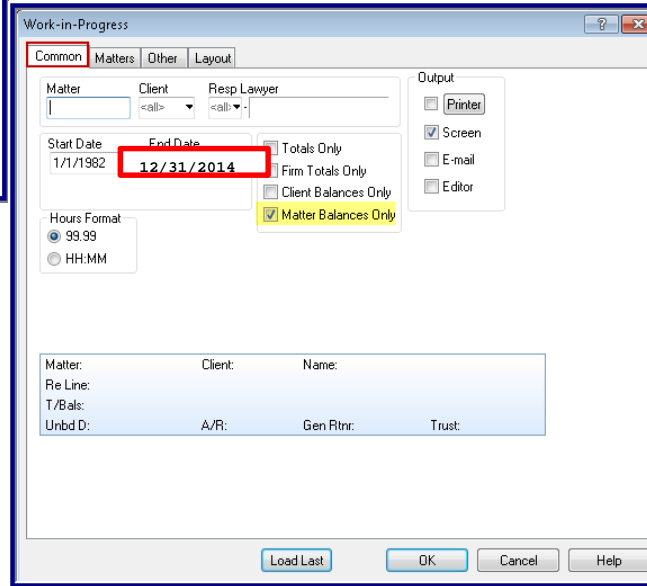
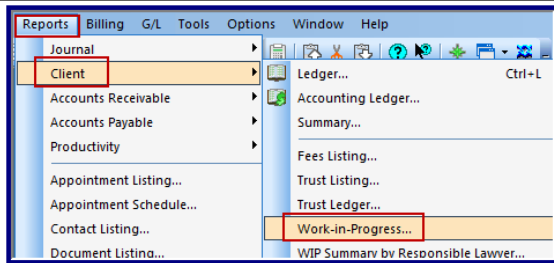
Review totals YTD by attorney and match to Income Statement Revenue.

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Generate Reports



Review the Work in Progress report; it lists all unbilled fees and expenses. Year-end is a good time to clear out old charges that will not be billed. Accrual Accounting can show this total on Financial Statements.

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Review Work In Progress

Work-in-Progress

Mar/13/2013 Alumni Law Firm - Cash
Work-in-Progress
To 12/31/2014

Entry#	Explanation	Unbilled	Current	31-60 Days	61-90 Days	91-120 Days	>120 Days	Total	A/R	
									Current Trust Bal	
Client: 1000 Able, Barry B.										0.00
Matter: 1000-001 Able v. State of Florida										0.00
		Unbilled	Current	31-60 Days	61-90 Days	91-120 Days	>=121 Days	Total		
Last Entry	Feb/ 7/2013	Hours	6.20	0.00	0.00	0.00	174.50	180.70		
Last Bld	Sep/30/2010	+ Fees	4540.00	0.00	0.00	0.00	123700.00	128240.00		
		+ Disbs	1102.00	0.00	0.00	0.00	1850.00	2952.00		
		- Retainers	0.00	0.00	0.00	0.00	2500.00	2500.00		
		Total:	5642.00	0.00	0.00	0.00	123050.00	128692.00		
Client: 1000 Able, Barry B.										905.23
Matter: 1000-001a Test Split										0.00
		Unbilled	Current	31-60 Days	61-90 Days	91-120 Days	>=121 Days	Total		
Last Entry	Sep/27/2012	Hours	0.00	0.00	0.00	0.00	0.00	0.00		
Last Bld	Sep/30/2010	+ Fees	0.00	0.00	0.00	0.00	0.00	0.00		
		+ Disbs	0.00	0.00	0.00	0.00	0.00	0.00		
		- Retainers	0.00	0.00	0.00	0.00	0.00	0.00		
		Total:	0.00	0.00	0.00	0.00	0.00	0.00		

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Review P&L, Balance Sheet, Trial Balance & GL

P&L

Printed on: December 10, 2015

Page: 1

Alumni Law Firm - Cash Income Statement For the Period Ending: December 31, 2014

REVENUE	<u>Current Period</u>		<u>Year To Date</u>	
	Amount	%	Amount	%
Fees Earned	2,100.00	100.00%	2,100.00	36.57%
Fees Earned - MBA	0.00	0.00%	518.62	9.03%
Fees-Robert S. Brown	0.00	0.00%	3,124.44	54.40%
Total Revenue	\$2,100.00	100%	\$5,743.06	100%
EXPENSES				
Client Soft Expense Recovery	(368.74)	3.48%	(368.74)	-958.02%
Client Disb Expense	1,131.98	-10.67%	1,446.22	999.99%
Client Soft Expense	9.99	-0.09%	9.99	25.95%
Client Hard Expense Recovery	(11,380.98)	107.29%	(1,048.98)	-999.99%
Total Expenses	(\$10,607.75)	100%	\$38.49	100%
Net Income	\$12,707.75		\$5,704.57	

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Balance Sheet

Printed on: December 10, 2015

Page: 1

Alumni Law Firm - Cash Balance Sheet As at: December 31, 2014

ASSETS

Current Assets

Frost Bank 30-9/1140	439,272.00
test	(1,000.00)
Petty Cash	28,894.07
Trust Bank Aoot 1	14,321.18

Total Current Assets \$481,287.25

Fixed Assets

Total Fixed Assets \$0.00

Total Assets \$481,287.25

LIABILITIES

Short Term Liabilities

Trust Funds Owed	14,321.18
GST Payable	(2,000.00)

Total Short Term Liabilities \$12,321.18

Long Term Liabilities

Total Long Term Liabilities \$0.00

Total Liabilities \$12,321.18

EQUITY

Equity	63,261.50
Equity-Robert S. Brown	400,000.00
Income for Alloc	5,704.57

Total Equity \$468,966.07

Total Liabilities & Equity \$481,287.25

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Trial Balance

Printed on: January 14, 2015

Page: 1

Alumni Law Firm - Cash
Trial Balance
For Period Ending: December 31, 2014

Nickname	Account Name	Debits	Credits
1000	Frost Bank 30-9/1140	369,977.00	
1098	Petty Cash	26,194.07	
1100	Trust Bank Acct 1	11,821.18	
2100	Trust Funds Owed		11,821.18
2400	GST Payable	1,000.00	
3000	Equity		191,466.50
3000.RSB	Equity-Robert S. Brown		200,000.00
4000	Fees Earned		2,100.00
4000.MBA	Fees Earned - MBA		518.62
4000.RSB	Fees-Robert S. Brown		3,124.44
5001	Client Soft Expense Recovery		368.74
5010	Client Hard Expense	1,446.22	
5011	Client Soft Expense	9.99	
5210	Client Hard Expense Recovery		1,048.98
	Totals	\$410,448.46	\$410,448.46
	Overall balance		\$0.00



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Review P&L, Balance Sheet, Trial Balance & GL

General Ledger

5380	Rent					0.00
Jul 31/10	GB 00029	1253	Landlord	August 20 10 Rent	12,000.00	
Aug 16/10	GB 00038	1280	Landlord	September 20 10 Rent	12,000.00	
				Closing balance - Rent		24,000.00

Check for missing or miss classified items.



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Review P&L, Balance Sheet and Trial Balance

- If your Trial Balance balances to 0
- . . . And If you can *verify* all of the numbers on the Balance Sheet
- . . . And if your Revenue balances to subsidiary ledger
-then Net Income is correct



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Close the Month

- Print to PDF (Save to Month End Folder)
 - Bank Statements & Reconciliation
 - General & Trust Bank Journal
 - Client Costs
 - Accounts Receivable
 - Accounts Payable
 - Fees Collected Summary



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Close the Month

- WIP
- Trial Balance
- Balance Sheet
- Income Statement
- General Ledger with Detail
- (Any additional information used to complete EOM)
- Close the Month



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