
OverNet Computer Services

Mechanic helpdesk query

How To Enter Opening Balances.

This process shows how enter opening balances. Opening balances are used to set the original amount that is against any account - a supplier, customer or ledger.

To set-up the Opening balances from within Mechanic, we first recommend that you discuss this with your accountant – to ensure that both parties agree on the list of accounts and that the balances are correct.

NOTE: Before proceeding with opening balances, you will need to close off the financials to create a starting point. (Refer to end of year rollover documentation if you do not have this documentation, contact Mechanic support and request to have it sent). For example if the opening balances are to start on July 2001, the rollover must be to the end of June 2001.

NOTE: You can create customers and suppliers and ledgers at any time during this process.

Use “Ledger Maintenance”, (program 5,3,1) to create a new ledger called PROPTRSHIP. It needs to be a “L”iability account that is GST “F”ree.

The screenshot displays the Mechanic software interface. At the top left, the logo 'Mechanic' is shown in a stylized font, with 'MECHANIC MOTORS PTY LTD' underneath. At the top right, the logo 'GST' is shown in a stylized font, with 'E N A B L E D' underneath. The main menu is visible, listing options 1 through 0. Option 2, 'EDIT LEDGER', is selected and highlighted with a thick black border. A sub-menu is open for 'EDIT LEDGER', showing the following details:

1	Invoicing
2	T EDIT LEDGER
3	D Ledger Code PROPTRSHIP
4	P Description OWNERS EQUITY IN THE BUSINESS
5	M Group L (A/L/I/E) GST Type F
6	S Account Number Status N
7	P Further Info
8	G
9	F
0	Q Current Balance 0.00

At the bottom of the screen, the copyright information is displayed: 'Copyright (c) 1990-2005 Soltec (Aust) Pty Ltd'.

Mechanic will show you the Customer ladder, arrow up or down, highlight the first Customer on the list and press [ENTER].

Mechanic will automatically fill in the C or A column and the Account Code column. Enter in the balance amount for this customer.

CUSTOMERS and ASSETS			OPENING BALANCES		SUPPLIERS and LIABILITIES		
C or A	Account code	Amount	S or L	Account Code	Amount		
C	DEMPSEY I	123.00					
TOTAL ASSETS		123.00	TOTAL LIABILITIES				

Enter in any other Customers in the same manner.

After entering in all the Customers, enter in the Assets. In the C or A column, press F3, this will give you a selection menu, highlight Ledgers Gen. and press [ENTER].

Mechanic will display the Ledger ladder, arrow up or down, highlight the required Asset account and press [ENTER]. Enter in the balance amount for this ledger.

CUSTOMERS and ASSETS			OPENING BALANCES		SUPPLIERS and LIABILITIES		
C or A	Account code	Amount	S or L	Account Code	Amount		
C	DEMPSEY I	123.00					
C	SMITH G	95.15					
A	CASH AT BANK	12000.00					
TOTAL ASSETS		12218.15	TOTAL LIABILITIES				

Once all of the Customer and Assets are entered, press the TAB key to move across to the S or L column.

In the S or L column, press F3, this will give you a selection menu, highlight Suppliers and press [ENTER]. Mechanic will display the Suppliers ladder, arrow up or down, highlight the required Supplier account and press [ENTER]. Enter in the balance amount for this ledger.

CUSTOMERS and ASSETS		OPENING BALANCES		SUPPLIERS and LIABILITIES	
C or A	Account code	Amount	S or L	Account Code	Amount
C	DEMPSEY I	123.00	S	BURSON	12345.00
C	SMITH G	95.15			
A	CASH AT BANK	12000.00			
A	PLANT	120000.00			
A	STOCK PARTS	3500.00			
TOTAL ASSETS		135718.15	TOTAL LIABILITIES		12345.00

Enter in any other Suppliers in the same manner.

In the S or L column, press F3, this will give you a selection menu, highlight Ledgers Gen and press [ENTER]. Mechanic will display the Ledger ladder, arrow up or down, highlight the required ledger and press [ENTER]. Enter in the balance amount for this ledger.

CUSTOMERS and ASSETS		OPENING BALANCES		SUPPLIERS and LIABILITIES	
C or A	Account code	Amount	S or L	Account Code	Amount
C	DEMPSEY I	123.00	S	BURSON	12345.00
C	SMITH G	95.15	S	VISA CARD	456.78
A	CASH AT BANK	12000.00	L	GST INV DUE	9876.00
A	PLANT	120000.00			
A	STOCK PARTS	3500.00			
TOTAL ASSETS		135718.15	TOTAL LIABILITIES		22677.78

Accounting rules say that the Total Assets and Total Liabilities at the bottom of the screen must equal. After entering all the amounts for the customers, suppliers and ledgers there is probably a difference. To offset the difference, normally we use a proprietorship liability account. Basically, this is what the business owes the owners.

In the S or L column, press F3, this will give you a selection menu, highlight Ledgers Gen and press [ENTER]. Select the PROPTRSHIP ledger and press [ENTER]. Enter in the balance amount for this ledger.

CUSTOMERS and ASSETS			OPENING BALANCES		SUPPLIERS and LIABILITIES		
C or A	Account code	Amount	S or L	Account Code	Amount		
C	DEMPSEY I	123.00	S	BURSON	12345.00		
C	SMITH G	95.15	S	VISA CARD	456.78		
A	CASH AT BANK	12000.00	L	GST INV DUE	9876.00		
A	PLANT	120000.00	L	PROPTRSHIP	113040.37		
A	STOCK PARTS	3500.00					
TOTAL ASSETS		135718.15	TOTAL LIABILITIES		135718.15		

Once you are happy with the accounts and balances, press F10 and then Y to update all the opening balances.

CUSTOMERS and ASSETS		OPENING BALANCES		SUPPLIERS and LIABILITIES	
C or A	Account code	Amount	S or L	Account Code	Amount
C	DEMPSEY I	123.00	S	BURSON	12345.00
C	SMITH G	95.15	S	VISA CARD	456.78
A	CASH AT BANK	12000.00	L	GST INV DUE	9876.00
A	PLANT	120000.00	L	PROPTRSHIP	113040.37
A	STOCK PARTS	3500.00			
		<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> Do you wish to UPDATE all opening balances? Yes or No </div>			
TOTAL ASSETS		135718.15	TOTAL LIABILITIES		135718.15

If the Total Assets and Total Liabilities do not equal, Mechanic will not let you update the accounts and a red box will appear in the lower left hand corner stating OUT OF BALANCE. If this happens, adjust the PROPTRSHIP amount and update the accounts again.

Press Ctrl-C and the ESC to cancel this process and exit out of the screen at any time.

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