



# **YEAR END CLOSING RULES IN CTCLINK**

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# YEAR END CLOSE

- Closes revenues and expenditures to equity
- Generates beginning balances in the balance sheet accounts
- Entries generated by year-end closing are processed in special periods
  - 999 for closing entries
  - 0 for opening entries



## WHAT HAPPENS TO THE CHARTSTRING DURING CLOSE??

Income Statement					
Account	Chartstring X	Close/Open Process	Close/Open to Equity	Close/Open to Equity	Chartstring X
1xxxxxx (1110)	(1,500.00)				(1,500.00)
1xxxxxx (1312)	1,000.00				1,000.00
2xxxxxx (5111)	(2,500.00)				(2,500.00)
3xxxxxx (9590)					-
4xxxxxx (3210)	(2,000.00)	2,000.00			-
5xxxxxx (6510)	5,000.00	(5,000.00)			-
<b>ChartString X Balance</b>	-	(3,000.00)	-	-	(3,000.00)
Account	Chartstring Y	Close/Open Process	Close/Open Process	Close/Open Process	Chartstring Y
1xxxxxx (1110)	10,000.00				10,000.00
1xxxxxx (1312)	-				-
2xxxxxx (5111)	-				-
3xxxxxx (9590)	(10,000.00)		(2,000.00)	5,000.00	(7,000.00)
4xxxxxx (3210)	-	(2,000.00)	2,000.00		-
5xxxxxx (6510)	-	5,000.00		(5,000.00)	-
<b>ChartString Y Balance</b>	-	3,000.00	-	-	3,000.00
<b>Fund Balance</b>	-	-	-	-	-

Chartstring Y  
is the equity  
account for  
Chartstring X

Account	Chartstring X
1xxxxxx (1110)	(1,500.00)
1xxxxxx (1312)	1,000.00
2xxxxxx (5111)	(2,500.00)
3xxxxxx (9590)	
4xxxxxx (3210)	(2,000.00)
5xxxxxx (6510)	5,000.00
<b>ChartString X Balance</b>	-
Account	Chartstring Y
1xxxxxx (1110)	10,000.00
1xxxxxx (1312)	-
2xxxxxx (5111)	-
3xxxxxx (9590)	(10,000.00)
4xxxxxx (3210)	-
5xxxxxx (6510)	-
<b>ChartString Y Balance</b>	-
<b>Fund Balance</b>	-

Chartstring X & Y are both in the same fund

Current year activity is recorded in Chartstring X

Chartstring Y holds all the equity for the fund

The following examples explore the different effects that closing rules have on chartstrings.

The example with the tag “Income Statement” illustrates how the use of closing rules to transfer revenue and expenditure chartstrings to a different equity chartstring affects the opening entries

The example with the tag “One to One Closing” illustrates how the use of a GL journal prior to close affects the chartstring opening entries

Revenue/Expense  
accounts moved  
from X to Y using  
closing rules

Income Statement		
Account	Chartstring X	Close/Open Process
1xxxxxx (1110)	(1,500.00)	
1xxxxxx (1312)	1,000.00	
2xxxxxx (5111)	(2,500.00)	
3xxxxxx (9590)		
4xxxxxx (3210)	(2,000.00)	2,000.00
5xxxxxx (6510)	5,000.00	(5,000.00)
<b>ChartString X Balance</b>	-	<b>(3,000.00)</b>
Account	Chartstring Y	Close/Open Process
1xxxxxx (1110)	10,000.00	
1xxxxxx (1312)	-	
2xxxxxx (5111)	-	
3xxxxxx (9590)	(10,000.00)	
4xxxxxx (3210)	-	(2,000.00)
5xxxxxx (6510)	-	5,000.00
<b>ChartString Y Balance</b>	-	<b>3,000.00</b>
<b>Fund Balance</b>	-	-

Revenue account  
closes to equity

Income Statement			
Account	Chartstring X	Close/Open Process	Close/Open to Equity
1xxxxxx (1110)	(1,500.00)		
1xxxxxx (1312)	1,000.00		
2xxxxxx (5111)	(2,500.00)		
3xxxxxx (9590)			
4xxxxxx (3210)	(2,000.00)	2,000.00	
5xxxxxx (6510)	5,000.00	(5,000.00)	
<b>ChartString X Balance</b>	-	(3,000.00)	-
Account	Chartstring Y	Close/Open Process	Close/Open Process
1xxxxxx (1110)	10,000.00		
1xxxxxx (1312)	-		
2xxxxxx (5111)	-		
3xxxxxx (9590)	(10,000.00)		(2,000.00)
4xxxxxx (3210)	-	(2,000.00)	2,000.00
5xxxxxx (6510)	-	5,000.00	
<b>ChartString Y Balance</b>	-	3,000.00	-
<b>Fund Balance</b>	-	-	-

Expense account  
closes to equity

Income Statement				
Account	Chartstring X	Close/Open Process	Close/Open to Equity	Close/Open to Equity
1xxxxxx (1110)	(1,500.00)			
1xxxxxx (1312)	1,000.00			
2xxxxxx (5111)	(2,500.00)			
3xxxxxx (9590)				
4xxxxxx (3210)	(2,000.00)	2,000.00		
5xxxxxx (6510)	5,000.00	(5,000.00)		
<b>ChartString X Balance</b>	-	(3,000.00)	-	-
Account	Chartstring Y	Close/Open Process	Close/Open Process	Close/Open Process
1xxxxxx (1110)	10,000.00			
1xxxxxx (1312)	-			
2xxxxxx (5111)	-			
3xxxxxx (9590)	(10,000.00)		(2,000.00)	5,000.00
4xxxxxx (3210)	-	(2,000.00)	2,000.00	
5xxxxxx (6510)	-	5,000.00		(5,000.00)
<b>ChartString Y Balance</b>	-	3,000.00	-	-
<b>Fund Balance</b>	-	-	-	-

Chartstring X & Y  
opening balances

Income Statement					
Account	Chartstring X	Close/Open Process	Close/Open to Equity	Close/Open to Equity	Chartstring X
1xxxxxx (1110)	(1,500.00)				(1,500.00)
1xxxxxx (1312)	1,000.00				1,000.00
2xxxxxx (5111)	(2,500.00)				(2,500.00)
3xxxxxx (9590)					-
4xxxxxx (3210)	(2,000.00)	2,000.00			-
5xxxxxx (6510)	5,000.00	(5,000.00)			-
<b>ChartString X Balance</b>	-	(3,000.00)	-	-	(3,000.00)
Account	Chartstring Y	Close/Open Process	Close/Open Process	Close/Open Process	Chartstring Y
1xxxxxx (1110)	10,000.00				10,000.00
1xxxxxx (1312)	-				-
2xxxxxx (5111)	-				-
3xxxxxx (9590)	(10,000.00)		(2,000.00)	5,000.00	(7,000.00)
4xxxxxx (3210)	-	(2,000.00)	2,000.00		-
5xxxxxx (6510)	-	5,000.00		(5,000.00)	-
<b>ChartString Y Balance</b>	-	3,000.00	-	-	3,000.00
<b>Fund Balance</b>	-	-	-	-	-



Chartstring X & Y  
opening balances

Income Statement					
Account	Chartstring X	Close/Open Process	Close/Open to Equity	Close/Open to Equity	Chartstring X
1xxxxxx (1110)	(1,500.00)				(1,500.00)
1xxxxxx (1312)	1,000.00				1,000.00
2xxxxxx (5111)	(2,500.00)				(2,500.00)
3xxxxxx (9590)					-
4xxxxxx (3210)	(2,000.00)	2,000.00			-
5xxxxxx (6510)	5,000.00	(5,000.00)			-
<b>ChartString X Balance</b>	-	(3,000.00)	-	-	(3,000.00)
Account	Chartstring Y	Close/Open Process	Close/Open Process	Close/Open Process	Chartstring Y
1xxxxxx (1110)	10,000.00				10,000.00
1xxxxxx (1312)	-				-
2xxxxxx (5111)	-				-
3xxxxxx (9590)	(10,000.00)		(2,000.00)	5,000.00	(7,000.00)
4xxxxxx (3210)	-	(2,000.00)	2,000.00		-
5xxxxxx (6510)	-	5,000.00		(5,000.00)	-
<b>ChartString Y Balance</b>	-	3,000.00	-	-	3,000.00
<b>Fund Balance</b>	-	-	-	-	-

The fund is balanced through this process, however the chartstring level is unbalanced.

In the next example, the one to one method of closing will be reviewed and how it effects the chartstrings.

Using the  
same account  
information

Account	Chartstring X
1xxxxxx (1110)	(1,500.00)
1xxxxxx (1312)	1,000.00
2xxxxxx (5111)	(2,500.00)
3xxxxxx (9590)	
4xxxxxx (3210)	(2,000.00)
5xxxxxx (6510)	5,000.00
<b>ChartString X Balance</b>	-

Account	Chartstring Y
1xxxxxx (1110)	10,000.00
1xxxxxx (1312)	
2xxxxxx (5111)	
3xxxxxx (9590)	(10,000.00)
4xxxxxx (3210)	
5xxxxxx (6510)	
<b>ChartString Y Balance</b>	-
<b>Fund Balance</b>	-

A GL journal transfer equity in the form of revenue from chartstring Y to X

One to		
Account	Chartstring X	GL Journal
1xxxxxx (1110)	(1,500.00)	3,000.00
1xxxxxx (1312)	1,000.00	
2xxxxxx (5111)	(2,500.00)	
3xxxxxx (9590)		
4xxxxxx (3210)	(2,000.00)	(3,000.00)
5xxxxxx (6510)	5,000.00	
<b>ChartString X Balance</b>	-	-
Account	Chartstring Y	GL Journal
1xxxxxx (1110)	10,000.00	(3,000.00)
1xxxxxx (1312)		
2xxxxxx (5111)		
3xxxxxx (9590)	(10,000.00)	
4xxxxxx (3210)		3,000.00
5xxxxxx (6510)		
<b>ChartString Y Balance</b>	-	-
<b>Fund Balance</b>	-	-

Revenue remains  
in current  
chartstring and  
closes to equity

One to One Closing			
Account	Chartstring X	GL Journal	Close/Open Process
1xxxxxx (1110)	(1,500.00)	3,000.00	
1xxxxxx (1312)	1,000.00		
2xxxxxx (5111)	(2,500.00)		
3xxxxxx (9590)			(5,000.00)
4xxxxxx (3210)	(2,000.00)	(3,000.00)	5,000.00
5xxxxxx (6510)	5,000.00		
<b>ChartString X Balance</b>	-	-	-
Account	Chartstring Y	GL Journal	Close/Open Process
1xxxxxx (1110)	10,000.00	(3,000.00)	
1xxxxxx (1312)			
2xxxxxx (5111)			
3xxxxxx (9590)	(10,000.00)		3,000.00
4xxxxxx (3210)		3,000.00	(3,000.00)
5xxxxxx (6510)			
<b>ChartString Y Balance</b>	-	-	-
<b>Fund Balance</b>	-	-	-

Expense is  
remains in  
current  
chartstring and  
closes to equity

One to One Closing				
Account	Chartstring X	GL Journal	Close/Open Process	Close/Open Process
1xxxxxx (1110)	(1,500.00)	3,000.00		
1xxxxxx (1312)	1,000.00			
2xxxxxx (5111)	(2,500.00)			
3xxxxxx (9590)			(5,000.00)	5,000.00
4xxxxxx (3210)	(2,000.00)	(3,000.00)	5,000.00	
5xxxxxx (6510)	5,000.00			(5,000.00)
<b>ChartString X Balance</b>	-	-	-	-
Account	Chartstring Y	GL Journal	Close/Open Process	Close/Open Process
1xxxxxx (1110)	10,000.00	(3,000.00)		
1xxxxxx (1312)				
2xxxxxx (5111)				
3xxxxxx (9590)	(10,000.00)		3,000.00	
4xxxxxx (3210)		3,000.00	(3,000.00)	
5xxxxxx (6510)				
<b>ChartString Y Balance</b>	-	-	-	-
<b>Fund Balance</b>	-	-	-	-

Chartstring X & Y  
open balances

One to One Closing					
Account	Chartstring X	GL Journal	Close/Open Process	Close/Open Process	Chartstring X
1xxxxxx (1110)	(1,500.00)	3,000.00			1,500.00
1xxxxxx (1312)	1,000.00				1,000.00
2xxxxxx (5111)	(2,500.00)				(2,500.00)
3xxxxxx (9590)			(5,000.00)	5,000.00	-
4xxxxxx (3210)	(2,000.00)	(3,000.00)	5,000.00		-
5xxxxxx (6510)	5,000.00			(5,000.00)	-
<b>ChartString X Balance</b>	-	-	-	-	-
Account	Chartstring Y	GL Journal	Close/Open Process	Close/Open Process	Chartstring Y
1xxxxxx (1110)	10,000.00	(3,000.00)			7,000.00
1xxxxxx (1312)					-
2xxxxxx (5111)					-
3xxxxxx (9590)	(10,000.00)		3,000.00		(7,000.00)
4xxxxxx (3210)		3,000.00	(3,000.00)		-
5xxxxxx (6510)					-
<b>ChartString Y Balance</b>	-	-	-	-	-
<b>Fund Balance</b>	-	-	-	-	-

The journal entry prior to close has allowed X to open with no equity and leaves the Y chartstring in balance.

## ADVANTAGES OF ONE TO ONE CLOSING

Chartstrings remain in balance

College generated journals are controlling the change in chartstring balances vs. automated closing rules which simplifies future research

State allocated funds can be checked to ensure that the close/open process has adequate assets to offset liabilities and chartstrings will have no equity

Closing rules remain consistent eliminating confusion from year to year

# QUESTIONS???

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