



Monthly accounts reconciliation

Nutrition supplements

Provided end-to-end Accounting Support by owning journal entries, reconciliations (revenue, inventory, shipping etc.) and the financial statements

Nutrition supplements company needs to reconcile its monthly accounts

Picture this...

You're looking to streamline the process to efficiently upload the invoices as there is a significant uptick in the number of invoices to be uploaded to account for the increased payables. Currently, you have grown significantly in recent times and faced challenges in timely preparation of revenue and cash reconciliation, leading to delay in the closure of books and preparation of financial statements.

You turn to Accordion.

We partner with your team to provide end-to-end accounting support by owning journal entries, reconciliations (revenue, inventory, shipping etc.) and the financial statements, including:

- 1) Reconciling amount collected or refunded through the various payment portals viz. PayPal, Authorize.net, Amex etc. with the amount credited or debited in the client's bank account by identifying and matching orders at the transaction level
- 2) Reconciling "Cash to Order" that involves reconciliation of cash deposited into the bank with transaction amounts and refunds of the individual orders and validating "Sales to Cash" by reconciling the gross revenue back to cash. This involves identifying and accounting for discounts, shipping, transaction fees, taxes at the individual transaction level.
- 3) Conducting payment reconciliation and cash reconciliation every month across the orders from own store and other 3rd party stores like Amazon, Tmall, Zulily etc.
- 4) Facilitating new process, to ensure Account Payable invoices are uploaded to the accounting portal, Quick Books Enterprises, before month end, by verifying and vetting each invoice. Establishing processes to ensure that invoices are encoded to the right account number.

Your value is enhanced.

- You have reconciliation statement shared within the first 2 working days of each month enables the closure of books by the first week of each month
- Developed processes helps you in preparing the financial statements at a monthly cadence and update the forecast accordingly

MONTHLY ACCOUNTS RECONCILIATION

KEY RESULT

- Reconciliation statement shared within the first 2 working days

VALUE LEVERS PULLED

- Cash to Order reconciliation
- Gross revenue reconciliation
- Payment and cash reconciliation

Monthly accounts reconciliation

Situation

- Company has grown significantly in recent times and faced challenges in timely preparation of revenue and cash reconciliation, leading to delay in the closure of books and preparation of financial statements
- Additionally, there was an opportunity to streamline the process to efficiently upload the invoices as there was a significant uptick in the number of invoices to be uploaded to account for the increased payables

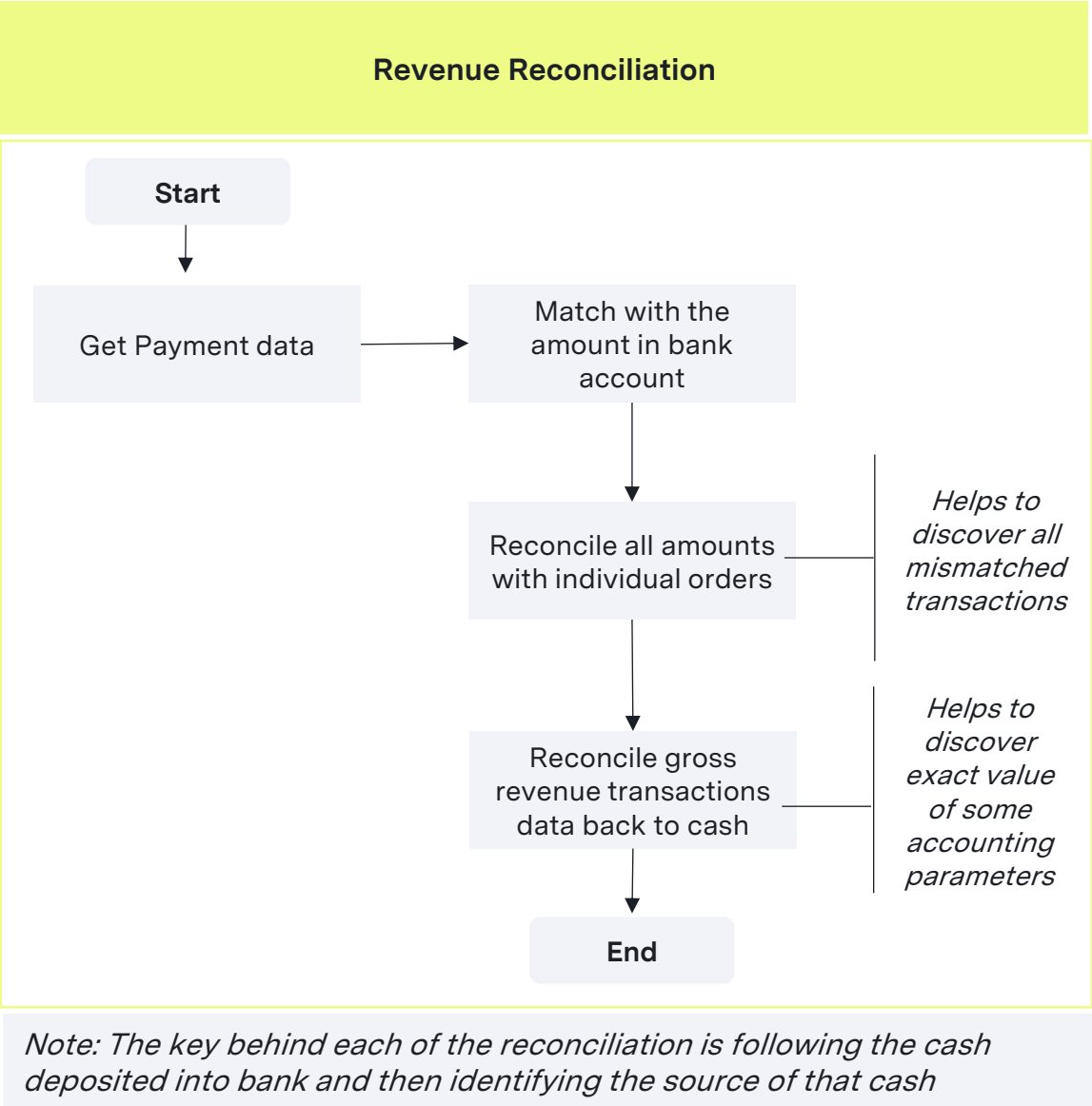
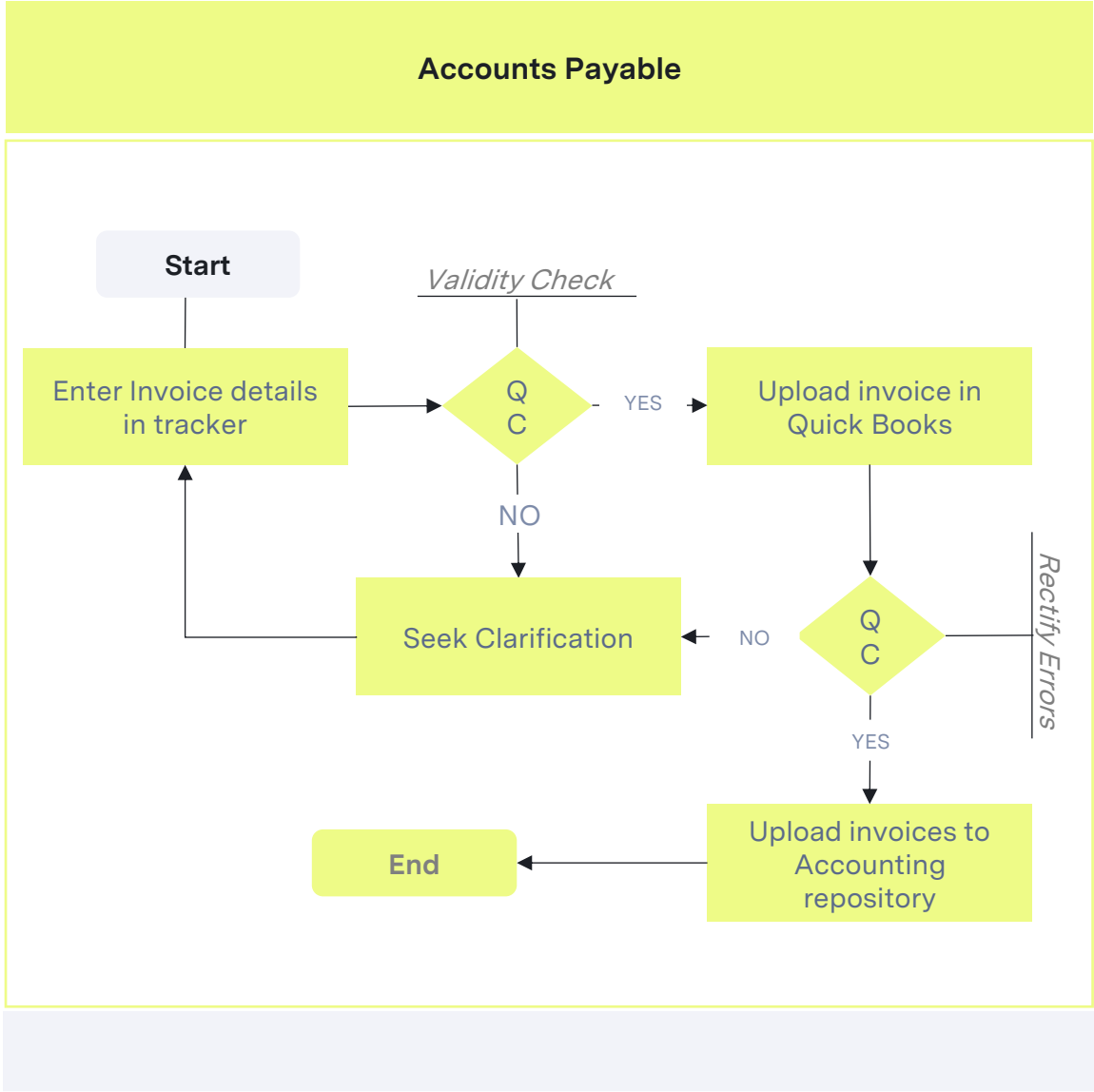
Accordion Value Add

- Reconciled amount collected or refunded through the various payment portals viz. PayPal, Authorize.net, Amex etc. with the amount credited or debited in the client's bank account by identifying and matching orders at the transaction level
- Reconciled "Cash to Order" that involves reconciliation of cash deposited into the bank with transaction amounts and refunds of the individual orders and validated "Sales to Cash" by reconciling the gross revenue back to cash. This involves identifying and accounting for discounts, shipping, transaction fees, taxes at the individual transaction level.
- Conducted payment reconciliation and cash reconciliation every month across the orders from own store and other 3rd party stores like Amazon, Tmall, Zulily etc.
- Facilitated new process, to ensure Account Payable invoices are uploaded to the accounting portal, Quick Books Enterprises, before month end, by verifying and vetting each invoice. Established processes to ensure that invoices are encoded to the right account number.

Impact

- Reconciliation statement shared within the first 2 working days of each month enables the client to close the books by the first week of each month
- Developed processes helps the company in preparing the financial statements at a monthly cadence and update the forecast accordingly

Methodology/ Approach



Reconciliations and revenue journal entry

Cash to Order Reconciliation

Cash deposited into the Bank to Orders Reconciliation	
Description	Amount
Credited to SVB	\$5,662,693.56
Credited to SVB	\$5,960,913.64
Credited to SVB	\$855,344.80
Debited from SVB	(\$6,968.00)
Debited from SVB	(\$6,944.00)
Cash Deposited	\$12,465,040.00
Paypal Total	\$4,577,003.08
PayPal Refunds	(\$74,904.72)
Chargebacks PayPal	(\$6,417.24)
PayPal Fees	(\$96,879.68)
Amex Transaction Total	\$904,035.93
Difference in charges	(\$5,047.80)
Amex Refunds	(\$11,200.32)
Amex Discounts (Fees)	(\$28,887.16)
Amex Fees & Incentives	(\$1,038.60)
Payment Tech Transaction Total	\$7,404,238.43
Payment Tech Refunds	(\$50,397.20)
Payment Tech Chargebacks	(\$7,271.12)
Payment Tech Fees	(\$120,666.64)
SVB Chargebacks	(\$6,968.00)
SVB Fees	(\$6,944.00)
Unmapped Orders Authorize.net	\$0.00
Unmapped PayPal Orders	\$0.00
Transaction Total mismatch (PayPal)	(\$735.88)
Transaction Total mismatch (Authorize.net)	(\$2,879.08)
Total	\$12,465,040.00
Difference	\$0.00

Revenue Journal Entry

Revenue Journal Entry – Nov'20			
Description	Accounts	Sales	
5190 COGS (PayPal fees)	\$96,879.68		
4140 PayPal Chargebacks	\$6,417.24		
4140 Paymentech chargebacks	\$7,271.12		
5190 COGS (Amex Fees)	\$34,973.56		
5190 COGS (Paymentech fees)	\$120,666.64		
4140 SVB Chargebacks	\$6,968.00		
4110 Sales (Cash Deposited)	\$12,471,984.00		
4140 Refunds (Partial + Full)	\$136,502.24		
6820 Credits & Adj (Discounts + Secondary Discounts)	\$564,041.53		
4110 Sales		\$13,167,481.27	
2550 Deferred Revenue	\$894.51		
5170 Duties		\$44,734.52	
5170 Delivery Charges		\$190,045.44	
2200 Sales tax payable		\$62,979.41	
Difference Amount	\$18,642.12		
Total	\$13,465,240.64	\$13,465,240.64	
5190 COGS (SVB Fees for Nov'20)	\$6,944.00		
2115 Accrued Expenses		\$6,944.00	
Revenue JE Total	\$13,472,184.64	\$13,472,184.64	
5110 COGS Product	\$3,714,326.05		
1310 Inventory Product		\$3,714,326.05	
5130 COGS Packaging Nov	\$1,350,638.70		
1330 Inventory Packaging		\$1,350,638.70	
5140 COGS Printing	\$14,774.57		
1340 Inventory Printed Material		\$14,774.57	
To record Nov COGS	\$5,079,739.32	\$5,079,739.32	

Sales to Cash Reconciliation

Sale to Cash Deposit Reconciliation	
Description	Amount
Gross Sales	\$13,167,481.27
Less Discounts	(\$485,187.77)
Less Secondary Discounts	(\$78,853.76)
Add Duties	\$44,734.52
Add Taxes	\$62,979.41
Add Delivery Charges	\$190,045.44
Net Sales	\$12,901,199.11
Less PayPal fees paid in Nov	(\$96,879.68)
Less SVB fees paid in Nov	(\$6,944.00)
Less SVB Chargebacks	(\$6,968.00)
Less Amex Refunds	(\$11,200.32)
Less Paymentech refunds	(\$50,397.20)
Less Amex Fees	(\$34,973.56)
Less Paymentech charges	(\$7,271.12)
Less Paymentech Fees	(\$120,666.64)
Less PayPal Refunds	(\$74,904.72)
Less PayPal Chargebacks	(\$6,417.24)
2550 Deferred Revenue (Cash settled in Nov'20 but not shipped yet)	\$665.63
Add Sales Shipped in Dec'20 cash settled in Nov'20	\$0.00
Less Sales shipped in Nov'20 settled in Oct'20	(\$1,560.20)
Add Sales Shipped in Oct'20 cash settled in Nov'20	\$1,256,360.80
Less Sales shipped in Nov'20 that will be settled in Dec'20	(\$1,320,716.64)
Refunds from Cancelled Orders settled in Nov	\$49,328.68
Transaction Total mismatch (PayPal)	(\$735.88)
Transaction Total mismatch (Authorize.net)	(\$2,879.08)
Total	\$12,465,040.00
Cash Deposited	\$12,465,040.00
Amount that is not reconciled	\$0.00

Difference Amount (A/R)

(\$18,642.12)