

Detail Patronage Checks

Last Modified on 02/08/2024 3:49 pm CST

Found at *Pay / Detail Patronage Checks*, this method is used when some patronage categories are distributed differently than others. Patronage checks are calculated by taking captured Patron dollars or quantities times the corresponding *Patronage Category* rates established at *Setup / Patronage Categories*. The calculated dollar value can either be paid out on a Patronage check or deferred to a stock certificate for a selected stock class. The main difference between Patronage Checks and Detail Patronage Checks is that the Detail Patronage Checks can have amounts paid out by check or deferred to up to 5 different Stock Classes on a category by category basis.

- **How Many Patrons** – Choose **Select** to determine the Patrons to be considered in the calculation of detail Patronage checks.
- **Check Date** – Enter the date the check is issued.
- **Sort By** – Print checks by either the Patron's last *Name* or Customer *ID*.
- **Withholding Account** – Double-click to select an account from the *Select a G/L Account* list. This is the liability account where the backup withholding posts.
- **Checking Account** – Double-click to select one of the checking accounts established on the *G/L* tab at

Accounting / Setup / Preferences. The G/L account associated with the selected checking account is credited for the net amount of the check issued.

- **Starting Check #** – This defaults the next check number based on the *Last Check Used* on the *G/L* tab at *Accounting / Setup / Preferences*. This check number may be overridden by typing in the desired check number.
- **Starting ACH #** – The starting ACH number defaults. For Patrons being paid via direct deposit, this provides a numbering sequence for those ACH payments.
- **Minimum** – Depending on the *Patronage Minimum* preference set on the *General* tab at *Setup / Preferences*, enter the minimum Patronage earned amount or check amount to be paid out.
 - **Minimum Patronage** – If the sum of all captured totals times the Patronage Category's rate is less than this amount, no check is written. The Patron History is not updated.
 - **Minimum Check** – If the check amount is less than the amount entered after all Patronage earned dollars have been allocated, no check is written. The Patron History is not updated.
- **Defer** – Select this option if the minimum Patronage amount is to defer back into a Stock Certificate.
- **Class** – This option enables when the *Defer* option is selected. Select the Class of the deferred minimum Patronage amount.
- **Required Stock** – If a Patron must have a required stock to receive a check, select this option and choose the Stock Class from the drop-down.
 - **Primary** – Choose the Stock Class from the drop-down if required.
 - **Secondary** – Choose the Stock Class from the drop-down and select the *Require Secondary* option if a secondary stock is required.
- **Deduct from** – If *Required Stock* is marked, indicate how the amount going to the stock is acquired from the *Cash Portion*, the *Deferred Portion*, or from *Patronage Earned*.
- **Deduct AR Balance** – If a deduction is to be made on the Patronage Check to apply to the Customer's Accounts Receivable balance, select this option. Prior to using this option, the *AR Balance Product* must be selected on the *General* tab at *Setup / Preferences*.
 - **Invoice Date** – If the *Deduct AR Balance* option is selected, enter a date to be the *Invoice Date* on the Credit Invoice generated by the deduction.
 - **Invoice Due Date** – If the *Deduct AR Balance* option is selected, enter a date to be the *Due Date* on the Credit Invoice generated by the deduction.
- **Deduct Dues from Check/Deferred** – This option allows dues to be withheld or deferred for the selected Patrons.
- **Age As Of** – This option is available if age ranges have been established at *Setup / Patron Age Ranges*. If the cash percentages paid out vary based on age ranges, enter the *Age As Of* date.
- **Patr Category** – Lists the Patronage Categories set at *Setup / Patronage Categories*. The Patronage Category may have payout to multiple Stock Classes.
- **Cash%** – Enter the percentage of Patronage earned to be paid out by check. A different cash percent may be

entered for each Patronage Category. The percentage is entered with an implied two decimals. For example, a two percent number would be entered as 2 and not .02.

- **Stck 1% - Stck 5%** – Enter the percentage of Patronage earned to be deferred to a selected Stock Class. A different percentage deferred to Stock 1 may be entered for each Patronage Category. The percentage is entered with an implied two decimals. For example, two percent would be entered as 2 and not .02.
Note: The percentages entered for each Patronage Category must equal 100%.
- **Class 1 - Class 5** – Select the specific Class that represents the stocks from the list of all Stock Classes. A different Stock Class may be selected to represent stock for each Patronage Category.
- **Pre-Scan** – The *Pre-Scan* searches for the following scenarios:
 - A dollar value is to be contributed to a selected Stock Class and more than one Stock Certificate exists for that Class for a specific Patron.
 - A dollar value is to be contributed to a selected Stock Class and no Stock Certificate exists for that Class for a specific Patron.
 - A dollar value is to be contributed to a selected Stock Class and the Stock Certificate for that Class for a specific Patron has a *\$ Value Per Share* equal to zero.
 - It is recommended to have *Pre-Scan* selected when posting. A message reports the pre-scan findings before posting begins. If there are any missing Stock Certificates, a message appears asking to create a Customer Classification for these Customers. This Classification can then be used to quickly select this group of Customers at the *Batch Make Stock Certificates* utility. After the Stock Certificates are created, the payout process may be resumed.
- **PreCheck** – This option is enabled when *Pre-Scan* is not selected. This report allows each Patron's Patronage distribution to be reviewed prior to issuing a check. Optionally each Patron's information may be printed separately. This should also be used as the Patron's check stub if they are being paid on more than 15 Categories.
- **New page per customer** – This allows the PreCheck Report to print one page per Patron.
- **Include Equity Balances** – Available when the *New page per customer* option is selected, this option prints Stock Certificate detail per Patron.
- **Print Categories with Zero Rate** – With this option selected, all Categories print on the check stub, including Categories with a zero rate. With this option unchecked, only the Patronage Categories with rates print on the Patronage checks.
- **Print Job Size** – Select the size for the print job. This is the number of forms that will print before the printer requires user interaction to print the next batch. After each batch prints, a screen appears allowing the starting check number to be entered for the next batch. By splitting the print job into batches, the printer spooling is reduced, therefore making the print job more efficient.
- **Include Deferred Payments** – This includes all deferred payments as part of the Patronage Checks.
- **Deferral Account** – Available when the *Include Deferred Payments* options is selected, select the General

Ledger Account used at the time the dividend, interest, and payout checks were deferred.

- **Load Set** – This is used to retrieve the *Save Set* previously created.
- **Save Set** – Save the setup of the information in the grid so it does not have to be re-entered each time the window is closed and reopened.

Pay Patronage Detail Posting Notes - Deferred to Qualified Stock Class

Posting does not occur until the *Pre-Scan* and *PreCheck* options are deselected. Selecting **Post** begins the printing of the detail Patronage checks. A separate check prints for each selected Patron with a calculated Patronage payment due. No check prints if 100% of the payment is deferred to stock. When all checks have printed, a message appears asking *Did all of the checks print ok? Clicking Yes posts the checks*. If for any reason the checks should not be posted, select **No**. Choosing **No** causes posting to occur and the *Patronage Checks* window displays. If **Yes** is selected, the following posting occurs:

- The detailed Patronage Check is saved.
- Any Stock Certificate selected to receive a portion of the payment is increased in value.
- A Stock History entry is generated for each Stock Certificate that has value added to it.
- The Patron's *1099 Patr YTD\$* is increased by the amount of the check and the amount deferred to stock.
- A General Journal Entry is posted to the current month for each payment.

General Ledger Entry	Debit	Credit
Total to reduce stock holder's equity	Capital or liability account (<i>Setup / Patronage Categories</i>)	
Payout to Patron to reduce previous year equity		Checking Account (<i>Accounting / Setup / Preferences</i>)
Withholding to reduce previous year equity		Liability for withholding (selected at <i>Payout</i> window)
Deferred back to stock to reduce previous year equity		Capital for Class (<i>Setup / Stock Classes</i>)
Deferred payment		Liability or clearing account (select at <i>Payout</i> window)

Pay Patronage Detail Posting Notes - Deferred to Non-Qualified Stock Class

Posting does not occur until the *Pre-Scan* and *PreCheck* options are deselected. Selecting **Post** starts the printing of the detail Patronage checks. A separate check prints for each selected Patron with a calculated Patronage payment due. No check prints if 100% of the payment is deferred to stock. When all checks have printed, a message displays asking *Did all of the checks print ok? Clicking Yes posts the checks*. If the checks should not be printed for any reason, select **No**. Choosing **No** causes posting to occur and the *Patronage Checks* window displays. If **Yes** is selected, the following posting occurs:

- The detailed Patronage Check is saved.
- Any Stock Certificate selected to receive a portion of the payment is increased in value.
- A Stock History entry is generated for each Stock Certificate that has value added to it.
- The Patron's 1099 *Patr YTD*\$ is increased by the amount not deferred to non-qualified stock.
- A General Journal Entry is posted to the current month for each payment.

General Ledger Entry	Debit	Credit
Total to reduce stock holder's equity	Capital or liability account (<i>Setup / Patronage Categories</i>)	
Payout to Patron to reduce previous year equity		Checking Account (<i>Accounting / Setup / Preferences</i>)
Withholding to reduce previous year equity		Liability for withholding (selected at <i>Payout</i> window)
Deferred back to stock to reduce previous year equity		Capital for class (<i>Setup / Stock Classes</i>)
Deferred payment		Liability or clearing account (select at <i>Payout</i> window)

How to Pay Patronage Detail

1. Select Patrons. This defaults to all Patrons, but specific Patrons may be selected if necessary.
2. Verify the *Checking Account*, *Starting Check #*, and *Check Date*.
3. Select the appropriate General Ledger Account for *Federal Tax Withheld*. This is a required field.
4. If a *Minimum Patronage Earned* or *Minimum Check Amount* exist, enter the amount in the *Minimum* area. If the minimum patronage amount is to be deferred, mark the *Defer* option and select a Stock Class to be used for the deferral.
5. If stock is required for patronage disbursement, mark the *Required Stock* option and select a Stock Class.
6. If dues are to be deducted from the check, mark the *Deduct Dues from Check / Deferred* option.
7. Enter the cash percentage and stock percentage for the Patronage Categories. Indicate the appropriate Stock Class to defer to.
8. If deferred payments (Dividend, Interest or Payout checks) are to be included, mark *Include Deferred Payments*. Select the Deferral Account, which should be the same account used when paying out Dividends, Interest, or Payout Checks.
9. Mark *Pre-Scan* and select **Post**. A scan runs to ensure every Patron selected has a valid Stock Certificate. If there are missing Stock Certificates, a message asks if a Customer Classification should be created. This Customer Classification could then be used later at the *Batch Make Stock Certificates* utility to quickly select the Customers. Stock Certificates may also be created manually. Continue to make corrections and run the

Pre-Scan as necessary until it runs successfully.

10. Unmark *Pre-Scan*. Mark *PreCheck Run* and select **Post**. A report displays showing all checks to be written.
11. Unmark *PreCheck Run*. The *Print Job Size* is the number of checks that print before the computer waits for confirmation to proceed to the next batch, making the job print faster due to less spooling. Also after the batch prints, a window appears allowing the starting check number to set for the next batch. Select the desired *Print Job Size* for the checks. Choose **Post** to print the checks. A message displays asking if all checks printed correctly. It is recommended to verify all checks have printed correctly before selecting **Yes**.