

# Patronage Fiscal Year End Preparation

Last Modified on 08/30/2024 3:35 pm CDT

## \* \* \* Route to Person Responsible for Patronage \* \* \*

### Before Capturing Patronage Activity

Patronage should be captured from the current year since customer Invoices and Settlements are not archived with the fiscal year data. For this reason, the data elements listed below need to be reviewed in the current year, thus assuring they are correct and complete before capturing.

- **Patron Active Status** – *Accounting / File / Open / Customers*
  - Report: *Patronage / Reports / Patrons / Patron Reference List*
- **Patron Tax IDs** – *Accounting / File / Open / Customer*
  - Report: *Patronage / Reports / Patrons / Patron Reference List*
  - Options: *Include Tax ID, Sort by Tax ID*
- **Patron Reassignments** – *Patronage / Setup / Reassignments*
  - Report: *Patronage / Reports / Patrons / Patronage Reassignments*
- **Patronage Categories** – *Patronage / Setup / Patronage Categories*
  - Report: *Patronage / Setup / Patronage Categories*
- **Department Patronage Setup** – *Accounting / Setup / Inventory Departments*
  - Report: *Accounting Reports / Inventory / Products / Department Reference List*
  - Options: *Department Patronage Coop Setup Report Type*
- **Commodity Patronage Category Setup** – *Grain / Setup / Commodities*
  - Report: *Grain / Reports / Setups / Patronage Categories*
- **Settlement Deduction Patronage Category Setup** – *Grain / Setup / Settlement Deductions*
  - Report: *Grain / Grain Reports / Setups / Patronage Categories*

### Before Processing Annual Distributions

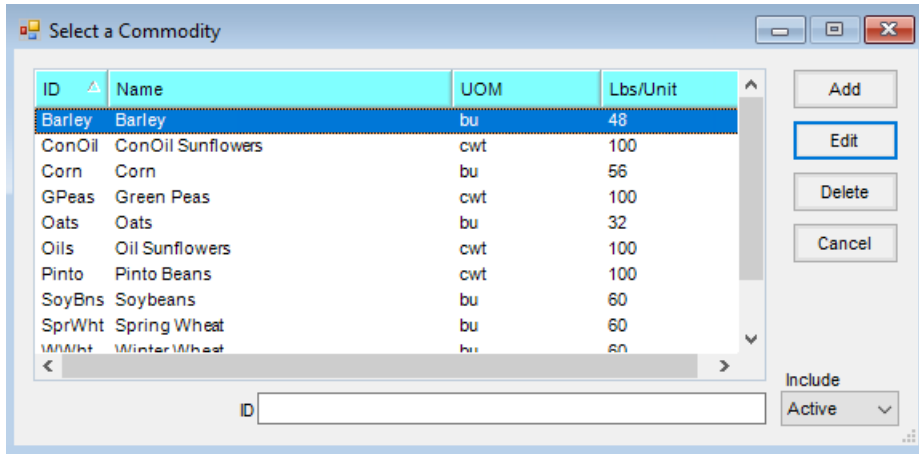
As the time approaches to run Patronage, Dividend, and/or Interest checks, the following checklist provides guidance for this annual event. Please call SSI Support to help clarify any portion of the process.

### Yearly Patronage Distribution Checklist

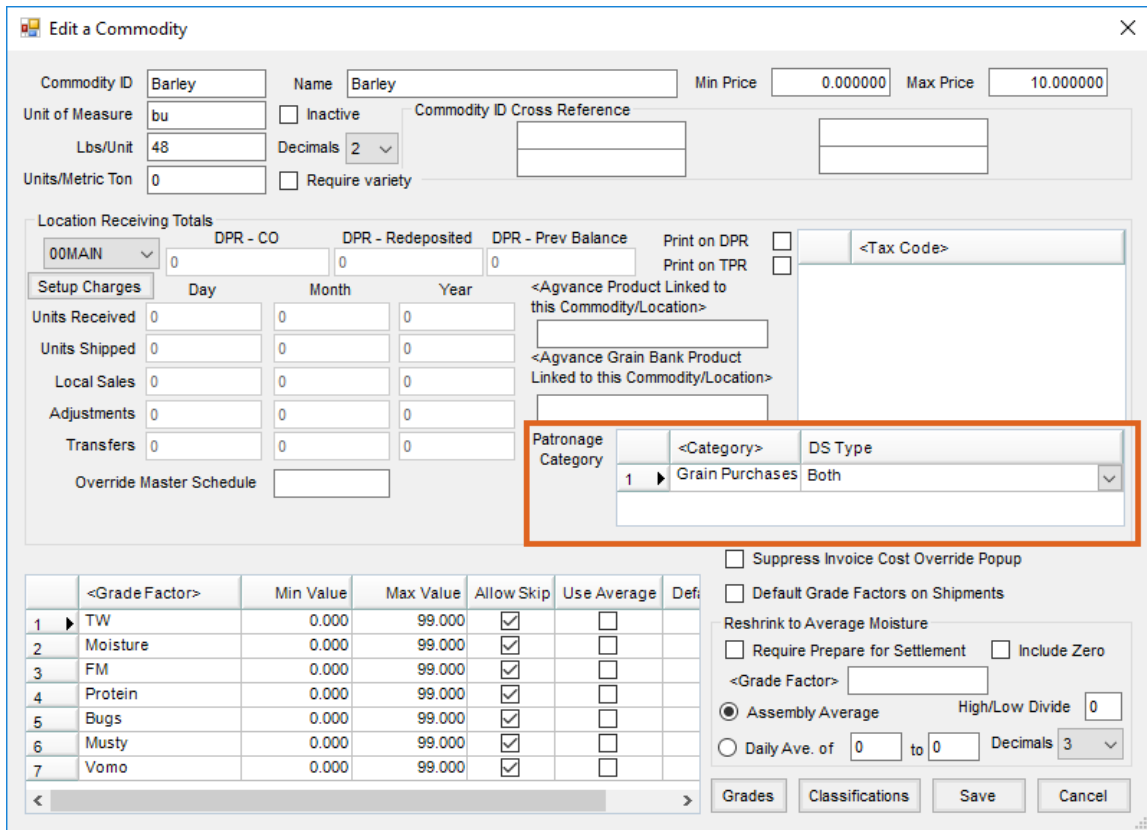
1. Review *Patronage Categories (Patronage / Setup / Patronage Categories)* in the current year. Verify the category spelling is correct and enter any new categories. Do not delete any old categories until Sales and Purchases have been cleared.
2. Run the Department Reference List by *Department Patronage Coop Setup (Accounting Reports / Inventory /*

Products / Department Reference List). Review to ensure departments are set up correctly.

3. Review the Patronage Categories report (Grain / Grain Reports / Setup / Patronage Categories).
  - o Review to make sure commodities and/or Settlement deductions/additions are set up correctly.
  - o Set up Commodities (Grain / Setup / Commodities) and make any necessary changes.



**Note:** Each Location has its own Patronage tag and can be tagged to multiple categories.



4. Make any changes and/or set up new reassignments (Patronage / Setup / Patronage Reassignments).
5. Run Capture Activity (Patronage / Capture Activity / Agvance Activity) to capture last year's amounts for Patronage payout. This must be run twice - first with *Prescan* selected and second without *Prescan* selected. This report may be sent to the auditor for review if desired.

**Note:** This must be run without the *Prescan* checked for totals to be captured.

- Check *Clear Sales*.
  - Select *Clear Purchases*.
  - Indicate the *Advance Year*; this will always be *Current*.
  - Choose *Generate Sales Totals* for fiscal year dates.
  - Select *Generate Purchase Totals* for fiscal year dates.
  - Check *Generate Additions/Deductions*.
  - Select *All Patrons*.
  - Choose **OK**. A progress bar displays while report is being calculated.
6. If the auditor comes back with a list of Patrons who do not need to be paid (company bylaws usually set the terms on this), make those Patrons inactive by unchecking the *Active Patron* checkbox (found on either the *Customer* or *Patron Edit* window) in the current year.
  7. The auditor or manager may give category rates (payout i.e. 80/20 minimum check amount i.e. \$5) after reviewing the Prescan Patronage Totals report.
  8. Any changes to Reassignments or Categories or the change of Inventory Departments, Settlements, or Commodities to be paid on requires the completion of the capture process again.
  9. Make any changes to the Patron status in *Patronage / File / Open / Patron Info* in the current year.
  10. Establish *Category Rates (Patronage / Setup / Patronage Categories)*.

	Patronage Category	<G/L Account>	Pay Based On	Perc or \$/Unit	Print on Check Stub	Use Grain Units	DPAD Rate	Non-Qualified	Unit Label
1	Chemicals	2650000-00	Sales Percentage	1.74395949	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
2	Fertilizer	2650000-00	Sales Percentage	.959088915	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
3	Seed	2650000-00	Sales Percentage	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
4	Fuel	2650000-00	Sales Volume	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
5	Feed	2650000-00	Sales Percentage	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
6	Services	2650000-00	Sales Percentage	0	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
7	Merchandise	2650000-00	Sales Percentage	.644041954	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
8	Barley	2650000-00	Purchase Volume	.182685105	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
9	Corn	2650000-00	Purchase Volume	.038728516	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
10	Soybeans	2650000-00	Purchase Volume	.050482832	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
11	Wheat	2650000-00	Purchase Volume	.164409861	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	
12	Oats	2650000-00	Purchase Volume	.295243044	<input checked="" type="checkbox"/>	<input type="checkbox"/>	0	<input type="checkbox"/>	

**Note:** 2.25% is entered as 2.25 not .0225.

11. Run the Captured Totals report (*Patronage / Reports / Patron Status / Captured Totals*). This report may need to be run three ways with *All Patrons*, *Active Patrons*, and *Inactive Patrons* (choose **Select** and use the *Include Patrons* field in the lower right).
12. Make sure the Stock Class is set up for this year's payout (*Patronage / Setup / Stock Classes*).
  - Run the Patron Equity report (*Patronage / Reports / Patron Status / Patron Equity Report*) if there is already a Stock Class set up for this year. Select the Stock Class to see if there are totals posted to the class. If totals have been posted to this class, a new Stock Class may need to be set up. Also, note the pattern of the stock numbering sequence. To set up a new Stock Class, go to *Patronage / Setup / Stock Classes*.
13. Create Deferral Stock Certificates. Certificates can be batch created for active Patrons in (*Patronage / Utilities / Batch Make Stock Certificates*). There are several options for the creation of these certificates depending on the setup required. Please contact SSI Support with any questions.
  - Review the screen setup (as shown below).
  - *All Patrons* are selected but only active Patrons will receive a certificate.
  - Stock Certificate ID may come from the *From Patron ID* or from the Stock Class ID.
  - *Class* is the Stock Class ID that is being created.
  - *Date Issued*
  - *\$ per Share* is usually \$1 when creating revolving fund certificates.

- With this setup, the Stock Certificate # will be the Patron ID with the *Certificate append info* appended to it. An example of the Stock Certificate # this utility creates is RF20241233.
14. Any additions of active Patrons after this point will require an individual Stock Certificate to be set up for that Patron (*Patronage / File / Open / Stock Certificates*).
  15. Patronage payout totals can be determined based on the *Minimum Patronage* earned amount or the *Minimum Check* amount. (*Patronage / Setup / Preferences*).

Preferences

General Printer Cross References

Patronage Minimum  
 Minimum Patronage  
 Min Check Amount 0.00

Backup Withholding  
 Invalid TIN 000-00-0000  
 Backup Withholding % 28  
 Withhold on Cash Portion only

Canadian Income Tax  
 Canadian Income Tax %  
 US Foreign Tax %  
 Canadian Income Tax Exempt <US Foreign Tax Account>

Cash to Primary Req % 0  
 <AR Balance Product>

Use Multiple Stock Classes To Calculate Required Amount  
 Required Equity Amount  
 Current Year Deferral

Secondary Stock Classes  
 <Stock Class>

Patronage Checks - Defer/Payout  
 Pay % Of Equity From  
 Member Loan Stock Class  
 Minimum Activity Amount

	Transaction	Comment
1	Add to Eq...	
2	Payout St...	
3	Transfer...	
4	Pay Dem...	
5	Pay Dem...	
6	Pay Dem...	

OK Cancel

## 16. Payout of Prior Year Stocks

- If paying out prior year Stock Classes, these can be done and deferred to a Later Payment.
- When deferring to include on the patronage check, remember that the itemized Stock Class information will not show on the check stub - just a total of all accumulated payouts.
- Select the *Deferral Account* to be the clearing account.

**Pay Out**

Select Stock Certificates

Check Date: 08/30/2024

<Deferral Account>

Reference #

Starting ACH #

Minimum Check

Sort By  
 Name  
 ID

Posting Options  
 Write Check  
 Defer/Later Pymt

Payout  
 Total Value  
 Percent of Cap  
 Percent of Total \$  
 Flat Amount   
 Payout Per Class

Deduct  
 Number of shares  
 Pay whole shares  
 Per Share Value

<Stock Class>	Percent of Total \$	Start Date	End Date

Comments

Pre-Scan  
 One Page Per Customer

17. Run the Patronage Check Prescan report (*Patronage / Pay / Patronage Checks*) to review check amounts and totals.

**Patronage Checks**

How Many Patrons:   Depending on the number of checks being prepared, this process may take a few hours.

Check Date: 08/30/2024

<Withholding Account>: 2220000-00

<Checking Account>: 1010000-00

Starting Check #: 51937

Starting ACH #: 101

Minimum:   Defer  Deduct AR Balance

Class:

Required Stock

Primary:  Secondary:   Require Secondary

Deduct from:  Cash Portion  Deferred Portion  Patronage Earned

Defer Whole Shares  Deduct Dues From Check / Deferred

Remainder Goes To:

	<Stock Class>	Percent	Amount	G/L Acct
1	RF2018			3030000-00

Pre-Scan  Include Deferred Payments

PreCheck Run

New page per customer

Include Equity Balances

Print Categories with Zero Rate

Print Job Size: 100

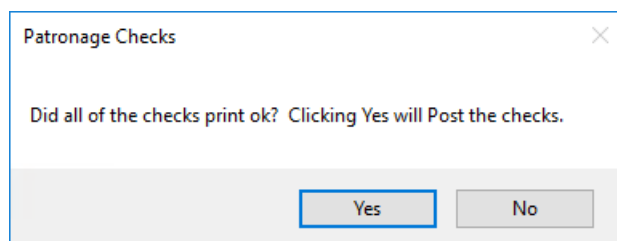
- Choose the *Stock Class* to defer.
  - Enter the deferred *Percent* or the *Amount* in the grid next to the *Stock Class*.
  - Verify the *Checking Account*, *Starting Check #*, and *Check Date*.
  - The *Withholding Account* must be entered.
  - *Minimum* is either *Patronage Earned* or *Check Amount* and is determined by the preference selected at *Patronage / Setup / Preferences*.
  - Select *Defer* if *Minimum* will be deferred to the selected *Stock Class* instead of being dropped.
  - Consult with SSI Support for use of *Required Stock*.
  - Select *Deduct Dues from Check / Deferred* if additional deductions have been set up on the Patron file.
  - Select *Include Deferred Payments* if a prior year stock's payouts were deferred and select the clearing account to pick up these amounts. These will be included on all Customers' checks receiving a patronage payment. Those Customers who are not receiving a patronage payment will be on a separate report and check run at the end of the patronage checks.
- Note:** It is recommended to have Patrons for the check run set to *All*. The system is programmed to only pay out patronage to active Patrons and will then issue payout checks to inactive Patrons. If Patrons are

marked as *Inactive* and Patrons were selected for a patronage check, only *Active* Patrons will receive payout checks. A second patronage check run would need to be done removing all rates to distribute payments for the inactive Patrons.

- Verify the *Pre-Scan* checkbox is selected.
- Select **Post**.
- A scan runs to make sure every Patron selected has a valid Stock Certificate.
- If a report displays, enter certificates for the listed Patrons. If the pre-scan is clear, run it again with the *PreCheck Run* option selected.
- A report displays showing all the checks to be written. Minimum check amounts display on the report but will not generate a check.

18. If the pre-scan is clear and the *PreCheck Run* completes as expected, run the checks by clearing the *PreCheck Run* checkbox and selecting **Post**.

- If the option to *Print Categories with Zero Rate* is selected, all Patronage Categories print on the check stub. If the option is unchecked, only the Patronage Categories that include a rate print on the check stub (*Patronage / Setup / Patronage Categories*).
- The *Print Job Size* option allows Patronage Checks to be printed in batches of *All, 100, 200, or 500*.
- If generating interest or dividends or paying out old equity on the same check as the Patronage Distribution, please contact SSI for assistance.
- Upon posting (with *Pre-Scan* and *PreCheck Run* unchecked), the checks begin printing. When all checks are sent to the printer, a message displays asking if the checks printed correctly. It is recommended to wait and verify this before selecting **Yes**. Selecting **Yes** posts the check run to the General Ledger, updates the Stock Certificate values and Patron 1099 amounts, creates a history entry on the certificates, and creates a check history entry in Patronage.



19. Run the Purge Zero Value Certificates utility (*Patronage / Utilities / Purge Zero Value Certificates*) to clear unnecessary certificates created by the Batch Make Certificates utility.



**Purge Zero Value Certificates** ✕

This process will permanently delete all zero value stock certificates that have no activity, for the selected criteria.

How Many Patrons

Class  ▾