Patronage Checks

Last Modified on 11/20/2026 7:40 am CST

Patronage checks are based on captured totals, whereas dividend, interest, demand note, and payout checks are managed as separate actions.

Processing patronage-related checks and activity vary considerably from one Cooperative to another. Questions on configuring the Agvance Patronage module to work should be directed to the SSI support department.

Version 7.0.31700 and Above

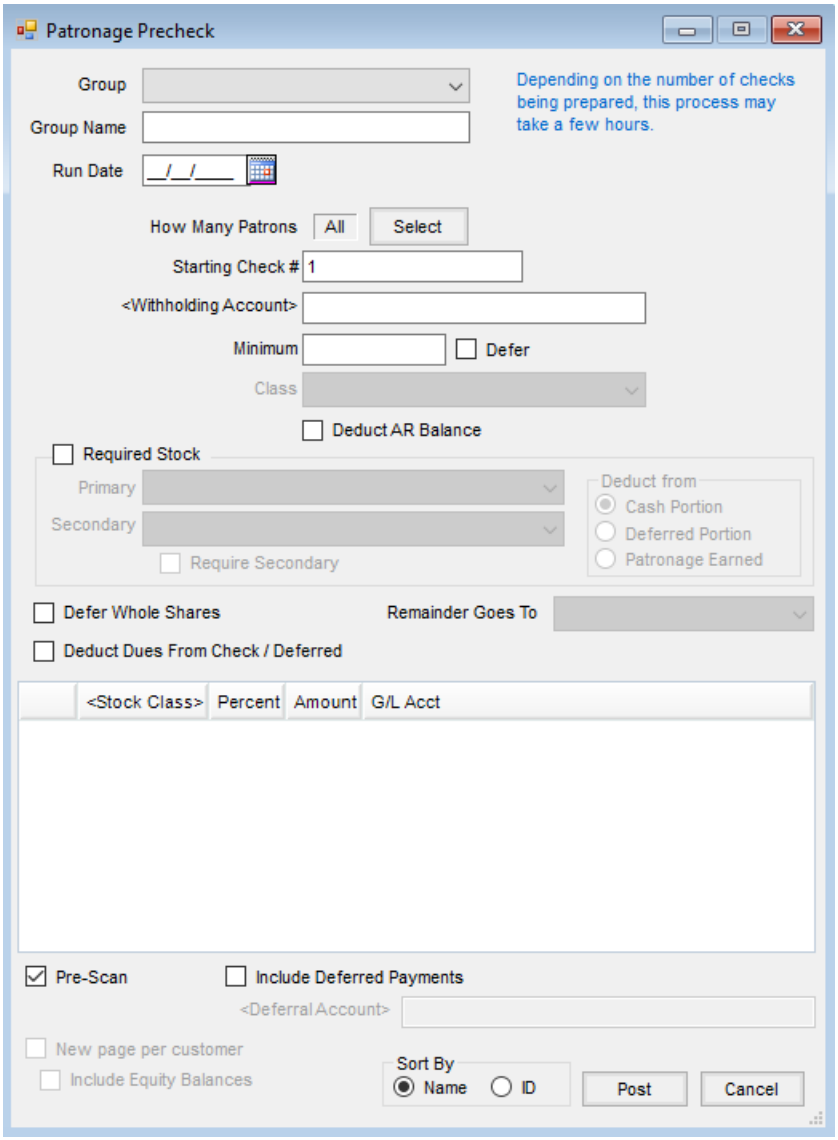
Use the sub-menu at *Accounting / Patronage / Pay / Patronage Checks* to perform a *Pre-Check Run*, *Print & Post*, and *Remove Patrons*.

Pre-Check Run Window

When performing a new prescan or precheck run, a *Group Name* and *Run Date* will need to be established.

If needing to re-run the Pre-Check Run, select the*Group*, uncheck *Pre-Scan*, and select **Post**. Options will be given to **Replace**, **Modify**, or **Reprint**.

- **Replace** – This removes all information stored in the database and saves back based on selections on the window and setup. A Pre-Check Run of the new information will be printed.
- **Modify** – This updates existing Patron information and adds any new Patrons. A Pre-Check Run will be printed of all Patron information stored in the database, including any new Patrons added.
- **Reprint** – Print a Pre-Check of information stored in the database.



- **Group** – Choose the appropriate *Group* from the drop-down. Groups save the current selections, giving the ability to choose previously saved Groups and post quickly. A *Group* is required to post.
- **Group Name** – Entering a *Group Name* before posting saves the selections to be used in the future.
- **Run Date** – Indicate the *Run Date* which will serve as the check date.
- **How Many Patrons** – Choose **Select** to choose the Patrons to be considered in the calculation of the Patronage Checks.
- **Starting Check #** – This defaults with the next check number in sequence based on the *Last Check* on the *G/L* tab at *Accounting / Setup / Preferences*. This check number may be overridden by entering the desired check number.
- **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.
- **Minimum** – Depending on the *Patronage Minimum* preference set on the *Setup / Preferences / General* tab, 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 amounts less than the specified minimum is deferred back into a Stock Certificate.
- **Class** – This option enables when the *Defer* option is selected. Enter the Stock Class for the deferred amount.
- **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 *Setup / Preferences / General* tab.

  Note: When this option is chosen, it is required to have *Deduct A/R Balance* checked on the Patron's *1099 Totals/Dues* tab (*Yellow File Folder / Patron Info* or *File / Open / Patron Info*).
    - **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.
- **Required Stock** – If a Patron must hold a particular Stock Class in order to receive a check, select this option.
    - **Primary** – If the *Required Stock* option is selected, choose the Stock Class from the drop-down menu.
    - **Secondary** – Choose the Stock Class from the drop-down menu and select the *Require Secondary* option if the secondary stock is required.
- **Deduct from** – If *Required Stock* is selected, then choose how the deferred funds are calculated from the *Cash Portion*, the *Deferred Portion*, or from *Patronage Earned*.
- **Defer Whole Shares** – When selected, *Remainder Goes To* must be completed. This option defers whole shares and sends the remaining shares to the option selected in the *Remainder Goes To* area. At the end of processing the Patronage checks, an automatic equity transfer occurs to send shares from the remainder class to the deferral class. It posts its own stock history records and a journal entry per Patron is posted containing the Patronage paid portion and the transferred portion.
- **Remainder Goes To** – When using the *Defer Whole Shares* option, this selection determines where the remaining portion of shares post. Cash is always an option, but then all Stock Classes that have a *Maximum Number of Shares* and are marked as *One Certificate per Patron for This Class*.
- **Deduct Dues from Check/Deferred** – Optionally select if dues are to be withheld or deferred for the selected Patrons.
- **Stock Class** – Select the class or classes receiving the deferred portion. If *Required Stock* is selected, the Primary and Secondary Stock Classes must be chosen in the *Stock Class* grid.
    - **Percent** – Enter the percentage to be contributed to each stock class. The total percent does not have to add up to 100. The percentage is entered with an implied two decimals. For example, a two percent

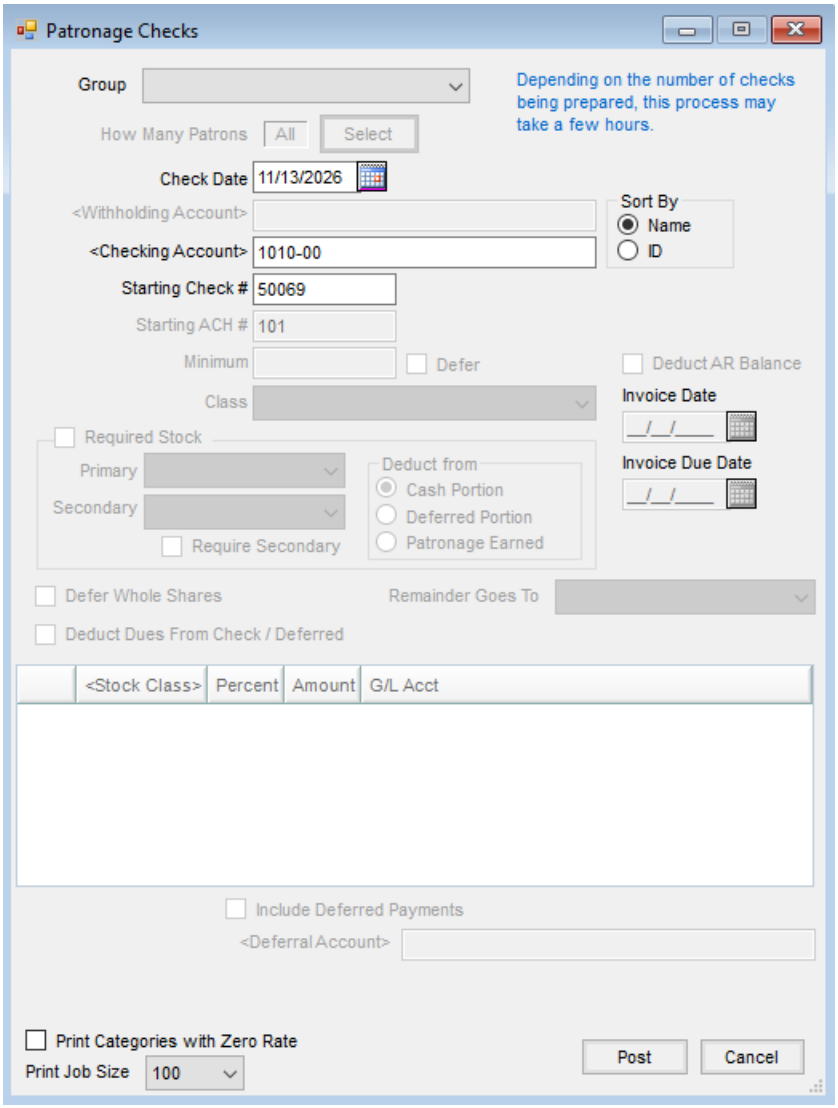
number is entered as *2* and not *0.02*. The balance of the percentage is the net check amount.

Note: Either the *Percent* column or *Amount* column should be filled out, not both.

- **Amount** – Enter the dollar amount to be contributed to each Stock Class.
- **G/L Acct** – Displays the G/L account associated with the Stock Class. This account is credited for the amount contributed to the Stock Certificate for the Stock Class.

- **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 the *Pre-Scan* option 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.
- **Include Deferred Payments** – Includes all deferred dividends, interest and/or payouts as part of the Patronage checks. If the *Minimum Patronage/Minimum Check* option is selected on the Patronage preferences, this option is not available when processing Patronage checks.
  - **Deferral Account** – Available when the *Include Deferred Payments* option is selected, this is the account used at the time the dividend, interest, and payout checks were deferred.
- **New page per customer** – Allows the PreCheck Run report to print one page per Patron.
  - **Include Equity Balances** – This option is available when the *New page per customer* option is selected and prints Stock Certificate detail per Patron if the Stock Class is marked to be included in Total Equity.
- **Sort By** – Print with Patrons sorted by either the Patron's last *Name* or Customer *ID*.

Print & Post Window

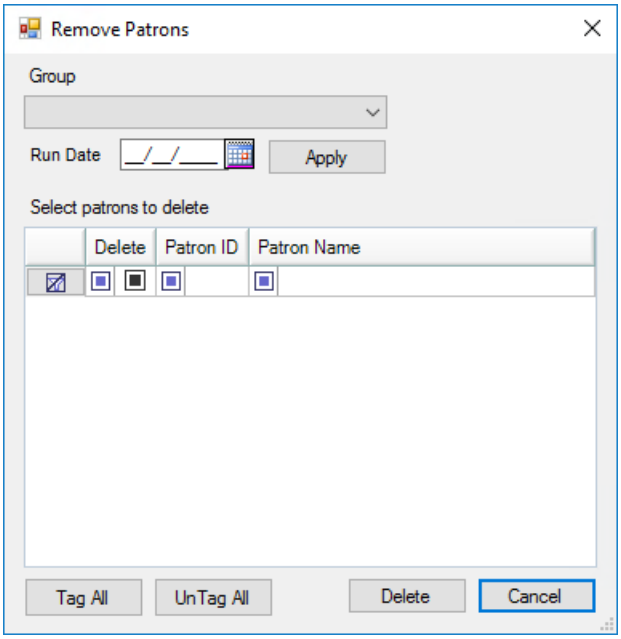


- **Group** – Choose the Group from the drop-down created at *Accounting / Patronage / Pay / Patronage Checks / Pre-Check Run*.
- **Check Date** – Indicate the date for the checks.
- **Sort By** – Sort how Patron checks are printed by *Name* or *ID*.
- **Checking Account** – Double-click to select one 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 with the next check number in sequence based on the *Last Check* on the *G/L* tab at *Accounting / Setup / Preferences*. This check number may be overridden by entering the desired check number.
- **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.

Remove Patrons

Utilize this area if a Patron needs removed from the check run after the Pre-Check Run has been performed.

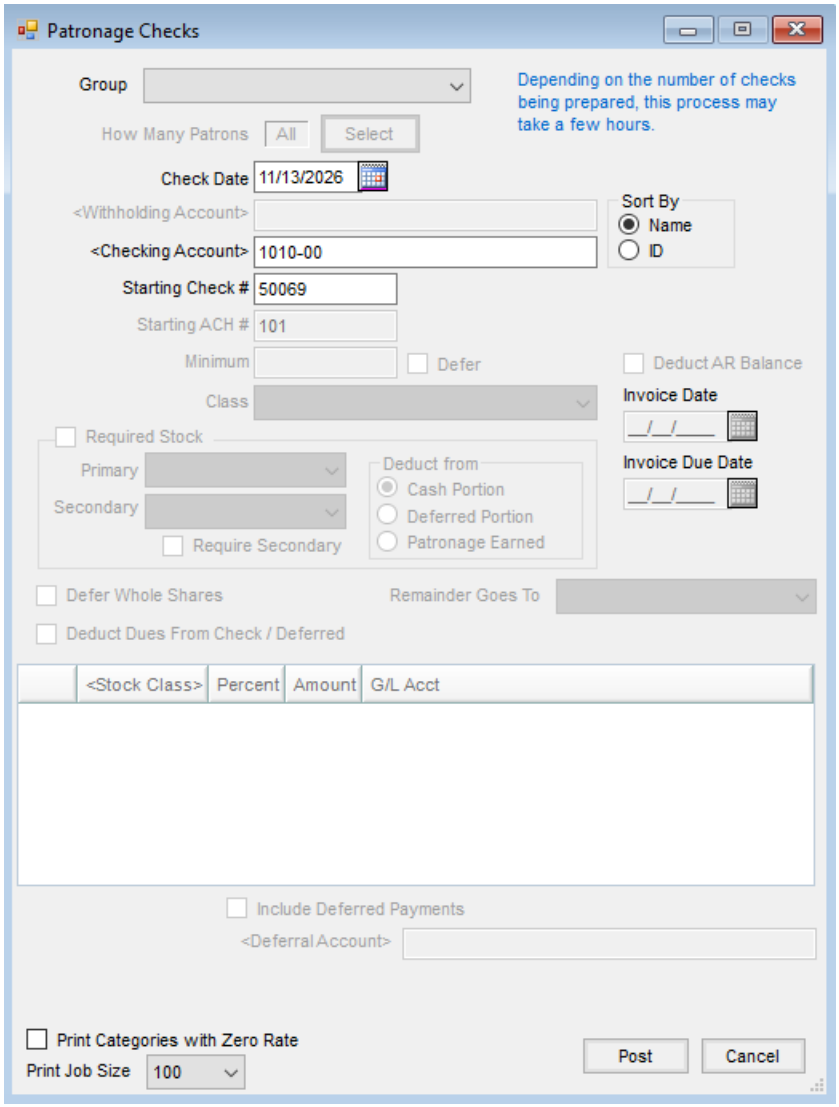


- **Group** – Choose the *Group* from the drop-down that needs Patrons removed.
- **Run Date** – Indicate the Run Date of the Pre-Check Run and select **Apply**.
- **Select patrons to delete** – Check the Patrons needing removed individually, or optionally choose **Tag All**/**UnTag All**. Once all desired Patrons are selected, choose **Delete** to remove them from the check run.

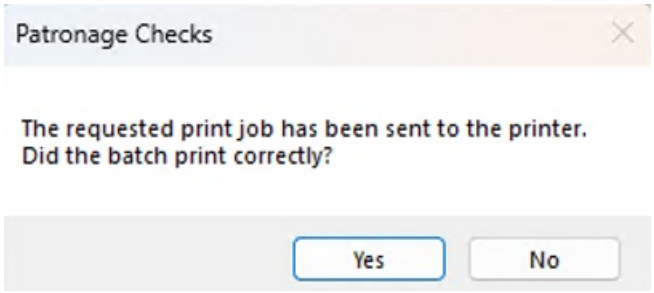
Paying Patronage Checks Process

When ready to cut checks, navigate to *Patronage / Pay / Patronage Checks / Print & Post*.

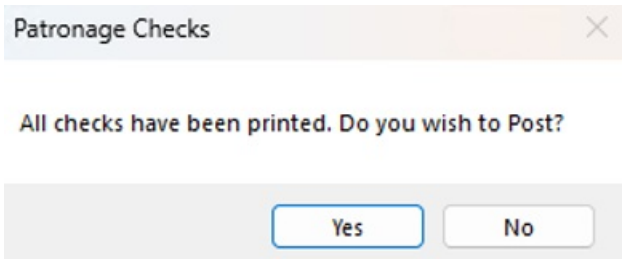
1. Choose the *Group* needing printed.



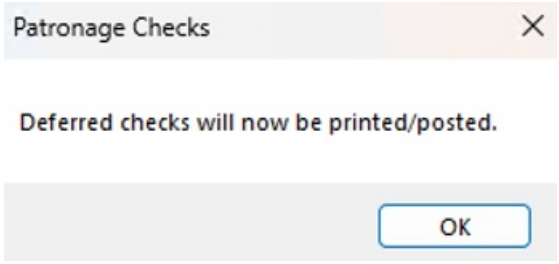
2. The *Check Date* defaults to today's date but can be modified if needed.
3. The *Starting Check #* defaults from the *Checking Account* selected.
4. Check *Print Categories with Zero Rate* to have all categories print.
5. Select the *Print Job Size*.
6. Choose **Post** to start printing checks.
7. A message will display asking if the checks printed correctly. Selecting **Yes** marks the checks as printed in the batch and continues with the next batch to print. Choosing **No** will stop the check run and none of the checks in the batch will be marked as printed. When restarting the check run, the *Starting Check #* will be the first check not marked as printed.



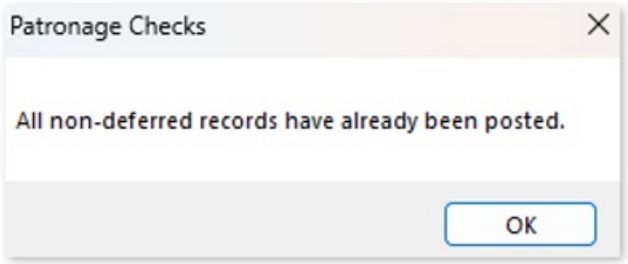
8. After all checks have been printed for the non-deferred or deferred run, a message will display asking if checks should be posted. Selecting **Yes** will post the checks. Choosing **No** will not post the checks, giving the ability to come back later to post.

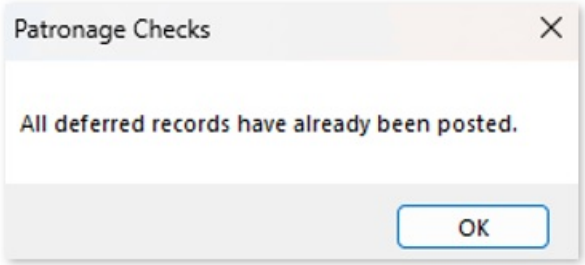


9. If there are deferred payment only checks, the following message will display.



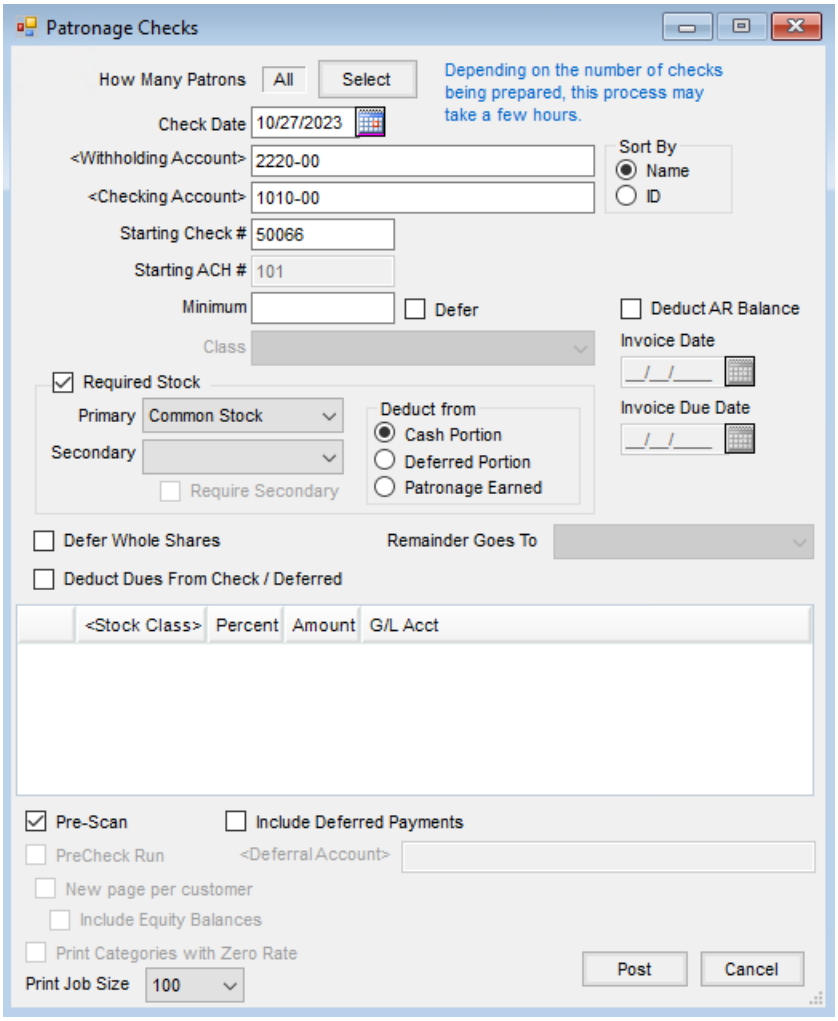
10. If a group is selected to be printed and all checks have already been printed, the following messages will display.





11. To post checks at a later time, navigate to *Patronage / Pay / Patronage Checks / Print & Post*.
12. Choose the appropriate *Group* and *Run Date*. Choose **Post** then select **Yes** to post. No printing will be done.

Version 7.0.31400 and Below



- **How Many Patrons** – Choose **Select** to choose the Patrons to be considered in the calculation of the 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 with the next check number in sequence based on the *Last Check* on the *G/L* tab at *Accounting / Setup / Preferences*. This check number may be overridden by entering 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 *Setup / Preferences / General* tab, 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 amounts less than the specified minimum is deferred back into a Stock Certificate.
- **Class** – This option enables when the *Defer* option is selected. Enter the Stock Class for the deferred amount.
- **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 *Setup / Preferences / General* tab.

  Note: When this option is chosen, it is required to have *Deduct A/R Balance* checked on the Patron's *1099 Totals/Dues* tab (*Yellow File Folder / Patron Info* or *File / Open / Patron Info*).
    - **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.
- **Required Stock** – If a Patron must hold a particular Stock Class in order to receive a check, select this option.
    - **Primary** – If the *Required Stock* option is selected, choose the Stock Class from the drop-down menu.
    - **Secondary** – Choose the Stock Class from the drop-down menu and select the *Require Secondary* option if the secondary stock is required.
- **Deduct from** – If Required Stock is selected, then choose how the deferred funds are calculated from the *Cash Portion*, the *Deferred Portion*, or from *Patronage Earned*.
- **Defer Whole Shares** – When selected, *Remainder Goes To* must be completed. This option defers whole shares and sends the remaining shares to the option selected in the *Remainder Goes To* area. At the end of processing the Patronage checks, an automatic equity transfer occurs to send shares from the remainder class to the deferral class. It posts its own stock history records and a journal entry per Patron is posted containing the Patronage paid portion and the transferred portion.
- **Remainder Goes To** – When using the *Defer Whole Shares* option, this selection determines where the remaining portion of shares post. Cash is always an option, but then all Stock Classes that have a *Maximum Number of Shares* and are marked as *One Certificate per Patron for This Class*.
- **Deduct Dues from Check/Deferred** – Optionally select if dues are 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 date to age as of.

- **Stock Class** – Select the class or classes receiving the deferred portion. If *Required Stock* is selected, the Primary and Secondary Stock Classes must be chosen in the *Stock Class* grid.
- **Percent** – Enter the percentage to be contributed to each stock class. The total percent does not have to add up to 100. The percentage is entered with an implied two decimals. For example, a two percent number is entered as "2" and not ".02." The balance of the percentage is the net check amount.
  Note: Either the *Percent* column or *Amount* column should be filled out, not both.
- **Amount** – Enter the dollar amount to be contributed to each Stock Class.
- **G/L Acct** – Displays the G/L account associated with the Stock Class. This account is credited for the amount contributed to the Stock Certificate for the Stock Class.
- **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 the *Pre-Scan* option 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 Run** – This option enables 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** – Allows the PreCheck Run report to print one page per Patron.
- **Include Equity Balances** – This option is available when the *New page per customer* option is selected and prints Stock Certificate detail per Patron if the Stock Class is marked to be included in Total Equity.
- **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** – Includes all deferred dividends, interest and/or payouts as part of the Patronage checks. If the *Minimum Patronage/Minimum Check* option is selected on the Patronage preferences, this option is not available when processing Patronage checks.
- **Deferral Account** – Available when the *Include Deferred Payments* option is selected, this is the account used at the time the dividend, interest, and payout checks were deferred.

Deferred to Qualified Stock Class

Posting does not occur until the *Pre-Scan* and *PreCheck Run* options are deselected. Selecting **Post** begins the printing of the Patronage Checks. A separate check prints for each selected Patron that has calculated Patronage payment due. No check prints if 100% of the payment is deferred to stock or Patronage does not meet the minimum requirement.

When all checks have printed, a message displays asking, *Did all of the checks print ok? Clicking Yes will Post the checks.* If the checks should not be posted for some reason, select **No**; no posting occurs and the *Patronage Checks* window displays. If **Yes** is selected, the following posting occurs:

Note: Wait until all checks are reviewed before responding to the posting option question.

- The 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.
- 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 (*Setup / Patronage Categories*)	
Payout to Patron to reduce previous year equity.		Checking Account (*Accounting / Setup / Preferences*)
Withholding to reduce previous year equity.		Liability for withholding (selected at payout window)
Deferred back to stock to reduce previous year equity.		Capital for class (*Setup / Stock Classes*)
Deferred payment		Liability or clearing account (selected at payout window)

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

Posting does not occur until the *Pre-Scan* and *PreCheck Run* options are deselected. Selecting **Post** begins the

printing of the Patronage checks. A separate check prints for each selected Patron that has a calculated Patronage payment due. No check prints if 100% of the payment is deferred to stock or Patronage does not meet the minimum requirement.

When all checks have printed, a message appears asking, *Did all of the checks print ok? Selecting Yes posts the checks.* If the checks should not be posted for some reason, select **No**; no posting occurs and the *Patronage Checks* window displays. If **Yes** is selected, the following posting occurs:

- The 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.
- 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 (*Setup / Patronage Categories*)	
Payout to Patron to reduce previous year equity		Checking Account (*Accounting / Setup / Preferences*)
Withholding to reduce previous year equity		Liability for withholding (selected at payout window)
Deferred back to stock to reduce previous year equity		Capital for class (*Setup / Stock Classes*)
Deferred payment		Liability or clearing account (selected at payout window)

Pay Patronage

If the combined earned patronage dollars for all categories is distributed to various stock certificates and/or cash, this standard patronage payout method is used. If some of the patronage categories are distributed at a different percentage than others, use the alternative payout method found at *Pay / Patronage Detail*.

Patronage checks may be issued through *Pay / Patronage Checks*. 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 may either be paid out on a Patronage check or deferred to a stock certificate for a selected stock class.

How to Pay Patronage

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, select the *Defer* option and choose a stock class to be used for the deferral.
5. If stock is required for patronage disbursement, select the *Required Stock* option and choose a stock class.
6. If dues are to be deducted from the check, select the *Deduct Dues from Check / Deferred* option.
7. In the grid, double-click on *Stock Class* to select the Stock Class being deferred and the Required Stock Class, if applicable. Enter deferred *Percent* or *Amount* in the grid next to the Stock Class being deferred to.
8. If deferred payments (Dividend, Interest or Payout checks) are to be included, select *Include Deferred Payments*. Choose the *Deferral Account*. This should be the same account used when paying out Dividends, Interest or Payout Checks.
9. Select *Pre-Scan* and choose **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. Adding additional Stock Certificates may be required if a report displays. Continue to make corrections and run the Pre-Scan as necessary until it runs successfully.
10. Unmark *Pre-Scan*. Select *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. After the batch prints, a screen 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 ok. It is recommended to verify all checks have printed correctly before selecting **Yes**.