



Year End Procedures

THREE PART PROCESS

When closing the year, as with closing the month, you must close the AR, AP and GL.

IF YOUR FISCAL YEAR COINCIDES WITH THE CALENDAR YEAR:

- Run your month end close on December 31, and this will automatically run your Year-End close (AR)
- Close your AP for December period
- Close your AP for the Year 20XX
- Close your General Ledger for December period
- Close your General Ledger for the Year 20XX

*No GL entries can be made in between month and yearly closings. Also, no AP entries for the new year should be made before the prior month/year is closed.

ACCOUNTS RECEIVABLE:

Please review the following prior to the last End-of-Day/End-of-Month Combination for your fiscal Year End:

- A. Clean the tape drive with the Tape Cleaning Kit. You are prompted to do this as part of your month-end.
- B. Use a new tape for the End-of-Month/End-of-Year backup. This tape should be archived and not used in your regular tape rotation.
- C. During the last End-of-Month for your fiscal year, the End-of-Year process will now run **automatically**. It is no longer necessary to perform any additional steps for the Accounts Receivable portion of your Year End. Confirm with DST.
- D. **DO NOT RUN MENU PATH 18.1 OR 18.2, either before or after the completion of the last End-of-Day/End-of-Month Combination.** As noted above, the End-of-Day/End-of-Month Combination will now run the Year End processes automatically on your last fiscal month, including the LIFO Link Chain Report (see step E below) and the update of all pertinent Sales History Files (Sales.2-Sales.7).

- E. A parameter has now been included for printing the LIFO Link Chain Report. This parameter can be found in menu path 35.6, screen #2, option #12, 'Print year-end LIFO report':
- Enter a "Y" if you wish to *print* the LIFO Link Chain Report. Be sure to have a full box of paper loaded and change the printer ribbon, as the report is extremely long.
 - Enter an "N" if you wish to disable (i.e. *not create*) the LIFO Link Chain Report. Note that this option completely bypasses the printing of the report and does *not* create a spooler hold entry for later printing.
 - The LIFO report can be created after the End-of-Month/End-of-Year job stream from menu path 6.3. To ensure accuracy, this report must be run prior to conducting any business (i.e. order entry) in the new fiscal year.

If there are any questions regarding the above, please contact the Database Support Team and we will be glad to go over the **Accounts Receivable Year-End Procedures**.

ACCOUNTS PAYABLE:

The Annual Accounts Payables must be closed prior to any AP work is done for the new year. As with the general ledger annual close, you must close the month and then close the year (two-step process)

- I. Month End
 - A. Check for any open batches for the period. If there are any unbalanced batches, you will need to balance them
 - B. Run the Sequential Voucher register. There should not be any open balances that show up at the end of this run.
 - C. Run the Check Register, with update
 - D. Run the Hand Check Register, with update.
 - E. You may run the Month-end process from menu 13.4. If any of the above mentioned items have not been done and error message will display.
- II. Year End
 - A. After the 12th fiscal Close, run menu 18.3. This program clears the vendor year-to-date purchase and payment fields.
 - B. After the annual AP close has been run, you can run your 1099 reports through menu 13.8.

GENERAL LEDGER:

You have to close, in order, the last month of the year and then the year (two step process). However, prior to closing your final month, if you carry your YTD income in an account separate from your Retained Earnings you will want to make the following entry:

Net Income	#####.##
Retained Earnings	#####.##

For uniformity you will need to roll your net income every year during the same period. Some stores will choose to do this at the end of the year, while others will make this adjustment at the first part of the new year. Regardless of when this is done, a journal entry needs to be created that rolls Net Income into Retained Earnings.

I. Month End

A. The following may be done daily, or as desired. In any case, they must be done before the month end.

- Journal Entry Proof List, With Update (14.1.13)
- Reverse Entries Proof List, With Update (14.1.14)
- Recurring Entries Update (14.1.16)
- 14.2.4 - Preliminary Trial Balance & Update
- 14.2.1A - Detail GL Activity Listing
- 14.2.2 - Monthly Journal Entry Report
- 14.2.4 - Trial Balance
- 14.3.8 Financial Reports (Balance Sheet and P&L) The Trial Balance (14.2.4) file must first be updated. If you do more JE's, you must a) run the JE proof and update, b) run menu - 14.2.4

B. Closing - Password Required!

- 14.2.14 - Tape Backup
- 14.2.7 - Process Close

C. Post-Closing

- 14.2.10 - Trial Balance
- Post Closing Financial Reports (If Desired)
 1. 14.2.9 - Detail GL Moth-End Print
 2. 14.2.4 - Financial Reports File Update
 3. Run Financial Reports
 - a. 14.3.8 - Balance Sheet and P&L

II. Year End (14.4)

You have to close, in order, the last month of the year and then the year (two step process). *General Ledger entries cannot be made between the month and year-end close.*

A. Menu 14.4

- 14.4.1 – Preliminary Year End C/A Close**
- 14.4.2 – Back Up Tape (should clean tape heads and use NEW tape every time)**
- 14.4.3 – Annual GL Detail Report (When the system requests the opening balance line in heading, use the first day of the new year. For Example if your fiscal year ends on December 31, 2008 enter 200812. Annual General Ledger Detail Report - Use the first day of the your new fiscal year as the date in the heading of the opening balance line. ie 01/01/09)**
- 14.4.5 – Final C/A Update and Close (Answer Y*** and this report updates opening balances)**
- 14.4.6 – GL History File Purge (Optional. You may elect to retain history for a few years if you have enough room on your hard disk.)**
- 14.4.7 – Upd Hdr Rcrd to Hist File for New Yr (Again, use the first day of the new year to update headings. Example: 01/01/01)**