Year End Closing

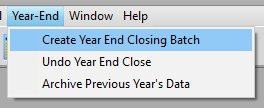
The general ledger year-end process can be run at any time in the following fiscal year. Technically you could run it while you are still in the year but there’s really no good reason to do so. And while it is possible to allow more than one year to elapse, this can cause some confusion and is not recommended.

At the end of the last period of the fiscal year, and once the majority of the transactions are entered, the GL and other module periods should be updated to the first period of the new year. You can always change the period on posting transactions from the prior year later if necessary. Likewise, you can post journal entry adjustments and change the period to the prior year. Usually you will want to wait to do the end of year process until all prior year transactions and adjustments have been made. But if necessary, you can undo the year-end process, post more transactions and adjustments, and then close again.

NOTE: If you have not already done so, you will need to add the new year’s periods in the Edit Fiscal Periods maintenance screen (Administration>File). Also, while it is not required, you may want to perform the year end after business has been completed for the day, run a financial preparation and reports, and backup your data.

In the GL module on the Year-End menu are the Create Year End Closing Batch, Undo Year End Close, and Archive Previous Year’s Data programs. These programs, in concert with the Financial Preparation, will have a dramatic impact on the two core tables in your data related to the GL. The ACCT table contains your chart of accounts with a record for each account. Each record stores basic balances at various stages: BEGDR, BEGCR, OLDDR, OLDCR, CURDR, and CURCR. These fields are critical to producing GL reports appropriate to the periods desired. Every time you run the financial preparation program these fields are adjusted to reflect the periods you’ve set for the preparation.

The other table is the GL, which contains individual records for all postings to the general ledger. The closing batch program will use this table to determine the posting necessary to close the income statement accounts to retained earnings. The undo program will reverse that action if necessary. The archive program will clear the GL of records related to the past year and move them to the GLH table.



The Create Year End Closing Batch program will produce a GL journal entry batch with a number of debits and credits, each one representing the total of the debits and credits of the income statement (income and expense) accounts. The net difference between the two totals is a single post to the account designated for retained earnings.

You will want to review this batch carefully before posting. If you post but find there are problems with the closing entries you can run the Undo Year-End Close program to remove the closing postings. This must be done before you archive the GL.

Once you run the closing batch program and post the batch, the system will require you to first run the financial preparation for the periods (xx01 to xx12) for the previous year before you can run any financial reports for the current year. You will typically want to run your year-end financial reports at this time.

When you are satisfied that the year has been closed properly, you will want to archive the old GL records, leaving only the postings of the new year in the GL table. This will make reports for the current year run faster and eliminate unnecessary clutter from the GL. Old postings are archived in the GLH table. This does not affect your ability to run financial reports for previous years. If you haven’t already done so, you should archive the previous year before you attempt to close another year.