ACCOUNTING CHECKLIST

GP YEAR-END CLOSING PROCEDURES

Hello! It's time for year-end close. Before we get started, please remember that these closing procedures pertain to clearing and moving "summary" year-to-date amounts only. Individual transactions are not affected. If you wish to remove historical transactions, this is done from the Utilities palette for each module. Let's get started!

Here's what you'll need to do:

☐ Initial Year-End Backup

☐ Run File Maintenance for all Modules

☐ Inventory Year-End Closing

☐ Payables Year-End Closing

☐ Receivables Year-End Closing

☐ Fixed Assets

☐ Taxes

☐ Payroll Year-End Closing

☐ General Ledger Year-End Closing

☐ Make New Backup after all Modules have been Closed

Keep in Mind:

- Payroll Year-End closings can be processed in any order.
- Inventory MUST be run before Payables.
- General Ledger closing MUST be performed last.

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INVENTORY YEAR-END CLOSING PROCEDURES

Closing a year transfers all summarized current-year quantity, cost, and sales amounts to history for the items for which you've been keeping summarized sales history. This procedure also updates each item's beginning quantity on hand at each site and zeroes out the Quantity Sold field.

This process should be run before any transactions are posted for the new year:

☐ Post all Transactions for the Year

☐ Reconcile Inventory Quantities – Inventory > Utilities > Reconcile

☐ Complete Physical Inventory Count and Post any Adjustments - Optional

☐ Print Reports

☐ To Remove Items that are No Longer Used, Change the Item Type to "Discontinued."

☐ Items Marked "Discontinued" will be removed if the following conditions are met:
- o Quantity on Hand is Equal to Zero
- o Item is Not on Any Unposted Transactions
- o Item is Not a Component on a Kit or Bill of Materials
- o Item is Not a Bill of Materials
- o You Check the Remove Discontinued Items Checkbox in the Year-End Closing Window

☐ Close the Year – Inventory > Routines > Year End Close
- o Check to Remove Discontinued Items, Sold Lot Attributes, Sold Receipts, and Cost Change History
- o If you are using a Periodic Item Valuation Method, check the box to Update Item Standard Cost if you want your Item Standard Costs to be set equal to the item's Current Cost.

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PAYABLES YEAR-END CLOSING PROCEDURES

Closing the **Calendar** year transfers the YTD 1099 amounts to last year. Closing the **Fiscal** year transfers all the YTD amounts, other than the 1099 amounts, to last year. These are the amounts shown under "Amounts since last close" in Vendor Yearly Summary.

This process should be run before any transactions are posted for the new year:

☐ Post all transactions for the year

☐ Print Aged Trial Balance with Options – Purchasing > Reports > Trial Balance. Select Aged Trial Balance with Options in the Reports List – Optional

☐ Print Vendor Period Analysis Report – Purchasing > Reports > Analysis. Select Period in the Reports List - Optional

☐ If using Purchase Order Processing, Reconcile Purchasing Documents – Purchasing > Utilities > Reconcile Purchasing Documents. If you have Purchase Order Processing and/or Inventory Control, this step must be run before reconciling Payables Management or Inventory Control

☐ Reconcile all Vendor Balances – Purchasing > Utilities > Reconcile. It is recommended that you print an Aged Trial Balance Report before and after reconciling to compare the results.

☐ Print 1099 forms – Purchasing > Routines > Print 1099. 1099 information can be edited for each vendor by going to – Purchasing > Cards > 1099 details. The display option must be set to "Month" in order to edit amounts.

☐ Close the Calendar and/or Fiscal Year. Select "All" to close both – Purchasing > Routines > Year End Close

☐ Close the sales tax periods for the year – Tools > Routines > Company > Tax Year End Close. This should be performed only after both the Payables and Receivables year-end procedures have been run.

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RECEIVABLES YEAR-END CLOSING PROCEDURES

Closing the **Calendar** year transfers the YTD finance charges to last year. Closing the **Fiscal** year transfers all the YTD amounts, other than the finance charges, to last year. These are the amounts shown under "Amounts since last close" in Customer Yearly Summary.

This process should be run before any transactions are posted for the new year:

☐ Post all sales and receivables transactions for the year

☐ Reconcile Receivables Amounts by going to Sales > Utilities > Reconcile. Choose to Reconcile Current Customer Information then click on Process. Go back into this window and choose Outstanding Document Amount then click on Process. It is recommended that you print an Aged Trial Balance report before <u>and</u> after reconciling to compare the results.

☐ Close the Calendar and/or Fiscal Year. Select ALL to close both – Sales > Tools > Routines > Year End Close

☐ Close the sales tax periods for the year – Tools > Routines > Company > Tax Year End Close. This should be performed only after <u>both</u> the Payables and Receivables year end procedures have been run. Skip this step if it was performed in Step 8 on the Payables Year End Closing Procedures checklist.

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FIXED ASSETS YEAR-END CLOSING PROCEDURES

☐ Perform all the year-end closing procedures for Payables Management

☐ Enter all fixed asset transactions for the current year

☐ Post all additions, changes, transfers, and retirements

☐ Depreciate all assets through the last day of the current fiscal year

☐ Perform the GL Posting (GL Interface) process

☐ Run any year-end reports that you want to keep as part of your year-end financial records

☐ Verify that the Fixed Assets Calendar is built correctly – Financial > Setup > Fixed Assets > Calendar

☐ Verify that the quarters are set up correctly for all fiscal years – Financial > Setup > Fixed Assets > Quarter

☐ Backup the SQL database

☐ Run the Year-End Closing routine by going to Financial > Routines > Fixed Assets > Year End. Select and Insert the Books to be closed. Click on Process

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PAYROLL YEAR-END CLOSING PROCEDURES

Payroll year-end closing is done on a calendar year basis only. There are no procedures for payroll fiscal year-end. Closing a year includes creating a file of annual wages information (W-2 file), removing inactive employee records and history, and resetting all employee vacation and sick time fields (if not using HR accruals).

☐ Complete all current year pay runs

☐ Complete all Payroll Month-End and Quarter-End procedures

☐ Install the Payroll Year-End Update. This is a code update (if one is available), not the tax table update. The code update can be downloaded from the Downloads section of Microsoft's CustomerSource website

☐ Create the Year-End Wage file – Payroll > Routines > Year End Closing

☐ Print the Year End Wage Report – Payroll > Routines > Year End Wage Report

☐ Update the Tax Tables for the new year – Microsoft Dynamics GP > Maintenance > U.S Payroll Updates > Check for Tax Updates. The Tax Tables for the new year can be updated any time after the Year-End Wage Table has been created

☐ Print the W-2 Validation Report and verify the W-2 information – Payroll > Tools > Routines > Print W-2s

☐ Print W-2 statements and W-3 Transmittal form. W-2 information can be edited – Payroll > Tools > Routines > Edit W-2s

☐ Print the 1099-R Validation Report and verify 1099-R information (1099-R forms are used to report any distributions from profit-sharing or retirement plans, IRAs, annuities, pensions, insurance contracts, etc. whether or not federal tax is withheld.) – Payroll > Routines > Print 1099-R

☐ Print the 1099-R forms and 1096 Transmittal Form

☐ If you have over 250 employees, you must transmit your federal W-2 file electronically. Check the rules for your state to determine in you also need to file electronically for State W-2s, Unemployment Compensation, and/or Local Tax

☐ Archive inactive employee Human Resources information (optional)

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GENERAL LEDGER YEAR-END CLOSING PROCEDURES

The General Ledger year-end close process transfers all current year information for each account in the chart of accounts to History. It also reconciles and summarizes GL balances, transfers Open Year Profit and Loss amounts to Retained Earnings, zeroes all Profit and Loss account balances, summarizes Balance Sheet accounts and brings their balances forward into the new fiscal year, and marks the closing fiscal year as "History."

In General Ledger, you can post to the next fiscal year without closing out the previous fiscal year. You can also post back to the most recently closed historical year.

☐ Complete posting and closing procedures for other modules

☐ Post any final adjusting entries in General Ledger

☐ Print an Account List to verify the Posting Type and Typical Balance settings for each account – Financial > Reports > Accounts > Posting (or review this information in a SmartList)

☐ Perform File Maintenance on all Financial files (this may take a while to run) – Maintenance > Check Links

☐ Make sure Maintain History for Accounts and Transactions is marked – Financial > Setup > Financial > General Ledger

☐ Print a final Detailed Trial Balance

☐ Print final Financial Statements

☐ Set up a new year in Fiscal Periods Setup – Tools > Setup > Company > Fiscal Periods

☐ Close the General Ledger fiscal year – Financial > Routines > Year End Closing

-   A progress bar was added to this window as a new feature in GP2015
-   For version prior to GP2015, it may look like it's not doing anything, but DO NOT interrupt the Year-End Closing procedure
-   You'll know the process is finished when it prints the report
-   It's highly recommended that you print a hard copy of this report because it cannot be reprinted

☐ Close all fiscal periods for the closing year for all series – Tools > Setup > Company > Fiscal Periods

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