

# 2005 Year End Guide

Created by



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# Introduction

## Use this essential year-end resource to guide you through a smooth and stress-free year-end.

Year-end is one of those tedious chores that just have to be done - and even more importantly - done correctly and on time. Conquering the books without losing your sanity simply requires - managing your time wisely and making sure you have all your bases covered – including knowing what to look for, where to find it, and how to complete it.

To help take the stress out of year-end, we've assembled a comprehensive guide with the necessary resources for completing your year-end procedures smoothly, accurately, and on time.

You'll find helpful year-end checklists and documents that walk you through year-end procedures with detailed step-by-step instructions, tax form information to help you locate and order your necessary tax forms, and more.

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### Order Your 2005 Tax Forms Today

Find out what appropriate tax forms you need to meet your unique year-end requirements and order your 2005 [IRS-approved tax forms](#) from your Microsoft® Business Solutions-recommended check supplier, [Checks by Deluxe for Microsoft® Business Solutions](#). Checks by Deluxe for Microsoft Business Solutions offers a variety tax forms that are 100% compatible with any Microsoft Business Solutions product so you can find the right forms for all your year-end needs. Important notice: Updates to the 2005 1099-MISC form may call for software updates.

Checks by Deluxe for Microsoft Business Solutions provides:

- Guaranteed software compatibility
- W-2s printed on recycled paper
- Superior service from tax form experts
- Fast delivery
- 100% satisfaction guarantee

Make sure you get the correct 2006 tax forms for your state and software.

For more in-depth information about tax forms and regulations, visit the [IRS Web site](#).

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### Download the Latest Tax and Year-End Updates

Stay on top of year-end procedures by knowing estimated release dates and obtaining the necessary instructions for downloading and installing. Visit the Tax updates area of the CustomerSource to find out timely information on the latest updates.

- 2006 U.S. Payroll Year-End Update
- 2007 U.S. Payroll Tax Update

Note: 1099 Update for Great Plains Payables Scheduled to Be Released in Early December

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**Supported Payroll Versions**

The Great Plains U.S. Payroll Versions that will be supported include:

Microsoft® Business Solutions–Great Plains 8.0 on Microsoft SQL Server or MSDE

Microsoft® Dynamics™ GP 9.0 on Microsoft SQL Server or MSDE

# General Ledger Year-End Closing Procedures

## SUMMARY

*This section outlines the recommended year-end closing procedures for Microsoft Dynamics GP and for Microsoft Great Plains. This section contains a checklist of the steps in the procedure, detailed information for each step, and a series of frequently asked questions.*

Read this entire section before you follow any steps. If you have any questions, contact us as 801-565-9199.

During the year-end closing routine, all the records that will be moved are put in a temporary table before they are moved to the GL30000 table. You must have free disk space that is equal to the size of the GL20000 table to perform the routine.

## General Ledger Year-End Closing Checklist

1.	<i>Complete the posting procedures and the closing procedures for other modules <b>Note</b> This step is only required if the General Ledger module is integrated with other modules.</i>
2.	<i>Post the final adjusting entries in the General Ledger module.</i>
3.	<i>Print an account list to verify the posting type of each account.</i>
4.	<i>Close the last period of the fiscal year. (Optional)</i>
5.	<i>Optional: Perform file maintenance on the Financial series group of modules.</i>
6.	<i>Verify the settings in the General Ledger Setup window.</i>
7.	<i>Make a backup.</i>
8.	<i>Print a final Detailed Trial Balance report.</i>
9.	<i>Print year-end financial statements.</i>
10.	<i>Set up a new fiscal year.</i>
11.	<i>Close the fiscal year.</i>
12.	<i>Close all fiscal periods for all series.(Optional).</i>
13.	<i>Adjust budget figures for the new year, and then print financial statements.</i>
14.	<i>Make a backup.</i>

## General Ledger Year-End Closing Detail

1. Complete the posting procedures and the closing procedures for other modules.

Only follow this step if the General Ledger module is integrated with other modules. If the General Ledger module is not integrated with other modules, skip this step.

- a. Post final transactions in all the modules except the General Ledger module.
- b. Complete the month-end procedure and the quarter-end procedure for all the modules except the General Ledger module.
- c. Complete the year-end closing procedures for each module in the following order:
  1. Inventory
  2. Receivables Management
  3. Payables Management
  4. Fixed Asset Management

**Note** Year-end procedures for the Payroll module are independent of the procedures in other modules. These procedures are always performed at the end of the calendar year.

2. Post the final adjusting entries in the General Ledger module.

Adjusting entries include all entries that correct errors that were made when transactions were recorded. Adjusting entries also include journal entries that are used to assign revenues or expenses to the period in which the revenues were earned or in which the expenses were incurred.

If you must make any adjusting entries to allocate revenue, expenses, or depreciation to the year that you are closing, use the Transaction Entry window or the Quick Journal Entry window to make adjusting entries in the General Ledger module

The Second Closing Period feature in the General Ledger module lets you have a second closing period that has the same start date as the last day of the first closing period. This feature lets you add initial adjusting entries in the first closing period. This feature also lets you add post-audit entries in the second closing period. This enables separate tracking of the adjusting entries that are made after the year is closed. For more information about second closing periods, see the document below.

**Note** If you are using closing periods and you reconcile, your transactions all move to the first period with the start date.

3. Print an account list to verify the posting type of each account.

The posting type determines whether an account is closed to the retained earnings account or whether an account brings a balance forward to the next fiscal year. If the account balance will be brought forward at the end of the year, the posting type must be set to **Balance Sheet**. If the account balance will be closed to a retained earnings account at the end of the year, the posting type must be set to **Profit and Loss**. Use the Account Maintenance window if you must change the posting type for an account.

Follow these steps to print an account list:

- a. Click **Reports**, point to **Financial**, and then click **Accounts**.
- b. Select **All Accounts** in the **Reports** list, and then click **New**.
- c. Type **all accounts** in the **Option** box.
- d. If you are using Microsoft Great Plains 8.0 or a later version of the program, click to select the **Inactive Accounts** check box.

**Note** In Microsoft Great Plains 8.0 and in Microsoft Dynamics GP 9.0, you can make accounts that have a balance inactive. These accounts are still processed during the year-end closing routine according to the posting type of the account.

	<p>e. Click <b>Destination</b> to specify a report destination, and then click <b>OK</b>.</p> <p>f. Click <b>Print</b>.</p>
4.	<p>Close the last period of the fiscal year (Optional)</p> <p>You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This prevents transactions from being posted to the wrong period or year.</p> <p><b>Notes</b></p> <ul style="list-style-type: none"> <li>• Make sure that you post all the transactions for the period and the year for all modules before you close the fiscal periods. Later, if you have to post transactions to a fiscal period that you already closed, you must return to the Fiscal Periods Setup window to reopen the period.</li> <li>• If you use Microsoft Business Solutions - FRx, keep one period in the most recent historical year open to prevent the following error message: FRX Print Engine Failed to Load the Company Calendar.</li> </ul>
5.	<p>Optional: Perform file maintenance on the Financial series group of modules.</p> <p>Run the check links procedure on the Financial series group of modules.</p>
6.	<p>Verify the settings in the General Ledger Setup window.</p> <p>If you want to keep historical records, you must click to select the <b>Accounts</b> check box and the <b>Transactions</b> check box in the <b>Maintain History</b> area of the General Ledger Setup window. The account history lets you print financial statements and calculated budgets from historical information. The transaction history lets you print detailed historical trial balances. The transaction history also lets you view the transaction details. Both the account history and the transaction history are updated during the year-end closing routine if these check boxes are selected.</p>
7.	<p>Make a backup.</p> <p>Make a backup of all company data, and then put the backup in safe permanent storage. The backup gives you a permanent record of the company's financial position at the end of the year. The backup can then be restored later if it is required.</p>
8.	<p>Print a final Detailed Trial Balance report.</p> <p>Use the Trial Balance Report window to print a year-end Detailed Trial Balance report.</p> <p><b>Note</b> We recommend that you post all transactions for the period and for the year for all modules before you print the Detailed Trial Balance report. If you post additional transactions later, we recommend that you print a new Detailed Trial Balance report.</p>
9.	<p>Print year-end financial statements.</p> <p>Print any year-end financial statements that are required. The most common financial statements include the following:</p> <ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Profit and Loss Statement</li> <li>• Statement of Cash Flows</li> <li>• Statement of Retained Earnings</li> </ul>

10. Set up a new fiscal year.

Before you can perform the year-end closing routine, you must set up a new fiscal year by using the Fiscal Periods Setup window.

11. Close the fiscal year.

To close the fiscal year, follow these steps:

- a. Click **Tools**, click **Routines**, click **Financial**, and then click **Year-End Closing**.
- b. Specify an account in the **Retained Earnings Account** box.

The account that you specify in the **Retained Earnings Account** box is the account to which the year's profit and loss accounts are closed. The default account is the account that you specified in the General Ledger Setup window.

All current-year earnings or losses are transferred to the account that you specify in the **Retained Earnings Account** box. If you want to distribute the retained earnings for the year to more than one account, you can specify an allocation account to distribute the retained earnings amount to the appropriate accounts. For example, you could set up an allocation account to divide the earnings between several departments in your business.

Or, you could transfer the year's profit or loss to accounts that contain a specific account segment. This is referred to as closing to a divisional retained earnings account.
- c. Specify the number that you want to use as the first journal entry number for the next fiscal year in the **Starting Journal Entry** box.

You can accept the default number. The default number is one more than the highest journal entry number that is posted for the current year. Or, you can specify a new number. The journal entry number that you specify is used as the journal entry number for the Year-End Closing Report.
- d. Click **Close Year** to start the routine.

**Important** Click **Close Year** one time. If you click more than one time, you will close more than one year during the process. Also, if the progress window appears to stop at 50 percent, do not restart the routine. As long as the hard disk is processing, let the process continue.

If you are maintaining the account history, the year-end closing routine transfers all current-year information for each account in the chart of accounts to the account history. If you are maintaining the transaction history, the year-end closing routine also transfers all current-year information for each account in the chart of accounts to the transaction history. The process then prepares the accounting system for a new fiscal year. Besides transferring current-year figures to the transaction history and to the account history, the year-end closing routine does the following:

- The year-end closing routine reconciles and summarizes the general ledger balances that accumulated throughout the year.
- The year-end closing routine removes accounts that are marked as inactive if the accounts match the criteria for deleting a posting account. Inactive accounts that have been set up as budget accounts can also be deleted if they have no activity for the year. These accounts can be deleted even if budget amounts from past years are associated with these accounts.
- The year-end closing routine moves all profit and loss account balances to the retained earnings account.
- The year-end closing routine summarizes balance sheet accounts and brings the balances forward as the beginning balances of the account in the new fiscal year.
- The year-end closing routine prints the Year-End Closing Report.

When the year-end closing routine is complete, the Year-End Closing Report is printed. This report lists the accounts that were closed and the transactions that were created to close those accounts. The Year-End Closing Report is part of the audit trail. Save this report for your company's permanent records. The Year-End Closing Report cannot be reprinted.

	<p><b>Note</b> If you use Microsoft SQL Server and if database maintenance is not automated, we recommend that you perform database maintenance after you close the year.</p>
12.	<p>Close all fiscal periods for all series.</p> <p>This step is optional.</p> <p>After you complete closing procedures for all the modules, use the Fiscal Periods Setup window to mark all periods for all series as closed. We recommend that you do this to prevent transactions from being posted from any module to any period that you closed. After a period is marked as closed, transactions cannot be posted to the period unless you reopen the period. Later, if you must post a transaction to a closed period, return to the Fiscal Periods Setup window to reopen the period.</p>
13.	<p>Adjust budget figures for the new year, and then print financial statements.</p> <p>Adjust budget figures by using one of the following windows:</p> <ul style="list-style-type: none"> <li>• Excel-Based Budgeting</li> <li>• Budget Maintenance</li> <li>• Single-Account Budget Maintenance</li> </ul> <p>Print the Profit and Loss Statement to verify that profit and loss accounts were closed to the retained earnings account. Print the Balance Sheet to verify that balance sheet accounts indicate that the balances were brought forward.</p> <p>If you are using Advanced Financial Analysis to print your financial statements, you must update the report layout to reflect the current fiscal year. To do this, follow these steps:</p> <ol style="list-style-type: none"> <li>a. Click <b>Reports</b>, click <b>Financial</b>, and then click <b>Advanced Financial</b>.</li> <li>b. Select the financial statement from the <b>Reports</b> list, click <b>Open</b>, and then click <b>Layout</b>.</li> <li>c. Double-click the first column heading.</li> <li>d. If the column type is set to <b>Period Range</b>, <b>Year-to-Date</b>, or <b>Variable Year-to-Date</b>, select the current fiscal year in the <b>Year</b> list, and then click <b>OK</b>.</li> <li>e. Repeat step a through step d for each column of each report.</li> </ol>
14.	<p>Make a backup.</p> <p>Make a backup of all company data, and then put the backup in safe permanent storage. The backup gives you a permanent record of the company's financial position at the start of the new year. This backup can be restored later if it is required.</p>

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## Frequently asked questions

1.	<p>Do I have to close the fiscal year before the first day of my next fiscal year?</p> <p>The year-end closing routine does not have to be completed before you start your next fiscal year. However, we recommend that you close the year as soon as possible.</p>
2.	<p>Can I make adjusting entries after I close the year?</p> <p>You can post to the most recent historical year if the <b>Posting to History</b> check box is selected in the General</p>

Ledger Setup window. If you post an entry to a closed year, a second entry is automatically made that updates the beginning balances for the current fiscal year.

The following tables show an adjusting entry and the way the entry appears in the posting journal.

**Adjusting entry**

12/25/2004	Administration Expenses	\$500	
	Cash		\$500

**Posting journal**

12/25/2004	Administration Expenses	\$500	
	Cash		\$500
12/31/2004	Retained Earnings	\$500	
	Cash		\$500

3. After I performed the year-end closing routine, beginning balances were brought forward for some of my sales and expense accounts. Some of my asset accounts also closed to the retained earnings account. Why did this problem occur, and what can I do to correct it?

The posting type that is specified in the Account Maintenance window for the account determines whether a balance is brought forward for the account or whether the account is closed to the retained earnings account. Accounts that use the **Balance Sheet** posting type carry a balance forward. Accounts that use a **Profit and Loss** posting type close to the retained earnings account. To resolve this problem, restore from a backup, correct the posting type, and then run the year-end closing routine again.

4. I tried to run the year-end closing routine by using a divisional retained earnings account, but I received the following error message:

**Retained Earnings account not found.**

What can I do to resolve the problem that provokes this error message?

Before the routine can continue, the year-end closing routine must validate that all the divisional retained earnings accounts that are required exist. For example, the Fabrikam, Inc. demonstration company uses an account format of *nnn-nnnn-nn*. The first segment represents the department. A retained earnings account must exist for each department that has a profit and loss account. For example, if sales account 400-4100-00 exists, but no 400-*nnnn-nn* retained earnings account exists, you receive this error message.

5. What happens to unit accounts during the year-end closing routine?

Unit accounts are treated as balance sheet accounts. Unit accounts have a balance that is brought forward when the year is closed.

6. I am getting ready to close my year in the General Ledger module. Must everyone quit Microsoft Dynamics GP or Microsoft Great Plains before I perform the year-end routine?

We recommend that client computer users stop work in Microsoft Dynamics GP or in Microsoft Great Plains while the year-end closing routine is processing. If users continue to work in the program, transactions may have to be entered again if problems occur during the year-end closing routine.

7. I want to allocate my net profit to my retained earnings account or to my capital accounts each month. Also, net profit is supposed to be allocated to three different retained earnings accounts or capital accounts. Can I do this?

No, you cannot do this. However, you can specify a non-financial account in the Account Maintenance window. Use a number that is not in your current account numbering scheme. This account acts as a suspense account for the net income or the net loss. Every month, you can post an adjusting entry to the three capital accounts that you want to adjust. For the offset account, use the suspense account. When the year-end closing routine is finished, use the suspense account as the retained earnings account. This offsets all the manual adjustments that you made to the suspense account during the year. Make sure that the suspense account does not appear on reports.

If you are using Advanced Financial Analysis for financial statements, when you format the Balance Sheet, put the **NP** line as the last line on the Advanced Financial Analysis statement. Then, put a page break before the **NP** line. The Balance Sheet must have an **NP** line, but this line makes the net income or the net loss appear two times. Therefore, format the **NP** line so that it is off the financial statement. You can also use a report type of **Other**.

8. Why is the status of some of my financial reports set to **Invalid**?

If a report is configured to use the accelerator file, any changes that are made to accounts in any one of the following windows causes the status of the financial report printing options to change to **Invalid**:

- Account Maintenance
- Unit Account Maintenance
- Mass Modify Chart of Accounts
- Year-End Closing

Before you print financial statements, you must update the accelerator file. To do this, follow these steps:

- a. Click **Reports**, click **Financial**, and then click **Update Financial Accelerator**.
- b. Click **Update**, and then click **Continue**.
- c. Close the Update Financial Accelerator Information window.

9. How are non-financial accounts closed during the year-end closing routine?

If the non-financial account is configured to use the **Balance Sheet** posting type, the account balance is brought forward during the year-end closing routine. If the non-financial account is configured to use the **Profit and Loss** posting type, the account balance is closed to the retained earnings account during the year-end closing routine.

10. When I try to post a batch in the General Ledger module, I receive the following message:

Batches cannot be posted while the Year-End Close is in progress.

The year-end closing routine is not being run in the General Ledger module. What should I do?

To resolve this issue, have all users close any transaction entry windows. Then, delete the SY00800 file if you are running a Microsoft SQL Server database. To do this, run the following statement on the DYNAMICS database.

```
delete SY00800 where BACHNUMB = 'GL_Close'
```

11. I receive the following message when I try to close the year in the General Ledger module:

Sorry, another user is closing the year.  
No one else is trying to close the year. What should I do?

To resolve this issue, delete the SY00800 file if you are using a Microsoft SQL Server database. To do this, run the following statement on the DYNAMICS database.

```
delete SY00800 where BACHNUMB = 'GL_Close'
```

12. I am performing the year-end closing routine in the General Ledger module and it appears to be stopped at 50 percent. My workstation seems to have stopped responding. What should I do?

	<p>If your year-to-date transaction open file (GL20000) is large, it may take a long time for the year-end closing routine to finish. If the hard disk is still processing, the year-end closing routine has not stopped responding. We recommend that you let the routine run. If the hard disk is not processing, we recommend that you restore from a backup. Then, follow the steps in this section again, starting at step 5.</p>
13.	<p>If an adjusting entry has been posted to a year that is closed, can I print a corrected Trial Balance Report for that year?</p> <p>Yes, you can print a corrected Trial Balance Report for the year that is closed. To do this, follow these steps:</p> <ol style="list-style-type: none"> <li>1. Click <b>Reports</b>, point to <b>Financial</b>, click <b>Trial Balance</b>, and then click <b>New</b>.</li> <li>2. In the <b>Option</b> field, type <b>With Adjustments</b>.</li> <li>3. In the <b>Include</b> area, click to select the <b>Posting Accounts</b> check box.</li> <li>4. Click to select the <b>History</b> check box in the <b>Year</b> area, and then select the historical year from the <b>Year</b> list.</li> <li>5. Click <b>Destination</b> to specify a report destination, and then click <b>OK</b>.</li> <li>6. Click <b>Print</b>.</li> </ol>
14.	<p>How do Microsoft Dynamics GP and Microsoft Great Plains determine the financial statement that is printed for the account that I am adding?</p> <p>The category determines the type of financial statement that is printed when you use quick financial statements for the account that you are adding. The category is either the Balance Sheet category or the Profit and Loss category. You must format the reports to print the accounts that you want in Advanced Financial Analysis and in Microsoft FRx. The posting type is used during the year-end closing routine to determine the accounts that close to the retained earnings account and to determine the account that carries a balance forward. The posting type does not affect the financial statements.</p>

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## Second Closing Period

### Content

FYI: The Second Closing Period feature in General Ledger allows you to have a second closing period with the same From/To date as the last day of the first closing period. This can allow you to enter initial adjusting entries in the first closing period, and post-audit entries in the second closing period 14. This allows for separate tracking of the adjusting entries made after the year is closed.

For example, assume that we are running on a calendar fiscal year (period 1 being January 1999 to period 12 being December 1999). Prior to version 6.0, you could have 13 periods, with the 13th period being the same date as Period 12 (Example 12/1/99). Period 13 could then be used for closing entries. Now, a period 14 can be created with the same date as period 13 (12/1/99) to be used for post-audit entries.

**Warning:** If you use Fixed Assets you will be unable to utilize more than one closing period with the same date.

To successfully post into period 14 these requirements must be met:

1. The additional fiscal periods must be set up before closing the year.
2. The year must then be closed.
3. In the Fiscal Period Setup Window, you must mark all the financial periods as closed, except period 14.

With these requirements being met, a transaction could be posted to 12/31/99 and it will be considered a part of period 14.

\*\*There is an outstanding Quality Report (28164) related to the second closing period. You can search for the Quality Report in the Techknowledge Database for more information.

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## How to use divisional retained earnings accounts in General Ledger

If you have Close to Divisional Account Segments selected in General Ledger Setup, under Setup | Financial | General Ledger (Version 8.0, Tools | Setup | Financial | General Ledger) the following steps must be taken or an error will result and the Year End Close will not take place.

1. Choose the Segment that you want to close to.
2. Set up a Retained Earnings Account for each number combination for that segment.

To locate all of the number combinations for this segment, go to the Account Segment Setup window under Setup | Financial | Segment (Version 8.0 Tools | Setup | Financial | Segment).

For example:

Choose the second segment and do a lookup on this segment to see a list of all the number combinations for this segment in the Chart of Accounts.

Now refer back to the General Ledger Setup window. The Retained Earnings account in the Chart of Accounts is 000-3030-00.

If your Retained Earnings account is 01-000000-3000-001-0 and you are closing Divisional Retained Earnings accounts to the second segment, here is an example of the Retained Earnings Accounts that must be created for each account number.

Account Number	Corresponding Retained Earnings
02-534221-2000-002-0	01-534221-3000-001-0
03-589421-5050-001-0	01-589421-3000-001-0
04-598421-6451-002-0	01-598421-3000-001-0

Use the same account numbers but select to close to the first segment. Here is what the corresponding Retained Earnings Accounts would look like.

Account Number	Corresponding Retained Earnings
02-598421-6451-0002-0	02-000000-3000-001-0
03-589421-5050-0001-0	03-000000-3000-001-0
04-598421-6451-0002-0	04-000000-3000-001-0

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## Correcting Accounts Set Up with the Wrong Posting Type After Year-End Close

How to correct accounts set up with the wrong posting type after closing the year in General Ledger.

### Profit and Loss Account Set Up as a Balance Sheet Account

If you have a Profit and Loss Account set up as a Balance Sheet Account, the Profit and Loss Account will have a Beginning Balance after the Year-End Close.

To correct this situation use the following steps.

1. Make a full backup.
2. Be sure that the Account(s) is still set to the INCORRECT Posting Type.
3. Go into the Multicurrency Setup window (Setup | Financial | Multicurrency) and unmark Maintain History for General Ledger Account:
  - A. Click Setup, click Financial, and then click Multicurrency.

(Version 8.0 - click Tools, click Setup, click Financial, and then click Multicurrency.)

B. Under Maintain History, unmark the General Ledger Account box.

Note: If you are not registered for Multicurrency, rename the MC40000.\* files (MC40000.IDX and MC40000.DAT if on ctree, MC40000.BTR if on Pervasive.SQL) located in the Company's Finance directory. \*\*\*For SQL customers, run this statement against the Company database:

```
UPDATE MC40000 SET MNSUMHST=0
```

4. Click Setup, click Financial, click General Ledger, (Version 8.0 click Tools, click Setup, click Financial, then click General Ledger) and then unmark Maintain History for Accounts and Transactions check boxes.

5. In this same window, be sure Allow Posting to History is marked. Choose OK to save the changes.

6. Click Setup, click Company, click Fiscal Periods and make sure the fiscal period is open. (Version 8.0 click Tools, click Setup, click Company, and then click Fiscal Periods.)

7. Click Transactions, click Financial, click General and enter the appropriate journal entry. Be sure the transaction date is in the closed year so that the entry goes into history.

For example, if the Profit and Loss Account has a Debit Beginning Balance after the Year-End Close, you would make an entry similar to the one that follows. Retained Earnings Debit Profit and Loss Account Credit Enter one transaction for each Account with an incorrect Posting Type.

8. Click Post to post the transaction(s). The posting procedure will only affect the current year because the maintaining history options have been turned off. It will post a Beginning Balance transaction into the new year and therefore the Accounts will now have the correct balances.

9. Click Setup, click Financial, click General Ledger, (Version 8.0 click Tools, click Setup, click Financial, and click General Ledger) and remark Maintain History for Accounts and Transactions.

10. In this same window, be sure that Allow Posting to History is set correctly. Choose OK to save the changes.

11. If Multicurrency is a registered module, go to Multicurrency Setup and remark to Maintain History for General Ledger Account.

A. Click Setup, click Financial, and then click Multicurrency.

(Version 8.0 click Tools, click Setup, click Financial and then click Multicurrency)

B. Under Maintain History, mark the General Ledger Account box.

If Multicurrency is not registered, rename the MC40000.\* files (MC40000.IDX and MC40000.DAT if on ctree, MC40000.BTR if on Pervasive.SQL) back to the original name. \*\*\*For SQL customers, run this statement against the Company database:

```
UPDATE MC40000 SET MNSUMHST=1
```

12. Click Cards, click Financial, click Account and select the Account(s) with the incorrect Posting Type and change the Posting Type to the correct one.

### **Balance Sheet Account Set Up as a Profit and Loss Account**

If you have a Balance Sheet Account set up as a Profit and Loss Account, the Balance Sheet Account will have a Beginning Balance of ZERO after the Year-End Close.

To correct this situation use the following steps.

1. Make a full backup.

2. Be sure that the Account(s) is set to the CORRECT Posting Type. Click Cards, click Financial, and then click Account. Select the account with the incorrect posting type and select the correct posting type. Click Save.

3. Go into the Multicurrency Setup window and unmark Maintain History for General Ledger Account.

A. Click Setup, click Financial, and then click Multicurrency.

(Version 8.0, click Tools, click Setup, click Financial, and then click Multicurrency)

B. Under Maintain History, unmark the General Ledger Account box.

Note: If you are not registered for Multicurrency, rename the MC40000.\* files (MC40000.IDX and MC40000.DAT if on ctree, MC40000.BTR if on Pervasive.SQL) located in the Company's Finance directory. \*\*\*For SQL customers, run this statement against the Company database:

```
UPDATE MC40000 SET MNSUMHST=0
```

4. Click Setup, click Financial, click General Ledger (Version 8.0 click Tools, click Setup, click Financial, and then click General Ledger) and under Maintain History, unmark Accounts and Transactions.

5. In this same window, be sure Allow Posting to History is marked. Choose OK to save the changes.

6. Click Setup, click Company, click Fiscal Periods (Version 8.0 click Tools, click Setup, click Company, and then click Fiscal Periods) and make sure the fiscal period is open.

7. Click Transactions, click Financial, click General and enter the appropriate journal entry. Be sure the transaction date is in the closed year so that the entry will update Beginning Balances.

For example, if the Balance Sheet Account should have a Debit Beginning Balance, you would make an entry similar to the one that follows. Balance Sheet Account Debit Retained Earnings Credit Enter one transaction for each Account that had an incorrect Posting Type.

8. Click Post to post the transaction(s). The posting procedure will only affect the current year, because the maintaining history options have been turned off. It will post a Beginning Balance transaction into the new year and therefore, the Accounts will now have the correct balances.

9. Click Setup, click Financial, and then click General Ledger (Version 8.0, click Tools, click Setup, click Financial, and then click General Ledger) and under Maintain History, remark Accounts and Transactions.

10. In the same window, be sure that Allow Posting to History is set correctly. Choose OK to save your changes.

11. If Multicurrency is a registered module, remark to Maintain History for General Ledger Account:

A. Click Setup, click Financial, and then click Multicurrency.

(Version 8.0, click Tools, click Setup, click Financial, and then click Multicurrency.)

B. Under Maintain History, mark the General Ledger Account box.

If Multicurrency is not registered, rename the MC40000.\* files (MC40000.IDX and MC40000.DAT if on ctree, MC40000.BTR if on Pervasive.SQL) back to the original name. \*\*\*For SQL customers, run this statement against the Company database:

```
UPDATE MC40000 SET MNSUMHST=1
```

12. Click Cards, click Financial, click Account and bring up the Account(s) with the incorrect Posting Type and make sure the Posting Type is the correct one.

---

## **"Retained Earnings account not found" error message in General Ledger Year-End Closing process**

When you close to Divisional Retained Earnings, you CANNOT do more than one segment with the different Retained Earnings.

In this case, the user was trying to close by their department segment which did have a retained earnings account set up for each department. The problem was that they also had a different alpha-numeric defined for another segment as well as for the department, which caused the error. If accounts are set up with two segments that have differing account numbers as below, you will not be able to close to divisional retained earnings accounts. For example:

A-000-3030-00  
B-100-3030-00  
C-200-3030-00

You cannot close by the second segment, which is the department in this case. After you decide which segment you want to close by, then the rest of the segments must be the same. So in this case, you can either:

1. If you close by the second segment (000, 100, 200) you must change the first (alpha-numeric) segment to be all the same- A-000-3030-00, A-100-3030-00 in order to close using divisional retained earnings by the second segment.

OR

2. If you want to close by the first segment (A, B, C), then the second segment must be changed to all be the same whether it is A-000-3030-00, B-000-3030-00, or A-100-3030-00, B-100-3030-00. The second segment must be exactly the same for all accounts.

---

## Query to Clear Beginning Balances for Unit Accounts

### Issue

The General Ledger fiscal year has been closed and the balances for all unit accounts rolled forward. However, the user wants no beginning balances for the unit accounts.

### Resolution

Since eEnterprise treats unit accounts as if they were balance sheet accounts, the balances do roll forward. In order to clear these beginning balances out of the current open year, run the following SQL query against the Company Database in Microsoft SQL Server's Query Analyzer: (\*Make a backup of the GL20000 table before executing the statement.)

```
delete GL20000 from GL00100, GL20000 where GL00100.ACTINDX = GL20000.ACTINDX and GL00100.ACCTTYPE = 2 and GL20000.SOURCDOC = 'BBF'
```

Note - You will need to reconcile your years (Utilities | Financial | Reconcile for version 7.x and Tools | Utilities | Financial | Reconcile for version 8.0) after running the statement in Query Analyzer. We recommend starting with the oldest historical year and working your way to the most current, open year. This will update the summary tables with the correct balance.

---

## General Ledger Year End Close Still in Process and Batches Cannot be Posted

### SYMPTOM

Have run the Year End Close procedure and everything processed fine. Received Year End Close report, did not receive any errors and year is appearing as historical. When trying to post a transaction, receive message the Year End Close is still in process and batches cannot be posted.

### RESOLUTION

For some reason, the system is still seeing the Year End Closing batch in the batch activity file. Make a backup and then complete the following steps to clear the batch:

**Microsoft SQL:** In Query Analyzer, run a delete statement on the SY00800 (Batch Activity) against the Dynamics Database to remove the GL\_Close batch.

```
delete SY00800
```

**Ctree/Btrieve:** Rename the SY00800.\* file in the System folder of your Dynamics data.

---

# Payroll Year-End Closing Procedures

## SUMMARY

This section discusses the payroll year-end update and the 2006 tax update.

**Note:** Before you follow the instructions in this article, make sure that you have a complete backup copy of the database that you can restore if a problem occurs.

Read this entire section before you perform any one of the steps. If you have any questions, contact us at AB Computer.

## Payroll Year-End Checklist

To perform the year-end closing procedures, follow these steps:

1.	Verify the version of Microsoft Dynamics GP
2.	Complete all pay runs for the current year
3.	Complete all monthly and quarterly payroll period-end procedures for the current year
4.	Make a backup of the original file
5.	Install the Year-End Update
6.	Create the Year-End file
7.	Make a backup of the new file
8.	Verify W-2 and 1099-R statement information
9.	Print the W-2 statements and the W-3 Transmittal form
10.	Print the 1099-R forms and the 1096 Transmittal form
11.	(Optional:) Create a magnetic media file
12.	(Optional:) Archive inactive employee Human Resources information
13.	Set up fiscal periods for 2007
14.	(Optional:) Close fiscal periods for the payroll series for 2006
15.	Install the payroll tax update for 2007

## Alternative payroll Year-End checklist

If you must process 2006 pay runs before you complete the year-end closing procedures, follow the steps in this alternative checklist:

1.	Verify the version of Microsoft Dynamics GP
2.	Complete all pay runs for the current year
3.	(Optional:) Complete all monthly and quarterly payroll period-end procedures for the current year
4.	Make a backup of the original file
5.	Install the Year-End Update
6.	Create the year-end file
7.	Make a backup of the new file
8.	Verify W-2 and 1099-R statement information
9.	(Optional:) Archive inactive employee Human Resources information
10.	Set up Fiscal Periods for 2007
11.	(Optional:) Close the fiscal periods for the Payroll series for 2006
12.	Install the payroll tax update for 2007
13.	Process the 2007 pay runs. The user date must occur in 2007.
14.	Print the W-2 statements and the W-3 Transmittal form
15.	Print the 1099-R forms and the 1096 Transmittal form
16.	(Optional:) Create a magnetic media file

## Payroll module Year-End Detail

### Verify the version of Microsoft Dynamics GP

The 2006 Payroll Year-End Update file and the 2007 Payroll Tax Update file will be available for Great Plains 8.0 and for Dynamics GP 9.0. The 2006 payroll tax updates are not compatible with versions of Microsoft - Great Plains that are earlier than version 8.0.

Before you complete the steps in this section, you should install the latest service packs for Microsoft Great Plains according

to the following table. To view the version information, click **Help**, and then click **About Microsoft Business Solutions - Great Plains**.

Microsoft Great Plains version	Service pack	Dexterity runtime
8.00g73	Service Pack 5	8.00m79
9.00.0281	Service Pack 2	9.00.0073.0

## Complete all pay runs for the current year

### (Optional:) Complete all monthly and quarterly payroll period-end procedures for the current year

For more information about period-end procedures for payroll, view Chapter 21, "Payroll Company Routines," in the Microsoft Dynamics GP user's manual.

#### Make a backup of the original file

Create a backup, and then put this backup into safe, permanent storage. By creating a backup, you make sure that you have a permanent record of the company's financial position at the end of the year. You can restore the backup to quickly recover data if a power fluctuation or other problem occurs during the year-end closing procedure.

To create a backup in Microsoft Great Plains or in Microsoft Dynamics GP, follow these steps:

1. On the **File** menu, click **Backup**. The **Back Up Company** dialog box opens.
2. In the **Company Name** list, click your company name.
3. Change the path of the backup file if it is required, and then click **OK**.  
**Note** We recommend that you name this backup **2006 Pre Year-End Tax Update** to differentiate it from your other backups.

## Install the year-end update

To install the payroll year-end update, you must follow these steps on each computer that has Microsoft Great Plains or Microsoft Dynamics GP installed:

#### Microsoft Dynamics GP 9.0

Install the update from: <https://mbs.microsoft.com/customersource/support/downloads/taxupdates/>

#### Microsoft Great Plains 8.0 and Microsoft Dynamics GP 9.0

1. On the **Help** menu, point to **Products and Services**, and then click **Check for Year-End Updates**.
2. In the **Payroll Year-End Update** dialog box, click **Automatic**, and then click **Next**.
3. In the **Authorization Number** field of the **Log on to Customer Source for Year-End Update** dialog box, enter your authorization number.
4. In the **Payroll Year-End Update** dialog box, click **Finish**.

## Create the year-end file

To create the year-end file, follow these steps:

1. On the **Tools** menu, point to **Routines**, point to **Payroll**, and then click **Year-End Closing**.
2. In the **Year** field, type **2006**, and then click **Process**.

**Note** You can install the payroll tax update for 2006 any time after the year-end file for 2005 has been created.

## Make a backup of the new file

Create a backup, and then put this backup into safe, permanent storage. By creating a backup, you make sure that you have a permanent record of the company's financial position at the end of the year. You can restore the backup to quickly recover data if a power fluctuation or other problem occurs during the year-end closing procedure.

To create a backup in Microsoft Great Plains or in Microsoft Dynamics GP, follow these steps:

1. On the **File** menu, click **Backup**. The **Back Up Company** dialog box opens.
2. In the **Company Name** list, click your company name.
3. Change the path of the backup file if it is required, and then click **OK**.  
**Note** We recommend that you name this backup **Post Year-End File** to differentiate it from your other backups.

## Verify W-2 and 1099-R statement information

To view the W-2 information, click **Tools**, point to **Routines**, point to **Payroll**, and then click **Edit W-2s**.

To view the 1099-R information, click **Tools**, point to **Routines**, point to **Payroll**, and then click **Edit 1099-Rs**.

**Note** If you change the W-2 or the 1099-R information, we recommend that you make another backup.

## Print the W-2 statements and the W-3 Transmittal form

To print the W-2 statements, follow these steps:

1. On the **Tools** menu, point to **Routines**, point to **Payroll**, and then click **Print W-2s**.
2. In the **Print W-2 Forms** dialog box, specify the following settings:
  - **Print W-2s for: Normal Year-End**
  - **Print: W-2 Forms**
3. Click **Print**.

**Note** You can print employee W-2 statements as many times as you have to.

To print the W-3 Transmittal Form, follow these steps:

1. On the **Tools** menu, point to **Routines**, point to **Payroll**, and then click **Print W-3s**.
2. In the **Print W-2 Forms** dialog box, specify the following settings:
  - **Print W-2s for: Normal Year-End**
  - **Print: W-3 Transmittal Form**
3. Click **Print**.

**Note** You can print the W-3 Transmittal Form as many times as you have to.

## Print the 1099-R forms and the 1096 Transmittal form

To print the 1099 forms, follow these steps:

1. On the **Tools** menu, point to **Routines**, point to **Payroll**, and then click **Print 1099Rs**.
2. In the **Print 1099-R Forms** dialog box, click **1099-R Forms**, and then click **Print**.

**Note** You can print employee 1099-R forms as many times as you have to.

To print the 1096 Transmittal form, follow these steps:

1. On the **Tools** menu, point to **Routines**, point to **Payroll**, and then click **Print 1099Rs**.
2. In the **Print 1099-R Forms** dialog box, click **1096 Transmittal Form**, and then click **Print**.

**Note** You can print the 1096 Transmittal form as many times as you have to.

## (Optional:) Create a magnetic media file

To create a magnetic media file, follow these steps:

1. On the **Tools** menu, point to **Routines**, point to **Payroll**, and then click **W-2 Magnetic Media**.
2. In the **Magnetic Media** dialog box, click to select the check box that is next to each company that you want to include in your magnetic media file.
3. In the **PIN** field, enter the PIN.
4. Click **Submitter**. The **Magnetic Media Submitter Information** dialog box opens.
5. Enter the authorized submission information.
6. Close the **Magnetic Media Submitter Information** dialog box.
7. Change the file destination information in the **File Name** field if it is required.
8. Click **Create File**.

## (Optional): Archive inactive employee Human Resources information

To archive inactive employee Human Resources information, click **Tools**, point to **Utilities**, point to **Human Resources**, and then click **Archive Employee**.

## Set up fiscal periods for 2007

To set up fiscal periods for 2006, follow these steps:

1. On the **Tools** menu, point to **Setup**, point to **Company**, and then click **Fiscal Periods**.
2. In the **Year** field, type **2007**, and then click **Calculate**.  
**Note** You may want to close all periods except period 1 to prevent users from posting to future periods.

3. Click **OK**.

### **(Optional:) Close fiscal periods for the payroll series for 2006**

You can use the **Fiscal Periods Setup** dialog box to close any fiscal periods that are still open for the year. By closing fiscal periods, you prevent users from accidentally posting transactions to the wrong period or to the wrong year.

Before you close a fiscal period, verify that you have posted all transactions for the period and for the year for all modules. To later post a transaction to a fiscal period that you have closed, you must first reopen the period in the **Fiscal Periods Setup** dialog box.

To close a fiscal period, follow these steps:

1. On the **Tools** menu, point to **Setup**, point to **Company**, and then click **Fiscal Periods**.
2. Click to select the **Payroll** check box for each **Period** that you close.

### **Install the payroll tax update for 2007**

**Note** Do not install the payroll tax update for 2006 until the year-end file has been created for 2006.

**Microsoft Great Plains 8.0 and Microsoft Dynamics GP 9.0**

To install the payroll tax update for 2007, follow these steps:

1. On the **Help** menu, point to **Products and Services**, and then click **Check for Payroll Tax Updates**.
  2. In the **Tax Update Method** dialog box, click **Automatic**, and then click **Next**.
  3. In the **Authorization Number** field, type your authorization number, and then click **Log in**.
  4. Click **Finish**.
-

# Inventory Year-End Closing Procedures

## SUMMARY

Use the procedure described in this section to close the year for Inventory Control and prepare your Inventory records for the new fiscal year. Closing a year transfers all summarized current-year Quantity, Cost and Sales amounts to transaction history for the Items for which you've been keeping summarized Sales History. This procedure also updates each Item's Beginning Quantity to the Quantity on Hand at each Site.

## Inventory Year-End Checklist

1.	Post all transactions for the year.
2.	Reconcile Inventory Quantities.
3.	Complete a Physical Inventory count and post any adjustments.
4.	Print additional reports.
5.	Make a backup.
6.	Close the year.
7.	Close the fiscal periods for the Inventory series (optional).
8.	Make a final backup.

## Inventory Year-End Detail

1.	<p>Post all transactions for the year</p> <p>Be sure that all Invoicing, Sales Order Processing and Inventory transactions for the current year have been entered and posted before you close the year. This is important to ensure that historical information is accurate for the year you're closing and year-to-date amounts are accurately stated for the new year. If you wish to enter future-period transactions before closing the year, create a new batch with new transactions, but don't post it until after the year has been closed.</p>
2.	<p>Reconcile Inventory Quantities</p> <p>Reconcile Quantities for all Inventory Items using the Reconcile Inventory Quantities window (Utilities   Inventory   Reconcile) to ensure that your Inventory Control data hasn't become damaged over the course of the year. If any discrepancies are found during the Reconcile process, the Quantities will be adjusted. If adjustments are made, they'll be reflected on the Reconcile Report, along with any Serial Numbers and Lot Numbers that were added for the adjusted Items. If you want to edit these Serial and Lot Numbers, you can use the Item Transaction Entry window (Transactions   Inventory   Transaction Entry) to do so by making adjustment transactions.</p>
3.	<p>Complete a Physical Inventory count and post any adjustments</p> <p>a. Use the Stock Calendar Maintenance window (Setup   Inventory   Stock Calendar) to set up and maintain</p>

information about when stock counts can be performed, and which days will be “counted” when the system calculates suggested dates for the next stock count for a specific item-site combination.

- b. The Stock Count Cycle Assignment window (Cards | Inventory | Count Cycle Assign.) can be used if desired to assign one stock count frequency to many items.
- c. Create a Stock Count Schedule (Transactions | Inventory | Stock Count Schedule) — a list of the specific items at a specific site that will be counted during a specific count. When you start a stock count schedule, the quantity on hand for each line in the stock count schedule is captured. Later, the actual count number quantities will be compared to the captured values to create default variance transactions. Stock Count Forms can be printed during this process.
- d. Use the Stock Count Entry (Transactions | Inventory | Stock Count Entry) window to enter information about the results of your stock counts. When you process a stock count, variance transactions are created. If the Autopost Stock Count Variances option is marked, the transactions also will be posted.

Instead of going through the Stock Count procedure listed above, you could manually create your adjusting entries. Print a Physical Inventory Checklist using the Inventory Activity Reports window (Reports | Inventory) and perform a physical count of your Inventory Items to verify that Quantity on Hand amounts are accurate for all Items. If discrepancies exist, enter the necessary adjustments in the Item Transaction Entry window (Transactions | Inventory | Transaction Entry) and post them.

4. Print additional reports

Print any additional reports you'll need for planning or your permanent records, including the **Stock Status Report, Purchase Receipts Report, Turnover Report, Transaction History Report, Serial Number List, and Lot Number List**. Use selections from the Inventory Reports palette (Reports | Inventory) to print these reports. If you plan to remove sold Purchase Receipts during the year-end closing process, we recommend that you print the Purchase Receipts Report to review the receipts that will be removed.

5. Make a backup

Make a backup of all Company data. This is important to ensure that you'll be able to recover quickly should a power fluctuation or other problem occur during the year-end closing procedure.

6. Close the year

Closing a year accomplishes the following tasks:

- Transfers all summarized current-year Quantity, Cost and Sales amounts to transaction history for the Items for which you've been keeping summarized Sales History.
- Updates the Item's Beginning Quantity to the Quantity on Hand at each Site. Certain reports, such as the Turnover Report, use the Beginning Quantity field for report calculations.
- Zeros the Quantity Sold field in Item Quantities Maintenance (Cards | Inventory | Item | Qtys/Sites) for each Site.
- Remove Purchase Receipts for Items that have been completely sold.
- Remove any discontinued Items from the Item records that have been completely sold.
- Remove any Lot attributes from the records of Lot Numbered Items if they've been completely sold.
- Updates the Standard Cost of each Item to the current Cost if you're using either the FIFO periodic or LIFO periodic Valuation Method.
- Uses the Inventory Year-End Closing (Routines | Inventory | Year-End Close) to close the year.

Use the following descriptions to learn more about each option:

- Remove: Discontinued Items - If you mark the Discontinued Items option, all discontinued Items that have a zero balance will be removed during the year-end closing process. (Items can be designated as discontinued using the Item Maintenance window.) Discontinued Items that have a Quantity On Hand of zero (except for

kit components) and do not have any unposted transactions will be completely removed from the Inventory module. Note - If using the Service module, verify whether any discontinued Items exist on any unposted service documents. If so, the documents must be posted before proceeding. The Sales Order Processing, Invoicing, or Purchase Order Processing reports and inquiries will still be able to pull information regarding these discontinued Items, however you will not be able to do a lookup on the Item Number since it has been removed from the Item Master. If you would like to print a report or inquire on the discontinued Item, you will need to include the Item within the Item Number Range.

**Note** If you select this option, you will remove the discontinued items. Additionally, you will remove all inventory history for the items. You will not be able to drill back on the inventory history for these items.

- **Remove: Sold Receipts** - If you mark Sold Receipts, all Sold Receipts whose Quantity Received and Quantity Sold amounts are equal will be removed. This is an optional step and may not be a procedure that is done every year-end. These values may be helpful when Items are returned through Invoicing so you may not want to remove the Receipts from the file.
- **Remove: Sold Lot Attributes** - If you mark Sold Lot Attributes, values for completely sold Lot Numbers will be removed. For example, you can remove the value red for the Lot attribute color if you've sold all Lot Numbered Items that have been assigned the value red.
- **Update: Item's Standard Cost** - If you mark Item's Standard Cost, the Standard Cost for any Items that have been assigned the FIFO periodic or LIFO periodic Valuation Method will be adjusted automatically to reflect each Item's current Cost or the amount you most recently paid for the Item.

When you've selected all the options you want, click **Process** to begin the year-end closing process. While the year is being closed, you won't be able to post, reconcile Quantities, change Valuation Methods or change Decimal Places for Items.

#### 7. Close the fiscal periods for the Inventory series (optional)

You can use the Fiscal Periods Setup window (Setup | Company | Fiscal Periods) to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year. Be sure you've posted all transactions for the period and year for all modules before closing fiscal periods. If you later need to post transactions to a fiscal period you've already closed, you'll need to return to the Fiscal Periods Setup window to reopen the period before you can post the transaction.

#### 8. Make a final backup

Make a final backup of your Company's data files and keep it in safe, permanent storage. This gives you a permanent record of the Company's financial position at the time you closed the year, and can be restored later if necessary.

## Inventory Year-end Closing Tips

- The year-end close must be done before any transactions for the new year have been posted.
- You have the option of marking Discontinued Items, Sold Receipts or Sold Lot Attributes. If marked, all Items, Sold Receipts or Sold Lot Attributes that have a zero balance will be removed during the year-end closing process.
- If you mark Update Item's Standard Cost, the Standard Cost for any Items that have been assigned the FIFO periodic or LIFO periodic Valuation Method will be adjusted automatically to reflect each Item's current Cost, which is the amount you most recently paid for the Item.
- There is no Year End Closing report for Inventory.

## Inventory Year-end Questions and Answers

**Q1: How is the Average Cost of an Item updated throughout the year and during the year-end closing process when using the Average Perpetual Method of Costing?**

**A1:** If you're using the Average Perpetual Costing Method, all Receipts for each Item will be averaged to determine the Average Cost. Even if Quantities are sold, the Average doesn't change until another Purchase Receipt for the Item is posted to the Inventory Purchase Receipts File. The year-end closing process doesn't change the Average Cost, but it will remove the Purchase Receipts that have been completely sold. The next time a Receipt is entered, the Average Cost will be revalued with the Receipts that remain in the Inventory Purchase Receipts File.

**Q2: Can the Inventory Year-End Closing window (Routines | Inventory | Year-End Close) be used throughout the year to update the standard Cost of Items if using the Periodic Valuation Method?**

**A2:** This is not recommended because the Beginning Quantity field is updated during the year-end closing process. This would make that field incorrect on reports such as the Turnover Report.

---

## Order in Which Reconcile Should be Run for the Distribution Series

### INTRODUCTION

This describes the order in which we recommend that you run the reconcile procedures in Sales Order Processing, in Purchase Order Processing, and in Inventory Control in Microsoft Dynamics GP 9.0 and in Microsoft Business Solutions - Great Plains 8.0.

#### Step 1: Reconcile Sales Order Processing

To reconcile Sales Order Processing, point to **Utilities** on the **Tools** menu, point to **Sales**, and then click **Reconcile - Remove Sales Documents**.

#### Step 2: Reconcile Purchase Order Processing

To reconcile Purchase Order Processing, point to **Utilities** on the **Tools** menu, point to **Purchasing**, and then click **Reconcile Purchasing Documents**.

#### Step 3: Reconcile Inventory

To reconcile Inventory, point to **Utilities** on the **Tools** menu, point to **Inventory**, and then click **Reconcile**.

#### Step 4: Reconcile Field Service

**Note** This step is required only if you are using any one of the Field Service functionalities. This step will reconcile all Field Service functionalities.

To reconcile Field Service, point to **Utilities** on the **Tools** menu, point to **Project**, point to **Service Utilities**, and then click **Reconcile Quantities**.

**Note** If you are using Intellisol's Advanced Purchase Order Processing, use the following order for reconciling:

1.	Sales Order Processing
2.	Inventory
3.	Advanced Purchase Order
4.	Field Service

**Note** You must contact WorkforceROI support for information about reconciling the Intellisol Advanced Purchase Order Processing product.

---

## Inventory accidentally closed twice

If you close Inventory twice you should restore a back up from before the second close was done and re-enter any information that was entered since the back up was made. If this is not possible, follow the appropriate instructions below:

If Inventory was closed twice but no transactions that involve inventory items (from Inventory, Sales Order, Invoicing or Purchase Order) have been entered and posted:

1. Your Item Sales information in the Current Year and Last Year Columns in the Item History Window (Cards | Inventory | History) will be wrong. The current year and last year fields will be all 0's. The current year should be 0's, but the last year fields should show the totals from the year you just closed. These fields will have to be edited manually.
2. Your Turnover Report, (Reports | Inventory | Analysis | Turnover Report), will be correct since the beginning balance for the new year is updated by the current on hand quantity.

If Inventory was closed twice and transactions that involve inventory items (from Inventory | Sales Order | Invoicing, or Purchase Order) have been entered and posted after the first closing but before the second closing:

1. Your Item Sales information in the Current Year and Last Year Columns in the Item History Window (Cards | Inventory | History) will be wrong. The current year should be edited to show quantities and amounts that reflect transactions for the new year that have been posted. The last year fields should reflect the YTD amounts from the closed year. These fields will have to be edited manually.
  2. Your Turnover Report, (Reports | Inventory | Analysis | Turnover Report), will be incorrect since the beginning balance used in the report calculations updates with the on hand quantity at the time the year is closed. Since transactions have been entered and posted for the new year, the on hand quantity does not reflect the year end quantity.
- 

## Inventory year end close does not remove discontinued items

### Question:

When performing the Inventory Year-End Closing routine (**Routines - Inventory - Year-End Close**), I choose **Discontinued Items** for my Remove option; however, the discontinued items did not get removed. Why?

### Answer:

If any of the discontinued items are components of kits, they will first need to be removed as components of the kits. You can use the Component Report (**Reports - Inventory - Items - Kit List**) to identify the components. To remove the item from the kit, use the Item Kit Maintenance window (**Cards - Inventory - Kits**). Select the kit item and find the discontinued item component. Highlight the item, and choose **Edit - Delete Row** to remove it as a component. Save the change you made.

Next, check if the items are finished goods or components of bills of materials. The BM Component Where-Used Report can be used to identify which discontinued items are components of bills of materials. This report is found under **Reports - Inventory - Setup - Component Where Used**. In the report option, all Bill and Component Statuses should be checked: Active, Pending, and Obsolete.

The BM Bill of Materials Report can be used to find which discontinued items are bills of materials. This report is found under **Reports - Inventory - Setup - Single-level Bill of Materials**. In the report option, all Bill Statuses should be checked: Active, Pending, and Obsolete.

If any of the discontinued items are components of a bill of materials, the components need to be removed from the bills. This is true for all Statuses of the bills and components, including Active, Pending, and Obsolete. The components can be removed by going to **Cards - Inventory - Bill of Materials**, select the bill and the status, then find the component in the scrolling window. Click in the line, and choose **Edit - Delete Row** from the menu bar and save the changes.

If any of the discontinued items are bills of materials, the bill needs to be deleted. This is true for all bill statuses, including Active, Pending, and Obsolete. The bill can be deleted by going to **Cards - Inventory - Bill of Materials**, select the bill and the status, then click Delete and confirm.

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# Receivables Management Year-End Closing Procedures

## SUMMARY

This section contains checklists for the year-end closing process in Receivables Management in Microsoft Dynamics GP and in Microsoft Business Solutions - Great Plains. This section also contains detailed information for each step in the year-end closing process and for adding the year-to-date finance charge information to customer statements for December and for January. This following describes the recommended year-end closing procedures for Receivables Management in Microsoft Great Plains and in Microsoft Dynamics GP. Read this section before you perform any one or more of the procedures.

**Note** Before you follow the instructions in this section, make sure that you have a complete backup copy of the database that you can restore if a problem occurs.

## Receivable Management Year-End Closing Checklist

You can use this checklist for the end of the fiscal year and for the end of the calendar year.

**Note** Although Receivables Management is date sensitive in Microsoft Great Plains 7.0 and later versions of Microsoft Great Plains, the following are updated based on the closing of Receivables Management:

- The SmartList objects
- The Receivables Management summary reports
- The Amounts Since Last Close view in the Customer Summary dialog box

Therefore, we recommend that you follow these steps so that the SmartList objects, the Receivables Management summary reports, and the **Amounts Since Last Close** view contain the correct information:

1.	Post all sales and receivables transactions for the year.
2.	Make a pre-year-end closing backup.
3.	Close the year.
4.	Close the fiscal periods. (This step is optional.)
5.	Close the tax year.
6.	Make a post-year-end closing backup.

## Receivable Management Year End Detail

### *Step 1: Post all sales and receivables transactions for the year*

Post all the sales and receivables transactions for the year before you close the year. If you want to enter sales and receivables transactions for a future period before you close the year, create a batch that contains the transactions. Save the batch. Post the batch after you close the year.

You must close the year because some areas of Microsoft Dynamics GP are not date sensitive. If you do not close the year after you enter all the transactions for 2005 and before you enter all the 2006 transactions, these areas will contain incorrect information. However, you can change information in the **Amounts Since Last Close** view in the **Customer Summary** dialog box and in the **Customer Finance Charge Summary** dialog box if you have to change that information. The following are the areas of Microsoft Dynamics GP that are not date sensitive:

- The **Amounts Since Last Close** view in the **Customer Summary** dialog box.

To open the **Amounts Since Last Close** view in the **Customer Summary** dialog box, follow these steps:

1. On the **Cards** menu, point to **Sales**, and then click **Summary**.
2. In the **Customer Summary** dialog box, type a customer ID in the **Customer ID** box.
3. In the **Summary View** list, click **Amounts Since Last Close**.

- The **Customer Finance Charge Summary** dialog box.

To open the **Customer Finance Charge Summary** dialog box, follow these steps:

1. On the **Cards** menu, point to **Sales**, and then click **Summary**.
2. In the **Customer Summary** dialog box, type a customer ID in the **Customer ID** field.
3. Click **Finance Charges**.

- The SmartList objects

To view the SmartList columns that are affected, follow these steps:

1. On the **View** menu, click **SmartList**.
2. Click **Customers**.
3. Click **Columns**.
4. Click **Add**.
5. Select the following items in the **Available Columns** list.

**Note** The items that are flagged with an asterisk are affected by the calendar year-end close. All the other items are affected by the fiscal year-end close.

- Average Days to Pay - Year
- Finance Charges CYTD\*
- Finance Charges LYR Calendar\*
- High Balance LYR
- High Balance YTD
- Number of ADTP Documents - LYR
- Number of ADTP Documents - Year
- Number of NSF Checks YTD
- Total # FC LYR\*
- Total # FC YTD\*
- Total # Invoices LYR
- Total # Invoices YTD
- Total Amount of NSF Check YTD
- Total Bad Debt LYR
- Total Bad Debt YTD
- Total Cash Received LYR
- Total Cash Received YTD
- Total Discounts Available YTD
- Total Discounts Taken LYR
- Total Discounts Taken YTD
- Total Finance Charge LYR\*
- Total Finance Charge YTD\*
- Total Returns LYR
- Total Returns YTD
- Total Sales LYR
- Total Sales YTD
- Total Waived FC LYR\*

- Total Waived FC YTD\*
- Total Writeoffs LYR
- Total Writeoffs YTD
- Unpaid Finance Charges YTD\*
- Write Offs LYR
- Write Offs YTD

6. Click **OK**.

7. Click **OK**.

## ***Step 2: Make a pre-year-end closing backup***

Create a backup before you close the year. Put the backup in safe permanent storage. This backup makes sure that you have a permanent record of the company's financial position at the end of the year. You can restore from this backup if you have to. For example, this backup would let you quickly recover if a power fluctuation or another problem occurs during the year-end close procedure.

To create a back up in Microsoft Dynamics GP or in Microsoft Great Plains, follow these steps:

1. On the **File** menu, click **Backup**.

2. In the **Back Up Company** dialog box, select your company name in the **Company Name** list.

3. Change the path of the backup file if it is required, and then click **OK**.

**Note** We recommend that you name this backup "PreYearEndClosingBackup2005."

## ***Step 3: Close the year***

1. Use the appropriate method:

- In Microsoft Great Plains 7.0 and 7.5, click **Routines**, click **Sales**, and then click **Year-End Close**.
- In Microsoft Great Plains 8.0 and in Microsoft Dynamics GP 9.0, point to **Routines** on the **Tools** menu, point to **Sales**, and then click **Year-End Close**.

2. If you are closing both the fiscal year and the calendar year at the same time, click **All**. If you are closing only the calendar year, click **Calendar**. If you are closing only the fiscal year, click **Fiscal**.

3. Click to select the **Print Report** check box, and then click **Close Year**.

**Note** We recommend that you keep a paper copy of the year-end report together with your permanent year-end audit records.

### **Calendar year details**

The calendar year-end process in Microsoft Dynamics GP and in Microsoft Great Plains clears the following fields in the **Customer Summary** dialog box :

- Finance Charges CYTD
- Total # FC YTD
- Total Finance Charge YTD
- Total Waived FC YTD
- Unpaid Finance Charges YTD

The calendar year-end process updates the amounts in the following fields:

- \*Finance Charges LYR Calendar
- \*Total # FC LYR

#### **Fiscal year details**

The fiscal year-end process in Microsoft Dynamics GP and in Microsoft Great Plains clears the following fields in the **Customer Summary** dialog box:

- Average Days to Pay - Year
- High Balance YTD
- Number of ADTP Documents - Year
- Number of NSF Checks YTD
- Total # Invoices YTD
- Total Amount of NSF Check YTD
- Total Bad Debt YTD
- Total Cash Received YTD
- Total Discounts Available YTD
- Total Discounts Taken YTD
- Total Returns YTD
- Total Sales YTD
- Total Writeoffs YTD
- Write Offs YTD

The fiscal year-end process updates the amounts in the following fields:

- High Balance LYR
- Number of ADTP Documents - LYR
- Total # Invoices LYR
- Total Bad Debt LYR
- Total Cash Received LYR
- Total Discounts Taken LYR
- Total Returns LYR
- Total Sales LYR
- Total Writeoffs LYR
- Write Offs LYR

### ***Step 4: Close the fiscal periods (This step is optional)***

Use the **Fiscal Periods Setup** dialog box to close any fiscal periods that are still open for the year to prevent users from accidentally posting transactions to the wrong period or to the wrong year. Verify that you have posted all the transactions for the period and for the year for all modules before you close fiscal periods. If you must later post transactions to a fiscal period that you already closed, you can return to the **Fiscal Periods Setup** dialog box to reopen the period so that you can post the transactions.

To close a fiscal period, follow these steps:

1. On the **Tools** menu, point to **Setup**, point to **Company**, and then click **Fiscal Periods**.
2. Click to select the **Sales** check box for the period that you want to close.

### ***Step 5: Close the tax year***

**Note** Follow these steps only after you complete the year-end closing procedures for all the sales and purchasing modules.

To close the tax year, follow these steps:

1. Use the appropriate method:
  - In Microsoft Great Plains 7.5 and 7.0, click Routines, click Company, and then click Year-End Close.
  - In Microsoft Dynamics GP 9.0 and in Microsoft Great Plains 8.0, point to Routines on the Tools menu, point to Company, and then click Tax Year-End Close.

2.	Click to select the <b>Close Year</b> check box and the <b>Print Report</b> check box.
3.	Click <b>Process</b> .  <b>Note</b> We recommend that you keep a paper copy of the year-end report together with your permanent year-end audit records.

### ***Step 6: Make a post-year-end backup***

Create a backup after you close the year. Put the backup in safe permanent storage. This backup makes sure that you have a permanent record of the company's financial position at the end of the year. You can restore from this backup if you have to. For example, this backup would let you quickly recover if a power fluctuation or another problem occurs during the year-end close procedure.

To create a backup in Microsoft Dynamics GP or in Microsoft Great Plains, follow these steps:

1.	On the <b>File</b> menu, click <b>Backup</b> .
2.	In the <b>Back Up Company</b> dialog box, click your company name in the <b>Company Name</b> list.
3.	Change the path of the backup file if it is required, and then click <b>OK</b> .  <b>Note</b> We recommend that you name this backup "PostYearEndClosingBackup2005."

### **Year-to-date finance charges on customer statements for December and for January**

Year-to-date finance charges are not automatically printed on customer statements for December and for January.

#### **December statements**

To add the year-to-date finance charges to the December statements, follow these steps:

1.	On the <b>Tools</b> menu, point to <b>Customize</b> , and then click <b>Report Writer</b> .
2.	In the <b>Product</b> list, click <b>Microsoft Dynamics GP</b> , and then click <b>OK</b> .
3.	Click <b>Reports</b> .
4.	Use the appropriate method: <ul style="list-style-type: none"> <li>• If you have not previously modified the statement form, click the statement form that you print in the <b>Original Reports</b> list, click <b>Insert</b>, and then click the statement form in the <b>Modified Reports</b> list.</li> <li>• If you previously modified the statement form, click the statement form in the <b>Modified Reports</b> list.</li> </ul>
5.	Click <b>Open</b> .
6.	In the <b>Report Definition</b> dialog box, click <b>Tables</b> .
7.	In the <b>Report Table Relationships</b> dialog box, click <b>RM Customer MSTR</b> , and then click <b>New</b> .

8.	In the <b>Related Tables</b> dialog box, click <b>Customer Master Summary</b> , and then click <b>OK</b> .
9.	Click <b>Close</b> .
10.	Click <b>Layout</b> .
11.	In the resource list in the <b>Toolbox</b> box, click <b>Customer Master Summary</b> .
12.	In the field list, drag <b>Finance Charges CYTD</b> to the layout of the report. You can position this field in any section of the report.
13.	On the <b>File</b> menu, click <b>Microsoft Dynamics GP</b> . When you are prompted to save the changes, click <b>Save</b> .
14.	<p>If you have not previously modified this report, you must grant security to the report by using one of the following methods:</p> <ul style="list-style-type: none"> <li>• Use the Advanced Security functionality: <ul style="list-style-type: none"> <li>a. On the Tools menu, point to Setup, point to System, and then click Advanced Security. If you are prompted, type the system password.</li> <li>b. Click View, and then click by Alternate, Modified and Custom.</li> <li>c. Expand Microsoft Dynamics GP, expand Reports, expand Sales, and then expand the statement form.</li> <li>d. Click Microsoft Dynamics GP (Modified).</li> <li>e. Click Apply, and then click OK.</li> </ul> <p><b>Note</b> By default, the current user and the current company are selected when you start the Advanced Security tool. Any changes that you make are for the current user and the current company. However, you can select additional users and additional companies in the Company area and in the User area of the Advanced Security dialog box.</p> </li> <li>• Use standard Microsoft Great Plains security: <ul style="list-style-type: none"> <li>a. On the Tools menu, point to Setup, point to System, and then click Security. If you are prompted, type the system password.</li> <li>b. In the User ID list, click the user ID of the user who you want to access the report.</li> <li>c. In the Type list, click Modified Reports.</li> <li>d. In the Series list, click Sales.</li> <li>e. In the Access List box, double-click the statement form, and then click OK. An asterisk appears next to the report name.</li> </ul> </li> </ul>

### January statements

To add the year-to-date finance charges to the January statements, follow these steps:

1.	Follow step 1 through step 11 in the "December statements" section.
2.	In the field list, drag <b>Finance Charges LYR Calendar</b> to the layout of the report. You can position this field in any section of the report.
3.	Follow step 13 and step 14 in the "December statements" section.

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## Effects of closing Great Plains Receivables Management after December 31

### INTRODUCTION

This section describes the effects of closing Microsoft Business Solutions - Great Plains Receivables Management after December 31.

When you post transactions in Great Plains versions 7.0, 7.5, or 8.0, the system automatically posts to the correct fiscal and calendar years according to the dates of the transactions. These amounts can be viewed in the **Customer Summary** dialog box. To do this, follow these steps:

1. Click **Cards**, click **Sales**, and then click **Summary**.
2. Click to highlight a customer.
3. Click either **Fiscal Year** or **Calendar Year**, and then type the appropriate year or period in that field.
4. Click **Calculate**.

Note that the year-end closing routine has not changed because of the Date Sensitive enhancement. Closing the Fiscal Year will affect the **Amounts Since Last Close** view within the **Customer Summary** dialog box. To open this dialog box, click **Cards**, click **Sales**, and then click **Summary**.

- The Date Sensitive enhancement provides the following new options for viewing the data by date.
- Three summary views in the Customer Summary dialog box: Amounts Since Last Close, Fiscal Year, or Calendar Year.
- Viewing enhancements in the RM Sales Analysis dialog box.
- Viewing enhancements in the RM Period Sales Analysis dialog box.
- The Customer Period Summary. To open this dialog box, click Cards, click Sales, click Summary, and then click History.

The following example shows how the year-end closing routine handles a specific transaction.

**Note** For illustration, this sample procedure uses Fabrikam, Inc., the sample company for Great Plains. This sample assumes that the calendar year 2004 has not yet been closed in Receivables Management.

1. Click **File**, and then click **User Date**.
2. Type **01/15/2005**, and then click **OK**.
3. Click **Transactions**, point to **Sales**, and then click **Transaction Entry** to open the **Receivables Transaction Entry** dialog box.
4. Create and post an invoice. To do this, follow these steps:
  - a. Select Sales / Invoice for Document Type.
  - b. Accept the default Number.
  - c. Leave Batch ID blank.
  - d. Type 01/10/2005 for Document Date. Click the Document Date expansion button, and then type 01/10/2005 for Posting Date. Click OK.
  - e. Click SINCLAIR0001 for Customer ID.  
**Note** SINCLAIR0001 is a customer in Fabrikam, Inc. that has no posted transactions. If SINCLAIR0001 has posted transactions, select another Customer ID that has no posted transactions.
  - f. Type \$100.00 in the Sales field.
  - g. Click Post to post the document.
5. Click **Cards**, point to **Sales**, and then click **Summary** The **Customer Summary** dialog box opens.

6.	Click to highlight <b>SINCLAIR0001</b> for <b>Customer ID</b> , and then click <b>Amount Since Last Close</b> for <b>Summary View</b> .  <b>Note</b> The \$100.00 Sales amount appears in the <b>Year to Date</b> column.
7.	Click <b>Close</b> .
8.	Click <b>Tools</b> , point to <b>Routines</b> , point to <b>Sales</b> , and then click <b>Year-End Close</b> . The <b>Receivables Year-End Closing</b> dialog box opens.
9.	Click <b>Process</b> to close the year.
10.	Click <b>Cards</b> , point to <b>Sales</b> , and then click <b>Summary</b> to open the <b>Customer Summary</b> dialog box. Select <b>SINCLAIR0001</b> for <b>Customer ID</b> , and then click <b>Amount Since Last Close</b> for <b>Summary View</b> .  <b>Note</b> The \$100.00 Sales amount now appears in the <b>Last Year</b> column even though the amount was typed on a document that has a <b>Document Date</b> and a <b>Posting Date</b> that are both January 10, 2005.
11.	Click <b>Calendar View</b> for <b>Summary View</b> , and then click <b>Calculate</b> . The \$100.00 Sales amount appears in the <b>Year-to-Date</b> column.

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## Removing outdated statement runs from the Reprint Statements Window

Question:

How can I remove my outdated statement runs from the **Reprint Statements** window (**Routines - Sales**)? The Receivables Year End Close Process does not do this for me.

Answer:

In versions 7.0 and beyond, users have the ability to reprint customer statements from the **Reprint Statements** window (**Routines-Sales-Reprint Statements**). Not only can you reprint statements from this window, but you can use this window to remove the stored information for statements you won't be reprinting.

Here are the steps:

Go to **Reprint Statements (Routines - Sales - Reprint Statements)**.

**1) To remove all the statement runs:**

- Choose **Mark All**
- Choose **Remove**.

**2) To remove only a certain range of statement runs:**

- Use either Customer ID, Statement Name, or Statement Run Number ranges. You can also enter a Statement Date range.
- Choose **Redisplay**.
- Choose **Mark All** or mark individual records.
- Choose **Remove**. Everything with a checkbox next to it will be removed.

The tables that hold this information are the RM Reprint Statements Header File (RM30701) and the RM Reprint Statements Transactions File (RM30702).

---

# Payables Management Year-End Closing Procedures

## SUMMARY

This section describes the recommended year-end closing procedures for the Payables Management module in Microsoft Dynamics GP and in Microsoft Great Plains Read this whole section before you perform the steps. If you have questions, contact AB Computer.

**Note** Before you follow the instructions in this article, make sure that you have a complete backup copy of the database that you can restore if a problem occurs.

## Payables Management Master Year-End Closing Checklist

**Note** Use this checklist if you are closing your fiscal year and your calendar year at the same time.

1.	Post all transactions for the year.
2.	Print the Aged Trial Balance with Options report.
3.	Print the Vendor Period Analysis Report.
4.	Make a backup that is named "Pre-1099 Edits."
5.	Verify the 1099 information and edit it if it is required.
6.	Print the 1099 statements.
7.	Make a backup that is named "Pre Year-End."
8.	Close the year.
9.	Close the fiscal periods.
10.	Close the tax year.
11.	Make a backup that is named "Post Year-End."

## Payables Management Calendar Year-End Closing Checklist

**Note** Although the Payables Management module is date-sensitive in Microsoft Great Plains version 7.0 and in later versions, the SmartList objects, the Payables Management summary reports, and the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box are updated based on the closing of the Payables Management module. Therefore, we recommend that you follow these steps so that the SmartList objects, the Payables Management summary reports, and the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box are correct.

1.	Post all transactions for the calendar year.
2.	Print the Aged Trial Balance with Options report.

3.	Make a backup that is named "Pre-1099 Edits."
4.	Verify the 1099 information and edit it if it is required.
5.	Print the 1099 statements.
6.	Make a backup that is named "Pre Year-End."
7.	Close the calendar year.
8.	Close the fiscal periods.
9.	Close the tax year.
10.	Make a backup that is named "Post Year-End."

## Payables Management Fiscal Year-End Closing Checklist

1.	Post all transactions for the fiscal year.
2.	Print the Vendor Period Analysis Report.
3.	Make a backup that is named "Pre Year-End."
4.	Close the fiscal year.
5.	Close the fiscal periods.
6.	Make a backup that is named "Post Year-End."

## Payable Management Year-End Detail

### *Step 1: Post all transactions for the year*

Post all transactions for the year before you close the year. If you want to enter future period transactions before you close the year, create a new batch for the future period transactions. Save the future period transactions in the new batch, but do not post the new batch until after the year has been closed.

The following areas of Microsoft Dynamics GP are not date-sensitive:

- The Amounts Since Last Close view of the Vendor Yearly Summary dialog box
- SmartList objects
- Vendor Summary reports

These areas of Microsoft Dynamics GP will be incorrect if you do not close the payables year after you enter all 2005 transactions and before you enter all 2006 transactions. However, the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box is editable. Therefore, you can update the information in the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box if it is required.

To access the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box, follow these steps:

1. On the **Cards** menu, point to **Purchasing**, and then click **Summary**.
2. In the **Vendor Credit Summary** dialog box, type a vendor ID in the **Vendor ID** field, and then click **Yearly**.
3. In the **Summary View** list, click **Amounts Since Last Close**.

To view the SmartList columns that are affected, follow these steps:

1. On the **View** menu, click **SmartList**.
2. Click **Vendors**.
3. Click **Columns**.
4. Click **Add**.
5. Click the following fields in the **Available Columns** list.  
**Note** The items flagged with an asterisk are affected by the calendar year-end close. All other items are affected by the fiscal year-end close.
  - \*1099 Amount YTD
  - \*1099 Amount LYR
  - Amount Billed YTD
  - Amount Billed LYR
  - Amount Paid YTD
  - Amount Paid LYR
  - Average Days To Pay - Year
  - Discount Available LYR
  - Discount Available YTD
  - Discount Lost LYR
  - Discount Lost YTD
  - Discount Taken LYR
  - Discount Taken YTD
  - Finance Charge LYR
  - Finance Chare YTD
  - Number of Finance Charges LYR
  - Number of Finance Charges YTD
  - Number of Invoice LYR
  - Number of Invoice YTD
  - Number of Paid Invoice YTD
  - Returns LYR
  - Returns YTD
  - Trade Discounts Taken LYR
  - Trade Discounts Taken YTD
  - Withholding LYR
  - Withholding YTD
  - Write Offs LYR
  - Write Offs YTD
6. Click **OK**.

7. Click **OK**.

To view the Vendor Summary reports, follow these steps:

1. On the **Reports** menu, point to **Purchasing**, and then click **Analysis**.
2. In the **Reports** list, click **Calendar Year**.
3. In the **Options** list, click an option, and then click **Print**.

### ***Step 2: Print the Aged Trial Balance with Options report***

We recommend that you print a paper copy of the Aged Trial Balance with Options report to keep with your year-end permanent financial records. To do this, follow these steps:

1. On the **Reports** menu, point to **Purchasing**, and then click **Trial Balance**.
2. In the **Reports** list, click **Aged Trial Balance with Options**.

### ***Step 3: Print the Vendor Period Analysis report***

We recommend that you print a paper copy of the Vendor Period Analysis report to keep with your year-end permanent financial records. To do this, follow these steps:

1. On the **Reports** menu, point to **Purchasing**, and then click **Analysis**.
2. In the **Reports** list, click **Period**.

### ***Step 4: Make a backup that is named "Pre-1099 Edits"***

Create a backup, and then put the backup in safe, permanent storage. A backup gives you a permanent record of the company's financial position at the end of the year, and this backup can be restored later if it is required. A backup lets you recover data quickly if a power fluctuation or other problem occurs during the year-end closing procedure.

To create a backup in Microsoft Dynamics GP, follow these steps:

1. On the **File** menu, click **Backup** to open the **Back Up Company** dialog box.
2. In the **Company Name** list, click your company name.
3. Change the path of the backup file if it is required, and then click **OK**.  
**Note** We recommend that you name this backup "Pre-1099 Edits" to differentiate it from your other backups.

### ***Step 5: Verify the 1099 information and edit it if it is required***

To print the 1099 edit list, follow these steps:

1. **In Microsoft Great Plains 7.0 and in Microsoft Great Plains 7.5:** Click **Routines**, click **Purchasing**, and then click **Print 1099**  
**In Microsoft Great Plains 8.0 and in Microsoft Dynamics GP 9.0:** On the **Tools** menu, point to **Routines**, point

	to <b>Purchasing</b> , and then click <b>Print 1099</b> .
2.	On the <b>File</b> menu, click <b>Print</b> .

To change the 1099 information for a vendor, follow these steps:

1.	On the <b>Cards</b> menu, point to <b>Purchasing</b> , and then click <b>Summary</b> .
2.	In the <b>Vendor ID</b> field, type the ID of the vendor whose 1099 amounts you must edit, and then click <b>Period</b> .
3.	In the <b>Year</b> field, type <b>2005</b> .
4.	In the <b>Month/Period</b> field, type the number of the period that you must edit.
5.	In the <b>1099 Amount</b> field, type the correct 1099 amount.
6.	Click <b>Save</b> .

### ***Step 6: Print the 1099 statements***

**Note** You can follow step 6 at any time.

To print the 1099 statements, follow these steps:

1.	<b>In Microsoft Great Plains 7.0 and in Microsoft Great Plains 7.5:</b> Click <b>Routines</b> , click <b>Purchasing</b> , and then click <b>Print 1099</b> <b>In Microsoft Great Plains 8.0 and in Microsoft Dynamics GP 9.0:</b> On the <b>Tools</b> menu, point to <b>Routines</b> , point to <b>Purchasing</b> , and then click <b>Print 1099</b> .
2.	In the <b>1099 Year</b> field, type <b>2005</b> .
3.	Each of your 1099 report types must be printed separately. In the <b>Print 1099</b> dialog box, click the options that you want in the <b>1099 Type</b> field and in the <b>1099 Box Number</b> field, and then click <b>Print</b> .

The following table provides additional information about the fields on the 1099 form and where this information can be located in Microsoft Dynamics GP:

Field	Dialog box where data is located
Payers name, street address, city, state, and ZIP Code/Postal Code	<b>Print 1099</b> dialog box
Payers Federal Identification number	<b>Print 1099</b> dialog box
Recipients name, address, and Zip Code/Postal Code	<b>Primary Address</b> of the <b>Vendor Maintenance</b> dialog box
Recipients identification number	<b>Tax ID</b> field of the <b>Vendor Maintenance Options</b> dialog box
Amounts for boxes 1-9 on the Dividend Form or 1-16 on the Miscellaneous Form	<b>1099 Amount</b> field in the <b>Vendor Yearly Summary</b> dialog box

### ***Step 7: Make a backup that is named "Pre Year-End"***

Create a backup, and then put the backup in safe, permanent storage. A backup gives you a permanent record of the company's financial position at the end of the year, and this backup can be restored later if it is required. A backup lets you recover data

quickly if a power fluctuation or other problem occurs during the year-end closing procedure.

To create a backup in Microsoft Dynamics GP, follow these steps:

1. On the **File** menu, click **Backup** to open the **Back Up Company** dialog box.
2. In the **Company Name** list, click your company name.
3. Change the path of the backup file if it is required, and then click **OK**.  
**Note** We recommend that you name this backup "Pre Year-End" to differentiate it from your other backups.

### ***Step 8: Close the year***

To close the year, follow these steps:

1. **In Microsoft Great Plains 7.0 and in Microsoft Great Plains 7.5:** Click **Routines**, click **Purchasing**, and then click **Year-End Close**  
**In Microsoft Great Plains 8.0 and in Microsoft Dynamics GP 9.0:** On the **Tools** menu, point to **Routines**, point to **Purchasing**, and then click **Year-End Close**.
2. If you are closing both your fiscal and calendar year at the same time, click **All**. If you are just closing your calendar year, click **Calendar**. If you are just closing your fiscal year, click **Fiscal**.
3. Click to select the **Print Report** check box, and then click **Close Year**.  
**Note** We recommend that you keep a paper copy of the year-end report together with your permanent year-end audit records.

To view the **Vendor Yearly Summary** dialog box, follow these steps:

1. On the **Cards** menu, point to **Purchasing**, and then click **Summary**.
2. In the **Vendor ID** field, type a vendor ID to view, and then click **Yearly**.

#### **The calendar year details**

The calendar year-end process in Microsoft Dynamics GP will clear the **1099 Amount Year to Date** field and then transfer the amount to the **1099 Amount Last Year** field for the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box.

#### **The fiscal year details**

The fiscal year-end process in Microsoft Dynamics GP will clear the following fields:

- Amount Billed YTD
- Amount Paid YTD
- Average Days To Pay – Year
- Discount Available YTD
- Discount Lost YTD
- Discount Taken YTD
- Finance Charge YTD
- Number of Finance Charges YTD
- Number of Invoice YTD
- Number of Paid Invoice YTD
- Returns YTD
- Trade Discounts Taken YTD
- Withholding YTD
- Write Offs YTD

The amounts in these fields will also be updated in the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box:

- Amount Billed LYR
- Amount Paid LYR
- Discount Available LYR
- Discount Lost LYR
- Discount Taken LYR
- Finance Charge LYR
- Number of Finance Charges LYR
- Number of Invoice LYR
- Returns LYR
- Trade Discounts Taken LYR
- Withholding LYR
- Write Offs LYR

### ***Step 9: Close the fiscal periods***

You can use the **Fiscal Periods Setup** dialog box to close any fiscal periods that are still open for the year. This prevents users from accidentally posting transactions to the wrong period or year. Verify that you have posted all transactions for the period and the year for all modules before closing fiscal periods. If you must later post transactions to a fiscal period that you have already closed, you can return to the **Fiscal Periods Setup** dialog box to reopen the period before you can post a transaction.

To close a fiscal period, follow these steps:

1. On the **Tools** menu, point to **Setup**, point to **Company**, and then click **Fiscal Periods**.
2. Click to select the **Purchasing** check box for the **Period** that you must close.

### ***Step 10: Close the tax year***

**Note** This procedure should only be completed after you have completed the year-end closing procedures for all sales and purchasing modules.

To close the tax year, follow these steps:

1. **In Microsoft Great Plains 7.0 and in Microsoft Great Plains 7.5:** Click **Routines**, click **Company**, and then click **Year-End Close**  
**In Microsoft Great Plains 8.0 and in Microsoft Dynamics GP 9.0:** On the **Tools** menu, point to **Routines**, point to **Company**, and then click **Tax Year-End Close**.
2. Click to select the **Close Year** check box and the **Print Report** check box.
3. Click **Process**. When you are prompted to continue with the year-end close. Click **Yes**.  
**Note** We recommend that you keep a paper copy of the year-end report together with your permanent year-end audit records.

### ***Step 11: Make a backup that is named "Post Year-End"***

Create a backup, and then put the backup in safe, permanent storage. A backup gives you a permanent record of the company's financial position at the end of the year, and this backup can be restored later if it is required. A backup lets you recover data quickly if a power fluctuation or other problem occurs during the year-end closing procedure.

To create a backup in Microsoft Dynamics GP, follow these steps:

1. On the **File** menu, click **Backup** to open the **Back Up Company** dialog box.
2. In the **Company Name** list, click your company name.

3. Change the path of the backup file if it is required, and then click **OK**.  
**Note** We recommend that you name this backup "Post Year-End" to differentiate it from your other backups.

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## Frequently Asked Questions

**Question 1** Are inactive vendor records cleared during year-end closing? If not, how can inactive vendor records be removed?

**Answer 1** No, inactive vendor records are not automatically removed. To remove an inactive vendor record, the following conditions must be true:

- No current year 1099 amounts exist for the vendor
- The vendor has no documents in work or history.

To delete all inactive vendor records that fit these criteria, follow these steps:

1. On the **Tools** menu, point to **Utilities**, point to **Purchasing**, and then click **Mass Vendor Delete**.
2. In the **Range** list, click by **Vendor Status**.
3. In the **From** list, click **Inactive**.
4. In the **To** list, click **Inactive**.
5. Click **Process**.

**Question 2** What should I do if I must issue a check on January 2, 2006 but I am not ready to close 2005 yet?

**Answer 2** Print the checks, but post them after you process your year-end closing. If you must post the checks immediately, change the **Amount Paid** fields in the **Amounts Since Last Close** view of the **Vendor Yearly Summary** dialog box.

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# Fixed Asset Management Year-End Closing Procedures

## SUMMARY

This section outlines the recommended year-end closing procedures for the Fixed Asset Management module in Microsoft Dynamics GP and in Microsoft Business Solutions - Great Plains. What follows is a checklist of the steps that you must follow to complete these procedures. The "More information" section contains detailed information about each step. A series of frequently asked questions (FAQ) follows the description of the procedures.

Read this document before you perform any one of the following procedures. If you have any questions, contact AB Computer.

**Note** Before you follow the instructions in this article, make sure that you have a complete backup copy of the database that you can restore if a problem occurs.

## Fixed Asset Management Year-End Detail Checklist

### ***1. Perform all year-end closing procedures for the Payables Management module.***

Close the Payables Management module first. This action guarantees that all outstanding fixed asset transactions are capitalized.

### ***2. Enter all fixed asset transactions for the current fiscal year.***

Post all additions, changes, transfers, and retirements for the current fiscal year.

**Note** Transfers and undo retirement transactions should never be performed in a historical year.

### ***3. Depreciate all assets through the last day of the current fiscal year.***

- a. On the Tools menu, point to Routines, point to Fixed Assets, and then click Depreciate.
- b. In the Depreciation Target Date box, type the last day of the current fiscal year.
- c. Click All to insert all the fixed asset books.
- d. Click Depreciate.

### ***4. Optional: Perform the GL Posting (GL Interface) process.***

- a. Point to Tools, point to Routines, point to Fixed Assets, and then click GL Posting.
- b. In the Beginning Period box, type 2005-012.
- c. Note The placeholder 2005-012 represents period 12 of the fiscal year 2005. If you are not running on a calendar fiscal year or if you have more than 12 periods, the period that you type will be different.
- d. In the Ending Period box, type 2005-012.
- e. In the Transaction Date box, type the last day of the current fiscal year, or type the date when you need the posting to affect the general ledger.
- f. Click Continue.
- g. When you receive a message that the batch number is being created, click Continue.
- h. In the Report Destination dialog box, click to select the Printer check box, and then click OK.

**Note** You may want to keep this report as part of your year-end financial records.

- a. Point to Tools, point to Routines, point to Fixed Assets, and then click GL Posting.
- b. In the Beginning Period box, type 2005-012.

**Note** The placeholder 2005-012 represents period 12 of the fiscal year 2005. If you are not running on a calendar fiscal year or if you have more than 12 periods, the period that you type will be different.

- c. In the Ending Period box, type 2005-012.
- d. In the Transaction Date box, type the last day of the current fiscal year, or type the date when you need the posting to affect the general ledger.
- e. Click Continue.
- f. When you receive a message that the batch number is being created, click Continue.
- g. In the Report Destination dialog box, click to select the Printer check box, and then click OK.

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

The year-to-date depreciation amounts for previous fiscal years are not kept in the Fixed Asset Management module. Therefore, you must print any reports that contain this information before you close the year.

There are several reports available for fixed assets. We recommend that you print the following reports:

- **Annual Activity**  
To print the Annual Activity report, point to Fixed Assets on the Reports menu, and then click Activity.
- **Additions**  
To print the Additions report, point to Fixed Assets on the Reports menu, and then click Transaction.
- **Retirements**  
To print the Retirements report, point to Fixed Assets on the Reports menu, click Transaction, and then click Retirements in the Reports list.
- **Transfers**  
To print the Transfers report, point to Fixed Assets on the Reports menu, click Transaction, and then click Transfers in the Reports list.
- **Depreciation Ledger**  
To print the Depreciation Ledger report, point to Fixed Assets on the Reports menu, click Depreciation, and then click Depreciation Ledger in the Reports list.
- **Property Ledger**  
To print the Property Ledger report, point to Fixed Assets on the Reports menu, click Inventory, and then click Property Ledger in the Reports list.
- **Fixed Assets to General Ledger Reconciliation**  
To print the Fixed Assets to General Ledger Reconciliation report, point to Fixed Assets on the Reports menu, click Activity, and then click Fixed Assets to General Ledger Reconciliation in the Reports list.

If you have more than one fixed asset book, we recommend that you also print the following reports:

- **Book to Book Reconciliation**  
To print the Book to Book Reconciliation report, point to Fixed Assets on the Reports menu, and then click Comparison.
- **Book to Book YTD Depreciation Comparison**  
To print the Book to Book YTD Comparison report, point to Fixed Assets on the Reports menu, click Comparison, and then click Book to Book YTD Depreciation Comparison in the Reports list.

## 6. Optional: Guarantee that the Fixed Assets Calendar is built correctly.

a.	Take one of the following actions: <ul style="list-style-type: none"><li>• For Microsoft Dynamics GP 9.0 and for Microsoft Great Plains 8.0, point to Utilities on the Tools menu, point to Fixed Assets, and then click Build Calendar.</li><li>• For Microsoft Great Plains 7.5 and for Microsoft Great Plains 7.0, point to Fixed Assets on the Utilities menu, and then click Build Calendar.</li></ul>
b.	Click <b>Inquire</b> , and then click <b>Verify</b> . When you are prompted to verify the periods, click <b>OK</b> .
c.	In the <b>Report Destination</b> dialog box, click <b>Screen</b> , and then click <b>OK</b> .  <b>Note</b> The <b>Message</b> column of the report must say <b>OK</b> . If the <b>Message</b> column says <b>Missing</b> for any line, see question 1 in the "Frequently asked questions (FAQ)" section.

## 7. Verify that the quarters are set up correctly for all fiscal years.

a.	On the <b>Tools</b> menu, point to <b>Setup</b> , point to <b>Fixed Assets</b> , and then click <b>Quarter</b> .
b.	Make sure that the following boxes are not empty: <ul style="list-style-type: none"><li>• Start Date</li><li>• Mid Date</li></ul>

- End Date

These boxes must exist for each quarter. If any box is empty, type the appropriate date in that box.

## 8. Create a backup.

This backup should be stored off-site together with the rest of your year-end documentation. This backup gives you a permanent record of the company's financial position at the end of the year. Additionally, this backup can be restored later if it is required. Making a backup guarantees that you will be able to quickly recover should a power fluctuation or other problem occur during the year-end closing procedures.

To create a backup in Microsoft Dynamics GP or in Microsoft Great Plains, follow these steps:

- On the **File** menu, click **Backup**.
- In the **Company Name** list, click your company name.
- Change the path of the backup if you must, and then click **OK**.

## 9. Perform the fixed assets year-end closing routine.

- On the **Tools** menu, point to **Routines**, point to **Fixed Assets**, and then click **Year End**.
- Verify that the fiscal year that is displayed for each book is the current fiscal year. (The current fiscal year is the year that you are closing).  
  
**Note** If the fiscal year that is displayed for a book is not the current fiscal year, see question 2 in the "Frequently asked questions (FAQ)" section.
- Click a book that you want to close, and then click **Insert**. Repeat this step until all the books that you want to close have been inserted.

**Note** Microsoft Dynamics GP and Microsoft Great Plains perform the following procedures during the year-end closing routine:

- In the **Asset General Information** dialog box, the **Quantity** field is copied to the **Begin Quantity** field of the **Expand Quantity** dialog box.
- In the **Expand Last Maintenance** dialog box, the **YTD Maintenance** amount is cleared.
- In the **Asset Book** dialog box, the **YTD Depreciation Amount** is cleared.
- The following procedures are performed:
  - The Cost Basis field is copied to the Begin Year Cost field.
  - The LTD Depreciation field is copied to the Begin Reserve field.
  - The Salvage Value field is copied to the Begin Salvage field.
- In the **Book Setup** dialog box, the **Current Fiscal Year** field is increased by one.

**Note** A report is not generated during the fixed assets year-end closing routine.

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## Frequently asked questions (FAQ)

**Question 1: When I verified my Fixed Assets Calendar, my "Message" column had several dates that had a status of "Missing." What can I do to fix this?**

Answer 1: If the fiscal year is not a calendar year and does not have 365 days or, for a leap year, 366 days, you must create "dummy" calendar years in your Fixed Assets Calendar so that the calendar will be built without any missing days. For an example of years in a fiscal period setup calendar, see the following table:

Fiscal year	Start date	End date
2003	January 1, 2003	December 31, 2003
2004	January 1, 2004	December 26, 2004
2005	December 27, 2004	December 29, 2005
2006	December 30, 2005	December 29, 2006

In this scenario, the 2006 fiscal year has only 363 days. Therefore, a dummy year 2007 that has 365 days must be set up in the **Fiscal Periods Setup** dialog box. The **Start Date** box for this dummy year would read **December 28, 2006**. The **End Date** box for this dummy year would read **December 27, 2005**. As soon as this year is created, the Fixed Assets Calendar must be rebuilt and replaced.

**Question 2: The fiscal year that is displayed for my book in the "Asset Year End" dialog box is not 2005. I closed 2004 last year, and I have not yet closed 2005. What should I do?**

Answer 2: Someone may have changed the fiscal year in the **Book Setup** dialog box. To change the fiscal year again, point to **Setup** on the **Tools** menu, point to **Fixed Assets**, and then click **Book**.

**Question 3: I have closed the General Ledger module, and I now realize that I have not yet closed the Fixed Asset Management module. Can I perform the fixed assets year-end closing routine at this point?**

Answer 3: We recommend that you close the General Ledger module last, after all the subsidiary modules have been closed. However, the Fixed Asset Management module can be closed after the General Ledger module is closed. The GL Posting (GL Interface) process can be performed, and then the transaction or transactions can be posted to the closed year or to the historical year in the general ledger. For more information about the GL Posting (GL Interface) process, see step 4 in the "Year-end checklist" section.

To post transactions to the historical year in the general ledger, make sure that the following options are selected in the **General Ledger Setup** dialog box:

- Allow Posting to History
- Maintain History Accounts
- Maintain History Transactions

**Note** To access the **General Ledger Setup** dialog box, point to **Setup** on the **Tools** menu, point to **Financial**, and then click **General Ledger**.

The posted transaction will update the historical year and roll forward as a beginning balance to the open year. If any expense or revenue accounts were included in the transaction, they will automatically close out to the Retained Earnings account or accounts.

**Question 4: I ran the year-end routine in the Fixed Asset Management module, and then I ran depreciation in the new year. I see that the depreciation is highly overstated and that some of the assets have a negative number in the "Net Book Value" field. Why is the system calculating so much depreciation?**

Answer 4: This problem occurs if the following conditions are true:

- The year was closed.
- The assets were not depreciated through the last day of the fiscal year.

Consider the following example:

- The fiscal year is a calendar year (January 1 through December 31).
- The assets were depreciated through December 28 when the year was closed.

In this example, depreciation will be incorrect the next time that depreciation is run. The system does not recalculate the yearly rate when the year-end closing routine is performed. Therefore, fixed assets take a full year of depreciation in the last few days

that remain in the previous year (December 29 through December 31). The rate of depreciation is the yearly rate currently on each asset. Additionally, if there are assets near the end of their original life, the **Net Book Value** field may become negative.

There are two workarounds for this problem:

- Recommended workaround  
Restore the data from a backup, run depreciation through the last day of the year, and then perform the year-end closing procedures.
- Alternative workaround  
Reset life on all the assets.

**Note** If amounts on the assets have ever been entered for the **YTD Depreciation** field or for the **LTD Depreciation** field, resetting life on the assets will change these amounts, and the result may be different. If you change the **YTD Depreciation** field or the **LTD Depreciation** field by resetting life on the asset, you will cause inconsistencies between the Fixed Asset Management module and the General Ledger module. These inconsistencies must be explained.

**Question 5: Instead of completing the year-end routine for the Fixed Asset Management module, I manually changed the "Current Fiscal Year" field in the "Book Setup" dialog box to the next year. Do I have to go back and run the year-end closing routine, or can I continue to process activity in the Fixed Asset Management module for the new year?**

**Answer 5:** If no activity, such as additions, changes, transfers, retirements, or depreciation, has been run for the new year, the **Current Fiscal Year** field in the **Book Setup** dialog box can be changed back to the previous year, and then the year-end closing routine can be processed.

If any activity, such as additions, changes, transfers, retirements, or depreciation, has been run for the new year, restore the data from a backup and continue with the year-end closing routine.

In either situation, the year-end closing routine must be run. If the year-end closing routine is not completed, the amount in the **YTD Depreciation** field will be overstated on any report that includes assets that were retired or fully depreciated in the previous year. If the year-end closing routine is not performed, the amounts in the **YTD Depreciation** field will not be cleared. That is, the amounts in the **YTD Depreciation** field will not be zeroed out. Therefore, these amounts will be incorrectly included on the reports for the new year.

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