



AccountMate Year-End Preparations

Technical Note: Period-End Closing Procedures in AccountMate 6.5

Difficulty Level: Intermediate Level AccountMate User

Version(s) Affected: AccountMate 6.5 for SQL, MSDE and LAN

Module(s) Affected: AR/SO, AP/PO, IC, BR, PR, MI, RA and GL

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DESCRIPTION

This document is provided to assist users in performing period-end closing for the subsidiary modules (i.e. non-GL modules). This discusses the recommended procedures for performing period-end closing and addresses frequently asked questions about this process. Period-end closing for the last period of the fiscal year must be completed before users can perform fiscal year-end closing in the General Ledger module.

SOLUTION

PERIOD-END CLOSING CHECKLIST

1. If the SO module is activated, check for un-invoiced SO shipments¹ with ship dates that fall on or before the current period. You can verify this by running the **Generate Invoice from Shipment** function in the Accounts Receivable module. The system will not allow you to proceed with the period-end closing process if you have un-invoiced shipments dated on or before the current period.
2. If the BR module is activated, verify that all your bank accounts have been reconciled using the **Reconcile Bank Account** function in the Bank Reconciliation module. The period-end closing will not proceed if there are partially reconciled bank statement periods in the BR module.
3. Verify that a valid, active GL Account ID is assigned to the **Retained Earnings Account** field in GL Module Setup's General tab.
4. If closing a fund company:
 - a. Verify that the **Enable Automatic Interfund Balancing** checkbox is

¹ Un-invoiced shipments result from shipping a customer's sales order when the Customer Maintenance record is NOT set to Ship SO Generate Invoice.

marked in GL Module Setup's Fund Accounting Setup tab. This will help ensure that each fund's debits and credits are kept in balance especially if there are transactions that use GL Account IDs from multiple funds.

- b. Verify that each fund ID is assigned valid, active GL Account IDs for its **Fund Balance** and its **Interfund Balance**. You can do this through the Fund Segment Default Setup tab of the Account Segment Values Maintenance function.
5. Print the **GL Transfer Report** for each module that will be closed and review the accounting entries that will be posted to the General Ledger by the period-end closing process.
6. Verify that the **Allow Transfer to GL from** checkbox in the GL Module Setup's Transfer Restrictions tab is marked for all modules that will undergo period-end closing. If this checkbox is not marked, no accounting entries will be posted to GL by the closing process.
7. Verify the **purge date** assigned to each type of transaction in each Module Setup function. Keep in mind that purged records cannot be retrieved without restoring from a database backup.
8. Back up the company database(s) before performing period-end closing. Furthermore, test each backup to make sure that it is in good condition and can be restored in case problems are encountered during the closing process. **THIS IS A MUST!**
9. Verify that no one else is accessing the company that is about to undergo period-end closing. Also, the person who is to close the period should not run more than one instance of AccountMate. The system does not allow period-end closing when there are multiple instances of AccountMate accessing the same company.

WHEN TO PERFORM PERIOD-END CLOSING

There is no hard-and-fast rule as to when period-end closing **must be performed**. It remains at the company's discretion when to close a period.

In deciding about when to close the period, be sure to consider the following:

- AccountMate is date-sensitive not period-sensitive; thus, you do not need to postpone period-end closing to allow recording of transactions dated in a period to be closed (e.g. vendor invoices, bank statements, etc.) which documents may not be available until well into the next period.
- Period-end closing moves completed transaction records into the history tables. The longer this is postponed, the more records are kept in the current tables which could slow down some AccountMate search functions. When period-end closing is finally performed after several periods have been left open, the process will take considerably longer than it would have if closing is performed regularly at the end of each period.
- Transfer Data to GL updates the GL account balances while keeping the period

open. Run this function to obtain up-to-date financial statements during the period.

- Closing the last period of the fiscal year should only be done when the company is ready to close the GL fiscal year. Any module with a current period that is in a different fiscal year than that of GL will not allow recording of transactions until after Fiscal Year-End Closing is performed.

The system performs the following data updates during period-end closing:

- Makes the final and permanent posting into GL of accounting entries for the subsidiary module's transactions that have post dates that fall on or before the period(s) being closed.
- Makes a temporary transfer into GL of accounting entries for the subsidiary module's transactions that have post dates that fall after the period(s) being closed (i.e. future dated transactions).
- Moves completed transactions to the history tables. The system uses different criteria for determining whether a transaction has been completed based on its type or nature. For example, a sales order is deemed complete when it is either fully shipped or cancelled.
- Purges completed transaction data with complete dates that fall on or before the purge date specified in the General (1) tab of the Module Setup function.
- Advances the module's current period to the next period or to the next fiscal year, when closing the last period of the current fiscal year.

PERIOD-END CLOSING PROCESS

To close the period, perform the following steps:

1. Access the **Period-End Closing** function from the Housekeeping menu.

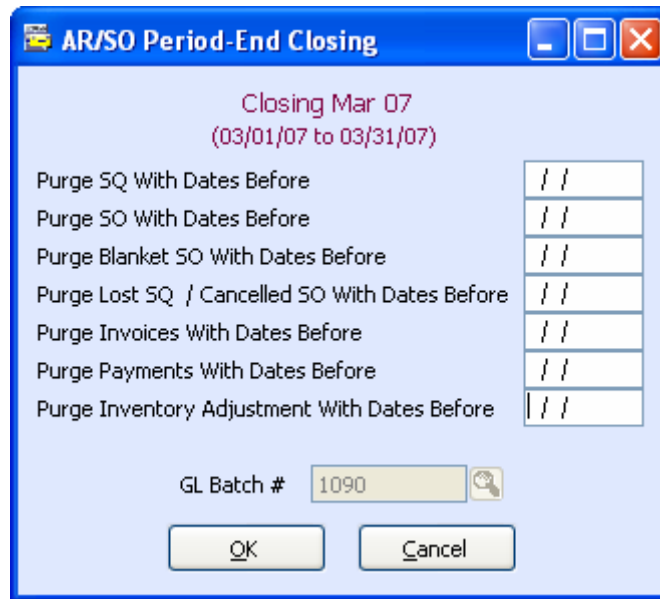


Figure 1-1. Period-End Closing window

The first Period-End Closing window allows users to define which records to purge. The default values come from the General (1) tab of the Module Setup. These default **purge dates** can be changed, if necessary. Any completed transactions dated prior to the dates entered in the Purge fields will be deleted from the system.

2. The **GL Batch #** field displays the batch number that will be assigned to those transactions for which accounting entries will be posted to GL by the closing process. If the **Use Auto-Batch Numbering** checkbox in GL Module Setup is not marked, users can enter the batch # that will be assigned to these transactions; otherwise, this field displays for reference the batch number that will be automatically assigned by the system.
3. Click **OK** to proceed. The system will display a dialog window reminding users about what will happen when period-end closing is performed. It includes a reminder to verify that there are no other users accessing the company in the system.

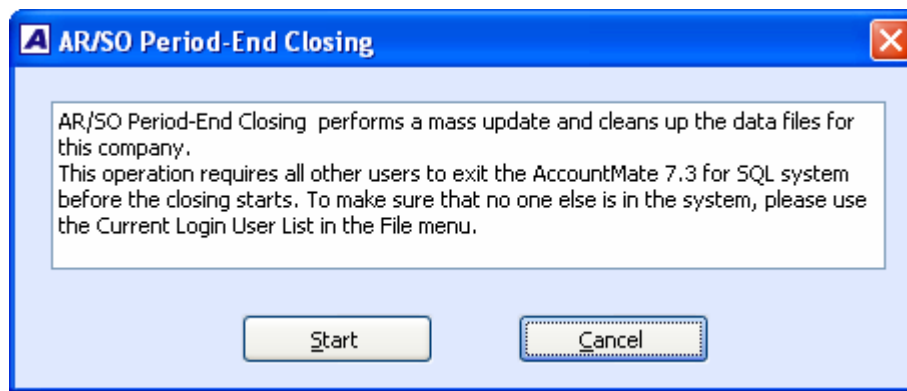


Figure 1-2. Period-End Closing Dialog Window

4. Click **Start** to initiate the closing process. The system will display the Period-End Closing window showing the processes it performs and its status.

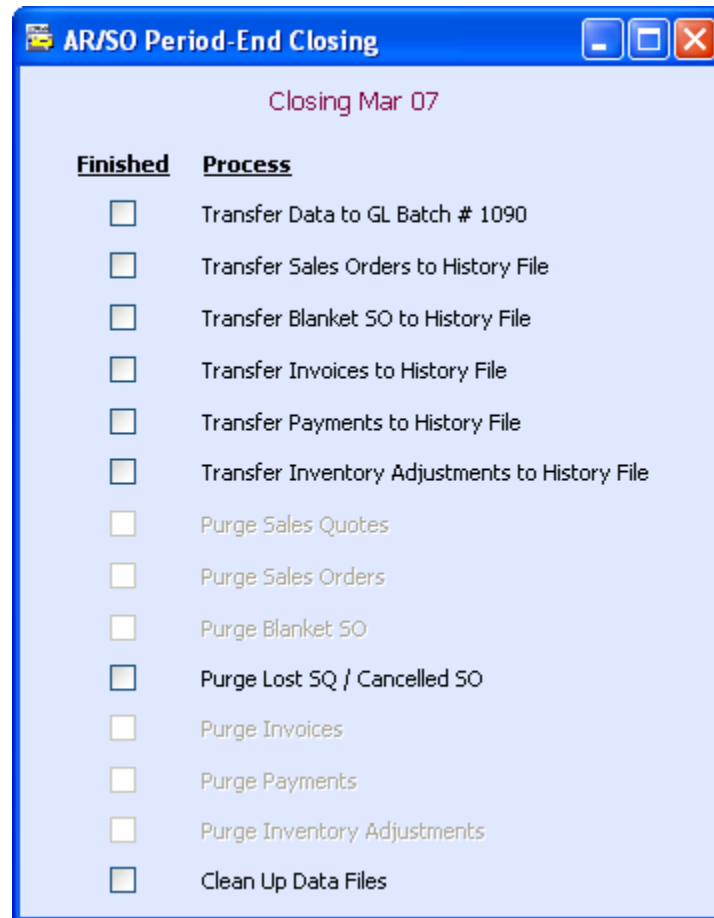


Figure 1-3. Period-End Closing Processes

5. If the closing is successful, the system will display a message indicating that the period has been closed.

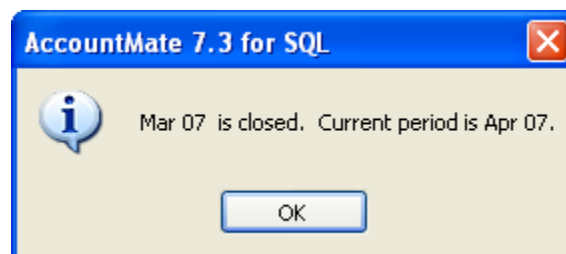
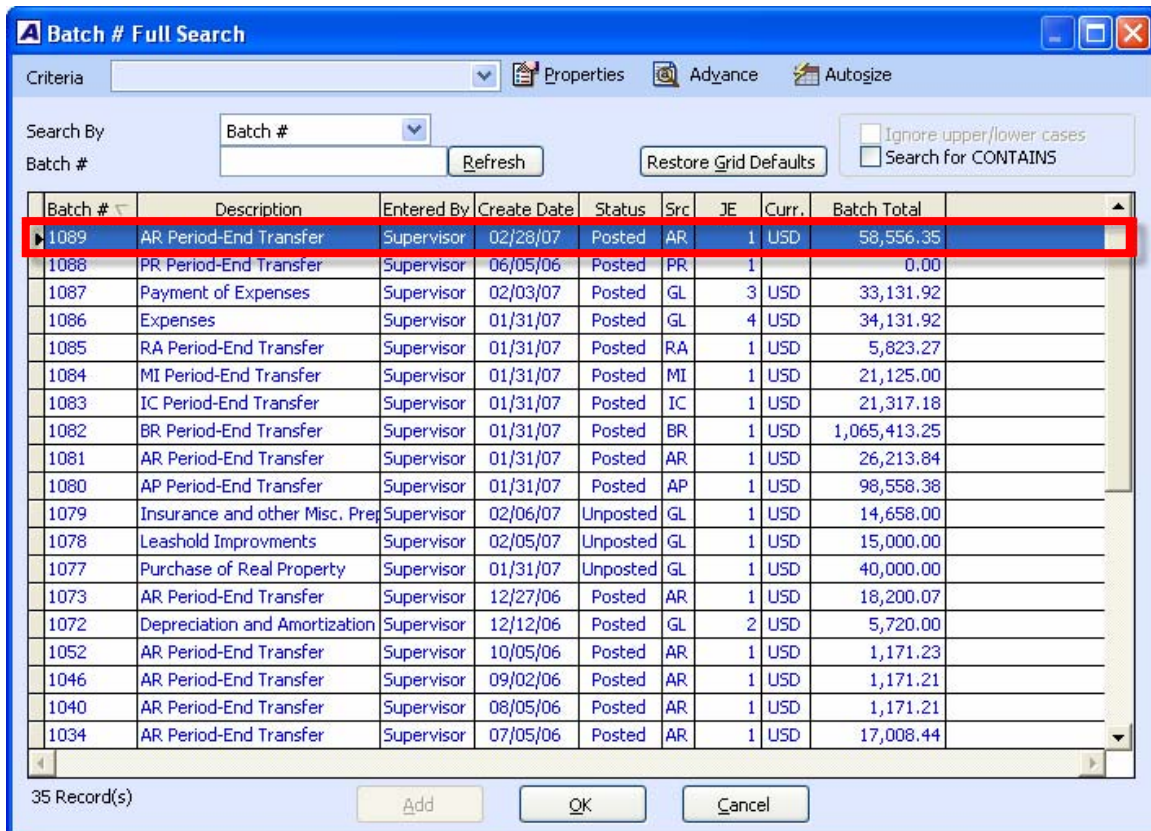


Figure 1-4. Period-End Closing message

ISSUES TO CONSIDER AFTER PERIOD-END CLOSING

After period-end closing, the system creates a posted journal entry batch in the GL module for the transferred transactions.



Batch #	Description	Entered By	Create Date	Status	Src	JE	Curr.	Batch Total
1089	AR Period-End Transfer	Supervisor	02/28/07	Posted	AR	1	USD	58,556.35
1088	PR Period-End Transfer	Supervisor	06/05/06	Posted	PR	1		0.00
1087	Payment of Expenses	Supervisor	02/03/07	Posted	GL	3	USD	33,131.92
1086	Expenses	Supervisor	01/31/07	Posted	GL	4	USD	34,131.92
1085	RA Period-End Transfer	Supervisor	01/31/07	Posted	RA	1	USD	5,823.27
1084	MI Period-End Transfer	Supervisor	01/31/07	Posted	MI	1	USD	21,125.00
1083	IC Period-End Transfer	Supervisor	01/31/07	Posted	IC	1	USD	21,317.18
1082	BR Period-End Transfer	Supervisor	01/31/07	Posted	BR	1	USD	1,065,413.25
1081	AR Period-End Transfer	Supervisor	01/31/07	Posted	AR	1	USD	26,213.84
1080	AP Period-End Transfer	Supervisor	01/31/07	Posted	AP	1	USD	98,558.38
1079	Insurance and other Misc. Pre	Supervisor	02/06/07	Unposted	GL	1	USD	14,658.00
1078	Leashold Improvments	Supervisor	02/05/07	Unposted	GL	1	USD	15,000.00
1077	Purchase of Real Property	Supervisor	01/31/07	Unposted	GL	1	USD	40,000.00
1073	AR Period-End Transfer	Supervisor	12/27/06	Posted	AR	1	USD	18,200.07
1072	Depreciation and Amortization	Supervisor	12/12/06	Posted	GL	2	USD	5,720.00
1052	AR Period-End Transfer	Supervisor	10/05/06	Posted	AR	1	USD	1,171.23
1046	AR Period-End Transfer	Supervisor	09/02/06	Posted	AR	1	USD	1,171.21
1040	AR Period-End Transfer	Supervisor	08/05/06	Posted	AR	1	USD	1,171.21
1034	AR Period-End Transfer	Supervisor	07/05/06	Posted	AR	1	USD	17,008.44

35 Record(s)

Add OK Cancel

Figure 1-5. Posted batch for the transferred transactions

To prevent posting of transactions to closed fiscal periods, set up the posting period restrictions in the GL module. This helps protect the integrity of the General Ledger data for the closed periods.

Access the **Posting Period Restrictions** function from the GL Housekeeping menu and mark the checkboxes of the periods and modules that will be restricted from posting. For example, **Figure 1-6** below shows a system set up to prevent the recording of transactions in the GL, SO/AR, PO/AP, PR, BR, MI, IC and RA modules that have post dates in January, February or March 2007.

Posting Period Restrictions

Fiscal Year: 2007 # of Fiscal Periods: 12

Date Range: 01/01/07 to 12/31/07

Year	Pd	Period Name	Begin	End	GL	AR	AP	PR	BR	MI	IC	RA
2007	1	Jan 07	01/01/07	01/31/07	☒	☒	☒	☒	☒	☒	☒	☒
2007	2	Feb 07	02/01/07	02/28/07	☒	☒	☒	☒	☒	☒	☒	☒
2007	3	Mar 07	03/01/07	03/31/07	☒	☒	☒	☒	☒	☒	☒	☒
2007	4	Apr 07	04/01/07	04/30/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	5	May 07	05/01/07	05/31/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	6	Jun 07	06/01/07	06/30/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	7	Jul 07	07/01/07	07/31/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	8	Aug 07	08/01/07	08/31/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	9	Sep 07	09/01/07	09/30/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	10	Oct 07	10/01/07	10/31/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	11	Nov 07	11/01/07	11/30/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	12	Dec 07	12/01/07	12/31/07	☐	☐	☐	☐	☐	☐	☐	☐
2007	13	Year-End Adj. 07	12/31/07	12/31/07	☐	☐	☐	☐	☐	☐	☐	☐

Note: Check the appropriate box to restrict posting.

Figure 1-6. Posting Period Restrictions

Accounting entries will still be generated for existing transactions dated in a restricted period if these transactions were recorded before the period was restricted.

Note: When the subsidiary module's current period is in the new fiscal year, make sure that all other activated modules including the GL module are also in the new fiscal year. If the GL module is activated but the current GL fiscal year has not been closed, users cannot access functions in the subsidiary module that will generate accounting entries for posting to GL.

TECH TIPS

- Can you post transactions to a closed period in the subsidiary modules?

Yes, the system allows you to post transactions to a closed period as long as the period is not restricted for posting from the subsidiary module.

- Does the General Ledger module have a period-end closing function?

No, the General Ledger module only has the Fiscal Year-End Closing function. It does not have a monthly or periodic closing.

- What transactions will be posted to Period 13 (Year-End Adjustments)?

GL journal entries recorded using the journal entry type "Prior Year-End Adjustment" will be posted to Period 13.

- *Do I need to run the Transfer Data to GL function before I run period-end closing?*

No, you do not need to transfer data to GL before performing period-end closing. The period-end closing will perform the final data transfer to GL.

- *How do I run period-end closing without transferring data to GL?*

Access the GL Module Setup function; then, in the Transfer Restrictions tab unmark the "Allow Transfer to GL from" checkbox for the specific module before performing period-end closing for that module.

No journal entry batch will be posted to GL by the closing process so use this feature only if journal entries have been posted directly in GL for transactions in the subsidiary module that are dated before or on the period to be closed. Be sure to mark the checkboxes after closing the period so that future period-end closing will transfer data to GL.

- *After an interrupted or failed period-end closing, possibly caused by an out of balance situation, I encountered a "Period-end closing is in progress" message when I attempted to access any function. How do I resolve this issue?*

In the Utilities menu, access the Data Manager function. Mark the "Release Period-End Closing Lock" checkbox for the system to release the period-end closing lock and allow access to the functions in the system. Be sure to restore backup before resuming period-end closing or entering transactions.

- *What reports should be generated to verify that data from the subsidiary modules were properly posted into GL during period-end closing?*

Before performing period-end closing in the subsidiary module, generate the GL Transfer Report to view the complete list of transaction accounting entries that will be posted to the General Ledger module by the period-end closing process. Run this report to display transactions dated through the period(s) that will be closed.

After period-end closing, generate the Transfer Data Report or the Transaction Search Report in the GL module. Verify that the data in the subsidiary module's GL Transfer Report is properly posted by comparing it to the General Ledger's Transfer Data Report or Transaction Search Report.

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