



AccountMate Year-End Preparations Article # 1262

Technical Note: Year-End Closing Tech Tips

Difficulty Level: Intermediate Level AccountMate User

Version(s) Affected: AccountMate 10 for SQL and Express
AccountMate 9 for SQL, Express, and LAN
AccountMate 8 for SQL, Express, and LAN

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

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DESCRIPTION

AccountMate Year-End Closing is done annually. While the process itself does not change from year to year, there are procedures or steps that must be explained because users only get to perform this function once a year. This article is a compilation of the year-end closing tips. This will attempt to provide answers to the questions that our Support Technicians frequently receive. It may help you quickly resolve some issues that you may encounter during year-end closing.

SOLUTION

Some of the most commonly asked questions about the year-end closing process and the answers are as follows:

Q: My current fiscal year is 2018; however, I recorded transactions for fiscal year 2019 in the subsidiary (non-General Ledger) modules. I performed Transfer Data to GL from those modules. Can I generate financial statements for fiscal year 2019?

A: AccountMate for SQL and Express

You can generate the **Balance Sheet** and **Income Statement** for the future fiscal year.

AccountMate for LAN

Starting in AccountMate 9.2 for LAN, you can generate the **Balance Sheet** and **Income Statement** for the future fiscal year. For older versions, use the **General Ledger Listing** or **Trial Balance**.

Note: AccountMate does not roll forward the current year account balances (e.g. 2018) until the fiscal year is closed. This means that the amounts you see for the next fiscal year (e.g. 2019) in the **Balance Sheet**, **General Ledger Listing** and **Trial Balance** exclude any balances from the current fiscal year.

Q: The **Trial Balance** figures do not match those in the **General Ledger Listing**. In fact, some GL Account ID balances displayed at the top of the **General Ledger Listing** do not match the balances at the bottom. How do I resolve this issue?

A: To correct the problem, follow these steps:

1. Back up your data.
2. Access the **Data Manager** function from the **Utilities** menu.
3. Mark the **Recalculate Account Balances** checkbox.
4. Click **Process** to initiate recalculation of GL Account ID balances.

Note: Recalculation of GL Account ID balances fixes inconsistencies among the **Trial Balance, Balance Sheet** and **Income Statement** figures based on the actual transactions recorded in AccountMate.

Q: When recalculating the GL Account ID balances, I received a message stating that recalculation failed because the General Ledger Transaction file was out of balance. How do I resolve this issue?

A: The **Journal Entries Transaction** file (GLTRSN) must be in balance across periods and across fiscal years. To correct an out-of-balance condition, enter a one-sided transaction in the GLTRSN file. If you are an end user, you must contact your AccountMate Solution Provider or a person who has the technical expertise to fix your data. Be sure to back up your data before directly manipulating it.

Q: What are the consequences of recording a transaction dated in a prior year?

A: The consequences would vary slightly depending on the module in which the prior period transaction is recorded. For example, assume that the current fiscal year (FY) is 2019. You have just received from a vendor an AP invoice for a December 2018 expense which was not recorded. You can access the **Posting Period Restrictions** function and remove the posting restriction for the Accounts Payable (AP) or General Ledger (GL) module in December 2018.

If you record the transaction in the AP module and backdate it to December, it will be posted to December 2018. If you record the transaction as a **Prior Year-End Adjustment** in the GL module, it will be posted to the 2018 Year-End Adjustment period. The Year-End Adjustment period for a 12-period year is Period 13 with a post date that falls on the last day of the fiscal year.

Regardless of whether you post the transaction in the AP or GL module, the 2018 expense GL Account ID balance will not be affected; instead, the Retained Earnings beginning balance for 2019 will decrease. The increase in the liability GL Account ID's balance will be carried over into fiscal year 2019.

Q: When I set up a 12-period fiscal/calendar year for a company, will AccountMate automatically set up the 13th period as the year-end adjustment period?

A: Yes, it will. For each fiscal/calendar year AccountMate always designates one additional period (e.g., 13th period in a 12-period year) as the year-end adjustment period. The system-created year-end adjustment period has a period range of one day, which is the last day of the fiscal year (e.g. 12/31/2018 to 12/31/2018).

Q: I want to record a prior year-end adjusting entry; however, the Prior Year-End Adjustment journal entry type option is disabled in the **Journal Entry Transactions** function. How do I proceed?

A: Verify that the prior fiscal year's year-end adjustment period for the GL module is not restricted for posting. To remove the posting restriction for the prior year's year-end adjustment period, perform these steps:

- 1) Access the **Posting Period Restrictions** function from the GL **Housekeeping** menu.
- 2) Select the prior year in the **Fiscal Year** field.
- 3) Unmark the checkbox under the GL column for the year-end adjustment period.

Q: After posting a prior year-end adjustment, do I need to re-close the fiscal year?

A: Absolutely not. When you post a prior year-end adjustment that involves Income Statement accounts (e.g. revenues or expenses), AccountMate automatically adjusts the Retained Earnings account's current year beginning balance. If the prior year-end adjustment involves Other Comprehensive Income accounts, AccountMate automatically adjusts the current year beginning balance of the Equity for OCI GL Account ID assigned to each Other Comprehensive Income account used in the adjustment. If the prior year-end adjustment involves Balance Sheet accounts (e.g. liabilities or assets), the balances are carried over to the current year.

Note: The ability to set up Other Comprehensive Income accounts is available in AccountMate 8.3 for SQL/Express and higher versions.

Q: I am ready to close December in the Payroll module. Is there anything I need to do before I proceed?

A: You must perform **W-2/1099 Year-End Closing** before you close the December period in Payroll.

Q: Why is my company's fiscal year different from its tax year?

A: The Internal Revenue Service (IRS) mandates that the current payroll tax year must be the same as the current calendar year. Since AccountMate's payroll tax year is controlled by the **W-2/1099 Year-End Closing** function and the fiscal year is controlled by the **Fiscal Year-End Closing** function, your company's tax year may not always be the same as its fiscal year.

Q: If my company is using a fiscal year instead of a calendar year (i.e. January to December), must I perform certain procedures prior to running the W-2/1099 year-end closing?

A: Refer to [Article 1260: Tax Year Closing Procedures](#) for the detailed instructions. You can find this article on the AccountMate website [Year-End Closing Procedures](#) section.

Q: *Can I print W-2s after year-end closing?*

A: Yes, you can print W-2s for the current and previous tax years after year-end closing. If you have a tax subscription for the new tax year (e.g. 2019), AccountMate will print the W-2s using the layout of the W-2 tax forms installed by the tax subscription program (e.g. 2018 W-2 forms).

Q: *Do I have to close the current tax year (e.g. 2018) before installing the tax subscription update for the new tax year (e.g. 2019)?*

A: No, you don't. You can install the 2019 Payroll Subscription Program though the current tax year is still 2018. Be sure to input the 2019 Tax Subscription Key in the Administrator program to complete the installation of the tax subscription update.

Q: *Our company is on a January-December fiscal year. The Payroll module's current period is January 2019, but I am not ready to close the year 2018 in the General Ledger module. Can I start recording transactions for the new fiscal year?*

A: AccountMate requires that all modules be in the same fiscal year. You can either restore a backup made prior to closing PR or close all the modules including GL for the new fiscal year (i.e., 2019). If you need to record transactions for the prior fiscal year, verify that the posting dates fall in the prior fiscal year.

Q: *Can I post prior year transactions after **Fiscal Year-End Closing**?*

A: Yes, you can create a prior year-end adjustment entry using the **Journal Entry Transactions** function by selecting **Prior Year-End Adjustment** as the **Journal Entry Type**. Specify the appropriate Retained Earnings GL Account ID. If the **Prior Year-End Adjustment** button is disabled, verify in the **Posting Period Restrictions** function that the prior year's year-end adjustment period is not restricted for posting. Save the journal entry batch; then, post it using the **Post JE Batch to GL** function.

Q: *Do I need to post all transactions for the year immediately prior to the current fiscal year before performing **Fiscal Year-End Closing**?*

A: Yes. You will not have access to the year immediately prior to the current fiscal year after performing **Fiscal Year-End Closing** since AccountMate only keeps the current year, future year and one prior year open for posting transactions.

Q: *When I attempted to record a transaction in a subsidiary module, I received a message, "Cannot continue with this function. Year/Period-End Closing function is in process." How do I proceed?*

A: This message is generated when either the **Fiscal Year-End Closing** or **Period-End Closing** process is still on-going or it fails. If the process failed, access the **Data Manager** function in the Utilities menu and enter the Supervisor password; then, mark the **Release Year/Period-End Closing or Transfer Lock** checkbox and click **Process**. Before you resume data entry, be sure to restore the backup made prior to period-end or fiscal year-end closing.

Note: In versions earlier than AccountMate 10.2 for SQL and Express, the **Release Year/Period-End Closing or Transfer Lock** checkbox is named **Release Period-End Closing Lock**.

Q: Why do I encounter the message, "xxx.xx amount has been transferred to Retained Earnings" when I perform **Transfer Data to GL** or **Period-End Closing**?

A: The message indicates that expense or revenue transactions recorded during the current period were assigned prior year posting dates. In keeping with proper accounting procedures these transactions are transferred to the Retained Earnings account as adjusting entries.

Q: I must have financial statements for the new year, so I must close the current fiscal year; however, I have not yet received my last bank statement for the year. How can I reconcile my bank account if I have already closed the month for the missing bank statement?

A: You can perform bank reconciliation at any time. It is not necessary to wait for the current month's statement to arrive before closing the period. Any transactions that must be posted to GL can be dated in any prior period as long as that period is not restricted for posting.

Q: After an interrupted or failed period-end closing process, I clicked **OK** on the error message and AccountMate brought me back to the default AccountMate screen. When I attempted to access any module; I encountered the message "Cannot continue with this function. Period-end closing is in process." How do I resolve this problem?

A: To access the modules, go to the **Utilities** menu and select the **Data Manager** option. Mark the **Release Year/Period-End Closing or Transfer Lock** checkbox; then click **Process**. Once done, investigate the failed period-end closing. Be sure to restore the database backup before you resume entering data.

Note: In versions earlier than AccountMate 10.2 for SQL and Express, the **Release Year/Period-End Closing or Transfer Lock** checkbox is named **Release Period-End Closing Lock**.

Q: I encountered the error "The control is read-only" when I attempted to release the year/period-end closing lock in **Data Manager**. How do I fix the problem?

A: Verify that the ammgr.* files are not set to read-only. To perform this operation, follow the steps below:

- 1) If you are running AccountMate for SQL/Express, access the AccountMate Common Files Folder. If you are running AccountMate for LAN, access the root directory of your AccountMate installation.
- 2) Select the ammgr.* files, right-mouse click and select **Properties** to display the **Properties** window.
- 3) Unmark the **Read-only** checkbox in the **General** tab; then, click **OK**.

You may encounter some issues that can stall the year-end closing process. This article serves as a guide on how to resolve those issues so you can continue to close the fiscal year.

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