

PROCESS GUIDE – [ACCOUNTMATE YEAR-END CLOSING PROCEDURES]

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| Product | AccountMate |
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| Integrated Vendor Updates | NA |

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INTRODUCTION

This document contains information regarding the year-end closing procedures for AccountMate. This covers both the Fiscal Year-End Closing procedure as well as the Payroll Year-End Closing procedure. Please see other supporting documentation for related AutoStar Fusion or ServiceStar year-end processing.

TECHNICAL INFORMATION

Year-End Closing Checklist

1. Verify that the AutoStar GL has been **closed** through the *Fiscal Year End Period*.
2. Verify that *Period-End Closing* has been completed through the last period of the current fiscal year for all subsidiary (non-GL) modules.
3. Post all prior (to the current year) fiscal year transactions and year-end adjustments.
4. Verify that there are no unposted GL batches dated in the prior fiscal year.
5. *Recalculate account balances* to ensure that the General Ledger accounts are in balance.
6. Review the *Trial Balance* and *General Ledger Listing* for the fiscal year that will be closed.
7. Verify that a valid, active GL Account ID has been assigned to the *Retained Earnings Account* field in **GL Module Setup**.
 - a. This is the account that will be used to close the income statement account balances during Fiscal Year-End Closing.
8. Verify the *Purge Date* that will be the basis for deleting historical GL account balances.
 - a. Using a purge date permanently removes data prior to that date. **If you do not want to lose any historical data, leave the purge date blank.**
9. Verify that no one else is accessing the company that is about to undergo the Fiscal Year-End Closing procedure. The individual performing the close should only have one instance of AccountMate open.
 - a. The system will not allow Fiscal Year-End Closing to proceed when there are multiple instances of AccountMate accessing the company in which the closing is occurring.

When To Perform Year-End Closing

In deciding when to close the fiscal year, be sure to consider the following:

1. Transaction dates determine the posting period, so it is important to verify that transactions are recorded using the correct transaction date.
 - a. For example, an AP invoice can be entered in January 2010 with a Post Date backdated to December 2009 if the transaction belongs to the 2009 fiscal year.
2. AccountMate provides a good deal of flexibility when closing the fiscal year because you can post transactions in the current year, prior year, and future year. The software does not restrict entries to the prior fiscal year, nor does it restrict any financial reports.
3. If you want to restrict the ability to post transactions using dates that belong to one of the closed periods, you can do so using the **Posting Period Restrictions** function in the *General Ledger* module. You can set the system to accept entries for a three-year period by unmarking all checkboxes for all three fiscal years (current, prior, future) in the **Posting Period Restrictions** function.
4. As long as data is not purged, financial statements and reports can be generated for historical years/periods.

Fiscal Year-End Closing Process

To close the fiscal year, perform the following steps:

1. Verify that all subsidiary modules have been closed through the last period of the current fiscal year.
 - a. If this has not been done, perform the necessary period-end closing process to advance the subsidiary (non-GL) modules to the first period of the next fiscal year.
2. Review the **Year-End Closing Checklist** section of this document and verify that you meet all the requirements for Fiscal Year-End Closing.
3. Access the Fiscal Year-End Closing function from the *GL Housekeeping* menu. The system will display the Fiscal Year-End Closing window.
 - a. The Fiscal Year-End Closing function performs the following updates:
 - i. Checks for unposted prior year GL Journal Entry batches.
 - ii. Validates that all subsidiary modules have been closed through the last period of the current fiscal year.
 - iii. Updates the Fiscal Period table with information for the new (future) year.
 - iv. Deletes GL transaction records dated prior to the date specified in the Purge Historical Data Before field in the General tab of the GL Module Setup.
 - v. Closes the Income Statement GL accounts and transfers the resulting net income or loss to the Retained Earnings GL account in preparation for the new fiscal year transactions.

- vi. Keeps Balance Sheet GL accounts open and carries forward their ending balances to period zero of the new fiscal year to serve as the beginning balances for the new year.
- vii. Closes the company's current fiscal year in the General Ledger and moves it to the next fiscal year.

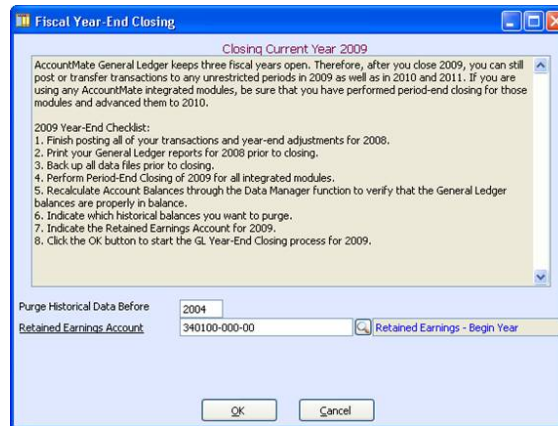


Figure 1-1. Fiscal Year-End Closing Window

- 4. The upper portion of the screen provides users with information about the Fiscal Year-End Closing process. The bottom part allows users to specify which records to purge and verify the Retained Earnings GL account to which the system will post earnings and losses. The default values in these fields come from the General tab of the *GL Module Setup* function window. The values in these fields may be changed, if necessary.
- 5. When all values are correct and verified, click Ok to proceed.
- 6. If a value was entered in the *Purge Historical Data Before* field, the system will display a message informing you that once data is purged, it cannot be retrieved.

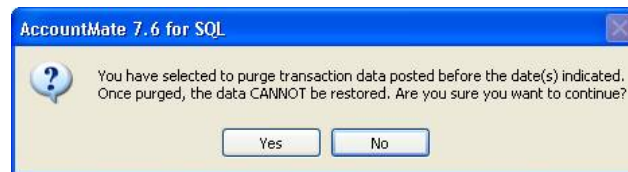


Figure 1-2. Fiscal Year-End Closing: Purge Data Confirmation Window

- 7. Click Yes if you are ready to continue with the Fiscal Year-End Closing.
- 8. The system will display another message asking if you want to Recalculate Account Balances.

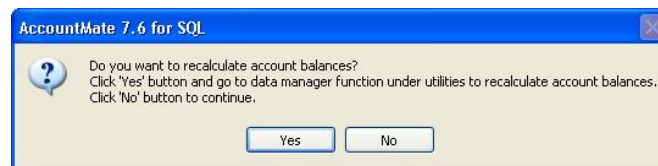


Figure 1-3. Fiscal Year-End Closing: Reminder to Recalculate Account Balances

- 9. Click Yes to quit the Fiscal Year-End Closing process so that you can recalculate account balances; otherwise, **click No to continue with the Fiscal Year-End Closing.**

- a. Access the Data Manager function to recalculate GL account balances.
10. If you decide to proceed with the Fiscal Year-End closing, the system will display a message window informing you what the following steps include and reminding you to verify that there are no other users accessing the same company in AccountMate.

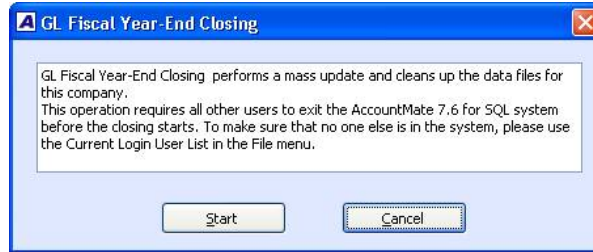


Figure 1-4. GL Fiscal Year-End Closing Dialog Window

11. Click Start to initiate the Fiscal Year-End Closing process. The system will display the Fiscal Year-End Closing window showing the processes it performs and the status.

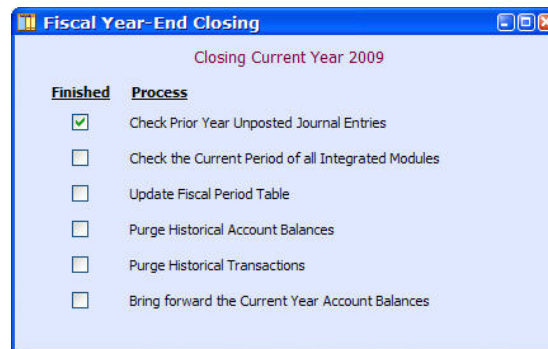


Figure 1-5. Fiscal Year-End Closing Window Processes

12. Once the system has successfully completed the closing process, it will display a message indicating that the fiscal year has been closed and provides information about the new fiscal year.

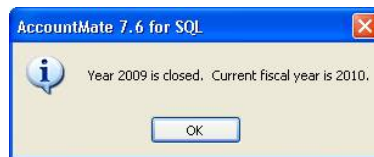


Figure 1-6. Fiscal Year-End Closing message

Payroll Module Closing Process

Unlike other subsidiary modules, the Payroll module requires an extra step before you can move on to the first period of the next fiscal year if you fiscal year ends in December. The system requires you to perform the W-2/1099 Year-End Closing (i.e. tax year closing) before you can close the December period in PR and proceed with Fiscal Year-End Closing in the GL.

To close the payroll year, perform the following steps:

1. Perform W-2 Information Update. This can be found under the *Maintenance* menu.

- a. Review the prior or current year W-2 information and edit it, if necessary.
2. Perform the W-2/1099 Year-End Closing. This can be found under the *Housekeeping* menu.
 - a. You must perform the W-2/1099 Year-End Closing after December, regardless of when your fiscal year ends.
3. Install the latest Tax Table Updates.
 - a. Contact AutoStar Client Support to get the new tax tables loaded.

