

General Ledger Year End Closing Checklists

Dynamics GP2015

Date

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1 General Ledger Control Year End *Closing*

1.1 What happens when I close the year on Dynamics GP2015?

If you are maintaining 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 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 financial 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 summarises 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. (Optional)
- The year-end closing routine moves all profit and loss account balances to the retained earnings account.
- The year-end closing routine summarises balance sheet accounts and brings the balances forward as the beginning balances of the account in the new financial year.
- The year-end closing routine prints the Year-End Closing Report. 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.



2 General Ledger Year End Closing *Summary*

All users to be logged out of Dynamics GP when processing the Year end

Complete posting and closing procedures for other modules, before processing General

Ledger year end (optional)

1. Post final adjusting entries in General Ledger.
2. Print Account List to verify the Posting Type.
3. Close the last period of the financial year (optional).
4. Make a backup of the company database
5. Perform check links and reconcile on all Financial files
6. If you want to keep history records, be sure Maintain History for Accounts and Transactions are marked in General Ledger Setup.
7. Make a backup of the company database.
8. Print a final Detailed Trial Balance.
9. Print final financial statements.
10. Set up a new year in Financial Periods Setup.
11. Close the financial year.
12. Close all financial periods for all series (optional).
13. Adjust budget figures for the new year and print financial statements.
14. Make a final backup of the company database.



3 Detailed General Ledger Year End *Checklist*

All users to be logged out of Dynamics GP when processing the Year end

Complete posting and closing procedures for other modules, before processing General

Ledger year end (optional)

1. Post final adjusting entries in General Ledger. If you need to make any adjusting entries to the year use the Transaction Entry window (Financial > Transactions > General) or Quick Journal Entry window (Financial > Transactions > Quick Journal)
2. Print the Account List report to verify the Posting Type. Print an Account List (Financial > Reports > Account – All Accounts) to verify the Posting Type is set up correctly for each account in your chart of accounts. The Posting Type is used to determine whether the account should be closed to the Retained Earnings account at the end of the year or have a balance brought forward to the next year.

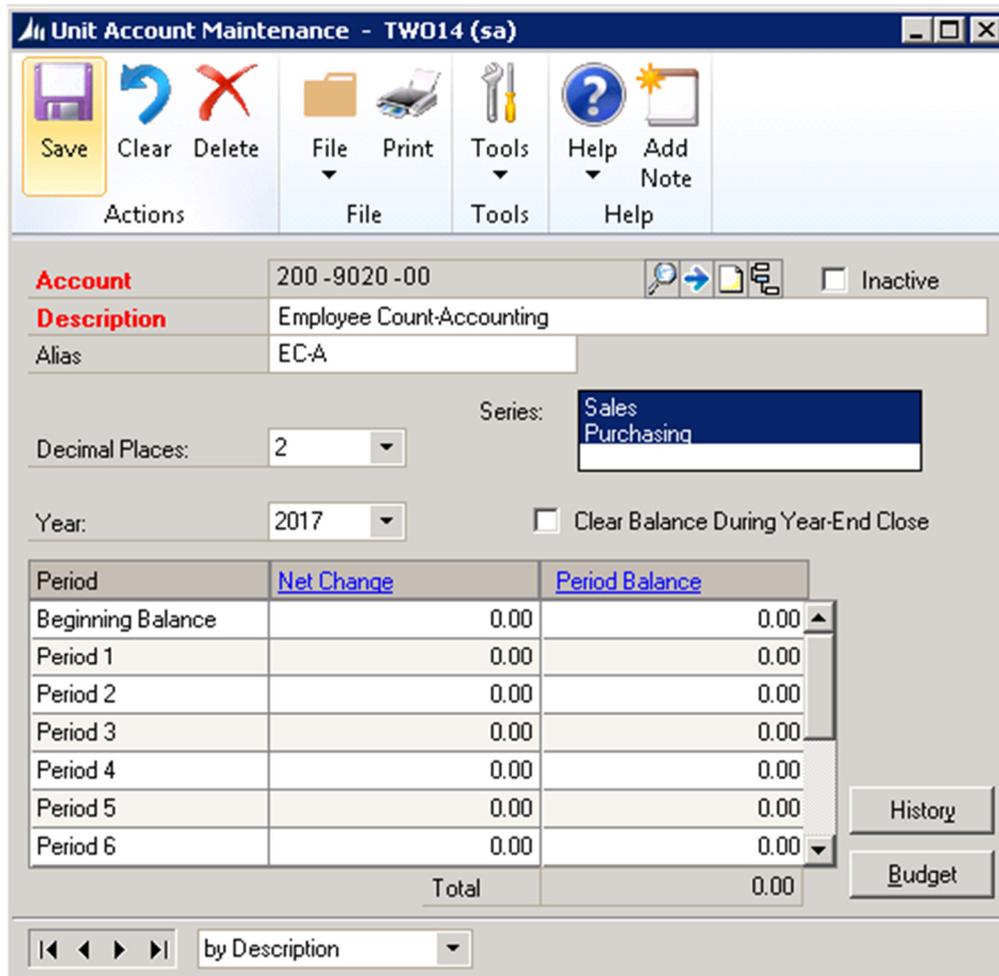
If the account's balance is brought forward at the end of year, it should be set up as a Balance Sheet Posting Type.

If the account's balance will be closed to a Retained Earnings account at the end of the year, it should be set up as a Profit and Loss Posting Type.

Use the Account Maintenance window (Financial > Cards > Account) if the Posting Type needs to be changed for an account.

If you are using Unit Accounts, check that you have the correct year end setting for the accounts. Go to Financial > Cards > Unit Accounts. If the "Clear Balance During Year-End Close" option is ticked, the balance on the Unit Account will be reset to zero during the year end close, if it is not ticked, the balance will be carried forward.





3. You can use the Financial Periods Setup window (Administration > Setup > Company > Financial Periods) window to close any financial periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

Note: This step is Optional. You need to consider whether you've posted all transactions for the period and year for all modules before closing financial periods. If you later need to post transactions to a financial period you've already closed, you'll need to return to the Financial Periods Setup window and re-open the period before you can post the transaction. You can only enter General ledger journals to a historical year and the system will automatically update the retained earnings and opening balances. You can also only post back the most recent historical year.

4. Make a backup of the company database
5. Perform check links and Reconcile routines. To run check links go to Microsoft Dynamics GP > Maintenance > Check Links, select financial series and insert all logical tables. To run reconcile go to Financial > Utilities > Reconcile and run for the current year.
6. Check General Ledger Settings. If you want to keep historical records, make sure that Maintain History for Accounts and Transactions are marked in General Ledger Setup window (Financial > Setup > General Ledger). Account history allows you to print historical financial statements and calculated budgets from historical information. Transaction history allows you to print historical detailed trial balances and to drill down to transaction detail.



Both account history and transaction history are updated during the year-end close process if these options are marked.

7. Make another backup of all company data and place it in safe permanent storage. This gives you a permanent record of the company's financial position at the end of the year, and can be restored later, if necessary.
8. Print a final Detailed Trial Balance. Use the Trial Balance Report window (Financial > Reports > Trial Balance) window to print a year-end Detailed Trial Balance. We recommend saving the report to a file.
9. Print any final financial statements (usually within Management Reporter).
Print any year-end financial statements required. The most common financial statements include:



*Balance Sheet

*Profit and Loss Statement

*Statement of Cash Flow

*Statement of Retained Earnings

10. Set up a new financial year. Before you can perform a year-end closing, a new financial year must be set up using the Financial Periods Setup window.
(Administration > Setup > Company > Financial Periods):

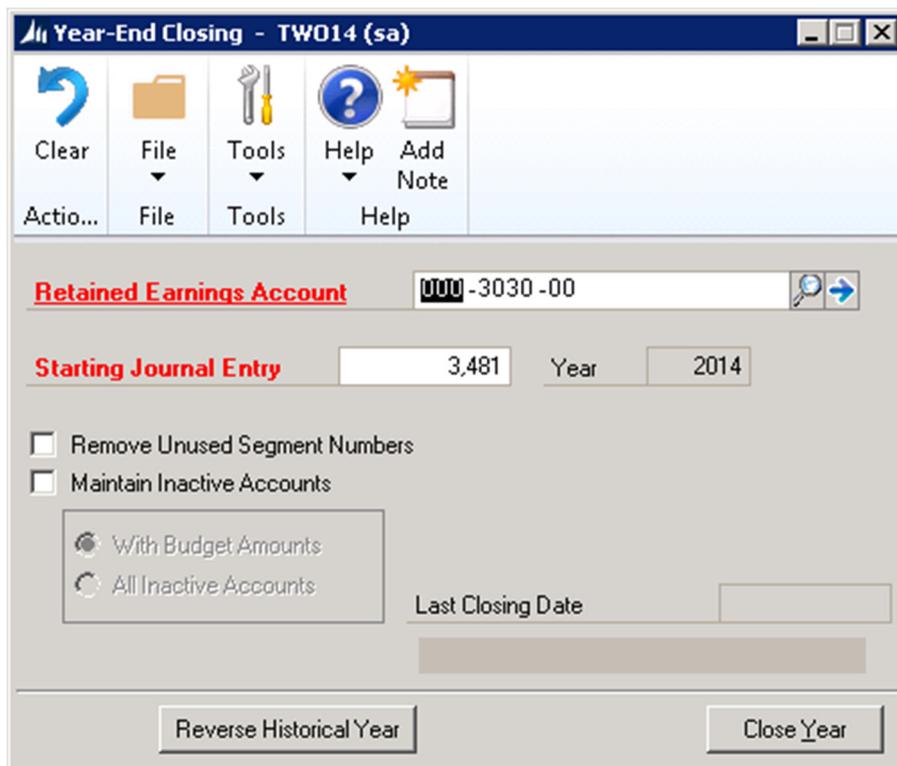
A). Enter the year.

B). Enter the first day and last day of the financial year. The financial year can be any length; it isn't limited to the length of a calendar year.

C). Enter the number of financial periods in the financial year. For example, if your financial periods are quarterly, enter 4; if they're monthly, enter 12.

D). Choose Calculate to calculate each period's first day and last day

11. Close the financial year. Using the Year-End Closing window
(Financial > Routines > Year End Closing) .Select the Retained Earnings account to which the year's profit or loss will be closed.



The default account is the one you entered in the General Ledger Setup window when you set up the module.



To set up divisional retained earnings accounts:

1. Open the Account Maintenance window. (Financial > Cards > Account)
2. Set up a separate retained earnings account for each division. Each account must be identical, except for the segment your division will be based on.

IMPORTANT - You must set up a retained earnings account for each division in the company, otherwise the year-end close will not take place

3. Save your changes in the Account Maintenance window.
4. Open the General Ledger Setup window.
(Financial > Setup > General Ledger)
5. Mark Close to Divisional Account Segments and enter or select the account segment you'll use as the divisional segment. For example, you might enter the first segment, Department.
6. Enter or select one of the retained earnings accounts set up earlier. This account will be used as a template to find the retained earnings accounts for the remaining divisions.

Starting Journal Entry

Enter a starting journal entry number to be used as the next journal entry number for transactions entered in the next financial year.

Remove Unused Segment Numbers

Mark to remove any segments during the year-end closing process that aren't used in an account number. To retain unused segments, be sure this option is not marked.

Maintain Inactive Accounts

Mark this option if you wish to keep Inactive Accounts. Once you have selected this you can either choose:

- With Budget Amounts – This will only keep Inactive Accounts that have a budget amount against them, all other inactive accounts will be deleted.
- All Inactive Accounts – All inactive accounts will be deleted regardless of whether they have budget figures or not.

Year

Displays the year you're closing. You must always close the oldest open year

Last Closing Date

Displays the most recent date the year-end closing was performed. This field uses the system date.

7. Close all financial periods for all series (optional).
Go to Administration > Setup > Company > Financial Periods.
8. Adjust budget figures for the new year and print financial statements
9. Make a final backup of the company database.

