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End of Year Closing Procedure

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ASI SmartBooks Year End Guidelines

Although there is no required month or year end, there are certain lists (reports) that are important for a business to review on a regular basis. These lists will help each business and their financial partners to determine the financial health of the company coming into year end.

It is recommended you run these lists routinely to make sure the financial health of your company is on track. When and how often these are run will be determined by your company.

Steps to a successful year end

1.If 12/20XX is the end of your fiscal year this is what you can expect to occur.

Fiscal Ledger Closing – Within ASI SmartBooks, your Fiscal Closing will be an automatic function. The process will occur, when the first operator logs into the system, after the last day of your fiscal year. Ex: If your Fiscal year ends 12/31/20XX, the first operator that logs into ASI SmartBooks with a date newer than that will trigger the Fiscal Closing transactions to automatically occur. There will be a message on the screen stating, "Updating Files". Once the updating is complete, the operator will be taken to the Home Menu as usual.

That's all there is to it!

If you have any December processing that needs to be accomplished after the Fiscal Closing has occurred, you just need to enter a December date as the Posting Date of your transaction.

During the updating, a ledger transaction named
"Closing Entry" will be created for each P&L account to clear
the YTD balance. The offset accumulated ledger transaction will be
created for the Equity-Retained Earnings ledger account stored within
Company Setup.

Fiscal Closing Revisions – If ledger transactions are created that
have a posting date of a closed year, the program will check to
see if additional transactions need to be created to keep the
newer years correct. These additional transactions will only be required
for new transactions that have a posting date for
a previously closed year AND P&L accounts were affected.
 These transactions will have a special transaction
type of "Closing Entry Revision".

Closing Entry & Closing Entry Revisions ledger transactions are displayed in
the Ledger
Transaction-Audit Trail List.

System Preferences holds the Fiscal Closing Month and will allow the
user to see the Last
Fiscal Closing Date. There is an option to enter a password to restrict
postings to prior/future fiscal years.   This will prevent entries to years that
are closed, and financial statements have already been finalized for the
year.

2.   As soon as the system date changes to 20XX,
new default Posting Dates will reflect 20XX. If not changed,
transactions will post to 20XX. If there are entries that need
to be posted to 20XX (such as accountant closing entries),
you will want to change the Posting Date for that transaction to 20XX.
The entries will then be reflected in 20XX.

3.   When you have completed all 20XX work, make a backup of your
data and settings.   This can be done by going to your server and
logging in as administrator.   Clicking start – programs – ASI Computer
Systems – ASI SmartBooks – Data Backup. In the target line the end

of the path will be backup. Change this to be backupyearend20XX and click backup.   This will save the data and settings into that location in case you need it later.

4.   Under Accounting on the Ribbon menu select Reconcile (Located under Ledger).Verify that the difference column on the far right is all $0.00. If it is not, you will need to investigate the differences and correct them. (Refer to #6 for help finding the differences)

5.   Print your financial statements and make sure they are in balance.
 These can be found under
Supervise, under the ribbon menu – Financial. Make sure the As Of is the correct fiscal year.

6.   Refer to the "Financial Health Reporting" document for verification of balances for the end of the year.   This is the same process you should be following at the end of each month also. You can find this document by going to www.asicomp.com. Log into the site and under learn, click user manuals and guides. Open the "Financial Health Reporting" and you can print it or save it to a file to refer to.