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End of Year Closing Procedure

Angie K - 2022-07-28 - in Accounting

December 31 is the end of your calendar year. Attached are critical procedures that "MUST" be followed
"BEFORE" you start 20XX work.

Every business has two types of business years: calendar and fiscal. Your ASICS software has two
distinct closings. Calendar year does not affect the General Ledger and should ALWAYS be done at the end of December. Fiscal year is for
your General Ledger and may or may not be the end of December.
Refer to the accounting section of the Reference manual articles "Calendar Year End Closing Explanation" and "Fiscal Year End Closing Explanation" for further detail.

I have enclosed the "End of Calendar Year Closing Checklist" as a guide and these steps must be followed in order.
On December 31, you must close out the month of December as well as close out the year for 20XX.

The following steps should be taken on/or before December 31 to close BOTH your month & year before you start any 20XX work:

1. Run daily system checks and balances, taking the necessary steps to put the system back in balance if needed. Remember, the time to balance the month & year for 20XX is in December (or sooner) before you start
   your close, not after you close. If you wait until January 20XX to verify balances, it is too late, and you can't correct the detail because it will be cleared as part of the close.

1. Be sure that all work for December is
   finished. You must keep the system date at 12/31/XX until
   you have finished closing both month and year for 20XX. DO NOT let the system date go into the next month (01/01/XX) until you are finished because this controls which month G/L is updated.

1. Complete pre-closing backup. **NEVER** start your closing without backing up first. If a balancing
problem occurs after you close, you may have to restore and close again. We recommend you store this backup permanently.

1. You need to follow, in order, the steps in both the end of month and end of year checklists.

1. For your December end of month, run all the normal closing steps (in order).
2. Stop after reorganizing all files and DO NOT start the end of month G/L (General Ledger) close until you have completed the Calendar Year End close. You must have the Calendar Year closed before you do any work in January 20XX and before you change the system date to the actual January 20XX date. For your end of year close, run the closing steps outlined in the attached document.
3. Once the Calendar Year Closing is complete, you may proceed to close the G/L for December. If you are not ready to close the G/L now, you may change the system date back to the actual January 20XX date and start the New Year's work. The G/L may stay open during January but must be closed before the end of January 20XX.

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End of Calendar Year Closing Checklist

This checklist includes recommended year end reports, both mandatory and optional. Please review the optional reports to decide which ones you want to print. ASICS recommends you print ALL reports you feel you MAY need in the future. After closing the year, these reports will no longer be available. Mark each optional report you wish to run, then use this as a guide. Always refer to your ProfitMaker Reference Manual for detailed instructions. You should check off each option as it is completed in case you are interrupted during the year end processing.

End of Calendar Year Checklist

- A. Make sure everyone is out of the system. Other operators working in the system could affect the accuracy of your reports.

- B. Run Daily System Checks and Balances, taking the necessary steps to put the system back in balance if the report shows that A/R, A/P, Commission, Credit Card Deposits or

General Ledger are out of balance. Remember, this should have been run and balanced daily, don't wait until year end to find out if you are in balance or not.

- C. Complete Pre-Closing backup to CD or tape. Never start your closing without backing up your data first. This is in addition to the backup done before the End of Month closing. Label it "20XX Backup" (dated for appropriate year), indicate the version number of your software, and store this permanently.
- D. The system date MUST still be on the last day of December (12/31/YR). It is very important to keep this date until ALL closing work is accomplished for the Calendar Closing. Remember, the Calendar Close is for Order/Billing, A/R, A/P, Salesperson, and Inventory. G/L is not affected. G/L may stay open but must be closed before the end of January.

Following is a list of procedures that **MUST** be accomplished **AFTER** all month end processing has been completed for Order/Billing, A/R, Salesperson, Inventory and A/P Modules and any Special Programs for the month of December, **BUT BEFORE** G/L is closed.

If you desire additional reports that are not listed on this checklist, you should run them now, in the same sequence as Month End Closing. (EX: Additional Sales Reports.)

End of Calendar Year Closing

NOTE: *All Year End Update/Clear options move the YTD figure to the LYR field in the respective masters. The YTD field is then set to zero. Payables/Vendor Year End Update/Clear also updates the 1099 vendors in the 1099 file and sets the totals for your 1096.*

Order Billing Year-End

- Product Code Summary
- Source Code Summary
- Line Item Code Summary
- Booked/Billed Orders Comparison (REQ)
- Year-End Update/Clear (REQ)

Receivables/Customer Year-End

- Customer Sales (REQ)
- Sales by Ship to Code (REQ) (ProfitPro, ProfitMakerPlus and ProfitMaker with Fulfillment only)
- Year-End Update/Clear (REQ)

Salesperson Year-End

- Booked/Billed Order/Commission Comparison (REQ)

- Salesperson Master Information (REQ)
- Year-End Update/Clear (REQ)

Payables/Vendor Year-End

- Purchases Comparison (REQ)
- Vendor Tax Information (REQ)
- Year-End Update/Clear (REQ)
- 1099 Recipient Maintenance
- 1099 Edit
- 1099 Forms
- 1096 Totals

Inventory Year-End

- Inventory Valuation (REQ) (ProfitMaker only)
- Costing/Sales (REQ)
- Inventory On-Hand Balance (REQ) (ProfitPro, ProfitMakerPlus and ProfitMaker with Fulfillment only)

  NOTE: ProfitMakerPlus Only Do NOT run <u>Inventory Year End Update</u> until:

1. *ALL usage for December for ALL customers has been updated.*
2. *All Forms Management Reports for ALL customers are run for the month of December.*
3. Year-End Update/Clear (REQ)

Special Programs End of Calendar Year Closing

If you have any ProfitMaker Special/Custom programs, check for any Year-End Processing Options. If any, run them at this time.