Year-End Closing Procedures for Modules in Dynamics GP

December 10, 2013
Welcome!
Important Web Seminar Notes

- We have automatically muted the line. During the presentation, all participants will be in listen-only mode.
- Please turn off all webcams.
- Following the presentation we’ll have a Q&A session. Submit questions via the Q&A feature. Simply select the Q&A window, type your question into the dialog box, and click the “Ask” button.
- The slides and recording of this call will be sent to attendees for today’s program.
- Having technical difficulties?
  - Call 800.374.1852 or
  - E-mail pfs@intercall.com
- For audio help, please call 1.800-374.2441
To Receive CPE Credit

- **Polling question:**
  - Click on appropriate radio button to answer the polling question

- **Active participation:**
  - NASBA requires that we monitor your participation
  - You must answer 75% of all polling questions offered per hour to get credit for that hour
    - Half credits may be awarded after the first hour, as appropriate
  - Your interactions will be tracked through the system
    - For groups, the proctor’s polling answers will be tracked
  - Your computer connection will be tracked through the system
    - You must be connected at least 50 minutes to receive 1 credit
    - Each 25 minutes after the first hour is worth ½ credit

*Failure to follow this policy will result in NO CPE credit.*
To Receive Group CPE Credit

- **Group participation:**
  - Groups should download the Group Sign-in sheet from the Presentation Assets box located on left side of the screen.
  - The group proctor must be the person logged into the streaming platform and must answer the CPE polling questions.
  - Group proctors should enter all participant information and sign off at the top of the group sign-in sheet.
    * Include actual time in and time out of all participants.
    * Verify active participation of all group members.
  - Submit via email within 3 days.

*Failure to follow this policy will result in NO CPE credit for everyone in the group.*
Course Materials

- Available for download
- In Live Meeting, top right hand side. Looks like three pieces of paper
McGladrey Resources

East Region (MA, NH, NY, PA, NJ, DE, MD, DE, DC)
- CRC.East@mcgladrey.com
- 866.848.2531

Central & Great Lakes Regions (IA, KS, MO, MN, ND, NE, SD, IL, IN, WI)
- (888) 678-5536
- central.plains.crc@mcgladrey.com

Western Region (CO, AZ, NV, CA, NM, WY, ID, WA)
- (888) 678-5536
- westsupport@mcgladrey.com

McGladrey Resources
What version of Microsoft Dynamics GP are you running?

Polls are open.

Version 10.0 or earlier
GP 2010
GP 2013
Don't know

[ Poll 1 ]
Presenters

Jonathan Struble
Supervisor, Technology Consulting
Baltimore, MD

Dan Woodcock
Senior Associate, Technology Consulting
Minneapolis, MN
Objectives

- This presentation will provide a detailed approach to year-end closing procedures for Microsoft Dynamics GP.
- We will discuss changes from last year and provide year-end procedures for GP2010 and GP2013.
Agenda

- Preparing to Close for All Modules
- Inventory
- Receivables Management
- Payables Management
- Fixed Assets
- General Ledger
- Other Information
## Close the Following Modules in this Order

<table>
<thead>
<tr>
<th>Module</th>
<th>Fiscal Year Close</th>
<th>Calendar Year Close</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll <strong>See your PM if using this module</strong></td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Inventory Control</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Receivables Management</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Payables Management</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Fixed Assets <strong>NOT date sensitive!</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>General Ledger</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
There are no year-end closing routines for the following modules, but you must perform your period-end procedures:
- Multicurrency
- Bank Reconciliation
- Purchase Order Processing
- Sales Order Processing
Before You Begin Closing Out Any Modules

- Perform all of your month-end and quarter-end (FA & Payroll) procedures for all modules, including printing reports
- Make a full SQL backup of all data
- Users should not be posting or entering transactions once the backup is made and while the year-end closing is in process
True or false, there is a preferred order to closing the modules.

Polls are open.

[ Poll 2 ]
Presentation Approach for Each Module

- Effects of performing the Year-End Close
- Summarized list of steps to perform for closing
- Detailed review of each step in the process
Inventory

- Inventory has a Fiscal year-end only – no Calendar year-end close
- Transfers all summarized current-year quantity, cost and sales amounts to transaction history
- Updates the amount in the item’s Beginning Quantity field to the Quantity On Hand field at each site.
- Certain reports, such as the Turnover Report, use the amount in the Beginning Quantity field for report calculations
Things to Consider for Inventory Before Closing

- OPTIONAL: Remove discontinued items*, sold receipts or sold lot attributes for items that have a zero balance
- OPTIONAL: Update the standard cost for items with LIFO or FIFO Periodic valuation methods

* If you want to remove discontinued items, consider this in advance and be sure to mark the items as discontinued.
Inventory Summary

- Perform all period-end procedures
- Reconcile Inventory Quantities
- Perform Annual Physical Count and Post Adjustments
- Print Reports
- Make a backup
- Close the Year
- Close the GL fiscal period for Inventory
- OPTIONAL: Remove excess history via purges
Perform Period-End Procedures

- Post all transactions and perform period-end procedures specific to your company
Reconcile Inventory Quantities

- This process ensures a solid relationship between all the inventory tables. If any discrepancies are found, quantities will be adjusted and reflected on the Reconcile Report.
- Can be done a few days prior to the year-end close.
- Microsoft Dynamics GP > Tools > Utilities > Inventory > Reconcile

** If you are using POP, reconcile Purchasing Documents before reconciling Inventory!
Perform Physical Count

- To reconcile the actual item quantities with those recorded in Dynamics GP
- Ensures accurate financials by recording the appropriate adjustments to inventory quantities and values
- Post adjustments for variations
Print Reports

- Activity Reports
  - Stock Status Report
  - Purchase Receipts Report
- Analysis Reports
  - Turnover Report
- History Reports
  - Transaction History Report
- Serial/Lot Reports
  - Serial Number List Report
  - Lot Number List Report
Make a backup.
Close the Year

- You may also choose to remove certain records and update standard costs
- Microsoft Dynamics GP > Tools > Routines > Inventory > Year-End Close
Close the Fiscal Period

- Close the fiscal period module to prevent posting to this period/module
• Receivables has both Calendar and Fiscal year-end close processes
• Fiscal Year
  - Transfers all YTD amounts except finance charges to last year
Receivables Management

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td>$2,976.51</td>
</tr>
<tr>
<td>31 - 60 Days</td>
<td>$0.00</td>
</tr>
<tr>
<td>61 - 90 Days</td>
<td>$0.00</td>
</tr>
<tr>
<td>Over 90 Days</td>
<td>$19,899.04</td>
</tr>
<tr>
<td>Balance</td>
<td>$22,875.55</td>
</tr>
</tbody>
</table>

Summary View: Amounts Since Last Close

Year: 2010
Period: All

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unposted Sales/Debits</td>
<td>$53.55</td>
</tr>
<tr>
<td>Cash/Credits</td>
<td>$2,290.00</td>
</tr>
<tr>
<td>Other Sales</td>
<td>$154,774.90</td>
</tr>
<tr>
<td>Other Cash</td>
<td>$300.20</td>
</tr>
<tr>
<td>On Order</td>
<td>$300.20</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year to Date</th>
<th>Last Year</th>
<th>Life to Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Sales Docs</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>No. of Paid Invoices</td>
<td>44</td>
<td>44</td>
</tr>
<tr>
<td>Sales</td>
<td>$60,017.32</td>
<td>$60,017.32</td>
</tr>
<tr>
<td>Cost</td>
<td>$18,767.45</td>
<td>$18,767.45</td>
</tr>
<tr>
<td>Cash Received</td>
<td>$37,434.96</td>
<td>$37,434.96</td>
</tr>
<tr>
<td>Returns</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Write-offs</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Terms Discounts Taken</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>High Balance</td>
<td>$33,024.56</td>
<td>$33,024.56</td>
</tr>
</tbody>
</table>
Calendar Year

- Calendar Year moves YTD finance charges to the last year field on customer records (will move January’s charges if you wait!)
Receivables Management Summary

- Perform your period-end procedures
- Make a backup
- Close the Year
- Close the Fiscal Period for Sales
Perform Period-End Procedures

- Post all transactions and perform period-end procedures specific to your company
Make a backup.
Close the Year

- Select whether to close fiscal or calendar year, or both
- Select Print Report (lists Customer IDs and YTD, Last Year and LTD sales amounts for each customer prior to close)
- Microsoft Dynamics GP > Tools > Routines > Sales > Year-End Close
Close the Fiscal Period

- Close the fiscal period module to prevent posting to this period/module
- Payables has both calendar and fiscal year-end close processes
Calendar Year

- Transfers the 1099 amounts to last year
- Click the expansion button to show 1099 Amount Details sub-window
Calendar Year

- 1099 Amount Details sub-window

McGladrey
Fiscal Year

- Transfers all amounts, other than 1099 amount, to last year
Payables Management Summary

- Perform your period-end procedures
- Print 1099s*
- Make a backup
- Close the Year
- Close the fiscal period for Purchasing

* Versions 8.0 and later can print 1099s for a prior year, so this can be done after the year-end close is complete.
Perform Period-End Procedures

- Post all transactions and perform period-end procedures specific to your company
Print 1099’s

- Verify information by printing the 1099 Edit List from the Print 1099 window
Verify 1099 Vendor Information

- Use SmartList to verify that you have vendors’ 1099 information and determine which vendors will need 1099s
- Vendors/Add columns for 1099 info

<table>
<thead>
<tr>
<th>Vendor ID</th>
<th>Vendor Name</th>
<th>1099 Type</th>
<th>Tax ID Number</th>
<th>1099 Amount YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1099VENDOR</td>
<td>1099 Vendor</td>
<td>Miscellaneous</td>
<td>199976654</td>
<td>$5,199.00</td>
</tr>
<tr>
<td>BEAUMONT</td>
<td>Beaumont Constr...</td>
<td>Miscellaneous</td>
<td></td>
<td>$404.00</td>
</tr>
<tr>
<td>BERGERON</td>
<td>Bergeron Commu...</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>COMUNET</td>
<td>Comnet Enterprises...</td>
<td>Miscellaneous</td>
<td>596-365-0557</td>
<td>$0.00</td>
</tr>
<tr>
<td>COMPUTER</td>
<td>Computer Trainin...</td>
<td>Miscellaneous</td>
<td>5203899901</td>
<td>$0.00</td>
</tr>
<tr>
<td>DOCEXCO</td>
<td>Doceki Catering</td>
<td>Miscellaneous</td>
<td></td>
<td>$31.00</td>
</tr>
<tr>
<td>GARDENS</td>
<td>Garder Services</td>
<td>Miscellaneous</td>
<td>877-615-033</td>
<td>$3,700.00</td>
</tr>
<tr>
<td>GKEADLA</td>
<td>G &amp; K Cleaning</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>INLINESERV</td>
<td>Inline Service Sys...</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>INTERNA10</td>
<td>International Tele...</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>INTERNA10</td>
<td>International Tele...</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>JENN</td>
<td>Jenn- Dover Sad...</td>
<td>Miscellaneous</td>
<td></td>
<td>($5.50)</td>
</tr>
<tr>
<td>MARY</td>
<td>Mary</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>MULTINA10</td>
<td>Multinational Com...</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>PERMISIO10</td>
<td>Premier System, Inc...</td>
<td>Miscellaneous</td>
<td></td>
<td>$6.00</td>
</tr>
<tr>
<td>RELIANCED</td>
<td>Reliance Systems...</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>SIGNATUR0</td>
<td>Signature Services</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>TELECOMM10</td>
<td>Telecom Connect Syst...</td>
<td>Miscellaneous</td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td>WOODCON</td>
<td>Wood Consulting</td>
<td>Miscellaneous</td>
<td></td>
<td>$115.00</td>
</tr>
</tbody>
</table>
Edit 1099 Amounts

- Edit the 1099 YTD amounts in the Vendor Period Summary window
- Cards > Purchasing > Summary > Period
  - VERSION 10, 2010 and 2013: Click the expansion arrow indicated to open the 1099 Details window
  - VERSIONS PRIOR TO 10: Enter the correct amount directly in the 1099 Amount field
Edit 1099 Amounts (Version 10, 2010 and 2013)

- Edit the 1099 amounts by specific box number and 1099 type (you must edit it by month, yearly is not allowed)
Make a backup
Close the Year

- Select whether to close fiscal or calendar year, or both
- Microsoft Dynamics GP > Tools > Routines > Purchasing > Year-End Close
Close the Fiscal Period

- Close the fiscal period module to prevent posting to this period/module
Optional: Close the Tax Year After Payables and Receivables

- Effect: The accumulates YTD totals in the Tax Detail Maintenance window are cleared and transferred to last year’s totals. Separate YTD totals can then be recorded for the new year.
- Microsoft Dynamics GP/Tools/Routines/Company/Tax Year-End Close
- Print Tax Year-End Closing Report to show YTD and last year’s tax amounts
Fixed Assets

- Fixed Assets has a Fiscal year-end only – there is no Calendar year-end close
- Close Payables module first
- Year-end routine can be done at different times for each book, or all at once
Fixed Assets

- Entire routine must be completed before entering any transactions in the new year
- Once year is closed you cannot reopen
- Increases the current fiscal year for each book being closed
Fixed Assets Summary

- Complete Payables year-end
- Enter all activity for the current fiscal year
- Run depreciation on all assets through the last day of the current fiscal year
- Process the GL interface (GL Posting) routine
- Print reports
- Ensure the Fixed Assets Calendar is built correctly
- Verify that Quarters are set up correctly for all fiscal years
- Make a backup
- Close the year
Complete Fixed Assets Year-End

- This will ensure that all transactions are capitalized in Fixed Assets
Enter All Activity

- This includes additions, changes, transfers and retirements

**Transfers and Undo Retirements should never be performed in a historical year**
Run Depreciation & Process

- Run depreciation for all assets through the last day of the fiscal year
- Process the depreciation using the GL Interface (GL Posting) routine
Print Key Reports

- Suggested reports to run at year-end:
  - Annual Activity
  - Additions
  - Retirements
  - Transfers
  - Depreciation Ledger**
  - Property Ledger
  - Fixed Assets to GL Reconciliation

** This report CANNOT be printed at a later date!!
Fixed Asset Calendar

- Ensure your fixed assets calendar is built correctly
  - (Microsoft Dynamics GP>Tools>Utilities>FA>Build Calendar)
- Fixed Asset calendar must be in synch with your GL Calendar
Verify Quarters

- Microsoft Dynamics GP > Tools > Setup > Fixed Assets > Quarter
Make a backup
Close the Year

- Microsoft Dynamics GP > Tools > Routines > Fixed Assets > Year-End
- Select Book(s) you want to close

Note: no report prints during the year-end close routine
What calendar does the Fixed Asset Module use?

Polls are open.

- None
- The Company Calendar
- The Fixed Asset Calendar
- The Sales Tax Calendar

[Poll 3]
General Ledger

- General Ledger has a Fiscal year-end only – there is no Calendar year-end close
- Transfers all current-year information for each account to account & transaction history and prepares the system for a new fiscal year
- Reconciles and summarizes all the GL balances that have accumulated throughout the year
- Transfers current-year P&L amounts to the Retained Earnings account(s)
- Summarized B/S accounts, bringing balances forward as the accounts’ beginning balance for the new fiscal year
General Ledger

- Adjusting entries for the GL do not have to be made before closing the year in Dynamics GP. You can post entries in the GL for ONE historical year.

**EXAMPLE:** If you close 2013, then 2013 will be your most recent historical year. You will be able to post entries to the GL for 2013, but will not be able to post to 2012.
General Ledger Summary

- Close all other modules in order
- Verify that you have sufficient disk space on the server
- Post final adjusting entries in GL if available
- Verify that you are maintaining history
- Verify account Posting Types
- Make a backup
- Print a Detailed Trial Balance to file (it can be lengthy!)
- Print Financial Statements
- Set up the new fiscal year
- Close the current year
- Close all fiscal periods for the year
- Make a final backup
Close All Other Modules

- Be sure to close all other modules that are integrated with the General Ledger in the following order:
  - Payroll
  - Inventory
  - Receivables
  - Payables
  - Fixed Assets
  - General Ledger
Post Final Adjusting Entries

- If final entries are not yet available, you can still close the GL
- You can post adjusting entries later and run updated TB & financial statements at that time

** You must be keeping account and transaction history to close the year before entering adjusting entries.
Verifying Sufficient Disk Space

- Determine the amount of available disk space on the server
- Determine the size of your largest company database
- Confirm that you have at least three times that amount of space available on the server
Verify Maintaining History

- Verify that you are maintaining history
- Microsoft Dynamics GP > Tools > Setup > Financial > General Ledger
Verify Account Posting Types

- Use Smartlist
  - Accounts, include a column for Posting Type and Typical Balance
Make a backup
Set up New Fiscal Year

- Set up the new fiscal year, if not done so already
- Microsoft Dynamics GP > Tools > Setup > Company > Fiscal Periods
Retained Earnings Account & Posting to History

[Diagram of General Ledger Setup interface]

Retained Earnings Account & Posting to History
If closing to divisional R/E accounts, confirm that all appropriate accounts have been created.
Close the Year

- Microsoft Dynamics GP > Tools > Routines > Financial > Year-End Close
- Verify the Retained Earnings account
- Accept/Change the Starting Journal Entry number
Close All Fiscal Periods

- Confirm that all fiscal periods are closed in all modules for the year to prevent posting, and that the year is marked as Historical.
True or false, you should run a backup prior to closing your year.

Polls are open.

True

False
Upcoming Events

Convergence 2014
March 4-7
Atlanta, GA

http://www.microsoft.com/dynamics/convergence/
Q & A

- Submit questions via the Q&A feature. Simply select the Q&A window, type your question into the dialog box, and click the “Ask” button.
- The slides and recording of this call will be sent to attendees for today’s program.

facebook.com/McGladreyTech

twitter.com/McGladreyTech

twitter.com/McGladreyERP
McGladrey Resources

East Region (MA, NH, NY, PA, NJ, DE, MD, DE, DC)
- CRC.East@mcgladrey.com
- 866.848.2531

Central & Great Lakes Regions (IA, KS, MO, MN, ND, NE, SD, IL, IN, WI)
- (888) 678-5536
- central.plains.crc@mcgladrey.com

Western Region (CO, AZ, NV, CA, NM, WY, ID, WA)
- (888) 678-5536
- westsupport@mcgladrey.com
Thank you for attending!

Reminder to obtain CPE credit
  - **Individuals:** No further action is required
  - **Proctors on behalf of a group:**
    - The group proctor should be the same individual who logged in to the web and teleconference lines
    - Submit the group sign-in form within 3 days (available by clicking on the Presentation Assets section on the left side of your screen)
  - 1.0 CPE credit hours will be issued to eligible participants within 60 days
  - NASBA will not issue credit if all criteria is not met, without exceptions

Follow-up materials
  - The presentation slides and a link to the call recording will be sent to all participants within a few days of the webinar

Thank you for attending!