AccountMate Year-End Preparations
Article # 1262

Technical Note: Year-End Closing Tech Tips

Difficulty Level: Intermediate Level AccountMate User

Version(s) Affected: AccountMate 8 for SQL and Express
AccountMate 7 for SQL, Express and LAN
AccountMate 6.5 for LAN

Module(s) Affected: GL, AR/SO, AP/PO, IC, BR, PR, MI and RA

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DESCRIPTION

AccountMate Year-End Closing is done annually. While the process itself doesn't change from year to year, there are always those procedures or steps that must be explained because users only get to perform this function once a year. This article is a compilation of year-end closing tips. This will attempt to answer the questions that were frequently asked of our Support Technicians. Its aim is to help you resolve without delay some issues that you may encounter during your year-end closing.

SOLUTION

Listed below are some of the most commonly asked questions about the year-end closing process and the answers to each:

Q: *My current fiscal year is 2012; however, I have posted transactions for fiscal year 2013 in the subsidiary (non-GL) modules. I performed Transfer Data to GL from these modules. Can I generate financial statements for fiscal year 2013?*

A: In AccountMate 8 and 7 for SQL/Express, you can generate the Balance Sheet and Income Statement for the future fiscal year. In AccountMate 6.5 and 7 for LAN, use the GL Account Listing or Trial Balance.

Note: AccountMate doesn't roll forward the current year account balances (e.g. 2012) until the fiscal year is closed. This means that the figures you see for the next fiscal year (e.g. 2013) in any of the aforementioned reports do NOT yet include any balances from the current fiscal year.

Q: *The Trial Balance figures do not match those of the General Ledger Listing. In fact, some GL Account ID balances displayed at the top of the General Ledger Listing do not match the balances at the bottom. How do I resolve this issue?*

A: To correct the problem, follow these steps:

1. Back up your data.
2. Access the Data Manager function from the Utilities menu.
3. Mark the Recalculate Account Balances checkbox.
4. Click Process to initiate recalculation of GL Account ID balances.

Note: Recalculation of GL Account ID balances fixes inconsistencies among the Trial Balance, Balance Sheet and Income Statement figures based on the actual transactions recorded in AccountMate.

Q. *When recalculating the GL Account ID balances, I received a message stating that recalculation failed because the General Ledger Transaction file was out of balance. How do I resolve this issue?*

A. The Journal Entries Transaction file (GLTRSN) must be in balance across periods and across fiscal years. To correct an out-of-balance condition, enter a one-sided transaction in the GLTRSN file. If you are an end user, you must contact your AccountMate Solution Provider or a person who has the technical expertise to fix your data. Be sure to back up your data before directly manipulating it.

Q: *What are the repercussions of recording a transaction dated in a prior year?*

A: The repercussions would vary slightly depending on the module in which the prior period transaction is recorded. For example, assume that the current fiscal year (FY) is 2013. You have just received from a vendor an AP invoice for a December 2012 expense for which the expense and liability were not recorded. You can access the Posting Period Restrictions function and remove the posting restriction for the AP or GL module in December 2012.

If you record the transaction in the AP module and backdate it to December, it will be posted to December 2012. If you post the transaction as a Prior Year-End Adjustment in the GL module, it will be posted to the Year-End Adjustment period. The Year-End Adjustment period for a 12-period year is Period 13 with a post date that falls on the last day of the fiscal year.

Regardless of whether you post the transaction in the AP or GL module, the 2013 expense GL Account ID balance will not be affected; instead, the Retained Earnings beginning balance for 2013 will decrease. The increase in the liability GL Account ID will be carried over into the fiscal year 2013.

Q: *When I set up a 12-period fiscal/calendar year for a company, will AccountMate automatically set up the 13th period, which is the year-end adjustment period?*

A: Yes, it will. For each fiscal/calendar year AccountMate always designates one additional period (i.e. 13th period in a 12-period year) as the year-end adjustment period. The system-created year-end adjustment period has a period range of one day, which is the last day of the fiscal year (e.g. 12/31/2012 to 12/31/2012).

Q: I want to record a prior year-end adjusting entry; however, the Prior Year-End Adjustment journal entry type option is disabled in the Journal Entry Transactions function. How do I proceed?

A: Verify that the prior fiscal year's year-end adjustment period in the GL module is not restricted for posting. To remove the posting restriction for the prior year's year-end adjustment period, perform these steps:

1) Access the Posting Period Restrictions function in the GL Housekeeping menu.
2) Select the prior year in the Fiscal Year field.
3) Unmark the checkbox under the GL column for the year-end adjustment period.

Q: After posting a prior year-end adjustment, do I need to re-close the fiscal year?

A: Absolutely not. When you post a prior year-end adjustment that involves Income Statement accounts (e.g. revenues or expenses), AccountMate automatically adjusts the Retained Earnings Account's current year beginning balance. If the prior year-end adjustment involves Other Comprehensive Income accounts (which you can use starting in AM 8.3 for SQL and Express), AccountMate automatically adjusts the current year beginning balance of the Equity for OCI account assigned to each Other Comprehensive Income account used in the adjustment. If the prior year-end adjustment involves Balance Sheet accounts (e.g. liabilities or assets), the balances are carried over to the current year.

Q: I'm ready to close December in the Payroll module. Is there anything I need to do before I proceed?

A: You must perform W-2/1099 Year-End Closing before you close the December period in Payroll.

Q: Why is my company's fiscal year different from its tax year?

A: The IRS mandates that the current payroll tax year be the same as the current calendar year. Since AccountMate's payroll tax year is controlled by the W-2/1099 Year-End Closing function and the fiscal year is controlled by the Fiscal Year-End Closing function, your company's tax year may not always be the same as its fiscal year.

Q: If my company is using a fiscal year instead of a calendar year (i.e. January to December), must I perform certain procedures prior to running the W-2/1099 year-end closing?

A: Refer to the **Performing W-2/1099 Year-End Closing When the Company's Fiscal Year Is Not the Calendar Year** document for step by step instructions. You can find this in the Year-End Closing Procedures section of the AccountMate website.

Q: Can I print W-2s after year-end closing?

A: Yes, you can print W-2s for the current and previous tax years after year-end closing. If you have a tax subscription for the new tax year (e.g. 2013), AccountMate will print the W-2s using the layout of the W-2 tax forms installed by the tax subscription program (e.g. 2012 W-2 forms).

Q: *Do I have to close the current tax year (e.g. 2012) before installing the tax subscription update for the new tax year (e.g. 2013)?*

A: If you are on AM 7 or 8 then, no, you don't. You can install the 2013 Payroll Subscription Program even though the current tax year is still 2012. Be sure to input the 2013 Tax Subscription Key in the Administrator program to complete the installation of the tax subscription update.

If you are on LAN 6.5, we recommend that you close the 2012 tax year before installing the 2013 tax subscription update. This is because LAN 6.5 only maintains one set of tax tables (i.e. the ones installed by the 2013 tax update). If the tax subscription program installed is for 2013 while the current tax year in Payroll is 2012, AccountMate will not use the installed tax tables to calculate the payroll taxes.

Q: *Our company is on a January-December fiscal year. The Payroll module's current period is January 2013, but I am not ready to close the year 2012 in the General Ledger module. Can I start recording transactions for the new fiscal year?*

A: AccountMate requires that all modules be in the same fiscal year. You can either restore a backup made prior to closing PR or close all the modules including GL for the current fiscal year (i.e. 2012). If you need to record transactions for the prior fiscal year, verify that the posting dates fall in the prior fiscal year.

Q: *Can I post prior year transactions after Fiscal Year-End Closing?*

A: Yes, you can create a prior year-end adjustment entry using the Journal Entry Transactions function by selecting Prior Year-End Adjustment as the Journal Entry Type. Then, indicate the appropriate Retained Earnings GL Account ID. If the Prior Year-End Adjustment button is disabled, verify that the year-end adjustment period of the prior year is not restricted for posting. Save the journal entry batch and then post it using the Post JE Batch to GL function.

Q: *Do I need to post all transactions for the year immediately prior to the current fiscal year before performing Fiscal Year-End Closing?*

A: Yes. You will not have access to the year immediately prior to the current fiscal year after performing Fiscal Year-End Closing since AccountMate only keeps the current year, future year and one prior year open for posting transactions.

Q: *When I attempted to record a transaction in a subsidiary module, I received a message, "Cannot continue with this function. Year/Period-End Closing function is in process." How do I proceed?*

A: This message is generated either if Fiscal Year-End Closing or Period-End Closing is still going on or if either process was attempted but failed. If the process failed,

access the Data Manager function in the Utilities menu and enter the Supervisor password; then, mark the Release Period-End Closing Lock checkbox and click Process. Be sure to restore the backup made before period-end or fiscal year-end closing before you resume data entry.

Q: Why do I encounter the message, "xxx.xx amount has been transferred to Retained Earnings" when I perform Transfer Data to GL or Period-End Closing?

A: The message indicates that expense or revenue transactions recorded during the current period were assigned prior year posting dates. In keeping with proper accounting procedures these transactions are transferred to the Retained Earnings account as adjusting entries.

Q: I must have financial statements for the new year so I must close the current fiscal year; however, I have not yet received my last bank statement for the year. How can I reconcile my bank account if I had already closed the month for the missing bank statement?

A: You can perform bank reconciliation at any time. It is not necessary to wait for the current month's statement to arrive before closing the period. Any transactions that must be posted to GL can be dated in any prior period as long as that period is not restricted for posting.

Users on LAN 6.5 must make sure that there are no incomplete bank reconciliation projects in the BR module before closing the last period of the fiscal year in that module. If there are any, the BR period-end closing will fail.

Q: After an interrupted or failed period-end closing process, I clicked OK on the error message and the system returned me to the default AccountMate screen. When I try to access any module; I encountered the message "Cannot continue with this function. Period-end closing is in process." How do I resolve this problem?

A: To gain access to your modules, go to the Utilities menu and select the Data Manager option. Mark the Release Period-End Closing Lock checkbox; then click Process. Once done, investigate the failed period-end closing. Be sure to restore the database backup before you resume entering data.

Q: I encountered the error "The control is read-only" when I attempted to release the period-end closing lock in the Data Manager. How do I fix the problem?

A: Verify that the ammgr.* files are not set to read-only. To perform this operation, follow the steps below:

1) If you are running AM 8, access the AccountMate Common Files Folder. If you are running AM 7 or LAN 6.5, access the root directory of your AccountMate installation.
2) Select the ammgr.* files, right-mouse click and select Properties to display the Properties window.

3) Unmark the Read-only checkbox in the General tab; then, click OK.

You may encounter some issues that could stall your year-end closing process. This article guides you on how to deal with those issues so you can continue the year-end closing.