

# A2000ERP ~ GENERAL

## Year Ending Function

**What do we need to do for doing a year-ending function for our accounts?**

**1. WHAT IS YEAR-END FUNCTION?** Year Ending is a function in A2000ERP to transfer current year P&L balance into a retained earning account (balance sheet item). This function will allow the earnings from this year to be carried over to the new financial year.

**2. IS THIS AN IMPERATIVE PROCEDURE?** Yes, it is an imperative to perform a Year Ending function otherwise your Trail Balance for the new financial year will be out of balance (with the P&L from previous financial year). However it is not necessary to perform this immediately after the year ends. When a Year Ending is to be done, we assume that all necessary steps (system check-list showing “clean health”, audit adjustments & reclassifications and backups are done) had been taken and the system is ready to proceed.

**3. YEAR ENDING CHECKLIST** We encourage the following checklist to be conducted during normal housekeeping routines and even way before the audit starts. This will give you the comfort that your accounts are in “good health”.

**REMEDY:** Due to flexible settings in the system that allows user to sell into negative stocks, or for the accounts to start with no opening balances, there are possibilities your accounts are not in a state of “clean health”. This Year-Ending Check-list will help you keep problems at bay.

Before the year closes for the final accounts to be taken, ensure

**4.1 STOCKS LEDGER IS CLEAN** – perform the Recalculate Product Cost utility in Inventory module Via Inventory → Operations → Recalculate Product Cost With this utility, you can isolate the stocks whose costs are incorrect due to negative stock or entry sequence problems. Run this utility and repost until there is no negative stock error, and your Stock Valuation can tie with your GL Stock A/c.

**4.2 DIAGNOSTICS SHOW A CLEAN SYSTEM** – run Diagnostics in System Manager → Diagnostics → All Diagnostic Routines. Clear the errors shown in the diagnostics.

**4.3 CUSTOMER BALANCES ARE CORRECT** - check your sum of outstanding customer balances, and ensure it tie with your GL Trade Debtor A/c. If there are issues not cleared in the Diagnostics above, your control numbers may not tie.

**4.4 SUPPLIER BALANCES ARE CORRECT** - check your sum of outstanding supplier balances, and ensure it tie with your GL Trade Creditor A/c. If there are issues not cleared in the Diagnostics above, your control numbers may not tie.

**4.5 GST REPORTS ARE CORRECT** - check and balance your GST reports; compare the GL GST In/Out Report with the GST F5 Report and the GST Amount in the GL

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4.6 **BACKUP IS IMPORTANT** - remember to back-up regularly and especially so before an actual Year Ending function.

## 4. HOW DO I PERFORM THIS PROCEDURE?

Before you can do Year End function, please ensure the options are properly setup

4.1 **POSTING ACCOUNTS** System Manager → Transactions Tab → Account Posting Setting → Year Ending ✓ Transaction Type - choose type = GY or GJ (preferred is GY) ✓ P&L Account - use an Income Type to post Current Year Profit ✓ Balance Sheet A/c - use a Liability Type to post Retained Earnings accounts

4.2 **TRANSACTION NUMBER SETTING** The GY transaction will need to follow a particular numbering scheme. If this is the first time doing this, check that this is setup at:- System Manager → Transactions → Transaction Number Maintenance ✓ Look for GY Transaction in the list. If it exist, you are good to go. ✓ If it doesn't exist, go to last record and type GY to let the transaction numbering assign a numbering schema. Once the setting is done, you may follow this step-by-step procedure

## 4.3 STEP-BY-STEP GUIDE TO YEAR ENDING

[1] Call a report of your Profit & Loss to ascertain the figure is correct - Ensure that all audit adjustments and reclassifications are done - If it is incorrect, do not proceed. Review & correct before continuing.

[2] To proceed, go to GL -> Operations -> Year Ending Option. Enter the [YEAR] to be closed. E.g. If your FY is 1-Jan 2014 to 31-Dec 2014, Choose Year = 2014 If the FY is 1-April 2015 to 31-Mar 2016, choose Year =2015

[3] Click "OK" to complete. - The system will then auto-create a GY entry. - User can check the posting via the GY transaction at: General Ledger → Operations → GL transactions (Journal Voucher)

[4] LOCK PERIOD after Year Ending - After Year-Ending, you must lock your Year/Period to ensure no changes can be made to the closed financial year. Locked your financial year by: ✓ Go to system manager->system settings. ✓ Look for "Period Locking" and select the type as "Year" ✓ Enter the year to be lock, for example "2015" ✓ Click "Save" once done.

## 5. WHAT IF I NEED TO RE-DO THE YEAR END?

It is possible there are mistakes made, errors corrected and a Year Ending function need to be re-run.

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**REMEDY:** For minor changes to the P&L balance, simply call the GY Transaction and edit the double entries.

Or you may choose to re-do the entire Year Ending after revising the entries.



**REMEDY:** Simply go to GY transaction; delete the posted accounts (lines). Save the transaction to void postings. Perform the Year Ending function all over again, and it will re-post the new figures.

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