

MICROSOFT DYNAMICS GP

PAYABLES MANAGEMENT YEAR-END CLOSING PROCEDURES

* Closing the **calendar** year will transfer the 1099 amounts to last year. All transactions for the calendar year should be posted and the 1099 forms should be printed before closing the calendar year. *All ten steps in the list below should be performed.*

* Closing the **fiscal** year will transfer all the amounts other than the 1099 amount to last year. This procedure should be performed before you begin posting transactions for a new fiscal year. *You can skip steps three through five in the list below.*

Steps to Perform a Year-End Close

1. Post all transactions for the calendar or fiscal year and complete the normal month-end procedures. Print reports.
2. Install Year-End Update.
3. Make a backup named Pre-1099 Edits.
4. Review and edit 1099 information. **(Calendar Year Only)**
5. Print 1099 statements using the Print 1099 window. **(Calendar Year Only)**
6. Make a backup named Pre Year-End. **(Calendar Year Only)**
7. Close the calendar year using the Payables Year-End Closing window.
8. Close the fiscal periods for the Purchasing series (optional).
9. Close the sales tax periods for the year using the Tax Year-End Closing window (optional).
10. Make a final backup named Post Year-End.

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PAYABLES MANAGEMENT YEAR-END CLOSING CHECKLIST

Step 1: Post All Transactions for the Calendar Year

Before closing the year, post all transactions for the calendar year.

We recommend that you print an Aged Trial Balance with Options Report to show the status of each vendor account. This report should be kept with your permanent records as part of the audit trail. If you are closing the fiscal year along with the calendar year, we recommend that you print the Vendor Period Analysis Report and the Vendor Year-to-Date Summary reports for your permanent records because these amounts will be transferred to last year during the year-end closing process.

Note: *The following areas of Microsoft Dynamics GP will be incorrect if you do not close the payables year after you enter all prior year transactions and before you enter transactions for the new year.*

- *The Amounts Since Last Close view of the Vendor Yearly Summary window*
- *SmartList Summary Objects*
- *Vendor Summary Reports*

Step 2: Install the Year-End Update

If there are compliance changes for Payables Management, such as 1099 form changes, install the Payroll year-end update. If there are no changes or compliance issues for the tax year for Payables Management, you may skip this step.

Step 3: Make a Backup

Make a backup of all company data and place it in safe, permanent storage. This gives you a permanent record of the company's financial position at the end of the year and can be restored later, if necessary.

Step 4: Review 1099 Information for Accuracy (Calendar Year Only)

Before printing 1099 statements, you can verify the 1099 information using the 1099 Edit List report. To print the report, open the Print 1099s window and click the print button in the upper right corner of the window or use File>>Print.

- Microsoft Dynamics GP >> Tools >> Routines >> Purchasing >> Print 1099s

You may also use the Purchasing Transactions SmartList to review the transactions processed for the calendar year for 1099 vendors and verify the amounts that should be printed on the 1099 form(s) for the vendor.

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The 1099 Amount YTD information is updated automatically when a 1099 invoice is paid. If you need to make changes to 1099 transaction information, use the Edit 1099 Transaction Information window to change the 1099 amounts.

- Transactions >> Purchasing >> Edit 1099 Transaction Information

Step 5: Print 1099 Statements Using the Print 1099 Window (Calendar Year Only)

Ideally, 1099s should be printed before performing the year-end close, but with minor report changes, 1099s may also be printed after the year-end close has been completed. Each of the 1099 report types must be printed separately.

- Microsoft Dynamics GP >> Tools >> Routines >> Purchasing >> Print 1099s

Step 6: Make a Backup (Calendar Year Only)

Make a backup of all company data and place it in permanent storage. This gives you a permanent record of the company's financial position at the end of the year and can be restored later, if necessary.

Step 7: Close the Year Using the Payables Year-End Closing Window

Use the Payables Year-End Closing window to close the calendar and/or fiscal year for payables transactions. Before performing the year-end close, you may want to change the GP user date to the last day of the fiscal/calendar year. This will not impact how the module is closed, but it will be used to update the "Last Close" field to serve as a visual of reminder of the last time the closing process was performed.

- Microsoft Dynamics GP >> Tools >> Routines >> Purchasing >> Year End Close

Select whether you want to close fiscal year, calendar year or all (both fiscal and calendar). If the calendar year coincides with your fiscal year, select **All**. If they do not coincide, close the fiscal year separately.

Mark the **Print Report** option to print the Payables Year-End Closing Report which is printed after the closing process is complete. This report lists the amounts that were transferred to Last Year Summary Amounts for each vendor. The Year-End Closing Report is part of the audit trail and should be saved with your company's permanent records.

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Step 8: Close the Fiscal Periods for the Purchasing Series (optional)

You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

- Microsoft Dynamics GP >> Tools >> Setup >> Company >> Fiscal Periods

Note: *Be sure you have posted all transactions for the period and year for all modules before closing fiscal periods. If you later need to post transactions to a fiscal period you have already closed, you will need to return to the Fiscal Periods Setup window to reopen the period before you can post the transaction.*

Step 9: Close the Sales Tax Periods for the Year (optional)

Use the Tax Year-End Closing window to close the sales tax periods and to print the Tax Year-End Closing report. This procedure should be completed only after you have completed the year-end closing procedures for all sales and purchasing modules.

- Microsoft Dynamics >> Tools >> Routines >> Company >> Tax Year-End Close

Step 10: Make a Final Backup

Make a final backup of your company's data files and keep it in safe, permanent storage. This gives you a permanent record of the company's financial position at the time you closed the year and can be restored later, if necessary.

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PAYABLES MANAGEMENT YEAR-END CLOSING TIPS

- Print the 1099 statements using the Print 1099 window prior to doing the Payables Management year-end close.
- The following list outlines information included in each box on the 1099 statements and the corresponding lines and windows in Payables Management:
 - ♦ PAYERS name, street address, city, state and ZIP code
Taken from the **Company** and **Address** fields in the **Print 1099** window.
 - ♦ PAYERS Federal Identification number
Taken from the **Payers Federal ID Number** field in the **Print 1099** window.
 - ♦ RECIPIENTS name, address and ZIP code
Taken from the **Primary Address** fields in the **Vendor Maintenance** window.
 - ♦ RECIPIENTS identification number
Taken from the **Tax ID** field in the **Vendor Maintenance Options** window.
 - ♦ Account number
This field is optional. You can manually enter the account number.
- If you are closing both the calendar and the fiscal year at the same time, we recommend that you print the following reports and keep with your permanent records.
 - ♦ Payables Aged Trial Balance with Options (Calendar Year Report)
 - ♦ Vendor Period Analysis Report (Fiscal Year Report)
 - ♦ Vendor Financial Summary Report (Fiscal Year Report)

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PAYABLES MANAGEMENT YEAR-END CLOSING FAQ

Inactive Vendor Records

Q: Are inactive vendor records cleared during year-end closing? If not, how can inactive vendor records be removed?

A: No, inactive vendor records are not automatically removed. In order to remove an inactive vendor record, the record must not have any current year 1099 amount or documents in history (the work and open files have to be empty for this vendor to be inactive). Once the records have been removed from history, a vendor or vendors can be deleted using the Vendor Maintenance or Mass Vendor Delete windows.

- Microsoft Dynamics >> Tools >> Utilities >> Purchasing >> Mass Vendor Delete

Year-End Close

Q: What exactly does the Payables Management year-end close procedure do?

A: The Calendar year-end close moves the 1099 Amount YTD into 1099 Last Year in the Vendor Yearly Summary window. The Fiscal year-end close moves all other YTD amounts into last year amounts.

Printing Checks

Q: What should I do if I must issue a check on January 2nd, but I am not ready to close the prior year yet?

A: Print the checks, but post them after you process your year-end closing. If you must post the checks immediately, change the **Amount Paid** fields in the **Amounts Since Last Close** view of the Vendor Yearly Summary window.

Q: Is there a way to print an edit list of the 1099 vendors before I actually print the 1099 statements?

A: A 1099 report can be printed using the Print 1099 window. When the Print 1099 window is open, choose **Print** from the **File** menu. An edit list that contains the Vendor ID, Vendor Name, Address and 1099 amount will be printed.

Q: I have printed 1099 statements and some of the statements did not have the vendor name appearing on them. What should I do?

A: When printing 1099 statements, the Check Name entered for the vendor record in the Vendor Maintenance window will appear on the statement. If a vendor name does not appear on the statement, the Check Name field in this window is blank. Enter a Check Name for each vendor or use the Report Writer to change the report to use a different field. For more information about modifying reports, refer to the Report Writer manual.