AccountMate
SOFTWARE THAT FITS

AccountMate Year-End Preparations
Article # 1257

Technical Note: Period-End Closing Procedures in AccountMate 7 and 8

Difficulty Level: Intermediate Level AccountMate User

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

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

Posting Date: 11/30/2011

DESCRIPTION

This document is provided to assist users in performing period-end closing for the subsidiary modules (i.e. non-GL modules). This article discusses the recommended procedures for performing period-end closing and addresses frequently asked questions about this process. Period-end closing for the last period of the fiscal year must be completed before users can perform fiscal year-end closing in the General Ledger module.

SOLUTION

PERIOD-END CLOSING CHECKLIST

1. If the SO module is activated, check for un-invoiced SO shipments* with ship dates that fall on or before the period(s) that will be closed. You can verify this by running the **Generate Invoice From Shipment** function in the Accounts Receivable module. AccountMate will not allow you to proceed with the period-end closing process if you have un-invoiced shipments dated on or before the period(s) to be closed.

2. Verify that a valid and active GL Account ID is assigned to the **Retained Earnings Account** field in GL Module Setup's General tab.

3. If closing a fund company:

    a. Verify that the **Enable Automatic Interfund Balancing** checkbox is marked in GL Module Setup's Fund Accounting Setup tab. This will help ensure that each fund's debits and credits are kept in balance especially if there are transactions that use GL Account IDs from multiple funds.

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*Un-invoiced shipments result from shipping a customer's sales order when the Customer Maintenance record is NOT set to Ship SO Generate Invoice.

b. Verify that the GL Account IDs assigned as each fund ID's **Fund Balance** and **Interfund Balance** accounts are valid and active. You can confirm this in the Fund Segment Default Setup tab of the Account Segment Values Maintenance function.

4. Print the **GL Transfer Report** for each module that will be closed and review the accounting entries that will be posted to the General Ledger by the period-end closing process.

5. Verify that the **Allow Transfer to GL from** checkbox in the GL Module Setup's Transfer Restrictions tab is marked for all modules that will undergo period-end closing. If this checkbox is not marked, no accounting entries will be posted to GL by the closing process.

6. If closing is done using the Batch Period-End Closing function in the GL module, verify that the **Use Auto Batch Numbering** checkbox is marked and a valid value is assigned to the **Next Batch #** field in GL Module Setup's General tab. AccountMate uses these settings to assign batch numbers to the journal entry batches that will be posted to GL by the closing process.

7. Verify the **purge date** assigned to each type of transaction in each Module Setup function. Keep in mind that purged records cannot be retrieved without restoring data from a backup.

8. Back up the company database(s) before performing period-end closing. Furthermore, test each backup to make sure that it is in good condition and can be restored in case problems are encountered during the closing process. **THIS IS A MUST!**

9. Verify that no other users are accessing the company that is about to undergo period-end closing. Also, the user who will close the period must not run more than one instance of AccountMate. The system does not allow period-end closing when there are multiple instances of AccountMate accessing the same company. You can use the Company Access Lock function to prevent other users from accessing the company. This function is available in AccountMate 8 for SQL and Express only.

WHEN TO PERFORM PERIOD-END CLOSING

There is no hard-and-fast rule as to when period-end closing must be performed. It remains at the company's discretion when to close a period.

In deciding about when to close the period, be sure to consider the following:

- AccountMate is date-sensitive not period-sensitive; thus, you do not need to postpone period-end closing to be able to record transactions dated in the period to be closed (e.g. vendor invoices, bank statements, etc.).

- Period-end closing moves completed transaction records into the history tables. The longer this is postponed, the more records are kept in the current tables which could slow down some AccountMate search functions. When period-end closing is finally performed after several periods have been left open, the process

will take considerably longer than it would have if closing is performed regularly at the end of each period.

- Transfer Data to GL updates the GL account balances while keeping the period open. Run this function to obtain up-to-date financial statements during the period.

- Closing the last period of the fiscal year must be done only when the company is ready to close the GL fiscal year. Any module with a current period that is in a different fiscal year than that of GL will not allow recording of transactions until after Fiscal Year-End Closing is performed.

HOW TO PERFORM PERIOD-END CLOSING

Period-end closing can be performed in two ways:

1. Using the **Batch Period-End Closing** function in GL
2. Using the **Period-End Closing** function in the non-GL modules

The first option is recommended for those who have activated the GL module and have multiple non-GL modules. This provides a convenient way for users to close multiple modules and/or multiple open periods at one time from inside the GL module. This feature is currently available only in AccountMate 8 for SQL and Express and AccountMate 7 for SQL and Express but is not yet available in AccountMate 7 for LAN.

The second option is the traditional approach to period-end closing and is performed in the module that is to be closed. This feature is available in AccountMate 8 for SQL and Express and AccountMate 7 for SQL, Express and LAN.

Regardless of the method used, AccountMate performs the following data updates during period-end closing:

- It makes the final and permanent posting of accounting entries into GL for the subsidiary modules' transactions that have post dates that fall on or before the period(s) being closed.

- It makes a temporary transfer of accounting entries into GL for the subsidiary modules' transactions that have post dates that fall after the period(s) being closed (i.e. future dated transactions).

- It moves completed transactions to the history tables. AccountMate uses different criteria in determining whether a transaction has been completed based on its type or nature. For example, a sales order is deemed complete when it is either fully shipped or cancelled.

- It purges completed transaction data with complete dates that fall on or before the specified purge date.

- It advances the module's current period to the next period in the current fiscal year or to the first period of the next fiscal year when closing the last period of the current fiscal year.

BATCH PERIOD-END CLOSING PROCESS

To close the period using this function, perform the following steps:

1. Access the **Batch Period-End Closing** function from the Housekeeping menu in the General Ledger module.

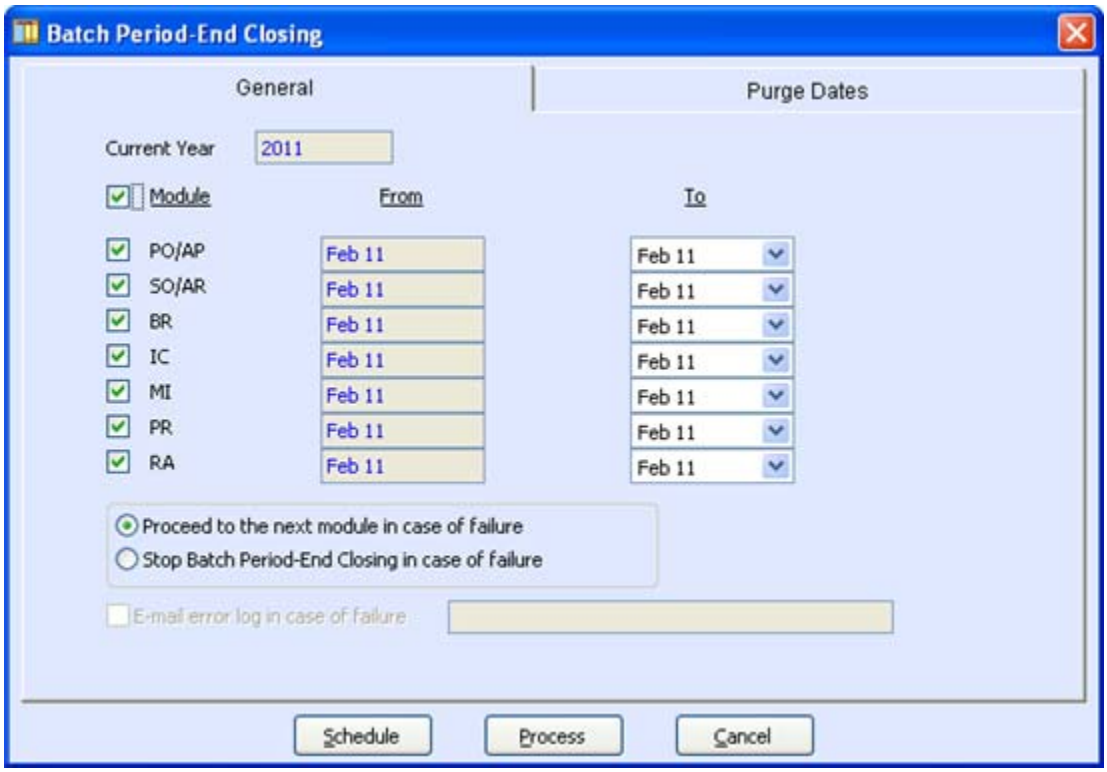


Figure 1-1. Batch Period-End Closing - General tab

2. Mark the checkbox for each activated module that is to undergo period-end closing.

3. Verify the values in the **From** and **To** fields. By default, these will show the current period in the selected module. You can change the value in the To field but not the From field.

4. Select the option that represents the action that AccountMate must take in case the period-end closing process fails for any of the selected modules.

5. Specify whether AccountMate must e-mail an error log in case of failure and enter the e-mail address to which the error log will be sent.

6. Confirm the dates in the **Purge Dates** tab for the selected modules.

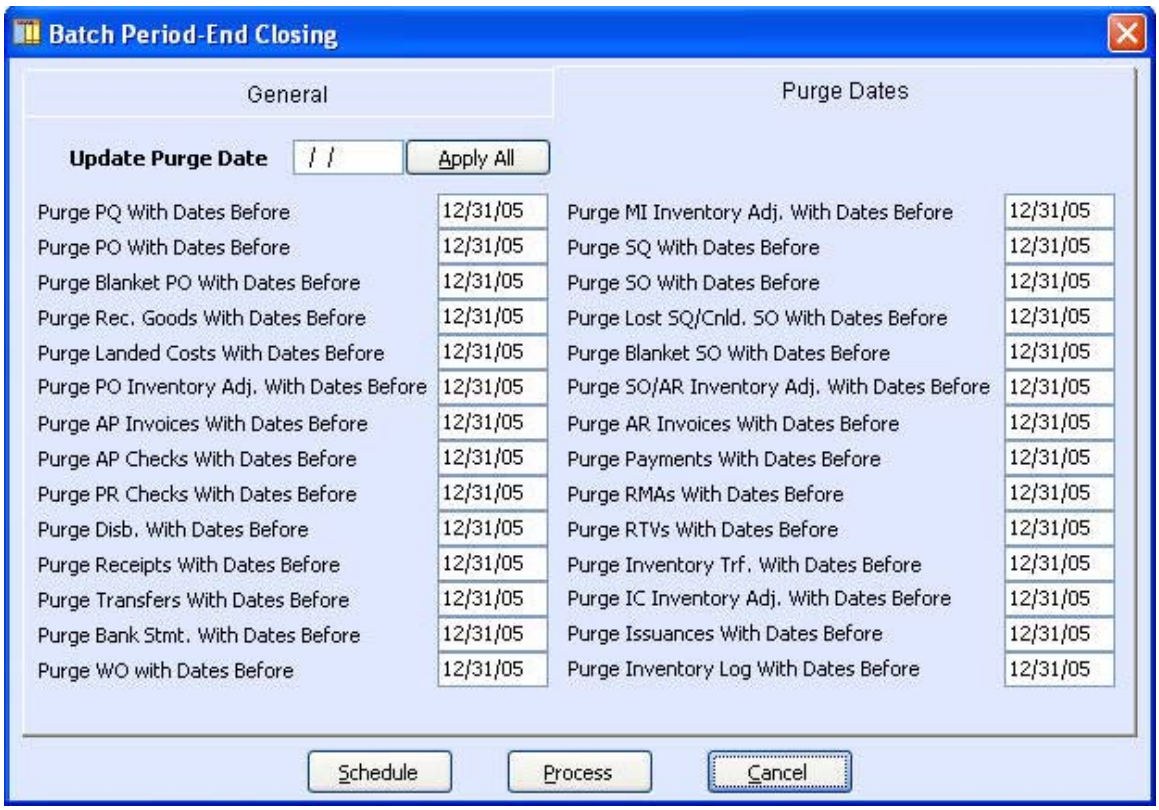


Figure 1-2. Batch Period-End Closing - Purge Dates tab

7. Click the **Process** button to run the closing immediately or click the **Schedule** button to run it at a later time.

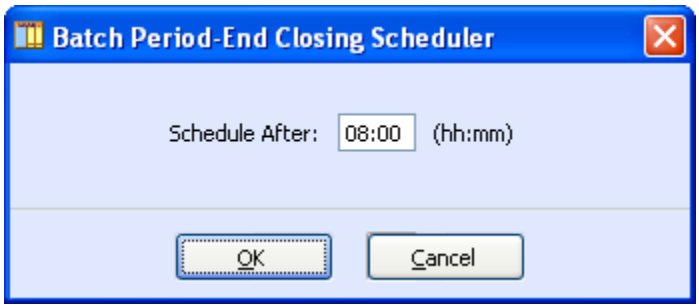


Figure 1-3. Batch Period-End Closing Scheduler window

When the Schedule button is clicked, AccountMate will display the **Batch Period-End Closing Scheduler** window. Enter the number of hours and minutes that must pass before the closing process will be initiated. For example, ***Figure 1-3*** above shows that AccountMate is set up to run the Batch Period-End Closing after 8 hours has passed.

Note: *Closing the Batch Period-End Closing Scheduler window cancels the scheduled Batch Period-End Closing process.*

PERIOD-END CLOSING PROCESS

To close the period using this function, perform the following steps:

1. Access the **Period-End Closing** function from the Housekeeping menu.

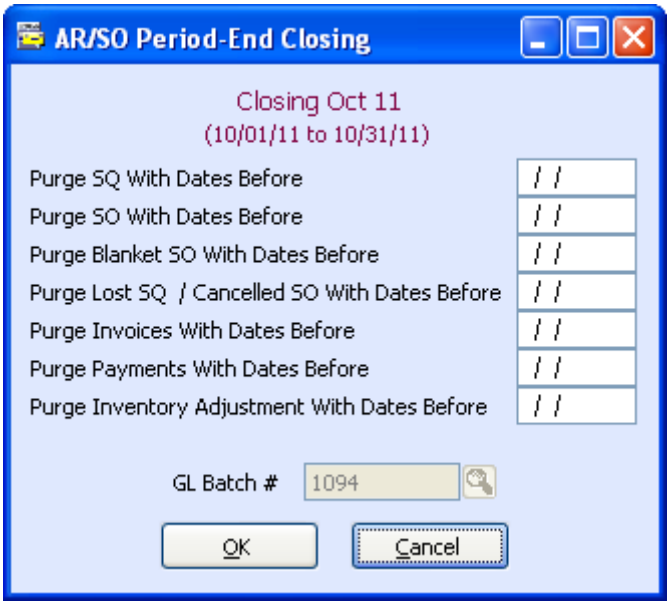


Figure 1-4. Period-End Closing window

The first Period-End Closing window allows users to define which records to purge. The default values come from the General (1) tab of the Module Setup. These default **purge dates** can be changed, if necessary. Any completed transactions dated prior to the dates entered in the Purge fields will be deleted from AccountMate.

2. The **GL Batch #** field displays the batch number that will be assigned to the accounting entries that will be posted to GL by the closing process. If the **Use Auto Batch Numbering** checkbox in GL Module Setup is not marked, users can enter the batch # that will be assigned to these transactions; otherwise, this field displays for reference the batch number that will be automatically assigned by AccountMate.

3. Click **OK** to proceed. AccountMate will display a dialog window reminding users about what will happen when period-end closing is performed. It includes a reminder to verify that there are no other users accessing the company in AccountMate.

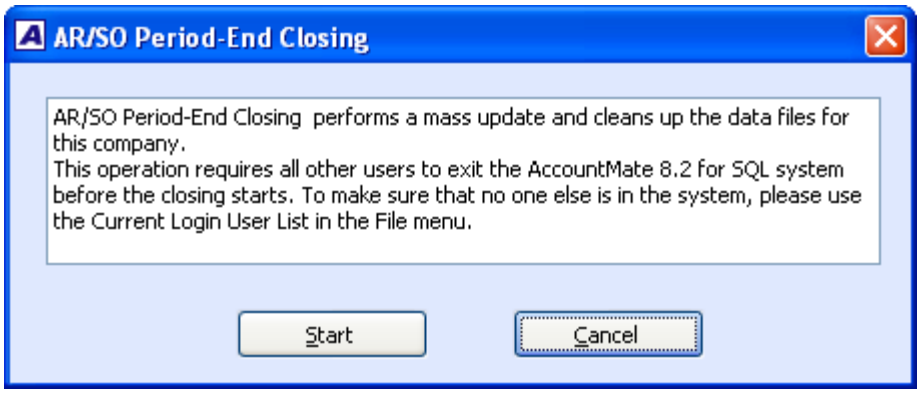


Figure 1-5. Period-End Closing Dialog Window

4. Click **Start** to initiate the closing process. AccountMate will display the Period-End Closing window showing the processes it performs and its status.

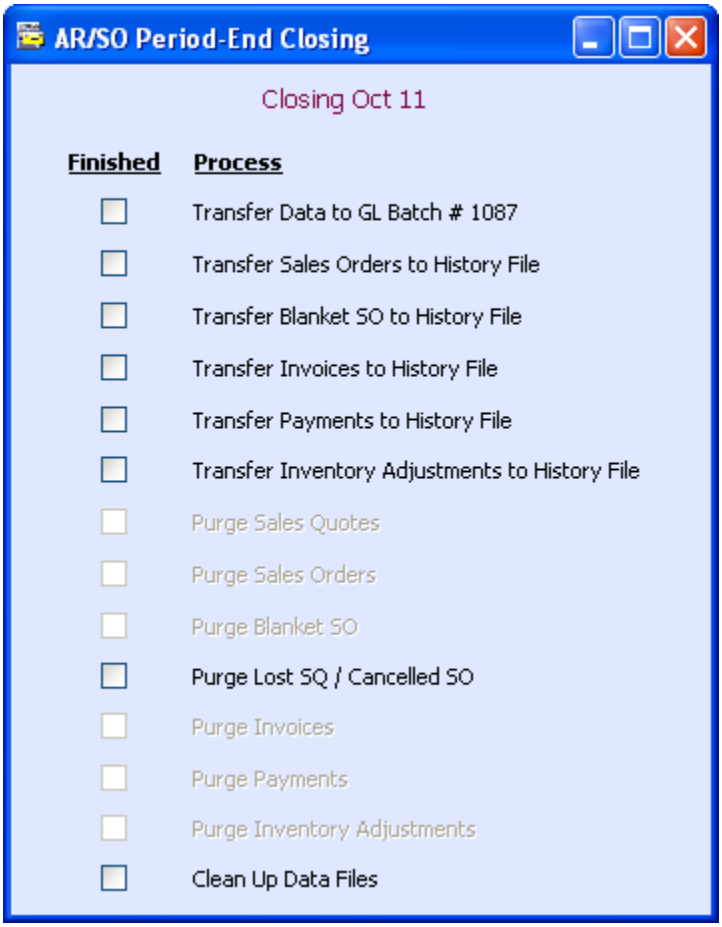


Figure 1-6. Period-End Closing Processes

5. If the closing is successful, AccountMate will display a message indicating that the period has been closed.

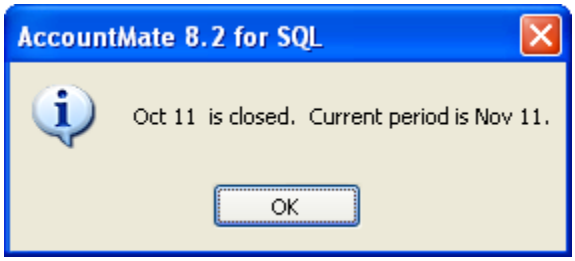
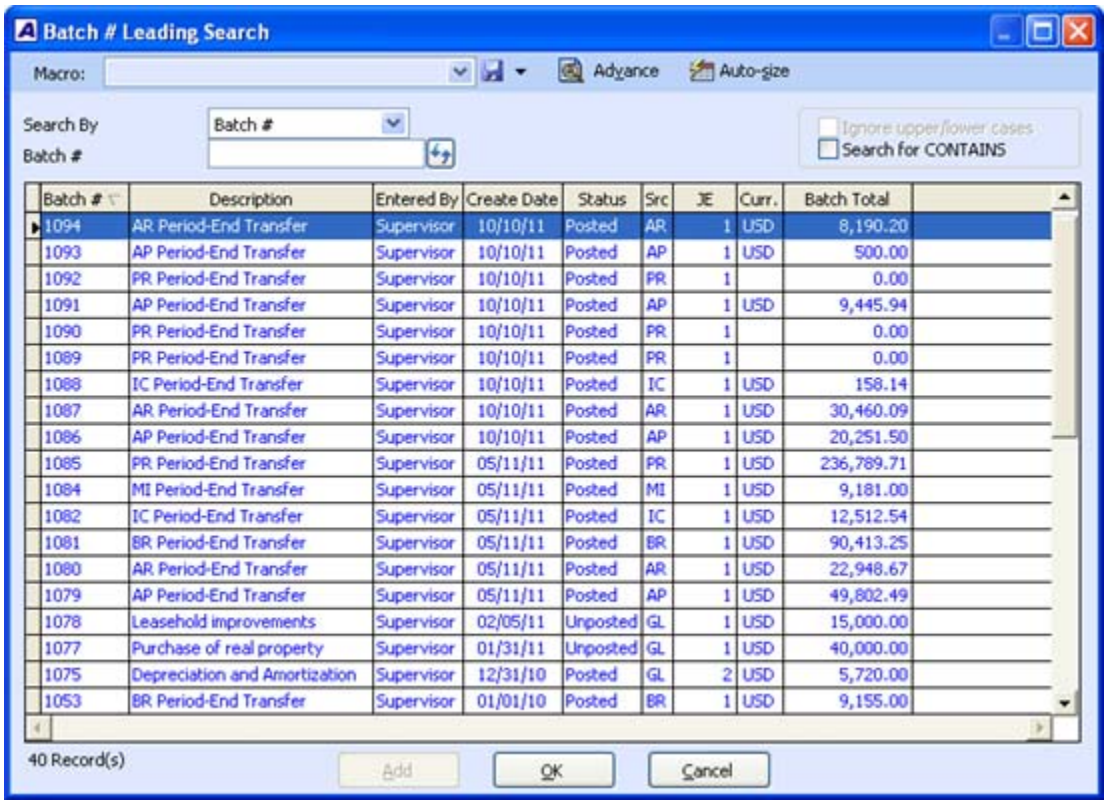


Figure 1-7. Period-End Closing message

STEPS TO PERFORM AFTER PERIOD-END CLOSING

During period-end closing, AccountMate creates a posted journal entry batch in the GL module for the transferred transactions.



Batch #	Description	Entered By	Create Date	Status	Src	JE	Curr.	Batch Total
1094	AR Period-End Transfer	Supervisor	10/10/11	Posted	AR	1	USD	8,190.20
1093	AP Period-End Transfer	Supervisor	10/10/11	Posted	AP	1	USD	500.00
1092	PR Period-End Transfer	Supervisor	10/10/11	Posted	PR	1		0.00
1091	AP Period-End Transfer	Supervisor	10/10/11	Posted	AP	1	USD	9,445.94
1090	PR Period-End Transfer	Supervisor	10/10/11	Posted	PR	1		0.00
1089	PR Period-End Transfer	Supervisor	10/10/11	Posted	PR	1		0.00
1088	IC Period-End Transfer	Supervisor	10/10/11	Posted	IC	1	USD	158.14
1087	AR Period-End Transfer	Supervisor	10/10/11	Posted	AR	1	USD	30,460.09
1086	AP Period-End Transfer	Supervisor	10/10/11	Posted	AP	1	USD	20,251.50
1085	PR Period-End Transfer	Supervisor	05/11/11	Posted	PR	1	USD	236,789.71
1084	MI Period-End Transfer	Supervisor	05/11/11	Posted	MI	1	USD	9,181.00
1082	IC Period-End Transfer	Supervisor	05/11/11	Posted	IC	1	USD	12,512.54
1081	BR Period-End Transfer	Supervisor	05/11/11	Posted	BR	1	USD	90,413.25
1080	AR Period-End Transfer	Supervisor	05/11/11	Posted	AR	1	USD	22,948.67
1079	AP Period-End Transfer	Supervisor	05/11/11	Posted	AP	1	USD	49,802.49
1078	Leasehold improvements	Supervisor	02/05/11	Unposted	GL	1	USD	15,000.00
1077	Purchase of real property	Supervisor	01/31/11	Unposted	GL	1	USD	40,000.00
1075	Depreciation and Amortization	Supervisor	12/31/10	Posted	GL	2	USD	5,720.00
1053	BR Period-End Transfer	Supervisor	01/01/10	Posted	BR	1	USD	9,155.00

Figure 1-8. Posted batch for the transferred transactions

To prevent posting of transactions to closed fiscal periods, set up the posting period restrictions in the GL module. This helps protect the integrity of the General Ledger data for the closed periods.

Access the **Posting Period Restrictions** function from the GL Housekeeping menu and mark the checkboxes of the periods and modules that will be restricted from posting. For example, ***Figure 1-9*** below shows that AccountMate is set up to prevent the recording of transactions in the GL, SO/AR, PO/AP, PR, BR, MI, IC and RA modules that have post dates in January-October 2011.

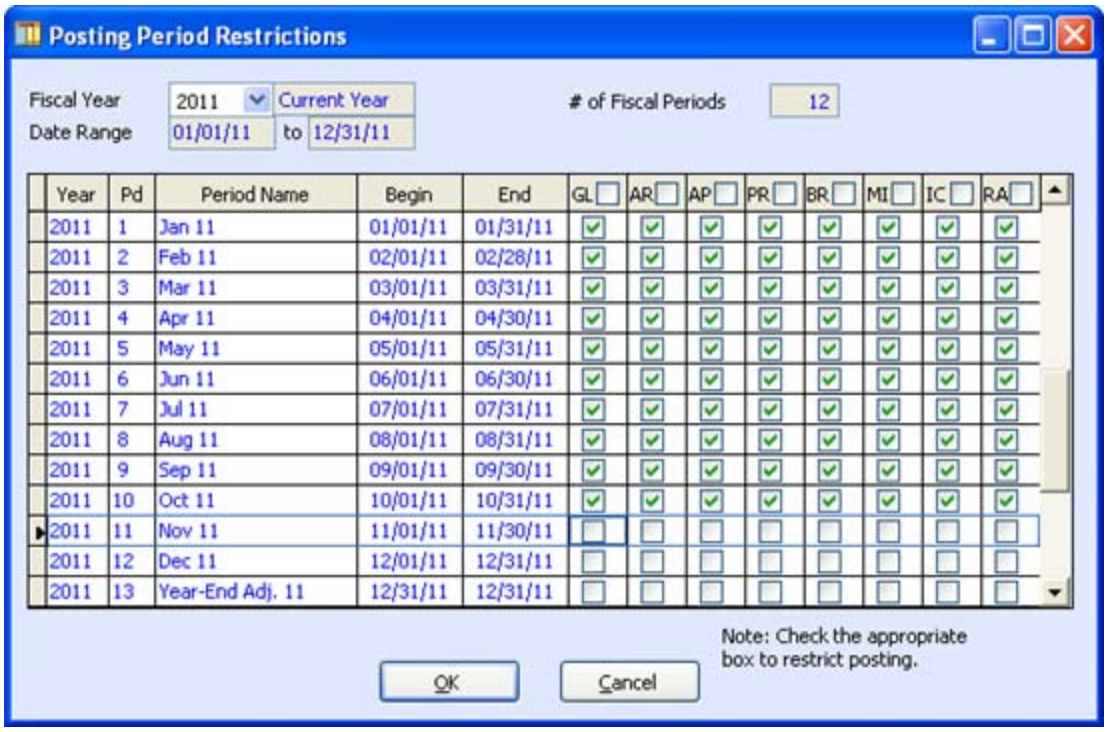


Figure 1-9. Posting Period Restrictions

Starting in AccountMate 7.5 for SQL and Express, the Posting Period Restrictions function allows users to quickly set or lift restrictions to all periods for each module using the checkbox next to each module code at the top of the grid. When this checkbox is marked, that module shall be restricted from posting to any period of the specified year. When this checkbox and all the ones beneath it are unmarked, that module can post to all periods of the specified year. For example, ***Figure 1-10*** below shows a company that is set up to prevent recording of transactions for all periods in the GL and AR modules. This was quickly configured by simply marking the checkbox next to the GL and AR module captions, which in turn marked the checkboxes for all periods listed for the two modules.

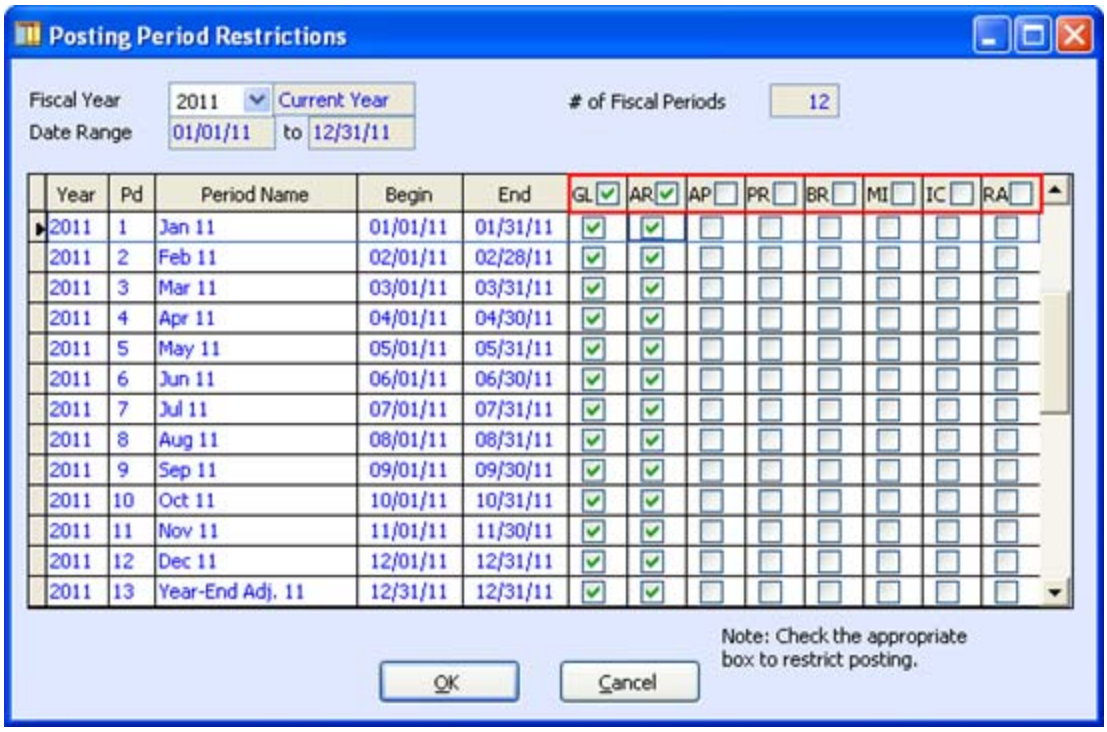


Figure 1-10. AM 7.5 Posting Period Restrictions

Accounting entries will still be generated for existing transactions dated in a restricted period if these transactions were recorded before the period was restricted.

Note: *When the subsidiary module's current period is in the new fiscal year, make sure that all other activated modules including the GL module are also in the new fiscal year. If the GL module is activated but the current GL fiscal year has not been closed, users cannot access functions in the subsidiary module that will generate accounting entries for posting to GL.*

TECH TIPS

- *Can you post transactions to a closed period in the subsidiary modules?*

  Yes, AccountMate allows you to post transactions to a closed period as long as the period is not restricted for posting from the subsidiary module.

- *Does the General Ledger module require period-end closing?*

  No, the General Ledger module only requires fiscal year-end closing. It does not go through a monthly or periodic closing.

- *What transactions will be posted to Period 13 (Year-End Adjustments)?*

  GL Journal Entry Transactions recorded using the journal entry type "Prior Year-End Adjustment" will be posted to Period 13.

- *Do I need to run the Transfer Data to GL function before I run period-end closing?*

  No, you do not need to run the Transfer Data to GL function before performing period-end closing. The period-end closing process will perform the final data transfer to GL.

- *How do I run period-end closing without transferring data to GL?*

  Access the GL Module Setup function; then, in the Transfer Restrictions tab unmark the “Allow Transfer to GL from” checkbox for the specific module before performing period-end closing for that module.

  No journal entry batch will be posted to GL by the closing process so use this feature only if journal entries have been posted directly in GL for transactions in the subsidiary module that are dated before or on the period to be closed. Be sure to mark the checkboxes after closing the period so that future period-end closing will transfer data to GL.

- *After an interrupted or failed period-end closing, possibly caused by an out of balance situation, I encountered a "Period-end closing is in progress" message when I attempted to access any function. How do I resolve this issue?*

  In the Utilities menu, access the Data Manager function. Mark the “Release Period-End Closing Lock” checkbox to resume access to AccountMate functions. Be sure to restore backup before resuming period-end closing or entering transactions.

- *How do I resolve the Batch Period-End Closing lock and/or the Batch Data Transfer to GL lock?*

  Set GLBSYS.lactive to zero - This will resolve the error message “*Scheduled Period-End Closing is in progress.*”

  Set GLBTFR.lactive to zero - This will resolve the error message “*Scheduled Transfer to GL is in progress.*”

- *What reports should be generated to verify that data from the subsidiary modules were properly posted into GL during period-end closing?*

  Before performing period-end closing for the subsidiary module, print the GL Transfer Report to view the complete list of accounting entries that will be posted to the General Ledger module by the period-end closing process. Run this report to display transactions dated through the period(s) that will be closed.

  After period-end closing, print the Transfer Data Report or the Transaction Search Report in the GL module. Verify that the data in the subsidiary module's GL Transfer Report is properly posted by comparing it to the General Ledger's Transfer Data Report or Transaction Search Report.

  Starting in AccountMate 8 for SQL and Express, you can print the Subsidiary Module Transfer Report to view the subsidiary modules’ journal entry batches that are posted to GL during period-end closing.

The foregoing discussion guides you on how to effectively perform period-end closing in AccountMate 8 for SQL and Express and AccountMate 7 for SQL, Express and LAN and addresses frequently asked questions related to the closing process. It also directs users about the pre- and post-closing activities to help ensure a smooth and successful transition into the next fiscal period.

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