

BUDGET YEAR END CLOSE

GFC Data Systems

June 2023

You do not have to close-out Budget files July 1st just because the fiscal year is ending. The Budget software has been written to store multiple fiscal years. However as a practical matter if using Classic (C-Isam) Budget (version currently numbered "5.34") the user should limit the number of fiscal years to 4 - 5 since reports will be slow if accessing Budget thru a network. **If you have only 1 - 4 years of history the Year-End Close could be skipped this year** and performed next year or the year after. **If you have more than 4 - 5 years of history but older years are still being reconciled or are out of balance then do not perform the Year-End Close. If you are using Classic Budget and have more than 4 - 5 past fiscal years and the oldest years are in balance and not needed anymore, you should close the oldest years so you have no more than 4 - 5 open years. When using Classic Budget keeping the number of years at 1 - 4 will improve the speed at which reports print.** In the Postgres version of Budget (ver 8.04 or higher) records are read much faster so keeping more than 4-5 years of history is more feasible.

Even if you are **not** going to perform the year-end close, POs and checks may have the fiscal year printed on them. Once most of the work you are doing is in the new year, you should change the PO and AP Options screens to reflect the new year **2023-24**. To do this go into "Options" and choose 'Purchase Orders' and 'Accts Payable' and change the fiscal year values and "Save" the changes. **Note:** your PO and check print programs have the ability of temporarily changing the fiscal years to be different than the values in the Options file. Therefore if you need to print a check or PO that should have last year's fiscal years then change the values when printing those forms. If you have GFC's Payroll software and if you print fiscal years on the Payroll checks, go into Payroll and choose "Setup/Tax Information" and "System Parameters". Change the question "Fiscal Yr to Print on Check" and change to '2023-24' and then save.

If you are **not** going to perform the Year-End Close go to **step "d" on page 2**.

However if you are going to perform the Year-End Close then proceed with the following paragraphs.

RETAINING OLD INFORMATION

If you want to remove past years but still be able to access the records being removed, the following can be done **before** the Close-out is done:

- 1- If using **Classic (C-Isam) Budget** the Budget folder can be copied to another folder. This would allow you to continue accessing and printing reports for the years being removed. Contact GFC for assistance in making a new folder and copying the Budget files to it.
- 2- If using **Postgres Budget** your database can be copied to another database. This would allow you to continue accessing and printing reports for the years being removed. Contact GFC Data or open 'gfcdatasys.com' and print the document "**Budget: Copying a Database**".

POSSIBLE CLOSE-OUT PROBLEMS

When starting a new year the system will start expense and revenue accts with zero. Balance sheet accts (such as Cash in Bank or Accts Payable) should not start with a zero but carry their June 30th balance over to the new year. Whether an account starts the new year with a zero depends on the "Type" code found on each account in the Budget Acct file. If you have set up new accounts during the previous year you might want to review the type codes to make sure they are correct. If, for example, a balance sheet acct has an "Expense" type code (instead of 'Bal Sht') the balance will start over at zero and your balance sheet (if you print one) will be out of balance.

CLOSE-OUT STEPS

(if you feel uncomfortable doing this without assistance please call)

If you want to close fiscal year 2022-23 (which is not recommended), don't be in a hurry to do so. Some wait until that year has been audited or until the calendar year is over since 1099s will include Jan-June 2023. If only closing out older years you need not wait and can proceed by following these steps:

Make sure no other user has Budget open

- a. **If you are not retaining the history being removed, make sure there is a backup on hand. If your backup is set up to be automatic copy the Budget folder to a flash drive so the info is easy to retrieve (see gfcdatasys.com for more info cc: making a backup to a USB drive or call us).**
- b. **If you are not retaining the records from the years being closed, you should have financial reports and detail ledgers for the years being removed.**

c. Choose the **“Year End”** command which is on the Main Menu. Click on **“Yes”** to confirm. Answer questions as follows:

Close Vendor Amts - if you print 1099s (or 1099 lists) and the Mo-Yr range you are closing includes **2023** and you have not yet printed 1099s then be sure and check this box. Checking this box indicates that the program needs to save each vendor’s total purchase amount so the amount needed to print on 2023 1099s or 1099 lists will be available. **If you have already printed 1099s or if the Mo-Yr range being closed is prior to 2023 then it is not necessary to check this box.**

Store YTD Activity as New Budgeted Amt - normally not checked unless you want the YTD Activity amount for each account to become the new budget amount. **Do not check this box if closing multiple years.**

Print the Closing Report - normally this box should be checked to have visual hard-copy proof that the year-end close was done. **Also the report shows the new balance of each account.**

Fiscal Mo-Yr rng to close- this should be the values that represent the oldest fiscal year the system can find. Since there could be several unclosed fiscal years the program searches for the oldest records and fills in the range for the oldest fiscal Mo-Yrs automatically (although the values can be changed). **If you believe the range of fiscal years displayed by the program do not represent the oldest unclosed fiscal year, then exit and check out why the program is displaying the values it is. Note: if you are wanting to close out more than one year, you can enter a range that includes multiple years (ex: 07-2013 to 06-2017) but the Beg Mo-Yr must equal the oldest history in the system (in other words do not enter a range that would leave older history in the system).**

Vendor Mo-Yr rng to close- applicable only if **“Close Vendor Amts”** is checked. If so then this Mo-Yr range will represent the period of time the system will store purchases for the Calendar YTD field on the vendor screen. For example if you are closing a fiscal year that includes 2023 and those purchase amounts will be needed for 1099 purposes, then be sure the range is for that part of the calendar year being deleted (ex: 01-2023 to 06-2023). If the fiscal year you are closing includes 2023 and you have 1099 vendors that you make online pmts to, then the box **“Include Adjustments/JE”** should be checked (check it by going to **“Options - Form 1099”** and check the box **“Include Adjustments/JE”**).

Printer - a good font name/size for this program is Arial-8. Changing the size to 6 or 7 will use less paper.

Click on **“Close Year”** to begin or **“Exit”** to close the program. **The close can take several minutes (unless using the Postgres version) so wait until a message displays that the close is complete.**

Print a Budget Financial Report for July 2023 to make sure revenue and expense account’s MTD and YTD activity reflect only activity from July 1st. The balances on balance sheet accts (such as bank accounts) should carry over from the previous year since balance sheet accounts should not zero out.

IMPORTANT:

- d. If you have not already done so, go into **“Options”** and choose **‘Purchase Orders’** and **‘Accts Payable’** and change the fiscal year values to 2023-24.
- e. If you’ve entered **“proposed”** budget amounts using the **Budget Preparation** program and you are now ready to move them over to the Budget Acct file, use the **“Move Amts”** routine within the Budget Preparation program. See your manual for detailed instructions or call. If instead you enter new budget amounts **manually** then go to **“Accounts”** and **“Edit”** each expense/revenue acct and enter the new budget amounts.
- f. You may have many old **“closed”** POs in your system. Once a PO is closed and printed it serves no purpose. Therefore you should remove old POs by using the **“Delete”** - **“By Date”** commands on the Purchase Order screen and enter the range of dates to remove (if the oldest date is not known then enter 00/00/00 for the Beg Date).
- g. If you have GFC’s Payroll software and if you print fiscal years on the Payroll checks, go into Payroll, and choose Setup/Tax Information. Then choose **“System Parameters”**. Change the question **“Fiscal Yr to Print on Check”** (top left of screen) and change to **“2023-24”** and then click on **“Save and Exit”**.