

BUDGET - YEAR END CLOSE (June 2018) GFC Data Systems

You do not have to close-out Budget files July 1st. The software has been especially written to allow user to **never** perform a year-end close. However as a practical matter user should limit the number of open fiscal years to 2 - 3 since the system computes the balances of accts like “Cash in Bank” by adding up all the years of history which could take a few minutes if storing several years and accessing data thru a network (speed should not be a factor if using the Postgres version of Budget). **If you have only 1 - 3 open years the Year-End Close could be skipped this year** and performed next year or the year after. **But if you have more than 3 past fiscal years you should close the oldest year or two.**

Even if you are **not** going to perform the year-end close, PO 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 2018-19. 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 2018-19 and then save.

STORING TWO BUDGET AMTS

One consideration in having multiple fiscal years in the system at the same time is that the program allows only one “**Amt Budgeted**” in the Budget Acct file. If you expect to need new budget amounts as well as last year’s budget amounts, you can use the Budget Preparation program. The 2017-18 budget amounts can be stored in the Budget Prep file (and the Budget Report program has the ability of retrieving those amounts). Therefore if you expect to need both 2017-18 and 2018-19 budget amounts, you should create a Budget Prep file for each fund (which will store 2017-18 amounts) before entering the new 2018-19 budget amounts. Call if you need assistance doing this (there is a “summary” of the Budget Preparation program at “gfcdatasys.com”).

Another option is to copy your current budget folder to another folder (or create a second database if using the Postgres version). This would allow you, even after closing a year, to continue accessing history and budget amounts for the closed year. **You would most likely need assistance to create a new folder or database so contact GFC before doing the close-out if you want to do this.**

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 next paragraph.

POSSIBLE CLOSE-OUT PROBLEMS

When closing out the year the system will zero-out expense and revenue accts (to start July 1st with a zero balance fwd). Balance sheet accts (such as Bank or Accts Pay) should not zero-out but carry their June 30th balance over to the new year. Whether an acct is zeroed-out depends on the “type” code found on each acct in the Budget Acct file. If you have set up new accts during the previous 12 months 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 closing 2017-18, don’t be in a hurry to do so. Some wait until the audit has been done or until the calendar year is over since 1099s will include Jan-June 2018. When ready follow these steps: **(Make sure no one else is in Budget)**

- a. **Make a Year-End Backup. This should be on a different backup than you normally use. If your backup is automatic copy the Budget folder to a CD or flash drive so the info is easy to retrieve (see gfcdatasys.com for more info cc: making backups or call us). Any backup made should not be re-used.**
- b. If you have not already done so, you should print a detail listing for the year(s) being closed-out. This is done using "Detail Ledger". Be sure and include the entire year (July thru June) in the beg/end Mo-Yrs. Normally the report is in budget acct order (and can be subtotaled by month) but you may optionally print in vendor order.

c. Choose the **“Year End”** command. 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 **2018** then be sure and check this box. Checking this box indicates that the program needs to save vendor purchase amounts (on the vendor screen) so the info needed to print on 2018 1099s or 1099 lists will be available. **If you do not print 1099s or 1099 lists or if the Mo-Yr range being closed is prior to 2018 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 mon-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: 07-2011 to 06-2015) but the range must include 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 2018 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. If the fiscal year you are closing includes 2018 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 captioned **“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 **“Close”** to abort the operation. **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 2018 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 2018-19.
- 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. **Depending upon how you close POs**, you may have many old **“closed”** POs in your system. Once a PO is closed and printed it serves no purpose and does not display in history. 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.
- 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”** and change to 2018-19 and then save.