MOVE FORWARD WITH YEAR-END CLOSING IN DYNAMICS GP

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Which modules need to be closed?

- Inventory
- Accounts Payable
- Accounts Receivable
- General Ledger
- Payroll
- Fixed Assets
- Analytic Accounting
When Should I Run the Year End Close Routines?

Inventory
- Calendar Year End

Accounts Payable / Accounts Receivable
- Calendar Year End
  And
- Fiscal Year End

General Ledger
- Fiscal Year End
Inventory
Timing is everything

Inventory

The year end close process needs to be run as close to the year end date without any transactions being posted to the new year
Why is this important?

• Transactions posted prior to the year end close are part of “last year’s” balances.

• New transactions posted after the close become new year transactions regardless of the posting dates.
What is affected?

Inventory

• Beginning Quantities/Costs
• SmartList objects
• Data Clean-up (optional)
Key Factors for processing

Inventory

- Plan & organize well ahead!
- Post all PO receiving entries for current year
- Post all picked/packed invoices
- Stop warehouse activity for the count
- Process quickly
- Assess process results and note required changes
How do I run a year-end close in Inventory?

From the Microsoft Dynamics GP dropdown menu

Select Tools, Routines, Inventory, Year-End Close
Accounts Payable &
Accounts Receivable
Timing is everything

- Accounts Payable
- Accounts Receivable

The year end close process needs to be run as close to the year end date without any transactions being posted to the new year
Why is this important?

- Transactions posted prior to the year end close are part of “last year’s” balances
- New transactions posted after the close become new year transactions regardless of the posting dates
What is affected?

Accounts Payable
- Vendor Yearly Summary window – Amounts Since Last Close
- SmartList objects
- Vendor Summary reports

Account Receivable
- Customer Summary window – Amounts Since Last Close
- Customer Finance Charge Summary window
- SmartList objects
- Customer Summary reports
How do I run a year-end close in A/R or A/P?
Year-End Close (A/R & A/P)
### Reports (A/P & A/R)

#### Customer Balance Report

<table>
<thead>
<tr>
<th>Company</th>
<th>Customer Name</th>
<th>Customer Balance</th>
<th>Total Sales YTD</th>
<th>Total Returns YTD</th>
<th>Total Sales LVR</th>
<th>Total Returns LVR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aden Park Resort</td>
<td>Adam Fils Electric</td>
<td>$12,394,463.13</td>
<td>$59,367,470</td>
<td>$60,956,905</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Advanced Paper Co.</td>
<td>Advanced Tech Set.</td>
<td>$1,240,670.00</td>
<td>$11,740,000</td>
<td>$12,314,500</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

#### Vendor Balance Report

<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Current Balance</th>
<th>Amount Billed YTD</th>
<th>Amount Paid YTD</th>
<th>Amount Billed LVR</th>
<th>Amount Paid LVR</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Travel Company</td>
<td>$811,400.00</td>
<td>$27,013,270.00</td>
<td>$18,650,000</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Advanced Office Systems</td>
<td>$74,938,640</td>
<td>$83,957,020</td>
<td>$15,628,200</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>AmericaCharge</td>
<td>$22,400,000</td>
<td>$27,014,800</td>
<td>$21,240,000</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
<tr>
<td>Associated Insurance Inc.</td>
<td>$333,000.00</td>
<td>$6,252,700</td>
<td>$5,148,700</td>
<td>$0.00</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

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**Note:** The reports display financial summaries and balances for different companies and vendors.
General Ledger
GL Year End Close Guideline:

- Take a database backup
- Make sure all accounts are set properly as either Balance Sheet or Profit & Loss accounts
- Post all Open Batches in the GL
- Post Final Adjustment Entries (if available)
- Install Payroll Year End Updates
- Take a database backup
- Print Final Detailed GL Trial Balance Report
- Print Year End Financials
- Setup new Fiscal Year
- Close the Fiscal Year
- Take a database backup
• Make sure all accounts are set properly as either Balance Sheet or Profit and Loss accounts
• Post all Open Batches in the GL module
• Post Final Adjustment Entries in the GL

![Transaction Entry - TWO (sa)](image_url)

<table>
<thead>
<tr>
<th>Co. ID</th>
<th>Account</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>TWO</td>
<td>200 -5170 .00</td>
<td>$1,245.32</td>
<td>$0.00</td>
</tr>
<tr>
<td>TWO</td>
<td>000 -2210 .00</td>
<td>$0.00</td>
<td>$400.00</td>
</tr>
<tr>
<td>TWO</td>
<td>000 -2200 .00</td>
<td>$43,000.21</td>
<td>$0.00</td>
</tr>
<tr>
<td>TWO</td>
<td>300 -5110 .00</td>
<td>$0.00</td>
<td>$1,087.51</td>
</tr>
<tr>
<td>TWO</td>
<td>000 -2101 .07</td>
<td>$0.00</td>
<td>$42,758.02</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$44,245.53</td>
<td>$44,245.53</td>
</tr>
</tbody>
</table>

Total: $44,245.53 $44,245.53

Difference: $0.00

Status: Unposted
• Payroll \ Year End Updates

use your corporate phone number as your Auth. Number
• Make a backup
  • In SQL Server Management Studio
• Print Final Detailed GL TB Report
• Print Year End Financials
• In Management Reporter

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**Basic Balance Sheet**
For the Twelve Months Ending Monday, December 31, 2012

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
</tr>
<tr>
<td>Petty Cash</td>
<td>$500.00</td>
</tr>
<tr>
<td>Checking-P/W Account, 122-6360043</td>
<td>($271,385.53)</td>
</tr>
<tr>
<td>Checking-Operating Account, 191-4189089</td>
<td>($673,960.77)</td>
</tr>
<tr>
<td>Visa-M/C Clearing</td>
<td>449,404.45</td>
</tr>
<tr>
<td>American Express Clearing</td>
<td>130,231.12</td>
</tr>
<tr>
<td>TOTAL CASH &amp; EQUIVALENTS</td>
<td>($325,810.65)</td>
</tr>
<tr>
<td>ACCOUNTS RECEIVABLE</td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>2,219,538.67</td>
</tr>
<tr>
<td>Allowance for Doubtful Accounts</td>
<td>($30,000.00)</td>
</tr>
<tr>
<td>TOTAL ACCOUNTS RECEIVABLE</td>
<td>2,189,538.67</td>
</tr>
<tr>
<td>INVENTORY</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>4,040,702.52</td>
</tr>
<tr>
<td>Damaged Goods</td>
<td>410.78</td>
</tr>
<tr>
<td>Inventory Reserve</td>
<td>($77,084.00)</td>
</tr>
</tbody>
</table>

---

**Basic P&L curr. & YTD**
For the Twelve Months Ending Monday, December 31, 2012

<table>
<thead>
<tr>
<th></th>
<th>Period 12</th>
<th>YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales - Resale</td>
<td>$955,912.72</td>
<td>$14,821,330.30</td>
</tr>
<tr>
<td>Chromatic Charges</td>
<td>24,978.36</td>
<td></td>
</tr>
<tr>
<td>Embroidary Charges</td>
<td>28,998.39</td>
<td></td>
</tr>
<tr>
<td>Laser Engraving Charges</td>
<td>25,413.21</td>
<td></td>
</tr>
<tr>
<td>Silk Screen Charges</td>
<td>53,173.40</td>
<td></td>
</tr>
<tr>
<td>Freight - Customer Billing</td>
<td>81,187.85</td>
<td></td>
</tr>
<tr>
<td>Drop Ship Charges</td>
<td>100,613.03</td>
<td></td>
</tr>
<tr>
<td>Other Production Charges</td>
<td>15,020.52</td>
<td></td>
</tr>
<tr>
<td>GROSS REVENUE</td>
<td>1,052,863.74</td>
<td>15,882,067.33</td>
</tr>
<tr>
<td>DISCOUNTS &amp; RETURNS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Returns &amp; Adjustments</td>
<td>17,856.46</td>
<td>291,861.56</td>
</tr>
<tr>
<td>Discount Freight</td>
<td>1,269.72</td>
<td>68,255.08</td>
</tr>
<tr>
<td>Discounts</td>
<td>2,556.07</td>
<td>92,167.11</td>
</tr>
<tr>
<td>Damage Allowance</td>
<td>1,357.18</td>
<td>45,981.94</td>
</tr>
<tr>
<td>Rebates</td>
<td>36,802.43</td>
<td></td>
</tr>
<tr>
<td>Chargebacks and Customer Penalties</td>
<td>84.21</td>
<td>16,888.85</td>
</tr>
<tr>
<td>Co-Op Allowances</td>
<td>8,430.78</td>
<td>150,931.87</td>
</tr>
<tr>
<td>Special Discounts</td>
<td>15,368.52</td>
<td></td>
</tr>
<tr>
<td>TOTAL DISCOUNTS &amp; RETURNS</td>
<td>31,534.42</td>
<td>714,767.06</td>
</tr>
<tr>
<td>NET REVENUE</td>
<td>1,021,328.32</td>
<td>15,167,240.27</td>
</tr>
<tr>
<td>COST OF GOODS SOLD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>399,182.28</td>
<td>6,719,018.73</td>
</tr>
<tr>
<td>Domestic Purchases</td>
<td>3,682.67</td>
<td></td>
</tr>
<tr>
<td>Inventory Adjustments</td>
<td>794.12</td>
<td></td>
</tr>
<tr>
<td>Outside Services-Designers</td>
<td>2,516.40</td>
<td></td>
</tr>
<tr>
<td>Supplies</td>
<td>22,760.52</td>
<td>315,131.88</td>
</tr>
<tr>
<td>Royalty Fees</td>
<td>10,210.80</td>
<td>232,656.51</td>
</tr>
<tr>
<td>TOTAL COST OF GOODS SOLD</td>
<td>433,169.40</td>
<td>7,254,737.31</td>
</tr>
</tbody>
</table>
- Set up new Fiscal Year
  - Microsoft Dynamics GP >> Tools >> Setup >> Company >> Fiscal Periods
• Close the Fiscal Year
What happens in the system:

• All P/L accounts are zeroed out with their balances rolling up to Retained Earnings
• All Balance Sheet accounts will roll forward to the new year.
• Retained Earnings are updated with the amounts from your P/L accounts in the new year’s beginning balance totals
• GL20000 table data moves to the GL30000 table (Current/Open to Historical)
• Fiscal Periods are updated and marked as closed
Frequently Asked Questions

Year End Closing Procedures: (Source: KB Article 850663 https://support.microsoft.com)

Q1: Do I have to close the fiscal year within the General Ledger before the first day of the next fiscal year?

A1: The year-end closing routine does not have to be completed before you start the next fiscal year. However, we recommend that you close the year as soon as possible. For more information about how to print a balance sheet if you have two open years, click the following article number to view the article in the Microsoft Knowledge Base: 866371 (https://support.microsoft.com/kb/866371/) How to print a Balance Sheet for the year if the prior year is not a closed year using Microsoft FRx
Q2: Can I make adjusting entries after I close the year?

A2: You can post an entry to the most recent historical year if the Posting to History check box is selected in the General Ledger Setup window. If you post an entry to a closed year, a second entry is automatically made that updates the beginning balances for the current fiscal year.
Q3: After I performed the year-end closing routine, beginning balances were brought forward for some of my sales and expense accounts. Some of my asset accounts also closed to the retained earnings account. Why did this problem occur, and what can I do to correct it?

A3: The posting type that is specified in the Account Maintenance window for the account determines whether a balance is brought forward for the account or whether the account is closed to the retained earnings account. Accounts that use the Balance Sheet posting type carry a balance forward. Accounts that use a Profit and Loss posting type close to the retained earnings account. To resolve this problem, restore from a backup, correct the posting type, and then run the year-end closing routine again.
For more information about how to correct accounts that have an incorrect posting type without restoring from a backup, click the following article number to view the article in the Microsoft Knowledge Base:

864913 (https://support.microsoft.com/kb/864913/) How to correct accounts that were set up to use the wrong posting type after you close the year in General Ledger in Microsoft Dynamics GP.

(Source: KB Article 850663)
Helpful Year End Close Links

General Ledger
• http://support.microsoft.com/kb/888003

Accounts Payable
• http://support.microsoft.com/kb/875169

Accounts Receivable
• https://support.microsoft.com/kb/857444

Payroll
• http://support.microsoft.com/kb/850663

Inventory
• http://support.microsoft.com/kb/872713

Fixed Assets
• http://support.microsoft.com/kb/865653

Microsoft Dynamics GP Community
• https://community.dynamics.com/gp/b/dynamicsgp/archive/2015/10/08/dynamicsgpye2015
Email: support@BondConsultingServices.com

Submit the form on our website: www.BondConsultingServices.com

Please contact David Gersten for assistance with other services or solutions.

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