

# ODYSSEY

S O F T W A R E

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## YEAR END MEMO

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December 19, 2011

Dear Odyssey Software Clients,

We are aware that your calendar year end is fast approaching. To help you through the year end process within Microsoft Dynamics GP (Great Plains) we have prepared the attached Year End Checklist. The checklists review the calendar and fiscal year end procedures that are necessary in each module. Please read the lists in detail for the modules you own.

Please share this information with any of your satellite offices that would be responsible for performing their own year end procedures.

**Prior to performing any closing processes PLEASE REMEMBER to:**

- **Backup your Great Plains databases.** If you encounter problems when running the year end procedures you must restore the backup.
- **Verify the amount of free disk space on the server.** You should have at least the size of the database you are closing.

**\*\*NOTE – It is recommended that you DO NOT:**

- A) Minimize Microsoft Dynamics GP (Great Plains) while the Year End Close is running**
- B) Work in other applications**

**The Year End Close processing time may vary depending on the amount of data stored in your system. Please allow the routines to completely finish processing.**

We hope this information will be helpful during your closing processes. As always, Odyssey Software is available to assist you with your specific needs.

Sincerely,  
Odyssey Software  
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# PAYROLL

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Payroll must be closed at the end of a calendar year, regardless of when your fiscal year ends.

Tax updates for versions prior to 10.0 have been discontinued. The 2012 tax tables must manually be updated for versions prior to 10.0. Odyssey Software is not responsible for the accuracy of any future payroll transactions.

Complete the following steps to close the calendar year:

- 1) Complete the final pay run of the current year.
- 2) Complete month-end, period-end, and quarter-end procedures.
- 3) Print any additional payroll reports that you need containing the current year's (2011) information.
- 4) Make a BACKUP titled "Pre-Year End Wage File".
- 5) Make a backup of both the Reports.dic and the Forms.dic on every workstation.
- 6) Install the 2011 Year End Update file on all workstations running Microsoft Dynamics GP.

- **Version 10.0 and GP2010**

Visit Customer Source to download the Payroll Year End Update. (If you do not have a CustomerSource log in, please contact Odyssey.)

Double click the downloaded file to complete the Payroll Year End Update installation. The Year End Update must be installed on the server first and then on all workstations that have Microsoft Dynamics GP installed on them.

After the installation is finished, manually restart your computer if a message directed you to do so earlier

Launch Microsoft Dynamics GP Utilities as the 'sa' user. You will be prompted to include new code on the server and each workstation, click 'Yes'. On the server, you will then be prompted to update your company databases, click Update.

Once the update completes, you can click on Launch Microsoft Dynamics GP.

- 7) Create the Year End Wage file. (*Note: The 2012 tax tables may be installed any time AFTER the Year End Wage file has been created.*)

- **Version 10.0 and GP2010**

Microsoft Dynamics GP menu > Tools > Routines > Payroll > Year End Closing

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8) Make a BACKUP titled "Post-Year End Wage File".

9) Verify the W-2 and 1099-R statement information. This may be done by reviewing the following reports:

- Year End Wage Report - This report displays information that will print on W-2 statements. W-2s and 1099-Rs can also be printed to blank paper using the Print W-2 or Print 1099-R window.
- W-2 Validation Report and 1099-R Validation Report - These reports will check for errors according to the Software Edit Criteria defined by the Social Security Administration.

*Changes may be made to W-2 or 1099-R information in the Edit W-2 or Edit 1099-R window.*

10) Create a Magnetic Media file, if required.

11) Print W-2 forms, W-3 Transmittal and 1096 Transmittal forms.

12) Setup fiscal periods for 2012 (if not already completed).

13) Install the 2012 Payroll Tax Update. DO NOT install the 2012 tax updates until the year end wage file has been created. The new tax tables only need to be installed on 1 workstation and the user must be signed in as the 'sa' user.

- **Version 10.0 and GP2010**
  - a) Microsoft Dynamics GP menu > Maintenance > US Payroll Updates > Check for Tax Updates.
  - b) Select the Automatic method.
  - c) Enter the Authorization Number. (This number will be your registered 10 digit number with Microsoft.) Select Log In.
  - d) A message will let you know when the tables have been successfully installed.

**\*After the Year End Wage file is created and 2012 Payroll Tax Update is installed, you may process 2012 pay runs.**

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## PAYABLES MANAGEMENT

**Payables Management has both a calendar year and fiscal year closing process. If your calendar year coincides with your fiscal year then perform both procedures at the end of the calendar year.**

Calendar Year End Close - Clears calendar Year-to-Date 1099 amounts and moves them to the Last Year 1099 Amount field. **It is recommended that all transactions be posted PRIOR to printing 1099 forms and closing the calendar year.**

Fiscal Year End Close - Transfers all amounts other than 1099 amounts to last year.

Payables Management is date sensitive as of release 7.0. This means the system will automatically post to the correct fiscal and calendar years according to the date of the transaction. **HOWEVER**, the SmartList objects, Vendor Summary reports, and Amounts Since Last Close view of the Vendor Yearly Summary window are based on the closing of the Payables Management Module. To make sure that **ALL** reports display the correct amounts, you must close the calendar year and fiscal year before posting transactions to the new year.

If you do not use the SmartList reports, Vendor Summary reports, and Amounts Since Last Close view of the Vendor Yearly Summary window, you do not need to run the Calendar Year End and Fiscal Year End on the last day of the calendar or fiscal year. You can post a transaction to a prior or subsequent year and it will not affect your current year's 1099 information.

### Complete the following steps to close the calendar year:

- 1) Post all transactions for the calendar year.
- 2) Optional: Print the Aged Trial Balance with Options Report for your record.
- 3) Make a BACKUP.
- 4) Close the calendar year using the Payables Year End Closing window on the Routines menu.
- 5) Optional: Close the fiscal periods for the Payables Series using the Fiscal Period Setup window.
- 6) Optional: Close the sales tax periods and print the Tax Year-End Closing Report for the year using the Tax Year-End Closing window. This procedure should only be completed after you have completed the year-end closing procedures for all sales and purchasing modules.
- 7) Make a final BACKUP.

### Print 1099 statements

- 1) Post all transactions for the current calendar year.
- 2) Make a Backup called 'Pre-1099 Edits'.
- 3) Verify the 1099 information is correct by printing the 1099 Edit List (click the printer icon from the Print 1099 window). *If this report yields zeros in the 1099 Amount column please use the Print button to print 1099s on plain paper to verify amounts.*
- 4) The 1099 information may be edited for each vendor.
  - Version 10 and GP2010 - Cards>Purchasing>1099 Details
  - Version 8 and 9 – Cards>Purchasing>Summary

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- 5) Print 1099 statements using the Print 1099 window on the Routines menu. This step may be completed at any time. You will be able to select the year for which you want to print the 1099s.
- 6) Print 1099s
  - Version 8.0 and 9.0: Each of your 1099 report types must be printed separately. Select the options you want in the 1099 Type field and the 1099 Box Number field prior to clicking Print.
  - Version 10.0: A previous enhancement allows you to print a single 1099 for a vendor with amounts in multiple 1099 boxes. The 1099 Details window can be used to review and change any 1099 amounts before printing. The default box for a vendor 1099 transaction can be set on the vendor options window and changed at the transaction level.
  - Version GP2010: A previous enhancement allows you to print a single 1099 for a vendor with amounts in multiple 1099 boxes. The 1099 Details window can be used to review and change any 1099 amounts before printing. The default box for a vendor 1099 transaction can be set on the vendor options window and changed at the transaction level.

Complete the following steps to close the fiscal year:

- 1) Post all transactions for the fiscal year.
- 2) Optional: Print the Aged Trial Balance Report and/or Vendor Period Analysis Report for your records.
- 3) Make a BACKUP.
- 4) Close the fiscal year using the Payables Year End Closing window on the Routines menu.
- 5) Optional: Close the fiscal periods for the Payables Series using the Fiscal Period Setup window.
- 6) Optional: Close the sales tax periods and print the Tax Year-End Closing Report for the year using the Tax Year-End Closing window. This procedure should only be completed *after you have completed the year-end closing procedures for all sales and purchasing modules.*
- 7) Make a final BACKUP.

## RECEIVABLES MANAGEMENT

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**Receivables Management has both a calendar year and fiscal year closing process. If your calendar year coincides with your fiscal year then perform both procedures at the end of the calendar year.**

Calendar Year End Close - Clears calendar Year-to-Date finance charge amounts and moves them to the Last Year field on customer records.

Fiscal Year End Close - Transfers all amounts other than Year-to-Date finance charge amounts to Last Year.

Receivables Management is date sensitive as of release 7.0. You can post a transaction to a prior or subsequent year and it will not affect your current year information or Customer Financial Summary reports.

SmartList reports and some Receivables Management Summary reports pull data from the Amounts Since Last Close view. The Amounts Since Last Close is the total of the amount since the calendar and fiscal year was last closed. To make sure that these reports display the correct amounts, you must close the calendar year and fiscal year before posting transactions to the new year.

The Calendar Year Summary View/Reports and the Fiscal Year Summary View/Reports will display the correct amounts regardless of whether the year has been closed or not.

### Complete the following steps to close the calendar year:

- 1) Post all transactions for the calendar year.
- 2) Optional: Print the Aged Trial Balance Report for your records.
- 3) Make a BACKUP.
- 4) Close the calendar year using the Receivables Year End Closing window on the Routines menu.
- 5) Optional: Close the fiscal periods for the Sales Series using the fiscal period setup window.
- 6) Optional: Close the sales tax periods and print the Tax Year-End Closing Report for the year using the Tax Year-End Closing window. This procedure should only be completed *after you have completed the year-end closing procedures for all sales and purchasing modules.*
- 7) Make a final BACKUP.

### Complete the following steps to close the fiscal year:

- 1) Post all transactions for the fiscal year.
- 2) Optional: Print the Aged Trial Balance Report for your records.
- 3) Make a BACKUP.
- 4) Close the fiscal year using the Receivables Year End Closing window on the Routines menu.
- 5) Optional: Close the fiscal periods for the Sales Series using the fiscal period setup window.
- 6) Optional: Close the sales tax periods and print the Tax Year-End Closing Report for the year using the Tax Year-End Closing window. This procedure should only be completed *after you have completed the year-end closing procedures for all sales and purchasing modules.*
- 7) Make a final BACKUP.

# INVENTORY

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Inventory should be closed at fiscal year end and it is recommended that it be performed prior to entering any transactions for the new fiscal year as the inventory year end close process is not date sensitive. The inventory year end close moves summary history information from the current year to last year and zeros out the current year information. This can be seen under Cards> Inventory> History.

Closing the year in Inventory will:

- Transfer all summarized current-year quantity, cost and sales amounts to transaction history for the items for which you've been keeping summarized sales history.
- Update the item's beginning quantity to the quantity on hand at each site. Certain reports, such as the Turnover Report, use the beginning quantity field for report calculations.
- Zero the quantity sold field in Item Quantities Maintenance window for each site.

The following are OPTIONAL and do not happen automatically when closing the year in Inventory:

- Remove purchase receipts and cost change history for items that have been completely sold.
- Remove any discontinued items from the item records that have been completely sold.
- Remove any lot attributes from the records of lot numbered items if that have been completely sold.
- Update the standard cost of each item to the current cost if you're using either the FIFO periodic or LIFO periodic valuation method.

Complete the following steps to close the fiscal year:

- 1) Post all transactions for the year that would affect your inventory quantities. (ie. Inventory transactions, invoicing transactions, sales and purchase order transactions)
- 2) Reconcile inventory quantities.
- 3) Complete a physical inventory count and post any adjustments.
- 4) Print any additional inventory reports containing Year-to-Date information that you would need for your permanent records.
- 5) Make a BACKUP.
- 6) Close the year using the Inventory Year End Closing window on the Routines menu. Note that there is no Year End Closing Report for Inventory.
- 7) Make a final BACKUP.

# FIXED ASSETS

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## Fixed Assets should be closed at fiscal year end.

Closing the year in fixed assets will:

- Zero out Year-to-Date depreciation.
- Zero out Year-to-Date maintenance balances.
- Copy the quantity, cost basis and salvage amounts to the beginning quantity, cost and salvage fields.
- Update Current Fiscal Year for the book record.

The process may be completed for all books or one book at a time. **We recommend that these steps be completed PRIOR to entering any new assets or running depreciation for the next fiscal year.**

### Complete the following steps to close the fiscal year:

- 1) Close Payables Management first to ensure all outstanding fixed asset transactions are capitalized.
- 2) Enter all activity for the current fiscal year such as asset additions, changes, transfers, and retirements. (Transfers and undo retirements should never be performed in a historical year.)
- 3) Calculate depreciation through the end of the fiscal year.
- 4) Run the GL Posting process and post General Ledger batch.
- 5) Print any year end reports that are needed.

*Please Note: These reports should include a depreciation ledger. The year-to-date depreciation amounts for previous fiscal years are not kept in Fixed Asset Management. Therefore you must print any reports that contain this information before you close the year.*

- 6) Optional: Verify the Fixed Asset calendar is built correctly by using the Fixed Asset Build Calendar Utility Window and selecting 'Inquire' and then 'Verify'.

*Please Note: You should never rebuild the Fixed Assets calendar if it differs from your GP Dynamics Fiscal Calendar.*

- 7) Make a BACKUP.
- 8) Close the year using the Fixed Assets Year End Closing window on the Routines menu. Note that a report is not generated during this process.
- 9) Make a final BACKUP.

## GENERAL LEDGER

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### The year end closing routine will:

- Close all profit and loss accounts to retained earnings
- Bring forward beginning balances for balance sheet accounts
- Print the Year end closing report
- Remove any inactive accounts with no transaction history

**The General Ledger is only closed at the fiscal year end; nothing needs to be done at the calendar year end.** We recommend that users stop work in Great Plains while the year end closing routine is processing. If users continue to work in Great Plains, transactions may need to be entered again if problems occur during the close.

If your year-to-date transaction file is large, it may take a long time for the year end closing routine to finish. The workstation that is running the process should not minimize Great Plains or have other applications running. The year end close routine does appear to hang at 50%, but it is still processing so please let it run. If your hard disk is not processing, restore from a backup and rerun the close process.

### Complete the following steps to close the fiscal year:

- 1) Complete posting and year end closing procedures for all modules that are integrated with general ledger.
- 2) Print an account list to verify that all posting types are correct. The posting type determines whether an account is closed to the retained earnings account or whether an account brings a balance forward to the next fiscal year.
- 3) Set up the new fiscal year in the Fiscal Period Setup window. This must be completed prior to running the fiscal year end closing process and prior to posting transactions from any other modules into the new fiscal year.
- 4) Print a final detailed trail balance and/or financial statements to verify ending balances to beginning balances.
- 5) Run file maintenance on the Financial Series modules (File>Maintenance>Check Links)
- 6) Verify the settings in the General Ledger Setup window.
- 7) Make a BACKUP.
- 8) Close the year using the Year End Closing window on the Routines menu.
 

*Remember: Verify the amount of free disk space on the server. You should have at least the size of the database you are closing. All users should be out of Dynamics for this process and Dynamics should not be minimized.*
- 9) Redefine the current and historical years for your financial statements and budgets. This will only need to be done if you are using Advanced Financial Analysis for financial reports or maintaining Budget IDs in Great Plains.
- 10) Verify account beginning balances.
- 11) Make a final BACKUP.
- 12) If you need to do any further allocation of your retained earnings after the year end close has completed, enter manual journal entries.

**\*In Great Plains, you have the ability to post to the last historical year. Due to this functionality, you can close your fiscal year and post any audit adjustments throughout the year.**

## **FRx and Management Reporter FINANCIAL REPORTS**

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**FRx and Management Reporter do not have a defined “close procedure”; however, please be aware of the following:**

- If you have a budget column, you must create a new column pointing to the new year’s budget or edit the existing column layout to point to the new budget. The advantage of a new column is you can also create a new catalog using the same row and tree as the original, but you will have the old column with the previous budget for reprinting last year’s reports under the old catalog name.
- If you have the year number hard-coded into a column or report heading instead of pulling from the report date, you will need to update the year.
- In order to print FRx/Management Reporter reports for the most recent historical year, you will need to have at least one fiscal period open for the year in the Fiscal Period Setup window. This fiscal period may be associated with any module even if that module is not registered for your company.