Sage 100 Year End Processing Webinar

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Agenda

- Ordering Of Closing
- Period End and Year End Processing Notes
- Review of steps for closing modules
  - General Ledger, Accounts Payable, Accounts Receivable, Inventory Management, Sales Order, Purchase Order, Payroll
- Review Of Online Help
- Q & A

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Order Of Closing

In what order should the modules be closed?

- Certain modules will send data to and/or receive data from other modules.
- When performing period-end or year-end processing, you should first close any module that transfers information to other modules.
- It is recommended that you close modules in the following order:
    1. Bill Of Materials
    2. Work Order
    3. Bar Code
    4. Purchase Order
    5. Sales Order
    6. Inventory Management
    7. Material Requirements Planning
    8. Payroll
    9. Accounts Receivable
    10. Accounts Payable
    11. Job Cost
    12. General Ledger

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Period End/Year End Processing Notes

- IMPORTANT: You should always make sure you have a full backup of the Sage 100 system before you perform any period end or year end processing.
- After you close a period or year, this can only be reversed by restoring from a backup, with the exception of one module.
- For each module, Period End and Year End processing are both run from the Period End Processing option on the Period End menu. The system is smart enough to run either period end processing or year end processing depending on the Current Period value for the module you are closing.
- Period/Year End dates are determined in **General Ledger | Setup | Fiscal Year Maintenance** option.
- IMPORTANT: Pay extra attention to the different "number of years to retain history" options in the various module setup options.
- The current period and year for each module can be found under that module's setup options.

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General Ledger Module

- The following occurs during period-end or year-end for the General Ledger module:

  – Any accounts with a status of Deleted will be removed during year-end processing if the account has no activity. This is based on transaction history retention options in General Ledger Options. Any accounts flagged as Deleted with no activity are automatically removed from the system.

  – If the **Copy Actual to Default Budget at Year End** check box is selected in the General Ledger Options, the actual amounts for the closed fiscal year are copied to the default budget for the current fiscal year.

  – Options for resetting journal numbers are performed.

  – For non-financial account, if the Clear Balances check box in Main Account Maintenance is selected for a main account, then balances are cleared for those accounts at year end (similar to P&L accounts). Otherwise, the balances for the accounts carry forward (similar to balance sheet accounts).

  – Transaction history beyond the number of years set to for history to be maintained is removed. This is based on options selected in General Ledger Options.

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General Ledger Module – Reopen Periods/Years

- The General Ledger module is the one module in which you can reopen a period or year once they have been closed.
- When reopening a closed general ledger year, this is only possible if you have retained detail history for the prior fiscal year you are wanting to reopen. If detail history has not been retained for a prior fiscal year, then you cannot reopen it.
- You reopen G/L periods and/or years by manipulating the **Current Fiscal Year** and **Current Period** fields in the General Ledger Options.
- If you have reopened a prior period, then you just need to reset the **Current Period** field once you have made your adjusting entries.
- If you have reopened a prior year, then you will need to reclose the year again once you have made your adjusting entries. After you have reclosed the year, you then need to reset the **Current Period** field.

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General Ledger Module – Allocations

- If you are using allocations, then before closing a General Ledger period or year, you need to make sure you have run the appropriate allocations prior.
- Allocations can either be manual or automatic allocations.
- Manual allocations are run via the General Journal Entry option.
- Automatic allocations are run from the appropriate options on Period End menu.

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Accounts Payable Module

- The following occurs during period-end or year-end for the Accounts Payable module:
  - Temporary vendors with zero balances are automatically purged unless you selected to retain the temporary vendor in Vendor Maintenance.
  - Check history information is cleared as of the period-ending
  - Vendor electronic payment history is removed based on the number of years set for the **Years to Retain Electronic Payment History** option in Accounts Payable Options.
  - Vendor purchase history is removed based on the number of years set up to retain purchase history in the Accounts Payable Options.
  - Open invoices with zero balances are removed based on the number of **Days to Retain Paid Invoices** option in Accounts Payable Options.
  - If you are retaining invoice history, then all current year invoice information is updated to the Last Year fields. Also, invoice history with no current-year activity is removed based on options selected in Accounts Payable Options.

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Accounts Payable Module

- When closing the Accounts Payable module, you should use the Accounts Payable Trial Balance Report to tie out to the accounts payable G/L account(s), not the Accounts Payable Aged Invoice Report.
- This is because the trial balance report's data is based on the posting date of the individual transaction.
- The aged invoice report is based on the invoice date entered during invoice data entry.
- These reports can get out-of-balance from each other if you have a transaction with an invoice date in one month, but a posting date in another month.

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Accounts Payable Module – 1099s

- The printing of vendor 1099s is independent of the closing of the Accounts Payable year.
- The system tracks a separate 1099 calendar year separate from the general ledger fiscal year.
- The 1099 year is always a calendar year ending on 12/31 each year, regardless of the ending date of the G/L fiscal year.
- You can use Aatrix to print and/or electronically file 1099s from within Sage 100

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New 2023 1099 Filing Requirements

- For returns required to be filed on or after January 1, 2024, which covers year end 2023, 1099 Forms must be filed electronically if you have 10 or more information returns.
- This is down from down from 250 previously.
- Paper filing is no longer an option.
- You must aggregate almost all return types covered by the regulation to determine whether or not you meet the 10-return filing threshold. This includes forms such as W-2s, 1099s, and other business return types.

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Accounts Receivable Module

- The following occurs during period-end or year-end:
  - Temporary customers with zero balances are automatically purged during period and/or year-end processing unless you have selected the **Retain Temporary Customers with Paid Invoices** option in Accounts Receivable Options.
  - Monthly cash receipts history is purged based on the **Years to Retain Cash Receipts History** option in Accounts Receivable Options.
  - Customer sales history is purged based on the **Years to Retain Customer History** option in Accounts Receivable Options.
  - Salesperson sales history is purged based on the **Years to Retain Salesperson History** option in Accounts Receivable Options.
  - Open invoices with zero balances are removed during period-end and/or year-end processing based on the **Days to Retain Paid Invoices** field in Accounts Receivable Options.

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Accounts Receivable Module

- When closing the Accounts Receivable module, you should use the Accounts Receivable Trial Balance Report to tie out to the accounts receivable G/L account(s), not the Accounts Receivable Aged Invoice Report.
- This is because the trial balance report's data is based on the posting date of the individual transaction.
- The aged invoice report is based on the invoice date entered during invoice data entry.
- These reports can get out-of-balance from each other if you have a transaction with an invoice date in one month, but a posting date in another month.

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Inventory Management Module

Inventory Negative Tiers
- What are negative tiers?
  - You can issue or sell an item, even if there is not enough quantity on hand.
  - An item using the LIFO or FIFO valuation method that is oversold will result in a negative cost tier.
  - Print the **Inventory Negative Tier Report** to list tiers with negative quantities.
  - Cost tiers with negative quantities distort the true inventory cost as new items are received at different unit costs.
  - Use the **Inventory Negative Tier Adjustment** option to clean up negative inventory tiers

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Sales Order Module

- The following occurs during period-end or year-end:
  - The Sales Order Recap is purged based on the setting of the **Purge Sales Order Recap at Period End** option in Sales Order Options. This happens during period-end and year-end processing.
  - Sales history is purged based on the number of Years to Retain Sales History option in Sales Order Options. This only happens during year-end processing.
  - Expired master and repeating orders are automatically purged based on the **Expire Date** setup for the order in Sales Order Entry. This happens during period-end and year-end processing.

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Purchase Order Module

- The following occurs during period-end or year-end:
  - Completed purchase orders are automatically purged based on the **Days to Retain Completed Purchase Orders** option in Purchase Order Options.
  - The purchase order recap is automatically purged if the **Purge Purchase Order Recap at Period End** option is selected in Purchase Order Options.
  - Receipt history is automatically purged is the **Retain Purchase Order History** options is NOT selected in Purchase Order Options.
  - Expired master and repeating orders are automatically purged based on the **Expire Date** setup for the order in Purchase Order Entry.

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Purchase Order Module – Purchases Clearing Report

- The Purchases Clearing Report is used to reconcile the purchases clearing account balance with open amounts on purchase order.
- The purchases clearing account is a liability account that is posted to when inventory is received in Receipt of Goods Entry without an invoice. The account is then cleared out for that transaction when the invoice is posted in Receipt of Invoice Entry.
- This account is defined for each product line in **Product Line Maintenance** in the Inventory Management module.
- This account can get out of balance if transaction are not processed properly in the system. An out of balance exception can occur in the following situations:
  - Inventory receipts are updated in Transaction Entry instead of Receipt of Goods Entry.
  - The ordered quantity or unit cost is changed after performing either Receipt of Goods Entry or Receipt of Invoice Entry.
  - Manual G/L postings have been updated to the purchases clearing account.
  - The Receipt of Goods Register or Receipt of Invoice Register has been updated to an incorrect general ledger period.

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Payroll Module

- The following occurs during quarter-end processing:
  - The current quarter set in Payroll Options is advanced to the next quarter.
  - Time off accrual values are updated based on settings for the **Allow Time Off Accruals From** field in Payroll Options.

- In addition to the above items, the following occurs during year-end processing:
  - The field showing the employees' year-to-date direct deposit amount is cleared.
  - Terminated employee records are removed from the employee file if there is no history associated with the records.
  - For pension plan deductions, if the Reset Balance at Year End check box in Deduction Code Maintenance is selected, the deduction balance is reset to match the deduction goal amount. Otherwise, the goal is set to match the balance. (The deduction balance is calculated as the deduction goal less the accumulated deduction amount. If the balance is zero, the deduction is no longer applied.)
  - If an employee has no history for a deduction, the deduction is removed from the employee record.
  - If Calendar Year is selected in the Reset Time Off Based On field in Payroll Options, employees' unused time is carried over to the next year (up to the Caryover limit set in Employee Maintenance).
  - History records, including Time Track Entry history records, are purged if they are older than number of years for which Payroll history is retained. The number of years to retain history is set in Payroll Options.
  - The current processing year set in Payroll Options is advanced to the next year.

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Online Help

- For more detail information on the period-end and year-end processes for each module, please refer to the online help built into the Sage 100 product.

- Once you are in the help system, you can then search on the topics you are looking for information on. For example, searching on "General Ledger Period End Processing" will return a list of topics including *G/L Period-End and Year-End Processing Checklist.*

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Questions & Answers

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Thank you!

If you run into issues or need assistance, please reach out to your M&A account rep or email
Info@martinandassoc.com

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