

What are the recommended steps to close a year in Fixed Assets?

Resolution

Because Fixed Assets is not a date sensitive module, we recommend closing Payables Management first. This should be performed to ensure all transactions coming from Payables have been capitalized in the Fixed Assets system. Also, we suggest closing Fixed Assets prior to performing the General Ledger year-end close. The year-end routine can be run at a separate time for each fixed asset book or it can be run for all books at the same time. However, this routine must be completed before running any fixed assets processing for the new year.

Functions Performed During the Year End Routine:

1. In the Asset General Information window:

- The YTD Maintenance amount is removed
- The Quantity is copied to the Begin Quantity field

2. In the Asset Book window:

- The YTD Depreciation Amount is removed
- The following fields are copied:
Cost Basis to Begin Year Cost
Life to Date Depreciation to Begin Reserve
Salvage to Begin Salvage

3. Increases the current fiscal year by one year for each book that is being closed.

Year End Checklist:

1. Complete Payables year-end. This will ensure all transactions are capitalized in Fixed Assets.
2. Enter in all activity for the current fiscal year. This includes additions, changes, transfers and retirements. Note: Transfers and Undo Retirements should never be performed in a historical year.
3. Run depreciation on all assets through the last day of the current fiscal year.
4. Process the GL Interface (GL Posting) routine.
Version 8.0: Tools | Routines | Fixed Assets | GL Posting
Version 7.0 and higher: Routines | Fixed Assets | GL Posting
Versions 6.0 and prior: Routines | Fixed Assets | GL Interface
5. Run reports, specifically reports which include year-to-date depreciation amounts as that information is not saved for previous/closed fiscal years in Fixed Assets. Some suggested reports that are normally run at year-end are:

- Annual Activity
- Additions
- Retirements
- Transfers
- Depreciation Ledger
- Property Ledger
- Fixed Assets to General Ledger Reconciliation

The Book to Book Reconciliation and Book to Book YTD Depreciation Comparison reports are also available for comparing any two fixed assets books. There are over 25 standard reports

that may be run. You may elect to print these reports to a file as well so you can choose to print them again in the future, if needed.

6. Ensure the Fixed Assets Calendar is built correctly.

Step 6 is for version 6.0 and prior. Please see KB Article [874133](#) if you are on version 7.0 and higher and wish to rebuild your calendar. It is not necessary to create first and last "dummy" years that contain 365 days (366 days for a leap year) in version 7.0 and higher.

If the last fiscal year created in the Dynamics/eEnterprise Fiscal Periods Setup encompasses an entire year (365 days or 366 days if a leap year), then you should rebuild and replace your calendar at this point. This can be performed at the following location:

Version 8.0: Tools | Utilities | Fixed Assets | Build Calendar
Version 7.0 and higher: Utilities | Fixed Assets | Build Calendar
Version 6.0: Utilities | Financial Fixed Assets Build Calendar

If the last year set up is missing any days (less than 365 days or 366 days if leap year) or overlapping any days (more than 365 days or 366 day if leap year), then a dummy year must be set up. Example below:

Current Fiscal Period Setup
2001 January 1, 2001 – December 31, 2001
2002 January 1, 2002 – December 26, 2002
2003 December 27, 2001 - December 29, 2003 (current fiscal year)
* 2004 December 30, 2004 – December 27, 2004

In this scenario, the 2004 fiscal year is only 363 days. Therefore, a dummy 2005 year needs to be set up in the Fiscal Periods Setup that contains 365 days (December 28, 2004 – December 27, 2005). Once this year has been created, the Fixed Assets Calendar needs to be rebuilt and replaced. This can be performed at the following location:

Version 8.0: Tools | Utilities | Fixed Assets | Buils Calendar
Version 7.x: Utilities | Fixed Assets | Build Calendar

7. Verify that the Quarters are set up correctly for all fiscal years.

Version 8.0: Tools | Setup | Fixed Assets | Quarters
Version 7.x: Setup | Fixed Assets | Quarters

8. Make a permanent backup of all the fixed assets files to ensure that you can run additional reports later, if necessary. This should be a backup that is archived off-site and is never erased.

9. Perform the Fixed Asset Year-End Close routine.

Performing Year End Close:
Version 8.0: Tools | Routines | Fixed Assets | Year End
Version 7.x: Routines | Fixed Assets | Year End

A. Verify that the Current Fiscal Year on the Available Books list is correct.

B. Select each book to be closed by highlighting the book in the Available Books list and clicking Insert. The year-end process will be performed for each book in the Selected Books list.

C. Click the Continue Button. The year-end process will begin. A report is not generated from this process.

D. Verify that year-end completed successfully by using reports and inquiries to verify the items in the Functions Performed during Year End Routine section of this document.

Fixed Assets Year-End FAQ:

1. I have closed the General Ledger module and realized that I haven't closed the Fixed Assets module yet. Can I perform the Fixed Assets Year-End close process at this point?

We recommend closing the General Ledger module last (after all of the subsidiary modules have been closed.) However, Fixed Assets can be closed after the General Ledger Year-End Close. The GL Interface process can be performed and the transaction(s) posted to the closed/historical year in the General Ledger. To post to the historical year in General Ledger, make sure that the following options are marked in the General Ledger Setup window under Setup | Financial | General Ledger (Version 8.0, Tools | Setup | Financial | General Ledger):

- Allow Posting to History
- Maintain History Accounts
- Maintain History Transactions

The posted transaction will update the historical year and roll forward as a beginning balance to the open year. If any expense or revenue accounts were included in the transaction, they will automatically close out to the Retained Earnings account(s).

2. I processed the Fixed Assets Year-End routine and have run depreciation in the new year. I noticed that the depreciation is highly overstated and some of my assets have a negative Net Book Value. Why is the system calculating so much depreciation?

This will happen if the year was closed and the assets were not depreciated through the very last day of the fiscal year. For example, if the fiscal year is a calendar year (January 1 – December 31) and the assets were depreciated through December 28th when the year was closed, depreciation will be incorrect the next time it is run. The system does not recalculate the yearly rate when the year-end routine is performed; therefore, it will take a full year's worth of depreciation (the yearly rate currently on each asset) in the last few days remaining in the previous year (December 29th – December 31st). If there are assets near the end of their original life, it can cause the Net Book Value to go negative as well.

There are a couple of solutions available if this situation is encountered. The first (recommended) solution would be to restore the data from a backup, run depreciation through the very last day of the year, and perform the year-end procedure. The other solution would be to reset life on all of the assets. However, if amounts have ever been plugged for YTD and LTD Depreciation on the assets, resetting the life would change those amounts and the end result may be different. This will cause inconsistencies between the Fixed Asset module and the General Ledger which would need to be accounted for.

3. Instead of going through the year-end routine for Fixed Assets, I manually changed the Current Fiscal Year field in the Book Setup window to the next year. Do I need to go back and run the year-end routine or can I continue processing activity in Fixed Assets for the new year?

If no activity (additions, changes, transfers, retirements, and/or depreciation) has been run for the new year, the Current Fiscal Year field in the Book Setup window can be changed back to the previous year and the year-end routine can be processed.

If activity (additions, changes, transfers, retirements, and/or depreciation) has been run for the new year, restore the data from a backup and proceed with the year-end close routine.

In either situation, the year-end routine needs to be run. If it isn't, then the YTD Depreciation Amount will be overstated on any report that includes assets that were retired or fully depreciated in the previous year. When the year-end close is not performed, the YTD

Depreciation amounts will not be removed (zeroed out) so they will be incorrectly included on the reports for the new year.

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The information in this article applies to:

Great Plains 6.0 Fixed Assets

Great Plains 7.0 Fixed Assets

Great Plains 7.5 Fixed Assets

Great Plains 8.0 Fixed Assets