

SUMMARY

This article describes the year-end closing procedure for Payables Management. Each of the following topics are explained in detail in the following sections:

Payables Management Calendar Year-End Closing Checklist

Payables Management Fiscal Year-End Closing Checklist

Payables Management Year-End Closing Tips

Payables Management Year-End FAQ

Note If you are on release 6.0, you must close the calendar year and fiscal year before you post transactions to the new year so that your reports and 1099s will be correct. Version 6.0 is not date sensitive.

MORE INFORMATION

1. Payables 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's 1099 information or Vendor Financial Summary reports. The 1099 information now pulls from the PM Vendor Master Period Summary table (PM00202).

When posting transactions, the system will automatically post to the correct fiscal and calendar years according to the dates of the transaction. Therefore, you do not have to run the Calendar Year End and Fiscal Year End on the last day of the calendar or fiscal year, unless you use SmartList or Vendor Summary reports.

SmartList reports or Vendor Summary reports pull data from the **Amounts Since Last Close** view as it appears when you click **Cards**, click **Purchasing**, and then click **Summary**. 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** and the **Fiscal Year Summary View** when you click **Cards**, click **Purchasing**, and then click **Summary** will display the correct amounts for the year selected regardless of whether the year has been closed or not.

2. Closing the Payables Management Calendar year will transfer the **1099 Amount** from the **Year to Date** column to the **Last Year** column in the **Amounts Since Last Close** view. When you print the 1099s, the information is pulled from period information so they will be correct.

3. Closing the Payables Management fiscal year will transfer the **Amount Billed** and **Amount Paid** amounts from the **Year to Date** column to the **Last Year** column in the **Amounts Since Last Close** view.

Note If you use SmartList or Vendor Summary reports, use the following steps to close the Payables Management calendar year.

Payables Management Calendar Year-End Closing Checklist Summary

1. Post all transactions for the calendar year.
2. Make a backup.
3. Verify 1099 information is correct.
4. Print 1099 statements using the **Print 1099** window.
5. Make a backup.
6. Close the calendar year using the **Payables Year-End Closing** window.
7. Close the sales tax periods for the year using the **Tax Year-End Closing** window (optional).

8. Make a final backup.

Detail

1. Post all transactions for the calendar year BEFORE you close the year. If you want to enter future-period transactions before you close the year, create a batch with new transactions. Save the batch but do not post the new batch until after the year has been closed.

Print the Aged Trial Balance with Options Report (click **Reports**, click **Purchasing**, click **Trial Balance**, and then click **Aged Trial Balance w/Options**) to show the status of each Vendor Account. This report should be kept with your permanent records as part of the audit trail.

If you are closing the fiscal year together with the calendar year, we recommend that you print the Vendor Period Analysis Report (click **Reports**, click **Purchasing**, click **Analysis**, and then click **Period**) and the Vendor Year-to-Date Summary reports (click **Reports**, click **Purchasing**, click **Analysis**, and then click **Calendar Year**) for your permanent records because these amounts will be transferred to last year during the year-end closing process.

2. Make a backup of all Company data and put it in a permanent storage. This gives you a permanent record of the Company's financial position at the end of the year and can be restored later.

3. Verify the 1099 information is correct by printing the 1099 Edit List.

For release 7.x, click **Routines**, click **Purchasing**, and then click **Print 1099**.

For release 8.0, click **Tools**, click **Routines**, click **Purchasing**, and then click **Print 1099**.

To print the edit list from the **Print 1099** window, click **Print** on the **File** menu. You can also print the 1099 Edit List if you click the printer icon from the **Print 1099** window.

The 1099 Amount information is updated automatically when a 1099 invoice is fully paid. The 1099 information can be edited for each vendor using the **Vendor Period Summary** window (click **Cards**, click **Purchasing**, click **Summary**, and then click **Period**).

4. Print 1099 statements using the **Print 1099** window. This step can be completed at any time. You will be able to select the year you want to print the 1099s for.

5. Make a backup of all Company data and put it in permanent storage. This gives you a permanent record of the Company's financial position at the end of the year and can be restored later if you need it.

6. Close the calendar year using the **Payables Year-End Closing** window. Select whether you want to close the fiscal year, calendar year, or All to close both years. If the calendar year coincides with your fiscal year, select All. If they do not coincide, close the fiscal year separately.

Mark the **Print Report** option to print the Payables Year-End Closing report after the closing process is completed. This report lists the amounts transferred to Last Year Summary amounts for each vendor. The report will print the amounts from the date of the current close to the prior year close. The amounts may be different from what appears when you click **Cards**, click **Purchasing**, click **Summary**, and then click **Yearly**.

The Year-End Closing Report is part of the audit trail and should be saved with your Company's permanent records.

To close the year:

In Release 7.x, click **Routines**, click **Purchasing**, and then click **Year-End Close**.

In Release 8.0, click Tools, click **Routines**, click **Purchasing**, and then click **Year-End Close**.

7. Close the sales tax periods and print the Tax Year-End Closing Report for the year using the **Tax Year-End Closing** window. This step is optional.

Note This procedure should only be completed after you have completed the year-end closing procedures for all sales and purchasing modules.

In Release 7.x, click **Routines**, click Purchasing, and then click **Tax Year-End Close**.

In Release 8.0, click Tools, click **Routines**, click Purchasing, and then click **Tax Year-End Close**.

8. Make a final backup of all Company data and put it in permanent storage.

Payables Management Fiscal Year-End Closing Checklist Summary

1. Post all transactions for the current fiscal year.
2. Make a backup.
3. Close the fiscal year in the **Payables Year-End Closing** window.
4. Close all fiscal periods (optional).
5. Close the sales tax periods for the year using the **Tax Year-End Closing** window (optional).
6. Make a final backup.

Detail

1. Post all transactions for the calendar year BEFORE you close the year. If you want to enter future-period transactions before you close the year, create a batch with new transactions. Save the batch but do not post the new batch until after the year has been closed.

Print the Aged Trial Balance with Options Report to show the status of each Vendor Account. This report should be kept with your permanent records as part of the audit trail.

If you are closing the fiscal year together with the calendar year, we recommend that you print the Vendor Period Analysis Report and the Vendor Year-to-Date Summary reports for your permanent records because these amounts will be transferred to last year during the year-end close process.

2. Make a backup of all Company data and put it in permanent storage. This gives you a permanent record of the Company's financial position at the end of the year and can be restored later if you need it.

3. Close the fiscal year using the **Payables Year-End Closing** window. Select whether you want to close the fiscal year, the calendar year or All to close both years. If the calendar year coincides with your fiscal year, select **All**. If they do not coincide, close the fiscal year separately.

Mark the **Print Report** option to print the Payables Year-End Closing Report after the closing process is completed. This report lists the amounts that were transferred to **Last Year Summary** amounts for each Vendor. The Year-End Closing Report is part of the audit trail and should be saved with your Company's permanent records.

To close the year:

In Release 7.x, click **Routines**, click **Purchasing**, and then click **Year-End Close**.

In Release 8.0, click Tools, click **Routines**, click **Purchasing**, and then click **Year-End Close**.

4. Close all fiscal periods (optional). You can use the **Fiscal Periods Setup** window to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year. Make sure you have posted all transactions for the period and year for all modules before you close fiscal periods.

If you must post transactions to a fiscal period you have already closed, you must return to the **Fiscal Periods Setup** window to reopen the period before you can post the transactions.

5. Close the sales tax periods for the year using the **Tax Year-End Closing** window (optional). Use this window to close the sales tax periods and to print the Tax Year End Closing report. This procedure should only be performed after you have completed the year-end closing procedures for all Sales and Purchasing modules.

6. Make a final backup of all Company data and put it in permanent storage.

Payables Management Year-End Closing Tips

1. Print the 1099 statements using the **Print 1099** window. The following list provides information included in each box on the 1099 statements and the lines and windows in Great Plains Payables Management where the information comes from.

PAYERS name, street address, city, state and ZIP Code/Postal Code
Taken from the Company and Address fields in the Print 1099 window.

PAYERS Federal Identification number
Taken from the Payers Federal ID Number field in the Print 1099 window

RECIPIENTS name, address and ZIP Code/Postal Code
Taken from the Primary Address fields in the Vendor Maintenance window

RECIPIENTS identification number
Taken from the Tax ID field in the Vendor Maintenance Options window

Account number
This field is optional. You can manually enter the Account number.

Boxes 1 through 9 (Dividend Form), and 1 through 16 (Misc. Form)
Taken from the 1099 Amount field in the Vendor Yearly Summary window.

The 1099 Amount YTD information is updated automatically when a 1099 Invoice is paid. The 1099 YTD information can be edited for each Vendor using the **Vendor Period Summary** window (click **Cards**, click **Purchasing**, click **Summary**, and then click **Period**). This would be needed if a 1099 invoice was entered, but a 1099 amount was not entered.

Currently, Great Plains does not handle magnetic media filing of state 1099s. The following Microsoft Great Plains Partner does offer compatible State W-2 and 1099 magnetic media products. For more information, contact:

Greenshades Accounting Software, Inc.
7800 Belfort Parkway
Suite 220
Jacksonville, FL 32207
General: 1-800-209-9793 (Toll-Free)
Sales: 1-800-209-9793x2 (Toll-Free)
sales@greenshades.com
<http://www.greenshades.com>

Payables Management Year-End FAQ

Q: Are inactive Vendor records cleared during year-end closing? If not, how can inactive Vendor records be removed?

A: No, inactive Vendor records are not automatically removed. To remove an inactive Vendor record, the record must not have a current year 1099 amount or documents in history (the work and open files have to be empty for this Vendor to be inactive). When the records have been removed from history, a Vendor or Vendors can be deleted using the **Vendor Maintenance** window or the **Mass Vendor Delete** window.

Q: What exactly do the Payables Management Year-End Close procedures do?

A: The Calendar Year-End Close moves the 1099 Amount YTD into 1099 Last Year in the Vendor Yearly Summary Amounts Since Last Close view. The Fiscal Year-End Close moves all other YTD amounts into Last Year amounts.

Q: What should I do if I must issue a check on January 2, 2008, but am not ready to close 2007 yet?

A: Run the calendar and fiscal year-end close for Payables. If you use SmartList or the Vendor Summary report, you can manually update the Amounts Since Last Close view for any additional 2007 activity entered after the close. The 1099 information will be correct.

Q: Is there a way to print an edit list of the 1099 Vendors before I actually print the 1099 statements?

A: A 1099 report can be printed using the **Print 1099** window. When the **Print 1099** window is open, click **Print** on the **File** menu. An edit list that contains the Vendor ID, Vendor Name, Address, and 1099 amount will be printed. You can also print the edit list if you click the printer icon in the **Print 1099** window.

Q: I have printed 1099 statements and some the statements did not have the Vendor Name appearing on them. What should I do?

A: When you print 1099 statements, the Check Name entered for the Vendor record in the **Vendor Maintenance** window will appear on the statement. If there is no Vendor Name appearing on the statement, the Check Name field in this window is blank. Enter a Check Name for each Vendor or use Report Writer to change the report to use a different field. For more information about modifying a report, see the Report Writer manual.

Note If you are on release 6.0, you must close the calendar year and fiscal year before you post transactions to the new year so that your reports and 1099s will be correct. Version 6.0 is not date sensitive.

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The information in this article applies to:

Great Plains 7.0 Payables Management

Great Plains 7.5 Payables Management

Great Plains 8.0 Payables Management