



## AccuBuild Construction Software

**Title:** 2017 Fiscal Year End Notes

**Business Owner:** AccuBuild Professional Services Team

**Purpose:** The purpose of this document is to provide information and the steps for Fiscal Year End processes.

**Date:** 12/20/2017

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## **1. Fiscal Year End Notes**

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### **Fiscal Year End**

The fiscal year end DOES NOT have to be closed prior to entering transactions in the new year. AccuBuild recommends that you keep the fiscal year open until all of your CPA's adjusting entries have been entered into the system so that you can print new reports.

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## **2. Close the Fiscal Year**

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### **2.1. Run Integrity Tests**

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AccuBuild has a series of integrity tests that can be performed on all master files and detail transaction files in the system to see if any errors exist or if any of the files have become corrupt. The integrity tests can be manually performed by accessing the Integrity Tests options in each module. These tests are also performed automatically during the year end closeout process but it is highly recommended that these tests be performed prior to performing your account reconciliations.

In each module, select Integrity Tests > All Test. Click OK to start the process. If integrity test errors are found, contact the AccuBuild Support Team for assistance in clearing the errors.

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### **2.2. Perform Reconciliation Steps**

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It is recommended that you print and save the reports that you have used during your monthly and year end reconciliation. Note: All reports in AccuBuild can be exported to PDF format for archiving. Using the reconciliation worksheet as your guide, keep reports such as the Trial Balance, Jobs in Progress, Completed Contracts, Contract Status Worksheet, Financial Statements, Aging Schedules, etc. to use as your supporting documents. Each company's reporting needs will vary so be sure to familiarize yourself with each report in each module to determine which reports meet your specific needs. Keep in mind that reports that prompt for a cutoff month only (ie. August), rather than a specific date range (ie. 08/01/2000), are only available in the current fiscal year. These reports should be printed and saved before you close the fiscal year end.

**Note:** To assist you with the Month End and Year End Reconciliation process, there are step by step instructions listing all reports to run and print/save in . You can find this information later in this document, in the section "[General Ledger Reconciliation Worksheet.](#)"

### **2.3. Backup Data and Create Reporting Company for Prior Year**

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Be sure that you have a current backup of your data and ask all other AccuBuild users to exit the program completely. You must be the only user in the system when closing the month.

As an option, you can set up a new company in AccuBuild to hold a copy of your data as it appeared before the fiscal year was closed. Simply restore the backup of the data that was made in Step 7 of this outline into the new company. You can then print any report for that fiscal year from that company. Note: You may want to limit user access to this company so that data is not accidentally added to this file.

### **2.4. Update Configuration System Date, if not closing each Month**

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If no integrity test errors were found in "[Run Integrity Tests,](#)" then go to File > System Administrator > Configuration > Accounting Tab. If you have not closed the individual months during the fiscal year, then you can manually update the system to close the fiscal year.

First, note the Fiscal Year End date. NEVER MANUALLY CHANGE THE FISCAL YEAR END DATE IN AN ATTEMPT TO ROLL THE YEAR. If your fiscal year end date is December 31, then the system cutoff date must be set to December 1. The payroll cutoff date may be set to January 1 of the new calendar year.

If your fiscal year end is in any month other than December, then you will need to change both the system cutoff and the payroll cutoff dates to the same month as the fiscal year end. See the table below for examples.

Note:

Although the payroll cutoff date must be in the new calendar year in order to print payroll checks, the payroll cutoff date must be temporarily changed back to the prior year so that the fiscal year end procedure can be completed. (This step is not necessary if your year end is December 31.)

Once the year end close is completed, the payroll cutoff date must then be manually updated to January 1 of the new calendar year so that the payroll checks can continue to be processed.

Be sure to perform the Payroll > Integrity Tests > Update Employee Totals option to ensure that the year-to-date earnings are correct.

<b>Fiscal Year End Date</b>	<b>System Cutoff Date</b>	<b>Payroll Cutoff Date</b>
12/31/2011	12/01/2011	01/01/2012
11/30/2011	11/01/2011	11/01/2011
10/31/2011	10/01/2011	10/01/2011
09/30/2011	09/01/2011	09/01/2011

Be sure that the 'Enable Prior Period Transactions' option is not checked so that new entries cannot be posted to the period you are closing, nor any period before that.

Click OK to save any changes you may have made.

## **2.5. Proceed to Close Fiscal Year**

The fiscal year end close is performed through the File > System Administrator > Month End menu option. AccuBuild will compare the System Cutoff date to the Fiscal Year End date, and if the system cutoff date is in the same month as the fiscal year end date, then the system will close the fiscal year end.

The system will perform the integrity tests during the year end closeout process. The system will perform the same series of integrity tests, as performed manually, and will notify you if any errors exist. Please contact the AccuBuild Support Team to assist you with correcting any errors.

If no integrity test errors have been found, then the system will perform the following tasks listed below.

- Create an internal backup of your data and store it as a YE\*\*\*\*.zip file in your \accubld8\companyname\ folder.
- Close each module one at a time by updating the various date accumulators in the system.
- Post the net profit or loss into the retained earnings account as defined in the Ledger > Properties option
- Reset all P & L type accounts to zero
- Calculate prior year balances for the job cost module. These calculations may take some time depending on the amount of data that is in your company tables so please be patient and let the program finish the calculations. Do not end the task even if the program says it is not responding. Ending the program during the year end procedure could result in data corruption.

The program will complete the year end process by updating the system configuration dates with the new accounting period dates. For example, if fiscal year end November 30, 2011 is closed, the fiscal year end date will be changed to November 30, 2012 and the system and payroll cutoff dates will be changed to 12/01/2011. In this scenario, the payroll date would need to be manually changed to 01/01/2012 so that payroll checks can continue to be processed in the new year. See Step 2.4 above.

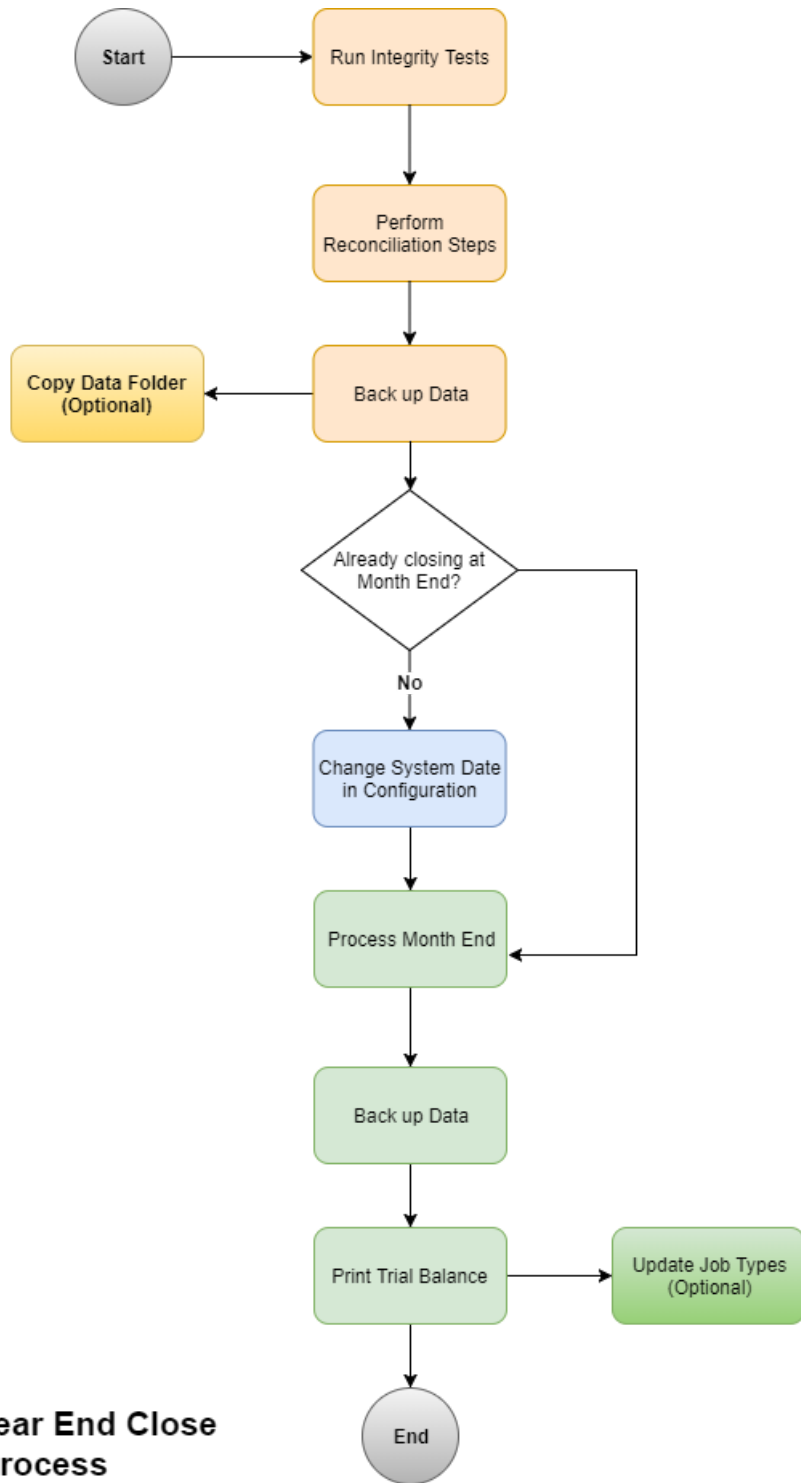
## **2.6. Print Trial Balance**

Once the fiscal year end has been closed, print a new trial balance to verify that the beginning balances in the general ledger are accurate. Remember, all income statement accounts will have a beginning balance of zero and the prior year's profit and loss will be included in the retained earnings beginning balance.

## **2.7. Update Job Types (Optional)**

This is now a good time to change the Job type on any job that was completed in the prior fiscal year from 'Contract' to 'Other'. This will prevent the job from appearing on the Completed Jobs Schedule in the new fiscal year unless the 'Other' type jobs are included in the report. The Job Type field is located on the Job Cost > Update Jobs > Contract Status Tab.

## 2.8. Fiscal Year End Process



**Fiscal Year End Close Process**



### **3. Re-Open a Fiscal Year that was Inadvertently Closed**

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Once a fiscal year is closed in AB, it is not recommended that you re-open that fiscal year for the most part. If you need to be able to re-print job cost reports for a specific period in the closed year, then we suggest setting up a separate company to hold a copy of that data as it looked before the fiscal year was closed. User access to this backup company would be limited to a user with System Admin access and would be used for printing reports only; no data entry.

If you have inadvertently closed a fiscal year and need to re-open it, then there are two options. Please consider the pros and cons of each option before proceeding.

#### **3.1. Option 1 - Restore using a FY\*.zip file (Lose all new data)**

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Restore data using the FY\*.zip file that was created during the year end close. This option is only intended to be used if the error in closing the fiscal year is immediately known right after the close. Any new data that has been entered after the close will be lost if data is restored into the same company file.

- Backup your current company data before restoring the data. (File > Backup Data)
- Restore data using the FY\*.zip file. (File > Restore Data). In the Restore Data screen, choose the appropriate FY\*.zip file. It's easiest to review the modified data of the file in order to make your selection. Any data that had been entered into the system after closing the year would be lost and would need to be entered again.
- Re-enter any data that may have been entered after the fiscal year had been closed.

#### **3.2. Option 2 - Manually change Fiscal Year End and update master records**

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This option can be used if there has been data entered into the company after the year has been closed.

Manually change the Fiscal Year End date back to (ie. 12-31-16) and change the System cutoff date to the first day of the last month of your fiscal year (ie. 12-01-16).

Go to Job Cost > Integrity Tests. Perform each of these options:

- Update job master totals
- Update billing totals
- Update prior years revenue



Go to the Chart of Accounts and EDIT each balance sheet account and manually update the Prior Years Balance field with the prior fiscal year balance.

Go to the Ledger > Integrity Tests. Perform the Update GL Master Totals option.

Print a new trial balance as of the end of your current fiscal year to review the balances for accuracy.

#### **4. Creating a Post Closing Journal Entry**

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The Post Closing Journal option is used to enter journal entries into a prior fiscal year and the process for entering post closing entries is identical to entering general journal entries. This type of journal is entered into a temporary batch file, Glpcbat.adt, that is located in the user's personal directory.

Post closing journal entries should only be made to balance sheet accounts, and will adjust the prior year's balance when they are posted through the system. All post closing journal entries should be dated for the last day of the prior fiscal year.

If you have adjusting entries for the prior fiscal year that are associated with income statement accounts, then the net total of these entries should be posted to the retained earnings account or some other capital account as applicable. Post closing entries are the only entries that will adjust the prior year balances on the balance sheet accounts. General journal entries will not adjust the prior year balances.

In order to process any post closing entries, the Allow Prior Period Transactions option will have to be enabled. Please refer to the System Administrator > Configuration > Accounting documentation for more information on enabling prior period transactions. After any post closing entries are made, be sure to turn off the prior period setting, to make sure no other prior period adjustments are made accidentally.



	<p>Total A/R from General Ledger Balances: _____ (Total all accounts)</p> <p>A/R Aging - <b>Total Balance Due</b>: _____ (A/R Aging Schedule)</p>
	<p><b>Note:</b> If you have a separate account in the General Ledger for the <b>A/R - Retention</b> account, then this account should represent the amount of retention that has been earned and withheld for all projects to date. Once the retention is billed in the system, the amount is automatically moved to the <b>A/R - Current</b> account. To verify the amount of unbilled retention on the G/L Trial Balance, run the <b>Contract Status Information</b> report in the job cost system under the <b>Contract Status Reports</b> option. Be sure to check the <b>Include "Other" Jobs</b> option so that all jobs are included in the report. Once the report is complete, the total amount of <b>Unbilled Retention</b> from this report can be reconciled to the <b>A/R - Retention</b> account on the trial balance.</p>
	<p><b>Hint #1:</b> <i>If the accounts receivable doesn't reconcile, then review the general ledger detail report to see what type of entries have been posted to the A/R account(s). The SC column displays the source code for each entry. The only type of entries that should be posted to any A/R account are sales invoices (SC 20, 30) and cash receipts (SC 35, 36, 38). Any other type of entry (ie. SC 50 General Journal) will NOT affect the A/R aging schedule and, therefore, the two reports would not reconcile.</i></p>
	<p><b>Hint #2:</b> <i>If the discrepancy is not caused by the issue in Hint #1, then an invoice or a cash receipt entry may have been debited <b>and</b> credited to the same A/R account. The net effect would be zero in the general ledger but the aging schedule would reflect the entry. Print the <b>Sales Journal Report</b> and the <b>Cash Receipts Report</b>, both are located in the Receivables module, to review the G/L accounts used for each entry.</i></p>
6.	<p>Reconcile the Accounts Payable Aging Schedule to the corresponding account(s) in the General Ledger Trial Balance. The aging schedule prints a bottom line total on the last page of the report under the Gross column and this amount should be in balance with the general ledger account(s). AccuBuild uses up to 3 different account numbers for payable amounts depending on the setup in the accounts payable properties and the job cost properties.</p>
	<p>Account _____.____ - A/P - Regular _____ (G/L Trial Balance)</p> <p>Account _____.____ - A/P – Subs _____ (G/L Trial Balance)</p> <p>Account _____.____ - A/P – Retention _____ (G/L Trial Balance)</p> <p>Total A/P from General Ledger Balances: _____ (Total all accounts)</p>

	<p>A/P Aging – Gross Column: _____ (A/P Aging Schedule)</p>
	<p><b>Hint #1:</b> <i>If the accounts payable doesn't reconcile, then review the general ledger detail report to see what type of entries have been posted to the A/P account(s). The SC column displays the source code for each entry. The only type of entries that should be posted to any A/P account are payable invoices (SC 40, 41, 43), cash disbursements (SC 45), and joint check cash receipts (36). Any other type of entry (ie. SC 50 General Journal) will NOT affect the A/P aging schedule and, therefore, the two reports would not reconcile.</i></p>
	<p><b>Hint #2:</b> <i>If the discrepancy is not caused by an erroneous source code, then a payable invoice, cash disbursement or joint check cash receipt entry may have been debited <b>and</b> credited to the same A/P account. The net effect would be zero in the general ledger but the aging schedule would reflect the entry. Print the <b>Purchase Journal Report</b> and the <b>Cash Detail Report (Check Order – Detail)</b>, both are located in the Payables module, to review the G/L accounts used for each entry. Joint check cash receipt entries can be reviewed on the Cash Receipts Report located in the Receivables module.</i></p>
<p>7.</p>	<p>The job cost and the general ledger should be reconciled for sales, direct costs and accounts receivable. Begin by printing the Contract Status Spreadsheet Report in the Job Cost system. Be sure to check the 'Include "Other" Jobs option so that all jobs are included in the report. Once the report is complete, the report totals can be reconciled to the general ledger totals as follows:</p>
	<p>Account _____.____ - A/R - Current _____ (G/L Trial Balance)</p> <p>Account _____.____ - A/R - Retention _____ (G/L Trial Balance)</p> <p>Account _____.____ - A/R - Misc _____ (G/L Trial Balance)</p> <p>Total A/R from General Ledger Balances: _____ (Total all accounts)</p> <p>Spreadsheet Current A/R Total (B8): _____ (Spreadsheet)</p> <p>Remember to exclude non-job invoices from the A/R aging schedule when comparing to the Job Spreadsheet report.</p> <p>Construction Income (Sales) Account(s): _____ (Total all accounts)</p> <p>Spreadsheet Curr Year Billings Total (B3): _____ (Spreadsheet)</p>

	<p>The over/under billing adjustments should be made with a general journal entry and should not be coded to a job. A journal entry is considered a cost when coded to a job/phase so only the general ledger accounts should be entered on the transaction. With that in mind, if you code your over/under billing adjustment to your normal income/sales account, then there would be a discrepancy between the general ledger and the Current Year Billings total (B3). Therefore, consider setting up a separate income account for the over/under billing adjustments so that it is easier to tie column B3 to the G/L.</p>
	<p>Direct Cost (Cost of Sales) Account(s): _____ (Total all accounts)</p> <p>Spreadsheet Curr Year Actual Costs (A6): _____ (Spreadsheet)</p>
	<p>If the year to date expenses from the job schedules do not agree:</p> <p>a.) Print the List of Linked Jobs in the Job Cost Reports to determine if a job is linked incorrectly. If a job is linked to an invalid job number, then the job will not be included in the job cost reports but the transactions will show up on the G/L reports.</p> <p>b.) Print the Job Cost / General Ledger Comparison Report in the job cost reports menu. Run this report in G/L Account Order and be sure to enable the Account Totals Only option to get a summary total for each G/L account. Compare the year-to-date totals from this report with the year-to-date totals from the Trial Balance Report. If any differences are found, then run a general ledger detail report by account number order for the account(s) that are out of balance to troubleshoot the differences.</p>
8.	<p>If financial statements are being printed, then be sure to verify that the balance sheet is in balance (Total Assets = Total Liabilities + Total Capital). If the statement is not in balance, then a new account may have been added to the Chart of Accounts but not included in the financial statement format or an account may have been added more than once to the statement.</p>