

CONTRAC2

Year-End Procedures

The following procedures are an outline of the steps required for both Calendar Year End Closing (12/31) and Fiscal Year Closing (which may or may not be the same). Procedures are listed for all packages within the **CONTRAC2** system. If you have not purchased the package listed, or you are not using the package, you do not need to do anything for that package (the exception to this is General Ledger). Packages are listed in the recommended order of completion. For more detailed instructions, please refer to the User Documentation Procedures Section of each manual.

You should run a complete system backup before doing any Year-End Processing!

There are no Year-End procedures required for the following packages:

Commission System
Contract Billing
Job Cost
Price Update
Prospect Management
Purchasing
Service Dispatch

ACCOUNTS RECEIVABLE

This can be completed on either a Calendar or Fiscal Year -- Most companies do this on a Fiscal Year basis.

- 1) Complete all invoicing/cash receipts for the current year. Do not do any entries for the new year.
- 2) Complete your normal A/R Month-End procedures.
- 3) Complete a Data Backup. This needs to be done in case there are any problems encountered with the Year-End update.
- 4) Run the A/R Year End option. This will allow you to print reports with the YTD Sales information and then will zero these figures in the Customer file. People can be in CONTRAC2 during this process.

INVENTORY CONTROL

This can be completed at either Calendar or Fiscal Year End, which ever you prefer most. If you do not track inventory quantities on the system, then you do not need to complete the following steps.

- 1) Complete any necessary inventory transactions for the year - this includes doing postings from the Purchasing, Dispatch, and A/R Invoicing systems. Do not do any transactions for the new year before completing these steps.

- 2) Print the Inventory Transaction Listing and Purge. This can be a VERY long report if it is not purged regularly. If you normally do not use this report, just do the purge.
- 3) Print the IC to GL Audit report to balance your inventory to General Ledger. Complete any necessary adjustments. This step is only necessary if inventory is accrued.
- 4) Complete a Data Backup. This needs to be done in case there are any problems encountered with the Year-End update.
- 5) Run the Inventory Month/Year End option. Be sure to tell the system that this is for a Year End. This will recalculate the Average Monthly Usage for each part. It will also zero the MTD/YTD Usage, YTD Received, and YTD Adjustments. People can be in CONTRAC2 during this processing.

ACCOUNTS PAYABLE

The 1099 processing must be performed at the calendar year end, and the update must be run even if you do not print 1099's. If you do not print 1099's, then you can skip to #6 for the update only (once all transactions have been entered for the year).

- 1) **Vendor Analysis.** This prints all Vendor information in Vendor Number or Vendor Alpha Code order.
- 2) Complete ALL A/P transactions for the calendar year. Transactions for the new year can be entered prior to completing the year-end processing.
- 3) Run the **Vendor 1099 List** and select the option to print vendors missing information. Review the list and make corrections as necessary.
- 4) Complete a data backup. This needs to be done in case there are any problems encountered with the update.
- 5) Verify your Tax Payer ID field is correct in the A/P Control file. Print the 1099's to plain paper, check the figures and layout. **Be sure both the numbers and the lineup are correct before proceeding.** Do not approve the 1099's.
- 6) Print the 1099's on your forms. Once they have printed ok, approve the report. This will move the Current 1099 Payments to Last Year in the Vendor Master file. It will move Next Year 1099 Payments to Current Year, and it will zero the Next Year 1099 Payments for each vendor. Everyone CAN be on the system during this process.

The following processing should be performed for fiscal year end:

- 1) Complete ALL A/P transactions for the fiscal year. Transactions for the new year can be entered prior to completing the Year-End processing.
- 2) Print the **G/L Account Distribution Report** with the "N" (new distributions) option. This will post any outstanding A/P transactions to the General Ledger.
- 3) Print the **Vendor Analysis Report**. This program will print a detailed listing of the year-to-date purchases and payments by vendor. The year-end program will purge this information, so you need to print this for an audit trail.
- 4) Complete a data backup. This needs to be done in case there are any problems encountered with the Year-End Update.

5) **Year-End Update.** This program will move the Current Year Purchases, Payments, Discounts Taken and Discounts Lost to the Last Year buckets. It will move the Next Year Purchases, Payments, Discounts Taken and Discounts Lost to the Current Year buckets. It will zero the Next Year Purchases, Payments, Discounts Taken, and Discounts Lost buckets. Everyone CAN be on the system during this process.

PAYROLL

These procedures must be completed at the Calendar Year End.

- 1) Complete all check runs and check voids for the current year. Do not do any processing for the new year.
- 2) Complete all of your normal Month-End procedures.
- 3) Check the PR Control File to be sure the field **CUR QTR** has a value of 4. If it does not, contact the HOTLINE for instructions on how to proceed. If the value is 4, go on to the next step.
- 4) Print all of your Quarterly reports. Do not do the Quarter End Reset.

NOTE: If any employee appears on the Quarterly Reports Twice, this is usually an indication that the Employee Master has both states flagged as active (i.e., CA CA). To fix this you must blank out the second state, and combine the State #1 and State #2 figures in the Quarter and Year End screens into the State #1 buckets. Zero out the State #2 buckets. You can then re-run the reports.

- 5) Print the Detailed Employee File Listing (L-option from the Employee Master File) for all employees and save this report.
- 6) Run the Save Year-End Info and Reset option. Do not change the State/Federal Tax Tables for the new year until this has been completed.
- 7) Update your State/Federal Tax Tables with the new year information.
- 8) Run the Print Hold File option using the last day of the year as the payroll end date, and select to print Future transactions. This will identify any transactions that have accidentally been posted with bad dates. Call HOTLINE to have these deleted.
- 9) At this point you can start doing Payroll runs for the new year.
- 10) Print the Year-End Reports and the W2's. This can be done at any time after completing Step 6 above.

NOTE: **Print the W2's to plain paper and review the figures and lineup so to avoid wasting forms.** Once they appear ok on plain paper, print them on the forms.

If any employee gets 2 W2's, follow the instructions in the NOTE on Step 4 above and then reprint the W2's.

GENERAL LEDGER

The General Ledger system can hold 2 years of detail at any one time. Even if you are not using the General Ledger system, you must still go through the closing process so that postings can be made to the new year. When running the Year End, the system doesn't ask which year to close; it automatically closes the oldest year.

You can check which years are open by going to the Company File and viewing your company (usually 1). It will display the dates for the two years currently open.

Complete the steps that follow to close the oldest year. If you are not using the General Ledger system, you can skip the printing of Financial Statements and Trial Balance. You can also skip setting up budgets.

- 1) Complete all updates for the current year that will create Journals. Also complete all special Journal adjustments.
- 2) Run the **Journal Proof & Posting** option to be sure all Journals have been posted to the General Ledger.
- 2) Print the **Trial Balance** for all accounts, all months in the current year, in detail. This information will be purged, so you will need this report for an audit trail.
- 3) Print all desired **Financial Statements** for the current year. Again this information is going to be purged, so this is your last chance to print these.
- 4) **Enter Budgets** for the new year (Optional). This can be done before or after running the Year End Closing.
- 5) Complete a data backup. This needs to be done in case there are any problems encountered with the Year-End update. . **This tape should be taken out of the rotation, labeled with the date of the backup and the fiscal year that was closed, and saved.**
- 6) Run the **G/L Year End** program. You will need to know the Retained Earnings account that you want the system to post your profit/loss for the year to. The Year End Closing program will prompt for a Retained Earnings Account and summarize all Revenue and Expense accounts into a Year Forward entry into that account. All other type records (**A,L,Q**) will be summarized into similar Year Forward records one per account. Once a year is closed, all detail for that account for that year is removed. This program will purge all detail transactions from the General Ledger Detail file for the year being closed, although detail transactions will remain for the current year. All Revenue and Expense accounts will be zeroed. The Next Year Budgets will get moved to the Current Year Budgets, and the month ending dates in the Company file will be set to the new year.

The G/L Year End program will not run if any unposted journal records exist.

IMPORTANT: NEVER change the month ending dates in the Company file!