

Sage X3 year-end closing

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Today's topics

- Year End Processing...in a nutshell (slide 3)
- Important Parameters and Setups to consider (slides 4 - 8)
- Brief discussion regarding the Accounting Task...formally known as the Journal Status Monitor (slide 9)
- Terminology Lesson: Soft Close vs Hard Close (slide 10)
- Year End Simulation (slide 11)
- A word about Period Closing (slides 12 - 13)
- Fiscal Year End Function/Processing (slides 15 - 23)
- Sample NP Journal Entries and what is a New Period Journal entry (slides 19-21)
- Other Year End Considerations (slides 24-27)
 - Budget maintenances
 - Cost rollups/transfers
 - 1099 processing and reporting
- Additional X3 Financial Maintenances & Utilities
- Q & A

In a Nutshell...Year End Processing should NOT be a stressful event!

- Daily/Weekly activities are processed in a timely manner...Including but not limited to the following:
 - Validate Shipments, Enter Receipts, Enter and Post Invoices/CM's>Returns (Purchasing, Sales, AP/AR, etc)
 - Enter and Post Payments
 - Close / Finalize completed WO's
 - Run FUNSTKACC / FUNWIPACC and closely monitor for errors
- Monthly activities: closing your Fiscal Periods in a timely manner
 - This will ensure that you have posted all transactions that have a financial impact in the given period
 - You will have addressed any period closing errors that may have occurred during the period closing process
 - All posted transactions have already been Finalized
 - Already have verified that all Collective Accounts are in balance and all financial reports are accurate
- Create New Fiscal Year and Periods
- Close last period of the previous Fiscal Year
- Run the Fiscal Year End function to Hard Close the Fiscal Year.
- Run financial reports.

IMPORTANT REMINDER: Make sure the Accounting Task is Active, no Suspended Journals, etc at all times

Important Date Parameters

All > Setup > General parameters

Parameter values

SAGE

Chapter: SUP Supervisor Legislation: Company: Site:

Group: DEF Default values

10 Results Display: 20

	Parameter	Description	Value	Set ...	Level
1	CRYDEF	Default country	US	Q	Folder
2	DATEDEBDFT	Default start date	01/01/2017	Q	Folder
3	DATEFINDFT	Default end date	12/31/2017	Q	Folder
4	DATSTADEB	Statistical start date	01/01/2017	Q	Folder
5	DATSTAFIN	Statistical end date	12/31/2017	Q	Folder
6	ENDDAT	End date	12/31/2025	Q	Folder
7	EURO	Euro code	EUR	Q	Folder
8	EUROCOD	Euro calculator code	EUR	Q	Folder
9	LANGUAGE	Default language	ENG	Q	Folder
10	STRDAT	Start date	01/01/2015	Q	Folder

- **ENDDAT (General level)** – This parameter should be set several years into the future. It is compared with the System date when logging into X3 and if 'Today's Date' > ENDDAT, users will not be allowed to perform any functions. This parameter is not dependent on FY creation
- **DATEDEBDFT / DATEFINDFT (General and User levels)** - These parameters are used to define the date range in functions where a date range is required. For example: Financial > Inquiries > Accounts. These dates are dependent on the FY being created.

Important Accounting Parameters

All > Setup > General parameters

Parameter values

SAGE

Chapter	Legislation	Company	Site		
CPT <i>Accounting</i>					
Group					
FIY <i>Financial year end</i>					
				25 Results	Display: 20
	Parameter	Description	Value	Set ...	Level
1	FRWANA	Analytical carry-forward	Yes	Q	Folder
2	FRWGAC	General carry-forward	Yes	Q	Folder
3	GAUFIYCL	Closing document	FIYCL	Q	Folder
4	GAUFIYEN	Fiscal year end journal	FIYEN	Q	Folder
5	GAUFIYRE	Results journal	FIYRE	Q	Folder
6	GTECLO1	Year-end journal type	NEWPR	Q	Folder
7	GTECLO10	Year-end journal type		Q	Folder
8	GTECLO2	Year-end journal type		Q	Folder
9	GTECLO3	Year-end journal type		Q	Folder
10	GTECLO4	Year-end journal type		Q	Folder
11	GTECLO5	Year-end journal type		Q	Folder
12	GTECLO6	Year-end journal type		Q	Folder
13	GTECLO7	Year-end journal type		Q	Folder
14	GTECLO8	Year-end journal type		Q	Folder
15	GTECLO9	Year-end journal type		Q	Folder
16	GTEFRW1	Carry-forward journal type	NEWPR	Q	Folder
17	GTEFRW10	Carry-forward journal type	NEWPR	Q	Folder

- GAUFIYEN = FIYEN (Automatic Journal to calculate Opening Balances)
- GAUFIYRE = FIYRE (Automatic Journal that rolls Income Statement accounts from 9999 (Suspense) into Retained Earnings)
- GTECLO01 = NEWPR (Document Type used for posting New Period je's that are created during the Fiscal Year End Close)
- GTEFRW1 = NEWPR
- GETFRW10 = NEWPR

'NEWPR' Document Type

Document types



Entry type *
NEWPR

Description *
New Period

IDENTIFICATION

Manual numbers

Default journal
NEWPR

Sequence number
NANEW

Journal Code must be 'Open'

Define 'NANEW' sequence no. Typically starts with 'NPxxxxx'. If multi-company, suggest inserting Co value

Legislation
USA

Short description *
New Period

ACCESSIBILITY

Active

Access code

Valid from

Valid to

JOURNAL CATEGORY

Simulation

Actual

Template

Off-balance sheet entries

Period
Carry forward

AUTHORIZATION

10 Results Display: 10

	Journal type	Authorization
1	Sales	No
2	Purchasing	No
3	Treasury	No
4	Misc. Operations 1	No
5	Misc. Operations 2	No
6	Misc. Operations 3	No
7	Carry-forward	Yes
8	Misc. Operations 4	No
9	General Journal	No
10	Misc. Operations 6	No

MANAGEMENT

Reminders

Fees declaration

Tax on issue

Tax on payment

Open item management

Expense creation

Rate type
Daily rate

Rate date
Document Date

Open item type
Others

Treasury open items

Payment method

LEDGER

	Ledger	Authorization
1	Legal	Authorized
2	Analytical	None
3	IAS	None

Set unused Ledgers = None

Account Classes

All GL Accounts must be assigned to an Account Class

Balance Sheet Accounts carry forward Opening Balances
Income Statement Accounts do not

All > Setup > Financials

Account classes



Legislation *

USA

USA

Parameters



7 Results Display: 25

	Code	Description	Category type	Carry forward	Default sign	Analytical sign
1	1	Asset	Normal	Yes	Debit	Expense
2	2	Liability	Normal	Yes	Credit	Expense
3	3	Equity	Normal	Yes	Credit	Expense
4	4	Revenue	Normal	No	Credit	Revenue
5	5	COGS	Normal	No	Debit	Expense
6	7	Expense	Normal	No	Debit	Expense
7	8	Other Income & Expense	Normal	No	Debit	Expense

Analytical Dimensions

All > Common data > G/L accounting tables > Analytical

1 More

SAGE

Dimensions



Dimension type

DPT
Department

Dimension *

KITCH |

Kitchen |

General Pyramids

Accessibility

Active

Company/Site/Group

|

Validity start date

|

Restriction code

|

Access code

|

Description

Validity end date

|

Management

Carry forward

Budget tracking

Chargeable

Trumps the Dimension Type 'Carry Forward' setting and should = Yes if the Dimension is used on Balance Sheet Accounts

Other dimensions



	Other dimension	Default dimension	Description
1	<input type="text"/> <input type="button" value="Q"/> <input type="button" value="List"/>	<input type="text"/> <input type="button" value="Q"/> <input type="button" value="List"/>	<input type="text"/> <input type="button" value="Q"/> <input type="button" value="List"/>

Nonfinancial units



	Nonfinan...	Description	Quantity
1	<input type="text"/> <input type="button" value="Q"/> <input type="button" value="List"/>	<input type="text"/>	<input type="text"/>

Accounting Task

Formally known as the 'Journal Status Monitor'

- Journals on Hold should = 0 (typically clears automatically when all pending journals are posted)
- Suspended Matching should = 0 (typically clears automatically when all matching is completed)

The screenshot displays the 'Accounting task' interface. At the top, there is a breadcrumb trail: 'All > Usage > Batch server'. Below this, the title 'Accounting task' is visible. A search bar with a magnifying glass icon is present. The main content is a table with the following columns: Code, Task status, Query, Status, Processes, Journals ..., and Matching. The table contains two rows of data. The first row shows a task with code 'ACCENTRY', status 'Active', query '980', and status 'In progress', with 11072 processes, 14 journals, and 0 matching. The second row is partially visible. To the right of the table is a vertical menu with options: 'New', 'Close page', 'Run now', 'Stop', and 'Update'. Below the menu are icons for refresh, print, and share, followed by 'Utilities' and 'Help' links.

	Code	Task status	Query	Status	Processes	Journals ...	Matching
1	ACCENTRY	Active	980	In progress	11072	14	0
2							

Terminology Lesson

'Soft Close' vs 'Hard Close'

What is a Soft Close?

A Soft Close is achieved by running the Year End Simulation function (SIMULFINES) which sets up the Trial Balance for the 'next' or 'new' year by rolling the Opening Balances and Retained Earning into the new year **without** creating the New Period journal entries. In other words, it truly 'simulates' the closing of the Fiscal Year.

The current Fiscal Year status is still Open and does not require the Periods to be a closed status.

The Year End Simulation function can be run as often as needed when activity has been made to the 'previous' year.

What is a Hard Close?

A Hard Close actually changes the Fiscal Year status to 'Closed' and updates the account values accordingly by producing a New Period journal entry.

All previous Fiscal Years and Periods must be closed, the 'new' year must be in an Open status with at least the first Period in an Open status.

Once the Fiscal Year End function (FIYEND) is run and the year is closed, no further activity can be posted to the year although X3 provides a Re-open Year function (OPNFIY). This function will actually **delete the existing New Period** journal entries and requires the Fiscal Year End function to be run again to close the given Fiscal Year, thus creating new New Period journal entries, reflecting the new activity entered.

ERP X3 does NOT require to the Hard Close of a Fiscal Year, but it is highly recommended to Close your Fiscal Years. The 'Closing' process updates records and clears out opening balances for inquiry and reporting purposes. For example: if you do not Close your fiscal year, the Sales gl account inquiry will show a balance from the beginning of time.

The 'Year-end Simulation' function is used during a Soft Close

- No journal entry is created, but opening balances have been updated to the New Year
- This process must be re-run any time there is a change made in the prior fiscal year
- You will always run the process using the "new" or "next" fiscal year (i.e., the fiscal year you want the Opening Balances updated for).
- You will want to run *General Balance* and *Analytical Balance* during normal Soft Close processing although although there are certain situations this may differ.

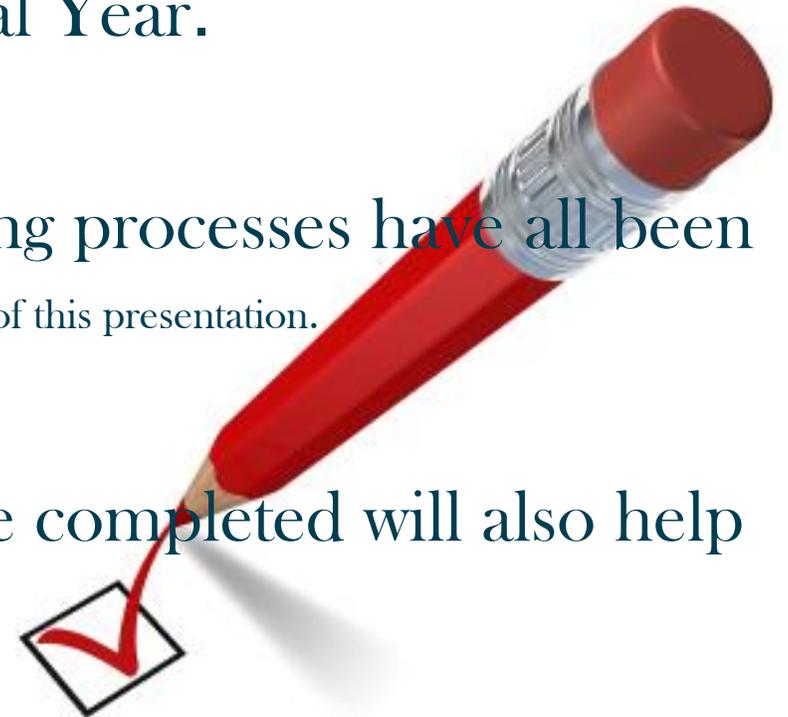
The screenshot shows the 'Year end simulation' interface. At the top, there is a breadcrumb trail: 'All > Financials > Utilities > Closing'. The title 'Year end simulation' is displayed on the left, and 'SAGE' is on the right. Below the title, there is a 'Ledger' dropdown menu set to 'Legal'. The 'Criteria' section includes a checkbox for 'All companies', a 'Company' field with 'GMM' and a search icon, and a 'Legislation' field with 'USA'. The 'Fiscal year' field is empty with a search icon. The 'Start date' is '01/01/19' and the 'End date' is '12/31/19'. The 'Selection' section has two checked checkboxes: 'General balance' and 'Analytical balance'. On the right side, there is a vertical toolbar with a 'New' button, 'OK' and 'Close page' buttons, and icons for printing, linking, and commenting. Below these are 'Utilities' and 'Help' links.

A word about Period Closing...

Closing your periods in a timely manner throughout the year is crucial, it prevents accidentally posting journal entries to prior periods as well as reducing the time it takes to actually close the Fiscal Year.

Use your checklists to ensure proper Period Closing processes have all been completed! We will be providing detailed Period Closing checklist at the end of this presentation.

Making sure that all the items on your checklist are completed will also help ensure a *smoooooth* Year End Close!!



Reports (Period & Year End)

Monthend / Year End Report Samples to run after a close

- Stock Status Report
- WIP Valuation Report
- Aged Trial Balance for all collectives (AP/AR/etc)
- Trial Balance
- Financial Reports (FDE, SEI, etc)



***And the Fun
Begins...***

Create the New Year & Periods...

All > Common data > G/L accounting tables

Fiscal year management

Company * Ginas Company Ledger type *

Details

5 Results Display: 25

		Fiscal ye...	Description	Short description	Start	End	Status	Closing date
1		1	Fiscal Year 1 2015	FY1 2015	01/01/15	12/31/15	Closed	
2		2	Fiscal Year 2 2016	FY2 2016	01/01/16	12/31/16	Closed	09/30/18
3		3	Fiscal Year 3 2017	FY3 2017	01/01/17	12/31/17	Closed	12/12/18
4		4	Fiscal Year 4 2018	FY4 2018	01/01/18	12/31/18	Open	
5		5	Fiscal Year 5 2019	FY5 2019	01/01/19	12/31/19	Open	
6								

Close page

New

Save

Create

Delete

Cancel

**Fiscal year
Opening**

Selection

Utilities

Help

You must have the 'New' Fiscal Year created and in an Open status prior to a Soft Close or Hard Close of the current year.

1. Create the New Fiscal Year by clicking on the Fiscal Year option
2. Open the New Fiscal Year by clicking on the Opening option

Create the New Year Periods...continued

All > Common data > G/L accounting tables

Periods

Company * Ginas Company Ledger type * Fiscal year * Fiscal year start Fiscal year end Fiscal year status

Details

12 Results Display: 25

		Period start	Period end	Period status	Stock status	Closing date
1	<input type="checkbox"/>	01/01/2019	01/31/2019	Open	Open	
2	<input type="checkbox"/>	02/01/2019	02/28/2019	Not open	Open	
3	<input type="checkbox"/>	03/01/2019	03/31/2019	Not open	Open	
4	<input type="checkbox"/>	04/01/2019	04/30/2019	Not open	Open	
5	<input type="checkbox"/>	05/01/2019	05/31/2019	Not open	Open	
6	<input type="checkbox"/>	06/01/2019	06/30/2019	Not open	Open	
7	<input type="checkbox"/>	07/01/2019	07/31/2019	Not open	Open	
8	<input type="checkbox"/>	08/01/2019	08/31/2019	Not open	Open	
9	<input type="checkbox"/>	09/01/2019	09/30/2019	Not open	Open	
10	<input type="checkbox"/>	10/01/2019	10/31/2019	Not open	Open	
11	<input type="checkbox"/>	11/01/2019	11/30/2019	Not open	Open	
12	<input type="checkbox"/>	12/01/2019	12/31/2019	Not open	Open	
13	<input type="checkbox"/>					

- Period 1 of the New Fiscal Year MUST be in an Open status because this is where the New Period journal entries are created with a date of the first day of the Period 1. If Period 1 is not Open you will receive an error message during the Fiscal Year Close.
- It is NOT necessary to Open all of the periods of the new year, in-fact this is not recommended. If the Period = Open, then transactions could accidentally be dated/posted to future periods. Please see my HTG How to Open Fiscal Periods to explain this process in detail.
 - Note: If the periods are already in an OPEN status, please contact Nextec Support to change the settings to Not Closed as this will require a minor status change to your system.

Close Period 12 of the previous year

Using your Period Close Checklist, you will now be ready to close Period 12 of the 'previous year'.

A few tid-bits....

- The CLOPER Report – this report is used for Period Closing, not Year End Closing. The report will list any errors or incomplete transactions that need to be addressed prior to closing a Period.

All > Reports > Reports

Enter report parameters

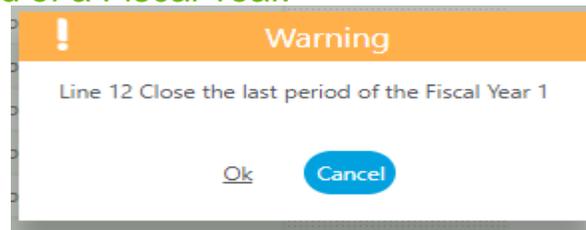
⏪ ⏩ ⏴ ⏵

Report code *
CLOPER Pre-closing verification

Parameters

		Parameter title	Parameter type	First value	Final value
1	<input type="checkbox"/>	Company	Single	GMM <input type="text"/>	
2	<input type="checkbox"/>	Date range	Range	12/01/2018 <input type="text"/>	12/31/2018 <input type="text"/>
3	<input type="checkbox"/>	Ledger	Single	Legal <input type="text"/>	
4	<input type="checkbox"/>	Print selections	Single	Yes <input type="text"/>	

- When closing Period 12 of a Fiscal Year you will receive this message...NOTHING TO WORRY about! This simply a WARNING that you are attempting to close the LAST period of a Fiscal Year.



Fiscal Year End (FIYEND)

- Can be run for a single company or multiple companies
- Can be run for a single Ledger or all Ledger Types
- The 'New Fiscal Year' is displayed
- If All Ledger=No the New Period Document Type and Journal Type is displayed.
- The Closing Document and Closing Journal should be blank (controlled in the Ledger setup)
- Can be run in Simulation mode to display the New Period JE that will be forthcoming at actual close 
- When run in Non-Simulation mode, the New Period Journal Entries will be created and displayed in the log file

NOTE: Year End and Period errors can be challenging. Please contact Nextec Support if assistance is needed working thru any processing errors during these processing.

All > Financials > Closing processings

Fiscal year end

Selection

		Company	All led...	Ledger	New fiscal year	ANX document	ANX journal	Closing docu...	Closing journal
1		GMM	No	Legal	01/01/19	NEWPR	NEWPR		
2									

Detailed log file Simulation 

What do the New Period Journal Entries Represent?

Running the Year End Close function will produce at least 2 NPxxx JE's based on your particular settings in the Ledger setup

- The first NPxxx je
 - Calculates/updates all the Opening Balances for the Balance Sheet accounts. What you see are actually the 'Opening Balances' for the new year!
 - Prepares rolling Income Statement accounts into the Suspense Account
- The second NPxxx je
 - Rolls the Suspense account into the Retained Earnings gl account

Sample Year End Journal Entry #1 (NPxx)

All > Financials > Journals

Journal entry NA1PG : NA 1 page column entry

K ◀ ▶ H

Site *
S31

Date *
01/01/16

Category *
Actual

Source document
RAN

Document date

Rate type *
Daily rate

Entry type *
NEWPR

Journal *
NEWPR

Status *
Final

Currency *
USD

Number
NP000009

Transaction
NA1PG

Default due date
01/01/16

Reference
RAN

Reversal *
No

Default description
Carry-forward

	Site	Ctrl.	Account	BP	Debit	Credit	Description	Tax	Cnt Ac
1	S31		99999			4,231.27	Suspense account		
2	S31		10100		2,387.80		Carry-forward entry		
3	S31	AR	12100	C3101	2,040.10		Carry-forward entry		
4	S31	AR	12100	C3105	839.92		Carry-forward entry		
5	S31	AR	12100	C3151	275.96		Carry-forward entry		
6	S31		12400		6,878.79		Carry-forward entry		
7	S31		15100		8,739.90		Carry-forward entry		
8	S31		15200		1,160.63		Carry-forward entry		
9	S31		15300			688.21	Carry-forward entry		
10	S31		18100			952.38	Carry-forward entry		
11	S31	AP	20100	S1001		6,136.90	Carry-forward entry		
12	S31	AP	20100	S1002		192.00	Carry-forward entry		
13	S31	AP	20100	S3101		5,717.10	Carry-forward entry		
14	S31	AP	20100	S3102		92.50	Carry-forward entry		
15	S31	AP	20100	S3105		9.00	Carry-forward entry		

Sample Year End Journal Entry #2 (NPxx)

All > Financials > Journals

Journal entry NA1PG : NA 1 page column entry



Site * S31 <small>Food & Bev</small>	Entry type * NEWPR <small>New Period</small>	Number NP000010
Date * 01/01/16	Journal * NEWPR <small>New Period</small>	Transaction NA1PG
Category * Actual	Status * Final	Default due date 01/01/16
Source document RAN		Reference RAN
Document date [Calendar]		Reversal * No
Rate type * Daily rate	Currency * USD <small>US Dollar</small>	Default description Carry-forward
		Reversal date [Calendar]

	Site	Ctrl.	Account	BP	Debit	Credit	Description	Tax	Cnt Account	Quantity
1	S31		99999		4,231.27		Carry-forward entry			
2	S31		32000			4,231.27	Carry-forward			

Total debit	4,231.27	USD	
Total credit	4,231.27	USD	Balance

Tid-bits regarding the Fiscal Year-end Function

- No need to have all users logged out of X3 to run the functions associated with Year End...that is depending on the version you are currently running (typically V7 and higher)
- The fiscal year-end function closes the year by setting the flag to “Closed”
- It creates the “New Period” journal entries.
- This process is considered the “hard” close in X3 since the Fiscal Year flag is set to ‘closed’.

NEVER NEVER NEVER modify or reverse a NP journal entry!

I will also be providing a HTG - Fiscal Year End Processing at the end of this presentation.

Remember: you can run the FYE in Simulation mode if desired, but remember to run again to create NP JE's and close the year.

Tid-Bits Continued...

If adjusting entries are needed after the Fiscal Year has been closed...Use the Reopen Fiscal Year function which will delete the NP je's (the Accounting Task MUST BE ACTIVE!!)

X3 provides functionality to easily reopening a Fiscal Year

All > Financials > Utilities > Closing

Reopen fiscal year

Company *
GMM
Ginas Company

Selection

		Ledger type	Y/N	Fi...	Start date	End date
1	<input type="checkbox"/>	Legal	<input checked="" type="checkbox"/>	3	01/01/17	12/31/17
2	<input type="checkbox"/>		<input type="checkbox"/>			

Log file

And functionality to easily reopen closed Periods

All > Financials > Utilities > Closing

Reopen period

Company *
GMM
Ginas Company

Selection

		Ledger type	Y/N	Period start date	Period end date
1	<input type="checkbox"/>	Legal	<input checked="" type="checkbox"/>	12/01/18	12/31/18

DON'T forget to reclose the Period and Fiscal Year after you have made your adjusting entries...☺

Other Year End Considerations

- Budgets
- Update Standard Costs
- Update BOM's, Routings, etc
- Cost Rollups / Transfers (used to Copy/create new costs and run the Inventory Valuation Report for accuracy)
- 1099 Processing
- Etc...

Cost roll-up and transfers



A cost roll-up will adjust the product for any material, labor, machine or overhead changes that will affect the Bill of Material



Can be done in a simulated cost roll-up. A simulated cost roll-up allows the user to see what effect the new standard cost would provide.



A cost roll-up should be done when any of the above change; however, in a standard cost environment it is recommended a cost roll-up be done at least once a year.

1099 Processing

- X3 provides for 1099 processing and reporting, including forms
- Setup is done within the Supplier on the Financials Tab or this information can default from the Supplier Category and will serve as the default 1099 flag during invoice entry
- Ability to uncheck 1099 at the invoice level
- Ability to enter balances if going live in the middle of a year
- Calculating 1099 function
- Printing forms and reports
- ***Don't wait until drop-dead date to TEST...especially form printing!!***

1099 Processing – Found on the Declarations menu

Advise to review 1099 process prior to Drop – Dead Date!

Enter beginning balance if X3 implemented in mid-year OR just implementing 1099's

United States

Setup

1099 beginning balance

Supplier 1099 box

1099 box

Processings

Calculate 1099 payments

1099 payment summary

1099 generation

...Processings...

*Calculate 1099

payments can be run as many times as necessary

*Payment Summary can be used to alter specific invoice amounts

Additional X3 Financial/Utilities

These utilities should be thoroughly vetted in a test environment prior to using on you live data so you will gain a full understanding of the functionality and limitations of each.

- Account Merge
- BP Merge
- Control Account Transfer
- Resynchronizations – use with caution

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Questions?

nextec

Thank you.

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