

2019 Year End Close for Sage X3

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Agenda

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- Year End Close
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- Other Considerations
- Additional Maintenance & Utilities

Process Overview and Best Practices

Tips to ensure smooth year-end processing

Process Overview – Best Practices

Daily / Weekly Activities

Performed in a timely manner to stay on top of tasks):

- Validate Shipments
- Enter Receipts
- Enter/Post Invoices, Credit Memos, Returns, and Payments (Purchasing, Sales, AP/AR, etc.)
- Close & Finalize completed Work Orders
- Run FUNSTKACC / FUNWIPACC and closely monitor for errors

Monthly Activities

Close Fiscal Periods in a timely manner (monthly):

- Ensures all transactions with financial impact are posted
- Address any period close errors during period close process
- Finalize all posted transactions
- Verify all Collective Accounts are in balance and all financial reports are accurate

Year End Activities

Once Daily, Weekly, and Monthly Activities are complete):

- Create New Fiscal Year and Periods
- Close last period of previous Fiscal Year
- Run the Fiscal Year End function to Hard Close the Fiscal Year
- Run Financial Reports

Critical Reminder: Verify Accounting Task is Active, and no Suspended Journals or Matchings

Parameter Review and Key Validations

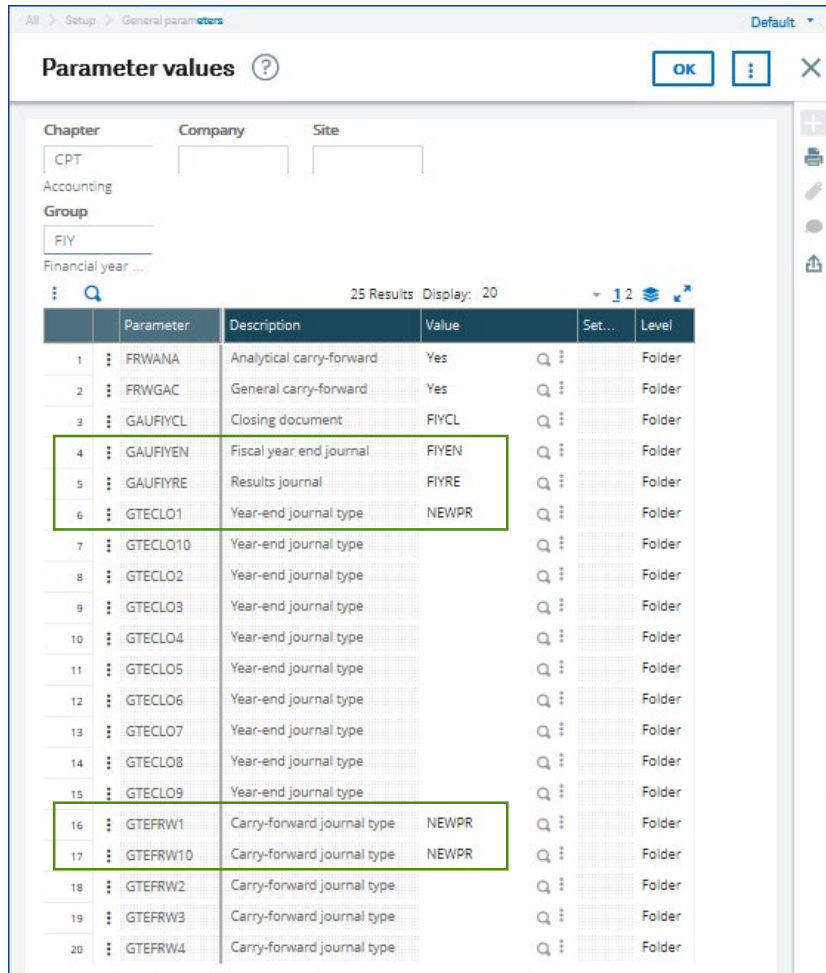
Date Parameters

	Parameter	Description	Value	Set...	Level
1	CRYDEF	Default country	US	Q	Folder
2	DATEDEBDFT	Default start date	01/01/2019	Q	Folder
3	DATEFINDFT	Default end date	12/31/2019	Q	Folder
4	DATSTADEB	Statistical start date	01/01/2019	Q	Folder
5	DATSTAFIN	Statistical end date	12/31/2019	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	01/01/2001	Q	Folder
11				Q	

- **End date (ENDDAT)**
 - General Level
 - This parameter should be set several years in the future.
 - It is compared to the System date when logging into X3 and if “Today’s Date’ is greater than the ENDDAT, users will not be allowed to perform any functions.
 - This parameter is not dependent on Fiscal Year creation.
- **Default start date (DATEDEBDFT) and Default end date (DATEFINDFT)**
 - General and User Levels
 - These parameters are used to define the date range in functions where a date range is required
 - e.g. Financial > Inquiries > Accounts dates are dependent on the Fiscal Year being created

Parameter Review and Key Validations

Accounting Parameters



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
18 : GTEFRW2	Carry-forward journal type		Q :	Folder
19 : GTEFRW3	Carry-forward journal type		Q :	Folder
20 : GTEFRW4	Carry-forward journal type		Q :	Folder

- Verify the following Parameters are set to these values:
- Fiscal year end journal (GAUFIYEN) = FIYEN
 - Automatic Journal to calculate Opening Balances
- Results journal (GAUFIYRE) = FIYRE
 - Automatic Journal which rolls Income Statement accounts from 99999 (Suspense) into Retained Earnings
- Year-End Journal Type (GTECLO1) = NEWPR
 - Document type used for posting New Period Journal Entries that are created during the Fiscal Year End Close
- Carry-forward journal type (GTEFRW1) = NEWPR
- Carry-forward journal type (GTEFRW10) = NEWPR

Parameter Review and Key Validations

Document Type: NEWPR

The screenshot shows the SAGE Financials 'Document types' setup screen for document type 'NEWPR'. The 'Identification' section is highlighted with a green box, containing 'Default journal' (NEWPR) and 'Sequence number' (NANEW). The 'Accessibility' section is also highlighted, showing 'Active' checked and 'Access code' empty. Below the main form, a 'Ledger' table is shown with the following data:

Ledger	Authorization
1: Legal	Authorized
2: Analytical	None
3: IAS	None
4: Ledger 4	None
5:	

- Default Journal = NEWPR
 - Journal Code must be 'Open'
- Sequence Number = NANEW
 - Define "NANEW" sequence number
 - Typically starts with "NPxxxxxx"
 - Multi-Company best practice – insert Company Value into sequence number to easily identify what journal entry belongs to which company
- Ledger
 - Set unused ledgers to "None" to avoid errors

Parameter Review and Key Validations

Account Classes

All > Setup > Financials

Account classes

Legislation *
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
8						

- Best practice to validate Carry Forward flag is set correctly per account class before proceeding

Parameter Review and Key Validations

Analytical Dimensions

The screenshot displays the 'Analytical Dimensions' configuration page in Sage X3. The page is divided into several sections: 'General', 'Management', and 'Pyramids'. In the 'Management' section, the 'Carry forward' checkbox is checked and highlighted with a green box. A green arrow points from the right side of the page towards this checkbox. Other visible fields include 'Dimension type' (DPT), 'Dimension *' (MFG), 'Short description' (MFG), 'Access code', 'Company/Site/Group', 'Validity start date', 'Validity end date', 'Restriction code', 'Budget tracking', and 'Chargeable'. The 'Pyramids' section contains a table with columns for Pyramid, Description, Group, Description, L..., R..., and Screen.

- Carry Forward should always be selected, even if the dimension type is used on an Income Statement
- If a dimension is ever shared between Balance Sheet and Income Statement accounts, X3 will look here to determine carry forward setting for both.

Accounting Task

Formerly known as 'Journal Status Monitor'

- Best practice to validate Carry Forward flag is set correctly per account class before proceeding
- Recurring task status = Active
- Journals on hold = 0
- Matching = 0
- Query status = Standby
- Error Resolution: Double check the batch server is active
- V12 Note:
 - V12 requires recurring tasks to be set up.
 - Errors may occur if timeframe on the recurring task doesn't align with Accounting Task

Task	Recurring task	Recurring task status	Journals on hold	Matching	Query	Query status	Next execution	
1	ACCENTRY	WACC6E95AA	Active	0	0	468217	Standby	12/19/2019 - 19:33
2								

Soft Close versus Hard Close

Terminology Review

Soft Close

- Simulation of year end close
- Run the Year End Simulation function (SIMULFINES) to set up Trial Balance for the 'next' or 'new' year
- Updates and rolls Opening Balances and Retained Earnings into new year without creating any Year End or New Period Journal Entries
- This function may be run as often as needed when activity has been made to the previous year

Hard Close

- Actual close of the fiscal year.
- Changes Fiscal Year status to "Closed" and updates account values by producing a New Period Journal Entry
- All previous Fiscal Years and Periods must be closed.
- The "new" year must be in "Open" status, with at least the first Period in "Open" status.
- Once the Fiscal Year End Function (FIYEND) is run and the year closed, no further activity can be posted to the year.
- X3 provides a function to Re-Open Year End (OPNFIY). This deletes the New Period Journal Entries and requires the Fiscal Year End Function to be run again to close the given Fiscal Year.

Year End Simulation

Used during Soft Close

All > Financials > Utilities > Closing SAGE

Year end simulation ? OK

Header

Ledger
Legal

Criteria

All companies

Company * UPEXP UPEXpress

Fiscal year 20

Start date 01/01/20 End date 12/31/20

Selection

General balance Analytical balance

Pre-consolidation balances

- 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 there are certain situations this may differ.

Period Closing

Used during Soft Close

- 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 close the Fiscal Year.
- Use your resources to ensure proper Period Closing processes have all been completed. This presentation, associated slides, and corresponding How To Guides are uploaded on the Webcast website for your reference.
- Ensure all items have been completed will also help ensure a smooth Year End Close!

Reports

Period & Year End

- Once close is complete, run the following:
 - Stock Status Report
 - WIP Valuation Report
 - Aged Trial Balance for all collectives (AP/AR/etc.)
 - Trial Balance
 - Financial Reports (Financial Data Extraction, Sage Enterprise Intelligence, etc.)

Year End Close

Step-by-step guide

Create the New Fiscal Year

Step 1

The screenshot shows the 'Fiscal year management' window in Sage accounting software. The interface includes a search bar for 'Company' (UPEXP) and 'Ledger type' (Legal). A table displays a list of fiscal years from 2001 to 2020. The 2020 row is highlighted in green. The 'Fiscal year' and 'Opening' buttons are highlighted in the top right corner of the window.

F...	Description	Short desc...	Start	End	Status	Closing date
1	Fiscal Year 1 2001	2001	01/01/01	12/31/01	Closed	11/22/19
2	Fiscal Year 2 2002	2002	01/01/02	12/31/02	Closed	11/22/19
3	Fiscal Year 3 2003	2003	01/01/03	12/31/03	Closed	11/22/19
4	Fiscal Year 4 2004	2004	01/01/04	12/31/04	Closed	11/22/19
5	Fiscal Year 5 2005	2005	01/01/05	12/31/05	Closed	11/22/19
6	Fiscal Year 6 2006	2006	01/01/06	12/31/06	Closed	11/22/19
7	Fiscal Year 7 2007	2007	01/01/07	12/31/07	Closed	11/22/19
8	Fiscal Year 8 2008	2008	01/01/08	12/31/08	Closed	11/22/19
9	Fiscal Year 9 2009	2009	01/01/09	12/31/09	Closed	11/22/19
10	Fiscal Year 10 2010	2010	01/01/10	12/31/10	Closed	11/22/19
11	Fiscal Year 11 2011	2011	01/01/11	12/31/11	Closed	11/22/19
12	Fiscal Year 12 2012	2012	01/01/12	12/31/12	Closed	11/22/19
13	Fiscal Year 13 2013	2013	01/01/13	12/31/13	Closed	11/22/19
14	Fiscal Year 14 2014	2014	01/01/14	12/31/14	Closed	11/22/19
15	Fiscal Year 15 2015	2015	01/01/15	12/31/15	Closed	11/22/19
16	Fiscal Year 16 2016	2016	01/01/16	12/31/16	Closed	11/22/19
17	Fiscal Year 17 2017	2017	01/01/17	12/31/17	Closed	12/18/19
18	Fiscal Year 18 2018	2018	01/01/18	12/31/18	Closed	12/18/19
19	Fiscal Year 19 2019	2019	01/01/19	12/31/19	Open	
20	Fiscal Year 20 2020	2020	01/01/20	12/31/20	Open	
21						

- The ‘New’ Fiscal Year must be created and “Open” prior to a soft or hard close of the current year.
- To create, use “Fiscal year” button in upper right corner.
- To open, use “Opening” button in upper right corner

Create New Periods

Step 2

Company: UPEXP, Ledger type: Legal, Fiscal year: 20, Fiscal Year 20 2020

Fiscal year start: 01/01/20, Fiscal year end: 12/31/20, Fiscal year status: Open

Period start	Period end	Period status	Stock status	Closing date
01/01/2020	01/31/2020	Open	Open	
02/01/2020	02/29/2020	Not open	Open	
03/01/2020	03/31/2020	Not open	Open	
04/01/2020	04/30/2020	Not open	Open	
05/01/2020	05/31/2020	Not open	Open	
06/01/2020	06/30/2020	Not open	Open	
07/01/2020	07/31/2020	Not open	Open	
08/01/2020	08/31/2020	Not open	Open	
09/01/2020	09/30/2020	Not open	Open	
10/01/2020	10/31/2020	Not open	Open	
11/01/2020	11/30/2020	Not open	Open	
12/01/2020	12/31/2020	Not open	Open	

- Period 1 must be “Open”
 - NPJE will post against the first day of the first period.
 - If not open, you’ll get an error message
- Subsequent periods should remain “Not Open”
 - If open, they can accept accidental future date postings.
 - Contact Support if saved in “Open” status

Close Period 12 of Previous Year

Step 3

- Run the CLOPER Period End Report prior to attempting to close a period.
- Correct errors and do not proceed until results are error-free

All > Reports > Reports SAGE ▾

Enter report parameters Print Memo Recall ⋮ ↗

Report code *
CLOPER

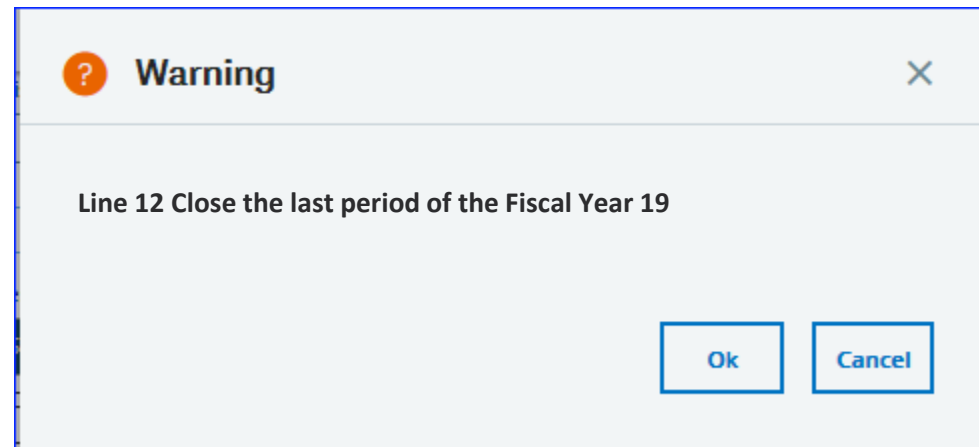
Parameters

	Parameter title	Parameter type	First value	Final value
1	Company	Single	UPEXP	
2	Date range	Range	12/01/2019	12/31/2019
3	Ledger	Single	Legal	
4	Print selections	Single	No	
5				

Close Period 12 of Previous Year

Step 4

- When closing Period 12 of the Previous Year (2019) you will see a Warning in X3.
- Select OK



Fiscal Year End (FIYEND)

Step 5 - May be run for Single or Multiple companies, and single or multiple ledgers

- All Ledgers = No. (Default is Yes. However, if you set all ledgers to “No” and then Tab, X3 will fill in the ledger and Document and Journal automatically).
- The ‘New Fiscal Year’ is displayed
- The Closing Document and Closing Journal should be blank (controlled in the Ledger setup)
- May 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 through any processing errors.

The screenshot shows the 'Fiscal year end' dialog box with the following data:

	Company	All Le...	Ledger	New fiscal year	ANX docum...	ANX journal	Closing do...	Closing
1	UPEXP	No	Legal	01/01/20	NEWPR	NEWPR		
2								

At the bottom of the dialog, the 'Detailed log file' checkbox is checked, and the 'Simulation' checkbox is also checked.

New Period Journal Entries (NPJEs)

What the NPJEs represent

- Running the Year End Close function will produce at least 2 NPxxxxx Journal Entries based on your settings in the Ledger setup
 - The first New Period Journal Entry
 - Calculates/updates all 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 New Period Journal Entry
 - Rolls the Suspense account into the Retained Earnings GL account

Example: New Period Journal Entry 1

All > Financials > Journals SAGE

Journal entry NA1PG : NA 1 page column entry Currency

Header

Site * UPEUS **Entry type *** NEWPR **Number** NP000001
UPE USA New Period

Date * 01/01/20 **Journal *** NEWPR **Transaction** NA1PG
01/01/20 New Period

Category * Actual **Status *** Final

Source Automatic generation **Source transaction** FIYEN **Source document** RAN **Document date**

Rate type * Daily rate **Currency *** USD
US Dollar

Default due date 01/01/20 **Reference** RAN

Reversal * No **Reversal date**

Default description Carry-forward

	Site	Ctrl.	GL Code	BP	Debit	Credit	Description	Tax	Cnt GL Code
1	21000		99999		10.00		Suspense account		
2	21000		12400			10.00	Carry-forward entry		

Example: New Period Journal Entry 2

All > Financials > Journals SAGE

Journal entry NA1PG : NA 1 page column entry Currency

Header

Site * UPEUS UPE USA
 Entry type * NEWPR New Period
 Number NP000002

Date * 01/01/20
 Journal * NEWPR New Period
 Transaction NA1PG

Category * Actual
 Status * Final

Source Automatic generation
Source transaction FIYRE
Source document RAN
Document date

Rate type * Daily rate
Currency * USD US Dollar

Default due date 01/01/20
Reference RAN

Reversal * No
Reversal date

Default description Carry-forward

	Site	Ctrl.	GL Code	BP	Debit	Credit	Description	Tax	Cnt GL Code
1	21000		99999		10.00		Carry-forward entry		
2	21000		32000			10.00	Carry-forward		

Fiscal Year End Function

Things to Remember

- No need to have all users logged out of X3 to run the functions associated with Year End
 - Depending on your version of X3 (typically V7 and higher)
- Fiscal year-end function Hard Closes the year by setting the flag to “Closed”
- Creates “New Period” journal entries
- **NEVER modify or reverse a New Period Journal Entry**
- How To Guide - Fiscal Year End Close will be provided for reference
- Remember: if you run Fiscal Year End Close in Simulation mode, you still must perform the Hard Close to complete Year End Processing.

Fiscal Year End Function

If Adjusting Entries are Required

- Use Reopen Fiscal Year to delete New Period Journal Entries

Reopen fiscal year

Company *
UPEXP
UPEXP

Selection

	Ledger type	Y/N	F...	Start date	End date
1	Legal	<input type="checkbox"/>	19	01/01/19	12/31/19
2		<input type="checkbox"/>			

Log file

- Then use Reopen Period function to make adjusting entries in December

Reopen period

Company *
UPEXP
UPEXP

Selection

	Ledger type	Y/N	Period start d...	Period end date
1	Legal	<input type="checkbox"/>	12/01/19	12/30/19
2		<input type="checkbox"/>		

- Reminder: Don't forget to re-close the Period and Fiscal Year after adjusting entries are made

Other Considerations

Helpful Reminders

Other Considerations

Including but not limited to:

- Budget Updates
- Update Standard Costs
- Review and update BOMs, Routings, etc.
- Cost Rollups and Transfers
 - Used to copy, create new costs
 - Run Inventory Valuation Report for accuracy
- 1099 Processing

Cost Rollups and Transfers

Including but not limited to:

- A cost roll-up will adjust the product for any material, labor, machine or overhead changes that will affect the Bill of Material
- Simulated cost roll-up allows the user to see what effect the new standard cost would provide before making the changes.
- 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.

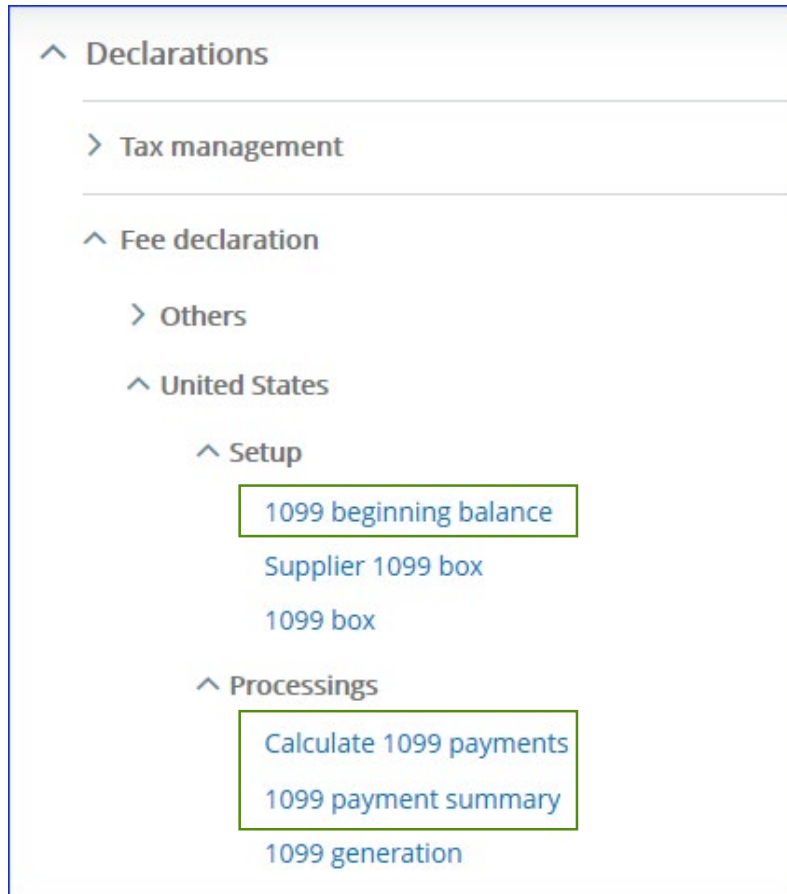
1099 Processing

Review in early January

- X3 provides for 1099 processing and reporting, including forms
- Setup is done within the Supplier on the Financials Tab or may 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

Review in early January



- 1099 Beginning Balance
 - Enter beginning balance if X3 implemented in mid-year OR just implementing 1099's
- Calculate 1099 payments
 - May be run as many times as necessary
- 1099 Payment Summary
 - May be used to alter specific invoice amounts if needed
- How To Guide on 1099 Form Generation available on website

Additional Maintenance & Utilities

Available options

Additional Maintenance & Utilities

Available options

- Account Merge
 - Merge two GL accounts into one
- BP Merge
 - Close out existing BP into a new BP (e.g. change in legal name)
- Control Account transfers
- Resynchronizations – *use with caution*
 - Financial Utilities Menu
 - Fully test in Test Folder first
 - Contact X3 Support for further assistance on which resynch is needed

nextec

X3Support@nextecgroup.com

For any questions, issues, or support needs