Year End Routines

Year end procedures in M3

Agenda

- **Befor Closure**
  - The Checklist Before
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- **During Closure**
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  - Step-by-step
- **After Closure**
  - The checklist after
  - Step-by-step

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Before Closure

The checklist before

- CRS900 – System Calendar
- CRS910 – System Periods
- GLS985 – Open new fiscal year
- CRS400 - Journal number Series
- MFS165/CRS165 - Invoice number Series
- CRS410 – Voucher number Series (Optional)
- CRS165 – Other Number Series
- GLS216 - Column Templates for the Balance File
- DRS045 - Time Zones

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Before Closure

- System Calendar & System Period

Check system calendar and periods exist for at least the next 12 months (CRS900) & (CRS910) at center and division

Note: Generate in CRS900 – F13 + F13 + F13

- Open new fiscal year

Open next year by activating all periods in GLS985.

- Journal, Invoice and Voucher number Series

Define a journal number series and Invoice number series (CRS400) & (MFS165, CRS165) for the new fiscal year. Required to order the transactions chronologically. Define the voucher number series (CRS410) used in the FAM functions (CRS405). If a new number series is not defined, the same series from the prior year will be used until it runs out.

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Before Closure

- Time Zones (DRS045)

If your business runs across multiple time zones and you're using this functionality, you'll need to create a new record for the coming year.

- Column templates for the Balance file – GLS216

If you're created a new budget version for the next year, you'll need to review templates which include budgets and make sure they pick up the new budget for the next year. This also goes for the following related template functions: (ARS066,, APS065, and CAS065).). "From periods" should be '00'.

During Closure

The checklist during:

- GLS990 - Close Period or from FAM function (CRS405)
- OIS180/OIS196 – Transfers from CO
- GLS037/GLS047 – Check error jobs and interrupted jobs
- CAS950/CAS960 - Create internal accounting transactions
- PCS280 - Purchase/Distribution Costing
- PCS200 – Product Costing
- CAS320 – Release MO for Costing
- CAS170 - Revaluate WIP value
- CAS180 – Inventory Revaluation
- CAS950/CAS960 - Create internal accounting transactions (Again)
- APS580/CAS515/CAS530 – Reconciling list PO/CO/Stock

- CRS055/CRS056 - Currencies & currency rates
- GLS100 – Yearend adjustments
- GLS960 - Check voucher numbers
- GLS965 - Check journals
- GLS975 – Check balance journal/voucher
- GLS980 – Print Control list Balance file
- Print various reports: company-, statutory- and tax reports
- GLS990 - Close Period or from FAM function (CRS405)

During Closure

The checklist during

- Close Period – GLS990

This is a function you want to run early on in the process, to make sure nothing gets posted into the old year by mistake. The AP and OI modules should be closed down pretty early on in this process. You can open the preferred modules you want to keep open during the YEAR-END bookings (only accounting department).

- Transfers from CO

Check accounting generated by jobs scheduled overnight, e.g. CO Invoice. Print (OIS180). Ensure all invoices transferred to financials. Check all COs in 'CO Invoice. Display' (OIS350) view 3 has a voucher. If not use: CO Invoice Post Process (OIS196) to process them. Check CO invoice restart processing (OIS980).

- GLS037/GLS047 – Check error jobs and interrupted jobs

- Create internal accounting transactions (CAS950/CAS960)

For additional changes/booking to the old year – you need to create and transfer all internal accountings. E.g. order costing, closing of PO will create internal accounting transactions.

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During Closure

- Purchase/Distribution Costing (costing run PCS280)

Will purchase price change in the New Year? Any new purchase agreement (PPS100) or pricing clauses affecting the standard cost? Also is there a need for change in purchase costing elements (PPS280/PPS282)

- Product Costing (costing run PCS200)

Most likely, purchase prices will change from the 1st of January, so we'll need to update the standard cost for all of our manufactured items. But important: never update the costing used for accounting (most common=3) first. Update e.g. costing type=2 (or one of the simulations types) and then use PCS410 to compare what will happen given the current inventory levels, if we do go ahead and update the costing. Also are all components valid for next year? Any changes in rates (PCS010/ PCS115/PCS120)

During Closure

- Release MO for Costing

We need to make sure we don't have an excess of Work in Progress (WIP), so lean on your manufacturing managers to close any open MO's – so you can release them for post-calculation (Order Costing). You can check your open MO's in CAS310 (Order Costing Display).

Inventory Revaluations

- Revaluate WIP value

See separate instruction on how the Group revaluates the Work in Progress (CAS170). (Accounting principles)

- Run inventory revaluation (CAS180) according to Group standards.

If this process is used make sure that all costing programs (PCS200/PCS280) in use are run before and after CAS180.

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During Closure

- Create internal accounting transactions

For additional changes/booking to the old year – you need to create and transfer all internal accountings. E.g. order costing, closing of PO will create internal accounting transactions.

- Reconciling list PO/CO/Stock

Run APS580 for GRNI on PO and analyze against the account in General ledger. If there is a need for a closure of PO, use program APS370. Run CAS515 for analyzing GDNI against the account in General ledger. Run CAS530 for reconciling the stock of finished goods.

- Currencies & Currency rates

Any currencies that are no longer legal to use will need to be disabled. If you're using rate types for internal purposes such as product costing, or transfer prices, they'll need to be reviewed and updated. If you use a year-end rate you need to update this.

- Yearend adjustments

Make all you necessary bookings from programs such as: GLS100, GLS130, GLS140, GLS160, FAS100..

During Closure

- Check voucher numbers

Check Voucher Numbers (GLS960). Run for all options except active. Missing vouchers may be due to being held in or deleted from restart (GLS047). Inactive vouchers may be due to being held in or deleted from incorrect jobs (GLS037).

- Check journals(GLS965) - Run for all options except active.

- Check balance journal/voucher (GLS975) - If you do come across unbalanced journals/vouchers you have a problem and you will need help to adjust this (SQL or other M3 solutions).

- Print Control list Balance file - GLS980

A very useful printout that checks that you balances (FBAVAL) correspond the sum of the details in FGLEDG. (The total sum of an account in GLS215 should be the same as the sum of all details in GLS210). If the totals don't match the details, you need to run an update program (ask a M3 consultant for advice). !!!

BUT BE VERY CAREFUL WITH THIS PROGRAM ONLY RUN AFTER INSTRCUTIONS FROM A CONSULTANT AND WHEN NO-ONE IS UPDATING THE GENERAL LEDGER!!!!

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During Closure

- Print various reports: company-, statutory- and tax reports

You can use the standard reports in M3 such as (examples):

GLS510 – Balance list

GLS520 – Statement of Income
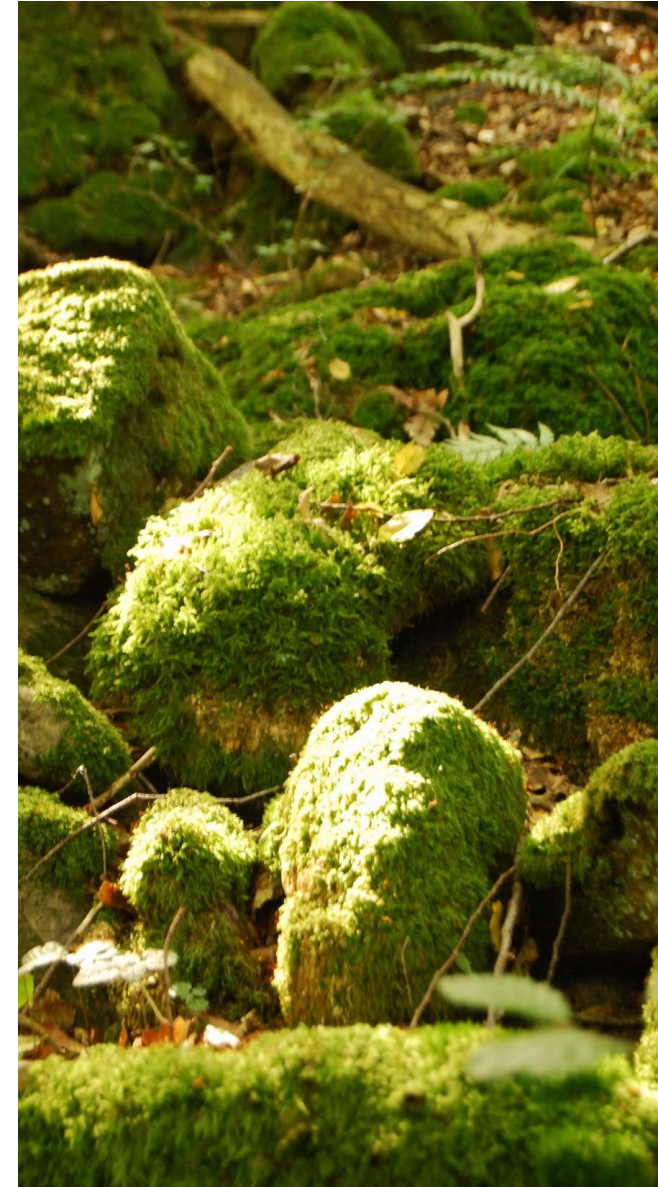
GLS535 – Account printing detailed specification

APS500 – Accounts payable ledger

ARS500 – Accounts receivable ledger

- Close Period

At last you close down the modules you kept open during the Year end bookings.

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After Closure

The checklist after

- GLS995 – calculate Profit/Loss

- GLS905 - Annual run in Balance file

- ARS910 - Annual run AR

- APS910 - Annual run AP

- FAS190 - Annual run FA

- CAS905 - Annual run Order Costing

After Closure

Before running this function (GLS995) you need to update GL99 in CRS405. There are 4 different ways to close the year:

1. Each account is closed out individually against a balance sheet account on the last day of the fiscal year. Note that this leads to a balance of zero on each P/L account on the last day of the year.
2. Balance sheets accounts are closed out at year's end and automatically reopened.
3. The total of all P/L account is offset to ONE P/L account representing the year's profit or loss.
4. Same as number 3 but done manually and from a GLS100 – booking. Not using function GL99 and not using GLS995. (Recommended process)

After Closure

- Close fiscal year permanently

Don't use GLS985 before auditors approval of the year… once updated this function closes a fiscal year permanently. *VERY PERMANENTLY. (Recommends NOT to use this)*

- Annual Runs

The annual runs generate the Opening Balances for the next year from the closing balance of this year.
  - For GL – GLS905 is used.
  - For AP – APS910 is used.
  - For AR – ARS910 is used.
  - For FA – FAS190 is used.
  - For CA order costing – CAS905 is used.

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Goodbye 2020
Welcome 2021
&
Good Luck!!

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