

Year-end routines in M3

Marie Norrgård, team lead M3 AMS Finance & Medius

Agenda

- **Before Closure**
 - The checklist before
 - Step-by-step
- **During Closure**
 - The checklist during
 - Step-by-step
- **After Closure**
 - The checklist after
 - Step-by-step
- **Bonus tips**



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



Before closure

1

System Calendar & System Periods

Check that the system calendar and periods exist for at least the next 12 months (CRS900) & (CRS910) at both central and divisional level.

Note: To generate the new year in CRS900 – please use F13 + F13 + F13. The last one could be F15 in the latest cloud version

2

Open new fiscal year

Open the new year by activating all periods in GLS985.

3

Journal, Invoice and voucher number series

Define a journal number series and invoice number series (CRS400) & (MFS165, CRS165) for the new fiscal year. This is required to order the transactions chronologically. Define the voucher number series (CRS410) that are used by the different FAM functions (CRS405). If a new number series is not defined, the number series from the previous year will be used until it runs out.

Before closure

4

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.

5

Column templates for the Balance file (GLS216)

If you have created a new budget version for the next year, you must review the templates that 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 set to '00'.

During closure

The checklist during:

- GLS990 - Close period (Could also be done through the FAM function (CRS405))
- OIS180/OIS196 – Transfer entries 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 - Revalue 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 – Year end 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 in the process, to make sure that nothing gets posted into the old year by mistake. It's especially important to close the AP and OI modules at an early stage. You can open the preferred modules you want or need to keep open during the year-end bookings (only accounting department).

- Transfers from CO

Check the accounting generated by the scheduled night jobs, for example CO Invoice. Print (OIS180). Ensure that all invoices are transferred to finance (both AR and GL). Check that all COs in 'CO Invoice. Display' (OIS350, view 2 – voucher number) has a voucher number. If not use: CO Invoice Post Process (OIS196) to process them. Check CO invoice restart processing (OIS980) to make sure that nothing is stuck.

- GLS037/GLS047 – Check error jobs and interrupted jobs. Double check that both programs are empty.
-

- Make sure there are no errors in CAS300 that needs to be corrected and transferred to GL.
-

- Create internal accounting transactions (CAS950/CAS960)

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

During closure

- Purchase/Distribution Costing (costing run PCS280)

Important things to think about are; Will the purchase prices change in the new year? Are there any new purchase agreement (PPS100) or pricing clauses affecting the standard cost? Is there a need for change in purchase costing elements (PPS280/PPS282)?

- Product Costing (costing run PCS200)

Most likely, purchase prices will change from 1st of January, so we need to update the standard cost for all the manufactured items. It is very important that you never update the costing type used for accounting (most common=3) first. Update for example, 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. You also need to consider if all components are valid for next year? Are there any changes in rates (PCS010/ PCS115/PCS120) for the new year?

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

- Reevaluate WIP value

Reevaluate the Work in Progress (CAS170) according to the company's accounting principles and group standard.

- 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.



During closure

- Create internal account entries

For any additional changes/bookings done in the old year – you need to create and transfer all internal accountings to the general ledger. For example, order costing, closing of PO will create internal accounting transactions.

- Reconciliation list PO/CO/Stock

Run APS580 for GRNI on PO and analyze against the account in the general ledger. If there is a need for a closure of PO, use program APS370 and related option inv completed. Run CAS515 for analyzing GDNI against the account in the 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 need to be reviewed and updated. If you use a year-end rate you need to update that rate type as well.

- Year-end adjustments

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

During closure

- Check voucher numbers

Run Check Voucher Numbers (GLS960) to make sure there are no missing vouchers. Run for all options except active. Missing vouchers may be due to being held in or deleted from GLS047 (Restart Interrupted Jobs). Inactive vouchers may be due to being held in or deleted from GLS037 (Restart Erroneous Jobs).

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

-
- Check unbalanced 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 your balances (FBAVAL) correspond to 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 instructions from a consultant and when no-one is updating the general ledger!!!!

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

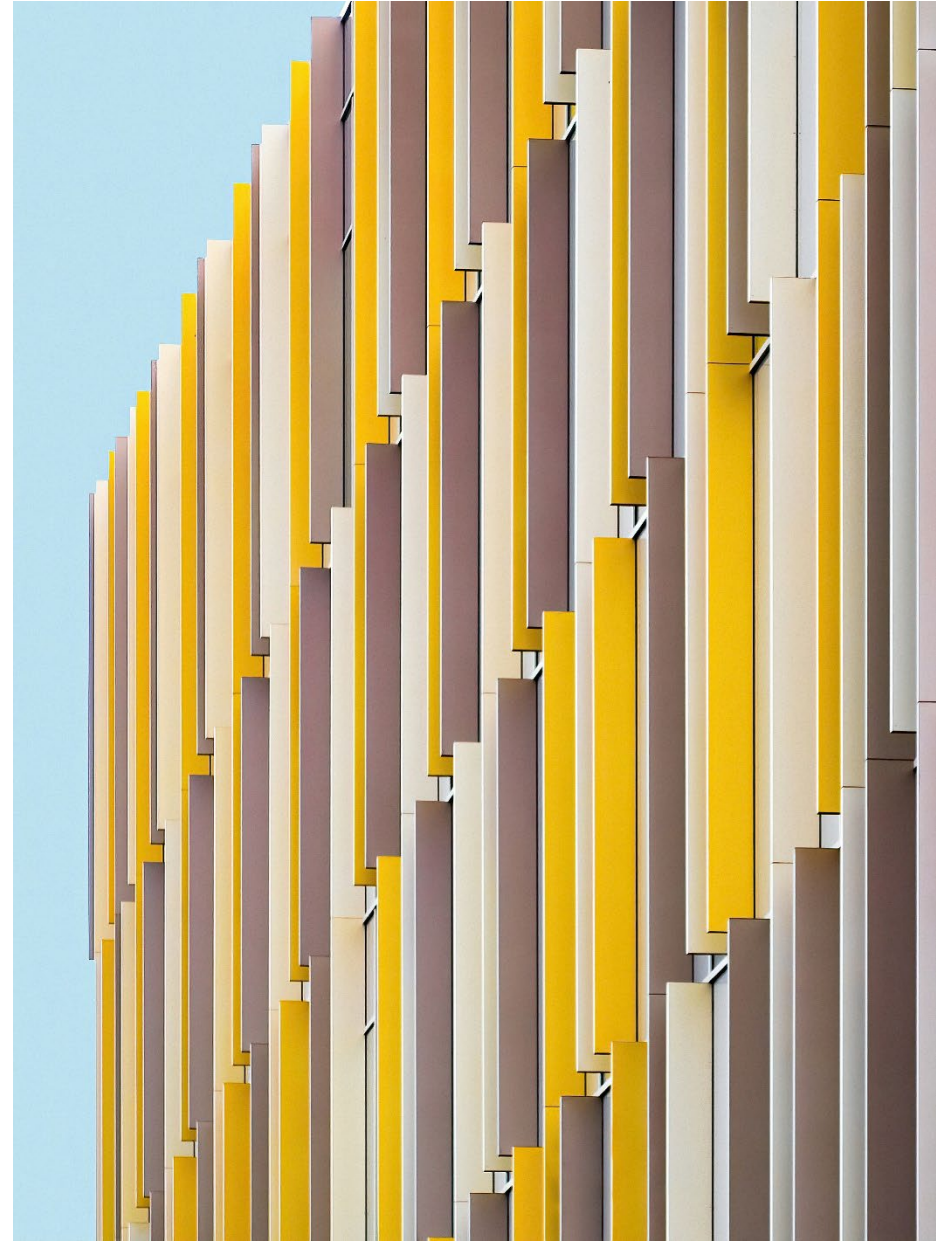
-
- Close Period

At last, you close the modules you've kept open during the year-end closing.

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 FAM function 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. The total of all P/L account is offset to ONE P/L account representing the year's profit or loss.
3. Balance sheets accounts are closed out at year's end and automatically reopened.
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

1

Close the fiscal year permanently

Don't close the year in GLS985 before the auditors have approved the year, because using that function that will close the fiscal year permanently and you won't be able to make any corrections if needed.

Please note that this function will close the year **VERY PERMANENTLY**, meaning that the year can't be reopened. (Recommends NOT to use this)

2

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.

Bonus tips



Recalculate items

You could use MMS350 to put items with low turnover in status 40 to be able to follow-up and take business decisions around them.

Please note that if this is used – then you need to remember to include items with status 40 when you run your product costings. These items could be a part of the structure which would cause a misleading costing if these aren't included.



Archiving of data

It is recommended to do on a regular basis. How often is difficult to say, but usually we do a bigger initial project the first time and then we try to do it every year after that to maintain the database. If that is not possible, we suggest doing it at least every four years. Of course, this is also depending on how big the database is.

Please also note that this will require quite a lot of work to set the framework around it (how should the data be accessed afterwards etc.), so it's more of a project and it usually takes a few month to complete.

Questions?

Thank you!

Contacts

Marie Norrgård

Team lead M3 AMS Finance & Medius

Columbus, Stockholm

marie.norrgard@columbusglobal.com



Columbus[®]