

Year End Procedures with Abila MIP Fund Accounting Diocese of La Crosse Managers Training September 2014

Training Topics:

1. When to Close the Fiscal Year
2. What Does Closing the Fiscal Year Do
3. Steps to Closing the Fiscal Year
4. What to Do after Closing the Fiscal Year
5. Making Adjustments to a Closed Fiscal Year

When to Close the Fiscal Year

Closing the fiscal year is a one-time, year-end process. Once you close the fiscal year, it cannot be opened in MIP as in some accounting programs. There is no month end closing in MIP as there is in some other accounting programs. Closing the fiscal year is not required in order to run correct reports. Closing the fiscal year is not required every year. Closing the fiscal year does not prevent someone from entering transactions into that year as in some accounting programs. To effectively keep users from entering transactions to a close fiscal year, use the Entry Dates Prohibit Prior To settings in Administration as illustrated below:

Transaction	Prohibit Prior To	Warn Prior To	Warn After	Prohibit After
A/P Invoices	7/1/2014	9/1/2014	10/31/2014	6/30/2015
A/P Credits	7/1/2014	9/1/2014	10/31/2014	6/30/2015
A/P Checks	7/1/2014	9/1/2014	10/31/2014	6/30/2015
Budget	7/1/2014	9/1/2014		
Cash Disbursements	7/1/2014	9/1/2014	10/31/2014	6/30/2015
Cash Receipts	7/1/2014	9/1/2014	10/31/2014	6/30/2015
Journal Vouchers	7/1/2014	9/1/2014	10/31/2014	6/30/2015
Void Checks/Vouchers	7/1/2014	9/1/2014	10/31/2014	6/30/2015
Void Invoices	7/1/2014	9/1/2014	10/31/2014	6/30/2015
Budget History	7/1/2014	9/1/2014	10/31/2014	6/30/2015
System Close Year End	7/1/2014	9/1/2014	10/31/2014	6/30/2015

Here I have my Prohibit Prior To set to the beginning of my open year, and the Prohibit After set to the end of my current year. I have chosen to set my Warn Prior To and Warn After to my two current months.

You are "officially" ready to close the fiscal year in the system when all of the following have occurred:

- When all grants are closed
- When you have audited financial statements
- When you are confident you have no more adjustments

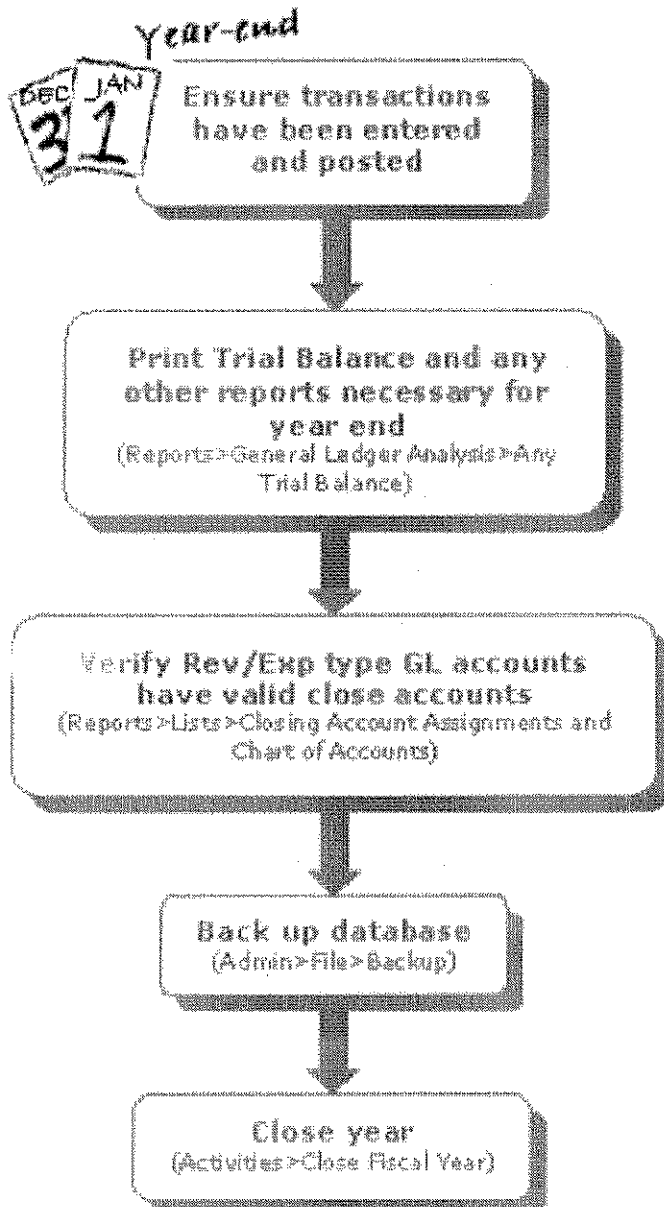
What Does Closing the Fiscal Year Do

The system uses the ending balances for the year being closed to create opening balances for the new year. The closed year is not removed from the system, and you can still print reports on the closed year. The system goes through several steps:

1. **Checks for valid closing account assignments** - in order for MIP to be able to mimic a close on any day of the year, it needs to know where to close revenue and expense accounts. If you do not have a valid closing account assignment, closing the fiscal year will fail. You will need to find the missing assignments and make them before attempting to close.
2. **Posts opening balance** – MIP posts an SO entry, or system opening entry to the new year. This entry essentially represents the netting of revenues and expenses into the net assets or retained earnings accounts. Back to accounting 101, Income statement accounts, i.e. revenues and expenses, represent activity of the agency for just one year. Every year technically these accounts “start over” and any excess rolls forward to the net asset account. The SO entry in MIP does this and essentially creates the new fiscal year. Your accounting data is retained. No entries are made to the old year, allowing you to continue to run revenue and expense reports for grants that cross fiscal years.
3. **Updates** – When the fiscal year is closed, the organization information tab is automatically updated with the current year. Any new reports you create will be updated with the correct year. You may need to go back and change the dates on already created reports, however.
4. This is one case where no matter what posting option you have set, the closing year process **automatically posts** the opening entries.

Steps to Closing the Fiscal Year

You will need EXCLUSIVE USE of the database in order to perform a system close. The following is a high level illustration of the steps to closing the fiscal year.



Steps to perform before closing the year

- Print reports
 - Trial Balance
 - Financial Statements by grant and by agency
- Print reports and review Open Receivables/Payables/Receipts
- Reconcile cash accounts
- Asset Entries- Fixed Assets distribution and code update
- Run and post all Allocations
- Accounts Receivables Module- Post all Receivables and Invoices
- Accounts Payable Module – Post all Payables
- Make all accrual entries

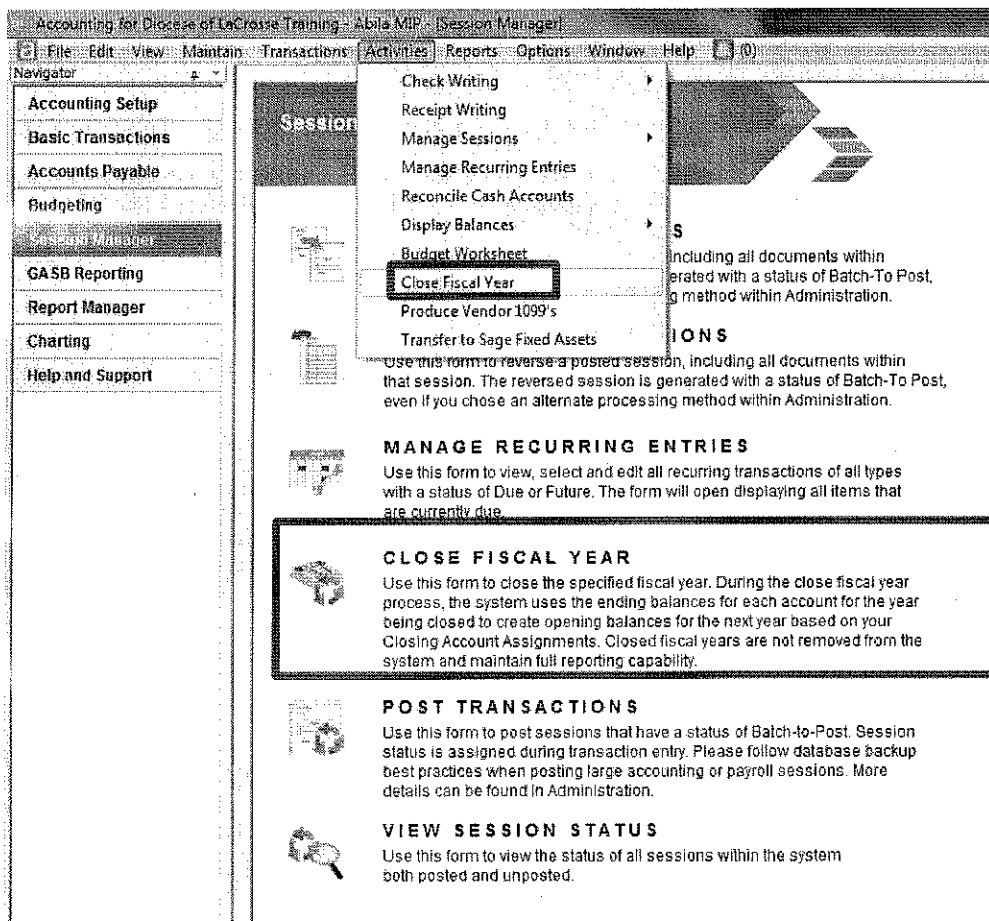
- Enter and post end of year adjustments (entry type A) as needed
- Review any Unposted Sessions
- Verify all closing account assignments are made
- Review 990 Worksheet Reports
- Make sure you have EXCLUSIVE USE of the database; verify that all users are out of the system
- Run Data Integrity Checks
- Make a backup of the database

If you fail any of the data integrity checks, these will need to be addressed first before closing the fiscal year, or you will compound your errors, and your books will most likely be out of balance. If you need to find out of balance accounts, you may follow the instructions in "Proofing the Ledgers" in MIP help. Remember to make a backup of the database before the actual closing process, so in case anything happens during the closing process, you can restore to before that point, and not have to verify all the accounts again.

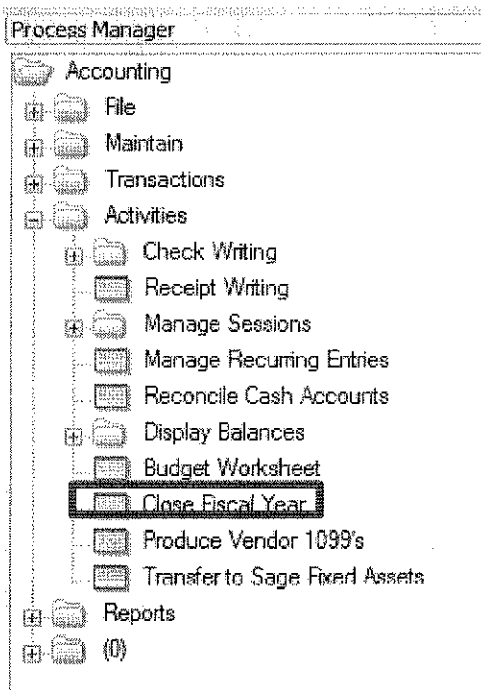
Closing the Fiscal Year

To start the closing process you must be the only one in the system, and only in Accounting. Access the Close Fiscal Year command either through the Navigator through the Session Manager>Close Fiscal Year, or through the commands at the top through Activities>Close Fiscal Year.

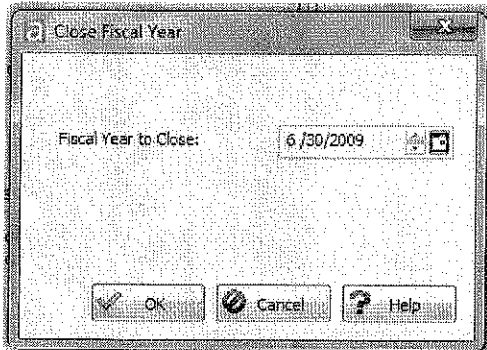
report list closing acct assignment
- full yr closing acct = blank



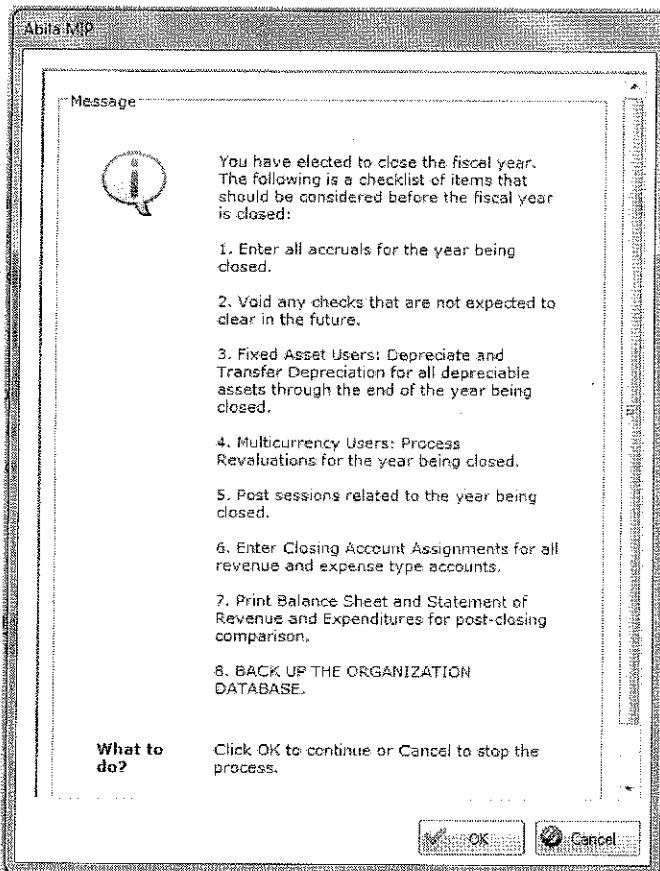
You could also use the Process Manager>Forms>Activities>Close Fiscal Year



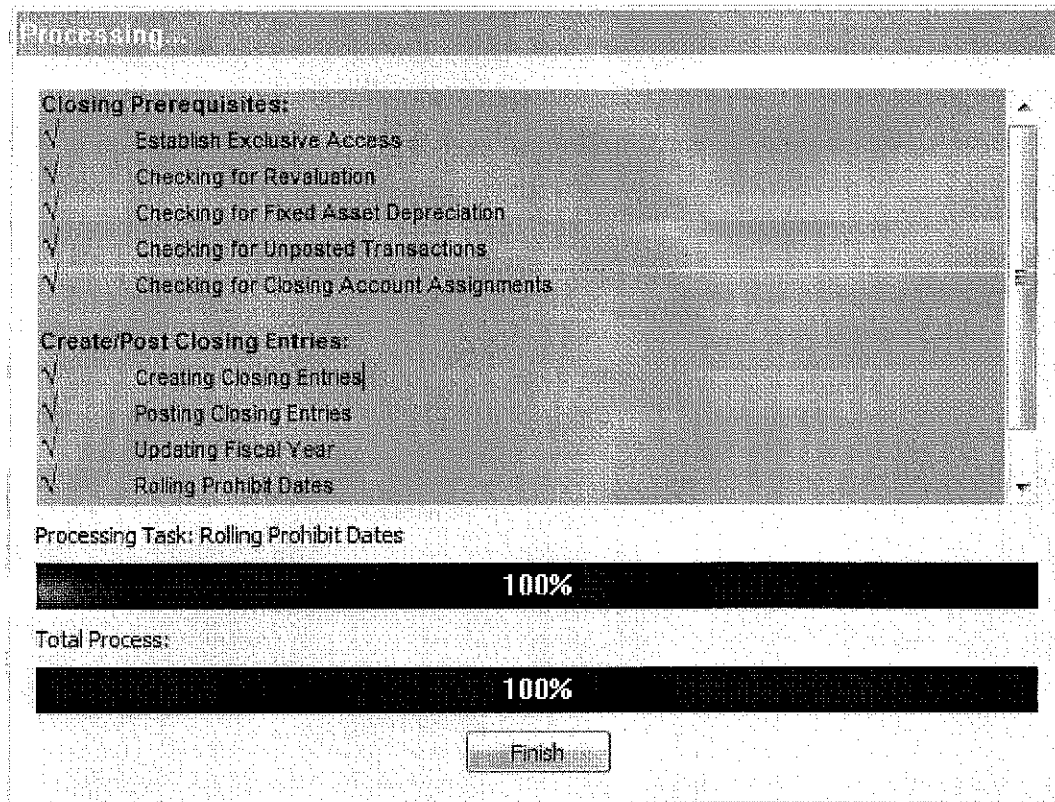
We recommend only an administrator have rights to closing a fiscal year. Remember, a fiscal year can only be closed once, and cannot be reopened. The closing year process also posts automatically, no matter what posting setting you have. Once you start the process, you will get a pop up with the earliest year that needs to be closed. You must close the years from the earliest, forward in order. You should repeat the steps before closing with each subsequent year, making an archival copy of your database with each successive year.



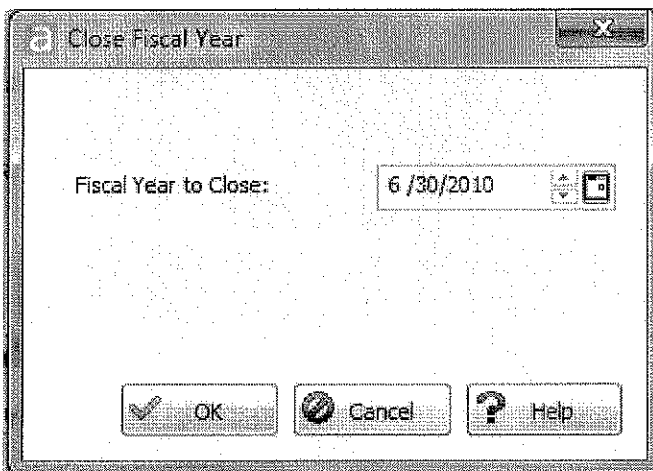
After you hit okay, the system will remind you one more time of steps you should have completed, and you will have one more chance to double check you've done everything before closing the year.



If you are successful, hopefully you will get this pop up



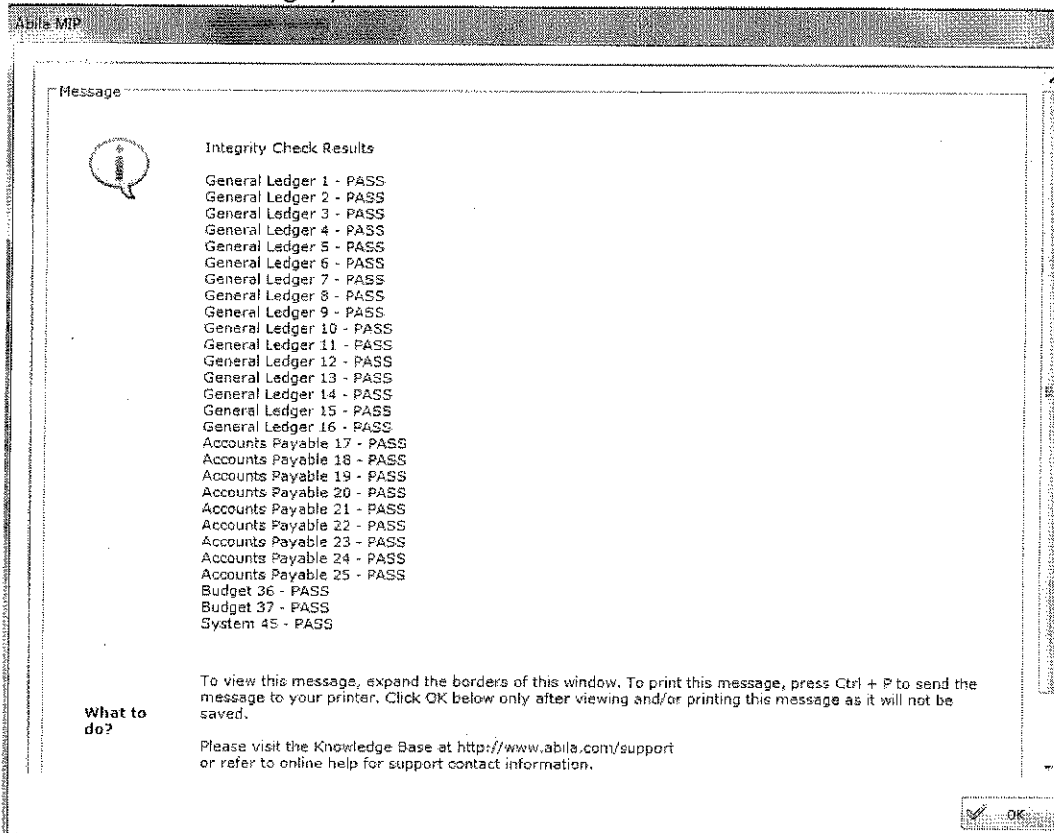
Just hit finish, and you are ready to proceed with your regular processing. When I go back to look at my close fiscal year process again, I see the system has rolled forward to the next year.



What to Do After Closing the Fiscal Year

After you have successfully closed your fiscal year, you will want to perform the following tasks to get you ready for the new year. Run a Comparative Trial Balance report with a column for Begin Year Balance after the close for comparison to your year-end report.

- Print reports
 - Trial Balance
 - Financial Statements by grant and by agency
- Update Current Reporting Year defaults on customized Financial Statements and GL Analysis Reports
- Vendor and Chart of Accounts List review-New, Inactive or Discontinued Codes
- Update Distribution Codes in Payroll and Accounting modules
- Order Supplies (checks, forms)
- Adjust entry dates in Organizational Preferences
- Run Data Integrity Checks



You will want to run your data integrity checks again to ensure all balances have come forward appropriately. If you pass all data integrity checks, make an archival backup of your database representing the “official” year end close for the fiscal year.

Making Adjustments to a Closed Fiscal Year

In some situations, you may need to record transactions for a fiscal year that has already been closed in the application, such as an omitted accrual or year-end adjusting entry. Perhaps you made an error in recording your annual audit adjustments. The application provides the capability to process transactions in a year that has already been closed.

You may adjust opening balances using the Adjust Current Year Auxiliary Command button to make the appropriate adjusting entries to the closed year, and allowing the application to make the appropriate Adjust Open Balance (AO) entries to the current, open year. The first task is to make the "A" adjusting entry in a journal voucher as illustrated below to the last day of the closed fiscal year:

Accounting for Diocese of LaCrosse Training - Abila MIP - [JV3013] - [V1303] Journal Vouchers Session (Editing)

File Edit View Maintain Transactions Activities Reports Options Window Help (0)

Voucher: JV3013 Date: 6/30/2009 Reverse: No

Description: Adjustment to closed year FY2009

Fund	GL	Loc	Dep	Prog	FS	AE	Debit	Credit	Entry Type	Effective Date	Description
10	4006	10	10	105	1000	100	0.00	10,000.00	A	6/30/2009	Adjustment to closed year FY2009
10	1105				1000		10,000.00	0.00	A	6/30/2009	Adjustment to closed year FY2009
*											

Next step is to select the Adjust Current Year button for the system to make the appropriate opening entry



This will result in the following AO transaction entry to the first day of the new year:

Accounting for Diocese of LaCrosse Training - Abila MIP - [JV3013] - [V1303] Journal Vouchers Session (Editing)

File Edit View Maintain Transactions Activities Reports Options Window Help (0)

Voucher: JV3013 Date: 6/30/2009 Reverse: No

Description: Adjustment to closed year FY2009

Fund	GL	Loc	Dep	Prog	FS	AE	Debit	Credit	Entry Type	Effective Date	Description
10	4006	10	10	105	1000	100	0.00	10,000.00	A	6/30/2009	Adjustment to closed year FY2009
10	1105				1000		10,000.00	0.00	A	6/30/2009	Adjustment to closed year FY2009
10	3000				1000		0.00	10,000.00	AO	7/1/2009	Adjustment Generated from a Prior Year Entry
10	1105						10,000.00	0.00	AO	7/1/2009	Adjustment Generated from a Prior Year Entry
*											