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**YOUR GUIDE TO YEAR END BEST PRACTICES
IN BUSINESS CENTRAL AND GREAT PLAINS**

PREPARATION IS A KEY COMPONENT FOR AN EFFICIENT YEAR END CLOSE.
HERE ARE SOME ESSENTIAL BEST PRACTICES TIPS.



With January 31 fast approaching, now that we are back from year-end holidays, we wanted to remind everyone about year-end activities and best practices to consider.

Year end for most companies may come at the end of the calendar year while others have a fiscal year end that may fall between January and December. No matter when your year-end is here are some best practices on making your close a little less challenging.

Schedule time with your Integrato consultant to review any of these areas in more detail. We're here to help.

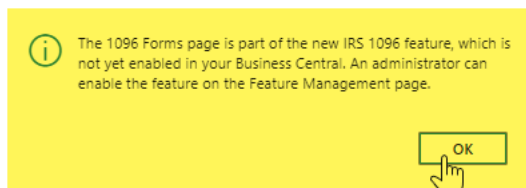
Processing 1099 before Jan 31st

Every year there are changes in government forms and/or processes for 1099s, this past year is no exception. Confirm your version of the software has been updated for printing and/or electronically sending 1099's and the 1096. For Business Central there have been updates to now print the 1096 from the system which users can enable under Feature Management. For companies with 1099 requirements, processing 1099 needs to be completed before Jan 31st. Update the form boxes to get the latest reports out of Business Central and print out the Vendor 1099 information report to review the balances. Adjust 1099 balances via Vendor Ledger entries when necessary. Order the pre-printed forms and print 1099s. (It is suggested to print one Vendor's 1099 first as a test run)

For those who have migrated to a new ERP this year, consider how you will be reconciling and updating the 1099s to consider payments for the entire year. There are options and processes you can follow to update the 1099 details before printing and filing.

Consider updates to your accounting software that may need to be installed to process 1099s for this past year. Some may need to be downloaded, and others in cloud apps like Business Central would have been updated automatically where you just need to review the changes.

Example Business Central updates added new features to print the IRS 1096 document, however per the message below you need to enable this feature. Having these items enabled and ready will help make the final prep of 1099s, due January 31st, a less "taxing process".



See link below for more information for Business Central

[Set up and use the IRS 1099 Form \[US\] - Business Central | Microsoft Learn](#)

Dynamics GP:

[U.S. Year-End Update for Microsoft Dynamics GP | Microsoft Learn](#)

[Microsoft Dynamics GP: 1099 Changes to expect -Get ready for Year-end 2023!!](#)



Review, Post and Reconcile

Review any open documents which might include Purchase Invoices, Sales Invoices, Purchase Orders/Receipts, Sales Orders, Inventory Adjustments etc. Remove any duplicate or void Orders and post any document or journals if it pertains to the closed year.

Document and Journals to review:

- Journals – General, Recurring, Deposits/Cash Receipt, and Payment Journals.
- Inventory Adjustment related to the closing year and Accruals.
- After posting reconcile crucial accounts.

Print or Save Reports for the closed year

- General Ledger
 - Trial Balance reports – Detail and by Dimension
- Financial Statements
 - Balance Sheet and Income Statements – These reports should tie out to your Chart of Accounts
- Accounts Payable
 - Aged Accounts Payable – This report should tie to your Accounts Payable balance in the General Ledger
- Accounts Receivable
 - Aged Accounts Receivable – This report should tie to your Accounts Receivable balance in the General Ledger
- Banking
 - Bank Reconciliation
 - The Bank card Balance should match to the Bank Account balance in the General Ledger
- Fixed Assets
 - Net Book value report by FA Posting Group – This report should tie to your Fixed Asset balances in your General Ledger
- Inventory
 - Inventory Valuation – This Report total should tie to you Inventory balance in the General Journal

Close/Open Accounting Periods

The current year needs to be closed which is the start of the Close year process. Go to Accounting periods and under “Process” select Close Year. Once the current year is closed if the new year is not created create the new year.

- Close the current year – This will close the year so that you can run the Close Income Statement Process.
- Create new year – This will open the new reporting periods for the new year.
- Close the Income Statement, it is recommended to close based off Dimensions if applicable.
- The Closed Journal Entries will show in the General Journal with the Income Statement accounts in reversed signs and the difference going to your Retained Earning account, print the test report and review prior to posting. This process can be repeated if any entries are posted to the closed year. The Close Income Statement process will pick up the new entries since the last time it ran.
- Consider options for limiting posting and/or transaction entry in prior year and/or future periods.

Reconcile Inventory and Physical counts

Most companies will also complete a physical inventory at year end. Every system has some variations, but the key steps still include freezing inventory as part of the count process.

If Inventory is part of the close process below are the steps to take:

- Run Physically inventory and make any necessary adjustments
- Revalue any inventory item identified as needing correction
- Adjust cost if necessary
- Run the Inventory Reconcile to G/L Report by Inventory Posting Group
 - Tie the Received Not Invoiced Posted to G/L to your inventory Accrual Account
 - Tie the Shipped Not Invoiced Posted to G/L to your Accrued COGS Account
 - Tie the Net Inventory Interim Posted to G/L to your Inventory Interim Account
 - Tie the Inventory Posted to G/L to the Inventory Asset Account
- Close and then Open the new Inventory Periods

Backups and or copies of companies for a snapshot at year end.

While every system is different, consider steps to make a copy/snapshot of the company and/or environment on or at points of the year end process just in case you need to go back. For those in the cloud environment consider options you have for making copies of company at a point in time as well as sandbox copies of your environment.

Archiving

Again, every system has different processes, but year-end is a good time to consider archiving or purging old data in your systems. This could be inactive/block customers, vendors, items, etc. not used for x period. As well as old purchase, sales, or other transactional data that you may be storing for over 10 year and never look at. It is also recommended to review and clean up the Change Log entries page for those in the cloud environment. Ultimately systems slow down and/or cost more for maintaining this storage and you should consider processes to clean up and or remove this old data. Also consider backup options before performing these steps to either keep this historical data in another environment, or for ability to restore just in case you do need this data once you run the process.

Finally consider cleanup and removal of copies of companies and or sandbox environments that were created in the past and no longer needed.

Bonus items to set

- Update the Post To and From fields on the General Ledger setup, this will be universal for all users.
- Update User Setup Post To and From fields, not that this will supersede the date on the General Ledger setup. If a user needs a longer period open than the General Ledger setup this is where you would setup those users.