

Year End - Closing the Fiscal Year

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Purpose of this document

This document describes how to close the fiscal year and transfer the balances from the Revenue and Expense Accounts to the Net Asset (Fund Balance) Accounts.

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Purpose

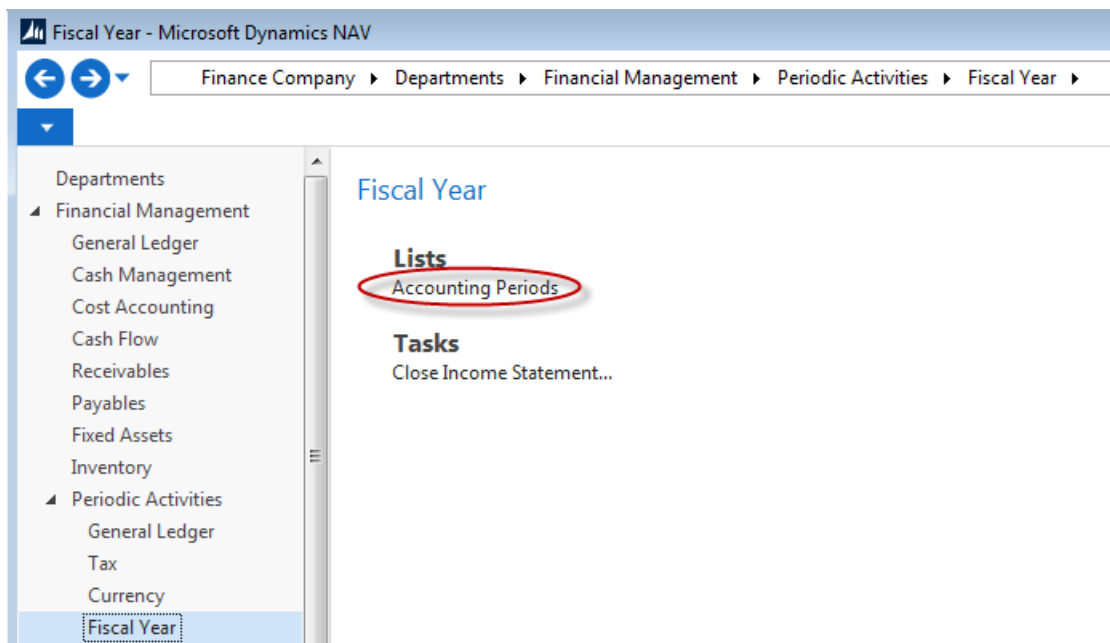
The closing fiscal year process transfers the balances from the Revenue and Expense Accounts for the fiscal year to the respective Net Asset (Fund Balance) Accounts. The transferred entries are marked as closing entries in the G/L Entry Table. Once marked, these entries can be excluded in order to run Revenue and Expense Reports across multiple fiscal years. Ceres allows the user to run the Close Income Statement process an unlimited number of times. The process to close the fiscal year requires multiple steps which are outlined below.

Ceres object release 4.00.00 is required for the functionality documented in this procedure.

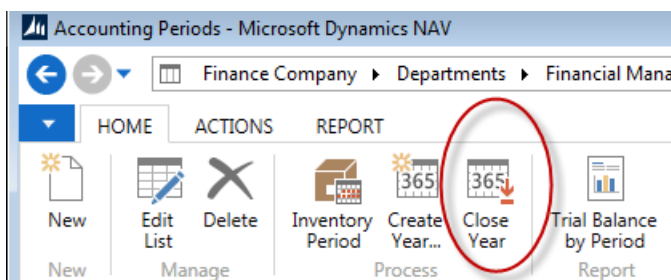
Accounting Periods

The first step in the Year End Process is to close the Accounting Periods. This process sets each period within the fiscal year as closed. This allows the user to begin the closing process. The close process does not stop a user from posting entries to a closed period. Allowable posting dates are controlled by updating the Allow Posting From and Allow Posting To fields in the General Ledger Setup and/or User Setup.

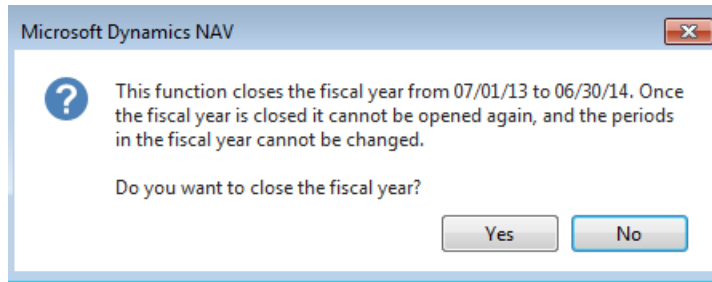
1. To close the Accounting Periods, go to Departments → Financial Management → Periodic Activities → Fiscal Year → Lists → Accounting Periods.



2. From the Accounting Periods Page, select Home → Close Year.



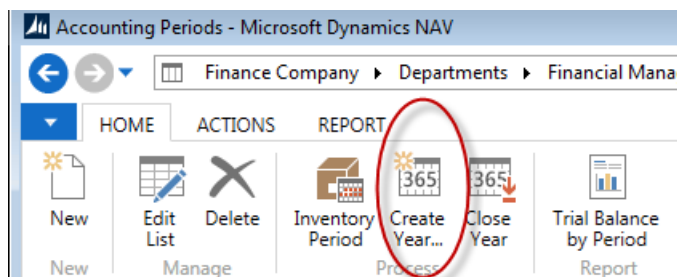
3. A dialog box will display indicating which fiscal year you are closing. Select Yes to proceed. This will automatically update the Closed field for each month within the fiscal year.



Accounting Periods ▾

Starti... Date	Name	New Fiscal Year	Clos... Loc...	Date Loc...	Inve... Peri... Clos...
4/1/2013	April	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5/1/2013	May	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6/1/2013	June	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7/1/2013	July	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8/1/2013	August	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9/1/2013	September	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10/1/2013	October	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11/1/2013	November	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12/1/2013	December	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
1/1/2014	January	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2/1/2014	February	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3/1/2014	March	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4/1/2014	April	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5/1/2014	May	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6/1/2014	June	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7/1/2014	July	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

4. Normally when you close a year, you should create a new year right away. From the Accounting Periods Page, select Home → Create Year. This will automatically enter the data for the next fiscal year. If it is correct, select OK to proceed or adapt the data as needed and select OK.

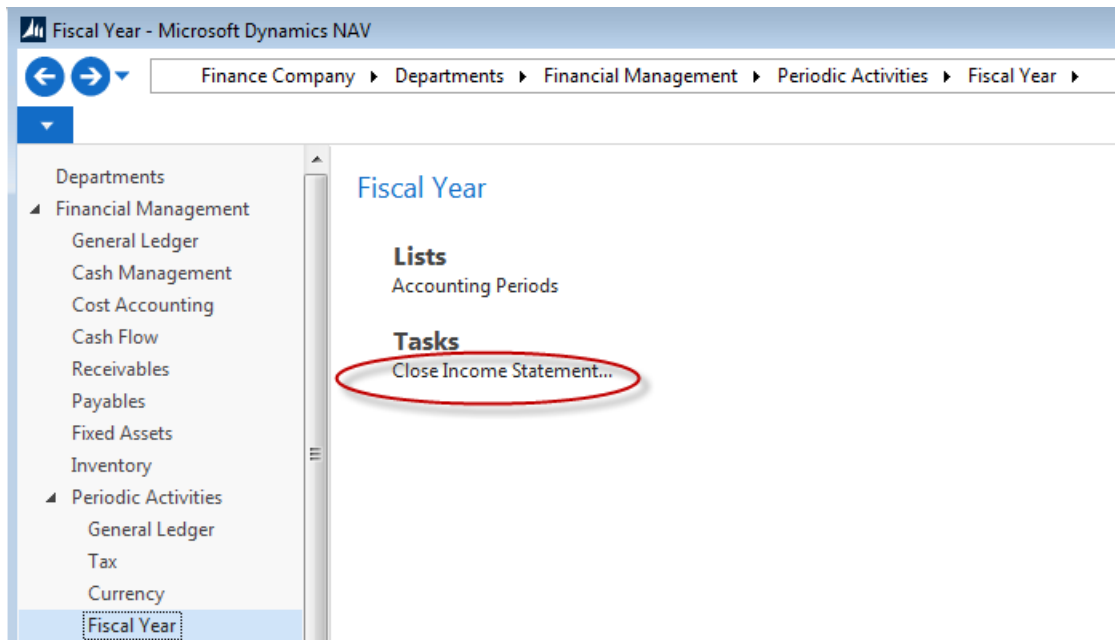


Close Income Statement

The Close Income Statement process creates Closing Entries to transfer the Revenue and Expense balances by Dimension, Fund, and Branch Code to the applicable Net Asset Account. **This process creates a Journal Entry that must be reviewed and posted before the closing is complete.**

You can review or delete the closing entries from the Journal and rerun the Close Income Statement process as many times as necessary. Once you post the closing entries you can post additional transactions to the closed fiscal year, such as audit entries. You can then reclose the income statement which will only close the new entries. Balance Sheet Accounts do not generate closing entries.

1. To create closing entries, go to Departments → Financial Management → General Ledger → Periodic Activities → Fiscal Year → Tasks → Close Income Statement.



2. A Close Income Statement Page will display. Update the fields as necessary.

Edit - Close Income Statement

ACTIONS

Clear Filter
Page

Options

Fiscal Year Ending Date: 6/30/2014

Gen. Journal Template: GENERAL

Gen. Journal Batch: YRCLOSE

Document No.: GJ-08340

Retained Earnings Acc.: 300000

Posting Description: Close Income Statement

Close by

Business Unit Code: ☐

Dimensions: DEPARTMENT;GL BRANCH;G...

Fund No.: ☒

OK Cancel

Fiscal Year Ending Date - Confirm that this is the correct fiscal year you want to close. If not, input the correct date. Please note that you can only select a fiscal year that is closed.

Gen. Journal Template - Select the Journal Template you want to use for your closing entries.

Gen. Journal Batch - Select the Batch you want to use for your closing entries. It's recommended you create a Batch just for your closing entries, such as YRCLOSE.

Document No. - Input the Document No you want to use for your closing entries. This field will automatically fill in if a No. Series is linked to the Journal Template.

Posting Description - Enter a description for your closing entries. This field will default to Close Income Statement but can be overridden.

Close by Business Unit Code - Place a checkmark in this field if you want to create a closing entry for each Business Unit. Generally this is used when creating closing entries in the consolidated company.

Dimensions - Click on the ellipsis button to the right of the field and then select the Dimensions you would like to create closing entries for.

Fund No. - Place a checkmark in this field if you want to create closing entries for each Fund.

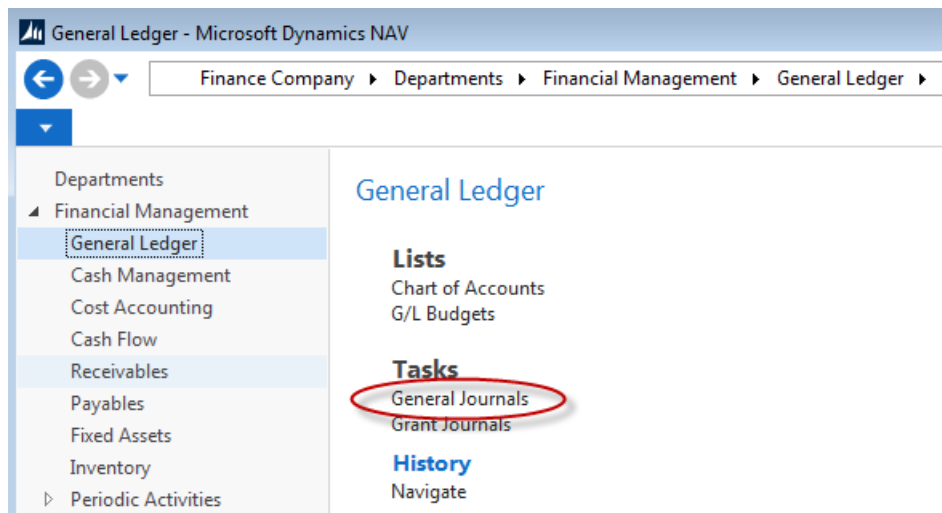
Inventory Period Close - A checkmark in this field indicates that the inventory periods with ending dates equal to or greater than the last date of the accounting period is closed.

3. Click OK to proceed with the Close Income Statement process.

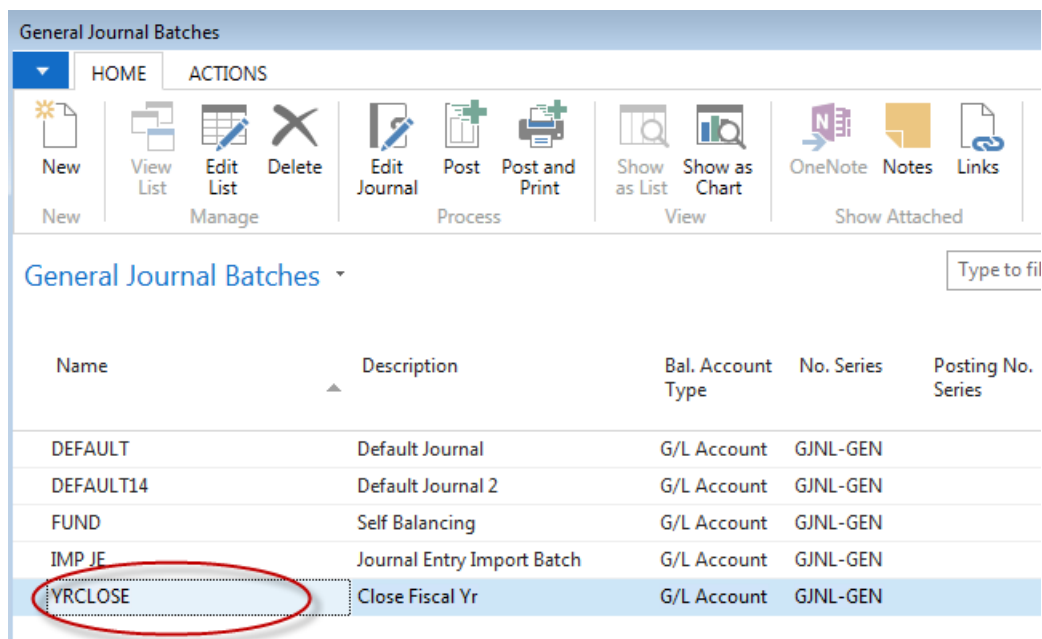
Post the Closing Entries

Once the closing entries have been created they should be reviewed and then posted. Posting the entries transfers the balance from the Revenue and Expense Accounts to the Net Asset Accounts.

1. To post the closing entries, go to Departments → Financial Management → General Ledger → Tasks → General Journals.



2. Select the Journal Template and Journal Batch you selected above when you ran the Close Income Statement process. In this example, the closing entries were written to the YRCLOSE Batch in the Actual Journal Template.



- Review the closing entries. You may need to split out the Net Assets entry by Fund No to post.

Edit - General Journal - YRCLOSE-Close Fiscal Yr

HOME		ACTIONS		NAVIGATE	
Delete	Post	Post and Print	Get Standard Journals...	Reconcile	Apply Automatically
			Save as Standard Journal...	Map Text to Account	Apply Manually...
		Dimensions			Refresh Find
Manage		Process	Category 4	Category 5	Page

Batch Name: YRCLOSE

Posting Date	Docum... No.	Account Type	Acco... No.	Description	Fund No.	Department Code	Project Code	Debit Amount	Credit Amount	Amount	E F /
C6/30/2014	GJ-08340	G/L Account	300000	Close Income Statement				81,612.66		81,612.66	
C6/30/2014	GJ-08340	G/L Account	899800	Close Income Statement				115.23		115.23	
C6/30/2014	GJ-08340	G/L Account	899600	Close Income Statement				8,456.09		8,456.09	
C6/30/2014	GJ-08340	G/L Account	899600	Close Income Statement					1,950.00	-1,950.00	
C6/30/2014	GJ-08340	G/L Account	899600	Close Income Statement					85.50	-85.50	
C6/30/2014	GJ-08340	G/L Account	899600	Close Income Statement					957.50	-957.50	
C6/30/2014	GJ-08340	G/L Account	899500	Close Income Statement				3,343.62		3,343.62	

- Select Post, or Post and Print to post the closing entries.
- To review the posted entries go to Departments → Financial Management → History → General Ledger → History → G/L Registers. Scroll to be bottom of the G/L Register List or filter for a Source Code of CLSINCOME.

G/L Registers

Show results:

Where No. is Enter a value.

And Source Code is CLSINCOME

+ Add Filter

No.	Creation Date	User ID	Source Code	Journal Batch Name	Rev...	From Entry No.	To Entry No.
1351	5/20/2014	WWH	CLSINCOME	DEFAULT		44306	44307
1475	8/12/2014	KJK	CLSINCOME	YRCLOSE		44839	44992

- To display the closing entries that were posted, select Home → General Ledger Entries. Please note that all closing entries will be preceded with C in the Posting Date field

View - General Ledger Entries - 400000 Support: Individual

HOME ACTIONS NAVIGATE

Navigate Incoming Document Show as List Show as Chart OneNote Notes Links Refresh Clear Filter Find

General Ledger Entries

Type to filter (F3) Posting Date Filter: 44839.44992

Posting Date	Document No.	G/L Account No.	Description	Fund No.	Department Code	Project Code	Debit Amount	Credit Amount	Amount
C6/30/2014	GJ-08340	400000	Close Income Statement				15.39		15.39
C6/30/2014	GJ-08340	400000	Close Income Statement				15.78		15.78
C6/30/2014	GJ-08340	400000	Close Income Statement				150.00		150.00
C6/30/2014	GJ-08340	401000	Close Income Statement				512.55		512.55
C6/30/2014	GJ-08340	401000	Close Income Statement				250.00		250.00
C6/30/2014	GJ-08340	401000	Close Income Statement				406.36		406.36
C6/30/2014	GJ-08340	401000	Close Income Statement				150.00		150.00
C6/30/2014	GJ-08340	401000	Close Income Statement		4100	GIVELUNCH	50,000.00		50,000.00
C6/30/2014	GJ-08340	402000	Close Income Statement				12.36		12.36

Reclosing the Year

The fiscal year can be closed multiple times throughout the year. It's common practice for some food banks to run the Close Income Statement function shortly after their yearend and then again after the audit adjustments have been entered.

Reclosing the Year is as simple as rerunning the Close Income Statement function. Ceres will create closing entries for any new transactions or entries that have not been closed previously. Before running the Close Income Statement function, you should always check to make sure that no closing entries exist in the Journal. If so, either delete or post the entries before you rerun the Close Income Statement function.

Related Topics:

1. Account Schedules
2. Chart of Accounts Overview
3. Fund Overview
4. GL Dimensions and Dimension Values
5. General Journal Overview