

# Month End Close Procedures

## Pre-Closing Checkup

1. Make sure all data files have been recently re-indexed. Check the Indexing log report in System Manager.
2. Have a good current backup of all SBT data files. **Remember:** If there is a problem during the period close, the only way to recover and re-close is to restore from your most recent backup. If any transactions were done between your last backup and your period close, you will have to enter them again before closing.
3. Choose the fastest, most reliable computer workstation to run the period closings.
4. If you are not closing on the last day of the month, you may find it convenient to change the date to the last day of the month. This will ensure that there is no confusion on report dates and adjusting entries. Remember that the date will reset to the current date each time you change modules or companies, so you will have to change the date many times to keep it on the last day of the month.
5. **BEFORE STARTING, IT SHOULD BE VERIFIED THAT EVERYONE IS OUT OF SBT AND THAT THERE ARE NO LOCKS ON ANY SBT FILES.**
  - a. Novell Server (Using the monitor screen or "Rconsole" from a workstation)
    - 1) Select "Connection Information"
    - 2) Look at each user who is logged in.
    - 3) If there are any SBT files open (e.g. starting with AR, IC, SY, etc.), make sure you log them out. If they are out but still showing on the server, press the delete key and cancel the connection.
  - b. Windows NT Server  
(Future information)

## Clearing of Flags

1. Go to System Manager. Choose "System Recovery" => "Clear Flags" => "Clear All Flags"
2. Leave the option grid alone to clear flags for all companies. (Putting a company number in the block will limit clearing flags for only that company and some system flags may not be cleared.)

## Printing Reports and Releasing to GL

The recommended procedure is to start with the first active company and go module by module printing reports and then releasing to the General Ledger. The order is up to you, but for simplicities sake we will go in order to minimize that chance of skipping a module. **These are only the minimum recommended reports. You may want or need more in your company.**

### ***Accounts Payable***

1. Master AP Journal (can be printed to file)
2. Invoice Register
3. Aged Payables
4. Check Register

### **Release to General Ledger**

Always print "Summary Posting Register"

### ***Accounts Receivable***

1. Invoice Register (Summary)
2. Cash Receipts Register (Summary)
3. Sales Tax Report (Summary)
4. Open Receivables Aging (Detail)

### **Release to General Ledger**

Always print "Summary Posting Register"

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***Inventory Control***

1. Inventory On Hand (Summary)
2. Inventory Adjustments

**Release to General Ledger**

Always print "Summary Posting Register"

***Purchase Orders***

1. Open Orders
2. Unbilled Receipts

***Sales Orders***

1. Open Orders
2. Commissions Due

***Payroll (end of quarter only - after last payroll of quarter)***

1. Posted Earnings Report
2. Payroll Tax Register
3. Payroll Deduction Register
4. Tax Liability Report
5. State Wage and Tax Report
6. Form 941 Preview

**Release to General Ledger**

Always print "Summary Posting Register"

***You do not have to close GL at this time !***

***If you are closing more than 1 company, change to the next company and start from Accounts Payable again.***

## **Close Periods (or Periods and Year)**

1. Go to System Manager. Choose "Transaction" => "Close Period" (or "Close Period and Year" if it is the end of your fiscal year - In Payroll it is the end of the calendar year.)
2. Choose the AP module of the first company you are closing.
3. Accept the defaults in the option grid unless you are choosing to delete history transactions.
4. After the period is closed the screen will display the remaining modules which need to be closed.
5. When all modules are closed for that company you can go on to the next company. (Exception: If it is the end of the quarter, close payroll)

## **Post Closing Activities**

### ***Printing of Reports***

#### **Accounting**

1. AR: Customer Statements (if not printed before closing)
2. AP: Form 1099 (if end of Calendar Year)  
AP: Close 1099 Year: Choose this transaction item to zero YTD values.  
You **must** do this before entering any new invoices for 1099 vendors.
3. PR: Form 941 (if end of Quarter)
4. PR: Form 940 (if end of Calendar Year)
5. PR: W2 Forms (if end of Calendar Year)

#### **Management Reports**

1. AR: Distribution By Value
2. AP: Distribution By Value
3. IC: Distribution By Value

***You may now allow users to enter SBT.***

### ***General Ledger Activities***

General Ledger can be closed at any time. You do not have to get users out of the individual modules to close it. The only problem with delaying the close of GL is that users will get a message that they will be posting to a future period. This is no problem. Just tell the users to press "OK" and continue.

The reasoning behind delaying the close of GL is to give you time to check the trial balance and to do the adjusting entries. You could close GL and then create journal entries for the prior period, but prior experience has shown that many times people make a mistake and some of the entries get posted to the wrong period. This creates triple work when you have to back out the wrong entry and create a new prior period entry.

### **Posting of Sub-ledger Journals**

1. Choose "Transactions" => "Post Batches"
2. Approve and post all transactions for the current and prior periods. The description will tell which module each entry came from. If there is a posting for a future period, it is because a transaction was dated in the future. You should check this out before closing.
3. There is no need to print an audit report. These transactions will appear in the General Journal.

### **Printing Working Reports**

Trial Balance (Total Company or Worksheet)

### **Creating Required Transactions**

1. Choose "Transactions" => "Create Journal Batch"
2. Create a normal batch for the current period. Add entries to correct problems found on the Trial Balance.
3. Post the batch.
4. Choose "Transactions" => "Edit Unposted Batches"
5. Void any "Empty" batches.
6. Generate any recurring or allocation entries you have set up.
7. Choose "Transactions" => "Post Batches"
8. Post all Current and Prior dated batches.
9. Reprint Trial Balance to verify changes.

### **Printing the Financials**

1. General Journal (Period to Date Detail)

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2. General Ledger (Total Company)
3. Balance Sheet (Total Company with PTD Activity)
4. Income Statement (Total Company, Period and Year to Date)

**Closing the General Ledger**

1. Go to System Manager. Choose "Transaction" => "Close Period" (or "Close Period and Year" if it is the end of your fiscal year.)
2. Choose the GL Company you are closing.
3. Choose "Screen" as the destination for the period close log.
4. If there are any unposted transactions in GL, you will be notified at this time. You can view or print the transactions to see what they are. You then can either cancel the close to take care of the transactions or proceed with the closing.
5. Accept the defaults on the option grid. It is going to remove canceled/deleted transactions only. You do not need them they just take up space. It will then ask you to choose a printer or cancel. If you choose to print you will get a listing of all the cancelled/deleted GL transactions.
6. Finally you will get a notice informing you of the successful close and the new current GL period.

**Congratulations! You are done.**