

Each individual company according to their own business procedures establishes year end closing procedures. Typically, a company will create a monthly accounting calendar, which sets the dates for each department to have completed all transactions for the particular month. The administrator (usually the company's accounting manager or controller) of the calendar monitors activity to ensure all work has been completed and all transactions for the current period have been posted by the due dates established. Once all activities for the month have been completed, the accounting period is set to the status of *Closed* to ensure no transactions can be posted into that period completed period.

In order to close the fiscal accounting year, all accounting periods in the current fiscal year must be set to a *Closed* status. If you attempt to set an accounting period status to *Closed* when you have not yet recognized all the deferred income for that period, you will receive a warning message to do so first. To set the accounting period status to closed, select *Accounting Periods* from the *General Ledger* module option list. Click on the status field of the month you want to set to closed. A drop-down arrow will appear; press the arrow and select *Closed* from the list of choices. If you have not already opened the next accounting period, click on the status field of the next accounting month and select the status of *Open* from the drop-down list. At the top of the Accounting Periods form set the current accounting period to the month in which you are now conducting business. Refer to illustration 1 below.

Illustration 1

Accounting Periods (ABC Alarm Company)

Current Accounting Period: 1/1/2007 - 1/31/2007
 Fiscal Year: 2006

Period	Start Date	End Date	Status
1	1/1/2006	1/31/2006	Closed
2	2/1/2006	2/28/2006	Closed
3	3/1/2006	3/31/2006	Closed
4	4/1/2006	4/30/2006	Closed
5	5/1/2006	5/31/2006	Closed
6	6/1/2006	6/30/2006	Closed
7	7/1/2006	7/31/2006	Closed
8	8/1/2006	8/31/2006	Closed
9	9/1/2006	9/30/2006	Closed
10	10/1/2006	10/31/2006	Closed
11	11/1/2006	11/30/2006	Closed
12	12/1/2006	12/31/2006	Closed
* 1	1/1/2007	1/31/2007	Open
* 2	2/1/2007	2/28/2007	Future
* 3	3/1/2007	3/31/2007	Future
* 4	4/1/2007	4/30/2007	Future

* - Denotes Next Fiscal Year

OK Cancel

Once all accounting periods have been closed, you will be able to perform the fiscal year close.

Important Note

You must first perform a backup of your database before executing the fiscal close. Once this process has been completed, you cannot go back to re-open the accounting year. Make certain you have completed all journal entries, activities and reports prior to completing this procedure.

Once a Fiscal Year has been closed, it cannot be reopened.

To close the fiscal year, select *Close Fiscal Year* from the *General Ledger* module options list. Refer to illustration 2 below. The Close Fiscal Year checklist will be displayed. Verify each item on the list has been completed then check the box to the left of each item to confirm the task has been accomplished. Once all items have been checked, the OK button at the bottom of the form will be enabled. Press the *OK* button to execute the fiscal year closing process.

Illustration 2

Close Fiscal Year

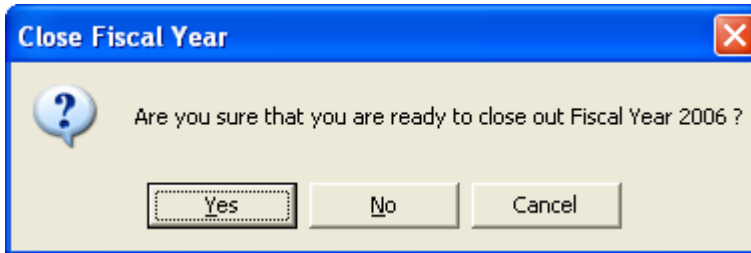
Fiscal Year
2006

Verify Processes are Complete

- Deferred Income is Recognized
- All Cycle Billings have been Completed
- All Billable Service Tickets are Closed
- All Billable Jobs are Invoiced
- All Undeposited Funds are Deposited
- All Manual Journal Entries are Complete
- All Required Reporting is Complete
- Perform Database Backup

OK Cancel

You will receive a confirmation message asking if you are sure you are ready to close the fiscal year. Press the Yes button to confirm. Sedona will clear out the income, expense, cost of goods sold accounts and update the Retained Earnings account.



Once the closing process has completed, a confirmation message will be displayed indicating which fiscal accounting year is now current.



Suggested Activities/Reports for Month-End & Fiscal Year Closing

Service Management

- Invoice all resolved service tickets
- Print Service Tickets Invoiced Report

Job Management

- Invoice all completed jobs or those that are ready for a partial invoicing
- Print Estimated vs. Actual by [Project Manager] or [Salesperson] Report
- Print Job Profit/Loss Report
- Print Jobs Sold Report
- Print Job Open Billing Report
- Print Job Commissions Report
- Print Job Listing Report (backlog)

Accounts Payable

- Vendor invoices entered and posted to A/P
- Checks written
- Print the Billing Aging Report (Accounts Payable Aging)
- Print the Open Purchase Orders Report
- Print the Vendor Open Items Report
- Print AP 1099 Report (year end only)

Inventory

- Parts received and posted to inventory
- Parts issued to jobs
- Excess parts returned to inventory
- Transfer parts where necessary
- Perform and post physical inventory (if required by your company during this accounting month)
- Print Part Status Report
- Print Receipt of Goods Report
- Print Stock Status Report (Note: *this is a time sensitive report; if you do not print this at month end prior to entering transactions for the new month, you will never be able to produce this report for your stock quantities and values as of the end of the accounting period*)
- Print Transfer Report

Accounts Receivable

- Cycle billing completed
- Job billing completed
- Service billing completed
- Miscellaneous billing (including credit memos) completed
- Cash posted
- ACH / Credit Card processing completed
- Print Current Aging Report
- Print Cash Receipts Report
- Print Cash Based Revenue Report
- Print Invoices Billed Report
- Print Open Credits Report
- Print Open Invoices Report
- Print Customer Revenue by Item Type Report
- Print Sales Report
- Print Sales by Salesperson Report

General Ledger

- Deferred Income Recognition process completed
- Journal entries completed
- Bank accounts reconciled
- Royalties/Commissions calculated and paid through A/P
- Print A/R Audit Report
- Print Trial Balance Report
- Print Sales Tax Report
- Print Deferred Income Report
- Print Deferred Income Distribution Report
- Print Income by Category Report
- Print Cash Analysis Report
- Print Register Royalties Report
- Print Register Entries Report
- Print Balance Sheet Report
- Print Income Statement Report

In addition to the above, Sedona Office has several Recurring Monthly Revenue reports available. At the minimum a company should print the following reports:

- RMR Reconcile
- Recurring Analysis
- RMR Distribution
- RMR at Risk
- RMR Attrition
- RMR Tracking