

General Ledger End of Year

Overview:

The General Ledger End of Year sets up the general ledger for the next financial year. It does this by performing three complete functions. Firstly it will create and post a journal clearing out all profit and loss accounts (as defined by the start and end PL range set up in Control Account Maintenance). The balance of this journal will be credited to the retained earnings account (also set up in Control Account Maintenance). This step will also bring forward the balance of all Accounts outside the PL range into period 00 of the new financial year. Secondly, the General Ledger End of year will clear all general ledger transactions for periods 01 to 12. Thirdly, the General Ledger End of year will change the Accounting periods to reflect the new financial year.

Because all general ledger transactions are purged for the year being rolled over, **it is advisable for the general ledger to be copied to a separate company file before proceeding with the end of year rollover.** Ironbark Helpdesk can perform this function (charged on a time taken basis). If you wish the General ledger to be copied, please detail all companies you required copied on an Ironbark Software request form and fax to Ironbark Software or via email to support@ironbark.com.au (preferred method).

Checklist:

Batch Processing

It is important that all batches have been posted prior to running the end of year. Individual batch processes check for open GL period dates at time of entering information. As the end of year will rewrite the GL period dates, the postings may not post to the correct periods.

Check the following:

- All debtor invoices have been printed and posted
- All Debtors Receipt Journal batches have been printed and posted
- All Debtor Journal batches have been printed and posted
- All Creditor Invoice/Credit entries have been printed and posted
- The Cheque register has been printed and posted
- All General Journals have been printed and posted
- All Cash Receipt journals have been printed and posted
- All Cash payment journals have been printed and posted
- All Stock Adjustment Journals have been printed and posted
- All Stock Transfer journals have been printed and posted
- All Stock Receipt journals have been printed and posted
- The Post Sales to GL has been printed and posted.
- All Supplier Stock Receipt Journals have been printed and posted
- All Invoice receipts have been printed and posted
- Payroll update has been run

Business Activity Statement

The figures that are calculated on the BAS are derived from individual transactions. As the end of year clears all the previous year transactions, the BAS for the June quarter must have been printed and posted prior to the end of year being run.

- Business Activity Statement for June quarter has been printed and posted*

Financial Reports

The end of year will clear out all period balances for the previous year and bring forward the closing balances into the new ledger. Therefore it will only be possible to run financial reports for the current year.

- All necessary financial reports have been printed*

Reversing Journals

The Bring reversing journals forward program looks at previously reversing journals and if they have not yet been reversed will reverse them. As the end of year will clear all transactions from the general ledger these previous journals will disappear and therefore will not be reversed.

- Bring reversing journals forward program has been run.*

Control Accounts

The end of year will journal out any closing balances within the Profit and Loss range specified in the GL Control account and put the balance to the PL retained earnings account which is also specified in GL account maintenance. Therefore it is necessary to check that these accounts are accurate. Note that the cost centre of the accounts listed in the profit and loss range will be ignored. The end of year will journal out all accounts within the account range regardless of the cost centre.

Transfer Accounts

If there is a transfer account recorded against any G/L account the end of year will transfer the balance of the account to the transfer account as the opening balance. Usually the only scenario where this needs to occur is when running a periodic stock system (where cost of sales is calculated by adding the opening stock and purchases and subtracting the closing stock) and the stock on hand balance needs to be transferred to the opening stock account. To avoid errors in opening balances, check the chart of accounts and ensure that all transfer accounts are correct.