

Year End Financial Close Process in SRM



(From the Help File) **General Ledger Overview Information Guide** -> *General Ledger Year End Procedure*

The Year End Close can be done any time after the end of your Fiscal Year, when your accountant provides the final Year End adjustments.

However, until the Year has been closed in the software, the Balance Sheet for the next Year is not in balance and prints with a discrepancy equal to the Year End Close amount. This is automatically corrected once the Year is closing entries are posted.

Systematic Rental Management does not require the revenue and expense accounts to be reset to zero. The software achieves the same result by recognizing the YEAR START within General Ledger programs. The year-to-date revenue and expense totals are then accumulated from this YEAR START.

NOTE: Do NOT make any adjusting entries to the revenue and expense accounts

By taking this approach, SRM provides full access to information from previous years. To take advantage of this feature, do NOT reset the revenue and expense accounts to zero at Year End.

There are 2 parts to the Year End Financial Close:

- A) Preparing for Your Accountant
- B) Working with your Accountant

Part A: Preparing for Your Accountant

Steps Completed:

- | | |
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| <p>STEP 1: Complete all daily and month end maintenance BEFORE moving on to step 2.
 <i>Refer to the information for Daily Close process (webinar and Help File)</i>
 <i>Refer to the information for Month End Close process (in Year End Close webinar, PDF Check List and Help File)</i></p> <p>STEP 2: Run Key Financial Reports prior to Accountant's arrival</p> <p style="text-align: right; margin-right: 100px;">Summarize the G/L for the financial year
 Run a Trial Balance
 Produce the Balance Sheet
 Print the Income Statement</p> <p>Other _____</p> <p>STEP 3: Provide the accountant with the requested financial records.</p> | <p><input type="checkbox"/> Completed</p> <p><input type="checkbox"/> Completed</p> <p><input type="checkbox"/> Completed</p> <p><input type="checkbox"/> Completed</p> <p><input type="checkbox"/> Completed (Optional)</p> <p><input type="checkbox"/> Completed</p> |
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Part B: Working with Your Accountant

Steps Completed:

- | | |
|--|---|
| <p>STEP 1: Enter and Post your accountant's closing entries. (see specific notes for AP and AR adjustments)
 <i>After your accountant has reviewed your books for the Year, several adjusting entries to the G/L are usually required. Obtain this list of closing entries from your accountant, and enter them using Miscellaneous G/L Journals.</i>
 Note: Do not make year end adjusting journal entries to the A/P or A/R Control Accounts.</p> <p><u>A/P Adjustments:</u>
 <i>Determine if the accountant's closing entries refer to the ACCRUED Accounts Payable account or the Accounts Payable account.</i>
 <u>Accrued Accounts Payable</u> - usually there are several accruals the accountant will require to be entered for the year end and then reversed again for the next fiscal year.
 <u>Accounts Payable</u> - select specific Vendors and make the adjustments to them using A/P Invoices in order to post the accountant's entries.
 Note: Do NOT post closing adjustment entries using Miscellaneous G/L Journals as this will make the A/P Sub-ledger out of balance with the A/P Control Account in the G/L.</p> <p><u>A/R Adjustments:</u>
 <i>Select specific Customers and make the adjustments to them from the A/R Menu. Use either A/R Invoices or Bad Debts in order to post the accountant's entries.</i>
 Note: Do NOT post closing adjustment entries using Miscellaneous G/L Journals as this will make the A/R Sub-ledger out of balance with the A/R Control Account in the G/L.</p> | <p><input type="checkbox"/> Completed</p> |
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Year End Financial Close Process in SRM

STEP 2: Re-Summarize the GL and Re-Print the Income Statement – compare with the Accountant’s figures

Completed

(if further adjustments are required – repeat this step)

STEP 3: Create and Post the closing journal entry. (Debit the PLRE account and Credit the Retained Earnings account)

Completed

Debit the PLRE account and Credit the Retained Earnings for the Net Income Amount, as of the last day of the Fiscal year.

For a profit, enter the amount as positive. For a loss, enter the amount as negative.

see screen shot example:

Miscellaneous Journals

Journal Entry Number: 33
 Transaction Date: 12/31/2017
 Batch: ALL G/L POSTING
 Import Filename:

Trans Total: .00
 Total Debits: 25.00
 Total Credits: 25.00
 Journal Total: .00

Seq	Account #	Description	Div	Trans Amount	D/C	Source
00001	PLRE	YR END CLOSE RETAINED EARNINGS	JWL	25.00	D	JN33
Ref:		YEAR END CLOSE	Details: MATCHED ACCOUNTANTS NET INCOME			
00002	3200	RETAINED EARNINGS	JWL	25.00	C	JN33
Ref:		YEAR END CLOSE	Details: MATCHED ACCOUNTANTS NET INCOME			

Buttons: Add, Change, Delete, Insert, Upload Template, Concur Import, Accept, Cancel

STEP 4: Confirm the adjustments are correct.

Completed

Run Summarize G/L for Financial Statements and reprint Income Statement and Balance Sheet

STEP 5: Reset the default report dates to the new period.

Completed

To do this run Summarize G/L For Financial Statements again but this time for the new fiscal year and the the new period.