



## Ledger Year End

### Index

<b>1. PREPARING A YEAR END.....</b>	<b>3</b>
1.1. Obtain Authorisation .....	3
1.2. Obtain an Operating Statement .....	3
1.3. Check the Trial Balance Codes.....	3
1.4. Create the Year End.....	3
1.5. Reconcile the Year End .....	3
<b>2. AMENDING A YEAR END .....</b>	<b>4</b>
2.1. Obtain Authorisation .....	4
2.2. Reverse the Year End .....	4
2.3. Delete the Year End .....	4
2.4. Modify the Account Balances .....	4
2.5. Re-create the Year End.....	4
2.6. Re-reconcile the Year End.....	4
<b>3. PROCESSING A YEAR END .....</b>	<b>4</b>
3.1. Obtain Authorisation .....	4
3.2. Optionally Set the Processing Date and Time.....	4
3.3. Submit the Year End.....	5
<b>4. REVERSING A YEAR END.....</b>	<b>5</b>
4.1. Obtain Authorisation .....	5
4.2. Reverse the Year End .....	5
<b>5. DELETING A YEAR END.....</b>	<b>5</b>
5.1. Delete the Year End .....	5
<b>6. PURGING DATA .....</b>	<b>5</b>
6.1. Obtain Authorisation .....	5
6.2. Optionally Set the Processing Date and Time.....	6
6.3. Execute the Purge.....	6
<b>7. USING CONTROL FEATURES.....</b>	<b>6</b>
7.1. Reconcile the Year End .....	6
7.2. Run the Incomplete Documents Report.....	6
7.3. Run the Validate Reporting Structure Report.....	6
7.4. Run the Codes Report .....	6
<b>8. TROUBLESHOOTING .....</b>	<b>6</b>
8.1. Cannot Access the Menu Option.....	6
8.2. Cannot Reverse a Year End – Document Status Error .....	7
8.3. Cannot Submit a Year End – Document Status Error .....	7
8.4. Cannot Submit a Year End – Transaction Balance Error .....	7



8.5. Cannot Process a Year End .....7

## 1. PREPARING A YEAR END

A year end document is used determine the entries that will be required in regard to the 'closure' of an accounting year. Note that creating a new document does not post any transactions to the accounts, i.e. the entries may be ascertained for review purposes only.

### 1.1. Obtain Authorisation

Use the appropriate company procedure to obtain authorisation to commence the year end close. This will typically include confirmation that the accounts have been finalised, and audited if required, for the financial year.

### 1.2. Obtain an Operating Statement

Obtain an Operating Statement report as at the date of the end of the financial year. This will be required for comparison with the total values on the year end document.

### 1.3. Check the Trial Balance Codes

Check that operating statement trial balance codes have been loaded on all operating statement accounts (or on their control accounts), and that the relationships between retained earnings accounts and operating statement accounts for year end closure have been defined on the trial balance codes themselves.

A number of standard reports are available to assist with this checking process (refer to [Run the Validate Reporting Structure Report](#), and [Run the Codes Report](#)).

Use the menu options 'Control Account', 'Ledger Account' and 'Trial Balance Codes' to access and modify these details.

### 1.4. Create the Year End

Use the menu option 'Year End Document' to create the year end document. Press Enter on the 'Year End Number' field to obtain the next unused year end document number. Enter the required data in the 'Reference field'.

Use the Lines action to generate the lines, i.e. transactions, required for year end ledger closure. Note that for large companies this may take some time.

### 1.5. Reconcile the Year End

Use the 'Year End Document Report' menu option to print a listing of the year end document, or alternatively, use the Print action in the 'Year End Document' menu option.

Compare the financial total of the Operating Statement report run as at the date of the year end with the closing total of the Year End Document report. If the totals do not match, then the reason must be determined:

- If additional transactions have incorrectly been posted after the original operating statement was produced, correcting transactions will need to be posted, and the operating statement re-run for confirmation.
- If additional transactions have validly been posted after the original operating statement was produced, then the operating statement report must be re-run, and the year end document deleted and re-created.
- If trial balance coding of ledger accounts is missing, or any trial balance code is not appropriately defined (refer to [Check the Trial Balance Codes](#)), then these omissions must be corrected, and the year end document deleted and re-created.

This comparison must be repeated until both totals agree.



## 2. AMENDING A YEAR END

As individual lines on a year end document may not be modified, the only amendment procedure permitted is to delete the document and then re-create the year end document.

### 2.1. Obtain Authorisation

If the year end document has already been processed, use the appropriate company procedure to obtain authorisation to amend a year end.

### 2.2. Reverse the Year End

If the year end document has already been processed, it must be reversed (refer to [Reversing a Year End](#)).

### 2.3. Delete the Year End

Refer to [Deleting a Year End](#).

### 2.4. Modify the Account Balances

Make the required corrections to the operating statement account balances, using the appropriate procedure, e.g. ledger journals.

To verify the outcome, use the menu option 'Operating Statement Report' to reprint the report as at the date of the financial year end.

### 2.5. Re-create the Year End

Create a new year end document (refer to [Create the Year End](#)).

### 2.6. Re-reconcile the Year End

Reconcile the new year end document (refer to [Reconcile the Year End](#)).

## 3. PROCESSING A YEAR END

Processing a year end document results in the creation of transactions that close, ie. adjust to zero, all the individual operating statement accounts, and transfer summarised values to the retained earnings accounts.

Submitting a year end document involves two processes – queuing and processing. Firstly the document is queued to the financial job queue. When it reaches the head of the queue it is processed in three stages. The first stage involves checking that the document is valid, in all respects, for processing. The second stage of processing creates a transaction set from the document using the appropriate rules, and the relationships between operating statement accounts and retained earnings accounts that are defined on trial balance codes. The third stage processes the transaction set. This involves posting transactions to the accounts specified in the transaction set, thereby updating the balances and period information on those accounts. It also resets the company start date to the starting date of the next financial year, thereby prohibiting the posting of transactions back into the year that is now closed. Finally, it updates the status of the originating year end document to 'Complete'.

### 3.1. Obtain Authorisation

Use the appropriate company procedure to obtain authorisation to complete the year end.

### 3.2. Optionally Set the Processing Date and Time

Note that this step is not required for the immediate processing of a year end document.

Use the Extra action in the menu option 'Year End Document' to set up the required processing date and time.

### **3.3. Submit the Year End**

Use the Submit action in the menu option 'Year End Document' to queue the year end document for posting. Note that only 'New' year end documents that have not been processed may be submitted for posting.

To verify the outcome, use the 'Job Manager Control' menu option to confirm that the document has been processed, then return to the menu option 'Year End Document' and check that the document status displayed is 'Complete'.

## **4. REVERSING A YEAR END**

Reversing a year end document has the effect of reversing every transaction in the transaction set that was created when the document was originally processed.

### **4.1. Obtain Authorisation**

Use the appropriate company procedure to obtain authorisation to reverse a year end.

### **4.2. Reverse the Year End**

Use the menu option 'Year End Document' to enter the year end document number. Use the Reverse action to mark the document for reversal and queue it to the financial job queue for processing.

To verify the outcome, use the 'Job Manager Control' menu option to confirm that the year end document has been processed, then return to the menu option 'Year End Document' and check that the document status displayed is 'Open'.

## **5. DELETING A YEAR END**

Deleting a year end document can have one of two effects. Deleting a document with 'New' status, i.e. it has not yet been posted, causes the entire document to be physically erased from the O.R.C.A system. Deleting a document with 'Open' status, i.e. it has been processed and reversed, causes the status to be changed to 'Cancelled' and the document is not physically erased. Note that individual lines on a year end document may not be deleted.

### **5.1. Delete the Year End**

Use the menu option 'Year End Document' to enter the year end document number. Use the Delete action.

To verify the outcome, return to the menu option 'Year End Document' and check that the document either no longer exists, or is displayed with 'Cancelled' status as appropriate.

## **6. PURGING DATA**

Data relating to prior years for which any legal requirement to retain records has expired may be permanently removed from the system to recover database 'storage' capacity. This results in the deletion of all possible transaction detail and period information. At the same time, all documents related to purged transactions with no further transaction links are also deleted. The financial effect of the deleted transactions is maintained where applicable, e.g. opening balances in respect of balance sheet accounts, through the generation of balance forward 'summarising' transactions as at the commencement date of the first accounting period.

**This process is only recoverable from a prior backup file if it exists.**

### **6.1. Obtain Authorisation**

Use the appropriate company procedure to obtain authorisation to permanently remove data relating to a prior year.

## 6.2. Optionally Set the Processing Date and Time

Note that the processing of a year end document in regard to 'purge' activity may take some time to execute, so it is **recommended** that it be scheduled to be run overnight.

Use the Extra action in the 'Year End Document' menu option' to set up the required processing date and time.

## 6.3. Execute the Purge

Use the menu option 'Year End Document' to enter the year end document number. Use the Purge action to mark the document for purging, and confirm for submission to the financial job queue for processing.

To verify the outcome, use the 'Job Manager Control' menu option to confirm that the document has been processed, then return to the menu option 'Year End Document' and check that the document status displayed is 'Purged'.

## 7. USING CONTROL FEATURES

Control features comprise reports and other options, e.g. manually calculating a control total, that are used to verify that the desired action has been completed successfully.

### 7.1. Reconcile the Year End

Refer to [Reconcile the Year End](#) in Preparing a Year End.

### 7.2. Run the Incomplete Documents Report

The incomplete documents report provides a listing of all documents of the selected classes that have not been processed. Use the menu option 'Incomplete Documents Report' to select the year end document class and a relevant document number range and/or date range. The report will list all year end documents that should have, but have not, been processed.

Similarly, the report may be used to verify that all other document classes that produce ledger account transactions in the relevant period have been processed.

### 7.3. Run the Validate Reporting Structure Report

The reporting structure validation report provides a listing of all ledger accounts that are incorrectly defined. Use the menu option 'Validate Reporting Structure' to select a full or exception format. The report will list all posting accounts that either have no trial balance code specified, or their control or parent account has no trial balance code specified. Note that if a trial balance code is specified on both the posting account and the parent account it is also reported as an error.

### 7.4. Run the Codes Report

The codes report provides a listing of the all the attributes defined for the selected code. Use the menu option 'Codes Report' to select the code type, or alternatively, use the Print action in the 'Trial Balance Codes' menu option. The report will list all trial balance codes, and the status (i.e. 'Open' or 'Closed'), trial balance type (i.e. 'Operating Statement', 'Balance Sheet') and the close-to account number for each.

## 8. TROUBLESHOOTING

### 8.1. Cannot Access the Menu Option

If the option to create and maintain the year end document is not accessible, then ask the System Administrator to check that the security has been set up to permit this access.

## 8.2. Cannot Reverse a Year End – Document Status Error

If an error message commencing with 'Document Status Error' is displayed as a result of reversing a year end (refer to [Reverse the Year End](#)), then the document status is invalid. A year end document may only be reversed if it has a status of 'Complete'.

## 8.3. Cannot Submit a Year End – Document Status Error

If an error message commencing with 'Document Status Error' is displayed as a result of submitting a year end document for processing (refer to [Submit the Year End](#)), then the document status is invalid. A year end document may only be submitted for posting if it has a status of 'New' (i.e. it has never been processed).

Invalid status and correcting actions are:

- Complete use Reverse action to reverse the original transaction set. Delete and then re-create the year end document and re-submit.
- Error check the job log in the View action of the 'Job Manager Control' menu option. If unable to access this, contact your System Administrator. Correct the error and re-submit.
- Pending year end document has already been queued for posting and remains in the financial job queue awaiting its turn. Check that the Financial Status in the 'Job Manager Control' menu option is 'RUNNING'. If so, wait for the document to be posted. If not, then restart the financial job queue from the 'Job Manager Control' menu option. If unable to access this, contact your System Administrator.
- Update year end document has already been queued for posting and is currently being processed by the financial job controller. Check that the Financial Process in the 'Job Manager Control' menu option is processing the document. Wait until it has finished, then re-enter the year end number in the 'Year End Document' menu option and check the document status. If the document processing appears to have stalled, ask your System Administrator to check the job status.

## 8.4. Cannot Submit a Year End – Transaction Balance Error

If an error message commencing with 'Transaction Balance Error' is displayed as a result of submitting a year end document for processing (refer to [Submit the Year End](#)), then the sum of the transaction values on operating statement accounts does not match the sum of the transaction values on retained earnings accounts. This usually occurs due to:

- One or more retained earnings accounts having been closed or deleted.
- Operating statement accounts (or their control accounts) without appropriate operating statement trial balance codes specified.
- Operating statement trial balance codes without appropriate retained earnings accounts specified.

Ensure that the trial balance codes are correct (refer to [Check the Trial Balance Codes](#)).

## 8.5. Cannot Process a Year End

If the year end document does not process, then check that the financial processor is running, using the 'Job Manager Control' menu option. Then check that the document status is valid. Also check that the processing date and time limits for the company have not been violated (menu option 'Company Codes'), and that the user's membership of the requisite user group is still active (menu option 'Users Maintenance').