This document covers the typical procedures involved in closing Microsoft Dynamics GP versions 10 & 2010, but is in no way complete. Please refer to the documentation provided by Microsoft in your GP installation and on CustomerSource.

WARNING: YOU MUST BACKUP YOUR DATABASES BEFORE YOU CLOSE. THERE IS NO WAY TO RECOVER OR UNDO A CLOSE THAT DOESN’T COMPLETE PROPERLY. WE HAVE NO WAY TO RECOVER OR UNDO A CLOSE WITHOUT A BACKUP.

Financial

What it does:
- Makes Retained Earnings entry
- Enters Beginning balance figures on Summary Inquiry screen and Financial Statements for Balance Sheet Accounts
- Moves year to history – Inquiry through History Summary & Detail instead of Summary & Detail
- Since only one historical year is available for changes, after running the Year End Close for a year it will be impossible to make changes to the year prior to the year you closed. EG: you close 2010, you cannot make changes to 2009 in GP
- Removes Inactive Accounts without history in the system (any years)

This close is independent to the separate module closes in GP (Receivables, Payables, Inventory, Fixed Assets, etc). i.e. – you can run the module close(s) before or after running the Financial Year-End Close. (You can even skip running the module close(s) altogether!) . Keep in mind, if you choose to skip closing these modules, you will not have correct data in your vendor/customer summary inquires. (i.e. – amount LTD, YTD, etc.)

When should it be run?
Since you will not be able to print proper Financial Statements for the New Year until you close the prior year, you should run the close when you are ready to print January Financials.
If the inability to see a current account balance on the Summary Inquiry screen is bothering you, you could run it sooner.
You should not run the Financial Year end close before you finished and posted the majority of your transactions in the modules (Receivables, Payables, and Inventory).
Ideally, you should run the year end close after completing your month end closing audit process for December.
Remember, you can always make correcting entries in both GL and the modules (Receivables, Payables, Inventory) to the year AFTER closing, if necessary.

Warnings:
- Check ALL of your Accounts for the correct Posting Type. If this is wrong the Retained earning entry will be incorrect!!! Easiest way is to open SmartList, Account object (Increase the number of records on the search button, if necessary) and scroll down and review the posting types.
- Next, review the Microsoft year end closing procedures. When you are ready to close, post all transactions and have users exit the system.
- Always run a backup just before running a close. If the close errors or the power goes out, you will need this backup to restore your GP system.
- SAVE THIS BACKUP. The backup before the yearend close can be useful in the future and should be archived.

http://support.microsoft.com/kb/888003

Receivables Management

What it does:
- Resets various Year-To-Date fields to zero. (See list on the Microsoft instructions)
- These fields are seen on SmartLists, Customer Summary Inquiry Screen, and Receivable Management Summary Reports.
- This process is NOT date sensitive. IE if you run it on 1/15 when $100 in January sales are posted, it will not reset the Year-to-date sales to $100, it will set it to ZERO.
- This DOES NOT affect what transactions can be posted. Before and after running the close process you can post AR transactions for both the new and the old years. Transaction Posting is controlled by the “Sales” Series box being checked on the Fiscal Period Setup screen (Tools > Setup > Company > Fiscal Periods).

When should it be run?
Ideally, after all December invoicing and cash receipts are entered and before any January transactions are entered.
Since, in the “real world” there is no such time, we recommend running it as soon as possible in January – When the bulk of your December AR Transactions are completed and before you do any major January billing or cash receipts.
If you decide you ran it too soon, you can run the Sales Year-End close again.
Obviously, numbers in these fields will never be exactly accurate, but they should be close enough for most purposes. Report and screens not listed on the Microsoft instructions, like many Sales Analysis reports, do not use these fields. They calculate the data accurately from the transaction dates.

Warnings:
First, review the Microsoft year end closing procedures. When you are ready to close, post all transactions and have users exit the system. Always run a backup just before running a close. If the close errors or the power goes out, you will need this backup to restore your GP system.

Other “Housekeeping” you may wish consider at year end:
- Tools > Routines > Sales > Paid Transaction Removal - This moves Paid Transactions to History in the Receivable Inquiry screens. Note - Transactions moved to history cannot be voided and you cannot change the “Apply” on payments or credits, once they are moved to history.
- Tools > Utilities > Sales > Reconcile – Remove Sales Documents – Only for closed documents. This completely removes any record of the Sales Order Processing Documents. Obviously, use great caution when removing Invoices or Returns, but you may decide to remove old Orders, Quotes and/or Back Orders.

http://support.microsoft.com/kb/857444

**Payables Management**

**What it does:**
- Resets various Year-To-Date fields to zero. (See list on the Microsoft instructions)
- These fields are seen on SmartLists, Vendor Yearly Summary Inquiry Screen, and Payables Management Summary Reports.
- This process is NOT date sensitive. IE if you run it on 1/15 when $100 in January checks are posted, it will not reset the Year-to-date payments to $100, it will set it to ZERO.
- This DOEs NOT affect what transactions can be posted. Before and after running the close process you can post AP transactions for both the new and the old years. Transaction Posting is controlled by the “Purchasing” Series box being checked on the Fiscal Period Setup screen (Tools > Setup > Company > Fiscal Periods).

**When should it be run?**

Ideally, after all December transactions and checks are entered and before any January transactions or checks are entered.

Since, in the “real world” there is no such time, we recommend running it as soon as possible in January – When the bulk of your December AP Transactions are completed and before you do any major January transaction entry or checks.

If you decide you ran it too soon, you can run the Purchasing Year-End close again.

Obviously, numbers in these fields will never be exactly accurate, but they should be close enough for most purposes. Most reports and screens not listed on the Microsoft instructions do not use these fields. They calculate the data accurately from the transaction dates.

This process is separate from the 1099’s. The 1099’s are date-sensitive and can be run before or after the Payables module is closed.

**Warnings:**

First, review the Microsoft year end closing procedures. When you are ready to close, post all transactions and have users exit the system. Always run a backup just before running a close. If the close errors or the power goes out, you will need this backup to restore your GP system.

**Other “Housekeeping” you may wish consider at year end:**
- Tools > Routines > Purchasing > Remove Completed Purchase Orders - Only for closed documents. This completely removes any record of the Purchase Order. Obviously, use great caution but at some point POs older than a certain date are not useful and you may wish to remove them.

http://support.microsoft.com/kb/875169
Inventory

What it does - overview:

- Resets various fields. Also has various “Housekeeping” options that can be selected. See below for greater details.
- This process is NOT date sensitive. IE if you run it on 1/15 when a quantity of 10 has been posted from January sales, it will not reset the Year-to-date sales to a quantity of 10, it will set it to ZERO.
- This DOES NOT affect what transactions can be posted. Before and after running the close process you can post SOP and Inventory transactions for both the new and the old years. Transaction Posting is controlled by the “Inventory” (and “Sales” for SOP) Series box being checked on the Fiscal Period Setup screen (Tools > Setup > Company > Fiscal Periods).

What it does – specific:

- Transfers all summarized current-year quantity, cost and sales amounts to transaction history for the Items for which you have been keeping summarized sales history.
- Updates the amount in the item's Beginning Quantity field to the Quantity on Hand field at each site. Certain reports, such as the Turnover Report, use the amount in the Beginning Quantity field for report calculations.
- Zeros the Quantity Sold field in Item Quantities Maintenance window for each site.

Optional boxes:

- Discontinue Items - Removes any discontinued Items from the Item records that have been completely sold.
- Sold Lot Attributes - Removes any lot attributes from the records of lot numbered items if they have been completely sold.
- Sold Receipts and Cost Change History prior to?? (User specified date) - Removes purchase receipts for items that have been completely sold. Cost change information is saved to history when the standard cost is changed for a LIFO periodic item or a FIFO periodic item, or when the current cost is changed for an average perpetual item.
- Update: Item’s Standard Cost - Updates the standard cost of each item to the current cost ONLY if you use either the FIFO periodic or LIFO periodic valuation method.

When should it be run?

If you choose to run the Inventory Year-End close, you will wish to run it when you have completed your December Sales Order Processing and before posting any SOP Invoices for January.

Warnings:

First, review the Microsoft year end closing procedures*. When you are ready to close, post all transactions and have users exit the system. Always run a backup just before running a close. If the close errors or the power goes out, you will need this backup to restore your GP system.

*This talks about doing a stock count, while it may too good to do a year-end stock count; this is not a necessary step for the Module closing process.

https://mbs.microsoft.com/customersource/documentation/howtodocuments/msdgpinvencontmod.htm?printpage=false&stext=inventory year-end