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Year-End Processing in Dynamics GP

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Introduction

Charles Allen

- Managing consultant
- More than 26 years experience
- Microsoft MVP



Year-End Closing Agenda

- 9:00 - 9:05 Introduction
- 9:05 - 9:45 Payroll
- 9:45 - 10:15 Fixed Assets
- 10:15 - 10:20 Break
- 10:20 - 10:50 Inventory
- 10:50 - 11:10 Payables Management
- 11:10 - 11:30 Receivables Management
- 11:30 - 12:00 General Ledger



Payroll & HR



Payroll Year-End Closing Procedures

- **Changes this year**
 - No W-2 or W-3 form changes
 - No EFW2 changes (electronic filing, due 1/31)
 - 1099-INT – form change (Box 12)
 - Fixed Asset Luxury Auto Depreciation changes (Path Act)
 - Payables 1096 form change
 - Affordable Act changes
 - Product quality fixes



Payroll Year-End Closing Procedures

- **Important notes about year-end update**

- Inclusive of all previous updates for same version of GP
- Includes fixes to modules in addition to form changes
- Make sure you verify all customizations & third-party products are compatible
- GP 2016 update includes 2016 R2
- No 2010 updates



Payroll Year-End Closing Procedures

- **Where to find year-end update files**

- GP 2013
<https://mbs.microsoft.com/customersource/northamerica/GP/downloads/tax-regulatory-updates/usgpye2013>
- GP 2015
<https://mbs.microsoft.com/customersource/northamerica/GP/downloads/tax-regulatory-updates/usgpye2015>
- GP 2016
<https://mbs.microsoft.com/customersource/northamerica/GP/downloads/tax-regulatory-updates/usgpye2016>



Payroll Year-End Closing Procedures

- **Installing year-end update**

- Make a backup of all GP-related databases
- Back up your forms & reports dictionaries
- Get updates for all ISV solutions & customizations
- Export all modified reports & forms to package file
- Turn on dexsql.log file creation
- Back up GP folder on server
- Allow plenty of time; at least 15 to 30 minutes per database
- To apply update, right-click on MSP file & choose Apply



Payroll Year-End Closing Procedures

- **Verify version of GP**

- 2013 – 12.00.2130
- 2015 – 14.00.01010
- 2016 – 16.00.0552



Payroll Year-End Closing Procedures

- (Required) Verify version of GP you are using
- (Required) Complete all pay runs for 2016
- (Optional) Complete all monthly & quarterly procedures for payroll
- Back up Dynamics & company databases
- (Required) Close Payroll Year, Tools >> Routines >> Payroll >> Year-End Closing
- (Recommended) Make backup of databases
- (Recommended) Verify W-2 & 1099-R statement information



Payroll Year-End Closing Procedures

- (Optional) Print W-2 statements & W-3 transmittal form
- (Optional) Print 1095-C forms & electronically file 1094-C
- (Optional) Print 1099-R Validation Report, 1099-R forms & 1096 Transmittal form
- (Required) File your taxes
- (Optional) Archive inactive employee HR Information
- (Required) Set up fiscal periods for 2017



Payroll Year-End Closing Procedures

- (Optional) Delete HR information for inactive employees
- (Optional) Close fiscal periods for payroll series in 2016
- (Required) Install payroll tax update for 2017
 - Maintenance >> U.S. Payroll Updates >> Check for Tax Updates
 - You will need your authorization number – this is usually your main phone number with area code – check CustomerSource account information



Payroll Year-End Closing Procedures

- 2017 Round One tax update scheduled for mid-December release
- 2017 Round Two tax update scheduled for mid-January 2017



Payroll Year-End Closing Procedures

- Verify year-end update has been applied
- Open Payroll Setup window (Microsoft Dynamics GP Menu >> Tools >> Setup >> Payroll >> Payroll) & check last year-end update date — it should be 11/18/2016



Payroll Year-End Closing Procedures

- **Magnetic media filers take note**
 - Confirm registration with SSA
 - Complete all pay runs in 2016
 - Create Year-End Wage file
 - Verify W-2 amounts
 - Confirm that no one updates W-2 data while electronic filing is in process



Payroll Year-End Closing Procedures

- Dynamics GP supports electronic filing of Federal W-2 data
- Dynamics GP does not support electronic filing of 1099-R, SUTA forms or state W-2 forms
- Greenshades provides electronic filing solutions for GP



Originating Tables for W-2

Table	Usage
UPR00100/UPR00102	Employee name & address
UPR00400	Pay Code W-2 box information
UPR00500	Deductions & W-2 box information
UPR00600	Benefits & W-2 box information
UPR00900	Federal Wages & Withholding
UPR30301	State & Local Tax Wages & Withholding

See W-2 Data Source PDF for more information



W-2 Data is Stored Here

Table	Usage
UPR10100	Year-end header
UPR10101	Employee W2 amounts
UPR10103	Pension information
UPR10104	Special amount information
UPR10105	State tax information
UPR10106	Local tax information
UPR10107	Other amount information



What's New in 2015 & 2016

- Print W-2 forms from GP with lines! No more forms to buy (2016 R2 users only)
- Publish W-2 forms for employee self-service (GP 2015 Year-End Update)



ACA Forms & Filing

- Deadline is March 2, 2017 (a change!)
- GP does not produce an electronic file
- You can add dependents in Edit W-2 window
- New codes – 1J & 1K (Ask your tax accountant)
- Data can be uploaded directly into year-end tables (ask us for a template)
- Use HR Health Benefit Enrollment window to add data for employees
- 1094-B & 1095-B forms are not supported



Payroll Year-End Closing Procedures

- For more information, consult Payroll User Guide or Microsoft's MSDN blog



Payroll Year-End Closing Procedures

- End Payroll



Fixed Assets



Effects of Closing Year

- **Items updated during close**
 - Updates Begin Quantity on Asset General Information
 - Clears YTD Maintenance amount
 - Clears YTD Depreciation amount
 - Copies Cost Basis amount to Begin Year Cost
 - Copies LTD Depreciation to Begin Reserve
 - Copies Salvage Value to Begin Salvage
 - Increases Current Fiscal Year by one on Book Setup



Fixed Assets Year-End Closing

- **Changes this year**
 - Luxury Auto Maximum Depreciation Deduction Amounts have been updated to comply with IRS Guidelines
 - Maximum depreciation deduction amounts for luxury vehicles have been updated for assets placed in service in calendar years 2015 & 2016 (Path Act)



Fixed Assets Year-End Closing

- Perform all year-end closing for payables
- Enter all fixed asset transactions for year
- Depreciate all assets through end of year for all books (Use last day of year as Through Date)
- Perform GL Posting through end of year
- Run year-end reports
- Verify Fixed Asset calendar is built correctly
- Verify quarters are set up correctly
- Perform year-end closing routine for all books



Important Information

- You should not manually update year on Book Setup window (Financial Area >> Setup >> Fixed Assets >> Book)
- In GP 2015, a new report was added that is optional. Report is a status report of all assets affected by close



Fixed Assets Year-End Closing

- **Reports to print**
 - Annual Activity
 - Additions
 - Retirements
 - Transfers
 - Depreciation Ledger
 - Property Ledger
 - Fixed Asset to General Ledger Reconciliation
 - Book to Book Reconciliation
 - Book to Book YTD Depreciation Comparison



Fixed Assets Year-End Closing

- For more information, consult Fixed Assets User Guide or Microsoft's MSDN blog

<https://community.dynamics.com/gp/b/dynamicsgp/default.aspx>

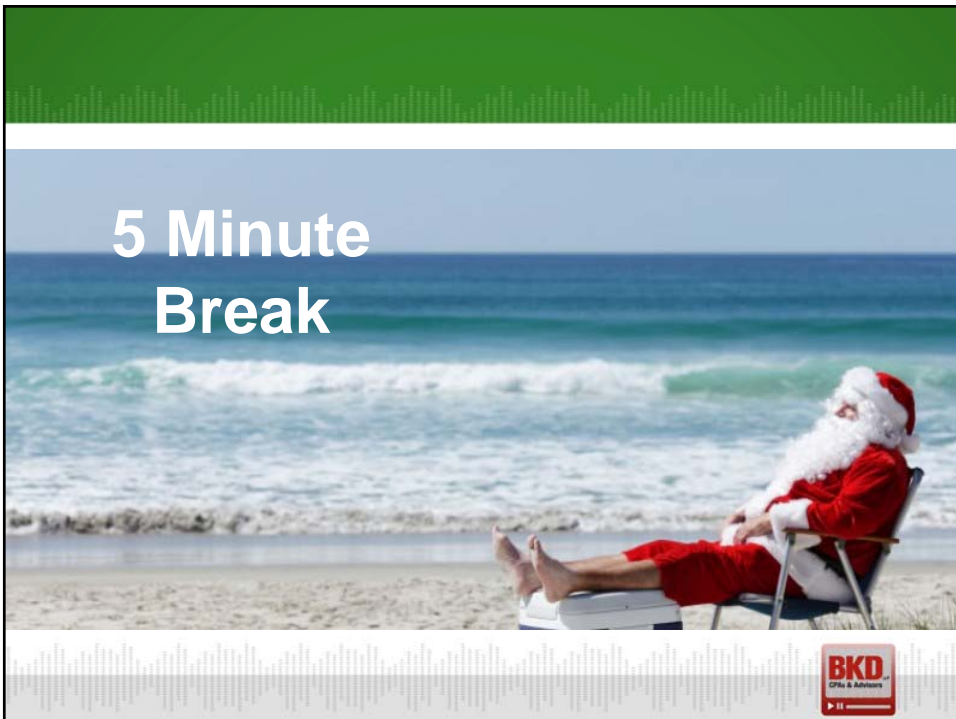


Fixed Assets Year-End Closing

- End Fixed Assets



5 Minute
Break



Inventory



Effects of Closing Year

- **Closing year for inventory**
 - Updates each item's beginning quantity to be quantity on hand at each site
 - Quantity sold field for each item is reset to zero
 - Updates Last Year amounts & zeroes out This Year amounts
- **Optional**
 - Remove discontinued items
 - Remove sold purchase receipts
 - Remove sold lot attributes
 - Update standard costs of items



Inventory Year-End Closing Tips

- If you mark Update Item's Standard Cost, Standard Cost for any Items assigned FIFO periodic or LIFO periodic, Valuation Method will be adjusted automatically to reflect each item's current cost
- Current cost is amount you most recently paid for item
- Inventory has no year-end closing report



Inventory Year-End Closing Procedures

- Post all transactions for year affecting inventory quantities
- Reconcile inventory quantities (SOP → POP → IV)
- Complete physical inventory count & post any adjustments
- Print additional reports
- Back up your company database
- Close year
- Close fiscal periods for inventory series (optional – but recommended)
- Back up your company database



Physical Inventory

- Create stock count schedule
- Start count – this “freezes inventory”
- Stock print options allows you to print count sheet
- Physically count inventory
- Enter stock count results



Physical Inventory – Other Options

- ABC analysis
- Physical inventory without Dynamics GP



Inventory Year-End Questions & Answers

- **Question**

How is Average Cost of Item updated throughout year & during year-end closing process when using Average Perpetual Method of Costing?

If using Average Perpetual Costing Method, all Receipts for each Item will be averaged to determine Average Cost. Average doesn't change until another Purchase Receipt for Item is posted to Inventory Purchase Receipts File. Year-end closing process doesn't change Average Cost, but it will remove Purchase Receipts completely sold



Inventory Year-End Questions & Answers

- **Question**

Can Inventory Year-End Closing window (Routines | Inventory | Year-End Close) be used throughout year to update standard Cost of Items if using Periodic Valuation Method?

This is not recommended because Beginning Quantity field is updated during year-end closing process



Inventory Year-End Closing

- For more information, consult Inventory User Guide or Microsoft's MSDN blog

<https://community.dynamics.com/gp/b/dynamicsgp/default.aspx>



Inventory Year-End Closing Procedures

- End Inventory



Payables Management



Effects of Closing Year

- Calendar Year-End close updates 1099 YTD & Last Year amounts
- Fiscal Year-End close transfers other YTD amounts to Last Year amounts



Year-End Closing Procedures for Payables

- 1099-INT form was changed
 - Box 12 was named **Bond Premium on Treasury Obligations**
- 1096 Summary form was changed
 - Box 1099 K-10 was moved to first line
 - Box 5498-QA 2A was inserted
 - All boxes were made smaller



Year-End Closing Procedures for Payables

- **Master year-end closing checklist**
 - Post all transactions for year
 - Print Aged Trial Balance with Options report
 - Print Vendor Period Analysis report
 - Install Payroll Year-End Update (Optional)
 - Verify 1099 data
 - Print 1099 statements
 - Close year
 - Close fiscal periods
 - Close tax year



Year-End Closing Procedures for Payables

- **Calendar year-end closing list**
 - Post all transactions for year
 - Print Aged Trial Balance with Options report
 - Print Vendor Period Analysis report
 - Install Payroll Year-End Update (Optional)
 - Verify 1099 data
 - Print 1099 statements
 - Close calendar year
 - Close fiscal periods
 - Close tax year



Year-End Closing Procedures for Payables

- **Fiscal year-end closing checklist**
 - Post all transactions for year
 - Print Vendor Period Analysis report
 - Close fiscal year
 - Close fiscal periods



Printing 1099s

- **Print 1099 statements**
 - Microsoft Dynamics GP menu >> Tools >> Routines >> Purchasing >> Print 1099



Closing Year for Payables

- **Electronic filing of 1099**
 - GP does not support electronic filing of state 1099s
 - Greenshades Software provides product to electronically submit 1099s



Payables Closing Tip

- **Recommendations**

- Post all payables transactions for calendar year before closing year
- Entering future-period payables transactions prior to closing year
 - Enter new year transactions in separate batch
 - Post new year batch after closing year



Payables Closing Questions

- **Question**

Can I remove inactive vendors?

If vendor has no 1099 amounts for year & has no documents in work or history, necessary to purge historical data for vendor to remove it



Payables Closing

- For more information, consult Payables Management User Guide or Microsoft's MSDN blog

<https://community.dynamics.com/gp/b/dynamicsgp/default.aspx>



Payables Year-End Closing Procedures

- End Payables Management



Receivables Management



Effects of Closing Year

- **Clears following fields**
 - Finance Charges Current YTD
 - Total # Finance Charges YTD
 - Total Finance Charges YTD
 - Total Waived FC YTD
 - Unpaid Finance Charges YTD
- **Updates following fields**
 - Finance Charges LYR Calendar
 - Total # FC LYR



Receivables Year-End Closing Procedures

- Post all transactions for year
- Make backup
- Close calendar year
- Close fiscal year
- Close tax year



Receivables Closing

- **Areas not date-sensitive**
 - Amounts since last close
 - Customer finance charge summary = window
 - SmartList objects



Receivables Closing

- **Question**

Why close Receivables Management?

Produce reports for each year's summary data rather than calculating it each time



Receivables Closing

- For more information, consult Receivables Management User Guide or Microsoft's MSDN blog

<https://community.dynamics.com/gp/b/dynamicsgp/default.aspx>



Receivables Year-End Closing Procedures

- End Receivables Management



General Ledger & Analytical Accounting



Effects of Closing Year

- Transfers amounts to transaction & account history
- Reconciles & summarizes General Ledger balances
- Closes P&L accounts to Retained Earnings
- Clears all profit & loss account balances for new year
- Summarizes year-end balance sheet accounts to bring balances forward to new fiscal year
- Removes inactive accounts with zero balances
- Prints Year-End Closing Report
- Updates Unit Account Balances
- Updates AA tables



Analytical Accounting

- Verify AA balances are correct **before** closing year!
- There is no AA-specific routine for closing year
- AA is closed as part of General Ledger close



General Ledger Year-End Closing

- **Pre-close**
 - Because year-end close moves data from one set of data to another by using temporary tables, confirm you have enough hard drive space
 - Must have free disk space equal to size of GL20000 table
 - Your database administrator can aid you with this item



General Ledger Year-End Closing Procedures

- Close all other modules
- Post final adjustments
- Use Accounts SmartList to verify Posting Type (Balance Sheet vs. Profit Loss)
- Confirm Maintain History is marked in Financial Area >> Setup >> General Ledger >> General Ledger
- Print Trial Balance Detail report to file for preservation & verification of data



General Ledger Year-End Closing Procedures

- Print final financial reports
- Set up new fiscal year in fiscal period setup
- Close fiscal year (GP 2013 added a progress bar to this routine)
- Back up your company database



General Ledger Closing Tip

- **Run smart list for GL Accounts & review Posting Type for accuracy!**
- **Remember**
 - Balance Sheet Type accounts will have balance forward in new year
 - Profit & Loss Type accounts will be closed to retained earnings & have zero balance in new year



General Ledger Closing Question

- **Question**

Once I close GL for a year, can I reopen it to post new transactions?

Yes! With GP 2013 & beyond, you can reopen most recent closed year. With all versions of GP, you can post transactions into most recently closed year. You do NOT have to reopen last closed year to post into it



General Ledger Closing Question

- **Question**

I need to print financial reports & trial balance reports for new year prior to closing old year. Can I do this?

Yes. With FRx or Management Reporter, you can create provisional reports to print new year reports prior to closing old year



General Ledger Closing

- For more information, review your General Ledger User Guide or Microsoft's MSDN blog

<https://community.dynamics.com/gp/b/dynamicsgp/default.aspx>



General Ledger Year-End Closing Procedures

- End General Ledger



Resources

- Microsoft Dynamics GP 2016 Year-End Articles
- W-2 Statement Data Source Guide
- Microsoft Dynamics GP Support & Services Blog (<https://community.dynamics.com/gp/b/dynamicsgp/default.aspx>)
- GP User guides



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- Microsoft Dynamics GP – 877.253.7778
Gpsupport@bkd.com
- Monday - Friday, 8 a.m. - 5 p.m.
Support Center toll free



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Happy Holidays




- We wish you & your family a safe & happy holiday
- We hope 2017 brings you much happiness






Charles Allen | Senior Managing Consultant | 713.499.4629 | callen@bkd.com

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