



## AccuBuild Construction Software

<b>Title:</b>	2018 Fiscal Year End Close
<b>Business Owner:</b>	AccuBuild Professional Services Team
<b>Purpose:</b>	The purpose of this document is to provide information and the steps for Fiscal Year End processes.
<b>Date:</b>	12/28/2018

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## 1. **Fiscal Year End Notes**

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The fiscal year end DOES NOT have to be closed prior to entering transactions in the new year. AccuBuild recommends that you keep the fiscal year open until all of your CPA's adjusting entries have been entered into the system so that you can print new reports.

Please note that not all instructions will apply to everyone. For questions, please contact AccuBuild Support at steam@accubuild.com or 1-800-728-6853.

## 2. **Close the Fiscal Year**

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### 2.1. **Run Integrity Tests**

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AccuBuild has a series of integrity tests that can be performed on all master files and detail transaction files in the system to see if any errors exist or if any of the files have become corrupt. The integrity tests can be manually performed by accessing the Integrity Tests options in each system. These tests are also performed automatically during the year end closeout process but it is highly recommended that these tests be performed prior to performing your account reconciliations.

In each system, select **Integrity Tests > All Test**. Click OK to start the process. If integrity test errors are found, contact the AccuBuild Support Team for assistance in clearing the errors.

### 2.2. **Perform Reconciliation Steps**

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It is recommended that you print and save the reports that you have used during your monthly and year end reconciliation. Note: All reports in AccuBuild can be exported to PDF format for archiving. Using the reconciliation worksheet as your guide, keep reports such as the Trial Balance, Jobs in Progress, Completed Contracts, Contract Status Worksheet, Financial Statements, Aging Schedules, etc. to use as your supporting documents. Each company's reporting needs will vary so be sure to familiarize yourself with each report in each system to determine which reports meet your specific needs. Keep in mind that reports that prompt for a cutoff month only (ie. August), rather than a specific date range (ie. 08/01/2000), are only available in the current fiscal year. These reports should be printed and saved before you close the fiscal year end.

**Note:** To assist you with the Month End and Year End Reconciliation process, there are step by step instructions listing all reports to run and print/save in . You can find this information later in this document, in the section [“General Ledger Reconciliation Worksheet.”](#)

### 2.3. Backup Data and Create Reporting Company for Prior Year

Be sure that you have a current backup of your data and ask all other AccuBuild users to exit the program completely. You must be the only user in the system when closing the month or year.

As an option, you can set up a new company in AccuBuild to hold a copy of your data as it appeared before the fiscal year was closed. Simply restore the backup of the data that you made into the new company. You can then print any report for that fiscal year from that company. We highly recommend that you limit user access to the archived company so that new data is not accidentally added to this file.

Note: Please note that the system will automatically make a backup of your data during the month end and fiscal year end processes. These files are stored in your company data folder as FY\*.zip and ME\*.zip files and can be used to restore your data into a new company.

### 2.4. Update Configuration System Date, if not closing each Month

If no integrity test errors were found in Step 2.1 [“Run Integrity Tests.”](#) then go to **File > System Administrator > Configuration > Accounting Tab**. If you have not closed the individual months during the fiscal year, then you can manually update the system to close the fiscal year.

- First, note the Fiscal Year End date. NEVER MANUALLY CHANGE THE FISCAL YEAR END DATE IN AN ATTEMPT TO ROLL THE YEAR. If your fiscal year end date is December 31, then the system cutoff date must be set to December 1. The payroll cutoff date may be set to January 1 of the new calendar year.
- If your fiscal year end is in any month other than December, then you will need to change both the system cutoff and the payroll cutoff dates to the same month as the fiscal year end. See the table below for examples.

Although the payroll cutoff date must be in the new calendar year in order to print payroll checks, the payroll cutoff date must be temporarily changed back to the prior year so that the fiscal year end procedure can be completed. (This step is not necessary if your year end is December 31.)

Once the year end close is completed, the payroll cutoff date must then be manually updated to January 1 of the new calendar year so that the payroll checks can continue to be processed.

Fiscal Year End Date	System Cutoff Date	Payroll Cutoff Date
12/31/2018	12/01/2018	01/01/2019
11/30/2018	11/01/2018	11/01/2018
10/31/2018	10/01/2018	10/01/2018
09/30/2018	09/01/2018	09/01/2018

- Be sure that the 'Enable Prior Period Transactions' option is NOT checked so that new entries cannot be posted to the period you are closing, nor any period before that.
- Click OK to save any changes you may have made.

## 2.5. Proceed to Close Fiscal Year

The fiscal year end close is performed through the **File > System Administrator > Month End** menu option. AccuBuild will compare the System Cutoff date to the Fiscal Year End date, and if the system cutoff date is in the same month as the fiscal year end date, then the system will close the fiscal year end.

The system will perform the integrity tests during the year end closeout process. The system will perform the same series of integrity tests, as performed manually, and will notify you if any errors exist. Please contact the AccuBuild Support Team to assist you with correcting any errors.

If no integrity test errors have been found, then the system will perform the following tasks listed below.

- Create an internal backup of your data and store it as a YE\*\*\*\*.zip file in your \accubld8\companyname\ folder.
- Close each system one at a time by updating the various date accumulators in the system.
- Post the net profit or loss into the retained earnings account as defined in the **Ledger > Properties**

- Reset all Income Statement type account balances to zero .
- Calculate prior year balances for the job cost system. These calculations may take some time depending on the amount of data that is in your company tables so please be patient and let the program finish the calculations. Do not end the task even if the program says it is not responding. Ending the program during the year end procedure could result in data corruption.

The program will complete the year end process by updating the system configuration dates with the new accounting period dates. For example, if fiscal year end November 30, 2018 is closed, the fiscal year end date will be changed to November 30, 2019 and the system and payroll cutoff dates will be changed to 12/01/2018. In this scenario, the payroll date would need to be manually changed to 01/01/2019 so that payroll checks can continue to be processed in the new year. See Step 2.4 above.

## 2.6. Print Trial Balance

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Once the fiscal year end has been closed, print a new **Reports > Ledger > Trial Balance - Current Year** (GLREP02.656) for the first month of your new fiscal year to verify that the beginning balances in the general ledger are accurate. Remember, all income statement accounts should have a beginning balance of zero and the prior year's profit and loss will be included in the retained earnings beginning balance.

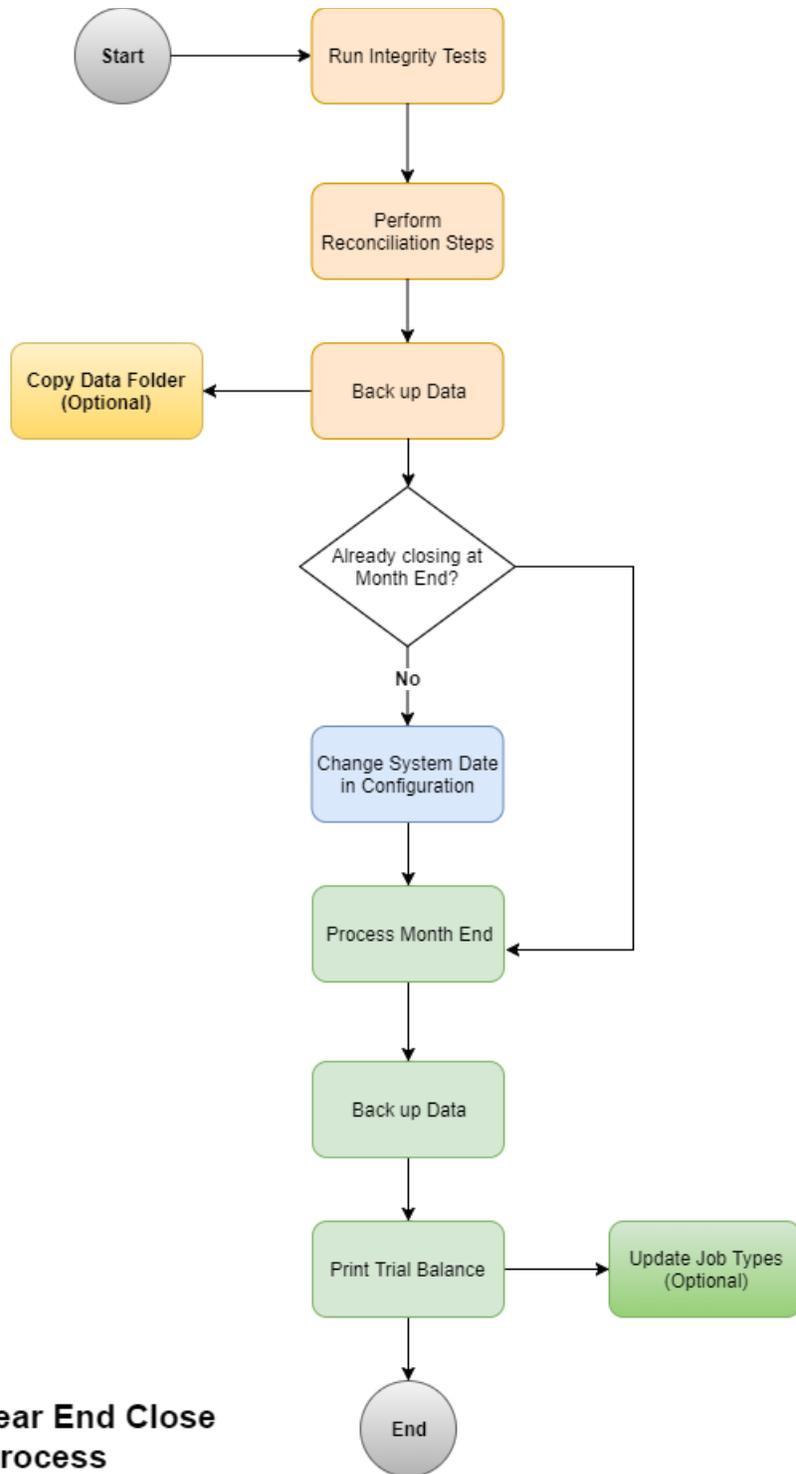
If you find that one of your income statement accounts did not get updated with a zero balance, then please contact the AIB Support Team for assistance in correcting this issue.

## 2.7. Update Job Types (Optional)

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This is now a good time to change the Job type on any job that was completed in the prior fiscal year from 'Contract' to 'Other'. This will prevent the job from appearing on the Completed Jobs Schedule in the new fiscal year unless the 'Other' jobs are included in the report. The Job Type field is located on the **Job Cost > Update Jobs > Contract Status Tab**.

2.8. Fiscal Year End Process



**Fiscal Year End Close Process**



### 3. Reopen a Fiscal Year that was Inadvertently Closed

Once a fiscal year is closed in AB, it is not recommended that you reopen that fiscal year for the most part. If you need to be able to reprint job cost reports for a specific period in the closed year, then we suggest setting up a separate company to hold a copy of that data as it looked before the fiscal year was closed. User access to this backup company would be limited to a user with System Admin access and would be used for printing reports only; no data entry.

If you have inadvertently closed a fiscal year and need to reopen it, then please contact AIB support for assistance.

### 4. Enter a Prior Period Adjustment After the Fiscal Year is Closed

In order to process any adjustment to the prior fiscal year, the *Allow Prior Period Transactions* option will have to be temporarily enabled. Keep in mind that ALL USERS are affected by this setting and can post to a closed period until this setting is disabled. Please refer to the **System Administrator > Configuration > Accounting** documentation for more information on enabling prior period transactions.

Note: The following documentation is new for 2018. The 'Post Closing Journal' option is no longer recommended for prior fiscal year adjustments. The new steps noted below are more compatible with the MAR reports.

Depending on the accounts that need to be adjusted, there are a couple of options for making the prior year adjustments.

- Scenario 1 - Move funds between Income Statement accounts.
  - Income Statement accounts do not carry a beginning balance in the AIB Chart of Accounts, therefore a **General Journal** entry may be entered to the proper accounts for the date desired.
  - The **Reports > Ledger > Trial Balance By Date Range** and other MAR reports will reflect these entries.
- Scenario 2 - Move funds between Balance Sheet accounts or move funds between Balance Sheet and Income Statement accounts

Balance Sheet accounts carry a beginning balance in the AIB Chart of Accounts and general journal entries cannot automatically update the beginning balances. Adjustments to Income Statement accounts that do not net to zero will need to impact the Retained Earnings account. The following items must be completed in order to update the balances.

- Print and archive the **Reports > Ledger > Trial Balance By Date Range** dated for the prior fiscal year (ie 01/01/2017 through 12/31/2017) before making your adjustments.
- Enter your adjustments as a **General Journal** entry dated in the prior year to all affected accounts.
- For all **Balance Sheet type accounts** that received an adjusting entry, you will need to manually calculate the new beginning balance for the account. Using the archived *Trial Balance By Date Range (Before Adjustments)*, add your adjusting entries from the 'Ending Balance' amount on the report.
- For all **Income Statement type accounts** that received an adjusting entry, manually calculate the net value of your adjustments to this account type. This value is the net profit or loss that will need to affect your Retained Earnings account.
  - Using the *Trial Balance By Date Range (Before Adjustments)*, take the 'Ending Balance' for the Retained Earnings account plus the Net Income or Loss from the SAME Trial Balance to calculate what the Retained Earnings was BEFORE your adjusting entries. Then add the net profit or loss from your adjusting entries to determine the final Retained Earnings balance. This new amount is what will be used as the Prior Years Balance for the retained earnings account in the next step.
- Go to **Ledger > Chart of Accounts** and select the appropriate balance sheet account. Click Edit and update the Prior Years Balance field with the new value. Click Save. Repeat this process for each balance sheet account affected by the adjustments, including Retained Earnings.
- Go to **Ledger > Integrity Tests**
  - **Update GL Master Totals.** This step is very important to ensure that the various account accumulators have been updated.

- **All Tests.** This step is very important to test that the general ledger is in balance. Please contact AIB Support at 800-728-6853 or [steam@accubuild.com](mailto:steam@accubuild.com) for assistance if your ledger is out of balance.

## 5. General Ledger Reconciliation Worksheet

Follow the outline below as a guide to reconciling the system on a monthly basis and again at Year End.

General Ledger Reconciliation for Month Ending ___/___/___	
1.	Before beginning any reconciliation, be sure to make a <b>backup</b> of your data and then <b>index the company tables</b> . The time required to create the selected index files varies with the type of file and the number of records in the file. <b>NEVER TURN OFF OR RESTART YOUR COMPUTER DURING THE INDEX PROCESS, OTHERWISE THE DATA FILES MAY BECOME CORRUPTED.</b> If the system cannot re-index the files, an error message will be displayed. Select the Print Button for a hard copy of the progress information and call AccuBuild's technical support staff for assistance.
2.	Run all of the <b>integrity tests</b> within each system. Be sure to run the 'update' options found in the integrity tests menu (with the exception of the <b>Update Prior Years Revenue</b> option in the Job Cost system) before performing the 'All Tests' option. Again, if any errors are encountered, please contact AccuBuild for assistance before proceeding to the next step.
3.	Print the <b>Reports &gt; Ledger &gt; Trial Balance - Current Year</b> report for the period that you are reconciling. The report totals on the last page of the report should be zero for all four columns. If these totals are not zero, then the debits and credits are out of balance in the general ledger and must be corrected.  <b>Hint:</b> Print the <b>G/L Detail Report - Batch Order</b> (summary option) for the period to determine which batch is out of balance. Typically, an out of balance batch may be caused by posting a single-sided general journal entry. If you cannot determine the cause of the error, please contact AIB Support staff for assistance.
4.	Reconcile all bank accounts to the corresponding account balances in the General Ledger.

5.	<p>Reconcile the <b>Reports &gt; Receivables &gt; Accounts Receivable Aging Schedule</b> to the corresponding account(s) in the <i>Trial Balance - Current Year</i>. The aging schedule prints a total on the last page of the report called <b>Total Balance Due</b>, and this is the figure to compare to the Trial Balance. The AccuBuild system uses up to 3 different account numbers for receivable amounts depending on the setup in the accounts receivable properties and the job cost properties.</p>
	<p>Account _____ - A/R - Current                      _____ (G/L Trial Balance)</p> <p>Account _____ - A/R - Retention                      _____ (G/L Trial Balance)</p> <p>Account _____ - A/R - Misc (Other)                      _____ (G/L Trial Balance)</p> <p>Total A/R from General Ledger Balances:                      _____ (Total all accounts)</p> <p>A/R Aging - <b>Total Balance Due</b>:                      _____ (A/R Aging Sched)</p>
	<p><b>Note:</b> If you have a separate account in the General Ledger for the <b>A/R - Retention</b> account, then this account should represent the amount of retention that has been earned and withheld for all projects to date. Once the retention is billed in the system, the amount is automatically moved to the <b>A/R - Current</b> account. To verify the amount of unbilled retention on the G/L Trial Balance, run the <b>Reports &gt; Job Cost &gt; Contract Status Info</b> report (JCREP06C.532). Be sure to check the <b>Include "Other" Jobs</b> option so that all jobs are included in the report. Once the report is complete, the total amount of <b>Unbilled Retention</b> from this report can be reconciled to the <b>A/R - Retention</b> account on the trial balance.</p>
	<p><b>Hint #1:</b> <i>If the accounts receivable doesn't reconcile, then review the general ledger detail report to see what type of entries have been posted to the A/R account(s). The SC column displays the source code for each entry. The only type of entries that should be posted to any A/R account are sales invoices (SC 20, 30) and cash receipts (SC 35, 36, 38). Any other type of entry (ie. SC 50 General Journal) will NOT affect the A/R aging schedule and, therefore, the two reports would not reconcile.</i></p>
	<p><b>Hint #2:</b> <i>If the discrepancy is not caused by the issue in Hint #1, then an invoice or a cash receipt entry may have been debited <b>and</b> credited to the same A/R account. The net effect would be zero in the general ledger but the aging schedule would reflect the entry. Print the <b>Sales Journal Report</b> and the <b>Cash Receipts Report</b>, both are located in the Receivables system, to review the G/L accounts used for each entry.</i></p>

6.	<p>Reconcile the <b>Reports &gt; Payables &gt; Accounts Payable Aging Schedule</b> to the corresponding account(s) in the <i>Trial Balance - Current Year</i>. The aging schedule prints a total on the last page of the report under the Gross column and this amount should be in balance with the general ledger account(s). AccuBuild uses up to 3 different account numbers for payable amounts depending on the setup in the accounts payable properties and the job cost properties.</p>
	<p>Account _____ - A/P - Regular _____ (G/L Trial Balance)</p> <p>Account _____ - A/P – Subs _____ (G/L Trial Balance)</p> <p>Account _____ - A/P – Retention _____ (G/L Trial Balance)</p> <p>Total A/P from General Ledger Balances: _____ (Total all accounts)</p> <p>A/P Aging – Gross Column: _____ (A/P Aging Sched)</p>
	<p><b>Hint #1:</b> <i>If the accounts payable doesn't reconcile, then review the general ledger detail report to see what type of entries have been posted to the A/P account(s). The SC column displays the source code for each entry. The only type of entries that should be posted to any A/P account are payable invoices (SC 40, 41, 43), cash disbursements (SC 45), and joint check cash receipts (36). Any other type of entry (ie. SC 50 General Journal) will NOT affect the A/P aging schedule and, therefore, the two reports would not reconcile.</i></p>
	<p><b>Hint #2:</b> <i>If the discrepancy is not caused by an erroneous source code, then a payable invoice, cash disbursement or joint check cash receipt entry may have been debited <b>and</b> credited to the same A/P account. The net effect would be zero in the general ledger but the aging schedule would reflect the entry. Print the <b>Purchase Journal Report</b> and the <b>Cash Detail Report (Check Order – Detail)</b>, both are located in the <b>Reports &gt; Payables</b> section, to review the G/L accounts used for each entry. Joint check cash receipt entries can be reviewed on the <b>Reports &gt; Receivables &gt; Cash Receipts Report</b>.</i></p>
7.	<p>The job cost and the general ledger should be reconciled for sales, direct costs and accounts receivable. Begin by printing the <b>Reports &gt; Job Cost &gt; Contract Status Spreadsheet Report</b>. Be sure to check the 'Include "Other" Jobs option so that all jobs are included in the report. Once the report is complete, the report totals can be reconciled to the general ledger totals as follows:</p>

	<p>Account _____ - A/R - Current _____ (G/L Trial Balance)</p> <p>Account _____ - A/R - Retention _____ (G/L Trial Balance)</p> <p>Account _____ - A/R - Misc _____ (G/L Trial Balance)</p> <p>Total A/R from General Ledger Balances: _____ (Total all accounts)</p> <p>Spreadsheet Current A/R Total (B8): _____ (Spreadsheet)</p> <p>Remember to exclude non-job invoices from the A/R aging schedule when comparing to the Job Spreadsheet report.</p> <p>Construction Income (Sales) Account(s): _____ (Total all accounts)</p> <p>Spreadsheet Curr Year Billings Total (B3): _____ (Spreadsheet)</p>
	<p>The over/under billing adjustments should be made with a general journal entry and should not be coded to a job. A journal entry is considered a cost when coded to a job/phase so only the general ledger accounts should be entered on the transaction. With that in mind, if you code your over/under billing adjustment to your normal income/sales account, then there would be a discrepancy between the general ledger and the Current Year Billings total (B3). Therefore, consider setting up a separate income account for the over/under billing adjustments so that it is easier to tie column B3 to the G/L.</p>
	<p>Direct Cost (Cost of Sales) Account(s): _____ (Total all accounts)</p> <p>Spreadsheet Curr Year Actual Costs (A6): _____ (Spreadsheet)</p>
	<p>If the year to date expenses from the job schedules do not agree:</p> <p>a.) Print the <b>Reports &gt; Job Cost &gt; List of Linked Jobs</b> to determine if a job is linked incorrectly. If a job is linked to an invalid job number, then the job will not be included in the job cost reports but the transactions will show up on the G/L reports.</p> <p>b.) Print the <b>Reports &gt; Job Cost &gt; Job vs General Ledger Comparison - By Account</b></p>

	<p><b>Report</b> and be sure to enable the <i>Account Totals Only</i> option to get a summary total for each G/L account. Compare the year-to-date totals from this report with the year-to-date totals from the <i>Trial Balance - Current Year</i> report. If any differences are found, then run a general ledger detail report by account number order for the account(s) that are out of balance to troubleshoot the differences.</p>
8.	<p>If financial statements are being printed, then be sure to verify that the balance sheet is in balance (Total Assets = Total Liabilities + Total Capital). If the statement is not in balance, then a new account may have been added to the Chart of Accounts but not included in the financial statement format, or an account may have been added more than once to the statement.</p>