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## Year-end closing procedures for the Payables Management module in Microsoft Dynamics GP

**Note** Before you follow the instructions in this article, make sure that you have a complete backup copy of the database that you can restore if a problem occurs.

### SUMMARY

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*This article describes the recommended year-end closing procedures for the Payables Management module in Microsoft Dynamics GP. The "More Information" section contains the following information:*

- ▶ *A checklist of the steps that you must follow to complete the calendar year-end closing procedures.*
- ▶ *A checklist of the steps that you must follow to complete the fiscal year-end closing procedures.*
- ▶ *Detailed information about each step in the checklists.*
- ▶ *A list of frequently asked questions.*

### INTRODUCTION

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Read this whole article before you perform the steps. If you have questions, contact Microsoft Dynamics Technical Support.

### MORE INFORMATION

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#### Payables Management master year-end closing checklist

**Note** Use this checklist if you are closing your fiscal year and your calendar year at the same time.

1. [Post all transactions for the year.](#)
2. [Print the Aged Trial Balance with Options report.](#)
3. [Print the Vendor Period Analysis Report.](#)
4. [Install the Payroll year-end update \(optional\)](#)
5. [Make a backup that is named "Pre-1099 Edits."](#)
6. [Verify the 1099 information and edit it if it is required.](#)
7. [Print the 1099 statements.](#)
8. [Make a backup that is named "Pre Year-End."](#)
9. [Close the year.](#)
10. [Close the fiscal periods.](#)
11. [Close the tax year.](#)
12. [Make a backup that is named "Post Year-End."](#)

#### Payables Management calendar year-end closing checklist

**Note** Although the Payables Management module is date-sensitive, the SmartList objects, the Payables Management summary reports, and the **Amounts Since Last Close** view of the Vendor Yearly Summary window are updated based on the closing of the Payables Management module. Therefore, we recommend that you follow these steps so that the SmartList objects, the Payables Management summary reports, and the **Amounts Since Last Close** view of the Vendor Yearly Summary window are correct.

1. Post all transactions for the calendar year.
2. Print the Aged Trial Balance with Options report.
3. Make a backup that is named "Pre-1099 Edits."
4. Verify the 1099 information and edit it if it is required.
5. Print the 1099 statements.
6. Make a backup that is named "Pre Year-End."
7. Close the calendar year.
8. Close the fiscal periods.
9. Close the tax year.
10. Make a backup that is named "Post Year-End."

### Payables Management fiscal year-end closing checklist

1. Post all transactions for the fiscal year.
2. Print the Vendor Period Analysis Report.
3. Make a backup that is named "Pre Year-End."
4. Close the fiscal year.
5. Close the fiscal periods.
6. Make a backup that is named "Post Year-End."

### Detailed information for each step in the year-end checklist

#### Step 1: Post all transactions for the year

Post all transactions for the year before you close the year. If you want to enter future period transactions before you close the year, create a new batch for the future period transactions. Save the future period transactions in the new batch, but do not post the new batch until after the year has been closed.

The following areas of Microsoft Dynamics GP are not date-sensitive:

- ▶ The **Amounts Since Last Close** view of the Vendor Yearly Summary window
- ▶ SmartList objects
- ▶ Vendor Summary reports

These areas of Microsoft Dynamics GP will be incorrect if you do not close the payables year after you enter all 2011 transactions and before you enter all 2012 transactions. However, the **Amounts Since Last Close** view of the Vendor Yearly Summary window is editable. Therefore, you can update the information in the **Amounts Since Last Close** view of the Vendor Yearly Summary window if it is required.

To access the **Amounts Since Last Close** view of the Vendor Yearly Summary window, follow these steps:

1. On the **Cards** menu, point to **Purchasing**, and then click **Summary**.
2. In the Vendor Credit Summary window, type a vendor ID in the **Vendor ID** field, and then click **Yearly**.
3. In the **Summary View** list, click **Amounts Since Last Close**.

To view the SmartList columns that are affected, follow these steps:

1. Open SmartList. To do this, use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, click **SmartList** on the

**Microsoft Dynamics GP** menu.

- ▶ In Microsoft Dynamics GP 9.0, click **SmartList** on the **View** menu.
2. Use the appropriate step:
    - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, expand the **Purchasing** node, and then click **Vendors**.
    - ▶ In Microsoft Dynamics GP 9.0, click **Vendors**.
  3. Click **Columns**.
  4. Click **Add**.
  5. Click the following fields in the **Available Columns** list.
 

**Note** The items flagged with an asterisk are affected by the calendar year-end close. All other items are affected by the fiscal year-end close.

- ▶ **\*1099 Amount YTD**
- ▶ **\*1099 Amount LYR**
- ▶ **Amount Billed YTD**
- ▶ **Amount Billed LYR**
- ▶ **Amount Paid YTD**
- ▶ **Amount Paid LYR**
- ▶ **Average Days To Pay - Year**
- ▶ **Discount Available LYR**
- ▶ **Discount Available YTD**
- ▶ **Discount Lost LYR**
- ▶ **Discount Lost YTD**
- ▶ **Discount Taken LYR**
- ▶ **Discount Taken YTD**
- ▶ **Finance Charge LYR**
- ▶ **Finance Chare YTD**
- ▶ **Number of Finance Charges LYR**
- ▶ **Number of Finance Charges YTD**
- ▶ **Number of Invoice LYR**
- ▶ **Number of Invoice YTD**
- ▶ **Number of Paid Invoice YTD**
- ▶ **Returns LYR**
- ▶ **Returns YTD**
- ▶ **Trade Discounts Taken LYR**
- ▶ **Trade Discounts Taken YTD**
- ▶ **Withholding LYR**
- ▶ **Withholding YTD**
- ▶ **Write Offs LYR**
- ▶ **Write Offs YTD**

6. Click **OK**.
7. Click **OK**.

To view the Vendor Summary reports, follow these steps:

1. On the **Reports** menu, point to **Purchasing**, and then click **Analysis**.
2. In the **Reports** list, click **Calendar Year**.
3. In the **Options** list, click an option, and then click **Print**.

**Step 2: Print the Aged Trial Balance with Options report**

We recommend that you print a paper copy of the Aged Trial Balance with Options report to keep with your year-end permanent financial records. To do this, follow these steps:

1. On the **Reports** menu, point to **Purchasing**, and then click **Trial Balance**.
2. In the **Reports** list, click **Aged Trial Balance with Options**.

**Step 3: Print the Vendor Period Analysis report**

We recommend that you print a paper copy of the Vendor Period Analysis report to keep with your year-end permanent financial records. To do this, follow these steps

1. On the **Reports** menu, point to **Purchasing**, and then click **Analysis**.
2. In the **Reports** list, click **Period**.

**Step 4: Install the Payroll year-end update (optional)**

If there are compliance changes for Payables Management, such as 1099 form changes, install the Payroll year-end update. If there are no changes or compliance issues for the tax year for Payables Management, you may skip this step.

Review the changes that are included in the Payroll year-end update. To do this, visit the appropriate Microsoft Web site:

Customers

<https://mbs.microsoft.com/customersource/downloads/taxupdates>

(<https://mbs.microsoft.com/customersource/downloads/taxupdates>)

Partners

<https://mbs.microsoft.com/partnersource/support/selfsupport/taxupdates/>

(<https://mbs.microsoft.com/partnersource/support/selfsupport/taxupdates/>)

**Step 5: Make a backup that is named "Pre-1099 Edits"**

Create a backup, and then put the backup in safe, permanent storage. A backup gives you a permanent record of the company's financial position at the end of the year, and this backup can be restored later if it is required. A backup lets you recover data quickly if a power fluctuation or other problem occurs during the year-end closing procedure.

To create a backup in Microsoft Dynamics GP, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Maintenance** on the **Microsoft Dynamics GP** menu, and then click **Backup**.
  - ▶ In Microsoft Dynamics GP 9.0, click **Backup** on the **File** menu.
2. In the **Company Name** list, click your company name.
3. Change the path of the backup file if it is required, and then click **OK**.
 

**Note** We recommend that you name this backup "Pre-1099 Edits" to differentiate it from your other backups.

**Step 6: Verify the 1099 information and edit it if it is required**

To print the 1099 edit list, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Routines**, point to **Purchasing**, and then click **Print 1099**.
  - ▶ In Microsoft Dynamics GP 9.0, point to **Routines** on the **Tools** menu, point to **Purchasing**, and then click **Print 1099**.
2. On the **File** menu, click **Print**.

To edit the 1099 information for a vendor, follow these steps.

### Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010

To open the "1099 Details" window, use one of the following methods.

#### Method 1

1. On the **Cards** menu, point to **Purchasing**, and then click **1099 Details**.
2. In the **Vendor ID** list, click a vendor ID.
3. In the **Tax Type** list, select one of the following:
  - ▶ **Dividend**
  - ▶ **Interest**
  - ▶ **Miscellaneous**
4. In the **Display** area, click **Month** or **Year**, and then type **2011** in the **Year** field.
5. In the **Amount** column, type the correct 1099 amount.
6. Click **Save**.

#### Method 2

1. On the **Cards** menu, point to **Purchasing**, and then click **Summary**.
2. In the **Vendor ID** list, click a vendor ID, and then click **Period**.
3. In the **Year** field, type **2011**.
4. In the **Month/Period** field, select the appropriate month or period.
5. Click the "1099 Details" button that appears next to the **1099 Amount** field.
6. In the **Amount** column, type the correct 1099 amount.

### Microsoft Dynamics GP 9.0

1. On the **Cards** menu, point to **Purchasing**, and then click **Summary**.
2. In the **Vendor ID** field, type the ID of the vendor whose 1099 amounts you must edit, and then click **Period**.
3. In the **Year** field, type **2011**.
4. In the **Month/Period** field, type the number of the period that you must edit.
5. In the **1099 Amount** field, type the correct 1099 amount.
6. Click **Save**.

### Step 7: Print the 1099 statements

**Note** You can do this at any time.

To print the 1099 statements, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Routines**, point to **Purchasing**, and then click **Print 1099**.
  - ▶ In Microsoft Dynamics GP 9.0, point to **Routines** on the **Tools** menu, point to **Purchasing**, and then click **Print 1099**.
2. In the **1099 Year** field, type **2011**.
3. Each of your 1099 report types must be printed separately. In the Print 1099 window, click the options that you want in the **1099 Type** field and in the **1099 Box Number** field, and then click **Print**.

The following table provides additional information about the fields on the 1099 form and where this information can be located in Microsoft Dynamics GP.

Field	window where data is located
Payers name, street address, city, state, and ZIP Code/Postal Code	Print 1099 window
Payers Federal Identification number	Print 1099 window
Recipients name, address, and Zip Code/Postal Code	<b>Primary Address</b> of the Vendor Maintenance window
Recipients identification number	<b>Tax ID</b> field of the Vendor Maintenance Options window
Amounts for boxes 1-9 on the Dividend Form or 1-16 on the Miscellaneous Form	<b>1099 Amount</b> field in the Vendor Yearly Summary window

Currently, Microsoft Dynamics GP does not handle magnetic media filing of state 1099s. The following Microsoft Dynamics Partner does offer compatible State W-2 and 1099 magnetic media products. For more information, contact:

Greenshades Accounting Software, Inc.  
 7800 Belfort Parkway Suite 220  
 Jacksonville, FL 32207  
 General: 1-800-209-9793 (Toll-Free)  
 Sales: 1-800-209-9793x2 (Toll-Free)  
 sales@greenshades.com  
<http://www.greenshades.com> (<http://www.greenshades.com>)

### Step 8: Make a backup that is named "Pre Year-End"

Create a backup, and then put the backup in safe, permanent storage. A backup gives you a permanent record of the company's financial position at the end of the year, and this backup can be restored later if it is required. A backup lets you recover data quickly if a power fluctuation or other problem occurs during the year-end closing procedure.

#### To create a backup in Microsoft Dynamics GP, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Maintenance** on the **Microsoft Dynamics GP** menu, and then click **Backup**.
  - ▶ In Microsoft Dynamics GP 9.0, click **Backup** on the **File** menu.
2. In the **Company Name** list, click your company name.
3. Change the path of the backup file if it is required, and then click **OK**.  
**Note** We recommend that you name this backup "Pre Year-End" to differentiate it from your other backups.

### Step 9: Close the year

To close the year, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Routines**, point to **Purchasing**, and then click **Year-End Close**.
  - ▶ In Microsoft Dynamics GP 9.0, point to **Routines** on the **Tools** menu, point to **Purchasing**, and then click **Year-End Close**.
2. If you are closing both your fiscal and calendar year at the same time, click **All**. If you are just closing your calendar year, click **Calendar**. If you are just closing your fiscal year, click **Fiscal**.
3. Click to select the **Print Report** check box, and then click **Close Year**.
 

**Note** We recommend that you keep a paper copy of the year-end report together with your permanent year-end audit records.

To view the Vendor Yearly Summary window, follow these steps:

1. On the **Cards** menu, point to **Purchasing**, and then click **Summary**.
2. In the **Vendor ID** field, type a vendor ID to view, and then click **Yearly**.

### The calendar year details

The calendar year-end process in Microsoft Dynamics GP will clear the **1099 Amount Year to Date** field and then transfer the amount to the **1099 Amount Last Year** field for the **Amounts Since Last Close** view of the Vendor Yearly Summary window.

### The fiscal year details

The fiscal year-end process in Microsoft Dynamics GP will clear the following fields:

- ▶ **Amount Billed YTD**
- ▶ **Amount Paid YTD**
- ▶ **Average Days To Pay - Year**
- ▶ **Discount Available YTD**
- ▶ **Discount Lost YTD**
- ▶ **Discount Taken YTD**
- ▶ **Finance Charge YTD**
- ▶ **Number of Finance Charges YTD**
- ▶ **Number of Invoice YTD**
- ▶ **Number of Paid Invoice YTD**
- ▶ **Returns YTD**
- ▶ **Trade Discounts Taken YTD**
- ▶ **Withholding YTD**
- ▶ **Write Offs YTD**

The amounts in these fields will also be updated in the **Amounts Since Last Close** view of the Vendor Yearly Summary window:

- ▶ **Amount Billed LYR**
- ▶ **Amount Paid LYR**
- ▶ **Discount Available LYR**
- ▶ **Discount Lost LYR**
- ▶ **Discount Taken LYR**
- ▶ **Finance Charge LYR**

- ▶ **Number of Finance Charges LYR**
- ▶ **Number of Invoice LYR**
- ▶ **Returns LYR**
- ▶ **Trade Discounts Taken LYR**
- ▶ **Withholding LYR**
- ▶ **Write Offs LYR**

### Step 10: Close the fiscal periods

You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This prevents users from accidentally posting transactions to the wrong period or year. Verify that you have posted all transactions for the period and the year for all modules before closing fiscal periods. If you must later post transactions to a fiscal period that you have already closed, you can return to the Fiscal Periods Setup window to reopen the period before you can post a transaction.

#### To close a fiscal period, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Setup**, point to **Company**, and then click **Fiscal Periods**.
  - ▶ In Microsoft Dynamics GP 9.0, point to **Setup** on the **Tools** menu, point to **Company**, and then click **Fiscal Periods**.
2. Click to select the **Purchasing** check box for the **Period** that you must close.

### Step 11: Close the tax year

**Note** This procedure should only be completed after you have completed the year-end closing procedures for all sales and purchasing modules.

To close the tax year, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Routines**, point to **Company**, and then click **Tax Year-End Close**.
  - ▶ In Microsoft Dynamic GP 9.0, point to **Routines** on the **Tools** menu, point to **Company**, and then click **Tax Year-End Close**.
2. Click to select the **Close Year** check box and the **Print Report** check box.
3. Click **Process**. When you are prompted to continue with the year-end close. Click **Yes**.
 

**Note** We recommend that you keep a paper copy of the year-end report together with your permanent year-end audit records.

### Step 12: Make a backup that is named "Post Year-End"

Create a backup, and then put the backup in safe, permanent storage. A backup gives you a permanent record of the company's financial position at the end of the year, and this backup can be restored later if it is required. A backup lets you recover data quickly if a power fluctuation or other problem occurs during the year-end closing procedure.

#### To create a backup in Microsoft Dynamics GP, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Maintenance** on the **Microsoft Dynamics GP** menu, and then click **Backup**.

- ▶ In Microsoft Dynamics GP 9.0, click **Backup** on the **File** menu.
- 2. In the **Company Name** list, click your company name.
- 3. Change the path of the backup file if it is required, and then click **OK**.  
**Note** We recommend that you name this backup "Post Year-End" to differentiate it from your other backups.

## Frequently asked questions

### **Q1: Are inactive vendor records cleared during year-end closing? If not, how can inactive vendor records be removed?**

**A1:** No, inactive vendor records are not automatically removed. To remove an inactive vendor record, the following conditions must be true:

- ▶ No current year 1099 amounts exist for the vendor
- ▶ The vendor has no documents in work or history.

To delete all inactive vendor records that fit these criteria, follow these steps:

1. Use the appropriate step:
  - ▶ In Microsoft Dynamics GP 10.0 or Microsoft Dynamics GP 2010, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Utilities**, point to **Purchasing**, and then click **Mass Vendor Delete**.
  - ▶ In Microsoft Dynamics GP 9.0, point to **Utilities** on the **Tools** menu, point to **Purchasing**, and then click **Mass Vendor Delete**.
2. In the **Range** list, click **by Vendor Status**.
3. In the **From** list, click **Inactive**.
4. In the **To** list, click **Inactive**.
5. Click **Process**.

### **Q2: What should I do if I must issue a check on January 2, 2012 but I am not ready to close 2011 yet?**

**A2:** Print the checks, but post them after you process your year-end closing. If you must post the checks immediately, change the **Amount Paid** fields in the **Amounts Since Last Close** view of the Vendor Yearly Summary window.

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## APPLIES TO

- ▶ Microsoft Dynamics GP 2010
- ▶ Microsoft Dynamics GP 10.0
- ▶ Microsoft Dynamics GP 9.0, when used with:
  - ▶ Payables Management

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