

General Ledger Year-End Checklist

The following Year-End checklist has been designed to conform to the features and functionality of the currently supported versions of the TRAVERSE Accounting Software (version 11). Use of this checklist for earlier versions of your software may or may not be complete

1. Print the Chart of Accounts List on the Master Lists menu. Check the box to print the clear and consolidate information. Once the list is printed verify the following information:
 - The income statement accounts have an account type between 500 and 890.
 - The balance sheet accounts have an account type between 005 and 465.
 - The step and clear to account information is filled in for income statement accounts (types 500 to 890).
2. Use the Chart of Accounts function on the Setup and Maintenance menu to edit incorrect setup information found on the Chart of Accounts list if needed.
3. Use the Period Conversion function in the System Manager to set up next year.
4. **Back up your data files.** The next steps make changes to your data.
5. Determine which years are available by going into the Year End Maintenance function on the Periodic Processing menu. Each available year will be displayed. Determine whether or not you need to add a new year for processing. If you need to add a new year proceed to step 6, otherwise go to step 7.
6. When the Period Conversion dates are set up the corresponding year is now ready to be used for GL.

When you set up the Account Mask and add GL accounts for a company, TRAVERSE creates three years: current year, previous year, and next year. You may skip this step the first time you perform year-end in TRAVERSE.

7. Select Change Fiscal Year from the Periodic Processing Menu. Select the new year in the Current Year field, to change to the new year. You must be in the new year to perform the next step.
8. Select the Update Current Year function on the Periodic Processing menu to do the following:
 - Transfer the ending balances from the old year to the new year for GL accounts with types from 005 - 465.
 - Calculate the net income or net loss amount from the balances of all the accounts of account types from 500 - 890.
 - Update the balance for the retained earnings account with the net income or net loss if selected. Check the box to consolidate unclosed income (loss) to retained earnings, and select your retained earnings account.

You must do this if you have an unclosed income or loss amount. If you do not check the box with an unclosed income or loss amount displayed, you will get amounts put into period 0 for your income statement accounts.

9. Continue to process information for both years. Use the Change Fiscal Year function on the Periodic Processing menu to switch between the old year and the new year.
10. Use the Update Current Year function on the Periodic Processing menu as needed to update the current balances with changes made to last year balances. Check the box to consolidate unclosed income accounts to retained earnings.

If you are using the close periods feature in the Period Conversion function from System Manager, you can only post adjusting entries to periods that remain open. You can reopen a period if needed.

11. Print financial statements for the fiscal periods adjusting entries were posted to.
12. **Back up your data files.** The next steps makes changes to your data.

The remaining steps are optional. Many companies will not run the Clear and Close Last Year function, so they can have the option to post adjusting entries to any fiscal year. Once the Clear and Close Last Year is run and posted to master, no transactions can be made to that fiscal year.

13. Use the Clear and Close Last Year function from the Periodic Processing menu to create the entries necessary to close out income and expense accounts after all of your adjustments have been made.

Make sure the Use GL Period selection is the extra period (normally period 13) TRAVERSE adds for your clearing and closing entries. DO NOT run the clear and close to your last normal period.

14. The clear-to account and the step number set up for an account are used to close the income and expense accounts. Closing entries are made to the GL Journal in the period you specify. You must use the Post to Master function to post the adjusting entries created by the function.
15. Select the Period Conversion function from the Company Setup menu on the System Manager menu to close the last period. If any other periods are open for the closing year it is recommended that they be closed at this time. You may reopen a period if needed in the future. Leave the extra (normally period 13) period open so you can run the post to master in step 19 below.
16. Print financial statements for the fiscal periods that the adjusting entries were posted to.
17. Use the Change Fiscal Years function from the Periodic Processing menu to switch to your prior year.
18. Print the GL Journal or the Activity Report for the extra period (period 13) for entries with a source code CL to verify the closing entries.
19. Use the Post to Master function on the Transaction Journal menu to post closing entries to the GL Master table.
20. Print the Trial Balance for the extra period (13) from the Management Reports menu to verify income and expense account balances are zero for the closing year.
21. Change your system to the current year and use the Update Current Year function on the Periodic Processing menu to update the current year with the final account balances.

Do not check the box to consolidate unclosed income accounts to retained earnings (the unclosed income accounts balance box should have a balance of 0); there is no reason to check the box, since the ending balances for your income statement accounts is 0 and your retained earnings account has been updated with the clearing entries.

22. **If you have run the Clear and Close function and now must make adjusting entries in the year that was just closed: follow the steps outlined below EXACTLY, after entering the prior year transactions (and posting to master).**
23. Run Update Current Year in the current year, with the option to consolidate to retained earnings **CHECKED** (I think this may be the key as to why many people have had problems when trying to do this).
24. Run Clear and Close Last Year, while in the current year (need to change the Step back to 1).
25. Post the prior year closing entries to master.
26. Run Update Current Year in the current year, with option to consolidate to retained earnings **UNCHECKED**.