

Adjusting Entries after Ending the Year

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Typically there are several end of year adjusting entries that an auditor or accountant provides. These adjustments are often not complete for several weeks after the actual year is ended. It is recommended to close the year and begin posting in the new year. Necessary adjustments to both the old and the new years can be entered when the adjustments are available from the auditor or accountant.

Handling Year-End Adjustments

1. Review the adjusting entries. Verify that all General Ledger Accounts on the Entries exist in the current year data.
2. In the Hub, on the right side of the icon bar, select the prior year dataset in the drop-down. This changes the open dataset to the dataset selected.
3. Verify that all General Ledger Accounts on the Entries exist in the prior year data.
4. Enter the General Journal Entries referencing the auditor's or accountant's notes. As the Entries are saved, a question appears asking if the current year dataset should be affected as well. Answering **Yes** updates the beginning balance and current balance of any balance sheet accounts (as well as any month-end balances of months already closed in the current year). For entries that affect any income statement accounts, the corresponding retained earnings beginning and current balances are affected (as well as any month-end balances for months already closed) in the current year dataset.

Note: Be sure to confirm the database in the *Current Year* field of the Journal Entry is the correct database.

5. If any entries are *Post and Reverse* type entries where the entry is posted in one month and then reverses the following month, add the Journal Entry into Month 12 of the prior year and mark the *Reverse Next Month* checkbox. When the entry is saved and the current year updated, a Journal Entry for the reversal is added to Month 1 of the current year if Month 1 has reserved Journal Entries. If fiscal Month 1 has no more reserved Journal Entries remaining, a message appears.
6. In the prior year data, run a General Journal Listing that includes the range of adjusting Entries for company records.
7. In the prior year data, rerun any financial reports including G/L Trial Balance, Income Statement, and Balance Sheet for the 12th month.
8. When satisfied with last year's adjustments, make a new *Year End* backup of the previous year dataset. To do this, while logged into the previous year dataset, go to *Hub / Utilities / Make Database Image* and create an *On-Demand* image. Back up that image, found at `\FYAVxxxx\LastImage`, onto an external hard drive or zip disk. Keep this important archive backup.
9. To review the posting in the current year dataset, switch back to the current year. Run the *G/L Accounting* checkup (the red + icon found at the Accounting Reports module). If the G/L checkup is fine, then rerun any month-end financials in the current year and review carefully, noting any accounts that were affected by the

adjusting Entries.

Reversing JEs in Archived Dataset

The JE will post into Month 12 of the prior year and a message will display asking *Do you want to affect current year balances?* as expected when entering an adjusting Journal Entry into a prior year. The reversal will add a Journal Entry into Month 1 of the current year as long as there are enough reserved Journal Entries to do so. If there is not a sufficient number of reserved Journal Entries to add the reversing entry into Month 1 of the current year, a message will display.