

# FIMS Year End Procedures



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# Guide to FIMS Year End Procedures

Along with financial procedures such as **End of Year Closing** in General Ledger, there are non-financial procedures that you may wish to run at the end of the year. This guide will help you to understand some of the processes involved in closing your year.

Please contact FIMS Support if you have additional questions about any of these processes.

## General Ledger: End of Year Closing

### Before Running End of Year Closing

If you need to retire Funds, you should do so before you run **End of Year Closing**. The best time to **Retire a Fund** is when the balance of the fund is zero. When you retire a Fund, FIMS will automatically mark the associated GL accounts as inactive – this will keep those accounts from perpetuating into the new GL year.

**Note:** Refer to *Retiring a Fund* in the *Fund Management* chapter of the *FIMS User Guide* for more information.

**Note:** If you have planned to clean up your GL account structure and auto-building setup, ideally you should also do that before running End of Year Closing.

### Overview for End of Year Closing

In order to make year-end processing as simple as possible, FIMS allows you to keep the General Ledger open for multiple years at the same time. For example, you could still be awaiting the closing entries for the current year while processing financial data for the previous year. This is achieved by simply making a new set of accounts for the coming year and bringing the balances forward into them, while leaving the accounts in the current year untouched.

The **GL End of Year Closing** utility actually does not "close" the year. It performs the following functions:

- Creates a set of General Ledger Account records for the new year, based on the current year's accounts.  
**Note:** If an account is set to **Inactive** and would have a zero balance in the new year, the utility will not create it for the new year.
- Establishes the beginning balances for the balance sheet accounts in the new year. The ending balance for the old year automatically becomes the beginning balance for the new year.
- Closes the Revenue and Expense accounts to the Fund Balance accounts in the new year.
- Clears the beginning balance for Revenue and Expense accounts in the new year.

## Running GL End of Year Closing

1. In the General Ledger module, select **File Maintenance > End of Year Closing**. The **GL Year End Closing** window opens.

### *GL Year End Closing Window*

This program will, if necessary, create G/L account records for the new year and establish their beginning balances based on the year being closed.

The program will not make changes in General Ledger for the year being closed.

Year Being Closed: 2008 01/01/08 - 12/31/08

Year Being Opened: 2009 01/01/09 - 12/31/09

Advance fiscal year

From Fund:

Through Fund:

Close a short year Close Date:

OK Cancel

2. Click the arrow in the **Year Being Closed** drop-down box, and select the fiscal year that you want to close.
3. If you want to advance the fiscal year by one year, select the **Advance Fiscal Year** checkbox.

**Important:** Even if you run this utility multiple times, you should only select this checkbox once.

**Note:** To check the current fiscal year, select **Tools > System Utilities > System Initial Setup**, and then click the **Posting** tab. The **Fiscal Begin Date**, **Fiscal End**, and **Current Fiscal Year** appear in the upper left-hand corner of the window. Refer to *Selecting the Fiscal Year* in the *General Ledger* chapter of the FIMS User Guide for more information.

**Note:** This process also creates the calendar for the new year, if it does not already exist. Refer to *Maintaining the General Ledger Calendar* for more information.

4. If you are closing a short year, select the **Close a Short Year** checkbox and then enter the **Close Date** (the last day of the short year).

**Important:** You should only use this checkbox if you are changing your fiscal year. Make sure to close the short year before any posting is done to the new year.

When you close a short year, the system will automatically create historical records for all fiscal years, if they do not already exist, based on the current fiscal year definition. However, you may change these settings via GL Calendar Maintenance, if necessary. Please contact FIMS Support for more information and assistance if you are changing your fiscal year.

5. If you want to run the utility for a specific Fund or range of Funds, enter the desired Fund ID codes in the **From / Through Fund** fields. If you want to run the utility for all Funds, leave both of these fields blank.
6. Click **OK**.

## Rerunning GL End of Year Closing

FIMS allows you to rerun this utility in order to bring forward balances that need to be updated in the new year due to any entries posted to the old year or End of Year adjusting entries. This functionality mirrors the accounting cycle for many organizations. For example, if your organization bases their fiscal year on the calendar year, you may want to begin budgeting in November, provisionally close the General Ledger as of December 31 (to begin capturing the information for the new year), and post the final End of Year closing entries in January or February when you receive them from your auditors.

To use this kind of staged, End of Year process, you would run **GL End of Year Closing** at least three times (although you can run it as many times as necessary):

- In November you will create the General Ledger account records for the new year so that you can enter budgets. Beginning balances are brought forward but serve no purpose at this time.
- When it is time for the December 31 provisional closing you can run the utility to update the balances in the current year's ledger and reproduce any new GL accounts that were added since the closing that was done for entering budget amounts.
- When you have the adjusting entries from your audit, you can make them to the last day of the old year and run a final GL Year End Closing to correct the beginning balances for the new year.

Some organizations run the End of Year closing process several times a day in the first month of a new year as they work to finalize the prior year activity, but need to have up-to-date Available To Grant information. Each time you run the End of Year Closing, opening balances in your new year are updated and any new GL accounts that you may have added since the previous close will be carried forward and factored into the closing process. Budget information is never touched during the Year End Closing. An easier way to handle this is to set up [Automatic EOY Closing](#) which will automatically run End of Year when entries are posted to the old year and GL accounts exist in the new year.

### ***End of Year Closing (Behind the Scenes)***

When you run **GL End of Year End Closing**, FIMS builds General Ledger accounts in the new year for all active accounts in the old year. It does not build new General Ledger accounts for accounts that are marked as Inactive in the old year, unless their balance in the new year will be greater than zero.

- When you retire a Fund, all of its General Ledger accounts are automatically marked as **Inactive**. Refer to *Retiring a Fund* in the *Fund Management* chapter of the FIMS User Guide for more information.
- You can also set individual accounts as Inactive by selecting the **Inactive** checkbox on the **Account** tab in General Ledger.

FIMS employs double entry booking methods, so the relationships among account types are represented by the sign of the normal account balances:

<b>Account Type</b>	<b>Debit/Credit</b>
Assets	Debit (+)

Liabilities	Credit (-)
Fund Balance	Credit (-)
Revenue	Credit (-)
Expenses	Debit (+)

**Note:** The Fund balance normally has a credit balance (represented by a negative number).

When you run **GL End of Year Closing**, the following operations take place behind the scenes to bring balances forward to the new year:

## Asset and Liability Accounts

FIMS calculates the old year's ending balance for each account by adding the balances for the previous thirteen periods to the amount in the **Beginning Balance** field.

The old year's ending balance for each asset and liability account is carried over to the new year's **Beginning Balance** field.

## Fund Balance Accounts

Fund Balance accounts are more properly thought of as Beginning Fund Balance accounts. There are no values in any of the thirteen **Period** fields - only one in the **Beginning Balance** field, so the balance in these accounts does not change during the fiscal year.

Revenue and Expense account records never have a value in the **Beginning Balance** field - only in the thirteen **Period** fields.

During End of Year Closing, FIMS calculates the Fund balance by rolling revenues and expenses (the sum of the 13 period values) into the balance accounts in accordance with the following equation:

$$\mathbf{FUND\ BALANCE = BEGINNING\ FUND\ BALANCE + REVENUE - EXPENSES.}$$

The normal balances are Fund Balance (-), Revenues (-), Expenses (+), and Transfers (- or +), reflecting the following equation:

$$\mathbf{ASSETS - LIABILITIES - BEGINNING\ FUND\ BALANCE - REVENUE + EXPENSE = 0.}$$

**Note:** If revenues are greater than expenses, the resulting change to the balance will be a negative amount. The result is added to the old year's **Ending Fund Balance** (-) and entered in the new year's **Beginning Fund Balance** field. Revenue, Expense, and Transfer accounts begin the year with a zero balance.

The system closes activity accounts to the correct Fund balance based upon the account type codes you assigned to your General Ledger accounts (for example, R1-revenue, X1-expense and T1 transfers all close to the Q1-Fund Balance. R2-revenue, X2-expense and T2 transfers all close to the Q2-Fund Balance).

# Maintaining the General Ledger Calendar

The **General Ledger Calendar** defines the twelve periods of the fiscal calendar (or thirteen - to include a one day adjusting period). The year is important because February has an extra day during Leap Years. Once you initially set up the General Ledger Calendar to reflect your fiscal year, you will have the option of setting the year forward during End of Year processing. Refer to *Performing End of Year Closing* for more information.

**Note:** The **General Ledger Calendar** is one of two places where you set fiscal dates in FIMS. The other is in **System Initial Setup**. Refer to *Selecting the Fiscal Year* for more information.

**Note:** Calendars are automatically built each time you run End of Year Closing and choose to advance the fiscal year. You should not generally have to create your own calendars.

1. In the General Ledger module, select **File Maintenance > GL Calendar Maintenance**. The **GL Calendar Maintenance** window opens.

## **GL Calendar Maintenance Window**

The screenshot shows the 'GL Calendar Maintenance' window. At the top, it displays the 'Current Fiscal Year Definition' with a table:

Begin Date	End Date	Description
01/01/2008	12/31/2008	2008

Below this, the 'Year' is set to 2008, and the range is 01/01/08 - 12/31/08. The main part of the window is a table for fiscal periods:

Period	Begin Date	End Date	Description
1:	01/01/2008	01/31/2008	January
2:	02/01/2008	02/29/2008	February
3:	03/01/2008	03/31/2008	March
4:	04/01/2008	04/30/2008	April
5:	05/01/2008	05/31/2008	May
6:	06/01/2008	06/30/2008	June
7:	07/01/2008	07/31/2008	July
8:	08/01/2008	08/31/2008	August
9:	09/01/2008	09/30/2008	September
10:	10/01/2008	10/31/2008	October
11:	11/01/2008	11/30/2008	November
12:	12/01/2008	12/31/2008	December
13:	/ /	/ /	

At the bottom, there are buttons for '+Year', '-Year', 'Save', and 'Done'.

The **Current Fiscal Year Definition**, including Begin Date, End Date, and Description displays at the top of the window (read-only). This fiscal year matches the year in System Initial Setup and updates automatically when End of Year Closing is run.

2. Click the arrow in the **Year** drop-down box and select the desired year.

**Note:** Year 0 is the default calendar and cannot be changed.

3. Enter the **Begin Date** and **End Date** for each fiscal period (for example, **01/01/2009** and **01/31/2009** for period 1, **02/01/2009** and **02/28/2009** for period 2, and so on).

**Note:** If you want to move the year ahead or back by one year, click the **+Year** or **-Year** button.

4. In the **Description** field, enter a text description of each period (for example, **January** for period 1, **February** for period 2 and so on).
5. Click the **Save** button.

**Important:** You should have a GL Calendar set up and saved for each year that you have General Ledger Accounts in FIMS.

## Automatic EOY Processing

This FIMS System Option for the General Ledger module allows FIMS to automatically run End of Year processing when Journals are posted for a Fund in one fiscal year, and GL records exist for that Fund in the next fiscal year. If you turn this on, you will not have to remember to run End of Year processing each time entries are posted to the old year. However, you do have to run the regular **GL End of Year Closing** utility at least once to set up the new GL accounts.

## Closing Modules by Date

The **Close Modules by Date** utility (available via the General Ledger File Maintenance menu) prevents the system from posting any Journal entries that fall on or before the selected date (generally the last day of the last audited fiscal year).

If Gifts, Pledges, Grants, or Payable items create Journal entries that fall on or before the selected date, you will receive an error on the associated module edit report.

FIMS will also prevent you from manually entering General Ledger Journal entries on or before this date. Closing periods is an excellent safeguard to prevent posting with incorrect dates.

**Note:** If you ever need to reopen a year to add entries, you can remove the date or set it back a year.

**Note:** Refer to *Closing Modules by Date* in the *General Ledger* chapter of the *FIMS User Guide* for more information.

## Rolling Targets Forward

If you use Asset Rebalancing and have set targets for your funds, you will need to run **Copy Prior Year Targets**. This procedure is located in Asset Rebalancing on the **Processes** tab.

Select which year to copy from and to, optionally select which Funds, and click **Copy Targets**. Targets from the old year will be copied into the GL account records for the new year.

**Note:** You cannot run this procedure until you have run **End of Year Closing** at least once (since the target values are placed in the glyr records).

**Note:** Refer to *Copying Prior Year's Targets* in the *General Ledger* chapter of the *FIMS User Guide* for more information.

# Clearing 1099 Adjustment Amounts

Run this utility to clear any adjustment amounts entered into the 1099 Adjustment Amount field during this year, after running this year's 1099 report.

**Note:** Refer to *Clearing 1099 Adjustment Amounts* in the *Accounts Payable* chapter of the *FIMS User Guide* for more information.

# Updating Future Years Accounts

The **Update Future Years Accounts** utility works in conjunction with the option to create Future Years Grants Payable and Expense accounts in GL and the Fund Class record. You can use it if you have Grants in Accounts Payable that are waiting to be paid (with a due date in a future year) and you have already set up the future year accounts.

You should run this utility at the beginning of each year. It will create correcting journal entries to move the regular Grants Payable (and optionally, Expense) to the future years Grants Payable and Expense accounts.

**Note:** You cannot run this procedure until you have run **End of Year Closing** at least once.

**Note:** Refer to *Updating Future Years Accounts* in the *Accounts Payable* chapter of the *FIMS User Guide* for more information.

# Running Reconciliation Reports

Other year-end steps involve reviewing various reports in FIMS to be sure all information has been coded properly and your financial and non-financial FIMS modules are staying in synch. The following reports will help:

- **General Ledger:** Reconcile Subsidiary Modules with GL - there should be no unexplainable variances. Refer to the *Reconcile Subsidiary Modules with GL Report* in the *General Ledger Reports* chapter of the *FIMS Reports Guide* for more information.
- **Accounts Payable:** Payables As of a Past Date – Fund Detail - compare to your GL trial balance. Refer to the *Payables as of a Past Date – Fund Detail Report* in the *Accounts Payable Reports* chapter of the *FIMS Reports Guide* for more information.
- **FACTS:** FACTS to GL Comparison Report for each of your pools. Refer to the *FACTS-GL Comparison Report* in the *FACTS Reports* chapter of the *FIMS Reports Guide* for more information.
- **Grants:** Some organizations run the Outstanding Grants by Fund Report and tie everything down to the GL and A/P modules. Refer to the *Outstanding Grants by Fund Report* in the *Grant Reports* chapter of the *FIMS Reports Guide* for more information.
- **Pledges:** Aged Trial Balance w/As of Date - run as of year-end and tie to Pledges Receivable account in GL. Refer to the *Aged Trial Balance w/ As Of Date Report* in the *Pledge Reports* chapter of the *FIMS Reports Guide* for more information.

## Forwarding Grant Numbers

If you control your Grant application numbering system so that the first four digits represent the year, you'll need to set up a new Grant number on January 1 of each year.

1. Select **Tools / System Utilities / Set Automatic Numbers**.
2. Enter the first new Grant number for the new year (for example, 20090001).
3. Save the new number. The next Grant application you create will use that number and the system will automatically increase the sequential Grant numbers from there.

**Note:** Refer to *Resetting Grant Numbers* in the *Grantee and Grant Management* chapter of the FIMS User Guide for more information.

**Note:** If you forget to run this procedure soon enough, you can use the **Correction – Grant Number** Grant Adjustment to renumber your posted and unposted Grants to match the new numbering scheme. Refer to *Correcting the Grant Number* in the *Grantee and Grant Management* chapter of the FIMS User Guide for more information.

## Auto-Creating Grant Applications

If you have designated or other types of grants that you routinely pay every year, you can use the **Auto-Create Grant Applications** utility (accessible via the **Grant File Maintenance** menu) to copy designated Grant Applications from the prior year and automatically create applications for the new year, saving data entry time.

Before you run the utility, you will need to have a method to select which applications to copy. One technique is to use the **Project Code** (Designated) or **Batch** field and a Grant Date range.

**Note:** If you did not code your applications prior to this point, you can go to **Application History** and fill in the information.

When you run the utility, it will give you a report of all Grants that meet your selection criteria and you can select the information you want to keep from last year along with the information you want to change. Then it will create the applications.

**Note:** When you are finished running the utility, you can further modify these applications as needed before you post them.

**Note:** Refer to *Automatically Creating Grant Applications* in the *Grantee and Grant Management* chapter of the *FIMS User Guide* for more information.

## Creating Recurring Grants from Fund Distributions

The Create Recurring Grants from Fund Distributions utility allows you to automate the process of creating recurring Grants based on the Action Dates associated with your Fund Distribution records.

This process differs from Auto-Create Grant applications in that instead of copying historical grant applications to create new ones, it creates applications based on data set up on the Fund Distribution record. It also can automatically apply the Available to Spend amount as the Grant Amount in the application.

**Note:** Refer to *Creating Fund Distribution Records* in the Fund Management chapter of the FIMS User Guide for more information about setting up Fund Distribution records.

## Recurring Tickers

Recurring Tickers are reminders that you can set up to automatically remind yourself to do tasks each year (for example, a reminder to run all end-of-year procedures in your FIMS database, such as changing the Grant Number).

If you have set up recurring tickers (by selecting the **Recurring** checkbox on the Contact/Ticker record), you need to run a year-end procedure.

1. Select **Profile / File Maintenance / Advance Contact Dates**.
2. Select the checkboxes for the dates you want to forward (**Ticker Date** and/or **Next Action**).
3. When you are finished, click **OK**. All recurring ticker dates will be forwarded one year and the **Ticker** checkbox will be re-selected.

**Note:** Refer to *Advancing Contact Dates* in the *Profile Management* chapter of the *FIMS User Guide* for more information.

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## Need Assistance or Have Questions?

To learn more about each of the procedures outlined in this document, please refer to FIMS Online Help (in FIMS, select **Help / FIMS Help** or **Help/FIMS Help Online**) or the FIMS User Guide. If you have questions about any of these procedures or need further assistance, please contact technical support at 603-224-6766 or send an email to [fimssupport@nposolutions.com](mailto:fimssupport@nposolutions.com).