



Logical Construction Concepts



Preparing to Close Accounting & Payroll Year for 2009 **Lots of cleanup can be done now – little things that will make life easier**

Backup Your Data

Reconcile Checking Accounts through last Bank Statement.

Old Checks - Research and correct checks and other banking items that are over a year old. These checks will not carry forward to 2010.

Clean up A/R and A/P

1. Print A/P Invoice Listing by Vendor (4-1-2-33 with Status 1-3). This will show you matching Invoices/Credits. You need to allow the system to mark them paid by Selecting them to Pay, and Printing Checks to plain paper after checking the "Print \$0 Checks" box. Review all open items and void or adjust as necessary.
2. Print A/R Invoice Listing by Job (3-1-2-33 Status 1-3). This will show you matching Invoices/Credits. You need to apply Credits to Invoices in Cash Receipts in order to clear these items. In Cash Receipts use the Credit Column and enter the Invoice amount as positive and the Credit amount as a negative. When you Save, these transactions will be marked Paid. Review all open items and void or adjust as necessary.
3. Change Status of Old Jobs to Closed. (3-5/Update Menu)

Jobs will not actually be removed until the books are closed. Keep in mind that all Job data will be preserved in the archive that will be created.

Job Removal – not recommended.

Once you close the books for November, you can go to screen 1-6 (Audit/Close Books) and under Options – Verify Job Removal. This will give you a report of Jobs that Sage Master Builder will be unable to delete because of Open A/R or A/P issues. Do the research and clean them up if necessary.

Are you happy with your numbers?

Print a Trial Balance (2-1) and verify your Balance Sheet Accounts. Don't panic. Adjustments can be easily entered after you close.

But you could:

1. Call lending institutions for payoff balances on any outstanding loans.
2. Verify that your payroll liability accounts actually equal what you owe.
3. Send a copy to your CPA.

It is not necessary to run all of your reports now, there will be changes. You can wait until you need to send them to your accountant.

866 522-8668

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Audit General Ledger

In Menu Option 1-6, run Audit Only. If audit errors occur, use Repair. If you still have errors, call Sage Master Builder Support at (800) 866-8049. You cannot repair these errors on your own. Do not attempt to fix.

Audit Payroll

- Run Payroll Audit at 5-4-4. Use "Repair" if any errors are found. If errors still exist, call Support (800) 866-8049. Be sure all payroll has been updated to the General Ledger.
- Print Payroll Reports and Verify Results
- Reconcile all quarterlies (5-4-1 and 5-5-2) to year-end. Balance 941's and State Quarterlies (DE6) to YTD report.

Deleting Employees- Not Recommended

Print Employee List (5-1-1-21). Verify/Edit Employee Status. You will be able to delete employees during the closing process.

1099 Verification

- Verify Vendor 1099 types for all vendors (1=misc, 2=rent, 3=sole proprietor, 4=interest, 5=no 1099) by printing 5-4-31 or 5-4-32. Make corrections in the 4-4 Screen.
- Verify 1099 balances with cash disbursements. Print Report 4-1-5-21, 1099 only. 1099 amount should equal total of payments.
- Make sure tax ID numbers and addresses are entered for all 1099 vendors. If you do this before closing, the data will not need to be entered in the new year.

Things that will not post to archive when posted to period 00. Try to deal with these before closing.

1. AP Checks
2. AR and SR Deposits
3. Unitary Billings
4. Time and Materials
5. Inventory Allocations
6. Progress Billings*

* The invoice will post but there is no record of it in 3-7.

Just Before Closing – BACKUP YOUR DATA

When was the last time you verified your backup data?

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Backup Data: The first thing that should always be done before beginning the year-end closing process is to make a FULL backup of the company. This can easily be done by copying the folder to your “desktop”, or copying to a CD.

Closing the Books

Once you have a Backup, take a deep breath and....

Proceed with Close

You must be logged in as Supervisor with the Exclusive Access box checked.

- Close accounting books (1-6)
- Name your Archive – ABC 2009
- Check the boxes or not. Do you want to Remove Closed and Refused Jobs? Do you want to Remove Paid and Void Payable Invoices? Do you want to Remove some of your S/R Invoices?
- Once you make your choices, push the button to Close Books.
- You may be told to Reindex your data at the end of the process, just follow the directions.

Reset 1099 Balances (4-4)

Options – Reset 1099 Balances

Close Payroll (5-4-5)

Do not create archive. The one that was created for your G/L close contains all payroll information.

Check the boxes for the status employees you want to delete. Keep in mind that these employees could be related to Job Cost records and deleting them will leave blanks in these records. It is not a good practice to reuse Employee numbers even if the employees have been deleted.

You might also want to check the box “Approve each Employee’s removal” so that you can verify as deletion is occurring.

Adjust Payroll Calculations (5-3-1)

- FICA EE and ER Rate is 6.2% - Max for 2010 = \$106,800.00 wages or \$6621.60 dollars (no change)
- Medicare EE & ER Rate is 1.45% - no Max (no need to adjust)
- Has your SUI Rate changed? \$7000.00 times assigned rate.

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- ETT – you may need to add this calculation or turn it off.
- California SDI Rate for 2010 is expected to remain at 1.1% Maximum Wages is \$93316.00, dollars is \$1026.48.
- Be sure to “Update” employees appropriately after making each calculation change. Basic calculations can be globally updated.
- For “special calculations” such as 401K, Health Insurance, Loans, Child Support, etc., make adjustments in each employees’ record.

Other Year End Considerations after the Close

In your Archive, add 2009 to your Company Name in Company Information – (7-2)

This will make it easier to identify from where reports were printed. (Remove the “2009” while printing W-2s and 1099s out of the Archive)

In Security (7-3-2), delete all Users except Supervisor to prevent inadvertent posting.

Post adjustments to period 00 & your archive directory

Although we are closing the books for 2009, you will still have transactions that should be posted to 2009. Simply change your Posting Period in each Menu Option to 00 (Zero) and post normally. Answer “yes” when asked if you want to Post to Archive. SMB will handle the rest. Do not post anything directly to your Archive.

Voiding entries originally entered in prior year

Voiding of entries made in 2009 is not allowed. You must post a reversing transaction in your current company to 00 Period.

Notes:

Removing data is not necessary unless you have so much data that it is slowing down your system.

Multi User Installations - Consider closing the books from the server, rather than a work-station. This will speed up the process considerably.

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