

**Year End
2007**

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Preparing For Year-End Processing

Year-end processing within Sage MAS 90 and 200 ERP involves many steps, and many of them can be performed in advance of the actual closing process. In this article we've highlighted some of the most important steps you can take in preparation for the important and necessary year-end process.

Make A Complete Backup

Before you perform any year-end processing tasks make certain that you perform a complete backup of your Sage MAS 90 and 200 data. Then test the backup to be sure it's readable. The only way to undo year-end processing in Sage MAS 90 and 200 is to restore from backup, so be certain that backup is kept safe yet accessible—just in case. We recommend off-site storage for your backup data.

Archive Company

The Sage MAS 90 and 200 solutions allow you to establish multiple company codes, so you can have a company code representing each year of business. This is an especially good way to archive your payroll data, since some detail can be lost during year-end processing. Set up an archive company code and copy your data to this company code before performing year-end processing.

You can create a company for each year of business, which is easily accessible, yet not does not clutter up the current year's files.

Go ahead and set up this company code right now. See our article on page 2 for instructions or give us a call if you're uncertain. Once 2008 rolls around, and you've entered all transactions that belong in 2007, copy your live company's data into your new 2007 archive company.

Review Module Setup Options

Prior to your year-end processing it is an excellent idea to double-check your setup options.

Be certain to review the setup options in each module before you begin year-end processing; how your options are set determines what data is saved and how.

Exercise Your Data

The year-end process exercises some files that may not see a lot of activity throughout the year. It's a wise idea to be certain these files are in good condition and are without data corruption

before you begin processing. Take advantage of the built-in utilities for analyzing data to head-off any surprises. If you're uncomfortable with these utilities, or have problems when running them, please give us a call.

See our suggestions in the article beginning on page 4 for reports related to year end that should be printed. By reviewing these reports you may find anomalies, problems, or questions that require research or attention.

Give us a call with your year-end preparation and processing questions. ★



Taking the time now to plan your year-end procedures can help ensure a smoother year-end closing process.

Compliments of:



2007 — The Year In Review

Every year, Sage Software releases updates and new functionality to the Sage MAS 90 ERP product line. Here's what was released in 2007.

StarShip Freight

StarShip Freight, for packing and shipping larger shipments, was released late this year. StarShip Freight meets the requirements of carriers such as Roadway and Yellow Freight for less-than-truckload (LTL) and truckload (TL) shipments by providing item-level detail and printing the Bill of Lading (BOL).

CRM Interfaces

New and updated interfaces between Sage MAS 90 and ACT! by Sage, Sage SalesLogix, and SageCRM were introduced this year. If you are not yet reaping the benefits of integrated front and back-office systems, these tools make it easy to begin.

Version 4.2

Version 4.2 introduced sweeping changes to the Accounts Payable module. The new Business Framework architecture introduced with version 4.0 was extended to the Accounts Payable module this year, endowing it with grid-style data entry screens, enhanced memo capabilities, form improvements, and improved reporting options.

Business Insights Explorer

Business Insights Explorer is a new tool included with the software and introduced in Version 4.2. It is an easy-to-use, on-the-fly inquiry and analysis tool that improves your decision-making by helping you identify opportunities, inefficiencies, challenges, successes, and more. Through its grid-style interface, you're able to view important information and tasks, as well as gain immediate answers to unanticipated inquiries. You can even drill down and edit information at the transaction level directly from Business Insights Explorer.

New Fixed Asset Module

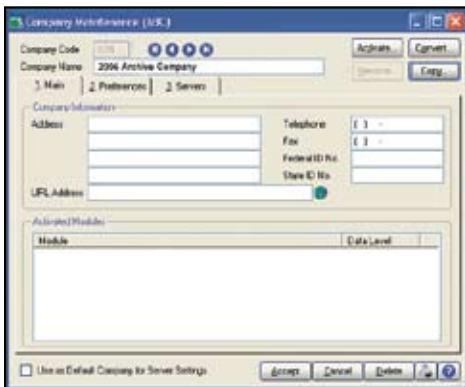
Now, the power of Sage FAS Fixed Assets is available as a Sage MAS 90 module. The Fixed Asset module streamlines the task of tracking and reporting on your company's fixed assets, and makes depreciation calculations a breeze.

New Sales Tax Functionality

Sage MAS 90 Sales Tax is a sales and use tax calculation service that works in the background of your accounting system via a secure internet connection. This integrated Web-based sales tax calculation service helps ensure you're always collecting the accurate tax amounts, regardless of where you are selling. ☆

Creating A New Company In Sage MAS 90 Is Easy As 1-2-3

It's a simple task to create a new Sage MAS 90 and Sage MAS 200 ERP company and copy the data from an existing company into the new company. It is particularly useful at year end to establish an archive company for the year's data. This way you have a copy of the current year's data intact even after you perform year-end processing in your live company. This is accomplished by selecting the **Company Maintenance** task from the Library Master module's Main Menu. First, create a new company code for the archive company. A suggestion is to include the last two digits of the year to be archived in the code, for example: A07 for the year 2007. Next, from this new company's Company Maintenance screen, click on the **Copy** button and type in the Company Code of your current year's live company. You'll be presented with a list of the modules installed in that company and you can select which module or modules you wish to copy to your archive company. The steps below provide an overview of the process.



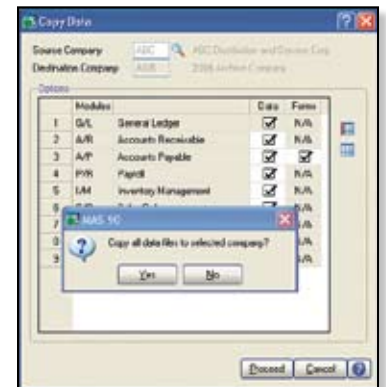
1 Set Up A New Company:

Create a new (archive) Company Code into which your 2007 data will be copied. Next, enter in the source company code (your current live company) to copy the data from.



2 Modules To Copy:

You may elect to include every module's data or selectively choose just the data you wish to copy. If your intention is to create a duplicate of the current year's company data, select all of your modules and copy to your new company code.



3 Confirm:

After you've confirmed your selection, answer **Yes** to the prompt to copy all selected data files to the archive company. It's that easy. ☆

It's The Order That Counts

Year-end processing is a vitally important step in keeping your data healthy. Some modules maintain buckets of data by year (year-to-date, prior-year, etc.). These data receptacles are reinitialized during year-end processing. Lots of other housekeeping is performed during year-end processing as well.

Year end is a busy time for most businesses, and frequently year-end processing tasks are put on a back burner. Nevertheless, do not neglect this processing, as its delay can have far-reaching impact on your data. With a little planning, information, and a minor time commitment, year-end processing can proceed smoothly.

Closing Order—It's Important!

The order in which modules are closed is very important. The period-end and year-end processes performed in one module often write data to another module. To close the modules out of order may cause damage to your data.

Modules should be processed or closed in the following order:

- ▶ **Bill of Materials**
- ▶ **Work Order**
- ▶ **Bar Code**
- ▶ **Purchase Order**
- ▶ **Sales Order**
- ▶ **Inventory**
- ▶ **MRP**

- ▶ **TimeCard**
- ▶ **Electronic Reporting**
- ▶ **Payroll**
- ▶ **Accounts Receivable**
- ▶ **Accounts Payable**
- ▶ **Job Cost**
- ▶ **General Ledger**

If you are running modules not on this list, for example e-Business Manager, one or more Sage MAS 90 Extended Solutions, or a third-party product, there may be special considerations involved in year-end closing. Give us a call and we'll advise you on the best procedure for closing your Sage MAS 90 or Sage MAS 200 software. ☆

Year-End News, Updates, And Tips

Interim Release Disk

Each year, Sage Software releases an Interim Release Disk (IRD) for Sage MAS 90 ERP containing the changes required for accurate tax filing. This year's IRD includes changes to the Accounts Payable and Electronic Filing modules to support the federally mandated 1099-MISC form printing program. The IRD is available for download from Sage Software Online by mid-December.

Please read the IRD instructions carefully and in its entirety as there are specific installation steps for installing the IRD properly. Give us a call if you have questions.

W-2s And Tax Table Update

The Tax Table Update (TTU) for the first quarter of 2008, typically referred to as the year-end TTU, also will be available for download from Sage Software Online by mid-December. As always, if you have questions, please contact us before you download and install this update.

At the time of this publication, there are no announced changes to the W-2 form. Should changes be necessary, you can be certain, you can be certain they will be accommodated by Sage Software in the IRD.

Electronic Reporting

If you are an employer with over 250 employees, you are required to file W-2 information electronically with the Federal Government.

You are encouraged to file electronically even if you are not required to.

The Sage MAS 90 Electronic Reporting module meets IRS W-2 and 1099 submission requirements. It's an easy-to-use tool that provides the capabilities for reporting your wage and payment information from the Payroll and Accounts Payable modules, plus 1099-INT, 1099-DIV, and 1099-MISC information in the format mandated by the federal government.

The Electronic Reporting module integrates with the Payroll and Accounts Payable modules, provides state-specific reporting, allows for test runs, and creates electronic media files for states using MMREF-1 or TIB-4 formats. If you do not own it yet, give us a call for pricing.

1099 Changes

Occasionally you may have the need to change or correct a vendor's 1099 figures stored within Sage MAS 90. Here's how to make the changes:

- 1 Select *Accounts Payable/Vendor Maintenance*.
- 2 Select the Vendor to change.
- 3 Click on the *Additional* tab.
- 4 Click on the *1099 History* button.
- 5 Select *1099 Form Type*.
- 6 In the 1099 Payment History screen make the necessary changes or corrections.
- 7 Click *OK* when done, click *Accept*, and exit Vendor Maintenance.

Where To Buy Forms

The Sage Software Tax Forms Division provides approved 2007 IRS forms that are guaranteed to be 100 percent compatible with Sage MAS 90 and Sage MAS 200. To order forms or obtain a current forms catalog, visit: <https://sage.checks-and-forms.com/homePage.do> or call (877) 246-2378.

Will You Receive Your Updates?

Without an active ClientCare Plan, you will not receive the IRD or TTU. This could result in your company being non-compliant in its tax filing. Is your subscription current? To determine the status of your plan, give us a call.

Important Note: If you're on Sage MAS 90 or 200 version 3.71, this is the last year this version will be supported with these critical payroll tax and 1099 updates. You may want to consider upgrading your Sage MAS 90 or 200 software to the current version in order to receive software updates after this year. Give us a call to discuss your upgrade plans. ☆

General Module Closing Procedures For Sage MAS 90 And 200

In this newsletter we provide general module closing procedures for the most common modules.

Note: Please be aware that procedures and processing may vary depending on the version of Sage MAS 90 ERP you are running. Use this document as a guide. If you are running version 4.1, some of the screens and processing are different, call us if you have questions or concerns.

Purchase Order

Ideally, Sage MAS 90 and 200 Purchase Order Year-End Processing should be performed before any transactions are updated for the new year. If that's not possible, remember that the future posting capability for Purchase Order is limited to one accounting period beyond the current period. Failure to close Purchase Order before the end of that one future period will cause the summarized totals for the current or future period to not match the transaction detail reports.

1. Before closing the Purchase Order module for the year, make sure:

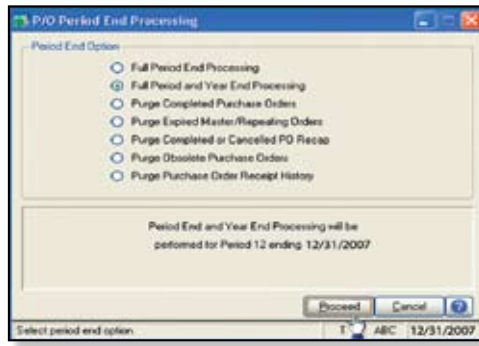
- ▶ All purchase orders for the prior year have been entered.
- ▶ All receipts and invoices have been entered and updated.
- ▶ The current Purchase Order date agrees with the period-end date.
- ▶ A backup of Purchase Order files has been made.

2. From the **Reports Menu** the following reports should be printed and retained:

- ▶ Open Purchase Order
- ▶ Open Purchase Order by Item (optional)
- ▶ Cash Requirements (optional)
- ▶ Receipt History
- ▶ Purchase History
- ▶ Purchase Order Recap (optional)

3. The Purchase Order **Full Period and Year-End Processing** performs the following housekeeping tasks:

- ▶ Sets the PTD and YTD quantity and dollars purchased fields to zero.
- ▶ Removes completed purchase orders according to the number of days designated in the **Purchase Order Setup** options.
- ▶ Removes master and repeating orders that



have expiration dates on or prior to the period-end date from the open purchase order file.

- ▶ Advances current period in Purchase Order Setup Options to the next period and year.

Sales Order

Sales Order Year-End Processing should be performed before any invoices are updated for the new year. If that's not possible, remember that for versions 4.0 and earlier the future posting capability for Sales Order is limited to one accounting period beyond the current period. Failure to close Sales Order before the end of that one future period will cause the summarized totals for the current or future period to not match the transaction detail reports. Sales orders may be entered with a date of the new year without adverse consequence.

1. Before closing the Sales Order module for the year, make sure:

- ▶ All Sales Order invoices for the current year have been entered and updated.
- ▶ The current Sales Order date agrees with the period-end date.
- ▶ A backup of Sales Order data files has been made.

2. From the **Reports Menu** the following reports should be printed and retained:

- ▶ Open Sales Orders
- ▶ Open Orders By Item (optional)
- ▶ Back Order (if applicable)
- ▶ Customer Sales History (optional)
- ▶ Monthly Recap (optional)

3. The Sales Order **Full Period and Year End Processing** performs the following housekeeping tasks:

- ▶ Resets the PTD and YTD Sales, Cost of Goods Sold, and Quantity Sold fields in the

daily and monthly Sales Recap files to zero.

- ▶ Resets the periods for current year, quantity shipped, dollars sold, and cost of goods sold; and moves current year Quantity Sold to Prior Year Quantity Sold in the Sales Order Customer Sales History file.
- ▶ Removes master and repeating orders from the open sales order file that have expiration dates on or prior to the period-end date.
- ▶ Advances current period in Sales Order Setup Options to the next period.

Inventory Management

Inventory Year-End Processing should be performed before any transactions are updated for the new year. If that's not possible, remember that the future posting capability for Inventory Management is limited to one accounting period beyond the current period. Failure to close Inventory Management before the end of that one future period will cause the summarized totals for the current or future period to not match the transaction detail reports.

The Inventory year-end process should occur immediately after Purchase Order and Sales Order year-end processing and before Accounts Receivable year-end processing.

1. Before closing Inventory for the year, be sure:

- ▶ All adjustments have been entered and registers updated.
- ▶ Current Inventory date agrees with period-end date.
- ▶ A backup of Inventory files has been made.

2. From the **Reports Menu** the following reports should be printed and retained:

- ▶ Inventory Trial Balance (should tie to the inventory accounts on the G/L Trial Balance for the same period)
- ▶ Stock Status (quantities reflect day printed)
- ▶ Inventory Valuation (should tie to G/L inventory account as of the day it's printed)
- ▶ Inventory Negative Tier Adjustment (from Period-End Menu). Be certain to update this report

Note: Any negative tiers should be resolved before closing and making any new year entries.

3. The Inventory **Full Period End and Year End Processing** performs the following housekeeping tasks:

General Module Closing Procedures For Sage MAS 90 And 200

- ▶ Calculates beginning average cost (by item by warehouse) and average on-hand quantity.
- ▶ Resets PTD and YTD quantity sold and issued, quantity returned, dollars sold, and cost of goods sold.
- ▶ Moves current year information to prior year fields in the Inventory Item Warehouse Detail file.
- ▶ Removes any zero quantity costing tiers for LIFO, FIFO, Lot, or Serial items (if applicable).
- ▶ Advances current period in Inventory Setup Options to next period and year.
- ▶ Proper year tax tables are installed (2007 for 2007 Year-End Processing).
- ▶ W-2s are printed and verified.
- ▶ Electronic Reporting files, if applicable, are processed and created.
- ▶ A backup of the payroll files has been made. Check and double-check the backup.

2. The following reports should be printed and retained:

- ▶ Quarterly Tax
- ▶ Payroll Check History
- ▶ Quarterly Pay Period Recap
- ▶ Earnings
- ▶ Deductions
- ▶ Quarterly Governmental
- ▶ Quarterly 941 Form
- ▶ Benefit Accrual
- ▶ Workers' Compensation

3. Be certain to reconcile QTD and YTD totals on all reports.

4. The Payroll **Period-End Processing** performs the following housekeeping tasks:

- ▶ Resets the QTD and YTD employee fields to zero.
- ▶ Increments the current year to the next year.
- ▶ Changes the current quarter from 4 to 1.
- ▶ Resets employee benefit limits according to Payroll Options Setup.
- ▶ Resets Pension Plan, Cafeteria Plan Deduction, Allocated Tips, Fringe Benefits, Non-Qualified Plan, and Dependent Care Benefits fields to zero.
- ▶ Sets all quarterly/yearly reports to zero.
- ▶ Removes check history and perpetual history depending upon your system settings.
- ▶ Purges terminated employees.
- ▶ Purges standard deductions that have met goals.

Note: Once you have completed year-end processing for Payroll, be certain to install the **Q1 2008 TTU** (tax table update) for 2008.

Accounts Receivable

Accounts Receivable Year-End Processing should be performed before any transactions are updated for the new year. If that's not possible, remember that for versions 4.0 and earlier the future posting capability for Accounts Receivable is limited to one accounting period beyond the current period. Failure to close Accounts Receivable before the end of that one future period will cause the summarized totals for the current or future period to not match the transaction detail reports.

1. Before closing the Accounts Receivable module for the year, make sure:

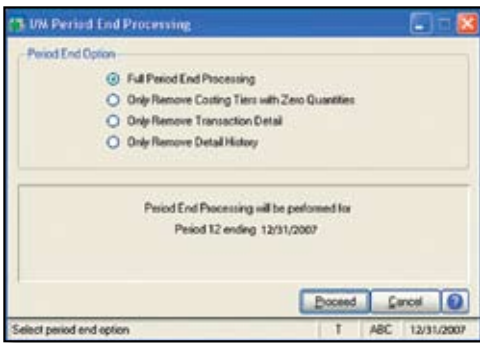
- ▶ All invoices and cash receipts have been entered and updated.
- ▶ Finance charges have been run and updated (if applicable).
- ▶ Customer statements have been printed (if applicable).
- ▶ The Accounts Receivable System Date is set to the last day of your fiscal year.
- ▶ A backup of the Accounts Receivable files has been made.
- ▶ Any AP from AR Clearing has been processed.

2. From the Reports Menu the following reports should be printed and retained:

- ▶ Aged Invoice
- ▶ Trial Balance (this amount should agree and be reconciled to the General Ledger account before completing year-end processing)
- ▶ Customer Sales Analysis
- ▶ Cash Receipt Report
- ▶ Sales Analysis by Salesperson
- ▶ Salesperson Commission
- ▶ Sales Tax (if applicable, this report should be printed and cleared each month)
- ▶ Monthly Sales Analysis (optional)
- ▶ Monthly Cash Receipts
- ▶ Accounts Receivable Analysis

3. The Accounts Receivable **Full Period and Year End Processing** performs the following housekeeping tasks:

- ▶ For versions 4.0 and earlier, it sets the PTD and YTD sales, cost of goods sold, cash



To perform year-end processing, select the option **Full Period End Processing**. This ensures that the ending period is the last period of your year.

Payroll

The Payroll module is based on a calendar year. There is no future period in Payroll. You cannot post a payroll in process with a check date in a future quarter until the current quarter is closed by selecting **Quarter and Year End Processing** from the Period End menu. Before proceeding with year-end processing, make sure the Quarterly Governmental Report, Quarterly 941 Form, and the employee W-2 Forms have been printed. Consider creating a company to archive your 2007 information (see page 2) and review year-end update information (see page 3).

1. Before closing the Payroll module for the year, make sure:

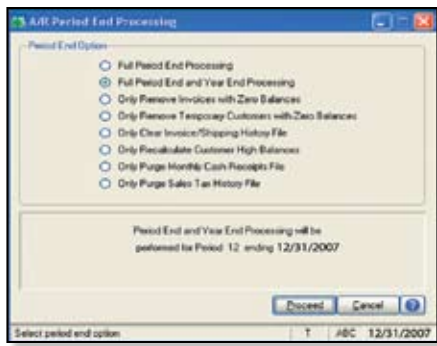
- ▶ All payroll cycles have been entered and updated for the quarter.
- ▶ All checks written during the quarter (including manual) have been entered and updated.
- ▶ Payroll System Date is set to the last day of the calendar year.



General Module Closing Procedures For Sage MAS 90 And 200

receipts, finance charges, number of invoices, and number of finance charges in the customer master file to zero, and moves current year information to last year fields. Purges AR Monthly Cash Receipts file. Purges PTD and YTD COG in AR Analysis by Salesperson. Moves current year information to prior year. PTD and YTD sales, gross profit, and commission amounts are reset in AR Salesperson masterfile. YTD information is moved to prior year field.

- ▶ Removes all zero balance invoices from the Accounts Receivable open invoice files.
- ▶ Purges all temporary customers with zero balances.
- ▶ Purges paid invoices according to the number of days to retain history in Accounts Receivable Setup Options.
- ▶ Sets current fiscal year to next sequential year and the current period changes to 1.



Note: Sage MAS 90 and 200 version 4.0 and earlier allows two Accounts Receivable periods to be *open* at a time: the current period and one future period. Transactions are posted to the period corresponding to the batch's Accounting Date, and therefore must be segregated by period and separately updated.

Accounts Payable

Accounts Payable Year-End Processing should be performed before any transactions are updated for the new year. If that's not possible, remember that for version 4.1 and earlier the future posting capability for Accounts Payable is limited to one accounting period beyond the current period. Failure to close Accounts Payable before the end of that one future period will cause the summarized totals for the current

or future period to not match the transaction detail reports. You don't need to print 1099 forms before proceeding with the Accounts Payable year-end processing because Sage MAS 90 and 200 has a separate 1099 calendar year in Accounts Payable options.

Note: Please check with us for instructions if your 1099 information is not correct before proceeding with year-end closing.

1. Before closing the Accounts Payable module for the year, make sure:

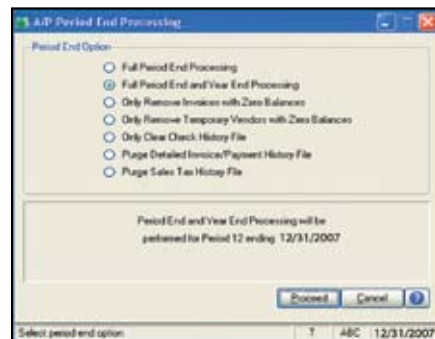
- ▶ All invoices have been recorded in both the Accounts Payable and Purchase Order modules.
- ▶ All checks are printed and updated.
- ▶ All manual checks written during the month have been entered.
- ▶ The current Accounts Payable date agrees with the period-end date.
- ▶ To backup Accounts Payable files.
- ▶ AP from AR clearing has been processed.
- ▶ 1099 data for the calendar year is verified.

2. From the **Reports Menu** the following reports should be printed and retained:

- ▶ Aged Invoice
- ▶ Trial Balance (this amount should agree and be reconciled to the General Ledger account before completing period-end processing)
- ▶ Vendor Purchase Analysis
- ▶ Monthly Purchase
- ▶ Check History
- ▶ Accounts Payable Analysis
- ▶ 1099 printing to paper (verification only)

3. The Accounts Payable **Full Period End and Year End Processing** performs the following housekeeping tasks:

- ▶ Resets the PTD and YTD purchases, pay-



ments, and discounts fields in the vendor master file to zero. Moves current year in-

formation to prior year fields.

- ▶ Removes all temporary vendors with zero balances from the vendor master file.
- ▶ Purges paid invoices and check history according to the number of days to retain history in Accounts Payable Setup Options.
- ▶ Sets current fiscal year to next sequential year and the current period changes to 1.

Note: Sage MAS 90 and 200 allows two Accounts Payable periods to be *open* at a time: the current period and one future period for versions 4.1 and prior. Transactions are posted to the period corresponding to the batch's Accounting Date, and therefore must be segregated by period and separately updated.

General Ledger

1. Before closing General Ledger for the year, make sure:

- ▶ The current General Ledger date agrees with year-end date.
- ▶ Balance Sheet is in balance.
- ▶ Budget revisions are entered through Budget Revision Entry and Update the Budget Revision Register is run.
- ▶ All activity and adjustments in modules integrated with General Ledger are complete in the year to be closed.
- ▶ Recurring Journals have been printed and updated.
- ▶ Allocations have been posted if necessary and the Allocation Journal has been updated.
- ▶ General Journal adjustments have been entered.

Note: The General Ledger Worksheet is a useful tool in determining which adjustments to make.

- ▶ Daily Transaction Register is printed and updated.
- ▶ A backup of the General Ledger files has been made. This is even more important for General Ledger than the other modules. **Do not neglect this step.** Label and store the backup for safekeeping.
- ▶ Auto Budget option is set to **none** if you have already entered budgets for the next year.

A second backup has been performed. Label and store the backup for safekeeping, once year-end processing is completed.

Module Closing CONTINUED

From the **Period End Report Selection** menu confirm the list of reports you wish to print during year-end processing. The reports you select here will print automatically during year-end processing if you check the *Print Period End Reports* box on the **Period End Processing** window. At a minimum, the following reports should be printed and retained:

- ▶ General Ledger Detail (the reports for periods 01–12 should be printed and retained)
- ▶ Trial Balance
- ▶ Standard Financial Statements
- ▶ General Ledger Analysis
- ▶ General Ledger Worksheet
- ▶ Balance Sheet

3. **Full Period-End and Year-End Processing** performs the following house-keeping tasks:

- ▶ Sets current fiscal year to next sequential year and the current period changes to 1.
- ▶ Clears all income and expense account balances and posts net profit to the Retained Earnings account.
- ▶ Creates next year's budget based on your setup options in the Auto Budget feature in General Ledger Options.
Note: Options determine how you create next year's Current Budget. The options are: create a **Zero Budget**, copy this year's Actual, copy this year's **Current Budget**, copy this year's **Revised Budget**, copy this year's **Budget 3**, or finally an option to do nothing to next year's Current Budget.
- ▶ Transaction history may be purged depending on how you have set the **Number of Years to Retain General Ledger History** setting in the General Ledger Options.



To perform period-end processing, select the option Period-End Processing from the General Ledger period-end menu, ensuring that the period number displayed is your final period of the year. If you need assistance, please call us. ☆



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