

ESII'S BEGINNING NEW-YEAR STEP BY STEP INSTRUCTIONS

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Section 1 Pre – Yearend

1a) CLEANING UP & BALANCING DATA TO PREPARE FOR THE YEAR END

Procedures listed in this section can be done anytime throughout the year to keep data correct and minimize the amount work to be done at the end of the accounting year.

BALANCING ACCOUNTS RECEIVABLE

STEP 1. Verify the A/R general ledger matches or balances to the subsidiary ledger.

1) Subsidiary ledger report:

Q – Reports

C – Income/Receivables

J – Summed Aged Receivables

N – To Balance forward

P – To Print

2) General ledger report:

N – Bookkeeping

D – Chart of Accounts

Highlight the correct General Ledger Account for Accounts Receivable

F7 – Detail

A. By Transaction Type, press enter on the G/L account and the “N” on From Date to Date

The year to date ending balance from the G/L report should match the subsidiary ledger report

ending balance. *If the two balances do not match; the following utility will assist to find the problem*

N - Bookkeeping

K - Deposit Utilities

H – Verify all income

A – Accounts Receivable

This utility will go through all the adjustments and customer accounts in the sales ledger to make sure they are in balance, (Deposits = paid invoices + unapplied amounts). ESII will report any customers with a difference in the calculated balance from the trial balance.

STEP 2. Verify beginning A/R general ledger beginning balance to the subsidiary A/R last year detail.

3) Subsidiary Ledger last year Balance report:

Q – Reports

C – Income/Receivables

O – Other Options

E – Recreate Aged Receivables

Enter the date of the **last year** closing date (12/31/2011)

4) Balance sheet from last year/beginning totals

N – Bookkeeping

G – Income/Balance Sheet

C – **Last year** income statement

The total from the Subsidiary ledger report should match the total on A/R from last years Balance sheet

STEP 3. Write off any bad debt records you identified

See **BAD DEBT WRITE OFF**

BALANCING ACCOUNTS PAYABLE

STEP 1. Verify the AP general ledger matches or balances to the subsidiary ledger.

5) Subsidiary ledger report:

N – Bookkeeping

H – Accounting Reports

A – Vendors and Payables

B – Payables aged summary

P – to print or **S** to screen

6) General ledger report:

N – Bookkeeping

D – Chart of Accounts, arrow down to the correct General Ledger Account

Press enter to bring up Press

F7 – Detail, **A.** By Transaction Type, press enter on the G/L account and the “N” on From Date to Date, Ctrl/page down to the bottom of the report

The year to date balance from the G/L report should match the subsidiary ledger report ending balance.

If the two balances do not match; the following will assist you to diagnose the problem

N – Bookkeeping

H – Reports

F – Recreate Aged Payables

Leave the date as **today’s date**

N – To Detail

Y – To Diagnostics

Y – To invoices dated outside of current year.

Y – Would you like an unverified accounts payable check report?

N – Would you like to compare invoices to a prior year data?

STEP 2. Verify A/P beginning general ledger balances to the subsidiary A/P last year balance.

7) Subsidiary Ledger last year Balance report:

N - Bookkeeping

B – Accounts Payable

ALT + R – Report Tab

2 – Aged Payables

Enter date for Prior year end (12/31/2011)

Except all other details or click on <OKAY>

8) Balance sheet from last year/beginning totals

N – Bookkeeping

G – Income/Balance Sheet

C – Last year income statement

The total from the Subsidiary ledger report should match the total on A/P from last years Balance sheet

1b) ESII'S BEGINNING NEW-YEAR STEP BY STEP INSTRUCTIONS FOR 2011

Whether your business operates on a calendar or a fiscal year, follow these instructions on the last date of your year. The Year End utility must be processed prior to billing any new-year (dated) sales. If the beginning of your new year comes in the middle of the week, we recommend completing the yearend utility the night of your yearend, to simplify the sales routine on the first day of your new year. If you are unable to complete the utility on the last day of your year, **new sales** (dated in the new year) must not be finalized until the yearend utility is completed in ESII.

Note: this document will refer to 12/31/2011 as the yearend date as in a calendar year, with the new year as 1/1/2011. If you are on a fiscal yearend please insert your fiscal yearend date when noted and your beginning year date when noted.

1c) WHAT TO DO ON THE LAST DAY OF THE YEAR

- 1) Bill out any “finished” work orders / invoices for the year.
- 2) Write off any bad debt.
- 3) On the J. Deposits screen, **make sure all deposit records with a “last year” date are deposited with a “last year” deposit date (example: all 2011 records are deposited on or before 12/31/2011) and removed from the J. Deposit screen.** Items that are listed on the J. Deposit screen that are not ready to be deposited must be moved from the J. Deposit screen. To remove items not ready for deposit, line up on the items, press F5 to delete the items and put the invoices back to the receivable screen in the customer file. (For ES1 users, highlight the item and press ‘R’ to move the invoice to receivables). The J. Deposit screen **MUST** be empty of any 2011 dated records before the yearend utility is processed.
- 4) **Verifying Customer Accounts** – Print the Verify Income Report: N. Bookkeeping, K. Deposit Utilities, H. Verify Income, A. Verify Accounts Receivable. This report will print a list of customers and the total amount off in each account. Correct any customer accounts showing a balance off using M. Income / Receivables.
- 5) **Print all customer statements.** Double-checking all customer account totals.
- 6) **Print a total accounts receivable and a total accounts payable report *before* and *after* Year End** to make sure the Year End leaves the correct balances intact.

A/R report: Q. Reports, C. Income Receivables, A. Everything Posted “R”, P. Print

A/P report: N. Bookkeeping, H. Reports, A. Vendor/Payables, B. Payable Invoice Detail, P. Print

- 7) **“Sum Inventory - N, J, (for customers who are NOT using Cost of Goods bookkeeping).**
Check the G/L for balance - **N. Bookkeeping, K. Account Utilities, C. G/L Setup, A. Master G/L, A. Current year.** **If the current year G/L is out of balance, “Redistribute All Data”, N, K, G.**
- 8) Process the archive manually to be sure all billed items exist in the archive directory. Keystrokes; **F.** File Utilities, **O.** Data File Utilities, Enter the File Access Code **PTM-FAC, H.** Setup Archive Drive and Path. Press enter on the prompt “Enter Archive Drive & Path”, Press “Y” to archive in the mornings, then enter on 1 day between each archiving, and press “Y to “WOULD YOU LIKE TO ARCHIVE RIGHT NOW”. Press “X” (twice) to exit data file utilities.
- 9) **DO NOT credit any customers (ROA’s) or write checks dated for the new year or process any Vendor accounts until AFTER the Year End utility is processed. Doing either of these will change the actual Year End totals, for A/R and A/P. This utility will not affect the Payroll records, Payroll has separate Year End steps below**

1d) BACKUP NOW!

DO A COMPLETE BACKUP OF ESII BEFORE PROCESSING YEAR-END

*THIS BACKUP MUST BE ON REMOVABLE MEDIA (Zip Disk, CD, Floppy Disks, Tape Backup, etc...)
WE RECOMMEND DOING AN “X-Y” BACKUP TO THE HARDDRIVE WHEN EXITING ESII.
Note: If a tape or re-writeable CD is used, it **MUST** not be used again. The year-end Backup should be stored in a secure location off the premises.*

THE ITEMS LISTED IN THE EARLIER SECTION MUST BE DONE BEFORE PROCESSING YEAR-END.

1e) READY TO PROCESS THE “YEAR-END” UTILITY - FINAL CHECK

The Year-End utility **requires exclusive use**; no ESII files can be open on any other workstations (*re-booting the server will close all open files and verify there are no other users in ESII*). Double check the Beginning of Year and End of Year dates in **E. System Setup, N. Set Year End** to verify they are correct based on your calendar or fiscal yearend dates.

1f) THE YEAREND UTILITY:

At the main Menu, go to **F.** File Utilities and **H.** End of Year Preparation. The screen will explain the yearend process, press “Y” to continue. The next screen will **prompt for the path. Example; if the last date of business in the year is Dec 31, 2011, the last year data is for the year 2011, enter \2011 into the prompt to comply with what the end of year is. Do not enter dashes, periods, spaces, etc., when naming a new directory, use only the four digit year.** After entering the path (\2011), the screen will show the year ending date from E. System Setup

***write directory Drive and Path used for Last Year: _____**

- If the date is correct press “Y”.
- The prompt will ask, “Would you like to create a backup file 2011”, answer “Y”,
- Do you have paid invoices in the current year? **Press “N”.**
- As the process continues, the screen will prompt with several more questions, **press Y on all other prompts.**

This utility generally takes less than an half hour. The Year End process will remove all last year (2011) records not required for the current year (2011). This includes the Sales Ledger, Check Register, Accounts Payable and the Adjustment Journal entries. Current unpaid “customer” invoices and current unpaid “vendor” invoices will be the only remaining data records in the New Year directory \PTM. All data can be viewed in the \2011 directory (Customer, Vendor, and Inventory databases will remain untouched).

2a) SETTING UP FOR THE NEW YEAR *(The below steps must be completed)*

- 1) Go to **E.** System Setup from the Main Menu select **N.** Set Year End. Indicate the new system Beginning of Year & End of Year Dates for the new year (1/1/2011– 12/31/2011)
- 2) Redistribute all the new year's data to the General Ledger. Go to **N.** Bookkeeping, **K.** Accounting Utilities, **G.** Redistribution Menu. Are you Sure? Press "Y". Verify that the Beginning and End Year system dates are correct for the new year **(1/1/2012 – 12/31/2012)** and that the **current date is 1/1/2012 or dated within the new system dates THIS IS VERY IMPORTANT!** After the yearend utility is finished, **as far as the computer is concerned, it is 1/1/2012 or the first day of your new year! Redistribution must show a 2012 date!**

2b) ES2 USERS - HOW TO ACCESS THE 2011 DIRECTORY

- 1) In the Current year directory go to **E.** System Setup, **J.** Invoicing Options, **O.** Bookkeeping Options.
- 2) Verify that the path for "Last Year" is correct with the Drive and Path designated (Example = \2011)
- 3) Return to the Main Menu of the Current Year and press **[Ctrl]** and **[PgUp]**. The first time accessing the last year directory the system will go through a process of updating the structures and printer profiles. (*note: each time the last year directory is accessed this way the system will verify the printer profiles and the version to make sure the last year directory has the same printer setup and version as the current year)
- 4) Once in the Last year directory the Main Menu should be red in color to indicate the directory being accessed. *Note: if there is a password in Level One and/or Level Two in **E.** System Setup, **I.** Passwords the system will prompt for the password.
- 5) Use the **X** to Exit or **[Ctrl]** and **[PgUp]** to exit the last year directory and return to the Current year.

To find the drive letter that the ESII program is on, go to the main menu of ESII, look in the upper left hand corner, next to the word Data EXAMPLE C:\PTM use the noted letter that shows on your system (i.e. P:, E:, C:)

2b) ESII USERS - HOW TO BUILD A 2011 DIRECTORY ICON ON THE DESKTOP

- 1) Make a copy of the existing Echelon Icon - On the Windows desktop, right click (with mouse) on the existing Echelon Icon, Left click on COPY.
- 2) On the Windows desktop, right click (with mouse) on an empty space, Left click on PASTE
- 3) The screen will show a copy of the original ICON, right click on the new icon, select PROPERTIES and left click
- 4) Under the "General" Tab change the name
- 5) Select the Program Tab and change the Command Line and Working Line to read the correct directory (2011 instead of PTM)

EXAMPLE: The command line originally was C:\PTM\ES.BAT replace the PTM with 2011 so that the command line reads **C:\2011\ES.BAT**, the Working Directory originally was C:\PTM—replace the PTM with 2011 to get a working directory that reads **C:\2011**

*****Install ESII program updates to Last Year Directory to keep structures current*****

2c) ITEMS TO CHECK IN THE NEW CURRENT YEAR DIRECTORY

All records dated last year will no longer be in the current year directory, (with the exception of un-paid customer invoices (receivables) and vendor invoices (payables)).

- 1) **N.** Bookkeeping, **C.** Check Register – Press V- View, C-Checks, There should be **no checks** dated 2011.

- 2) N. Bookkeeping, E. Adjustment Journal.- There should be **no adjustments** dated 2011.
- 3) N. Bookkeeping, B. Accounts Payable, [F9] paid records - There should be **no Paid Payables** dated 2011.
- 4) M. Income Receivables, (P) paid-or-(D) deposit - There should be **no paid Receivable records or deposit records** dated 2011.
- 5) ***Inventory: Zero the quantity sold*** - to start the New Year with a zero quantity sold on each Inventory part. Select C. Inventory, bring a part up onto the screen, O. Options, O. Zero Quantities or Quantities Sold, B. Zero All Qty Sold.
- 6) N. Bookkeeping, K. Accounting Utilities, K. Check Log will look normal with the last line indicating the bank / checking account balance (N. Bookkeeping, C Check Register) and that redistribution has been ran. Press R to Reset and X to Exit.
- 7) N. Bookkeeping, K. Accounting Maintenance, C. G/L Setup, A. Current Year - The **G/L account totals** should be zeroed for the current year, to enable a fresh start for the New Year with out any detail from last year.
- 8) N. Bookkeeping, K. Accounting Maintenance, C. G/L Setup, C. Last Year or Beginning – Holds all of the ending 2011 balances. To view the **Last Year Ending G/L figures** from inside the current year, press N/Q/C, all totals will scroll to the screen. If the **last year balance total is off (it will show at the bottom right corner)**, this will be caused by the amount of last year’s profit or loss (this amount will need to be moved to Retained Earnings). To balance the Last Year Ending totals moving profit into Retained Earnings, press the **“O” OPTION** at the bottom of the screen. This will Auto-balance the Profit & Loss to the Retained Earnings account, press [ENTER] on each prompt that appears on screen. *(To correct the INVENTORY VARIATION amount pertaining to the end of year financial statement, it is here through N, K, C, C, “O” Options that it may be amended or changed to reflect the correct variation total.)*
After all changes/adjustments have been made to the Last Year directory, the existing totals in N, K, C, C, may be updated with the newly corrected totals from the \2011 directory (or the last year directory if in a fiscal year) by using **N. Bookkeeping, K. Accounting Utilities, C. G/L Setup, F. Update last year from \2011** (in the current year). **For changing existing G/L totals in the last year directory see ADJUSTMENTS TO BE ADDED TO THE LAST YEAR DIRECTORY (on the next page).*

2d) ADDING PAYABLE INVOICES TO THE LAST YEAR DIRECTORY IN THE DAYS AND MONTHS TO COME AFTER YEAREND

VENDOR INVOICES - After the Last Year Directory has been built invoices received from any vendors dated the prior year need to be added to the vendors file in the ***last year directory*** through N. Bookkeeping, B. Accounts Payable. This is done for three reasons:

1. To post the invoice into the vendors account for last year
2. To add to the year ending payables total
3. To accrue the expenses to the correct accounting period

When a vendor invoice is entered into the last year directory, the system will automatically prompt on the screen to add the invoice into the current year directory, pressing “Y” will copy the invoice to the vendor account in the current year automatically.

NOTE: *Payables is the only area that will update the current year directory automatically with changes made in the last year directory. No other area in ESII will automatically update the current directory with changes, the two years are not connected in any other way.*

NOTE: *The **System Date** does not need to be changed to access the old data. When entering records into the “last year” directory (payable invoices, etc.) **the invoice date must be within the CORRECT year.***

2e) ADDING ADJUSTMENTS TO THE LAST YEAR DIRECTORY

After the year-end process is completed, several adjustments will need to be made to the last year balances (example: bank charges, interest on savings or checking accounts, depreciation, adjustments received from the accountant)

- 1) **Apply Adjustments:** Go to the Last Years directory; press N. Bookkeeping, E. Adjustment Journal. Enter the needed adjustments as normal, be sure to *date the adjustments with a "last year" date.*
- 2) **Backup new information:** Once adjustments are made to the G/L accounts in the last year directory, do an **X Y** backup upon exiting the last year directory. This will build a BACKUP.ZIP file to the hard drive (when all final changes are done, the Year-End backup should be re-done onto a removal media, Disk, CD, Zip-Disk or Tape).
- 3) **Update existing year beginning totals in the current year:** Once the final changes are made to the ending totals in Last Years directory, those changed totals will need to be updates the existing last year totals that are in the current years directory in N/K/C/C. Go to the \PTM directory, select N. Bookkeeping, K. Accounting Utilities, C. G/L Setup, F. Update last year from \2011-. The screen will prompt to move the current ending totals in the \2011 directory into the "Last Year" area (N, K, C, C, O, The screen will prompt with three prompts, press enter on each prompt that appears on the screen (they are *Retained Earnings account, *Total amount of Retained Earnings, * Last Retained Earnings adjustment) of the current year, and year before last (N, K, C, D). **This utility may be used as many times as needed to update the new year with the changed end of year totals, when ever changes are made to the last year directory. This utility simply looks at the year ending totals in the \2008 directory held in N, K, C, A, and updates the new year "Last Year or Beginning" totals \PTM (current year) in N, K, C, C, making them identical.*

Section 3 Payroll

3a) December 31st PAYROLL Year End Instructions

*All Payroll Checks dated prior to January 1st **must** be purged from the Current Year directory prior to processing the first payroll in January – even if your company is on a Fiscal or Calendar Year*
Have a complete backup of ESII on hand **before beginning this process.*

Payroll Year End Utility

O. Payroll,

F. File Utilities,

K. Save and Delete Data by Date,

D. Save Payroll to Harddrive.

The screen will prompt with a From Date & To Date (Year Beginning and Year Ending dates for the previous calendar year)—*example: if the new calendar year=2012, then the previous calendar year=2011 (1/1/2011-12/31/2011).* The system will then prompt "FILES COPIED TO PAYROLL\2011.OLD TO REMOVE RECORDS FROM FILE (X)=NOT REMOVE. *The system builds an automatic backup of the payroll data called PAY2011.OLD to the hard drive.*

NOTE; IF AN ERROR 22 APPEARS REMOVE THE WORD "PAYROLL" FROM THE ABOVE PATH

F. Press [ENTER] to remove all last year dated checks and payroll records out of the **Amend Payroll** area.

- G. Clear all YTD totals in each employee's file **This will reset / recalculate all payroll records for each employee for the new year.* **O. Payroll, F. File Utilities, P. Zero YTD Balances, H. Update Employee Files with YTD.** Enter 1/1/2012 into the prompt. The screen will scroll through each employee showing "no payroll found".



*****THE PAYROLL YEAR END UTILITY AND CLEAR YTD TOTALS UTILITY
MUST BE COMPLETED PRIOR TO PRINTING ANY PAYROLL CHECKS
DATED AFTER DECEMBER 31st*****

Section 4 Reports

4a) SUGGESTED YEAR END REPORTS

All REPORTS listed below may be printed at any time from the last year directory after the yearend process has been completed.

REPORTS:

• **INVENTORY**

Physical Count Sheet - Q. Reports, A. Inventory, R. Inventory Maintenance, P. Print.

Cost Report - Q. Reports, A. Inventory, V. Cost, Kit Cost, Core Value, Extended, P. Print

Use this report after all correct quantities are entered into the inventory. This report will group all parts by line. It will give costs for part and core.

• **CUSTOMER**

Detail Account - Q. Reports, C. Income/Receivable, A. Invoices Posted "R", P. Print.

Detail Summary - Q. Reports, O. Sales Journal Report, E. Detail Aged Receivables

Summary - Q. Reports, C. Income/Receivable, J. Summary Aged Receivables, P. Print.

• **SALES LEDGER DETAIL**

All Invoices and Work-orders listed in the Sales Ledger in sequential order - Q. Reports, C.

Income/Receivable, N. Sort Options, B. Sort By detail, P. Print.

• **ACCOUNTS PAYABLE**

Detail Account - N. Bookkeeping, H. Accounting Reports, A. Accts Payable, A. Payables Invoice Balance, P. Print.

Detail Summary - N. Bookkeeping, H. Accounting Reports, A. Accts Payable, H. Payable Aged Summation, P. Print.

• **BOOKKEEPING**

**Verify that GL is in balance by checking the below areas before printing Total Distribution report.*

N. Bookkeeping, K. Accounting Utilities, C. G/L Setup, A. Current Year

N. Bookkeeping, K. Accounting Utilities, C. G/L Setup, C. Last Year or Beginning

Have all adjustments done and A/P entered prior to printing below report.

Total Distribution report - N. Bookkeeping, I, G/L Detail, Enter G/L to Report, (leave empty for all), From Date to Date, press enter on "N". This report goes through each transaction in each G/L account; this is a large report. Allow the system to take the time needed to print, highly recommended for accountant or auditing purposes.

Section 5 Miscellaneous

5b) YEAR-END PROCEDURE FOR ESConnect USERS (multiple-stores on ESII)

**The remote store(s) must be closed prior to the main store closing.
Verify that all transactions processed to the main location prior to closing
the remote store(s).**

REMOTE LOCATIONS:

Bill out and finalize all Workorders and Invoices that will be counted for “this years” activity, ensure all transactions from the last day of the year have been transferred to the Main Location after doing a deposit. The Remote Locations will also need to process the Year-End Utility and create a new icon explained above.

Clear the deposit screen of all items

- a) Deposit everything listed on the J. Deposit screen; cash, checks, credit cards and adjustments.
- b) Move anything that was not yet paid for to Receivables by pressing ‘R’
- c) Make sure all transactions have processed to the main store and the esconnect has been set on pause before proceeding.

The year-end utility

- 1) Follow the instructions on page 4

Delete the Sales Ledger, Old Deposits, Payables, and Adjustment Files from the current directory.

- a) Verify that all sales records are in the last year directory
- b) Use File Utilities Delete file function to remove data and prevent these databases from being transferred to the Main Store after the Main Store closes their year:
 - b.i) F. File Utilities
 - b.ii) C. Delete Records from a data file
 - b.iii) Arrow down to SALES LEDGER, press [Enter].
 - b.iv) Arrow down to STORED OLD DEPOSITS, press [Enter].
 - b.v) Continue with both Payables, & Adjustments.
 - b.vi) B – Reconstruct indexes from all data files

MAIN LOCATION:

Before beginning the Year-End process; verify that all transactions from the remote locations have been processed and the General Ledger numbers have been updated with the new activity and are in balance. Once all transactions have been processed from the remote locations follow the steps to process the Year-End Utility (page 4).

END - ESII'S BEGINNING NEW-YEAR STEP BY STEP INSTRUCTIONS