



# **ShelbyNext General Ledger: Closing Procedures**

## **(Course #F129)**

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shelby**systems**

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## Objective

To review all necessary steps in closing out and beginning a new fiscal year in ShelbyNext | General Ledger. Also, to look at some best practices and tips/tricks in closing out a current year.

## What You Cover in This Session

### How to...




- Create a new fiscal year
- Enter budget numbers
- Import/Export budgets
- Run a year-end closing
- Operate in two fiscal years
- Maintain your Chart of Accounts
- Delete unused accounts in a new year
- Renumber Accounts
- Use the audit period for auditor adjustments
- Verify payroll liability accounts
- Close out “designated” accounts
- Delete “close-out” project codes
- Verify Balance Sheet

# Create a New Fiscal Year

## General Ledger > Modify > Year and Periods

Home > General Ledger > Year Period

Add New Year


 \* Begin Date 7/1/2017  \* End Date 6/30/2018 


\* Number of Periods 12 ☒ Include Audit Period? ☐ Close Year?

The number of periods is flexible to allow for more or less than 12 periods if adjusting fiscal year.

Home > General Ledger > Year Period

Set up account structure and accounts for 18-19

 Copy From ☒ Year 17-18  
☐ Another company or fiscal year  
☐ Templates  
☐ Do not copy. Create manually

 ☒ Copy Budgets?


- A new year can be created at any time.
- Choose the option to copy the previous year's chart of accounts.
- Choose whether or not to copy the previous year's budget.

# Enter Budget

## General Ledger > Modify > Budget Information

Home > General Ledger > [Budget Information](#)

**Filters**



Fund  Church

Department  Genl Operations

Account Range

Budget Revision

**Search** [Reset](#) or [Cancel](#)


Select Department in the filter and click "Search".

Home > General Ledger > Budget Information > Update

Account 52115 Advertising/marketing

Distribute Budget

Annual Amount

 Column and Graph Options

Fund 1 Church

Department 30 Genl Operations

**DETAILS** ATTACHMENTS NOTE

Period	Current Budget	% of Budget	Prior 1 Budget
July	\$800.00	8.37	\$800.00
August	\$800.00	8.33	\$800.00
September	\$800.00	8.33	\$800.00
October	\$800.00	8.33	\$800.00
November	\$800.00	8.33	\$800.00
December	\$800.00	8.33	\$800.00
January	\$800.00	8.33	\$800.00
February	\$800.00	8.33	\$800.00
March	\$800.00	8.33	\$800.00
April	\$800.00	8.33	\$800.00
May	\$800.00	8.33	\$800.00
June	\$800.00	8.33	\$800.00
<b>Totals</b>	<b>\$9,600.00</b>	<b>100.00%</b>	<b>\$9,600.00</b>

Use the Column and Graph Options to create the column headers. Notice Prior 1 Budget displays the prior year budget for the specific period.

**Done** [Reset](#) or [Cancel](#)

[Previous](#) [Next](#)

## Enter Budget

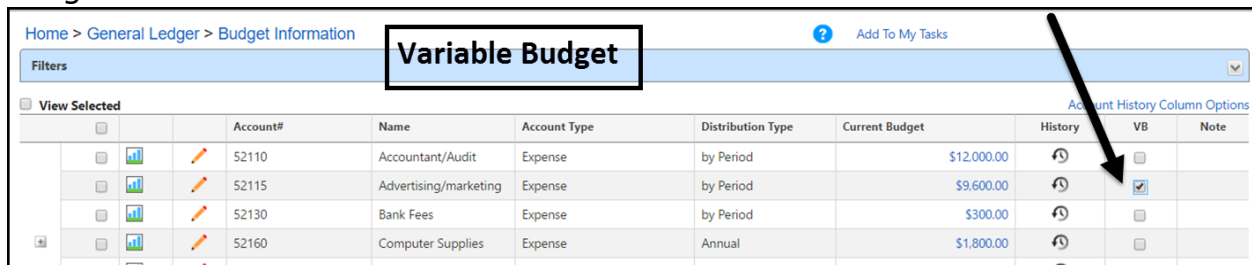
- Budget can be created at any time after the new year is created.
- Budget can be changed at any time.
- Budget distribution can be changed for each specific account.
- Use the Attachment option to attach supporting documents for specific budget line items.

# Enter Budget

**TIP: Use Budget Variable option**

Clicking the budget variable option allows the user to run the **Budgeted Financial Statement** report and change the budget by a certain percentage.

**Example:** The church is in a building program, and even though a budget has been approved by the church, the leadership desires to run at 90% of the budget. Therefore they need to manage the approved budget and also a “second” budget which is 10% less without using budget revisions or changing any of the actual budget numbers.



Home > General Ledger > Budget Information

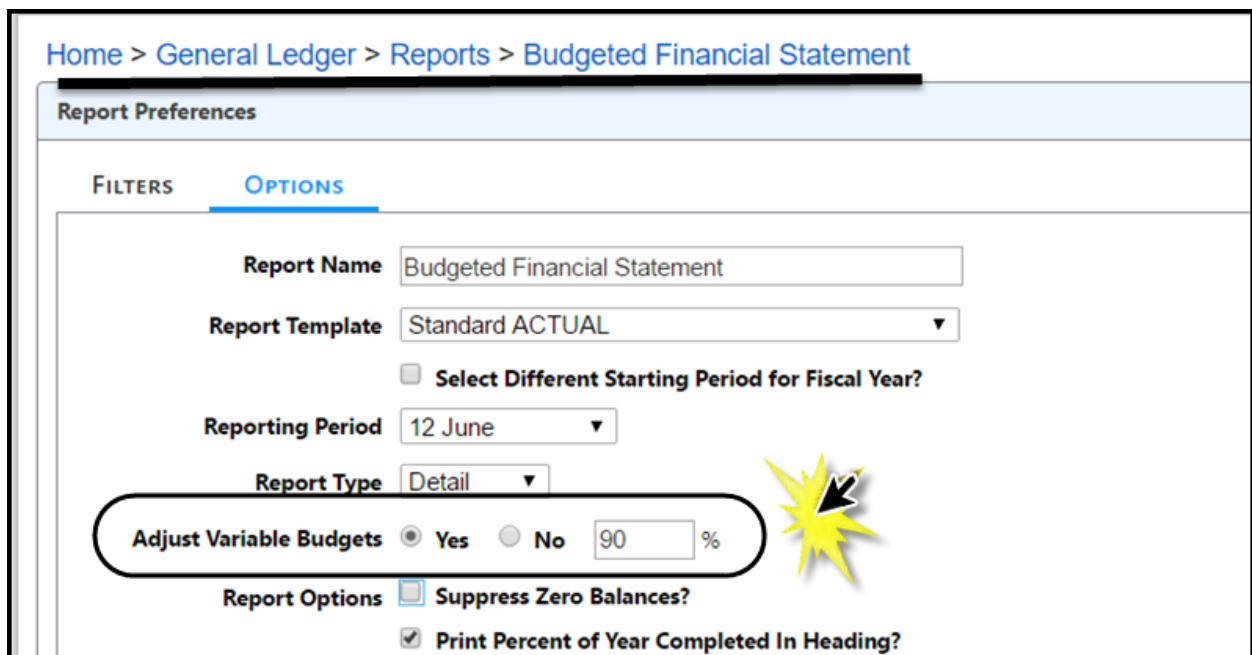
Filters

Variable Budget

View Selected

Account#	Name	Account Type	Distribution Type	Current Budget	History	VB	Note
52110	Accountant/Audit	Expense	by Period	\$12,000.00		<input type="checkbox"/>	
52115	Advertising/marketing	Expense	by Period	\$9,600.00		<input checked="" type="checkbox"/>	
52130	Bank Fees	Expense	by Period	\$300.00		<input type="checkbox"/>	
52160	Computer Supplies	Expense	Annual	\$1,800.00		<input type="checkbox"/>	

Account History Column Options



Home > General Ledger > Reports > Budgeted Financial Statement

Report Preferences

FILTERS OPTIONS

Report Name Budgeted Financial Statement

Report Template Standard ACTUAL

☐ Select Different Starting Period for Fiscal Year?

Reporting Period 12 June

Report Type Detail

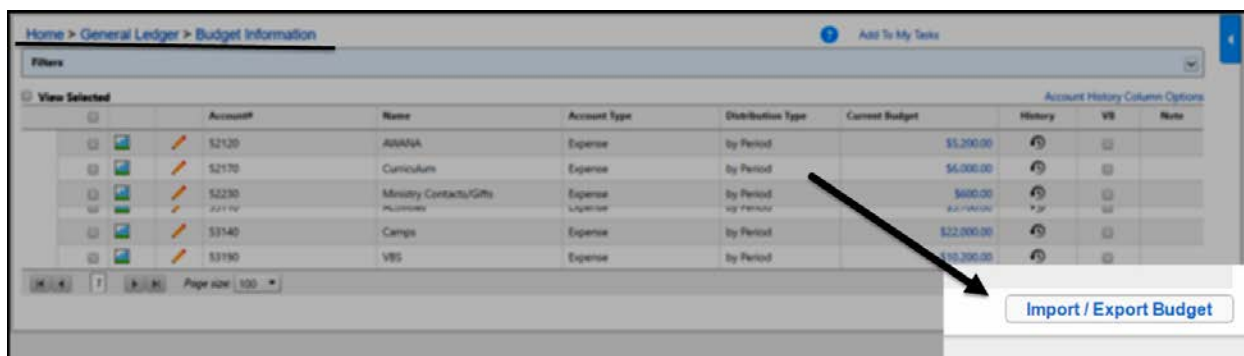
Adjust Variable Budgets ☒ Yes ☐ No 90 %

Report Options ☐ Suppress Zero Balances?

☒ Print Percent of Year Completed In Heading?

## Import/Export Budget

This is a great tool that is probably under-utilized. **Go to General Ledger > Home Base > Utility > Import/Export.** Here you can export the budget format into an excel spreadsheet (xlsx format). The caveat is that the spreadsheet has to be populated in this exact form and saved in the same xlsx format.

[illegible]

## Import/Export Budget

Click the **Import/Export Budget** button to access a page where you can specify the levels from your account structure that you want to export. After making your selections click the **Export** button to be prompted to download the **BudgetExport.xlsx** file or the **Cancel** link to return to the Budget Information page. To edit budget information, open the downloaded file and make your changes.

Enter the **Periodic** (monthly) amounts in each field corresponding to the period name. All budget figures import as "by Period" unless the amounts are evenly distributed across the periods. In that case, they import as an "Annual" distribution type. Any rounding should be added to the first period. For example, if you enter \$34.33 in each period and enter \$34.47 to the first period, this account imports as an Annual budget of \$412.

**NOTE:** Do not enter calculations in the Period fields, only numbers. The Annual Budget column is a calculated column and does not import.

### Common Mistakes when importing a budget:

- Importing the budget to a wrong year
- Not entering income accounts as credit using the minus key
- Adding accounts to the Excel budget that have not been added to your Chart of Accounts



# Run Year-End Closing Procedure

## General Ledger > Utilities > Close Fiscal Year

Applications Enter Manage View Reports Modify Utilities Help

Company: 1 First Church Fiscal Year: 17-18 Period: 10 April Bank Account: 1-10110 ACB operating

Home > General Ledger > Fiscal Year Closing

Report Preferences

FISCAL CLOSING

Change Appearance? ☐ Trebuchet MS 8pt 100%

You have selected to run the fiscal year end for General Ledger.

**Before continuing...**  
Make sure that all transactions for the year have been updated and any reports needed including the YTD Detail Ledger Report have been run.

**What happens:**

1. A new year will be created.
2. A chart of accounts will be copied from the current year to the next year.
3. Opening balances will be calculated for balance sheet accounts and properly reflected in the new year.
4. Income and expense accounts will be closed to their respective closing account numbers.
5. If Copy Budgets checkbox is checked, budgets are copied to the next fiscal year.
6. A Year End Closing Entries report will be displayed.

**Note**

☐ Copy Budgets?

☐ Copy Accounts?

☒ Mark Year as Closed? ⓘ

Print Sequence ☒ Account Number ☐ Closing Account

\*Choose Correct Fiscal Year

\*Do not copy accounts if new year is already created.

\*Year-End closing can be run multiple times.

This is a very simple procedure to run.

This process closes all income/expense accounts to their respective balance sheet closing accounts and rolls all balance sheet balances into the new fiscal year.

This process can be repeated whenever necessary. Many churches choose to run the procedure in the beginning of January so they have a January balance sheet. Later they have to repeat the procedure after making changes to the prior year.

## Operate in Two Fiscal Years

It is possible and most likely necessary to operate in two fiscal years early in the new fiscal year. This requires attention to detail to ensure that all transactions are posted not only to proper periods but also to the proper fiscal year.

Make the new year the default year under **General Ledger > Modify > Company Year Information.**

[Home](#) > [General Ledger](#) > [Company Information](#)

[Add New Company](#)

**Company #**

**Name**

**Address Line 1**

**Address Line 2**

**Postal Code**  Note: Enter postal code to auto-fill the City and State.

**City**

**\* State / Province**


**Federal Tax ID Number**

**Default Year**  **Default Period**

☒ **Send Entry to Bank Account Management?**

☐ **Create Separate Bank Items For Each Detail Line?**

☒ **Require the Posting Date and the Period to match on all Journals?**



## Operate in Two Fiscal Years

When posting journal entries from the financial sub-modules such as Accounts Payable, Payroll, Contributions, etc., ensure the transaction date, period, and date of entry match the correct period and fiscal year.

<b>Company:</b> 1 First Church	<b>Fiscal Year:</b> 17-18	<b>Period:</b> 10 April	<b>Bank Account:</b> 1-10110 ACB operating checking
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**Check Information**

**Check Date**

☒ Email vouchers?

☐ Print Emailed Vouchers?

Home > Accounts Payable > Payment Processing > Process Payments

\* Posting Date  ☒ Post Directly to General Ledger

Always make sure the check date or transaction date for postings in other modules matches the period and posting date. The Enforce Dates and Period option described next does not verify the transaction date. This is important for bank reconciliation.

## Operate in Two Fiscal Years

### *Enforce Dates and Period*

A General Ledger feature allows an option to require the subledger journal entry to match the post-to period and date of entry on the journal entry box.

To enforce the setting, go to **General Ledger > Modify > Company Information**

Home > General Ledger > Company Information

[Add New Company](#)

\* **Company #**

\* **Name**

**Address Line 1**

**Address Line 2**

**Postal Code**  Note: Enter postal code to auto-fill the City and State.

\* **City**


\* **State / Province**

**Federal Tax ID Number**

**Default Year**  **Default Period**

☒ **Send Entry to Bank Account Management?**

☐ **Create Separate Bank Items For Each Detail Line?**

 ☒ **Require the Posting Date and the Period to match on all Journals?**

## Chart of Accounts Maintenance – delete or inactivate unused accounts in new fiscal year

A new fiscal year is a great time to delete unused accounts in the chart of accounts. An account can be deleted as long as no transactions are posted to the account in that fiscal year. In **ShelbyNext** there is now a feature to inactivate an account that is not used.

## General Ledger > Modify > Chart of Accounts

Filters











































Expand All

Collapse All

Add Group

Add Account

Add Sub-Account

			Account Number	Usage	Account Type	Name	Budget	Closing Account	Active	Note
			 40000 - 59996		Income	NET INC/(EXP)				
			 40000 - 49995		Income	INCOME				
			 43110		Income	Activities	(\$3,600.00)	30110		
			 43140		Income	Camps	(\$29,500.00)	30110		
			 43210		Income	Youth Trips	(\$12,500.00)	30140		
			 50000 - 59995		Expense	EXPENSES				
			 52230		Expense	Ministry Contacts/Gifts	\$1,800.00	30110		
			 52270		Expense	Outreach	\$2,200.00	30110		
			 52280		Expense	Postage/shipping	\$900.00	30110		

Choose the account for deletion and click the red X. It is deleted in the current fiscal year so past history is not impacted.

To inactivate, open the account and de-select the active button.

Edit Account

\* Account #

\* Name

☒ Active? ☐ Prevent Use of Manual Journal?

Fund1 Church

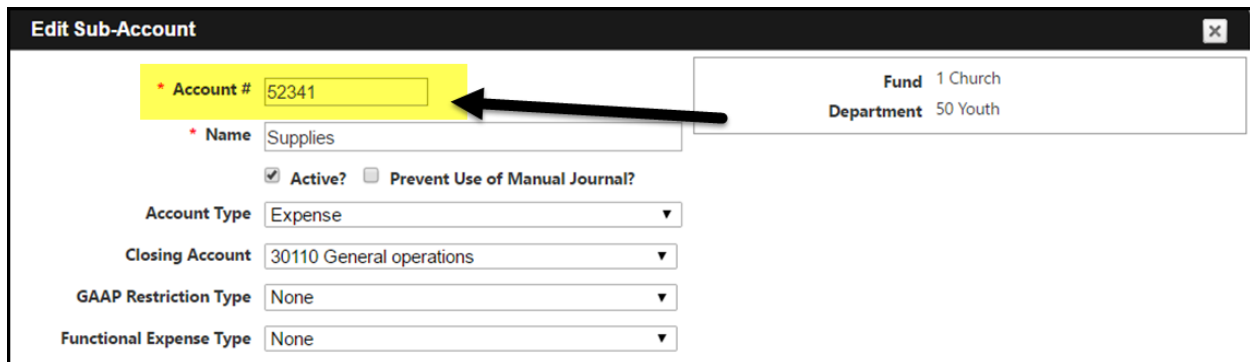
Department40 Children

## Renumber Account numbers

In some cases it may be necessary or desired to move accounts from one department to another in the chart of accounts. Beginning a new fiscal year is a good time to perform this maintenance step.

### General Utilities > Modify > Chart of accounts

Open the selected account and change the account number.



The screenshot shows the 'Edit Sub-Account' window. The 'Account #' field is highlighted in yellow and contains the value '52341'. A black arrow points to this field. Other fields include 'Name' (Supplies), 'Active?' (checked), 'Prevent Use of Manual Journal?' (unchecked), 'Account Type' (Expense), 'Closing Account' (30110 General operations), 'GAAP Restriction Type' (None), and 'Functional Expense Type' (None). The 'Fund' is '1 Church' and the 'Department' is '50 Youth'.

The new account number is created at this point. This is not a merge of two accounts.



## Use Audit Period for Auditor Adjustments




End-of-year audit adjustments may not be made until sometime after the new year begins. Audit adjustments may affect fund balances, reversing accrual entries, fixed assets adjustments, etc.

Period “13” audit period is designed for these types of adjustments. The prior year can be opened and journal entries posted to period 13. The advantage is that all reports run through period 12 of that fiscal year reflect numbers that most likely have already been reported. However, with the period 13 adjustments made, year-end procedure re-run, the current year balance sheet is updated to reflect any prior year changes.

***\*\*Use Attachments to link supporting documents to the journal entry.***

Home > General Ledger > Unposted Journals > Update

	Journal Number not assigned			
* Date	* Period	Journal Type	* Description	
4/12/2018 	13 Audit ▼	JE Miscellaneous Journal Entry ▼	Auditor Adjustments	
<input checked="" type="checkbox"/> Send Entry to Bank Account Management? <input type="checkbox"/> Create Reversing Journal in Next Period?				

	Journal Number not assigned		
* Date	* Period	Journal Type	
4/12/2018 	13 Audit ▼	JE Miscellaneous	
<input checked="" type="checkbox"/> Send Entry to Bank Account Management? <input type="checkbox"/> Create Reversing Journal in Next Period?			
DETAILS <u>ATTACHMENTS</u> NOTE			
 Add New Attachment			

## Verify Liability and “Designated” (Restricted) Accounts

Review the balance sheet Net Asset accounts and verify all negative (debit balances) on closing accounts. These may be board designated, events/trips, etc. that have finished the year with a negative balance. If indeed the negative balance is correct, consider a transfer from unrestricted expense/income account to the “designated” account to close out the year with at least a zero balance.

For example, many churches use a ministry activity closing account with ministry income and ministry expense accounts that close to that specific account. At the end of the year there may be a negative (debit) balance due to not raising/charging enough fees to cover all the expenses. In this case there may be a budget expense account to debit for the expense and credit the activity income account to clear this negative balance. If the negative balance rolls forward, it just continues to grow until the balance is corrected.

If there is a positive balance, it can remain and become “seed” money for the next trip or event.

If there is a positive (credit) balance in restricted accounts, remember to pay out the balances if required. End-of-year missions offerings would be a good example.

	<u>Opening. Balance</u>	<u>YTD Receipts</u>	<u>YTD Disbursements</u>	<u>Ending. Balance</u>
<b>TEMP RESTRICTED</b>				
31110 Benevolence	\$7,378.00	\$1,500.00	\$0.00	\$8,878.00
31130 Missions-home	\$5,633.02	\$850.00	\$0.00	\$6,483.02
31150 Missions-oversea	\$1,653.85	\$1,600.00	\$0.00	\$3,253.85
31170 Missions-trips	\$9,811.25	\$61,570.00	\$550.00	\$70,831.25
31190 Emergency relief	\$4,620.00	\$1,670.00	\$0.00	\$6,290.00
31200 Memorials	\$360.00	\$165.00	\$0.00	\$525.00
31780 Building Fund	\$202,811.10	\$116,175.00	\$0.00	\$318,986.10
<b>TOTAL TEMP RESTRICT</b>	<b>\$232,267.22</b>	<b>\$183,530.00</b>	<b>\$550.00</b>	<b>\$415,247.22</b>



## Verify Balance Sheet

This should be done on a monthly basis. If it is not, ensure that you make all updates and verify all balances on the balance sheet at the end of the year.

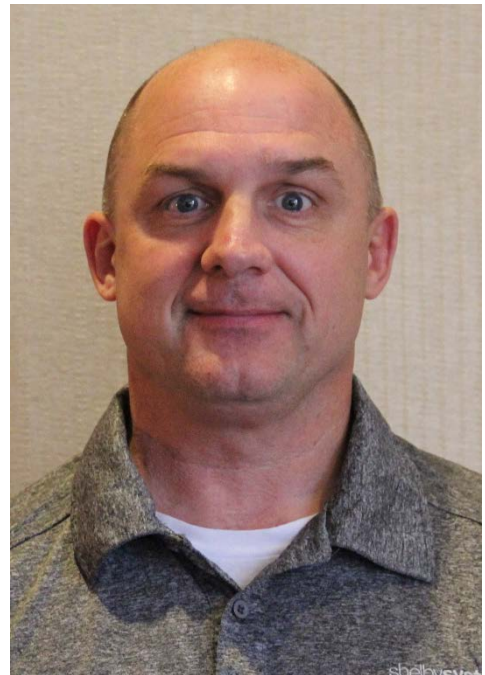
- ***Reconcile all bank accounts.***
- ***Verify all payroll liability accounts.***
- ***Update Fixed Assets accounts with purchases that were expensed during the year.***
- ***Update loan principal payments if they were expensed during the year. Reconcile with bank loan statements.***
- ***Verify all Net Asset (closing) accounts....make adjustments/payments/etc. as needed (as mentioned above).***
- ***Reconcile to sub-ledgers.***

These are just a few key items to check to help close out the year properly and also to help prepare for an audit.

# ISC | 2018

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Mark Fisher has been a Shelby Independent Trainer since 1998 and currently serves Shelby customers as a Shelby Consultant training in Shelby v.5, Arena, and ShelbyNext. He was previously the Business Administrator at Shandon Baptist Church in Columbia, SC where he gained valuable experience with Shelby software programs. Mark's unique blend of skills and experience allows him to bring practical knowledge to the ministry organizations he trains full time.