

Year End Procedures for Purchase Order

Purpose: This program allows you to determine how you want Wrapped Up or partial PO's and their encumbrances handled at the fiscal year-end.

Tips:

There are three different Year-end procedures to choose from, and each one handles the purchase orders differently in the New Year. You must first decide how you want the encumbrances handled, and then run any reports you may need before you run the Year-end procedure. You also need to make sure you have installed the latest versions of GL, AP and PO.

Suggested reports to run are Outstanding Encumbrances, PO Status and Vendor Purchase History.

Make sure you have the Special Accounts properly filled in on the PO Options screen before doing the Year-End Process.

The three different options are:

Option 1-This process does nothing; it leaves all PO's as they were. No journal entries are created and no report is printed.

Option 2-This process creates an unencumbrance journal entry for each PO with a status of Wrapped Up or Partial and then will cancel out all of the current PO's with the status of Wrapped Up or Partial. In the new Fiscal Year, you must reenter any PO's you want to be available in the New Year. You must enter the PO's with a new purchase order number.

Option 3- GAAPFR compliant customers generally use this option. This process creates journal entries to relieve the encumbrances by crediting the expense and debiting AP then it creates another journal entry to expense this PO to the old fiscal year by debiting the expense and crediting YE Encumbrance Payable. This process will not change the status of any purchase orders; the PO's will keep their current status. When these PO's are attached to an invoice in the new fiscal year, you will have to make sure you clear out the amount to relieve. The reason is that the PO has already been relieved during this process. Note: If a journal entry has multiple lines of distribution, the report will print out the journal entries made for each line of distribution and will not group them together.

There are 2 purge options available:

Temporary Vendors-You should not purge temporary vendors in PO if you have our AP software. We suggest that you wait and purge in AP.

Purge Purchase Orders- This program is used to remove purchase orders with a status of either Completed or Cancelled. This will help keep the database clean. We do suggest you keep 2 years of purchase orders in the system.

PO Year End Close Checklist:

- Run the Outstanding Encumbrance Report.
- Run the Vendor History Report for the year you are closing.
- Run the PO Status Report for the year you are closing.
- Make a backup to keep and label it "Before Year End Close".

- Decide which PO Year-End Option to run and then run the YE Process with that option.
- Depending on which option you have chosen you may have further steps to do. If you are not sure, see tips page above about what each option does.
- Run the Purge PO Process (Optional). This will delete any purchase orders with the status of Wrapped Up and Cancelled.
- Run another PO backup. Save this backup for a few months.