



SAGE 200

RUNNING A YEAR END IN SAGE 200
VERSION 2013 ONWARDS



Overview

This article details the recommended steps required for running a year-end in Sage 200 for standard Financials and Commercials systems. Customised systems or those using Manufacturing, Project accounting, Retail or Construction modules may require additional steps. Generally, any process which could make postings into the Nominal Ledger and is related to the old year being closed should be processed to completion. This must be done to ensure that no entries related to the old year are attributed to subsequent periods in the new financial year.

Before following some of the steps detailed in this article, please ensure that you have taken backups of each database you're working on. This can be carried out on the server via SQL Server Management Studio. If you're unsure how to carry out this process, please contact your IT person or your Sage support provider.

Important Information

Various parts of the year-end routine require exclusive access to Sage 200. This means that no other users should be logged into Sage 200 while you complete this process. If this is likely to be inconvenient you may wish to schedule the year-end for a quieter period, or if you are carrying out the year-end yourself, a weekend or out of hours.

The year-end process can take a long time to complete. This is particularly the case if you've got high volumes of transactions or hundreds of Nominal Codes. You need to allocate sufficient time for the process to be completed without interruption.

If you know that you've got a very large database, you should run the year-end routine directly on the Sage 200 server. This will help to minimise network issues and client PC resource issues and gives you the best chance of completing the year-end without experiencing any problems. If you do experience a problem, you should restore the backup and attempt the year-end again.

The year-end process does not need to take place on the last day of your Financial Year. Indeed, it is likely that the year-end may need to take place a couple of months later to allow for any accounting adjustments or late entries to be posted. Sage 200 has no problem with this; you can run the year-end whenever you are ready.

If you complete the year-end routine and realise that you've forgotten to make a posting for the old year, the Prior Year Journal Entry feature can be used to adjust your brought forward balances. This feature may need to be enabled by changing some settings on your system. It is important that you use the Prior Year Journal Entry feature to make prior year postings, rather than the standard Journal Entry feature, as this will only affect balances in the current financial year (regardless of the date given to the journal).

The year-end process itself is not difficult though there are several steps leading up to the point of running the year-end. Some of these steps can be time-consuming; most of the tasks involved in the year-end process are things that you do frequently.

If you aren't sure about a step, seek advice before continuing. It is easier to fix problems as they are encountered, rather than trying to rectify something after the fact.

Outcomes of the year-end routine

The year-end routine performs several important processes:

- The old financial year is closed off.
- The new financial year is opened.
- The balance on all Profit and Loss nominal codes is cleared down into a Retained Profit nominal code on the balance sheet.
- When periods for the new year are opened, transactions in the deferred posting file are moved to the waiting posting file and can be updated on to the nominal ledger when required.
- It is no longer possible to post back into the old financial year. Any standard transactions which are entered with a date relating to the old financial year will be added to the balance of the earliest open period in the new financial year. The only exception to this is the Prior Year Journal Entries feature which can be used to adjust the brought forward balance on nominal codes.

The Profit and Loss section of your nominal ledger is always re-set at year-end because it relates to the Profit and Loss of your organisation within the current financial year. Because of this, transactions pertaining to the old financial year are no longer as relevant and their balances are moved to Retained Profit on the Balance Sheet.

If you wanted to move the Profit and Loss transactions relating to the old financial year from the current posting file into the historical posting file, you would need to run the separate routine in Account Maintenance **immediately** after the year-end has been run **and before you open period 1 of your new Year**. This will move all the Profit and Loss transactions up to the year-end date and is highly recommended that you do this. Unless you have reports based on Profit and Loss transactions that need to show more than one year on the same report.

You also have the option to move Balance sheet transactions into the historical posting file in this routine. However, the cumulative nature of the Balance Sheet means that these transactions could still be relevant to the new financial year. For example – bank accounts are stored on the balance sheet. The balance on your bank account doesn't change because you ran a year-end. Because of this, you may want to retain the Balance Sheet transactions for a longer period.

The Year-end routine

All the steps below are recommended, but any steps with an asterisk are optional.

1. Enter all transactions related to the year being closed. Ensure that all journal adjustments have been entered and that all prepayments, accruals, POP accruals, Standard Cost Variances and any stock journals/adjustments have been entered.
2. Update waiting postings and pending transactions in all ledgers.
3. Post all standing orders and direct debits from the cash book up to year-end date if applicable.
4. Post all outstanding invoices on sales and purchase orders up to the year-end date. Any invoices dated after the year-end can wait.
5. Produce and spool management reports – Profit and Loss, Balance Sheet, Trial Balance, Stock Valuation, Aged Debtors and Creditors Reports. *
6. Ensure that your aged debtors and creditors reports reconcile up to the end of the financial year for sales and purchase ledgers – this step is optional as you could still do it after the year-end. *
7. Close all accounting periods for the year (apart from Nominal Adjs. until Balance Ledgers/Verify Data has been run see step 11) This routine is found in Accounting System Manager > Accounting Periods > Maintain Accounting Periods.

Any period which is marked as Future or Open must be changed to say Closed; this includes modules which you don't use. For example, if you have a column for Stock, but don't use this area of Sage 200, you still need to mark all the periods as Closed.

If you go to Maintain Accounting Periods and find that the button to Change Period Status is greyed out, your Sage 200 login has not been assigned the relevant user permissions. Either ask a user who does have sufficient privileges to complete this task or request that your permissions are changed.

8. Ensure that the number and dates of all periods are correctly specified on the Future Financial Year tab within Accounting System Manager > Accounting Periods > Maintain Accounting Periods. This is particularly important if you are changing the start/end date of your financial year or if the first financial year in Sage 200 uses an irregular number of periods.

9. Remove Disconnected Logins *

This feature can be found in Accounting System Manager > System Utilities > User Login Status. All entries on the Disconnected Logins tab should be removed by highlighting and using the Log Off button at the bottom of the screen. Say Yes if you receive a prompt about running Balance Ledgers but don't perform this process until all Disconnected Logins have been removed and you have a backup of the data.

10. Take a backup of the data.

This process needs to take place using SQL Server Management Studio and is generally performed directly on your server. You should contact your support person if you don't have access to the server or you're not comfortable / familiar with this routine. This is a very important step and shouldn't be omitted. Keep this backup somewhere safe as you may need it later.

11. Balance Ledgers/Verify Data *

The Sage 200 Balance Ledgers/Verify Data routine makes some rudimentary checks within each of the ledgers to ensure that important information such as account balances and stock levels are correct based on the transactions which have been entered into Sage 200. If there are any discrepancies in your ledgers, this could affect the postings made during the year-end process.

Balance Ledgers/Verify Data can be found in Accounting System Manager > System Utilities > Balance Ledgers/Verify Data.

You should run both the Financials and Commercials options. Use Balance Ledgers to validate all records in every module, if you know you have a backup (with no users and no disconnected logins) always use validate, report and correct anomalies. As validate and report will not report or fix indexing problems. Please Note: Cashbook and Nominal Ledgers force you to use the latter option.

If you find any fixable errors, you should spool the reports and send them to the relevant departments for review. You can then carry on with the year-end.

If you find any unfixable errors, you should print the reports and send them to your Sage support provider ideally before continuing with the year-end process. Some errors can be overlooked, and most issues can be fixed after the year-end is complete, but any fix may not allow you to make any adjustments to the year being closed.

N.B. Once you have run this routine on all ledgers go back to step 7 and ensure all modules are now closed.

12. *You may take another Backup or use the previous backup to create an archive company. This step is best practice - it gives you a way of referring to the data in its pre-year-end state.

You may also want to copy your attachments into the attachment folder of the archive company. As this will allow you to refer to them after they have been removed from the live company.

These processes need to be carried out within SQL Server Management Studio, Sage 200 System Administrator and File Explorer so, as with the backup, you may need to seek further advice about this.

13. Process year-end.

The year-end routine can be found in Nominal Ledger > Period End Routines > Year-end.

The year-end Screen has three tick boxes. Select these to confirm that you've produced all the reports you require for the year-end. This should have been covered by point 5 of this article but isn't so important if you've carried out step 12 as you'll be able to come back and get these reports at any time.



Select all tick boxes then click OK.

The year-end process will now run. This could potentially take a long time.

If you experience any error messages such as Time Out errors or Out of Memory Exceptions, you should arrange to have your backup restored and another attempt should be made to run the year-end process – either directly on the server or from a more powerful computer.

Once the Year Process has completed, you'll receive a message asking if you want to open accounting periods for the new financial year. Say No** to this for the moment. The system will have produced a Nominal Ledger year-end Report that you should spool and keep safe, either print or save as a PDF, for future reference if required by auditors.

If you select Yes to open up period 1 this has the potential to cause issues if you have entered transactions with a prior year date, the account maintenance routine in step 18 looks at dates rather than period number so these entries would be moved into historical – the balance on the account will be correct, however you would need to view these entries under the Historical Transactions tab in enquiries or if running reports historical reports would need to be selected to see the entries relating to the current year.

14.Run a Trial Balance for period one. Ensure that no Profit and Loss nominal codes have a balance.Balance Sheet nominal codes will have a balance and should agree to the closing Balance Sheet (apart from the Retained Profit figure)

The year-end routine should clear down all balances for P&L codes into a Retained Profit nominal code in the Balance Sheet and bring forward any Balance Sheet balances. If this hasn't happened for certain nominal codes and a Brought Forward balance remains on Profit and Loss code or has been removed from a Balance Sheet code, this will suggest that some nominal codes either have an incorrect Reporting Category specified, or that the Reporting Category is configured as a Balance Sheet or a Profit and Loss item incorrectly.

The best way to approach this problem is as follows:

- Restore a backup.
- Adjust the reporting categories on the affected nominal codes, or
- Adjust the type for the reporting category to be Profit and Loss rather than Balance Sheet or visa-versa.
- Re-run the year-end.
- Re-produce the Trial Balance.

15. IMPORTANT Spool and save a copy of this Trial Balance – your auditors may want a copy. ***This report cannot be re-run, so it is imperative that a copy is either printed or saved as a PDF***

16. Take a backup. *

Once the year-end process has completed successfully and the Trial Balance is correct, you should take a further backup. You may find this useful for audit purposes if you need to refer to how your system looked immediately post-year-end.

17. You need to now check that your system will store historical transactions prior to running the Account Maintenance routine to move your Profit and Loss transactions into the History file. This is found in Nominal Ledger > Utilities > Ledger Setup > Ledger Settings. Select the Defaults tab heading and ensure there is a tick within Keep Nominal transactions and Archive Transactions after this period (as shown below)



Options Defaults Budget Headings Budget Profiles VAT Submissions

Previous Year Postings

Post entries for previous year ☒

Last year end date: 31/01/2022 

Account History

Keep nominal transactions ☒

Keep transactions for: 24 Calendar months

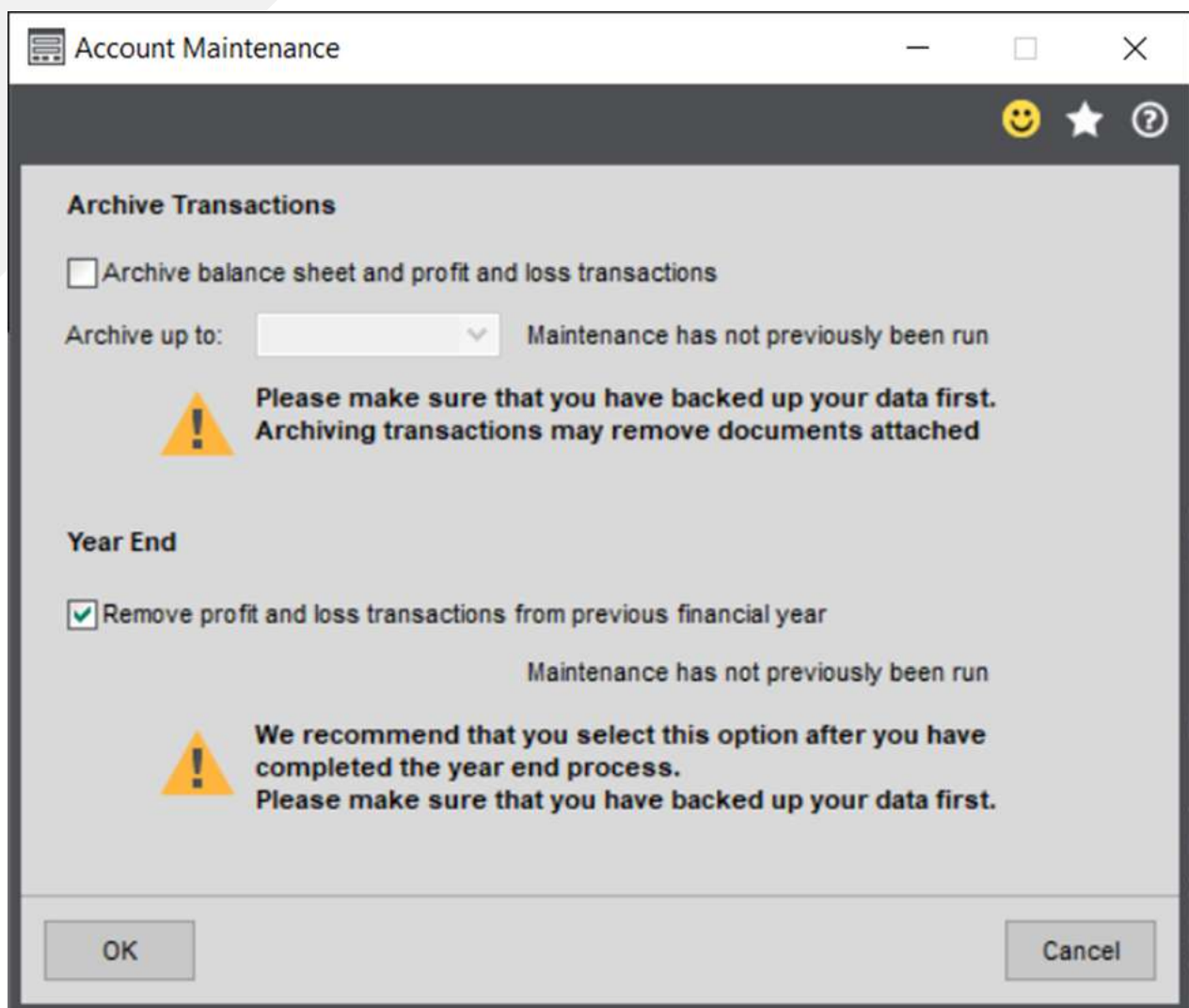
Archive transactions after this period ☒

OK

Print

Cancel

18. You are now ready to run the Account Maintenance routine to move the Profit and Loss transactions to the historical file. This is found under Period End Routines > Account Maintenance. Select the option under the year-end heading to Remove Profit and Loss transactions from previous financial year as shown in the screenshot below. *Optionally you can also choose to Archive Transactions for the Balance Sheet this can be run to an older date (as explained previously).



19. Open the required number of accounting periods for the new financial year.

You can open accounting periods by going to Accounting System Manager > Accounting Periods > Maintain Accounting Periods.

20. Update waiting postings, found under Nominal Ledger > Period End Routines > Update Waiting Postings. This will update your nominal accounts with transactions you have posted for the new financial year, the routine can take a while if there are many transactions to process.

Congratulations, if you are not using consolidation, you have now completed the year-end process and can manage your Sage 200 system in the same way as you normally would.

If you are pleased, immediately continue to the next sheet.

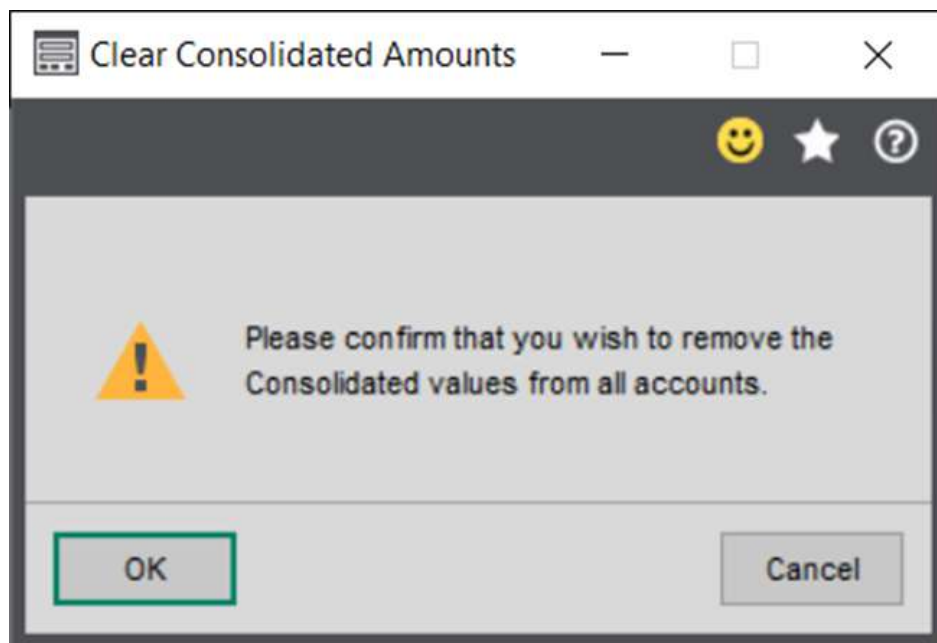
Year-end Procedure - Consolidation

The following additional steps should be completed if you use the Sage 200 consolidation features.

Sage RECOMMEND you should only use the group company for consolidation and not post into it directly. However, if you do post into it directly, the direct postings should go to a cost centre.

Running year-end when the group is NOT used for direct postings.

1. Run the year-end in all companies including the group company (including the account maintenance option)
2. Clear consolidated balances in all companies including the group company. This can be found under Nominal > Utilities > File Maintenance > Clear Consolidated Amounts.



3. Zero balances in the group ONLY. (Nominal Ledger > Utilities > File Maintenance > Zero Balances).

Running Year-end when the group IS used for direct postings

In accounting system manager > system settings – ensure the option to update the nominal ledger immediately is unticked.

1. Run the year-end in all companies including the group company (including the account maintenance option)
2. Clear consolidated amounts within each live Sage company, including the group company.
3. Open period 1 within the group company and update waiting postings, check that the posting file is empty.
4. Open period 1 within the subsidiary companies, do not update waiting postings.
5. Consolidate the subsidiary to the group company.
6. Delete the waiting postings in group company.
7. Update the waiting postings within sub companies ensuring that the current posting file is empty.
8. Consolidate as normal.



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