

# The year-end closing procedures for the Fixed Asset Management module in Microsoft Dynamics GP

## Summary

**Note:** Before you follow the instructions in this article, make sure that you have a complete backup copy of the database that you can restore if a problem occurs.

*This document outlines the recommended year-end closing procedures for Fixed Asset Management in Microsoft Dynamics. This article includes a checklist of the steps that you must follow to complete these procedures.*

## Introduction

This article describes the recommended year-end closing procedures for Fixed Asset Management in Microsoft Dynamics GP. Read this article before you perform one or more of the procedures.

## Year-end closing checklist

1. Perform all the year-end closing procedures for Payables Management in Microsoft Dynamics GP
2. Enter all the fixed asset transactions for the current fiscal year
3. Depreciate all assets through the last day of the current fiscal year
4. Perform the GL Posting (GL Interface) process (This step is optional.)
5. Run any year-end reports that you want to keep as part of the year-end financial records
6. Guarantee that the Fixed Assets calendar is built correctly (This step is optional.)
7. Verify that the quarters are set up correctly for all the fiscal years
8. Create a backup
9. Perform the fixed assets year-end closing routine

## Instructions

### **Step 1: Perform all the year-end closing procedures for Payables Management in Microsoft Dynamics GP**

Close Payables Management first. This action guarantees that all the outstanding fixed asset transactions are capitalized. *For more information about closing Payables Management, click the following article number to view the article in the Microsoft Knowledge Base: [875169](#) Year-end closing procedures for the Payables Management module in Microsoft Dynamics GP*

### **Step 2: Enter all the fixed asset transactions for the current fiscal year**

Post all the additions, the changes, the transfers, and the retirements for the current fiscal year.

**Note** Transfers and undo retirement transactions should never be performed in a historical year.

### **Step 3: Depreciate all assets through the last day of the current fiscal year**

1. In Microsoft Dynamics GP, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Routines**, point to **Fixed Assets**, and then click **Depreciate**.
2. In the **Depreciation Target Date** box, type the last date of the current fiscal year.
3. To insert all the fixed asset books, click **All**.
4. Click **Depreciate**.

**NOTE:** It is **very important** to **depreciate all assets** through the last day of the current FA Fiscal Year.

If all assets are not depreciated through the last day of the current FA Fiscal Year prior to processing the year-end-close, depreciation amounts will be incorrect. Please see Q3 and A3 in the FAQ section below for more information.

#### **Step 4: Perform the GL Posting (GL Interface) process (This step is optional.)**

1. In Microsoft Dynamics GP, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Routines**, point to **Fixed Assets**, and then click **GL Posting**.
2. In the **Beginning Period** box, type *2013-012*.

**Note** The *2013-012* placeholder represents period 12 of the fiscal year 2013. If you are not running on a calendar fiscal year, or if you have more than 12 periods, the period that you type is different.

3. In the **Ending Period** box, type *2013-012*.
4. In the **Transaction Date** box, type the last date of the current fiscal year, or type the date when you need the posting to affect the general ledger.
5. Click **Continue**.
6. When you receive a message that the batch number is being created, click **Continue**.
7. In the Report Destination window, click to select the **Printer** check box, and then click **OK**.

**Note** You may want to keep this report as part of the year-end financial records.

#### **Step 5: Run any year-end reports that you want to keep as part of the year-end financial records**

The year-to-date depreciation amounts for previous fiscal years are not kept in Fixed Asset Management. Therefore, you must print any reports that contain this information before you close the year.

There are several reports available for fixed assets. We recommend that you print the following reports:

- Annual Activity: To print the Annual Activity report, point to **Fixed Assets** on the **Reports** menu, and then click **Activity**.
- Additions: To print the Additions report, point to **Fixed Assets** on the **Reports** menu, and then click **Transaction**.
- Retirements: To print the Retirements report, point to **Fixed Assets** on the **Reports** menu, click **Transaction**, and then click **Retirements** in the **Reports** list.
- Transfers: To print the Transfers report, point to **Fixed Assets** on the **Reports** menu, click **Transaction**, and then click **Transfers** in the **Reports** list.
- Depreciation Ledger: To print the Depreciation Ledger report, point to **Fixed Assets** on the **Reports** menu, click **Depreciation**, and then click **Depreciation Ledger** in the **Reports** list.
- Property Ledger: To print the Property Ledger report, point to **Fixed Assets** on the **Reports** menu, click **Inventory**, and then click **Property Ledger** in the **Reports** list.
- "Fixed Assets to General Ledger Reconciliation": To print the "Fixed Assets to General Ledger Reconciliation" report, point to **Fixed Assets** on the **Reports** menu, click **Activity**, and then click **Fixed Assets to General Ledger Reconciliation** in the **Reports** list.

If you have more than one fixed asset book, we recommend that you also print the following reports:

- "Book to Book Reconciliation"

To print the "Book to Book Reconciliation" report, point to **Fixed Assets** on the **Reports** menu, and then click **Comparison**.

- "Book to Book YTD Depreciation Comparison"

To print the "Book to Book YTD Comparison" report, point to **Fixed Assets** on the **Reports** menu, click **Comparison**, and then click **Book to Book YTD Depreciation Comparison** in the **Reports** list.

## Step 6: Guarantee that the Fixed Assets calendar is built correctly (Optional.)

1. In Microsoft Dynamics GP, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Utilities**, point to **Fixed Assets**, and then click **Build Calendar**.
2. Click **Inquire**, and then click **Verify**. When you are prompted to verify the periods, click **OK**.
3. In the Report Destination window, click **Screen**, and then click **OK**.

## Step 7: Verify that the quarters are set up correctly for all the fiscal years

1. In Microsoft Dynamics GP, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Setup**, point to **Fixed Assets**, and then click **Quarter**.
2. Make sure that the following boxes are not empty:
  - **Start Date**
  - **Mid Date**
  - **End Date**

**Note** These boxes must exist for each quarter. If any box is empty, type the appropriate date in that box.

## Step 8: Create a backup

This backup should be stored off-site together with the rest of the year-end documentation. This backup gives you a permanent record of the company's financial position at the end of the year. Additionally, this backup can be restored later if it is required. Making a backup guarantees that you can quickly recover if a power fluctuation or other problem occurs during the year-end closing procedures.

To create a backup in Microsoft Dynamics GP, follow these steps:

1. In Microsoft Dynamics GP, point to **Maintenance** on the **Microsoft Dynamics GP** menu, and then click **Backup**.
2. In the **Company Name** list, click the company name.
3. Change the path of the backup if you must, and then click **OK**.

## Step 9: Perform the fixed assets year-end closing routine

1. In Microsoft Dynamics GP, point to **Tools** on the **Microsoft Dynamics GP** menu, point to **Routines**, point to **Fixed Assets**, and then click **Year End**.
2. Verify that the fiscal year that is displayed for each book is the current fiscal year. (The current fiscal year is the year that you are closing.)

**Note** If the fiscal year that is displayed for a book is not the current fiscal year, see [question 1](#) in the "Frequently asked questions (FAQ)" section.

3. Click a book that you want to close, and then click **Insert**. Repeat this step until all the books that you want to close have been inserted.

**Note** Microsoft Dynamics performs the following procedures during the year-end closing routine:

- In the Asset General Information window, the **Quantity** field is copied to the **Begin Quantity** field of the Expand Quantity window.
- In the Expand Last Maintenance window, the **YTD Maintenance** amount is cleared.
- In the Asset Book window, the **YTD Depreciation Amount** is cleared.
- The following procedures are performed:
  - The **Cost Basis** field is copied to the **Begin Year Cost** field.
  - The **LTD Depreciation** field is copied to the **Begin Reserve** field.
  - The **Salvage Value** field is copied to the **Begin Salvage** field.
- In the Book Setup window, the **Current Fiscal Year** field is increased by one.

**Note** A report is not generated during the fixed assets year-end closing routine.

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***Applies to:***

*Microsoft Dynamics GP 2013*

*Microsoft Dynamics GP 2010*

*Microsoft Dynamics GP 10.0, when used with: Fixed Asset Management*

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