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Year-end Checklists for

Financials

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Year-End Checklist for General Operations

OVERVIEW: The Calendar Year-end process requires special attention for users of the ShelbyNext | Financial applications. The deadline for filing most federal reports has been changed to January 31. We suggest that you create a list of actions appropriate for your church.

APPROACH: If your ShelbyNext data is hosted by Shelby Systems, it is automatically backed up in the cloud. There is no need for you to make a backup. If you are hosting the data yourself, it is recommended that you make nightly backups to some form of removable media or cloud storage for archiving, just in case the information is needed at some point in the future. In addition, some users also like to create a set of reports, save them as .pdf files, and copy these files to some form of removable media or cloud storage. (Reminder: All financial reports can be run any time after you have finalized your accounting year, even after you have already started making entries in the new year).

General Operations:

☐ Make a backup of all your ShelbyNext data (if you host your own data).

- o Backup your SQL database.

- o Backup this folder - …\Program Files (x86)\ShelbyNext\Financials\Attachments

- o Contact your IT Professional for detailed backup instructions

☐ After backing up these files, you may wish to delete unnecessary backups on your server's hard drive to free up more disk space. The beginning of a new year would be the optimal time to start any new backup strategies.

☐ Print Reports (Suggested)

- o Detail Ledger Report (for the entire year)

- o Year-End Statement of Financial Position (Balance Sheet)

- o Year-End Budgeted Financial Statement

- o Complete Year Journal History Report

- o Complete Year Transaction Inquiry Report from Accounts Payable

- o Year-End Statements from Accounts Receivable

- o Payroll – Employee Earnings Report

Year-End Checklist for General Ledger

OVERVIEW: The Year-end process for the General Ledger application requires special action for users of the ShelbyNext | Financials. Below is a Year-end checklist of items for the General Ledger.

☐ For each application that sends a sub-ledger (journal entry) to the General Ledger (such as Accounts Payable, Accounts Receivable, Payroll, etc.), make sure that all the entries for the old year have been saved and posted.

☐ Post all outstanding journal entries for the old year. Make sure you are in the correct year and correct company. To search for all journals on the Manage > Unposted Journals page, click the "Clear Filters" link and select to view "All Users" from the Users drop-down list.

☐ Transfer expenses for fixed assets to proper asset accounts if you track assets as expenses during the year, and then move those amounts to a fixed asset account at year-end.

☐ Enter year-end accruals (i.e. account for unused vacation days) if needed.

   o Print a "Time Off Hours" report, which can be used to calculate accrued vacation.

   o Some users may also need to figure and post unpaid salaries that will be paid in the new year.

☐ Check your Statement of Financial Position (Balance Sheet) to be sure that payroll related liability accounts correctly report year-end balances and adjust as needed. Liability accounts that usually need to be proofed include Federal and State withholding, FICA, 403b/retirement, charitable contributions, non-cash clearing (which should always be zero), garnishment, salary advances, employee loans, and various employee insurance contribution accounts.

☐ Complete any inter-fund transfers that might be required.

☐ Verify that next year's budget figures have been entered.

☐ Set the default year for General Ledger. You can find this option under Modify > Company Information.

☐ Set the default period for General Ledger. Like the default year, you can find this option under Modify > Company Information.

☐ Open a new period, if closed, under Modify > Year and Periods.

☐ Modify Chart of Accounts as needed for the new year.

☐ Run General Ledger Year-End Closing. From the General Ledger menu, select Utilities > Close Fiscal Year.

Year-End Checklist for Payroll

OVERVIEW: The Year-end process for Payroll requires special action for users of the ShelbyNext | Financial applications because there are federal filings that need to be completed. Below is a Year-end checklist of items for Payroll.

☐ Check the Shelby Community (Community.ShelbySystems.com) and make sure you are running the latest financial software.

☐ Visit NelcoSolutions.com/ShelbySystems or call 800-266-4669 to order W2 forms. The most recent Universal Form can be used for both 1099's and W-2's. The W-2's can also be submitted electronically using Nelco or by downloading an electronic copy and manually submitting it.

☐ Verify that names, addresses, and social security numbers are correctly entered for each employee before running W-2's.

☐ Verify that your church's federal identification number is entered in the Federal ID field found under Employer Information.

☐ If you need to file electronically, contact the Social Security Administration to receive your User ID, which much be renewed each year.

☐ Run the W-2 edit report and verify that reportable information for each employee is correct. If you withhold state taxes, then be sure to compare the federal wages with the state wages.

☐ Run a test print of a W-2 to be sure you have selected the correct form. Also, check printer and page size for correct settings.

☐ Print and send W-2s and file the W-3 report.

☐ Complete and send the 941 report.

☐ If you use Payroll to track Time Off (Sick, Vacation, etc.) hours and you reset the Time Off hours at the beginning of the year, then run the Create New Time Off Starting Date utility.

Year-end Checklist for Accounts Payable and Bank Account Management

OVERVIEW: The Year-end process for Accounts Payable requires special action for users of the ShelbyNext | Financial applications because there are federal filings that need to be completed. Below is a Year-end checklist of items for both Accounts Payable and Bank Account Management.

☐ Visit NelcoSolutions.com/ShelbySystems or call 800-266-4669 to order 1099 forms. The most recent Universal Form can be used for both 1099's and W-2's. The 1099 can also be submitted electronically using Nelco or by downloading an electronic copy and manually submitting it.

☐ Enter all outstanding invoices for the old year in Accounts Payable if you are using the "Accrual" accounting method.

☐ Print all checks that should be issued in the old year before the end of the year. Pay attention to the Check Date, Entry Date, and Posting Date to make sure they are correctly entered for the old year, especially if you are on an "Accrual" basis.

☐ Post all entries in Accounts Payable and Bank Account Management for the old year to the General Ledger.

☐ On the Company Information page, verify that the church's telephone number, including the Area Code, is correct. The 1099 report prints this phone number on all 1099 forms that you issue.

   WARNING: The IRS may penalize your organization for each distributed 1099 missing your organization's phone number.

☐ Verify that the 1099 vendors with qualifying payments are marked with the correct 1099 status. From the Accounts Payable menu, select View -> Transaction Inquiry to search and change any invoices that are not marked with the correct 1099 status. (Headquarters users do not need to change entries made from the Deposits on Hand module for interest paid. The program automatically chooses the correct settings.)

☐ Set up a procedure to verify that a W-9 form is on file for all vendors. Also, verify that the Vendor is marked with the appropriate Default 1099 Status. From the Accounts Payable menu, select Modify -> Vendor Information to view or modify a vendor's record.

☐ Print, review, and send the 1099s and federal report.

Year-End Checklist for Accounts Receivable

OVERVIEW: The Year-end process for Accounts Receivable requires special action for users of the ShelbyNext | Financial applications. Below is a checklist of suggested actions for Accounts Receivable.

☐ Review all outstanding/unpaid invoices and write off those that probably will not be paid.

☐ Clean up accounts that have outstanding unapplied cash amounts that are not payments for future billings.

☐ Apply late charges (if applicable) to outstanding AR invoices.

☐ Print and send Accounts Receivable statements. You can save the entire run as a .pdf file for future reference.

☐ Post all entries for the old year to General Ledger.

☐ Run an aging report and verify that the Accounts Receivable amount matches your year-end balance sheet report.

☐ Switch accounting methods if you want to change from "Cash" to "Accrual".

☐ If you have a Day Care, then print statements for parents to use in filing their income tax report.

Year-End Checklist for Fixed Assets

OVERVIEW: The Year-end process for Fixed Assets requires special action for users of the ShelbyNext | Financial applications. Below is a Year-end checklist of items for the Fixed Assets application.

☐ Review current year purchases and verify that the new items are listed in Fixed Assets.

☐ Run a list of retiring items for the budget/planning committee.

☐ Inventory all fixed assets and adjust for retired, sold, or lost items.

☐ Run a Depreciation Edit Report and review (Manage, Calculate Depreciation, Calculate for Future Budgets).

☐ Run Depreciation and post to General Ledger. (For your church, this item may be either a monthly action or a year-end only action.)

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Year-End Checklist for Purchasing Management

OVERVIEW: The Year-end process for Purchasing Management requires special action for users of the ShelbyNext | Financial applications. Below is a Year-end checklist of items for Purchasing Management.

☐ Now is a good time to review all outstanding purchase orders and close those that have been used but still have small outstanding balances that will not be used.

☐ Review all outstanding Purchase Orders and void or close old POs that will not be used.