

How to Guide

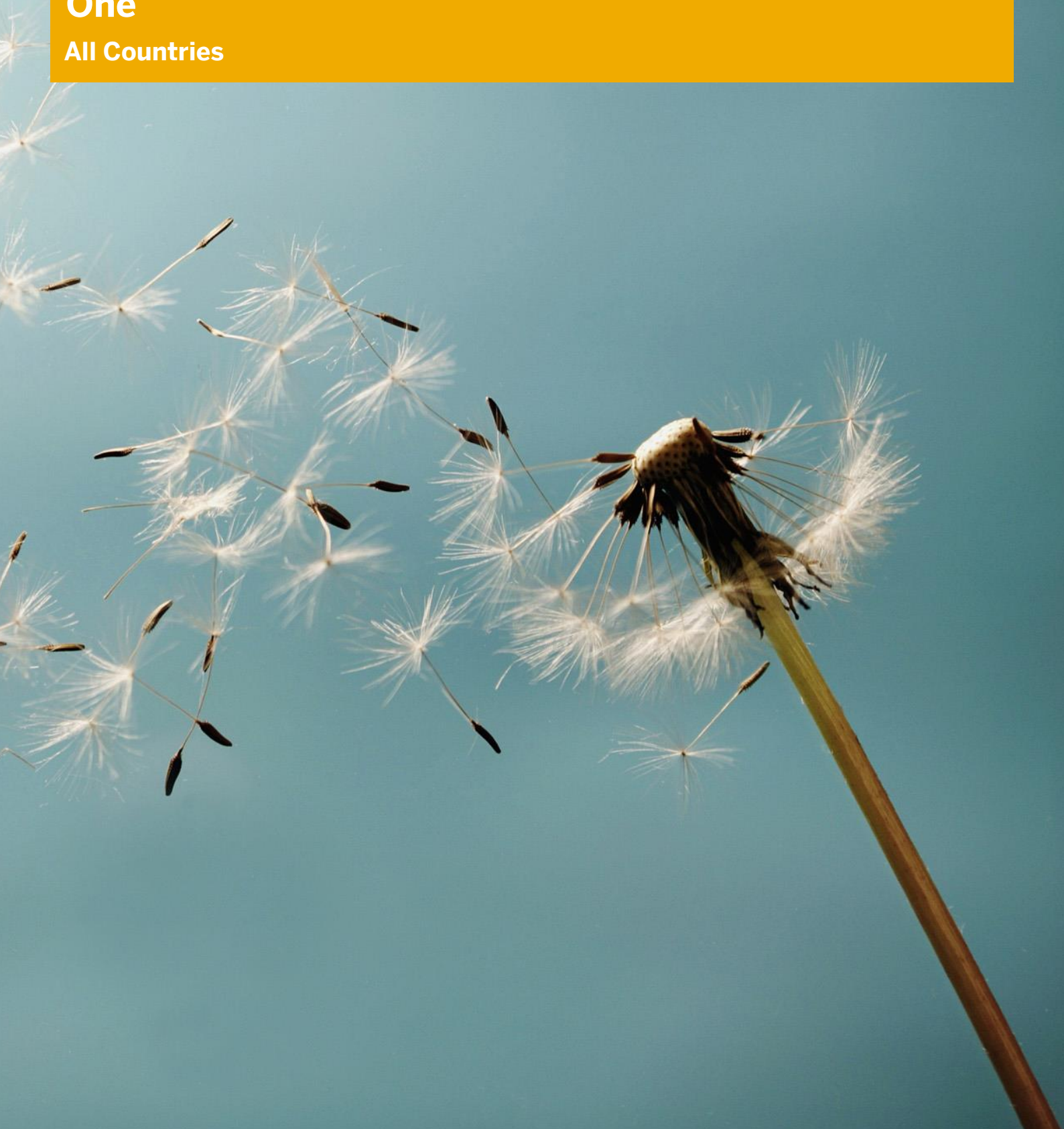
SAP Business One 9.1

Document Version: 1.0 – 2014-11-26

PUBLIC

How to Perform Year-End Closing in SAP Business One

All Countries



Typographic Conventions

Type Style	Description
<i>Example</i>	Words or characters quoted from the screen. These include field names, screen titles, pushbuttons labels, menu names, menu paths, and menu options. Textual cross-references to other documents.
Example	Emphasized words or expressions.
EXAMPLE	Technical names of system objects. These include report names, program names, transaction codes, table names, and key concepts of a programming language when they are surrounded by body text, for example, SELECT and INCLUDE.
Example	Output on the screen. This includes file and directory names and their paths, messages, names of variables and parameters, source text, and names of installation, upgrade and database tools.
Example	Exact user entry. These are words or characters that you enter in the system exactly as they appear in the documentation.
<Example>	Variable user entry. Angle brackets indicate that you replace these words and characters with appropriate entries to make entries in the system.
EXAMPLE	Keys on the keyboard, for example, F2 or ENTER.

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Introduction

This document provides customers and partners with help in carrying out their year-end closing and demonstrates how SAP Business One can support the individual steps of the year-end closing process.

Caution

The procedures described in this document do not guarantee the accuracy of the content or the completeness of the year-end closing. You are responsible for carrying out all the appropriate operations and providing the appropriate documentation to ensure accuracy.

You must discuss the process in detail with your tax consultant or the person responsible for your year-end closing.

The document presents general concepts that you apply to your specific situation. The character of this document is generic and globally based on the system procedures.

Country-specific regulations and other financial reporting principles are not covered.

Note

SAP Business One provides the ability to identify local and IFRS accounts, enabling the creation of local and IFRS financial statements for compliance reporting.

Some SAP Business One functions and features cannot be automatically compliant with IFRS; therefore, adjustments have to be made for some localizations.

For more information about IFRS, see the following documents in the documentation area of SAP Business One Customer Portal at

<http://service.sap.com/smb/sbocustomer/documentation>

- o SAP Business One in an IFRS Environment
- o How to Handle Accounting for Leases according to IFRS in 8.81 & higher
- o How to Perform Parallel Accounting in 8.8, 8.81 and higher
- o How to Recognize Revenue according to IFRS in 8.81 & higher

Note

For the most recent information about product details regarding the year-end closing process, see [SAP Note 800291](#). This note also provides information about additional queries and tools available for the year-end closing process.

The screen shots and paths referenced in this document are based on the US localization and SAP Business One release 9.0 / 9.1.

Note

There is a Remote Support Platform (RSP) task for year-end closing, see [SAP Note 1444966](#).

Timing Constraints

It is not always possible to reconstruct a report backdated to the cut-off date in SAP Business One. Therefore, we strongly recommend that once you have entered and completed all transactions for the previous fiscal year, and **before** entering any transactions for the new fiscal year, you back up your productive database. The backup saves the status of the previous fiscal year.

 Caution

SAP Business One automatically calculates the item costs for items managed by the moving average or the FIFO valuation method. You cannot access item costs backdated to a specific cut-off date. Therefore, we recommend that **after** you enter all transactions for the previous year, and **before** you enter anything for the new fiscal year, you save the item costs as of the cut-off date in a specific year-end price list. You can then use this price list for the valuation of the inventory backdated to the cut-off date. For more information, see *Material Valuation*.

 Caution

You must manually ensure that all figures are reproducible using the appropriate printouts. This also applies when you use queries. In this case, we recommend that you export the results to a Microsoft Excel file and print them out.

Preparation

Checks

Checking the Document Numbering

The *Check Document Numbering* report lets you verify that all documents are continuous and that numbers have not been assigned twice. This report checks for any gaps in numbering and for double assignment of numbers within the document number ranges. If no data is returned, the assignment of document numbers is correct and without omissions (within the definition).



Example

Administration → *Utilities* → *Check Document Numbering*

In the *Check Document Numbering - Selection Criteria* window, select the checkboxes for all relevant documents with which your company works.

Note

This report only checks for correct numbering within the specified document number ranges. If gaps exist in the document number ranges, the application does not recognize these gaps as errors in the report.

Note

As of SAP Business One 8.82, you can define your own numbering series for business partners (both customers and vendors) and Item master data. This function is not relevant for the year end check process.

Note

As of SAP Business One 9.0, document numbering for fixed assets documents can be checked using this utility.

Caution

It is the responsibility of your organization to ensure that the document number ranges have been set up correctly and that authorization settings allow only authorized users to change the number ranges.

Checking the Completeness of Documents

You can use the draft documents function to check whether all accounting-relevant documents are posted. For example:

- Deliveries
- Returns
- Invoices
- Credit memos from purchasing and sales
- Inventory transfers
- Journal vouchers
- Recurring transactions

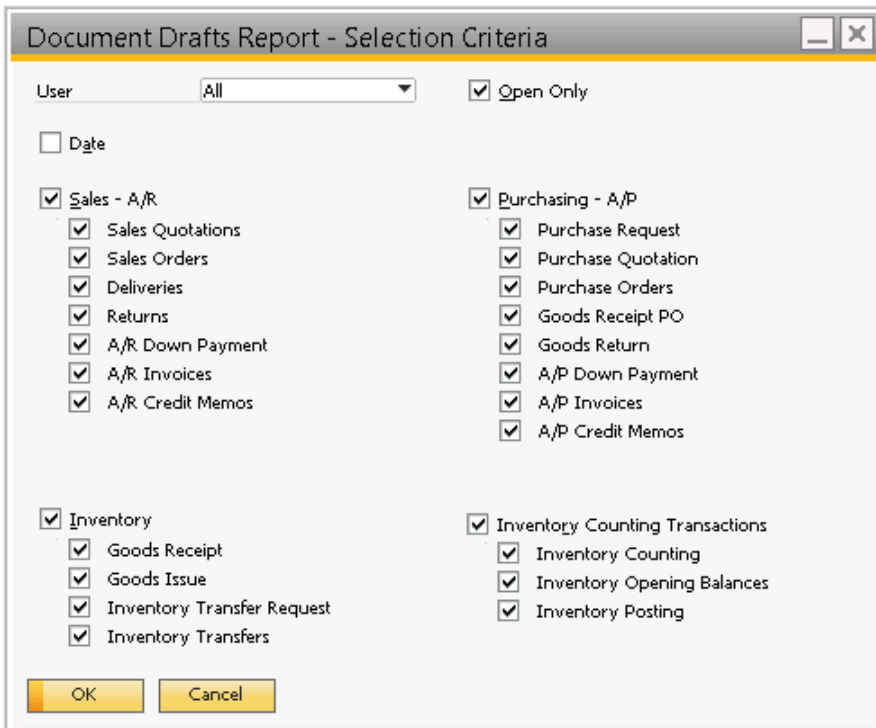
At this stage, you should also check documents that are not relevant for accounting, for example, orders and purchase orders.

Example

- [Reports](#) → [Sales and Purchasing](#) → [Document Drafts Report](#)
- [Reports](#) → [Banking](#) → [Payment Drafts Report](#)
- [Banking](#) → [Outgoing Payments](#) → [Checks for Payment Drafts Report](#)
- [Financials](#) → [Journal Vouchers](#)

Regarding completeness, only the documents that meet the following criteria are displayed:

- Open
- For all users



Document Drafts Report - Selection Criteria

User: All Open Only

Date

Sales - A/R

- Sales Quotations
- Sales Orders
- Deliveries
- Returns
- A/R Down Payment
- A/R Invoices
- A/R Credit Memos

Purchasing - A/P

- Purchase Request
- Purchase Quotation
- Purchase Orders
- Goods Receipt PO
- Goods Return
- A/P Down Payment
- A/P Invoices
- A/P Credit Memos

Inventory

- Goods Receipt
- Goods Issue
- Inventory Transfer Request
- Inventory Transfers

Inventory Counting Transactions

- Inventory Counting
- Inventory Opening Balances
- Inventory Posting

OK Cancel

SAP Business One does not delete document drafts after their posting, but they are not considered as open drafts. To delete document drafts, in the *Document Draft Report* window, right-click the relevant draft row and choose *Remove*. Alternatively, select the relevant row and from the *Data* menu, choose *Remove*.

 **Caution**

If a draft document refers to a period that is already closed, do not reopen the period to post the document. Instead, enter the document with a posting date from a period that is open.

Checking for Negative Inventory

Before you take inventory, ensure that there is no negative inventory. If there is negative inventory, it is likely that some goods receipt POs, A/P invoices, or other receipts into inventory have not been posted. You need to post these before you begin inventory counting or any other year-end activities, and ensure that the Negative Inventory Adjustment account has been cleared.

To check for negative inventory, use one of the following methods:

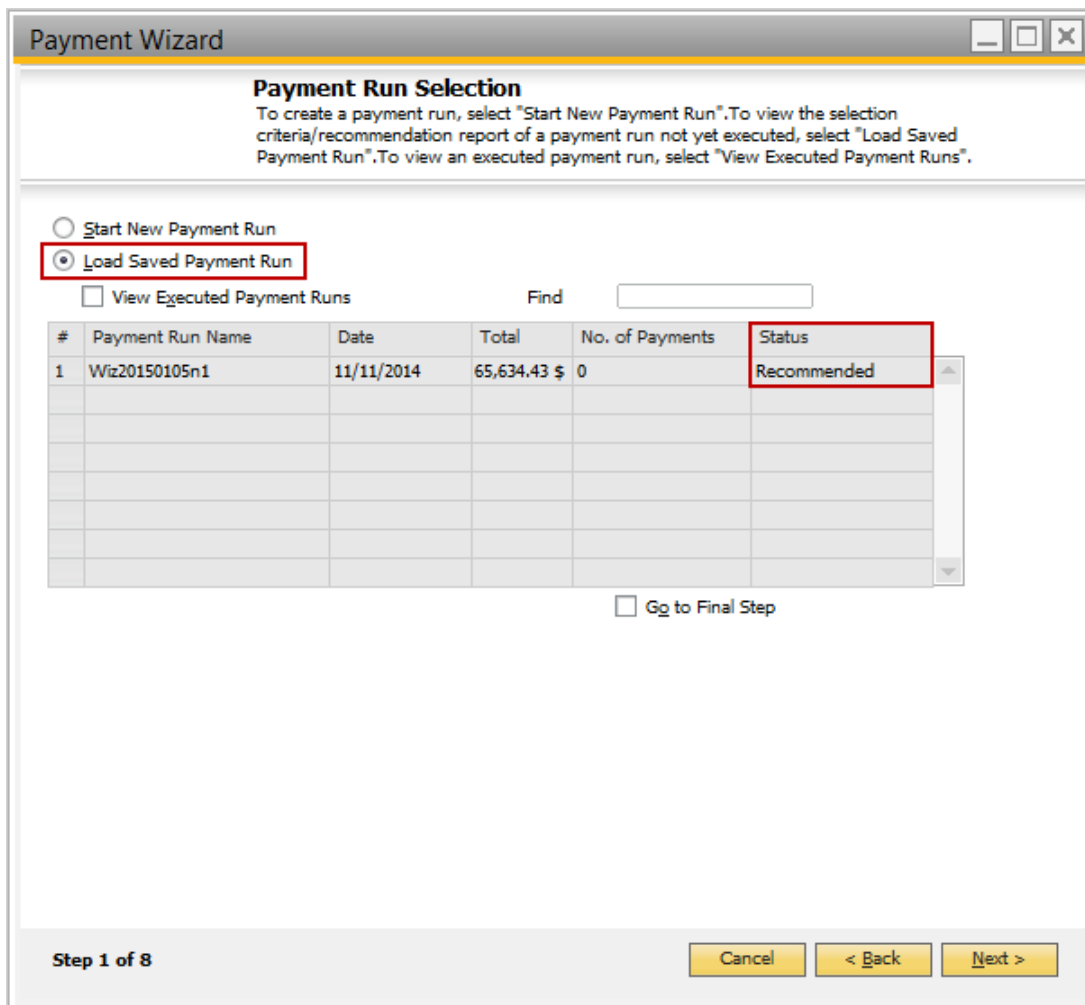
- Use the Inventory Status report:
 1. From the SAP Business One *Main Menu*, choose *Reports* → *Inventory* → *Inventory Status*.
 2. Specify the selection criteria and run the report. In the report, sort by the *In Stock* column. All negative stock is displayed at the top of the list.
- Use the Drag & Relate function:
 1. From the SAP Business One *Main Menu*, choose *Drag & Relate* → *Inventory* → *Items*.
 2. Use a filter with the following condition: *In Stock* is smaller than 0.

Checking for Execution of Payment Runs

Use the payment wizard to check whether any saved payment runs that should have been executed have the *Recommended* or *Payment Order Run* status. This ensures that you do not forget saved payment procedures that belong to previous periods.

 **Example**

Banking → *Payment Wizard*



In the *Payment Wizard - Payment Run Selection* window, select the *Load Saved Payment Run* box. To sort all payment runs by status, double-click the *Status* column header.

Checking Statistical and Clearing Accounts

In SAP Business One, you can use statistical and clearing accounts for various business transactions that require a closing balance of zero to guarantee completeness of the business transaction. You must check these accounts.

For example:

- Opening balances amounts
- Making external postings (for example payroll)
- Making any corrections; all clearing accounts should be closed

Checking for Completeness of Bank Statements

In SAP Business One, whether you are using the Cash & Bank function of the Payment Engine add-on or the Bank Statement Processing functionality, you can save bank statements as drafts. This function enables you to access and finalize the bank statement at a later time or date. To reconcile your bank accounts, you must first finalize or delete all the existing draft bank statements.

Note

- Previously posted draft documents still exist in the system; you must delete them manually.
For more information about bank statement processing, see the document *How to Use Bank Statement Processing* in the documentation area of SAP Business One Customer Portal at: <http://service.sap.com/smb/sbocustomer/documentation>.

Inventory Count

Preparing for Inventory Counting

Before performing inventory counting, you must first ensure organizationally that no inventory posting takes place during inventory tracking. There are two possibilities how this can be done:

1. Freeze quantities in the *Inventory Counting* window.
 - Only the selected items will be frozen
 - Freeze is per warehouse / bin location
2. Lock document numbering (in *Administration* → *System Initialization* → *Document Numbering*) for the following document types:
 - Sales: delivery, return, A/R invoice, A/R credit memo
 - Purchasing: goods receipt PO, goods return, A/P invoice, A/P credit memo
 - Inventory: inventory transfer, goods receipt, goods issue
 - Production: production order

Even when you lock these documents, you can still enter inventory balances as opening balances or inventory differences. If necessary, you can prevent this by using authorizations.

Example

To lock all deliveries, in the *Document Numbering – Setup* window double-click the *Deliveries* row. In the *Series – Deliveries – Setup* window, select the *Lock* checkbox.

Inventory Counting													
Count Date		12/31/2014		Time		14:00		No.		Primary		1	
Counting Type		Multiple Counters		Status		Open		Ref. 2					
No. of Individual Counters		1		No. of Team Counters		3							
General													
Find Item No. B10 Warehouses													
#	Item No.	Item Description	Freeze	Whse	Bin Location	In-Whse Qty ...	Counted	Total Counted Qty	Max. Variance	Counters' Diff.	Jayson Butler - Counted Qty		
1	A00001	J.B. Officeprint 1420	✓	01		980.000	✓	980.000	0.000	0.000	980.000		
2	A00002	J.B. Officeprint 1111	✓	01		1,007.000	✓	1,007.000	0.000	0.000	1,007.000		
3	A00003	J.B. Officeprint 1186	✓	01		1,141.000	✓	1,141.000	0.000	0.000	1,141.000		
4	A00004	Rainbow Color Print	✓	01		1,129.000	✓	0.000	-1,129.000	1,120.000	1,120.000		
5	A00005	Rainbow Color Print	✓	01		1,207.000	✓	1,207.000	0.000	0.000	1,207.000		
6	A00006	Rainbow 1200 Laser	✓	01		60.000	✓	0.000	-60.000	59.000	59.000		
7	B10000	Printer Label	✓	01		500.000		0.000	0.000	0.000	0.000		
8	C00001	Motherboard BTX	✓	01		1,257.000		0.000	0.000	0.000	0.000		
9	C00002	Motherboard Micro	✓	01		1,191.000		0.000	0.000	0.000	0.000		
10	C00003	Quadcore CPU 3.4	✓	01		1,058.000		0.000	0.000	0.000	0.000		
11	C00004	Tower Case with Pc	✓	01		1,107.000		0.000	0.000	0.000	0.000		
12	C00005	WLAN Card	✓	01		974.000		0.000	0.000	0.000	0.000		
13	C00006	Gigabit Network Ca	✓	01		979.000		0.000	0.000	0.000	0.000		
14	C00007	Hard Disk 3TB	✓	01		1,095.000		0.000	0.000	0.000	0.000		
15	C00008	Computer Monitor 2	✓	01		1,071.000		0.000	0.000	0.000	0.000		
16	C00009	Keyboard Comfort	✓	01		1,067.000		0.000	0.000	0.000	0.000		
17	C00010	Mouse USB	✓	01		972.000		0.000	0.000	0.000	0.000		
18	C00011	Memory DDR RAM	✓	01		999.000		0.000	0.000	0.000	0.000		
						44,540.000		4,335.000	1,189.000		5,514.000		

Caution

To perform inventory counting properly, you must adhere to the technical GAAP conditions for the inventory. For specific information regarding GAAP requirements for inventory counting, consult your accountant.

Following are the three possible scenarios for open production orders by the cut-off day:

- Planned and released production orders with no receipts from production, with backflush component issue method. In this case, even though the components have physically been removed from inventory and placed into production, SAP Business One shows them as still in inventory. Therefore, you need to adjust the quantities counted in the warehouses by the quantities counted in production.
- Completed production orders with the backflush component issue method. At the time of completion, the components are removed from the warehouse and the finished product is received into inventory. This means that only the finished products are shown in the warehouse, as long as they have not been removed for sales delivery.
- Open production orders with the manual component issue method. In this case, components are issued manually as soon as the production order is released. Therefore, you must ensure that all manual issues have been completed. Upon manual issue of components, the quantities are removed from inventory and the values are posted from the inventory account to the work-in-progress (WIP) account. As a result, SAP Business One no longer shows these items in the warehouse and they do not have to be taken into account during inventory counting.

Note

Tips for counting open production orders with the backflush component issue method:

- Parent item quantities rejected in the receipt from production stage are brought into inventory, even though they may not have been physically brought into inventory at the end of the production process. The *Rejected/Completed* type and its quantity in the *Receipt from Production* window are

purely informational. Handle the rejected quantities manually, either by disassembling the item or by issuing the item from inventory to correct inventory figures.

- Determine the components of all open production orders, sorted by item, original warehouse, and issue method. Print the result as a count list.
- Perform physical counting in production and enter the results into the count lists.
- Print the count lists for the different warehouses.
- Perform physical counting in the different warehouses.
- Post counting results for each warehouse as follows: Summarize the amounts counted in the warehouse and in production for each item.



Caution

If you perform further tasks after the count lists are printed, but before you start the count, we recommend that you document the parameters with which the count lists were created, so that they can be incorporated into the count results at a later stage.

Posting Count Results

Enter the count results on the *Inventory Counting* window. As soon as you enter an amount in the inventory list for each item, this item is considered to be counted. If the counting method is validation, then both counters' result must be inserted. If the counted quantity is 0, you must manually select the checkbox in the *Counted* column. When you have recorded all of the inventory quantities, choose the *Copy to Inventory Posting* button to open the *Inventory Posting* window. Note that if the method is validation, then what is being copied over, must be selected. Alternatively you can use the *Draw Document Wizard* on the *Inventory Posting* window. Only count results that differ from the in-stock quantities will be copied over to inventory posting.

Once the results have been copied over to the inventory posting window, these can be posted to permanent records. As soon as the in-stock counting is complete, SAP Business One clears the checkboxes in the *Counted* column in the *Inventory Counting* window and greys out the rows to stop further editing.

Note

- Since some accounting legislations have different rules that apply when it comes to assigning and reassigning valuation methods, check with your accountant before you change inventory values.
- You can have different inventory valuation methods for different items. SAP Business One takes into account the inventory valuation method for each item when it determines the item cost. To enable this, you must choose *Item Cost* as the price source when you run the inventory posting. In this case, SAP Business One posts the inventory differences automatically with the applicable item costs.

Inventory Posting

Posting Date: 12/31/2014 No. Primary 1
 Count Date: 12/31/2014 Time: 14:00 Ref. 2
 Price Source: Item Cost

Find: Item No. Warehouses

#	Item No.	Item Description	Whse	Bin Location	In-Whse Qty on Count Date	UoM	Counted Qty	Variance	Var...
1	A00004	Rainbow Color Pri	01		1,129.000		1,120.000	-9.000	
2	A00006	Rainbow 1200 Lase	01		60.000		59.000	-1.000	
3					0.000		0.000	0.000	
					1,189.000		1,179.000	10.000	0.841

Remarks: Based On Inventory Counting 1
 Journal Remark: Inventory Posting

Add Cancel Add Items Copy from Inventory Counting

 **Caution**

The valuation of inventory differences, as described above, applies only when you perform the inventory counting close to the cut-off date, before transactions for the new fiscal year have been entered.

Therefore, we recommend that you save these item costs in a price list before you enter new transactions. Then, the evaluation basis for the posting of inventory differences has to be this price list.

Note the following regarding the posting of inventory differences:

You must manually ensure that the figures are reproducible. **Before** you post the inventory, print the report with the adjusted amounts, and export it to a Microsoft Excel file. After you post the inventory, you will **not** be able to redisplay the report with the original values.

 **Note**

If there are open production orders with the manual component issue method, you must post the inventory differences counted in production using manual journal entries. This is necessary because the components have already been removed from inventory. As a result, the offsetting account for the posting of the inventory gain or loss must be the WIP account (P/L) and not the inventory account. Since differences are posted automatically once the production order is completed, those manual postings must be reversed at the beginning of the new fiscal year.

Note

The date of the correction should be the same as the date of the count. Also consider the exact time. If further inventory transactions are performed between the time of the count and the time of posting, update the time and date in the *Inventory Posting* window. The prices used for valuation are not updated and always show the prices as of the current date when you evaluate by item costs. To evaluate by item prices valid for a previous cut-off date, you must use a price list, as described above.

Working with a Non-Perpetual Inventory System

If you do not use a perpetual inventory system, you need to post the inventory values using a manual posting process in financial accounting.

Note

SAP Business One lets you track the changes in inventory accounts and in the value of the items. To track those changes, if you use a perpetual inventory system you should run the Inventory Audit report.

For more information, see the document *How to Set up and Manage Perpetual Inventory in 8.82* in the documentation area of SAP Business One Customer Portal at

<http://service.sap.com/smb/sbocustomer/documentation>

However, if you use a non-perpetual inventory system, you should run the Inventory Valuation Simulation report. For more information, see the document *How to Set up and Manage Non-perpetual*

Inventory in 8.8 in the documentation area of SAP Business One Customer Portal at

<http://service.sap.com/smb/sbocustomer/documentation>.

When you perform inventory counting, you use the *Inventory Counting* and *Inventory Posting* windows to check and correct any quantity discrepancies. To update the warehouse quantities only, you also need to perform the inventory posting process. To do this, run the report with the *Allow Inbound Posting without Price* checkbox selected (located in 9.0 under *Administration* → *System Initialization* → *Document Settings* → *Per Document* → *Inventory Posting*).

Reclassification of Business Partners and Bank Accounts with Negative Balances

At the end of the year, you need to check the balances for business partners and bank accounts and make any necessary reclassifications using manual posting. This affects, for example, the following business transactions:

- Postings made for the reclassification of customers and vendors with negative balances
- Bank accounts with a negative balance

Balance extensions based on the condition that the same business partner has a balance as both a customer and a vendor

- Reporting of doubtful, non-collectible receivables or receivable write-offs
- Payment blocks assigned to business partners

Note

If needed for a specific business case, in the *Journal Entry* window, select the *Reverse* checkbox for automatic reversal in the subsequent period. We recommend using an indicator to identify these postings separately. To select a business partner in the *Journal Entry* window press **Ctrl** + **Tab**.

Journal Entry

Series: Primary, Number: 3215, Posting Date: 12/31/2014, Due Date: 12/31/2014, Doc. Date: 12/31/2014, Remarks: Aquent insolvency

Origin: , Origin No.: , Trans. No.: , Template Type: , Template: , Indicator: 12, Project:

Trans. Code: , Ref. 1: , Ref. 2: , Ref. 3:

Blanket Agreement:

G/L Acct/BP Code	G/L Acct/BP Name	Ref. 1	Ref. 2	Ref. 3	Offset Account
62100000-01-001-01	Bad Debts (HO, USA, GA)	1,842.92 CAN	2,082.50 \$	2,082.50 \$	

Posting Date: 12/31/2014, Due Date: 12/31/2014, Doc. Date: 12/31/2014, Project: , Distr. Rule: , Remarks: Aquent insolvency

Primary Form Item:

#	G/L Acct/BP ...	G/L Acct/BP Name	Debit (FC)	Credit (FC)	Debit	Credit	Tax Posting Account	Tax Code	Tax Jurisdiction Type	Tax Jurisd...
1	C70000	Aquent Systems		1,842.92 CAN		2,082.50 \$				
2	62100000-01	Bad Debts (HO, USA, GA)	1,842.92 CAN		2,082.50 \$					
3										
			1,842.92 CAN	1,842.92 CAN	2,082.50 \$	2,082.50 \$				

Add Cancel Display in FC Display in SC Cancel Template

Caution

You must manually ensure that the figures can be reproduced using the corresponding printouts and posting documents.

Note

If you are using the doubtful debts calculation in the Aging report, the calculation of the report is based on the gross values (including tax). You can use the doubtful debts function to calculate doubtful receivable amounts. Depending on legal requirements, ensure that the definitions for the doubtful debts are set correctly. From the SAP Business One *Main Menu*, choose *Administration* → *Setup*

→ *Financials* → *Doubtful Debts* and define for a specific number of days the doubtful debt percentages.

For example, to show 2% of all open receivables as doubtful on the cut-off date, set the definitions to zero days and 2%.

When you post the adjustment directly from the Aging report, you can use only the separate doubtful debts control account. If you need to reduce the doubtful receivables from the regular control account, perform a manual adjustment journal entry.

Note

If you select the *Display Credit Balance with Negative Sign* checkbox on the *Basic Initialization* tab in the *Company Details* window, vendors on the debit side are represented by a positive balance and customers on the credit side are represented by a negative balance. If you do not select this option, the values are displayed in the opposite way.

For verification for both vendors and customers, you can use the *Account Balance* detailed view in the *Business Partner Master Data* window.

Note

To ensure that any inactive business partners are factored into your reports, you need to select the *Display Inactive Business Partners in Reports* checkbox on the *BP* tab in the *General Settings* window. If you do not select this option, inactive business partners will not be included in your reports and you may not be able to complete any reclassifications that may be necessary.

Performing a Year-End Closing


Changing Period Status to Closing Period

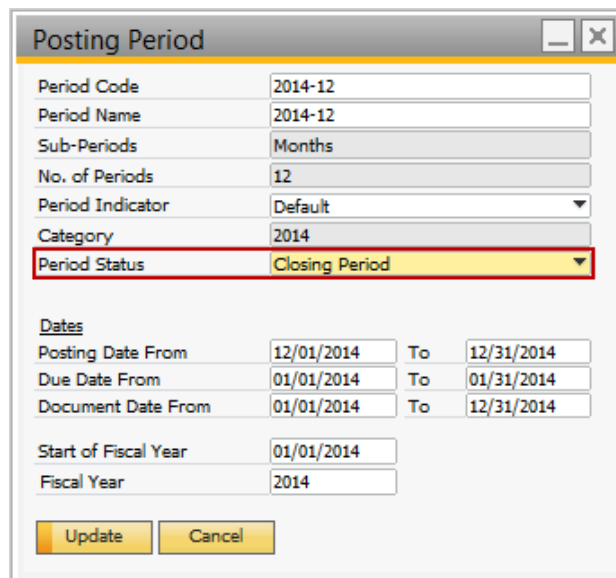
To prevent users from creating documents for the previous fiscal year, set the status of the period you are about to close to *Closing Period*. This means that only authorized users can post data, documents, and transactions.



Example

Administration → *System Initialization* → *Posting Periods*

In the *Posting Periods* window, click  for the period you want to set as a closing period.

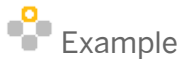


The image shows a screenshot of the 'Posting Period' dialog box in SAP Business One. The dialog box has a title bar with a minus sign and a close button. It contains several fields and sections:

- Period Code:** 2014-12
- Period Name:** 2014-12
- Sub-Periods:** Months
- No. of Periods:** 12
- Period Indicator:** Default (dropdown menu)
- Category:** 2014
- Period Status:** Closing Period (dropdown menu, highlighted with a red border)
- Dates:**
 - Posting Date From:** 12/01/2014 To 12/31/2014
 - Due Date From:** 01/01/2014 To 01/31/2014
 - Document Date From:** 01/01/2014 To 12/31/2014
- Start of Fiscal Year:** 01/01/2014
- Fiscal Year:** 2014

At the bottom of the dialog box, there are two buttons: 'Update' and 'Cancel'.

You can have SAP Business One automatically set the status of a particular posting period to Closing Period after the *Posting Date To* value of that posting period plus a defined number of days have passed.



Administration → System Initialization → Posting Periods

Posting Periods							
#	General			Posting Date		Due Date	
	Period Code	Period Name	Period Status	From	To	From	To
96	2013-12	2013-12	Locked	12/01/2013	12/31/2013	01/01/2013	12/31/2013
97	2014-01	2014-01	Closing Period	01/01/2014	01/31/2014	01/01/2014	12/31/2014
98	2014-02	2014-02	Closing Period	02/01/2014	02/28/2014	01/01/2014	12/31/2014
99	2014-03	2014-03	Closing Period	03/01/2014	03/31/2014	01/01/2014	12/31/2014
100	2014-04	2014-04	Closing Period	04/01/2014	04/30/2014	01/01/2014	12/31/2014
101	2014-05	2014-05	Closing Period	05/01/2014	05/31/2014	01/01/2014	12/31/2014
102	2014-06	2014-06	Closing Period	06/01/2014	06/30/2014	01/01/2014	12/31/2014
103	2014-07	2014-07	Closing Period	07/01/2014	07/31/2014	01/01/2014	12/31/2014
104	2014-08	2014-08	Closing Period	08/01/2014	08/31/2014	01/01/2014	12/31/2014
105	2014-09	2014-09	Closing Period	09/01/2014	09/30/2014	01/01/2014	12/31/2014
106	2014-10	2014-10	Closing Period	10/01/2014	10/31/2014	01/01/2014	12/31/2014
107	2014-11	2014-11	Closing Period	11/01/2014	11/30/2014	01/01/2014	12/31/2014
108	2014-12	2014-12	Closing Period	12/01/2014	12/31/2014	01/01/2014	12/31/2014

Automatic Change of Period Status to 'Closing Period'
Date When Automatic Change Is Applied: 10

Update Cancel New Period

For information about the authorizations required for period definition, see the online help for SAP Business One and the document *How to Define Authorizations in Release 9.0* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>

For information about posting periods, see the document *How to Work with Multiple Open Posting Periods in 8.8* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>


Reconciliation

Reconciliation of Internal Reconciliation Upgrade Journals

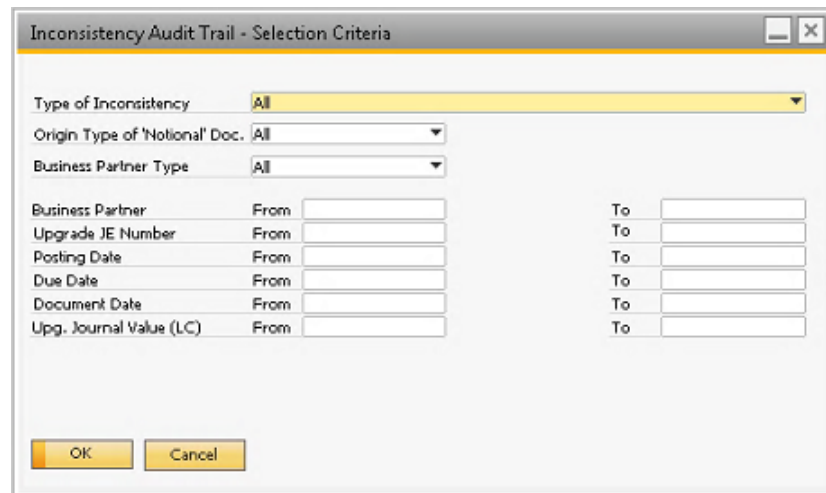
If the company database has been upgraded from a version lower than SAP Business One 2007 to SAP Business One 2007, 8.8 Release family, or 9.0, check the Internal Reconciliation Upgrade Audit Trail report. We strongly recommend consulting with the company accountant and reconciling **all** upgrade (RU) journals appropriately, such that the open items can be reflected correctly.

For more information about the current reconciliation engine, see the landing page in your language (<http://sappartneredge.com/b1/> → Support → Support Self Help & Library → New Reconciliation Engine)

→ *Enter*) and consult the how-to-guides available for download. See [SAP Note 1051038](#). If the menu item *Inconsistency Audit Trail - Selection Criteria* is missing from the *Utilities* menu and not available to be displayed and activated in the *Form Settings* window from the main menu, it means that no inconsistencies were detected. You may ignore this subsection. Databases that went live with SAP Business One 2007 or higher should not be affected.

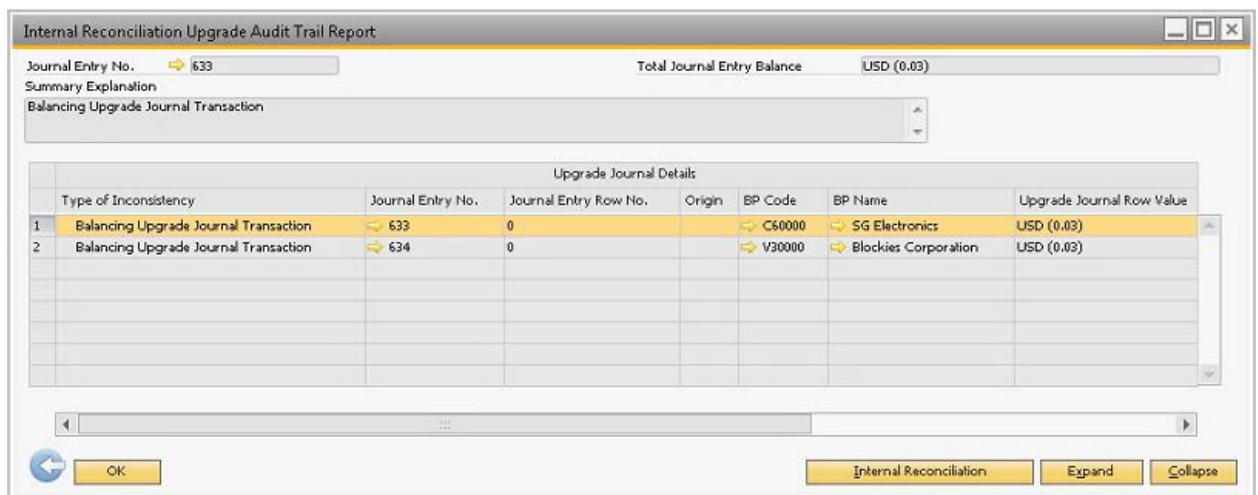
 Example

Administration → *Utilities* → *Inconsistency Audit Trail – Selection Criteria*



 Note

To display all recognized inconsistencies, do not enter any restrictions in the selection criteria window. The resulting report displays all detected inconsistencies.



Upgrade Journal Details						
Type of Inconsistency	Journal Entry No.	Journal Entry Row No.	Origin	BP Code	BP Name	Upgrade Journal Row Value
Balancing Upgrade Journal Transaction	633	0		C60000	SG Electronics	USD (0.03)
Balancing Upgrade Journal Transaction	634	0		V30000	Blockies Corporation	USD (0.03)

To determine whether an RU journal has already been reconciled, follow the instructions outlined in [SAP Note 1148042](#). In some instances it might not be feasible to reconcile all RU journals before the year-end closing deadline. In countries where only the P&L accounts are closed off, appropriate reconciliation of RU journals is postponed to a more suitable point in the future. For more information, see [SAP Note 1385810](#).

Note that after the reconciliation of the journals the Internal Reconciliation Upgrade Audit Trail Report remains visible for auditing purposes.

Reconciliation of Open Items and Balances for Business Partners

In SAP Business One, customer and vendor postings are written to balance sheet accounts stored with the business partner. To verify the accuracy of the postings, use the Trial Balance report. It is helpful to create separate financial report templates for vendors and customers. You can then use these to display all totals and balances for the relevant balance sheet account, and enhance them by adding the individual balances of the customers or vendors when generating the report.

Example

Reports → Financials → Financial → Trial Balance

Note

You can generate the report for business partners, for G/L accounts, or for both. To generate a separate report for customers, from the *Customer Group* dropdown list, choose *All*, and from the *Vendor Group* dropdown list choose *None*. To generate a separate report for vendors, from the *Customer Group* dropdown list, choose *None*, and from the *Vendor Group* dropdown list choose *All*.

To display individual balances for each business partner, increase the value displayed in the *Level* field in the *Trial Balance* window. If you select the *G/L Accounts* checkbox and generate the Trial Balance report

by G/L accounts, you need to consider all control accounts that might be assigned to the different business partners (that is, control accounts for assets, doubtful debts, bills of exchange, and so on).

Alternatively, you can use the G/L Accounts and Business Partners report. This report also displays the combination of selected balance sheet accounts and business partners. It is suitable for processing business partner balances and displaying details.

Example

Reports → Financials → Accounting → G/L Accounts and Business Partners

We recommend checking the complete reconciliation of business partner accounts at the end of each month. You can use the Customer Receivables Aging report to reconcile the open business partner balances.

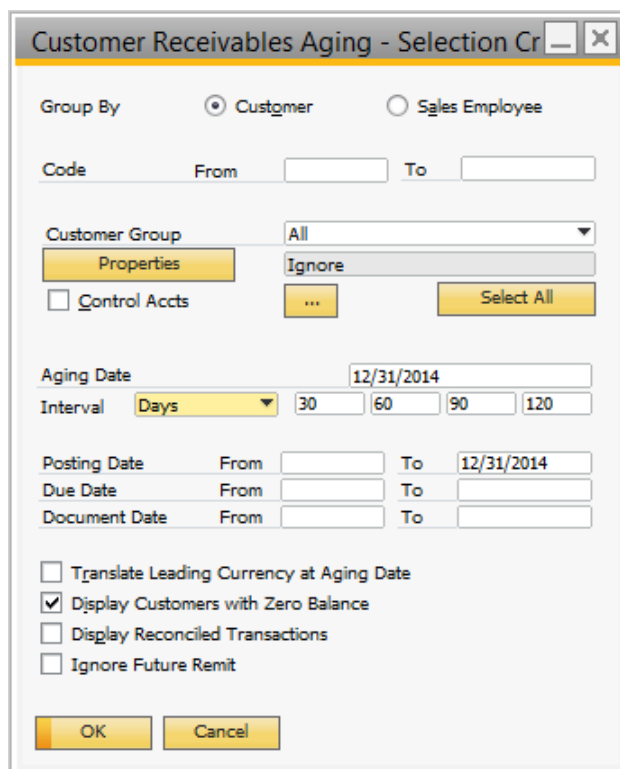
Example

Reports → Financials → Accounting → Aging → Customer Receivables Aging → Reports → Financials → Accounting → Aging → Vendor Liabilities Aging

Note

To print the open business partner balances backdated to the cut-off date, you need to set the following parameters:

- o Enter the period-end closing date (for example, December 31) as the end date in the posting date range.
- o Select the *Display Customers with Amount Zero* checkbox. Otherwise, the report does not take into account any business partners that may have been completely cleared in the new period.



The screenshot shows the 'Customer Receivables Aging - Selection Criteria' dialog box. The 'Group By' section has 'Customer' selected. The 'Code' section has 'From' and 'To' fields. The 'Customer Group' is set to 'All'. The 'Properties' section has 'Ignore' selected. The 'Control Accts' checkbox is unchecked. The 'Aging Date' is set to '12/31/2014'. The 'Interval' is set to 'Days' with options for 30, 60, 90, and 120. The 'Posting Date' section has 'From' and 'To' fields, with '12/31/2014' entered in the 'To' field. The 'Due Date' and 'Document Date' sections also have 'From' and 'To' fields. The 'Display Customers with Zero Balance' checkbox is checked. The 'OK' and 'Cancel' buttons are at the bottom.

Note

If foreign currencies are used, to show a total, you must select *Local* in the *Currency* field of the displayed report. If the balances for the business partners do not match those in the general ledger, we recommend running the general ledger reports and the due date reports monthly to reconcile each month separately (if you have not already done so at the end of the month).

Note

To ensure any inactive business partners are factored in your reports, you need to select the *Display Inactive Business Partners in Reports* checkbox on the *BP* tab in the *General Settings* window. If you do not select this option, inactive business partners will not be included in your reports and you may not be able to complete your reconciliations.

Reconciliation of Fixed Asset Accounts

If you are not using Fixed Assets in SAP Business One, you need to verify that the fixed asset accounts correspond to the values in fixed asset accounting, which is performed externally from SAP Business One.

If you are using the Fixed Assets in core SAP Business One, there is no need to reconcile the asset accounts.

Caution

If there have been any reductions (for example, discounts) or additional costs (for example, freight) that have to be considered for a correction of the acquisition and production costs (APC), you must check manually the acquisitions and retirements from the last year.

In the case of an acquisition, the entire value of the acquisition and production costs (APC) is transferred as a journal entry to the asset G/L account. If the invoice is paid with a cash discount and you have not enabled under Documents Settings for Outgoing Payment "Create Capitalization Credit Memo for Fixed Assets with Cash Discount" in version 9.0 or you are on a version prior to 9.0, you must deduct manually the gross value of the cash discount from the value of the APC of the asset. To do this, create a fixed assets credit memo with the value of the cash discount or bonus. To add additional charges, for example, freight charges, to the acquisition costs, manually create an acquisition related to the original fixed asset.

Note

Values in the Fixed Assets add-on for SAP Business One are always net amounts.

Reconciliation of Bank Statements and Bank and Cash Accounts

For permanent reconciliation of bank and cash accounts with account statements from the bank, use the *Process External Bank Statement* window to record bank statements and then reconcile them using the reconciliation function.

Example

Banking → *Bank Statements and External Reconciliation* → *Process External Bank Statement*

In some localizations (such as the US, the UK, and Canada), the external bank reconciliation function lets you verify and reconcile the transactions recorded in SAP Business One against the balance received from the bank, and to create adjustments, if required. If you use this function when working, we do not recommend using the *Process External Bank Statement* window, since the *External Bank Reconciliation* window creates a reconciled record in the *Process External Bank Statement* window (OBK table). Therefore, in the affected localizations, the *Process External Bank Statement* window is not visible in the main menu by default.

Note

To show the *Process External Bank Statement* window in the main menu, click  (*Form Settings*).

If you do not use the external bank reconciliation function, you need to check manually that the account statements correspond to the balances in the bank and in the cash accounts. In this case, you can use the General Ledger report, which displays all postings in one or more accounts within a specified period.

Example

Reports → *Financials* → *Accounting* → *General Ledger*

- SAP Business One displays the credit and debit postings in a separate column
- You can also use this report for the reconciliation of petty cash accounts

Whether you are using the cash and bank function of the Payment Engine add-on or the bank statement processing functionality, you need to use clearing accounts for bank postings. Therefore, you first need to transfer the postings for all the reconciled amounts to the appropriate bank account. You should also take into account draft bank statements and draft payments according to country specific regulations, and, therefore, you should finalize or delete them. In addition, clearing accounts for each house bank account must be cleared at year's end.

Note

- Draft documents still exist in the system after they are posted, and, therefore, you must delete them manually
- You can write off small discrepancies using the over/underpayment function
For more information about external reconciliations, see the document *How to Work with Internal and External Reconciliations in 8.8* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>
- For more information about bank statement processing, see the document *How to Use Bank Statement Processing* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>

Reconciliation of Allocation and Expense Clearing Accounts

If you use the perpetual inventory system, the application posts purchase documents to one or more allocation accounts. Once a purchase transaction has been completed, the corresponding allocation account must have a balance of zero.

Additionally, if you use freight charges and you mark them as inventory-relevant, the same procedure applies for the freight charges. Use the expense clearing account for the amount of the freight charges. Once the purchase transaction has been completed, the balance of this account must be zero

Note

To mark freight charges as inventory-relevant, open the *Freight – Setup* window. From the SAP Business One *Main Menu*, choose *Administration* → *Setup* → *General* → *Freight* and for the relevant freight charges select the *Stock* checkbox.

At the end of the year, you must reconcile the balances of the allocation accounts and the expense clearing accounts. The remaining balances should correspond to the total of all open goods receipt POs and the open goods returns.

With SAP Business One, you perform reconciliations for these kinds of accounts using the reconciliation function in the *Financials* module. Perform the reconciliation regularly at the end of the month; otherwise, you have a high number of transactions to reconcile at the end of the year. To simplify the process, you can run automatic reconciliations.

Once the reconciliation for these accounts has been completed, the remaining balance should match the open items in goods receipt purchase orders and returns.

Example

Financials → *Internal Reconciliations* → *Reconciliation*

Note

This form of reconciliation is useful only if you have used meaningful prices in goods receipts. Do not use it if dummy prices were entered at the time of the order and the actual prices were entered at the time of invoicing.

Caution

You must manually ensure that the figures can be reproduced using the corresponding printouts and posting documents


Note

The following user actions can cause discrepancies in the allocation or expense clearing accounts that have to be corrected manually:

- o Manual postings

You created manual postings with journal entries in the general ledger and used the allocation or expense clearing account. To identify these manual postings, use the following method:

1. From the SAP Business One *Main Menu*, choose *Financials* → *Chart of Accounts*.

Find the relevant account and click  next to the *Balance* field. The *Account Balance* window opens displaying all documents that created journal entries to which the account is connected.

2. In the *Posting Date From* field, specify the relevant posting date.

Double-click the *Origin* column and search for the journal entries (displayed as JE).

- o Manual update of the predefined G/L accounts settings

You manually changed the allocation or expense clearing accounts due to the following actions:

- o You changed these accounts in the *G/L Account Determination* window.

You changed these accounts in the *Warehouses – Setup* window for an existing warehouse.

- You changed the selected level in the *Set G/L Accounts by* field on the *Inventory Data* tab in the *Item Master Data* window. As a result, these accounts were changed. Alternatively, the selected level is *Item Level* and you manually changed these accounts for the item
- You defined new posting rules in Advanced G/L Account Determination Rules for inventory relevant accounts (available as of release 9.0)
- Redefinition of freight charges as inventory-relevant You changed the definition of freight charges from inventory relevant to not inventory relevant (or vice versa) while there were open transactions using this freight definition.
- You can correct these discrepancies caused by user actions only by using manual journal entries

As of the SAP Business One 8.82 release, there are a number of key allocation accounts that are now posted to automatically as part of the various financial transactions posted in SAP Business One. There is no need to reconcile these accounts manually at the end of the year. These include the Inventory Allocation, Freight Allocation, Work In Progress, Deferred Tax and Down Payment Allocation accounts.

For example, at year end, these allocation accounts generally have a balance that would make them either a liability or an asset. This balance needs to be verified by the accountant or an auditor. As this task requires the analysis of these reconciliations, SAP Business One provides a right-click option on the journal entry line to view the applied transactions. A screen of all the lines that are automatically reconciled to that particular journal entry line is presented to the accountant.

Both full and partial postings are automatically reconciled and Foreign Currency accounts can also use this functionality. Therefore, there is no need to reconcile these accounts manually, as internal reconciliations take place automatically. These internal reconciliations are irreversible. The option *Posting Details* provides another view of the internal reconciliation details.

In SAP Business One versions prior to SAP Business One 8.82, allocation account transactions are recommended to be reconciled on an ongoing basis in order to avoid having to reconcile all of the transactions at year end.

Reconciliation of Inventory Accounts

The G/L inventory account balance must correspond to the inventory values when you use moving average, standard, or FIFO valuation methods.

The Inventory Audit report shows the details for each inventory account. It is possible to compare the Inventory Audit report results with a particular inventory account balance. They should display the same results, as long as you work correctly with the inventory accounts.

Since the Inventory Valuation report shows only values other than the one set for valuation methods per item, you can no longer use it to determine the inventory account balances; however, you can use it for what-if scenarios.

To determine the actual stock balance, use the Inventory Audit report.

Note

- The values contained in G/L accounts, such as the variance accounts, negative inventory adjustment account, miscellaneous inventory gains, miscellaneous inventory losses, and so on, should also be handled within the year in process.
- If you use a non-perpetual inventory system you can run only the Inventory Valuation report.

For more information, see the document *How to Set Up and Manage a Nonperpetual Inventory System in 8.8* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>

Inventory Audit Report

When you use the Inventory Audit report, you can choose whether you want to run it using the posting date or the system date.

In SAP Business One, the inventory value calculations are based on the system date. Therefore, to reflect the correct inventory value, we recommend that you choose to run the report by system date. Running the report by posting date is for information purposes only. When you run the report by system date:

- Only inventory transactions whose system date is included in the specified date range are covered.
- The Inventory G/L accounts are analyzed based on the posting date.

This could lead to cases in which backdated transactions (in which the posting date is earlier than the system date) are excluded from the Inventory Audit report but are included in the inventory G/L account analysis performed for the same date range. To reconcile the inventory account, you should use the posting date. Any backdated postings are marked.

Note

There might be discrepancies between the inventory account balance and the balance displayed in the Inventory Audit report. Some of the reasons why this may occur are:

- Multiple inventory accounts
- A changed inventory account
- A manual journal entry that was posted to the inventory account
- Service documents or transactions with non-inventory items or drop ship warehouse posted to the inventory account
- Inventory-related accounts have been incorrectly set up, resulting in stock-to-stock postings (postings both crediting and debiting the inventory account, since the inventory account has also been used as an offsetting account). In order to identify these cases, run the detection query in [SAP Note 1461889](#).

Example

[Reports](#) → [Inventory](#) → [Inventory Audit Report](#)

Inventory Audit Report - Selection Criteria

System Date From [] To 12/31/2014

Items

Code From [] To []

Item Group []

Properties Ignore

G/L Accounts []

Warehouses

Location	Whse Code	Whse Name
<input checked="" type="checkbox"/> []		
<input checked="" type="checkbox"/> []	→ 05	Bin Warehouse
<input checked="" type="checkbox"/> Los Angeles		
<input checked="" type="checkbox"/> []	→ 02	West Cost Warehouse
<input checked="" type="checkbox"/> New York		
<input checked="" type="checkbox"/> []	→ 01	General Warehouse

Expand Collapse

Display

By Items

Summarize by Accounts

Group by Warehouses

Display OB for Items/Accounts with no Transactions

Hide Items with Cumulative Quantity Zero

OK Cancel

In the *Selection Criteria* window, choose between *Posting Date* and *System Date* and specify the range of dates to include in the Inventory Audit report.

Discrepancies may occur during reconciliation of the inventory accounts. If they are a result of using the wrong G/L account, correct them through manual journal entries. If the inventory details are wrong, and you also have to correct the related item cost, use the inventory revaluation function or a more appropriate inventory transaction

Example

Inventory → *Inventory Transactions* → *Inventory Revaluation*

For more information about the Inventory Audit report and inventory revaluation, see the document *How to Set Up and Manage a Perpetual Inventory System in 8.82* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>

Accrual and Valuation

Accrual

Typical examples of accruals include:

- Revenue
- Payments from rent contracts
- Interest revenue and payments

Normally, such revenue and payments are already distributed across periods by recurring entries. If this is not the case, all revenue and payments that are not yet relevant for the corresponding period need to be analyzed in manual adjustment journal entries.

For easier identification, you can assign specific transaction codes to these manual entries and mark the journal entry to be reversed automatically on the first day of the new period.

Note


If you use reserve invoices in SAP Business One, you may have posted revenue for non-delivered goods. Depending on the local requirements, you may need to correct this manually. To identify the open and undelivered A/R reserve invoices, open the [Open Items List](#) window. From the SAP Business One [Main Menu](#), choose [Reports](#) → [Sales and Purchasing](#) → [Open Items List](#) and from the [Open Documents](#) dropdown list, choose [A/R Reserve Invoices - Not Yet Delivered](#).

Assets under Construction

Prior to SAP Business One 9.0 or when using external fixed assets solution, assets under construction must be managed outside of SAP Business One. Manual posting is required for correct time accrual.

In version 9.0 if you have created an own assets class for assets under construction, please ensure that all accumulated costs are recorded on the accounts connected to this asset class.

Depreciation in the SAP Business One Fixed Assets

We recommend that you exec  all depreciation runs until the last period of the fiscal year. You can see the log of each depreciation-run in the [Depreciation Run](#) window. To display the results of a specific depreciation run, click in the relevant depreciation run row.

Example

[Financials](#) → [Fixed Assets](#) → [Depreciation Run](#)

Note

If you use the indirect depreciation method, even though the balance sheet account for accumulated depreciation has a credit balance, it must be included in the balance on the assets side. With this method, the total balance of both types of accounts – the asset accounts and the accumulated depreciation accounts – represents the actual asset value.

All automatic depreciations for the fiscal year should be executed. Before running automatic depreciations for any sub period of the fiscal year, users should enter all the transactions belonging to that sub period to ensure an exact matching of planned values and posted depreciations across each sub period.

If the user has run an automatic depreciation for one sub period of the fiscal year, and has forgotten to enter any transactions that should have been entered before running the automatic depreciation, the transactions can still be entered. The required adjustment between new planned values caused by the new entered transaction and the posted values is done automatically with the next sub period depreciation run.

This readjustment is only feasible if the transaction and depreciation run are in same fiscal year. The last depreciation run executed during the fiscal year can be repeated as many times as necessary to include any missing transactions. It is strongly recommended that any administration of fixed assets is first performed using a backup of the productive database, and only applied to the productive database if the person responsible in the company agrees with the results.

Valuation of Foreign Currencies

The valuation of realized exchange rate differences occurs automatically for payments and receipts.

On the closing date, however, the following items normally still need to be revalued according to a period-end rate:

- Open receivables
- Open payables
- Bank balances for bank accounts that are held in foreign currencies
- Balances for any other G/L accounts in foreign currencies

You can use the exchange rate differences function to revalue these stocks. In addition, as of the SAP Business One 2007 A SP01 release, you can activate exchange rate differences handling for deferred tax at any time for relevant localizations. However, once it is activated and transactions have been processed, you cannot disable it. It is not activated by default for either an existing or a new company.

Example

Financials → *Exchange Rate Differences*

Each country must consider its own specifics on how to value unrealized exchange rates. In some countries, foreign currencies are valued according to the imparity principle, while in other countries it is required to calculate full value each time.

To value only losses or only profits relating to the current exchange rate, from the *Data Side* dropdown list, choose *Gain Only* or *Loss Only*, according to the business transaction.

Exchange Rate Differences - Selection Criteria

Business Partner G/L Accounts

Code From To

Customer Group All

Vendor Group All

Exclude Gains with Due Date After

Due Date From To

Execution Date 12/31/2014 Consider Recon. Date Currency ## All Currencies

Exch. Rate Gain Acct (A/R)	⇒ 82100000-01-	Exch. Rate Loss Acct (A/R)	⇒ 82200000-01-
Exch. Rate Gain Acct (A/P)	⇒ 82100000-01-	Exch. Rate Loss Acct (A/P)	⇒ 82200000-01-
Exch. Rate Gain Acct (G/L)	⇒ 82100000-01-	Exch. Rate Loss Acct (G/L)	⇒ 82200000-01-

 Data Side Both Sides

⚠ Caution

Even if you select *Gain Only* or *Loss Only*, the exchange rate differences function does not consider the imparity principle when it selects G/L accounts. In this case, you must check the results in the report and correct them manually for posting.

When you select business partners, the imparity principle is considered. However, it is applied to the total balance of one business partner only and not to every open item separately. Therefore, we recommend that you check the proposal report manually according to the local legislation requirements. You can exclude an open item from the selection by deselecting its checkbox.

Exchange Rate Differences

Execution Date 12/31/2014 **Acct / BP Currency:** All Currencies

Details on Transactions

Ref. 1 Code Remarks Auto. Remarks Auto. Reverse Reversal Date

YEC2014

App.	Code	Name	Balance	Balance (FC)	Rate	Difference
<input checked="" type="checkbox"/>	⇒ C50000	ADA Technologies	-1,828.50	-1,318.69	EUR 0.800000	773.55
<input checked="" type="checkbox"/>	⇒ C60000	SG Electronics	-12,502.50	-15,276.05	CAN 1.130000	-4,759.44
<input checked="" type="checkbox"/>	⇒ C70000	Aquent Systems	-2,082.50	-2,544.47	CAN 1.130000	-792.75
<input checked="" type="checkbox"/>	⇒ V30000	Blockies Corporation	9,353.35	6,745.53	EUR 0.800000	-3,956.93
<input checked="" type="checkbox"/>	⇒ V50000	Lumarx	162.38	198.41	CAN 1.130000	61.82

Double-click on the row for Row Details:

Journal ID	Balance	Balance (FC)	Rate	Difference	Due Date	Doc. Date	Posting Date
2544	-22.50	-27.49	1.130000	-8.56	11/07/2012	10/08/2012	10/08/2012
2552	-11,430.00	-13,965.63	1.130000	-4,351.16	10/26/2012	09/26/2012	09/26/2012
2587	-1,050.00	-1,282.93	1.130000	-399.71	01/07/2013	12/08/2012	12/08/2012
	-12,502.50	-15,276.05		-4,759.43			

i Note

The exchange rates used are those saved in the exchange rate table on the execution date. The current exchange rate that is valid for the valuation must already be entered in the exchange rate table before you execute the transaction.

When you perform the valuation for business partners, you must deselect the G/L accounts. For G/L accounts, the Exchange Rate Differences report displays by default all accounts that have received foreign currencies. However, you can opt to select only accounts relevant for valuation.

It is recommended that you create an automatic reverse posting on the first day of the subsequent period. This recommendation is not only for year-end closing, but for every subsequent period such as monthly or quarterly periods.

i Note

The exchange rates used are those saved in the exchange rate table on the execution date. The current exchange rate that is valid for the valuation must already be entered in the exchange rate table before you execute the transaction.

When you perform the valuation for business partners, you must deselect the G/L accounts.

For G/L accounts, the Exchange Rate Differences report displays by default all accounts that have received foreign currencies. However, you can opt to select only accounts relevant for valuation. It is recommended that you create an automatic reverse posting on the first day of the subsequent period. This recommendation is not only for year-end closing, but for every subsequent period such as monthly or quarterly periods.

Exchange Rate Differences

Execution Date: 12/31/2014 Acct / BP Currency: All Currencies

Details on Transactions

Ref. 1: YEC2014 Code: Remarks: Auto. Remarks Auto. Reverse Reversal Date: 01/01/2015

App.	Code	Name	Balance	Balance (FC)	Rate	Difference
<input checked="" type="checkbox"/>	⇒ C50000	ADA Technologies	-1,828.50	-1,318.69	EUR 0.800000	773.55
<input checked="" type="checkbox"/>	⇒ C60000	SG Electronics	-12,502.50	-15,276.05	CAN 1.130000	-4,759.44
<input type="checkbox"/>	⇒ C70000	Aquent Systems	-2,082.50	-2,544.47	CAN 1.130000	-792.75
<input type="checkbox"/>	⇒ V30000	Blockies Corporation	9,353.35	6,745.53	EUR 0.800000	-3,956.93
<input type="checkbox"/>	⇒ V50000	Lumarx	162.38	198.41	CAN 1.130000	61.82

Buttons: Add, Cancel, Save, Reject All, Approve All

 **Caution**

We recommend that you check the suggested accounts carefully. Often, you have to differentiate between realized and unrealized exchange rate differences. The application default shows the accounts that are set in the account determination setup, and the accounts are normally set for realized exchange rate differences. If revaluation is also required for the system currency, you should perform this separately. SAP Business One provides the conversion differences function for this purpose

 **Example**

[Financials](#) → [Conversion Differences](#)

Material Valuation

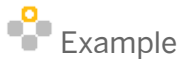
In most countries, regulations affecting the year-end closing dictate how warehouse stocks are valued.

SAP Business One lets you track the changes in inventory accounts and in the value of the items. If you use a perpetual inventory system whether it is moving average, serial/batch valuation method, FIFO, or standard, you can track the inventory transactions in the Inventory Audit report. For more information, see *Inventory Audit Report*. When item is managed by serial/batch valuation method, you can use additional report: "Batches and Serial Inventory Audit Report" which displays the item value by serial/batch number.

However, if you use a non-perpetual inventory system, you should run the Inventory Valuation report.

For more information, see *Working with a Non-Perpetual Inventory System*. If you do not use the perpetual inventory system, you can use the Inventory Valuation report to support the following valuation types:

- Moving average
- Standard price
- FIFO



Reports → *Inventory* → *Inventory Valuation Simulation Report*

In some countries, material valuation is generally based on the lowest value principle. To perform material valuation according to this principle in SAP Business One, proceed as follows:

1. In Microsoft Excel, manually create a list with the lowest value prices
2. Load these prices as a price list into SAP Business One
3. Perform the valuation of warehouse inventory according to this price list
4. Compare the values determined in the report with the inventory values determined in the system, and manually post the discrepancies between them.

These accumulated adjustment postings could be entered in specific accumulated adjustment accounts (in balance sheet accounts and P&L) on the last day of the period. We recommend that you identify these values (by defining a transaction code) and reverse them on the first day of the subsequent period.

Note

Depending on your local legislation, if you do not value based on the lowest prices, you can use the same procedure with any other price list.

Caution

You must manually ensure that the figures are reproducible using the appropriate printouts. You must also document the method for determining the valuation price in a manner such that it can be reproduced (external to SAP Business One). As a prerequisite for material valuation, you must complete inventory counting and inventory accounts, and correct all differences.

Valuation of Completion of Production Orders and Projects

Depending on the scenario, either the work-in-process (WIP) has to be recognized by a manual journal entry or it is already posted automatically by the system.

- When there are open production orders and the issue method of components is backflush, you must post the WIP manually using the following method:
 1. Determine the components of all open production orders, sorted by item, original warehouse, and issue method backflush, and evaluated by the correct item costs for each item.
 2. Perform a manual adjustment journal entry for the total of all WIP items for each inventory account and transfer this value from the inventory to the WIP account.
 3. Reverse this adjustment entry at the beginning of the new fiscal year.
- When there are open production orders and the issue method of components is manual, each component value has already been posted to the WIP account

Caution

The WIP in SAP Business One only relates to the direct material costs (value of the components). It does not include any overheads or any other production or labor costs. You must enter the overheads and any production costs manually.

Note

SAP Business One 9.1 has resources module which allows the determination of machine, labor and other costs. Resources can be assigned standard costs which are included in the production process. After completing the production order costs will be added to the end-product item cost.

In addition, you can handle exchange rate differences for deferred tax. This can be relevant when items used in the production process were bought in foreign currency. For more information, see *Valuation of Foreign Currencies*

You can generate the Open Items List report by production orders as a basis for evaluating the quantities planned, completed, rejected, and open of the released (but not closed) production orders.

Example

[Reports](#) → [Production](#) → [Open Items List](#)

For more complex production orders (including production costs, and so on), you may have to include in the concept the estimation of production and the corresponding posting of inventory changes or goods in progress, especially if this has not already been taken into account as a supplement.

Allowances

You must perform any other allowances manually with an adjustment journal entry, for example, allowances for doubtful accounts receivable.

Provisions

There are no functions available for deleting or creating provisions, for example, pension or vacation provisions. Therefore, you must calculate and post provisions manually.

Accruals

To ensure that the balance is represented correctly, you may have to perform additional analyses, for example, of receivables or payables accounts, to be able to classify different maturities. In this case, you may need to transfer postings to a separate balance area using a clearing account.

Reporting

VAT Report

Depending on the localization, you can use the VAT report to help you calculate data for your sales tax return. Afterwards, you must manually transfer the resulting values to the sales tax return.



[Reports](#) → [Financials](#) → [Accounting](#) → [Tax](#) → [Tax Report](#)

You must manually post the transfer postings from the different tax accounts to one tax-payable account. The latter account represents a receivable or payable against the tax authority. To be able to perform this manual journal entry, in the [Journal Entry](#) window, deselect the [Automatic Tax](#) checkbox.

Series	Number	Posting Date	Due Date	Doc. Date	Remarks	<input type="checkbox"/> Fixed Exchange Rate
Primary	3215	12/31/2014	12/31/2014	12/31/2014		<input checked="" type="checkbox"/> Reverse
Origin	Origin No.	Trans. No.	Template Type	Template	Indicator	Project
Trans. Code	Ref. 1	Ref. 2	Ref. 3	<input type="checkbox"/> Automatic Tax		
Blanket Agreement						
▼ G/L Acct/BP Code	G/L Acct/BP Name		Ref. 1	Ref. 2	Ref. 3	Offset Account
Debit (FC)	Credit (FC)	Debit	Credit	Debit (SC)	Credit (SC)	
Posting Date	Due Date	Doc. Date	Project	Distr. Rule	Remarks	
12/31/2014	12/31/2014	12/31/2014				

⚠ Caution

- When you run the final tax report, select all tax codes and ensure that the error report contains no data. From the [Tax Report – Declaration](#) window, choose the [Error Report](#) button and make sure a 'No data' message is displayed.
- If you use down payment requests, depending on the existence of open, unpaid final invoices related to down payment requests, you may need to enter a tax adjustment at the end of the year. Currently in SAP Business One, the tax and base amounts for the amount of the down payment request are corrected only upon payment of the final invoice. As a result, you must adjust these tax and base amounts with a manual journal entry by the end of the fiscal year and reverse them at the beginning of the new fiscal year. For this adjustment entry, you also need to ensure that the [Automatic Tax](#) checkbox is deselected (as shown above).

Extended Tax Reporting

Note

This section is relevant for Australia, Belgium, Czech Republic, Denmark, Germany, Netherlands, New Zealand, Portugal, Russia, Slovakia, and Spain

Some localizations are able to generate and save extended tax reports to be submitted to the tax authorities. Extended tax reporting enables you to mark reported transactions and thus prevent duplicate transaction reporting. Note: Russia uses ETR for Profit Tax reporting, not VAT. For information regarding the extended tax reporting functionality, see [SAP Note 1311331](#). Country-Specific Reports

For Canada, Germany, Spain, and United Kingdom localizations, you can use the tax report to do the following:

- Track what items were claimed from or paid on to tax authorities in individual periods
- Claim from or pay on additional items to tax authorities (if there were any added later on) for individual periods
- Post the tax liability/receivable to the G/L account, when needed
- Save tax reports as they are generated and retrieve the saved reports in the future

Withholding Tax Report

The use of the Withholding Tax report depends on the localization. This report displays the withholding tax amounts collected and paid during specific periods and helps you calculate data for your tax returns.

Example

[Reports](#) → [Financials](#) → [Accounting](#) → [Tax](#) → [Withholding Tax Report](#)

After defining the report, you can view it by business partner or by withholding tax codes.

Tax Declaration Box Report

The use of the Tax Declaration Box report depends on the localization. This report helps you calculate data for your sales tax return. You must define the tax declaration boxes according to the reporting requirements of your tax form. You then need to transfer the resulting values manually to the sales tax return.

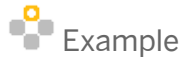
You must post manually the transfer postings from the different tax accounts to one tax-payable account. To be able to perform this manual journal entry, in the [Journal Entry](#) window, deselect the [Automatic Tax](#) checkbox. The tax payable account represents a receivable or payable against the tax authority.

Example

[Reports](#) → [Financials](#) → [Accounting](#) → [Tax](#) → [Tax Declaration Box Report](#)

Tax Reconciliation Report

You can use the Tax Reconciliation report to reconcile the reported tax amounts with your G/L postings.



[Reports](#) → [Financials](#) → [Accounting](#) → [Tax](#) → [Tax Reconciliation Report](#)

EU Sales List

SAP Business One provides a report for determining data for the EU Sales List (available in the European Union). After you run the report, you must transfer the values to the official form. For some localizations, you can export the list to a file, which you can later upload to the official form.



[Reporting](#) → [Financials](#) → [Accounting](#) → [Tax](#) → [EU Sales Report](#)

Note

When you set up tax groups, it is important that you correctly enter the indicators *Triangular Deal* and *Goods Shipment* for the corresponding tax codes. The values in the EU Sales List consider item values. If documents of item type include freight charges, then the EU Sales List reflects the freight. However, the EU Sales List does not consider documents of service type and A/R down payment requests (even if paid).

Note

As of the SAP Business One 8.82 release, you can generate the VAT Declaration and EU Sales Reports using the Electronic File Manager tool.

Bank Reconciliation Report

Country-Specific Reports

For Australia & New Zealand, Canada, United Kingdom, USA, and South Africa localizations, a new Bank Reconciliation Report has been provided using Crystal Reports to meet local reporting standards.

This report compares the ending balance of a bank statement with the adjusted balance of the G/L account that represents the bank account as of the statement date. It lists the cleared transactions in the bank statement and the un-cleared transactions in the G/L account as of the statement date. For more information, see country-specific documentation.

Inventory Valuation Simulation Report

Country-Specific Reports

For the Chile localization, you can use the enhanced Inventory Valuation Simulation report which is based on the standard report. The main differences in this enhanced version are as follows:

- The report allows you to evaluate each item on the basis of the valuation method in the item master data; that is, different items may be valued using different valuation methods. Therefore, if you specify the common selection criteria for this report and for the inventory audit report identically, then the results of both reports are also the same. Alternatively, you can select any of the calculation methods offered in the classic report, for example, if you want to simulate one or more "what-if" scenarios.
- You have the option to filter out inflation-based revaluations from the report. It is a requirement of IFRS not to include inflation-based revaluations in inventory valuation. Alternatively, if required by local GAAP, you can take inflation-based revaluations into account.

For more information, see [SAP Note 1459327](#).

Documentation

Note

The prerequisite for accuracy and completeness of reports is that you correctly assign all relevant accounts in the chart of accounts to the hierarchies. The same also applies for the financial report templates

Caution

You can mention journal vouchers in the balance sheet, the profit and loss statement, and the Trial Balance report. Be sure to close all journal vouchers before you run the year-end closing.

Balance Sheet

You can create a financial report template for displaying the balance sheet that enables you to represent the data in different forms, as required. When you print the balance sheet, you can choose between a T-account display and a vertical report form.

Example

[Reports](#) → [Financials](#) → [Financial](#) → [Balance Sheet](#)

Note

To print the Balance Sheet report without journal entries for the year-end closing adjustment, in the [Balance Sheet – Selection Criteria](#) window, select the [Ignore Adjustments](#) checkbox.

To print the Balance Sheet report at the end of the year, after the year-end closing transaction has been executed, in the [Balance Sheet – Selection Criteria](#) window, select the [Add Closing Balances](#) checkbox. In this way, the balance sheet shows the balance of the period-end closing account.

Caution

To print the balance sheet from the previous fiscal year correctly with the posted values of the year-end closing account, you must select the [Add Closing Balances](#) checkbox. This shows the result of the fiscal year you are closing in the period-end closing account. It also shows the balance of the previous fiscal years in the retained earnings account. This occurs because the period-end closing transaction posts the result of the period to the period-end closing account with the last day of the fiscal year as the posting date. Additionally, this routine creates a second posting, whereby this result is taken again from the period-end closing account and posted to the retained earnings account. This is done with the first day of the new fiscal year as the posting date. As a result, the balance of the period-end closing account shows the result of the year to be closed, while the balance of the retained earnings account shows the result of the previous fiscal years. To analyze discrepancies in the balance sheet, you can proceed as follows:

1. Start a totals list and a list of balances (Trial Balance) as a monthly report.
2. Determine in which month the first discrepancies occur.

3. Start the General Ledger report and test the different transactions with the *Expanded* button chosen, or use the Document Journal report, which provides a clearer overview by also allowing you to display totals for credit and debit.

Profit and Loss Statement

To display the profit and loss statement (P&L), you can create a financial report template to display the data in the format required.



[Reports](#) → [Financials](#) → [Financial](#) → [Profit and Loss Statement](#)



If you want to print a P&L at the end of the year, after the balance transaction has been executed, ensure that the *Add Closing Balances* checkbox is **not** selected. Otherwise, the P&L will be zero, since all P&L accounts would be closed by the period-end closing routine, with the last day of the fiscal year as the posting date. If you print the P&L at the beginning of the new fiscal year after processing the year-end closing transactions, the *Add Closing Balances* checkbox must be selected to show zero balances in the current year.

Trial Balance

You can create a financial report template to display the totals list and a list of balances (Trial Balance) in the format required.



[Reports](#) → [Financials](#) → [Financial](#) → [Trial Balance](#)



To display the *Opening Balances* column, under the *Display in Report* section in the selection criteria window, select the *Opening Balance for Period* checkbox, and then select one of the following options:

- *OB from Start of Company Activity* radio button
For balance sheet accounts, after the year-end closing has been processed, SAP Business One displays the opening balances as of the first day of the reporting period. For expense and revenue accounts, SAP Business One displays the cumulated closing balance transactions from previous periods.
- *OB from Start of Fiscal Year* radio button
This option lets you show opening balances if they were entered using the opening balances utility. Usually, there is no opening balance shown when the selected period corresponds to the same fiscal year. This option becomes relevant when the selected period deviates from the fiscal year.

Note

SAP Business One 8.81 PL10 includes the functionality to select a P&L template for calculating the Profit Period in the Balance Sheet. If you are running the Balance Sheet from a customized template, ensure that you have selected the correct P&L template and the appropriate account from the selected P&L template to display the correct profit period in the Balance Sheet.

For more information, see [SAP Note 1627438](#).

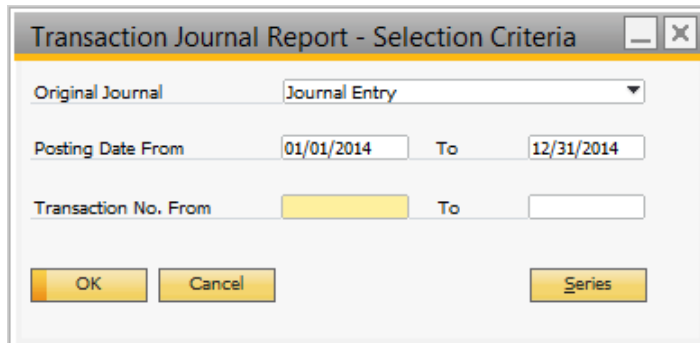
Other Reports

Journal

Use the Transaction Journal report to display all journal entries created for your company during the year.

Example

Reports → Financials → Accounting → Transaction Journal Report



In the *Transaction Journal Report – Selection Criteria* window, from the *Original Journal* dropdown list, choose *All Transactions*. In the *Posting Date From* and *To* fields, specify the year's beginning and end dates.

Account Itemization for Balance Sheet and P&L

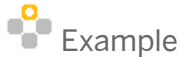
To view this itemization, print the balance or the P&L of the lowest level account, which is displayed when you choose the highest level number from the account detail level dropdown list.

Example

Reports → Financials → Financial → Profit and Loss Statement

Account Statement List for Customers and Vendors

In the Trial Balance report, you can select business partners. Individual vendors and customers are displayed in the lowest level of the accounts, which is the highest account level number. Business partners are also displayed according to customer group/vendor group. If you want to print the customers and vendors separately, select *None* for the customer group or vendor group that you do not want to print.



[Reports](#) → [Financials](#) → [Financial](#) → [Trial Balance](#)

For more information, see *Reconciliation of Open Items and Balances for Business Partners*

Open Items List and Aging Reports

You can use the *Open Items List* window to generate a list of open items, and the aging reports for business partners to generate a list of open items per business partner.



- [Reports](#) → [Sales and Purchasing](#) → [Open Items List](#)
- [Reports](#) → [Financials](#) → [Accounting](#) → [Aging](#) → [Customer Receivables Aging](#)
- [Reports](#) → [Financials](#) → [Accounting](#) → [Aging](#) → [Vendor Liabilities Aging](#)

Account Statements

You can use the General Ledger report to generate account statements for individual accounts and individual business partners.



[Reports](#) → [Financials](#) → [Accounting](#) → [General Ledger](#)


Asset History Sheet

If you are using the Fixed Assets for SAP Business One, you can use the Asset History Sheet report to evaluate the asset data by balance sheet account or by asset class. In addition, you can print the Asset History Sheet report for the appendix of the year-end documentation.



The Asset History Sheet report displays the numbers calculated for the date range of the selected fiscal year. If you have discrepancies between this report and the values posted in the Trial Balance report, you

have to complete the depreciation runs for this fiscal year in Fixed Assets and make sure all depreciation has been posted.


 Example

[Financials](#) → [Fixed Assets](#) → [Asset History Sheet](#)

To obtain a detailed presentation of all acquisitions, retirements, transfers, and write-ups, you can use the accounting reports based on the journal entries. You can identify journal entries originating in the Fixed Assets add-on by the reference /SBOFA/ in the [Ref1](#) field and in the detailed description.

Inventory Listing

To present a detailed list of your inventory values, use the Inventory Audit report run on the price list with year-end item costs. For more information, see [Inventory Audit Report](#).

 Example

[Reports](#) → [Inventory](#) → [Inventory Audit Report](#)

Valuation According to Other Accounting Principles

It is not possible to perform the year-end closing according to more than one accounting principle in parallel in one database. You must perform valuation by any other generally accepted accounting principles using manual transfer postings. This document does not cover this procedure.

Creating New Periods

You must create the periods for the new fiscal year at the end of the current year, at the latest, and before the balance is carried forward.

Note

To prevent accidental postings into the new fiscal year, we recommend that you not create the new posting periods too far in advance. Otherwise, these periods are active by default, based on the system date.

You can create a separate G/L account determination for each period. When you create a new posting period, either with a date range prior to or later than the existing periods, SAP Business One automatically takes the G/L accounts, defined in the *G/L Account Determination* window for the new posting period, from the period covering the current system date.

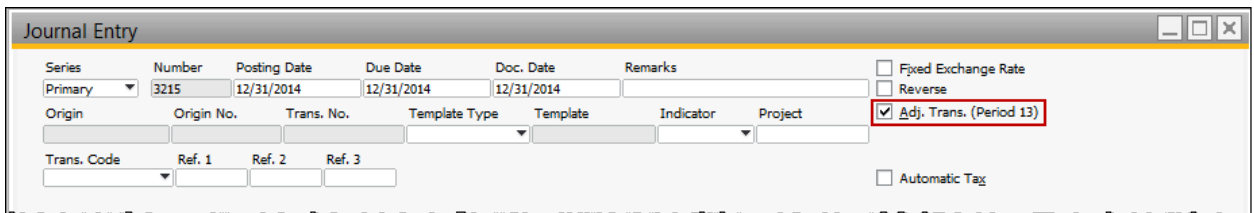
The G/L accounts used for the period end closing account and for the retained earnings account must remain the same for the new posting period.

Using Period 13

In SAP Business One, you can separate postings that are related to the year-end closing of the whole fiscal year. These should not appear in the operations result of period 12. SAP Business One has no separate adjustment period for this. To separate these postings, you need to mark them as an adjustment posting.

Example

Financials → *Journal Entry*



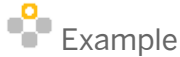
Series	Number	Posting Date	Due Date	Doc. Date	Remarks	<input type="checkbox"/> Fixed Exchange Rate	
Primary	3215	12/31/2014	12/31/2014	12/31/2014		<input type="checkbox"/> Reverse	
Origin	Origin No.	Trans. No.	Template Type	Template	Indicator	Project	<input checked="" type="checkbox"/> Adj. Trans. (Period 13)
Trans. Code	Ref. 1	Ref. 2	Ref. 3				<input type="checkbox"/> Automatic Tax

You can exclude adjustment postings from the following financial reports:

- Balance Sheet
- Trial Balance
- P&L Statements
- General Ledger
- Document Journal

Fiscal Year Change in Fixed Assets

Once you create new periods in SAP Business One, you can automatically transfer them to the Fixed Assets add-on. To do this, access the *Fiscal Years* window in the Fixed Assets add-on setup and choose the *Refresh* button.



Administration → *Setup* → *Fixed Assets* → *Fiscal Years*

At the end of the fiscal year, after reconciling the fixed assets, you perform a fiscal year change. As a result, all fixed assets are carried forward into the new fiscal year. To perform the fiscal year change, use the following method:

1. Select the next fiscal year row and choose the *Fiscal Year Change* button.

The *Fiscal Year Change* window opens.

2. In the *Fiscal Year Change* window, select the *Close Fiscal Year* checkbox to close the previous fiscal year.

After you perform the fiscal year change, you can only add transactions for fixed assets into a new fiscal year. This fiscal year change is effective for the Fixed Assets add-on only; it does not have any effect on other SAP Business One modules.



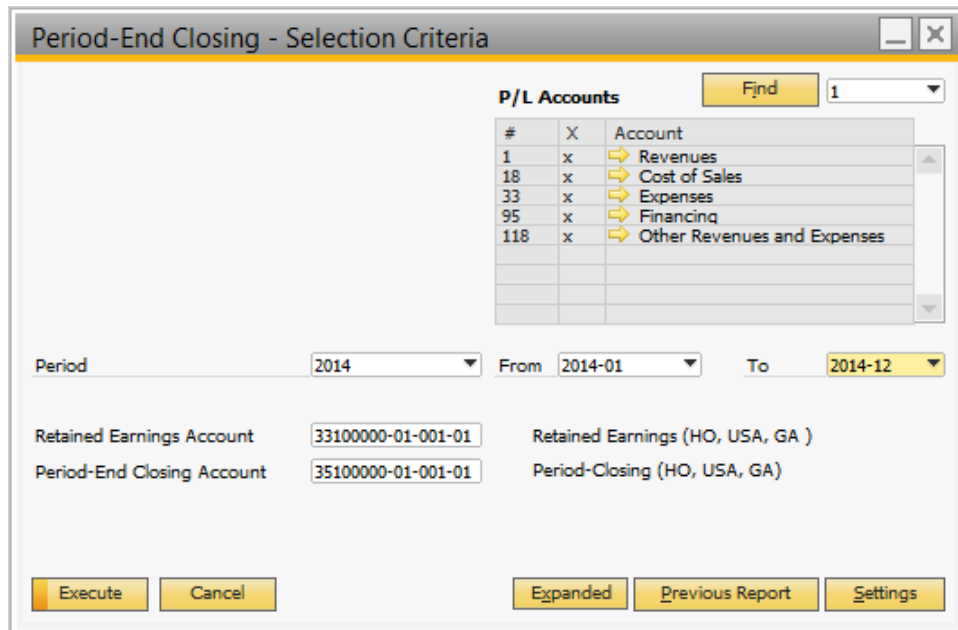
Financials → *Fixed Assets* → *Fiscal Year Change*

Period-End Closing

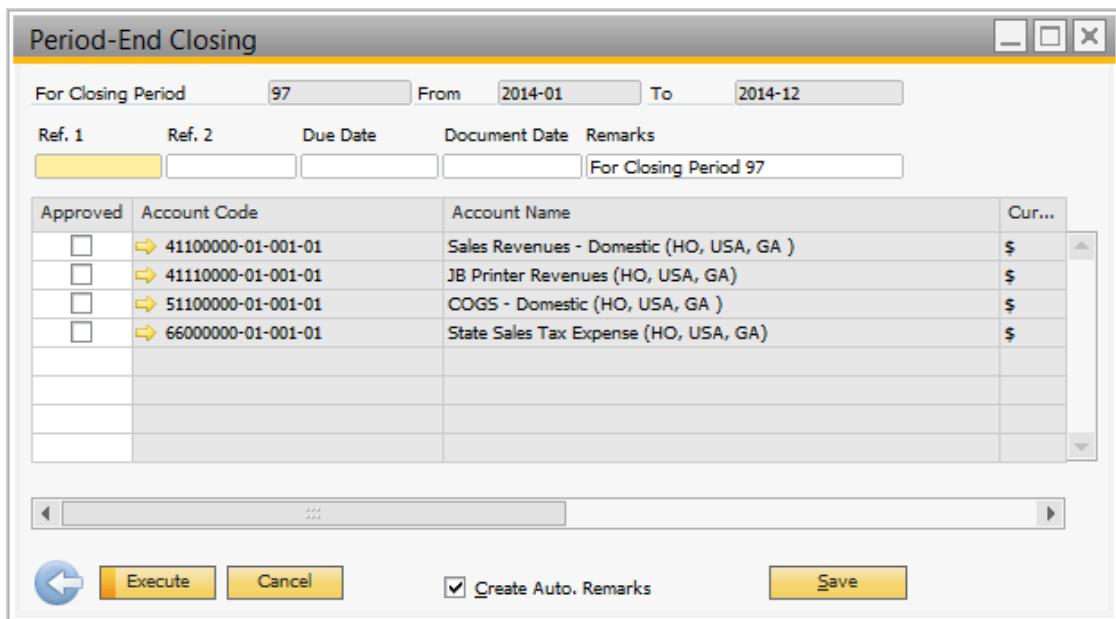
To carry forward the balances of the P&L accounts to the corresponding account in the balance sheet (or several different balance sheets), you can use the period-end closing function. You can store the results initially as a report and then post them at a later stage. If you make postings after entering the balances carried forward, you need to restart the period-end closing routine to include these subsequent postings.



Administration → *Utilities* → *Period-End Closing*



When you execute the report, the *Period-End Closing* window opens:



i Note

In the *Period-End Closing – Selection Criteria* window, you can specify the same account in the *Retained Earnings Account* and the *Period-End Closing Account* fields.

i Note

As of SAP Business One 9.0 PL10, it is possible to select if period-end closing postings will be made for cost accounting relevant accounts. See [SAP Note 1751376](#).

Caution

Before the balance is carried forward, check the accounts in the P&L appendix, and, if necessary, do not carry these forward (for example, if they are statistic accounts).

Once you have executed the period-end closing for the selected expenses and revenue accounts, two transactions are created for each account and 2 journal entries are automatically created to reflect those transactions.

The balances of those P&L accounts are posted to the period-end closing account on the same day (the last day of the period) and the balances are reduced to zero. The first journal entry reflects this. On the first day of the subsequent period, the period-end closing account is posted to the corresponding balance carried forward to the retained earnings account in the balance sheet. The second journal transaction reflects this. The balance of the period-end closing account is zero.

Country-Specific Feature

It is possible to carry forward the balances of balance sheet accounts and business partners for the following localizations: Austria, Belgium, Chile, Costa Rica, Czech Republic, France, Guatemala, Hungary, Italy, Mexico, Portugal, Slovakia, and Spain.

In this case, for an easier audit of the journal entries, we recommended that you run the tool three times, as follows:

1. In the *Period-End Closing – Selection Criteria* window, select only the *BP* checkbox (do not select the *Accounts* checkbox).
2. For the second run, select only the *Accounts* checkbox and then select the profit and loss drawers only.
3. For the third run, select only the *Accounts* checkbox and then select the balance sheet drawers only.

For more information, see country-specific documentation.

Electronic Annual Financial Statement

According to the Austrian commercial code, capital companies that generate a certain annual turnover are required to submit their annual financial statements to the commercial register in electronic form. These companies must transfer their electronic financial statements as an XML file. The data that must be submitted in a financial XML file varies in quantity and complexity depending on the size and the legal form of the company. **E-**

E-Balance: Germany

E-Balance (electronic balance sheet) is required for companies obliged to determine their income using double-entry accounting. For the setup in SAP Business One, expert financial advice is required.

- Sample template mapping has to be edited in SAP Business One as per [SAP Note 1945638](#) to ensure that the relevant accounts are mapped in its right location in the template. The same note contains a copy of the original taxonomy structures in MS Excel.

- Ensure that all the accounts in use in the company have been allocated in the template - [SAP note 1945698](#).
- Net income / net loss has to be entered manually in the field manual adjustment - [SAP Note 1968293](#).
- To complete the wizard, ensure that relevant templates are selected and other mandatory information according to the financial expert is entered in the fields. Names and meanings of fields have been directly provided in the product as per regulation.

Central information - [SAP Note 1960214](#)

Final Closing of the Period

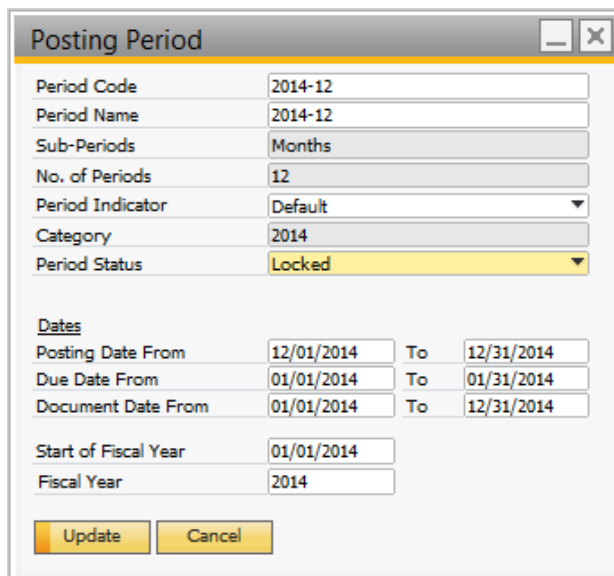
To close the period, you change its status to *Locked*. Locking the period helps you prevent any additional or accidental postings. Before you lock the current period, you must close the P&L accounts.

Changing the settings of the current period applies to only one workstation. This means that you can use the authorization for period definition to control which users can define a period as current.

For information about the authorizations required for period definition, see the online help for SAP Business One and the document *How to Define Authorizations in Release 8.82* in the documentation area of SAP Business One Customer Portal at <http://service.sap.com/smb/sbocustomer/documentation>.

Example

Administration → *System Initialization* → *Posting Periods* In the *Posting Periods* window, click  for the period you want to lock.



Posting Period	
Period Code	2014-12
Period Name	2014-12
Sub-Periods	Months
No. of Periods	12
Period Indicator	Default
Category	2014
Period Status	Locked
Dates	
Posting Date From	12/01/2014 To 12/31/2014
Due Date From	01/01/2014 To 01/31/2014
Document Date From	01/01/2014 To 12/31/2014
Start of Fiscal Year	01/01/2014
Fiscal Year	2014
<input type="button" value="Update"/> <input type="button" value="Cancel"/>	

Checklist

No.	Task	RSP Check Available	Responsible	Date	Completed
1.	Entry deadline for orders and purchase orders All orders and purchase orders for the old period should be entered in the system.	x			<input type="checkbox"/>
2.	Perform preparation work <ul style="list-style-type: none"> • Check the document numbering. ✓ • Check the completeness of transactions, including: <ul style="list-style-type: none"> ○ Document drafts ✓ ○ Documents pending approval ✓ ○ Recurring postings ✓ ○ Reverse transactions ✓ ○ Proposed exchange rate differences and conversion differences ✓ • Check for negative inventory. ✓ • Check for execution payment runs. ✓ • Check statistical and clearing accounts. x • Check for completeness of bank statements. ✓ 				<input type="checkbox"/>
3.	Post deadline for A/P and A/R <ul style="list-style-type: none"> • Invoices • Credit memos • Deliveries • Returns 	x			<input type="checkbox"/>
4.	Perform inventory count	x			<input type="checkbox"/>

No.	Task	RSP Check Available	Responsible	Date	Completed
5.	Reclassify business partners and bank accounts with a negative balance	*			<input type="checkbox"/>
6.	Close period Change period status to Closing Period.	*			<input type="checkbox"/>
7.	Perform reconciliation <ul style="list-style-type: none"> • Internal reconciliation upgrade journals • Business partners • Fixed assets • Bank statements and bank and cash accounts • Allocation and expense clearing accounts • Inventory accounts 	<ul style="list-style-type: none"> ✓ ✓ ✗ ✗ ✗ ✗ 			<input type="checkbox"/>
8.	<ul style="list-style-type: none"> • Accruals (including revenues for undelivered A/R reserve invoices) • Assets under construction • Depreciation • Valuation of foreign currencies • Material valuation • Work in progress • Allowances 	*			<input type="checkbox"/>
9.	Provisions and transfer postings	*			<input type="checkbox"/>
10.	Posting deadline for general ledger	*			<input type="checkbox"/>
11.	Reporting Create and print reports.	*			<input type="checkbox"/>
12.	Period-end closing <ul style="list-style-type: none"> • Restart document numbering. • Create new periods for the new fiscal year. • Change fiscal year in fixed assets. 	*			<input type="checkbox"/>

No.	Task	RSP Check Available	Responsible	Date	Completed
	<ul style="list-style-type: none"> Perform period-end closing. 				
13.	Final closing of the old period Change the period status to Locked.	✘			<input type="checkbox"/>

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Material Number

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