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## Evolution Year End Procedure

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### **FINANCIAL YEAR END Pastel Evolution**

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#### SUMMARY OF THE YEAR END PROCEDURE

*For detailed information on the following steps please see below.*

- STEP 1:** Print The Relevant Reports
- i. Ensure that all the reports for Year 1 have been printed according to your auditor or company's requirements.
- STEP 2:** **BACKUP the company folder**
- STEP 3:** **Purging of other accounts/items**
- i. General Ledger accounts.
  - ii. Receivable and Payable accounts
- STEP 4:** **Purge first year procedure**

#### COMMONLY ASKED QUESTIONS

##### **1. WHY IS PURGING OF THE FIRST YEAR REQUIRED?**

Pastel Evolution has the capacity to accommodate up to 3 financial years of General Ledger information. Upon completion of the 3<sup>rd</sup> financial year, you will be required to purge the 1<sup>st</sup> year information contained on the system. By completing the First Year Purge Procedure, you are able to add an additional year to the system. In order to establish which financial year you are currently working in, go to:

Maintenance  
 Common  
 Company Details  
 Click on Accounting Periods

Purging can also be done to reduce the size of your company database and increase working speed.

## 2. WHEN SHOULD I DO MY FINANCIAL YEAR-END PROCEDURES?

This can be performed at any point when working in Year 2 or Year 3, but note that **Year 1 must have been audited and cleared by your accountants**. It is therefore not necessary to wait until the last day of your Year 3 financial period - it can be done right now!

**Note:** The only report that should be completed on the last day of your financial year is the **Inventory Valuation Report** (i.e. Reports, Inventory, Valuation). This report is required by your accountant/auditor in order to calculate the value of stock at that point in time. This report cannot be backdated or run in advance as it works on the current stock value.

## THE YEAR END PROCEDURE IN DETAIL

### STEP 1:

#### PRINTING OF REPORTS REQUIRED PRIOR TO STARTING THE YEAR-END PURGE

Ensure that all the following reports for Year 1 have been printed according to your auditor or company's requirements:

- Trial Balance
- Income Statement
- Balance Sheet

- Ledger Accounts (if required)
- Account Balances (if required)
- Project Profit & Loss (if required)
- Inventory Management (if required)
- Any additional reports you may require

**Note:** Ensure that reports *balance* for Year 1. In the event that this is not the case, do the following:

- A backup
- Run a General Ledger Relink (Maintenance, General Ledger, General Ledger Relink). This will recalculate the balances in your General Ledger Balance table and make sure the data integrity is kept.
- Re-run the above reports. Should they still be out of balance, run an Audit Trail Report (i.e. Reports, General Ledger, Audit Trail) with the options “Margin of error” (set to 0.01) and “Periods” selected only. If you find that a transaction is out of balance, contact the Pastel Evolution Support Team for assistance (see contact details below).

## **STEP 2:**

### **BACKUP THE COMPANY FOLDER**

- You need to perform a backup using the Evolution Database Management.

## **STEP 3:**

### **PURGING OF OTHER ACCOUNTS**

The following points should be taken under consideration when attempting to purge or delete any of the relevant account types:

#### ***General Ledger Accounts***

- Once a transaction has been allocated against a ledger account, it cannot be deleted.
- Should the account be an expense or income account, it can only be deleted after the first year has been completed, as the system deletes all transactions for these accounts and brings forward a balance in the new year as an accumulated profit or loss.
- Should the above have taken place, go to the Maintenance, General Ledger, Accounts.
- Highlight the specific account and click on the Delete button.
- Balance sheet accounts have a balance brought forward only if an amount exists to be brought forward. Should a zero balance exist, this account can be deleted after purging.

#### ***Receivable and Payable Accounts***

No debtor or creditor account can be deleted if there are invoices are outstanding or a balance exists. Ensure that the account has a zero balance and that all transactions have been fully allocated (i.e. Maintenance, Receivables/Payables, Allocation Utilities).

Purging Receivables/Payables Accounts:

- Click on Maintenance, Accounts Receivables/Accounts Payables, Purge Transactions.
- Specify the account(s) and date range options.
- Go to Maintenance, Accounts Receivables/Accounts Payables, Customers/Suppliers
- Highlight the specific account and Delete.

**STEP 4:**

**PURGE FIRST YEAR PROCEDURE**

*Upon completion of all the above steps, you are ready to perform the First Year Purge.*

**Note:** *Once this procedure has been started, it cannot be interrupted. Should an interruption occur, restore your backup.*

*The Purge First Year Procedure is processed from Maintenance, General Ledger, Purge First Year. Select an Accumulated Profit type account. Should none be available, make use of the "Insert" key to create an account on the fly.*

*Alternatively cancel this screen. Go to Maintenance, General Ledger, Accounts and click on Add to create an account with the account type as Accumulated Profit.*

*Select a transaction code (i.e. JNL) and click on start*

*Once this has been completed, you will be provided with a confirmation screen and your company period table will have moved to create the new Year*

**Company Details** [Close]

Company | Accounting Periods | Payroll Periods | Payroll Details | Bank Details

**Edit Periods:**  
 Period: 1 [v] [Rebuild Periods]  
 Closing Date: 31/03/2003 [v] [Update Selected]

**Commencement Date:**  
 No Transactions will be Allowed Prior to this Date  
 01/03/2003 [v]

Year 1 Period Closing Dates			Year 2 Period Closing Dates			Year 3 Period Closing Dates		
		Blocked			Blocked			Blocked
1	<b>31/03/2003</b>	<input type="checkbox"/>	1	31/03/2004	<input type="checkbox"/>	1	31/03/2005	<input type="checkbox"/>
2	30/04/2003	<input type="checkbox"/>	2	30/04/2004	<input type="checkbox"/>	2	30/04/2005	<input type="checkbox"/>
3	31/05/2003	<input type="checkbox"/>	3	31/05/2004	<input type="checkbox"/>	3	31/05/2005	<input type="checkbox"/>
4	30/06/2003	<input type="checkbox"/>	4	30/06/2004	<input type="checkbox"/>	4	30/06/2005	<input type="checkbox"/>
5	31/07/2003	<input type="checkbox"/>	5	31/07/2004	<input type="checkbox"/>	5	31/07/2005	<input type="checkbox"/>
6	31/08/2003	<input type="checkbox"/>	6	31/08/2004	<input type="checkbox"/>	6	31/08/2005	<input type="checkbox"/>
7	30/09/2003	<input type="checkbox"/>	7	30/09/2004	<input type="checkbox"/>	7	30/09/2005	<input type="checkbox"/>
8	31/10/2003	<input type="checkbox"/>	8	31/10/2004	<input type="checkbox"/>	8	31/10/2005	<input type="checkbox"/>
9	30/11/2003	<input type="checkbox"/>	9	30/11/2004	<input type="checkbox"/>	9	30/11/2005	<input type="checkbox"/>
10	31/12/2003	<input type="checkbox"/>	10	31/12/2004	<input type="checkbox"/>	10	31/12/2005	<input type="checkbox"/>
11	31/01/2004	<input type="checkbox"/>	11	31/01/2005	<input type="checkbox"/>	11	31/01/2006	<input type="checkbox"/>
12	29/02/2004	<input type="checkbox"/>	12	28/02/2005	<input type="checkbox"/>	12	28/02/2006	<input type="checkbox"/>

[OK] [Cancel]