



End of Year Guide

Support Notes

This support notes are suitable for:

- MYOB Accounting
- MYOB Premier
- MYOB PremierPlus

Introduction

At the end of the financial there are reporting obligations which are common to all businesses. You have commitments to the Taxation Office and there are reports and information you must pass on to your accountant. There are various tasks associated with this.

MYOB enables you to enter most transactions into the new financial year prior to performing these tasks. However, some of these tasks should be performed before recording any entries for the new year.

Please read through the following pages carefully before commencing.

What tasks do I need to perform at the end of the financial year?

End of Financial Year Checklist

1. Back up your data file before entering any end of year adjustments.
2. Reconcile your accounts:
 - Reconcile your Bank account.
 - Reconcile your Accounts Receivable.
 - Reconcile your Accounts Payable.
 - Reconcile your Inventory - (Before processing any July transactions).
 - Reconcile your GST control accounts (GST Collected and GST Paid).

3. Review your accounts and reports.
4. Provide information to your accountant and enter any end of year adjustments.
5. Back up your data file after entering any end of year adjustments.
6. Start a New Financial Year.

If you are using version 15 of Accounting or version 9 of MYOB Premier or above, the Company file auditor will provide you with a great deal of help performing account reconciliations. For instructions on using this useful function please see [Using The Company Data Auditor](#) Using The Company Data Auditor

Step 1 - Back up your company file before recording any end of year adjustments

Only complete this step when all transactions up until 30/6/08 have been entered. Do not perform any end of year adjustments or enter any transactions for the new year before backing up your data file.

To backup your Company File

1. Go to the **File** menu.
2. We recommend you select the option to **Backup all data** and **Check Company File for errors**.
3. Click **Continue**.
4. If you select to **Check Company File for errors**, the verification will run first. When the data verification process is complete, a message will appear, describing the results of the test. If the process was successful click the OK button. If the process discovered errors in your company file refer to the tip below.
5. Click **OK**.
6. The **Save In** window will then be displayed. Using the **Save In** field drop down arrow, select the destination drive for your backed up data.
7. Click on **Save**.

For more detailed instructions on the back up process refer to support note [Back up Restore - Windows](#) Back up Restore – Windows.

Restore the backup to ensure it works. Make two sets of backups, keeping one on hand in your business premises and the other in a secure location away from your business.

Name and label all backups carefully and always note the last cheque or invoice number. This will help you identify those tricky June-July transactions later.

For example, name the backup file: "Your_Company_Name_2008A" and label the disk "Your_Company_Name 30/6/2008Chq x Inv y – Backup_A".

TIP

The verification feature checks your company file for errors. Data verification can catch minor inconsistencies in your company file before they cause serious problems. If an error is detected during the data verification process, we recommend you run the Optimisation Assistant.

The Optimisation Assistant can make your company file more efficient and is capable of fixing certain types of data errors.

To run the Optimisation Assistant

- Go to the **File** menu and choose **Optimise Company File**

Once you have optimised the file, perform the data verification procedure again to determine if the data errors have been repaired. If errors continue to be detected and the message refers to a particular transaction, open the transaction, review it or delete and re-enter it. If you receive a message referring to a record such as an inventory item or tax code, open the record to investigate its setup.

If the verification error does not specify transactions or records, you should restore the most recent backup of your company file and use that file instead. You should also check that company file for errors.

NOTE – If you are using MYOB Premier or PremierPlus in a network environment, make sure all other users have logged out before running the Optimisation Assistant. Also run the Optimisation Assistant from the server or from the machine the physically stores the Company file.

Step 2 - Reconcile Accounts

Reconcile your Bank accounts

When you receive your bank statements for the period ending June 30, you should reconcile your bank and credit card accounts. This will ensure that your records match your bank's records as at June 30.

Tip: If your bank or card statement is dated with a date other than 30 June, simply rule a line after the last June transaction, calculate the closing balance on the statement as of the last June transaction, and reconcile with a statement date of 30 June 2008 in your MYOB software.

To reconcile a bank account

1. Go to the **Banking** command centre and click **Reconcile Accounts**.
2. Select the account you want to reconcile.
3. Enter the closing date and balance of the bank statement.
4. Mark the transactions that appear on your bank statement by clicking in the left column.
5. If the 'Out of Balance' amount is:
 - zero, you have successfully reconciled the bank account. Click **Reconcile** and choose to print the Reconciliation report. After printing the report, click **Reconcile** again and then click the **Reconcile** option.
 - a non-zero amount, see support note [Finding Transactions that cause Out of Balance amounts](#) Finding Transactions that cause Out of Balance amounts
 - If you need help reconciling a bank account, click the **Help** button in the lower left corner of the **Reconcile Account** window and click *To Reconcile An Account* in the page that appears.

Reconcile your Accounts Receivable (Trade Debtors)

By reconciling your accounts receivable, you are ensuring that the 30 June balance of the linked account for tracking receivables (usually named Trade Debtors in the Accounts List) matches your Customer Cards outstanding balances as of 30 June.

To reconcile accounts receivable

1. Go to the **Reports** menu and choose **Index to Reports**.
2. Click the **Sales** tab and highlight the **Receivables Reconciliation Summary** report.
3. Click **Customise** and set the aging date to 30 June 2008 .

4. Click **Display**.
5. If the 'Out of Balance' amount is:
 - zero, the accounts receivable reconcile. Print and store the report in a secure location.
 - a non-zero amount, please see [Receivables Reconciliation](#) Receivables Reconciliation

Note: For Premier and AccountEdge users that have the multi currency feature turned on you will need to run a separate **Receivables Reconciliation Summary** and balance each currency individually (this is due to each currency having a separate Trade Debtors setup).

To reconcile foreign currency receivables

1. Go to the **Reports** menu and choose **Index to Reports**.
2. Click the **Sales** tab and highlight the **Receivables Reconciliation Summary** report.
3. Click **Customise** and set the aging date to the 30 June 2008.
4. Click the **Advanced** button and select the currency to reconcile. Make sure the **Display In** field is set to originating Currency.
5. Click **OK**.
6. Click **Display**.
7. If the 'Out of Balance' amount is:
 - zero, the accounts receivable reconcile. Print and store the report in a secure location.
 - a non-zero amount, please see [Receivables Reconciliation](#) Receivables Reconciliation

Reconcile your Accounts Payable (Trade Creditors)

(This section is not applicable for MYOB BusinessBasics or MYOB FirstEdge users.)

By reconciling your accounts payable, you are ensuring that the 30 June balance of the linked account for tracking payables (usually named Trade Creditors in the Accounts List) matches your Supplier Cards outstanding balances as of 30 June.

To reconcile accounts payable

1. Go to the **Reports** menu and choose **Index to Reports**.

2. Click the **Purchases** tab and highlight the **Payables Reconciliation Summary** report.
3. Click **Customise** and set the aging date to 30 June 2008.
4. Click **Display**.
5. If the 'Out of Balance' amount is:
 - zero, the accounts payable reconcile. Print and store the report in a secure location.
 - a non-zero amount, please see [Payables Reconciliation](#) Payables Reconciliation.

Note: For Premier and AccountEdge users that have the multi currency feature turned on you will need to run a separate **Payables Reconciliation Summary** and balance each currency individually (this is due to each currency having a separate Trade Creditors setup).

To reconcile foreign currency payables

1. Go to the **Reports** menu and choose **Index to Reports**.
2. Click the **Purchases** tab and highlight the **Payables Reconciliation Summary** report.
3. Click **Customise** and set the aging date to the 30 June 2008.
4. Click the **Advanced** button and select the currency to reconcile. Ensure that the Display In field is set to originating Currency. Click **OK**.
5. Click **Display**.
6. If the 'Out of Balance' amount is:
 - zero, the accounts payable reconcile. Print and store the report in a secure location.
 - a non-zero amount, please see [Payables Reconciliation](#) Payables Reconciliation.

Reconcile your Inventory

By reconciling your inventory, you are ensuring that the balances of the inventory linked accounts (in the Accounts List) match the value of the items on hand (as shown in the inventory reports). These values should always match, however may vary if an incorrect allocation account has been used in a transaction.

Before reconciling inventory, ensure that you have performed a physical stock take of your inventory and that your MYOB accounting software figures match the actual quantities on hand.

To reconcile your inventory

1. Go to the **Reports** menu and choose **Index to Reports**.
2. Click the **Inventory** tab and highlight the **Inventory Value Reconciliation** report.
3. Click **Customise** and enter the date as 30 June 2008.
4. Click **Display**.

The **Current Value** column lists the value of all of the inventory items as of the 30/6/08 according to the Items List. This totals to the **Inventory Value** at the bottom of the report. Directly below this is the field **Account Balance**, which is the balance of the inventory general ledger asset account as at the filtered date.

5. If the "Out of Balance" amount is:
 - Zero, your inventory balances. Print and store the report in a secure location.
 - a non-zero amount, please see [Inventory Value Reconciliation](#) Inventory Value Reconciliation

Reconcile your GST control accounts (GST Collected and GST Paid)

If you pay and collect GST, you need to check that the balances in your GST control accounts are correct at the end of the financial year. These accounts are usually setup as Liability accounts and called GST Collected and GST Paid.

Cash Basis

If you are accounting for GST on a cash basis, the GST control accounts (which are accounted for on an accrual basis) and the figures at G9 and G20 on your BAS (which are accounted for on a cash basis) will not match because of timing differences.

Accrual Basis

If you report your GST on an accrual basis you can use the **Tax Information Reconciliation** report to balance the GST Paid and GST Collected liability accounts. See instructions below on using this report.

Using the Tax Information Reconciliation report

The Tax Information Reconciliation report is used to check the activity of your Tax Codes and their linked accounts. This will ensure that your GST liability has been correctly posted to the GST ledger accounts, and corresponds with the Tax Codes activity.

To print the report:

1. Go to the **Reports** menu and choose **Index to Reports**.
2. Click the **GST** tab and highlight the **Tax Information Reconciliation** report.
3. Click **Customise**.
4. Select June if you remit your GST monthly or April to June if you remit quarterly.
5. Click **Display**. Check the "Out of Balance" amounts for the GST Collected and GST Paid accounts.
6. If the Out of Balance for an account is:
 - zero, the control account reconciles. Print and store the report in a secure location.
 - a non-zero amount, please see [Using the Tax Information Reconciliation Report Using the Tax Information Reconciliation Report](#)

Step 3 - Review your accounts and reports

You should review the key reports to identify potential issues. Review the Accounts List, Balance Sheet and Profit and Loss reports as a minimum and look for figures that seem 'out of the ordinary' or unexpected.

To investigate amounts on the report, you can simply click the on-screen amounts, and use the **Find Transactions** window or the **Edit Accounts** window that appear to see what makes up the values shown in the report.

Step 4 - Provide Information to your accountant

There are a number of ways you can provide information to your accountant. Talk to your accountant to discuss their preferred method. You can either:

- Make a backup of your company file and give or send the file to your accountant.
- Print the following reports for your accountant (as a minimum):
 - Profit and Loss Statement for the financial year.
 - Bank Reconciliation report.
 - Balance Sheet and Trial Balance as at 30/6/08.
 - General Ledger (Detail) report.
 - Receivables Reconciliation (Summary) report
 - Payables Reconciliation (Summary) report
 - Inventory Value Reconciliation Report
 - GST reports for the June month or quarter.

Step 5 - Back up your company file after end of year adjustments

In finalising your accounts for the financial year, your accountant may require some adjustments to be made. After entering these adjustments, make two backups of your company file. They should both be saved to removable media, such as CD. Refer to Step 1 for instructions on backing up.

Step 6 - Start a New Financial Year

Once the above tasks have been completed you are ready to **Start a New Year**. When you start a new financial year, your MYOB software performs the following:

1. The previous financial year's monthly totals for all accounts are changed to "last year" figures – if "last year" amounts already existed, those amounts will be replaced;
2. All closed sales and closed purchases are purged;

3. The balance of your current-year earnings account is transferred to your retained earnings account and
4. The balances of your income, cost of sales, expenses, other income and other expense accounts are returned to zero.

Entries that have been made in the new financial year will not be affected.

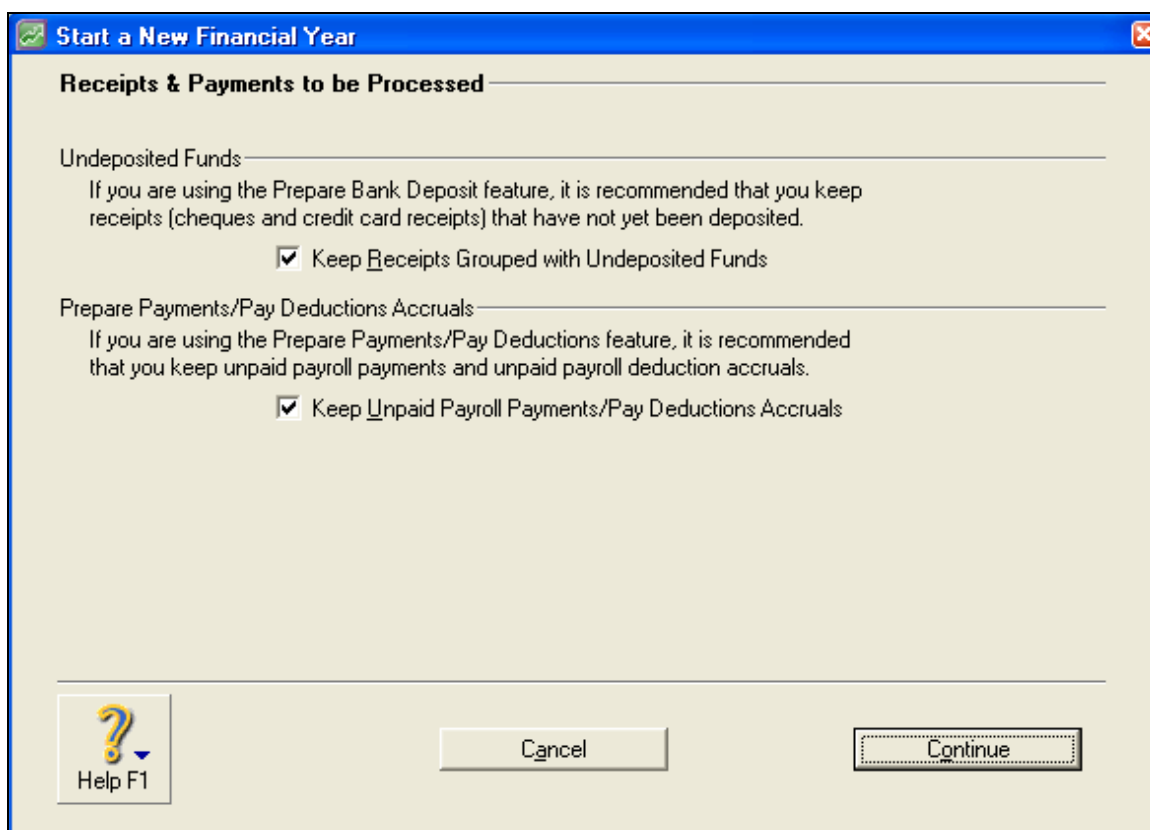
To start a new financial year

1. Go to the **File** menu and select **Start a New Year** and click **Start a New Financial Year**.
2. As the Start A New Year process performs the tasks listed above it is very important you have a backed up copy of your data file before you proceed as this will be the only source you will be able to retrieve these figures and information from.

Therefore if you haven't backed up your company file click the **Backup** button.

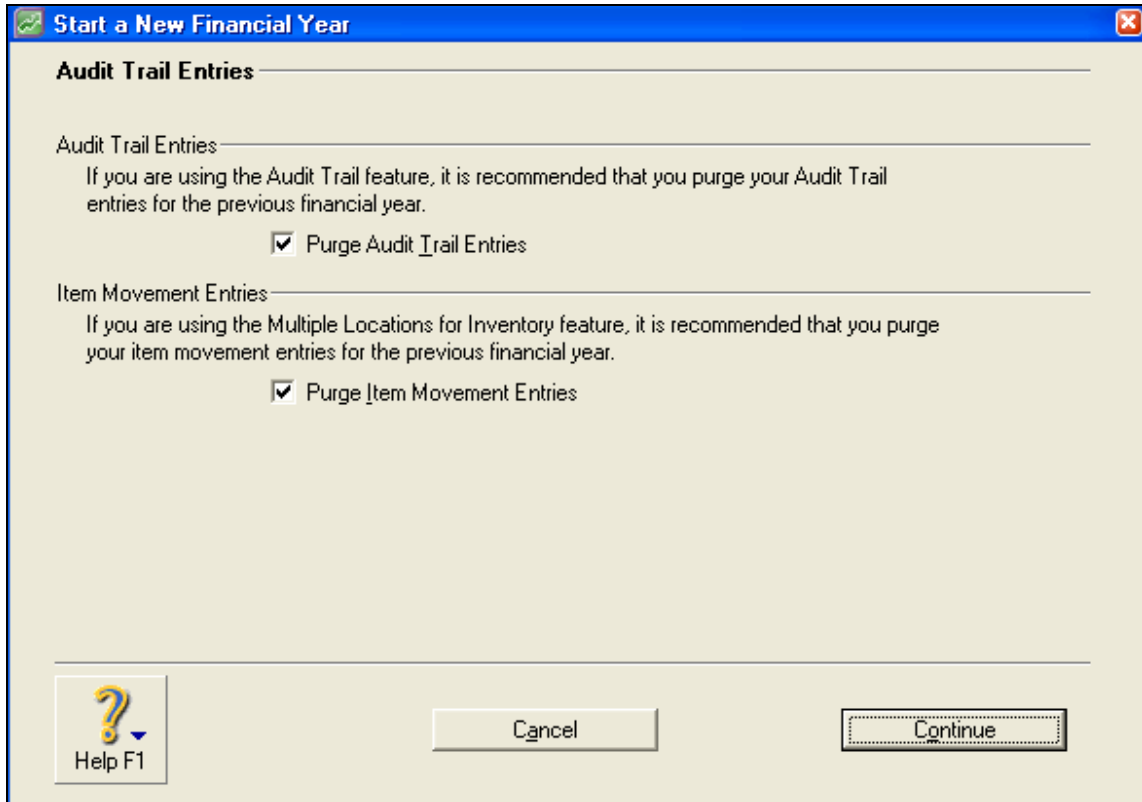
3. You will be presented with a series of windows that lead you through the process. Carefully read the information shown in each window.

When you reach window 4 of the Start a New Financial Year, the following window appears:



As indicated in the window itself, we strongly recommend you leave the third option in this window marked.

When you click continue, the following window appears:



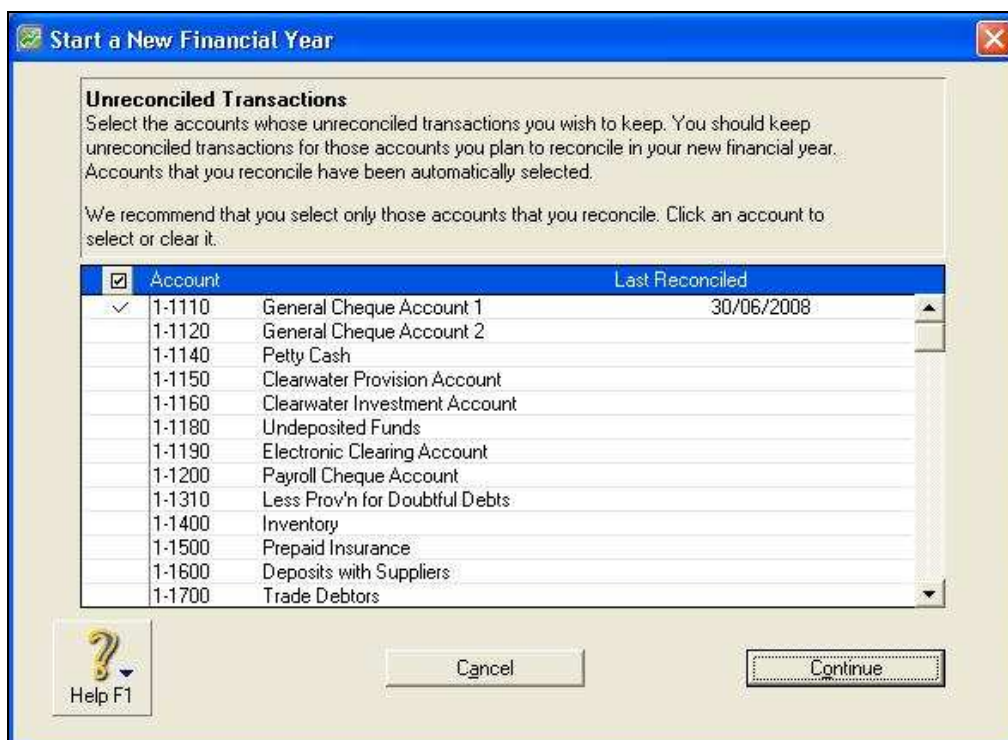
We recommend you purge audit trail entries to reduce file size and increase the performance of your MYOB product.

The following image shows window 6 of the Start a New Financial Year process:



As stated in the window itself, retaining closed transaction information from the previous financial year can be convenient but generally degrades performance. If you chose to retain this information, you can always purge it at a later date by going to the **File** menu and selecting the **Purge** option. This option will change depending upon which Command Centre you are viewing at the time you go to the **File** menu.

Click continue



We can choose which accounts will purge their unreconciled transactions and which will keep their unreconciled transactions. If an account is ticked, then unreconciled transactions against that account will not be purged.

If we click continue we can start a new financial Year by clicking the button.

