# TireMaster Plus and TireMaster Corporate
# Year-End Close FAQs

**Q: When do I have to close the year?**

A: At the end of Period 12 (before the first transaction of the new fiscal year), you might want to reset the quantities of your noninventoriable items (cut off the month). After you send finalized reports to your accountant, you should lock Period 12. You then have an entire year to make the retained-earnings journal entry.

**Q: What if I have previous years open?**

A: Although TireMaster allows you to keep multiple years open, we recommend that you keep no more than two years open at a time. If previous years are open, make any needed adjusting journal entries. When everything is final, select **Year End Procedures** from the **Closing** menu, and close the year. You can delay closing previous years while you research which additional journal entries are needed.

**Q: When does Period 12 need to be cut off and locked?**

A: If you want to reset the quantities of noninventoriable items (cut off the month), you should do so before the first transaction of the new year. Before you reset the quantities of noninventoriable items, you should recalculate your inventory value (run the Inventory Calc & Post function). After the start of the new year, you can lock Period 12. Locking a month keeps new activity from accidentally posting to that month.

**Q: What is the difference between time-sensitive and date range or periodic reports?**

A: If each transaction causes the information on a report to change, the report is time-sensitive. Date range and periodic reports can be printed at any time, because you can select a date, date range, or fiscal period.

**Q: When should I make a year-end backup?**

A: Making a year-end backup is the last thing you should do before you post the retained-earnings journal entry. Save your year-end backup to removable media or a recordable memory device. Examples of removable media and recordable memory devices include DVDs, CD-Rs, and thumb drives. You can also back up your data to an off-site server.

This page intentionally left unused.

# TireMaster Plus and TireMaster Corporate
# Year-End Closing Instructions

This document contains instructions and information that you can refer to when closing the year in TireMaster Plus and TireMaster Corporate. It includes the following sections:

If you have questions about closing the year that this document does not answer, log a support call in AtTask at http://asatire.attask-ondemand.com or call TireMaster Support at **800-891-7437**.

## Closing a Fiscal Year

There are two reasons why businesses close a fiscal year. Doing so shows the increase or decrease in the owner's equity, and it provides a fresh start for accumulating information for a new fiscal year. Closing the year includes closing Period 12 and making adjusting journal entries recommended by your accountant. Once you perform these tasks, you can formally close the year in TireMaster, which results in the following:

- Income and expense accounts are closed, and any profit or loss is posted to the owner's retained earnings account.
- No additional transactions (manual or system-generated) can post to the year that was just closed.

### To close a year

1. Close Period 12 if you have not already done so. For more information, see "Closing a Fiscal Period" on page 2.

2. Make adjusting journal entries recommended by your accountant.

3. Generate any reports requested by your accountant.

4. Have your accountant review the adjusting entries.

5. Back up your data to removable media. For more information, see "Backing Up Your Data" on page 5.

6. From the **Closing** menu, select **Year End Procedures**. A message similar to the following appears:

    "Close and Lock Fiscal Year: 2013-1. NOTE: Will do large retained earnings journal entry."

    **Note:** Once you click **Yes**, you can no longer unlock periods and post journal entries in the year that's being closed.

7. Click **Yes**. The Report Window appears and displays the JE Edit Report.

8. Print the report and close the Report Window. The following message appears:

   "Year is now closed."

9. Click **OK**.

# Closing a Fiscal Period

Closing a fiscal period ensures that the information on your income statement and balance sheet for a month is consistent and won't change because of future transactions. Closing a fiscal period also helps to ensure that you can associate activity in the subledger accounts with the asset and liability accounts in the general ledger.

**Note:** Several reports can provide you with information for comparing your subledger accounts to the general-ledger accounts. For more information, see "Reports for Closing" on page 3.

### To close a fiscal period

1. Apply any outstanding payments and credits in the customer and vendor open-item ledgers.

2. Verify that transactions posted to the appropriate accounts.

   a. Review the balance sheet and income statement.

   b. If an account balance seems too large or too small, research the transactions that posted to that account. If you find any transactions that posted incorrectly, make correcting entries.

3. Verify that customer and vendor subledger balances equal the accounts-receivable and accounts-payable balances in the general ledger, by doing the following *before* you complete any charges in the next fiscal period:

   a. Compare the totals on the Customer Balance Report to the accounts-receivable totals on the balance sheet. Research and correct any discrepancies.

   b. Compare the totals on the Vendor Balance Report to the accounts-payable totals on the balance sheet. Research and correct any discrepancies.

4. Make sure the balances of the inventory subledger accounts equal the balances of the inventory accounts in the general ledger. For more information, see "Recalculating Inventory Value" on page 7.

   **Note:** To further ensure the accuracy of both of your inventory balances, take a physical inventory count. You can take inventory for each month-end close or only when you close Period 12.

5. Reconcile each of your bank accounts.

   **Note:** Bank accounts can be reconciled after the fiscal period is locked. If you need to make any adjusting journal entries or check register entries as a result of reconciling your bank accounts, unlock the closed period to make the adjustments. A fiscal period can be unlocked and relocked until you close the year that the period is included in.

6. Delete expired quotes (optional). For instructions, see "Deleting Expired Quotes" on page 7.

7. Reset the quantities of noninventoriable items (optional). For instructions, see "Resetting Quantities of Noninventoriable Items" on page 8.

8. Before the first transaction of the new fiscal period, establish a financial baseline for the month that's being closed by generating the following documents:

- ◆ Balance sheet

- ◆ Income statement

- ◆ Reports detailing activity in the customer, vendor, and inventory subledger accounts

    **Note:** The information on some reports changes with new activity. Therefore, you need to print them *before* the first transaction of the new month. For more information, about reports you might want to print at closing time, see "Reports for Closing" on page 3.

9. Record adjusting journal entries for items such as depreciation, payroll, and interest. Backdate the entries so they post to the month that's being closed.

    **Note:** You might need to generate additional balance sheets to monitor changes in account balances as you make adjusting entries.

10. When you have finished posting journal entries to the month that's being closed, lock the month. For instructions, see "Locking a Fiscal Period" on page 8.

    **Note:** A fiscal period can be unlocked and relocked until you close the year that the period is included in.

11. Back up your data to removable media. For more information, see "Backing Up Your Data" on page 5.

# Reference Information

The following sections contain information that you might find helpful when closing the year in TireMaster for Windows:

- ◆ "Reports for Closing" on page 3
- ◆ "Backing Up Your Data" on page 5
- ◆ "Reconciling a Checking Account" on page 6
- ◆ "Recalculating Inventory Value" on page 7
- ◆ "Deleting Expired Quotes" on page 7
- ◆ "Resetting Quantities of Noninventoriable Items" on page 8
- ◆ "Locking a Fiscal Period" on page 8

# Reports for Closing

Several reports in TireMaster can provide you with the information that you need when closing a fiscal period or a fiscal year. The reports described in the following sections are ones that you are most likely to use during the month-end and year-end closing processes. These reports include information about the state of your business, and they can be used to compare subledger balances to general-ledger balances.

**Note:** The information displayed on reports identified with a check mark ($\checkmark$) changes with activity. Therefore, you might want to print these time-sensitive reports *before* you perform transactions in a new fiscal period.

You might want to generate reports other than those listed in this document during your closing procedures. For information about all of the reports in TireMaster, refer to the help system or user guide.

# General-Ledger Reports

The reports listed in Table 1 provide financial information about the activity that has occurred in your business.

**Note:**   The general-ledger reports are not time-sensitive.

**Table 1: General-Ledger Reports**

| Report | Description |
| --- | --- |
| **Balance Sheet** | Shows the financial position of your company for a selected period. This report includes the totals of your asset, liability, and equity accounts. |
| **GL Summary** | Shows the beginning balance, ending balance, and total debits and credits for each general-ledger account during the selected period. |
| **GL Transaction Details** | Displays information for each transaction in the selected date range. |
| **Income Statement** | Shows the profit earned or loss incurred by your company during the selected period and for the year as of the current date. |
| **Long Form** | Displays detailed information about the activity for each general-ledger account during the selected period. |

# Accounts-Receivable Reports

The following report provides information about your accounts receivable. You can use it to compare the balances of customer subledgers to accounts-receivable balances in the general ledger.

**Table 2: Accounts-Receivable Report**

| Time - Sensitive | Report and Description |
| --- | --- |
| ✓ | **Customer Balance Report** displays all customers with balances and shows aged balances for those customers. |

# Accounts-Payable Reports

The reports listed in Table 3 provide information about your accounts payable. You can use these reports to compare the balances of vendor subledgers to accounts-payable balances in the general ledger.

**Table 3: Accounts-Payable Reports**

| Time - Sensitive | Report and Description |
| --- | --- |
| ✓ | **Vendor Balance Report** displays each vendor with whom you have outstanding charges and shows the past-due, future-due, and total balances for each vendor. |

**Table 3: Accounts-Payable Reports**

| Time - Sensitive | Report and Description |
| --- | --- |
| ✓ | **Vendor Statement Report** displays detailed accounts-payable information for all vendors. |

# Inventory Reports

The reports listed in Table 4 provide information about your inventory. You can use these reports when taking a physical count and to compare inventory subledger balances to the general ledger's inventory account balances.

**Table 4: Inventory Reports**

| Time - Sensitive | Report and Description |
| --- | --- |
|  | **Inventory - Counting Deck** lists inventory items and includes blank lines for noting the actual quantities of items.<br><br>**Note:** If you'd like to include on-work order quantities on the report, print the **Inventory Counting Deck w/Qty** instead. |
| ✓ | **Consignment Inventory** displays all consignment items as well as their quantities and costs. |
| ✓ | **Inventory Value Report** displays the value of inventory items sorted by category and group. |
|  | **Inventory Reconciliation Report** displays inventory quantities and the transactions that increased or decreased those quantities during the selected date range. |
| ✓ | **Open Work Order - Item List** shows all items that are currently on open work orders sorted by site and product code. |
| ✓ | **Open Work Order - Qty** lists all items that are currently on open work orders sorted by site and invoice. |

# Backing Up Your Data

Backups make it possible for you to retrieve your data in an emergency, such as a computer crash or a fire in your store.

## Month-End Backup

After the month-end lock, you should save and secure your data by backing it up to removable media or a recordable memory device. Examples of removable media and recordable memory devices include DVDs, CD-Rs, and thumb drives. You can also back up your data to an off-site server.

If possible, use a separate piece of removable media or a separate recordable memory device for each month-end backup. Otherwise, make sure you have at least two pieces of media or two devices that can be alternated. With this method, you'll always have two month-end backups on hand.

Month-end backups are your primary archive and need to be stored off site. You can use month-end backups to restore your data if daily backups are destroyed, lost, or unreadable. You might want to keep your month-end backups for at least a year. For tax purposes, you should keep your month-end backup for the last period of the fiscal year for six years.

## Year-End Backup

Before you close a fiscal year, you should perform a month-end backup to removable media or a recordable memory device. You can then store this backup as an archive for tax purposes for at least six years. Like month-end backups, you should store your year-end backup media or device off site. For additional recommendations concerning data archives, consult your accountant.

# Reconciling a Checking Account

By reconciling a checking account, you can verify that the balance you've calculated for the account matches the balance calculated by the bank. Checking accounts should be reconciled each month.

**Note:** Before you can reconcile a checking account, the check register's ending balance must match the general-ledger's balance for the checking account.

**To reconcile a checking account**

1. On the **General Ledger** menu, select **Check Reconciliation**. The Check Reconciliation screen appears.

    **Tip:** To display payments or deposits that are marked to be voided, select the **Show Pending Voids** check box.

2. Compare the check register and general-ledger balances.

    **a.** Write down the amount in the **Balance** field.

    **b.** Click **Reconcile**.

    **c.** Write down the amount in the **GL Bal** field. If the two balances differ, make adjusting journal entries or check-register entries as needed. Keep in mind that pending voids affect this amount.

    **d.** Click **Cancel** to exit reconcile mode.

3. Mark each check, deposit, fee, and withdrawal on the bank statement as cleared on the Check Reconciliation screen. To mark an item as cleared, double-click its row. The letter **C** is displayed in the **C** column for items that have been marked as cleared.

4. If the bank statement shows any payments, deposits, or withdrawals that are missing from the Check Reconciliation screen, add them and mark them as cleared.

    **Note:** For information on adding items to the Check Reconciliation screen, refer to the TireMaster help system or user guide.

    **Tip:** To generate a record of cleared and outstanding items, click **Cancel** to close the Check Reconciliation screen. Then print the Check Register Report. After the report prints, resume the

reconciliation. More information about the Check Register Report is available in the TireMaster help system and user guide.

5. Click **Reconcile**. The Check Reconciliation screen changes to reconcile mode.

6. Type the bank statement's ending balance in the **End Bal** field. The amount in the **Difference** field should be $0. If it is not, make sure the beginning balance is correct and that the appropriate items are marked as cleared.

    **Note:** The amount in the **Begin Bal** field should match the bank statement's beginning balance.

7. Verify that the difference is $0.00, and click **OK**. One of the following occurs:

    ◆ If any items are marked as pending voids, the Report Window appears. Print the Check Reconciliation - Voids Report and close the Report Window. Then finish the reconciliation.

    ◆ If no items are marked as pending voids, TireMaster prompts you to finish the reconciliation.

# Recalculating Inventory Value

Recalculating the value of your inventory helps you ensure that the balances in your inventory subledger accounts are equal to the value of the general ledger's inventory accounts. If there are differences between the subledger and general ledger, you need to make adjusting journal entries.

**Note:** TireMaster can automatically post the entries or you can make them manually.

**To recalculate the value of your inventory**

1. From the **Closing** menu, select **Inventory Calc & Post**. The following message appears:

    "Are you sure you want to run a Calc & Post Report?"

2. Click **Yes**. The Report Window appears and displays the Inventory Calculation Report.

3. Click **Print**. Review the Inventory Calculation Report.

4. Click **Close**. The following message appears:

    "Do you want the system to automatically post these figures at this time?"

    **Note:** This message appears only if you're assigned the **Automatic Calc & Post JE** permission and your inventoriable items are assigned inventoriable GL codes.

5. Define how you want to post the entries:

    ◆ If you want TireMaster to make the entries for you, click **Yes**. The following message appears: "Calc & Post completed. Please check GL Transaction view for any journal entries."

    ◆ If you want to make the entries yourself, click **No**. The following message appears: "Calc & Post Report Has Printed. You will need to make journal entries to handle the differences shown."

6. Click **OK**.

# Deleting Expired Quotes

At the end of the month, you can delete expired quotes. Although deleting expired quotes is not required to close the month, it makes finding quotes easier because fewer are listed on the screen.

**To delete expired quotes**

1.  From the **Closing** menu, select **Delete Expired Quotes**. The Report Window displays a list of expired quotes.

    **Note:**   If you want to extend a quote that's included on the list, close the Report Window and click **No** when prompted to delete quotes. Then retrieve the quote, and change the number in the **Good For Days** field.

2.  Print the list of expired quotes, if needed, and close the Report Window. The following message appears:

    "Do you want to delete all expired quotes?"

    **Note:**   Depending on the TireMaster version, you might be prompted to print two reports.

3.  Click **Yes**. The following message appears:

    "All expired quotes have been deleted."

# Resetting Quantities of Noninventoriable Items

When noninventoriable items are sold, TireMaster displays the on-hand quantity as a negative number. You can reset the on-hand quantity to zero by performing the month-end cutoff. This process also changes the status of any discontinued items to inactive.

**To reset quantities of noninventoriable items**

1.  From the **Closing** menu, select **Month End Procedures** and then **Cutoff Month**. The following message appears:

    "This procedure will reset your noninventoriable counts and moving counts and set discontinued items to inactive. Cutoff Month?

2.  Click **Yes**. The following message appears:

    "Month Cutoff."

3.  Click **OK**.

# Locking a Fiscal Period

When you no longer want transactions to post to a fiscal period, you need to lock it. You can lock a fiscal period after the last day of the month that's being closed.

**To lock a fiscal period**

1.  Generate the GL Temp Report and Post Error Report to see whether all system-generated entries have posted to the general ledger since the last day of the month. If the reports identify any posting errors, fax the reports to TireMaster Support at **503-296-2800**.

2.  From the **Closing** menu, select **Month End Procedures** and then **Lock Month**.

3.  To lock a month in the current year, select **Current Year**, and click **OK**.

    **Note:**   Although you cannot post transactions to a locked month, you can unlock months and then post transactions.

A message similar to the following appears:

"Lock Fiscal Period: 4 for Year: 2013-1"

4. Click **Yes**. The following message appears:

"Period/Month is now Locked."

5. Click **OK**.

6. Back up your data to removable media. See "Backing Up Your Data" on page 5 for information about backing up your data.