

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:

- "Close a Fiscal Year" below
- "Close a Fiscal Period" on the next page
- "Reference Information" on page 3
- "Year End Close FAQs" on page 12

If you have questions about closing the year that are not answered in this document, call TireMaster Support at **800-891-7437** or send an email to portal_tm@asaauto.com.

CLOSE A FISCAL YEAR

There are two reasons why businesses close a fiscal year. It 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 fiscal period 12 and making adjusting entries recommended by your accountant. Once you perform those 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.

Note: To close the year, you need to be assigned the **Close Year** permission.

To close a year

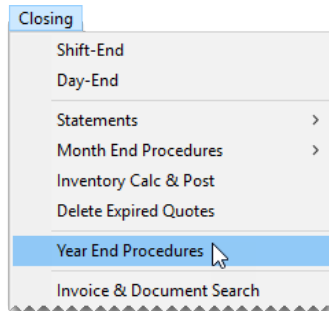
1. At the end of the year, close and lock period 12. For more information, see "[Close a Fiscal Period](#)" on the next page and "[Lock a Fiscal Period](#)" on page 10.

Note: Closing and locking period 12 prevents the amounts from changing on the reports you'll be giving to your accountant.

2. Generate the reports requested by your accountant.
3. Unlock period 12, and make any adjusting entries recommended by your accountant. When you're done, lock period 12 again. For more information, see "[Unlock a Fiscal Period](#)" on page 11.

Note: Period 12 needs to be unlocked when making adjusting entries. Otherwise, they'll post to the current period.

4. Have your accountant review the adjusting entries.
5. Back up your data to removable media. For more information, see ["Data Backups" on page 6](#).
6. Select **Closing > Year End Procedures**. A confirmation message appears.



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

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

8. Print the report and close the Report Window. A second confirmation message appears.
9. Click **OK**.

CLOSE 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 subledger accounts to the general ledger accounts. For more information, see ["Reports for Closing" on page 4](#).

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 GL 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 accounts receivable and accounts payable balances in the general ledger:
 - 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 ["Recalculate Your Inventory Value" on page 8](#).
Note: To further ensure the accuracy your inventory balances, take a physical inventory count. You can conduct a physical count as part of each month end close or only when you close Period 12.
5. Delete expired quotes (optional). For more information, see ["Delete Expired Quotes" on page 9](#).
6. Reset the quantities of noninventoriable items to zero (optional). For more information, see ["Reset Quantities of Noninventoriable Items" on page 10](#)
7. 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 the next page](#).
8. 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.
9. When you have finished posting journal entries to the month that's being closed, lock the month. For more information, see ["Lock a Fiscal Period" on page 10](#).
Note: A fiscal period can be locked and relocked until you close the year in which that period is included.
10. Back up your data to removable media. For more information, see ["Month End Backup" on page 6](#).

REFERENCE INFORMATION

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

- ["Reports for Closing" on the next page](#)
- ["Data Backups" on page 6](#)
- ["Reconcile a Bank Account" on page 6](#)
- ["Recalculate Your Inventory Value" on page 8](#)
- ["Delete Expired Quotes" on page 9](#)

- "Reset Quantities of Noninventoriable Items" on page 10
- "Lock a Fiscal Period" on page 10
- "Unlock a Fiscal Period" on page 11

REPORTS FOR CLOSING

Several reports in TireMaster can provide you with the information that you need at the month end or year end. They include details 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 (✓) 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 here 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 in [Table 1-1](#) provide financial information about the activity that has occurred in your business.

Table 1-1: 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 or loss earned by your company during the selected period.
Long Form	Displays detailed information about the activity for each general ledger account during the selected period.

ACCOUNTS RECEIVABLE REPORTS

The reports in [Table 1-2](#) provide information about your accounts receivable.

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

Table 1-2: Accounts Receivable Reports

Time-Sensitive	Report and Description
✓	AR Detail - By Customer displays accounts receivable activity for the selected customers.
✓	Customer Balance Report displays all customers with balances and shows aged balances for those customers.

ACCOUNTS PAYABLE REPORTS

The reports in [Table 1-3](#) provide information about your accounts payable.

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

Table 1-3: 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.
✓	Vendor Statement Report displays detailed accounts payable information for all vendors.
	National Account Reconciliation Report displays national account, government support, and adjustment invoices in the selected date range for which vendors owe you credits.

INVENTORY REPORTS

The reports in [Table 1-4](#) provide information about your inventory.

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

Table 1-4: Inventory Reports

Time-Sensitive	Report and Description
	Inventory Counting Deck lists inventory items and includes blank lines for noting the actual quantities of items.
✓	Consignment Inventory displays all consignment items as well as their quantities and costs.
✓	Inventory Value Report displays the value of inventory items sorted by

Time-Sensitive	Report and Description
	<p>category and group.</p> <p>Inventory Reconciliation Report displays inventory quantities and the transactions that increased or decreased those quantities during the selected date range.</p>
✓	<p>Open Work Order - Item List shows all items that are currently on open work orders sorted by site and product code.</p>
✓	<p>Open Work Order - Qty lists all items that are currently on open work orders sorted by site and invoice.</p>

DATA BACKUPS

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

MONTH END BACKUP

In addition to daily backups, you should back up your data to a storage device or removable media following the month end lock to preserve month end reports, as well as to secure your data. For month end backups, consider having devices or media for each month. Otherwise, you should have at least two storage devices or pieces of media for month end backups. With two devices or pieces of media, you can alternate each month to ensure that you always have a pair of 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 the daily backups are destroyed, lost, or unreadable. You might want to keep your TireMaster 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.

Month end backups are handled in the same way as daily backups. However, if you want to prevent additional transactions from posting to the month you're backing up, you should close and lock that month.

YEAR END BACKUP

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

Year end backups are handled in the same way as daily backups. As with all of your backup media, you should store your year end backup off site.

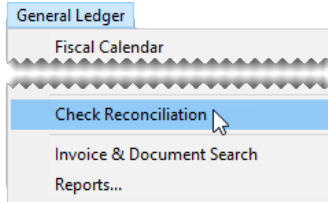
RECONCILE A BANK ACCOUNT

By reconciling a bank account, you can verify that the balance you've calculated for the account matches the balance calculated by the bank.

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

To reconcile a bank account

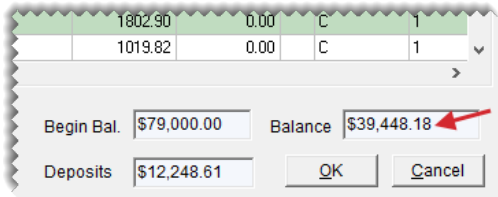
1. Select **General Ledger > Check Reconciliation**. The Check Reconciliation screen opens.



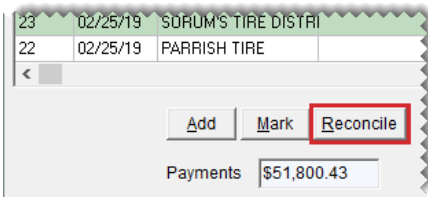
Tip: To display payments or deposits that are marked to be voided, select the **Show Pending Voids** check box.

2. Compare the check register and general ledger balances:

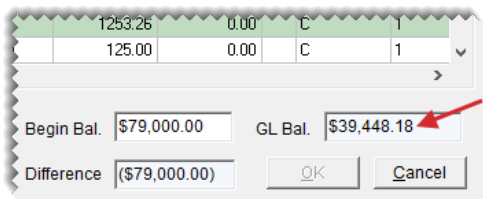
- a. Write down the amount in the **Balance** field.



- 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.

NUM	DATE	PAYEE	DESCRIPTION	PAYMENT	DEPOSIT	C	TYPE	INVOICE ^
25	02/27/19	Walter's Window Washi	Window cleaning	125.00	0.00	C	C	1
24	02/25/19	JOHNSON JANITORIAL		1802.90	0.00	C	C	1
23	02/25/19	SORUM'S TIRE DISTRI		1019.82	0.00	C	C	1
22	02/25/19	PARRISH TIRE		443.52	0.00	C	C	1
21	02/25/19	O'REILLY		523.96	0.00	C	C	1

- 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.

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.
- Click **Reconcile**. The Check Reconciliation screen goes into reconcile mode.
- Type the bank statement's ending balance in the **End Bal** field. The amount in the **Difference** field should be \$0. If it isn't, make sure the beginning balance is correct and that the appropriate items have been marked as cleared.

9	PARRISH TIRE	1253.26	0.00	C		1
9	Walter's Window Washi	Window cleaning	125.00	0.00	C	1

Stmt Date: 3/ 1/2019 Begin Bal: \$79,000.00 GL Bal: \$39,448.18
 End Bal: 46325.54 Difference: \$0.00

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

- 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.

RECALCULATE YOUR INVENTORY VALUE

Recalculating the value of your inventory, which is often referred to as running the Calc and Post, helps you determine whether the total of your inventory subledger accounts equals the value of the inventory accounts in the general ledger. If there are differences between the subledger and GL, you need to make adjusting journal entries.

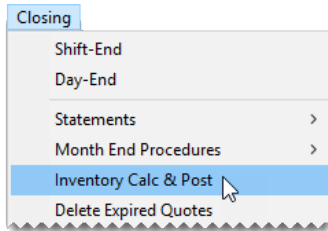
TireMaster can make the entries automatically, or you can make them manually. For TireMaster to perform the journal entries automatically, the following conditions must be true:

- You must be assigned the **Automatic Calc & Post JE** permission.
- Your inventoriable items must be assigned inventoriable GL codes.

Note: If TireMaster detects that there are noninventoriable GL codes are assigned to inventoriable items, you will be prompted to print a list of such items. You can use the information on that list to either modify your GL codes or assign different GL codes to the affected items. Then you can generate the Inventory Calculation Report again.

To recalculate the value of your inventory

1. Select **Closing > Inventory Calc & Post**. A confirmation message appears.



2. Click **Yes**. The Report Window opens and displays the Inventory Calculation Report.
3. Click **Print**. Review the Inventory Calculation Report.
4. Click **Close**. TireMaster prompts you to automatically post the figures.

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

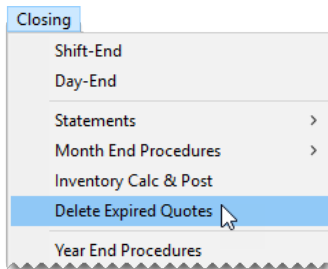
5. Define how you want to post the entries:
 - If you want TireMaster to make the entries for you, click **Yes**. TireMaster prompts you to define the fiscal year, number, and period that the entries will post to.
 - If you want to make the entries yourself, click **No**. A confirmation message with a reminder to make journal entries appears.
6. Click **OK**.

DELETE EXPIRED QUOTES

At the end of the month, or any other time you feel it's necessary, you can delete expired quotes. Although deleting expired quotes is not required to close the month, it makes finding quotes easier because fewer are displayed on the Quote List.

To delete expired quotes

1. Select **Closing > Delete Expired Quotes**. The Report Window opens and displays a list of expired quotes.



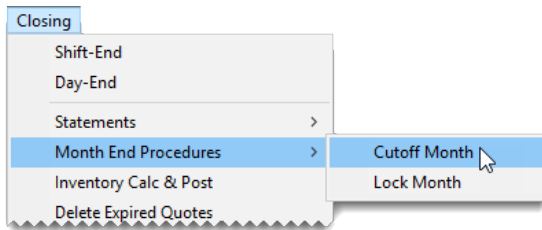
2. Print the Expired Quote List if needed, and close the Report Window. A confirmation message appears.
3. Click **Yes**. A confirmation message appears.

RESET QUANTITIES OF NONINVENTORIAL ITEMS

When noninventorial 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. Perform the month end cutoff at each store.

To reset quantities of noninventorial items

1. From the **Closing** menu, select **Month End Procedures** and then **Cutoff Month**. A confirmation message appears.



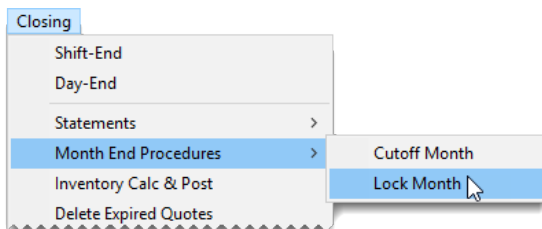
2. Click **Yes**. A confirmation message appears.
3. Click **OK**.

LOCK A FISCAL PERIOD

When you no longer want transactions to post to a month, you need to lock it. You can perform this step of the month-end closing process 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 ASA Support at **503-296-2800**.
2. Select **Closing > Month End Procedures > Lock Month**.



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

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

4. Click **Yes**. A confirmation message appears.
5. Click **OK**.

- Back up your data to removable media or a recordable memory device. For more information, see "Data Backups" on page 6.

UNLOCK A FISCAL PERIOD

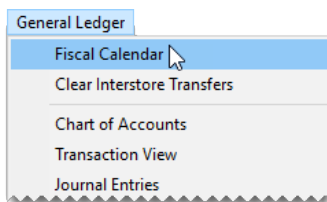
Before you can post an entry to a fiscal period that has been closed, you need to unlock the period on the Fiscal Calendar screen. Once the entry has posted, you can relock the period. Fiscal periods are locked during the month end closing process. For more information, see "Close a Fiscal Period" on page 2.

Note: You cannot unlock a period that comes before a closed period. For example, to unlock Period 3, you need to unlock Period 4 first, if Period 4 is closed.

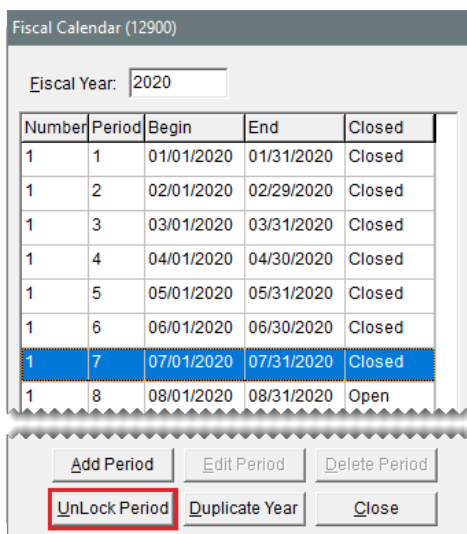
If a fiscal period is part of a fiscal year that has been closed, it cannot be unlocked.

To unlock a fiscal period

- Select **General Ledger > Fiscal Calendar**. The Fiscal Calendar opens.



- Select the period that you want to unlock, and click **Unlock Period**. The status changes from closed to open.



Note: If you try to unlock a period that comes before a locked period, the following message appears: "You cannot reopen a period prior to a period that is closed!" Click **OK** to close the message. Then unlock all of the closed periods that follow the period you want to unlock before repeating step 2.

- Close the Fiscal Calendar screen.

Now you can post entries to the period that you just unlocked. When you're done, relock the period. For instructions, see "[Lock a Fiscal Period](#)" on page 10.

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. (This is referred to as a month end cutoff). 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 **Closing > Year End Procedures** from the 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 (month end cutoff), 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 period 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 a removable storage device, such as an external hard drive or a thumb drive. You can also back up your data to an off-site server.