



SAGE GOVERNMENTAL & NONPROFIT NEWSLETTER

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To Close or Not to Close, That's the Question

The Pros and Cons of a "Hard Close" in Sage MIP Fund Accounting

A recent article was posted on the Sage Nonprofit Online Community discussing the pros and cons of performing a "hard close" in your Sage MIP Fund Accounting system. After all, closing the fiscal year is **NOT** required in order to begin entering transactions in the new year. So let's take a look.

By the way if you haven't already visited the Sage Nonprofit Online Community, we encourage you to check it out today at <http://community.sagenonprofit.com>. It's a fantastic resource that's chock full of articles, news, tips, tricks, and customer forums to help you make the most of your system.

I Don't Want to "Lock In" Inaccurate Entries

For many, the thought of closing the books at fiscal year end is intimidating. Uncertainty about inaccurate journal entries that may need to be reversed, potential audit adjustments, and the fear of locking the year up with a hard close is enough for most organizations to work well into the following year without closing the previous year. And we're here to tell you **that's just fine**. Closing the fiscal year in Sage MIP Fund Accounting is not required in order to begin entering transactions in the new year. In fact, you can leave several years open without any impact on the accuracy of your database or financial reports.

The Close Pros

If old habits are hard to break and you're simply uncomfortable until the fiscal year is officially closed and behind you, here is some information you can sink your teeth into:

- Financial statements will run faster because they don't have to simulate a year end close in order to produce accurate values.
- Open fiscal years are much more susceptible to inadvertent and erroneous changes.
- Certain processes (like purging payroll history) may have to be put on hold because they require the year to be closed.

When you're certain the books are golden, closing the year is simple. Make sure everyone is logged off and you have exclusive use of the database, and then:

1. In the Accounting module, select **Activities > Close Fiscal Year**
2. Follow the onscreen prompts, make sure you've completed all the items in the checklist, then click **OK** at the bottom of bottom of each screen.

Back Up Before You Move Forward

Before beginning **any** year end processing task, always always always (did we say always?) execute a complete back up of your Sage MIP Fund Accounting database. You should also **test the back up** to ensure it was successful and the data is readable. Without a reliable back up, there is no way to restore your system to its original state should you need to undo a significant year end processing mistake. It's also a good idea to make another back up **after** a successful year end close.



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Year End Tips & Resources

The following section offers a few tips to help you get a smooth start in closing the fiscal year. As always, please don't hesitate to contact us directly with questions or to request assistance with your Sage MIP Fund Accounting system.

What Happens to My Accounting Data When/If I Close the Year?

All of your accounting data is retained. Closing a fiscal year creates new fiscal year or system opening (SO) entries and does not remove any data or transactions. As long as the effective date is in the correct fiscal year, you can continue entering transactions.

Oops! I Forgot to Enter a Transaction for the Closed Year. Can I Still Enter It?

YES. If you do create an entry with an effective date in the closed fiscal year, you also need to create an entry to adjust the beginning balances (AO type entry) for the subsequent fiscal year(s). If you have not yet posted the entry, you can have the system automatically create the AO type entry to adjust the subsequent beginning balances. While you can still see the transaction on the screen, click on the Adjust Current Year button which looks like this:



[Contact us](#) if you have already posted the entry without causing the system to create the necessary AO entry.

Can I Run Reports On a Closed Fiscal Year?

The reporting tool in Sage MIP Fund Accounting enables you to run reports on both open **AND** closed fiscal years. The application will simulate a year-end close, if necessary, by using the Account Balances Begins and Current Reporting Year Begins date fields. Therefore, closing your fiscal year will not impact your ability to run reports.

Tax Forms and eFiling

With the most recent updates to your Sage MIP Fund Accounting software, the integration with eFiling by Aatrix has become better than ever. eFiling allows you to complete more than 250 state and federal payroll tax forms directly from Sage MIP. You can review and complete forms on-screen, print them on plain paper, and either mail or efile them with the appropriate agencies.

Not only do you eliminate the hassle of printing, addressing and mailing pre-printed forms (W-2, 1099, etc), you'll save a bunch of time, money, paper and postage. Contact us if you're interested in learning more about Tax Forms and eFiling by Aatrix.



WHAT'S NEW IN 10.2?

Now is the time of year that some companies look to update their software in preparation for the new year. If you haven't had an opportunity to see what's new in Sage MIP Fund Accounting Version 10.2, then [download a copy](#) of the overview brochure to learn about new reporting options, inventory enhancements, and updates that comply with IRS Form 990 changes.

BETTY MOTICHEK | Betty@sygnvs.com | (800) 804-6198 x101



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CONTACT US ...

PO Box 231 | Madisonville, LA 70447 | (800) 804-6198 | info@sygnvs.com | www.sygnvs.com