

## TRAVERSE Year-End Checklists

The following Year-End checklist has been designed to conform to the features and functionality of the currently supported versions of the TRAVERSE Accounting Software (version 10.x). Use of this checklist for earlier versions of your software may or may not be complete

### Year-End Checklist for AP/PO

1. Enter and Post all Transactions and Payments.
2. Print the AP Aged Trial Balance Report from the Management Reports menu to reconcile your Accounts Payable GL account with the total on the report.
3. Print the following summary history reports from the Management Reports menu. In order to print these reports, the option to save summary purchase history must be selected in Business Rules.
  4. Vendor Analysis report to see activity of vendors for the period or year.
    - AP Analysis Report to analyze payables.
    - Purchase Analysis Report to summarize purchase trends based on the last 12 months.
    - Vendor Purchase History Report to show the quantity purchased from vendors.
5. Print the following detail history reports from the Management Reports menu. In order to print these reports, the option to save summary purchase history must be selected in Business Rules.
  - Payments History Report to list paid invoices, check numbers, check dates, and payment types.
  - Vendor Activity Report to show how often purchases were made from each vendor for the year.
  - Vendor Detail History Report to display the posted purchases and returns made to vendors during the year.
6. **BACK UP DATA FILES!** The next step makes changes to your data.
7. You can print 1099's before or after you run Period-End Maintenance. Simply select the calendar year to use when printing the 1099's forms. It is recommended that you print a worksheet first.
8. Verify limits in the 1099 Field Indicators function on the Setup and Maintenance menu.
9. Print 1099 Worksheets from the Print 1099 Forms function on the Periodic Processing menu.
10. Verify Year-To-Date payments and adjust as needed.

11. Use the Print 1099 Forms on the Periodic Processing menu to print 1099 forms. **Note:** If the company is not on a calendar fiscal year, this step becomes part of month-end for December.
12. Use Periodic Processing, Periodic Maintenance and select Period-End. This is an optional function. Use the Activity Button on this screen to print an Activity Log to verify which tasks have been performed.

If Selected:

- Delete Temporary Vendors if balances are paid in full.
- Delete paid invoices before a specified date. If a date is not specified or check box is not selected, paid invoices will not be removed.
- Delete summary and detail purchase history before a specified date. If a date is not specified or check box is not selected, history will not be removed.
- Delete Payment History before a specified date. If a date is not specified or check box is not selected, history will not be removed.
- Delete Vendor Detail History before the year you specify. If a year is not specified or check box is not selected, history will not be removed.
- Purge recurring entries for specified cutoff date. If a date is not specified or check box is not selected, recurring entries will not be removed.
- Select Vendors from Setup and Maintenance menu to delete inactive vendors. Use the delete function key to delete the inactive vendors. This step is optional.

---

## Year-End Checklist for AR/SO

1. Enter and post all transactions and cash receipts.
2. Calculate all finance charges for the final period using the Calculate Finance Charges function on the Open Invoices menu.
3. Print customer statements from the Print Statements function on the Open Invoice menu for the final period.
4. Print the following reports from the Management Reports menu:
  - Customer Analysis Report to identify sales and profit amounts, number of invoices and average invoice amounts for the period-to-date, quarter-to-date, and year-to-date, and last year.
  - Print the AR Aged Trial Balance to reconcile General Ledger Accounts Receivable GL account with the totals on the report.
  - Print the Open Invoice Report to display the amount due after you post transactions, customers that have open invoices, and summary invoice information.
  - If you are using multicurrency, print the Gains and Losses Report to reconcile any difference in currency to the General Ledger.
  - Print the Detail History Report to view posted transactions. You must elect to save detail history in Options and Interfaces in order to print this report.
5. Print the following summary reports from the Management Reports menu. You must elect to save summary and detail history in Options and Interfaces.
  - AR Analysis Report to analyze receivables.
  - Sales Analysis Report to analyze sales trends based on the last 12 months.
  - Customer Activity Report to identify your top customers.
  - Customer Sales Report to display the sales, gross profit and average income per customer.
  - Print the Tax Locations List from the System Manager Tax Setup menu for a record of the accumulated sales and use tax information for each tax location.
6. **BACK UP YOUR DATA FILES!** The next step will make changes to your data.
7. Use the Clear Tax function on the Tax Setup menu in System Manager to remove the accumulated sales tax at the end of the tax reporting period. **CAUTION:** Make sure you have printed a current Tax Locations List because this function clears the accumulated sales and use tax amounts and these values will no longer be available.
8. Select Period-End Maintenance in the Periodic Maintenance function from the Periodic Processing menu (This is a single user function) to perform the following tasks:
  - Change the status of invoices paid in full to paid.
  - Accumulate balance totals for balance forward customers.
  - Age the customer balances.
  - Update customer credit status.

## Year-end Checklists

---

- Clear period-to-date and year-to-date sales amounts from the sales rep records.
  - Post finance charges to the current period.
  - Compare balances in the customer record to the open invoice table and correct any discrepancies.
9. If Selected: (Optional)
- Delete paid invoices before a specified date. If a date is not specified and check box is not selected, paid invoices will not be removed.
  - Delete summary and detail sales history before a specified date. If a date is not specified and check box is not selected, history will not be removed.
  - Delete Customer Detail History before the year you specify. If a year is not specified and check box is not selected, history will not be removed.
  - Purge recurring entries for specified cutoff date. If a date is not specified and check box is not selected, recurring entries will not be removed.
  - Clear Year-To-Date finance charges. This step is recommended at the end of the fiscal year.
  - Clear Sales Rep Year-To-Date totals
  - Select the Purge Quotes function from the Periodic Maintenance menu to purge quotes prior to the date selected if you are using Sales Order.
  - Delete inactive customers using the Customers function on the Setup and Maintenance menu. Select the inactive customer, then use the delete function key to delete the inactive customer. This step is optional.

---

## Year-End Checklist for IN

1. Complete transaction and transfer entry.
2. Print the transaction, transfers and GL adjustments journals from the Transactions menu. If the information is correct, post transactions, transfers, and GL adjustments.
3. **BACK UP YOUR DATA FILES!** The next step makes changes to your data.
4. Follow the steps on the Physical Inventory Checklist if your company conducts a physical inventory during year-end processing.
5. Use the Item Price Change function on the Periodic Processing menu to change the base price, list price, and minimum price for a selected range of items if your company changes prices as a normal part of year-end procedures.
6. Select the Cost Changes function from the Periodic Processing menu to change the standard cost and base cost for a selected range of items if your company changes cost as a normal part of year-end procedures.
7. **BACK UP YOUR DATA FILES!** The next step makes changes to your data.
8. Print the following Reports for your audit trail before you use the Purge Selected Files function.
  - Item Locations List on the Master Lists menu to display location information, lot information, general information, alternate items, bin information, and serial information.
  - Promotional Pricing List on the Master Lists menu to display a list of promotions you have set up.
  - Serialized History Report on the Reports menu to display a list of historical transaction information for serialized items.
  - Lot History Report on the Reports menu to show historical transactions, adjustments, material requisitions, and transfer information for lotted items.
  - Transaction History Report on the Reports menu to show historical transaction information for a specified period and year.
9. Use the Purge Selected Files function on the Periodic Processing menu to delete the following:
  - Delete sold serial numbers with sale dates before a selected date. If a date is not specified and check box is not selected, serial numbers will not be removed.
  - Zero quantity sold lots with sale dates before a selected date. If a date is not specified and check box is not selected, lots will not be removed.
  - Alternate items with end dates before a selected date. If a date is not specified and check box is not selected, alternate items will not be removed.
  - Serialized history with invoice dates before a selected date. If a date is not specified and check box is not selected, history will not be removed.
  - Lot history with invoice dates before a selected date. If a date is not specified and check box is not selected, history will not be removed.

- Detail history with transaction dates before a selected date. If a date is not specified and check box is not selected, history will not be removed.
- Summary history with periods and year before a selected period and year. If a date is not specified and check box is not selected, history will not be removed.

## Physical Inventory Checklist

1. Use the Physical Inventory menu functions to take a physical inventory by performing the following steps:
2. Print the Item Status Report for an up-to-date list of item quantities to help you organize your items into physical inventory batches.
3. Select the Freeze Quantities function from the Physical Inventory menu to Prepare Batch codes that include the items and locations you are going to count from your inventory.
  - Elect whether to use tags or worksheets for counting a batch.
  - Elect whether to display frozen quantities when printing tags or worksheets and when entering counted quantities for tags and worksheets.
  - Elect whether to enter all the inventory counts or to enter only exceptions between frozen quantities and counted quantities.
  - Elect whether to default frozen quantities on count entry screens. When you elect to enter exceptions only this box will be checked and cannot be changed.
  - Elect whether to print items with zero quantities on tags or worksheets.
4. Click on the Prepare Batch button.
5. Select the Batch List function on the Physical Inventory menu to verify the status of each batch. The list indicates whether the various stages of the physical count process have been completed.
6. Post transactions in all modules to update current on hand quantities.
7. Select the Freeze Quantities function and click the Freeze Quantities button, anytime after you prepare batch codes to freeze on hand quantities. Use this function when you are ready to conduct the physical count.

**Once you freeze quantities, there should be no activity in the warehouse until physical inventory is updated through the Update Perpetual Inventory function, but you can continue to process transactions during this time.**

8. Select the Print Inventory Tags/Worksheets function on the Physical Inventory menu to produce tags or worksheets for the physical count.
9. Conduct the physical count using the printed tags or worksheets.
10. Select the Physical Counts Tag Entry function on the Physical Inventory menu to enter the counted quantities on tags. Use the Physical Counts Worksheet Entry function on the Physical Inventory menu to enter the counted quantities on worksheets.

11. If you have used a bar code scanner to enter your counts into a text (comma delimited) file and have set up a physical counts import definition, select Import Physical Counts to get your counts imported into your batches.
12. Select the Physical Counts List function on the Physical Inventory menu to produce a list of items from the selected batches to verify that the correct counted quantities were entered.
13. Print the Variance Report on the Physical Inventory menu to display the quantity and cost variances between the physical counts you entered and the frozen quantities. This report is part of your audit trail and must be printed to a file or the printer in order to run the Update Perpetual Inventory function for a batch.
14. Print the Physical Counts Valuation Report to view the value of the items being counted.
15. Select the Batch List function on the Physical Inventory menu to verify each step of the physical inventory process has been completed before you Update Perpetual Inventory.
16. **BACK UP YOUR DATA FILES!** The next step makes changes to your data.
17. Select the Update Perpetual Inventory function on the Physical Inventory menu to update on-hand quantities with the physical count quantities for the items in each batch. Save the log printed during the Update Perpetual Inventory as part of your audit trail for the physical inventory.

## General Ledger Year-End Checklist

1. Print the Chart of Accounts List on the Master Lists menu. Check the box to print the clear and consolidate information. Once the list is printed verify the following information:
  - The income statement accounts have an account type between 500 and 890.
  - The balance sheet accounts have an account type between 005 and 465.
  - The step and clear to account information is filled in for income statement accounts (types 500 to 890).
2. Use the Chart of Accounts function on the Setup and Maintenance menu to edit incorrect setup information found on the Chart of Accounts list if needed.
3. Use the Period Conversion function in the System Manager to set up next year.
4. **Back up your data files.** The next steps make changes to your data.
5. Determine which years are available by going into the Year End Maintenance function on the Periodic Processing menu. Each available year will be displayed. Determine whether or not you need to add a new year for processing. If you need to add a new year proceed to step 6, otherwise go to step 7.
6. Select Year-End Maintenance from the Periodic Processing menu and click on the **New Year** button to add a new year.

**When you set up the Account Mask and add GL accounts for a company, TRAVERSE creates three years: current year, previous year, and next year. You may skip this step the first time you perform year-end in TRAVERSE.**

7. Select Change Fiscal Year from the Periodic Processing Menu. Select the new year in the Current Year field, to change to the new year. You must be in the new year to perform the next step.
8. Select the Update Current Year function on the Periodic Processing menu to do the following:
  - Transfer the ending balances from the old year to the new year for GL accounts with types from 005 - 465.
  - Calculate the net income or net loss amount from the balances of all the accounts of account types from 500 - 890.
  - Update the balance for the retained earnings account with the net income or net loss if selected. Check the box to consolidate unclosed income (loss) to retained earnings, and select your retained earnings account.

**You must do this if you have an unclosed income or loss amount. If you do not check the box with an unclosed income or loss amount displayed, you will get amounts put into period 0 for your income statement accounts.**

9. Continue to process information for both years. Use the Change Fiscal Year function on the Periodic Processing menu to switch between the old year and the new year.

10. Use the Update Current Year function on the Periodic Processing menu as needed to update the current balances with changes made to last year balances. Check the box to consolidate unclosed income accounts to retained earnings.

**If you are using the close periods feature in the Period Conversion function from System Manager, you can only post adjusting entries to periods that remain open. You can reopen a period if needed.**

11. Print financial statements for the fiscal periods adjusting entries were posted to.

12. **Back up your data files.** The next steps makes changes to your data.

**The remaining steps are optional. Many companies will not run the Clear and Close Last Year function, so they can have the option to post adjusting entries to any fiscal year. Once the Clear and Close Last Year is run and posted to master, no transactions can be made to that fiscal year.**

13. Use the Clear and Close Last Year function from the Periodic Processing menu to create the entries necessary to close out income and expense accounts after all of your adjustments have been made.

**Make sure the Use GL Period selection is the extra period (normally period 13) TRAVERSE adds for your clearing and closing entries. DO NOT run the clear and close to your last normal period.**

14. The clear-to account and the step number set up for an account are used to close the income and expense accounts. Closing entries are made to the GL Journal in the period you specify. You must use the Post to Master function to post the adjusting entries created by the function

15. Select the Period Conversion function from the Company Setup menu on the System Manager menu to close the last period. If any other periods are open for the closing year it is recommended that they be closed at this time. You may reopen a period if needed in the future. Leave the extra (normally period 13) period open so you can run the post to master in step 19 below.

16. Print financial statements for the fiscal periods that the adjusting entries were posted to.

17. Use the Change Fiscal Years function from the Periodic Processing menu to switch to your prior year.

18. Print the GL Journal or the Activity Report for the extra period (period 13) for entries with a source code CL to verify the closing entries.

19. Use the Post to Master function on the Transaction Journal menu to post closing entries to the GL Master table.

20. Print the Trial Balance for the extra period (13) from the Management Reports menu to verify income and expense account balances are zero for the closing year.

21. Change your system to the current year and use the Update Current Year function on the Periodic Processing menu to update the current year with the final account balances.

**Do not check the box to consolidate unclosed income accounts to retained earnings (the unclosed income accounts balance box should have a balance of 0); there is no reason to check the box, since the ending balances for your income statement accounts is 0 and our retained earnings account has been updated with the clearing entries.**

---

## Year-End Checklist For Payroll

1. Backup data files.
2. Post the payroll checks for the last payroll cycle of the year.
3. Print the quarterly reports:
  - Earnings and Deductions Report
  - Employer's Tax Report
  - Sick and Vacation Report
  - Withholding Report
  - State Unemployment Report
  - Department History Report
  - Transaction History Report and Check History Report
  - 941 Worksheet
  - *(OPTIONAL)* Print any additional reports or save them to a file.
4. **Backup data files.**

**Open Server Manager and expand TRAVERSE and your company ID. Expand Applications and right click on PA and select Add Year. Add the next year and select the current year's company database on the Copy Data tab and click OK. Adding the new year does the following:**

  - clear year-to-date balances for all employees
  - delete terminated employees from the Payroll data for the new year
  - Any company specific formulas and formula tables will be copied to the new year
5. Change payroll years using the Change Payroll Year function on the Periodic Processing menu to change to your new year.
6. Delete outdated recurring entries using the Purge Recurring Entries on the Periodic Processing menu.
7. Consolidate sick and vacation balance records using the Roll Up Leave Balance function on the Periodic Processing menu.
8. If you elected to have the system accrue vacation and sick hours. switch to the new year by selecting Change Payroll Year in the Periodic Processing menu. If you want to clear vacation and/or sick leave for the start of your new year, select Clear Sick and Vacation Hours on the Periodic Processing menu. Otherwise, manually update sick and vacation hours in the new year using the Leave Adjustments function on the Periodic Processing menu.
9. Update the federal, state, and local tax tables and formulas in the new-year if necessary. Continuous Enhancement Subscription ensures that you are always up to date. Contact your reseller to obtain the latest version of our state and federal tax routines.

## Year-end Checklists

---

10. Make sure you are in your new year by selecting Change Payroll Year in the Periodic Processing menu to see what year fills in the box. If the new year does not default into the box, select the new year and change to your new year to process payroll in the new year.
11. Change years to you prior year using the Change Payroll Year function.
12. Prepare W-2 forms. Select Prepare W-2 Forms from the Quarter/Year-End Reports menu.
13. Print the W-2 forms.
14. Create your W-2 magnetic media file by selecting Create W-2 Magnetic Media from the Quarter/Year End Reports menu, if required by the IRS.
15. Output your Magnetic Media file to a disc using the W-2 Forms function in the Quarter/Year End Reports menu, and select Magnetic Media in the Output section.
16. Delete last year files if desired using the Server Manager right click Delete Year function on the Year Database within PA of your company.