

Year End Adjustments

The Manual Nominal Postings program can be used to make any adjustments to the end of year figures.

Any adjustments to the Year End figures can be posted through the Nominal Ledger, Post Transactions, Post Manual/Reversing Journals screen.

➤ From the bottom bar, select the option YearPer and change the year number back to the previous year and period 12.

This Year	▼	This Period	12	<p>N.B. PLINV, SLCSH, SLCRN = [DR] SLINV, PLCSH, PLCRN = [CR]</p>	Account Balance	
Journal Code					Total Balance	

Manual Nominal Ledger Entries								
Nominal Code	Description	Date	Reference	Further Ref	VC	IO	Amount	CD

OK
Cancel

- ✔ Select the Manual option, then use the tab key to move to the Nominal Code box or click with the mouse. Enter the Nominal codes to be amended with the relevant Debit or Credit value
- ✔ Once the postings have been completed, exit out of the Post Manual/Reversing Journals screen
- ✔ From the main Nominal Menu select Period End Processing, Reconcile the Nominal Ledger.
- ✔ Select YearPer and change to the previous year and Period 12

- ❖ Select Reconcile. If the net profit has been affected by the postings, the system will prompt to advise that The Nominal Ledger does not Reconcile – select OK, will then a further prompt will be displayed 'Balance Sheet does not Balance, OK to update profit and loss?', select OK. System will update profit and loss and attempt to reconcile again. NB: System must reconcile before you are able to continue

Updating the VAT Return

If any of the postings contain VAT entries which need to be updated to the VAT Return, a further process is required.

The VAT Return is updated by carrying out a Nominal Ledger Month End Process. As adjustments have been made to a period that has already been closed, a Month End cannot be completed. Therefore, an option has been included within the Nominal Ledger Cashbook, to Update the VAT.

- ❖ From the Nominal Ledger menu, select Cashbook..., Update VAT Analysis from Cashbook
- ❖ Select Year/Per and change to the previous Year, Period 12
- ❖ Select Update and then OK. NB: Although the menu title implies only Cashbook entries are updated to the VAT Return, Manual entries will also be updated

Opening Balances for Current Year

When the Nominal Year End is performed, the Nominal Ledger for the new year is created and the closing figures are brought forward as opening figures for the new year. Posting adjustments to the previous year will change the closing figures but will not update the existing opening figures for the new year. In order to update the opening figures, the following process will need to be carried out:

- ❖ From the Nominal Menu, select Post Transactions ..., Post Opening Balances
- ❖ Select UpdFromLY from the Options at the bottom of the screen NB: the system will display the current period in the top left-hand corner of the screen but will only ever update the Opening Figures for Period 1

Confirming Update to New Year has been completed

From the Nominal menu:

- ❖ Select Nominal Ledger Reporting..., Print Balance Sheet, print the report for Period 12 of the previous period
- ❖ Select Nominal Ledger Reporting..., Print Brought Forward Balances
- ❖ The updated closing figures on the Balance Sheet and the Brought Forward Opening Balances can then be compared, these should be identical

Reconciling the Nominal

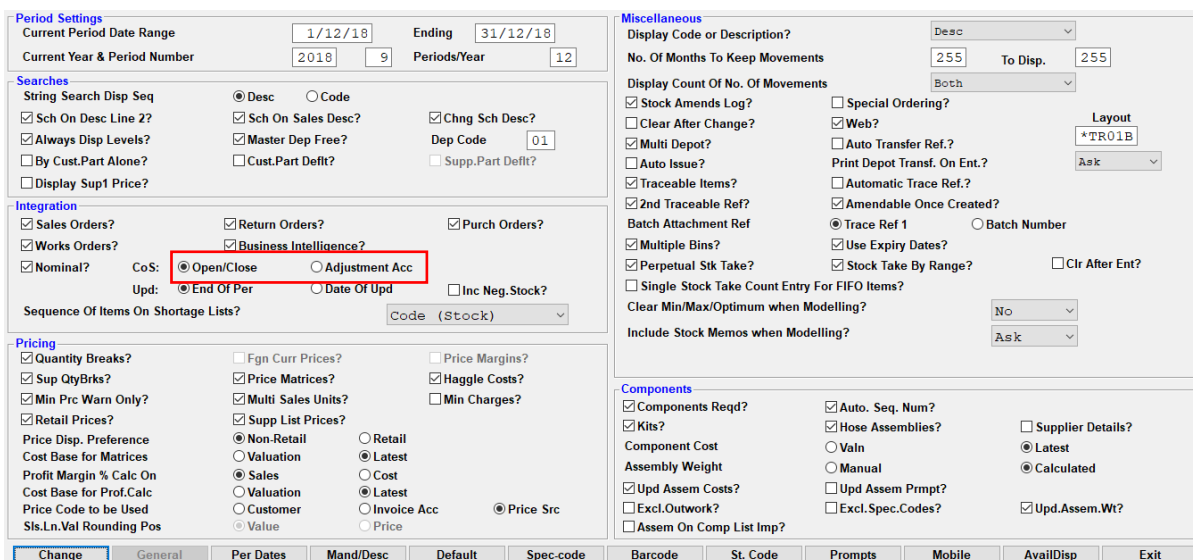
If the current Nominal Period is further on than Period 1, the Nominal will need to be reconciled for each period from Period 1 up to the current Period:

- ❖ Nominal Menu – select Period End Processing, Reconcile the Nominal
- ❖ Select YearPer and change to period 1 of the current year
- ❖ Select Reconcile – if the Nominal Reconciles, repeat for each period up to the current period
- ❖ If the Balance Sheet does not reconcile, system will confirm that the Nominal does not balance, select OK and a further prompt will be displayed 'Balance Sheet does not Balance, OK to update profit and loss? select OK. System will update profit and loss and attempt to reconcile again

Adjusting Stock Valuation

There are two methods for updating the Stock Valuation within the prof.ITplus system; using Opening/Closing Stock Valuation Accounts or an Adjustment Account. If unsure as to which method is being used in your system, you can check the Stock Parameters within the Stock Module:

- ❖ Within the Integration section of the General Stock Parameters, there is a radio button to select whether Open/Close or Adjustment Account being used:



The screenshot shows the 'Stock Parameters' window. The 'Integration' section is highlighted with a red box, showing the 'Business Intelligence?' radio buttons. The 'Open/Close' option is selected. Other sections visible include 'Period Settings', 'Searches', 'Pricing', 'Miscellaneous', and 'Components'.

To adjust the stock valuation, a manual posting should be made through the Nominal Ledger as detailed above

- ❖ **Posting for Opening/Closing Stock Accounts** - the posting should be to the Stock Valuation Account (Balance Sheet) and the opposite entry to the Stock Contra Account (not included on either Balance Sheet or P&L). The reason being that when a posting is made direct into the Nominal Ledger to show an increase or decrease to the Stock Valuation, the profit is automatically adjusted, therefore if the opposite entry is posted to a P&L account the profit would be doubled. The figure posted should be the difference between the system figure and the adjusted value.
- ❖ **Posting for an Adjustment Account** – the posting should be against the Stock Valuation Account (Balance Sheet) and the opposite entry to the Adjustment Account (P&L)