

Jim2® Closing the Financial Year Checklist

The Closing the Financial Year Procedure is integral to maintaining an accurate Jim2® Database. We recommend that you complete the following tasks when approaching the end of the Financial Year. Please note that the Jim2® Closing the Financial Year Procedure is **NOT** reversible, therefore we strongly recommend the following checks be completed and your Accountant is made aware that you are closing the Financial Year in Jim2®.

Jim2® Workflow

- Review all active Quotes and check status. Cancel any expired or duplicated Quotes.
- Review all active Purchase Orders and check status. Chase supplier invoices for all those on RECEIVED and FINISH them once the invoice is received. CANCEL any expired or duplicated orders.
- Review all active jobs and invoice any that can be invoiced. CANCEL any expired or duplicated jobs.
- Check your Bank Deposits and resolve any old unbanked transactions. Check for duplicate entries (to be deleted or reversed) and review your debtor records. Otherwise, complete the banking session as normal.
- Check there is no stock sold in advance. Go to Management > Reports > Stock Reports > Stock in Advance Liability. Display the report up to the end of the Financial Year you wish to close.
- Check that your stock value agrees with the General Ledger value. Go to Management > Reports > Stock Reports > Stock Value by GL > Summary.
- Perform a Stocktake – please refer to the section on Preparation for Stocktake.

Jim2® Accounting

- Reconcile all accounts:
 - Debtors
 - Creditors
 - Bank Accounts/Credit Cards
 - Petty Cash
 - Resolve any old entries that are still outstanding as they may be impacting on your debtor and creditor records
- Tax/GST compliance has been completed and lodged
- All Multicurrency Revaluations have been completed
- Ensure that all adjusting General Journals, issued by your Accountant, have been FINISHED
- Print Reports:
 - Stock Valuation by COGS at close of business on June 30 (**NB: you cannot backdate this report**)
 - Stock Value by GL Group > Summary at close of business on June 30.
 - Detailed Aged Receivables (as soon as all June transactions are complete)
 - Detailed Aged Payables (as soon as all June transactions are complete)
- Ensure you have closed off any previous financial years. You can have two financial years running concurrently in Jim2®, but no more.

For newer Jim2® Users

Opening Balance Debtors/Creditors reconcile with Opening Balance General Ledger entries
– ensure the Historical Balance (3-9999) account is \$0.00

For further assistance or information please call Happen support on 02 9570 4696 or email support@happen.biz

Jim2® Stocktake Preparation

Why stocktake?

As your business trades throughout the year, stock is

purchased and sold

stolen and damaged

returned to suppliers

transferred between locations

loaned to customers

With all these movements, it is necessary to confirm stock quantities on a regular basis.

Stocktakes are undertaken to confirm that the asset value of your stock is accurate compared to your Jim2® balance sheet, and the quantity of stock is accurate compared to your Stock on Hand quantities in Jim2®.

Outcomes of Stocktake

Your gross profit is based on the income from the sales you make, the cost of purchasing your stock, and the management of your stock. There is an impact on your profit when the value of the stock in your stocktake is less than your balance sheet expects, and the loss is recorded as a stock adjustment expense.

Stocktakes should be carried out throughout the year. The stocktake involves counting the stock quantities, and matching these to Jim2®. The variances are then recorded as stock adjustments, and will alter your Balance Sheet, your Profit and Loss reports, and your Stock on Hand quantities.

Stocktake Sessions

In Jim2®, a stocktake session can be run at any time, and for any selection of stock within a location. This means that you can stocktake the whole showroom, or just one stock code, and report the results in both the accounting and stock control sections of Jim2®. This functionality allows you to conduct regular, cyclical stocktakes, which are easier than one annual stocktake.

When a stocktake session is commenced, all stock involved in the session is locked, ensuring accounting transactions can't be passed against these stock codes. When the count has been completed, the results of the count are confirmed, and the session is saved with a FINISH status.

The FINISH status of the stocktake session creates a stock adjustment on Booked, which you can view, investigate, and then FINISH. The finished stock adjustment will have either an expense or income value, which will be posted to your stock adjustment account. The relevant asset accounts in your balance sheet will also be adjusted, to record the variance of stock on hand.

Once the stocktake session has been finished, and the stock adjustment has been finished, you will have accurate stock quantities in Jim2®.

Preparation for Stocktaking

Stocktaking requires planning and preparation. It is important that the stock included is tidied and made available for counting. Here is a checklist for Stocktake Preparation in Jim2®:

As many jobs as possible should be invoiced.

Minimal number of jobs not invoiced.

All Purchase Orders on RECEIVED status (with appropriate tax invoices) should be changed to FINISH.

Backfill all stock sold in Advance. Go to Jim2® in the Menu bar > Stock > Backfill stock sold in Advance. Click Select All and click Backfill.

Run a stock list, sorted by Stock On Hand. It is advisable to fix the negatives prior to conducting a stocktake session (transfer stock, or stock adjust, or finish a PO).

Re-run the Backfill stock sold in Advance.

Print a list of Stock Sold in Advance that cannot be backfilled. Go to the Management Tab > Reports > Stock Reports > Stock in Advance Liability. These stock codes will need to be excluded from the Stocktake session.

As stocktake sessions are conducted by stock location, it is important to suitably arrange the stock in each location. These locations typically include stores, showrooms, warehouses, damaged goods areas, company vehicles, warehouses, etc. Poor layout of stock will lead to a poor count. Areas of concern are stock on display (away from the general stock), stock that is in cabinets or drawers, stock on Point of Sale counters, stock in offices, stock on loan to customers or staff, and any stock supplied to jobs that haven't been invoiced.

Adding or managing a Stocktake Session

Once the preparation has been completed, a stocktake session can be commenced. To add a stocktake session, click on the Stock tab, then Stocktake, then Add. A stocktake session is by location, and further filtering can be applied. This filtering can include Report Level groups, allowing you to only require counting of particular product groups.

For the full functionality of Stocktake sessions, see Jim2® Help.

Managing your work practices after completing a Stocktake Session

Once you have completed a stocktake, your company's work practices will then influence the accuracy of your stock records. Accurate management will then allow you to accurately report stock valuations based on the information contained in a number of Jim2® reports, as well as the Jim2® General Ledger. Poor work practices will quickly lead to incorrect stock valuation reporting.

For further assistance or information please call Happen support on 02 9570 4696 or email support@happen.biz

Jim2® End of Financial Year Timeline

June 1

- Review all your "Jim2® Lists". Check all lists daily.
- Commence Debtors clean-up:
 - Chase up outstanding debt and collect the payments. Record the payments into Jim2®.
 - Write off old debts that you do not expect to collect (Debtor Adjustment Down or Bad Debt).
 - Write off/adjust rounding and other errors which have left debtors owing small amounts (eg \$0.01) (Debtor Adjustment Down or Discount).
 - Allocate all unallocated prepayments and credits.
- Commence Creditors clean-up
 - Finalise any outstanding issues you have with Vendors, including Returns to Vendor.
 - Allocate all vendor credits.
 - Review all vendor payments due. Record vendor payments in Jim2®, including direct debit, EFTPOS and credit cards.
- Petty Cash
 - Reconcile petty cash account and reimburse the float.
- Banking
 - Bank all received money.
 - Complete all banking sessions and fix all problems with unbanked funds.

June 23 – 30

- Perform and FINISH your Stocktake(s).
- FINISH all stock adjustments.
- Ensure any Stock Sold in Advance has been back-filled.

June 30

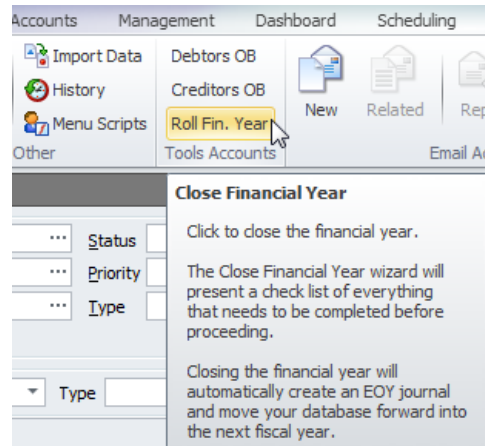
- Final stocktake valuation.
- Final Multicurrency Valuation.
- Archive your Jim2® Database as at June 30. Ensure you perform a backup before trade on July 1 (last activity on June 30).

July 1 – 15

- Reconcile all bank and credit card accounts.
- Complete your June GST Session.

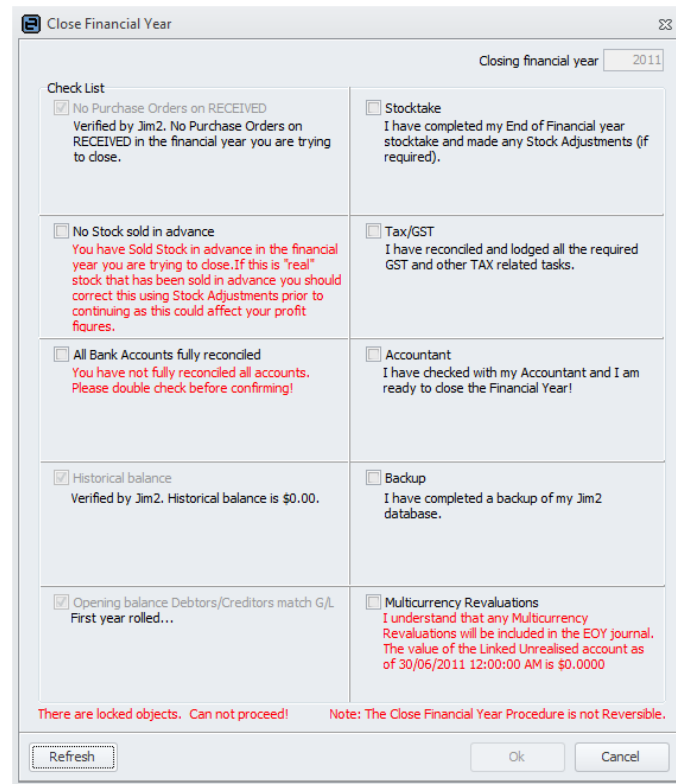
Close Financial Year Wizard in Jim2®

The Jim2® Close Financial Year Wizard is accessible from the Tools Tab > Tools Accounts > Roll Fin Year. Prior to completing a Close the Financial Year Procedure, ensure you have approval from your Accountant to do so.



Jim2® Accounts Tab > Close Fin. Year

Jim2® allows you to operate for up to 12 months after the end of the current financial year before it is compulsory to finalise and close off the previous financial year. The Jim2® Close Financial Year Wizard displays a series of checks for your end of year procedures:



Jim2® Close Financial Year Wizard Explained

No Purchase Orders on RECEIVED.	The wizard will check your database and automatically set the 'tick' based on the results. All Purchase Orders that are on the Status of RECEIVED, where the received date falls within the Financial Year you are closing, must be marked as FINISHED prior to rolling. This check is Mandatory.
No Stock sold in Advance	The wizard will check your database and automatically set the 'tick' based on the results. It is possible that you may have sold stock (perhaps at \$0.00 etc) so you should determine if this is correct and base your decision on this. If you have sold stock in advance and not generated the related PO or stock Adjustment, your profit will be overstated.
Bank Accounts Fully Reconciled	The wizard will check your database and automatically set the 'tick' based on the results. It is possible that you may have GL accounts flagged as reconcilable that are not important to your EOFY figures. If this is correct base your decision on this.
Historical Balance	The wizard will check your database and automatically set the 'tick' based on the results. The Historical Balance figure in your GL must be \$0.00 to be able to close the financial year. This check is Mandatory.
Opening Balance Debtors/Creditors match GL	The wizard will check your database and automatically set the 'tick' based on the results. Opening Balance Debtors and Creditors cannot be out of balance with the figure in the GL to be able to close the financial year. This check is Mandatory.
Stocktake	Confirm you have completed your EOFY stocktake (if required) and completed any Stock Adjustments, Write Downs etc
Tax/GST	Confirm you have reconciled and lodged all the required GST and other TAX related tasks.
Accountant	Confirm you have checked with your accountant PRIOR to completing the Closing the Financial Year Procedure.
Backup	Confirm you have done a full backup of your Jim2® database PRIOR to completing the Closing the Financial Year Procedure. Note: The Closing the Financial Year Procedure is not reversible.
Multicurrency Revaluations (if multicurrency is enabled)	Multicurrency Revaluations will be included in the EOY journal.

NOTE: No other users can be logged into Jim while you are running the Close Financial Year Wizard. You also need to stop JES (Jim eBusiness Server) via the Jim2® Configuration Manager.

After completing all checks the 'OK' button will be automatically enabled and you can complete the Close the Financial Year Procedure.

All Profit and Loss accounts will be adjusted and the corresponding Profit (or Loss...) will be transferred to your linked Retained Earnings account. An End of Year Journal entry will be automatically created dated the first day of the next financial year. Any closed periods in Options / Accounts will be cleared and rolled back one year, and the current financial year value will be incremented by 1.

It is suggested that you backup your database and restore it as a Training database. Do a 'Trial Run' Close the Financial Year Procedure on your Training database PRIOR to running your main Jim2® database.