Private Funds Manager Year End

The Private Funds Manager year end closedown should be a relatively pain free process, especially if you do some preparation work in advance.

***When you do the year end*** is up to you - some schools do it on the very last day (or closest) of the year, so will close down on 31st March. This will mean downloading your final bank statement from the internet if you have online banking, or closing down without doing the final bank reconciliation if you do not have online banking.

Other schools like to wait until the year end bank statement arrives, and any final items relating to the financial year turn up. Its up to you when you close year end. However, if you do not close the year for a few weeks (or months) **you must be very careful that you date things correctly** - anything related to the old financial year, including journals/transfers - must be dated on or prior to the last day of that financial year, and all new transactions must be dated on or past the first day of the new year.

Do the 3 year end preparation tasks **before** year end - you can do this quietly and gently in the run up to year end, to ensure that the close down itself is straight-forward.

**Preparing for Year End**

1. Clear unwanted items from the Bank Statement screen

Are all the items on the unreconciled list genuine items that will appear in the next one or two bank statements? Or are they old transactions that now will probably never be presented? Are they duplicates or errors entered somewhere along the way?

If you have *payments* that date back some time, you will probably want to cancel them off the system.

Track down who the cheque was for and what short code was used. Then go into Transaction Entry - Payments - **Cancel Payments**. Enter a cancellation exactly as the original item with the same amount (as a positive) and date and enter notes indicating this is a write off. Repeat for all payments to be cancelled. If the short code no longer exists on PFM because it has been deleted, you will need to pick another short code to receive this money.

If you have *receipts* showing that are more than a week or two old, it is **very unlikely** that these are correct. They may be duplications or just straight errors.

Track down who the receipt relates to and what short code was used. Then go into Transaction Entry - Receipts - Direct Receipts. Enter a cancellation exactly as the original item but with a NEGATIVE amount, same date and enter notes indicating this is a write off. Press BANK IT. Repeat for all receipts to be cancelled.

You can then go into **Bank Statements**, and each 'old' transaction will have a corresponding cancellation entry - tick one against the other. Commit Changes and print the report for Audit records.

2. Clear short code accounts that won't be needed next financial year.

Are there some trips or other accounts that are no longer used? If so, you might want to delete them after completing the year end closedown.

If this is the case, now is the time to start looking at these accounts to see what balance is left (positive or negative), are there any further transactions likely this year - if not you might want to start clearing the accounts in preparation for deletion. (Short codes need to have a zero balance at year end to be cleared)

Print an Income and Expenditure report (Screen Enquiries – Financial Reports – I&E , then use Transaction Entry - Transfers - Short Code transfers to move money from short codes to a General / Reserves account. (I then change the Full name of the short code from SKI2019 to \*\*\*\*CLOSED SKI2019 to indicate that the account has been cleared and close, by editing in Accounts Maintenance)

**Be very careful that all transfers are dated on or before the year end date.**

3. Pick a date for your last banking of the financial year.

Everything relating to March must be banked with a date of March - **do not make the mistake of banking items in April with a March transaction date**, or your balance sheet will be *out of balance* at year end.

It makes sense to say that a banking will be done on say Friday 27th March and that will be the end of transactions for the financial year. Do not enter any other receipts until you get to 1st April and do these into the new financial year, dated accordingly.

4. At the chosen time, do the year end closedown.

**What the system does at year end**

It takes the Closing Balance for each short code and makes it the Opening Balance for the new financial year.

Clears all transactions from the short codes, leaving only the opening balance. (Although transaction can be seen on the Reports By Account – Audit Trail for Short Code button, or by viewing the year end archive.)

Clears all reconciled transactions from the Bank Statement area, leaving only unreconciled items.

Allows short codes that were used in the previous financial year, but will now not be needed, to be deleted.(Period End–Delete)

Allows students, responsible people, suppliers, classes etc to be deleted if no longer required.( Period End – Delete)

**The Importance of DATES!!!!!**

The date is particularly important when processing batches of receipts where the money is received at the end of the financial year but not banked until the start of the following.

In this situation YOU MUST change ALL DATES to after the year end. If you do not, then at the year end point your BALANCE SHEET will not BALANCE. Therefore, receipt date and banking date must be within the same year.

**Year End CHECKLIST and SEQUENCE**

1. Take a Pre Year End backup using Period End - Archives - enter something like -
*Pre Year End Mar 2024*

2. Perform final bank reconciliation for the financial year.

3. Make sure that the preparation steps on the previous page have been completed (ie clear unreconciled items or old / incorrect showing as an unreconciled item and clear old short codes down to zero using Transfers. Date must be on or before the year end date)

4. Go to Period End – Year End – select the year end date on the right, or select a date of you choice from the calendar. Click on PREPARE FOR AUDIT button.

**Prepare for Audit**



This ensures that the internal control areas of PFM are in balance.



This indicates whether the 3 key reports – Summary Balance Sheet, Income and Expenditure report and Bank Reconciliation are in balance as they should be. If they are not, it tells you, and you can then investigate.

1. Balance sheet in balance – if it is not this will be either a future dated transaction or a missing date.

Go to Screen Enquiries and change the TO date at he top to 31/12/9999. Now run the Summary balance sheet. Is it in balance now?

If so, you will have done a banking AFTER year end that included some transactions from before year end, OR you have done a banking BEFORE year end that had transactions dated beyond year end. Look back through your Paying In printouts to locate then reverse (we recommend giving Support a call for the reversal)

1. The Excess of Income over Expenditure figure (Suspense a/c) should be zero - if it is not an Excess will be shown. This is usually due to short codes with balances being deleted.

If it does report a figure, you must investigate and clear. Go to Screen Enquiries and click on EXCESS OF INCOME HISTORY. This will tell us exactly what has gone into this account and you can then use Transfers to clear the figure.

1. I&E equals Balance Sheet, If it does not, go to Accounts Maintenance - Click on Current Short Codes – locate any with a Cost Centre of Null. Now close the report and change the Cost Center from Null to None.
2. Bank Reconciliation = Balance Sheet. If the Bank Statement is reporting a correct balance, but this is different from the Summary Balance Sheet figure for the bank, create a adjustment short code and enter an opening balance for the difference.

***If the report states that all is in balance, print the page and then go onto print reports below.***

5. Print all Year End Reports required from Period End - Year End Click PRINT AUDIT REPORTS

**NOTE – The Audit Trail will be VERY LONG – we recommend you untick this, and produce from archive only if requested.**

Print each report in turn then click CLOSE and it automatically goes onto the next.

6. Print an Unpresented Items List for each bank account in Transaction Entry – Bank Statements - select bank account at the top left and click on PRINT UNRECONCILED ITEMS. Choose the year end date for the report.

7. Print Summary Statements in Reports by Account for budget holders/trip leaders **ONLY if required,** (these can be printed from your archive at any point if someone does want the report)

8. Take a Year End Archive **BEFORE** closing the year down in Period End - Archives. Call it something like *Final Year End Mar 2024*

9. Close the year in Period End – Year End. Check Year end date is at the top of screen. **Tick box to confirm you have taken an archive**. Click on CLOSE PERIOD. It will ask if you wish to change the start date for the new financial year - say YES.

10. Go to Period End – Delete – say Yes – then delete short codes no longer required from far left hand column.