

SIMS

**Year End
Procedures and
Additional
Information in
FMS**

applicable to 6.162 onwards

Handbook

Revision History

Version	Change Description	Date
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Providing Feedback on Documentation

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Where to Find More Information

This handbook provides guidance on Year End procedures and additional information about FMS.

Other FMS documentation is available from within FMS via the FMS **Documentation Centre**, unless otherwise specified. This can be accessed by selecting **Help | FMS Documentation**. Once open, click the appropriate button (e.g. **Handbooks**), then navigate to the applicable option.

Online help can be accessed by pressing **F1** or clicking the applicable **Help** button.

What's New in this Release?

Option to View Debit Card Payments/Receipts in Transferred Transactions Report

Reports | Year End | Transferred Transactions

When selecting the report criteria for this report, **Debit Card Payments/Receipts** has been added to the **Transaction Type** browser.



More Information:

Transferred Transactions Report on page 26

Year End

The following section provides information to carry out the smooth transition from one financial year to another. Before you attempt carry out your year end procedures, you should ensure that your data has been backed up.

Understanding What Happens at Year End

The three ledgers, Purchase (Accounts Payable), Sales (both Non-Invoiced Income and Invoiced Income from the Accounts Receivable (Invoiced Income) module), and the General or Nominal Ledger will be checked and closed and any outstanding transactions carried over to the new financial year. Balances from the Income and Expense Ledgers are netted to form the 'profit' or 'loss' for the year and for establishments funded from a central source, this amount is then passed to a Control Account for each fund.

The Control Account is a Balance Sheet Ledger which retains the balance over financial year end. This balance, together with any other balances on other Balance Sheet Ledgers, will form the Opening Balance Journal passed to Period 00 of the new financial year when a preliminary close is selected.

When the structure is copied to the new financial year, trading can commence, as the opening balances will be placed into the new financial year by the system. Opening balances are updated each time a preliminary close takes place, as the old balances are reversed and the new balances recorded by the system. Once structures have been transferred, the new financial year will have all functionality available, with one exception. No cost centres, ledger codes or fund codes may be deleted until the final close of the previous year has been performed.

Once the preliminary close procedure has been run, reports concerning the effects of year end closure become available. Limited functionality remains in the old financial year, allowing any 'tidying up' to continue, but you will not be able to process any new business.

Prepare for Year End Closure

Before the **Preliminary Close** button is activated you will need to have carried out the following processes:

- The next financial year will need to have been added to the system and the structures copied.

NOTE: You are only allowed to have two years open on the system at the same time.

- Click the **Open Year** button to start the new financial year. Unless the new year is open you will not be able to close the previous year.



Additional Resources:

Defining Financial Years in the *Getting Started with FMS* chapter of the *Getting Started with FMS* handbook

*NOTE: As soon as the next financial year has been added to the system and the structures copied, all functionality will be available, with just one exception. You will not be able to delete ledger codes, cost centres or fund codes until the **Final Close** of the previous year has been carried out.*

- Ensure that all BACS transactions have been reconciled, as outstanding BACS files will not be transferred to the new financial year.
- If any ledger codes, cost centres, products, books or journal templates are added to the current financial year after the new financial year has been created, then they will need to be transferred before the current year is closed. This can be achieved in the old year by selecting **Tools | Define Financial Years | Update Next Year's Structures**.
- Check that the year is ready to be closed by selecting **Reports | Year End | System Check**. This will check for any outstanding transactions that require processing before the year can be closed.

NOTE: You may also wish to produce an Aged Debtor report in Accounts Receivable (Invoiced Income), on a set date in order to agree the figures that are in your Debtor Control account. The Aged Debtor report reflects the total outstanding debtors to date, regardless of the year in which the report is produced.

- Although Preliminary Close will not fail if there is outstanding salary commitment, you will not be able to run Final Close until all salary commitment has been cleared.

The next section sets out certain procedures you may wish to adopt throughout the year and particularly before closing a financial year, which may assist you in carrying out closure at year end.



More Information:

Update Next Year's Structures on page 4

The System Check Report on page 9

Accounting Procedures for FMS

Preliminary Checks before Year End Closure

The following advice applies to all schools who use either a Local system, or a mixture of a Local and Central system for all their transactions. It is considered good practice to keep a regular check on certain totals, particularly before running the Preliminary Closure routine at Year End. The following routines will allow you to check that certain totals are consistent. These checks focus particularly on AP transactions.

1. Print the **Balances & Reserves Report**.

- Undertake a trial reconciliation of all the outstanding items on the appropriate bank accounts. The resulting balances should agree with the bank account figure on the Balance and Reserves Report in the current balance column. Do not save the bank statement.
 - Compare the Creditor Control figure in the Current Balance Column.
2. Print off a summary of the **Aged Creditor Report** for all creditors.
 3. If you process Central Payments:
 - Print the Invoices and Credit Notes Manual Reconciliation Report. Calculate the total amount of transactions on this report inclusive of the appropriate VAT.
 - Deduct the gross total on the Invoices and Credit Notes for Manual Reconciliation Report from the Aged Creditor Report.
 4. Compare the Creditor Control Total with the Total of the **Aged Creditor Report**. The totals should be the same.

Should you encounter any discrepancies with balances in any of the above reports, please log a call with User Support.

BACS and Year End

BACS runs and payments are not transferred from one year to the next. Therefore, it is essential that all BACS transactions are reconciled before running Preliminary and Final Close.

If you decide to run Preliminary Close within one calendar month of year end, or a BACS run within the last month of the year, you will receive a warning message reminding you that you need to ensure that all BACS transactions and possible contra transactions have been reconciled to the bank statement. This does not apply to failed BACS files, as these never appear on bank statements. However, it is quite possible for a BACS file to appear on one bank statement and any contra records for BACS transactions which have failed to appear on a later statement.

NOTE: As it is not possible to do the Bank Reconciliation routine for transactions not yet reconciled after preliminary year closure, an assumption is made here that organisations receive statements at a maximum of monthly intervals, even though this may not be the case.

Once Preliminary Close has been run for the previous financial year, you will only be able to view BACS payments. No further processing for the year may take place.

Update Next Year's Structures

This facility is provided to allow you to update any additions that have been made in the current year since the next financial year was created. Existing structures, i.e. cost groups, cost centres, ledger groups and ledger codes will have copied automatically at the time the next year was created, thus allowing you to work in both years.

If you add any new cost centres to the new financial year and then try to add the same cost centre and code to the old financial year, a warning will alert you to the fact that the code already exists in the new year. A similar message will be displayed for ledger code additions.

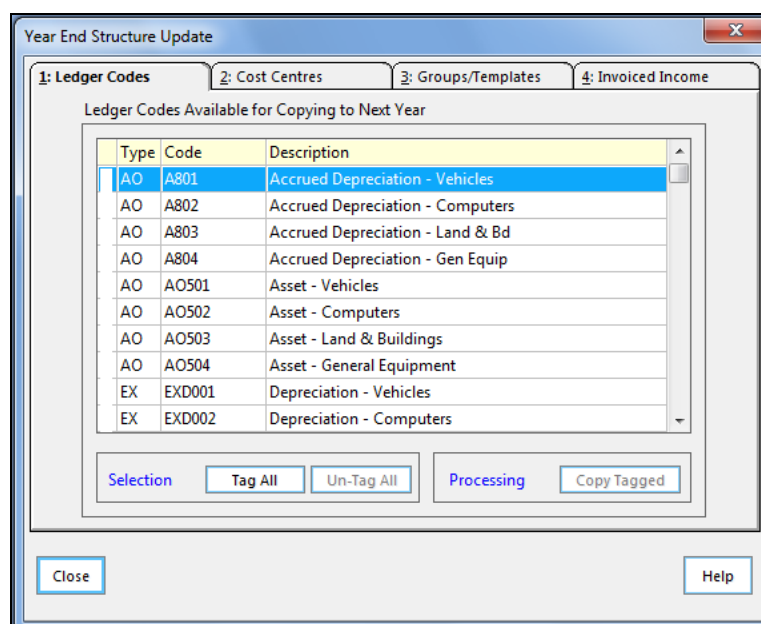
Similarly if you try to add a code to the new year that has already been added to the old year but not copied, a message will be displayed alerting you of the fact. Use the **Update Structures** tool to ensure all ledger codes, cost centres and journal templates, etc. added after the new year has been defined, are successfully copied to the next financial year.

To access this particular option select **Tools | Define Financial Years | Update Next Year's Structures**.

*NOTE: When you wish to move to another tabbed page, either select using the mouse or press **Alt** plus the number of the page, e.g. **Alt+2** will give you access to copying cost centres created since the structure was last updated.*

Updating Ledger Codes

All newly created ledger codes will be available for selection and displayed in the form of a browser. You may select the entire list to be copied into the new year or you may select individual codes. Remember only the codes that do not already exist in the new financial year will be available to be copied.



Selecting All Ledger Codes

1. From the **Selection** panel click the **Tag All** button. Each ledger code in the list will be marked with a flag.
2. Click the **Copy Tagged** button from the **Processing** panel. The ledger codes will be copied into the structure for the new financial year and will no longer appear in the **Structure Update** browser.

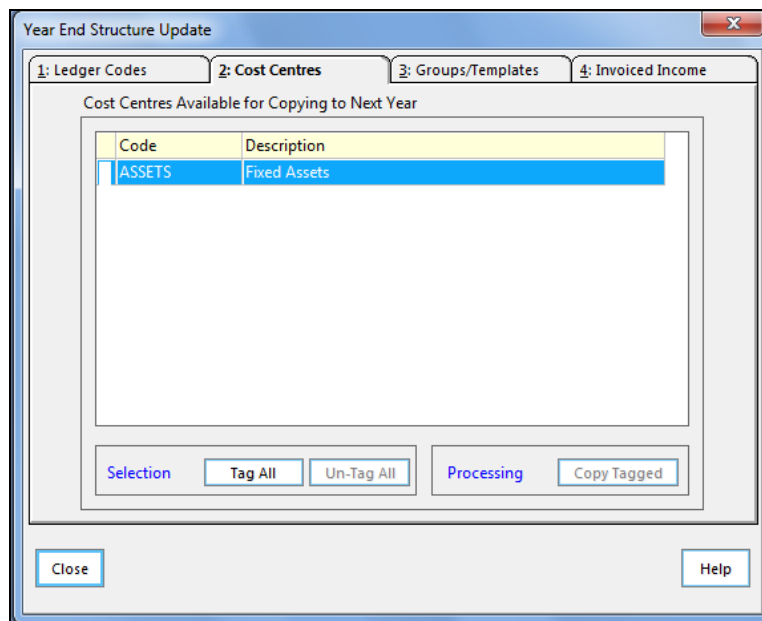
Selecting Individual Ledger Codes

1. Highlight the ledger code you wish to copy into the new year. To mark the code with a flag, either click in the space next to the highlighted code or press the **Spacebar**.

2. When you have completed your selection, click the **Copy Tagged** button in the **Processing** panel. Those codes selected for copying will no longer appear in the **Structure Update** browser.
3. If you decide to remove the tags, either click the **Un-tag All** button or click next to individual codes. Pressing the spacebar will also remove tags from highlighted ledger codes.
4. Once you have completed the above process, either click the **Close** button to return to the main screen or continue updating the structures by selecting the second of the tabbed pages.

Updating Cost Centres

If you have created any new cost centres since defining the next financial year, these will be available for you to copy, providing they do not already exist in the new year. It is possible to copy the entire list or to select individual cost centres.



Selecting all Cost Centres

1. To select all the cost centres in the **Structure Update** browser, click the **Tag All** button on the **Selection** panel. Each cost centre will be marked with a flag.
2. In the **Processing** panel, click the **Copy Tagged** button. The selected cost centres will be copied into the new year and will no longer appear in the available list.

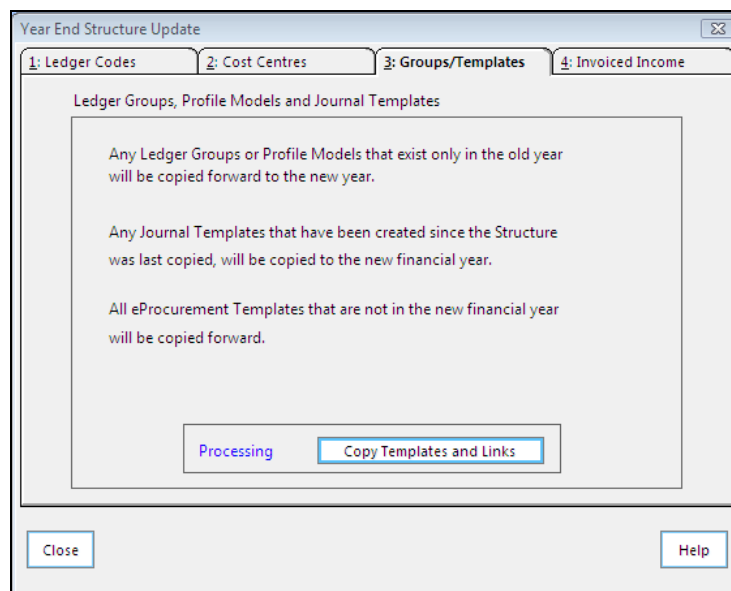
Selecting Individual Cost Centres

1. To select individual cost centres, highlight the cost centre of your choice and either click in the space next to it or press the **Spacebar**. The cost centre will be marked with a flag.
2. Next, click the **Copy Tagged** button from the **Processing** panel. The cost centres marked for copying will be duplicated in the new year and will no longer appear in the available list.

3. If you decide to remove the tags, either click the **Un-tag All** button or click next to individual cost centres. Pressing the spacebar will also remove tags from highlighted cost centres.
4. Finally, either click the **Close** button to return to the main screen, or select one of the other tabbed pages to continue with the update process.

Updating Groups/Templates

Selecting this option enables you to copy forward Ledger Groups and Profile Models which exist in the old year into the new financial year. Journals created since the structure was last updated will also be copied into the new year.

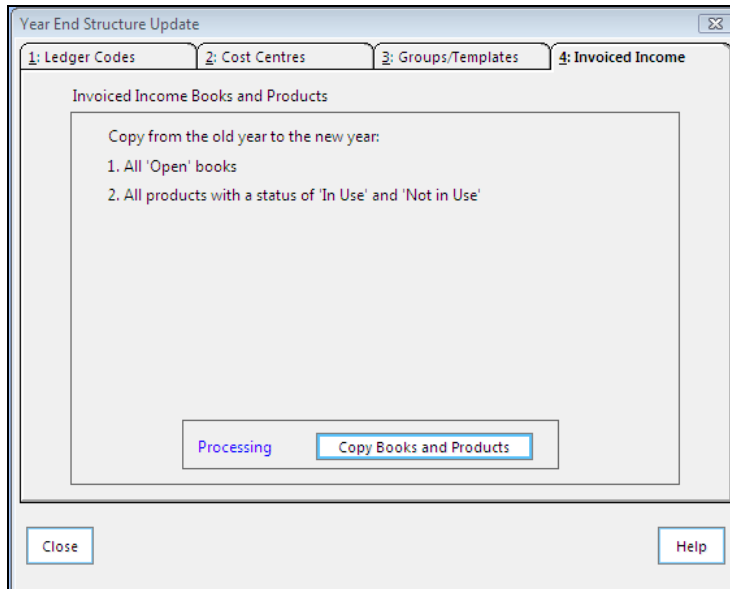


1. In the **Processing** panel, either click the **Copy Templates and Links** button or use the **Tab** key to give the button the focus and press **Enter**.
2. Click the **Close** button to return to the main FMS processing area or select one of the other tabbed pages.

Updating Invoiced Income

Selecting this option allows you to copy all **Open** books defined to handle payments into a selected bank account and all products that are either **In Use** or **Not In Use**, into the new year.

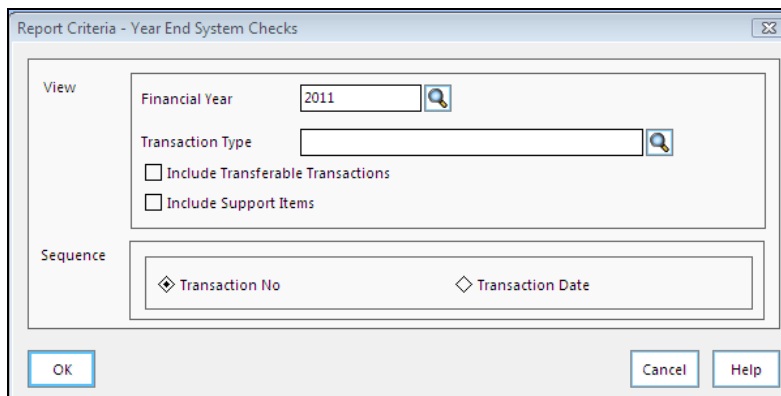
NOTE: The other books defined on the system are not copied because they are available automatically in all financial years defined. Paying In Slip books, however, are linked to a bank ledger code and therefore attached to a specific financial year.



1. In the **Processing** panel, click the **Copy Books and Products** button or, if the button has the focus, press the **Enter** key.
2. Click the **Close** button to return to the FMS processing area or select one of the other tabbed pages.

Selecting the Criteria for System Check Report

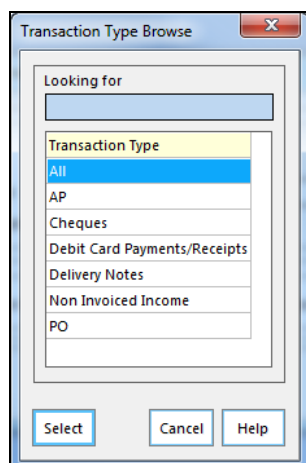
Before you can produce a report detailing the checks made upon the system in preparation for year end, you will need to make certain decisions as to the content of the report.



1. The financial year selected to work in is displayed by default. If this is not the financial year to be closed, click the **Field Browser** button or press the **F3** key.

 *Field Browser button*

- Next, select the **Transaction Type** you wish to report on by clicking the **Field Browser** option.



- Highlight the transaction type from the browser, e.g. choosing **All** will produce a report on every aspect of the system, whereas choosing **Delivery Notes**, for example, will check the status of all delivery notes entered. You may need to scroll down the browser to locate the correct transaction type.
- When you have chosen the transaction type, click the **Select** button to continue. Clicking the **Cancel** button will close the browser without a selection having been made.
- If you wish to include transferable transactions and support items on your report, select the check boxes or use the **Tab** key and the **Space bar**. You may decide to include both, just one or none of the options.
- The report will be ordered according to **Transaction Number** by default. Select the **Transaction Date** radio button to order transactions according to date.
- When you are ready to continue, click the **OK** button. Clicking the **Cancel** button will abandon the System Check report and return you to the main screen.

The System Check Report

When the System Check report is produced, you will receive a list of all transactions for the particular option chosen during the criteria selection process.

Process Outstanding Transactions

If you have any items on your system that require further action to enable preliminary close to run, these will be listed in this section, along with their current status.

The following table endeavours to address any problems that you may encounter which may stop preliminary close taking place.

Transaction Type	Status	Action
Order	Not Authorised	Authorise or Cancel
AP Invoice (local)	Not fully authorised	Authorise or Cancel
	On Hold	Change Status or Cancel Commitment
Non-Invoiced Income	Created	Delete or Post
AR (Invoiced Income)	Created	Delete or Post
AP Invoice (central)	Not fully authorised	Authorise and Print Authorisation Slip or Cancel
	Authorisation slip not printed	Print Authorisation Slip or Cancel
AP Invoice (central)	Invoice on hold	Change Status, Cancel Invoice. (Transferable if Authorisation Slip printed)
All Journals	Unposted	Post
Petty Cash Expenditure	Unposted	Post

Transferable

- Transactions marked with a **T** may be transferred and require processing in the new financial year.
- Transactions marked **TS** may be transferred as supporting items, e.g. the order form supporting an invoice.

At the end of the report, further reasons may be given as to why it is not possible to run preliminary/final close, e.g. ledger codes have been added since the new financial year was defined. If ledger codes, cost centres, ledger groups, profile models or journal templates have been added, select **Tools | Define Financial Years | Update Next Year's Structures**, to ensure that these are copied across into the new year.

You will also need to select this option to ensure that Paying In Books or products added since the new year was created are also copied across.



More Information:

Update Next Year's Structures on page 4

What Happens at Preliminary Close

You can perform as many preliminary close procedures as you wish. Each begins by automatically reversing out any changes made to opening balances during previous preliminary close routines. Any Invoices, Non-Invoiced Income receipts, etc. which are transferred to the new year are not transferred back and cannot be further adjusted in the old year once a preliminary close has taken place.

When you come to make a final close, you should be sure of your data and reasonably certain that no further intervention on your part will be needed to complete the process.

Preliminary close performs a number of checks on Purchase Orders, Accounts Payable, Non-Invoiced Income, Invoiced Income, Bank, Suspense File and Unposted Journals. All being well, it will then attempt to close any period that has not already been closed, starting with the lowest open period and finishing at the final period. If any problems are encountered the closure process will stop at that point. The preliminary close routine can be re-attempted when any problems have been resolved.

*NOTE: Any Suspense Files found in the Automatic Reconciliation routine will not stop a preliminary close, even though details are shown in the **System Check Report**, available after a preliminary close has been attempted.*

All central orders that have remaining commitments are transferred at the first Preliminary closure. This allows the processing of invoices that have been associated with a central order book to be made in the new financial year immediately after the Preliminary closure has been completed.

When undertaking the Year End process, invoices and credit notes that have been sent to the LA for central payment can be left in the old financial year for reconciliation purposes by either automatic reconciliation or manual reconciliation. Once they have been reconciled, the remaining transactions can be brought forward at the next Preliminary closure or will be transferred to the new financial year when the Final closure is undertaken.

Closing the last financial period will activate any necessary transfers from Purchase Orders, Accounts Payable, Non-Invoiced Income, Invoiced Income, Banks and Petty Cash into the next financial year. The old year will then be shown within the **Financial Year** browser as **Closed - Not finalised**.

It is helpful to understand the checks and transfer associated with preliminary close as this will assist you in tidying your data and identifying what will be transferred to your new year.

Closing Years and Periods

The closures of periods and years are closely linked. A number of rules govern the order in which actions must be carried out.

Years

- Only two years can be started at any one time, though further years may be created but not started, for budgeting purposes. For example, this means that financial year 2008 cannot be started until 2006 has been closed.
- Only the lowest open year on the system may be closed.
- It is not possible to run a preliminary close until all the periods have been closed except the last period. The system, when preliminary close is selected, will go through and systematically attempt to close each period. If it is not successful then it will reverse out any action that has been taken and report on the reasons why it was not possible to continue.
- A year cannot be closed unless the system date is at least in the first period of the new year. The system will, however, on selection of the close year option, automatically select the year you wish to close.

- If a final close is requested less than 28 days after the last day of the final financial period you will be asked to confirm the request and a preliminary close must have taken place.

Periods

- The first period in any year can only be closed if there has been at least a preliminary close of the previous year.
- Periods can only be closed in sequence. You may have a system of closing each period as it ends or you may leave all periods open until Year End. Whichever system you use, running preliminary close will perform the necessary checks on all open periods, closing those found open. The following rules apply to closing periods:
 - Only the lowest open period may be closed.
 - A period cannot be closed until the system date is within the new period.
 - Final periods cannot be closed via the Close Period routine, only through preliminary/final close. A warning will be issued should you attempt to do this.
- Closing the final period during the preliminary/final close will activate any necessary transfers from Purchase Orders, Accounts Payable, Accounts Receivable (all income - invoiced and non-invoiced), Banks and Journals. Any outstanding bank reconciliation may take place in either the previous or the new financial year.
- Entries made in Period 13 (Final + 1) will not automatically update the Opening Balances in the new financial year. Opening Balance Journals created in Period 00 of the new year by closing down the final period are reversed and replaced with new balances that reflect adjustments made in the final period + 1. The preliminary close routine must be re-run in order to update the Opening Balances.
- If there is a period mismatch between the old year and the new year you will be asked to confirm the mismatch.



More Information:

Update Next Year's Structures on page 4

Cross Year Symbols

Any orders, transactions or local payments that are copied and transferred to the next financial year will be marked as such in the **Cross Year** section of each relevant browser. The following table explains the meaning of the symbols that you may come across in either the previous or the next financial year:

- | | |
|-----------|--|
| T | This symbol indicates that the listed item has been transferred to the next financial year and requires additional processing. |
| TS | If this symbol marks a transaction, a copy of the item has been transferred to the next financial year as a supporting item, e.g. a copy of the order relating to an invoice may be transferred. |
| TR | You will only see this symbol if a transaction has been copied in support and the item it is supporting is cancelled. |

- F** This symbol indicates that the listed item has been transferred from the previous financial year and requires further processing.
- FS** When this symbol is recorded in the next financial year, the item has been transferred as a supporting item, e.g. the order relating to an invoice yet to be processed.
- FR** If this symbol marks a transaction that has been copied in support, it means that the item it was supporting has been cancelled. If further processing is required, it is reinstated and available for completion.

Purchase Orders

At the preliminary stage, transactions are transferred to the new year. To facilitate the cancellation of entries in the new year, the system transfers associated transactions in support, e.g. if an Invoice is outstanding at year end, it would be transferred in to the new year as part of the Creditor Control Balance. The Invoice would require paying in the new year and any orders attached to the Invoice would also be transferred 'in support', thus enabling you to cancel the Invoice if you wished. The order would become outstanding in the new year, where it could be re-invoiced or cancelled.

It is also perfectly possible to add an Invoice in the new financial year for orders and delivery notes that have been recorded in the previous year.

The following criteria must be met before preliminary close may take place:

1. There must be no unauthorised orders in the old year as these will not be transferred. Either authorise or cancel them.
2. All fully authorised orders are transferred to the new year. That includes totally outstanding, part-outstanding orders and those items transferred in support of Invoices.
3. Locally paid entries are always carried over at the preliminary stage, including fully outstanding, part outstanding and those items carried over in support of Invoices.
4. Transferring orders will increase the commitment in the new year. The commitment on purchase orders in the old year will be zero.
5. Symbols used to indicate that a purchase order has been transferred, are as follows:

- T** Order transferred to the next financial year.

If you decide to review the orders entered into the system during the old financial year after a preliminary close routine has been run, any orders that have been Authorised will be marked with the symbol illustrated on the left in the Cross Year column. This symbol indicates that the order has been transferred to the new year.

- TS** Order copied and transferred to the next financial year in support.

Any orders that are copied and transferred to the new year in support, e.g. the copy of an order for an invoice entered into the system, are marked in the Cross Year column with the symbol illustrated on the left.

- TR** Order copied to the next year in support of an item that has been cancelled.
You will only see the symbol illustrated on the left if a supporting item is reinstated owing to the cancellation of the transaction it was supporting.
- F** Order transferred from the previous financial year.
Selecting Purchase Orders in the new financial year allows you to review orders that have been transferred from the old financial year. Orders requiring further processing are marked in the Cross Year column with the symbol illustrated on the left.
- FS** Order copied and transferred from the previous financial year in support.
An order that has been copied and transferred from the previous financial year in support, e.g. for an invoice entered into the system, will be marked in the Cross Year column with the symbol illustrated on the left.
- FR** Order copied from the previous year in support of an item that has been cancelled.

Accounts Payable

1. Centrally paid invoices must be authorised and have authorisation slips printed to enable them to be transferred to the new year. If authorisation slips have not been printed, it is also possible to cancel the commitment for the invoice.
2. Only the latest version of any outstanding Accounts Payable invoice or other Accounts Payable transaction is transferred to the new year.
3. Any associated orders or authorisations that have not already been transferred are also carried forward to the new year. Transferring orders will increase commitment in the new year.
4. Symbols indicating that an invoice/credit note has been transferred, are as follows:

T Transaction transferred to the next financial year.

Accounts Payable transactions not yet reconciled are marked in the **Cross Year** column in the previous financial year as having been moved to the new year.

F Transaction transferred from the previous financial year.

Any transactions that have been transferred from the previous financial year requiring payment, are marked in the **Cross Year** column with the symbol illustrated on the left.

5. All credit notes not included in a payment run will be automatically carried forward to the new year and any marked as matched will be changed to unmatched.

Non-Invoiced Income

1. Any Non-Invoiced Income, whether local or central, that has not been posted/centrally authorised will not be transferred. These must be posted/authorised or cancelled.

NOTE: You will be able to run Preliminary Close where a Pay In has been centrally authorised but the reconciliation file has not yet been received.

2. For local accounts, only bank slips that have been posted will be transferred. If you have any bank slips that have not been posted, either post or cancel the slips.
3. Bank slips which have not been reconciled must be transferred to the new year together with the attached Non-Invoice Income.
4. Transactions transferred are marked in both years to indicate their current status.



More Information:

Cross Year Symbols on page 12

Accounts Receivable (Invoiced Income)

Preliminary or Final close will be prevented if each transaction indicates that further processing is required before the year can be closed. Transaction status and the action required is as follows:

Invoices and Credit Notes	Created and authorised Invoices and Credit Notes must either be posted or cancelled.
Receipt	Receipts that have been created or created and printed, must be posted, either directly or through the Pay In Slip, or cancelled.
Pay In Slip	Created Pay In Slips must either be posted or cancelled.

Once a year has been closed, Preliminary or Final close, then the data in Accounts Receivable (Invoiced Income) will become 'read-only' for the closed year. Only the reports will remain available.

NOTE: Accounts Receivable Invoices are not transferred to the new financial year. However, this doesn't mean that you can't select an Invoice raised in the previous financial year when processing the Receipt for payment received in the new financial year.

Journals

1. All journal templates are transferred as part of the Chart of Accounts, unless new templates have been added since the new financial year was defined. In this case new templates can be transferred as part of the update routine.
2. If you have any unposted journals stored on the system, they cannot be transferred. Either post the journals or delete them from the system.
3. Any reversing journals that have been set up will be posted to Period 1 of the new year. These cannot be posted to period 13.
4. All bank journals, i.e. closing journal, cash book journal, will be copied to the new financial year as an unreconciled item. This is because it will be required to be reconciled when the bank statement is received. When such journals are transferred to the new year they will only be visible in the Bank Reconciliation area of the General Ledger, where you will be able to reconcile the bank statement against the journal entries. As soon as the journal has been reconciled, a flag will be placed against the original entry in the old year to state that reconciliation has now taken place.

5. After preliminary close has been run it will not be possible to contra a journal entry. You will be able to use closing balance journals to make any necessary adjustments.



More Information:

Update Next Year's Structures on page 4
Year End Journals on page 19

Banks

1. All unreconciled bank transactions may be reconciled in either financial year.
2. If the bank account is used for reimbursing petty cash, you are permitted to reconcile entries in the old or the new year and these will appear in Bank Reconciliation in the General Ledger.

Petty Cash

1. If any petty cash expenditure remains unposted this will not be transferred to the new year. Make sure that all items of expenditure have been posted, as preliminary close will fail if any unposted petty cash remains outstanding.
2. Petty cash reimbursement will be copied forward to the new year at the time of preliminary close and will appear in the Bank Reconciliation of the General Ledger, if the local bank account is used, or in Central under Manual and Automatic Reconciliation.
3. The petty cash balance will be transferred forward.
4. After preliminary close has been run there will be limited functionality in the old financial year.



More Information:

Functions Permitted in Previous Financial Year after Preliminary Close on page 23

Retained Earnings

The following checks will be made at preliminary year end:

- A check will be made when running preliminary year end to determine whether the retained earnings definitions have been set or not. If the retained earnings ledger code has been defined, but the system not set, then a warning message will be issued and you will be asked if you wish to continue. Selecting **Yes** will result in the opening balance journal for the following year being created, using FD fund and FC fund control codes and not retained earnings. If **No** is selected then preliminary year end will be abandoned, so that the system can be set to use retained earnings by selecting the **Use Retained Earnings** check box on the **System Parameters** page in **Tools | Establishment Details**.
- If the system has been set to use retained earnings, then the opening balance journal for the next year will recognise and use the retained earnings ledger code.
- The system will calculate the total debit and credit balances for the financial year, for each fund/retained earnings ledger code combination. If you are changing to retained earnings from FD, FC codes, the FD fund code will be included in the calculation. If there is a difference between the debits and credits, a line will be added at the start of the Opening Balance Journal for the following year stating the difference.

- Balances for ledger codes that are not included in the retained earnings calculation will be calculated for the financial year and a line added to the Opening Balance Journal for the next for any value that is calculated.
- The total debits and credits for all Income and Expenditure ledger codes for each fund on the system will be calculated for the financial year, with the exception of Period 0, in the year being closed. If there is a difference between the debits and credits, a line will be added at the end of the Opening Balance Journal in the next year, stating the difference using the retained earnings ledger code and fund.

Selecting Year End Close

The Year End closure options are found when **Tools | Define Financial Years | Define/Edit Years** is selected. By choosing the appropriate button you are given the option to select one of the following:

- **Preliminary Close**
- **Final Close**

WARNING: You are only allowed to select the Final Close option once and therefore should be absolutely certain that no further intervention is required in the year to be closed.



More Information:

What Happens at Preliminary Close on page 10
Running Final Close on page 25

Running Preliminary Close

1. Select **Tools | Define Financial Years | Define/Edit Years**.
2. Click the **Preliminary Close** button. The system will perform checks as follows:

Action	Passed
Checking System	✓
Validating Purchase Orders	✓
Checking Accounts Payable	✓
Validating Cheques	✓
Checking Non Invoiced Income	✓
Checking Invoiced Income	✓
Checking Invoiced Income Books	✓
Checking Invoiced Income Products	✓
Validating Journals	✓
Validating Petty Cash	✓

Buttons: Continue, Report, Cancel

3. Transactions that have passed will be marked with a tick; those which fail will be marked with a cross. Click the **Report** button to produce a report detailing the reasons why certain transactions failed.

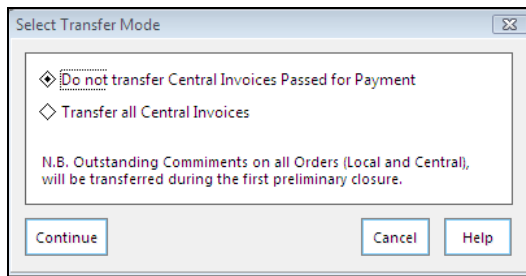
4. Once the report has printed, click the **Cancel** button and, using the information from the report, rectify any areas that are stopping preliminary close.
5. When you have completed any necessary corrections, re-start the process by repeating the first two steps detailed above.
6. If all your transactions now pass the checking process click the **Continue** button.



More Information:

Selecting the Criteria for System Check Report on page 8

Selecting Transfer Options



Once the Preliminary Checks have been completed satisfactorily, either select the **Do not transfer Central Invoices Passed for Payment** radio button or the **Transfer all Central Transactions** radio button.

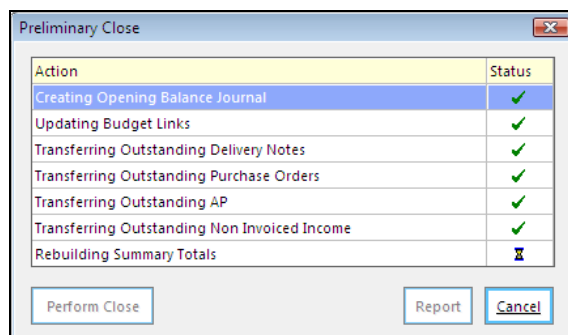
- Transferring all **Central Transactions** means that everything will be transferred allowing a minimum of adjustment after preliminary close has taken place. In this case, reconciliation may only take place in the new year. Running preliminary close is not dependant on transactions having to be reconciled but any unreconciled items will be moved into the new financial year.
- If you choose not to transfer **Central Transactions** some adjustment will be required, e.g. automatic reconciliation for the last period may still be outstanding and can be processed in the old year.

NOTES: All central orders that have remaining commitments are transferred at the first Preliminary closure. This allows the processing of invoices that have been associated with a central order book to be made in the new financial year immediately after the Preliminary closure has been completed.

You may decide to keep centrally paid items back, in order to reconcile these transactions in the old financial year.

Completing the Preliminary Close

The next stage will perform the actions detailed in the following graphic:



1. If all the actions taken were successful, a tick will be placed in the **Status** column. Click the **Report** button for a printed report on the transactions that have transferred to the new year and also for details of any actions which caused the preliminary close to fail.
2. If you do not wish to continue with the preliminary close routine, click the **Cancel** button. To proceed with the closure, click the **Perform Close** button.

The year will now be recorded as **Closed - Not Finalised**.

The first time you run preliminary close the last period will be closed and the financial year will move into the system created period, usually 13 (12+1).

If you have not already elected to view transactions which have transferred, you may now wish to produce a report.

Post-Preliminary Close Checks

When you have run off all the reports of the transactions transferred, it may be useful to run a Trial Balance for all your ledger codes and cost centres in the final period of the preliminarily closed year. This will enable you to seek confirmation that the closing balances match the opening balances of the new year. Similarly you can run a Trial Balance in the new year (period 1) to confirm that the opening balances are correct.

Only when you are satisfied with the balances and year end adjustments should you consider moving on to the final close.



More Information:

Functions Permitted in Previous Financial Year after Preliminary Close on page 23

Year End Journals

Once preliminary close has been run, any adjustments may be made through the two journal types that now become available. At this point all other journal types cease to be obtainable and you are only allowed a choice from:

- **Year End Adjustment Journals** (formally known as Closing Balance Journals)
 - **Year End Adjustment Reversing Journals**
1. To access these journal types, either click the **General Ledger** button from the Application Bar or select **Focus | General Ledger**.



General Ledger button

2. Either click the **Manual Journal Processing** button from the Application Bar or Manual Journal Processing from **Focus | General Ledger**.



Manual Journal Processing button

Enter Year End Adjustment Journal

1. From the Focus Bar, click the **Add Record** button or select **Manual Journals | Add**. You may also add a journal entry by selecting **Ctrl+F2**.



Add Record button

2. Select the **Year End Adjustment Journal** radio button.

*NOTE: If the **Use Wizard for Manual Journal Entry** check box has been selected in **Tools | User Options**, click the **Next** button and complete the **Narrative** details for the journal. Click the **Next** button.*

3. The Year and Period will be entered automatically as the year about to be closed and period 13. If required, enter a brief description in the **Narrative** section.

Adding Line Details for Year End Adjustment Journal

1. Click the **Add Item** button or press the **F2** key to add the details for adjustment journal you are entering.



Add Item button

2. To select the ledger code for the adjustment, click the **Field Browser** button or press **F3**. Highlight the code you are looking for and click the **Select** button.



Field Browser button

3. The Fund Code and Cost Centre will be entered automatically. If you wish to change either the selected code or cost centre, click the **Field Browser** button and make your selection from the browsers.
4. Enter the amount and select the appropriate radio button to indicate whether the amount entered is to be debited or credited to the ledger code/cost centre combination.
5. Enter a brief description in the **Narrative** section, if required.
6. Either click the **Update & Close** button or the **Update & Next Line** button to record the information entered. Remember that in order to post a journal, the journal must balance.

NOTE: If the adjustment journal entered impacts on the closing balances, you must re-run preliminary close again in order to update the opening balances in the new year.

Completing Year End Journals

1. Click the **Save Record Changes** button from the Focus Bar or press **F9**, to keep a record of the journal. Alternatively, select **Manual Journals | Save**.



Save Record Changes button

2. Click the **Post Journal** button or select **Manual Journal | Post Journal**. Once the journal has been posted it is recommended that the preliminary close routine is re-run, particularly if the journal has impacted closing balances for the year.



Post Journal button

3. To abandon any changes you have made, click the **Undo Record Changes** button from the Focus Bar or press the **Esc** key. Selecting **Manual Journals | Undo** will also undo any changes that have been made. This option is only available to unposted journals.



Undo Record Changes button

4. If you wish to copy a journal, click the **Copy Journal** button on the Focus Bar or select **Manual Journals | Copy Journals**.

Copy Journal button

5. To return to the main browser, click the **Focus Browser** button on the Focus Bar or select **Manual Journals | Browser**. You may also use **Ctrl+F3** to return to the main browser.



Focus Browser button

Remember that once this type of journal has been posted, the facility to create a contra journal is not available for year end adjustments.

Entering Year End Adjustment Reversing Journal

1. Click the **Add Record** button from the Focus Bar or selecting **Manual Journals | Add**. You can also select this option by pressing **Ctrl+F2**.



Add Record button

2. Select the **Year End Adjustment Journal** radio button.

*NOTE: If the **Use Wizard for Manual Journal Entry** check box has been selected in **Tools | User Options**, click the **Next** button and complete the **Narrative** details and the **Reversal Period** for the journal. All other details will be entered automatically. Click the **Next** button.*

The year and period will be entered automatically, reflecting the financial year about to be closed.

3. If you haven't arrived at this point by using the Wizard, enter a brief description in the **Narrative** field.
4. The **Reversal Year** will be chosen automatically as the next financial year. If you need to change the reversal **Period**, click the **Field Browser** button. Highlight your chosen period and click the **Select** button to continue.



Field Browser button

The next stage will be to enter the line details for the journal.

Adding Line Details for Year End Adjustment Reversing Journal

1. To start adding the line details for the journal, click the **Add Item** button.



Add Item button

2. To select the **Ledger Code** click the **Field Browser** button, highlight the required code and click the **Select** button.

3. The Fund Code and Cost Centre linked to the ledger code will be selected automatically. If you wish to change the combination, click the relevant **Field Browser** button, highlight the fund or cost centre required and click the **Select** button.
4. In the **Amount** section enter the sum to be recorded in the adjustment journal.
5. Select either the **Debit** or the **Credit** radio button. Remember that the journal must balance to enable it to be posted, so a double entry is required. If required, enter a brief description in the **Narrative** section.
6. Finally, either click the **Update & Close** button to record the journal or the **Update & Next Line** button to continue adding journal line details, e.g. the double entry for the current journal.



More Information:

Completing Year End Journals on page 21

Functions Permitted in Previous Financial Year after Preliminary Close

The following tables illustrate the tasks that may be undertaken in the previous financial year once preliminary close has taken place.

General Ledger

	Can Access	Cannot Access
General	Reviews and Reports	
Journals	Reversing Journals (process one journal in Period 13 and the second journal in Period 01)	Any other journals
	Closing Journals (processes journal into Period 13)	
Central	Direct Central Payments/Receipts	Fund to Bank transfers
	Centrally paid invoices which have not been transferred	
	Central Income which has not been transferred	
	Define/Test import files	
	Link/Unlink Central Payment mappings	
Budgets	All Reports and Reviews	Cash Profiles
	Increase/Decrease Fund Allocation	Budget Allocations
		Profile Models

01 | Year End Procedures

Bank	View/Print only	
Petty Cash	View/Print Folios	Enter, adjust or cancel transactions
	Access Reports	

Accounts Payable

	Can Access	Cannot Access
Order Processing	Reviews and Reports	Process Orders
		Authorise Orders
		Print Orders
		Print Dummy Orders
Invoice Processing	Reviews and Reports	Process Invoice/Credit Notes
		Authorise Invoices
		Hold or Cancel Invoices
		Print Authorisation Slips
		Print Cheques
		Cancel Cheques

Non-Invoiced Income

	Can Access	Cannot Access
Receipt Processing	Print Authorisation Slips	Enter Receipts
	Reviews and Reports	Match Receipts
		Cancel Non-Invoiced Income
		Transfer Receipts

General Ledger Setup

	Can Access	Cannot Access
Define Financial Years	Preliminary and Final Closure	Edit Closed Year Details

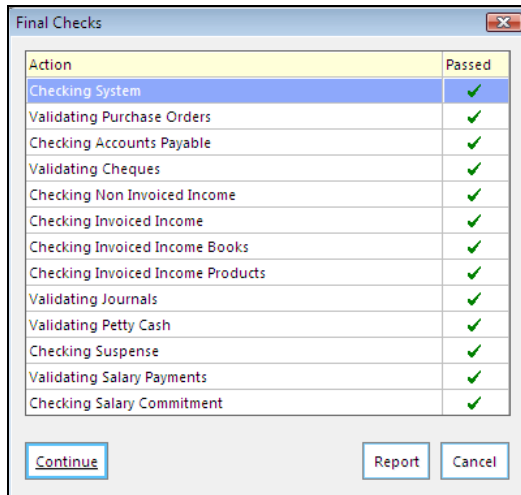
	Can Access	Cannot Access
	Update Structure for New Financial Year	Period End (all open periods are closed by the Preliminary Close function)
Funds	Add funds and rename existing funds and LEA codes	Unlink funds from Ledger Codes
	Link additional funds to Ledger Codes	
Ledger Groups	Add new Ledger Groups	Delete used Ledger Groups
Cost Centres	Define new Cost Centres	
Ledger Codes	Add new Ledger Codes	
	Edit short code and description of Ledger Codes	
	Alter Ledger Group, normal profile, normal VAT on a ledger code	
Cost Centre/ Ledger Links	Create new links between Cost Centres and Ledger Codes	Delete Ledger Code/Cost Centre links where actuals posted or budgets allocated
General	Print all listings	Define Profile Models
	Define permissions	
	Link/Unlink Central Payment mappings	

Running Final Close

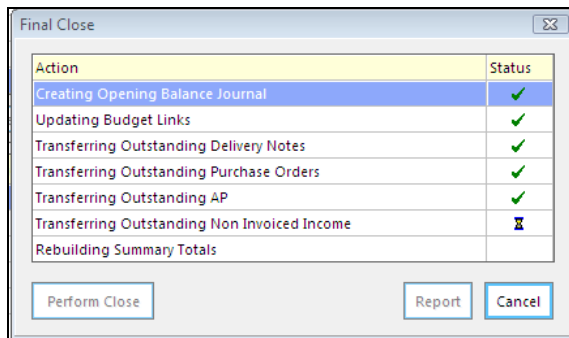
1. To access this option select **Tools | Define Financial Years | Define/Edit Years**.

01 | Year End Procedures

- 2. Make sure the year to be closed is highlighted and click the **Final Close** button.



- 3. A final closure will normally be made after your accounts are audited. The process is identical to carrying out a preliminary close, with the exception that all transactions are transferred to the new year and you will not need to decide on the transfer options.
- 4. During the final part of the close procedure an opening balance journal is created; outstanding purchase orders, accounts payable and income transactions are transferred; summary totals are rebuilt.



NOTE: Remember that once you have completed a final close, you will not be able to reverse the action.

Transferred Transactions Report

The Year End Transferred Transactions report can be produced after running both the preliminary close and the final close, by selecting **Reports | Year End | Transferred Transactions**.

Selecting the Criteria

View

This section allows you to decide on the transactions to be viewed for a specific financial year. Check boxes are also provided to further refine the information produced.

1. If you need to find the financial year or wish to choose a specific transaction type for your report, click the appropriate **Field Browser** button. Highlight the required year and click the **Select** button.
2. To select a specific transaction type to be viewed in the report, click the **Field Browser** button.

 *Field Browser button*

NOTE: If you leave this field blank, the report produced will include all transferred transactions. This is the same as selecting **All** from the **Transaction Type** browser.

3. Highlight the transaction type and click the **Select** button.
4. If you wish associated transaction documents to be included, e.g. purchase orders supporting invoices, select the **Include Support Items** check box.

Sequence

The report can be sequenced either according to **Transaction Number**, or by **Transaction Date**. Select the appropriate radio button.

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Searching For an Item within a Browser

1. If you require a specific entry, use the **Looking for** field to help you locate the item. Either enter the first group of letters or numbers and the browser will scroll until the relevant item is found or the nearest match has been made. The information you enter will depend on the order selected in the **Sequence** section for displaying the information.
2. If you are searching for a specific date, use the **Calendar** button provided to locate the date you are looking for (please see *Using the Calendar* on page 29).
3. In the **Sequence** section you are given a choice for displaying the order in which the information is shown. From a selection of two or more radio buttons, choose the radio button indicating your preference for the display order of the information.

*NOTE: Please note that some Lookup Browsers do not contain a **Sequence** section. The method of searching for a required field is, however, still the same as described in point 1.*

Using the Calendar

When the **Calendar** button is clicked the current date, month and year are displayed. To locate a different year, month or day apply the following procedure:



Calendar button

1. To change the year, simply click the left-hand **Year** button. The date and the month will remain the same, but the previous financial year will be displayed.
2. When you want to return to the current year click the right-hand **Year** button.

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3. To change the month, click the left-hand **Month** button. The date and year will remain the same but the previous month will be displayed. You may continue scrolling back through the months until the one you require is displayed. The year will change automatically if you scroll back to December, for instance.
4. To return to the current month, click the right-hand **Month** button until the correct date is displayed.
5. To change the date, either click the day's date you require with the left-hand mouse button, or **Tab** until the dates have the focus. Use the arrow keys to locate and highlight the date that you want.
6. When you have chosen the date, choose the **Select** button to record it in the appropriate section. Clicking the **Cancel** button will abandon any choices you have made and return you to the original screen you have been working on.

Focus Criteria

This section is about the facilities that can be utilised in FMS while one specific area has the focus. It is possible for you to be working in one area, e.g. Purchase Orders and for you or another person working in FMS at the same time, to amend the information held about a particular supplier in the Suppliers section. The following illustrates how this functionality works:

Main Focus

As an example let us say you are working entering information in Purchase Orders. This area will have the main focus.

Ancillary Focus

You or another member of staff working on a different computer decide you need to amend the information about a supplier. Select the supplier option and make the changes necessary. Save the information about the supplier.

Focus Refresh

Notice that while you continue to work, the changes made in suppliers will not be displayed while the focus remains open. Only when the focus is closed will the information be refreshed and ready to be viewed the next time the focus is opened.

Many areas of FMS operate in the same way, with amendments made to secondary fields while the main focus is in another section of the program.

Multiple Line Text Boxes

Whenever FMS asks you to enter an address, e.g. from a supplier, you are only allowed to type in a maximum of seven lines. There is nothing to stop you entering more lines but you will be unable to save your entry. An error message will be generated, stating, "Please correct any data which has failed the validation checks, usually shown in red." Addresses of seven lines or less will present no problems when saving.

It is worth noting at this point, that any errors that you may make while entering data will result in the area containing the error turning red.

Changing Cell Width

You may find that you wish to change the width of the cells for particular transactions you may be working on. Many of the browsers have this facility.

To change cell widths, select the vertical line between each cell on the top row. Two vertical lines appear with a right and left arrow on either side. While holding down the left mouse button you are able to make the cells wider or narrower as you wish.

Frequently Asked Questions and Answers

What is in the FMS 6.00 series?

- Accounts Payable (raising orders and invoices)
- Central Processing
- Non-Invoiced Income
- General Ledger
- Budget Management
- Personnel Links
- Budget Planning module
- Equipment Register module
- Accounts Receivable (Invoiced Income) module with enhanced functionality in Year End procedures
- Plus:
- Integrator product
- Financial Database Selector (define multi databases to run a single installation of FMS)
- Consistent Financial Reporting

How do I get Budget Planning, Equipment Register and Accounts Receivable (Invoiced Income)?

If you hold Windows and 'Resources' licences, Budget Planning, Equipment Register and Accounts Receivable are installed from 'FMS modules' on the installation media and they can be accessed through the current version of FMS.

All future finance developments, new modules, etc. will be grouped under the 'umbrella' of FMS.

If you do not have the appropriate licences, please contact the Sales team.

Can I decide when to install Budget Planning, Equipment Register and Accounts Receivable (Invoiced Income)?

Yes. The FMS installation gives you the opportunity to install FMS only; FMS and Budget Planning; FMS and Equipment Register; FMS and Accounts Receivable (Invoiced Income); FMS, Budget Planning and Equipment Register; FMS, Budget Planning, Equipment Register and Account Receivable (Invoiced Income) and so on. The choice is yours. If you install FMS only, you can install the other modules at a later date. This gives you the opportunity to be trained before using the new modules.

What is the content of Accounts Receivable?

The basic functions for Accounts Receivable included are:

- Invoicing
- Receipts
- Transfer Receipts
- Credit Notes
- Pay Ins
- Debtors
- Matching
- Write Offs
- Refunds
- Parameters
- Products
- Reports

Can I do/ask for simple data fixes as I used to on LRM4?

The simple answer is No (unless of course the data problem is as a result of our programming error). The move to SQL has removed the possibility of copying and/or editing discrete tables of data upon request as a free service.

With LRM4 the underlying dBase tables could be changed relatively easily. With the FMS 6.00 series, however, this is not the case. The SQL database and the underlying data is essentially one 'file' and all changes are verified at the time of entry. If data changes are needed in any version of FMS 6.00, an .exe file will need to be produced and tested which will generate a cost in terms of Development and Quality Assurance time. Any such changes or requests, therefore, will be quoted for on that basis.

How are Opening Balances Dealt with in the FMS 6.00 series?

The following advice states the general principles to be followed when transferring balances from a previous accounting system.

NOTE: Opening Balances can only be entered during the first year of accounting with FMS and must be recorded before preliminary closure of the year.

1. Before you start to enter your opening balances, you will need to undertake the following in your previous accounting system:

- Produce balance sheets
 - Reconcile control codes
 - Reconcile bank accounts
2. In FMS you will need to:
- Define appropriate ledger codes. The following table illustrates a set of typical ledger codes and their corresponding ledger types:

Assets	Ledger Type	
Stock / Stores	AO	Assets
Prepayments	AO	Assets
Bank	BK	Bank
Petty Cash	PC	Petty Cash
Sales	DC	Debtor Control
Liabilities	Ledger Type	
Creditor (Trade)	CC	Creditor Control
Sundry Creditors	LS	Liabilities
Creditor - Payroll (if applicable)	PY	Payroll Control
Accruals	LS	Liabilities
Previous year surplus or deficit. Code FD - automatically generated.		

NOTE: Only one Creditor Control and Debtor Control ledger code may be defined in FMS.

- Either define funds, which automatically creates the two ledger codes FD and FC, or define the Retained Earnings ledger code.
- Enter your opening balances in FMS, by selecting **Focus | Manual Journal Processing and** creating an Opening Balance Journal.

NOTE: Several opening balance journals can be entered, which are then posted automatically into Period 0. You can enter provisional balances and then enter further journals once the final audited figures have been agreed.

General Information for entering Opening Balance Journals

Journals you may need to create are available when **Focus | Manual Journal Processing** is selected.

- Previous year end balances for creditors will need to be accounted for. This balance will need to be recorded against an LS (Liability Short) type code for **Sundry Creditors**. Money owed to creditors will use the Creditor Control ledger code.

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Do not, however, re-enter invoices into FMS, as this would result in the same invoices being entered in both the previous system and FMS. You cannot make a direct entry to the Creditor Control ledger code in FMS.

- The cash book balance of the bank account should be entered. However, it is unlikely that all cheques will have cleared on your previous accounting system, so you will need to create two further ledger codes - one for outstanding cheques, LS type code and one for outstanding receipts, AO type code.

In FMS, create a Cash Book Journal crediting the outstanding cheques ledger code. The bank will be automatically debited. Each cheque number should be added to the bank reference field as each line of the journal is created.

In FMS, create a Cash Book Journal and debit the outstanding receipts ledger code. The bank will be automatically credited. Each receipt number should be entered on the journal header as each line of the journal is created.

Bank reconciliation can now take place.

- Once the opening balances have been entered, they will need to be recorded into income and expenditure ledger codes and should be undertaken by entering a normal journal. These could take into account Prepayments and Accruals. Once all the balances have been recorded this way, balances for both the prepayment and accrual ledger codes should be zero.
- Invoices brought forward on the Sundry Creditors ledger code, should be recorded on a cash back journal until the Sundry Creditors ledger code is zero. On the cash book journal, the bank account should be selected on the journal header and each cheque number for the invoice being paid recorded in the bank reference field. Debit the Sundry Creditor ledger code for the full amount, including VAT which should have been accounted for in the previous system. The bank will be credited automatically.

How do I Run the SDBFIX Utility?

Installing FMS will automatically install the SDBFIX Utility into your SIMS folder, typically `C:\SIMS` (for guidance on navigating to files on your local workstation when you are working in a Hosted environment, please contact your System Manager or local Support). This utility may be used to fix some anomalies that may occur in your data. Should you be required to run the utility, two files will be made available to you - one with `.ESF` and one with `.TXT` as the file extension. The `.ESF` file contains the specific data fix, while the `.TXT` file contains the instructions for running the file and the purpose of the fix. It is recommended that you define a specific folder on your system for storing any data fix files you may receive.

Before Running the Utility

There are two things you should consider before running the SDBFIX utility.

1. Before running the utility please make sure that your current data is **fully backed up**, both the **db** and the **log file**.
2. Make sure that you have read the accompanying text file, as this will contain the following information about the fix to be applied.

- the number and title of the data fix
- any necessary restrictions and other information.

Running the SDBFIX Utility

1. Ensure that no other users are currently logged into the SIMS Database Server or Engine.
2. Make sure that the .ESF and .TXT file have been copied into the folder designated for containing fixes.
3. In Windows Explorer navigate to SDBFIX.EXE, typically found in C:\SIMS\ (where C:\ is an example of the drive containing the SIMS folder. For guidance on navigating to files on your local workstation when you are working in a Hosted environment, please contact your System Manager or local Support.).
4. Double-click on SDBFIX.EXE to open the **SIMS Database Fix Utility v. 6.nnn** login dialog.
5. Enter the **User ID** and **Password** for the person who has full System Manager access rights and click the **Next** button. This will initiate the **Select SIMS fix data file** dialog.
6. If you need to, navigate to the folder containing the .ESF files. Select the required file and click the **OK** button. The **SIMS SQL Database Fix Utility v. 6.nnn** confirmation dialog is now displayed.
7. If you have not already done so, read the accompanying text file carefully. If you are happy with the information, click the **Next** button. If not, or you are still in doubt, contact your support desk.
8. In the next dialog, click the **Next** button to begin the fix process.
9. The next dialog should contain the message:
The SIMS SQL Database fix has now successfully been applied.
10. Click the **Finish** button to exit. The system is now ready to be used. However, it is strongly recommended that the System Manager should not allow users on to the system until it has been tested and a positive decision has been made to stay with the changes just implemented. If the decision is negative, a full restore would be necessary from the backup taken before running the data fix, as there is no **Undo** option available.

If the data fix executes successfully, a line may be added to the audit records held within the database itself.

Messages may be output to the Sybase SQL Anywhere Server or Engine sims_database dialog. These messages are usually of a more technical nature.

Error Messages

If at any time while working through the instructions, any error messages are displayed which cannot be resolved by referring to the instructions, please record the exact message and report it to your support desk, through the usual channels. Without the error message, the support staff will have no guidance as to locating the problem.

Please, therefore, be specific and thorough.

Once you have done this, you should restore your system using the backup taken before you attempted to run the fix.

Glossary

Access Rights

Settings which determine which areas of functionality an individual may use, e.g. read-only, enter, enter and authorise, authorise, etc. These discrete settings can be applied to the different functional areas within FMS.

The Access Rights for FMS and Equipment Register are set up from within FMS itself by the person with Supervisor access.

Account Balance

This shows the Total Value once all the credits and debits are applied to an account.

Account Name

The name by which a bank or an individual is known. This is usually, but not exclusively, a person's name or a trading name.

Account Number

A number by which a bank account is identified. This will be exclusive for a given bank but could replicate across banks.

Accounts Payable

This section of FMS holds all the information about suppliers (creditors), purchases, invoices and cheque payments.

Accounts Receivable (Invoiced Income)

Supplied as separate module to FMS for recording income raised by invoice. This is an integral part of financial processing, as much of the basic information is taken from FMS. This module holds all the information about debtors, invoices raised, receipts issued and invoiced income paid into your account.

Accruals

The process of recording estimated costs incurred prior to being invoiced.

Application Bar

A bar containing buttons (often specific to the module) to enable quick access to frequently used functions. Located immediately below the Menu Bar on the module screen.

Audit

The writing to a separate file of those actions taking place within the system.

Authorise

Before further processing may take place, authorisation must be obtained once a Purchase Order, Invoice or Credit Note has been entered. Either select the Authorise option from a menu or click a button on the Focus Bar. The usual method for authorisation is when one person enters the information and it is confirmed by another.

Automatic Reconciliation

If finances are handled by an outside source, such as the LEA, Automatic Reconciliation allows you to reconcile your own files with those supplied by the LEA. It is important for those organisations using this facility to set up agreed parameters with the LEA, so that information can be exchanged electronically.

BACS

Bank Automated Clearing System. An automated system for making payments and transferring money from one bank account to another.

BACS Creation Date

The date the BACS file is first created.

BACS ID Code

A code issued by the bureau to the establishment in order to identify them and the source (e.g. the software) that generates the BACS file.

BACS Originator Identification Number

A six digit identifying number issued by BACS, also attached to the bureau being used.

BACS Processing Date

The actual processing date of the BACS file contents.

BACS Purge Date

The date on, or after which, the file is deleted from the BACS system.

Bank Reconciliation

The process of matching entries made and recorded to the system with entries recorded in the bank statement.

Browsers

Screen component enabling you make selections from a list of items, usually activated by clicking on a **Field** or **Focus Browser** button. You will not be able to perform another task whilst the browser remains open. Either make a selection or click the **Cancel** button.

Budget Management

This allows you to enter information about amounts allocated to your budget and to allocate expenditure and income to cost centres. From this section, you may also transfer funds to your local bank account and enter the relevant journal accordingly.

Budget Planning

This is a separate module which forms a part of the FMS Suite of Modules. A plan may be set up for the next financial year and exported to FMS, where the budget for the next year is fixed.

Cash Book

This records receipts and payments made in cash or by cheque, i.e. bank transactions.

Central Processing

Where an organisation has their finances controlled by a central source such as the LEA, then the function of this section is to allow invoice/credit note authorisation and payment to be recorded and for locally held records to be reconciled with those provided by the LEA.

Charge

An amount of money due for a predefined service or item for sale.

Charge Codes

A unique identifier for a pre-defined charge.

Chart of Accounts

The section of the General Ledger where all transactions may be reviewed according to the mapping of ledger codes to cost centres. It is also possible to review transactions according to the cost centre, ledger code or fund they have been assigned to.

Check boxes

Used to make selections from a set of options with multiple selections possible. Choose each option by clicking in the check box (indicated by the presence of a black cross).

Client Area

The main working area within the module where information, browsers, forms, dialogs, choosers and reports are displayed.

Clone

Copy an existing product or service, edit and save as new item.

Cost Centre

Cost Centres are set up in the main part of the FMS Module, allowing income and expenditure to be assigned as appropriate to your establishment's requirements.

Cost to Establishment

The actual cost to the establishment. If VAT is recoverable then this value is the net value. If VAT is non-recoverable then this value is the gross value.

Credit Entry

A credit entry has the effect of increasing the balance of an Income or Liability ledger type and decreasing the balance of an Expense or Asset ledger type.

Credit Limit

The maximum amount you are prepared to allow a debtor to owe to your establishment.

Credit Note

Credit Notes may be issued to take into account products not supplied or not satisfactory to the customer. The supplier may then agree to issue a Credit Note for the full amount on the Invoice or only part of the amount.

Credit Terms

The negotiated period of time you will allow before payment is required.

Creditor (Supplier)

A person or organisation to whom money is owed for goods or services supplied.

Creditor Account

A facility provided by a creditor allowing the establishment to purchase goods or services without paying for them on receipt. The account will have a regular billing period, a credit limit, and a period after the receipt of an invoice, within which payment must be made.

Creditor Control

A control account providing the outstanding balance for all creditors.

Creditor Reference

A means of uniquely identifying the account of a creditor.

CSV

Comma Separated Value. A file format where values are written consecutively to a file and are separated by commas to indicate where one value ends and another commences. A line feed + carriage return indicates the end of a record and the start of another. The original specification required text values to be enclosed in parentheses.

Days to be Kept BACS

The number of days the file should be kept by BACS after the processing date. This generates the BACS purge date.

Debit Entry

A Debit entry has the effect of decreasing the balance of an Income or Liability ledger type and increasing the balance of an Expense or Asset ledger type.

Debtor

A person or company with whom business is conducted which results in an amount owing to the establishment.

Debtor Account

A facility provided by the establishment allowing a debtor to purchase goods or services without paying for them on receipt. The account will have a regular billing period, a credit limit, and a period after the receipt of an invoice, within which payment must be made.

Debtor Account Balance

Total Value of Invoices minus (Total Value of Receipts with a status of only Posted and Printed + Credit Notes + Refunds + Write Offs).

Debtor Control

A control account providing the outstanding balance for all debtors.

Debtor Reference

A means of uniquely identifying the account of a debtor.

Direct Debit

A mandate to a bank to pay a specified creditor a sum of money that they may demand.

Discount

Either a percentage reduction of the invoice total, or a percentage reduction for item(s) on a specific invoice line.

Double Entry Book Keeping

This is a method of recording transactions where for every credit entry there is a corresponding debit entry. Similarly, for every debit entry, there must be a credit entry.

Equipment Register

This module, which may be installed from FMS, can be used to record all equipment in the establishment. Information may be imported from Equipment Register for DOS or from invoices entered into FMS.

Establishment Details

This section found in the Tools menu, allows you to record the information, address and logo, that is to be included on FMS documents, e.g. purchase orders.

Focus

Defines the area in the module with which you wish to work. For example, selecting the School Focus will open a form relating to school data.

Focus Bar

A bar containing buttons (generic to most SIMS modules) providing shortcuts to frequently used functions. buttons available vary according to the function you are currently using.

Forms

Used within the module to view, add and edit data. Several forms can be open at any given time operating in the same way as individual windows which can be maximised, minimised and sized according to requirements.

Fund Code

Each fund that an organisation uses should be recorded. Several sources of funding may be defined and each fund must have a unique code assigned.

General Ledger

The heart of the finance system, sometimes known as the Nominal Ledger. Ledger accounts and transactions recorded in Accounts Payable can be reviewed through the General Ledger Chart of Accounts.

Gross Value

The sum of the net value and the VAT value for a document line or the whole document.

Integrator

This module is provided with FMS to integrate data held in tables in STAR and Personnel into SQL Anywhere. For Personnel Links in FMS and the Budget Planning module, student and staff information is required. The Equipment Register module requires room and staff information which may be incorporated through running Integrator.

Invoice

An Invoice is issued to request payment for products or services provided.

Invoice Gross Total

The sum of the invoice net total and the invoice VAT total.

Invoice Net Total

The sum of all line net totals. Net totals do not include VAT.

Invoice Outstanding Balance

The invoice gross total less the sum all matched receipts, all attached posted credit notes, and all attached write offs.

Invoice VAT Total

The sum of all VAT applied on the invoice.

Journals

All transactions are recorded in journals, which may be reviewed through the General Ledger. A journal is created when an invoice is entered or cheque payment made. Some journals can be created directly through the General Ledger.

Julian Date

A date format consisting of YYDDD where YY is the last 2 digits of a year e.g. 2011 = 11; DDD is day count within the year e.g. 28 February = 059 Hence 28/02/2011 = 11059 in Julian format.

Ledger Account

This is a named area within a ledger book or file where all debits and credits relating to a specific item are recorded, e.g. Text Books.

Ledger Code

Ledger Codes are set up in the main FMS Module and may be linked to specific Cost Centres. A ledger code is a unique identifier relating to ledger accounts, e.g. ledger account = Text Books, ledger code = TB1000.

Ledgers

Books or files for keeping records of a similar type, e.g. Purchase Ledger (Accounts Payable), General Ledger.

Liabilities

Consists of money owed by the organisation. This could be for goods supplied, expenses or for loans. To date, FMS supports Liabilities Short, which translates into money owed to Creditors and for Accruals.

Line Gross Value

The sum of the **net value** and the **VAT value for a line**.

Line Net Value

The value of the line calculated from item rate, number of items and discount (which will normally be used except when calculating the commitment for an order). VAT is not included.

Line VAT Total

The amount of VAT calculated from the line **net value** and the line **VAT rate**.

Lowest Open Period

The earliest financial period which has not yet been closed.

Menu Bar

Located immediately below the Title Bar of the module and contains available menus. Additional menus may appear and/or disappear as certain functions are selected.

Module

Used to denote any SIMS executable program.

Net Value

The value of the line of a document, or the value of the whole document, which is calculated from the item rate, the number of items and the discount. VAT is not included.

Non-Invoiced Income

Selecting this option allows you to enter details of income received, where an invoice has not been raised. The facility to record non-invoiced amounts paid into the bank also forms part of this route.

Non-Order Invoice

If you have purchased items of equipment or other services without first raising an order, you are able to record the appropriate invoice through selecting this option in Invoice/Credit Note processing.

Non-Recoverable VAT

VAT charged on goods or services. This VAT can not be reclaimed from Customs and Excise by the establishment, even if they are registered for VAT purposes.

Not Started

The state of a financial year that has been defined on the system but which is not yet available for entering financial data into.

On Hold

A Supplier can be placed **On Hold**.

If there is a dispute between the establishment and the Supplier, e.g. there is a problem with the Supplier concerning items ordered, then the Supplier may be placed On Hold. Should this occur, you will not be able to raise any further orders until the On Hold flag has been removed.

Over Deliveries

The excess of items delivered by a supplier over and above those that have been ordered.

Page

Where a form contains a large amount of data, it is separated into several pages which appear similar to cards in an index with each page labelled according to its contents.

Part Delivered

The state of an order when some of the ordered goods, but not all, have been delivered to the establishment by the supplier.

Period Close

Functionality that validates that the transactions posted to a given period balance and that there are no transactions yet to be posted to that period. If validation completes, the period is flagged as closed and no further transactions may be posted to that period. Only the lowest open period may be closed.

Personnel Links

This section enables you to work out salary projections for staff and to keep a record of salary expenditure. You will need to run Integrator in order to transfer staff information from the Personnel Module.

Petty Cash

This is used to record small, incidental cash transactions, e.g. small item of equipment needed for a specific project.

Post

Once a Receipt or Pay In Slip has been saved and you are satisfied that the information is correct, select the **Post** button from the Focus Bar for the entries to be permanently recorded on the system.

Posting Date

The date on which a financial transaction is recorded in the general ledger.

Posting Period

The financial period to which the transaction is assigned within the general ledger.

Preliminary Closure

Associated with year end. A state where no further transactions can be entered for posting to the financial year with the exception of some journals used to ensure that the general ledger is a true reflection of the years trading. Files received from the LEA for may be reconciled after preliminary closure.

Radio buttons

Used to indicate a single choice from a group of options. A selection has to be made and only one button from the group can be selected. Click in the radio button to select it (indicated by a black dot).

Receipt - Non-Invoiced Income

A Receipt is issued when money has been received from a Debtor in payment of an Invoice for products or services provided.

Registered Office

The office recorded at Companies House for an organisation trading as a legal company.

Retained Earnings

The difference between expenditure and income for the year.

It is calculated when a financial year is closed and the value is carried across to the next year as an opening balance figure.

Returned Goods

Goods returned to the supplier. These may not have been accepted by the establishment, or may have been accepted and are subsequently returned. This typically occurs when goods are faulty or do not match the specification of the ordered goods.

Scroll bars

Appear when all available data cannot fit into screen view (either horizontally or vertically). Simply click the top or bottom (left or right) arrows to scroll through the text.

SORP

Acronym for **Standard of Reporting Practice**.

Standing Order

A mandate to a bank to pay to a specified recipient an initial fixed sum of money on a specified date, and subsequently a fixed sum of money on subsequent specified recurring dates.

There may or not be a specified number of times for the payment to be made.

Started

The state of a financial year defined on the system and which is available for the entry of financial transactions.

Status Bar

Located at the bottom of the screen displaying information on module status and explanatory notes. Odometers appear to indicate the progress of certain functions.

System Date

The date returned by the computer on which FMS is running.

Tax Point

The date on which VAT liability occurs.

It is the date when goods are sent to a customer, made available to a customer or are taken away by a customer; or the date when a service is completed except for the invoicing.

If a VAT invoice is issued or a payment is received then an actual tax point date is created for the value of the invoice or the receipt.

Trade Address

The address to which correspondence to a sole trader or business is normally sent. This is not necessarily the home address of a sole trader or a partner in a partnership.

Trade Name

The name under which a sole trader or business transacts business.

Transaction ID

The Transaction ID is automatically assigned to Invoices and Credit Notes, when new transactions are saved to the system.

Trial Balance

Several types of Trial Balance report may be produced in FMS. You can decide to list ledger account balances, cost centre account balances or a combination of the two. The Trial Balance is used as a check to ensure that the total debit items equal the total credit items.

TSV

Tab Separated Value. A file format where values are written consecutively to a file and are separated by tabs to indicate where one value ends and another commences. A line feed + carriage return indicates the end of a record and the start of another. The original specification required text values to be enclosed in parentheses.

Un-posted

The state of a transaction before posting to the general ledger.

User Defined Reports

Selecting this option from **Reports | General Ledger**, allows you to define row and column sets to be used in your own report definitions.

VAT Code

A single character short form for a VAT ledger code.

VAT Periods

These will need to be defined in **Tools | Define VAT Reports**. You can decide whether your Vat Periods will be monthly, quarterly, or consist of a specified number of days. A record will be kept of the dates each VAT Submittal Report is submitted.

VAT Reimbursement

The return of VAT spent by a centrally funded establishment from the LEA which has reclaimed the VAT from Customs and Excise.

VAT Value

The amount of VAT for a document line or document, calculated by summing the net value and the VAT rate.

Wizard

The wizard is provided as a step by step guide to setting up specific procedures, e.g. ledger codes.

Year End

The end of the financial year when certain processes take place in preparation to closing the year. Balances will be copied forward and Ledger Codes, Cost Centres and Funds updated.

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