Year End Checklist - Checklist of tasks prior to Year End

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Purpose of this document

A list of steps and processes to consider for year end;
with information for Operations/ Inventory and Finance

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Purpose

Year end is always a crush of time sensitive activities. We've learned from past years that there are a few steps that are often overlooked and should be scheduled in order to make your close smoother and less drama filled. They break down into a couple of categories: Physical Inventory/ Inventory Value Related and Financials/ GL. **This is not a comprehensive list of all necessary tasks.** At the end of this document is a list of the base procedure documents that can provide overall guidelines for Inventory Counts for Year End and Year End Close Processes for Finance.

Physical Inventory/ Inventory Value Related Tasks

Make sure to read through the entire recommendation list prior to proceeding with any of the tasks in your production database.

1. Identify and correct bad records (Should be completed prior to the count)
    a. Negative Item Qty on Hand
    b. Negative Lot Qty on Hand
    c. Missing UNC/ FBC Codes from positive adjustments (and all Lot Cards)
    d. Missing required Dimensions (On existing ledger history)
    e. Blocked Items with Qty on Hand
2. Review and run Inventory Adjust Cost routines and Post Cost to GL. This can take many hours if you don't run this on a regular basis. If you don't run this often, you may have large cost variances for Purchased Items in your GL before and after running these routines. This work will calculate the actual Inventory Cost and post it to your GL prior to Year end.
3. Define a cut off day and time for Inventory Transactions (including all inbound and outbound product).
4. Plan your Posting Date lock outs for Inventory/ Orders. Designate a select group of users that can post in the year end date range after the cutoff date.
5. All Picks must be picked/ posted or deleted as of the cutoff day/time. For most versions of Ceres, you cannot count a Location with open Picks. Open Agency Orders are acceptable.
6. Plan your count – if you count some product/ locations before the full cut off, make sure that these areas or products are not "available" for ongoing Order activity until after the full count and reconciliation. Make sure to follow the count guidelines for your particular organizations they vary.
7. As of your cut off day/ time – run a baseline report of your Inventory on Hand and Inventory Valuation before you start your count. If your auditors need Bin information as well as count, make sure to validate that ahead of time and run a baseline with that information.
    a. G/L Inventory Reconciliation
    b. Inventory Valuation Report – Gives you the option to run with an As of Date. Run before and after Adjust Cost.
    c. Receipts & Distribution Report (filterable by date/ optional)
    d. Distribution Pounds By County (filterable by date/ optional)
    e. Items on Hand Report (not filterable by date)
    f. Items on Hand by Date
    g. Bin Contents by Location (not filterable by date)
    h. Bin Contents w/ Pallets (not filterable by date)

8. After your counts are validated and the count and location adjustments posted, run the exact same reports. Keep both copies for your records.
9. If you use Agency Express, you should notify your agencies and turn off shopping during the actual counts/ count validation/ adjustment posting. Don't forget to turn it back on after you are done with your count. It is a good idea to re-synch Items and Availability manually after the count is complete.
10. After your process is complete for the year, go back and review your procedures and update with any new tasks or learning from this year.

Financials/ GL Related Tasks

Make sure to read through the entire recommendation list prior to proceeding with any of the tasks in your production database. There is overlap in this list with the Inventory/ Inventory Value list.

1. Identify and correct bad records (Should be completed prior to the count)
   a. Missing required Dimensions (On existing ledger history)
   b. Blocked Items with Qty on Hand
2. Review and run Inventory Adjust Cost routines and Post Cost to GL. This can take many hours if you don't run this on a regular basis. If you don't run this often, you may have large cost variances for Purchased Items in your GL before and after running these routines. This work will calculate the actual Inventory Cost and post it to your GL prior to Year end. You will want to determine if you want these adjustments to post to your GL before or after the count results. This same task is recommended below as a post count task as well.
3. Define a cut off day and time for the different data sets (A/P, A/R, Inventory)
4. Plan your Posting Date lock outs for Inventory/ Orders. Designate a select group of users that can post in the year end date range after the cutoff date.
5. Dates, dates, dates – Make sure you lock out anyone you need to from:
   a. Posting forward into the new year until you are ready
   b. Once you start the new year, prevent users from posting back into the prior year
   c. Check all the Posting dates on Open AO's, DO's and PO's after your Cut Off date and update to an appropriate date if needed. Document date = external date. Posting date = internal date for your GL.
   d. Verify the Adjust Cost and Post Cost to GL dates and their impact on your open year.
6. Identify and complete and receiving and distributions that must be completed prior to cutoff. For example, all Cash Receipts for the year posted/ all Payables paid.
7. As of your cut off day/ time – run a baseline report of your Inventory on Hand and Inventory Valuation before you start your count. If your auditors need Bin information as well as count, make sure to validate that ahead of time and run a baseline with that information.
   a. G/L Inventory Reconciliation
   b. Inventory Valuation Report – Gives you the option to run with an As of Date. Run before and after Adjust Cost.
   c. Items on Hand Report (not filterable by date)
   d. Items on Hand by Date

8. If you are planning any major structural changes such as new accounts, new dimensions, new posting routines etc., define a plan and a specific roll out window. You don't want to have anyone post to the new-year until the new framework is in place.

9. After the count is posted run or re-run the Cost Post routines if needed. This may take hours. Then run a "post count" Inventory Valuation report. This may or may not be needed, depending on your setup. You'll want to coordinate this with the pre and post reporting defined in step 4 above.

After your process is complete for the year, go back and review your procedures and update with any new tasks or learning from this year.

List of Associated Procedure Documents

All documents can be accessed here: Link to Ceres Page

Physical Inventory Journal (Inventory Journal) – Document Link

Physical Inventory Journal (Warehouse Journal) – Document Link

Year End Close Procedure (Ceres Specific) – Document Link

Microsoft Dynamics NAV General Year End Procedure - Document Link

Microsoft Dynamics NAV Information on Inventory Costing/ Adjust Cost – Multiple documents here:

https://www.hungernet.org/mbs/services/Ceres/Pages/default.aspx

Training, Training Category: Inventory Costing