



# MSI – Calendar and/or Fiscal Year End Processing

For year ending December 31, 2011

## User's Guide



**NOTE:** Screen shots for this document have been taken from the version 6.0 MSI Payroll system. The only difference between the newer versions 6.5/6.0 and the older versions 5.0/4.0/3.0 W-2 and 1099-R processing is the color of the screens. Do not be alarmed if your screens are green whereas the screens in this document are gray. All field headings are the same for both versions.

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**MSI Calendar and Fiscal Year End Processing Checklist**

Please take a moment to review this **entire** document prior to actually processing; so, that you may familiarize yourself with the required steps for proper Calendar and Fiscal Year End processing.

\_\_\_ General Ledger:

1. Create a New Fiscal Chart of Accounts (fiscal-end only)
2. Process Year End Purchase Order Encumbrances (fiscal-end only)
3. Recalculate the General Ledger
4. Close a Fiscal Year Chart of Accounts (fiscal-end only)
5. Re-Close a Fiscal Chart of Accounts (fiscal-end only)

\_\_\_ Accounts Payable:

1. Process 1099-MISC Forms
2. Build a new fiscal and/or calendar year
3. Post Accruals to General Ledger (if you are accrual based accounting) (fiscal-end only)

\_\_\_ Budget Planning:

1. Transfer the final budget to the General Ledger (fiscal-end only)

\_\_\_ Payroll:

1. Print Monthly/Quarterly/Yearly Reports
2. W-2 and/or 1099-R Processing
3. Update Federal Tax Rates
4. Update State Tax Rates
5. Update Pension Rates
6. Update Unemployment Rates/Limits

\_\_\_ Purchase Orders:

1. Update System Defaults (Starting PO number change)
2. Close Out Open Encumbrances (if you encumber) (fiscal-end only)
  - a. Section (A) Prior to Closing the Old Fiscal Year
  - b. Section (B) Closing the Old Fiscal Year
  - c. Section (C) After Closing the Old Fiscal Year

\_\_\_ Permit Tracking:

1. Update System Defaults (Starting permit number change)

\_\_\_ Utility Billing:

1. Year End Processing
2. Run Open A/R Reports

\_\_\_ **System Backup:**

1. Make a separate backup of the entire MSI directory (and all sub-directories) at close of business on Dec 31. Retain in a secure place.

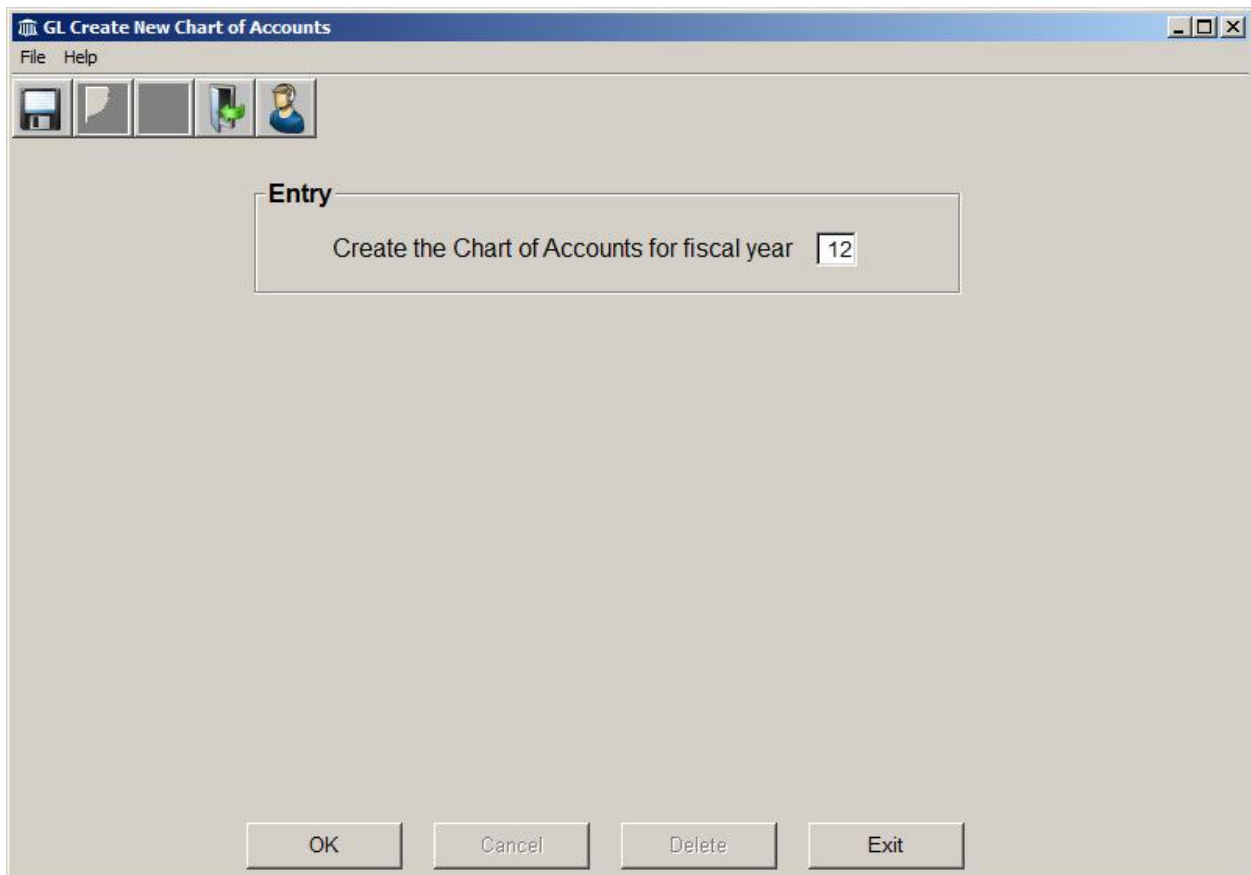
**MSI-General Ledger**

Steps 1 & 2 should be run *prior* to the start of the **NEW FISCAL YEAR**.  
Steps 3 & 4 should be run *after* all entries to the **OLD FISCAL YEAR** are posted.  
Step 5 can be run as often as necessary after Steps 1-4 are taken.

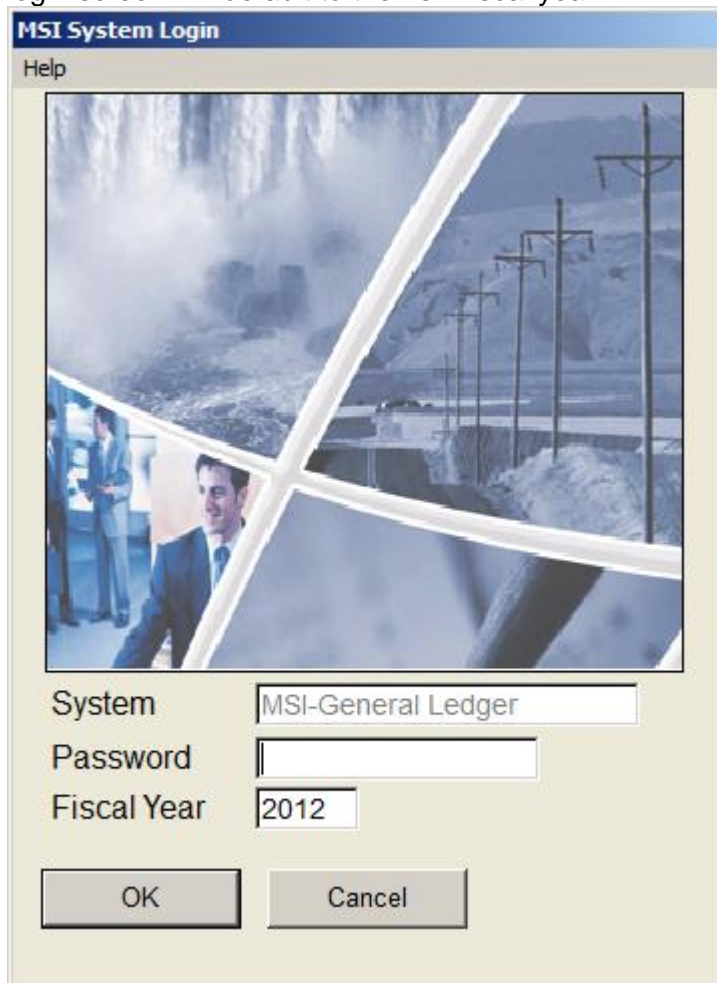
**Step #1 – Create a New Fiscal Chart of Accounts**

Before the first day of the **NEW FISCAL YEAR**, the option to Create New Chart of Accounts must be taken.

1. From the General Ledger System Main Menu, select Support and click on “Create New Chart of Accounts”
2. Enter the two digit year for the new fiscal year you are preparing for; (*ex. if the New Fiscal Year is 2012, enter 12 at the prompt*)



**NOTE:** In order to run this process, you must be signed into a year other than the fiscal chart you are creating (so if you are creating your 2012 Chart you **cannot** be logged into the 2012 Fiscal Year). If you have not run this process before the first day of your new fiscal, the login screen will default to the new fiscal year:



**Be sure sign into a PRIOR fiscal year to create the NEW Fiscal Chart of Accounts.**

If, while attempting to create your new chart of accounts, you receive the below message, then either this step has already been completed OR someone has created individual account numbers in the **NEW FISCAL YEAR**.



To determine the reason, please do the following:

- a. Sign into the **NEW FISCAL YEAR**.
- b. Click on Maintenance > Chart of Accounts.
- c. Select the binoculars to view the Chart of Accounts Lookup screen.
- d. If the full Chart of Accounts exists, this step has already been completed.
- e. If only a few accounts exist, then someone has created account numbers. These account numbers will need to be deleted in order for the full chart to be created.
- f. Continue with step (1) above.
- g. Re-enter the deleted accounts, if needed.

## **Step #2 – Process Year End Purchase Order Encumbrances**

If you have the MSI-Purchase Orders System and use encumbrance based accounting, please refer to the Purchase Order System Closing Procedures **AT THIS TIME**.

Step #4 of the General Ledger Closing Procedures (Close a Fiscal Chart of Accounts) will roll any outstanding encumbrances in the **OLD FISCAL YEAR** forward to the **NEW FISCAL YEAR**. Proper timing should be considered at this time of year to insure that encumbrances are properly handled.

Read the Purchase Order section in order to get a handle on what to process when (prior to and after closing the fiscal chart of accounts in the General Ledger).

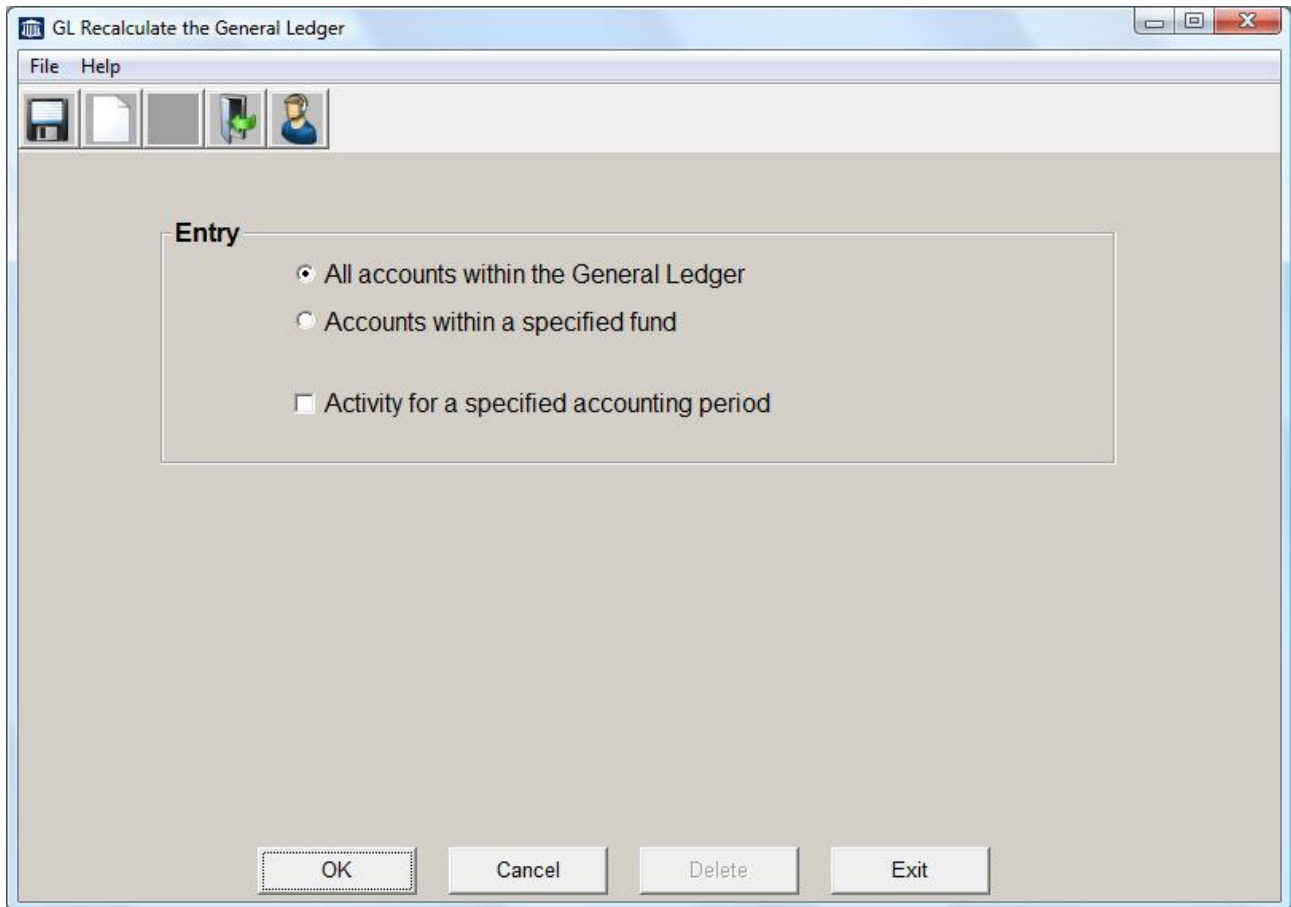
**NOTE:** The above 2 steps (Create a New Fiscal Chart of Accounts and Process Year End PO Encumbrances) are the only ones required **PRIOR** to the start of the **NEW FISCAL YEAR**.

**NOTE:** You may begin posting to the **NEW FISCAL YEAR** even if the **OLD FISCAL YEAR** has not been closed. Once you are ready to close the **OLD FISCAL YEAR** ledger, please continue on to General Ledger Step #3 beginning on the following page.

**Step #3 – Recalculate the General Ledger**

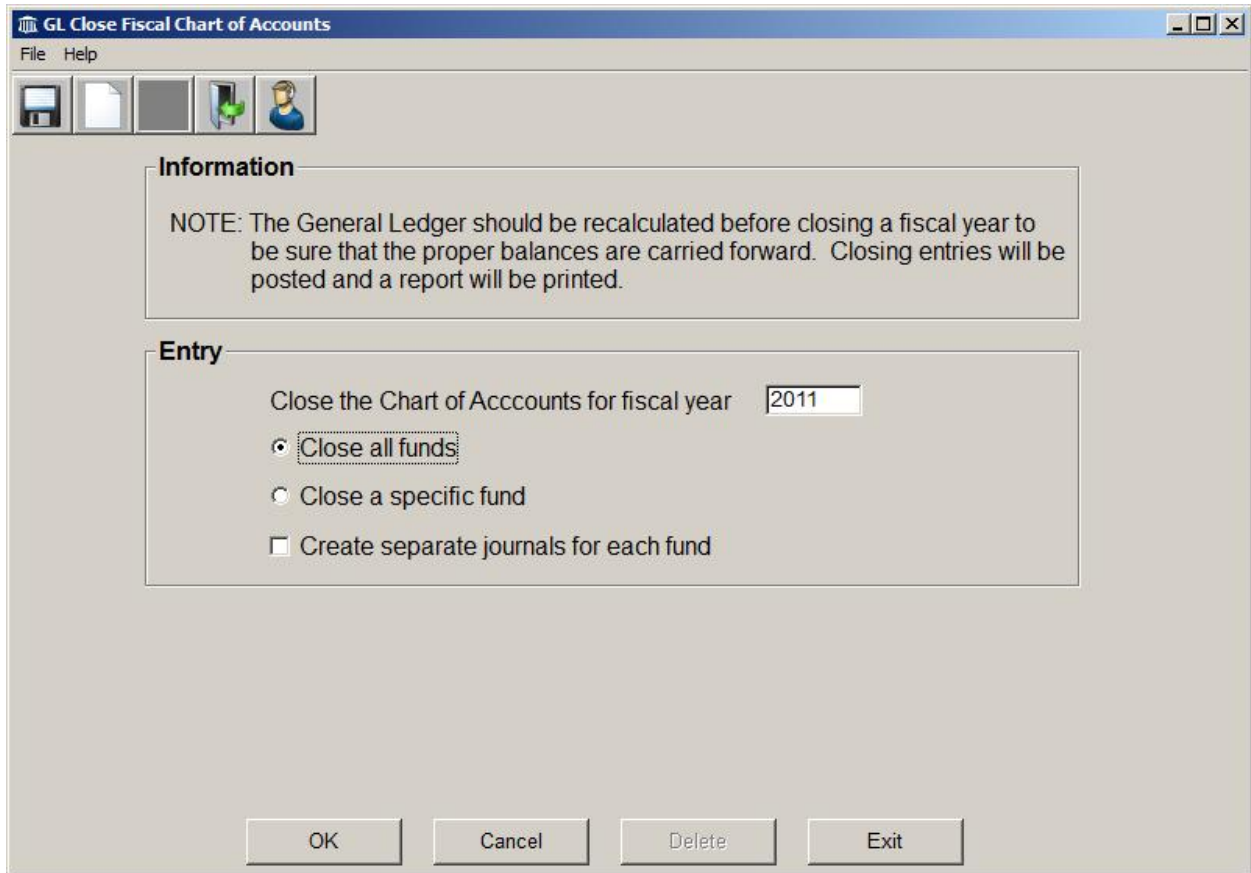
After all audit entries, processing, and postings have been completed for the **PRIOR YEAR**, continue with this step (especially prior to closing off the **OLD FISCAL YEAR**).

1. Sign into the **OLD FISCAL YEAR**.
2. Choose the Recalculate General Ledger option from the Support Menu.
3. Recalculate all account numbers without specifying a specific accounting period.



**Step #4 – Close a Fiscal Chart of Accounts**

1. While still signed into the **OLD FISCAL YEAR** (from the prior Step #3), choose the Close Fiscal Chart of Accounts option on the Support Menu.
2. Enter the full four digit year of your **OLD FISCAL YEAR** to the “Close the Chart of Accounts for fiscal year” prompt (*ex. If the old year is 2010, enter 2010 at the prompt*)
  - a. A closing general journal is posted to period (13) and printed while running this program, so make sure your printer is ready for use.
  - b. After processing is complete, the **OLD FISCAL YEAR** ending balances for all balance sheet accounts (assets, liabilities, capital) will become the beginning balances for the same accounts in the **NEW FISCAL YEAR**. All revenue and expense accounts will have zero balances at the beginning of the **NEW FISCAL YEAR**.



**Step #5 – Re-Closing a Fiscal Chart of Accounts**

If additional postings are made to an **OLD FISCAL YEAR** after that chart of accounts has been closed (see steps 3 & 4 above), then utilize the following procedure to re-close the prior fiscal year's chart and re-roll your new ending balances forward to your new fiscal year.

**NOTE:** This step can be run as many times as necessary.

1. Sign into the General Ledger System as the **OLD FISCAL YEAR**.
2. Post all manual adjusting entries to either Period 12 or 13, as desired.
3. Choose the Recalculate General Ledger option from the Support Menu and run it for all account numbers without specifying an accounting period.
4. Choose the Close Fiscal Chart of Accounts option on the Support Menu and run it for the **OLD FISCAL YEAR**.
5. Sign into the General Ledger System as the **NEW FISCAL YEAR**.
6. Choose the Recalculate General Ledger option from the Support Menu and run it for all account numbers without specifying an accounting period.

**MSI-Accounts Payable**

Step 1 – Process 1099-MISC forms (detailed below) should be run **AFTER** the last Accounts Payable check run has been processed with checks dated in the OLD CALENDAR YEAR and **BEFORE** the first check run has been processed for the NEW CALENDAR YEAR. Step 1 should be completed before Step 2.

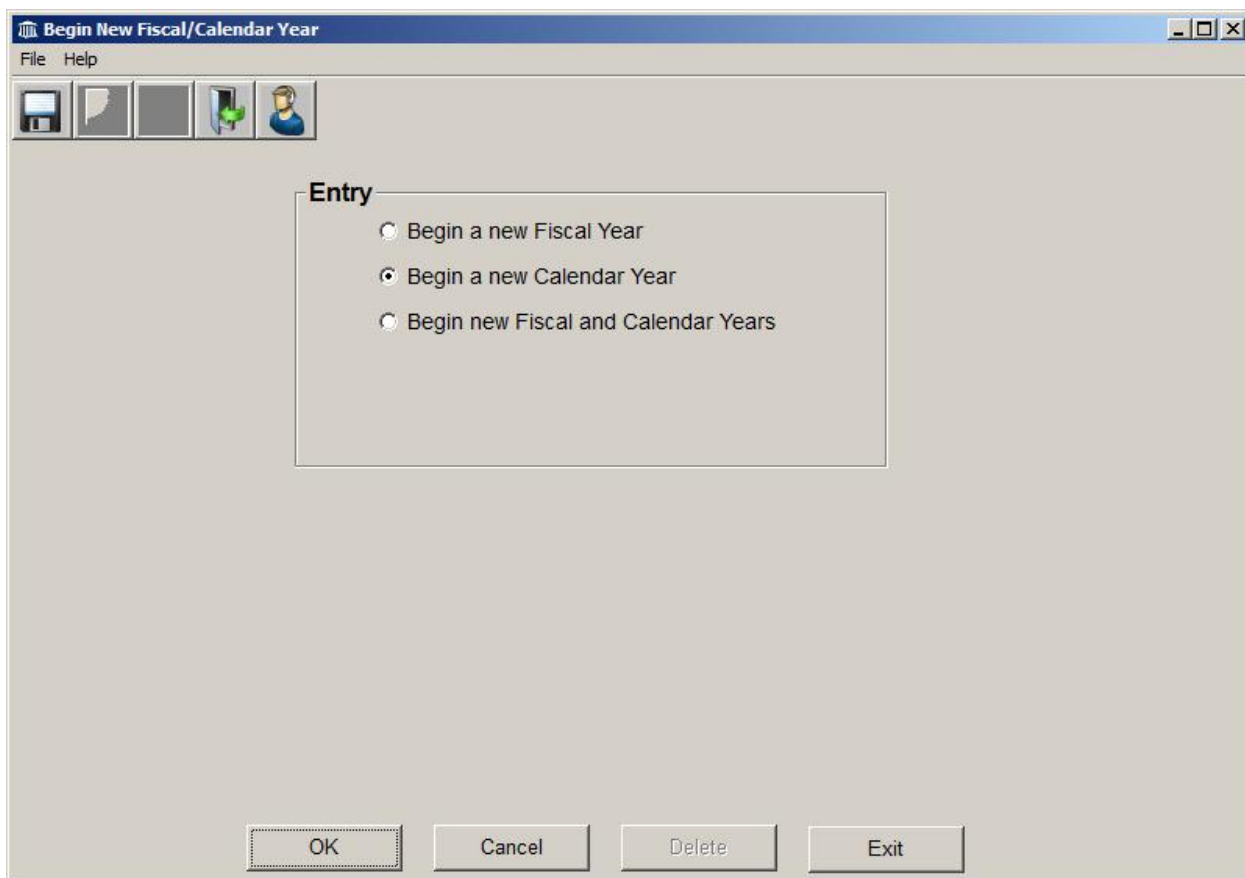
Step 2 – Build a New Fiscal and/or Calendar Year (detailed below) should be run **AFTER** Step 1 and **BEFORE** the first check run has been processed for the NEW CALENDAR YEAR.

Step 3 – Post Accruals to General Ledger (detailed below) walks you through how to process accruals during the transition between one fiscal to another.

**Step #1 – Process 1099-MISC Forms**

**NOTE:** This step must be run **AFTER** the last check run dated in the **OLD CALENDAR YEAR** (standard and manual) is posted and updated, but **BEFORE** the first check run is posted and updated for the **NEW CALENDAR YEAR**. Do not process Step 2 below (Build a new Fiscal and/or Calendar Year) until after the 1099-MISC workfile has been created.

1. Select the 1099-MISC Processing Menu from the Support tab.



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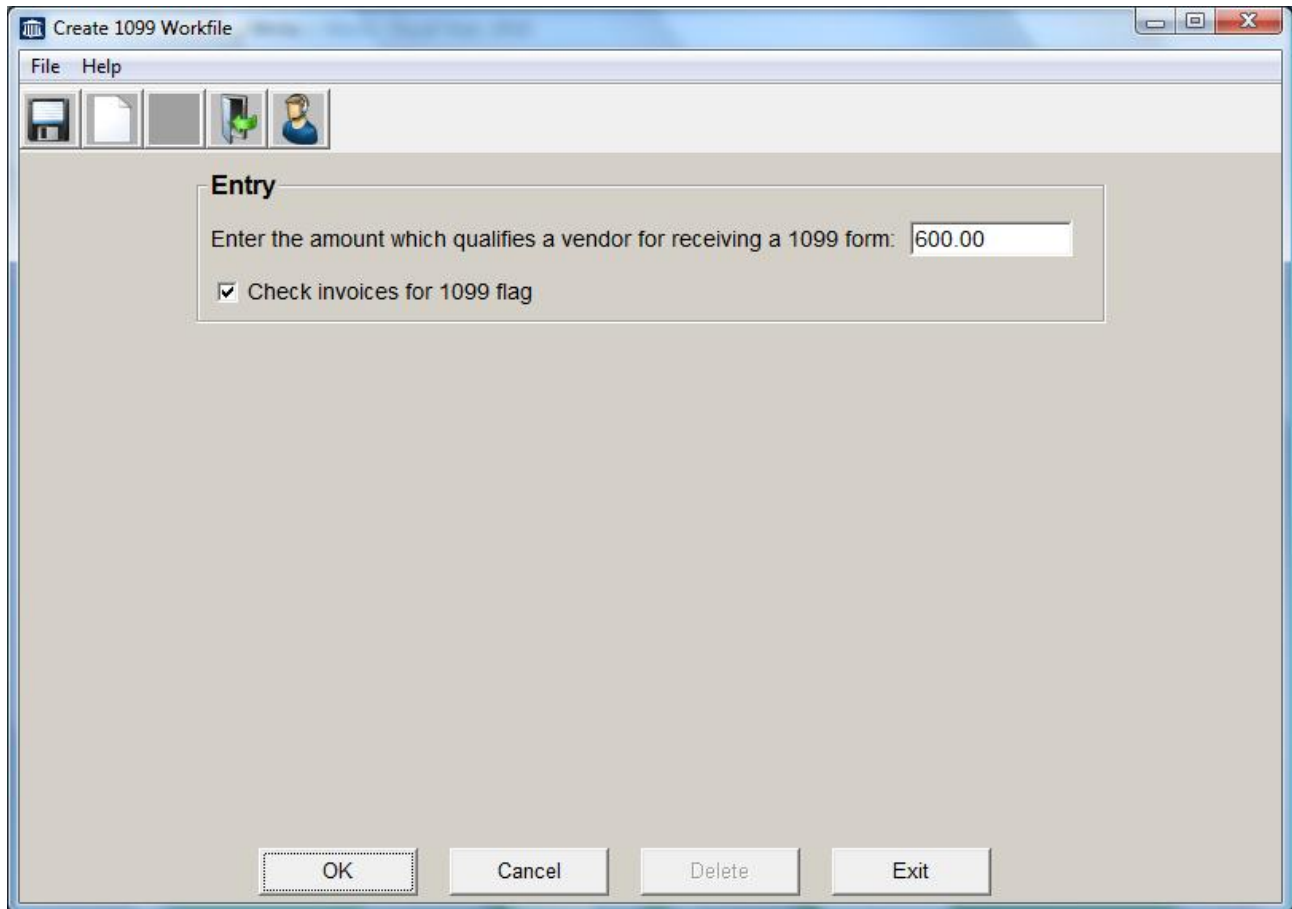
2. Verify the screen says "2011 Tax Year" before continuing. If the screen does not look identical to the one pictured below, then call Harris Support at 866-450-6696 before proceeding any further.
3. Select the option to "Create 1099-MISC Workfile".

**NOTE:** This option should be run **AFTER** the last Accounts Payable check run has been processed with checks dated in the old calendar year.

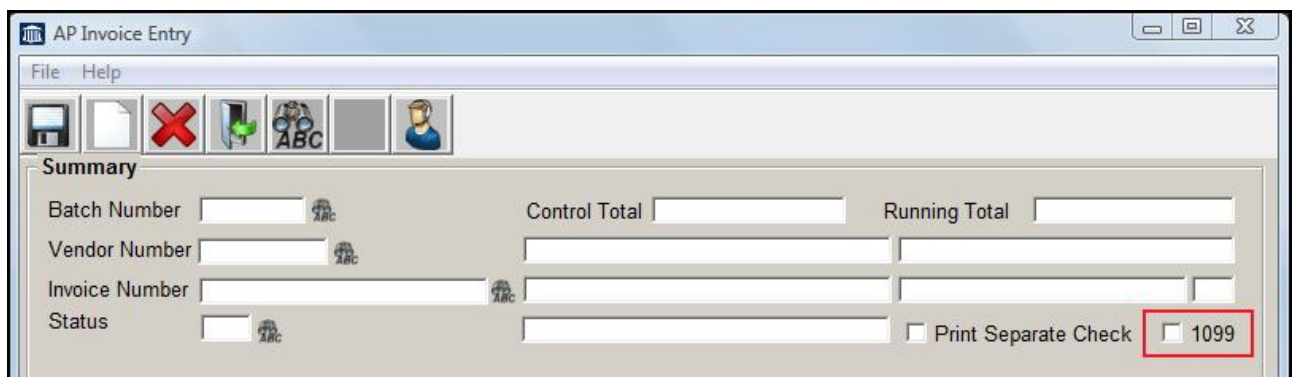


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4. Key in the qualifying amount and select whether or not to utilize the 1099 flag from v5, v6, V6.5 or v7.0 AP Invoice Entry, then click "OK" to continue. This will create the AP611000.dat workfile:



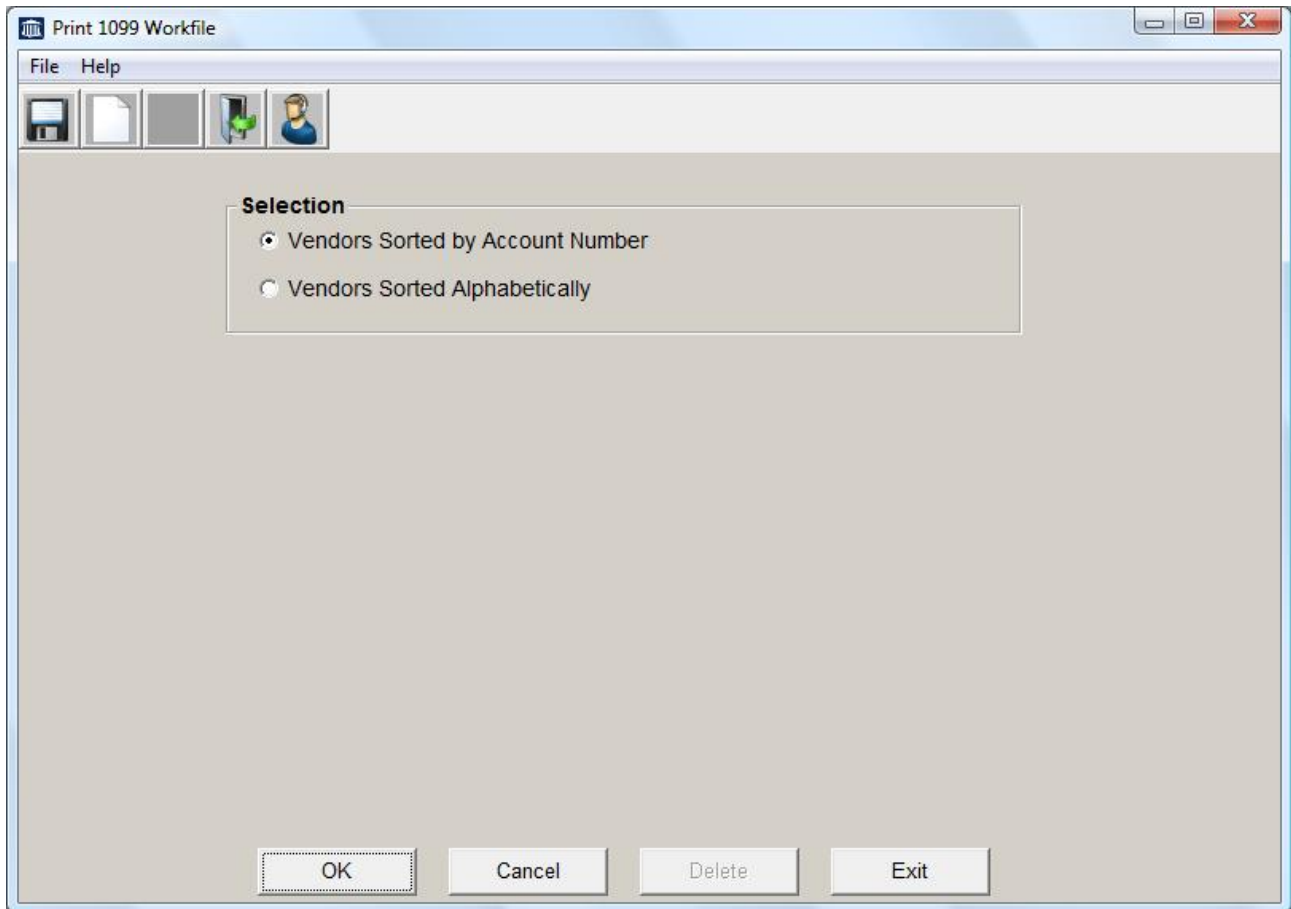
**NOTE:** In versions 5, 6, 6.5 and 7.0 of Accounts Payable there is a "1099" checkbox on the Invoice Entry screen.



IF YOU'VE ALTERED THE "1099" CHECKBOX FOR ANY OF YOUR VENDOR'S INVOICES, THEN YOU WILL WANT TO SELECT THE OPTION TO "CHECK INVOICES FOR 1099 FLAG" so that your manual edits can be taken into consideration when this 1099-MISC workfile is created.

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5. Select the option to Print 1099-MISC Edit Report. This option should be run **AFTER** the 1099-MISC Workfile has been created.
6. Select how you'd like the report sorted (by Vendor Number or by Vendor Sort Name) and click "OK" to continue.



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7. If necessary, select the option to Edit 1099-MISC Workfile. Any of the below fields can be modified before the 1099's are printed.

**Edit 1099 Workfile**

File Help

Vendor #: HARRIS

Name: HARRIS

Address: 1 ANTARES DRIVE, STE 400  
OTTAWA  
ONTARIO, CANADA

Tax ID #: 00-0000000

Box #: 7 Nonemployee compensation

Amount: 16,303.35

1099 F/N/S: N Fein Number

OK Cancel Delete Exit

8. Select the option to Print 1099-MISC Forms.
9. If your 1099-MISC forms have your Municipality's name and address already printed, then select the check box for "Payer's Pre-Printed Address on Form"; otherwise leave that checkbox blank and fill in the fields for Name, Address, City, State, and Zip as you'd like them to print on the forms. If your forms already have the Federal ID Number printed on them, then select the "Payer's Pre-Printed Fed. ID on Form" checkbox; otherwise leave the checkbox blank and key in the detail as you'd like it to print on the forms. Click "OK".

AP 1099 Form Print

File Help

Payer's Pre-Printed Address on Form

Name

Address

City



State  Zip

**Entry**

Payer's Pre-Printed Fed. ID on Form

ID

OK Cancel Delete Exit

**NOTE:** To align your 1099-MISC forms, select the  or  icon (depending on version) at the top of the Form Print screen. This will open a window where you can modify the X and Y coordinates of each printed field.

**Modifying the X Coordinate** will move the detail left or right and **Modifying the Y Coordinate** will move the detail up or down. To move a detail to the **right**, add 0.1 to the existing X Coordinate number to move it one space over. To move the detail to the **left**, subtract 0.1 to the existing X Coordinate number to move it one space over. To move detail **down**, add 0.15 to the existing Y Coordinate number to move it down one line. To move detail up, subtract 0.15 to the existing Y Coordinate number to move the detail **up** one line.

10. Select the Federal Magnetic Media option if you plan to submit the detail to the government electronically.

11. Complete all of the available fields and click "OK" to create the 1099MISC.DAT file for electronic submission.

**Create 1099 MISC Federal Magnetic Media File (1099MISC.DAT)**

File Help

**Entry**

Reporting Year

Payer Name

Payer Address

Payer City

Payer State  Payer Zip

Transmitter Control Code  Payer Name Control

**Entry**

Federal ID Number

Contact Name

Contact Phone #

Contact Phone Ext.

Contact E-Mail

OK Cancel Delete Exit

12. When you're all done with the 1099-MISC processing, just select "Exit" from the 1099-MISC Processing Menu to return to the MSI-Accounts Payable system.

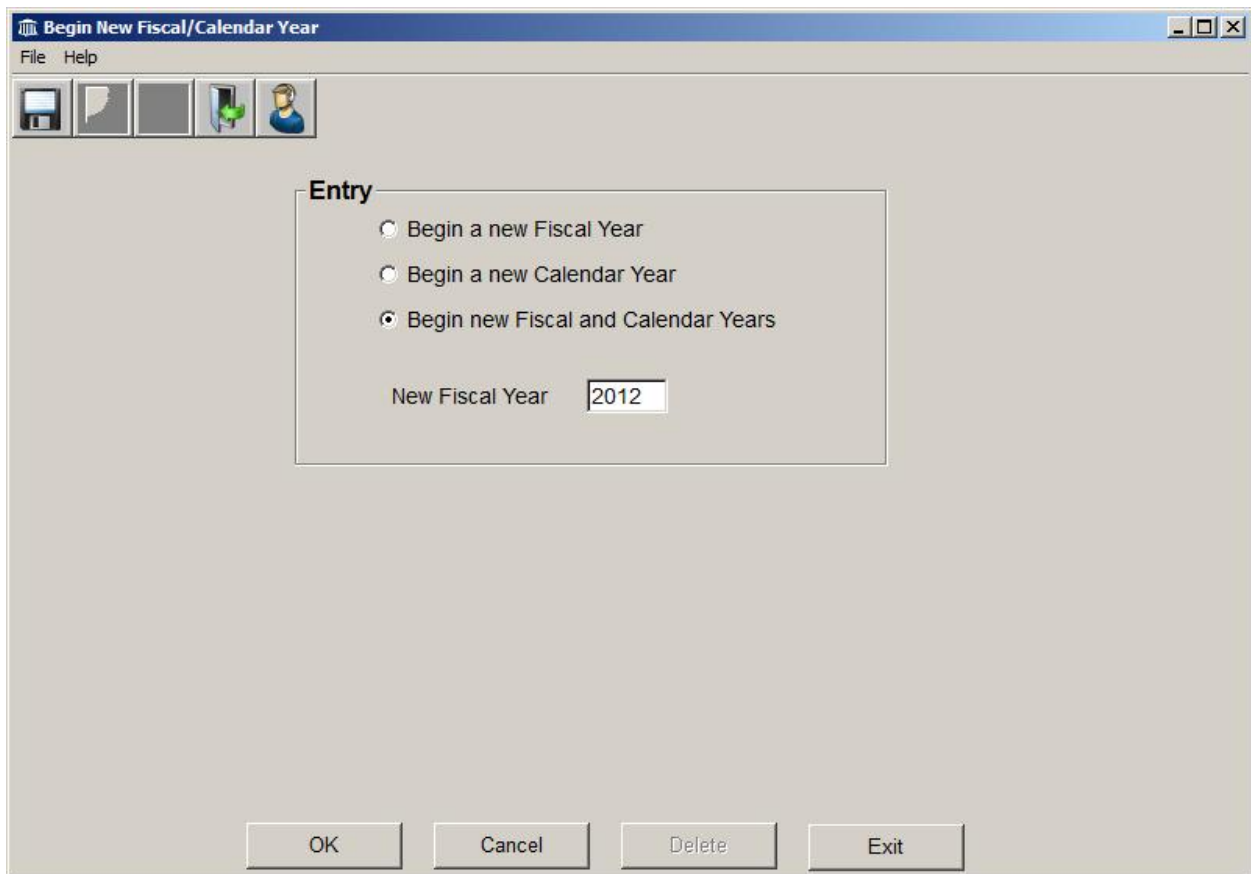
**Step #2 – Build a New Fiscal and/or Calendar Year**

**IMPORTANT NOTE!**

You ***must*** run the Create 1099-MISC Workfile program **BEFORE** continuing with this step. If you process this step before you create the 1099-MISC workfile, your 1099's will include the current calendar year's check totals instead of the prior calendar year's!!!

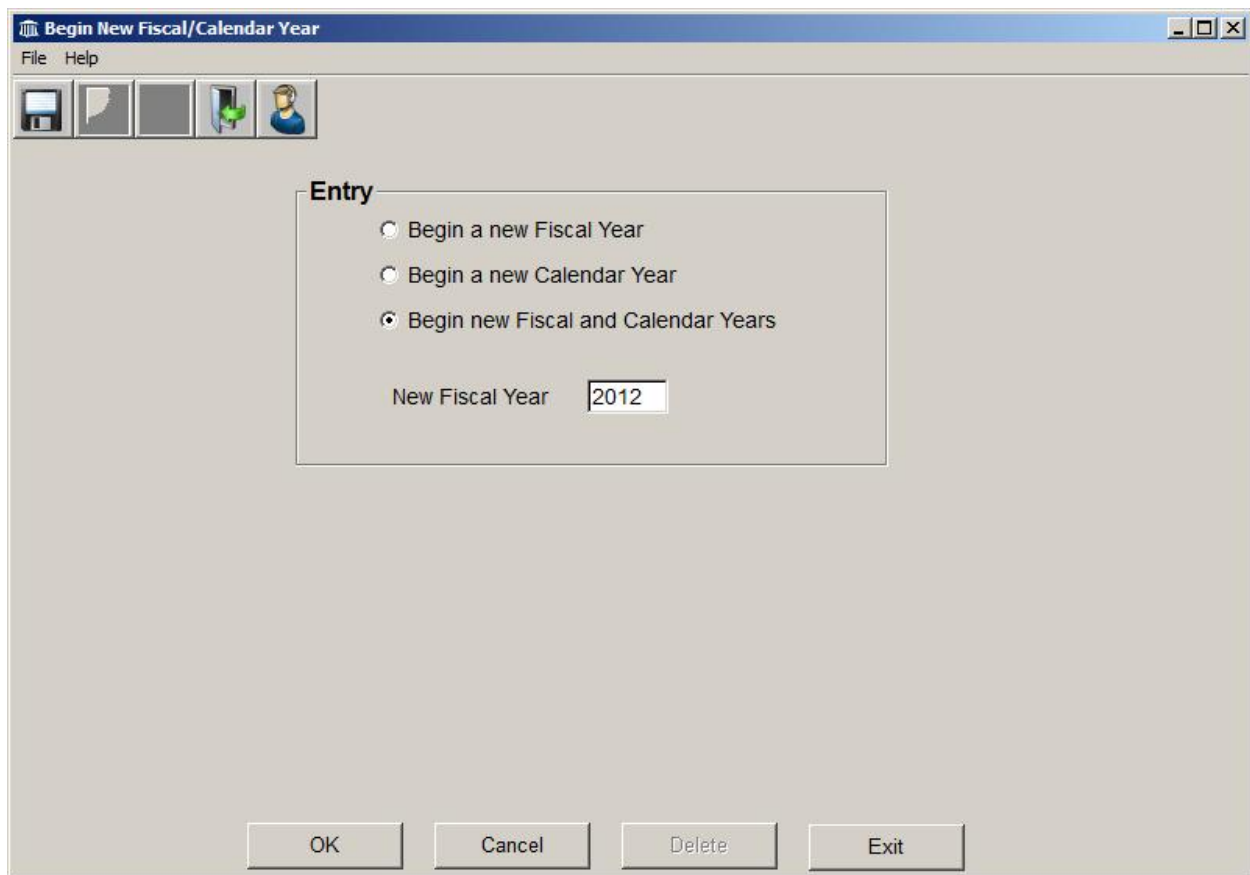
The purpose of running this process is to properly account for monies paid to your vendors "This Fiscal", "Last Fiscal", and "This Calendar". These totals are updated whenever a check run is completed and they are viewable in Vendor Inquiry and on the Vendor Listing Report. These totals are used when creating the 1099-MISC forms and so it is important that this step is run at the proper time.

1. Choose the Build a New Fiscal or Calendar Year option on the Support Menu



If your Fiscal begins during *any* month other than January, you will want to select the option “Begin a new Calendar year” AFTER all checks dated in 2011 are processed and AFTER creating the 1099-MISC work file, but BEFORE any new checks dated in 2012 are processed. This option will clear the calendar year fields for vendor payment history so they are prepared to accumulate totals for the new calendar year.

If January is also the start of your new Fiscal year, then select “Begin new Fiscal and Calendar Years” AFTER all checks dated in 2011 are processed and AFTER creating the 1099-MISC work file, but BEFORE any new checks dated in 2012 are processed. This option will clear the calendar year fields for vendor payment history so that they are prepared to accumulate totals for the new calendar year and it will move the fiscal purchase history from the "current" field to the "prior" field. It will also clear the “current” field. This will prepare the fields to accumulate totals for the new fiscal year.



**Step #3 – Post Accruals to General Ledger**

*(The following section is only applicable for those clients using ACCRUAL based accounting with the MSI-Accounts Payable System and who have a fiscal start of January 1<sup>st</sup>.)*

Any new invoices that are entered which will be accrued to the **NEW FISCAL YEAR** must be in a separate batch from those being accrued to the **OLD FISCAL YEAR**.

Batches accrued in separate fiscal years may be included in the same check run; however, the check run can only be posted to one fiscal year. To post the check run to separate fiscal years, you must process separate check runs. To do so, first run one fiscal year invoice batch through the check processing cycle and post/update; then run the other invoice batch and post/update.

**NOTE:** Each check run can only be posted to ONE fiscal year during check processing.

1. From the Accounts Payable Main Menu, click the Invoice Menu and select Print Accrual Distribution.

The screenshot shows a software dialog box titled "AP Print Distribution Journal". It features a menu bar with "File" and "Help", and a toolbar with icons for save, print, and user profile. The main area is titled "Selection" and contains the following fields:

Journal Number	AP 122511
Entry Date:	12/25/2011
Accounting Period:	12
Fiscal Year:	11
Batch Number	2011AC

At the bottom of the dialog are four buttons: "OK", "Cancel", "Delete", and "Exit".

2. Enter your selections remembering to specify the invoice batch in the "Batch Number" field which you'd like to post to the specified Accounting Period and Fiscal Year.

3. Assuming you want to post a batch of invoices to the **OLD FISCAL YEAR**, and the activity that appears on the report is intended for that fiscal, then continue with the option to Post Accruals to the General Ledger. If additional activity appears on the distribution journal that you do not want posted to the designated Accounting Period and Fiscal Year, then remove those invoices from the batch you have selected to post and then reprint the accrual distribution journal.
4. If no activity appears, then there are no invoices in the specified batch that still need to be posted to the General Ledger.

If you need to process additional invoices for the **OLD FISCAL YEAR**, the above steps can be used. Process any group of **NEW FISCAL YEAR** invoices separately. When done, you may process another group of **OLD FISCAL YEAR** invoices. This can be done as many times as necessary until all **OLD FISCAL YEAR** invoices are processed.

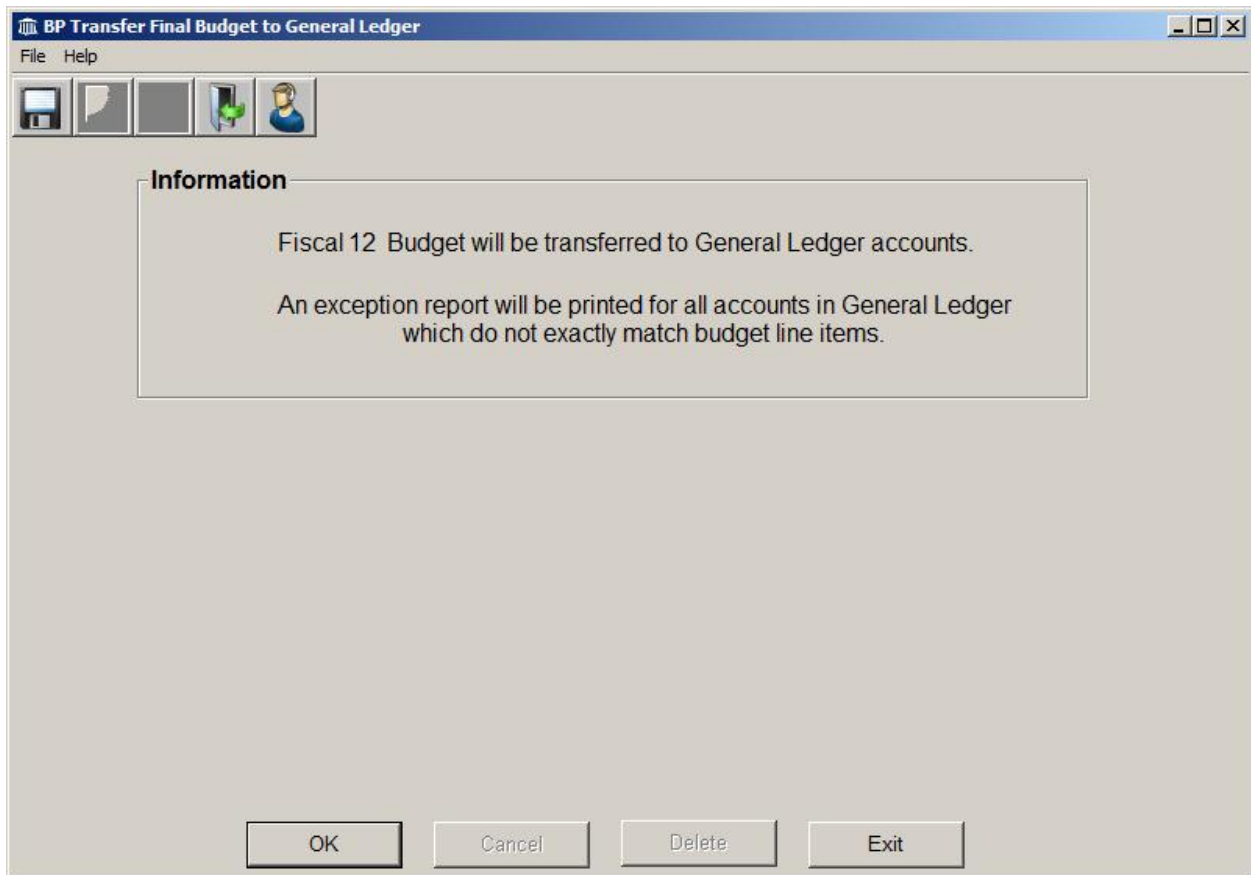
**MSI-Budget Planning**

Step 1 – Transfer Final Budget to General Ledger (detailed below) should be run AFTER the final budget for the **NEW FISCAL YEAR** has been entered into Budget Planning and approved by the board and AFTER the NEW FISCAL YEAR has been created in the MSI-General Ledger via the “Create New Chart of Accounts” process. See Step #1 under the General Ledger section above if you have any questions on how/when to run that process.

**Step #1 – Transfer Final Budget to General Ledger**

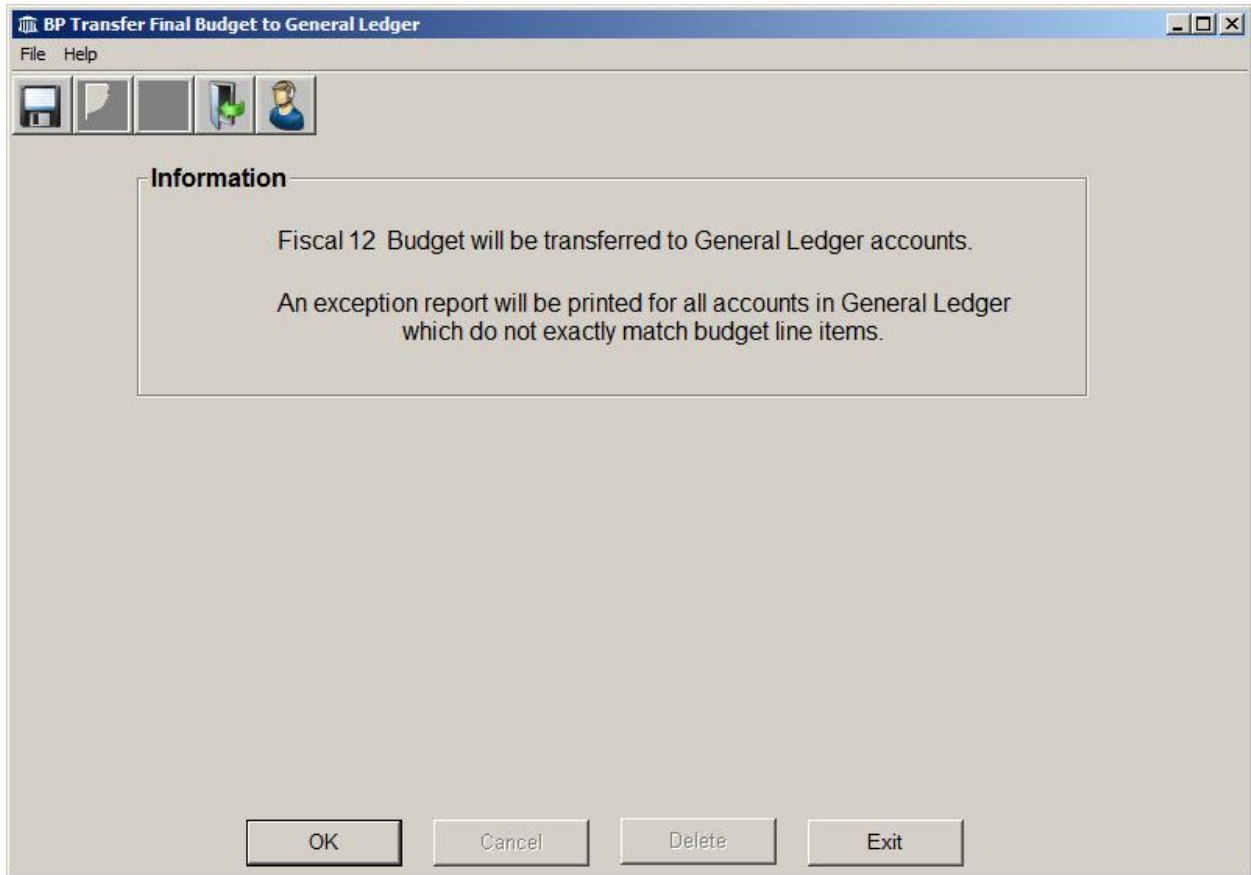
**NOTE:** Step #1 of the General Ledger System procedures (Create New Chart of Accounts) must be completed BEFORE this option is taken.

1. Choose option to Transfer Final Budget to General Ledger from the Support Menu



2. Make sure your printer is ready to print the exception report that's generated when the transfer is complete.

3. Click "OK" to transfer the budget amounts



This program moves all budget figures that have been entered in the Budget Planning System over to the General Ledger System. If a budget figure has been entered for an account that does not exist in the **NEW FISCAL YEAR** Chart of Accounts, a new number will be created. An Exception Report is printed during this program to indicate these new account numbers, plus other variations such as different description spellings or account types.

## **MSI-Payroll System**

These processes should be run **AFTER** the last payroll has been updated in **DECEMBER**, but **BEFORE** the first payroll is started for **JANUARY**.

### **IMPORTANT NOTE!**

These steps must be followed in the **EXACT** order in which they are listed for your data to remain accurate!!!

## **Step #1 – Print Monthly/Quarterly/Yearly Reports**

Please print, verify, and **COMPLETE** all monthly, quarterly and yearly reports that you normally process **BEFORE** continuing with the next step. Some reports cannot be printed once the calendar year is cleared, so if there are any mistakes or problems, you will not be able to go back and re-run the reports.

Print all monthly, quarterly and calendar year-end reports.

1. For those who have benefit accruals setup in the system, run the Benefit Hours Report and retain it to compare with the accrual detail after "Clear Calendar Totals" is run for the year end. Consider running the report a second time and select the option to "Include only Employees whose benefits would be adjusted on a specified month". Input "01" as the month you will be preparing for so the report can generate a snapshot of the employees will have their benefit hours adjusted during "Clear Calendar Totals".
2. Run the YTD Earnings Report, as the "Month", "Quarter", "Calendar", and/or "Fiscal" columns will be zeroed out by "Clear Calendar Totals" selections. Consider running the report a second time and select to "Include Pension Amounts" only. The "NUMBER OF EMPLOYEES" contributing to a retirement plan will appear on this report and can be compared to the total number of Retirement Plan employees found at the end of your W2 Edit Report.

*Each of the below can only be run for the "Current Calendar Year" - so be sure to run these reports **PRIOR** to running "Clear Calendar Totals" to prepare January.*

3. The YTD Hours Report as the "Current Calendar" fields will be zeroed out when the option to clear Calendar pay amounts is selected.
4. The State Retirement Report is run monthly for those municipalities that participate in a state pension program.
5. The State Unemployment Report is run quarterly.

*This last report can be run up through December 31<sup>st</sup> for quarters 1 through 3 of that calendar year. It can be run through January 31<sup>st</sup> for the 4<sup>th</sup> quarter of the prior year. After that point if you try to run it for the 4<sup>th</sup> quarter, the system will assume you're trying to run it for the 4<sup>th</sup> quarter of the current calendar year, which has yet to have any checks issued, so the report will show all \$0. Changing your computer's date back to the prior calendar year will allow you to run this report after Jan 31<sup>st</sup> of your current calendar year.*

6. The Federal Quarterly 941 Report is run quarterly.

**Step #2 – W-2 and/or 1099-R Processing**

Please refer to the separate W-2 AND 1099-R PROCESSING guide for detailed information on running these steps.

**Step #3 – Update Federal Tax Rates**

Choose Federal Tax Rates off the Maintenance Menu.

**FICA**

	%	Account #
Employee	4.2000	
Employer	6.2000	
Max Wage		106,800.00

**Medicare**

	%	Account #
Employee	1.4500	
Employer	1.4500	
Max Wage		999,999.99

**Single Table**

	Min. Amt.	Tax Amt.	Tax %
1.	0.00	0.00	0.000
2.	2,100.00	0.00	10.000
3.	10,600.00	850.00	15.000
4.	36,600.00	4,750.00	25.000
5.	85,700.00	17,025.00	28.000
6.	176,500.00	42,449.00	33.000
7.	381,250.00	110,016.50	35.000
8.	999,999.99	0.00	0.000
9.	0.00	0.00	0.000
10.	0.00	0.00	0.000

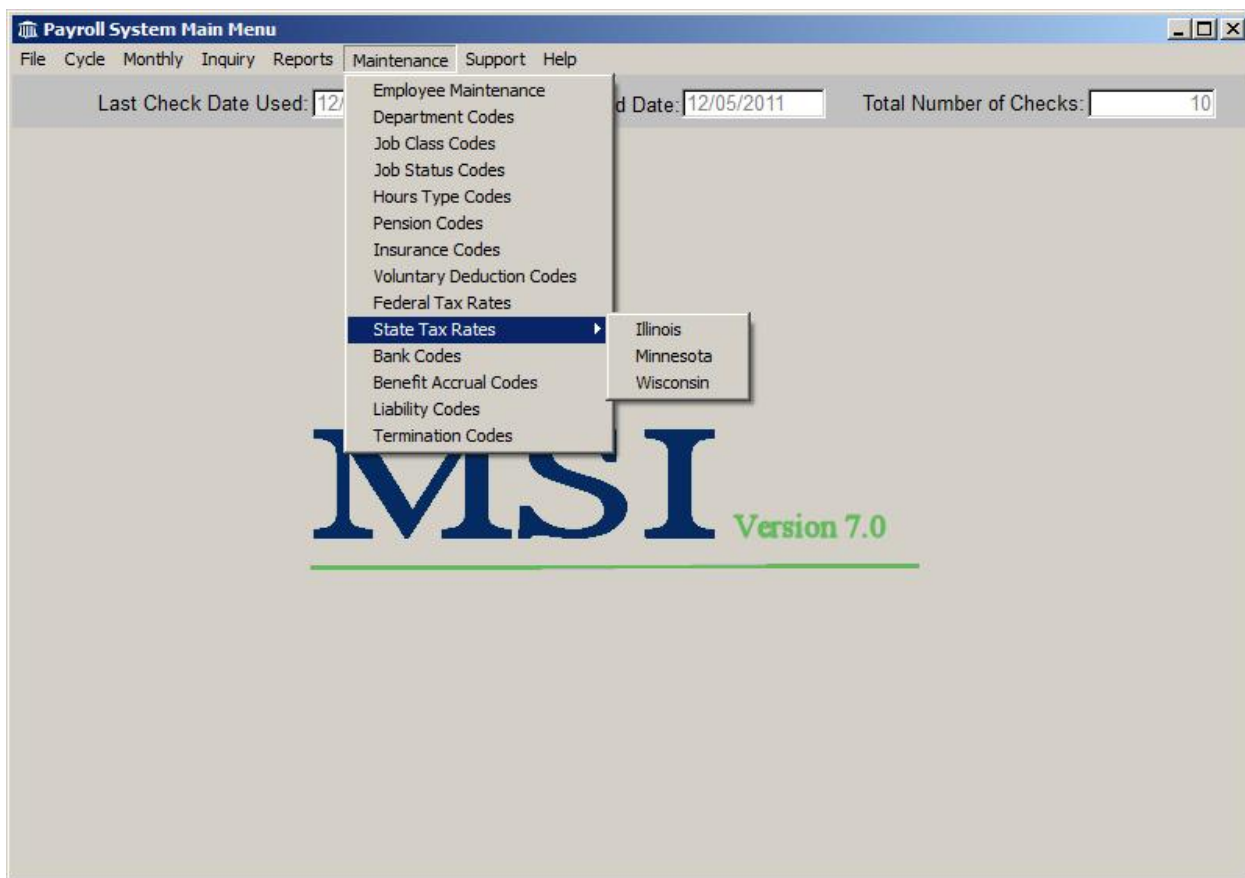
**Married Table**

	Min. Amt.	Tax Amt.	Tax %
1.	0.00	0.00	0.000
2.	7,900.00	0.00	10.000
3.	24,900.00	1,700.00	15.000
4.	76,900.00	9,500.00	25.000
5.	147,250.00	27,087.50	28.000
6.	220,200.00	47,513.50	33.000
7.	387,050.00	102,574.00	35.000
8.	999,999.99	0.00	0.000
9.	0.00	0.00	0.000
10.	0.00	0.00	0.000

**NOTE:** This information is contained in the Federal Circular E publication which is usually received by ALL employers on or around 12/24 each year. MSI does not receive this information any earlier than other employers do. Within 2 business days of receiving our Circular E, a copy of this information will be posted on our web site at [www.municipalsoftware.net](http://www.municipalsoftware.net)

**Step #4 – Update State Tax Rates**

Choose State Tax Rates off the Maintenance Menu.

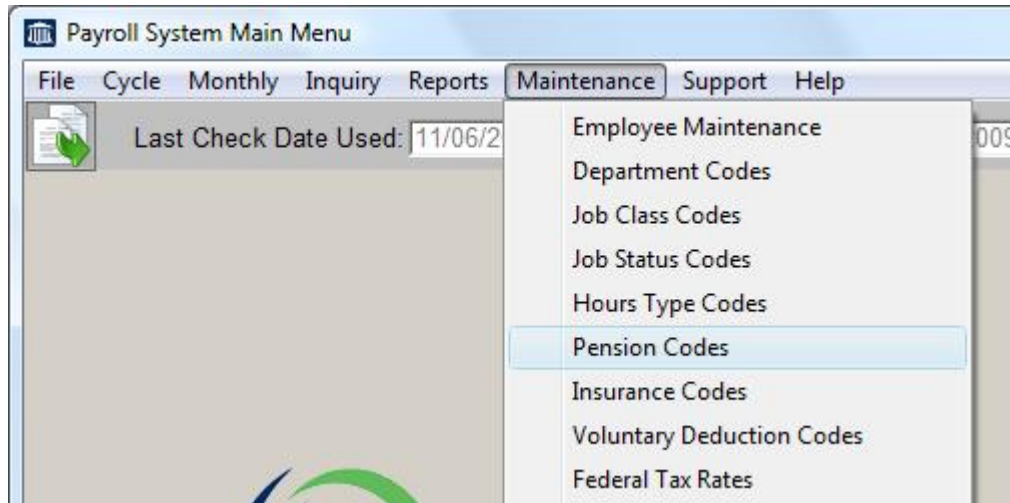


1. Select the State applicable to your site.
2. If the state income tax rates for your state have changed, please make these changes in this program as needed.

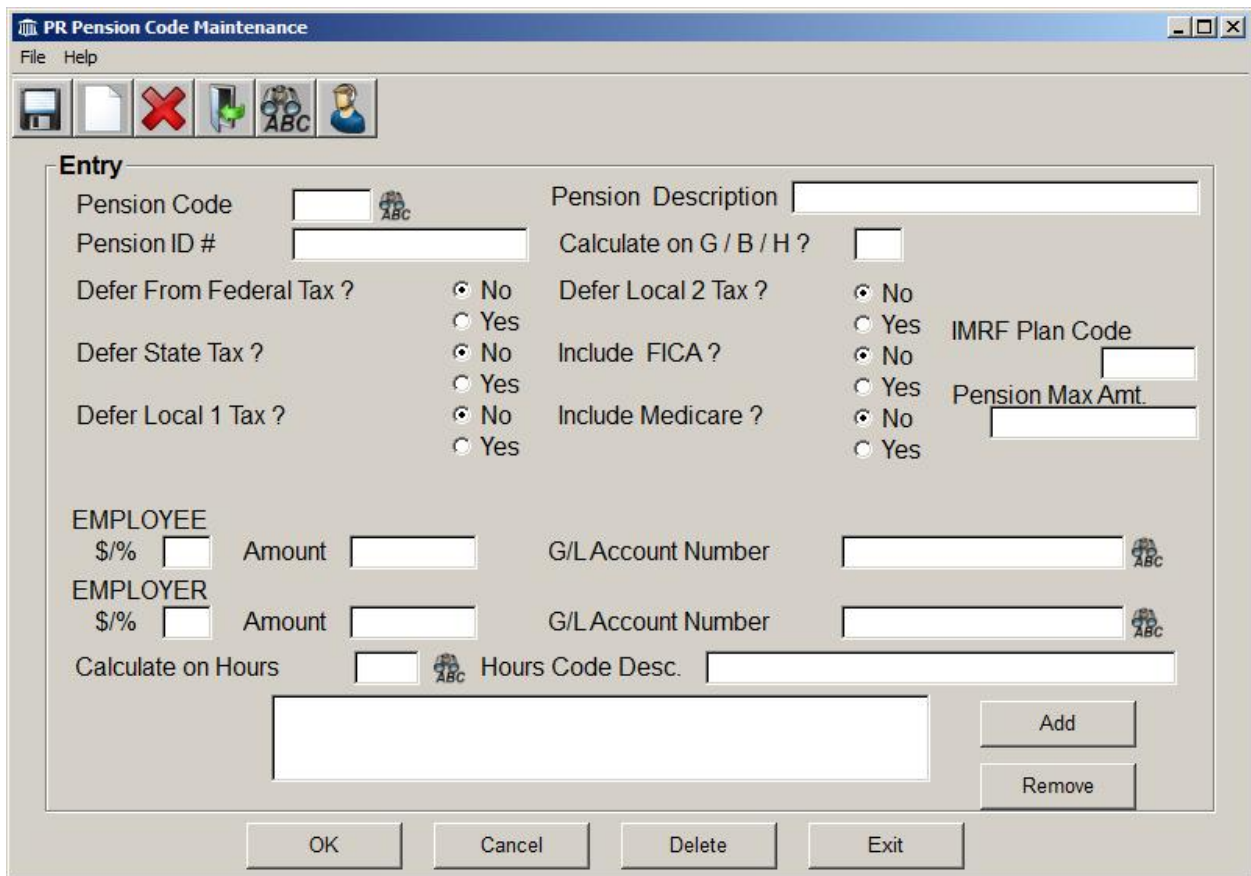
**NOTE:** Please check with your auditor/accountant to determine if the rates have been altered in your state for the new calendar year.

**Step #5 – Update Pension Rates**

Choose Pension Codes off the Maintenance Menu.



Modify the rates for any pension code where either the employer OR employee rate have changed.

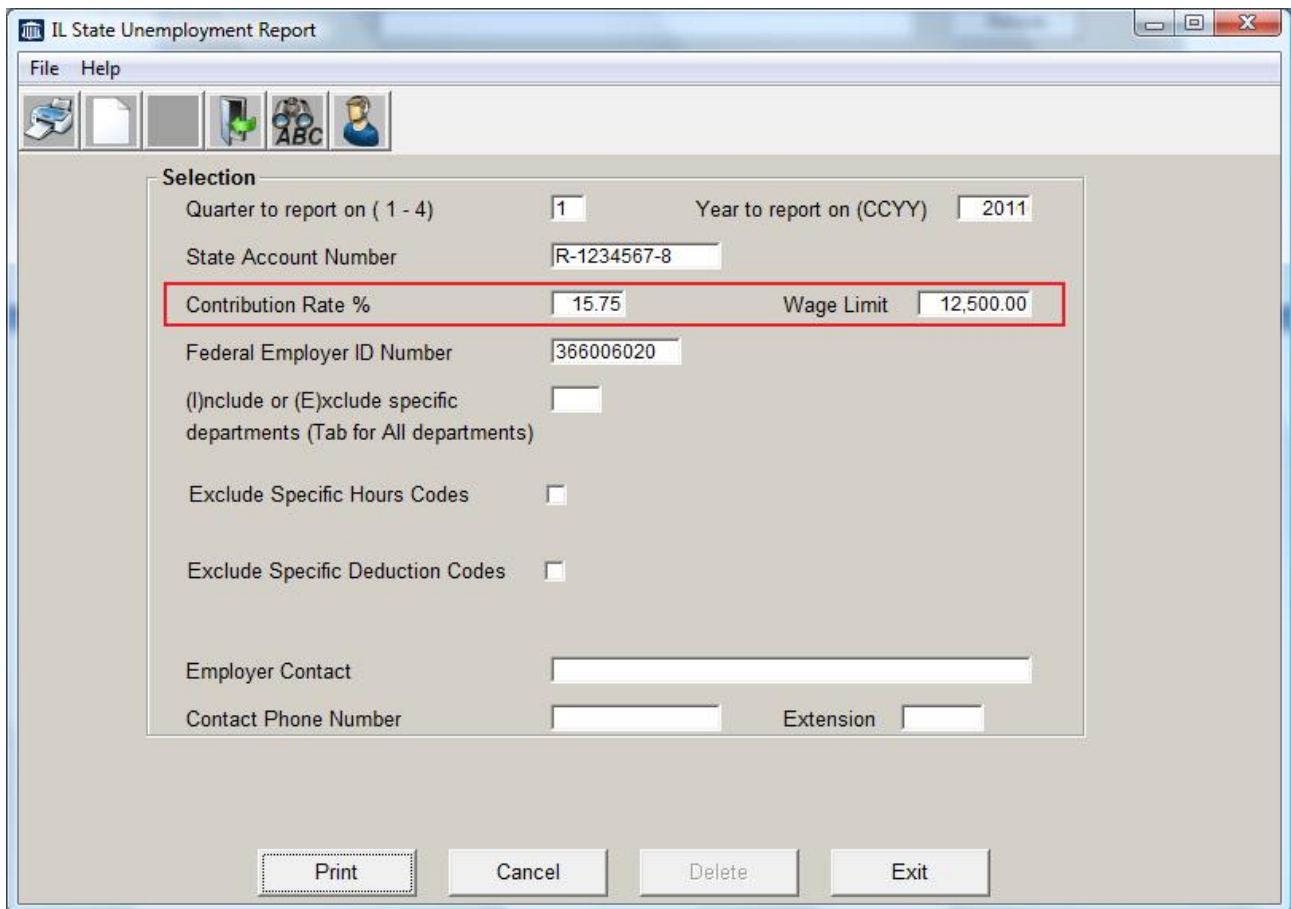


**Step #6 – Update Unemployment Rates/Limits**

When you're ready to run the report for the first quarter for which the rates have changed, choose State Unemployment Report off the Reports Menu.



Then simply make any necessary modifications to the Contribution Rate % and or Wage Limit prior to clicking "Print" to run the report. Once the system prints the report with the updated figures, the information will be retained for the next time you run the report.

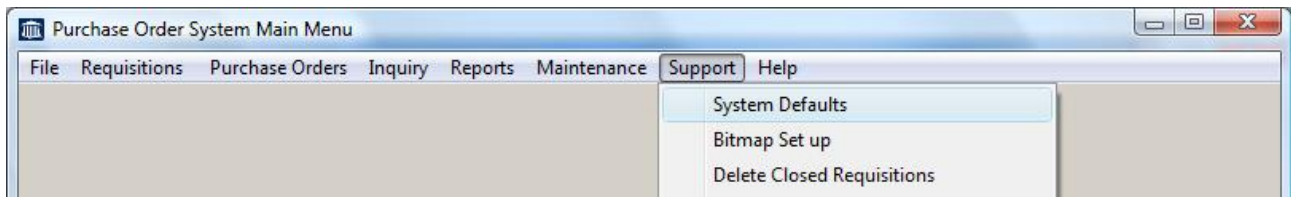


**MSI-Purchase Orders System**

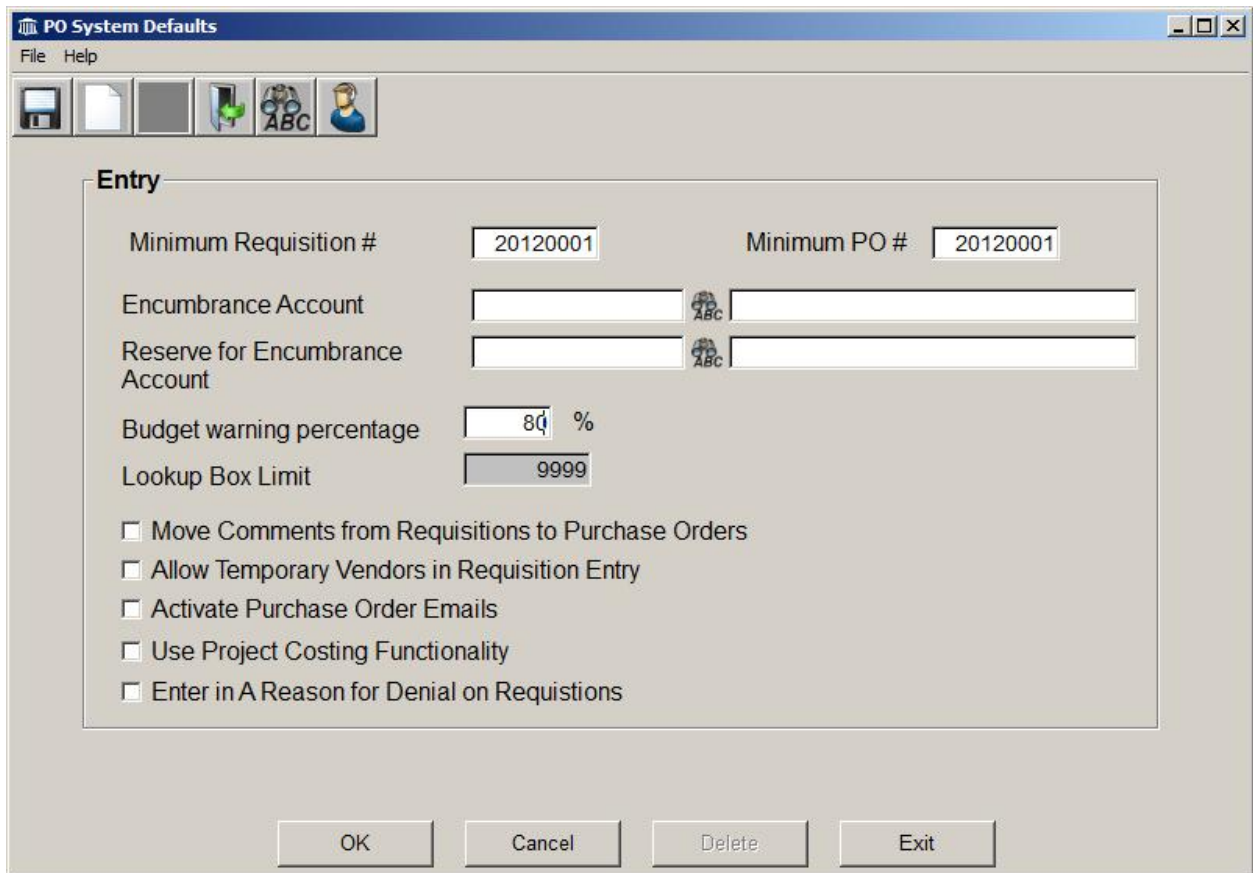
**Step #1 – Update System Defaults for new Requisition and PO Numbers**

If you have incorporated the fiscal/calendar year into a portion of your purchase order or requisition numbers, the minimum numbers should be changed prior to entering any new PO's or Requisitions for the new fiscal/calendar year.

Choose System Defaults from the Support Menu.



Change the number(s) displayed in the "Minimum Requisition #" and/or "Minimum PO #" fields as required (ex. *If the new calendar and/or fiscal year is 2011, then you may want the new Requisitions and PO's entered in that year to begin with "2011..."*).



**Step #2 – Close out Open Encumbrances**

**NOTE:** If you practice encumbrance accounting, then continue on to this step. If you do not practice encumbrance accounting then your Year End procedures for Purchase Orders are completed – so there is no need to proceed with this step.

PO's can be unencumbered in the **OLD FISCAL YEAR** and/or encumbered in the **NEW FISCAL YEAR** as long as necessary, until the **OLD FISCAL YEAR** Chart of Accounts is closed in the MSI-General Ledger System.

The key to processing during this time is to understand how the system selects PO's to encumber. When printing the Encumbrance Distribution Journal, the system will pull in any new line items that have been entered to a Purchase Order since the last time encumbrances were posted (provided these line items are flagged to encumber) regardless of the PO date – the system just pulls in ALL new line items. So, if you intend to post to the **OLD FISCAL YEAR**, then you can only enter new PO's or modify existing ones that should be encumbered to the **OLD FISCAL YEAR**. Then post encumbrances. Once done, then work exclusively on those to be encumbered from the **NEW FISCAL YEAR** until those are posted.

To gather a better understanding of how this is done and what options are available, the remaining text has been separated into three sections:

**Section (A)** - indicates what can be done **PRIOR** to closing the Chart of Accounts.

**Section (B)** - indicates what will happen to outstanding encumbrances when the Chart of Accounts is closed in the MSI-General Ledger.

**Section (C)** - indicates how to post to the **OLD FISCAL YEAR** after the Chart of Accounts is closed.

**Section (A) Prior to Closing the Old Fiscal Year**

Prior to closing the **OLD FISCAL YEAR** Chart of Accounts in the General Ledger, PO's can be encumbered and/or unencumbered in the **OLD FISCAL YEAR** and the **NEW FISCAL YEAR**. However, PO's from those years **CANNOT** be processed at the same time, either in MSI-Purchase Orders or the MSI-Accounts Payable System. The PO's from different fiscal years must be processed in groups according to their fiscal year, as instructed below:

1. Do not enter any PO's for the **NEW FISCAL YEAR**.
2. Finish entering and modifying PO's in the **OLD FISCAL YEAR**.
3. Select the option on the Purchase Orders Menu to "Print Encumbrance Distribution Journal".
4. Enter your selections to post to the **OLD FISCAL YEAR**.
5. Select the option on the Purchase Orders Menu to "Post Encumbrances to General Ledger".

At this point, all current **OLD FISCAL YEAR** encumbrancing will be sent to the General Ledger. You may then begin with the **NEW FISCAL YEAR** PO's, but you cannot process **ANY OLD FISCAL YEAR PO's** in the MSI-Purchase Order System until the **NEW FISCAL YEAR** PO's are posted to the GL. Once the group of **NEW FISCAL YEAR** PO's has been processed as indicated above, you may then continue with another group of **OLD FISCAL YEAR** PO's. This process can

be continued as many times as needed until the Chart of Accounts is closed in the MSI-General Ledger system.

**Note:** PO's waiting to be unencumbered from the **OLD FISCAL YEAR** will not be included when you run the distribution journal for the **NEW FISCAL YEAR**. You will be prompted with a message letting you know that there are PO's that need to be unencumbered from an old fiscal year, when these exist. If you receive the below message when printing your distribution journal, then finish posting the journal that prints before going back in to create a new distribution journal for your prior fiscal year.



### **Section (B) Closing the OLD FISCAL YEAR**

By completing Step (B), the following processes will automatically occur. This will only affect line items from PO's that have been encumbered to the **OLD FISCAL YEAR** but have not yet been unencumbered. Again, this is only for those sites practicing encumbrance accounting.

When running the Close Fiscal Chart of Accounts option off the Support Menu in MSI-General Ledger, the system will automatically:

1. "Close" any outstanding **OLD FISCAL YEAR** encumbrance amounts into period 13 of the **OLD FISCAL YEAR**.
2. These same amounts are then re-encumbered into period 01 of the **NEW FISCAL YEAR**.
3. The ending balances for each fund's Encumbrance and Reserve for Encumbrance accounts will automatically be carried forward as the beginning balance of the same account in the **NEW FISCAL YEAR**.

This process occurs each time the Chart of Accounts is closed for any new encumbrances that have been posted to the **OLD FISCAL YEAR**.

**NOTE:** You will NOT see specific journal entries for these encumbrance transfers, because actual balances have not changed.

**NOTE:** Any encumbrances that are rolled over from the **OLD FISCAL YEAR** to the **NEW FISCAL YEAR** will be **REQUIRED** to be unencumbered in the new fiscal year.

Example: If a \$50.00 encumbrance is outstanding when closing fiscal year 2010, the \$50.00 will be unencumbered in period 13 of fiscal 2010 and re-encumbered in period 1 of fiscal year 2011. At this point, the \$50.00 outstanding encumbrance will show up in fiscal year 2011 only. Therefore, it cannot be unencumbered in fiscal year 2010. In other words, open purchase orders that have been rolled into fiscal year 2011 cannot then be unencumbered on an encumbrance journal to be posted to fiscal year 2010.

**Section (C) After Closing the OLD FISCAL YEAR**

Once the Chart of Accounts is closed, you may still process PO's for the **OLD FISCAL YEAR** and the **NEW FISCAL YEAR**. EXTREME CAUTION SHOULD BE USED WITH THIS PRACTICE. You should process PO's separately by fiscal year as discussed in section (A) above.

**NOTE:** PO's waiting to be unencumbered from the **OLD FISCAL YEAR** will not be included when you run the distribution journal for the **NEW FISCAL YEAR**. The system will, however, give you a message that there are PO's pending for the **OLD FISCAL YEAR**:



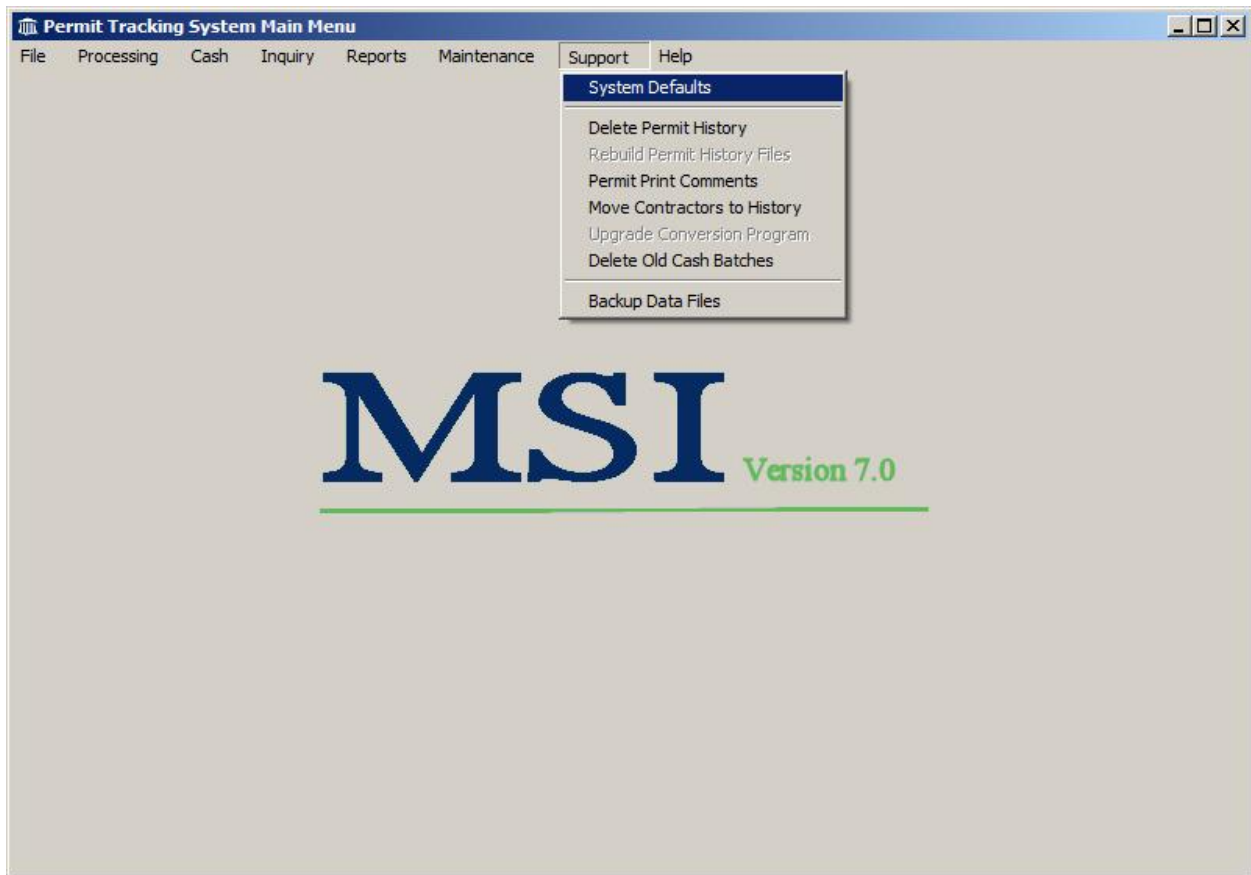
You WILL NOT get this message if you are posting to the **OLD FISCAL YEAR** and there are **NEW FISCAL YEAR** un-encumbrances involved.

**MSI-Permit Tracking System**

**Step #1 – Update System Defaults for new Permit Numbers**

If you have incorporated the fiscal/calendar year into a portion of your permit numbers, the minimum numbers should be changed prior to entering any new permits for the new fiscal/calendar year.

Choose System Defaults from the Support Menu.



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Change the number(s) displayed in the "Lowest Permit Number" field as required (ex. *If the new calendar and/or fiscal year is 2011, then you may want the new permits entered in that year to begin with "2011..."*).

The screenshot shows a software dialog box titled "PT System Defaults" with a menu bar containing "File" and "Help". Below the menu bar are several icons: a floppy disk, a printer, a trash can, a green arrow, and a person. The main area is titled "Entry" and contains the following fields and options:

- Municipality Name:
- Address:
- City:  Municipality Vendor ID:
- State:  Zip:  Phone:
- Earliest Inspection Time:  :   AM  PM  
hour min
- Lowest Permit Number:
- Next Contractor Number:
- Lookup Box Limit:
- GL Interface:  Yes  No
- PF Interface:  Yes  No
- Print Forms on Letterhead?:  Yes  No
- Default Expiration Date:  Months from Issue Date
- Use batch number as journal number?

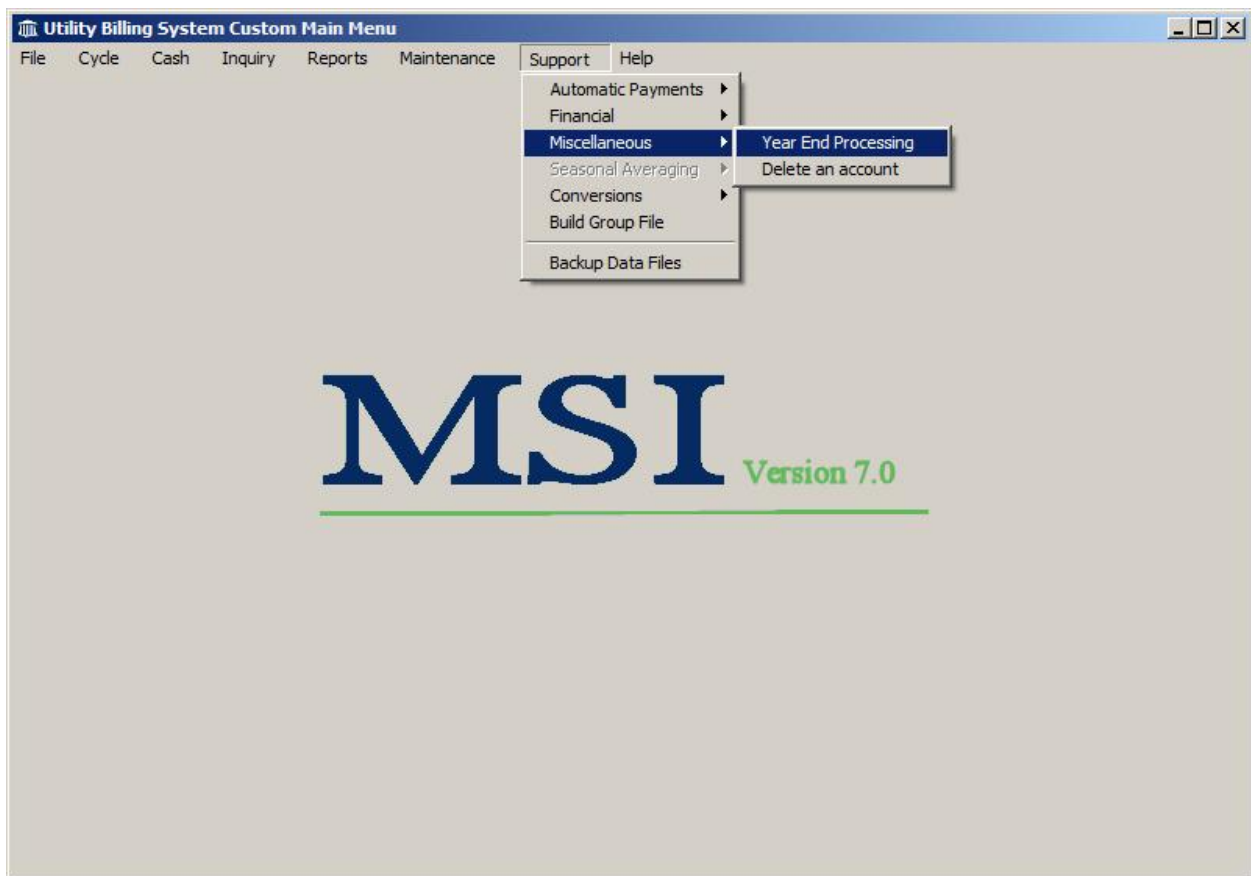
At the bottom of the dialog box are four buttons: "OK", "Cancel", "Delete", and "Exit".

**MSI-Utility Billing System**

**Step #1 – Year End Processing**

This program should be used AFTER the last billing, first notice, second notice and/or third notice runs have been processed and updated in the **OLD CALENDAR YEAR** but before any new bills or notices are processed in the **NEW CALENDAR YEAR**. This program does NOT effect payments and adjustments.

Select “Year End Processing” from Miscellaneous off the Support Menu.



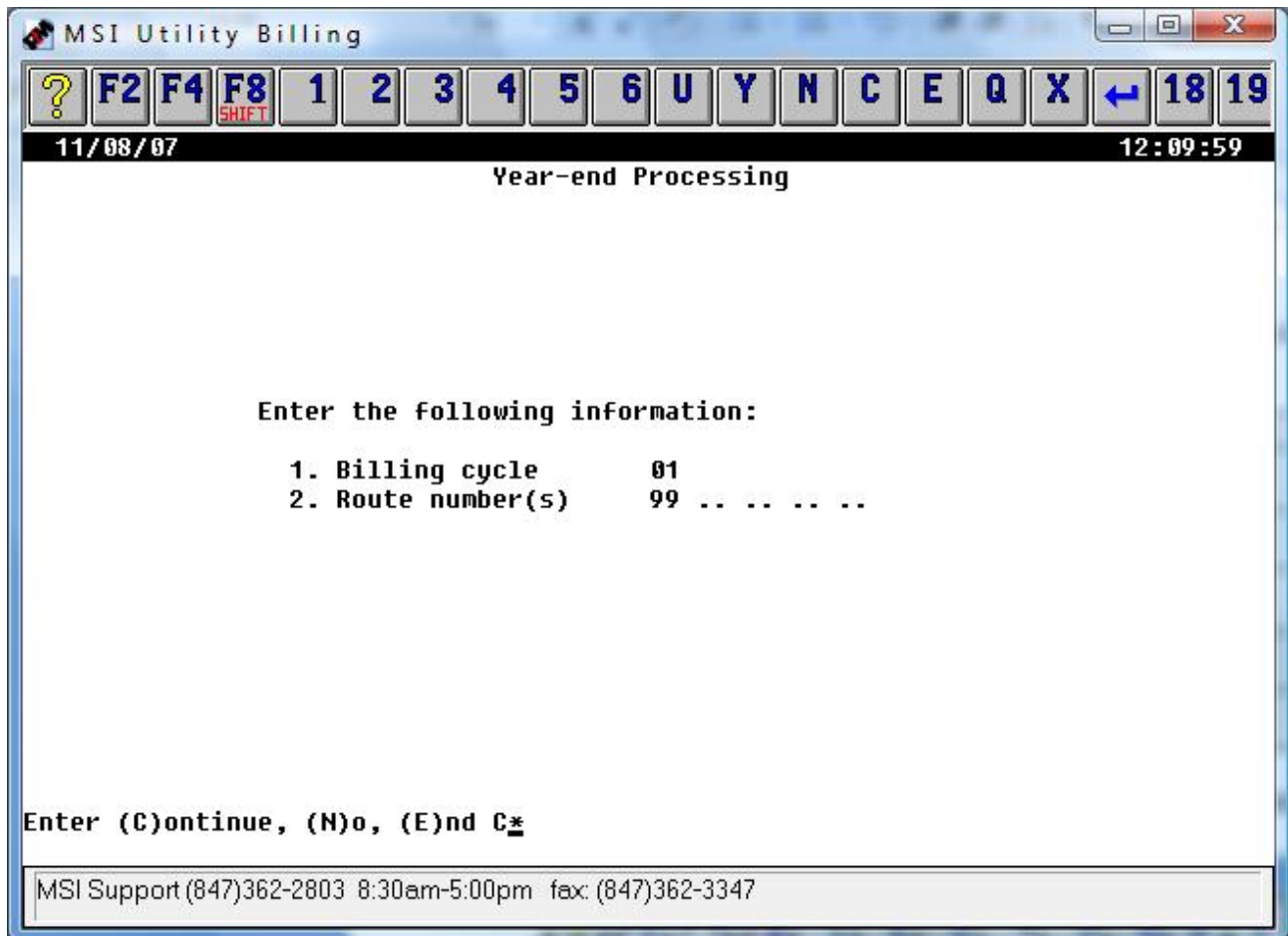
**Municipal Software, Inc. MSI-Fiscal and Calendar Year End Processing User's Guide**

**For versions prior to 6.0:**

Write the number of each billing cycle number in the first column of the table listed below. Do not forget your commercial cycles.

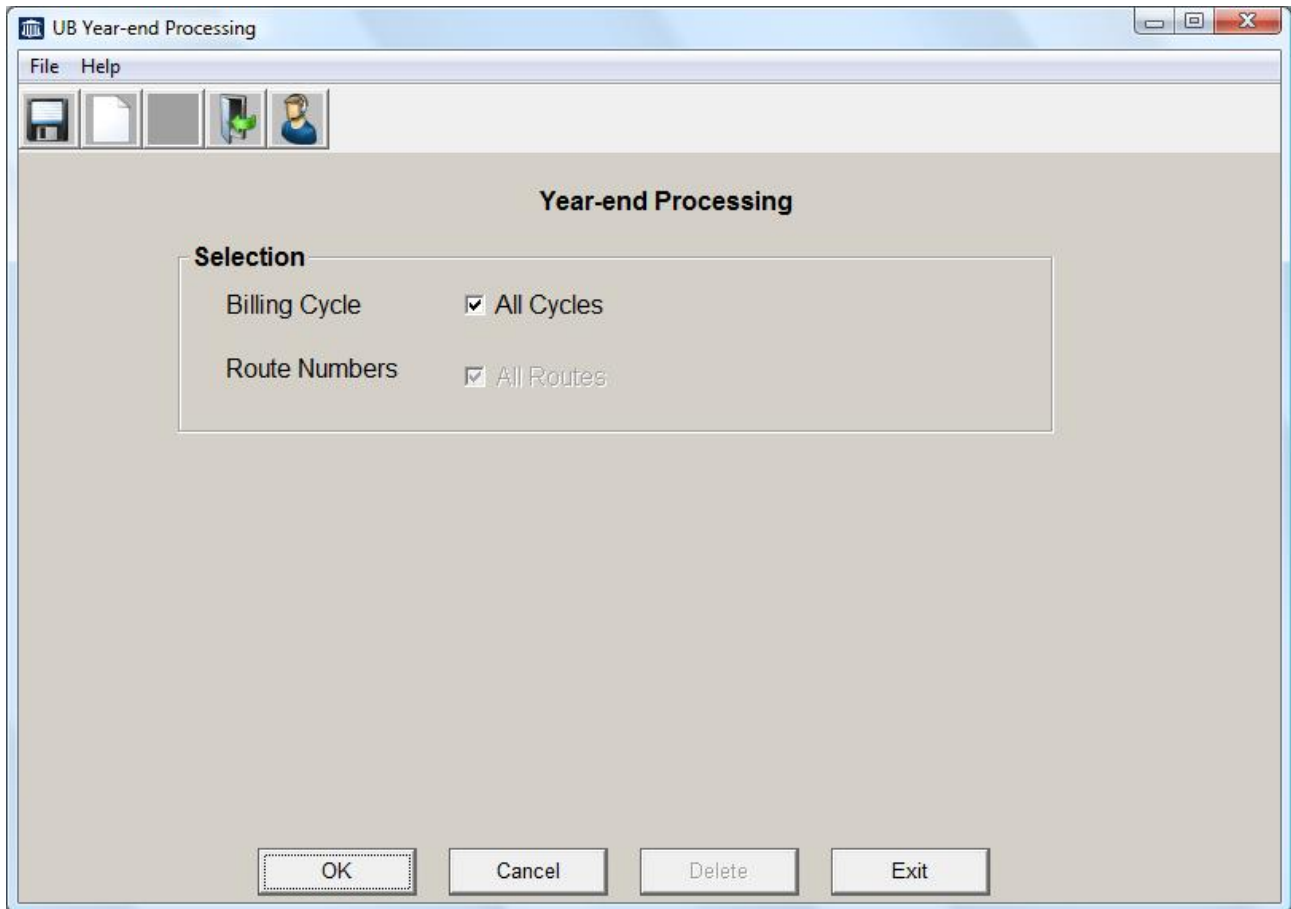
<u>Cycle</u>	<u>Complete</u>	<u>Initials</u>
	Yes/No	
	Yes/No	
	Yes/No	
	Yes/No	
	Yes/No	

Run this program for EACH cycle listed above, for ALL routes (99) within those cycles.



**For version 6.0 and newer:**

Select which Cycle and/or Route you want to process and click "OK".



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This program will update the NOTICES information that appears on the Deposit tab of the Customer Master program. The "This Year" buckets will be cleared to (0) for First, Second, and Third notices.

Additionally, the Current year's total consumption for each service address will move over to the Last year total consumption for each service address.

UB Customer Master Audit

File Help

020100120000 CURRENT RESIDENT 1234 MAIN STREET

Customer Info Services Bill-To/Owner Meter Info Readings Direct Debit Deposit E-Bill

Deposit Amount 0.00 Balance Due 0.00 Refund Check Num:

Payment: Amount Due Date Paid Date Receipt # Refund Amt.

1. 01/01/2001

2.

Number of NSF Checks Date of Last NSF Check

Lien in effect? Yes No Lien Counter

NOTICES:	This Year	Total	Last Notice Date
First	0	0	01/01/2001
Second	0	0	01/01/2001
Third	0	0	01/01/2001

Current Year Consumption 534

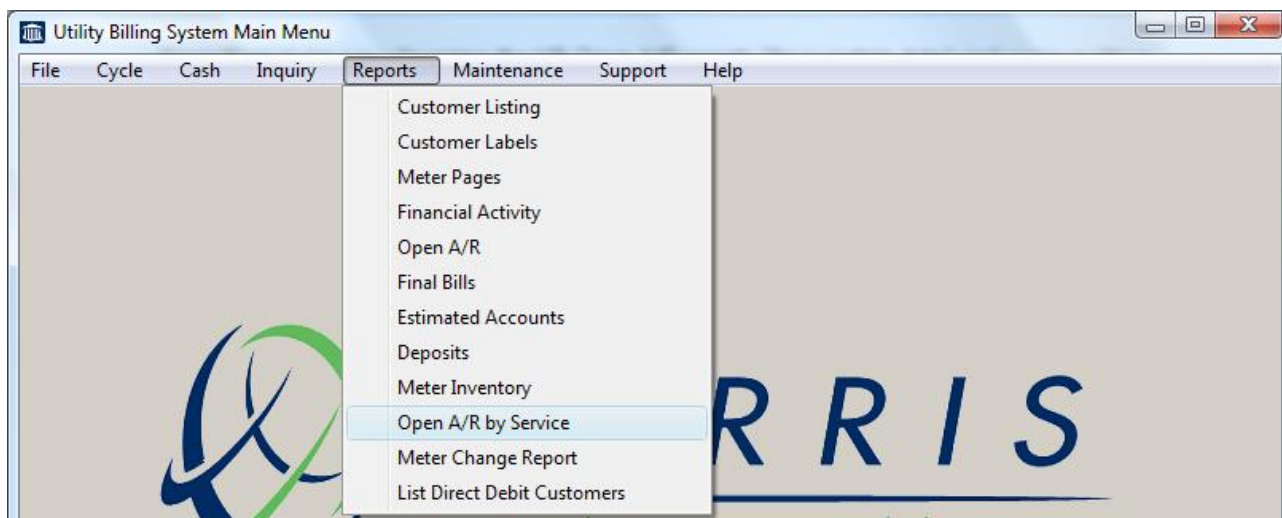
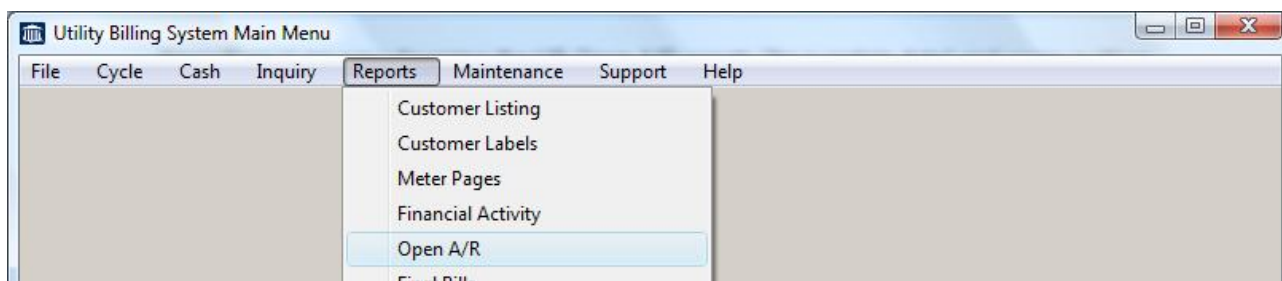
Last Year Consumption 0

Payment Profile (most current to 12th oldest)

OK Cancel Delete Exit

**Step #2 – Run Open A/R Reports**

Since there is no way of running the UB Open A/R reports “for a certain date” and some auditors want a snapshot of the receivables as of the end of the year, it is recommended to run the Open A/R and/or the Open A/R by Service Report once all activity for the year has been updated in UB (and before new activity is updated in the new year).



Keep these reports in a designated area to be able to provide the auditors upon request.

**CAUTION:** If your first billing dated in 2012 is updated (via the Update Billing Cycle process) prior to the end of 2011, then the new 2012 billing amounts will be included on the 2011 year end Open A/R reports.  
To have accurate year end amounts on the reports, it is recommended that you hold off running the Update Billing Cycle process until after the 2011 year end Open A/R reports are run and the new year starts.