



# Wiise

# EOFY Good Practice Guide

## Momentum Software Solutions

Momentum provide Support for Wiise ERP and Payroll

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The Wiise logo consists of the word "wiise" in a bold, lowercase, sans-serif font. The letters "i" and "i" are blue, while the letters "w", "s", and "e" are dark blue.

# Momentum Software Solutions: Customer Support

As a valued customer of Momentum, we provide support for Wiise ERP and Payroll.

**You can lodge a Support Request.**

Via email: [support@momentumss.com.au](mailto:support@momentumss.com.au)

Or contact our Help Desk: **07 5479 1877**

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## Overview

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This document is intended as a guide for Wiise users running end of year procedures in Wiise ERP Software.

The end of year process in Wiise is a very straight forward process. This paper sets out the steps required to achieve a successful year end procedure.

Even though this paper talks about the Year End process it should be noted that once the Year End Process is complete Wiise still gives the user access to the previous year's transactions for reporting and for data entry.

If you require additional advice to help your year-end processing, please contact Momentum support.

## Information & FAQ's about EOFY in Wiise

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**Q) Can I create the new fiscal year calendar before the end of the financial year?**

A) Yes you can do this however it would be worth restricting users so they can't post into the new financial year until you are ready (you can do this in the Posting to field in the General Ledger Setup screen).

**Q) Can I process transactions back into June or prior months?**

A) Transactions can be processed into the Prior Financial Year when you allow it. Please note that you will need to run or re-run the function to transfer the Income Statement items to Retained Earnings after you post your backdated transactions. We recommend this be monitored carefully, and periods should be locked once reconciliations are complete.

**Q) My Accountant doesn't complete my year end journals until months from now. What happens with those?**

A) That is OK. Transactions can be processed into the Prior Financial Year when you allow it. You will need to run or re-run the function to transfer the Income Statement items to Retained Earnings after you post the year end journals to the prior year.

**Q) When I close the year in Wiise can I re-open it again and what are the implications?**

A) Once you close the period in Wiise it cannot be re-opened. The implications are that the calendar of the fiscal year just closed cannot be changed and the beginning date of the new fiscal year also cannot be changed.

# End of Period with EOFY Process

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## Summary of end of financial year process

### Up to and including last working day in June

#### Set up new Fiscal Year

Before the start of the new financial year, you need to ensure that the new Fiscal Year is set up.

Click on the search icon and type in Accounting Periods and choose the Accounting Periods option

You will see a list of the currently set up Accounting Periods.

#### **Option A – Wiise can create for you**

*If your Fiscal Year is broken into calendar monthly periods ie. The period starts on the first of the calendar month and ends on the last day of the calendar month then Wiise can set up the periods for you*

Click on Process and then choose Create Year

In the Starting Date field, choose the first day of the new Financial Year

In the No of Periods field enter 12

In the Period length field enter 1M (one month)

Click OK

#### **Option B – Create each new period manually**

*If your Fiscal Year is not standard monthly such as if you are using a 4,4,5 calendar, then you will need to create the periods manually*

Click on the New button

A new row in the grid will appear.

- a. Enter the starting date for the first period
- b. Give the period a name, usually this is the name of the month and the year but does not have to be
- c. If this first period is the start of the new Fiscal Year then place a tick in the New Fiscal Year tickbox

Repeat steps a through b above for each month in your Fiscal Year

#### **Update Exchange Rates (Only is using currencies other than AUD)**

If you are using foreign currencies, you need to ensure that the period end FX rates are up to date.

If you are using an FX service, these will have updated automatically.

If you are not using an FX service, please ensure that you have entered the up to date FX rates for all currencies utilised as at the period end.

To do so, from the Search icon enter Currencies and choose the Currencies selection.

The currencies screen shows a list of currencies, click on the row of the first currency that you would like to update. Select Process and then Exch. Rates

Click New and then enter:

1. The Starting Date (the period end date)
2. The Exchange Rate Amount (this is the amount of the foreign currency). You can make this 1 (one)

3. The Relational Exch. Rate Amount (this is the rate per the amount of currency from 2 above). This is the rate at which any transactions on this day are translated. It is normally the inverse of the quoted exchange rate. For example if 1 AUD = 0.60 USD, then the Relational Exch. Rate Amount =  $1 / 0.60 = 1.66667$
4. The Adjustment Exch. Rate Amount is per point 2 above
5. The Relational Adjmt Exch Rate Amt is the rate at which any outstanding customer or supplier invoice is revalued to at year end (giving rise to a unrealised FX entry). This rate does not have to be the same rate as in point 3 above. It is normally the inverse of the quoted exchange rate. For example if 1 AUD = 0.60 USD, then the Relational Exch. Rate Amount =  $1 / 0.60 = 1.66667$

### Immediately prior to close of business on the last working day in June

#### Stop Users Posting to Incorrect Periods

You can stop users posting to incorrect or completed periods. You may wish to do this for example to ensure that certain users cannot post back into periods that you have already reconciled or for users that should be focusing on new period transactions only.

The suggested option is to do the following:

1. Search General Ledger Setup and put the new financial period dates in the Allow Posting From and Allow Posting To dates. This will ensure that everyone can only use these dates.
2. However, there will be some users that you would allow to post backwards eg Accounts Payable and Receivable will be finishing entries into the previous period, as will the Accountants, so you can enable those users in particular to still access the previous period. To do this, Search User Setup and put the beginning date of the previous period in the Allow Posting From field and leave the Allow Posting To field blank.

#### Notes:

- a. *the User Setup allow posting dates overrides the General Ledger Setup allow posting dates*
- b. *as users complete their actions for the period, go to User Setup and change their Allow Posting From date to be blank. This will stop them posting backwards to periods you have completed and reconciled.*

### First working day of new financial year and forwards

#### Complete all postings for each functional area

Make sure that all transactions that can be completed are completed and posted for each functional area for the period. This would include:

Sales – shipments, invoices/credit notes, payment journals, recurring transactions  
 Purchasing – receipts, invoices/credit notes, payment journals, recurring transactions  
 Inventory – stocktake entries, cycle count entries  
 Fixed Assets – acquisitions, disposals, depreciation, revaluation  
 Accounting – recurring journals, accrual and adjustment journals

This may happen at different times for each functional area, for example, inventory should be finalised at the end of the current month while accounts receivable and banking may be a day or two into the new month and accounts payable may be a day or two after that. Accounting normally closes the period after all other areas are complete.

## **Perform Reconciliations**

As mentioned above, these may occur at different times for each functional area.

### **Run a Trial Balance**

Run the Trial Balance report with the following selections:

- Date Filter = beginning of month ..end of month eg 01/06/2023..30/06/2023
- Then choose Preview or Print or Send To

You will use this report to reconcile to the data from the reports below

### **Reconcile Inventory**

If you are performing a year end stock take, ensure that the stocktake is physically complete, the stocktake journals have been completed and posted and that the inventory valuation report reflects the quantities that you would expect.

Run the Inventory Valuation report:

- Starting Date = start date of the current period (same date as beginning of month date in Trial Balance report)
- Ending Date = end date of the current period (same date as end of month date in Trial Balance report)

Reconcile the total value in the As of end of month date column to the total of the inventory general ledger values in the Trial Balance report (Balance column)

If all reconciles, change the Posting Dates fields in either General Ledger Setup or User Setup to no longer allow posting to the completed period.

### **Reconcile Accounts Receivable**

Run the report called Aged Accounts Receivable with the following settings:

- Aged As of date = the period end date.
- Ageing by can be either Document Date, Posting Date or Due Date. For reconciliation purposes best to do Document Date
- Period length = 1M
- Print Amounts in LCY = off
- Print Details = off. This gives a summarised balance. Turn on if you need to see the details of the transactions that make up the summarised balance
- Then choose Preview or Print or Send To

The Total value in the Balance column should tie up with the value for all Accounts Receivable accounts in the Trial Balance report run with the same As of date as this report.

*Note: if you have foreign currency customers you can choose to revalue those accounts now or you can revalue all foreign currency entries later in one step. See the Perform Currency Revaluations section below.*

If all reconciles, change the Posting Dates fields in either General Ledger Setup or User Setup to no longer allow posting to the completed period.

### **Reconcile Accounts Payable**

Run the report called Aged Accounts Payable with the following settings:

- Aged As of date = the period end date.
- Ageing by can be either Document Date, Posting Date or Due Date. For

reconciliation purposes best to do Document Date

- Period length = 1M
- Print Amounts in LCY = off
- Print Details = off. This gives a summarised balance. Turn on if you need to see the details of the transactions that make up the summarised balance
- Use External Document No = off. If you turn the Print Details on (description above) then suggest that you turn the External Document No on as well to see the vendor invoice numbers.
- Then choose Preview or Print or Send To

The Total value in the Balance column should tie up with the value for all Accounts Payable accounts in the Trial Balance report run with the same As of date as this report.

*Note: if you have foreign currency vendors you can choose to revalue those accounts now or you can revalue all foreign currency entries later in one step. See the Perform Currency Revaluations section below.*

If all reconciles, change the Posting Dates fields in either General Ledger Setup or User Setup to no longer allow posting to the completed period.

### **Reconcile GST**

Run the report called GST Statement with the following settings:

- Period Date Type = Document Date
- Starting Date = start date of the current period (same date as beginning of month date in Trial Balance report)
- Ending Date = end date of the current period (same date as end of month date in Trial Balance report)
- Then choose Preview or Print or Send To

Reconcile the values in the GST Statement to the Net Change columns for the GST accounts in the Trial Balance:

- Line 950 of the GST Statement report – 1A GST on sales should equal the GST Payable or similar GST liability in the Trial Balance report
- Line 955 on the GST Statement report – 1B – GST on Purchase should equal the GST Receivable or similar GST asset in the Trial Balance report

If all reconciles, change the Posting Dates fields in either General Ledger Setup or User Setup to no longer allow posting to the completed period.

### **Confirm Reconcile Bank Accounts**

Run the report called Reconciliation (under the Cash Management section of the Standard Reports) with the following settings:

- Date Filter = end date of the current period (same date as end of month date in Trial Balance report)
- Then choose Preview or Print or Send To

Compare the Balance as per General Ledger for each bank account to the corresponding GL bank account in the Trial Balance. Confirm that the values match and also confirm that each reconciliation matches ie. GL Balance + Unpresented Cheques – Outstanding Deposits = Balance per Bank Statement.



Confirm that the Bank statement balances are correct against the bank statement.

*Note: if you have foreign currency bank accounts you can choose to revalue those accounts now or you can revalue all foreign currency entries later in one step. See the Perform Currency Revaluations section below.*

If all reconciles, change the Posting Dates fields in either General Ledger Setup or User Setup to no longer allow posting to the completed period.

### **Reconcile Fixed Assets**

Run the report called Fixed Asset – Book Value 02 with the following settings:

- Depreciation Book = Company
- Starting Date = start date of the current period (same date as beginning of month date in Trial Balance report)
- Ending Date = end date of the current period (same date as end of month date in Trial Balance report)
- Group Totals - 2 options as follows:
  - To reconcile fixed assets in total leave the Group Totals blank. You will then be able to reconcile the book value to the total Fixed Asset value in the GL
  - Assuming that your FA Subclass field equates to the breakdown of fixed assets in the GL (a preferred way of setting up fixed assets), you can choose FA Subclass. You will then be able to reconcile the book value of each fixed asset group in the GL.
- Then choose Preview or Print or Send To

If all reconciles, change the Posting Dates fields in either General Ledger Setup or User Setup to no longer allow posting to the completed period.

### **Perform Currency Revaluations**

Revalue foreign currency customer invoices and supplier invoices that are outstanding at the period end to the period end FX rate, as well as the balance of foreign currency bank accounts.

*Note: Before performing a currency revaluation, ensure that you have the end of period exchange rates in the system as per the instructions in the Update Exchange Rates section near the top of this document*

To run the foreign currency revaluation:

- Use the Search icon and type Adjust Exchange Rates and select the Adjust Exchange Rates option.
- Leave the Starting Date field blank
- The Ending Date is the end of the period (eg 30/06/2023)
- The posting description is the description you would like to see on the journal that is posted. Generally something like “FX Adjust June 2023”
- The Posting Date must be the same as the Ending Date
- Enter the Document No that you would like on your GL entry created by this function
- Select whether you would like to revalue foreign currency customers by enabling the Adjust Customers option
- Select whether you would like to revalue foreign currency vendors by enabling the Adjust Vendors option

- Select whether you would like to revalue foreign currency bank accounts by enabling the Adjust Bank Accounts option
- Press OK.

Note: there are additional filters that you can use when revaluing certain options but it is suggested that you start simple per the above.

### **Closing The Year**

After you have completed all of the instructions above, it is recommended that you close the Fiscal Year

To close the Fiscal Year, search Accounting Periods and then choose the Accounting Periods option

Click on a line from one of the periods in the current financial year.

Choose the Process option and then Close Year

*Note: You will receive a warning that once you close the fiscal year that it cannot be reopened (see info on Posting to Closed years below). You will also receive a warning that the fiscal periods cannot be changed. Please note that this also impacts the new fiscal year as if you cannot change the end of the previous fiscal year then you also cannot change the start of the current fiscal year. If you are satisfied that this is acceptable then click Yes to close the period.*

### **Transferring Income Statement balances to Retained Earnings**

You now need to transfer the balances in the income statements to the Retained Earnings account in the Balance Sheet

To do this you run the Close Income Statement batch job.

Search for Close Income Statement and then select the Close Income Statement item.

- Enter the Fiscal Year Ending Date for example 30/06/2023
- Select the Gen. Journal Template to use for the entry
- Select the Gen. Journal Batch to use for the entry
- Enter the Document No. for the entry
- Select the Retained Earnings account to be posted to in the Balance Sheet
- In the Post to Retained Earnings Acc you can choose whether to post details or just balances. Generally this would be set to Balance.
- Posting Description is the description to use on the journal for this transaction. It could be something like "Close Income Statement Jun 2023"
- Click OK.

Run the Balance Sheet and confirm that the Balance Sheet balances.

### **Ensure no-one can post to this completed period**

Change the Posting Dates fields in the General Ledger Setup to be from the start of the new financial year only.

If you have from Posting Dates set up in the User Setup make sure they are removed so that the General Ledger Setup posting dates control when people can post.

### **Prior Year Entries**

You can still process prior year entries if required such as Auditors Adjustments

Make sure that the Posting Dates in User Setup will allow the user to transact prior period dates.

Enter the transaction/s as required to the transaction date in the prior year and post as per normal.

*Note: the transaction will be flagged by the system as a Prior Year transaction. This is generally a hidden field and you will need to unhide the field using the Customisation option to view the field if necessary.*

Important: You will need to repeat the Transferring Income Statement balances to Retained Earnings per the section above

### **Final Hints**

- Print Reports to File and then save (as excel or pdf files) – it's quicker, can be emailed to your accountant, is backed up, saves paper and printing ink so saves \$.
- Use your TEST SYSTEM to work through problems. Copy your Live database to create a Test Database. Here you can review the data and test before committing entries to the Live database.

If you have any questions or need some help running End of Financial Year procedures:

**Email:** [support@momentumss.com.au](mailto:support@momentumss.com.au), or

**Phone:** 07 5479 1877