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## Understanding Accounting Periods

An Accounting Period includes a series of activities that begins with a transaction and ends with the closing/locking of the books. This accounting cycle is repeated each accounting/reporting period.

Several months prior to year end, evaluate and add the number of accounting periods needed. Accounting periods can be set up as far into the future as desired. Although, it is important to set up enough fiscal years to cover the longest policy term, assuring that future installments will post into the correct period and avoiding posting errors.

## Adding Accounting Periods

Accounting Periods are added at the Organization Level and will automatically propagate to each territory. To access Accounting Periods at the Organization level:

1. Click the **ORGANIZATION** link located on the Primary menu.

2. Click the **accounting** tab.

The screenshot shows the Nexsure web application interface. At the top, there is a navigation bar with 'SEARCH | ORGANIZATION | ACCOUNTS' and a user profile. Below this is a breadcrumb trail: 'ORGANIZATION PROFILE | ALL EMPLOYEES | ALL LOCATIONS'. The main content area has a 'Organization' header. Underneath, there are several rows of tabs. The first row includes 'organization', 'XDTI--Training Or', and 'Previous Page'. The second row includes 'card file', 'regions', 'accounting', and 'vendors'. The third row includes 'summary', 'setup', 'invoicing setup', 'general ledger', 'bank accounts', 'transactions', and 'batch summary'. The 'accounting periods' sub-tab is active, showing a table with columns: Details, Period, Fiscal Year, Beginning, Ending, Status, Data, and Locked. The table contains two rows of data for the year 2006.

Details	Period	Fiscal Year	Beginning	Ending	Status	Data	Locked
	1	2006	01/01/2006	01/31/2006	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2	2006	02/01/2006	02/28/2006	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>

3. Click the **setup** tab on the second row of accounting tabs. This displays a third row of tabs and shows the **accounting periods**.



Accounting Periods are divided into 12 monthly units for a fiscal year. If the **Include Adjustment Period** check box is selected, a 13<sup>th</sup> period will be created beginning and ending on the last day of the fiscal year. This 13<sup>th</sup> period is used for Year End Adjustments.

4. To create a new fiscal year, click the **[Add Period]** link.

Use the Paging links or the Search Filter to access specific accounting periods.

Showing page 1 of 8 | 1 | Year End Adjustments | Filter: [Show] | Include Adjustment Period  | [ Add Period ]

5. To access the new accounting period, click the **[Show]** link.

**Note:** When the screen is refreshed, it will default back to the current fiscal year.

Showing page 1 of 8 | 1 | Year End Adjustments | Filter: [Hide] | Include Adjustment Period  | [ Add Period ]

Search Criteria

Period: All | Status: Both | Locked: Both

Fiscal Year: All | Data: Both

Sort Order: All

Sort Field 1: 2005, 2006, 2007, 2008, 2009, 2010 | Sort Order 1: Ascending | Sort Field 2: (none) | Sort Order 2: Ascending

Search | Clear

Details	Period	Fiscal Year	Beginning	Ending	Status	Data	Locked
	1	2005	01/01/2005	01/31/2005	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2	2005	02/01/2005	02/28/2005	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>

6. Click the drop-down box labeled **Fiscal Year** and select the appropriate year.



### Editing Accounting Periods

Once the organization has been set to a status of Complete, modification of the accounting period dates is prohibited. Beginning and ending dates must be in chronological order and cannot overlap, with the exception of the adjustment period.

1. Click the **Details**  icon of the desired period.

Details	Period	Fiscal Year	Beginning	Ending	Status	Data	Locked
	1	2006	01/01/2006	01/31/2006	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2	2006	02/01/2006	02/28/2006	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>

[ Back ] [ Close Period ] [ Lock Period ] [ Update ]

Fiscal Year: 2005

Period: 5      Locked:

Beginning:       Data:

Ending:       Last Updated: 5/25/2005 12:19:09 PM

Status: Open      Last Updated By: McDonough, Susan

2. Edit the accounting period and click **[Update]**.



## Locking and Closing Periods

Locking or closing a period prevents accounting or invoicing transactions from posting to it. Security can be set to allow users to post to locked periods. Posting to closed periods is never allowed.

**Locked** periods can be unlocked but is not advisable as unwanted entries might also occur while the period is unlocked. Use security features to post to locked periods in lieu of unlocking. Locking or unlocking a period at the Organization level also locks or unlocks the same period for all territories. However, locking or unlocking at the Territory level only affects that specific territory.

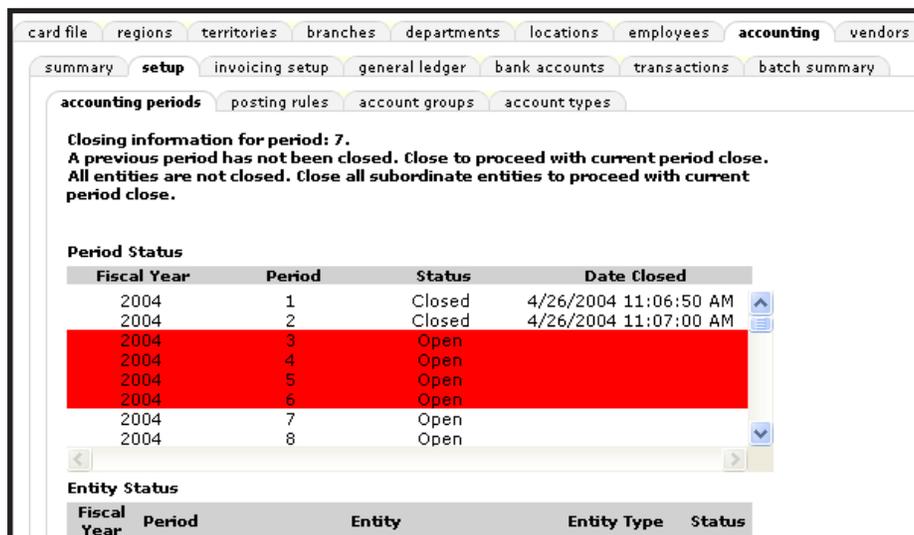
An accounting period is automatically locked at midnight on the last day of the period. To **Lock** a period while on the edit screen, click the [**Lock Period**] link and click the [**Back**] link to exit and return to the accounting periods.

Closed periods are permanent and can not be reopened. Make absolutely certain that all adjustments for a period have been completed prior to selecting the [**Close Period**] on the edit screen.

Periods must be closed in chronological order. Attempting to close a period out of order will result in a warning message stating: **A previous period has not been closed.**

Also, a given period must be closed in all territories before the period can be closed at the Organization level. Attempts to close a period at the organization and that period is open on any territory will result in a warning message stating: **All entities are not closed.**

The screen below shows the error messages along with the Period and Territory Status. The open periods or territories will appear in red:



card file regions territories branches departments locations employees **accounting** vendors

summary **setup** invoicing setup general ledger bank accounts transactions batch summary

accounting periods posting rules account groups account types

**Closing information for period: 7.**  
**A previous period has not been closed. Close to proceed with current period close.**  
**All entities are not closed. Close all subordinate entities to proceed with current period close.**

Period Status			
Fiscal Year	Period	Status	Date Closed
2004	1	Closed	4/26/2004 11:06:50 AM
2004	2	Closed	4/26/2004 11:07:00 AM
2004	3	Open	
2004	4	Open	
2004	5	Open	
2004	6	Open	
2004	7	Open	
2004	8	Open	

**Entity Status**

Fiscal Year	Period	Entity	Entity Type	Status
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To close periods, perform the following steps:

1. Click the **Details**  icon of the period to close.

Organization Profile | ALL EMPLOYEES | ALL LOCATIONS

Organization

organization

XDTI--Training Org

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card file regions territories branches departments locations employees **accounting** vendors

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Year End Adjustments Filter: [Show]

Include Adjustment Period  [Add Period]

Details	Period	Fiscal Year	Beginning	Ending	Status	Data	Locked
	1	2006	01/01/2006	01/31/2006	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	2	2006	02/01/2006	02/28/2006	Open	<input type="checkbox"/>	<input checked="" type="checkbox"/>

[ Back ] [ **Close Period** ] [ Lock Period ] [ Update ]

Fiscal Year: 2005

Period: 5 Locked:

Beginning:  Data:

Ending:  Last Updated: 5/25/2005 12:19:09 PM

Status: Open Last Updated By: McDonough, Susan

2. Click the [**Close Period**] link on the details screen.



3. Scroll to the bottom of the screen and select the **OK** button.

**Closing information for period: 3.**

**Click OK to close the period. Transactions cannot be entered to a closed period. If entries may be required, click cancel and Lock the period until transactions are prepared for entry. Unlock the period, make entries, validate accuracy of posting, and then close the period.**

#### Period Status

Fiscal Year	Period	Status	Date Closed
2004	1	Closed	
2004	2	Closed	
2004	3	Open	
2004	4	Open	
2004	5	Open	
2004	6	Open	
2004	7	Open	
2004	8	Open	



#### Entity Status

Fiscal Year	Period	Entity	Entity Type	Status
No sub entities with books.				

4. A dialog box is displayed with the message **Click OK to close this period.** Clicking the **OK** button will close the period and return to accounting periods.

**Note:** To block entry to the 13<sup>th</sup> period, lock it right after adding the new accounting period and unlock it when year end adjustments are ready to be added.