



Microsoft Dynamics® GP Year-End Procedures

2018



Microsoft Partner

Gold Customer Relationship Management
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***Note:** There are no formal year-end closing procedures for Sales Order Processing, Invoicing, Purchase Order Processing, or Manufacturing.*

Inventory Year-End Closing Procedures

The inventory module should be closed at the end of your Fiscal year, before any new transactions that would affect inventory quantities are posted. Use the procedure described in this section to close the fiscal year for Inventory Control and prepare your inventory records for the new fiscal year. There is no calendar year-end close for inventory.

Closing a year transfers all summarized current-year quantity, cost, and sales amounts to transaction history for the items for which you've been keeping a summarized sales history. The quantity sold field for each item is set to zero. Verify by using **Inventory → Cards → Quantity/Sites** to see balances. This procedure also updates each item's beginning quantity to the quantity on hand at each site.

1. Post all transactions for the year
2. Reconcile Inventory quantities
3. Complete a physical inventory count and post any adjustments
4. Print additional reports
5. Make a backup
6. Close the year
7. Close the fiscal periods for the Inventory series (optional)
8. Make a final backup

Step 1 Post all transactions for the year

Be sure that all Invoicing, Sales Order Processing, Purchase Order Processing, Inventory, Bill of Materials, Project Accounting, Field Service, and Manufacturing (any transactions that might affect Inventory) transactions for the current year have been entered and posted *before* you close the year. This is important to ensure that historical information is accurate for the year you are closing and year-to-date amounts are accurately stated for the new year. If you wish to enter future-period transactions before closing the year, create a new batch with the new transactions, but don't post it until after the year has been closed.

Note: It is important to note that Inventory batches have a check box labeled "Post to GL". If this box is not checked for any Inventory batch, the transactions in the batch will update the inventory counts but will not update the General Ledger!

Inventory Batch Entry - TWO (sa)

Save Clear Delete Post File Print Tools Help Add Note

Batch ID Origin:

Comment

Frequency: Single Use Post to General Ledger

Posting Date: 4/12/2017

Recurring Posting: 0 Last Post Date:

Days to Increment: 0 Times Posted:

	Control	Actual
Transactions	<input type="text"/>	<input type="text"/>
Quantity Total	0.00000	0.00000

Approved User ID: Approved Date:

Transactions

Step 2 Reconcile Inventory quantities

Reconcile quantities for all inventory items using the Reconcile Inventory Quantities window (**Inventory → Utilities → Reconcile**) to ensure that your Inventory Control data has not become damaged over the course of the year. If any discrepancies are found during the reconcile process, the quantities will be adjusted. If adjustments are made, they will be reflected on the Reconcile Report, along with any serial numbers and lot numbers that were added for the adjusted items. If you want to edit these serial and lot numbers, you can use the Item Transaction Entry window (**Inventory → Transactions → Transaction Entry**) to make adjustment transactions. Enter decrease adjustment transactions to remove the existing serial and lot numbers. Then, enter increase adjustment transactions to enter the correct serial and lot numbers.

If you are using Sales Order Processing and/or Purchase Order Processing, reconcile these modules in addition to the Inventory module prior to closing. It is important to reconcile the modules in a specific order:

1. Sales Order Processing
2. Purchase Order Processing
3. Inventory

Step 3 Complete a physical inventory count and post any adjustments

Print a Physical Inventory Checklist (Inventory → Reports → Activity-Physical Inventory Checklist) using the **Inventory Activity Reports** window and perform a physical count of your inventory items to verify that quantity-on-hand amounts are accurate for all items. If discrepancies exist, enter the necessary adjustments in the **Item Transaction Entry** window (**Inventory → Transactions → Transaction Entry**) and post them.

Step 4 Print additional reports

Print any additional reports you will need for planning or your permanent records, including:

- Inventory → Reports → Activity → **Stock Status Report**
- Inventory → Reports → Activity → **Purchase Receipts Report**
- Inventory → Reports → Analysis → **Turnover Report**
- Inventory → Reports → History → **Transaction History Report**
- Inventory → Reports → Serial/Lot → **Serial Number List**
- Inventory → Reports → Serial/Lot → **Lot Number List**.

***Note:** If you plan to remove sold purchase receipts during the year-end closing process, we recommend you print the Purchase Receipts Report to review the receipts that will be removed.*

Step 5 Make a backup

Make a backup of all company data. This is important to ensure that you'll be able to recover quickly should a power fluctuation or other problem occur during the year-end closing procedure. (**Note:** One method to use in Microsoft Dynamics® GP ("Dynamics GP"): Dynamics GP → Maintenance → Backup; Select Company, review the location it will be saved to and then click on OK.)

Step 6 Close the year

Closing a year performs the following tasks:

- Please ensure all users are out of the Dynamics GP Company that you are closing inventory in.
- Transfers all summarized current-year quantity, cost, and sales amounts to transaction history for the items for which you have been keeping summarized sales history.
- Updates the item's beginning quantity to the Quantity on Hand at each site.

Certain reports, such as the Turnover Report, use the beginning quantity field for report calculations.

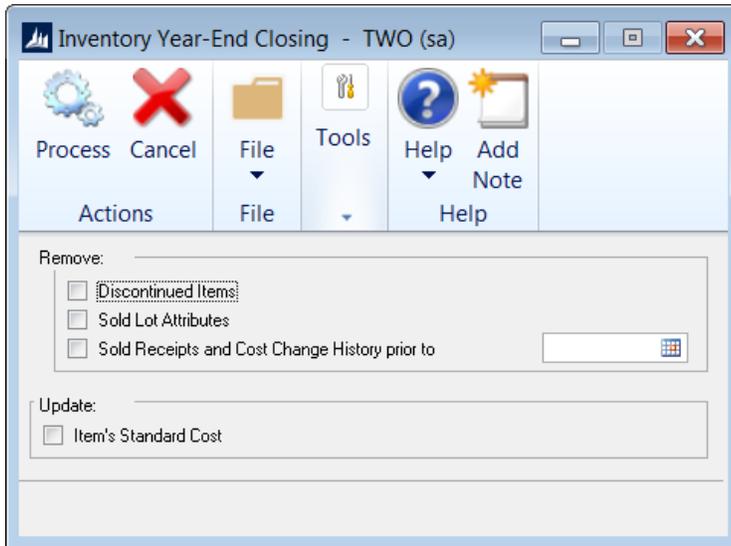
- Zeros the quantity sold field in Item Quantities Maintenance (Inventory→Cards → Item → (Go To Button) Quantities/Sites) for each site.

In addition to transferring current-year quantities to history, the year-end closing process allows you to:

- Remove purchase receipts and cost change history for items that have been completely sold.
- Remove any discontinued items from the item records that have been completely sold.
- Remove any lot attributes from the records of lot-numbered items if they have been completely sold.
- Update the standard cost of each item to the current cost if you use either the FIFO periodic or LIFO periodic valuation method.

Use the Inventory Year-End Closing window to close the year.

Inventory → Routines → Year-End Close – **No report will print**



Use the following descriptions to learn more about each option:

- **Remove Discontinued Items** - If you mark the Discontinued Items option, all discontinued items, except for kit components, that have a zero balance and no unposted transactions will be removed during the year-end closing process. (Items can be designated as discontinued using the Item Maintenance window.) Discontinued items that have a quantity on hand of zero (except for kit components) and do not have any unposted transactions will be completely removed from the inventory module.

The Sales Order Processing reports, Invoicing reports, or Purchase Order Processing reports and Inquiries will still be able to pull information regarding these discontinued items; however, you will not be able to perform a lookup on the item number because it has been removed from the Item Master table. If you would like to print a report or inquire on the discontinued item, you will need to include the item within the Item Number Range.

***Note:** If you select this option, you will remove discontinued items. In addition, you will remove all inventory history for the items. You will not be able to drill back on the inventory history for these items.*

- **Remove Sold Lot Attributes** - If you mark Sold Lot Attributes, values for completely sold lot numbers will be removed. For example, you can remove the value red for the lot attribute Color if you have sold all lot-numbered items that have been assigned the value red. If it is necessary to retain history or potential recall or safety issues exist, do not delete.
- **Remove Sold Receipts and Cost Change History prior to** - If you mark Sold Receipts, all sold receipts whose quantity received amounts and quantity sold amounts are equal will be removed. This also removes all sold purchase receipts and historical cost changes for items that use Average Perpetual, LIFO Perpetual, or FIFO Periodic valuation methods. The sold receipts, quantity sold details, and historical cost changes with dates that come before the date you entered will be removed.

Note: This is an optional step and may not be a procedure that is done every year-end. These values may be helpful when items are returned through Invoicing so you may not want to remove the purchase receipts from the file.

- **Update Item's Standard Cost** - If you mark item's Standard Cost, the standard cost for any items that have been assigned the FIFO Periodic or LIFO Periodic valuation method will be adjusted automatically to reflect each item's current cost or the amount you most recently paid for the item.

If you are registered for Manufacturing, you will be unable to select the item's standard cost check box. Instead you will use either the Standard Cost Changes window (Manufacturing → Cards → Inventory → Standard Cost Changes) to change an individual item or the Standard Item Material Costs window (Manufacturing → Cards → Inventory → Standard Item Mat Costs) and Roll Up and Revalue window (Manufacturing → Routines → Roll Up and Revalue) to change all items.

When you have selected all the options you want, choose Process to begin the year-end closing process. While the year is being closed, you won't be able to post, reconcile quantities, change valuation methods, or change decimal places for items.

Be aware that changing Standard Cost DOES NOT create a financial batch to reflect the inventory valuation change in your General Ledger. This entry must be prepared manually by referring to pre- and post-close Stock Status reports to determine the valuation change.

Step 7 Close the fiscal periods for the Inventory series (optional)

Administration → Setup → Company → Fiscal Periods

You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

***Note:** Be sure you have posted all transactions for the period and year for all modules before closing fiscal periods. If you later need to post transactions to a fiscal period you have already closed, you will need to return to the Fiscal Periods Setup window to reopen the period before you can post the transaction.*

Step 8 Make a final backup

Make a final backup of your company's data files and keep it in safe, permanent storage. This gives you a permanent record of the company's financial position at the time you closed the year and can be restored later, if necessary.

Inventory Year-End Closing Tips

- The year-end close must be done before any transactions for the new year have been posted.
- You have the option of marking Discontinued Items, Sold Receipts, or Sold Lot Attributes. If marked, all items, sold receipts, or sold lot attributes that have a zero balance will be removed during the year-end closing process.
- If you mark Update Item's Standard Cost, the standard cost for any items that have been assigned, the FIFO Periodic or LIFO Periodic valuation method will be adjusted automatically to reflect each item's current cost, which is the amount you most recently paid for the item.
- There is no Year-End Closing report for Inventory.

Inventory Year-End Questions and Answers

Average cost update

Q: How is the average cost of an item updated throughout the year and during the year-end closing process when using the Average Perpetual (Weighted Moving Average) method of costing?

A: If you are using the Average Perpetual valuation method, all receipts for each item will be averaged to determine the average cost. Even if quantities are sold, the average doesn't change until another purchase receipt for the item is posted to the Inventory Purchase Receipts File. The year-end closing process doesn't change the average cost, but it will remove the purchase receipts that have been completely sold. The next time a receipt is entered, the average cost will be revalued with the receipts that remain in the Inventory Purchase Receipts File.

Standard cost update

Q: Can the Inventory year-end closing window (Inventory → Routines → Year-End Close) be used throughout the year to update the standard cost of items if using the Periodic valuation method?

A: This is not recommended because the beginning quantity field is updated during the year-end closing process. This would make that field incorrect on reports such as the Turnover Report. In addition, all summary sales history information would be incorrectly moved to the following year.

Determine if Inventory Year-end Close has been Run

Q: How can I tell if the Inventory Year-end close has been run?

A: Check the Item History window (**Inventory → Cards → History**) and compare the Current and Last Year information. As part of the year-end close, the Current information is moved to the Last Year information and the Current resets to zero. As postings occur, the Current information gets updated.

Receivables Management Year-End Closing Procedures

Receivables Management is not completely date sensitive. There are some date sensitive features. It would still be the best option to process your year-end closing routine at the actual year-end. If you do not close the year in Receivables Management before you post transaction to the next year, the Customer Summary and the Customer Yearly Summary Inquiry windows will display incorrect information.

Closing the CALENDAR Year will clear the calendar year-to-date finance charges and move them to the Last Year calendar field in the Customer Finance Charge Summary window.

Closing the FISCAL Year will transfer all amounts other than the calendar year-to-date finance charge amounts to the Last Year column in the Customer Finance Charge Summary. It will only transfer those amounts that fall into the fiscal year being closed. Amounts entered for the new fiscal year will remain in the year-to-date column. Closing the fiscal year updates information that is displayed in the Customer Summary window (**Sales → Cards → Summary**) and the Customer Yearly Summary Inquiry window when you select 'Amounts Since Last Close' in the summary view list in those windows.

An optional feature allows you to reconcile Fiscal and Calendar year information by running a reconcile on Calendar or Fiscal Year Information. This will reconcile your summary information to your detailed transactions. Summary information will be updated accordingly (**Sales → Utilities → Reconcile → Mark Calendar or Fiscal Year**).

When posting transactions, the system will automatically post to the correct fiscal and calendar years according to the dates of the transactions. The amounts can be viewed in the Customer Summary window (**Sales → Cards → Summary → Calculate**). This window allows you to view amounts in three summary views: Amounts Since Last Close, Fiscal Year, or Calendar Year. These three options are also available when printing the RM Sales Analysis Report (**Sales → Reports → Analysis → Receivables Sales Analysis**).

You can view individual period amounts from the Customer Period Summary window (**Sales → Cards → Summary**). These amounts will display in the correct period using the transaction date. The RM Sales Analysis Report (**Sales → Reports → Analysis → Receivables Sales Analysis**) will reflect the same information and can be printed in any of the three views.

Receivables Management Calendar Year-End Closing Checklist

Closing the calendar year updates information that is displayed in the Customer Finance Charge Summary window. The Calendar Finance Charges field is updated to display the date you closed the calendar year. The Current Year field is updated to display total finance charges for the new calendar year. The Last Year column is updated to display totals for the year you closed.

You must enter and post transactions before those amounts are included in the year you're closing. You should close the calendar year after you print the final statements for the year you're closing.

Note: *Although Receivables Management is date sensitive, the following items are updated based on the closing of Receivables Management:*

- SmartList Objects
- Receivables Management summary reports
- The Amounts Since Last Close view in the Customer Summary window

Therefore, we recommend that you follow these steps so that the SmartList objects, the Receivables Management summary reports, and the Amounts Since Last Close view contain the correct information.

1. Post all sales and receivables transactions for the calendar year and complete month-end procedures for the year
2. Make a backup
3. Close the calendar year using the Receivables Year-End Closing window
4. Close the fiscal periods for the Sales series (optional)
5. Close the sales tax periods for the year (optional)
6. Make a final backup

Step 1 Post all sales and receivables transactions for the calendar year

Post all sales and receivables transactions for the calendar year before closing the year. To enter future period transactions before closing the year, create a batch with new transactions, but don't post it until after the previous year has been closed. Recommended month-end procedures include Aging Accounts, Assessing and Posting Finance Charges, printing Statements, processing Commissions, Removing Fully Paid Transactions, and reconciling General Ledger to the Accounts Receivable Trial Balance Report. Most of these items can be found under Sales → Routines.

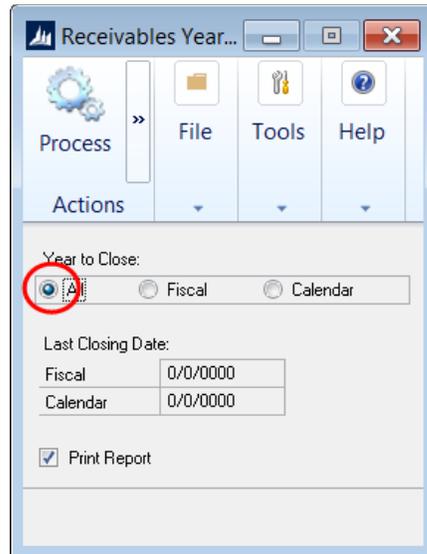
You must close the year because some areas of Dynamics GP are not date sensitive. If you do not close the year after you enter all the transactions for 2018 and before all the 2019 transactions, these areas will contain incorrect information. However, you can change the information in the Amounts Since Last Close view in the Customer Summary window (**Sales → Cards → Summary**) and in the Customer Finance Charge Summary window (**Sales → Cards → Summary → Finance Charges button**). The following are areas of Dynamics GP that are not date sensitive:

- Amounts Since Last Close in the Customer Summary window
 - *Sales → Cards → Summary – Amounts Since Last Close*
- Customer Finance Charge Summary window
 - *Sales → Cards → Summary – Finance Charges*
- SmartList Objects

Step 2 Make a backup

Make a backup of all company data. This is important to ensure that you'll be able to recover quickly should a power fluctuation or other problem occur during the year-end closing procedure. (**Note:** One method to use in Dynamics GP; **Dynamics GP → Maintenance → Backup**, Select Company, review the location it will be saved to and then click on OK.)

Step 3 Close the calendar year using the Receivables Year-End Closing window
Sales → Routines → Year-End Close



Select which year you wish to close. If the calendar year coincides with your fiscal year, select ALL. If they don't coincide, close the fiscal and calendar years separately.

Mark the Print Report box and choose Process. This report will list the amounts that were transferred to last year fields for each customer. The Year-End Closing Report is part of the audit trail and should be saved with your company's permanent records.

The calendar year-end process in Dynamics GP clears the following fields in the Customer Summary window (**Sales → Cards → Summary**):

- Finance Charges CYTD
- Total # FC YTD
- Total Finance Charges YTD
- Total Waived FC YTD
- Unpaid Finance Charges YTD

The calendar year-end process updates the amounts in the following fields:

- Finance Charges LYR Calendar
- Total # FC LYR

Step 4 Close the fiscal periods for the Sales series (optional)

Administration- →Setup→ Company → Fiscal Periods

You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

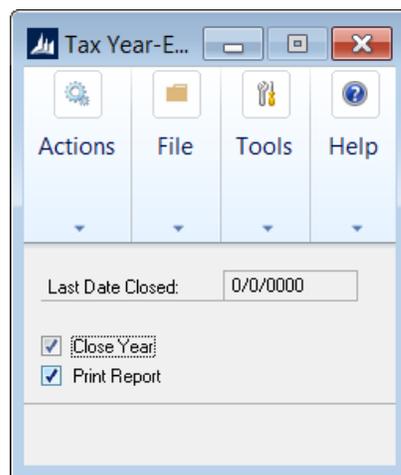
***Note:** Be sure you have posted all transactions for the period and year for all modules before closing fiscal periods. If you later need to post transactions to a fiscal period you have already closed, you will need to return to the Fiscal Periods Setup window to reopen the period before you can post the transaction.*

Step 5 Close the sales tax periods for the year (optional)

Administration → Routines → Company → Tax Year-End Close

Use the Tax Year-End Closing window to close the sales tax periods and to print the Tax Year-End Closing Report. To protect the consistency and integrity of your records, we recommend that you perform this procedure only once a year, after you've closed any sales and purchasing series years and before posting any documents to the next year. **This procedure should be completed only after you have completed the year-end closing procedures for all sales and purchasing modules.**

When you close the tax year, tax information from the prior year is deleted.



Step 6 Make a final backup

Make a final backup of your company's data files and keep it in safe, permanent storage. This gives you a permanent record of the company's financial position at the time you closed the year, and can be restored later if necessary.

Receivables Management Fiscal Year-End Closing Checklist

Closing the fiscal year updates information that is displayed in the Customer Summary window only when you select Amounts Since Last Close in the Summary View list. The amounts in the Year to Date column are updated to display totals for the new fiscal year. The amounts in the Last Year column are updated to display totals for the year you closed.

Closing the fiscal year will not affect the information that is displayed in the Customer Summary window when you select Fiscal Year or Calendar Year in the Summary View list. The amounts displayed for those selections are dependent on the year and periods you enter to display.

Closing the fiscal year also updates information that is displayed in the Customer Finance Charge Summary window so that you can print finance charge totals on December and January statements for tax reporting purposes. The Fiscal Finance Charges field will be updated to display the date you closed the fiscal year. The amounts in the Year to Date column will be updated to display totals for the new fiscal year. The amounts in the Last Year column will display totals for the year you closed.

If it's the end of the fiscal year and you must enter transactions for the next year, we recommend that you create a batch for the transactions and **wait** to post them until after you close the year, to avoid posting the new year's transactions to the previous year.

1. Post all sales and receivables transactions for the current fiscal year
2. Make a backup
3. Close the fiscal year using the Receivables Year-End Closing window
4. Close the fiscal periods for the Sales series (optional)
5. Close the Sales Tax Periods for the Year (optional)
6. Make a final backup

Step 1 Post all sales and receivables transactions for the current fiscal year

We recommend that you post all sales and receivables transactions for the fiscal year before closing the year. If you wish to enter future-period transactions before closing the year, create a batch with new transactions but don't post it until after the year has been closed.

The fiscal year-end process in Dynamics GP clears the following fields in the Customer Summary window (**Sales → Cards → Summary**):

- Average Days to Pay – Year
- High Balance – YTD
- Number of ADTP Documents – Year
- Number of NSF Checks YTD
- Total # Invoices YTD
- Total Amount of NSF Check YTD
- Total Bad Debt YTD
- Total Cash Received YTD
- Total Discounts Available YTD
- Total Discounts Taken YTD
- Total Returns YTD
- Total Sales YTD
- Total Write-offs YTD
- Write Offs YTD

The fiscal year-end process updates the following fields:

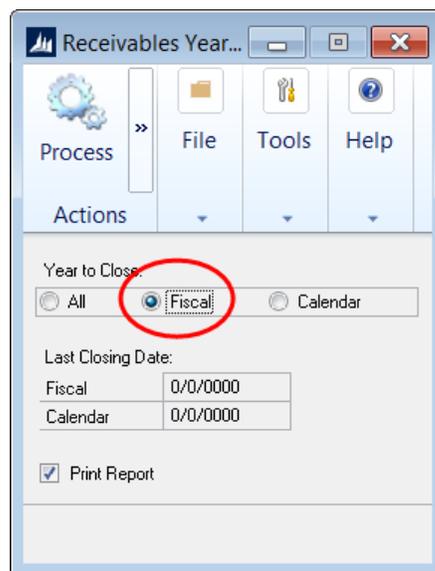
- High Balance LYR
- Number of ADTP Documents LYR
- Total # Invoices LYR
- Total Bad Debt LYR
- Total Cash Received LYR
- Total Discounts Taken LYR
- Total Returns LYR
- Total Sales LYR
- Total Write-offs LYR
- Write Offs LYR

Step 2 Make a backup

Make a backup of all company data. This is important to ensure that you will be able to recover quickly should a power fluctuation or other problem occur during the year-end closing procedure. Label the backup with the current version of Dynamics GP. (**Note:** One method to use in Dynamics GP; Dynamics GP → Maintenance → Backup, Select Company, review the location it will be saved to and then click on OK.)

Step 3 Close the fiscal year using the Receivables Year-End Closing window

Sales → Routines → Year-End Close



Select to close the fiscal year.

Mark the Print Report box and choose Process. This report will list the amounts that were transferred to last year fields for each customer. The Year-End Closing Report is part of the audit trail and should be saved with your company's permanent records.

Step 4 Close the fiscal periods for the Sales series (optional)

Administration → Company → Fiscal Periods

You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

***Note:** Be sure you have posted all transactions for the period and year for all modules before closing fiscal periods. If you later need to post transactions to a fiscal period you have already closed, you will need to return to the Fiscal Periods Setup window to reopen the period before you can post the transaction.*

Step 5 Close the sales tax periods for the year (optional)

Administration → Company → Tax Year-End Close

Use the Tax Year-End Closing window to close the sales tax periods and to print the Tax Year-End Closing report. Closing the tax year affects all the tax details you've entered in Dynamics GP. To protect the consistency and integrity of your records, we recommend that you perform this procedure only once a year, after you've closed any sales and purchasing series years and before posting any documents to the next year. **This procedure should be completed only after you have completed the year-end closing procedures for all sales and purchasing modules.**

When you close the tax year, tax information from the prior year is deleted.

Step 6 Make a final backup

Make a final backup of your company's data files and keep it in safe, permanent storage. This gives you a permanent record of the company's financial position at the time you closed the year, and can be restored later, if necessary.

Receivables Management Year-End Closing Tips

- Closing the calendar year will clear the calendar year-to-date finance charges and move them to the last year field on the customer records.
- Closing the fiscal year will transfer all amounts other than the calendar year-to-date finance charge amounts to last year.
- The calendar and fiscal year-end close must be performed on the appropriate date before any transactions are posted for the new year if you use SmartList or Customer Summary reports.
- The calendar year-end close in Receivables will take place at the end of the calendar year regardless of when your fiscal year ends. If your calendar year coincides with the fiscal year, then you will close both at the end of the calendar year.
- The YTD Finance Charges do not automatically print on the statements in December and January. If you want them to print on the statements, you must modify them using the following procedures:

The procedure for getting the YTD finance charges on the December and January statements takes two different steps, one for each month.

December: Create a modified version of the statement and link the Customer MSTR Summary file to the report. In the Report Layout window, place the Finance Charges CYTD field (in the Customer MSTR Summary file) on the report. Save the report, grant access to the appropriate user(s) in security, and print it.

January: Create a modified version of the statement and link the Customer MSTR Summary file to the report. In the Report Layout window, place the Finance Charges LYR Calendar field (in the Customer MSTR Summary file) on the report. Save the report, grant access to the appropriate user(s) in security, and print it.

- The Receivables year-end closing process does not remove statement runs from the Reprint Statements window in Receivables Management in Dynamics GP. If you would like to remove these, you can accomplish this from the Reprint Statements window (**Sales → Routines → Reprint Statements**). Click on the Mark All button to remove all statements or define a range by Customer ID, Statement Name, or Statement Number.

Receivables Management Year-End Questions and Answers

What happens when I close the year?

Closing the year will affect the “Amounts Since Last Close” view within the Customer Summary window (**Sales → Cards → Summary**). Added options to view the data with date-sensitivity include:

1. Three views added to the Customer Summary window.
2. Options added to the RM Sales Analysis and RM Period Sales Analysis reports.
3. The Customer Period Summary window uses transaction date.

Payables Management Year-End Closing Procedures

Payables Management is not fully date sensitive. It is recommended that you process your year-end closing routines at the actual year-end.

You can post a transaction to a prior or subsequent year and it will not affect your current year's 1099 information or Vendor Financial Summary reports.

The 1099 information pulls from the PM Vendor Master Period Summary table (PM00202). If a Vendor is not mark as a 1099 vendor at the time a transaction is paid you can use the 1099 Details window to update this information (**Purchasing→Cards→1099 Details**). If you're going to print the 1099-DIV or 1096 from GP you will need to install the 2018 Year-End update to for the new form changes.

When posting transactions, the system will automatically post to the correct fiscal and calendar years according to the dates of the transactions. Therefore, you do not have to run the calendar year-end and fiscal year-end on the last day of the calendar or fiscal year, unless you use SmartList or Vendor Summary Reports.

SmartList and Vendor Summary Reports pull data from the Amounts Since Last Close view as it appears in **Purchasing→Cards→Summary**. The Amounts Since Last Close is the total of the amount since the calendar and fiscal year was last closed. To make sure these reports display the correct amounts, you must close the calendar year and fiscal year before posting transactions to the new year.

The Calendar Year Summary view and the Fiscal Year Summary View (**Purchasing→Cards→Summary**) will display the correct amounts for the year regardless of whether the year has been closed or not.

This section contains two checklists:

- Closing the *calendar* year will transfer YTD 1099 amounts to last year balance in the Vendor Yearly Summary Inquiry window for all vendors (Amounts Since Last Close view). All transactions for the calendar year should be posted and the 1099 forms should be printed before closing the calendar year. When you print the 1099s, the information is pulled from the period information.

- Closing the *fiscal* year will transfer all YTD amounts other than the 1099 amount to last year in the Amounts Since Last Close view. This will update the Year to Date, Last Year, and Life to Date information in the Vendor Credit Summary and Vendor Yearly Summary Inquiry windows (this process is NOT date sensitive). This procedure should be performed before you begin posting transactions for a new fiscal year.

Payables Management Calendar Year-End Closing Checklist

Although the Payables Management module is date-sensitive, the SmartList objects, the Payables Management summary reports, and the Amounts Since Last Close view of the Vendor Yearly Summary window are updated based on **closing** of the Payables Management module. Therefore, we recommend that you follow the steps below so that the SmartList objects, the Payables Management summary reports, and the Amounts Since Last Close view of the Vendor Yearly Summary window are correct.

1. Post all transactions for the calendar year
2. Print a Historical Aged Trial Balance Report
3. Install the Payroll Year-end Update
4. Make a backup
5. Print and verify the 1099 statements using the Print 1099 window and the Edit List
6. Make a backup
7. Close the calendar year using the Payables Year-End Closing window
8. Close the fiscal periods for the Payables Management module (optional)
9. Close the sales tax periods for the year (optional)
10. Make a final backup

Step 1 **Post all transactions for the calendar year**

Before closing the year, post all transactions for the calendar year. If you wish to enter future period transactions before closing the year, create a batch with new transactions, but do not post it until after the year has been closed.

The following areas of Dynamics GP are not date-sensitive:

- Amounts Since Last Close view of the Vendor Yearly Summary window
 - Purchasing → Cards → Summary - Yearly
- SmartList Objects
- Vendor Summary Reports
 - Purchasing → Reports → Analysis – Calendar Year

These areas of Dynamics GP will be incorrect if you do not close the payables year after you enter all the 2018 transactions and before you enter all 2019 transactions. However, the Amounts Since Last Close view of the Vendor Yearly Summary window (**Purchasing → Cards → Summary – Select a Vendor → Yearly Button**) is editable. Therefore, you can update the information in the Amounts Since Last Close view of the Vendor Yearly summary window if it is required.

Step 2 Print a Historical Aged Trial Balance Report

We recommend that you print a Historical Aged Trial Balance Report to show the status of each vendor account. This report should be kept with your permanent records as part of the audit trail. If you are closing the fiscal year along with the calendar year, we recommend that you print the Vendor Period Analysis Report (**Purchasing → Reports → Analysis → Period**) and the Vendor Year-to-Date Summary reports for your permanent records because these amounts will be transferred to last year during the year-end closing process.

Step 3 Install the GP Year-End Update if needed and not previously done for 1099 -DIV and 1096 form changes

If there are compliance changes for Payables Management, such as 1099 form changes, install the Payroll Year-End Update. If there are no changes or compliance issues for the tax year for Payables Management, you may skip this step.

***Note:** Please see the Payroll Section for instructions on installing the Payroll Year-End Update.*

Step 4 Make a backup

Make a backup of all company data and place it in permanent storage. This gives you a permanent record of the company's financial position at the end of the year, and can be restored later, if necessary. (Note: One method to use in Dynamics GP; **Dynamics GP → Maintenance → Backup**, Select Company, review the location it will be saved to and then click on OK.)

Step 5 Print 1099 statements using the Print 1099 window

Purchasing → Routines → Purchasing → Print 1099

Print 1099 - TWO18 (sa)

Clear File Print Forms Print Tools Help Add Note

Company Fabrikam, Inc.
Address ID Primary
Address 4277 West Oak Parkway
City Chicago
State IL
ZIP Code 60601-4277
Phone (312) 436-2671 Ext. 0000

Payer's Federal ID Number

1099 Year 2018
1099 Type Miscellaneous Form Type Single Feed

Vendors Vendor ID All From To

Print: 1099 Form Alignment Form 1096 Form
Order: Vendor ID

When you print the 1099s, you will have the ability to print for whichever year is desired by choosing the appropriate year in the 1099 Year field.

If you are required by the U.S. Internal Revenue Service to send 1099 statements to one or more of your vendors at the end of the year, you should print the 1099s before closing the calendar year. The minimum required amount is currently \$600.00. with some exceptions.

Before printing 1099 statements, you can verify the 1099 information by printing the 1099 Edit List. To print this list, select Print from the File menu or the Print icon in the upper right corner of the Print 1099 window.

Each of your 1099 Report types (Miscellaneous, Dividend, or Interest) must be printed separately and furnished to the recipients by 1/31/19.

The following outlines information included in each box on the 1099 form and where the information can be located in Dynamics GP.

PAYER'S name, street address, city, state, and Zip code/Postal Code	Taken from the Company and Address fields in the Print 1099 window.
PAYER'S Federal Identification number	Taken from the Payer's Federal ID Number field in the Print 1099 window.
RECIPIENT'S identification number	Taken from the Tax ID field in the Vendor Maintenance Options window.
RECIPIENT'S name, address, and Zip code/Postal Code	Taken from the Primary Address fields in the Vendor Maintenance window.
Account number	This field is optional. You can manually enter the account number.
Boxes 1 through 9 for Dividend form and Boxes 1 through 16 for Misc. form	Taken from the 1099 Amount field in the Vendor Yearly Summary window.

The 1099 Amount YTD information is updated automatically when a 1099 invoice is fully paid. 1099 YTD information can be edited for each vendor using the 1099 Details window. This would be necessary if a 1099 invoice was entered but a 1099 amount was not entered.

To edit 1099 year-to-date information, use the 1099 Details window:

Purchasing → Cards → 1099 Details

1099 Details - TWO18 (sa)

Save Clear File Print Tools Help Add Note

Vendor ID: BERGERON0001
Name: Bergeron Communications Sol.

Tax Type: Miscellaneous

Display: Month Year

Month: [dropdown] Year: 2018

Payer made Direct Sales of \$5,000 or more etc.
FATCA Filing Requirement
State/Payer's State No. [text box]

1099 Box	Description	Amount
1	1 Rents	\$0.00
2	2 Royalties	\$0.00
3	3 Other Income	\$0.00
4	4 Federal Tax Withheld	\$0.00
5	5 Fishing Boat Proceeds	\$0.00
6	6 Medical Payments	\$0.00
7	7 Nonemployee Compensation	\$0.00
8	8 Substitute Payments	\$0.00
10	10 Crop Insurance	\$0.00
13	13 Golden Parachute	\$0.00
14	14 Attorney Proceeds	\$0.00
15a	15a Section 409A Deferrals	\$0.00
15b	15b Section 409A Income	\$0.00
16	16 State Tax Withheld	\$0.00
18	18 State Income	\$0.00

by Vendor ID [dropdown]

- Select Vendor ID
- Select appropriate Tax Type (Miscellaneous, Dividend, or Interest)
- Mark Month button and choose Month and 2018 as Year
- Edit Amount field for appropriate 1099 Box
- Click on Save

If you edit the 1099 information, reconcile will not change back vendor yearly summary to match the detail records.

During the year you can also utilize the Edit 1099 Transaction Information window (**Purchasing → Transactions → Edit 1099 Transaction Information**).

The following fields can be edited:

Tax Type

Box

1099 Amount

Vendor ID: BEAUMONT0001
 Name: Beaumont Construction

Documents: by Voucher Number All From:
 To:

Include: 1099 Debit Transactions All Debit Transactions All Credit Transactions

Voucher Number	Document Number	Type	Doc. Date	Tax Type	Box	1099 Description	1099 Amount
000000000000000000195	3000	INV	10/8/2013	Miscellaneous: ▼	7	Nonemployee Compensator	\$2,067.00 ▲
000000000000000000196	3001	INV	11/12/2013	Miscellaneous: ▼	7	Nonemployee Compensator	\$2,000.00
000000000000000000197	3002	INV	12/19/2013	Miscellaneous: ▼	7	Nonemployee Compensator	\$445.88
000000000000000000351	13000000	INV	1/20/2014	Miscellaneous: ▼	7	Nonemployee Compensator	\$6,828.50

Navigation: by Vendor ID ▼

Simply make the appropriate modifications and click on the Process button.

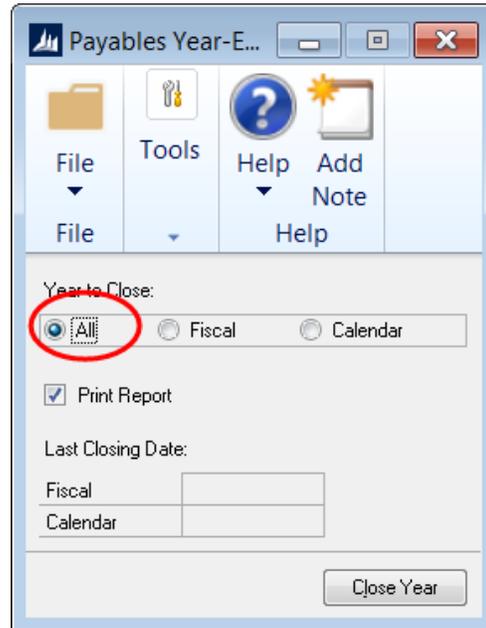
Note: If you marked a Vendor 1099able and should not have, or you forgot to mark a Vendor as 1099able at all, you can use the Update 1099 Utility (GP2013 and later) to change the 1099 status on the Vendor and also update the 1099 information. You can change a 1099 Vendor to be a non-1099 or vice versa. Follow the steps provided below:

1. Purchasing → Utilities → Update 1099 Information
2. Mark the bullet for Vendor and 1099 Transactions.
3. In the From and To sections, enter the following:
 - a. To change a Vendor to 1099 table: select Not a 1099 Vendor in the From section, and select the appropriate 1099 type of Dividend, Interest or Miscellaneous, and the appropriate 1099 Box Number in the To section.
 - b. To change a Vendor to not be 1099able: Select the current Tax Type and 1099 Box Number that is selected on the Vendor Maintenance Options window for the Vendor in the From section, and select Not a 1099 Vendor in the To section.
4. Use the Range restriction to restrict to the Vendor ID that you wish to change and click Insert.
5. Click Process. The Vendor Status will be updated on the Vendor Maintenance Options window, and the 1099 information will be updated appropriately. You can use the 1099 Details window to verify.

Step 6 Make a backup

Make a backup of all company data and place it in permanent storage. This gives you a permanent record of the company's financial position at the end of the year and can be restored later, if necessary. (**Note:** One method to use in Dynamics GP; **Dynamics GP → Maintenance → Backup**, Select Company, review the location it will be saved to and then click on OK.)

Step 7 Close the calendar year using the Payables Year-End Closing window
Purchasing → Routines → Year-End Close



Select whether you want to close the fiscal year, calendar year, or both (all). If the calendar year coincides with your fiscal year, select All. If they don't coincide, close the fiscal year separately.

Mark the **Print Report** option to print the Payables Year-End Closing Report after the closing process is complete. This report lists the amounts that were transferred to Last Year Summary Amounts for each vendor. The report will print the amounts from the date of the current close to the prior year close. The Year-End Closing Report is part of the audit trail and should be saved with your company's permanent records.

The calendar year-end process in Dynamics GP will clear the 1099 Amount, Year to Date field, and then transfer the amount to the 1099 Amount Last Year field for the Amounts Since Last Close view of the Vendor Yearly Summary window.

Step 8 Close the fiscal periods for the Payables Management module.

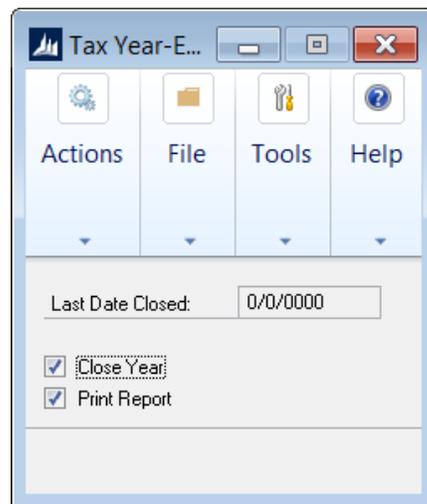
Administration → Setup → Company → Fiscal Periods

You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

***Note:** Be sure you have posted all transactions for the period and year for all modules before closing fiscal periods. If you later need to post transactions to a fiscal period you have already closed, you will need to return to the Fiscal Periods Setup window to reopen the period before you can post the transaction.*

Step 9 Close the sales tax periods for the year (optional)

Administration → Routines → Company → Tax Year-End Close



Use this window to close the sales tax periods and to print the Tax Year-End Closing Report. **This procedure should only be done after you have completed the year-end closing procedures for all sales and purchasing modules.**

When you close the Tax Year, accumulated totals in the Tax Detail Maintenance (Administration → Setup → Company → Tax Details) window are cleared and transferred to Last Year's tax totals.

Tax Detail Maintenance - TWO (sa)

Save Clear Delete File Print Tools Help Add Note

Tax Detail ID USASTE-PS6N0 **Description** State Sales Tax

Type Sales **History:** Calendar Year Fiscal Year

Tax ID Number IL21450-980321

Account < 000 -2300 -00

Description IL State Sales Tax Payable

Based On: Percent of Sale/Purchase **Percentage** 6.00000%

Round: Up to the Next Currency Decimal Digit **Based on Detail**

Taxable Percent: 0.00%

Taxable Amount: Min \$0.00 Max \$0.00 **Tax Amount:** Min \$0.00 Max \$0.00

Include: Full Amount

Qualifiers: Unit Amount

Taxable Tax Print on Documents

Date Effective Tax Rates

	Year to Date	Last Year
Total Sales/Purchases	\$2,089,863.84	\$0.00
Taxable Sales/Purchases	\$2,089,863.84	\$0.00
Sales/Purchases Taxes	\$125,868.26	\$0.00

History Address

by Tax Detail ID

Step 10 Make a final backup

Make a final backup of all company data and place it in permanent storage.

Payables Management Fiscal Year-End Closing Checklist

1. Post all transactions for the current fiscal year
2. Print a Vendor Period Analysis Report
3. Make a backup
4. Close the fiscal year using the Payables Year-End Closing window
5. Close the fiscal periods (optional)
6. Make a final backup

Step 1 Post all transactions for the current fiscal year

Before closing the year, post all transactions for the fiscal year. If you wish to enter future period transactions before closing the year, create a batch with new transactions, but **do not post it until after the year has been closed.**

Step 2 Print a Vendor Period Analysis Report

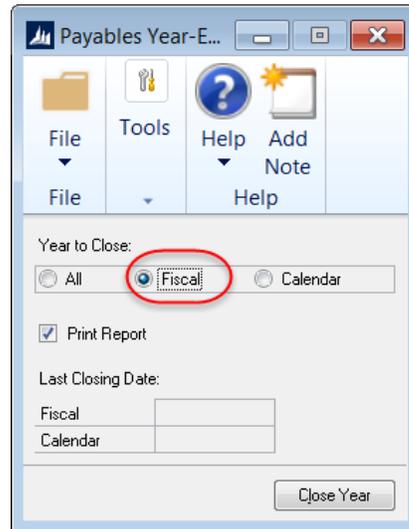
We recommend that you print the Vendor Period Analysis Report and the Vendor Year-to-Date Summary reports for your permanent records because these amounts will be transferred to last year during the year-end closing process.

Step 3 Make a backup

Make a backup of all company data and place it in permanent storage. This gives you a permanent record of the company's financial position at the end of the year, and can be restored later, if necessary. (**Note:** One method to use in Dynamics GP; **Dynamics GP → Maintenance → Backup**, Select Company, review the location it will be saved to and then click on OK.)

Step 4 Close the fiscal year

Purchasing → Routines → Year-End Close



Select the Fiscal year button.

Mark the **Print Report** option to print the Payables Year-End Closing Report after the closing process is complete. This report lists the amounts that were transferred to Last Year Summary Amounts for each vendor. The Year-End Closing Report is part of the audit trail and should be saved with your company's permanent records.

The fiscal year-end process in Dynamics GP will clear the following fields:

- Amount Billed YTD
- Amount Paid YTD
- Average Days to Pay Year
- Discount Available YTD
- Discount Lost YTD
- Discount Taken YTD
- Finance Charge YTD
- Number of Finance Charges YTD
- Number of Invoice YTD
- Number of Paid Invoice YTD
- Returns YTD
- Trade Discounts Taken YTD
- Withholding YTD
- Write Offs YTD

The fiscal year-end process in Dynamics GP will update the following fields in the Amounts Since Last Close view of the Vendor Yearly Summary window (**Purchasing → Cards → Summary → Yearly Button**):

- Amount Billed LYR
- Amount Paid LYR
- Discount Available LYR
- Discount Lost LYR
- Discount Taken LYR
- Finance Charge LYR
- Number of Finance Charges LYR
- Number of Invoice LYR
- Returns LYR
- Trade Discounts Taken LYR
- Withholding LYR
- Write Offs LYR

Step 5 Close the fiscal periods (optional)

Administration → setup → Company → Fiscal Periods

Year: 2018

First Day: 10/1/2018

Last Day: 12/31/2018

Number of Periods: 12

Historical Year:

Period	Period Name	Date	Series Closed					
			Financial	Sales	Purchasing	Inventory	Payroll	Project
1	Period 1	1/1/2018	<input type="checkbox"/>					
2	Period 2	2/1/2018	<input type="checkbox"/>					
3	Period 3	3/1/2018	<input type="checkbox"/>					
4	Period 4	4/1/2018	<input type="checkbox"/>					
5	Period 5	5/1/2018	<input type="checkbox"/>					
6	Period 6	6/1/2018	<input type="checkbox"/>					
7	Period 7	7/1/2018	<input type="checkbox"/>					
8	Period 8	8/1/2018	<input type="checkbox"/>					
9	Period 9	9/1/2018	<input type="checkbox"/>					
10	Period 10	10/1/2018	<input type="checkbox"/>					
11	Period 11	11/1/2018	<input type="checkbox"/>					
12	Period 12	12/1/2018	<input type="checkbox"/>					

Mass Close

You can use the Fiscal Periods Setup window to close any fiscal periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

Note: Be sure you have posted all transactions for the period and year for all modules before closing fiscal periods. If you later need to post transactions to a fiscal period you have already closed, you'll need to return to the Fiscal Periods Setup window to reopen the period before you can post the transaction.

Step 6 Make a final backup

Make a final backup of all company data and place it in permanent storage.

Payables Management Year-End Questions and Answers

Inactive vendor records

Q: Are inactive vendor records cleared during year-end closing? If not, how can inactive vendor records be removed?

A: No, inactive vendor records are not automatically removed. In order to remove an inactive vendor record, the record must not have any current year 1099 amount or documents in history (the work and open files have to be empty, for this vendor to be inactive). Once the records have been removed from history, a vendor or vendors can be deleted using the Vendor Maintenance or Mass Vendor Delete windows. (**Note:** Create Restriction where Vendor Status = Inactive) History is removed by selecting **Purchasing → Utilities → Remove Transaction History**.

Year-End Close

Q: What exactly does the Payables Management Year-End Close procedure do?

A: Closing the Year will affect:

1. The 'Amounts Since Last Close' view within the Vendor Yearly Summary window (**Purchasing → Cards → Summary → Yearly**).
2. The Vendor Financial Summary report (**Purchasing → Reports → Setup/Lists – Vendor Financial Summary**) which also shows 'Amounts Since Last Close'. On this report, you will have the option to print for Amounts Since Last Close, Fiscal Year, or Calendar Year. Closing the year will only affect the Amounts Since Last Close option.
3. The LYR and YTD fields are in SmartList.

1099s

Q: Is there a way to print an edit list of the 1099 vendors before I actually print the 1099 statements?

A: A 1099 report can be printed using the Print 1099 window. When the Print 1099 window is open, choose Print from the File menu. An edit list that contains the Vendor ID, Vendor Name, Address, and 1099 amount will be printed.

Q: I have printed 1099 statements and some of the statements didn't have the vendor name appearing on them. What should I do?

A: When printing 1099 statements, the Check Name entered for the vendor record in the Vendor Maintenance window will appear on the statement. If there isn't a vendor name appearing on the statement, the Check Name field in this window is blank. Enter a Check Name for each vendor or use the Report Writer to change the report to use a different field. For more information about modifying reports, refer to the Report Writer manual.

New Year Activity

Q: What should I do if I must issue a check on January 1, 2019 but am not ready to close 2018 yet?

A: Print the checks, but post them after you process the year-end closing. If you must post the checks immediately, change the Amount Paid fields in the Amount Since Last Close view of the Vendor Yearly Summary window. Run the calendar and fiscal year-end close for payables. If you use SmartList or the Vendor Summary report, you can manually update the Amounts Since Last Close view for any additional 2018 activity entered after the close. The 1099 information will be correct.

Fixed Assets Year-End Procedures

Overview:

Because the Fixed Assets module is not date sensitive, we recommend closing Payables Management first. This should be performed to ensure all transactions coming from Payables have been capitalized in the Fixed Assets system. Beginning in GP2016 there is a Fixed Assets Year-End Report that reports the status of all assets affected by the close. Also, we suggest closing Fixed Assets before performing the General Ledger year-end close. The Year-End routine can be run at a separate time for each fixed asset book or it can be run for all books at the same time. However, this routine must be completed before running any fixed assets processing for the new year.

Fixed Assets Luxury automobile maximum depreciation deduction amounts have changed for 2018. Maximum depreciation deduction amounts for luxury vehicles have been updated for assets placed in service in the 2018 calendar year to comply with IRS Guidelines. The 2018 changes can be found at <https://www.irs.gov/newsroom/changes-to-depreciation-limits-on-luxury-automobiles>.

Functions Performed During the Year-End Routine:

- In the Asset General Information window:
 - The YTD Maintenance amount is cleared in the Expand Last Maintenance window
 - The Quantity is copied to the Begin Quantity field
- In the Asset Book window:
 - The YTD Depreciation Amount is cleared
 - The Cost Basis is copied to the Begin Year Cost field
 - The Life to Date (LTD) Depreciation is copied to the Begin Reserve field
 - The Salvage Value is copied to the Begin Salvage field
- In the Book Setup window:
 - Increases the current fiscal year by one year for each book that is being closed

Fixed Assets Year-End Closing Checklist

1. Close the Payables Management module first. This will guarantee that all outstanding fixed asset transactions are capitalized.
2. Enter in all Fixed Asset transactions for the current fiscal year. This includes posting all additions, changes, transfers and retirements for the current fiscal year. **Note:** Transfers and Undo Retirement transactions should never be performed in a historical year.

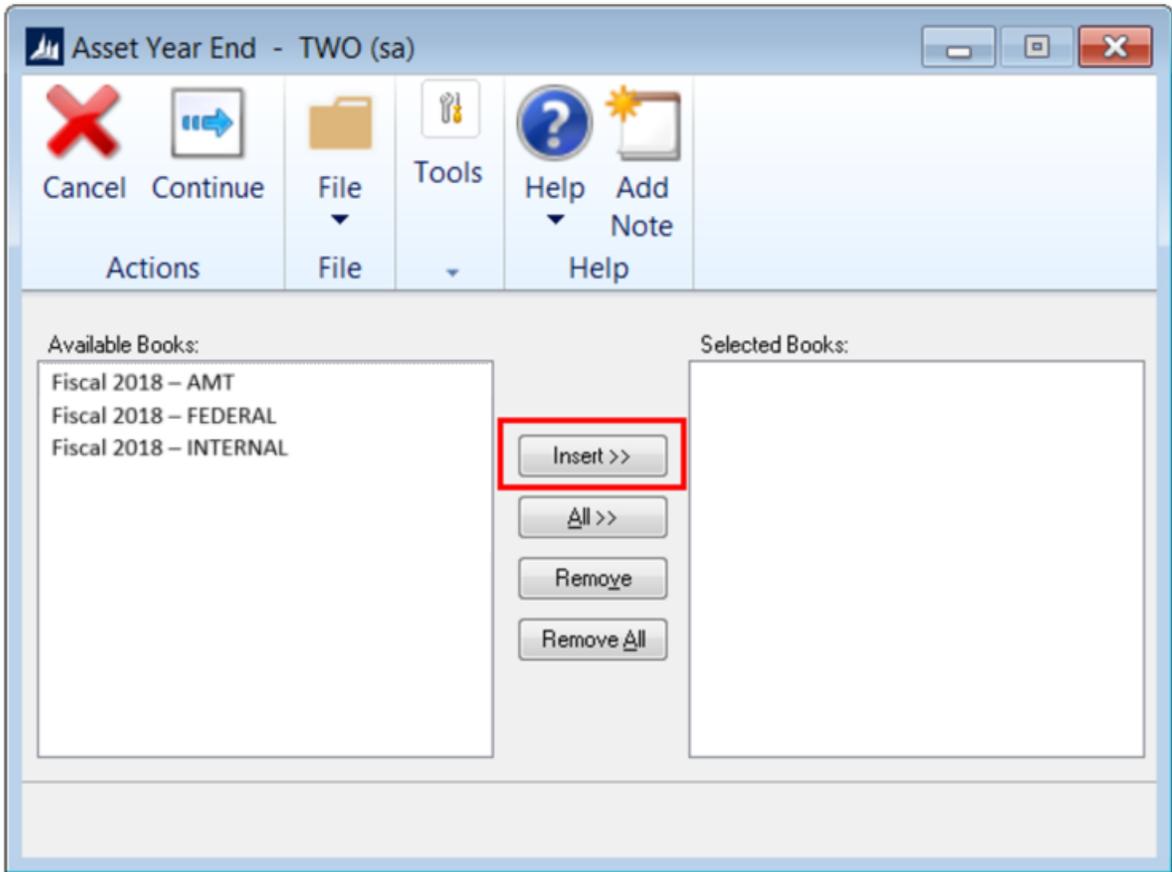
3. Run depreciation on all assets through the last day of the current fiscal year. (**Fixed Assets → Routines → Depreciate**).
4. Run the General Ledger Interface (GL Posting) routine. The transaction date should fall within the current fiscal year that is being closed. (**Fixed Assets → Routines → GL Posting**)
5. Run any year-end reports, specifically reports which include year-to-date depreciation amounts as that information is not saved for previous/closed fiscal years in Fixed Assets. Some suggested reports that are normally run at year-end are: Annual Activity, Additions, Retirements, Transfers, Depreciation Ledger, Property Ledger and Fixed Assets to General Ledger Reconciliation. The Book to Book Reconciliation and Book to Book YTD Depreciation Comparison reports are also available for comparing any two fixed asset books. There are over 25 standard reports that may be run. You may elect to print these reports to a file as well so you can choose to print them again in the future if needed.

***Note:** There are some reports you can never go back to after the year has been closed. These are the reports that contain the YTD Depreciation amounts. The reason for this is that this field will be zeroed out once the year-end close is run. An example of such report is the Depreciation Ledger report. GP2013 and later now has historical reporting functionality. While you should always print any applicable Fixed Assets reports prior to closing the year, if you need to reprint a prior year Fixed Asset report, you can now do that! (**Financial → Reports → Fixed Assets → Depreciation**) A Depreciate As of Date has been added to the Reports Option window.*

6. Ensure the Fixed Assets Calendar is built correctly. (**Financial → Setup → Fixed Assets → Calendar**) This step is optional, however you should verify if they are still accurate.

If the last fiscal year created in Dynamics GP Fiscal Periods Setup encompasses an entire year (365 days or 366 days if a leap year), then you should rebuild and replace your calendar at this point.
7. Verify that the quarters are set up correctly for all fiscal years. (**Financial → Setup → Fixed Assets → Quarter**) This step is optional, however you should verify if they are still accurate.
8. Make a permanent backup of all the fixed asset files to ensure that you can run additional reports later if necessary. This should be a backup that is archived and is never erased.

9. Perform the Fixed Asset Year-End closing routine. (**Financial → Routines → Fixed Assets → Year-End**).



- a. Verify that the Current Fiscal Year on the Available Books list is correct. If it is not correct, go into the Book Setup and correct the current fiscal year (**Financial → Setup → Fixed Assets → Book**).
- b. Select each book to be closed by highlighting the book in the Available Books list and clicking Insert. The year-end process will be performed for each book in the Selected Books list.
- c. Click the Continue Button. The year-end process will begin. A report is not generated from this process.
10. The year-end routine will perform the following functions:
- The Quantity field is copied to the Beginning Quantity field of the Expand Quantity window in the Asset General window.
 - Increases the current fiscal year by one year for each book that is being closed on the Book Setup window.

- Copies Cost Basis to Begin Year Cost, Life-to-Date Depreciation Amount to Begin Reserve, Quantity to Begin Quantity, and Salvage Value to Begin Salvage.
 - Clears the Year-to-Date Depreciation Amount on the Asset Book window and YTD Maintenance Amount on the expand Last Maintenance window.
11. Verify that the year-end completed successfully by using reports and inquiries to verify the items performed during the year-end routine.
 12. Make a final backup.

Fixed Assets Year-End Questions and Answers

Q: I have closed the General Ledger module and realized that I haven't closed the Fixed Assets module yet. Can I perform the Fixed Assets Year-End close process at this point?

A: We recommend closing the General Ledger module last. However, Fixed Assets can be closed after the General Ledger Year-End close. The GL Interface process can be performed and the transaction(s) posted to the closed/historical year in the General Ledger. To post to the historical year in General Ledger, make sure that the following options are marked in the General Ledger Setup window (**Financial → Setup → Financial → General Ledger**):

Allow Posting to History

Maintain History Accounts

Maintain History Transactions

The posted transaction will update the historical year and roll forward as a beginning balance to the open year. If any expense or revenue accounts were included in the transaction, they will automatically close out to the Retained Earnings account(s).

Q: I processed the Fixed Assets Year-End routine and have run depreciation in the new year. I noticed that the depreciation is highly overstated and some of my assets have a negative Net Book Value. Why is the system calculating so much depreciation?

A: This will happen if the year was closed and the assets were not depreciated through the very last day of the fiscal year. For example, if the fiscal year is a calendar year (January 1 - December 31) and the assets were depreciated through December 28th when the year was closed, depreciation will be incorrect the next time it is run. The system does not recalculate the yearly rate when the year-end routine is performed; therefore, it will take a full year's worth of depreciation (the yearly rate currently on each asset) in the last few days remaining in the previous year (December 29 - December 31). If there are assets near the end of their original life, it can cause the Net Book Value to go negative as well.

There are a couple of solutions available if this situation is encountered. The first (recommended) solution would be to restore the data from a backup, run depreciation through the very last day of the year, and perform the year-end procedure. The other solution would be to reset life on all of the assets. However, if amounts have ever been plugged for YTD and LTD depreciation on assets, resetting the life would change those amounts and the end result may be different. This will cause inconsistencies between the Fixed Asset module and the General Ledger which would need to be accounted for.

Q: Instead of going through the year-end routine for Fixed Assets, I manually changed the Current Fiscal Year field in the Book Setup window to the next year. Do I need to go back and run the year-end routine or can I continue processing activity in Fixed Assets for the new year?

A: If no activity (additions, changes, transfers, retirements, and/or depreciation) has been run for the new year, the Current Fiscal Year field in the Book Setup window can be changed back to the previous year and the year-end routine can be processed.

If activity (additions, changes, transfers, retirements, and/or depreciation) has been run for the new year, restore the data from a backup and proceed with the year-end close routine.

In either situation, the year-end routine needs to be run. If it isn't then the YTD Depreciation Amount will be overstated on any report that includes assets that were retired or fully depreciated in the previous year. When the year-end close is not performed, the YTD Depreciation amounts will not be removed (zeroed out) so they will be incorrectly included on the report for the new year.

General Ledger Year-End Closing Procedures

At year-end you will need to make any adjusting entries to reflect transactions affecting the fiscal year you are about to close, print reports and financial statements, and make a backup of your records.

During the year-end close routine, all records that will be moved are put in a TEMP table before moving to the GL30000. Therefore, there is a need for free disk space equaling the size of the GL20000 table.

1. Complete posting and closing procedures for other modules (if General Ledger is integrated with other modules)
2. Post final adjusting entries in General Ledger
3. Print Account List to verify the Posting Type of each account
4. Close the last period of the fiscal year (optional)
5. Verify General Ledger settings
6. Make a backup
7. Print a final Detailed Trial Balance Report
8. Print final year-end financial statements
9. Set up a new fiscal year
10. Close the fiscal year
11. Close all fiscal periods for all series (optional)
12. Adjust budget figures for the new year and print financial statements
13. Make a backup

Step 1 Complete posting and closing procedures for other modules (if General Ledger is integrated with other modules)

Note: If General Ledger is not integrated with other modules, you can skip this step.

- Post final transactions in all modules except General Ledger.
- Complete the month-end and quarter-end procedures for all modules except General Ledger.
- Complete year-end closing procedures for each module in the following order:
 1. Inventory
 2. Receivables Management
 3. Payables Management
 4. Fixed Assets Management
 5. General Ledger/Analytical Accounting

Note: See additional information regarding Analytical Accounting on page 5-14. For GP 2016, there is an update that will be included in the Canadian payroll update that needs to be installed. The Canadian payroll update will be released on the 18th of December and should be installed in place of the regular US year-end update. This update only applies to GP 2016, and it will not be needed for GP 2015 or GP 2013. For Dynamics GP10, Service Pack 2 and greater, functionality was added to consolidate balances for dimensions in Analytical Accounting. Please review KB960356 to make sure you have properly marked the dimensions that you want to be consolidated during the year-end process. Please note that there is no separate year-end process that needs to be run in the Analytical Accounting module. When the year-end close process is run for General Ledger, it will automatically consolidate the balances and move the transactions in Analytical Accounting for dimensions that were properly marked. We encourage you to ensure your AA data matches General Ledger data by referring to KB2910626.

Note: Payroll year-end procedures are independent of the procedures in other modules and are always performed at the calendar year-end.

Step 2 Post final adjusting entries in General Ledger

If you need to make any adjusting entries to allocate revenue, expenses or depreciation that affect the fiscal year you are about to close, use the Transaction Entry window or Quick Journal Entry window to enter adjusting entries in General Ledger.

Adjusting entries include all entries that correct errors made in recording transactions and journal entries used to assign revenues or expenses to the period in which they were earned or incurred.

Many of these adjusting entries will have been made automatically if you marked them as reversing in the Transaction Entry window. Entries that increased assets or liabilities could be entered as automatically reversing since they would result in a future cash receipt or payment.

The Second Closing Period feature in the General Ledger module lets you have a second closing period that has the same start date as the last day of the first closing period. This feature lets you add initial adjusting entries in the first closing period and post-audit entries in the second closing period. This allows for separate tracking of the adjusting entries made after the year is closed. (See more detailed steps in the General Ledger Year-End Questions and Answer section.)

Step 3 Print Account List to verify the Posting Type of each account

Print an Account List to verify the Posting Type is set up correctly for each account in your chart of accounts. The Posting Type is used to determine whether the account should be closed to the retained earnings account at the end of the year or have a balance brought forward to the next year.

If the account's balance is brought forward at the end of year, it should be set up as a Balance Sheet Posting Type. If the account's balance will be closed to a Retained Earnings account at the end of the year, it should be set up as a Profit and Loss Posting Type.

Use the Account Maintenance window (Financial → Cards → Account) if the Posting Type needs to be changed for an account.

Step 4 Close the last period of the fiscal year (optional)

Financial → Setup → Company → Fiscal Periods

Note: *If you use FRx or Management Reporter, keep one period in the most recent historical year open to prevent the following error message:*

FRx Print Engine Failed to Load the Company Calendar

Step 5 Verify General Ledger settings

Financial → Setup → General Ledger

If you want to keep historical records, make sure that Maintain History for Accounts and Transactions are marked in General Ledger Setup. Account history allows you to print historical financial statements and calculate budgets from historical information. Transaction history allows you to print historical detailed trial balances and to drill down to transaction detail. Both account history and transaction history are updated during the year-end close process if these options are marked. **Make a backup**

Make a backup of all company data and place it in safe permanent storage. This gives you a permanent record of the company's financial position at the end of the year, and can be restored later, if necessary. (**Note:** One method to use in Dynamics GP; Dynamics GP → Maintenance → Backup, Select Company, review the location it will be saved to and then click on OK.)

Step 6 Print a final Detailed Trial Balance Report

Financial → Reports → Trial Balance

Use the Trial Balance Report window to print a Year-End Detailed Trial Balance.

***Note:** Be sure you have posted all transactions for the period and year for all modules before printing the Detail Aged Trial Balance Report. If you later need to post transactions, you should print a new Detailed Trial Balance Report.*

Step 7 Print final year-end financial statements

Print any year-end financial statements required. The most common financial statements include:

- Balance Sheet
- Profit and Loss Statement
- Statement of Cash Flows
- Statement of Retained Earnings

Step 8 Set up a new fiscal year

Administration → Setup → Company → Fiscal Periods

Before you can perform a year-end closing, a new fiscal year must be set up using the Fiscal Periods Setup window. This step may have already been completed during other closing procedures.

Fiscal Periods Setup - TWO18 (sa)

OK Calculate Redisplay File Print Tools Help Add Note

Year: 2019 First Day: 1/1/2019 Last Day: 12/31/2019 Historical Year

Number of Periods: 12

Open All Close All

Series Closed									
Period	Period Name	Date	Financial	Sales	Purchasing	Inventory	Payroll	Project	
1	Period 1	1/1/2019	<input type="checkbox"/>	^					
2	Period 2	2/1/2019	<input type="checkbox"/>						
3	Period 3	3/1/2019	<input type="checkbox"/>						
4	Period 4	4/1/2019	<input type="checkbox"/>						
5	Period 5	5/1/2019	<input type="checkbox"/>						
6	Period 6	6/1/2019	<input type="checkbox"/>						
7	Period 7	7/1/2019	<input type="checkbox"/>						
8	Period 8	8/1/2019	<input type="checkbox"/>						
9	Period 9	9/1/2019	<input type="checkbox"/>						
10	Period 10	10/1/2019	<input type="checkbox"/>						
11	Period 11	11/1/2019	<input type="checkbox"/>						
12	Period 12	12/1/2019	<input type="checkbox"/>						

Mass Close

Enter the New Year, i.e., 2019 in the Year field. The first and last day will default. Change these days if necessary. Define the number of periods in the year. Click the Calculate button and the system will calculate the new fiscal periods.

Step 9 Close the fiscal year

Financial → Routines → Financial → Year-End Closing

Year-End Closing - TWO18 (sa)

Clear File Tools Help Add Note

Retained Earnings Account 000-3030-00

Starting Journal Entry 3,476 Year 2018

Remove Unused Segment Numbers

Maintain Inactive Accounts

With Budget Amounts

All Inactive Accounts

Last Closing Date

Reverse Historical Year Close Year

Note: Before closing the year, go into Financial → Setup → General Ledger and verify that the Maintain History boxes are all checked.

Retained Earnings Account

Using the Year-End Closing window, select the Retained Earnings account to which the year's profit or loss will be closed. The default account is the one you entered in the General Ledger Setup window when you set up the module.

All current-year earnings or losses will be transferred to the account you specify here. If you want to distribute the retained earnings for the year to more than one account, you can enter an allocation account to distribute the retained earnings amount to the appropriate accounts. For example, you could set up an allocation account to divide the earnings between several departments in your business.

You could transfer the year's profit or loss to accounts that contain a specific account segment. This is referred to as a **divisional retained earnings account**. See Question and Answer section for an example of closing to divisional retained earnings.

Starting Journal Entry

Using the Year-End Closing window, enter the starting journal entry number that will be used as the first journal entry number in the next fiscal year. You can either accept the default, which is one more than the highest posted journal entry number for the current year, or enter a new number. The journal entry number you select will be used as the journal entry number for the Year-End Closing Report.

Remove Unused Segment Numbers

Mark to remove any segments during the year-end closing process that aren't used in an account number. To retain unused segments, be sure this option is not marked.

Maintain Inactive Accounts

Specify how to handle inactive accounts with zero balances during the year-end close. If you want to keep inactive accounts with zero balances, mark this option and then select which accounts to maintain.

Note: *To delete all inactive accounts with zero balances, unmark Maintain Inactive Accounts checkbox.*

- With Budget Amounts: Inactive accounts with zero balances and no budget amounts will be deleted.
- All Inactive Accounts: Mark to keep all inactive accounts from being deleted during the year-end close process.

Close the Year

Choose the Close Year button in the Year-End Closing window to begin the closing process.

Note: Click only once on close year button or you may accidentally close more than one year during this process.

Starting in GP2013 there is now a status bar that will display the steps that are completed during the year-end closing process.

The following message may appear if you have unposted batches in General Ledger: "A single-use batch or quick journal transaction has not been posted yet. Do you wish to continue closing?" If the batches need to be posted before closing the year-end, choose Cancel. If the batches do not need to be posted before closing the year, choose Continue.

If the progress window stops at 50%, **DO NOT** reboot. As long as your hard drive is processing, let it continue. If your hard drive is not processing, you should restore to a backup, do file maintenance on all files in the financial series, and start year-end close again.

If you are maintaining account history, the year-end closing routine transfers all current-year information for each account in the chart of accounts to account history. If you are maintaining transaction history, the year-end closing routine also transfers all current-year information for each account in the chart of accounts to transaction history. The process then prepares the accounting system for a new fiscal year.

In addition to transferring current-year figures to transaction and account history, the year-end closing process will:

- Reconcile and summarize the General Ledger balances that have accumulated throughout the year.
- Zero all profit and loss account balances after they have been closed to the Retained Earnings account.
- Summarize Balance Sheet accounts, bringing the balances forward as the accounts' beginning balances in the new fiscal year.
- Brings the balance of unit accounts forward to the new fiscal year.
- Remove inactive accounts if they match the criteria for deleting a posting account. Inactive accounts that have been set up as Budget accounts can also be deleted if they have no activity for the year. These accounts can be deleted even if they have budget amounts associated with them for past years.
- Print the Year-End Closing Report.

When closing is complete, the Year-End Closing Report will be printed. This report lists the accounts that have been closed and the transactions created to close them. The Year-End Closing Report is part of the audit trail and should be saved with your company's permanent records. If you don't get a report, the year-end did not complete properly.

Note: The year-end closing report cannot be reprinted.

Step 10 Close all fiscal periods for all series (optional)

Administration → Setup → Company → Fiscal Periods

Once you have completed closing procedures for all modules, use the Fiscal Periods Setup window to mark all periods for all series as closed. This will prevent transactions from being posted from any module to any period in the year you closed if you are allowing posting to history. Once a period has been marked as closed, transactions no longer can be posted to it unless it is reopened.

Completing this step is optional and should not be completed until you're sure that no adjusting transactions will be needed for the year. If you later find you need to post a transaction to a closed period, return to the Fiscal Periods Setup window to reopen the period.

Step 11 Adjust budget figures for the new year and print financial statements

Adjust budget figures using the Excel Based Budgeting tool or Budget Maintenance windows. (Financial → Cards → Financial → Budgets)

Print the Profit and Loss Statement and Balance Sheet and then verify that the Profit and Loss accounts were closed to Retained Earnings, and that Balance Sheet accounts have a balance brought forward. Update any columns that refer to the GP Budgets to reflect the current new year budget.

Step 12 Make a backup

Make a backup of all company data and place it in safe permanent storage. This gives you a permanent record of the company's financial position at the end of the year and can be restored later, if necessary.

General Ledger Year-End Closing Tips

- The year-end closing does not have to be done right at year-end (although it is recommended). General Ledger is the ONLY module that does not have to have the year-end closing routine done right at year-end.
- Adjusting entries will have been entered before closing the fiscal year in General Ledger. Adjusting entries that need to be made after the close of the year can be made and posted to the most recent closed year. Make sure Allow Posting to History and Maintain History are marked in General Ledger setup. If an entry is posted to the closed year, a second entry will be made at that time to update the beginning balances that were set up for the new year during the year-end close.
- If you have a Profit and Loss account set up as a Balance Sheet account, the Profit and Loss account will have a beginning balance after the year-end close. To correct this situation, contact your Dynamics GP Consultant or refer to Knowledgebase article number 864913.
- If you have a Balance Sheet account set up as a Profit and Loss account, the Balance Sheet account will have a beginning balance of zero after the year-end close. To correct this situation, contact your Dynamics GP Consultant or refer to Knowledgebase article number 864913.

General Ledger Year-End Questions and Answers

Divisional retained earnings accounts

Q: I have these retained earnings accounts set up in my chart of accounts:

100-3300-00	Retained Earnings Division 100
200-3300-00	Retained Earnings-Division 200
300-3300-00	Retained Earnings-Division 300

The segment I am closing on is the division (first segment). Where will the accounts with a 400 division close into, i.e., 400-4100-00 Sales-division 400?

A: Before performing the year-end close, the system will verify that all Retained Earnings accounts that are needed exist. If a 400 divisional Retained Earnings account isn't found, the year-end closing won't proceed. An error will occur, and you'll have to set up the needed account. Another good reference tool for divisional retained earnings is Knowledgebase article number 850615.

Why did the year-end closing delete some GL accounts?

Q: Why did the year-end closing process delete some General Ledger accounts that may be tied to budgets?

A: The year-end closing process will delete General Ledger accounts that are marked as inactive and have no activity in the current year. If you do not want these accounts deleted, you will need to unmark the Inactive checkbox prior to the closing procedure and then remark after the closing is done.

Unit accounts at year-end

Q: What happens to unit accounts during a year-end closing?

A: Unit accounts are treated as Balance Sheet accounts and will have a balance brought forward when the year is closed. In Versions prior to GP2013 if you would like to have the unit accounts zero at the beginning of the year and are using MS SQL, you can run the following statement in Query Analyzer against the Company database or contact your Microsoft Dynamics GP Consultant.

```
Delete GL20000 from GL00100, GL20000 where GL00100.ACTINDX = GL20000.ACTINDX  
and GL00100.ACCTTYPE = 2 and GL20000.SOURCDOC = 'BBF'
```

Note: You will need to reconcile your years (**Financial** → **Utilities** → **Financial** → **Reconcile**) after running the statement in Query Analyzer. We recommend starting with the oldest historical year and working your way to the most current, open year. This will update the summary tables with the correct balance.

In versions GP2013 or later if you want to clear balances during the year-end closing process, you can mark each Unit Account from the Unit Account Maintenance window. (**Financial** → **Cards** → **Financial** → **Unit Account**)

Beginning balances showing for sales and expense accounts *or* year-end with wrong account type

Q: I performed the year-end closing procedure, and beginning balances were brought forward for some of my sales and expense accounts. Why did this happen, and what can I do to correct this?

A: In the Account Maintenance window, verify the selection made for Posting Type. Sales and Expense accounts need to have Profit and Loss selected on this line. To make corrections now, restore a backup, change the selection in this window, and close the year again. If restoring to a backup is not possible, see previous detailed resolution (on page 5-9) to correct incorrect posting type or call your Dynamics GP Support Consultant.

New in GP2013 R2: You can go to the Year-End Closing routine window and click on the button to Reverse Historical Year, verify the Year to Open displayed and click Process. The year will be reopened as if it was never closed in the first place, so you can change the posting type on the account and then run the Year-End Closing routine again. We recommend you make a database backup prior to doing this.

Exclusive Use

Q: I am getting ready to close my fiscal year. Must everyone exit Microsoft Dynamics GP before this routine is performed?

A: No. However, we recommend users do not continue to work in Dynamics GP during the year-end closing procedure. The reason is that transactions may need to be reentered if problems occur during the closing procedure.

Allocating Net Profit

Q: I would like to allocate my net profit into my Retained Earnings or Capital accounts on a monthly basis. Also, net profit is supposed to be allocated to three different Retained Earnings or Capital accounts. Is this possible?

A: No. However, you could enter a nonfinancial account in the Account Maintenance window. Enter a number outside of your current account numbering scheme. This account will act as a holding or suspense account for the net income/loss. Every month you can post an adjusting entry to the three capital accounts that you wish to adjust; for the offset account, use the Holding/Suspense account. When the year-end close is completed, use the Suspense account for the Retained Earnings account. This will offset all the manual adjustments made to the Suspense account all year.

Printing a new trial balance after posting adjustments for a closed year

Q: If an adjustment is posted to a closed year, can I print a corrected trial balance for that year?

A: Yes. Set up a new report option for the trial balance, change the year to history and choose the closed year. This historical trial balance will include any adjustments posted to the closed year.

Second Closing Period

Q: The second closing period feature in General Ledger allows you to have a second closing period with the same From/To date as the last day of the first closing period. This can allow you to enter initial adjusting entries in the first closing period, and post-audit entries in the second closing period 13. This allows for separate tracking of the adjusting entries made after the year is closed.

A: To successfully post into period 13, these requirements must be met:

- The additional fiscal periods must be set up before closing the year.
- The year must then be closed.
- In the Fiscal Period Setup window, you must mark all the financial periods as closed, except period 13.

***Note:** If you use Fixed Assets, you will be unable to utilize more than one closing period with the same date.*

Inactivate General Ledger accounts and year-end handling

Q: You can inactivate a General Ledger account if it has a balance. How will this inactive account be handled during the year-end closing process?

A: General Ledger accounts are still treated the same as in prior versions. A General Ledger account that is marked inactive will be deleted during the year-end closing process if it meets the following criteria:

1. The account is marked as inactive.
2. The account has no history.
3. The account has no balance.
4. The account has no current activity.
5. The account is not a part of an allocation account.
6. The account is not a part of any unposted transactions.
7. The account has no multicurrency data.

The Balance Sheet accounts will roll forward to the next year and the Profit and Loss accounts will close into Retained Earnings even if the account is marked as inactive when the year-end close is completed.

Adjusting Entry

Q: Can I make adjusting entries after I close the year?

A: You can post to the most recent historical year if the Posting to History check box is selected in the General Ledger Setup window. If you post an entry to a closed year, a second entry is automatically made that updates the beginning balances for the current fiscal year.

Adjusting Entry:

		<u>Debit</u>	<u>Credit</u>
12/25/15	Administration Expenses	\$500.00	
	Cash		\$500.00

Posting Journal:

12/25/15	Administration Expenses	\$500.00	
	Cash		\$500.00
12/31/15	Retained Earnings	\$500.00	
	Cash		\$500.00

Analytical Accounting

Q: Are there any year-end closing procedures for Analytical Accounting?

A: There is no separate year-end process that needs to be run in the Analytical Accounting module. When the year-end close process is run for General Ledger, it will automatically consolidate the balances and move the transactions in Analytical Accounting for dimensions that were properly marked. For Dynamics GP 10.0 Service Pack 2 and greater, functionality was added to consolidate balances for dimensions in Analytical Accounting. Please review KB 960356 to make sure you have properly marked the dimensions that you want to be consolidated during the year-end process. Also included in this document you will find information that will help identify mismatched data between Analytical Accounting (AA) and General Ledger (GL). If AA data does not match GL data, and you pull your financial reports from AA tables, this could skew your statements and you won't balance to the GL Trial Balance reports. To determine if your financial reports use the AA tables or not; Management Reporter with Data Mart will read from AA tables if AA has been activated. Management Reporter with Legacy provider allows you to choose if you want to pull from an AA company or a GL company.

General Ledger Year-End Troubleshooting

Year-End Close Process

“Batches cannot be posted while the year-end close is in progress”

Q: The message “Batches cannot be posted while the year-end close is in progress” appears when I attempt to post a batch in General Ledger. The year-end closing is not being run in General Ledger.

A: Have all users exit any transaction entry windows. Run the following statement against the Dynamics Database: `DELETE SY00800 where BACHNUMB = 'GL_Close'`

“Sorry, another user is closing the year”

Q: The message “Sorry, another user is closing the year” appears when I attempt to close the year in General Ledger. No one else is closing the year.

A: MS SQL users must run the following statement against the Company Database: `DELETE SY00800 where BACHNUMB = 'GL_CLOSE'`.

“A single-use batch or quick journal transaction has not been posted yet. Do you wish to continue closing?”

Q: I started the Year-End Close process in General Ledger and a warning message appears. It says “A single-use batch or quick journal transaction has not been posted yet. Do you wish to continue closing?”

A: The message appears if you have an unposted single use batch or an unposted quick journal transaction that exists in General Ledger. If the batches need to be posted before closing the year-end, choose CANCEL. If the batches do not need to be posted before closing the year, choose CONTINUE.

Payroll Year-End Closing Procedures

Note: It is very important that you perform the steps in the order shown. Do not install the new-year Payroll tax tables until the year-end wage file has been created! If you need to run a 2019 payroll before creating your year-end wage file, it is OK to use the 2018 tables, unless you have an employee who will hit the old FICA limit in the first pay period. At the time of printing, the IRS has not released new tax tables for 2019.

1. Verify version of Dynamics GP
2. Complete all pay runs for the current year
3. Complete period-end and quarter-end procedures for the current year
4. Make a backup of your company database(s). Label, "Pre Year-End Wage File"
5. Install the 2018 Year-End Update (if you need assistance with this, please contact us ASAP to get on the schedule if you require assistance)
6. Create the Year-End Wage File
7. Verify W-2, 1095C and 1099-R statement information

Note: If you make changes to the statement information, we recommend you make another backup.

8. Print W-2 Validation Report, W-2 forms, and W-3 Transmittal form
9. Print 1095C forms
10. Print 1099-R Validation Report, 1099-R forms, and 1096 Transmittal form
11. Create a W-2 Electronic Filing formerly Magnetic Media (EFW2) file for W-2 information, if required (optional)
12. Archive inactive employee Human Resources information (optional)
13. Close fiscal periods for the Payroll series for 2018 (optional)
14. Install 2019 Payroll Tax Update
 - ✓ Verify SUTA rate
15. Process 2019 pay runs. **Note:** Change the Dynamics GP user date to a 2019 date

Issues to be Addressed Before Your Last Payroll for the Current Year:

1. Auto Allowance and Personal Auto Use:

Employee's use of a company-owned vehicle for personal reasons is taxable to the employee. The value of the personal use must be included in Federal Wages, is subject to FICA (Social Security and Medicare) taxes and is subject to FUTA and SUTA (if a WI employer).

This is easiest to handle if you do it with one of your last payrolls - BEFORE Year-end. This should be recorded as regular wages. Set it up as a Taxable Benefit. Use the Payroll –Benefits setup window. Auto allowance does not need to be reported separately on the W-2 - it is included in gross wages.

Personal auto use should be reported in Box 14. Check with your accountant if you need help in determining the value of the personal auto use. You, as an employer, are responsible for making sure personal auto use is reported.

2. Group Term Life Insurance Over \$50,000:

If the value of the group term life insurance is \$50,000 or less, the fringe benefit is not taxable. However, the amount of coverage in excess of \$50,000 is taxable. The IRS issues a table that defines the taxable portion of the premium. This is treated as regular wages and is subject to Federal, FICA Social Security and Medicare taxes. It is not subject to FUTA or SUTA if you are a WI employer.

The easiest way to record this amount is to set it up a Taxable Benefit on the last payroll. Use the Payroll-Benefits setup window. The imputed income is reported in Box 12, with a Label of "C" on the W-2. (If using HR for Benefits/Deductions, set this up in the HR Miscellaneous Benefit window, it will update the Payroll Benefit window.)

If there were dependent coverage of more than \$2,000, this benefit would also be taxable to the employee using the same IRS tables. You do not receive the exclusion as you do with the employee calculation. The entire coverage if over \$2,000 would be calculated using the IRS rates in the same manner as when calculating GTL for the employee. You can use the dependent's birthdate if you know it; otherwise, you would calculate the additional imputed income based on the employee's birthdate for this purpose.

****NOTE - Greater than 2% Shareholders of an S-Corp do not get the \$50,000 exclusion. The total coverage for these individuals would be calculated on the full coverage.**

3. Short-Term Disability:

If an employee has received short-term disability, this must be reported as wages assuming the company is paying 100% of the premium. Check with the insurance company to make sure they are not providing a W-2. These wages need to be added in to all wages and are subject to all taxes. Use the manual check option to record these short-term disability checks.

You, as the employer, are responsible for the employer's matching share of FICA. The insurance company will have already withheld the FICA amounts from the employee's check. The taxable short-term disability payments should be included on line 2, line 5a and 5c of the Form 941. The employee portion of the FICA tax that the insurance company is paying on the employee's behalf is subtracted out on line 8.

If the insurance company will be issuing the W-2, you as the employer must fill out a Form 8922 (Third-Party Sick Pay Recap) for the short-term disability payments.

4. "S" Corporation Benefits:

Certain "S" Corp benefits are also taxable. Check with your accountant to see what is taxable. These can be included on your last payroll for the year, or you can "gross up" before printing W-2s.

5. Others:

Other fringe benefits to review and consider would include:

- Life and/or Disability Insurance premiums paid by the company for individual policies
- Moving Expenses
- Tax Return Preparation (if company pays)
- Club Dues
- Health Insurance and/or Disability Insurance Premiums (for greater than 2% shareholder)
**NOTE – a spouse, child, grandchild or parent of a greater than 2% shareholder who works for the S-Corp is also a greater than 2% shareholder through attribution, meaning that those premiums would need to be included in income for these individuals as well.
- Employer HSA contributions
- Gift cards/gift certificates given to employees
- Educational assistance
- Employee discounts

Include in Taxable Wages for:	Federal	State	SUTA	FUTA	FICA
Greater than 2% Shareholder Health/Dental/Vision Insurance for SCorp	Yes	Yes	No	No	No
Greater than 2% Shareholder Disability Insurance for SCorp	Yes	Yes	Yes	Yes	Yes
Whole Life Insurance	Yes	Yes	Yes	Yes	Yes
Third Party Sick Pay	Yes	Yes	Yes	Yes	Yes
Personal Auto Use	Yes (*)	Yes (*)	Yes	Yes	Yes
GTL over \$50,000 (Box 12 code C)	Yes (*)	Yes (*)	No	No	Yes
Non-Qualified Moving Expenses	Yes	Yes	Yes	Yes	Yes
Tax Return Prep	Yes	Yes	Yes	Yes	Yes
Club Dues	Yes	Yes	Yes	Yes	Yes

Summary of Fringe Benefit Tax Treatment

(*) Withholding is Optional: Employer must notify the employee if this choice is made.

Note: For Third-Party Sick Pay see the above tax handling for the first six months. After that, this is only subject to Federal and State withholding tax.

Step 1 Verify Version of Dynamics GP and confirm you have the latest 2018 Payroll Tax Update (Tables) in place

The 2018 Year-End Update file and the 2019 Payroll Tax Update file will be compatible with Dynamics GP 2018, Dynamics GP 2016, and Dynamics GP2015. Do not install the new-year Payroll tax tables at this time.

To verify the version of Dynamics GP you have installed, you will navigate to Help → About Dynamics GP. The Version information displays on the right side of this window.

It is recommended that you have the server and all workstations on the latest service pack that is available for the version of Dynamics GP you are using.

Notes:

- Version 2018: When you install the 2018 year-end update, GP 2018R2 is also installed. You do not need to install the latest service pack separately. The version information will read **18.00.0672** after the update is applied.
- Version 2016: When you install the 2018 year-end update for GP 2016, the latest service pack is also installed. You do not need to install the latest service pack separately. The version information will read **16.00.0741** after the update is applied.
- Version 2015: When you install the 2018 year-end update, the latest service pack is also installed. You do not need to install the latest service pack separately. The version information will read **14.00.1159** after the update is applied.

Step 2 Complete all Pay Runs for the Current Year

If you need to print payroll checks for a pay period in the current year, do this before completing the year-end close. W-2s go by check date - NOT pay period date.

Step 3 Complete Period-End and Quarter-End Procedures for the Current Year

You should already be accustomed to completing month-end and quarter-end payroll procedures. Follow your regular procedures for those periods now, including printing reports, and posting tax liabilities. These procedures should include, but not be limited to, reconciling period-end and quarter-end reports (SUTA, FUTA, 941, FICA, etc.).

Step 4 Make a Backup

Make a backup entitled “Pre Year-End Wage File” of all company data and place it in safe permanent storage. This gives you a permanent record of the company’s financial position at the end of the year and can be restored later, if necessary. The IRS requires you keep these records for at least four years. You should also make a backup copy of your Reports.dic, Forms.dic, and Dynamics.vba files before applying the year-end update. (**Note:** One method to use in Dynamics GP; Dynamics **GP** → **Maintenance** → **Backup, Select Company**, review the location it will be saved to and then click on OK.)

Step 5 Install the 2018 Year-End Update

Install the 2018 Year-End Update on the server and all workstations that run Dynamics GP. Make a backup of the DYNAMICS database and all company databases prior to installing the year-end update. Insure you make a backup copy of all report dictionaries (Reports.dic and Forms.dic). Ask all users to exit Dynamics GP while you complete this installation. Do not log into Dynamics GP until the 2018 Year-End Update has been installed on all workstations running Dynamics GP. Be sure to unmark the launch option after each successful installation.

***Note:** This step can be done at any time, even if you have not completed all your 2018 pay runs. This step must be done before you create the year-end Wage file.*

The 2018 Year-End Update includes the following changes:

- i. No W-2 or W-3 Form changes
- ii. 1099-R Form changes - Code M for Box 7 – Loan Offset
- iii. Product Quality Fixes around Payroll year-end
- iv. 1094-C and 1095-C Form changes were made

To Install the Year-End Update:

***Note:** The year-end update file includes all prior services packs and will update your version of Dynamics GP: GP 2015 R2, GP 2016R2, and GP 2018R2. Start the installation at the server. Download the 2018 year-end update from CustomerSource – <https://mbs.microsoft.com/customersource/northamerica/GP/downloads>. If customizations to your Dynamics GP code or third party solutions are present, please consult with Wipfli prior to applying the year-end update.*

1. Download/save the year-end update. You will select the **MicrosoftDynamicsGP18-KB4468818-ENU.msp** file for GP2018 and **MicrosoftDynamicsGP14-KB4046338-ENU.msp** **MicrosoftDynamicsGP16-KB4468815-ENU.msp** for GP2016 and **MicrosoftDynamicsGP14-KB4468812-ENU.msp** for GP2015. A File Transfer window will open and ask for a file location to save this.

2. When the File Transfer is complete, locate the .msp file and double-click on it. A message may appear asking if you want to restart now or later. Click 'No' to manually restart later. The installer will continue patching any remaining components.
3. Choose Finish.
4. Launch GP Utilities.
5. In Upgrade Dynamics GP window, click Next.
6. In Upgrade these Companies window, click Next. All companies are selected to be updated.
7. In Confirmation window, click Finish. Dynamics GP Utilities will update your company databases. This process may take several minutes to complete.
8. After the update process is finished and successful, the Additional Tasks window will open. Exit Dynamics GP Utilities.
9. After installing the 2018 year-end update on the server, install the update on all remaining workstations or terminal servers.
10. To confirm the update is installed, log into Dynamics GP and verify that your version matches what is listed on page 6-5. The version information is available right on the login splash screen.

Note: Before you create the year-end wage file, verify that the FICA Social Security wage limit for 2018 is \$128,400 (Dynamics GP → Tools → Setup → System → Payroll Tax)

- a. Enter or lookup the FICAS Tax Code. Click on the Filing Status button.
- b. Choose a Filing Status by clicking on the browse button.
- c. Click on the Tables button and verify the amount in the But Not Over column.

Also, verify your State Unemployment Tax Rate and Wage Limit are accurate. (HR & Payroll Setup → Payroll → Unemployment Tax)

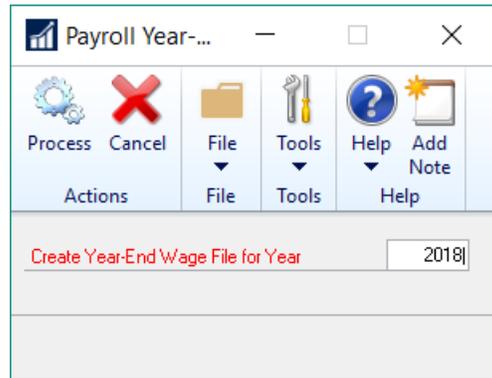
11. After the server and all workstations have been updated, rebuild the reports.dic file as follows:
 1. Make sure that all users exit Dynamics GP.
 2. Rename the Reports.dic file to Reports.bac. The Reports.dic file may be located on the server or on the workstation.
 3. Start Dynamics GP.
 4. On the Tools menu, click Customize, and then click Report Writer. Click on OK to the window showing Dynamics GP as the Product.
 5. Click Reports. The Modified Reports list is empty. If the Modified Reports list is not empty, you renamed the wrong Reports.dic file in Step 2: Find the appropriate Reports.dic file, and then start over in that section.
 6. In Report Writer, click Import.
 7. Click the ellipsis button (...) next to the Source Dictionary box. Locate the Reports.bac dictionary file that you named in step 2, and then click Open.
 8. In the Source Dictionary Reports list, select each individual report that you want to import (must be done one at a time), and then click Insert. The reports are listed in the Reports to Import list on the right.
 9. Click Import. When the Reports to Import list is empty, the modified reports have been imported into the new Reports.dic file.

Step 6 Create the Year-End Wage File

To ensure the information in the year-end wage file is correct please review the following:

1. Verify that you have set up the W-2 box and W-2 label within the Benefit Setup and Deduction Setup windows (HR & Payroll → Setup → Payroll → Benefits or Deductions).
2. Be sure the W-2 options are marked correctly in the Employee Tax Maintenance window – Statutory Employee and Retirement Plan (HR & Payroll → Cards → Payroll → Tax).
3. Verify your Employer State ID number (HR & Payroll → Setup → Payroll → Tax ID) is correct. This is the number that will be printed on the W-2 statements.

4. HR & Payroll → Routines → Payroll → Year-End Closing



To create the Year-End Wage File, enter the current year in the year field then choose the Process button.

Use the Payroll Year-End Closing window to create a file of annual wage information. This file is used for printing W-2 and 1099-R statements. Dynamics GP can store year-end wage files for multiple years. **You cannot calculate a 2018 payroll once the year-end wage file has been created.** You can clear the year-end information in the Remove Year-End Information window. (HR & Payroll → Utilities → Payroll → Remove Year-End Information) Select the year 2018 and click on the Insert button so it appears in the Restrictions column on the right. Click Process to finish.

***Note:** 2019 Tax Tables can be installed any time after the Year-End Wage File has been created.*

When a year is closed in the Payroll module, Dynamics GP populates the Payroll Year-End Wage tables. The following tables are used to generate the Year-End Wage file to generate your W-2's and W-3.

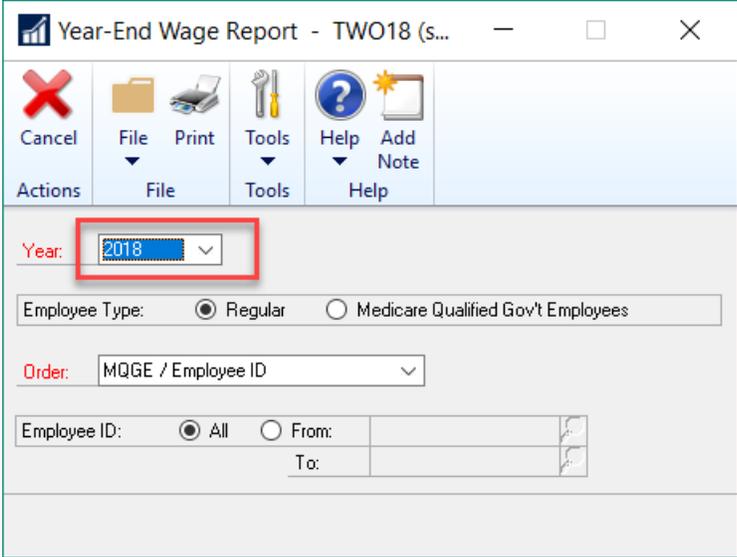
Payroll Year-End Wage Tables used to Generate W-2 and W-3 (Company Database):

- UPR10100 - Year-End Header
- UPR10101 - Employee W-2 amounts
- UPR10103 - Pension information
- UPR10104 - Special amount information
- UPR10105 - State tax information
- UPR10106 - Local tax information
- UPR10107 - Other amount information

Step 7 Verify W-2, 1095C and 1099-R Statement Information

HR & Payroll → Routines → Payroll → Year-End Wage Report

Verify W-2 Information



Year-End Wage Report - TWO18 (s...)

Cancel File Print Tools Help Add Note

Actions File Tools Help

Year: 2018

Employee Type: Regular Medicare Qualified Gov't Employees

Order: MQGE / Employee ID

Employee ID: All From: To:

The Year-End Wage Report displays the information that will print on the W-2 statements. Print the report and verify W-2 information before printing W-2 statements. Another option would be to print W-2 Statements to blank paper. (HR & Payroll → Routines → Payroll → Print W-2s).

If you need to view or make changes to W-2 information, you can do so using the Edit W-2 Information window.

HR & Payroll → Routines → Payroll → Edit W-2s

Item	Amount
Wages, Tips, & Other Comp	55000.00
Federal Income Tax Withheld	7500.00
Social Security Wages	55000.00
Social Security Tax Withheld	3410.00
Medicare Wages and Tips	55000.00
Medicare Tax Withheld	797.50
Social Security Tips	0.00
Allocated Tips	0.00
Advanced EIC Payment	0.00
Dependent Care Benefits	0.00
Nonqualified Plans	0.00

Changes made here will affect only the Year-End Wage File, not the employees' permanent records or the 941 Preparation Report.

Verify Pertinent Information on W-2 Forms:

State identification numbers - State identification numbers can be entered or changed in the Unemployment Tax Setup window.

Retirement Plans - If an "X" should be printed in the retirement plan box for employees who were active participants in a retirement plan, you must have marked the Retirement check box in the Employee Tax Maintenance window. If this is incorrect, use the Edit W-2 Information window.

Dependent Care Cafeteria Plan - Deductions for dependent care assistance plans must be printed on W-2 statements. Deduction codes for dependent care assistance plans must be identified on the Employee Deduction Maintenance window. The W-2 Box should be Box 10.

401K or 403B - Amounts for 401K or 403B must print on the W-2 in Box 12. This should be marked in the Employee Deduction Maintenance window. For example, a 401K deduction would be in W-2 Box 12 and a D as the W-2 Label.

Federal Wages should match State Wages - Box 1 - Federal Wages should match Box 16 - State Wages. This is true in 99.9% of the cases. If the employee has multiple state withholdings, then you will need to add up all the State Wages. This total should usually match the Federal Wages unless for example you have an employee working in NY and WI.

If no 401K or other pre-tax deduction, which is subject to FICA, is involved, then Federal Wages, State Wages, and Medicare Wages (Boxes 1, 16, and 5) should match. If they do not match, then verify why.

Tying out your W-2s:

1. Add up all four of your 941s - for each quarter of the year.
2. Your W-3 taxable wages should match taxable wages for your totals from the 941 reports. In addition, your YTD wages from your SUTA reports should match the taxable Medicare wages reported on your W-3s assuming your business is only subject to WI unemployment.
3. Look at the W-2 Validation Report and make sure there are no exceptions over \$.99. Any amounts over \$1.00 throw up red flags with the IRS.
4. Federal Wages should match State Wages if the business has employees only in WI. In addition, if there is no 401K, 403B, or special circumstances with buyouts, etc., then the FICA Wages should also match the Federal and State Wages.

Verify 1095C Statement Information

If you need to make changes to 1095C information, you can do so using the Edit W-2 Information window. (HR & Payroll → Routines → Payroll → Edit W-2s/1095C button). Verify that codes and months of coverage are accurate. You can also print the forms to blank paper and review that way. (HR & Payroll → Routines → Payroll → Print W-2s).

Edit W-2 Information - TWO18 (sa)

Save Clear File Print Tools Help Add Note

Year: 2018

Type: Regular

Employee ID: ACKE0001

Name: Ackerman, Pilar

Social Security Number: 917-23-9833

Foreign Address

Address: 987 Willow Ave

City: Winnetka

State: IL ZIP Code: 98272

Wages, Tips, & Other Comp	55000.00
Federal Income Tax Withheld	7500.00
Social Security Wages	55000.00
Social Security Tax Withheld	3410.00
Medicare Wages and Tips	55000.00
Medicare Tax Withheld	797.50
Social Security Tips	0.00
Allocated Tips	0.00
Advanced EIC Payment	0.00
Dependent Care Benefits	0.00
Nonqualified Plans	

Statutory Employee Retirement Plan
 Third-Party Sick Pay

Special Other State Local 1095-C Dependents

by MQGE / Employee ID

Edit 1095-C Information - TWO (sa)

OK File Tools Help Add Note Open Note

Employee ID: ACKE0001

Name: Ackerman, Pilar

	14 Offer of Coverage	Employee Share	Section 4980H
January	1E	\$120.00	2C
February	1E	\$120.00	2C
March	1E	\$120.00	2C
April	1E	\$120.00	2C
May	1E	\$120.00	2C
June	1E	\$120.00	2C
July	1E	\$120.00	2C
August	1E	\$120.00	2C
September	1E	\$120.00	2C
October	1E	\$120.00	2C
November	1E	\$120.00	2C
December	1E	\$120.00	2C

Verify 1099-R Statement Information

If you need to make changes to 1099-R information, you can do so using the Edit 1099-R Information window. (HR & Payroll → Routines → Payroll → Edit 1099-Rs) You can print 1099-R statements to blank paper to verify the information by using the Print 1099-R Forms window.

Changes made here will affect only the Year-End Wage File, not the employees' permanent records.

Step 8 Print W-2 Validation Report, W-2 Forms and W-3 Transmittal Form

HR & Payroll → Routines → Payroll → Print W-2s

Print W-2 Forms - TWO18 (sa)

Save Clear File Print Tools Help Add Note

Year: 2018 Publish to Employee Self Service

Print W-2's For: Normal Year-End Pre-Year-End Inactive Employees

Employee Type: Regular Medicare Qualified Government Employee

Employee ID: All From To:

Starting Control Number Order: MQGE / Employee ID

Company: Fabrikam, Inc. Form Type: 1 Wide - Continuous

Address ID: Primary

Address: 4277 West Oak Parkway

City: Chicago

State: IL

ZIP Code: 60601-4277

Print:

- Validation Report
- W-2 Forms Alignment
- W-2 Forms
- Exclude ESS Printed W-2
- W-3 Transmittal Form
- 1095-C
- 1094-C Transmittal

Employer provided self-insured coverage

Employer Identification Number: 23-8260216

Kind of Employer: None apply

Kind of Payer: 941

Printing the W-2 Validation Report

Print the W-2 Validation Report to ensure that your Year-End Wage File does not contain errors.

If the W-2 Validation Report shows any errors that need to be corrected, use the Edit W-2 Information window to make changes to the appropriate W-2 forms. The Validation Report can be printed again. If you need additional information on the Validation Report, please refer to KB article #872100.

When all W-2 information is correct, W-2 and W-3 Transmittal forms are ready to be printed. You should print a W-2 form for each employee who has worked for you during the calendar year.

Printing W-2 Forms

To print the W-2 forms, enter the current year, i.e., **2018**, in the Year field and enter the Company, Address ID, and Employer Identification Number to print on W-2 statements. Mark the Normal Year-End option, select the sort order, the form type, and mark W-2 Forms in the Print box, then choose the Print button.

You might want to mark W-2 Forms Alignment to print an alignment form first to be sure that the forms are correctly aligned in your printer. W-2s can be printed more than once. Print two alignments if using two forms per page.

*With the release of Dynamics GP 2016 R2 there is now the ability to print W-2's with lines on blank paper. The 1-Wide Forms with Box Form Type was added in the Print W-2 Forms Window to accomplish this *Microsoft Dynamics GP→Routines→Payroll→Print W-2's→Form Type = 1 Wide-Forms with Box→Print = W-2 Forms!

Print W-2 Forms - TWO18 (sa)

Save Clear File Print Tools Help Add Note

Year: 2018 Publish to Employee Self Service

Print W-2's For: Normal Year-End Pre-Year-End Inactive Employees

Employee Type: Regular Medicare Qualified Government Employee

Employee ID: All From To:

Starting Control Number Order: MQGE / Employee ID

Company: Fabrikam, Inc.
Address ID: Primary
Address: 4277 West Oak Parkway
City: Chicago
State: IL
ZIP Code: 60601-4277

Employer provided self-insured coverage
Employer Identification Number: 23-8260216

Form type: Wide - Forms with Box

Print:
 Validation Report
 W-2 Forms Alignment
 W-2 Forms
 Exclude ESS Printed W-2
 W-3 Transmittal Form
 1095-C
 1094-C Transmittal

Kind of Employer: None apply
Kind of Payer: 941

Dynamics GP will only print the Copy 1 form, but this can be printed three times and supplied to the employee for their records as well as attaching to state and federal tax returns.

22222		a Employee's social security number 917-23-9833		OMB No. 1545-0008		
b Employer identification number (EIN) 23-8260216		1 Wages, tips, other compensation 55000.00		2 Federal income tax withheld 7500.00		
c Employer's name, address, and ZIP code Fabrikam, Inc. 4277 West Oak Parkway Chicago, IL 60601-4277		3 Social security wages 55000.00		4 Social security tax withheld 3410.00		
		5 Medicare wages and tips 55000.00		6 Medicare tax withheld 797.50		
		7 Social security tips 0.00		8 Allocated tips 0.00		
d Control Number		9		10 Dependent care benefits 0.00		
e Employee's first name and initial Last name Suff. PILAR ACKERMAN 987 WILLOW AVE WINNETKA, IL 98272		11 Nonqualified plans 0.00		C o d e 12a		
		13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		C o d e 12b		
		14 Other		C o d e 12c		
				C o d e 12d		
f Employee's address and ZIP code						
15 State	Employee's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement

2018

Department of the Treasury-Internal Revenue Service

Copy 1-For State, City, or Local Tax Department

Printing the W-3 Transmittal Form

You should also print a W-3 Transmittal Form, totaling all your W-2 statement amounts. To print the W-3 Transmittal Form, enter the current year, i.e., **2018**, in the Year field and enter the Company, Address ID, and Employer Identification Number you want to be printed on the W-3 Transmittal Form. Then mark the Normal year-end option, mark W-3 Transmittal Form in the Print box and choose the Print button.

Step 9 Print 1095C Forms and 1094C Transmittal Form

HR & Payroll → Routines → Payroll → Print W-2s

Select the radio button for the 1095-C

Print W-2 Forms - TWO18 (sa)

Save Clear File Print Tools Help Add Note

Year: 2018 Publish to Employee Self Service

Print W-2's For: Normal Year-End Pre-Year-End Inactive Employees

Employee Type: Regular Medicare Qualified Government Employee

Employee ID: All From To:

Starting Control Number Order: MQGE / Employee ID

Company: Fabrikam, Inc.
Address ID: Primary
Address: 4277 West Oak Parkway
City: Chicago
State: IL
ZIP Code: 60601-4277

Form Type: 1 Wide - Forms with Box

Print:
 Validation Report
 W-2 Forms Alignment
 W-2 Forms
 Exclude ESS Printed W-2
 W-3 Transmittal Form
 1095-C
 1094-C Transmittal

Employer provided self-insured coverage

Employer Identification Number: 23-8268216

Kind of Employer: None apply
Kind of Payer: 941

To print the 1095-C form, enter the current year, i.e., **2018**, in the Year field and enter the Company, Address ID, and Employer Identification Number. Then mark the 1095-C button. Check the box if you provided self-insured coverage to ensure that the dependent page is printed.

1. With the year-end update, there were some ACA Form changes to the instructions on the back and small alignment changes to the front of the form.

2. Also updated is how Dynamics GP handles Inactive employees. Dynamics GP has a NEW approach. The ACA rules have changed, and now you cannot leave a box blank/empty, so when employee leaves the company, what needs to be done is to put 2A in Box 16 - meaning Employee not employed during the month. When you click the PRINT button for the 1095-C form, if an employee is 2A for all 12 months, the form will not print. You will still see the employees get complied in the year-end, in case you need to edit an employee and make changes to their record, but now when you go to print the forms those employees will not be included. Pick a default that would suite most of your employees, such as 1A and 2C as an example.

This code will NOT be picked up for ACA reporting:

The screenshot shows the 'Health Insurance Setup - TWO (sa)' window. The 'Affordable Care Act Info.' section is highlighted with a red box, showing 'Offer of Coverage Codes - Line 14' and 'Safe Harbor Codes - Line 16' both set to 'NONE'.

Code	INS
Description	Insurance Premium
Frequency	Semimonthly
Carrier	BCBS of IL
Group Number	23432234
Maximum Age: Employee	18
Maximum Age: Dependent	
Waiting Period (days)	30
Type of Coverage	SINGLE
Coverage Description	Single employee only coverage
Major Medical Coverage	
Maximum Out-of-Pocket	

Contributions	
Employee	\$0.00
Employer	\$49.36
Deductible	
	\$150.00
COBRA Premium	
	\$52.00
Maximum Benefit	
	\$500,000.00

Affordable Care Act Info.	
Offer of Coverage Codes - Line 14	NONE
Safe Harbor Codes - Line 16	NONE
Lowest Cost Premium	\$0.00

This code will be picked up for ACA reporting as Box 14 and 16 are something other than None

The screenshot shows the 'Health Insurance Setup - TWO (sa)' window. The 'Affordable Care Act Info.' section is highlighted with a red box, showing 'Offer of Coverage Codes - Line 14' set to '1A' and 'Safe Harbor Codes - Line 16' set to '2C'.

Code	INS
Description	Insurance Premium
Frequency	Semimonthly
Carrier	BCBS of IL
Group Number	23432234
Maximum Age: Employee	18
Maximum Age: Dependent	
Waiting Period (days)	30
Type of Coverage	SINGLE
Coverage Description	Single employee only coverage
Major Medical Coverage	
Maximum Out-of-Pocket	

Contributions	
Employee	\$0.00
Employer	\$49.36
Deductible	
	\$150.00
COBRA Premium	
	\$52.00
Maximum Benefit	
	\$500,000.00

Affordable Care Act Info.	
Offer of Coverage Codes - Line 14	1A
Safe Harbor Codes - Line 16	2C
Lowest Cost Premium	\$0.00

1095

Step 10 - Print 1099-R Validation Report, 1099-R Forms, and 1096 Transmittal Form

HR & Payroll → Routines → Payroll → Print 1099-Rs

Printing the 1099-R Validation Report

Print the 1099-R Validation Report to ensure that the Year-End Wage file does not contain errors before printing the 1099-R statements.

The screenshot shows a software window titled "Print 1099-R Forms - TWO18 (sa)". The window has a menu bar with "Clear", "File", "Print", "Tools", "Help", and "Add Note". Below the menu bar, there is a "Year" dropdown menu set to "2018". Below that, there are fields for "Employee ID" (radio buttons for "All" and "From:"), "To:", "Order:" (dropdown set to "Employee ID"), and "Form Type:" (dropdown set to "Continuous"). There is a "Print" section with three radio buttons: "Validation Report", "1099-R Forms Alignment", and "1099-R Forms" (which is selected). Below the "Print" section, there is a table of company information:

Company	Fabrikam, Inc.
Address ID	Primary
Address	4277 West Oak Parkway
City	Chicago
State	IL
ZIP Code	60601-4277
Contact	Taylor Stewart-Cray
Phone	(312) 436-2671 Ext. 0000
Fax	(312) 436-2896 Ext. 0000
E-mail	

At the bottom, there is a field for "Employer Identification Number" set to "23-8260216".

To print the 1099-R Validation Report, enter the current year, i.e., **2018**, in the Year field and enter the Company, Address ID, and Employer Identification Number. Then mark Validation Report and choose the Print button.

If the 1099-R Validation Report shows errors that need to be corrected, use the Edit 1099-R Information window to make changes to the appropriate 1099-R statements.

Printing 1099-R statements

A 1099-R statement shows an employee's distribution from a retirement plan.

When all 1099-R information is correct, print 1099-R statements to show employees' distributions from a retirement plan. 1099-R statements will be printed only for employees with pay code types of Pension.

To print 1099-R statements, enter the current year, i.e., **2018**, in the Year field and enter the Company, Address ID, and Employer Identification Number you want to be printed on the 1099-R statements. Select the sort order, the form type, and mark 1099-R Forms in the Print box and choose the Print button.

You might want to first print an alignment form to be sure that 1099-R forms are correctly aligned on your printer.

Printing the 1096 Transmittal Form

The 1096 statement is a report showing the distribution of pension payments for use in preparing Federal, State and Local tax returns.

You should print a 1096 Transmittal Form totaling all your 1099-R statement amounts. To print the 1096 Transmittal Form, enter the current year, i.e., **2018** in the Year field, and enter the Company, Address ID, and Employer Identification Number to be printed on the 1096 Transmittal form. Mark 1096 Transmittal Form in the Print box, and then choose the Print button.

Step 11 Create W-2 Electronic Filing (EFW2) File (Optional) –please note that Dynamics GP does not support electronic filing of the 1095-C.

Employee requirements for filing Electronically:

Federal	250 or more Employees (Due Date: 1/31/19)
State	Wisconsin: 10 or more Employees (Due Date: 1/31/19)
	Minnesota: 10 or more Employees (Due Date: 1/31/19)
	Michigan: 250 or more Employees (Due Date: 1/31/19)
	Illinois: 250 or more Employees (Due Date: 1/31/19)

Note: If you are using Dynamics GP to create your EFW2 file (Federal), please follow the steps below to create your file: There were NO changes to the EFW2 Form in the 2018 YE Update.

1. Dynamics GP HR & Payroll → Routines → Payroll → W-2 Electronic Filing
Note: When you first open the window, a message prompts you to register with the SSA to submit W-2 information electronically.
2. Enter the reporting year.
3. Mark the Include option checkbox for the first company to include in the EFW2 file.
4. If information for a selected company is incomplete, a yellow alert icon will appear in the scrolling window heading. Click the icon to open the Electronic Filing Employer Information window. Enter the missing Employer information and verify the Kind of Employer selection. Choose OK to close the window.
5. Repeat steps 3 and 4 for each company to include in the EFW2 file.
6. Enter the destination and file name for the EFW2 file. The default file name is W-2 Report, without an extension. If you add an extension, the SSA requires that it be a valid extension such as “.txt”.
7. Enter the User ID Number assigned to you by the SSA when you registered to submit EFW2 files electronically. You must enter your User ID Number before you can choose Create File.
8. Choose Submitter to enter submitter information in the Electronic Filer Submitter Information window. To ensure your file is valid, you must enter an email address. Choose OK to save changes and return to the W-2 Electronic Filing window.
9. Choose Create File to create the EFW2 file now, or choose Save to store the information for creating the file later. Choosing Save will also save changes in the Electronic Filer Submitter Information window.
10. If a message is displayed stating that not all fields have been entered, choose Submitter and verify that the information is complete. The W-2 Electronic Filing Summary Report is printed after the EFW2 file is created. This report is for informational purposes only. It is recommended that you use AccuWage to check all EFW2 files before sending. This is a free tool available from the SSA website (www.socialsecurity.gov/employer/accuwage).

You can use the SSA’s Business Services Online (BSO) website to upload wage information in EFW2 format to the SSA over the internet. To use BSO, go to www.socialsecurity.gov/bsowelcome.htm. **Note:** You will need to register for a User Identification Number to use BSO services.

Step 12 Archive Inactive Employee Human Resources Information (Optional)

If you are using Human Resources with Integration to Payroll and you want to save inactive employee information while removing Payroll history records, you can archive the information. Archiving information is beneficial if you need to provide information for references, re-hiring, or other reporting purposes. If you archive employees, they will no longer appear in the main employee lookup windows. Archived employees will not appear in Human Resources reports. It is important to archive inactive employee HR information before deleting inactive employees if you would like to keep this information in the system.

To unarchive an employee, open the Employee Archive window, (HR & Payroll → Utilities → Human Resources → Archive Employee) select the Archived Employees button and choose the employee to retrieve. Archived employees can only be retrieved one employee at a time.

Step 13 Close Fiscal Periods for the Payroll Series (Optional)

Administration → Setup → Company → Fiscal Periods

You can use the Fiscal Periods Setup window to close any payroll periods that are still open for the year. This keeps transactions from accidentally being posted to the wrong period or year.

Step 14 Install 2019 Payroll Tax Update

Step 15 *Note:* Do NOT install the 2019 Payroll tax update (tables) until the Year-End Wage File has been created for 2018.

You can automatically download them with an Internet connection (Dynamics GP → Maintenance → U.S. Payroll Updates → Check for Tax Updates)

- In the Tax Update Method window, click Next.
- In the Login Credentials window, enter your Authorization Number and click Log In.
- In the Payroll Tax Update window, click on Finish.

Verify the FICA Social Security wage limit is accurate. (Dynamics GP → Tools → Setup → System → Payroll Tax) Choose Tax Code FICAS and click on the Filing Status button. Select a filing status and click on the Tables button.

Verify the SUTA rate is accurate for the New Year. (HR & Payroll → Setup → Payroll → Unemployment Tax).

Payroll Year-End Questions and Answers

Q: If the printer jams when printing the W-2 forms, can I reprint a range of W-2 forms by employee ID?

A: Yes, you can print W-2s by a range of employees.

Q: Will the system print additional W-2 statements if the employee has multiple records?

A: The system will print additional W-2 forms for employees with multiple state tax records, multiple local tax records, multiple deduction records, and multiple benefit records. Additional W-2 statements will print only for those employees with multiple records.

Q: If you printed a W-2 statement during the year for an inactive employee, will the W-2 statement for that employee be printed again during the W-2 run at the end of the year?

A: Yes.

Q: If I choose not to reset my vacation and sick hours available back to zero, what happens when I do the year-end close?

A: It will carry the amount available that they had remaining at the end of the year to the New Year.

Q: Can I reactivate an employee that is inactive and has had a W-2 form printed?

A: Yes, Dynamics GP does not track whether a W-2 has been printed or not.

Q: In the Year-End Wage Report window, there is a selection list used to specify the year to be printed. Does this mean that the Year-End Wage File is not removed after printing W-2 statements? Using Report Writer, can I access the Year-End Wage Report to create a report showing year-end information for multiple years?

A: The information is not removed unless you remove year-end information using payroll utilities. You can create reports using this information.

Q: If there are two deductions/benefits that are defined to print in the same W-2 box with the same W-2 label, will their amounts be combined and printed as one?

A: Yes, the amounts will be combined instead of printed separately.

Q: What is a taxable benefit?

A: A taxable benefit is an earning benefit that is not paid to the employee, but the employee is taxed on the value received. Examples are employer paid medical, board and lodging, and personal use of an employer's automobile. Reporting requirements in the U.S. are to report in the Gross Wages box on the W-2 statement and, if applicable, Social Security and Medicare wages. They must also be reported in the Fringe Benefit box on the W-2 statement.

Q: What will happen if I have already closed the 2018 payroll tax year and don't install the 2019 tax tables right away?

A: Until you install the 2019 tax tables containing FICA, Federal, and State tax changes, the tax calculations for your 2019 pay runs may be incorrect, unless you've manually updated your tax tables.

Q: If I use multiple companies with my accounting system, do I have to install the tax update for each company?

A: No, the program will automatically update the system tables containing payroll tax information. All the companies will reflect the update. However, you do need to install the year-end update on each workstation using Dynamics GP.

Q: How do I print multiple W-2 statements for each employee?

A: Using Laser form "sets": If you want to print all the required forms for each employee at one time, simply enter the number of copies you need to print in the "number of copies" field in the print dialog box that appears after you select print in the Print W-2 forms window.

Using Laser form "sheets": If you want to print all forms for all employees, repeat the Printing W-2 statements procedure as many times as necessary to print the required number of copies.

Q: When I print the alignment form, information is only printing on the top form. How do I get the printer to print on both the top and bottom forms?

A: To see what W-2s will look like, you need to print a small range of employees as the alignment form will only print the top form.

Q: I have closed the year and want to print the 941 report for the prior year but it is blank. Why?

A: The 941 report is date sensitive so you need to be sure the Dynamics GP user date and the year you are printing the report for are the same.

Q: What is the source of the Employer Identification Number that appears as a default in the Print W-2 Forms window?

A: The number is the Federal or State ID entered in the Unemployment Tax Setup window in the Unemployment Tax ID field.

Q: How to test W-2s with live data before closing the Payroll year.

- A:
1. Make a backup.
 2. HR & Payroll → Routines → Payroll → Year-End Closing.
 3. Mark Create Year-End Wage File and click Process.
 4. You may now review W-2 information as needed. (HR & Payroll → Routines → Payroll → Edit W-2s) If you would like, you can also print the W-2s to plain paper to aid with reconciliation.
 5. When completed, remove the year-end wage file. HR & Payroll → Utilities → Payroll → Remove Year-End Information) Insert the year and click Process.
 6. A message will appear asking if you are certain you want to remove information for current year. Click on Remove.
 7. You must delete the Year-End Wage File by going through this process or you will not be able to process any Payroll for the current year.

Q: You receive an error when attempting to generate your EFW2, "*Not all required fields have been entered. Required fields appear in bold red type*" it appears that all fields are populated in the W-2 Electronic Filing window.

A: This error occurs when one of the required fields (most commonly the 'email field) in the Electronic File Submitter window is not populated. Simply click on the 'Submitter' button in the W-2 Electronic Filing window, populate all required fields, save your changes, and verify the error no longer occurs.

Q: You receive the following error, "The Federal W-2 electronic file couldn't be created" attempting to Create File in the W-2 Electronic Filing window.

A: This error usually occurs when the **file name** at the bottom of the **W-2 Electronic Filing window** is **blank**, OR the user does not have access to the file location specified. Change/update the file location appropriately, and try to generate the file again.

General Payroll Information

- 2019 Social Security and Medicare Wage Limits:
 - Social Security = \$132,900 (6.2%)
 - Medicare = No Base Limit (1.45%)

Note: Employees (only) earning \$200,000 or more will have an Additional .9% withheld for FICA-Medicare (total of 2.35%).
- 401k or 403b 2019 Elective Deferral Amount = \$19,000 (was \$18,500 in 2018)
- 401k or 403b 2019 Catch-Up Amount = \$6,000 (was \$6,000 in 2018 as well)
- Mileage Reimbursement = \$.545 per mile.
- W-4 Notice Deadline:
 - W-4 employees claiming exempt must file a new form by 2/15/19 to keep their status. If no new form is filed, their status must change to Single and 0. (A claim for exemption from withholding lasts for only 1 calendar year.)
- Unemployment Wage Base and Rate:
 - FUTA: Wage Base = \$7,000
 - Tax Rate = 6.0% (Net Federal Rate = 0.6%)

Note: The following states are considered to be Credit Reduction states for 2019: CA and Virgin Islands. This needs to be added to the Schedule A-Form 940.

- State Unemployment Wage Base and Rate (continued):
 - SUTA: Wage Base
 - Wisconsin = \$14,000 (no change)
 - Minnesota = \$34,000 (was 32,000 in 2018)
 - Michigan = \$9,000 (non-delinquent filers)
 - Illinois = \$12,960 (at the time of publication)
- W-2/1095 Deadlines:
 - Provide employees form W-2 no later than 1/31/19.
 - Provide paper copies to SSA no later than 1/31/19.
 - File forms W-2 electronically with SSA no later than 1/31/19.
 - Provide employees form 1095-C no later than 3/04/2019.
 - File form 1094C to the IRS no later than 2/28/2019 if filing on paper or 4/1/2019 if filing electronically. *Employers with more than 250 1095's must file electronically; GP does not support ACA electronic filing.

The IRS said it will continue to apply to 2018 filings the same "good-faith" approach to employer ACA filings that applied to filings for the 2015, 2016 and 2017 calendar years. "This relief applies only to incorrect and incomplete information reported on Form 1095-C or 1095-B, and not to a failure to timely furnish or file the forms.

- Obtaining a UIN to submit EFW2 files electronically:

If you plan to submit W-2 statements using the EFW2 (formerly MMREF) format, you must first register for a User Identification Number (UIN) with the Social Security Administration. You only need to register once for a UIN. After you have obtained your UIN, you may use it indefinitely, provided you change your password once a year.

Use one of the following options to obtain a UIN:

- Internet: www.socialsecurity.gov/bsowelcome.htm
- Telephone: 1-800-772-6270 Monday through Friday, 7 a.m. to 7 p.m. (EST)

- Social Security Number Verification:

You may verify up to 10 names/social security numbers by calling 1-800-772-6270 between 6:00 a.m. and 6:00 p.m. (CST) on weekdays. You will be asked for your company name and FEIN. You will then be asked to provide the following for each employee:

Social Security Number

Last Name, First Name, and Middle Initial

Date of Birth

Gender

You can also obtain internet verification with the SSA's Business Services Online (BSO). After registering for the service, you can verify up to 10 names and social security numbers and retrieve immediate results.

- Tax Forms:

- 1-800-432-1281
- www.microsoftbusinesschecks.com

Websites

Internal Revenue Service:

Home Page	IRS Home Page
Publication 15	Circular E, Employer's Tax Guide
Publication 15-A	Employer's Supplemental Tax Guide
Publication 15-B	Guide to Fringe Benefits
W-2 Instructions	2018 W-2 and W-3 Instructions
Form W4	Employee's Withholding Allowance
Notice 797	Possible Federal Tax Refund Due to EIC
Filing Forms	Electronic Filing
Form 941	Instructions
Form 940	Instructions
Publication 1141	Specifications for Substitute W2s
FORM 1094-C	Form 1094-C and Instructions
FORM 1095-C	Form 1095-C and Instructions

Social Security Administration:

Home Page
2018 EFW2
Employee Verification Service Instruction Booklet
Business Services Online Handbook
Business Services Online Tutorial
Business Services Welcome Page
Accuware-Software to verify formatting of W2 Files

Wisconsin Department of Revenue:

Home Page	
Publication W-166	WI Employer's Withholding Tax Guide
Form WT-4	Employee's WI Withholding Cert
Form Instructions WT-7	Instructions for Form WT-7
WI E-File Upload	Upload site for WI forms

Wisconsin Department of Workforce Development:

Home Page	
Vol. Contributions	Lowering Your Tax Rate
Officer Exclusion	Employment Excluded by Employer
Form UCT-101	Instructions
Reporting	Electronic Filing Specifications
Labor Laws	Home Page

Supported Microsoft Dynamics® GP Versions (Life Cycle = 5 Years)

Microsoft Dynamics® GP 2018

Microsoft Dynamics® GP 2016

Microsoft Dynamics® GP 2015

22222		Void <input type="checkbox"/>	a Employee's social security number		For Official Use Only ▶ OMB No. 1545-0008	
b Employer identification number (EIN)			1 Wages, tips, other compensation		2 Federal income tax withheld	
c Employer's name, address, and ZIP code			3 Social security wages		4 Social security tax withheld	
			5 Medicare wages and tips		6 Medicare tax withheld	
			7 Social security tips		8 Allocated tips	
d Control number			9 Verification code		10 Dependent care benefits	
e Employee's first name and initial		Last name	Suff.	11 Nonqualified plans		12a See instructions for box 12
f Employee's address and ZIP code			13 Statutory employee <input type="checkbox"/> Retirement plan <input type="checkbox"/> Third-party sick pay <input type="checkbox"/>		12b	
			14 Other		12c	
					12d	
15 State	Employer's state ID number	16 State wages, tips, etc.	17 State income tax	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement

2018

Department of the Treasury—Internal Revenue Service
For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Copy A For Social Security Administration — Send this entire page with Form W-3 to the Social Security Administration; photocopies are not acceptable.

Cat. No. 10134D

Do Not Cut, Fold, or Staple Forms on This Page

2018 Form W-2

DO NOT STAPLE

33333		a Control number		For Official Use Only ▶ OMB No. 1545-0008				
b Kind of Payer (Check one)	<input type="checkbox"/> 941	<input type="checkbox"/> Military	<input type="checkbox"/> 943	<input type="checkbox"/> 944	Kind of Employer (Check one)	<input type="checkbox"/> None apply	<input type="checkbox"/> 501c non-govt.	Third-party sick pay (Check if applicable)
	<input type="checkbox"/> CT-1	<input type="checkbox"/> Hshld. emp.	<input type="checkbox"/> Medicare govt. emp.	<input type="checkbox"/>		<input type="checkbox"/> State/local non-501c	<input type="checkbox"/> State/local 501c	
c Total number of Forms W-2		d Establishment number		1 Wages, tips, other compensation		2 Federal income tax withheld		
e Employer identification number (EIN)				3 Social security wages		4 Social security tax withheld		
f Employer's name				5 Medicare wages and tips		6 Medicare tax withheld		
g Employer's address and ZIP code				7 Social security tips		8 Allocated tips		
				9		10 Dependent care benefits		
				11 Nonqualified plans		12a Deferred compensation		
h Other EIN used this year				13 For third-party sick pay use only		12b		
15 State	Employer's state ID number			14 Income tax withheld by payer of third-party sick pay				
16 State wages, tips, etc.		17 State income tax		18 Local wages, tips, etc.		19 Local income tax		
Employer's contact person				Employer's telephone number		For Official Use Only		
Employer's tax number				Employer's email address				

Under penalties of perjury, I declare that I have examined this return and accompanying documents, and, to the best of my knowledge and belief, they are true, correct, and complete.

Signature ▶ Title ▶ Date ▶

Form **W-3 Transmittal of Wage and Tax Statements** 2019

Department of the Treasury
Internal Revenue Service

Send this entire page with the entire Copy A page of Form(s) W-2 to the Social Security Administration (SSA). Photocopies are not acceptable. Do not send Form W-3 if you filed electronically with the SSA. Do not send any payment (cash, checks, money orders, etc.) with Forms W-2 and W-3.

Reminder

Separate instructions. See the 2019 General Instructions for Forms W-2 and W-3 for information on completing this form. Do not file Form W-3 for Form(s) W-2 that were submitted electronically to the SSA.

Purpose of Form

Complete a Form W-3 Transmittal only when filing paper Copy A of Form(s) W-2, Wage and Tax Statement. Don't file Form W-3 alone. All paper forms **must** comply with IRS standards and be machine readable. Photocopies are **not** acceptable. Use a Form W-3 even if only one paper Form W-2 is being filed. Make sure both the Form W-3 and Form(s) W-2 show the correct tax year and Employer Identification Number (EIN). Make a copy of this form and keep it with Copy D (For Employer) of Form(s) W-2 for your records. The IRS recommends retaining copies of these forms for four years.

E-Filing

The SSA strongly suggests employers report Form W-3 and Forms W-2 Copy A electronically instead of on paper. The SSA provides two free e-filing options on its Business Services Online (BSO) website.

• **W-2 Online.** Use fill-in forms to create, save, print, and submit up to 50 Forms W-2 at a time to the SSA.

• **File Upload.** Upload wage files to the SSA you have created using payroll or tax software that formats the files according to the SSA's *Specifications for Filing Forms W-2 Electronically (EFW2)*.

W-2 Online fill-in forms or file uploads will be on time if submitted by **January 31, 2020**. For more information, go to www.SSA.gov/bso. First time filers, select "Register"; returning filers select "Log In."

When To File Paper Forms

Mail Form W-3 with Copy A of Form(s) W-2 by **January 31, 2020**.

Where To File Paper Forms

Send this entire page with the entire Copy A page of Form(s) W-2 to:

**Social Security Administration
Direct Operations Center
Wilkes-Barre, PA 18769-0001**

Note: If you use "Certified Mail" to file, change the ZIP code to "18769-0002." If you use an IRS-approved private delivery service, add "ATTN: W-2 Process, 1150 E. Mountain Dr." to the address and change the ZIP code to "18702-7997." See Pub. 15 (Circular E), Employer's Tax Guide, for a list of IRS-approved private delivery services.

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat. No. 10159Y

2018 Form W-3

Where is the W-2 information taken from?

Box A
Employee's Social Security Number
Taken from Employee **Social Security Number** in the **Employee Maintenance** window.**

Void
Nothing will print in this box.

Box B
Employer's Identification Number
Taken from **Employer's Identification Number** in the **Print W-2 Forms** window, which defaults from the Employer ID Number of the Unemployment Tax Setup window. Enter the number assigned to you by the IRS using the format 00-0000000. This should be the same number that you used on your 941 Report.

Box C
Employer's Name, Address, and ZIP Code
Taken from **Company Name, Address, City, State, and ZIP Code** in the **Print W-2 Forms** window.

*If you need to change any of the following information, please change this information using the **Edit W-2 Information** window. If you wish to change the information on the actual employee records, you will need to change the information on the employee records and then create the Year-End Wage File again. It is important to remember that you can change the yearly financial information on the employee records and create the Year-End Wage File again **only if** you have not cleared financial information.*

Box D
Control Number (Optional)
Taken from **Starting Control Number** in the **Print W-2 Forms** window. This number will increment with each W-2 statement printed. This is not a required field and is for the employer to use in identifying individual forms W-2.

Box E
Employee's Name
Taken from **Last Name, First, and Middle** in the **Employee Maintenance** window. **Note:** Beginning in 2006, the layout for form W-2 added a designation space for an employee suffix in Box E, however, the IRS as of now does not require a value to be printed in this box. Accordingly, Dynamics GP does not print a value in Box E, but does allow space for it on hard copy printouts.

Box F
Address and Zip Code
Taken from **Address, City, and Zip Code** in the **Employee Maintenance** window.

Box 1
Wages, Tips, and
Other
Compensation

Calculated by *adding* **Gross Wages Year-to-Date** in the **Employee Summary** window and the **Year-to-Date** total for all benefits marked as subject to federal tax in the **Employee Benefit Summary** window, then *subtracting* the **Year-to-Date** total for all deductions marked as sheltered from federal tax in the **Employee Deduction Summary** window and **Year-to-Date Wages** on **Employee Pay Code Summary** window for any **Pension** pay types.

Note: **Gross Wages Year-to-Date** in the **Employee Summary** window consist of wages for all pay types EXCEPT Earned Income Credit pay types, charged tips and reported tips, and business expenses not treated as wages.**

Box 2
Federal Income
Tax Withheld

Taken from **Federal Withholding Year-to-Date and Employee Tips** in the **Employee Summary** window.**

Box 3
Social Security
Wages

Taken from **FICA/Social Security Wages Year-to-Date** in the **Employee Summary** window. The system checks the maximum social security wage limit in the **Payroll Tax Tables** window at the time the Year-End Wage File is created to be sure it hasn't been exceeded. If the maximum wage limit has been reached, then only the amount up to the maximum is reported.**

Box 4
Social Security
Tax Withheld

Taken from **FICA/Social Security Withholding Year-to-Date** in the **Employee Summary** window. The system checks the maximum Social Security tax-withholding amount at the time the Year-End Wage File is created to be sure the maximum hasn't been exceeded. If the maximum withholding amount has been reached, then only the amount up to the maximum is reported.**

Box 5
Medicare Wages
and Tips

Taken from **FICA/Medicare Wages Year-to-Date and the FICA Medicare Tips** field in the **Employee Summary** window.**

Box 6
Medicare Tax
Withheld

Taken from **FICA/Medicare Withholding Year-to-Date** in **Employee Summary** window. The system checks the maximum Medicare tax-withholding amount at the time the Year-End Wage File is created to be sure the maximum hasn't been exceeded. If the maximum withholding amount has been reached, then only the amount up to the maximum is reported.**

Box 7 Social Security Tips	Taken from Employee Summary table.
Box 8 Allocated Tips	Taken from Employee Summary table.
Box 9	Blank – Reserved for future use.
Box 10 Dependent Care Benefits	Taken from the Year-to-Date total in the Employee Deduction Summary window for any deductions that are defined to print in W-2 Box 10 and adds the Year-to-Date total in the Employee Benefit Summary window for any benefits that are defined to print in W-2 Box 10.**
Box 11 Nonqualified Plans	This is left blank because Dynamics GP United States Payroll doesn't track nonqualified deferred compensation plans or Section 457 plans. If you need to show this information, you must update it manually using the Edit W-2 Information window.
Box 12 See instructions for Form W-2 Codes A-EE	Includes the amount of Year-to-Date Wages in the Employee Pay Code Summary window for any Business Expense pay types that are defined to print in W-2 Box 12, the Year-to-Date total in the Employee Benefit Summary window for any benefits defined to print in W-2 Box 12 and the Year-to-Date total in the Employee Deduction Summary window for any deductions defined to print in W-2 Box 12. Note: If two deductions or benefits are defined to print in W-2 Box 12 with the same W-2 label, the two deductions or benefits will be combined and printed as one amount.**

- Box 13**
Status Checkboxes Checkboxes for statutory employee, retirement plan, and third-party sick pay.**
- Box 14**
Other
(Employer's Use) Adds the **Year-to-Date Wages** in the **Employee Pay Code Summary** window for any Business Expense pay types that are defined to print in W-2 Box 14, the **Year-to-Date** total in the **Employee Benefit Summary** window for any benefits defined to print in W-2 Box 14, and the **Year-to-Date** total in the **Employee Deduction Summary** window for any deductions defined to print in W-2 Box 14.
- Note:** If two deductions or benefits are defined to print in W-2 Box 14 with the same W-2 label, the two deductions or benefits will be combined and printed as one amount.**
- Box 15**
State and
Employer's State ID
No. The first state listed is taken from **State of Residence** in the **Employee Tax Maintenance** window. The Employer's State ID is taken from **Employer ID Number** in the **Unemployment Tax Setup** window for the specific state tax code that is being reported on the W-2 statement.
- If state income tax was withheld for the employee for two states, both states can be printed on the same W-2 statement (the second state would be listed beneath the dotted line). The state selected on employees **State of Residence** in the **Employee Tax Maintenance** window will be printed first, followed by all other states, printed in alphabetical order.
- If state income tax was withheld for the employee for more than two states, additional states will be listed on a second W-2 statement. An additional W-2 statement will be printed automatically after the first W-2 statement.**
- Box 16**
State Wages, Tips,
Etc. Taken from **Year-to-Date Taxable Wages** in the **Employee State Tax Summary** window.**
- Box 17**
State Income Tax
Withheld Taken from **Year-to-Date Withholding** in the **Employee State Tax Summary** window.**

Box 18
Local Wages, Tips,
Etc. Taken from **Year-to-Date Taxable Wages** in the **Employee Local Tax Summary** window.**

Box 19
Local Income Tax Taken from **Year-to-Date Withholding** in the **Employee Local Tax Summary** window.**

Box 20
Locality Name The first locality name listed is taken from **Local Tax Code** in the **Employee Tax Maintenance** window.

If local income tax was withheld for the employee for two localities, both can be printed on the same W-2 statement (the second locality would be listed beneath the dotted line). Localities are printed with the **Local Tax Code** from the **Employee Tax Maintenance** window printed first and then all other localities will be printed in alphanumeric order.

If Local Income Tax was withheld for the employee for more than two localities, additional localities will be listed on a second W-2 statement. An additional W-2 statement will be printed automatically after the first W-2 statement.**

To edit W-2 information only, use the **Edit W-2 Information window.

Form **1095-C**
Department of the Treasury
Internal Revenue Service

Employer-Provided Health Insurance Offer and Coverage

Do not attach to your tax return. Keep for your records.
Go to www.irs.gov/Form1095C for instructions and the latest information.

VOID
 CORRECTED

OMB No. 1545-2251
2018

Part I Employee						Applicable Large Employer Member (Employer)					
1 Name of employee (first name, middle initial, last name)			2 Social security number (SSN)			7 Name of employer			8 Employer identification number (EIN)		
3 Street address (including apartment no.)						9 Street address (including room or suite no.)			10 Contact telephone number		
4 City or town		5 State or province		6 Country and ZIP or foreign postal code		11 City or town		12 State or province		13 Country and ZIP or foreign postal code	

Part II Employee Offer of Coverage	Plan Start Month (enter 2-digit number):												
	All 12 Months	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
14 Offer of Coverage (enter required code)													
15 Employee Required Contribution (see instructions)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
16 Section 4980H Safe Harbor and Other Relief (enter code, if applicable)													

Part III Covered Individuals
If Employer provided self-insured coverage, check the box and enter the information for each individual enrolled in coverage, including the employee.

	(a) Name of covered individual(s)	(b) SSN or other TIN	(c) DOB (if SSN or other TIN is not available)	(d) Covered all 12 months	(e) Months of Coverage											
					Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
17				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
19				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
21				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22				<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2018 Form 1095-C

PAYROLL TAX TIE OUT CHEAT SHEET

Description	W-2/W-3	FICA (941)	FUTA (940)	SUTA (UC-101)	WT7
Wages, Tips & Other Compensation	Box 1	Line 2			
Federal Income Tax Withheld	Box 2	Line 3			
Social Security Wages	Box 3	Line 5a Col 1			
Social Security Tax Withheld	Box 4	Line 5a Col 2			
Medicare Wages and Tips	Box 5	Line 5c Col 1		Line 2	
Medicare Tax Withheld	Box 6	Line 5c Col 2			
Social Security Tips	Box 7	Line 5b Col 1			
Allocated Tips	Box 8	Line 5b Col 2			
State Wages, Tips, etc.	Box 16	Line 2			
State Income Tax Withheld	Box 17				Line 4

Notes:

1. The 941 is a quarterly tax return that reports the Federal tax withheld and FICA-Social Security and FICA-Medicare tax withheld by quarter. To tie out your 941 reports to your W-2's, you must add all 4 quarters together.
2. The 940 is an annual tax return that reports the Federal Unemployment Tax due for the year. Line 1 of the Form 940 should equal full gross wages.
3. The UC-101 is a quarterly Wisconsin tax return that reports State Unemployment Tax due for the quarter. You must add all 4 quarters together to tie it out to the Medicare Wages on Form W-3.
4. The WT-7 is an annual Wisconsin tax return that reports State Withholding Tax withheld for the year.
5. For Box 4, 6, and 8, of the W-2s, you must multiply these lines by 2 to tie out to the 941's. The 941 reports both employee share and employer share of FICA and the W-2 only reports the employee share. Please note that these lines may not come out exactly to the penny – there may be rounding errors. My rule of thumb is that it should not be more than \$1.00 off. **Note:** If employees have exceeded \$127,200 for FICA-SS Wages you will not be able to take the withholding amount x 2. If employees have exceeded \$200,000 for FICA-Medicare Wages (Employee Only) you will not be able to take the withholding amount x 2.

To tie out wages in Microsoft Dynamics GP use the following equation:

$$\text{GROSS WAGES - SEC 125 (CAFETERIA)} = \text{FICA WAGES} - \text{401(k)} - \text{403(b)} = \text{FEDERAL WAGES} - \text{STATE WAGES} + \text{FUTA WAGES} + \text{SUTA WAGES}$$

