

# End of Financial Year Guide 2017

How to use your software to guide your business through the end of financial year period

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# End of Financial Year Guide 2017

How to use your software to guide your business through the end of financial year period

This guide is for:

- AccountRight
- AccountEdge

This guide takes you through tasks to simplify your end of financial year process. Here are some bits and pieces you should know before you start.

- You don't need to complete all of the tasks by 30 June. If you've got stock, you need to do a physical stocktake by then. But most other tasks can come later.
- By your next pay run, you need to have updated your tax tables.
- By 14 July, you need to have given your staff their payment summaries.
- Before you reconcile your bank accounts, you need to have recorded all transactions to 30 June 2017.

## EOFY videos when you need them

We've also prepared videos to help you learn what you need to do at the end of your payroll and financial years, and to make sure you avoid the common issues that can trip you up.

The videos are free, and you can watch them as often as you like. We'll also have a team of EOFY experts ready to answer your questions at selected times during June and July on Live Chat.

[Watch now](#)

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### Using payroll?

If your MYOB software includes payroll, see our [End of Payroll Year Guide 2017](#) for tasks you need to complete to close your payroll year. Then come back to this guide to close your financial year.

# Step 1: Enter all transactions for the financial year

You need to ensure all transactions are recorded for the current financial year. This includes sales, purchases, payments, receipts and employee pays.

If you're in a network environment or your company file is online with AccountRight Live, make sure all users have entered their transactions for the financial year. If you use AccountRight Live bank feeds, make sure you've received the latest bank feeds from your bank.

## Step 2: Do a stocktake

If you have inventory, you need to do a stocktake. This requires you to count your on-hand stock. If you find any discrepancies with your records, adjust the item quantities in your software. **You need to do this on 30 June.**

If you use your software to track inventory levels, you should only do a stocktake after recording all sales and purchases for the year. Otherwise, your stock levels won't accurately show what you should have on hand.

### To perform a stocktake

1. Go to the **Inventory** command centre and click **Count Inventory**. The **Count Inventory** window appears.
2. Click **Print** to print the **Inventory Count Sheet**.
3. Manually count your inventory and record the quantities on the Inventory Count Sheet.
4. In the **Count Inventory** window, type the actual quantities of the inventory items in the **Counted** column. Any discrepancy between the counted quantity and the on-hand quantity appears in the **Difference** column.

5. Click **Adjust** Inventory. If there are differences between on-hand and counted values, the **Adjustment Information** window appears.

If you want, you can select a default adjustment account for tracking the adjustments you entered in the **Count Inventory** window. This saves you having to enter an account on every line of the inventory adjustment. This account is normally an expense account such as Shrinkage/Spoilage. It shouldn't be your inventory asset account.

If you need to use different accounts to track the adjustments you made in step 4, don't enter a default account.

6. Click **Continue**. The **Adjust Inventory** window appears, displaying a line item for each adjustment you entered in the **Count Inventory** window in step 4.

If you entered a default adjustment account at step 5, that account appears in the **Account** column for each line item.

If you didn't enter a default adjustment account, enter an account against each item listed.

7. [Optional] Enter a reason for the adjustment in the **Memo** column (for example, End of year stocktake 2017).
8. Click **Record** to update your inventory.

## Step 3: Run the Company Data Auditor

MYOB AccountRight and AccountEdge include the **Company Data Auditor** which performs a high level check of the data in your company file. The Company Data Auditor will help you complete many of your end of financial year tasks.

To begin, go to the **Accounts** command centre and click **Company Data Auditor**.

The auditor has four numbered stages, accessible using the tabs on the left. We'll take you through each stage over the next few pages, but here's a summary:

- **Company File Overview:** Review key details about your company file. This window also allows you to back up your company file as described in the following task.
- **Account Reconciliation:** Quickly see which bank accounts need reconciling and access them easily.
- **Transaction Review:** Check the transactions entered in your company file for errors.
- **Tax Exemption Review:** Check transactions for incorrect tax information.

**TIP:** If you need more information on how to use the Company Data Auditor, click the help (?) icon or the **Help for this Window** link on any Company Data Auditor window.

## Step 3a: Back up your company file

In the **Company File Overview** window of the **Company Data Auditor**, you can review key details of your company file – and it’s also the easiest place to perform a backup of your company file.

### TIPS

- You can back up your company file anytime by going to the **File** menu and choosing **Back Up**. Click **Back Up** and follow the prompts to make a backup of your company file.

You can repeat this multiple times to make more backups, or you can create one backup and copy it as required.

- We recommend making two backups of your company file after entering all transactions up to 30 June 2017.
- Name and label your backups carefully and note down the last cheque and invoice numbers (this will help you identify those tricky June-July transactions later). For example, name the backup file “Company\_Name\_10A” and label the disk “Company Name, 30/6/17, Chq 100, Inv 10001, Backup A”.
- Store one backup in your business premises and the other in a secure location away from your business.
- After making your backups, click **Next** in the **Company Data Auditor**.

## Step 3b: Reconcile your bank accounts

When you receive your bank statements for the period ending 30 June, you need to reconcile these with your software’s bank and credit card accounts. This will ensure that your records match your bank’s records as at 30 June.

The **Account Reconciliation Review** window in the **Company Data Auditor** lists the bank and credit card accounts in your software which may need reconciling at this time.

You can either work from your paper-based statements to complete this process, or download the bank statement from your bank’s online banking website (supported file types include OFX, QFX, QIF and OFC).

### TIPS

- You can reconcile your accounts at any time via the **Banking** command centre by clicking **Reconcile Accounts**.
- If you use the ATO's Business Portal to lodge your BAS, you may need to reconcile any tax accounts that you have with the ATO, such as the Income Tax Account and the Integrated Client Account. Reconciling the accounts with the transactions listed in the Business Portal ensures that your company file shows the correct amount owing to the ATO, including any General Interest Charges.

### Do you receive bank feeds?

Before you reconcile a bank account that’s associated with a bank feed, check that you’ve received all bank feed transactions up to June 30, and they have been matched and approved. To learn about bank feeds, see <http://help.myob.com/wiki/x/NoBW>

### To reconcile a bank account

1. In the **Account Reconciliation Review** window of the **Company Data Auditor**, select the account to be reconciled then click **Reconcile Accounts**.
2. Enter the closing balance of the bank account you're reconciling in the **Closing Statement Balance** field (the **New Statement Balance** field in some versions).
3. Enter 30/06/2017 as the closing date of the reconciliation period in the **Bank Statement Date** field.

4. Reconcile the account:

When all of the transactions have been matched, click **Done** to return to the **Reconcile Accounts** window.

### If you're reconciling using a paper-based statement from your bank

- a. Click the transaction lines that also appear on your bank statement.
- b. Proceed to step 5.

#### TIPS

- If your bank or credit card statement's closing date is after 30 June, simply rule a line after the last June transaction, calculate the closing balance on the statement as of the last June transaction, and reconcile with a statement date of 30 June 2017 in your software.
- If interest or service fees are on your bank statement, but don't appear in the **Reconcile Accounts** window, click **Bank Entry** (via the Actions button in AccountRight v19) and enter those fee amounts in the **Bank and Deposit Adjustments** window that appears. They'll automatically be selected as "Cleared".

### If you're reconciling using a downloaded bank statement

- a. Click **Get Statement** and use the **Open** window to locate and open the statement file that you have already downloaded from the internet.
- b. The **Get Statement Log** appears. This alert tells you the number of transactions in the statement file, the number of transactions read by your software, and if any transactions have been skipped. Click **OK**.
- c. The **Unmatched Statement Transactions** window appears.
  - If no transactions appear in the list, click **Done** to return to the **Reconcile Accounts** window.
  - If a transaction appears in the list, manually match the transaction or record a new transaction – press F1 to open the Help window for information about reconciling accounts.

5. If the "Out of Balance" amount is:

- **zero**, you've successfully reconciled the bank account. Click **Reconcile** and choose to print the Reconciliation report. After printing the report, click **Reconcile** again and then click the **Reconcile** option.
- **a non-zero amount**, see <http://help.myob.com/wiki/x/LgGc>.

If you need help reconciling a bank account, press F1 in your MYOB software to open the Help window.

After reconciling your accounts, click **Next** in the **Company Data Auditor**.

## Step 3c: Review your transactions

The **Transaction Review** window in the **Company Data Auditor** allows you to review the transactions in your company file. The transactions to be reviewed are listed, and this list will depend on the functions available in your software. For example, not all versions support inventory or multi-currency.

### To review your transactions

1. Enter 01/07/2016 and 30/06/2017 in the **Start Date** and **End Date** fields.
2. Click **Run Review**. If any issues are identified, a red question mark will appear for the transaction type, along with a **Display** button.
3. Click **Display** to generate the applicable report to help identify transactions which may be causing the issue. For help, refer to <http://help.myob.com/wiki/x/TAGc>
4. Make any required adjustments to rectify the issue. You can click **Run Review** again in the **Company Data Auditor** to re-run the review.

After reviewing your transactions, click **Next** in the **Company Data Auditor**.

## Step 3d: Review your tax allocations

When you record a transaction that has a tax component, the tax amount is allocated to the tax code's linked account, or control account – for example, GST Collected or GST Paid.

The **Tax Exception Review** window in the **Company Data Auditor** will help you check for:

- Variances in the amount of tax recorded for sales and purchases
- Incorrect use of a tax code
- Amounts posted directly to a tax code's linked account

**NOTE:** This is only applicable if you pay and collect GST on the accrual basis. If you are accounting for GST on a cash basis, the GST control accounts (accounted for on an accrual basis) and the figures at G9 and G20 on your BAS (accounted for on a cash basis) won't match because of timing differences.

**TIP:** If you're unsure about what the tax exception review identifies, seek advice from your accounting advisor.

### To review your tax allocations

1. Enter 01/07/2016 and 30/06/2017 in the **Start Date** and **End Date** fields.
2. Click **Run Review**.
3. If any potential issues are identified, a red question mark will appear for that review, along with a **Display** button.
4. Click **Display** to generate the applicable report to help identify the issue.

**Tax amount variances:** If the tax amount for a transaction has been changed, this will show on the Tax Amount Variance report. If required, you can click into the transaction from the report and modify it as needed. Note that if you change the calculated tax amount in a transaction and you use BASlink to complete your BAS, your GST figures won't balance.

**Tax code exceptions:** If a tax code has been used in a transaction which is different to the default tax code setup for an account, these will display on the

Tax Code Exceptions report. Check the transactions listed on the report, and if required click into the transaction from the report and modify it as needed.

**Reconcile tax code details:** If an amount has been posted directly to the linked account for a tax code, the linked account will be out of balance. The Tax Code Reconciliation Exceptions report will help you identify transactions that may be causing this. If required, click into the transaction from the report and modify it as needed.

5. After making any required adjustments to rectify the issue, you can click **Run Review** again in the **Company Data Auditor** to re-run the review.

At the end of the **Company Data Auditor**, click **Finish**. You then have the option to print a summary of the Company Data Auditor results. This report will help you (or your accounting advisor) to follow up any irregularities or imbalances that were found.

## Step 4: Review key reports

There are some key reports you can review to identify potential issues in your business data. Review the Accounts List, Trial Balance, Balance Sheet and Profit and Loss reports as a minimum and look for any amounts that seem incorrect or unexpected.

To investigate amounts on the report, you can simply click the on-screen amounts, and use the **Find Transactions** window or the **Edit Accounts** window that appear to see what makes up the values shown in the report.

### Reporting taxable contractor payments

Businesses in the building and construction industry need to report the total payments they make to each contractor for building and construction services each year. These payments need to be reported to the ATO by August 28 on the Taxable Payments Annual report, or electronically. For information on tracking and reporting taxable contractor payments in AccountRight or AccountEdge, refer to the following help topics:

From 1 July 2017, government entities need to report total payments made to businesses for providing services. All government entities, except local, will also need to report the total grants paid to people or organisations with an ABN.

- [Reporting taxable payments in the new AccountRight](http://help.myob.com/wiki/x/Y4FW)  
(http://help.myob.com/wiki/x/Y4FW)
- [Reporting taxable payments in AccountRight v19 and AccountEdge](http://help.myob.com/wiki/x/6wKc)  
(http://help.myob.com/wiki/x/6wKc)

## Step 5: Provide information to your accountant

There are a number of ways you can provide information to your accountant. Talk to your accountant to discuss their preferred method.

### Work with your accountant online

For more information about online access, see <http://help.myob.com/wiki/x/loBW> or watch our [Working with Others](https://www.youtube.com/watch?v=A9bJwnIHCQw) video (youtube.com/watch?v=A9bJwnIHCQw).

### Make a backup of your company file and send it to your accountant

Many accountants use MYOB or compatible software in their practice and are happy to accept your company file for review, and then provide you with any changes required in your company file.

If you can't invite your accountant to work on your online AccountRight company file, you can send them a backup copy of your company file. To create a backup, go to the **File** menu and choose **Back Up**.

### Export information for your accountant

Your accountant may prefer you to just send the information they need in a special text file that can be imported into their practice management software. Speak to your accountant to determine which accounting practice management software they're using.

### *If your accountant uses MYOB Accountants Office*

Thousands of accounting practices are using MYOB Accountants Office software in their practice. If your accountant uses this system, you can quickly export and send just the information they need to review your accounts.

Simply go to the **Accounts** command centre and click **Send to Accountant**. You can then send an email containing the necessary information or provide the accountant with a special export file.

### *If your accountant uses MYOB AE Accounts*

In the new AccountRight, you can create an export file in CeeData format which your accountant can import into their MYOB AE Accounts software. Just go to the **File** menu and choose **AccountantLink**, then choose **MYOB AE Accounts**. You can then specify the type of journals to export and the applicable date range.

### Provide reports to your accountant

Some accountants simply require you to print out the key financial reports for the year. Use the following list as a guide to reports that you may be required to send.

- Profit and Loss Statement for the financial year
- Bank Reconciliation as at 30/06/17
- Balance Sheet as at 30/06/17
- Trial Balance as at 30/06/17
- General Ledger (Detail) for the financial year. This can be a lengthy report, so consider emailing it to your accountant (display the report, go to the **File** menu and click **Send**, and then choose the format of the report to be emailed. In AccountRight v19 and AccountEdge, click **Send To** and choose **Email**)
- Receivables Reconciliation (Summary) as at 30/06/17 (if you use your software for invoicing)
- Payables Reconciliation (Summary) as at 30/06/17 (if you use your software for purchasing)

- Inventory Value Reconciliation as at 30/06/17 (if you use your software to track inventory)
- GST Summary reports for June or for the quarter.

**TIP:** Once you've provided your accountant with the information they need, lock the last financial year so that no entries are made or changed for the old year:

1. Go to the **Setup** menu and choose **Preferences**.
2. Click the **Security** tab and select the **Lock Period** option and set the lock date to 01/07/2017.

**NOTE:** You'll need to unlock the period again to enter any adjustments your accountant gives you.

#### TIPS

- You should also send copies of external statements, such as bank and credit card statements, loan statements and ATO statements to your accountant.
- If you've made an Annual Private Apportionment Election for GST purposes, you should also give your accountant a copy of the Election so that the appropriate adjustments can be made.

## Step 6: Enter any end of year adjustments

In finalising your accounts for the financial year, your accountant is likely to want to make a number of adjustments to your company file. If these are provided to you electronically, you can import these directly into your software; otherwise you may have to enter them manually.

If you have an AccountRight subscription and your company file is online, your accountant can be invited to access and work directly on your company file. For more information, see <http://help.myob.com/wiki/x/WYBW>.

### To import adjustments into the new AccountRight

1. Go to the **File** menu and choose **Import/Export Assistant**.
2. Select **Import data** then click **Next**.
3. At the **Import** field, select **General Journal Entries**.
4. Click **Browse** then locate and open the import file. Click **Next**.
5. Select the appropriate import file format. Your accountant should provide you with details of the file's format. Click **Next**.
6. Match the import file fields with your software's fields. Click **Next**.
7. Click **Back up** to take a backup prior to importing the data.
8. Click **Import** to complete the process. If you need assistance with importing, click the help (?) button on the **Import Data** window.

### To import adjustments into AccountRight v19 or AccountEdge

1. Go to the **File** menu, choose **Import Data** and then choose **General Journal Entries**.
2. Select the appropriate import file format. Your accountant should provide you with details of the file's format.
3. Click **Continue** and then locate and open the import file. The **Import Data** window appears.
4. Match the import file fields with your software's fields.
5. Click **Import** to complete the process. If you need assistance with importing, click the help (?) button on the **Import Data** window.

### To manually enter adjustments

1. Go to the **Accounts** command centre and click **Record Journal Entry**. The **Record Journal Entry** window appears.

2. [New AccountRight only] Select the **Year-End Adjustment** option.
3. Enter the adjustments as directed by your accountant and click **Record**.

For further information on recording general journal entries, refer to <http://help.myob.com/wiki/x/sQGc>.

**IMPORTANT:** After entering these adjustments, make two backups of your company file (go to the **File** menu and choose **Back Up**). These backups should be saved to removable media, such as a portable memory device, CD or DVD.

## Step 7: Close the financial year

You should now be ready to Close a Financial Year [new AccountRight only] or Start a New Financial Year (AccountRight v19 and AccountEdge). When you do this, your software performs the following:

- The previous financial year's monthly totals for all accounts are changed to "last year" figures – if "last year" amounts already existed, those amounts will be replaced.
- The balance of your Current Year Earnings account (Equity-type account) is transferred to your Retained Earnings account (Equity- type account).
- The balances of your income, cost of sales, expense, other income and other expense accounts are reset to zero, as of 30 June or end of your financial period.
- [AccountRight v19 and AccountEdge only] All closed sales and closed purchases are purged. Any transactions that are dated in the new financial year won't be affected by this process.

**NOTE:** This process may take some time if you have a large number of transactions or records.

### To close the financial year in the new AccountRight

1. Go to the **File** menu and choose **Close a Financial Year**. The **Close a Financial Year** assistant appears.

2. Once you've read and understood the introduction, click **Next**.
3. Specify the last month of the next financial year, then click **Next**.
4. [Optional] Select **Remove audit trail entries**. This may reduce the size of your company file. Then click **Next**.
5. If you haven't already backed up your company file, click **Back up** and follow the prompts to create a backup of your company file.
6. Click **Close the Financial Year**. The financial year will be closed and details of the new (current) financial year will be displayed.
7. Click **Close** to exit the **Close a Financial Year** assistant.

### To start a new financial year in AccountRight v19 and AccountEdge

1. Go to the **File** menu, choose **Start a New Year** and then choose **Start a New Financial Year**. The **Start a New Financial Year** window appears.
2. If you haven't already backed up your company file, click **Back Up** and follow the prompts to create a backup of your company file.
3. Click **Continue**. You'll be presented with a list of all the changes that will occur during the Start a New Financial Year process. Click **Continue**.
4. Specify the new financial year and the last month of the new financial year. In most cases you can accept the default details showing in this window. If you're closing the financial year ended 30 June 2017 you would select **2018** as the new financial year (as it covers the 2017-18 years), and June as the last month.
5. Choose the number of periods to use in the new financial year. If you're not sure whether you need twelve or thirteen periods, choose **Thirteen**.
6. Click **Continue**. Indicate whether you want to keep certain transactions:
  - If you track undeposited funds, select the **Keep Receipts Grouped with Undeposited Funds** option.
  - If you make electronic payments, select the **Keep Disbursements Grouped with Electronic Payments** option.

- If you use the MYOB M-Powered® Superannuation service, select the **Keep Unpaid Superannuation Accruals** option.
  - Indicate whether you want to erase Audit Trial Entries or Item Movements Entries.
7. Click **Continue**. Indicate whether you'd like to keep pays from prior financial years. Choose the date accordingly.
  8. Click **Continue**. Indicate which accounts you normally reconcile. Any transactions that are yet to be reconciled in these accounts won't be erased.
  9. Click **Continue**. If you've backed up your company file, and are satisfied with the selections you've made in the Start a New Financial Year windows, click **Start a New Financial Year**.

Once this process is complete, you're done!