



Assurance • Tax • Consulting

© 2013 McGladrey LLP. All Rights Reserved.

## NetSuite Period & Year-end Close

## Welcome! Important Web Seminar Notes

- We have automatically muted the line. During the presentation, all participants will be in listen-only mode
- Please turn off all webcams
- Following the presentation we'll have a Q&A session. Submit questions via the Q&A feature. Simply select the Q&A window, type your question into the dialog box, and click the "Ask" button
- The slides and recording of this call will be sent to attendees for today's program
- Having technical difficulties?
  - Call 800.374.1852 or
  - E-mail [pfs@intercall.com](mailto:pfs@intercall.com)
- For audio help, please call 1.800-374.2441



Welcome! Important Web Seminar Notes

## Regional contacts

<b>Northeast</b> (RI, MA, NH, VT, ME, CT, NY, NJ, PA, DE)	<b>Southeast:</b> (MD, DC, VA, NC, FL, GA)	<b>Great Lakes Region:</b> (IL, WI, IN, MI, KY, OH)	<b>West Region:</b> (AZ, CA, WA)
<b>Chris Goguen</b> christopher.goguen @mcgladrey.com	<b>Tom Burtner</b> tom.burtner @mcgladrey.com	<b>Georgina Anderson</b> georgina.anderson @mcgladrey.com	<b>Paul Lennick</b> paul.lennick @mcgladrey.com
<b>Central:</b> (MN, ND, SD)	<b>Central:</b> (IA, NE, KS, MO)	<b>Central:</b> (CO, TX)	
<b>Laura Giesen</b> laura.giesen @mcgladrey.com	<b>Kurt Meier</b> kurt.meier @mcgladrey.com	<b>Matt Bailey</b> matt.bailey @mcgladrey.com	



Regional contacts

## Presenter



**Tyler Cronk**  
Associate, Technology Consulting  
Minneapolis, MN



5

© 2013 McGladrey LLP. All Rights Reserved

Presenter

## Agenda

- NetSuite Period Close
- Accounting Period Setup
- Period Close Best Practices
- Additional Features & Settings



## Agenda

## NetSuite Period Close: Basics

- Period Status: Unlocked vs. Locked vs. Closed
  - Unlocked: any user can post transactions
  - Locked: only users with the Override Period Restrictions permission (Setup) can edit or create transactions
  - Closed: no users, including Administrators, can post or make changes to transactions.
- Close All Prior Periods
  - All prior periods must be closed in order to close the current period.
  - All prior periods do not have to be closed in order to lock the current period.



## NetSuite Period Close: Basics

- Reopening a Period
  - Periods previously closed can be reopened if corrections are required.
  - Reopening a period will also open any subsequent periods.
- Audit Trail
  - System notes are tracked on each task of the Period Close checklist.
  - Documented justification is required to reopen a closed period.
  - Tasks can be marked complete, reopened



**True or false: In OneWorld, each subsidiary must be locked separately.**

Polls are open.

True

False

[ Poll 2 ]



## NetSuite Period Close: Suggested Timeline

- **1<sup>st</sup> Day of New Period**
  - Finalize sales and purchase data entry
  - Lock AP & AR
  - Generate Customer Statements
- **2<sup>nd</sup> – 5<sup>th</sup> Day**
  - Complete inventory adjustments
  - Lock GL and complete Inventory Tasks in NetSuite's Period End checklist
- **4<sup>th</sup> – 7<sup>th</sup> Day**
  - Complete Bank and Cash Reconciliations
  - Complete Foreign Currency and OneWorld tasks in NetSuite's Period End checklist
  - Update Budgets
- **7<sup>th</sup> Day**
  - Run and distribute reports
- **10<sup>th</sup> Day**
  - Close Period in NetSuite's Period End Checklist

# NetSuite Period Close: Checklist

- Depending on the features enabled in each account, the following tasks may be available:
  - Resolve Date/Period Mismatch
  - Review Negative Inventory
  - Review Inventory Cost Accounting
  - Review Inventory Activity
  - Create Intercompany Adjustments
  - Revalue Open Foreign Currency Balances
  - Calculate Consolidated Exchange Rates
  - Eliminate Intercompany Transactions
  - GL Audit Numbering

Go To Task	Task	Status	Modified By
	Lock A/R		
	Lock A/P		
	Lock All		
	Resolve Date/Period Mismatches		
	Review Negative Inventory		
	Review Inventory Cost Accounting		
	Revalue Open Foreign Currency Balances		
	Calculate Consolidated Exchange Rates		
	GL Audit Numbering		
	Close		



## NetSuite Period Close: Checklist

**True or false: Reopening a period opens all subsequent periods.**

Polls are open.

**True**



**False**



[ Poll 3 ]

## Accounting Period Setup

- Period Creation
  - Setup Full Year
    - Period Formats: Calendar Months, 4 Weeks, 4-4-5 Weeks
    - Adjusting Period
  - New Year, Quarter or Base Period only
- Allow Non-G/L Changes
  - Per Period, by editing after periods are closed
  - Per Role, by adding Allow Non G/L Changes permission (Setup)
- Setup > Accounting > Manage Accounting Periods



## Accounting Period Setup

## Period Close Best Practices

- Automatic vs. Manual Close
  - Automatic close: NetSuite calculates prior net income into retained earnings automatically. This option is best practice.
  - Manual Close: Users create a general journal to move net income to retained earnings. This option causes issues with historical reporting.
- Non-NetSuite Tasks
  - NetSuite requires specific tasks to be completed. Other company-specific tasks are also likely required outside NetSuite. Clients should track all of these tasks in one place.

## Period Close Best Practices

- **Complete Tasks Before Using Checklist**
  - Several of the tasks in the Period Close Checklist require action that can be completed independent of the checklist.
    - Review Negative Inventory
    - Revalue Open Foreign Currency Balances
- **Role Permissions vs. Adjustment Periods**
  - Adjustment periods create an additional timeframe in which journal entries can be posted. For example, an adjustment period could be added on 12/31 for any year-end adjusting entries that should not be directly attributable to the Dec 2013 period.
  - NetSuite best practice recommends using role permissions to control who can post to locked periods rather than creating adjustment periods, where possible.



13

© 2013 McGladrey LLP. All Rights Reserved.

Period Close Best Practices

**True or false: When using the NetSuite standard Automatic Close, a journal entry moving net income to retained earnings is not required.**

Polls are open.

True



False



[ Poll 4 ]

## Additional Features & Settings

- Multiple Calendars in OneWorld
- GL Audit Numbering
- Accounting Period Window setting
- Allow Transaction Date Outside of Posting Period setting



## Summary

- With the exception of GL Audit Numbering, closing a year in NetSuite is the same as closing a period!

## Upcoming Events



### SuiteWorld 2014

May 12-15  
San Jose, CA

<http://www.netsuite.com/portal/press/events/nsw2013/main.shtml>



17

© 2013 McGladrey LLP. All Rights Reserved.

Upcoming Events

## Q & A

- Submit questions via the Q&A feature. Simply select the Q&A window, type your question into the dialog box, and click the “Ask” button
- The slides and recording of this call will be sent to attendees for today’s program



[facebook.com/McGladreyTech](https://facebook.com/McGladreyTech)



[twitter.com/McGladreyTech](https://twitter.com/McGladreyTech)  
[twitter.com/McGladreyERP](https://twitter.com/McGladreyERP)



18

© 2013 McGladrey LLP. All Rights Reserved

Q & A

## Regional contacts

<b>Northeast</b> (RI, MA, NH, VT, ME, CT, NY, NJ, PA, DE)	<b>Southeast:</b> (MD, DC, VA, NC, FL, GA)	<b>Great Lakes Region:</b> (IL, WI, IN, MI, KY, OH)	<b>West Region:</b> (AZ, CA, WA)
<b>Chris Goguen</b> christopher.goguen @mcgladrey.com	<b>Tom Burtner</b> tom.burtner @mcgladrey.com	<b>Georgina Anderson</b> georgina.anderson @mcgladrey.com	<b>Paul Lennick</b> paul.lennick @mcgladrey.com
<b>Central:</b> (MN, ND, SD)	<b>Central:</b> (IA, NE, KS, MO)	<b>Central:</b> (CO, TX)	
<b>Laura Giesen</b> laura.giesen @mcgladrey.com	<b>Kurt Meier</b> kurt.meier @mcgladrey.com	<b>Matt Bailey</b> matt.bailey @mcgladrey.com	



Regional contacts

## Thank you for attending

- The presentation slides and a link to the call recording will be sent to all participants within a few days of the webinar



[facebook.com/McGladreyTech](https://facebook.com/McGladreyTech)



[twitter.com/McGladreyTech](https://twitter.com/McGladreyTech)  
[twitter.com/McGladreyERP](https://twitter.com/McGladreyERP)



20

© 2013 McGladrey LLP. All Rights Reserved.

Thank you for attending



This document contains general information, may be based on authorities that are subject to change, and is not a substitute for professional advice or services. This document does not constitute assurance, tax, consulting, business, financial, investment, legal or other professional advice, and you should consult a qualified professional advisor before taking any action based on the information herein. McGladrey LLP, its affiliates and related entities are not responsible for any loss resulting from or relating to reliance on this document by any person.

McGladrey LLP is an unlimited liability partnership and the U.S. member firm of RBM International, a global network of independent accounting, tax and consulting firms. The member firms of RBM International collaborate to provide services to global clients, but are separate and distinct legal entities that cannot obligate each other. Each member firm is responsible only for its own acts and omissions, and not those of any other party.

McGladrey®, the McGladrey logo, the McGladrey Classic logo, *The power of being understood®*, *Power comes from being understood®*, and *Experience the power of being understood®* are registered trademarks of McGladrey LLP.

© 2013 McGladrey LLP. All Rights Reserved.



Assurance • Tax • Consulting

Slide 21