Fiscal Closing Methods Summary
What is Fiscal Close?

- In general terms, Fiscal Closing is the process of closing one set of financial books at the end of the current fiscal year and opening a new set of books for the coming fiscal year. The nature of the “closing” part depends on which method the library uses.
- You choose your method of fiscal closing based on the accounting practices of your funding organization.
- You then set Sierra to guide you through the steps for that method.

Notes about Fiscal Close

- Some libraries use a combination of methods, if their practices do not fit perfectly with one method.
- There is really nothing magic about Fiscal Close mode:
  - It just guides you through the steps that you choose to use.
  - Some steps can be done in other modes at other times. There are just a few steps of Fiscal Close that are absolutely necessary (depending on your method). Posting, printing the final fund activity report and clearing the payment history file are necessary, but can be done in other modes.
- Multiple accounting units can have separate methods
  - If you have multiple accounting units, via the Admin Corner you can set each unit in your Acquisitions Options (A>A>S>O>A) by logging into that menu with initials that are assigned to each unit.

Three Methods of Fiscal Close

**Method 1**

- The library keeps only one set of funds (i.e., books). On order material that comes in the next fiscal year is paid in that year. If your library makes only minimal distinction between fiscal years, you should use this method. It carries over encumbrances from one fiscal year to the next in the same set of funds. Consequently, as you receive orders from previous years, the system posts those expenditures and disencumbrances in the current fund balances.

**Method 2**

- The library keeps one set of funds for the current year and a second set of funds for the previous year. On order material that arrives next fiscal year is paid for out of that year’s fund. The library keeps a two level fund structure. Current and preceding fiscal years. At year-end, you change the fund code in all existing order records (*or only selected if using method 2, manual*) to a *previous year fund code*. In some cases, several current year funds are combined into one previous year fund. You also move outstanding encumbrances to previous year funds. As you receive the previous year's orders, the system posts those expenditures and disencumbrances in the *previous year fund balances*. 
Method 2 has a choice of Automatic (which has a choice of Copy or Transfer) or Manual.

Method 2 allows you to keep only last year’s figures in the previous year funds or a running total of all your previous years’ figures. This is dependent on whether you zero out your previous year funds or not. If you do NOT zero out the previous year funds the current year totals are added to the previous year(s) totals.

Automatic/Copy can be used to copy over the current year figures (as is), replacing all the previous year figures, or add the current year figures to previous year totals.

Automatic/Transfer also copies over figures but it subtracts the expenditure total from the appropriation before copying the appropriation amount to the previous year fund, and does not copy (or add) this expenditure amount to the previous year expenditure total.

Manual is most often used when you want to change the fund code in only some order records but not all (e.g. your serials or standing orders – those with status f or g). Manual method lets you choose which order records you change and which you do not (based on range, review file and/or status). Automatic only lets you choose which funds you change not which records that might contain those fund codes.

Manual also requires that you enter your encumbrance totals in your previous year funds yourself instead of the system copying them.

Method 3

The library builds an entirely new set of funds for the new fiscal year. Orders remain tied to their original funds. With this method, all existing fund assignments and fund balances remain intact and are not affected by the change in fiscal years. For the new year, a new set of funds is created. This method requires that the library have enough space in its system for two or three (or more) years of order records. And eventually old funds will need to be deleted from the system.

Set up Needed

- Acquisitions Option (A>A>S>O>A) #25 (Admin Corner)
  - Fiscal Year Closing
  - Change to the method used by your library
  - Sierra Fiscal close mode then provides you with the correct steps
  - NOTE: For consortia with multiple acquisition units the fiscal close method is set up by Innovative.

- Admin | Settings | Funds | Options for Fiscal Close

  - This setting in your Sierra Acquisitions module determines what options are available in Tab #3 (Statistics & Reports) in Fiscal Close mode. The idea is that you run any desired statistical reports ahead of doing Fiscal Close. If you disable all these choices, the tab (Statistics & Reports) is still there, but you can only click “Next” to go to the next tab.
    - Do statistics in Fiscal Close
• This opens a tab that is the same as the **Statistics** mode on the Navigation bar. It will allow you to get statistical reports on orders you have placed, paid for, or ordered that year. It is not absolutely **necessary** to do this as part of your fiscal close as long as those order records are still in your system they available to you to use in Statistics mode later.

  ▪ **Do management report in Fiscal Close**

  • This allows you to print a final year-end report of your fund totals and all the hierarchies you have created, **before you close out your funds**. If you copy your hierarchies to Old Hierarchies, this final report is also available as a report under **Old Hierarchies** until the next fiscal year.

  ▪ **Do vendor statistics in Fiscal Close**

  • This allows you to create vendor statistics on orders you placed, received or paid for last year. Like Statistics, this report can also be created from Vendor Statistics mode on the Navigation bar after fiscal close as **long as the order records remain in the system**. Thus, it is also not absolutely necessary to do this as part of your fiscal close.

  ▪ **Authorizations needed for Fiscal Close**

    o 405 Fiscal Close
    o 19 Create Statistical Reports
    o 85 Fund File Maintenance
    o 86 Fund Reports
    o 178 Post Invoices
    o 80 Update Records (Acq) *(Method 2 only)*
    o 134 Update Order Records *(Method 2 only)*
Fiscal Close Mode (Method 1)

This is the method used by the majority of libraries.

Posting

- When you choose Fiscal Close mode, you are in the Posting tab (1st tab). A dialog box will display regarding any posting that needs to be done. You must post any pending financial transactions before moving to step 2. Click OK to proceed with the posting.
- If there is nothing to Post, click Next to move to the next step otherwise continue with posting.
- Posting here is identical to posting in Invoice mode.

- Select the printer for the posting reports when prompted, then click OK (or pre-select the printer at File | Select printer | Standard printer)
Enter the desired page heading for the printouts, then click **OK**.

After any encumbrances and invoices have been posted, you are prompted “**Is the printout OK?**” (you are now on the 2nd tab at the bottom)

- If you answer **NO**, you will be given a chance to re-print the encumbrance and invoice register.
- If you answer **Yes**, you will automatically proceed to the posting register (3rd tab at the bottom).

You are prompted “**OK to proceed?**”
- Answering **YES** moves you automatically to the 4\textsuperscript{th} and 5\textsuperscript{th} tabs.

- Finally on the 5\textsuperscript{th} tab (Post Payment History) the screen displays: **Posting all done**
  - The **Next** button is grayed out.
Click **Quit** and the **Next** button will be “live.” Then click **Next**.

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**Fund Activity Report**

- You are now on the 2\(^{nd}\) tab, the Fund Activity Report tab and have the opportunity to print the final Fund Activity Report for the year. You must print the Fund Activity Report and **clear the Payment History File** to continue, unless you have just done this in **Funds** mode, in which case you do not have to do it again here, but can click **Next** to continue.
- Depending on your login printer settings you will be prompted to print to a printer or to email a copy to a designated email address. If you wish a hard and email copy then after printing the first copy click No to clear the Payment History and reprint.
- Enter the report “header” in the box, then click **Start**
- Check the **Show All** box if you want a report on all funds whether they have had any activity or not, then click **Start**
The next dialog box displays the summary of the activity in the Fund Activity Report – the last encumbrance & voucher numbers in the previous and current file. 
Note these numbers for your records if desired, then click **OK** to proceed.

The Fund Activity Report displays on the screen.
Note the message on the status bar at the bottom. If any funds are out of balance, consult Funds Out of Balance (page #105490 in the *Innovative Guide & Reference*) before proceeding or call the Help Desk.
Export or Print the report as desired (Print & Export buttons).
If you choose to Export the file, click **Open in Excel** to have the file automatically opened in an Excel spreadsheet. If you choose to export your payment history file, you must still print the final one to clear the payment history file.

Click the **Print** icon, then choose the desired printer from the dialog box then click **OK**.

**In order to proceed, you must clear the payment history file.** To clear the payment history file, you must have printed the Fund Activity Report and be prompted with the **Printing Complete** dialog box (shown below).

Check the box that says “Printout is OK” and then the ‘Clear payment history” check box will become live, as well as the “Leave appropriations” box if your library has chosen the Acquisitions option (A>A>S>O>A>#10) to store your appropriations in the payment history file.
During the fiscal year if you chose to store your appropriations, any appropriations done during the year have remained in the payment history file even when you cleared everything else from the file. At Fiscal Close time, the “Leave appropriations” box is asking you if you want to leave last year’s appropriations history in the payment history file throughout the next fiscal year. Typically, libraries want to retain only the current year’s appropriations, and thus do not check this box to clear out all of the previous year’s appropriations history. However, the choice is yours.

Check the **Clear payment history** box and click **OK** to continue.

After the payment history file has been cleared, the 2\(^{nd}\) tab is blank, the status bar states that the payment history file has been cleared, and the **Next** button is live. Click **Next** to proceed.

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**Statistics and Reports**

- You are now on the 3\(^{rd}\) tab, **Statistics and Reports**
- This tab has 3 sub-parts which you can see as tabs at the bottom – Statistics, Vendor statistics, and Reports
These three statistical reports can be disabled for your login at Admin | Settings | Funds if you do not want to perform these steps as part of fiscal close. As long as your order records remain in the system, you can run these reports later in Statistics mode Vendor Statistics mode and Funds mode.

- The first tab, shown below, is identical to Statistics mode on your navigation bar. You can run a statistical report on order records based on order date, receive date or paid date.
- The Vendor Statistics tab is identical to Vendor Statistics mode on your navigation bar.
  - You can get a vendor activity report or performance report for your fiscal year if you like. These statistics are not part of the vendor record unless you copy the statistics from the report to the vendor records after running the report.
  - Performance statistics track a group of orders to measure how well a vendor fulfilled the orders. Within a date range you specify, Sierra determines if an order is placed and then counts all further activity for the record.
  - Activity statistics count workload during a particular period of time. For the date range you specify, Sierra counts all orders, receipts, payments, etc.
- The Reports tab is the final printed report for your hierarchies. You may have already printed this report from Funds mode. This is available after fiscal close if you copy your current hierarchies to your Old hierarchies. You can print a copy of the archived (final) hierarchies from your Old Hierarchies at any time during the coming year.
- Highlight your hierarchy and click the Report tab at the top.
- Select the options you want, including the page header and click Start.
- The report displays on the screen.
- Print the report with the Print icon on the toolbar.
- Repeat for all your hierarchies, then click Next at the bottom to continue.

**Copy and Clear Funds**

- This step is really the essential step in Fiscal Close mode.
- The other steps can be done in other places (posting can be done in Invoice mode, printing the Fund Activity report can be done in Funds mode, Statistics can be done in three different modes).
- This is the only place where you can copy and clear funds with a click of the mouse.
- Clearing funds could be done in Funds mode in the Adjust tab, but Copy funds can only be done here.
- Archive “Current fund amounts” to Old funds, and “Hierarchies” to “Old Hierarchies” is checked by default. If you do not want to do this, uncheck the box. This copies all your final fund totals to Old Funds and Old Hierarchies where they remain (uneditable) until you do another fiscal close.

WARNING: If for any reason you have done this step and return to this tab to reset any funds (often done in Method 2 or 3), remember to uncheck this box the second time as it could copy empty fund balances.
- Under “Reset fund data to zero”, the # Orders Year-to-Date for all funds and # Payments Year-to-Date for all funds is also automatically checked.
- Check the Appropriations, Expenditures and/or Encumbrance boxes as desired. (Normally with Method 1, encumbrances are not zeroed out, but carried over to the next year as shown below).
- You can see all the fund totals in the selected columns turn to zero in blue. If you uncheck an option, the fund totals will revert (until you finish this step).
- Click Process to make the changes (The Next button is grayed out until you Process).

- The status bar (lower right) shows the number of funds zeroed out.
- Click Next when you are finished.
Adjust Funds

- You are then taken to the **Adjust Funds** tab, which is identical to the **Adjustment** tab in **Funds** mode.
- You can appropriate funds for the new Fiscal year at this point if you have the figures. If you don’t have the figures yet, you can do this later in **Funds** mode.

- If you do appropriate funds, **Post**, go through all the posting prompts, and then click **Quit**
- The **Fiscal Close Done** dialog box will display. Click **OK** (or press <Space>)}
If you don’t appropriate any funds at this time, you can do it from Funds mode, in the **Adjustment** tab as shown below:

- Funds view in Funds mode after posting
- Expenditures are zero, new appropriations have been posted, encumbrances are left from previous year.

**Fiscal Close Mode (Method 2)**

**Review of Method 2 options**

- The difference with Method 2 is that Tab 4 in Method 1 (Copy and Clear Funds) is replaced by two tabs -- **Change Funds in Orders** (4) and **Clear Funds** (5)
- With Method 2 you have two choices, Automatic or Manual. In addition, with Automatic, you can have another two choices, Copy or Transfer.
- With the **Manual** method, you replace the final totals manually, and it is the only method that allows you to select the order records whose fund code you want to change. The two automatic methods do not allow you to select records from a range or review file. The changes to fund codes apply to all records with that fund code.
- With **Automatic/Copy**, the Appropriations, Expenditures and Encumbrances from the current year funds can be **copied** to the Previous Year fund amounts or can be **added** to the Previous Year fund amounts if you do not zero out the Previous Year fund totals in the Clear Funds step. This would allow you to keep a running total for multiple years instead of just the most recent year.
With Automatic/Transfer, the difference is that the Expenditures are set to zero and the Appropriations amount has the expenditure amount subtracted.

The Transfer option takes your appropriations and subtracts the expenditure from the appropriation, then transfers that amount to the previous year's fund. So, if you have appropriations of $10,000 and expended $1000 for fund "abc", when you use the "change funds in orders option", it will take $9000 and put that into fund "pabc". It also resets the expenditure to $0.

Here is a comparison of both Copy and Transfer methods. This example presumes that the previous year fund was either newly created (with zero amounts) or zeroed out in the clear funds step:

**Fiscal close method 2 Automatic/Copy:**

<table>
<thead>
<tr>
<th>Fund code</th>
<th>Appropriation</th>
<th>Expenditure</th>
<th>Encumbrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>abc</td>
<td>$10,000</td>
<td>$1,000</td>
<td>$100</td>
</tr>
</tbody>
</table>

After fiscal close, fund abc totals copied to fund pabc (previous year abc fund):

<table>
<thead>
<tr>
<th>Fund code</th>
<th>Appropriation</th>
<th>Expenditure</th>
<th>Encumbrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>pabc</td>
<td>$10,000</td>
<td>$1,000</td>
<td>$100</td>
</tr>
</tbody>
</table>

<the orders accounting for the $100 encumbrance have a fund code of pabc>

**Fiscal close method 2 Automatic/Transfer (prev. year funds zero):**

<table>
<thead>
<tr>
<th>Fund code</th>
<th>Appropriation</th>
<th>Expenditure</th>
<th>Encumbrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>abc</td>
<td>$10,000</td>
<td>$1,000</td>
<td>$100</td>
</tr>
</tbody>
</table>

After fiscal close, fund abc totals are shown below. The expenditure was subtracted from the appropriation before copying the appropriation amount

<table>
<thead>
<tr>
<th>Fund code</th>
<th>Appropriation</th>
<th>Expenditure</th>
<th>Encumbrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>pabc</td>
<td>$9,000</td>
<td>$0</td>
<td>$100</td>
</tr>
</tbody>
</table>

In the example below the previous year fund totals were not zeroed out, but contained figures from previous years. The expenditure amount was subtracted from the appropriation before adding to the amount already in the previous year fund appropriation

**Fiscal close method 2 Automatic/Transfer (prev. year funds NOT zeroed out)** Figures before Fiscal Close:

<table>
<thead>
<tr>
<th>Fund code</th>
<th>Appropriation</th>
<th>Expenditure</th>
<th>Encumbrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>abc</td>
<td>$100</td>
<td>$10</td>
<td>$79.80</td>
</tr>
<tr>
<td>pabc</td>
<td>$215</td>
<td>$115</td>
<td>$10</td>
</tr>
</tbody>
</table>

After Fiscal close, the totals were:

<table>
<thead>
<tr>
<th>Fund code</th>
<th>Appropriation</th>
<th>Expenditure</th>
<th>Encumbrance</th>
</tr>
</thead>
<tbody>
<tr>
<td>abc</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>pabc</td>
<td>$305</td>
<td>$115</td>
<td>$89.80</td>
</tr>
</tbody>
</table>

The expenditure amount of $10.00 for the current year fund, abc, was subtracted from the appropriation mount of $100.00, and the resulting $90.00 was added to the appropriation of $215.00 for the pabc fund, and the new total for pabc is now $305.00. The expenditure from fund abc ($10.00) was NOT added to the $115.00 expenditure
for pabc, but the encumbrance of $79.80 was added to the $10.00 with a new total of $89.80.

- With Method 2, once you have changed your fund codes to the Previous Year fund code, those codes will remain. That means that year after year, you will have more than one year’s worth of order records with the same fund codes.

**Method 2 Automatic/Copy**

- We will examine Automatic/Copy method first
- If this is the first time you are doing Method 2 fiscal close, you will need to create your “previous year” fund codes in **Funds** mode prior to beginning the Fiscal Close process
- Change to **Funds** mode, highlight Current Funds
- Create new funds for the previous year by clicking on the **New** icon on the toolbar (shown below)
- A good practice is to name your previous year funds similar to your current ones, but to give them an initial letter “p” or a number (like “1”) which will distinguish them from the current year funds and will allow them to file alphabetically together in the display. Your current year funds could start with “c” and your previous year funds with “p” for example.
- Final hierarchy report of all funds done in Fiscal Close
- Follow the Fiscal Close process as described in Method 1 above until you get to tab 4, **Change Funds in Orders** (shown below)
- You will see all your funds (including the previous year funds) in the **From Fund** column
- In the right column (**To Fund**) select the Previous Year fund that you want to change to from the list. Double-click in the cell to get a popup list of all funds.
- You may do this for any or all of the funds listed in the **From Fund** column.
- If you do not wish to change your order records with a periodical fund code or standing order fund code, for example, do not select a fund in the **To Fund** column.
- Click **Process** to change the fund code in all orders that contain the fund code in the **From Fund** column records. This will archive funds/hierarchies (if selected) and change fund codes for the records you selected.
- If you do not want to change the fund code for all order records containing the same fund code, you will need to use the **Manual** method.
- The following report will display:
  - Encumbrances will be removed from the “current fund” and moved to the new fund. A report of all order records changed will display on the Report tab including a SUMMARY OF ENCUMBRANCE CHANGES report at the bottom. **Print** this report if you would like to keep a record of the changes.
- Click **Next** to move to the **Clear Funds** tab
- In the “Reset fund data to zero” section on the left, the **Appropriations for all funds** box is automatically checked (which means all the appropriations column shows zeroes in blue.
- In addition the **#Orders Year-to-Date for all funds** and **# Payments Year-To-Date for all funds** (on the right) are also automatically checked.
You can uncheck the **Appropriations for all funds** box and click in each cell in the appropriations, expenditure and/or encumbrance column to zero out that particular cell for each fund instead of zeroing out all if you wish.

The note at the top of the screen says that the Fund transfers made in the previous step have been saved and will be retrieved in the next step. This means that your encumbrances will be moved from the current year funds to the previous year funds in the next step.

Check the box to reset expenditures and appropriations to zero. The appropriations will be moved to the previous year funds in the next step.

Click **Process**.

Click **Next** to move to the next tab (**Adjust Funds**).

After processing you can see **all the figures for last year are now copied over to the Previous Year funds.** (This is because we have chosen Automatic/Copy as our Method 2 setting.) Any previous totals in the previous funds are overwritten (not added to!)

As with Method 1, Appropriations can be done here or can be done from Funds mode at a later date.

Even if you do not appropriate, you must **Post** to post the figures carried over from the previous step. If you do not post, those figures will be lost.

After posting you are finished and you will see the following message:

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**Method 2 Automatic/Transfer**

With the Automatic/Transfer method of Fiscal Close, the difference is in the figures that are copied to the Previous Year Funds. We will use the same figures so you can see the differences more clearly.

You can see that the newly-created Previous year funds are all zero and the totals for the current year funds are the same as in the Automatic/Copy example of this handout.

Tab 4 (Change Funds in Orders) is the same process. Change all the current year funds to be a previous year fund code. Then click **Process**.

Click **Next** to move to Tab 5.

Under Reset fund data to zero, “Appropriations for all funds” is automatically checked. If you only want to clear the current year funds, uncheck the **Appropriations for all funds** box and click in each cell in the appropriations, expenditure and/or encumbrance column to zero out the cell for each current year fund instead of zeroing out all.

You can see the columns zero out and change to blue. If you change your mind, unchecking the box will restore all the original figures.

Click **Process** to make the changes.

After processing, the blue background and blue numbers change and the **Process** button is grayed out.

Click **Next** to proceed to Tab 6.

What is different now from the fund totals from the Automatic/Copy method is that the expenditure column is zeroed out and the Appropriations column has had the expenditures subtracted from the previous Appropriations figure.
The total of the Previous Year Appropriations is now $1748.18 and the expenditures are zero, where with the other method, the Appropriations were $3900.00 and the Expenditures were $2151.82.

So, subtracting the expenditures of $2,151.82 from $3,900.00 results in $1,748.18, which is now the Appropriations total for the Previous Year funds.

Click **Post** to post the new figures *even if you don’t appropriate funds* for the current year. If you click **Cancel** instead of **Post**, you will lose the copied figures.

**Method 2, Manual**

- Using the Manual method allows you to input totals in all your columns instead of copying any figures over automatically.
  - This would be necessary if you wanted to change some order records with a specific fund code but not all order records
- To use the Manual method, you will need a printed copy of your final hierarchies Report as shown below:
- You can do this from Step 3 in **Fiscal Close** mode (or in **Funds** mode before beginning Fiscal Close).
- Click on the **Report** tab (at the bottom)
- Highlight your hierarchy and click the **Report** tab at the top.
- Select the options you want, including the page header and click **Start**.
- The report displays on the screen
- Print the report with the **Print** icon on the toolbar
- Repeat for all your hierarchies (if desired), then click **Next** at the bottom to continue to the Change Funds tab.
- **Change Funds in Orders** Tab:
  - This step will simply change the fund codes in order records that you *select* and report encumbrance changes that you need to make in the Adjust Funds tab.
  - The options that are available to you on this tab with the Manual method that are not available with either of the Automatic methods are:
    - Ability to select a range of records or records in a review file as the records whose fund code you wish to change
    - The ability to limit the change of fund codes to records with certain status codes
    - The ability to change (or not) fund codes that have been partially paid (status q or e) (See the area highlighted in red below)
- In addition, any change you make to fund codes is reported in the **Summary of Encumbrance Changes** report. These encumbrances are not automatically moved to the Previous Year funds. You will need to print this report and make the changes manually in the Adjust Funds tab (last step).
- Select the order records whose fund code you wish to change (by range or review file, etc.)
- Archiving Current Funds & Hierarchies to Old Funds & Hierarchies is optional, but if you want to do it, you must do it before processing the actions on this tab. The box is checked by default, so if you do not want to archive, uncheck the **Archive “Current Funds” amounts to “Old Funds”, and “Hierarchies” to “Old Hierarchies”** box.
To limit the selected order records to those with specific statuses, choose the **Limit to status** button. (The default is “o,c” (on order, ser on order)) In the **Code Selector dialog box**, choose one or more statuses and choose **OK**.

To set the STATUS field of the selected order records to a specific value, select the **Change status** check box. Then enter the one-character code for the new status.

To change the fund codes in records with the status of partially paid (status "q"), select the **Change funds for partials** check box. If you don't select this option, these records will be put in a review file, and you can update each record later. (see right side of display above)

The table at the bottom of the screen lists the funds used for the current fiscal year. In the To Fund column, enter the fund to which you want to:
- Change the fund code in order records
- Report encumbrance changes you need to make in Adjust Funds
- You can do this for any or all of the funds listed in the From Funds column.

After you have set up the **To Funds** column, select **Process**. This will archive funds/hierarchies (if selected) and change fund codes for the records you selected.

As it processes, the system displays a Processing dialog. When it completes, the **Reports** tab will display a summary of encumbrance changes.

After a fund has been processed, its original amounts cannot be restored. However, you can select more funds to change and Process again.

| WARNING: If you re-process, and have archived your funds, remember to uncheck that option the second and subsequent times. |

With the Report tab selected, choose Print from the toolbar to print the SUMMARY OF ENCUMBRANCE CHANGES report. You will use this information in the last step of the fiscal closing process, the Adjust Funds step.

Choose **Next** to go on to the next step, **Clear Funds** tab.

**Clear Funds** tab:
- The note at the top of the screen below (Tab 5, Clear Funds) says: *Reset to zero the Appropriations, Expenditures and Encumbrances for all funds you wish to change for the new fiscal year. In the following step [meaning tab 6, Adjust Funds] you will use the fund reports printed in Step 3 to enter new Appropriations and Encumbrances, and the Report printed in Step 4 to enter new Encumbrances.*

You will need to have a printed copy your hierarchy report from step 3 (called Report) and the report displayed after Processing in Step 4 (Change Funds in Orders) in order to make the necessary fund adjustments.
Printed Hierarchy report from Step 3:

<table>
<thead>
<tr>
<th></th>
<th>Appropriation</th>
<th>Expenditure</th>
<th>Encumbrance</th>
<th>Free Balance</th>
<th>Cash Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>xlbks</td>
<td>$1,000.00</td>
<td>$0.00</td>
<td>$242.90</td>
<td>$757.10</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>xlmmed</td>
<td>$500.00</td>
<td>$0.00</td>
<td>-$20.00</td>
<td>$520.00</td>
<td>$500.00</td>
</tr>
<tr>
<td>xlper</td>
<td>$1,000.00</td>
<td>$0.00</td>
<td>$623.00</td>
<td>$377.00</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>xlref</td>
<td>$100.00</td>
<td>$0.00</td>
<td>-$10.00</td>
<td>$110.00</td>
<td>$100.00</td>
</tr>
<tr>
<td>Totals</td>
<td>$2,600.00</td>
<td>$0.00</td>
<td>$835.90</td>
<td>$1,764.10</td>
<td>$2,600.00</td>
</tr>
</tbody>
</table>

- Report display on Step 4.
  - Reset # Orders Year-to-Date for all funds and # Payments Year-to-Date for all funds is checked by default. If you do not wish to reset these figures in your fund records, uncheck those boxes.
  - Select all or some of the appropriations, expenditures, and encumbrances to reset to zero (0.00) for the new fiscal year. (Fund transfers made in the previous **Change Funds in Orders** step, if any, have been saved and will be retrieved in the next step of the fiscal closing process.)
  - To reset appropriations, expenditures, and encumbrances to zero for all funds, select the Appropriations for all funds, Expenditures for all funds, and Encumbrances for all funds check boxes. Note that the Funds table highlights and displays 0.00 instead of the original amounts for the appropriations and expenditures columns.
  - To reset a majority of the appropriations, expenditures, and encumbrances to zero, select the Appropriations for all funds, Expenditures for all funds, and Encumbrances for all funds check boxes. Then click the individual appropriations, expenditures, and encumbrances cells for the funds you do not want to reset to zero. Those cells will display their original amounts and will not be reset to zero.
  - To reset a minority of the appropriations, expenditures, and encumbrances to zero, do not select the Appropriations for all funds, Expenditures for all funds, and Encumbrances for all funds check boxes. Instead, click the individual appropriations, expenditures, and encumbrances cells for the funds you want to reset to zero. The cells will be highlighted and display 0.00.
  - After you have made all your selections, choose **Process**. The amounts, as selected, will be reset to zero.
  - After a fund has been processed, its original amounts cannot be restored. However, you can select more funds to change and **Process** again.
  - Click **Next** to go on to the next step, **Adjust Funds** tab.

- **Adjust Funds Tab:**
  - All appropriations, expenditures, and encumbrances for the funds you selected display as zero (0.00). Using the reports you printed in the previous steps, enter the appropriate values for each of the funds.
  - In our example, our printed report at SUMMARY OF ENCUMBRANCE CHANGES shows us that we want to add an encumbrance of $78.50 to the pbks existing encumbrance ($85.90) which would be a total encumbrance of $164.40 and no additional encumbrances to the other funds.
- We change the encumbrance cell for this fund to the new total which now shows in blue until we post
- Post the session and you are finished

**Fiscal Close Mode (Method 3)**

- The tabs in Fiscal Close mode for Method 3 are identical to those in Method 1.
- The only difference is that in Method 3 you usually don’t zero out your appropriations, expenditures or encumbrances in tab 4 because you want to keep these totals and continue to pay from those funds. Instead, you only **Copy your current fund balances and hierarchies to Old funds and Old hierarchies and re-set the #payments and #orders year-to-date in your funds to zero** in this step, although some libraries do not even copy their old fund balances over.
- If you do not wish to copy your fund balances and hierarchies or set your year-to-date number of payments and number or orders for each fund record, you do not need to use Fiscal Close mode at all. All other steps could be done in Funds or Invoice mode.
- In tab 4 (Copy and Clear Funds) under the *Reset fund data to zero* section, the *Appropriations for all funds* is NOT automatically checked as it is for Method 1. The Archive “Current Funds” amounts to “Old Funds”, and “Hierarchies” to “Old Hierarchies” IS checked, as are the #Orders Year-to-Date for all funds and #Payments Year-to-Date for all funds.
- You should do this step before creating your next year’s funds if you want your “old” funds and “old” hierarchies to reflect the status of all your funds at the end of the current fiscal year before you create next year’s funds and hierarchies.
- Uncheck any of these options if you do not wish to perform those functions
- Click **Process** to process any changes, then click **Next** (which will not be grayed out after you Process) to move to Tab 5 (Adjust Funds)
- If you do not wish to appropriate funds at this time (which you can not do if you haven’t yet created next year’s funds), click on any other Mode to exit Fiscal Close mode.