

Preparing for your year-end close in Dynamics 365 Finance

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TechTalk Series - Optimize year-end close

- Preparing for your Year-end close ←
- Running the Year-end close ****Dec 12/13****

Agenda

- Describe the financial close process
- What has changed this year?
 - Ledger settlement changes
 - Consolidations changes
 - 1099 changes

Financial close process



Financial close process flow

Pre close



Close(Dec 12/13 session)

- Perform period end tasks in the subledgers.
 - For inventory closing, refer to TechTalk recording: [Part 5: Inventory Closing in D365 Supply Chain Management | March 23, 2022 - Microsoft Dynamics Blog](#)
 - Optional: Process 1099's for US IRS requirements **
- Post all journals
- Run foreign currency revaluation
- Ledger settle **
- Process allocations
- Post period-end adjustments
- Perform consolidations and generate financial statements **
- Create new fiscal year

- Determines source of opening account balances
- Process and stage account balance transactions
- Post to general ledger
- Rebuild dimension set balances

Financial period close workspace

Link to documentation:

[Financial period close workspace - Finance | Dynamics 365 | Microsoft Learn](#)

The screenshot displays the 'Financial period close' workspace. At the top, the breadcrumb navigation shows 'Finance and Operations Preview' > 'General ledger' > 'Workspaces' > 'Financial period close'. Below this is an 'Options' section with a search icon. The main heading is 'Financial period close' with a dropdown menu. Underneath is a 'Summary' section with four blue cards: 'Past due tasks' (131), 'Today's remaining tasks' (0), 'Today's blocked tasks' (0), and 'All remaining tasks' (131). The 'Tasks and status' section features a left-hand menu with options: 'Status by company', 'Status by area' (selected), 'Status by person', and 'Task list'. The main content area has two dropdowns: 'All tasks' and 'All companies'. Below these are six task categories, each with a progress bar and completion percentage: 'Accounts receivable' (33.33% COMPLETE, 30 of 45 tasks remaining), 'Accounts payable' (16.67% COMPLETE, 25 of 30 tasks remaining), 'General ledger' (0.00% COMPLETE, 40 of 40 tasks remaining), 'Tax' (0.00% COMPLETE, 10 of 10 tasks remaining), and 'Inventory' (100.00% COMPLETE, 0 of 15 tasks remaining).

Improvements and enhancements since last year

- Awareness between ledger settlements and year-end close (10.0.25)
- Ledger settlements automation (10.0.31)
- Ledger settlements inquiry (10.0.31)
- Consolidation reporting currency and batch processing improvements
- United States 1099's

Ledger settlement changes



Ledger settlement

- What?
 - Matching debit and credit transactions in the general ledger
- Why?
 - Reconciliation tool to match the ledger balance to detailed transactions
 - Goal is to make it easier to focus on the open transactions and analyze any discrepancies in the account balance

Ledger settlements and year-end close pain points

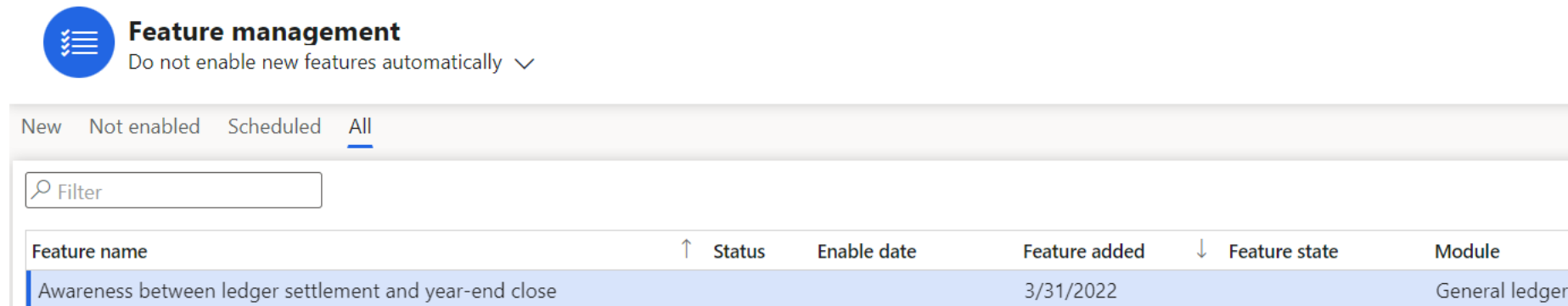
Ledger settled transactions are included in beginning balance of next fiscal year

- **Foreign currency revaluation:** FCR does NOT revalue ledger settled transactions. Because Year-end close (YEC) includes ledger settled transactions in the beginning balance, the amounts are incorrectly revalued again in the next fiscal year

When running the year-end close, ALL detailed transactions are summarized into the beginning balance, even those that are settled. All ledger settlement 'detail' is lost.

- **Ledger settlement:** Losing the detailed transactions makes it impossible to settle transaction in the next fiscal year to the detail of the previous fiscal year. We also don't allow partial ledger settlement.

Awareness between ledger settlement and year-end close (Available 10.0.25)



The screenshot shows the 'Feature management' interface. At the top, there is a blue circular icon with three horizontal lines, followed by the text 'Feature management' and a dropdown menu set to 'Do not enable new features automatically'. Below this, there are tabs for 'New', 'Not enabled', 'Scheduled', and 'All', with 'All' being the active tab. A search bar labeled 'Filter' is present. The main content is a table with the following columns: 'Feature name', 'Status', 'Enable date', 'Feature added', 'Feature state', and 'Module'. The table contains one row with the following data: 'Awareness between ledger settlement and year-end close', an upward arrow, an empty cell, '3/31/2022', and 'General ledger'.

Feature name	Status	Enable date	Feature added	Feature state	Module
Awareness between ledger settlement and year-end close	↑		3/31/2022		General ledger


- During general ledger year-end close, ledger transactions that have been settled will no longer be included in the opening balance of the next fiscal year.
- Option to post detailed opening balance transactions for unsettled transactions during general ledger year-end close.
- The feature can't be enabled if the public sector year-end close process is being used. PS YEC is used when GL parameter "Use Fund dimension for year-end transactions" = Yes.







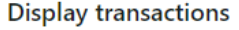
Awareness between ledger settlement and year-end close feature(Available 10.0.25)

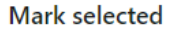
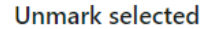
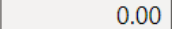
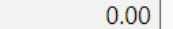



Changes to ledger settlement


- Settlement must occur for transactions within the same fiscal year
- Settlement must be done for transactions in a single main account
- Settlement and the reversal of ledger settlement is not allowed for transactions that are posted within a closed fiscal year (YEC has been run)

Ledger settlements

Standard view * 

From date: 1/1/2022  To date: 12/31/2022  Main account: 200190  Date interval code:  Posting layer: Current  Financial dimension set:  

Mark selected  Unmark selected  Selected: 0.00  Marked: 0.00  Show all  Status: All  Sort by absolute amount: None 

<input type="radio"/>	Marked	Status	Automation rule	Settlement ID	Journal nu...	Voucher	Date		Ledger account	Currency	Amount in transaction currency
<input type="radio"/>		Not settled			020967	GNJL0008...	10/5/2022		200190--	USD	-1,000.00
		Not settled			020968	GNJL0008...	10/10/2022		200190--	USD	-70.00

Awareness between ledger settlement and year-end close feature(Available 10.0.25)

Changes to year-end close

- Year-end close cannot process if the feature is enabled and cross-fiscal year settlements exist. Error message: "The year-end close can't be run because one or more ledger transactions posted into the fiscal year that you are closing were settled to a ledger transaction in a different fiscal year."
- A year-end close can't be reversed if any opening balance transactions have been settled in the next fiscal year. Error message: "The year-end close for 1/1/2022 can't be reversed because beginning balance transactions have been ledger settled in fiscal year 1/1/2023."
 - This change applies when a year-end close is reversed, or when a year-end close is rerun and the **Delete existing year-end entries when re-closing the year** option is set to **Yes** in General ledger parameters.
- If the **Keep detail during year-end close** option is set to **Yes** for any balance sheet account in the ledger settlement, more detailed opening balance transactions will be created for that main account.

Keep detail during year-end close

When enabled, a separate opening balance will be created for each ledger transaction that isn't settled.

The following values from the original transactions are copied to the opening balance transactions.

- Ledger account
- Amounts in the transaction, accounting, and reporting currencies
- Description
- Posting layer
- Posting type

Greatly improves the ability to settle the unsettled ledger transactions in the next fiscal year.

Available for Balance sheet accounts.

General ledger parameters

Ledger settlements

Enable ledger settlements Yes

Set up the list of accounts that can be used for ledger settlement

Charts of accounts: Shared (dropdown) | Description: Shared Chart of Accounts

+ New | Delete

<input type="checkbox"/>	<input type="checkbox"/>	Main account	Account name	Main account type	Keep detail during year-end close	Settlement typical balance
<input checked="" type="checkbox"/>	<input type="checkbox"/>	200140 (dropdown)	Accrued Purchases - Rece...	Liability	No (dropdown)	Credit (dropdown)

Keep detail during year-end close example:

THE FOLLOWING TRANSACTIONS EXIST IN 2022. THEY ARE NOT YET SETTLED:

Journal number	Voucher	Date	🔽	Ledger account	Currency	Amount in transaction currency
020958	GNJL000815	11/29/2022		200190--	USD	1,000.00
020959	GNJL000816	12/12/2022		200190--	USD	2,000.00

WHEN 'KEEP DETAIL DURING YEAR-END CLOSE' IS ENABLED, BOTH UNSETTLED ENTRIES ARE BROUGHT FORWARD AS OPENING BALANCES IN 2023:

Journal number	Voucher	Date	🔽	Type	🔽	Ledger account	Account name	Currency	Amount in transaction currency
020964	2022_WITH_DETAIL	1/1/2023		Opening		200190--	Accrued Purchases	USD	2,000.00
020964	2022_WITH_DETAIL	1/1/2023		Opening		200190--	Accrued Purchases	USD	1,000.00

WHEN 'KEEP DETAIL DURING YEAR-END CLOSE' IS NOT ENABLED, THE UNSETTLED ENTRIES ARE SUMMARIZED AS AN OPENING BALANCE IN 2023:

Journal number	Voucher	Date	🔽	Type	🔽	Ledger account	Account name	Currency	Amount in transaction currency
020966	2022_WITHOUT_DETAIL	1/1/2023		Opening		200190--	Accrued Purchases	USD	3,000.00

Recommendations and Tips

- ⊙ We recommend settling marked transactions prior to enablement
- ⊙ Determine whether you will enable the feature before or after completing the year-end close for this fiscal year
 - Must identify, unsettle, resettle ledger transactions that are settled across fiscal years, only for fiscal year being closed
 - Must not enable feature if running the year end close process more than once for a fiscal year, only enable after year end is complete
 - [Awareness between ledger settlement feature before the year-end close - Finance | Dynamics 365 | Microsoft Learn](#)
 - [Awareness between ledger settlement feature after the year-end close - Finance | Dynamics 365 | Microsoft Learn](#)
- ⊙ Public documentation: [Awareness between ledger settlement and year-end close - Finance | Dynamics 365 | Microsoft Learn](#)

Automated ledger settlement (10.0.31)

Save time

Reduction of manual tasks during period-end

Close books faster

Accountant can focus on the exceptions

Prioritize your matching processes

Ability to schedule the task, using user-defined selection and match criteria

Continuous touchless reconciliation

Schedule and define match criteria

Schedule to run in the background

Select ledger settlement accounts

Match criteria includes Posting type and Financial dimension

System performs Ledger settlements from the start of the fiscal year to the current system date

Create new process automation

Define the criteria used to automatically match ledger account debits and credits. The Main account and Posting layer options are required match criteria. One debit transaction will be automatically matched to one credit transaction if the transaction's accounting currency amounts are equal.

General
 Ledger settlements match cri...

Main accounts

AVAILABLE MAIN ACCOUNTS		SELECTED MAIN ACCOUNTS	
Main account	Account name	Main account	Account name
<input type="checkbox"/> 130100	Accounts Receivable - ...	<input checked="" type="checkbox"/> 200140	Accrued Purchases - Re...
<input type="checkbox"/> 200180	Withholding tax clearin...		

Match Criteria

Main account Yes

Posting layer Yes

Posting type No

Financial dimensions Yes

Financial dimensions

AVAILABLE FINANCIAL DIMENSIONS		SELECTED FINANCIAL DIMENSIONS	
<input type="checkbox"/> Agreement		<input checked="" type="checkbox"/> BusinessUnit	
<input type="checkbox"/> Cashflow_CN		<input checked="" type="checkbox"/> CostCenter	
<input type="checkbox"/> CostCenter_CN			
<input type="checkbox"/> Department			

Demo “Automate ledger settlements”

Ledger settlements inquiry (10.0.31)

Ledger settlements inquiry

Parameters

DATE RANGE

From date: 1/1/2022
To date: 6/1/2022
Date interval:

DATA TO INCLUDE

Main account: 200140
Financial dimension set: Main Account
Status: All

Show transactions

Filter

<input type="radio"/>	Main account	Transaction date	Transaction age	Voucher	Account name	Currency	Transaction currency...	Transactio...	Accounting currency d...	Accountin...	Reporting ...	Reporting ...	Status
<input checked="" type="radio"/>	200140	1/26/2022	305	GNJL000804	Accrued Purchases - Rece...	USD	200.00	0.00	200.00	0.00	200.00	0.00	Not settled
<input type="radio"/>	200140	2/15/2022	285	GNJL000805	Accrued Purchases - Rece...	USD	10,930.99	0.00	10,930.99	0.00	10,930.99	0.00	Not settled
<input type="radio"/>	200140	3/26/2022	246	GNJL000806	Accrued Purchases - Rece...	USD	0.00	8,093.99	0.00	8,093.99	0.00	8,093.99	Not settled
<input type="radio"/>	200140	4/25/2022	216	GNJL000807	Accrued Purchases - Rece...	USD	770.31	0.00	770.31	0.00	770.31	0.00	Not settled
<input type="radio"/>	200140	5/31/2022	180	GNJL000808	Accrued Purchases - Rece...	USD	0.00	86.78	0.00	86.78	0.00	86.78	Not settled

Recommendations and Tips

- ⊙ The automation will execute for transactions dated from the first day of the fiscal year to the date that the system executes the automation. We recommend that you monitor the occurrences so that the last run happens as close to the last day of the fiscal year as possible.
- ⊙ For example, assume that you have an automation set up to run monthly on the first day of the month. It executed on December 1st, 2022 and is scheduled to run on January 1st, 2023. It is recommended to alter the January 1st, 2023 occurrence to run instead on December 31, 2022. This will ensure that the transactions dated December 2-31 will be considered for automatic settlement.
- ⊙ Public documentation: [Automate ledger settlements - Finance | Dynamics 365 | Microsoft Learn](#)

Consolidation changes



Reporting currency consolidation options

New parameter "Select consolidation amount from". Options include:

- Accounting currency
- Reporting currency

New parameter "Consolidate accounting currency". Options include:

- Use currency translation
- Use accounting currency amount

Standard view ∨

Consolidate [Online]

Criteria Financial dimensions Legal entities Elimination Currency translation Run in the background

Description: Year-end consolidation

MAIN ACCOUNT

From: 110110 ∨

To: 119999 ∨

Use consolidation account: Yes

Select consolidation account from: Main account ∨

Consolidation account group:

CONSOLIDATION PERIOD

From: 📅

To: 📅

Select consolidation amount from: Accounting currency ∨

Consolidate accounting currency: Use currency translation ∨

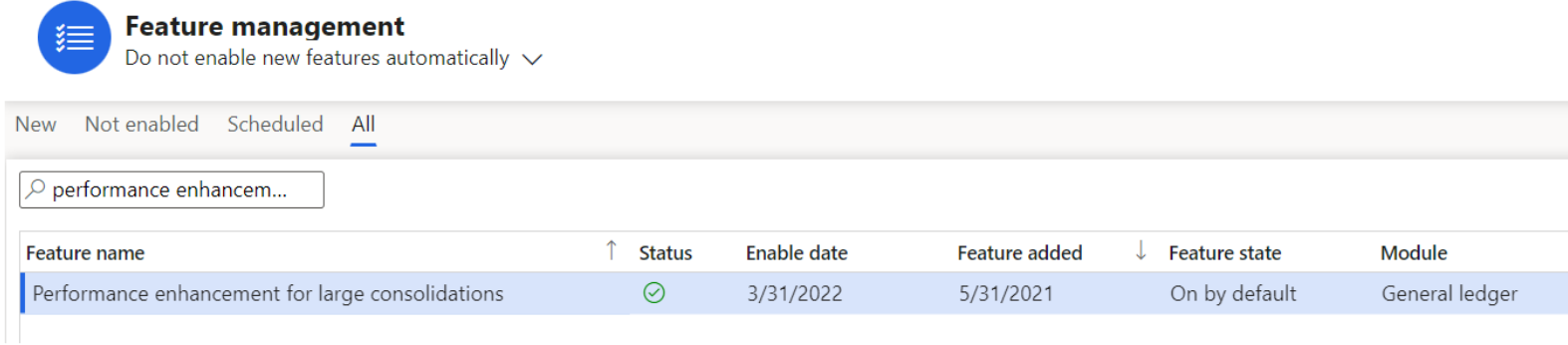
Include actual amounts: No

Include budget amounts: No

Rebuild balances during consolid...: Yes

Parallel processing of consolidation batches/better performance

The enhancement improves the performance of the general ledger consolidation process by splitting the consolidation into multiple tasks that can be processed in parallel.



Feature management
Do not enable new features automatically ▾

New Not enabled Scheduled All

🔍 performance enhancem...

Feature name	↑ Status	Enable date	Feature added	↓ Feature state	Module
Performance enhancement for large consolidations	✔	3/31/2022	5/31/2021	On by default	General ledger

Accounts payable 1099 changes



1099 Changes for United States (Available 10.0.29)

Update to all of our supported 1099 forms:

- Conversion to continuous use form:

OMB No. 1545-0115
Form 1099-MISC
(Rev. January 2022)
For calendar year 20 ____

**Miscellaneous
Information**

1099-MISC form update:

- Box 13 was added, which shifted numbering of 13 – 18:

	13 FATCA filing requirement <input type="checkbox"/>	14 Excess golden parachute payments \$	15 Nonqualified deferred compensation \$	
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	16 State tax withheld \$	17 State/Payer's state no.	18 State income \$
		\$		\$

Recommendations and Tips

- ✓ Plan to validate your 1099 information prior to the IRS filing deadlines.
- ✓ Public documentation: [Year-end 1099 reporting - Finance | Dynamics 365 | Microsoft Learn](#)

Resource recap

- ④ [Awareness between ledger settlement and year-end close - Finance | Dynamics 365 | Microsoft Learn](#)
 - [Awareness between ledger settlement feature before the year-end close - Finance | Dynamics 365 | Microsoft Learn](#)
 - [Awareness between ledger settlement feature after the year-end close - Finance | Dynamics 365 | Microsoft Learn](#)
- ④ [Automate ledger settlements - Finance | Dynamics 365 | Microsoft Learn](#)
- ④ [Year-end activities FAQ - Finance | Dynamics 365 | Microsoft Learn](#)
- ④ [Year-end 1099 reporting - Finance | Dynamics 365 | Microsoft Learn](#)
- ④ [Optimize year-end close - Finance | Dynamics 365 | Microsoft Learn](#)
- ④ [Financial period close workspace - Finance | Dynamics 365 | Microsoft Learn](#)
- ④ [Part 5: Inventory Closing in D365 Supply Chain Management | March 23, 2022 - Microsoft Dynamics Blog](#)
- ④ Please attend next week's session "Running the Year-end close for Dynamics 365 Finance (DTT118EXT2)"

Thank you



Demo: Automate Ledger settlements

Finance and Operations Preview

Feature management



Feature management

Do not enable new features automatically ▾

New Not enabled Scheduled All

🔍 automate

Feature name	↑ Status	Enable date	Feature added	↓ Feature state	Module
Automate ledger settlements process	✓	11/29/2022	11/23/2022		General ledger

Demo: Parameter "Settlement typical balance"

Finance and Operations Preview General ledger > Ledger setup > General ledger parameters

Save Options

My view ▾
General ledger parameters

Ledger

Sales tax

Inventory dimensions

Number sequences

Batch transfer rules

Chart of accounts and dimensions

Ledger settlements

Ledger settlements

Enable ledger settlements
 Yes

Set up the list of accounts that can be used for ledger settlement

Charts of accounts Description
Shared Shared Chart of Accounts

+ New Delete

	Main account	Account name	Main account type	Keep detail during year-end close	Settlement typical balance
<input type="radio"/>	200140	Accrued Purchases - Rece...	Liability	No	Credit
<input type="radio"/>	200190	Accrued Purchases	Liability	No	Debit

Settlement typical balance

This option indicates the order that the ledger settlement information will be processed. When Debit is selected, the automated ledger settlement process will start with the debit side and search for corresponding credits. When Credit is selected, the automated ledger settlement process will start with the credit side and search for the corresponding debits. This option should reflect the main account's typical balance.

Demo: Starting data showing unsettled values

Finance and Operations Preview USMF

General ledger > Periodic tasks > Ledger settlements

Settle marked transactions ▾ Reverse marked transactions Ledger settlement accounts Unmark for selected users ▾ Unmark all transactions View original voucher Options 🔍

Ledger settlements

Standard view * ▾

From date: 1/1/2022 To date: 12/31/2022 Main account: 200190 Date interval code: Posting layer: Current Financial dimension set: Display transactions

Mark selected Unmark selected Selected: 0.00 Marked: 0.00 Marked: Show all Status: All Sort by absolute amount: None

<input type="radio"/> Marked	Status	Automation rule	Settlement ID	Journal nu...	Voucher	Date	🔍 Ledger account	Currency	Amount in transaction currency		Amount
<input type="radio"/>	Not settled			020967	GNJL0008...	10/5/2022	200190--	USD	-1,000.00		1,000.00
	Not settled			020968	GNJL0008...	10/10/2022	200190--	USD	-70.00		70.00
	Not settled			020969	GNJL0008...	11/1/2022	200190--	USD	70.00	70.00	
	Not settled			020958	GNJL0008...	11/29/2022	200190--	USD	1,000.00	1,000.00	
	Not settled			020959	GNJL0008...	12/12/2022	200190--	USD	2,000.00	2,000.00	

Demo: Process automation scheduler

Create new process automation

General

Ledger settlements match crit...

SERIES

Schedule type

Ledger settlements

Name

Accountant A Accruals

Description

Owner

Admin

Company

usmf

SCHEDULING

Schedule time

01:00:00 AM

Start date

11/29/2022

End date

12/12/2022

Time zone

(GMT) Coordinated Universal...

OCCURRENCE PATTERN

Repeats

Daily

REPEAT INTERVAL (DAYS)

Daily repeat interval

1

EVERY WEEKDAY

Demo: Process automation match criteria

Create new process automation

- General
- Ledger settlements match cri...

Define the criteria used to automatically match ledger account debits and credits. The Main account and Posting layer options are required match criteria. One debit transaction will be automatically matched to one credit transaction if the transaction's accounting currency amounts are equal.

Main accounts

AVAILABLE MAIN ACCOUNTS

<input type="radio"/> Main account	Account name	:
<input type="radio"/> 200140	Accrued Purchases - Re...	



SELECTED MAIN ACCOUNTS

<input type="radio"/> Main account	Account name	:
<input type="radio"/> 200190	Accrued Purchases	

Match Criteria

Financial dimensions

AVAILABLE FINANCIAL DIMENSIONS

<input type="radio"/> Agreement
Cashflow_CN
CostCenter
CostCenter_CN



SELECTED FINANCIAL DIMENSIONS

<input type="radio"/> BusinessUnit

Demo: Calendar view of scheduled runs

Process automations

Standard view ▾

Scheduled

[Edit](#) [Delete](#) [View occurrences](#) [Disable](#)

Name	Type	E...	Company	Repeats	Schedule time	Start date	End date
Accountant A Accruals	Ledger settlements	✓	usmf	Daily	1:00:00 AM	11/29/2022	12/12/2022

← Week of 11/28 - 12/4 →

Monday: 11/28/2022 (0) ▾

Tuesday: 11/29/2022 (1) ▴

Ledger settlements

COMPLETED

usmf | Accountant A Accruals
Completed at 09:15:27 pm

[View results](#)

Wednesday: 11/30/2022 (1) ▴

Ledger settlements

SCHEDULED

usmf | Accountant A Accruals
Will occur at 01:00:00 am

[View/Edit](#) ▾

[Disable](#)

Demo: Results of automation run

Finance and Operations Preview USMF

General ledger > Periodic tasks > Ledger settlements

Settle marked transactions ▾ Reverse marked transactions Ledger settlement accounts Unmark for selected users ▾ Unmark all transactions View original voucher Options 🔍

Ledger settlements

Standard view * ▾

From date: 1/1/2022 To date: 12/31/2022 Main account: 200190 Date interval code: Posting layer: Current Financial dimension set: Display transactions

Mark selected Unmark selected Selected: 0.00 Marked: 0.00 Marked: Show all Status: Settled Sort by absolute amount: None

<input type="radio"/>	Marked	Status	Automation rule	Settlement ID	Journal nu...	Voucher	Date	🔍 Ledger account	Currency	Amount in transaction currency	Amount
<input type="radio"/>	Marked	Settled	Accountant A Accruals	012374	020967	GNJL0008...	10/5/2022	200190--	USD	-1,000.00	1,000.00
		Settled	Accountant A Accruals	012373	020968	GNJL0008...	10/10/2022	200190--	USD	-70.00	70.00
		Settled	Accountant A Accruals	012373	020969	GNJL0008...	11/1/2022	200190--	USD	70.00	70.00
		Settled	Accountant A Accruals	012374	020958	GNJL0008...	11/29/2022	200190--	USD	1,000.00	1,000.00