
2020 YEAR-END PROCESSING FOR TOPS PROFESSIONAL® & TOPS IQ®

This document summarizes the steps required to close the books for the calendar year ending December 31, 2020. This procedure will cover all relevant modules for TOPS Professional and TOPS iQ.

CURRENT PERIOD PROCESSING

For all modules in TOPS Professional and TOPS iQ, you may continue to process for January (or whatever the first month of your fiscal year might be) even though you have not closed the year. TOPS can interpret transactions by date and will recognize the dates in the new year and automatically keep them separate from transactions for the year just ended.

CALENDAR VS. FISCAL CLOSING

There are some modules that **MUST** be closed on a calendar year regardless of the Fiscal Year. To help remind you which are Calendar and which are Fiscal, follow this list below:

TOPS Module	When Year Ends
Accounts Payable	Calendar
General Ledger	Fiscal
A/R & Owner Collections	No Action Necessary

If you do not use all the TOPS modules covered below, simply follow the guidelines for the ones that apply to you.

BACKUPS

Before closing any of the modules for Year End it is **strongly recommended** that you make a backup of all your Communities and Master Folder. These will be located on your server usually under the “TOPSSOFT” folder. This is an important safeguard just in case you need to restore the files for any reason. You will need this backup. When the backup is completed, label it “**2020 YEAR-END BACKUP**” and store it permanently.

If you want to make an offsite backup at year-end, consider using the **TOPS Internet Backup Service** where your data can be safely and securely backed up before closing the year. Visit our web site at <https://prosupport.topssoft.com/hc/en-us/categories/360000166391-Backup-Service-> for more information, or to sign up for an account. Here is a link for the [TOPS Pro/iQ TOPS Internet Backup documentation.](#)

CALENDAR YEAR END: ACCOUNTS PAYABLE

Due to the 2020 IRS changes to 1099's this year requiring e-filing, some changes have been made to TOPS Professional & iQ.

1. Starting this year, we will no longer have the option to print 1099's from TOPS Professional. The vendor information will need to be exported out of Professional, then imported to 3rd party program, like Yearli. Click here to learn more about Yearli and its TOPS integration.
2. We have a new setting for fields regarding the **new 1099-NEC forms**. Click here *to learn more and see if you need to fill out the new form*.

[2020 Year End 1099 Changes for TOPS iQ](#)

[2020 Year End 1099 Changes for TOPS Pro](#)

Before the following changes can be reflected on your device, update your server and workstation.

FISCAL YEAR END: General Ledger

- **Year End Close Overview:** During the close year process, all income and expense accounts (both positive and negative balances) are moved to Retained Earnings. This is the starting point for the next year, making all the income and expense accounts a zero balance as of the first day of the new accounting year. The TOPS program will automatically post the required entries for you and transfer the appropriate balances.
- **Make Final Adjusting Entries:** You will need to make sure that all entries have been made prior to the closing of the year. This includes bank statements (interest income, CD interest, etc), any adjustments (bank service charges, NSF fees, etc.) or adjustments to reserves/expenses and any other journal entries that are requested by the auditor or CPA prior to closing the year.
- **When Should I Close the Year?:** You can continue to work as usual in TOPS even if you have not closed the year. For example, if your Accounting year ends on December 31, you can continue posting into January, etc., without closing the year. The system does not require the year to be closed within a certain timeframe (except for the Payroll module). If you do decide not

close the year, keep in mind that the ***financials will appear out of balance for the new year until the current year is closed.*** This is because the system is still including the previous year's income/expense totals that have not been closed and moved to the retained earnings account.

- **Can I adjust a closed year?**: If you do have adjustment after a year end close, TOPS does offer a Reclose Prev. Year option which allows you to post prior year adjustments then reclose the previous year.

Processing Year-End

The steps involved in closing this module are:

- **Check Accounting Period** (Fiscal Year File)
Leave Year "as is" -- the dates are automatically updated to the new year
- **Print General Ledger** for whole year showing all Ledger transactions. This report can be printed from GL > Reports > General Ledger.
(Example - Make the date range span the entire year (Ex. 01/01/20 to 12/31/20))
- **Perform "Close Year"** (on the G/L menu).

GL - Close accounting year XX - Sample Com...

The date from the Accounting Period
file the G/L will be closed "as of"
will be 12/31/20

Purge G/L Detail Preserve G/L Detail

Current Budget - 2020

Leave budgets as they are
 Set budgets to zero
 Move next year budgets

Next Year's Budget

Clear next years budget
 Leave next years budget "as is"

WARNING

 This will close the General Ledger "as of" the year-end date above. The detail of all the account activity for the closed year will be preserved so that you can view it on the screen, reprint reports and make adjusting entries after closing the General Ledger. If you proceed with this closing option, a Journal Entry will be created automatically to Retained Earnings for the Net Income/Loss for the year. The Fiscal Year will be automatically updated to the next year for you during the closing process. MAKE SURE YOU WANT TO DO THIS BEFORE PROCEEDING

Reclose Prev. Year OK Cancel

Make sure the closing date shows the year being closed--not the new year.

Budgets - you have these options:

1. Leave Budgets "as is"
2. Set Budgets to zero
3. Move Next Year Budget to Current Year

- **G/L Data** – TOPS gives you the option to retain all your G/L account transactions (full history) for the previous year. This lets you reprint financial statements and research questions because the full year's G/L activity can still be viewed and printed, but it does take up more space on your computer system. The choices are:
 1. Purge G/L Detail
 2. Preserve G/L Detail (the default which allows you to reprint the previous year's financials if you wish)Select which option you prefer.
- **Update Budgets for New Year** (on the G/L Menu under "Chart of Accounts", select the new "Budget Entry" button on the toolbar at the top of the screen—you will see a spreadsheet interface for entering the new budgets). If you have NOT closed the year in GL yet, enter the Budgets for next year into the "Next Year" Budget—then use option #3 above during the GL Closing to move Next Year's Budgets to the Current Year. If you have already closed the year in GL and had not yet entered the Budgets for the new year, then enter them into the "Current Year" Budget.

** TOPS automatically books the Net Income/Loss over to the Retained Earnings account (defined in your "G/L Control File". No manual Journal Entry is needed for this step.

FISCAL YEAR-END CLOSING: Accounts Receivable

You do not need to perform any closing procedure here in order to proceed into the new year. You can keep as many years of Owner Payment History as you wish.

If your owner charges increase or decrease for the new year, you will need to update the charge tables(s):

- **Update Charge Tables for new Amounts** if necessary.

AR - Maintain Charge Tables XX - Sample Community

Charge Tables

Use down arrow to browse Charge Tables or click + to Add a new Charge Table.

Table #
Title
Frequency

Date of Last Application Fee
Calculation Method

Date of Last Late Fee
Late Fee Method

G/L Income Account -

G/L Receivable Account -

Num of Charge Catgs

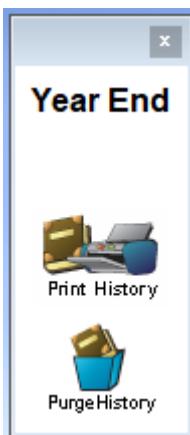
Round to nearest Dollar
 This is a Continuing Charge
 This is a Temporary Charge

Catg.	Description	AMOUNT	LATE FEE	Min Liab.	Ratio	Stop Date

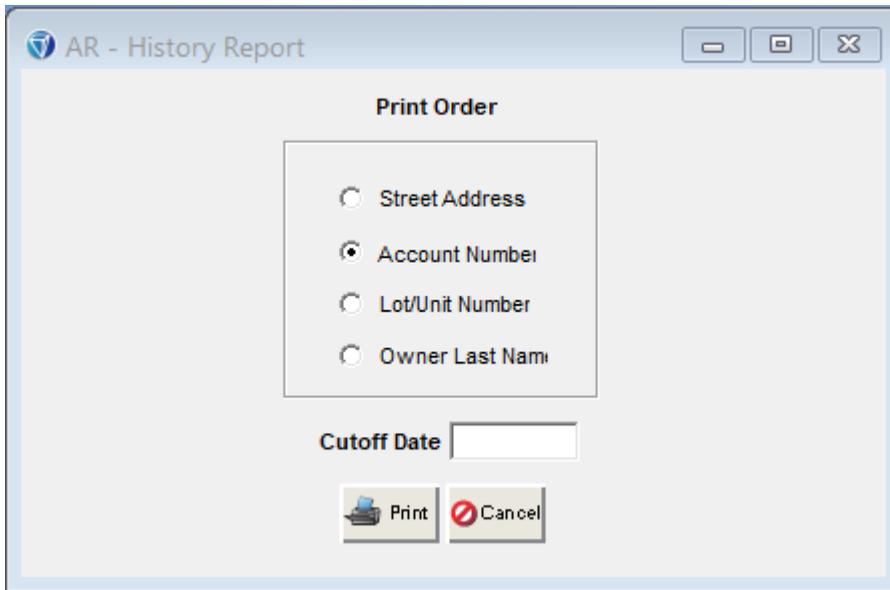
Accounting Method: **ACCRUAL**

All red fields are required

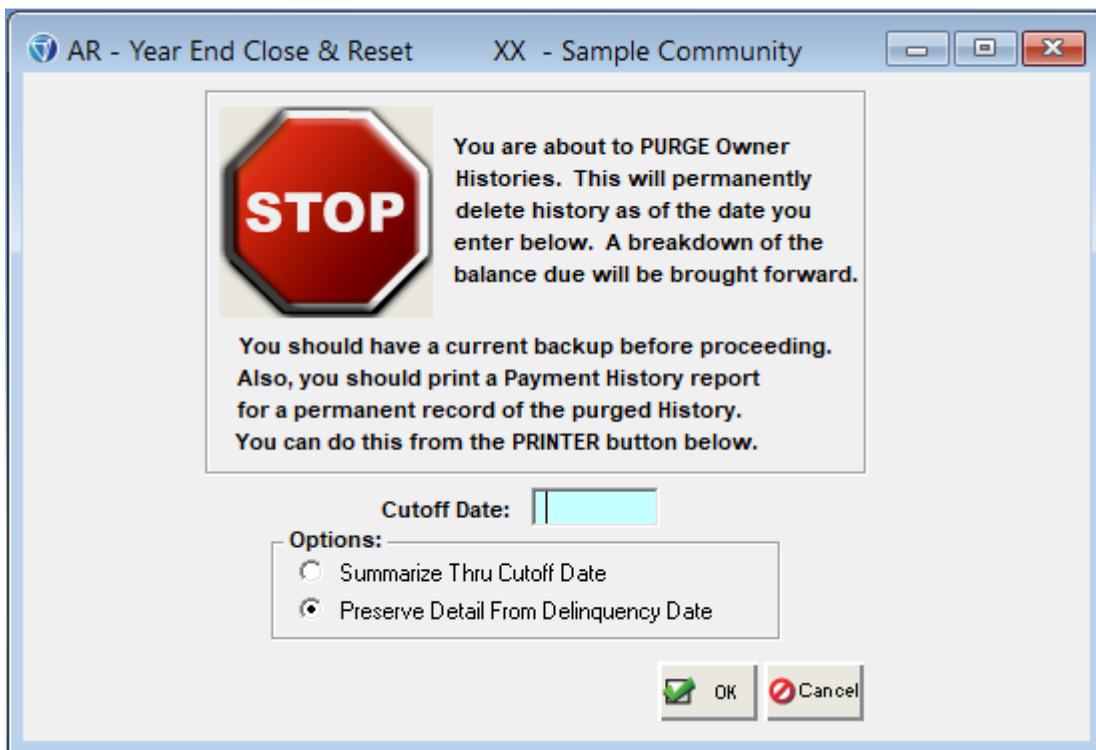
Optional (you do NOT need to do this unless you want to clear old payment history).



- **Print Payment History Report**



- **Purge Owner Payment History**



For detailed information about AR Year End, please refer to this document:
<https://prosupport.topsoft.com/hc/en-us/articles/360052676632>

This concludes the year-end processing guide for the 2020 calendar year.