

Microsoft Dynamics® AX period closing checklist

This checklist is designed to help your finance team streamline their period-end close processes.

Accounts receivable

Sales orders

Recognize revenue in the right period based on transfer of ownership

- Confirm deliveries are invoiced
Tip: The term of delivery and mode of delivery on sales order headers may be useful identifiers to determine whether ownership has transferred or needs to be confirmed.
- Reconcile shipped not invoiced to the general ledger

Accounts receivable

Recognize receivables in the right period

- Confirm all new and open accounts receivable journal entries are posted for the period
- Reconcile accounts receivable to the general ledger

Accounts payable

Purchase orders

Recognize assets or expenses in the right period based on transfer of ownership and recognize purchase variances

- Record purchase receipts
Tip: Have your operations team closely monitor inventory in “registered” status prior to the end of the period. In this status, the inventory is considered physical inventory but not recorded in the general ledger.
- Enter invoices related to purchase orders
- Reconcile accrued purchases to the general ledger

Accounts payable

Recognize liabilities in the right period

- Confirm all new and open accounts payable journal entries are posted for the period
- Reconcile accounts payable to the general ledger





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Check out our newest app, the [Crowe Financial Close Workbench](#), which helps to improve visibility to financial results by better managing and monitoring your closing activities.

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General ledger

Period management

Establish controls around period-end processing activity

- Set the prior period to “on hold” for all individuals outside of the accounting team working to finalize period-end

Tip: Setting period status to “on hold” instead of “closed” will allow the ability to make updates to transactions in a period in case of an unexpected event. Otherwise the “on hold” status will keep the period closed.

Bank

Validate cash balances

- Perform bank reconciliation

General ledger

Capture manual and recurring journal entries

- Confirm all new and open journal entries are posted for the period
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Manufacturing

Production orders

Capitalize the transformation cost of inventory and recognize manufacturing cost variances

- Confirm all open production transactions are posted for material, labor, and overhead
- End all open production orders that can be posted for the period

Tip: Have your operations team closely monitor production orders that are open for periods of time longer than you would normally expect so these production orders are closed accordingly.

- Reconcile production work in process to the general ledger

Inventory

Apply the assigned inventory cost principle to inventory transactions

- Confirm all open inventory journals for the period being closed are posted
- Perform inventory close

Tip: All sales order, purchase order, production order, and inventory steps preceding this step that affect inventory need to be complete before inventory close.

- Reconcile inventory and compare inventory value before and after close to validate adjustments

Tip: In FIFO, LIFO, and weighted average cost environments, running the recalculation will adjust previously created inventory transactions (including cost of sales) to be based on the cost principle assigned to the item.

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