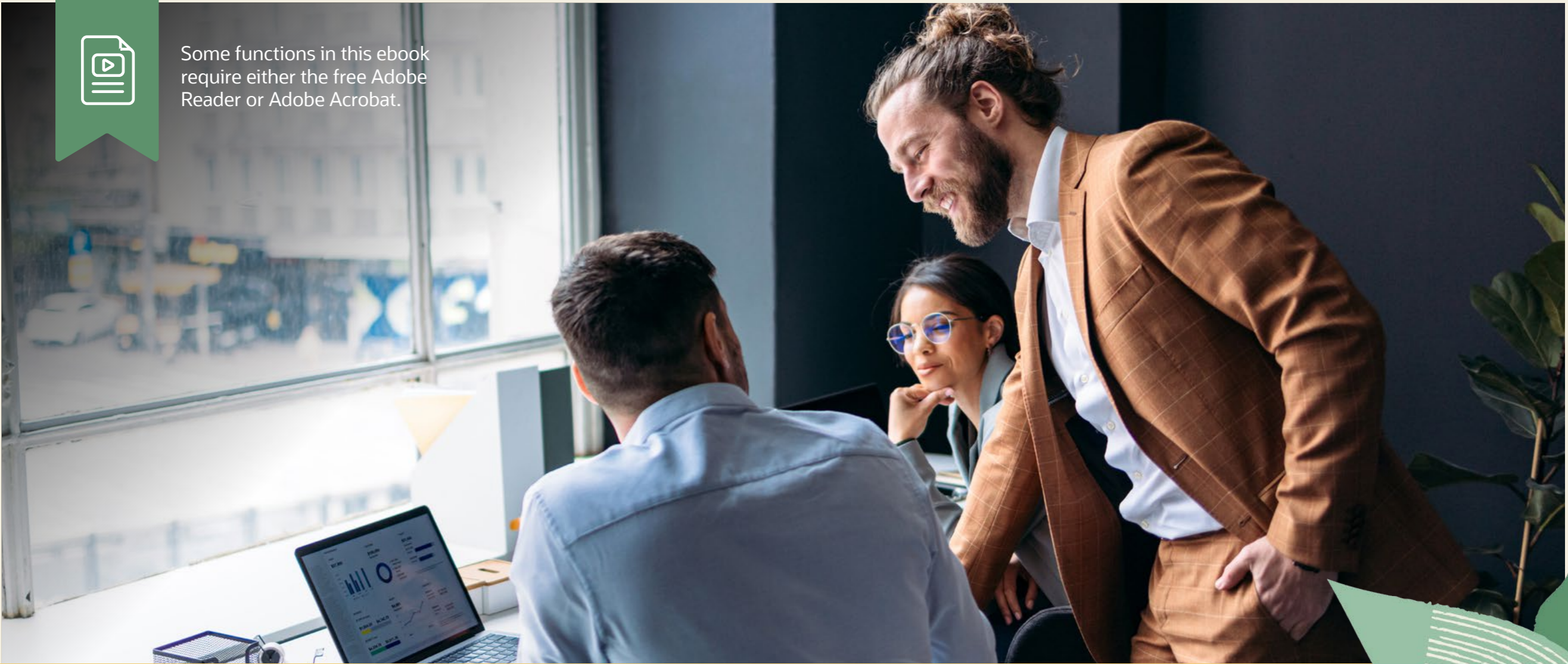




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How to Efficiently Close Your Accounting Periods in NetSuite

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NetSuite helps optimize accounting at every phase, eliminating human error and speeding up operations. When it comes time to close your accounting period, NetSuite's streamlined close checklist and prebuilt reports and searches further optimize and accelerate this key business process.

The following tips will help make your period close activities as efficient as possible so that your organization can accurately report financial performance, avoid errors, and free up time for your finance team to focus on growth.



1. Accounting Period Basics

Accounting Periods. An accounting period is the timeframe when a company reports its financial performance and financial position. Within this timeframe, companies balance their accounting data and prepare financial statements.

Normally, companies set up their accounting periods to reflect their fiscal year. Fiscal years are usually divided into quarters and months—or periods.

Closing Accounting Periods. The accounting close process refers to the steps required to prepare financial statements for the start of the next accounting period.

The order in which accounting periods are closed depends on how your business has set up each accounting period in your NetSuite instance.

To set up an accounting period, go to Setup > Accounting > Manage Accounting Periods. It is best practice to set up a full year.

2. Closing the Accounting Period

Closing the accounting period in NetSuite prevents accounts receivable and accounts payable users from posting new data to the general ledger and allows accountants to finalize and adjust the books for the set timeframe.

Different organizations have different period-end prerequisites or requirements to fulfill, depending on how they do business. Typical tasks to complete prior to period close are:

- Finalize sales and purchases.
- Generate customer statements.
- Complete bank reconciliation.

Period Close Checklist

The period close checklist within NetSuite shows the prerequisites required as part of the period close process.

You can access the Period Close Checklist by navigating to Setup > Accounting > Manage Accounting Periods.

Locate the checklist next to the period name to start the close process. If a green checkmark displays, that period is already closed.

Click the checklist icon to open the period close checklist.

Tip: You must close in Period sequence—for example, Jan 2022 before Feb 2022—as the closing process updates balances needed for reporting purposes.

The green arrow icon informs you the task is ready for completion.

Lock A/R (accounts receivable), Lock A/P (accounts payable), and Lock All are generic NetSuite period close tasks. Local tasks listed below the first three are based on your company's requirements.

NetSuite prevents users from completing local tasks until the prerequisites are completed.

Tip: The Period Close Checklist is more than just a checklist. Review and reconcile all accounts and transactions and complete the required prerequisites prior to marking a task as Closed in the Period Close Checklist. That will ensure your books are in sync and represent your true balances.

3. Using Reports During Period Close Review and Reconciliation

NetSuite's prebuilt reports help simplify the review and reconciliation tasks that must be accomplished prior to completing the Period Close Checklist. These reports may be viewed prior to the set period end date.

AP and AR Aging Report and the Balance Sheet Report

These reports provide a quick view of whether the Accounts Payable or the Accounts Receivable figures match with the Balance Sheet. Make sure to use the same period-end date for each report.

Note: Mismatched figures must be reconciled before closing the accounting period.

Open Purchase Orders and Open Sales Orders Reports

With these reports, users can expedite the review process by providing a list of all open orders that need to be fulfilled, billed, or canceled before period close.

Tip: Personalize your NetSuite dashboard to include these reports as shortcuts or reminders.

4. Using Saved Search During Period Close Review and Reconciliation

NetSuite Saved Search is a powerful tool that helps you search and filter out information or records that may impact period close.

For example, you can create a saved search to filter out customers with missing billing information, which can help speed up your reconciliation process. Using a saved search instead of manually searching through records expedites this task significantly.

5. Reopening a Closed Accounting Period

You may reopen an accounting period if changes are required; however, the Override Period Restriction permission must be in place.

To reopen a closed accounting period, go to the Manage Accounting Periods page and open a Period Close Checklist. Click the green arrow icon of the Close task.

NetSuite requires a justification to explain why the period must be reopened.

After reopening an accounting period, you will need to redo the Period Close Checklist tasks to close the period again.

If this step is taken, you may need to republish your financial statements, especially if you are a publicly held company. Check with your CPA/tax preparer for guidance.

Supporting You Along the Way

If you want to learn more about Closing Accounting periods, check out these Learning Cloud Support (LCS) courses:

- [NetSuite: Financial Management](#)
- [Using General Ledger](#)

[LCS](#) provides subscription-based training that allows all NetSuite users to engage in continuous education easily and cost-effectively. With on-demand learning, hands-on lab exercises, and multiple training options, LCS can help accelerate your entire organization's system knowledge and productivity.

Join the NetSuite Support Community

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