General Ledger Accounts Menu

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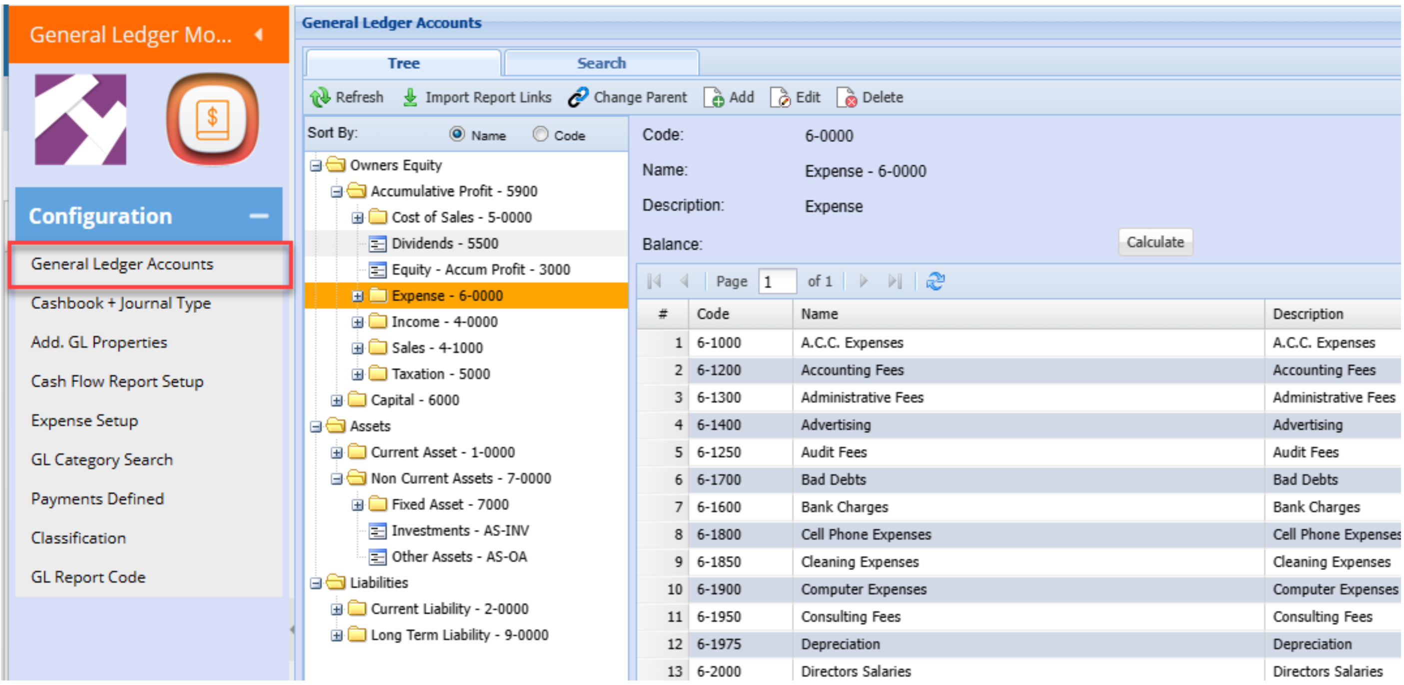
- Ledger Account
- GL Accounts Import
- Accumulative Profit Definition

General Ledger Accounts

General Ledger>Configuration>General Ledger Accounts

Setup General Ledger accounts in both the Tree view and Search tabs

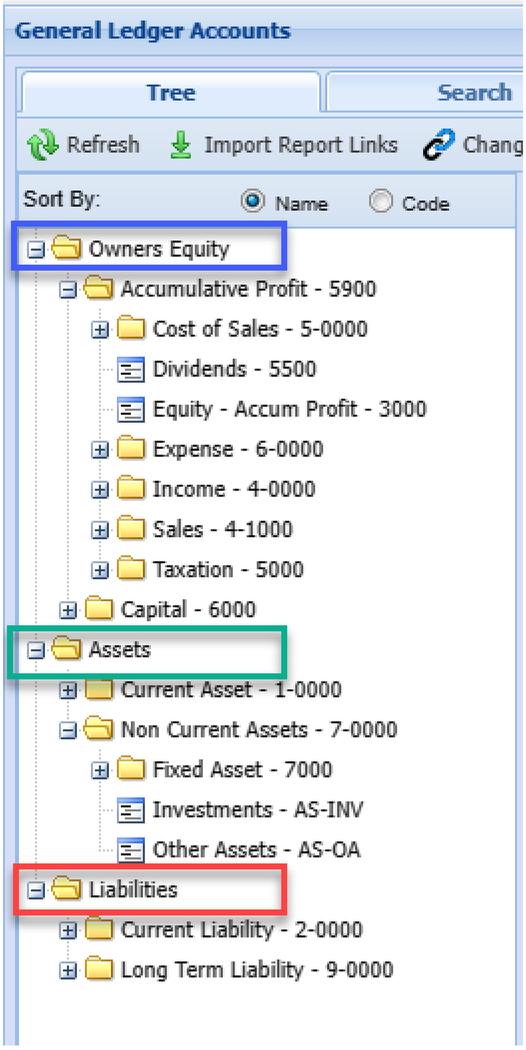


Accounting formula

General Ledger accounts are based on accounting formula

Owners Equity = Assets - Liabilities

Accumulative profits contains income accounts: Sales, Cost of Sales, Income, Expense, Taxation



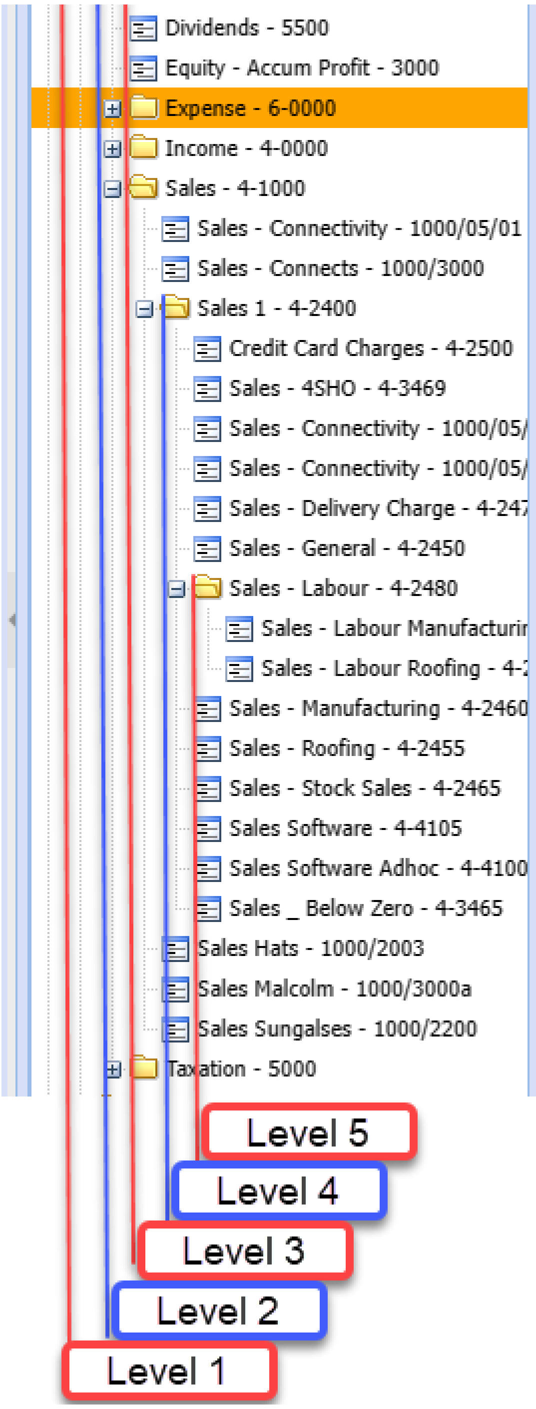
Ledger account

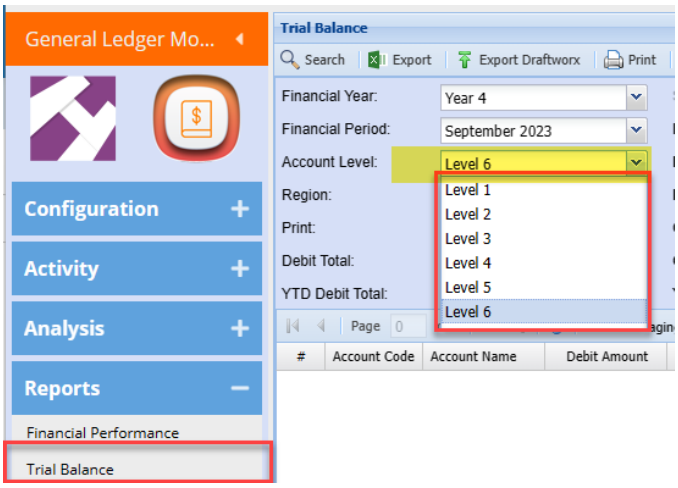
The system allows for unlimited levels down in setup.

Posting is done to the lowest level.

Reporting can be done at each level.

Levels are counted from the first level on left and moving to the right.





Counting the levels in the system.
Notice that reporting is done on the lowest level, however you can report on higher levels.

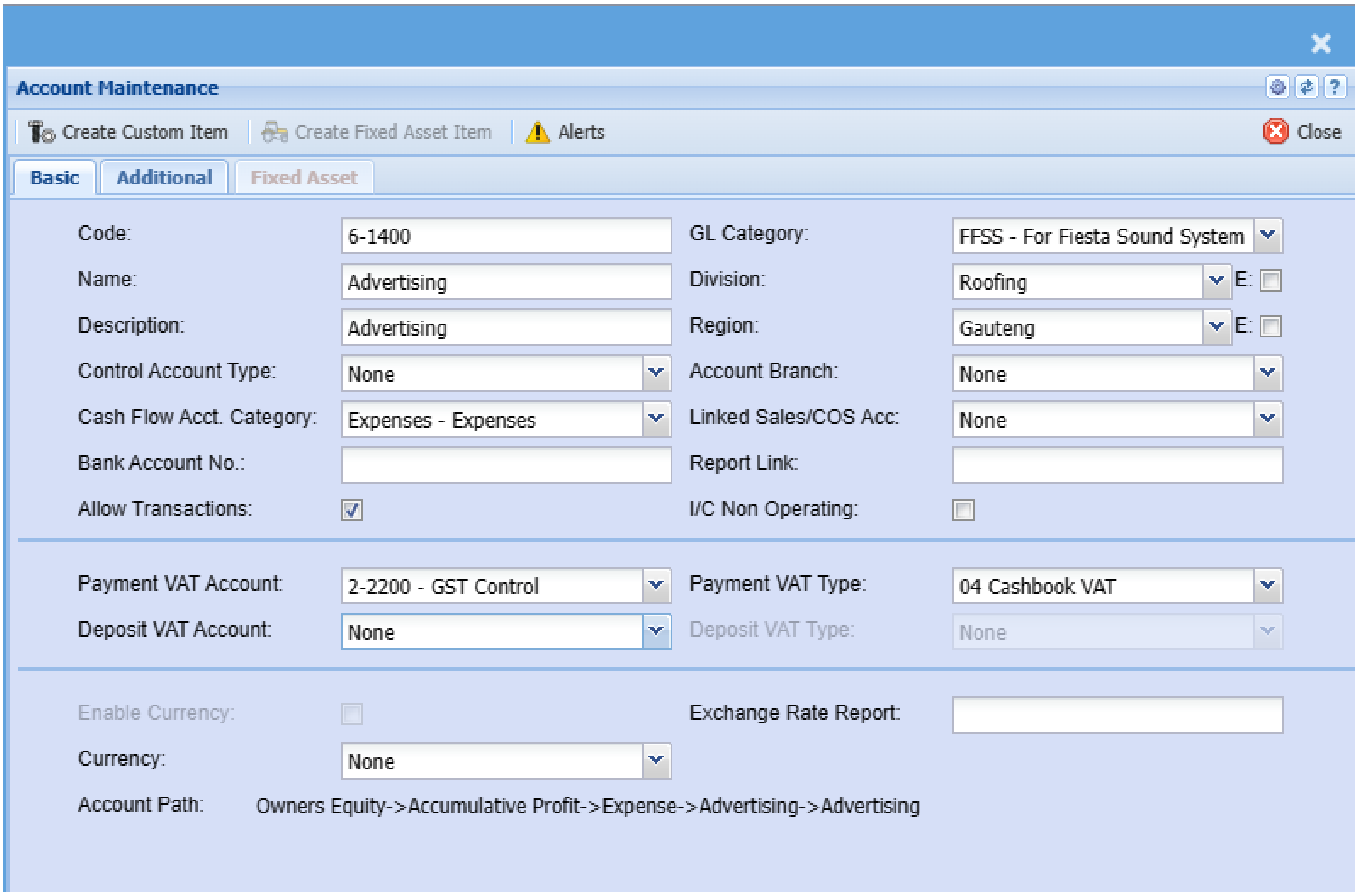
Ledger Account

General Ledger> Configuration > GL Accounts

Create and edit accounts.

Account code must be unique

Basic Tab



Buttons

Create Custom Item	Click this button to create a custom item that will be linked to this ledger account when creating supplier invoices GRV.
Create Fixed Asset Item	Click this button to create a fixed asset item that will be linked to this ledger account when creating supplier invoices GRV. Only active when GL account is a fixed asset.
Alerts	Create an alert for the account

Functions

Code	Unique account code
Name	Name of account
Description	Other description of the account, usually the same as the Name
Control Account Type	Control accounts are used to define if the account has additional functions. Usually none - Accounts are defined below
Cash Flow Acct Category	All accounts must have a cash flow account category defined. This is used in the cash flow report
Bank Account No	Required when setting up a bank account and the Control Account Type is defined as Bank
Allow Transactions	Allow transactions to this account An Account that is a parent account will has this tick off
GL Category	Setup a General Ledger Category for reporting
Division	Setup a Division for reporting by cost center
Region	Setup a Region for reporting by cost center
Account Branch	When running multiple branches, select the default branch this account is linked to. Thus when creating multiple GL accounts per branch, then each account should typically be linked to a single branch. If these are not linked, then when a transaction e.g. Rent DBN is posted by a user from JHB, who is logged on with his/her JHB login id; then the transaction will not default to his/her primary branch as per the user setup, but rather to the GL Account Branch. This field if linked to various branches will allow a user who’s primary branch is different to the specific GL account branch to post transactions to the GL account. If the account is not linked to that users branch, then the User will not be able to allocate transactions to this account.
Linked Sales / COS Acc	This is used for Sales and COS accounts only Used in a report to compare profits between two similar accounts for sales and cost of sales
Report Link	Field is used to link accounts to external accounts eg Draftworx

I/C Non Operating	Assign General Ledger accounts for Income Statement (I/C) / Profit and loss report. This splits the report up into operating and non operating accounts Assign an account to be filtered to the non operating section of the report
Payment VAT / GST Account	Used to automatically select the VAT / GST account in Cashbooks
Payment VAT / GST Type	Used to automatically select the VAT / GST type in Cashbooks
Deposit VAT / GST Account	Used to automatically select the VAT / GST account in Cashbooks Only used in certain conditions, otherwise leave as none
Deposit VAT / GST Type	Used to automatically select the VAT / GST type in Cashbooks Only used in certain conditions, otherwise leave as none
Enable Currency	Used on Bank accounts only Enable multi-currency if bank account is a foreign bank account where transactions are tracked in local and foreign currency
Currency	Enter a currency if the bank account is foreign account
Exchange Rate Report	Enter an exchange rate to fix all transactions on a particular rate
Account Path	Shows the account path and levels the ledger account is positioned

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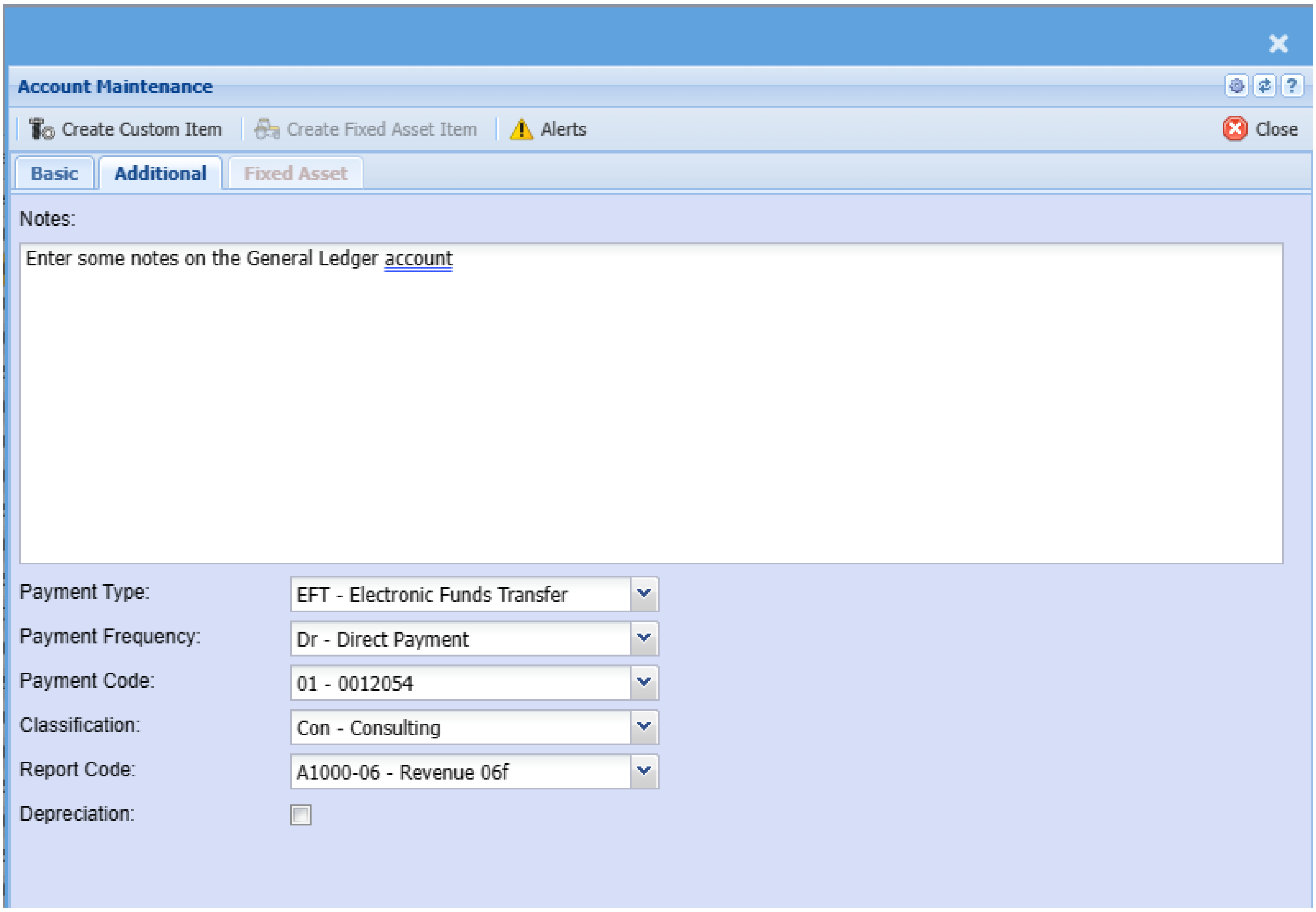
Additional Tab

Most of these fields are used in report, Power BI exports, BankIT categories

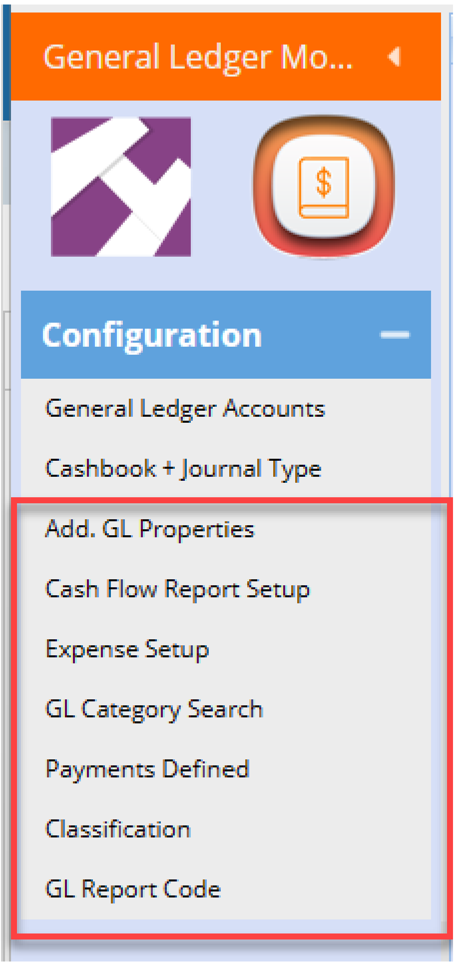


All these drop downs have their own tables to setup

Go to General Ledger Configuration menu group to setup fields

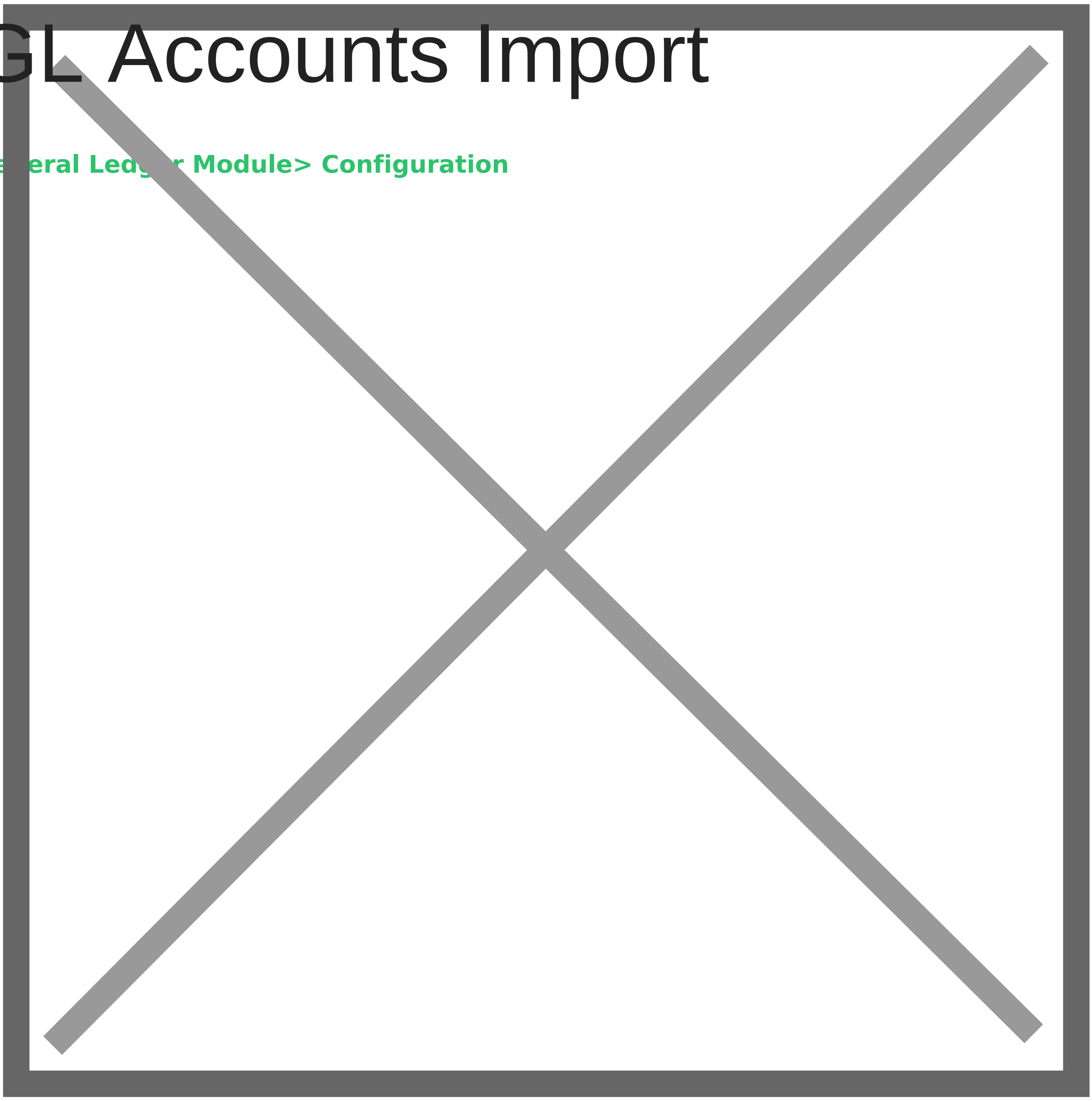
Notes	Enter notes on the ledger account
Payment Types	Select a Payment Type
Payment Frequency	Select a Payment frequency
Payment Code	Select a Payment code
Classification	Select a classification
Report Code	Select a report code
Depreciation	Flag this ledger account as a depreciation account

Setup your relevant fields


General Ledger Mo...
Configuration
General Ledger Accounts
Cashbook + Journal Type
Add. GL Properties
Cash Flow Report Setup
Expense Setup
GL Category Search
Payments Defined
Classification
GL Report Code

GL Accounts Import

General Ledger Module> Configuration



Import GL Report Link

Click the select File Button to open the “open file dialog” which will allow you to navigate to your file in order select it.

Click the Upload button to upload the file onto the server.

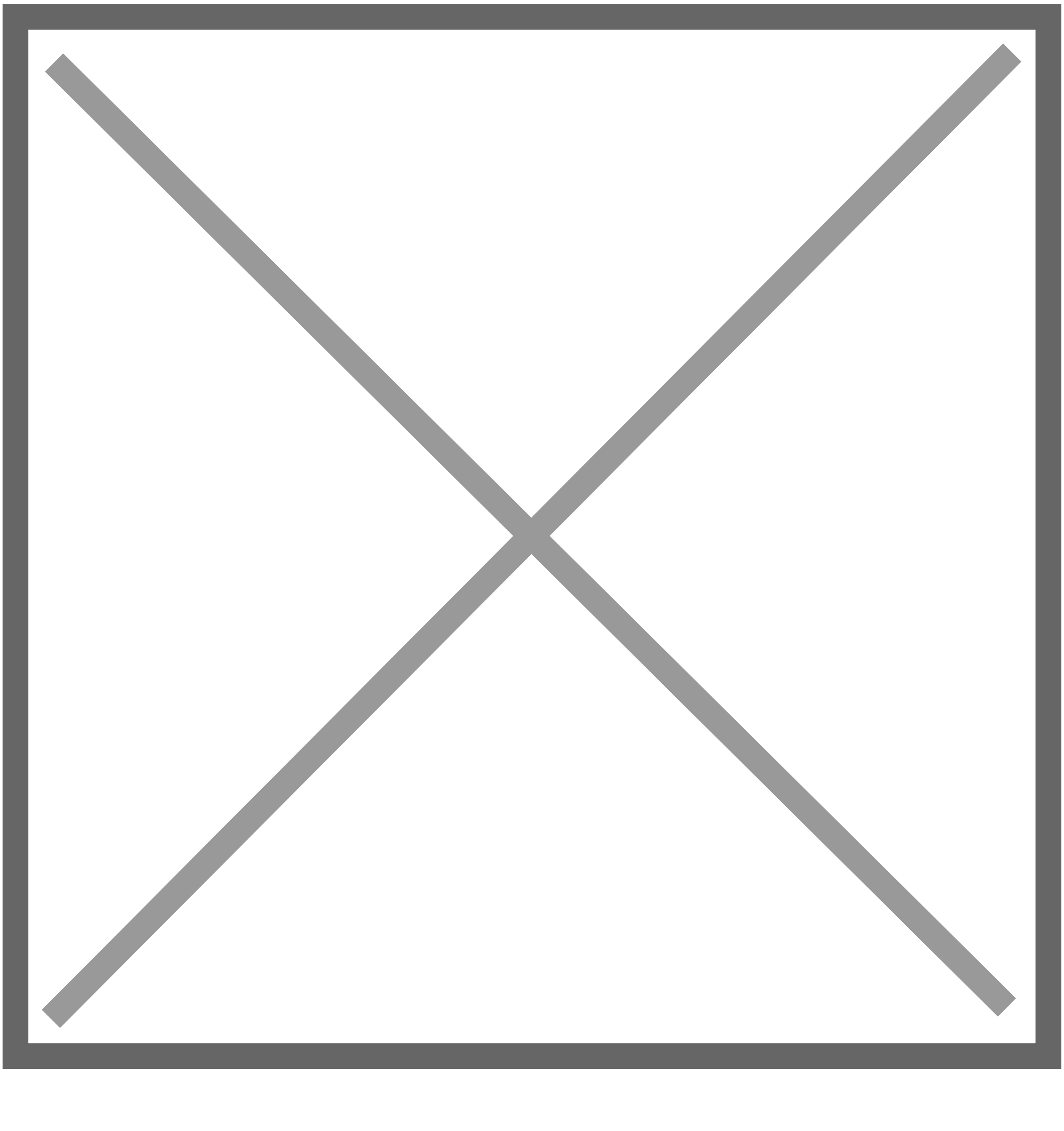
Click the Import button to start the import process.

Please Note:

Your file must be in a *.CSV file format.

If any errors are found, it will be written in the log, please correct the errors and start the import process again.

Below is a template of the CSV File:



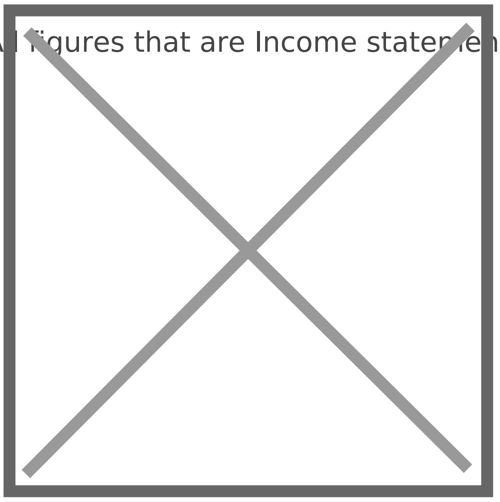
Accumulative Profit Definition

General Ledger Module > Configuration > general Ledger Accounts

The accumulative profit account is an internal account which works out the profit from the previous year and accumulative years into one figure.

This is automatically done per year end on Reports.

All figures that are Income statement items are rolled into the accumulative profit account.



Parent Account and General Ledger Reporting

A parent account is the main account into which all related sub-accounts are consolidated at year-end.

There are important differences between **GL Report No. 1** and **GL Report No. 2**, and each report should be used for its appropriate purpose.

GL Report No. 1 is the auditor's report and is the correct report to be used for accounting and audit purposes. This report is restricted to a specific financial year only. At the beginning of each financial year, all income statement accounts are zeroed, and the figures are then accumulated month by month until the selected end period of that financial year. The report should therefore only be run for a maximum period of one financial year, or up to the end of the relevant financial period for that year.

GL Report No. 2 is a useful management report where all accounts need to be reviewed without zeroing the income statement accounts at the beginning of each financial year. This report reflects all transactions across all financial years and is helpful where management requires a view of the cumulative expense over multiple financial years. It should be noted that GL Report No. 2 is a management report and not an accounting or audit report.

There are various ways to review accumulated profit. One method is to run the **Summary Income Report** for each financial year and then total the net profit amounts. This process must be performed from the first financial year onward.

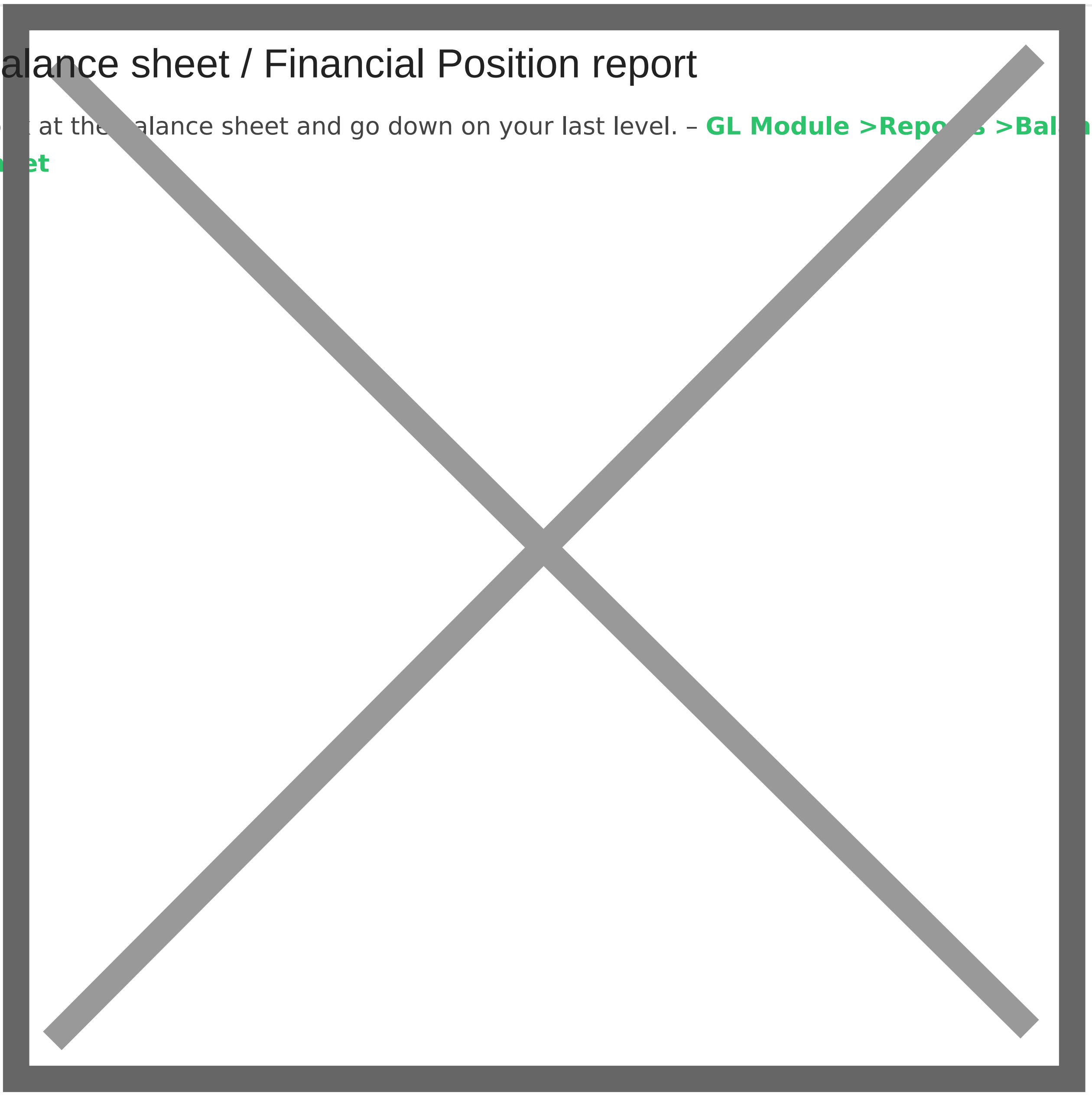
It is also necessary to determine whether a balance journal was processed during the initial take-on in year one to the **Accumulated Profit** sub-account. This sub-account is normally used only to record an opening balance on take-on.

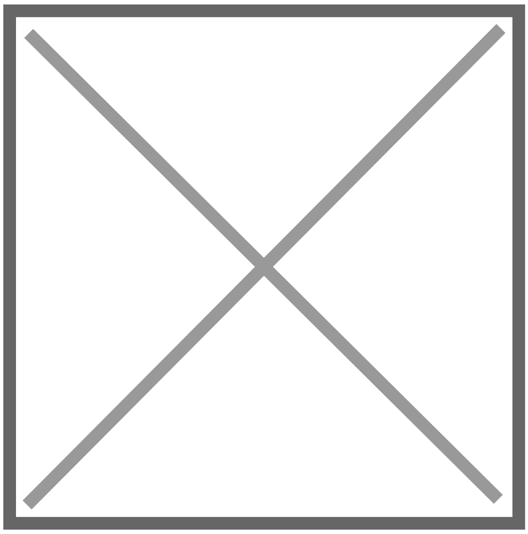
Profit and Loss by Period Report

GL Module > Report List > Profit and Loss by Period Report

Balance sheet / Financial Position report

Look at the balance sheet and go down on your last level. – **GL Module >Reports >Balance sheet**





Retained Income is your income from the previous year OR and including other previous years.

Net income is your current financial year, which equals your income statement year to date on current period

Run the balance sheet for each year end and see how the accumulative profit is rolled up. If there is a problem in the Accumulative profit, it is because there is entries in the Income statement type accounts.