



QAD Enterprise Applications
Standard Edition

Training Guide

General Ledger Fundamentals

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Contents

ABOUT THIS COURSE	9
Course Description	10
Course Objectives	10
Audience	10
Prerequisites	10
Course Credit and Scheduling	11
QAD Resources	12
Product Help	12
QAD Web Resources	12
 CHAPTER 1 INTRODUCTION TO GENERAL LEDGER.....	 13
Course Overview	14
General Ledger	15
Module Transactions	17
General Ledger Transactions	18
GL Processing Flow	19
Related Courses	21
 CHAPTER 2 BUSINESS ISSUES	 23
Business Issues	24
Multiple Entities and Databases	26
Multiple Entities	26
Set Up Implications	27
Transaction Export/Import	28

Chart of Accounts	30
Account Components	31
Accounts	32
Sub-Accounts	33
Cost Centers	34
Projects	35
Course Overview	36

CHAPTER 3 SETTING UP GENERAL LEDGER 37

General Ledger Setup	39
Reading the Training Flow	39
Set Up Control Files	41
Domain/Account Control	42
General Ledger Control	49
GL Reference	53
Define Entity Codes	54
Entity Code Maintenance	55
Entity Code within a Transaction	57
First Activity: Preliminary Setup	58
First Activity for all 2008 SE Courseware	58
Exercise: Set Up General Ledger Control and Entity Codes	61
Format Positions	62
Grouping Transactions on Reports	63
Format Position Maintenance	64
Report Formatting	67
Balance Sheet Format Positions	68
Income Statement Format Positions	70
Summarize/Sort Options for Sub-Account and Cost Centers	71
Exercise: Format Positions	73
Accounts	74
Account Code Maintenance	75
Account Code within a Transaction	78
Sub-Accounts	79
Sub-Account Code Maintenance	80

Sub-Account Code within a Transaction	82
Cost Centers	83
Cost Centers	84
Cost Center Code within a Transaction	86
Sub-Account and Cost Center Defaulting	87
Projects	88
Project Code Maintenance	89
Project Code within a Transaction	91
Allocation Codes	92
Allocation Codes Maintenance	93
Nested Allocation Codes	94
Smart Browsers	95
Exercise: Accounts, Sub-Accounts, Cost Centers, Projects, and Allocation Codes	96
Allocation Codes	97
GL Calendar	98
GL Calendar Maintenance	99
Exercise: GL Calendar	101
GL Account Security	102
GL Account Security	103
GL Daybooks	105
General Ledger Daybooks	106
Transaction Post	109
Year-End Close	111
Daybook Types	113
Define Daybooks	115
Default Daybook Maintenance	118
Transaction Assignment Hierarchy	119
Exercise: GL Daybooks	121
Budgets	123
Budget Maintenance	124
Budgets with Fixed Amounts	127
Budgets Based on Percentage	128
Budgets Distributed Evenly	129
Budgets Allocated Differently by Period	130
Exercise: Budgets	131

Budget Calculation	133
Custom Reports	134
Creating Custom Reports	135
Custom Report Format Maintenance	136
Custom Report Account Maintenance	139
Custom Report Copy	141
Custom Report Print	142
Exercise: Custom Reports	145

CHAPTER 4 PROCESSING GENERAL LEDGER TRANSACTIONS 149

General Ledger Transactions	152
Module Transactions	153
GL Reference	154
Distribution Lines	155
GL Transaction Types	156
GL Transaction Types (IC, JL, YA)	157
GL Transaction Types (AR, AP, CS, FX, IC)	160
GL Transaction Types (RA, RV, SO, WO, XX, XY, YR)	162
Working with Transactions	163
Standard Transaction Maintenance	164
Reversing Transactions Maintenance	166
Transaction Copy	167
Posting Transactions	168
Transaction Post	169
Unposted and Unbalanced Transactions	171
Unposted Transaction Inquiry	172
Causes of Unbalanced Transactions	174
Correcting Unbalanced Transactions	176
Allocation	178
Allocation Codes and Posting	179
Exercise	181
Load Beginning Balances	181
Reversing Transactions	182
GL Daybooks	183

Daybook Reports	184
Daybook Report Trial	185
Daybook Report Official	187
Central Daybook Report Trial	190
Central Daybook Report Official	192
Exercise: GL Daybooks Trial and Official	194
Correct Posted Transactions	195
Correcting Posted GL Transactions: COA Transactions	196
Differences between COA and Non-COA Transactions	198
Exercise: COA Transactions	199
General Ledger Reports	201
GL Reports	202
Reporting Options	203
GL Inquiries	205
Debit and Credit Separation	206
Closing the GL	207
Period-End	209
Closing GL Calendar to Other Modules	211
Reopening Periods	211
Year-End Processing	213
Year End Adjustment Transaction	214
Transaction Year-End Close	216
Retroactive Transactions	218
Transaction Consolidation	220
APPENDIX A WORKSHOPS AND STUDY QUESTIONS	223
Setup	224
Study Questions for General Ledger Setup	224
Study Questions on General Ledger Processing	224
Answers to Workshops and Study Questions	225
Processing Workshops	227

COURSE EVALUATION	229
INDEX	233

About This Course

Course Description

QAD designed this course to cover the basics of preparing to implement the General Ledger module of QAD 2008 Enterprise Application—Standard Edition (QAD 2008 SE). The course includes:

- An introduction to the General Ledger module
- An overview of key business issues
- Instructions on how to set up the General Ledger module
- Instructions on how to use the General Ledger module
- References to other QAD materials, such as user guides and on-line help
- Activities and exercises throughout the course (for students to practice key concepts and processes)

Course Objectives

By the end of this class, students will:

- Identify some key business considerations before setting up the General Ledger module.
- Set up the General Ledger module.
- Use the General Ledger module.

Audience

The audience for this course includes:

- Implementation consultants
- Members of implementation teams
- Operators

Prerequisites

The prerequisites for attending this course are:

- Initial QAD Enterprise Applications Setup training course
- Basic knowledge of:
 - Hardware and network configurations
 - QAD 2008 SE as it is used in industry

- Working knowledge of:
 - The manufacturing industry in general
 - Accounting principles in general

Note Students unfamiliar with QAD 2008 SE should read the *User Interface Guide* before attending this class.

Course Credit and Scheduling

This course is typically taught in one day.

QAD Resources

If you encounter questions or problems on QAD software that are not addressed in this book, several resources are available.

Product Help

All QAD products ship with integrated help systems. A properly installed QAD application will display help when you press the Help key (F1), or access it through the menu. The help covers the normal use of the product.

QAD Web Resources

The QAD website provides product and company overviews. The Print Solution option on the opening page provides a means of compiling desired content into a document specialized to your industry, business implementation, and needs.

<http://www.qad.com/>

From QAD's main site, you can access QAD's Learning or Support sites.

QAD Learning Portal for Training Opportunities

To view available training courses, locations, and materials, use the QAD Learning Portal. Choose Learning under the Global Services tab to access this resource.

QAD Support for Product Documentation and the QAD Knowledgebase

To access release notes, user guides, installation and conversion guides by product and release, visit the Support website. Support also offers an array of tools depending on your company's maintenance agreement with QAD. These include the Knowledgebase and direct links to QAD Support experts.

Choose Support under the Global Services tab.

Any QAD customer can register for a QAD web account by accessing the Support web site and clicking the Accounts link at the top of the screen. Your customer ID number is required. Access to certain areas is dependent on the type of agreement you have with QAD.

CHAPTER 1

Introduction to General Ledger



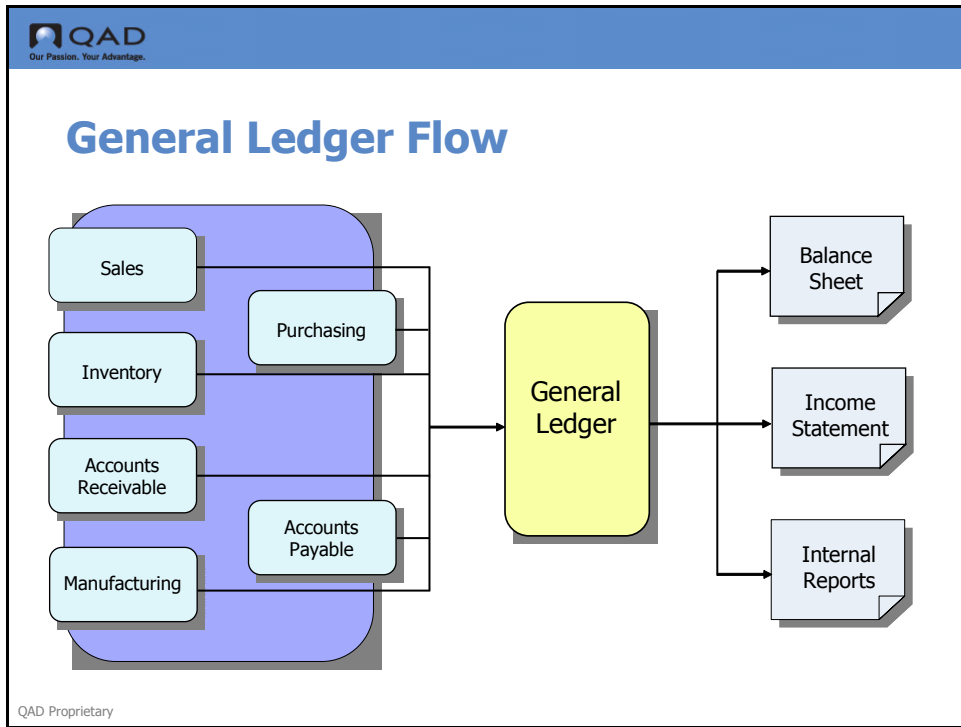
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Course Overview

- ▲ Introduction to General Ledger
- ▲ Business Considerations
- ▲ Set up General Ledger
- ▲ Process GL Transactions

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Course Overview



General Ledger

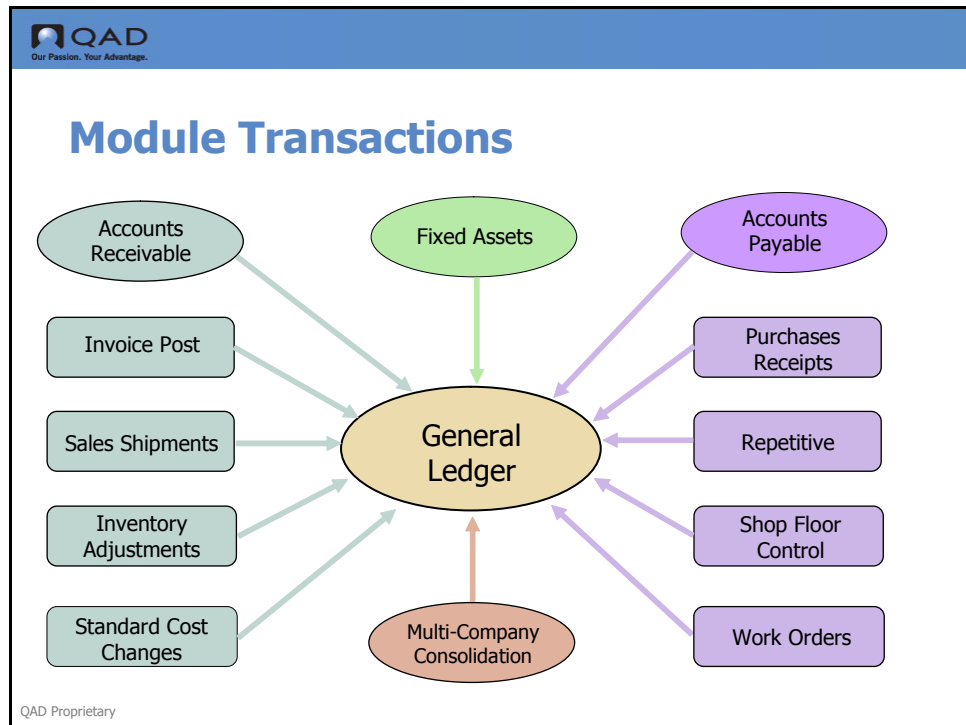
General ledger information is compiled on two financial statements:

- Balance sheet
 - The balance sheet shows what asset and liabilities the company has accumulated at a specified point in time.
- Income statement
 - The income statement shows the profit (or loss) that business activities have generated in a particular time period

The amount of detail presented on a balance sheet or income statement should vary with the audience. Companies need a system to record transactions quickly and organize them so that they can be easily retrieved for different kinds of financial statements and reports. To satisfy these requirements, companies set up a general ledger.

To set up the general ledger:

- Start by determining what kinds of information must appear on financial statements, using existing statements as models.
 - Each item on a financial statement is either its own heading (for example, Cash 1040) or is totaled with similar items under another heading (for example, Sales).
 - In QAD 2008, these report headings are called format positions.
 - Format positions let you specify different levels of detail for different reports and audiences.
- Next, set up account codes. Account balances on financial statements are the source of the information summarized under format positions
- In QAD 2008, the general ledger uses entities, sub-accounts and cost centers for detailed reporting.
 - Entities are used for businesses with multiple companies which have separate reporting requirements.
 - Sub-accounts can be used for divisional or product line reporting.
 - Cost centers are used for departmental reports to associate revenues and expenses with specific departments.
 - Projects can be used to track unique activities that incur expenses and may or may not generate revenue.



Module Transactions

Most GL transactions are created by activity in other modules, such as:

- Sales order shipments
- Invoices
- Purchase order receipts
- Inventory issues and receipts
- Work orders
- Accounts receivable payments

Transactions are generally posted daily, although some companies post weekly or monthly. Posting transfers debit and credit amounts from transaction detail (glt_det) to the general ledger transaction history files (gltr_hist). When reports that include account balances are run, the system calculates account balances from the debits and credits in posted transactions using effective dates. For this reason, transaction details remain in the system after posting.

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General Ledger Transactions

glutrrp.p 1 25.13.14 Unposted Transaction Register Date: 03/03/96
Page: 2 Quality Products Corp. Time: 13:28:21

GL Reference	Entered	EffDate	User ID	Line	Account	Project	Enty	Description	Amount	Cur
AP990303000004	03/03/99	03/03/96	ABM	1	2100-10-1000	ADV94	1000	AP Voucher	-100.00	USD
				2	5100-10-1000	ADV94	1000	PURCHASES (EXPENSED)	100.00	USD
									0.00	USD

GL Reference

AP990303000004

Next sequential transaction number

Type

Effective Date

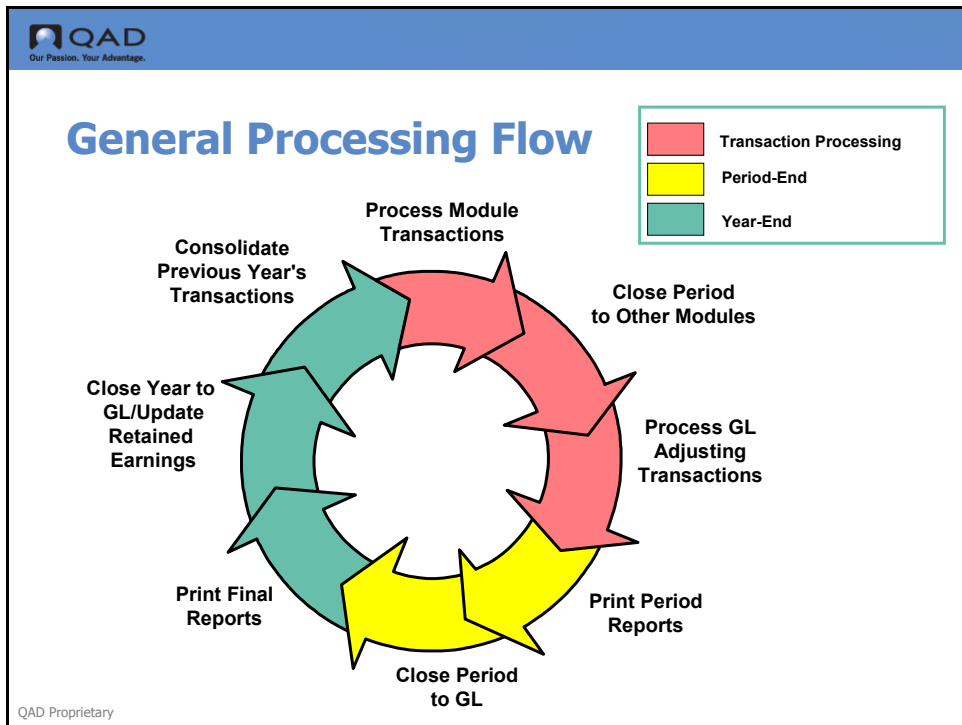
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General Ledger Transactions

A GL reference is assigned to every financial transaction.

It is composed of:

- A transaction type (AP, AR, SO) to indicate which module generated the transaction.
- An effective date (only pertains to transactions generated from the sub-modules).
- A transaction number.



GL Processing Flow

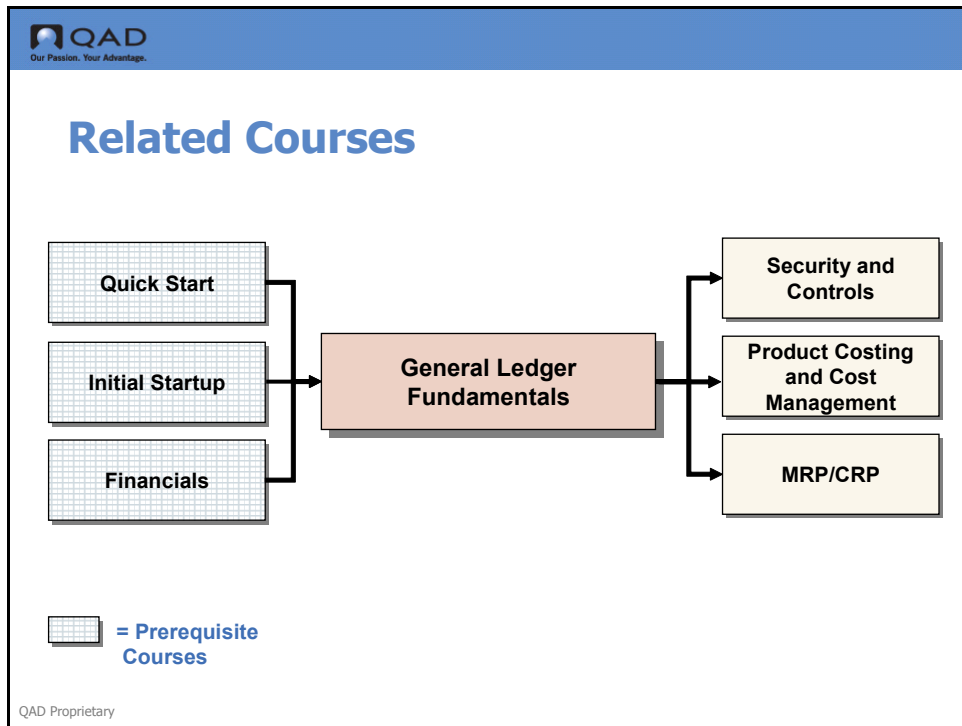
- Transactions generated by other modules are reviewed and posted.
- As posting is completed, you can close the GL to specific transaction types.
- Adjusting transactions are created and posted.
- Financial reports are printed.
- The GL period is closed to the GL.
- Final reports are printed.
- At the end of the fiscal year, the year is closed, updating net profit and loss to retained earnings.
- The previous years' transactions can be consolidated to free up database file space
Consolidating transactions is optional.



Course Objectives

- ▲ Identify some key business considerations before setting up General Ledger
- ▲ Set up General Ledger in QAD
- ▲ Process GL Transactions in QAD

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Related Courses

The above slide lists courses that are prerequisites for and follow on from the General Ledger Fundamentals training course.



Course Overview

- ✓ Introduction to General Ledger
- ▲ Business Considerations
- ▲ Set up General Ledger
- ▲ Process GL Transactions

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CHAPTER 2

Business Issues



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Business Considerations

In this section you learn how to:

- ✓ **Identify key business considerations before setting up General Ledger**
 - ▲ Set up General Ledger in QAD 2008 Standard
 - ▲ Use General Ledger in QAD 2008 Standard

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Business Issues

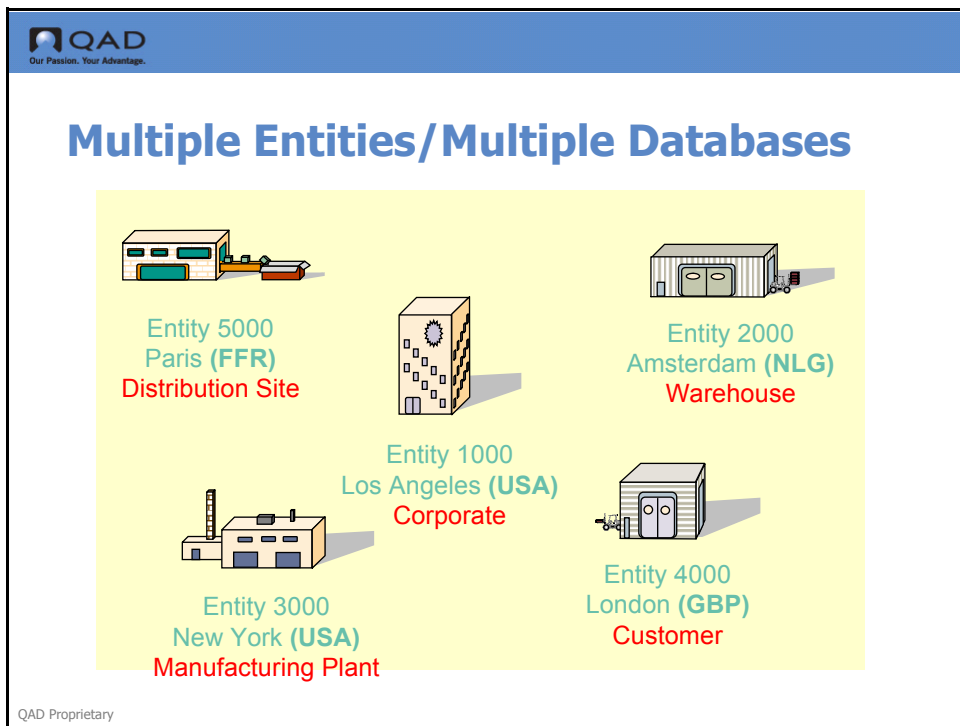

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Business Considerations

- ▲ Multiple entities/multiple databases
- ▲ GL Accounts
- ▲ Sub-Accounts
- ▲ Cost Centers
- ▲ Projects
- ▲ GL Report Writer

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There are several business issues to consider before setting up QAD 2008. This section does not discuss all potential issues, but presents some issues to generate thought and discussion.



Multiple Entities and Databases

Multiple Entities

You can maintain multiple entities in each domain. These entities are set up separately as independent units for financial reporting purposes.

You then run separate financial reports for each entity and one for consolidated entities.

The entities can share the same database if they have the same base currency, GL calendar, and chart of accounts.

Multiple Databases

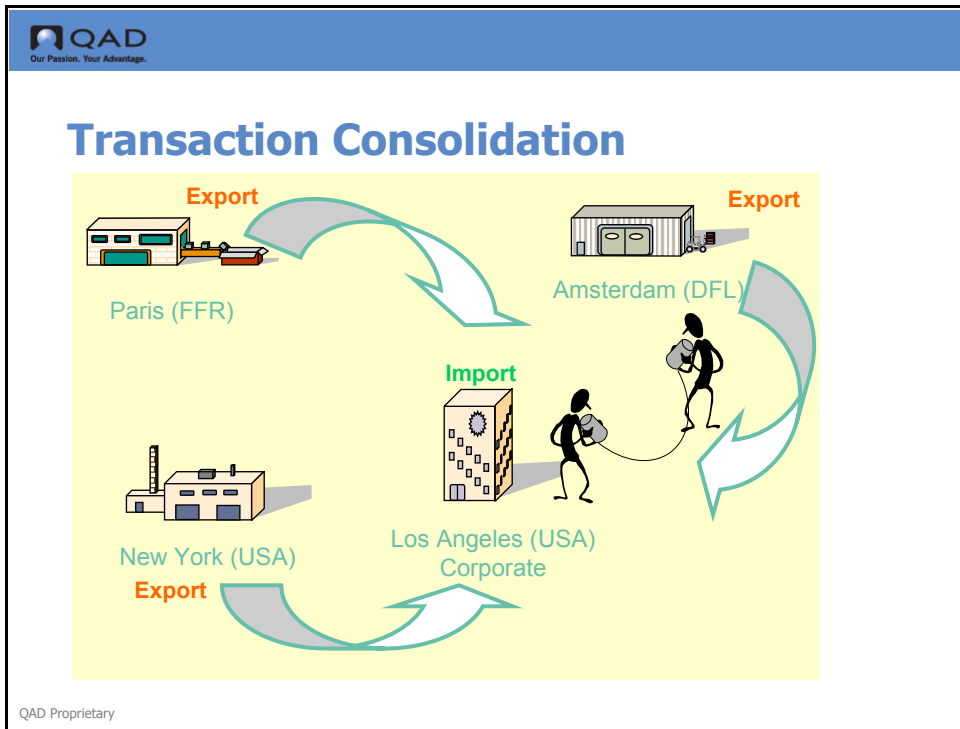
If your implementation uses more than one database, each database can have different base currencies and can maintain different GL calendars.

You can then run separate financial reports for each entity, and then consolidate financial information into one database for company-wide reporting.

Set Up Implications

You should set up multiple databases if your organization includes:

- Multiple companies operating in different base currencies.
- Separate entities have a different chart of accounts.
- A fiscal calendar that differs between entities.



Transaction Export/Import

Transaction consolidation supports multinational companies because transactions can be consolidated into a central database for company-wide financial reporting. You can maintain multiple base currency in separate databases.

The organization can run financial reports in the base currency of the consolidation database. Imported transactions can be revaluated every period based on the exchange rates in effect.

You can also maintain separate account balances by foreign currency and bank account.

Setup Implications

If you use foreign currencies, you must set up the Multiple Currency module. Exchange rates need to be set up and maintained.

Account cross-references may need to be set up between remote and corporate databases

If chart of accounts are different, account cross-references must be set up between remote and corporate databases

You must also decide whether to post translation adjustments to the balance sheet or income statement.



Chart of Accounts Structure

- ▲ How much detail is needed?
- ▲ Company Divisions
- ▲ Profit Centers
- ▲ Departments

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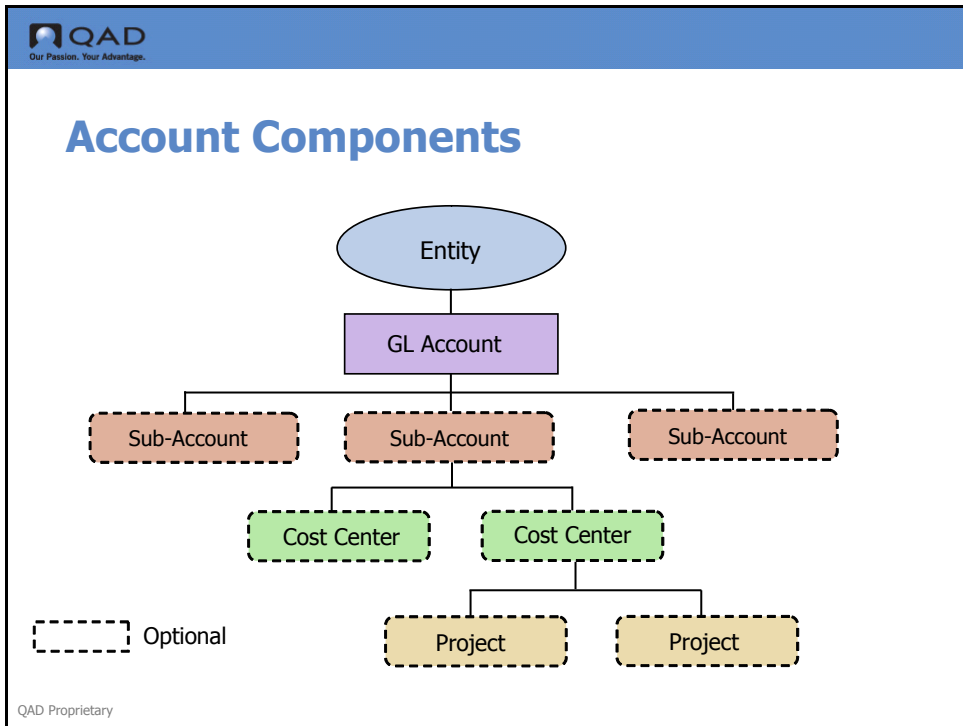
Chart of Accounts

The chart of account records financial information, such as sales, costs, assets, and liabilities. There are several components that make up the chart of accounts:

- Entity
- Account
- Sub-Account
- Cost Center
- Projects

Things to Consider

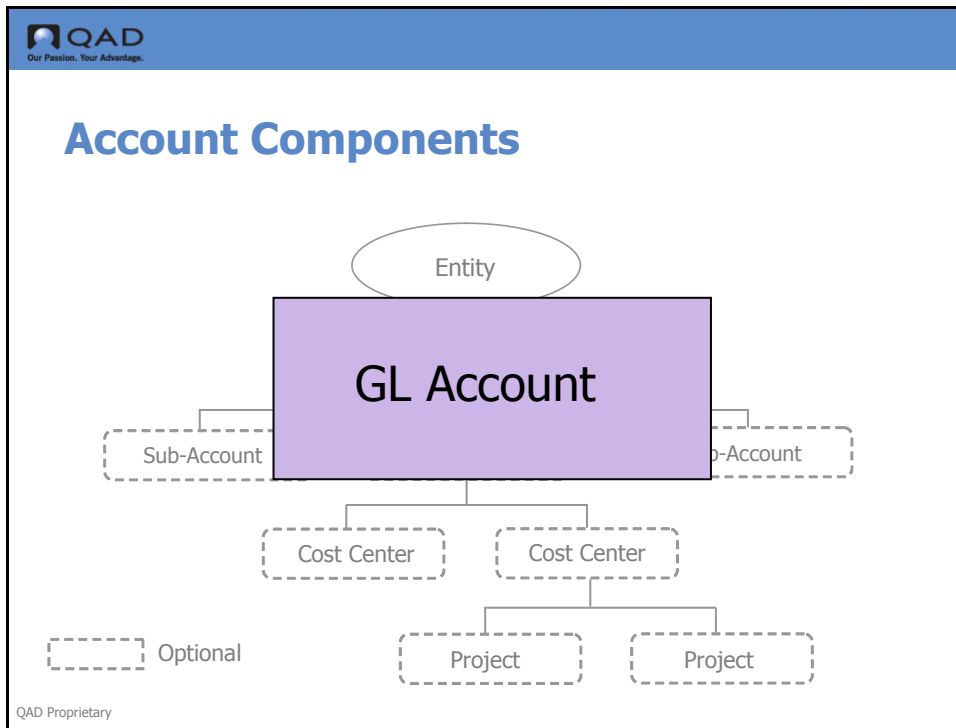
There are many ways to configure the GL chart of accounts. Start by determining how much detail is needed on your financial statements. Remember the needs of product costing and cost control.



Account Components

The account structure comprises an entity, accounts, and optionally, sub-accounts, cost centers, and projects.

Transactions posted to the GL consist of distribution lines—credit and debit amounts. The account components indicate what entities and accounts the transactions effect. Sub-accounts, cost centers, and projects can be used to define further detail in financial reporting.

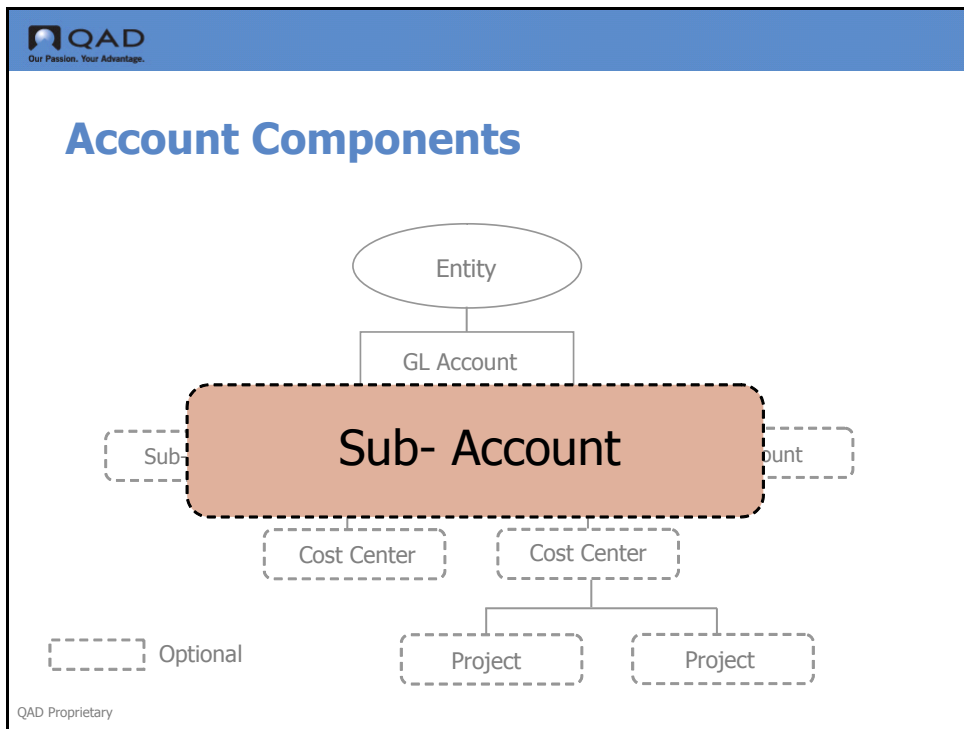


Accounts

An account shows the value of an element at a particular point in time. Account balances provide the content for financial statements.

Transactions are posted to accounts, which are then used for top-level reporting for entities.

When assigning account codes, it is important to be consistent with the number of characters used. Account codes can contain up to eight characters, and are sorted lexically on reports.

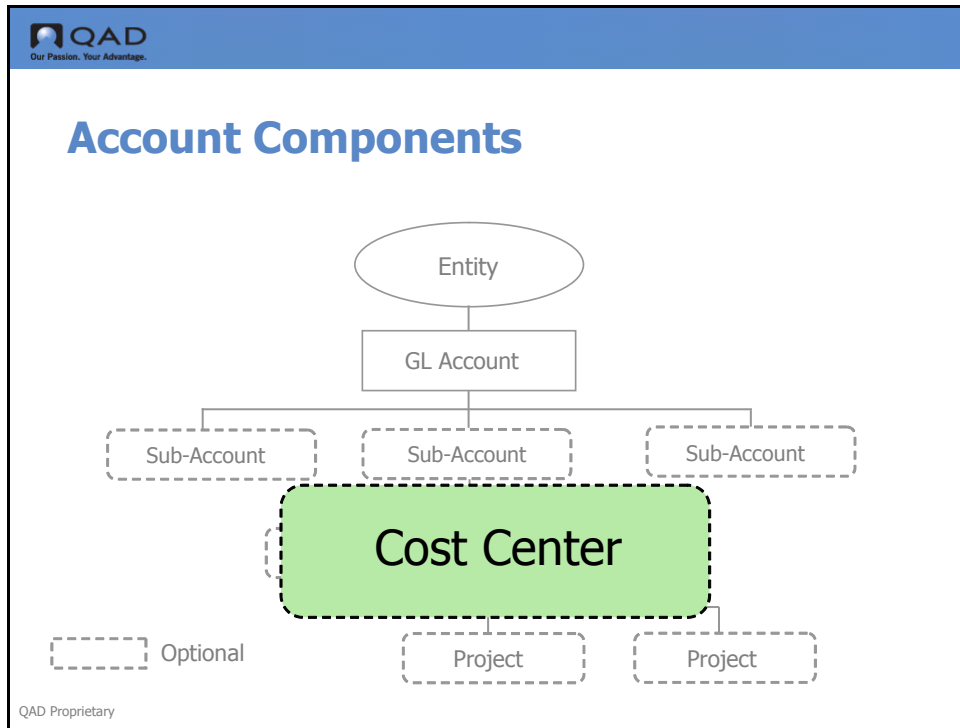


Sub-Accounts

Sub-accounts are used to develop more detailed analysis within the account. Sub-accounts can be used to report account activity for a division of a company. They can be used to report financial information by profit center. You can print financial reports for one or more sub-accounts, providing more detailed financial reporting.

You can only use sub-accounts if the Use Sub-Account field is set to Yes in General Ledger Control (25.24). You can then create sub-accounts in Sub-Account Code Maintenance (25.3.17). Sub-accounts can contain up to eight characters and can be associated with ranges of accounts.

Sub-accounts are sorted lexically on reports.



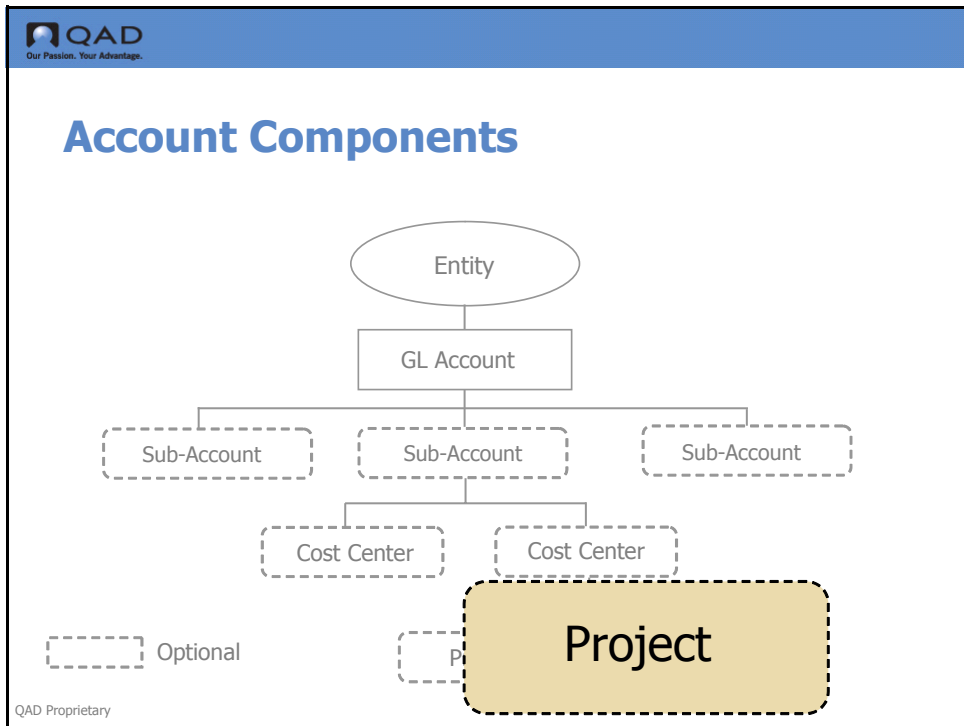
Cost Centers

Cost centers can be used to develop more detailed analysis within the account and sub-account, for example, by department. They can be used to collect budget and actual transaction postings.

Based on the audience, cost centers let you print financial reports that provide more detail by department. Other reports can be printed to show cost center detail.

Cost centers can be restricted for use with specific ranges of accounts and sub-accounts.

In order to create cost centers, you must set the Use Cost Centers field to Yes in General Ledger Control (25.24). Cost centers can contain up to four characters and are created in Cost Center Code Maintenance (25.3.20).



Projects

Projects can be used to track unique activities that incur expenses and may or may not generate revenue. For example, use them for capital expenditure projects, new product development or marketing activities.

Project codes are not available for all GL transactions. You can enter a project code on sales quotes, orders, invoices, accounts receivable memos, purchase orders, accounts payable vouchers, distribution orders, work orders, cumulative orders, quality orders, and non-productive labor feedback.

Note Project codes do not occur everywhere accounts are referenced. Project detail is not listed on most standard financial reports.



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Course Overview

- ✓ Introduction to General Ledger
- ✓ Business Considerations
- ▲ Set up General Ledger
- ▲ Use General Ledger

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Course Overview

CHAPTER 3

Setting up General Ledger



Set up General Ledger

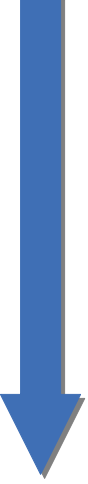
In this section you learn how to:

- ✓ Identify some key business considerations before setting up General Ledger
- ✓ **Set Up General Ledger in QAD 2008 SE**
 - ▲ Use General Ledger in QAD 2008 SE

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General Ledger Setup



- ▲ Set Up Control Files
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ Set Up Sub-Accounts
- ▲ Set Up Cost Centers

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General Ledger Setup

In this section, you learn how to set up the General Ledger module in QAD Enterprise Applications. This lesson covers the data that you need to enter or configure for a successful implementation.

Reading the Training Flow

- The current step will be highlighted
- Optional steps are indicated by: “(optional)”

A suggested setup sequence for the General Ledger includes the 12 steps listed in the current and next slide.



General Ledger Setup - Continued



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
- ▲ Set Up Budgets and Custom Reports

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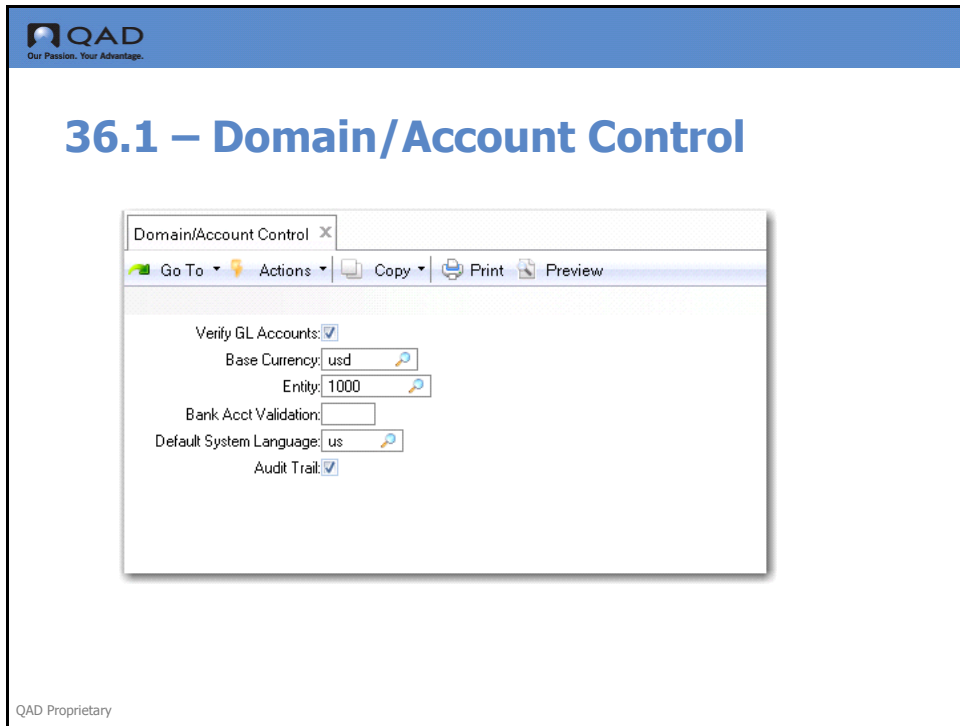
General Ledger Setup



- ▲ Set Up Control Files
 - Domain/Account Control
 - General Ledger Control
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ Set Up Sub-Accounts
- ▲ Set Up Cost Centers

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Set Up Control Files



Domain/Account Control

Menu Number 36.1

You must set up Domain/Account Control prior to entering data into the system. Domain/Account Control is used by all modules, and defines accounting parameters, such as currency, taxes, and default GL accounts.

The following is a summary of the key fields in Domain/Account Control:

Verify GL Accounts

- Indicates whether the system should verify general ledger accounts and effective dates when transactions are created in other modules
 - General ledger accounts are always verified in the GL module.
 - Use Verify GL Accounts to activate verification in all modules, such as AR, AP, Inventory, Sales, Purchasing, Work Orders, and Multiple Currency.

- If verification is activated, the system checks that the account code, sub-account code, and cost center code recorded in any transaction are valid
- The system will also verify that the transaction effective date is within an open GL period.

Base Currency

- Use this field to set the currency of the database.
- The balance sheet and income statement are always printed in this currency.

Entity

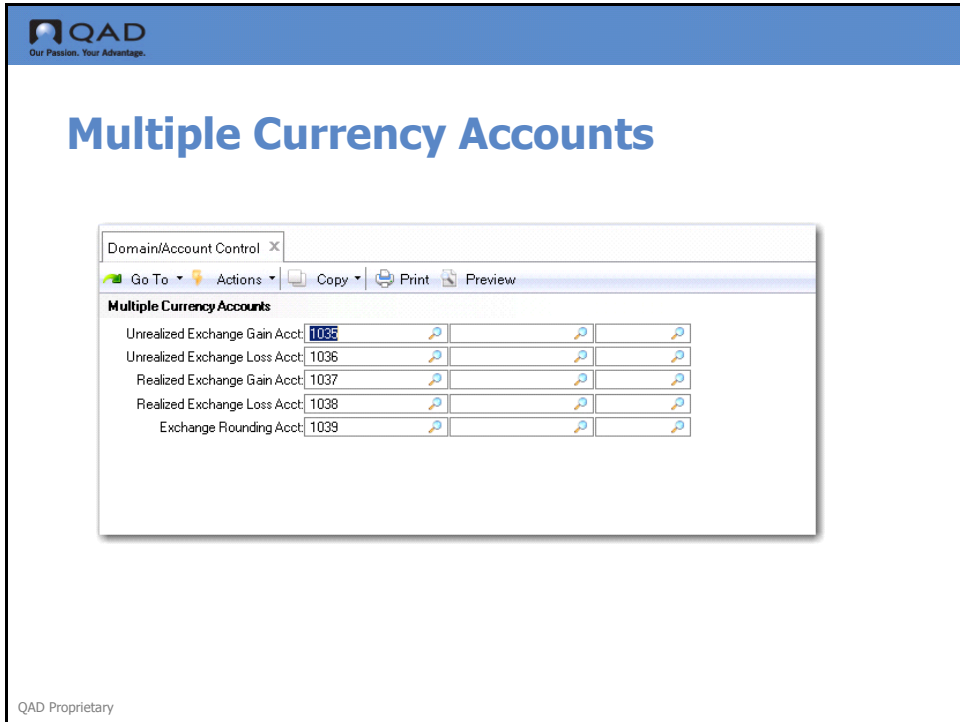
- Set the system entity for the database, when using multiple databases.
- The system entity is usually the primary entity, as defined in Entity Maintenance (25.3.1).

Bank Validation

- Specify the check digit to use in the bank account validation routines, if any.
- The value of the field must be 11, 12, or <blank>.
- If you enter eleven [11] or twelve [12], the system validates bank account numbers according to European standards.
 - If you are not using bank validation, leave this field blank.

Audit Trail

- Specify whether the system should keep an audit trail of changes and deletions to unposted GL transactions.
- The audit trail will ensure that no unmonitored changes are made to the unposted GL transactions.

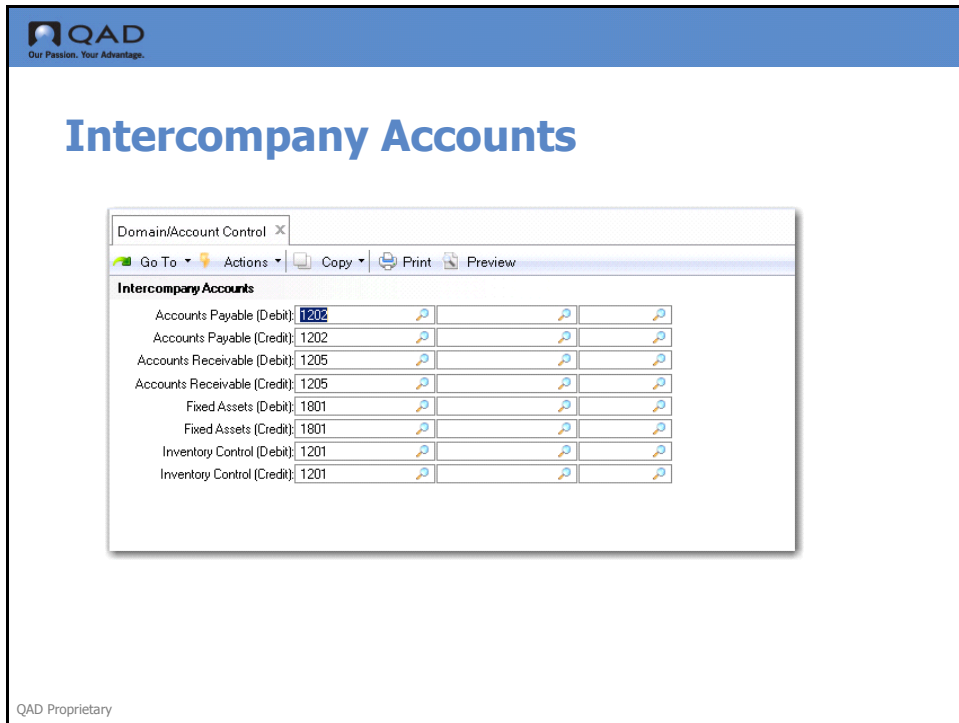


Multiple Currency Accounts

Currencies are defined at the system level in the application database. You must define at least one currency, and specify the base currency for each domain in Domain/Account Control. Other setup is required if you use foreign currencies or if you have multiple domains with multiple base currencies.

When using foreign currencies, you must specify the default unrealized exchange gain and loss accounts, and realized exchange gain and loss accounts. These account codes display as the default accounts for currencies entered in Currency Maintenance (26.1).

In some countries, it is necessary to record unrealized exchange gains and losses and realized exchange gains and losses in separate accounts.



Intercompany Accounts

For multiple-entity transactions, you can set up intercompany debit and credit accounts to track amounts for any transactions between entities. Each entity can have its own set of intercompany accounts for four types of transactions:

- Accounts Receivable
- Accounts Payable
- Fixed Assets
- Inventory Control

You can specify default intercompany accounts in Domain/Account Control. The default accounts are used by Entity Code Maintenance to simplify the setup of intercompany accounts when multiple entities are maintained in one domain.

When a transaction references more than one entity, the system automatically creates the required intercompany balancing entries using these accounts.

Separating intercompany transactions by entity and module lets you reconcile intercompany balances by comparing the debit and credit balances for each entity. You can also identify missing transactions and timing discrepancies.

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Sales, Purchasing, and Department Accounts

Domain/Account Control X

Go To Actions Copy Print Preview

Sales Accounts

Receivables:	1200			
Sales:	3000			
Sales Discount:	3900			
Sales Tax:	2405			
Sales Tax Absorbed:	6950			
Sales Terms:	3910			
Sales Cash:	1040			
Sales Returns:	5055			
Sales Finance:	3800			
COGS Material Acct:	5050			
COGS Labor Acct:	6860			
COGS Burden Acct:	6480			
COGS Overhead Acct:	6495			
COGS Subcontract Acct:	5070			
Sales Freight Accrued:	2350			
Sales Freight Applied:	4120			
Terms Late Interest:	3810			

Accounts Payable

Payables:	2100	0002
AP Discount:	5200	0002
AP Tax:	1400	0002
AP Tax Retained:	2450	0002
Expensed Item Receipts:	2250	0002
Expensed Item Usage Var:	5110	0002
Expensed Item Rate Var:	5120	0002

Department

Cost Of Production:	6500			
Labor:	6500			
Burden:	6400			

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Sales, Purchasing and Department Accounts

The Domain/Account Control also lets you set default accounts for:

- Sales
- Accounts payable
- Departments

The screenshot displays three overlapping windows from the QAD 2008 software interface, all titled "Domain/Account Control".

Product Line Window: Lists various inventory and production accounts.

Account Name	Account Number
Inventory Acct:	1500
PO Receipts Acct:	2200
Purchases:	5101
Overhead Appl Acct:	6490
Scrap:	6900
Work in Process:	1600
Inv Discrep Acct:	5900
Cost Revalue Acct:	1550
Floor Stock Account:	1560

Variances Window: Lists various variance accounts.

Account Name	Account Number
PO Price Variance:	1601
AP Usage Variance:	5010
AP Rate Variance:	5020
Method Variance:	6200
Transfer Variance:	5030
Material Usage Var:	5045
Material Rate Var:	5040
Labor Usage Var:	6850
Rate Var:	6800
Age Var:	6470
Rate Var:	6460
Age Var:	5065
Rate Var:	5060
Mix Var:	6100

Service Accounts Window: Lists various service-related accounts.

Account Name	Account Number
Service Labor:	6550
Service Overhead:	6491
Service Expense:	7400
Expense Due:	7410
Service Returns:	5053
Deferred Revenue:	9000
Accrued Revenue:	6000

Product Line, Variances and Service Accounts

Enter the default accounts for:

- Product lines
- Variances
- Service Accounts



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General Ledger Setup



- ▲ Set Up Control Files
 - Domain/Account Control
 - General Ledger Control
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ Set Up Sub-Accounts
- ▲ Set Up Cost Centers

QAD Proprietary

General Ledger Control

25.24 — General Ledger Control

General Ledger Control

Go To Actions Copy Print Preview

Profit/Loss Account (BS) 2900

Retained Earnings Account 120000

Translation Adj Acct (BS) 888000

Translation Adj Acct (IS) 888000

Use Sub-Accounts ☒

Use Cost Centers ☒

Balanced Entities ☒

Allow Changes to Module Transactions ☒

Continuous Page Numbers for Post Audit ☐

Last Page Number for Post Audit 0

Daily/Continuous Reference Sequence Daily

GL Transaction Audit Trail ☒

Suppress Reopen Closed Periods ☐

Offset Account for GL Import 9999

QAD Proprietary

Menu Number 25.24

Before you can maintain account balances and produce financial statements, you must configure GL Control. The GL Control function lets you:

- Specify accounts for recording profit and loss, and retained earnings.
- Activate sub-account and cost center analysis.
- Specify whether to permit changes to module transactions in the GL module.
- Specify how to print posting audit trails.

The following is a summary of the key fields in GL Control:

Profit/Loss Account (BS)

Define the GL account code for the balance sheet year-to-date earnings (profit and loss). The account is used for financial reporting only.

You cannot post transactions to the account.

The system recalculates the account balance whenever a balance sheet is printed. At the year-end close, the balance in this account is posted to the retained earnings account.

Retained Earnings Account

Specify the account that will be used by Transaction Year-End Close (25.13.12) and Retroactive Transaction Maintenance (25.13.2) to create one-sided transactions.

Transactions will only be posted to retained earnings during initial implementation. Only post to retained earnings using Standard Transaction Maintenance (25.13.1)

Translation Adj Acct (BS)

Specify the balance sheet account that is affected by currency translation adjustments.

The account is only used when importing transactions from other entities operating in different base currencies. If the Post Translation Adjustment to field on the entity specifies Balance Sheet, then translation adjustments post to this account.

Translation Adj Acct (IS)

Specify the income statement account affected by currency translation adjustments.

The account is only used when importing transactions from other entities operating in different base currencies. If the Post Translation Adjustment to field on the entity specifies Income Statement, then translation adjustments post to this account.

Use Sub-Accounts

When the field is set to Yes, the system will prompt you to enter a sub-account whenever you enter an account.

The Sub-Module Sub-Account Length field in Domain/Account Control (36.1) determines how many digits are used for the sub-account. When the field is set to No, the system prompts for an account number during data entry.

Use Cost Center

When the field is set to Yes, the system will prompt you to enter a cost center whenever you enter an account.

When the field is set to No, the system prompts for an account number only during data entry.

Balanced Entities

When the field is set to Yes, the system verifies that GL transactions are balanced for all entities when posting.

- To be balanced, the total for all transactions within a single entity must equal zero.
- This setting is the normal default for most entities.

When the field is set to No, transactions do not need to be balanced for each entity Sub-modules always create balanced entries. The potential for unbalanced entries arises only in the General Ledger module.

Allow Changes to Module Transactions

When the field is set to Yes, you can modify any GL transactions from sales, purchasing, and other modules in Standard Transaction Maintenance (25.13.1).

When the field is set to No, you can only use Standard Transaction Maintenance to modify transactions that are unbalanced or otherwise unpostable.

Continuous Page Numbers for Post Audit

When the field is set to Yes, the system prints the posting audit trails using continuous numbering.

For example, if the audit trail for January is printed on page numbers 1 through 10, the audit trail for February must begin on page 11. This setting is a requirement in certain countries.

Last Page Number for Post Audit

If the Continuous Page Numbers for Post Audit field is set to Yes, the system will update this field with the last page number of the audit trail as each audit trail is printed.

Daily/Continuous Reference Sequence

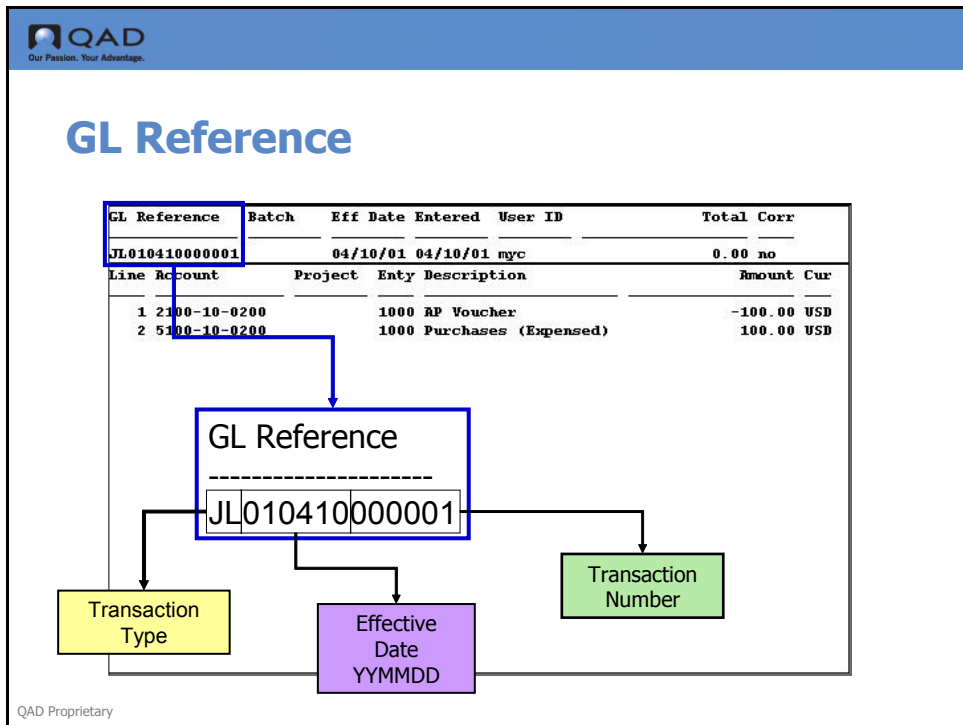
Specify whether the numbering on GL transactions should be reset daily or whether the numbering should be continuous. This field determines the numbering system and level of user flexibility when entering reference numbers for certain GL transactions (JL, RV, RA, FX).

- Continuous

If the numbering is continuous, transaction numbers will be system-generated, and you cannot enter reference numbers manually. When the field is set to Continuous, the transaction number does not restart.

- Daily

If the numbering is reset daily, the first transaction of each day is assigned 0000001. However, you can still enter reference numbers manually.



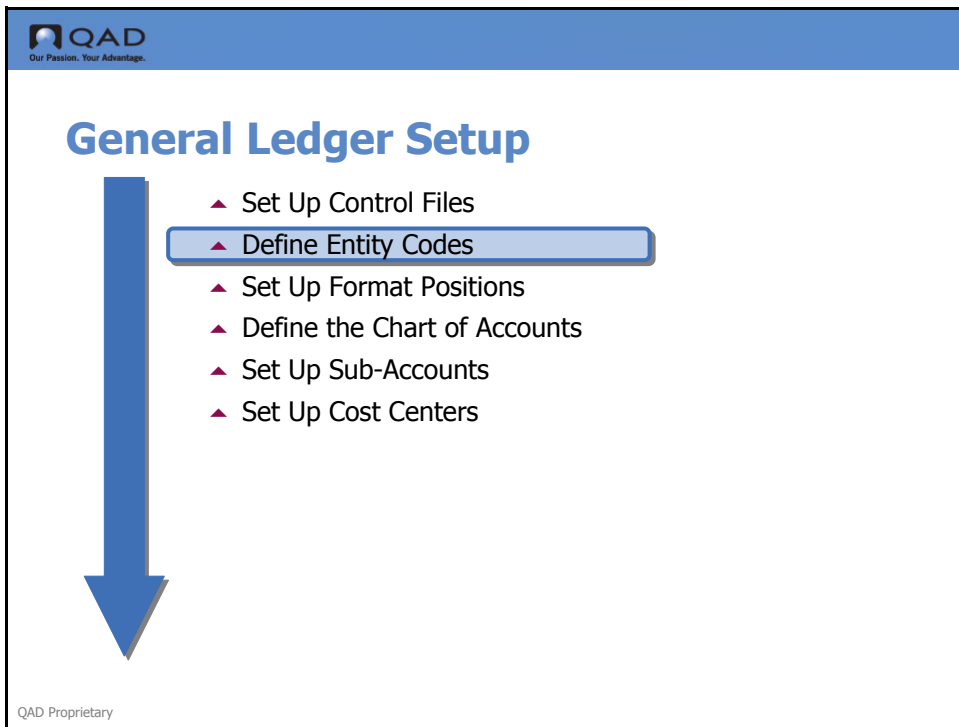
GL Reference

It is important to understand the elements that compose a GL transaction, in particular, the GL reference and the distribution lines. The above illustration shows a GL reference.

Whenever a transaction is created, the system automatically assigns it a GL reference number with the following format:

```
<transaction type><yr><mm><dd><transaction number>
```

The transaction type is determined by the module in which the transaction is created. This concept will be discussed further in the Processing section of this training guide.



The diagram is titled "General Ledger Setup" in a large blue font. To the left of the list is a large blue arrow pointing downwards. To the right of the arrow is a list of six steps, each preceded by a small red triangle. The second step, "Define Entity Codes", is highlighted with a blue rectangular box. The QAD logo and tagline "Our Passion. Your Advantage." are in the top left corner. The text "QAD Proprietary" is in the bottom left corner.

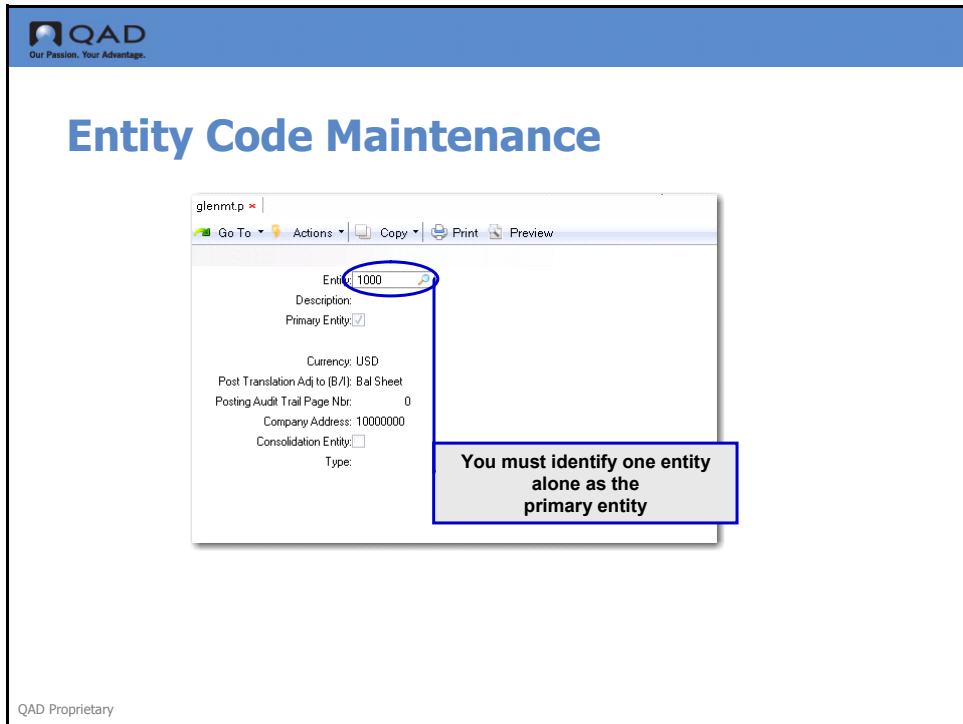
General Ledger Setup

- ▲ Set Up Control Files
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ Set Up Sub-Accounts
- ▲ Set Up Cost Centers

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Define Entity Codes

Use Entity Code Maintenance (25.3.1.1) to define corporate entities and to specify consolidation sets.



Entity Code Maintenance

Menu Number 25.3.1

An entity is an independent financial unit used for financial reporting. It generates a separate balance sheet and income statement, plans budgets, and is assessed for taxes. Since the system supports businesses with multiple companies, all transactions are posted by entity.

Use Entity Code Maintenance (25.3.1.1) to set up entity codes and define consolidation sets. Even single-entity companies must set up a code. For most transactions, the default entity is the one specified in Domain/ Account Control (36.1).

You can generate a separate balance sheet and income statement, and plan budgets and assess taxes for each entity. Only one entity is designated the Primary entity.

Multiple entities can be maintained in one database if they share the same base currency, chart of accounts, and fiscal calendar. Multiple entities and transaction consolidation are covered in detail

in the Multiple Currency Training Guide. If multiple currencies are not in use, you can set Post Translation Adj to (B/I) to either B (Balance Sheet) or I (Income Statement)

All transactions are posted by entity, and data can be printed for a range of entity codes, if they are in the same database. You must set up intercompany accounts (AR, AP and Inventory) when processing transactions for more than one entity.

Each entity is assigned a three-character currency code, designating the entity base currency. In multiple currency environment, this code determines if a currency translation must be performed on transactions imported from another database for this entity. Defaults to the system base currency. Currency codes are created in Currency Maintenance (26.1)

Using Current Entity Change (25.1), you can change the default primary entity for a GL activity for the duration of a user session. Does not affect transactions processed by other users.



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Entity Code within a Transaction

glenmt.p

Go To Actions Copy Print Preview

Entity: 1000

Description

Primary Entity: ☒

Currency: USD

Post Translation Adj to (B/I): Bal Sheet

Posting Audit Trail Page Nbr: 0

Company Address: 100000

Consolidation Entity: ☐

Type:

Entity

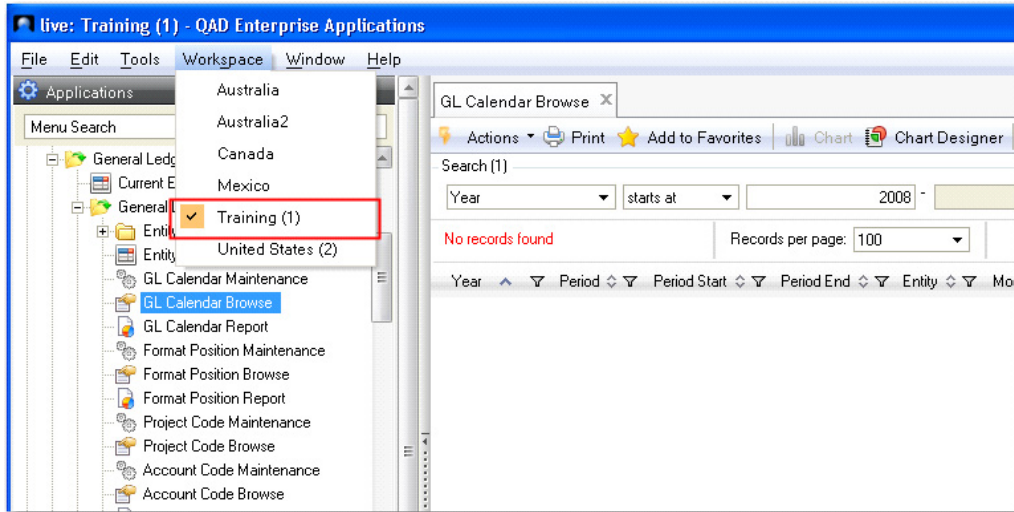
Line	Account	Project	Enty	Description	Amount	Cur
1	2100-10-0200		1000	AP Voucher	-100.00	USD
2	5100-10-0200		1000	Purchases (Expensed)	100.00	USD

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Entity Code within a Transaction

The slide shows how an entity code is displayed within transaction details.

Training



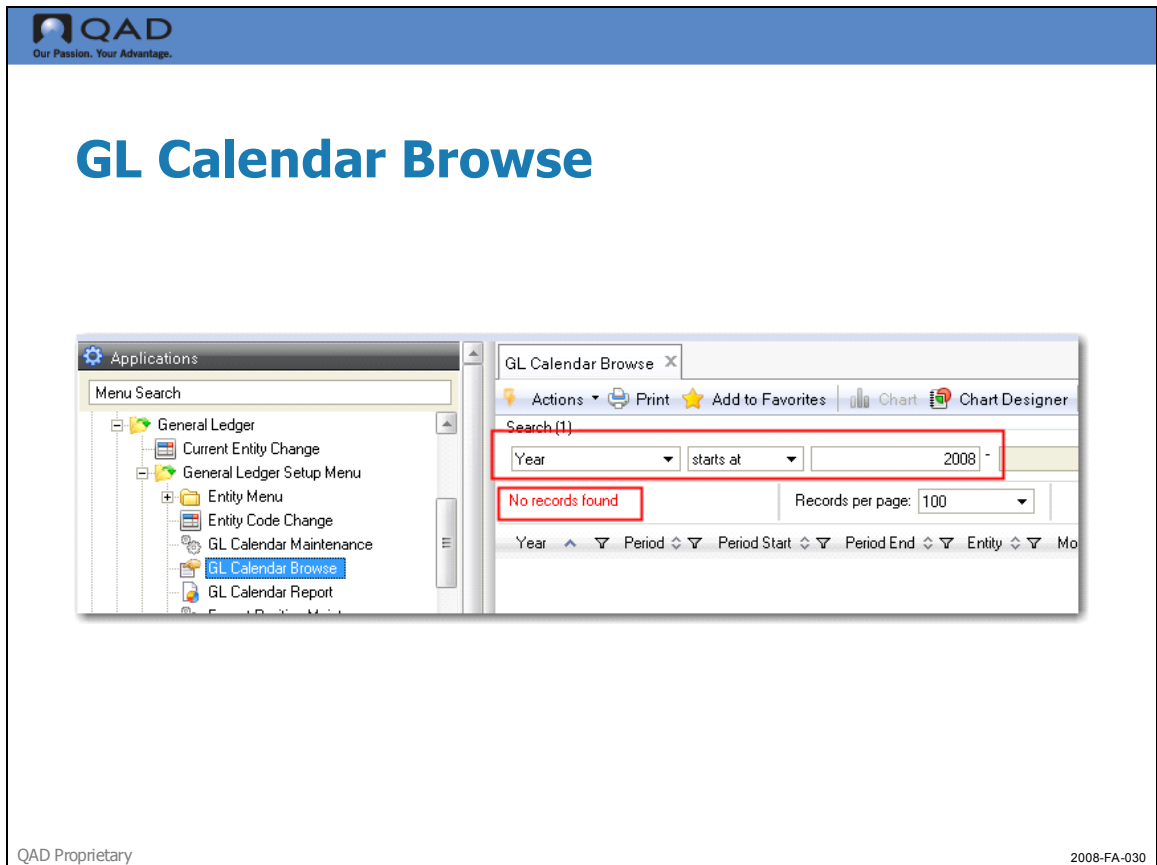
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2008-FA-020

First Activity: Preliminary Setup

First Activity for all 2008 SE Courseware

- 1 Verify Domain: From the workspace menu select Training.
 - a Note the domain name appears in the top window frame.



2 Verify GL Calendar Period

- a Use GL Calendar Browse (25.3.5)
- b Start search at current year
- c You should see a list of months for the current year
- d If you find "No Records" continue to step three.

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GL Calendar Maintenance

GL Calendar Maintenance X

Go To Actions Copy Print

QUALITY PRODUCTS COMPANY

Year: 2008

Period: 1

Period Start: 10/1/2008

Period End: 12/31/2008

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3 Use GL Calendar Maintenance (25.3.4)

Enter the current year, then as a short cut enter one period whose dates will cover the term of your training event.

Exercise: Set Up General Ledger Control and Entity Codes

Important The data used in these exercises may not be the same as the data shown in the screen captures in this lesson.

Instructions: In this exercise, you will define your General Ledger Control, and review your primary entity.

Your company is implementing QAD 2008 General Ledger. Keep in mind, when setting up your chart of accounts, you will be using sub-accounts and cost centers to track more detail for divisional and departmental accounting.

- 1 Set up the appropriate fields to enable sub-accounts and cost centers.
- 2 Ensure that corrections can be made to module transactions in Standard Transaction Maintenance. Configure the appropriate setting to allow this.
Use General Ledger Control (25.24).
- 3 Review the entities in your database. Which entity is the primary entity?
- 4 Change the name of the primary entity.
Use Entity Code Maintenance (25.3.1).



General Ledger Setup



- ▲ Set Up Control Files
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ Set Up Sub-Accounts
- ▲ Set Up Cost Centers

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Format Positions

To set up a general ledger, you first determine what kinds of information must appear on the financial statements. Financial statement elements, such as product line, can either have their own headings, or be grouped with similar elements under larger headings, such as sales. These report headings are called format positions. Format positions let you specify different levels of detail for different reports and audiences.


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Grouping Transactions on Reports

Balance Sheet

Liabilities and Equity	200,000.00
Liabilities	50,000.00
Current Liabilities	25,000.00

Line	Account	Project	Enty	Description	Amount Cur
1	2100-10-1000	ADV96	2000	AP Voucher	-100.00 USD
2	5100-10-1000	ADV96	1000	PURCHASES (EXPENSED)	100.00 USD
					0.00 USD

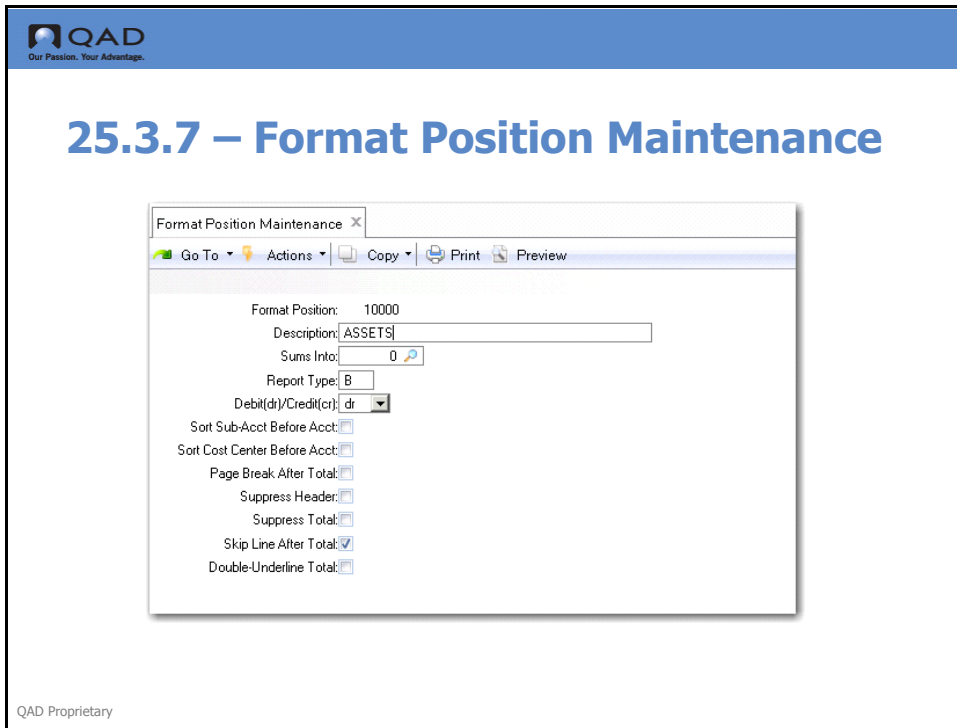


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Grouping Transactions on Reports

When transactions appear on financial statements, they are summarized by account, sub-account, and cost center. Similar accounts are grouped together. For example, several types of cash accounts in different currencies could be grouped together as Cash. Account groups can also be added together to form larger groups, such as Current Assets. These groupings are format positions.

Note Format positions are not used in the GL Report Writer.



Format Position Maintenance

Menu Number 25.3.7

In QAD 2008, you define the structure and appearance of your financial statements by setting up format positions. Format positions control where, how, and at what level of detail your account information is sequenced, totaled, and printed. Basically, a format position is a code identifying a title and total line on a financial statement.

Format positions determine the following:

- Level of detail appearing on financial statements.
- The financial statements on which the data is to appear (balance sheet or income statement).
- The order in which the information appears on the financial statement.
 - Accounts are listed in alphabetical order under a subheading.
 - Subheadings are listed in numerical order by format position underneath a heading.

- The relationship between different account balances.
 - For example, a format position for current Assets might summarize account balances for Cash, Accounts Receivable, and Inventory.
- Where page breaks occur.

You must define format positions before defining your chart of accounts.

Formatting

Formatting allows you to determine the appearance of financial reports.

The following is a summary of the key format position fields:

Sort Sub-Acct Before Acct

This field determines the sort priority for sub-accounts within a format position. It is used on financial statements in conjunction with the Summarize Cost Center option.

Sort Cost Center Before Acct

This field determines the sort priority for cost centers within a format position. It is used in financial statements in conjunction with the Summarize Sub-Acct option.

Page Break After Total

Set the field to Yes to insert a page break after the total for this format position.

Set the field to No if a page break is not required.

Suppress Header

Set this field to No to print a heading line for the format position.

Set the field to Yes to suppresses the heading line from printing.

Suppress Total

Set this field to No to print a total line for the format position.

Set the field to Yes to suppresses the total line from printing.

Skip Line After Total

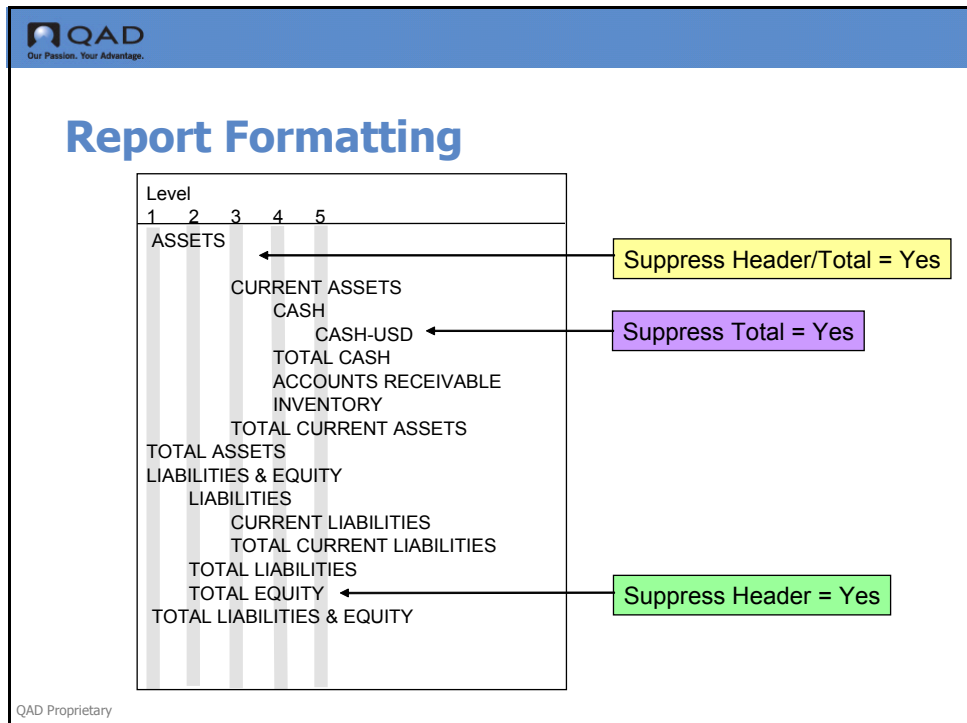
Set the field to Yes to print a blank line after printing the total for the format position.

Set this field to No if a blank line is not required.

Double-Underline Total

Set the field to Yes to print a double underline below the total for the format position.

Set this field to No if an underline is not required.



Report Formatting

An easy way to create new reports is to go through printed copies of your existing balance sheet or income statement with three highlighter pens.

- 1 Highlight the headers and totals for each section of the report that has both a header and a total line. For example, highlight Current Assets and Total Current Assets.
- 2 Using another color, highlight the headers with no corresponding total. These headings are subtitles used to group accounts and to promote clarity, but that do not require subtotals. In these format positions, set Suppress Total to Yes in Format Position Maintenance.
- 3 Using a third color, highlight the totals with no corresponding header. These sub-totals are used to print intermediate totals, and do not need a heading. In these format positions, set Suppress Header to Yes.



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Balance Sheet Format Positions

Level	Account	Format Position	Sums Into
1 2 3 4 5			
	ASSETS	10000	0
	CURRENT ASSETS	10100	10000
	CASH	11000	10100
	CASH-FOREIGN	11100	11000
	TOTAL CASH	1042	1110
	ACCOUNTS RECEIVABLE		
	INVENTORY	1200	1100
	TOTAL CURRENT ASSETS	1500	1100
	TOTAL ASSETS		
	LIABILITIES & EQUITY		
	LIABILITIES		
	CURRENT LIABILITIES		
	TOTAL CURRENT LIABILITIES		
	TOTAL LIABILITIES		
	EQUITY		
	TOTAL EQUITY		
	TOTAL LIABILITIES & EQUITY		

Allocation Code Maintenance

Go To

Actions

Copy

Print

Preview

Allocation Code: a-1

Description: a-1

Account	Sub-Acct	CC	Project	Percent
3000				30.000
1040				30.000
401000				20.000
1800				20.000

*Blank format positions for spacing:
Suppress Header/Total = Yes in 25.3.7

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Balance Sheet Format Positions

The slide shows a sample balance sheet. Format positions have been assigned as follows:

Account	Format Position	Level #	Effect
Cash-Foreign		5	Assigned to format position 11110.
Cash	11100	4	Sums into Current Assets.
Current Assets	11000	3	Sums into Assets. Format position 10100 is a blank format position.
Assets	10000	1	Top level heading for the balance sheet, which sums into 0, as does format position 15000 for Liabilities and Equity.

After you identify which format positions are needed, assign numbers to the positions.

When format positions are set up, print and review the Financial Statement Proforma (25.15.12) and verify that the format positions were set up correctly.

You assign accounts (for example, Cash-Foreign, account 1042) to a format position when you create the accounts in Account Code Maintenance (25.3.13). The system automatically totals and displays the account amounts assigned to the format positions (for example, Cash and Liabilities). Format positions Cash, Accounts Receivable, and Inventory sum into the format position for Current Assets. Current Assets then sums into the format position for Assets.

Note You do not need to set up a format position for a total. The system automatically totals the format position, and then displays a label and total if you set Suppress Header and Suppress Total to No in Format Position Maintenance (25.3.7).

When you assign an account to a format position in Account Code Maintenance, you see the higher-level format positions into which the account is summed. This facility lets you control the amount of detail printed on financial statements. In the income statement and balance sheet reports, you can specify up to 99 levels of detail. Five are shown in the previous example. Using the previous example, selecting level 5 would give you the most detail, and selecting level 1, the least.



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Income Statement Format Maintenance

Level						Account	Format Position	Sums Into	
1	2	3	4	5	6				
						SALES	50000	60000	
						SALES	3000	50000	60000
						SALES DISCOUNTS	3900	50000	60000
						TOTAL SALES			
						COST OF GOODS SOLD		55000	60000
						SALES TERMS DISCOUNTS	3910	55000	60000
						TOTAL COST OF GOODS SOLD			
						TOTAL GROSS MARGIN*		60000	80000
						OPERATING EXPENSES			
						PURCHASES			
						TOTAL OPERATING EXPENSES			
						TOTAL INCOME FROM OPERATIONS*			
						OTHER INCOME & EXPENSES*			
						PROFIT (LOSS) BEFORE TAX			
						TOTAL NET PROFIT/LOSS*			

*Suppress Header = Yes, Suppress Total = No.

Account Code Maintenance

Account: 3000

Description: sales

Type: 1

Currency: usd

Format Position: 60000

SALES

GROSS MARGIN

INCOME FROM OPERATIONS

PROFIT(LOSS) BEFORE TAX

NET PROFIT(LOSS)

Level 5

Level 4

Level 3

Level 2

Level 1

Sub-Module Entries Only:

Statistical Account:

Active:

Cur Translation Index: 1

Income Statement Format Positions

Notice that, in comparison to the Balance Sheet, the income statement is reversed. Total Net Profit/Loss is the highest-level format position, but it is at the end of the report. Also, there is less indenting at the end of the report.

Note On income statement format positions, lower format position numbers sum into higher ones; on balance sheets, higher format position numbers sum into lower ones. However, account numbers do not have to be assigned sequentially to format positions.

 Sub-Account and Cost Center Options				
Sort-Sub-Account	Sort Cost Center	Summarize Sub-Account	Summarize Cost Center	
Output *				
No	No	No	No	ASC
No	No	No	Yes	AS
No	No	Yes	No	AC
No	No	Yes	Yes	A
No	Yes	No	No	CAS
No	Yes	No	Yes	AS
No	Yes	Yes	No	CA
No	Yes	Yes	Yes	A
Yes	No	No	No	SAC
Yes	No	No	Yes	SA
Yes	No	Yes	No	AC
Yes	No	Yes	Yes	A
Yes	Yes	No	No	SCA
Yes	Yes	No	Yes	SA
Yes	Yes	Yes	No	CA
Yes	Yes	Yes	Yes	A

* [A] Account [S] Sub-Account [C] Cost Center

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Summarize/Sort Options for Sub-Account and Cost Centers

Another issue to consider when setting up format positions is how sub-account and cost center amounts will be represented on the GL reports.

Two settings in Format Position Maintenance determine the sort priority of sub-accounts and cost centers:

- The Sort Sub-Acct Before Acct field determines whether sub-accounts should take precedence over accounts when you print and sort the format position.
- The Sort Cost Center Before Acct field determines whether cost centers should take precedence over accounts and sub-accounts when you print and sort the format position.

The previous two settings work in conjunction with the following two criteria on the GL reports:

- Summarize Sub-Accounts
- Summarize Cost Centers

The previous slide shows all the possible interactions between the sort and summary fields, and the information and sort order that will appear on the report output.

Note If your chart of accounts is department driven, the summarize settings will help organize financial statements by sub-account or cost center hierarchy.

Exercise: Format Positions

Instructions: Before you can set up your chart of accounts, you must define format positions. Set the format positions for the sample balance sheet on the following page.

Use Format Position Maintenance (25.3.7).

Balance Sheet

Format Position	Description	Sums Into	Dr/Cr
_____	Assets	_____	_____
_____	Current Assets	_____	_____
_____	Fixed Assets	_____	_____
_____	Total Assets	_____	_____
_____	Liability and Equity	_____	_____
_____	Liabilities	_____	_____
_____	Current Liabilities	_____	_____
_____	Long-Term Liabilities	_____	_____
_____	Total Liabilities	_____	_____
_____	Equity	_____	_____
_____	Total Liabilities and Equity	_____	_____



General Ledger Setup

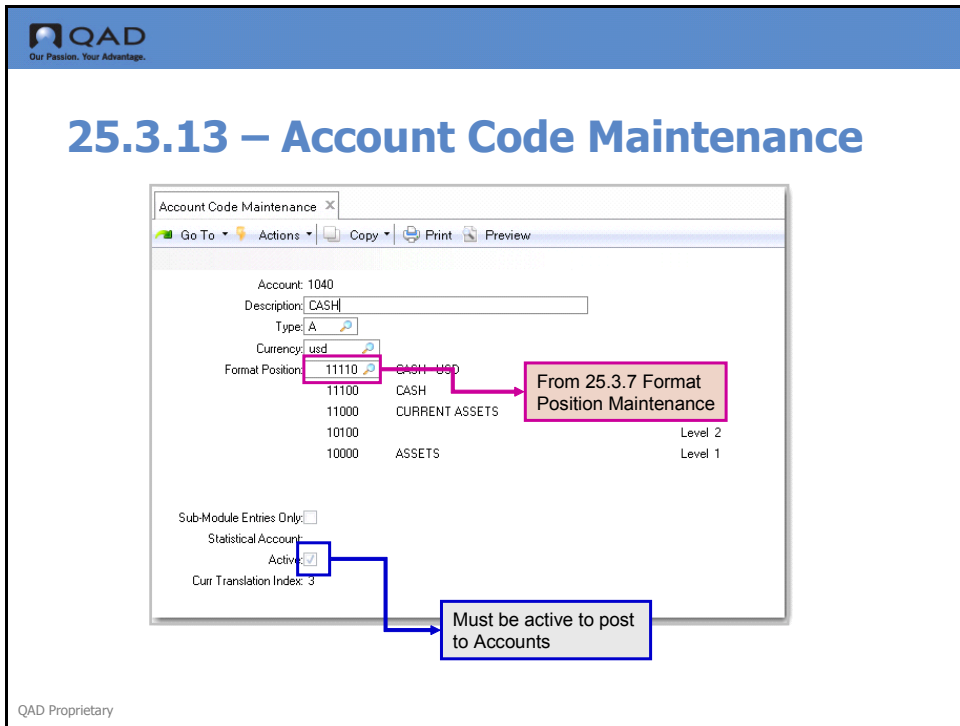


- ▲ Set Up Control Files
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ Set Up Sub-Accounts
- ▲ Set Up Cost Centers

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Accounts

Accounts are used for top-level financial reporting.



Account Code Maintenance

Menu Number 25.3.13

Use Account Code Maintenance to define accounts.

Note When assigning account codes, consider the order in which they will be sorted on reports. Be consistent with the number of characters used, and remember that all account codes sort alphanumerically and lexically (for example, number 1000 before 123). To sort accounts numerically, zero-fill the codes (for example, number 123 as 0123).

Each account is assigned to a format position, which must be defined before you can set up an account. Accounts can only be assigned to one format position.

When you assign the account to a format position, you also see the higher level format positions into which the account is summed. This level helps you to determine the level of detail to print on financial statements.

Note To prevent an account, such as a memo account, from being associated with a format position, assign the account to format position zero (0).

You can set an account to inactive This prevents posting GL transactions to this account

The Currency Translation Index field is used only when importing multiple currency transactions from other databases

Do not delete account codes when your general ledger implementation is complete. Deleting account codes can cause your general ledger to become out of balance. Inactive accounts cannot be deleted if they have any transaction history associated with them.

The following are the key fields in Account Code Maintenance:

Account Type

All accounts are classified by their function on financial statements. The choices are:

- A (Asset)
Economic resources owned by a company, such as cash, a building, or investments. Appears on balance sheet and custom reports.
- L (Liability/Retained Earnings)
Amounts a company owes to other parties. Appears on balance sheet and custom reports.
- I (Income) or E (Expense)
These accounts appear on income statements and custom reports. Types I and E do not strictly correspond to the accounting definition of income and expense accounts. The system assumes that anything with an account type of I is related to sales. These account totals, when added together, represent 100% of sales. All other income statement accounts must be coded as type E, including those that would otherwise be considered other income.
- M (Memo)
Used to report reference information such as the number of employees or the size of a building. Never used in calculations.
- S (Statistical)
Statistical accounts are used to record amounts totaled on custom reports. The accounts are listed on financial statements, but are not included in totals. Statistical accounts can also be used to record base taxable amounts for the VAT AR and AP accounts.
Statistical accounts are used by the system ONLY if using Value-Added Tax. A statistical account can be associated with VAT-AR and VAT-AP accounts. Whenever VAT tax amounts

are posted to the GL, the base amount on which the tax was calculated is posted to the statistical account.

The currency for statistical accounts defaults to the system base currency. You can assign a non-base currency only on balance sheet accounts (types A or L)



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Account Code within a Transaction

Account Code Maintenance

Go To Actions Copy Print Preview

Account: 2100

Description: CASH - FRENCH FRANCS

Type: A

Currency: FRF

Format Position: 11120 CASH - FOREIGN Level 5

11100 CASH Level 4

11000 CURRENT ASSETS Level 3

10100 Level 2

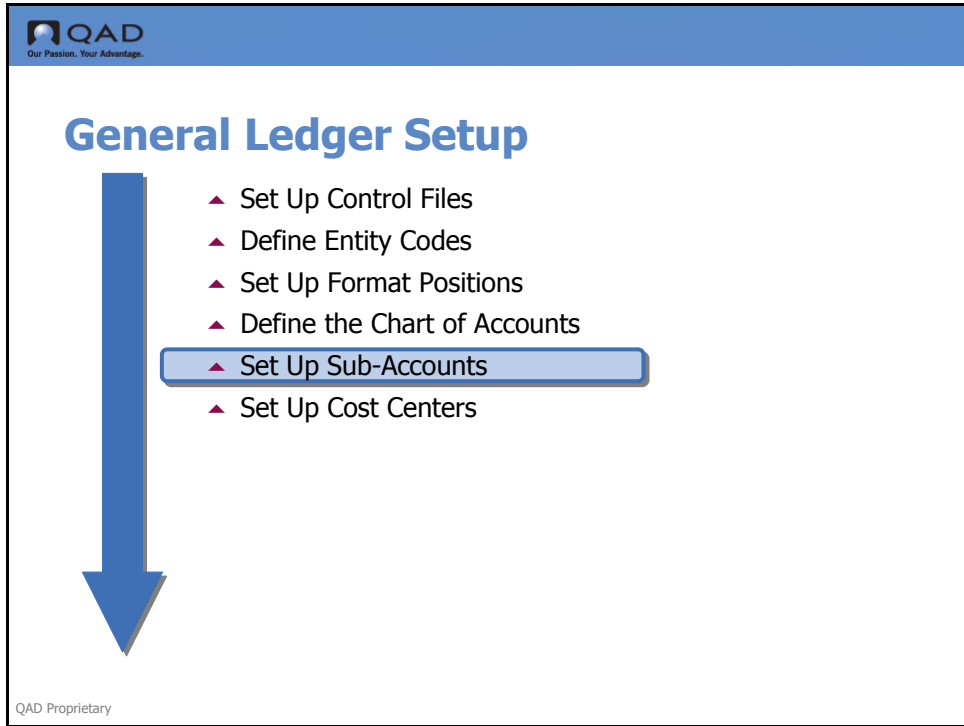
Line	Account	Project	Enty	Description	Amount Cur
1	2100-116-1000	ADV01	2000	AP Voucher	-100.00 USD
2	5100-116-1000	ADV01	1000	PURCHASES (Expensed)	100.00 USD
					0.00 USD

Account

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Account Code within a Transaction

The slide shows how an account code is listed within a GL transaction.



The slide features a blue header with the QAD logo and tagline. A large blue arrow points downwards on the left side. To the right of the arrow is a list of six setup steps, with the fifth step, 'Set Up Sub-Accounts', highlighted by a blue rectangular box.

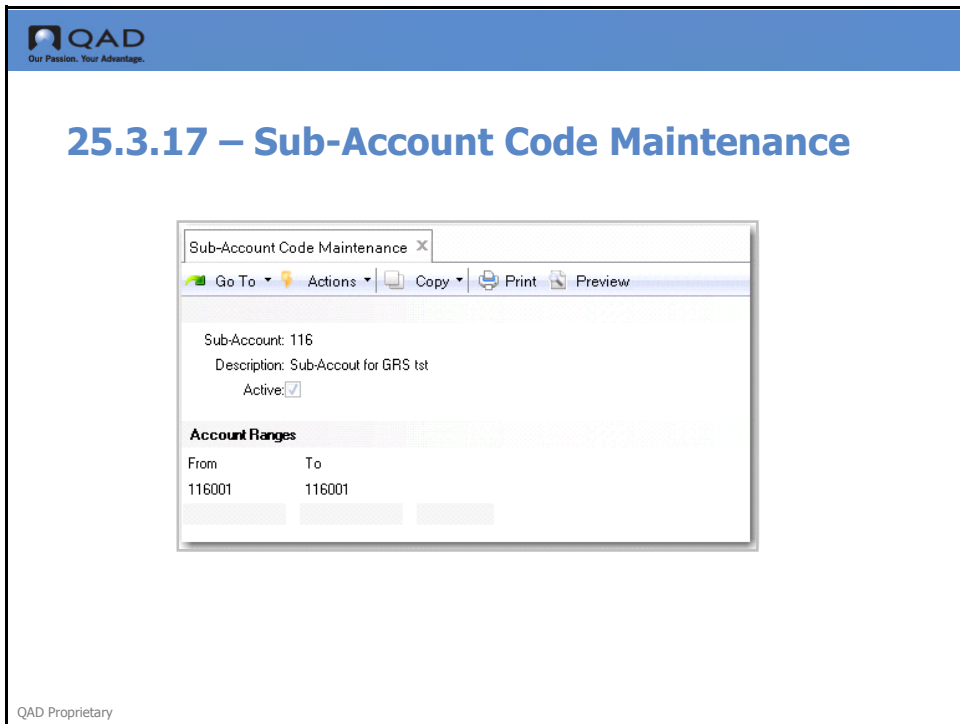
General Ledger Setup

- ▲ Set Up Control Files
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ **Set Up Sub-Accounts**
- ▲ Set Up Cost Centers

QAD Proprietary

Sub-Accounts

Sub-accounts are used in conjunction with accounts, cost centers, and projects to identify transactions and budgets for financial reporting.



Sub-Account Code Maintenance

Menu Number 25.3.17

Use Sub-Account Code Maintenance to create and maintain sub-account codes. You can also define a range of accounts for each sub-account.

Sub-accounts break down activity in an account code, providing further detail in financial statements. They are frequently used to organize financial reports by division (for example, Sales Division 1 or 2) or by product lines. Most financial reports give you the ability to summarize sub-accounts or print in full detail. In Budget Maintenance (25.5.1), you can also prepare budgets by sub-account.

Sub-accounts can also be used for product lines, leaving cost centers free for departmental accounting. For example, set up product lines for raw materials, components, finished goods, and sub-accounts for the product lines.

Note Never delete the blank sub-account code in your database, even if you do not use it on transactions. QAD 2008 uses it for retroactive and year-end close transactions.

To use sub-accounts set the Use Sub-Accounts field to Yes in the General Ledger Control File (25.24). Then, whenever a user enters an account number, the system allows for both an account number and a sub-account number.

Sub-accounts can be up to eight characters in length, and are optional. You can associate sub-accounts with multiple ranges of accounts.



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Sub-Accounts

Sub-Account Code Maintenance X

Go To Actions Copy Print Preview

Sub-Account: 116
Description: Sub-Account for GRS test
Active: ☒

Account Ranges

From	To
116001	116001

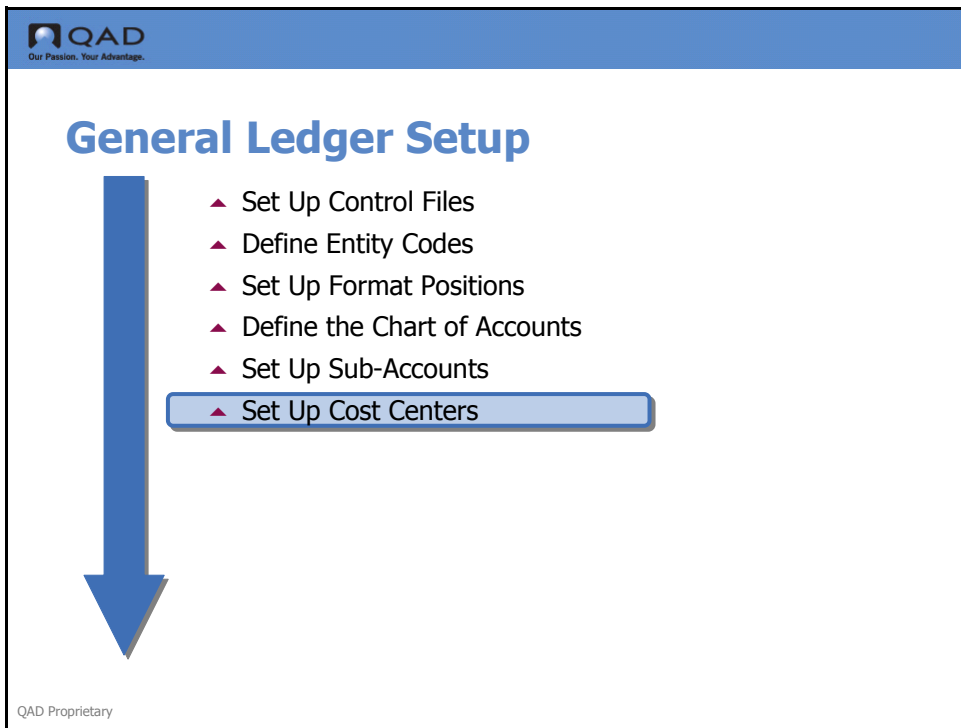
Line	Account	Project	Enty	Description	Amount	Cur
1	2100-116-1000	ADV01	2000	AP Voucher	-100.00	USD
2	5100-116-1000	ADV01	1000	PURCHASES (Expensed)	100.00	USD
					0.00	USD

Sub-Account

QAD Proprietary

Sub-Account Code within a Transaction

The slide shows how a sub-account code appears within a GL transaction.



The diagram is titled "General Ledger Setup" and features a large blue arrow pointing downwards on the left side. To the right of the arrow is a list of six setup tasks, each preceded by a red triangle bullet point. The last item, "Set Up Cost Centers", is highlighted with a blue rectangular background. The QAD logo and tagline "Our Passion. Your Advantage." are in the top left corner, and "QAD Proprietary" is in the bottom left corner.

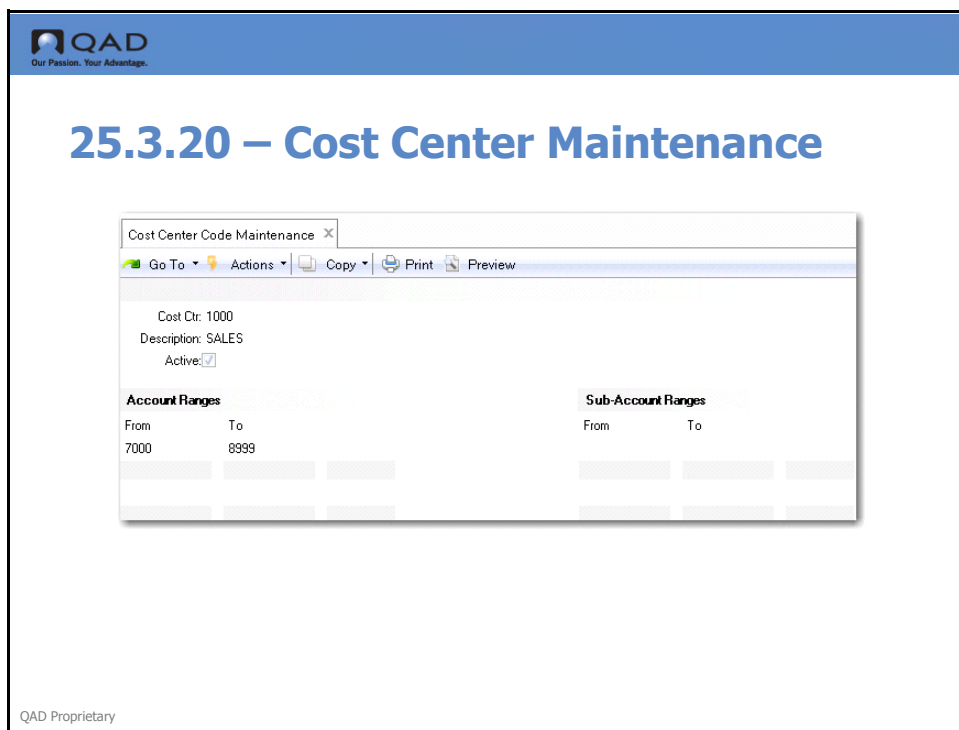
General Ledger Setup

- ▲ Set Up Control Files
- ▲ Define Entity Codes
- ▲ Set Up Format Positions
- ▲ Define the Chart of Accounts
- ▲ Set Up Sub-Accounts
- ▲ Set Up Cost Centers

QAD Proprietary

Cost Centers

Cost center codes break down activity and track expenses in accounts and sub-accounts, providing further detail in financial statements.



Cost Centers

Menu Number 25.3.20

Use Cost Center Code Maintenance (25.3.20) to associate valid account and sub-account ranges with a cost center. Cost centers are optional.

Cost centers can have a varied use within the same chart of accounts. For example, product centers within Sales/COGS section and cost center within the expenditure portion of the GL. Cost centers are frequently associated with departments or groups (for example, Engineering or Marketing) incurring expenses, but not always generating revenues.

Note The examples given are only ideas on how cost centers can be used. You will need to analyze your own company situation and use cost centers as you determine.

To use cost centers, set the Use Cost Centers field to Yes in the General Ledger Control File (25.24). Then, whenever you enter an account number, you can specify both the account and a cost center code.

Note When you define an account (or account and sub-account), the system only allows you to enter a cost center that is valid for the account (or the account and sub-account combination), even when Verify GL is set to No in the Domain/Account Control (36.1).

When using cost centers, set up a blank cost center for all accounts and sub-accounts that do not have a cost center. Never delete the blank cost center code in the database, even if you do not use it on transactions. QAD 2008 uses black cost centers for retroactive and year-end close transactions.



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Cost Center within a Transaction

Cost Center Code Maintenance

Go To

Actions

Copy

Print

Preview

Cost Ctr: 1000

Description: SALES

Active: ☒

Account Ranges

Sub-Account Ranges

From To

From To

7000 8999

Line	Account	Project	Enty	Description	Amount	Cur
1	2100-10-1000	ADV01	2000	AP Voucher	-100.00	USD
2	5100-10-1000	ADV01	1000	PURCHASES (Expensed)	100.00	USD
					0.00	USD

Cost Center

QAD Proprietary

Cost Center Code within a Transaction

The slide shows how a cost center code appears within a GL transaction.

The screenshot shows the 'Product Line Maintenance' window in the QAD system. The window has a title bar with the QAD logo and the text 'Our Passion. Your Advantage.'. Below the title bar is a menu bar with 'Go To', 'Actions', 'Copy', 'Print', and 'Preview'. The main content area displays the following information:

- Product Line: 1000
- Description: Product line 1
- Taxable: ☒
- Tax Class:
- Default Sub-Account: Override: ☐
- Default Cost Center: Override: ☐

Below these fields is a section titled 'Inventory Accounts' with the following list:

- Inventory Acct: 1500
- Inv Discrep Acct: 5300
- Scrap Acct: 5800
- Cost Revalue Acct: 1550

The 'Default Sub-Account' and 'Default Cost Center' fields are highlighted with a blue border. The 'QAD Proprietary' logo is visible in the bottom left corner of the window.

Sub-Account and Cost Center Defaulting

Because sub-accounts and cost centers are typically the same for most accounts, you can specify a default sub-account and cost center. The system applies the defaults to each account set up in the following programs:

- Product Line Maintenance (1.2.1)
- Inventory Account Maintenance (1.2.13)
- Sales Account Maintenance (1.2.17)
- Department Maintenance (1.4.1)

You can use the defaulting feature to default a particular sub-account and cost center throughout the above programs. Then, you just need to edit for exceptions, which facilitates data loading.



Our Passion. Your Advantage.

General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
- ▲ Set Up Budgets and Custom Reports

QAD Proprietary

Projects

Project codes provide project-specific reporting.

25.3.11 – Project Code Maintenance

Project: ADV01
 Description: Advertising Project
 Project Type: AD
 Status Code: 1
 Active: ☒
 Begin Date: 9/1/2008
 Original Completion Date: 9/12/2008
 Revised Completion Date:
 Date Revised:
 Actual Completion Date:
 Comments:

Account Ranges		Sub-Account Ranges		Cost Center Ranges	
From	To	From	To	From	To
0090	8400		9999		9999

QAD Proprietary

Project Code Maintenance

Menu Number 25.3.11

Projects can be used to track unique activities that incur expenses and can generate revenue. Examples of the use of projects includes tracking all transactions associated with a new product, or capital expenditures when replacing or upgrading old assets. Project amounts do not appear on standard financial statements.

Use Project Code Maintenance (25.3.11) to associate valid account, sub-account, and cost center ranges with a project. Some of the fields are reference only fields.

Setting the Active field to Yes indicates the project is active, and allows the system to post GL transactions to the project. You can enter comments for a project by setting the Comment field to Yes. When set to Yes, a comment screen displays.

Project codes are validated against accounts, sub-accounts, and cost centers when they appear in the same frame together. When the project code appears in a frame without the other account code elements (as in header frames), the system checks to ensure the project code is active.

GL transactions with invalid project codes are rejected during GL Transaction Post (25.13.7).

You can review project activity using project activity inquiries and reports. Project reports let you include all projects and print project comments. Using Budget Maintenance (25.5.1), you can also prepare budgets for projects.



Project Code within a Transaction

Project Code Maintenance

Go To Actions Copy Print Preview

Project: ADV01
Description: Advertising Project
Project Type: AD
Status Code: 1
Active: ☒
Begin Date: 9/1/2008
Original Completion Date: 9/12/2008
Revised Completion Date:

Date Revised:
Actual Completion Date:
Comments:

Line	Account	Project	Enty	Description	Amount	Cur
1	2100-10-1000	ADV01	2000	AP Voucher	-100.00	USD
2	5100-10-1000	ADV01	1000	PURCHASES (Expensed)	100.00	USD

					0.00	USD

Project

QAD Proprietary

Project Code within a Transaction

You can enter a project code on sales quotes, orders, invoices, accounts receivable memos, purchase orders, accounts payable vouchers, distribution orders, work orders, cumulative orders, quality orders, and non-productive labor feedback. You can also specify a project in the Service/Support Management module on calls, contracts, return material authorizations, and returns to suppliers.

Important Project codes are not available for SO trailer costs, volume discounts, AP accounts, and AR accounts.



General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
- ▲ Set Up Budgets and Custom Reports

QAD Proprietary

Allocation Codes

Allocation codes represent fixed percentages of expenses that must be allocated to different accounts, sub-accounts, cost centers, and projects. You can specify an allocation code anywhere you can enter an account.

25.3.23 – Allocation Code Maintenance

Account	Sub-Acct	CC	Project	Percent
3000				30.000
1040				30.000
401000				20.000
1800				20.000

Allocation percentages must equal 100%

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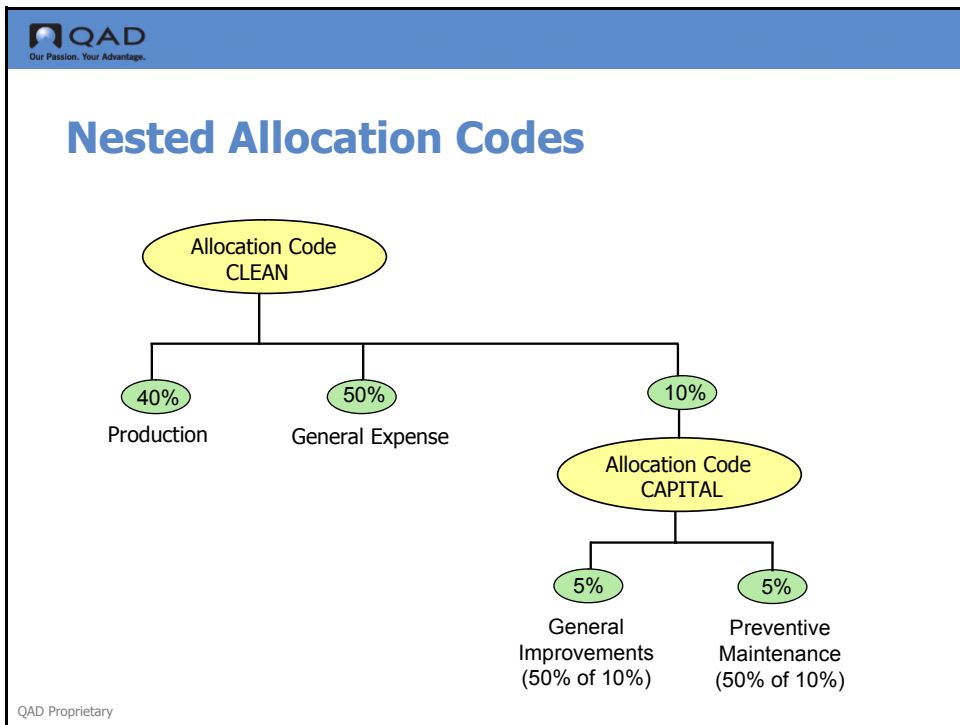
Allocation Codes Maintenance

Menu Number 25.3.23

Transactions that allocate an amount to several accounts, you can specify an allocation code rather than the individual accounts, sub-accounts, cost centers, and projects. This feature simplifies data entry.

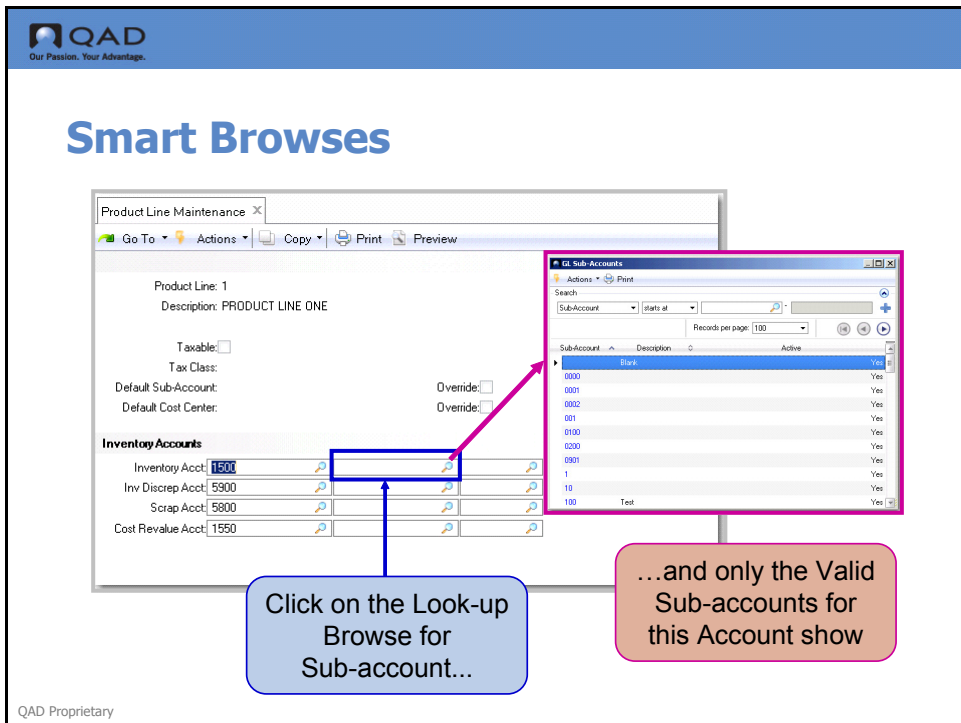
Create allocation codes using Allocation Code Maintenance. Define the specific accounts, sub-accounts, cost centers, and projects that a transaction must be split amongst, and the percentages to allocate to each. The percentages must total 100%.

Note Anywhere in the system an account code is used, an allocation code can be used.



Nested Allocation Codes

You can define nested allocation codes so that one allocation code references another. When the system calculates amounts, it explodes each level of allocation codes, multiplying the amount to be apportioned by the percentages at each level.



Smart Browsers

Use intelligent browses to look up account elements when account validation is active. Verify GL must be set to Yes in the Domain/Account Control (36.1).

- The sub-account browse displays only active sub-accounts that are valid for the account entered.
- The cost center browse displays only active cost centers valid for the account and sub-account range.
- The project browse displays only active GL projects valid for the account, sub-account, and cost center range.

Note This situation only occurs when the project field is combined with other account elements in the same program frame.

Exercise: Accounts, Sub-Accounts, Cost Centers, Projects, and Allocation Codes

Instructions: In this exercise, you will create a new account, sub-account and cost center.

- 1 Set up an account for janitorial expense, using account code 8250 and currency code USD. Assign the appropriate account type, and format position 72000. Accept all other defaults.
Use Account Code Maintenance (25.3.13).
- 2 Ensure that the settings for account 8250 are correct. Where would you check this?
Use Account Code Browse/Inquiry (25.3.15).
- 3 Add sub-account 0400, and give it a meaningful description. Assign it to accounts 8200 through 8400.
Use Sub-Account Code Maintenance (25.3.17).
- 4 Add a cost center 4000, and give it a meaningful description. Assign the cost center to account 8200 through 8400, and all sub-accounts.
Use Cost Center Maintenance (25.3.20).
- 5 Review your sub-account and cost center.
Use Sub-Account Code Browse/Inquiry (25.3.18) and Cost Center Browse/Inquiry (25.3.21).
- 6 Enter a project called Promo with the description, Promotional Item. Set the Active field to Yes, enter a Begin Date with today's date, and an end date one month from today. Assign this project to accounts 8200 through 8400, and all sub-accounts and cost centers. You will use it in a transaction later in the course.
Use Project Code Maintenance (25.3.11).

Allocation Codes

Instructions: Your company has discovered the need to expense its utility bill by percentage to multiple cost centers. In this activity, you will set up an allocation code.

- 1 Add an allocation code call UTIL. Enter the description “Utility Expense.” Enter the following accounts, cost centers, and percentages:

Account	Cost Center	Percentage
8400	1000	10.00
8400	2000	30.00
8400	3000	25.00
8400	5000	35.00

Use Allocation Code Maintenance (25.3.23).

- 2 Print the Allocation Code report for UTIL to your terminal/window for review.

Use Allocation Code Report (25.3.24).



General Ledger Setup

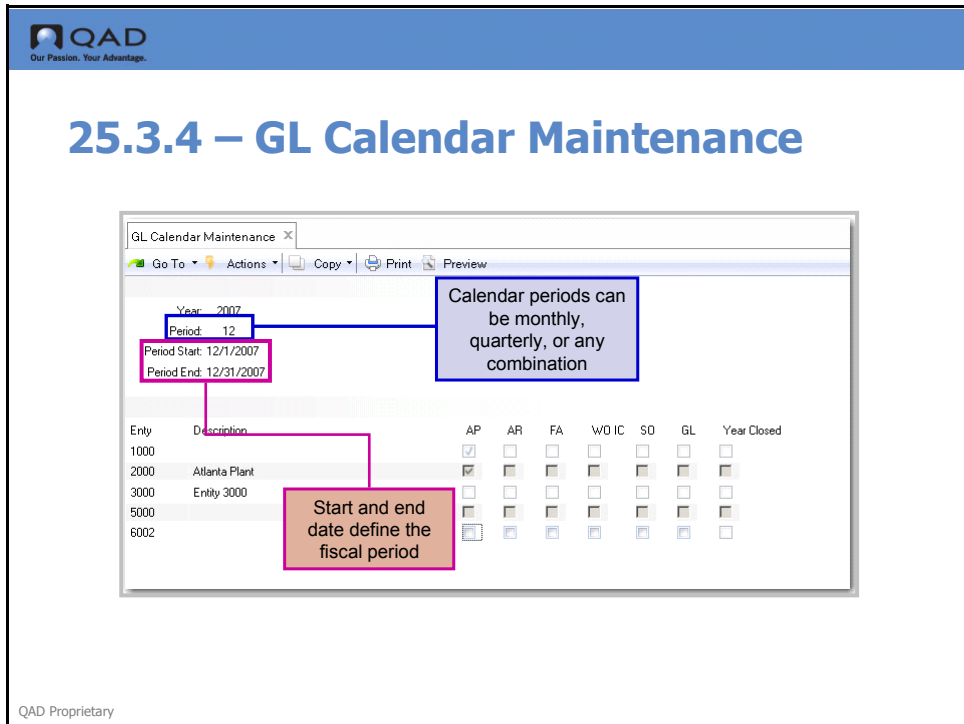


- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
- ▲ Set Up Budgets and Custom Reports

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GL Calendar

The GL calendar lets the system store transactions and print comparative reports for different GL periods. Calendars also determine which periods are active. Transactions are entered with a GL effective date. This date—and not the transaction date, although they are often the same—determines which GL period the transaction affects. Even after year-end close, transactions remain in the system, and reports can be printed by effective date.



GL Calendar Maintenance

Menu Number 25.3.4

The GL calendar defines the starting and ending dates of each GL period within a GL calendar year. Use GL Calendar Maintenance to add and maintain calendar periods for a GL calendar year.

Transactions are posted with a GL effective date, and the system uses the GL effective date to determine the GL period to which the transaction applies. You must define at least one calendar period for each GL calendar year. Each calendar period is defined by a start and end date. A calendar day cannot be shared by two GL periods.

For the system to post a transaction to the general ledger, the transaction's effective date must fall in a valid, open GL calendar period. If a transaction date is not included in a valid, open calendar period, the system cannot post the transaction.

To verify the transaction effective dates entered outside the General Ledger module, set Verify GL Accounts to Yes in the Domain/Accounts Control (36.1).

Close calendar periods for a specific GL transaction type by setting the corresponding field to Yes. Calendar periods can be closed by GL transaction types. You cannot close a transaction type if there are unposted transactions for that type in the period. You can re-open a closed calendar period if the fiscal year is still open, but you cannot re-open a closed GL calendar year.

In multi-entity environments on one database, the GL calendar must be the same for all entities. You can close and open calendar periods individually within each entity.

The GL calendar supports up to 999 GL periods.

- 4/4/5 periods can be handled by the calendar, but not a thirteenth period for adjustments, if it overlaps the first period of the next year
- Even after year-end close, the year's transactions remain in the system.
- You can still print reports by effective dates.

Note To prevent transactions being inadvertently created for future periods, set up the GL calendar for the entire year with all periods closed to activity except the current one.

Exercise: GL Calendar

Instructions: Your company's GL fiscal year runs on a calendar year. In this exercise, you will set up the GL calendar.

- 1 Set up the GL calendar for the current year for entity 1000.

Use GL Calendar Maintenance (25.3.4).



General Ledger Setup

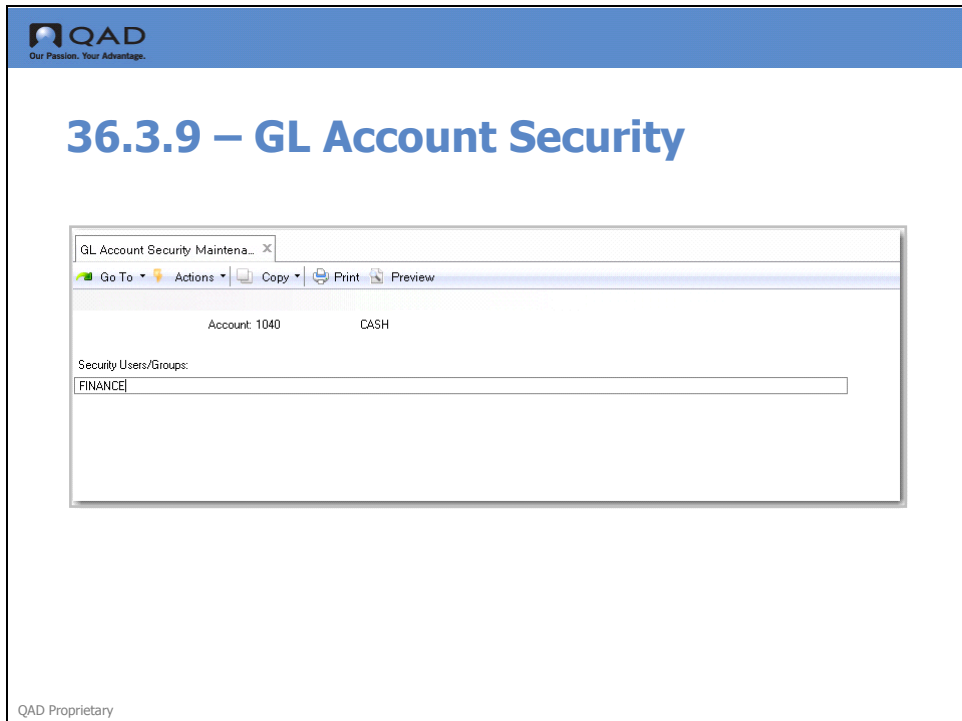


- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ **Implement Security**
- ▲ Create GL Daybooks
- ▲ Set Up Budgets and Custom Reports

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GL Account Security

GL account security lets you restrict who can update GL accounts based on user ID or user group. Account security is only effective when Verify GL Accounts is Yes in Domain/Account Control (36.1).



GL Account Security

Menu Number 36.3.9

Use GL Account Security Maintenance (36.3.9) to assign users or security groups to account numbers. Use the GL Account Security Report (36.3.23.16) to list all accounts that have controlled access.

Note Account level security operates over and above entity security.

To use account security:

- Verify that the GL Accounts field in Domain/Account Control (36.1) is set to Yes.
- User security option in Security Control field 36.3.24 must be set to U or B.
- Create security groups in User Maintenance (36.3.18).
- Add authorized groups to account in GL Account Security (36.3.9).

When a user specifies an account with security groups, the system will determine that the user does not belong to one of the account's security groups. The system will then display an error and the user will be prevented from continuing. However, an unauthorized user can still enter transactions in the sub-modules, such as Sales Order or Purchase Order Maintenance.

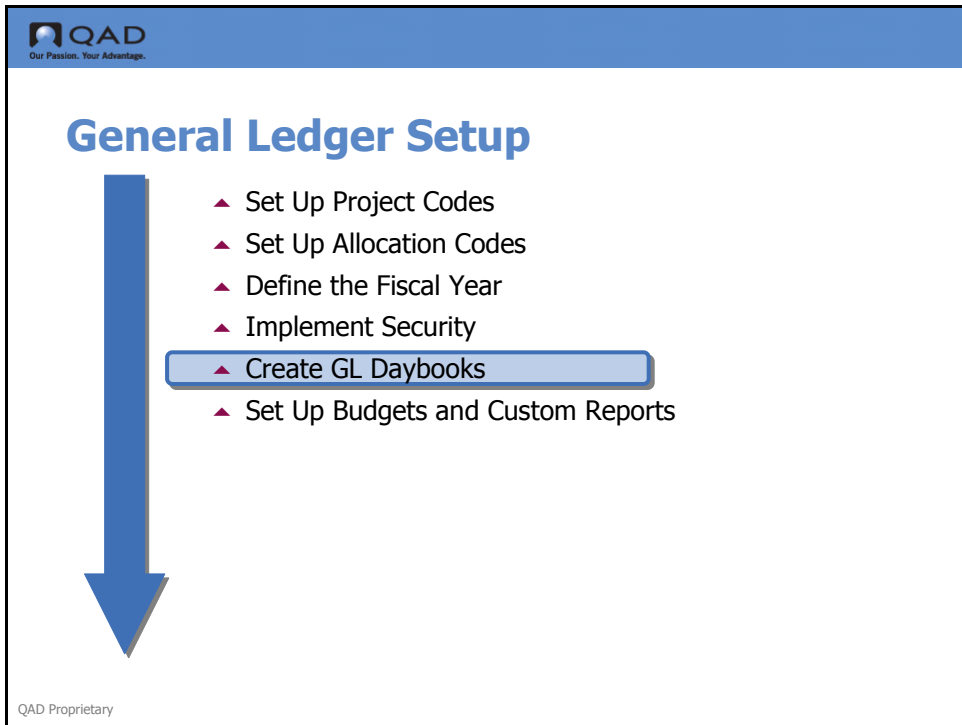
Example

A group called Accounting applies to account 1040 Cash and 1500 Inventory. A user who is not a member of the group tries to enter a Debit/Credit memo in Accounts Receivable using account 1040. After pressing Enter, the system returns an error:

ERROR: USER DOES NOT HAVE ACCESS TO THIS ACCOUNT. Please re-enter.

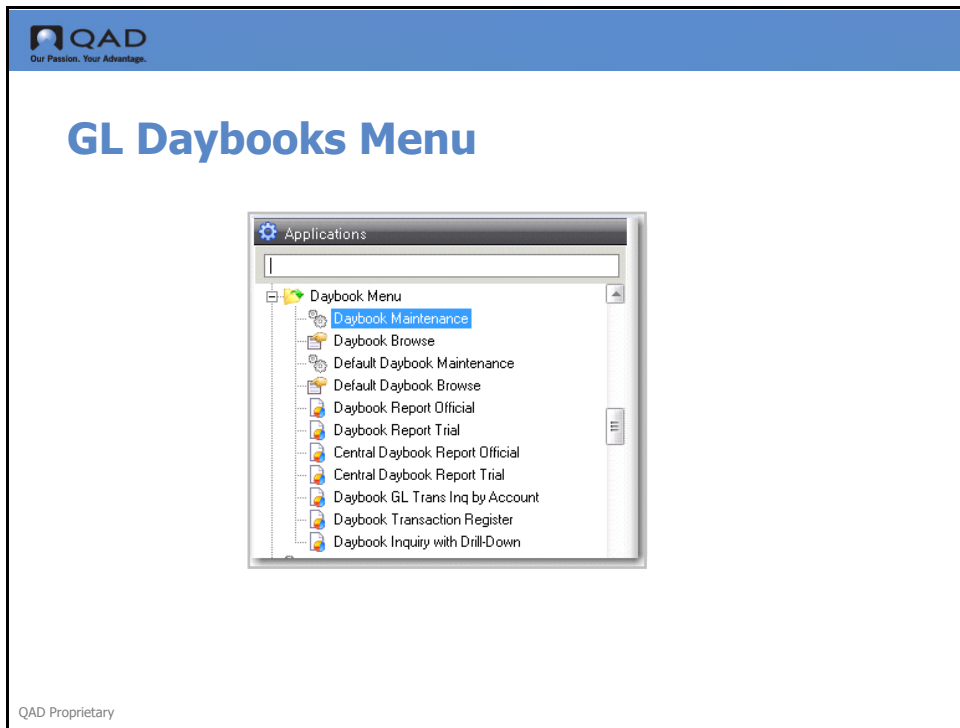
However, if the same user enters a pending invoice, which effects the 1500 Inventory account, the transaction can be completed.

Use Menu Password Maintenance to restrict access to specific menu functions.



GL Daybooks

Daybooks, also known as journals, are specialized, user-defined views of the general ledger. Create daybooks to group GL transactions to satisfy legal reporting requirements or for organizing GL reporting in a manner consistent with common business practices. Daybooks are generally used in Eastern and Central European countries.



General Ledger Daybooks

Daybooks are used to:

- Group sub-module and GL transactions in user-defined ways.
- Support common business and legal reporting requirements for grouping transactions.
- Create additional sub-ledgers for audit purposes.

Daybooks can be:

- Assigned to subledger/ledger transactions by default.
- Used to print trial and official reports with transactions grouped according to legal requirements.
- Implemented any time, but it is recommended to create daybooks at the beginning of the GL period.

Transactions can be grouped in daybooks by the following methods:

- Transaction-Document Type

- Transaction Type Daybook
- System Daybook



General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
 - Transaction Post
 - Year-End Close
 - Create Daybook Types
 - Define Daybooks
 - Define Daybook Parameters
- ▲ Set Up Budgets and Custom Reports

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Daybook Setup – Transaction Post

Transaction Post
X

Go To Actions Copy Print Preview

Entity:
Effective:

To:
To:

Transaction Type:

Daybook:

Post Transactions: ☒

Output:
Batch ID:

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Transaction Post

When creating daybooks, it is a good idea to create them at the beginning of a new GL calendar year. Post transactions for the year using Transaction Post (25.13.7).

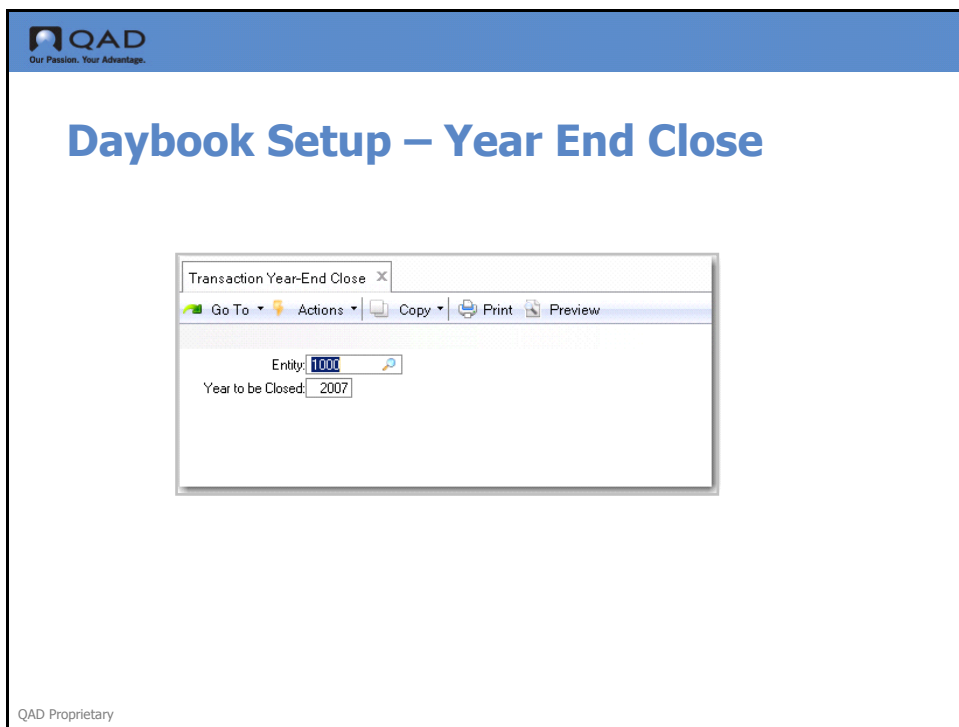


General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
 - Transaction Post
 - Year-End Close
 - Create Daybook Types
 - Define Daybooks
 - Define Daybook Parameters
- ▲ Set Up Budgets and Custom Reports

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Year-End Close

Optionally, run Transaction Year-End Close (25.13.12) to close out the previous year. Then, set up GL daybooks before processing transactions for the new GL calendar year.

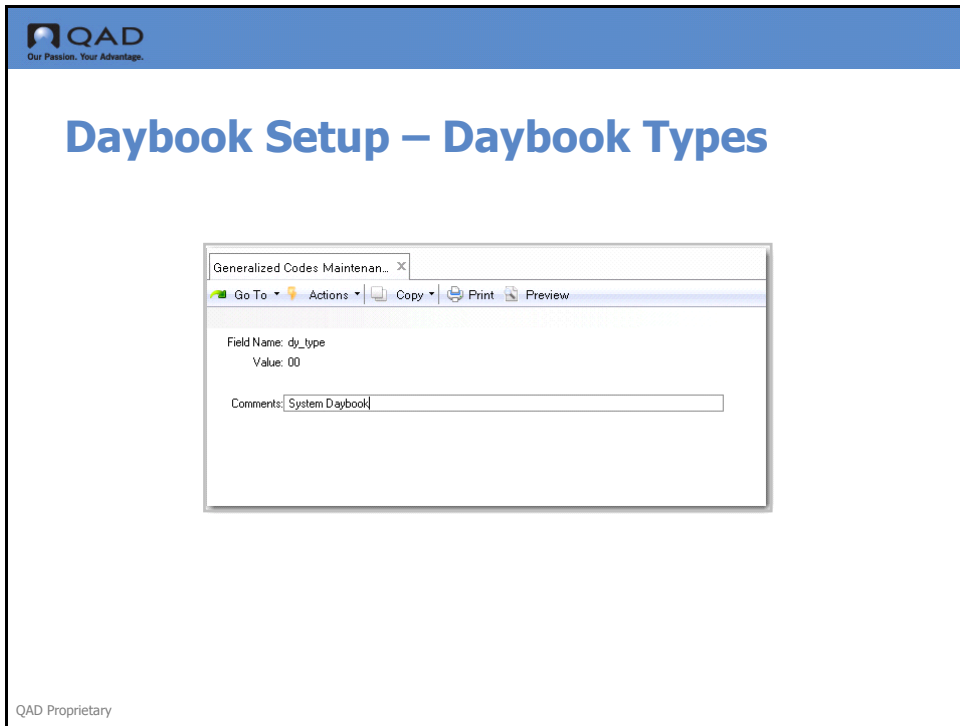


General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
 - Transaction Post
 - Year-End Close
 - Create Daybook Types
 - Define Daybooks
 - Define Daybook Parameters
- ▲ Set Up Budgets and Custom Reports

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Daybook Types

Daybook types help categorize daybooks for reporting purposes. Several daybooks can have the same daybook type, such as a type for all daybooks for AP transactions.

Do not confuse daybook types with transaction types. GL transaction types are predefined in the system. Daybook types are user-defined.

Use Generalized Codes Maintenance to set up daybook types that will help you track relationships between multiple daybooks. The daybook type code is limited to two characters.

You can determine the field name and its validation characteristics by positioning the cursor at that field on the screen and pressing CTRL F. The relevant information displays in a pop-up.

- The field name is identified by `dy_type`.
- Value is a list of valid entries for this field.



General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
 - Transaction Post
 - Year-End Close
 - Create Daybook Types
 - **Define Daybooks**
 - Define Daybook Parameters
- ▲ Set Up Budgets and Custom Reports

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Use Daybook Maintenance (25.8.1) to create, modify, and delete daybooks.

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Daybook Setup – Define Daybooks

Daybook Maintenance

Go To Actions Copy Print Preview

Daybook: Check

Desc: Check

Daybook Type: AP

Daybook Next Page: 1

Central Next Page: 1

Daybook Last Entry:

Central Last Entry:

QAD Proprietary

Define Daybooks

Menu Number 25.8.1

Create

Use Daybook Maintenance to create as many daybooks as required. If even one daybook is set up, you must create a system daybook that serves as a default daybook for GL transactions that are not assigned to a specific daybook.

Modify

You can modify certain characteristics of a specified daybook. Be cautious when modifying the daybook type, daybook next page, and central next page. These changes could seriously affect the results of daybook reports.

Delete

You can delete daybooks in Daybook Maintenance when no unposted or posted general ledger transactions have been assigned to the specified daybook, and if the daybook is not a default for transaction or document types.

The following is a summary of the key fields in Daybook Maintenance:

Daybook

Specify the daybook code that uniquely identifies the daybook. This field cannot be blank.

Description

Specify a description of the daybook.

Daybook Type

Assign the relevant daybook type. The daybook type categorizes daybooks for reporting purposes. Use Generalized Codes Maintenance to create daybook types.

Daybook Next Page

The number of the next official page printed on the official report for the daybook

Use this field to set the next official page number of the Daybook Report. The official page number is updated each time you run an Official Daybook Report.

Central Daybook Next Page

Use this field to set the next official page number of the Central Daybook Report. The official page number is updated each time you run an Official Central Daybook Report.



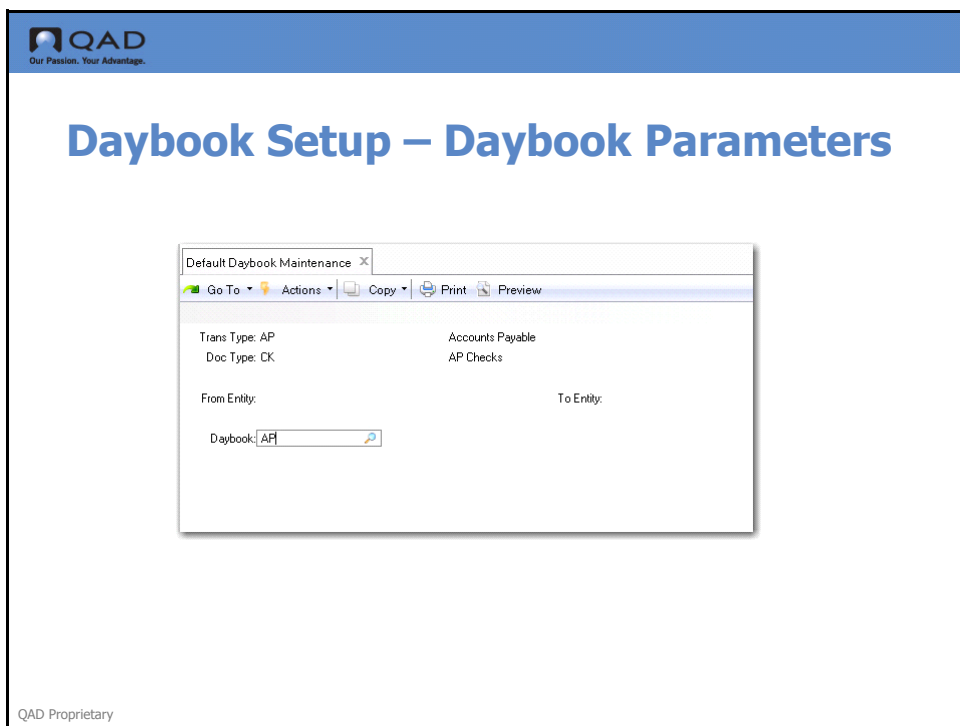
General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
 - Transaction Post
 - Year-End Close
 - Create Daybook Types
 - Define Daybooks
 - Define Daybook Parameters
- ▲ Set Up Budgets and Custom Reports

QAD Proprietary

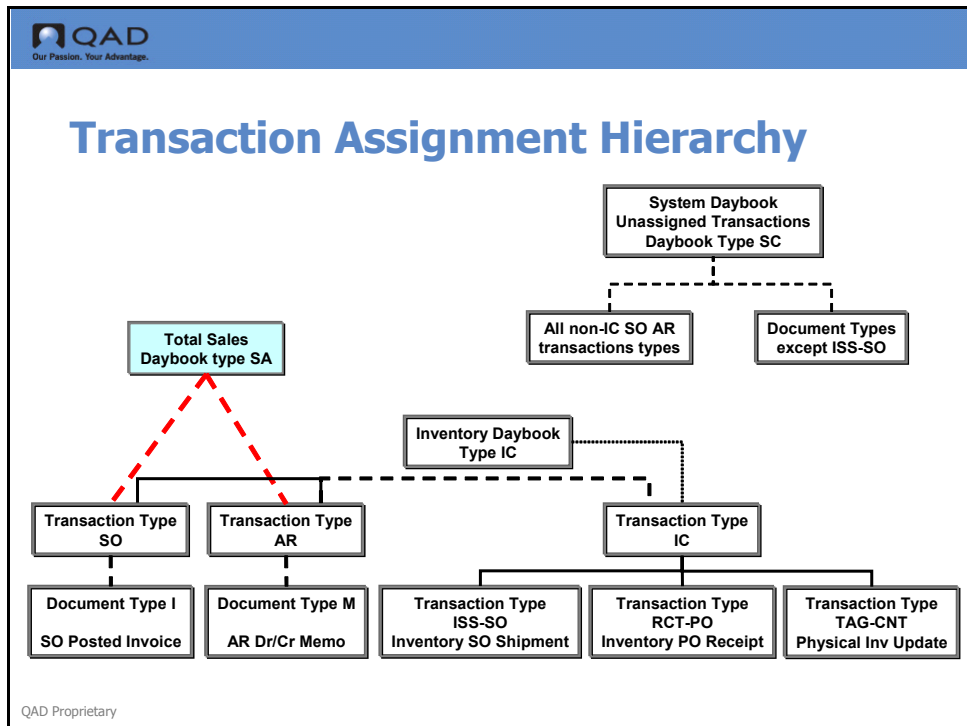
Use Default Daybook Maintenance (25.8.4) to associate daybooks with a transaction-document type or transaction type.



Default Daybook Maintenance

Menu Number 25.8.4

Use Default Daybook Maintenance to define the default daybook for menu options that enable you to specify a daybook code when generating GL transactions. For menu options generating all other GL transactions, use this program to control the assignment of the GL transactions to daybooks.



Transaction Assignment Hierarchy

GL transactions are assigned to daybooks according to a hierarchy.

The system assigns a transaction to a daybook by searching for a daybook that has a matching GL transaction type or transaction-document type. The system searches from the lowest level of the hierarchy (matching transaction type-document type) to the highest level (the system daybook).

The levels of the hierarchy are defined as follows:

- Transaction-document type

All GL transactions for a given transaction type and a corresponding document type.

- Transaction type

All GL transactions for a given GL transaction type.

- System daybook

All GL transactions not assigned to a lower-level daybook. This daybook has a transaction type blank and document type blank.

The following menu options also let you specify a daybook code:

- Standard Transaction Maintenance (25.13.1)
- Retroactive Transaction Maintenance (25.13.2)
- Reversing Transaction Maintenance (25.13.3)
- Transaction Consolidation (25.13.11)
- Transaction Payment Maintenance (27.6.4)
- Draft Approval (27.6.20)
- Draft Discounting (27.6.22)
- Finance Charge Calculation (27.12)
- Voucher Maintenance (28.1)
- Payment - Automatic Checks (28.9.10)
- Payment - Manual Checks (28.9.10)
- DR/CR Memo Maintenance (27.1)

Exercise: GL Daybooks

Instructions: In this activity, you will create daybooks and assign the appropriate document and transaction types to the daybooks.

- 1 Enter a generalized code using the following information:

Field	Value
Field Name	dy-type
Value	00
Comments	System Daybooks

Use Master Files Icon, Generalized Code Maintenance (36.2.13).

- 2 Create a daybook using the following information:

Field	Value
Daybook	System
Description	System Default Daybook
Daybook Type	00
Daybook Next Page	1
Central Next Page	1

Use Daybook Maintenance (25.8.1).

- 3 Assign all GL transactions types and related document types to the system daybook you created. This step ensures that any transaction that does not fit into a specific daybook will be recorded into the system daybook. What maintenance program is used to accomplish this?

Use Default Daybook Maintenance (25.8.4).

- 4 Create three daybooks for tracking accounts receivable activity.
- The first will be used for all Accounts Receivable Dr/Cr memos.
 - The second will be used to track AR payments.
 - The third will be used for all other AR-related documents.

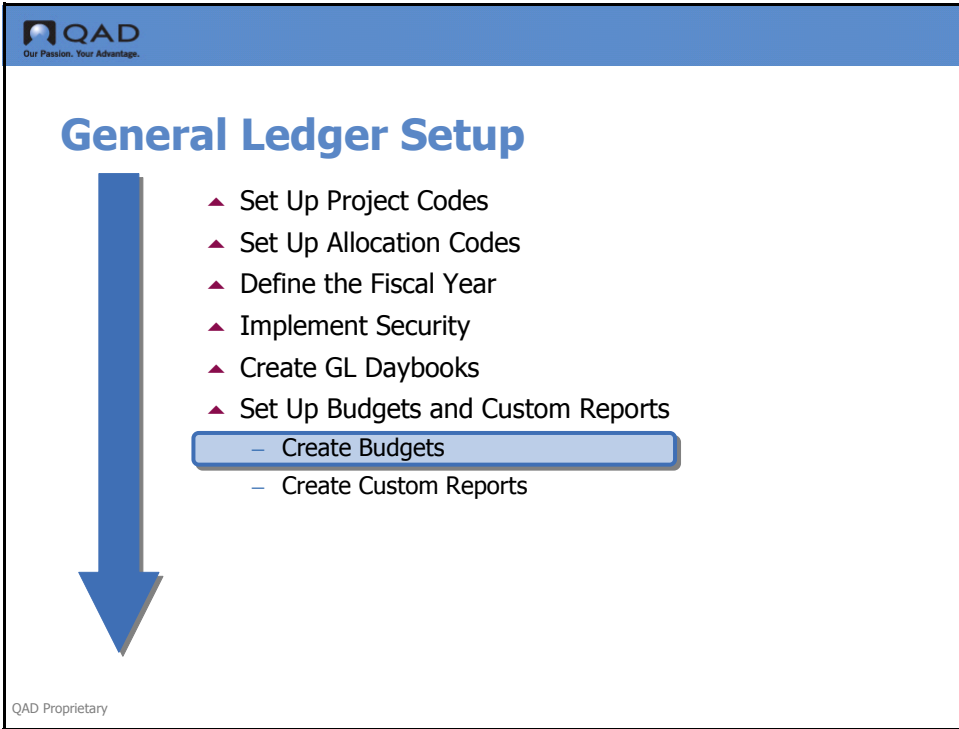
Because you want to report these three daybooks together, assign them all to the same daybook type. Be sure to enter a generalized code for daybook type for AR transactions.

Use the following information to create your three AR daybooks:

Daybook	Dr/Cr Memo	AR Payment	AR Other
Desc	AR Dr/Cr Memos	AR Payments	AR Misc
Daybook Type	01	01	01
Daybook Next Page	1	1	1
Central Next Page	1	1	1
Effective	01/01/XX	01/01/XX	01/01/XX
Expires	Blank	Blank	Blank

- 5 Assign document and transaction types to the daybooks you created. Use the following information:

Field	Value	Value	Value
Trans Type	AR	AR	AR
Doc Type	M	P	Blank
From Entity	Blank	Blank	Blank
To Entity	Blank	Blank	Blank
Daybook	D/C Memo	AR Pmts	AR Other



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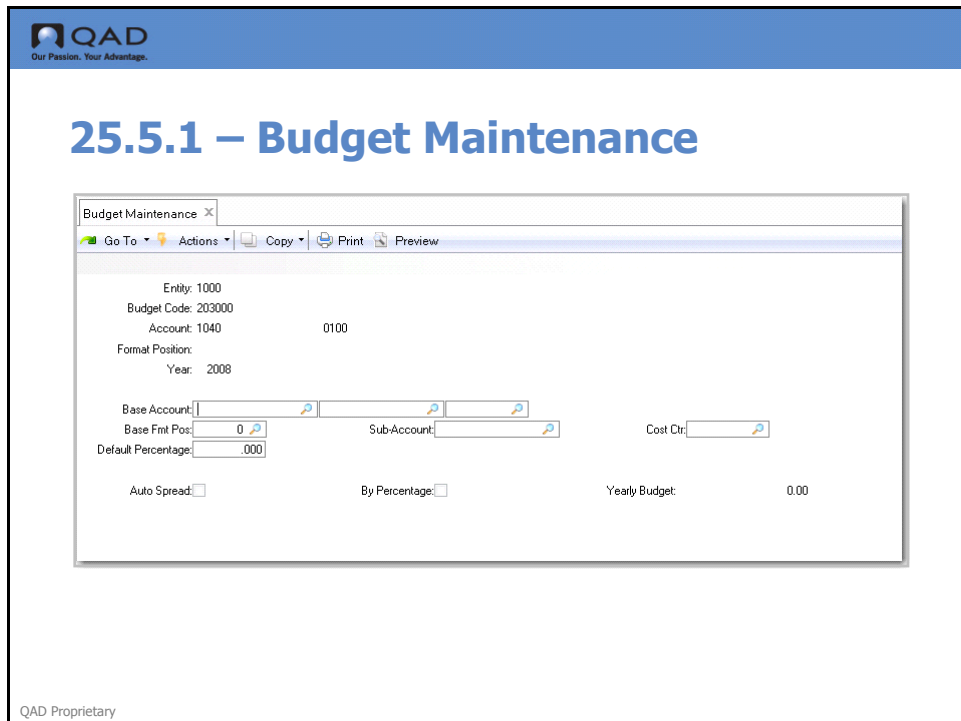
General Ledger Setup

- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
- ▲ Set Up Budgets and Custom Reports
 - Create Budgets
 - Create Custom Reports

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Budgets

Set up budgets to plan for expenses and revenues, and to compare actual revenues and expenses to budgeted amounts.



Budget Maintenance

Menu Number 25.5.1

Budgets are used to allocate company resources and to establish spending limits for departments, projects, divisions, and for the entire company. In Budget Maintenance, you can create multiple budgets for any GL period in the GL calendar year.

Using Budget Maintenance, you can:

- Enter budgets with fixed amounts for each GL period.
- Calculate the budget amount in each period based on the percentage of the balance of a specific format position, account, sub-account, or cost center.
- Distribute the yearly budget evenly over the several GL periods.
- Assign a different percentage of the yearly budget to each GL period.

Budgeted values can optionally be displayed on balance sheets and income statements.

The following are the key fields in Budget Maintenance:

Entity

The entity code to which the budget applies.

Budget Code

The budget code identifies a specific set of budget amounts for a given entity and year.

Account

The account code to which the budget applies. Budget amounts can be entered for each account, sub-account, and cost center combination, or for an entire format position.

Format Position

A format position consists of a group of accounts: the format position for Administrative Costs may include accounts for travel expenses, salaries, and bonuses. You can enter budget amounts for an entire format position or for an account, sub-account, and cost center.

Project

You can define budgets for an individual project within an account, sub-account, cost center; or within a format position.

Leave project code blank if the budget applies to all projects

Year

Specify the GL calendar year to which the budget applies.

Base Account

Specify the account code from which the budget is calculated. Leave this field blank to enter your own budget amounts.

You can enter budget amounts for each account, sub-account, and cost center combination, or for an entire format position.

Use either the Base Account or Base Format Position option, but not both.

Base Fmt Pos

You can enter budget amounts for an entire format position, or for an account, sub-account, and cost center.

Use either the Base Account or Base Format Position option, but not both.

Default Percentage

Specify the budget percentage to use as the default percentage in each GL period.

When budgets are based on actual results for a given base format position or base account, sub-account, cost center, a budget percentage can be entered in each GL period.

This percentage is used by the Budget Calculation process to calculate the budget amount.

Auto Spread

Set the field to No to indicate that you want to enter the budget percentage or amount for each GL period manually.

Set the field to Yes if you want the system to automatically enter amounts or percentages.

The system calculates the budget in each period, then you may change it as needed.

By Percentage

Set the field to Yes if the budget amount for each GL period is calculated as a percentage of the yearly budget.

When Auto Spread is Yes and By Percentage is set to No, the system calculates the budget amount for each period by dividing the yearly budget equally over all periods in the fiscal year. If By Percentage is set to Yes, you are prompted to enter a percentage in each period. The system uses this percentage to calculate the budget amount for the period.

Yearly Budget

The total budget amount for the format position or account in the current fiscal year. Budget amounts may be loaded automatically by the system.

This option is controlled by the Auto Spread, By Percentage, and Yearly Budget fields.

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Budgets with Fixed Amounts

Budget Maintenance X

Go To Actions Copy Print Preview

Entity: 1000
Budget Code: DEPT10
Account: 1400
Format Position:
Year: 2008

Base Account:
Base Fmt Pos: 0 Sub-Account: Cost Ctr:
Default Percentage: .000

Auto Spread: ☐ By Percentage: ☐ Yearly Budget: 100,000.00

Pd	Percentage	Budget Amount	Entered
1	0.000	10,000.00	9/15/2008
2	0.000	10,000.00	9/15/2008
3	0.000	5,000.00	9/15/2008

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Budgets with Fixed Amounts

If the normal balance for an account or format position is a credit balance, the budget must be entered with negative values.

To enter a credit amount, enter value followed by a minus sign.

Set the Auto Spread and By Percentage fields to No to enable you to enter amounts manually for each period.



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Budget Based on Percentage

Budget Maintenance

Go To

Actions

Copy

Print

Preview

Entity: 1000

Budget Code: DEPT10

Account: 1400

Format Position:

Year: 2008

Base Account:

Base Fmt Pos: 0

Sub-Account:

Cost Ctr:

Default Percentage: .000

Auto Spread:

By Percentage:

Yearly Budget: 25,000.00

Pd	Percentage	Budget Amount	Entered
1	10.000	0.00	9/15/2008
2	7.000	0.00	9/15/2008
3	15.000	0.00	9/15/2008

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Budgets Based on Percentage

Budgets can be based on a percentage of an actual account or format position or a yearly budget, or you can enter a default percentage. The system automatically calculates the default percentage for each GL period.

You can also enter a different percentage for each period. If By Percentage is set to Yes, you are prompted to enter a percentage for each GL period. The system uses the percentage to calculate the budget amount for the period, based on the percentage entered and the value in the Yearly Budget field.

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Budgets Distributed Evenly

Budget Maintenance
 Go To
Actions
Copy
Print
Preview

Entity: 1000
 Budget Code: DEPT10
 Account: 1400
 Format Position:
 Year: 2008

Base Account:
 Base Fmt Pos: 0 Sub-Account:
 Default Percentage: .000 Cost Ctr:

Auto Spread: ☒ By Percentage: ☐ Yearly Budget: 500,000.00

Pd	Percentage	Budget Amount	Entered
4	0.000	41,666.67	9/15/2008
☒	0.000	41,666.67	9/15/2008

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Budgets Distributed Evenly

To distribute budgets evenly over every GL period, set the Auto Spread field to Yes and the By Percentage field to No.

Enter an amount in the Yearly Budget field. The system will distribute the amount evenly over each GL period.



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Budget Allocation Varied by Period

Budget Maintenance

Go To

Actions

Copy

Print

Preview

Entity: 1000

Budget Code: DEPT10

Account: 1400

Format Position:

Year: 2008

Base Account:

Base Fmt Pos: 0

Sub-Account:

Cost Ctr:

Default Percentage: .000

Auto Spread☐

By Percentage☒

Yearly Budget: 500,000.00

Pd	Percentage	Budget Amount	Entered
1	10.000	50,000.00	9/15/2008
2	7.000	35,000.00	9/15/2008
3	20.000	100,000.00	9/15/2008

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Budgets Allocated Differently by Period

To allocate budgets differently in each GL period, set the Auto Spread and By Percentage fields to No, then enter the percentages for each period.

Exercise: Budgets

Instructions: In QAD 2008, you can:

- Enter budget amounts manually for each GL period.
 - Distribute the annual budget over the periods or assign a percentage of the budget to each.
 - Allow the system to calculate the budget amount for each period based on a percentage of a format position or another account.
- 1 Create a budget for an account/cost center with an annual budget divided evenly over all GL periods.

Enter the following budget information for Entity 1000 and budget code BUDGETYY (replace YY with the current year). (In the fields indicated by a (?) question mark, fill in the appropriate information.

Field	Value
Budget Code	BUDGETYY
Account (Cost Center)	7100 (1000)
Auto Spread	?
Yearly Budget	300,000.00

Use Budget Maintenance (25.5.1).

- 2 Which field determines how the annual budget for account 7100 is divided?
- 3 Allocate the next budget to each period by percentage.

Field	Value
Budget Code	BUDGETYY
Account	8400
By Percentage	?
Yearly Budget	50,000.00
Period	
1	25%
2	40%
3	30%
4	5%

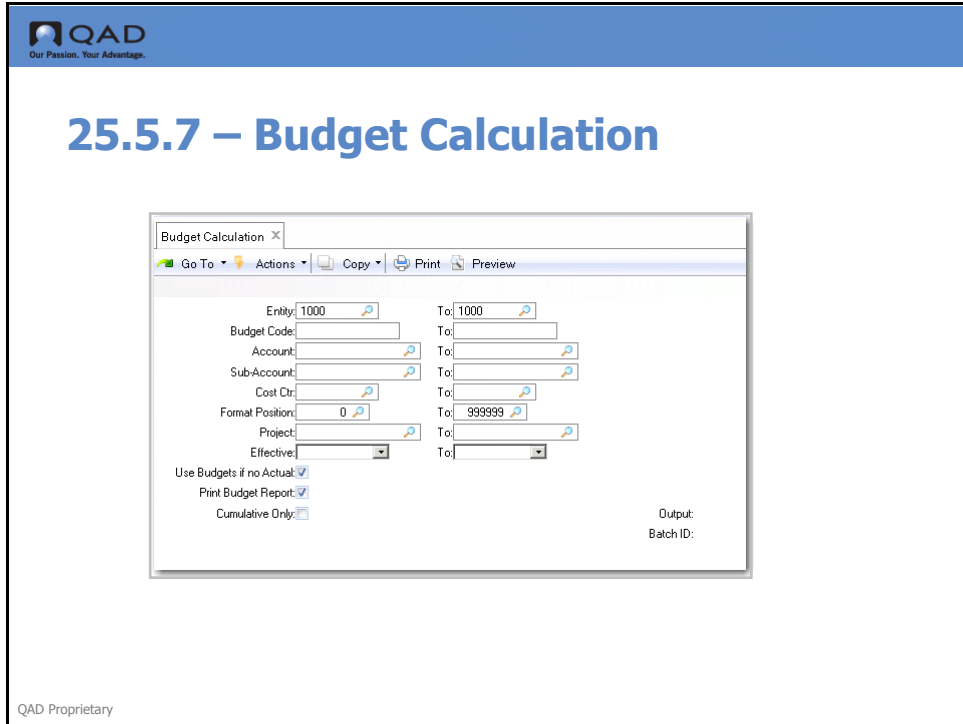
- 4 Notice how the system calculated the budget amount based on the percentage you entered. Which field let you allocate the budget amount to each period by percentage?

- 5 In next budget, specify the amounts for each period.

Field	Value
Budget Code	BUDGETYY
Account	8200
Yearly Budget	125,000.00
Period 1	20,000.00
Period 2	55,000.00
Period 3	35,000.00
Period 4	15,000.00

- 6 For the next budget, the sales account has a credit balance. Enter the annual budget as a negative amount.

Field	Value
Budget Code	BUDGETYY
Account (Cost Center)	3000 (0100)
Auto Spread	Yes
Yearly Budget	-60,000.00



Budget Calculation

Menu Number 25.5.7

Run Budget Calculation when expressing budgets as a percentage of actual. You must complete this task before running comparative reports.

Budget Calculation identifies all posted transactions for the GL periods specified. It then calculates each period's actual account or format position balance. Finally, Budget Calculation multiplies the amount by the percentage specified in Budget Maintenance.

Example If Cost of Sales is 40% of sales in a given GL period, the system calculates 40% of the total sales amount to get the budget for Cost of Sales.

Note The resulting balance is stored, and can be modified using Budget Maintenance. However, any changes made will be overridden the next time Budget Calculation is run.



General Ledger Setup



- ▲ Set Up Project Codes
- ▲ Set Up Allocation Codes
- ▲ Define the Fiscal Year
- ▲ Implement Security
- ▲ Create GL Daybooks
- ▲ Set Up Budgets and Custom Reports
 - Create Budgets
 - Create Custom Reports

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Custom Reports

Use custom reports to report a subset of accounts.

Note Do not confuse custom reports with the General Ledger Report Writer. The GL Report Writer is a separate module that can be set up and used to run user-defined reports.

The GL Report Writer is covered in a separate training guide.



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Custom Reports

glcrpp.p a
Page: 1

25.17.13 Custom Report Print
QUALITY PENCIL COMPANY

Date: 12/06/00
Time: 17:27:03

QUALITY PENCIL COMPANY

TRAVEL & ENTERTAINMENT

		Activity 10/01/00 to 10/31/00	Activity 11/01/00 to 11/30/00	Variance
		-----	-----	-----
TRAVEL				
7200	Travel	1,000.00	1,500.00	500.00
7200--2000	Travel	300.00	350.00	50.00
		-----	-----	-----
TOTAL TRAVEL		1,300.00	1,800.00	550.00
ENTERTAINMENT				
7300	Entertainment	500.00	1,000.00	500.00
		-----	-----	-----
TOTAL ENTERTAINMENT		500.00	1,000.00	500.00
		-----	-----	-----
TOTAL TRAVEL & ENTERTAINMENT		1,800.00	2,800.00	1,050.00

End of Report

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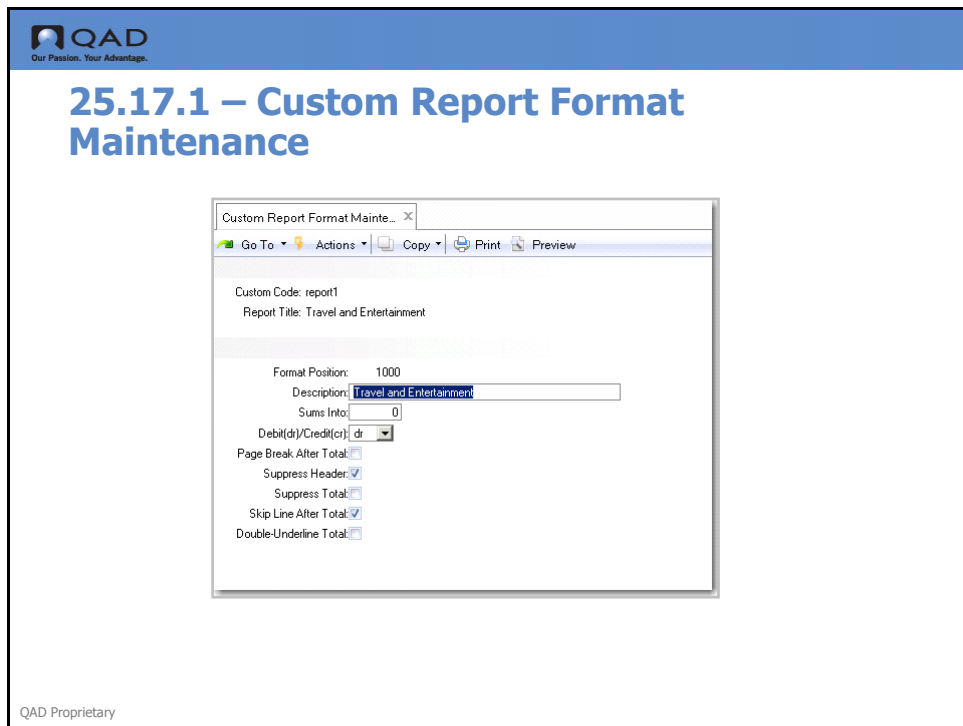
Creating Custom Reports

If your company requires specialized reporting, you can create custom reports using functions in the Custom Reports Menu (25.17). You can set up an unlimited number of custom reports.

To create a report, set up format positions and then assign accounts, sub-accounts, and cost centers to these format positions.

Note These positions are not related to the format positions set up in Format Position Maintenance.

Note This function is separate from the GL Report Writer.



Custom Report Format Maintenance

Menu Number 25.17.1

Like financial reports, custom reports have a hierarchical structure that is defined by setting up format positions—headings for grouping and totaling account balances.

Each GL account, sub-account, and cost center on the custom report is assigned to a format position, which determines the subheading it sums into and where it prints. Accounts are listed in alphabetical order under a subheading, and subheadings are listed in numerical order by format position underneath a heading.

The account balance is included in both the total for the subheading and the total for the heading to which that subheading belongs

Format positions control the level of detail that appears on a custom report. Internal reports can include all the details and external reports can be summarized at a higher level. Each format

position (subheading) has a level number signifying the number of format positions (or headings) that print above it.

Although they operate similarly, format positions used for custom reports are entirely independent from those set up in Format Position Maintenance.

The following are the key fields in Custom Report Format Maintenance:

Custom Code

Enter a custom code that will uniquely identifies a custom report definition.

Report Title

Enter the title of the custom report.

Format Position

Specify a code that identifies a title or total line on a custom report. The format positions used to set up custom reports are not related to the format positions used to set up balance sheets and income statements.

Description

Enter a description of the format position.

Sums Into

Specify the format position under which the accounts will display.

Debit (dr)/Credit(cr)

Specify debit [Dr] or credit [Cr] to identify the normal balance of accounts summarized into the format position.

Page Break After Total

Indicate whether the printer should skip to a new page after printing the total for the format position.

Set the field to Yes to insert a page break after the total for the format position.

Set the field to No to indicate that a page break is not required.

Suppress Header

Indicate whether to print a heading line for the format position.

This description prints in two places: at the top before any accounts or other format positions which sum into it, and following the total.

Set the field to No to indicate that the heading (that is, “Current Assets”) should print.

Set the field to Yes to suppress the description from printing.

Suppress Total

Indicate whether to print a total line for the format position. This description prints in two places: at the top of the report before any accounts or other format positions that sum into it, and following the total.

Set the field to No to indicate that the total line (that is, “Total Current Assets”) should print.

Set the field to Yes to suppress from printing.

Skip Line After Total

Indicate whether the printer should skip a line after printing the total for this format position

Set the field to Yes to insert a blank line.

Set the field to No to indicate that a blank line is not required.

Double-Underline Total

Indicate whether the printer should print a double underline below the total for this format position

Set the field to Yes to insert a double underline.

Set the field to No to indicate that a double underline is not required.

A single underline always prints above a total, separating it from the amounts summed into it.

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25.17.4 – Custom Report Account Maintenance

Custom Report Account Maint X

Go To Actions Copy Print Preview

Custom Code: report1
Report Title: Travel and Entertainment

Line: 3

Account: 7100	To: 7100
Sub-Account:	To: æ
Cost Ctr:	To: æ
Sums Into: 1200	

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Custom Report Account Maintenance

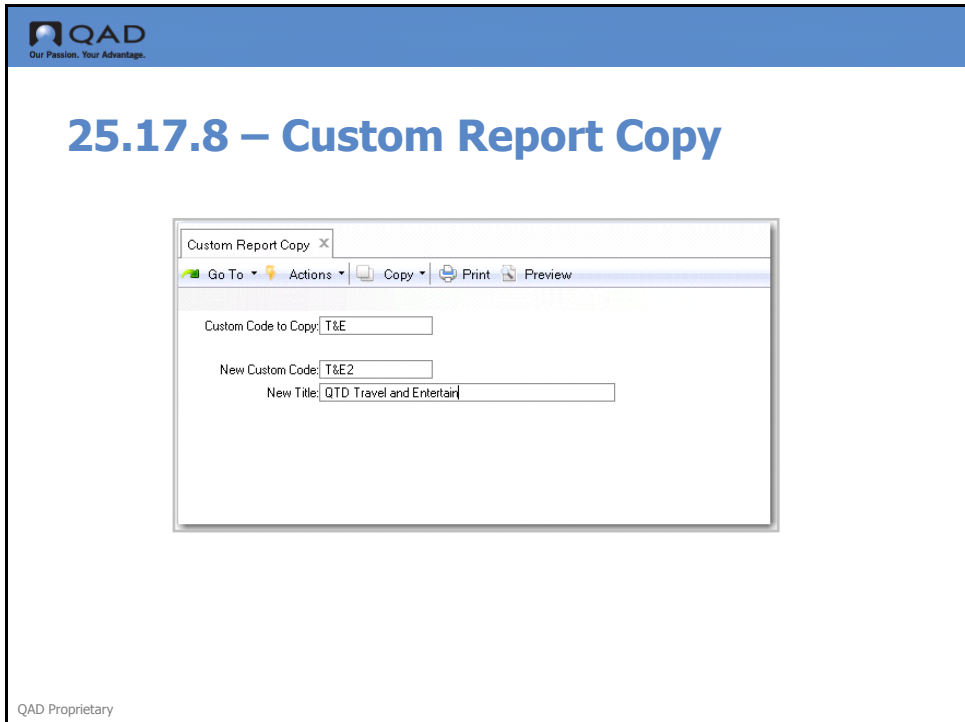
Menu Number 25.17.4

Assign a format position to each GL account, sub-account, and cost center to appear on a custom report. The format position determines the subheading the account sums into and where it prints. Accounts are listed in alphabetical order under a subheading, and subheadings are listed in numerical order by format position under a heading.

The account balance is included in both the total for the subheading and the total for the heading to which the subheading belongs.

Although they operate similarly, format positions used for custom reports are entirely independent from those set up in Format Position Maintenance.

To simplify setting up custom reports, assign ranges of account, sub-account, and cost center codes to any format position. If all sub-accounts and cost centers for an account are listed in the same format position, they can leave the ranges blank.

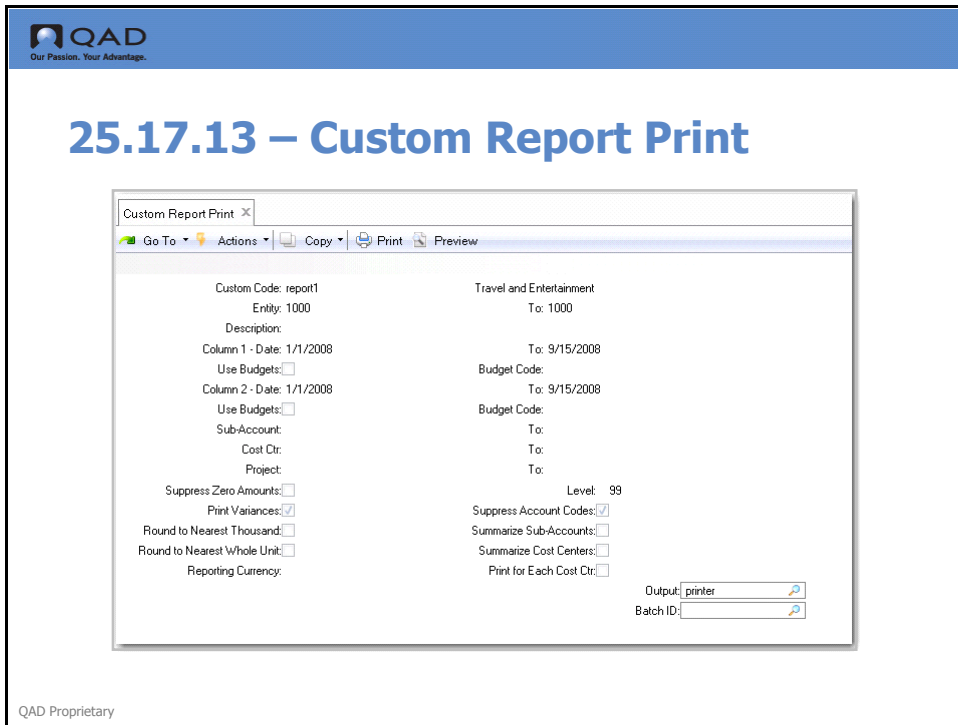


Custom Report Copy

Menu Number 25.17.8

Custom Report Copy lets you quickly create a new custom report by copying the layout of an existing report.

The function creates a new report, stored under the new custom code you specified, with the same format position and account information as in the original custom report. Use Custom Report Format Maintenance and Custom Report Account Maintenance to modify the new report.



Custom Report Print

Menu Number 25.17.13

Print custom reports using Custom Report Print.

The following is summary of the key report print options:

Suppress Zero Amounts

Indicate whether to include accounts with zero balances on the report.

Set the field to Yes to only include accounts with a non-zero balance.

Set the field to No to include all account, sub-account, and cost center combinations, regardless of whether they have an account balance.

Print Variances

Set the field to Yes to compare the amount printed in column 1 to the amount printed in column 2. The difference (variance) is calculated and displayed as an amount.

Round to Nearest Thousand

Specify the rounding accuracy to use on this report.

Set the field to Yes to display all amounts rounded to the nearest thousand.

Round to Nearest Whole Unit

Specify whether or not to print decimal amounts.

Set the field to No to print decimal amounts.

Set the field to Yes if you do not want to print decimal amounts.

Level

Specify the level of detail to appear on a report. Report levels are determined based on how you set up your report format positions.

99 indicates all levels.

Suppress Account Numbers

Specify whether to print account numbers on the financial statements.

Set the field to Yes to print both the account number (account, sub-account, and cost center) and the account description on the statement beside the amount.

Set the field to No to print the account description only.

Suppress Sub-Accounts

Specify if sub-account information is to print in detail.

Set the field to No to print transaction amounts for each account and sub-account combination.

Set the field to Yes to summarize amounts for all sub-accounts within an account code.

Suppress Cost Centers

Specify whether to print cost center information in detail.

Set the field to No to print transaction amounts for each account, sub-account, and cost center combination in the order defined for each format position.

Set the field to Yes to summarize amounts for all cost centers within an account group.

Print for Each Cost Center

Specify whether to print multiple reports—one for each cost center.

Set the field to No to print one report, including amounts for all of the cost centers specified in the selection criteria.

Set the field to Yes to print multiple reports, one for each cost center.

This option only applies to custom reports that have been set up without a cost center range.

Reporting Currency

When you specify a reporting currency, the system converts standard report output to that currency.

This option uses the exchange rate valid for today's date or the rate for the effective date specified on the report.

Currency

Specify the currency to use for the report. If you specify a currency, including the base currency, the system only selects transactions recorded in that currency.

If you leave the field blank, the system includes all transactions of any currency, converted to base currency.

To review account balances in a non-base currency, the account must be defined in the non-base currency. You cannot review account balance information in a currency other than the base or account currency.

Exercise: Custom Reports

Instructions: In this activity, practice creating and printing the following operating expense report.

- 1 Set up the report code, title and format positions for the custom report. Unless a value for a field is specified, accept the default.

Field	Value
Custom Code	OPEXP
Report Title	Operating Expenses
Format Position	100
Description	Operating Expenses
Sums Into	0
Double-Underline Total	Yes
<i>Format Position</i>	<i>200</i>
Description	Salaries
Sums Into	100
<i>Format Position</i>	<i>300</i>
Description	Travel/Entertainment
Sums Into	100
<i>Format Position</i>	<i>400</i>
Description	Other
Sums Into	100

Use Custom Report Format Maintenance (25.17.1).

2 Assign accounts and cost centers to the format positions on the customer report (OPEXP).

Field	Value
Line	1
Account	7100 to 7100
Cost Center	1000 to 3000
Sums Into	200
Line	2
Account	7200 to 7200
Cost Center	1000 to 3000
Sums Into	200
Line	3
Account	7300 to 7300
Cost Center	1000 to 3000
Sums Into	300
Line	4
Account	5100 to 5100
Sums Into	400
Line	5
Account	8200 to 8200
Sums Into	400
Line	6
Account	8400 to 8400
Sums Into	400

Use Custom Report Account Maintenance (25.17.4).

3 Print the custom report to your terminal or window.

Use Custom Report Print (25.17.13).



Course Overview

- ✓ Introduction to General Ledger
- ✓ Business Considerations
- ✓ Set up General Ledger
- ▲ Use General Ledger

QAD Proprietary

CHAPTER 4

Processing General Ledger Transactions



Use General Ledger

In this section you learn how to:

- ✓ Identify some key business considerations before setting up General Ledger
- ✓ Set Up General Ledger in QAD 2008 Standard Edition
- ✓ Use the General Ledger in QAD 2008 Standard Edition

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General Ledger Processing



- ▲ Process Module Transactions
- ▲ GL Daybooks
- ▲ Reports and Inquiries
- ▲ Close the GL

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In this section you learn how to use the General Ledger in QAD Enterprise Applications.

The slide shows a suggested processing sequence for GL transactions, based on information that flows from one master file to another and the prerequisites that need to be accomplished.



General Ledger Processing



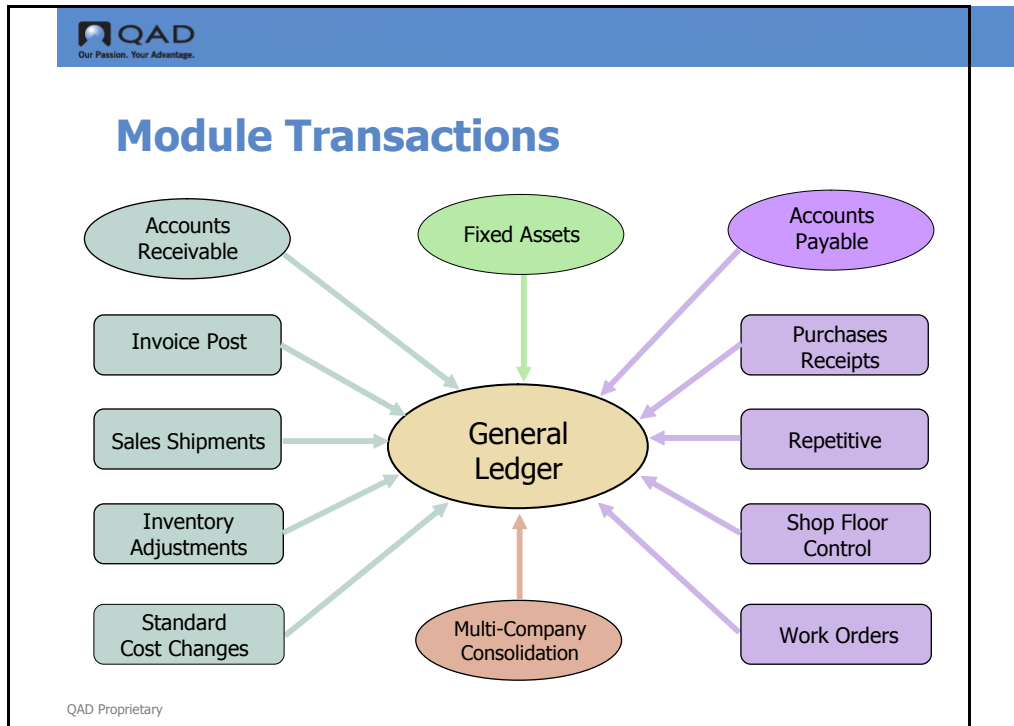
- ▲ Process Module Transactions
 - Module Transactions
 - GL Transaction Types
 - Working with Transactions
 - Post Transactions
 - Unposted and Unbalanced Transactions
 - Allocations
- ▲ GL Daybooks
- ▲ Reports and Inquiries
- ▲ Close the GL

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General Ledger Transactions

A transaction is a record of the financial effects of business activity. Transactions enter the general ledger in one of the following ways:

- Activities in other modules create journal entries that are subsequently posted to the general ledger.
- Posted transactions from other databases are imported by a consolidation domain.
- GL consolidation is performed in a consolidation domain.
- Adjusting transactions are recorded in the GL journal. Examples of adjusting transactions are corrections to posted transactions and reversing entries.
- Standard transactions are entered in the general ledger to record miscellaneous activity, such as bank charges, loans, or acquisitions.



Module Transactions

The system uses GL transactions to record activities in the system that have a financial effect. A few examples of these are material receipts, sales order shipments and customer payments. GL transactions are created throughout QAD 2008.

- You can enter GL transactions directly into the general ledger, as journal entries.
- Manual journal entries are used to record other activities unrelated to manufacturing or distribution, such as payroll accruals.
- Transactions are created as unposted transactions; they do not have an immediate effect on GL accounts.
- When posted, GL transactions can be exported to another database for consolidation with transactions from other corporate entities.
- You cannot delete posted transactions.

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Elements of a Transaction – GL Reference

glutrrp.p 1
Page: 2

25.13.14 Unposted Transaction Register
Quality Products Corp.

Date: 03/03/96
Time: 13:28:21

GL Reference	Entered	EffDate	User ID	Line	Account	Project	Enty	Description	Amount Cur
AP990303000004	03/03/99	03/03/96	ABM	1	2100-10-1000	ADV94	1000	AP Voucher	-100.00 USD
				2	5100-10-1000	ADV94	1000	PURCHASES (EXPENSED)	100.00 USD
									0.00 USD

GL Reference

AP080303000004

Next sequential transaction number

Transaction Type

Effective Date

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GL Reference

Whenever a transaction is created, the system automatically assigns it a 14-character GL reference number with the following format.

```
<transaction type><yr><mm><dd><transaction number>
```

The transaction type is determined by the module in which the transaction is created.

For transactions created in other modules, such as sales order, purchase order, and AP, the date portion of the GL reference is the effective date of the transaction. For transactions created in the General Ledger module, the system date serves as the date portion of the GL reference.

The sequence is determined by the setting in the Daily/Continuous Reference Sequence field in GL Control (25.24).

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Elements of a Transaction – Distribution Lines

GL Reference	Batch	Eff Date	Entered	User ID	Total	Corr
JL010410000001		04/10/01	04/10/01	nyc	0.00	no

Line	Account	Project	Enty	Description	Amount	Cur
1	2100-10-0200	PROMO	1000	AP Voucher	-100.00	USD
2	5100-10-0200	PROMO	1000	Purchases (Expensed)	100.00	USD

Diagram illustrating the components of a distribution line:

- Account, Sub-Account, Cost Center:** Points to the Account field (2100-10-0200).
- Project:** Points to the Project field (PROMO).
- Entity:** Points to the Enty field (1000).

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Distribution Lines

Distribution lines are other elements of GL transactions, and are composed of the account information, project, and entity, along with the amounts and the currency of the transaction. Distribution lines carry debit and credit information for the accounts.

You enter amounts for sales, freight, and tax accounts on memo distribution lines.



General Ledger Processing



- ▲ Process Module Transactions
 - Module Transactions
 - **GL Transaction Types**
 - Working with Transactions
 - Post Transaction
 - Unposted and Unbalanced Transactions
 - Allocation
- ▲ GL Daybooks
- ▲ Reports and Inquiries
- ▲ Close the GL

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GL Transaction Types

Transactions created throughout the system are created as different transactions types. These types are assigned by the module in which the transaction occurs.

			
GL Transactions Types (IC, JL, YA)			
Type	Module	Activity	Menu Function
IC	Physical Inventory Purchasing	Inventory balance updates	4.21
		Receipts	5.13.1
		Returns	5.13.7
	Sales Orders/Invoices	Shipments and returns	7.9.25, 7.9.12
		Pending Invoices	7.13.1
	Service Support	RTS Receipts	11.7.3.1
		RTS Shipments	11.7.3.16
		RMA Receipts	11.7.1.13
		RMA Shipments	11.7.3.16
JL	Distribution Plan	Distribution Order Shipments	12.17.22
		Distribution Order Receipts	12.15.20
	Product Structures	Product Structure Cost Roll-Up	13.12.13

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GL Transaction Types (IC, JL, YA)

The next five slides show the GL transaction types created in QAD 2008, and the activities and menu functions that create the transactions.

- IC transactions update inventory balances, such as inventory issues and receipts, sales order shipments, purchase order receipts, work orders, and repetitive labor reporting.
- JL (standard) transactions are used to:
 - Correct unposted transactions from other modules.
 - Enter beginning balances during implementation.
 - Enter values for memo and statistical accounts.
- YA transactions are used to make year-end adjustment transactions effective on the last day of the previous fiscal year. The last GL period of the previous year must still be open.

QAD Our Passion. Your Advantage. GL Transactions Types (IC, JL, YA) - Continued			
Type	Module	Activity	Menu Function
JL	Routings/Work Centers Cost Management	Routing Cost Roll-Ups	14.13.13
		Cost Set Copy to Cost Set	30.3
		Updates to site cost plans	30.15.3
		Updates to item element costs	30.17.5
	General Ledger Cash Management	Standard Transactions	25.13.1
		Standard Transactions	31.13
YA	General Ledger	Year-End Adjustment	25.13.5

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 GL Transactions Types (AR, AP, CS, FX, IC)			
Type	Module	Activity	Menu Function
AR	Accounts Receivable Cash Management	DR/CR memos Payments Returned Checks Drafts Finance Charges	27.1 27.6.4, 27.6.9 27.1 27.6.20, 27.6.22, 27.6.24 27.12
	Cash Management	Payments	31.13
AP	Accounts Payable	Confirmed Vouchers Payments Voided Checks	28.1 28.9.9, 29.9.10 28.9.15
	Cash Management	Reconciliations	31.13
CS	General Ledger	Transaction Consolidation	25.13.11

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- CS transactions are used when posting from closed periods condensed to save disk space.
- FX transactions are used to revalue amounts in non-base currency accounts based on the exchange rate in effect at the end of a GL period. Foreign Exchange Revaluation (25.13.9 or 25.19.13) creates transactions for unrealized gains or losses that are posted to the unrealized exchange rate gain and loss accounts associated with the currency in Currency Account Maintenance (26.7).

GL Transaction Types (AR, AP, CS, FX, IC)

QAD Our Passion. Your Advantage. GL Transactions Types (AR, AP, CS, FX, IC) - Continued			
Type	Module	Activity	Menu Function
FX	General Ledger	Foreign Exchange Revaluations	25.13.9 or 25.29.13
IC	Items/Sites Inventory Control	Item Cost Revaluation Transfers Issues Receipts Cycle Counts	1.4 (menu) 3.4 (menu) 3.7, 3.8 3.9 – 3.13 3.14

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 GL Transactions Types (RA, RV, SO, WO, XX, XY, YR)			
Type	Module	Activity	Menu Function
RA	General Ledger	Retroactive Transactions	25.13.2
RV	General Ledger	Reversing Transactions	25.13.3
SO	Sales Orders/Invoices	Posted Invoices	7.13.4
WO	Works Orders	Component Issues	16.10
		Receipt Backflush	16.12
		Accounting Close	16.21
	Shop Floor Control	Labor Feedback Transactions	17.1 – 17.3
		Non-production Labor	17.4
		Operation completions	17.5
	Repetitive/Advanced Repetitive	Setup, Labor, rework, reject, scrap, and downtime reporting	18.13 – 18.19
		Cum order accounting close	18.22 (menu) 18.12
	Quality Management	Quality Orders	19.7
		Quality Orders results entry	19.11

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- RA (Retroactive) transactions are used to make adjustments to closed GL calendar years. These transaction types are rarely used.
- RV (Reversing) transactions are used to record accrual entries. The system automatically creates the reversing entries for the first day of the next period.
- SO (Sales Orders/Invoices) transactions are created by Invoice Post (7.13.4).
- WO (Work Orders) transactions are created by Work Order Accounting Close (16.21).
- XX transactions are imported transactions in the consolidation domain created by Transaction Import (25.19.15).
- XY transactions are revalued imported transactions created by Imported Transaction Revaluation (25.19.17).
- YR transactions are one-sided entries that update retained earnings from the year's net profit and loss.

GL Transaction Types (RA, RV, SO, WO, XX, XY, YR)



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GL Transactions Types (RA, RV, SO, WO, XX, XY, YR) - Continued

Type	Module	Activity	Menu Function
XX	General Ledger	Transaction Import	25.19.15
XY	General Ledger	Imported Transaction Revaluation	25.19.17
YR	General Ledger	Transaction Year-End Close	25.13.12

QAD Proprietary



General Ledger Processing



- ▲ Process Module Transactions
 - Module Transactions
 - GL Transaction Types
 - Working with Transactions
 - Post Transactions
 - Unposted and Unbalanced Transactions
 - Allocation
- ▲ GL Daybooks
- ▲ Reports and Inquiries
- ▲ Close the GL

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Working with Transactions

This section describes the different types of transactions that you can work with in the general ledger.

25.13.1 – Standard Transaction Maintenance

Standard Transaction Maint

Go To Actions Copy Print Preview

GL Reference: AP080911006448 Type: AP Effective: 9/11/2008 Period: 9/2008
 Currency: eur Control: 175.00 Base Total: 0.00
 Daybook: sys Entry Number: 000015631

Correction: ☐

Line	Account	Project	Entry	Description	Cur	Amount
3	Account Information		1000	AP Reconcilia	eur	0.00

Account:
 Sub-Account:
 Cost Ctr:
 Project:

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Standard Transaction Maintenance

Menu Number 25.13.1

Manual journal entries (type JL) are created in Standard Transaction Maintenance.

Standard transactions are used to:

- Enter GL account balances from your previous system during implementation
 - Balances can be transferred electronically, or entered manually.
 - When starting from the current GL period, enter ending balances from the prior GL period.
 - If starting mid-year when details for the current year are needed, enter the period year closing balances, close the year, and then enter detailed transactions for the current year or enter transaction totals for each month.
- Enter miscellaneous GL transactions.

- Correct unposted transactions.
- Create adjusting entries for posted transactions.
- Update values in memo and statistical accounts.

Standard Transaction Maintenance allows you to change amounts and accounts (in addition to sub-accounts, cost centers, and projects, if used) for unposted transactions. However, you cannot change posted transactions. If you find a mistake in a posted transaction, you can correct account balances using a standard transaction if the posted transaction is in the same fiscal year, and the year is open.

Note An unbalanced transaction is a transaction outside the posting parameters. For example, debits and credits that do not balance; one-sided transactions; transactions containing an invalid or inactive account, sub-account, or cost center; or an invalid combination of account, sub-account, or cost center.

25.13.3 – Reversing Transaction Maintenance

Reversing Transaction Maint

Go To Actions Copy Print Preview

GL Reference: RV080916000001 Effective: 9/16/2008 Period: 9/2008
 Reversal: 10/1/2008 Period: 10/2008

Currency: eur Control: 200 Base Total: 0.00
 Daybook: test-1 Entry Number: Correction: ☐

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Reversing Transactions Maintenance

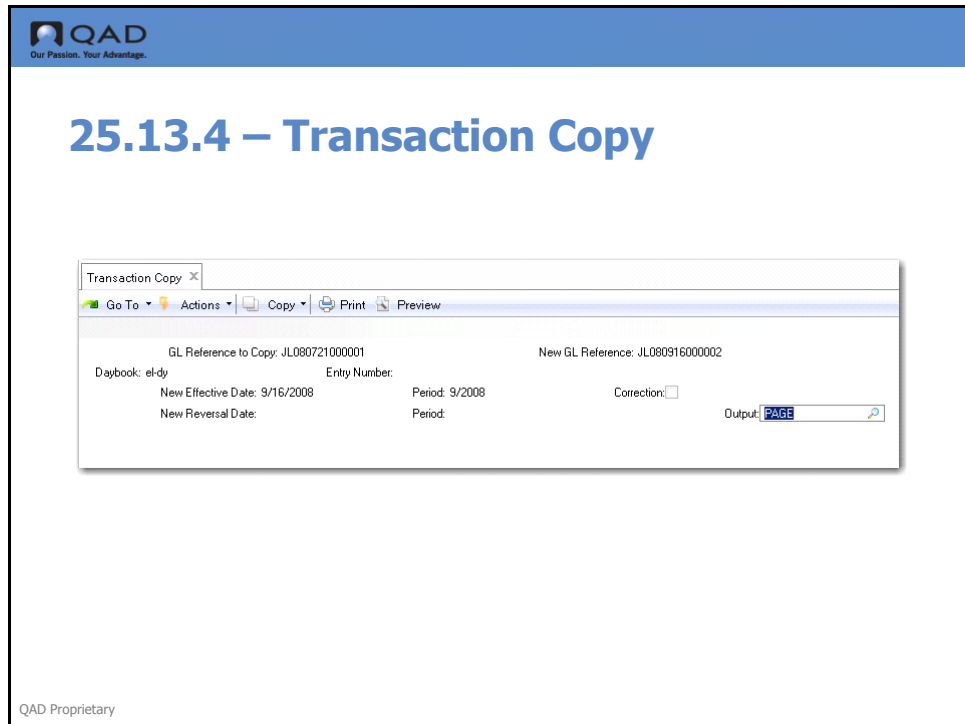
Menu Number 25.13.3

In accrual accounting, revenue is recognized when earned rather than when received. Expense is recognized when benefits associated with the payable are received rather than when payment is due. The portion of a revenue or expense that is incurred, but not yet realized, is considered an accrual.

Reversing Transaction Maintenance is used to enter accruals, such as end-of-period payroll. When reversing transactions are entered, the system calculates a corresponding reversing transaction that is effective the first day of the next GL period. Transaction type RV is assigned to reversing transactions.

Note You can also create reversing transactions in the Standard Transaction Maintenance (25.13.1), but the system does not automatically create the reversing entry.

Both the current period and the subsequent GL period must be open to post reversing transactions.



Transaction Copy

Menu Number 25.13.4

Use Transaction Copy (25.13.4) to copy a posted transaction and to create a transaction with a new GL reference code and effective date. This function is especially useful for setting up templates for recurring entries, such as depreciation. You can enter a transaction with zero amounts as the template, then copy and modify the transaction as needed.

The new transaction will have a GL reference number and effective date for the first day of the current period. Only posted transactions with a type JL or RV can be copied.



General Ledger Processing

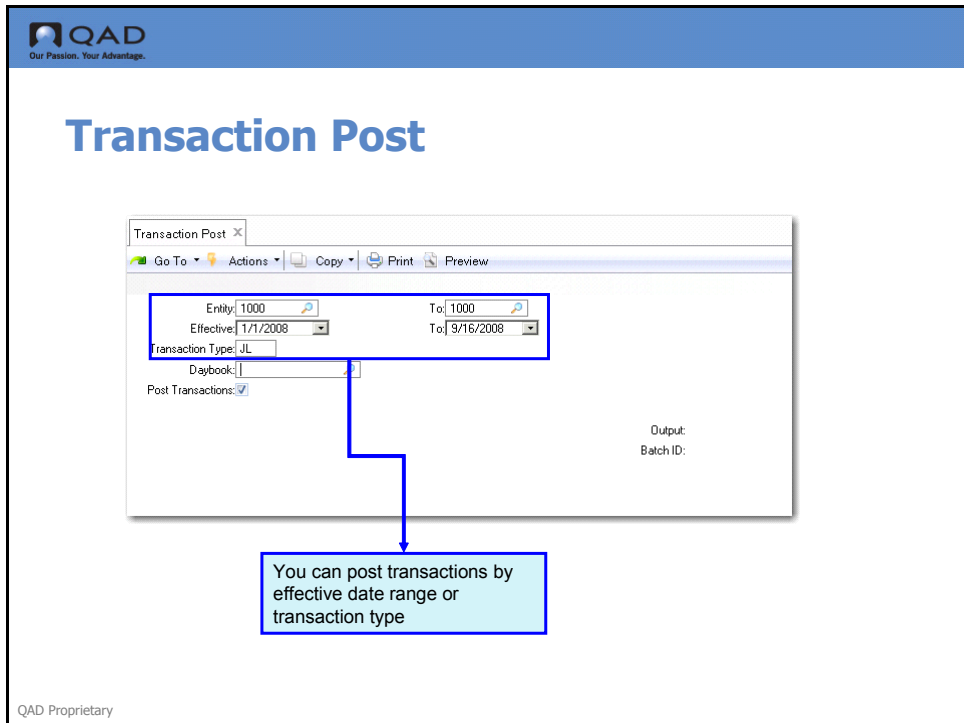


- ▲ Process Module Transactions
 - Module Transactions
 - GL Transaction Types
 - Working with Transactions
 - **Post Transactions**
 - Unposted and Unbalanced Transactions
 - Allocation
- ▲ GL Daybooks
- ▲ Reports and Inquiries
- ▲ Close the GL

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Posting Transactions

The general ledger is a record of all transactions that occur in an entity. It is maintained by recording debit and credit transactions in a process known as posting. After transactions have been posted, the balance in each account is updated.



Transaction Post

Menu Number 25.13.7

After you have reviewed unposted transactions for accuracy, you can post them to the general ledger using Transaction Post.

Transaction Post (25.13.7 or 25.19.16) updates GL account balances and transfers valid unposted GL transactions from the unposted transaction file (glt_det) to the GL history table (gltr_hist). The history table is the source of information for printing financial statements. Unposted transaction amounts are not summarized on statements. You can post transactions by effective date range and transaction type.

To print a posting report prior to posting the transactions, set the Post Transactions field to No. When Post Transactions is set to No, the function does not post transactions; it only generates a report. Allocation codes are shown as exploded on the report.

The audit trail is generated only at posting; you cannot reprint it afterward. The audit trail lists all transactions that posted. Transactions that will not post are printed on the report and marked as “unbalanced.”

To post all types of transactions, leave the Type field blank.

Note You should only post the previous day's transactions to prevent posting an incomplete batch.

You cannot modify posted transactions. Make any changes to account balances using adjusting entries or by processing a reversing transaction in the sub-module.



General Ledger Processing



- ▲ Process Module Transactions
 - Module Transactions
 - GL Transaction Types
 - Working with Transactions
 - Post Transactions
 - **Unposted and Unbalanced Transactions**
 - Allocation
- ▲ GL Daybooks
- ▲ Reports and Inquiries
- ▲ Close the GL

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Unposted and Unbalanced Transactions

This section describes how to correct and post unposted and unbalanced transactions.

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25.13.13 – Unposted Transaction Inquiry

Unposted Transaction Inquiry

Go To Actions Copy Print Preview

GL Reference	Batch	Cur	Unb Only
AP080908006407			☐

Unposted Transaction Inquiry

09/16/08

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GL Reference	Batch	Cur	Unb Only	Output PAGE
AP080908006407	8918	09/08/08	09/08/08 mfg	0.00 no

Line	Account	Project	Enty Description	Amount	Cur
1	2100--0002		ssk1	-1,175.00	eur
2	5101		phd1 purchase	1,000.00	eur
3	1202		ssk1 AP Voucher	1,000.00	eur
4	1202		phd1 AP Voucher	-1,000.00	eur
5	5101		ssk1 purchase	175.00	eur

GL Reference	Batch	Eff Date	Entered	User ID	Total	Corr
AP080908006408	8919	09/08/08	09/08/08 mfg		0.00	no

Line	Account	Project	Enty Description	Amount	Cur
1	2100--0002		ssk1	-1,180.00	eur
2	5101		phd1 purchase	1,000.00	eur
3	1202		ssk1 AP Voucher	1,000.00	eur
4	1202		phd1 AP Voucher	-1,000.00	eur
5	5101		ssk1 purchase	180.00	eur

GL Reference	Batch	Eff Date	Entered	User ID	Total	Corr
AP080908006409	8920	09/08/08	09/08/08 mfg		0.00	no

Line	Account	Project	Enty Description	Amount	Cur
1	2100--0002		ssk1	-2,350.00	eur
2	5101		phd1 purchase	2,000.00	eur
3	1202		ssk1 AP Voucher	2,000.00	eur
4	1202		phd1 AP Voucher	-2,000.00	eur
5	5101		ssk1 purchase	350.00	eur

Unposted Transaction Inquiry

Menu Number 25.13.13

Most GL transactions originate from purchasing, sales, and other activities outside the GL. Before making changes to the general ledger, the system collects all transactions created during sales and manufacturing activities in an unposted transaction table. You can review transactions to ensure that amounts, accounts, and dates are correct. Once transactions are verified, post them to update GL account balances.

Note You cannot close a GL calendar period if unposted transactions exist.

Review unposted transactions before posting them to the general ledger to correct any unbalanced transactions or incorrect amounts.

To review unposted transactions, use:

- Unposted Transaction Inquiry (25.13.13), which displays a list of transactions on the screen.

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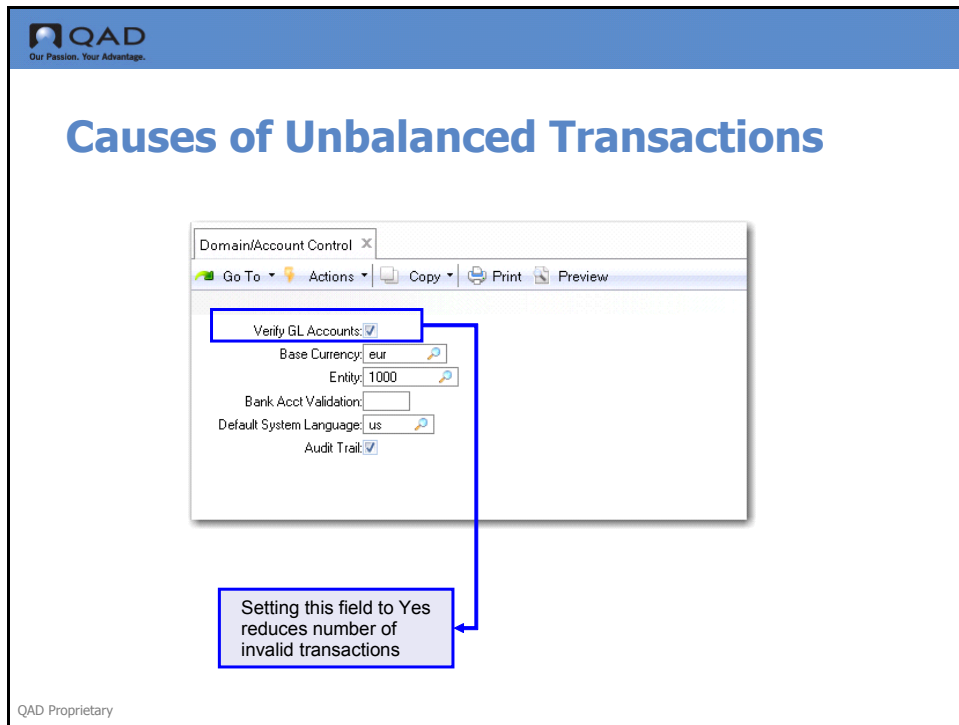
- Unposted Transaction Register (25.13.14), which prints a report listing unposted transactions.

You can select transactions by:

- GL reference number
- Batch number
- GL Transaction Type

The Unposted Transaction Register has additional selection criteria, such as the date entered and the effective date.

One good way to determine potential problems is to select unbalanced transactions only. Unbalanced or invalid transactions will not post.



Causes of Unbalanced Transactions

To be posted, transactions must:

- Reference active accounts, sub-accounts, cost centers, and projects that are valid in combination with each other.
- Be balanced, with debits equaling credits.
- Be balanced within entities when Balanced Entities is Yes in General Ledger Control.
- Occur in an open GL period.

Transactions that do not meet these criteria are considered unbalanced and remain in the unposted transaction table. To identify unbalanced transactions for correction, use Unposted Transaction Inquiry (25.13.13) or Register (25.13.14).

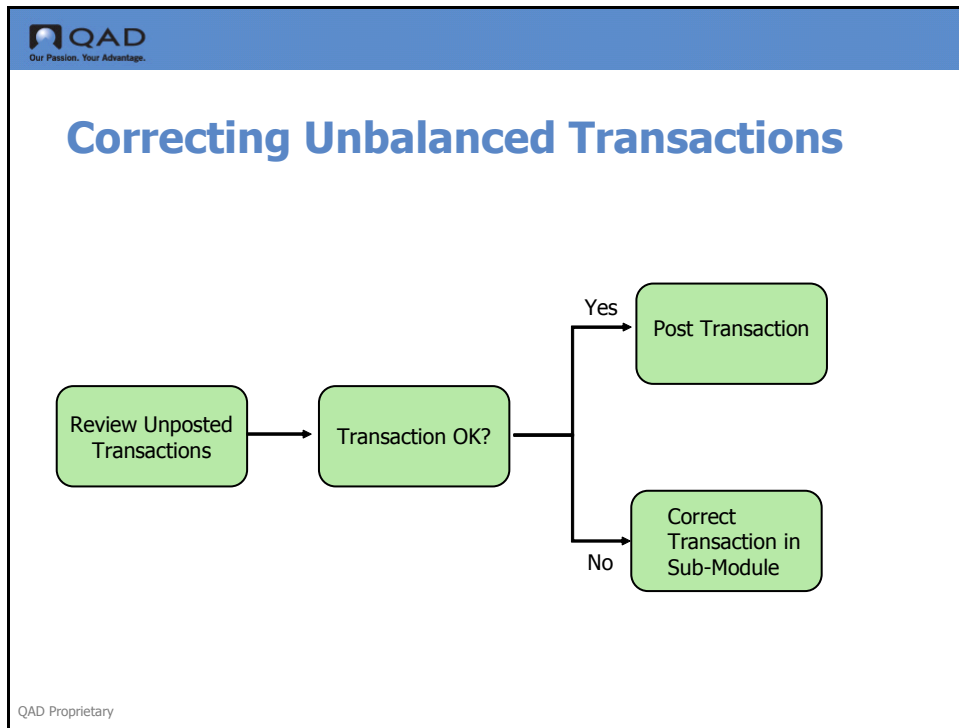
The main causes of unbalanced or invalid transactions are:

- An invalid or inactive account, sub-account, cost center, or project code.
- A transaction effective date that is in a closed GL period or year.

- Debits that do not equal credits.

Even if a transaction is balanced, you might still need to correct it if the wrong account, sub-account, cost center, or project code was used.

Set Verify GL Accounts field to Yes when you begin to process GL transactions. This step will ensure that only valid account, sub-account, cost center, or project combinations are entered on transactions.



Correcting Unbalanced Transactions

There are two options for correcting transactions created in modules outside the GL module.

You can correct the transactions in the originating module by processing another transaction to reverse the original and then process the correct transaction. This step provides an audit trail, and ensures that the sub-module and the GL remain synchronized.

You can correct the transactions in the GL module using a standard transaction. The updated GL accounts will no longer match the transaction history from the sub-module; you must consider this issue when reconciling. If you made the change in the GL module, other records (for example, sales analysis, commission records, and inventory balances) will not be updated.

If a transaction is unbalanced or has an incorrect amount and must be corrected, it is recommended that you make the correction in the source module, rather than the general ledger. Corrections made to transactions in Standard Transaction Maintenance (25.13.1) only change the transaction. The source module will not be affected.

For example, if an AR payment has an incorrect amount, and you change the transaction in Standard Transaction Maintenance, it will only be changed in the GL. The AR Aging reports will still show the original, incorrect amount.

To globally prevent correction transactions in the General Ledger module, set the Allow Changes to Module Transaction field to No in General Ledger Control (25.24). You can also restrict corrections to specific GL accounts by setting the Sub-Module Entries Only field to Yes in Account Code Maintenance (25.3.13).



General Ledger Processing



- ▲ Process Module Transactions
 - Module Transactions
 - GL Transaction Types
 - Working with Transactions
 - Post Transactions
 - Unposted and Unbalanced Transactions
 - Allocation
- ▲ GL Daybooks
- ▲ Reports and Inquiries
- ▲ Close the GL

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Allocation

Allocation lets you automatically apportion amounts between several accounts, sub-accounts, cost centers, and projects.

Allocation Codes and Posting

Allocation Code Maintenance

Allocation Code: **RENT**
Description: Rent Allocation

Account	Sub-Acct	CC	Project	Percent
1040		0100		30.000
1040				
1040				
1040				

Voucher Maintenance

Batch/Voucher: Batch: 1001a Batch Cnt: 10,000.000 Tot: 0.000
Voucher: 122162 Voucher Cnt: 5,000.00 Tot: 0.00

Distribution

Ln	Account	Sub-Acct	CC	Project	Enty	Tax	Description	Amount	T
1	RENT				1000	☐	Rent All	0.00	

Description
Rent Allocation

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Allocation Codes and Posting

Transactions that allocate an amount among several accounts can reference an allocation code rather than individual accounts, sub-accounts, cost centers, and projects. The system then automatically distributes the amounts to allocation accounts when the transactions are posted.

To simplify data entry, use Allocation Code Maintenance (25.3.23) to define codes that allocate fixed percentages of expenses to different accounts, sub-accounts, cost centers, and projects. You can specify an allocation code anywhere you can enter an account.

During posting, any transactions that reference allocation codes are posted to the appropriate accounts. For example, if you posted \$100 to the allocation code Utilities, and it was distributed with 30% to the utilities account in department 100 and 70% to department 200, two account postings would be made.

25.13.7 Transaction Post						
Line	Account	Project	Enty	Description	Amount	Cur
1	RENT		1000	Rent for Departments	0.00	USD
2	1040		1000	Rent for Departments	-10,000.00	USD
3	8300--1000		1000	Rent for Departments	3,000.00	USD
4	8300--2000		1000	Rent for Departments	1,000.00	USD
5	8300--3000		1000	Rent for Departments	1,000.00	USD
6	8300--5000		1000	Rent for Departments	5,000.00	USD
					0.00	USD

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Prior to posting, it is helpful to print the posting report with Post Transactions set to No so that you can preview how the allocation codes distribute amounts to individual accounts.

When the allocation code is exploded, the amount to the allocation code is set to zero, and the amount is distributed among the appropriate accounts.

Exercise

Important The data used in these exercises may not be the same as the data shown in the screen captures in this lesson. You must have completed all the setup exercises before you can work on the processing exercise.

Load Beginning Balances

Instructions: In this activity, you will enter GL opening balances.

- 1 Enter a JL transaction using the following data. Today's date is the effective date. Set the control amount to \$479,500.00.

Account	Cost Center	Description	Amt (USD)
1040		YTD Balance	100,000.00
1050		YTD Balance	30,000.00
1060		YTD Balance	45,000.00
1200		YTD Balance	60,000.00
1500		YTD Balance	90,000.00
2100		YTD Balance	-48,500.00
2400		YTD Balance	-5,500.00
2700		YTD Balance	-50,000.00
2800		YTD Balance	-90,000.00
3000	0100	YTD Balance	-250,000.00
3000	0200	YTD Balance	-26,500.00
3900	0100	YTD Balance	4,500.00
3900	0200	YTD Balance	2,000.00
4100		YTD Balance	3,000.00
6300		YTD Balance	1,500.00
7100		YTD Balance	60,000.00
7200	2000	YTD Balance	12,000.00
8200		YTD Balance	20,000.00
8300		YTD Balance	20,000.00
8400		YTD Balance	32,500.00

Use Standard Transaction Maintenance (25.13.1).

- 2 Review and post your JL transaction.

Use Unposted Transaction Inquiry (25.13.14) and Transaction Post (25.13.7).

Reversing Transactions

Instructions: In this activity, you will practice reversing transactions.

- 1 Create a reversing transaction using the data in the table. The current date is the effective date, and the control total is \$85,000.00.

Account	Cost Center	Description	Amt (USD)
7100	1000	Salaries	25,000.00
7100	2000	Salaries	50,000.00
7100	5000	Salaries	10,000.00
1040		Salaries	-85,000.00

Use Reversing Transaction Maintenance (25.13.3).

- 2 Review the transaction just entered. What is the prefix of this transaction? Notice the reversing entries were automatically created by the system.

Use Unposted Transaction Inquiry (25.13.13).

- 3 Post the transactions.

Use Transaction Post (25.13.7)



General Ledger Processing

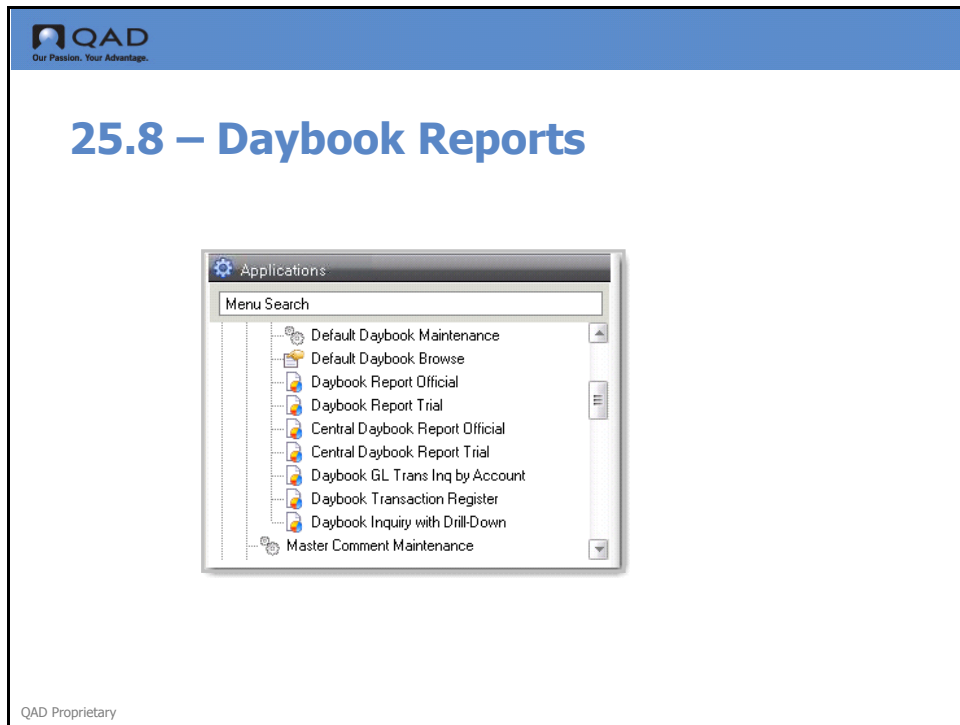


- ▲ Process Module Transactions
- ▲ Daybooks
 - Daybook Reports
 - Central Daybook Reports
- ▲ Correct Posted Transactions
- ▲ GL Reports and Inquiries
- ▲ Close the GL

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GL Daybooks

Daybooks, also known as journals, are specialized, user-defined views of the general ledger. Create daybooks to group GL transactions to satisfy legal reporting requirements or for organizing GL reporting in a manner consistent with common business practices. Daybooks are generally used in Eastern and Central European countries.



Daybook Reports

Menu Number 25.8

You can only view posted transactions in inquiries and daybook reports, such as the following:

- Daybook Report Official
- Daybook Report Trial
- Central Daybook Report Official
- Central Daybook Report Trial

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25.8.14 – Daybook Report Trial

Daybook Report Trial

Go To
Actions
Copy
Print
Preview

Entry: 1000
 Effective:
 Daybook Type:
 Daybook:
 Suppress Empty Daybooks: ☐

To: 1000
 To:
 To:
 To:

Detailed Substalling: ☒
 Reporting Currency:

Daybook Report Trial
 cell41 RAD eB2.1 DEMO1

09/1

Official Page Number: 1 Printing: yes

Reporting Currency: eur
Exchange Rate:

Daybook: cvcv cv my daybook

Eff Date	Entry Number	Entry Account	Sub-Acct	CC	Project	T	DR Amount	CR Amount
01/09/08	000012378	1000	1033			IC	100.00	0.00
01/09/08	000012379	1000	1033			IC	0.00	100.00
01/09/08	000012383	1000	1033			IC	200.00	0.00
01/09/08	000012384	1000	1033			IC	0.00	200.00
01/09/08	000012402	1000	1033			IC	80.00	0.00
01/09/08	000012403	1000	1033			IC	0.00	80.00
01/09/08	000012404	1000	1033			IC	3.20	0.00
01/09/08	000012405	1000	1033			IC	0.00	3.20
01/09/08	000012417	1000	1033			IC	500.00	0.00
01/09/08	000012420	1000	1033			IC	0.00	500.00

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Daybook Report Trial

Menu Number 25.8.14

The Daybook Report Trial creates a trial report listing daybook entries in detail form. A separate line appears on the report for each GL transaction. Unlike official reports, a trial report displays all data within the selection criteria, but does not update official page and entry numbers. A trial report is not recorded as an official report.

The trial report prints the same information that prints on an official report.

The report selection criteria:

Entity

Specify the entities to include in the report.

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Effective

Specify the date range for including GL transactions whose effective date is within this range. Daybook types are set up in Generalized Code Maintenance (36.2.13) and assigned to daybooks in Daybook Maintenance (25.8.1).

Daybook Type

Specify the daybook types to include in the report.

Daybook

Specify daybooks to include in the report. Daybooks are defined in Daybook Maintenance (25.8.1)

Suppress Empty Daybooks

Determines whether to print daybooks that have no transactions

Set the field to Yes to exclude empty daybooks from the report. The default is No

Sup Detailed Subtotaling

Set the field to No to display activity totaled by account only.

Set the field to Yes to provide subtotals for each account, sub-account, cost center and project combination

Reporting Currency

Generate the report in any currency, regardless of the currency of the transactions.

If the report shows base currency amounts, then these base currency amounts are translated to the reporting currency. The conversion uses either the current exchange rate valid for today's date, or the rate for the effective date selected on the appropriate report

If the conversion involves EMU currencies, triangulation is used

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25.8.13 – Daybook Report Official

Daybook Report Official - X

Go To ▾
Actions ▾
Copy ▾
Print ▾
Preview ▾

Entity: 1000

Effective: ▾

Daybook Type: ▾

Daybook: ▾

Suppressed Empty Daybooks: ☐

Detailed Subtotaling: ☒

Draft/Official: Draft ▾

Reporting Currency: ▾

To: 1000

To: ▾

To: ▾

To: ▾

Daybook Report Official - 9/16/... X

Daybook Report Official
cell41 RAD eB2.1 DEMO1

09/16/...

Official Page Number: 1 Printing: yes
Reporting Currency: eur

Exchange Rates:

Daybook: cvcvcv my daybook

Eff Date	Entry Number	Entry Account	Sub-Acct CC	Project	T	DR Amount	CR Amount
01/09/08	000012378	1000 1033			IC	100.00	0.00
01/09/08	000012379	1000 1033			IC	0.00	100.00
01/09/08	000012383	1000 1033			IC	200.00	0.00
01/09/08	000012384	1000 1033			IC	0.00	200.00
01/09/08	000012402	1000 1033			IC	80.00	0.00
01/09/08	000012403	1000 1033			IC	0.00	80.00
01/09/08	000012404	1000 1033			IC	3.20	0.00

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Daybook Report Official

Menu Number 25.8.13

The Daybook Report Official creates an official daybook report that lists all the daybook entries in detail.

- Only posted GL transactions are listed
- GL transactions are listed sequentially
- Each GL transaction prints on a separate line
- Only data not printed on an earlier official report will print

The report displays:

- Effective Date
- Entry Number
- GL Account

- GL Account Description
- Debit Activity
- Credit Activity
- Official page number
- Daybook Code
- Daybook Description
- Correction transactions

Note Negative amounts appearing in the debit and credit columns indicate that the entries are correction transactions.

Reports are printed based on the selection criteria. The selection criteria for the Daybook Report Official are the same as those for the Daybook Report Trial, with the exception of the following field:

Draft/Official

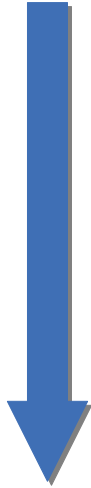
Determines whether the report is a draft or an official report.

- Draft will display the same information as official, but not recorded as official.
- Official displays any data, according to selection criteria, that has not printed on a previous official report.

This option updates page and entry numbers.



General Ledger Processing



- ▲ Process Module Transactions
- ▲ Daybooks
 - Daybook Reports
 - Central Daybook Reports
- ▲ Correct Posted Transactions
- ▲ GL Reports and Inquiries
- ▲ Close the GL

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25.8.17 – Central Daybook Report Trial

Central Daybook Report Trial

Go To Actions Copy Print Preview

Entity: 1000

To: 1000

Effective:

To:

Daybook Type:

To:

Daybook:

To:

Suppress Empty Daybooks: ☐

Reporting Currency:

Central Daybook Report Trial - ...

QAD

Central Daybook Report Trial

colli41 RAD eB2.1 DEMO1

Official Page Number: 1 Printing: yes

Reporting Currency: eur

Exchange Rate:

Daybook Type	Daybook	Desc	Account	DR Amount	CR Amount
cvcvcv	my daybook		1040	100.00	120.00
			1200	183,446.50	183,446.50
			1201	460.00	1,566.50
			1400	10.00	0.00
			1500	521,012,126.62	118,316,662.35
			1501	55.00	616.52
			1502	3,000.00	5,100.00
			1503	5,716.52	3,055.00
			1530	6,423.67	1,714.50
			1540	6,478,326.00	11,078,940.70
			1550	121,265,931.68	179,327,385.24
			1600	494,724.93	792,353.05
			2200	59,150.90	4,878,208.73

QAD Proprietary

Central Daybook Report Trial

Menu Number 25.8.17

The Central Daybook Report Trial creates a trial summary daybook report. Unlike an official report, a trial report displays all data within the selection criteria, but does not update the official page number. A trial report is not recorded as an official report.

The following information is displayed in each report type:

- Daybook Type
- Daybook Code
- GL Account
- GL Account Description
- Debit Activity
- Credit Activity

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Reports are printed based on the selection criteria. The selection criteria for the Central Daybook Report Trial are the same as those for the Daybook Report Trial.

25.8.17 – Central Daybook Report Official

Central Daybook Report Official

Entity: 1000 To: 1000
 Effective: To:
 Daybook Type: To:
 Daybook: To:
 Suppress Empty Daybooks: ☐
 Draft/Official: Draft
 Reporting Currency:

Central Daybook Report Official
 col41 RAD eB2.1 DEMO1

Official Page Number: 1 Printing: yes Reporting Currency: eur
 Exchange Rate:

Daybook Type	Daybook	Desc	Account	DR Amount	CR Amount
cvcvcv	my daybook		1033	108,531.20	108,531.20
			1040	100.00	120.00
			1200	216,378.58	216,378.58
			1201	2,923.00	1,566.50
			1400	10.00	0.00
			1500	1,789,564,255.32	126,694,551.40
			1501	55.00	616.52
			1502	3,000.00	5,100.00
			1503	5,716.52	3,055.00
			1530	6,423.67	1,714.50
			1540	6,481,326.00	11,078,940.70
			1550	121,272,740.78	229,663,143.01

QAD Proprietary

Central Daybook Report Official

Menu Number 25.8.16

The Central Daybook Report Official creates an official summary daybook report. An official report displays only the data not printed on previous official reports and updates the official page number. Before running an official report, you can run a draft report to review the data for accuracy. The draft displays the same information as an official report, but it is not recorded as an official report.

The following information is displayed in each report type:

- Daybook Type
- Daybook Code
- GL Account
- GL Account Description
- Debit Activity

- Credit Activity
- Official Page Number

Reports are printed based on the selection criteria. Reports are printed based on the selection criteria. The selection criteria for the Central Daybook Report Official are the same as those for the Daybook Report Trial, with the exception of the following field:

Draft/Official

Determines whether the report is a draft or an official report.

- Draft will display the same information as official, but not recorded as official.
- Official displays any data, according to selection criteria, that has not printed on a previous official report.

This option updates page and entry numbers.

Exercise: GL Daybooks Trial and Official

Instructions: In this activity, you will use Inquiry by Account with Drill-Down (25.13.20) to list daybook entries, and run trial and official daybook reports.

- 1 For the following information, review a list of posted transactions for a particular daybook.

Field	Value
Account	3000
Daybook	AR Other
Effective	Today's date
Transaction Type	AR
Daybook	AR Other
Output	Window/Terminal

Use Inquiry by Account with Drill-Down (25.13.20).

- 2 Run a trial daybook report for daybook AR Other and daybook type 01. Print the report to Window/Terminal.

Use Daybook Report Trial (25.8.14).

- 3 Run an official daybook report for the same daybook and daybook type. Output the report to Window/Terminal.

Use Central Daybook Report Official (25.8.13).

- 4 Run a trial central daybook report for daybook type 01.

Use Central Daybook Report Trial (25.8.17).

- 5 What is the effect of entering only the daybook type 01 as a selection criteria?



General Ledger Processing



- ▲ Process Module Transactions
- ▲ Daybook Reports
- ▲ **Correct Posted Transactions**
- ▲ GL Reports and Inquiries
- ▲ Close the GL

QAD Proprietary

Correct Posted Transactions

Posted transactions cannot be changed. To correct errors in posted transactions, use adjusting transactions or correction of accounting (COA) transactions. If the GL period is closed, you must first reopen the GL period in GL Calendar Maintenance (25.3.4).

Correcting Posted GL Transactions

Standard Transaction Maint x

Go To Actions Copy Print Preview

GL Reference: JL080916000003 Type: JL Effective: 9/16/2008 Period: 9/2008
 Currency: eur Control: 400.00 Base Total: -400.00
 Daybook: ysa Entry Number:

Correction: ☒

Line	Account	Project	Enty	Description	Cur	Amount
1	3000		1000	Incorrect Tra	eur	-400.00
2	1200		1000	Incorrect Tra	eur	400.00

Indicates if transaction is COA, or non-COA transaction

QAD Proprietary

Correcting Posted GL Transactions: COA Transactions

Correcting posted transactions is a common business practice and legal requirement in many Eastern European countries because of audit trail and backup paperwork. The COA operation is preferred in some countries because it provides a clearer view of how debit and credit activity are affected by corrections. This operation corrects posted GL transactions by generating new transactions that reverse previous debit and credit activity.

You can enter COA transactions using:

- Standard Transaction Maintenance (25.13.1)
- Reversing Transaction Maintenance (25.13.3)
- Retroactive Transaction Maintenance (25.13.2)

When the Correction field is set to Yes in Standard Transaction Maintenance, in each line under the reference number, the system applies the negative amounts to debit accumulation and the positive amounts to the credit accumulation in Account Balance Detail.

When the Correction field is set to No, the system applies the entered amounts based on the amount sign. Negative amounts are assigned to credits and positive amounts to debits. The default is No.



Differences between COA and Non-COA Transactions

(Standard Transaction Maintenance)

Line	Account	Description	Amount
1	5100	office supplies	1000.00
2	1040	office supplies	-1000.00

Posted as a regular transaction

Account Balance Detail

Account	Description	Period Activity Debits	Period Activity Credits
1040	Cash		1000.00
↓			
5100	Expensed Purchases	1000.00	

Posted as a COA transaction

Account Balance Detail

Account	Description	Period Activity Debits	Period Activity Credits
1040	Cash	-1000.00	
↓			
5100	Expensed Purchases		-1000.00

QAD Proprietary

Differences between COA and Non-COA Transactions

The COA operation corrects posted GL transaction by posting a transaction that reverses how debits and credits are normally posted.

This step is different from using an adjusting entry to debit a (normal) credit account, and credit a (normal) debit account.

Exercise: COA Transactions

Instructions: You can correct GL transactions using Standard Transaction Maintenance, Reversing Transaction Maintenance, or Retroactive Transaction Maintenance. In this activity, you will create a transaction to be corrected, correct a posted transaction, view unposted correction transactions, and review the posted transactions.

- 1 Create a transaction in Standard Transaction Maintenance using the following information and a control amount of \$1000.00.

Field	Value to Enter
Line	1
Account	3000
Description	incorrect transaction
Amount	1000.00
Line	2
Account	1200
Description	incorrect transaction
Amount	-1000.00

Use Standard Transaction Maintenance (25.13.1).

- 2 Post the transaction to the default daybook for JL transactions.

Use Transaction Post (25.13.7).

- 3 The first transaction was “erroneously” entered and posted as a debit (instead of a credit) to the sales account, and a credit to the accounts receivable account (instead of a debit).

Enter a correcting transaction to reverse the original incorrect transaction. In the line detail, enter the following:

Field	Value to Enter
Line	1
Account	3000
Description	<original reference number and line>
Amount	-1000.00
Line	2

Field	Value to Enter
Account	1200
Description	Correction
Amount	1000.00
Correction	Yes

Use Standard Transaction Maintenance (25.13.1).

- 4 Review and verify the correction transaction before posting it.

Use Unposted Transaction Inquiry (25.13.13).

- 5 Post the correction transaction. Review the posted transactions.

Use Transaction Post (25.13.7) and Transaction Register (25.13.21).



General Ledger Processing



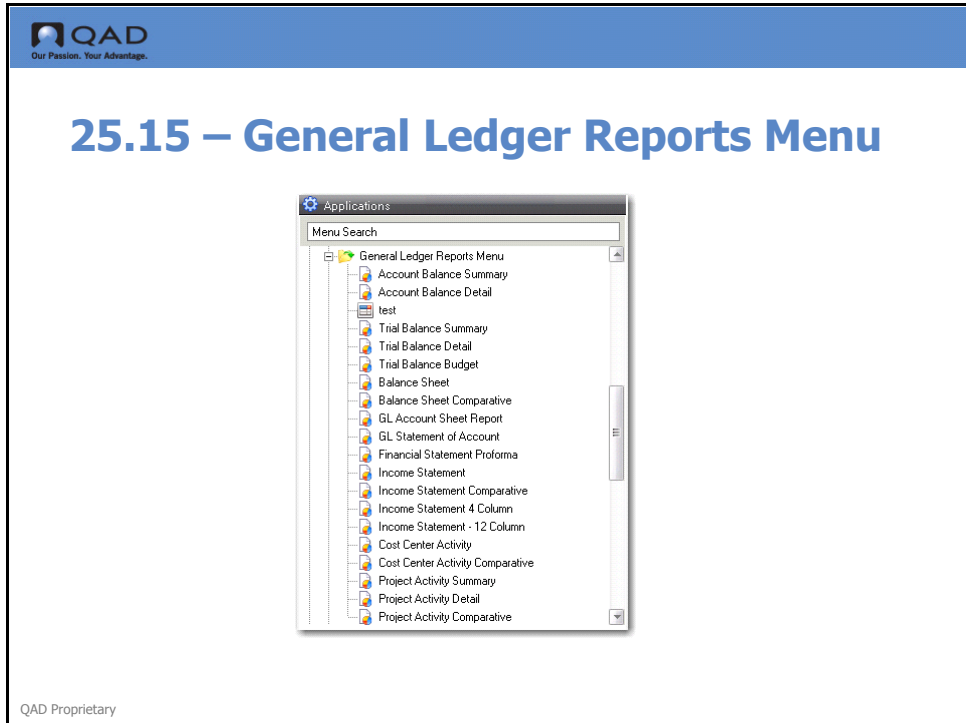
- ▲ Process Module Transactions
- ▲ Daybook Reports
- ▲ Correct Posted Transactions
- ▲ GL Reports and Inquiries
- ▲ Close the GL

QAD Proprietary

General Ledger Reports

This section describes GL reporting.

Reports can be printed in summary or detail. Detail reports includes all transaction activity. You can run reports for a range of entities, sub-accounts, or cost centers. Comparative reports can be printed that compare actual performance to budget, budget to budget, or actual to actual, over similar or different periods. Variances can also be printed.



GL Reports

The standard GL reports are located in menu 25.15:

- Account Balances (25.15.2, 25.15.2)
- Trial Balance (25.15.4, 25.15.6)
- Balance Sheets (25.15.8, 25.15.9)
- Financial Statement Proforma (25.15.2)

This report is only used to preview the formatting of balance sheets and income statements. No account balances appear on the report.

- Income Statements (25.15.13 - 25.15.16)
- Cost Center Activity (25.15.18, 25.15.19), which lists cost center balances.

The comparative report compares the cost center balances for two different periods or actual figures to budget.

The screenshot shows the 'Balance Sheet Comparative' dialog box in the QAD software. The window has a title bar with the QAD logo and the text 'Our Passion. Your Advantage.' Below the title bar is a menu bar with 'Go To', 'Actions', 'Copy', 'Print', and 'Preview'. The main area contains various input fields and checkboxes for configuring the report. The 'Entity' field is set to '1000' and the 'To' field is also set to '1000'. The 'Description' field is empty. There are two columns for ending dates, both with 'Use Budgets' checkboxes. The 'Suppress Zero Amounts' checkbox is checked. The 'Sub-Account' and 'Cost Ctr' fields are empty, with 'Level' set to '99'. The 'Print Variances' checkbox is checked. The 'Summarize Cost Centers' checkbox is checked. The 'Round to Nearest Thousand' checkbox is checked. The 'Reporting Currency' field is empty. The 'Budget Code' field is empty. The 'To' field for the 'Sub-Account' is empty. The 'To' field for the 'Cost Ctr' is empty. The 'Summarize Sub-Accounts' checkbox is checked. The 'Suppress Account Numbers' checkbox is checked. The 'Round to Nearest Whole Unit' checkbox is checked. The 'Output' field is empty, and the 'Batch ID' field is empty.

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Reporting Options

On GL reports, you can print reports for:

- One or a range of entities, accounts, sub-accounts, or cost centers.
- Budgeted or actual amounts.
- A specific ending date (trial balances and balance sheet) or a range of dates (income statements and activity reports).

Other useful report options are:

Level

Specify the level of detail to appear on a report; this setting corresponds with format position levels.

Suppress Zero Amounts

Set the field to Yes to only display accounts with non-zero balances on the report.

Suppress Account Numbers

Set the field to Yes to only display account descriptions.

Round to Nearest Thousand

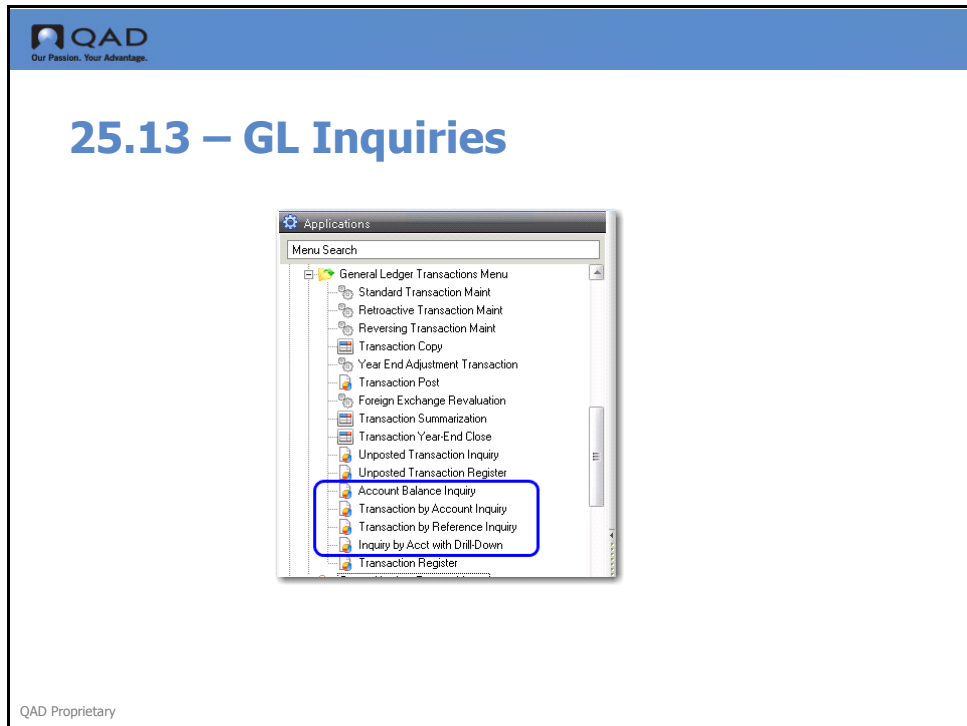
Specify the degree of accuracy required for the report. If set to Yes, an amount such as 2,500.00 is rounded to 3000.00.

Round to Nearest Whole Unit

Specify whether to print decimals numbers.

Print Comments

Specify whether to print comments on income statements and project activity reports.



GL Inquiries

To investigate posted transactions requiring correction, use one of several inquiry and report functions:

- Account Balance Inquiry (25.13.17)
- Transaction by Reference Inquiry (25.13.19)
- Inquiry by Account with Drill-Down (25.13.20)
- Transaction Register (25.13.21)
- Transaction by Account Inquiry (25.13.18)



Our Passion. Your Advantage.

Debit and Credit Separation

Account Balance Inquiry - 9/16... X



QAD

Account Balance Inquiry

09/16/08

Account: 1040 CASH To: usd
Sub-Account: To:
Cost Ctr: To:
Entity: 1000 To: 1000
Fiscal Year: 2008 Reporting Currency: Output: PAGE

Period	Per Activity (DR)	1040-CASH (usd) Per Activity (CR)	Accumulated Balance	Curr
Begin Bal:			27,534,843,802.90cr	eur
01/2008	6,982.25	90,053.51	27,534,926,874.16cr	
02/2008	175,407.09	2,062,602.06	27,536,814,069.13cr	
03/2008	13,509.75	6,451.00	27,536,807,010.38cr	
04/2008	52,988.22	40,903.14	27,536,794,925.30cr	
05/2008	12,102.00	5,691.00	27,536,788,514.30cr	
06/2008	1,127.56	120.00	27,536,787,506.74cr	
07/2008	304,721.77	83,243.81	27,536,566,028.78cr	
08/2008	3,593.80	5,062.80	27,536,567,497.78cr	
09/2008	1,534.00	890.00	27,536,566,853.78cr	
10/2008	0.00	0.00	27,536,566,853.78cr	
11/2008	0.00	0.00	27,536,566,853.78cr	
12/2008	0.00	0.00	27,536,566,853.78cr	
End Bal:	571,966.44	2,295,017.32	27,536,566,853.78cr	

Account Balance Inquiry (25.13.17)

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Debit and Credit Separation

For each general ledger account, QAD 2008 stores debit and credit activity separately. You can run reports and the Account Balance Inquiry to view this separated activity. The General Ledger module:

- Maintains separate totals for debits and credits at the account or fiscal period level.
- Enables users to view debit and credit activity separately by using Account Balance Inquiry, Account Balance Detail Report, or creating custom reports with GL Report Writer.
- Satisfies legal requirements for many countries.



General Ledger Processing



- ▲ Process Module Transactions
- ▲ Daybook Reports
- ▲ Correct Posted Transactions
- ▲ GL Reports and Inquiries
- ▲ Close the GL
 - Period-End Processing
 - Year-End Processing
 - Transaction Consolidation

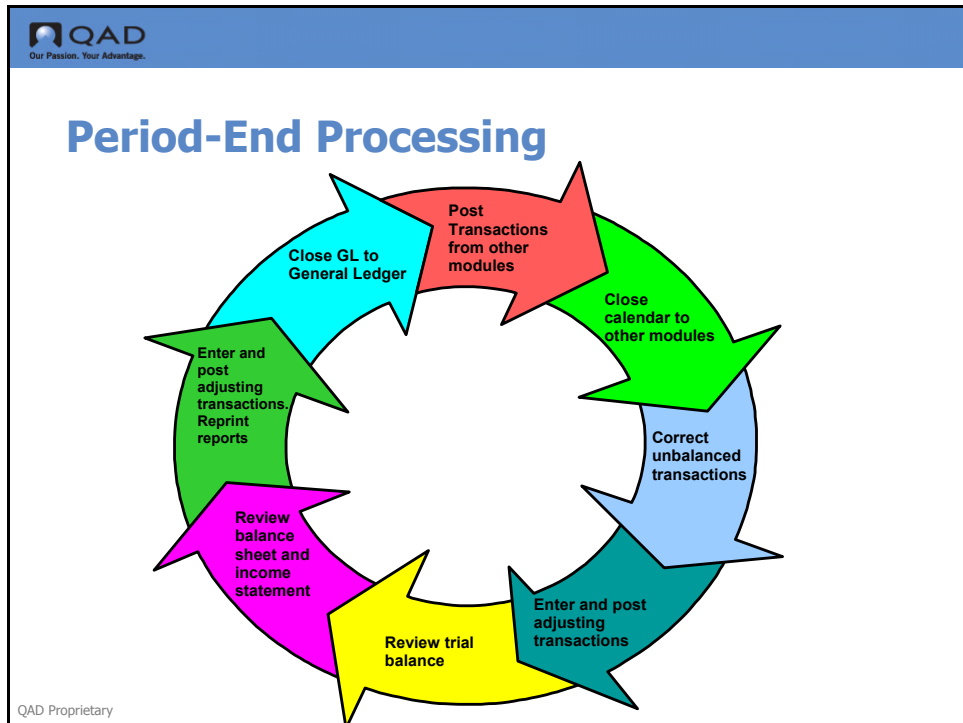
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Closing the GL

Before beginning period-end processing in the GL, you must check that all transaction processing in other modules is complete. You should perform the following tasks:

- Post transactions from other modules (25.13.7).
- Close the GL calendar to other modules (25.3.4).
- Correct unbalanced transactions that do not post (in the appropriate sub-module or 25.13.1).
- Enter and post adjusting transactions in the general ledger using reversing entries (25.13.3).
- Create and post adjusting transactions for unrealized exchange gain and loss (25.13.9) if using multiple currencies.
- Print and review trial balance (25.15.4).
- Print and review balance sheet (25.15.8) and income statement (25.15.13).
- Enter and post corrections as required, and reprint reports.

- Print the Transaction Register (25.13.21; optional).
- Close the GL calendar to general ledger transactions (25.3.4).



Period-End

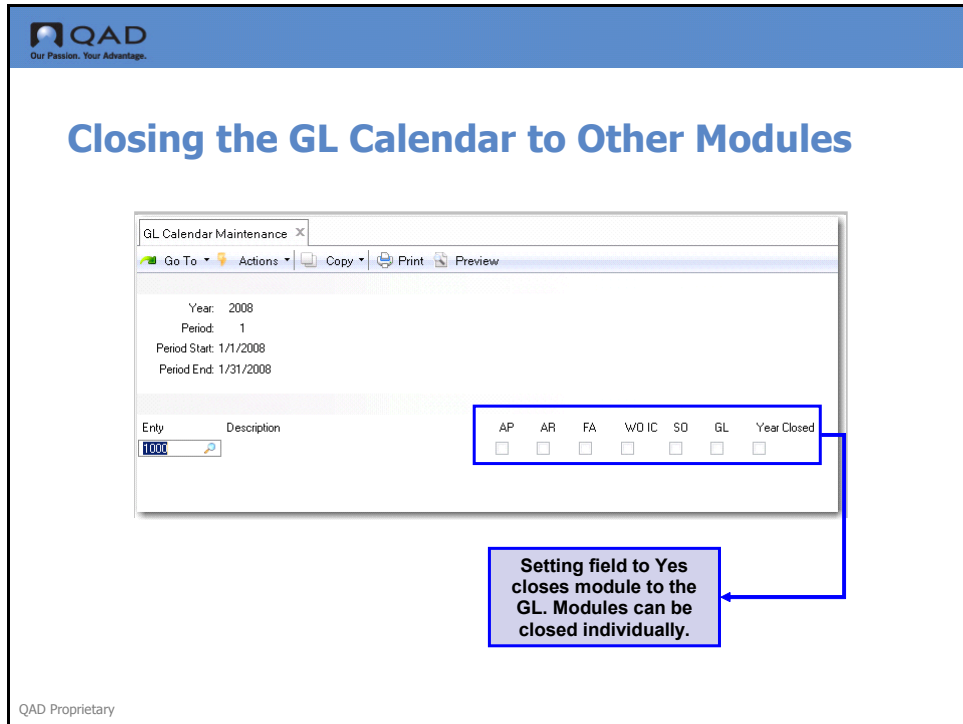
Period-end processing varies depending on whether the current domain has been used for consolidating transactions. You should perform the following steps in all domains:

- Post transactions from other modules using Transaction Post (25.13.7 or 25.19.16).
- Close the GL calendar to other modules using GL Calendar Maintenance (25.3.4).
- Use Standard Transaction Maintenance (25.13.1) to correct unbalanced transactions that did not post.
- Enter and post adjusting transactions in the general ledger using Reversing Transaction Maintenance (25.13.3).
- Copy transactions using Transaction Copy (25.13.4).
- Create adjusting transactions for unrealized exchange gain and loss using Foreign Exchange Revaluation (25.13.9 or 25.19.13).
- Post unrealized gain and loss transactions using Transaction Post (25.13.7 or 25.19.16).
- Print and review the trial balance using Trial Balance Summary (25.15.4).

- Generate and review reports from Balance Sheet (25.15.8) and Income Statement (25.15.13).
- Print and review any custom reports using Custom Report Print (25.17.13).
- Enter and post corrections as required and reprint reports. Use the Year-End Adjustment Transaction (25.13.5), if needed.
- Optionally, print the Transaction Register (25.13.21).
- Use GL Calendar Maintenance (25.3.4) to close the GL calendar to the general ledger.
- For multiple entities only, use Transaction Export (25.19.14) to generate an ASCII file.

In a consolidation domain where you have consolidated transactions from subsidiary entities that use another base currency, you must:

- Use Transaction Import (25.19.15) to import transactions from other databases.
- Use Transaction Consolidation (25.19.20) to consolidate transactions from entities in a consolidation set.
- Use Transaction Post (25.13.7 or 25.19.16) to post imported transactions.
- Run Foreign Exchange Revaluation (25.13.9 or 25.19.13).
- Use Transaction Post (25.13.7 or 25.19.16) to post foreign exchange transactions.
- Enter corrections from Standard Transaction Maintenance (25.13.1) if necessary.
- Run Imported Transaction Revaluation (25.19.17).
- Enter corrections from Standard Transaction Maintenance (25.13.1) if necessary.
- Use Transaction Post (25.13.7 or 25.19.16) to post XY transactions.
- Optionally, print the Transaction Register (25.13.21).
- Use GL Calendar Maintenance (25.3.4) to close the GL calendar to the general ledger.



Closing GL Calendar to Other Modules

Use GL Calendar Maintenance to close GL periods by transaction type.

After you have printed and corrected your financial statements and reports for the period, you must close the period to the GL, using GL Calendar Maintenance (25.3.4).

If needed, you can re-open a fiscal period by changing the appropriate field to No. GL periods can be reopened anytime as long as the GL calendar year is not closed (Year-End Close (25.13.12)).

You can only post transactions to valid, open GL periods. To verify transaction effective dates entered in modules other than the General Ledger, set Verify GL Accounts to Yes in Domain/Account Control.

Reopening Periods

The value in the Suppress Reopen GL Periods field in General Ledger Control determines whether closed periods can be reopened in GL Calendar Maintenance.

- When the field is No, you can reopen any GL period to transaction activity until the fiscal year has been closed. After Transaction Year-End Close is run, a GL period cannot be re-opened. To re-open a period, reset the Closed field to No. You can, for example, set up an entire calendar at the beginning of the year and set all periods to Closed, except the current one.
- If Suppress Reopen GL Periods is Yes, you cannot re-open previous calendar periods. You can re-open the current period if necessary.



General Ledger Processing



- ▲ Process Module Transactions
- ▲ Daybook Reports
- ▲ Correct Posted Transactions
- ▲ GL Reports and Inquiries
- ▲ Close the GL
 - Period-End Processing
 - **Year-End Processing**
 - Transaction Consolidation

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Year-End Processing

This section describes the steps required to close the GL calendar year to new transactions.

25.13.5 – Year-End Adjustment

Year End Adjustment Transacti... X

Go To Actions Copy Print Preview

GL Reference: YA080916000001 Type: YA Year: 2007 Effective: 12/31/2007

Currency: eur Control: 1,000 Base Total: 0.00

Daybook: test-1 Entry Number:

Correction: ☒

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Year End Adjustment Transaction

Menu Number 25.13.5

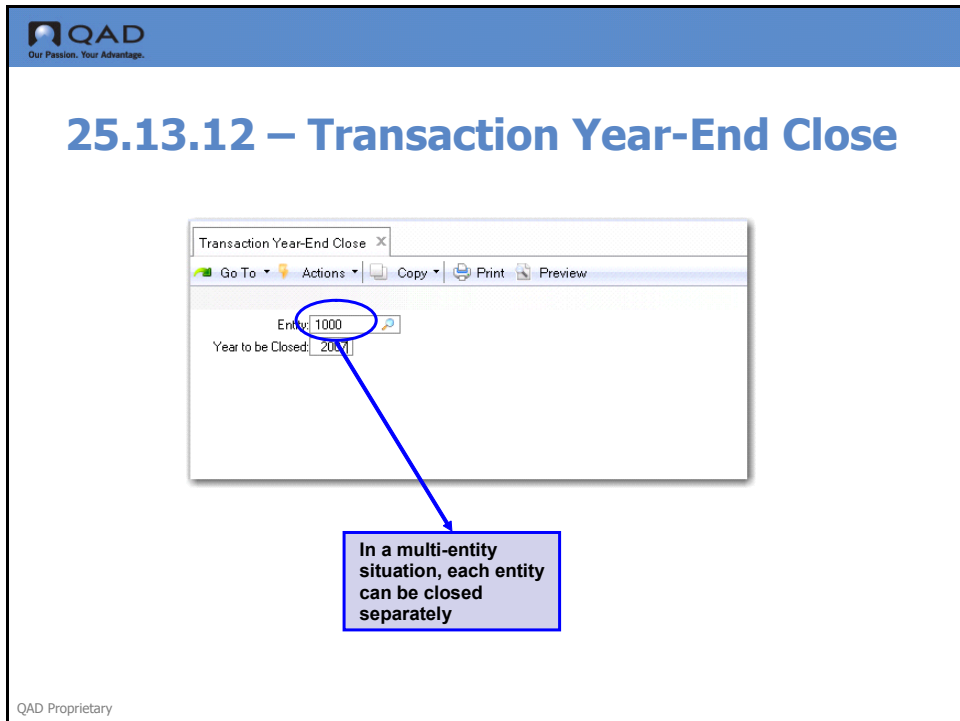
Use Year End Adjustment Transaction to create and maintain necessary adjustments to the General Ledger before you close the GL calendar year.

GL transactions primarily affect the current calendar year. However, year-end adjustments affect transactions made in the previous year, and are effective on the last day of that year. This means that the transactions appear on reports for the adjustment year, although they are entered in the current year.

Year end adjustment transactions let you create, manage, and report year-end adjustment transactions separately. You can only create adjustment transactions after all modules, other than the GL, have been closed for the GL calendar year.

Year end adjustment transactions are effective in the previous GL calendar year; and cannot be created for any year that has been previously closed. These transactions must be posted before Transaction Year-End Close (25.13.12) has been run.

You can report and maintain YA type transactions in the same functionality as other GL transactions.



Transaction Year-End Close

Menu Number 25.13.12

Use Transaction Year-End Close to close a GL calendar year to all transaction activity, and to calculate and post year-to-date profit or loss to the retained earnings account for the current domain.

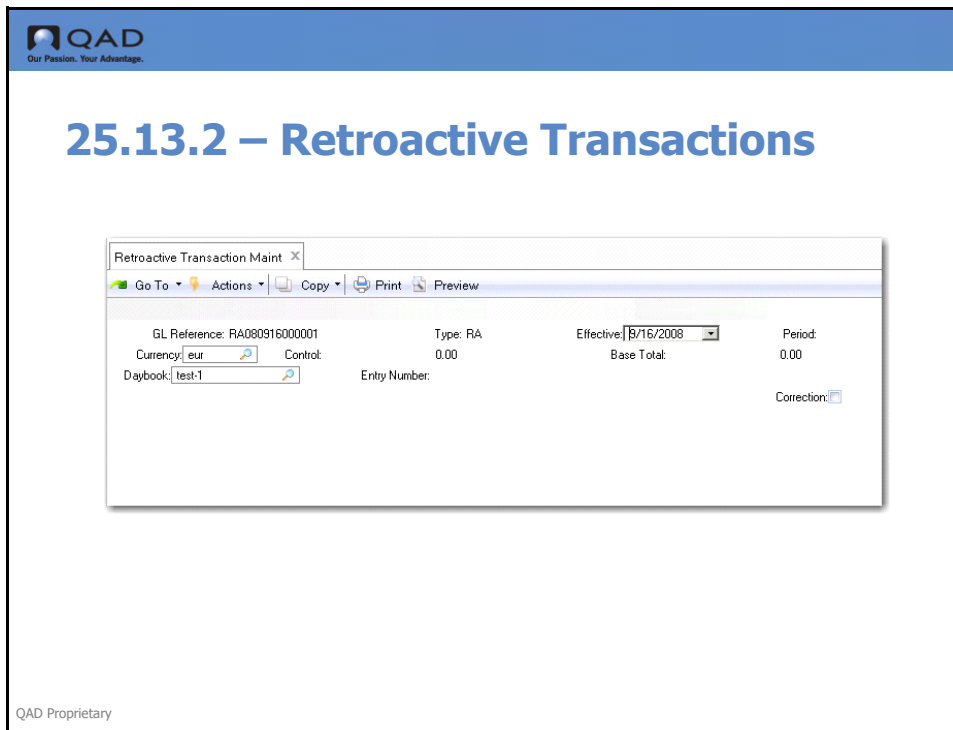
As part of the year-end procedure, you should complete the following tasks:

- Finish all period-end processing.
- Print annual financial statements and reports.
- Make necessary corrections.
- Back up the database.
- Close the GL calendar to the month (25.3.4).
- Close the GL calendar year in Transaction Year-End Close.

The Year-End Close program creates a one-sided transaction (type YR) to update the retained earnings account from net profit and loss. The program then closes the GL calendar for all GL periods in the year.

You must have closed prior GL calendar years before financial statements will print correctly for the current year. If you print a balance sheet or trial balance for a GL calendar year when the previous fiscal year is not yet closed, the reports will be out of balance. This discrepancy occurs because the retained earnings have not been updated to reflect the prior year's net profit and loss.

Note When a GL calendar year is closed, you cannot reopen it. Some companies do not close the year until an official outside audit has been completed, in case any adjustments are required. However, you can still begin posting to the new GL calendar year.



Retroactive Transactions

Menu Number 25.13.12

Use Retroactive Transaction Maintenance to make amendments to closed fiscal year transactions. You can enter these amendments as adjusting transactions or COA transactions.

The Retroactive Transaction Maintenance function:

- Creates a type RA transaction
- Automatically makes any necessary adjustments to retained earnings

Note You cannot create retroactive transactions to the retained earnings account. An invalid account error will appear if the retained earnings account is specified.

When a year is closed, it cannot be reopened. Any adjustments to a closed year can only be made through Retroactive Transaction Maintenance. You should define menu security for this program.

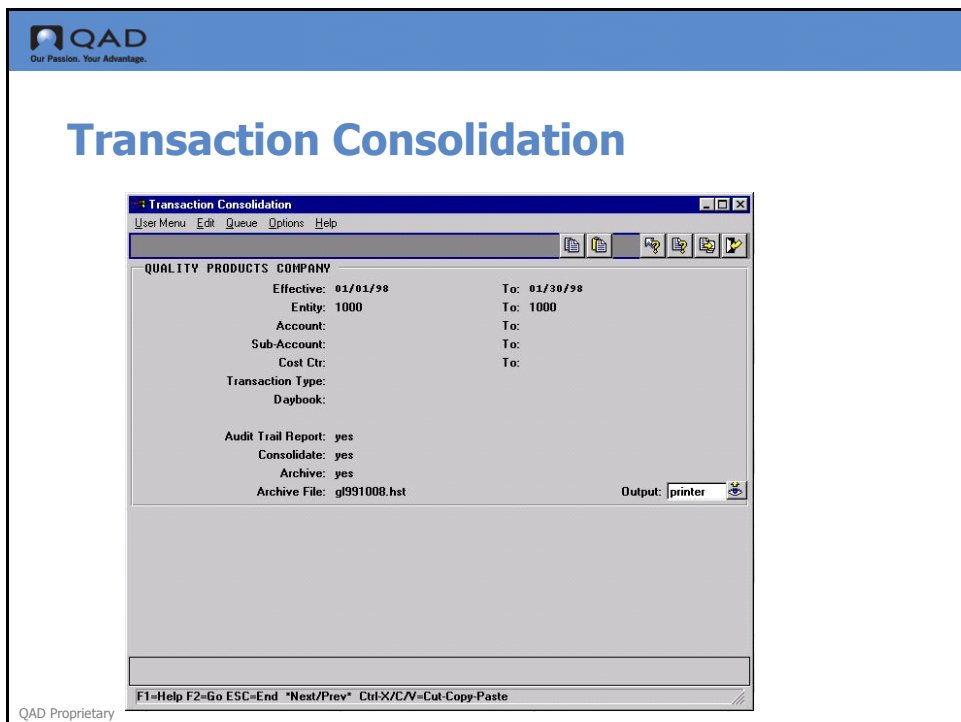


General Ledger Processing



- ▲ Process Module Transactions
- ▲ Daybook Reports
- ▲ Correct Posted Transactions
- ▲ GL Reports and Inquiries
- ▲ Close the GL
 - Period-End Processing
 - Year-End Processing
 - Transaction Consolidation

QAD Proprietary



Transaction Consolidation

Menu Number 25.13.11

When transactions are posted, they cannot be deleted. To free up database space, transactions can be combined from a specified period into a single transaction for each account, sub-account, cost center, and project. Use Transaction Consolidation to consolidate transactions.

Each consolidation transaction is assigned a GL reference number beginning with CS.

You can run a report showing how transactions will be consolidated by setting the Audit Trail Report field to Yes and the Consolidate field to No.

The Transaction Consolidation function should be password-secured.

	
Transaction Consolidation	
Before Consolidation	Unbalanced Transactions After Consolidation
JL #1 1200 500 3000 500	CS #1 1200 300
JL #2 1040 200 1200 200	CS #2 3000 500
	CS #3 1040 200

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Transaction Consolidation Example

Use caution when selecting transaction consolidation by account, sub-account, and cost center. Although this process works correctly, it will generate one-sided transactions. It is recommended that you do not consolidate transactions for a range of entities, for similar reasons.

You should consolidate by period rather than by year. Care should be taken to ensure that GL transactions are consolidated to match the GL calendar, if your company requires data integrity for each GL period.

If necessary, you can restore consolidated transactions by using Archive File Reload (36.16.5). Consolidated (CS) transactions are replaced with their original GL transactions.



Course Overview

- ✓ Introduction to General Ledger
- ✓ Business Considerations
- ✓ Set up General Ledger
- ▲ Use General Ledger

QAD Proprietary

APPENDIX A

Workshops and Study Questions

Setup

Study Questions for General Ledger Setup

- 1 Can you have a second primary entity?
- 2 Use the Format Position Browse/Inquiry to answer the following questions:
 - a What is the format position for Net Profit (Loss)?
 - b In which higher-level format position are Sales and Cost of Goods Sold totaled?

Study Questions on General Ledger Processing

- 1 It is recommended that you review your unposted transactions before posting them. What can you use to do this?
- 2 If a transaction is unbalanced, what is the recommended way of fixing it?
- 3 How often should transactions be posted to the General Ledger?
- 4 You can delete posted GL transactions in GL Transaction Delete/Archive (36.23.2).
True False

Answers to Workshops and Study Questions

GL Control File; Entities Questions

- 1 Use GL Control (25.24), set Use Sub-Accounts and Use Cost Centers fields to Yes.
- 2 In GL Control, set Allow Changes to Module Transactions field to Yes.,
- 3 Entity 1000 is the primary entity.
- 4 In Entity Code Maintenance (25.3.1), change the description field on Entity 1000.

Format Positions

- 1 The balance sheet could look like this:

Balance Sheet

Format Position	Description	Sums Into	DR/CR
10000	Assets	0	DR
11000	Current Assets	10000	DR
12000	Fixed Assets	10000	DR
	Total Assets		DR
15000	Liabilities & Equity	0	CR
20000	Liabilities	15000	CR
21000	Current Liabilities	20000	CR
22000	Long Term Liabilities	20000	CR
	Total Liabilities		CR
31000	Equity	30000	CR
	Total Liabilities & Equity		CR

Accounts, Sub-Accounts, Cost Centers

- 1 Use Account Code Maintenance (25.3.13) to enter accounts. The account type is E.
- 2 Use Account Code Browse (25.3.14) or Account Code Report (25.3.15) to review accounts.
- 3 Use Sub-Account Code Maintenance (25.3.17) to enter sub-accounts.
- 4 Use Cost Center Maintenance (25.3.20) to enter cost centers.
- 5 Use Sub-Account Code Browse (25.3.18) and Cost Center Browse (25.3.21) to review.

Allocation Codes

- 1 Use Allocation Code Maintenance (25.3.23) to enter allocation codes.
- 2 Review allocation codes using Allocation Code Report (25.3.24).

GL Calendar

- 1 Use GL Calendar Maintenance (25.3.4) to enter the GL calendar.

GL Daybooks

- 1 Use Generalized Code Maintenance (36.2.13) to enter daybook type.
- 2 Use Daybook Maintenance (25.8.1) to enter the daybook.
- 3 Use Default Daybook Maintenance (25.8.4) to assign all transactions to the system daybook.
- 4 Use Daybook Maintenance (25.8.1) to create daybooks.
- 5 Use Default Daybook Maintenance (25.8.4).

Budgets

- 1 In Budget Maintenance (25.5.1), set Auto Spread to Yes.
- 2 The Auto Spread field determines how the budget amount is divided.
- 3 In Budget Maintenance (25.5.1), set By Percentage to Yes.
- 4 The By Percentage field enables you to allocate the budget amount.
- 5 Use Budget Maintenance (25.5.1) to enter the budget.
- 6 Use Budget Maintenance (25.5.1) to enter the budget.

Custom Reports

- 1 Enter custom report format information in Custom Report Format Maintenance (25.17.1).
- 2 Enter custom report account information in Custom Report Account Maintenance (25.17.1).
- 3 Print the custom report in Custom Report Print (25.17.13), Output = Window/Terminal.

General Ledger Setup Study Questions

- 1 Use five digits for the account code, three digits for the sub-account code; and a maximum of eight digits for the account/sub-account combination.
- 2 No, you can only have one primary entity.

Processing Workshops

Load Beginning Balances

- 1 Use Standard Transaction Maintenance (25.13.1) to enter the JL transaction.
- 2 Use Unposted Transaction Inquiry (25.13.14) to review the unposted transaction.

Reversing Transactions

- 1 Use Reversing Transaction Maintenance (25.13.3) to enter the transaction.
- 2 The prefix for reversing transactions is RV. It is automatically assigned by the system.
- 3 Post the transactions in Transaction Post (25.13.7).

GL Daybooks Trial and Official

- 1 You can review the transaction information in Inquiry by Account with Drill-Down (25.13.20).
- 2 Use Daybook Report Trial (25.8.14) to run a trial daybook.
- 3 Use Daybook Report Official (25.8.13) to run an official daybook.
- 4 Use Central Daybook Report Trial (25.8.17), set the Type field to 01.
- 5 The report lists posted activity for all daybooks of type 01; this can include AR Other, AR Pmts, and DC Memo.

COA Transactions

- 1 Create the transaction in Standard Transaction Maintenance (25.13.1).
- 2 Post the transaction in Transaction Post (25.13.7). Set the type to JL.
- 3 Create the transaction in Standard Transaction Maintenance (25.13.1).
- 4 You can review your unposted transaction in Unposted Transaction Inquiry (25.13.13).
- 5 Run Transaction Register (25.13.21) to review posted transactions.

General Ledger Processing Study Questions

- 1 You can use Transaction Post (25.13.7), setting the Post field to No. This will give you an audit report that can reviewed prior to posting. You can also use Unposted Transaction Register (25.13.14) to review unposted transactions prior to posting.
- 2 It is recommended that you fix it in the source module. This will ensure that all elements of the transaction are properly corrected.
- 3 There is no rule as to how often to preform a GL posting. Some users post daily, weekly, and even monthly. Keep in mind that the less frequently you post, the longer each posting will take to run.
- 4 False. You can only delete unposted transactions in Transaction Delete/Archive (36.23.2). Posted transactions should never be deleted because this will cause you GL to be out of balance. If it is necessary to free up file space, it is recommended that you perform a Transaction Consolidation (25.13.11).

Course Evaluation

During classroom training sessions, an evaluation form is distributed at the end of the course. If, for any reason, you are evaluating this course outside of the classroom setting, please follow this link and complete the course evaluation on-line:

http://www.surveymonkey.com/s.aspx?sm=EyuOF1cbaGCO9CrHKIOB5g_3d_3d/

The course name appears on the title page of this document.

Index

Numerics

25.1 65
25.13.1 129, 172, 202, 214
25.13.11 129, 223
25.13.12 220
25.13.13 176
25.13.14 176
25.13.17 212
25.13.18 212
25.13.19 212
25.13.2 129, 202
25.13.20 212
25.13.21 212, 215
25.13.3 129, 174, 202, 214
25.13.4 175
25.13.5 218
25.13.7 181, 214
25.13.9 214
25.15.12 77
25.15.13 209, 215
25.15.16 209
25.15.18 209
25.15.19 209
25.15.2 209
25.15.4 209, 214
25.15.6 209
25.15.8 209, 215
25.15.9 209
25.17 147
25.17.1 148
25.17.13 154
25.17.4 151
25.17.8 153
25.24 57, 91, 95, 167, 180
25.3.1 64
25.3.11 102
25.3.13 77, 180
25.3.17 90

25.3.23 98
25.3.4 214, 215, 220
25.3.7 70, 77
25.5.1 91, 103
25.8 188
25.8.1 123
25.8.13 191
25.8.14 189
25.8.16 196
25.8.17 194
25.8.4 127
27.1 129
27.12 129
27.6.20 129
27.6.22 129
27.6.4 129
28.1 129
28.9.10 129
36.1 64, 112
36.2.13 121
36.3.18 112
36.3.24 112
36.3.9 112

A

Account Balance Inquiry 212
Account Balances 209
Account Code Maintenance 77, 85, 180
Account type
 Expense 86
 Income 86
 Liability/Retained Earnings 86
 Memo 86
 Statistical 86
Accounts type
 Asset 86
Allocation Code Maintenance 98
Allocation Codes 98

Nested 99

B

Balance Sheet 78
Balance Sheets 209
Balanced Entities 59
Budget Maintenance 91, 103
budgets 103, 133

C

Central Daybook Report Official 196
Central Daybook Report Trial 194
certification preparation 12
COA Transactions 202
Cost Center Activity 209
Cost Center Code Maintenance 95
Cost Centers 59, 79, 94
Currency translation 87
Current Entity Change 65
Custom Code 149, 153
Custom Report Account Maintenance 151, 153
Custom Report Copy 153
Custom Report Format Maintenance 148, 153
Custom Report Print 154
Custom Reports 147

D

Daily/Continuous Reference Sequence 167
Daybook Maintenance 123
 Create 123
 Delete 124
 Modify 124
Daybook Report Official 191
Daybook Report Trial 189
Daybook Type 124
Daybook Types 120
Default Daybook Maintenance 127
DR/CR Memo Maintenance 129
Draft Approval 129
Draft Discounting 129

E

Entity Code Maintenance 64
Entity Security 112

F

Finance Charge Calculation 129
Financial Statement Proforma 77, 209
Format Position Maintenance 70, 77, 79
Format positions 76
format positions 69

G

General Ledger Control File 91, 95, 180
General Ledger Daybooks 115
 System Daybook 116
 Transaction Type Daybook 116
 Transaction-Document Type 116
Generalized Codes Maintenance 121
GL 57
GL Account Security 112
 Account level security 112
GL Calendar 108
 calendar period 108
 fiscal year 108
GL Calendar Maintenance 109
GL Control File 57, 167
GL effective date 108
GL transaction type 109
GL Transaction Types 169
 IC 169
 JL 169
 YA 169
glt_det 181
gltr_hist 181

I

Income Statement 78
Income Statements 209
Inquiry by Account with Drill-Down 212

M

Menu Password Maintenance 113

N

NRM 125
Number Range Management 125
 Sequence Master 125

P

Payment - Automatic Checks 129
Payment - Manual Checks 129
prerequisites 10
Profit/Loss Account (BS) 58
Project Code
 Project Type 103
Project Code Maintenance 103
Project Codes 102

R

related courses 11
Report Formatting 74
Retained Earnings Account 58

Retroactive Transaction Maintenance 129, 202, 222
Reversing Transaction Maintenance 129, 174, 202

S

Security Control Field 112
Standard Transaction Maintenance 129, 202
Sub-Account 79
Sub-Account Code Maintenance 90
Sub-Accounts 58
System Daybook 128, 129
System/Account Control File 64, 112

T

Transaction by Account Inquiry 212
Transaction by Reference Inquiry 212
Transaction Consolidation 129, 223
Transaction Copy 175
Transaction Payment Maintenance 129

Transaction Register 212
Transaction Type 128
Transaction Year-End Close 220
Transaction-Document Type 128
Trial Balance 209

U

Unposted Transaction Inquiry 176
Unposted Transaction Register 176
User Maintenance
 security groups 112

V

Voucher Maintenance 129

Y

Year End Transaction Adjustment 218

