



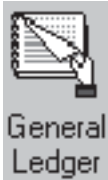
2009 REGIONAL USERS MEETINGS

General Ledger



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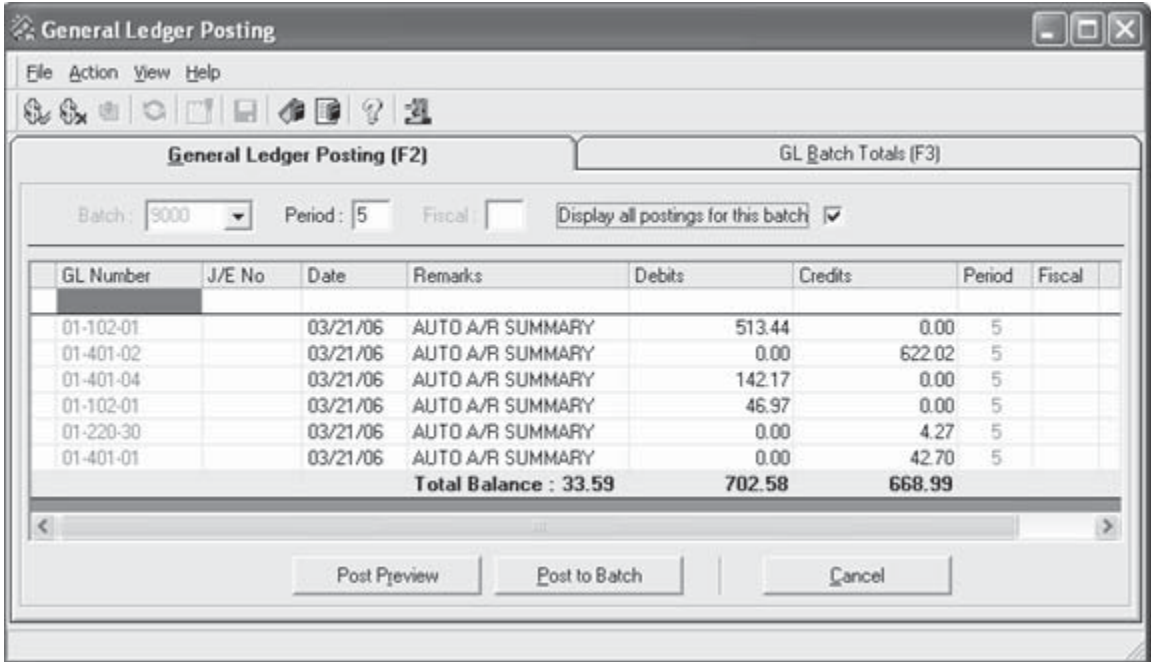


About General Ledger

General Ledger (G/L) is the core of financial applications in DDMS. It maintains the records of your company's financial transactions. It is an information system that stores, measures, processes, and communicates financial information. See Figure 1.

Note: See the G/L Flow of Information Through Batches flow chart later in this handout.

Figure 1: The General Ledger Posting Window

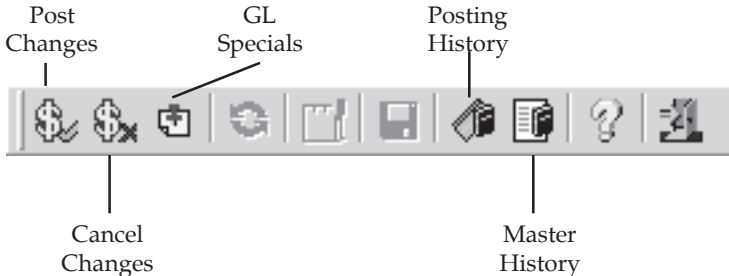


Navigating

Each tab in General Ledger Posting window has its own unique tool bar, shown in Figure 2.

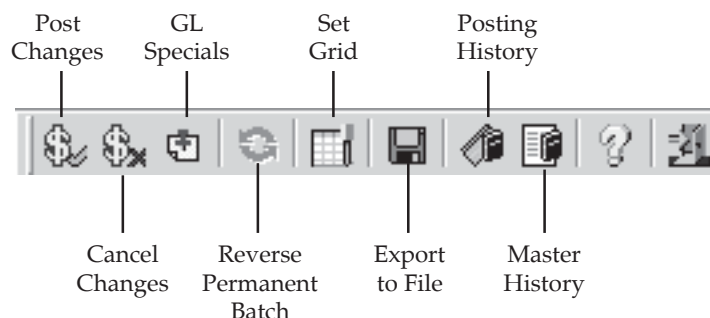
General Ledger Posting (F2)

Figure 2: The General Ledger Posting Toolbar



GL Batch Totals (F3)

Figure 3: The G/L Batch Totals Toolbar



Setting Up General Ledger for First Time Use

You must setup and maintain your journal files before going live on General Ledger. Please check the following:

- G/L files from previous years should be listed in the (LJ1) General Ledger Archive Parameters screen
- A/R journal files must be set up in the (LA4) A/R Journals Parameters screen
- A/P journal files must be set up in the (LC1) A/P Journals Parameters screen
- P/O Entry journal files must be set up in the (LF2) P/O Journals Parameters screen.

After installing version 8.13, there is a change in your general ledger flow. All of your business periods from last year are open to posting. Prior to installing version 8.13, only periods 12 and 13 were open to posting. To resume the previous G/L flow, first set your passwords in the General Ledger Close Period Passwords Parameters boxes. Then, go to the new Close G/L Period dialog box and close period 11 of the last fiscal year.

Setting Up Parameters

General Ledger parameters determine the default accounts used for your accounting functions, set up the standard chart of accounts, and govern how general ledger procedures are handled. You also use these parameters to assign passwords to general ledger procedures. This lets you control who can utilize the different functions in your general ledger.

Preset parameters are provided for location 1. This means that even if you make no changes to the parameters, you can use the system. However, you may determine that one or more of the preset parameters needs to be changed to best suit the needs of your business, or that you need to set up additional locations.

Before you begin using general ledger, view the preset parameters in the following text-based screens:

- (L2) G/L Master Numbers screen
- (LJ) General Ledger Parameters screen
- (LJ1) General Ledger Archive Parameters screen.

The general ledger parameters in the (L2) screen determine the default accounts used for accounting functions. These account numbers are used for system-generated postings and the defaults for manual postings.

The preset options in the (L2) screen are set up for the default chart of accounts that is included with DDMS. If you modify or replace the chart of accounts, you must change the parameters in this screen accordingly for your G/L application to function properly. You also set the default business period, the auto-posting option, and the default fiscal year in the (L2) screen. You can also set the Auto Post parameter in DDMS (graphical) General Ledger Parameters. See Figure 4.

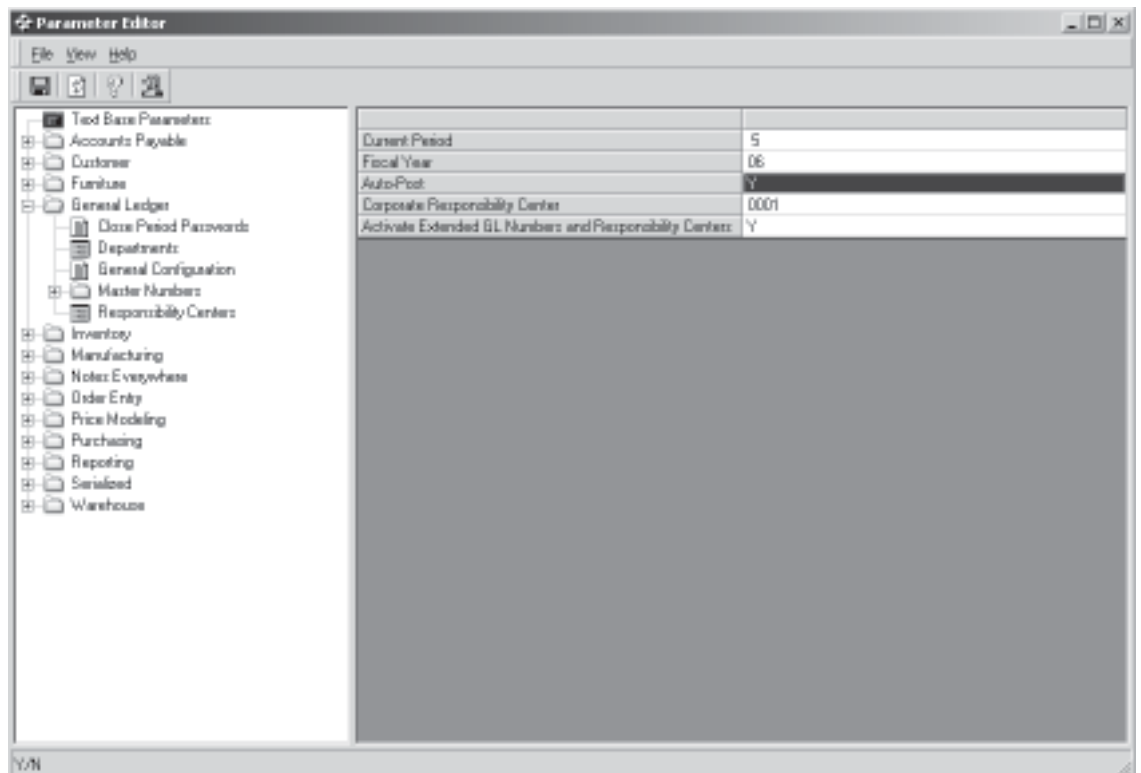


Figure 4: The General Ledger General Configuration Parameters

General Ledger

The parameters in the (LJ) screen govern how general ledger procedures are handled.

The parameters in the (LJ1) screen let you specify the previous year's file names. As part of the year-end process, you must rename the previous year's CHARTFILE, BUDGETFILE, and GL-MASTER files. However, to post or inquire on a previous fiscal year, you must designate where this information is stored or archived by entering previous year's file names.

There are also parameters in the DDMS Parameters Editor window (graphical). In the General Ledger parameters, you set parameters for responsibility centers, g/l master numbers, and g/l departments in the General Ledger Parameters. General Ledger General Configuration parameters let you set Auto Post and various other g/l parameters. You can also set passwords for the Close G/L Periods feature.

Note: Some of these features are not included in all software packages and may require authorization. For more information, contact ECi sales.


Setting the G/L Parameters

- 1 From the DDMS Master Menu, double-click



- 2 From the Keyop Menu, double-click



- 3 From the Parameter Editor window, double-click General Ledger.
- 4 Click the function for which to set parameters. For example, to set General Configuration parameters, click General Configuration and complete the boxes shown in the right-hand side of the window. For more information on the parameters, see your DDMS online help.
- 5 When you finish making changes, click  to save your changes or when you exit the Parameters screens, you are prompted to save your changes.

Setting the Closing G/L Periods Passwords

ECi recommends you set passwords for the G/L Close Period feature before using it.

- 1 From the DDMS Master Menu, double-click



- 2 From the Keyop Menu, double-click



- 3 From the Parameter Editor window, double-click General Ledger.
- 4 Click Close Period Passwords.
- 5 In the Close G/L Period Password text box, enter a password. If you enter a password in this box, you are prompted for this password when making a change to a closed business period.

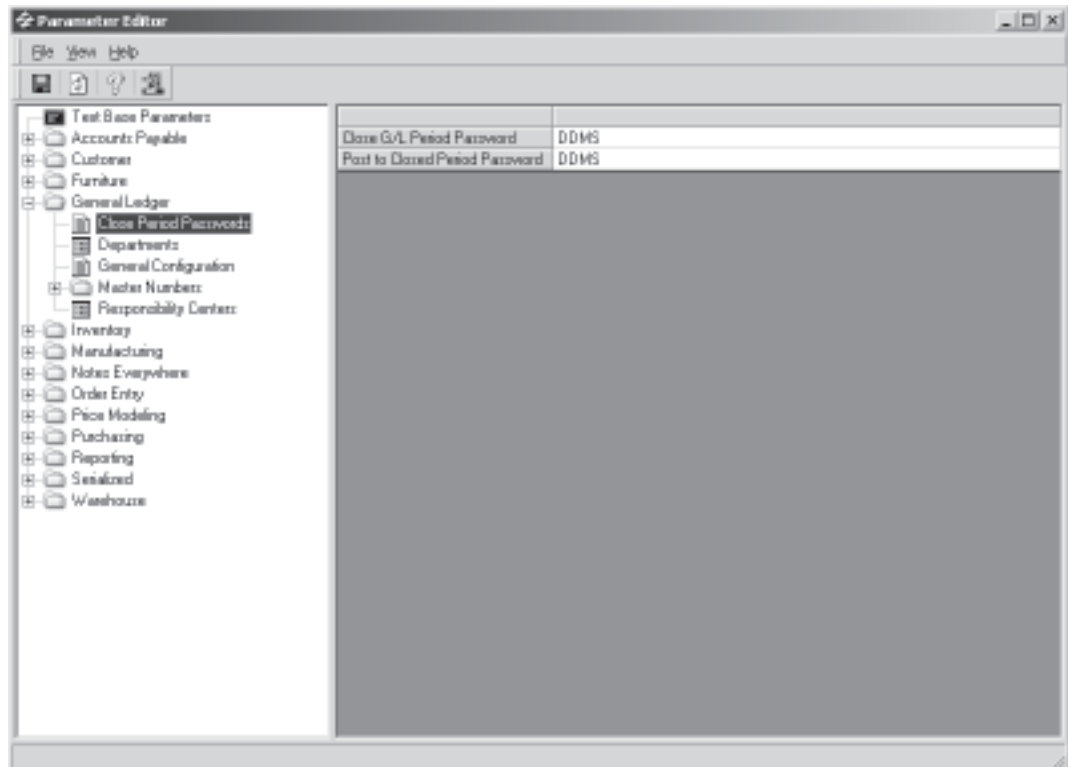


Figure 5: The General Ledger Close Period Password Parameters

General Ledger


- 6 In the Post to Closed Period Password text box, enter a password. See Figure 5. If you enter a password in this box, you are prompted for this password when trying to post to a closed fiscal period. This applies to G/L posting, A/P posting, voiding checks, the (W) [A] Print G/L Batch function, the (W) [E] Build Cost of Goods Sold Batch function, the (W) [F] Print Allocation Batches function, and using the (QR) [D] Print Checks function. When posting to a closed period, a warning message appears when performing any of these functions.
- 7 When you finish making changes, General Ledger and Close Period Passwords now appear in bold in the Parameter Editor window. Click  to save your changes or when you exit the Parameters screens, you are prompted to save your changes.

Chart of Accounts

You use the Chart of Accounts Master window, shown in Figure 6, to view totals by business period. In this window, you can set up your G/L chart of accounts or make changes to current chart of accounts. From this window, you can access Chart of Accounts History, G/L Posting History, Special Functions, and Journal Allocations. You can also edit categories and subcategories and use the g/l close period function.

Summary Accounts

Summary accounts are special accounts that calculate totals within general ledger. There are three types of summary accounts:

- Book summary accounts (for each book account)
- Major summary accounts (for each major account)
- Summary accounts for all locations.

These accounts are used to show account balances when you inquire or request reports.

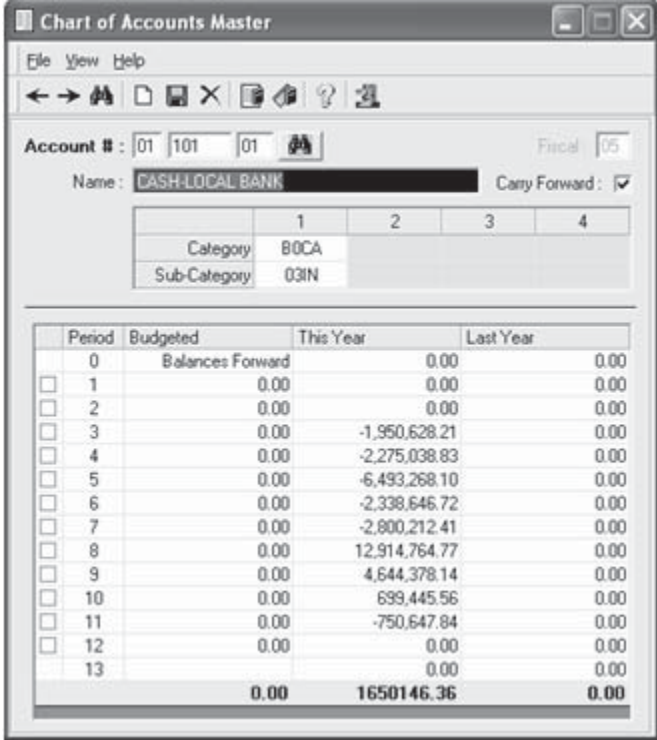


Figure 6: The Chart of Accounts Master Window

General Ledger

Book Summary Accounts have the digits 00 in both the major and minor positions. For example, the book summary account for the book, Assets, in the default chart of accounts is 01-100-00.

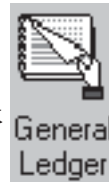
Major Summary Accounts have the digits 00 as the minor (the last two digits of the account number). For example, the major summary account for Cash in the default chart of accounts is 01-101-00.

Summary Accounts for all locations have the digits 00 as the location number (the first two digits of the account number). If you have more than one location, create a summary chart of accounts for all locations. Each account in a summary chart of accounts contains the grand totals of all general ledger locations. For example, the summary cash account 00-101-00 contains the total of this major cash account for all locations.

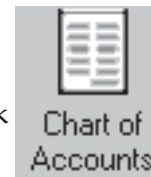
Note: To create a summary chart of accounts, copy your chart of accounts to location 00. No postings can be made to summary accounts. These accounts are updated automatically.


Adding an Account

- 1 In the Main Menu, double-click



- 2 In the General Ledger menu, double-click



- 3 In the Chart of Accounts Master window, you can set up your general ledger chart of accounts or make changes to current chart of accounts. To add a chart of accounts, click .
- 4 In the Account # box, enter the account number and press Enter. (To move through the boxes in this window, you can use your mouse to click the box or press Tab.)
- 5 In the Name box, enter the name for this account.

- 6 Click the Carry Forward box to use this account's ending balance for the year as the account's beginning balance for the next year. If an account is marked to carry forward the balance, the ending balance for the previous year is automatically used as the beginning balance for the next year when the year-end procedure for the G/L database is performed.

Note: You should carry forward the balance on accounts such as assets, liabilities, and net worth. You should not carry forward the balance on profit and loss accounts such as sales, cost of sales, expenses, and miscellaneous income.


- 7 Next, you must assign a category. (To print this account or financial statements, it must have a category assigned to it.) Click the Category box. Use the drop down arrow to select a pre-defined category. For more information on the categories, refer to the heading **Categories for Chart of Accounts**.

- 8 After you assign a category, you can assign a subcategory. Subcategories are pre-defined and are based on the category that you selected. For more information on the subcategories, refer to the heading **Subcategories for Chart of Accounts**.

Note: You cannot assign subcategories to summary accounts, Ø1-1Ø1-ØØ or Ø1-1ØØ-ØØ, for example.

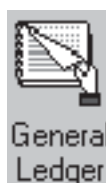
- 9 In the Budgeted boxes, you can change the budgeted amounts for each period.

Note: Totals cannot be changed in the window, only the budgeted amounts.

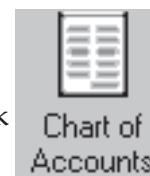
- 10 When you finish, click .

Changing an Account



- 1 In the Main Menu, double-click



- 2 From the General Ledger Main Menu, double-click



General Ledger

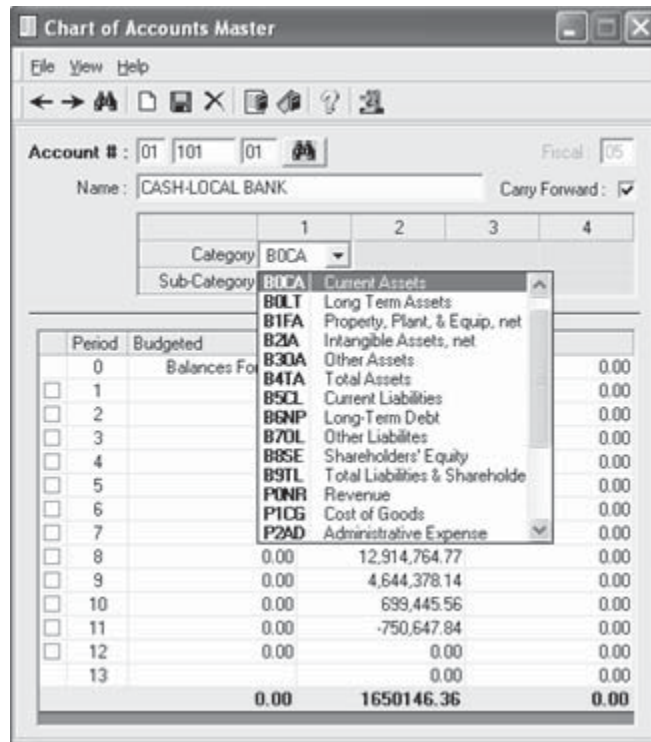
- 3 In the Chart of Accounts Master window, you can set up your general ledger chart of accounts or make changes to current chart of accounts. In the Account # box, you can enter the account number or click  to query.
- 4 After you retrieve the account, make the necessary changes.
- 5 When you finish, click .

Categories for Chart of Accounts

Your DDMS system has default categories assigned however, you can change these default categories, as needed. Categories are pre-defined as well as pre-assigned. Simply click the drop-down arrow in the Category box and select a category for this account, as shown in Figure 7. As you can see in this figure, balance sheet accounts start with the letter B and profit and loss statements begin with a P.

You can make changes to categories and subcategories. From the Chart of Accounts Master window, click View then select Category. You can search for the category or subcategory to change using the search feature then simply highlight the text to make your changes.

Figure 7: The Category List Box

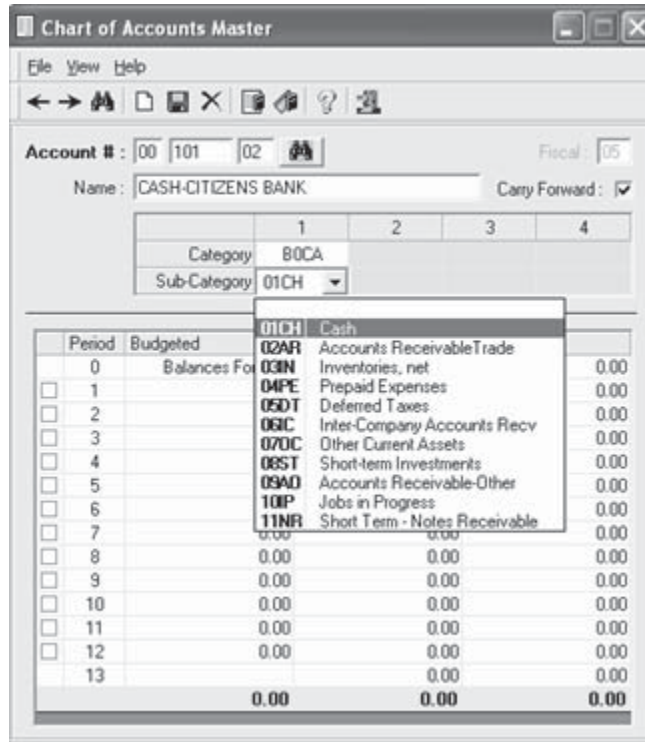


Subcategories for Chart of Accounts

You can assign subcategories to your chart of accounts. These subcategories are pre-defined and are based on the category that you selected. For example, since we selected Current Assets as the category, only subcategories of Current Assets are listed.

Simply click the drop down arrow in the Sub-Category box and select a sub-category for this account, as shown in Figure 8.

Figure 8: The Sub-Category List Box



About Closing G/L Periods

The Close G/L Period feature lets you complete or close a business period. Once this is done, you cannot release a batch to the closed period. However, you can reopen the period and post to that period or any period afterward.

With this feature, you can post as far back as period one of the prior fiscal year, if that period is open and comes after the closed period. Because you now have the flexibility to go back to any period in the last year, you can close out your year on December 31. However, you cannot post back two or more prior years.

When printing a G/L Batch using the (W) [A] Print G/L Batch function, if any postings for a closed fiscal period are in a batch, that batch doesn't release. Once a period is closed, entries can be made to the batch for closed periods, however they cannot be released unless that period is reopened. If there are mistakes, the adjustments must be made and released with that period reopened.

Note: ECI recommends that you do not have more than one period with the same number open at the same time even if they are in different years. For example, it is recommended that you do not have period 01 open for 2007 at the same time you have period 01 for 2008 open.

You can also add new chart of account records to the journalized CHARTFILE for the prior fiscal year. Many times, your accountant might give you new G/L account numbers to put in the prior year after the end of a fiscal year.

This new feature applies to G/L posting, A/P posting, voiding checks, the (W) [A] Print G/L Batch function, the (W) [E] Build Cost of Goods Sold Batch function, the (W) [F] Print Allocation Batches function, and using the (QR) [D] Print Checks function. When posting to a closed period, a warning message appears when performing any of these functions.

Remember: Month-end procedure files do not close the period. You must manually close the period.

You can set passwords for this new feature in the General Ledger Close Period Passwords Parameters. ECI recommends setting these passwords before using this new feature.

Note: Text-based Accounts Payable and General Ledger work as before.

Closing Period 11

After installing version 8.13, you should close period 11 of the last fiscal year.


- 1 From the DDMS Master Menu, double-click  then double-click



- 2 From the Chart of Accounts Master window, click View then select Close G/L Period.
- 3 If you set up passwords in the General Ledger Close Period Passwords Parameters boxes, you must enter the password to continue.
- 4 In the Close G/L Period dialog box, close the period. For example, if it is fiscal year 07, enter 11 in the Period box and 06 in the Fiscal box and close the period. For complete instructions, see the heading **Closing G/L Periods**.

Editing Prior Year Chart of Accounts

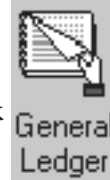
You now have the flexibility to create new records or edit records in the previous year's chart of accounts. Even if you've closed the prior year, you can go into that year's chart of accounts and modify records or create new ones. However, you can only modify the previous year, not two or more years.

- 1 In the Chart of Accounts Master window, click View then select Edit Prior Year.
- 2 The Chart of Accounts Master window displays the words Prior Year in red on the left side of the window. You can now change records in the previous year's chart of accounts. You can also add a new record, if needed. If you need help with the boxes in this window, see your DDMS online help.
- 3 When you finish making changes, click  to save your changes then close this window. When you reopen the Chart of Accounts Master window, you are now back to the present year's files.

Using the Close G/L Period Dialog Box

In this dialog box, you can close a business period or view a log file of previously closed periods. This dialog box displays a log file of previously closed business periods.

- 1 From the DDMS Master Menu, double-click



- 2 In the General Ledger Menu, double-click



- 3 From the Chart of Accounts Master window, click View then select Close G/L Period.
- 4 If you set a password in the General Ledger Close Period Passwords Parameters, you are prompted to enter a password. Enter the password and click OK.
- 5 The Close G/L Period dialog box opens. In this dialog box, you can close a business period or view previously closed periods. See Figure 9.

Figure 9: The Close G/L Period Dialog Box

 A screenshot of the 'Close G/L Period' dialog box. It features fields for 'Current Closed Period' (Period: 1, Fiscal: 07) and 'New Closed Period' (Period: 1, Fiscal: 07). There are buttons for 'OK', 'Exit', and 'Help'. A 'Reason' text area is present. Below is a 'Log File' section with 'Enter Limits' fields for Date and Type, and buttons for 'Show Results', 'Clear Limits', and 'Print'. A table at the bottom displays log entries with columns for Date, Time, Type, Reason, Current, Previous, and User.

Date	Time	Type	Reason	Current	Previous	User
11/07/07	13:38:32	D	FY06;Delete Acct:			101
11/07/07	13:15:18	D	FY06;Delete Acct: 010000101000007			101
08/23/07	13:33:54	C	reopen	1/07	1/07	101
08/23/07	10:31:25	C	testing for buffy	1/07	1/06	101
08/08/07	14:11:43	C	First period is closed	1/06		101

First in this window are the Current Closed Period boxes. The Period box contains the current closed period. This information is for display only. Likewise, the Fiscal box contains the current closed fiscal year. This information is for display only.

Closing the G/L Period

- 1 When you open this dialog box, the cursor is in the New Closed Period box. In this box, enter the number of the period to close and press Tab.
- 2 In the Fiscal box, enter the fiscal year for the period you are closing.
- 3 Use the Reason box to enter the reason for closing the period. You must enter a reason to continue. This information displays in the Reason box below when you view closed periods.
- 4 Click OK.

To not close the period, click Exit.

Viewing Closed G/L Periods

In the Close G/L Period dialog box, you can view a log file of previously closed business periods. You can set limits by which to view. You can set limits in the Date From/To boxes and the Type From/To boxes.

To set limits by date:

- 1 In the Date From box, enter the beginning date range to use to set limits.
- 2 In the Date To box, enter the ending date range to use to set limits. Go to **Step 3**.

To set limits by type:

- 1 In the Type From box, enter the beginning type range to use to set limits.
- 2 In the Type To box, enter the ending type range to use to set limits. Go to **Step 2**.
- 3 After you select limits, click Show Results. The log files are displayed.

The Date box displays the date this period was closed and this log file was created.

The Time box displays the time this period was closed and this log file was created.

The Type box displays the type for this log file. Types include:

- A indicating that this log was created when adding a chart record
- C indicating that this log file was created when closing a business period

- D indicating that this log file was created when deleting a chart record.

The Reason box displays the reason the period was closed. This information is specified in the Reason box (above) when closing the period.

The Current box displays the period that was closed when this log file was created.

The Previous box displays the previous period that was closed when this log file was created.

The User box displays the order-writer number for the person who closed this period and created this log file.

- 4 To set a different set of limits by which to view, click Clear Limits. Then reset your limits.
- 5 To print the log file results, click Print.
- 6 When finished, click Exit.

How the Close G/L Period Feature Affects Other Modules

Anytime you use a closed period in any of the following functions, you are prompted for the Post to Closed Period Password:

- General Ledger posting
- Accounts Payable posting
- Voiding Checks in Accounts Payable
- Paying A/P Invoices with Hand Written Checks
- Specifying A/P Batch Information
- Building a Cost of Goods Sold batch using the text-based (W) [E] function
- Printing Allocation Batches using the text-based (W) [F] function
- Printing checks or A/P deposits using the text-based (QR) [D] function
- Printing the G/L Batch Report (a warning message prints on the report)
- Releasing G/L Batches (a warning message prints on the report).

Posting to a Closed Period

When posting to a closed period, you must enter the Post to Closed Period Password. As explained above, you are prompted for this password in different applications when posting to a closed period. Below is an example using general ledger posting however, you also have to enter this password when posting in accounts payable if you selected a closed period, and so on.

- 1 In the DDMS Master Menu, double-click

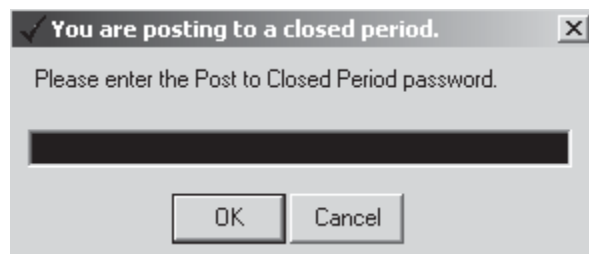


- 2 In the General Ledger Menu, double-click



- 3 The General Ledger Posting window opens. Use the drop down arrow in the Batch box to select the batch for which to post and press Enter. If you are posting to a permanent batch, a warning message appears.
- 4 Enter information in the boxes as you normally would. After entering the information to post, press Enter.
- 5 A warning message that you are posting to a closed period appears. Click OK.

Figure 10:
Entering the
Post to Closed
Period Password



- 6 The You Are Posting to a Closed Period dialog box opens. See Figure 10. Enter the Post to Closed Period Password and click OK.

Note: You are prompted for this password when performing any of the following functions: A/P posting, voiding checks, the (W) [A] Print G/L Batch function, the (W) [E] Build Cost of Goods Sold Batch function, the (W) [F] Print Allocation Batches function, and using the (QR) [D] Print Checks function.

- 7 Once you've posted to a closed period, you cannot release it to a batch. To perform the (W) [A] Print G/L Batch function and release the batches, you must reopen the period. After performing the (W) [A], you must close the period again. Follow the steps below to reopen and close the period.

Reopening and Closing the Period

In following example, we just posted to Fiscal 06 Period 09 (closed period) and the current period is Fiscal 06 Period 11. Now, open the period then close it again.

- 1 To open the period, go to the Close G/L Period dialog box.

- 1.1 From the DDMS Master Menu, double-click  then double-



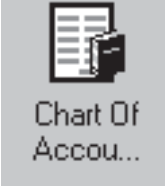



- 1.2 From the Chart of Accounts Master window, click View then select Close G/L Period.
- 1.3 If you set up passwords in the General Ledger Close Period Passwords Parameters boxes, you must enter the password to continue.
- 2 In the Close G/L Period dialog box, open the period so that batches can be released.
 - 2.1 To open the closed period, enter 08 in the New Closed Period box. Press Tab. (Now, every period previous to and including period 08 is closed.)

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- 2.2 In the Fiscal box, enter the fiscal year Ø6.
 - 2.3 You must enter a Reason in the Reason box.
 - 2.4 Click OK. Now, you can release batches using the (W) [A] function. For more information on releasing batches, see your DDMS online help.
 - 3 To close the period again and resume the previous G/L flow, go back to the Close G/L Period dialog box.
 - 3.1 In the New Closed Period box, enter the number of the period to close. In this example, enter period 11 and press Tab.
 - 3.2 In the Fiscal box, enter the fiscal year for the period you are closing. In this example, enter Ø6.
 - 3.3 You must enter a Reason in the Reason box.
 - 3.4 Click OK. Now, the period and fiscal year are current. The current in this example being Fiscal Ø6 Period 11.

Viewing Chart of Accounts History

The Chart of Accounts History window lets you view detailed posting information. You can access the Chart of Accounts History window in three ways.


- 1 From the General Ledger menu, click . From the Chart of Accounts Master window, click  or from the General Ledger History window, click .
- 2 In the Chart of Accounts History window, select the master journal by using the drop down arrow in the Master Journal box.
- 3 Click the Account # box to enter the account number to view or query by clicking .
- 4 You can view the following information: account name, period, budgeted amount, this year and last year amounts.

Using Chart of Accounts Special Functions

In the Chart of Accounts Special dialog box, you can select accounts to change, copy, delete, reset totals, transfer, or zero balances. (These functions were previously performed in the (+J) Special Chart of Accounts screen.)

Changing Accounts in the Chart of Accounts Specials Dialog Box


In the Chart of Accounts Special dialog box, you can select accounts to change, mass change, mass inquiry, copy, delete, reset summaries, transfer, or zero balances.

- 1 To access the Chart of Accounts Special dialog box, from the Chart of Accounts Master window, click View then select Special Functions.
- 2 To change an account, use the drop down arrow in the Action box to select Change.
- 3 In the From Account and To Account boxes, you can limit the modifications or inquiries to records within a particular range. Enter the account numbers or click  to query.
- 4 Enter the Fiscal year, if necessary.


- 5 In the Budget % box, you can increase or decrease the budget amounts by a specified percentage. Enter the percentage by which to increase or decrease the budgeted amounts.
- 6 Click Review to view accounts. The information that you specified appears in the bottom portion of the screen.
- 7 Click Select All or Deselect All at the bottom of this dialog box to select or deselect the information to change. You can also click the check boxes at the far left to select or deselect an account.
- 8 After you mark the accounts to change, click Execute.
- 9 At the Are You Sure You Want to Change message, click OK.

Copying Accounts in the Chart of Accounts Specials Dialog Box

Copying accounts copies all the account information to the selected account. You can use this function to create a new location. (You can only copy to a new account. If you attempt to copy to an account that already exists, the information appears in red with a warning that the account already exists.)

- 1 From the Chart of Accounts Master window, click View then select Special Functions.
- 2 To copy an account, use the drop down arrow in the Action box to select Copy Records.
- 3 In the From Account and To Account boxes, you can limit the modifications or inquiries to records within a particular range. In the From Account box, enter the account numbers or click  to query.
- 4 In the To Account box, enter the new account number to which to copy.
- 5 Enter the Fiscal year, if necessary.
- 6 Click Review to view accounts. The information that you specified appears in the bottom portion of the screen.
- 7 Click Select All or Deselect All at the bottom of this dialog box to select or deselect information to copy. You can also click the check boxes at the far left to select or deselect an account.
- 8 After you mark the accounts to copy, click Execute.
- 9 The Are You Sure You Want to Copy Records dialog box opens. Click OK.


Deleting Accounts in the Chart of Accounts Specials Dialog Box

- 1 From the Chart of Accounts Master window, click View then select Special Functions.
- 2 To delete an account, use the drop down arrow in the Action box to select Delete.
- 3 In the From Account and To Account boxes, you can limit the modifications or inquiries to records within a particular range. Enter the account numbers or click  to query.
- 4 Enter the Fiscal year, if necessary.
- 5 Click the Review button to view accounts. The information that you specified appears in the bottom portion of the screen.
- 6 Click Select All or Deselect All at the bottom of this dialog box to select or deselect information to delete. You can also click the check boxes at the far left to select or deselect an account.
- 7 After you mark the accounts to delete, click Execute.
- 8 The Are You Sure You Want to Delete dialog box opens. To delete the selected accounts, click OK.

Resetting Chart of Accounts Totals

When accounts are added to or deleted from your chart of accounts, or if your general ledger does not balance, you must reset the chart of accounts.


Note: ECi recommends that you reset chart of accounts totals before year-end.

- 1 From the Chart of Accounts Master window, click View then select Special Functions.
- 2 To reset an account, use the drop down arrow in the Action box to select Reset Summaries.
- 3 In the From Account and To Account boxes, you can limit the modifications or inquiries to records within a particular range. Enter the account numbers, or click  to query.
- 4 Enter the Fiscal year, if necessary.
- 5 After you mark the accounts to reset, click Execute.
- 6 The Are You Sure You Want to Reset Summaries dialog box opens. To reset the selected accounts, click OK.

Transferring Accounts in the Chart of Accounts Specials Dialog Box

Transferring accounts moves all account information to the selected account. The original account no longer exists.

Note: You can only transfer to a new account. If you attempt to transfer information to an account that already exists, the information appears in red with a warning that the account already exists.


- 1 From the Chart of Accounts Master window, click View then select Special Functions.
- 2 To transfer an account, use the drop down arrow in the Action box to select Transfer.
- 3 In the From Account and To Account boxes, you can limit the modifications or inquiries to records within a particular range. In the From Account box, enter the account numbers or click  to query.
- 4 In the To Account box, enter the new account number to which to transfer.
- 5 Enter the Fiscal year, if necessary.
- 6 Click Review to view accounts. The information that you specified appears in the bottom portion of the screen.
- 7 Click Select All or Deselect All at the bottom of this dialog box to select or deselect information to transfer. You can also click the check boxes at the far left to select or deselect an account.
- 8 After you mark the accounts to transfer, click Execute.
- 9 The Are You Sure You Want to Transfer dialog box opens. Click OK.

Clearing G/L Balances (Zero Records)

When you copy a chart of accounts, information from all of the boxes in the Chart of Accounts Master window is copied. This includes carry forward amounts and balances from the Budgeted, This Year, and Last Year columns. However, this information may not pertain to all of these locations. If this is the case, you can zero out any amounts in the chart of accounts for the new location.

Note: Before you zero records, you should copy the files GL-MASTER and CHARTFILE to protect against accidental deletions.

- 1 From the Chart of Accounts Master window, click View then select Special Functions.

- 2 To clear an account balance, use the drop down arrow in the Action box to select Zero Records.
- 3 In the From Account and To Account boxes, you can limit the modifications or inquiries to records within a particular range. Enter the account numbers or click  to query.
- 4 Enter the Fiscal year, if necessary.
- 5 To zero records for the current year, click Current Year.
- 6 To zero records for last year, click Last Year.
- 7 To zero records for budget, click Budgets.
- 8 Click Review to view accounts. The information that you specified appears in the bottom portion of the screen.
- 9 Click Select All or Deselect All at the bottom of this dialog box to select or deselect information to clear. You can also click the check boxes at the far left to select or deselect an account.
- 10 After you mark the accounts to clear, click Execute.
- 11 The Are You Sure You Want to Zero Records dialog box opens. Click OK.

Posting to General Ledger

Transactions are posted to G/L in the General Ledger Posting window. Balances from A/R, A/P, and Payroll automatically post to G/L if the Auto Post feature in the (L2) G/L Master Numbers screen is set to Y. However, manual adjusted monthly accruals are posted in this screen.

There are three types of postings: automatic, manual, and permanent.

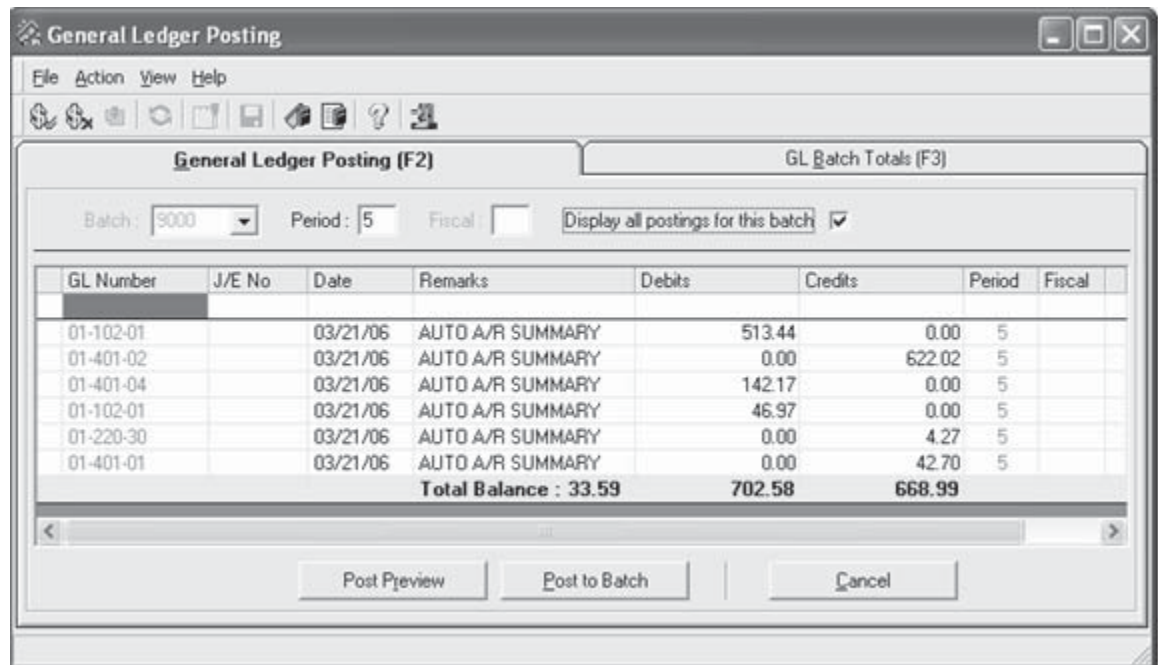
Posting to a manual batch is a simple process. The posting is automatically sent to the GL-BATCH file and is released when you release batches with the G/L Batch Report. When you have recurring entries that are posted periodically, post them to permanent batches.

In the General Ledger Posting window, you can preview your postings, post to batch, enter batch total information, reverse a permanent batch, or export your postings to a file. You can specify which information to display by selecting grid options.




- 1 In the Main Menu, double-click

Figure 11: The General Ledger Posting Window






- 2 In the General Ledger Menu, double-click .
- 3 The General Ledger Posting window opens, shown in Figure 11. Use the drop down arrow in the Batch box to select the batch for which to post. You can post to a new batch or continue posting to an existing batch.

To display all postings that exist in a batch that hasn't been released, check the Display All Postings for This Batch box and press Enter. All the postings display and the totals appear at the bottom of the window.

Note: When selecting a batch number, remember that batch numbers 8800-9999 are system-generated numbers.

- 3.1 Press Tab to move to the GL Number box. Use the boxes in this window to post to G/L. In the General Ledger Posting tab, you can post to the batch, change the posting, delete a posting, or preview the posting. You can also change or reverse a permanent batch.

You can enter an account number in the GL Number box or click  to query.
- 3.2 In the J/E No box, enter the journal entry number.
- 3.3 In the Date box, change the date if necessary. The displayed date is the system date.
- 3.4 In the Remarks box, enter any remarks for this entry.
- 3.5 Press Tab to move to either the Debits box or the Credits box. Enter the appropriate dollar amount.
- 3.6 The Period box defaults to the period entered in the Period box at the top of the window.
- 3.7 In the Fiscal box, the fiscal year for this batch is displayed.
- 4 To preview your posting from the General Ledger Posting tab, click Post Preview. You can preview your postings before posting the batch. Use the GL Posting Preview dialog box to balance totals by location, period, or journal entry number.

The GL Posting Preview dialog box also lets you see subtotals for G/L with an indicator if the batch is out of balance. (The figures appear in red.) You can modify lines before posting to G/L. The bottom part of the window shows multiple batches.


General Ledger

In the GL Posting Preview dialog box, click the Location 01 or Journal box. All the information for this posting appears in the bottom of the window, including the G/L number, journal entry number, date, remarks, debits, credits, batch and period.

You can post information from this dialog box by clicking Post. To return to the General Ledger Posting tab without posting, click Cancel. Go to **Step 5**.

If you post the information, the Post GL Additions/Modifications dialog box opens. Click Yes to post.

- 5 In the General Ledger Posting tab, continue making changes as needed. When you finish, click the Post to Batch button to post this batch.

Note: You use the GL Batch Totals tab to view batches on screen. In the GL Batch Totals tab, you can set the grid to display only the information to view. In the GL Batch Totals tab, click , or click the View menu and choose Set Grid. The Select Columns to Display dialog box opens. This dialog box contains the GL Number through Fiscal boxes. The boxes that are currently displayed are checked. To change the boxes to view, check the appropriate boxes. When you finish, click OK. Columns for the check boxes you selected display. You can also sort information in this tab by clicking the box to use to sort the information.


Posting to Permanent Batches

Most companies have expenditures or expenses that span more than one accounting period and must be posted periodically. For example, prepaid insurance or prepaid rent. The part of the rent or insurance that benefits the current period is treated as an expense. Often the expenses are related to long-term, intangible assets such as depreciation, amortization, and so forth. Post these to a permanent batch.

For example, you purchased office equipment with a life of five years. At the end of this time, you have determined that the cost of the office equipment is completely depreciated. You have estimated that this asset decreases in value by \$84 a month. This monthly amount is posted to a permanent batch.

When you post to a permanent batch, the first two digits of the batch number must be 88. The last two digits can be any number from 01 to 99.

Note: If you have a particular account that you must post to on a periodic basis, but the amount changes from month to month, you can still use permanent batches.

Before you release the permanent batch, you simply go to the General Ledger Posting window and change the amount in the permanent batch. If you accidentally post the wrong amount in a permanent batch, you can reverse this amount by clicking .

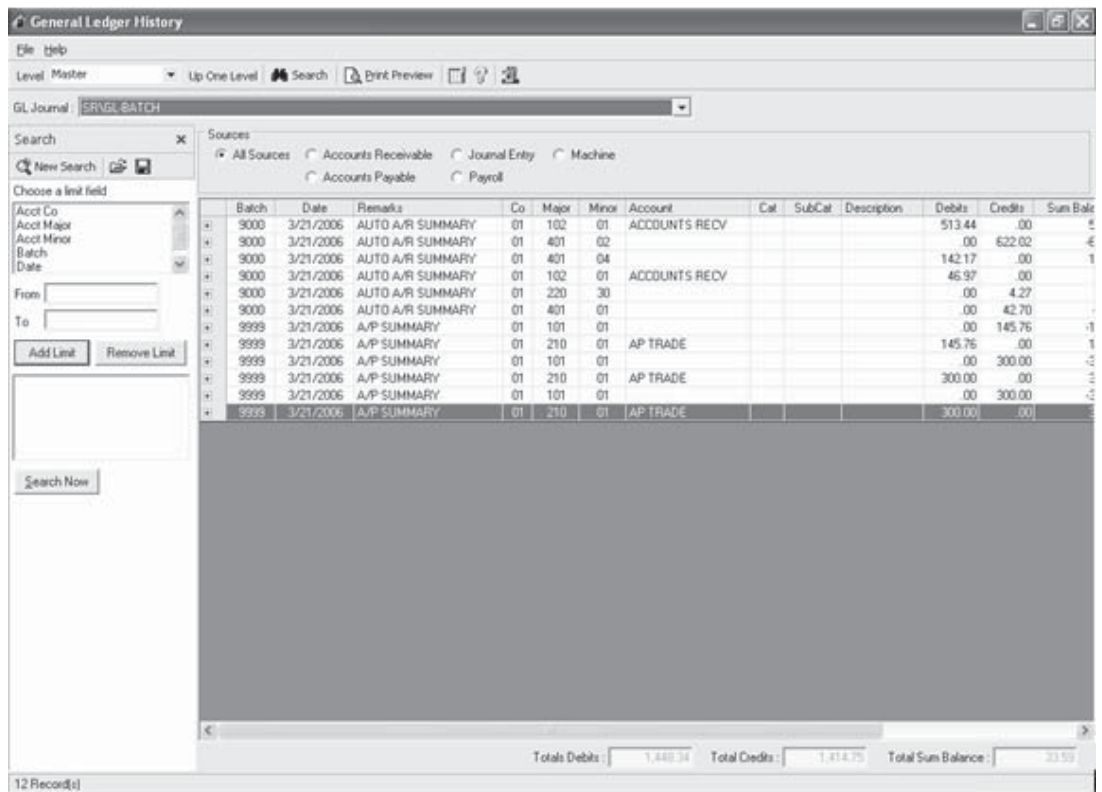
Releasing Permanent Batches

You release permanent batches in the same way you release daily batches. You run the (W) G/L Batch Report and specify Y in the Release field. However, do not release these batches by specifying a range of batches. ECI recommends that you release each permanent batch, one at a time, to the appropriate period.

G/L Posting History

You can easily view general ledger posting history. See Figure 12. The General Ledger Posting History window allows you to view detailed posting information. You can access the General Ledger Posting History window in two ways.

Figure 12:
General Ledger
Posting History
with G/L Drill
Downs



General Ledger





- 1 From the General Ledger menu, double-click  or from the

Chart of Accounts History window, click .

- 2 In the General Ledger History window, you can select the G/L journal to view. Use the drop down arrow in the GL Journal box to select a file. In the General Ledger History window you can view G/L history, set grid information or export the information to a file.
- 3 Use the Search boxes to enter the G/L information to search for and press Enter.
- 4 When you finish viewing information, click .

Exporting G/L Postings to a File

When posting in general ledger, you can export your postings to a file.

- 1 Double-click . The General Ledger Posting window opens.
- 2 Click the GL Batch Totals tab or press F3.
- 3 From the GL Batch Totals tab, click  to export the file.
- 4 The Select the Destination File box opens. You can save this file as an excel file or a text file. Select the folder to export the file to and type the name in the File Name box.
- 5 Click OK.

Introduction to G/L Drill Down

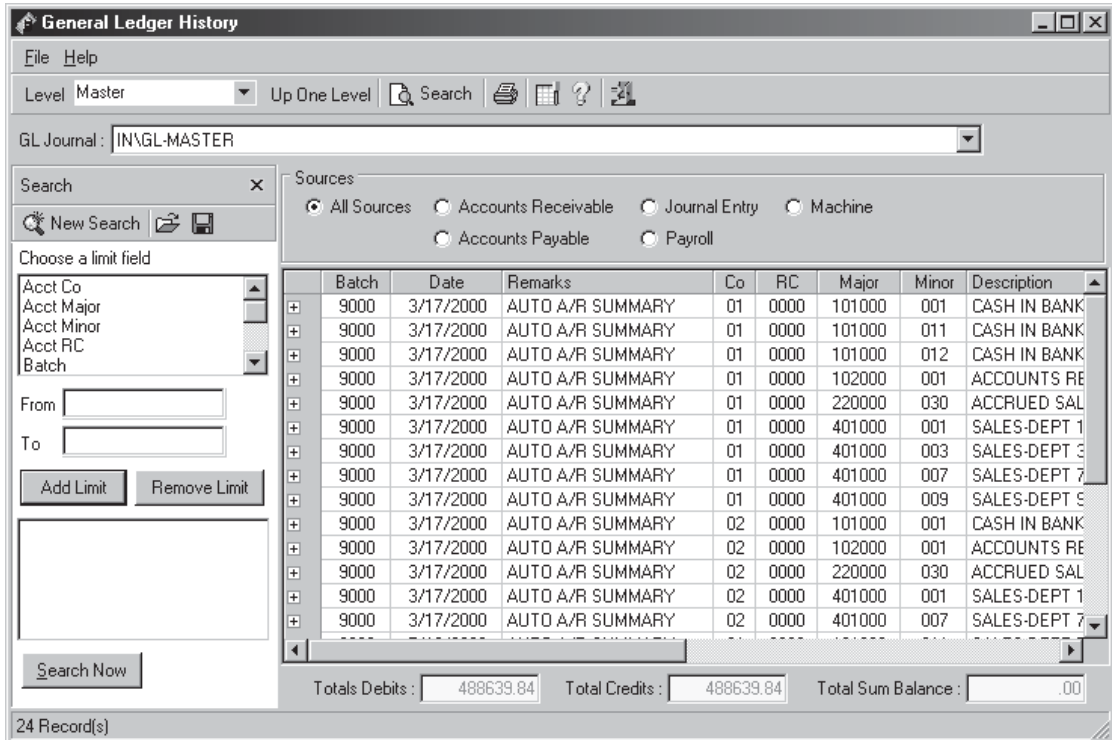
DDMS contains complete general ledger history files. The G/L Drill Down feature allows you to access even more detailed G/L history information.

You can use the General Ledger History window to search for and view detailed G/L postings. No more digging through Batch Reports. The new drill-down option makes it easy to access any posting detail. The system stores your posting details in a new file, and the General Ledger History window gives you fast, flexible access to all of it. Start at the broadest levels, and drill down in seconds to the smallest detail on an individual invoice. Suppose your advertising account is over budget for the last period, and you need to find out why. You can retrieve a list of the invoices posted to that account with a few clicks. If you find an unusual invoice, double-click it to see the complete details for that invoice in A/P.

From the General Ledger History window, select the level of search to use. Then, you can set limits to find the specific postings to view. You can also limit by sources: A/R, A/P, journal entry, machines, and payroll. See Figure 13.


In this window, you can preview this information before printing, change the grid settings, save the limits that you set, and load saved limits.


Figure 13:
General Ledger
History Window
with G/L Drill
Down



Note: If you have previously been using G/L and have recently purchased this option, you need to release batches before you can view detailed postings.

Viewing Detailed G/L Posting History

- 1 From the General Ledger menu, click  or from the Chart of

Accounts History window, click . To access General Ledger History G/L Drill Down from the Chart of Accounts Master window, click .

- 2 Click the drop down arrow in the Level box to select which level of search to use. The search levels are Master, Master by Batch, and Detail. You can use the Up One Level button to change the level. For example, if you selected the Detail level, click Up One Level to change the level to Master by Batch.
- 3 In the GL Journal box, use the drop down arrow to select which G/L journal to view.
- 4 In the Search box on the left-hand side of the window, you enter the limits for your search. To set limits, select the information in the Choose a Limit Field box by highlighting it.
- 5 Then enter the limits in the From and To boxes. To add the limits you just entered, click Add Limit.

Note: To remove a limit, highlight the limit to remove and click Remove Limit. To remove all limits, click Clear Limits.



- 6 You can also select the Source to view. Click All Sources, Accounts Receivable, Accounts Payable, Journal Entry, Payroll, or Machine.
- 7 To begin the search, click Search Now.
- 8 The information that you selected appears. Information displayed for each posting includes: batch number, date of posting, remarks, company, responsibility center, major number, minor number, description, debits, credits, summary balance, period, source, and remit vendor. To the left of the Batch column is a + (plus) sign. To see more information, click +.

- 9 To start a new search, click the New Search button and follow the above instructions.

Note: You can print from this window. See the heading **Printing G/L History**.



Loading Saved Limits

In the Search box in the General Ledger History window, you can load saved search limits. (The Search box is on the left-hand side of the screen.) You can also deleted saved limits in this box.

- 1 To load saved limits, click .
- 2 The Load Saved Limits dialog box opens. In the Load Saved Limits box, you can use the drop down arrow to select your saved limits then click OK.
- 3 To delete saved limits in the Load Saved Limits dialog box, use the drop down arrow to select your saved limits and then click .
- 4 Click OK. The system returns to the General Ledger History window so that you can search for postings.

Saving Limits

In the Search box in the General Ledger History window, you can save your search limits.

- 1 To save your search limits, click  in the Search box of the General Ledger History window. (Clicking  Export at the top of the window exports this information to a file. For more information on exporting, see the heading **Exporting G/L History to a File**.)
- 2 The Save Limits dialog box opens. Enter the name to use for these saved limits in the Save Selected Limits box.
- 3 Click OK.


Setting Grid Options in G/L Posting History

You can specify the information to display in the General Ledger History window.



- 1 Double-click . The General Ledger History window

opens.

- 2 Click , or click the View menu and choose Set Grid.
- 3 The Select Columns to Display dialog box opens. This dialog box contains all of the boxes available for display. The boxes that are currently displayed are checked. To change the boxes to view, check or clear the appropriate boxes.
- 4 When you finish selecting the boxes, click OK. Columns for the check boxes you selected display.

Printing G/L History

When printing general ledger history reports, you can print a report or export the history to a file.

- 1 In the General Ledger History window, click  Print Preview .

- 2 The General Ledger History report opens. You can print the report or export the report to a file.

Click  to print the report. Go to **Step 3**.

Click  to export the report to a file. Go to **Step 4**.

- 3 When the Print dialog box opens, click Print.
- 4 The Select Save File box opens. You can save this file as a Windows® Excel file or a text file. Select the folder to export the file to and type the name in the File Name box.
- 5 Click Save.

Trial Balance Reports

The G/L Trial Balance Reports feature allows you to create many different reports. Reports can be created from any of the following: a blank chart of accounts, totals for all accounts, totals for a series of accounts, individual accounts and detail of postings for each account.

The Trial Balance report is part of your permanent audit trail. You should print this report for all profit centers and request full detail. In the Trial Balance Reports dialog box, you can easily set limits and options.

- 1 From the DDMS Master Menu, double-click

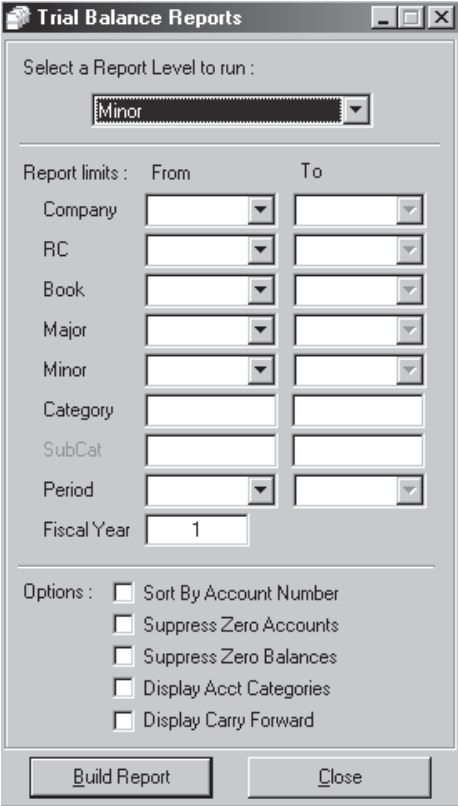
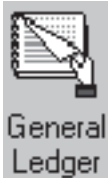
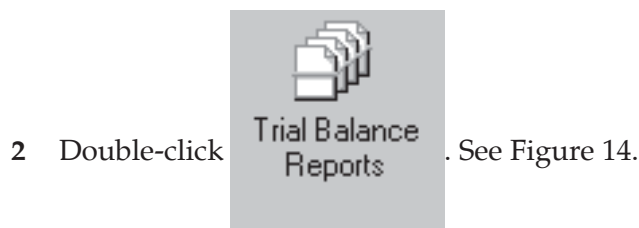


Figure 14: The Trial Balance Reports Dialog Box



- 3 In the Trial Balance Reports dialog box, you can select a report level. In the Select a Report Level to Run box, use the drop down arrow to select the report level. You can select Blank, Company, Responsibility Center, Book, Major, Minor, or Detail.
- 4 Next, enter the limits for your report. If you do not set limits, the report includes all of the applicable information for all locations and all accounts in your chart of accounts. You can set limits by the following:

Company From/To: Use the drop down arrow in these boxes to limit the report according to company (location). The first two digits of the account number (XX XX-xxx-xx) represent the location. To include all locations on the report, leave these boxes blank. To limit to one particular location, enter the same location in both boxes. To enter a range of locations to include on the report, enter the beginning of the range in From box and the end of the range in the To box.

RC From/To: Use the drop down arrow in these boxes to limit the report according to responsibility center (RC). To include all responsibility centers on the report, leave these boxes blank. To limit to one particular RC, enter the same RC in both boxes. To enter a range of responsibility centers to include on the report, enter the beginning of the range in From box and the end of the range in the To box. (This limit is an authorized feature.)

Book From/To: Use the drop down arrow in these boxes to limit the report according to the book. (The first number of the middle three digits of the account number (xx-Xxx-xx) represents the book.) To include all books from the chart of accounts on the report, leave these boxes blank. To limit to one particular book, enter the same book in both boxes. To enter a range of book numbers to include on the report, enter the beginning of the range From box and the end of the range in the To box.

Major From/To: Use the drop down arrow in these boxes to limit the report according to the major. (The last two numbers of the middle three digits of the account number (xx-xXX XX XX-xx) represent the major.) To include all majors from the chart of accounts on the report, leave these

boxes blank. To limit to one particular major, enter the same major number in both boxes. To enter a range of major numbers to include on the report, enter the beginning of the range in the From box and the end of the range in the corresponding To box.

Minor From/To: Use the drop down arrow in these boxes to limit the report according to the minor. (The last two digits of the account number (xx-xxx-XX XX) represent the minor.) To include all minors from the chart of accounts on the report, leave these boxes blank. To limit to one particular minor, enter the same minor number in both boxes. To limit to a range of minor numbers to include on the report, enter the beginning of the range in the From box and the end of the range in the To box.

Category From/To: Use the drop down arrow in the Category From/To boxes to limit the report according to category. To include all categories on the report, leave these boxes blank. To limit to one particular category, enter the same category in both boxes. To enter a range of categories to include on the report, enter the beginning of the range in From box and the end of the range in the To box.

SubCat From/To: Use the drop down arrow in these boxes to limit the report according to subcategory. (Only subcategories for the selected category are available. You must enter a category to select a subcategory.) To include all subcategories on the report, leave these boxes blank. To limit to one particular subcategory, enter the same subcategory in both boxes. To enter a range of subcategories to include on the report, enter the beginning of the range in From box and the end of the range in the To box.

Period From/To: Use the drop down arrow in these boxes to limit the report according to the business period. To include all periods for the fiscal year(s), leave these boxes blank. To limit to a particular period within the year(s), enter the same period number in both the From and To boxes. To limit to a range of periods within the year(s), enter the beginning of the range in the From Box and the end of the range in the To box.

Fiscal Year: Use this box to limit the report according to fiscal year. This box defaults to the current fiscal year specified in the Fiscal Year field in the (L2) G/L Master Numbers screen. To enter a different year, enter the year over the current year in the Fiscal Year box.

Sort by Account Number: Use this check box to sort your report by account numbers. To sort by account number on the report, check this box. To not sort by account number on the report, clear this box.

Suppress Zero Accounts: Use this check box to prevent accounts with zero balances from printing. (This box only applies if you specified Detail in the Select a Report Level to Run box.) To prevent accounts with zero balances from printing on the report, check this box. For accounts with zero balances to print on the report, clear this box.

Suppress Zero Balances: Use this check box to prevent zero balances from printing on the report. (This box only applies if you specified Major, Minor, or Detail in the Select a Report Level to Run box.) To prevent zero balances from printing on the report, check this box. For accounts with zero balances to print on the report, clear this box.

Display Acct Categories: Check this box to print the account's categories on the report. Clear this box to not print account categories.

Display Carry Forward: Check this box to print the carry forward amount on the report. (If an account is marked to carry forward the balance, the ending balance for the previous year is automatically used as the beginning balance for the next year when the year-end procedure for the G/L database is performed.) Clear this box to not print the carry forward amount on the report.

- 5 When you finish selecting options, click Build Report.
- 6 To print the report, click Print Preview.
- 7 In the Print Preview window, you can print the report, export the report to a file, or change the report.

To make changes to the report, click Page Setup. You can make changes to the margins, headers, and footers.

To export this report to a file, click . The Select Save File box opens.

You can save this file as an Excel file or a text file. Select the folder to export the file to and type the name in the File Name box.

You can print this report by clicking .

- 8 Click Close to close this dialog box at any time.

About General Ledger Reports

General Ledger reports are run through the text-based (W) General Ledger Reports screen. You can print the following:

- General Ledger Batch Report
- General Ledger Journal Report
- Financial Statements (now available in graphical)
- Cost of Goods Sold Batch Reports.

The General Ledger Batch Report lists the details of each posting in a batch and the total of all postings in a batch. You can use the batch report to verify the accuracy of general ledger postings.

You should print the report first, without releasing the batches. Once the accuracy of the postings is verified, you can release the batches.

The General Ledger Batch Report shows the following information for each posting: G/L number, A/R release date, remarks, debits, credits, business period, and batch number.

The following batch totals also print: total debits, total credits, and total difference between the debit and credit amounts.

The report also shows a G/L summation which includes the G/L number, description, G/L totals, number of postings, and business period. At the end of the report, the totals for all printed batches also print.

The General Ledger Journal Report sorts by account number within location. If you do not set limits, it includes information for every account in the chart of accounts.

You can choose to print this report with different information by specifying the level of detail. For example, you can print a detailed listing of grand totals for each minor, or you can print a listing of the account numbers in the chart of accounts.

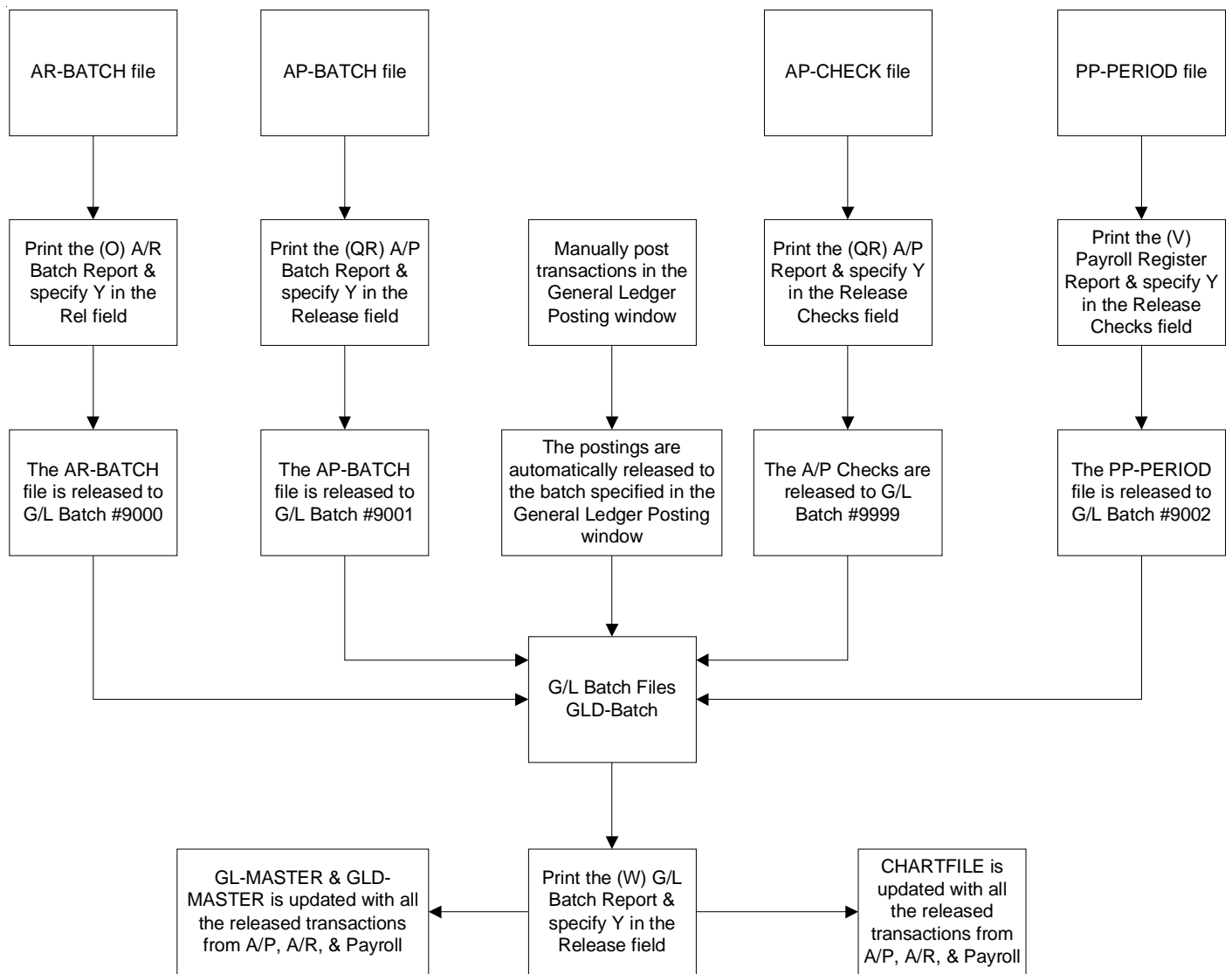
You can print financial statements from DDMS (graphical).

When you create and print a cost of goods sold batch from the (WEL) Cost of Goods Sold Limits screen, the Posted Cost of Goods Report prints. This is a list of all the information in the batch.

To not create a cost of goods sold batch, you can use the (WEL) screen to print the To Be Posted To Cost Of Goods Report. You can then use this report to manually post information in the General Ledger Posting window.

Flow of Information Through Batches

The following chart shows the flow of information through batch files from A/R, A/P, and payroll into general ledger. The information in this chart represents the flow if the Auto Post field in the (L2) G/L Master Numbers screen is set to Y.



Appendix A: Determining the Cost of Goods

This appendix lists the different options for determining the costs of goods sold. If you use these options, you must manually post the cost of goods.

Option 1: Posting to Cost of Goods Sold Using the Sales Journal Report

The Sales Analysis Recap Report shows the total sales and the profit margin for each department. This report can be used to determine your cost of goods sold. By subtracting the department's profit margin from its totals sales as shown below, you get the cost of goods for that department. Post the resulting amount to the cost of goods sold general ledger (G/L) account.

Note: The Sales Analysis Recap Report can be printed from the (UR) Sales Reports screen. This method requires that cost figures in the sales journal are accurate.

The example below illustrates posting to cost of goods sold using the Sales Analysis Recap Report.

Note: In the sample T accounts shown below, the left-hand columns are debits and the right-hand columns are credits.

Inventory		Accounts Payable		Cost of Goods Sold
+ 104-01 -		+ 102-01 -		+ 501-01 -
a. 12439.52		b. 1500.00		d. 1267.23
b. 1500.00	c. 1267.23			

Legend

- a. Beginning balance
- b. Throughout the month, invoices posted in A/P are posted to the Inventory account.
- c. Use the Sales Analysis Recap Report to determine cost of goods sold, and adjust this amount out of inventory and into the Cost of Goods Sold departmental accounts.

General Ledger

In Sample Report 1, below, your sales, margin, & cost for department 1 would be as follows:

1758.57	Sales
<u>- 491.34</u>	<u>-Margin</u>
1267.23	Cost of goods sold

Note: You should perform this procedure for each department.

D.D.M.S.											11/07/94
1655 TIMBER RIDGE LANE											15:37:42
ROANOKE TX 76262											PAGE 1
SALES RECAP BY SALESMAN											
FOR DATES (-)											
FOR LOCATION (1) -A											
SALESMAN (1008-2110)											
NBR S A L E S M A N N A M E											
LINES											
SALES											
MARGIN											
MARG%											
YTD											
=====											
1008	STEPHANIE SALESPERSON		13		863.32		238.11		27.6	29.2%	
2110	LIZ DODDER		34		895.25		253.23		28.3	27.1%	
TOTAL SALES -----											
			47		1,758.57		491.34		27.9		

D.D.M.S.											11/07/94
1655 TIMBER RIDGE LANE											15:37:42
ROANOKE TX 76262											PAGE 2
SALES RECAP BY DEPT WITHIN SALESMAN											
FOR DATES (-)											
FOR LOCATION (1) -A											
SALESMAN (1008-2110)											
FOR SALESMAN (1008) STEPHANIE SALESPERSON											
	DEPT 1	DEPT 2	DEPT 3	DEPT 4	DEPT 5	DEPT 6	DEPT 7	DEPT 8	DEPT 9	DEPT 10	TOTAL
SALES	823.32	.00	.00	.00	40.00	.00	.00	.00	.00	.00	863.32
MARGIN	228.11	.00	.00	.00	10.00	.00	.00	.00	.00	.00	238.11
GROSS	27.7%	.0%	.0%	.0%	25.0%	.0%	.0%	.0%	.0%	.0%	27.6%
FOR SALESMAN (2110) LIZ DODDER											
	DEPT 1	DEPT 2	DEPT 3	DEPT 4	DEPT 5	DEPT 6	DEPT 7	DEPT 8	DEPT 9	DEPT 10	TOTAL
SALES	890.25	.00	.00	.00	.00	.00	.00	.00	5.00	.00	895.25
MARGIN	251.23	.00	.00	.00	.00	.00	.00	.00	2.00	.00	253.23
GROSS	28.2%	.0%	.0%	.0%	.0%	.0%	.0%	.0%	40.0%	.0%	28.3%

D.D.M.S.											11/07/94
1655 TIMBER RIDGE LANE											15:37:42
ROANOKE TX 76262											PAGE 3
SALES RECAP BY DEPT WITHIN SALESMAN											
FOR DATES (-)											
FOR LOCATION (1) -A											
SALESMAN (1008-2110)											
NBR O R D E R T A K E R											
LINES											
SALES											
MARGIN											
MARG%											
YTD											
=====											
1008	STEPHANIE SALESPERSON		13		863.32		238.11		27.6		
2110	LIZ DODDER		34		895.25		253.23		28.3		
TOTAL LINES -----											
			47		1,758.57		491.34		27.9		

D.D.M.S.											11/07/94
1655 TIMBER RIDGE LANE											15:37:42
ROANOKE TX 76262											PAGE 4
SALES RECAP BY RETAIL OR PHONE											
FOR DATES (-)											
FOR LOCATION (1) -A											
SALESMAN (1008-2110)											
RETAIL 1	DEPT 1	DEPT 2	DEPT 3	DEPT 4	DEPT 5	DEPT 6	DEPT 7	DEPT 8	DEPT 9	DEPT 10	TOTAL
SALES	1713.57	.00	.00	.00	40.00	.00	.00	.00	5.00	.00	1758.57
MARGIN	479.34	.00	.00	.00	10.00	.00	.00	.00	2.00	.00	491.34
GROSS	28.0%	.0%	.0%	.0%	25.0%	.0%	.0%	.0%	40.0%	.0%	27.9%

Sample Report 1: Sales Analysis Recap Report

General Ledger

The examples below illustrate posting cost of goods sold using inventory balances.

Note: In the following sample T accounts, the left-hand columns are debits and the right-hand columns are credits.

Inventory			Accounts Payable		Cost of Goods Sold
+ 104-01 -			+ 102-01 -		+ 501-01 -
a. 12439.52			b. 1500.00		c. 1267.23
b. 1500.00	c. 1267.23				

Legend

- a. Beginning balance
- b. Throughout the month, invoices posted in A/P are posted to the Purchases account
- c. Using the formula given above, calculate the cost of goods sold. Adjust this amount from Inventory, and post it to Cost of Goods Sold.

A sample Inventory Extended Dollars Report appears in Sample Report 2. Using the formula above, you would calculate the cost of goods sold for department 1 in the following manner:

12439.52 + 1500	Inventory beginning balance + total purchases
<u>- 12673.29</u>	Ending balance from report
1266.23	Cost of goods sold

Option 3: Posting to Cost of Goods Using the Purchasing Account

The example below shows the accounts that are affected by invoices posted in Accounts Payable for purchases, and by manual postings for cost of goods sold.

Note: In the sample T accounts shown below, the left-hand columns are debits and the right-hand columns are credits.

<p style="text-align: center;">Inventory</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">+ 101-01 -</td> <td style="width: 50%;"></td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;">a. 10,000.00</td> <td></td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;">c. 5000.00</td> <td style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;">d. 4000.00</td> </tr> </table>	+ 101-01 -		a. 10,000.00		c. 5000.00	d. 4000.00	<p style="text-align: center;">Purchases</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">+ 105-01 -</td> <td style="width: 50%;"></td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;">b. 5000.00</td> <td></td> </tr> </table>	+ 105-01 -		b. 5000.00		<p style="text-align: center;">Purchases Clearing Account</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">+ 105-99 -</td> <td style="width: 50%;"></td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;">c. 5000.00</td> <td></td> </tr> </table>	+ 105-99 -		c. 5000.00	
+ 101-01 -																
a. 10,000.00																
c. 5000.00	d. 4000.00															
+ 105-01 -																
b. 5000.00																
+ 105-99 -																
c. 5000.00																
<p style="text-align: center;">Cost of Goods Sold</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">+ 501-01 -</td> <td style="width: 50%;"></td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;">d. 4000.00</td> <td></td> </tr> </table>	+ 501-01 -		d. 4000.00		<p style="text-align: center;">Accounts Payable</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; border-bottom: 1px solid black;">+ 201-01 -</td> <td style="width: 50%;"></td> </tr> <tr> <td style="border-left: 1px solid black; border-right: 1px solid black; padding: 5px;">b. 5000.00</td> <td></td> </tr> </table>	+ 201-01 -		b. 5000.00								
+ 501-01 -																
d. 4000.00																
+ 201-01 -																
b. 5000.00																

Legend

- a. A beginning balance for what you have invested in your inventory is posted to the Inventory departmental accounts. This figure is obtained from the Inventory Extended Dollars Report. Print this report immediately after posting a physical inventory count. This ensures that the figures on the report are accurate.
- b. Invoices posted in Accounts Payable are posted to the Purchases departmental accounts and the Accounts Payable Trade account.
- c. The total amount of purchases for the month need to be adjusted out of the Purchases clearing account, and the amounts in the Purchases departmental accounts are posted to the Inventory departmental accounts. In this case, we have chosen 105-99 as the clearing account. By posting this adjustment, the departmental purchases amounts are retained while maintaining a zero balance on the balance sheet.

- d. Adjust the cost of goods sold out of inventory, and post this amount to the Cost of Goods Sold departmental accounts. You can get the cost of goods sold from the Sales Analysis Recap Report (refer to step C under **Option 1: Posting to Cost of Goods Sold Using the Sales Journal Report**) and/or the Inventory Extended Dollar Report, using the methods described in step C under **Option 2: Posting to Cost of Goods Sold Using the Inventory Extended Dollars Report**.

Option 4: Posting to Cost of Goods Sold Using the Sales Analysis Recap Report and the Inventory Extended Dollars Report

The Sales Analysis Recap Report and the Inventory Extended Dollars Report can be used in combination when posting the cost of goods sold. The advantage of this method is that it provides verification of your cost of goods sold figures. The amounts derived from both reports should agree, allowing for a margin of error.

Discrepancies between the cost of goods sold amounts calculated from the Sales Analysis Recap Report and the Inventory Extended Dollars Report can result from incorrect inventory counts, user errors, order entry costs that differ from those in the (E) screen, or incorrect costs in the sales journal. To determine which cost of goods sold figures are correct, do the following:

1. Make a physical inventory count of the department or departments whose cost of goods sold amounts differ between the two reports.
2. Print an Exceptions Report to check for items that were flushed to the sales journal with no cost. The Exceptions Report can be printed through the (U) Sales Selectors or (UR) Sales Reports screens.

To maintain the accuracy of your cost of goods sold figures and prevent discrepancies from occurring, do the following:

1. Institute strict inventory control policies for:
 - Customer returns (on-hand, receipts, trash)
 - Force-shipped and force-backordered items
 - Changes to shipped and backordered quantities during order verification
 - Stock transfers
 - Deletion of backorders.
2. Be sure that you update the costs of direct-buy items through the purchasing application.
3. Be sure that accounts payable invoices are initially posted to the correct departmental accounts.
4. Determine how costs from reports generated through the (RR) and (UR) screens is used.