# DDMSPLUS®: Furniture Accounting & General Ledger

# Contents

# General Ledger

General Ledger (G/L) is at the core of financial applications. It maintains the records of your company's financial transactions. It is an information system that stores, measures, processes, and communicates financial information.
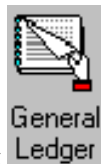
## Posting to General Ledger

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. Manual adjusted monthly accruals are also 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. From the Main Menu, double-click  .

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

3. The General Ledger Posting window opens. See the figure on the following page. 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.

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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.
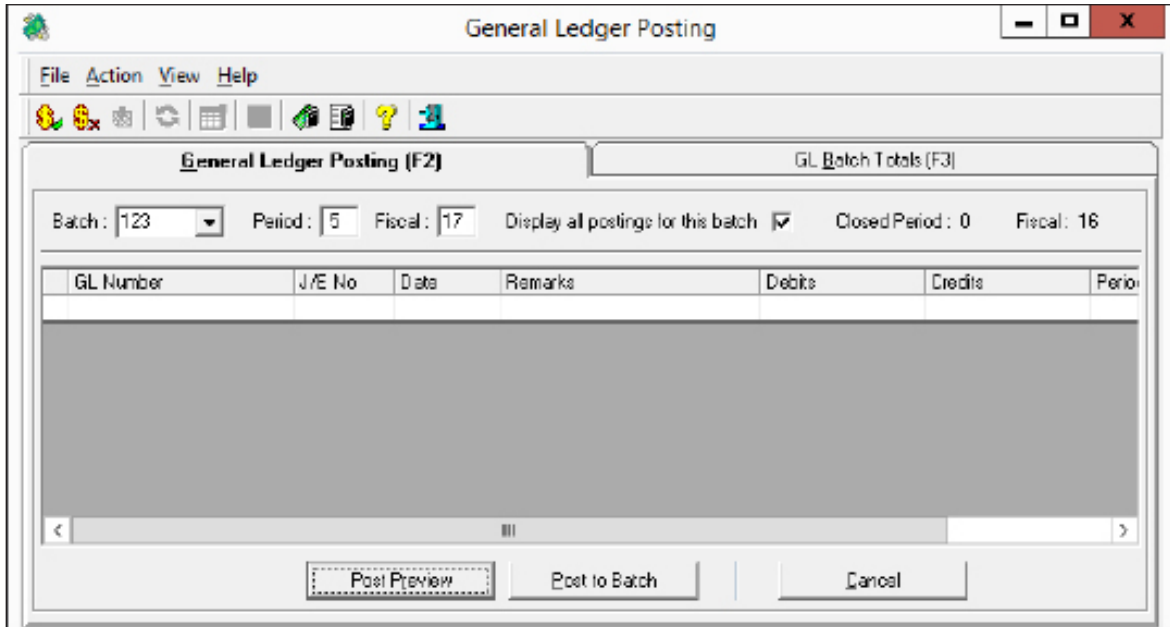


4.  To preview your posting from the General Ledger Posting tab, click Post Preview. You can preview your postings before posting the batch. Use the GL Posting Preview dialog box to balance totals by location, period, or journal entry number.

    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.

    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 6.

    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.

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**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, 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. We recommend 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. The General Ledger Posting History window lets you view detailed posting information. You can access the General Ledger Posting History window in two ways.

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 the General Ledger window, you can export your postings to a file.

1. Double-click ![GL Posting]. 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.

## G/L Drill Down

Your system contains complete general ledger history files. G/L Drill Down let you 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. G/L Drill Down makes it easy to access any posting detail. 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.

In the General Ledger History window, select the level of search. 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.
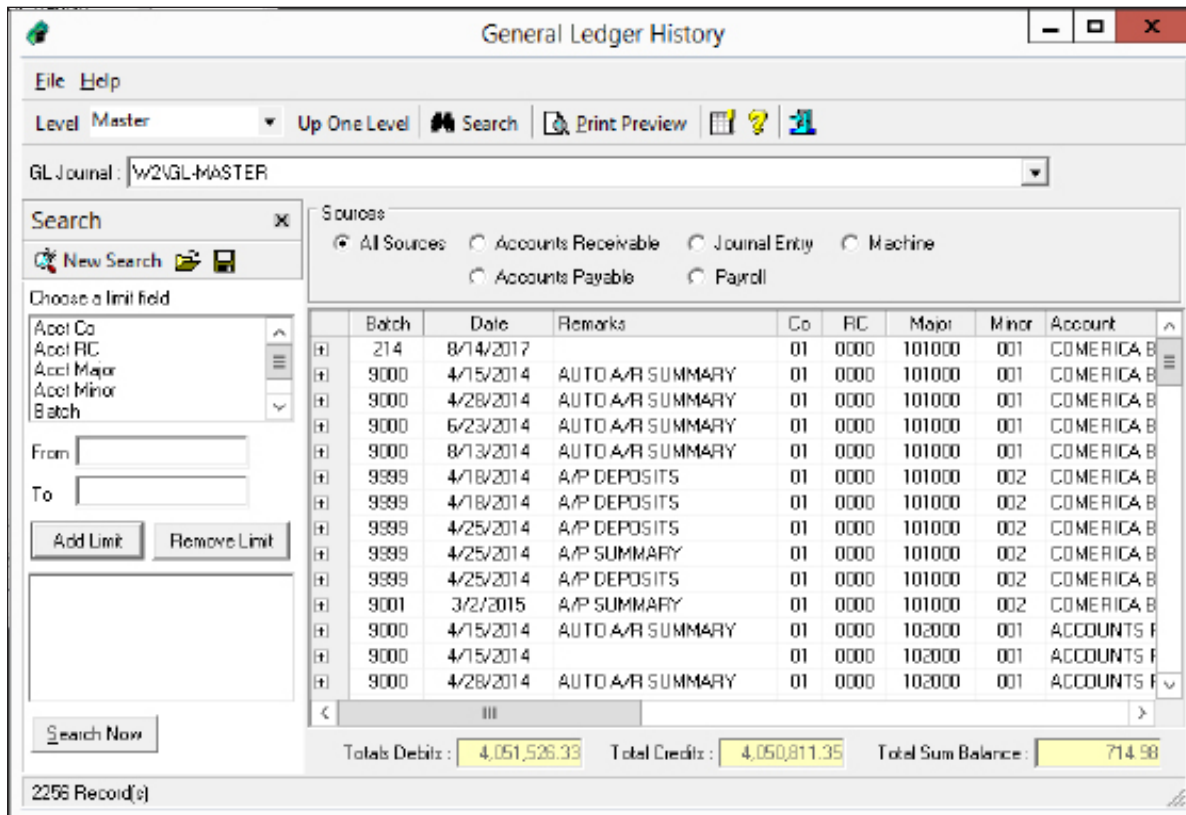
In this window, you can preview this information before printing, change the grid settings, save the limits that you set, and load saved limits.

**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.

## 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 to include. 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.

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.

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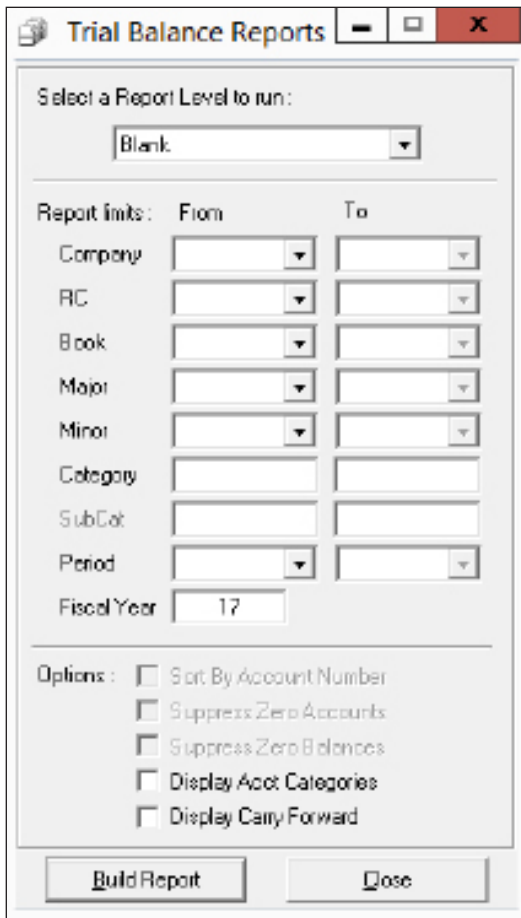
The Trial Balance report is part of your permanent audit trail. You should print this report for all profit centers and request full detail. In the Trial Balance Reports dialog box, you can easily set limits and options.
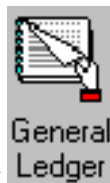


1.  From the Main Menu, double-click . The General Ledger menu opens.

2.  Double-click .

3.  In the Trial Balance Reports dialog box, shown in the figure on the following page, 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. 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 arrows 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.

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**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 arrows 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, 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, 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 exclude accounts with zero balances, check this box. To print accounts with zero balances on the report, clear this box.

**Suppress Zero Balances:** Use this check box to exclude 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 exclude zero balances from printing, check this box. To print accounts with zero balances, clear this box.

**Display Acct Categories:** Check this box to print the account's categories on the report. Clear this box to exclude 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 exclude the carry forward amount.

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 ![save icon]. 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 ![print icon].

8.  Click Close to close the dialog box.

## Financial Reporting

Financial statements provide you with the information necessary for making complex financial decisions. The Financial Reports window lets you create customized financial statements or alter the provided financial statements to better suit your needs. There are some sample financial reports provided later in this handout.

# Building Financial Reports

In the Financial Reports window, you can create a new report, load a saved report, or delete a saved report. There are currently two reports available: Balance Sheet and Profit and Loss. To load a saved report, or to change a saved report, use the drop down arrow in the Load Saved Report Limits and Options box to select the report to use. In this handout, we create a new report.

## Balance Sheet

1.  From the General Ledger main menu, double-click ![Financial Reports icon] .

2.  In the Report box, use the drop down arrow to select Balance Sheet.

3.  Use the Report Options tab to specify what information should display on the report.
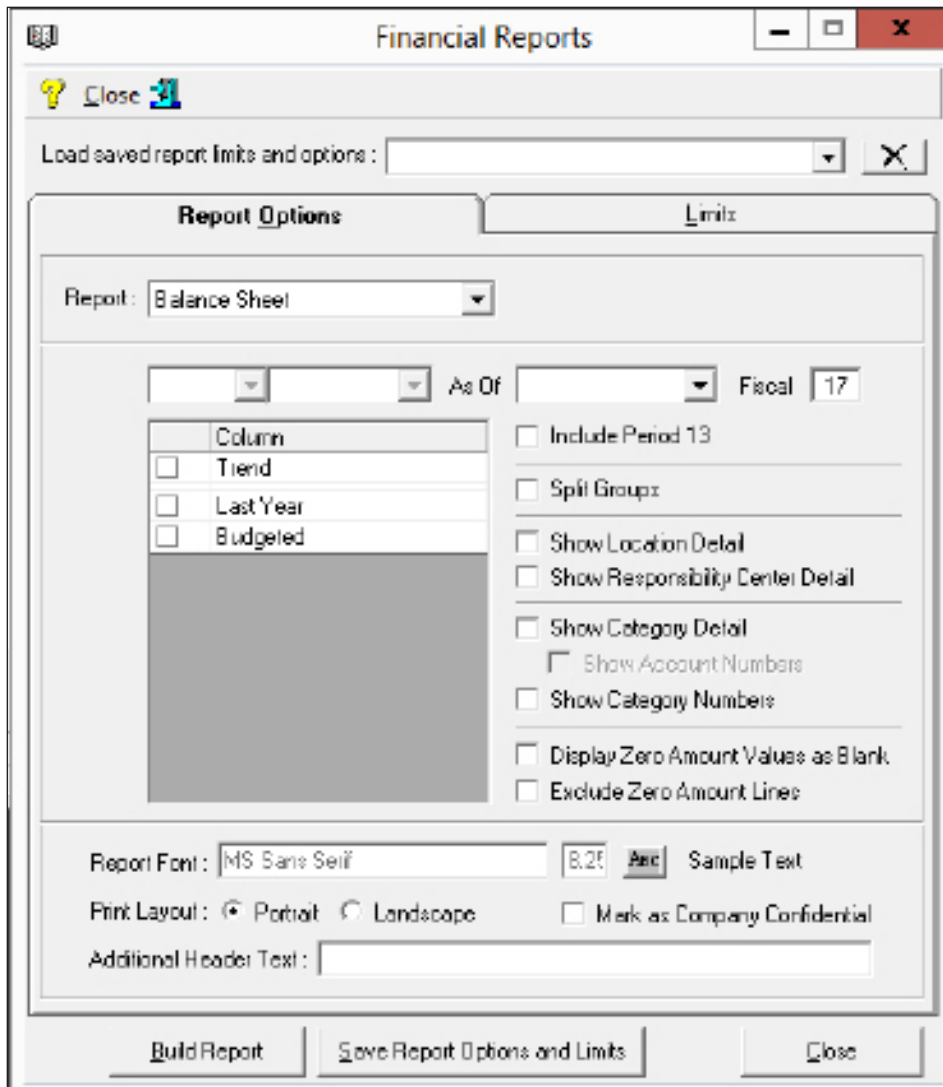
3.1 Use the drop down arrow in the As Of box to select the period for this report. You can select from periods 1-12.

3.2 You can select any of the following columns to display on the report.

- Trend (Selecting to run a trend report changes the format of your report.)

- Last Year

- Budgeted

3.3 You can also select any of the following to display on the report:

**Include Period 13:** If you have adjustments to post to the previous year, but not to any particular month, you can post to period 13. Check this box to include Period 13 on this report. Clear this box to exclude period 13 on this report.

**Split Groups:** Check this box to split report date groups on this report. Clear this box to not split report date groups.

**Show Location Detail:** Check this box to print location detail on this report. If you limit this report by location, each location begins a new report. You set location limits in the Limits tab by selecting Company then entering the limits in the corresponding boxes. Clear this box to exclude location detail.

**Show Responsibility Center Detail:** Check this box to print responsibility center detail on this report. If you limit this report by responsibility centers, each responsibility center begins a new report. You set responsibility center limits in the Limits tab by selecting Responsibility Center then entering the limits in the corresponding boxes. Clear this box to exclude responsibility center detail on this report. (This is an authorized feature.)

**Show Category Detail:** Check this box to print category detail on this report. This prints the account name on the report. You set category and subcategory location limits in the Limits tab by selecting Category then selecting the limits in the corresponding boxes. Clear this box to exclude category detail on this report. A summation of the sub-categories are calculated instead.

**Show Account Numbers:** This option is available if you select to show category detail. If you check this box, the report shows the G/L number assigned to the category detail.

**Show Category Numbers:** Check this box to print category numbers on this report. This prints the account number on the report. Clear this box to exclude category numbers on this report.

**Display Zero Amount Values as Blank:** Check this box to display zero amount values as blank lines on the report. To exclude zero amount values as blank lines, clear this box. Only amounts greater than zero display.
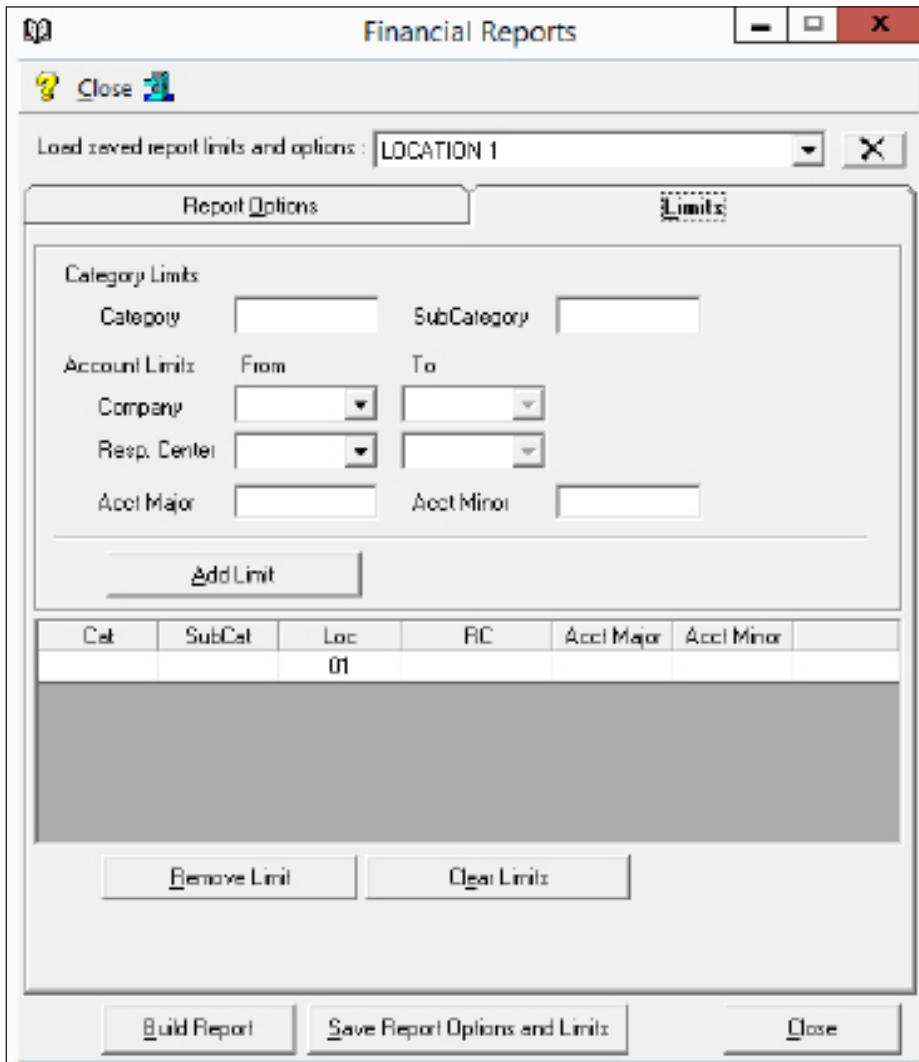
**Exclude Zero Amount Lines:** Check this box to exclude zero amount lines from printing on the report. Only rows with a valid amount print on the report. To print zero amount lines, clear this box.

3.4 You can also select a report font and size, print layout, and additional header text for this report. You can also mark the report as confidential.

- To change the report font and size, click  .

- To change the print layout, select Portrait or Landscape. (If your report has more than 2 additional columns, select Landscape.)

- Enter additional header text in the Additional Header Text box. This text prints in the upper left corner of the report underneath the company name and regular report header.

- To mark this report as confidential, check the Mark as Company Confidential box. This information prints in the lower right portion of the report.

4. Use the Limits tab to set limits. See the figure on the following page.

4.1 To add limits by category, click the Category box. Use the drop down menu to select the category to use to set limits for this report. (The available categories are based on the report that you selected.)

4.2 To add limits by subcategory, click the SubCategory box. Use the drop down menu to select the subcategory to use to set limits for this report. (Only subcategories for the selected category are available. You must enter a category to select a subcategory.)

4.3 In the Company From/To boxes, you can set limits for this report by Company. Enter the From and To range in the boxes.

4.4 In the Resp Center From/To boxes, you can set limits for this report by Responsibility Center. Enter the From and To range in the boxes to the right. (This is an authorized feature.)

4.5 In the Acct Major box, enter the G/L account major number to use to limit this report.

4.6 In the Acct Minor box, enter the G/L account minor number to use to limit this report.



5. When you set limits in the Limits tab, click the Add Limit button to save your limits for this report. The limits appear in the bottom portion of the tab.

   To remove a limit, select the limit to delete and click the Remove Limit button.

6. After you have finished setting up the report, click the Build Report button to build the report. The report opens on screen. You can preview the report before printing or export the report to a file. You can save the report as an Excel, HTML, or text file.

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To save the report, click the Save Report Options and Limits button.

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**Note:** If you changed an existing report or created a new one, the Save Settings As dialog box opens. Enter the report name and click OK.

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7. When you are finished, click Close in the Financial Reports window. See the sample financial reports later in this handout.

# Profit and Loss Report



Financial Reports

1. From the General Ledger main menu, double-click [Financial Reports icon].

2. In the Report box, use the drop down arrow to select Profit & Loss.

3. Use the Report Options tab to specify what information should appear on the report.



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3.1     Use the first limit box to specify what period to include on the report. Use the drop down arrow to select Period, Quarter, or YTD.

3.2     Use the second box to select the second column on the report. Use the drop down arrow to select To Quarter or To YTD.

3.3     Use the drop down arrow in the As Of box to select the period for this report. You can select from periods 1-12.

3.4     You can select any of the following columns to display on the report.

- Trend (Selecting to run a trend report changes the format of your report).

- Last Year

- Budgeted

- % of Rev

- Variance (This column appears when you add the budget and last year columns. They compare this current year and period.  The variance is the difference between this and last year, or this year and the budget.)

- Percent Variance  (The percent variance shows that difference as a percent.)

3.5     You can also select any of the following to display on the report:

**Include Period 13:** If you have adjustments to post to the previous year, but not to any particular month, you can post to period 13. Check this box to include period 13 on this report. Clear this box to exclude period 13.

**Split Groups:** Check this box to split report date groups on this report. Clear this box to not split report date groups.

**Show Location Detail:** Check this box to print location detail on this report. If you limit this report by location, each location begins a new report. You set location limits in the Limits tab by selecting Company then entering the limits in the corresponding boxes. Clear this box to exclude location detail.

**Show Responsibility Center Detail:** Check this box to print responsibility center detail on this report. If you limit this report by responsibility centers, each responsibility center begins a new report. You set responsibility center limits in the Limits tab by selecting Responsibility Center then entering the limits in the corresponding boxes. Clear this box to exclude responsibility center detail. (This is an authorized feature.)

**Show Category Detail:** Check this box to print category detail on this report. This prints the account name on the report. You set category and subcategory location limits in the Limits tab by selecting Category then selecting the limits in the corresponding boxes. Clear this box to exclude category detail. A summation of the sub-categories are calculated instead.

**Show Account Numbers:** This option is available if you select to show category detail. If you check this box, the report shows the G/L number assigned to the category detail.

**Show Category Numbers:** Check this box to print category numbers on this report. This prints the account number on the report. Clear this box to exclude category numbers.

**Display Zero Amount Values as Blank:** Check this box to display zero amount values as blank lines on the report. To exclude zero amount values as blank lines, clear this box. Only amounts greater than zero display.

**Exclude Zero Amount Lines:** Check this box to exclude zero amount lines from printing on the report. Only rows with a valid amount print on the report. To print zero amount lines, clear this box.

3.6 You can also select a report font and size, print layout, and additional header text for this report. You can also mark the report as confidential.

- To change the report font and size, click  .

- To change the print layout, select Portrait or Landscape. (If your report has more than 2 additional columns, select Landscape.)

- Enter additional header text in the Additional Header Text box. This text prints in the upper left corner of the report underneath the company name and regular report header.

- To mark this report as confidential, check the Mark as Company Confidential box. This information prints in the lower right portion of the report.

4. Use the Limits tab to set limits.

4.1 To add limits by category, click the Category box. Use the drop down menu to select the category to use to set limits for this report. (The available categories are based on the report that you selected.)

4.2 To add limits by subcategory, click the SubCategory box. Use the drop down menu to select the subcategory to use to set limits for this report. (Only subcategories for the selected category are available. You must enter a category to select a subcategory.)

4.3 In the Company From/To boxes, you can set limits for this report by Company. Enter the From and To range in the boxes.

4.4 In the Resp Center From/To boxes, you can set limits for this report by Responsibility Center. Enter the From and To range in the boxes to the right. (This is an authorized feature.)

4.5 In the Acct Major box, enter the G/L account major number to use to limit this report.

4.6 In the Acct Minor box, enter the G/L account minor number to use to limit this report.

5. When you set limits in the Limits tab, click the Add Limit button to save your limits for this report. The limits appear in the bottom portion of the tab.

   To remove a limit, select the limit to delete and click the Remove Limit button.

6. After you have finished setting up the report, click the Build Report button to build the report. The report opens on screen. You can preview the report before printing or export the report to a file. You can save the report as an Excel, html, or text file.

   To save the report, click the Save Report Options and Limits button.

**Note:** If you changed an existing report or created a new one, the Save Settings As dialog box opens. Enter the report name and click OK.

7. To print the report, click Print Preview.

8. 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 [icon]. 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 [icon].

9. Click Close to close this dialog box at any time.

10. When you are finished, click Close in the Financial Reports window. See the sample financial reports on the following pages.

# Sample Balance Sheets

D.D.M.S. INC.   Balance Sheet Statement 06/03/04
P.O.BOX 507    As of January 31, 2003   14:19:44
KELLER TX 76248

| | Year To Date Current |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | 15,200.00 |
| Accounts Receivable | 200.00 |
| Prepaid Expenses | 550.00 |
| Other Current Assets | 1,000.00 |
| **Total Current Assets** | 16,950.00 |
| **Property, Plant & Equipment** | |
| Equipment | 4,960.00 |
| Total Property, Plant & Equipment, net | 4,960.00 |
| **TOTAL ASSETS** | 21,910.00 |
| **LIABILITIES AND STOCKHOLDER'S EQUITY** | |
| **Current Liabilities** | |
| Accounts Payable | 2,500.00 |
| Other Current Liabilities | 7,050.00 |
| **Total Current Liabilities** | 9,550.00 |
| Other Liabilities | -500.00 |
| **Shareholder's Equity** | |
| Common Stock | 10,000.00 |
| Retained Earnings | 2,860.00 |
| **Total Shareholder's Equity** | 12,860.00 |
| **TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY** | 21,910.00 |

**Profit & Loss Statement**

D.D.M.S. INC.   Comparative Profit & Loss Statement       06/01/04
P.O.BOX 507     As of January 31, 2003   16:48:46
KELLER TX 76248

|  | Month Current | Quarter Current |
|---|---|---|
| **Revenue** | | |
| Sales | 10,600.00 | 10,600.00 |
| Less: Sales Discount | 0.00 | 0.00 |
| **Total Revenue, Net** | 10,600.00 | 10,600.00 |
| Cost of Goods Sold | 2,150.00 | 2,150.00 |
| Shipping/Freight | 0.00 | 0.00 |
| Packaging | 0.00 | 0.00 |
| Delivery Expenses | 0.00 | 0.00 |
| **Total Cost of Goods** | 2,150.00 | 2,150.00 |
| **Gross Profit** | 8,450.00 | 8,450.00 |
| **Expenses** | | |
| Advertising & Selling Expenses | 1,500.00 | 1,500.00 |
| Amortization and Deprecation | 40.00 | 40.00 |
| Automobile Expenses | 0.00 | 0.00 |
| Bad Debt Expense | 0.00 | 0.00 |
| Bank Fees | 0.00 | 0.00 |
| Credit and Collection Expenses | 0.00 | 0.00 |
| Computer Software | 0.00 | 0.00 |
| Conferences and Seminars | 0.00 | 0.00 |
| Contract Labor | 0.00 | 0.00 |
| Contributions and Donations | 0.00 | 0.00 |
| Directors Fees | 0.00 | 0.00 |
| Dues and Subscriptions | 0.00 | 0.00 |
| Education and Training | 0.00 | 0.00 |
| Employee Benefits | 0.00 | 0.00 |
| Freight | 0.00 | 0.00 |
| Insurance | 50.00 | 50.00 |
| Interest | 50.00 | 50.00 |

**Profit & Loss Statement (Cont)**

| | | |
|---|---|---|
| Lease - Building | 900.00 | 900.00 |
| Lease - Equipment | 0.00 | 0.00 |
| Meals and Entertainment | 0.00 | 0.00 |
| Miscellaneous Expenses | 0.00 | 0.00 |
| Payroll - Officers' Salaries | 0.00 | 0.00 |
| Payroll - Salaries and Wages | 5,200.00 | 5,200.00 |
| Payroll Taxes | 0.00 | 0.00 |
| Postage | 0.00 | 0.00 |
| Printing Expenses | 0.00 | 0.00 |
| Professional Services | 0.00 | 0.00 |
| Repair & Maintenance - Building | 0.00 | 0.00 |
| Repair & Maintenance - Computers | 0.00 | 0.00 |
| Repair & Maintenance - Equipment | 0.00 | 0.00 |
| State and Local Taxes | 0.00 | 0.00 |
| Supplies - Computer | 0.00 | 0.00 |
| Supplies - Office | 0.00 | 0.00 |
| Supplies - Warehouse | 0.00 | 0.00 |
| Telephone | 0.00 | 0.00 |
| Travel | 0.00 | 0.00 |
| Uniform Expenses | 0.00 | 0.00 |
| Utilities | 0.00 | 0.00 |
| | | |
| **Total Expenses** | 7,740.00 | 7,740.00 |
| | | |
| **Operating Income** | 710.00 | 710.00 |
| | | |
| Provision for Income Taxes | 0.00 | 0.00 |
| | | |
| **Net Income** | 710.00 | 710.00 |

**Profit & Loss Statement - Detailed**

D.D.M.S. INC.   Comparative Profit & Loss Statement       06/02/04
P.O.BOX 507    As of January 31, 2003   07:30:23
KELLER TX 76248

|  | Month Current | Quarter Current |
|---|---|---|
| **Revenue** | | |
| **Sales** | | |
| SALES-DEPT 1 | 10,600.00 | 10,600.00 |
| SALES-DEPT 2 | 0.00 | 0.00 |
| Less: Sales Discount | | |
| **Total Revenue, Net** | 10,600.00 | 10,600.00 |
| **Cost of Goods Sold** | | |
| COST OF SALES-DEPT 1 | 2,150.00 | 2,150.00 |
| Shipping/Freight | | |
| Packaging | | |
| Delivery Expenses | | |
| **Total Cost of Goods** | 2,150.00 | 2,150.00 |
| **Gross Profit** | 8,450.00 | 8,450.00 |
| **Expenses** | | |
| **Advertising & Selling Expenses** | | |
| ADVERTISING | 1,500.00 | 1,500.00 |
| **Amortization and Deprecation** | | |
| DEPRECIATION EXPENSE | 40.00 | 40.00 |
| **Automobile Expenses** | | |
| **Bad Debt Expense** | | |
| **Bank Fees** | | |
| **Credit and Collection Expenses** | | |
| **Computer Software** | | |
| **Conferences and Seminars** | | |
| **Contract Labor** | | |
| **Contributions and Donations** | | |
| **Directors Fees** | | |
| **Dues and Subscriptions** | | |

*continue to next page*

**Profit & Loss Statement - Detailed (cont)**

| | | |
|---|---|---|
| **Education and Training** | | |
| EDUCATION AND TRAINING | 0.00 | 0.00 |
| **Employee Benefits** | | |
| **Freight** | | |
| **Insurance** | | |
| INSURANCE | 50.00 | 50.00 |
| **Interest** | | |
| INTEREST EXPENSE | 50.00 | 50.00 |
| **Lease - Building** | | |
| RENT OR OWNERSHIP EXPENSES | 900.00 | 900.00 |
| **Lease - Equipment** | | |
| **Meals and Entertainment** | | |
| **Miscellaneous Expenses** | | |
| **Payroll - Officers' Salaries** | | |
| **Payroll - Salaries and Wages** | | |
| SALARIES EXPENSE | 5,200.00 | 5,200.00 |
| **Payroll Taxes** | | |
| **Postage** | | |
| **Printing Expenses** | | |
| **Professional Services** | | |
| **Repair & Maintenance - Building** | | |
| **Repair & Maintenance - Computers** | | |
| **Repair & Maintenance - Equipment** | | |
| **State and Local Taxes** | | |
| **Supplies - Computer** | | |
| **Supplies - Office** | | |
| **Supplies - Warehouse** | | |
| **Telephone** | | |
| **Travel** | | |
| **Uniform Expenses** | | |
| **Utilities** | | |
| UTILITIES | 0.00 | 0.00 |
| **Total Expenses** | 7,740.00 | 7,740.00 |
| **Operating Income** | 710.00 | 710.00 |
| Provision for Income Taxes | | |
| **Net Income** | 710.00 | 710.00 |

# Using the Optional Extended General Ledger

This handout details advanced accounting methods that are available. It includes following topics and how they work with responsibility centers:

- Responsibility Center and G/L Departments concepts

- Global parameters and Chart of Accounts

- Global parameters and Responsibility Centers in Order Entry

- Accounts Payable and Cost of Goods Sold

- Accounts Receivable

- Reporting.

Complete documentation is available in the online help.

**Note:** Fifteen-digit G/L Numbers and Responsibility Centers are not included in all software packages and require authorization. For more information, contact ECI sales.

## About Responsibility Centers

Responsibility Centers (RC) let you view or report information about a particular segment of the business, even if its activity occurs over multiple locations. As long as there have been organized companies, internal reports have been segmented to better understand the performance of sales districts, product lines, distribution centers, and general and administrative cost centers. The term, responsibility center, refers to a manager or managers who are evaluated on the performance of revenue, profitability, or cost control. For example, Joe, in the Virginia office, is responsible for buying paper for all branches. Joe has a responsibility center assigned to him specifically for paper.

Responsibility centers let you further break down your information. For example, if your revenue or cost center information is currently broken down by location, you can further break it down by responsibility centers within that location. The RC can be controlled by item departments or salesperson.

RCs are now part of your general ledger accounts. In the Chart of Accounts Master window, you can set up fifteen-digit account numbers. The first two digits are location; the next four digits identify the cost or responsibility center; the next six digits specify the major account number; and the final three digits specify the minor account number.

Responsibility centers affect many different areas of the system. You can assign RCs in the following databases: Salespersons, Vendors, Items, General Ledger, and Machines. Responsibility centers also affect the Order Entry and Machines applications.

There are several important issues to consider before setting up the responsibility centers.

- You must set up a default corporate center. The default center contains the balance sheet accounts for the location. The default is typically the general and administrative center.

- You must also create a set of accounts for each RC in the Chart of Accounts. Once the accounts for a revenue or expense center have been created, you can use the Copy Records action in the Chart of Accounts Special dialog box to reduce keystrokes as new centers are added.

You should also plan for the future. For example, you might set up the following accounts:

- Center 1200 is set up as the Ohio sales territory – Regional VP XXXX

- Center 1210 is set up as the Cleveland district – District Mgr YYYY

- Center 1240 is set up as the Cincinnati district – District Mgr ZZZZ

Using these examples allows reports to be easily generated for VP XXXX by including the RC range of 1200 – 1240.

If Regional VP XXXX manages sales in Ohio for two separate companies (such as one furniture division and one office supply division), center 1200 would be set up in both companies as the Ohio sales territory. This lets you easily generate reports across locations by limiting the responsibility centers.

A range of open numbers should be left between centers to allow for future growth and changes. For example, Cincinnati may be broken down into two districts or a new district may be added for a new major city. Additionally, districts may be broken down even further into routes. You might leave 20 or more open numbers between the districts. Another advantage of leaving a range of open numbers is that you can later break down the RC information even further.

Before you set up RCs, you must first take into account how you run your business. For example, in addition to creating RCs, you need to set up business types in the General Ledger Departments Parameters. Examples of these types are machine parts or machine services, or service contracts, etc. Therefore, you must first set up parameters before creating and assigning responsibility centers.

# About Xtended G/L Numbers

You can enter a fifteen-digit general ledger number in the Chart of Accounts Master window. The first two digits are location; the next four digits identify the cost or responsibility center; the next six digits specify the major account number; and the final three digits specify the minor account number.

Fifteen-digit account numbers offer several advantages:

- You can set up multiple profit centers, maintain one balance sheet, and print multiple income statements.

- Profit centers can be assigned by item department or by customer account number based on the assigned salesperson.

- The major account number can be used to categorize key expenses such as wages, advertising, or delivery expenses. These figures can easily be totaled across various company departments.

You set up fifteen-digit account numbers in the General Ledger Parameters. Use the G/L Master Numbers text boxes to enter general ledger master numbers for A/P, A/R, Cash, Cost, Credit Cards, Deposit, Payroll, Sales, and Taxes. Any master account numbers entered here override the G/L master numbers set in the (L2) G/L Master Numbers screen.

The following is an example of how seven-digit account numbers compare to fifteen-digit account numbers.

Example of a number from a standard chart of accounts:

**01-621-01** Wages Warehouse Manager

**01** is the location or profit center.

**6** is the book number, with 6 defined as an expense account.

**21** is warehouse expenses.

**01** is the posting account for warehouse manager wages.

The fifteen-digit account number:

> **01-0100-621000-001** Wages Warehouse Manager
>
> **01** is the location or profit center.
>
> **0100** is responsibility center.
>
> **6** is the book number, with 6 defined as an expense account.
>
> **21000** is the expanded major number for warehouse expenses.
>
> **001** is the minor number, allowing 999 posting accounts for each major.

## Requirements for Xtended G/L Numbers

You must be authorized for Extended G/L to use these features: fifteen-digit G/L numbers, responsibility centers, and General Ledger departments.

- To use these features, you must first be authorized for Premium.

- To use these features, you must be authorized for Extended G/L.

- The Activate Extended GL Numbers and Responsibility Centers text box in the General Ledger General Configuration parameters activates fifteen-digit general ledger numbers and responsibility centers. Type Y to activate these features.

- In the General Ledger Parameters, you can also set up Responsibility Centers and G/L Departments.

- Set up fifteen-digit account numbers in the General Ledger Master Numbers parameters.

- You can also enter the fifteen-digit account number in the Expense G/L # box in the Vendor Master tab.

- All postings for general ledger, order entry, accounts receivable, and accounts payable must be done in the graphical application.

- All general ledger reports must be run in graphical.

# Setting Up Global Parameters and the Chart of Accounts

First, determine how to define responsibility centers.

## Setting Up Xtended G/L Numbers

This section provides examples of different ways to set up Xtended G/L numbers.

**Example One:**

The type of product defines the responsibility center as:

> 0100 Office Supplies Profit Center
>
> 0200 Furniture Profit Center
>
> 0300 Office Machines Profit Center

If you are a dealership with a single location, this allows you to have multiple profit centers while maintaining a single balance sheet.

Dealers with multiple locations are still able to print an income statement by location, as well as by division with the division shown by responsibility center.

**Example Two:**

The customer (via salesperson) assigned to the sale determines the responsibility center. In this example, you may have multiple income statements while maintaining a single balance sheet. This works well for dealers who have satellite offices with no inventory, or dealers who need to set up a salesperson as an individual profit center. This way, they can easily track profitability for that person or office. The inventory sales in the Item database are still tracked by the location in which the order is placed. Therefore, this does not allow for physical stocking locations.

> 0001 Fort Worth Corporate Office
>
> 0200 Dallas Sales Office
>
> 0300 Waco Sales Office

**Corporate Responsibility Centers**

In both of the above examples, all balance sheet accounts default to one RC (0001 Corporate). This is set up in the General Ledger General Configuration Parameters, shown below.
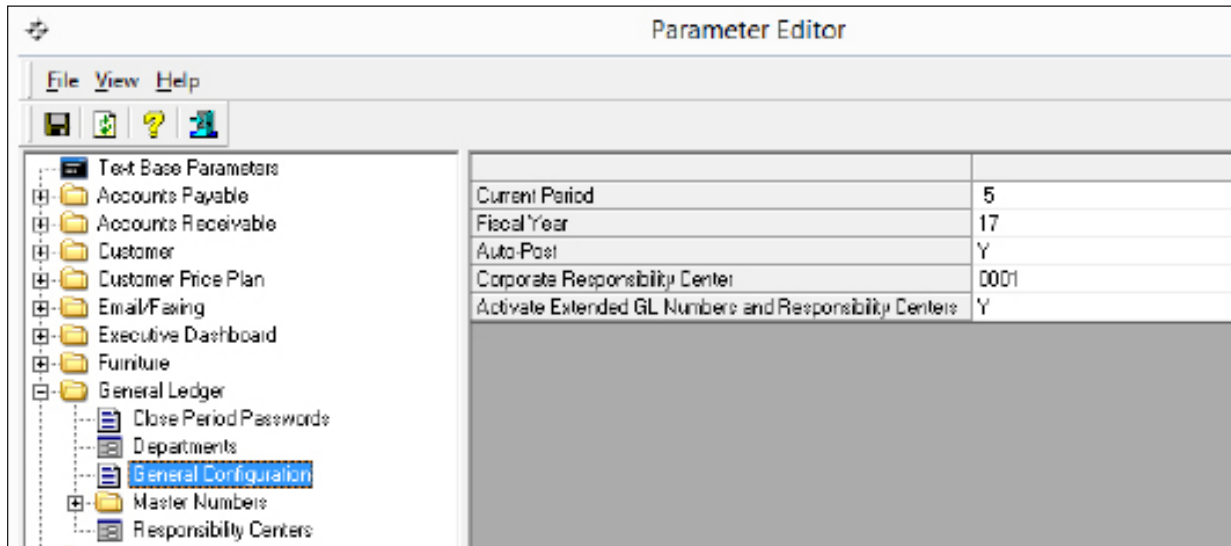


For both of these examples, you must meet the requirements listed under the heading **Requirements for Xtended G/L Numbers**.

# Setting Up RCs for Chart of Accounts

Use the following steps to set up responsibility centers for your chart of accounts:

1. The standard chart of accounts is set up with only responsibility center of 0000.

2. The 0000 set of account numbers need to include all G/L accounts and descriptions. Be sure that the corporate responsibility center contains all general ledger numbers.

3. Copy the 0000 responsibility center from 0000 to the corporate responsibility center.

4. Copy the 0000 records to your first responsibility center.

5. Delete all balance sheet accounts from your first responsibility center.

6. Copy this set of accounts to the remainder of the responsibility centers you have set up.

# Setting Up Global Parameters and RC in Order Entry

The following text explains how to set up our examples.

## Setting Up Example One

For Example One, assign the responsibility center based on item department.

### Setting Up Responsibility Centers for Example One

1. From the Main Menu, double-click **Keyop Menu**.

2. From the Keyop Menu, double-click **Parameters**.

3. From the Parameter Editor window, double-click General Ledger.

4. Double-click Responsibility Centers.

5. The Responsibility Centers dialog box opens. Use this dialog box to add or delete responsibility centers. Press the Space Bar to begin entering information.

    In the Location box, enter the location. The default for this box is location one.



6. In the Responsibility Center Number box, enter the RC number.

7. In the Responsibility Center Description box, enter the description for this responsibility center.

8. Type codes allow you to group item departments so that you can limit by business type. This code is defined in the General Ledger Departments Parameters. In the Type Limits From/To boxes, enter the type code to limit to for this responsibility center. Enter the beginning of the range in the From box and the end of the range in the To box.

9. In the Additional Types 1, 2, 3, 4, 5 boxes, you can enter up to five additional limits for this responsibility center. These type codes are defined in the General Ledger Departments parameters.

10. Close the Responsibility Centers dialog box and click to save your changes.

## Setting Up General Ledger Departments for Example One

You assign the item to a responsibility center and G/L codes by matching the item department to the Dept column in the G/L Departments Parameters to the Type Limit set up in the Responsibility Center Parameters. By setting this parameter, you are assigning each item to post to the appropriate responsibility center. The Dept column relates directly to the G/L department in the Item window.

If an invalid G/L numbers error message appears, the account is not set up in the corporate responsibility center.

1. In the Parameters Editor window, double-click General Ledger.

2. Double-click Departments.

3. The G/L Departments dialog box opens. Use this dialog box to add or delete general ledger departments.

   Click to add a department.

   To delete a department, highlight the department and click .

4. In the Dept box, enter the code to assign this department, A, B, or C, for example. These codes are defined in the GL Dept box in the Item Master tab or the Vendor Alias when setting up for Furniture. When setting up G/L departments for the first time, you must enter a default department with an * (asterisk) in the Dept box.

5. In the Description box, enter any text that helps you identify this department, Furniture Items, Supply Items, and so on.

6. In the Sales box, enter the corresponding general ledger account number for the department you are setting up, 401000-001, for example.

7. In the Credit box, enter the G/L account to which credits post.

8. In the Cost box, enter the corresponding general ledger account number for the department code you are setting up, 501000-001, for example.

9. In the Purchase box, enter the corresponding general ledger account number for the department you are setting up.

10. In the Type box, enter the code defined in the Responsibility Center Parameters in the Type Limits boxes. This type code allows you to group item departments so that you can limit by business types for example, machines parts, services, or service contracts.

11. The COG Use Cost RC box lets you indicate whether to move dollars from an expense account to cost of goods. To move dollars from expenses to cost of goods, type Y in this box. For example, if this is an expense such as labor, you would type Y. To not move dollars from expenses to cost of goods, leave this box blank. If this example were a product, you might leave this box blank.

12. Close the G/L Departments dialog box and click to save your changes.

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## Understanding the Type Limit

When an item is placed on an order, the GL Dept assigned to the item in the Item Master tab checks the Dept box in the G/L Department parameters. If these match, the system uses this to search for the responsibility center. The system finds the RC by checking the Type Limits boxes in the Responsibility Center parameters. The Sales G/L code is set. The Credit, Cost and Purchase columns are to be used at a later time. Previously, the item's G/L department was set by the minor number posted. Now, the G/L Department parameters control the posting account.

If the G/L department is 1, it matches on the second line of GL Dept box in the Item Master tab. This line is Type OS. This type finds a corresponding type in the first line of the responsibility parameter, to post to the responsibility center 0100.



The first record in the G/L Department parameters is always set to * (asterisk). This tells the system where to post any items that do not have a match in this window. If you have an item assigned to G/L department 5 in the Item database, and department 5 is defined in this parameter, the entry posts to the responsibility center and G/L code to which the * entry is assigned. This record must be set up before you can enter any additional G/L departments.

**Note:** Every G/L number set in the G/L Department parameters must exist in RC 0001 (corporate RC) or the Invalid G/L Number error message appears.

## Example 1A

In location 01, you have an order containing three items. Item 1 has G/L department 1 and a price of $50. Item 2 has G/L department 8 with a sale price of $40. Item 3 has G/L department 3 with a sale price of $10 and sales tax of $5. The following is an example of how these G/L postings would look.

01-0001-102000-001   A/R trade        105.00  debit

01-0001-220000-030   Sales tax            5.00  credit

01-0100-401000-001   Sales              50.00 credit

01-0100-401000-003   Sales              10.00 credit

01-0200-401000-008   Sales              40.00 credit

**Note:** All balance sheet entries post to the corporate responsibility center of 0001 while the sales entries are broken out into their corresponding responsibility center.

# Setting Up Example Two

For Example Two, assign the responsibility center based on salesperson. Using this method, you do not need to set up the G/L Departments parameters.

## Setting Up Responsibility Centers for Example Two

1.  From the Main Menu, double-click Keyop Menu.

2.  From the Keyop Menu, double-click Parameters.

3.  From the Parameter Editor window, double-click General Ledger.

4.  Double-click Responsibility Centers.

5.  The Responsibility Centers dialog box opens. Use this dialog box to add or delete responsibility centers. Press the Space Bar to begin entering information.

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In the Location box, enter the location. The default for this box is location one.

6. In the Responsibility Center Number box, enter the item department number for this responsibility center.

7. In the Responsibility Center Description box, enter the description for this responsibility center.

8. Since we are setting up responsibility centers for salespersons, type limits do not apply. Close the Responsibility Centers dialog box and click 💾 to save your changes.

## Setting Up Salespersons for Example Two

**Note:** Setting up the responsibility center for salespersons overrides the GL Dept box in the Item Master tab.

1. From the Main Menu, double-click Salesperson.

2. Retrieve the salesperson to which to assign the responsibility center.

3. Use the drop down arrow in the R/C box to select the responsibility center. In this example, our salesperson's address is Fort Worth, Texas, so we are assigning him to RC 0001.

   By using this method, the sales G/L accounts on an order post to the same responsibility center. You do not have multiple responsibility centers for sales G/L codes from one invoice. The balance sheet G/L numbers still post to the corporate responsibility center as in Example One.

   If both the Salesperson and the G/L Department parameters are set, the salesperson responsibility center overrides and posts to general ledger.



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4. Click 💾 to save your changes.

## Example 2A

If you created an order with three items for a salesperson assigned to R/C 0200, item 1 being in G/L dept 1 with a price of $50.00; item 2 in G/L department 8 with a sale price of $40.00; and item 3 in G/L department 3 with a sale price of $10.00 and sales tax of $5.00; the following postings are made to general ledger:

| | | | |
|---|---|---|---|
| 01-0001-102000-001 | A/R trade | 105.00 | debit |
| 01-0001-220000-030 | Sales tax | 5.00 | credit |
| 01-0200-401000-001 | Sales | 50.00 | credit |
| 01-0200-401000-003 | Sales | 10.00 | credit |
| 01-0200-401000-008 | Sales | 40.00 | credit |

**Note:** All balance sheet entries post to the corporate responsibility center or 0001. The sales entries are in responsibility center 0200. When using salesperson responsibility centers, you do not have multiple RCs.

# Accounts Payable and Cost of Goods Sold

This section provides examples on how to set up RCs in the vendor database and the Cost of Goods Sold report.

## Setting Up Vendors

Before posting to accounts payable, you must set up vendors with default RCs.

1. From the Main Menu, double-click [Vendor] .

2. In the Vendor Master tab, retrieve the vendor as you normally would.

3. The Expense G/L # displays the assigned expense general ledger account number for this vendor. The first part of this box is the RC number for this account. The following two boxes are the major and minor number. This number displays in the Accounts Payable Invoice tab where it is used to identify vendors.

    Enter the RC in the first box. When posting in A/P, you can override this number, if needed.

4. The Use RC box indicates which responsibility center number to use when posting invoices and purchase orders in Accounts Payable. To follow the responsibility center flow and set the reverse responsibility center number to the number set in the Responsibility Center dialog box, check this box.

    • To use the default (corporate) responsibility center number set in the G/L Departments dialog box, leave this box blank.

    • To have a responsibility center assigned on the purchase order, the purchase orders must have originated from a sales order. You would check the Use RC box if you are posting directly to cost of goods sold.

    • If you are posting to the inventory account, post to the corporate responsibility center. You would not check the Use RC box for that vendor.

5. Click 💾.

# Cost of Goods Sold

The Cost of Goods Sold Report checks the COG Use Cost RC box in the G/L Department Parameters.

**Product items:** For the cost of goods to credit inventory in the corporate responsibility center (0001) and to debit the cost of goods sold in the appropriate responsibility center (0100, 0200, etc) assigned to that item, the COG Use Cost RC box in the G/L Department parameters should be left blank.

**Labor and other costs:** For the system to reduce another expense account (credit) and increase the cost of goods account (debit), you would set the COG Use Cost RC box to blank. By running the cost of goods batch, the cost associated with the job is moved from the payroll account to the cost of goods. To allow expenses of the payroll to remain in the payroll instead of cost of goods sold, then these item department codes must be excluded from the Cost of Goods report.

**Note:** If you are using the Furniture WIP (work in progress) program, all associated costs of an order must post to the cost of goods sold.

# Accounts Receivable

This section describes posting A/R payments.

## Accounts Receivable Payments Tab

The Accounts Receivable Payments tab is shown below. All postings in the Payments tab post to the corporate responsibility center, for example, RC 0001. All postings made in this tab post to balance sheet accounts (A/R trade and Cash). The exception is discounts when posting. These post to the corporate center. Since item departments may be used to set the responsibility center and there is no item detail in the accounts receivable file, the system defaults to the corporate responsibility center.

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## Accounts Receivable Post/Change Tab

The Accounts Receivable Post/Change tab is shown below. As in Accounts Payable, you can post to any RC.

# Reporting

This section details Trial Balance Reports and Financial Reports.

## Trial Balance Reports

When running Trial Balance Reports, you can now limit by responsibility center.

The Trial Balance Report can be limited to a responsibility center for a single location or across all locations. This lets you run a Trial Balance Report for a location, profit center, or a combination of both.

## Financial Reports

When running Financial Reports, you can now limit by responsibility center.

Income statements can be limited to a single location and responsibility center. If you have three locations and office supply and furniture divisions in each, you could run the income statement limited to furniture or supply sales across all three locations as well as the profitability of each.