QAD Enterprise Applications
Enterprise Edition

Training Guide

General Ledger

70-3054C
QAD 2011 Enterprise Edition
Enterprise Edition 2011 r01, 10USACO, 22UKCO
March 2011

GeneralLedger_TG_v2011EE.pdf/ymg/ymg

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Contents

About This Course

Course Description

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

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

Course Objectives

By the end of this class, students will:

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

Audience

The audience for this course includes:

- Implementation consultants
- Members of implementation teams
- Operators

Prerequisites

The prerequisites for attending this course are:

- *Initial QAD Enterprise Applications Setup* training course
- Basic knowledge of:
  - Hardware and network configurations
  - QAD EE as it is used in industry
- Working knowledge of:
  - The manufacturing industry in general
  - Accounting principles in general

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

Course Credit and Scheduling

This course is typically taught in one day.

QAD Web Resources

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

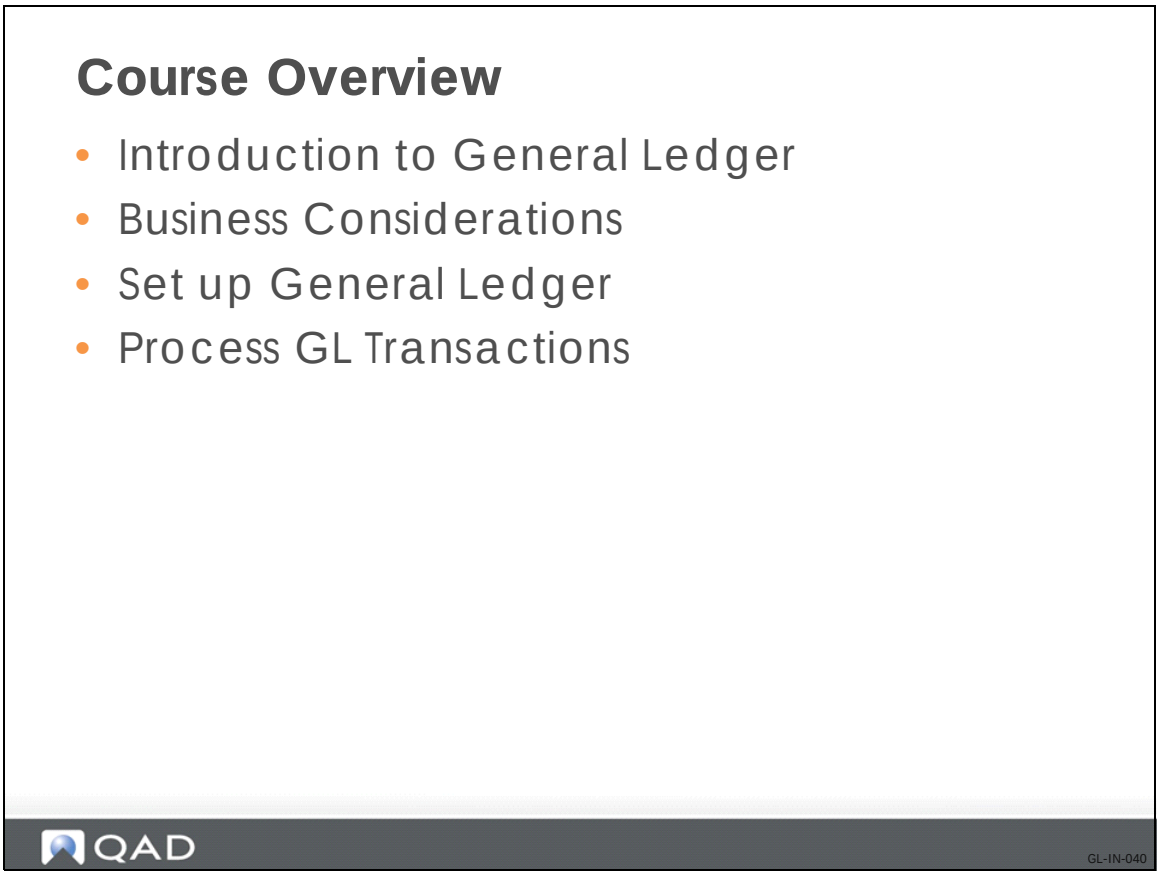
http://www.qad.com/

Virtual Environment Information

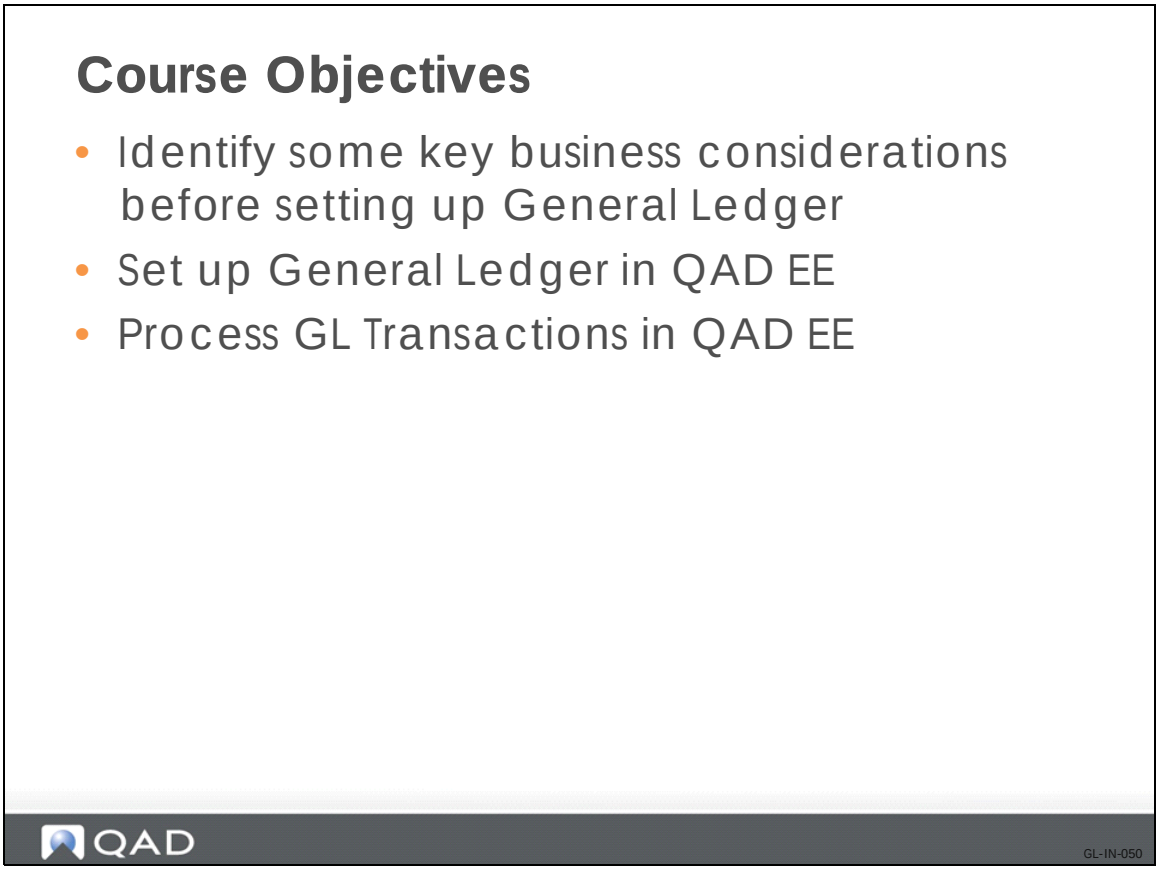
Enterprise Edition 2011 r01, 10USACO, 22UKCO. Log in as user "qmi."

Chapter 1

Introduction

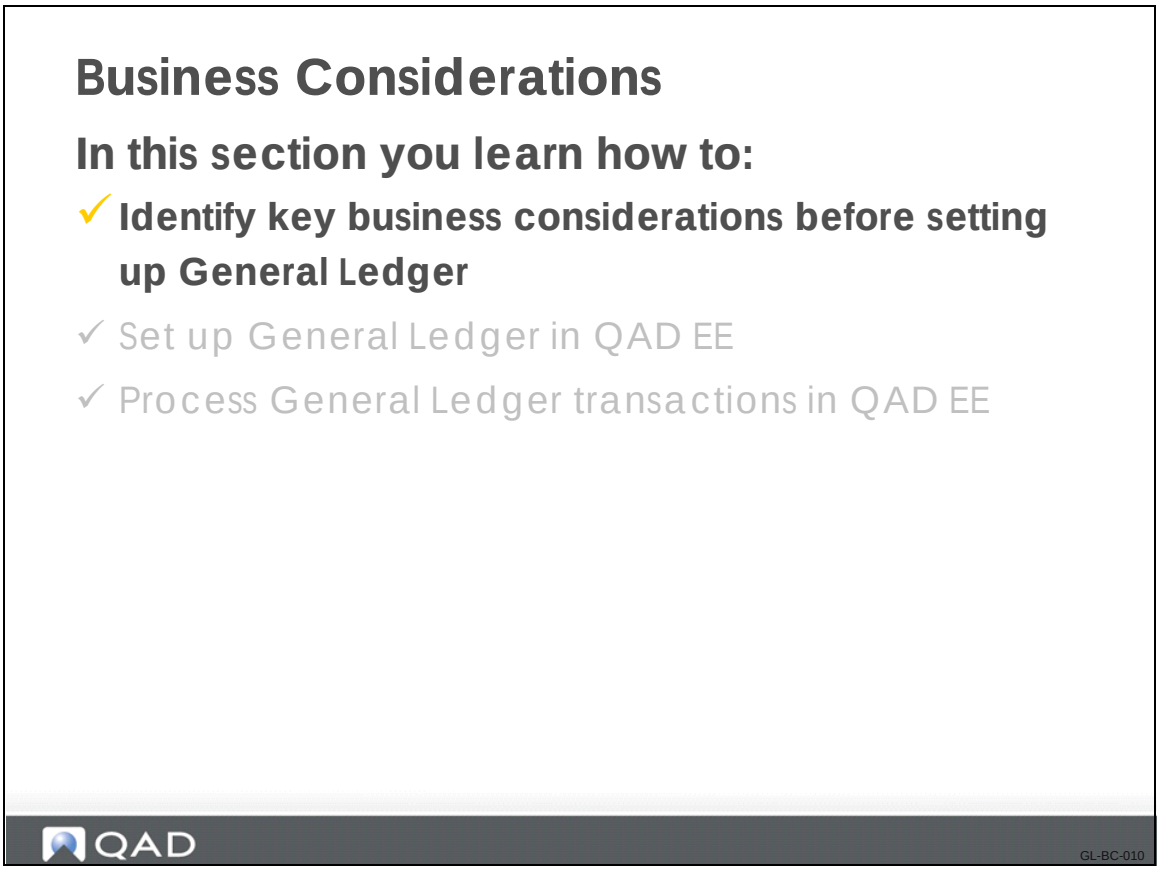

Course Overview
Introduction to General Ledger
Business Considerations
Set up General Ledger
Process GL Transactions
QAD
GL-IN-040

Course Objectives



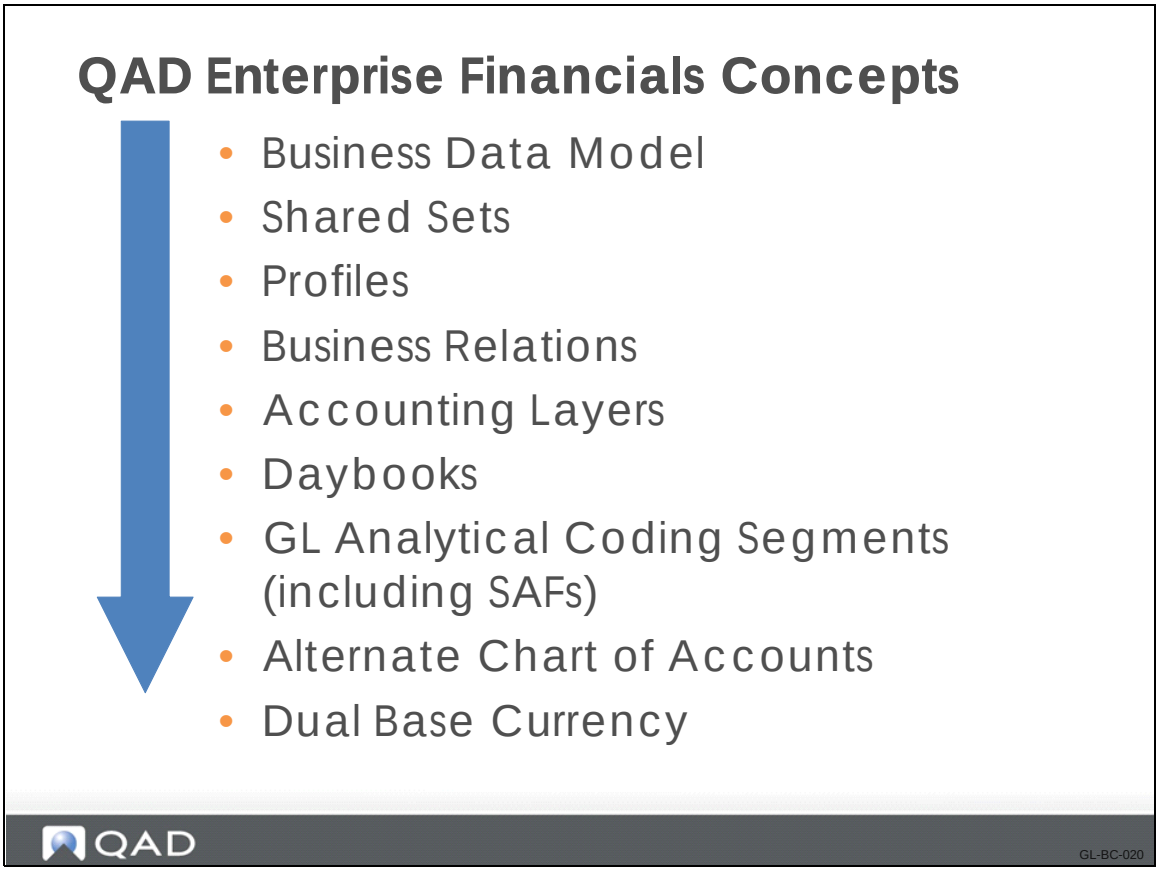
Chapter 2

GL Business Considerations



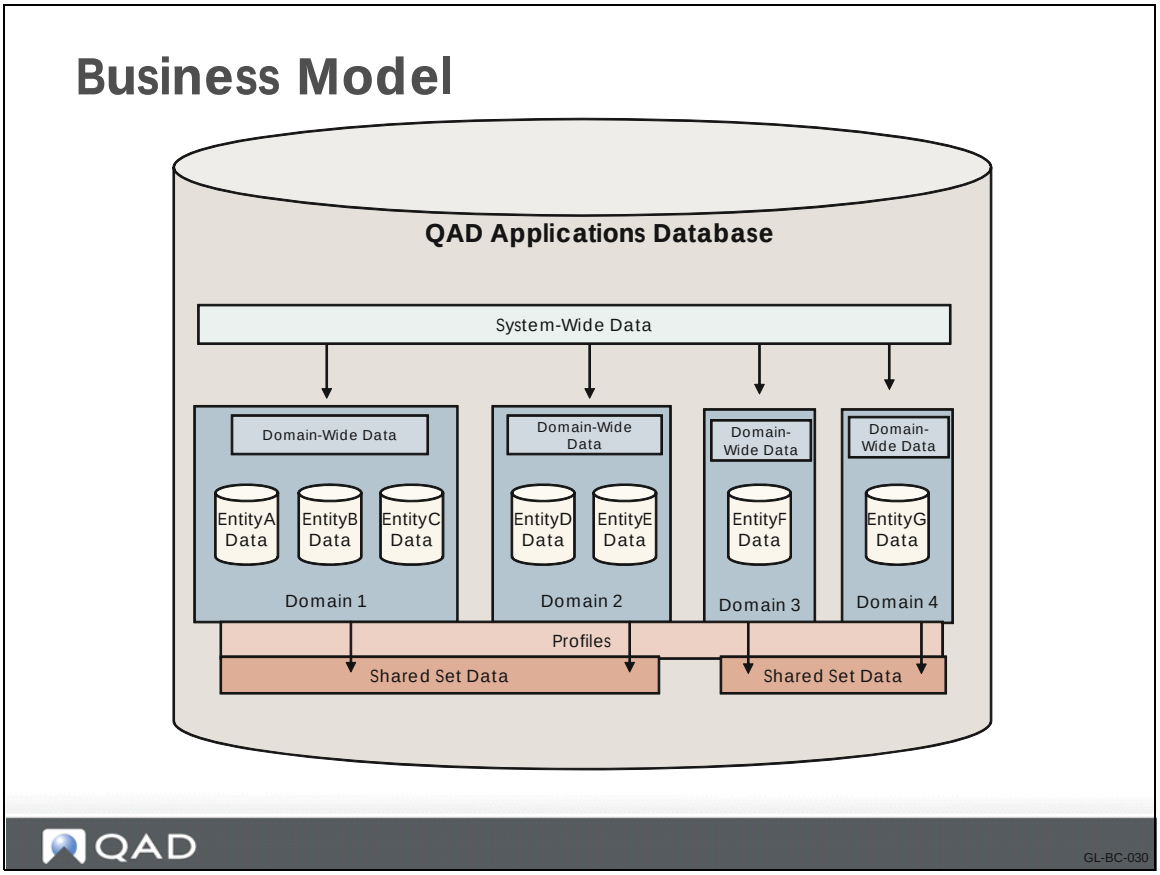
There are several business issues to consider before setting up QAD. This section does not discuss all potential issues, but presents some issues to generate thought and discussion.

QAD Enterprise Financial Concepts



In this section, you will learn about the underlying QAD Financials concepts, as well as the business data model. It is essential to understand these concepts, which form the basis for the topics described in this training course.

Business Model

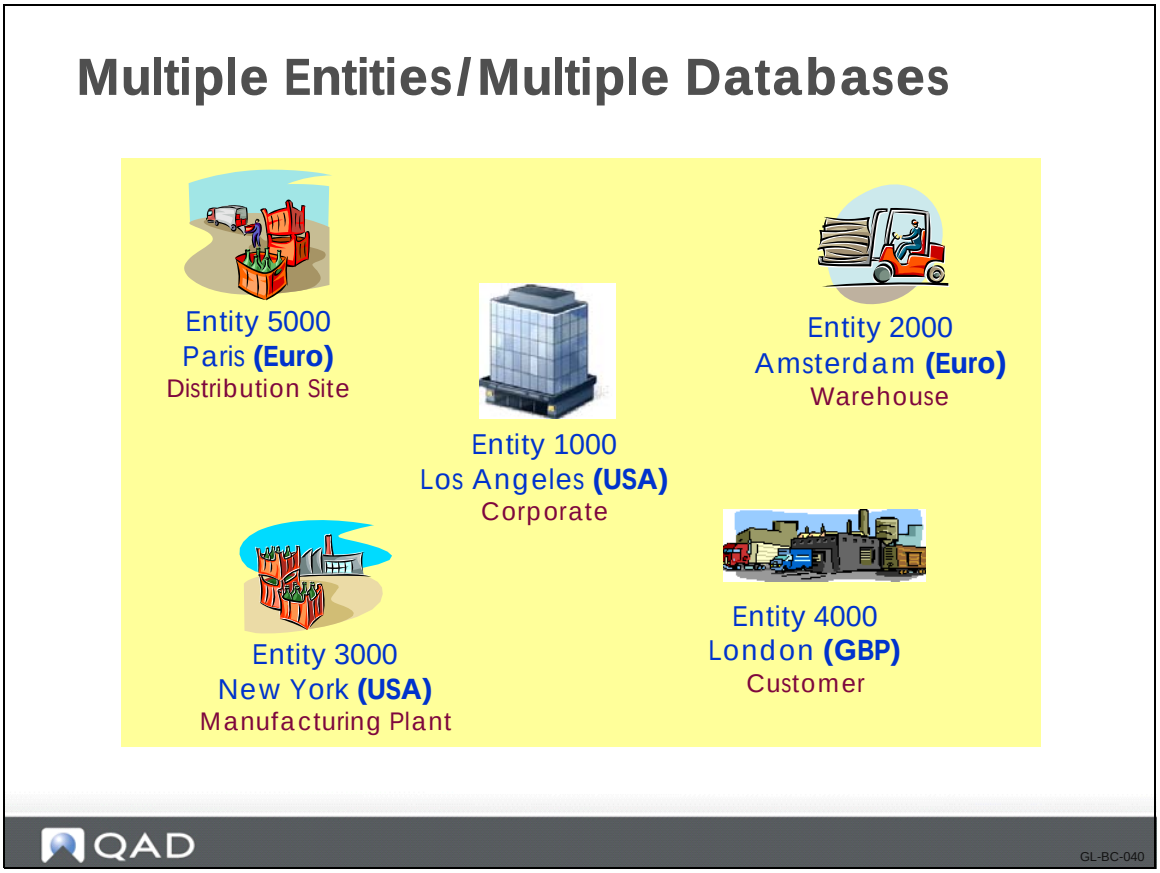


When planning your financial implementation, you must set up the infrastructure of your business organization.

The core elements of the business model include the following:

- The *database* contains all of your business-critical data in a secure format. A database can have one or more distinct logical partitions, called domains. Some data is defined at the database level and is available throughout the system, including currencies, countries, and languages.
- A *domain* represents one or more of your business operations. Each domain can share system-wide data or have its own chart of accounts, exchange rates, customers, and suppliers. Domains can have different base currencies, languages, document numbering schemes, and security, as well as different operational controls.
- *Shared set codes* identify data that can be shared among domains, so that a domain can have an independent chart of accounts or several domains can share the same chart of accounts, streamlining setup and maintenance.
- An *entity* within a domain represents an independent unit for financial and tax planning and reporting. An entity can represent a separate legal unit or a division of a legal entity.
- Use *profiles* to build relationships between shared sets in a multiple-domain or multi-entity environment. Profiles help to manage the specific assignment of accounts and daybooks.

Multiple Entities and Databases



Multiple Entities

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

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

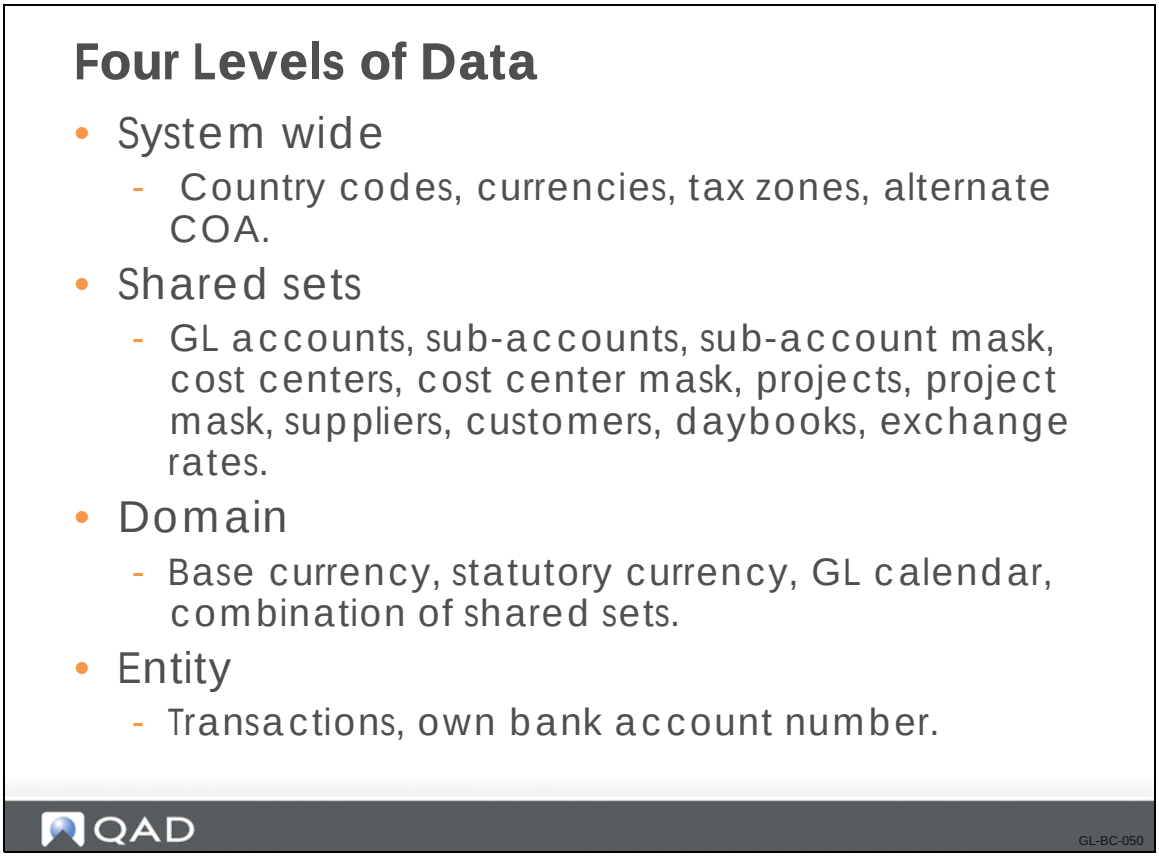
The entities can share the same database if they have the same base currency, GL calendar, and chart of accounts.

Multiple Databases

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

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

Data Levels

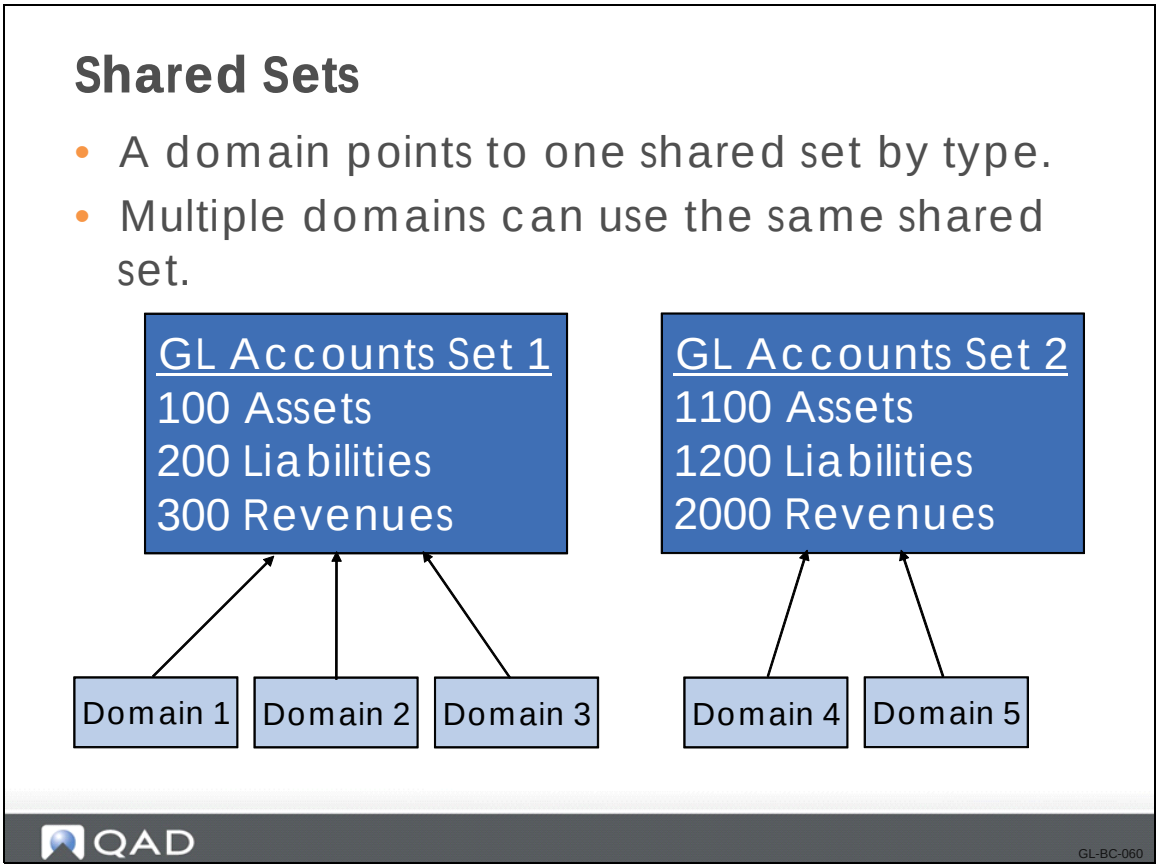


There are four levels of data in the QAD Enterprise Edition business model.

- System-wide data is shared by all domains and entities and includes:
  - Business relations and address-related data such as address types, corporate groups, currencies, rounding methods, languages, counties, states, and countries. Also included is address-related tax data such as tax zones, tax environments, tax classes, tax usage codes, and tax types.
  - Financial data, such as shared set codes, credit terms, invoice statuses, and profiles.
  - Security data such as users and roles.
  - Administrative data such as e-mail definitions and printers.
  - Some EDI eCommerce setup data.
  - User interface information such as labels, menus, messages, and look-up definitions.
- Shared sets group data that can be shared across domains. A single domain can have an independent chart of accounts or several domains can share the same chart of accounts, streamlining setup and maintenance.
  - The data types included in shared sets are GL account components (accounts, sub-accounts, cost centers, and projects), customers, suppliers, daybook codes, and exchange rates.
- A domain represents the base unit of the system and comprises one or more entities. Each domain has its own base currency, which is then shared by the entities within the domain.

  - Most operational data is domain-specific. This includes the setup for items, as well as most purchasing, sales, and manufacturing functions. Some financial data is also domain-specific, such as COA masks—which determine valid combinations of accounts, sub-accounts, cost centers, and projects—and accounting periods.
- Entity-level data is limited, for example, the organization's own bank account number. Transactions are entered at entity level.

Shared Sets



Shared sets provide great flexibility in how you can set up a system.

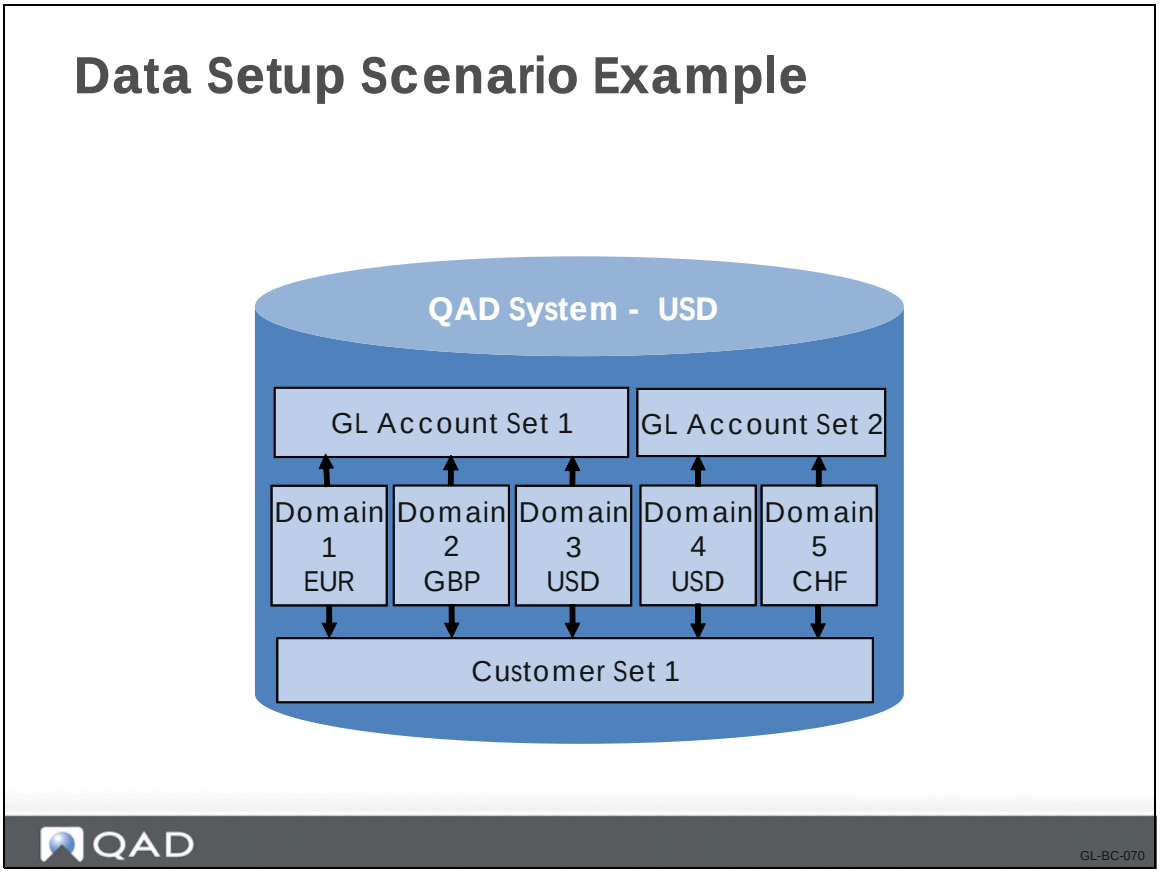
A default set of shared set codes is supplied with the system. However, you can create as many shared sets as required. The following types of data can be shared: customers, suppliers, accounts, sub-accounts, cost centers, projects, exchange rates, and daybooks.

When you create a domain, you must select at least one shared set code for each type of required data: customers, suppliers, accounts, sub-accounts, cost centers, projects, exchange rates, and daybooks. All entities within a domain use these shared sets.

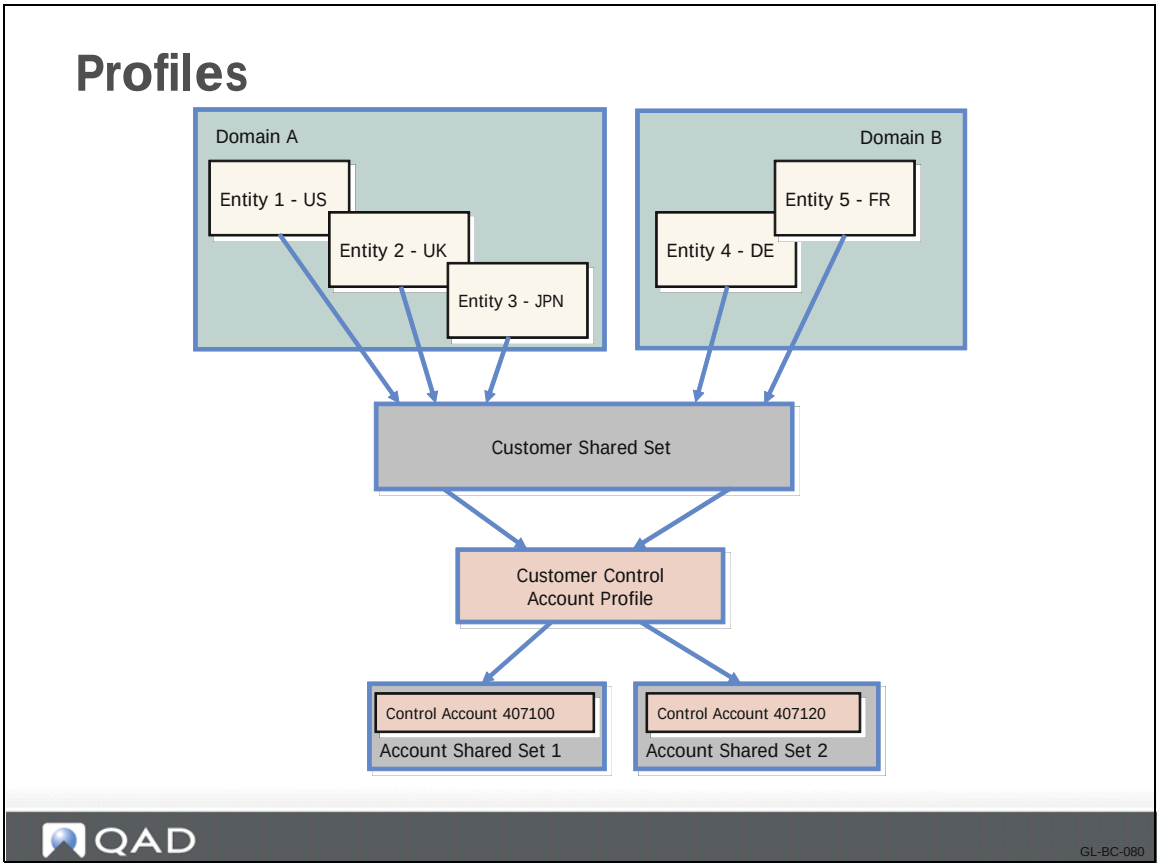
Consider the following scenario. Your database has two domains: North America and European Union. The entities in both domains share customers and suppliers. However, the chart of accounts (COA) differs because of local accounting practices.

To implement this scenario, you need a single shared set code for customers and a single one for suppliers. But you need two codes for each COA element: accounts, sub-accounts, cost centers, projects, and daybooks. Exchange rates are also shared, so one shared set of this type is sufficient.

Data Setup Scenario Example



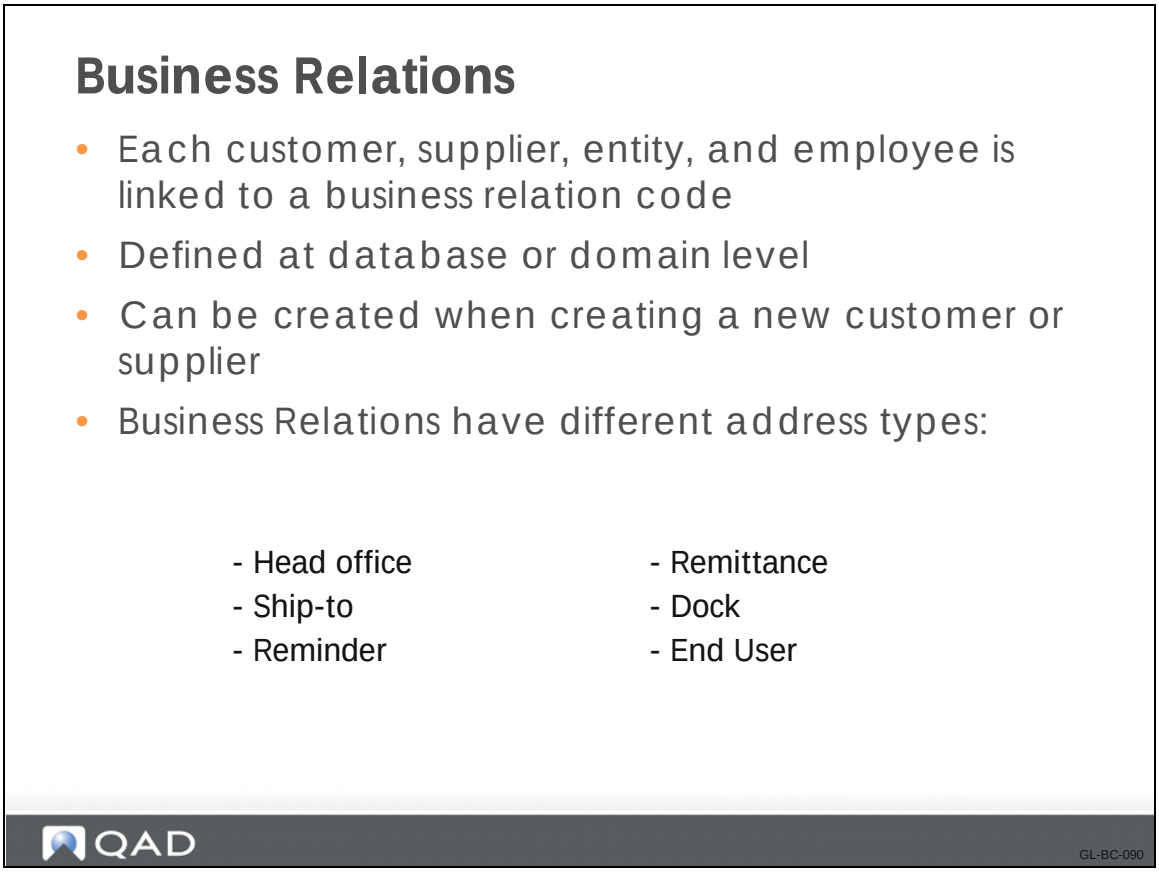
Profiles



In a multiple domain environment, use profiles to build relationships between shared sets (36.1.1.3).

In the example, instead of entering a control account in the customer record, you enter a profile code. The profile code is linked to two different chart of accounts, depending on the domain the transaction is recorded in.

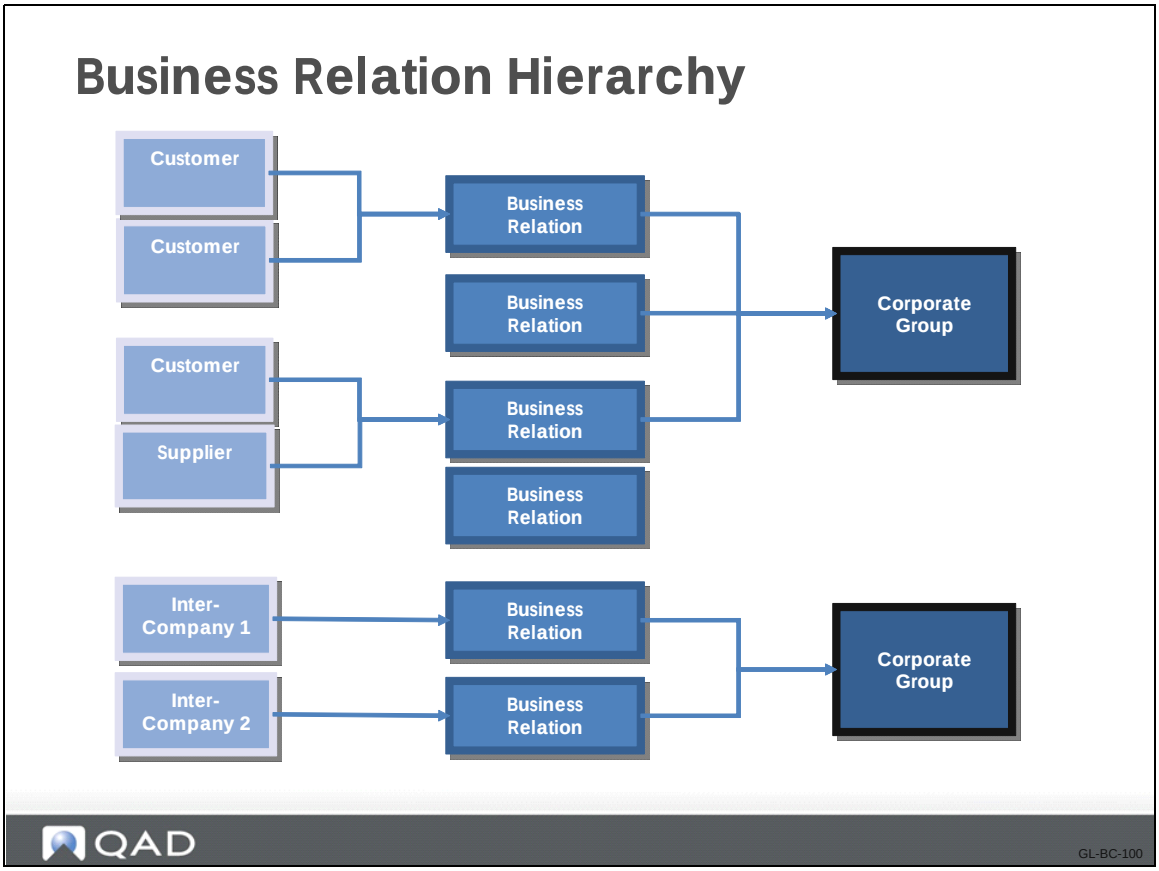
Business Relations



Business relations represent any organization or person that a company does business with, for example, customers, suppliers, employees, or an internal entity. A business relation address is a prerequisite for creating any of these records.

Business relation codes are defined at the database level. This lets you maintain all address data in one function, and then reference it in other functions that require address data, such as customer and supplier records. When the business relationship address data is modified, all other codes that reference that address are also updated automatically, reducing time and duplicate maintenance effort.

Business Relation Hierarchy



This slide shows how customer, supplier, and company records can relate to each other.

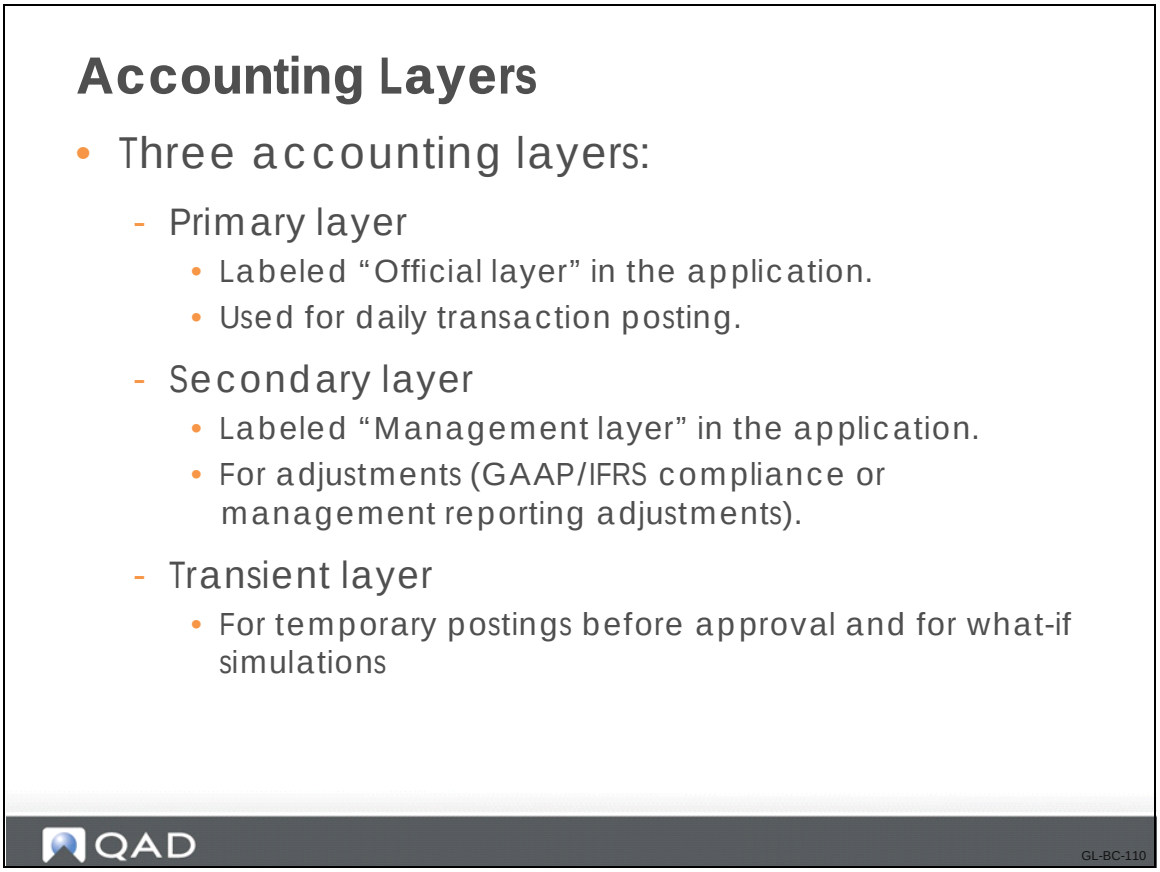
Note A business relation can be linked to both a customer and a supplier.

Example ABC produces pens and pencils, and sells to Office Supply Co. ABC, in return, purchases office supplies, such as paper and filing material, from Office Supply Co.

Office Supply Co. is both a supplier and customer of ABC.

You can link business relations together using a corporate group. This function is useful for reporting purposes.

Accounting Layers



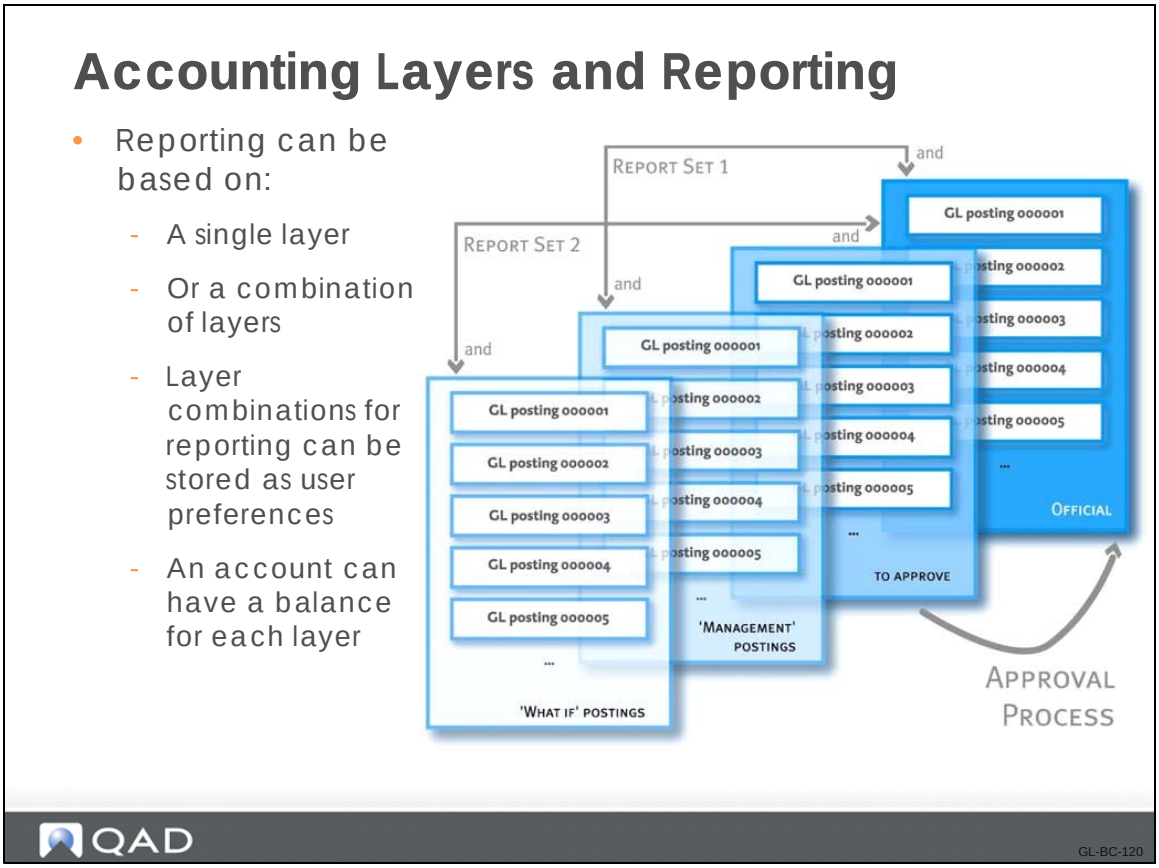
Accounting layers provide different ways of segregating transactions within a single GL account to satisfy reporting requirements. The posting of transactions is controlled by associating daybook types with one of the three system-defined accounting layers: primary (labelled official in the system), secondary (labelled management in the system), and transient.

The primary layer is used for daily transaction posting.

Define one or more secondary layers to allow for adjustments required to meet different GAAP/IFRS requirements, or for management reporting.

The transient layer is used to temporarily post transactions pending approval, or to simulate postings.

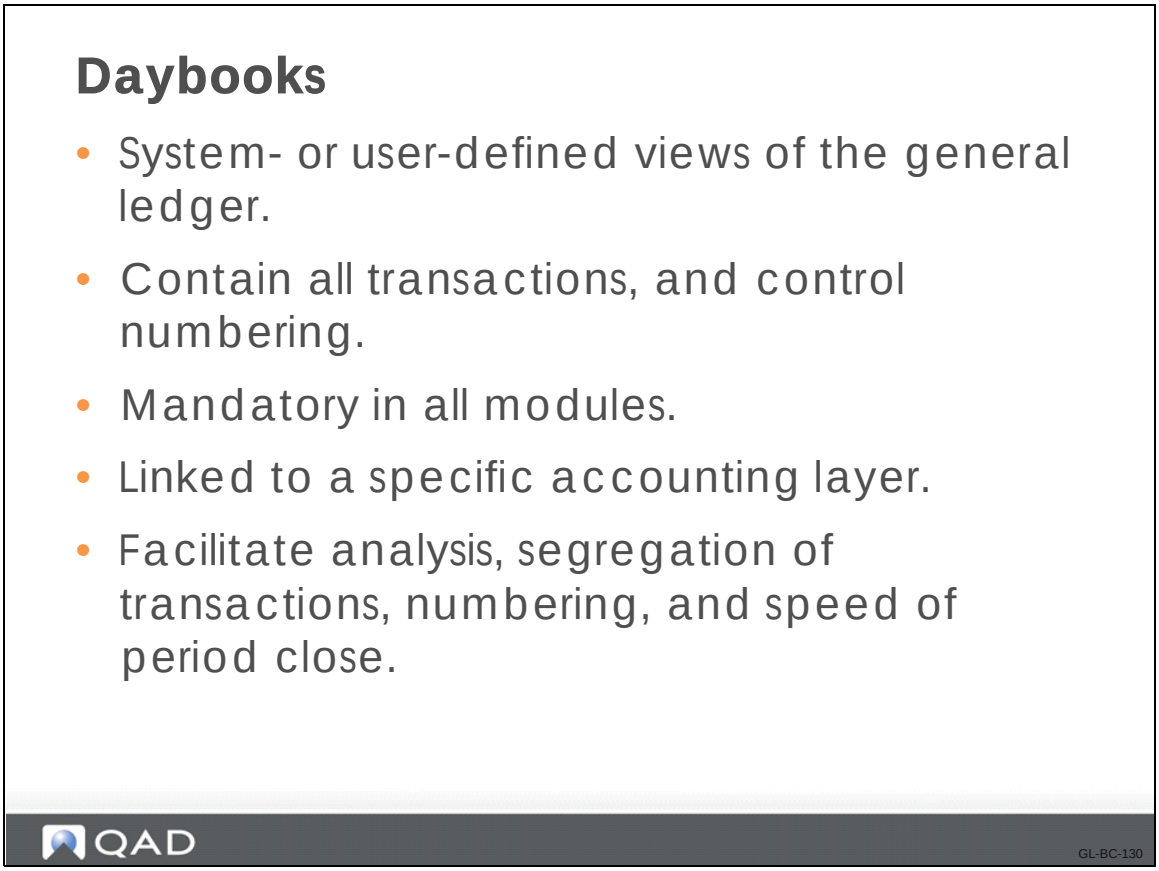
Accounting Layers and Reporting



Financials reports let you select multiple layers at a time, for example, both the primary layer and management layer to include management adjustments.

Any combination is possible, as shown in the slide.

Daybooks



Daybooks, also known as journals, are system or user-defined views of the general ledger and contain all transactions.

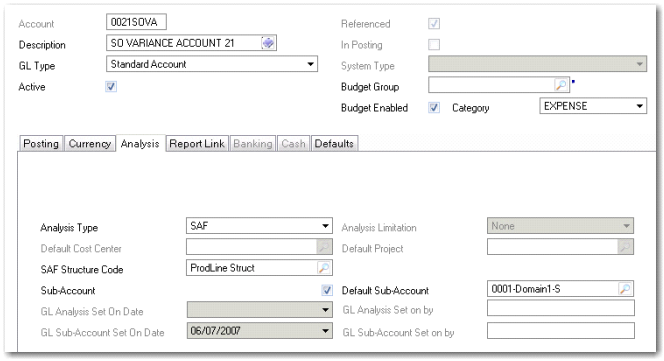
Daybooks play an important role in QAD Enterprise Financials, and their use is mandatory. It is recommended to use more than one daybook as a means of grouping transactions. Daybooks can be used to distinguish between different types of journal entries, such as auditor adjustments, payroll entries, GAAP adjustments, and manually prepared accruals.

Daybooks also control the numbering of invoices and credit notes, in addition to GL transaction numbers. Daybooks are linked to an accounting layer, and can be controlled by the financial functions, the operational functions, or externally when a third-party add-on product interface.

GL Account Setup Features

GL Account Create

- GL Type
  - Standard
  - Bank
  - Control accounts
  - System accounts
- Posting Control
  - Debit/Credit
  - Balance Sheet/P&L
  - Intercompany
  - Quantities



- Analysis
  - Cost Center, SAF, Sub Accounts, (Default Values)

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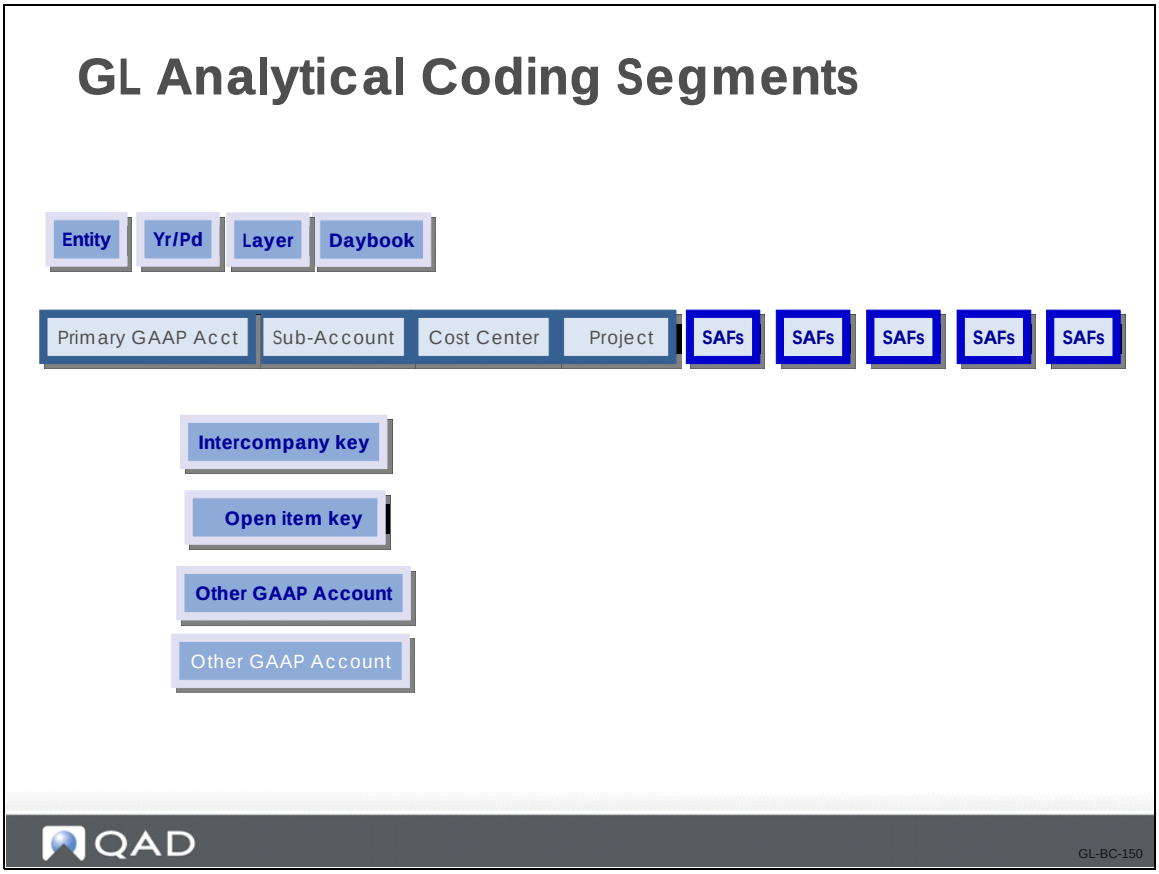
Some of the features of General Ledger accounts in QAD Enterprise Financials include:

- Several GL types with added functionality for each.
- Posting control, where some of the attributes are mandatory.
- Extensive analysis capabilities with sub-accounts, cost centers, projects, and Supplementary Analysis Fields (SAFs).

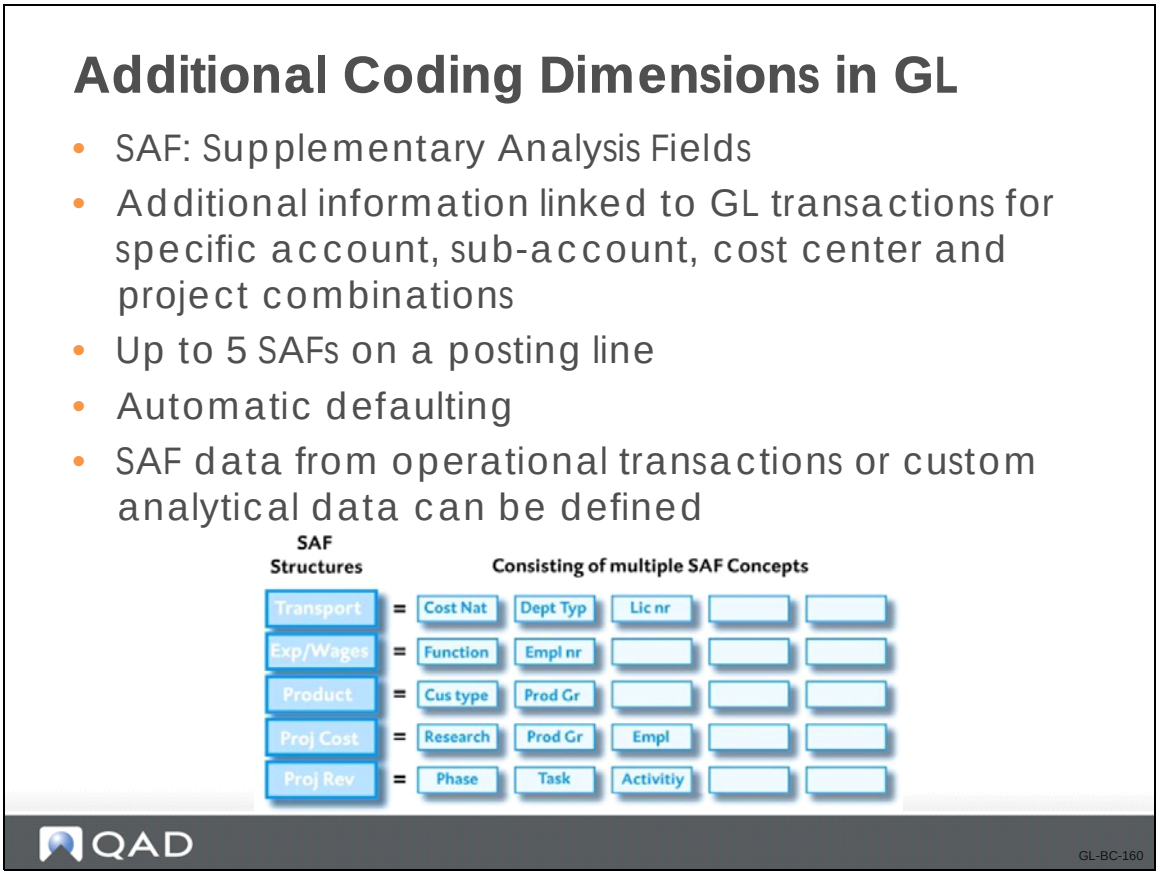
GL Analytical Coding Segments



QAD Financials uses standard, industry-recognized components to implement your chart of accounts. The strength of the application is its flexibility—you can configure the business model to generate many different types of accounting information.

GL accounts, sub-accounts, cost centers, and projects combinations can be validated using a GL mask. The GL mask validates account element combinations when transactions are posted, preventing any posting errors.

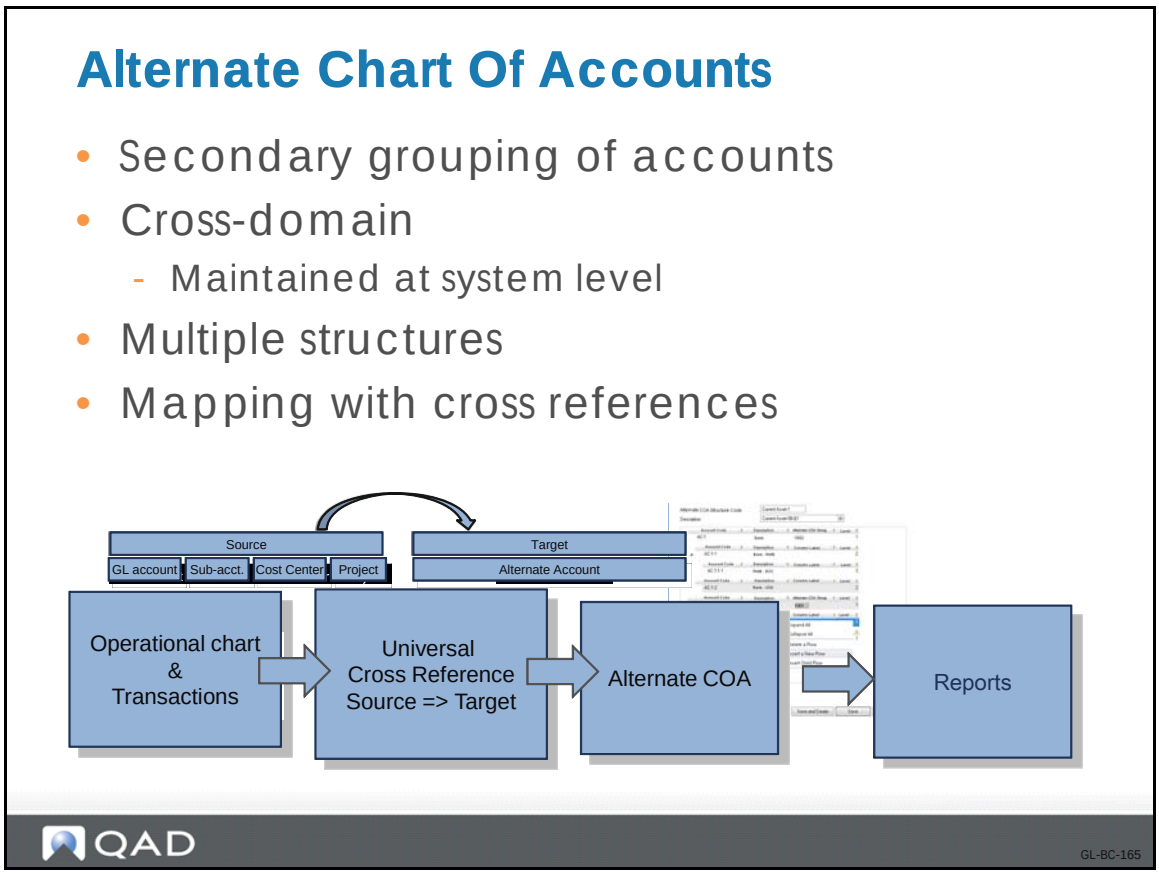
Additional Coding Dimensions in GL



In addition to the four basic components of the general ledger, you can define five Supplementary Analysis Fields (SAFs) to fine-tune transactions. SAFs provide the basis for powerful and flexible financial reporting and analysis.

Default SAF codes are supplied with the system, and require no additional setup. You can also define your own SAFs, based on your unique reporting requirements.

Alternate Chart of Accounts



The Alternate Chart of Accounts functionality was introduced in QAD 2009 Enterprise Edition to provide the ability to report accounting activity using a standardized chart of accounts provided by local legal authorities (required in China, Russia, and France).

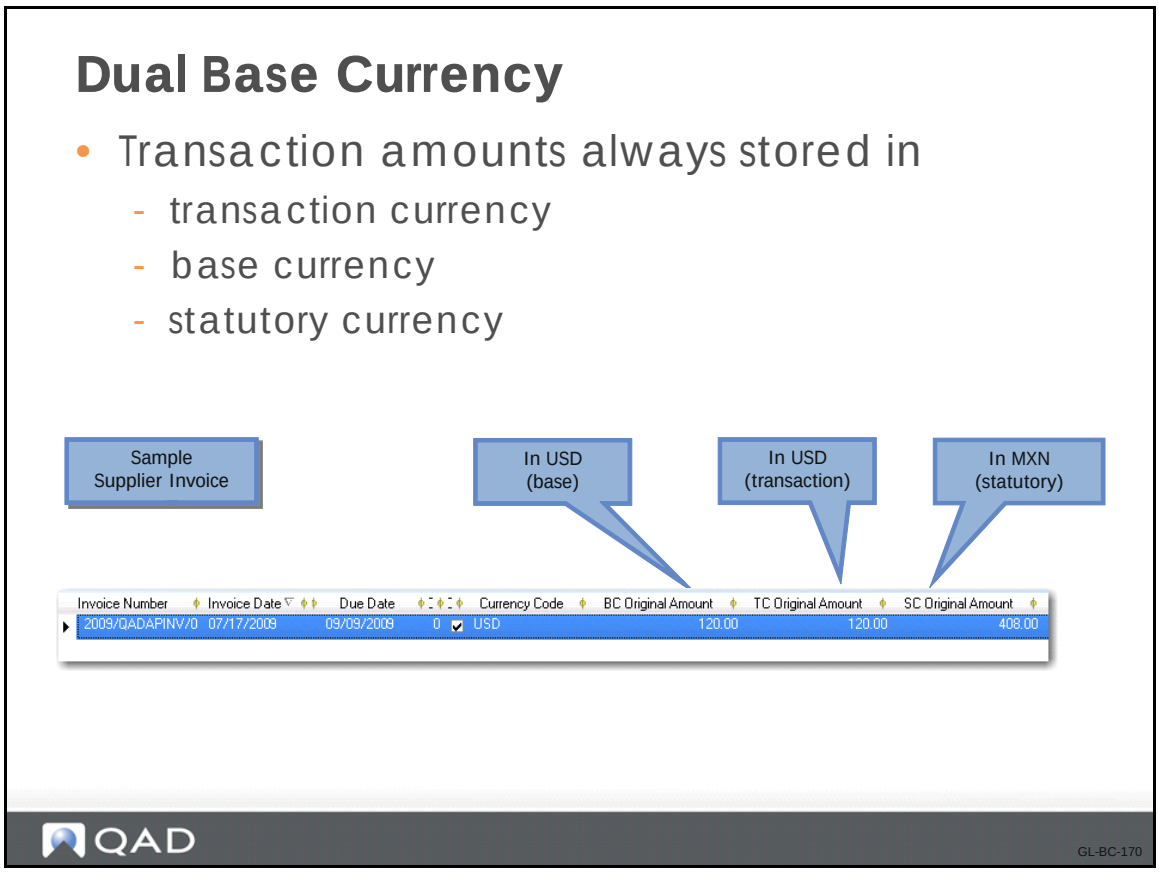
Alternate COAs are maintained at system level to be used across domains, and you can set up as many as required.

No posting occurs to the alternate COAs, which are only used for reporting.

Set up alternate COAs by defining cross-references from source GL combinations to target alternate accounts.

Learn more about alternate COAs in the Advanced Financials class.

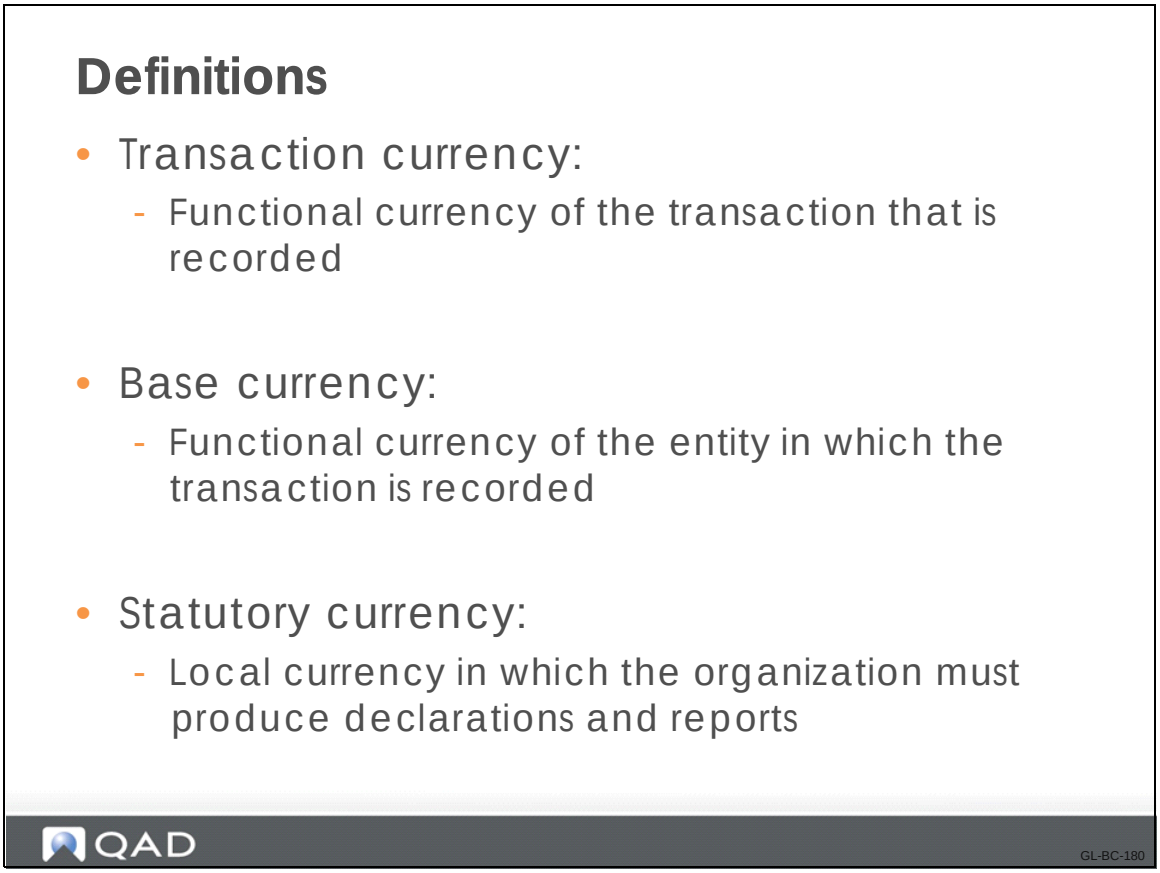
Dual Base Currency



In addition to the primary base currency at domain level, you can define a second management currency at database level, for reporting purposes. This currency is known as the statutory currency, and is normally the local currency of the country in which the organization must produce its declarations and financial reports.

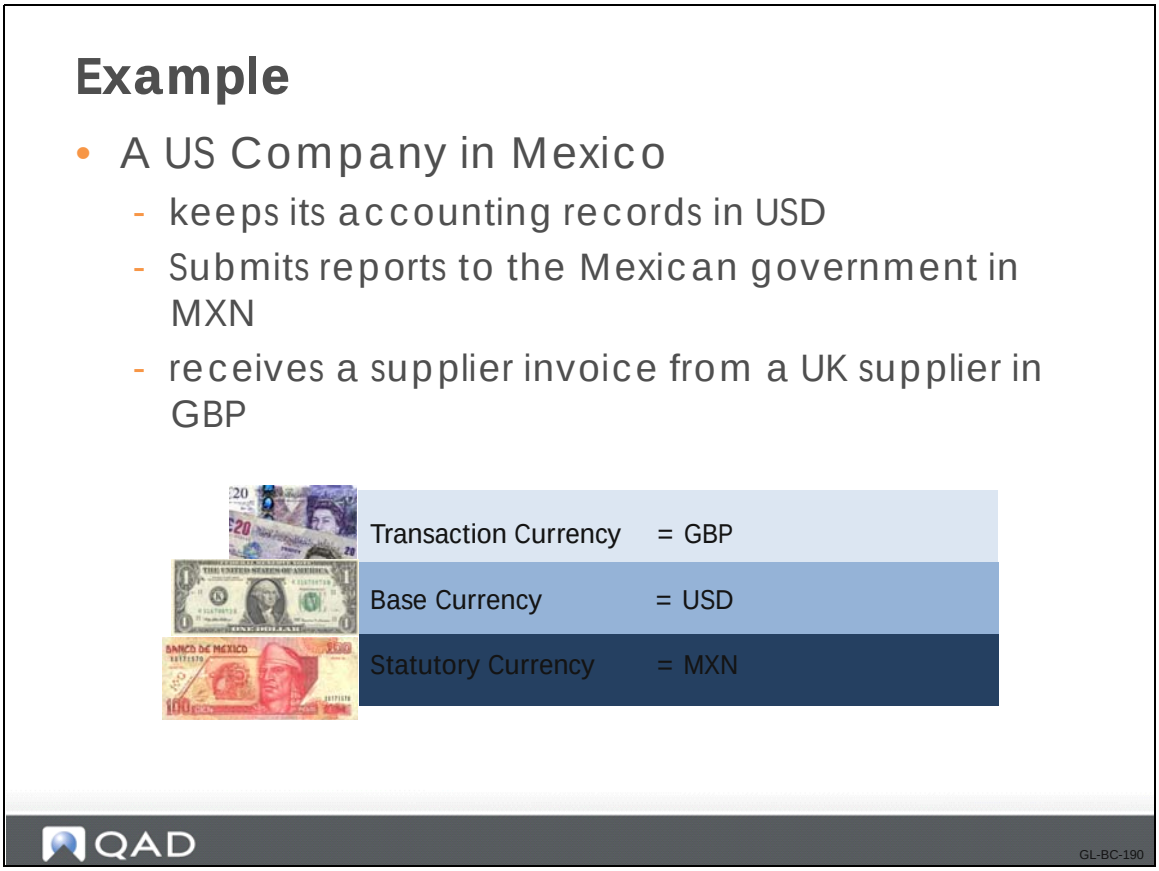
The need for a statutory currency is most likely to arise in a country that is geographically close to a strong currency zone (for example, Mexico and Poland), where the country itself has another local currency. Companies operating in countries close to strong currency zones, such as the Euro and US Dollar, might use the stronger currency as their base currency (functional currency). However, local auditors and tax controllers can mandate that companies submit their declarations and financial reports in the local currency of the country. In these cases, the local country currency becomes the organizations' statutory currency.

Definitions



Foreign currency transactions can be stored in a maximum of three currencies: the transaction currency, the base currency, and the management currency. This three-currency system lets you display a transaction or create a report in any of the defined currencies. This feature is especially important in environments with high inflation and strong currency fluctuation.

Example

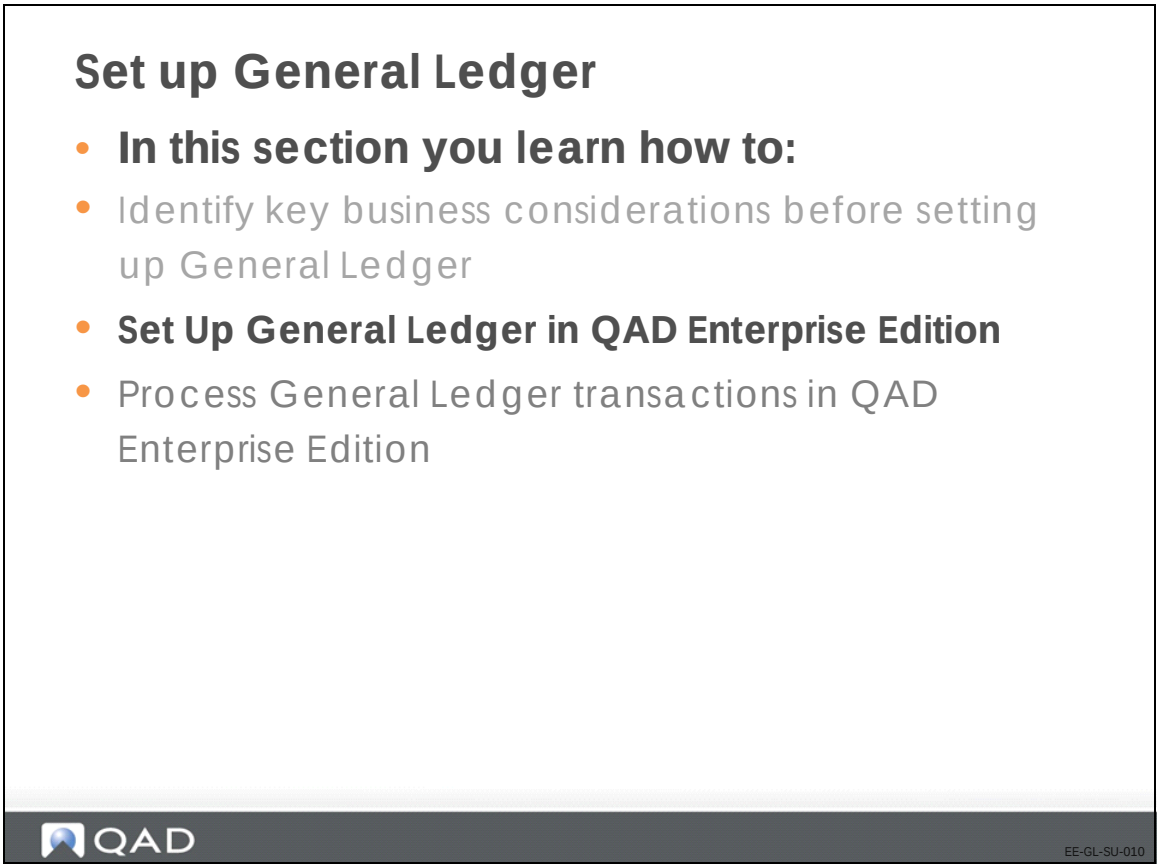


Example A multinational corporation has a subsidiary in Mexico. In the Mexican subsidiary, most business transactions are conducted in USD, the base currency. However, all reports that the subsidiary must produce for the Mexican government are in Mexican pesos, which is the statutory currency.

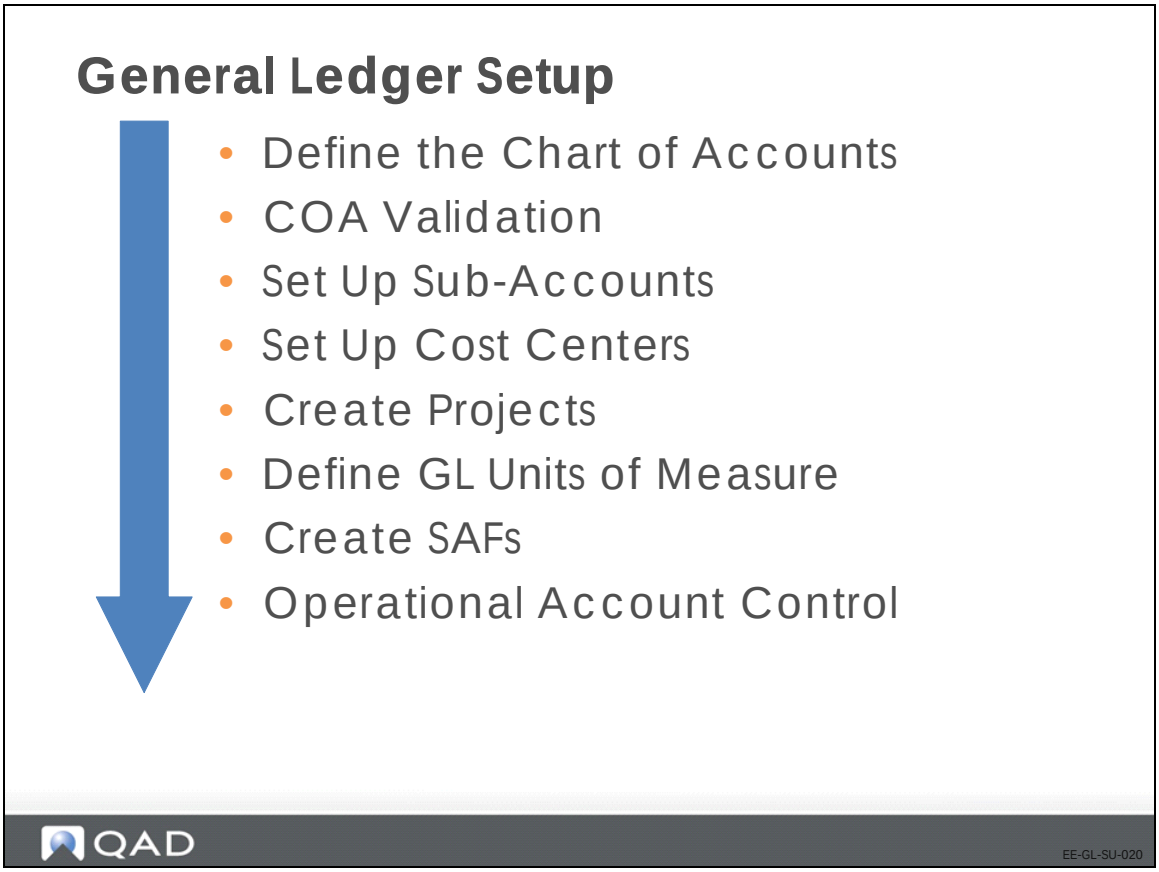
Chapter 3

Setting up the General Ledger

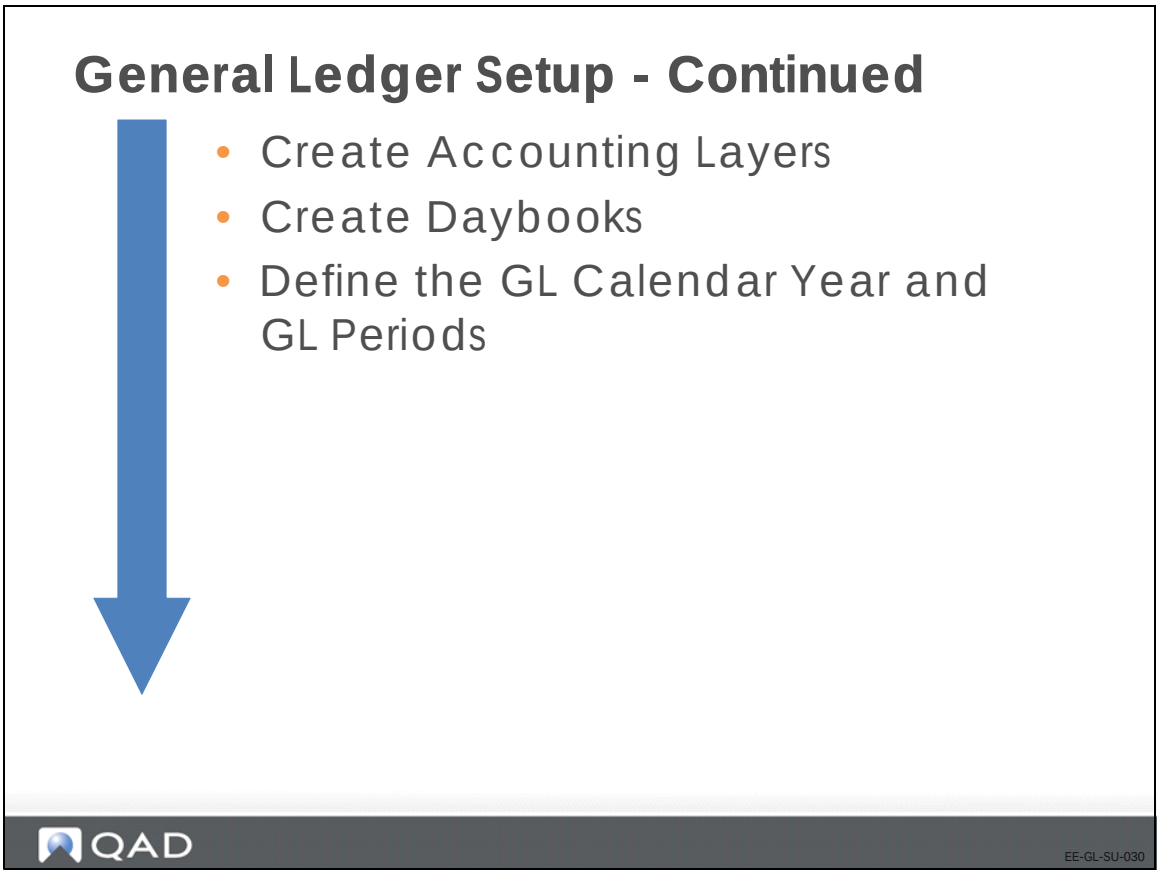
Course Overview



General Ledger Setup



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


General Ledger Setup - Continued
Create Accounting Layers
Create Daybooks
Define the GL Calendar Year and GL Periods
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Define the Chart of Accounts

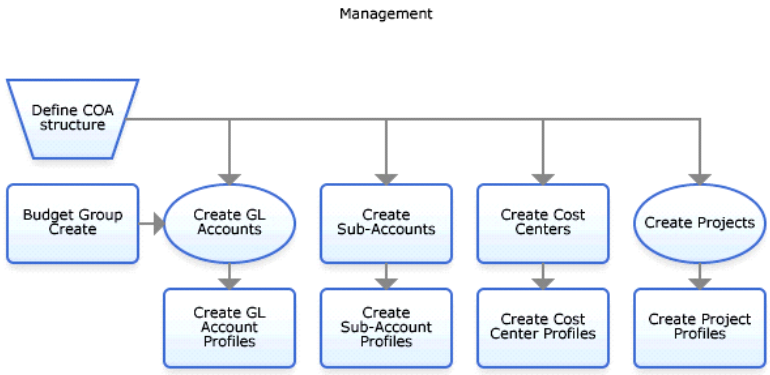

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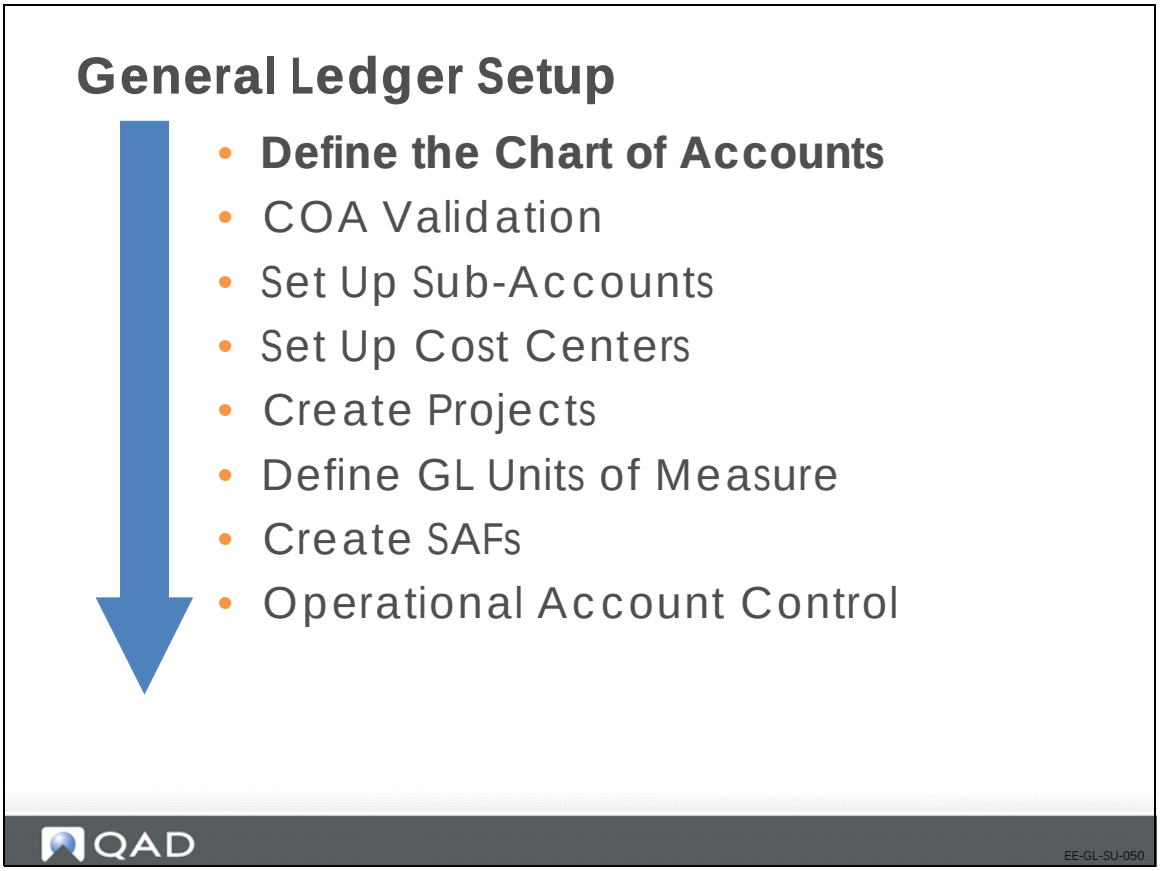
Chart of Accounts

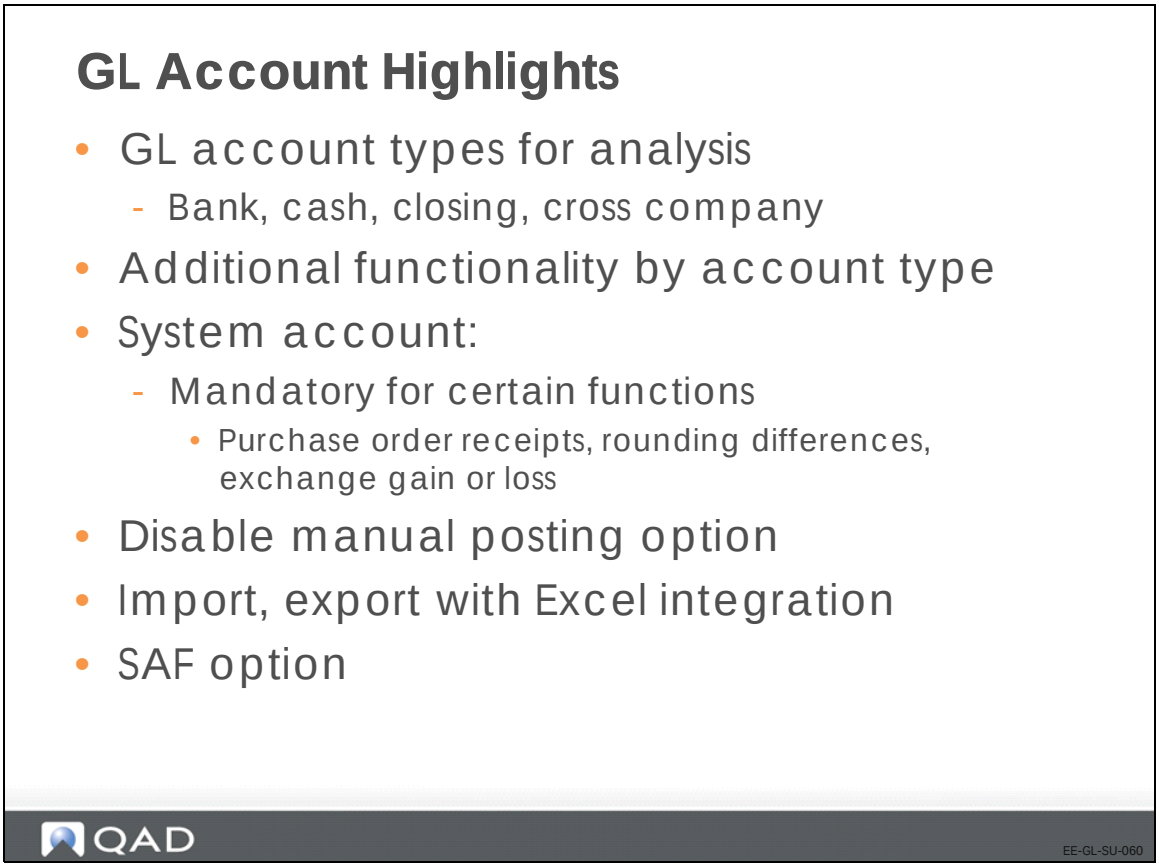


The first step require to implement the General Ledger module is to configure the chart of accounts.

The chart of accounts is a list of all account names and numbers used in an entity's General Ledger. A company's chart of accounts normally consists of balance sheet accounts (assets, liabilities) and income statement accounts (revenues, expenses, gains, losses).

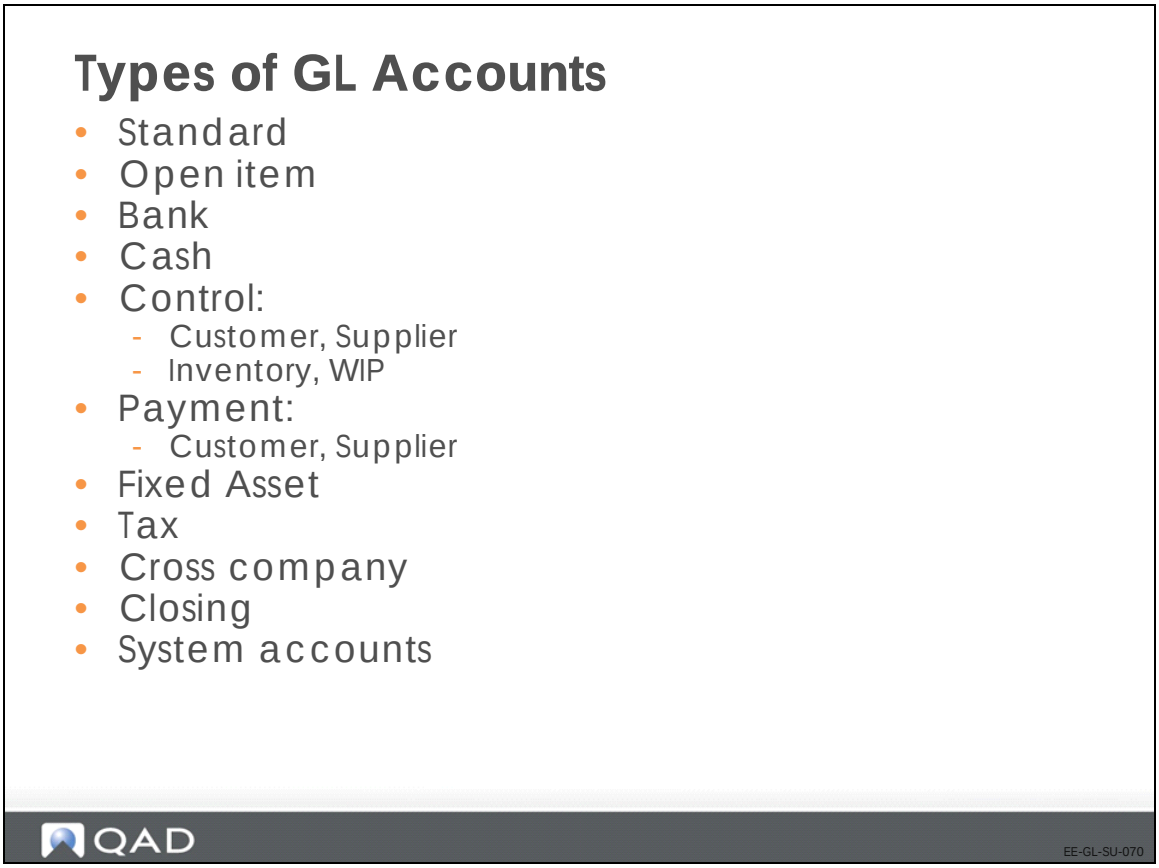
In QAD EE, you can specify GL accounts, sub-accounts, cost centers, and projects within your chart of accounts.

Set Up Accounts



The GL account is the base unit in the general ledger.

GL Accounts



Create as many different types of GL account as are required for your business environment.

Accounts show values for financial elements, such as cash, inventory, and sales. The individual account balances show values at a given point in time, and these values change as a result of transactions.

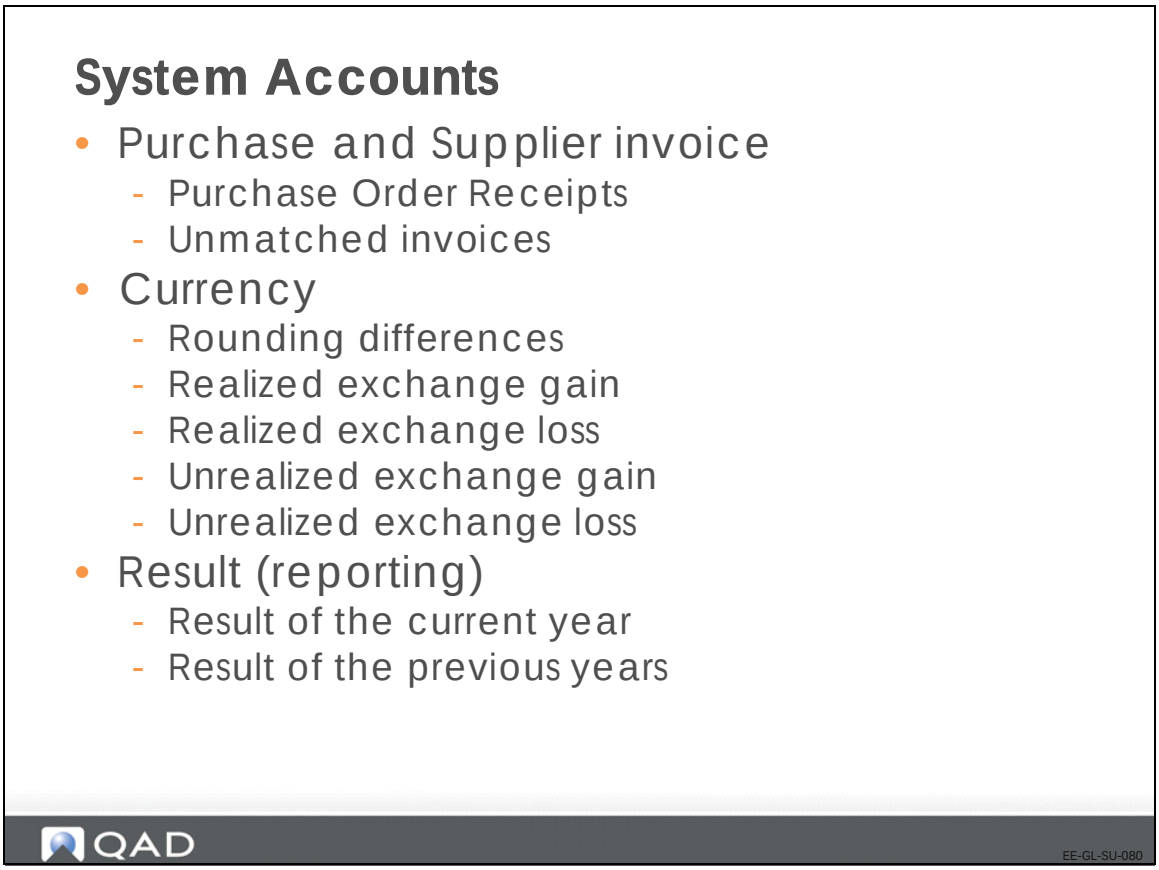
Account balances provide the content for financial statements.

Use GL Account Create to define GL accounts.

The following table lists the GL account types you can create:

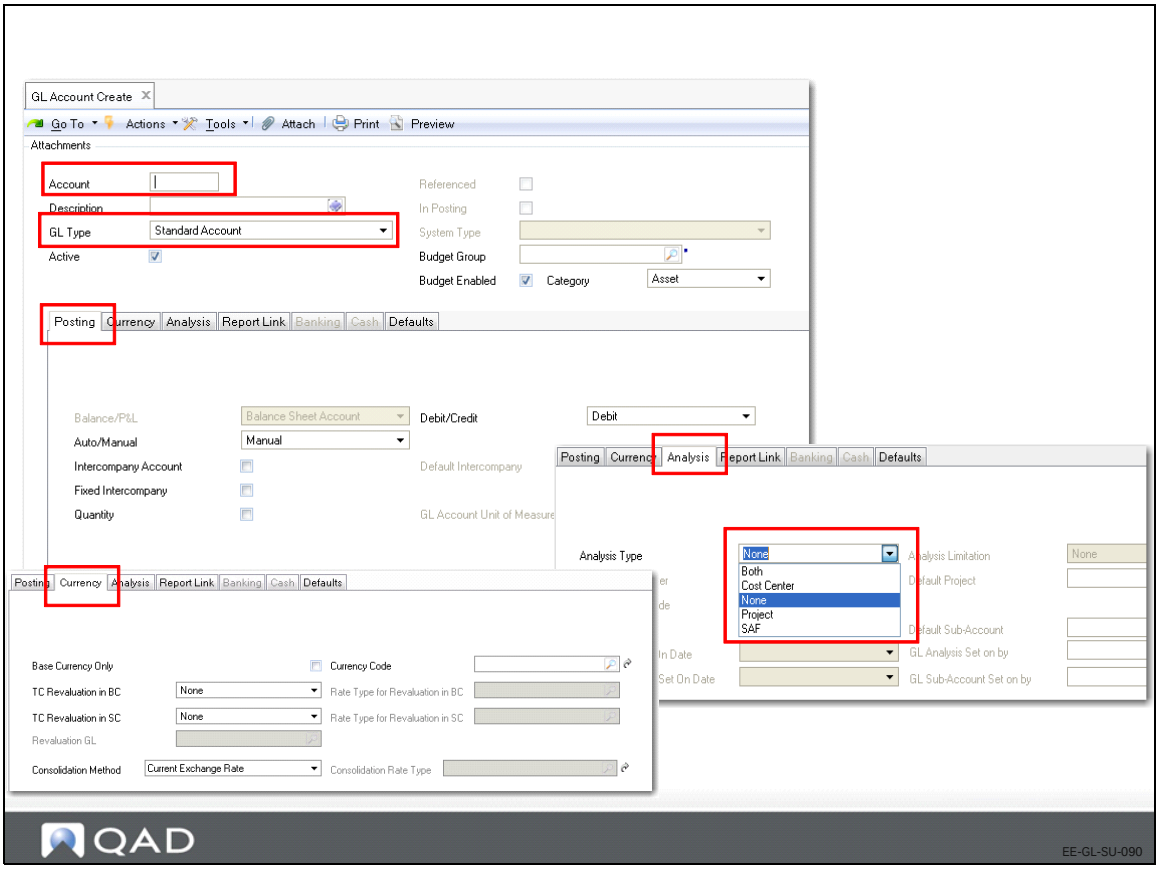
Account Type	Description
Bank Account	Use to configure a bank account.
Cash Account	Use to record cash transactions.
Closing Account	Use in the year-end closing process to post the total balance for each account type.
Cross-Company Control Account	Use to record postings from one entity to another. The corresponding balances are kept in mirrored cross-company accounts.
Customer Control Account	Use as the control account for customer Accounts Receivable activity.
Customer Payment Account	Use to record customer payment transactions, such as those involving checks, direct debits, and drafts.

Account Type	Description
Fixed Assets Account	Use to record fixed assets activity.
Inventory Control Account	Use to record the inventory sub-ledger activity.
Open Items Account	Use to record open item transactions.
Standard Account	Use to define basic, non-specific accounts.
Supplier Control Account	Use as the control account for supplier Accounts Payable activity.
Supplier Payment Account	Use to record supplier payment transactions, such as those involving checks, paper and electronic transfers, and drafts.
System Account	Use system accounts for accounting functions that affect all data and transactions for a shared set, such as rounding differences, revaluation, or fixed-asset disposals.
Tax Account	Use to record tax entries and transactions, such as the tax charged on sales, known as output tax, and the tax paid on purchases, known as input tax. Use the information in the account when completing your tax return at the end of each tax period.
WIP Control Account	Use to record the cost of open work orders, such as raw materials taken from inventory and being used in the manufacturing process.



System accounts are used for system-wide functions, such as rounding differences or exchange rate gains and losses. The System Type drop-down list in the GL account screen is enabled when you specify a system account. Examples of system accounts include Purchase Order Receipts, Realized Exchange Loss/Gain, Unrealized Exchange Gain/Loss, and Result of Current Year.

GL Account Create

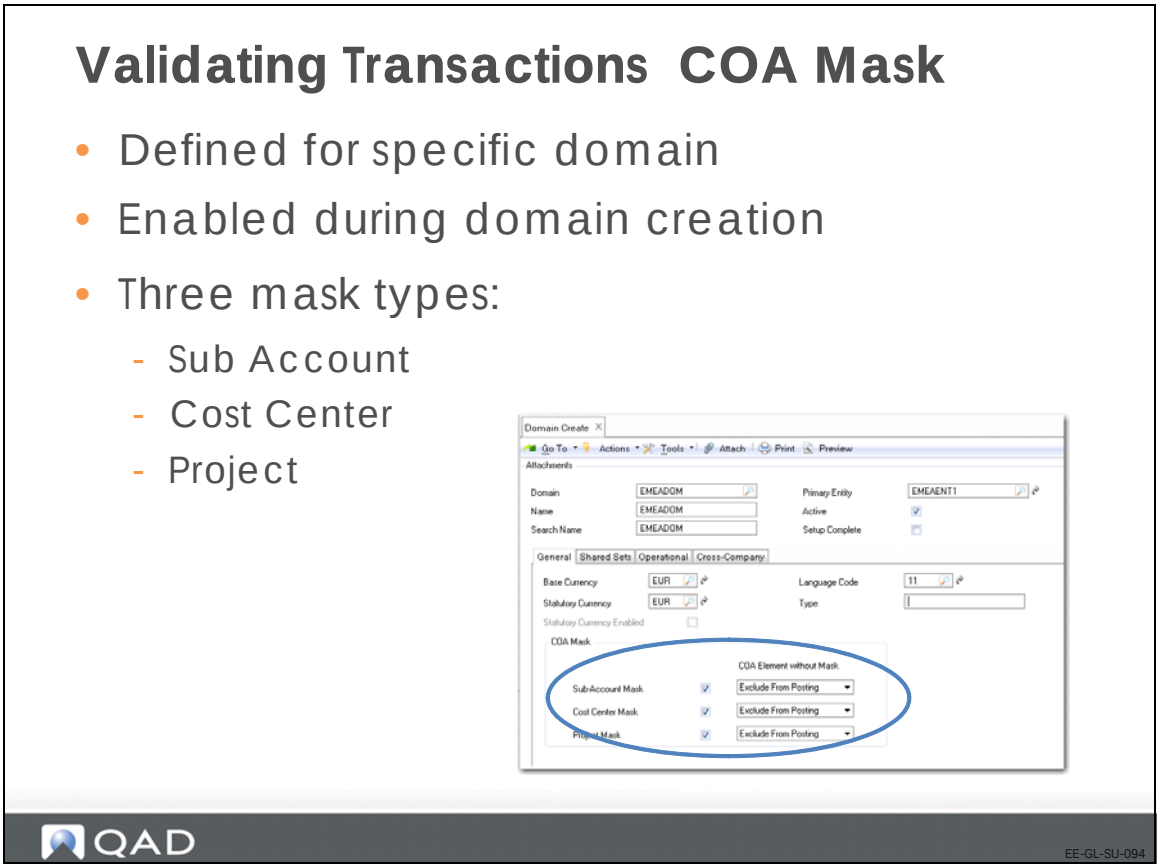


Use GL Account activities (25.3.13) to create, view, modify, and delete GL accounts. You can also use Excel Integration (25.3.13.5) to import account information from an Excel spreadsheet.

Use GL Account Create to define how posting should occur (limited based on the account type), whether foreign currency postings are accepted on the account, and the analysis type to use (sub-account, cost center, project, or SAF, or a combination of these). The analysis types you can use with each account is limited, based on the account type.

- Many attributes of a GL account can be modified if it has not been used in posting.
- The Balance/PL field cannot be modified in nonstandard accounts.

Validating Accounts—COA Mask



The GL Mask Maintain function from previous releases has been replaced by new COA mask functions that provide greater flexibility in creating matrices to validate postings.

Three COA element types now have a separate COA mask maintenance function.

- Sub-Account Mask Create (25.3.9.1.1)

  Specify a sub-account COA mask code and list the ranges of GL accounts with which sub-accounts assigned that COA mask can be combined.

- Cost Center Mask Create (25.3.9.2.1)

  Specify a cost center COA mask code and list the ranges of GL accounts and sub-accounts with which cost centers assigned that COA mask can be combined.

- Project Mask Create (25.3.9.3.1)

  Specify a project COA mask code and list the ranges of GL accounts, sub-accounts, and cost centers with which projects assigned that COA mask can be combined.

COA masks are implemented at domain level and as part of a shared set, and are activated using three control fields in Domain Create (36.1.1.1.1): Sub-Account Mask, Cost Center Mask, and Project Mask. You can only define a COA mask if it has been activated in Domain Create (36.1.1.1.1). The system validates postings for each of the COA masks marked as active.

An additional setting in Domain Create controls how the system treats COA elements that are not assigned a COA mask.

The COA Element without Mask field contains two options:

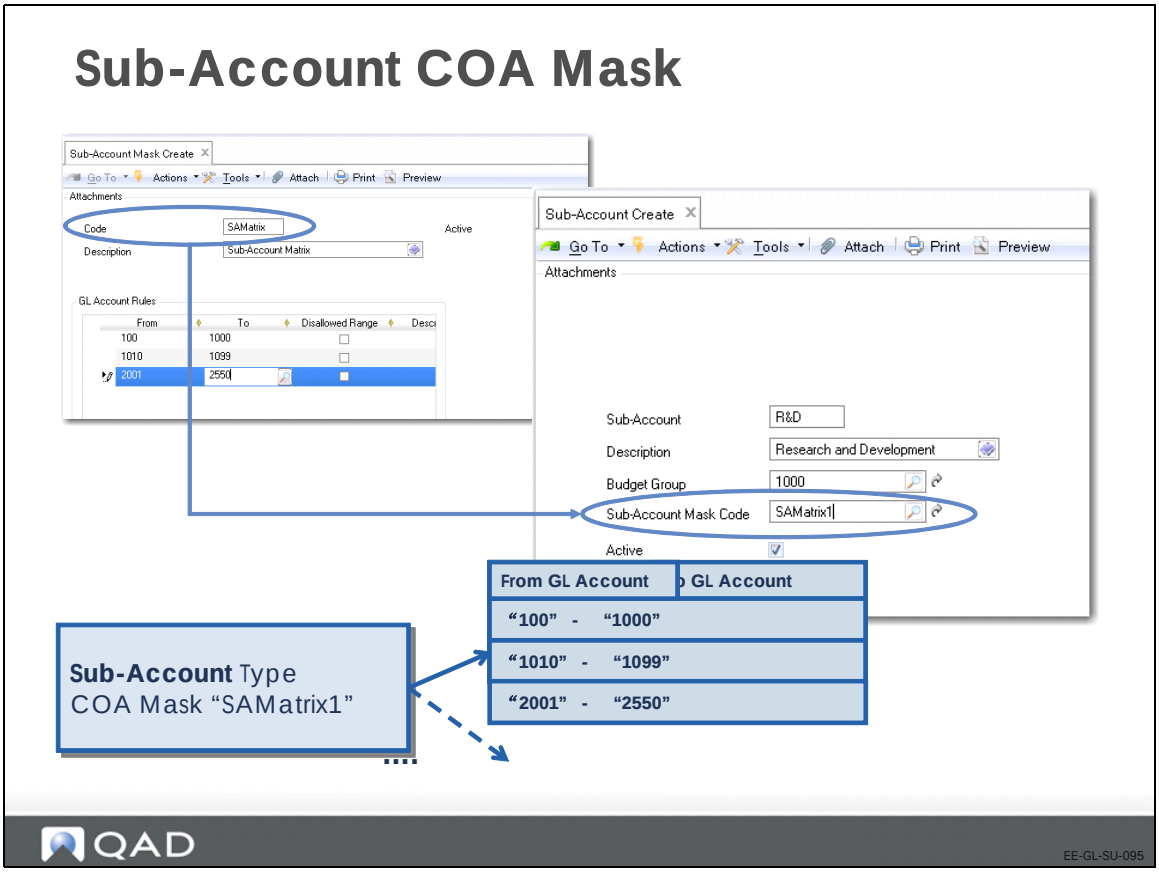
- No Posting Restrictions.

  If, for example, you activate cost center masks and select No Posting Restrictions in the COA Element without Mask field, cost centers that are not assigned a COA mask can be used in any posting.

- Exclude from Posting

  In the COA Element without Mask field, cost centers that are not assigned a COA mask cannot be used in postings.

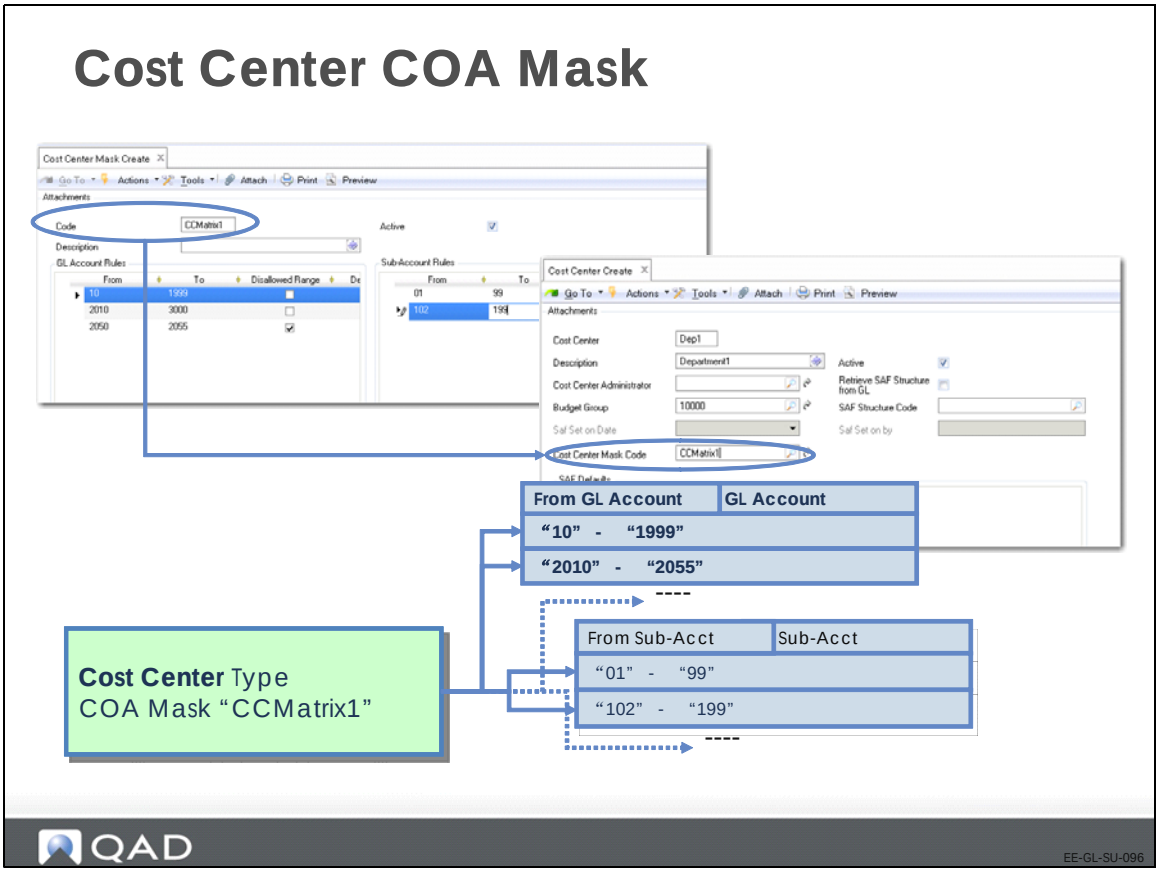
Sub-Account COA Mask



Use Sub-Account Mask Create (25.3.9.1.1) to define the ranges of GL accounts with which a sub-account can be combined in postings. The sub-account mask is then assigned to the sub-account using Sub-Account Create (25.3.17.1) or Sub-Account Modify (25.3.17.2). If you assign a COA mask to a sub-account, the system will prevent it from being used with any GL account not specified within the ranges defined in Sub-Account Mask Create.

COA masks are described in detail in the Advanced Financials course and in *User Guide: QAD Financials*.

Cost Center COA Mask

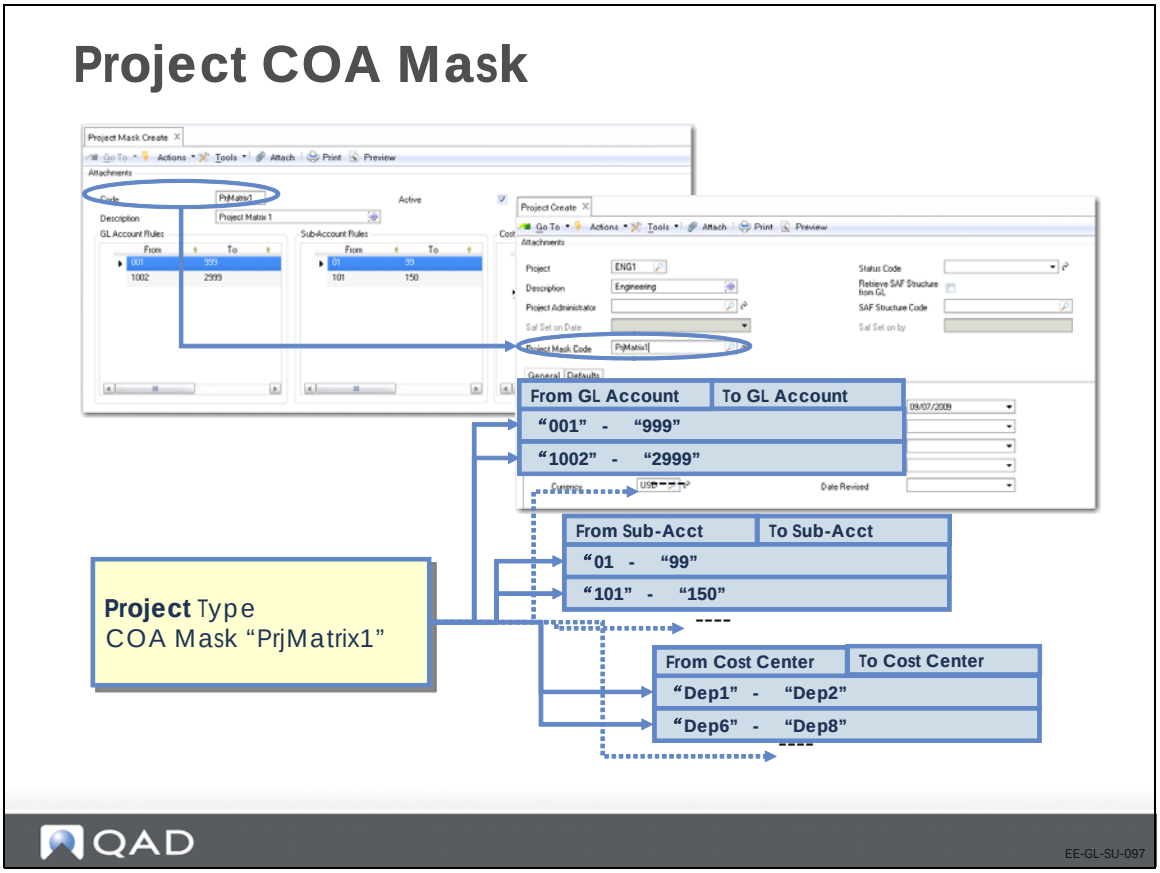


Use Cost Center Mask Create (25.3.9.2.1) to specify the ranges of GL accounts and sub-accounts that you can use in combination with a particular cost center.

You then associate the COA mask with a cost center by specifying the cost center COA mask code in the COA Mask field in the cost center record in Cost Center Create.

COA masks are described in detail in the Advanced Financials course and in *User Guide: QAD Financials*.

Project COA Mask



Use Project Mask Create (25.3.9.3.1) to specify the ranges of GL accounts, sub-accounts, and cost centers that you can use in combination with a particular project when posting.

You then associate the COA mask with a project by specifying the project COA mask code in the COA Mask field in Project Create.

COA masks are described in detail in the Advanced Financials course and in *User Guide: QAD Financials*.

US Exercise: Create GL Accounts

1 Log in to 10USACO and create the following GL accounts using GL Account Create (25.3.13.1).

The GL Account Create fields are listed in the leftmost column.

The subsequent columns list the field values for each GL account to create.

General					
GL Account	1000	1250	1505	1675	2100
GL Description	Petty cash USD	Current Bank GBP	Sundry Inventory	Sundry transfers	Suppliers Exp notes
GL Type	Cash	Bank	Inventory	Open items	Supplier control
System Type					
Active	Yes	Yes	Yes	Yes	Yes
Budget Group					
Budget Enabled	Yes	Yes	Yes	Yes	Yes
Category	Asset	Asset	Asset	Asset	Liability
Postings Tab					
Balance/P&L	Balance	Balance	Balance	Balance	Balance
Debit/Credit	Debit	Debit	Debit	Debit	Credit
Auto/Manual	Manual	Manual	Auto	Manual	Auto
Intercompany Account	No	No	No	No	No
Default Intercompany					
Fixed Intercompany					
Quantity	No	No	No	No	No
GL Account Unit of Measure					
Currency Tab					
Base Currency Only					
Currency Code	USD	GBP			
Revaluation GL					
TC Revaluation in BC	None	Revaluation Rate	None	None	None
Rate Type for Revaluation in BC					
TC Revaluation in SC	None	Revaluation Rate	None	None	None
Rate Type for Revaluation in SC					
Consolidation Method	Current exchange Rate	Current exchange rate	Current exchange rate	Current exchange rate	Current exchange rate
Exchange Rate Type					
Analysis Tab					
Analysis Type	None	None	None	None	None

Analysis Limit					
Default Cost Center					
Default Project					
SAF Structure Code					
Sub-Account	No	No	No	No	Yes
Default Sub-Account					DefSubAct
Report Link Tab					
GL Account					
Shared Set Code					
GL Description					
Banking Tab					
Entity Code		10USACO			
Default		Yes			
Bank Format		XX			
Bank Account No		99887766			
Business Relation Code					
Active		Yes			
SWIFT Code					
Branch					
Own GL Account					
Banking Daybook Profile		BEGBP			
AP Discount Account	5700	5700			
AR Discount Account	4220	4220			
Cash Tab					
Cash Recv Daybook Profile	CASHIN				
Cash Paid Daybook Profile	CASHOUT				

EMEA Exercise: Create GL Accounts

1 Change domain to 22UK -> 22UKCO and create the following GL accounts.

The GL Account Create fields are listed in the leftmost column.

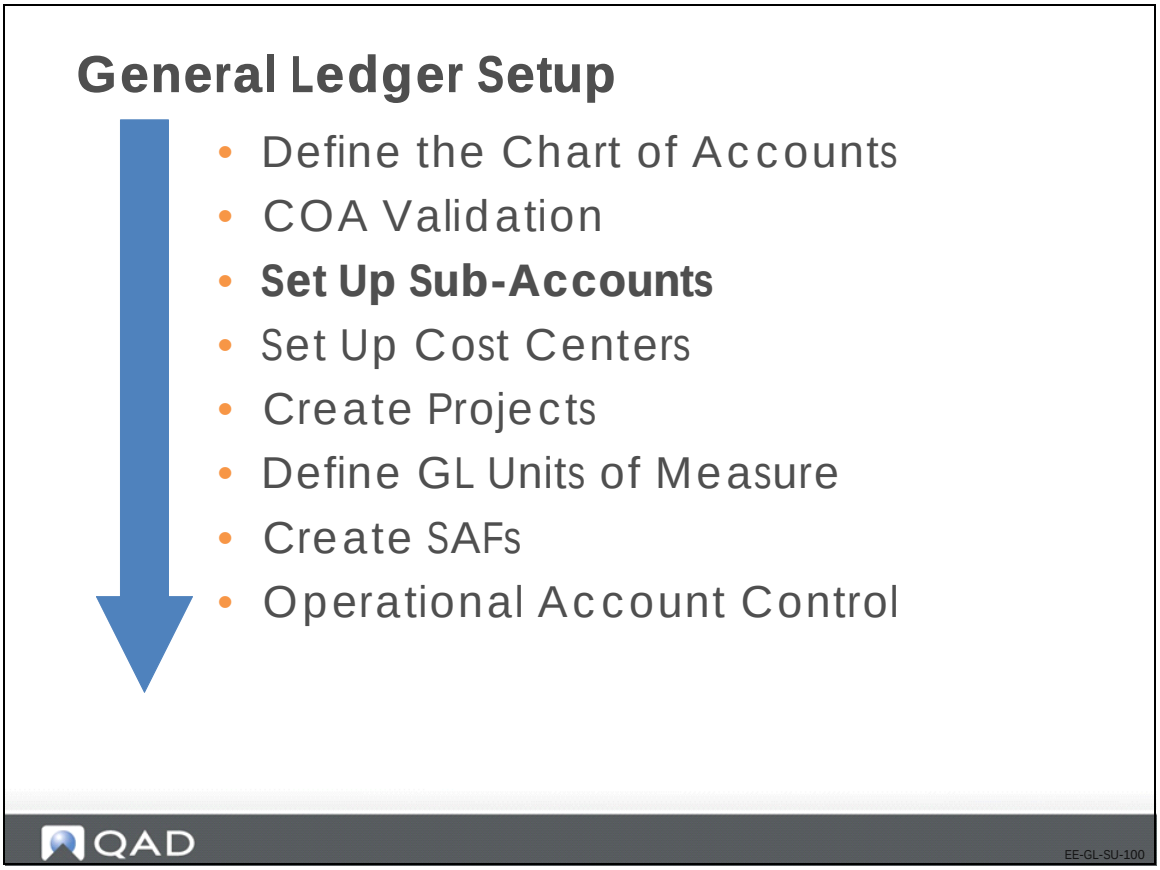
The subsequent columns list the field values for each GL account to create.

General					
GL Account	12000	12250	30005	35075	15010
GL Descriptions	Petty cash GBP	Current Bank EUR	Sundry Inventory	Sundry transfers	Suppliers Exp notes
GL Type	Cash	Bank	Inventory	Open item	Supplier control
System Type					
Active	Yes	Yes	Yes	Yes	Yes
Budget Group					

Budget Enabled	Yes	Yes	Yes	Yes	Yes
Category	Asset	Asset	Asset	Asset	Liability
Posting Tab					
Balance/P&L	Balance	Balance	Balance	Balance	Balance
Debit/Credit	Debit	Debit	Debit	Debit	Credit
Auto/Manual	Manual	Manual	Auto	Manual	Auto
Intercompany Account	No	No	No	No	No
Default Intercompany					
Fixed Intercompany					
Quantity	No	No	No	No	No
GL Account UM					
Currency Tab					
Base Currency Only					
Currency Code	GBP	EUR			
Revaluation GL					
TC Revaluation in BC	None	Revaluation Rate	None	None	None
Rate Type for Revaluation in BC					
TC Revaluation in SC	None	Revaluation Rate	None	None	None
Rate Type for Revaluation in SC					
Consolidation Method	Current exchange Rate	Current exchange rate	Current exchange rate	Current exchange rate	Current exchange rate
Exchange Rate Type					
Analysis Tab					
Analysis Type	None	None	None	None	None
Analysis Limit					
Default Cost Center					
Default Project					
SAF Structure Code					
Sub-Account	No	No	No	No	Yes
Default Sub-Account					DefSubAct
Report Link					
GL Account					
Shared Set Code					
GL Description					
Banking					
Entity Code		22UKCO			
Default		Yes			
Bank Format		XX			
Bank Account No		888777			
Business Relation Code					

Active		Yes			
SWIFT Code					
Branch					
Own GL Account					
Banking Daybook Profile		BEEUR			
AP Discount Account	5700	5700			
AR Discount Account	4220	4220			
Cash					
Cash Recv Daybook Profile	CASHIN				
Cash Paid Daybook Profile	CASHOUT				

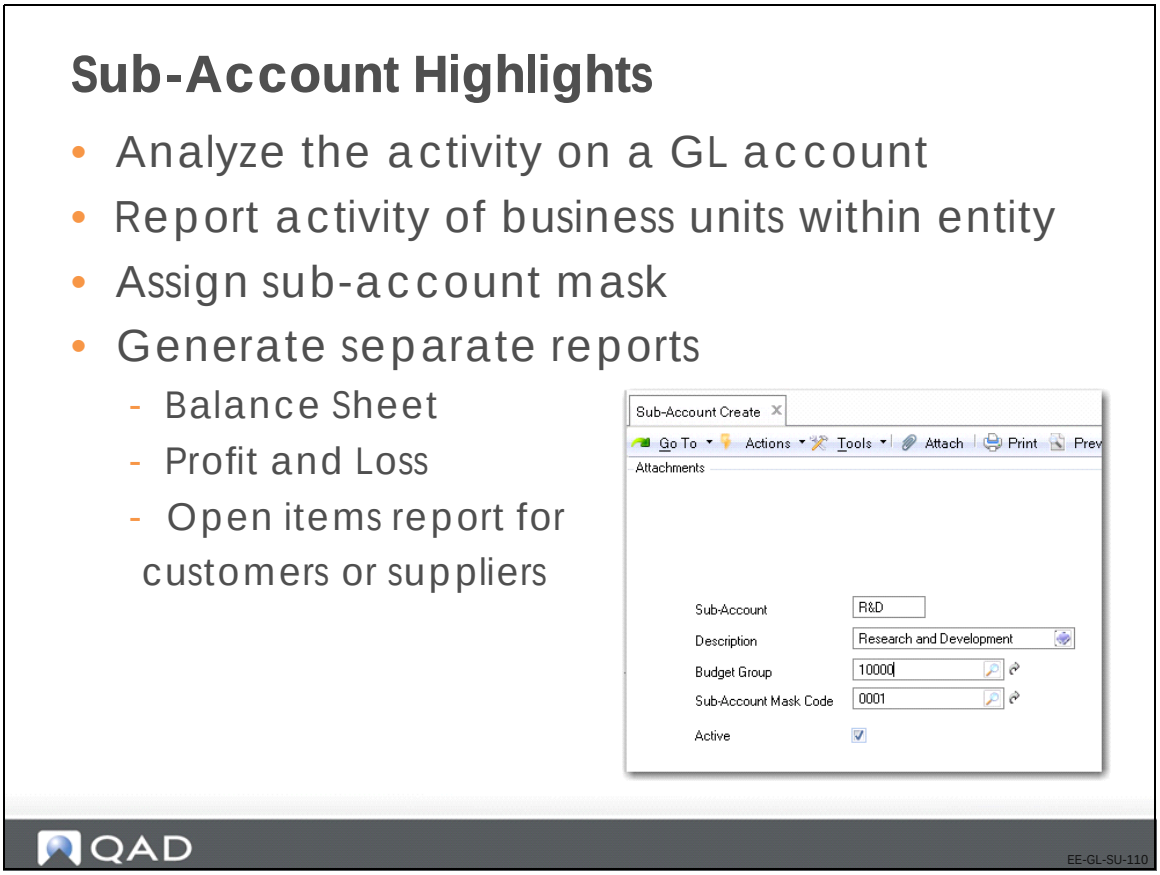
Set Up Sub-Accounts



To support different types of reporting and analysis, some accounts can be used in combination with sub-accounts.

Note You cannot add sub-account analysis to cross-company control accounts.

Sub-Account Highlights



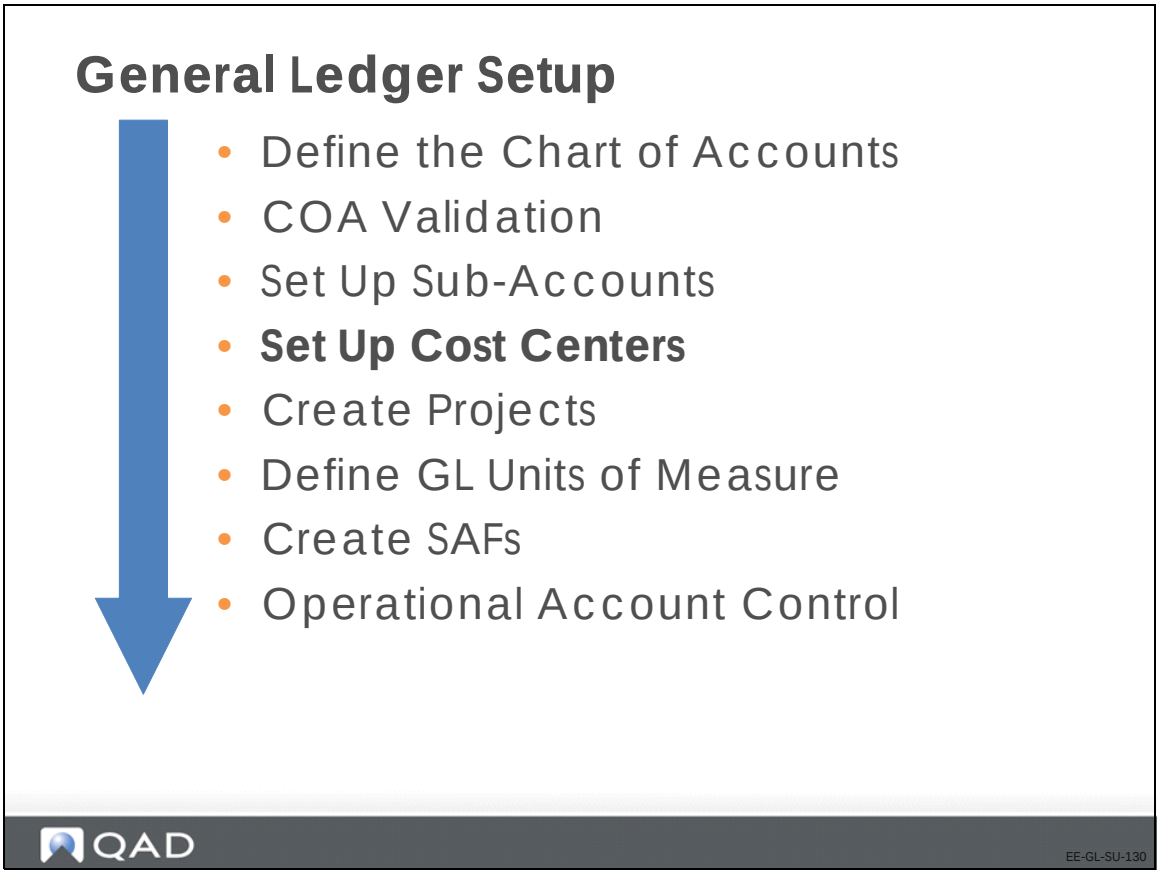
Use the Sub-Account activities (25.3.17) to create sub-accounts that let you analyze activity on an account code, and to provide further detail in financial reporting.

Sub-accounts are typically used to report on the financial activity of business units or divisions within an entity. You can create sub-accounts to correspond to those parts of the entity for which you would like to generate separate balance sheets, profit and loss statements, or open customer and supplier items. You can further analyze the sub-account by including it within a budget group.

A single GL account can be associated with multiple sub-accounts.

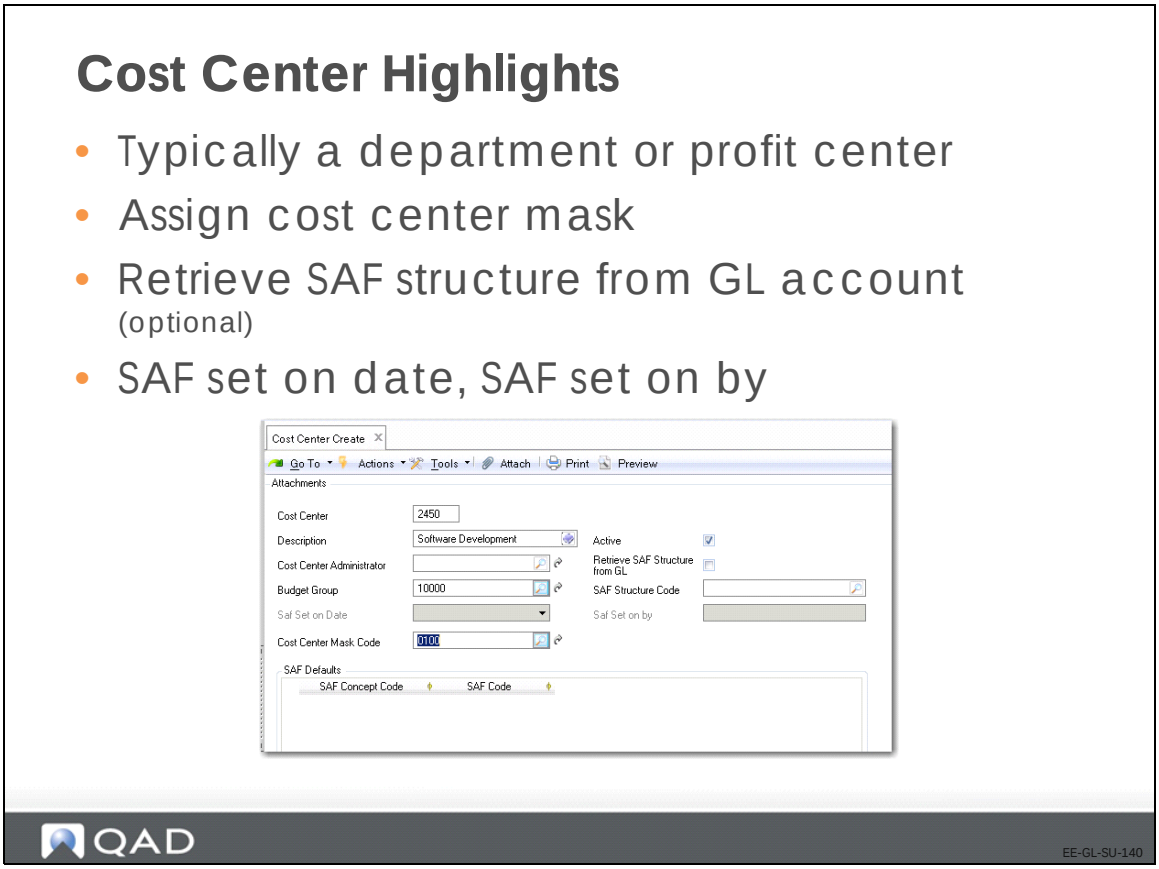
You can also use Sub-Account Create/Modify to assign a COA mask to the sub-account. A sub-account COA mask defines the list of GL accounts that the sub-account can be combined with during posting. If sub-account COA masks are not enabled for the current domain, the Sub-Account Mask Code field will be read only.

Set Up Cost Centers



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

Cost Center Highlights



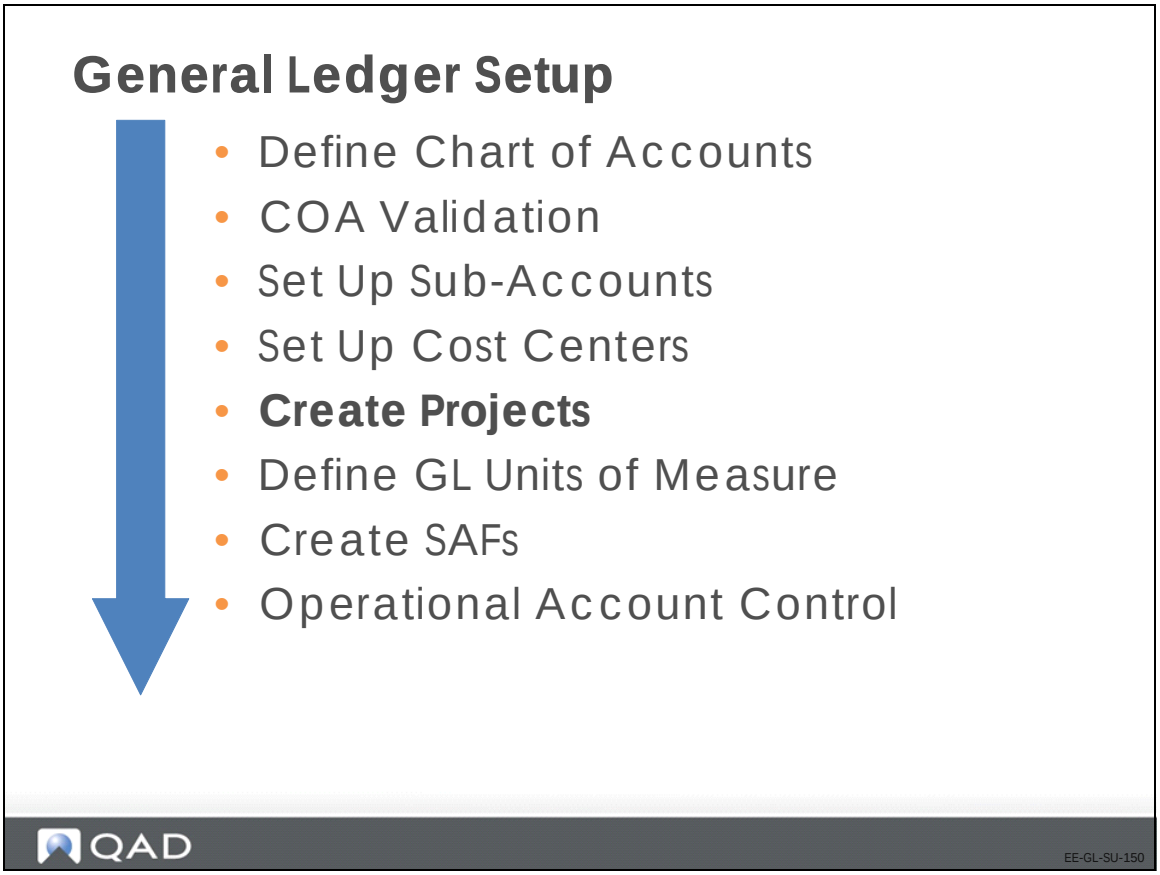
Use the Cost Center activities (25.3.20) to create cost centers that provide an additional reporting level for the GL accounts and sub-accounts.

Typically, a cost center can be a department or profit center within the entity for which you want to generate separate reports. You can associate a range of different accounts and sub-accounts with a cost center, and associate a number of cost centers with a single account.

You can further analyze a cost center by including it within a budget group.

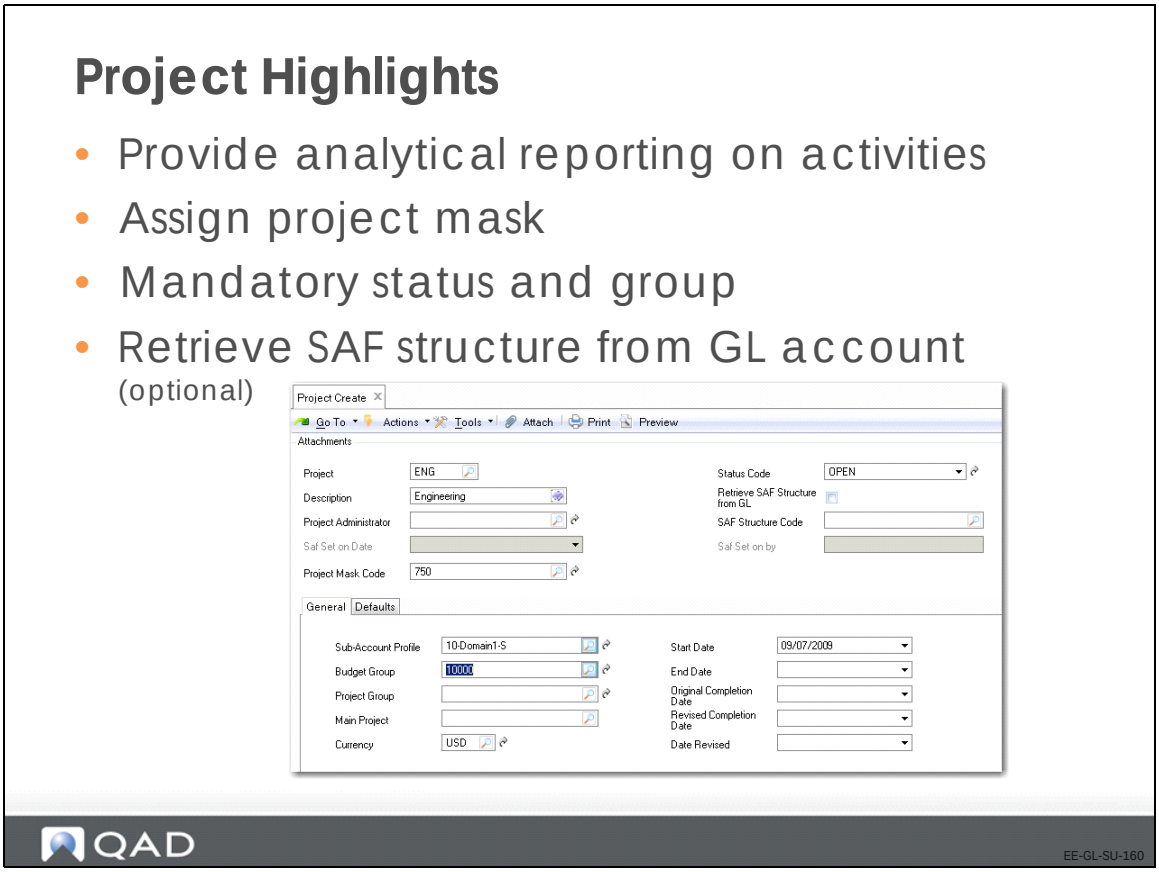
You can use Cost Center Create/Modify to assign a COA mask to the cost center. A cost center COA mask defines the list of GL accounts and sub-accounts that the cost center can be combined with during posting. If cost center COA masks are not enabled for the current domain, the Cost Center Mask Code field will be read only.

Create Projects



Project codes provide project-specific reporting.

Project Highlights



Projects are chart of account (COA) elements that provide analytical reporting on activities, such as engineering design work or production rework.

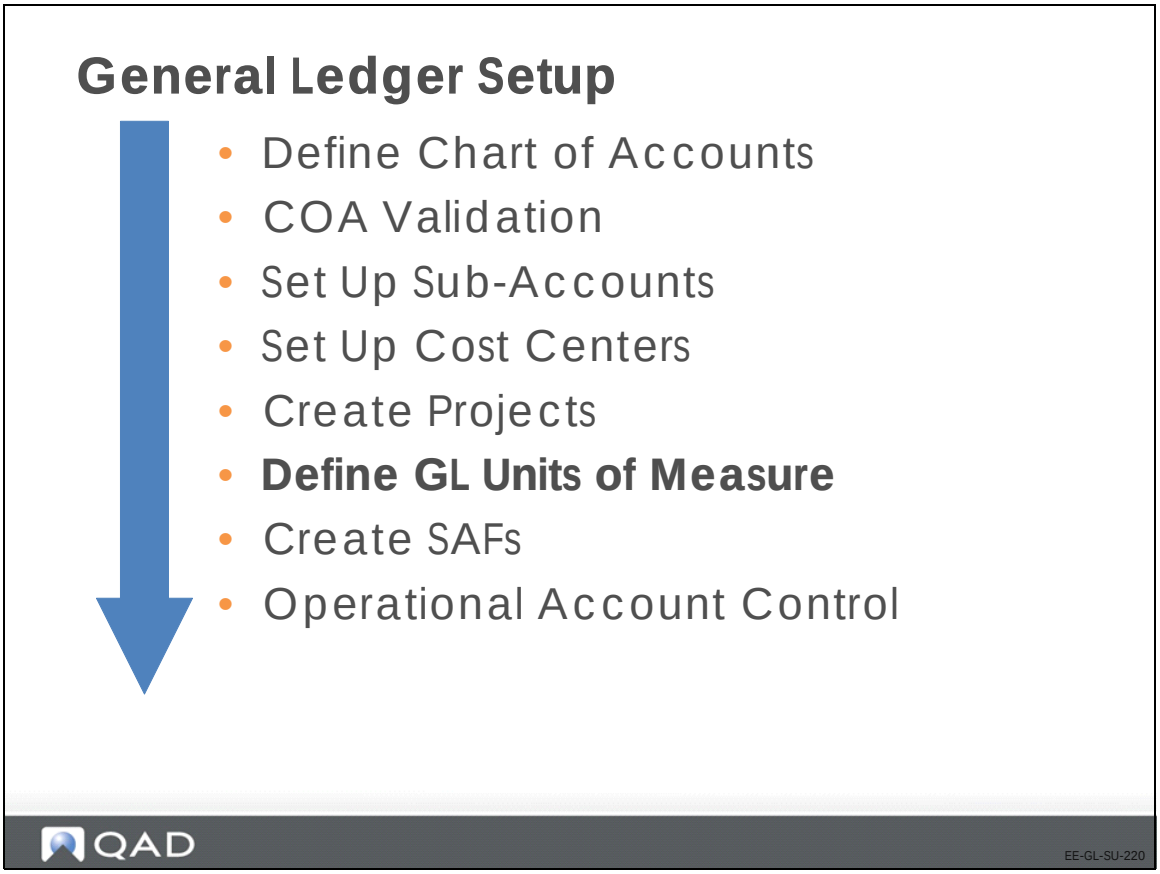
You can associate a range of account codes, sub-account codes, and cost centers with a specific project or multiple projects. The COA mask determines the valid COA combinations (account, sub-account, cost center, and project) for posting.

Before creating projects, you must define two required codes: project groups and project status codes. You can post transactions to a project only if its system status is active.

Use Project Create (25.3.11.1.1) to create project codes.

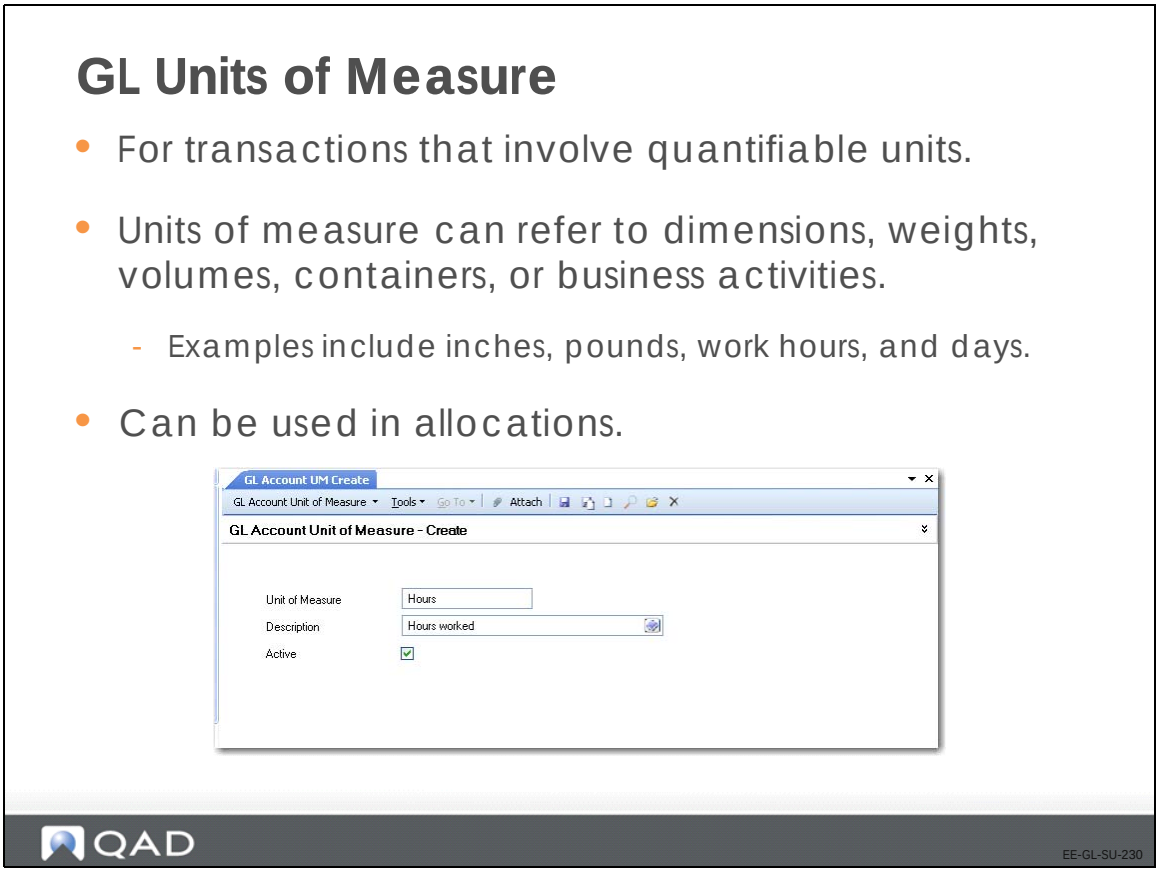
You can also use Project Create/Modify to assign a COA mask to the project. A project COA mask defines the list of GL accounts, sub-accounts, and cost centers that the project can be combined with during posting. If project COA masks are not enabled for the current domain, the Project Mask Code field will be read only.

Define GL Units of Measure



Units of measure are the values used in transactions that involve any type of quantifiable unit.

GL Units of Measure



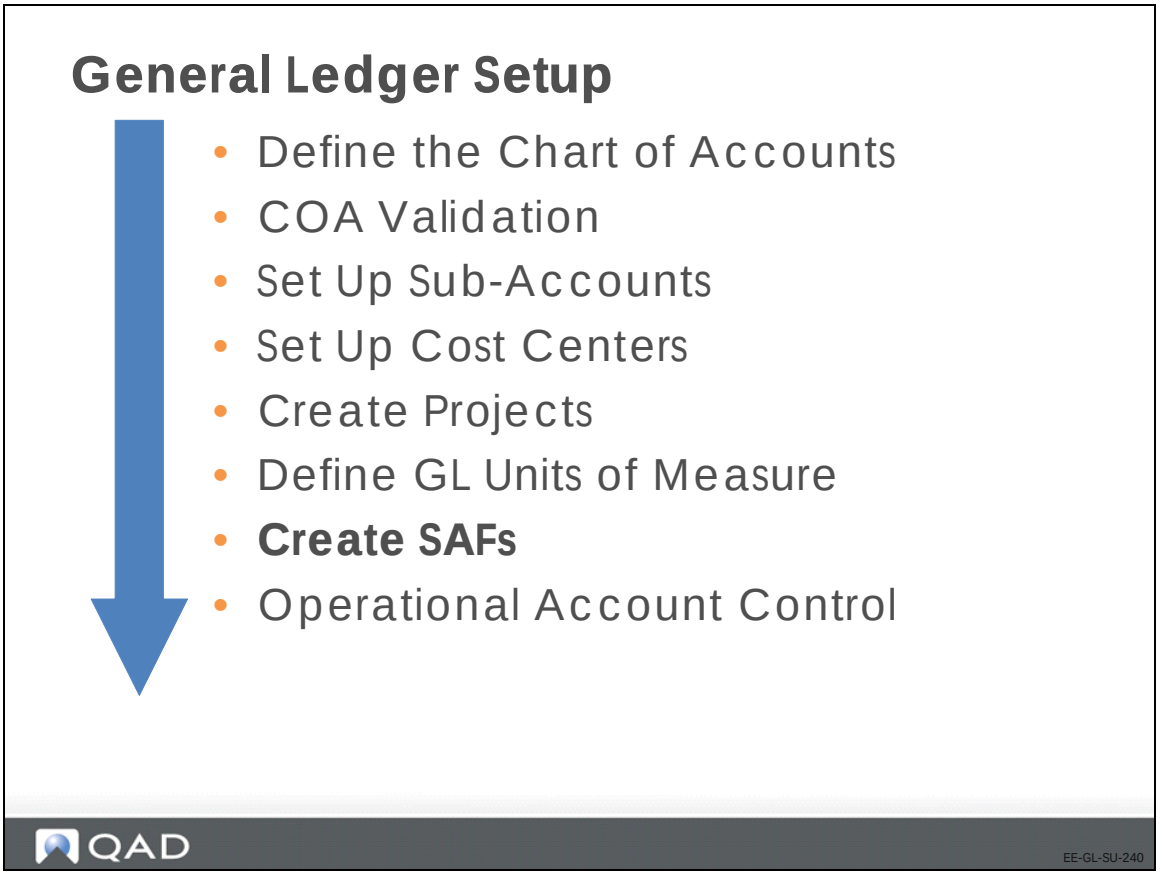
Use the GL Account UM activities (25.3.15) to create, delete, modify, or view units of measure.

Units of measure might describe dimensions, weights, volumes, or amounts of locations, containers, or business activities. Examples include inches, pounds, work hours, and days.

For example, an organization hires a communications consultant to help staff with their presentation skills. The consultant charges a daily rate and works for three days. The unit of measure is days. The transaction displays the quantity and unit of measure specified.

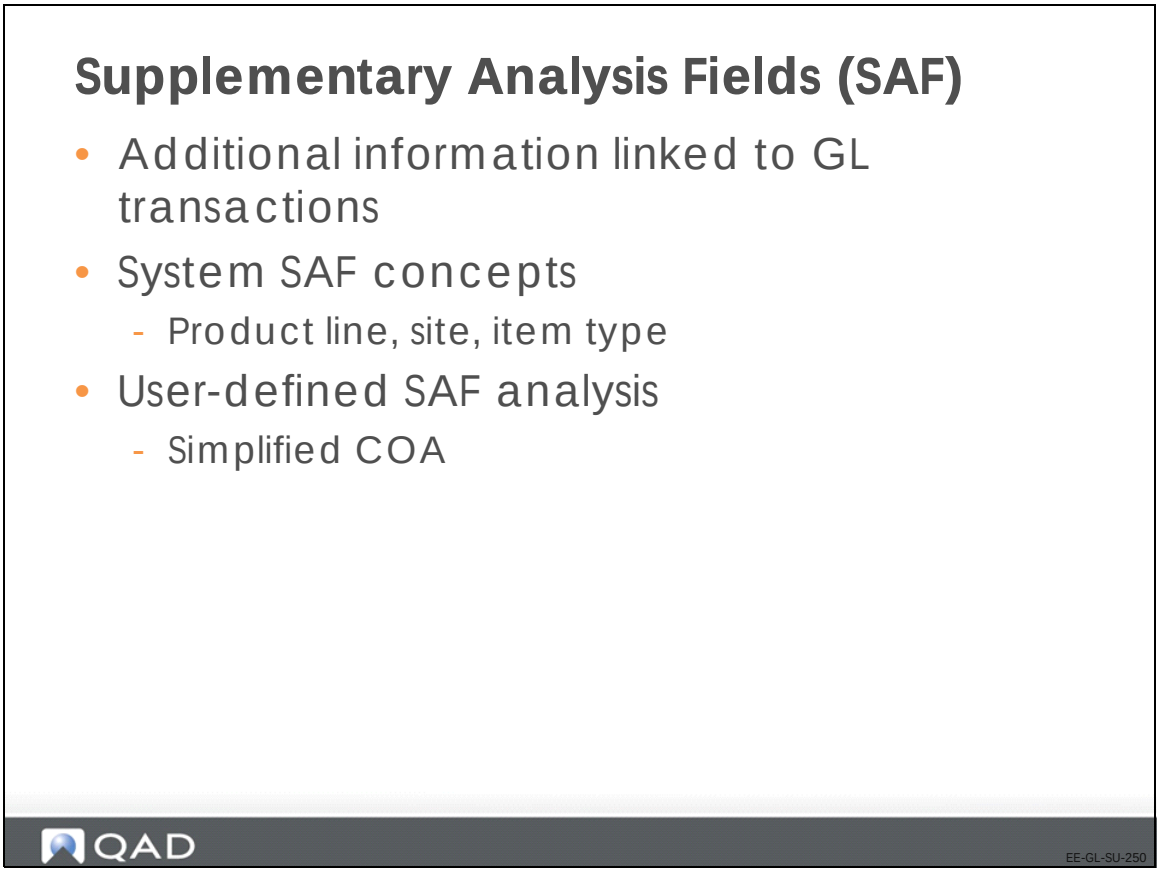
Another example of the use of units of measure is in allocations. If an organization allocates its electricity bill by department, the unit of measure would be kilowatt hours (kWh).

Create SAFs



SAF analysis is optional, but lets you create detailed views of data. Using SAFs, you can analyze a single account in many different ways by filtering based on the SAF codes included in the postings to the account.

Supplementary Analysis Fields (SAFs)

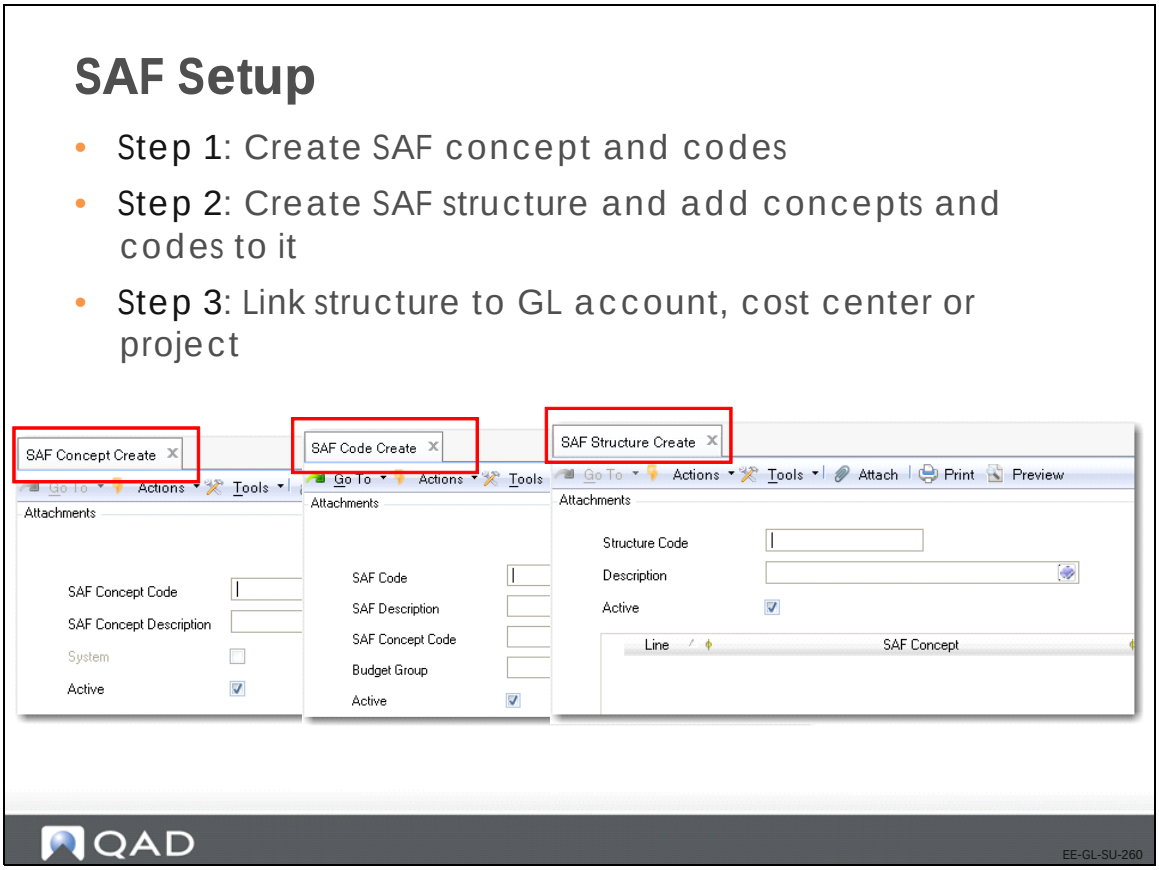


The system provides sub-account, cost center, project, and SAF analysis to be used for additional analytical reporting on transactions. SAF analysis is optional, but lets you create detailed views of data.

Using SAFs, you can analyze a single account in many different ways by filtering based on the SAF codes included in the postings to the account. A carefully planned set of SAF structures avoids the need to set up separate COA elements for individual reporting.

SAF analysis can be applied to all standard GL accounts except for bank, closing, and tax accounts. SAF analysis is not supported for system accounts, except for Purchase Order Receipts. You can apply SAF analysis to both revenue and expenses, and you would normally create a separate SAF structure for each of these types of transaction.

SAF Setup



SAF analysis is managed through a combination of three elements:

- SAF concepts identify the type of analysis required.
- SAF codes define the analysis details. Associate the codes with an existing concept.
- SAF structures contain a selection of concepts in a logical sequence.

You associate the structure with a GL account, cost center, or project.

Seven SAF concepts are predefined and provided with the system. The predefined SAF concepts are designed to interact with operational transactions, and capture key analysis details used to report the GL effects of operations, such as sales by region, sales to OEM customers, or work orders by item type.

The following system concepts are provided:

Product Line

This concept captures values created in Product Line Maintenance (1.2.1) and associated with items used in operational transactions.

Site

This concept captures values created in Site Maintenance (1.1.13) and associated with items involved in operational transactions.

Item Type

This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with items in Item Master Maintenance (1.4.1) when those items are used in operational transactions.

Item Group

This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with items in Item Master Maintenance (1.4.1) when those items are used in operational transactions.

Region

This concept captures generalized code values created in Generalized Codes Maintenance (36.2.13) and associated with customers in Customer Data Maintenance (2.1.1) when those customers are referenced on operational transactions.

Customer Type

This concept captures codes created in Customer Type Create (27.20.4.1) and associated with customers in Customer Create (27.20.1.1) when those customers are referenced on operational transactions.

Supplier Type

This concept captures codes created in Supplier Type Create (28.20.4.1) and associated with suppliers in Supplier Create (28.20.1.1) when those suppliers are referenced on operational transactions.

While the system concepts are specifically designed to capture the details of operational transactions, you can use a combination of system- and user-defined concepts in the same structure, if required.

System concepts cannot be deleted, but can be disabled by clearing the Active field. Data is captured for a concept only when it is active. Since system concepts have a predefined meaning, you cannot modify other fields in the concept or create new system concepts.

Creating SAF Concepts

Use the SAF Concept activities (25.3.7.1) to create, view, modify, and delete SAF concepts. Changing concepts has the following restrictions:

- You cannot delete a system SAF concept. You cannot delete a user-defined SAF concept if it has already been used in a transaction.
- You cannot create system concepts.
- The only value you can modify for a system concept is the Active setting.
- You cannot deactivate a concept if it is linked to an active SAF structure.

Creating SAF Codes

Use the SAF Code Activities (25.3.7.2) to create the values that you assign to an SAF concept. SAF codes generally correspond to the individual item that requires analysis. For example, you can track transactions relating to a particular vehicle belonging to the organization by creating an SAF code of the vehicle registration number.

Every SAF concept must have at least one default SAF code, defined in the SAF structure where it is used; you can link any number of codes to the same concept.

Build SAF analysis for an account by creating an SAF code for each type of transaction that updates the account.

Creating SAF Structures

Use SAF Structure activities (25.3.7.4) to combine up to five SAF concepts in a sequence. You then link the structure to general ledger accounts, cost centers, or projects. You can only associate one SAF structure with a GL account, cost center, or project.

When an SAF structure is associated with a project, cost center, or GL account and a transaction updates that element, the SAF concepts and default codes are displayed in the transaction posting lines.

- For system concepts based on operational transactions, values are retrieved automatically.
- When user-defined concepts have more than one value, you must select the value to use when you create the transaction.

SAF structures are independent of the entity and domain, and can contain both system and user-defined concepts.

Each structure must contain a minimum of one concept, up to a maximum of five concepts. Each concept must have one and only one default value, which is used to supply a value based on the defaulting logic. Other defaults are optional, but the one associated with the structure is required and used when more specific defaults have not been defined.

After an SAF structure has been used in a transaction, you cannot delete any of the associated SAF concepts.

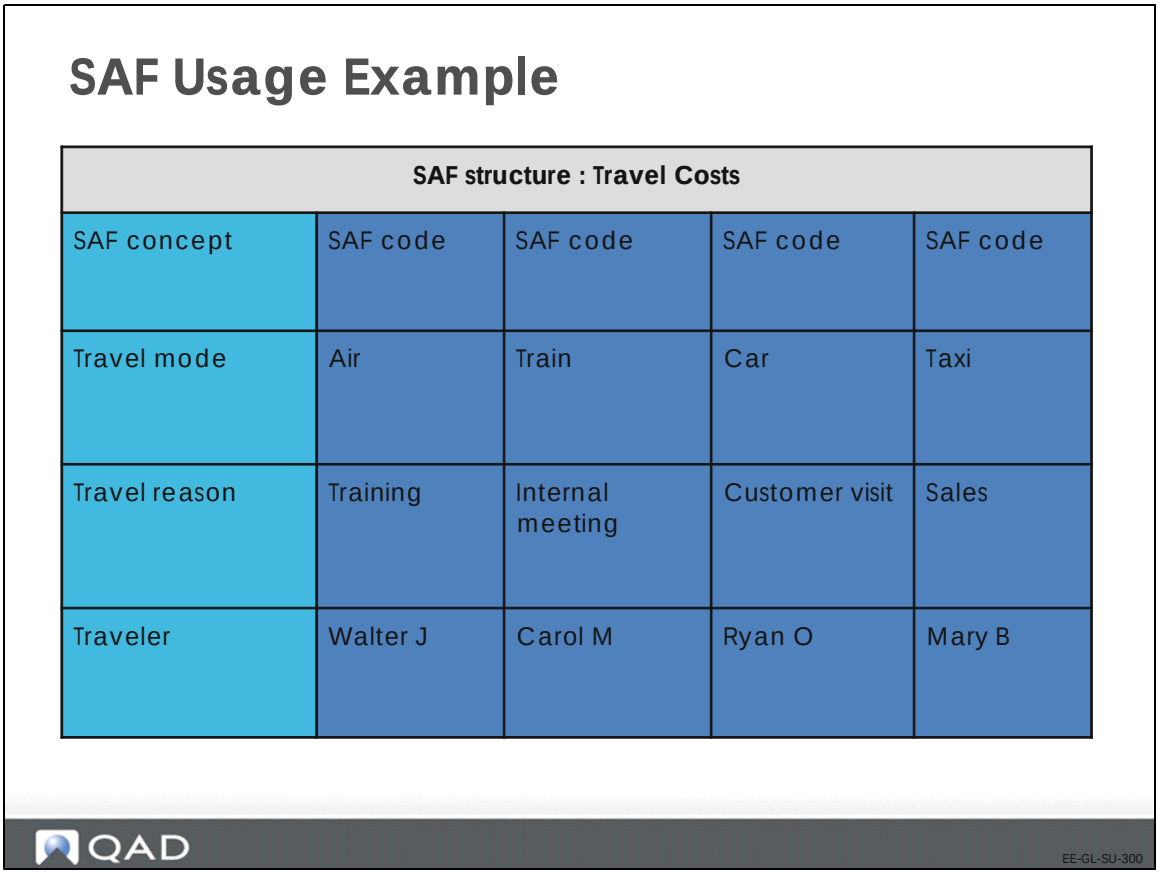
SAF Reporting and Related Views

The following reports provide detailed and summarized information on transactions, filtered by specific SAF codes or concepts.

- SAF Code Transactions Detail (25.15.3.6)
- SAF Code Transactions Summary (25.15.3.5)

The Transactions by SAF Related View (25.15.4.4) gives an on screen summary of transactions filtered by SAF code.

SAF Usage Example



US and EMEA Exercise: Supplementary Analysis Fields (SAFs)

1 Create a new SAF structure, Introduction. Use SAF Concept Create (25.3.7.1.1) to create the following concepts:

Field	Value
SAF Concept Code:	Campaign
SAF Concept Description:	Promotional Campaign

Field	Value
SAF Concept Code:	Market
SAF Concept Description:	Market for Product Introduction

2 Use SAF Code Create (25.3.7.2.1) to create the following SAF codes:

Field	Value
SAF Code:	Ultrasound
SAF Description:	Campaign for Ultrasound
SAF Concept Code:	Campaign

Leave the other fields blank.

Field	Value
SAF Code:	ConsumerUltrasound
SAF Description:	Campaign for Consumer Ultrasound
SAF Concept Code:	Campaign

Leave the other fields blank.

Field	Value
SAF Code:	NA
SAF Description:	North America
SAF Concept Code:	Market

Leave the other fields blank.

Field	Value
SAF Code:	SA
SAF Description:	South America
SAF Concept Code:	Market

Leave the other fields blank.

Field	Value
SAF Code:	NE
SAF Description:	Northern Europe
SAF Concept Code:	Market

Leave the other fields blank.

3 Use SAF Structure Create (25.3.7.4.1) to create a SAF structure.

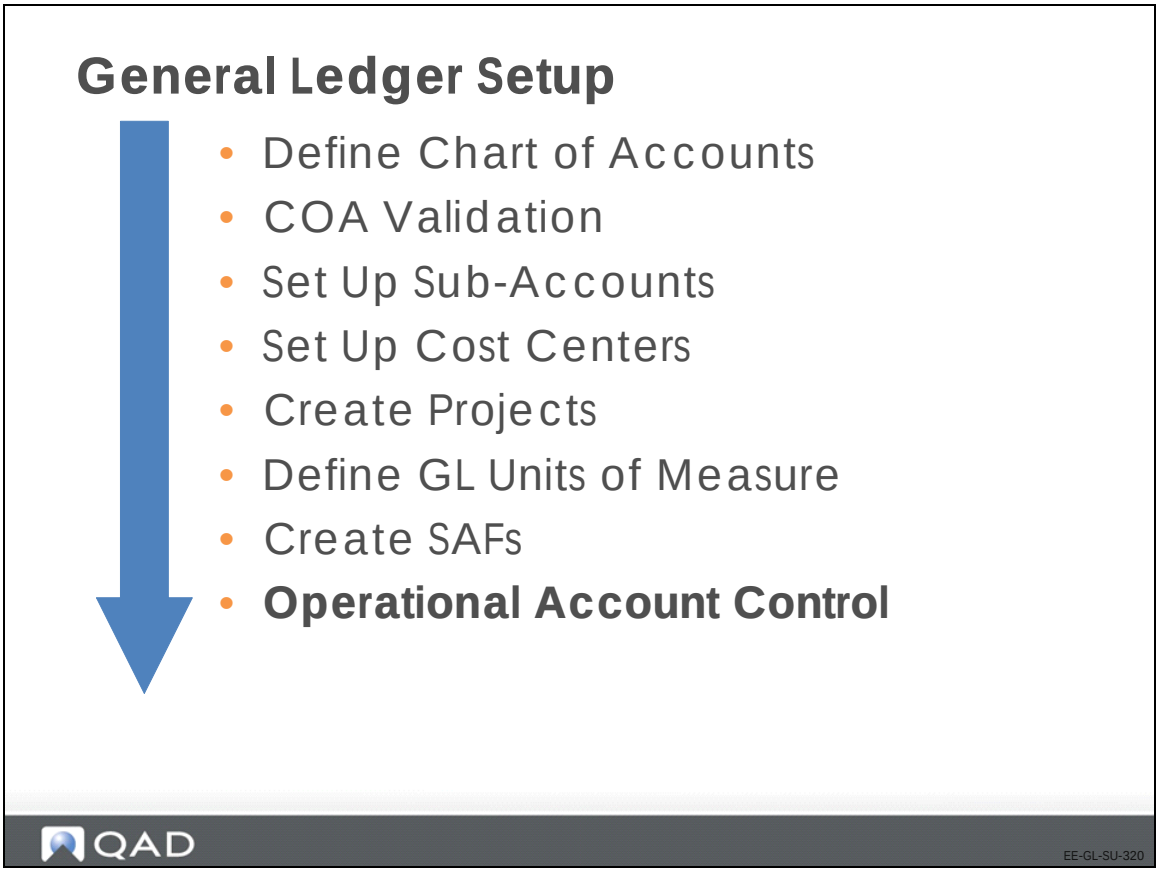
Field	Value
Structure Code:	Introduction
Description:	Market Introduction of New Products

Add concepts Campaign and Market to the SAF structure.

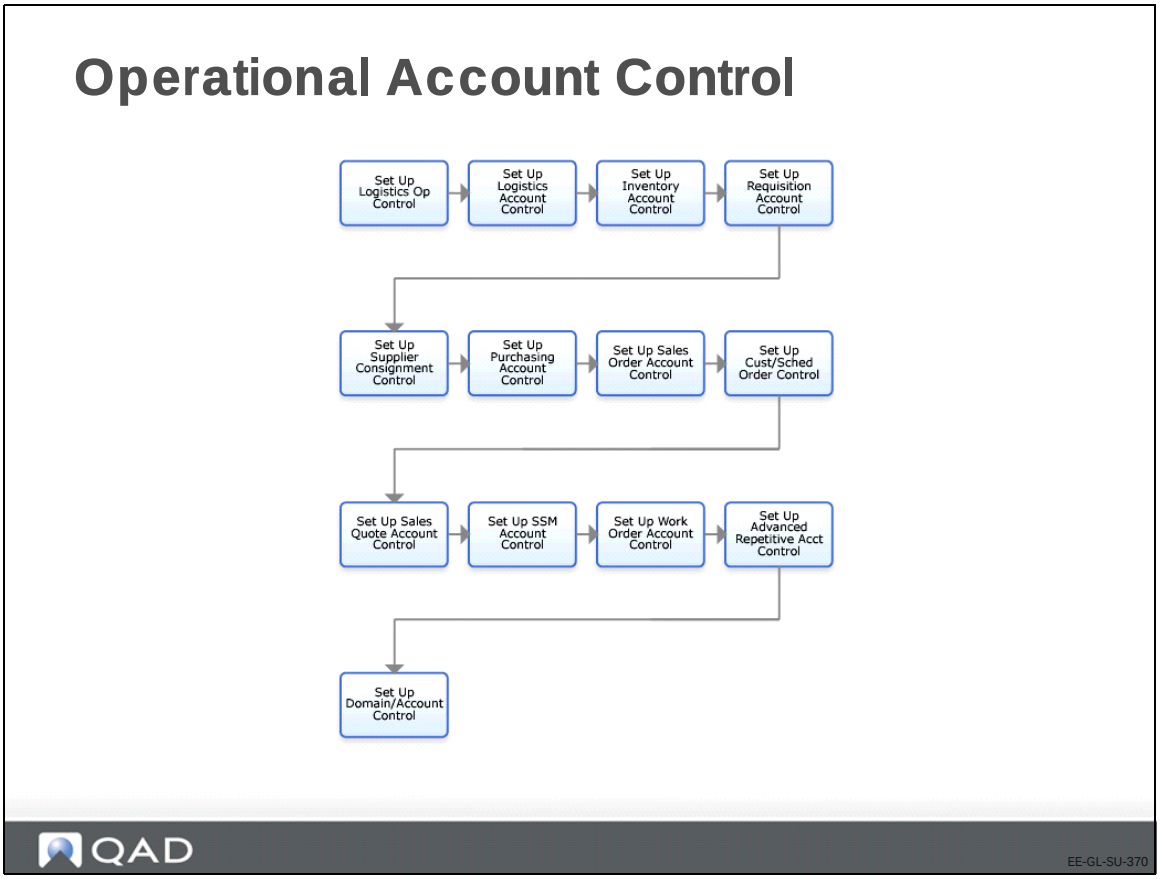
4 Use GL Account Create (25.3.13.1) to create a new GL account.

Field	Value
Account:	44100
Description:	Market Introduction
GL Type:	Standard Account
Category:	Expense
Analysis Tab	
Analysis Type:	SAF
SAF Structure Code:	Introduction
Sub-Account:	Yes
Default Sub-Account:	DefSubAct

Operational Account Control



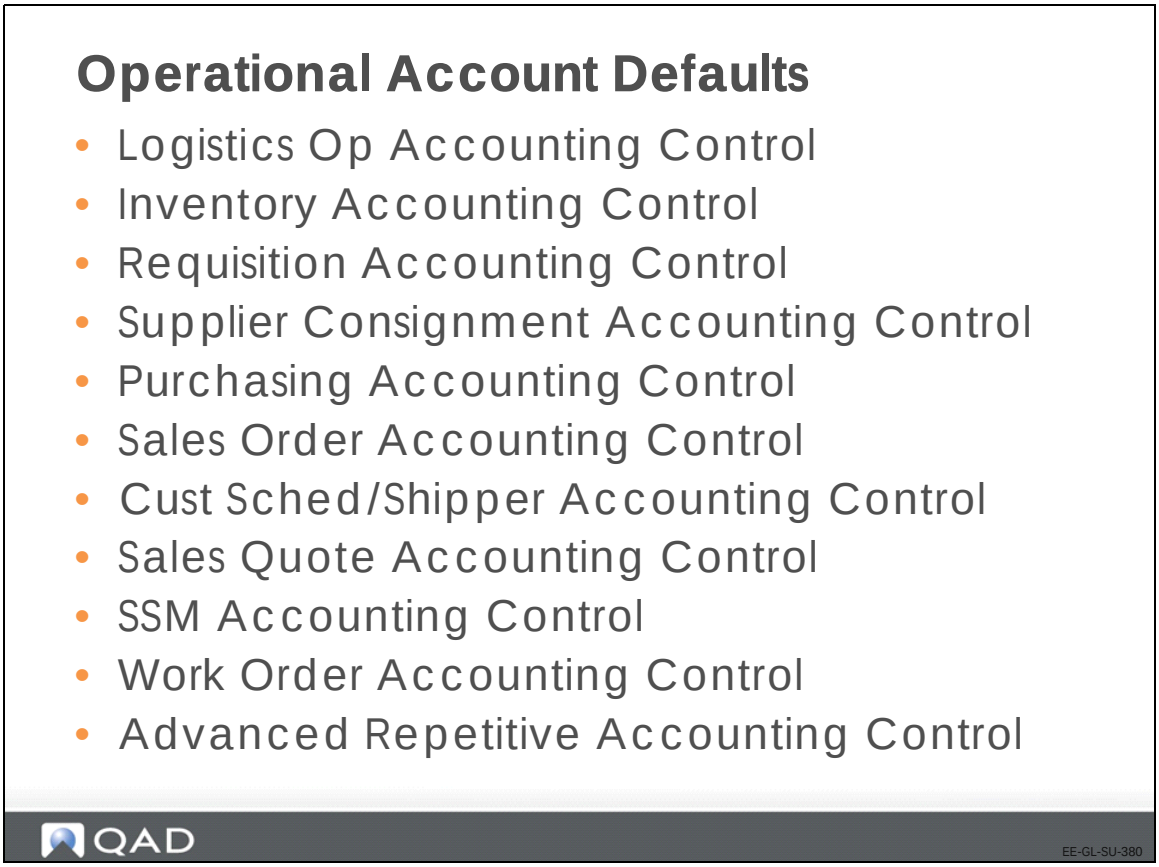
Operational Account Control



Operational Account Control

As part of initial system implementation, you should set up values in the various control programs on the Operational Acct Controls menu (36.9). The settings in each control program affect operations within a specific business area. Typically, these settings represent a subset of all the settings that affect the related business area. These control settings have been separated because they have a financial effect on all modules, and should be defined only by a financial analyst with security access to this function.

Operational Account Defaults



Logistics Operational Accounting Control (36.9.1) affects the operation of Logistics Accounting. This is an optional module described in *User Guide: QAD Master Data and User Guide: Financials A.* You define a number of default GL accounts in this program.

Inventory Accounting Control (36.9.2) determines the costing impacts of inventory transactions, and how GL transactions are created. A Transfer Clearing Account is also defined here. Inventory Control is described in *User Guide: QAD Master Data.*

Requisition Accounting Control (36.9.3) determines financial approval limits and related settings for creating requisitions with the Global Requisition System, described in *User Guide: QAD Purchasing*.

Supplier Consignment Accounting Control (36.9.4) contains settings that affect inventory costing in the supplier consignment work flow, described in *User Guide: QAD Purchasing*.

Purchasing Accounting Control (36.9.5) contains settings that affect the financial impact of purchasing activities, included default accounts for PO Interest Applied. Purchasing is described in *User Guide: QAD Purchasing.*

Sales Order Accounting Control (36.9.6) contains settings that determine the financial impact of the sales order and invoicing flow, including credit management, the default daybook set, trailer codes, how sales person commission is calculated, and whether price lists are required. Sales and invoicing are described in *User Guide: QAD Sales.*

Customer Scheduled Orders/Shipper Accounting Control (36.9.7) contains settings that determine invoicing defaults for shipments using containers and shippers. The Customer Scheduled Orders module is described in *User Guide: QAD Scheduled Order Management.* Containers and shippers are described in *User Guide: QAD Sales.*

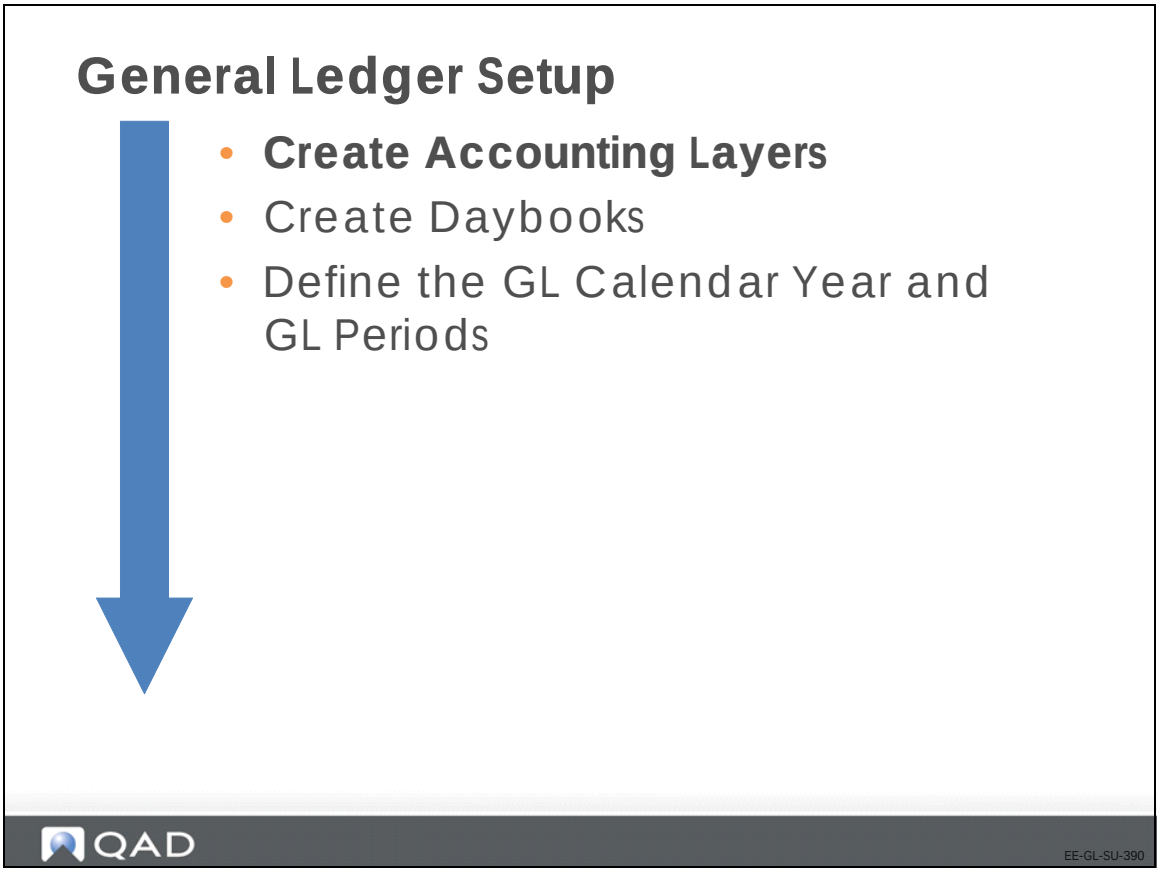
Sales Quote Accounting Control (36.9.9) contains settings that determine the address printed on the quote, whether price lists are required, and how freight is calculated. Sales quotes are described in *User Guide: QAD Sales.*

SSM Accounting Control (36.9.10) contains settings that affect the financial aspects of service contracts, contact billing, and call processing. SSM is described in *User Guide: QAD Service/Support Management.*

Work Order Accounting Control (36.9.11) contains settings that affect the financial impact of work order completion. Work orders are described in *User Guide: QAD Manufacturing.*

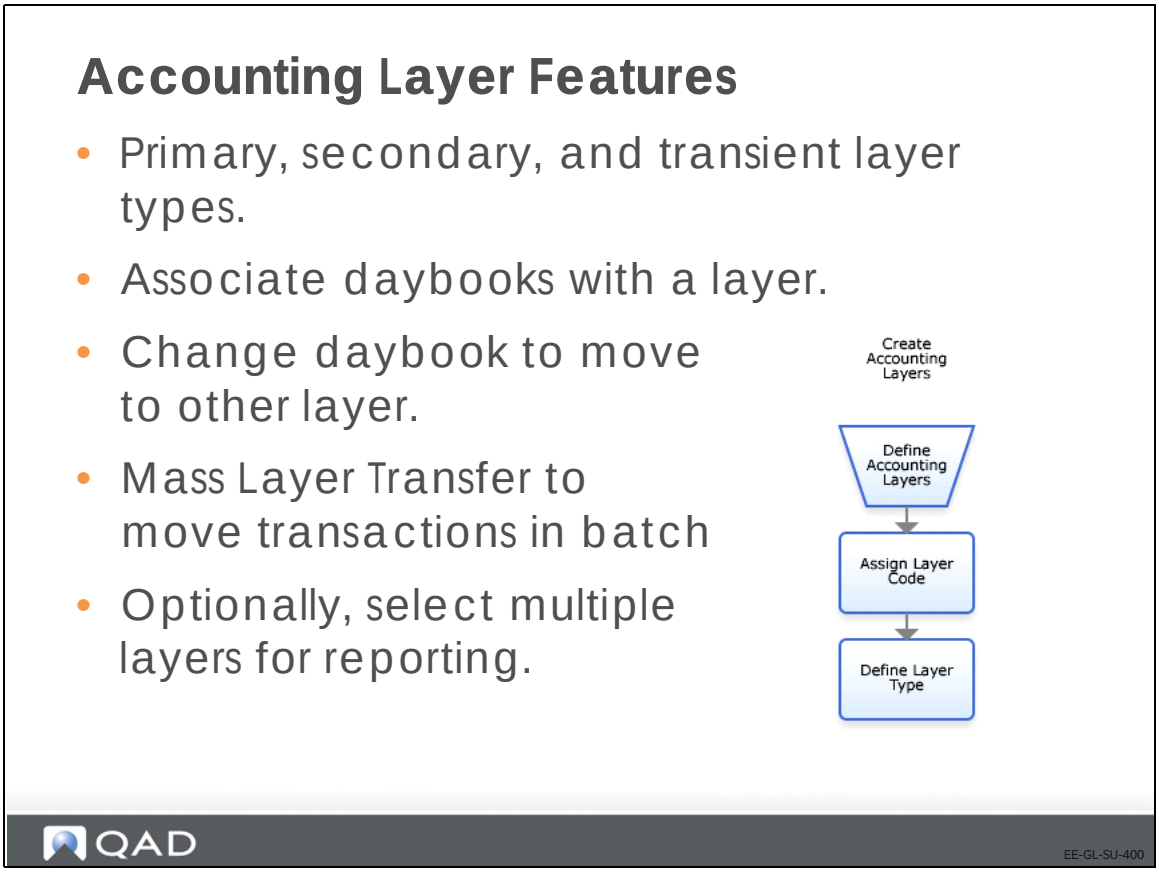
Advanced Repetitive Accounting Control (36.9.12) contains the default account for WIP transfers. Repetitive functions are described in *User Guide: QAD Manufacturing.*

Create Accounting Layers



Accounting layers provide different ways of segregating transactions within a single GL account.

Accounting Layer Features



The posting of transactions is controlled by associating daybook types with one of the three system-defined accounting layers: primary (official), secondary (management), and transient.

Transient Layer

Transient accounting layers enable temporary posting for review or analysis, before official posting and publication of accounts.

A limited number of transactions can be posted to the transient layer:

- Consolidation
- Journal entries
- Reversing entries
- Matching postings for supplier invoices

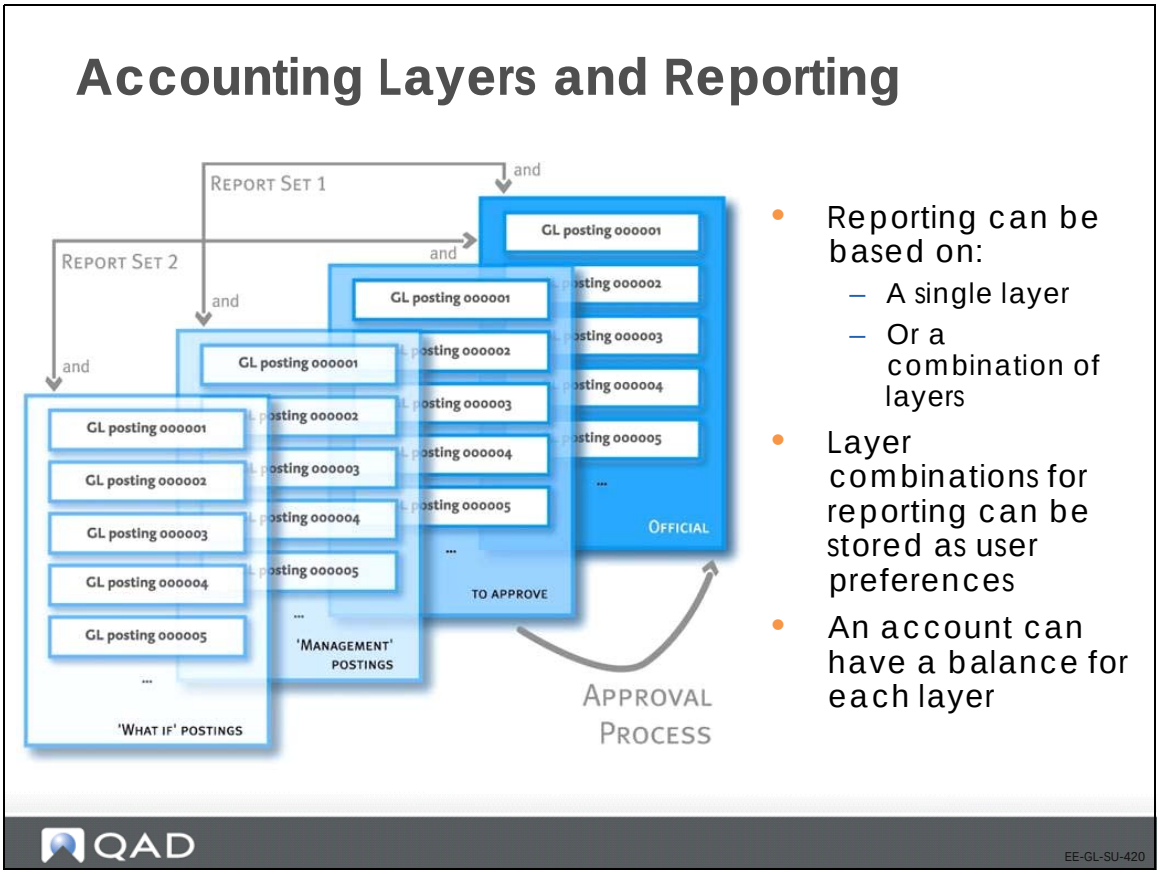
Transactions posted to this layer have no impact on GL, and can be modified or deleted.

Secondary Layer

The secondary layer is labelled “management layer” in the application.

Use secondary layers to provide different types of GAAP reports within one organization. For example, you can compile a set of local accounts for a French subsidiary of a US parent organization that comply with French GAAP standards. You can then compile US GAAP accounts for the parent company, and generate reports on the combination of the two sets. Then, review your subsidiary accounts, and create correction and adjustment transactions to make these accounts comply with the parent company GAAP standards.

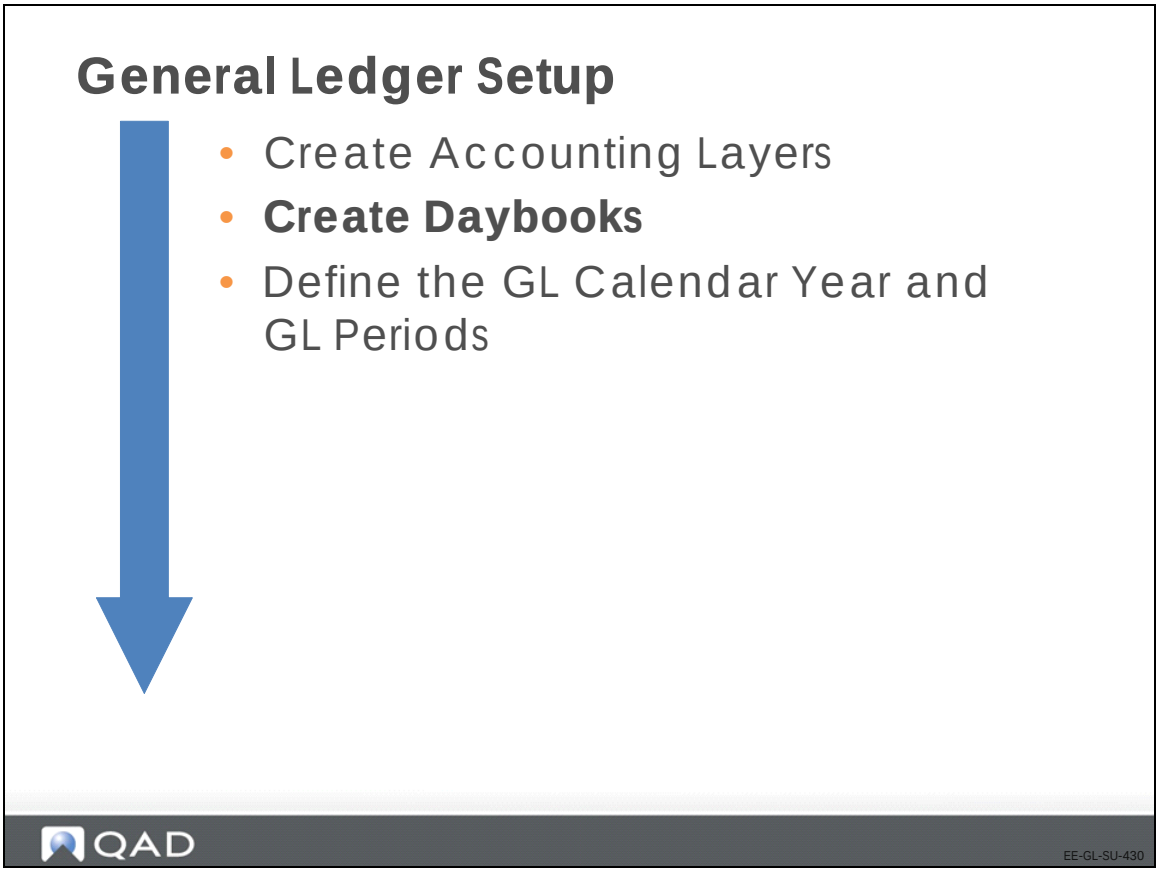
Accounting Layers and Reporting



Financials reports let you select multiple layers at a time, for example, both the primary layer and secondary layer to include management adjustments.

Any combination is possible, as shown in the slide.

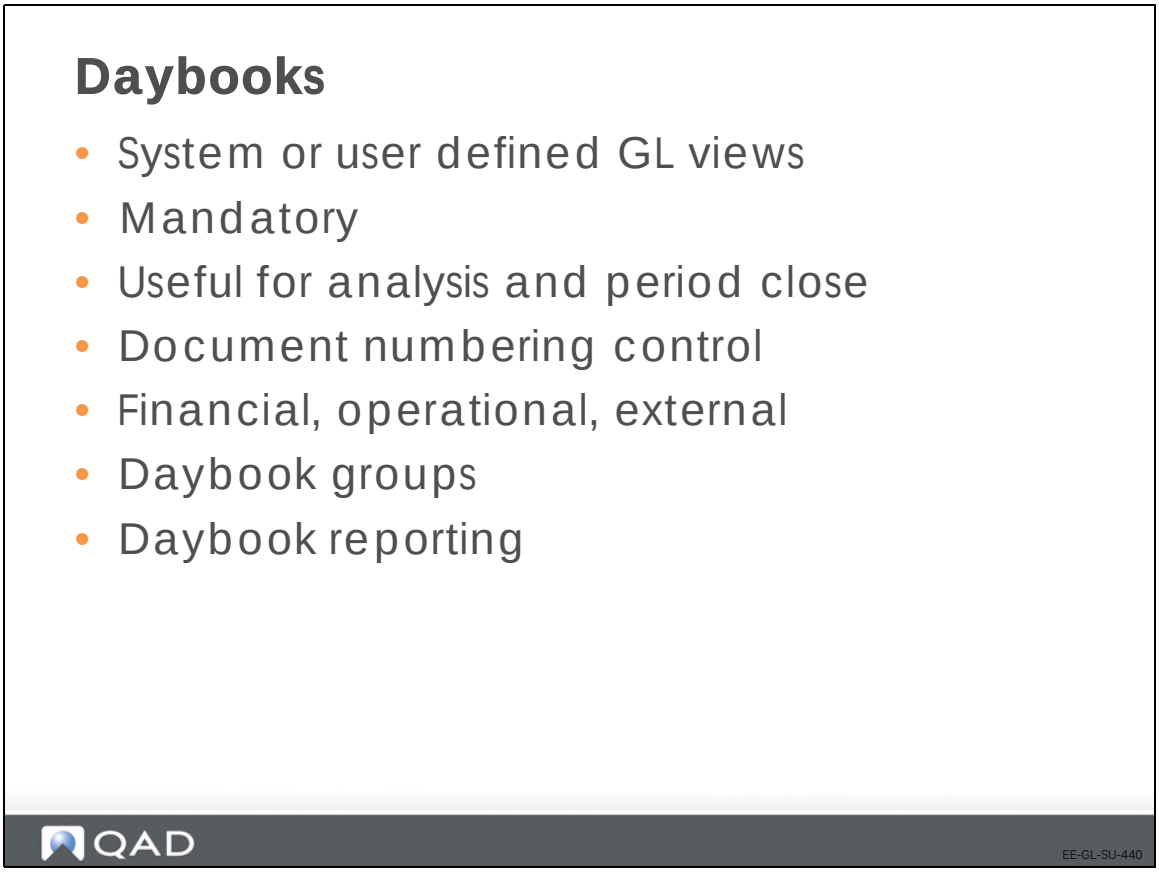
Create Daybooks



Daybooks, also known as journals, are system or user-defined views of the general ledger and contain all transactions.

The use of daybooks is mandatory in all modules. Daybooks provide many advantages in terms of analysis, segregation of transactions, numbering, and consequently, speed of period close.

Daybooks

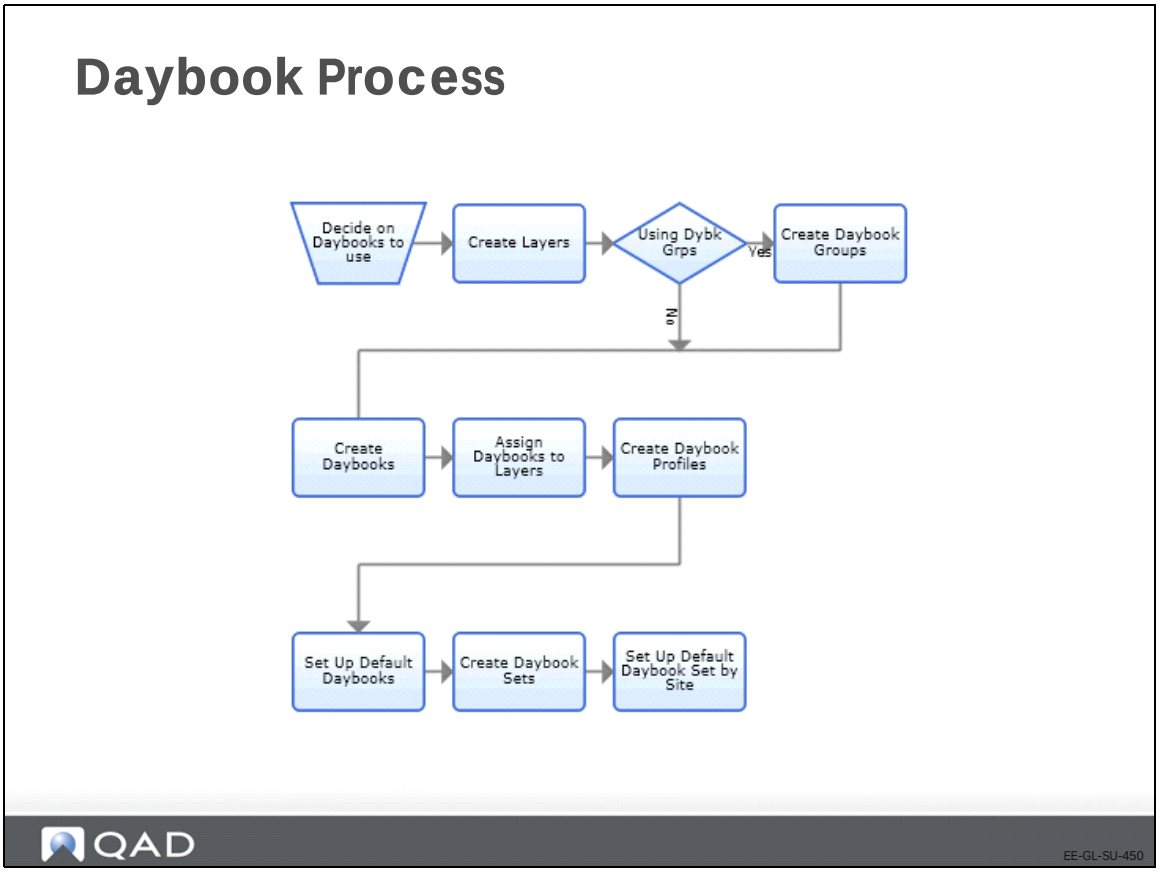


Daybooks can be used to distinguish between different types of journal entries, such as auditor adjustments, payroll entries, GAAP adjustments, and manually prepared accruals.

Daybooks provide the ability to separate records by transaction. If you use a particular daybook code for certain types of transaction, you can then browse and filter based on that code. The ability to filter based on the daybook code facilitates period close because you can easily identify and review transactions of a certain type and identify unusual activity.

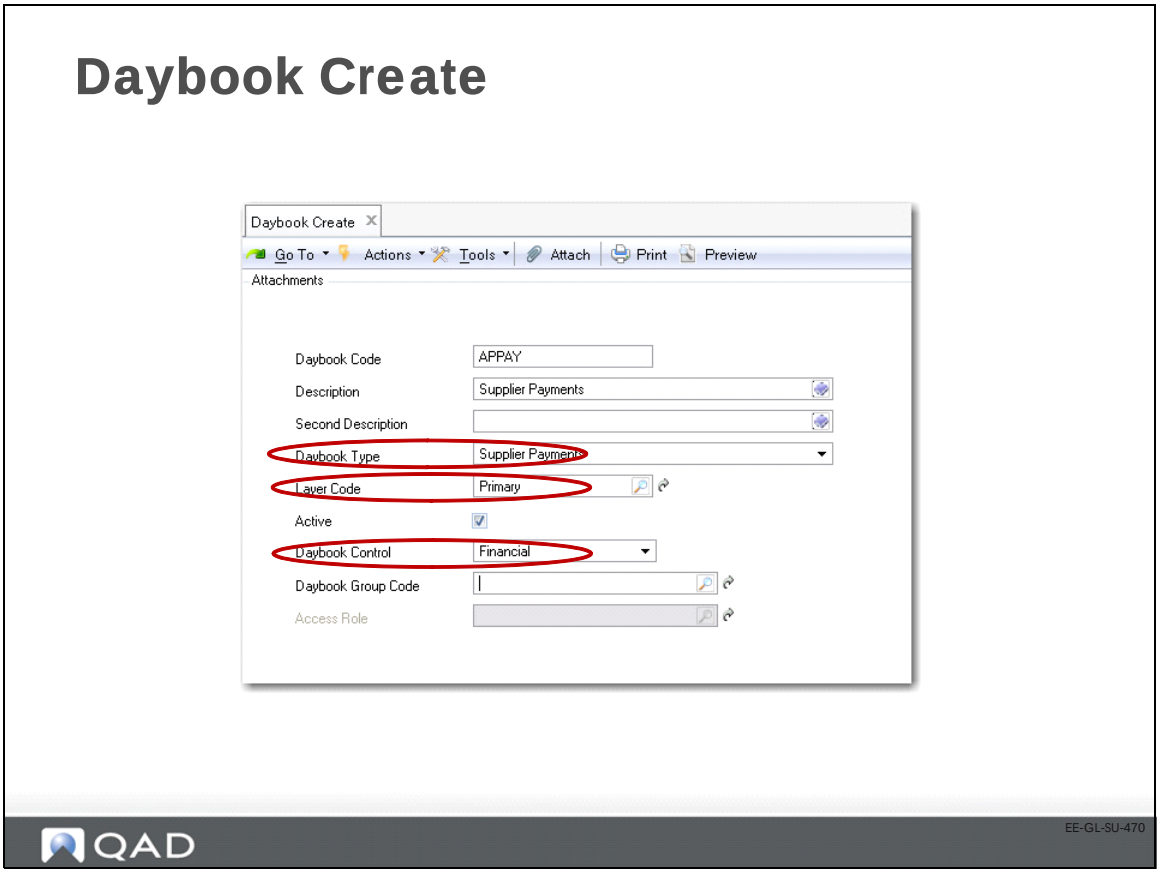
Daybooks also provide a controlled mechanism for having several different transaction numbering sequences. The numbering system prevents fraud, since each daybook produces its own integral numbering sequence.

Daybook Process Map



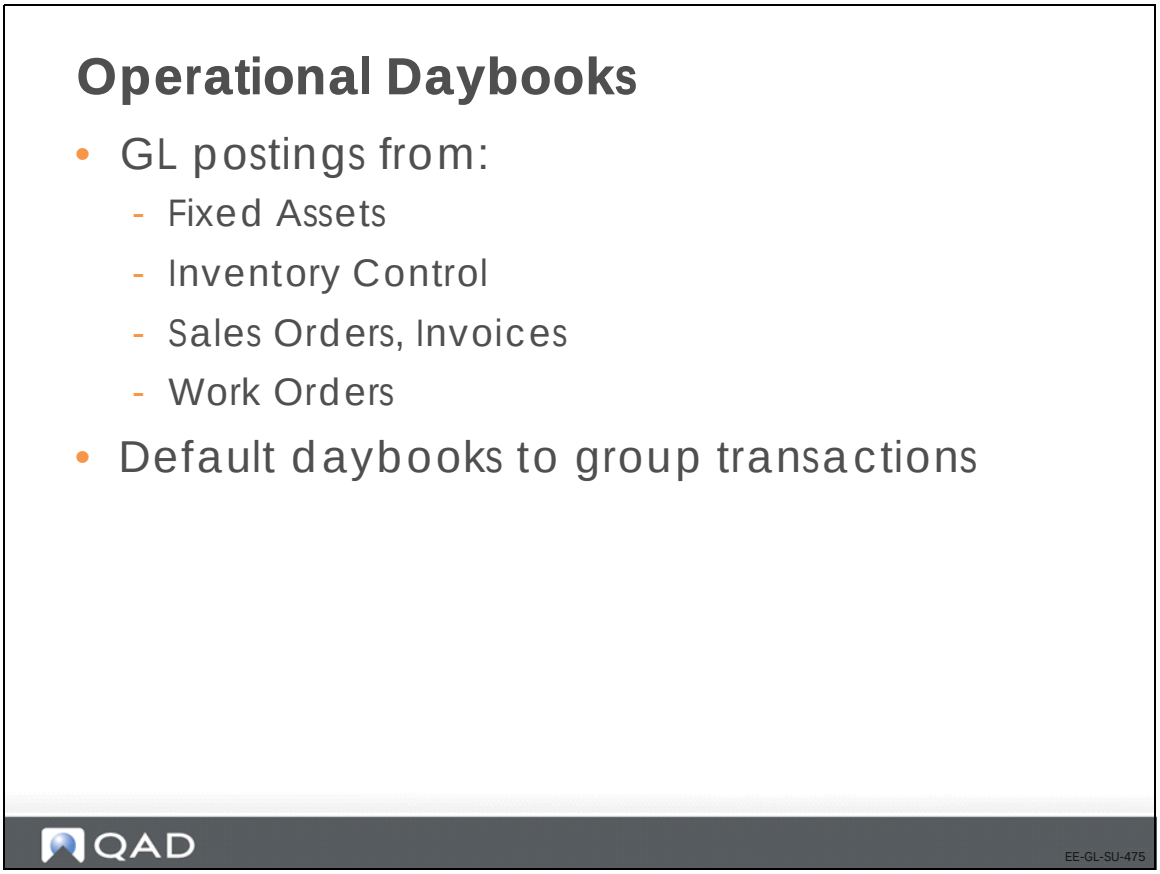
The slide shows the business process for creating daybooks.

Daybook Create



Use the Daybook (25.8.1) activities to create, view, modify, and delete daybooks. Daybooks contain the transaction posting lines, and control the posting of transactions because each daybook must be linked to an accounting layer. In addition, each daybook is associated with a daybook control type, which separate postings based on their source.

Operational Daybooks



Operational daybooks control GL postings that originate from programs in the Fixed Assets and operational modules, such as Inventory Control, Sales Orders/Invoices, and Work Orders.

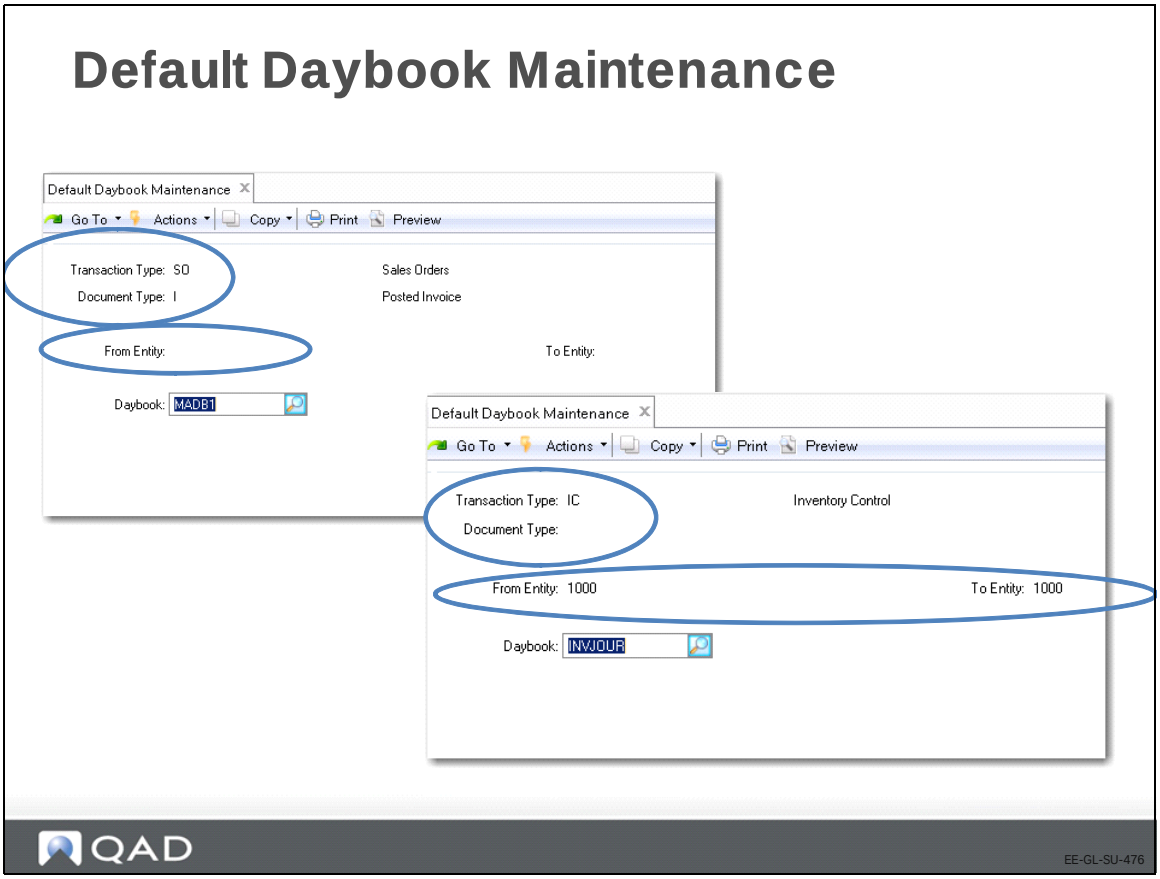
Use default daybooks to group operational transactions by type, depending on your business needs.

Depending on the operational function, you can set up daybook controls in two ways:

1. Control the granularity of daybook assignments by defining default daybooks based on transaction type, document type, or entity.
2. If the business does not require this level of control, simply assign all operational transactions to a system daybook.

To make a daybook available for operational transactions, set *Daybook Control* to Operational in Daybook Create (25.8.1.1). Otherwise, the daybook cannot be referenced in the default or daybook set programs.

Default Daybook Maintenance

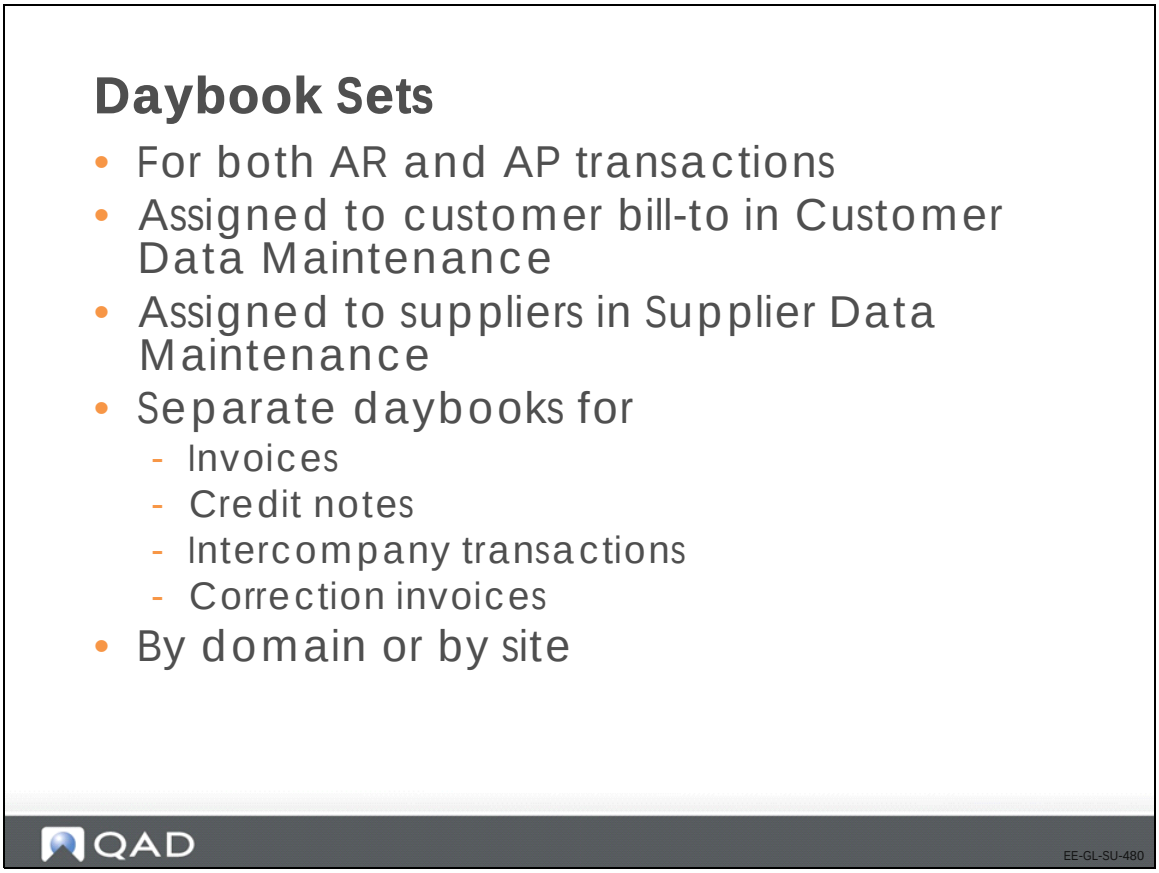


Use Default Daybook Maintenance (25.8.4) to control the assignment of the following type of operational GL transactions to daybooks: Fixed Assets (FA), Inventory Control (IC), Sales Orders (SO - non-invoice transactions only; invoice daybooks are controlled by daybook sets), and Work Orders (WO).

When creating a transaction, the system automatically searches for a matching daybook.

Important At a minimum, you must create a system daybook record, which has transaction type, document type, and entity range blank. This is the daybook used when the system cannot find a record that matches the transaction.

Daybook Sets

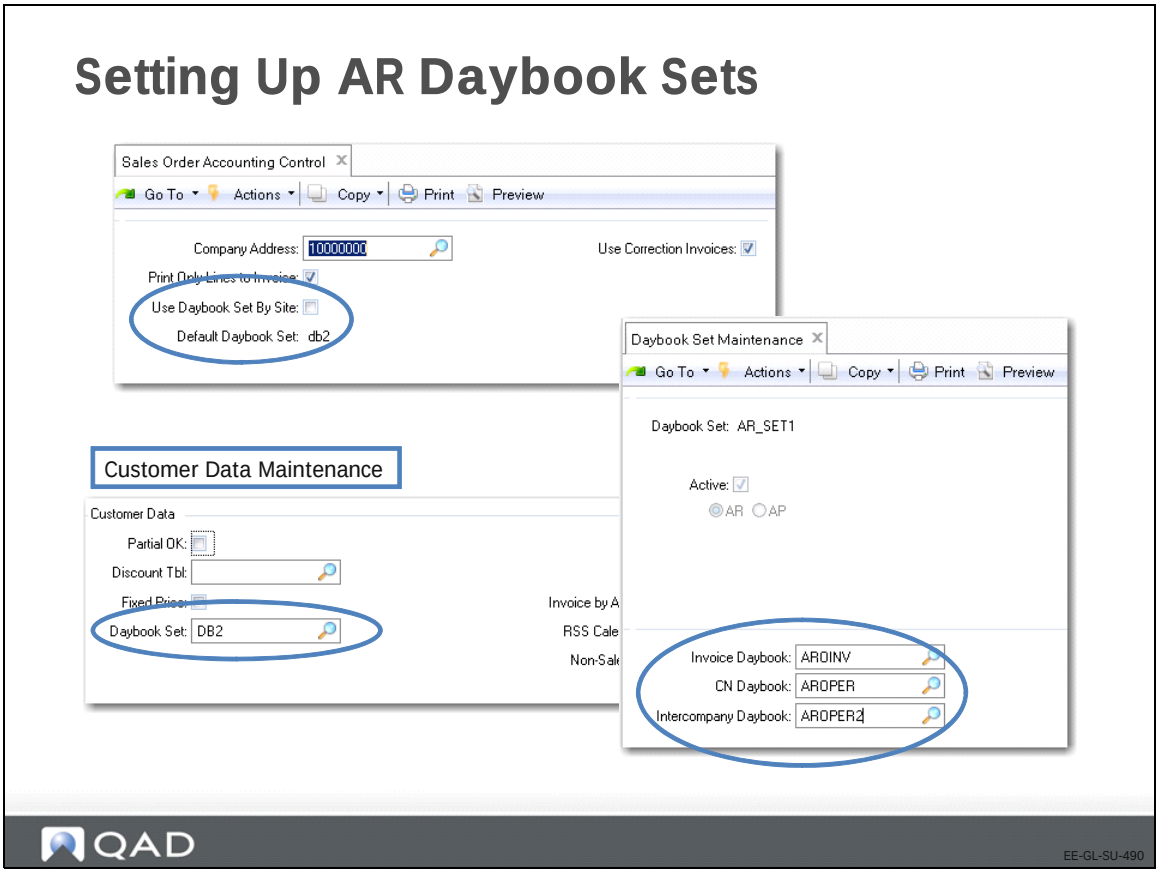


QAD Financials lets you create daybook sets for both AR and AP transactions.

Depending on your company's business requirements, you can define daybook sets either for the entire domain or for individual sites. For AR daybooks, this is configured in Sales Order Accounting Control (36.9.6) and, for AP daybooks, in Purchasing Accounting Control. The site-based method supports the legal requirement in some countries, where you must use a different invoice sequence for each shipping and receiving site.

Note Regardless of which method you use, you must define at least one daybook set each for AR and AP. These are needed as the defaults for new customer and supplier records.

Setting Up AR Daybook Sets



Before defining AR daybook sets, define the individual daybooks in Daybook Create (25.8.1.1).

Define AR daybook sets in Daybook Set Maintenance. All daybook sets must contain daybooks for invoices and credit notes, as well as an intercompany daybook for transactions that involve more than one entity. Additionally, when Use Correction Invoices is selected in Sales Order Accounting Control for AR daybook sets, each daybook set must specify daybooks for correction invoices and correction credit notes.

Alternatively, when Daybook Sets by Site is selected in Sales Order Accounting Control, use Daybook Sets by Site Maintenance to define site specific AR daybook sets.

After creating daybook sets, assign one to each customer address in Customer Data Maintenance (2.1.1).

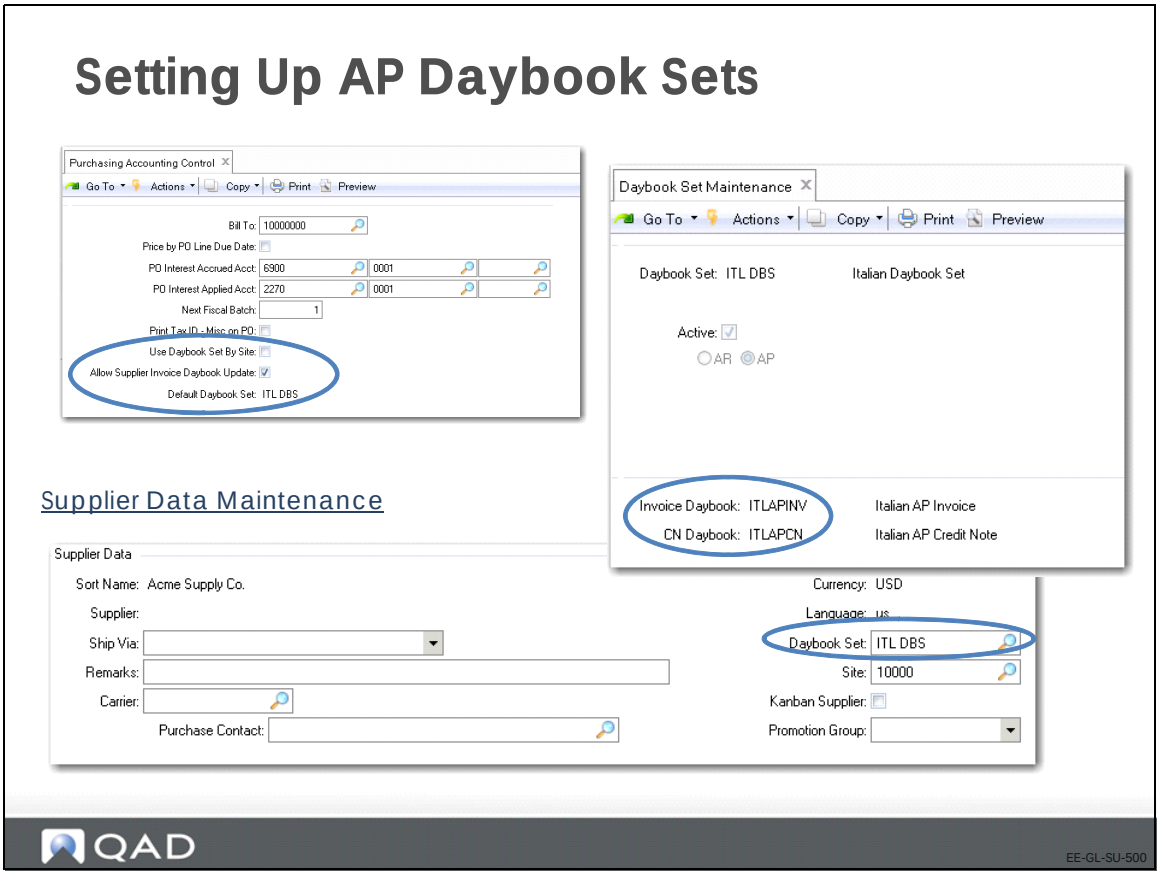
- When you define daybook sets by site, Customer Data Maintenance looks for the first active daybook set that matches the default customer site. If one has not been defined, it uses the first active daybook set with a blank site. If no definitions have been set up by site, you must create at least one with blank site before you can complete Customer Data Maintenance records.
- Otherwise, the customer daybook set value defaults from the Default Daybook Set field in Sales Order Accounting Control. However, you can overwrite this value.

  Note That field is not available when Use Daybook Set by Site is selected.

The customer record determines the default daybook set for new orders. You can update the daybook set in the following programs:

- Sales Order Maintenance (7.1.1)
- Customer Scheduled Order Maintenance (7.3.13)
- Sales Order Shipments (7.9.15)
- Sales Quote Maintenance (7.12.1)
- Pending Invoice Maintenance (7.13.1)
- Call Activity Recording (11.1.1.13)
- Call Invoice Recording (11.1.1.15)
- RMA Maintenance (11.7.1.1)

Setting Up AP Daybook Sets



Before defining AP daybook sets, you must define the individual daybooks in Daybook Create (25.8.1.1).

Define AP daybook sets in Daybook Set Maintenance. All daybook sets must contain daybooks for invoices and credit notes, as well as an intercompany daybook for transactions that involve more than one entity.

When Accounts Payable is set to Yes in the AP AR Correction section of GL Correction Control for AP daybook sets, each daybook set must also specify daybooks for correction invoices and correction credit notes.

Alternatively, when Daybook Sets by Site is selected in Purchasing Accounting Control, use Daybook Sets by Site Maintenance to define site specific AP daybook sets.

After creating daybook sets, assign one to each supplier address in Supplier Data Maintenance (2.3.1). The system determines the default value for new supplier records as follows:

- When daybook sets are defined by site, Supplier Data Maintenance looks for the first active daybook set that matches the default supplier site. If one has not been defined, it uses the first active daybook set with a blank site. If no definitions have been set up by site, at least one with a blank site must be created before you can complete Supplier Data Maintenance records.
- Otherwise, the supplier daybook set value defaults from the Default Daybook Set field in Purchasing Accounting Control (36.9.5). However, you can overwrite this value.

The supplier record determines the default daybook set for new orders. You can update the daybook set in the following programs:

- Purchase Order Maintenance (5.7)
- Supplier Scheduled Order Maintenance (5.5.1.13)

  When a supplier scheduled order is a trade sales order, the Daybook Set field defaults from the related supplier, but will be read only.
- Blanket Order Maintenance (5.3.1)

US Exercise: Daybook Setup

In this exercise, you will create an operational daybook that you will use as default for all fixed asset transactions. Then, you will create a set of daybooks that you will use as defaults for sales orders by site.

Log in to 10USACO.

1 In Daybook Group Create (25.8.2.1), define the following daybook groups:

Field	Group 1	Group 2	Group 3
Daybook Group Code	FA-TRANS	CU-TRANS	IC-TRANS
Description	Fixed Assets Transactions	Customer Transactions	Intercompany Transactions

2 Use Daybook Create (25.8.1.1) to create the following daybooks. Click Save and Create after each daybook. Finally, click Save when you have created the last daybook.

Field	Daybook 1	Daybook 2	Daybook 3
Daybook Code	FA-DB	CIDB	CCNDB
Description	Fixed Assets	Customer Invoices	Customer Credit Notes
Daybook Type	Journal Entries	Customer Invoices	Customer Credit Notes
Layer Code	Primary	Primary	Primary
Daybook Control	Operational	Operational	Operational
Daybook Group:	FA-TRANS	CU-TRANS	CU-TRANS

Field	Daybook 4	Daybook 5
Daybook Code	ICDB2	CADB
Description	Intercompany	Customer Adjustments
Daybook Type	Journal Entries	Customer Adjustments
Layer Code	Primary	Primary
Daybook Control	Operational	Operational
Daybook Group:	IC-TRANS	CU-TRANS

3 In Default Daybook Maintenance (25.8.4), set the daybook default for fixed assets transactions:

Field	Daybook 4
Transaction Type	FA
Document Type	<blank>
From Entity	10USACO
To Entity	10USACO
Daybook	FA-DB

Click Next to save, then Back to leave. Now, fixed asset transactions are linked to your new daybook by default.

4 Next, define a default daybook set for site 10-100. In Sales Order Accounting Control (36.9.6), select the Use Daybook Set by Site field and the Use Correction Invoices field.

5 In Daybook Set by Site Maintenance (25.8.10), create a new AR daybook set for site 10-100.

Click Next to go from screen to screen.

Field	Value
Daybook Set	10SALES
Site	10-100
Type	AR
Active	Yes
Copy from Site	<blank>

Note If the field lookups for the following fields are empty, manually enter the values in the fields.

Field	Value
Invoice Daybook	CINV
CN Daybook	CCN
Intercompany Daybook	JE
Correction Invoices (Negative)	CCNDB
Correction Credit Notes (Negative)	CINV-CA
Correction Invoices (Positive)	CINV
Correction Credit Notes (Positive)	CCN-CA
Adjustment Daybook	CADB

Now, any new customer created and attached to this site will be linked to the daybook set 10SALES.

EMEA Exercise: Daybook Setup

In this exercise, you will create an operational daybook that you will use as default for all fixed asset transactions. Then, you will create a set of daybooks that you will use as defaults for sales orders by site.

Log in to 22UKCO.

1 In Daybook Group Create (25.8.2.1), define the following daybook groups:

Field	Group 1	Group 2	Group 3
Daybook Group Code	FA-TRANS	CU-TRANS	IC-TRANS
Description	Fixed Assets Transactions	Customer Transactions	Intercompany Transactions

2 Use Daybook Create (25.8.1.1) to create the following daybooks. Click Save and Create after each daybook. Finally, click Save when you have created the last daybook.

Field	Daybook 1	Daybook 2	Daybook 3
Daybook Code	FA-DB	CIDB	CCNDB
Description	Fixed Assets	Customer Invoices	Customer Credit Notes
Daybook Type	Journal Entries	Customer Invoices	Customer Credit Notes
Layer Code	Primary	Primary	Primary
Daybook Control	Operational	Operational	Operational
Daybook Group	FA-TRANS	CU-TRANS	CU-TRANS

Field	Daybook 4	Daybook 5
Daybook Code	ICDB2	CADB
Description	Intercompany	Customer Adjustments
Daybook Type	Journal Entries	Customer Adjustments
Layer Code	Primary	Primary
Daybook Control	Operational	Operational
Daybook Group	IC-TRANS	CU-TRANS

3 In Default Daybook Maintenance (25.8.4), set the daybook default for fixed assets transactions:

Field	Daybook 4
Transaction Type	FA
Document Type	<blank>
From Entity	22-100
To Entity	22-100
Daybook	FA-DB

Click Next to save, then Back to leave. Now, fixed asset transactions are linked to your new daybook by default.

4 Next, define a default daybook set for site 22-100. In Sales Order Accounting Control (36.9.6), select the Use Daybook Set by Site field and select the Use Correction Invoices field.

5 In Daybook Set by Site Maintenance (25.8.10), create a new daybook set for site 22-100.

Click Next to go from screen to screen.

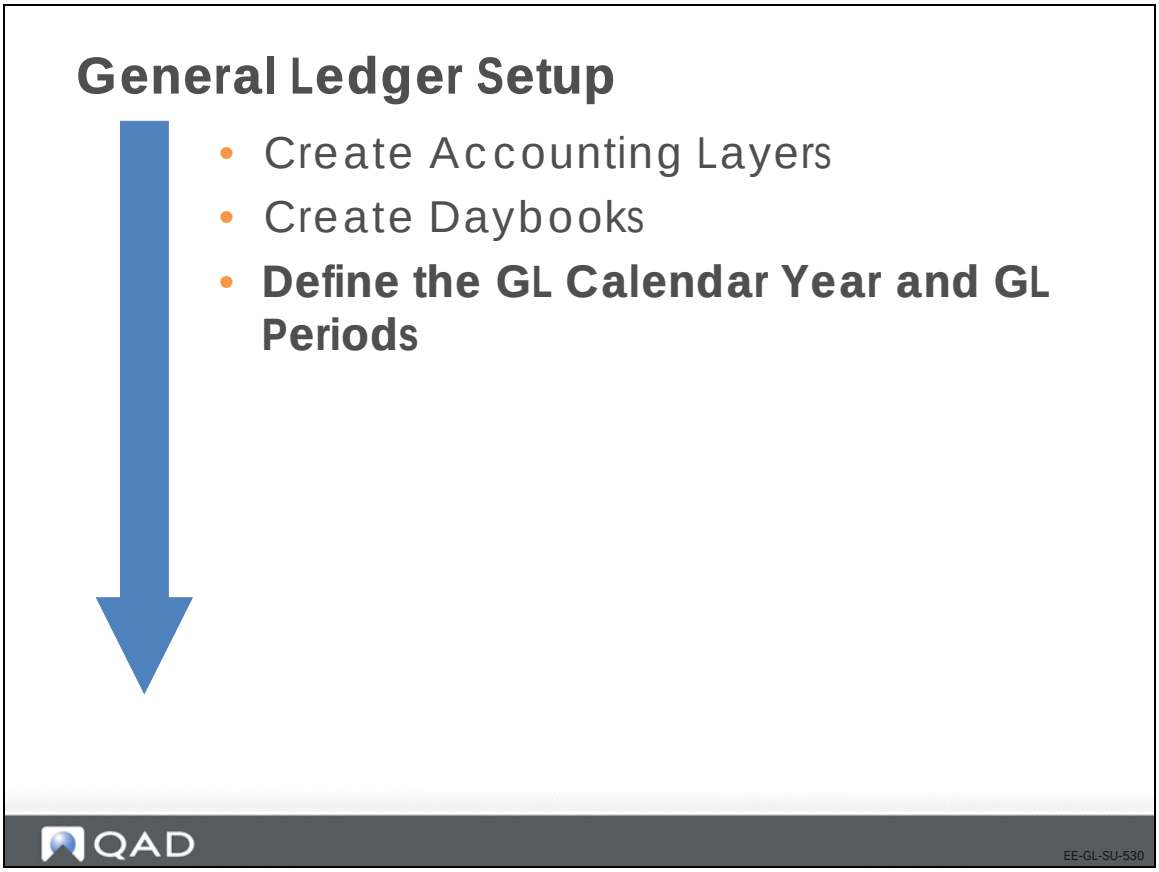
Field	Value
Daybook Set	22SALES
Site	22-100
Type	AR
Active	Yes
Copy from Site	<blank>

Note If the field lookups for the following fields are empty, manually enter the values in the fields.

Field	Value
Invoice Daybook	CINV
CN Daybook	CCN
Intercompany Daybook	JE
Correction Invoices (Negative)	CCNDB
Correction Credit Notes (Negative)	CINV-CA
Correction Invoices (Positive)	CINV
Correction Credit Notes (Positive)	CCN-CA
Adjustment Daybook	CADB

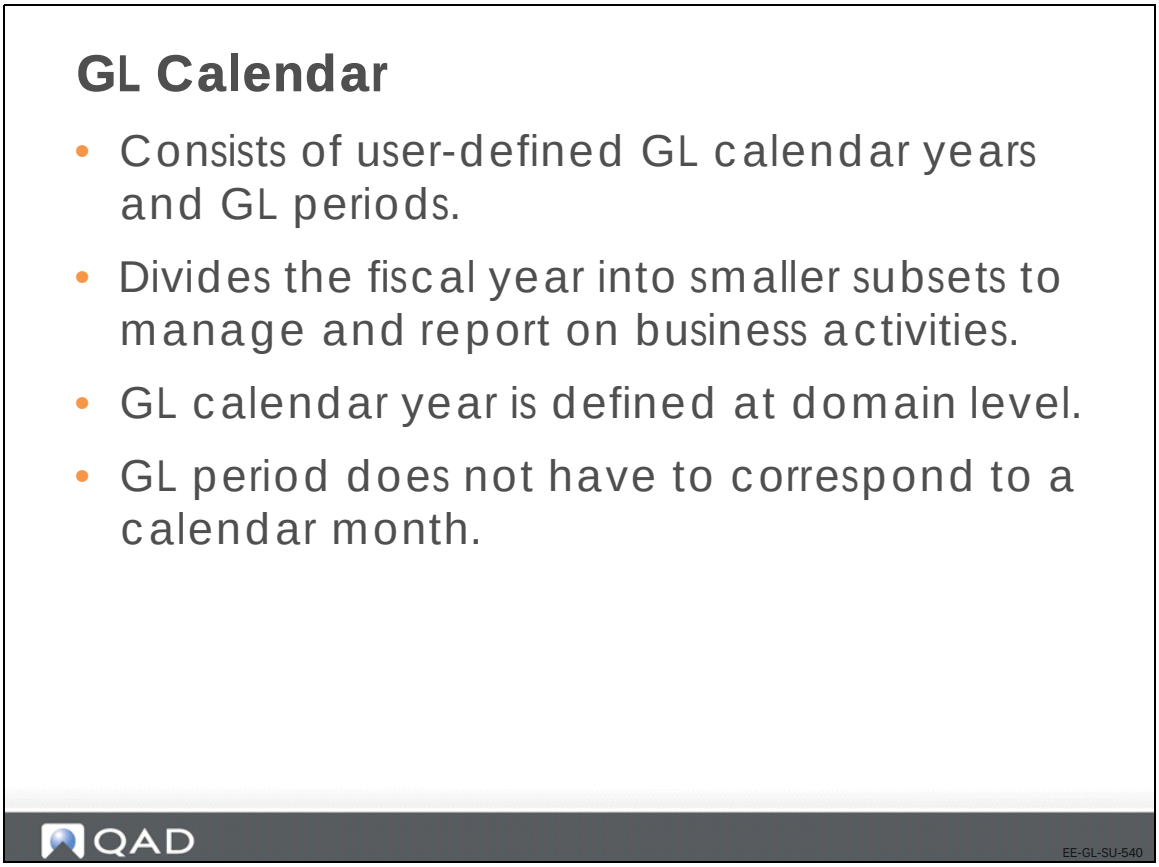
Now, any new customer created and attached to this site will be linked to the daybook set 22SALES.

Define the GL Calendar



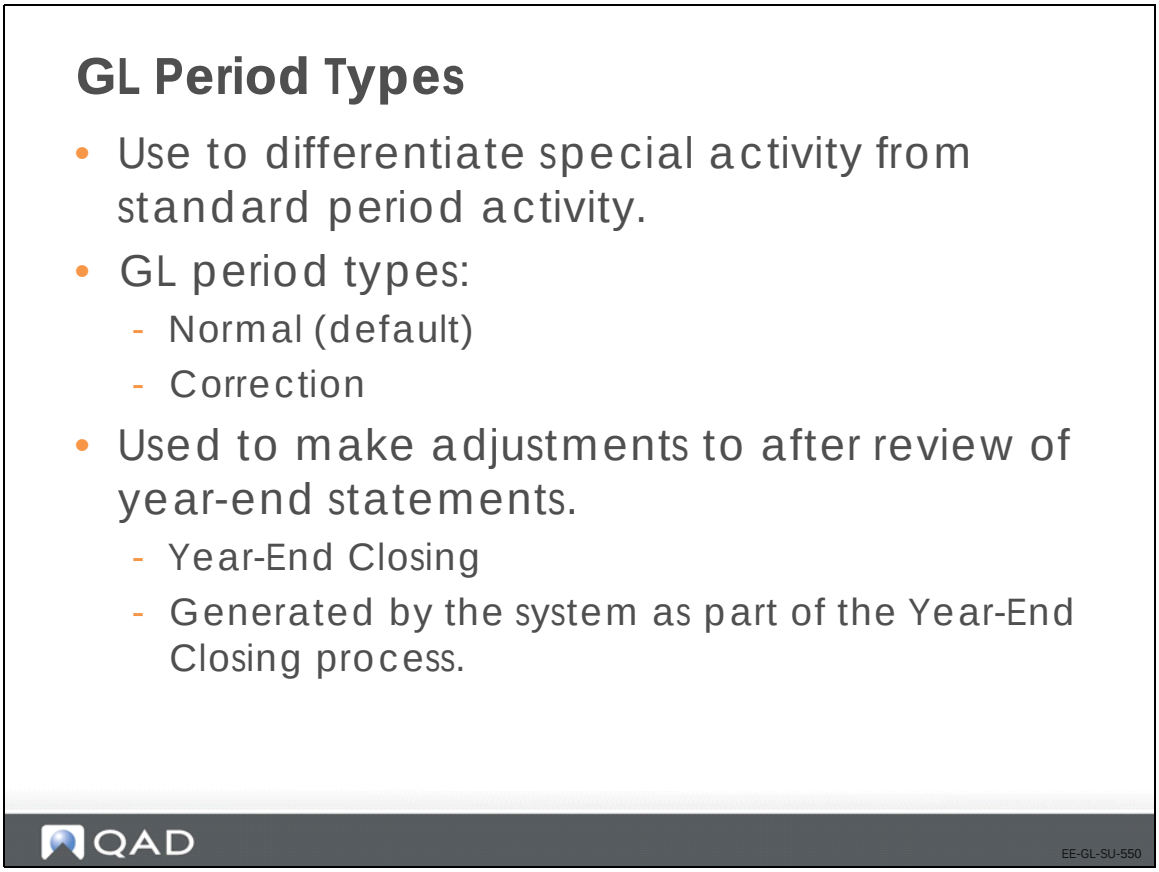
The financial calendar consists of user-defined GL calendar years and GL periods.

GL Calendar



Creating GL periods lets you divide the fiscal year into smaller subsets in order to manage and report on business activities. Opening or locking a GL period allows an organization to better control its accounting and reporting processes.

GL Period Types



All periods are initially of Normal type. If you need special periods for year-end processing or corrections, create new GL periods of the appropriate type.

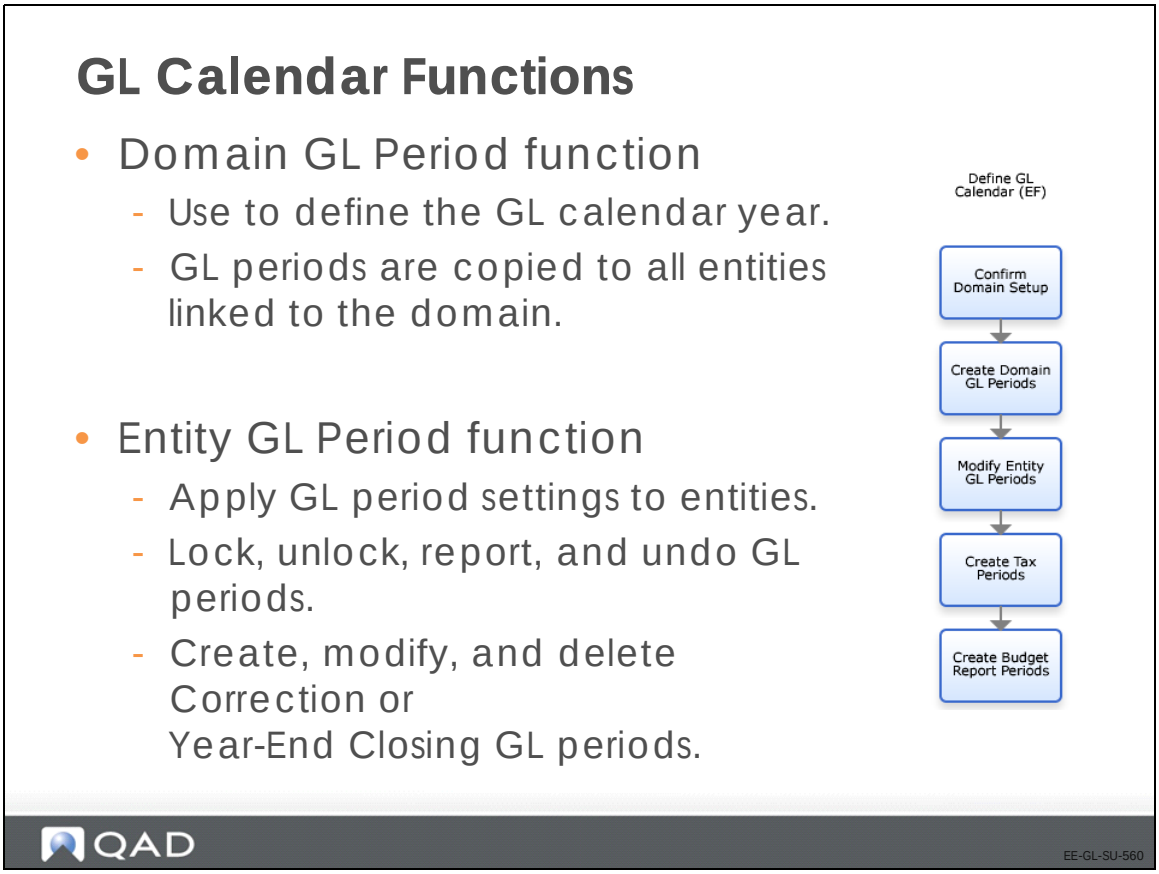
Normal is the default standard period.

Correction is used when a review of the year-end statements results in the need to make adjustments to the accounts before official publication. The correction period is normally the last GL period in the GL calendar year.

Note Once you have created a Correction GL period for a GL calendar year, you cannot create any further periods of type Normal.

Year-End Closing periods are generated by the system as part of the Year-End Closing process.

GL Calendar Functions



Use the Domain GL Period activities (25.4.1) to create, modify, or view the domain-level GL calendar year. When you choose Create, the following screen displays. You can create a new year based on an existing one. This is typically used unless you have changed your legal GL calendar year requirements.

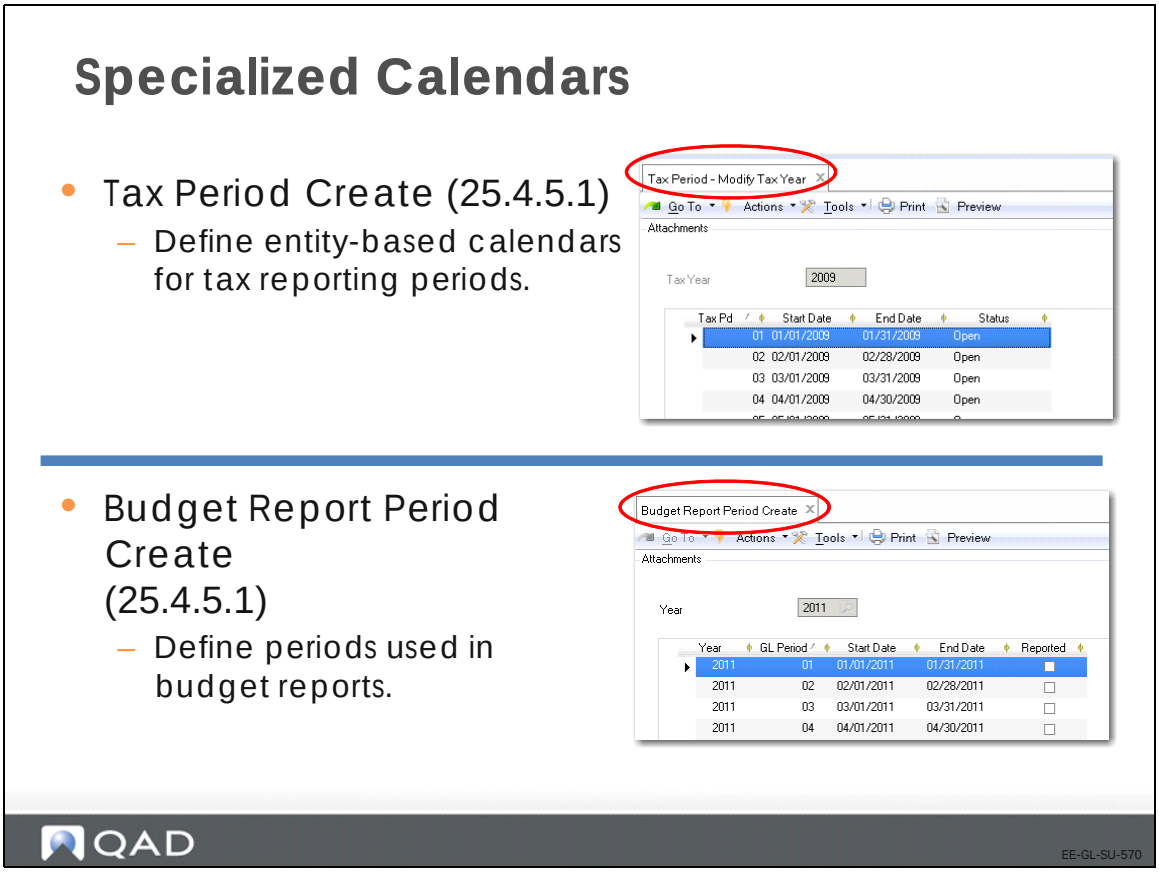
Use the Entity GL Period activities (25.4.2) to manage the GL periods for a specific entity. The changes you make in this function do not affect the other entities in a domain.

You can:

- Modify GL period attributes, such as the upper and lower posting limits. The limits allow you to define the posting date range, and provide an additional level of control to the posting process.
- Lock periods to prevent further transactions or unlock them. You can lock and unlock application areas separately, so that the period can be open to sales transactions, but closed to inventory transactions.
- Report the period, closing it to further updates, and also undo the reporting if additional changes are needed.
- Delete a GL period if the period is open and no outstanding transactions exist for it.

Using Entity GL Period Create, you can also create entity-specific GL periods with a type of Correction or Year-End Closing. Normal GL period types are view-only.

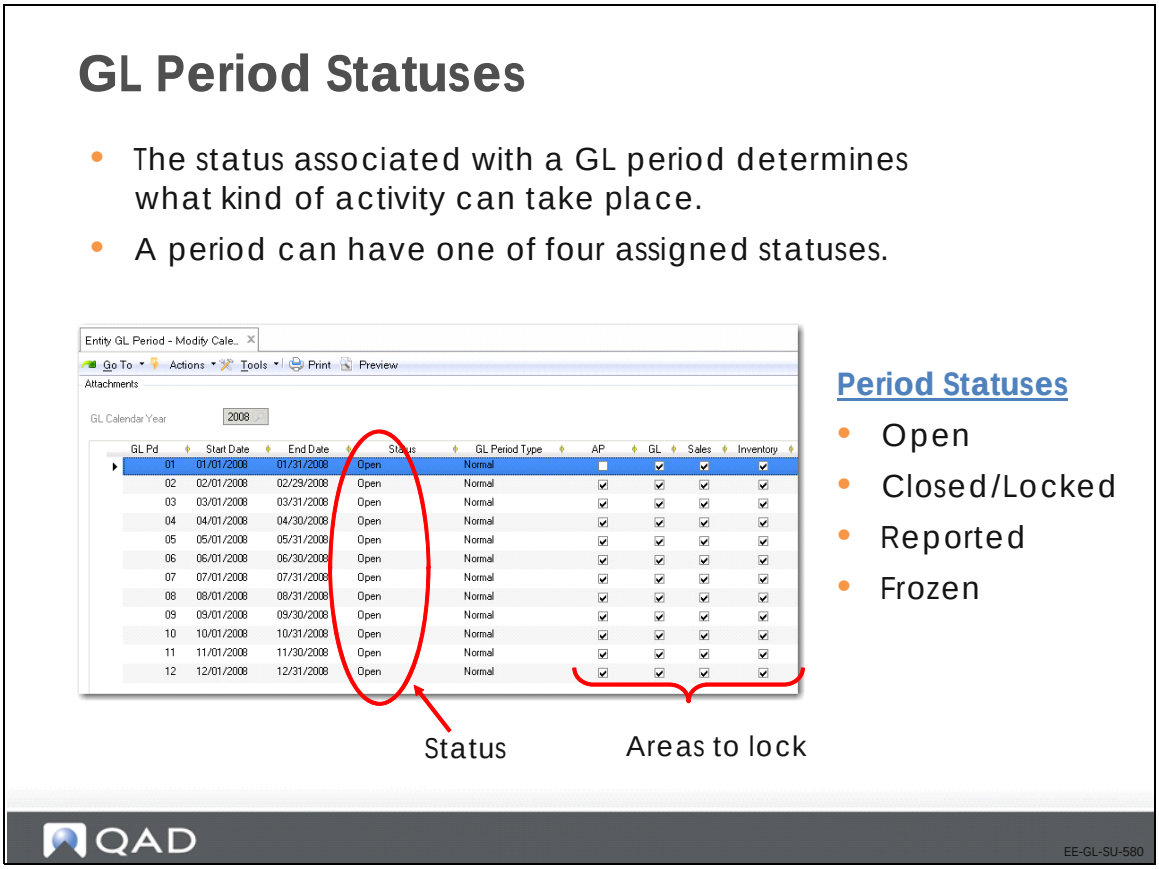
Specialized Calendars



Use Tax Period Create (25.4.5.1) to define entity-based calendars for tax reporting periods. When defined, closing a tax period prevents additional tax transactions from being posted. Tax periods and reporting are described in the Global Tax Management chapter in *User Guide: QAD Global Tax Management*.

Use Budget Report Period Create (25.4.5.1) to define periods used within the budgeting area.

GL Period Statuses



The status associated with a GL period determines what kind of activity can take place. A period can have one of four assigned statuses:

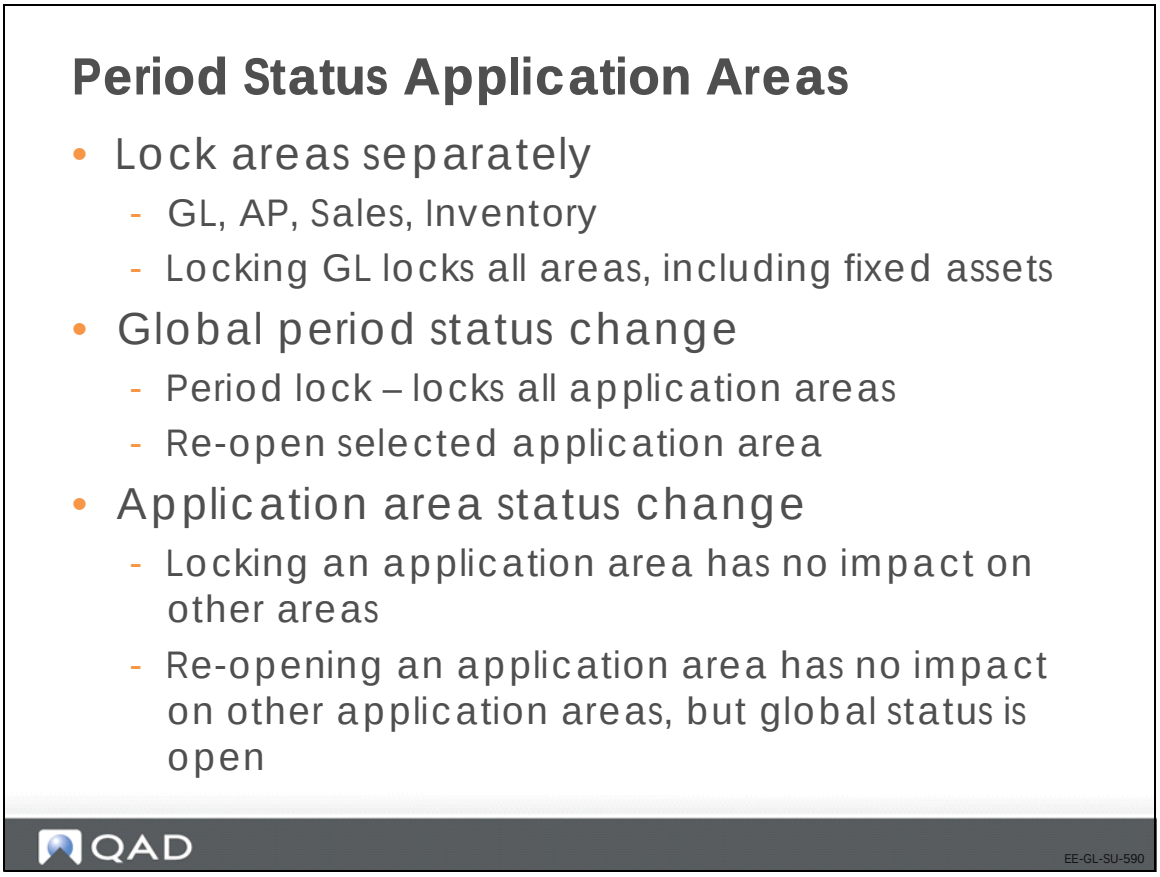
Open. This is the normal period status and applies when no closing date has been set for the period. Transactions are normally posted during open periods, except when the period has been closed and re-opened.

Closed/Locked. This status applies when the period is subject to a monthly closing. You can close a GL period for one entity and leave it open for all other entities in the same domain. You can unlock a GL period if more transactions need to be processed for that period.

Reported. The Reported status applies to a period for which Monthly Closing has been successfully run and reported. You can reset a reported GL period to a different status.

Frozen. When you run Monthly Closing for a period, the Frozen status is automatically applied to the previous period. A Frozen period cannot be reopened.

Period Status Application Areas

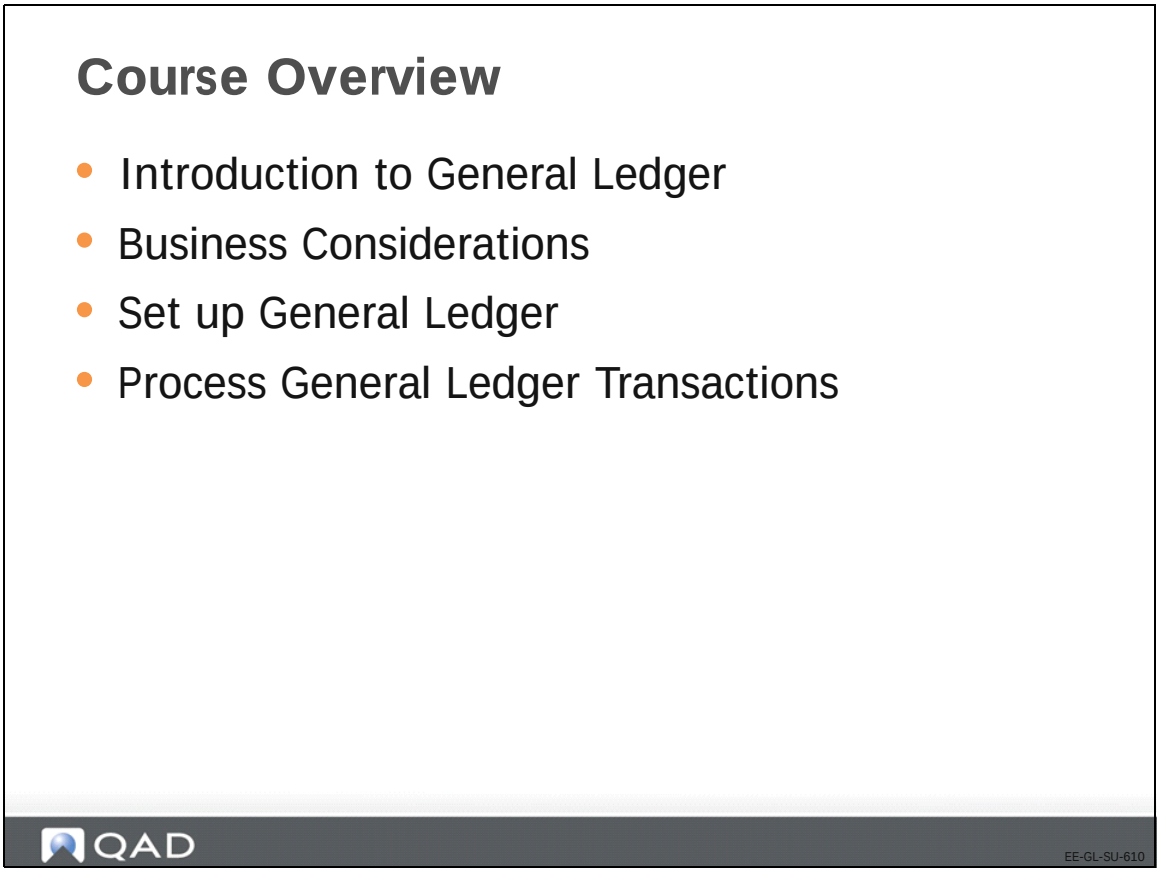


You can close GL periods by GL transaction type. This lets you, for example, prevent any more sales order shipments, while still allowing banking entry in the GL. The GL module overrides the other area modules, and when closed, prevents transactions of any type for the period.

The application areas that can be closed separately are:

- GL, which closes all areas including fixed assets.
- AP, which closes the AP sub-ledger in financials.
- Sales, which closes the AR sub-ledger in financials.
- Inventory, including all inventory (IC) and work order (WO) transactions created in operational functions.

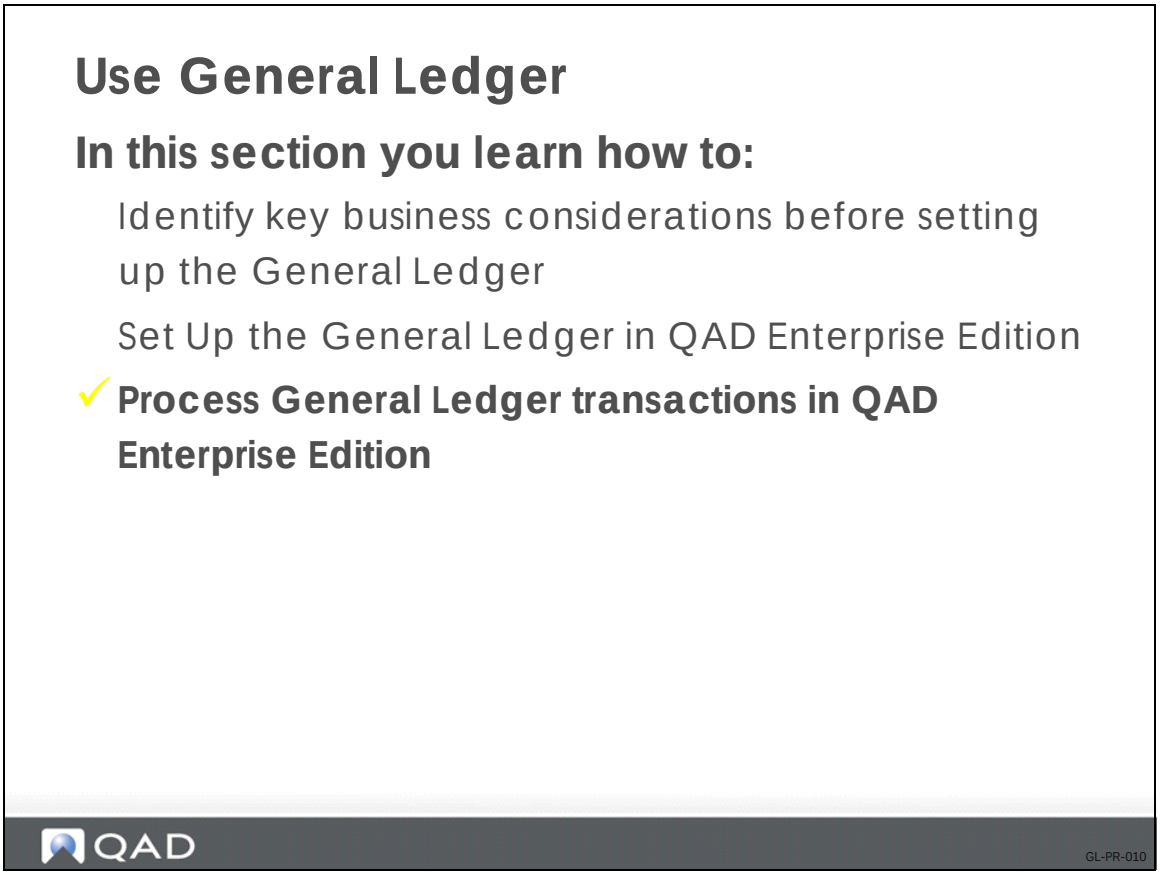
Review


Course Overview
Introduction to General Ledger
Business Considerations
Set up General Ledger
Process General Ledger Transactions
QAD
EE-GL-SU-610

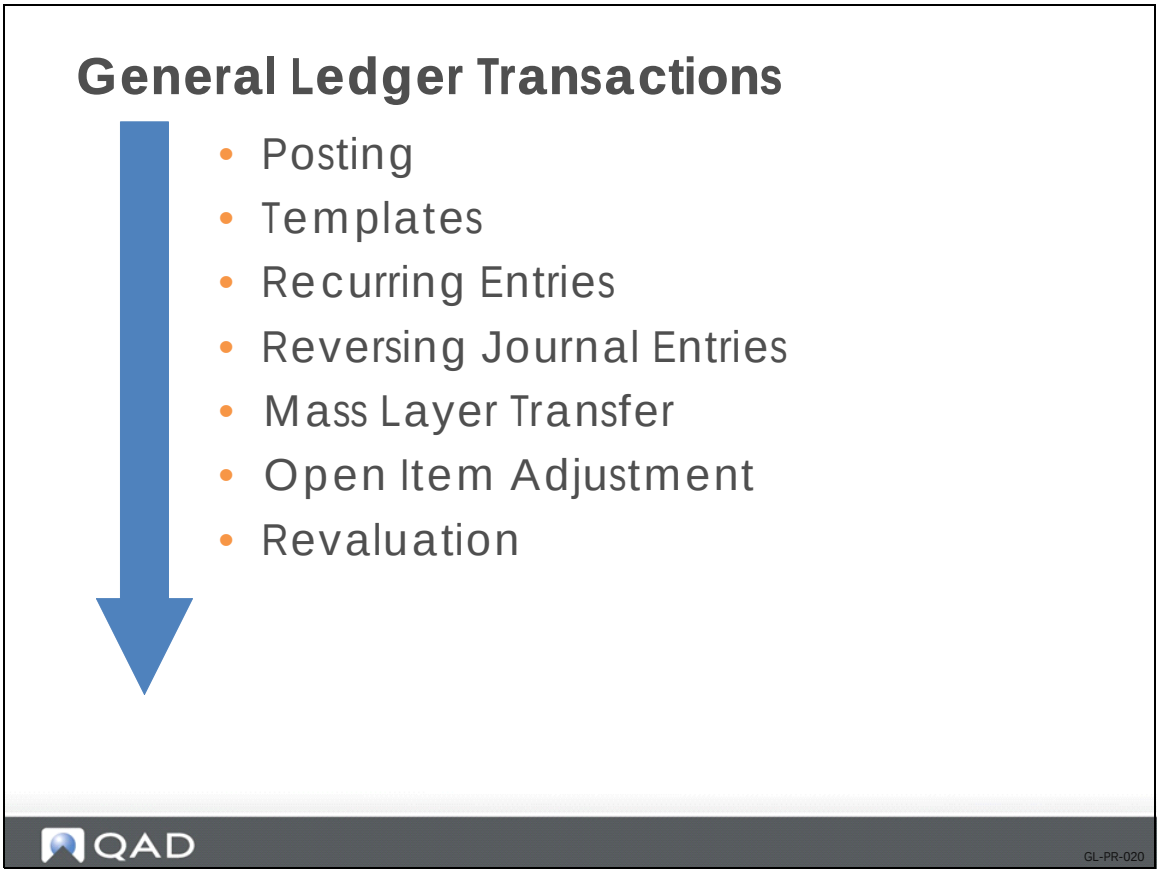
Chapter 4

Processing GL Transactions

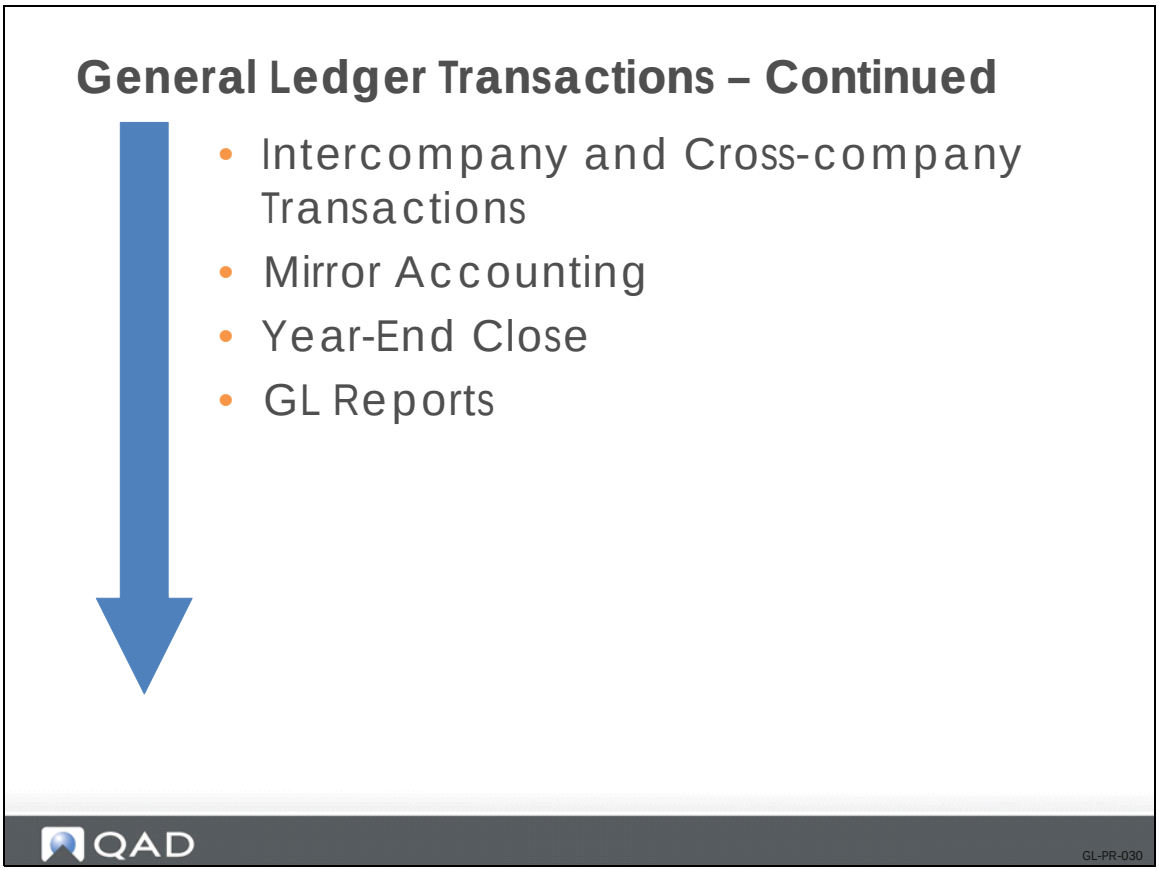
Course Overview



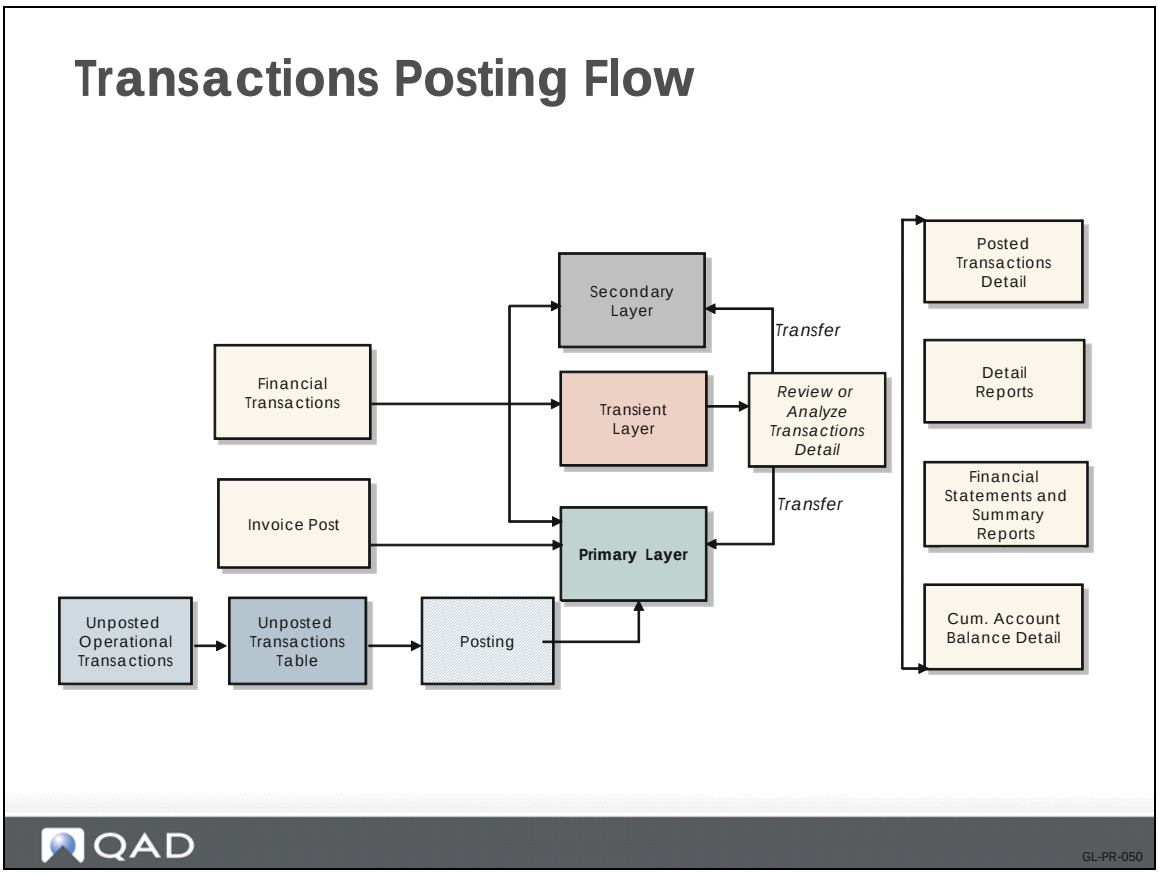
General Ledger Transactions



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


General Ledger Transactions – Continued
Intercompany and Cross-company Transactions
Mirror Accounting
Year-End Close
GL Reports
QAD
GL-PR-030

Transactions Posting Flow



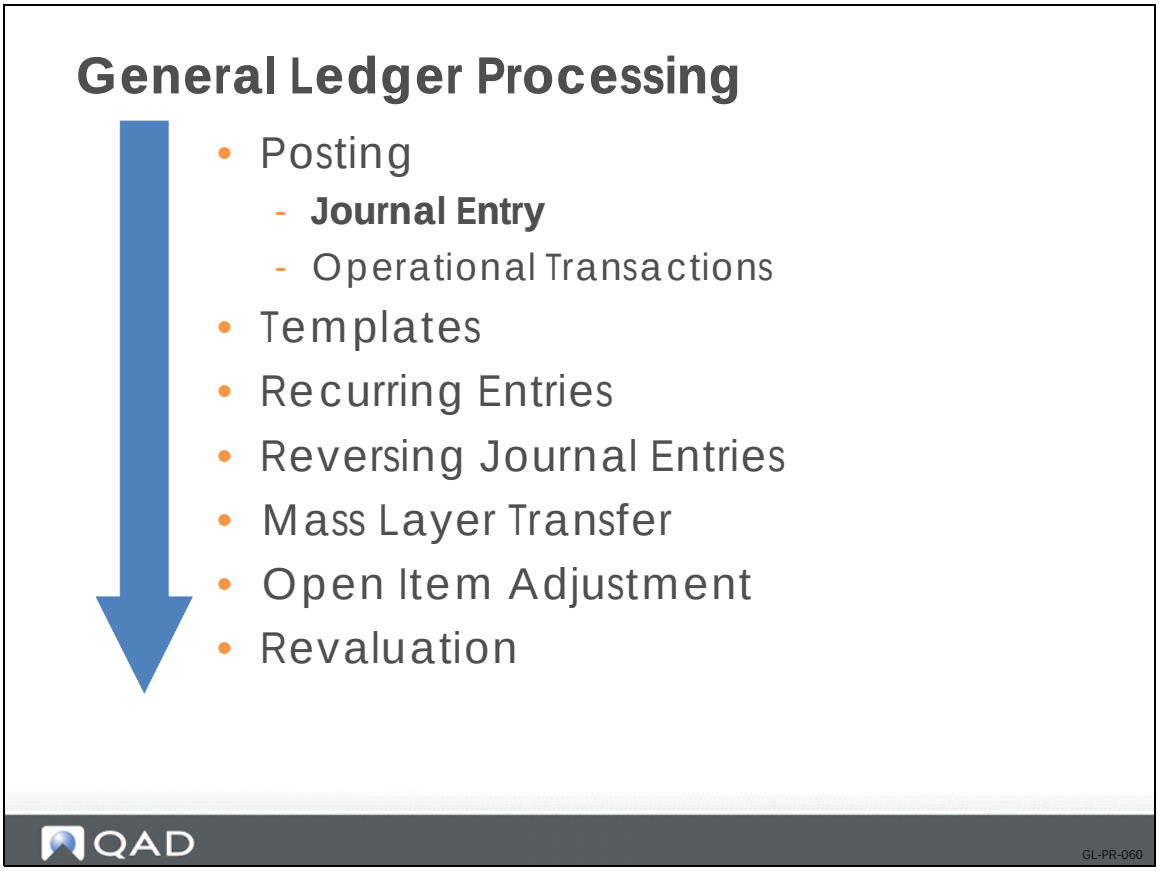
The general ledger is a record of all transactions that occur in the entity. It is maintained by recording debit and credit transactions in a process known as *posting*. After posting, the balance of each account is updated, and the transaction becomes a permanent part of your financial records and cannot be modified directly.

The posting process is controlled by associating daybook types with one of the three system-defined accounting layers: primary, secondary, and transient. Accounting layers provide different ways of segregating transactions within a single GL account.

Most operational GL transactions originate from manufacturing, purchasing, and inventory movement, and are created as unposted transactions. The system collects most operational transactions in an unposted transaction table that is not associated with an accounting layer. Once the transactions are verified, you must post them to the primary layer to update GL account balances. However, certain operational transactions, such as invoice post, are not collected in an unposted transaction table, and are posted directly to the primary layer of the general ledger.

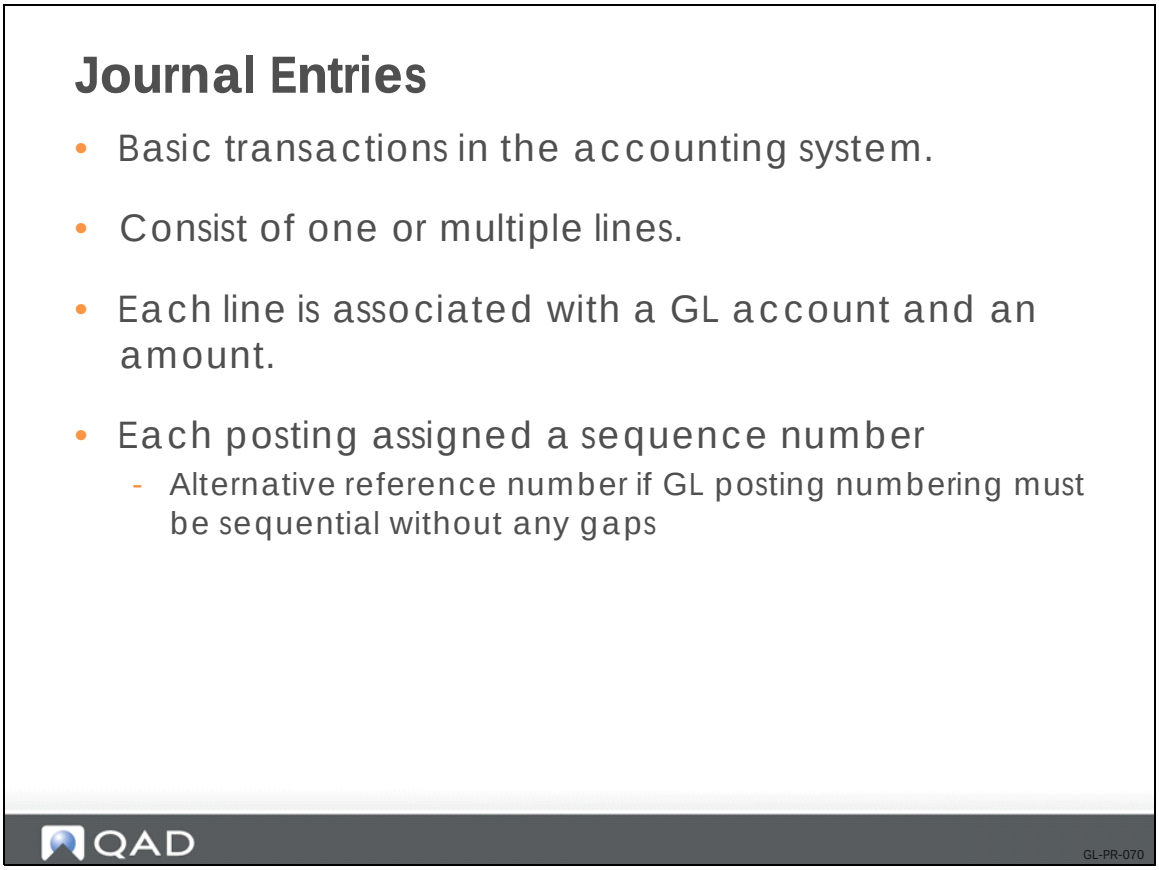
Finalized financial transactions can be entered directly in the primary layer using a single journal-entry process. During posting, the transaction detail in the posting line is used to update cumulative account balance detail records.

Journal Entry

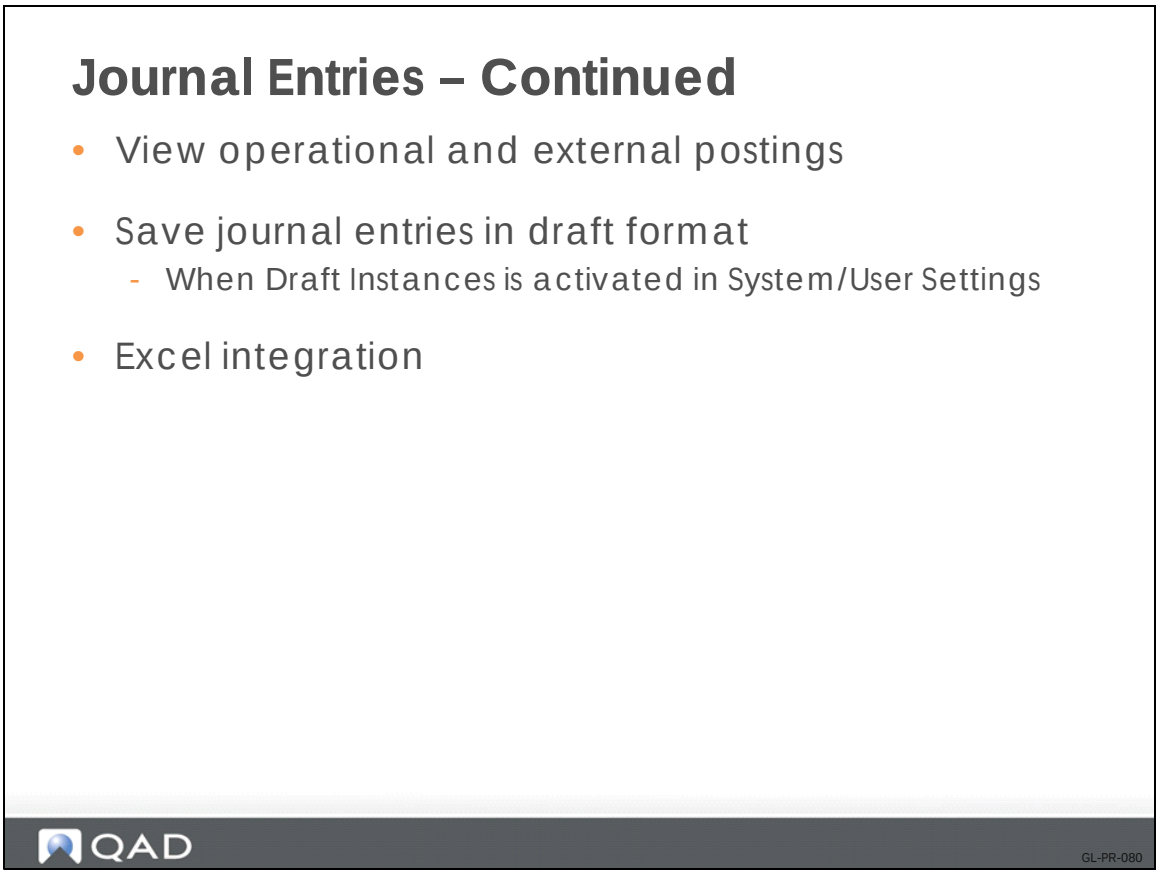


A journal entry, or posting, is the basic transaction in the accounting system. Journal entries are often composed of multiple posting lines, each associated with a GL account and an amount.

Journal Entries



In its most simple representation, a journal entry is a transaction composed of multiple posting lines, each of them associated with a GL account and an amount. Nevertheless, in most cases, journal entries also have other dimensions, represented by analytical codes.

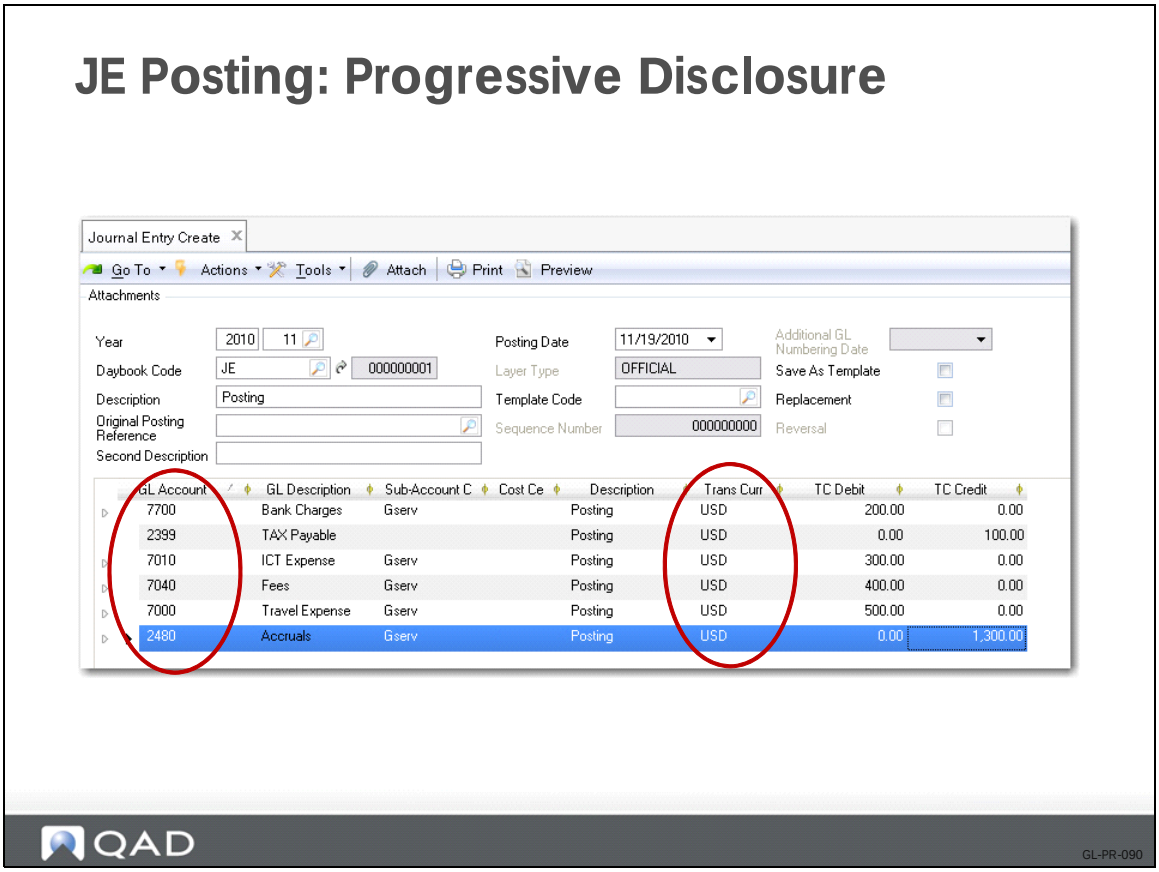


Journal Entry View (25.13.1.3) lets you view transactions posted to operational and external daybooks, in addition to financial daybooks.

Journal entries can be saved in draft format when Draft Instances is selected in System/User Settings, Change System Setting. When you save a record in draft format, none of the system validations are executed. You can then return later to complete the record by choosing the Journal Entry Browse Drafts activity and selecting the record you want to finish from the list.

Using the Excel integration feature, you can export data into Excel spreadsheets for analysis or reporting. You can also create new data within Excel and import it to the system database, where it is validated before being saved.

JE Posting: Progressive Disclosure



A posting line can be composed of multiple sublevels containing additional posting information.

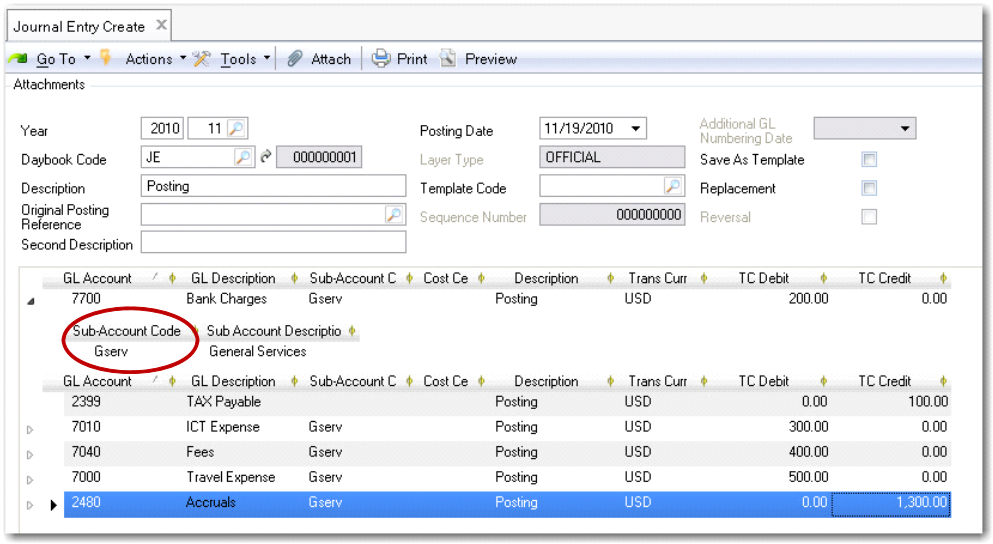
The level 1 posting line contains fields for the GL account, sub-account, cost center, journal entry description, base currency, and debit and credit amounts in the base currency.

The posting grid can automatically display additional level 2 posting lines and fields, depending on how the GL accounts used in the transaction are defined, such as fields for:

- Transaction currency
- Quantity
- Intercompany
- Cost center analysis
- Project analysis
- SAF analysis
- Open items
- Tax account details

If the posting line contains additional level 2 posting lines, a line expander (+) appears to the left of the line. Click on the expander to drill down and view all posting details.

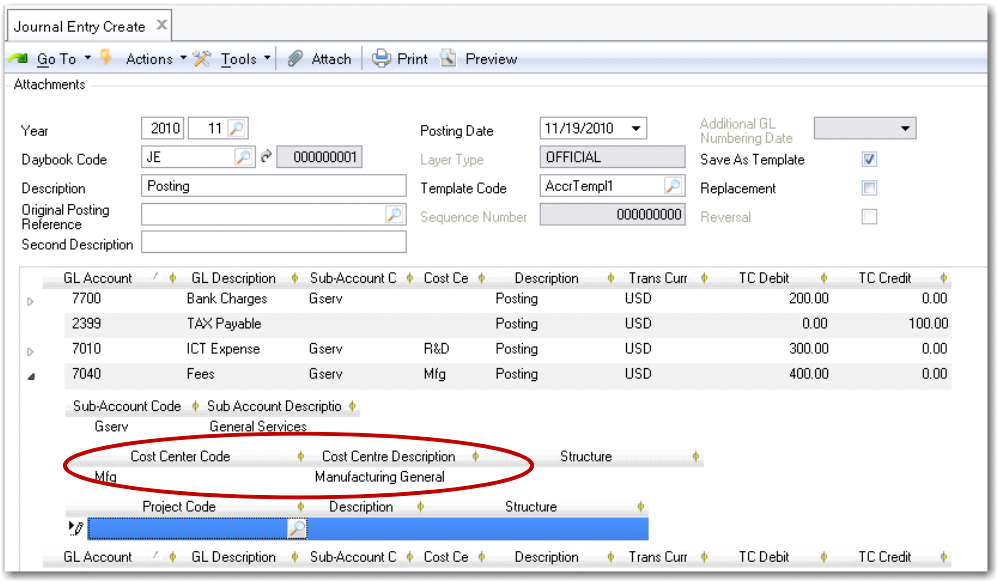
JE Posting: Progressive Disclosure



QAD

GL-PR-091

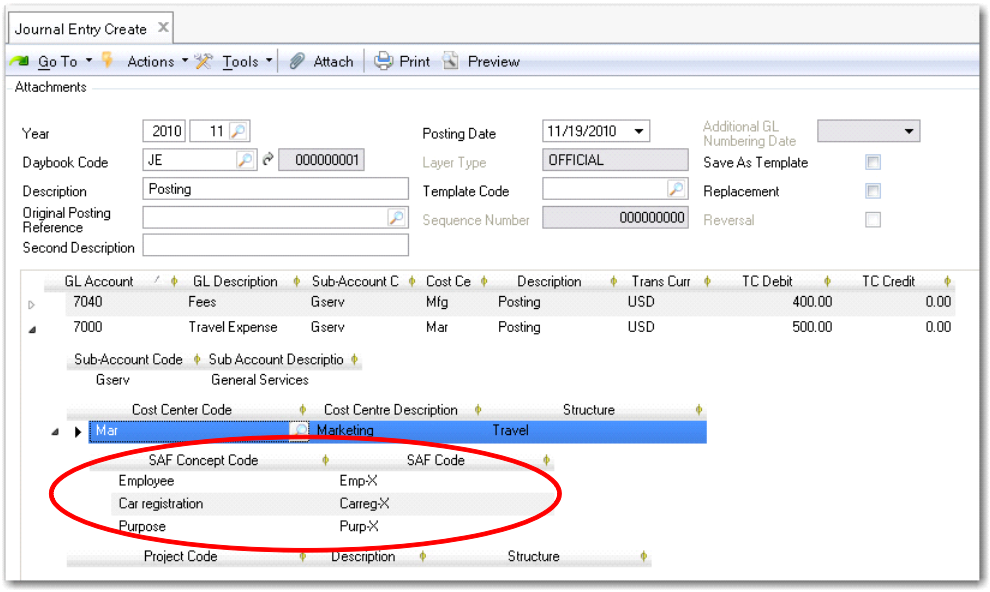
JE Posting: Progressive Disclosure



QAD

GL-PR-092

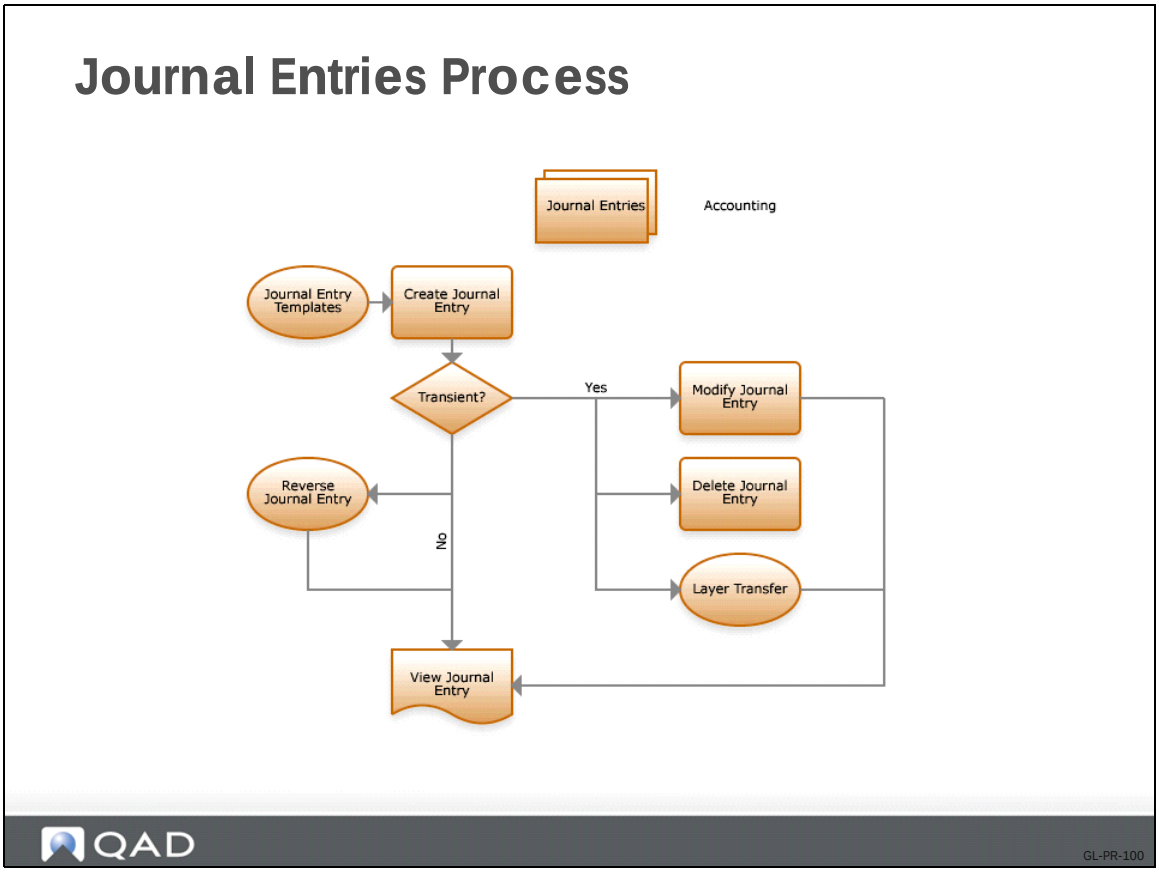
JE Posting: Progressive Disclosure



QAD

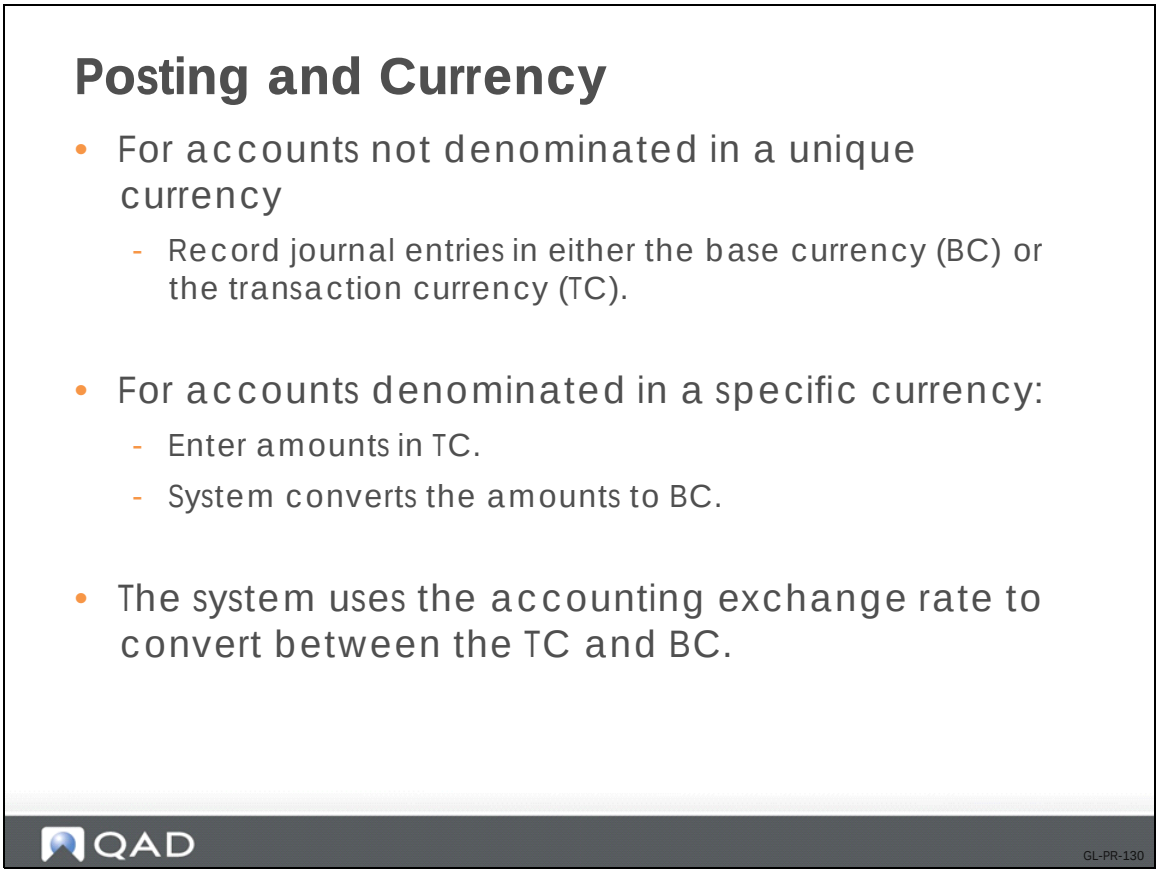
GL-PR-093

Journal Entries Process



The slide shows the journal entries business process.

Posting and Currency



For accounts that are not denominated in a unique currency, you can record journal entries in either the base currency (BC) of the domain or in a non-base, transaction currency (TC). For accounts denominated in a specific currency, you enter amounts using the transaction currency and the system converts the amounts to the base currency.

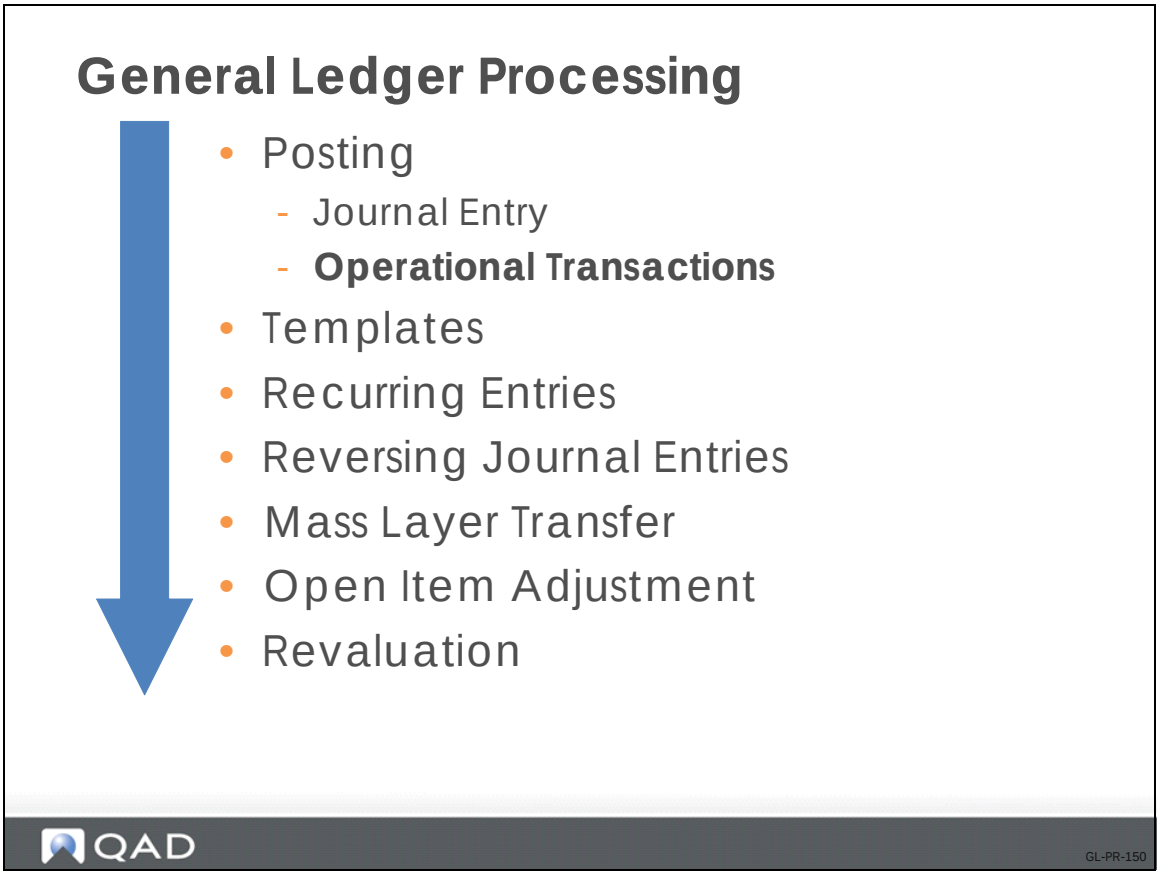
The level 2 posting line for the transactions currency contains the following fields:

- TC Debit
- TC Credit
- BC Debit
- BC Credit
- Exchange Rate (TC/BC)
- Scale Factor (TC/BC)

The system uses the accounting exchange rate to convert between the transaction currency and base currency, and calculates the base currency amount as:

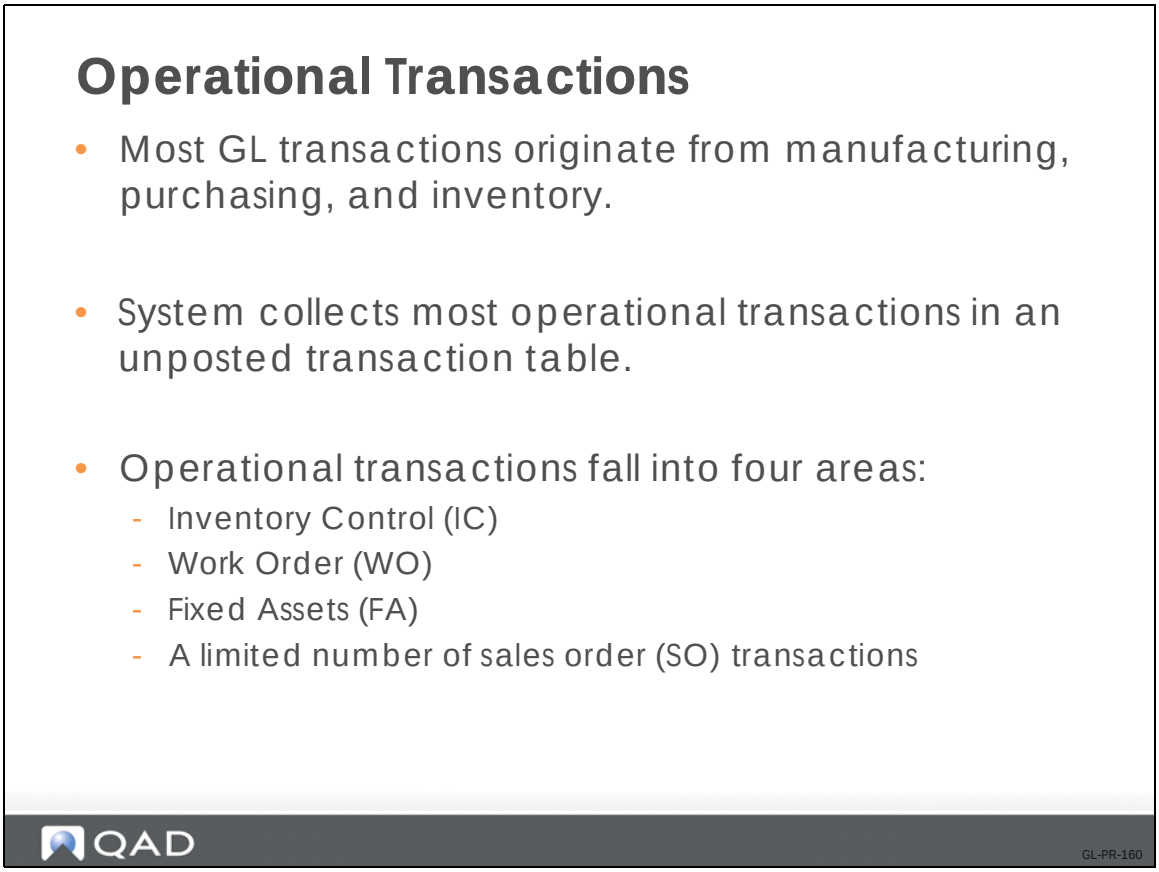
BC Amount = TC Amount * Exchange rate (TC/BC) * Scale Factor (TC/BC)

Operational Transactions



In a production system, most GL transactions originate from operational transactions, such as manufacturing, purchasing, and inventory movements.

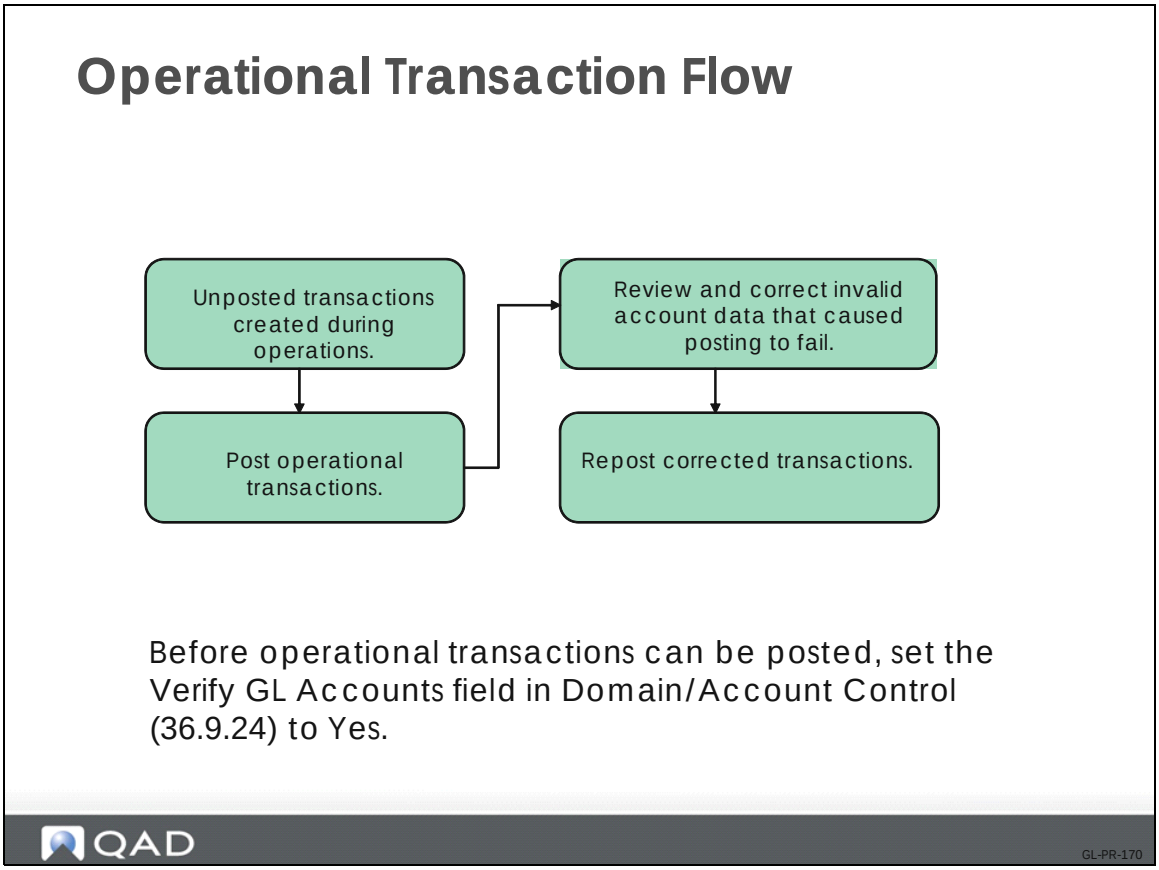
Operational Transaction Features



The system collects most operational transactions in an unposted transaction table. You can review the transactions to ensure that amounts, accounts, and dates are correct. Once the transactions are verified, you must post them to update GL account balances.

Note Invoicing sales orders using Invoice Post and Print (7.13.4) directly updates the GL.

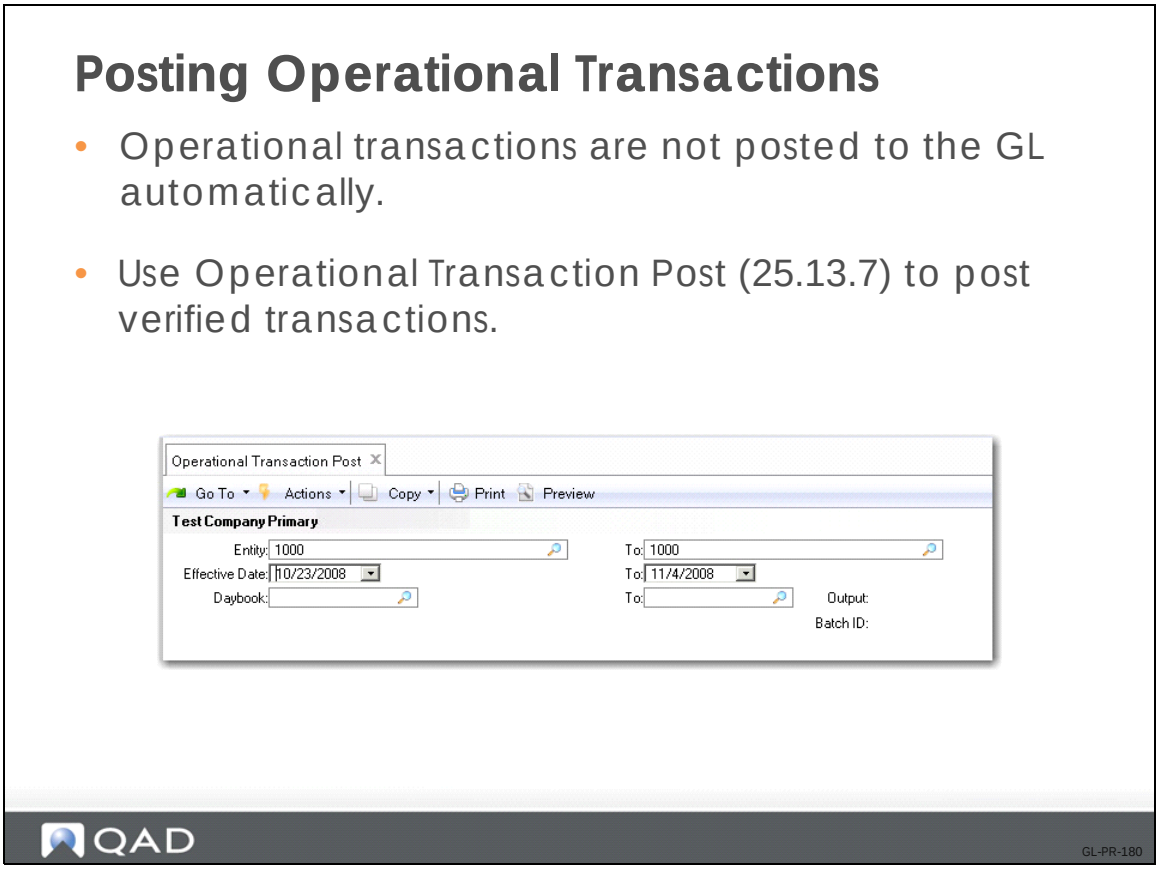
Operational Transaction Flow



The slide shows the process flow for operational transactions.

Before operational transactions can be posted, you must set the Verify GL Accounts field in Domain/Account Control (36.9.24) to Yes. Before setting the Verify GL Accounts field, you can run the Operational Account Status Validation report to determine if any issues exist with combinations of accounts, sub-accounts, cost centers, and projects.

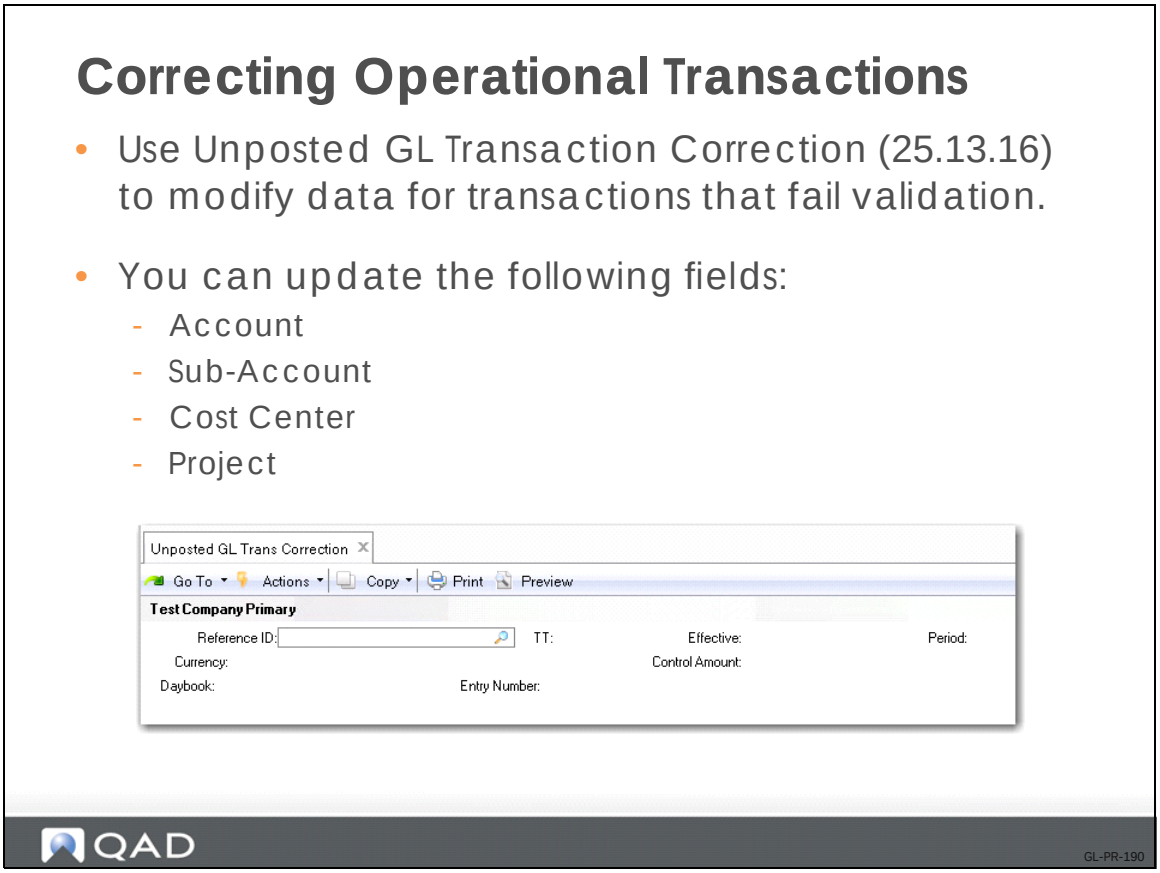
Posting Operational Transactions



To apply unposted transaction amounts to the GL, use Operational Transaction Post (25.13.7). You can select transactions for posting by entity, date, or the daybook assigned based on records in Default Daybook Maintenance (25.8.4).

The system verifies that all transactions contain valid combinations of active account, sub-account, cost center, and project code; the effective posting date must also be within a valid GL period. Transactions must also be balanced, with debits equaling credits. Otherwise, an error message displays and the transaction is not posted.

Correcting Operational Transaction

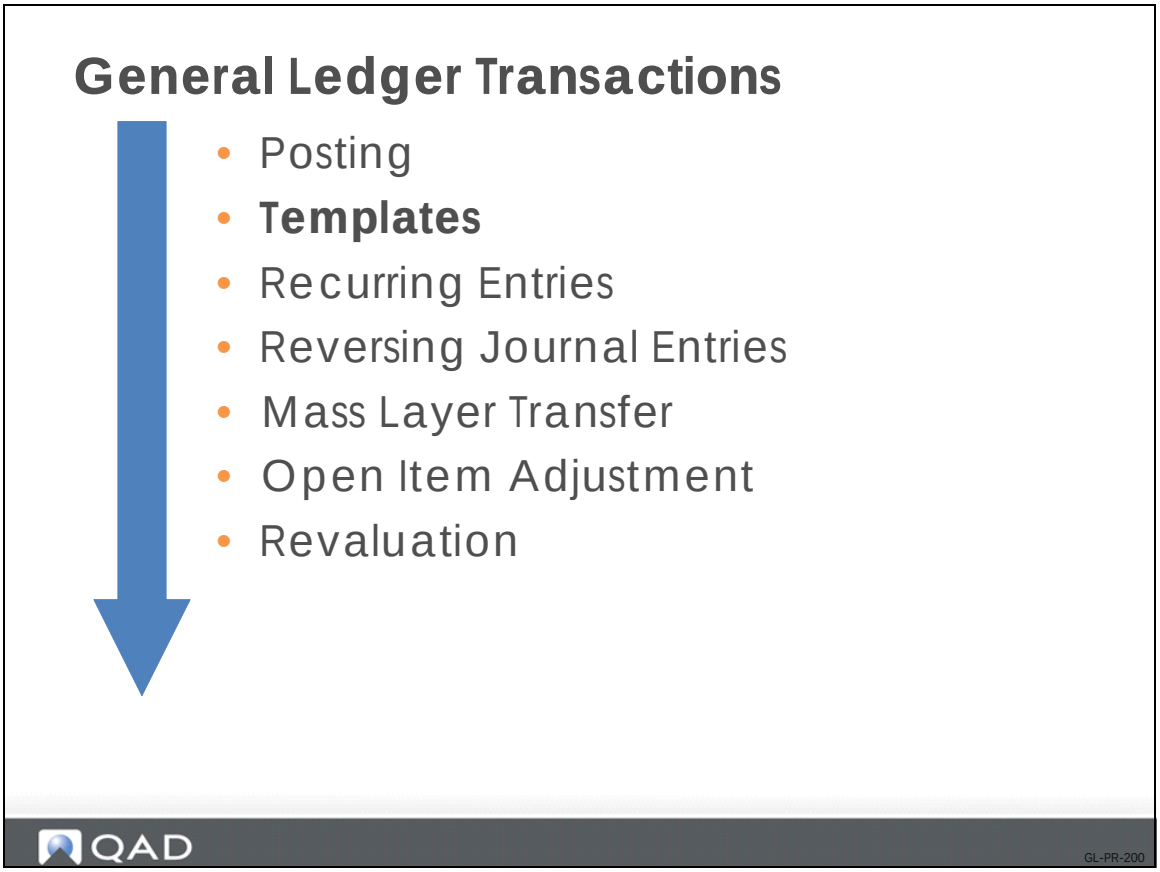


Correcting Operational Transactions

Use Unposted GL Transaction Correction (25.13.16) to modify invalid account data for transactions that fail validation. To be accessible in this program, transactions must have failed transaction post. You can update the following fields:

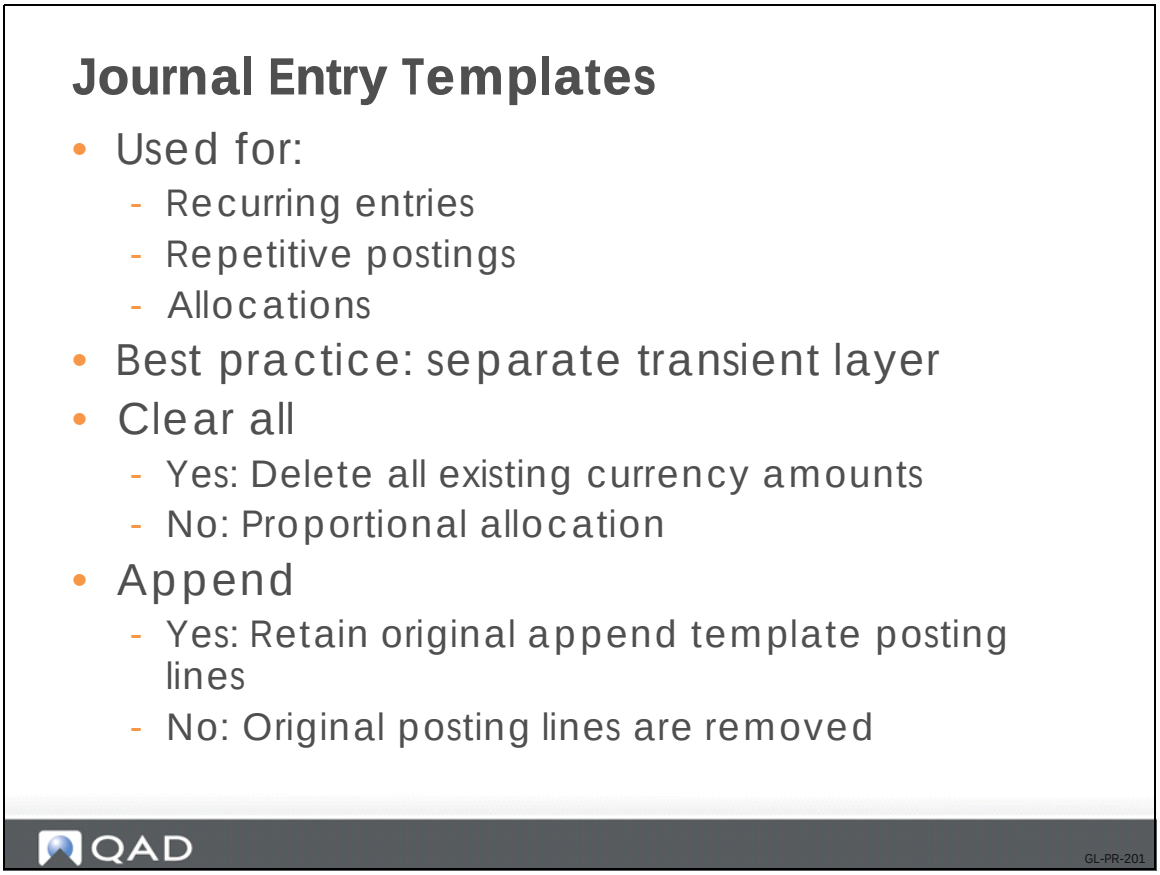
- Account
- Sub-Account
- Cost Center
- Project

Templates



If you plan to record the same journal entry on a regular basis, posting templates let you save the posting details for reuse.

Journal Entry Templates



Templates are usually used with recurring entries, in which the template is posted at recurring intervals according to a predefined schedule. However, you can use templates for any type of repetitive posting, and for allocations.

Journal entry templates retain the following transaction details:

- GL account, including the associated sub-account, cost center, project, or SAF details
- Description
- Currency
- Debit amount
- Credit amount

The account details are loaded into the posting grid when you select the template. You need change only the monetary amount and the reference each time you reuse the template, or maintain and use the same values. You can save the transaction or edit the details as required.

Best practice is to use a transient layer daybook to post journal entry templates. If you use a daybook linked to a transient layer, you can review the template details before posting the transactions to the primary layer. When you have verified the template, you can then change the daybook type to primary.

Note the following two fields:

Clear All. When creating a template, select the Clear All field to delete all existing amounts. Only the posting lines (such as accounts, sub-accounts, cost center) are stored, and you can enter new amounts in the posting grid. If the Clear All field is unselected, the system creates a proportional allocation based on the total transaction amount entered.

Append. When using a template in a transaction, select Append to retain the original posting lines and append the template posting lines. If you do not select Append, the original posting lines are removed, and only the template is retained.

US Exercise: Journal Entry Basics

Log in to entity 10USACO.

When not specified in the exercise, use the following data when needed:

- Sub-account: Gserv
- Cost Center: Adm
- SAF structure and SAF: choose any from the lookup list

1 Use GL Layer Create (25.8.14.1) to create a new accounting layer of type Transient.

Field	Value
Layer Code:	TR-accrual
Description:	TR-accrual
Layer Type:	Transient
Active:	Yes

2 Use Daybook Create (25.8.1.1) to create a new daybook linked to the transient layer TR-accrual and controlled by Financials.

Field	Value
Daybook Code:	JETRANS
Description:	JETRANS
Daybook Type:	Journal Entries
Layer Code:	TR-accrual
Active:	Yes
Daybook Group:	DGC-QMI

3 Use Journal Entry Create (25.13.1.1) to create a journal entry for accruals at the end of the current GL period. The posting lines are as follows:

Account	Cost Center	Amount	DR/CR
GL 7000 (Travel)	Adm	$8,000 USD	DR
GL 7010 (ICT)	Adm	$2,000 USD	DR
GL 7200 (Repair & Maint)	Adm	$2,100 USD	DR
GL 2470 (Accrual account)		$12,100 USD	CR

EMEA Exercise: Journal Entry Basics

Log in to entity 22UKCO.

When not specified in the exercise, use the following data when needed:

- Sub-account: Gserv
- Cost Center: Adm
- SAF structure and SAF: choose any from the lookup list

1 Use GL Layer Create (25.8.14.1) to create a new accounting layer of type Transient.

Field	Value
Layer Code:	TR-accrual
Description:	TR-accrual
Layer Type:	Transient
Active:	Yes

2 Use Daybook Create (25.8.1.1) to create a new daybook linked to the transient layer TR-accrual and controlled by Financials.

Field	Value
Daybook Code:	JETRANS
Description:	JETRANS
Daybook Type:	Journal Entries
Layer Code:	TR-accrual
Active:	Yes
Daybook Group:	DGC-QMI

3 Create a journal entry.

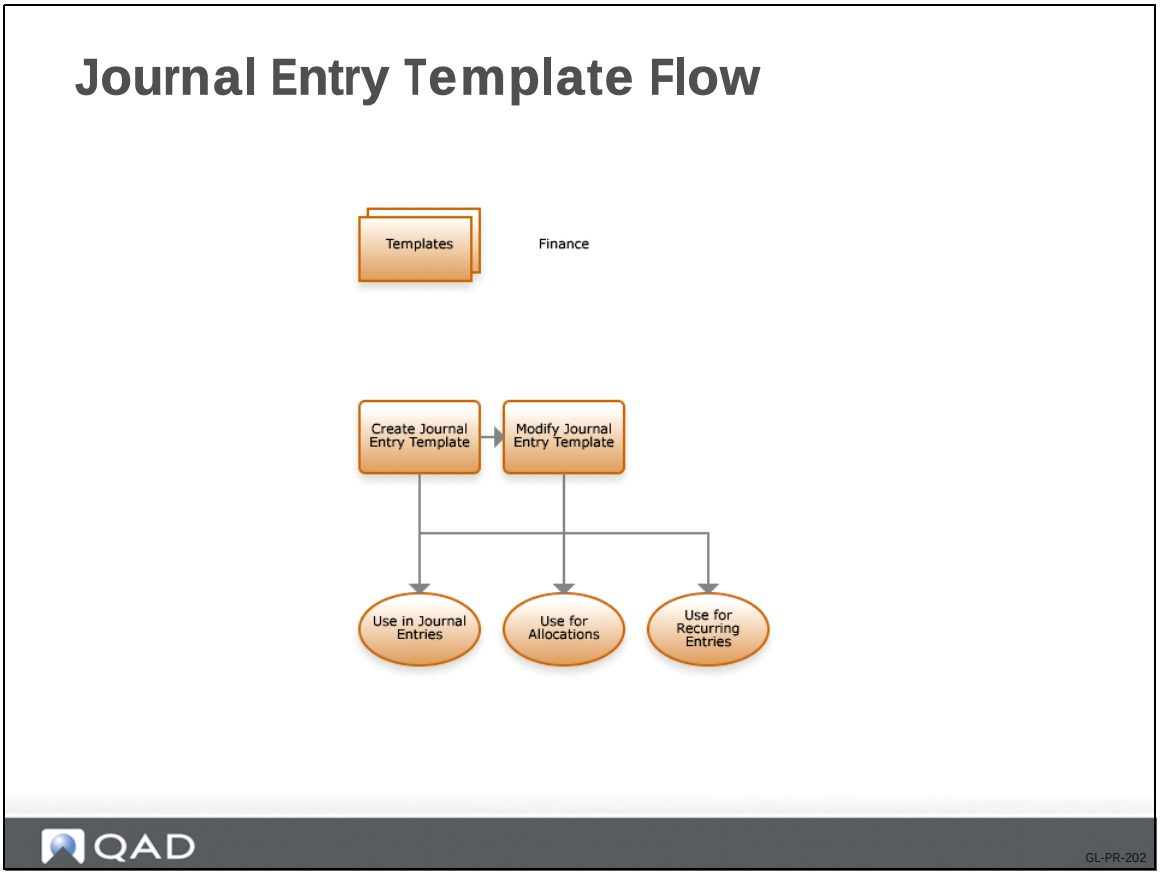
Use Journal Entry Create (25.13.1.1) to create accruals at the end of the current GL period.

Account	Cost Center	Amount	DR/CR
GL 7000 (Travel)	Adm	£8,000 GBP	DR
GL 7010 (ICT)	Adm	£2,000 GBP	DR
GL 7200 (Repair & Maint)	Adm	£2,100 GBP	DR
GL 2470 (Accrual account)		£12,100 GBP	CR

Create a journal entry.

Save your transaction and leave.

Journal Entry Template Flow



1 Create a journal entry in the transient layer:

2 Select Save as Template.

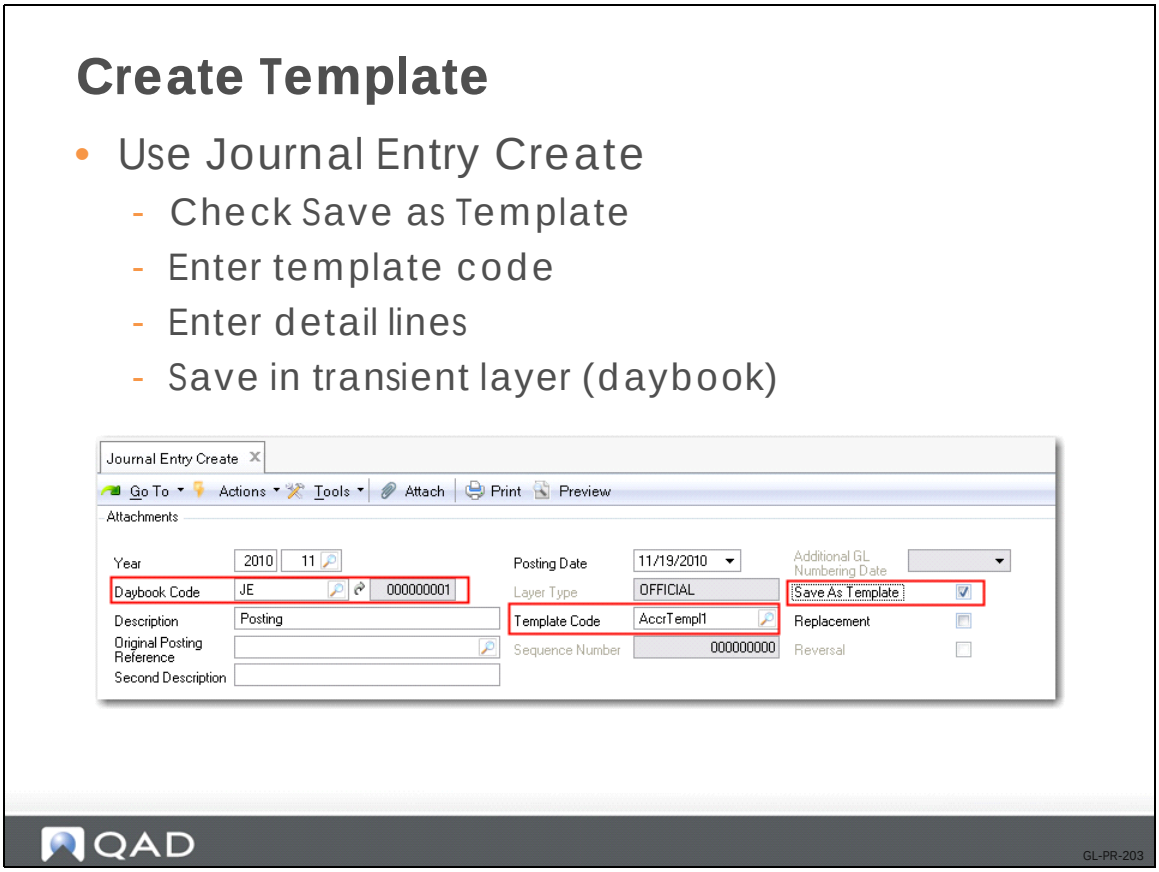
3 Enter the template code.

4 Enter the detail lines.

5 Save in transient layer.

6 You can modify templates, as required.

Creating a Template

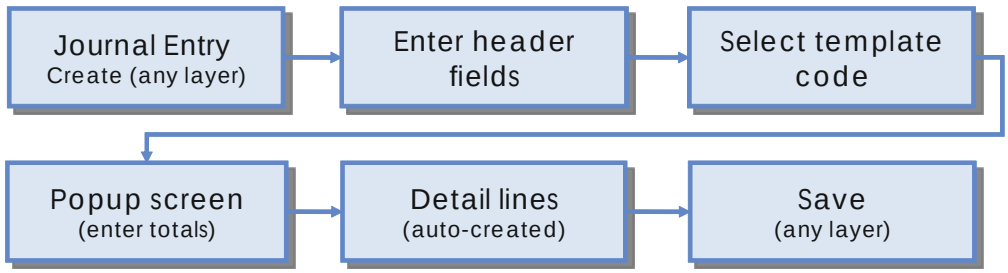


To create a new template, select the Save As Template Field.

Use the following procedure to create a journal entry using a posting template:

In Journal Entry Create (25.13.1.1), open the Template Code lookup and select a template. The Posting Template Apply screen is displayed. Complete the fields.
Use a separate daybook code for templates, and link it to the transient layer.

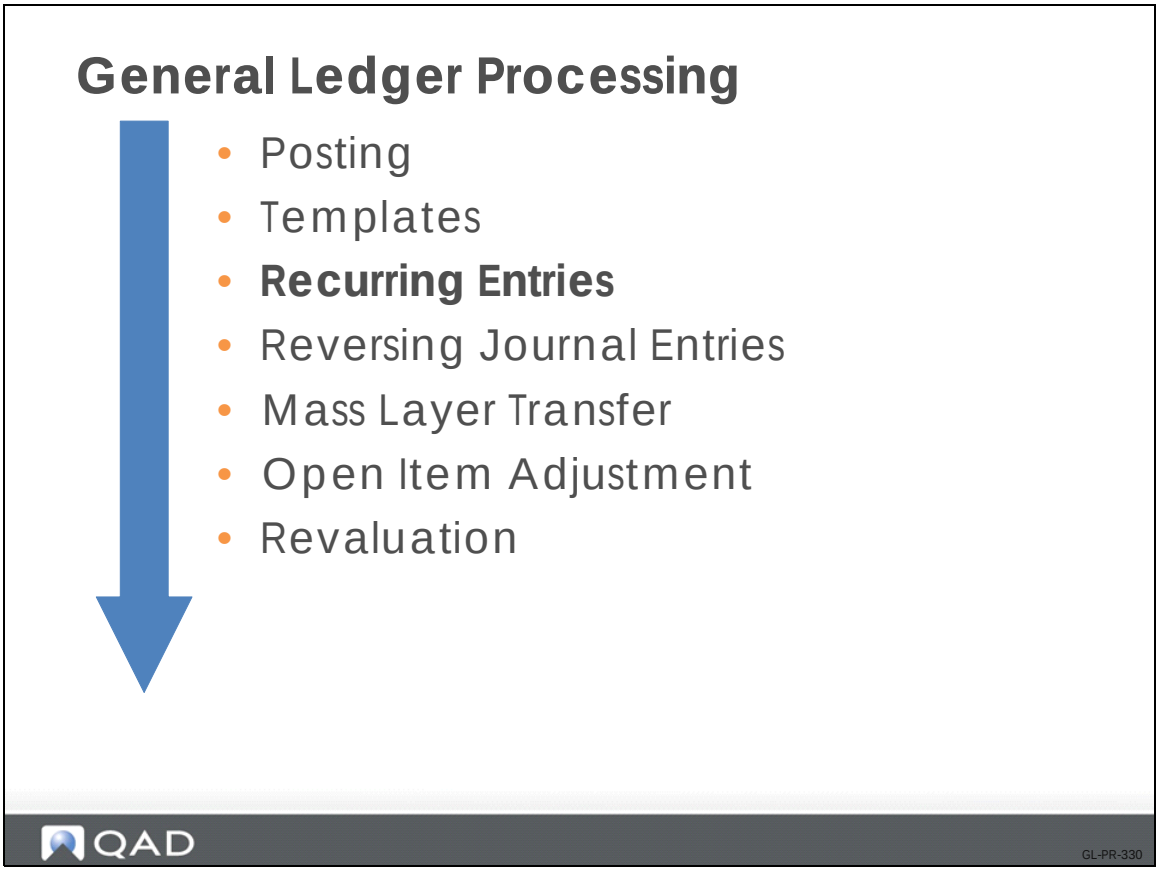
Use Journal Entry Template



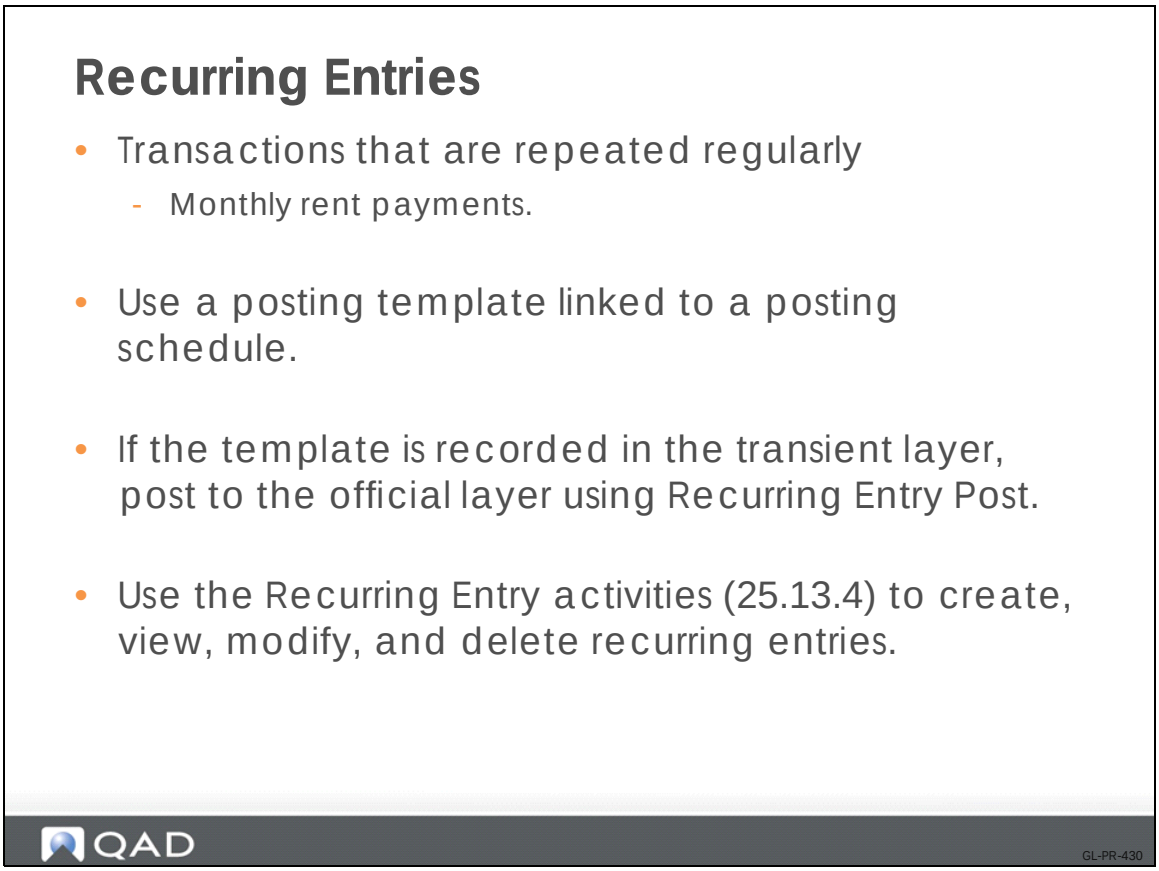
QAD

GL-PR-204

Recurring Entries



Recurring entries are transactions that are repeated regularly, such as monthly rent payments.

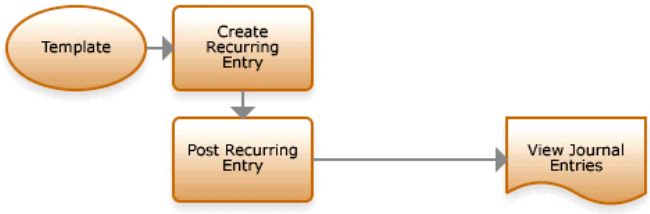


A recurring entry consists of a posting template linked to a posting calendar. If you have created a recurring entry recorded in the transient layer, you then post the entry to the primary layer using Recurring Entry Post. If the template was recorded in the primary layer, the postings step is not required.

Recurring Entries Process

Recurring Entries Process

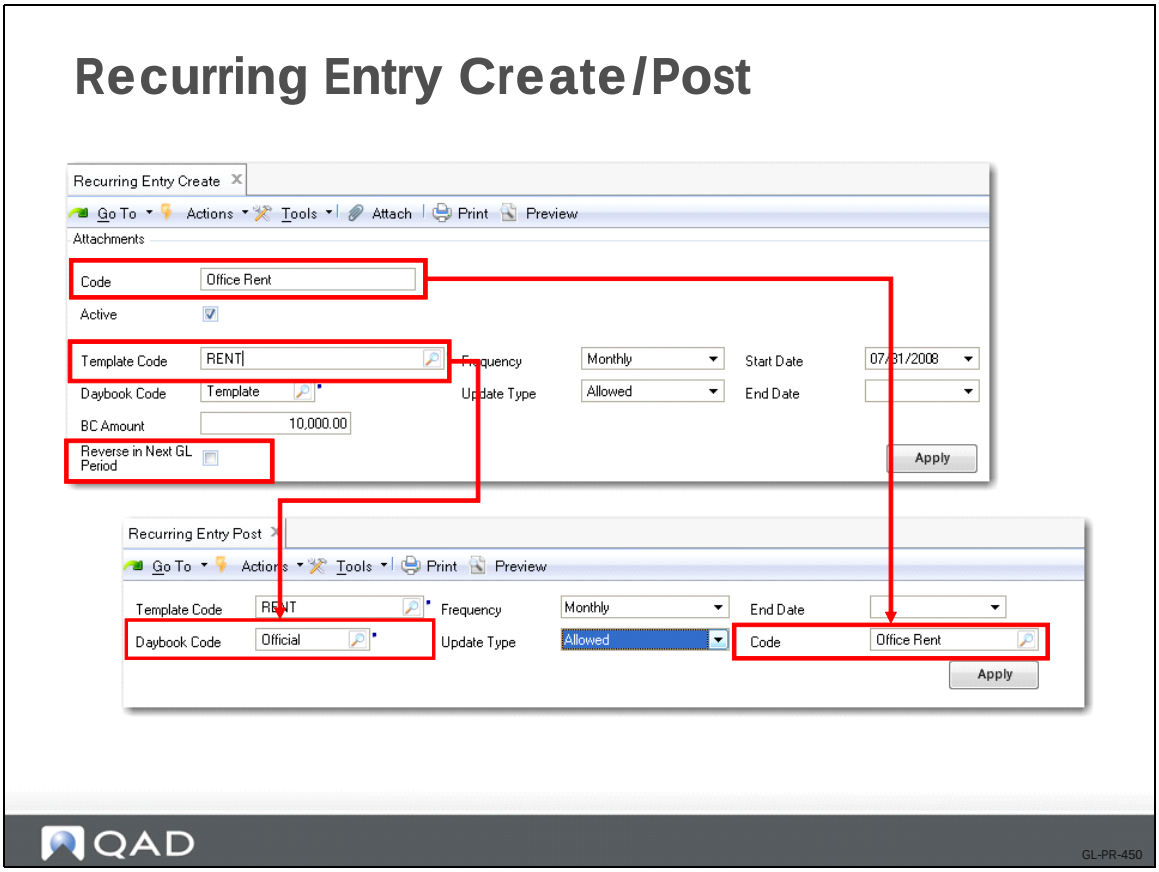
- Create template
- Create recurring entry
  - Template, daybook, total amount, posting frequency, update type, from/to date
  - Reverse in next period Y/N
- Generate recurring entries
- Recurring Entry Post



QAD

GL-PR-440

Recurring Entry Functions



Recurring Entry Create

The following is a summary of the main field in Recurring Entry Create:

Code. Enter a code (maximum 20 characters) to identify the recurring entry.

Template Code. Specify a posting template to use as the basis of the recurring entry.

Daybook Code. Specify the daybook code to which the recurring entry will be posted.

BC Amount. Enter the base currency amount of the recurring entry.

Frequency. Select a posting frequency from the following options:

Manually. You must run the posting manually at intervals. Use this option when the intervals required are irregular.

Monthly

GL Period

Quarterly

Weekly

Update Type. Choose an option to indicate if details in the template can be updated when the postings are run.

Allowed: You can optionally update posting details marked as Allowed. Posting details with this status are displayed in green.

Forbidden: You cannot update posting details marked as Forbidden. Posting details with this status are displayed in black.

Mandatory: You must update posting details marked as Mandatory. Posting details with this status are displayed in blue.

Start Date. Specify a start date for the recurring entry.

End Date. Specify an optional end date for the recurring entry. If you do not specify an end date, the recurring entry is run at the predefined intervals for an indefinite timespan.

Reverse in Next GL Period. Select to reverse the recurring entry in the next period. Specify the reversing date for the entry in the Reversing Date column of the entry grid.

Recurring Entry Post

Use Recurring Entry Post (25.13.4.5) to post recurring entries to the primary (official) layer, and update the accounts specified in the posting template.

US Exercise: Recurring Entries

In this exercise, you will create and use recurring entries.

Log in to entity 10USACO.

When not specified in the exercise, use the following values:

- Sub-account: Gserv
- Cost Center: Adm
- SAF structure and SAF: choose any from the lookup list.

1 Use Recurring Entry Create (25.13.4.1) to create a recurring entry with the following parameters:

Field	Value
Recurring Entry Code:	RE-ACCR-1
Template Code:	T001
Daybook Code:	JE
BC Amount:	10,000
Reverse in Next GL Period:	Yes
Frequency:	Monthly
Update Type:	Allowed
Start Date:	last day of current GL period
End Date:	last day of GL period after next For example, if current GL period is 9, set the end date as last date of GL period 11

2 Use Recurring Entry Post (25.13.4.5) to post the recurring entry for the current GL period.

Check the status of the current and next GL periods first and, if needed, change the status to Open again (unlock the GL period/undo lock).

Check the recurring entry postings in the current and next GL periods.

EMEA Exercise: Recurring Entries

In this exercise, you will:

- Create standard transactions.
- Create and use templates.
- Use reversing entries.
- Create and use recurring entries.

Log in to entity 22UKCO

When not specified in the exercise, use the following data (if needed):

- Sub-account: Gserv
- Cost Center: Adm
- SAF structure and SAF: choose any from the lookup list.

1 Use Recurring Entry Create (25.13.4.1) to create a recurring entry with the following parameters:

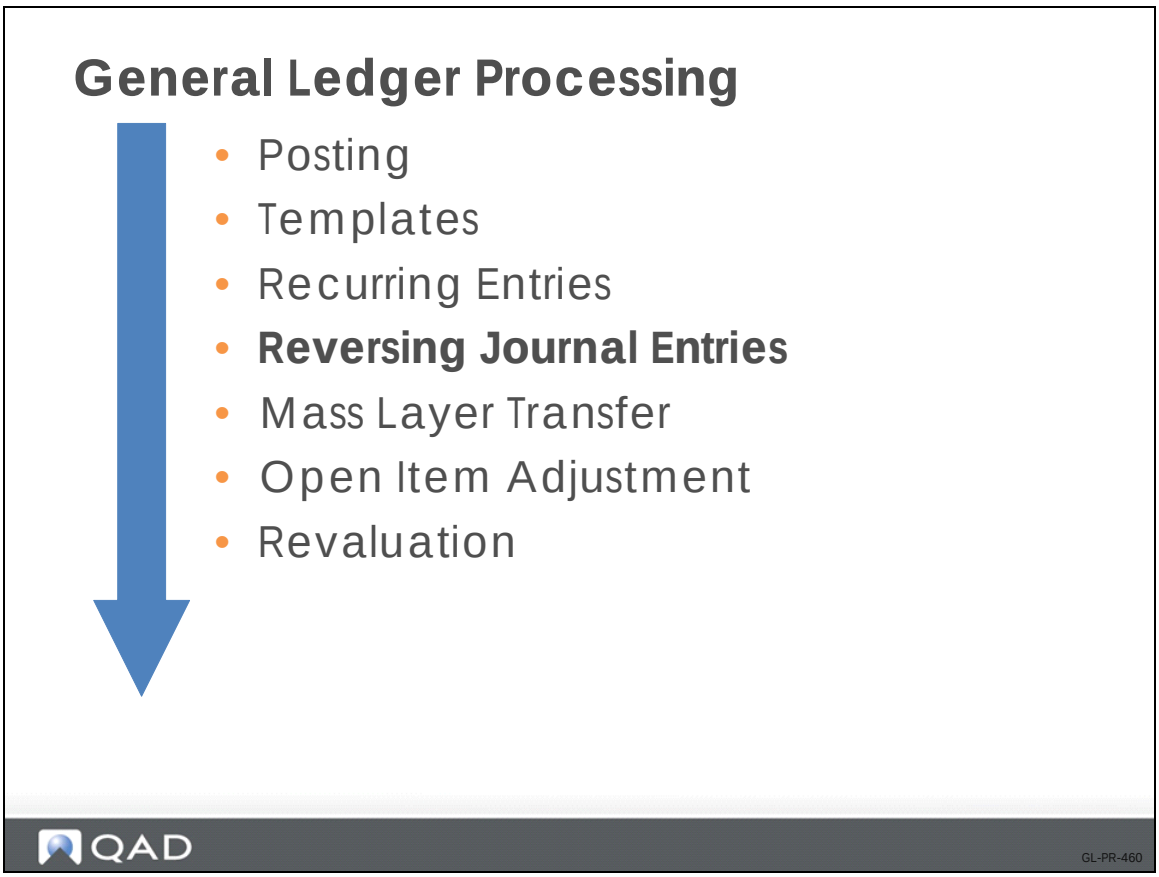
Field	Value
Recurring Entry Code:	RE-ACCR-1
Template Code:	T001
Daybook Code:	JE
BC Amount:	10,000 GBP
Reverse in Next GL Period:	Yes
Frequency:	Monthly
Update Type:	Allowed
Start Date:	last day of current GL period
End Date:	last day of GL period after next For example, if current GL period is 9, set the end date as last date of GL period 11

2 Use Recurring Entry Post (25.13.4.5) to post the recurring entry for the current GL period.

Check the status of the current and next GL periods first and, if needed, change the status to Open again (unlock the GL period/undo lock).

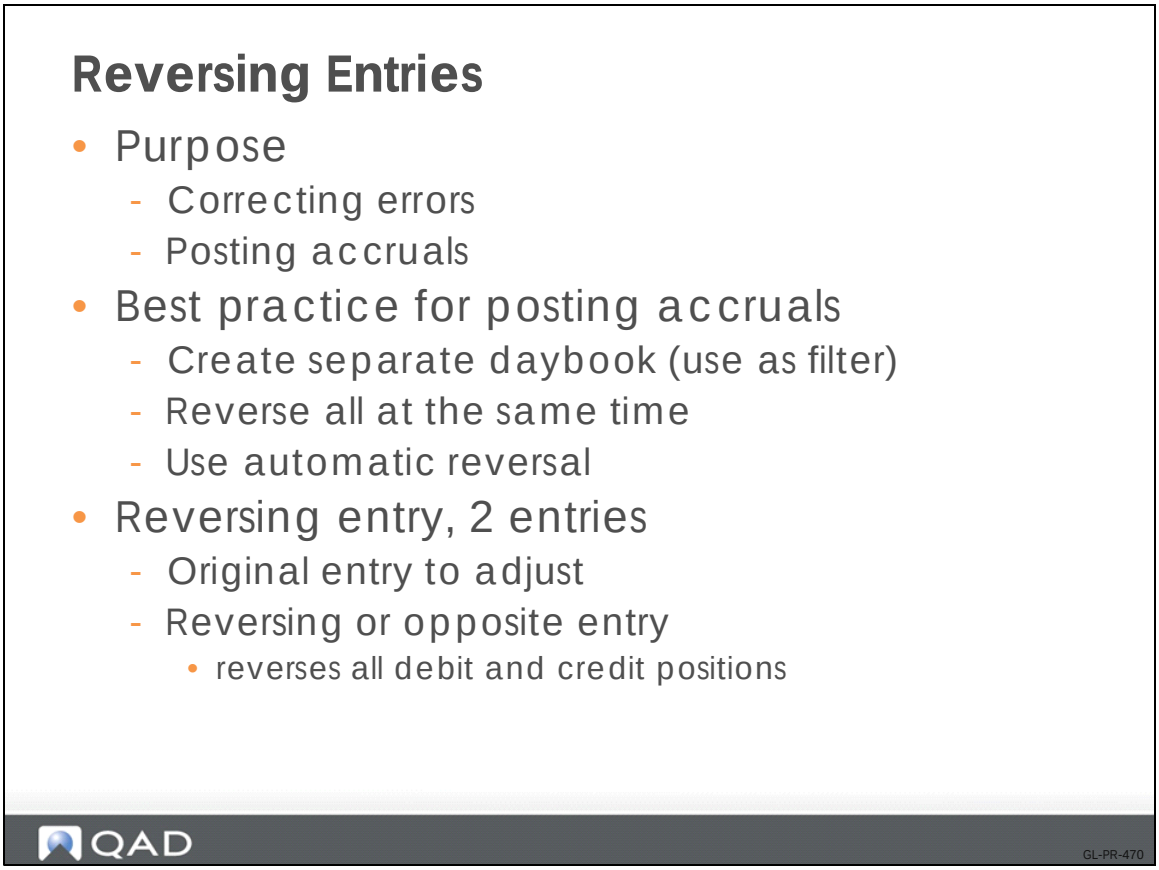
Use Journal Entry View (25.13.1.3) to check the recurring entry postings in both the current and next GL periods.

Reversing Journal Entries



Reversing transactions reverse activity on existing journal entries.

Reversing Journal Entries



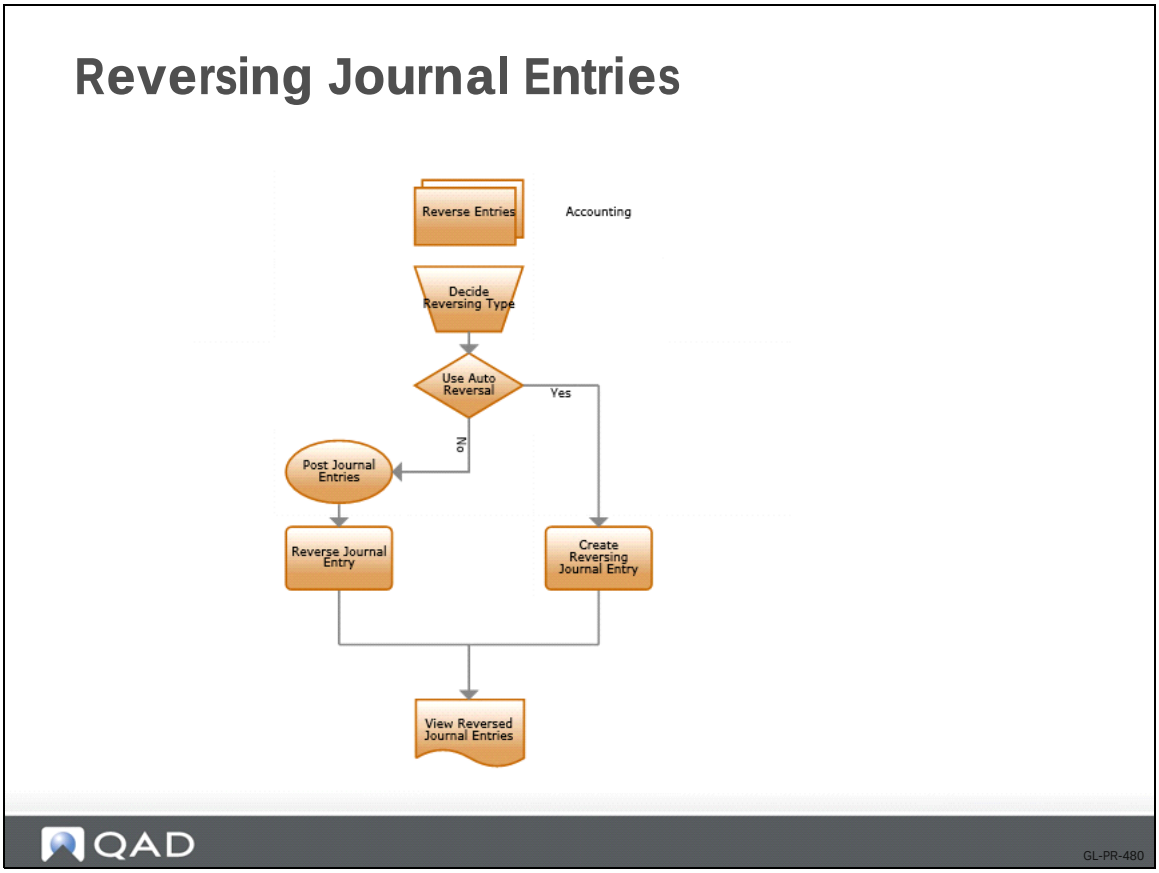
Reversing entries are used for two purposes:

- Correcting errors. Correct a posted transaction by posting an opposing entry to net out the original amounts.
- Posting accruals, such as payroll earned, but not yet paid. To do this, you post and entry (typically, on the last day of a GL period) and immediately reverse the entry on the first day of the next GL period. This procedure lets you record subsequent payments without having to recognize the portions that were accrued at an earlier date.

A reversing entry consists of two parts: the original adjusting entry, and the reversing, or opposite entry. The second entry reverses the position of all debits and credits.

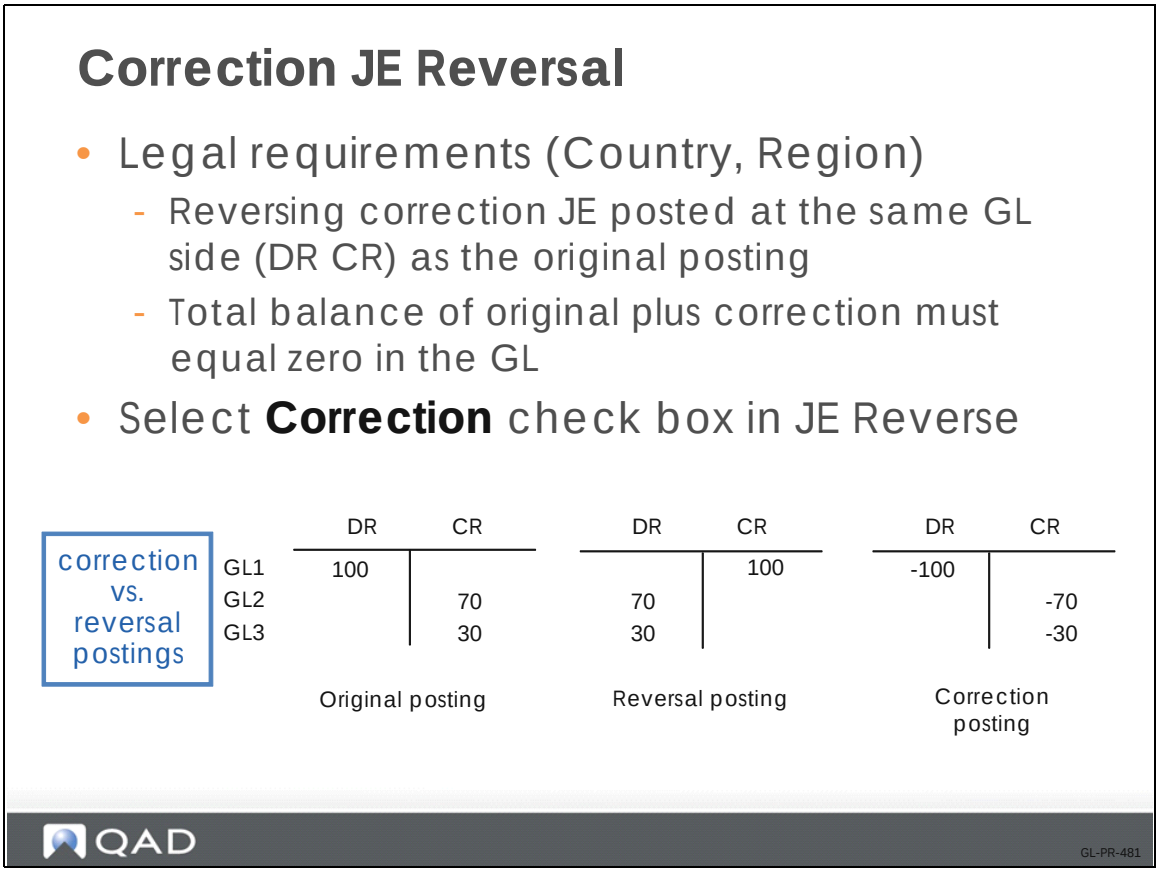
- Best practice for posting and reversing accruals is to use a separate daybook, and to reverse all postings at the same time. You can use the automatic journal entry reversal function to facilitate this process (more about this later).

Reversing Journal Entries



This slide displays the reversing entries process map, with both manual and automatic reversal options.

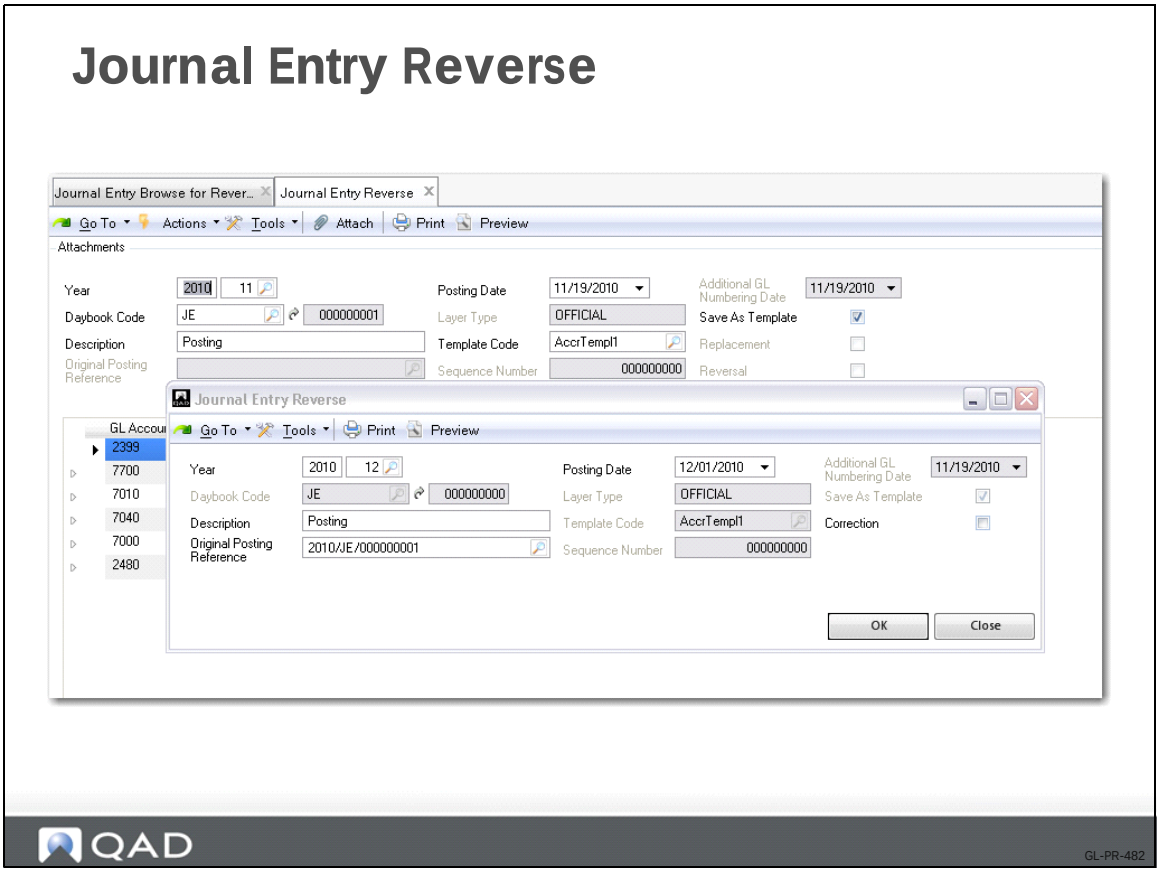
Correction JE Reversal



In certain countries, such as in Eastern Europe, it is a legal requirement to post correction journal entries at the same side (debit/credit) as the original entry. The total balance should always equal zero in the GL.

To post a reversing correction, select the Correction field in the Journal Entry Reverse subscreen.

Journal Entry Reverse Menu

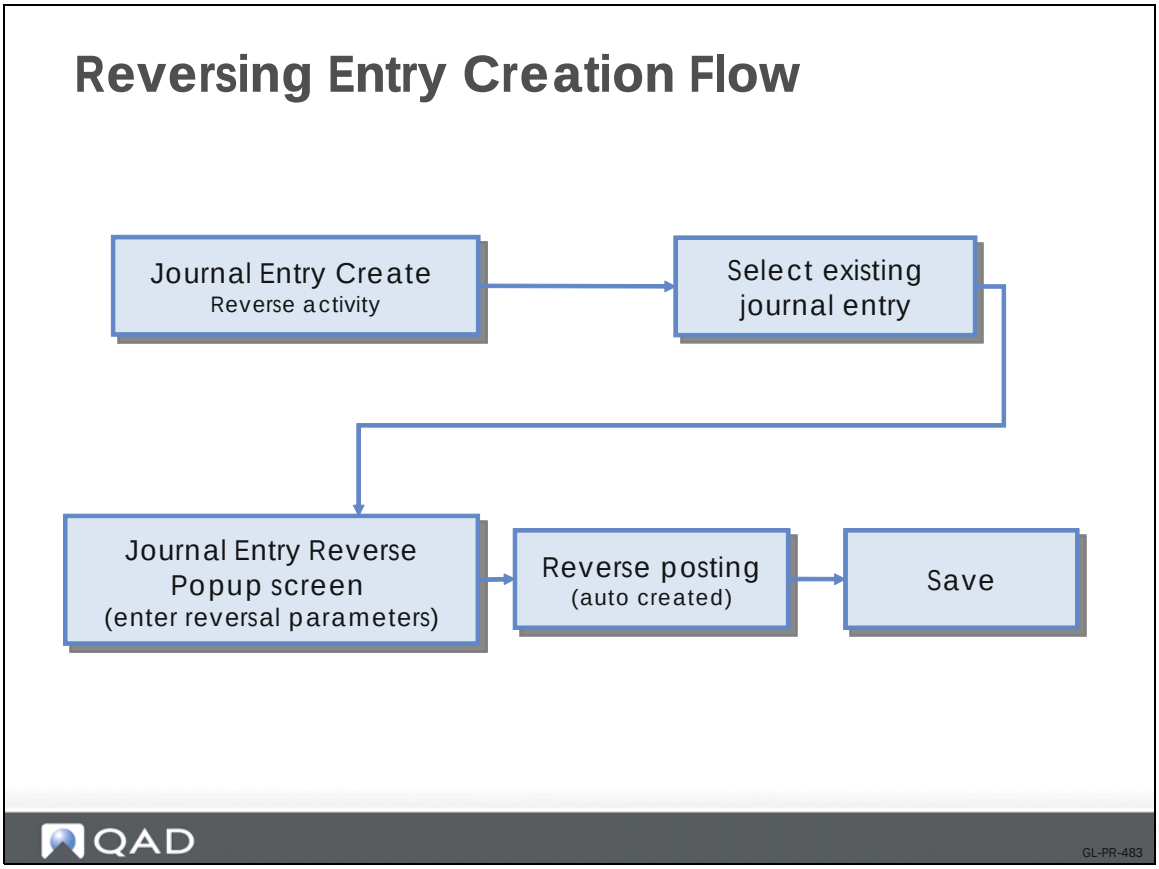


The initial reversing screen displays a summary of the entry details. Reversals are usually processed on the first day of the GL period that follows the original posting period. The year, period, and posting date, therefore, default to these values.

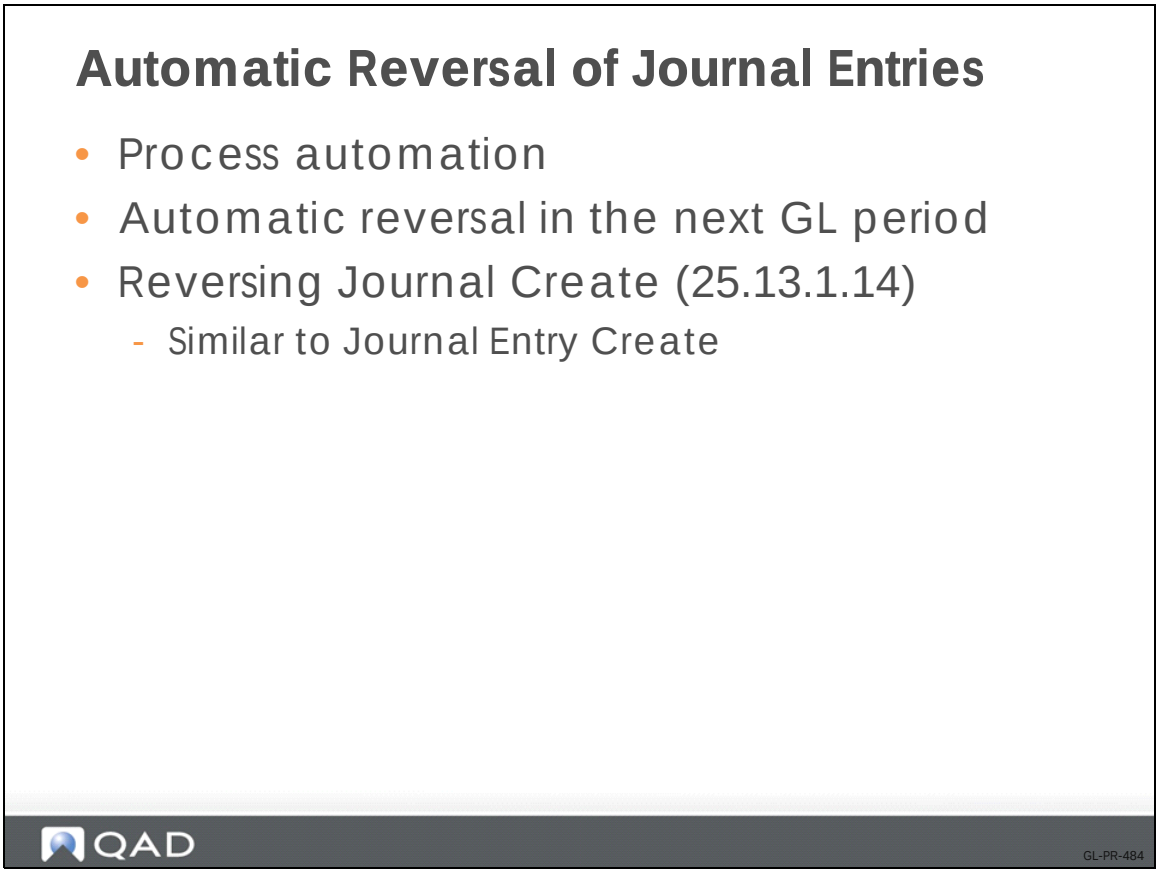
You can change these defaults by changing the posting date or period.

Select the Correction field to enable the correction JE reversal.

Reversing Entry Creation Flow



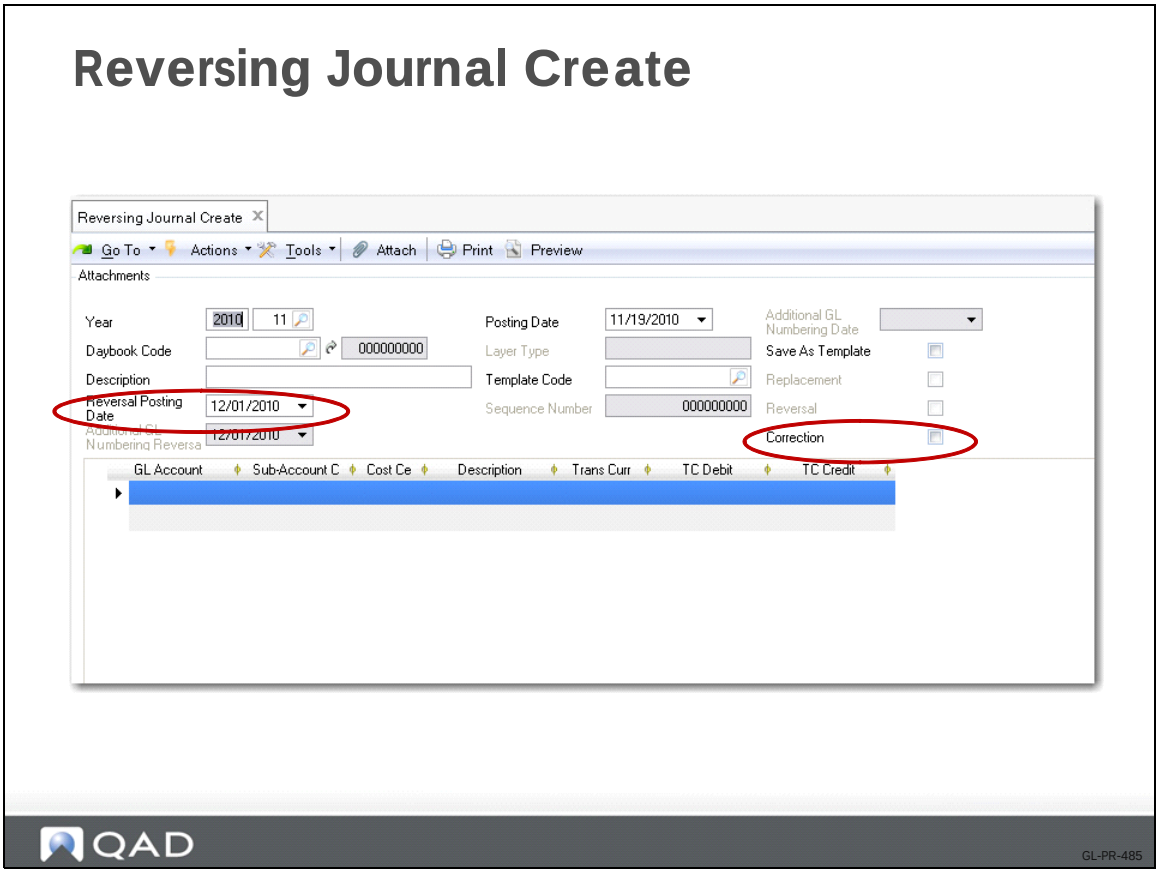
Automatic Reversal of Journal Entries



Process automation means less man made errors, and overhead cost reductions. With Reversing Journal Create (25.14.1.14), you can have the system process reversals in the next periods for you.

To do this, you create journal entries in Reversing Journal Create instead of Journal Entry Create, and indicate when the system must reverse postings.

Reversing Journal Create



Reversing Journal Create (25.13.1.14) is based on Journal Entry Create (25.13.1.1). Only two additional fields are specific to Reversing Journal Create:

Reversal Posting Date. It defaults to the first day of the next period, and must always in a later period than the one of the original entry.

Correction. If checked, the original transaction is netted and the balance is zero (same behavior as in the Journal Entry Reverse popup screen)

US Exercise: Reversing Entries

Log in to entity 10USACO.

When not specified in the exercise, use the following data where needed:

- Sub-account: Gserv
- Cost Center: Adm
- SAF structure and SAF: choose any from the lookup list.

1 Use Journal Entry Create to create a standard transaction. Specify the template code Revs-M001 and select the Save as Template field.

Accruals per the current date

Account	Cost Center	Amount	DR/CR
GL 7000 (Travel)	Adm	$8,000 USD	DR
GL 7010 (ICT)	Adm	$2,000 USD	DR
GL 7200 (Repair & Maint)	Adm	$2,100 USD	DR
GL 2470 (Accrual account)		$12,100 USD	CR

2 Use the daybook TEMPLATE linked to the transient layer code Trans-template.

3 Save the template.

4 Use the template Revs-M001 (created above) and create the accrual posting for the last day of the next GL period. TC amount = 8,000 USD (total amount of the posting in TC). Use daybook JE.

5 Use Journal Entry Reverse (25.13.1.5) to reverse the standard transaction created in (4) in the same period because the posting was incorrect.

In the browse, specify daybook JE to limit the list of transactions and make your search easier. Select your transaction, and click OK. Review the transaction and save.

6 In Journal Entry Create (25.13.1.1), click on the Replace field and create the following new posting (use template Revs-M001).

Description: Accruals (to post on the last date of the next GL period)

Account	Amount	DR/CR
GL 7000 (Travel)	$3,000 USD	DR
GL 7010 (ICT)	$4,500 USD	DR
GL 7200 (Repair & Maint)	$2,500 USD	DR
GL 2470 (Accrual account)	$10,000 USD	CR

EMEA Exercise: Reversing Entries

In this exercise, you will create reversing entries.

Log in to entity 22UKCO.

When not specified in the exercise, use the following where needed:

- Sub-account: Gserv
- Cost Center: Adm
- SAF structure and SAF: choose any from the lookup list.

1 Use Journal Entry Create to create a standard transaction. Specify the template code Revs-M001 and select the Save as Template field.

Accruals per the current date

Account	Cost Center	Amount	DR/CR
GL 7000 (Travel)	Adm	£8,000 GBP	DR
GL 7010 (ICT)	Adm	£2,000 GBP	DR
GL 7200 (Repair & Maint)	Adm	£2,100 GBP	DR
GL 2470 (Accrual account)		£12,100 GBP	CR

2 Use the daybook TEMPLATE linked to the transient layer code Trans-template.

3 Save the template.

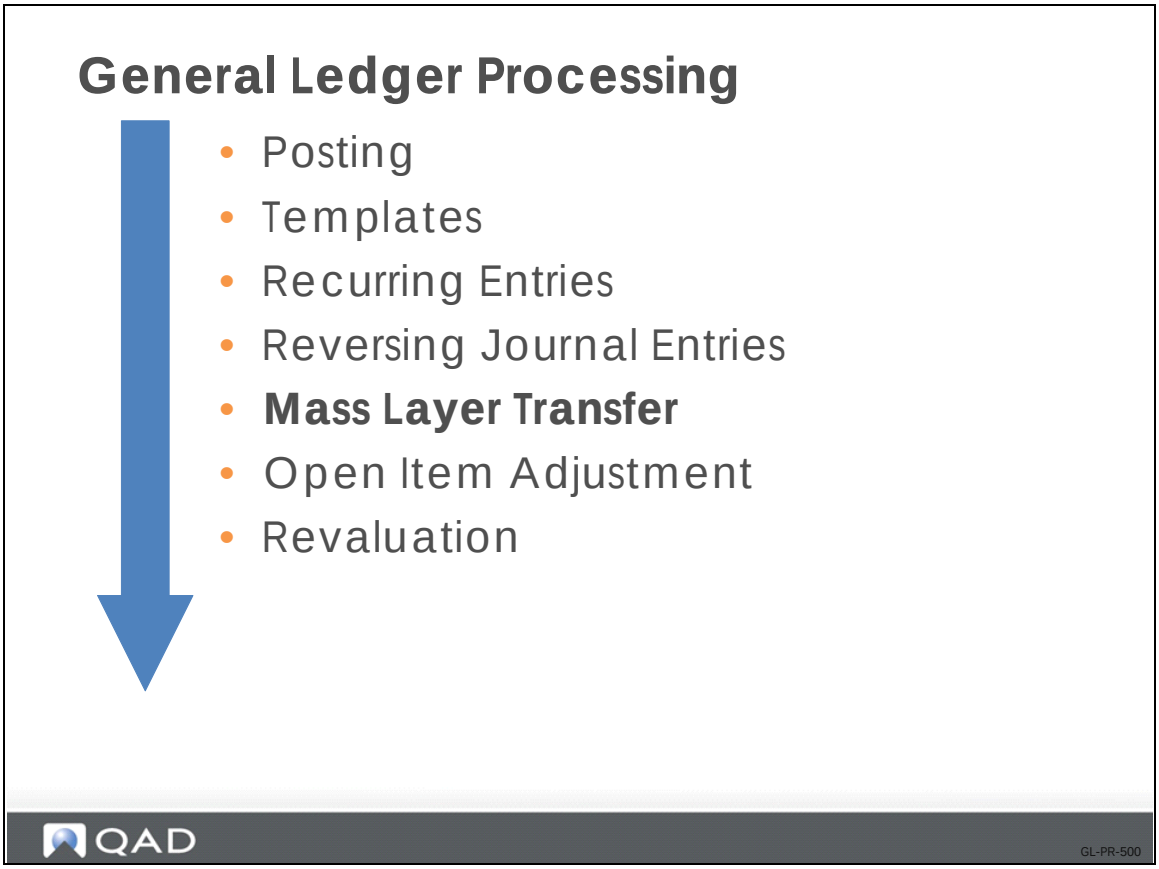
4 Use Journal Entry Create (25.13.1.1) to create a posting on the last day of the next GL period and use the template Revs-M001. Use daybook JE and the total amount is 9,000 GBP

5 Use Journal Entry Reverse (25.13.1.5) to reverse the standard transaction created in (4) in the same period because the posting was not correct.

6 In Journal Entry Create (25.13.1.1), click on the Replace field and create the following new posting (use template Revs-M001):

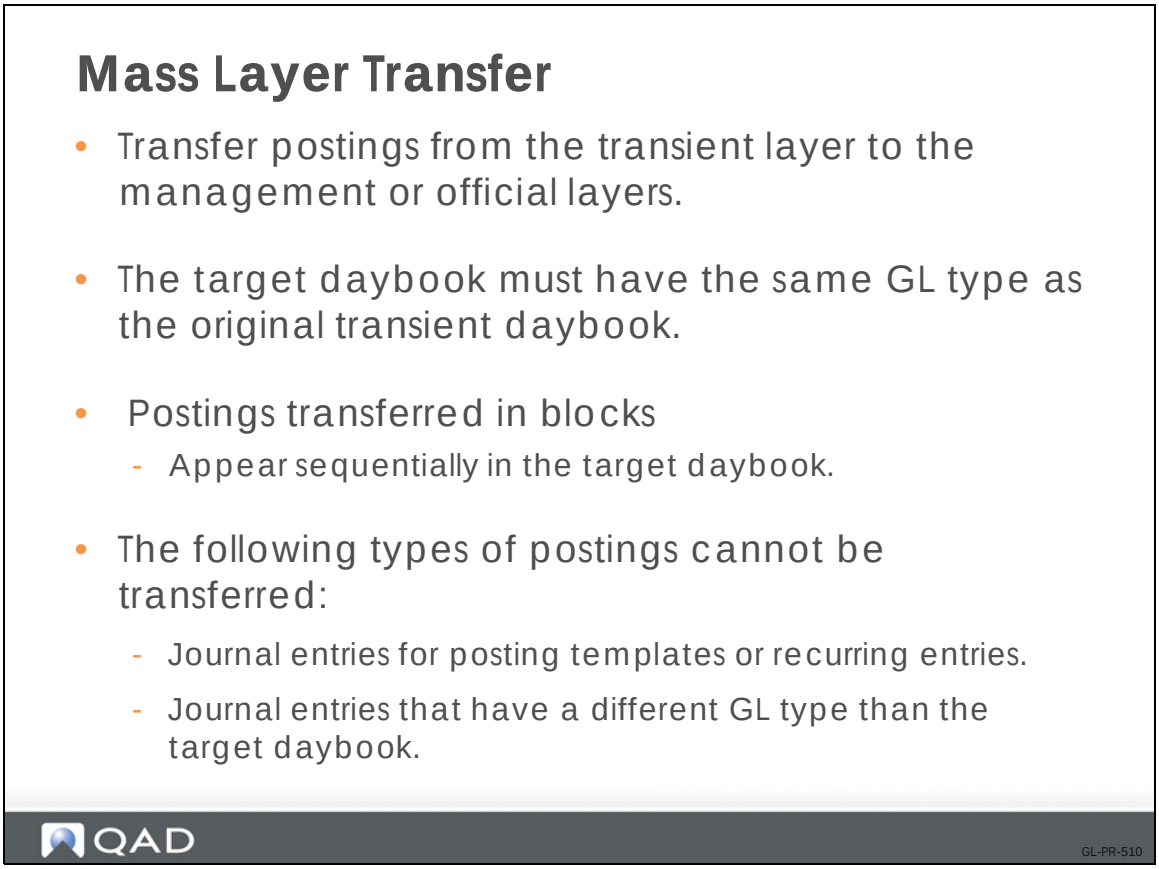
Account	Amount	DR/CR
GL 7000 (Travel)	3,000 GBP	DR
GL 7010 (ICT)	4,500 GBP	DR
GL 7200 (Repair & Maint)	2,500 GBP	DR
GL 2470 (Accrual account)	10,000 GBP	CR

Mass Layer Transfer



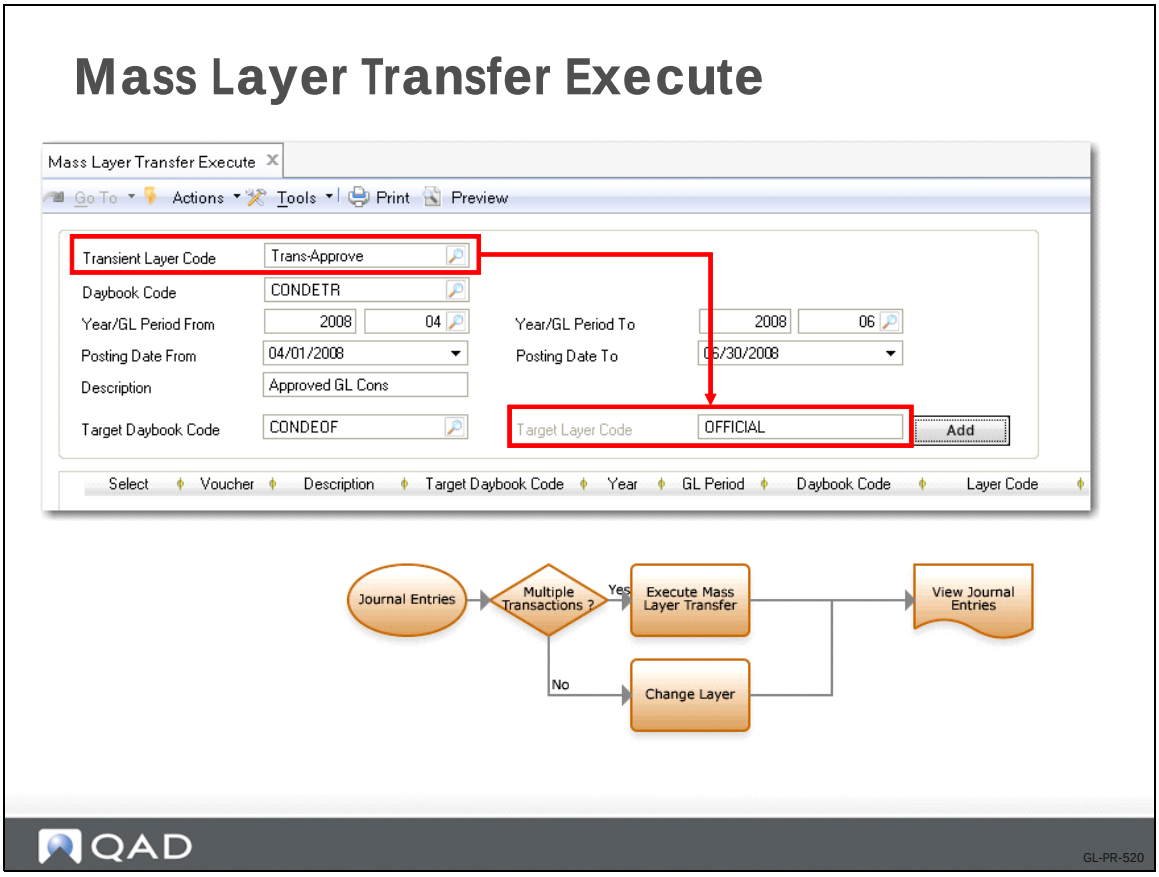
Mass layer transfer lets you transfer batches of postings from the transient layer to the secondary or primary layers.

Mass Layer Transfer



Unfinalized transactions are generally posted to a daybook in a transient layer for review or for simulation purposes. If these transactions are subsequently approved, you can transfer them in batch to the other layers using mass layer transfer.

Mass Layer Transfer Execute



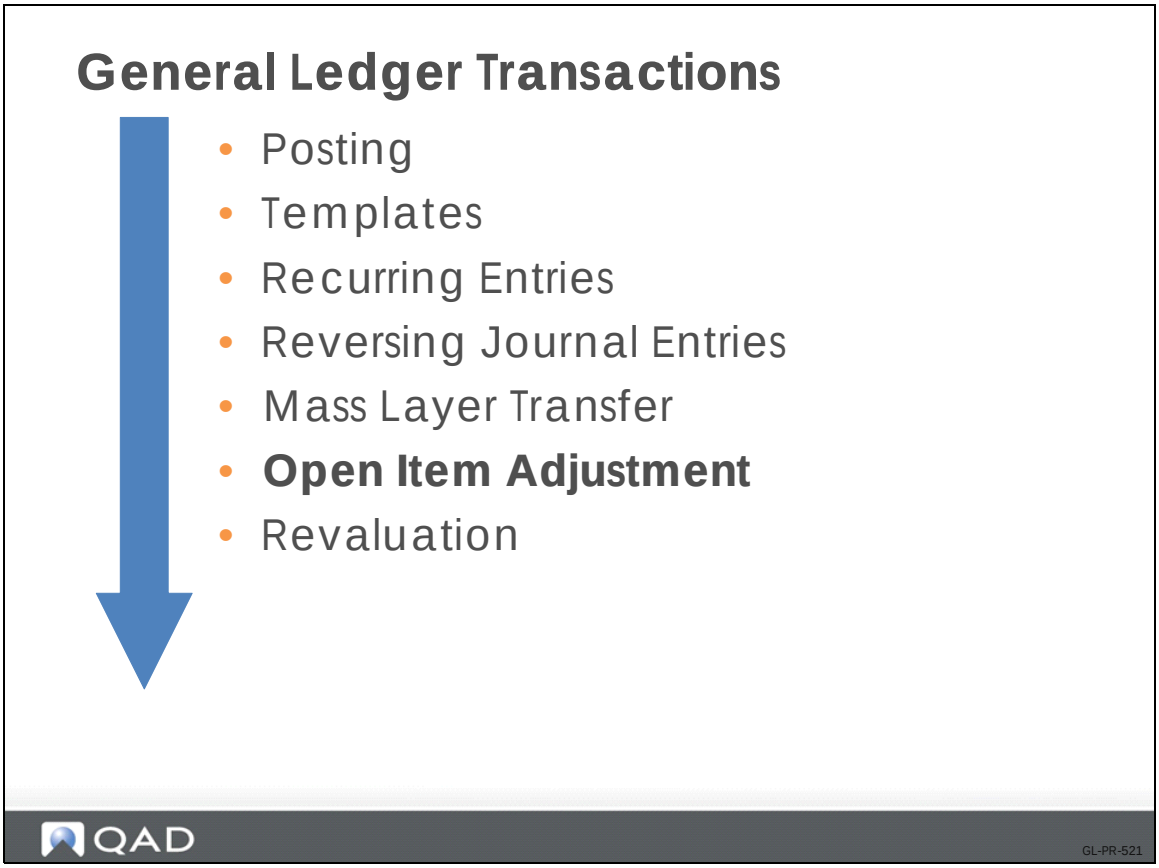
Mass Layer Transfer Execute (25.13.11) lets you transfer batches of postings from the transient layer to the secondary or primary layers.

When you click the Add button, the system populates the grid in the Mass Layer Transfer screen with postings that match the selection criteria. From this list, you can choose which postings to include in the transfer by selecting or clearing the Select field for that posting.

All selected postings are transferred to the same target daybook, which can be linked to the primary (official) layer, a secondary (management) layer, or another transient layer.

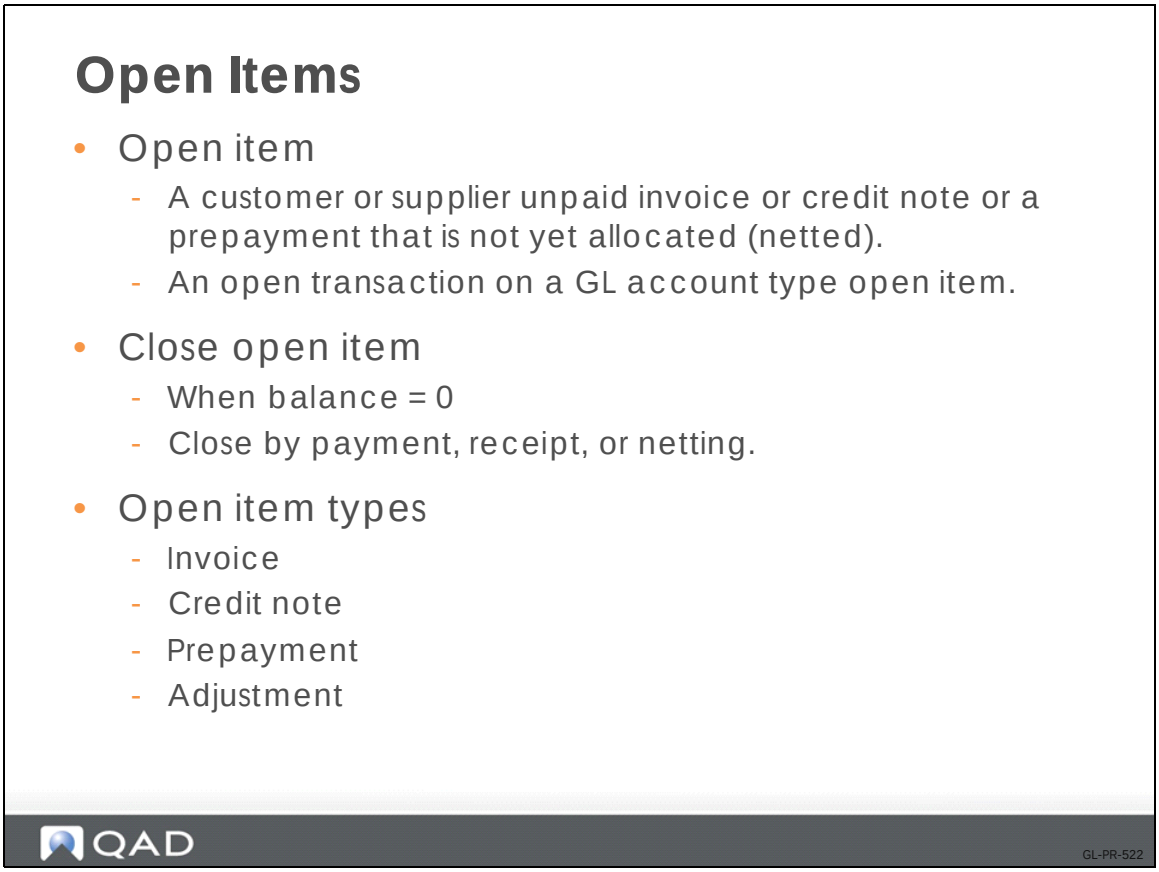
When transferring, the target daybook must have the same GL type as the original transient daybook. If you do not specify a source daybook, all postings in the source daybook that have the same GL type as the target daybook and meet the other selection criteria are selected for transfer.

Open Item Adjustment



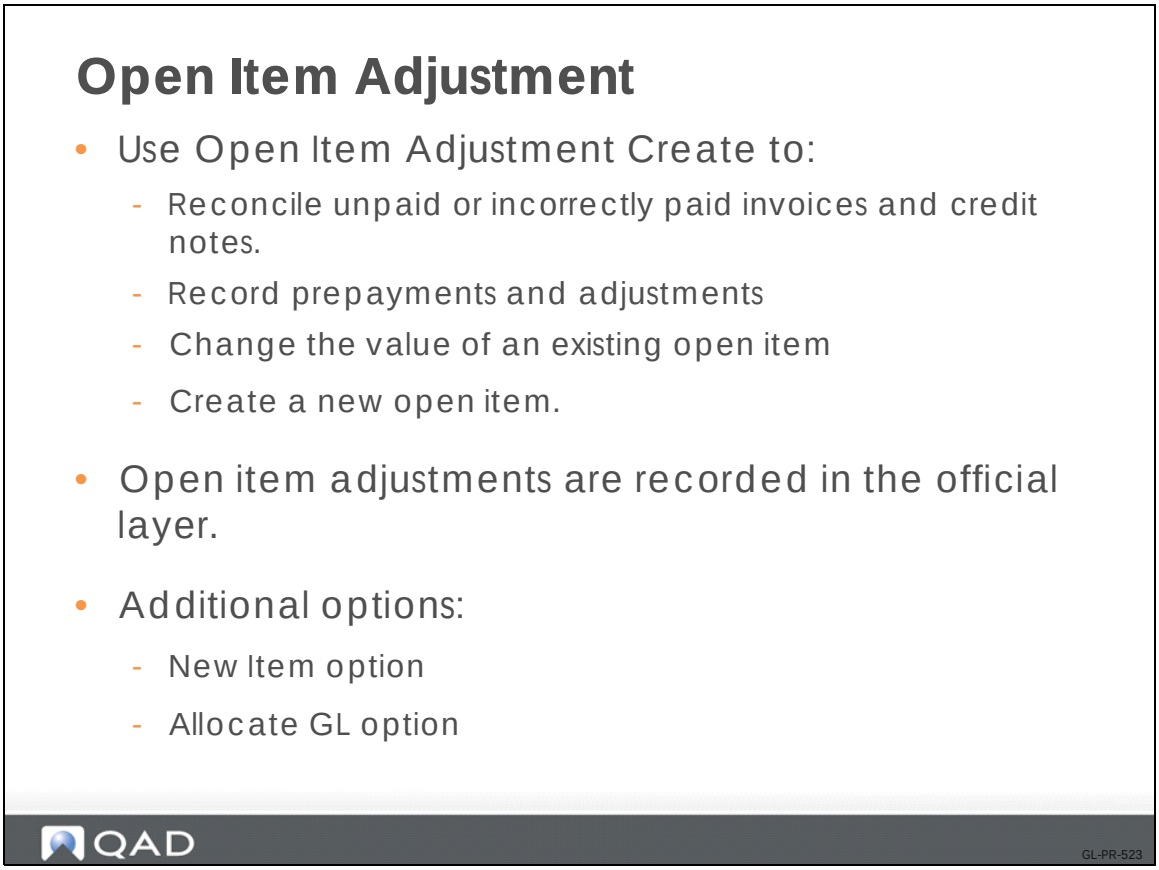
Open item adjustment transactions let you reconcile unpaid or incorrectly paid invoices and credit notes.

Open Items



Open items are unpaid and partly settled invoices, both from customers and suppliers, where the transaction is not completed at the end of the GL period.

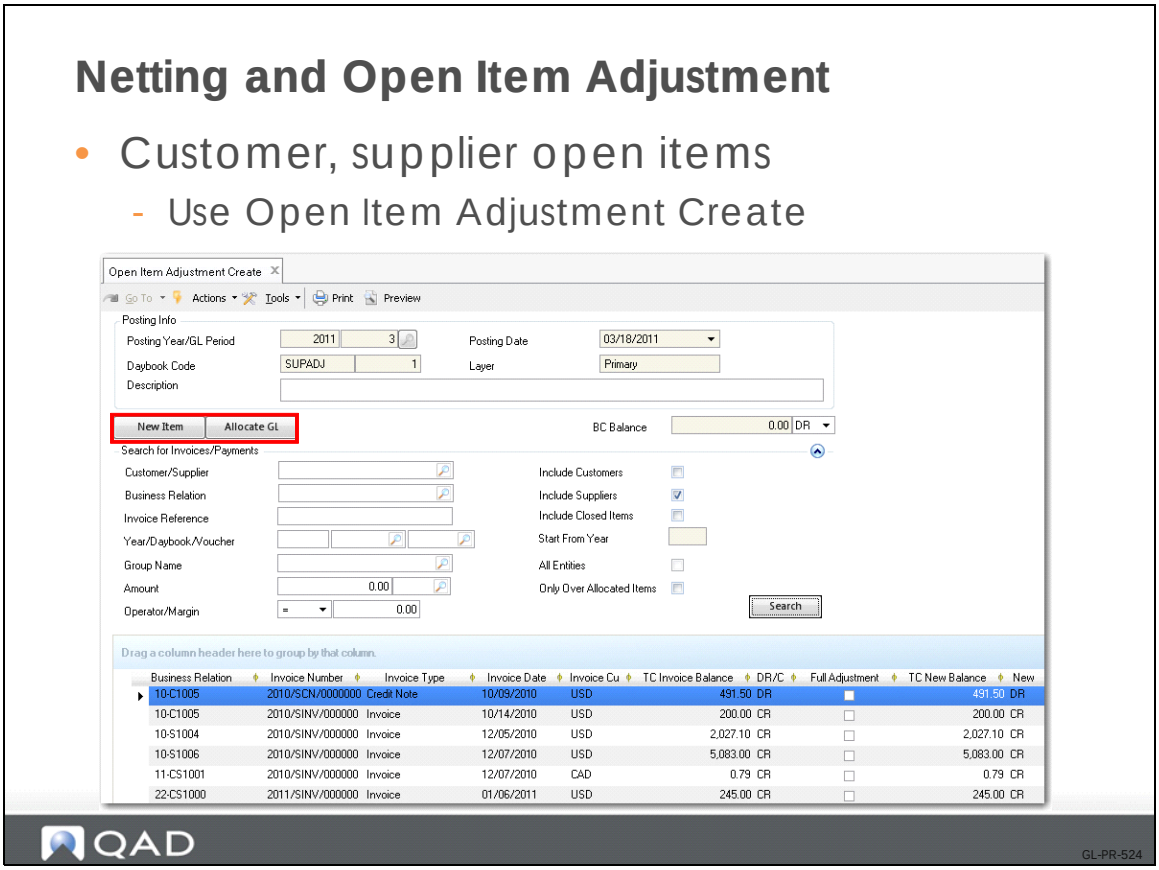
Open Item Adjustment



Use Open Item Adjustment Create (25.13.5) to reconcile unpaid or incorrectly paid invoices and credit notes. In addition, you can record prepayments and adjustments, change the value of an existing open item, or create a new open item. All open item adjustments are recorded in the primary layer.

Open item adjustment also lets you adjust supplier or customer balances without linking an outstanding payment; for example, to resolve unallocated cash payments. You can make customer and supplier adjustments in the same adjustment transaction.

Open Item Adjustment Create



The Open Item Adjustment screen is composed of three parts:

- The header, which contains posting parameters: GL calendar year, GL period, daybook, voucher, and layer
- The search criteria for locating open items
- The Open Items grid listing open item transactions, for which you can specify new balances.

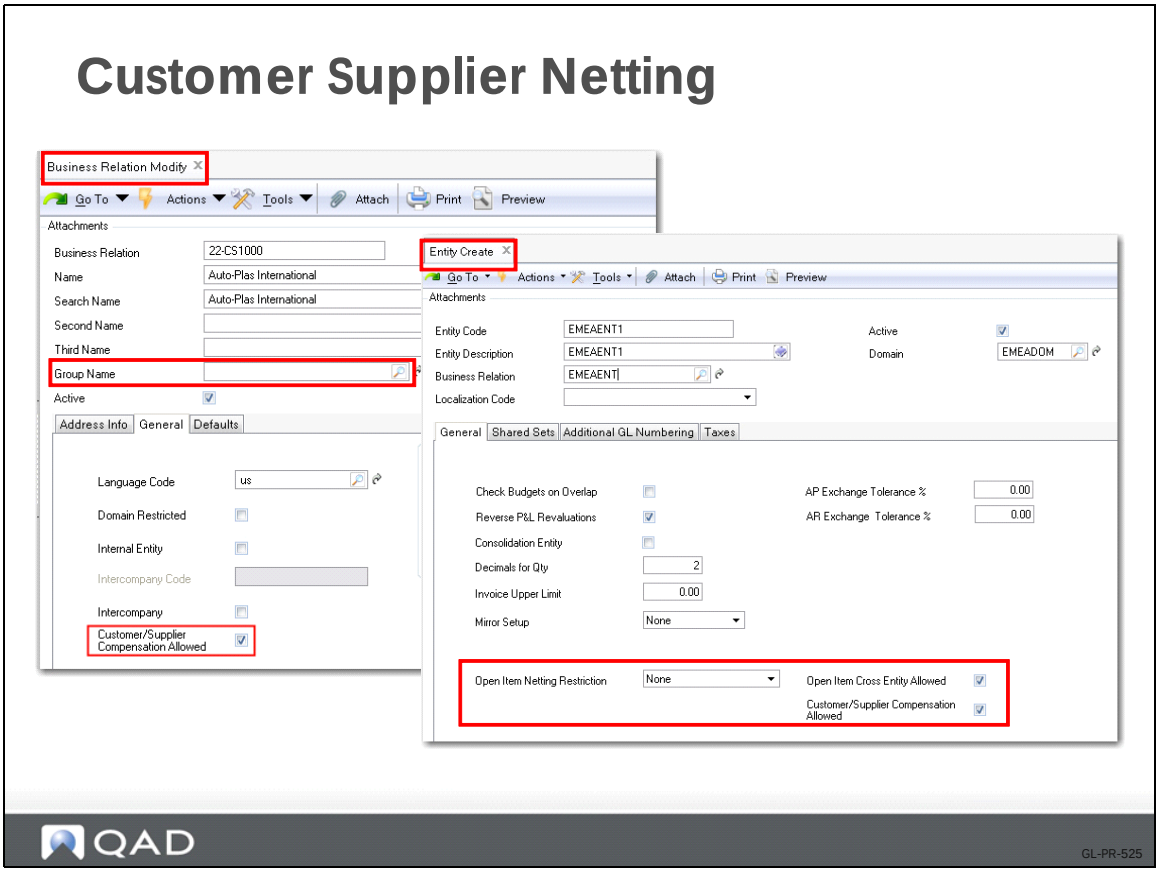
Initially, the Open Item grid is empty and you must locate open items using the search criteria. After entering selection criteria, click Apply and the grid displays all open items that match the criteria.

The sum of all debit and credit adjustments results in a balance. When that balance is zero, the adjustments can be saved. When the balance is less than or greater than zero, you must clear the balance using a new open item or by allocating it to a GL account.

The New Item option lets you reopen invoices that were incorrectly matched and allocate the differences to other invoices. In addition, if you cannot find an item to adjust, you can create a new open item for the customer or supplier.

The Allocate GL option lets you create a journal entry in which completed adjustments are represented as read-only posting lines in control accounts.

Customer/Supplier Netting



Netting settings in the entity record let you control the level of flexibility provided in Open Item Adjustment Create (25.13.5) for the netting of transactions. In addition, customer and supplier compensation settings at entity and business relation level control whether you can net credits and debits for customers and suppliers that belong to the same business relation.

The entity record includes three fields that let you control open item adjustment.

Open Item Netting Restriction. This field provides three options for the netting of open items across business relations.

- None. This option does not impose restrictions on the netting of open items across business relations. It is the least restrictive setting, and is the default.
- Single Business Relation. This option restricts the netting of open items to items that belong to the same business relation. It is the most restrictive setting.
- Related Business Relations. This option restricts the netting of open items to items from business relations that belong to the same corporate group.

Important A business relation with a blank corporate group is not considered to be related to a business relation that has a corporate group assigned. Similarly, two business relations, each with blank corporate groups, are not considered to be related.

Open Item Cross Entity Allowed. Select this field to enable open items to be adjusted across entities. This field is enabled by default.

When this option is enabled, you can use Open Item Adjustment Create (25.13.5) to display and net items from other entities.

When an open item adjustment includes cross-entity transactions, the entities involved must have compatible netting control settings. If the entities have different control settings, the most restrictive setting is applied.

For example, if one entity has a netting restriction of Single Business Relation, the whole open item adjustment must be for a single business relation. If there is a conflict with the most restrictive control setting, an error is displayed and the open item adjustment cannot be saved.

If this option is disabled, the All Entities field in Open Item Adjustment Create (25.13.5) is disabled for editing, and you cannot display and net items from other entities.

Customer/Supplier Compensation Allowed. Specify how the system treats open items during payment processing when a customer and supplier belong to the same business relation. This option is enabled by default.

When customer and supplier compensation is enabled at entity level and an open item adjustment involves transactions from two different entities, customer and supplier compensation must be enabled for both entities in order for the adjustment to be saved. In addition, the corresponding Customer/Supplier Compensation Allowed field must be enabled for the business relations involved in the adjustment. This restriction applies regardless of the entity's netting restriction or whether the customer and supplier compensation is cross-entity.

When customer and supplier compensation is disabled at entity level, you cannot net items from customers and suppliers with the same business relation. This setting overrides the Customer/Supplier Compensation Allowed setting at business relation level for customers and suppliers.

The values of two business relation fields affect open item adjustments: Group Name and Customer/Supplier Compensation Allowed.

Group Name. Specify the corporate group to which the business relation belongs. When the entity Open Item Netting Restriction field is set to Related Business Relations, you can only use Open Item Adjustment to net transactions from business relations that belong to the same corporate group.

Note A business relation with a blank corporate group is not considered to be related to a business relation that has a corporate group assigned. Similarly, two business relations, each with blank corporate groups, are not considered to be related.

Customer/Supplier Compensation Allowed. Select the field to allow open items for customers and suppliers that belong to that business relation to be netted against each other.

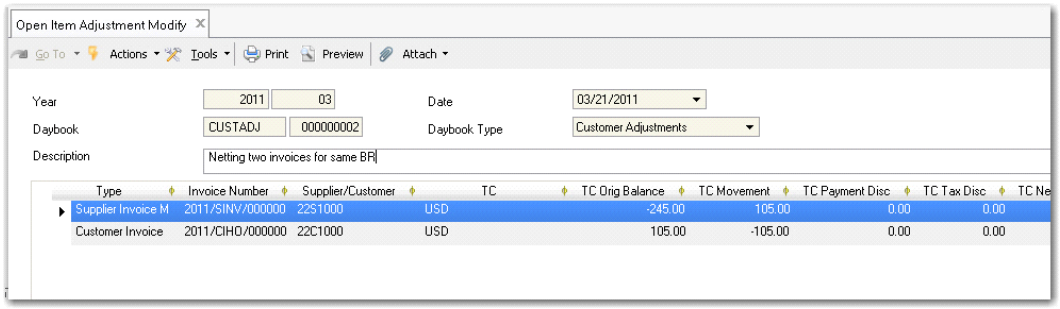
When customer and supplier compensation is enabled at entity level, the Customer/Supplier Compensation Allowed field must be enabled for the business relations involved for an adjustment to be saved.

When customer and supplier compensation is disabled for the entity, this overrides the customer and supplier compensation setting for the business relation if compensation is enabled here.

Open Item Adjustment Modify

Open Item Adjustment Modify

- Lets you modify the Description field



QAD

GL-PR-526

US Exercise: Netting and Open Item Adjustments

In this exercise, you will:

- Net invoices and credit notes for the same customer/supplier.
- Net invoices and credit notes against a GL account.
- Net invoices and credit notes of different customers or suppliers.

Use the following parameters in Open Item Adjustment Create (25.13.5) if needed:

- Entity: 10USACO
- Daybook: CUSTADJ
- Sub-account: use the default or else use Gserv
- Cost center: use the default or else use Adm
- For all other fields, use the lookup and choose from the list.

1. Use Open Item Adjustment Create (25.13.5) to create adjustments for customer 10C1005, Rockland Industrial Company:
   - An invoice of value $30.20 USD (full adjustment, new balance = $0).
   - An invoice of value $812.10 USD (partial adjustment, new balance = $617.30 USD).
   - A credit note of value $225.00 USD (full adjustment, new balance = 0).
2. Enter customer/supplier 10C1005 and click Search to display a list of open items. Then, select from the list.
3. Verify the results using Open Item Adjustment View (25.13.6).

EMEA Exercise: Netting and Open Item Adjustments

In this exercise, you will:

- Net invoices and credit notes for the same customer/supplier.
- Net invoices and credit notes against a GL account.
- Net invoices and credit notes for different customers or suppliers.

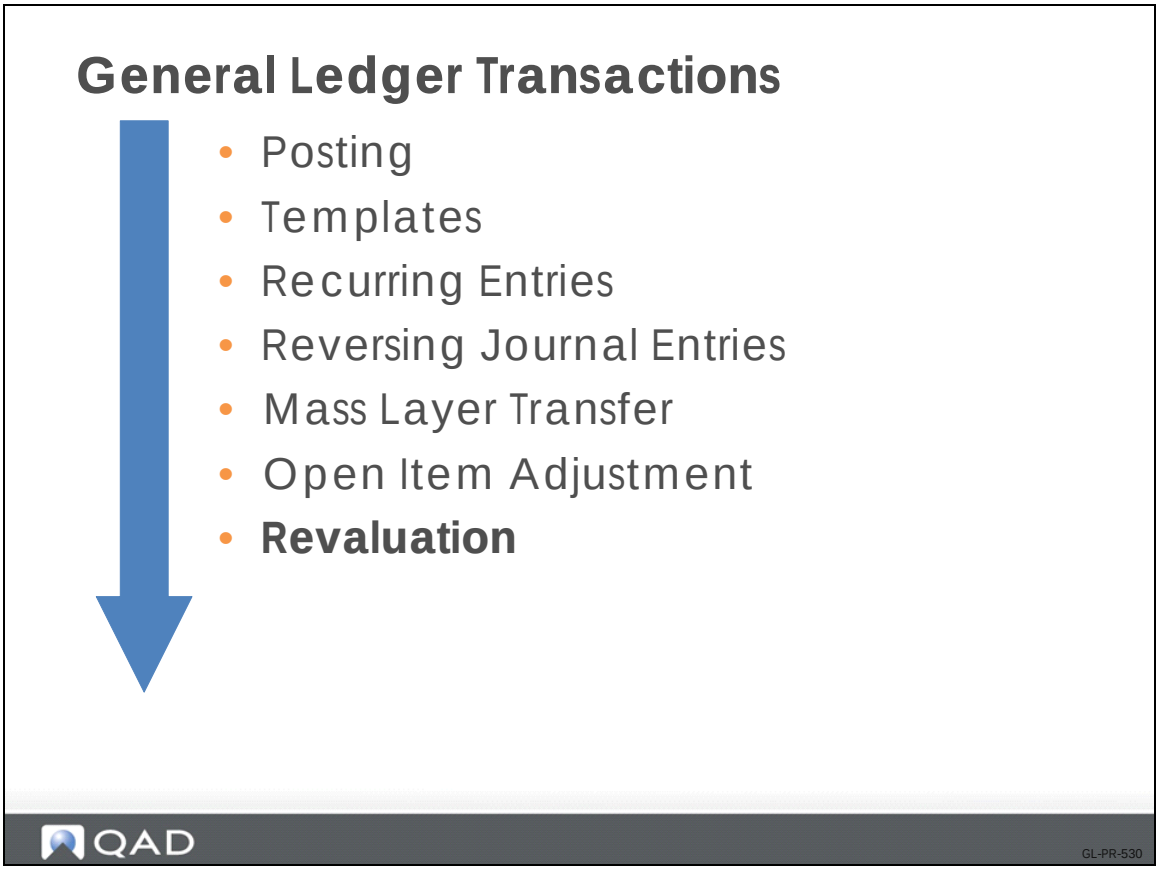
Use the following parameters (if needed):

- Entity: 22UKCO
- Daybook: CUSTADJ
- Sub-account: use the default or else use Gserv
- Cost center: use the default or else use Adm
- Date: system date
- For all other fields: use the lookup and choose from the list.

Use Open Item Adjustment Create (25.13.5) to create adjustments for the following:

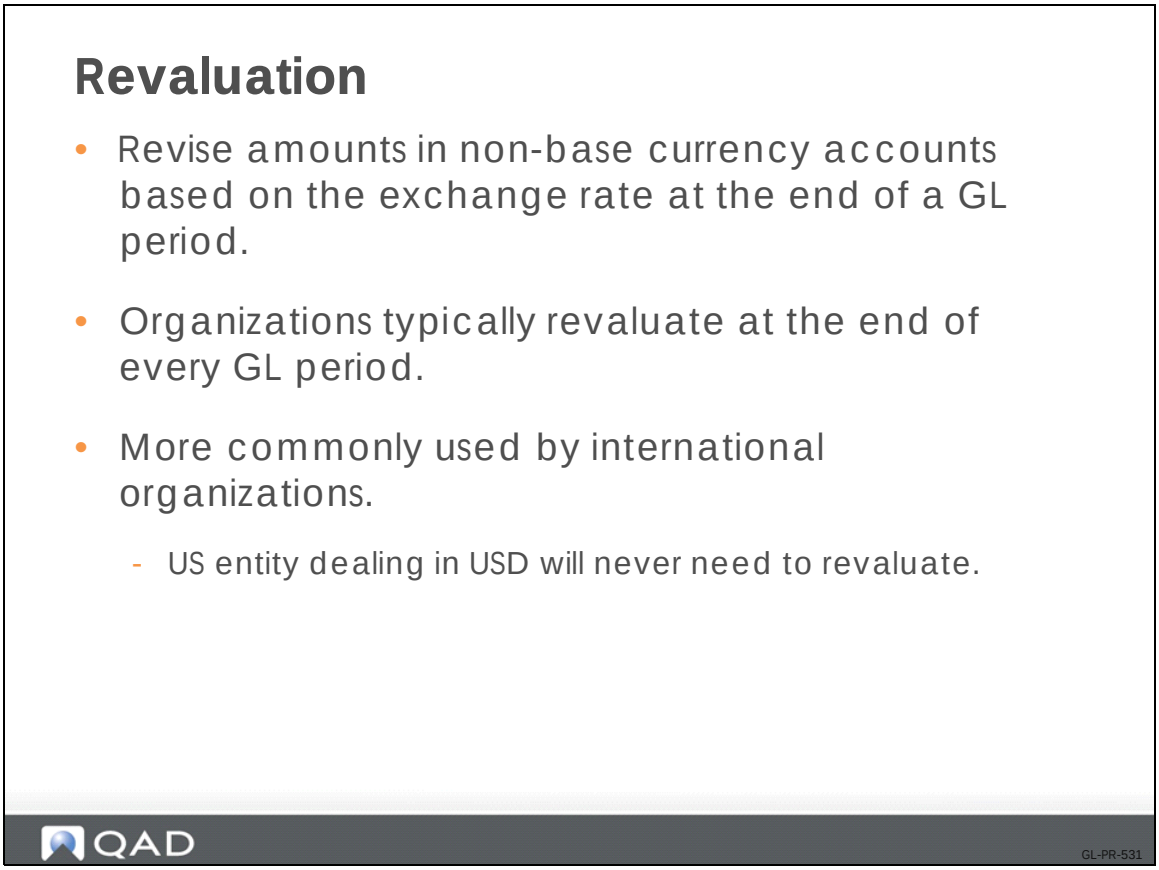
1. Customer 22C1001, Teasdale Hospital Equipment
   An invoice of value 30.20 GBP (full adjustment, new balance = 0).
   An invoice of value 812.10 GBP (partial adjustment, new balance = 617.30 GBP).
   A credit note of value 225 GBP (full adjustment, new balance = 0).
2. Verify the results using Open Item Adjustment View (25.13.6).

Revaluation



Each GL transaction is denominated in a transaction currency. Currency fluctuation means that transaction amounts can inflate or devalue, with respect to the base currency amounts, within the GL period in which they are posted. Revaluation enables you to identify the results from variances in exchange rates.

Revaluation

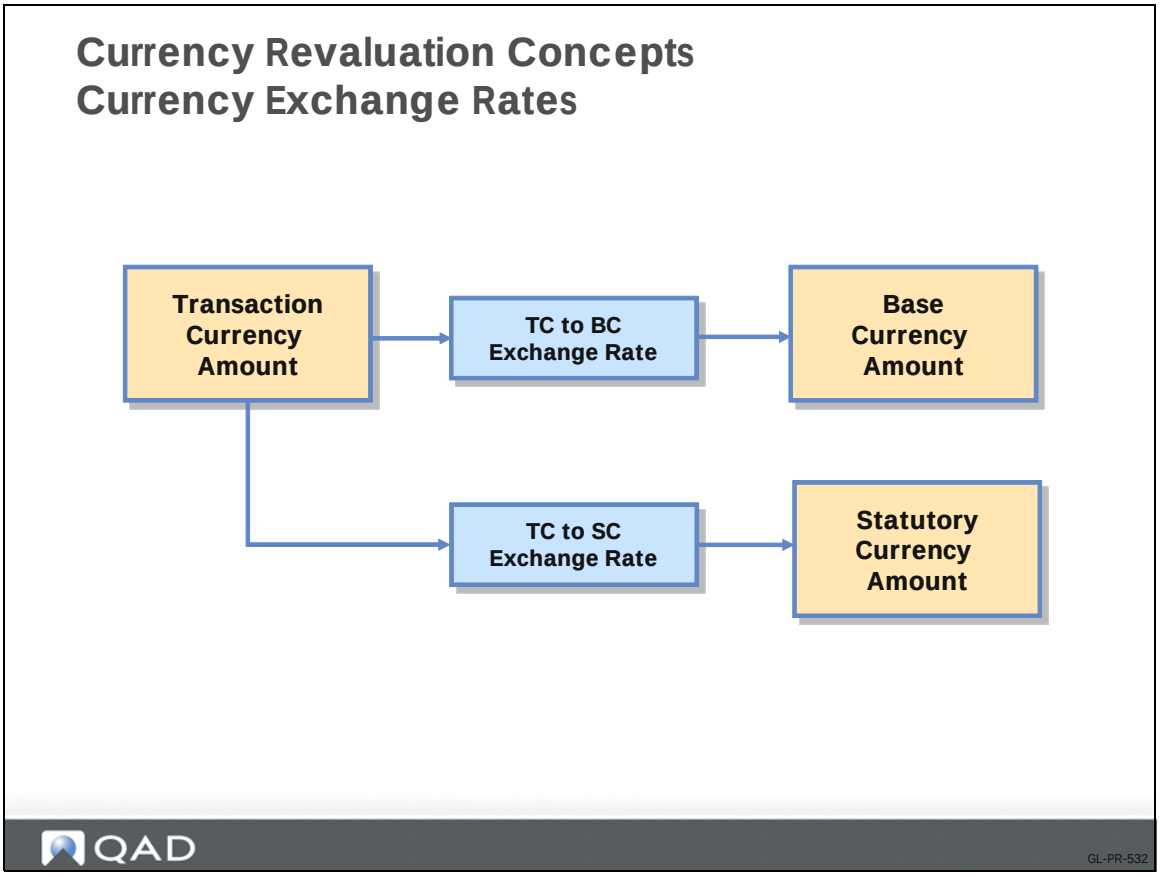


A transaction in a foreign currency is recorded initially in the base currency by applying the exchange rate between the base currency and the transaction currency at the date of the transaction. However, GAAP rules stipulate that balances on accounts denominated in foreign currency be reported using the closing rate for the GL period in which the transaction was recorded.

You typically revaluate at the end of every GL period, and the process is more commonly used by international organizations, since a US entity dealing in USD only will never need to revalue.

The revaluation process involves revising amounts in non-base currency accounts based on the exchange rate in effect at the end of a GL period. GL accounts denominated in non-base currency or accounts that accept postings in all currencies are subject to revaluation.

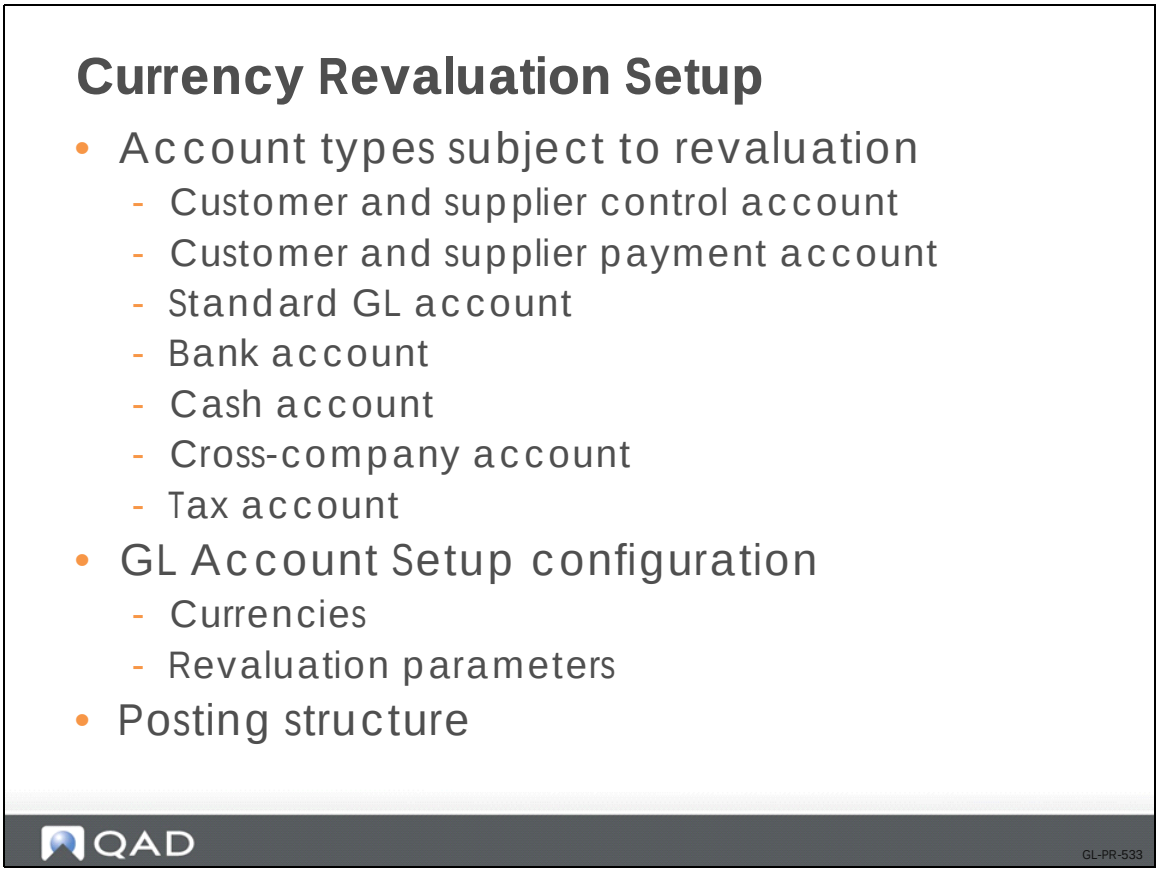
Revaluation Types



There are two types of revaluation:

- Revaluation of transactions denominated in a non-base currency, relative to the base currency
- Revaluation of the transaction currency revaluation result, relative to the statutory currency of the parent organization

Revaluation and Accounts



Revaluation affects the following account types:

- Customer and supplier control accounts

  Open items denominated in a foreign currency are subject to revaluation until paid.

- Customer and supplier payment accounts

  The effect of revaluation on customer and supplier payment accounts depends on the payment instrument. If the payment instrument is direct debit (customer accounts only), the foreign currency transactions are performed using the accounting exchange rate for the direct debit date, and revaluation is not required. However, for drafts and post-dated checks denominated in a foreign currency, the payee must wait until the due date to collect the value. The value of the check or draft can vary from the date of issue until the due date, and is subject to revaluation.

- Standard GL accounts

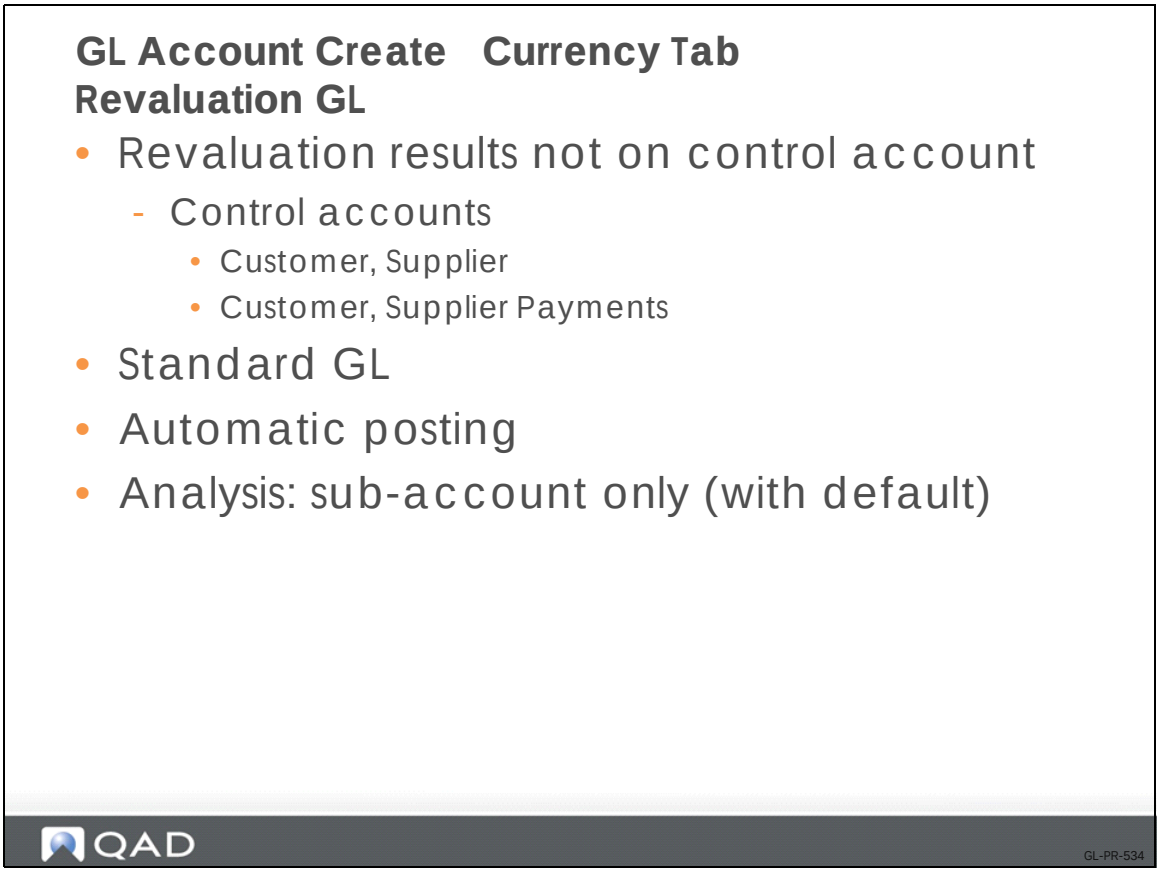
  Some standard GL accounts accept transactions in any currency, and are, therefore, subject to revaluation.

- Bank and cash accounts

  Bank and cash accounts can be denominated in a non-base currency, which must be expressed in the base currency of the entity.

  Tax accounts

GL Account Create Menu - Currency Tab



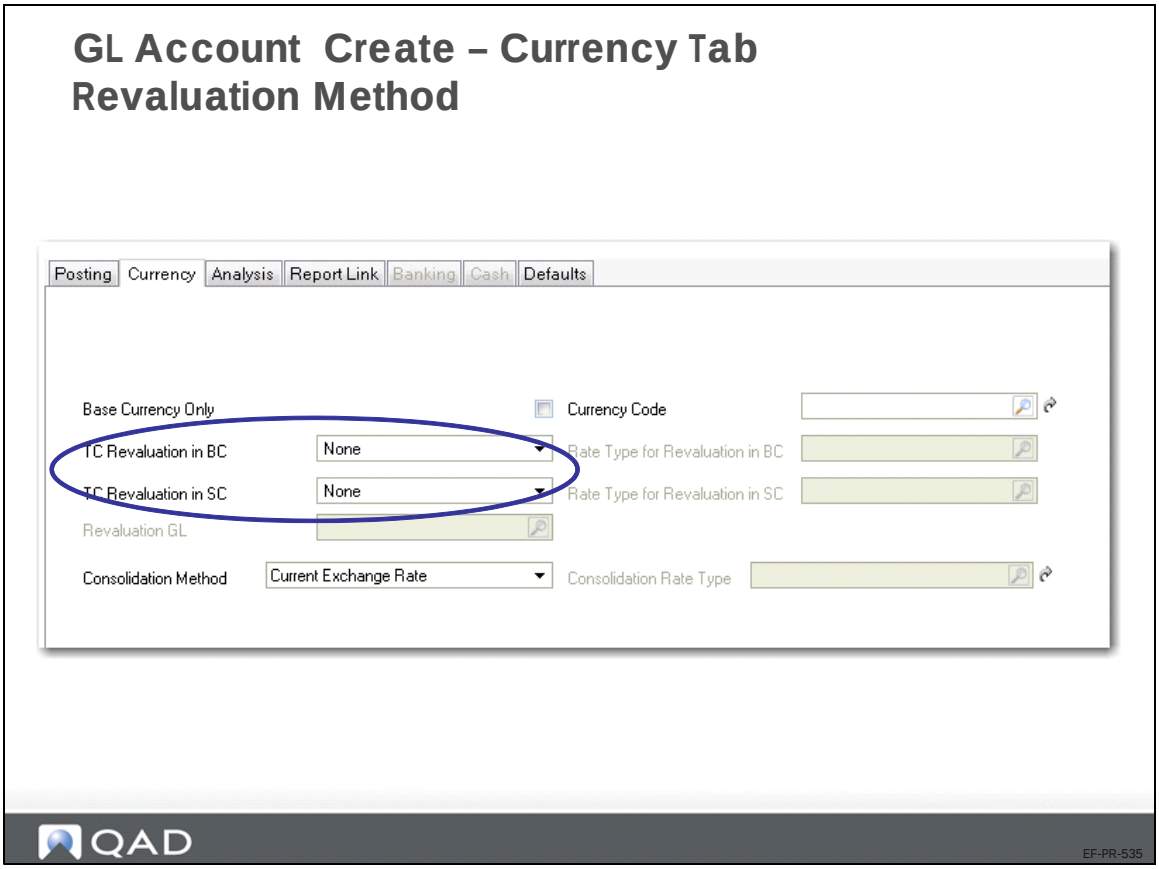
Revaluation results must not be posted on the control account.

When the GL account type is a control account then a revaluation account must be identified. The result of the revaluation will be posted on the revaluation account.

Analytical method is limited to sub-account for this type of account.

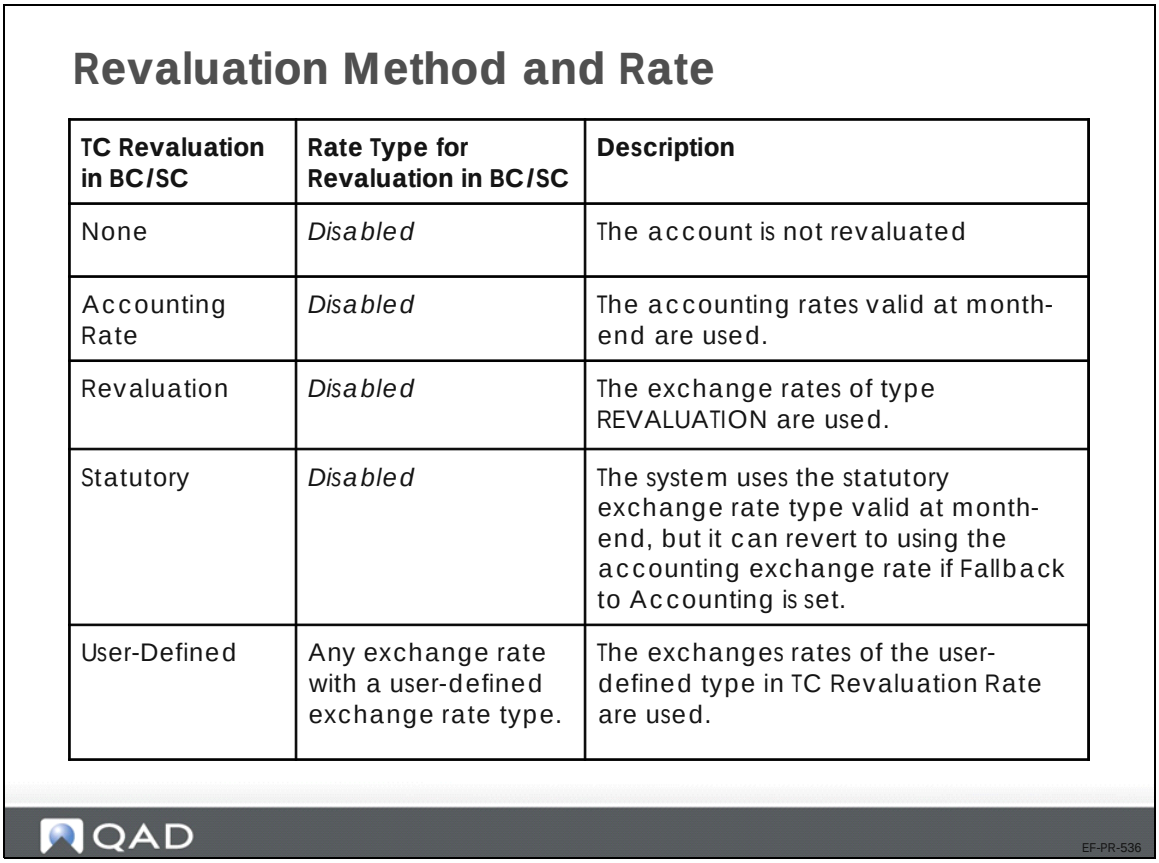
The same set of accounts is used for transaction currency and statutory currency revaluation.

Currency Tab - Revaluation Methods



The revaluation account fields become enabled depending on the type of GL account selected.

TC Revaluation Method and Rate

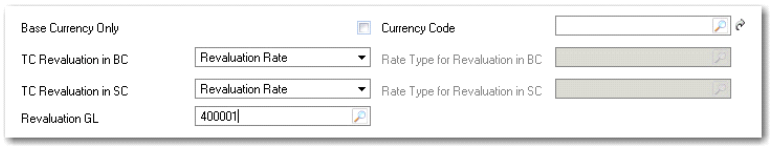


You define the revaluation methods and rates for a source GL account in the Currency tab of Account Create. The tab lets you define both methods and rates for the revaluation of both the base currency and the statutory currency.

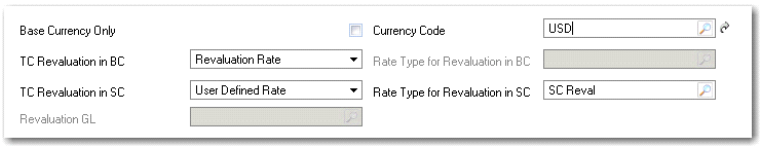
You can define the statutory currency revaluation method and rate independently of the base currency revaluation method and rate.

GL Account Setup by Type

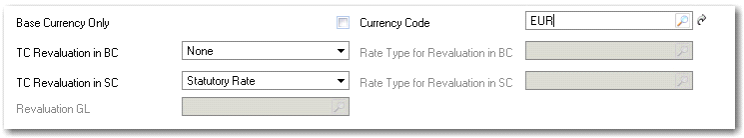
Control GL account multi currency



Standard GL account with one currency (USD)



Standard GL account with base currency (EUR)



QAD

EF-PR-537

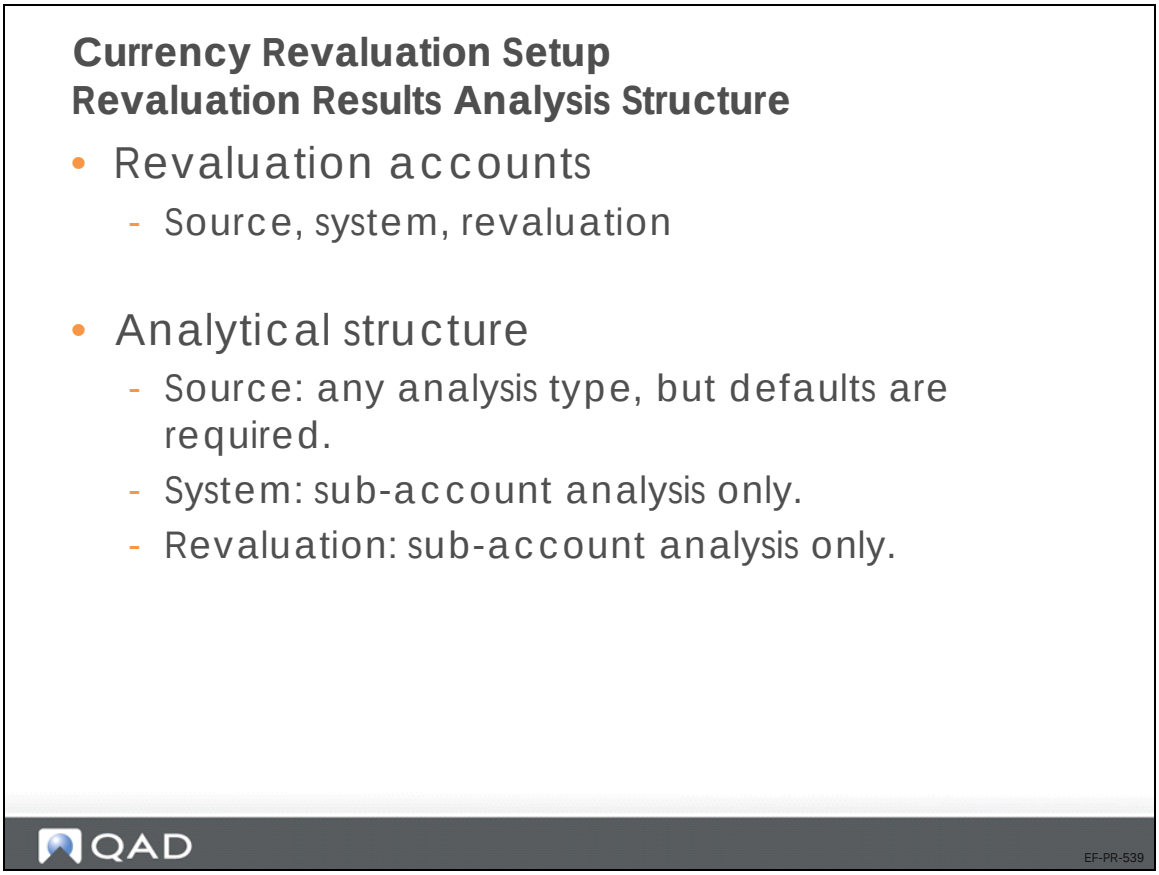
Currency Revaluation Setup
Revaluation Results GL Accounts

- System accounts for exchange rate differences
  - Realized Exchange Gain
  - Realized Exchange Loss
  - Unrealized Exchange Gain
  - Unrealized Exchange Loss
- Balance Sheet or P/L
- Automatic posting
- Analytical: only sub-account

QAD

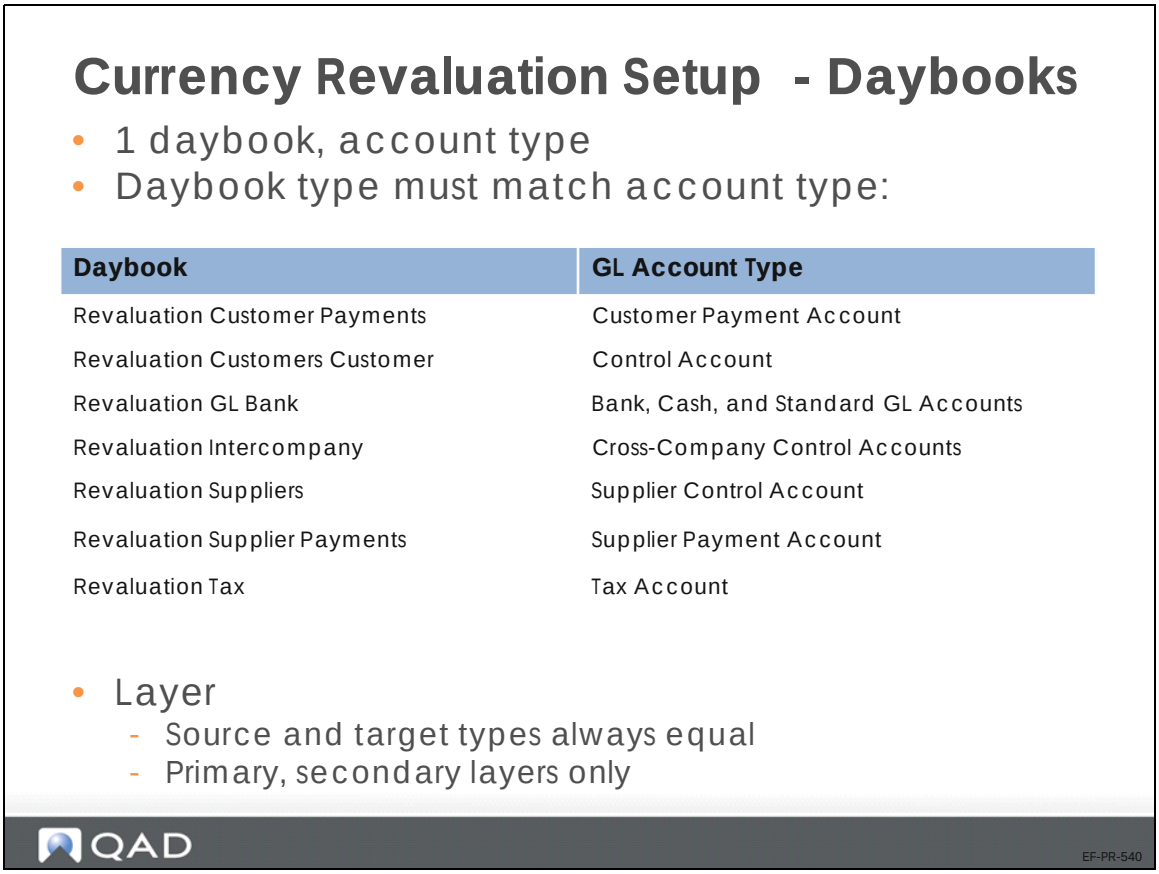
EF-PR-538

Revaluation Postings



All types of analysis are supported for the source account. However, default values are required. For example, if the source GL account has cost center analysis, a default cost center must be specified in the GL account Analysis tab in order for the account to be revaluated.

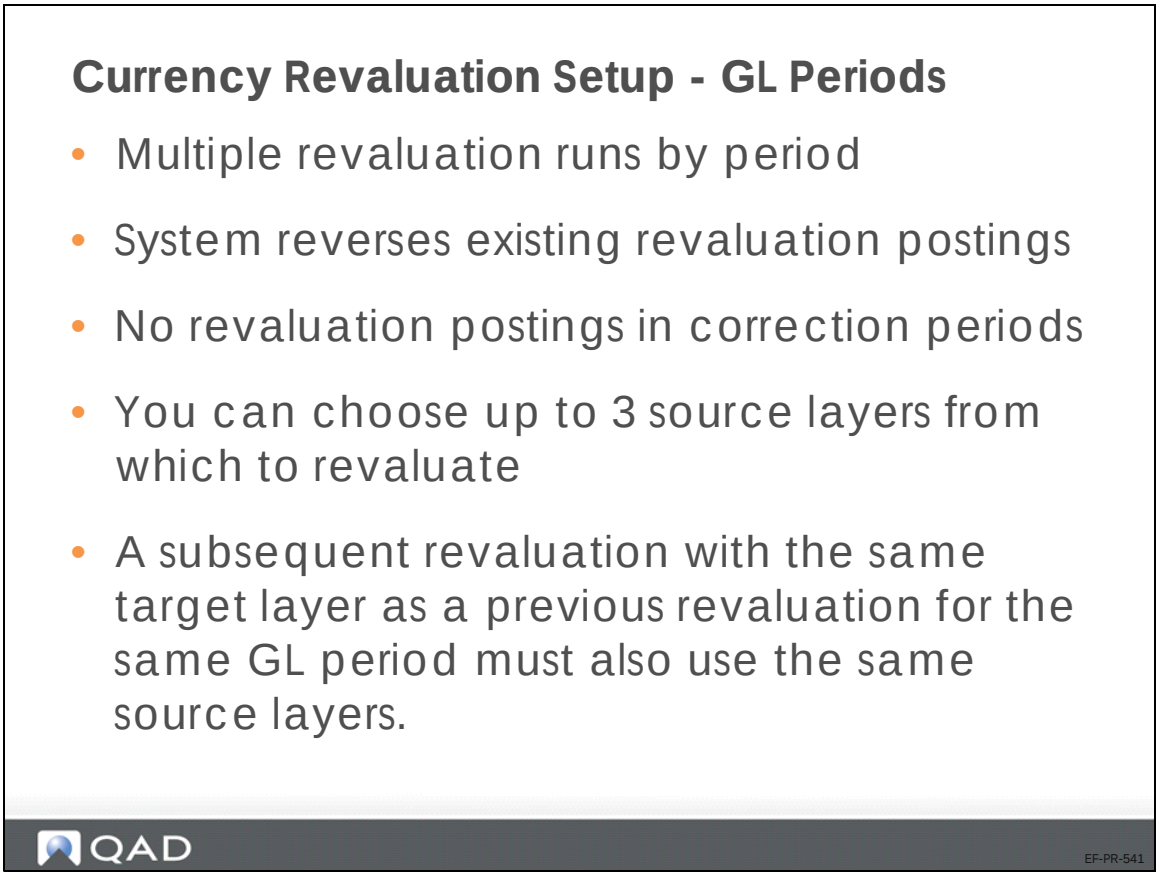
Daybooks



You must define revaluation daybooks for each account type that is being revalued, and the daybook type must match the account type.

Only daybooks of the primary and secondary layers can be used, and the source and target layer types must be the same.

GL Periods



Multiple revaluation runs can be made during the same GL period.

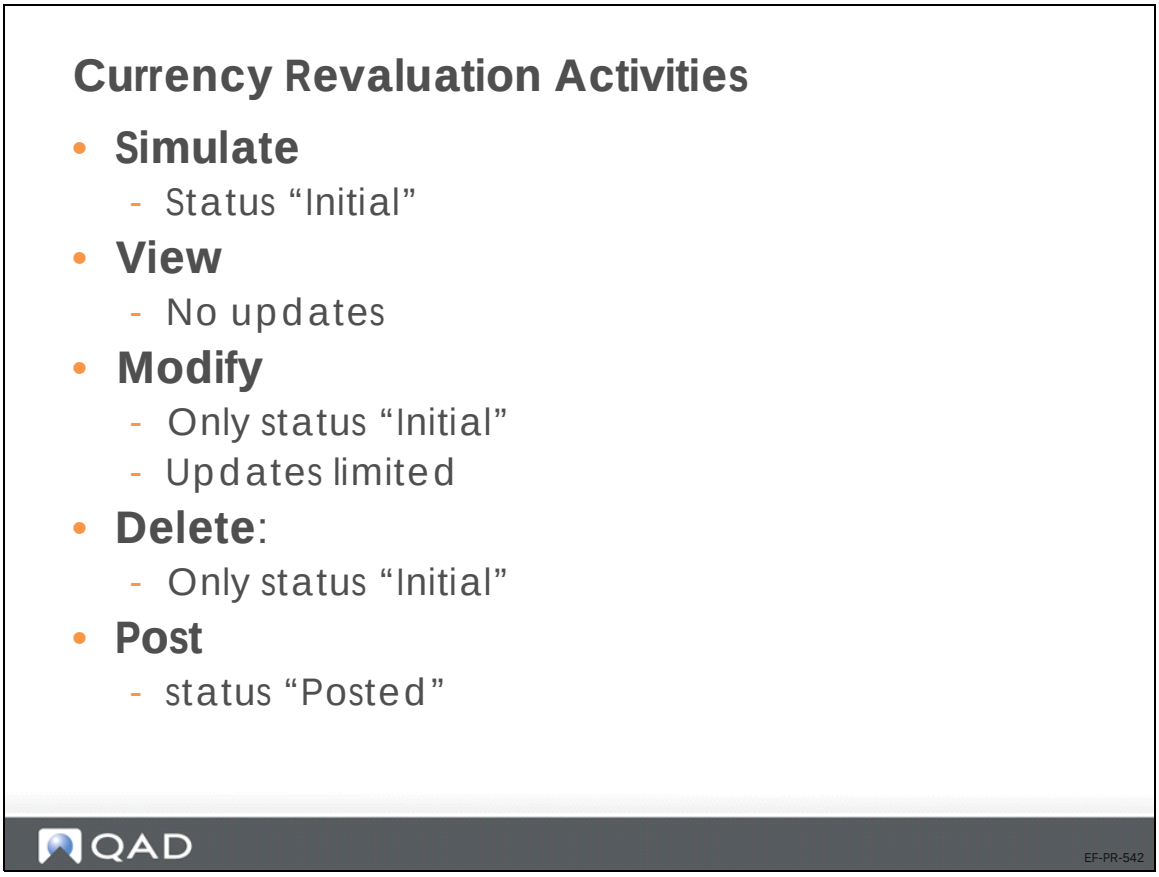
When a revaluation posting has been created for a particular GL period, a subsequent revaluation posting for the same period reverses the existing posting. You cannot create revaluation postings that occur in correction periods, or create a reverse posting to occur in a correction period.

You can choose up to three source layers to be revaluated and the target layer to which the revaluation posting must be made. A subsequent revaluation that has the same target layer as a previous revaluation for the same GL period must also use the same source layers as the previous revaluation. Alternately, all the source layers must be different in the subsequent revaluation for the same GL period to prevent overlap.

If the target layer is the same and the source layers overlap, then an error message will be displayed, and you cannot save the revaluation posting.

See *User Guide: QAD Financials* for detailed information and examples on multiple revaluations in the same GL period.

Currency Revaluation Transactions Activities



View

Shows all data of a revaluation in read-only mode.

Modify

You can modify or delete revaluations only when all revaluation areas have an initial status. In this case, you can modify only the revaluation header or scope, and can delete entire rows in the Simulation tab of the Revaluation screen, but not modify the row data. The Exchange Rate tab is read only

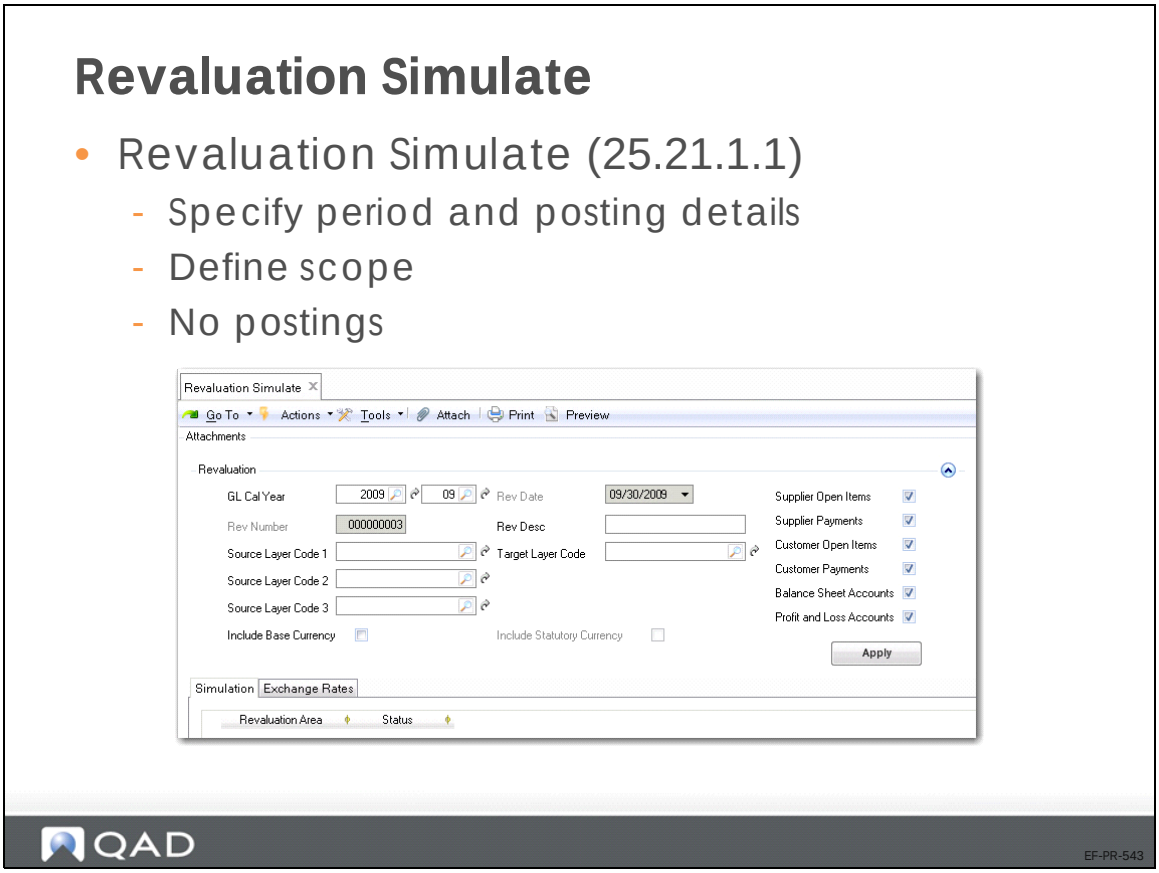
Delete

Revaluation with all areas in Initial status can be deleted

Post

Select a number of revaluations and generate the postings. The selected Revaluation Areas are given the status Posted.

Revaluation Simulate



Revaluation Simulate activity (25.21.1.1) identifies the revaluations to run for the GL periods and revaluation areas specified. You can also specify the source layers where the balances are calculated and the target layer where the revaluation will be posted when you run Revaluation Post.

The Revaluation Scope settings let you identify specific types of accounts for which to run the revaluation process; for example, customer or supplier payment or control accounts, or balance sheet accounts. The account types you select are displayed in the Revaluation Area column of the simulation grid when you click Apply to begin the simulation.

You can choose to revaluate relevant to the base currency, statutory currency, or both. The statutory currency revaluation will use the statutory exchange rate, unless you have specified a different revaluation rate in the currency settings in GL Account Create (25.3.13.1). When using the statutory exchange rate, you have the option to revert to using the accounting exchange rate if the statutory rate is unavailable. The fallback option is set in Exchange Rate Type Create (26.3.1).

The base currency revaluation and the statutory currency revaluation are not dependent. You can run the revaluations separately or together.

The simulation results are displayed in a hierarchical grid. You can drill down for more detail on individual items. The results are grouped by revaluation area, and by transaction currency or by transaction currency/sub-account combination if you defined sub-account analysis for the system accounts.

The results display the following information:

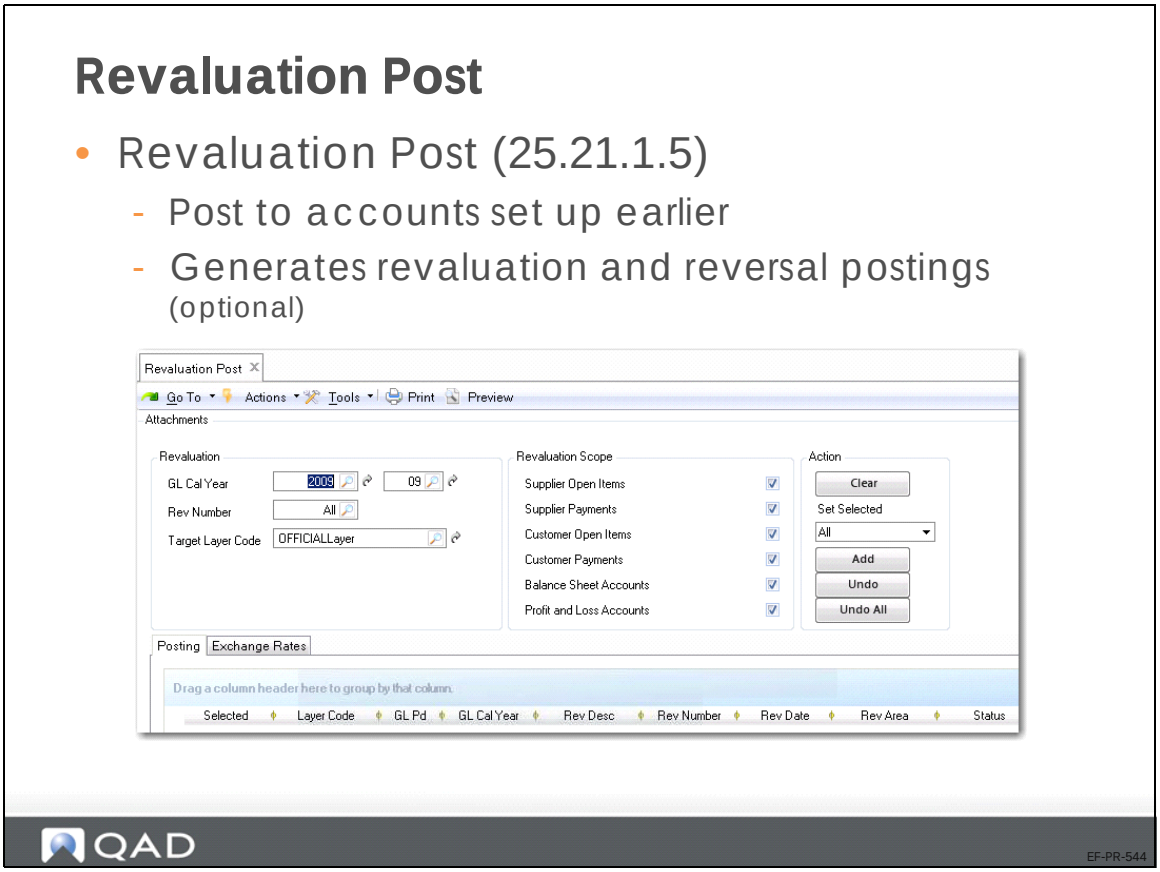
- The original debit and credit amounts in TC, BC, and SC.
- The revaluated debit and credit amounts in TC, BC, and SC.
- The revaluation differences to be posted.
- Analytical information, if you defined analysis on the accounts.

When you have completed the fields, click Save to save the revaluation.

Both Revaluation Simulate and the Revaluation report include all transactions in the revaluation scope. In addition, transactions that have no revaluation impact are included, that is, transactions where the revaluation difference is zero because the historical rate is the same as the revaluation rate.

By including all transactions in Revaluation Simulate and the Revaluation report, the system provides a complete reconciliation between the transaction amounts from before and after revaluation.

Revaluation Post



Similar to simulation, but with an impact on the GL. Use Revaluation Post (25.21.1.5) to post the revaluation differences to the relevant accounts.

You can only post a revaluation after you have saved it in Revaluation Simulate. Revaluation Post processes one or more of revaluation simulations, and creates the GL postings for them.

Select revaluations created using Revaluation Simulate for posting using the GL calendar year and GL period, revaluation number, layer, and revaluation scope items as search criteria. Click Add to add revaluations that match the criteria to the Posting grid.

Exercise: Revaluation

1 Create the following new exchange rates in Exchange Rate Create:

10USACO

Fields	Values
From Currency Code	USD
To Currency Code	CAD
Exchange Rate Type	ACCOUNTING
Valid From	current date
Exchange Rate	0.96

Fields	Values
From Currency Code	USD
To Currency Code	CAD
Exchange Rate Type	REVALUATION
Valid From	end of current GL period
Exchange Rate	0.98

22UKCO

Fields	Values
From Currency Code	GBP
To Currency Code	CAD
Exchange Rate Type	ACCOUNTING
Valid From	current date
Exchange Rate	1.4

Fields	Values
From Currency Code	GBP
To Currency Code	CAD
Exchange Rate Type	REVALUATION
Valid From	end of current GL period
Exchange Rate	1.56

2 Using GL Account Create, create the following accounts:

Field	Value	Field	Value
Account 1		**Account 2**	
Account	GWL5100	Account	GWL5200
Description	Purchase Account	Description	Purchase Account
GL Type	Standard Account	GL Type	Standard Account
Active	Yes	Active	Yes
Auto/Manual	Manual	Auto/Manual	Manual
Balance/P&L	P&L	Balance/P&L	P&L
Currency Code	CAD	Currency Code	CAD

Field	Value	Field	Value
TC Revaluation in BC	Revaluation Rate	TC Revaluation in BC	Revaluation Rate

3 Using Journal Entry Create, create the following transactions:

Field	Value
General Fields	
GL Calendar Year	2011
GL Period	current GL period
Posting Date	current date
Daybook	JE
Description	CAD Trans

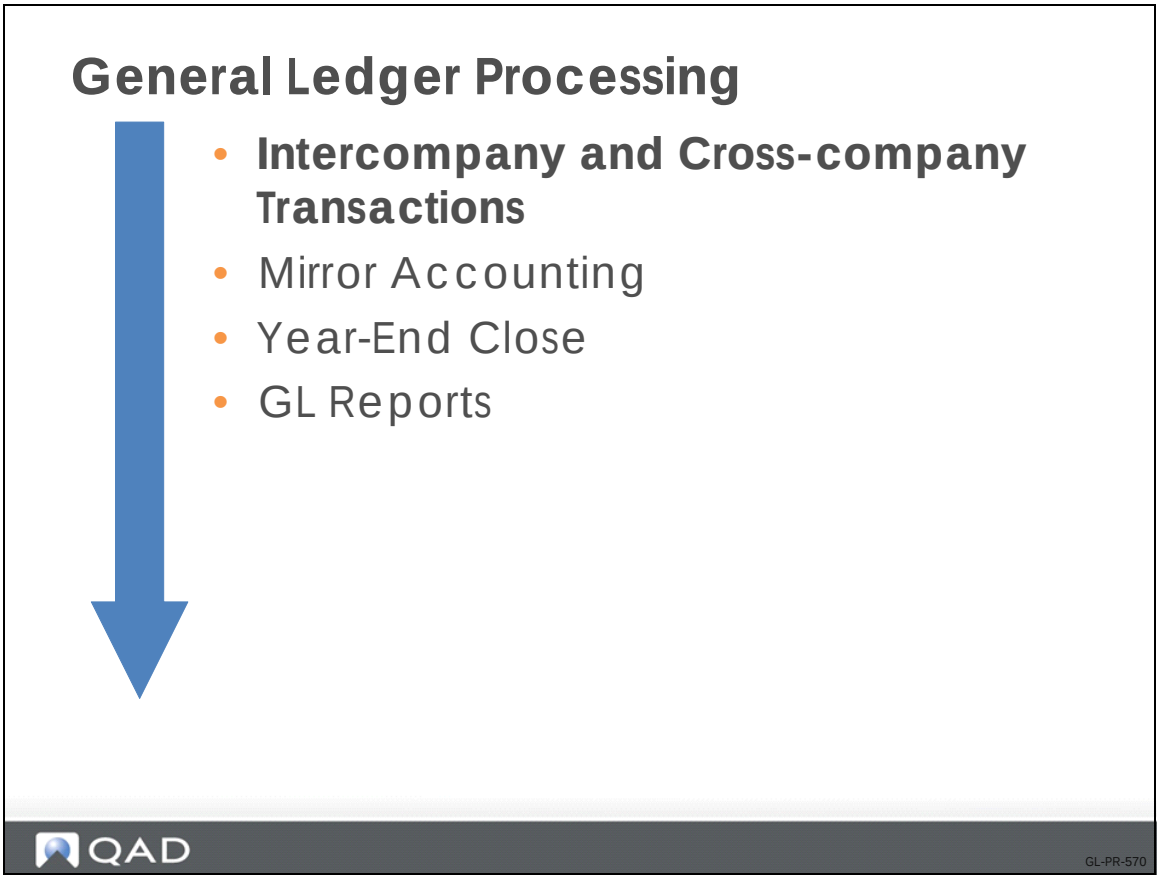
Account	Amount	DR/CR
GWL5100	$3,000 CAD	DR
GWL5200	$4,500 CAD	DR
GL 2470 (Accrual account)	$7,500 CAD	CR

4 In Revaluation Simulate, simulate the revaluation of balance sheet accounts as of the end of the current GL period and save the simulation.

5 Print the revaluation report for the above simulation and verify that the correct revaluation rates have been used.

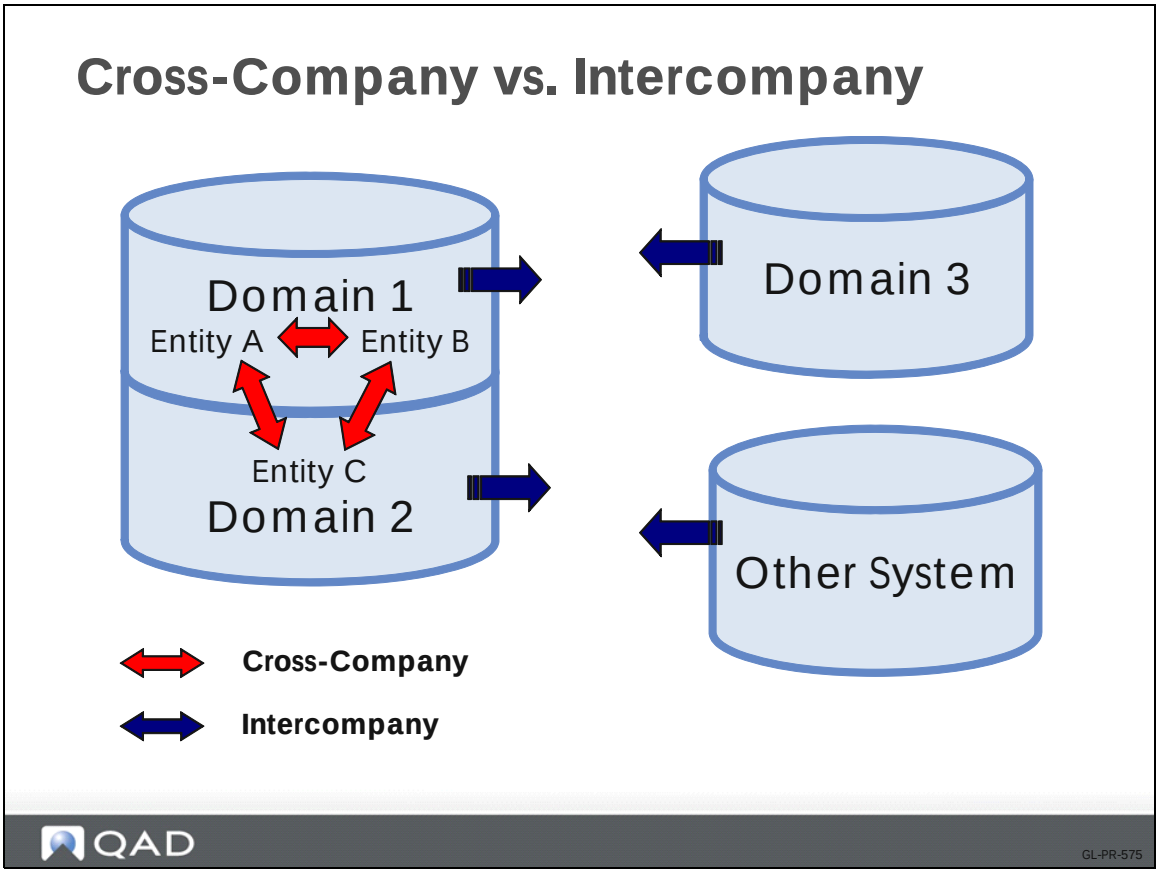
6 Use Revaluation Post to post the revaluation as of the last day of the current GL period.

Intercompany and Cross-company Transactions



The system supports two types of transaction between entities within the same domain and across domains: intercompany transactions and cross-company transactions.

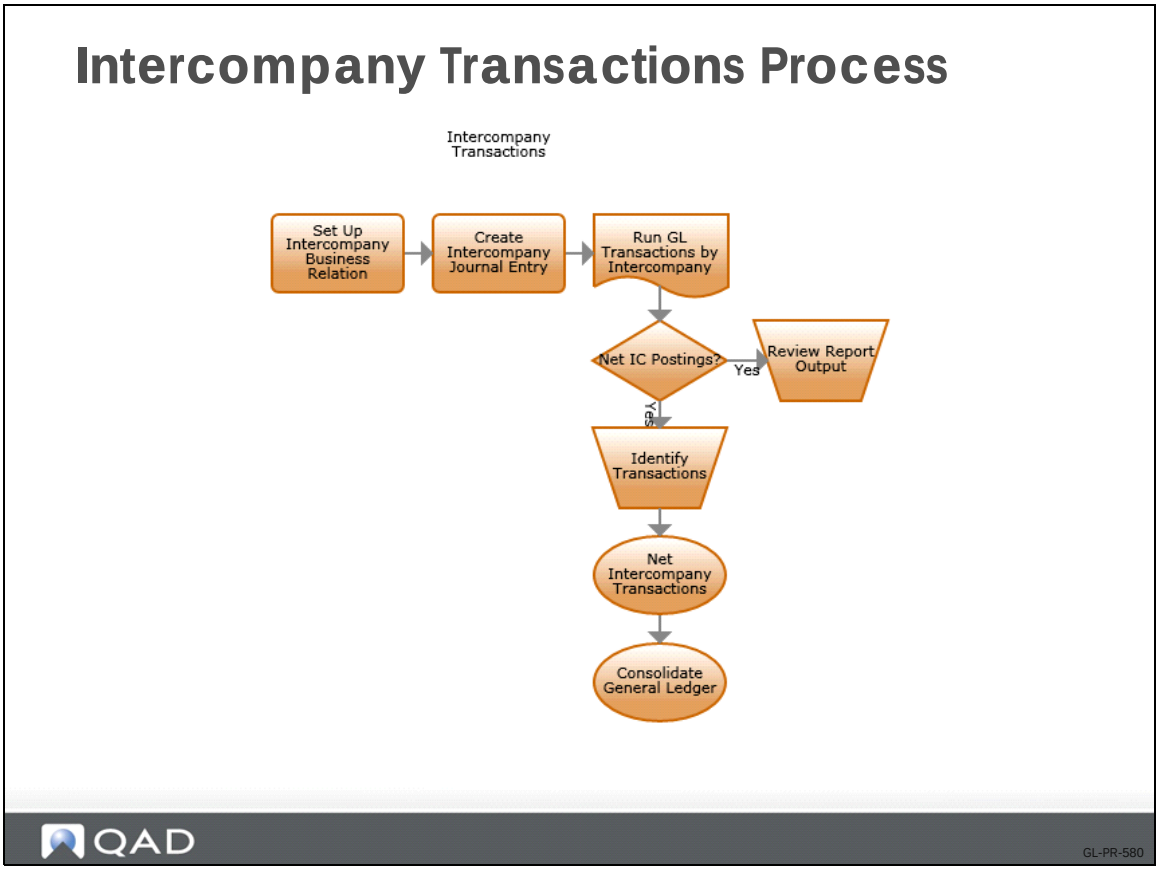
Cross-Company vs. Intercompany



Cross-company transactions span more than one entity, and the associated GL transaction posts to both entities.

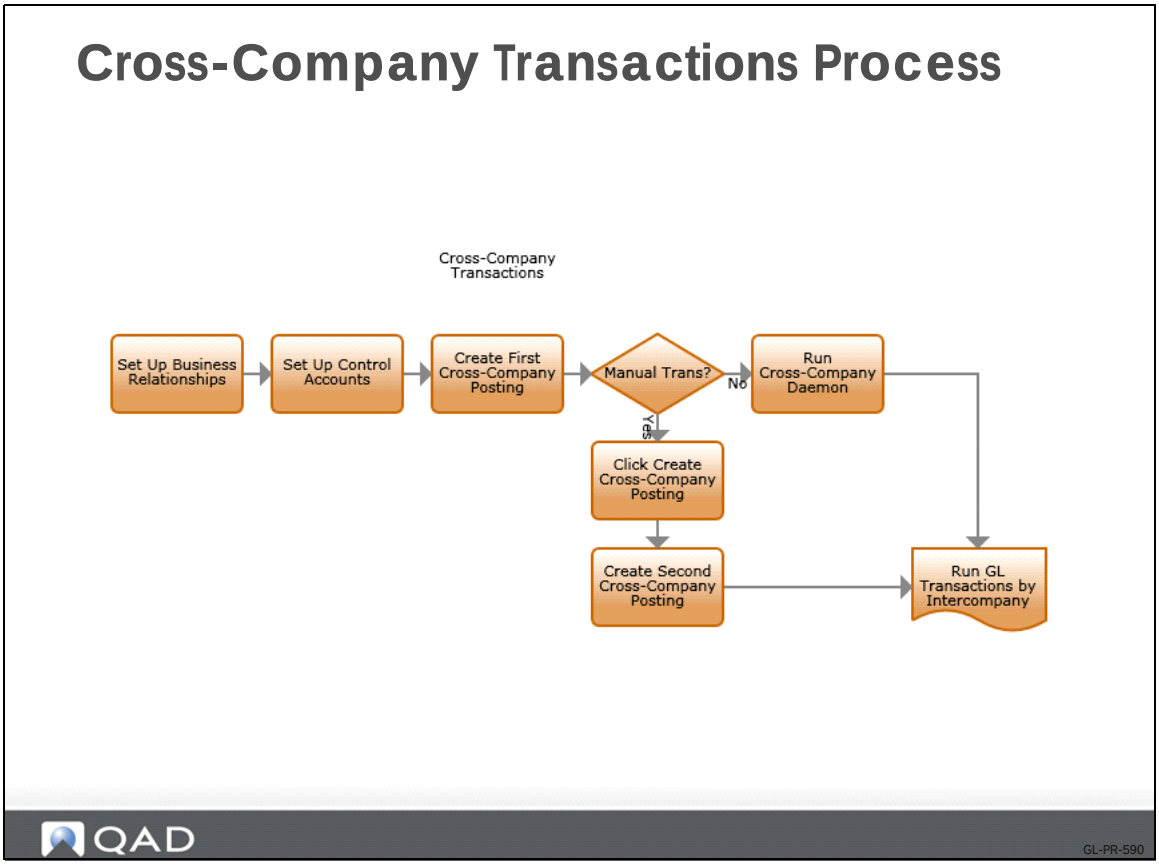
An intercompany transaction is a GL transaction or journal entry that affects only one entity, but contains an intercompany code within the GL transaction, as a reference to another entity. The GL transaction posts to one entity only. Use this feature to isolate internal transactions from those that relate to third parties. Intercompany transactions are identified using intercompany codes.

Intercompany Transactions Process



The slide shows the process map for intercompany transactions.

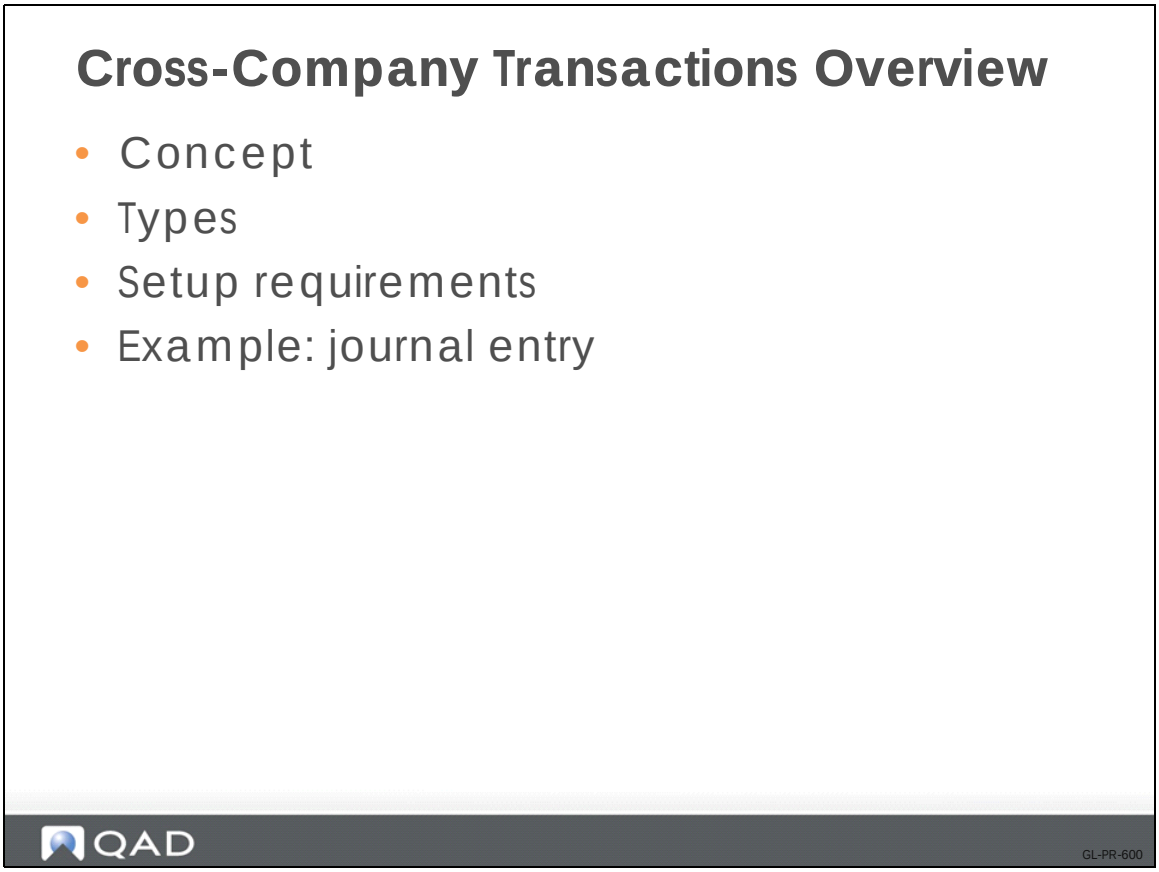
Cross-Company Transactions Process



Before processing cross-company transactions, specific setup is required. You will review these steps in detail.

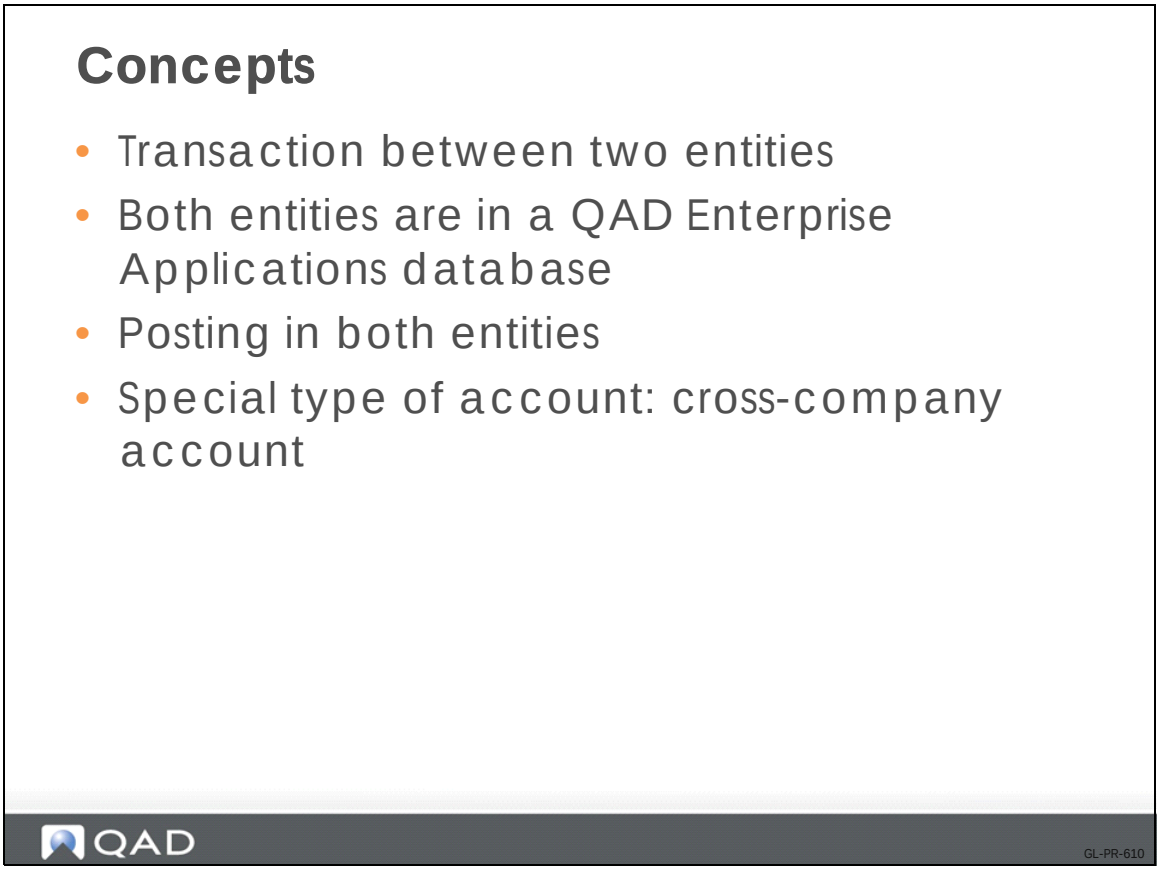
Cross-company transactions can be processed manually or automatically.

Cross-Company Postings Overview



This section describes some important concepts and the setup required for cross-company postings, and includes an example to illustrate the process.

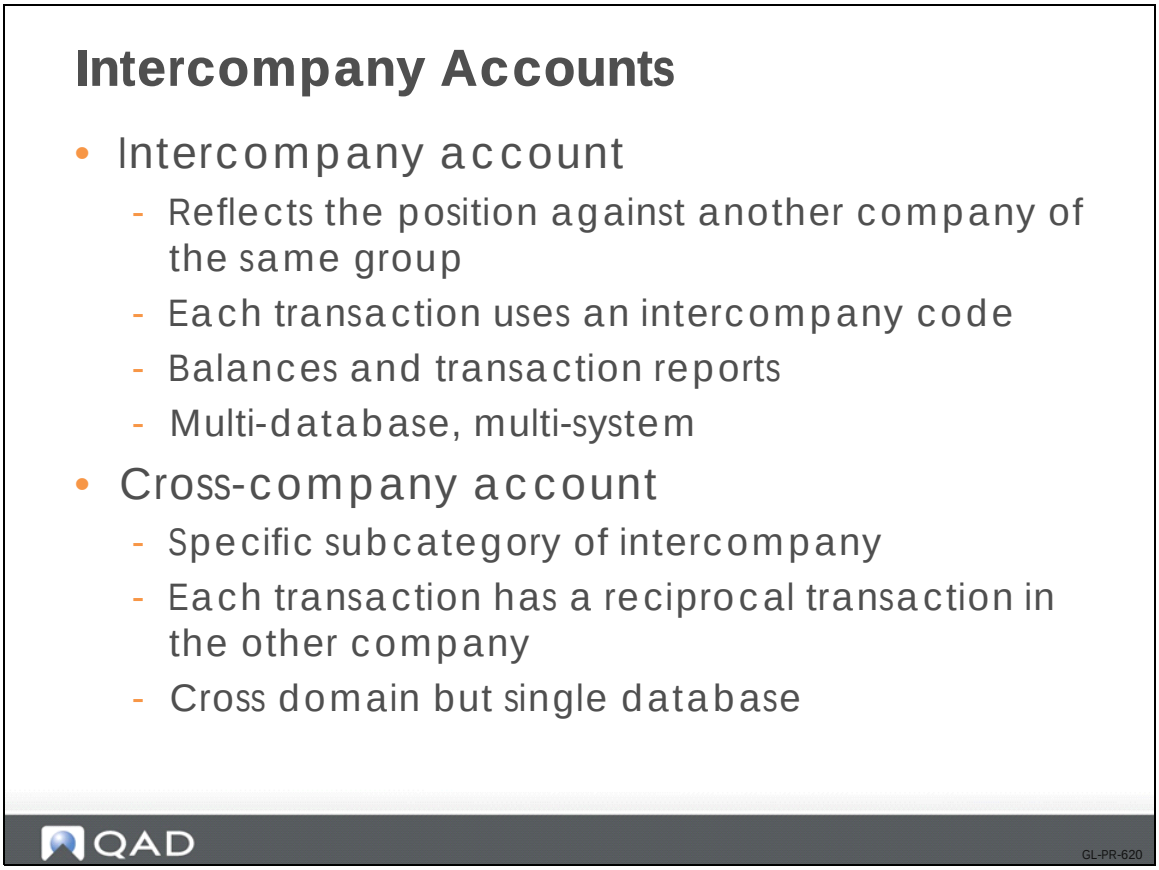
Cross-Company Posting Concepts



Use cross-company accounting functions to create balanced transactions between entities in a domain. When transactions or invoices are generated by another entity in the organization, these functions let you process the transactions or invoices in your current working entity. GL transactions are created in both entities.

Cross-company transactions use cross-company control accounts to link across entities.

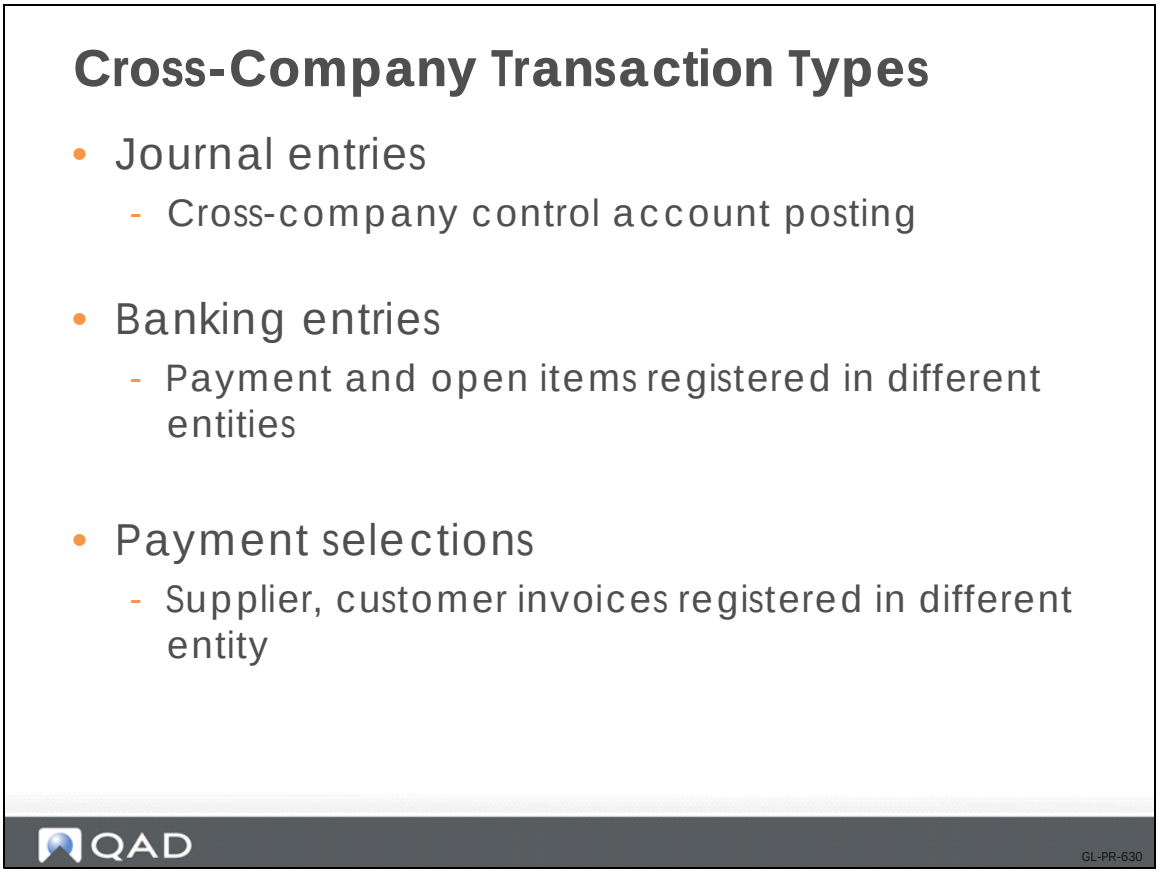
Intercompany vs. Cross-Company Accounts



To identify GL accounts used in intercompany transactions, select the Intercompany Account field in Account Create. This makes the Default Intercompany field available. Use this field to assign the intercompany code defined in the business relation of the intercompany entity.

Intercompany codes identify organizations that are members of a group of entities that trade with each other. This activity forms the basis for consolidation reporting at period closing, when the financial results of multiple entities are consolidated, and intercompany transactions are eliminated before consolidation.

Cross-Company Transaction Types



Journal entries

When a posting is done on a cross-company control account.

Banking entries

When a collection is recorded from a customer for open items registered in another entity.

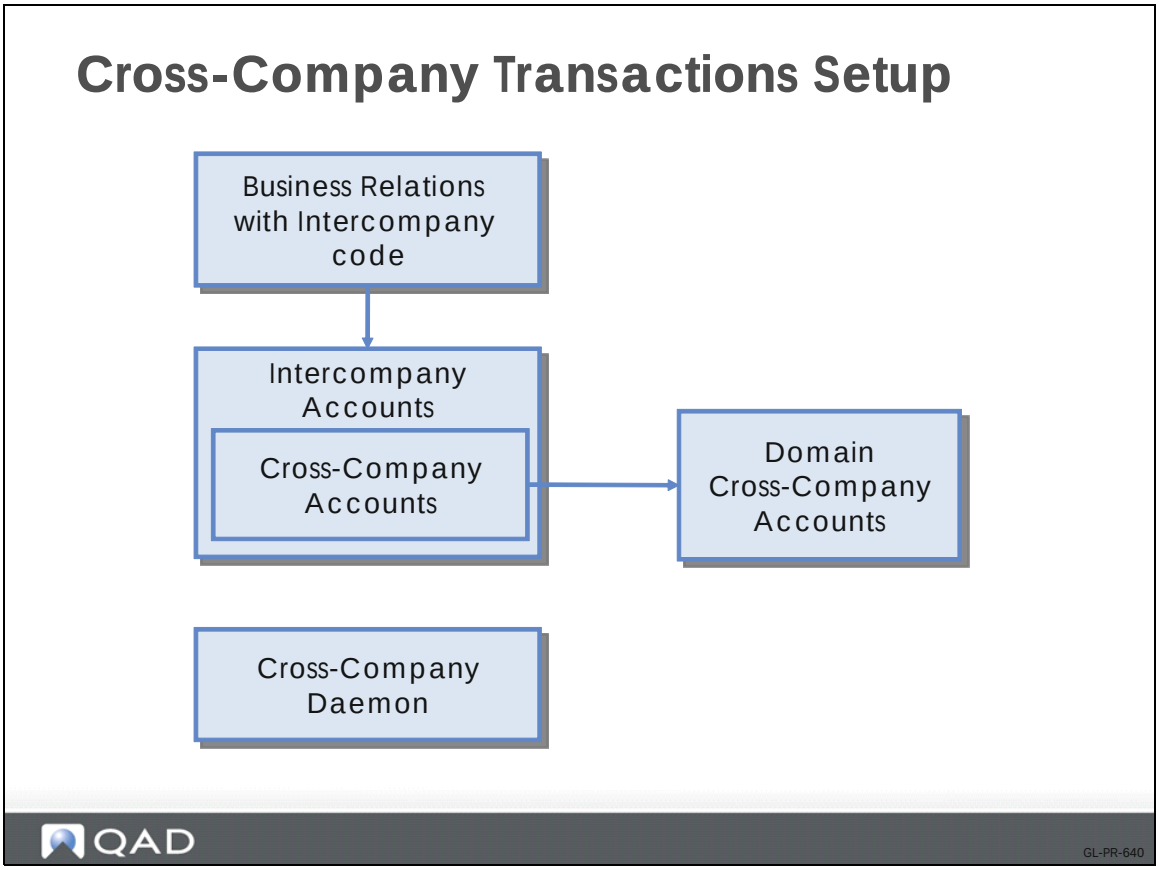
When a payment is recorded for a supplier for open items registered in another entity.

Payment selections

When supplier invoices are included that are registered in another entity.

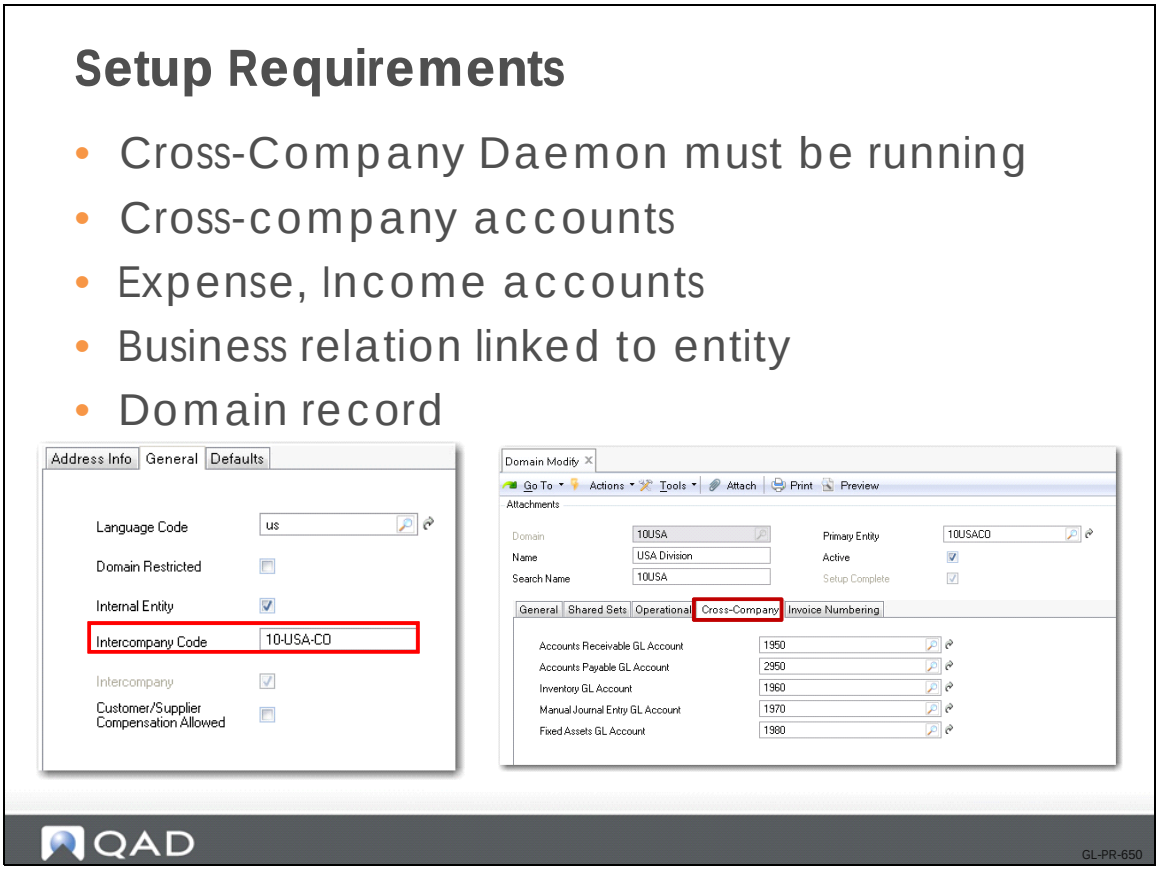
When customer invoices are included that are registered in another entity.

Cross-Company Transaction Setup Flow



We will review these steps shown above in more detail.

Setup Requirements



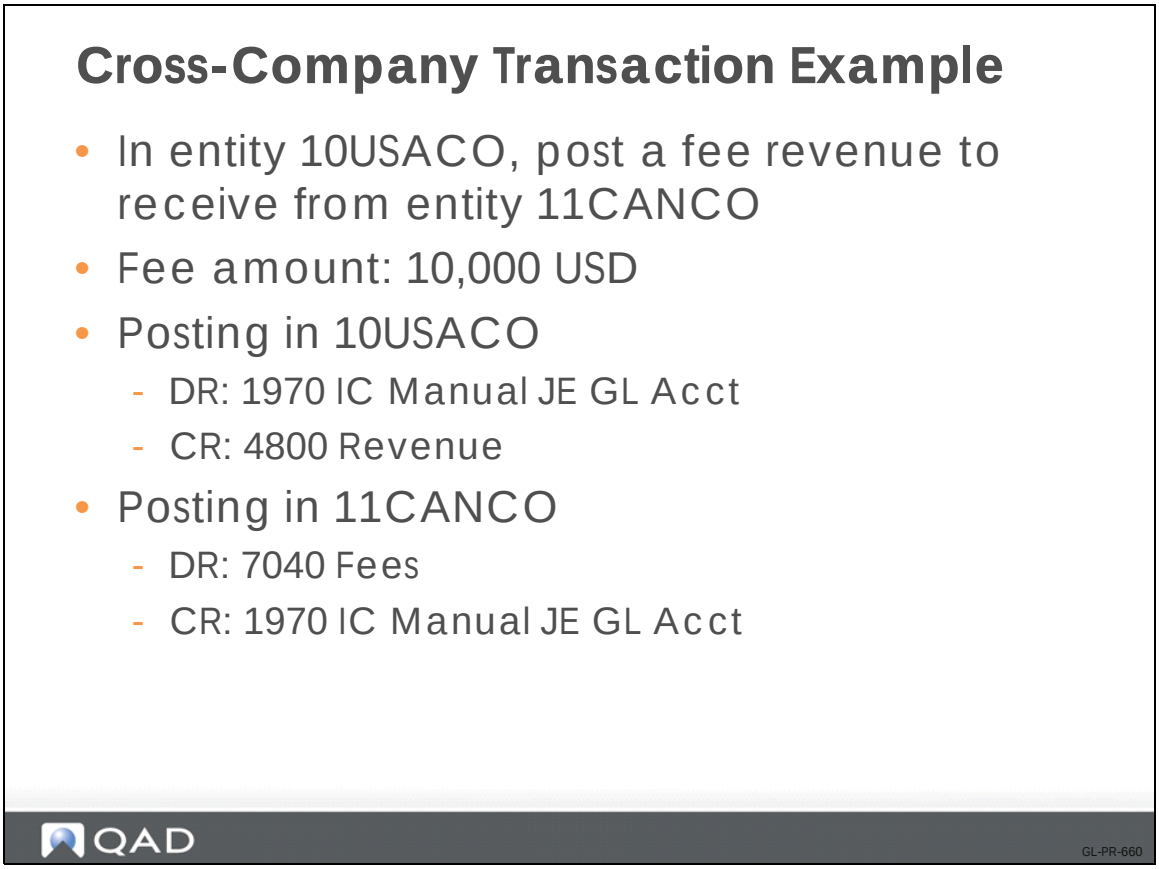
First, verify that the Cross-Company daemon is running in Cross-Company Daemon Monitor (36.14.16.5.3).

Then, set up the five required cross-company accounts in GL Account Create (25.3.13.1) for AR, AP, fixed assets, inventory, and manual journal entry transactions. The account type is Cross-Company Control Account. Also, expense and revenue accounts involved should have the Intercompany field selected.

Next, enter the five cross-company accounts in the domain record in Domain Modify (36.1.1.1.2) on the Cross-Company tab. The accounts specified are used for every cross-company posting line for each entity in the domain. Each domain in the database may use a different set of cross-company control accounts, depending on the shared set used in the domain.

Finally, in Business Relation Modify (36.1.4.3.2), modify the business relation linked to the entity. In the General tab, select the Intercompany field and enter the intercompany code.

Cross-Company Transaction Example



Scenario: Entity 10USACO and entity 11CANCO are both subsidiaries of a large organization. Human resource management and IT services for the entire organization are centralized in entity 10USACO.

Cross-company transactions are generated when entity 11CANCO uses either centralized service.

The GL Cross-Company Transactions View (25.15.2.11) lets you view cross-company transactions.

US Exercise: Cross-Company Posting

In this exercise, you will create cross-company postings.

Log in to entity 10USACO

Use the following parameters (if needed):

- Sub-account: use the default or else use Gserv
- Cost center: use the default or else use Adm.
- Daybook: JE
- Intercompany code: 10USACO has cross-company code 10USACO, 11CANCO has cross-company code 11CANCO
- For all other fields: use the lookup and choose from the list.
- Period: current GL period

Important Ensure that the Cross-Company daemon is running. Check Cross-Company Daemon Monitor; the status should be Running. If not, use Cross-Company Daemon Unconditional Stop, then Cross-Company Daemon Start to stop and restart the daemon.

1. Using Journal Entry Create (25.13.1.1) in entity 10USACO, make a cross-company posting for a fee of 10,000 USD against entity 11CANCO. The posting should be:

   In entity 10USACO:

   DR GL 1970 (IC Manual JE GL Acct)

   CR GL 4800 (Income)

2. Specify the cross-company code for the journal entry and then right-click and select Create Cross-Company posting from the menu.

   In Entity 11CANCO

   CR GL 1975 (IC Manual JE GL Acct) USD

   DR GL 7040 (Fees) USD

3. Check the postings in both entities using Journal Entity View (25.13.1.3).

EMEA Exercise: Cross-Company Posting

In this exercise, you will create a cross-company posting.

Use the following parameters (if needed):

- Log in to entity 22UKCO
- Sub-account: use the default or else use Gserv
- Cost center: use the default or else use Adm
- Daybook: JE
- Intercompany code: 22UKCO has cross-company code 22UKCO, 11CANCO has cross-company code 11CANCO
- For all other fields: use the lookup and choose from the list.

Important Ensure the Cross-Company daemon is running. Check Cross-Company Daemon Monitor; the status should be Running. If not, use Cross-Company Daemon Unconditional Stop, then Cross-Company Daemon Start to start the daemon.

1. Using Journal Entry Create (25.13.1.1) in entity 22UKCO, make a cross-company posting for a fee of 10,000 GBP against entity 11CANCO. The posting should be:

   In entity 22UKCO:

   DR GL 1970 (IC Manual JE GL Acct) GBP

   CR GL 4800 (Income) GBP

2. Specify the cross-company code for the journal entry and then right-click and select Create Cross-Company posting from the menu.

   In Entity 11CANCO

   CR GL 1975 (IC Manual JE GL Acct) GBP

   DR GL 7040 (Fees) GBP

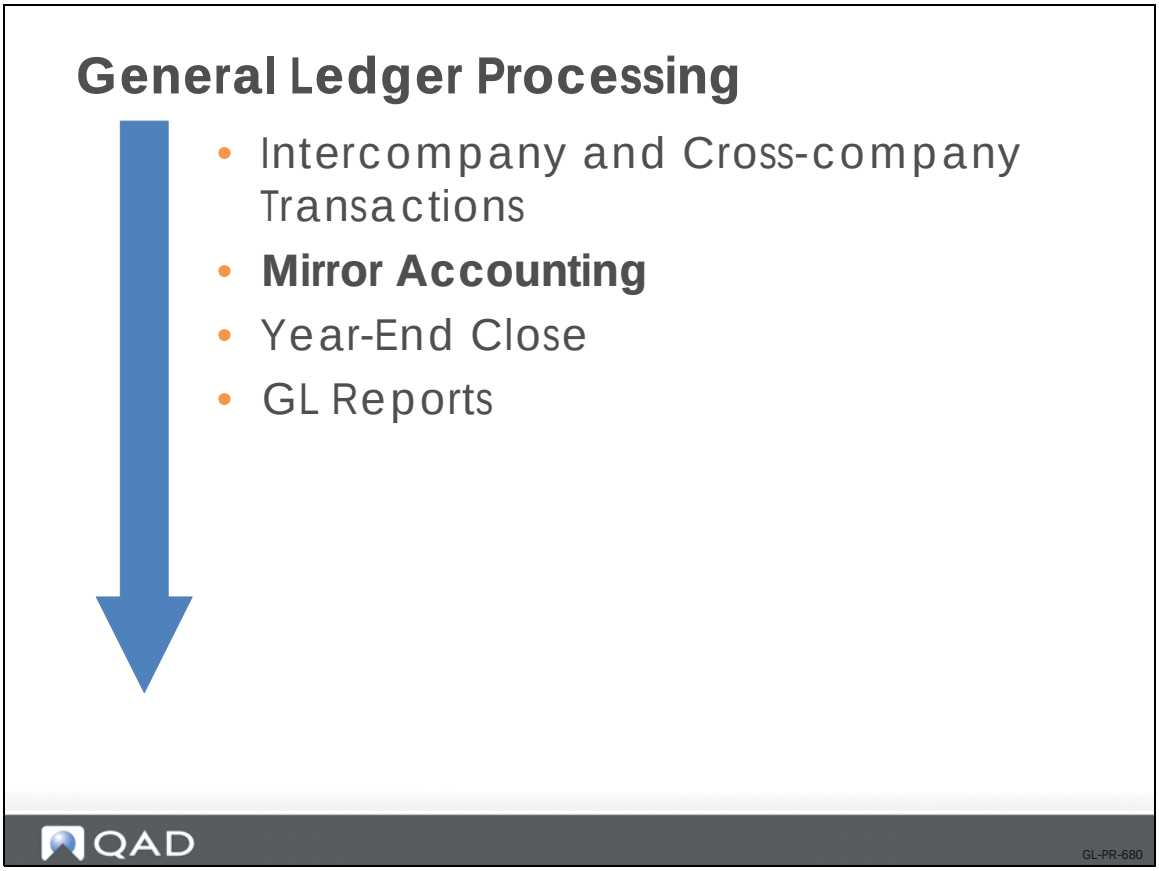
3. Check the posting in both entities with Journal Entity View (25.13.1.3).

   Posting in 22UKCO

   Posting in 11CANCO

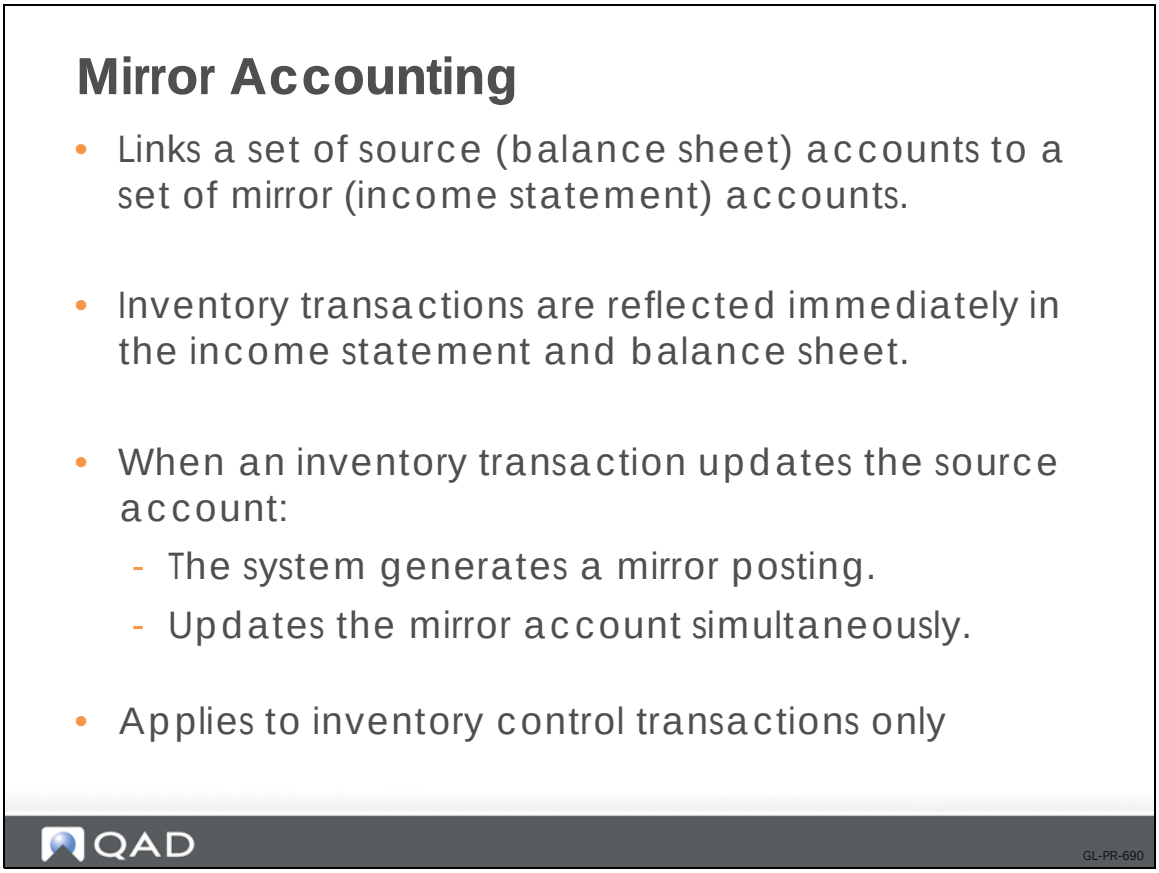
4. Run GL Transaction by Intercompany Code (25.15.1.5) for both the entities 22UKCO and 11CANCO.

Mirror Accounting



Mirror accounting is used in several European accounting systems to ensure that inventory transactions are reflected immediately in the income statement, as well as in the balance sheet.

Mirror Accounting

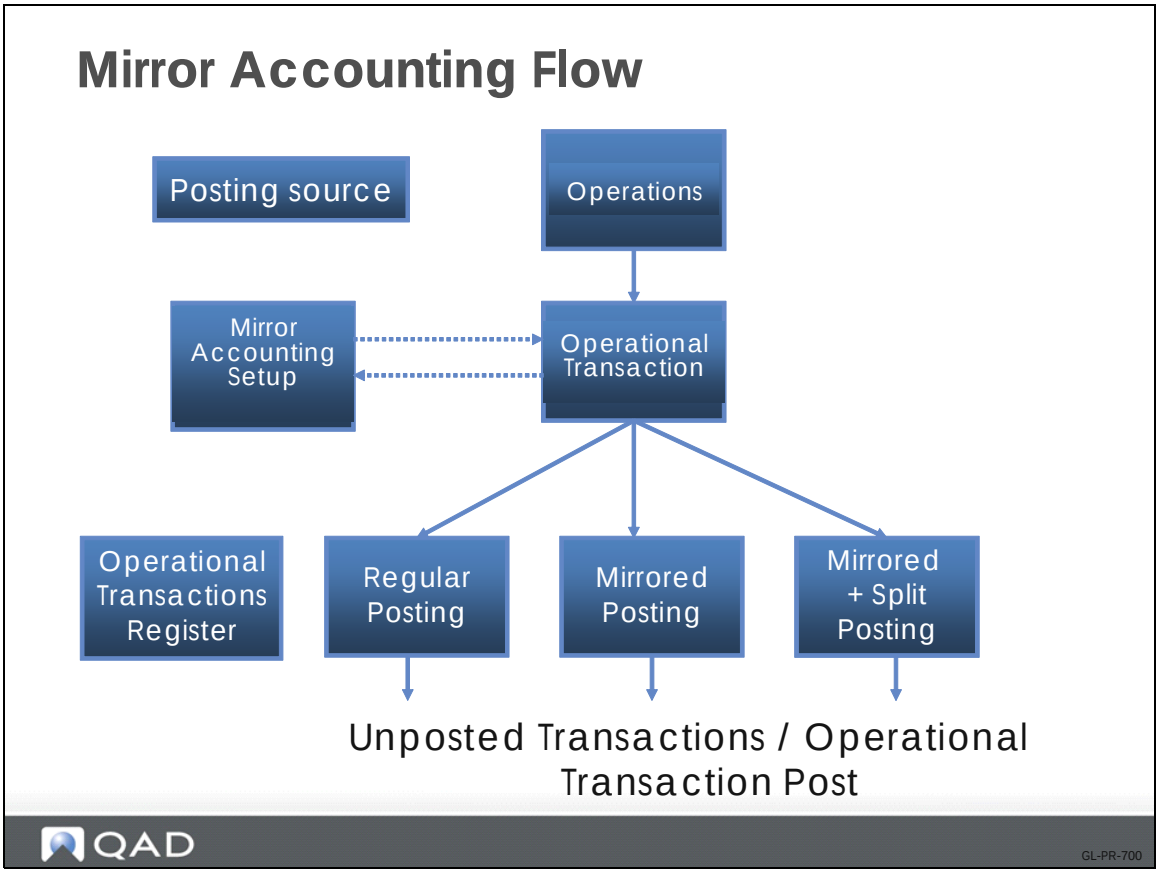


Mirror accounting links a set of source (balance sheet) accounts to a set of mirror (income statement) accounts. When an inventory transaction is posted that updates the source accounts, the system generates a mirror posting that updates the mirror accounts simultaneously.

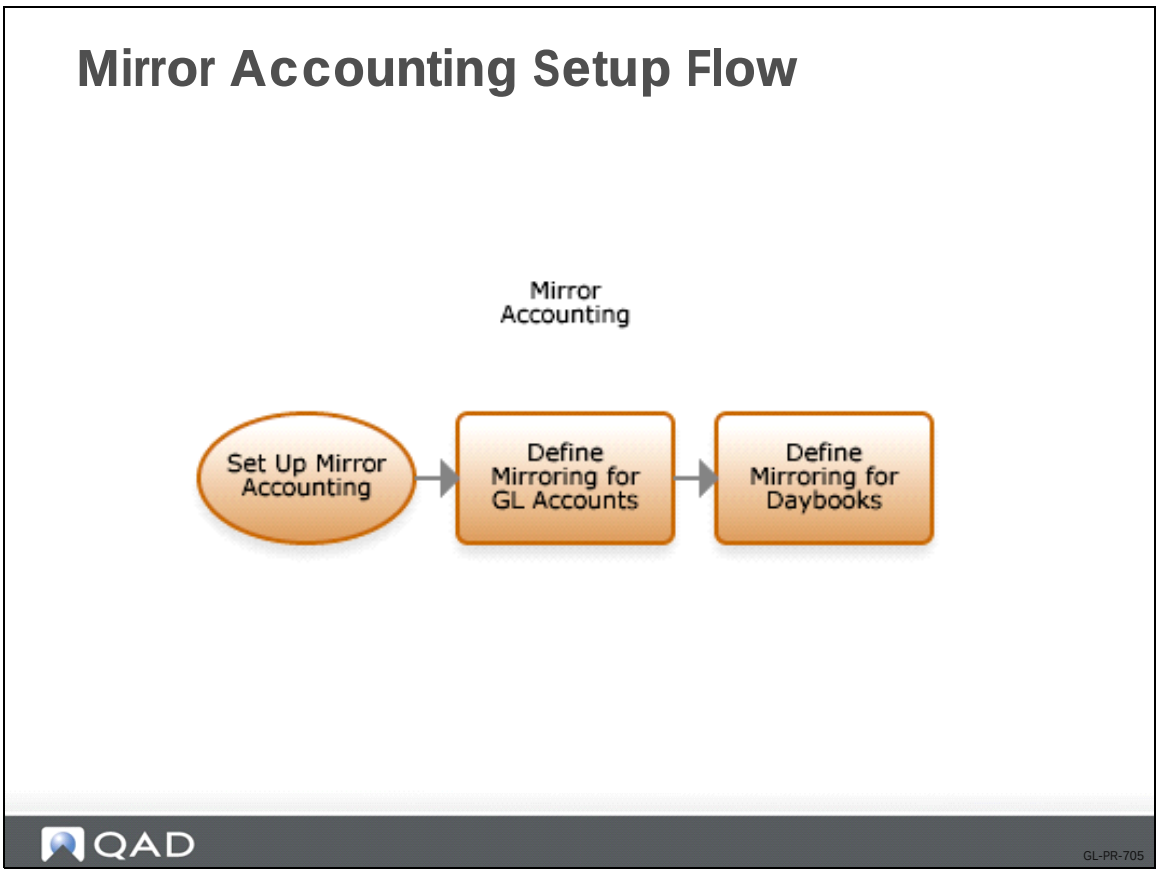
You can apply mirror accounting to inventory control transactions only, such as PO Receipts, WO receipts, inventory movements, and SO shipments.

Mirroring adds two posting lines to the original transaction, which update the mirror accounts you defined.

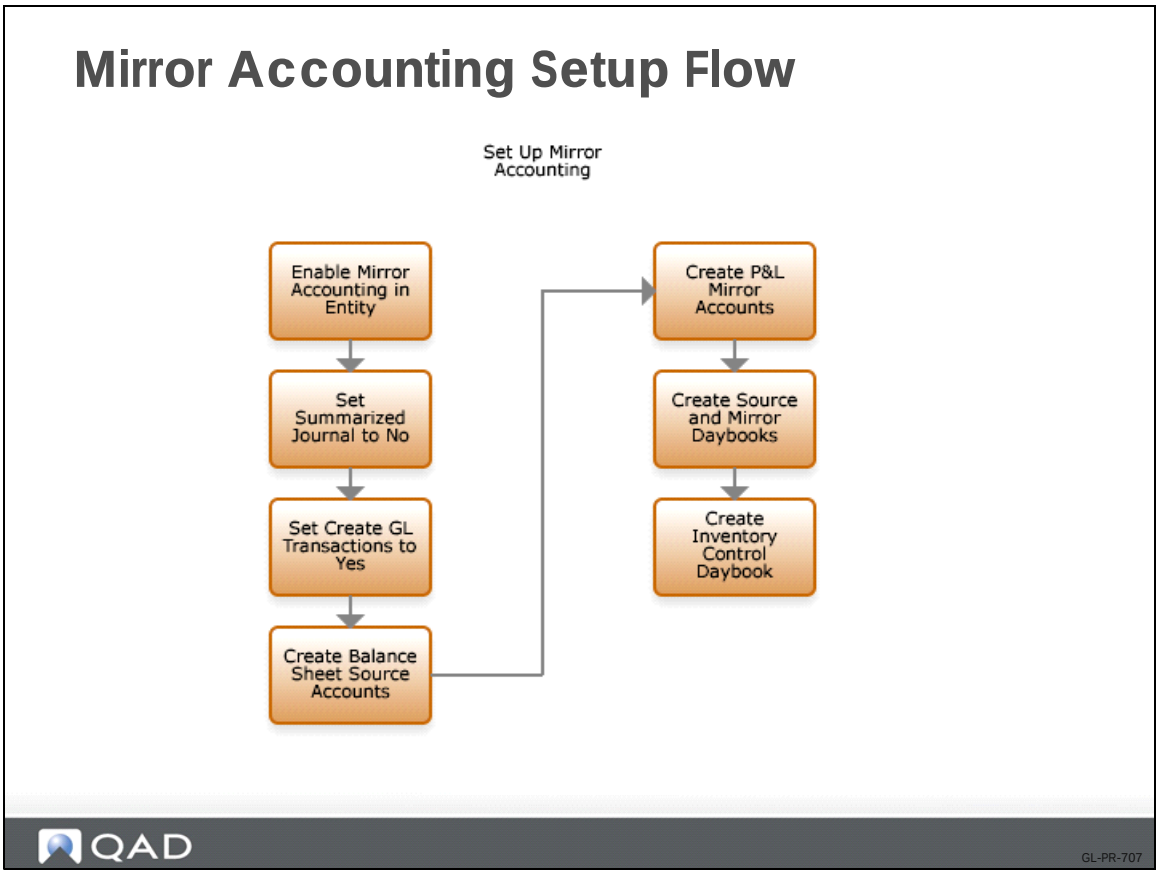
Mirror Accounting Flow



Mirror Accounting Setup Flow



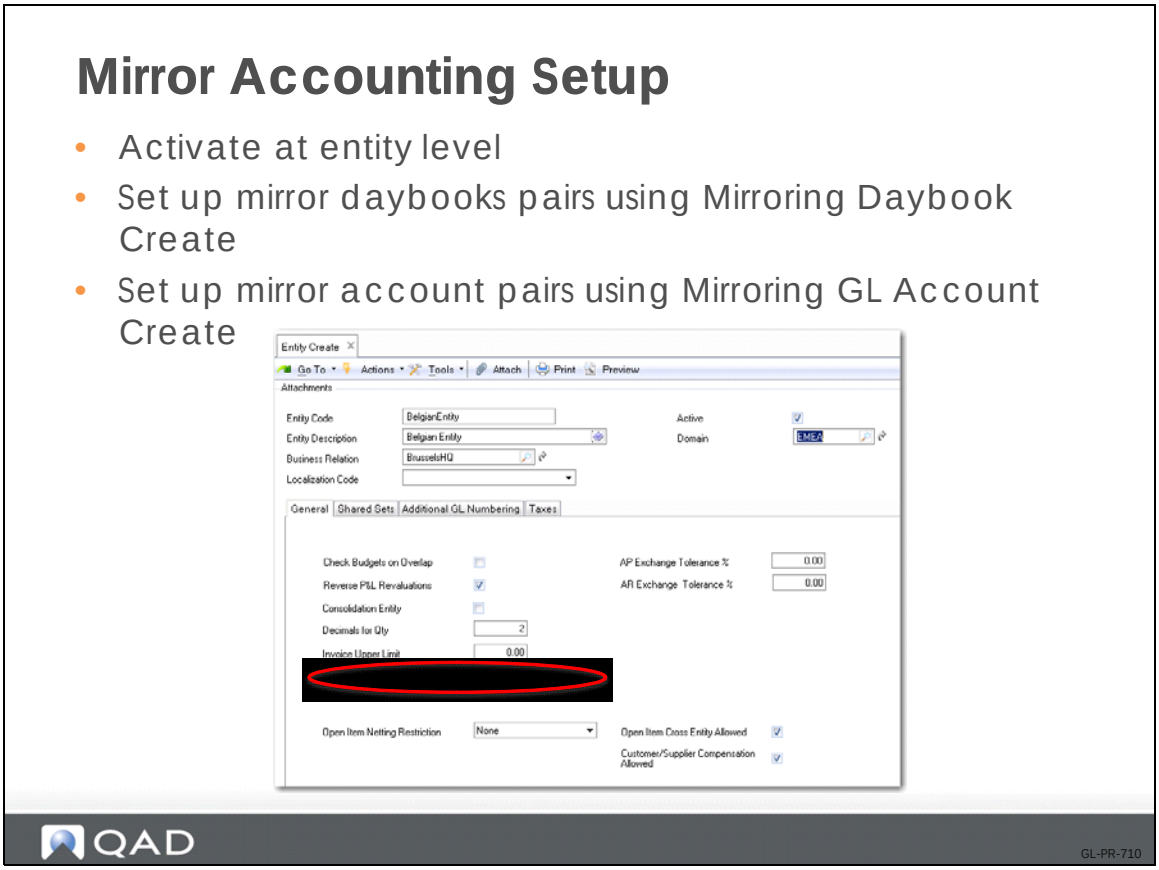
You must complete both operational and financial steps to set up mirror accounting. These steps are listed on the process maps above and below.



You enable mirror accounting as an attribute of the entity.

- In Inventory Accounting Control (36.9.2), set Summarized Journal to No, and set Create GL Transactions to Yes.
- Use GL Account Create (25.3.13.1) to create the source and mirror GL accounts, and Mirroring GL Account Create (3.20.7.1) to link these accounts.
- Use Mirror Daybook Create (3.20.6.1) to create the mirroring daybooks.

Mirror Accounting Setup



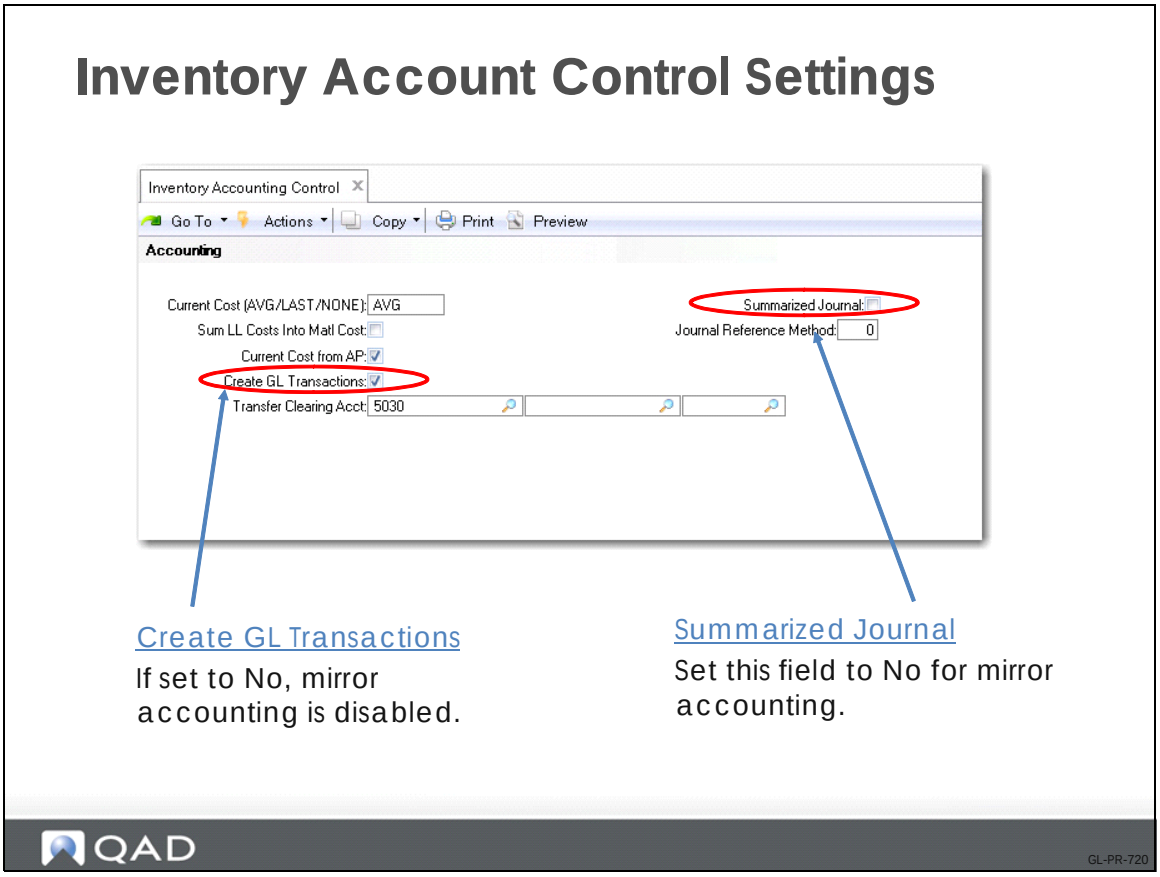
Configure mirror accounting using the following steps.

1 Define mirror accounting for the entity.

2 Define your source and mirror daybooks.

3 Define your source and mirror accounts, and define the settings for split transactions, if required.

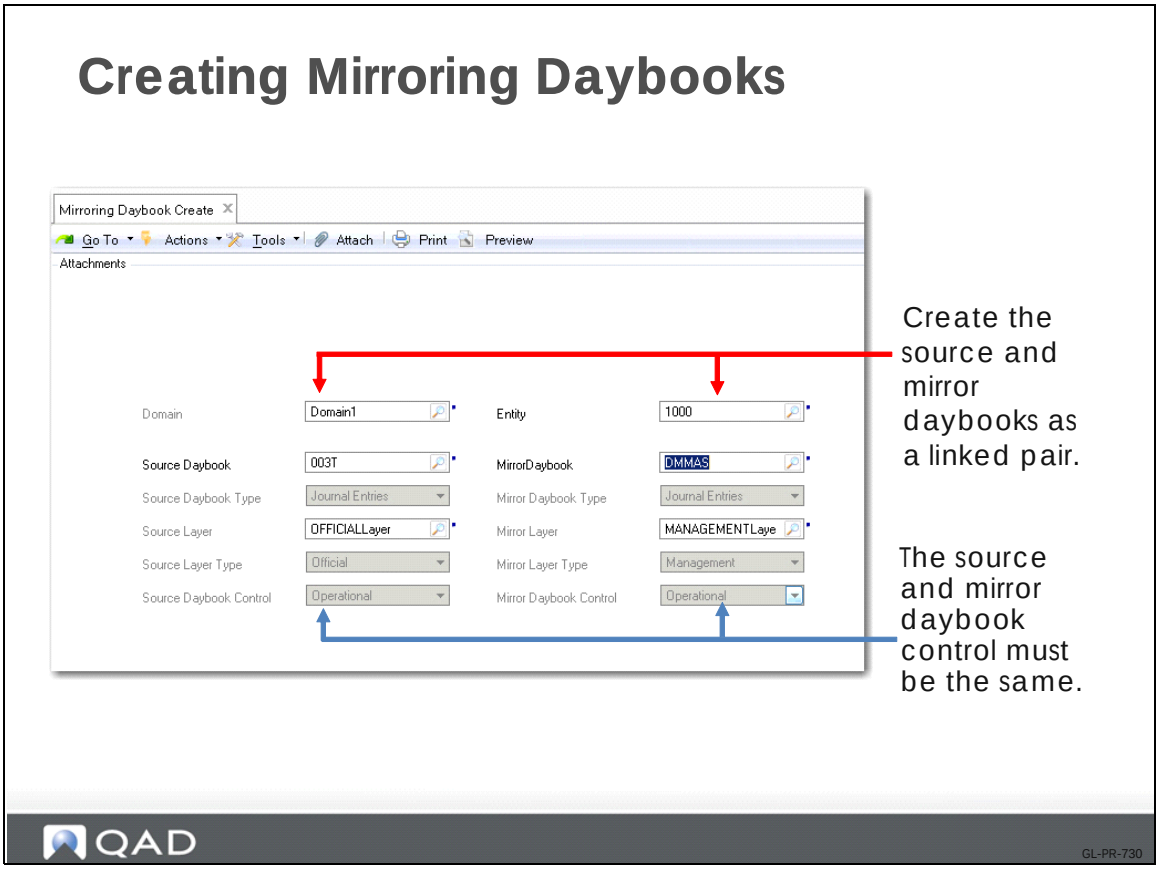
Inventory Account Control Settings



When Create GL Transactions is set to No in Inventory Accounting Control, the system does not generate IC transactions, and mirror accounting is disabled.

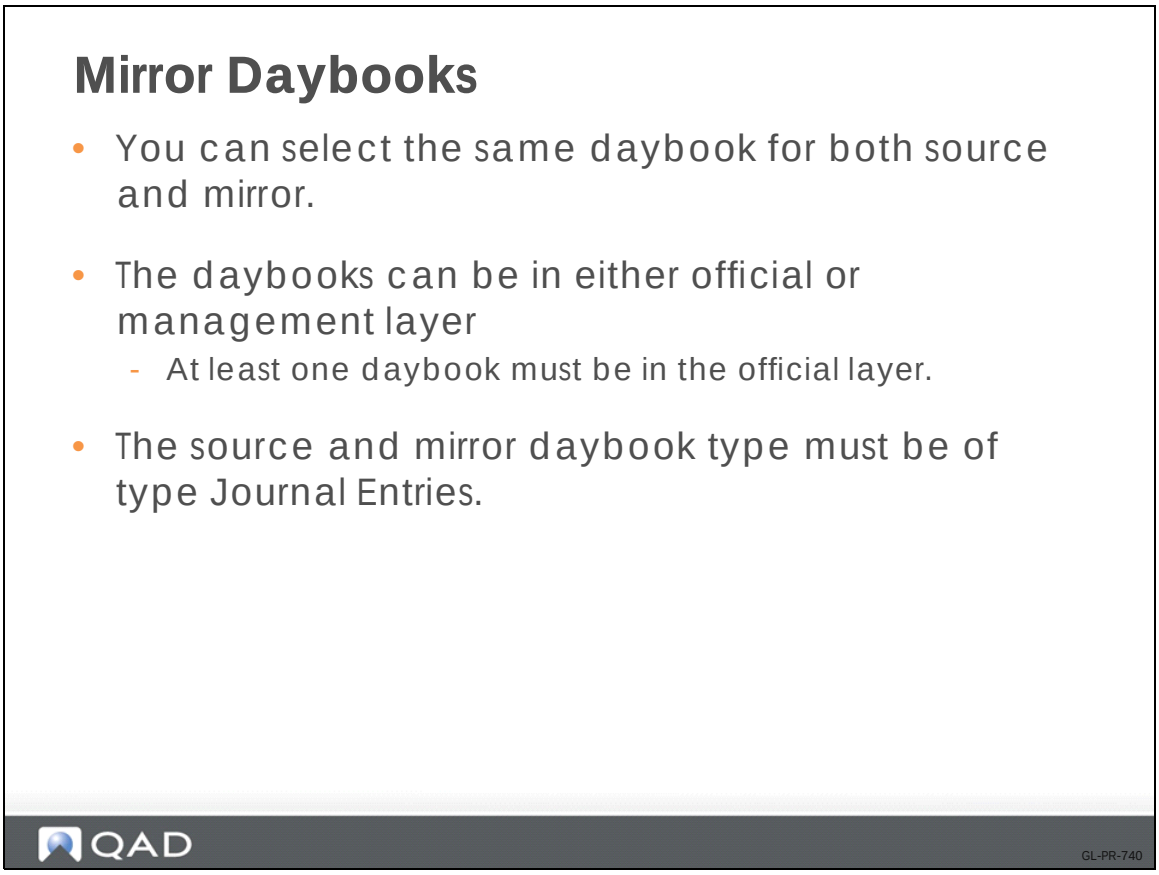
When Summarized Journal is set to Yes in Inventory Accounting Control (36.9.2), operational transactions are summarized before they are posted. In this case, the mirroring information on individual transactions is executed but the split transactions are summarized, and the individual split transactions are not displayed in subsequent reports.

Creating Mirroring Daybooks



Use Mirroring Daybook Create (3.20.6.1) to create source and mirror daybooks. You create the source and mirror daybooks as a linked pair.

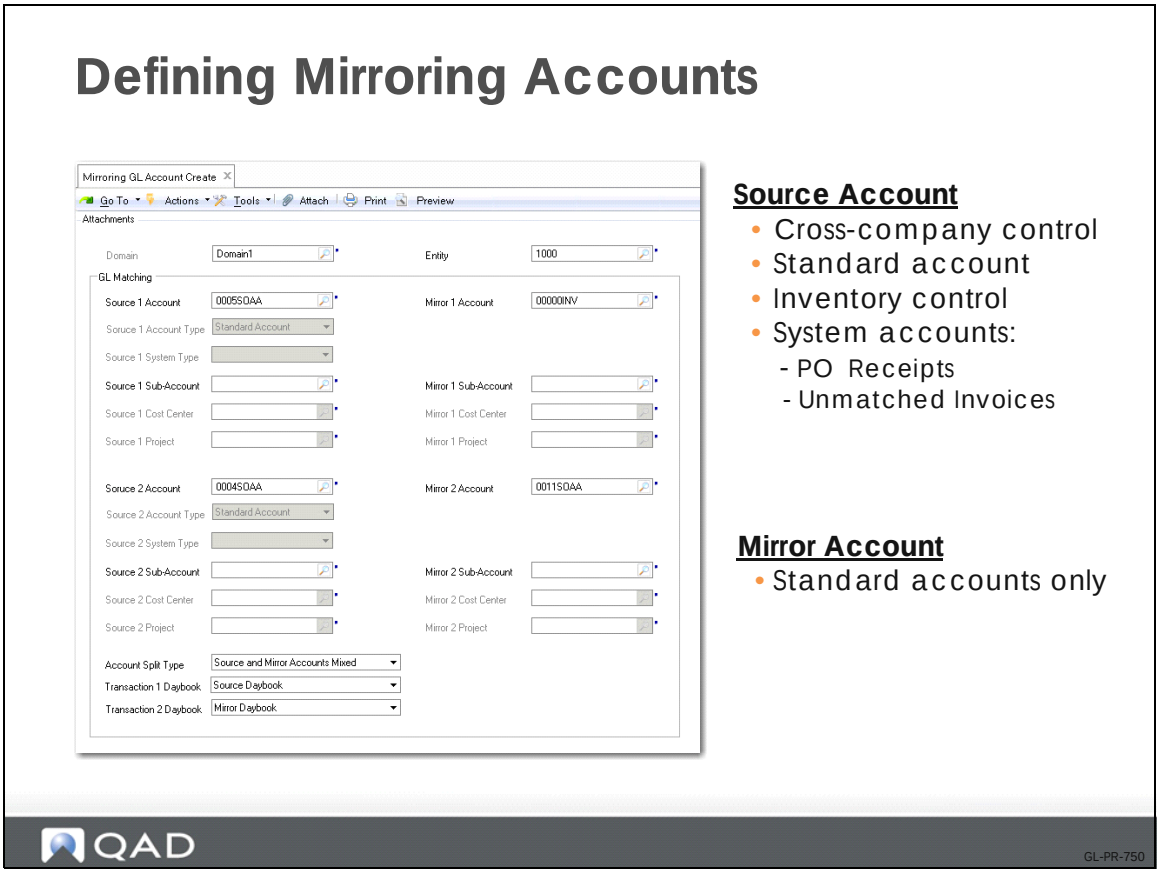
You can select the same daybook for both source and mirror, and the mirror daybook can be any daybook of type Journal Entry in either the primary (official) or secondary (management) layer.



The following restrictions apply when defining source and mirror daybooks:

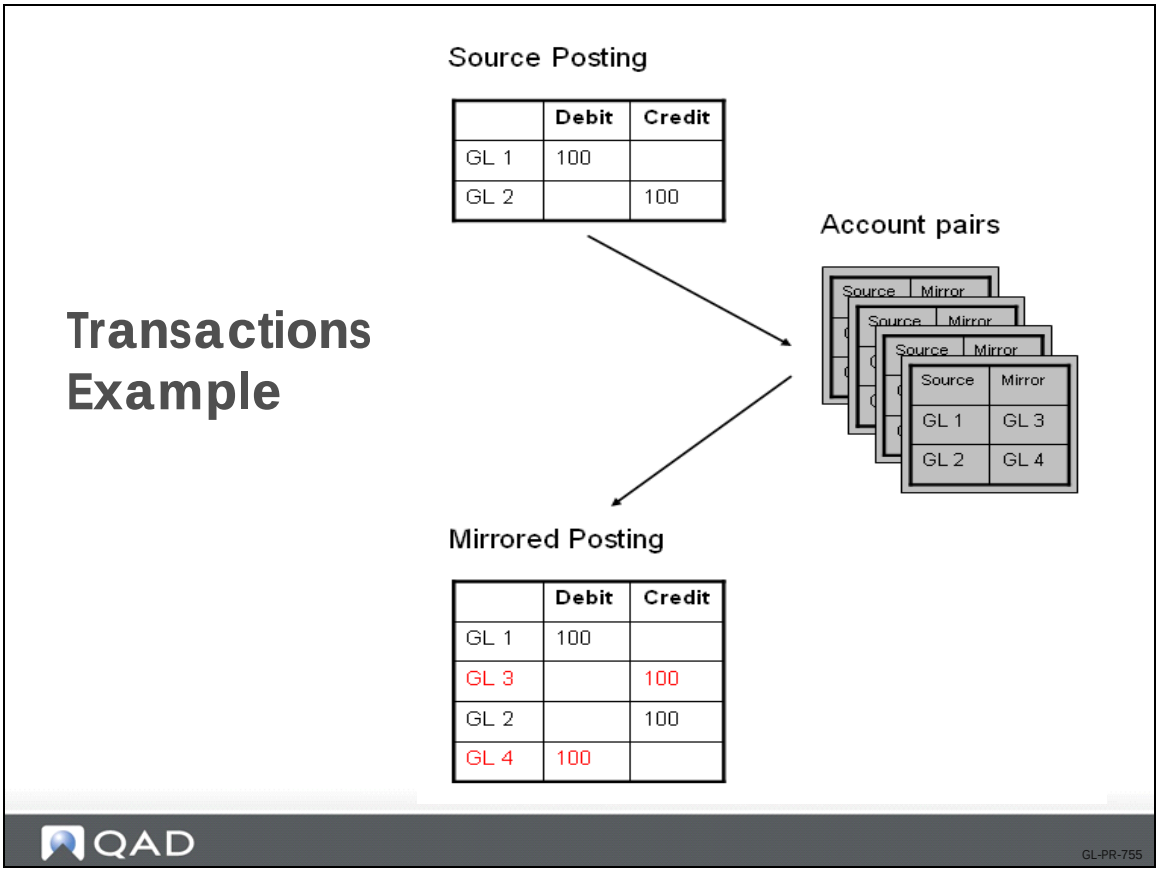
- The daybooks can be in either primary or secondary layer, but at least one must be in the primary layer.
- The source and mirror daybook type must be of type Journal Entry.
- The source and mirror daybook control (operational only) must be the same.

Defining Mirroring Accounts



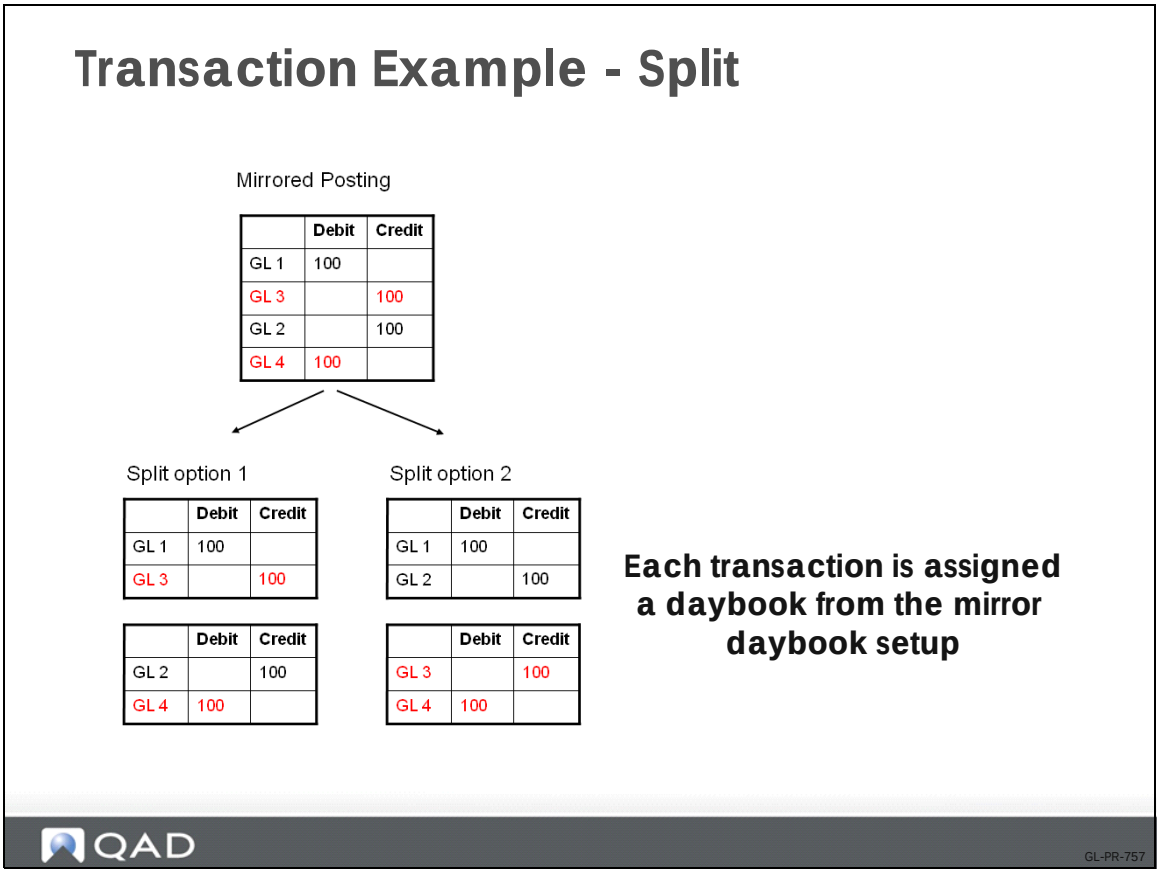
Use Mirroring GL Account Create (3.20.7.1) to create mirror account configurations. Use this function also to define mirroring analysis and transaction splitting options.

Transaction Example



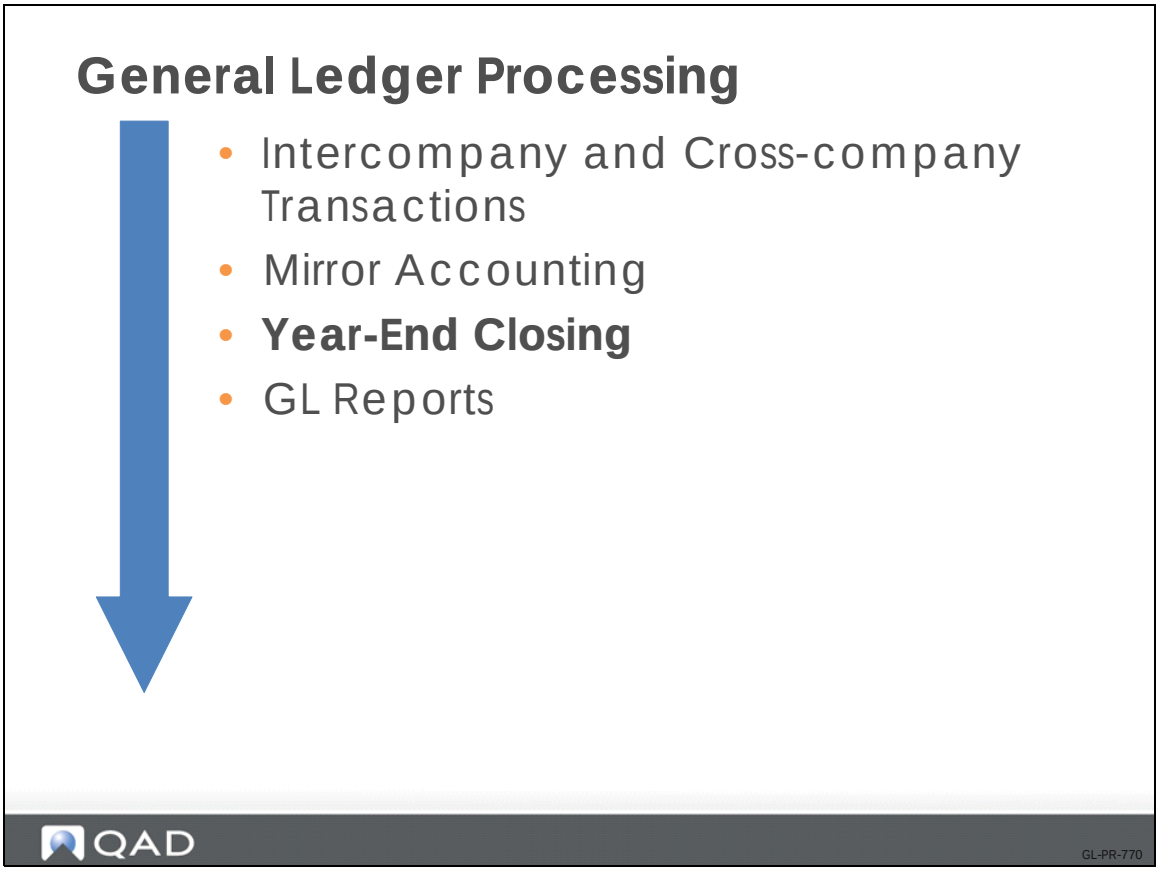
When the prerequisites are fulfilled, mirror accounting automatically creates an additional pair of GL posting lines from a source transaction.

Transaction Example—Split



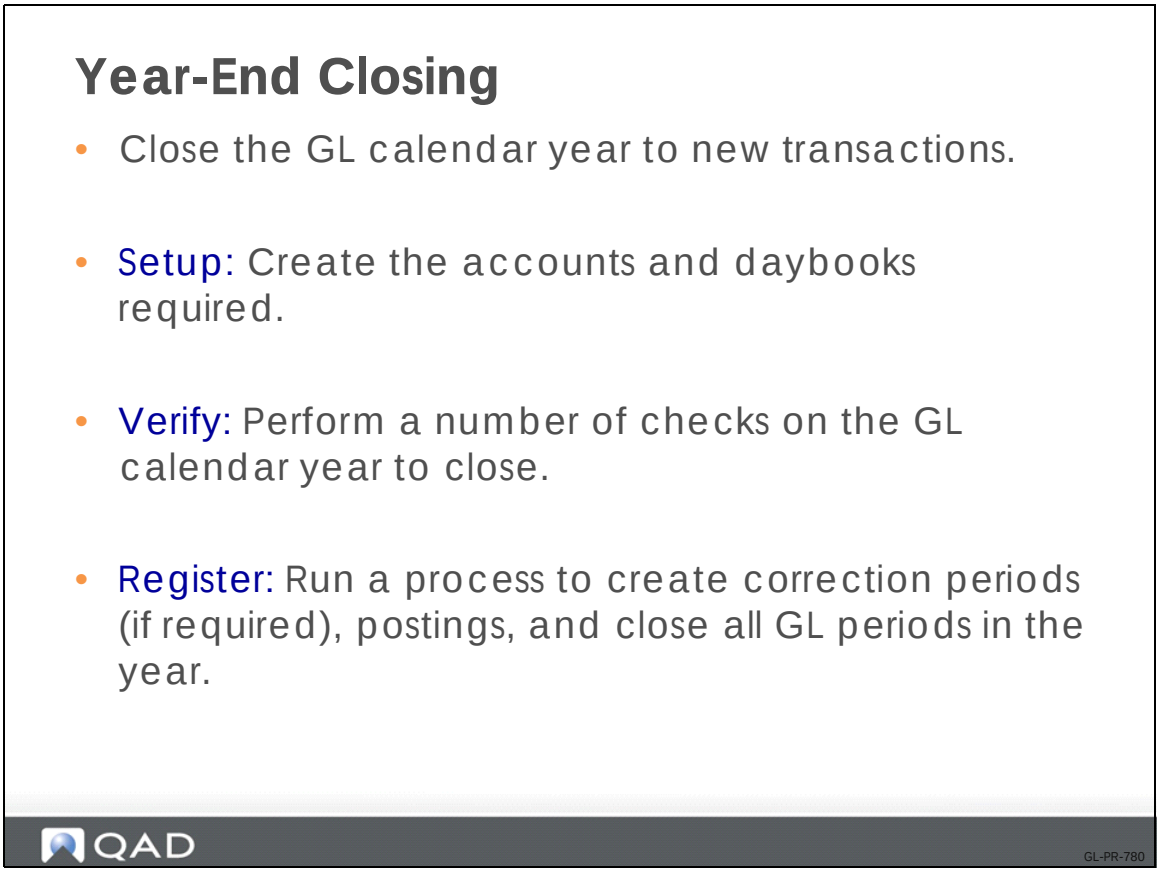
Optionally, the mirrored transaction is split into two sub transactions, which can be posted in a different daybook.

Year-End Closing



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

Year-End Closing

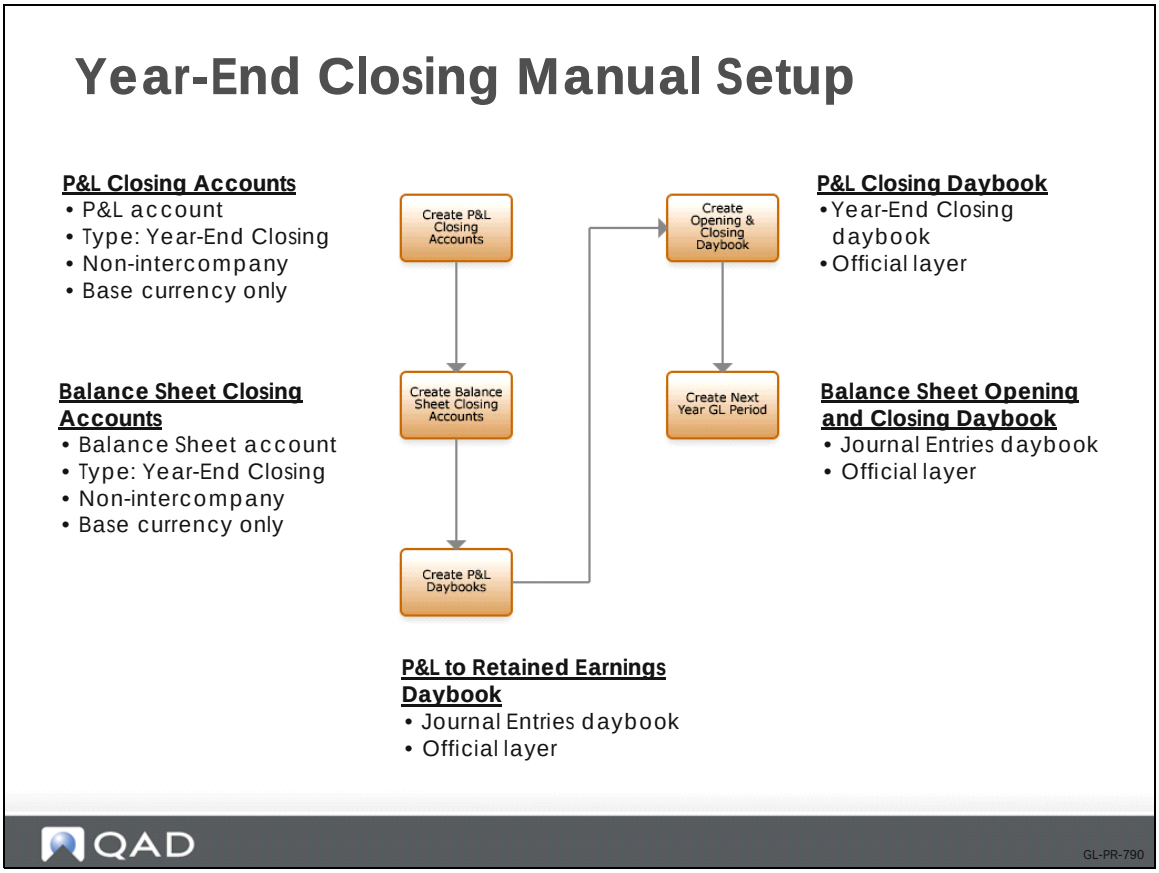


The Year-End Closing activities (25.21.4) let you run a process to automatically create closing postings, and to close the GL calendar year to new transactions.

The year-end closing process comprises three steps:

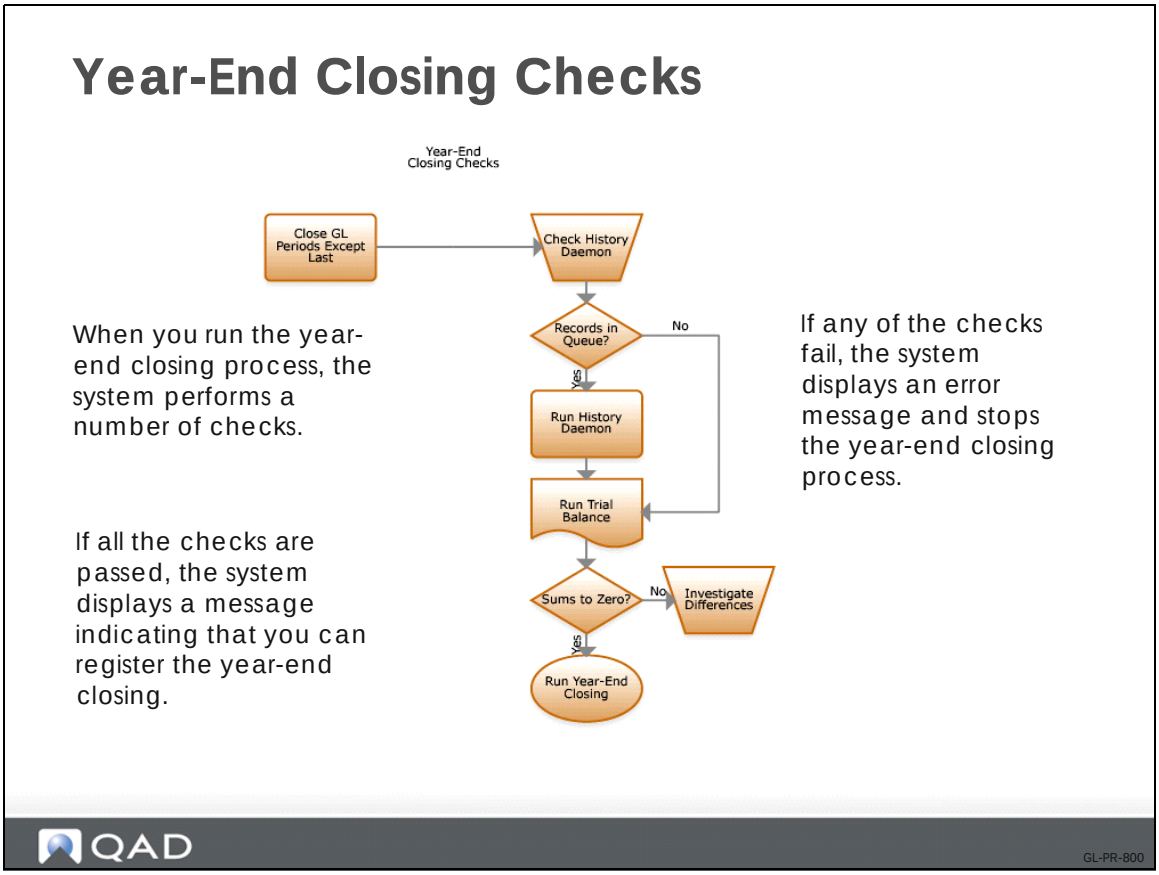
- A setup step to create all accounts and daybooks required.
- A verification step that includes a number of checks on the GL calendar year to close.
- A registration step where the process creates correction periods (if required), postings, and closes all GL periods in the GL calendar year.

Year-End Closing Manual Setup



Before running year-end closing, you must set up the GL accounts and daybooks used by the process.

Year-End Closing Checks

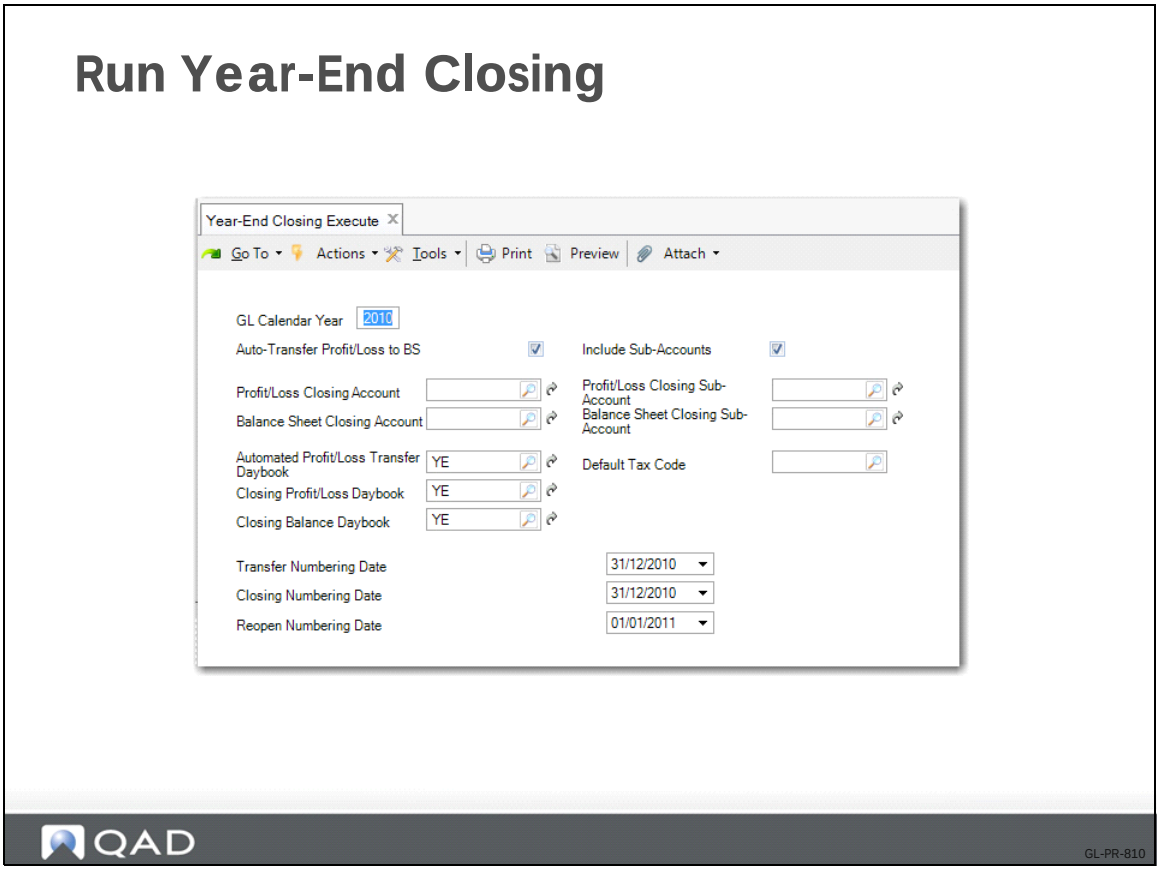


You can create year-end adjustment postings only when the following conditions are met:

- Each GL period year and entity has been closed to transactions from modules other than GL.
- All of the GL periods for the specified year and entity are closed, except for the last one.
- The GL calendar year has not been closed.
- The system history tables are up to date, and the History daemon has no records to process.
- The trial balance sums to zero.
- The profit and loss balance is set to zero, if you closed the GL calendar year manually.

If any of the checks fail, you cannot run the year-end closing process.

Run Year-End Closing



Closing the GL calendar year has the effect of changing the status of all of its GL periods to frozen, and of marking all periods as reported.

Year-end closing postings are done only at account and sub-account level, and in the base and management currencies only.

When Additional GL Numbering is enabled, you can specify numbering dates for year-end closing postings in Year-End Closing Execute (25.21.4.1).

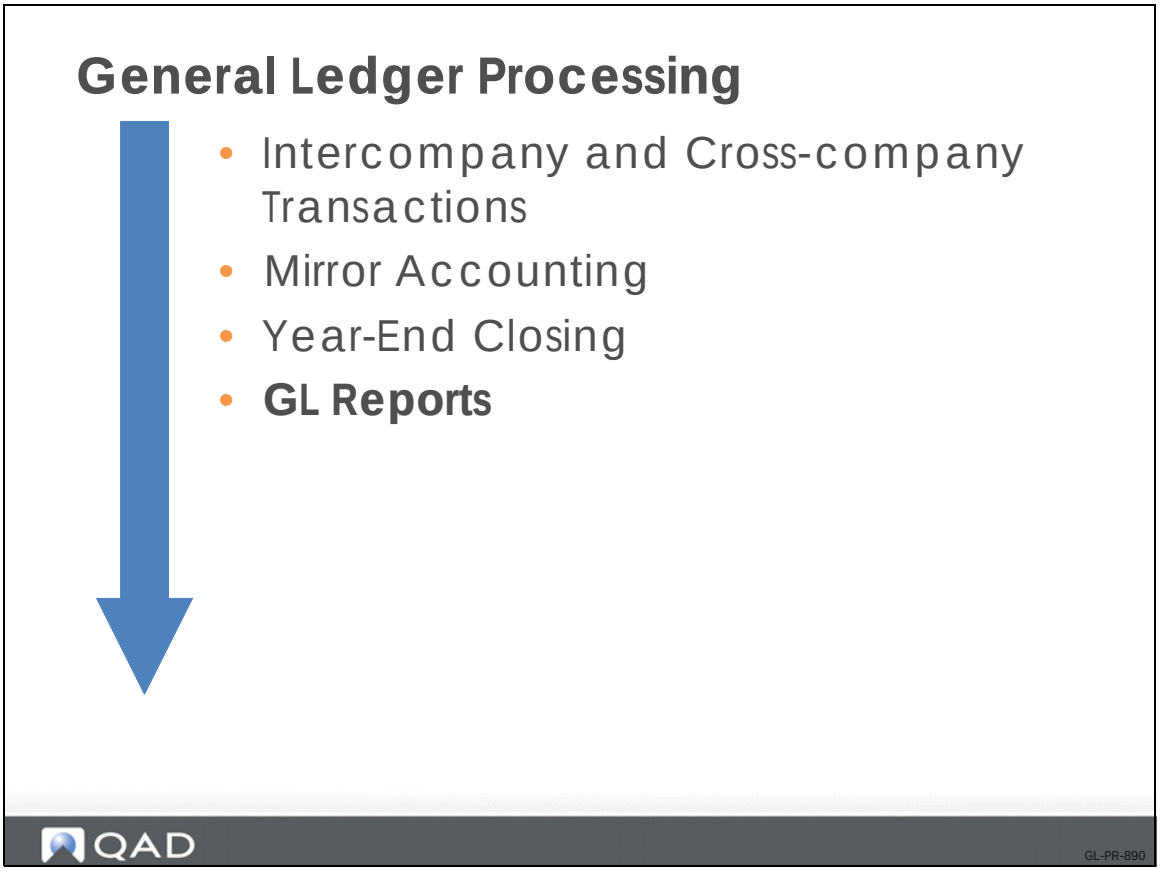
Validate the year-end closing by manually running closing reports on every period.

If the conditions to close the accounting year are met, the following actions are triggered:

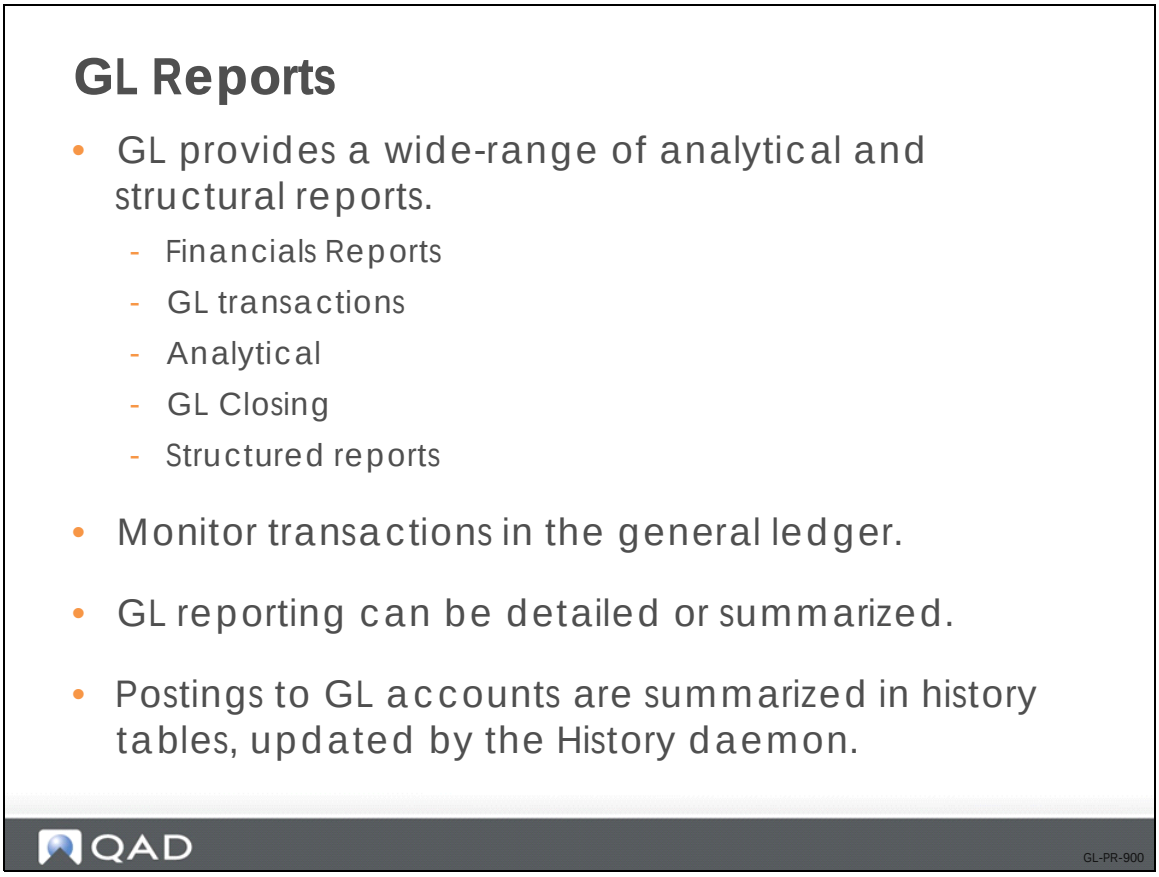
- System creates “closing period”
- System creates “opening period (00)”
- P&L transfer to Balance Sheet posting (optional)
- P&L closing posting
- Balance Sheet closing posting
- Balance Sheet reopening posting
- Freeze accounting periods of the year
- Year Closing Postings:
  - GL and Sub-account level

- BC and SC

GL Reports


General Ledger Processing
Intercompany and Cross-company Transactions
Mirror Accounting
Year-End Closing
GL Reports
QAD
GL-PR-890

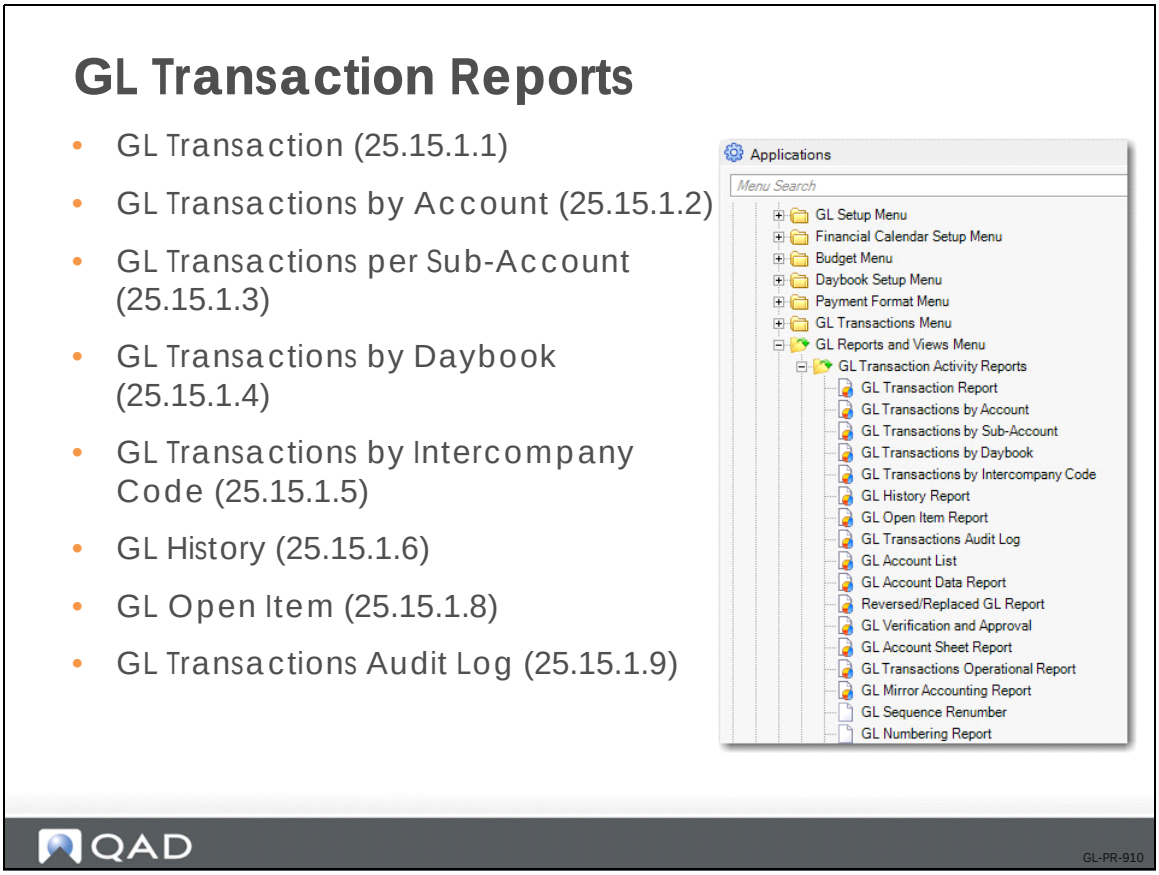
GL Reports



The general ledger provide a wide-range of analytical and structural reports. The budgeting, GL activity, and cash flow reports let you to view and manage account balances in the general ledger. The GL transaction reports let you monitor transactions in the general ledger.

GL reporting can be detailed or summarized, and includes information on one or a range of entities. In addition, you can define supplementary analysis fields (SAFs) to fine-tune transaction reporting. These provide the basis for powerful and flexible financial reporting and analysis. You can define SAFs based on your unique reporting requirements.

GL Transaction Reports



GL Transaction reports list activity on GL accounts.

GL Transaction Report

The GL Transaction report lists all posting lines for the selected daybooks. The postings are grouped by GL calendar year and GL period, daybook code, and entity. Within each grouping of daybook code and entity, transactions are grouped by voucher and posting date.

GL Transactions by Account Report

The GL Transactions by Account report lists all activity for the selected GL accounts during the selected time frame, grouped by account.

GL Transactions by Sub-Account Report

The GL Transactions by Sub-Account report lists all activity for the selected GL accounts during the selected time frame, grouped by sub-account.

GL Transactions by Daybook Report

The GL Transactions by Daybook report lists all activity for the selected GL accounts during the selected time frame, grouped by daybook.

GL Transactions by Intercompany Report

The GL Transactions by Intercompany report lists all activity for the selected GL accounts and time frame, grouped by intercompany code.

GL History Report

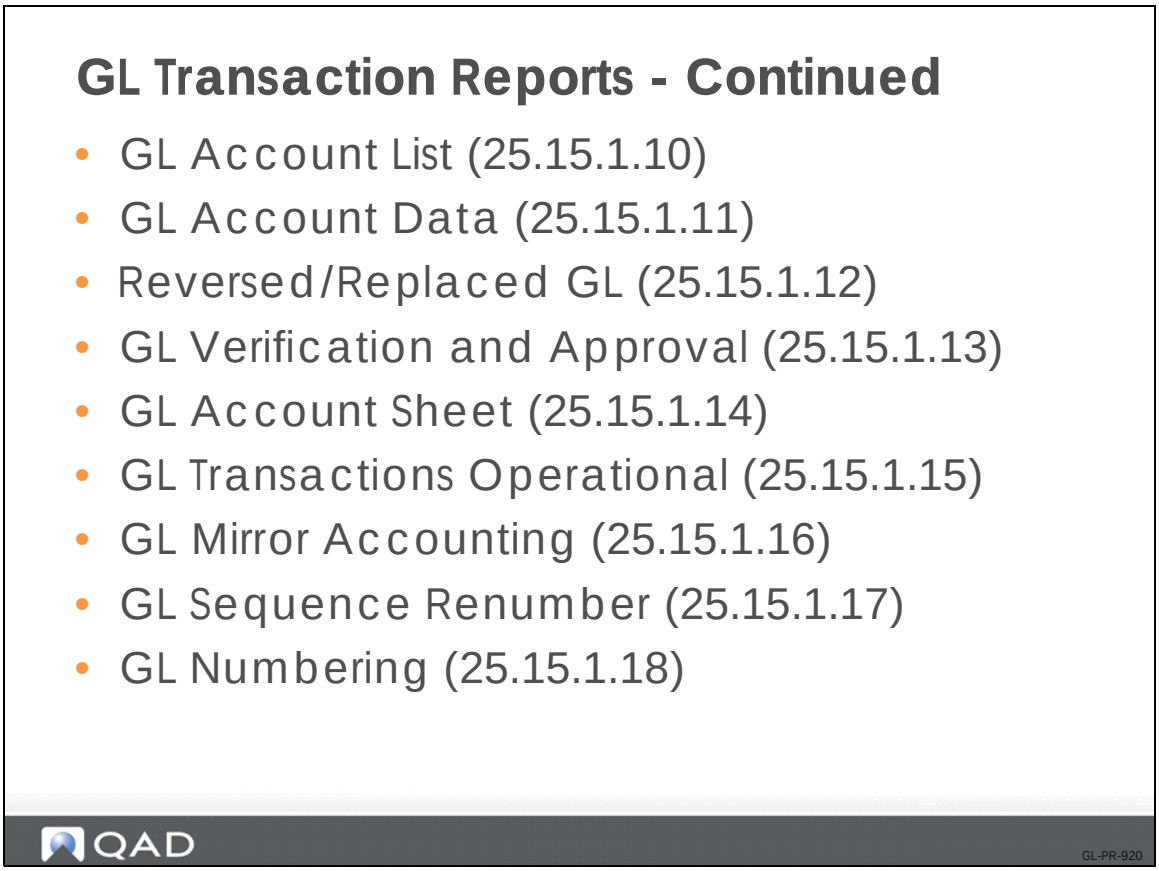
The GL History report lists transactions on the GL accounts that meet the selection criteria for the periods indicated. It also lists the currency in which each transaction was denominated.

GL Open Item Report

The GL Open Item report lists and totals GL open items within the Open Items sub-ledger. The output is grouped by allocation key.

GL Transactions Audit Log Report

The GL Transactions Audit Log report prints a detailed list of each transaction for a particular GL period. It is only possible to run the report for a single GL period.



GL Account List Report

The GL Account List report displays the starting balance of selected accounts from a report start date specified by the user.

GL Account Data Report

The GL Account Data report displays a full description of each GL account identified by the selection criteria.

Reversed/Replaced GL Report

The Reversed/Replaced GL report displays a list of all reversed/replaced GL transactions for the period indicated in the selection criteria.

GL Verification and Approval Report

The Reversed/Replaced GL report displays data created during the status transitions for which verify and approve statuses have been defined.

GL Account Sheet Report

The GL Account Sheet report shows the balance of the selected accounts at the specified start date and all transactions with the balancing accounts in detail up to the specified end date of the report.

GL Transactions Operational Report

This report is similar to GL Transaction Report (25.15.1.1), but focuses on postings created from operational transactions and their associated details, such as the GL reference, transaction type, doc type, and address.

GL Mirror Accounting Report

This report displays the source and mirror postings for a selection of source accounts and source daybooks. The report identifies the source and mirror posting lines and daybooks both for split and non-split transactions.

GL Sequence Renumber Report

The GL Sequence Renumber report (36.30) can be used to renumber additional GL numbering sequence numbers for the current entity or for all the entities in a numbering group, if the current entity is a source entity.

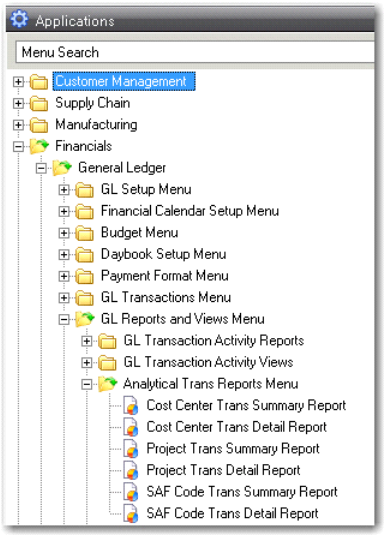
GL Numbering Report

The GL Numbering report (36.1.99) lists all transactions posted over the specified time frame. The pages in the GL Numbering report are numbered progressively for the whole year.

Analytical Transaction Reports

Analytical Transaction Reports

- Cost Center Transaction Summary (25.15.3.1)
- Cost Center Transaction Detail (25.15.3.2)
- Project Transaction Summary (25.15.3.3)
- Project Transaction Detail (25.15.3.4)
- SAF Code Transaction Summary (25.15.3.5)
- SAF Code Transaction Detail (25.15.3.6)



QAD GL-PR-930

Cost Center Transaction Summary Report

This report lists cost center balances, including the opening and closing balance for each cost center and GL period, and the value of project transactions for that period.

Cost Center Transaction Detail Report

This report lists all transactions that comprise the transaction total for each cost center.

Project Transaction Summary Report

This report generates a summary of project transactions including the opening and closing balance for each project and GL period, and the value of project transactions for that period. Lets you select by project status.

Project Transaction Detail Report

This report generates a detailed list of project-specific postings.

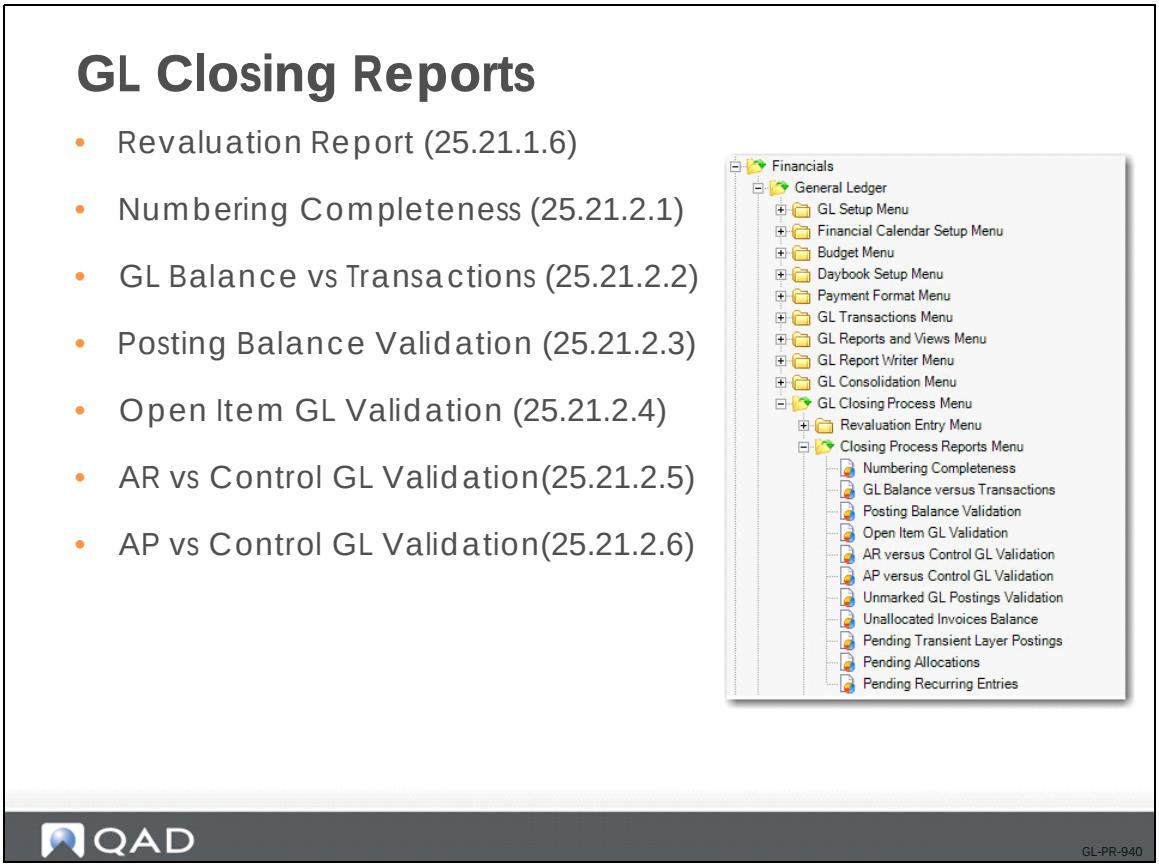
SAF Transaction Summary Report

This report lists all transactions in which SAFs are used in combination with GL accounts and sub-accounts.

SAF Transaction Detail Report

This report provides a detailed breakdown of GL postings, based on SAF codes.

GL Closing Reports



Before you can close a GL period, all data for that period must be consistent and complete.

A number of reports are provided for this purpose. For the closing process, you must manually run these reports and, if no issues or exceptions are found, close the GL period.

These reports are all on the Closing Process Reports menu (25.21.2) except for the Revaluation Report, which is grouped with other revaluation activities.

Revaluation Report

This report displays the revaluation results for the current entity, optionally in the management currency.

Numbering Completeness Report

This report checks for gaps in the numbering of documents and lists any discrepancies. It also checks other periods for numbering errors.

GL Balance vs Transactions Report

This report lets you verify whether the sum of all detail transactions equals the balance.

Posting Balance Validation Report

This report lists the balance of all postings for the specified period in the base currency and management currency.

Open Item GL Validation Report

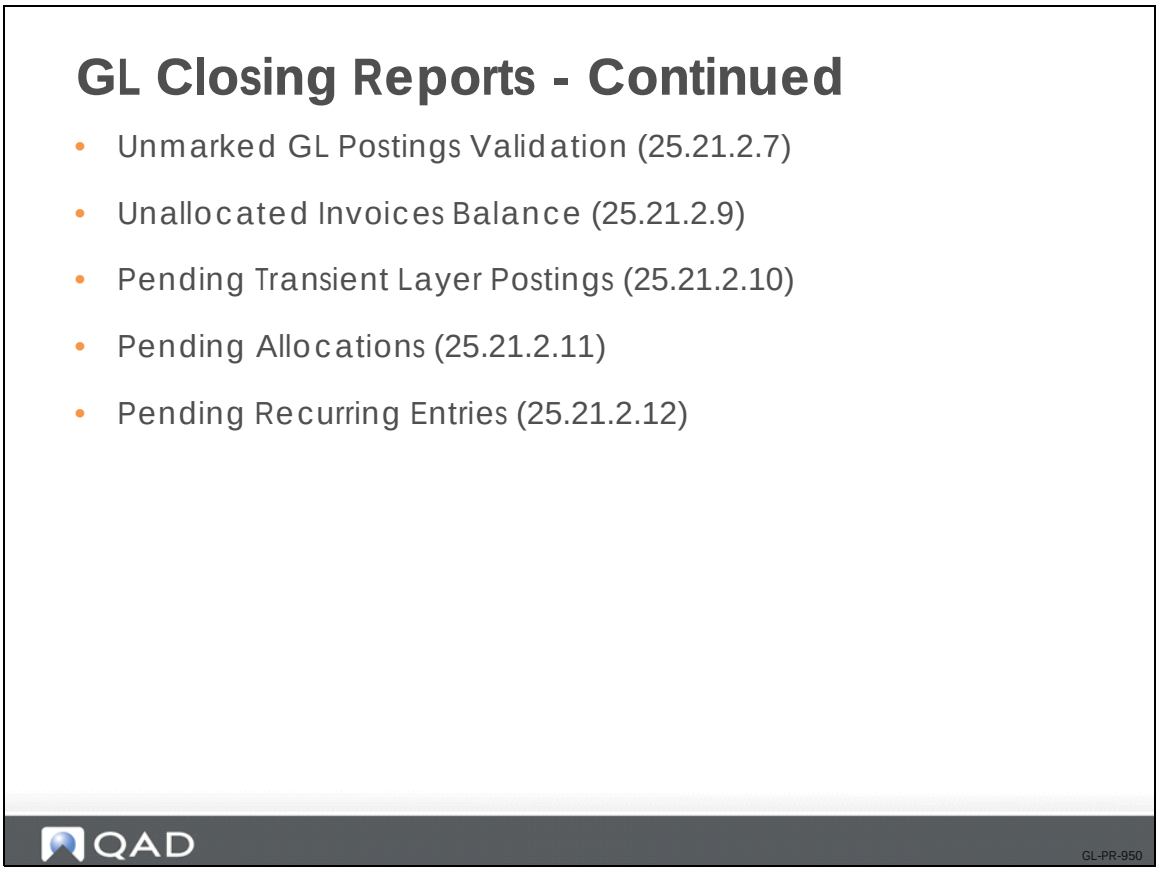
This report sums GL open items with the Open Items sub-ledger.

AR vs Control GL Check Report

This report compares the balances of Customer Control accounts against the open item balance of customers whose accounts are Invoice Control GL or Credit Note Control GL.

AP vs Control GL Check Report

This report compares the balances of Supplier Control accounts against the open item balance of suppliers whose accounts are Invoice Control GL or Credit Note Control GL.



Unmarked GL Postings Validation Report

This report lists transactions that do not have a period mark.

Unallocated Invoices Balance Report

This report checks the consistency of the unallocated supplier invoice balance by comparing:

- The balance on the system account of type Unmatched Invoices
- The total of unmatched supplier invoices.

Pending Transient Layer Postings Report

This report identifies unposted entries in the Transient layer, which you can then transfer to the primary (official) layer.

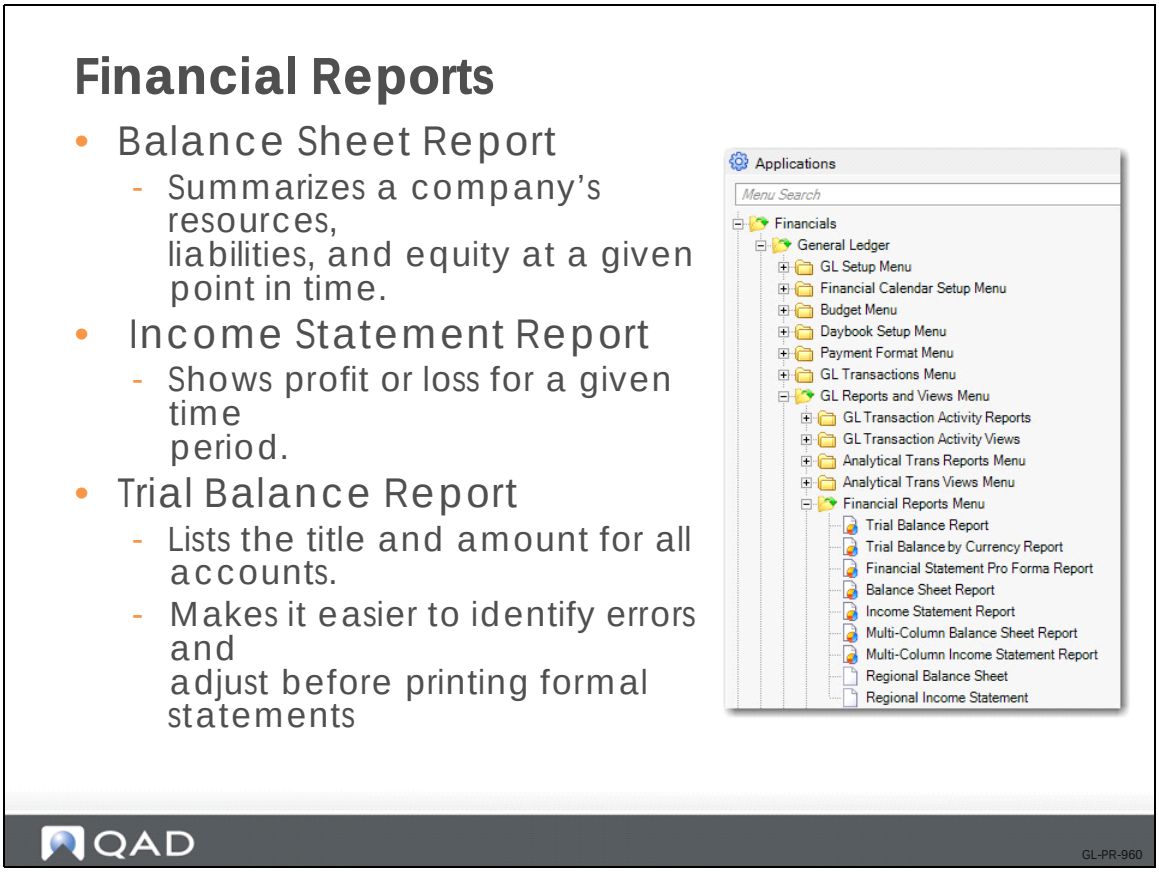
Pending Allocations Report

This report prints details of transactions that are pending allocation.

Pending Recurring Entries Report

This report checks for unposted recurring entries. The report output is sorted by recurring entry code and posting date.

Financial Reports

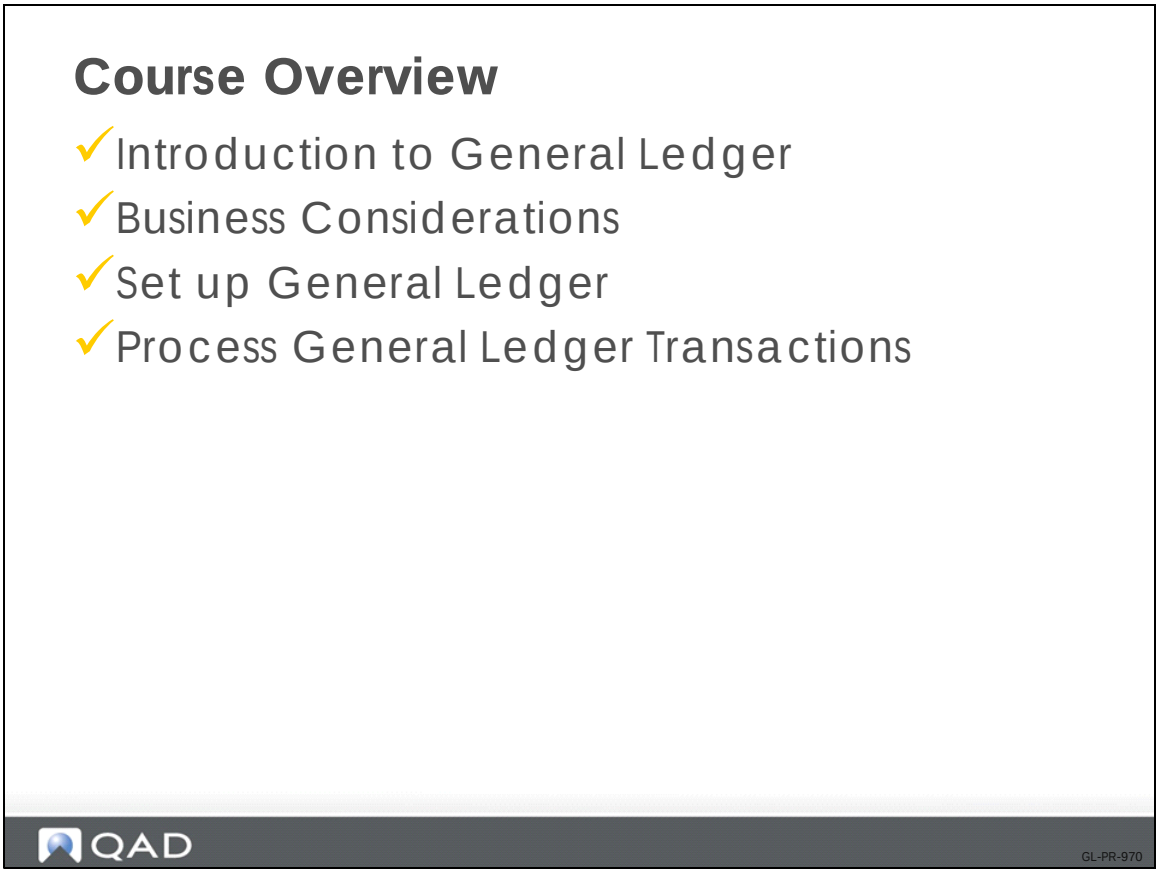


Generally accepted accounting practice requires that a company's financial information be periodically compiled in two financial statements: a balance sheet and an income statement. The balance sheet provides a summary of a company's resources, liabilities, and equity at a given point in time. The income statement shows profit or loss for a given time period. The amount of detail presented in these statements often varies according to the audience.

Most companies print a trial balance summary or detail report before printing statements. The trial balance lists the title and amount for all accounts, making it easier to spot errors and make adjusting entries before printing formal statements.

Report structures let you define the hierarchy of levels for which data will be accumulated for the Balance Sheet and Income Statement Reports.

Review


Course Overview
✓Introduction to General Ledger
✓Business Considerations
✓Set up General Ledger
✓Process General Ledger Transactions
QAD
GL-PR-970