Exact General Ledger Setup and Operation

In order to set up the General Ledger in EXACT you need to have already decided on how you want to operate your ledger and the format that the codes for the ledger accounts will use.

To help you with this choice, EXACT allows you to choose the format of the account codes.
These formats are known as “Masks” and occur for any accounts where there are codes, for example, Debtors, Suppliers, Stock and General Ledger.

PLEASE NOTE THAT YOU WILL NEED TO BE LOGGED IN TO EXACT AS THE SYSTEM MANAGER IN ORDER TO MAKE THE FOLLOWING MODIFICATIONS TO YOUR SYSTEM.

MASKS

The following shows an example of how masks may be selected:

```
A segment is one of:  A = Alpha-Numeric Character
                      9 = Numeric Character
                      M = Morphing (Alpha-numeric OR Numeric depending on first character)

Segments are separated by a "." (full stop)

The number of characters also determines the length of the segment.
Examples:
  AAAA.999  = 4 Alpha-numeric characters followed by a 3 digit number
  9999.9999 = 4 digit number segment followed by another 4 digit number
  AA.A999   = 2 digit alpha-number segment followed by mixed code beginning with alpha
                and padded numerically to 4 characters
  MMM.99    = 3 digit (alpha-numeric OR numeric segment plus 2 digit numeric)
```

In other words, if you are, for example, migrating your accounts from another accounting package, such as “Pastel”, your account codes would have been in the form 999.999 or 9999.9999, depending on the version of “Pastel”.
You may, however, decide you do not want to use numbers only for your accounts because they are unintelligible and difficult to remember, so you may decide to use a format of AAA.AAA, which would allow you to enter letters instead of numbers.

On the other hand, you may wish to use a mixture of alpha and numeric characters, in which case you may select MMMM.MMM or something similar.

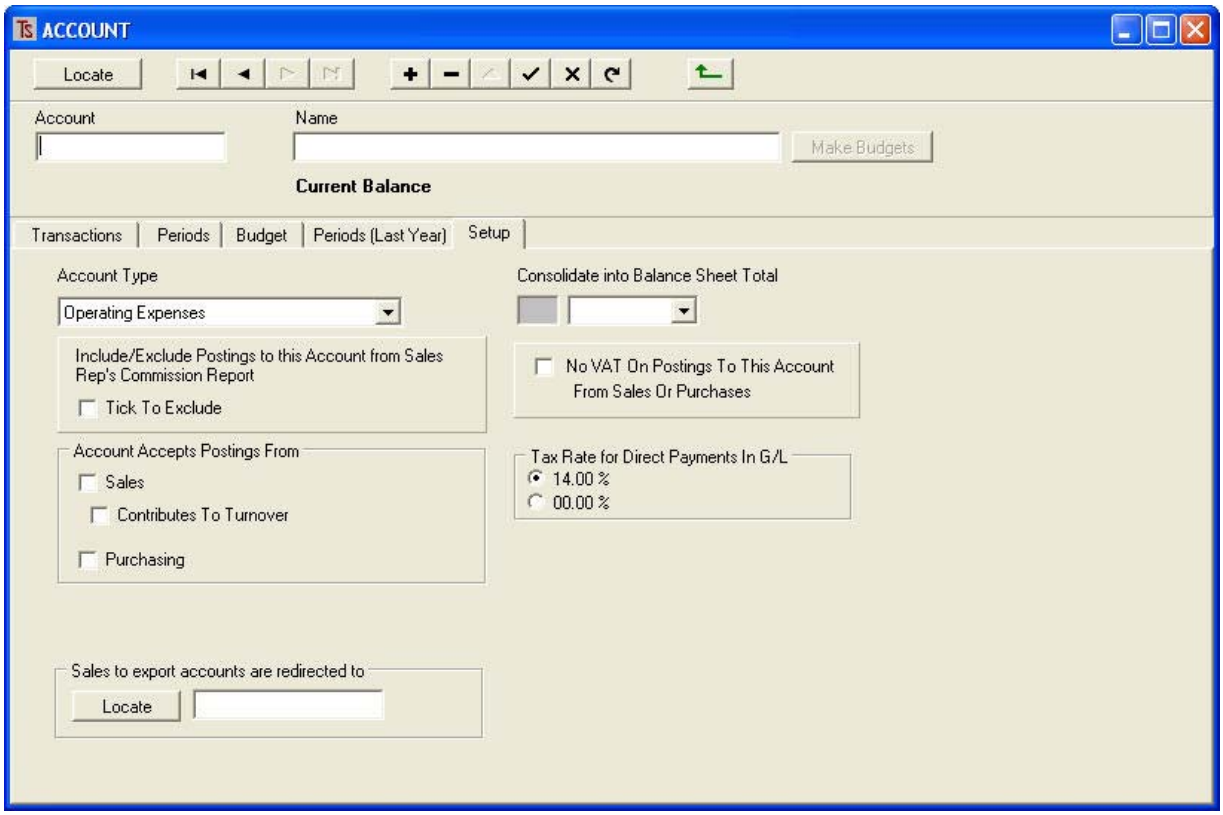
The characters before the dot are usually used to determine the main account, and you may have sub-accounts that are associated with a “Header” account.

A header account usually has the format XXX.* or XXXX.* where the X's determine the base account. Thus you may have, for example:
VAT.* - The VAT control account
VAT.001 – VAT Input
VAT.002 – VAT Output, etc..In the example above, the VAT.* account is the "Header" and will produce on consolidated reports, a figure that will represent the sum total of all of the sub accounts that start with VAT.

This makes it easy to see, for example what your total VAT liability is at any given time.

Once you have decided how your ledger accounts should be coded and what accounts you require for your business you should firstly go to [System Control][Maintenance][Allocations] and set up the Mask structure in the relevant fields for this purpose. You may ignore any other allocations for the moment because you have not yet entered your General Ledger accounts.
You may now may start to enter the accounts information.

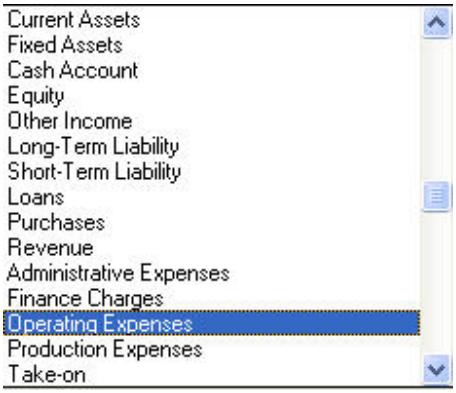
To do this go to [General Ledger][Maintenance][Accounts] and click on the + to enter a new account. You will see a screen similar to this:



Using the [Setup] tag, you should give the account a Code, under the field [Account] and a Name, in the field provided.

You then need to select the type of account from the drop-down list by clicking on the .

You will see a list like this:



You may select the type of account from this screen.

You may also use this screen to determine whether or not to include anything posted to this account from Sales Representatives' commission.

Use this screen to tell the system whether or not to allow this ledger account to accept postings from sales (Invoicing) or Purchases (Purchase Orders) and whether or not postings to this account should contribute to turnover.

Set the VAT rate to be used when posting directly to this account from the General Ledger.

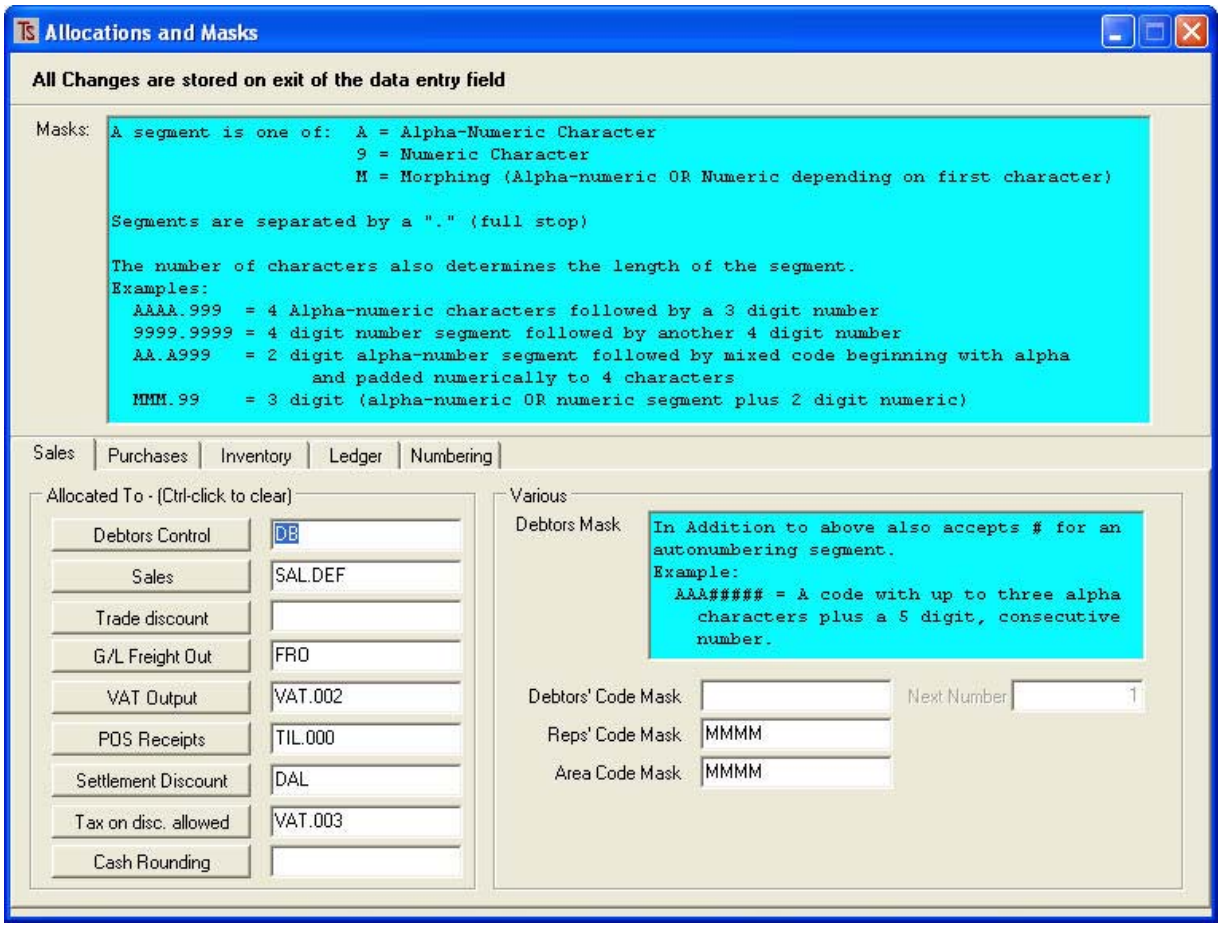
Once all of the relevant data has been entered, remember to click on the to save your data.

Once you have set up all of your accounts you should now ensure that the ledger account allocations are set up correctly.

ALLOCATIONS

To do this, from the Main Menu go to [System Control][Maintenance][Allocations]

On the [Sales] tag you will see something similar to the following:



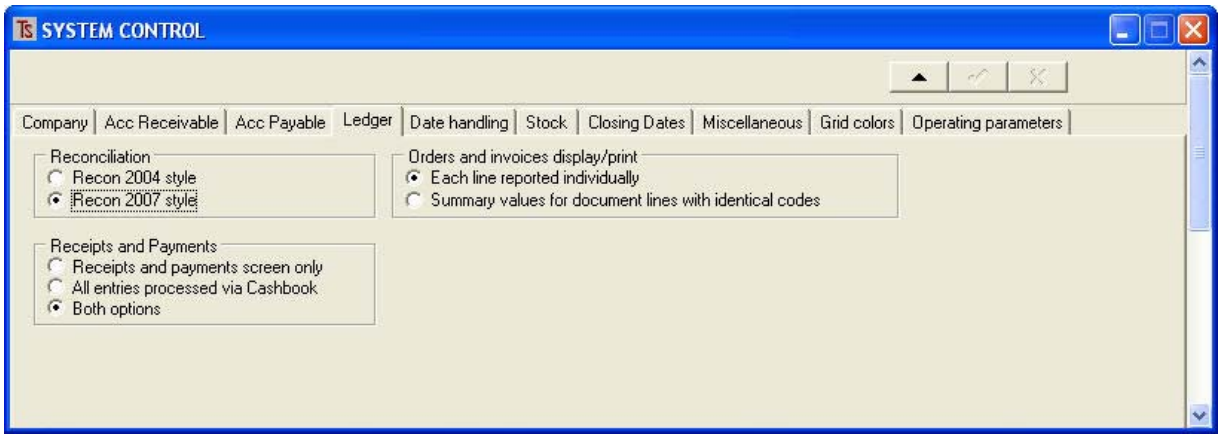
Using the various tags within this section (i.e. [Sales][Purchases][Inventory][Ledger][Numbering]), you must insert the correct ledger accounts for the indicated types.
UNLESS THIS IS DONE PROPERLY, THE SYSTEM MAY NOT FUNCTION CORRECTLY.
IF YOU WANT TO USE EXACT'S EXCELLENT VAT REPORTING FACILITIES YOU SHOULD STUDY THE INFORMATION IN THE ADDITIONAL MANUAL VAT in EXACT 2007&2008.pdf THAT MAY BE ACCESSED AT http://www.technisoft-online.com/Pages/LetterMenu.htm

FURTHER SETUP

Once you have set up the General Ledger chart of accounts as shown above, there are a couple of other setup tasks to perform before taking on your opening balances and operating the accounting system.

First, return to [System Control] and go to [Global Settings]
Click on the [Ledger] tab.

You will see a screen like this:



RECONCILIATION

Here you can select the ledger account reconciliation style. This allows old users who are used to the 2004 reconciliation style to continue using that style, but new users, or those who wish to change to the improved, 2007 style to select this.

ORDERS AND INVOICE DISPLAY

Orders and Invoice transactions in the general ledger may be displayed or printed in two modes: each transaction may be printed individually or be summarized into a single entry.

The reason for this is that, for example, if a company sells an item that may be sold either on the local market (Vatable) or on the overseas market (Vat free), and wants to analyse the sales through the General Ledger (i.e. have different ledger codes for the overseas sales and the local sales), and, perhaps budget for each of these ledger accounts, if someone makes an error in allocation at the time of producing the invoice, they may need to track down the error and rectify it. In this case they would need to see transaction to a ledger account as a separate line.

This, of course will result in a very lengthy report, but is the only way that, for example, an invoice line that was posted to the wrong ledger account could be tracked down.

If the second choice is selected where there is a summary of each item that has the same code, a much shorter and report will be generated, but full analysis will be impossible.

The user may switch between these items at will.

RECEIPTS AND PAYMENTS

Here the user may select whether to use the receipts and payments entry facility as separate items, whether to use the Cashbook method of data entry (Receipts and payments processed within the same module), or whether to offer both options.

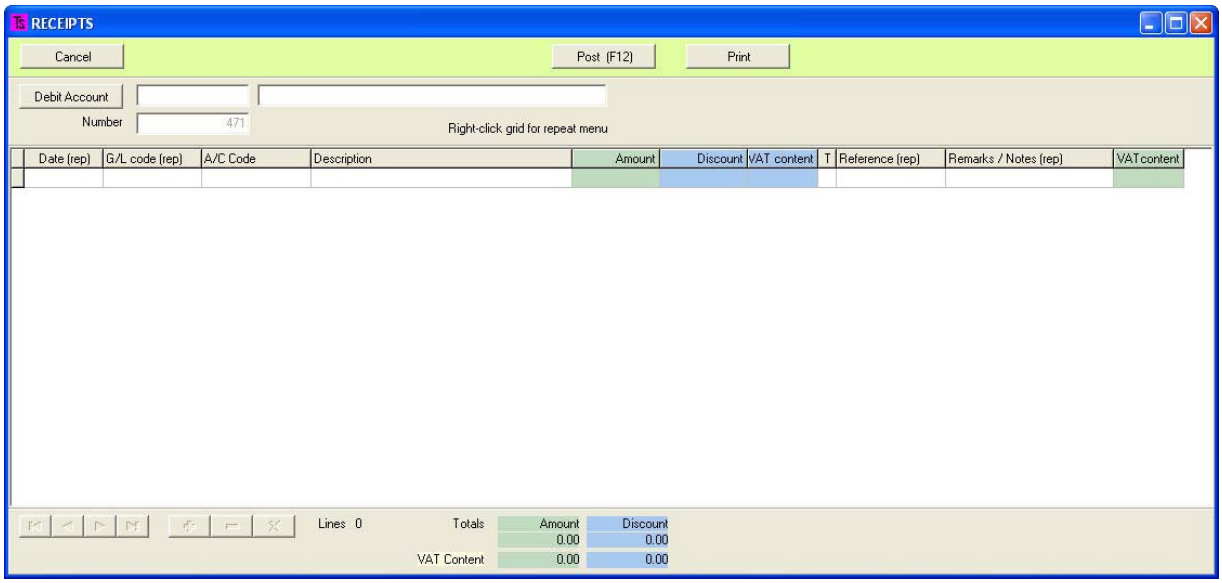
GENERAL LEDGER OPERATION

In common with most powerful accounting software, EXACT'S General Ledger is used for processing all of the financial data that is used for management decisions and for determining such essential information as the profitability of the company and tax and VAT liabilities.
Most of this information is captured "behind the scenes" during the daily running of the operation. For example, sales information is gathered automatically when a customer is invoiced.
There are, however, three activities that are processed directly via the General Ledger module: namely, receipts of money, payments of money and journal entries.
As you may have realized from the previous section on setting up the ledger, you have a choice of how to run the ledger processing of receipts and payments, so we will deal with each in turn.

RECEIPTS AND PAYMENTS HANDLED SEPERATELY

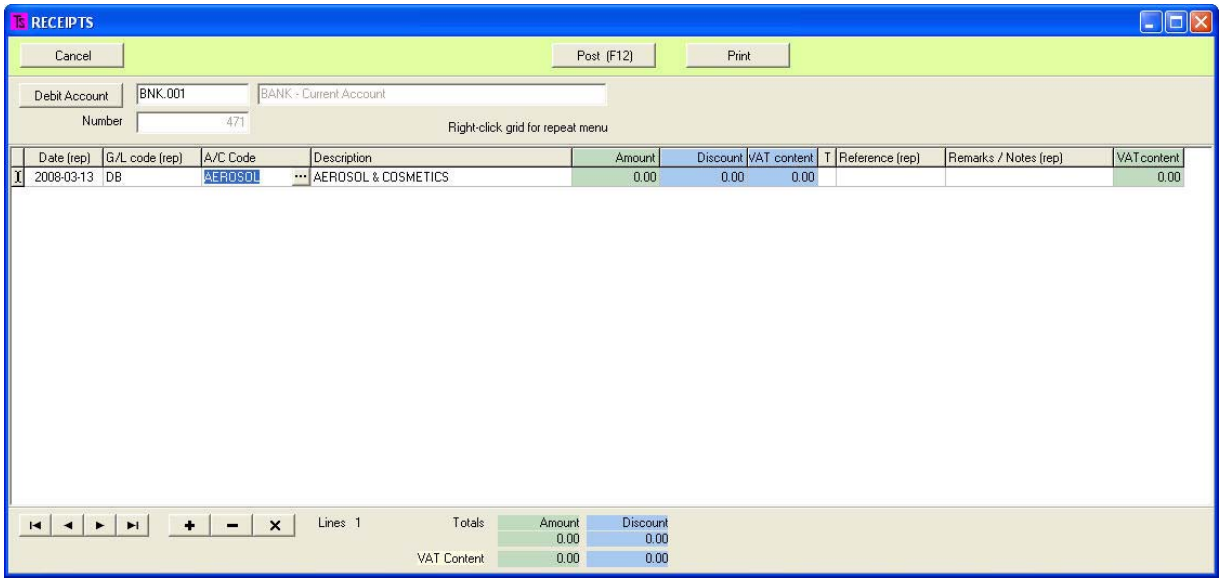
RECEIPTS

These may be processed by a stand-alone module that may be invoked in the set-up.
Receipts are accessed by going to [General Ledger][Data Entry][Receipts]

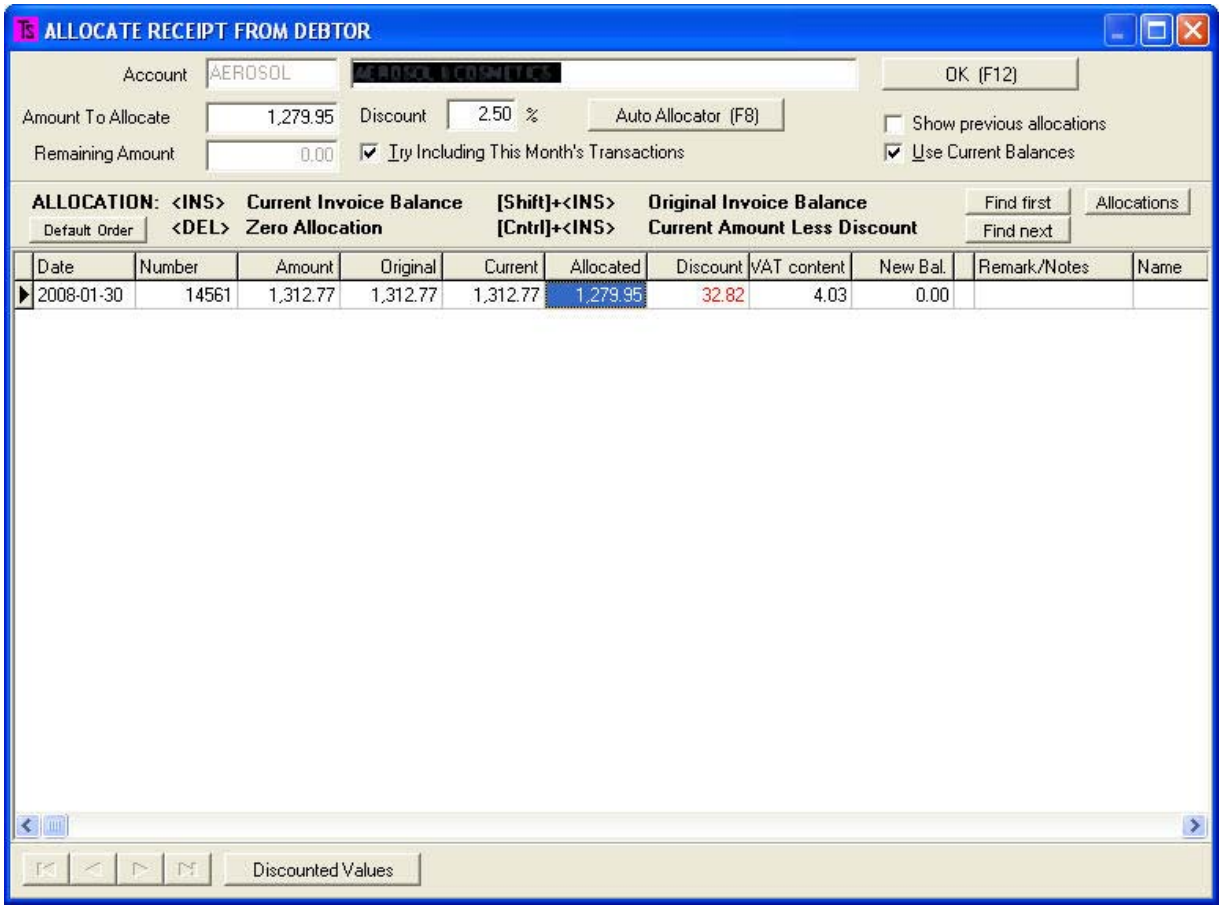


The Debit Account is selected by clicking on the button. A drop-down list of possible accounts will be offered, these are all of the type "Current Assets", such as the bank accounts, petty cash, etc..

The date of the receipt is selected and the credit account is entered.
If the credit account is the Debtor's Control Account, or the Creditor's Control Account, the field for A/C Code will be accessible and the customer or supplier's code should be entered or selected from the look-up screen. (i.e the code for the customer or supplier who paid the money to your company.), as shown below:



Upon selecting the Customer or Supplier, a screen similar to the following will appear:

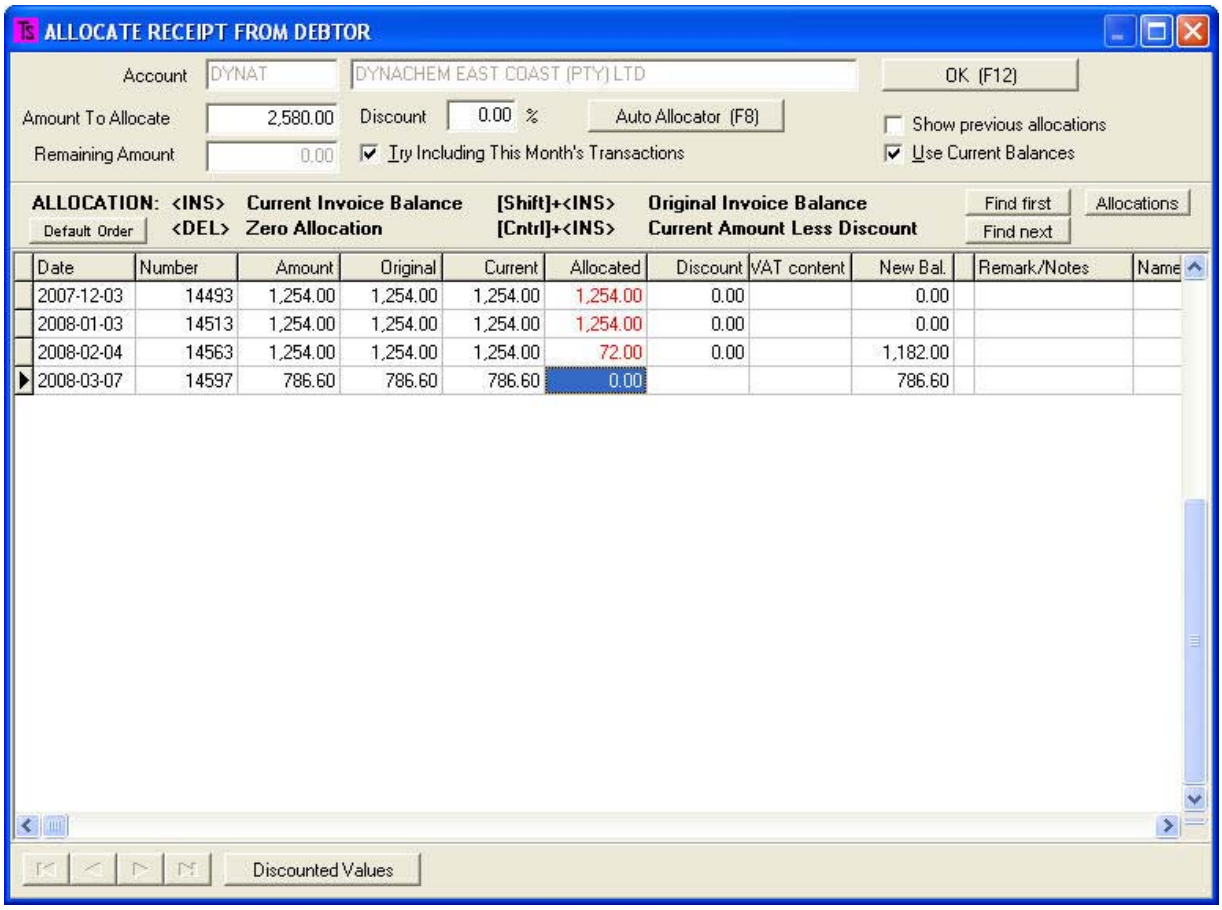


The field for **Amount to Allocate** will be open and the amount of money received should be entered.

You will see that, if the customer is, for example allowed to take an early-payment settlement discount, and this discount is entered into the relevant field within the customer's record, the discount will be automatically allocated if the customer has short-paid on a particular invoice or series of invoices. The **[Auto Allocator (F8)]** button performs this function, and will also automatically allocate any amount of money paid by a customer that fits a logical series of invoices, thus saving the operator from having to try to fit a payment to a series of invoices.
This function can only work if you are running your Debtors' book "open item". It will not work if you run "Balance brought forward".

You will notice that there are various options to assist with the easy allocation of any amount entered into the **Amount to** allocate field in the event that the **[Auto Allocate (F8)]** button cannot find a complete fit for the money paid.

For example, in the screen below you will see that the customer has paid an amount (R2580.00) that does not agree with complete settlement of all or some of the outstanding invoices.



By moving the cursor to the oldest invoice's **Allocated** field and pressing the [Insert] key on the keyboard three times, the total amount paid is allocated to the first three invoices, using the **Current Invoice Balance** as the basis for the allocation.

Other possibilities for this function are to use the **Original Invoice Balance (Shift + Insert),** the **Current Amount Less Discount (Ctrl + Insert) or to Zero Allocation (Delete).**

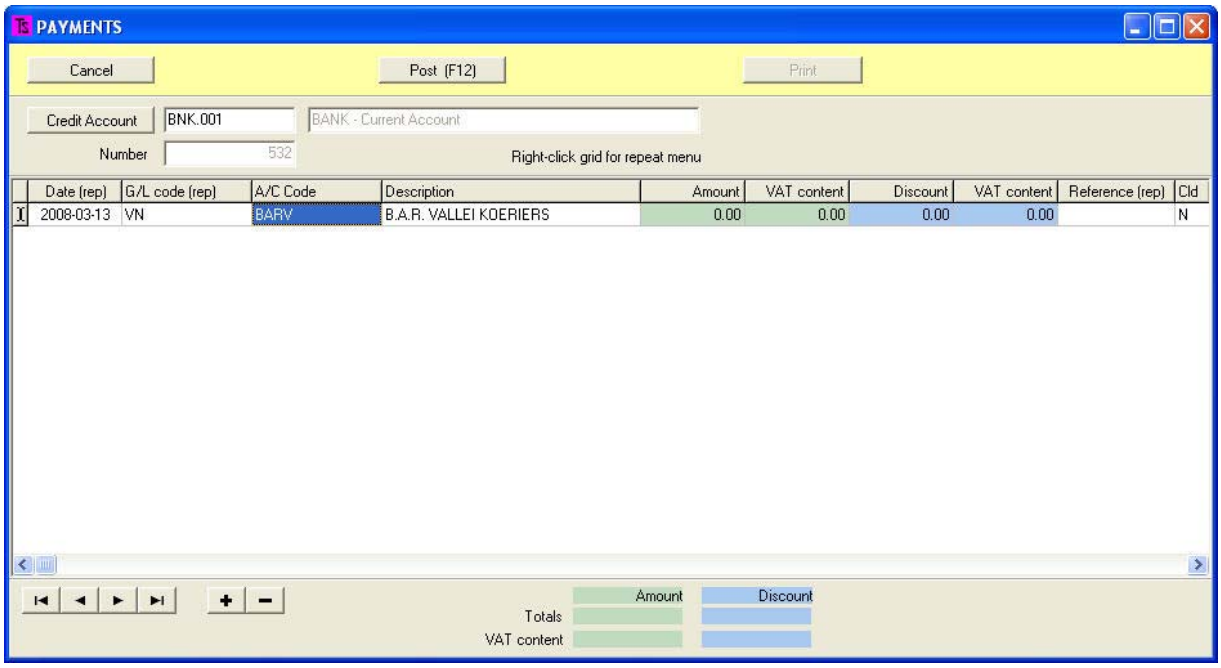
Once the allocations have been made and any remarks or Notes have been entered, the transaction may be posted by clicking [OK (F12)] or by pressing **[F12]**.

If allocations of payments have already been made against invoices, the field for **Show previous allocations** should be ticked In order to display these.
If an invoice has had more than one allocation made against it, these allocations may be displayed by pressing [Find First] and [Find Next].

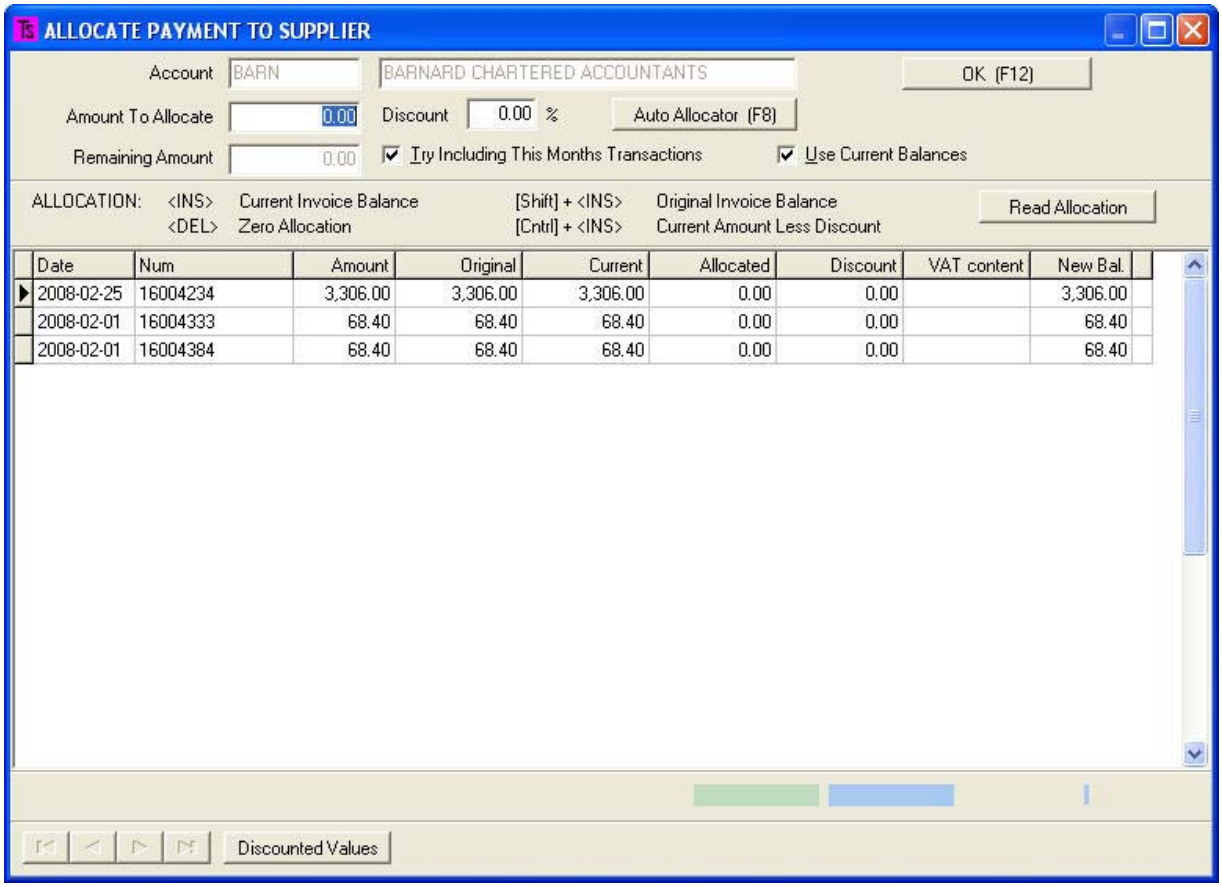
Pressing the [Discounted Values] button will show what the payment values against each invoice should be if the discount in the [Discount] field is applied.

PAYMENTS

are accessed by going to [General Ledger][Data Entry][Payments]



The procedure for data entry is similar to the data entry procedure detailed in the RECEIPTS section, above, except that there is an extra button Read Allocation on the Allocations screen, as illustrated below:

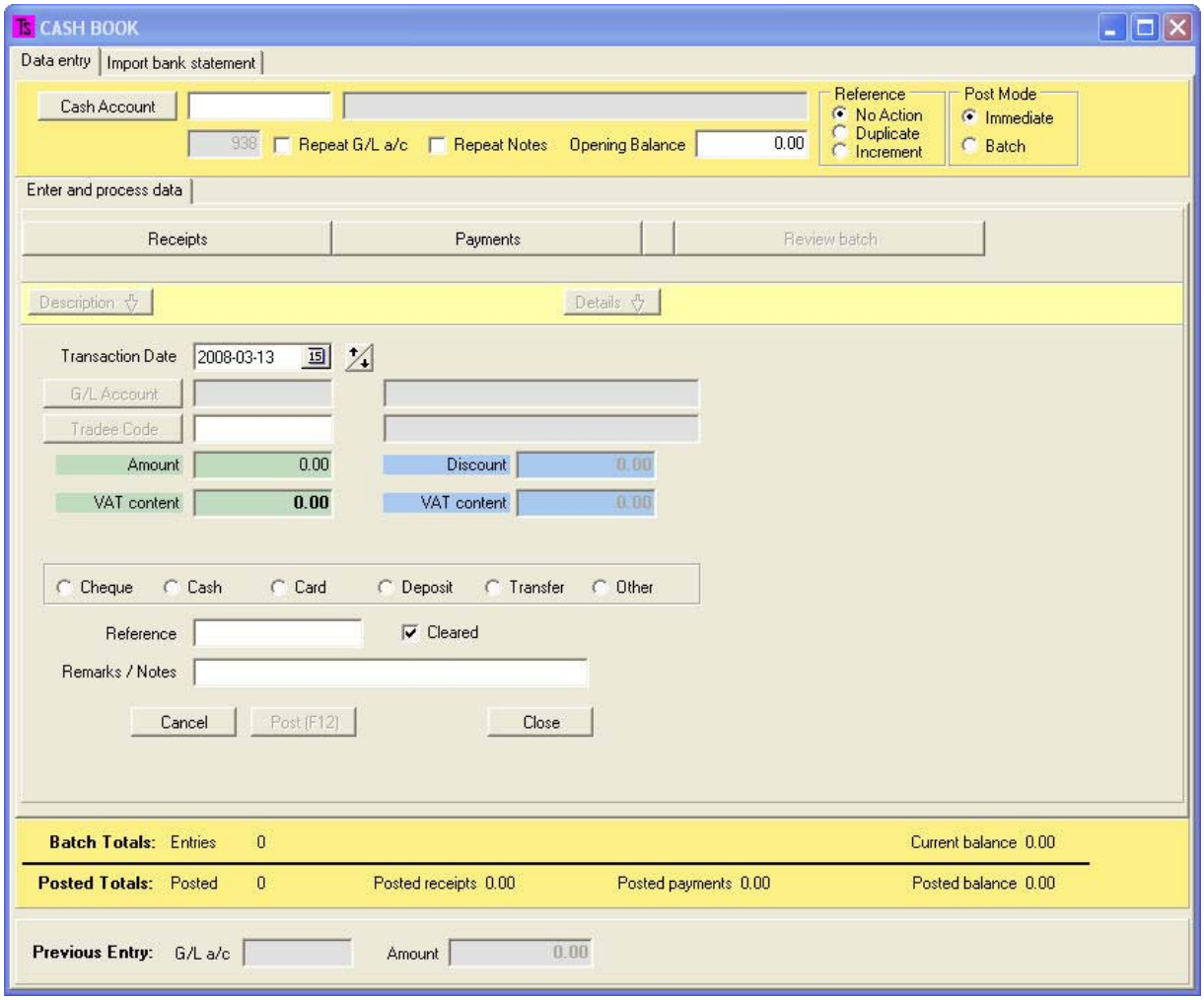


If advance payment allocations have been made for the supplier selected (See [Supplier][Periodic Processes][Remittance[]Make Provisional Allocations], then, when the Read Allocation button is clicked, a screen will appear showing the payment allocations already made for this supplier. These allocations may be accepted for actual payment and will be automatically inserted into the relevant fields.

CASH BOOK

Accessed by going to: [General Ledger][Data Entry][Cashbook]

Where you will see a screen similar to this:



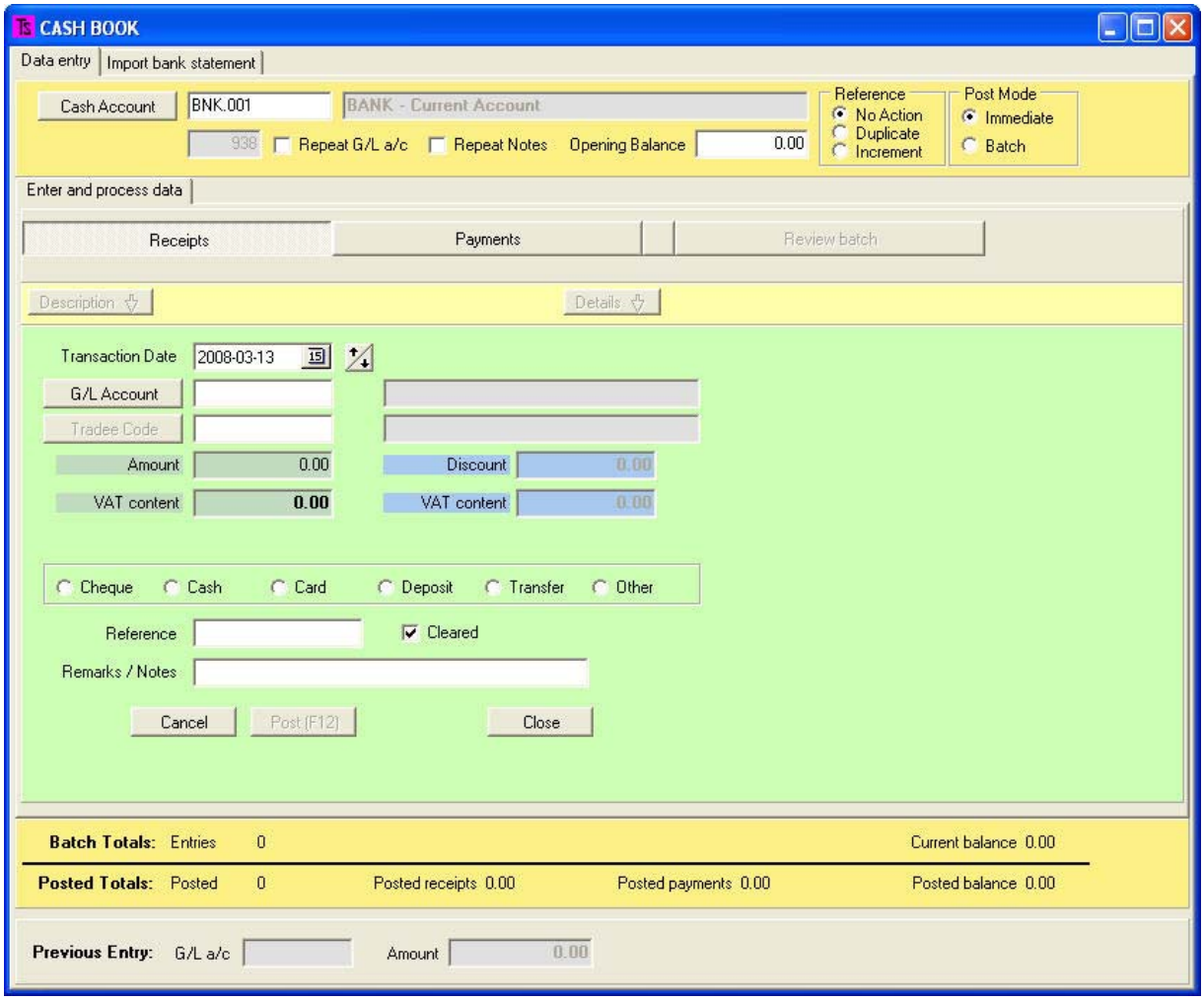
With the cashbook entries you may post both receipts and payments to a cash account.
For example, you may wish to process entries directly from a bank statement which has mixed credits and debits.

The first thing to do is to enter the Cash Account in the field provided.

Next you may decide whether you want to repeat the ledger account to which you posted the previous transaction, whether you want to repeat the Remark or Note entered, whether to duplicate or increment a numeric reference and whether to operate in Batch Mode or post the transactions immediately.
You may also enter an opening balance, in which case you will see a running account balance at the bottom right of the screen which may be compared with the running balance on the statement or document from which you are processing.

Once the above initial set-up has been done, you may proceed to enter the data, using the [Receipts] or [Payments] buttons to flip between the two modes, as shown below:

Receipts:



Here you will enter the date (very important if you ever need to trace transactions in the future).

Enter the Ledger Account in the field G/L Account

If the G/L Account is a Debtor or Supplier Control account, the field for the Customer or Supplier's code will open up.

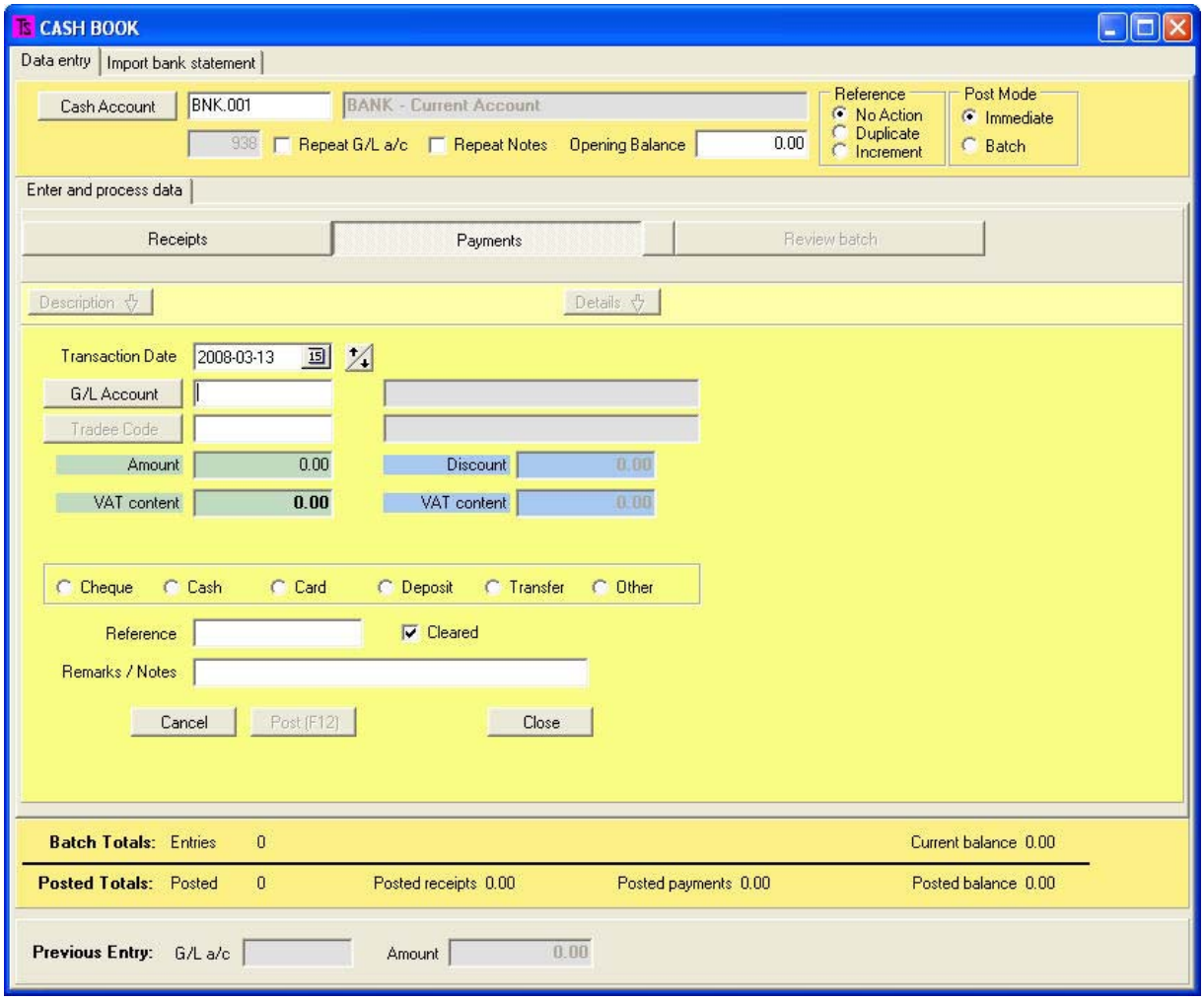
The details are entered, a reference provided, the type of payment may be selected (Cheque, Cash, etc.)

You may declare the transaction "Cleared" or not (for later reconciliation), and a Remark or note may be entered.

Clicking [Post F12] will save the transaction or post it, or, if the transaction is from a Debtor or a supplier, open up the allocation screen for the specified account as is detailed in the RECEIPTS section (Page 6) and then allow you to move on to the next transaction.

At the bottom of the screen is an indicator showing the previously posted transaction so that you can resume processing if you are called away or lose your place.

Payments:



The Payments screen is the same, except it is yellow instead of green.

Transactions are processed in a similar fashion as for Receipts, above.
When the payment is to a Creditor or Debtor, the field for the [Tradee Code] will open and thereafter the correct allocation needs to be made as shown in Payments, page 10.

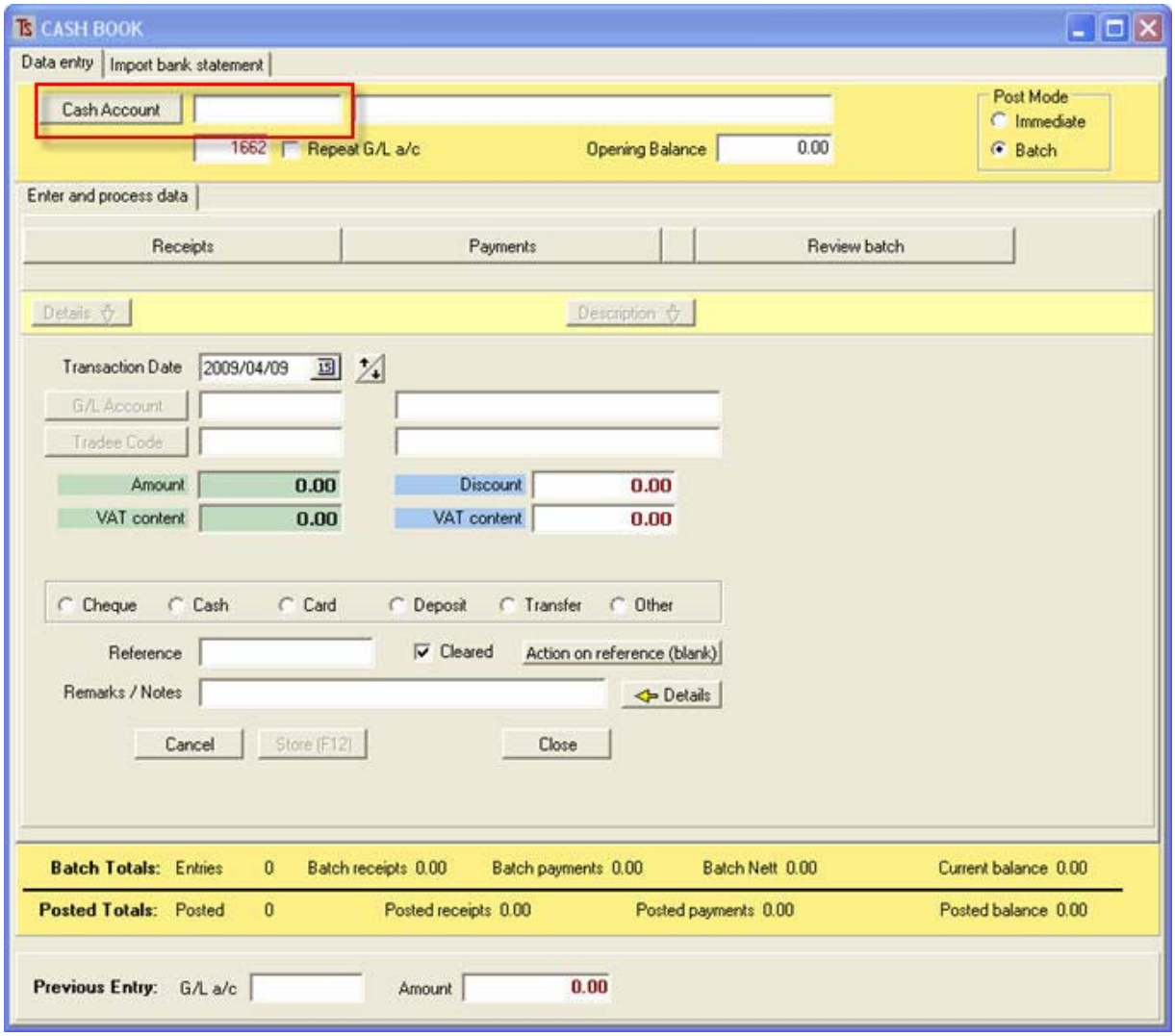
IMPORTING BANK STATEMENTS

Most of the banks will allow you to download your bank statements when you are doing Internet banking.
The Statements may be downloaded as Text files, Spreadsheets, Qif files or csv files.
In the following example I will be using QIF files, which are the form that works best with Standard Bank

Firstly go to the section within your Internet Banking where you are permitted to download the statements and start the download process.
Select QIF as the type of file to download and select the date format as YYY:MM:DD (This is the only

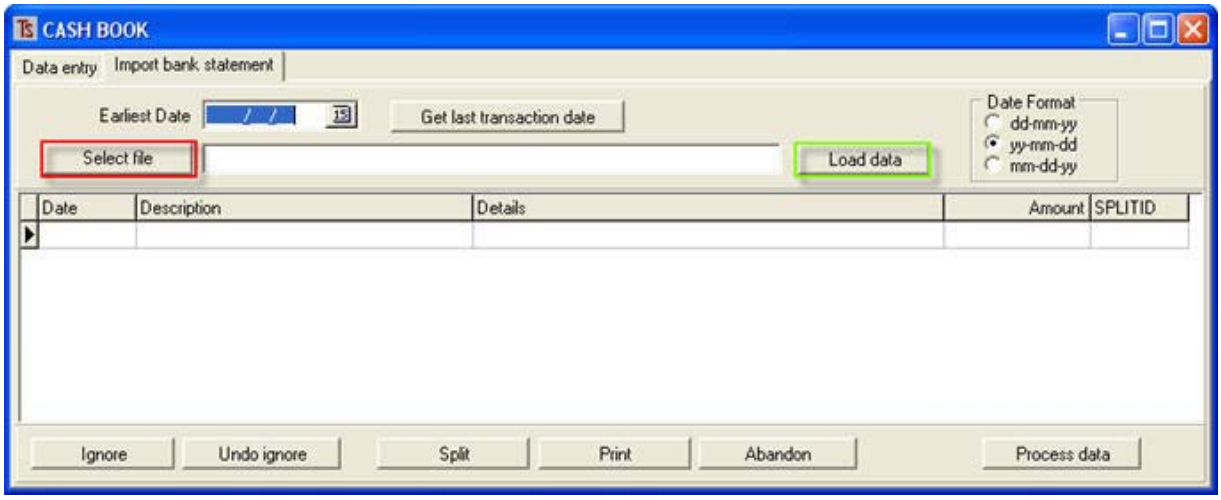
date format that all computers can work with correctly, and should be used throughout all of your computer activities.)

Once the statement has been downloaded and saved in a location where you can easily find it, go to **[General Ledger][Data Entry][Cash Book]** and enter the ledger account in which the transactions are to be captured (the bank account), shown in the red outlined section below:



If you wish (not required unless you want to track the balance after each transaction has been posted), you may enter the opening balance into the field provided.

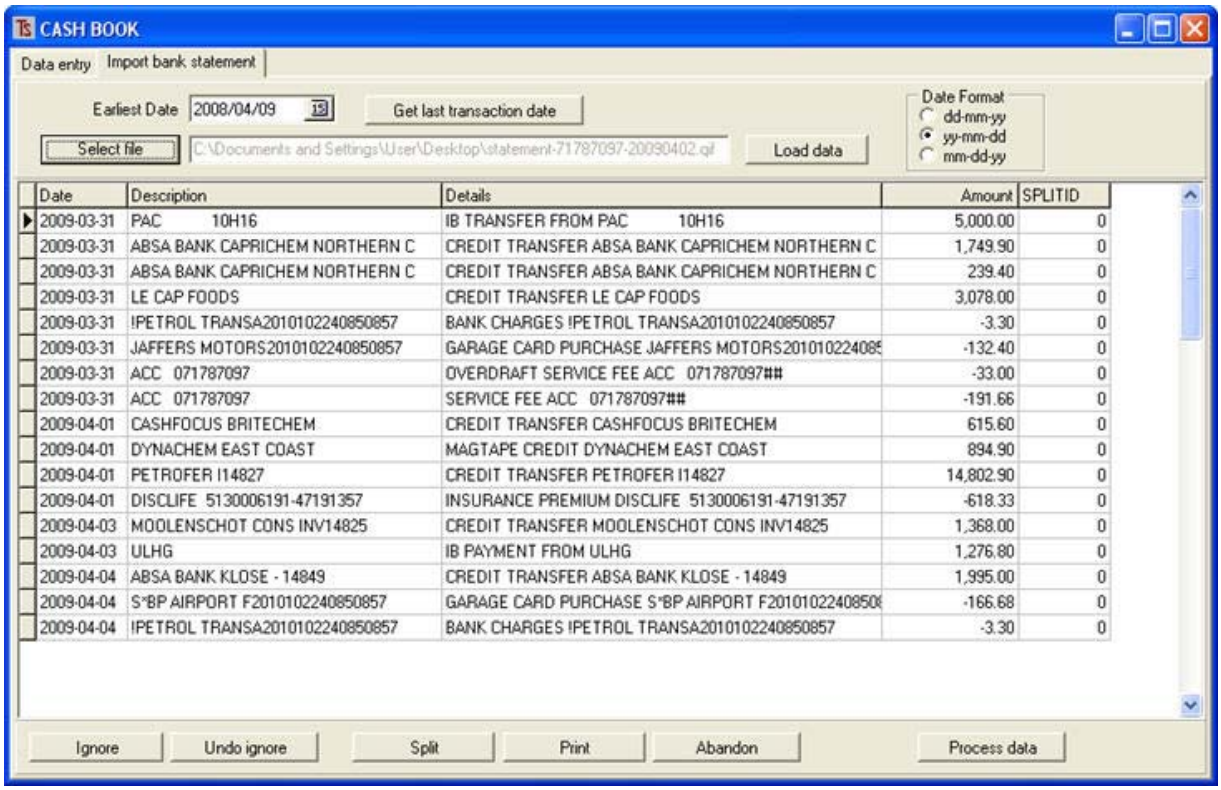
Click the **[Import bank statement]** tab.



Set the date format that you used when you downloaded the statement file in the area seen above, on the upper right.

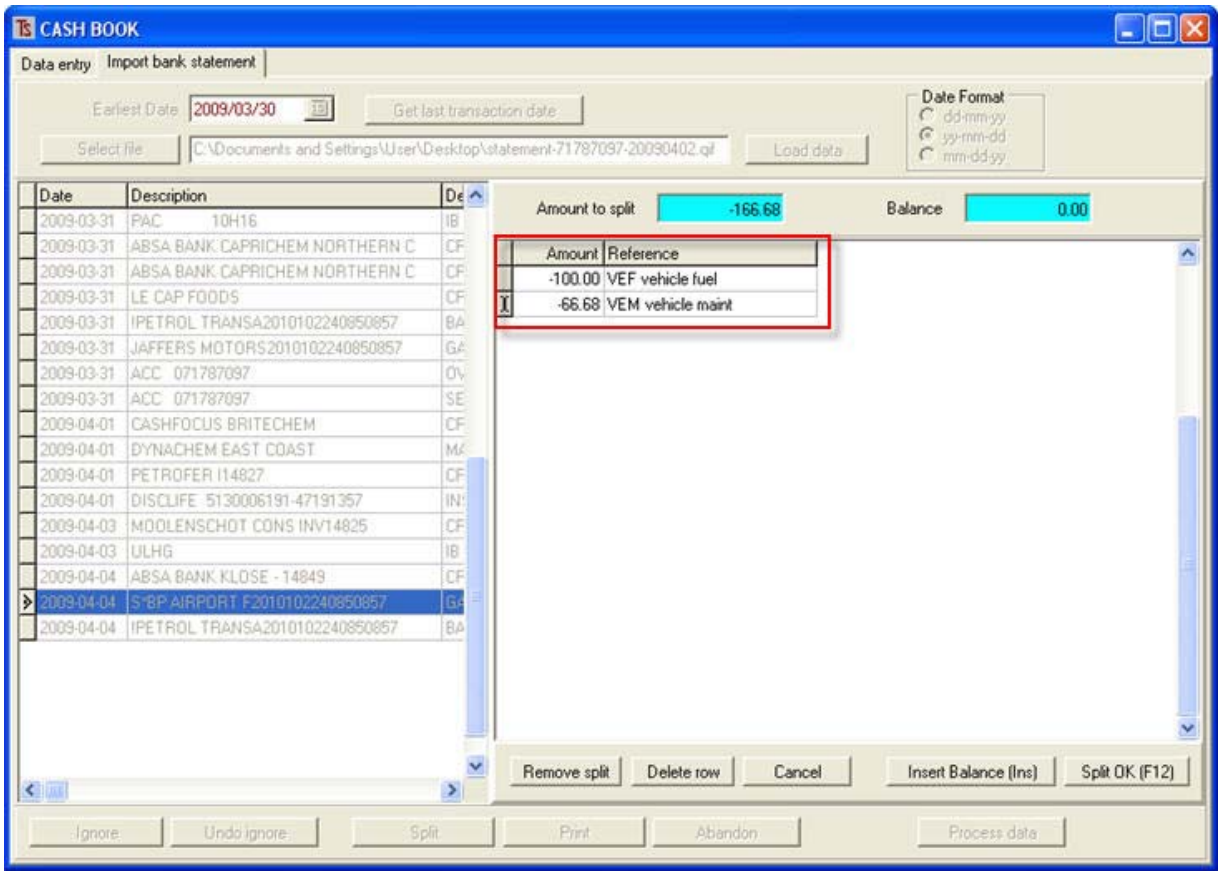
Select the earliest date that you want to start with on the bank statement. This is usually the date of the last transaction in this ledger account. If you press **[Get last transaction date]**, this will fetch the last transaction date from the records.

Now select the file that you wish to import information from by clicking the button outlined in red, above, then click **[Load data]** , outlined in green, above. The following screen shows an example of loaded data.



Now you need to examine the transactions to determine whether any of them need to be split and allocated to more than one ledger account.
For example, there may have, as in the example below, been a single payment to a supplier that needs to be split between two different accounts. The account is highlighted and the **[Split]** button is clicked.

The amount to be split is shown with a blue background, and the split amounts and a reference are entered into the fields outlined in red, below. The reference should be an indication of which ledger account the amount should be posted to.



When you are satisfied, click **[Split OK] or [F12]**

You will be returned to the original screen and the split transactions will be displayed in green as shown below in the screen entitled “Split”.

You may also see transactions that you do not wish to process because they have already been processed or because you do not know where to allocate them.
These may be selected by al left mouse click (hold the **Ctrl button** down in order to select several) and then you may click the **[Ignore]** button to have them excluded from the process.

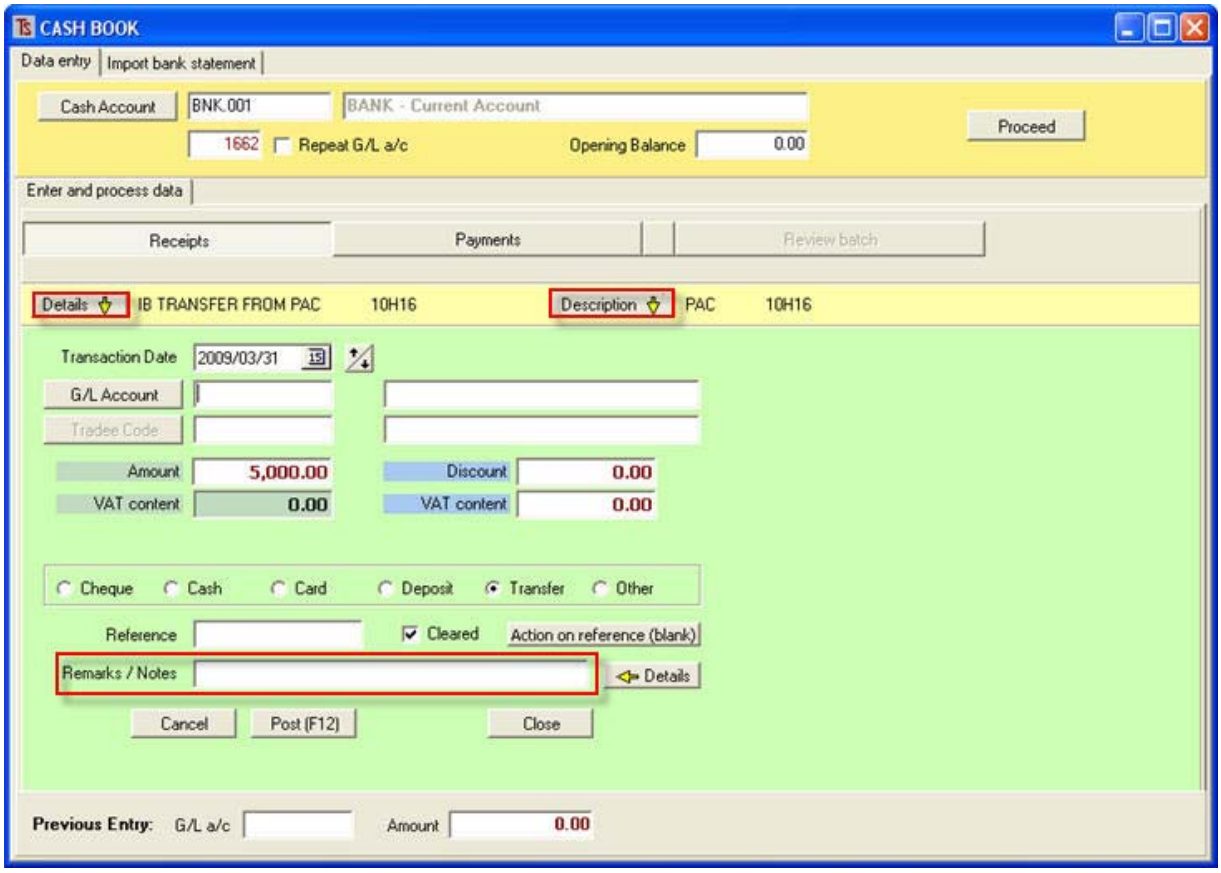
Date	Description	Details	Amount	SPLITID
2009-03-31	PAC 10H16	IB TRANSFER FROM PAC 10H16	5,000.00	0
2009-03-31	ABSA BANK CAPRICHEM NORTHERN C	CREDIT TRANSFER ABSA BANK CAPRICHEM NORTHERN C	1,749.90	0
2009-03-31	ABSA BANK CAPRICHEM NORTHERN C	CREDIT TRANSFER ABSA BANK CAPRICHEM NORTHERN C	239.40	0
2009-03-31	LE CAP FOODS	CREDIT TRANSFER LE CAP FOODS	3,078.00	0
2009-03-31	!PETROL TRANSA2010102240850857	BANK CHARGES !PETROL TRANSA2010102240850857	-3.30	0
2009-03-31	JAFFERS MOTORS2010102240850857	GARAGE CARD PURCHASE JAFFERS MOTORS20101022408	-132.40	0
2009-03-31	ACC 071787097	OVERDRAFT SERVICE FEE ACC 071787097##	-33.00	0
2009-03-31	ACC 071787097	SERVICE FEE ACC 071787097##	-191.66	0
2009-04-01	CASHFOCUS BRITECHEM	CREDIT TRANSFER CASHFOCUS BRITECHEM	615.60	0
2009-04-01	DYNACHEM EAST COAST	MAGTAPE CREDIT DYNACHEM EAST COAST	894.90	0
2009-04-01	PETROFER I14827	CREDIT TRANSFER PETROFER I14827	14,802.90	0
2009-04-01	DISCLIFE 5130006191-47191357	INSURANCE PREMIUM DISCLIFE 5130006191-47191357	-618.33	0
2009-04-03	MOOLENSCHOT CONS INV14825	CREDIT TRANSFER MOOLENSCHOT CONS INV14825	1,368.00	0
2009-04-03	ULHG	IB PAYMENT FROM ULHG	1,276.80	0
2009-04-04	ABSA BANK KLOSE - 14849	CREDIT TRANSFER ABSA BANK KLOSE - 14849	1,995.00	0
2009-04-04	S*BP AIRPORT F2010102240850857	VM maintenance GARAGE CARD PURCHASE S*BP AIRPORT F	-66.68	2000140
2009-04-04	S*BP AIRPORT F2010102240850857	VEF fuel GARAGE CARD PURCHASE S*BP AIRPORT F201010	-100.00	2000140
2009-04-04	S*BP AIRPORT F2010102240850857	GARAGE CARD PURCHASE S*BP AIRPORT F2010102240850	-166.68	2000140
2009-04-04	!PETROL TRANSA2010102240850857	BANK CHARGES !PETROL TRANSA2010102240850857	-3.30	0

SPLIT

Click the **[Process Data]** button and you will see a warning message as shown below. Click **[OK].**

In the example screen shown below, with the first transaction displayed, the **[Details]** or **[Description]** buttons (outlined in red) may be used to transfer either the transactions details or description from the statement into the empty field, outlined in red, lower down.

The G'L account to which the transaction is to be posted is entered, the type transaction may be selected (radio buttons above the reference field), a reference may be entered (this may be incremented automatically or repeated by selecting the choice given when clicking **[Action on reference (blank)]**, all details of the transaction may be examined, and, when satisfied with the results, the operator may click **[Post]** or press **[F12]** to progress to the next transaction which will be presented for processing.



The previous entry is displayed at the bottom, so you can determine how far you have progressed with processing.

If a transaction is presented that is incorrect, you may skip it by clicking **[Cancel]**, or you may abort the entire process by clicking **[Close]** (you will get a warning message. Any transactions posted prior to clicking the **[Close]** button will have been posted into the ledger.