

GL Recurring Entries

Often controllers, finance managers, or bookkeepers find themselves entering the same General Ledger transactions to the same accounts, month after month.

Since this is a repetitive task that requires little decision-making capacity, Eagle for Windows has a feature that allows for its automation.

In this class, we will explore the different types of recurring transactions, how to create them in the General Ledger application, and how to modify and post them to the General Ledger file.

Topics

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- Creating Entries
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Types of Entries

Essentially, there are two types of recurring transactions: Permanent and Variable.

Permanent recurring transactions are entries that are posted against the same General Ledger accounts for the same dollar amount every period.

A good example of such an entry is straight line depreciation.

Variable recurring transactions are also posted against the same accounts every period; however, the amount differs every month.

A typical variable recurring transaction is the monthly payroll entry.

In order to save time, you can choose to set up the above 2 types of General Ledger transactions as recurring entries and have the system create these entries in the General Ledger for you with minimal effort each month.

Please note however, that setting up recurring entries in the Eagle system is not a requirement.

Creating Entries

Let's start in the Eagle Browser.

Under the General Ledger / Daily Procedures menu, you'll find the Recurring Journal Entries link.

When the window opens, click the ADD button.

Specify whether you are creating a permanent or variable entry based on the definitions we just reviewed.

Next, select or enter the correct account and sub-account number.

Enter the transaction amount in the appropriate field—either the debit or credit, depending on the transaction being entered.

As for the Source field, follow the same principles you use when entering manual journal entries.

However, if you should want to reverse the entry at the beginning of the next period, then use the word Accrue in this field.

You would use this feature if you want to recognize revenue and expenses in the correct accounting period, even if you haven't yet received or made the payment.

For example, if you are working on a large building improvement project, you may want to recognize part of the revenue this month when the work occurred even though you haven't billed it yet.

You would make the entry as accrued revenue this month, then reverse it next month when you invoice the customer.

Then the revenue would be recorded in the right period.

Enter a meaningful comment under the Reference field.

If you entered Accrue under the Source field, then select Y from the Reverse Next Period dropdown.

The system will use the first day of the next accounting period to create the automatic reversal.

Select Y if you want to auto-distribute the offsetting entries to this transaction.

Keep in mind that auto-distribution must already be set for this account for this feature to work.

The steps to accomplish this are covered in another General Ledger class.

Finally, specify if you want a counter balance to be created when this entry is made to the General Ledger.

Again, for this feature to work, the account specified above must have been set up to utilize Counterbalance in the Chart of Accounts.

Please refer to the Chart of Accounts class for further detail.

Keep in mind that only one of the last three flags Can be used per entry as these flags are mutually exclusive.

Click ADD when you've completed all the fields in this screen.

Continue adding the rest of your recurring entries, and then close out of the ADD window.

Modifying Entries

You can also use the T-account function to add recurring entries, accessing it via the T-Acct button on the header of the screen.

As with the Add function, specify the type of recurring transaction being created as either Permanent or Variable.

Specify the Source and the Reference as per your business rules, keeping in mind that all entries in this T-account will inherit the same source and reference.

Click the Account number field and select the desired account number for the recurring entry.

Then specify the amount either as a debit or a credit.

Follow the same procedure for the balancing entries until the T-Acct Running field is blank again, indicating that the entries created are in balance.

Click ADD when you are done with this recurring T-account entry.

Enter the remaining transactions following the same method.

If you do not need to use the auto-distribute, reverse next period, or counter-balance flags, it is Highly recommended that you use T-accounts to create your recurring entries.

This will minimize manual data entry error, as it is impossible to create an out of balance entry.

As you would expect, if you created variable recurring entries you must modify their amounts before the beginning of the next accounting period.

From the main Recurring Journal Entries window, select the Variable option under the Transaction Type drop-down.

All the variable entries will display.

Just click on the Amount cell to make the necessary change for a particular entry, and then click Change to save it.

Should you need to delete any of the entries, click the checkbox then click Delete.

Finally, click YES to confirm the deletion.

Posting Entries

Before posting the recurring entries to the General Ledger file, it is highly advisable that you print a recurring G/L transactions edit list, to make sure that all the entries are accurate.

If incorrect entries are posted to the General Ledger file, they will need to be reversed, as it is impossible to modify an already posted General Ledger transaction.

To avoid such issues, use the Edit List for Recurring Journal Entries report, which you'll find in the General Ledger Reports menu in Eagle Browser.

Spool or print the report and hit RUN.

All the transactions that will move to the General Ledger file when you post recurring entries will be listed.

Make sure the list looks good, before moving on to the next step.

If there are inaccurate entries, go back to the Recurring Journal Entries maintenance screen and either modify the amount of the entry in question, or delete the entire entry if it represents an entry that you no longer want to post to the General Ledger file.

Once any maintenance has been performed and you are ready to post the entries to General Ledger, simply click the Post button on the Recurring Journal Entries window.

Select Option 1 – Post Recurring General Ledger Transactions.

You can access this report via the General Ledger reports menu as well.

To run this report, you need to have exclusive access to General Ledger, so make sure that no one is using General Ledger before you continue.

Spool the report.

On the From/To page, select whether you want to post all transactions, or just the variable or permanent ones.

If you have already reviewed the entries, there should be no reason to separate the postings.

You can also limit the transactions that will post by specifying a Source in the next field.

Confirm that you want to post the recurring entries by selecting yes in the All entries to post dropdown and click RUN.

To review the posting, access the report in the report spooler under the RGJG listing.

Once the report has been run, the entries are posted to the General Ledger file and will show in your trial balance as well as your financial statements.

As you can see, creating, maintaining and posting recurring General Ledger transactions is very similar to other manual entries.

Not only are they easy to set up and modify, using recurring entries also saves time and increases data accuracy.

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