



Once you have the Options and Security set up for Advanced Receiving, you're ready to tackle the General Ledger setup.

In today's session, we will discuss setting up Accruals for Accounts Payable and Inventory/Purchases as well as Adjustments for Inventory and Cost of Goods Sold. We will also walk through setting up Accounts Payable Departmental Sub Accounts.

Let's start out by discussing the concept of using Accruals with Advanced Receiving. This is recommended as standard best practices for General Ledger counter-balancing ability. You can think of Accruals as Inventory received but not yet processed through Accounts Payable.

Keep in mind that when we talk about Accruals, we are using that term to include 'Accrued Accounts Payable' as well as 'Accrued Inventory/Purchases' by either Store or Department.

Accounts for each of these must be set up in your Chart of Accounts.

If you need a refresher, please refer to the Training on Demand course on 'General Ledger Chart of Accounts' setup for detailed instructions on how to set up these accounts in the Chart of Accounts.

If you are tracking your GL Inventory Values by Department, you will need to make sure that 'Accrued Inventory/Purchases' are set up in the same manner as your regular Inventory accounts.

The importance of this setup is to ensure you have proper tracking and balancing in your General Ledger.

As purchase orders are received and passed through into Accounts Payable and General Ledger, the system will Debit 'Accrued Inventory' and Credit 'Accrued Accounts Payable'.

Please refer to the Training on Demand course reviewing 'Accrued Inventory' for more detailed information.

After the accounts are setup in the Chart of Accounts, you need to set up the AP Control File (ACON) with the new information.

First, the flag for 'Accrue temp A/P Trx's?' has to be set to Yes.

Then you will have the ability to specify the 'Accrued A/P' and 'Accrued Purchases' accounts and sub accounts numbers you set up in the Chart of Accounts.

Please remember to use *** for the sub account of 'Accrued Purchases' if your 'Purchases' sub account is set with ***.



This creates the proper adjustments broken down by Store and Department.

The next piece in our General Ledger Setup involves 'Advanced Receiving Inventory Adjustments' and 'Advanced Receiving Cost of Goods Sold', or COGS, Adjustments.

When an item's average cost has been updated with the Receiving Documents Report (RRV with option F), Eagle calculates how many of that item was sold between the original receipt date and the current date.

It then makes a General Ledger entry for any cost difference to the 'Inventory Adjustment' and 'COGS Adjustment' accounts in General Ledger.

If you are tracking regular Inventory and COGS by Department then you need to set up 'Advanced Receiving Inventory Adjustment' and 'Advanced Receiving COGS Adjustment' also by Department.

The Inventory Adjustment should always counterbalance the COGS Adjustment.

It is important that these adjustment accounts are separate from your regular Inventory and COGS accounts for audit purposes.

If the accounts are not separated out, any adjustments you make would be combined into daily inventory and COGS transactions, making it difficult to identify which amounts are only adjustments.

After you have set up new 'Advanced Receiving Inventory Adjustment' and 'Advanced Receiving COG Adjustment' accounts in your Chart of Accounts they will also need to be filled into your 'Setup G/L Passoff' application based on the Store and Department levels.

There will need to be a Year End General Ledger adjustment to move balances from each 'Advanced Receiving Inventory Adjustment' account to each 'Department Inventory Account'.

This will ensure that both the Advanced Receiving COGS Adjustment and Advanced Receiving Inventory Adjustment accounts start out each new year with .00 balance and continue counterbalancing one another.

The last piece in our General Ledger Setup has to do with how 'Accrued Purchases/Inventory' is passed off.

Eagle passes off purchasing information based on how you fill in the 'Accounts Payable' Sub Account field within the General Ledger Passoff application as well as the 'Purchases' account for the department and the 'Default Purchases Account' setup in the ACON AP Control File.

If the ACON AP Control Field has Purchases and/or Accrued Purchases Sub Accounts filled in with ***, this tells the passoff to look at the department level for the Purchases accounts or AP Sub Account.



The AP Sub Account field will only be used if the 'Department Purchases Accounts' field is left blank when setting up General Ledger Passoff.

If you are passing off purchasing information by department, this field should be filled in with the General Ledger Sub Account used for that department.

If you are passing off purchasing information and this field is left blank, the system passoff information is based on the sub account of -000 to your default purchases account from ACON. This means that you will lose the departmental level of inventory detail.

Let's look at an example to see how this works.

Let's say your default Purchases account is set to 1300-***. For Department 1, the AP Sub Account used would be 101 for Store 1, Department 1.

When you pass off the Inventory purchases, the system will automatically distribute to 1300-101.

If AP Sub account was left blank, then the passoff would go to 1300-000.

This field defaults to numeric only. If Alpha characters are needed for your sub accounts, please contact your Epicor Trainer for assistance.

As you can see, setting up the General Ledger for Advanced Receiving is based on how your existing General Ledger and Accounts Payable Directories are set up. Please review the Training On Demand lesson on 'General Ledger Directories' for more detailed information on this type of setup.