

Getting Started with General Ledger

Welcome to the General Ledger! This module is the center of financial management. You process and post entries received from jobs, AR invoices, AP invoices, purchasing, and more. You can process manual entries directly in the General Ledger too.

Objectives

- What Is the General Ledger?
 - During this course, you first learn about the purpose of the General Ledger.
- Setting Up the Book
 - You then explore how to set up a financial book.
- Using the Book
 - Next you will see how to use the book to record financial activity.
- The General Ledger Tour
 - The course ends with a tour of the applications that make up the General Ledger module.

What Is the General Ledger?

The General Ledger captures financial data, structuring business activities through accounts, so you can report your company's financial position and performance. You can also comply with fiscal and corporate governance.

You set up your company's reporting structure through a series of applications that work together to record and calculate financial results.

The General Ledger also has tools for financial reporting. Use the daily, periodic, summary, and other balancing methods to see accurate, up-to-date information.

You can run standard reports like the General Ledger report, and design custom financial reports for more specific reporting.

The General Ledger is all about the Book. You create different books for different companies and financial needs. This course shows you the key role books play in tracking financial activities.

Setting Up the Book

The primary records you create are books. You can have multiple books, and each book does different things. You must create a standard, or main book that records the financial activity of the company.

If you have a multi-company environment, you will also need consolidation books. These books consolidate financial data across your companies.

A book defines the chart of accounts, fiscal calendar, and currency. The book also defines the Retained Earnings account that generates its financial statements.

Books are linked to Chart of Accounts. So, what are Chart of Accounts?

Chart of Account Structure Maintenance defines the segment structure and characteristics for each Chart of Accounts, or COA, that you use. It defines the format and structure for GL accounts, and you post transactions to these GL accounts.

Each book needs a COA. And if you are in a multi-company environment, you'll have at least two COAs for each company – a master and a consolidation COA.

Multiple books can use the same COA, but you can assign different ones to different books as well.

Account structure is all about the segments you put together. Make simple ones or complex ones. This one has Chart, Division, and Department segments.

And for data entry, each segment is natural, controlled, or dynamic. Put them together in the segment structure that matches what you need them to do. You can learn more about COAs in other courses and the Help and Support panel.

After you finish setting up the account structure, you use another application, General Ledger Account Maintenance, to define valid combinations of the segments from your Chart of Accounts.

Before you can set up the General Ledger Book, you must define the Retained Earnings account for the COA.

Let's go back to Book Maintenance and look at this other value you define, the book's Fiscal Calendar. These define the fiscal periods used to post transactions.

You create these calendars in Fiscal Calendar Maintenance. One of them must be the default company calendar, and typically this is called the Main or Master calendar.

Define the calendar's Start and End Date. Then enter the Fiscal Years to include on this fiscal calendar.

Within each fiscal year, you define how many periods it contains, as well as its number of closing periods. You then generate or enter the periods for the fiscal year.

Return to Book Maintenance. The last item you select is the book's currency.

When you post transactions, they post amounts using this currency. And when you run financial reports against the book, you can report using the book's currency.

The currencies available on this drop-down list are set up in Currency Master Maintenance.

So remember, books are the primary component you define in the General Ledger.

But you also need to set up journal codes. They group journals linked with posting processes. You then track and report on journals using these codes. Consolidation definitions apply codes to journals posted from source to target books.

Lastly, you select some default options within Company Configuration on the Finance > General Ledger sheet. Indicate whether the default mode will be Single Book or Multi Book, default journal codes, and more.

Using the Book

In GL Journal Entry, you create journals, reverse journals, and post allocations.

EDP-22427-VID4-01 and so on...

Start by creating a Journal group. The first item you select is the book. That pulls in the defaults for everything else, like the group's fiscal calendar, currency, and chart of accounts.

You decide other things too, like the Apply Date and Journal Code.

Then you enter journal details. These details indicate the accounts to which debit and credit amounts post. And if you are in a multi-company environment, you can post amounts to another company's COA.

Launch the Review Journal to locate posting errors and check over problems with custom posting rules. Through this application, you can adjust, re-validate, cancel, and post updated transactions.

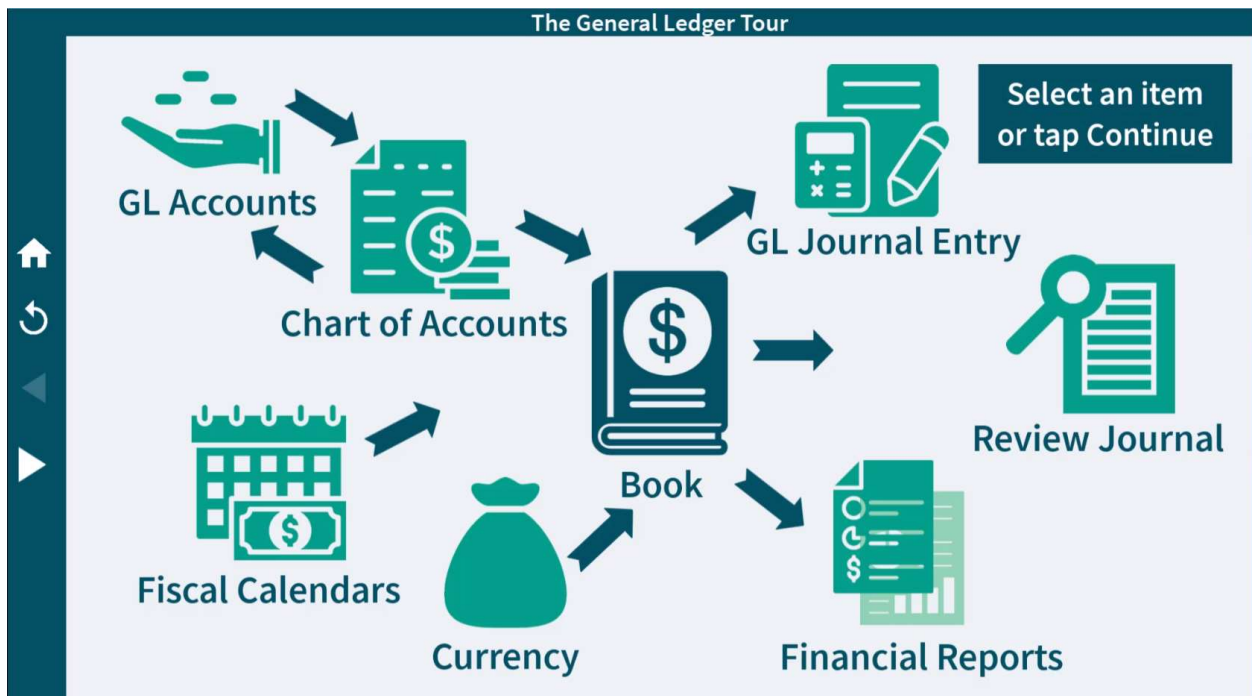
The General Ledger report lists financial information for a single account or a range of accounts. It has a summary and a detail version.

You will also run the Journal Listing report. It shows a list of journal entries for a selected period or date range.

But if you need a unique review, create custom reports with the Financial Report Designer. You set up the report, select the data and accounts that appear, design its layout, and select its format.

The General Ledger Tour Four

This image shows how these General Ledger items work together.



GL Accounts

Use General Ledger Account Maintenance to define valid combinations of account segments for the Chart of Accounts. Each GL account has the natural account segment and other controlled segments.

Chart of Accounts

Chart of Account Structure Maintenance defines the segment structure for a Chart of Accounts. Each book needs a Chart of Accounts.

Fiscal Calendar

Fiscal calendars define the fiscal periods for a book. Make calendars that match the financial reporting requirements for your company. Select one calendar as the default Master company calendar.

Currency

Each book must have a currency, like US Dollars or the Japanese Yen. When you run financial reports from this book, they display and post in amounts in this currency.

Book

The key component in your General Ledger, each book defines the chart of accounts, fiscal calendar, currency, and other financial settings. Different books display the same financial information in different ways, depending on what the book does.

GL Journal Entry

Use GL Journal Entry to create journals, reverse journals, enter allocations, and post journals.

Review Journal

Launch the Review Journal to review posting errors. Use this application to correct, re-validate, cancel, and post transactions.

Financial Reports

Run reports to review your General Ledger transactions and balances. The General Ledger report displays information for a single account or a range of accounts. The Journal Listing report shows journal entries for a selected period or date range. You can also create custom reports in the Financial Reports Designer.

Recap

That's the end of the course. Let's review what you learned about the General Ledger module.

You first learned about the purpose of the General Ledger.

You then explored how to set up a financial book.

Next you saw how to use the book to record financial activity.

The course ended with a tour of the applications that make up the General Ledger module.

Keep learning more about financials in Kinetic. Take more courses and review the articles and videos in the Help and Support Panel.

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EPICOR

Corporate Office

804 Las Cimas Parkway
Austin, TX 78746
USA

Toll Free: +1.888.448.2636
Direct: +1.512.328.2300
Fax: +1.512.278.5590

Latin America and Caribbean

Blvd. Antonio L. Rodriguez #1882 Int. 104
Plaza Central, Col. Santa Maria
Monterrey, Nuevo Leon, CP 64650
Mexico

Phone: +52.81.1551.7100
Fax: +52.81.1551.7117

Europe, Middle East and Africa

No. 1 The Arena
Downshire Way
Bracknell, Berkshire RG12 1PU
United Kingdom

Phone: +44.1344.468468
Fax: +44.1344.468010

Asia

238A Thomson Road #23-06
Novena Square Tower A
Singapore 307684
Singapore

Phone: +65.6333.8121
Fax: +65.6333.8131

Australia and New Zealand

Suite 2 Level 8,
100 Pacific Highway
North Sydney, NSW 2060
Australia

Phone: +61.2.9927.6200
Fax: +61.2.9927.6298