

# Understanding Chart of Accounts Segment Values and GL Accounts

After you set up your Chart of Accounts structure, you enter general ledger accounts for specific financial areas. These general ledger accounts track AR, AP, Sales, and other financial activity.

During the first part of this course, you see how to define segment values for general ledger accounts.

Then you learn how to enter general ledger accounts for a specific chart of accounts.

But instead of manually entering each GL account, generate a series of accounts. You next explore how to set up and run this process.

The course ends by showing how you delete GL accounts you do not need.

## Objectives

- Defining Segment Values
- Creating GL Accounts
- Generating GL Accounts
- Deleting GL Accounts

## Defining Segment Values

The first thing you define are segment values for the general ledger accounts. Do this within Account Segment Values. Through this application, you define Natural, Controlled, and Dynamic segment values.

What's the difference between them? Natural accounts make up the base structure of your financial statements. Assign the values to natural account segments that you need, like category and normal balance.

Controlled segment values define the main financial areas within your company. If your company has two or more divisions, create a controlled segment for each division. Set up departments, like welding and shipping, as controlled segments too.

Dynamic segments populate with values that come from reference types and business entities. Use them to track the costs of a short-term project. You first set up an account with the Natural, Division, and Department segments. Then add the fourth dynamic segment value specific to that project. Posting rules determine what values populate these account segments.

The account structure you use depends on the chart of accounts, or COA you select. Set up COAs in Chart of Accounts Maintenance. Take the COA course or review the Help and Support Panel for details on how you create chart of accounts.

To start, create a Natural account segment value. First, select the Chart of Account, like the Main COA. Then select the Segment. When you expand this drop-down list, you see the Main COA's structure. Since you are defining a Natural segment, select the Chart option.

If the Global and Global Segment icons appear, it means you have selected a chart of accounts and an account segment used in multiple companies, like parent or subsidiary companies.

Tap the New icon.

Enter the Segment Value, like 1000 or 4000. The COA's structure defines the segment's length. The Natural segment is limited to four characters. Other segments, like Division, can have two characters. Be sure to follow best practices for your company before you enter these values.

This segment tracks finances for multiple companies. To stop account updates that come from the parent company, select the Global Lock check box.

Now enter the segment's Name, Description, and Abbreviation. The Name displays on reports and drop-down lists, so name it something you can recognize. The Description identifies the segment. That's useful when you come back to Account Segment Values later. The Abbreviation helps identify the segment in GL account descriptions.

A Category defines how Kinetic maintains this segment balance. If this is a balance sheet account, the segment maintains a balance amount.

The Normal Balance options determine if financial statements display this segment's balance as a credit or a debit. When you run the GL Report Wizard, it uses both the Category and the Normal Balance to generate financial statements.

Use the Reverse Balance Category to switch this segment's main and alternative category. This depends on whether the current balance matches the Normal Balance on the main category.

Select a Report Category when your government requires codes for financial reporting, like Balance Sheet and Income Statement.

Make sure the segment is Active. You cannot use inactive segments.

Now if this segment is only available during a set period of time, enter this period in the Effective From Date and To Date fields. Do this when a segment records transactions for events, like trade shows. If you use this segment all the time, don't put anything in these fields.

Save the segment.

Those are the main values you define. This application has more features you can explore in the Help and Support Panel.

## Creating GL Accounts

Now that you have set up the account segments, create your general ledger accounts for the COA. Do this with General Ledger Account Maintenance.

General ledger accounts have a natural account segment and controlled segments. General ledger accounts do not include dynamic segments.

Just like you did earlier, select the Chart of Accounts. The accounts currently set up for this COA display on the Landing Page. To create a new account, tap New GL Account.

Create the account by searching for the account segments. The Chart, Division, and Department structure displays; that comes from the COA you selected.

Tap the Search button to launch the GL Account Search panel.

Search for and select the chart segment, like 4000 AR.

If you know the segment you want, you can also enter it directly. Either search or select the Division segment. Select the 01 Minneapolis division.

Then for the Department, select the 00 Corporate segment.

To change the account's description, select the Override Default Description check box. If you clear this check box, the description only changes during automatic updates.

Make sure the account is Active. And if you want this account to stay active, select the Preserve Activation check box. This stops the account from de-activating during updates.

Just like segments, if this GL account is only available during a set period of time, enter this period in the Effective From Date and To Date fields. If this account is active all the time though, don't enter any dates here.

Save the account.

## Generating GL Accounts

Sometimes you just need to add a series of accounts for a new department. Manually creating each GL account takes a lot of time. Instead, generate a series of them. Do this in GL Account Maintenance by tapping the Overflow menu and selecting Generate Accounts.

Your selected COA displays here, but you can change it.

Select Simple Generation to create accounts using the segment values you define for the COA. Use either specific segment values or a range of values. Select the Generation with copying option to merge an existing segment with a new segment.

Let's assume you have all the Division and Department combinations set up for your company. But now you have a new 2500 AR natural account.

Use the Simple Generation option to copy the mandatory Division and Department combinations from the original 2000 AR account to the new 2500 AR account.

Once in this mode, use the Target Segments Definition grid to enter the new segment. In the Include From Code column, enter 2000.

Now in the Include To Code column enter 2500.

Now enter the rest of the source and target segments. For the Division row, in the Include From Code field, enter 01 Minneapolis. Then in the Include To Code, enter the target 02 St. Paul account segment.

Then in the Department row, enter 10 in the Include From and Include To fields.

The Override Existing Accounts Options determine how the process will interact with current accounts.

You can Create New Accounts Only. The process keeps the existing GL accounts and only adds new ones. Use Preserve Mode so that existing accounts do not update their descriptions and active statuses. To redo everything, select Override Mode.

Preview to see the GL accounts this process generates. They display on the GL Edit List. Do this before you run the process to make sure you are getting the GL accounts you want.

Then when you are ready, generate the accounts. The process creates new accounts and updates GL accounts.

## Deleting GL Accounts

Use the Delete Accounts process to remove accounts no longer in use or accounts created by mistake. From the Overflow menu, select Delete Accounts.

The Delete Accounts panel slides on. The COA you selected within GL Account Maintenance displays here, but you can change it.

To get rid of accounts not tracking financial transactions, select the Delete All Unused Accounts check box.

Just remember, you cannot delete an account if it contains a transaction, is included within an unposted journal, or is assigned to a GL control.

You can pick which unused accounts you want to delete as well. Clear the Delete All Unused Accounts check box. Then use the Include From Code and To fields to enter the range of accounts you're deleting.

You can also do this the opposite way. Enter segments in the Exclude From and Exclude To Code fields so that this range of segment values does not delete.

Use the Balance Sheet or Income Statement check boxes to delete the natural account segments that contain these types. You can also optionally identify the categories you want to delete.

Select the Segment Value Selection check box to pull in specific values. This brings up a search where you can find them.

Select the Delete Blank check box to remove accounts with blank segments.

Once you have set up which accounts to delete, Preview everything to make sure you are removing what you want.

When you are ready, Delete them. The system removes the selected accounts from your chart of accounts.

## Recap

That completes the course. Let's review what you discovered.

During the first part of this course, you saw how to define segment values for general ledger accounts.

Then you learned how to enter general ledger accounts for a specific chart of accounts.

You next explored how to generate a series of accounts.

The last part of the course showed how you delete GL accounts you do not need.

Keep on learning! Take more financial courses in the Epicor Learning Center and review the information in the Help and Support Panel.

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