

# Understanding GL Control Codes

GL control types and GL controls are a flexible way to determine the GL accounts and journals your company uses in business transactions.

GL controls assign standard accounts when posting similar transactions. You then avoid manually entering the GL accounts for each transaction.

This course first examines GL Control Types. These types organize GL Controls into similar financial areas within the system.

It then reviews GL Controls themselves. GL Controls define the specific GL accounts you use when posting transactions.

You next explore how you set up GL controls into an account hierarchy.

To complete the course, you see how Kinetic assigns GL accounts using the GL control codes you set up through this hierarchy.

## Objectives

- Reviewing GL Control Types
- Reviewing GL Control Codes
- Assigning Control Codes
- Applying GL Codes to Transactions

## Reviewing GL Control Types

GL controls are a flexible system. You can set up multiple GL controls to use the same transaction type, but then assign them to different contexts. For instance, you post AP invoices for external suppliers to the same AP Trade account, while you post all Intercompany supplier invoices to a different AP account.

By assigning these transaction types to different GL controls, you record these transactions through consistent accounts. When you run the post process, posting rules determine into which account you place the transaction by referencing the account contexts you define in each GL control type.

Each GL Control Code is based on a GL Control Type, and each control type is a template for a transaction. For example, many Accounts Payable transactions use the AP Account GL control type, like posting an AP invoice.

To begin, let's review the structure of a GL Control Type. Launch GL Control Type Maintenance.

All the current GL control types appear on the Landing Page. These GL control types record transactions in applications across the Kinetic system. To review one of these types, select the AP Account.

Then expand the Account Context card. This card shows an overview of the context for this GL control type.

The system uses the Payables context for many transactions, so this check box indicates its required. If you create a GL control code for this AP control type, you will get a warning if you do not enter an account for this context, but you do not need to enter them all.

Now expand the Journal Context card. Through this card, you define what GL journal type to use for specific transaction types. You only set up the default journal code here. Later you can select a different journal code when you set up new GL codes, so use this flexibility to set up the reporting structure that matches your business flow.

Next, expand the Entity card. Some applications only use a specific GL control when its type is linked to a specific entity.

As you see here, the AP Account GL control type is available on the AP Invoice header, Company, Logged AP Invoice header, and Supplier entities.

When you enter invoices, you can select an AP Account GL control in a Supplier record, the Company record, or in the AP invoice header.

So remember, business entities use a specific GL control type, and a GL control code is a specific instance of that GL control type.

## Reviewing GL Control Codes

A GL control code defines the specific GL accounts you use when posting a transaction that references that GL control.

Let's create a GL control code for a GL control type. Launch GL Control Maintenance.

To create a GL control code, select the control type. On the Landing Page, tap the Type drop-down list and select AP Account. Be sure you always select the type before you create a new GL control code.

Tap the New icon. Enter the GL Control ID and Description. Save the GL control code.

Expand the Account Context card. If your company has multiple GL books, you can see them all here. Select the book you need from this list.

Now expand the Account List card. First select which book will record the AP transactions, like the Target book.

The GL Control Type determines which account contexts display on the grid. Since this control uses the AP Account type, these account contexts appear.

Remember the Required setting from the type? Because this control is for the AP Account type, some of these account contexts, like Expense and Payables, are required. These values come from the GL Control Type.

Because you are creating a new GL control, the GL Account fields are blank. Expand the GL Account column. Enter the accounts for the context you need to track.

Tap search to look for the accounts you need. You can start your search using Natural Accounts.

Enter GL accounts for just some of the contexts. Even though the GL control type is required, you do not need to enter accounts for every context.

You also do not need to enter accounts in all the books for this GL control. If you discover you require an account, return to this application and enter it.

Save the record and close GL Control Maintenance.

## Assigning Control Codes

Next, we see how you assign the GL control code to an entity. You can then use this control when you create certain transactions.

Sometimes you assign a GL control code to different entities. As you enter an invoice, you can assign a GL control of this type to the Company, the Supplier, or the AP invoice header. This uses the posting rules to define an account hierarchy.

The Company contains the default GL control. If a Supplier or an AP Invoice Header do not have GL control codes, the system always uses the default code selected on the Company.

If a GL code is assigned to a Supplier, this GL control overrides the default Company GL control. But if you select a GL control on an AP invoice header, it overrides the control selected on the Supplier.

Let's first look at the AP Account type GL Control you assign to the Company. Launch Company Configuration.

On each company, you can define GL controls for several types. Navigate to the Modules > All Modules > GL Control > List sheet.

As you see, the AP Account type is assigned to a GL control. This GL control handles Intercompany transactions. You can change this, but let's accept this value. This is the default GL control in the hierarchy.

To add a GL control code to the company, tap the New menu and select New GL Control.

Now set up a different GL control for the AP Account type in the next tier up in the hierarchy. Launch Supplier Maintenance. Select a supplier from the Landing Page.

Use the Nav Tree to access the GL Controls Detail card. These fields are empty, so right now this supplier uses the default GL control selected on the Company.

Tap New. Search for and select the AP Account type.

Now in the Control field, search for and select a different control from the default defined on the Company. This GL control code is for external suppliers.

Save the supplier. The account hierarchy is set up.

## Applying GL Codes to Transactions

Now review how the system assigns accounts through this hierarchy. Launch AP Invoice Entry and create an invoice for the supplier that now has the GL control code.

After you enter the invoice and detail lines, use the Nav Tree to look at the GL Control card. And there it is again, the GL control you assigned to the supplier.

Now look at another invoice, this one for an intercompany supplier. You did not assign a GL control to this supplier, as this supplier is an internal group that reviews specifications for your products.

On this invoice, the system uses the GL control defined on the Company.

Now look at the GL transactions for these two invoices in the AP Invoice Tracker. The transactions post to different GL accounts!

Since the two GL control codes have different accounts assigned to the Expenses and Payables contexts, the transactions post to these different accounts.

## Recap

That's the end of the course. Let's review how GL Control Codes work.

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To complete the course, you saw how Kinetic assigns GL accounts using the GL control codes you set up through this hierarchy.

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