How Chreos Modules link to the General Ledger

Module Linking

In the screen "General ledger | Accounting Linking" (Fig 1.) a number of critical links are specified. These are:

Debtor Control (Accounts receivable)

Creditor Control (Accounts payable)

Two GST Collection Accounts

A default Sales & Purchases accounts

Two accounts for Variances and Rounding

The account that Profit is posted to at the end of the year, when Expenses and Revenue accounts are cleared.

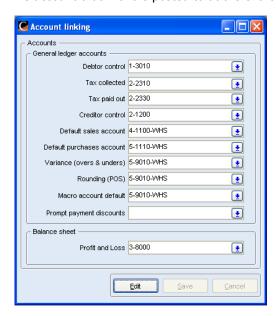


Fig 1. General Ledger | Account Linking Screen

Please note that there can only be one Accounts receivable account that is dynamically linked to the Debtors ledger. This account should never have General ledger journals entered directly into it. If any are, it will no longer balance against the Debtor Ledger Aged Trial Balance. The same is true for the Creditor Control account.

Item Types

As part of the definition of a Stock Item, an Item Type must be specified. As part of the definition of an Item Type, a number of accounts are specified for use when the item is bought, sold, adjusted in value or quality, built or used as a component of a build, or transferred between Regions. See (Fig 2.).



Fig 2. Item Type Definition Screen

Each Item Type can have a separate set of accounts for each Region, so the sale of an item can be recorded in a Sales account specific to the region is has been sold from. This allows the tracking of sales by Shop, Branch, Warehouse or Department at the GL level.

All stock activity is recorded in the Balance Sheets. Closing Stock accounts giving up to the minute value of Stock on Hand. This activity is also recorded in the P & L Stock Movement accounts. These accounts record the result of the traditional opening stock minus the closing stock.

There is also provision separate to P & L movement between activity resulting from purchases and sales, separate from value changing from stock adjustments, cost changes and stocktake corrections.

Some businesses prefer to see a single "Cost of Sales" entry in the P&L rather than the separate Purchase and Stock Movement. This can be achieved by setting both the Purchases and the Stock Movement to the same Cost of Sales account.

Receipting Methods

Receipting Methods are used for both Debtor receipts and Point of Sale payments. Each Receipt Method can have its own destination account. These are configured on the "Receipt Methods" page of "Maintenance | Support tables" (Fig 3.). As an additional setting you can set whether the account is to be batched. Please see "Posting to General ledger" and "Banking" in the following for more details.

Each Receipting Method relates to a specific currency and you can associate it with GL accounts of the same currency.



Fig 3. Receipt methods Screen

Payment Methods

Payment Methods are setup on the "Payment Methods" page of "Maintenance | Support tables" (Fig 4.) where GL accounts are associated with each. Each one is also currency specific just like Receipt Methods and can be specified as Batched. See "Posting to General Ledger" for details about Batching.

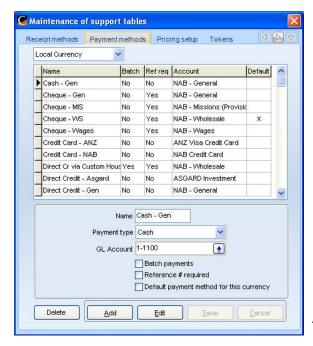


Fig 4. Payment methods Screen

Posting to General Ledger

Financial transactions created at various places outside of the General Ledger are posted to the General ledger as journals on the "General Ledger | Post ..." screen. As part of the definition of an account type, accounts can be flagged for Reconciliation.

By default, all transactions from a module are dated in the same month and added together in the one Journal going into the General ledger each time "Posting" is run.

The exception is any transaction that includes an account that is marked for Reconciliation, is not included in the summarised combined journal. Instead it is combined with other transactions, with the same batch number, as a single Journal. Generally this means that each transaction will end up in the GL as a single Journal but in Payments & Receipts you can specify that entries are to be batched together for posting purposes. Hence, a group of cheques can be entered against multiple Debtors as a single batch then appear in the Bank account in the GL as a single total, just as they do on the Statement from the bank.

Reconciliation

Any account flagged via its account type as reconcilable can be selected in the Reconciliation Screen. Chreos keeps a record of what the current reconciled balance is but always reports the full balance on the Balance Sheet.

Banking

The Banking Screen allows the user to group together funds received via POS & Debtor Receipting into a single amount that mirrors what appears in the bank account. The two main uses of this are for grouping all Eftpos & Credit Card activity for the day and for grouping Cash & Cheques for taking to the bank as a single deposit. It will also print a bank deposit supplement.

Debtor & Creditor Journals

These should always be entered through the Debtor and Creditor Modules. They allow any GL account to be assigned against the control account.

Creditor Invoices

Creditor Summary invoice allows the selection of GL Accounts for the purchase of non-diminishing items like rent and electricity. Inwards goods allows the selection of an account for freight and similar charges.

Debtor Invoices

Within the creation of a debtor invoice you can select an alternative Sales account in special circumstances.