

The Accounting Library

Help Files

General Ledger / Chart of Accounts

Industry Specific Charts of Accounts: Present users of accounting software represent every industry imaginable, and I am certain that new users would welcome the opportunity to install a Chart of Accounts which is a compilation of many companies in their industry. This would allow them to focus on the establishment of those accounts unique to their company rather than their industry as well.

User Defined Segment Lengths: While many companies will want to define segments to track revenues and expenses for departments, divisions, regions, etc., there is no sense for data input personnel to have to input anything other than the exact segment number. By defining the length of the segment users will not have to input zeros in some systems, but of greater importance users will be able to reserve the unused segments digits for other segments which might be longer.

Delete Segments Not Required: If a Chart of Accounts structure supports six segments, but a user requires only four or five, they should be able to delete the segments not required. Alternately the product should not display a segment in an input screen if it has not been defined.

Copy Range of Accounts to New Reporting Units: Users operating multiple divisions or subsidiaries might establish identical revenue and cost structures for each division. Smaller users with multiple departments might wish to do the same thing. The process of establishing these account groupings can be accomplished more efficiently if the software has the ability to copy this whole range of accounts to other departments, divisions, or subsidiaries.

User Defined Account Ranges: Many companies moving from manual to automated accounting might want to preserve their existing account numbering schemes. Everyone is used to these account numbers and the learning process might create a number of errors should a different scheme be adopted. This question asks if users can specify what account ranges will apply to what categories such as assets, liabilities, etc.

Copy Chart of Accounts to New: Rather than having to input each account for a new company, department, or any other Chart of Accounts Revenue/Cost center, users should have the ability to define all of the accounts for the first department or company, and then copy that account structure to each new company or department.

G/L Account Code Supports: There are accounts other than just standard posting accounts. Active accounts are those standard accounts to which revenue and cost information can be posted. Inactive accounts are accounts to which information cannot be posted until the user makes them an active account. Allocation accounts collect information that will then be posted to other accounts (such as the allocation of overhead costs). Accrual accounts are used to input revenue and costs which have not yet been posted in one of the sub-modules. When those revenues and costs are posted, the allocated costs will be reversed. Inter-company accounts are used to collect revenues and costs relating to transactions between related entities. Some companies might not want to use Job Costing to collect information concerning projects or events, and they might want to define these projects in the G/L. Finally, some accounts are used to collect non-financial information such as the square footage occupied by each department so that overhead costs can be allocated.

Supports Budget Groups: While budgeting can be accomplished using General Ledger account numbers, larger organizations may wish to establish and track budgets for workgroups and smaller entities within the organization, but without having to establish separate General Ledger accounts for each entity. In this case the Budget Groups will need to be defined outside the General Ledger account codes, but allow users to assign expenses to these accounts.

Define Separately Major Structures for: Rather than attaching a reporting unit such as a department to the Chart of Accounts itself, some users might want to define the reporting units in an entirely different function. As revenue or cost information is input, the prime G/L account can be specified in one field and the reporting unit in another field. By separating these major structures from the Chart of Accounts, the