

Baan Finance

General Ledger

Module Procedure

UP042A US



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About this document

Read this document to get an overview of the General Ledger module's functionality and to learn more about the functional procedures that are related to GLD.

You need no detailed knowledge of the BaanERP software to read this document. However, you are more likely to understand the contents if you are familiar with:

- The overall structure of packages, modules, and sessions within the BaanERP software
- The general business procedures used in everyday business practice
- The basic concepts of enterprise resource planning

For detailed descriptions of the module's sessions, refer to BaanERP's comprehensive online Help.

To use this document

Read Chapter 1, The General Ledger (GLD) module in BaanERP, if you want to know more about:

- The module's functionality
- The relationship of the module with other modules
- The functionality of the module's business objects

Read Chapter 2, The GLD setup procedure, if you want to know more about:

- The sessions in the procedure
- The results of the procedure
- The sessions that are related to the procedure

Read Chapter 3, The integration setup procedure, if you want to know more about:

- The sessions in the procedure
- The results of the procedure

Read Chapter 4, The transaction entry procedure, if you want to know more about:

- The sessions in the procedure
- The results of the procedure
- The sessions that are related to the procedure

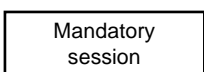
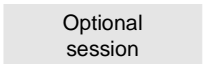
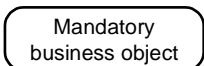
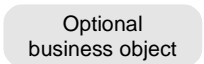



Read Chapter 5, Period closing and year closing, if you want to know more about:

- The sessions in the procedure
- The results of the procedure

Acronyms used in this document

ACP	Accounts Payable
ACR	Accounts Receivable
CAT	Cost Accounting
CMG	Cash Management
CMS	Commission Control System
COM	Common Data
EMM	Enterprise Modeling Management
FAS	Fixed Assets System
FASB 52	Financial Accounting Standard Number 52
FBS	Financial Budget System
GLD	General Ledger
IBD	Item Base Data
MCS	Tables
PCS	Project Control
PUR	Purchase Control
SLI	Sales Invoicing
SLS	Sales Control
TD	Baan Order Management
TI	Baan Manufacturing
TP	Baan Project
TS	Baan Service
WH	Baan Warehousing
WIP	Work In Process

Legend

	Indicates a mandatory session
	Indicates an optional session
	Indicates a mandatory business object
	Indicates an optional business object
	Indicates a package
	Indicates a module
	Indicates a module that is described in the module procedure

1.

The General Ledger (GLD) module in Baan

This chapter provides information on:

- The GLD concept as applied in BaanERP
- GLD's functional procedures
- The modules related to GLD
- The functionality of GLD's business objects

1.1

The GLD concept as applied in Baan

GLD is the basis of the financial accounting. The purpose of GLD is to give you insight into four elements of the company:

- Results
- Equity
- Liabilities
- Assets

To have a proper insight, all logistic and financial transactions that lead to a change in one of these elements must be entered in GLD, including tax liabilities.

In GLD you can:

- Define the ledger accounts and dimensions
- Set up different transaction types
- Process financial transactions for the entire company
- Draw up the balance sheet and profit and loss account
- Prepare the tax analysis
- Make comparisons between budget and actual figures
- Handle periods and year-end closing for financial accounting

Chart of Accounts

This section describes the possibilities of the chart of accounts in the GLD module.

The chart of accounts is set up in the GLD master data. All the required ledger accounts are entered within a hierarchical structure of parent accounts and child accounts. Alternative structures can be set up by linking the ledger accounts to a separate dimension structure.

The ledger-account sublevel indicates the level of a ledger account in the hierarchy. A sublevel of zero indicates the account is at the lowest level and transactions can be posted to it. The transactions are accumulated to parent ledger accounts at higher levels; these ledger accounts always contain subtotals.

In BaanERP you can use dual accounting. Two charts of accounts can exist side by side, one for statutory accounting and one for complementary accounting. The statutory accounting structure is used for fiscal reporting to the government.

The complementary accounting structure is used for commercial reporting to your company's management.

A statutory account can have either a statutory account or a complementary account as a parent. A complementary account must have a complementary account as a parent.

You can link an alternative structure to your chart of accounts that consists of dimensions. Dimensions are used as analysis accounts that provide a vertical view on ledger accounts. Five dimension types exist, for each of which you can define a large number of dimensions. These are the analysis account bases for ledger accounts that are available. For example, you can use dimensions for easy access to financial data about your business units, cost centers, or cost objects.

For each ledger account you can indicate which dimension types are mandatory, optional, or not used. For example, if a dimension type is mandatory for ledger account XYZ, you must always select a dimension if you post a transaction to this ledger account. The transaction amount is then posted to ledger account XYZ and to the dimension you selected.

Figure 1 shows how the GLD module is positioned in BaanERP.

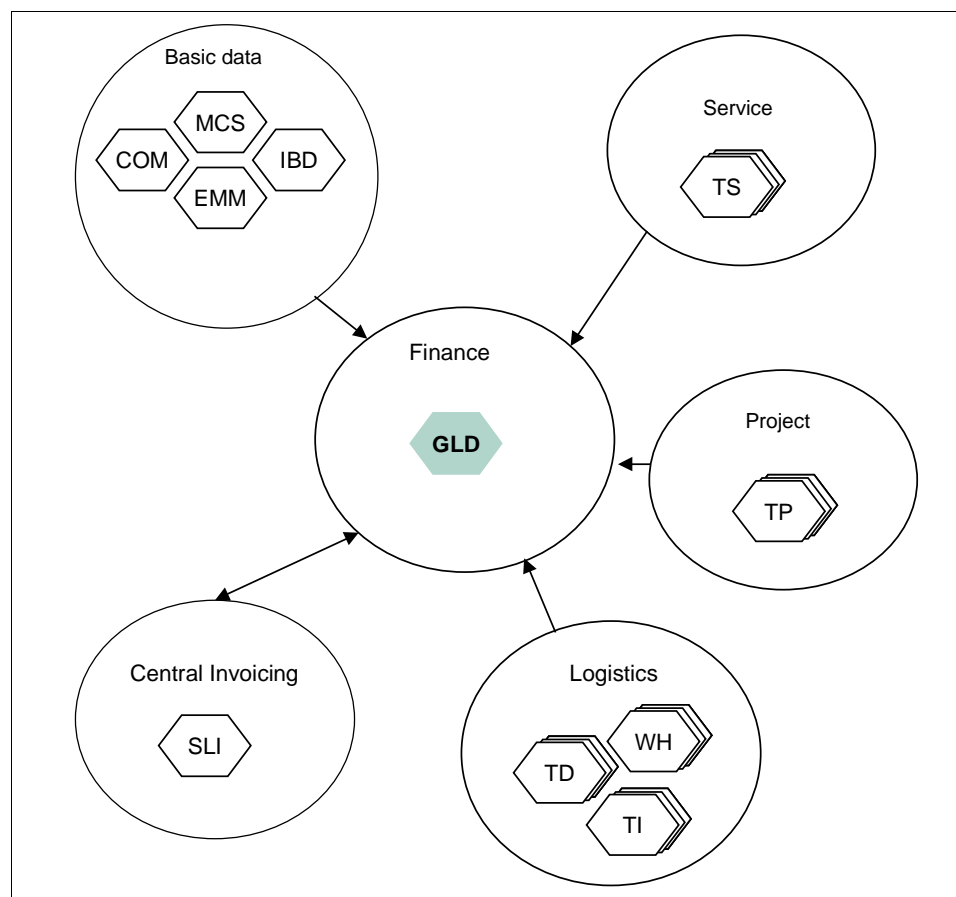


Figure 1, The GLD module in BaanERP

GLD is an execution module that collects and processes all financial transactions in BaanERP.

1.2

The modules related to GLD

Figure 2 shows the modules that are related to GLD.

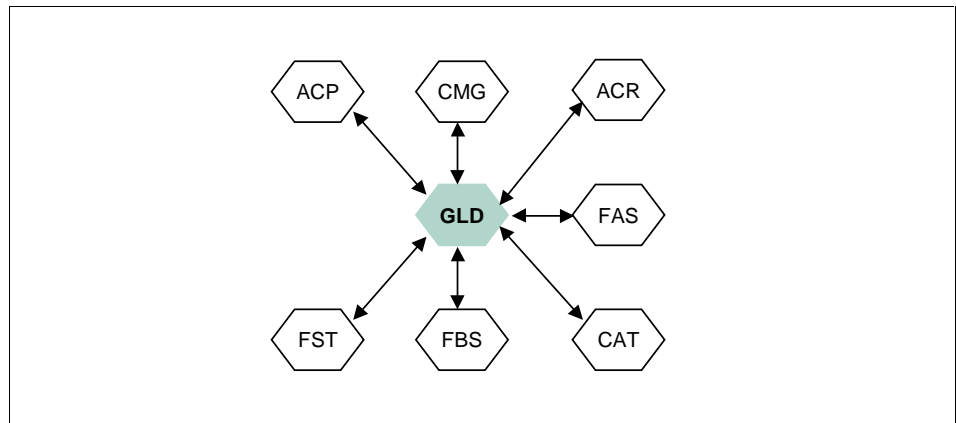


Figure 2, The modules related to GLD

GLD is related to all other Baan Finance modules:

- The Accounts Payable (ACP) module
- The Accounts Receivable (ACR) module
- The Cash Management (CMG) module
- The Fixed Assets System (FAS) module
- The Financial Statements (FST) module
- The Financial Budget System (FBS) module
- The Cost Accounting (CAT) module

Purchase invoices, corrections and credit notes originate in the Accounts Payable (ACP) module.

Sales invoices, adjustments and credit notes are entered in the Accounts Receivable (ACR) module.

The payments are handled in the Cash Management (CMG) module from which the information is transferred to GLD.

You can use the data from GLD in the Cost Accounting (CAT), the Financial Statements (FST) and the Financial Budgeting (FBS) modules for cost allocation, reporting and budgeting purposes respectively.

You can calculate periodical depreciation amounts of your assets by means of the Fixed Assets System (FAS) module.

You can automatically transfer investment data that are registered in GLD (or ACP) to the Fixed Assets System (FAS) module.

Master data and prerequisites

Before you can use Baan Finance, you must create a financial company. To activate Baan Finance you must select the Finance checkbox in the Companies (tccom0100s000) session.

You must also define the currencies you use and currency exchange rates for calculations between currencies. This is done in the Tables (MCS) module of Baan Common.

1.3

GLD's functional procedures

- Setup of Baan Finance master data: parameters, chart of accounts, transaction types, periods, and dimensions
- Setup of integration with logistic packages
- Transaction entry
- Closing of periods and years

1.4

The functionality of GLD's business objects

GLD contains the following business objects:

- Finance Master Data
- Transaction Processing
- Import Journal Transactions
- Intercompany Processing
- Inquiries and Reports
- Periodic Processing
- Year-End Processing
- Integration with other Modules
- Tax Analysis

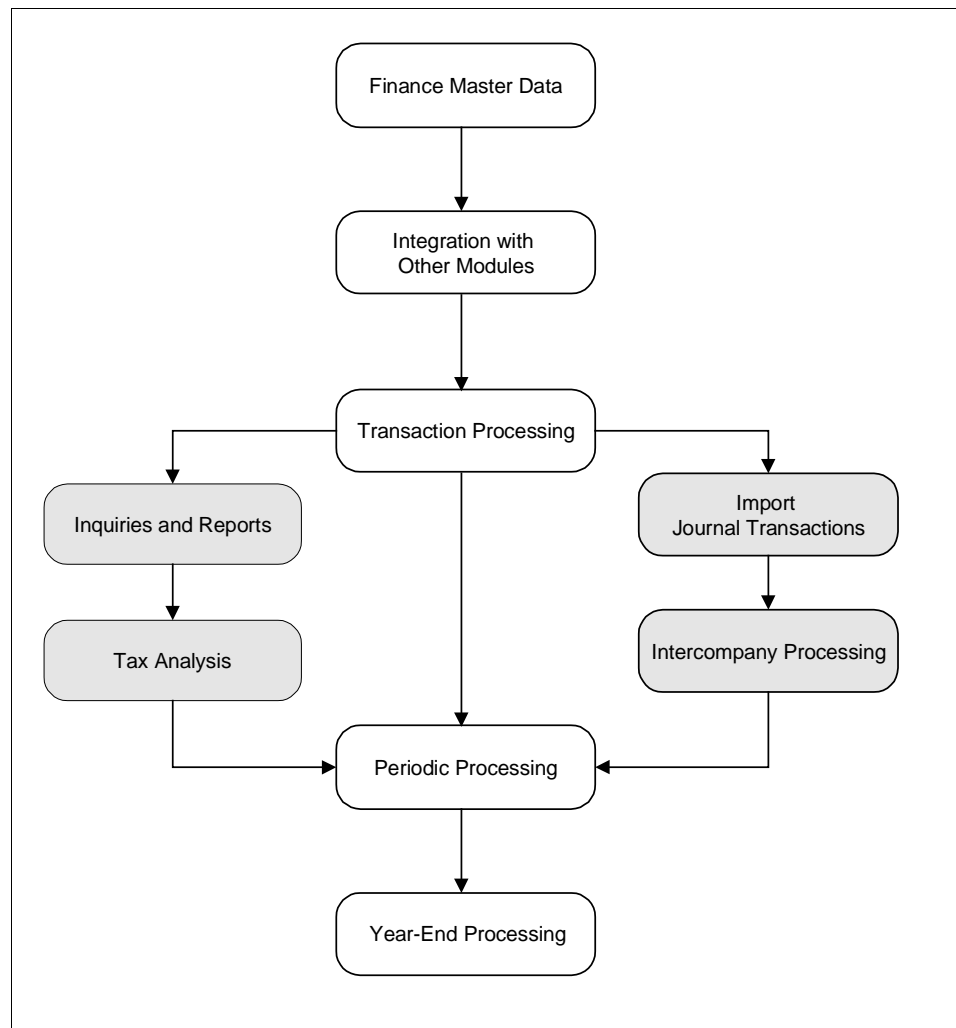


Figure 3, The flow between the business objects in GLD.

Baan Finance Master Data

If you want to use the Baan Finance (TF) package you must first define the master data. This allows you to handle transaction processing and related processes such as periodic processing and year-end processing. The Baan Finance master data are defined in its core module, General Ledger (GLD).

The master data contains:

- Parameters, many of which are valid in Baan Finance, not just in GLD.
- A chart of accounts
- Periods
- Dimensions
- Transaction types
- Transaction schedules

Transaction Processing

You can process financial transactions and post these transactions to the general ledger. The Transactions (tfgld1101m000) session provides a central transaction processing unit, which can be started from the GLD, ACP, ACR, and CMG modules. All manual transaction entry starts in this session.

You can use the Inquiries and Reports business object to display the created transactions and perform inquiries.

Import Journal Transactions

You can import journal transactions from external applications and process the transactions in the GLD module.

Intercompany Transactions

You can define intercompany relations (that is, ledger accounts for intercompany transactions) and then import transactions from companies in the same group.

Inquiries and Reports

You can display and report results per ledger account and dimension for a specified period. You can also display and report the cumulative results for a range of periods. Cross sections can be made for the combination of ledger account and dimensions. You can use inquiries and reports in accordance with different parent/child structures.

Periodic Processing

When all transactions in a specific year are processed and finalized, you can close the period. Part of the periodic processing consist of calculating currency differences and making translation adjustments between home currencies. You can also use the Financial Accounting Standard Number 52 (FASB 52) to calculate translation adjustments for reporting purposes.

Year-End Processing

When all the periods in a particular year are closed, you can carry out the year-end procedure to close the entire year.

Integration with other Modules

Integration transactions are created in Baan Finance from the logistic packages that are shown in figure 1. The integration transactions contain, for example, issues, entries between warehouses and order entries. These integration transactions are posted to ledger accounts and dimensions in a controlled way.

Tax Analysis

You can keep track of tax receivable and tax payable for the related sales and purchase amounts. Tax analysis information is available by tax authority and tax authority group, as well as by tax code and country.

2.

The GLD setup procedure

This chapter describes:

- The main GLD setup procedure
- The sessions that are related to the GLD setup procedure

2.1

Setting up the GLD module

Before you can use any of the functionality in Baan Finance, you must set up several data in the GLD module, the heart of Baan Finance. Companies, currencies and exchange rates must already be defined in Baan Common, as described briefly in Chapter 1, The General Ledger (GLD) module in Baan.

You must set parameters for the group company, which is the head of a group of financial companies. You must also set parameters for the company you are currently working in. This includes indicating ledger accounts and transaction types that will function:

- As interim accounts
- As closing accounts
- As balancing accounts
- As statutory accounts
- As complementary accounts
- To record both profit and loss
- To record currency translation

An essential part of this setup procedure is the setup of the chart of accounts, the complete structure of ledger accounts that you will use. This can include the definition of a dimension structure. Also, you must define the periods into which the year is divided for financial accounting, tax purposes, and reporting purposes. Finally, you must define a collection of transaction types to be able to deal with all the different kinds of transactions that occur in Baan Finance.

The procedure's results

The group company parameters and company parameters have been set and a complete chart of accounts is defined. This includes the definition of a structure of ledger accounts as well as dimensions and a link between ledger accounts and dimensions. Transaction types exist for handling the transactions that will occur in Baan Finance. Periods exist in which the transactions will be posted. You have selected ledger accounts and transaction types that will be used as interim accounts, to record profit and loss, and so on.

Figure 4 shows the steps in the GLD setup procedure.

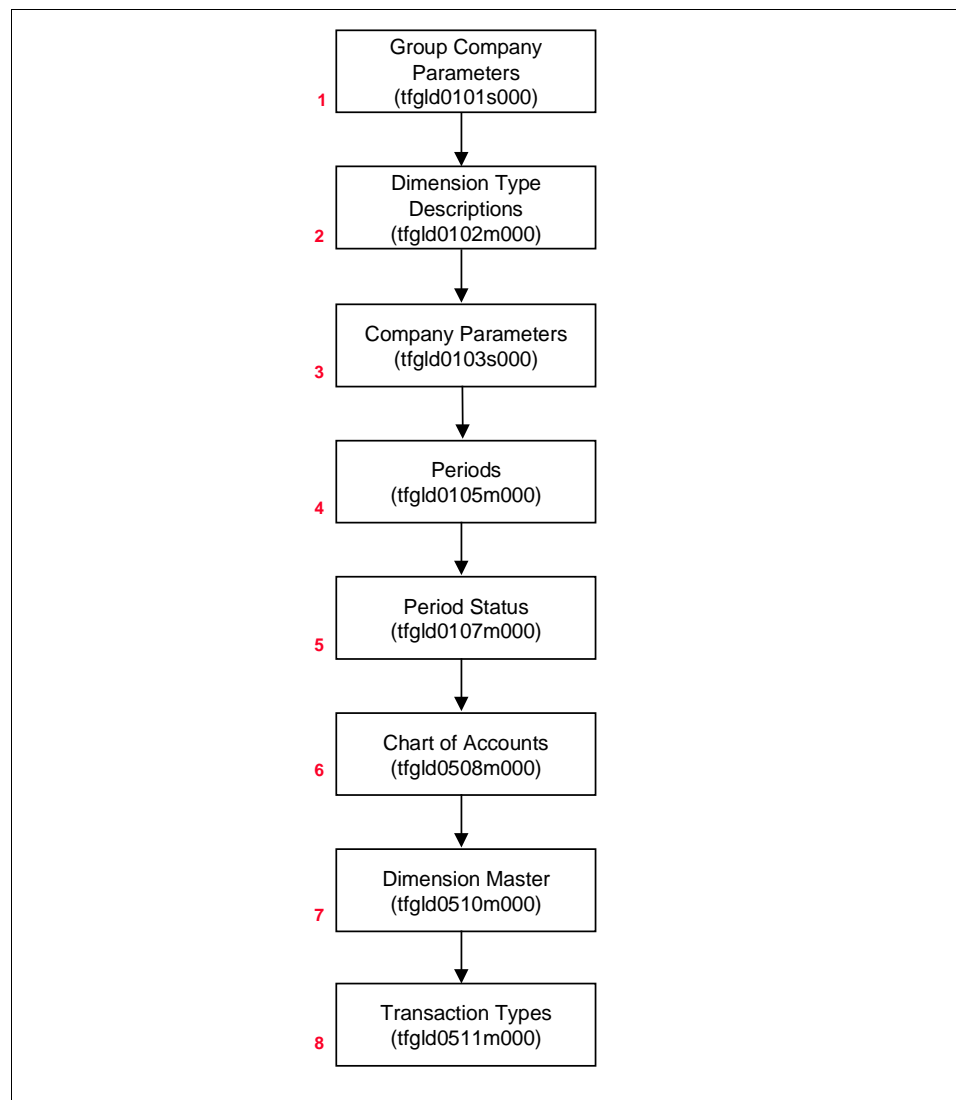


Figure 4, The GLD setup procedure

The GLD setup procedure consists of the following steps.

Step 1 Group Company Parameters (tfgld0101s000)

First, you must define the general data for the overall group company that contains a group of financial companies. You can define which financial companies belong to the group company in the finance master data. All these companies share the parameters you define for the group company. One of the things you define here is which dimension types you use.

Dimensions

Dimensions are used as analysis accounts that provide a vertical view on ledger accounts. You can use five dimension types. These are the analysis account bases for ledger accounts that are available.

For example, you can use dimensions for easy access to financial data about your business units, cost centers, or cost objects. You can change the descriptions of the five dimensions.

Step 2 Dimension Type Descriptions (tfgld0102m000)

Select the **Dimension Type** check boxes and click **Descriptions**. The Dimension Type Descriptions (tfgld0102m000) session is started. You can enter a description and short description for each dimension type. These descriptions will appear as field names for any **Dimension** fields in BaanERP sessions, in which you can select a dimension.

Step 3 Company Parameters (tfgld0103s000)

Use this session to set the parameters for the company in which you are currently working. At this point in the setup procedure, you must only enter the mandatory data. This includes:

- The group company to which the current company belongs
- The history company which is used to archive old data
- The budget from the Financial Budget System (FBS) module that you use
- The user access to transaction batches

You cannot yet select ledger accounts, dimensions or transaction types, because you have not yet defined them. After you finish this setup procedure, ledger accounts, dimensions, and transaction types will exist. You can then go back to the Company Parameters (tfgld0103s000) session and enter them.

Step 4 Periods (tfgld0105m000)

Before you can process transactions, you must create periods in which to post them. You must define:

- Fiscal periods for all transaction posting (for example, twelve periods, one for each month)
- Reporting periods to divide the year in alternative periods for reporting (for example, 52 weeks). You can only use reporting periods if you selected the Reporting Periods check box in the Group Company Parameters (tfgld0101s000) session (step 1).
- Tax periods, which comply with the official tax regulations (for example, four quarters). The tax amounts from transactions are posted in the tax periods.

Step 5 Period Status (tfgld0107m000)

If a new period has no status (**Open/Closed**), you cannot book transactions in it. All new periods must be set to **Open** for the Baan Finance modules that book transactions in the GLD module (that is, ACP, ACR, CMG, and GLD itself).

When you create new periods, BaanERP offers you to automatically open them all. If you click **No**, you must manually open them. You can do this in the Period Status (tfgld0107m000) session.

The Period Status (tfgld0107m000) session is found in the Periodic Processing business object, where you can start it from the Menu Browser.

Step 6 Chart of Accounts (tfgld0508m000)

Now you must define the complete structure of ledger accounts. BaanERP's dual accounting system allows you to define two separate accounting structures:

- One for statutory accounting, for reporting to the tax authorities
- One for complementary accounting, for reporting to your company's management.

You define parent accounts and child accounts at different levels. Accounts on which transactions will be booked must have a sublevel of zero. Their parent accounts have a higher sublevel and are used for subtotaling purposes.

You can link a dimension structure to your accounts. When you define a ledger account, you can link each dimension type to the account by indicating if it is mandatory, optional, or not used. If a dimension type is mandatory, each transaction that is posted to the ledger account must also be posted to a dimension of that dimension type.

Step 7 Dimension Master (tfgld0510m000)

In the Dimension Master (tfgld0510m000) session, you can define a structure of dimensions. The dimension structure works with sublevels and parent-child relationships just like the chart of accounts.

For each dimension type, you can define dimensions and link them to parent dimensions and child dimensions.

Step 8 Transaction Types (tfgld0511m000)

Transaction types are used to classify different kinds of transaction. You can create a transaction type for each kind of transaction you want to be able to trace separately. Because the transaction type is part of each transaction identification, the different kinds of transactions are always traceable as a group.

Transaction types are classified into predefined transaction categories. The category indicates the nature of the transactions. For example, transaction categories are:

- Journal voucher
- Sales invoice
- Sales credit note
- Sales correction
- Cash

The following is controlled by transaction types:

- Whether the transactions must be processed in real time or in batch.
- How to generate document numbers. You indicate this by entering a default series number. All transactions created with the transaction type receive an identification number based on the series number.
- Whether document numbers must succeed each other.
- Which sessions are used for entering transactions.

For each transaction category, you can choose from one or more sessions you can define for entering transactions. For example, if you create a transaction type for entering journal voucher transactions, you can define one of the following sessions for entering transactions:

- The Journal Vouchers (tfgld1103s000) session
- The Journal Vouchers (Summarized) (tfgld1114s000) session
- The Journal Vouchers (Multiple Lines) (tfgld1115m000) session

2.2 The sessions that are related to the main procedure

2.2.1 Transaction Schedules (tfgld0112m000)

For transactions that occur often, you can create a transaction schedule in which you indicate ledger accounts and dimensions. The recurring costs are then distributed to ledger accounts according to the predefined schedule.

First, you create a transaction schedule in the Transaction Schedules (tfgld0112m000) overview session. Here, you must indicate to which currency the transaction schedule applies and whether the cost distribution will be based on a percentage or on an amount.

Then, you start the Transaction Schedule Details (tfgld0113s000) session. Here, you must enter the ledger account and dimensions to which this schedule posts its transactions. Also, you must enter either a percentage or a fixed amount. This is the part of the transactions that will be posted according to the schedule.

You can select a transaction schedule when you enter a transaction.

3.

The integration setup procedure

This chapter describes the setup procedure for the integration of Baan Finance with the logistic packages.

3.1

Setting up a Baan Finance integration

An integration between Baan Finance and logistic packages is set up to ensure the correct appearance of logistic events that have financial consequences on the chart of accounts. The logistic packages that have a link with Baan Finance are:

- Manufacturing
- Order Management
- Service
- Warehousing
- Sales Invoicing
- Project

However, the integration transactions are not processed by the package they come from, but by their *transaction origin*. The possible transaction origins are:

- Purchase
- Sales
- Warehousing
 - Service (SRV) Manual
 - Consignment
 - Assembly
 - Production (PRD) Manual
 - Purchase (PUR) Manual
 - Sales (SLS) Manual
 - Order
 - Transfer
 - Valuation
 - Transfer (manual)
- Project (PCS)
- Production
- Service
- External Package
- Sales Invoicing
 - Intracompany
 - Sales
 - Service
 - Triangulated
- Project Costs and Commitments
- Project Revenues

A long list of different integration transactions can occur in combination with these transaction origins. For example, financial transactions can be generated when goods are issued from a warehouse, when a WIP transfer occurs in a PCS project, and so on.

Each transaction origin has its own list of financial transactions that can originate from it. The combination of transaction origin and financial transaction plays an important role in the financial integrations. The financial integration setup procedure includes the definition of integration mapping schemes. In these schemes, the ledger accounts and dimensions to which integration transactions must be posted are defined by a combination of transaction origin and financial transaction.

Results of the procedure

Ledger accounts and transaction types for integration posting are set up. Integration elements are defined to control the distribution of the integration transactions to the dimensions. Complete integration mapping schemes are defined for all possible integration transactions in your company. Ledger accounts, transaction types, and integration elements are defined by combination of transaction origin and financial transaction.

Figure 5 shows the steps in the integration setup procedure.

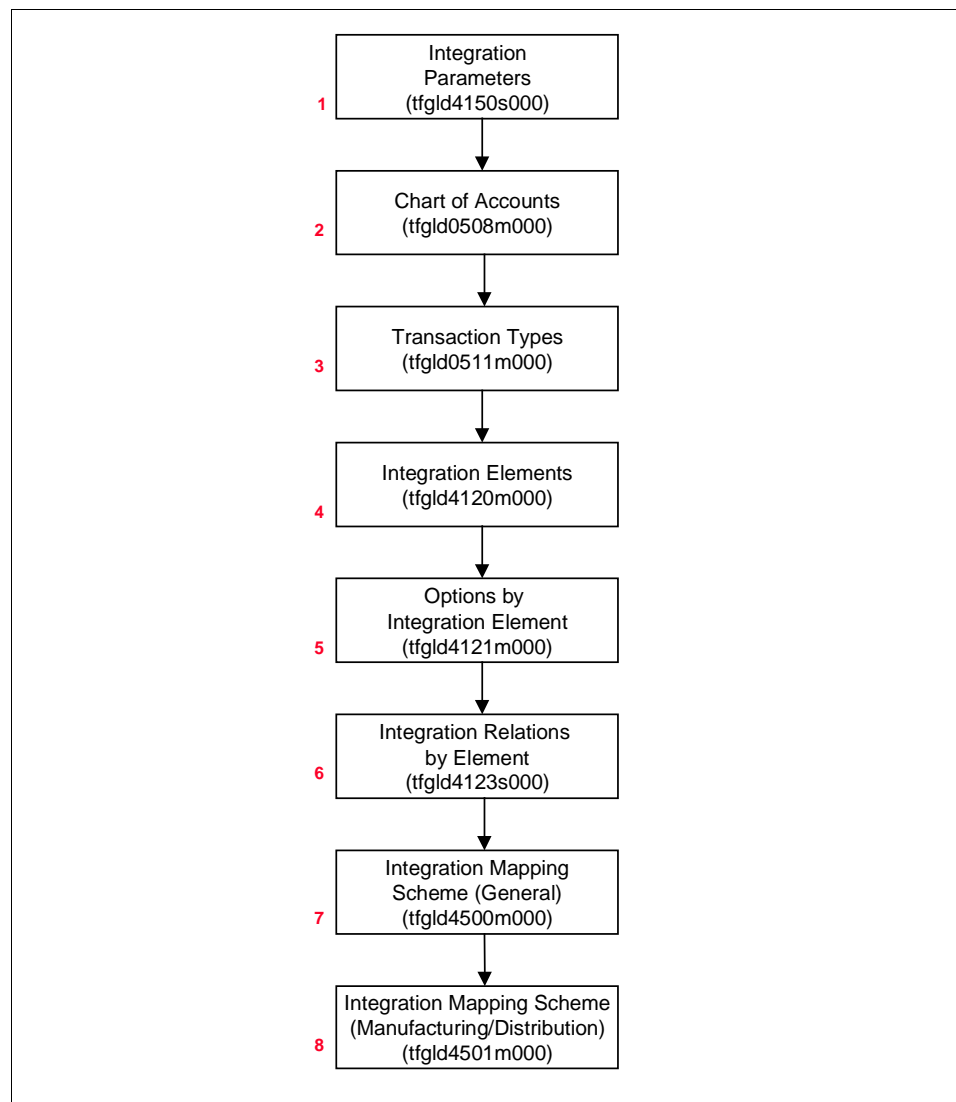


Figure 5, The integration setup procedure

The integration setup procedure consists of the following steps.

Step 1 Integration Parameters (tfgld4150s000)

First you must define the following integration parameters settings:

- The compression method for integration transactions.
- The method for assigning document numbers to financial integration transactions.
- The method for assigning a batch number to financial integration transactions.

- Whether posting to the next open period is allowed. If so, the integration transactions are automatically posted to the next open period, if the transaction period is already closed.

Step 2 Chart of Accounts (tfgld0508m000)

You must define at least one ledger account to be used for booking the integration transactions.

Pay attention to the settings for the use of dimension types.

- If you set a dimension type to **Not Used**, this dimension type cannot be used for booking integration transactions.
- If you set a dimension type to **Optional**, this dimension type is used for booking integration transactions only if a dimension is selected in the Options by Integration Element (tfgld4121m000) session.
- If you set a dimension type to **Mandatory**, this dimension type is always used for booking integration transactions. You must select a dimension of this type in the Options by Integration Element (tfgld4121m000) session.

Step 3 Transaction Types (tfgld0511m000)

You must define a separate transaction type for each combination of a transaction origin and a financial transaction. A transaction's identification number (document number) always starts with the transaction type that was used. By consistently using one transaction type for each combination, you can trace the integration transactions that belong to the same transaction origin and financial transaction. You can also easily trace the origin of a transaction in this way.

The transaction types must be of the **Journal Vouchers** category.

Step 4 Integration Elements (tfgld4120m000)

Integration elements indicate to which dimensions integration transactions are booked. When you start to define integration elements, you must consider which integrations exist in your company and to which dimension types you want to book them. You must group the integrations that use the same selection of dimension types.

Create one integration element for each existing group of integrations.

Step 5 Options by Integration Element (tfgld4121m000)

For each integration element you can define precisely to which dimension types it is booked. Integration transactions are booked to dimensions based on options you define here. For each dimension type to which the integration element is booked, you select one or two options.

These options indicate which information element is used to decide to which dimension an integration transaction is booked.

For example, if you want to use the dimension type Area with an integration element, you can select Area in the **Integration Option 1** field. The integration transactions for this element are then distributed to the dimensions of dimension type Area by their area code.

Step 6 Integration Relations by Element (tfgld4123s000)

To start the Integration Relations by Element (tfgld4123s000) session, click **Relations** on the **Specific** menu.

In this session you can specify to which dimensions of a dimension type integration transactions are booked.

For example, you post integration transactions to the Area dimension type by their area code (you selected **Area** in the **Integration Option 1** field in the previous step). You can now indicate for each area code to which Area dimension the corresponding transaction must be booked.

Step 7 Integration Mapping Scheme (General) (tfgld4500m000)

The integration mapping scheme defines to which ledger accounts integration transactions are posted, and which integration element is used to find the appropriate dimensions.

When you define a mapping scheme, you must first indicate the logistic company from which the integration transaction originates. Then you must indicate the combination of transaction origin and financial transaction. The transaction origin indicates the logistic package or module and the action from which the transaction stems. The financial transaction gives a classification of the integration transaction.

For each combination of transaction origin and financial transaction you can now enter mapping scheme entries. You must:

- Indicate if the entry concerns debit or credit transactions.
- Select one of the transaction types you defined in step 3.
- Select a series, to define how the integration transactions are numbered.
- Select an integration element, to indicate how the transactions are posted to dimensions.

Note

You can then indicate the ledger accounts in one of the Integration Mapping Scheme details sessions. Select a record and choose **Mapping Details** on the **Specific** menu. One of the following details sessions is started, depending on the transaction origin for which you are defining a mapping scheme.

- Integration Mapping Scheme (Manufacturing/Distribution) (tfgld4501m000)
- Integration Mapping Scheme (Project) (tfgld4502m000)
- Integration Mapping Scheme (Service) (tfgld4503m000)
- Integration Mapping Scheme (CMS) (tfgld4504m000). The Commission Control (CMS) module is a part of the Baan Order Management (TD) package.

In the next step, the first session on this list is described as an example.

Step 8 Integration Mapping Scheme (Manufacturing/Distribution) (tfgld4501m000)

Now you can define the ledger account to which the integration transactions are posted. Create a new mapping scheme line.

To book all transactions with the same origin on the same ledger account, you need to do the following:

- Leave the key definition fields empty
- Only select the appropriate ledger account, which you created in step 2.

Note

You can use the key definition fields to define exceptions to the default ledger account you just defined. You must create a new line for each exception you want to define. The key definition fields allow you to define several exceptions, each on a different detail level.

4.

The transaction entry procedure

This chapter describes:

- The main procedure for entering financial transactions
- Sessions related to the transaction entry procedure

4.1

Creating financial transactions

A central transaction processing unit exists in the Transaction Processing business object: the Transactions (tfgld1101m000) session. The manual creation of a transaction always starts in this session. This session is available in the following modules:

- The General Ledger (GLD) module
- The Account Payable (ACP) module
- The Account Receivable (ACR) module
- The Cash Management (CMG) module

Transactions are always part of a batch; a collection of financial transactions that all fall within one fiscal period. One batch can contain, for example, journal vouchers, invoices, and cash transactions.

Created transactions are posted to the selected ledger accounts indicated during transaction entry.

The procedure's results

A new batch is created. Within this batch a transaction is created. The transaction is posted to the ledger account and dimensions indicated during transaction entry.

The procedure described below is an *example* of a transaction creation. In this case, the transaction is a journal voucher.

Figure 6 shows the steps in the transaction entry procedure.

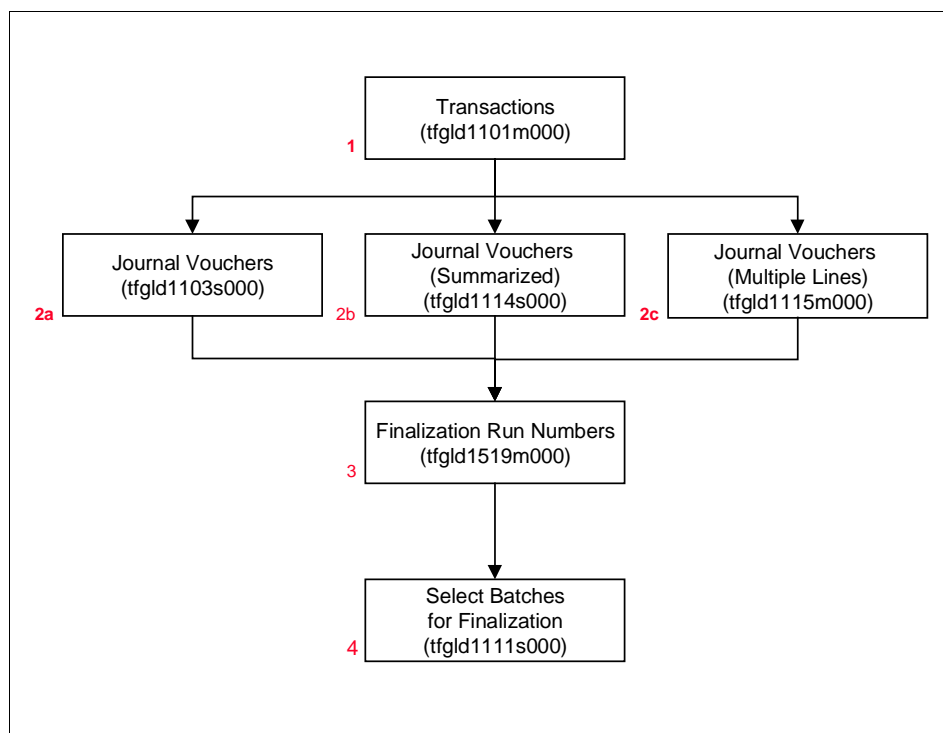


Figure 6, The transaction entry procedure.

The procedure displayed above is an *example* of a transaction creation. In this case, the transaction is a journal voucher. The session that is started in step 2 depends on the kind of transaction you create. If, for example, you create a purchase invoice, the session started in step 2 would be the Purchase Invoices (tfacp1110s000) session.

The transaction entry procedure consists of the following steps.

Step 1 Transactions (tfld1101m000)

A transaction is always created within a batch. Transactions of the same batch are always finalized and posted together within a certain financial period. You can create your transaction in an existing batch or create a new one.

To create a new batch, click **New Group**. BaanERP assigns a number to the batch according to the fiscal year you select. Then you must enter the periods in which the transactions in this batch will be posted. The periods must already be defined in the GLD setup procedure (see chapter 2, The GLD setup procedure).

To create a new transaction, click **New**. You must now enter or select a transaction type. To create a journal voucher, select a transaction type with transaction category Journal Vouchers. Save the record and click **Enter Transactions**. One of the Journal Vouchers sessions is now started, depending on the definition of the transaction type you selected. Which session is used

with a transaction type is defined in the **Main Session** field in the Transaction Types (tfgld0111s000) session.

Step 2a Journal Vouchers (tfgld1103s000)

If the used transaction type is defined to use the Journal Vouchers (tfgld1103s000) session as its main session, this session is started when you click **Enter Transactions**.

This is a standard session for entering ledger transactions. On the **Header** tab, you enter the header information. First, a document number is assigned to the journal voucher. Other header information includes the country, currency information, and dual accounting information. After creating the header, click **Save**. You can then go to the session's **Entry/Amount** tab.

On the **Entry/Amount** tab, a line number is assigned to the transaction. One journal voucher (or other) document can have several lines (that is, transactions). Now, you must enter the transaction amount and the ledger accounts and dimensions to which the transaction is posted.

Step 2b Journal Vouchers (Summarized) (tfgldf1114s000)

If the used transaction type is defined to use the Journal Vouchers (Summarized) (tfgldf1114s000) session as its main session, this session is started when you click **Enter Transactions**.

This is a less detailed session for entering ledger transactions. The header information as well as the transaction entry details (amount, ledger account, and so on) are entered on the **Transaction** tab. However, this session has no fields for dual accounting information and a tax code.

Step 2c Journal Vouchers (Multiple Lines) (tfgld1115m000)

If the used transaction type is defined to use the Journal Vouchers (Multiple Lines) (tfgld1115m000) session as its main session, this session is started when you click **Enter Transactions**.

This session allows you to easily create a journal voucher document with one header and several transaction lines. First, you create the header. You can enter a document number or BaanERP assigns one for you. Other header data are the document date and data related to the currency. When you enter transaction lines, BaanERP displays the document's balance in the header. The journal voucher document can only be processed if it is correctly balanced.

To create a transaction line, click **New**. A line is created with a default line number. You must enter a ledger account, dimensions, and the transaction amount. You can enter different ledger accounts or dimensions for each transaction. This allows you to divide the total amount of a journal voucher document into parts, and post each part to a different ledger account or dimensions.

Step 3 Finalization Run Numbers (tfgld1519m000)

In this session, you must select the run number for which you finalize the batch in which you created the journal voucher. Double-click the run number to start the Finalization Run Numbers (tfgld1519m000) details session.

Click **Select Batches** to select the batch you want to finalize.

Step 4 Select Batches for Finalization (tfgld1111s000)

After entering a transaction, it must be finalized. Transactions are always finalized in their batch. In this session you can select one or more batches and finalize them.

Find the batch that contains your journal voucher document and select the **Select** checkbox. Then, choose **Finalize** on the **Specific** menu.

4.2 Sessions related to the transaction entry procedure

Recurring Transaction Instructions (tfgld1107m000)

You can use this session for creating recurring transactions and for transactions that must be reversed.

First, you must enter a transaction in the Transactions (tfgld1101m000) session. The transaction type must be of transaction category **Recurring/Reversing Jrnl**. When you click **Enter Transactions**, you can enter the usual transaction data in the Journal Vouchers (tfgld1103s000) session.

You can start the Recurring Transaction Instructions (tfgld1107m000) session from the **Specific** menu in the Journal Vouchers (tfgld1103s000) session, or from the menu browser. In the Recurring Transaction Instructions session, you can enter the dates on which the journal entry for the underlying financial transaction must be repeated or reversed.

When you have specified the repeat or reversal dates, you can finalize the underlying transactions. The actual recurring transactions can only be created from finalized transactions.

Create Recurring Transactions (tfgld1202m000)

You can create the recurring/reversing transactions themselves in the Create Recurring Transactions (tfgld1202m000) session, if the following conditions are met:

- You have specified the dates on which the transactions must be repeated or reversed.
- You have finalized the underlining transactions

All transactions that must be repeated or reversed at a set time can be created in one run. You can simply enter a selection range and click **Create**.

5.

Period closing and year closing

This chapter describes the main procedure for closing periods and years.

5.1

The period/year closing procedure

When a period or a year is past its end date, you must close it and start posting the financial transactions in the next period or year.

The periods in a year are defined in the Baan Finance master data. The status of the periods are set in the Period Status (tfgld0107m000) session. Periods in Baan Finance can have one of three statuses: **Open**, **Closed**, or **Finally Closed**. When a period is closed, you can still open it again in the Period Status (tfgld0107m000) session and post more transactions to it.

When a period is closed or finally closed, no transactions can be posted to it anymore. A finally closed period is irreversibly closed.

When all the periods in a year are closed, you can close the fiscal year.

Results of the procedure

- All transactions in the fiscal year are finalized.
- All the ledger accounts are balanced.
- All the periods are finally closed.
- The opening balance sheet for the next fiscal year is created.
- The ending fiscal year itself is closed.
- The transactions of the closed year are copied to the archive company.
- The next fiscal year is set as the current year in the Company Parameters (tfgld0103s000) session.

Figure 7 shows the steps in the period/year closing procedure.

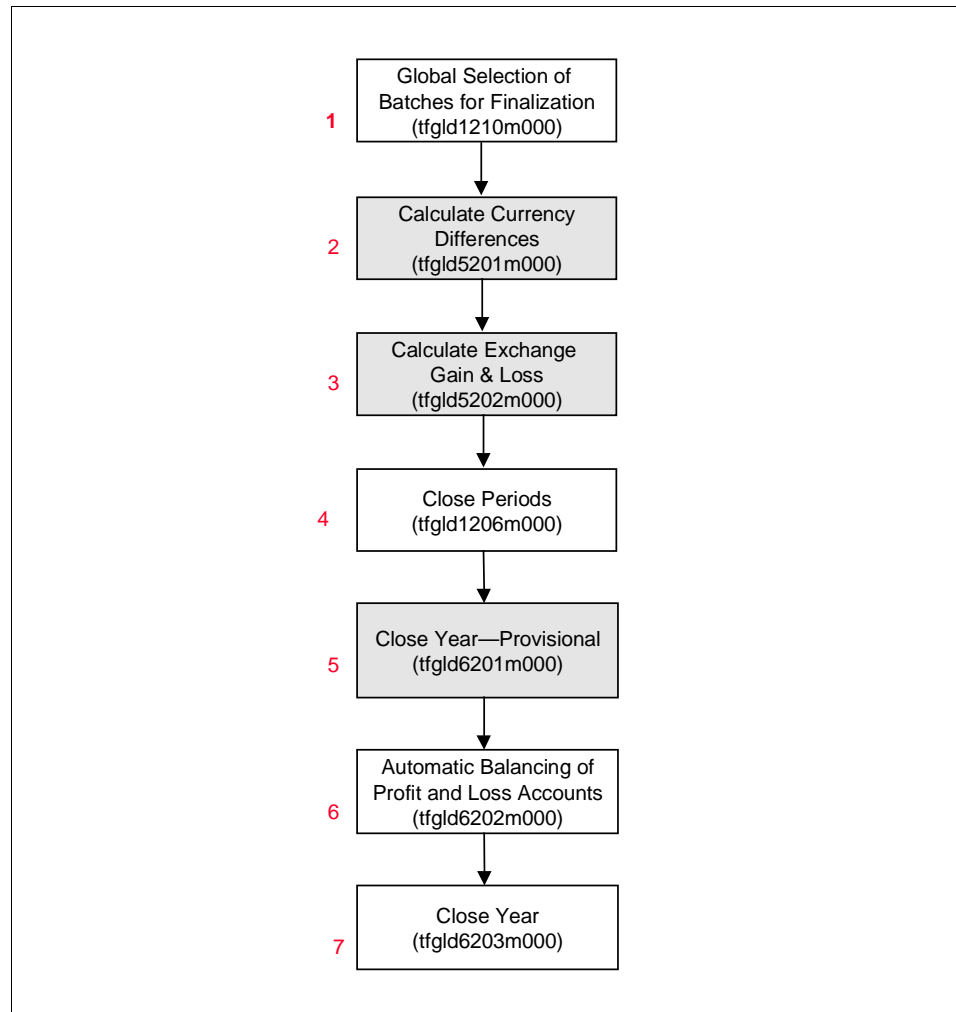


Figure 7, The period/year closing procedure.

The period/year closing procedure consists of the following steps.

Step 1 Global Selection of Batches for Finalization (tfgl1210m000)

Before you can finally close a period or a year, all the corresponding transactions must be finalized.

This session allows you to finalize all batches in the fiscal period or year you want to close at once. Define your selection range in the **Year** field and the **Fiscal Period** field and click **Finalize**.

You can use the reporting facilities in Baan Finance to check if all transactions are finalized correctly.

Step 2 Calculate Currency Differences (tfgld5201m000)

This step is necessary if you have ledger accounts with sublevel zero that require the calculation of currency differences. This is the case if the **Currency Analysis** field in the Chart of Accounts (tfgld0108s000) details session is set to **Required, Calc. Curr. Diff.**

The Calculate Currency Differences (tfgld5201m000) session calculates the difference between the original rate of transactions and the latest currency rate, taken from the Currency Rates (tcmcs0108m000) session in Baan Common (TC). This session calculates currency differences only for the GLD module itself. Currency differences in the Accounts Payable (ACP) module and the Accounts Receivable (ACR) module are calculated in those modules themselves.

Define your selection range. On the **Options** tab, select the **Post Currency Difference** checkbox. The currency differences will be posted as one transaction. You must enter:

- A document date (creation date).
- The period in which the transaction must be posted. Enter the period that you are about to close.
- A document number by which the transaction is identified.

Click **Calculate** to start calculating the currency differences.

Step 3 Calculate Exchange Gain & Loss (tfgld5202m000)

This step is necessary if you have ledger accounts with sublevel zero that require the calculation of exchange gain and loss. This is the case if the **Calculation of Exchange Gain & Loss Required** checkbox in the Chart of Accounts (tfgld0108s000) details session is selected.

The Calculate Exchange Gain & Loss (tfgld5202m000) session calculates the difference between the balances in the local currency and the balance in the reporting currency in a multicurrency system.

To calculate, do the following:

- 1 Define your selection range.
- 2 Select the **Post Exchange Gain and Loss** checkbox.
- 3 Enter the details of the transaction in which the exchange gain and loss will be posted.
- 4 Click **Calculate**.

Step 4 Close Periods (tfgld1206m000)

Each period has a separate period status for each of the following modules:

- The General Ledger (GLD) module
- The Account Payable (ACP) module
- The Account Receivable (ACR) module
- The Cash Management (CMG) module

Before you can close the periods for GLD, you must close the periods for the following modules:

- The Account Payable (ACP) module
- The Account Receivable (ACR) module
- The Cash Management (CMG) module

You can use the Close Periods (tfgld1206m000) session to close the periods for all modules at once.

Indicate the year for which you want to close a period. Check the **Final Closing** checkbox to set the period statuses to Finally Closed. Select the period you want to close and click **Close Periods**.

This step ends the period-closing procedure. The following steps result in the closing of the year.

Step 5 Close Year—Provisional (tfgld6201m000)

Instead of the balancing accounts that are used for the final closing procedure, two interim accounts are then used: one for statutory accounting and one for complementary accounting.

The interim year-end processing provides the opening balance for all balance sheet accounts in the next fiscal year. Balance amounts from profit and loss accounts are accumulated and inserted into the interim ledger accounts.

At this point in the procedure, the year is not yet closed. The opening balance for the next year is created, but the current year is still open. You can still post corrections to a period in this year.

Step 6 Automatic Balancing of Profit and Loss Accounts (tfgld6202m000)

Before finally closing the year, you can use the Automatic Balancing of Profit and Loss Accounts (tfgld6202m000) session to reverse the posted amounts on profit and loss accounts, so that the total of all profit and loss accounts is zero.

Two entries are created:

- One entry for statutory accounting
- One entry for complementary accounting

Step 7 Close Year (tfgld6203m000)

Before you can close a year, the following conditions must be met:

- All batches that exist in the year must be finalized.
- All periods must be finally closed.
- All accounts must be balanced. The debit and credit balances must match.
- Posted amounts on profit and loss accounts must be reversed.
- There can be no current account entries for the selected company whose fiscal year is about to be closed.

BaanERP executes the following steps:

- Creation of the transactions for the new year.
- Change the current fiscal year to the next year in the Company Parameters (tfgld0103s000) session.
- Copy the transactions of the closed year to the archive company.
- Remove the transactions of the closed year.

When a year is closed, financial transactions can no longer be entered or modified in the. You can view the history of a closed year in the archive company.

You can only close the current fiscal year. In the Close Year (tfgld6203m000) session, you must select a transaction type of the Opening Balance transaction category, and other transaction data that BaanERP uses for creating the opening balances for the next fiscal year.

