Accounting Package

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Contents

Chapter 1

Introduction

The GNU Enterprise Accounting Package is made of the following modules :

1. GL Module (General Ledger)

2. AR Module (Accounts Receivable)

3. AP Module (Accounts payable)

4. SO Module (Sales Orders)

5. PO Module (Purchase Orders)

6. IC Module (Inventory Control)

7. PA Module (Payroll)

8. BR Module (Bank Reconciliation)

Chapter 2

Definitions, Acronyms, Abreviations, Naming Convention

2.1 Term Definitions

1. Journal : A book of original entries. A book to record business transaction in a chronological manner.

2. Sales Journal : A specialized journal to record sales transactions (Sales invoices issued to customers)

3. Cash Receipt Journal : A specialized journal to record money and checks received from customers.

4. Purchase Journal : A specialized journal to record Purchase Invoices received from vendors/suppliers..

5. Cash Disbursement Journal : A specialized journal to record payments issued to vendors/suppliers

6. Purchase Commitment Journal : A specialized journal to record liabilities incurred by agreeing to buy. (purchase orders issued to vendor/suppliers.) Purchase Order Journal or PO Journal

7. Stock Receiving Journal : A specialized journal to record merchandises received from vendors/suppliers.

8. Sales Commitment Journal : A specialized journal to record liabilities incurred by agreeing to sell. (Sales orders received from customers) Sales Order Journal or SO Journal

9. Stock Transfer Journal : A specialized journal to record moving of merchandises between warehouses, locations, departments.

10. General Journal : A journal used to record miscellaneous transactions not suited for a specialized journal.

11. Ledger : A book used to record business transactions coming from a journal. Each page of the ledger is devoted to a specific account. An account book in which all final entries of the transactions of a business concern are recorded.

12. Posting : Copying a business transaction from a journal to two or more pages of the ledger.

13. General Ledger : An account book made of all the asset accounts, liability accounts, equity accounts, revenue accounts and expense accounts.

14. Subsidiary Ledger : A detail account book having a controling account in the General ledger.

15. Accounts Receivable Ledger : A subsidiary ledger keeping track of the transactions with customers. The total of amounts due by all the customers has to be equal to the amount of the receivable controlling account in the General Ledger.

16. Accounts Payable Ledger : A subsidiary ledger keeping track of the transactions with vendors/suppliers The total of amounts due to all the vendors has to be equal to the amount of the payable controlling account in the General Ledger.

17. Stocks Ledger : A subsidiary ledger keeping track of the value of the merchandises on hand. The total value of all the items on hand, has to be equal to the amount of the Stocks controlling account in the General Ledger.

18. Activity Ledger : A subsidiary ledger used for Activity Based Costing.

19. Project Ledger : A subsidiary ledger used for Project Based Costing.

20. Source of an entry : In the General Ledger, identification of the journal from which the entry is coming from.

21. To be continued ...

2.2 Acronyms

2.2.1 Used in the General Ledger to identify Source Journals :

GL General Ledger

GJ General Journal

SJ Sales Journal

PJ Purchase Journal

CRJ Cash Receipt Journal

CDJ Cash Disbursement Journal

POJ Purchase Order Journal

SOJ Sales Order Journal

SRJ Stocks Receiving Journal

SRJ Stocks Transfer Journal

OBJ Opening Balances Journal

2.2.2 Other Acronyms

GLM General Ledger Module

ARM Accounts Receivable Module

APM Accounts Payable Module

SOM Sales Order Module

POM Purchase Order Module

ICM Inventory Control Module

PRM Payroll Module

BRM Bank Reconciliation Module

To be continued ...

2.3 Standard Abreviations

acct account

amnt amount

prd period

qty quantity

gl General Ledger

id identification

to be continued .....

2.4 Naming Conventions

File name is upshifted. Files are named after their accounting book counterpart. (where the counterpart exists)

Field name is downshifted, contains at least one underscore character _ and does not exceed 16 characters

Identification _id suffix is reserved for identifier fields generated by the system. Yes, we need a serial number generator. The fields ending with the suffix "_id" are not visible to the user. These _id fields are used to link the tables.

Code _code suffix is reserved for identifier fields created by the user. For example : territory_code

Account _acct suffixe is reserved for fields referring to a ledger or a subsidiary ledger. For example : gl_acct

To be continued ....

Chapter 3

General Ledger Module

3.1 Theory of operation

The General Ledger serves as a repository of Journal transactions of all sources.

These transactions come from specialized journals and from the General Journal.

>From these transactions, financial statements of all sorts are drawn up.

The main functions of the module are :

- Design Financial Statement

- Maintain Chart of accounts

- Add, Update, Reverse, Copy Journal Entries

- Produce Financial Statements

GL Module uses double entry bookkeeping.

By definition, debit amounts are positive and credit amounts are negative.

A journal entry balances when the algebraic sum of all its amounts is zero.

The General Ledger balances when the algebraic sum of all the journal entries is zero.

The trial balance is a complete list of account positive and negative balances.

Once a journal entry is posted to the GL, it is impossible to alter it.

A journal entry goes through 3 stages :

- In progress

- In instance of approval

- Posted.

A journal entry in progress does not necessarily balance. It is under construction, can be put aside and completed later on. A journal entry In Instance of

approval balances but can still be alter. A Posted journal entry cannot be alter whatsoever.

The general Ledger Module can be used as a stand alone bookkeeping tool.

3.2 GL Module Functions

3.2.1 Maintain Chart of accounts

Theory of operation

This function allows the accountant to create general ledger accounts. A GL account is defined by assigning an account number, an account title and an activity status. The account number assigned by the accountant is merely a key to access the GL Account. It is not used to format the financial statements. When migrating from another accounting system, current numbering scheme can be kept. An account has 3 activity status.

Active Transactions can be posted to this account.

InActive This account has been created but has not been activated yet. No transaction can be posted.

DeActivated This account has been used for awhile but the accountant is phasing out the usage of this account. No transaction can be posted. An account goes from an InActive status, to an Active status, to a DeActivated status. It could also go from DeActivated back to Active.

Account Segmentation

The GL Account, 30 alpha-numeric characters, can be segmented. The segment separator can be "-" or "+" or "/" or ".." or "*" as selected by the user in the GL parameters. For convenience of use and data entry speed, only characters from the numeric keypad are proposed.

3.2.2 Design Financial Statement

This function allows the accountant to format as many financial statements as needed.

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3.2.3 Add, Update, Reverse, Copy Journal Entries

3.2.4 Print Financial Statements

3.3 GL Module Tables

3.3.1 System Parameters

Theory of operation

System wide parameters "SYSPARAM" table is used to store general information used by the different packages and modules of GNU Enterprise Application.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of operation
SYSPARAM	org_id	Organization Identification	numeric	A serial number assigned by the
SYSPARAM	org_name	Organization legal name	alpha 50	Company, Corporation, Enterprise
SYSPARAM	org_street		alpha 50	
SYSPARAM	org_city		alpha 50	
SYSPARAM	org_state		alpha 50	
SYSPARAM	org_country		alpha 50	
SYSPARAM			alpha 50	
SYSPARAM			alpha 50	
SYSPARAM			alpha 50	
SYSPARAM			alpha 50	

3.3.2 Accounting Package Parameters

Theory of operation

Accounting Package parameters "ACCPARAM" table is used to store general information used by the different modules of GNU Enterprise Accounting package.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of operation
ACCPARAM	org_id	Organization Identification	numeric	
ACCPARAM	ar_active	Accounts Receivable Active	Yes/No	Module has been activated
ACCPARAM	ap_active	Accounts Payable Active	Yes/No	Module has been activated
ACCPARAM	so_active	Sales Order Active	Yes/No	Module has been activated
ACCPARAM	po_active	Purchase order Active	Yes/No	Module has been activated
ACCPARAM	ic_active	Inventory Control Active	Yes/No	Module has been activated
ACCPARAM	pr_active	Payroll Active	Yes/No	Module has been activated
ACCPARAM	br_active	Bank Reconciliation Active	Yes/No	Module has been activated
ACCPARAM				

3.3.3   General Ledger Parameters

Theory of operation

General Ledger parameters "GLPARAM" table is used to store general information used by the different functions of the GL module.

Definition

Table Name	Field Name	Descriptive Name	Field Type	
GLPARAM	org_id	Organization Identification	numeric	
GLPARAM	abc_active	Activity Based Costing Active	Yes/No	The
GLPARAM	pbc_active	Project Based Costing Active	Yes/No	The
GLPARAM	sj_posting	Sales Journal Posting to GL	alpha 1	(S)ummarized or (D)e
GLPARAM	cr_posting	Cash Receipt Posting to GL	alpha 1	
GLPARAM	pj_posting	Purchase Journal posting to GL	alpha 1	
GLPARAM	cd_posting	Cash Disbursement posting to GL	alpha 1	
GLPARAM	ic_posting	Stocks Receiving posting to GL	alpha 1	
GLPARAM	pr_posting	Payroll posting to GL	alpha 1	
GLPARAM	br_posting	Bank reconciliation posting to GL	alpha 1	
GLPARAM	gl_segment	General Ledger Account Segmentation	alpha 30	
GLPARAM	act_segment	Activity Ledger Account Segmentation	alpha 30	
GLPARAM	pro_segment	Project Ledger Account Segmentation	alpha 30	
GLPARAM	balance_qty	Balance quantities	Yes/No	Yes, forces the

3.3.4 General Ledger Table

Theory of operation

GL table is used to record chart of accounts information. It is updated by the
Maintain Chart of Accounts program.

Definition

Table Name	Field Name	Descriptive Name	Field Type	
GL	gl_id	General ledger Identification	numeric	A serial number as
GL	org_id	Organization Identification	numeric	
GL	gl_acct	General Ledger Account	alpha 30	Key
GL	gl_title	General Ledger Account Title	alpha 60	
GL	gl_status	GL Account Activity Status	alpha 1	
GL	sj_posting	Sales Journal posting to GL	Alpha 1	(S)ummarized or (D)
GL	cr_posting	Cash Receipt posting to GL	Alpha 1	
GL	pj_posting	Purchase Journal posting to GL	Alpha 1	
GL	cd_posting	Cash Disbursement posting to GL	Alpha 1	
GL	ic_posting	Stocks Receiving posting to GL	Alpha 1	
GL	pr_posting	Payroll posting to GL	Alpha 1	
GL	br_posting	Bank reconciliation posting to GL	Alpha 1	
GL	uom_id	Unit Of Measure for this account	numeric	Hours for Salary accounts K
GL				

3.3.5 General Ledger Periodic Summary Table

Theory of operation

GL2 table is used to record periodic summarized data. The main purpose of
this table is to speed-up the display and/or printing of periodic data. This table
is created/updated when posting a journal entry.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of
GL2	gl2_id	General Ledger	numeric	A serial number assigned by the
GL2	gl_id	GL Identification	numeric	GL2.gl_id =
GL2	gl_prd	Financial Period number	numeric	>From (
GL2	gl_year	Financial Year	numeric	
GL2	gl_amnt	Amount posted	currency	Summary of all journal entries posted
GL2	gl_qty	Quantity posted	numeric	

3.3.6 Calendar Table

Theory of operation

CAL table is used to record information about the accounting periods of the organization. It is updated by the Maintain Calendar program. A period can be opened or closed to posting from the different modules. This allows the accountant to close a period module by module.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory o
CAL	org_id	Organization Identification	numeric	
CAL	cal_id	Calendar Identification	numeric	A serial number as
CAL	cal_year	Financial Year	numeric	
CAL	cal_prd	Financial period	numeric	>Fron
CAL	start_date	First day of this financial period	date	
CAL	end_date	Last day of this financial period	date	
CAL	gl_open	Posting status from General Journal	Yes/No	Yes = Open to postin
CAL	ar_open	Posting status from Accounts Receivable	Yes/No	Yes = Open to postin
CAL	ap_open	Posting status from Accounts Payable	Yes/No	Yes = Open to postin
CAL	so_open	Posting status from Sales Order	Yes/No	Yes = Open to postin
CAL	po_open	Posting status from Purchase Order	Yes/No	Yes = Open to postin
CAL	ic_open	Posting status from inventory Control	Yes/No	Yes = Open to postin
CAL	br_open	Posting status from Bank reconciliation	Yes/No	Yes = Open to postin
CAL	pr_open	Posting status from Payroll	Yes/No	Yes = Open to postin

3.3.7 Journal Entry Header table

Theory of operation

JE table is used to record information about Journal Entries.

Definition

Table	Field Name	Descriptive Name	Field Type	
JE	org_id	Organization Identification	numeric	
JE	je_id	Journal entry identification	numeric	
JE	je_voucher	Journal entry voucher number	numeric	A serial number assigned by the system
JE	je_date	Journal Entry date	date	
JE	cal_year	Journal Entry Financial year	numeric	
JE	cal_prd	Journal Entry Financial period	numeric	
JE				
JE				
JE				
JE				
JE				

3.3.8 Journal Entry Detail table

Theory of operation

JE2 table is used to record information about amounts and quantities to be posted to accounts , projects and activities . The number of lines for a journal entry is limited to ???. Debit amounts and quantities are positive number. Credit amounts and quantities are negative numbers. The journal entry balances when the sum of the amounts is equal to zero and the General Ledger Parameter: "Balance Quantity" is set to No. If this parameter is set to Yes, both the sum of the amounts and the sum of the quantities are to be zero.

Definition

Table	Field Name	Descriptive Name	Field Type	Theory of o
JE2	je2_id	Journal Entry detail identification	numeric	Aserial number assigne by the s
JE2	je_id	Journal Entry header identification	numeric	JE2.je_id =
JE2	gl_id	General ledger account identification	numeric	JE2.gl_id =
JE2	activity_id	Activity ledger Account Identification	numeric	JE2.activity_id =
JE2	project_id	Project Ledger Account Identification	numeric	JE2.project_id =
JE2	je_amnt	Journal Entry Amount	currency	
JE2	je_qty	Journal Entry Quantity	numeric	
JE2	je_descript	Journal Entry Description	alpha 100	Explanation and/or referenc
JE2				
JE2				
JE2				
JE2				

3.3.9 Activity Ledger Table

Theory of operation

The ACT table is used to control the Activity Based Costing Method.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of operation
ACT	activity_id	Activity Identification	numeric	Serial number assigned by the sy
ACT	org_id	Organization Identification	numeric	
ACT	activity_acct	Activity Account	alpha 30	A code assigned by the use
ACT	activity_title	Activity Title	alpha 60	
ACT	activity_status	Activity Activity Status	alpha 1	(A)ctive, (I)nactive, (D)eactiva
ACT				
ACT				
ACT				
ACT				

3.3.10 Activity Summary Ledger Table

Theory of operation

ACT2 table is used to record periodic summarized data. The main purpose of
this table is to speed-up the display and/or printing of periodic data. This table
is created/updated when posting a journal entry.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of operation
ACT2	act2_id	Activity periodic summary ID	numeric	A serial number assigned by the
ACT2	activity_id	Activity Identification	numeric	
ACT2	cal_prd	Financial Period number		
ACT2	cal_year	Financial year		
ACT2	act_amnt	Activity cumulative amount	currency	posted for this current period/
ACT2	act_qty	Activity cumulative quantity	numeric	posted for this current period/
ACT2				
ACT2				
ACT2				

3.3.11 Project Ledger Table

Theory of operation

The PRO table is used to control the Project Based Costing Method.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of operation
PRO	project_id	Project Identification	numeric	A serial number assigned by the
PRO	org_id	Organization identification	numeric	
PRO	project_acct	Project Account	alpha 30	A code assigned by the use
PRO	project_title	Project Title	alpha 60	
PRO	project_status	Project Status	alpha 1	(A)ctive, (I)nactive, (D)eactiv
PRO				
PRO				
PRO				
PRO				

3.3.12 Project Summary Ledger Table

Theory of operation

The PRO2 table is used to record periodic summarized data. The main purpose of this table is to speed-up the display and/or printing of periodic data. This table is created/updated when posting a journal entry.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of operation
PRO2	pro2_id	Project periodic summary ID	numeric	A serial number assigned by the s
PRO2	project_id	Project identification	numeric	
PRO2	cal_prd	Financial period	numeric	0 to 52
PRO2	cal_year	Financial Year	numeric	
PRO2	pro_amnt	Project cumulative amount	currency	
PRO2	pro_qty	Project cumulative quantity	numeric	
PRO2				
PRO2				
PRO2				

3.3.13 Unit Of Measure Table

Theory of operation

The UOM table is used to ensure consistency in the usage of units of measure.

Definition

Table Name	Field Name	Descriptive Name	Field Type	Theory of operation
UOM	uom_id	Unit of measure identification	numeric	A serial number assigned by th
UOM	uom_code	Unit of measure code	alpha 8	A code assigned by the u
UOM	uom_descript	Unit Of Measure Description	alpha 30	
UOM				
UOM				
UOM				
UOM				
UOM				

3.3.14 Financial Statements table : Statement title definition (FS)

3.3.15 Financial Statement Line table : Line definition (FS2)

3.3.16 Financial Statement Account table : Account definition (FS3)