
GLM005 Major Account Maintenance

Overview

A Major Account is the portion of the General Ledger account used to group individual accounts into classifications like Revenue, Operating Expenses, Fixed Assets, etc.

These Major Accounts can then have Account Levels The following Control Files are new and are used when entering major account levels.

1 – 5. This is used in BI (Business Intelligence) for reporting and replaces the Report Writer. For example the report is to be by balance sheet therefore all the balance sheets will display.

TMSG/AM-AL1, TMSG/AM-AL2, TMSG/AM-AL3, TMSG/AM-AL4, TMSG/AM-AL5

These Major Accounts can then have Minor Accounts to break the Expense, for example, down to a lower level for detailed reporting purposes. Major Accounts are also assigned to Profit Centres so that various expenses can be monitored by Profit Centre.

When defining the structure of the General Ledger Accounts, the Profit Centre is the first section of the account.

For example in Account Number 100-5220-TSD221, 100 is Profit Centre Marketing NSW. 5220 is the Major Account for Petrol expenses and TSD221 is the Minor Account for Car Registrations.

In this example other Major Accounts could be 5222 for Repairs & Maintenance and 5223 for Registration Fees.

Masterfile Codes that may need to be established are:

- Budget Pro-rata Code – Optional
- Indirect Expense Breakdown Code – Optional
- Cash Flow Group Code – Optional

Examples

This section illustrates examples concerning:

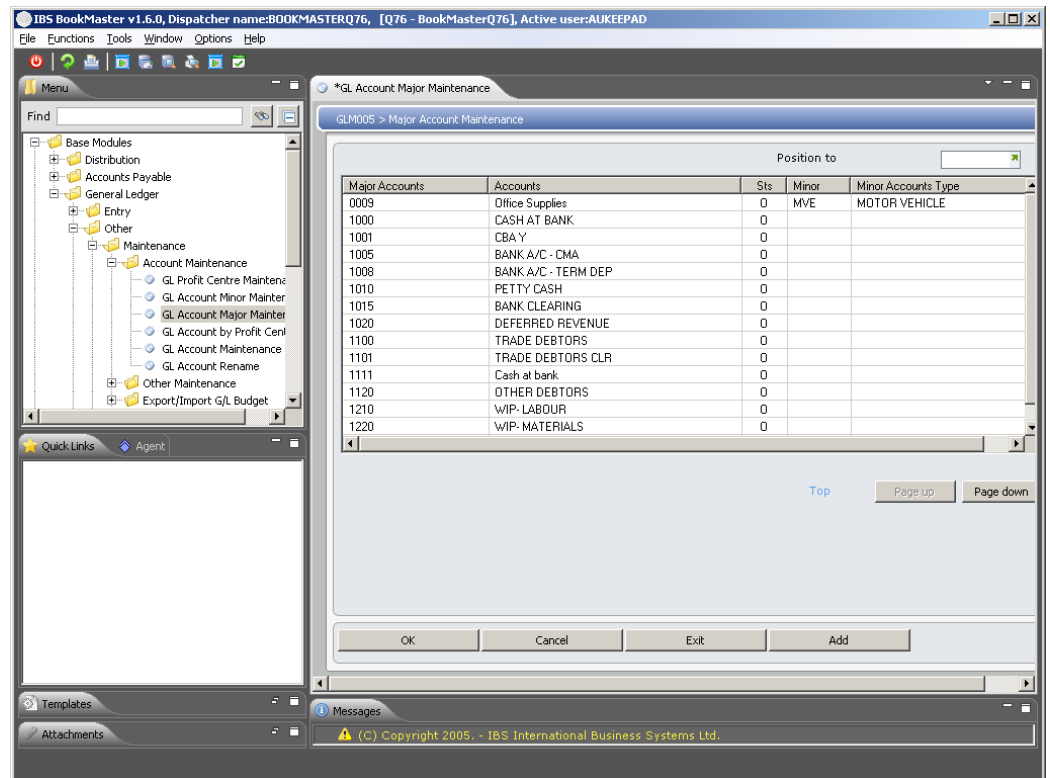
[Example 1: Add a Major Account](#)

[Example 2: Change a Minor Account](#)

[Example 3: Add a Minor Account](#)

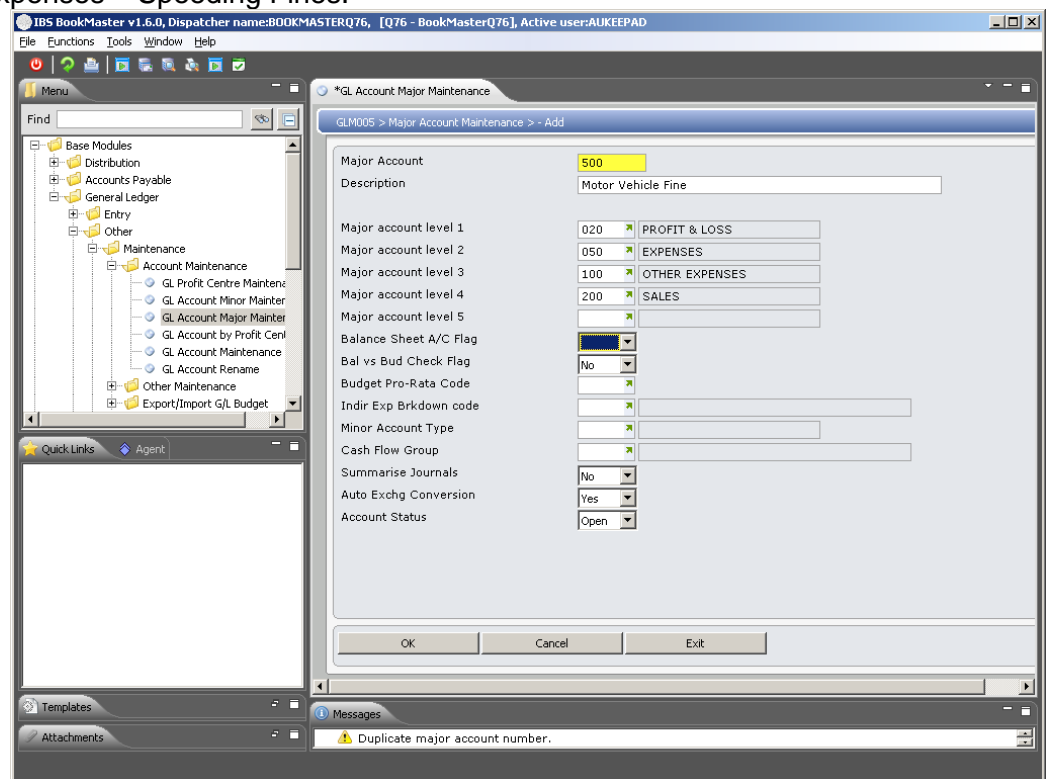
Example 1: Add a Major Account

1. Select **GL Account Major Maintenance** from Base Modules> General Ledger> Other> Maintenance> Account Maintenance menu



2. Click **Add**.

The following example is creating or adding a Major Account for Motor Vehicle Expenses – Speeding Fines.



Relevant Fields

Major account

Account sections are broken up into: A=Profit Centre Number, B=Major Account and C=Minor Account. Each of these sections can be a maximum of 6 characters separated by a delimiter. Only certain punctuation marks can be used to delimit the account sections. These are commas (,), full stops (.) and a dash or hyphen (-). **TMSGL/ACTS-DEF** is where a user defines their account

structure.

The Major Account section of the account number is entered here. Taking an example used in this General Ledger documentation, Motor Vehicle expenses have been broken down into Major Accounts: 5220 = Petrol expenses, 5221 Insurance, 5222 Repairs & Maintenance.

As an example, a new account 5227 can be created for Motor Vehicle expenses – Speeding Fines.

In GL Account Maintenance by Profit Centre the Major Accounts listed can be used to create a new General Ledger account by combining it with a Profit Centre. Major Accounts can be selected individually if for example only one account is to be created, or all of Major Accounts can be selected using the **Add All** Function.

Description	<p>A description of this account number is required and used in reports and inquiries.</p> <p>An example is Motor Vehicle Expenses – Speeding Fines.</p>
Major account level 1	<p>A range of major account level one codes can be selected for inclusion on this report.</p> <p>Note: Specify balance sheet or profit and loss.</p>
Major account level 2	<p>A range of major account level two codes can be selected for inclusion on this report.</p> <p>Note: Specify assets, liabilities, equity, revenue or expenses.</p>
Major account level 3	<p>A range of major account level three codes can be selected for inclusion on this report. Note: Specify more details. For example current assets, non current assets, operating revenue, interest revenue or other revenue.</p>
Major account level 4	<p>A range of major account level four codes can be selected for inclusion on this report.</p> <p>Note: Specify again further detail of level three.</p>
Major account level 5	<p>A range of major account level five codes can be selected for inclusion on this report.</p> <p>Note: Specify again further detail of level four.</p>
Balance sheet A/C flag	<p>Indicate whether the Major Account is a Balance Sheet account.</p>
Bal vs Bud	<p>Indicate if the account that has been entered against this</p>

check flag

Major Account is to be included on the Balance vs Budget exception.

Budget pro-rata code

This is an optional entry indicating which percentage profile is used to break down the annual budget.

For example, total budget is \$10,000 and the pro-rata code nominated for a particular account is code A, where A percentages are as follows:

July	10%	January	5%
August	10%	February	5%
September	10%	March	5%
October	10%	April	5%
November	10%	May	10%
December	10%	June	10%

The total annual budget of \$10,000 is calculated as:

July	1000	January	500
August	1000	February	500
September	1000	March	500
October	1000	April	500
November	1000	May	1000
December	1000	June	1000

This code must be valid on the Budget Pro-rata file, **GLI905**, before it can be used on the chart of accounts masterfile.

In Budget File Maintenance the Pro-Rata code as established on the selected General Ledger Major Account displays. Alongside the Months and Amounts per month, the percentage split according to the Pro-Rata code display.

In Pro-rata File Maintenance enter a 1-digit code. This is an alphanumeric field.

If the code entered in change mode is not on file the message **Record not found on Pro-Rata file** displays.

Indirect exp breakdown code

Indirect expenses can be distributed from one profit centre to several other profit centres. This is an optional entry. How the values are distributed is based on user defined Codes that specify the required percentage distribution which must total 100%. Applicable General Ledger accounts are coded with a Breakdown Code. The distribution of Indirect Expenses can take place at any time

by running the allocation process found in the G/L Period End Processing module. When this process is run, a reversing journal is created against the original General Ledger account, and allocation journals are generated for the various profit centres.

Minor account type

Minor account type

In Major Account Maintenance an optional Minor Account Type can be linked to a Major Account. In the Minor Account Maintenance function, Minor Accounts are also linked to Minor Account Type. This Minor Account Type is validated against **TMSG/ANT**. Within this Major Account Maintenance option, there is a change facility as well as an Add facility. These functions are covered later in this document.

In Minor Account Maintenance the Minor Account Type to which Minor Accounts are to be linked is selected. If a code entered is not on file, the message **Invalid minor account type - Not found in system file** displays. Once a valid Account Type is entered, a list of Minor Accounts belonging to that Account Type displays.

Select the Minor Account to be linked to the Major Account.

An example of a Minor Account Type code is MVE (for motor vehicle expenses).

AN to

In GL Accounts Rename/Move entry of the minor account to which nominated accounts are to be renamed or moved is mandatory.

Cash flow group

An optional Cash Flow Group can be linked to a Major Account. Accounts can be grouped into categories of cash movements so these group totals are used in the Cash Flow Reporting.

Summarise journals

This flag determines how the General Ledger is updated. Journals to an account can be summarised and posted as a total (Y) or the detail (N), which would mean all the journals, would post individually.

For example Trade Debtors, Trade Creditors and various Inventory journals would be posted in summary.

In the example of motor vehicle expenses, the flag is set to Y for summarise.

Auto exchange conversion

This flag is used to convert balances only, from a nominated currency to a reporting currency.

Account status When an account is no longer required it can be closed – status **C**. Transaction balances may exist for a closed account but no further posting is allowed. As part of the Period End procedure, all closed accounts with a zero balance and no movements, are deleted. Status **O** is for Open.

In GL Maintenance by Profit Centre a Closed major account cannot be used to create a new general ledger account for a profit centre.

3. Click **OK** or press **<ENTER>** once all entries have been made and your Major Account will be added to the system.

The implications of changing some of the Major Account details mid-stream are:

- Summarise Journals; - from Summary format to details of each journal posted.
- Auto Exchange Conversion – from Auto Conversion to manual posting.
- Account Status: - from open to closed affects all linked accounts/profit centres.

Example 2: Change a Minor Account

The first screen that displays when Major Account Maintenance is selected, gives two **Options**: **Change** is used to change an existing Major Account and **Minor accounts** is used to change an existing Minor Account where a Minor Account Type has been allocated. The following example is how to change a Minor Account.

Minor Accounts are used to analyse expenses at a schedule or detailed level.

For Example Motor Vehicle expenses can be grouped per car registration - 100.5220.TSD221 – where 100 is Profit Centre Marketing NSW and Major Account 5220 is Petrol. Another Major Account can be created for Car Insurance (5221) and Repairs & Maint (5222).

A list of Minor Account Numbers displays. The only Option available is **Change** details of an existing account. The Description of the Minor Account can be changed. As can the Account Status.

Click **Add** to add to the list of Minor Accounts. Refer to the section, **Add a Minor Account**, in this document.

Example 3: Add a Minor Account

Once the **Minor Accounts Option** is selected, the routine of adding a Minor Account is the same as in **Minor Account Maintenance**. It calls the routine to add minor accounts to the specified Minor Account Type.

1. Click **Minor accounts** for the Major Account you are adding a Minor Account to.
2. Click **Add** to add a Minor Account. Refer to **GLM010 Minor Account Maintenance**