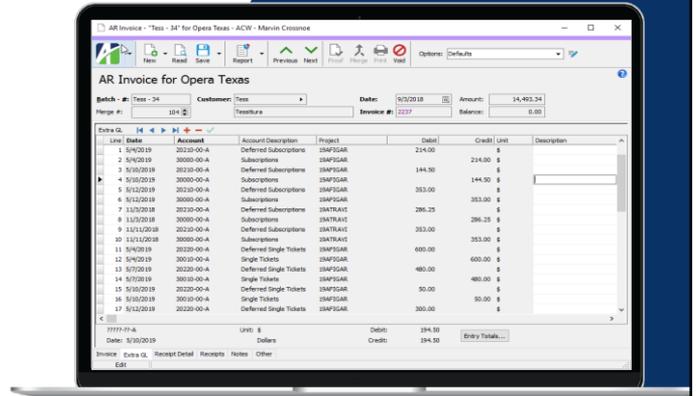**WELCOME TO**

Posting Magic:

An Uncommon Solution for Common General Ledger Issues

Marvin Crossnoe

Sarah Brewster

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Disclaimer

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Housekeeping

Audio
If you do not hear us now, we recommend audio using the dial in phone number provided.

Questions
Please enter your questions in the chat area. We will answer the questions via chat during the presentation or at the end of the presentation.

Resources
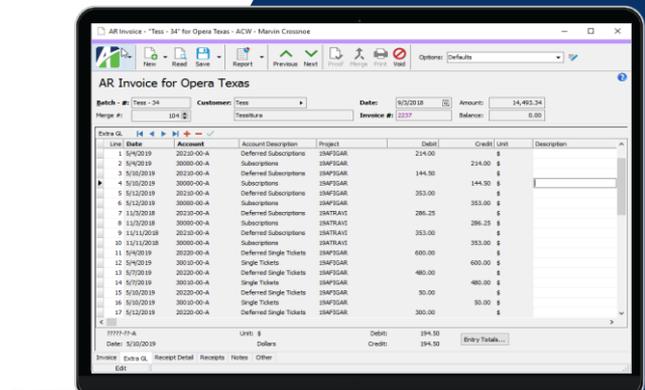A link to the recording and slides will be sent via email.

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WELCOME TO

Posting Magic:

An Uncommon Solution for Common General Ledger Issues

Extra GL

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- **ActivityHD**
  - Extra GL
  - Automation (BOTs)

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Extra(ordinary) GL

extraordinary adjective

Save Word

ex·traor·di·nary | \ ik-ˈstrȯr-də-ˌner-ē, ˌek-strə-ˈȯr- \

Definition of _extraordinary_

1 a : going beyond what is usual, regular, or customary
// _extraordinary_ powers

b : exceptional to a very marked extent
// _extraordinary_ beauty

c : _of a financial transaction_ : NONRECURRING

2 : employed for or sent on a special function or service
// an ambassador _extraordinary_

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Environment

- Chart of Account Structure
    CC-nnnn-D-L   company-natural-dept-ledger
    Attributes: Project and Customer
    Calendar year

- Business synopsis…
        sell service contracts
        build projects
        buy insurance
        use ActivityHD as our accounting system!
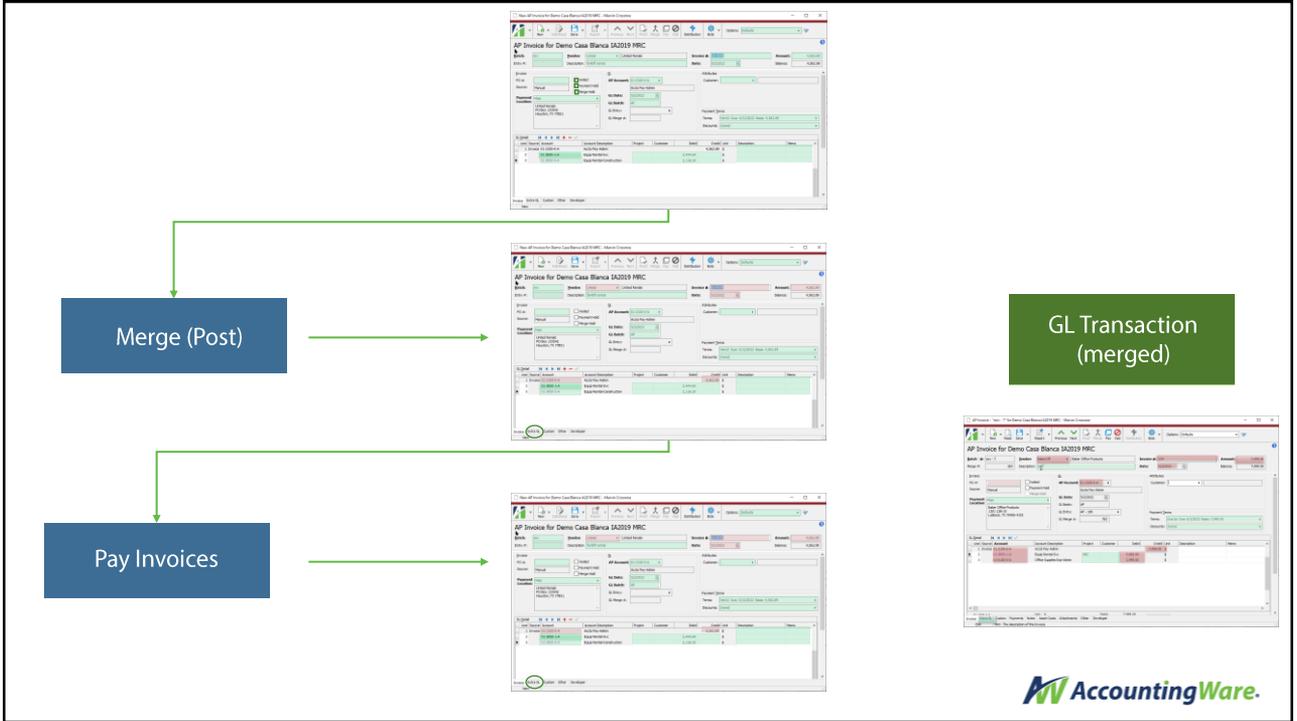
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Extra GL

- **AP Invoices (Vouchers)**
    - Correct distributions (after-the-fact)
    - Post Attributes (after-the-fact)
    - Prepaid Expense (allocate expense into the future)
- **AR Invoices**
    - Correct postings (after-the-fact)
    - Unearned Revenue (allocate revenues into the future)

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Merge (Post)

GL Transaction (merged)

Pay Invoices

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AP Scenario #1a

1) Error in posting distribution – wrong account(s)/attributes used
2) Invoice has NOT been merged.

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AP Scenario #1a

1) Error in posting distribution – wrong account(s)/attributes used
2) Invoice has NOT been merged.

What do we do?

- Solution: make correction directly on the invoice

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AP Scenario #1b

1) Error in posting distribution – wrong account(s)/attributes used
2) Invoice has been merged (and maybe paid) .
3) GL posting NOT merged.
4) CFO wants to correct by making adjustment directly in GL.

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AP Scenario #1b

1) Error in posting distribution – wrong account(s)/attributes used
2) Invoice has been merged and paid.
3) GL posting NOT merged.
4) CFO wants to correct by making adjustment directly in GL.

What do we do?

• Solution: make correction directly on invoice.

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AP Scenario #1c

1) Error in posting distribution – wrong account(s)/attributes used
2) Invoice has been merged and paid.
3) GL posting IS merged.
4) CFO wants to correct by making adjustment directly in GL.

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AP Scenario #1c

1) Error in posting distribution – wrong account(s)/attributes used
2) Invoice has been merged and paid.
3) GL posting IS merged.
4) CFO wants to correct by making adjustment directly in GL.

What do we do?

• Solution: make correction on Extra GL tab.

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AP Scenario #2

1) Business decision: Rent a forklift on a monthly basis and allocate to the individual projects based on hourly usage.
2) Invoice is due EOM + 5 days
3) Project supervisors must report usage EOM + 3 days
4) AP staff gets rental invoice but ….project supervisors have not reported…!

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AP Scenario #2

1) Business decision: Rent a forklift on a monthly basis and allocate to the individual projects based on hourly usage.

2) Invoice is due EOM + 5 days

3) Project supervisors must report usage EOM + 3 days

4) AP staff gets rental invoice but ….project supervisors have not reported…!

What do we do?

- Solution: Enter invoice w/o any project specific usage.. Then use Extra GL to insert usage later (with BOT!).

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AP Scenario #3

1) CEO just purchased a cybersecurity insurance policy…

2) Insurance not in effect until invoice is paid.

3) CEO wants the bill paid today!

4) CFO has not decided on how to charge out the expense to the various entities and departments (head-count, PC count, sq footage?)

5) Insurance policy is for one year and should be spread over the year.

6) AP staff gets invoice….

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AP Scenario #3

1) CEO just purchased a cybersecurity insurance policy…
2) Insurance not in effect until invoice is paid.
3) CEO wants the bill paid today!
4) CFO has not decided on how to charge out the expense to the various entities and departments (head-count, PC count, sq footage?)
5) Insurance policy is for one year and should be spread over the year.
6) AP staff gets invoice….

What do we do?

- Solution: Enter and pay invoice. Use Extra GL to enter PPD expense, etc.

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Observations

- Caution: Do NOT use Extra GL to modify AP liability accounts.
- Use Extra GL to modify expense account distributions
- Use Extra GL to modify attribute distributions (may be more efficient than mass change). BOT
- Use Extra GL to create Prepaid Expense entries over time (in association with the PPD Expense BOT
- Think about BOTs… and how they can save you time and effort…

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Time barriers for Extra GL

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Extra GL

- **AP Invoices (Vouchers)**
  - Correct distributions (after-the-fact)
  - Post Attributes (after-the-fact)
  - Prepaid Expense (allocate expense into the future)
- **AR Invoices**
  - Unearned Revenue (allocate revenues into the future)
  - Correct postings (after-the-fact)

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AR Scenario #1

1) We have AR recurring invoices for annual contracts.
2) Customers pay annually.
3) Business policy requires that the revenue recognized over the life of the contract

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AR Scenario #1

1) We have AR recurring invoices for annual contracts.
2) Customers pay annually.
3) Business policy requires that the revenue recognized over the life of the contract

What do we do?

- Solution: Enter invoices using recurring AR. Use Extra GL to enter Revenue Recognition entries (BOT).

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5/4/2022

AR Scenario #2

- AR invoice has been generated
- AR invoice has been paid by customer
- Staff has identified a mistake in the sales account credited

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AR Scenario #2

- AR invoice has been generated
- AR invoice has been paid by customer
- Staff has identified a mistake in the sales account credited

What do we do?

- Solution: Enter Extra GL to correct the sales account.

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Observations

- **Caution**: Do NOT use Extra GL to modify AR sales tax.
- **Caution**: Do NOT use Extra GL to modify the AR control account!
- Use Extra GL to modify revenue account (sales) distributions
- Use Extra GL to modify attributes (may be more efficient than mass change)
- Use Extra GL to create Unearned Revenue entries over time (in association with the Revenue Recognition BOT.
- Think about BOTs… and how they can save you time and effort…

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Summary   - What have we learned

- Extra GL is a very powerful posting solution
  - Correct mistakes after-the-fact and retain auditability and association
    - Account errors or omissions
    - Attribute errors or omissions
  - Account for Prepaid Expenses
  - Account for Unearned Revenue
- BOT Technology
- Closing books – no more Extra GL to modify distributions
- Recurring AR
- AP and AR posting process – when data elements become immutable!

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- **ActivityHD**
  - Extra GL
    - Extra(ordinary) GL
    - Self documenting adjustments
    - Allows for timely AP processing
    - – unique in marketplace
  - Automation (BOTs)
    - Unparalleled
    - Use for repetitive tasks
    - Javascript- JSON -interfaces
    - Future – built-in BOTs distributed with software
    - - unique in marketplace

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May 4, 2022

May the FORCE be with you!

May Extraordinary GL be in your wheelhouse!

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Questions

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