



F230 Subaccounts, Budgets, and Allocations

Annita Ruggier

Senior Implementation Consultant

Timing and Agenda

September 22, 2020 / 12PM - 1 PM Central Time

Day 1

Subaccounts

September 23, 2020 / 12PM - 1 PM Central Time

Day 2

Budgets

September 24, 2020 / 12PM - 1 PM Central Time

Day 3

Allocations



SweetLife Fruits & Jams Discovery

Discovery

- **SweetLife Fruits & Jams:** Mid Size Company located in NY and started Operations in January 2019 and converted to Acumatica in November 2019
- **They have 3 Branches:**
 - **Head Office & Warehouse Center:** a Jam Factory and Large Warehouse
 - **Store:** a retail shop with a small warehouse. This warehouse is replenished from the Warehouse Center
 - **Service & Equipment Sales Center:** a service center and a small warehouse that stocks juicers. They sell, install and repair juicers along with training on the use of the juicers. This branch started operations in January 2020
- **Products they Purchase**
 - Fruits, Spices and Juicers and Juicer Installations
 - Jars, Labels and Paper Bags
 - Office Supplies, Computers and Accessories

Discovery

SweetLife Continued

- Sales and Services
 - **Head Office & Warehouse Center Sells:**
 - Jams and Fruit to Restaurants and Café at wholesale prices
 - Home canning training customer locations
 - Webinars on the company Website
 - **Store Sells:**
 - Fresh fruit , berries and jams
 - Customer pick up from web orders
 - **Service & Equipment Sales Center:**
 - Juicers, training and Installation of juicers

Part 1: Subaccounts

Learning Objectives:

In this part of the course, you will see a configuration of subaccounts and examples of transactions with subaccounts. You will learn to configure and use automatically combined subaccounts in AR Documents.

What are Sub-Accounts?

Lesson 1.1: Configuring Subaccounts

Learning Objectives:

In this Chapter you will learn how to do the following:

- **Enable the Subaccount feature**
- Modify the predefined Subaccount segmented key
- **Specify values for subaccount segments**

Lesson 1.1: Configuring Subaccounts continued

- Subaccounts help split data into smaller more specific accounts
- Why would I want to configure subaccounts?
 - More detailed financial statements
- What are some examples of subaccount usage?
- Subaccounts should be configured very early in the System set up and need to be test thoroughly
- Can I increase the size of subaccounts?
- Can I decrease the size of subaccounts?

Lesson 1.1: Configuring Subaccounts continued

- Subaccounts is a feature that you enable
- **You will have to configure the Segmented Key**
 - This is the structure of the Sub Account
 - Assign the length and name of each segment
 - You may choose to “Validate” the segments
- **You will have to configure Segmented Values**
 - These are the possible values you assign to each of the Segmented Key
 - Assign a Value (ID) and a description for each value.

Lesson 1.1: Configuring Subaccounts continued

Company Requirements:

- Report expenses by department
- Report revenue by groups of Product

Required Setup:

- Segmented Key will require 2 segments
 - Products
 - Departments

Let's go do t!

Lesson 1.1: Configuring Subaccounts continued

➤ **Enabling Subaccount with transactions in the system**

- ✓ System will add a 0 to all transactions in the system
- ✓ Need to change the 0 value to values you have specified for the subaccount segmented Key

Let's go do it!

Lesson 1.1: Configuring Subaccounts continued

Sub Accounts What can I change?

- There are limitation once you turn on Subaccounts and transaction are posted
 - ✓ You can append a segment
 - ✓ You cannot delete a segment. This can cause the loss of data
- You can only delete a subaccount if there are no transaction posted against it.

Lesson 1.1: Configuring Subaccounts continued

Sub Accounts What can I change?

- Options should you need to change the configuration of subaccount in a live system.
 - ❑ Not using a subaccount anymore deactivate the Subaccounts form
 - ✓ System will maintain the history
 - ✓ User cannot use in documents or transactions
 - ❑ Add a new segment to the end of a of subaccount using Segmented Keys
 - ✓ Transaction in the system will have an empty value for the new segment
 - ✓ You can update list of these combination on the Subaccount form this will update history
 - ❑ You can merge subaccount by moving the balance to another sub account and deactivate the unnecessary accounts. You should also deactivate any unnecessary segment values.

Lesson 1.2: Processing a Transaction with Subaccounts

Learning Objectives: In this lesson, you will learn how to do the following:

- Create A GL Batch with subaccounts
 - Release a batch
- Review the changes in a report

Lesson 1.2: Processing a Transaction with Subaccounts Continued

➤ Company Requirements

- ❑ **Need to book employees salaries of \$38,300 for the financial period of 01-2019**
- ❑ **Employees are from the Sweetlife Head Office and Wholesale Center Branch (HEADOFFICE)**
- ❑ **Salary expense must be split to 4 different departments for reporting purposes**
 - ✓ Sales \$19,500
 - ✓ Operations \$ 7,700
 - ✓ Finance \$8,100
 - ✓ Marketing \$3,000

Let's go do it!

Lesson 1.3: Splitting a Transaction by Subaccounts

Learning Objectives:

In this lesson, you will learn how perform the process of splitting a transaction that has been posted to the wrong account into multiple correcting transactions.

- **In Acumatica the splitting of a GL transaction means the creation of a correcting transaction to move part or all of the amount to different account(s) or subaccount(s)**
- In the accounting world we call this “RECLASSING”

Lesson 1.3: Splitting a Transaction by Subaccounts Continued

Company Requirements:

- ✓ Batch posted to wrong account & part of the amount needs to be posted to a different account
 - ✓ Batch posted to the wrong subaccount & part of the amount needs to be posted to a different subaccount
 - ✓ Batch has been posted to the wrong branch and a part of the amount should be posted to a different branch
- To accomplish this we will be using the Acumatica feature called “Reclassify”

Lesson 1.3: Splitting a Transaction by Subaccounts Continued

Reclassify Transactions

- This feature will allow you to take an existing transaction and add lines to reclass the original amounts to different account(s), subaccount(s) or branch.
- When split the system creates a new transaction of the “Reclassification” Type.
- Reclassification transactions moves the amount or part of the amount from the wrong account(s), subaccount(s) or branch to the correct one(s) based on your requirement.
- If the amount of the original entry has not been fully split you may see the remaining amount of the original entry on the “Remaining Reclass Amount” column on the Journal Transaction form.
- You can always split the remaining amount.

Lesson 1.3: Splitting a Transaction by Subaccounts Continued

Company requirements:

- On January 25, 2020 a JE was made for \$620 and was posted to 62400 Office expense and 000-000 sub account.
- Controller wishes to split this expense among 5 departments in the follow amounts
 - ✓ Sales Department \$185
 - ✓ Engineering Department \$122
 - ✓ Marketing Department \$74
 - ✓ Operations Department \$89
 - ✓ Finance Department \$15



Lesson 1.4: Configuring Automatically Combined Subaccounts

Learning Objectives: In this lesson, you will learn how to specify combined subaccount masks for different types of documents

The combined subaccount functionality:

This feature allows you to tell the system where to go to select the correct segment value for each of the segments of the subaccount and default it into the transaction automatically.

Various area of the system has this functionality such as:

AP & AR Documents

Inventory Transactions

Sales & Purchase Orders

Employee Time Activities

Projects Transactions

Fixed Assets And Payroll

Lesson 1.4: Configuring Automatically Combined Subaccounts Continued

Company Requirements

- ✓ Working with vendor documents to speed up data entry and cut down on data entry mistakes
- ✓ Pre assign the 1st segment to come from the non stock item
- ✓ Pre assign the 2nd segment to come from the employee record of the owner or creator of the document



Lesson 1.5: Processing an AP Bill with Combined Subaccounts

Learning Objectives: In this lesson, you will learn how to do the following:

Process an AP bill when combined subaccount have been configured

Review a report that is broken down by subaccount

Company Requirement:

Purchased billboard advertising

Purchased printed booklets that are a non stock item in Acumatica

This bill is needs to be expensed to the Marketing Department

Let's go do it!



Part 2 Budgets

Lesson 2.1: Creating a budget Ledger

Learning Objectives:

In this lesson, you will learn how to create a ledger of the Budget Type

Budget Ledgers:

- Must have a budget ledger if you are going to do a budget in the system
- Budget ledger can be used as a base ledger in allocations
- You can have as many budget ledger as you wish.
- Annual budgets for different companies and branches = 1 ledger
- Optimistic budget & pessimistic budget for the same company & branches = 2 ledgers

Lesson 2.1: Creating a budget Ledger continued

- Prepare budgets on the budgets form
- When released, budget amounts are posted to the budget ledger under the account(s) / subaccount(s) of the budget article.
- After release of the budget, the budget amounts are available for reports and comparisons
- **You cannot enter a transaction to the budget ledger**

Company Requirements:

- ✓ Controller want to have an Optimistic budgets for SweetrLife Fruits & Jams and Muffins & Cakes

Let's go do it!

Lesson 2.2: Preparing a Simple Budget

Learning Objectives:

In this lesson, you will learn about ways you can create a simple Budget. You will also learn how to create a simple budget by uploading it from an excel file.

Simple Budgets:

- ✓ Single Level List of budget Articles
- ✓ Actual to budget comparisons
- ✓ Create a budget for a year
- ✓ Approving the Budget: Releasing the budget posts it to the budget ledger

Lesson 2.2: Preparing a Simple Budget continued

- **Create a single level (simple) budget using the Budget Form**
- For each budget you create you will need the following information
 - ✓ Branches
 - ✓ Budget Ledger (stores budget amount)
 - ✓ Financial Year the budget is being prepared for
- **There are 3 ways to add Articles on the budget form**
 1. Add account-subaccount manually
 2. You can import the list of budget articles
 3. Load account-subaccount with amounts from your actual ledger

Lesson 2.2: Preparing a Simple Budget continued

Distribution of Amounts Over Financial Periods:

- Manually enter the amount for each period
- Automatically using the Distribute on the toolbar.

The Distribute Year Amount by Period window

- Distribute annual amount evenly
- Proportionally to amts of the previous year
- Proportionally to Compared Values

Select for selected articles or for all articles in the same node

Select node and distribute the amts for sub-articles of the node



Lesson 2.3: Configuring a Hierarchical Budget Tree

Learning Objectives: In this lesson, you will learn about the following

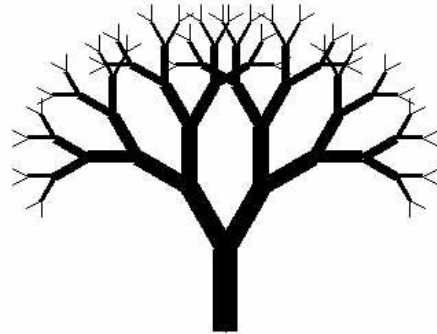
The elements of a budget tree structure

The way the budget tree can be configured

- **Think about the structure of the company(s) and branch(s)**
 - ✓ Same tree is used for all
 - ✓ Same tree is used for all budget versions

Lesson 2.3: Configuring a Hierarchical Budget Tree Continued

- The budget structure is represented by a tree
 - The tree has articles
 - Some of the articles are leaves (individual)
 - Some of the articles are nodes (groupings)
- Each article that is a Node contains leaves or other nodes or both



Lesson 2.3: Configuring a Hierarchical Budget Tree Continued

Budget Configuration ☆

Budget Tree

Subarticles

SWETLIFE PART 1

- Sales
- Salaries
- Rent & Other Office Expenses

PRELOAD ACCOUNTS

Node	Account	Subaccount	*Description	Account Mask	Subaccount Mask
<input checked="" type="checkbox"/>			Sales	40000?????	???-000
<input checked="" type="checkbox"/>			Salaries		
<input checked="" type="checkbox"/>			Rent & Other Office Expenses	62????????	000-???
<input type="checkbox"/>	61000	000-000	Advertising Expense	61000?????	000-000
<input type="checkbox"/>	60000	000-000	Purchase Expense	60000?????	000-???

Nodes (grouping)

The screenshot displays the 'Budget Configuration' interface. On the left, a 'Budget Tree' shows a folder named 'SWETLIFE PART 1' containing three subfolders: 'Sales', 'Salaries', and 'Rent & Other Office Expenses'. On the right, a table titled 'PRELOAD ACCOUNTS' lists subarticles. The first three rows are highlighted with a red box and labeled 'Nodes (grouping)'. These rows correspond to the subfolders in the budget tree: 'Sales', 'Salaries', and 'Rent & Other Office Expenses'. The table columns are: Node (checkbox), Account, Subaccount, *Description, Account Mask, and Subaccount Mask. The 'Sales' row has an account mask of '40000?????' and a subaccount mask of '???-000'. The 'Salaries' row has empty account and subaccount masks. The 'Rent & Other Office Expenses' row has an account mask of '62????????' and a subaccount mask of '000-???'.

Lesson 2.3: Configuring a Hierarchical Budget Tree Continued

Budget Configuration ☆

Budget Tree

- SWETLIFE PART 1
 - Sales
 - Salaries
 - Rent & Other Office Expenses

Subarticles

PRELOAD ACCOUNTS

Node	Account	Subaccount	*Description	Account Mask	Subaccount Mask
<input checked="" type="checkbox"/>			Sales	40000?????	???-000
<input checked="" type="checkbox"/>			Salaries		
<input checked="" type="checkbox"/>			Rent & Other Office Expenses	62?????????	000-???
<input type="checkbox"/>	61000	000-000	Advertising Expense	61000?????	000-000
<input type="checkbox"/>	60000	000-000	Purchase Expense	60000?????	000-???

Leaves (individual)

Lesson 2.3: Configuring a Hierarchical Budget Tree Continued

Budget Configuration ☆

Use the Preload to bring the leaves in

Brought in based on

Budget Tree

SWEETLIFE PART 1

- Sales
- Salaries
- Rent & Other Office Expenses

Subarticles

PRELOAD ACCOUNTS

Node	Account	Subaccount	* Description	Account Mask	Subaccount Mask
> <input type="checkbox"/>	40000	000-000	Sales Revenue	40000	000-000
<input type="checkbox"/>	40000	NSS-000	Sales Revenue	40000	NSS-000
<input type="checkbox"/>	40000	JAM-000	Sales Revenue	40000	JAM-000
<input type="checkbox"/>	40000	FRU-000	Sales Revenue	40000	FRU-000
<input type="checkbox"/>	40000	EQU-000	Sales Revenue	40000	EQU-000

Lesson 2.3: Configuring a Hierarchical Budget Tree Continued

Company Requirements:

- Wants to maintain budgets in the system
- They want budget to be grouped by
 - Sales of each product
 - Salaries of each department
 - Rent and other office expenses
- Individual articles for Advertising and purchase expenses

Let's go do it!



Lesson 2.4: Preparing a Hierarchical Budget

Learning Objectives:

In this lesson, you will learn how to create and release a hierarchical budget

- Hierarchical budgets are used to plan and forecast as a multilevel list of Budget Articles
 - You will be using the Budget Form to create the Hierarchical Budget
 - System will automatically add the nodes and articles to the budget based on the Budget Tree
 - You can manually change the articles if needed

Lesson 2.4: Preparing a Hierarchical Budget Continued

Company requirements:

- Need to prepare the budget for the Service and Equipment Sales Center branch for Years 2020 & 2021
- 2020 will upload from a Excel File with amounts that will be spread evenly
- 2021 Prepare budget with a 10% increase from the 2020 budget



Lesson 2.5: Comparing Budgets

Learning Objectives:

In this lesson, you will learn how to compare a budget with actual data.

➤ Why Do this comparison?

- Analyze performance by comparing actuals to budgets.
- Help to improve the current budget and future budgets
- You can compare two budgets to see trends and make adjustment for a future budget

Company requirements:

- Controller needs to compare budget to actual for the first period of 2019. for the SweetLife retail store.

Let's go do it!

Lesson 2.6: Revising a Budget

Learning Objectives:

In this lesson, you will learn how to do the following in the released budget:

- Modify amounts of existing budget articles (increase or decrease)
- Add new budget articles to the budget

What can I Fix on a prepared budget?

- Decrease or increase spending
 - Reallocate revenues
 - Include amounts for unexpected or uncommon expense
 - Correct errors in a released budget
 - Change distribution periods
-
- Remember you must release the budget to see the changes!
 - Messed up you can restore the budget to the released version to undo your changes

Lesson 2.6: Revising a Budget Continued

Company requirements:

- Needs to increase Retail Stores budget to \$10,600 on sales of Jams for the 12th period of 2019
- Wants to add an article for Office expenses of \$1,200 and spreading the amount evenly across all periods

Let's go do it!

Lesson 2.7: Converting Single Budget to a Hierarchical Budget

Learning Objectives:

In this Optional lesson, you will learn how to convert a simple budget to Hierarchical budget

Company Requirements:

- Need a more detailed budget
- You will have to create your tree make sure there are no conflicts between the tree and the single-level budget.
- Conversion will not happen if any mask used in a single level budget is split into multiple masks on a tree or if multiple masks used somewhere in the single level budget are merged into a single mask for the tree.
- Once converted the changes can not be undone

Let's go do it!



Allocations

Part 3 : Allocations

Learning Objectives:

In this Chapter, you will learn how to configure the following type of allocations:

- Distribute amount based on user – defined weights
- Distribute amounts based on percentages
- Distribute amounts based on dynamic ratio of the period to date account balances
- Distribute amounts based on budget data
- Allocations are defined on the Allocation Form (GL20.45.00)

Let's go look at the Form!

Part 3 : Allocations Continued Page 63

Allocations Rules Using Group Masking

- Account is 5 Digits; all marketing accounts start with 51 my mask would look like this in the account field:
- 51___ (underscore = blank) This will give me all accounts that start with 51
- Subaccount segments are 2 letter country code, 2 letter department code, 3-digit product code
- US-__-___ selects all related account to the US country code

To specify just some of the letter you can use a ?

- __-D?-155 the system would select the following sub accounts

US-DV-155 and US-DP-155

GE-DV-155 and GE-DP-155

FR-DV-155 and FR-DP-155

Lesson 3.1: Allocation User Defined Coefficient

Learning Objectives:

In this lesson, you will learn how to create an allocation rule in which a user defined coefficient is used to distribute amounts among accounts and sub accounts

Company Requirement:

- HEADOFFICE Branch pays all advertisement bills that Sweetlife Fruits and Jams company receives
- Month end the amount for advertising needs to be distributed to HEADOFFICE, RETAIL and SWEETEQUIP
- Uses a 5:1:1 fixed ratio

Let's go do it!



Lesson 3.2: Allocation Rule Using a Percentage

Learning Objectives:

In this lesson, you will learn how to create a allocation rule in which a percentage is used to distribute amounts among accounts and subaccounts

Company Requirement:

- RETAIL & SWEETEQUIP branches of the SweetLife Fruits & Jams company don't have a finance department
- HEADOFFICE is responsible for all accounting functions for those two branches
- Monthly, the salary expense of the HEADOFFICE accounting staff need to be allocated based on the following percentages

HEADOFFICE 50%

RETAIL 15%

SWEETEQUIP 35%

Let's go do it!

Lesson 3.3: Allocation Rule using a Dynamic Ratio

Learning Objectives:

In this lesson, you will learn how to create an allocation rule in which a dynamic ratio is used to distribute amounts among accounts and subaccounts

Company Requirements:

- The HEADOFFICE branch expenses rent to 000-000 subaccount.
- Month end they split the expense based on a head count

Let's go do it!



Lesson 3.4: Allocation Rule Based on Budget Data

Learning Objectives:

In this lesson, you will learn how to create an allocation rule in which amounts are distributed based on budget data among accounts and subaccounts

Company Requirements:

- SweetLife Fruits & Jams company pays the Christmas bouns to its employees
- Finance needs to accrue the monthly budgeted amount to the bonus expense account for each department.
- 2020 Budget is 40K is to be accrued proportionally to the monthly salary.

Let's go do it!

Lesson 3.5: Allocation Running

Learning Objectives:

In this lesson, you will learn how to do the following:

- Run allocations that you have created
 - Review and release the generated allocation batches
-
- If you don't run the allocation nothing will be distributed
 - Allocations are ran on the Run Allocation Form (GL504500)
 - The period of the allocation must be open
 - Once you run the rule the system creates an allocation batch
 - Deducts the amount from the Source Account and subaccounts according to the rule
 - Distributes it to the Destination Accounts and subaccounts according to the rule

Lesson 3.5: Allocation Running Continued

- **If you don't run the allocation nothing will be distributed**
- Allocations are processed on the Run Allocation Form (GL504500)
- **The period of the allocation must be open**
- Once you run the rule the system creates an allocation batch
 - Deducts the amount from the Source Account and subaccounts according to the rule
 - Distributes it to the Destination Accounts and subaccounts according to the rule
- **Status of the batch depends on the “Hold Batches on Entry” check box on the GL Preferences**

Lesson 3.5: Allocation Running Continued

- You can run an allocation multiple times during a period
- The run date must be the same as or later than the last run date
- The allocation will run provided
 - The account is not at zero
 - There is no limit amount in the Amount Limit field on the Source Tab
 - The limit amount in the Amount Limit field on the source tab has not be met
- If you have unposted allocation batches they must be posted before you can run them again

Running Of Allocations: Process Activity

Learning Objectives: In this activity, you will learn how to run allocations. You will also learn how to review and release the generated batches

Company Requirements:

- Need to distribute the following expenses based on the allocation rules setup in the system:
 - Advertising
 - Salaries for the finance department
 - Rent
 - Christmas Bonuses





Annita Ruggier