



**Acumatica**

The Cloud ERP

# F230 Subaccounts, Budgets, and Allocations

Varthini Bhaskaran

Technical Account Manager

# Timing and Agenda

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**September 24, 2024 - 10:00-11:30 AM PT**

**Day 1**

**Lesson 1.1: Configuring Subaccounts**

**Lesson 1.2: Processing a Transaction with Subaccounts**

**Lesson 1.3: Splitting a Transaction by Subaccounts**

**Lesson 1.4: Configuring Automatically Combined Subaccounts**

**Lesson 1.5: Processing an AP Bill with Combined Subaccounts**

**Lesson 2.1: Creating a Budget Ledger**

**September 25, 2024 - 10:00-11:30 AM PT**

**Day 2**

**Lesson 2.2: Preparing Simple Budgets**

**Lesson 2.3: Preparing a Budget Based on Existing Budgets**

**Lesson 2.4: Configuring a Hierarchical Budget Tree**

**Lesson 2.5: Configuring Access to Budget Nodes**

**Lesson 2.6: Converting a Simple Budget to a Hierarchical Budget**

**Lesson 2.7: Modifying a Hierarchical Budget**

**Lesson 2.8: Preparing and Running a Budget vs. Actual ARM Report**

# Timing and Agenda

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**September 26, 2024 - 10:00-11:30 AM PT**

**Day 3**

**Lesson 2.9: Revising a Budget**

**Lesson 3.1: Allocation Rule That Uses a User-Defined Coefficient**

**Lesson 3.2: Allocation Rule That Uses a Percentage**

**Lesson 3.3: Allocation Rule That Uses a Dynamic Ratio of the Period-to-Date Account Balances**

**Lesson 3.4: Allocation Rule Based on Budget Data**

**Lesson 3.5: Running of Allocations**



Day 1

**Scott McLaughlin**

Acumatica Sponsored Professional Race Car Driver

# Company Structure

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The SweetLife Fruits & Jams company is a midsize company located in New York City. The company consists of the following branches:

- **SweetLife Head Office and Wholesale Center:** This branch of the company consists of a jam factory and a large warehouse where the company stores fruit (purchased from wholesale vendors) and the jam it produces. Warehouse workers perform warehouse operations by using barcode scanners or mobile devices with barcode scanning support.
- **SweetLife Store:** This branch has a retail shop with a small warehouse to which the goods to be sold are distributed from the company's main warehouse. This branch is also planning on selling goods via a website created on an e-commerce platform to accept orders online. The e-commerce integration project is underway.
- **SweetLife Service and Equipment Sales Center:** This branch is a service center with a small warehouse where juicers are stored. This branch assembles, sells, installs, and services juicers, in addition to training customers' employees to operate juicers.

# Operational Activity

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The company has been operating starting in the 01-2023 financial period. In November 2023, the company started using Acumatica ERP as an ERP and CRM system and migrated all data of the main office and retail store to Acumatica ERP. The equipment center has begun its operations in 01-2024 in response to the company's growth.

The base currency of the company and its subsidiaries is the US dollar (USD). All amounts in documents and reports are expressed in US dollars unless otherwise indicated.

# Muffins & Cakes Company Sales and Services

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The Muffins & Cakes branches have the following business processes:

- **Muffins Head Office & Wholesale Center:** In this branch, baked goods and products for baking are sold to wholesale customers, such as restaurants and cafes. The company also conducts baking classes at customer locations.
- **Muffins Store:** In the store, small retail customers purchase baked goods, or pick the goods ordered on the website.

# SweetLife Company Sales and Services

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Each SweetLife company's branch has its own business processes, as follows:

- **SweetLife Head Office and Wholesale Center:** In this branch, jams and fruit are sold to wholesale customers, such as restaurants and cafes. The company also conducts home canning training at the customer's location and webinars on the company's website.
- **SweetLife Store:** In the store, retail customers purchase fresh fruit, berries, and jams, or pick up the goods they have ordered on the website. Some of the goods listed in the website catalog are not stored in the retail warehouse, such as tropical fruits (which are purchased on demand) and tea (which is drop-shipped from a third-party vendor).
- **SweetLife Service and Equipment Sales Center:** This branch assembles juicers, sells juicers, provides training on equipment use, and offers equipment installation, including site review and maintenance services. The branch performs short-term service provision.

The company has local and international customers. The ordered items are delivered by drivers using the company's own vehicle. Customers can pay for orders by using various payment methods (cash, checks, or credit cards).



# Company Purchases

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The company purchases fruits and spices from large fruit vendors for sale and for jam production. For producing jams and packing jams and fruits, the company purchases jars, labels, and paper bags from various vendors. For the internal needs of the main office and store, the company purchases stationery (printing paper, pens, and pencils), computers, and computer accessories from various vendors.

The company also purchases juicers and juicer parts from large juicer vendors, and it either purchases the installation service for the juicers or provides the installation service on its own, depending on the complexity of the installation.



# Part 1: Subaccounts

# Lesson 1.1: Configuring Subaccounts

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## Learning Objectives

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

- Enable the Subaccounts feature
- Modify the predefined SUBACCOUNT segmented key
- Specify values for subaccount segments

# Subaccounts: Implementation Activity

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## Story

Suppose that the management of the SweetLife Fruits & Jams company wants to report the company's expenses by department and its revenue by groups of items.

Acting as a system administrator, you have to perform the needed actions to configure subaccounts in the system. The subaccounts will consist of two segments: one that represents a product, and another that represents a department. You also have to specify the values for each segment and set up the subaccounts so that users enter subaccounts on data entry forms by selecting the values segment by segment.

## Note

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- If you are not planning to use a subaccount anymore, you can deactivate it on the Subaccounts (GL203000) form
- You can add a new segment to the end of subaccount identifiers on the Segmented Keys (CS202000) form.
- For subaccount identifiers, you can add new segment values and edit the existing values on the Segment Values (CS203000) form.
- You can merge subaccounts by moving the balances to one of these subaccounts and deactivating the unnecessary subaccounts on the Subaccounts form

# Lesson 1.2: Processing a Transaction with Subaccounts

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## Learning Objectives

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

- Create a GL batch that includes subaccounts
- Release the batch
- Review the changes on an inquiry form

# Transactions with Subaccounts: Process Activity

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## Story

Suppose that in January 2024, the SweetLife Fruits & Jams company paid its employees a total of \$38,300.

Acting as a SweetLife accountant, you need to enter a batch for a payment in the amount of \$38,300 for the 01-2024 financial period for the salaries of the employees of the SweetLife Head Office and Wholesale Center (HEADOFFICE) branch. The following amounts were paid to the company's departments:

- Sales: \$19,500
- Operations: \$7,700
- Finance: \$8,100
- Marketing: \$3,000

In the batch, you need to record a separate entry for each department so that you can later view the expenses of each department in reports.

# Lesson 1.3: Splitting a Transaction by Subaccounts

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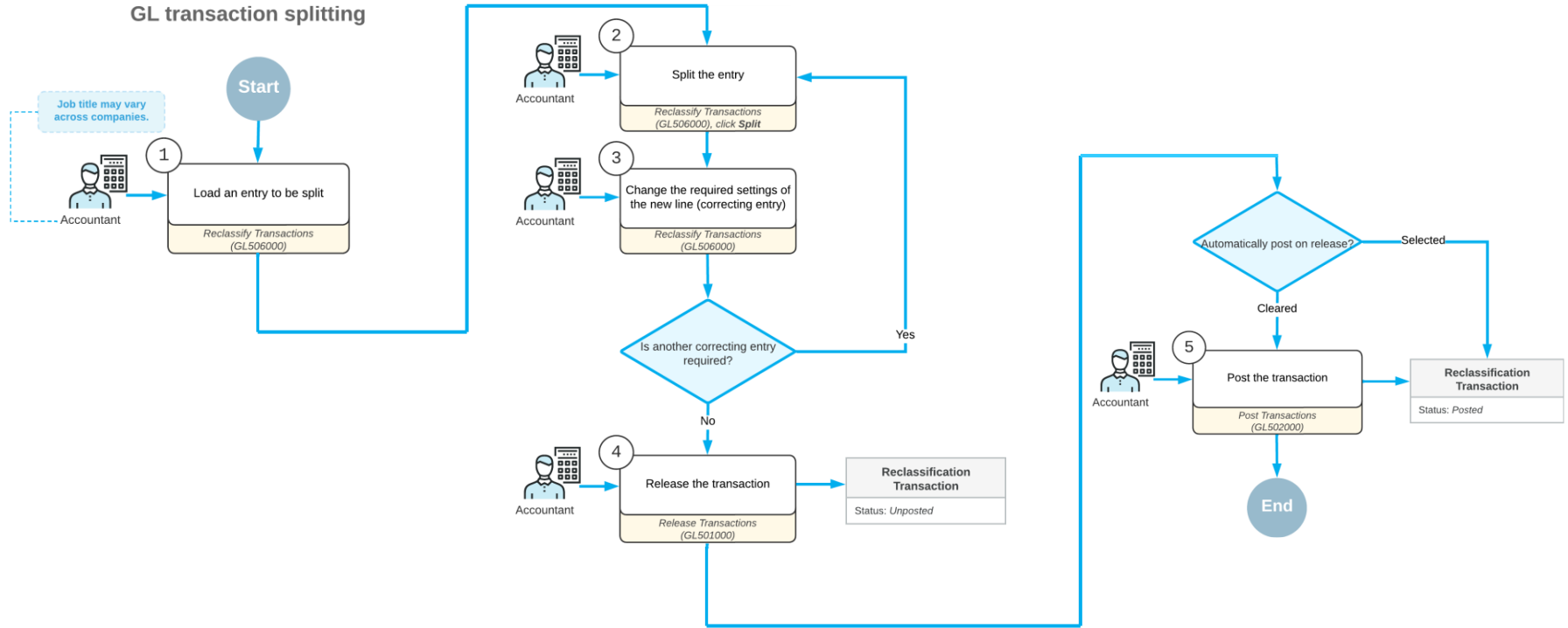
## Learning Objectives

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

- To split a transaction that has been posted to the wrong subaccount into multiple correcting transactions.



# Figure: GL transaction splitting



# Splitting Transactions: To Split a Transaction by Subaccounts

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## Story

Suppose that on January 25, 2024, a GL batch for \$620 was posted to the 62400 - Office Expenses account and to the general 000-000 subaccount. The accountant then decided to split expenses between different departments so that reports would reflect the expense breakdown by departmental subaccounts. The departments in this batch have the following office expenses:

- Sales department: \$185
- Engineering department: \$122
- Marketing department: \$74
- Operations department: \$89
- Finance department: \$150

Acting as a SweetLife accountant, you have to split the original transaction by subaccounts to record the applicable expenses for each department.

# Figure: The transaction split by subaccounts before being processed

Reclassify Transactions TOOLS ▾

↻ ↶ ✕ LOAD REPLACE SPLIT PROCESS | ☒

| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | To Branch  | To Account | Description    | To Subaccount | To Project | To Project Task | To Cost Code | New Tran. Date | New Transaction Description | New Amount | Debit Amount | Credit Amount | Currency | Project |
|--------------------------|--------------------------|-------------------------------------|------------|------------|----------------|---------------|------------|-----------------|--------------|----------------|-----------------------------|------------|--------------|---------------|----------|---------|
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | HEADOFFICE | 62400      | Office Expense | 000-000       | X          |                 |              | 1/25/2024      | Stationery                  | 0.00       | 620.00       | 0.00          | USD      | X       |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | HEADOFFICE | 62400      | Office Expense | 000-SLS       | X          |                 |              | 1/25/2024      | Stationery                  | 185.00     | 0.00         | 0.00          | USD      | X       |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | HEADOFFICE | 62400      | Office Expense | 000-ENG       | X          |                 |              | 1/25/2024      | Stationery                  | 122.00     | 0.00         | 0.00          | USD      | X       |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | HEADOFFICE | 62400      | Office Expense | 000-MKT       | X          |                 |              | 1/25/2024      | Stationery                  | 74.00      | 0.00         | 0.00          | USD      | X       |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | HEADOFFICE | 62400      | Office Expense | 000-OPS       | X          |                 |              | 1/25/2024      | Stationery                  | 89.00      | 0.00         | 0.00          | USD      | X       |
| <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | HEADOFFICE | 62400      | Office Expense | 000-FIN       | X          |                 |              | 1/25/2024      | Stationery                  | 150.00     | 0.00         | 0.00          | USD      | X       |

## Note

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In addition to the line amount , each new line and in the original one the following details can be modified.

- **To Account:** The transaction amount will be moved from the originally specified general ledger account (Account) to the account you specify in this column.
- **To Subaccount:** The transaction amount will be moved from the originally specified subaccount (Subaccount) to the subaccount you specify in this column.
- **To Branch:** The transaction amount will be moved from the originally specified branch to the GL account or subaccount of the branch you specify in this column.

# Lesson 1.4: Configuring Automatically Combined Subaccounts

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## Learning Objectives

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

- To specify combined subaccount masks for different types of documents.

# Combined Subaccounts: To Define a Subaccount Mask for AP Documents

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## Story

Suppose that accountants of the SweetLife Fruits & Jams company need to have combined subaccounts configured in the system to be used as the expense subaccount in vendor documents, to speed up the processing of these documents.

Acting as an administrator, you have to specify the subaccount mask that will be used for these documents, and then specify the expense subaccount for some of the source records. The first segment of the subaccount should be copied from the non-stock item selected in the document line. The second segment should be copied from the employee who is the owner or creator of the document.

# Applicable scenarios

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| Document Type                       | Forms and UI Elements Where Subaccounts Will Be Used   |
|-------------------------------------|--|
| AP documents                        | <i>Bills and Adjustments</i> (AP301000): <b>Details</b> tab, <b>Subaccount</b> column  |
| AR documents                        | <i>Invoices and Memos</i> (AR301000): <b>Details</b> tab, <b>Subaccount</b> column   |
| Inventory transactions              | <i>Stock Items</i> (IN202500): <b>GL Accounts</b> tab<br><i>Item Warehouse Details</i> (IN204500): <b>General</b> tab, <b>Inventory Sub.</b> box               |
| Invoices prepared for sales orders  | <i>Invoices</i> (SO303000): <b>Details</b> tab, <b>Subaccount</b> column   |
| Bills prepared for purchase orders  | <i>Bills and Adjustments</i> (AP301000): <b>Details</b> tab, <b>Subaccount</b> column  |
| Expense claims and expense receipts | <i>Expense Claim</i> (EP301000): <b>Details</b> tab, <b>Expense Sub.</b> box<br><i>Expense Receipt</i> (EP301020): <b>Details</b> tab, <b>Expense Sub.</b> box |
| Project transactions                | <i>Project Transactions</i> (PM304000): <b>Details</b> tab, <b>Debit Subaccount</b> and <b>Credit Subaccount</b> columns                                       |

# Configuration of Combined Subaccounts

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To enter a rule for combined subaccounts, you can select one of the following options (the available options in a particular list vary depending on the document type) for each segment of the subaccount mask to indicate what subaccount is used as a source for this segment:

- C: The subaccount associated with the company branch
- E: The subaccount associated with the employee
- I: The subaccount associated with the stock or non-stock item
- J: The subaccount associated with the project
- L: The subaccount associated with the customer location or vendor location
- P: The subaccount associated with the posting class
- S: The subaccount associated with the salesperson
- T: The subaccount associated with the project task
- W: The subaccount associated with the warehouse



# Lesson 1.5: Processing an AP Bill with Combined Subaccounts

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## Learning Objectives

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

- Process an AP bill when combined subaccounts have been configured for AP documents
- Review a report that is broken down by subaccounts

# Bill with Combined Subaccounts: Process Activity

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## Story

Suppose that the SweetLife Fruits & Jams company purchased billboard advertising from the Blueline Advertisement company and additional printed booklets that are not tracked in the system as non-stock items.

Acting as a SweetLife accountant, you need to create an AP bill on behalf of Bill Owen, who works in the Marketing department. You then need to release the bill and then review the balances of the involved accounts, which are broken down by subaccounts.

# Figure: Balances of the account

| Trial Balance Detailed |                       |            |            | From Period:           | 01-2024             | Page:             | 2 of 2             |                     |
|------------------------|-----------------------|------------|------------|------------------------|---------------------|-------------------|--------------------|---------------------|
| Company/Branch:        |                       | HEADOFFICE |            | To Period:             | 01-2024             | Date:             | 9/20/2023 12:50 PM |                     |
| Ledger:                |                       | ACTUAL     |            |                        |                     | User:             | Nenad Pasic        |                     |
| Branch                 | Account               | Type       | Subaccount | Description            | Beginning Balance   | Debit             | Credit             | Ending Balance      |
|                        |                       |            |            | <b>Liability Total</b> | <b>1,556,641.19</b> | <b>239,420.41</b> | <b>184,935.59</b>  | <b>1,502,156.37</b> |
| HEADOFFICE             | <a href="#">40000</a> | Income     | 000-000    | Sales Revenue          | 0.00                | 213.00            | 15,070.68          | 14,857.68           |
| HEADOFFICE             | <a href="#">40010</a> | Income     | 000-000    | Sales - Freight        | 0.00                | 0.00              | 11.00              | 11.00               |
|                        |                       |            |            | <b>Income Total</b>    | <b>0.00</b>         | <b>213.00</b>     | <b>15,081.68</b>   | <b>14,868.68</b>    |
| HEADOFFICE             | <a href="#">50000</a> | Expense    | 000-000    | COGS - Inventory       | 0.00                | 5,076.95          | 0.00               | 5,076.95            |
| HEADOFFICE             | <a href="#">52600</a> | Expense    | 000-000    | Cash Discount          | 0.00                | 15.00             | 84.62              | -69.62              |
| HEADOFFICE             | <a href="#">61000</a> | Expense    | 000-000    | Advertising Expense    | 0.00                | 520.00            | 0.00               | 520.00              |
| HEADOFFICE             | <a href="#">61000</a> | Expense    | 000-MKT    | Advertising Expense    | 0.00                | 250.00            | 0.00               | 250.00              |
| HEADOFFICE             | <a href="#">61000</a> | Expense    | NSS-MKT    | Advertising Expense    | 0.00                | 500.00            | 0.00               | 500.00              |
| HEADOFFICE             | <a href="#">62400</a> | Expense    | 000-000    | Office Expense         | 0.00                | 2,321.00          | 645.00             | 1,676.00            |
| HEADOFFICE             | <a href="#">62400</a> | Expense    | 000-ENG    | Office Expense         | 0.00                | 122.00            | 0.00               | 122.00              |
| HEADOFFICE             | <a href="#">62400</a> | Expense    | 000-FIN    | Office Expense         | 0.00                | 150.00            | 0.00               | 150.00              |
| HEADOFFICE             | <a href="#">62400</a> | Expense    | 000-MKT    | Office Expense         | 0.00                | 74.00             | 0.00               | 74.00               |
| HEADOFFICE             | <a href="#">62400</a> | Expense    | 000-OPS    | Office Expense         | 0.00                | 89.00             | 0.00               | 89.00               |
| HEADOFFICE             | <a href="#">62400</a> | Expense    | 000-SLS    | Office Expense         | 0.00                | 185.00            | 0.00               | 185.00              |
| HEADOFFICE             | <a href="#">62900</a> | Expense    | 000-000    | Rent or Lease Expense  | 0.00                | 1,200.00          | 0.00               | 1,200.00            |
| HEADOFFICE             | <a href="#">65100</a> | Expense    | 000-000    | Other Tax Expenses     | 0.00                | 11,338.38         | 0.00               | 11,338.38           |
| HEADOFFICE             | <a href="#">69500</a> | Expense    | 000-000    | Salaries and Wages     | 0.00                | 20,100.00         | 0.00               | 20,100.00           |
| HEADOFFICE             | <a href="#">69500</a> | Expense    | 000-FIN    | Salaries and Wages     | 0.00                | 8,100.00          | 0.00               | 8,100.00            |
| HEADOFFICE             | <a href="#">69500</a> | Expense    | 000-MKT    | Salaries and Wages     | 0.00                | 3,000.00          | 0.00               | 3,000.00            |
| HEADOFFICE             | <a href="#">69500</a> | Expense    | 000-OPS    | Salaries and Wages     | 0.00                | 7,700.00          | 0.00               | 7,700.00            |
| HEADOFFICE             | <a href="#">69500</a> | Expense    | 000-SLS    | Salaries and Wages     | 0.00                | 19,500.00         | 0.00               | 19,500.00           |
| HEADOFFICE             | <a href="#">69600</a> | Expense    | 000-000    | Benefit Expenses       | 0.00                | 1,646.95          | 0.00               | 1,646.95            |
| HEADOFFICE             | <a href="#">81000</a> | Expense    | 000-000    | Other Expenses         | 0.00                | 14,804.00         | 520.00             | 14,284.00           |
|                        |                       |            |            | <b>Expense Total</b>   | <b>0.00</b>         | <b>96,692.28</b>  | <b>1,249.62</b>    | <b>95,442.66</b>    |



## Part 2: Budgets

## Lesson 2.1: Creating a Budget Ledger

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### Learning Objectives

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

- To create a ledger of the Budget type.

# Budget Ledger: Implementation Activity

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## Story

Suppose that as an accountant, you need to create a budget ledger that will hold the optimistic budgets for the SweetLife Fruits & Jams and Muffins & Cakes companies.



Day 2



**Jessica Korda**

Acumatica Sponsored Professional Golfer

# Lesson 2.2: Preparing Simple Budgets

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## Learning Objectives

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

- To create a simple budget in the system. You will also perform an activity that involves creating a simple budget by uploading it from an Excel file.



# Simple Budget: Process Activity

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## Story

Suppose that the sales manager of SweetLife Fruits & Jams has prepared an Excel file with the sales budget for the SweetLife company. The sales budget contains the amounts of each stock and non-stock item (jams, fruit, equipment, services, and other products) that the company's stores plan to sell in 2024.

Further suppose that the production manager of SweetLife has prepared an Excel file with a production budget for SweetLife, with amounts based on the sales budget. Acting as a SweetLife accountant, you have to upload these budgets to the system.

# Lesson 2.3: Preparing a Budget Based on Existing Budgets

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## Learning Objectives

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

- Create a budget based on a budget that has been uploaded
- Release the modified budget
- Compare the original and modified budgets

# Budget Based on an Existing Budget: Process Activity

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## Story

Suppose that the financial supervisor of SweetLife Fruits & Jams has to prepare an optimistic budget for 2025 based on the uploaded budget for 2024. The articles of the budget should be increased by 15%, except for the rent or lease expense, which should remain the same. (Wages belong to the part of the budget that will be increased by 15%.)

Acting as the SweetLife financial supervisor, you need to update the budget in the system.

# Lesson 2.4: Configuring a Hierarchical Budget Tree

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## Learning Objectives

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

- The elements of a budget tree structure
- The ways the budget tree can be configured

# Budget Tree: Implementation Activity

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## Story

Suppose that the managers of SweetLife Fruits & Jams have decided to use hierarchical budgets in the system. They want the budget to include the Sales node and the Production node; the latter node should have the Purchases, Labor Cost, and Overhead subnodes.






Acting as a system administrator, you need to create a budget tree with the Sales and Production nodes, which will contain the related budget articles.

# Figure: The Sales node with the added accounts

Budget Configuration CUSTOMIZATION TOOLS ▾





 

**Budget Tree**





    

- COMPANY
  - Sales**
  - Production

**Subarticles**



   PRELOAD ACCOUNTS 

| Node                     | Account | Subaccount | * Description   | Account Mask | Subaccount Mask | Secured                  |
|--------------------------|---------|------------|-----------------|--------------|-----------------|--------------------------|
| <input type="checkbox"/> | 40000   | 000-000    | Sales Revenue   | 40000        | 000-000         | <input type="checkbox"/> |
| <input type="checkbox"/> | 40000   | JAM-000    | Sales Revenue   | 40000        | JAM-000         | <input type="checkbox"/> |
| <input type="checkbox"/> | 40000   | FRU-000    | Sales Revenue   | 40000        | FRU-000         | <input type="checkbox"/> |
| <input type="checkbox"/> | 40000   | EQU-000    | Sales Revenue   | 40000        | EQU-000         | <input type="checkbox"/> |
| <input type="checkbox"/> | 40000   | NSS-000    | Sales Revenue   | 40000        | NSS-000         | <input type="checkbox"/> |
| <input type="checkbox"/> | 40010   | 000-000    | Sales - Freight | 40010        | ???-000         | <input type="checkbox"/> |






   

# Figure: The Purchases subnode of the Production node

Budget Configuration CUSTOMIZATION TOOLS ▾





 

**Budget Tree**





    

- COMPANY
  - Sales
  - Production
    - Purchases**
    - Labor Cost
    - Overhead

**Subarticles**



   PRELOAD ACCOUNTS 

| Node                     | Account | Subaccount | *Description        | Account Mask | Subaccount Mask | Secured                  |
|--------------------------|---------|------------|---------------------|--------------|-----------------|--------------------------|
| <input type="checkbox"/> | 60000   | 000-000    | Purchase Expense    | 60000        | 000-000         | <input type="checkbox"/> |
| <input type="checkbox"/> | 61000   | 000-000    | Advertising Expense | 61000        | 000-000         | <input type="checkbox"/> |
| <input type="checkbox"/> | 51300   | 000-000    | COGS - Freight      | 51300        | 000-000         | <input type="checkbox"/> |






   

# Figure: The Labor Cost subnode of the Production node

Budget Configuration CUSTOMIZATION TOOLS ▾





 


**Budget Tree**





    

- COMPANY
  - Sales
  - Production
    - Purchases
    - Labor Cost**
    - Overhead

**Subarticles**

   PRELOAD ACCOUNTS 



|  | Node                     | Account | Subaccount | *Description       | Account Mask | Subaccount Mask | Secured                  |
|---|--------------------------|---------|------------|--------------------|--------------|-----------------|--------------------------|
| <input type="checkbox"/>  |                          | 69500   | 000-SLS    | Salaries and Wages | 69500        | 000-SLS         | <input type="checkbox"/> |
| <input type="checkbox"/>  |                          | 69500   | 000-MKT    | Salaries and Wages | 69500        | 000-MKT         | <input type="checkbox"/> |
| <input type="checkbox"/>  |                          | 69500   | 000-OPS    | Salaries and Wages | 69500        | 000-OPS         | <input type="checkbox"/> |
| <input type="checkbox"/>  |                          | 69500   | 000-FIN    | Salaries and Wages | 69500        | 000-FIN         | <input type="checkbox"/> |
| >   | <input type="checkbox"/> | 69550   | 000-000    | Bonus Expenses     | 69550        | 000-000         | <input type="checkbox"/> |








# Figure: The Overhead subnode of the Production node

Budget Configuration CUSTOMIZATION TOOLS ▾





 


**Budget Tree**





    

- COMPANY
  - Sales
  - Production
    - Purchases
    - Labor Cost
    - Overhead**

**Subarticles**

   PRELOAD ACCOUNTS 

|  | Node | Account | Subaccount | *Description          | Account Mask | Subaccount Mask | Secured                  |
|---|------|---------|------------|-----------------------|--------------|-----------------|--------------------------|
| <input type="checkbox"/>  |      | 62400   | 000-000    | Office Expense        | 62400        | 000-???         | <input type="checkbox"/> |
| <input type="checkbox"/>  |      | 62900   | 000-000    | Rent or Lease Expense | 62900        | 000-???         | <input type="checkbox"/> |
| <input type="checkbox"/>  |      | 62950   | 000-000    | Repairs               | 62950        | 000-???         | <input type="checkbox"/> |
| <input type="checkbox"/>  |      | 63300   | 000-000    | Utilities             | 63300        | 000-???         | <input type="checkbox"/> |

## Note

---

- An account–subaccount pair can be used only once within a tree.
- The budget tree will be preloaded when you start creating a budget on the Budgets (GL302010) form. This preloaded structure can be modified each budget.
- The account and subaccount masks specified for the node in the Account Mask and Subaccount Mask columns define the articles that can be added to this node.
- The account mask in the Account Mask column and subaccount mask in the Subaccount Mask (if subaccounts are used in your system) column defines the aggregated account

# Lesson 2.5: Configuring Access to Budget Nodes

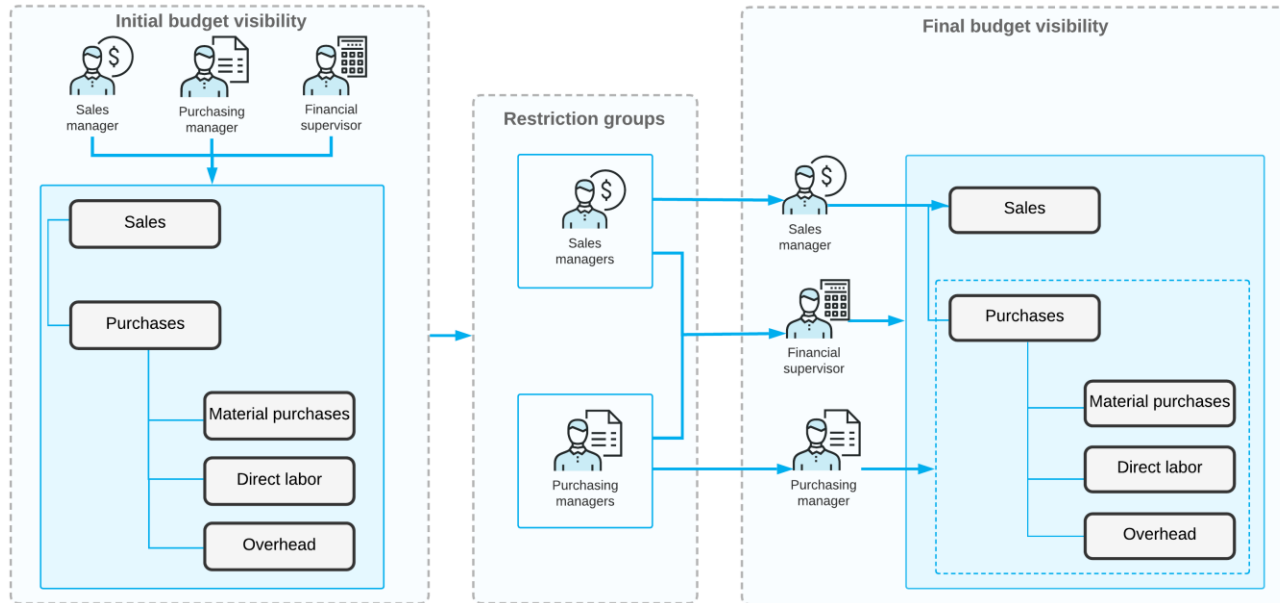
---

## Learning Objectives

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

- To configure access rights for multiple users by creating restriction groups.

# Figure: Access to budget nodes for users



# Access to Budget Nodes: Implementation Activity

---

## Story

Suppose that the management team of SweetLife Fruits & Jams has asked the system administrator to assign access rights to the budget nodes for employees of particular roles: Sales managers should be able to view only the Sales node, purchasing managers should be able to view only the Production node, and the financial supervisor should view all nodes of the budget tree.

Acting as a system administrator, you need to give the users of the Sales Manager, Purchasing Manager, and Financial Supervisor roles the ability to access the budget tree nodes. (For the Sales Manager and Purchasing Manager roles, you will grant the access to only particular users with the role—those that have completed their orientation period and are considered qualified to view this information.) You will then review the access rights for the nodes.

## Note

---

The restriction groups that you configure are applied only to new budgets—that is, they are applied to those budgets that are created after the access was configured.

If you need to apply a restriction group to an existing budget, you should do the following:

- 1. On the Budgets (GL302010) form, you select the needed budget.
- 2. On the form toolbar, you click Manage Budget.
- 3. In the Manage Budget dialog box, you select Convert Budget Using Current Budget Configuration in the Select Action box, and click OK.
- 4. You confirm the action and click Save to save the budget.

# Lesson 2.6: Converting a Simple Budget to a Hierarchical Budget

---

## Learning Objectives

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

- To convert a simple budget into a hierarchical budget.

# Conversion of a Simple Budget to a Hierarchical Budget: Process Activity

---

## Story

Suppose that the 2024 budget of the SweetLife Fruits & Jams company, which contains sales and production budget articles, has to be converted into a hierarchical budget based on the previously created budget tree. (As the company has grown, its management has decided to have more detailed budgets in the system, and a budget tree has been configured.)

Acting as a system administrator, you need to convert the simple budget into a hierarchical budget and review how users with various roles can access the budget nodes.



# Lesson 2.7: Modifying a Hierarchical Budget

---

## Learning Objectives

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

- To modify a hierarchical budget by adding an article to a budget node.

# Modification of a Hierarchical Budget: Process Activity

---

## Story

Suppose that the management of SweetLife Fruits & Jams needs to have a budget article that aggregates all travel expenses of the company. The hierarchical budget should include the Travel Expenses leaf that would aggregate budgeted amounts for accounts from 70000 (Travel - Tickets) to 70020 (Travel - Meals). Further suppose that the budget for 2025 should be based on the configured budget tree and uploaded to the system.

Acting as a system administrator, you need to add a leaf budget article to the Production node of the budget, add the budget amounts for travel expenses in 2024, and upload the budget for 2025 that already includes travel expenses.



Day 3

# Lesson 2.8: Preparing and Running a Budget vs. Actual ARM Report

---

## Learning Objectives

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

- Create a new report definition by copying the report definition of the Profit and Loss report
- Update the column set and the data source of the new report definition
- Upload the actual data to be compared with the budgeted data
- Run the ARM report and analyze the budget versus the actual data

# Budget vs. Actual ARM Report: Process Activity

---

## Story

Suppose that the management of the SweetLife Fruits & Jams company wants to compare the budget for 2024 with the actual figures for this financial year.

Acting as a system administrator, you need to prepare and run the Budget vs. Actual ARM report.

# Figure: Changes to the column set

Column Sets MYPL - P&L Actual vs. Budget

NOTES FILES CUSTOMIZATION TOOLS

← ↻ 📄 ↶ + 🗑️ ⌂ < > >| COPY COLUMN SET

\* Code: MYPL \* Type: GL

\* Description: P&L Actual vs. Budget

🔄 + × ← → ↓ ↑ COPY STYLE PASTE STYLE ☒

| Height | Printing Group | A                     | B        | C |
|--------|----------------|-----------------------|----------|---|
| 18     |                | =Report.GetDefUI("... |          |   |
| 16     |                | =Profit & Loss'       |          |   |
| 16     |                | =As of + Ifi@UseM...  |          |   |
| > 18   |                | =Actual'              | =Budget' |   |
| 1      |                |                       |          |   |

🔄 + 🗑️ ← → COPY STYLE PASTE STYLE ☒

| Attributes       | A                                   | B                        | C                        |
|------------------|-------------------------------------|--------------------------|--------------------------|
| Auto Height      | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Extra Space      | 10                                  | 0                        | 0                        |
| Suppress Empty   | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Hide Zero        | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Suppress Line    | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Printing Group   |                                     |                          |                          |
| Unit Group       |                                     |                          |                          |
| Printing Control | Print                               | Print                    | Print                    |
| Visible Formula  |                                     |                          |                          |
| Page Break       | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/> |
| Style            |                                     | Right                    | Right                    |
| > Data Source    |                                     | ACTUAL                   | BUDGET                   |

# Figure: Changes to the report definition

Report Definitions

MYPL - P&L Actual vs. Budget

NOTES FILES CUSTOMIZATION TOOLS

← ↻ + 🗑️ 📄 COPY REPORT PREVIEW PUBLISH TO THE UI UNPUBLISH

### REPORT DEFINITION

\* Code: MYPL

\* Description: P&L Actual vs. Budget

\* Type: GL

\* Row Set: DPL - P&L Row set

\* Column Set: MYPL - P&L Actual vs. Budget

Unit Set:

Start Unit:

### DEFAULT DATA SOURCE SETTINGS

Company: SWEETLIFE - SweetLife Fruit  Request

Ledger:  Request

Start Account:  Request

End Account:  Request

Start Sub.:  Request

End Sub.:  Request

Start Branch: HEADOFFICE  Request

End Branch:  Request

Start Period:  Request  Request Use ...

End Period:  Request

Account Class:  Request

Amount Type: Not Set

Apply Restriction Groups

### SITE MAP

Title: P&L Actual vs. Budget

Workspace: Finance

Category: Financial Statements

### PAGE SETTINGS

Paper Kind: Letter

Landscape

### MARGINS

Top: 20.00 Pixel

Bottom: 20.00 Pixel

Left: 20.00 Pixel

Right: 20.00 Pixel

### PRINT AREA

Width: 0.00 Pixel

Height: 0.00 Pixel

### DEFAULT FONT STYLE

Font: Arial

Text Align: Not Set

Font Style: Regular

Font Size: 11 Pixel

Color:

Backgr. Color:

# Figure: The Actual vs. Budget report

| SweetLife Fruits & Jams         |                   |                   |
|---------------------------------|-------------------|-------------------|
| Profit & Loss                   |                   |                   |
| As of December 31, 2024         |                   |                   |
|                                 | Actual            | Budget            |
| Sales Revenue                   | 371,147.68        | 365,850.00        |
| Sales - Freight                 | 7,611.00          | 7,250.00          |
| <b>Total Sales</b>              | <b>378,758.68</b> | <b>373,100.00</b> |
| Returns and Allowances          |                   |                   |
| COGS - Inventory                | 5,076.95          |                   |
| COGS - Freight                  |                   | 3,600.00          |
| Standard Cost Adjustments       | -17.50            |                   |
| Cash Discount                   | -69.62            |                   |
| Purchase Expense                | 19,500.00         | 18,000.00         |
| <b>Total COGS</b>               | <b>24,489.83</b>  | <b>21,600.00</b>  |
| <b>Gross Profit</b>             | <b>354,268.85</b> | <b>351,500.00</b> |
| Salaries                        | 248,746.95        | 263,000.00        |
| Bank Expenses                   |                   |                   |
| Professional Expenses           |                   |                   |
| Advertising                     | 12,520.00         | 12,200.00         |
| Travel                          | 3,835.00          | 3,600.00          |
| Insurance                       |                   |                   |
| Licenses                        |                   |                   |
| Office and Supplies             | 15,600.00         | 15,600.00         |
| Services and Utilities          | 6,050.00          | 7,200.00          |
| Other Expenses                  | 20,692.00         | 7,160.00          |
| <b>Total Operating Expenses</b> | <b>307,443.95</b> | <b>308,760.00</b> |
| <b>EBITDA</b>                   | <b>46,824.90</b>  | <b>42,740.00</b>  |
| <b>EBIT</b>                     | <b>46,824.90</b>  | <b>42,740.00</b>  |
| Net Interest Expense/Income     |                   |                   |
| Income Tax                      | 11,338.38         |                   |
| <b>Net Income (Loss)</b>        | <b>35,486.52</b>  | <b>42,740.00</b>  |



# Lesson 2.9: Revising a Budget

---

## Learning Objectives

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

- Modify the amounts of existing budget articles
- Add new budget articles to a budget

# Budget Revision: Process Activity

---

## Story

Suppose that the management of the SweetLife Fruits & Jams company has reviewed the budget for 2024 and decided to revise it as follows:

- The wholesale center's budget has to be increased by \$3,600 in the 12th period of 2024 because more revenue is expected during the winter holidays.
- The rent expenses should be increased by \$2,000 and distributed evenly among the periods.
- Advertising expenses should be increased to \$14,200 and distributed proportionally to released values.

Acting as the financial supervisor of SweetLife, you need to modify the 2024 budget in the system.



## Part 3: Allocations

# Allocations

---

Allocation rules can be created to automate the process of periodically distributing amounts posted to a particular account–subaccount pair among different account–subaccount pairs.

Allocation Rule Settings:

- The branch
- The periods
- The methods for distributing the allocation amount to destination accounts
- The ledgers to be used for the allocation
- The source accounts and subaccounts
- The destination accounts and subaccounts

# Ledgers for Performing Allocations

---

On the Allocation tab of the Allocations (GL204500) form, you have to specify at least the following ledgers:

- In the Allocation Ledger box, the ledger to which journal entries generated for the allocation are posted
- In the Source Ledger box, the ledger that is used to calculate the amount to be allocated

# Allocation Rules: Distribution Methods

---

- **Methods Based on a Fixed Distribution Ratio**
  - By Percent
  - By Weight
  
- **Methods Based on a Dynamic Distribution Ratio**
  - By Dest. Account YTD.
  - By Dest. Account PTD.

# Lesson 3.1: Allocation Rule That Uses a User-Defined Coefficient

---

## Learning Objectives

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

- Create an allocation rule that uses a user-defined coefficient for distributing amounts among accounts and subaccounts.

# Allocation Rules: To Create an Allocation Rule That Uses a Fixed Ratio (Weight)

---

## Story

Suppose that the HEADOFFICE branch pays all advertising bills that the SweetLife Fruits & Jams company receives. At the end of each month, the accountant of the HEADOFFICE branch needs to distribute the advertising expenses between the HEADOFFICE, RETAIL, and SWEETEQUIP branches by using the fixed ratio 5:1:1.

Acting as an administrator, you need to define an allocation rule that will distribute the bill amount.



# Lesson 3.2: Allocation Rule That Uses a Percentage

---

## Learning Objectives

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

- Create an allocation rule that uses a percentage for the distribution of amounts among accounts and subaccounts.

# Allocation Rules: To Create an Allocation Rule That Uses a Fixed Ratio (Percentage)

---

## Story

Suppose that the RETAIL and SWEETEQUIP branches of the SweetLife Fruits & Jams company do not have finance departments. Accountants of the HEADOFFICE branch are responsible for preparing the financial statements, paying bills, billing customers, and performing similar tasks. At the end of each month, the salaries of the HEADOFFICE finance department should be distributed between the HEADOFFICE, RETAIL, and SWEETEQUIP branches with the following percentages: 50%, 15%, and 35%.

Acting as an administrator, you need to define an allocation rule that will distribute the posted amount for the Finance department between these three branches.

## Lesson 3.3: Allocation Rule That Uses a Dynamic Ratio of the Period-to-Date Account Balances

---

### Learning Objectives

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

- Create an allocation rule that uses a dynamic ratio for distributing amounts among accounts and subaccounts.

# Allocation Rules: To Create an Allocation Rule That Uses a Dynamic Ratio of the Period-to-Date Account Balances

---

## Story

Suppose that accountants of the HEADOFFICE branch post rent expenses to the 000-000 subaccount to speed up data entry. At the end of each month, they split the rent expenses by departments based on the head count.

Acting as an administrator, you need to define an allocation rule that will distribute the posted amount between the departments based on the head count.

# Lesson 3.4: Allocation Rule Based on Budget Data

---

## Learning Objectives

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

- Create an allocation rule that distributes amounts among accounts and subaccounts based on budget data.

# Allocation Rules: To Create an Allocation Rule Based on Budget Data

---

## Story

Suppose that the SweetLife Fruits & Jams company pays the Christmas bonus to its employees. The amount budgeted for the 2024 bonus is \$18,000.00. At the end of each period, an accountant needs to accrue the budgeted bonus expenses for each department proportionally to the monthly salary.

Acting as an administrator, you need to define an allocation rule based on budget data.

# Lesson 3.5: Running of Allocations

---

## Learning Objectives

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

- Run allocations that have been created in the system
- Review and release the generated allocation batches

# Running of Allocations: Process Activity

---

## Story

Suppose that as an accountant of the SweetLife company, you need to distribute advertising expenses, salaries for the Finance department, rent expenses, and Christmas bonuses according to the allocation rules created in the system.

Acting as the accountant, you need to run allocations, and then release the generated batches.





Thank you!

Varthini Bhaskaran