Chapter 4

General Ledger Setup

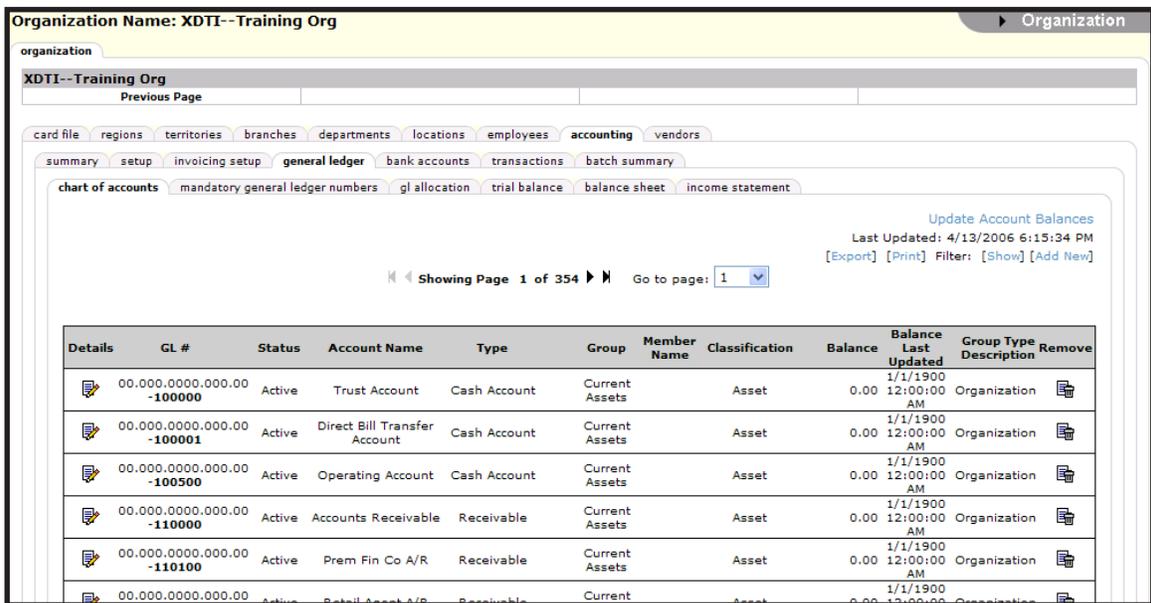
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A Nexsure organization comes preconfigured with a standard chart of accounts, some of which are mandatory. General ledger accounts can be modified at any time with the exception of the mandatory accounts. Mandatory accounts can not be changed once the organization is set to complete and accounting and invoicing transactions have been entered.

A CPA should be consulted to ensure compliance with accounting regulations.

Accessing General Ledger at the Organization Level

Click the **ORGANIZATION** link on the **Primary** menu. Click the **accounting** tab. Click the **general ledger** tab on the second row of accounting tabs. This displays a third row of tabs defaulted to the **chart of accounts** tab.

The **general ledger** tab has 6 sub-tabs: **chart of accounts**, **mandatory general ledger numbers**, **gl allocation, trial balance**, **balance sheet** and **income statement**. These represent the organization's books and provide access to financial reports.

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Accessing General Ledger at the Territory Level

Click the **ORGANIZATION** link on the **Primary** menu. Click the **territory** tab. This will display the list of existing territories.

Click the **Details** icon on the far left side of the desired territory.

Click the **accounting** tab. Click the **general ledger** tab on the second row of tabs. This displays a third row of tabs, defaulted to **chart of accounts**.
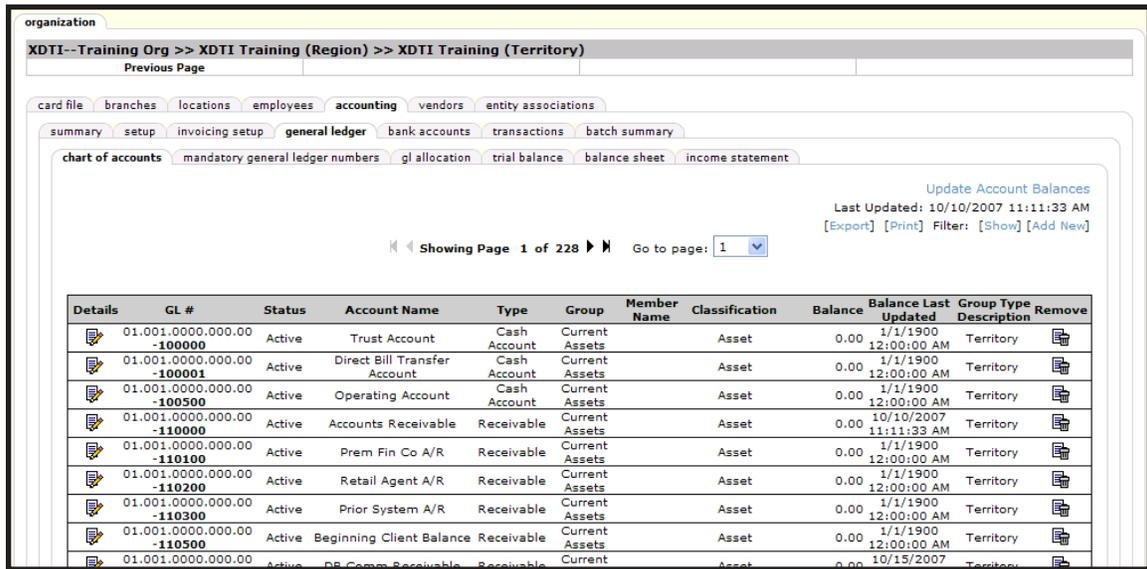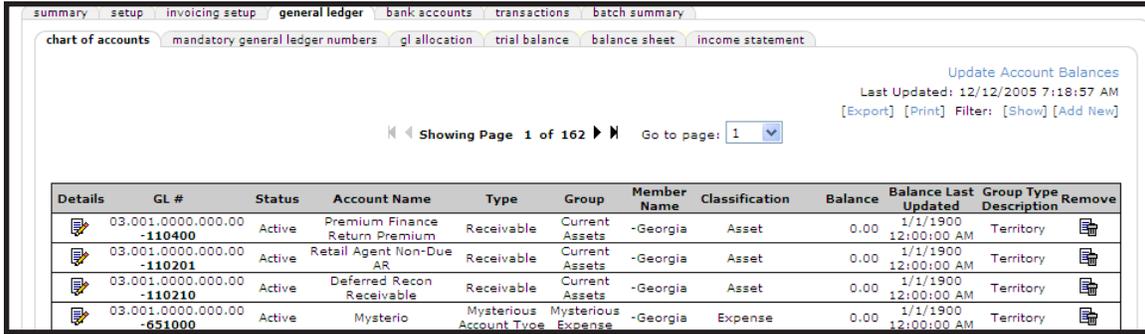

General Ledger Transaction Look-Up

The general ledger transaction look-up provides general ledger detail information at the territory level. Clicking on a specific general ledger number provides a list of all transactions that comprise the balance of the account for any given period. This access provides the ability to drill down to access the original source document, transaction posting and all linked transactions.

> **Note:** At this time the transaction look-up is available at the territory level only.

To Look-Up Transactions on a General Ledger Number

Click the **Organization** link on the **Primary** menu. Click the **territories** tab. This will display the list of existing territories. Click the **Details** [icon] icon on the far left side of the desired Territory. Click the **accounting** tab. Click the **general ledger** tab on the second row of tabs. This displays a third row of tabs, defaulted to **Chart of Accounts**:


The bold general ledger numbers in the **GL#** column are active links. Click any general ledger number to view the **Account Detail** screen. This will display all transactions affecting the general ledger account selected.

> **Note:** Clicking the **Update Account Balances** link prior to accessing an account will provide current balances through the end of the current month.
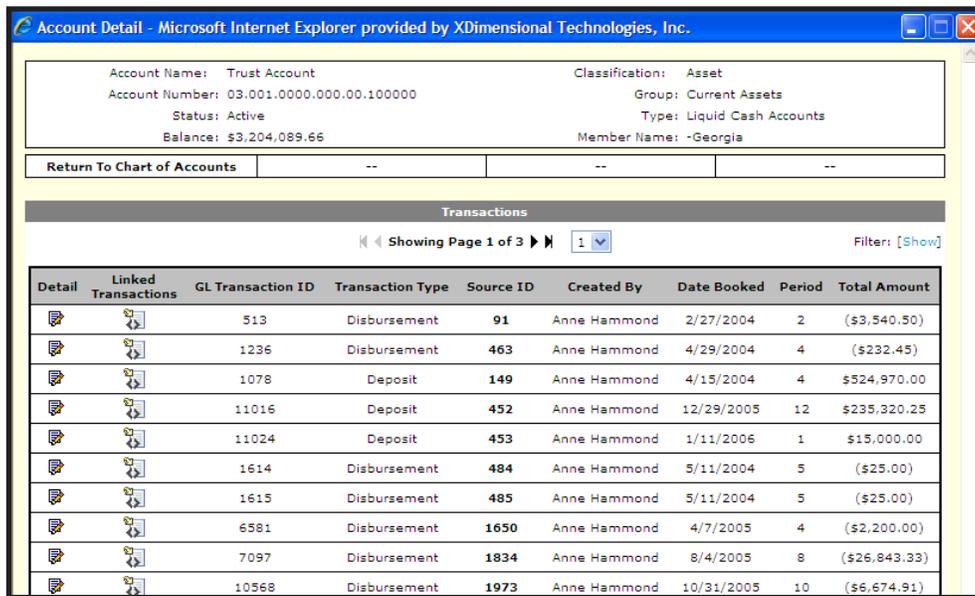

> **Note:** When the same general ledger number is offset more than once in a transaction it will be displayed in the **Account Detail** screen as a single item with a grand total.

Clicking the **Details** [icon] icon from the **Account Detail** screen will display all general ledger postings for the selected transaction.
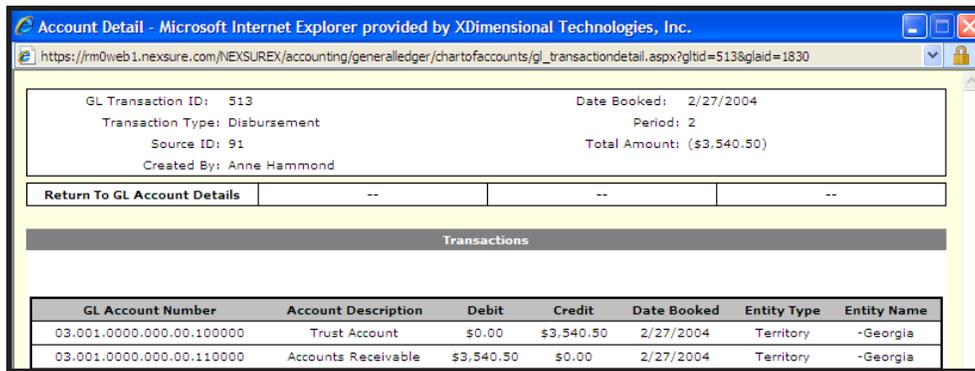
Click **Return to GL Account Details** on the navigation toolbar to return to the **Account Details** screen.
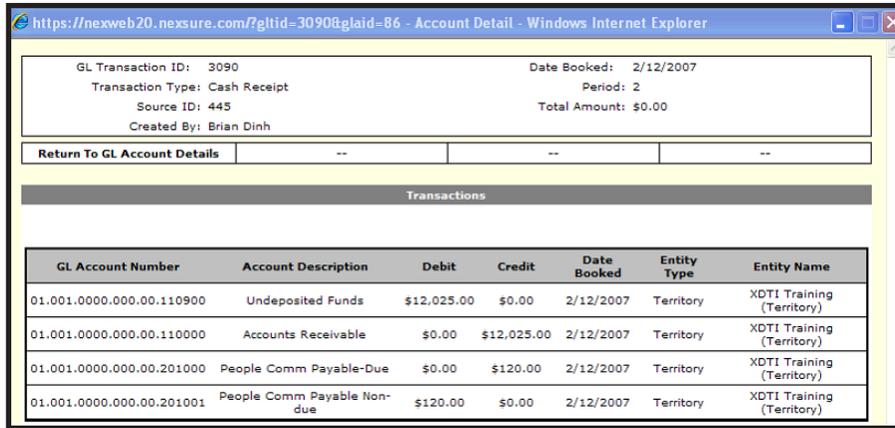
Clicking the **Linked Transactions** icon from the **Account Detail** screen will display all transactions related to the selected transaction.
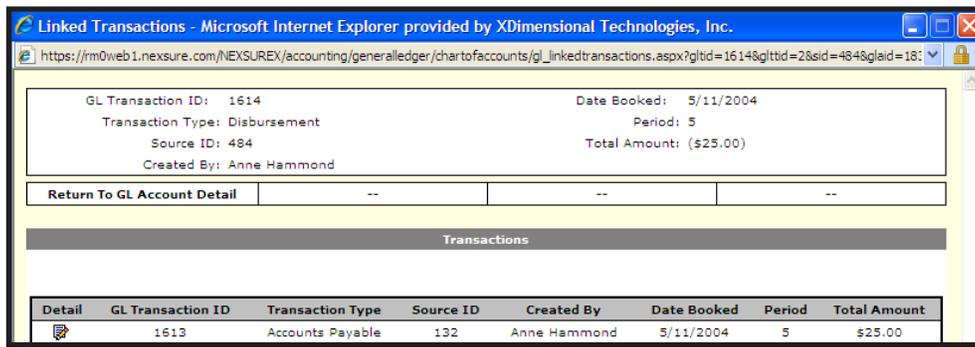
The following table shows the possible relationships between each transaction type:

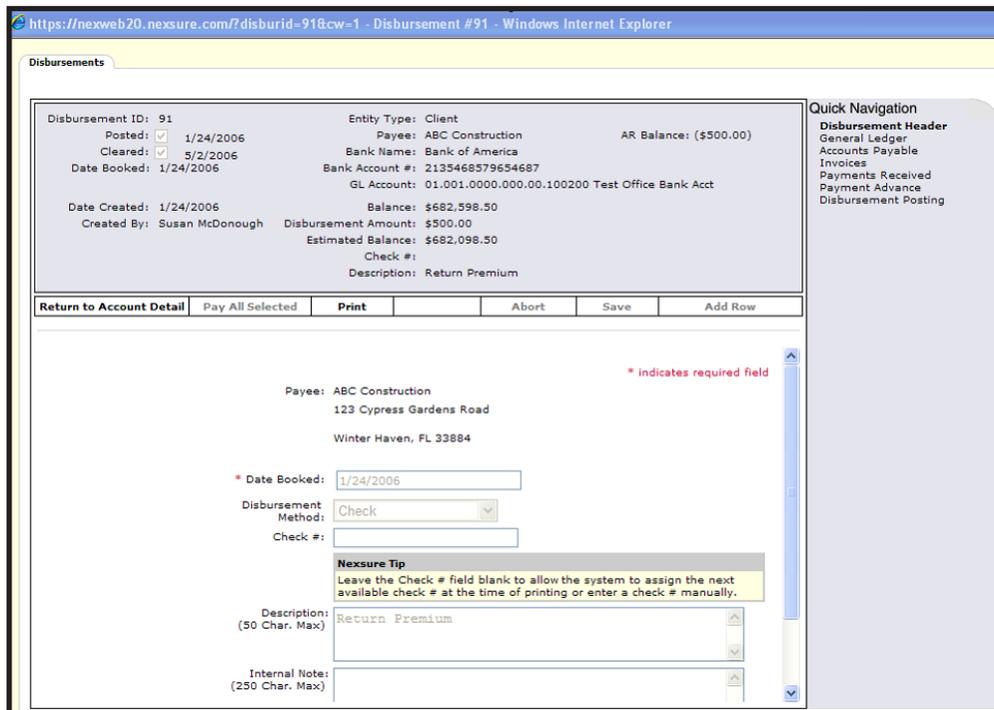|	Accounts Payable	Deposit	Disbursement	Invoice	Journal Entry	Receive Payment	Reconciliation
Accounts Payable	No	No	Yes	No	No	Yes	No
Deposit	No	No	No	No	No	Yes	No
Disbursement	Yes	No	No	Yes	No	Yes	Yes
Invoice	No	No	Yes	No	No	Yes	Yes
Journal Entry	No	No	No	No	No	No	No
Receive Payment	Yes	Yes	Yes	Yes	No	No	Yes
Reconciliation	No	No	Yes	Yes	No	Yes	No

Clicking the **Details** ![icon] icon on a linked transaction displays the general ledger posting for the selected transaction.

To return to the previous screen click **Return to GL Account Details** on the navigation toolbar. To return to the **Account Detail** screen click the **Return to GL Account Detail** link.

Clicking the number in the **Source ID** column from the **Account Detail** screen displays the transaction in its original format.

Click **Return to Account Detail** on the navigation toolbar to return to the **Account Detail** screen.

Detail	Linked Transactions	GL Transaction ID	Transaction Type	Source ID	Created By	Date Booked	Period	Total Amount
		486	Disbursement	91	Susan McDonough	1/24/2006	1	$500.00
		1117	Disbursement	200	Susan McDonough	4/28/2006	4	$6,789.00
		1120	Disbursement	201	Susan McDonough	4/28/2006	4	$0.00
		1302	Disbursement	239	Susan McDonough	5/20/2006	5	($50.00)
		1455	Disbursement	264	Susan McDonough	6/13/2006	6	$0.00
		1596	Disbursement	283	Susan McDonough	7/18/2006	7	$2,000.00
		2293	Disbursement	372	Susan McDonough	11/10/2006	11	$56,610.38
		2300	Disbursement	373	Susan McDonough	11/13/2006	11	$11,400.00
		3002	Disbursement	452	Susan McDonough	2/1/2007	2	$0.00
		3021	Disbursement	453	Beth Harris	2/6/2007	2	$100.00

Account Name: Accounts Receivable
Account Number: 01.001.0000.000.00.110000
Status: Active
Balance: $6,124,645.36
Classification: Asset
Group: Current Assets
Type: Receivable
Member Name: XDTI Training (Territory)

Return To Chart of Accounts

Transactions

Showing Page 1 of 3   Filter: [Show]

Click **Return to Chart of Accounts** on the navigation toolbar to exit general ledger look-up.

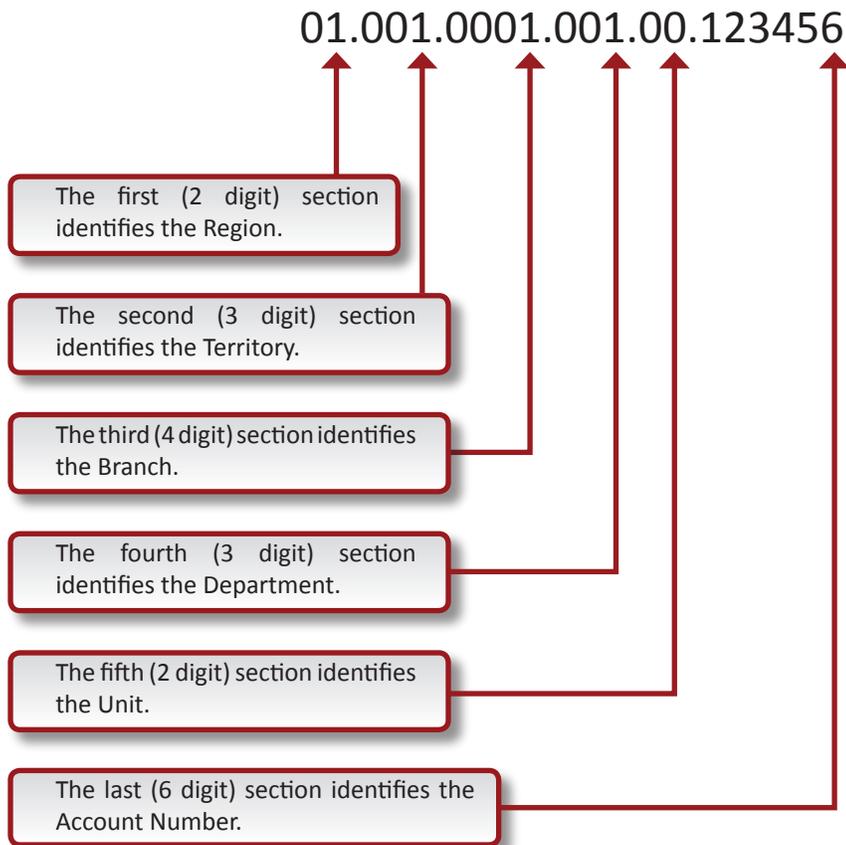**Notes**

The Chart of Accounts

The general ledger account numbers have six sections, separated by periods:

```
01.001.0001.001.00
       -710000
```

The first five sections define the Organization levels; the last section is the general ledger account number. Together they make up the routing number (01.001.0001.001.00.123456).

01.001.0001.001.00.123456

The first (2 digit) section identifies the Region.

The second (3 digit) section identifies the Territory.

The third (4 digit) section identifies the Branch.

The fourth (3 digit) section identifies the Department.

The fifth (2 digit) section identifies the Unit.

The last (6 digit) section identifies the Account Number.

The first five sections are predetermined when the organization's levels are established. The account number must be unique and six digits long.

Chart of Accounts Links

Viewing the general ledger accounts at the Organization level displays organization and region accounts. Viewing accounts at the Territory level displays the territory, branch, department and unit accounts.

Use the paging links or the search filter to access specific accounts. Click the [Show] link to filter for specific accounts or to change the list order.

The [Export] link will output and display the filtered list of accounts as a Microsoft® Excel spreadsheet.

The [Print] link will display the filtered list in an Adobe® PDF format which can then be printed.

Account balances can be updated by clicking the Update Account Balances link.

Adding a General Ledger Account

New general ledger numbers should be added at the Organization level and allowed to automatically propagate to all other levels. This will keep all territory general ledger numbers and names consistent within the organization and will make maintenance easier. New Account Numbers may be added at anytime as follows:

Click the **ORGANIZATION** link on the **Primary** menu. Click the **accounting** tab. Click the **general ledger** tab on the second row of accounting tabs. This displays a third row of tabs defaulted to the **chart of accounts** tab. Click the [Add New] link.

Nexsure will display the **Add New General Ledger Number** dialog box as shown below:

- ■ **Account Classification:** Click the drop-down list box to select a classification. Under Ops classifications are used for non-insurance related accounts such as interest income or income taxes.

- **Account Group:** Click the drop-down list box to select a Group. Nexsure adjusts the drop-down list based on the classification selected above.

- **Account Type:** Click the drop-down list box to select an account type. Nexsure adjusts the drop-down list based on the group selected above.

- **Number Ranges:** Displays a valid number range (based on the partitions set in the **accounting > setup** tab) within which the new account number must reside.

- **Account Number:** Enter the desired account number. Attempts to add a duplicate account number will result in an error message after clicking the **OK** button. If this occurs, click the **Cancel** button to abort the add function and review the accounts for available numbers.

- **Account Name:** Enter the desired account name. Use upper and lower case to match the format of Nexsure's preconfigured accounts.

- **Description:** Enter a description (Optional). This is only displayed when editing a general ledger account.

- **Status:** Select **Active** or **Inactive** from drop-down list box. Mandatory accounts should never be set to **Inactive**.

- **Disable Access**: If checked, will disable direct posting to the general ledger account. However, a user may be given the ability to override this setting through security. System generated entries will post to disabled mandatory accounts. Direct posting can be accessed through Receive Payments, Journal Entry, Deposits, Disbursements, Reconciliations and Invoices. This setting is typically used on mandatory accounts to prevent users from creating an out of balance situation.

- **Propagate:** If checked, the new general ledger account will propagate down to the appropriate levels. This is the recommended setting.

- **Post Warning:** If checked, attempting to post to this account will produce this warning dialog box:
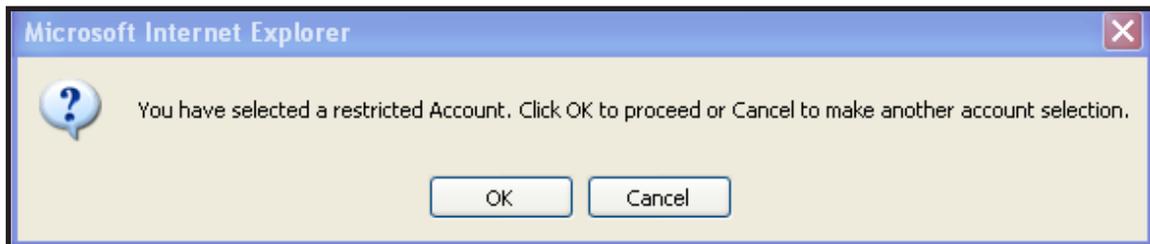
The user may choose to ignore the warning and allow the accounting transaction to post or **Cancel** and select a different account. This feature can be used to discourage use of a bank account that is in the process of being closing out or an account that should rarely be used.

Click **OK** to save the new account or **Cancel** to abort. Either selection will return back to the **Chart of Accounts** list.

Adding Budget Figures

Nexsure can use budget figures for income and expense accounts. Figures entered will appear on the **Income Statement Budget** report.

The budget figures need to be entered at the same level the actual income and expenses will post. Income and expenses generated from invoices automatically post to the lowest level, department (or unit, if a unit exist). Income and expenses posted manually could reside at the Territory, Branch, Department and Unit levels. To check where actual entries are posted, run an income statement.

The following instructions navigate to accounts at the Territory and lower levels, however, budget figures may also be added at the Organization and Region level if accounting transactions are performed there.

Click the **ORGANIZATION** link on the **Primary** menu. Click the **territories** tab. This will display the list of existing territories. Click the **Details** [icon] icon on the far left side of the desired territory. Click the **accounting** tab. Click the **general ledger** tab on the second row of tabs. This displays a third row of tabs defaulting to the **chart of accounts** tab. Click the **[Show]** filter link; enter the account name to filter for a specific account. Account classification and account group may also be used to limit the results. The account will be displayed for the territory, branch, department, and units:

Below are examples of the same account as it appears in different levels:

Territory level

Branch level

Department level

Unit level

Click the **Details** [icon] icon on the far left side of the desired account. Select the fiscal year for the budget figures from the drop-down list box. Enter the budget figures on the lower half of the account information screen. There are 13 periods representing the accounting periods, January through December and the 13th period which is used for adjusting entries. Typically budget figures will only be added to the first 12 periods. Click the **OK** button to accept the budget figures and return to the chart of accounts list. To enter budget figures for additional fiscal years repeat steps 7-10 above.

Editing a General Ledger Account

Changes to accounts must be applied at each occurrence of the account in the accounting structure.

- Balance sheet accounts occur at the Organization and Territory levels.

- Income statement accounts occur at all five levels, plus the unit level if used.

    1. Access the **general ledger** tab at the Organization level per the instructions at the beginning of this chapter.

    2. Use the filter and enter the account name or number to display the account for all levels.

    3. Click the **Details** [icon] icon on the far left side of the desired account.

    4. Make the desired change.

    5. Click the **OK** button to accept the changes and return to the chart of accounts list.

    6. Access the general ledger tab at the Territory level per the instructions at the beginning of this chapter.

    7. Repeat steps 2 through 5 above.

    Note: Mandatory general ledger numbers should never be flagged as inactive.

Removing a General Ledger Account

The rules and procedures for removing an account are identical to those for editing an account except as follows:

At step 3 above:

1. Click the **Remove** ▤ icon on the far right side of the account to be removed. This will display the following dialog box:
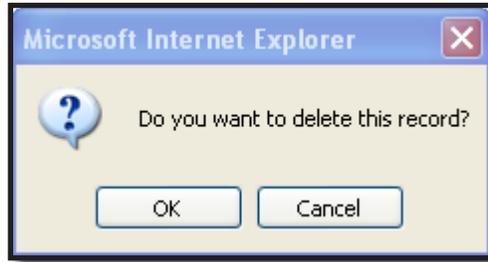
2. Click the **OK** button to remove the account or **Cancel** to abort. Either selection will return back to the **Chart of Accounts** list.

    Note: General ledger numbers associated with a transaction cannot be deleted. Once the balance is zero, the general ledger number can be flagged as inactive. Mandatory general ledger numbers cannot be removed.

Notes

Mandatory General Ledger Accounts

Nexsure provides extensive flexibility and power in terms of transactions and automated work-flow. To properly record general ledger information internally, a series of mandatory general ledger account numbers are required.

Mandatory Account Rules

Note: DO NOT post to any of the Mandatory General Ledger Accounts unless directed by XDimensional Technologies' Nexsure workflows. This can cause books to be out of balance because these accounts are used by Nexsure for automatic postings.

Correcting entries should be made by reversing the incorrect accounting or invoice transaction and re-entering it as an entirely new transaction.

Nexsure does not permit manual posting to the Client Accounts Receivable account. This is because when a transaction is posted to a client, the amount transfers automatically to the receivable, payable, income etc. A journal entry made directly to these accounts will not transfer back to the client's account, which will cause the account to be out of balance. The example below displays how accounts receivable flows to the general ledger:

Client Accounts		Accounts Receivable
Total Balances = $5000.00	In Balance	Balance $5000.00
Invoice $250.00	Transfers to A/R	+ $250.00
Total Balances = $5250.00	In Balance	Balance $5250.00
	Does not transfer	Journal Entry + $50.00
Total Balances = $5250.00	Not in Balance	Balance $5300.00

Note: Mandatory general ledger account numbers cannot be deleted or flagged as inactive. The mandatory accounts are locked down and cannot be changed once the organization is set to complete. Contact the XDTI Support department if contemplating changing mandatory accounts. DO NOT post to any of the mandatory accounts that are set for future enhancements. When they become active they will be out of balance.

Mandatory General Ledger Account Definitions:

Mandatory accounts are initially set up at the Organization level but can be viewed at the Territory level. On the **Mandatory General Ledger numbers** tab, the mandatory accounts are categorized into expandable groups according to their type. The general ledger number ranges utilized in the charts shown in this section are typical, but not mandatory. The specific classification indicated is required.

Invoice Mandatory General Ledger Numbers: The invoice mandatory accounts are automatically posted to during any function involving invoice transactions; such as client agency bill or direct bill transactions; carrier, people or tax authority reconciliations, client, carrier, people and tax authority receipts and disbursements.

- **Agency Bill Accounts Receivable:** The mandatory accounts assigned here will be debited or credited for agency bill transactions. It is recommended that retail agent have a separate accounts receivable general ledger number.

  - **Client:** Indicates posted gross amounts for agency bill transactions.

  - **Beginning Client Balance:** Only used to establish client-beginning balances brought over from a legacy system.

  - **Additional Interest** and **Premium Finance Company:** Will be implemented in future releases. Currently the **Bill To** can be changed on an invoice to an **Additional Interest** or a **Premium Finance Company**, but the receivable will stay on the **Client** accounts receivable mandatory general ledger number.

  - **Retail Agent A/R:** Indicates the net or gross amounts for agency bill retail agent transactions that have been posted.

Agency Bill Accounts Receivable Mandatory Accounts:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Client	100000 to 199999	Receivables	Current Asset	Asset
2. Beginning Client Balance	100000 to 199999	Receivables	Current Asset	Asset
3. Additional Interest	100000 to 199999	Receivables	Current Asset	Asset
4. Premium Finance Company	100000 to 199999	Receivables	Current Asset	Asset
5. Retail Agent	100000 to 199999	Receivables	Current Asset	Asset

- **Direct Bill Accounts Receivable:**

  - **Commissions Receivable:** Indicates that a commission is posted for direct bill transactions due the agency from the carrier. The offsetting entry will post to **Direct Bill Income** or **Direct Bill Unearned Income**, depending upon posting rule settings.

Direct Bill Accounts Receivable Mandatory Account:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Commissions Receivable	100000 to 199999	Revenue Receivables	Current Asset	Asset

- **Unearned Income:** The following unearned income general ledger accounts are used for cash basis posting rules. These mandatory accounts must be defined even when all posting rules are set to accrual:

  - **Agency Bill Commission Unearned Income:** Indicates posted income on an agency bill transaction until the transaction has been paid by the client, at which time it automatically transfers to **Agency Bill Income**.

  - **Agency Fee Unearned Income:** Is only applicable for fees setup with a **Branch Service Provider**. The fee will post to this account until the fee has been paid by the client, at which time it automatically transfers to **Agency Fee Income**.

  - **Vendor Fee Commission Unearned Income:** Will be implemented in a future release.

  - **Direct Bill Commission Unearned Income:** Indicates posted income on a direct bill transaction until the transaction has been paid by the carrier, at which time it automatically transfers to **Direct Bill Income**.

Unearned Income Mandatory Accounts:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Agency Bill Commission Unearned Income	100000 to 300000			Asset/Liability/Equity
2. Agency Fee Unearned Income	100000 to 300000			Asset/Liability/Equity
3. Vendor Fee Commission Unearned Income	100000 to 300000			Asset/Liability/Equity
4. Direct Bill Commission Unearned Income	100000 to 300000			Asset/Liability/Equity

- **Invoice Payables:** Payables created from an invoice entry will post to these accounts:

  - **Carrier Payable:** Indicates posted net premium, carrier fees and taxes on an agency bill client transaction. The balance on this account is displayed on the **Accounting Summary** screens.

  - **Binder Bill Payable:** Indicates the posted offset on a binder bill invoice temporarily until the binder bill is closed, at which time it will automatically transfer to the carrier payable.

❑ **Tax Authority Payable:** Indicates posted taxes charged to a client (that are due to a Tax Authority, rather than to a carrier). These payables (like carrier payables) are reconciled and then paid through disbursements.

❑ **Vendor Payable:** Will be implemented in a future release**.**

❑ **Vendor Payable Non-due:** Will be implemented in a future release**.**

❑ **People Payable Due:** Indicates posted commissions that are due to be paid to an employee or an outside entity (set up as employee) by the agency.

❑ **People Payable Non-due:** Indicates posted commissions that are held awaiting payment from a client or carrier. As transactions are paid the commission will automatically transfer to the People Payable Due account. This account is used if people posting rules are set to **Accrue Expense**.

❑ **Retail Agent Payable Due:** Indicates posted commissions that are due to be paid by the agency to a retail agent or an outside entity (that is set up as a retail agent).

❑ **Retail Agent - Unrealized Cost (Retail Agent Payable Non-due):** Indicates posted commissions that are held awaiting payment from a retail agent or carrier. As transactions are paid, the commission will automatically transfer to the Retail Agent Payable Due account. This account is only used if posting rules are set to **Cash**.

❑ **Agency Fee Expense Payable (Non-due)** and **Vendor Fee Expense Payable (Non-due):** Will be used when a fee is charged to a client and a percentage is due to a vendor that services client accounts; for instance, a risk management group. Items 5, 10 and 11 are used for cash basis income recognition.

Invoice Payables Mandatory Accounts

Description	General Ledger Number	Account Type	Account Group	Classification
1. Carrier Payable	200000 to 299999	Insurance Payables	Short Term Liability	Liability
2. Binder Bill Payable	200000 to 299999	Insurance Payables	Short Term Liability	Liability
3. Tax Authority Payable	200000 to 299999	Insurance Payables	Short Term Liability	Liability
4. Vendor Payable	200000 to 299999	Insurance Payables	Short Term Liability	Liability
5. Vendor Payable Non-due	200000 to 299999	Insurance Payables	Short Term Liability	Liability
6. People Payable Due	200000 to 299999	Insurance Payables	Short Term Liability	Liability

Description	General Ledger Number	Account Type	Account Group	Classification
7. People Payable Non-due	200000 to 299999	Insurance Payables	Short Term Liability	Liability
8. Retail Agent Payable Due	200000 to 299999	Insurance Payables	Short Term Liability	Liability
9. Retail Agent - Unrealized Cost (RA Payable Non-Due)	200000 to 299999	Insurance Payables	Short Term Liability	Liability
10. Agency Fee Expense Payable (Non-due)	200000 to 299999	Insurance Payables	Short Term Liability	Liability
11. Vendor Fee Expense Payable (Non-due)	200000 to 299999	Insurance Payables	Short Term Liability	Liability

- ■ **Income:** The income accounts are used to post income when it is earned. On a cash basis, income is posted to an unearned income account until it has been paid either by the client or carrier. At that time it will automatically transfer to one of the income accounts below:

  - ❑ Earned agency bill income will post to **Agency Bill Income**.

  - ❑ Earned direct bill income will post to **Direct Bill Income**.

  - ❑ Earned income from fees setup with the branch as the Service Provider Entity will post to **Agency Fee Income**.

  - ❑ **Service Charge Income:** Will be implemented in a future release for automatic Service/ Late charge fees generated.

  - ❑ **Vendor Fee Commission Income:** Will be implemented in a future release.

Income Mandatory Accounts

Description	General Ledger Number	Account Type	Account Group	Classification
1. Agency Bill Income	400000 to 499999	Agency Bill Revenue	Insurance Income	Income
2. Direct Bill Income	400000 to 499999	Direct Bill Revenue	Insurance Income	Income
3. Agency Fee Income	400000 to 499999	Fee Revenue	Fee Income	Income
4. Service Charge Income	400000 to 499999	Service Charge Revenue	Other Income	Income
5. Vendor Fee Commission Income	400000 to 499999	Fee Revenue	Fee Income	Income/Under Ops Income

■ **Retail Agent Expense:** These accounts will track the retail agent's commission expense for business brokered through the agency:

❑ **Retail Agent Cost – Agency Bill:** Used to expense a retail agent's commission on agency bill transactions.

❑ **Retail Agent Cost – Direct Bill:** Used to expense a retail agent's commission on a direct bill transaction.

Retail Agent Expense Mandatory Accounts

Description	General Ledger Number	Account Type	Account Group	Classification
1. Retail Agent Cost - Agency Bill	400000 to 900000	Commissions Paid	Insurance Income	Income/Expense
2. Retail Agent Cost - Direct Bill	400000 to 900000	Invoice Commissions	Sales Expense	Income/Expense

■ **Expense**:

❑ **People Commission Expense:** This is the offset account for people payable due or non-due, based on posting rules. The commission paid to employees is expensed here.

❑ **Vendor Fee Expense:** Will be implemented in a future release.

Expense Mandatory Accounts:

Description	General Ledger Number	Account Type	Account Group	Classification
1. People Commission Expense	500000 to 599999	Invoice Commissions	Sales Expense	Expense
2. Vendor Fee Expense	500000 to 599999	Other Sales Expense	Sales Expense	Expense/Under Ops Expense

Bank Activity Mandatory General Ledger Accounts

These mandatory accounts are necessary for processing transactions involving bank activity, receipts, deposits, disbursements and reconciliations.

■ **Accounts Payable Entry:** Accounts Payable Entry allows bills, invoices, statements, etc. to be entered and tracked in Nexsure by the date they are received rather than the date they are disbursed. These items can be offset (expensed) when received for accrual accounting. Using the accounts payable function allows for easier determination of cash flow.

❑ **Operating Payable:** The account is automatically offset temporarily until the entry is processed at which time the money is automatically transferred from the Operating Payable to the selected bank account.

❑ **Reconciliation Clearing Account:** Automatically used during all reconciliation processes as the offset account for clearing carrier, people, tax authority payables and direct bill receivables. In future releases of Nexsure, the Reconciliation Clearing Account will be entered as the offsetting account when entering carrier, people and tax authority payable entries into accounts payable. Full capability to link a reconciliation to the accounts payable entry will also be implemented in a future release.

❑ **Discounts Taken:** Will be implemented in a future release. This account will be used for vendors that allow discounts to encourage early payment.

Accounts Payable Entry Mandatory Accounts:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Operating Payable	200000 to 299999	Accounts Payable	Short Term Liability	Liability
2. Reconciliation Clearing Account	100000 to 399999			Asset/Liability/Equity
3. Discounts Taken	400000 to 999999			Income/Expense

■ **Check Issuance:** There is no limit to the number of bank accounts that can be set up for disbursements in Nexsure. Nexsure provides a trust and an operating account by default. If the general ledger, numbers designated here are the same as the **Make Deposit** mandatory accounts. The balances on these accounts are tracked on the accounting summary tab.

Check Issuance Mandatory Accounts

Description	General Ledger Number	Account Type	Account Group	Classification
1. Trust Account	100000 to 199999	Cash Accounts	Current Asset	Asset
2. Operating Account	100000 to 199999	Cash Accounts	Current Asset	Asset

■ **Receive Payments:** These accounts are offset when payments are recorded in Nexsure. Items 1 through 4 in the chart below are set under the **Agency Bill Accounts Receivable** mandatory accounts section and cannot be changed in this section. Item 6, Reconciliation Clearing Account, is set under the **Accounts Payable Entry** mandatory accounts section and cannot be changed in this section.

❑ **Client:** Allows payments to be applied to clear agency bill transactions.

❑ **Additional Interest:** Will be used in future releases.

❑ **Premium Finance Company:** Will be used in future releases. Currently payments for all agency bill balances will be applied to the Client accounts receivable.

❑ **Retail Agent:** It is recommended to use the same mandatory GL account as the account specified for Retail Agent Accounts Receivable.

❑ **Undeposited Funds:** A temporary holding account for payments received. When creating a deposit, a bank account is selected and all previously recorded receipts are available for inclusion. When the deposit is posted the payments will automatically transfer from the Undeposited Funds account to the selected bank account. Undeposited Funds should be cleared with a deposit on a timely basis.

❑ **Reconciliation Clearing Account:** When entering a payment, use of the Reconciliation Clearing Account as the offset will make the item available on the Receipt/Disbursement link (while in a reconciliation). This is necessary when a receipt is recorded prior to reconciling.

Receive Payments Mandatory Accounts

Description	General Ledger Number	Account Type	Account Group	Classification
1. Client	100000 to 199999	Receivables	Current Asset	Asset
2. Additional Interest	100000 to 199999	Receivables	Current Asset	Asset
3. Premium Finance Company	100000 to 199999	Receivables	Current Asset	Asset
4. Retail Agent	100000 to 199999	Receivables	Current Asset	Asset
5. Undeposited Funds	100000 to 199999	Receivables	Current Asset	Asset
6. Reconciliation Clearing Account	100000 to 300000			Asset/Liability/Equity

■ **Make Deposit:** There is no limit to the number of bank accounts that can be set up for deposits in Nexsure. Nexsure provides a trust and an operating account by default. The balances on the accounts designated here are tracked on the accounting summary tab.

Make Deposit Mandatory Accounts:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Trust Account	100000 to 199999	Cash Accounts	Current Asset	Asset
2. Operating Account	100000 to 199999	Cash Accounts	Current Asset	Asset

Reconciliation Activity Mandatory General Ledger Accounts

These mandatory adjustment accounts are used for balancing amounts received or disbursed during a reconciliation process:

- **Retail Agent Reconciliation Clearing Account**: The Retail Agent Reconciliation Clearing Account is automatically offset in both retail agent receivable and payable reconciliations.

- **Commission Differences**: Will be used in a future release.

- **Reconciliation Clearing Account**: The Reconciliation Clearing Account is automatically offset during the reconciliation process when a selected receipt or disbursement does not match the amount reconciled. The Reconciliation Clearing Account difference is then made available for selection to offset additional payments received or disbursements entered. This account is set under the Accounts Payable Entry Mandatory Accounts section and cannot be changed in this section.

Reconciliation Activity Mandatory Accounts:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Retail Agent Reconciliation Clearing Account	100000 to 399999			Liability
2. Commission Differences	400000 to 999999			Income / Expense
3. Reconciliation Clearing Account	100000 to 399999			Asset/Liability/Equity

Journal Entry Mandatory General Ledger Accounts

Retained Earnings is the account in which the difference between the income and expenses are posted at year end. The Year End Adjustments link will automatically produce a journal entry that brings all income and expense accounts to zero and the net difference will post to the Retained Earnings account.

Journal Entry Mandatory Account:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Retained Earnings	300000 to 399999	Equity	Equity	Equity

Intra-Office Mandatory General Ledger Accounts

These mandatory accounts are used in journal entry and accounts payable transactions when **General Ledger Allocation** is used to cross territories (intra-office distribution). The following accounts are used as offsets to keep the entry in balance:

- **Intra-Office Primary Offset**: The Intra-Office Primary Offset account sets up a receivable in the territory where the entry is initiated that is due from a secondary territory.

- **Intra-Office Secondary Offset:** The Intra-Office Secondary Offset account sets up a payable in the secondary territory that is due to the primary territory.

Intra-Office Mandatory General Ledger Mandatory Accounts:

Description	General Ledger Number	Account Type	Account Group	Classification
1. Intra-Office Primary Offset	100000 to 399999			Asset/Liability/Equity
2. Intra-Office Secondary Offset	100000 to 399999			Asset/Liability/Equity

Notes

General Ledger Allocation

Organizations may have a policy of allocating expenses to multiple regions, territories, branches, departments or units based on a percentage of square footage, staff count or sales figures. This can be a tedious process when entered manually and often the split remains the same for a number of similar functions. To ease the entry process, general ledger allocations need to be established.

General Ledger Allocation can also be set up to cross territories (intra-office distribution). In order to maintain balanced books, Nexsure creates a receivable in the primary territory and a payable in the secondary territory.

Note: Account allocation can be applied through Accounts Payable and Journal Entry.

Setting up General Ledger Allocation

The following examples of setup are accessed through a territory, however GL Allocation may be set up from either the Organization level or from a territory.

Click the **ORGANIZATION** link on the **Primary** menu. Click the **territory** tab. This will display the list of existing territories. Click the **Details** icon on the far left side of the desired territory. Click the **accounting** tab. Click the **general ledger** tab on the second row of tabs. Click on **gl allocation** on the third row of tabs: this will display the following screen:
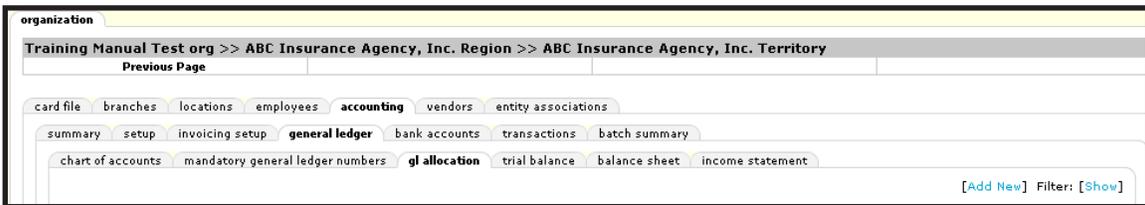
Note: Use the filter to search for an existing GL Allocation by clicking on the [Show] link.

Click the [Add New] link. Nexsure will display the **Add New GL Allocation Plan** dialog box:

- **Name:** Enter a unique name to describe this allocation. For example, Advertising or Payroll Distribution. This name will be used for selection in a journal entry or accounts payable transaction. If distribution is the same for all accounts, enter a name to describe the method of distribution. For example, Square Footage, Staff Count or Sales distribution. If distribution depends on the particular general ledger account, enter a name to describe the type. For example, Advertising, Utilities or Salaries distribution.

- **Allocation Type:** Note that cross territory (intra-office distribution) is allowed for both Allocation Types.

  - **Balance Sheet (Only Book Level Entities Available):** This option allows allocation to be applied to balance sheet accounts; Assets, Liabilities and Equity at the Territory level only. This does not limit any account type from use in a Journal Entry or Accounts Payable transaction; only the portion of the entry that is selected for allocation.

  - **Income & Expense (All Entities Available):** This option allows allocation to be applied to income statement accounts such as: Income, Expense, Under Ops Income and Under Ops Expense at the Territory, Branch, Department and Units. This does not limit any account type from use in a Journal Entry or Accounts Payable transaction; only the portion of the entry that is selected for allocation.

- **Description:** Enter a full description of this GL Allocation entry. The use of this field is optional.

- **Active Checkbox:** This box must be checked to make the GL Allocation available for selection in a journal entry or accounts payable transaction.

- **OK or Cancel:** Click **OK** to save and continue or click **Cancel** to abort.

Example:

Click **OK** to continue and the following screen will be displayed:

Click the **[Add New]** link. Nexsure will display the following dialog box:

Select the desired **Region**, **Territory**, **Branch**, **Department** or **Unit** for allocation. Refer to the Allocation Type in the chart above for a description of the entities available. The allocation factor may be a percentage, square footage, staff count, sales figures, etc. Enter the **Allocation Factor** for this entity level and click **OK**. Click the **[Add New]** link for each additional entity allocation.

> **Note:** The Intra-Office check box becomes checked automatically when a second territory is added.

- Clicking the **Allocate** link will calculate a percentage based on the allocation factor for each entity. The percent total will be 100%.

- Add all the allocation entities desired and click the **Save** link.

- Click the **GL Allocation Summary** link to **Exit**.

Use **Copy** to copy an existing allocation. Nexsure will create an exact duplicate of the entry copied with the words **Copy of** preceding the original name. The name and allocations can be changed after saving.

Refer to **Chapters 7 and 8 (Journal Entries and Account Payable Entries)** in the Accounting Training Manual for detailed instruction on how to use GL Allocations.

Notes

Financial Statements

The Trial Balance, Balance Sheet and Income Statement are available within the **REPORTS** tab on the **Primary** menu. For convenience they are also available from the **ORGANIZATION > accounting**, **territory > accounting** and **general ledger** tabs.

Trial Balance

The Trial Balance is a combination of the Balance Sheet and Income Statement. The total debit balances minus the total credit balances must equal zero for a book to be considered in balance.

Balance Sheet

The Balance Sheet is a financial report showing the status of assets, liabilities and equity on a given date, usually the close of a month. The balance sheet is in balance when the assets equal the liabilities and equity.

Income Statement

The Income Statement is a financial report showing a summary of income (revenue) and expenses over a period of time. Total expenses subtracted from total income is reported as a Net Profit or Loss. The Income Statement is sometimes referred to as the Profit and Loss Statement.

Running Financial Statements

Click the tab for the desired report **trial balance**, **balance sheet** or **income statement** on the third row of tabs. Click the **[Show]** link to display the filter as shown below:

Make selections from each of the drop-down list boxes:

- **View:** Detail or Summary

- **Fiscal Year:** Select the desired year

- **Period:** Select an accounting period to run the report for one month. Select no period if more than one accounting period is desired. This field defaults with the current accounting period.

- **Date From and To:** Select the exact **From** and **To** dates using the calendar icons or type in desired dates. These fields default according to the **Period** selected above.

■ **Format:** Select the desired format for output:

❑ PDF - Adobe® Reader®

❑ XLS – Microsoft Excel

❑ DOC – Microsoft Word

❑ XLS Unformatted – Microsoft Excel – makes sorting and filtering data easier

❑ Group By: Select the desired data grouping

After making all selections, click the **Search** button. The report will appear on the bottom half of the window in blue as it is processing:

View	**Report Name**	**Batch ID**	**Format**	**Pages**	**File Size**	**Created By**	**Created**	**Status**
🔍	Trial Balance Details	528	PDF	0	0kb	Susan McDonough	7/8/2005 4:11:00 PM	Compiling 30% Complete (pending)
🔍	Trial Balance Details	527	XLS (Unformatted)	4	58.266kb	Susan McDonough	7/8/2005 12:30:00 PM	Complete
🔍	Trial Balance Details	526	DOC	4	58.263kb	Susan McDonough	7/8/2005 12:28:00 PM	Complete
🔍	Trial Balance Details	525	PDF	4	57.521kb	Susan McDonough	7/8/2005 11:38:00 AM	Complete

[Refresh]

Click the **[Refresh]** link to check the status of the report. When the report's status is Complete, the report will be displayed in bold as shown below:

View	**Report Name**	**Batch ID**	**Format**	**Pages**	**File Size**	**Created By**	**Created**	**Status**
🔍	**Trial Balance Details**	**528**	**PDF**	**4**	**58.262kb**	**Susan McDonough**	**7/8/2005 4:11:00 PM**	**Complete**
🔍	Trial Balance Details	527	XLS (Unformatted)	4	58.266kb	Susan McDonough	7/8/2005 12:30:00 PM	Complete
🔍	Trial Balance Details	526	DOC	4	58.263kb	Susan McDonough	7/8/2005 12:28:00 PM	Complete

[Refresh]

Click the **Magnifying Glass** 🔍 icon to view the report. To print the report:

■ PDF: Use the Adobe Reader printer icon.

■ XLS and XLS Unformatted: Select and copy the entire spreadsheet, open Microsoft Excel outside of Nexsure and paste into a new worksheet, print using the Microsoft Excel print functions.

■ DOC: Click the **Magnifying Glass** 🔍 icon of the desired report; the following dialog box will display:
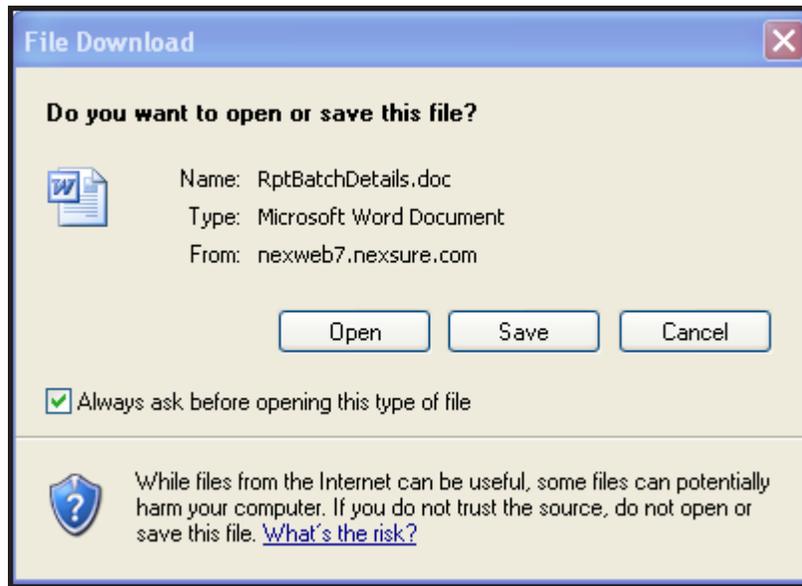
Click the **Save** button to browse and save the document. Open Microsoft Word outside of Nexsure and open the saved file. Print using the Microsoft Word print functions.

> **Note:** DO NOT post to any of the mandatory general ledger accounts unless directed by XDimensional Technologies' Nexsure workflows. This can cause books to be out of balance as these accounts are used by Nexsure for automatic postings.

Notes