

Description of Enquiry

The **General Ledger | Transactions | Control Account Reconciliation** (CAR) is a powerful reconciliation utility that assist in identifying transactions that contribute towards a discrepancy between Ledger Control accounts namely the Accounts Payable-, Accounts Receivable- and Inventory Control accounts, and the relevant sub-ledger balances for the same comparative periods.

Also note that even if the CAR is located under the **General Ledger | Transactions** node, nothing the user does in this utility affects any posted transaction history in the company at all. It's solely used as a reconciliation utility (on the same level as the Bank Reconciliation utility) as well as assisting to easily determine which transactions have caused the abovementioned discrepancy.

Using the CAR as a starting point and information source, the user should process all corrective transactions to balance the relevant sub-ledger, e.g. INV Valuation report balance with the relevant Ledger Control Account/s (e.g. INV Control account/s) in either the General Ledger and/or relevant sub-ledger.

This article focusses especially on using the CAR with regards to

- Differences observed between the Inventory Control account/s and the Inventory Valuation report,
- Helps you to understand when Inventory related transactions are included and Flagged on the Control Account Reconciliation (CAR) screen.
- It also shows you how to reconcile transactions with a Reconciliation State status = **Flagged** (as seen below) on which the user should focus. It's especially these transactions that have contributed towards the abovementioned discrepancies.

Debit Difference	Credit	GL Credit	Credit Difference	Reconciliation State
0.00	2,173.91	4,347.83	2,173.92	Flagged
0.00	4,347.83	4,347.83	0.00	Reconciled
0.00	0.00	0.00	0.00	Flagged
2,173.91	4,347.83	2,173.91	-2,173.92	Flagged
2,173.91	2,173.91	2,173.91	0.00	Flagged
0.00	0.00	0.00	0.00	Flagged

Solution / Details

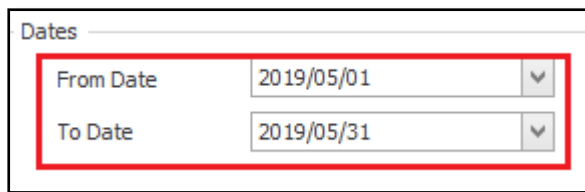
To further explain, consider the following main aspects of the CAR:

CAR's Header Filters' Setup

The CAR's filter fields determine whether or not certain transaction are displayed (included) on the results screen or not. Below is a short summary of the primary filter fields:

a) Date Range

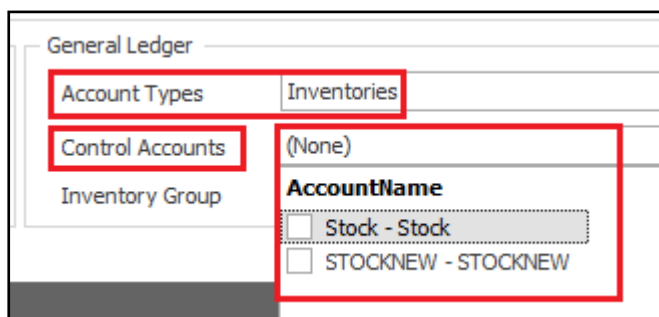
You can narrow your reconciliation project to a specific time frame by setup the correct **From Date** and **To Date** range.



b) Account Type and Control Accounts

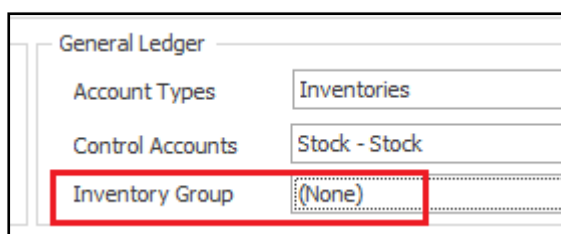
The selected **Account Types** act as an internal filter for the various Control Accounts that the user can select thereafter.

For instance, if only the **Account Type = Inventories** has been selected, the user should be able to ONLY select GL accounts with an account type of **Inventories**, as can be seen below



c) Inventory Group

Regardless if certain transactions are even included on the results screen depends on the Inventory Group/s selected on this filter field



For instance, if the above option is set to **None**, only the following two transactions are displayed in this case:

Date	Δ	GL Account	Reference	TrCode	Reconciliation	Debit	GL Debit	Debit Difference	Credit	GL Credit
2019/05/03		Stock	REF001	WHT	Flagged	2,173.91	0.00	-2,173.91	0.00	4,347.83
2019/05/03		Stock	REF002	WHT	Flagged	2,173.91	2,173.91	0.00	0.00	2,173.91

However, it's recommended to usually select **all** existing Inventory Groups

The screenshot shows the 'General Ledger' window. The 'Inventory Group' dropdown is set to '< All >'. A red box highlights the dropdown menu, which lists the following groups: AAA, BLOEM STOCK, BULK SALES, X1, and ZZZ. All groups are checked. Below the dropdown, a table shows the following data:

Debit	GL Debit
2,173.91	0.00
2,173.91	2,173.91

This is to ensure that no transactions are missing from the results screen so that the user can take especially note of all relevant **Flagged** transactions.

These are the specific transactions that contributes towards a discrepancy between the Inventory Control Accounts and the Inventory Valuation report value for the same period, and its essential that they should be included on the CAR's results screen.

d) Show Reconciled

If you only want to focus on 'problematic' transactions (Flagged transactions), then rather **unselect** the **Show Reconciled** option,

The screenshot shows the 'General Ledger' window. The 'Inventory' radio button is selected. The 'Show Reconciled' checkbox is checked and highlighted with a red box. The 'Account Types' dropdown is set to 'Other Expense + Inventories', 'Control Accounts' is set to 'Stock - Stock', and 'Inventory Group' is set to '< All >'. Below these fields, a table shows the following data:

Debit	GL Debit
2,173.91	0.00
2,173.91	2,173.91

before finally clicking the **View** button (with all other filters also correctly setup up) to reveal the transactions in the CAR's results screen.

The screenshot shows the 'View' button highlighted with a red box. Below it, there are two radio buttons: 'Customers' and 'Suppliers'. The 'View' button is part of a toolbar that also includes 'Clear', 'Save Grid...', 'Print', and 'Save Reconciliation'.

Else, if the **Show Reconciled** option is selected, the results screen will also include all reconciled (among the Flagged) transactions) and you may therefore have an unnecessary number of transactions to work through to find only those that need to be reconciled.

Various reasons for having Flagged transactions

1. Selected **Control Accounts** on the CAR's header field.

1. Setup the header fields as below, especially ensuring only the **Stock Control** account is selected

2. On the results screen, notice especially the **Advertising** related transactions which are correctly flagged below.

Date	GL Account	Reference	TrCode	Debit	GL Debit	Debit Difference	Credit	GL Credit	Credit Difference	Reconciliation State
2019/05/03	Stock	REF001	WHT	0.00	0.00	0.00	2,173.91	4,347.83	2,173.92	Flagged
2019/05/03	Advertising	REF001	WHT	4,347.83	4,347.83	0.00	0.00	0.00	0.00	Flagged
2019/05/03	Stock	REF002	WHT	0.00	2,173.91	2,173.91	4,347.83	2,173.91	-2,173.92	Flagged
2019/05/03	Stock	REF002	WHT	0.00	2,173.91	2,173.91	2,173.91	2,173.91	0.00	Flagged
2019/05/31	Advertising	ADJ	ADJ	100,284.61	100,284.61	0.00	0.00	0.00	0.00	Flagged
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	100.33	100.33	0.00	Flagged
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	401.32	401.32	0.00	Flagged
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	100.33	100.33	0.00	Flagged
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	100.33	100.33	0.00	Flagged

In this case, please also note:

- In our example, Inventory related transactions have been posted to the **Advertising** account (as an example), instead of the **Stock** account to illustrate how the CAR can pick up 'problematic' transactions. These are typical transactions causing the abovementioned discrepancies (between INV Valuation and INV Control account/s).
 - These flagged transactions may have purely been the result of incorrect Transaction Type or relevant Inventory Group setup.
 - Further below we'll also discuss specific **wrong setups** in the Evolution company that cause **Flagged** transactions.
3. However, if for any reason as decided by the user to also include the **Advertising** account **Control Accounts** field (and also selecting the **Show Reconciled** option in this case),

4. You should now notice that these same transactions are **Reconciled**. This is due to the user accepting the **Advertising** account to be also contributing towards his Inventory Valuation (as used for illustrative purposes only on this case!)

Date	GL Account	Reference	TrCode	Debit	GL Debit	Debit Difference	Credit	GL Credit	Credit Difference	Reconciliation State
2019/05/03	Stock	REF001	WHT	0.00	0.00	0.00	2,173.91	4,347.83	2,173.92	Flagged
2019/05/03	Stock	REF002	WHT	0.00	2,173.91	2,173.91	4,347.83	2,173.91	-2,173.92	Flagged
2019/05/03	Stock	REF002	WHT	0.00	2,173.91	2,173.91	2,173.91	2,173.91	0.00	Flagged
2019/05/03	Stock	REF001	WHT	0.00	0.00	0.00	4,347.83	4,347.83	0.00	Reconciled
2019/05/03	Advertising	REF001	WHT	4,347.83	4,347.83	0.00	0.00	0.00	0.00	Reconciled
2019/05/31	Advertising		ADJ	100,284.61	100,284.61	0.00	0.00	0.00	0.00	Reconciled
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	100.33	100.33	0.00	Reconciled
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	401.32	401.32	0.00	Reconciled
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	100.33	100.33	0.00	Reconciled
2019/05/31	Advertising	SHOPINV...	RINV	0.00	0.00	0.00	100.33	100.33	0.00	Reconciled

5. However, also consider the following:

Usually, the user should **only** select the true **Inventory Control accounts** (only those accounts he/she deems to contribute towards the Inventory Valuation balance) on the **Control Accounts** field.

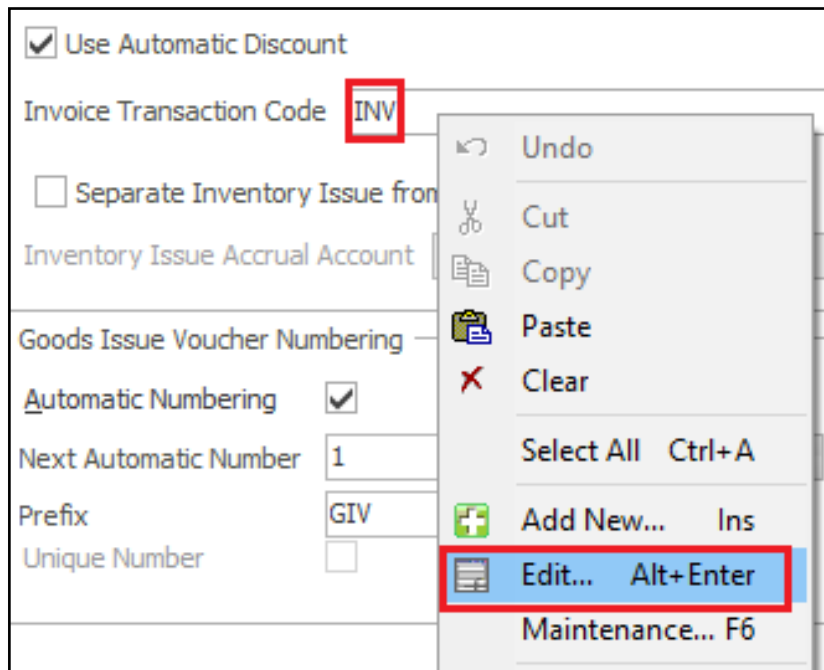
This is to expect viewing the complete list of **Flagged** transactions that are indeed causing the INV Valuation vs INV Control account discrepancies.

2. Having incorrect setups in the company

Incorrect Setup 1: Incorrect Inventory related transaction type setup

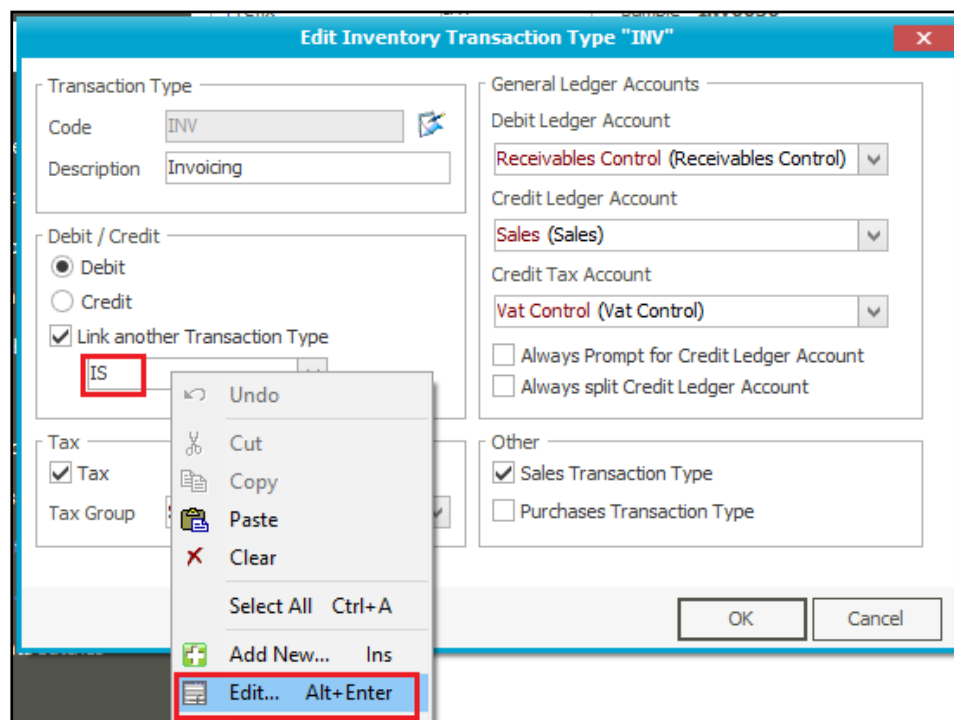
- Go to **Inventory | Maintenance | Inventory Defaults**. In here closely inspect all transaction types as setup on the various pages marked below.

2. On **each** Transaction Type included above, right click and select **Edit**. In this case as referring to the **INV** transaction type below



3. On the transaction type closely evaluate all GL accounts selected below and correct them as needed.

Also, **right click | Edit** on the linked **IS** transaction Type.



4. In this case (see below in step 5) the Credit Ledger Account below is incorrectly setup as you would normally expect the Stock (Inventory Control) account in here.

With an Invoice is processed this way it should therefore result in the transaction being correctly flagged on the CAR as a result.

- Therefore, correct the GL account to rather be the relevant Inventory Control account (e.g. Stock account).

Edit Inventory Transaction Type "IS"

Transaction Type

Code: IS

Description: Issue Stock

Debit / Credit

☒ Debit

☐ Credit

☐ Link another Transaction Type

General Ledger Accounts

Debit Ledger Account: Cost of Goods Sold (Cost of Goods Sold)

Credit Ledger Account: Security (Security)

Credit Tax Account:

☐ Always Prompt for Credit Ledger Account

☐ Always split Credit Ledger Account

- Repeat the same critical analysis and relevant GL control account corrections of ALL relevant Inventory related transaction types.
- If using the **BOM/Manufacturing** and/or **Job Costing** (and/or any other Inventory movement related) add-on modules, also closely analyze and correct the transaction types' setups to ensure having the correct Inventory Control accounts in use in your business.

Incorrect Setup 2: Incorrect GL Accounts used on Inventory Groups

The GL Accounts used on **Inventory | Maintenance | Groups** always override the relevant GL accounts as used on Inventory (including BOM/Manufacturing and Job Costing) related transaction types.

For instance, on this Inventory Group a non-Inventory Control related GL Account (Advertising) has been setup on the **Inventory Account** field

Edit Inventory Group "BULK SALES"

Group Code: BULK SALES

Description: BULK SALES

Sales Account	Select a General Ledger Account	<input type="checkbox"/> Prompt
Cost of Sales Account	Select a General Ledger Account	<input type="checkbox"/> Prompt
Inventory Account	Advertising (Advertising)	<input type="checkbox"/> Prompt
Purchases Account	Select a General Ledger Account	<input type="checkbox"/> Prompt
Purchases Cost Variance Account	Select a General Ledger Account	<input type="checkbox"/> Prompt
Inventory Adjustment	Select a General Ledger Account	<input type="checkbox"/> Prompt
Inventory Cost Variance Account	Select a General Ledger Account	<input type="checkbox"/> Prompt
Work In Progress Account	Select a General Ledger Account	<input type="checkbox"/> Prompt

That means when any stock item, as linked to the above Inventory Group, is processed on any GRV, Invoice, Manufacturing or Job Costing process, the **Advertising** account, instead of a GL account linked to the Inventories (Inventory Control account type) will be updated.

The results should therefore be:

- Having a discrepancy between the INV Valuation report balance and the Inventory Control account/s balance.
- The transaction correctly being **Flagged** on the CAR

Incorrect Setup 3: Inventory Service Items not linked to an Inventory Group

It's important to always ensure the correct setup has been done for all Inventory **Service Items**, especially those having a cost value.

The screenshot shows the 'Edit Inventory Item' form for an item named 'Cleaning'. The form has a left sidebar with navigation links: Item, Information, Pricing, Defaults, Incident History, Additional Fields, and Images. The main form area is divided into two sections. The top section, titled 'Item', contains fields for 'Simple Code' (set to 'Cleaning'), 'Description 1' (set to 'Cleaning'), 'Description 2', and 'Description 3'. The bottom section, titled 'Item Type', contains several checkboxes and options: 'Active' (checked), 'Service Item' (checked and highlighted with a red box), 'Serial Number Item' (unchecked), 'Allow Duplicate Serial Numbers' (unchecked), and 'Strict Serial Number Tracking' (checked).

Please apply the following setup procedure for all Inventory Service Items:

1. Go to **Inventory | Maintenance | Groups**.
2. Create a new group (as relevant) for your relevant Service Items.
You may even consider creating multiple groups for various types of Inventory Service Items, depending on your internal accounting needs and business processes.
3. On each new Inventory Group, select the relevant GL account on the **Inventory Account** field as can be seen below.
This GL account may be a typical **Other Expense** GL account type, but it should always be confirmed by the local, responsible financial officer, depending on your relevant accounting reporting structure and policy.
4. Always check and complete (as relevant) the other GL account fields as relevant to the Inventory Group.

- When done, click the **OK** button below to save the change

The screenshot shows a dialog box titled "Add New Inventory Group". It contains several fields for configuring an inventory group. The "Group Code" field is filled with "CleaningServ". The "Description" field is filled with "Cleaning Services". Below these, there are several rows for selecting General Ledger accounts. The "Inventory Account" row is highlighted with a red box and contains the text "CLEANING X-RAY (1000)". Other rows like "Sales Account", "Cost of Sales Account", "Purchases Account", etc., are set to "Select a General Ledger Account". To the right of each account selection is a checkbox labeled "Prompt". At the bottom right, there are "OK" and "Cancel" buttons.

- Go to **Inventory | Maintenance | Inventory Items** and edit **all** Service Items by linking them to the correct Inventory Group.
- Doing the above should ensure that the specific GL account selected on the Inventory Account field on the Inventory Group overrides the Inventory Control account as used on all inventory related transactions types (e.g. Invoice, GRV, Job Costing and Manufacturing etc) on all future transactions.
- Finally, notice that changing any transaction types and/or Inventory Groups will not affect any posted transaction history, and only impacts future transactions.

3. Direct Journals posted on Inventory Control Account

All General Ledger journals posted directly on an Inventory Control account should also be marked as **Flagged** on the CAR's result screen.

For example, note the direct journal transactions marked below on the GL Enquiry screen for the **Stock** account.

View

 Edit...
 Save Grid...

Account

Stock (Stock)

Transactions

Ledger Balances

Additional Fields

Drag a column header here to group by that column

Date	Code	△	Debit	Credit	Description	Reference	Reference 2
2019/07/19	INV				Invoice	INV0045	
2019/07/22	INV			R 1.72	Invoice	INV0046	
2019/06/01	JNL		R 40,000.00		DESC01	REF01	JBR00002
2019/06/04	JNL			R 1,000.00	DESC03	REF02	JBR00003
2019/04/12	MFDR				X1 drawn for MF Process M	Auto Manufact	MFP00001
2019/04/12	MFDR				X2 drawn for MF Process M	Auto Manufact	MFP00001
2019/04/12	MFDR				X3 drawn for MF Process M	Auto Manufact	MFP00001
2019/04/12	MFDR				X4 drawn for MF Process M	Auto Manufact	MFP00001

When checking for Flagged direct journal transactions on the CAR's result screen, please notice the following:

1. By default, the **Inventory Group** option may be set to **< All >**.

This means the results grid is filtered to **only** show transactions of inventory items that are linked to **Inventory Groups**, as can be seen below.

☒ Inventory ☒ Show Reconciled

General Ledger

Account Types Other Current Asset+ Inventories

Control Accounts Stock - Stock

Inventory Group **< All >**

Group

☒ BLOEM STOCK

☒ BULK SALES

2. That means the grid results should automatically **exclude** all direct journals as processed on the Inventory Control account/s as such transactions are not involving any inventory items.
3. This outcome is of course not desirable as the user should then be missing such direct journal transactions on the CAR. Such direct journals are of course also causing differences between the INV Valuation report and INV Control account/s.
4. To resolve this matter, unselect the **Inventory Group** options and click the **View** button again.

Control Account Reconciliation

View | Clear | Save Grid... | Print | Save Reconciliation

Transactions

☐ Customers ☐ Suppliers ☒ Inventory ☒ Show Reconciled

Dates

From Date 2019/05/01

To Date 2019/08/01

General Ledger

Account Types Other Current Asset+ Inventories

Control Accounts Stock - Stock

Inventory Group (None)

Group

☐ BLOEM STOCK

☐ BULK SALES

Drag a column header here to group by that column

Date	GL Account	Reference	Audit Number	TrCode	
2019/05/31	Advertising		66.0001	ADJ	10
2019/07/30	Advertising		133.0001	ADJ	
2019/07/30	Stock		133.0001	ADJ	
2019/05/31	Advertising	SHOPINV0003	64.0003	RINV	
2019/05/31	Advertising	SHOPINV0004	64.0004	RINV	

5. The results grid should now include the direct journal transactions as mentioned above.

View Clear Save Grid... Print Save Reconciliation

Transactions
☐ Customers ☐ Suppliers ☒ Inventory ☒ Show Reconciled

Dates
 From Date: 2019/05/01 To Date: 2019/08/01

General Ledger
 Account Types: Other Current Asset+ Inventories
 Control Accounts: Stock - Stock
 Inventory Group: (None)

Totals
 Inventory Transactions (126)
 General Ledger (99)
 Difference 2

Drag a column header here to group by that column

Date	GL Account	Reference	Audit Number	TrCode	Debit	GL Debit	Debit Difference	Credit	GL Credit	Credit Difference	Reconciliation St
2019/06/04	Stock	INV0039	107.0003	INV	0.00	0.00	0.00	9,739.10	9,739.10	0.00	Reconciled
2019/06/01	Stock	INV0040	109.0001	INV	0.00	0.00	0.00	9,739.24	9,739.24	0.00	Reconciled
2019/06/02	Stock	INV0041	109.0002	INV	0.00	0.00	0.00	4,173.96	4,173.96	0.00	Reconciled
2019/06/03	Stock	INV0042	109.0003	INV	0.00	0.00	0.00	9,043.58	9,043.58	0.00	Reconciled
2019/07/19	Stock	INV0043	115.0001	INV	0.00	0.00	0.00	0.00	0.00	0.00	Reconciled
2019/07/31	Stock	INV0044	116.0001	INV	0.00	0.00	0.00	0.00	0.00	0.00	Reconciled
2019/07/19	Stock	INV0045	117.0001	INV	0.00	0.00	0.00	0.00	0.00	0.00	Reconciled
2019/07/22	Stock	INV0046	128.0001	INV	0.00	0.00	0.00	1.72	1.72	0.00	Reconciled
2019/06/01	Stock	REF01	137.0001	JNL	0.00	40,000.00	40,000.00	0.00	0.00	0.00	Flagged
2019/06/04	Stock	REF02	138.0001	JNL	0.00	0.00	0.00	0.00	1,000.00	1,000.00	Flagged
2019/05/21	Stock	Auto Manufacture	52.0001	MFDR	0.00	0.00	0.00	0.00	0.00	0.00	Reconciled
2019/05/23	Stock	Auto Manufacture	55.0001	MFDR	0.00	0.00	0.00	0.00	0.00	0.00	Reconciled

Procedure to reconcile Flagged transactions

Phase 1: Print the current CAR's results

In order to correct the identified transactions (those with a Flagged status) do the following:

1. On the top of the CAR's screen, click the **Print** button.

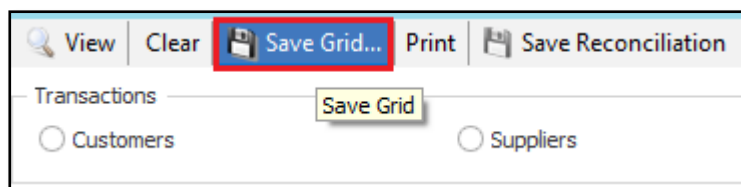
View Clear Save Grid... **Print** Save Reconciliation

Transactions
☐ Customers ☐ Suppliers

2. From here you can print it to have a paper copy to be used in the steps below.

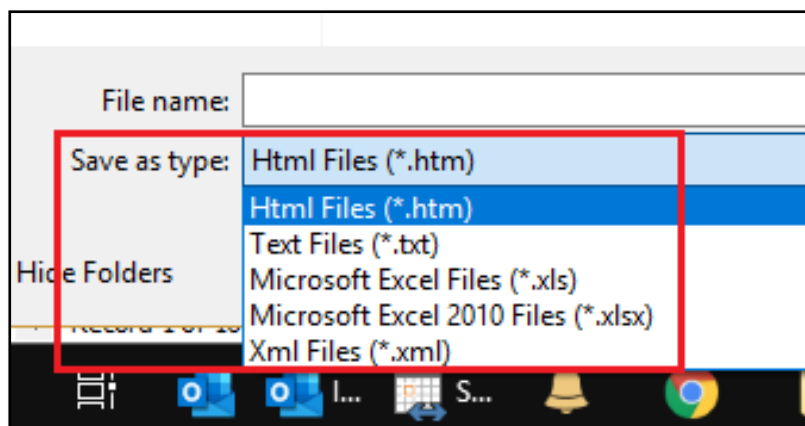
Control Account Reconciliation										
BENCO										
Date From: 01 April 2019					Date To: 21 August 2019					
Flagged										
Date	GL Account	Reference	Audit No.	Code	Debit	GL Debit	Debit Diff	Credit	GL Credit	Credit Diff
08/04/2019	Advertising	INV0003	15.0001	INV	0.00	0.00	0.00	100.33	100.33	0.00
11/04/2019	Advertising	INV0004	18.0001	INV	0.00	0.00	0.00	100.33	100.33	0.00
18/04/2019	Advertising		25.0001	ADJ	0.00	0.00	0.00	99,883.27	99,883.27	0.00
03/05/2019	Advertising	REF001	30.0001	WHT	4,347.83	4,347.83	0.00	0.00	0.00	0.00
03/05/2019	Stock	REF002	30.0001	WHT	0.00	2,173.91	2,173.91	2,173.91	2,173.91	0.00
03/05/2019	Stock	REF002	30.0001	WHT	0.00	2,173.91	2,173.91	4,347.83	2,173.91	-2,173.92
31/05/2019	Advertising		66.0001	ADJ	100,284.61	100,284.61	0.00	0.00	0.00	0.00
31/05/2019	Advertising	SHOPINV0003	64.0003	RINV	0.00	0.00	0.00	100.33	100.33	0.00
31/05/2019	Advertising	SHOPINV0004	64.0004	RINV	0.00	0.00	0.00	401.32	401.32	0.00
31/05/2019	Advertising	SHOPINV0005	69.0001	RINV	0.00	0.00	0.00	100.33	100.33	0.00
31/05/2019	Advertising	SHOPINV0006	71.0001	RINV	0.00	0.00	0.00	100.33	100.33	0.00
30/07/2019	Advertising		133.0001	ADJ	0.00	0.00	0.00	103,980.27	103,980.27	0.00
30/07/2019	Stock		133.0001	ADJ	0.00	0.00	0.00	2,782.61	15,652,596.74	15,652,593.96
									4.53	1.92
02/08/2019	Consulting	SINV-009	142.0001	GRV	2,500.00	2,500.00	0.00	0.00	0.00	0.00
02/08/2019	Advertising	REFX1	150.0001	WHT	3,000.00	3,000.00	0.00	3,000.00	3,000.00	0.00
12/08/2019	Advertising	REFX2	153.0001	WHT	1,500.00	1,500.00	0.00	0.00	0.00	0.00
Inventory Transactions									345,844.19	
General Ledger									449,108.69	
Difference									103,264.50	

3. Alternatively, on the top of the CAR's screen, click the **Save Grid** button.



4. You can now save the results screen in any of the file types marked below, anywhere on your PC.

This file can then also be used as part of the steps below.



Phase 2: Process corrective transactions

1. **First note:** Even if you change the wrong GL account setups found in the abovementioned related transaction types and/or Inventory Groups, it will not change any information on already posted transactions or on those transactions in the CAR's result screen.
2. By using the results as displayed in the output of steps 2 and/or 4 above as a source, process corrective transactions in the Evolution company.
3. These corrective transactions should be carefully planned according to the company's internal accounting policy and procedures and approved by the company's responsible financial officer.
4. Such transactions may include simply posting consolidated GL Journals to clear up incorrect GL account's balance per individual accounting period.

For example, the **Advertising** GL account's balance per period needs to be transferred to the relevant Inventory Control account (e.g. Stock).

5. Alternatively, you may also consider posting reversal Inventory source document transactions, and then reprocess the original transactions after ensuring the correct GL Accounts are used.

For example, posting a **Return to Supplier** transactions to correct a wrongly posted **GRV**, and then reprocess the GRV again, etc.

6. **Please note:**

Sage cannot advise on exactly how to process your corrective transactions as this is a decision that should only be taken by the Evolution user's responsible financial officer.

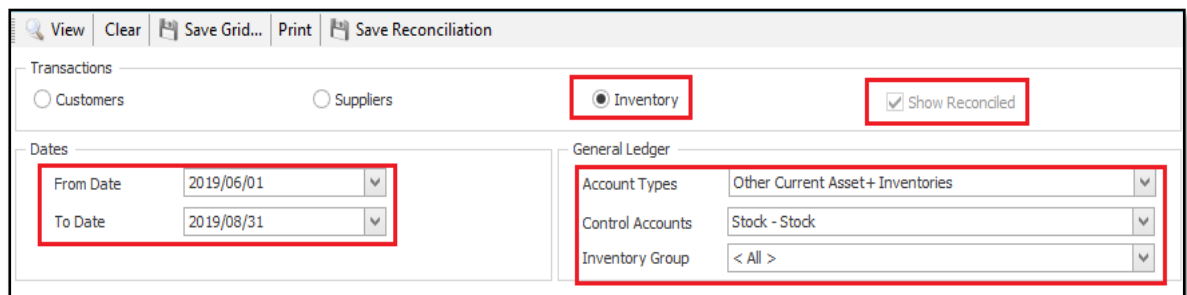
Phase 3: Compare the INV Valuation report balances with the INV Control account/s

1. It's now time to again do a proper comparison between the INV Valuation report balances with the INV Control account/s, over all the relevant periods.
2. We propose making use of the **Inventory | Enquiries | Valuation by date** utility that can be used to obtain a specific valuation at the end of a specific period.
This period value can then be compared against the consolidated INV Control Account/s components on the Balance Sheet for the same period.
3. Repeat this comparison over all of the periods for which you need to reconcile the Ledger and Sub-ledger.
4. If still required, post further corrective transactions and re-compare the abovementioned utility with Control Accounts until you're completely satisfied of having ledger vs sub-ledger equilibrium.
5. It should be finally added that planning and executing a proper **Inventory Count** (Stock Take) can also be considered if all integrity has been lost in your stock item levels/valuation. Doing this should again help to instil trust in your inventory valuation.

Phase 4: Change the Flagged status to Reconciled

1. If you're completely satisfied that the INV Valuation balance per period with your INV Control account/s, go back to the CAR screen.
2. In here setup the correct header filer/parameter fields for which you want to perform the reconciliation.

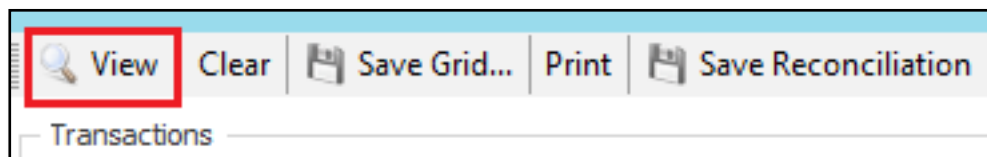
For example, these are the parameters we will be using in this case:



The screenshot shows the CAR screen with the following parameters highlighted by red boxes:

- Transactions:** ☒ Inventory, ☒ Show Reconciled
- Dates:** From Date: 2019/06/01, To Date: 2019/08/31
- General Ledger:** Account Types: Other Current Asset+ Inventories, Control Accounts: Stock - Stock, Inventory Group: < All >

3. When done, click the **View** button to reveal the transaction results screen.



The screenshot shows the CAR screen with the **View** button highlighted by a red box.

4. You should notice that the **Flagged** transactions still display (as Flagged) even if the corrective transactions as discussed in **Phase 2** above have been processed.
5. However, this is where the powerful reconciliation feature of the CAR is revealed. This is because you can now individually change the reconciliation status of every transaction.

6. Consider the following steps on how to achieve this:

- a. First notice the current values in the **Reconciliation State** column and the **Reconciled** option boxes below.

Credit	GL Credit	Credit Difference	Reconciliation State	Reconciled	Audit Number
39,000.00	39,000.00	0.00	Flagged	<input type="checkbox"/>	3.0001
0.00	0.00	0.00	Flagged	<input type="checkbox"/>	3.0001
117,000.00	117,000.00	0.00	Flagged	<input type="checkbox"/>	4.0001
0.00	0.00	0.00	Flagged	<input type="checkbox"/>	5.0001
1,200.00	1,200.00	0.00	Flagged	<input type="checkbox"/>	6.0001
-1,100.00	0.00	1,100.00	Flagged	<input type="checkbox"/>	7.0001
600.00	600.00	0.00	Flagged	<input type="checkbox"/>	9.0001
300.00	300.00	0.00	Flagged	<input type="checkbox"/>	10.0001
0.00	0.00	0.00	Flagged	<input type="checkbox"/>	13.0001
0.00	0.00	0.00	Flagged	<input type="checkbox"/>	14.0001
3,000.00	3,000.00	0.00	Flagged	<input type="checkbox"/>	14.0002

- b. You can now select the **Reconciled** option box (per transaction) and then notice how the **Reconciliation State** value changed from **Flagged** to **Reconciled**

Credit Difference	Reconciliation State	Reconciled	Audit Number
0.00	Reconciled	<input checked="" type="checkbox"/>	3.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	3.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	4.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	5.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	6.0001
1,100.00	Reconciled	<input checked="" type="checkbox"/>	7.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	9.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	10.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	13.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	14.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	14.0002

7. Of course, if you're still unsure about specific transactions for any reason, keep these transactions with a **Flagged** or **Excluded** status.

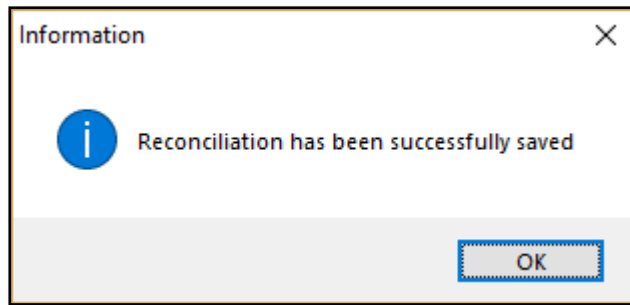
Credit Difference	Reconciliation State	Reconciled	Audit Number
0.00	Excluded	<input type="checkbox"/>	3.0001
0.00	Flagged	<input checked="" type="checkbox"/>	3.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	4.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	5.0001
0.00	Reconciled	<input checked="" type="checkbox"/>	6.0001

8. When done, click the **Save Reconciliation** button

Transactions

☐ Customers
 ☐ Suppliers

9. Click **OK** on this message that should be displayed



10. If you now close the CAR screen, reopen it, setup the same header parameters as in step 2. above, and click the **View** button again, you'll notice that the transactions should now still have the same **Reconciliation State** values as in which they were saved above in steps 6-8.

	Debit Difference	Credit	GL Credit	Credit Difference	Reconciliation State	Reconciled
	0.00	39,000.00	39,000.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	0.00	0.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	117,000.00	117,000.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	0.00	0.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	1,200.00	1,200.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	1,100.00	-1,100.00	0.00	1,100.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	600.00	600.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	300.00	300.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	0.00	0.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	0.00	0.00	0.00	Reconciled	<input checked="" type="checkbox"/>
	0.00	3,000.00	3,000.00	0.00	Reconciled	<input checked="" type="checkbox"/>

11. You are therefore now able to reconcile **specific periods** at a time.

For instance:

Setup the CAR's **Date From** and **Date To** parameters for a specific month, review the results, post the corrective transactions, compare the INV Control Account/s vs the INV Valuation for the specific period, change each transaction's Reconciliation State, before moving on to the following month.

Eventually, all transactions in the account year/s should have a status of **Reconciled**

12. Finally, also note the following:

Even if all transactions have been Reconciled (which previously had a Flagged status), you should still notice a **Debit-** or **Credit Difference** value on them (where relevant)

Date	GL Account	Reference	TrCode	Debit	GL Debit	Debit Difference	Credit	GL Credit	Credit Difference	Reconciliation State
2019/01/16	Stock	GRV0001	GRV	900,000.00	900,000.00	0.00	0.00	0.00	0.00	Reconciled
2019/01/23	Stock	INV0001	INV	0.00	0.00	0.00	16,000.00	16,000.00	0.00	Reconciled
2019/07/18	Stock	Auto Ma...	MFDR	0.00	0.00	0.00	39,000.00	39,000.00	0.00	Reconciled
2019/07/18	Stock	Auto Ma...	MFMF	39,000.00	39,000.00	0.00	0.00	0.00	0.00	Reconciled
2019/07/18	Stock	Auto Ma...	MFDR	0.00	0.00	0.00	117,000.00	117,000.00	0.00	Reconciled
2019/08/01	Stock	GRV0002	GRV	100.00	100.00	0.00	0.00	0.00	0.00	Reconciled
2019/08/21	Stock	RTS0001	RTS	0.00	0.00	0.00	1,200.00	1,200.00	0.00	Reconciled
2019/08/15	Stock	INV0002	INV	0.00	1,100.00	1,100.00	-1,100.00	0.00	1,100.00	Reconciled
2019/07/23	Stock	RTS0002	RTS	0.00	0.00	0.00	600.00	600.00	0.00	Reconciled
2019/07/23	Stock	RTS0003	RTS	0.00	0.00	0.00	300.00	300.00	0.00	Reconciled
2019/04/03	Stock	REF001	JNL	0.00	5,000.00	5,000.00	0.00	0.00	0.00	Reconciled

Also, the **Control Account Reconciliation Report** should still indicate the above difference.

Control Account Reconciliation

920NEW

Date From: 01 January 2019

Date To: 23 August 2019

Reconciled

Date	GL Account	Reference	Audit No.	Code	Debit	GL Debit	Debit Diff	Credit	GL Credit	Credit Diff
16/01/2019	Stock	GRV0001	1.0001	GRV	900,000.00	900,000.00	0.00	0.00	0.00	0.00
23/01/2019	Stock	INV0001	2.0001	INV	0.00	0.00	0.00	16,000.00	16,000.00	0.00
18/07/2019	Stock	Auto Manufacture 3.0001	MFDR		0.00	0.00	0.00	39,000.00	39,000.00	0.00
18/07/2019	Stock	Auto Manufacture 3.0001	MFMF		39,000.00	39,000.00	0.00	0.00	0.00	0.00
18/07/2019	Stock	Auto Manufacture 4.0001	MFDR		0.00	0.00	0.00	117,000.00	117,000.00	0.00
01/08/2019	Stock	GRV0002	5.0001	GRV	100.00	100.00	0.00	0.00	0.00	0.00
21/08/2019	Stock	RTS0001	6.0001	RTS	0.00	0.00	0.00	1,200.00	1,200.00	0.00
15/08/2019	Stock	INV0002	7.0001	INV	0.00	1,100.00	1,100.00	-1,100.00	0.00	1,100.00
23/07/2019	Stock	RTS0002	9.0001	RTS	0.00	0.00	0.00	600.00	600.00	0.00
23/07/2019	Stock	RTS0003	10.0001	RTS	0.00	0.00	0.00	300.00	300.00	0.00
03/04/2019	Stock	REF001	11.0001	JNL	0.00	5,000.00	5,000.00	0.00	0.00	0.00
Inventory Transactions									766,100.00	
General Ledger									765,000.00	
Difference									-1,100.00	

This is not due a defect and work as per design:

By only changing the Reconciliation State on any transaction does not affect/change the posted transactions at all and the Debit/Credit Difference on these transactions are therefore still a reality.

However, the corrective transactions posted in Phase 2 above should have reversed such transactions.