NOMINAL LEDGER OPERATIONS AND COMMANDS

About this Chapter

The Chapter describes the various types of Nominal Ledger operations and commands: the account/department commands, reporting commands, end-of-period commands, the bank menu and the house-keeping commands.

All intending users of the Nominal Ledger system should read this Chapter.

Introduction

The Nominal Ledger Menu offers a range of commands which you may use to perform various tasks on the Accounts system. These tasks and the commands for performing them may be divided into the following five broad categories:

- Accounts/Departments

- Reporting

- Bank

- End-of-period procedures

- House-keeping

Each transaction entered to the accounts system has an NL Expense Code (also referred to as the NL Analysis Code) which specifies the Nominal Ledger account to which the financial information will be posted. On the Sales and Purchase Ledgers, for example, an NL Expense Code must be assigned to each invoice, adjustment and credit note.

Transactions raised on the various modules of the system are posted to the Nominal Ledger, either at data input stage or at the end of the day when the Daybook is printed. You may also enter information directly to a Nominal Ledger account using the **Insert NL journal entries** command on the Nominal Ledger Menu.

Transactions involving Profit and Loss Account items may also have a Department Code associated with them if analysis by department is required. Departments are set up with the Nominal Ledger command, **Edit NL departments**.

The reporting tasks and commands display and/or print out information which has been previously entered into the system. The reporting commands include those which produce financial statements, such as **Trial balance** and **Sales/purchase analysis**.

The various options within the **Bank menu** command enable you to print a list of transactions and/or balances of Bank Accounts, to revalue foreign currency Bank Accounts and to transfer money between Bank Accounts which are set up to hold different currencies.

The end-of-period commands are run at the end of monthly and yearly financial periods. **Apportion costs by department** is run to provide an analysis for each department in the Trial Balance. **Group consolidation** allows you to combine the figures for a number of different companies. **Carry forward NL at month end** is the main command run at a period end to carry forward balances to the next period and to produce printouts for audit purposes.

The house-keeping procedures are concerned with the maintenance of the Nominal Ledger system. **Archiving the Nominal Ledger** enables you to make a complete copy of the Nominal Ledger for review at a future date.

All the above Nominal Ledger tasks and the commands for performing them are discussed in greater detail in the remainder of this Chapter. Also examined is the role and operation of the various buffers, and the relationship between the Nominal Ledger and other modules which you may have on your computer system.

Accounts/Departments

The structure of Nominal Ledger accounts and departments is described in detail in Chapter One of this User Manual.

You may create, modify or delete Nominal Ledger accounts using the **Edit NL account descriptions** command. (See Chapter Four). You may create, modify or delete departments using the **Edit NL departments** command. (See Chapter Five).

Transactions entered on other modules are posted to the Nominal Ledger, either directly or when the Daybook is printed. The **Insert NL journal entries** command on the Nominal Ledger Menu allows you to post Journal Entries directly to the Nominal Ledger. (See Chapter Six).

Typically, this command is used for depreciation, bank charges, accruals, prepayments and other entries which would not normally be input through other modules on the system. You may also need to correct erroneous entries on an item which has been posted to the Nominal.

The command for displaying on screen or printing out account information is **Display NL accounts** only. (See Chapter Seven).

Reporting Commands

The reporting commands enable you to print out and/or display information which has been posted to the Nominal Ledger. A number of the reporting commands on the Nominal Ledger print out financial information showing how the company (and its departments) are performing in terms of profit, sales, purchases and so on. The reporting commands are as follows:

- **Display NL accounts only**: For a specified account, this command displays and may print out information on transactions on that account. (See Chapter Seven).

- **Print chart of NL accounts**: This command prints out a full list of all Nominal Ledger accounts and departments. (See Chapter Eight).

- **Enquiry program**: This command enables you to make enquiries of the Nominal Ledger system in everyday words; the answers are displayed on the screen. (See Chapter Nine).

- **Trial balance**: This will print a Trading, Profit and Loss Account and Balance Sheet for the company as a whole, for a particular department or a group of departments. You may specify the current period or a range of dates for the Trial Balance. (See Chapter Eleven).

  The format of the Trial Balance printout is defined at installation and can be altered if required. If split tables are set up, run **Apportion costs by department** before running the **Trial Balance** command. (See Chapter Thirteen.)

- **Sales/Purchase Analysis**: This command prints out an analysis of all VAT-able sales and purchase transactions, and gives you the option of consolidating non-Open item accounts to free space on the Nominal Ledger, (See Chapter Ten). If your system is already set up to post summarised transactions into the Nominal Ledger, then this command will not function.

- **Departmental Profit Analysis**: This prints the profit figures for each department and the total profit for the company; it shows the profit for the current period and the year to date. The Brought Forward Balance may be included if required. (See Chapter Twelve).

- **Group Consolidation**: This command consolidates the figures of a group of separately defined companies for the purpose of financial analysis. It is particularly useful in situations where subsidiaries, divisions or branches of the same company have been defined as separate companies.

  Note that **Group consolidation** copies the information before performing the analysis; the original figures for each company therefore remain unconsolidated and unaffected. (See Chapter Fourteen).

NOTE: Of all the above reporting commands, only **Sales/Purchase analysis** may be used to alter the contents of the Nominal Ledger. The other reporting commands may be run at any time without affecting the position of the Nominal in any way.