How to Set Up Advanced G/L Account Determination

All Countries

SAP

Typographic Conventions

Type Style	Description
Example	Words or characters quoted from the screen. These include field names, screen titles, pushbuttons labels, menu names, menu paths, and menu options. Textual cross-references to other documents.
Example	Emphasized words or expressions.
`EXAMPLE`	Technical names of system objects. These include report names, program names, transaction codes, table names, and key concepts of a programming language when they are surrounded by body text, for example, SELECT and INCLUDE.
`Example`	Output on the screen. This includes file and directory names and their paths, messages, names of variables and parameters, source text, and names of installation, upgrade and database tools.
`Example`	Exact user entry. These are words or characters that you enter in the system exactly as they appear in the documentation.
`<Example>`	Variable user entry. Angle brackets indicate that you replace these words and characters with appropriate entries to make entries in the system.
`EXAMPLE`	Keys on the keyboard, for example, F2 or ENTER.

Document History

Version	Date	Change
1.0	2013-09-02	First version
1.1	2019-01-03	· UDFs were added to the *Determination Criteria - Inventory* window · The screenshot of window *Determination Criteria - Inventory* was updated in section 2.1 · Screenshot and information were updated in section 2.3

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1 Introduction

G/L account determination was performed at several levels, providing users with a certain degree of flexibility:

- In the *Item Master Data,* you define for each item the accounts to be used when a marketing or inventory document is created for the item. The available options are:
  - o Warehouse Level - when you create marketing or inventory documents, the accounts in the journal entry created by the document are taken from the warehouse definition at: *Administration → Setup → Inventory → Warehouses → Accounting* tab.
  - o Item Group Level - when you create marketing or inventory documents, the accounts in the journal entry created by the document are taken from the item group definition at: *Administration → Setup → Inventory → Item Groups → Accounting* tab.
  - o Item Level - any G/L account that you define at the item level
- At the company level, you could define a default method for G/L account assignments for new items at: *Administration → System Initialization → General Settings → Inventory* tab.
- You could define default accounts to be applied to all levels mentioned above in: *Administration → Setup → Financials → G/L Account Determination*.

The advanced G/L account determination solution provides a centralized matrix to determine rules for assigning G/L accounts in journal entries, including:

- Defining the company-level accounts in one place: the *G/L Account Determination* window (the window which, in the traditional solution, you used to define the default accounts at the company level)
- For tailored business scenarios, having the option to define rules for G/L account determination

These rules support:

- G/L account determination for item code, item group, warehouse code, ship-to country, ship-to state, federal tax ID, tax code (not supported in Israel), business partner code, business partner type, business partner group, UDFs, and usage (supported in Brazil only)

  > ℹ Note
  >
  > You can use up to 5 UDFs as determination criteria. But the UDFs must be from one of the following categories:
  >
  > - o Marketing Documents → Title
  > - o Marketing Documents → Rows
  > - o Inventory → Inventory Posting
  > - o Inventory → Inventory Posting - Row
  > - o Master Data → Business Partner → Business Partner
  > - o Master Data → Item Groups
  > - o Master Data → Items → Items
  > - o Master Data → Items →Items - Warehouse

- Multi-determination criteria - a combination of the criteria mentioned above

Any rule you define in the advanced window has higher priority in determining which accounts are assigned in journal entries. For detailed information about rules prioritization, see *Priority* .

The solution facilitates tracking the change log of G/L account determination definitions.

$\mathbf{i}$ Note

You can activate or deactivate the advanced G/L account determination solution at any time, in a new or existing company.

$\mathbf{i}$ Note

SAP Business One supports the creation, migration, and adoption of up to 4,000 advanced determination rules.

2 Setting Up the Advanced G/L Account Determination System

2.1 Activating the Advanced G/L Account Determination System

You can activate or deactivate the advanced G/L account determination solution at any time, in a new or existing company database. By default, the advanced G/L account determination solution is not activated in either new or upgraded company databases. To activate the advanced G/L account determination solution, follow the steps below.

Prerequisites

You have verified that only one user is logged on to SAP Business One.

Procedure

1. From the SAP Business One *Main Menu → Modules* tab, choose*: Administration → System Initialization → Company Details→ Basic Initialization* tab.
2. Select the *Enable Advanced G/L Account Determination* checkbox. The *Migration Options* window appears:
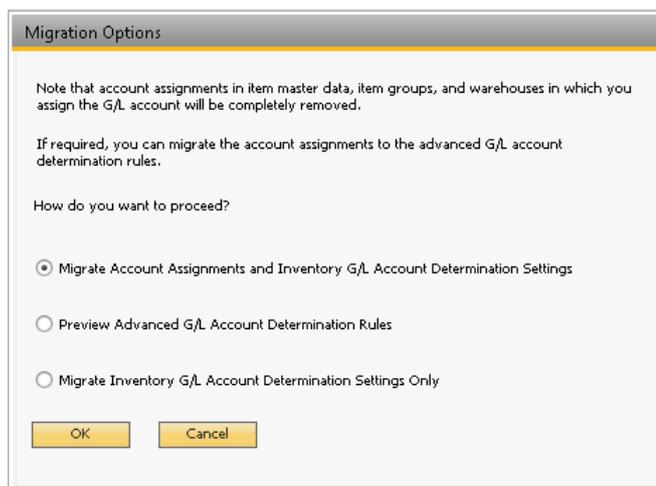
3. Select the required option for your company database:
    o *Migrate Account Assignments and Inventory G/L Account Determination Settings* - this option is selected by default. If you keep this option, SAP Business One converts all the current G/L account determination settings and assignments related to inventory accounts into advanced determination rules.

    i Note

    If you keep this option, make sure you are the only user logged on to the company database. If additional users are connected to the company database, the migration process cannot take place.

- *Preview Advanced G/L Account Determination Rules* - select this option to run a simulation and review the advanced determination rules that will be created based on your current G/L account determination.
- *Migrate Inventory G/L Account Determination Settings Only* - if you select this option, SAP Business One does not convert any of the existing G/L account determinations into advanced determination rules; however, the relevant functionality is added to the SAP Business One application, enabling you to define the advanced determination rules by yourself.

4. Choose the *OK* button.

Result

Depending on your selection in the *Migration Options* window, the following results occur:

- *Migrate Account Assignments and Inventory G/L Account Determination Settings* - the G/L account determination settings related to inventory management are converted to advanced determination rules. In existing companies where there are multiple posting periods, the migration process applies to all of the defined posting periods. In addition, the following windows and functions are added to the SAP Business One application to support the advanced G/L account determination solution:

 - A new field, *Advanced Rule Type*, is added to the *Item Master Data → General* tab:

    This field is added to support the conversion process. The value set in this field determines which advanced rule will be used for choosing the inventory G/L account in the journal entry created by a document that includes this item. In a new company, or a company that uses the predefined G/L account determination settings provided by SAP Business One, all the items are automatically set to *Advanced Rule Type General*.

  - New windows, *Determination Criteria - Inventory* and *Determination Criteria - Resources* are added under: SAP Business One *Main Menu → Modules* tab → *Administration → Setup → Financials → G/L Account Determination*.
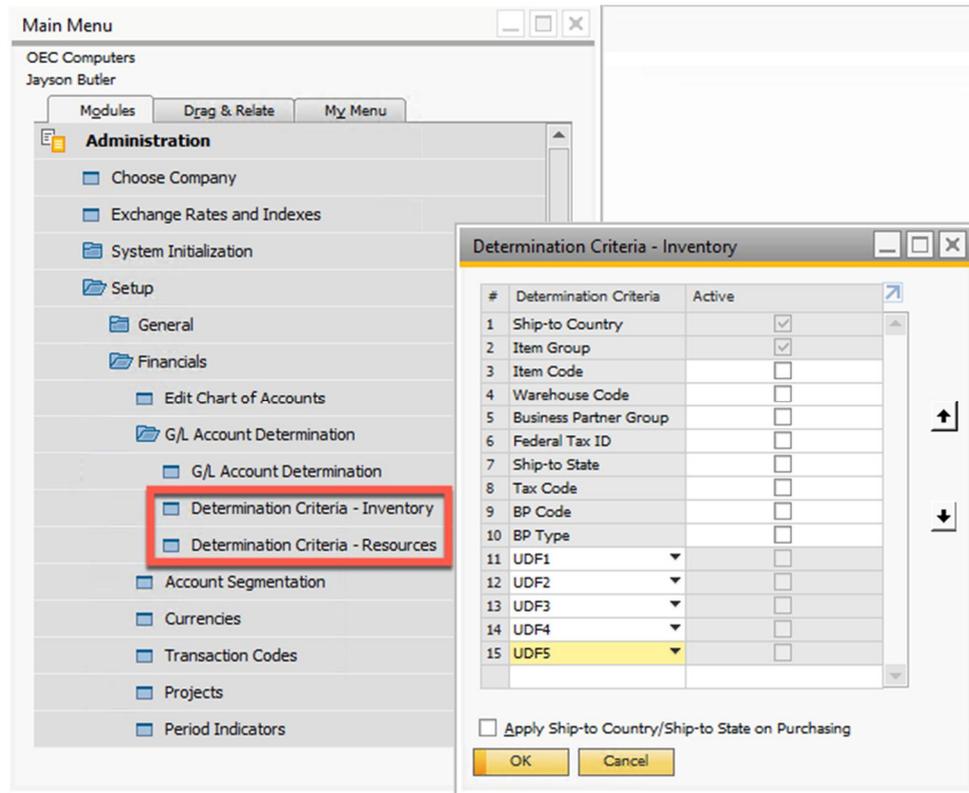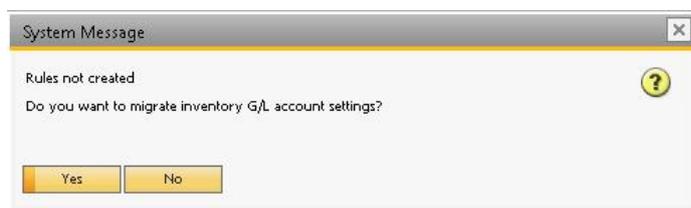
- o Enhancements in the *G/L Account Determination* window (SAP Business One *Main Menu → Modules* tab → *Administration → Setup → Financials → G/L Account Determination → G/L Account Determination*):

  - o *Advanced Rules* column - indicates whether and how many advanced rules were created for the given inventory account. Click the arrow to view the advanced rules in detail.

  - o *Advanced* button - choose this button to open the *Advanced G/L Account Determination Rules* window, where you can view and update the migrated rules, and define new ones.
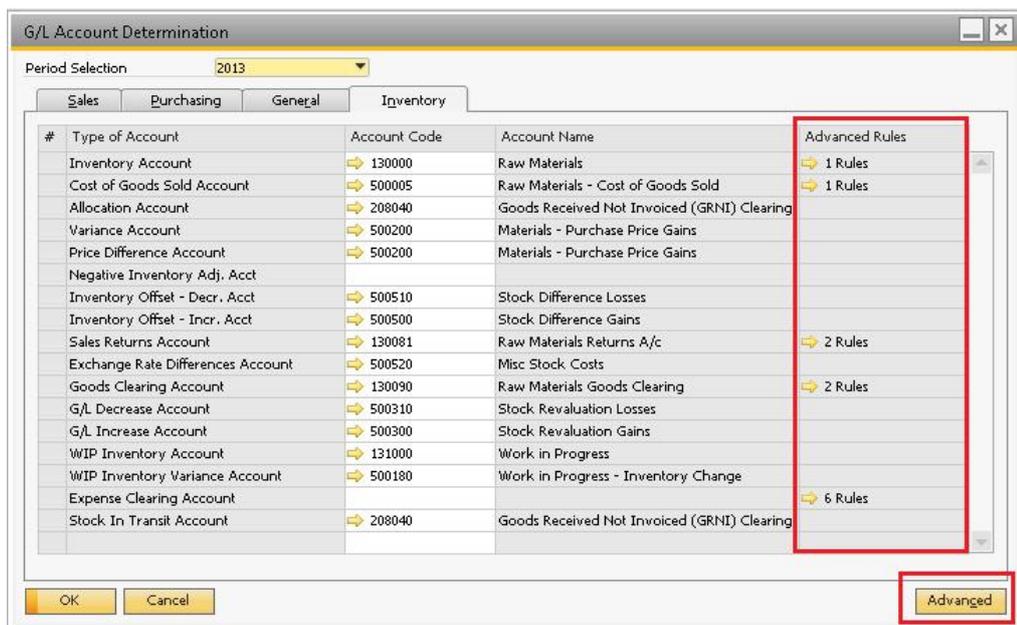
o   A new window, *Advanced G/L Account Determination Rules*, is added. This window lists all the advanced rules created following the migration process and enables you to edit them and add new rules. To access this window, choose the *Advanced* button in the *G/L Account Determination* window.

o   The *Accounting* tab is removed from the *Warehouses - Setup* window and from the *Item Groups - Setup* window.

o   In *Item Master Data → Inventory Data* tab, the columns representing accounts are removed from the table.

o   The name of the *Set G/L Accounts By* field in *General Settings → Inventory* tab → *Items* sub tab and in *Item Master Data → Inventory Data* is changed to: *Set Inv. Method By*. The available values and the selected value remain unchanged.

· *Preview Advanced G/L Account Determination Rules* - The *Advanced G/L Account Determination Rules* window appears, listing the advanced rules that would be created if you were to choose the *Migrate Account Assignments and Inventory G/L Account Determination Settings* option. To adopt the displayed rules, choose the *Migrate* button. The same process as described in the *Migrate Account Assignments and Inventory G/L Account Determination Settings* section takes place. If SAP Business One does not recognize any advanced rules, the following system message appears:

This could happen if your company works according to the predefined G/L account determination settings provided by SAP Business One, and no specific adjustments were made.

If you choose *Yes*, SAP Business One is enhanced to enable you to define the advanced rules on your own. For more information, see *Migrate Inventory G/L Account Determination Settings Only*.

· *Migrate Inventory G/L Account Determination Settings Only* - SAP Business One does not create any rules; however, the application is enhanced with all the new windows and options mentioned in the *Migrate Account Assignments and Inventory G/L Account Determination Settings* section, enabling you to define on your own the required rules for your company.

2.2 Setting the Advanced Rule Type in Item Master Data

The advanced rule type is the first criterion for automatically picking the advanced G/L account determination rule. By default, the advanced rule type is set to *General* for all items in a new company. When you activate the advanced G/L account determination solution in existing companies, after the migration process, the vast majority of the items are also assigned with the value *General;* however, there might be rare cases where certain items would be assigned with the values *Warehouse* or *Item Group.*

➡ Recommendation

You should keep the *Advanced Rule Type* field set to *General*. Use the *Warehouse Code* and *Item Group* criteria in the *Advanced G/L Account Determination Rule* definition instead of using the *Warehouse* and *Item Group* advanced rule types.

2.3 Setting Up Determination Criteria

After activating the advanced G/L account determination, you can select from a predefined list the relevant criterion or criteria for your company and set the required priorities.

1. From the SAP Business One *Main Menu → Modules* tab, choose: *Administration → Setup → Financials → Determination Criteria*.

2. In the *Determination Criteria* window, activate the required criteria by selecting the relevant checkboxes in the *Active* column. If you want, for example, to see the distribution of revenues from sales of each item group in different countries, activate the *Item Group* and the *Ship-to Country* criteria.

ℹ Note

o You can deactivate only the criteria which are not used by any advanced rule.

o If you activate the *Item Code* criterion, the *Item Group* criterion is automatically activated as well.

o If you activate the *BP Code* criterion, the *Business Partner Group* criterion is automatically activated as well.

- o If you activate the *Ship-to State* criterion, the *Ship-to Country* criterion is automatically activated as well.
- o You can assign specific UDFs to each of the 5 *UDF* determination criteria by selecting from the dropdown list.
- o The criterion *Usage* is available in the Brazil localization only.
- o The criterion *Tax Code* is not supported in Israel.
- o By default, the checkbox *Apply Ship-to Country/Ship-to State on Purchasing* is deselected.
  - o When the checkbox is selected, the rules defined for the criteria *Ship-to Country* and *Ship-to State* are applied to both the sales documents and the purchasing document;
  - o When the checkbox is deselected, the rules defined for the criteria *Ship-to Country* and *Ship-to State* are applied to the sales documents only.
3. The order of the determination criteria reflects their priorities. The first criterion in the list has the highest priority. To change the priority of a specific criterion, mark it and use the up or down arrow buttons to change its location in the list and its priority.
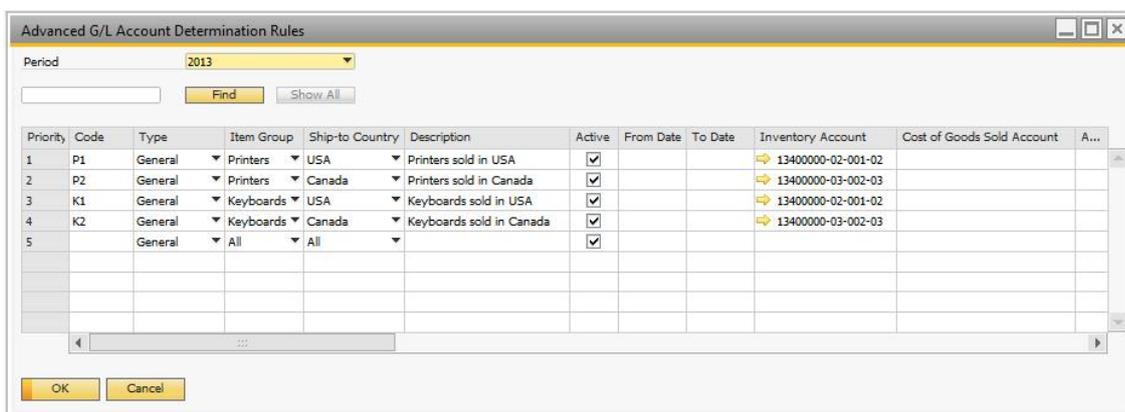
> **i** Note
>
> In companies where advanced rules were created during the migration process, the relevant determination criteria are automatically selected and prioritized. You can select additional criteria if needed and change the priorities.

2.4 Defining Advanced G/L Account Determination Rules

To define advanced G/L account determination rules, follow the steps below:

1. From the SAP Business One *Main Menu → Modules* tab, choose: *Administration → Setup → Financials → G/L Account Determination → G/L Account Determination*. In the *G/L Account Determination* window, select the *Inventory* tab, and then choose the *Advanced* button.
2. The *Advanced G/L Account Determination Rules* window appears.

3. Enter the required values in the respective fields:

Field	Activity/Description
Period	Select the posting period for which you want to define the rules. By default, the posting period selected in the *G/L Account Determination* window is displayed. If needed, you can define a separate set of rules for each posting period. When a new posting period is created, all the rules defined for the current posting period are automatically copied to the newly created posting period. In case the current posting period is not defined, the rules defined for the latest posting period (regardless its status) are copied to the new posting period.
Priority	Reflects the priority of each rule, as calculated based on the priority of the determination criteria. When new rules are added, or the priority of the determination criterion is changed, the priority of the rules is recalculated and updated accordingly. SAP Business One prioritizes the rules as follows: · For each rule, SAP Business One checks which determination criterion included in the rule is of highest priority. · The rule that contains the determination criterion with the highest priority becomes the rule with highest priority. · If there are two rules both of which contain the highest priority determination criterion, the priority of the rule is determined by the priority of the next-highest priority determination criterion. · Between two rules with the same determination criteria, the rule where the determination criteria are set to specific values takes precedence over the rule where the determination criteria are set to *All.* · It is impossible to create two identical rules. Two rules with the same values are considered different if applied to different date ranges.
Code	Specify a unique code for each rule in a given period. You can use the same code for different rules in different periods.
From Date, To Date	Set the date range during which the rule is active. The date range you define must be within the date range of the selected posting period. · To set the rule as active during the entire posting period selected, leave the two fields empty. · Define *From Date* only to set the rule as active from the specific date (later than the beginning of the selected posting period) till the end of the selected posting period. · Define *To Date* only to set the rule as active from the beginning of the selected posting period till the required date (earlier than the end of the selected posting period). · Define a date range, *From Date* and *To Date,* to set the rule as active during the defined date range only. **i** Note If you deselect the *Active* checkbox, these fields are disabled.

Field	Activity/Description
<Determination Criteria Columns>	The columns in this area represent the determination criteria selected in the *Determination Criteria* window. The order of the columns reflects the priority of each determination criterion, as defined in the *Determination Criteria* window - the first column represents the determination criterion with the highest priority. In this example, there are two columns for *Item Group* and *Ship-to Country* that were selected in the *Determination Criteria* window.
	For each determination criterion, select the required value in each rule. The available values for the different criteria are:
	• *Item Group* - to apply the rule to a specific item group, select it from the list. By default, the value *All* is assigned to this criterion and the rule applies to all item groups. If a specific item was assigned in the *Item Code* criterion, the item group to which the selected item belongs is automatically assigned.
	• *Item Code* - by default, the value *All* is assigned to this criterion and the rule applies to all of the items. To apply the rule to a specific item, select the option *Choose*, and then choose the required item code. When the rule is applied to a specific item, the *Item Group* criterion is automatically assigned with the item group linked to the selected item code. You can disable the *Item Group* criterion manually in the *Determination Criteria* window. If you assigned a specific item group to the *Item Group* criterion, only items belonging to this item group are available for selection.
	• *Warehouse Code* - by default the value *All* is assigned to this criterion and the rule applies to all the warehouses. To apply the rule only to items stored in a specific warehouse, select the option *Choose* and then select the required warehouse code. If you have already assigned a specific item code to the *Item Code* criterion, only the warehouses assigned to the selected item are available.
	• *Business Partner Group* - to apply the rule to a specific business partner group, select it from the list. By default, the value *All* is assigned to this criterion and the rule applies to all item groups. If a specific item was assigned in the *BP Code* criterion, the *Business Partner Group* to which the selected *BP Code* belongs is automatically assigned.
	• *Federal Tax ID* - by default the value *All* is assigned to this criterion and the rule applies to all documents regardless the federal tax ID assigned to them (including documents without federal tax ID). To apply the rule only to documents where a federal tax ID is entered, select the *Filled* option. To apply the rule only to documents where a federal tax ID is not entered, select the option *Empty*. To apply the rule to documents that include a specific federal tax ID, select the option *Enter Tax ID* and type the required federal tax ID.
	• *Ship-to Country* and *Ship-to State* - by default, the value *All* is assigned to both criteria. When *Ship-to Country* is set to *All*, *Ship-to State* is also set to *All* and cannot be edited.
	To apply the rule to a certain country and a certain state, select the *Choose* option in the *Ship-to Country* column, and choose the required country from the *List of Countries* window. In the *Ship-to State* column (which becomes editable), select the option *Choose* and in the *List of States* window, choose the required state.

Field	Activity/Description
	To apply the rule to EU countries only, select the option *EU* in the *Ship-to Country* column. To apply the rule to non-EU countries only, select the option *Non-EU*. In both cases the *Ship-to State* criterion is set to *All* and cannot be edited.
	• *BP Type* - to apply the rule to business partners of type *Company* only, select *Company*. To apply the rule to business partners of type *Private*, select the option *Private*. By default, this criterion applies to all business partner types and is set to *All*.
	• *Tax Code* - to apply the rule to documents with a specific tax code, select the *Choose* option and from the *List of Tax Codes* window, select the relevant tax code. This criterion is not supported in Israel.
	• *BP Code* - to apply the rule to certain business partners only, select the *Choose* option. Then from the *List of Business Partners* window, choose the relevant business partner code. When you apply the rule to a specific business partner, the *Business Partner Group* criterion is automatically assigned with the business partner group linked to the selected business partner. If you assign a specific business partner group to the *Business Partner Group* criterion, only business partners belonging to this business partner group are available for selection.
	• *Usage* - relevant to Brazil only. To apply the rule to a specific *Usage* code, select the *Choose* option. Then from the *List of Usage Codes* window, select the required usage. By default, the rules apply to all usage codes.
	• *UDF* - by default, the value *All* is assigned to this criterion and the rule applies to all values for the specific UDF. To apply the rule only to the UDF which has values, select the *Filled* option. To apply the rule only to the UDF which has no value, select the *Empty* option. To apply the rule to certain UDF only, select the *Enter Value* option and type the specific UDF value.
	If *Item Code* and one of the items UDFs are chosen as determination criteria, the items UDF value will be updated automatically based on the item code. However, this UDF value can be removed manually. If you manually remove the value from the item code, the item UDF will be removed automatically. This rule applies to the following connections:
	• *Item Code → Items UDF*
	• *BP Code → Business Partners UDF*
	• *Item Group → Item Groups UDF*
	• *Warehouse Code → Warehouses UDF*
Description	Enter a meaningful description for each rule.
Type	Assign the required type for each rule: • General - by default, assigned to all the rules. Rules of type *General* can be potentially used by all items. To allow for the most flexible usage of rules, we recommend keeping all the rules as type *General*. • Warehouse - rules of type *Warehouse* can be potentially used by all items, except for items where the advanced rule type is set to *Item Group.*

Field	Activity/Description
	• Item Group - rules of type *Item Group* can be potentially used by all items, except for items where the advanced rule type is set to *Warehouse.*
Active	Indicates whether the rule is active or not. You can deactivate a rule at any time.
Account Columns	The columns in this area represent the accounts listed in:
	• *G/L Account Determination* window → *Inventory* tab, the revenue accounts in *G/L Account Determination* → *Sales* tab, and expense accounts in *G/L Account Determination* → *Purchasing* tab
	• *Item Groups - Setup* window → *Accounting* tab
	• *Warehouses - Setup* window → *Accounting* tab
	• *Item Master Data* window → *Inventory Data* tab
	For each rule, specify the accounts you want to be used when the rule is applied.
	You must assign at least one account to each rule.
	When you post a document, SAP Business One checks whether an account that is required for the document transaction is assigned in one or more rules. If so, the transaction is posted to the account in the highest-priority rule that matches the document criteria. If no rule was created for an account required for a document transaction (or the document does not match any of the available rules), the document transaction is posted to the account defined in *G/L Account Determination* → *Inventory, Sales,* or *Purchasing* tab (depending on the given account). For example, you create a goods receipt and there is a rule that includes inventory, but the rule includes also the BP Group determination criterion. Since BP Group is not relevant for goods receipt, SAP Business One posts the document transaction to the inventory account defined in *G/L Account Determination* → *Inventory* tab.

4. Choose the *Update* button.

3 Deactivating the Advanced G/L Account Determination Solution

You can deactivate the advanced G/L account solution at any time. To do so, follow the steps below:

1. From the SAP Business One *Main Menu → Modules* tab, choose *Administration → System Initialization → Company Details → Basic Initialization* tab.

2. Deselect the *Enable Advanced G/L Account Determination* checkbox. The following system message appears:

3. If you choose *Yes,* all the advanced rules and the respective windows and fields are removed. The G/L account determination assignments is set according to the defaults defined when a new company is created. In other words, if prior to the activation of the advanced G/L account determination solution, you made adjustments in either the *G/L Account Determination* window, the *Warehouses - Setup* window → *Accounting* tab, the *Item Groups - Setup* window → *Accounting* tab, or in the *Item Master Data* window → *Inventory Data* tab, these assignments are not restored, and if needed, you will have to make the required adjustments again.

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