Accounting Journals Management (W5)

This version is superseded. Click here to view the latest guide.

PURPOSE

This document describes the process of accounting journals management in CS Lucas system.

WHY IS THIS IMPORTANT?

All trades executed by the system will give rise to one or more accounting events. These accounting events generated from CS Lucas system can be interface and update into an external ERP system so that no manual journal entries need to be created in your external ERP system for record when a trade is done.

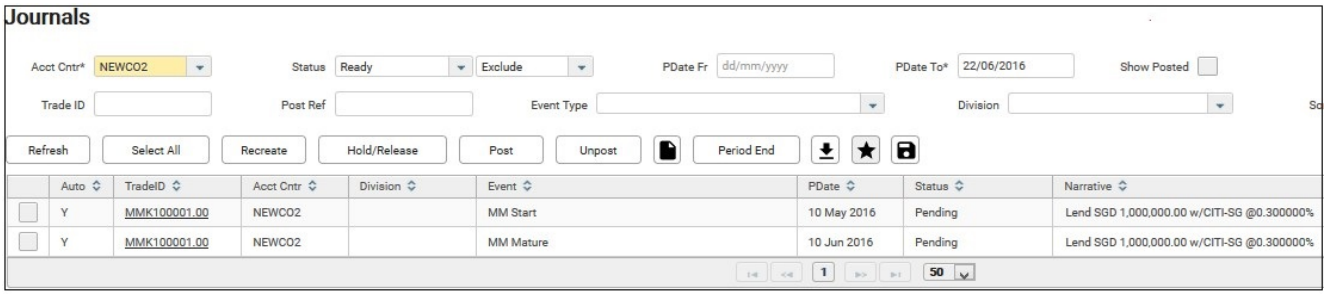
PROCEDURE



1. From the main menu, select Back Office > Journals.

2. Select the Accounting Centre to view the accounting events. Accounting centre would have been defaulted to user accounting centre. If not, it will be left blank.

3. Click Refresh. You will see list of accounting events from the beginning of the trades booked till to date. PDate To (a.k.a. Post Date To) is defaulted to system's date. This can be changed.



4. There are also other fields that you may select to filter out or narrow down your search to a particular accounting events. These fields are on the top page of the Journals screen, for example, filter by status of the journals, trade ID, event type, etc. In this example, NEWCO2 will be the accounting centre and no further search parameters will be used.

5. In this example, there are only 2 accounting events generated from booking Money Market transaction, MMK100001.00. These 2 accounting events are MM Start (at VDate of the trade) and MM Mature (at MDate of the trade).

6. Accounting events generated from trades booking would be in “Pending” status. These accounting events need to be recreated (referred to as “processed”) to generate journal entries. To recreate the accounting event, tick on the checkbox of the accounting event and click Recreate or click on the Trade ID to drill down to Journal Details page then click Recreate.

7. When you recreate the accounting events, the status will change. The following explains each status of the accounting event that you may encountered during recreation.

Pending

> Accounting events generated from newly booked transaction are in pending status as these events have not been recreated or processed.

Unapproved

> Trade not approved. Only when a trade is approved may the accounting events be processed. Click here for authorizing trade.

Rates Unapproved

> Accounting rates not approved. Only dates for which rates have been

approved may the accounting event be processed. See Exchange Rate Administration for approving exchange rates.

No Posting Period

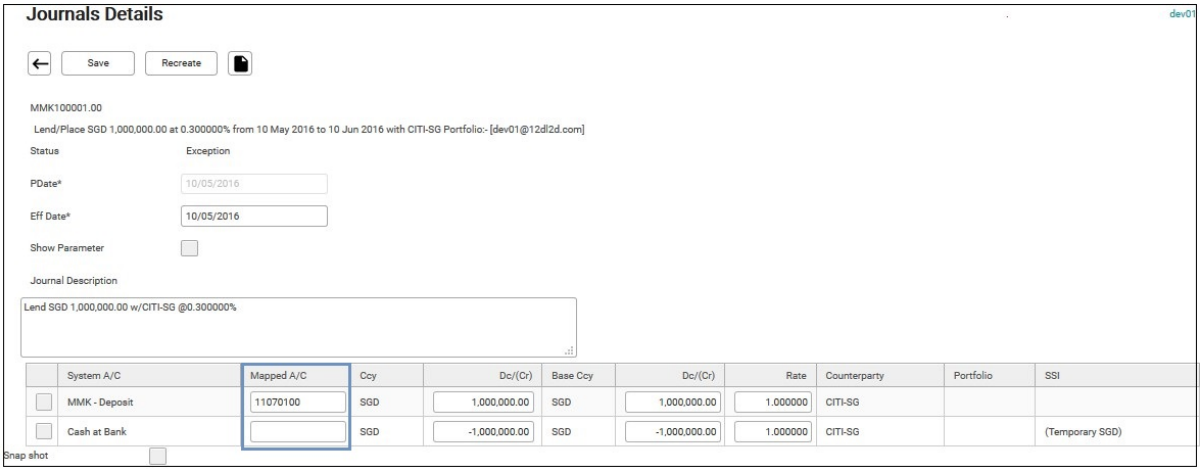
No Posting Period occurs when the system period has not been set up to identify the period by Post Date for the accounting event. See Accounting Period Maintenance for creating accounting period.

Exception

There is insufficient G/L mapping chart of account information for the system to determine how the generated journal entries should be mapped to the reference (or chart of account) of an external accounting system.

Click on the Trade ID to drill down to the Journal Details screen to check where the mapping exception occurs. In this example, the mapped A/C for account type 0001: Cash At Bank and 0100: MMK – Deposit are blanks. These need to be mapped before journals can be posted.

For details on how to map the chart of account in CS Lucas system, see Chart of Account Mapping.



Ready

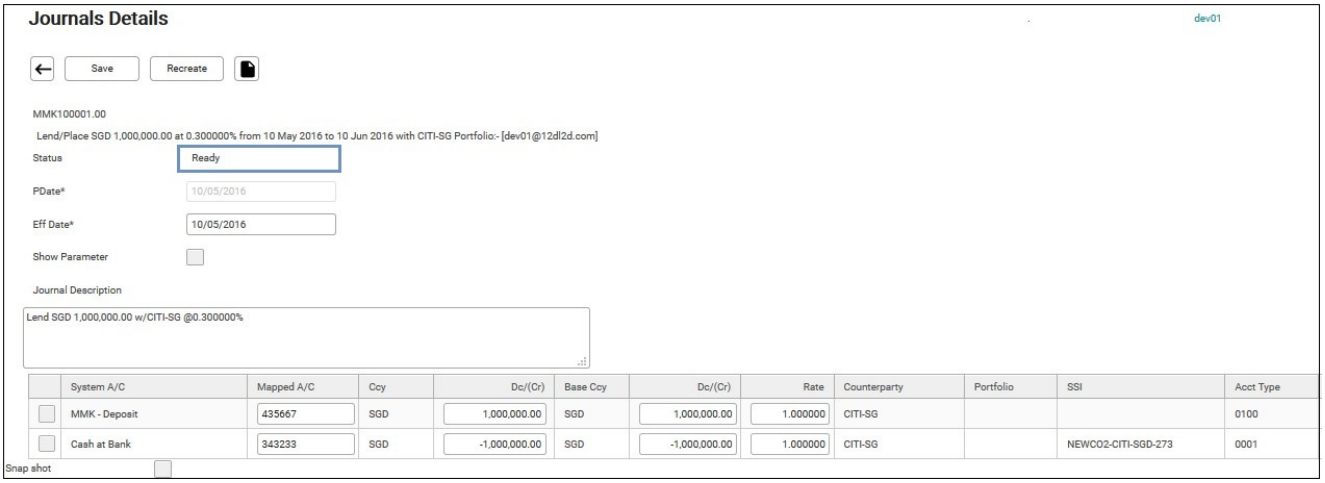
Journals are ready for posting.

Posted

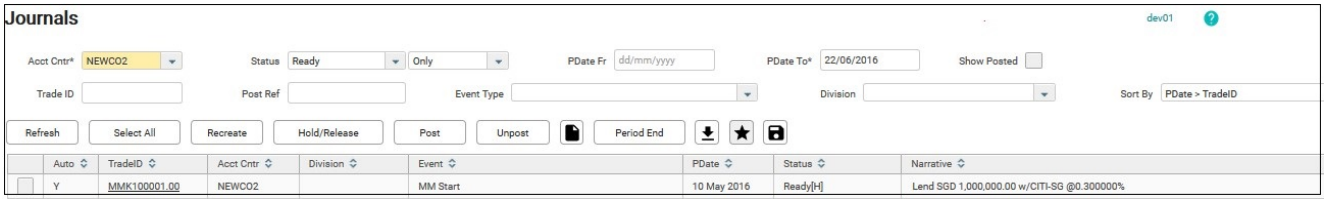
Journals are posted.

Note: The recreation of the accounting events can be automated. This can be set up in Entity Preference. For details on how to set up the automation, click here.

8. When the journals are in “Ready” status, it can be posted.



9. To post the journals, click Back button to return to Journals screen. Filter the status to Ready Only and click Refresh.

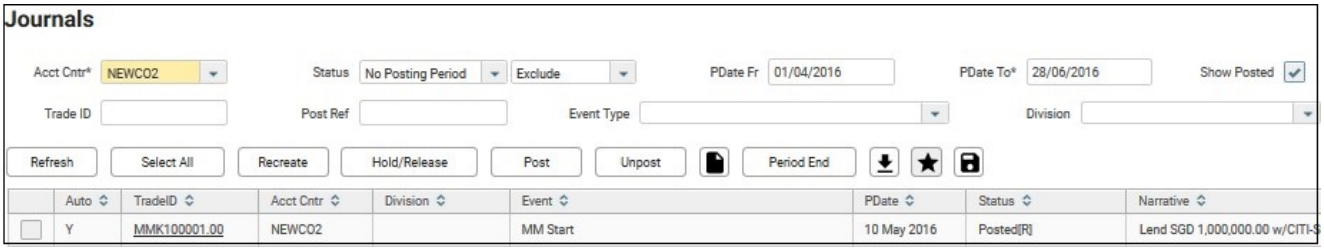


10. As the journals status is in “Ready[H]”, it is on hold. Release the journals for posting by ticking on the checkbox next to Trade ID and click Hold/Release.

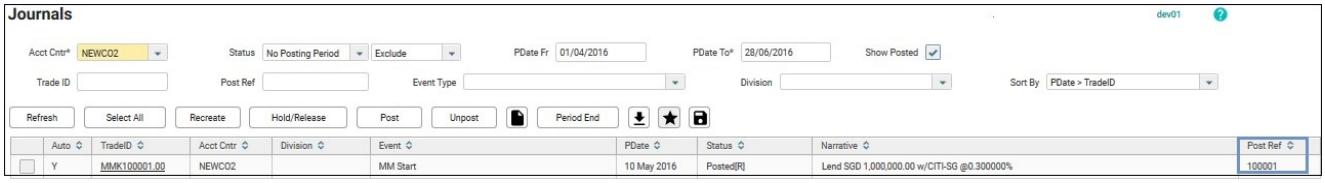
11. The status of the journals will change to “Ready[R]” which refers to ready to release.



12. Tick on the checkbox of the journals and click Post. Once posted, the journals will be disappeared from the listing. To view the posted journals, tick on the “Show Posted” checkbox at the top filter fields, then fill in the Pdate Fr field and click Refresh.



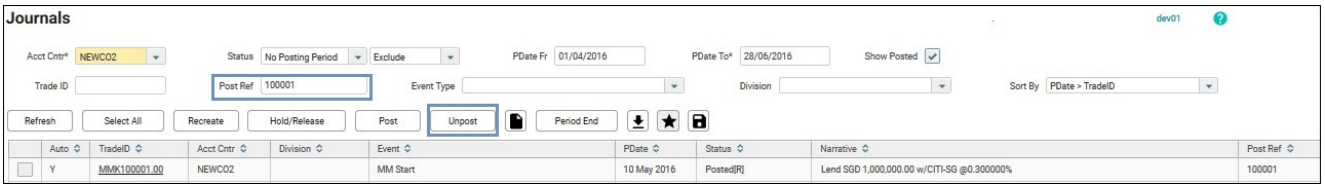
13. You will see the journals status is now posted. If you scroll to the right of the screen, there will be a posting reference assigned to the posted journals at the last column of the listing.



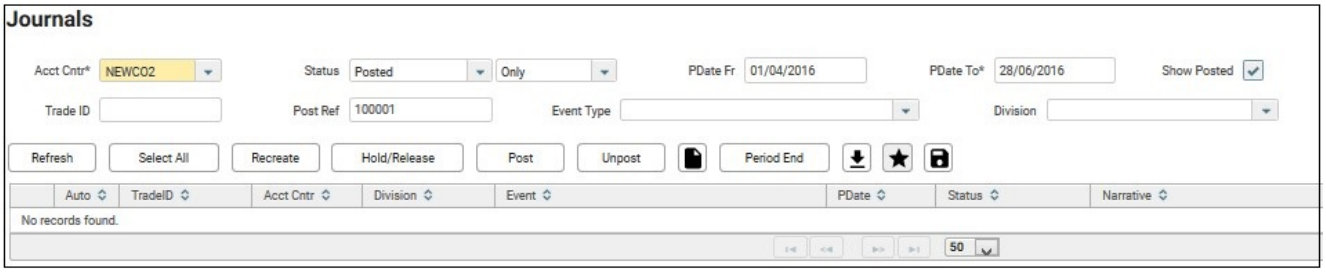
In practice, a block of journals is posted together. These are placed in a single integration flat file with one posting reference. Posting reference is used to identify the block of journals that are part of a single posting.

14. In the event that the integration flat file is rejected by the external accounting system due to errors or the file is missing during the interfacing process, system allows the journals to be repost. To repost, the previous posting need to be unpost.

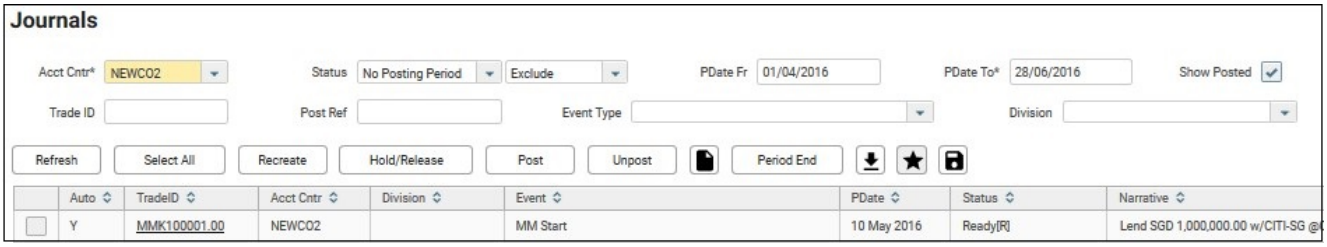
15. Enter the posting reference into the “Post Ref” field at the top filter fields and click Unpost.



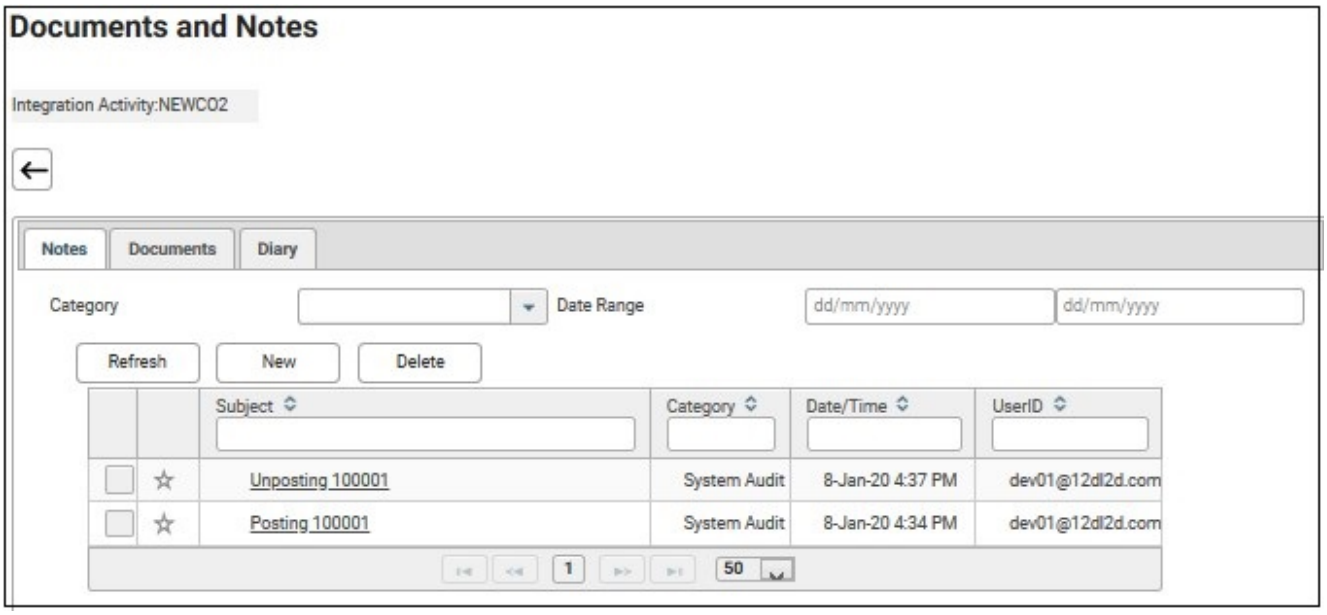
16. The journals will be unposted.



17. Remove the posting reference from the “Post Ref” field and filter by appropriate status. Click Refresh. The journals is now back to “Ready[R]” status. Repeat step 12 to repost the journals.



18. All the activities for posting and unposting journals are logged in the system. To view these activities log, click on the  on the Journals screen. You will see the logs under Notes tab as below.



19. Click on the Subject to view the details.



FREQUENTLY ASKED QUESTIONS

FAQ01. Are there any limitation to processing/ recreating journals? I click on the period reversal event and try to get it recreated/ processed to "Ready" status but it stays on pending. Why?

All journals with Post Date after the system date can be processed with the exception of month end reversal journals. Month end reversal journals can only be processed only when the original month end journals are posted.

FAQ02. I am not able to post journals. There is an error message saying the posting file location or the entity ERP system has not been defined. What should I do?

During posting, system will prepare a flat file that can be read by the external accounting system. This file will then be saved to a common file system location so that the external accounting system can retrieve it. This is a one-off setup.

Please check the file location where the flat file will be saved to and set this up under Set Up > Entity > Entity Preference. Navigate to Set Up > Entity. Click on the accounting centre short name to go to Amend Accounting Centre screen and click the Preference button. You are also required to set up the Accounting system in the Entity Preference which determines the file format used to connect/ interface to the external accounting system.

For more details on how this is set up, please refer to Entity Preference Set Up.

FAQ03. Should the ERP system revalue journals posted by CS Lucas?

ERP system must NOT revalue any General Ledger chart of accounts items (except "Cash at bank") used for treasury transactions that CS Lucas system is posting to. If these journals are revalued or changed and booked (either manually or via integration), we will not be able to provide support to reconcile General Ledger balances (base and currency amount) to the CS Lucas system.

The reason revaluation is not necessary are as follows:

a) CS Lucas will book transactions using the appropriate accounting rate

so that the base currency amount are correctly stated. Where necessary, CS Lucas will recompute the appropriate average period exchange rate from the archived end of day rate.

b) At month end, the CS Lucas system generates month end journals for the following purposes:

i) accruals for interest income and expenses.
ii) amortization/accretion journals.
iiii) revaluation journals to compute the FX gains and losses.
iv) revaluation if monetary assets and liability.

c) Unless otherwise stated, all month end journals above are reversing in nature posted on the following day of the month end.

d) Settlement journals for transactions booked in the CS Lucas assume these above month end journals and their reversal. These settlement journals computes the correct FX realized amount and analyze it between capital and revenue as appropriate.

e) The "Cash at bank" accounts are not revalued by CS Lucas. Therefore, the Cash at Bank account needs to be restated for month end revaluation in the usual manner by the ERP system.

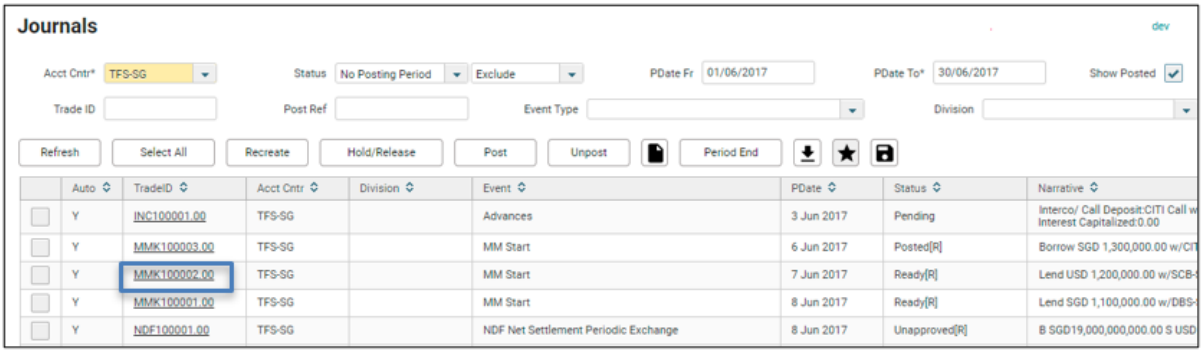
FAQ04. Is it possible to post journals for future date?

CS Lucas does not allow posting of future date. This is to prevent creating journals whose values and accounts mapping may change as a result of new transactions, changes in exchange rates, changes in interest rates.

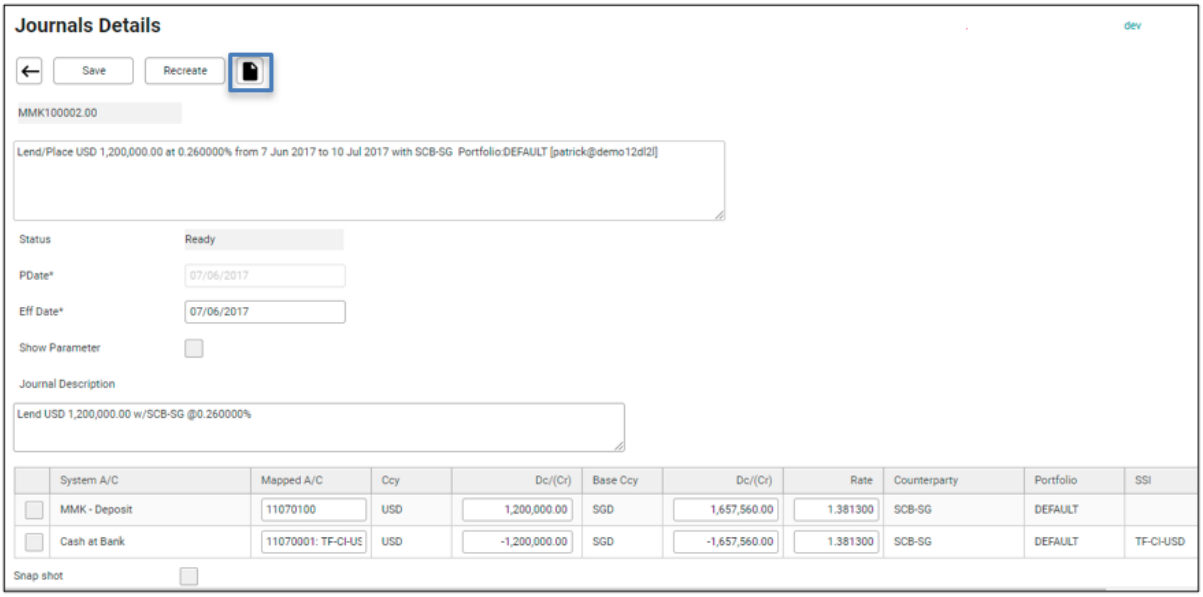
System disallow future posting by restricting the approval of future dated exchange rates that is required for creating of journals. Learn more about approval of exchange rates, click here.

FAQ05. How do I check transaction journal activity audit log?

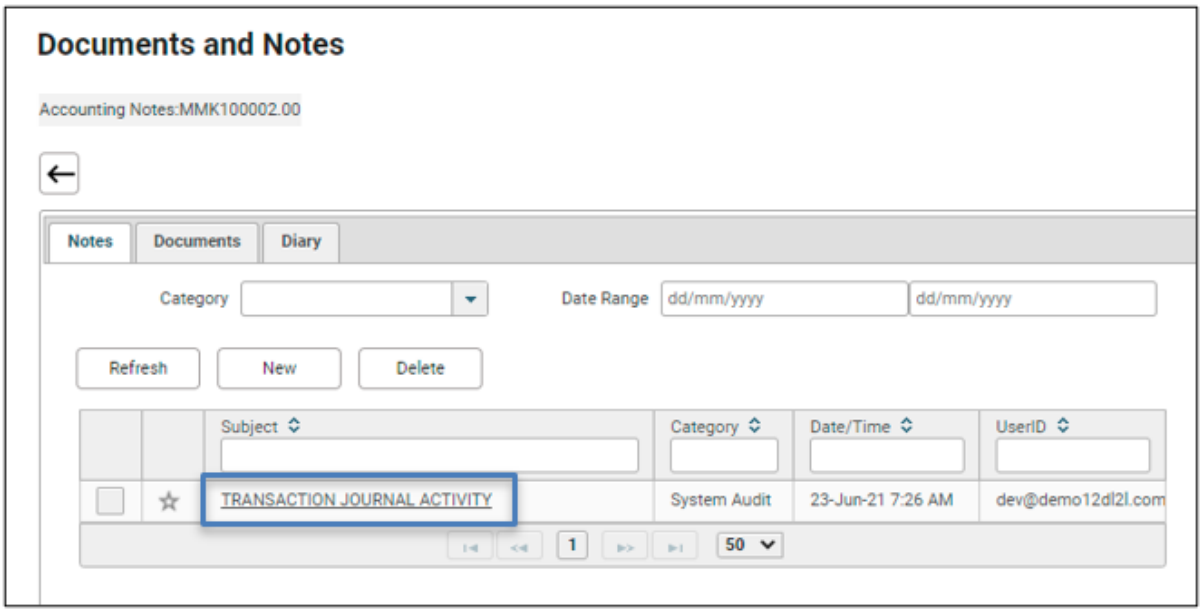
To check activity for a transaction journal, click the trade ID from the Journals listing screen (Back Office > Journals). In this example, MMK100002.00



Click on the File/Note button.

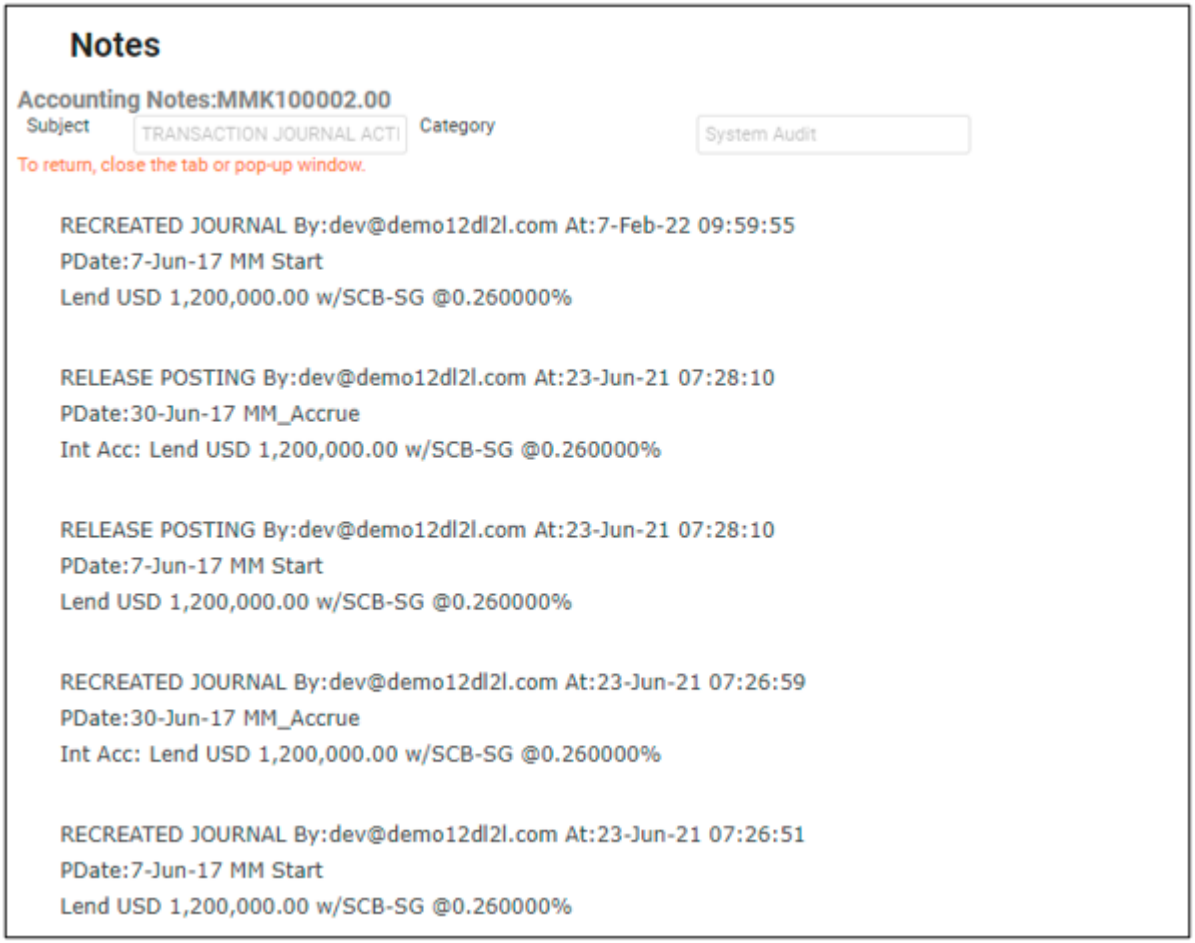


Then, click on the Transaction Journal Activity hyperlink.



Audit log for transaction journal activity will open in a new browser tab or

pop-up window. In the audit log, you can see when the journal is recreated, release posting etc.



To return, close the tab or pop-up window.

RELATED INFORMATION

Chart of Accounts Mapping

Accounting Period Maintenance

Period End Processing

Entity Preference Set Up

Handling Posting Exception

CHANGE HISTORY

Date	By	Changes
15-Feb-2008	-	Created
28-Jul-2015	CS	Included section for FAQ
23-Jun-2016	TS	Rewritten. Reformatted.
1-Jun-2017	Clarissa	Added FAQ03.
14-Mar-2018	Anuja	Added Handling Posting Exception in Related Information.
8-Jan-2020	Lyra	Updated Screenshots.
18-May-2020	TS	Added FAQ04.
7-Feb-2022	TS	Added FAQ05.