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## Introduction

This article discusses the **Control Account Reconciliation Utility**:

A reconciliation utility that allows the user to verify/reconcile Ledger Control accounts' balances against relevant sub-ledger transactions.

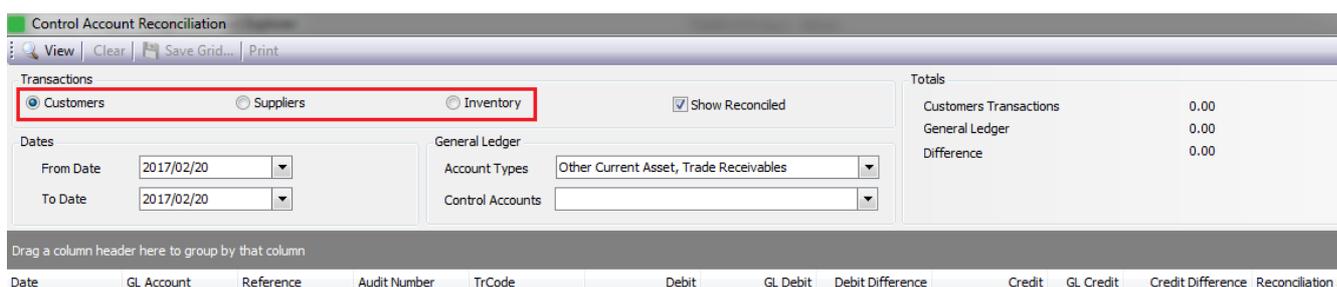
This Utility may, for example, assist with the following type of support queries:

- The AR/AP Age Analysis report total does not balance with the Accounts Receivable Control/Accounts Payable Control account, and the specific reason/s needs to be identified in order to be fixed; or
- The Inventory Valuation total does not balance with the Inventory Control Account/s balance, and the specific reason/s needs to be identified in order to be fixed.

## Details

### Basic Features

- The Utility is designed to assist and simplify the month end process as it assists in identifying discrepancies between Ledger Control accounts'- and their relevant sub-ledger accounts' balances in a specific period.
- The Utility assists to identify the above mentioned discrepancies for 3 different modules namely Accounts Receivable, Accounts Payable and Inventory.



- Note that the Utility can only analyse and identify specific transaction level differences between the Ledger and sub-ledger, but not also fix them on its own.

### Set up process and location

No setup steps are required to work with the Control Account Reconciliation Utility. This feature is part of the Core Evolution package and no additional registration or installation is required.

To locate it, go to **General Ledger | Transactions | Control Account Reconciliation**.

# General Ledger Transactions

## Nodes



## Dialogs



## Explanation of its various filter fields

We'll use the **Accounts Receivable** module as an example to explain the functionality of the various filter fields, but the same operating principles and reconciliation logic also apply across the other two modules.

View | Clear | Save Grid... | Print

Transactions  
 Customers     Suppliers     Inventory     Show Reconciled

Dates  
 From Date: 2016/11/01  
 To Date: 2017/02/20

General Ledger  
 Account Types: Other Current Asset, Trade Receivables  
 Control Accounts: Prepayments - Prepayments, Receivables Control...

Totals  
 Customers Transactions: 739,694.66  
 General Ledger: 35,886,492.74  
 Difference: 35,146,798.08

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 State
2016/11/02	Receivables Co...	INV0039	97.0001	INV	330.00	330.00	0.00	0.00	0.00	0.00	Reconciled
2016/11/02	Receivables Co...	INV0039	98.0001	PSPM	0.00	0.00	0.00	330.00	330.00	0.00	Reconciled
2016/11/02	Receivables Co...	INV0040	97.0002	INV	72.60	72.60	0.00	0.00	0.00	0.00	Reconciled
2016/11/02	Receivables Co...	INV0040	98.0002	PSPM	0.00	0.00	0.00	72.60	72.60	0.00	Reconciled
2016/11/02	Receivables Co...	INV0042	101.0001	INV	400.00	400.00	0.00	0.00	0.00	0.00	Reconciled
2016/11/02	Receivables Co...	INV0043	102.0001	INV	7,600.00	7,600.00	0.00	0.00	0.00	0.00	Reconciled
2016/11/04	Receivables Co...	INV0044	105.0001	INV	101,400.00	101,400.00	0.00	0.00	0.00	0.00	Reconciled
2016/11/04	Receivables Co...	SO0020	106.0001	DEP	0.00	0.00	0.00	402.60	402.60	0.00	Reconciled
2016/11/04	Receivables Co...	INV0045	107.0001	INV	341.00	341.00	0.00	0.00	0.00	0.00	Reconciled
2016/11/07	Receivables Co...	SO0021	108.0001	DEP	0.00	0.00	0.00	402.60	402.60	0.00	Reconciled

Please note, before evaluating the above results (as displayed in the bottom half of the Utility's screen = **Results Pane**), the user should first configure the various filter fields for the specific type of reconciliation he wants to analyse.

Filter Field	Explanation
Module	<p>This option is used to select the specific module for which to run the reconciliation.</p>

**Date Range**

Dates

From Date 2016/11/01

To Date 2017/02/20

The specific **From Date** and **To Date** values are selected to determine the date range for which the Ledger vs Sub-Ledger reconciliation should be run for.

**Show Reconciled**

Show Reconciled

When this option is selected, transactions that are automatically reconciled by the Utility should also be included, and displayed as such in the Results Pane

The Utility automatically reconciles a transaction if it updated both the ledger and corresponding sub-ledger account. For instance, a normal processed Inventory or AR invoice updated both the Receivables Control account and AR Age Analysis report, given the correct setup and no negative influences on the posting of the transaction (e.g. network/power interruptions).

**Account Types**

General Ledger

Account Types Other Current Asset, Trade Receivables

Control Accounts

- (Select All)
- Cash and Cash Equivalents
- Other Expense
- Other Current Asset
- Other Income
- Other Current Liability
- Non Current Liability

Number	TrCode
1	JNL
1	IN

OK Cancel

Select one or more **General Ledger Account Types** as a master filter for the next discussed filter below, **Control Accounts**.

**Control Accounts**

Control Accounts Receivables Control - Receivables Control

- (Select All)
- Prepayments - Prepayments
- Receivables Control - Receivables Control
- Recovery - Recovery
- Services - Services
- Staff Loans - Staff Loans
- Sundry Receivables - Sundry Receivables

Number	TrCode
	JNL
	IN
	IN
	TAI

OK Cancel

Based upon the specific **Account Types** selected above, only the relevant GL accounts should now be available for selection.

A typical setup scenario for an AR module reconciliation would be to select the **Trade Receivables** Account Type above. Then, under the **Control Accounts** filter select the specific **Receivables Control** account/s (multiple account selection is possible).

## Toolbar fields

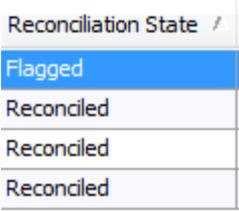
**Toolbar:**  
**View, Clear, Save Grid, Print**



- Click on the **View** button **after** setting up the various filters' entire configuration, in order to view the results in the **Results Pane**.
- The **Clear** button allows you to clear the previous filter configuration's results, when you want to start a new reconciliation based on new settings.
- The **Save Grid** button will allow you to export the Results Pane in one of various formats, including MS Excel, HTML, Text, and XML.
- Click on the **Print** button to print the current Results Pane content.

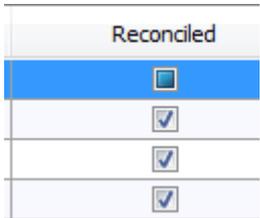
## Analysing the Results Pane and 'Totals' fields explanation

**Reconciliation State**



- The Utility should automatically set those transactions that properly updated both the Receivables Control- and sub-ledger account, as **Reconciled**.
- The Utility will set those transactions that did not update both the Receivables Control- and sub-ledger account, as **Flagged**.
- The user can manually change the Reconciliation State to **Excluded** (by clicking the **Reconciled** column option box – see below) if he wants to exclude the effect of specific transactions from the reconciliation results.

**Reconciled**



The user can manually select the relevant transaction's line **Reconciled** option box, to change the line's reconciliation State between **Reconciled** , **Excluded** , or **Flagged** .

**'Totals' fields**

Totals	
Customers Transactions	4,000.00
General Ledger	8,500.00
Difference	4,500.00

Located on the top right of the screen, the **Totals**' fields display a summary breakdown of the reconciliation as a whole.

In this case a total difference, for all lines in the Results Pane below, of **R4500** has been calculated between all Customer Transactions and the selected General Ledger Control account/s.

Any **Difference** amount should therefore be investigated and fixed as this indicates a general discrepancy between the Receivables Control account/s and the Accounts Receivables sub-ledger module.

Fortunately, the Results Pane can be queried per separate transaction line to identify the specific transaction/s that contribute towards the **Difference** value.

Note that when the user changes a transaction with a current Reconciliation State of **Flagged** to **Excluded**, the **Difference** amount will be reduced with the specific Results Pane's transaction's **Debit/Credit Difference** amount.

For example, this transaction line previously had a Reconciliation State value of **Flagged** but is now manually changed to **Excluded** (with the Reconciled option box being emptied):

Reconciliation State /	Reconciled
Excluded	<input type="checkbox"/>

The result is that the **Difference** value gets reduced from a previous value of R4500 to **R0.00** in this case.

Totals	
Customers Transactions	4,000.00
General Ledger	4,000.00
Difference	0.00

By making use of the **Excluded** State, the user wants to acknowledge the specific Flagged transaction as one that he can account for.

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**Other columns in the Results Pane**

Debit	GL Debit	Debit Difference
2,000.00	2,000.00	0.00
0.00	4,500.00	4,500.00
1,000.00	1,000.00	0.00
1,000.00	1,000.00	0.00

Note that if a **Debit (or Credit-) Difference** amount is calculated, as can be seen above, a **Reconciliation State of Flagged** will be displayed for this transaction by default.

In this case the Utility has flagged/identified this transaction as a direct journal was posted on the Receivables Control account, (and the sub-ledger therefore not also updated).

The rest of the other columns include values for such transaction related fields as **transaction date, reference number, audit trial number, GL account** etc.

### Transaction Drill Down feature

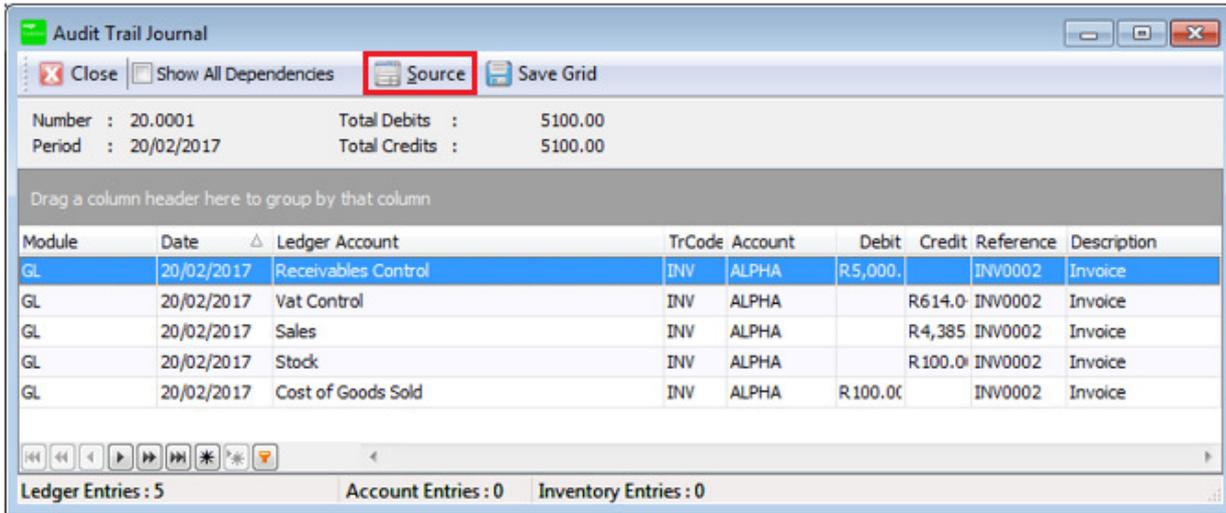
The Utility allows the user to drill down into any transaction on the **Results Pane**.

For example, if the user double clicks on the transaction marked below,

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
20/02/2017	Receivables Control	REF001	19.0001	JNL	0.00	4,500.00	4,500.00	0.00	0.00
06/02/2017	Receivables Control		14.0001	IN	1,000.00	1,000.00	0.00	0.00	0.00
02/02/2017	Receivables Control		15.0001	IN	1,000.00	1,000.00	0.00	0.00	0.00
20/02/2017	Receivables Control		18.0001	IN	2,000.00	2,000.00	0.00	0.00	0.00
20/02/2017	Receivables Control	INV0002	20.0001	INV	5,000.00	5,000.00	0.00	0.00	0.00

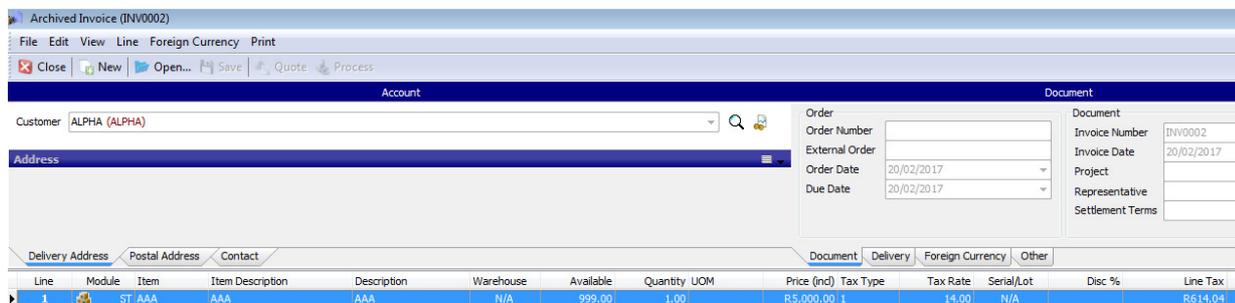
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the transaction's **Audit Trial Journal** screen opens.



In the above screen, the user can clearly view which GL accounts that have been updated.

When the **Source** button above is clicked, the actual source document of this transaction should be opened (for any Inventory/Order Entry/Job Costing etc. related transactions).



### Summation:

- The Control Account Reconciliation Utility assist in identifying specific transactions that results in **Ledger vs Sub-ledger discrepancies**.
- It can only identify, and **not fix** such discrepancies indented/flagged.
- The **Difference** field value is one of the most important fields of the Utility. It should be the starting point of the reconciliation process as it indicates if any discrepancies have actually been identified.