

## C05. GL Integration Steps and work flow

### 1. Candela & GL Integration configuration steps:

1. Create COA in GL with all account heads required for Candela Mapping (Sample chart of account is included as [Appendix A](#))

1. Stock or Line item inventory accounts (Current Assets)

2. Customers Accounts (Current Assets). All existing customers defined in Candela should be defined in GL COA.

3. Suppliers Accounts (Current Liabilities). All existing suppliers defined in Candela should be defined in GL COA.

4. Shop Cash in hand account (for all shops) (Current Assets)

5. Credit Card account (for all shops) (Current Assets)

6. Shop Expense account (for all shops) (Expenses)

7. Sales Revenue (for all shops) (Income)

8. Cost of Goods Sold (for all shops) (Expenses)

2. All mapped accounts should have up to date ledger balances. If required user should enter a JV to set the balance of ledgers.

3. Perform all shop closings up to GL integration date. This is done prior to integration of GL so that previous data is not transferred to GL when shops are closed.

### 4. GL Integration Configuration in Candela – at Head Office

1. System Configuration > GL integration tab: Enter **GL Integration Date** & Switch **ON** the GL integration flag in Candela. (From this point onwards all vouchers from Candela will start flowing into GL)

2. System Configuration > GL integration tab: Ensure that GL Company is mapped GL integration tab

3. System Configuration > GL integration tab: Map Stock value account, Taxes, and Expenses accounts from GL Chart of Accounts
4. Line Item: If Stock account is not mapped on System Configuration Screen for consolidated inventory account then this is mapped to individual line items on line item definition screen
5. Shop Definition: Sale, COGS, Cash in Hand, Expense, Credit card are mapped in Candela from Shop definition screen – for each shop
6. Customer Definition: Customer accounts are mapped in Candela on Customer definition screen
7. Supplier Definition: Supplier accounts are mapped in Candela on Supplier definition screen
5. Current balance of Customers and Suppliers ledgers in Candela will have no effect on GL ledgers. Only new transactions will go to the GL. In GL opening balances should be managed through opening JV.

## 1. Operations at the shop

**Note:** The GL vouchers which are inserted through shop operations of Candela are shown in **Appendix B**

1. Creation of Customer Accounts – Customer accounts are created in Candela using the customer information screen. However shop staff is not able to do the mapping of customer accounts with GL accounts. This can only be done at the head office. Without GL mapping, shop closing cannot be done if there is a sales invoice to that customer.
2. Entry of Opening Balance of Customers – After integration customer ledgers are maintained in GL.
3. Sale of goods to customers on CASH – For all cash sales (with or without customer reference), invoices are made. The **cash** check box is checked so that the amount goes to cash ledgers. The available cash can be checked in **Account Transaction** Screen. Also the cash is available in the daily cash flow statement, as cash at shop. When shop closing is done then one consolidated voucher is entered in GL “Shop Cash in Hand” account.
4. Sale of goods to customers on credit – For all sales to customers, invoices are made against the customers. The **credit** check box is checked so that the amount goes to customer ledgers. This amount can be checked in customer ledger or customer receivables report. When shop closing is done then voucher against each of the customer is entered in GL.
5. Sale of goods on credit card – For all sales on credit card, invoices are made. The **credit card** check box is checked so that the amount goes to credit card ledgers. This amount

can be checked in credit card ledger. When shop closing is done then one consolidated voucher in “Shop Credit Card Receivable” is entered in GL.

6. Receipt of payments from Customers - All payment received from customers are entered as cash – although these may be cash or cheque. So shop cash balance will be sum of cash and cheques at shop
7. Purchase of goods from Suppliers – For all purchases, GRN will be entered at the shop. This will increase the inventory. If purchases are done on cash then this affects the shop cash. If purchases are entered on credit the amount goes to suppliers payable. The supplier Ledgers are not maintained in Candela because payments cannot be made in Candela. Supplier ledgers are only managed in GL.
8. Entry of Expenses at Shops – All expense incurred at shop are entered in accounting transactions. When shop closing is done then voucher for expenses is entered in GL.
9. Hand over of cash and cheques to head office- When shop will hand over the cash and cheque to head office then it will do the accounting transaction before day end closing
  1. In case of cash deposit, “**To Head Office**” account will be used. This will reduce the cash from shop account and appear in daily cash flow statement of the shop.
  2. In case of Cheques “**To Bank**” account will be used. For every cheque separate entry can be made with comments for cheque no etc. This will reduce the cash from shop (cheques were entered as cash) and appear in daily cash flow statement of the shop.

Note: There are no GL vouchers against these “To Head Office” and “To Bank” transactions. GL cash in hand ledger will remain the same. Head office accountant, after verifying these deposits, will reduce cash in hand through GL vouchers.
10. Daily Cash Closing at shops – Daily shop closing locks the cash accounts and all accounting heads are frozen in Candela. On shop closing the vouchers related to the sales on cash, sales on credit, sales on credit card, expense, COGS are created in GL. If shop closing is deleted then all vouchers are also deleted (which were inserted on that particular shop closing)

If there is a customer sales voucher for which GL mapping account is not done, then system does not allow the shop closing. Also if there is a GRN against a supplier which is not mapped with GL accounts then system does not allow GRN entry.
11. Receipt of bounced cheques from HO at shops – In case of receipt of any bounced customer cheques from HO then shop “Cash in Hand” will be increased in Candela. This can be done by entering that amount in “**From Bank**” in accounting transactions.

Note: This will have no effect on GL. For GL effect accountant at head office will enter the appropriate vouchers.
12. Customer receivable ageing report – Ageing receivable should be checked from GL reports

## 2. Operations at the head office

1. Creation of Supplier accounts – If there is a new supplier then HO should define the supplier account both in Candela and GL. In Candela supplier account should also be mapped to GL supplier account.
2. Entry of Opening Balance of Suppliers – After definition of new suppliers, supplier opening balance is automatically set to Zero. Supplier ledgers are only tracked in GL.
3. Mapping of Candela Customer accounts to GL Account – Customer accounts are created by shop staff but corresponding GL accounts are created in head office. Then head office staff maps those customer accounts to GL accounts.
4. Entry of cash and cheques receipt from shops to HO – Head office should verify the accounting transactions of Candela against “To head office”, “To Bank Account”. All these transactions reduce the cash balance at shop and should be verified through physical means. Then a voucher is entered for all these cash entries to adjust the “**shop cash in hand**” balance in GL. They should tally the “candela shop cash in hand” with GL Shop Cash in Hand ledger.

Tip: There may be separate accounts to enter the inflow of cash and cheques in the GL

5. Entry of bounced customer cheques in HO – reduce the “cheques in hand” and increase shop cash in the GL. The shop staff is required to enter the same amount in “**From Bank**”. This should be verified by the head office staff.
6. Entry of supplier payments in HO – Supplier ledgers are not maintained in Candela. These are maintained in GL. All supplier payments can be done at the head office only and payment is directly entered in GL supplier ledgers.
7. Receipt of Credit Card Payments against Shops – Sales at shop can be made on cash, credit, or credit card. If the sale is made on credit card then on shop closing, this amount goes to “Shop Credit Card” account in GL.

When amount is received from respective banks then voucher is inserted in the GL in Shop Credit Card Account. The commission deducted by bank is entered as expense to keep correct balance of receivables.

## Appendix A – Sample Chart of Account for Candela Integration

### Chart of Account

<i>Assets</i>		
<i>10-001</i>	<i>Shop Assets</i>	
<i>10-001-001</i>	<i>Inventory</i>	
<i>10-001-001-00001</i>		<i>Stock Value Account</i>
<i>10-001-001-00002</i>		<i>Stock Line Item 1</i>
<i>10-001-001-00003</i>		<i>Stock Line Item 2</i>
<i>10-001-002</i>	<i>Receivable from Customer</i>	
<i>10-001-002-00001</i>		<i>Receivable Customer 1</i>

10-001-002-00002		Receivable Customer 2
<b>10-001-003</b>	<b>Shop Cash In Hand</b>	
10-001-003-00001		Cash in Hand Shop 1
10-001-003-00002		Cash in Hand Shop 2
10-001-003-00003	Cash in Hand Warehouse	
<b>10-001-004</b>	<b>Receivable Credit Card</b>	
10-001-004-00001		Credit Card Rec Shop 1
10-001-004-00002		Credit Card Rec Shop 2
<b>10-001-005</b>	<b>Tax Deduction by Customers</b>	
10-001-005-00001		Tax deduction by customers
<b>20</b>	<b>Liability</b>	
<b>20-001</b>	<b>Shop Liabilities</b>	
<b>20-001-001</b>	<b>Tax payable</b>	
20-001-001-00001		Tax deducted from vendors
<b>20-001-002</b>	<b>Supplier payable</b>	
20-001-002-00001		Payable Supplier 1
20-001-002-00002		Payable Supplier 2
<b>30</b>	<b>Income</b>	
<b>30-001</b>	<b>Shop Income</b>	
<b>30-001-000</b>	<b>Shop Income</b>	
30-001-000-00001		Income Shop 1
30-001-000-00002		Income Shop 2
<b>40</b>	<b>Expense</b>	
<b>40-001</b>	<b>Shop Expenses</b>	
<b>40-001-001</b>	<b>Purchase Expense</b>	
40-001-001-00001		Freight Expense
40-001-001-00002		Loading Expense
40-001-001-00003		Misc Purchase Expense
<b>40-001-002</b>	<b>Shop Expenses</b>	
40-001-002-00001		Expense Shop 1
40-001-002-00002		Expense Shop 2
<b>40-001-003</b>	<b>Cost of Goods Sold</b>	
40-001-003-00001		COGS Expense Shop 1
40-001-003-00002		COGS Expense Shop 2

## Appendix B – Creation of Vouchers in GL through Candela

## **Shop Closing Vouchers**

Following Vouchers generated in GL at the time of Shop Closing Activity. All Vouchers will take the data between the last closing date (and time) and current closing date (and time)

### **Note:**

In Candela, during sales invoice entry, Customer specific vouchers will be created against those customers which are marked as "Credit Customers". Sales made to other customers will be treated as cash sales

### **Note:**

JV = Journal Voucher

SV = Sale Voucher

PV = Purchase Voucher

CPV= Cash Payment Voucher

CRV = Cash Receipt Voucher

### **1. Net Cash Sale to Non-Customers (Sale and Sale Return)**

#### **i.Voucher Type: CRV**

<b>Debit</b>	<b>Credit</b>
Cash in Hand at Shop	Sale

### **2. Cash Sale to Customers (No Return)**

#### **ii. Voucher Type: SV**

<b>Debit</b>	<b>Credit</b>
Customer1 ...Customer'N'	Sale

#### **iii.. Voucher Type: CRV**

<b>Debit</b>	<b>Credit</b>
Cash in Hand at Shop	Customer1...Customer'N'

### **3. Credit Sale to Customers (No Return)**

#### **iv. Voucher Type: SV**

<b>Debit</b>	<b>Credit</b>
Customer1...Customer'N'	Sale

### **4. Credit Card Net Sale to Non-Customers (Sale and Return)**

#### **v. Voucher Type: SV**

<b>Debit</b>	<b>Credit</b>
Credit Card Receivable	Sale

### **5. Credit Card Sale to Customers (No Return)**

#### **vi. Voucher Type: SV**

<b>Debit</b>	<b>Credit</b>
Customer1...Customer'N'	Sale

#### **vii. Voucher Type: JV**

<b>Debit</b>	<b>Credit</b>
Credit Card Receivable	Customer1...Customer'N'

### **6. Cash Receipts**

#### **viii. Voucher Type: CRV**

<b>Debit</b>	<b>Credit</b>
Cash in Hand at Shop	Customer1...CustomerN

### **7. Customer Receipt through Credit Card**

#### **ix. Voucher Type: JV**

<b>Debit</b>	<b>Credit</b>
Credit Card Receivable	Customer1...CustomerN

### **8. Sale Return (Cash pay back to Customer)**

**x. Voucher Type: SV**

<b>Debit</b>	<b>Credit</b>
Sale	Customer1...CustomerN

**xi. Voucher Type: CPV**

<b>Debit</b>	<b>Credit</b>
Customer1...CustomerN	Cash in Hand at Shop

**9. Sale Return (No payment to Customer, adjust customer ledger)**

**xii. Voucher Type: SV**

<b>Debit</b>	<b>Credit</b>
Sale	Customer1...CustomerN

**10. Expense Voucher**

**xiii. Voucher Type: CPV**

<b>Debit</b>	<b>Credit</b>
Shop Expense	Cash in Hand at Shop

**11. Cost of Goods Sold Voucher**

**xv. Voucher Type: JV**

<b>Debit</b>	<b>Credit</b>
COGS Expense	Stock Value OR (Line Item1...Line Item'N')

**Note:** If GL is integrated stock value wise then stock value will be credited, other wise line item.

**Purchase and Purchase SS Forms**

Maximum of two vouchers will be entered

If voucher purchase is on Credit then PV will be entered else JV will be entered.



### 1. Voucher Type: PV / JV

<b>Debit</b>	<b>Credit</b>
Stock Value or (Line Item1...Line Item'N')	Supplier
Sales Tax	
Loading Exp	
Freight Expense	
Other Expense	

**Note:** Tax can be paid on Invoice, and tax is also defined on each product. So both taxes will sum-up to get the sales tax of an invoice.

**Note:** Second voucher will be entered only if purchase is on Cash.

### 2. Voucher Type: CPV

<b>Debit</b>	<b>Credit</b>
Supplier	Cash in Hand at Shop

### Purchase Return Form

#### Voucher Type: PV

<b>Debit</b>	<b>Credit</b>
Supplier	Stock Value or (Line Item1...Line Item'N')

### Appendix C: Summary of Activities to be performed

## 1. Customer Account creation

1. Customer Account creation in Candela at shop
2. Customer Account (asset > account receivable) in GL at HO
3. Mapping of GL customer account in Candela.

## 2. Opening balance of customers.

1. Opening balance in Candela through Opening balance screen
2. Opening balance in GL through appropriate voucher

## 3. Supplier Account creation

1. Supplier Account (liabilities > accounts payable) in GL
2. Definition of suppliers in Candela
3. Mapping of account in Candela.

## 4. Account closing of suppliers.

1. Opening balances of supplier in GL through voucher
2. Supplier ledger in Candela will not be available

## 5. Purchase at Shop

1. GRN create at shop
2. Voucher created in GL immediately

## 6. Payment to supplier from head office.

1. Enter payment voucher in GL

## 7. Sales at shop

1. Voucher is created in GL on shop closing
2. Show GL ledger of shop cash in hand

## 8. Payment receipt at shop from customer

1. Only cash receipt can be done from customers
2. Voucher is created when shop closing is done

## 9. Entry in HO GL for Cash received from shop

1. Enter a JV for cash transfer – from shop to HO cash in hand
2. There may be two accounts in HO – cheques in hand & cash in hand

## 10. Entry of bounced cheques

1. Enter GL JV to reduce the cheques in hand and increase shop cash in hand
2. Transaction in Candela at shop in account “**From Bank**” to increase cash in hand

## 11. Purchase at Shop

1. GRN is entered at shop in Candela
2. Voucher is created in GL when GRN is saved

## 12. Supplier return at shop

1. GRR is entered in Candela
2. Voucher is created in GL when GRR is saved