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Get the Most Out of Your NetSuite General Ledger

ORACLE
NETSUITE

GET THE MOST OUT OF YOUR NETSUITE GENERAL LEDGER

The general ledger (GL) is the backbone of any accounting system. It's the core of all financial processes, and a properly designed GL increases control over and insight into a company's finances.

In this ebook, you will get tips on how to optimize your chart of accounts and journal entries.



1. NAVIGATING THE CHART OF ACCOUNTS

Your company's chart of accounts lists all of the current accounts set up in the general ledger for your NetSuite instance. The chart of accounts page displays the account number, account name, account type, description, and balance for each account.

If you use the Multiple Currencies feature, this page adds columns displaying the base currency and foreign currency balances and displays the base currency balance in the balance column. If no foreign currency amount affects an account balance, the base currency amount is displayed in both the balance and foreign currency balance columns.

Accessing Your Chart of Accounts. Easily access your chart of accounts via *Lists > Accounting > Accounts*.

You can take any of the following actions from the chart of accounts page:

1. Click Edit next to an account to edit that account record (if available).

2. Click an account name to view the account register.
3. Click the checkbox labeled Show Inactives to view a list of both active and inactive accounts.
4. Click the New button to create a new account.
5. Click the Print icon to print the chart of accounts.
6. Click the CSV File icon or Microsoft Excel icon to export the chart of accounts in your preferred format.

Chart of
Accounts

2. CREATING NEW ACCOUNTS

When creating a new account, you can choose whether to use the CSV Import Assistant to import account information or to create new account records in NetSuite.

Before creating a new account, you should determine:

- Hierarchy organization: How do you want to organize the hierarchy for each account type? *Tip!* You can define a parent account on each account record.
- Naming convention: What naming convention do you want to use for accounts?
- Account numbering: What account number system will you use?
- Availability: Do you want to limit the availability of accounts to a single department, class, or location?

Once ready to create the account, navigate to *Financial > Lists > Accounts > New*.

Then, enter general account information:

- If you are using account numbering, enter an account number.
- Enter a name for this account. Note that this name will appear in the chart of accounts list, on transactions lists, and on reports.

- If the *Use Legal Name in Account* accounting preference is enabled at *Setup > Accounting > Accounting Preferences*, the *Legal Name* field appears.
- To make this account the subaccount of another, select the parent account in the *Subaccount Of* field.
- Select the type of account you want to create.

Then, enter a description of the account and date of the account's opening in *Date Field*.

Next, enter classification information, such as:

- If the *Departments* feature is enabled and you want to restrict the use of this account to a single department, select the department.
- If the *Classes* feature is enabled and you want to restrict the use of this account to a single class, select the class.
- If the *Locations* feature is enabled and you want to restrict the use of this account to a single location, select the location.

Click *Save*.

Tip: You can define a parent account on each account record. A parent account must have the same type as the subaccount.

3. ACCOUNT NUMBERING

Account numbers allow you to quickly identify your general ledger accounts.

To streamline account numbering, you can enable the *Use Account Numbers* accounting preference. NetSuite will then automatically assign four-digit account numbers to all existing accounts.

To enable *Use Account Numbers*, go to *Setup > Accounting > Accounting Preferences*. Click the general Subtab, and check the *Use Accounting Number Box*. Click *Save*.

When the *Use Account Numbers* preference is enabled, four-digit account numbers are automatically associated with existing accounts.

Accounting Preference	Description
1xxx	Asset accounts
2xxx	Liability accounts
3xxx	Equity accounts
4xxx	Income accounts
5xxx	Cost of Goods Sold (COGS) accounts
6xxx	Expense accounts
8xxx	Other Income accounts

Use Account Numbers Preference

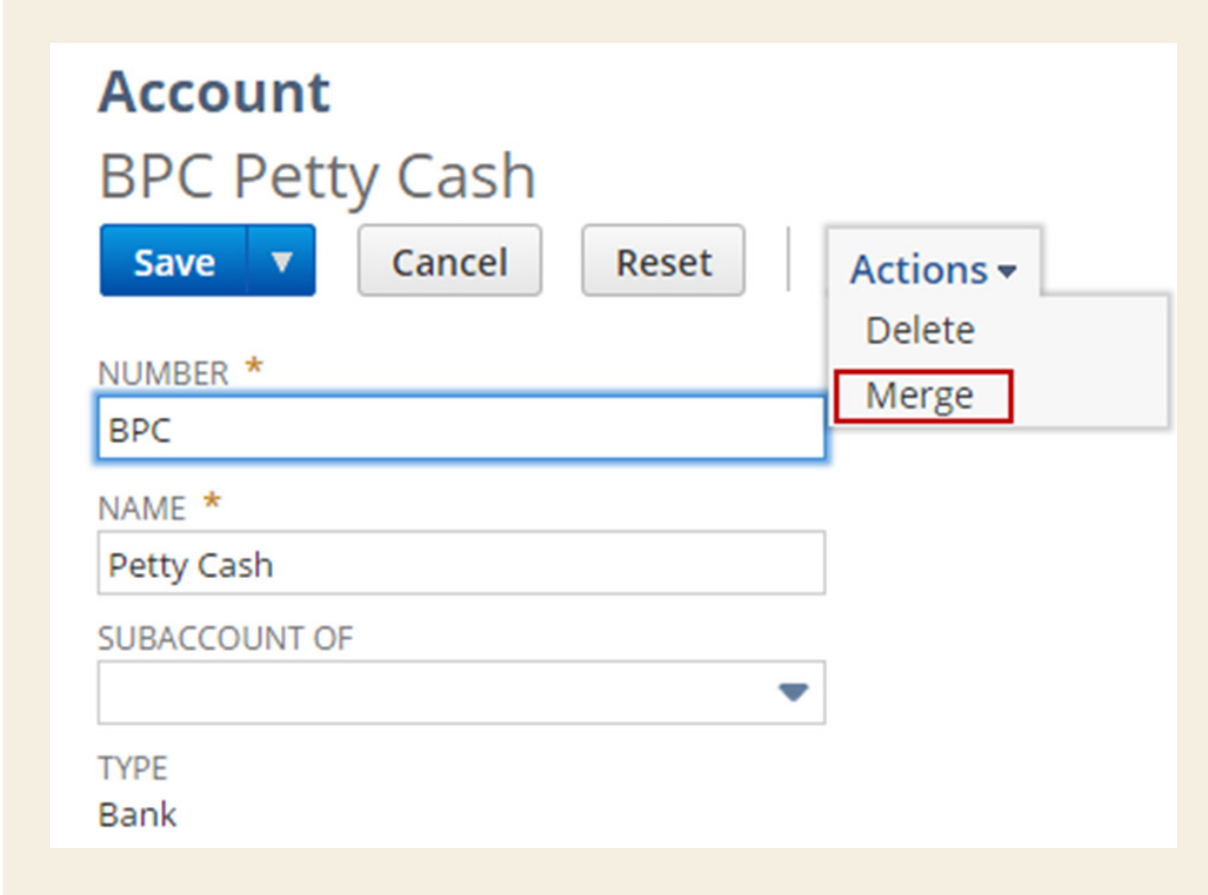
4. MANAGING ACCOUNTS: MERGING ACCOUNTS

Merging accounts enables you to combine all the information and transactions from one account into another.

You can merge accounts that are the same account type and if the account you want to merge has no attached subaccounts. You can combine an account with a parent account or with a subaccount.

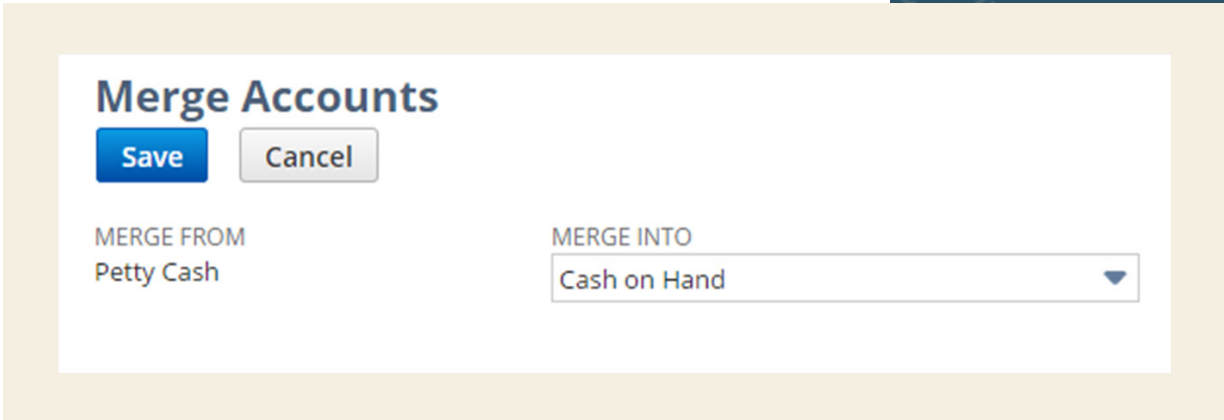
For example, a store owner has a bank account for petty cash and a bank account for cash on hand. The owner has decided to keep all the cash in one place. Because the petty cash account does not have any subaccounts, the owner can merge that account into the cash-on-hand account.

- Go to *Lists > Accounting > Accounts*.
- Click the *Edit* link to the left of the account you want to merge into another account.
- On the Account page, from the *Actions* list, select *Merge*.
- On the *Merge Accounts* page, select the account into which you want to merge this account.
- Click *Save*.
- At the prompt to confirm the merge, click *OK*.



The screenshot shows the 'Account' page for 'BPC Petty Cash'. At the top, there are buttons for 'Save', 'Cancel', and 'Reset'. Below these is an 'Actions' dropdown menu with options for 'Delete' and 'Merge'. The 'Merge' option is highlighted with a red box. The form fields include: 'NUMBER *' with the value 'BPC', 'NAME *' with the value 'Petty Cash', 'SUBACCOUNT OF' (empty dropdown), and 'TYPE' with the value 'Bank'.

Account Sample Page



The screenshot shows the 'Merge Accounts' page. It has 'Save' and 'Cancel' buttons. The 'MERGE FROM' field is set to 'Petty Cash' and the 'MERGE INTO' dropdown menu is set to 'Cash on Hand'.

Merge Accounts Page

5. MANAGING ACCOUNTS: DELETING AND INACTIVATING ACCOUNTS

To make your chart of accounts more useful, you can delete accounts that are never used and/or inactivate accounts that are not currently in use. You can also merge accounts, as noted earlier.

Inactive Accounts

Accounts that are inactive appear in your chart of accounts only when the “Show Inactives” box is checked. If you do not want to see inactive accounts, clear the Show Inactives box on the chart of accounts. Marking an account inactive does not alter the amount in that account. You must move any funds to another account to reduce the amount to zero.

Deleting Accounts

Accounts that have been deleted will not populate in the chart of accounts. While many accounts cannot be deleted, you can delete an account if there is no activity in the account and if the account is not required by NetSuite for reporting purposes.

To delete or make accounts inactive from the chart of accounts list:



1. Go to *Lists > Accounting > Accounts*.
2. Check the *Show Inactives* box.
3. Your chart of accounts refreshes and an *Inactive* column and a *Delete* column are added.
4. For the accounts you want to delete or make inactive, check the boxes in the appropriate columns.
5. Accounts that have the word *No* in the *Delete* column cannot be deleted from your chart of accounts.
6. Click *Submit*.

Tip: Did you receive a warning that an account cannot be deleted because it is associated to a child entity or transaction? You must delete all transactions associated with the account before you can delete the account.

6. JOURNAL ENTRY PREFERENCES

In NetSuite, you can select Journal Entry preferences to optimize the journal entry process. To enable preferences, go to *Setup > Accounting > Accounting Preferences*.

Available Journal Entry Preferences

Void Transactions Using Reversing Journals Preference	Create a reversing journal entry by clicking the Void button on the following transactions: check, bill payment, customer refund, etc.
Reversing Journal Entry Accounting Preference	When the Void Transactions Using Reversing Journals preference is enabled, the Set Reversal Variance Date Equal to the Reversing Journal Date When Voided Transaction Is in a Closed Period preference is available.
Summarized Intercompany Elimination Journal Entries	Similar elimination journal entries are grouped into a single, summarized journal entry.
Require Approvals on Journal Entries Preference	Require approval of journal entries entered by employees before they post to your general ledger.
Use Journal Entry Approval Routing	Use SuiteFlow to create a custom journal entry approval routing workflow.
Class, Department, Location Journal Entry Preferences	If you use classes, departments, locations, or a combination of segments to categorize records, you can specify how these categories are set on journal entry forms.
Revenue Recognition Journal Entry Preference	If you use the Revenue Recognition feature, you can choose to post either detailed or summarized revenue recognition journal entries.

Available Journal
Entry Preferences

7. JOURNAL ENTRY MANAGEMENT

You can manually approve journal entries, or you can set up an approval preferences. When you enable the Require Approvals on Journal Entries accounting preference, you require that journal entries are approved by employees with Administrator roles before these entries are posted to your ledger accounts.

This preference also ensures that journal entries entered by employees without approval permissions must be approved before they post to the general ledger. Employees with approval permission can mark their own journal entries approved when entering them.

To approve a journal entry, go to *Transactions > Financial > Approve Journal Entries*.

Reversing Journal Entries

Journal entries can also be used to reverse ledger entries that have already posted to accounts. These are known as reversing journal entries. Often, reversing journal entries are used to reverse accrual transactions.

To reverse a journal entry:

1. Go to the *Journal* entry page.
2. In the *Reversal Date* field, enter the date on which you want the reversing entry to be posted.
3. Complete the remaining information as required and click *Save*.

Any change you make to the original entry affects the reversing transaction. You cannot directly edit a reversing journal entry.

Approve Journal Entries

Tip: Lines in journal entries can post to almost any account you choose. Ensure that the accounts you select accurately reflect the transaction you are recording.

8. AUTOMATING JOURNAL ENTRY APPROVALS

SuiteFlow

With SuiteFlow, you can create a custom workflow for journal entry approval routing. You can create a workflow that routes a journal entry to as many as three different approvers before the journal entry is approved for posting. Your workflow can be configured to send email to specific recipients when a journal entry is rejected. Workflows for journal approval do not use the Journal Approval permission to determine who can approve journal entries.

SuiteApprovals SuiteApp

SuiteApprovals provides users with standard capabilities to manage the approval of both specific record types as well as email approvals. Supported record types include:

- Journal Entry
- Engineering Change Order
- Expense Report
- Purchase Order
- Requisition
- Sales Order
- Vendor Bill
- Email Approval Log



SUPPORTING YOU ALONG THE WAY

If you want to learn more about common accounting tasks in NetSuite, check out these Learning Cloud Support (LCS) courses:

- [How Do I Manage Accounting Periods?](#)
- [How Do I Manage Journal Entries?](#)
- [NetSuite Financial Management](#)

[LCS](#) provides subscription-based training that allows all NetSuite users to engage in continuous education easily and cost-effectively. With on-demand learning, hands-on lab exercises, and multiple training options, LCS can help accelerate your entire organization's system knowledge and productivity.

Join the NetSuite Support Community

The [NetSuite Support Community](#) is an online gathering place for NetSuite professionals to share information, experiences, and advice. Ask a Support Guru for help with how-to questions, or start a public discussion with the community.





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