General Ledger (GL) Versus Commitment Control (KK)

October 18, 2018

A Little Background Information

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- I've been creating and conducting training at the University since 2008

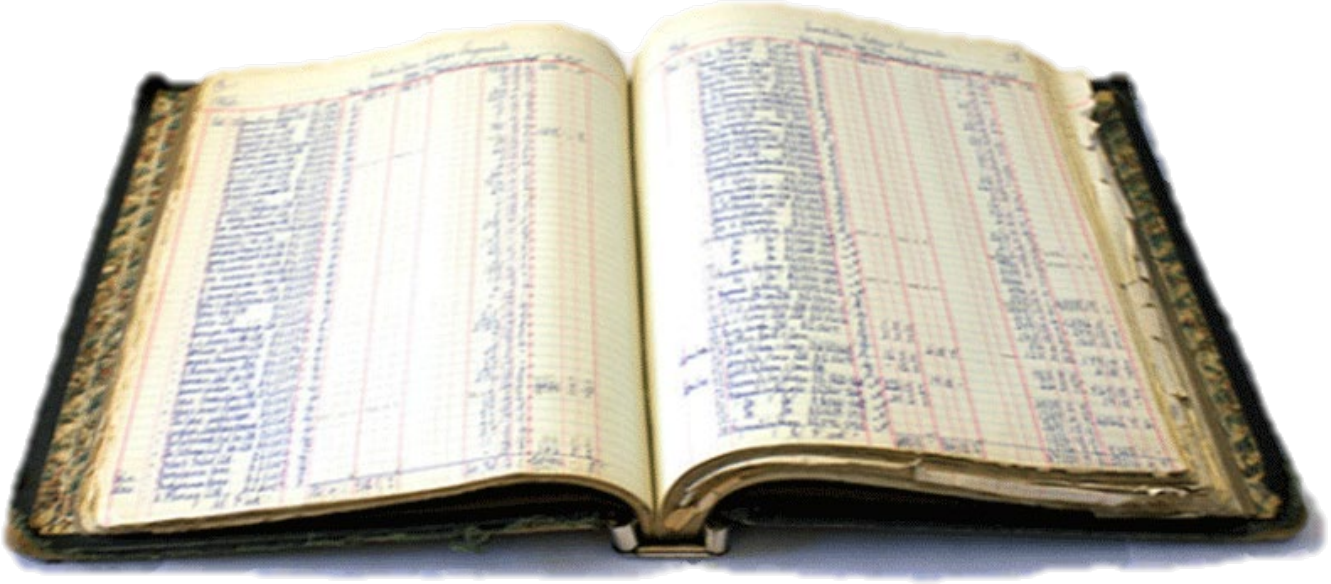
Agenda

- What's a Ledger?
- What's the GL Actuals Ledger?
- What are the Commitment Control (KK) ledgers?
- How do transactions flow through the ledgers?
- How does all this affect reports?
- Questions

The Basics: What's a Ledger?

What's a Ledger?

Definition: A ledger is the principal book or computer file for recording and totaling economic transactions measured in terms of a monetary unit of account by account type, with debits and credits in separate columns and a beginning monetary balance and ending monetary balance.



No, Seriously, What's a Ledger?

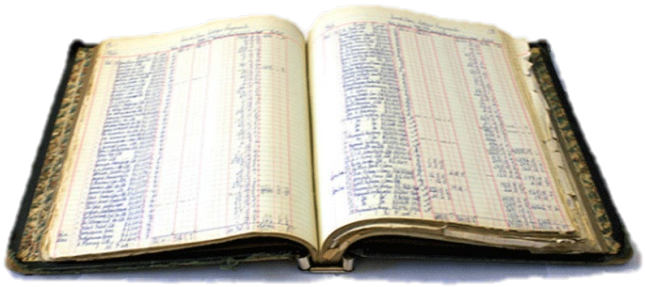
A ledger is like your checkbook…

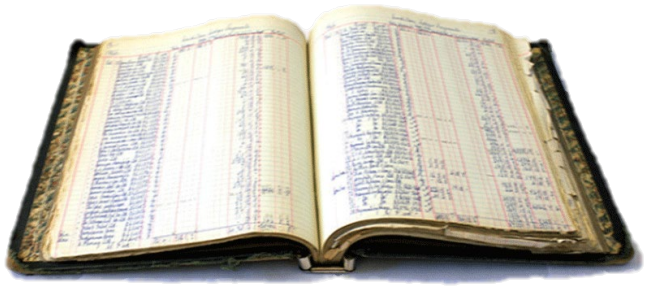
DC Debit Card	ATM Teller Withdrawal	AD Automatic Deposit	AP Automatic Payment	BP Online Bill Pay	T Online or Phone Transfer

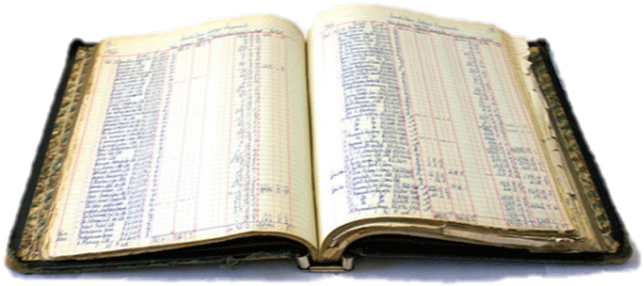
NUMBER OR CODE	DATE	TRANSACTION DESCRIPTION	PAYMENT, FEE WITHDRAWAL (–)	✓	FEE	DEPOSIT, CREDIT (+)	$ 437 50
105	9/1	Cell Phone Bill	$ 45 00			$	392 50
AD	9/1	Direct Deposit				1000 00	1392 50
106	9/1	Mortgage	500 00				892 50
DC	9/3	Lunch – ABC Deli	3 50				889 00
ATM	9/5	Cash Withdrawal + fee	22 00				867 00
108	9/6	Groceries	65 00				802 00

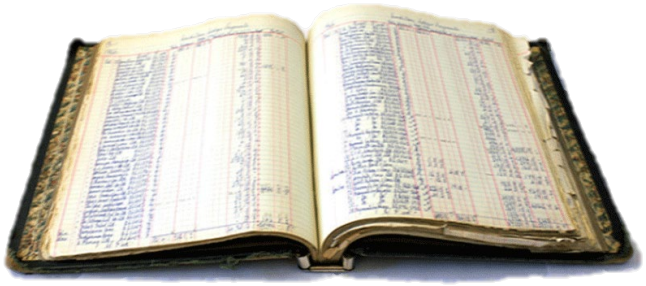
What's a Ledger?

- ConnectCarolina has several ledgers or "checkbooks"
- Why do we need more than one?





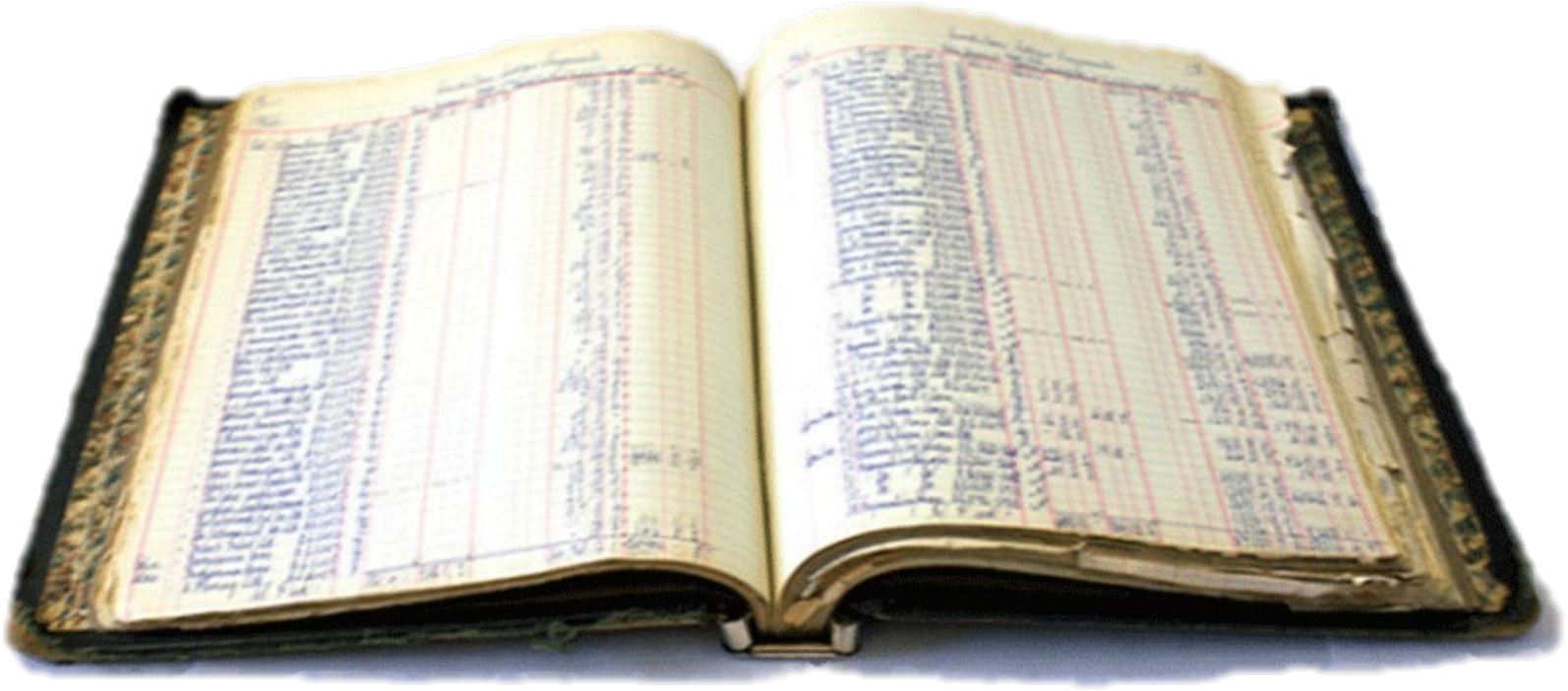




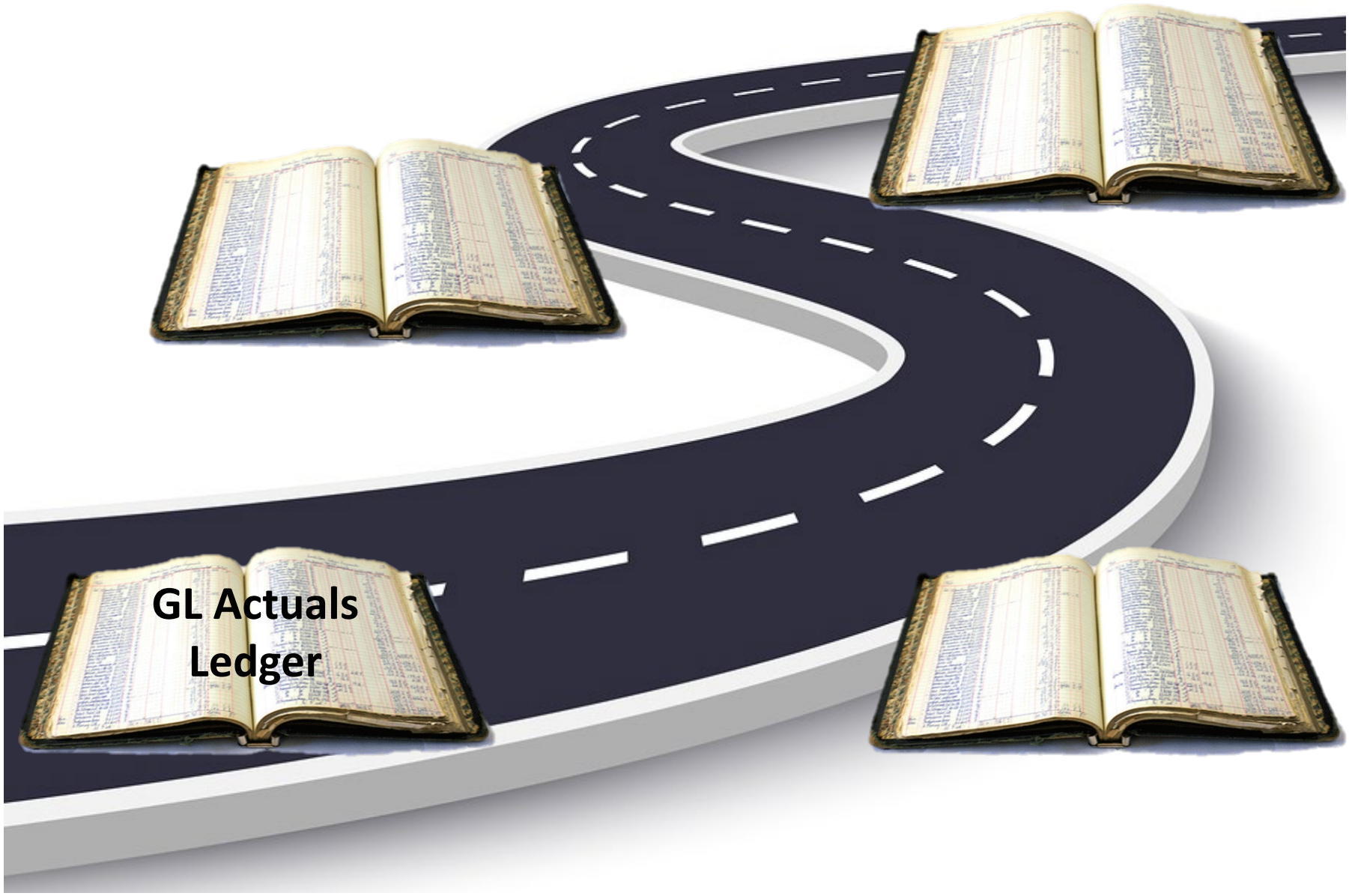
Know Your Ledgers

The GL Actuals Ledger

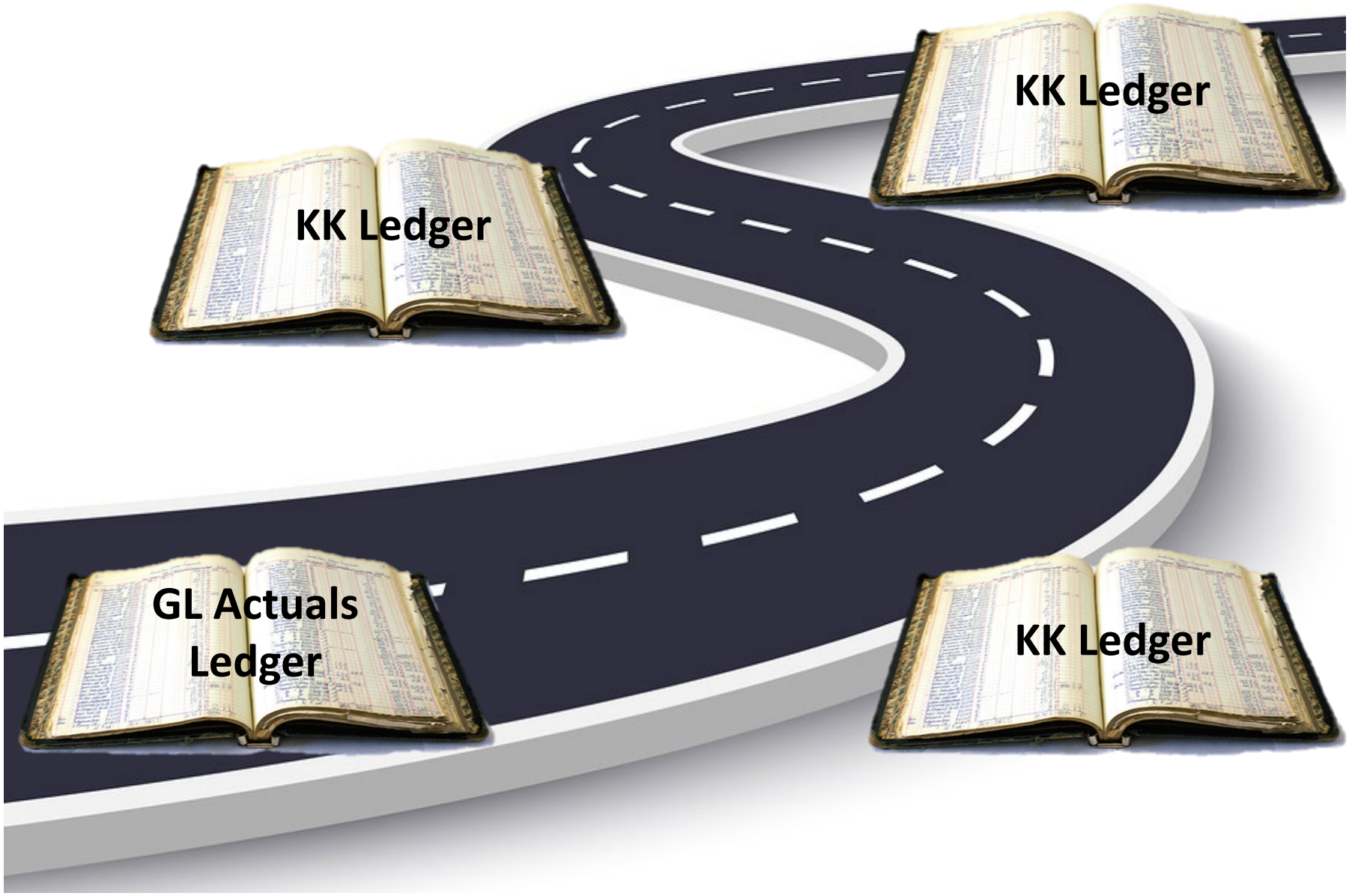
- Actual posted expenses and revenue
- The official book of record for external reporting



The Road to the GL Actuals Ledger



The Road to the GL Actuals Ledger



KK Ledgers…Huh?

KK = Krispy Kreme

KK Ledgers

KK = Commitment Control

The KK Ledgers

- Budget Ledgers
- Pre-Encumbrance Ledgers
- Encumbrance Ledgers
- Expense Ledgers

Budget Ledgers

- Your budgets are stored here
- Expense and revenue
- Budget journals and budget transfers increase or decrease your budgets

Pre-Encumbrance Ledgers

- Purchase requisitions are stored here
- Budget checking a requisition takes money out of your budget and puts it here

Encumbrance Ledgers

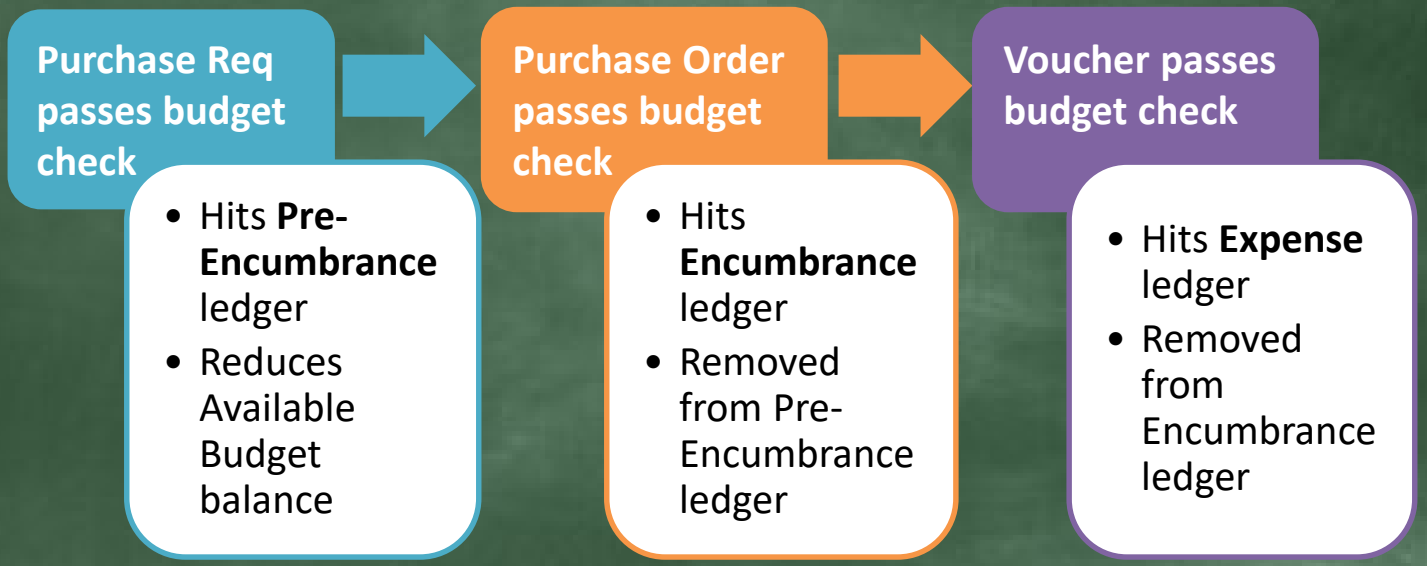
- Purchase orders are stored here
- Budget checking a PO takes the money out of the pre-encumbrance ledger and puts it here

Expense Ledgers

- Purchase order vouchers are stored here
- Budget checking a PO voucher takes the money out of the encumbrance ledger and puts it here
- Campus vouchers and journals go straight here

KK Ledgers

Budget checking moves expenses through the KK ledgers

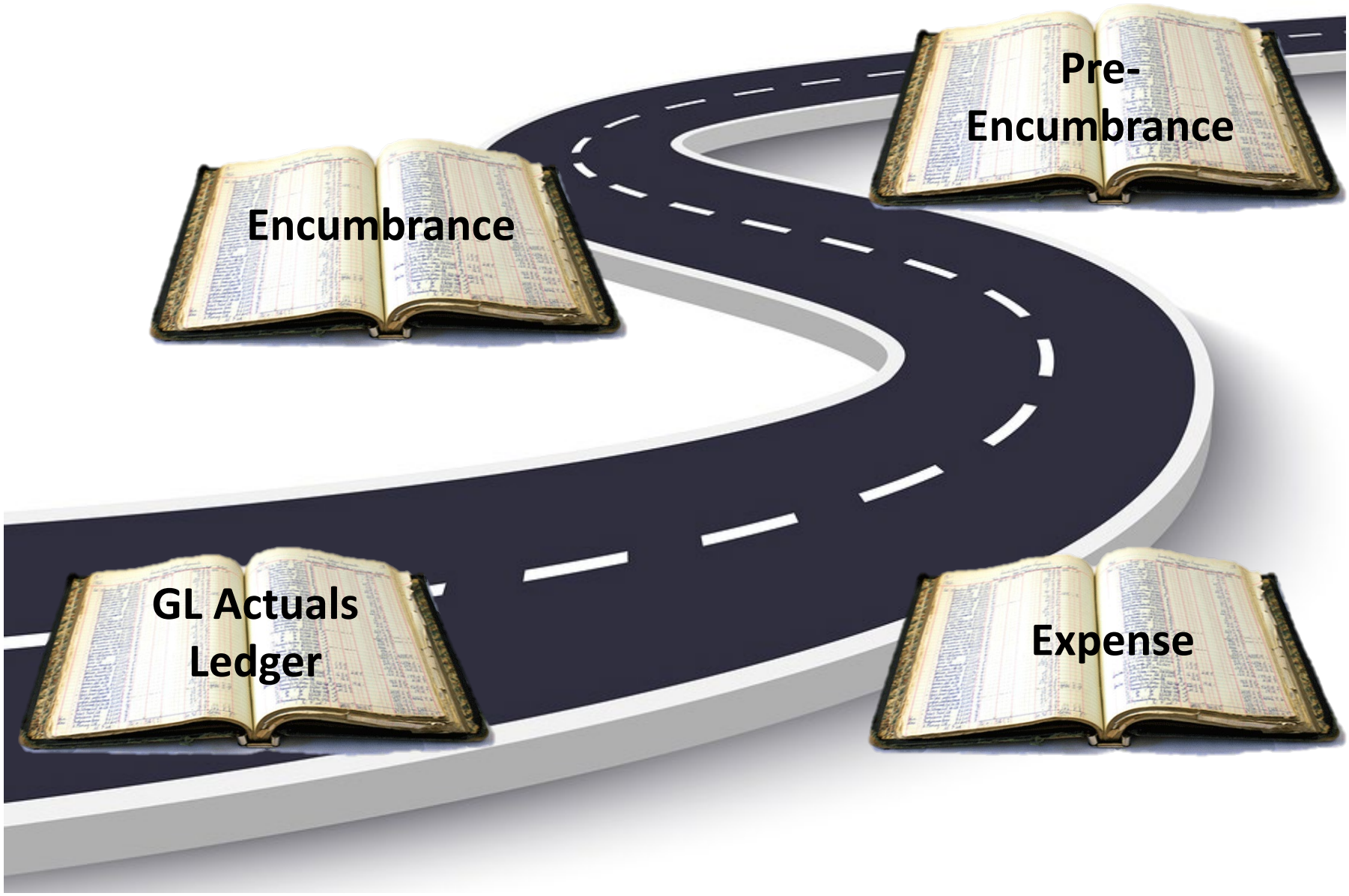


* Campus vouchers and journals skip the Pre-Encumbrance and Encumbrance ledgers and go directly to the Expense ledger.

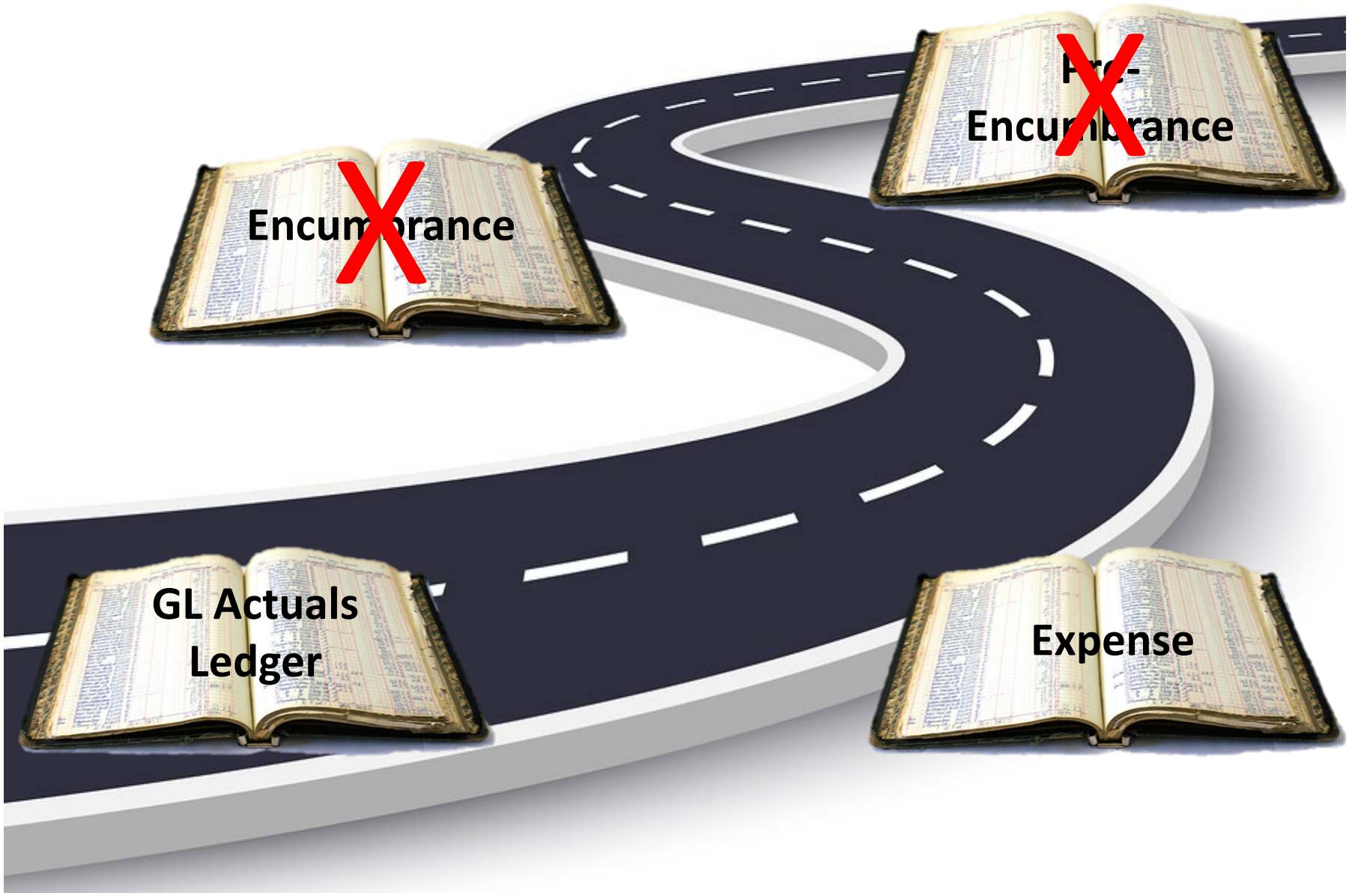
How do things go from KK to GL Actuals?

- First, your voucher or journal has to be approved
- Then a process runs automatically to post the transaction to the GL Actuals ledger
- Now it's in the book of record

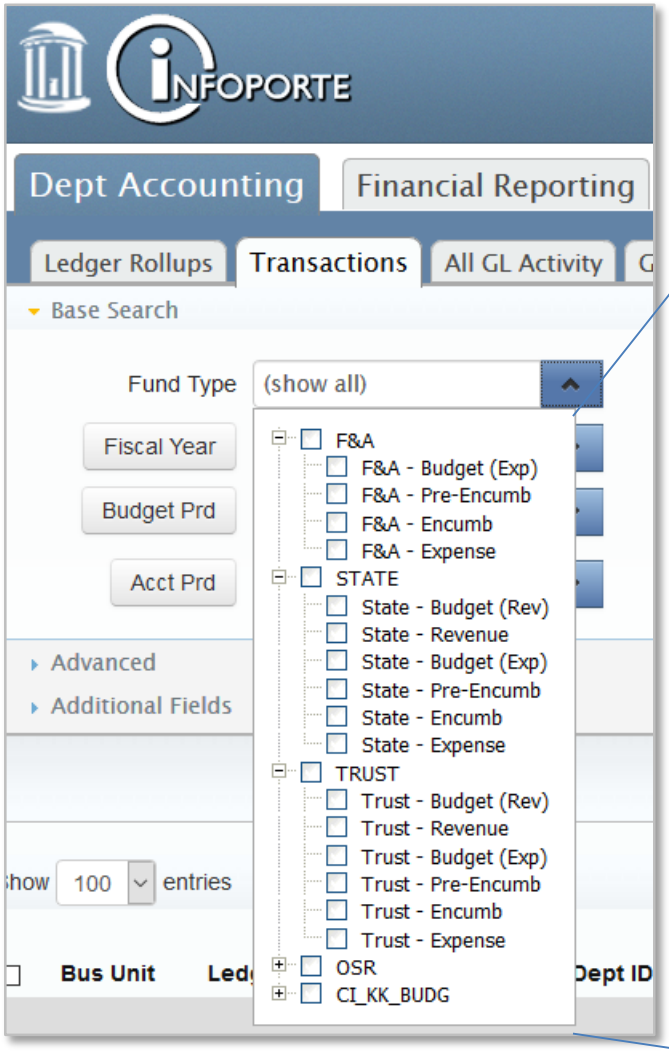
Purchase Requisition Going Through the Ledgers

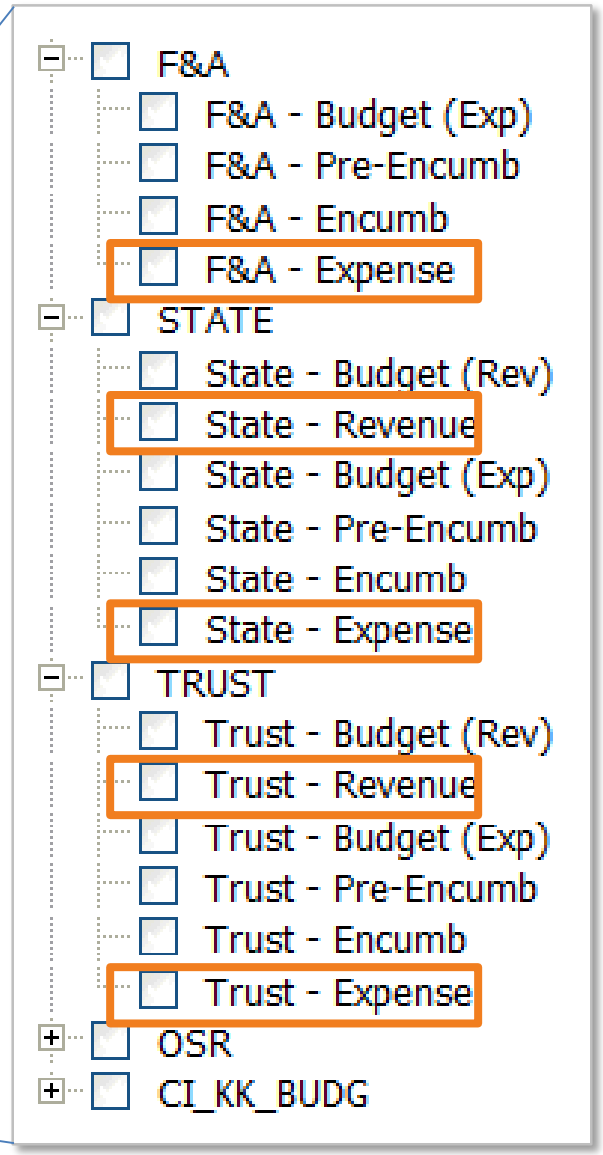


Campus Vouchers and Journals Going Through the Ledgers



Seeing the KK Ledgers in InfoPorte





Seeing the KK Ledgers in InfoPorte

- On the Main Ledgers tab in InfoPorte, you can see the ledger totals and balances
- Budget minus Pre-Encumbrances minus Encumbrances minus Actuals (Expenses or Revenue) = Available Balance

Ledger Totals	Budget	Pre-Encumbered	Encumbered	Actuals	Available Balance	Budget MTD	Actuals MTD
Grand Total Revenue	16,670.00	0.00	0.00	4,177.36	12,492.64	0.00	0.00
Grand Total Expense	8,872,291.49	0.00	19,720.68	2,340,099.14	6,512,471.67	0.00	0.00

So What's the Difference Between KK and GL?

- KK ledgers are for budget control
- Budget checking moves transactions through the KK ledgers
- When a transaction posts, that's when it ends up in the GL Actuals ledger
- We use the GL Actuals ledger for external reporting

How Does All This Affect Reports?

Ledger Rollups in InfoPorte

- Budget info comes from the KK ledgers
- Expense and revenue info comes from the GL Actuals ledger
- This wasn't the case a few months ago before SAGL
- Source Actuals From GL
- Don't forget that InfoPorte is a day behind ConnectCarolina

Budgets Overview in ConnectCarolina

- Budget info comes from the KK ledgers
- Expense and revenue info also comes from the KK ledgers
- Expenses and revenue transactions may not have posted yet
- Things can be slightly out of synch with the GL Actuals ledger

Other Financial Reports

- Many other financial reports in ConnectCarolina and InfoPorte
- Some are based on KK and some are based on GL
- Good time to plug ccinfo

Other Financial Reports

Check out our Quick Reference Guide to Finance Reports

Other Financial Reports

InfoPorte: GL Activity Tab

Finance > Dept Accounting > GL Activity

- Shows journal entries for all asset, liability, fund balance, revenue, and expense accounts.
- Presents activity summed up by chartfield string, not detailed transactions.

Source: GL Actuals ledger

- Reconcile your assets, liabilities, and fund balance transactions.

Note: Only a few campus departments do this; most reconcile revenue and expense accounts.

- Monitor receipts for your OSR funds.

Managing Salary & Fringe

InfoPorte: BMS

Finance > Dept Accounting > Other Reports

- Allows you to filter Commitment Control budget transactions from the State ledger group on budget chartfields and pulls in HCM records that match on budget chartfields.

Source: Commitment Control ledger

GL, KK, or Both?

Report & Menu	Description	What Does It Help Me Do?	Available Training
Finding Budget Balances			*Back to top ^*
InfoPorte: Ledger Rollup Tabs			
Finance > Dept Accounting > • Main Ledgers – for State, F&A and Trust funds	• Shows revenue and expense totals and available balance by budget chartfield strings. • Breaks out spending totals by pre-encumbrance, encumbrance and expense (Actuals YTD column).	• Keep an eye on your available budget balance and spending during the month. • Include projected earnings and fringe in your balances by choosing **Yes** in the Show Projections filter.	• Why Do My Balances Go Up and Down Throughout the Month Handout • Financial Reporting in InfoPorte

Key Things to Remember

- A ledger is like a checkbook where we record our expenses and revenue
- The KK ledgers are for budget purposes to control how we spend our money
- The GL Actuals ledger is for posted transactions and we use it for external reporting
- For reporting, the differences between KK and GL is now less important since the SAGL switch

Q & A