




General Ledger Mapping and Journal Entry creation



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Agenda

- Goals and Outcomes
- Creating a Team
- Timeline
- Terminology
- Integrations
- Business Structure
- Understanding the Accounts
- Mapping
- Testing
- Cutover
- Achieving / Deleting old logic

We will go over a lot related to GL Mapping, accounts, testing.

My current systems: HR/Payroll/GL



Goals and Outcomes

If you have NEVER mapped a GL (aka: General Ledger) from the payroll perspective. There is so much to learn depending on your company size and complexity.

- Is your company a public company. If so, auditors will have an opinion on how some things are recorded along with finance.
- If a public company, you may have stock options, ESPP (employee stock purchase plan) bookings.
- You may have a 401K plan (pre and or post tax), 401K loans
- You may have SERP (Senior Executive Retirement Plan)
- Most common thing to book are:
 - Wages, Shift Premium, Bonuses, Taxes, Garnishments, Net Pay (aka: cash, dda, debit cards), Medical-Dental-Vision deductions, misc deductions.
 - 401K Catch-up, New catch-up Law for Contributions and Employer Match 1/1/2024 (but extended until 01/01/2025).
 - Over 145K Social Security Wages.



Goals and Outcomes

- Other considerations are:
 - One or more General Ledgers (typically each company will have their own GL mapping).
 - Each company may have their own GL system (ERP) with their own COA (Chart of Accounts) that is unique.
 - If all numbers roll up to Corporate, you may have to map with Intercompany accounts in mind
 - Number of bank accounts (there may be one bank account for all business units- one for each company will have their own bank account)
 - Labor Allocations can be done at a percentage at the employee level, earning code level, time and labor level depending on your system. This can be complex.
 - We are a Holding company, so we ONLY send business units Wages and Fringe. Some we send a 3% processing fee.



Goals and Outcomes

- Other consideration are:
 - Timing of when JE's are to be booked
 - Monthly, Bi-Weekly
 - Period: Calendar Month, 4-5-4 Calendar
 - Do you book wage and fringe accruals at month-end



Goals and Outcomes

- Change Management
 - Why are you making this change
 - Modernize Solution / Total Cost of Ownership
 - Improved Reporting
- Make sure everyone is onboard and you have leadership that is backing this change



Creating a Team

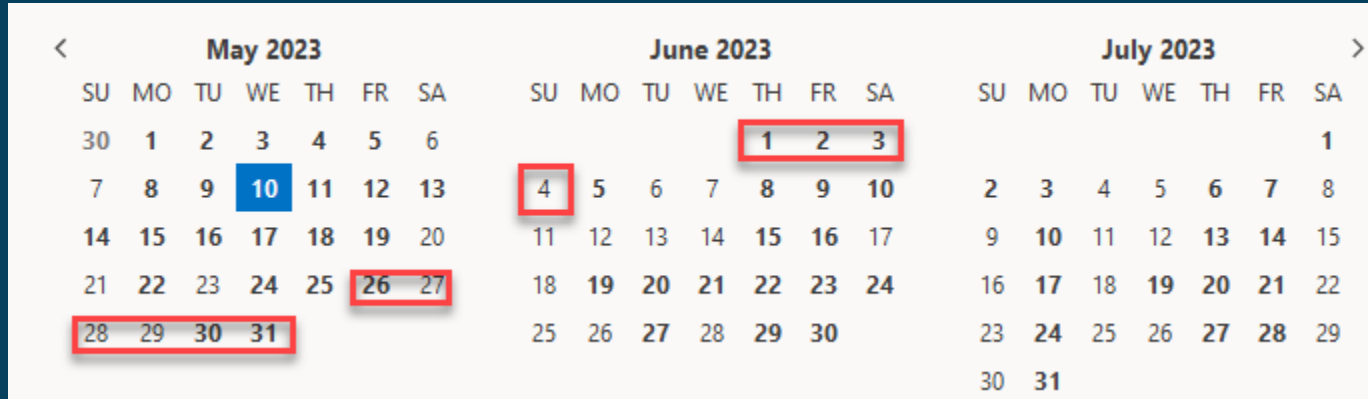
Create a team with a member from:

- Finance Lead on the project
- Finance/Accounting Manager
- Finance person actually importing the JE's
- Payroll Manager/Supervisor
- Payroll Tax Manager/Supervisor
- Person importing the JE

Notate all vacations planned and backup person



Discuss Timeline and deliverables



Robert Swingler is on vacation from May 26th through June 4th without his laptop.

Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12
6/7/2021	6/14/2021	6/21/2021	6/28/2021	7/5/2021	7/12/2021	7/19/2021	7/26/2021	8/2/2021	8/9/2021	8/16/2021	8/23/2021
Intro to Success	Kickoff	Discuss with customer potential changes/cleanup and begin migration. Build and Solution Development Readiness Meetings						Solution Development Workshop(s)			SC/IC Sync
Enroll Users in Kmap Live	Business Structure Discussions			Deliver Business Structure PTF	Internal: Business Structure Review			Approval to Proceed	Close Open Items from SDW		
Kmap Live: Initiate Training											
Strategy Meetings: Testing, Cloud, Technical, and Integration											

Terminology

- GL = General Ledger
- COA=Chart of Accounts
- DOA=Delegation of Authority
- JE = Journal Entry
- Posting = when you book your JE it is called posting your JE
- BS = Balance Sheet (assets, liabilities, owners equity)
- IS = Income Statement (expenses, earnings)
- CPA = Certified Public Accountant
- COGS = Cost of Goods Sold
- SGA = Sales General and Administrative
- Natural Account number (5xxx for COGS, 6xxx for SGA)
- SSO = Single Sign On (if your GL system needs SSO)
- FTP = File Transfer Protocol
- SFTP = Secured File Transfer Protocol



Integrations

ERP system – enterprise resource planning.

Enterprise resource planning is the integrated management of main business processes, often in real-time and mediated by software and technology.

ERP's offers an accounting software with accounts receivables, accounts payable, general ledger and expense management. Sometimes it offers payroll and tax modules.

integration may be automated

General Ledger system and Payroll/HR systems

integration may be manual

You will have to format your JE export from your payroll system to be compatible with your GL system or ERP system.

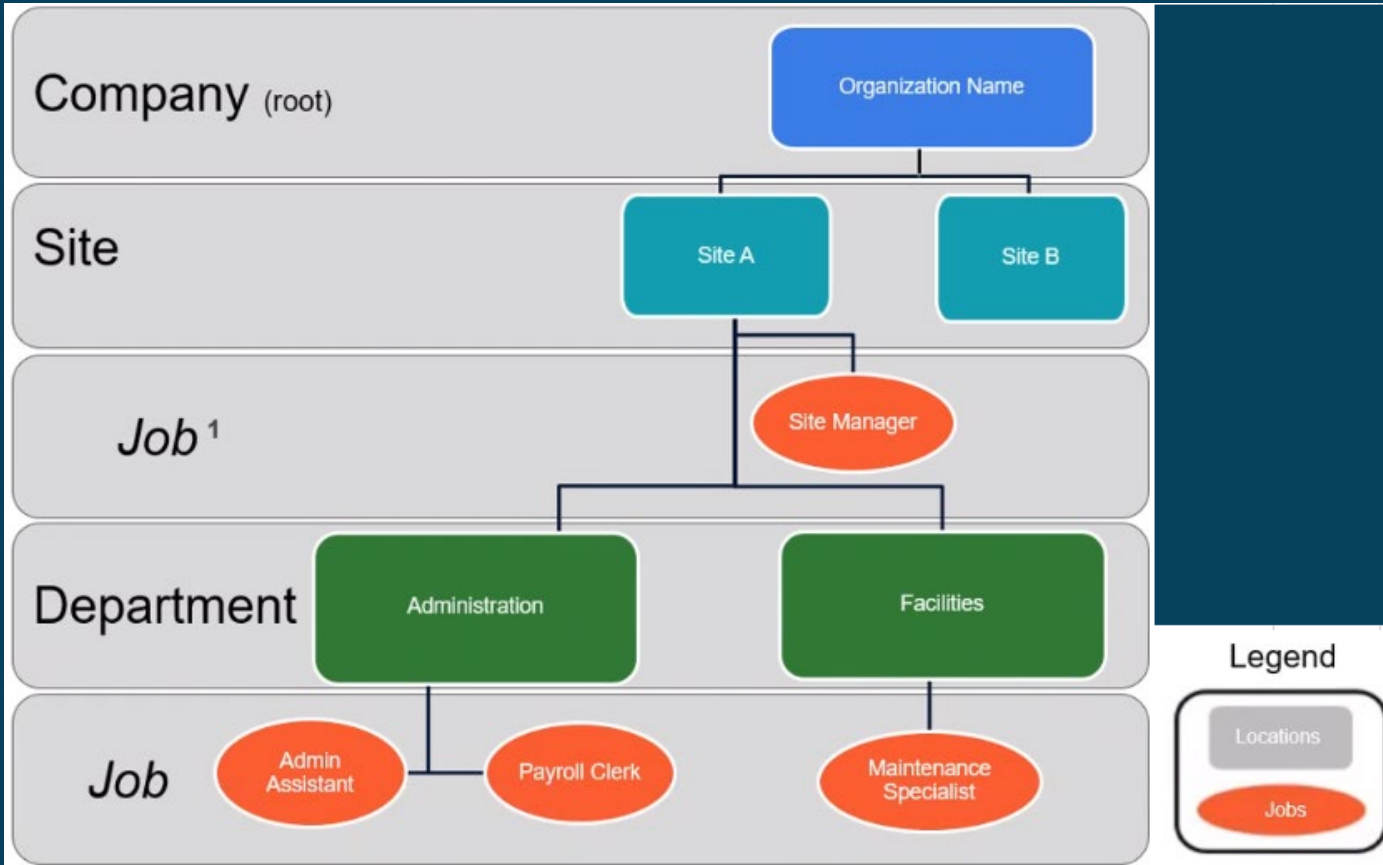


Business Structure

Business Structure – ours is:

Company/Line of Business/Function

Labor Category is: Pay Group, Entity, GeoLocation, Wk Location, Project, Job



Ask finance what a typical payroll JE will look like just before it is loaded into the GL. Then you will know how your account structure needs to look as it is exported from your HR/Payroll system.

Natural account number (5xxx for COGS, 6xxx for SGA, 2xxx for liabilities)

Departments

Functions

Line of Business

Project Codes

Jobs

Pay Group

Exempt / Non-Exempt

Work Locations

¹* Example of Jagged Structure is not applicable to HCM Clients. All strings must be the same length.

Understanding the accounts

Balance Sheet (Assets/Liability/Owners Equity)

Cash (asset) (1xxx), Employee Receivables (asset) (1xxx)

Liability (2xxx)

Medical/Dental/Vision/Surcharge/FlexHC/FlexDC

SuppLife-EE-SP-CH/GARN/ChildSupp/GTL/Imputed

LTD/STD

ESPP/Uniform/Per Diem/NQDC/SERP/Stock Option/QNEC

Income Statement

Income (4xxx)

Expenses (5xxx, 6xxx)

Wages, ER Cost (Benefits ER, 401K ER, WC ER, Tax ER)

(Benefits ER: Med/Den/EAP/GTL/STD/LTD)



Understanding the accounts

Code Types

Earning/Deduction/Tax/WC are all CODES in UKG

DR CR

Employee Side of Check

<u>EE</u> Employee Earnings	xx	
<u>DE</u> Deduction Employee		xx
<u>TE</u> Tax Employee		xx
ND/NC Net DirDep/Cash		xx

Employer Side of Check

<u>DR</u> Deduction Employer Expense	xx	
<u>DL</u> Deduction Employee Liab		xx
<u>TR</u> Tax Employer Expense	xx	
<u>TL</u> Taxes Employer Liab		xx
<u>WR</u> Workers Comp Expense	xx	
<u>WL</u> Workers Comp Liab		xx



Understanding the accounts

We made our benefit codes very simple

Ben codes		
<u>DEDUCTION Codes</u>	<u>Employee Paid</u>	<u>Employer Paid</u>
MED	Yes	Yes
DEN	Yes	Yes
ADD		Yes
BASLF		Yes
LTD		Yes
EAP		Yes
VIS	Yes	
TBSUR	Yes	
SPSUR	Yes	
FSAHC	Yes	
FSADC	Yes	
SUPEE	Yes	
SUPSP	Yes	
SUPCH	Yes	

Understanding the accounts

know if your codes: Earning and or Deduction are allocatable at the code and employee level

Earnings Setup
DRIV - Driver

Main
Tax

Detail

Summary

Detail

Scheduled Pay Periods by Default

First Fourth
 Second Fifth
 Third Off-Cycle

Include Earning In

Retroactive pay
 Deferred compensation dollars
 FLSA average pay rate dollars
 Hours accumulation
 Productive time
 Pension accumulation
 Total benefit hours/earnings
 Exclude from FLSA min wage Ded

Shift differential
 Deferred compensation hours
 FLSA average pay rate hours
 Earnings accumulation
 Exclude in total hours
 Allocations

Hours paid for HCSO
 Health Care Eligibility Hours
 Wages Paid Last 90 Days
 Hours Paid Last 90 Days
 Total Hours Worked
 Rest & Recovery Wages

Personal | **Jobs** | Career & Education | Career Development | Pay | Benefits | Taxes | Documents | Audit

Job Summary | Compensation | Compensation Plans | Variable Pay | Organization | Work Location | Job History | **Allocations** | Reviews

Allocations

Auto Allocate Employee

Edit	Primary	Allocation	Establishmnt	Department	Location	Delete
	<input checked="" type="checkbox"/>	50.00 %	No Establishment	Systems Management	Los Angeles	
		50.00 %	Maxine's As you Like It	Human Resources	Los Angeles	<input type="checkbox"/>
Total		100.00 %				

add save reset print help

Understanding the accounts

know if you can update the allocation on the time cards at the employee level

View/Change Employee Pay Check

back next delete save recreate cancel help close

Employee status: Active Distribution: Direct Deposit Pay number: 1 of 2
Payroll Date: 10/08/2015 Print status: Not printed Pay type: Regular pay
Pay date: 10/08/2015
Tax frequency: Biweekly

More employee information

Earnings

+ Add - Delete Column(s)

<input type="checkbox"/>	Earning	Hours	Amount	Pay rate	Job	Auto allocate on post	Department	Division	Establishment
<input type="checkbox"/>	Group Term Life		0.00	0.0000	System Administra	Yes	Systems Managem	Corporate (CORP)	No Establishm
<input type="checkbox"/>	Bonus	0.0000	100.00	0.0000	System Administra	No	Systems Managem	Corporate (CORP)	No Establishm
<input type="checkbox"/>	Salary Pay	40.0000	2,115.38	52.8846	System Administra	Yes	Payroll (PAYR)	Corporate (CORP)	No Establishm
<input type="checkbox"/>	Salary Pay	40.0000	2,115.38	52.8846	System Administra	Yes	General Office Sta	Corporate (CORP)	No Establishm

1 of 1 Displaying 1-4 of 4 records Records per page 20

Mapping

Obtain:

- COA – Chart of Accounts from your finance team
- Sample of a final JE before imported (look at format), maybe two acct nbr formats
- Description format for JE. May be different for liability vrs expenses
- Current GL Rules mapping by company
- Use separate GL Segment Sequence mapping for different business units
- Trial Balance (use to mark which accounts are currently used and have a balance)
- Natural account nbrs that are payroll specific
 - IE: COGS is 5xxx, SGA is 6xxx, Liability is 2xxx
- Enter in all Natural account numbers and their description into your system so you can map

Code	210200----	Description	PayrollTaxesPayable
Code	212250-----	Description	Accrued Bonus and Incentive Comp
Code	540000	Description	Salaried and Wages
Code	542000-999-2300-90--	Description	SPEC3 PMT
Code	JPMC2580	Description	Cash-JPMC-2580-DDA

Mapping

Produce an employee list with organizational structure and determine which codes will be used in you JE account number.

New GeoBas Code (org1)	New GeoBas Desc	New Dept Code (Org 2)	New Dept/Entity Desc (called "Category" in D365)	New Function Code (Org 3)		New LOB Code (Org 4)	
4500	Gulf of Mexico	40801	HB-NonBillable	60	Operations - Direct 60	500	Accommodations 500
4500	Gulf of Mexico	40802	HB-Draftsman	61	Operations-Indirect 61	514	AccommodationsPSLSupp 514
		40803	HB-Electrician	72	Accounting 72	576	Spec Rental Div OH 576
		40804	HB-Housekeeper	77	Marketing and Sales 77		
		40805	HB-HVAC Tech	78	Health and Safety 78		
		40806	HB-Joiner	80	Information Tech 80		
		40807	HB-Lead Project Offshore	83	Company Admin 83		
		40808	HB-Mechanic				
		40809	HB-Painter				
		40810	HB-Plumber				
		40811	HB-Welder				

Below shows ONE employees organizational structure. GeoBas, Function and LOB are in the JE structure along with the natural account nbr.

LocNV GeoBas	4500 - Gulf of Mexico
Entity Dept	40807 - HB-Lead Project Offshore
Function	60 - Operations - Direct 60
LOB PSL	500 - Accommodations 500



Mapping

Understand the GL Segment Sequence fully before you create it.

Code **101B** Description **101 Base Acct - BalSheet 1,2**

Segment sequences

Segment	Delimiter	Constant	Segment	Delimiter	Constant
1. Base account			6. <None>		
2. <None>			7. <None>		
3. <None>			8. <None>		
4. <None>			9. <None>		
5. <None>			10. <None>		

Code **101E** Description **101 Exp-NEW (A-PSL-GEO-Fu)**

Segment sequences

Segment	Delimiter	Constant	Segment	Delimiter	Constant
1. Base account	-		6. <None>		
2. LOB PSL	-		7. <None>		
3. LocNV GeoBas	-		8. <None>		
4. Function	-		9. <None>		
5. <None>	Constant	-	10. <None>		

Account

210150----
210200----
210300----
210310----
210320----
210330----
210700----
212200----
212300----
543000-999-2300-79--
JPMC2697
212500----
533500-500-4500-60--
540000-500-4500-60--
540000-500-4500-61--



Mapping

Understand that one of your segments (IE: Function) can show a number of 72 but actually export to the GL a different number if required.

Code Description

Function

Report category

GL segment

Understand that if you have many business units, maybe it is good to have each business unit to have their own Segment Sequence.

GL Rules Setup											
GL Rules Country <input type="text" value="ALL"/> <input type="button" value="Filter GL rules..."/> <input checked="" type="checkbox"/> Apply filter <input type="checkbox"/> PEO GL rules											
Setup					Cost Center Exceptions						
Type	Code	Segment seq	Base	Company	Function	Employee	LocNV GeoBas	Entity Dept	LOB PSL	Project	
EE	SAL	410E	540000	410							
EE	SAL	331E	540000	331							
▶ EE	SAL	101E	540000	101							
EE	SAL	321E	540000	321							
EE	SAL	310E	540000	310							
EE	SAL	101GE	540000	GEC							
EE	SAL	410E	540000	610							
EE	SAL	411E	540000	411							
EE	SAL	408E	540000	408							
EE	SAL	431E	540000	431							

Mapping

Example below shows that some function codes are mapped to a COGS Base account nbr, the rest are mapped to SGA by default because the Function code is BLANK.

GL Rules Setup							
GL Rules	Country	ALL	Filter GL rules...	<input checked="" type="checkbox"/> Apply filter	<input type="checkbox"/> PEO GL rules		
Setup							
Type	Code	Segment seq	Base	Company	Function	Employee	
▶ EE	HRLY	431EX	512200	650	34		
EE	HRLY	431EX	512100	650	45		
EE	HRLY	431EX	512100	650	55		
EE	HRLY	431EX	512200	650	32		
EE	HRLY	431EX	512100	650	31		
EE	HRLY	431EX	512200	650	30		
EE	HRLY	431EX	512100	650	20		
EE	HRLY	431EX	621100	650			

Mapping

As you can see, Type Code of EE (Employee Earnings) is mapped with a “408E” Segment Sequence which drops in the Base Account code (also called natural account number), then pulls the LOB, then GEO, then Function code followed by two dashes for the bonus mapping. The Garnishment mapping (DE) (Code CSP1) is coded to “210310----” liability account using Segment Sequence “408B” .

Date (JE)	Company	Account Type	Account	Description	GlsDbAmt	GlsCrAmt
08/04/2023	SES	Ledger	210310-----	408-202308041-Payroll Garnishment	0	761.54
08/04/2023	SES	Bank	JPMC2697	408-202308041-Net Dir Deposit-2697	0	136,443.02
08/04/2023	HBR	Ledger	540000-500-4500-60--	408-202308041-Salaried and Wages	79,041.08	0

GL Rules by Entity								
Company Code	Company Name	Type Code	Type	Code	Segment Seq Code	Base Account Code	Base Account	Org Level 3 Code
408	HB Rentals	EE	Earnings expense	BON	408E	540000	Salaried and Wages	
408	HB Rentals	EE	Earnings expense	BONJO	408E	540000	Salaried and Wages	
408	HB Rentals	EE	Earnings expense	HRLY	408E	540000	Salaried and Wages	
408	HB Rentals	EE	Earnings expense	SAL	408E	540000	Salaried and Wages	
408	HB Rentals	DE	Deduction EE payable	CSP1	408B	210310-----	Payroll Garnishment Payable-NEW	
408	HB Rentals	DE	Deduction EE payable	CSP10	408B	210310-----	Payroll Garnishment Payable-NEW	
408	HB Rentals	DE	Deduction EE payable	401K	408B	210300-----	401(k) Contrib Payable-NEW	

Mapping

Sample of a full JE. Where the JE is mapped to both Corporate and a BU.

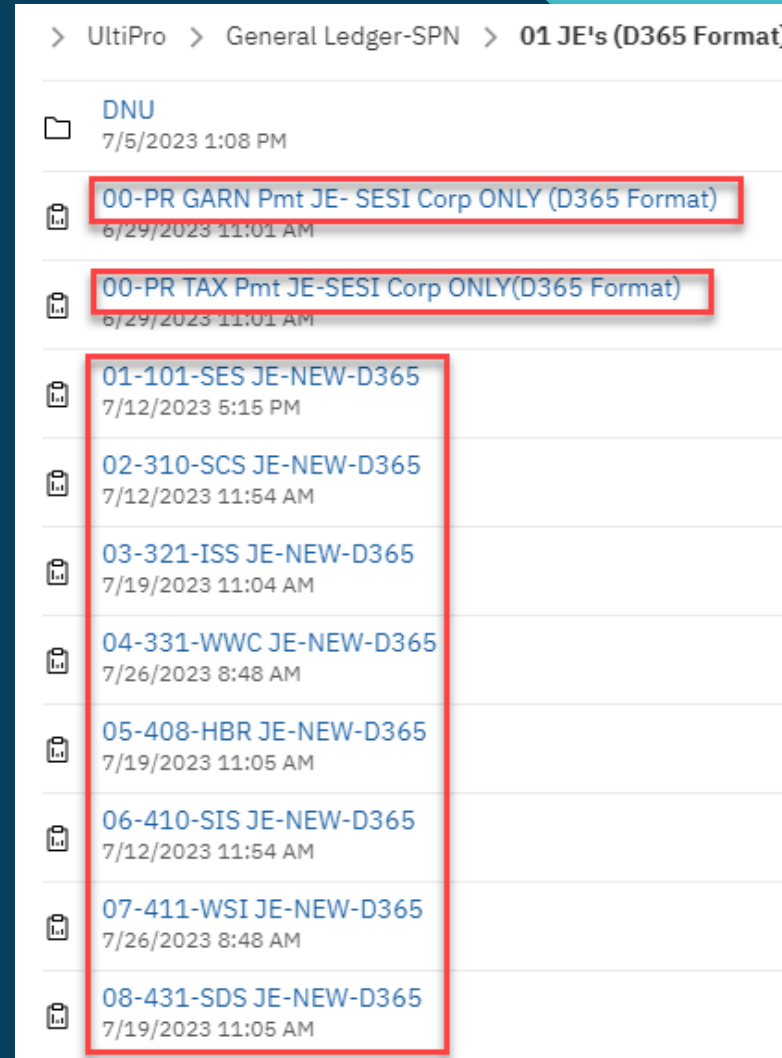
Company column “SES” is mapped to corp.

Company column “HBR” to business unit.

Date (JE)	Company	Account Type	Account	SubLedger Financial Dimensions	Description	Currency	Exchange Rate	GlsDbAmt	GlsCrAmt
08/04/2023	SES	Ledger	210150-----		408-202308041-Other Payable				
08/04/2023	SES	Ledger	210200-----		408-202308041-PayrollTaxesPayable			0	
08/04/2023	SES	Ledger	210300-----		408-202308041-401(k) ContribPayabl			0	
08/04/2023	SES	Ledger	210310-----		408-202308041-Payroll Garnishment			0	
08/04/2023	SES	Ledger	210320-----		408-202308041-Flex Spending Payabl			0	
08/04/2023	SES	Ledger	210330-----		408-202308041-Supple Ins Payable			0	
08/04/2023	SES	Ledger	210700-----		408-202308041-CRF Payable			0	
08/04/2023	SES	Ledger	212200-----		408-202308041-AccrBenefits-MedDenV			0	
08/04/2023	SES	Ledger	212300-----		408-202308041-Accrued Workers Comp			0	
08/04/2023	SES	Ledger	543000-999-2300-79--		408-202308041-GarnFee-SESI CORP			0	
08/04/2023	SES	Bank	JPMC2697		408-202308041-Net Dir Deposit-2697			0	
08/04/2023	HBR	Ledger	212500-----		408-202308041-Expense Reimb				0
08/04/2023	HBR	Ledger	533500-500-4500-60--		408-202308041-Per Diem				0
08/04/2023	HBR	Ledger	540000-500-4500-60--		408-202308041-Salaried and Wages				0
08/04/2023	HBR	Ledger	540000-500-4500-61--		408-202308041-Salaried and Wages				0
08/04/2023	HBR	Ledger	540000-500-4500-77--		408-202308041-Salaried and Wages				0

Mapping

After mapping, you typically allocate your general ledger JE from your Check History. Then run your TAX/GARN pmt JE's and Company JE's.



Mapping

JE's can be pulled from an EXPORT or a REPORT.

JE's can be pulled from the DETAIL table or the SUMMARY table.

Summary tables will produce less rows, but will not have employee info

If you have ONE bank account, you may only need ONE JE.

If you have Many bank accounts, you may want one JE per bank.

We produce ONE GARN (Garnishment payment) journal entry.

We produce ONE TAX journal entry.

We produce ONE JE (wages and ER cost along with liabilities) by company.

If each BU retains all booking, then one JE per BU (Business Unit/Company)

If each BU retains only wages and ER cost, and Corporate retains all liabilities, then two JE's will be required with an intercompany bridge account on each



Mapping

Unusual Mapping:

If you give employees their reimbursement funds via their payroll check, you may want to issue a negative deduction amount.

If employees are on special projects you may want to map those select employees to a unique account.

Have several earning or deduction codes for unique mappings to make things easier.

ESPP (Employee Stock Purchase Plan)

ESPPR (Employee Stock Purchase Plan Refund)

ESPPA (Employee Stock Purchase Plan Adjustment)



Mapping-Discuss Data & Data Collection

GL Coding

1. Understand the organizational structure ORG 1,2,3,4. and PayGroup, WkLocation (items with “GL segment”)
2. Does the CODE equal the GL SEGMENT in all cases?

Level	Report	Screen label	Code length
Level 1	Locate	LocNV GeoBas	6
Level 2	Entity	Entity Dept	6
Level 3	Funct	Function	6
Level 4	LOB	LOB PSL	6

Country	United States	Code	101	Description	101 SESI
Pay Group	Schedule	Earnings	Deductions		
Payroll processed by third party	No	Current period			
Pay frequency	Biweekly	Period start			
Scheduled hours	80	Period end			
Status	Active	Pay date			
Payroll step set	1SPN SESI	Regular/suppleme			
GL segment	1001	Production run date			

Code	111300	Description	SESI - Invest Rel Market
Entity Dept	User Defined		
Report category	11101 SESI		
GL segment	0000		

Code	07	Description	Information Tech 07
Function	User Defined		
Report category	1SPN3		
GL segment	07		

Country	United States	Code	1CO15	Description	Fort Lupton - 1522 Der
Main	Tax	User Defined			
Trade name	Fort Lupton - Denver Ave-CO	Inactive as of		Bank	
GL segment	1CO15	Worksite reporting ID	0004	Import code	

Mapping-Discuss Data & Data Collection

GL Reports

1. JE's will most likely be produced from the GL Summary table with the GL Detail as support for these entries.
2. NOTE: since Expense Reimbursement is NOT paid through payroll, negative deductions will not hinder the JE's being produced from the GL Summary table.
3. OPTIONS for Journal Entries: this will need to be discussed



Mapping-Discuss Data & Data Collection

GL Rules is mapped by Code Type, then by Code.

- AE-Accrued allowed expense
- AL-Accrued allowed liability
- BC-Billing item credit
- BD-Billing item debit
- DE-Deduction EE payable
- DL-Deduction ER liability
- DR-Deduction ER expense
- EE-Earnings expense**
- NC-Net pay checks
- ND-Net pay direct deposit
- PE-Accrued pending expenses
- PL-Accrued pending liability
- RE-Pending not moved debit
- RL-Pending not moved credit
- SE-Shift earnings expense
- TE-Taxes EE payable
- TL-Taxes ER liability
- TR-Taxes ER expense
- WC-WC EE payable

GL Rules

← back | ⊕ add | 🖨️ print

Find by Type is EE-Earnings expense ⊕ ⊖ Search
Company is 101-SESI Corporate, LLC 🔍 × ⊕ ⊖

Filtered by Type - is EE-Earnings expense and Company - is 101-SESI Corporate, LLC [\[Clear Filters\]](#) Displaying all records

Actions Export to Excel (*.xlsx) Export to CSV (*.csv)

Copy	Setup					Cost Center Exceptions									
	Type ↑	Code	Segment Sequence	Base Account	Country	Company	Pay Group	Employee	LocNV GeoBas	Entity Dept	Function	LOB PSL	Location	Job	Project
	EE-Earnings expense	COV01	101E	540000	USA	101									
	EE-Earnings expense	LUMP	101E	540000	USA	101									

Testing

Produce a JE from your test environment after running TEST payrolls.
Make sure to include all types of accounts.

Have your finance team (business unit controllers) sign off on the actual TEST JE.
Verify that these TEST JE's were loaded into the test system.

This is the time to
delete/purge out any
old mapping items that
are no longer needed.

Make sure your finance team is in
the loop on all mapping updates.



Cutover

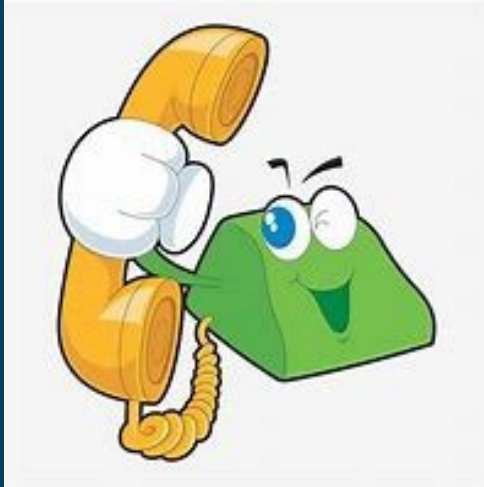
It is key to have HR/Payroll/IT/Managers all be communicated to on the key Cutover date.

Who is responsible for what.

When will things go away/change.

	Estimated Start Date	Estimated End Date	Role / Resource Responsible	
Cutover timeline	6/26/2023	6/26/2023	Jack Holm	After payroll produces the last JE for the old mapping.
GO LIVE	6/27/2023	6/27/2023		GO LIVE for 7/7/2023 pay date.

Let the Go Live team know they can contact you



Go Live

GO LIVE – notify your team of the go live date

Have a step by step list of what needs to be done and on what days.

Have this list signed off by finance.

REMINDER: these is normally a point of no return when updating mapping

REMINDER: if on a NEW general ledger system, your prior month payroll accrual will NOT automatically reverse in your new system; you will have to create a JE in your new system that reverses the prior system accrual.



Achieving

It is key to have HR/Payroll/IT/Managers all be communicated to on where you have stored the Legacy JE's and Mapping data.

Make sure you have filled out all of the "Change Management" paperwork for your audit team and have it signed off by your manager and finance team.





Thank You

Robert Swingler