

COURSE: **Configuring Financials**
Key Takeaways



Financial Categories Overview

KEY SECTIONS

TAKEAWAYS

Financial Categories

- Financial Categories capture payable and receivable entries as well as journal entry details and export them through Visual Lease reports and the Visual Lease Accounting Feed.

For more information, reference the "Financial Categories" section in the User Manual Reference

Accessing the Financial Categories Configuration

KEY SECTIONS

TAKEAWAYS

Financial Categories

- Only Administrator level users can make updates to Financial Filters can be utilized in both standard and ad hoc reporting, applied to AP/AR/GL feed files, applied to users to enforce lease security (restricting which records a user can see) and applied to certain user settings.
- Tools (top right of platform) > Administrator
- Under the Financial and Accounting section > Financial Categories
- **Tree Mode vs. Table Mode**
 - Tree Mode – default view
 - Visual representation of category roll up structure
 - Expandable/collapsible to see multiple levels of structure
 - Table Mode – allows for sortable view based on financial category properties

For more information, reference the "Financial Categories" section in the User Manual Reference

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Financial Categories Functions

KEY SECTIONS

Financial Categories

TAKEAWAYS

- **Add Category**
 - Creates a Financial Category to be used to create Financial Entries or export journal entries to the Accounting Feeds
- **Edit Category**
 - Allows for the updating of Financial Category properties
 - Updates any instance of the Financial Category across the platform
- **Delete Category**
 - Deletes the Financial Category
 - Not able to delete if there are Financial Entries using the Financial Category or Chart of Accounts mappings tied to the Financial Category

For more information, reference the "Financial Categories" section in the User Manual Reference

Financial Categories for Payable and Receivable Entries

KEY SECTIONS

Financial Category Properties

TAKEAWAYS

- **Financial Category Name**
 - Describes the Financial Category purpose – 30 character max
- **Roll Up Category Name**
 - Allows for complex structuring and grouping of categories for reporting purposes
- **Code & Abbreviation**
 - Mostly used behind-the-scenes; can be output to the Accounting Feeds – most of the time both abbreviated values of the Category Name – 6 character max
- **Sort Order**
 - Determines how the category displays within the roll up group
- **Type**
 - Normal - Can be entered in lease records or project records
 - Base Rent - Used to track your base rent entries. These entries can be used in your Lease Accounting calculations. **Only one category can be configured with a Base Rent type per platform.**
 - Percent Rent - Used to retain Percent Rent entries in the Percent Rent module



Financial Categories for Payable and Receivable Entries (Continued)

KEY SECTIONS

TAKEAWAYS

- Deferred Rent - Used to store the amount of deferred rent as calculated in the Straight Line Rent module. **Each platform must contain at least one category with the Deferred Rent Type.**
- Lease Only - Used to create payable or receivable obligations on a lease record. **Most financial categories will be configured with this Type.**
- Project Only - Used to create financial obligations on project records
- GL Entry - Used to send journal entries calculated in the Lease Accounting module to the General Ledger Accounting Feed
- **Inclusion Type (Lease Accounting Only)**
 - Lease Payment - Ensures each entry is used to determine the NPV of all future payments. Lease Payments serve as the basis for all Lease Accounting calculations
 - Initial Direct Costs - Included in Straight Line Rent calculation and increases the Right of Use Asset in a Lease Accounting calculation
 - Lease Incentives - Included in Straight Line Rent calculation and increases the Right of Use Asset in a Lease Accounting calculation
 - End of Lease Obligation - Included in Straight Line Rent calculation and added as a Lease Payment during the last period of a Lease Accounting calculation
 - Variable - Ignored in the Lease Accounting schedule and journal entries but will be included in the Variable Lease Expenses line item on the Lease Accounting Disclosure Report
 - Excluded - Ignored in the Lease Accounting module
- **Automation Settings**
 - SLR checkboxes – best practice is to leave these unchecked
 - GL Entry Target – used to meet one-off configuration needs; not widely used
 - Forecast Target - allows you to use historical financial information from one financial category to build budget or income projections in another category that tracks the forecast over a particular window of time using the Multiple Lease Update function

For more information, reference the "Financial Category Properties" section in the User Manual Reference



Financial Categories for Exporting Journal Entries to the GL Feed

KEY SECTIONS

Financial Category Properties

TAKEAWAYS

- Process to add and maintain these categories is very similar to the Payable and Receivable entries with a few minor differences
- **Roll Up Category**
 - Best practice is to group all Financial Categories that are being used to export journal entries to the GL Feed under one roll up like JOURNAL ENTRIES or GL
- **Type**
 - This will always be GL Entry which updates the Lease Accounting Details section below to include the below 4 fields
- **Subtype**
 - Corresponds to a specific journal entry that the Lease Accounting module generates
- **Lease Type**
 - Allows you to select the specific Lease Type that's determined by the Lease Accounting calculation this mapping should follow; can select a specific Lease Type or "All" if you don't need to send the journal to a different account based on Lease Type
- **Accounting Standard**
 - Allows for different mapping based on the various Lease Accounting standards run for the calculation; can select a specific standard or "All" if you don't need to send the journal to a different account based on Accounting Standard
- **Record Type**
 - Allows for different mapping based on the various Record Types as determined by the configuration of the Record Type field; can select a Record Type or "All" if you don't need to send the journal to a different account based on Record Type
- **Include in Accounting Feed checkbox**
 - This box must be selected in order to send this financial category to the GL Feed

For more information, reference the "Financial Category Properties" section in the User Manual Reference