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## Expense Management Posting Setup

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When deciding what posting setup fits your needs then there are few decisions to be taken:

1. What should be the output of posting? Do you want to create a Purchase Invoice or just have the ledger entries (posting Gen. Journal Lines)?  
Posting with purchase invoices can be useful when the expense bank account needs to be a vendor, as well. You will not be able to post this scenario with a Journal Line posting. Other than that, this is just a matter of preferences.

*You can chose what should happen from the Expense Posting – Use General Journal or Use Purchase Invoice. This can be found on the Expense Management card, on the action “Purchase Doc. Posting Setup.” By default this will post Gen. Journal Lines.*

2. Do you want your documents to be grouped or they should be posted individually?  
Documents can be grouped on a settlement (when posting Journal Lines) and they will be posted with the same posting date, while the document date will be the one used for each individual document. This can be helpful if you want to register everything from a trip, for example. You can add both mileage and expense to one settlement. If using Purchase Invoice in step 1, the documents will be grouped per user, by default.

*If you want to use this functionality, go to Expense Management Setup and mark the “Enable Settlement”.*

3. Should the bank transactions be posted immediately when importing them?  
If you’re using the settlements, then you are forced to import the bank transactions at import. We think this is the best way to ensure consistence between the imported bank transactions and the posted expenses.  
The bank transactions are imported immediately after importing and they are posted against an intermediate GL Account that is specified in the “Intermediate Bank Account”. This can be helpful when doing reconciliation and checking if all the bank transactions are matching with the posting of the expenses. When all the documents are posted this balance on the “Intermediate Bank Account” is expected to be 0 (zero).

*Set “Post Bank Transactions on Import” to true in the “Expense Management Setup” if you want to use this functionality.*

4. Should the expenses be posted in the currency they were made or in the local currency of the system?  
Expenses can be posted in the currency they had been made, not only in the local currency. But, if the bank account has a currency specified it will always post in the bank account currency. When the bank account has a currency specified, then the expenses need to be posted in that specific currency.

*Use the “Post in Expense Currency” if you want to use the expense currency.*

5. Should there be some default settings for the credit cards? For example, if the whole company uses the same account for their corporate cards, then it can be useful to fill the information in the “Card Transaction Balancing Type” and “Card Transaction Balancing Account”. This information will be then inherited to all the credit cards that will be created from that point on.

*Want to use this functionality? You need to specify the “Card Transaction Balancing Type” and “Card Transaction Balancing Account” in the Expense Management Setup.*

## Posting Examples

In the scenarios, Richard Lum has both company and private expenses paid using a company credit card and using cash. Richard Lum has been configured so all his payments using the company credit card is balanced against the bank account called RL-MC (Richard Lum - Master Card).

All expenses Richard Lum pays using cash or a private credit card is balanced against the vendor account called RL (Richard Lum). This means that a negative balance on vendor RL the company owes money to Richard Lum and a positive balance means that Richard owes the company money.

The balance of the credit card account show the amount that will be invoiced by the bank. When receiving and posting the invoice from the bank it should be posted against this account.

### 1. Simple posting – most common scenario.

*Setup:*

*Post Bank Transaction on Import = No*

*Post in Expense Currency = No*

*Bank Account Currency = nothing specified (means LCY)*

| Scenario  | Refundable | Expense Account | Balance Account Type & No. | Amount   | Vendor Balance  | Credit Card Balance | G/L: FOOD Balance |
|---|------------|-----------------|----------------------------|----------|-----------------|---------------------|-------------------|
| <b>Starting balance</b>   |            |                 |                            |          | <b>€ 0.00</b>   | <b>€ 0.00</b>       |                   |
| 1) Richard paid € 100 with a company card   | Yes        | G/L: FOOD       | Bank: RL-MC                | € 100.00 | € 0.00          | € -100.00           | € 100.00          |
| 2) Richard paid € 20 with no refund, using the company card, personal expense.    | No         | Vendor: RL      | Bank: RL-MC                | € 20.00  | € -20.00        | -€ 120.00           | € 100.00          |
| 3) Richard had € 20 put back on a company card, with no refund, personal expense. | No         | Vendor: RL      | Bank: RL-MC                | € -20.00 | € 0.00          | € -100.00           | € 100.00          |
| 4) Richard had € 10 put back on a company card                                    | Yes        | G/L: FOOD       | Bank: RL-MC                | € -10.00 | € 0.00          | € -110.00           | € 90.00           |
| 5) Richard paid € 80 in cash or using a private card                              | Yes        | G/L: FOOD       | Vendor: RL                 | € 80.00  | € 80.00         | € -110.00           | € 170.00          |
| 6) Company pays Richard € 110 in cash in advance                                  | N/A        | N/A             | Vendor: RL                 | € 110.00 | € -30.00        | € -110.00           | € 170.00          |
| <b>Ending Balance</b>   |            |                 |                            |          | <b>€ -30.00</b> | <b>€ -110.00</b>    | <b>€ 170.00</b>   |

## 2. Posting bank transactions at import

Setup:

Post Bank Transaction on Import = Yes

Post in Expense Currency = No

Bank Account Currency = nothing specified (means LCY)

This flow will be done in 2 steps:

- a. When the bank transactions are posted, they are posted immediately, and the result is the one below. The amount is posted into the Intermediate account and balanced against the Bank Account (Credit Card).

| Scenario  | Refundable | Posting Account   | Balance Account Type & No. | Amount   | Vendor Balance  | Credit Card Balance (Bank : RL-MC) | G/L: Intermediate Account |
|---|------------|---|----------------------------|----------|-----------------|------------------------------------|---------------------------|
| <b>Starting balance</b>   |            |   |                            |          | <b>€ 0.00</b>   | <b>€ 0.00</b>                      |                           |
| 1) Richard paid € 100 with a company card   | Yes        | Bank: RL-MC   | Intermediate G/L Account   | € 100.00 | € 0.00          | € -100.00                          | € 100.00                  |
| 2) Richard paid € 20 with no refund, using the company card, personal expense.    | No         | Bank: RL-MC   | Intermediate G/L Account   | € 20.00  | € 0.00          | € -120.00                          | € 120.00                  |
| 3) Richard had € 20 put back on a company card, with no refund, personal expense. | No         | Bank: RL-MC   | Intermediate G/L Account   | € -20.00 | € 0.00          | € -100.00                          | € 100.00                  |
| 4) Richard had € 10 put back on a company card                                    | Yes        | Bank: RL-MC   | Intermediate G/L Account   | € -10.00 | € 0.00          | € -110.00                          | € 90.00                   |
| 5) Richard paid € 80 in cash or using a private card                              | N/A        | N/A – This is not a corporate bank transaction, this is a cash transaction. | N/A                        | N/A      | N/A             | N/A                                | N/A                       |
| 6) Company pays Richard € 110 in cash in advance                                  | N/A        | N/A – This is not a corporate bank transaction, this is a cash transaction. | N/A                        | N/A      | N/A             | N/A                                | N/A                       |
| <b>Ending Balance</b>   |            |   |                            |          | <b>€ -30.00</b> | <b>€ -110.00</b>                   | <b>€ -90.00</b>           |

- b. When the expenses (resulting from the bank transactions) are posted, they will balance the intermediate bank account.

| Scenario   | Refundable | Posting Account | Balance Account Type & No. | Amount   | Vendor Balance | Credit Card Balance (Bank : RL-MC) | G/L: Intermediate Account |
|--|------------|-----------------|----------------------------|----------|----------------|------------------------------------|---------------------------|
| <b>Starting balance</b>  |            |                 |                            |          | <b>€ 0.00</b>  | <b>€ -110.00</b>                   | <b>€ -90.00</b>           |
| 1) Richard paid € 100 with a company card                                      | Yes        | G/L: FOOD       | Bank: RL-MC                | € 100.00 | € 0.00         | € -110.00                          | € 10.00                   |
| 2) Richard paid € 20 with no refund, using the company card, personal expense. | No         | Vendor: RL      | Bank: RL-MC                | € 20.00  | € -20.00       | -€ 110.00                          | € 30.00                   |

|  |     |   |             |          |               |                  |               |
|--|-----|---|-------------|----------|---------------|------------------|---------------|
| <b>3) Richard had € 20 put back on a company card, with no refund, personal expense.</b> | No  | Vendor: RL  | Bank: RL-MC | € -20.00 | € 0.00        | € -110.00        | € 10.00       |
| <b>4) Richard had € 10 put back on a company card</b>                                    | Yes | G/L: FOOD   | Bank: RL-MC | € -10.00 | € 0.00        | € -110.00        | € 0.00        |
| <b>5) Richard paid € 80 in cash or using a private card</b>                              | N/A | N/A – This is not a corporate bank transaction, this is a cash transaction. | N/A         | N/A      | N/A           | N/A              | N/A           |
| <b>6) Company pays Richard € 110 in cash in advance</b>                                  | N/A | N/A – This is not a corporate bank transaction, this is a cash transaction. | N/A         | N/A      | N/A           | N/A              | N/A           |
| <b>Ending Balance</b>  |     |   |             |          | <b>€ 0.00</b> | <b>€ -110.00</b> | <b>€ 0.00</b> |

A cash/private expense that cannot be refunded will be deleted from the system if there is no reason to accept it.

### 3. Posting in expense currency, with bank account in LCY.

*Setup:*

*Post Bank Transaction on Import = No*

*Post in Expense Currency = Yes*

*Bank Account Currency = nothing specified (means LCY)*

*Local Currency = EUR*

All the expenses will be posted in the expense currency, rather than the local currency of the system.

| Scenario   | Refundable | Expense Account | Balance Account Type & No. | Amount \$                 | Vendor Balance      | Credit Card Balance (€ LCY) | G/L: FOOD Balance |
|--|------------|-----------------|----------------------------|---------------------------|---------------------|-----------------------------|-------------------|
| <b>Starting balance</b>  |            |                 |                            |                           | <b>€ 0.00</b>       | <b>€ 0.00</b>               | <b>€ 0.00</b>     |
| <b>1) Richard paid \$ 110 with a company card</b>  | Yes        | G/L: FOOD       | Bank: RL-MC                | \$110.00<br>(€ 100.00**)  | € 0.00<br>\$ 0.00   | € -100.00                   | € 100.00          |
| <b>2) Richard paid € 20 with no refund, using the company card, personal expense.</b>    | No         | Vendor: RL      | Bank: RL-MC                | € 20.00                   | € -20.00<br>\$ 0.00 | -€ 120.00                   | € 100.00          |
| <b>3) Richard had € 20 put back on a company card, with no refund, personal expense.</b> | No         | Vendor: RL      | Bank: RL-MC                | € -20.00                  | € 0.00<br>\$ 0.00   | € -100.00                   | € 100.00          |
| <b>4) Richard had \$ 11 put back on a company card</b>                                   | Yes        | G/L: FOOD       | Bank: RL-MC                | -\$ 11.00<br>(€ -10.00**) | \$ 0.00             | € -110.00                   | € 90.00           |

|  |     |           |            |                           |                  |                  |                 |
|--|-----|-----------|------------|---------------------------|------------------|------------------|-----------------|
| 5) Richard paid \$88 in cash or using a private card | Yes | G/L: FOOD | Vendor: RL | \$ 88.00<br>(€ 80.00**)   | \$ 88.00         | € -110.00        | € 170.00        |
| 6) Company pays Richard \$ 121 in cash in advance    | N/A | N/A       | Vendor: RL | \$ 121.00<br>(€ 110.00**) | \$ -33.00        | € -110.00        | € 170.00        |
| <b>Ending Balance</b>                                |     |           |            |                           | <b>\$ -33.00</b> | <b>€ -110.00</b> | <b>€ 170.00</b> |

\*\* All the conversion rates are taken from the Bank Transaction information. If the bank did not provide the exchange rates or the expense was paid by cash, then the currency exchange rate is the one from calculated by the system.

#### 4. Posting in Expense Currency with bank account in foreign currency (USD)

*Setup:*

*Post Bank Transaction on Import = No*

*Post in Expense Currency = Yes*

*Bank Account Currency = FCY (USD)*

*Local Currency = EUR*

Because the bank account has a foreign currency, all the transactions will be posted in the currency of the bank account. The cash expenses (not related to bank transactions) will be posted in the expense currency, as requested.

| Scenario  | Refundable | Expense Account | Balance Account Type & No. | Amount                    | Vendor Balance      | Credit Card Balance<br>(FCY \$) | G/L: FOOD Balance |
|---|------------|-----------------|----------------------------|---------------------------|---------------------|---------------------------------|-------------------|
| <b>Starting balance</b>   |            |                 |                            |                           | <b>€ 0.00</b>       | <b>\$ 0.00</b>                  | <b>€ 0.00</b>     |
| 1) Richard paid \$ 110 with a company card  | Yes        | G/L: FOOD       | Bank: RL-MC                | \$ 110.00<br>(€ 100.00**) | € 0.00<br>\$ 0.00   | \$ -110.00                      | € 100.00          |
| 2) Richard paid € 20 with no refund, using the company card, personal expense.    | No         | Vendor: RL      | Bank: RL-MC                | € 20.00<br>(\$ 22.00**)   | € -20.00<br>\$ 0.00 | -\$ 132.00                      | € 100.00          |
| 3) Richard had € 20 put back on a company card, with no refund, personal expense. | No         | Vendor: RL      | Bank: RL-MC                | € -20.00<br>(\$ -22.00**) | € 0.00<br>\$ 0.00   | \$ -110.00                      | € 100.00          |
| 4) Richard had \$ 11 put back on a company card                                   | Yes        | G/L: FOOD       | Bank: RL-MC                | -\$ 11.00<br>(€ -10.00**) | \$ 0.00             | \$ -121.00                      | € 90.00           |
| 5) Richard paid \$ 88 in cash or using a private card                             | Yes        | G/L: FOOD       | Vendor: RL                 | \$ 88.00<br>(€ 80.00**)   | \$ 88.00            | \$ -121.00                      | € 170.00          |
| 6) Company pays Richard \$ 121 in cash in advance                                 | N/A        | N/A             | Vendor: RL                 | \$ 121.00<br>(€ 110.00**) | \$ -33.00           | \$ -121.00                      | € 170.00          |
| <b>Ending Balance</b>   |            |                 |                            |                           | <b>\$ -33.00</b>    | <b>\$ -121.00</b>               | <b>€ 170.00</b>   |

\*\* All the conversion rates are taken from the Bank Transaction information. If the bank did not provide the exchange rates or the expense was paid by cash, then the currency exchange rate is the one from calculated by the system.