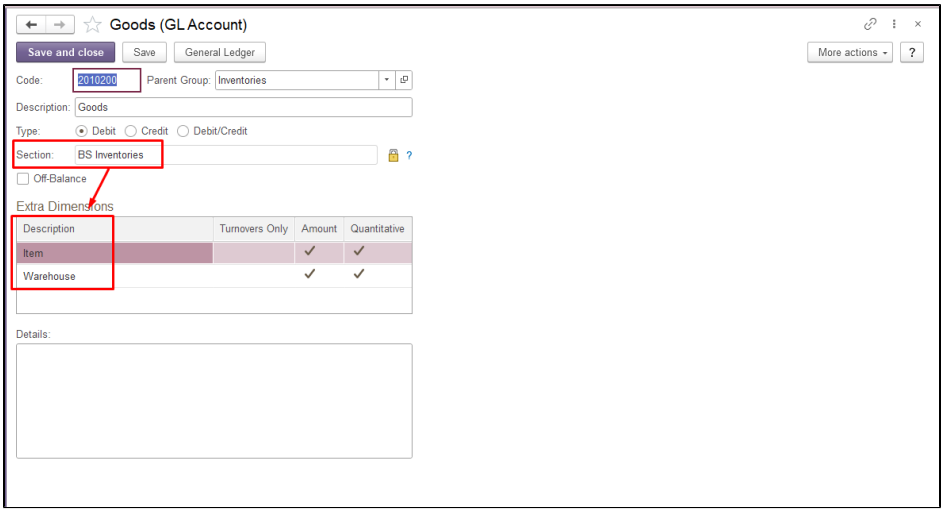
GL Account Extra Dimensions Logic in FirstBit Software

Problem: Why does a GL account require specific analytics/ Extra Dimensions (for example, Company, Contract, Employee, Tax Type, etc.)?

In FirstBit Software, analytical dimensions required for a GL account are defined by the accounting purpose of the account and its role in financial reporting.

Analytics are not assigned randomly or based only on whether an account belongs to Assets, Liabilities, Income, or Expenses. Each GL account is configured based on its accounting section and intended usage. The selected account section defines the accounting logic, available analytics, and reporting requirements for accounts within this section to correctly track accounting information and generate accurate reports.

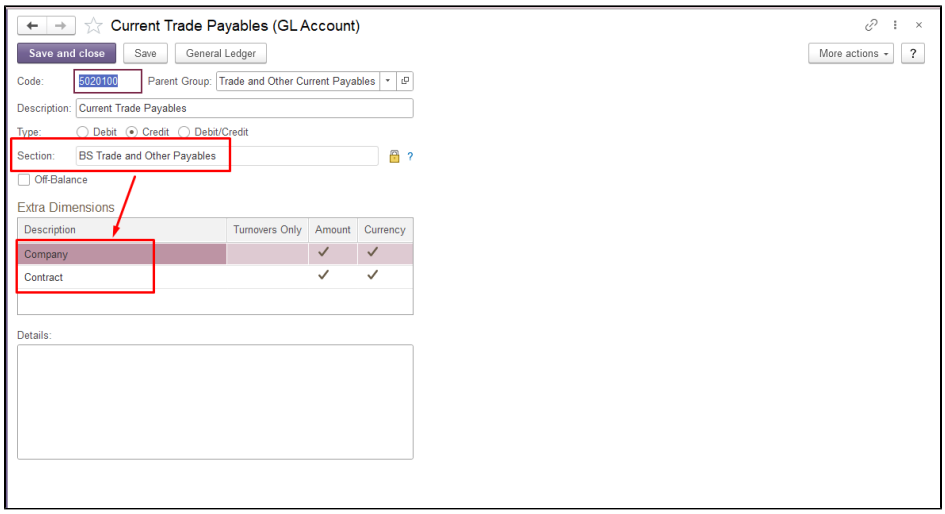


Examples of analytical dimensions include:

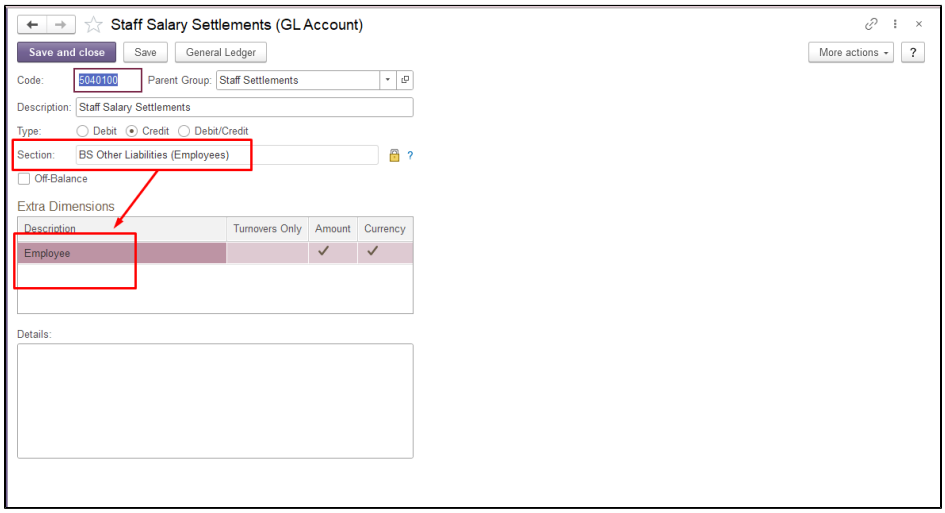
- **Company** — used when balances need to be tracked separately by legal entity or counterparty organization.
- **Contract** — used for tracking obligations or receivables related to specific agreements.
- **Employee** — used for employee-related balances (salary settlements, employee benefits, expenses).
- **Tax Type / Payment Type** — used for tax-related accounts.
- **Items / Income Items / Expense Items** — used for operational income and expense analysis.
- **Fixed Assets** — used for asset-related depreciation and transactions.

For example:

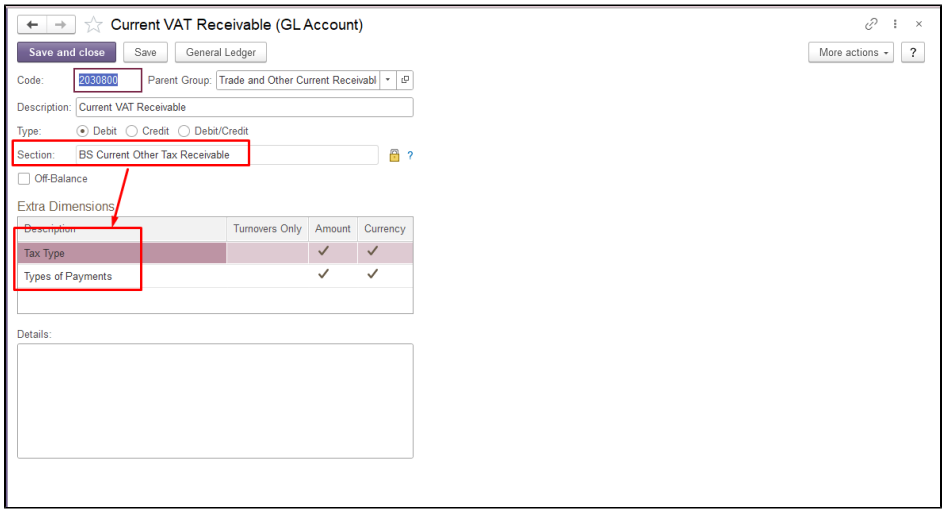
- Trade payables accounts require analytical tracking by **Company** and **Contract** because the system must identify the supplier /customer relationship and related agreement.



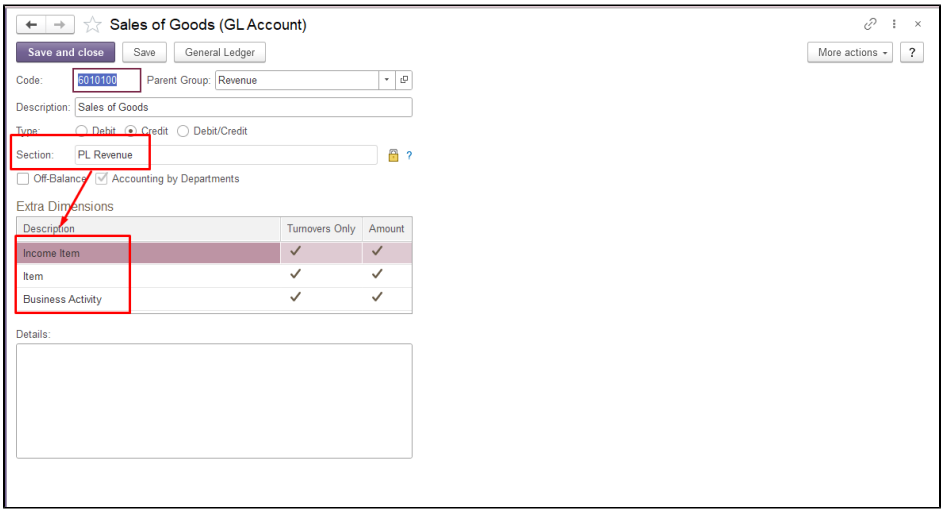
- Employee settlement accounts require **Employee** analytics because the balance belongs to a specific employee.



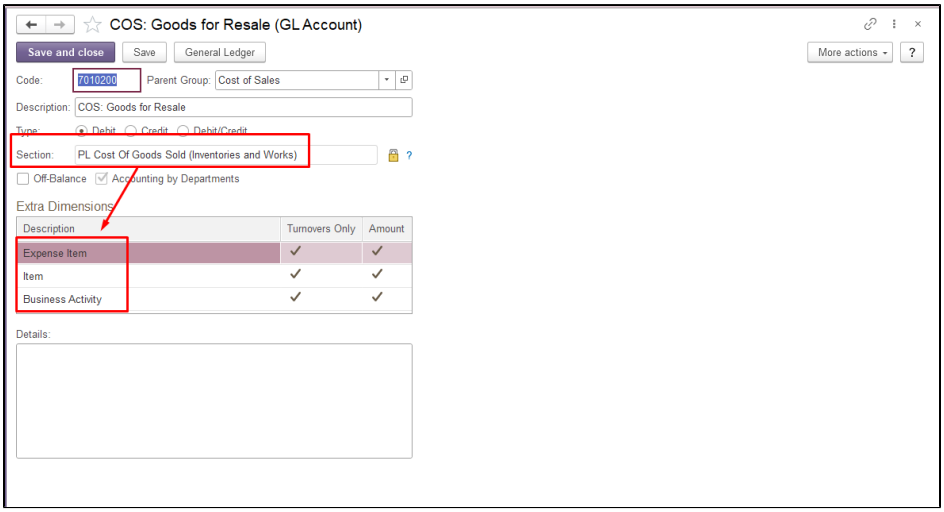
- Tax-related accounts may require analytics such as **Tax Type** and **Types of Payments**. These dimensions allow the system to classify tax transactions by tax category and payment purpose, such as tax amounts, penalties, interest, or tax prepayments.



- Income accounts may require operational analytics such as **Income Items**, **Items**, and **Business Activities** for detailed revenue tracking and management reporting.



- Expense accounts may require operational analytics such as **Expense Items**, **Items**, and **Business Activities** for cost analysis and management reporting.



The required analytics are part of the GL account configuration and ensure:

- correct accounting classification;
- accurate subledger tracking;
- proper financial reporting;
- consistency between accounting transactions and reports.

If a GL account requires a specific analytical dimension, this means that the account is designed to store detailed accounting information that cannot be reliably maintained without this dimension.

If a user needs an account with different analytical requirements, the correct approach is to create or select a GL account under the appropriate parent group in the Chart of Accounts and assign an account section that matches the business process and accounting purpose. The account section defines which analytical dimensions are required for this account.

Thank you for being FirstBIT Customer!