



# ASI\**n*fo Accounting News

ASI is a Top Reseller of Open Systems & Traverse Accounting Software®  
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## A/P and GL Postings

This is second in a series of understanding the General Ledger ramifications of your entries within Subsidiary applications. This month we explore Accounts Payable/Purchase Order.

When Accounts Payable Transaction Invoices are entered the Credit side of the posting is the Accounts Payable GL account as defined in Distribution Code Set up. The Line Item entry (DEBIT) can pull the GL account either from the GL account as set up in the Vendor Master file, the Inventory account as set up in Account Codes or the GL Account number that you entered in the Line Item. Other debits include any entry you make on the Total Page for Misc., Sales Tax and Freight. The Misc. Sales Tax and Freight GL accounts are also found in the Distribution Code setup.

When entering a Debit Memo it is the exact opposite as explained in the paragraph above.

When invoices are Prepared, Checks run and Posted the entries are a Credit to Cash as defined within the Bank Account Set up, a credit to Discounts (if used) to the account set up within the Table ARGLxxx found in File Maintenance, Tables. The Debit is to Accounts Payable as defined in the Distribution Code setup.

When a check is voided the process is the exact opposite of the paragraph above, (Cash is debited, discounts debited, and Accounts Payable credited), and the invoice is placed back in the Open Invoice File as is.

In Purchase Order if ACCRUALS are NOT turned on when a NEW order is entered there is no General Ledger posting. When the Goods are Received there are no General Ledger postings, but since the Goods are immediately put into inventory the Inventory Valuation is increased by that amount. In order to reconcile your Subsidiary Valuation File with your General Ledger you would need to run the Goods Received Report to add the Goods Received but not Invoiced amounts to your General Ledger Inventory account to arrive at the actual Inventory Valuation.

In Purchase Order with the ACCRUALS turned on, the Table APGLxxx found in File Maintenance, Tables defines General Ledger Accounts for Inventory Accrual, Job Accrual, Expense Accrual, and Accounts Payable Accrual. These Accrual accounts come into effect when Goods are Received. General Ledger entries will be made each time you receive goods to the accounts assigned in the ARGLxxx Table and when the Purchase Order is invoiced these accrual entries are reversed and the actual General Ledger Accounts as defined within the Distribution Codes, Vendor Account, Inventory, Job, or manually entered account on the line item will posted to.

Returned Goods postings are the exact opposite of above.

Remember you can have multiple Distribution Codes to allow invoices to post to the General Ledger by Division or Department segments as set up within your General Ledger mask.

## Traverse & SQL Server 2008

Open Systems announces that TRAVERSE v10.5 has been certified to run on Microsoft's SQL Server 2008 database server. SQL Server 2008 promises a smart, dynamic platform for business-critical applications and enterprise-class data management, and is available in seven editions, ranging from compact, free versions to comprehensive enterprise solutions. It includes new capabilities such as support for policy-based management, auditing, large-scale data warehousing, geospatial data, and advanced reporting and analysis services.

Steve Beckey, VP of TRAVERSE Development at OSI said "Customers who run TRAVERSE on this platform are able to maximize their technology investment. It also provides a solid foundation for our upcoming release of TRAVERSE v11 built on Microsoft's .NET Framework"



## Accounts Payable Tip

When your vendor has a lock box for payments or a different address than their physical address, using the Pay To fields within the Vendor Setup allows you to store the main address along with the vendor, and a different address for your checks to be mailed to.

With that said, if you are using the Pay To for every vendor and the Pay To is the same as the Vendor Address, REMEMBER to change the address in both places. If you only change the vendor address when you print checks they will still go to the 'old' Pay To address.



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### Cleaning up A/R Invoices

With year end approaching most companies try to clean up their old Accounts Receivables.

Setting up different methods of payment as write offs and using the applicable General Ledger Account number you can easily get these invoices off your Open Invoice File and their write off expense sent to the proper General Ledger Expense.

For those Bad Debt Expenses you know you will not collect set up a Method of Payment as a write off and apply the Bad Debt GL Expense account.

REMEMBER when you use a Method of Payment to write off any invoice it does not affect Commissions that are being accumulated for your Sales Rep.

To write off a Bad Debt, Sales Tax or any other write off that affects Sales Rep's Commissions you must credit memo the invoice, rather than use a method of payment.

Sales Tax write off's should always be done through Credit Memos. Only Invoices and Credit Memos affect the Sales Tax reports. Write Off's using Method of Payments do not change the Sales Tax Report's figures.

### Physical Inventories

You can get prepared for year end right now by setting up one or several BATCHES for your Physical Inventory.

To separate out your Inventory by who will be counting it you can create several batches. These can be by Location, Product Line, Item, or other User Defined Fields set up in Inventory.

Do not freeze the Inventory quantities until you are ready to enter the actual physical count, but you can print out the worksheets for your employees to start organizing what they will be counting, or to actually count those slow moving items or seasonal items you know will not be changing before year end.

When you are ready to enter the physical counts then FREEZE



### General Ledger Budgets

You can begin setting up your 2009 budgets before you reach the New Year.

Go to General Ledger, File Maintenance, Account Budgets. When you enter the Account Number select NEXT YEAR BUDGET. This opens up the column on the right side of the screen for you to enter your budget amounts into.

Budgets can be entered manually for each month or selections to speed up your Budget entries are listed on the bottom of the screen.

You can enter your budgets based upon Duplicating a figure for all twelve months, Allocating a figure throughout the twelve months equally, Enter a dollar amount above Last Year's figures, or a Percent above Last Year's figures.

At Year End when you are ready to create the New Year (General Ledger, Periodic Processing, Create Last Year Data) there are two questions you want to pay particular attention to.

1. Copy Next Year Budget to Current Year Budget?
2. Do you want to zero Next Year Budget Balances?

Answer YES to the first one, and decide how you want to answer the second one.

Now 2009 has budgets!

### Reimbursements Through Payroll

Did you know that you can pay non-taxable reimbursements to your employees right on their paycheck without affecting their taxable (W2) wages?

Set up an Earning Code for this reimbursement (such as uniform, boots, mileage, etc). Include this earning in net pay, assign an earning type of M for Miscellaneous, and set the multiplier to 1.

Set up these new Earnings Codes in each Payroll Department that they apply to and use the appropriate General Ledger Expense Account for this reimbursement.

Exclude all Withholdings (FWH, MED, OSA, EME, EOA, FUT, EIS, SWH, SUI, LWH, LO1, etc) as well as any Deductions that may calculate based upon Earning Codes (such as 401K, IRA, HSA, ETC)

In Daily Work, Transactions enter the dollar amount of the reimbursement you will be paying in the amount section. Do not enter any hours for this Earning Code, otherwise these hours will be mixed in with the total hours actually worked for the employee.

This dollar amount for reimbursement will appear as a separate earning type with the dollar amount on the check stub, and the amount will be included in the Net Pay for the employee but will not be taxed by any Federal, State, Local agencies.

When any Month, Quarter, or Year End Reports are printed these reimbursement amounts will appear in the Gross Pay section but will not appear anywhere in the taxable columns of these reports. These amounts will not appear on the State Unemployment reports nor will they appear anywhere on the W2 when printed.

Reimbursing your employees right along with their Payroll processing can save time and expense by not having to process and Accounts Payable Check for these routine expenses.

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