



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 account numbers set up in Business Rules. Other debits include any entry you make on the Total Tab for Misc. and Freight. The Misc. and Freight GL accounts are also found in the Distribution Code setup. If Sales Tax is being used within Accounts Payable the Sales Tax General Ledger Debit is found within the Tax Location Setup in System Manager.

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 Business Rules. 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, System Manager, Business Rules for Purchase Order have you define General Ledger Accounts for Inventory Accrual, Expense Accrual, Project/Job Accrual, Landed Cost 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 Business Rules 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, Project/Job, or manually entered account on the line item will posted to.

Remember you can have multiple Distribution Codes and they can be adjusted upon invoice entry. This allows you to send credits and debits to different divisions or departments.

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.

***A monthly publication by Amazing Solutions, Inc.
containing OSAS and TRAVERSE Accounting Software® tips and announcements.***



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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.

First the New Year must be set up. To do this go to Periodic Processing, Year End Maintenance. Select New Year. This will create the Next New Year.

To create the Periods, go to System Manager, Company Setup, Period Conversion. Enter the year and click the Auto Fill button and give the new year the first day of this year (01/01/2009 if your new year begins January 1).

In General Ledger, Setup and Maintenance, Account Budgets and Forecasts, click on the Company you want to work with and click DETAIL. Once in Detail select the period 1-12 of the year you want to set up budgets. Click Refresh, and select all the accounts you want to enter budgets for.

To enter the actual account's budgets go to General Ledger, Setup and Maintenance, Account Budgets. Call if each account and see the selections you have below for entering budgets Duplicate, Last Year \$, Change \$, Allocate, Last Year %, Change %, or Manual.

For assistance on setting up next year's budgets just give us a call and we can help.

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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