

Financial Management Training

Activity Guide



70-2855A
Database: Train eB2
June 2003

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Contents

Lesson 1	3
Activity 1.1: Training Database and Company Description	3
Activity 1.2: MFG/PRO Menu Structure.....	5
Activity 1.3: Terminology	7
Activity 1.4: Using MFG/PRO	9
Lesson 2	1
Activity 2.1: Enter Your Company Address	1
Activity 2.2: Bank Maintenance (Optional)	2
Activity 2.3: Credit Terms.....	3
Activity 2.4: Items/Products	5
Lesson 3	1
Activity 3.1: Currencies and Bank Accounts (Optional).....	1
Lesson 4	1
Activity 4.1: Salespersons and Commissions	1
Activity 4.2: Add a Customer	2
Lesson 5	1
Activity 5.1: Sales Order Management	1
Activity 5.2: Shipping/Invoicing	3
Lesson 6	1
Activity 6.1: Review Invoices in AR.....	1
Activity 6.2: Enter DR/CR Memos	2
Activity 6.3: Print Aging Reports	7
Activity 6.4: Finance Charges, Statements, and Dunning Letters (Optional)	8
Lesson 7	1
Activity 7.1: Entering Payments	1
Activity 7.2: Returns and Credits (Optional).....	5
Activity 7.3: Review General Ledger Transactions (Optional).....	8

Lesson 8	1
Activity 8.1: Drafts (Optional).....	1
Lesson 9	1
Activity 9.1: Multinational AR	1
Lesson 10	1
Activity 10.1: Add a Supplier	1
Activity 10.2: Review Control File Values	2
Lesson 11	1
Activity 11.1: Enter Purchase Orders	1
Activity 11.2: Purchase Order Receipts and Returns	4
Lesson 12	1
Activity 12.1: Review AP Control	1
Activity 12.2: Voucher Maintenance.....	2
Activity 12.3: Vouchering Against a Purchase Order	4
Activity 12.4: Tracking Vouchers for Approval (Optional)	8
Activity 12.5: Enter Opening Balances	9
Activity 12.6: Recurring Vouchers	12
Lesson 13	1
Activity 13.1: Record Manual Checks.....	1
Activity 13.2: Process Automatic Checks	3
Activity 13.3: Prepayments (Optional)	5
Activity 13.4: Check Void and Reconciliation	10
Lesson 14	1
Activity 14.1: 1099-MISC Reporting (Optional)	1
Lesson 15	1
Activity 15.1: AP Drafts (Optional)	1

Lesson 16	1
Activity 16.1: Multicurrency AP (Optional)	1
Lesson 17	1
Activity 17.1: Review Entity Information (Optional)	1
Activity 17.2: Review Format Positions	2
Activity 17.3: Set Up GL Accounts	3
Activity 17.4: Enter Cost Center Information	4
Activity 17.5: Using Allocation Codes	5
Activity 17.6: Closing the Period by Transaction Type (Optional)	7
Lesson 18	1
Activity 18.1: Review and Post Transactions	1
Activity 18.2: Project Accounting	2
Activity 18.3: Enter Beginning Balances	3
Activity 18.4: Enter Reversing Transactions	5
Lesson 19	1
Activity 19.1: Print Balance Sheet and Income Statement	1
Activity 19.2: Enter and Calculate Budgets	2
Activity 19.3: Creating a Custom Report (Optional)	6
Lesson 20	1
Activity 20.1: Print a Consolidated Income Statement	1

Using the System

Lesson 1

Activity 1.1: Training Database and Company Description

Quality Products

The database for this class has been preloaded with data for the Quality Products Company. We will use some of this data for the class activities.

Sells pencils and refills.

The Quality Products Company manufactures and distributes mechanical pencils and refill products. These products are packaged and sold to retail stores and office supply distributors.

Based in U.S.

Quality Pencil is a wholly owned subsidiary of a large company. It prepares its own financial statements and provides the holding company with general ledger (GL) results for consolidation. The company's manufacturing operations are based in Los Angeles, California, and branch sales offices are located worldwide.

MFG/PRO Menu Structure

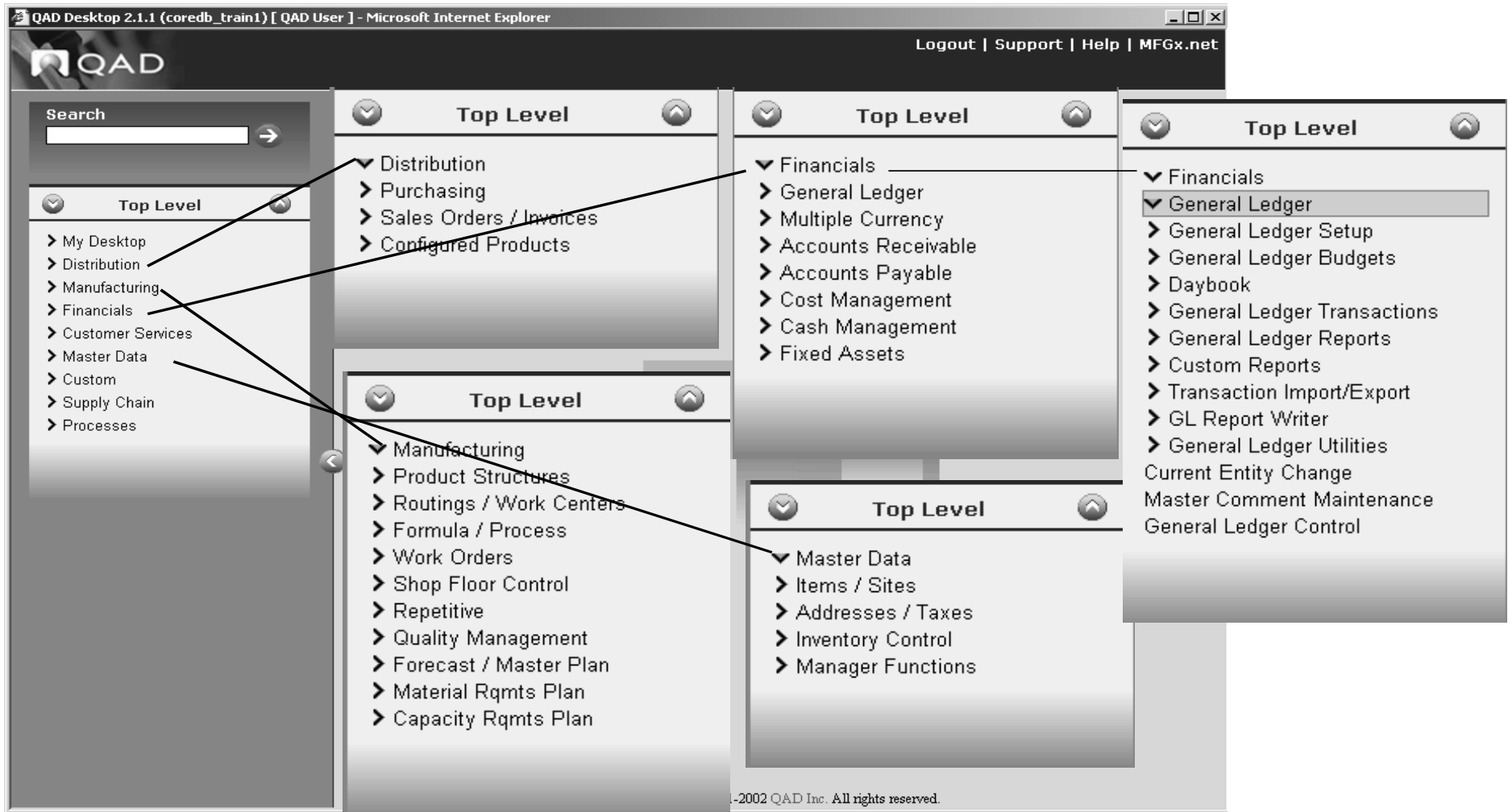


Figure 1. Menu Structure

Activity 1.2: MFG/PRO Menu Structure

Menus	Menus are lists of screens where you can look up or input data or access submenus.
Maintenance	Maintenance screens enable you to add, delete, or modify data. We recommend that you set up security for most of these.
Inquiry	Inquiries enable you to review data on the terminal without changing it. A number of fields can be selected for inquiries; when the fields are left blank, all items are selected and displayed. You can also send inquiries to a printer or file.
Report	Reports enable you to send data to a printer or file and usually contain more information than inquiries. Normally, they also have one or more selection criteria (From: and To:). You can use these values to define the range of items selected for the report. Most reports can also be viewed on the screen, but may not format correctly on some terminals.

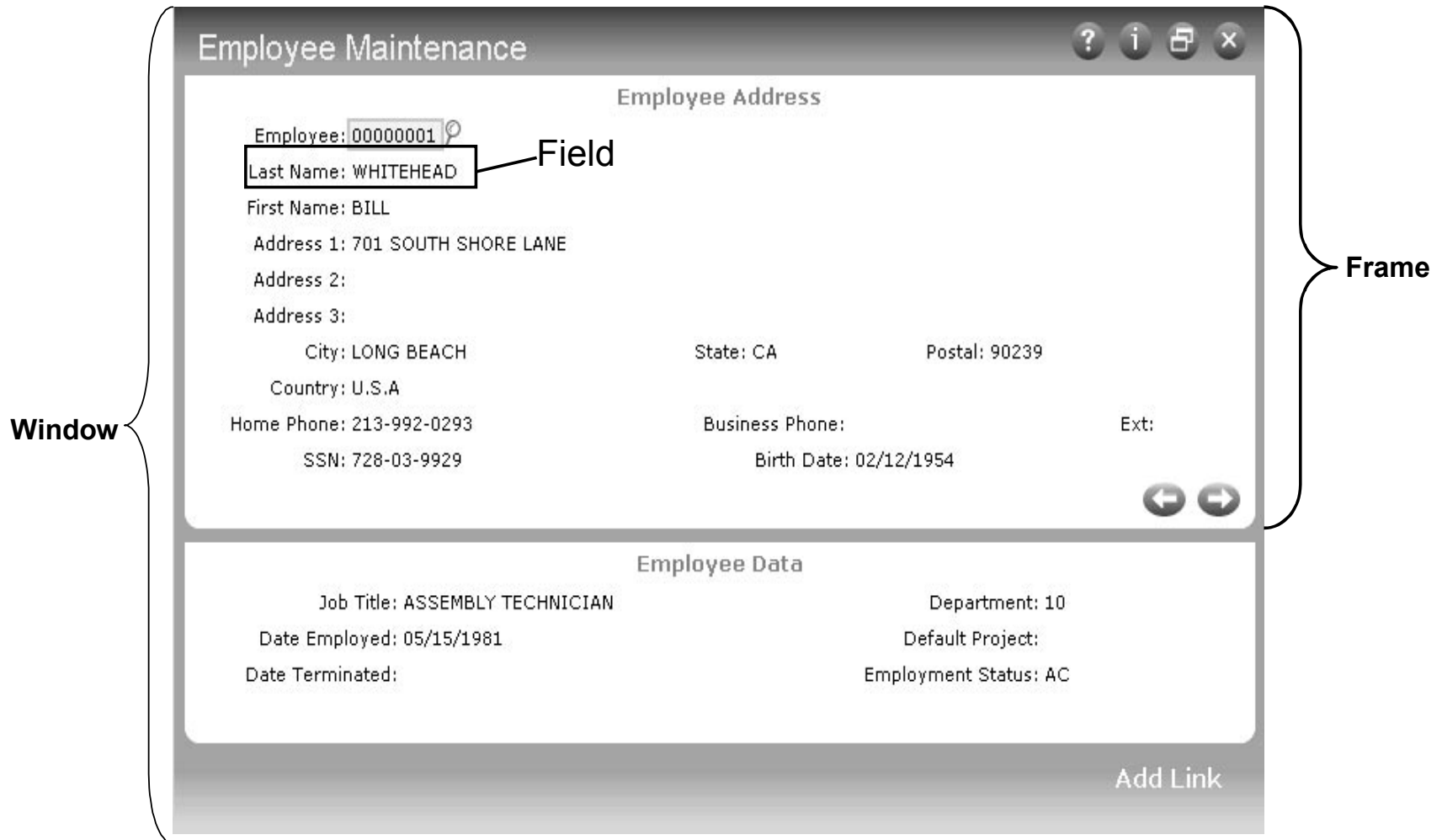


Figure 2. Employee Maintenance

Activity 1.3: Terminology

Understanding some basic terminology will help you to use MFG/PRO.

Field

A *field* is a single item on a screen, e.g., the name Smyth.

Frame

A *frame* is a part of a screen that has a box drawn around it (or line); data is grouped within frames. Highlighted fields are filled in with a different color (lighter, darker), reverse video, or underlined, depending on the type of terminal you are using.

Window

A *window* is a special frame that displays only with certain control settings. For example, if you select Display Weights in the Freight Control File, a pop-up window prompts you to enter additional freight details.

Note: You can only change (type in) highlighted fields. If you try to type anywhere else, the terminal will beep at you.



Figure 3. MFG/PRO Main Menu

Activity 1.4: Using MFG/PRO

Select appropriate topics/activities based on which interface you are using and how advanced is the class

You have the ability to use MFG/PRO in a Windows™ Interface, in character mode, or via the Internet. For more information on how to use MFG/PRO in either mode, refer to the *User Interface Guide*. Here you will find detailed information and activities for both types of modes. Examples of some of the topics discussed are:

- Signing on and using Menus
- Screens
- Field and Procedure Help
- Keyboard commands

Lesson 2

Activity 2.1: Enter Your Company Address

Description

The company address for the Quality Products Company has already been entered into the system. Personalize your database by substituting your company name and address in each of the address codes. In this activity, you enter your own company name and address into the company address file and set up the screens and reports to display your company name.

Select

**Enter your company
address.**

**Company Address
Maintenance
Master Files**

Save this information

reports

Directions

1. Press the Down arrow until address code 10000000 displays. Replace Quality Products Company with your company's name.
2. In the Address field, use the Down arrow key to access the address codes ~reports and enter your company name for each code. This ensures that your company name is displayed at the top of all menus and at the top of all reports.

Activity 2.2: Bank Maintenance (Optional)

Description

In this activity, you set up a code for a company bank account. In MFG/PRO, bank codes determine the bank account used to process AP and AR transactions, and suppliers have default bank codes for remittances.

Bank Maintenance is accessible from Accounts Payable, Accounts Receivable, and Multiple Currency, but all bank codes are stored in the same file.

Select

Directions

Bank Maintenance Financials

Set up bank code FN at the First National Bank. Enter USA as the country code, the bank account as 1040 and accept the default values displayed for the entity, GL accounts, and currency.

The payment in process (or cash in transit) account is optional and can be used to track payables that have yet to clear the bank.

Draft accounts can be specified for this bank if you pay invoices or accept payments in the form of drafts. Drafts are used in many countries in place of checks.

For reference purposes, you can also enter tax or EDI information for this bank.

Activity 2.3: Credit Terms

Description

Before using the sales orders/invoicing, purchasing, accounts receivable, or accounts payable functions, you need to set up the credit terms you use. In this activity, you first review the credit terms that are already in the database and then practice entering some of your own.

Select

**Credit Terms
Browse/Inquiry
Master Files**

Directions

1. Use the Credit Terms Browse/Inquiry to review the credit terms that have already been set up in the training database.

**Credit Terms
Maintenance
Master Files**

2. Add a new credit terms code:

Terms Code:	2/15N45
Description:	2% Disc in 15/Due in 45
Multiple Due Dates:	Leave blank
Disc Pct:	2
Disc Days::	15
Disc Date From:	1
Due Days:	45
Due Date From:	1

3. Add four other credit terms codes:

Entire invoice amount due 20 days from the date of the invoice.

EOM20: The entire invoice is due on the 20th day of the next month.

50/50: Half of the invoice amount is due upon receipt of the invoice (credit term code 0) and the balance is due in 20 days from invoice (credit term N20).

30/10: Entire invoice is due 30 days from the date of the invoice, plus 10% terms interest.

Activity 2.4: Items/Products

Description

When you implement MFG/PRO, you set up records for most of the items you buy and sell (inventory items). In this activity, we review the product lines and items already in your training database and set up a product line for promotional materials and an item record for product brochures.

Select

Directions

**Review product lines.
Sales Acct 3000,
CC 0100**

**Product Line
Browse/Inquiry
Master Files**

1. Use the Product Line Browse/Inquiry to review the product lines that are already set up in the training database. To which GL account code and cost center are sales of pencils posted?

Add line 9999.

**Product Line
Maintenance
Master Files**

2. Enter a new product line, 9999, for promotional materials. This product line is nontaxable. All sales of promotional materials are posted to account 3000, cost center 0100.

Prod Line: 9999
Description: Promotional Materials
Taxable: No
Tax Class: blank
Sales Account:
CC: 3000 0100

**Add Item 99-9901
Product Brochure**

**Item Data Maintenance
Master Files**

3. One of the promotional items you supply is product brochures. Set up an item record for these. Enter only the following values; leave the remaining fields blank.

Item Number: 99-9901
UM: EA
Description: Product Brochure
Prod Line: 9999
Item Type: FINGOOD
Group: PUR

Enter price/cost

**Item Cost Maintenance
Master Files**

4. Use Item Cost Maintenance to enter the price and GL cost of the product brochures.

Item Number: 99-9001
Price: .25
Tax: No
Tax Class: blank
GL This Level:
Material: .07

Item Cost Maintenance can also be used to record an item's current cost. Options in the Inventory Control program and the purchase order enable the system to update an item's current cost after every transaction.

Using Sales Order Repricing, you can also maintain current price data on existing open sales orders.

Lesson 3

Activity 3.1: Currencies and Bank Accounts (Optional)

Description

In order to process transactions in a foreign currency, you must first define the currency code, exchange rate, GL cash account, and foreign currency bank account.

In this activity, we review some existing exchange rates, then we set up an exchange rate for USD to New Zealand dollars (currency code NZD). Afterward, we set up a GL account and bank account for NZD.

Select

Directions

**Currency
Maintenance
Financials**

1. Set up a currency code for New Zealand dollars.

Currency Code: NZD
 Description: New Zealand Dollar
 Rounding Method: 2

Update NZD.

**Exchange Rate
Maintenance
Financials**

2. Today, you can buy 1.6 New Zealand dollars (NZD) for one U.S. dollar. Enter an exchange rate foreign/base for today's date.

(Press Go or Enter to update the line, then End to exit the frame.)

**Account Code
Maintenance
Financials**

3. Set up a GL cash account for New Zealand dollars. Enter the following information and press Go.

Account: 1047
 Description: Cash – New Zealand
 Type: A (asset)
 Currency: NZD
 Format Position: 11120

**Country Code
Maintenance
Master Files**

4. Enter a country code for New Zealand.

Code: NZ

Name: New Zealand

**Bank Maintenance
Financials**

5. Enter a new bank account for New Zealand dollars:

Bank: NZ

Description: New Zealand Bank

Country: NZ

Next Check: 000500

Currency: NZD

Bank Acct 1: XY8764

Entity: 1000

Cash Account: 1047

Payment in Process: 1047

The payment in process (or cash in transit) account is optional; you may want to use it to track payables that have yet to clear the bank.

The exchange gain/loss account tracks realized gain/loss relative to USD on NZD payments. We will discuss exchange gains/losses later in the class.

Lesson 4

Activity 4.1: Salespersons and Commissions

Description

In this activity, we set up a new salesperson whose default commission is 10%. Since this salesperson gets only 2% on promotional products, we also set up a commission detail record.

Select

Directions

Add salesperson.

**Salesperson Maintenance
Master Files**

1. Add yourself into the system as salesperson 99. Set the commission to 10%. Use country code USA.
2. In Salesperson Commission Detail, enter the product line 9999. Press Enter until you get to the commission frame. Set up a 2% commission rate for promotional products for this product line.

**Rate = 2% on
product line 9999.**

Activity 4.2: Add a Customer

Description In this activity, you add a new customer. You will use this customer in later activities for invoicing and accounts receivable.

Select **Directions**

Add customer.

**Customer Maintenance
Master Files**

Add a new customer. This customer is an end user to whom you sell pencil products directly.

Customer: 100
Name: California Sun Advertising
Address: 50 East Main Street
City: Ventura
State: CA
Post: 93001
Country: USA
County: Ventura

Customer Data:

Salesperson 1: 99
Multiple: No
AR Acct: 1200
Region: US
Site: Train

Customer Credit Data:

Credit Limit: 50
Terms: 2/10-30
Credit Hold: No
Finance Charge: Yes
Statement: Yes
Stmt Cycle: 1
Dun Letter: Yes

Lesson 5

Activity 5.1: Sales Order Management

Description

In this activity, we practice entering a sales order so that you see where and how GL account codes, salesperson commissions, trailer charges, and taxes are entered.

Since this order exceeds the customer's credit limit, you see that the order is automatically placed on hold. You will remove the hold using the credit management functions.

Select

Directions

Sales Order Maintenance Distribution

1. Enter a sales order for customer 100. Write down the order number. In the lower frame, notice how the credit terms default from the customer record.

Calculate Freight:	No
Display Weights:	No

Enter the following information for items 02-0010 (eraser refill packs) and 02-0020 (lead refill packs).

Line:	1
Item Number:	02-0010
Site:	Train
Qty Ordered:	100
List Price:	1.00

Line: 2
Item Number: 02-0020
Site: Train
Qty Ordered: 100
List Price: .75

Place on hold.

2. Enter a nontaxable freight charge on the trailer.

Freight: 10
Amount: 15.00

You should see a line item total of \$175.00 and freight of \$15.00.

Notice the system automatically places the order on hold (HD). This is because the Sales Order Control is set to `Hold Orders over Credit Limit`.

**Open amount
excludes tax.**

**Sales Order Credit
Inquiry
Distribution**

3. Use the Sales Order Credit Inquiry to review the status of all open orders for customer 100.

Approve order.

**Sales Order Credit
Maintenance
Distribution**

4. As the credit manager, you have reviewed the customer's credit history and determined that it is OK to process this order. Before you can create a packing list and shipment, however, you must change the order's action status to blank. Here, we do this in Sales Order Credit Maintenance. You could have also used Sales Order Auto Credit Approval.

Activity 5.2: Shipping/Invoicing

Description	We start by shipping the order we entered in the last activity. Then, we practice modifying, printing, and posting the pending invoice for the order.
Select	Directions
Ship order.	<p data-bbox="436 451 747 521">Sales Order Shipments Distribution</p> <p data-bbox="816 451 1969 597">1. Process a shipment for the order you entered in the last activity. (If necessary, do a lookup browse to find the order for customer 100.) Ship the entire order from site Train and location 200. (Disregard any warning messages that the lot/serial does not exist at the site/location.)</p> <p data-bbox="879 626 1969 769">On the trailer screen, change the freight charge to \$13.75, the actual UPS charge for shipping these products. After you press Go, notice that Invoice Number is blank, Ready to Invoice = Yes, and Invoiced = No, because the shipment has not yet been invoiced. Press Go again to complete the transaction.</p>
Print invoice, change and reprint.	<p data-bbox="436 802 611 870">Invoice Print Distribution</p> <p data-bbox="816 802 1969 948">2. Print the invoice. If it prints OK, respond Yes to the message Update Invoice. This updates the Invoice Number, Ready to Invoice, and Invoiced flags in the order trailer. However, if your paper jams or you see an error, reset this to No. Destroy the invoice(s) you just printed, make the correction, and reprint.</p> <p data-bbox="436 977 653 1081">Pending Invoice Maintenance Distribution</p> <p data-bbox="816 977 1969 1192">3. After printing the invoice, you discovered that salesperson 99's commission on line 1 should have been 7%. Go into Pending Invoice Maintenance to make the correction. You will see a message: WARNING: INVOICE PRINTED BUT NOT POSTED. This warns you that you may have already sent the invoice to the customer. In this case, the customer invoice would not show commission changes, so reprinting the invoice is optional.</p> <p data-bbox="911 1221 1969 1328">Note: If you must reprint an invoice, you can do so using Invoice Print. Before reprinting, you must reset Ready to Invoice to Yes and Invoiced to No in Pending Invoice Maintenance.</p>

	<p>Pending Invoice Register Distribution</p>	<p>4. Review the register for your sales order by sending the output to your terminal. Notice that the report is empty. Why?</p> <p>The Include Ready to Post option allows you to include only invoices that have been printed but not posted. Since Include Ready to Post defaults to No, your invoice does not show up.</p> <p>Now, reset Include Ready to Post to Yes, and rerun the report.</p> <p>You will need to reprint the invoice before you can post it.</p>
<p>Post</p>	<p>Invoice Post Distribution</p>	<p>5. Post the invoice to AR. Leave the invoice fields blank.</p> <p>Usually, it is a good idea to set the GL effective date to the day on which the invoices were printed. This ensures that invoices are posted to the correct financial period.</p> <p>Review the post report. Notice the GL account distribution.</p>
<p>SO is gone (posted).</p>	<p>Pending Invoice Maintenance Distribution</p>	<p>6. Now, enter your sales order number and <i>stop</i>. Look at the bottom left of your screen. Notice <i>Adding new record</i>. You can reuse an order number once the original is closed and posted. In most cases, when adding an order, you would let the system assign the next order number. (If you see <i>Modifying existing record, stop</i> and call your instructor.) The purpose of this step is to illustrate that you cannot modify a closed order, but you can reuse the order number for a new order.</p>
<p>Invoice History (Optional)</p>	<p>Invoice History Browse Invoice History Report Closed Invoice Reprint</p>	<p>7. Review several browses/inquiries and reports. You can use Closed Invoice Reprint to reprint lost invoices.</p>
<p>Sales Analysis (Optional)</p>	<p>Sales by Salesperson Browse/Inquiry Distribution</p>	<p>8. Review the Sales Analysis browses/inquiries and reports. These were updated when you posted the invoice. The margin on the sale was calculated as the net price (after discount) less the cost.</p>

**Commission Reports
(Optional)**

**Salesperson Commission
Report
Master Files**

9. Print the Salesperson Commission Report for salesperson 99. You can select commission based on sales or margin. This report lists the total sales amount with a calculated commission percentage for the order total. This report is not split out by line item total.

Lesson 6

Activity 6.1: Review Invoices in AR

Memo Browse/Inquiry	<p>Description</p> <p>Select</p> <p>DR/CR Memo Browse/Inquiry Financials</p> <p>DR/CR Memo Maintenance Financials</p>	<p>Begin by reviewing the invoice information that was passed to Accounts Receivable by Invoice Post.</p> <p>Directions</p> <ol style="list-style-type: none"> 1. Enter your invoice number into the Reference field on this browse/inquiry. If you forgot your invoice number, enter your customer bill-to code (100). This lists all of the invoices for this customer. <p style="margin-left: 40px;">Examine the amount and distribution information. You should be able to identify the amounts that were posted as sales (account 3000, cost center 0100), and freight revenue (account 4100).</p> 2. Try to change the invoice in DR/CR Memo Maintenance. Enter the batch number (or press Enter to set it to blank) and the reference (invoice) number. <p style="margin-left: 40px;">What fields can you change?</p> <p style="margin-left: 40px;">What fields are you unable to change?</p> <p style="margin-left: 40px;">NOTE: do not save any changes you made in this step.</p>
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Activity 6.2: Enter DR/CR Memos

Description

During implementation, debit/credit memos are used to initialize customer opening balances. In this activity, you use a DR/CR memo to enter the opening balance for customer 1004000. This customer has already been set up in the training database.

Select

**Opening Balance for
Customer 1004000**
**DR/CR Memo
Maintenance
Financials**

Directions

1. In one batch, enter the following balance information for customer 1004000. You can use the Reference field to cross-reference the invoice numbers from your old system.

Batch: Enter

(Batch) Control: 12,550.00

Let the system calculate the discount and due dates for each memo.

The first memo is for an invoice from three months ago. Be sure to get the dates right.

Reference:	102
Bill-To:	1004000
Currency:	USD
Type:	M
Date:	3 months ago
Effective Date:	3 months ago
Tax Date:	3 months ago
Memo Control:	2,050.00
Sales Amount:	2,050.00
Credit Terms:	30
Salesperson[1]:	99
Commission[1]:	2%
Acct:	1200
Contested:	Yes
Daybook:	D/C Memo

Ignore Tax Error for now. Remove the Tax usage code from the pop-up tax window.

Distribution Lines:

<u>Account</u>	<u>CC</u>	<u>Tax</u>	<u>Description</u>	<u>Amount</u>
3000	0100	N	Sales	2050.00

The second memo is for an invoice from two months ago.

Reference: 351
 Bill-To: 1004000
 Currency: USD
 Type: M
 Date: 2 months ago
 Effective Date: 2 months ago
 Tax Date: 2 months ago
 Memo Control: 5,500.00
 Sales Amount: 5,500.00
 Credit Terms: 30
 Salesperson[1]: 99
 Commission[1]: 5%
 Acct: 1200
 Contested: No
 Daybook: D/C Memo

Distribution Lines:

<u>Account</u>	<u>CC</u>	<u>Tax</u>	<u>Description</u>	<u>Amount</u>
3000	0100	N	Sales	5,500.00

The third memo is for an invoice from today.

Reference: 462
Bill-To: 1004000
Currency: USD
Type: M
Date: today
Effective Date: today
Tax Date: today
Memo Control: 7,000.00
Sales Amount: 7,000.00
Credit Terms: 2/10-30
Salesperson[1]: 99
Commission[1]: 3%
Acct: 1200
Contested: No
Daybook: D/C Memo

Distribution Lines:

<u>Account</u>	<u>CC</u>	<u>Tax</u>	<u>Description</u>	<u>Amount</u>
3000	0100	N	Sales	7,000.00

Ignore Tax warnings. Take out the Tax usage code in the tax pop-up window.

The final memo is a credit against invoice (memo) 351. Credits are entered as negative amounts.

Reference: CR351
Bill-To: 1004000
Currency: USD
Type: M
Date: today
Effective Date: today
Tax Date: today
Memo Control: -2,000.00
Sales Amount: -2,000.00
Credit Terms: 0
Salesperson[1]: 99
Commission[1]: 3%
Acct: 1200
Contested: No
Daybook: D/C Memo

Distribution Lines:

<u>Account</u>	<u>CC</u>	<u>Tax</u>	<u>Description</u>	<u>Amount</u>
3000	0100	N	Sales	-2,000.00

Ignore Tax warnings. Take out the Tax usage code in the tax pop-up window.

Review memos.

**DR/CR Memo
Browse/Inquiry
Financials**

2. Review the memos you just entered for customer 1004000.

**Print DR/CR
register.**

**DR/CR Memo Register
Financials**

3. Print the DR/CR Memo Register for your batch. Reset Print GL Detail to Yes; the detail is useful for reconciling AR and GL. This report should always be printed after entering a batch to verify the entry. Filed copies may be helpful for quick viewing and for use by non-AR people.

**Customer Account
Inquiry.**

**Customer Account
Inquiry
Financials**

4. Review the account information for customer 1004000. Enter the customer number. The total balance displays in the Balance field. It should be \$12,500.00. (If not, go back and correct your DR/CR memos.)

Press Go. The customer's detailed account information displays showing a list of all customer invoices, DR/CR memos, finance charges, and payments.

**Customer Account
Inquiry
Financials**

5. Review balance information for other customers. At the Customer field, press the Up Arrow or the Down Arrow keys to scroll through all the customer balances.

**Customer Account
Inquiry
Financials**

6. Notice that you can review balance information in terms of either your base currency or the currency of the DR/CR memo. For customer 2001000, change the currency to CAD.

Currency = CAD

Reporting Currency = CAD

Activity 6.3: Print Aging Reports

Description

In this activity, we print and compare two different types of agings. Try each of the selection criteria to see how you can generate reports for specific customers or groups of invoices.

Select

**AR Aging by
Due Date Report
Financials**

**AR Aging by
Invoice Date Report
Financials**

Directions

1. Print the AR Aging by Due Date Report for all customers.
Currency = USD
Reporting Currency = USD
2. Print the AR Aging by Invoice Date Report for all customers.
Currency = USD
Reporting Currency = USD
3. Compare the two agings. Are there any differences?

No Differences

Activity 6.4: Finance Charges, Statements, and Dunning Letters (Optional)

Description First, we calculate and verify finance charges on overdue amounts. Then we print customer statements to see how these amounts appear. An optional activity on setting up and printing dunning letters follows. Do it only if you have time.

Select

Directions

Calculate finance charges.

Finance Charge Calculation Financials

1. Calculate finance charges for customer 1004000. Enter a grace period of seven days, an interest rate of 10%, and a minimum finance charge of \$5.00. Notice that finance charges are not calculated on the contested invoice (#102).

Review memo.

DR/CR Memo Browse/Inquiry Financials

2. Review the DR/CR memo created for the finance charge. The Type should be Finance Chg.

Print statement.

Customer Account Statement Print Financials

3. Print the statement for customer 1004000. (If the statement does not print, check that Statement is Yes and Statement Cycle is 1 in the customer file.)

Dunning Letters

Master Comments (Optional)

Master Comment Maintenance Master Files

4. (Optional.) Record text for three dunning letters. Use master references Over30, Over60, and Over90. Each letter will be used for a different aging period. Note that you can use the Type code to distinguish between multiple dunning letters for the same master reference.

Print dunning letters (Optional)

Customer Dunning Letter Print Financials

5. Print dunning letters for all customers with a past due amount greater than \$100.00. Specify Days Late of 30, 60, and 90 and the master comment reference codes you entered in Step 4. (Disregard any warning messages about currency exchange master errors.)

Which dunning letter printed for customer 1004000? Did one print for customer 100?
(If the dunning letters did not print, check the Dun Letter flag.) Compare the dunning
letter to the statement. When would you use each?

Lesson 7

Activity 7.1: Entering Payments

Description

In this activity, you practice entering applied and unapplied payments.

Select

Directions

Enter applied.

**Payment Maintenance
Financials**

1. You have just received payments from two customers. One is a payment for \$184.97 from customer 100 to pay an open invoice. The other is a \$5,000.00 payment from customer 1004000, and you are not sure what to apply it to. Process them as follows:

Batch: Enter
(Batch) Control: 184.97

The first payment, from customer 100, is applied to an open invoice.

Check: 221
Bill-To: 100
Check Control: 184.97
Date: tomorrow
Effective: tomorrow
Daybook: AR Pmt

Do a lookup browse in the Ref field to see a listing of open items for customer 100. Select the invoice for \$188.75

Ref:	Do a lookup browse to select invoice for \$188.75
Account:	1200 (AR)
Amt to Apply:	188.75
Cash Amount:	184.97
Discount:	3.78

Notice how the system calculated the discount for you.

Return to the main screen. Start a new batch. The next payment is \$5,000.00 from customer 1004000, and you do not know what invoices to apply it to.

Check:	402
Bill-To:	1004000
Check Control:	5,000.00
Date:	tomorrow
Effective:	tomorrow

Press Go twice to go to the distribution screen. Since this is an unapplied payment, leave the reference blank. You see a warning message reminding you that you have not applied the payment.

Type:	U
N/U Ref:	OPEN
Account:	1200 (AR)
Amt to Apply:	5,000.00
Cash Amount:	5,000.00
Discount:	0

Review customer account balance.

Customer Account Browse/Inquiry Financials

- Review the account balance for customer 100. Notice how check number 221 is pegged to your invoice and how the payment has a zero in the Amount Open field. The system also calculates the number of days it took the customer to submit the last payment received against the item. This is calculated as the difference between the invoice date and last payment date.

Review the account balance for customer 1004000. Their balance is decreased by \$5,000.00, but all items remain open.

Payment Browse/Inquiry Financials

- Review the unapplied payment (#402).

Apply check.

Unapplied Payment Application Financials

- You call customer 1004000, and they tell you to apply the \$5,000.00 check to their oldest invoices.

Reference:	Enter
Bill-To:	1004000
Check:	402
Unapplied Ref:	OPEN
Date:	tomorrow
Effective Date:	tomorrow

Do a lookup browse for a list of open items and apply check 402 to the oldest one.

Which items did you apply the invoice to and how much did you apply to each?

\$2,050 to #102 \$2,950 to #351

Customer Browse/Inquiry Notice Amt Open Check #, Days

Customer Account Browse/Inquiry Financials

- Review customer 1004000. Notice the balance has not changed, but the amount open on the items has changed. Set Open Only to Yes to display only the open items.

**Always print/file
Payment Register**

**Payment Register
Financials**

6. Print the Payment Register. Set Print GL Detail to Yes. This is a very useful report, especially for cash control purposes. It should be printed on a regular basis and filed. You usually need to go back to this when reconciling bank statements and to track cash flow.

**Payment Application
Register**

7. For tomorrow's date. This shows where the unapplied payment was applied.

Activity 7.2: Returns and Credits (Optional)

Description

In this activity, we go through the entire process of sales order returns and credits. First, we create, ship, and post an invoice. The customer returns the order, so in Sales Orders/Invoices, we create a negative sales order (to update sales history), a negative shipment (to update inventory), and a negative invoice (to update accounts receivable).

Since the return takes place after the original invoice was posted, you also apply a zero payment in AR to close the DR/CR memos for the original invoice and the negative invoice.

Select

Directions

Sales Order

**Sales Order Maintenance
Distribution**

1. Create a sales order for customer 1001000 for 100 of item 02-0010. Note the order number. Calculate Freight = No.

Shipment

**Sales Order Shipments
Distribution**

2. Ship the entire order.
Calculate Freight: No
(Note: you may receive a UM conversion error. If you do, ignore the message.)

Print Invoice

**Invoice Print
Distribution**

3. Print the invoice.

Post Invoice

**Invoice Post
Distribution**

4. Post the invoice to accounts receivable.

Negative Sales Order

**Sales Order Maintenance
Distribution**

5. Customer 1001000 returns the order for credit. Create a negative sales order (-100 of item 02-0010). Notice the word **** C R E D I T **** in the trailer. Calculate Freight = No. Ignore the Warning.

- | | | |
|--------------------------------|---|--|
| Negative Shipment | Sales Order Shipments Distribution | 6. Create a negative shipment for the order. |
| Print negative invoice. | Invoice Print Distribution | 7. Print the negative invoice. |
| Post negative invoice. | Invoice Post Distribution | 8. Post the negative invoice. Leave the From and To invoice numbers blank. |
| | Customer Account Browse/Inquiry Financials | 9. Check customer 1001000's account. Do you see the debit and the credit? (If not, speak to your instructor now.) |
| Apply zero payment. | Payment Maintenance Financials | 10. Use Payment Maintenance to record a zero payment to close out both DR/CR memos. Enter zero for the batch control. Press Enter for the next check number. Enter zero for the check control. |

For the first invoice, record the following.

Amount to Apply:	85.00
Cash Amount:	85.00
Discount:	0

Since no discount applies to returns, the discount is zeroed out. Now, we will record the credit to the debit.

Amount to Apply:	-85.00
Cash Amount:	-85.00
Discount:	0

Review effects.

**Customer Account
Browse/Inquiry
Financials**

11. Use the Customer Account Browse/Inquiry to review the effects of the zero payment for customer 1001000.

Activity 7.3: Review General Ledger Transactions (Optional)

Description

Print out a list of the GL transactions you have created and review them. Make sure you understand where each one was created and where the accounts came from.

Select

Directions

AR-GL Trans Report **AR-GL Transactions**
Report
Financials

Print the AR-GL Transactions Report. Review the transactions that you have created. Notice that these are summarized by entity, account, and cost center.

Lesson 8

Activity 8.1: Drafts (Optional)

Description

In this exercise, you will go through the steps associated with draft processing, from recording the draft on through receiving the payment. You will also review the status of the draft and the GL entries it created.

Customer 1001000 has a posted invoice that is to be paid by draft.

Select

Directions

**Draft Maintenance
Financials**

1. Create a draft with the following information. Write down the number of the draft here: _____.

Draft Data

Reference:	Enter
Bill-To:	1001000
Date:	today
Due Date:	two months from today
Expect Pay Date:	one month from today
Bank:	BC
Currency:	USD
Printed:	No
Amount:	20,725.00
Reference:	10000

The open amount, draft amount, and discount display. Press Go, then End to exit the frame.

**Draft Browse/Inquiry
Financials**

2. Review the draft you just created. What is the status of this draft?

**Draft Approval
Financials**

3. Approve the draft.

Draft Approval Data

Batch:	Enter
(Batch) Control:	20,725.00
Reference:	Enter draft, or do a lookup browse to display list

**Draft Browse/Inquiry
Financials**

4. What is the status of the draft now?

**Draft Discounting
Financials**

5. The draft is sold to a third party and a discount is taken.

Draft Discounting Data

Batch:	Enter		
(Batch) Control:	20,725.00		
Reference:	Enter draft, or do a lookup browse to display list		
Cash Acct:	1040	Amount	20,000.00
Discount Charges:	6201	Amount	725.00
Bank Clearing:	2101		

Notice the GL distribution lines created by this transaction. At the prompt:
Are Transactions Correct? answer Yes, or press Go if they are.

**Draft Browse/Inquiry
Financials**

6. What is the status of the draft?

**Payment Maintenance
Financials**

7. The draft has now been paid. Record the payment.

Payment Data

Batch:	Enter
(Batch) Control:	20,725.00
Check:	876
Bill-To:	1001000
Check Control:	20,725.00
Bank:	BC (Bank Clearing)

At the Reference field, enter the draft number or press End, and select the draft from the pop-up window. Apply the entire cash amount of 20,725.00. Notice that the draft balance is now zero.

**Draft Browse/Inquiry
Financials**

8. What is the status of the draft now?

**AR-GL Transactions
Report
Financials**

9. Review the AR-GL Transactions Report. What are the GL journal entries created by the draft approval? Discounting? Payment?

Draft Approval:

Debit	Drafts Receivable (1300):	20,725.00
Credit	Accounts Receivable (1200):	-20,725.00

Discounting:

Debit	Cash (1040):	20,000.00
Debit	Discounts (6201):	725.00
Credit	Bank Clearing (2101):	-20,725.00

Payment:

Debit	Bank Clearing (2101):	20,725.00
Credit	Drafts Receivable (1300):	-20,725.00

Note: These are easier to see if you get the transaction number from this report, then look at them in GL Unposted Transactions.

Lesson 9

Activity 9.1: Multinational AR

Description

Your company has just made a sale to a Swiss customer. In this exercise, you will process the sale and the receivable. Before you can process the sales order, you need to set up the currency code, exchange rates, and a customer record.

Once we have done the setup, you enter and post a pending invoice. Afterward, you record and post the payment against the invoice. You will then review the variance (realized exchange gain or loss) that ensues.

Select

Directions

**Currency Maintenance
Financials**

1. Set up a new currency, ABC, for Train dollars.

**Exchange Rate
Maintenance
Financials**

2. Enter the following rates relative to your system base currency, U.S. dollars. Accept the default values for all fields except the ones in which you enter the exchange rates.

Exchange Rates

<u>Beg/End Dates</u>	<u>Exch Rate</u>
Today	1.6
Tomorrow	1.7

**Account Code
Maintenance
Financials**

3. Set up a bank account 1020 (CASH—Train Dollars.)
Now, set up the receivables account for Train Dollars.

Account:	1243
Description:	Accounts Receivable – ABC
Type:	A (Asset)
Currency:	ABC
Format Position:	11310 (Accounts Receivable)

Bank Maintenance

4. Enter a Bank TD. Currency ABC.

**Customer Maintenance
Master Files**

5. Set up a record 4007000 for a Train dollar customer. Set the AR account to 1243, Currency to ABC, Site to train, and Credit Limit to 10,000.00.

**Pending Invoice
Maintenance
Distribution**

6. Enter a pending invoice for customer 4007000. Write down the invoice number here: _____. Set the order date to today. The pop-up window should show the exchange rate. In the line item screen, enter a memo item whose list price is 1,000.00 Train dollars.

**Invoice Print
Financials**

7. Print the invoice. (Remember to set Update to Yes.)

**Invoice Post
Financials**

8. Post the invoice. For the post, set the GL effective date to today.

**Payment Maintenance
Financials**

9. Record customer 4007000's payment for the invoice, resetting the payment date and effective date to tomorrow. The pop-up window should show an exchange rate of 1.7.

**AR-GL Transactions
Report
Financials**

10. Print the AR-GL Transactions Report and the GL Unposted Transaction Register. Which GL entries were created by the invoice and payment? What entry was created for the exchange gain/loss account, and was it a gain or a loss?

**Unposted Transaction
Register
Financials**

The following table shows the amounts, accounts, and calculations for the given exchange rates.

Pending Invoice

Exch Rate	USD Amt	GL Account	Amt	Cur
1.6	625.00	No GL entries until post	-	-

Invoice Post

Exch Rate	USD Amt	GL Account	Amt	Cur
1.6	625.00	1243 (AR-ABC)	1,000.00	ABC
		3000 (Sales)	-1,000.00	

Payment

Exch Rate	USD Amt	GL Account	Amt	Cur
1.7	588.24	1043 (Cash)	1,000.00	ABC
		1038 (Exch Gain/Loss)	36.76	USD
		1243 (AR-ABC)	-1,000.00	ABC

The 36.76 USD represented a loss. (1038) When you posted the invoice, the invoice amount, 1,000.00 ABC, was worth 625.00 USD, or $1,000.00 \text{ ABC} / 1.6$. But when you received the payment, it was worth only 588.24 USD, or $1,000.00 \text{ ABC} / 1.7$.

Lesson 10

Activity 10.1: Add a Supplier

Description	In this activity, you add a supplier. This is the supplier you will use for many of the purchasing and accounts payable activities that follow.																		
Select	Direction																		
Add supplier.	<table border="0"> <tr> <td data-bbox="432 561 737 630">Supplier Maintenance Master Files</td> <td data-bbox="814 561 1974 630">1. Use Supplier Maintenance to add a new supplier. This supplier is a permanent supplier from whom you purchase both raw materials and supply items.</td> </tr> </table>	Supplier Maintenance Master Files	1. Use Supplier Maintenance to add a new supplier. This supplier is a permanent supplier from whom you purchase both raw materials and supply items.																
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Sort Name	<table border="0"> <tr> <td data-bbox="1079 659 1640 914"> <table border="0"> <tr><td>Supplier:</td><td>500</td></tr> <tr><td>Temporary:</td><td>No</td></tr> <tr><td>Name:</td><td>The Supply Warehouse</td></tr> <tr><td>Address:</td><td>1027 Brockton Lane</td></tr> <tr><td>City/St/Post:</td><td>Ventura, CA 93003</td></tr> <tr><td>Country:</td><td>USA</td></tr> <tr><td>County:</td><td>Ventura</td></tr> </table> </td> <td data-bbox="814 946 1934 1052">2. Enter the sort name Supply Warehouse, The so the system sorts the company under S instead of T. Allow the GL accounts to default. Leave the currency set to USD. Enter a purchasing and AP contact name.</td> </tr> <tr> <td data-bbox="1110 1146 1440 1174">Cr Terms: 2/10-30</td> <td data-bbox="814 1084 1325 1112">3. Enter the following supplier terms:</td> </tr> </table>	<table border="0"> <tr><td>Supplier:</td><td>500</td></tr> <tr><td>Temporary:</td><td>No</td></tr> <tr><td>Name:</td><td>The Supply Warehouse</td></tr> <tr><td>Address:</td><td>1027 Brockton Lane</td></tr> <tr><td>City/St/Post:</td><td>Ventura, CA 93003</td></tr> <tr><td>Country:</td><td>USA</td></tr> <tr><td>County:</td><td>Ventura</td></tr> </table>	Supplier:	500	Temporary:	No	Name:	The Supply Warehouse	Address:	1027 Brockton Lane	City/St/Post:	Ventura, CA 93003	Country:	USA	County:	Ventura	2. Enter the sort name Supply Warehouse, The so the system sorts the company under S instead of T. Allow the GL accounts to default. Leave the currency set to USD. Enter a purchasing and AP contact name.	Cr Terms: 2/10-30	3. Enter the following supplier terms:
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Supplier:	500																		
Temporary:	No																		
Name:	The Supply Warehouse																		
Address:	1027 Brockton Lane																		
City/St/Post:	Ventura, CA 93003																		
Country:	USA																		
County:	Ventura																		
Cr Terms: 2/10-30	3. Enter the following supplier terms:																		

Activity 10.2: Review Control File Values

Description Before we go on, we will verify the control file value settings for purchasing. These need to be set correctly so that we get consistent results in later activities.

Select **Directions**

Purchasing Control File Distribution Review the default values in the Purchasing Control File. If necessary, change them to match the following:

Bill-To:	10000000
Ship-To:	10000000
PO Prefix:	P
Next Purchase Order:	00050000
Next Receiver:	3000
Receiver Prefix:	R
Receive All:	No
Price Table Required:	No
Disc Table Required:	No
Apprvd Reqs for POs:	No
Inspect Location:	Inspect
Receiver Type:	2
Tolerance Percent:	10
Tolerance Cost:	1,000.00
Ln Format S/:	Single
PO Header Comments:	No
PO Line Comments:	No
Cancel Backorders:	No
Keep Booking History:	Yes
ERS Processing:	No
ERS Option:	1

Lesson 11

Activity 11.1: Enter Purchase Orders

Description

In this activity, we practice entering a purchase order so you see how GL account codes and types are used. In the following activities, we receive and voucher this PO.

Select

Directions

**Purchase Order
Maintenance
Distribution**

1. Enter a purchase order (press Enter for the next PO number). Use supplier 500. Accept the defaults for the rest of the header screen, and press Go until you reach the line item entry screen.

Line:	1
Site:	train
Req:	blank
Item Number:	12-4020
Quantity:	200
Unit Cost:	5.00
Update Avg/Last Cost:	No

When you enter each line item, you see a warning message on requisition approval codes. This is a security feature to alert you that no approved requisition was referenced for the item. In this activity, you can ignore the message; note that you can set the Apprvd Reqs for POs flag in Sales Order Control to Yes to prevent the system from accepting an unapproved PO line.

Line: 2
 Site: train
 Req: blank
 Item Number: 12-4100
 Quantity: 100
 Unit Cost: 2.30
 Update Avg/Last Cost: Yes

Notice that the unit cost on each line item defaulted to the standard cost. On the second line item we did not change this cost, and on the first we changed it. (The cost we entered on the first line item was much higher than the standard cost. Remember this later when we review purchase price variance calculations.)

After entering both line items, press End twice. The trailer screen displays the order total.

Memo Items

Purchase Order Maintenance Distribution

- Enter another purchase order (press Enter for the next number). Use the miscellaneous supplier 99999999. Accept the defaults for the rest of the header screen. Press Go until you reach the line item entry screen. Enter the following line items:

Line: 1
 Site: train
 Item Number: paper
 Qt: 100
 UM: EA
 Unit cost: 5.00

Since this item is not in the item master, the system displays a default description, Item Not In Inventory, which you can override. In MFG/PRO, non-inventory items are assigned an item type of Memo.

**Purchase Order Print
Distribution**

3. Print a formal copy of both of your purchase orders; they will be used later.

**Purchase Order
Commitment Report
Distribution**

4. Another useful report is the Purchase Order Commitment Report. This report shows you all outstanding purchase orders and your projected cash requirements. Print this report for all suppliers, setting Memo Items to Yes.

Activity 11.2: Purchase Order Receipts and Returns

Description	In this activity, you receive the purchase orders you created in the previous activity. You also process a return for some of the items.
Select	Directions
Purchase Order Receipts Distribution	1. Process a receipt for the first purchase order. Leave the receiver number blank and the system will assign one later. Set Receive All to No. Receive all 200 units of item 12-4020, but receive only 90 of item 12-4100. Do not cancel the backorder.
Purchase Receipt Cost Browse/Inquiry Distribution	2. Review the receiving history created by this receipt. In the browse/inquiry, enter the original PO number.
Purchase Receipt Document Print Distribution	3. Print the receiving documents for the PO. Keep these to refer to later.
Purchase Order Returns Distribution	4. Some of the units you received are defective. Process a return for 5 units of item 12-4100.Ship-From Site Train. Set Comments to Yes. When you press Go, you see a screen in which you can record in detail why the goods were returned. You can print this detail later on the return document.
Purchase Receipt Cost Browse/Inquiry Distribution	5. Look at the receivers again. Note that another (negative) receiver was created by the return.
Purchase Order Receipts Distribution	6. Process a receipt for the second purchase order. Receive 100 units of paper. You do not have to print a receiver for this PO.

**Unposted Transaction
Register
Financials**

7. Print out the GL unposted transaction report and review the journal entries that were created. (Include only IC-type transactions with an effective date of today.)

What amounts were posted to inventory? Accrued purchases? Purchase price variance? What GL transaction was created by the receipt of the second purchase order?

The following page shows the transactions created by the receipts and the return.

Receipt of Item 12-4020

Receipt Qty = 200
 PO Unit Cost = 5.00
 GL Unit Cost = 3.30
 PPV per Unit = 1.70

1500 (Inventory)	
660.00	

2200 (PO Receipts)	
	660.00 340.00

5000 (PPV)	
340.00	

Receipt of Item 12-4100

Receipt Qty = 90
 PO Unit Cost = 2.30
 GL Unit Cost = 2.30

1500 (Inventory)	
207.00	

2200 (PO Receipts)	
	207.00

Return of Item 12-4100

Return Qty = 5
 GL Unit Cost = 2.30

2200 (PO Receipts)	
11.50	

1500 (Inventory)	
	11.50

Receipt of Paper

Receipt Qty = 100
 PO Unit Cost = 5.00

5100 (Purchases, Exp.)	
500.00	

2250 (Expensed Item Receipts)	
	500.00

Figure 4. Analysis of Activity 11.2 Transactions

Lesson 12

Activity 12.1: Review AP Control

Description Before processing vouchers, we will verify the control file settings for AP. These need to be set correctly to obtain consistent results in later activities.

Select

Directions

Accounts Payable Control File Financials Review the default values in the Accounts Payable Control File. If necessary, change them to match the following:

Next Batch:	200
Next Voucher:	910000
Next Journal:	1
Voucher Open Qty:	No
AP Summarization:	1
Ship-To:	10000000
Default Bank:	AA
Check Form:	1
Exchange Tolerance:	5%
Enter Vouchers Confirmed:	Yes
Release Recur VOs Confirmed:	No
Use Payment in Process Account:	No
Use Expensed Item Var Accts:	No
External Voucher References Allowed:	Yes
Use Assigned-To Field:	Yes
Use Draft Management:	No
Multi-Entity Payments:	No
ERS Packing Slip Error:	No
ERS Update GL Avg Cost:	No
ERS Voucher Date Option:	0

Activity 12.2: Voucher Maintenance

Description

In this activity, you practice entering a voucher and reviewing the effects on receivers and supplier balances.

Each voucher must have a supplier code. You can either set up the supplier in the supplier file (2.3.1) or reference a miscellaneous supplier. In the voucher in this activity, you use supplier 99999999, a miscellaneous supplier.

Vouchering against a miscellaneous supplier can sometimes save time; however, do not do this if you are planning to print computer-generated checks, because you need the supplier's address for these.

Select

Directions

Voucher Maintenance Financials

1. Enter the following voucher. Leave the batch number blank.

Batch: Enter
Control: 500.00

Voucher: Enter

Order: End

Control: 500.00
Supplier: 99999999
Effective Date: today
Bank: AA
Invoice: 1234
Terms: 0
Remark: Office Supply Store

Press Go.

Distribution:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
8200	Supplies	500.00

**Voucher Browse/Inquiry
Financials**

2. Look at the voucher you just entered. Note the distribution lines and amount open.
In the next activity, we learn how to voucher against purchase orders.

Activity 12.3: Vouchering Against a Purchase Order

Description In this activity, we voucher the inventory purchase order you entered for supplier 500 in Activity 11.1.

Select **Directions**

- Voucher Maintenance
Financials**
1. Enter a voucher for \$842.50 for the purchase order for supplier 500.
 2. Enter a non-discountable amount of \$47.00 for freight.

Batch: Enter
Control: 842.50
Voucher: Enter
Order: PO number (Do a lookup browse to find
your PO#) End

Control: 842.50
Supplier: 500
Effective Date: today
Terms: 0
Non-Disc Amt: 47.00
Auto Select: No

3. In the next screen, do a lookup browse in the Receiver field to display the receiver lines for the purchase order. The pop-up window displays what you actually received: 200 units of 12-4020 at a PO cost of \$3.00 each; 90 units of 12-4100 at a PO cost of \$2.30 each; and -5 units at a PO cost of \$2.30.

However, the supplier undercharged you for 12-4020 and forgot to credit you for the 5 units of 12-4100 that you returned. (The supplier also forgot to ship you the remaining 10 units of 12-4100 you ordered.)

4. Review the distribution lines. Notice the credit to AP rate variance for line 1, which resulted because the invoice price was different than the PO price. AP rate variance is calculated as:

$$\begin{aligned} & (\text{Invoice Unit Cost} - \text{PO Unit Cost}) \times \text{Invoice Qty} \\ & (\$3.00 - \$5.00) \times 200 = -\$400.00 \end{aligned}$$

5. Add a nontaxable distribution line for \$47.00 for account 4120, freight cost. When you are done, exit. The control total should balance. (If you get a warning, go back and find and correct your error.)

Activity 12.3A: Automatically Selecting POs to Voucher (Optional)

Description

You can also select multiple purchase orders for a single voucher and automate much of the matching process. Since you probably combine payments for several supplier invoices on a single voucher, using this option should save you time.

To do this optional activity, go back to enter and receive at least two purchase orders for the same supplier. Note the purchase order numbers. Then follow the steps below.

Select

Directions

**Voucher Maintenance
Financials**

1. Enter a voucher, with or without a control total for the supplier.
Enter the PO numbers received prior to this activity.
2. Enter Yes in the Auto Select field; then press Go.
3. Leave the range fields blank in the Receiver Automatic Selection frame. If you were handling a large volume of purchase orders, you could enter selection criteria and recall only receivers in the specified ranges.

4. Set Voucher Open Qty to No and Select All to Yes. Press Go to recall the receivers and continue the selection process. Select All determines whether or not the transactions on the following screen are selected.

The Voucher Open Qty field determines default values for the Inv Qty and Inv Cost fields in the Receiver Matching Detail screen. Yes = invoice quantity defaults to uninvoiced receipt quantity; invoice cost defaults to the purchase order net unit cost.

You can select or deselect individual purchase orders/receivers in the Receiver Matching Maintenance frame.

The receivers you selected are now displayed in the Receiver Matching Detail frame, where you can enter data for invoice matching as you did in the last activity.

Activity 12.4: Tracking Vouchers for Approval (Optional)

Description

You can set up your MFG/PRO system to require approval for unconfirmed vouchers and track open vouchers by the employee to whom they are assigned.

This activity assumes you have already set up at least one employee. If not, use Employee Maintenance to create an employee code. Anyone responsible for authorizing vouchers must be defined as an employee.

Select

Directions

Accounts Payable Control File Financials

1. Set the Accounts Payable Control file to require voucher authorization: Use Assigned-To = Yes.

When this field is set to Yes, the system requires you to enter an employee code in the Assigned-To field for all unconfirmed vouchers. For confirmed vouchers, this field is always optional.

Voucher Maintenance Financials

2. Enter an unconfirmed voucher for any supplier. After you have entered one or more line items and any required distribution amounts, press End, change the confirmed flag to No and enter an employee code in the Assigned-To field on the next frame.

Voucher Register by Assigned-To Financials

3. Generate the Voucher Register by Employee. Does the voucher you created appear there?

Activity 12.5: Enter Opening Balances

Description

In addition to recording invoice data, vouchers are also used to initialize opening supplier balances during implementation. In this activity, you enter the opening balances for supplier 5022000. Let the system assign the voucher numbers.

Select

Voucher Maintenance Financials

Directions

1. Enter the open AP balances for supplier 5022000. You do not have to enter due and discount dates; the system will calculate them from the credit terms code.

Batch:	Enter
(Batch) Control:	50,875.00
Voucher:	Enter
Order:	leave blank, press End
Control:	225.00
Supplier:	5022000
Effective Date:	2 months ago
Bank:	AA
Invoice:	1001
Invoice Date:	2 months ago
Terms:	30
Separate Check:	Yes

Distribution:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
5100	Purchases (Expensed)	225.00
	Hold Amount:	225.00

Voucher: Enter
Order: blank
Control: 50,000.00
Supplier: 5022000
Effective Date: 1 month ago
Bank: AA
Invoice: 1507
Invoice Date: 1 month ago
Terms: 2/10-30

Distribution:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
5100	Purchases (Expensed)	50,000.00

Voucher: Enter
Order: blank
Control: 650.00
Supplier: 5022000
Effective Date: today
Bank: AA
Invoice: 2590
Invoice Date: today
Terms: 2/10-30

Distribution:

<u>Account</u>	<u>Description</u>	<u>Amount</u>
5100	Purchases (Expensed)	650.00

**AP Aging by
Due Date Report
Financials**

2. Print the AP Aging by Due Date for supplier 5022000. Set Deduct Hold Amounts to Yes.

**AP Aging by
Due Date Report
Financials**

3. Print the aging again, but include hold amounts (Deduct Hold Amounts= No). Notice the difference. When would you want to deduct or include these amounts?

**AP Aging by
Voucher Date Report
Financials**

4. Print the AP Aging by Voucher Date for supplier 5022000. What is the difference?

**AP Aging as of
Effective Date
Financials**

5. The Aging as of Effective Date lets you recreate an aging as of a previous period. To balance with the general ledger, this is the report you want to run.

Note: You can enter your own aging periods (Column Days). You can even enter a negative number in the aging period to project future cash requirements, or you can use the Cash Management module.

Activity 12.6: Recurring Vouchers

Description In this exercise, we will enter a recurring voucher, then create a regular voucher by releasing it.

Select **Directions**

Recurring Voucher 1. Enter a recurring voucher for rent.

Maintenance
Financials

Voucher Data

Batch:	Enter
(Batch) Control:	10,000.00
Reference:	Enter
Supplier:	5008000
Control:	10,000.00
Interval:	M (monthly)
Nbr Per Voucher:	1
Start Date:	01/01/01 (or current year)
Expire Date:	12/01/01 (or current year)
Remark:	RENT

Press Go and accept all the other default information. Ignore the Tax warning message.

Enter Vouchers Confirmed.

Distribution Data

Account	Entity	Tax	Description	Amount
8300	1000	N	Rent	10,000.00

**Recurring Voucher
Release
Financials**

2. Release all vouchers with an Interval of M (monthly). Set Release Up To to today's date.

**Voucher Browse/Inquiry
Financials**

3. Review the Voucher Browse/Inquiry for supplier 5008000. Notice that a voucher was created for this month's rent, but that it is unconfirmed. Which setting in the control file (28.24) determined the default status of that voucher?

Note the reference number of this month's rent voucher.

**Voucher Confirmation –
Manual
Financials**

4. Confirm the voucher.

Lesson 13

Activity 13.1: Record Manual Checks

Description

In this activity, you enter a manual check for a non-AP payment.

Select

Directions

Payment – Manual Checks Financials

1. Enter a non-AP payment for supplier 500. When you get to Amt to Apply, you see a message telling you that you are creating a non-AP payment.

Batch:	Enter
Batch Control:	150.00
Bank:	AA
Check:	30026
Check Control:	150.00
Supplier:	500
Remark:	COD–Supplies
Voucher:	Enter
Acct:	5100 (Purchases Expensed)
Amt to Apply:	150.00
Cash Amount:	150.00

Supplier Activity Browse/Inquiry Financials

2. Review the supplier balance for supplier 500. Notice that this check had no effect on the supplier balance.

**Class Discussion
(Cannot pay a
voucher on hold.)**

**Supplier Activity
Browse/Inquiry
Financials**

**Payment – Manual
Checks
Financials**

3. Review supplier 5022000 and note the voucher number for invoice 1001. Reference #_____ Enter the voucher number.

4. Try to enter a manual check for \$225.00 to pay supplier 5022000, invoice number 1001. Use the above voucher number from step 3. If you have trouble doing this, stop and wait for the instructor to explain why. *DO not* correct this now. You will correct this in the next activity.

Activity 13.2: Process Automatic Checks

Description	In this activity, you practice selecting vouchers for payment, manually overriding this selection, and printing automatic checks.
Select	Directions
Payment Selection – Automatic Financials	1. Run the payment selection with all selection criteria blank except for Assigned Check Form set at 1. Review the selection report. What is the suggested check amount for supplier 500?
Voucher Browse/Inquiry Financials	2. Invoice 1001 (\$225.00) for supplier 5022000 was not selected for payment. Why not? Review the Voucher Browse/Inquiry, and see why. Note the voucher numbers for invoices 1001 (\$225.00) _____, 1507 (\$50,000.00) _____, and 2590 (\$650.00) _____.
Voucher Confirmation - Manual Financials	3. For invoice 1001 (refer to step 2 for the voucher number), change the hold amount to zero.

**Payment Selection –
Manual
Financials**

4. Select the voucher, and pay the entire \$225.00. Afterward, select invoice 1507 (refer to step 2 for the voucher number), and pay only \$10,000.00 of the \$50,000.00. Set the discount to zero.

**Payment Selection
Register
Financials**

5. Print the Payment Selection Register.

**Payment – Automatic
Checks
Financials**

6. Print checks. (You can print them on blank paper.) Set Print Audit Trail to Yes.

Note: Make sure the checks printed correctly. Normally, you would have to change the printer from check forms to paper before you print the audit trail or send the audit trail to another printer.

7. Examine the hash totals on the Payment Selection Register and the audit trail for Payment – Automatic Checks. They should match. This is a security feature that verifies that only approved payments were paid. What is your hash total?

**Voucher Browse/Inquiry
Financials**

8. Review the Voucher Browse/Inquiry for invoice 1001. The amount open should now be zero.

**Supplier Activity
Browse/Inquiry
Financials**

9. Look at the Supplier Activity Browse/Inquiry for supplier 5022000. Notice how the check is tied to the vouchers it paid.

Activity 13.3: Prepayments (Optional)

Description

In this activity, you will go through the entire process of recording supplier prepayments.

Select

Directions

**Purchase Order
Maintenance
Distribution**

1. Enter a purchase order (press Enter for the next PO number). Use supplier 500. Accept the defaults for the rest of the header screen, and press Go until you reach the line item entry screen.

Line: 1
Site: train
Req: blank
Item Number: 12-4020
Qty: 1,000
Cost: 3.30

Update Avg/Last: No

After entering the line item, press End twice. The trailer screen displays the total \$3,300.00. Enter a prepayment of \$500.00 in the Prepayment field.

**Purchase Order Print
Distribution**

2. Print the purchase order.

**Voucher Maintenance
Financials**

3. Enter a voucher to request the prepayment.

Batch: Enter

Control: 500.00

Voucher: Enter

Order: your PO number, for reference only, End

Control: 500.00

Supplier: 500

Effective Date: today

Terms: 0

Remark: Prepayment

Prepayment Amt: 500.00

Go until you reach the distribution screen. (You will need to go through the receiver matching frame first.)

Account: 1700

Tax: N

Description: Prepaid Expenses

Amount: 500.00

**Supplier Prepayment
Browse/Inquiry
Financials**

4. Review the prepayment for supplier 500.

**Payment – Manual
Checks
Financials**

5. Now we will write a manual check for this prepayment and enclose it with the purchase order to send to the supplier.

Batch: Enter
Control: 500.00

Bank: AA
Check: 987
Check Control: 500.00
Supplier: 500
Date: today
Effective Date: today

Press Go until you reach the Voucher field. In the Voucher field, do a lookup browse to find your voucher for \$500.00.

Amt to Apply: 500.00
Cash Amt: 500.00

**Supplier Activity
Browse/Inquiry
Financials**

6. Review your supplier account. Notice the check is attached to the prepayment voucher.

**Purchase Order Receipts
Distribution**

7. A week later, we receive the goods. Enter a receipt to record this transaction.

Purchase Order: Enter your PO
Effective Date: 1 week from today
Receive All: Yes

Notice the receipt quantity is automatically updated for this item.

**Voucher Maintenance
Financials**

8. Another week goes by, and we receive the invoice from the supplier. Now you will match the prepayment to this invoice.

Batch:	Enter
Control:	2,800.00
Voucher:	Enter
Order:	Lookup browse to find your PO, End
Control:	2,800.00
Supplier:	500
Effective Date:	2 weeks from today
Invoice Number:	2567
Date:	Two weeks from today
Terms:	0
Prepayment Amt:	-500.00
Auto Select:	No

Notice how the system displays a message that the supplier has a prepaid balance. Press Go to get to the Receiver Matching screen. In the Receiver field, do a lookup browse to display the receiver lines for the purchase order.

Retrieve your receiver and enter the following:

Invoice Qty:	1,000
Invoice Cost:	3.30

When you are back at the Receiver field, press End to exit.

At the distribution screen, add an additional line to account 1700 (Prepaid Expenses) for -500.00. This will reduce the amount owed to this supplier, because the supplier already received a check for \$500.00 when you sent the purchase order.

**Supplier Prepayment
Browse/Inquiry
Financials**

9. Go back and review the prepayment for supplier 500. Try setting the Prepay Only field to Yes, then to No.

Activity 13.4: Check Void and Reconciliation

Description	In this activity, you see what happens when a check is flagged as void or canceled.
Select	Directions
Supplier Activity Browse/Inquiry Financials	<ol style="list-style-type: none"> Review the Supplier Activity Browse/Inquiry for supplier 5022000. Write down the check number and amount for invoice 1001 (\$225.00). Check # _____ Amount \$ _____
Check Void Maintenance Financials	<ol style="list-style-type: none"> Void the check. The bank is AA. Set the batch control equal to the amount from step 1. (Notice you can enter an effective date for the void.)
Supplier Activity Browse/Inquiry Financials	<ol style="list-style-type: none"> Look at the Supplier Activity Browse/Inquiry for supplier 5022000 again. Notice the difference.
Voucher Browse/Inquiry Financials	<ol style="list-style-type: none"> Look at the Voucher Browse/Inquiry for invoice 1001 (\$225.00) again. What is the amount open? (It should have been reset.)
Payment Register Financials	<ol style="list-style-type: none"> Print the Payment Register to get a listing of the checks you printed.
Check Cancellation Maintenance Financials	<ol style="list-style-type: none"> Reconcile several of these checks. Try entering a different amount than was on the check. What happens?

- Closed AP Delete/Archive Financials**
7. Run the Closed AP Delete/Archive. Do not delete the history, just print the report. The report should always be printed and verified before you set Delete to Yes.

Lesson 14

Activity 14.1: 1099-MISC Reporting (Optional)

Description	Your company pays rent to supplier 5008000. In this exercise, we will set up this supplier for 1099 reporting and enter some 1099 vouchers. Then, we will print the 1099-MISC form. If time permits, you can generate a magnetic media report.
Select	Directions
Supplier Maintenance Master Files	<ol style="list-style-type: none"> Look up supplier 5008000. What settings support 1099-MISC reporting? Adjust these settings or add information as necessary. <p>Enter a tax ID and set Tax Report to Yes. Supplier Type is optional but must be entered whenever 1099 reporting is done by supplier type. If supplier 5008000 was an individual, you would also have to enter the social security number and a sort name in the format last name, first name.</p>
Company Address Maintenance	Look up Company 10000000. Make sure that it is set for Entity 1000, Tax Report field is Yes. Also make sure that the Name, Address1, City, State, Post and Telephone fields are set up. In the Address Tax IED-Federal, enter 95-7891234
Voucher Maintenance Financials	<ol style="list-style-type: none"> Enter two vouchers for supplier 5008000. On the first voucher, set Type to RENT. On the second, set Type to NEC. (Be sure to enter amounts.) Voucher Type is optional, but BOX is mandatory.
Payment Selection – Automatic Financials	<ol style="list-style-type: none"> Select the vouchers for payment (use check form 1).
Payment – Automatic Checks Financials	<ol style="list-style-type: none"> Pay the vouchers. (Send all outputs to a file rather than to the printer.)

**1099 – MISC Form Print
Financials**

5. Print a 1099-MISC form for supplier 5008000. Use the Down arrow to find your company address or enter it directly. Enter a Taxpayer ID and the current year. Set Voucher Type and Box as follows:

Voucher Type = RENT, Box = 1

Voucher Type = NEC, Box = 7

**1099 – MISC Magnetic
Media Report
Financials**

6. (Optional.) Generate a 1099-MISC magnetic media file. Resist the temptation to press Go twice from the Voucher Type frame. (This will just put duplicate records into the file.) Press End to exit.

**Exit to Operating System
Master Files**

7. Now go to your working directory and look for the ASCII file you just created. Locate the file IRSTAX and view it. (The commands for UNIX and DOS operating systems are listed below. For other systems, ask your instructor for assistance.)

UNIX: pg IRSTAX

DOS: type IRSTAX

To return to MFG/PRO, type `exit`.

If you get an error on the mag media report, have your instructor delete the IRSTAX file in your working directory, then rerun the report.

Lesson 15

Activity 15.1: AP Drafts (Optional)

Description

In this exercise, you will go through the steps associated with implementing and processing AP drafts. You will also be able to review the draft status and the GL entries it created.

Before you can process a draft, you need to take several set-up steps. For the purposes of this activity, you will also set up a new supplier.

Select

**Accounts Payable
Control File
Financials**

Directions

1. Change the Accounts Payable Control File setting for draft management as follows:

Use Draft Management: Yes

This setting activates draft-related fields and makes Due Date a required field when you create draft payments.

**Bank Maintenance
Financials**

2. Set up a separate bank code for draft payments. Be sure to specify the following information:

Bank Code:	DR
Description:	Draft Payments Bank Code
Country Code:	NLD
Next Check:	3000
Bk Acct 1:	0123456789
Drafts Payable Acct:	2300

The description and bank account prints on drafts for this bank code.

**Supplier Maintenance
Master Files**

3. Create a record for the following supplier. Be sure to enter the correct bank and check form.

Supplier: 5002000
Name: General Supply Corporation
Bank: DR
Country: NLD
Check Form: 5 (draft)

**Voucher Maintenance
Financials**

4. Enter one or more vouchers for this supplier using Voucher Maintenance. Notice that the bank code and check form default from the supplier record.

**Payment Selection –
Automatic**

5. Select the voucher(s) for payment using Payment Selection – Automatic or Payment Selection – Manual. Continue to use supplier 5002000, bank DR and check form 5.

**Payment Selection –
Manual
Financials**

**Payment – Automatic
Checks
Financials**

6. Generate payment(s) using Payment – Automatic Checks. Set the bank code to DR and the check form to 5. Also enter a draft due date or accept the default.

**Check Cancellation
Maintenance
Financials**

7. Reconcile the draft payments. Set Multi-Entry to No.

**Unposted Transaction
Browse/Inquiry
Financials**

8. Review the GL entries using the Unposted Transaction Browse/Inquiry.

Once the drafts are posted, you can review balances in the Drafts Payable account using the Transaction by Account Browse/Inquiry.

Lesson 16

Activity 16.1: Multicurrency AP (Optional)

Description

Your company has just started purchasing an item from a foreign supplier. Before you can process purchase orders for this supplier, you need to set up a few records in the database: the currency code and exchange rates, a bank account (and corresponding GL account) for the currency, and, finally, a supplier record.

After we have done the setup, we will process a PO and receipt. On the AP side, we will voucher and pay the supplier invoice. Along the way, notice when the variances are calculated and the GL accounts to which they are posted.

Select

**Currency Maintenance
Financials**

Directions

1. Enter currency code, NZD.

2. Exchange Rates

**Exchange Rate
Maintenance
Financials**

<u>Beg/End Date:</u>	<u>Exchange Rate</u>
Today:	1.6
Tomorrow:	1.7
Day after tomorrow:	1.75
Two days after tomorrow:	1.65

**Account Code
Maintenance
Financials**

3. Set up a new account code (or modify the existing account code).

Account: 1047
Description: Cash - New Zealand Dollar
Type: A
Currency: Use the new currency code, NZD
Format Position: 11120 Cash-Foreign

**Bank Maintenance
Financials**

4. Enter a new bank account for the foreign currency, using Bank Code NZ. Set the Cash account and Payment in Process account to 1047. The Bank currency must be NZD. GL transactions are created for it whenever the exchange rate fluctuates between the voucher and payment dates.

**Supplier Maintenance
Master Files**

5. Set up a record for the foreign supplier. Which two fields must you fill in for multicurrency processing? How is this data used?

**Purchase Order
Maintenance
Financials**

6. Now that we are done with the setup, we can begin processing transactions. Enter a purchase order for the supplier. Write down the order number here: _____.

Leave the Order Date set to today. Enter the following line item data.

Line Item Data

Site:	train
Item Number:	02-0005
Quantity:	100
Unit Cost:	1.60 (in the foreign currency)

(Ignore the warning message about requisition approvals.)

**Purchase Order Receipts
Distribution**

7. Set the Effective Date on the receipt to tomorrow's date. Receive all 100 units of the PO. The pop-up window should now show an exchange rate of 1.7.

**Voucher Maintenance
Financials**

8. Enter a voucher for the supplier invoice and receiver, which shows a unit cost of 1.60. Set the effective date to the day after tomorrow. The pop-up window should now show 1.75. Note that the invoice cost is still 1.60 NZD. Only the exchange rate has changed.

**Supplier Activity
Browse/Inquiry
Financials**

9. Review the supplier balance, first in the foreign currency, then in base.

**Payment – Manual
Checks
Financials**

10. Record a manual check to pay this voucher. Reference the foreign bank you created earlier. Set the date and check effective date to three days from now. The pop-up window should show an exchange rate of 1.65.

Should have a loss.

**Unposted Transaction
Register
Financials**

11. Print the GL Unposted Transaction Register for all transaction types. Review the transactions created in this exercise. Where did the accounts come from? Work through the calculations and verify the amounts. Did you have a gain or loss on the payment?

The following table shows the amounts, accounts, and calculations.

Purchase Order (160.00 NZD)

Exch Rate	USD Amt	GL Account	Amt	Cur
1.6	100.00	No GL entries for POs	-	-

PO Receipt (170.00)

Exch Rate	USD Amt	GL Account	Amt	Cur
1.7	100.00	1500 (Inventory)	96.00	USD
		2200 (PO Receipts)	-96.00	USD
		5000 (PPV)	-1.88	USD
		2200 (PO Receipts)	1.88	USD

The USD value for the PO receipt is the PO extended cost divided by the exchange rate on the receipt date, or $160.00/1.7 = 94.12$.

The Inventory and PO Receipts entries booked the GL extended cost of the receipt of item 02-0005, or $100 \times .96 = 96.00$.

A negative PPV (purchase price variance) resulted because the total USD PO receipt cost was less than the item GL extended cost. PPV was calculated as:

$$94.12 - 96.00 = -1.88$$

Voucher (160.00)

Exch Rate	USD Amt	GL Account	Amt	Cur
1.75	91.43	2100 (Accounts Payable)	-160.00	<i>foreign</i>
		2200 (PO Receipts)	164.71	<i>foreign</i>
		1035 (Purchase Gain)	-4.71	<i>foreign</i>

The USD value for the voucher is the voucher amount divided by the exchange rate on the voucher date, or $160.00/1.75 = 91.43$

The PO Receipts amount is the USD value for the PO receipt multiplied by the exchange rate on the voucher date, or $94.12 \times 1.75 = 164.71$.

The purchase gain is the voucher cost minus the PO receipt cost, or $160.00 - 164.71 = -4.71$. The gain is credited to the Purchase Gain/Loss account (1035) specified for the currency in Exchange Rate Maintenance.

Payment (160.00)

Exch Rate	USD Amt	GL Account	Amt	Cur
1.65	96.97	1047 (Cash - Foreign)	-160.00	<i>foreign</i>
		1038 (Exchange Loss)	5.54	USD
		2100 (Accounts Payable)	160.00	<i>foreign</i>

The USD amount of the payment is the foreign payment amount divided by the exchange rate on the payment date, or $160.00/1.65 = 96.97$.

An exchange loss resulted because the USD amount of the payment exceeded the USD amount of the voucher. It was calculated as the USD payment amount minus the USD voucher amount, or $96.97 - 91.43 = 5.54$. The loss was debited to the Exchange Gain/Loss account for the payment bank, specified in Bank Maintenance.

Lesson 17

Activity 17.1: Review Entity Information (Optional)

Description	In this activity, you review all entities defined in the sample database.
Select	Directions
Entity Code Browse/Inquiry Financials	View the entities defined in your sample database. Which entity is your primary entity? (Primary Entity = 1000)
Entity Code Maintenance Financials	Change Entity 1000's name to your company name.

Activity 17.2: Review Format Positions

Description	In this activity, you review the format positions in the sample database by examining how they are used on an income statement.
Select	Directions
Income Statement Financials	1. Print an income statement. (Ignore any warning message; it appears because the database contains unposted transactions.)
Format Position Browse/Inquiry Financials	2. Use the Format Position Browse/Inquiry to answer the following questions: a) What is the format position for Net Profit (Loss)? b) In which higher-level format position are Sales and Cost of Goods Sold totaled?
90000	
60000	
(Gross Margin)	

Activity 17.3: Set Up GL Accounts

Description

In this activity, you create a new account.

Select

Directions

**Account Code
Maintenance
Financials**

1. Add an account for janitorial expense.

Account:	8250
Description:	Janitorial Expense
Type:	E
Currency:	USD
Format Position:	70000
Curr Translation Index:	2

Notice how all the format positions from 70000 to the highest level, 90000 (Net Profit/Loss) are displayed.

**Account Code
Browse/Inquiry
Financials**

2. Make sure your entries for account 8250 are correct.

Activity 17.4: Enter Cost Center Information

Description

Quality Products Company is introducing a new cost center for Research and Development. In this activity, you set up cost center 4000 and assign it to several accounts.

Select

Directions

**Cost Center Code
Maintenance
Financials**

1. Add cost center 4000. Use the description RESEARCH. Assign this cost center to accounts 8200 through 8400, and all sub-accounts.

**Cost Center Code
Browse/Inquiry
Financials**

2. Review the cost centers within the database. Notice your new cost center 4000.

Activity 17.5: Using Allocation Codes

Description

Quality Products Company has discovered the need to expense its utility bill by percentage to multiple cost centers. In this activity, we set up an allocation code and then post to it.

Select

Directions

**Allocation Code
Maintenance
Financials**

1. Add an allocation code called UTIL. Enter the description of UTILITY EXPENSE. Enter the following accounts, cost centers, and percentages.

<u>Account</u>	<u>Cost Center</u>	<u>Percentage</u>
8400	0100	10.00
8400	0200	30.00
8400	0300	25.00
8400	0500	35.00

**Allocation Code Report
Financials**

2. Print the Allocation Code Report for UTIL.

**Voucher Maintenance
Financials**

3. Quality Products Company just received its monthly utility bill. This bill is posted to many different GL accounts by a specific percentage.

Enter the following voucher:

(Batch) Control:	10,000.00
Voucher:	Enter
Control:	10,000.00
Supplier:	5009000
Effective Date:	today
Bank:	AA
(Invoice) Date:	today
(Credit) Terms:	0

Distribution: Change account 8400 to UTIL and
clear out the cost center field

Amount: 10,000.00

Notice that the default GL account displays from the supplier file. (You may want to enter the allocation code within the supplier file (Pur acct. field) so that it automatically displays each time.)

Activity 17.6: Closing the Period by Transaction Type (Optional)

Description

To manage the flow of journal entries created in GL at period ending, you can close the period for specific transaction types while continuing to process in other modules. To see the effect on posting, complete this activity before you proceed to the next chapter.

Select

**GL Calendar
Maintenance
Financials**

Directions

1. Select the current period for your primary entity.
2. Enter Yes in the AR field.
3. Press Go. Can you close the period to AR transactions?

You cannot close the period for any transaction type with unposted activity in the system. At transaction entry time, the system validates the transaction's effective date against any closed periods for the transaction type.

Lesson 18

Activity 18.1: Review and Post Transactions

Description

In this activity, we review and post the transactions you created in the previous activities.

Select

Directions

**Unposted Transaction
Browse/Inquiry
Financials**

1. Review the unposted transactions. In the GL Reference field, use the arrow keys to scroll through transactions. Press Go until the detail display appears. Look at the descriptions and accounts. See if you can identify where and when these were created. Press the Spacebar to display each transaction individually.

**Unposted Transaction
Register
Financials**

2. Print the register to verify accounting. Leave the transaction type blank.

**Transaction Post
Financials**

3. Post the transactions. Let the effective dates default. Examine the audit trail. Did all of the transactions post correctly?

Activity 18.2: Project Accounting

Description In this activity, you create a project code and practice recording expenses for a project using a standard transaction.

Select **Directions**

Project Code
Maintenance
Financials

1. Enter the following data to create a project code for advertising:

Project:	1001ADV
Description:	Prod Line 1001 Ads
Active:	Yes
Begin Date:	01/01/YY
Comments:	Yes
Acct/SubAcct/CC Ranges:	<blank> to 9999
Comments:	New Product line 1001 advertising expenses

Standard Transaction
Maintenance
Financials

2. Enter the following data using an effective date of 01/01/YY and a control total of \$1,600.00. Charge only the expenses to project 1001ADV.

<u>Acct</u>	<u>CC</u>	<u>Project</u>	<u>Description</u>	<u>Amt (USD)</u>
7200	1000	1001ADV	Promotion	1,100.00
7200	2000	1001ADV	Promotion	500.00
1040			Promotion	-1,600.00

Transaction Post
Financials

3. Post all transactions. Leave the Transaction Type field blank for all.

Before continuing, make sure all transactions in the system are posted. If there are any errors, fix them and repost them now, or you may experience problems in later activities.

Activity 18.3: Enter Beginning Balances

Description In this activity, you learn to enter GL beginning balances in Standard Transaction Maintenance. Normally you enter beginning balances only when setting up an entity in the GL.

Select **Directions**

- Entity Code Maintenance**
1. Use Entity Code Maintenance to define a new entity. Enter your initials as the entity code. Indicate non-primary entity.
 2. Change the current entity to the entity you just defined. The following transactions are made into this entity.
- Current Entity Change**

Standard 3. Enter the following data using an effective date of 01/01/YY (YY = the current year). Set the control amount to \$470,500.00.

Transaction	<u>Account</u>	<u>CC</u>	<u>Description</u>	<u>Amt (USD)</u>
Maintenance	1040		YTD Balance	100,000.00
Financials	1050		YTD Balance	30,000.00
	1060		YTD Balance	45,000.00
	1200		YTD Balance	60,000.00
	1500		YTD Balance	90,000.00
	2100		YTD Balance	-48,500.00
	2400		YTD Balance	-5,500.00
	2700		YTD Balance	-50,000.00
	2800		YTD Balance	-90,000.00
	3000	0100	YTD Balance	-250,000.00
	3000	0200	YTD Balance	-26,500.00
	3900	0100	YTD Balance	4,500.00
	3900	0200	YTD Balance	2,000.00
	4100		YTD Balance	3,000.00
	6300		YTD Balance	1,500.00
	7100		YTD Balance	60,000.00
	7200	2000	YTD Balance	12,000.00
	8200		YTD Balance	10,000.00
	8300		YTD Balance	20,000.00
	8400		YTD Balance	32,500.00

Transaction 4. Enter an effective date range of 01/01/YY to 01/01/YY. Post all transactions.
Post
Financials

Activity 18.4: Enter Reversing Transactions

Description In this activity, you practice entering reversing transactions.

Select **Directions**

Reversing Transaction
Maintenance
Financials

1. Enter the following data using an effective date of 01/01/YY (YY = current year) and control total of \$85,000.00.

<u>Account</u>	<u>CC</u>	<u>Description</u>	<u>Amt (USD)</u>
7100	1000	Salaries	25,000.00
7100	2000	Salaries	50,000.00
7100	5000	Salaries	10,000.00
2150		Wages Payable	-85,000.00

Line #s renumber from 1.

Unposted Transaction
Browse/Inquiry
Financials

2. Display the transaction just entered (enter the prefix RV and use the down arrow). Notice the reversing entries automatically created by MFG/PRO.

Transaction Post
Financials

3. Post all transactions.

Current Entity Change

4. Change current entity back to 1000.

Lesson 19

Activity 19.1: Print Balance Sheet and Income Statement

Description

In this activity, you practice printing a comparative balance sheet and income statement comparing actual to actual figures.

Select

Directions

**Balance Sheet
Comparative
Financials**

1. Print a comparative balance sheet that displays the figures for periods 1 and 2 of the current year. Accept the system defaults on the remaining fields.

Column 1 — Ending Date: End of previous period

Column 2 — Ending Date: End of current period

**Income Statement
Comparative
Financials**

2. Print a comparative income statement that displays the figures for periods 1 and 2 of the current year. Accept the system defaults on the remaining fields.

Column 1 — Date: First day of previous period To: Last day of previous period

Column 2 — Date: First day of current period To: Last day of current period

Note: The percentage of income is based on the total of all type I account balances.

Activity 19.2: Enter and Calculate Budgets

Description

In this activity, you enter and calculate budgets for the current year.

In MFG/PRO, you can (1) enter budget amounts manually for each GL period; (2) distribute the annual budget over the periods or assign a percentage of the budget to each; or (3) allow the system to calculate the budget amount for each period based on a percentage of a format position or another account. You will practice all of these methods in this activity.

Select

Budget Maintenance Financials

Directions

1. Enter the following budget information for entity 1000, budget code BUDGETYY (YY = current year).

The first budget is for an account/cost center with an annual budget divided evenly over all GL periods.

Budget Code:	BUDGETYY
Account (Cost Center):	7100 (1000)
Auto Spread:	Yes
Yearly Budget:	300,000.00

Which field determined how the annual budget for account 7100 was divided?

The next budget is allocated to each period by percentage.

Budget Code: BUDGETYY
Account: 8400
By Percentage: Yes
Yearly Budget: 50,000.00

Period	Percentage
1	25%
2	40%
3	30%
4	5%

Notice how the system calculated the budget amount based on the percentage you entered. Which field enabled you to allocate the budget amount to each period by percentage? _____

The next budget shows the amounts for each period.

Budget Code: BUDGETYY
Account: 8200
Yearly Budget: 125,000.00

Period	<u>Budget Amount</u>
1	20,000.00
2	55,000.00
3	35,000.00
4	15,000.00

For the next budget, the sales account has a credit balance, so the budget amounts for each period are entered as negative amounts.

Budget Code:	BUDGETYY
Account (Cost Center):	3000 (0100)
Pd 1 thru Pd 12:	-\$5000.00

The budget for account 6300 is 30% of the format position for sales (net sales on the income statement).

Budget Code:	BUDGETYY
Account:	6300
Base Format Position:	50000
Default Percentage:	30

Even if you enter a positive default percentage, the budget for account 6300 (normally a debit account) will always be a credit amount because sales is normally a credit amount.

The budget for account 6500 is 10% of account 6300.

Budget Code:	BUDGETYY
Account:	6500
Base Account:	6300
Default Percentage:	10

Budget Calculation Financials

2. Calculate the budgets for accounts 6300 and 6500. Enter budget code BUDGETYY. Enter 01/01/YY to the current date as the effective dates.

**Trial Balance Budget
Financials**

3. Print a Trial Balance Budget for entity 1000, budget code BUDGETYY and report ending date (the current date).

Notice the variance column showing the difference in amounts and the variance percentage. ** indicates that no budget has been created for the account.

Activity 19.3: Creating a Custom Report (Optional)

Description

In this activity, you practice creating and printing the following operating expense report. You set up a report code and custom format positions and assign accounts and cost centers to the format positions.

Select

Directions

Custom Report Format Maintenance Financials

1. Set up the report code, title, and format positions for the custom report. Accept the default values for the remaining fields.

Custom Code:	OPEXP
Report Title:	OPERATING EXPENSES
Format Position:	100
Description:	OPERATING EXPENSES
Sums Into:	0
Double-Underline Total:	Yes
Format Position:	200
Description:	SALARIES
Sums Into:	100
Format Position:	300
Description:	TRAVEL/ENTERTAINMENT
Sums Into:	100
Format Position:	400
Description:	OTHER
Sums Into:	100

**Custom Report Account
Maintenance
Financials**

2. Assign accounts and cost centers to the format positions on the custom report (OPEXP).

Line: 1
Account: 7100 to 7100
Cost Ctr: 1000 to 3000
Sums Into: 200

Line: 2
Account: 7200 to 7200
Cost Ctr: 1000 to 3000
Sums Into: 300

Line: 3
Account: 7300 to 7300
Cost Ctr: 1000 to 3000
Sums Into: 300

Line: 4
Account: 5100 to 5100
Sums Into: 400

Line: 5
Account: 8200 to 8200
Sums Into: 400

Line: 6
Account: 8400 to 8400
Sums Into: 400

**Custom Report Print
Financials**

3. Print the custom report.

Custom Code: OPEXP
Column 1 - Date: To: Prior period
Column 2 - Date: To: Current period
Suppress Account Codes: No

Your report should show format positions and accounts similar to the following:

OPERATING EXPENSES

SALARIES

7100—1000 SALARIES & WAGES

7100—2000 SALARIES & WAGES

TOTAL SALARIES

TRAVEL/ENTERTAINMENT

7200—1000 TRAVEL

7200—2000 TRAVEL

TOTAL TRAVEL/ENTERTAINMENT

OTHER

5100 PURCHASES (EXPENSED)

5100--0100 PURCHASES (EXPENSED)

8200 SUPPLIES

8400 UTILITIES

8400—0100 UTILITIES

8400—0200 UTILITIES

8400—0300 UTILITIES

8400—0500 UTILITIES

TOTAL OTHER

TOTAL OPERATING EXPENSES

Activity 22.1: Using Currency Dependent Rounding

Description	<p>In this activity you:</p> <ul style="list-style-type: none"> • Verify the rounding method for base currency • Set up a new rounding method • Set up a new currency • Process a purchase order • View Voucher Maintenance 										
Select	Directions										
Currency Maintenance Financials	1. Verify the Rounding Method field is set to 2 for base currency USD (U.S. dollars).										
Rounding Method Maintenance Master Files	2. Enter the following: <table border="0" style="margin-left: 40px;"> <tr> <td>Rounding Method:</td> <td>9</td> </tr> <tr> <td>Description:</td> <td>New Method</td> </tr> <tr> <td>Rounding Unit:</td> <td>5.000</td> </tr> <tr> <td>Rounding Threshold:</td> <td>0.500</td> </tr> <tr> <td>Decimal Point:</td> <td>, (Comma)</td> </tr> </table>	Rounding Method:	9	Description:	New Method	Rounding Unit:	5.000	Rounding Threshold:	0.500	Decimal Point:	, (Comma)
Rounding Method:	9										
Description:	New Method										
Rounding Unit:	5.000										
Rounding Threshold:	0.500										
Decimal Point:	, (Comma)										
Currency Maintenance Financials	3. Enter the following information, accept all other defaults: <table border="0" style="margin-left: 40px;"> <tr> <td>Currency:</td> <td><use your initials></td> </tr> <tr> <td>Rounding Method:</td> <td>9</td> </tr> </table>	Currency:	<use your initials>	Rounding Method:	9						
Currency:	<use your initials>										
Rounding Method:	9										
Exchange Rate Maintenance Financials	Say Yes to Continue. <table border="0" style="margin-left: 40px;"> <tr> <td>Beg Date:</td> <td>today</td> </tr> <tr> <td>End Date:</td> <td>today</td> </tr> <tr> <td>Exch Rate:</td> <td>1.00000</td> </tr> </table>	Beg Date:	today	End Date:	today	Exch Rate:	1.00000				
Beg Date:	today										
End Date:	today										
Exch Rate:	1.00000										

**Purchase Order
Maintenance
Distribution**

4. Create a new purchase order, noting the PO number. In the header, enter the following information, accepting defaults for all other fields:

Supplier:5001000
Currency:New currency code

Fixed Price:Yes

Enter in the pop-up window:

Fixed Rate:Yes

In the line item section, add two line items using the following information:

Line	1	2
Site:	Train	Train
Item Number:	09-0035	10-0040
Qty Ordered:	100	200
Unit Cost:	1.134	.037

On the trailer screen, note the Total is adjusted for no decimal places. Complete the purchase order.