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INTRODUCTION

Profit is the main reason for starting a business and how this profit is reached needs to be measured. For this purpose you will need economical and financial information. To satisfy this necessity, internal control has to be practiced together with commercial transactions; this has to be done in accordance with Accounting principles and norms.

Bookkeeping

Every business event, invoice or receipt should be put into the books in the order that they occur and are then called transactions. When a transaction is written into the books it must not be erased or made unreadable. According to the law, changes can be done by making a red line through the faulty transaction in a way that it still is possible to read the original transaction. A new transaction with the correct data can then be entered. Together with every change there must be a note about who did the change and when the change was made.

Single Entry / Double Entry

There are two types of book keeping: the Single and the Double entry type.

In the Single Entry system, the books consist only of one side. Transactions are written below each other and at the end a sum is calculated showing either a gain or a loss.

Example of single entry is what you normally do in a simple expense note book.

In the Double Entry system, the books consist of two sides and each transaction is recorded on two accounts.

Chart of accounts

An average company normally has a large number of accounts. Even a small company can have 200-300 accounts.

In order to make the use of accounts easier, the legal or tax authorities in most countries have published a standard chart of accounts. In this way they ensure that companies use a similar chart of accounts, which helps the controlling authorities to check the books. These standard chart of accounts might be slightly different depending on your type of business. When a company selects a chart of accounts you normally start from a standard chart of accounts suitable for the type of business and the book keeping laws in the country.

Even if you start from a certain standard chart of accounts there is nothing that says that you must follow it completely. If, for example, there is an account for Buildings and the company doesn't own any buildings you can just remove that account from the chart of accounts. In the same way you can add accounts. If the company has multiple lines of business you can expand the chart of accounts to differentiate the different parts. It is good to discuss the chart of accounts with the company's auditor or accountants.

The five types of accounts

To know when a certain account is to be debited and credited a chart of accounts can be divided into five different types of accounts.

ASSETS (A)

EQUITY (E)

LIABILITY (L)

INCOME (I)

EXPENSE (E)

Asset accounts (A)

These accounts contain things that the company owns. All accounts that contains the company's available funds (cash, bank account etc) are asset accounts. Any machines and inventory the company owns are also in the asset accounts. If the company has debtors like customers that owe the company money then this is seen as an asset (accounts receivable). The debtors account is therefore an asset account. On the other hand, if a customer has paid in advance then this should be

booked on the account for prepayments from customers, this should be seen as if the company owes the customer money and is not an asset account.

Not everything a company buys is automatically an asset. Some items that only have a minor value are rather seen as an expense. This would be, for example, pens, chairs, coffee for the office and similar things. A more detailed information about expense accounts is provided on the next page.

Equity accounts (E)

The Equity shows the value of a company. It consists of at least two accounts. The Share Capital and the Result of Current Fiscal Year.

The Share Capital is cash or other assets introduced into the business by the owners. This Share Capital has to be brought before the company is founded. The sum is prescribed by law, and differs according to the countries and which type of company it is.

The Results of the Fiscal year are the profit that has been made or the loss. A loss will reduce the share capital and a profit will increase it.

How to work with Equity accounts has to regard very specific legal rules. It is not handled as an asset account but rather seen as an account that contains the companies liability to the owners. Most companies are started with the help of money from the owners. These funds are to be seen as a liability to the owners.

Liability accounts (L)

These accounts contain the liabilities (debts) that the company have. This includes all debts to the Vendors, which are short term debts, but also long term debts like loans. Normal liability accounts are accounts payable and bank loans.

Income accounts (I)

You maybe hope that most of the accounts would be income accounts but that is not the case. Just a few accounts are normally income accounts. An income or revenue comes up when the company sells a product or service. This is the most common type of income. As an income it does not matter whether the sale was paid by cash or through an invoice – income is income. If we send an invoice to a customer the income accounts are affected in a positive way. The income accounts can also be affected in a negative way if we send a credit note to a customer, which means that the customer returns the goods and wants his money back.

Expense (E):

The expense accounts contains the company's costs. "Salaries", "Rent", "Purchase of goods", "Transportations", "Interest" are examples of expense accounts. Everything that the company pays that is not to be considered as an investment for the future and that does not have a long lasting value is to be seen as expenses (costs). A phone bill is an expense like salary, rent, electricity etc.

An example of an investment would be a machine used in production. This is never considered as a cost, because the machine will be used for producing and therefore generate value for the business. The machine is an investment and will therefore be recorded on the asset accounts.

Only items that are of minor value are counted as expense. This can also be small office equipment like chairs, cutlery for the canteen, pens and similar things.

Basic elements and fundamental equation

Accounting is based on three fundamental elements namely: Assets, Liability and Equity. These three elements are combined into the most important accounting equation:

$$\text{Assets} = \text{Liability} + \text{Equity}$$

Assets: A useful and desirable thing or quality, a single item of ownership having an exchange value. Examples are: Property, Bank, Accounts Receivable

Liability is: Moneys owed; debts or pecuniary obligations. Examples are: Loans, Overdrafts, Accounts Payable

Equity is: The owners' interest in the assets of a business. Owners' Equity includes the amount invested by the owner plus the profit in the enterprise.

Profit consists of two elements namely Income & Expenses. These two elements are combined in the following accounting equation:

$$\text{Profit} = \text{Income} - \text{Expenses}$$

Debit & Credit

All transactions are entered into "T-Accounts". The left side of the T-account is called the debit and the right side of the T-account is called the credit.

The question now is what element is entered on the Debit side and what element is entered on the credit side?

The answer to that question is very simple and can be illustrated in the following:

Asset: When an asset increases (+) it will be entered in the Debit side. When an asset decreases (--) it will be entered in the Credit side.

Liability: When a liability increases (+) it will be entered in the Credit side. When a liability decreases (--) it will be entered in the Debit side.

Equity: When equity increases (+) it will be entered in the Credit side. When a liability decreases (--) it will be entered in the Debit side.

Income: When an income increases (+) it will be entered in the Credit side (It is the same side as equity because it increases the owner's Profit.) When a liability decreases (--) it will be entered in the Debit side.

Expense: When an expense increases (+) it will be entered in the Debit side (It is the opposite side as equity because increase in expenses will decrease the owner's Profit.) When an expense decreases (--) it will be entered in the Credit side.

Expenses and Income are reflected in the Profit & Loss report. Assets, Equity and Liability are Balance accounts and are reflected in the Balance Sheet report.

Tax

What is Tax?

Value Added Tax is a form of consumption tax. For the buyer of a product, this is a tax on the purchase price of the item (Input Tax). For the seller of the product, this is a tax on the value added to the product, material or service (Output Tax). From an accounting point of view, this Tax needs to be recorded and the difference between the Input and Output Tax must be reported to the government, leaving the company with either a negative liability (refund due), or a liability to the Tax office.

Personal end-user consumers cannot claim/recover the Tax that they have been charged on purchases, however companies that are registered for Tax can. The reason for this being that if a company had to pay Tax themselves, the product would become more and more expensive for the end customer as Tax would become part of the purchase cost, and therefore included in the sales price later down the line.

It is therefore very important for a company to have systems in place to record and report Tax in an accurate and timely manner.

Tax collection method can be either accounts-based or invoice-based:

- **Invoice based method:** here the seller charges the Tax rate and issues the buyer with an invoice that indicates the amount of tax that has been charged. If these buyers are subject to Tax on their own sales (output tax), then these buyers can claim this tax amount as an input tax, and use this to reduct the Tax liability for the period.
- **Accounts-based method:** Here, tax is calculated on the value added, measured as a difference between the revenues and allowable purchases. Japan is the only country that uses this accounts method, with all other countries using the invoice method.

Tax collection timing can be either accrual or cash based (the same as accounting in general):

- **Cash basis timing:** when a payment is received for the sale of goods or services, a deposit is made, and the revenue is recorded as of the date of the receipt of funds, no matter when the sale has been made. Cheques are written when the funds are available to pay bills, and the expense is recorded as of the cheque date, regardless of when the expense has been incurred. Revenues are not matched to the time period in which they are earned, and expenses are not matched to the time period in which they are incurred. As the primary focus is on the amount of

cash in the bank.

- **Accrual basis timing:** here, revenue is matched to the time period in which it is earned, and expenses are matched to the time period in which they are incurred. Using this method, you will be able to draw more meaningful financial reports from your data, track receivables and payables more accurately, and generally extract more information about your business. This method, however, is more complex to administer than the cash basis accounting.

There are two different types of Tax account:

- **Asset accounts for Tax (or Input Tax account):** This account is used when we make a purchase. This is seen as an asset as we are allowed to use this Tax amount to reduce the Tax liability that is owed to the state at the end of a given period.
- **Liability accounts for Tax (or Output Tax account):** This account is used to record Tax amounts that we charge to our customers. This Tax is owed to the state at the end of a given period, and is therefore reported as a liability in the ledger.

Tax Illustrations:

Henry, a carpenter, manufactures 500 chairs during one year. In order to do this he must buy wood, glue, paint and fabric for the chairs, with Tax charged on each of these purchases. The carpenter also has other indirect costs in his operations such as phone costs, tools, transportation costs etc.

As mentioned above, personal end-user consumers cannot claim/recover the Tax that they have been charged on purchases, however companies that are registered for Tax can. In essence, the cost of Henry's purchase is the amount paid, less the Tax amount.

Let's say that Henry paid 5000 USD for the cost of this operation over the year, and let's assume that Tax is charged at 25%. This means that the cost is in fact 4000 USD, and the Tax element is 1000 USD.

When selling these chairs for 9000 USD, Henry must also add 25% Tax onto the value that was added by manufacturing the chairs (i.e. 9000 USD selling price less 4000 USD cost price = 5000 USD value added to chairs), bringing the total value price for the chairs up to 11,250 USD.

Input Tax therefore = 1000 USD

Output Tax therefore = 2250 USD

Balance owing to the tax office = 1250 USD (which is 25% of the 5000 USD value added when manufacturing the chairs)

A phone bill payment of 125 USD, inclusive of Tax, needs to be recorded in the ledger. Using the above example of 25% Tax, this would mean 100 USD cost, plus a Tax element of 25 USD.

In order to determine the ledger posting for the above transaction, we must determine which accounts are affected by the transaction.

Payment of 125 USD will decrease our bank account (cash) cash account. Since the cash account is an asset, we would therefore Credit the bank account by this amount.

The Tax is Input Tax, and this therefore recorded in an asset account. As our asset is increasing, (the state effectively owe us this Tax), this means that we would Debit the Tax asset account.

The cost of the Bill, 100 USD, needs to be booked to an expense account. As the expense is increasing, this means that we need to Debit the phone expense account.

So in conclusion, for this cash payment of 125 USD, we would book a General Ledger transaction as below:

CR Bank	125 USD
DR Input Tax	25 USD
DR Phone Expense	100 USD

SETTINGS

Settings within the System module

Settings allow you to tailor the operations of Standard ERP to your requirements, and to supply core information that will be used throughout the program. Settings take the form of preferences, for example specifying what account to use in a certain situation; or requirements indicating the number of records that need to be entered in a certain situation.

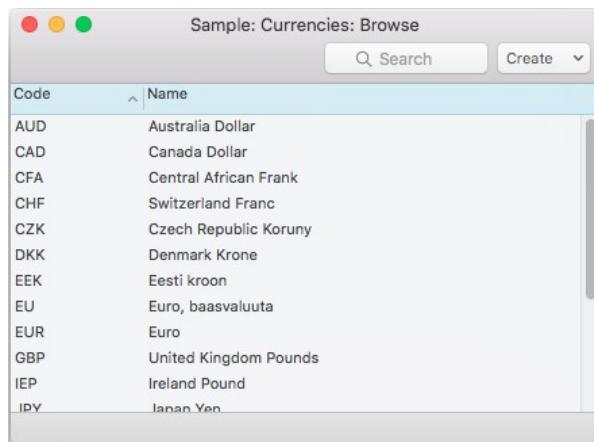
All of the below mentioned settings need to be filled PRIOR to commencing working within the General Ledger.

Currencies

Due to the global nature of our trading across the world, we will quite often deal with customers and Vendors that do not operate using the same currency that we use. Standard ERP allows you to record any accounting transaction in foreign currency, and a register of the currencies and their respective Exchange Rates for different dates is maintained.

Customers and Vendors can be assigned a default currency in which their invoices are issued/ received respectively. When the Invoice is issued or the Payable is received, Standard ERP automatically converts the amount from the foreign currency to the home currency and posts the necessary accounting transactions.

Currencies can be defined by clicking on the [Currencies] button in the [Registers] icon in the Navigation Centre panel in the System module to open the 'Currencies: Browse' window as below. This shows all currencies that have already been entered into the system.



Code	Name
AUD	Australia Dollar
CAD	Canada Dollar
CFA	Central African Frank
CHF	Switzerland Franc
CZK	Czech Republic Koruny
DKK	Denmark Krone
EKK	Eesti kroon
EU	Euro, baasvaluuta
EUR	Euro
GBP	United Kingdom Pounds
IEP	Ireland Pound
JPY	Japan Yen

To enter a new currency, simply click on the "Create" button and choose "New Currencies".

Here you need to enter the currency code (this code must be unique) and a name for the currency.

On the first tab (Span Tab), you can define a minimum and maximum Span for the currency. Say for example, at the moment, a current Dollar (your Base Currency 1) to Australian dollar conversion is 1:1.9. Using the figures in the screen shot below, this stops posting of currency rates below 1.5 and above 2.5 preventing large currency error postings within the system.

Sample: Currency: New

Code AUD		Name Australia Dollar	
		<input type="button" value="Span"/>	<input type="button" value="EMU"/>
		<input type="button" value="Round Off"/>	<input type="button" value="Text"/>
		<input type="button" value="Other"/>	
Currency From		Base Currency 1	Base Currency 2
Default	1.9		1
Min	1.5		1
Max	2.5		1
<input checked="" type="checkbox"/> Prevent Base Rate Changes <input type="checkbox"/> Prevent Foreign Rate Changes <input type="checkbox"/> Member of the EMU		Date _____	
Automatic Round Off Limit _____		Automatic Write Off Limit _____	
Value in Text Name Dollar		Gender	
Value in Text Name (2-4) Dollars		<input checked="" type="radio"/> Masculine	<input type="radio"/> Feminine
Value in Text Name (5-)		Gender	
Minor Currency Name _____		<input checked="" type="radio"/> Masculine	<input type="radio"/> Feminine
Minor Currency Name (2-4)			
Minor Currency Name (5-)			
Tax Code _____			

It is a requirement in some countries for the amount/value to be printed on documents for different quantities. This can therefore be defined in the Value in Text fields as below. Let's say for example, there is an Australian Dollar currency, and they require the amount to be written out in text – so 150 AUD would need to be written out as "One Hundred and Fifty Dollars". This setting allows you to define, in this instance, that if it is one unit, it is a "Dollar" and if it is more than one unit, it is written as "Dollars".

Base Currency

Once all of your currencies have been defined, you need to specify the two currencies that are going to be used as your two Base Currencies. Usually this would be your home currency (dollars) and the Euro (or Sterling). Using this, all transactions will be expressed in either of the two base currencies for all reporting purposes.

Base Currency 1: The currency specified in this field is the home base currency - i.e. the currency that you would normally trade in (usually your national currency).

Base Currency 2: If you would like to view your financial information in a different currency than specified in Base Currency 1, then you will specify it here.

Default Base Currency: This is the default currency which will be used where no currency has been specified for a customer or vendor.

An exchange rate will need to be set between the two base currencies, and will need to be updated at regular intervals as the exchange rate fluctuates. The more often that this is entered, the more accurate the reporting. This can be done by creating a new record in the Base Currency Rates setting, and not by overwriting the existing record.

Exchange rates

This register in the System module is used to enter conversion rates between the foreign Currencies that you have defined, and the home Currency. If the dual-base system is being used, a new record should be entered to register the exchange rate between the currencies. Please note that you should always create a new record for the exchange rate, not overwrite the old record. This ensures an accurate history will be created, which will then be used when currency conversions are required for reporting purposes.

This register should be used for all Exchange Rates, except those between the two Base Currencies. These should always be stored in the Base Currency Rates setting in the System module as detailed above.

Settings in the General Ledger

All of the below mentioned settings need to be filled PRIOR to commencing working within the General Ledger.

Fiscal Years

Standard ERP has a multi-year database, and this setting allows you to define several financial years. Each year must have a Code, and this will be used as a prefix for Transactions entered directly to the Transactions register in the General Ledger.

Note that Fiscal Years should always be listed in chronological order as shown in the illustration. You cannot insert new Fiscal Years at the top of the list, or remove old Fiscal Years. You should not make any changes to a Fiscal Year once a transaction has been posted there.

A warning will be issued whenever an attempt is made to post a transaction within a year that is not defined within this setting.

The periods may not overlap and they must be sequential. The system will not allow to save the Fiscal Years setting unless these two rules are followed.

Number Series

Each record created in the Transaction or Simulations register has its own unique identifying number, based on a defined sequential series. When you enter a new Transaction or Simulation, the next number in the series will be used. If required, you can have a number of such sequences running concurrently, perhaps representing different years or different departments.

The "Number Series–Transactions" setting, and the "Number Series–Simulations" setting will need to be defined within the General Ledger settings, and you must ensure that these different number series do not overlap. If you leave these settings blank, the Transaction numbers will start at 1 and continue consecutively from here.

Enter each new Number Series on the first blank line. The Comment will be shown in the 'Paste Special' list, so enter some text that will help you choose a number from the correct sequence. Then, click the [Save] button in the Button Bar to save the changes. To close the window without saving changes, click the close box.

Sub Ledger Control accounts

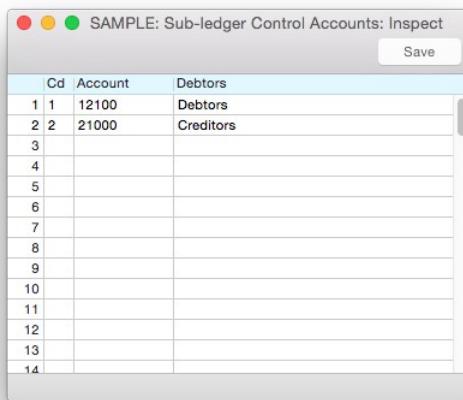
In this setting you specify the Accounts that are to be part of the sub-ledger Control Accounts feature. The accounts affected by this setting are defined here, but this Sub Ledger Checking is only activated when a check box "Sub Ledger Checking" is ticked in the Account Usage A/R setting and Account Usage A/P setting in the Accounts Receivable and Accounts Payable modules respectively.

SAMPLE: Account Usage A/R: Inspect

	Debtors	Tax / Tax	Exchange Rate	Sales	Credit
Debtors <u>12100</u>	<input checked="" type="checkbox"/> Objects on Debtors A/C			<input checked="" type="checkbox"/> Objects on Bank A/C	
Bad Debtors <u>12300</u>	<input checked="" type="checkbox"/> Sub-ledger Checking			<input type="checkbox"/> Post Discount	
Cash <u>11130</u>	<input checked="" type="checkbox"/> Invoices Update Inventory			<input checked="" type="checkbox"/> Disallow over-receive Invoice	
POS Change <u>11130</u>	<input checked="" type="checkbox"/> Invoice info on G/L Transaction			<input type="checkbox"/> Disallow Negative Totals on Sales	
On Account A/C <u>26600</u>	<input type="checkbox"/> Update Base Currency when Invoicing			<input type="checkbox"/> Disallow Negative Row Sums on Sales	
Round Off Gain <u>61160</u>	<input type="checkbox"/> Update Foreign Currency when Invoicing			<input type="checkbox"/> Credit Memos Total value may not exceed Invoice value	
Round Off Loss <u>61160</u>	<input type="checkbox"/> Skip Header A/C Objects on Sales and COS A/C				
Commission <u></u>	<input type="checkbox"/> Force Chronology for Invoice				
Invoice Discount <u>61610</u>	<input type="checkbox"/> Do not allow Credit Invoices without No.				
	<input type="checkbox"/> Use Credit Sales Accounts				
	<input checked="" type="checkbox"/> Use Prepayments, not On Account				
	<input type="checkbox"/> Force Unique Prepayment Numbers				
	<input type="checkbox"/> Separate Row per Receipt Row on Bank A/C				
	<input type="checkbox"/> Calculate Due Date from Service Delivery Date				
	<input type="checkbox"/> Create Payable from Credit Memo				
	<input type="checkbox"/> Require Credit Memo Reason				

The feature prevents the user posting to the specified Control Accounts manually from the Transaction register in the General Ledger. Instead, it will only be possible to post to these Accounts (such as, on the Accounts Receivable side, Debtor Accounts) from the sub-ledger (i.e. from Invoices or Receipts in the Accounts Receivable).

If you try to post to a controlled Account directly from the General Ledger (using the Transaction register) you will get an alert message. The Debtor and Creditor Control Accounts specified on card 1 of the Account Usage A/R and A/P settings are automatically protected when this feature is activated. All other Accounts that you want to be part of the sub-ledger control feature (i.e. the Accounts which are not to be used in the Transaction register) must be entered in this setting. To do this, double-click 'Sub-ledger Control Accounts' in the 'Settings' list within the General Ledger. The 'Sub-ledger Control Accounts: Inspect' window is shown.



For each row, use the Code field to enter an Account Category. Two account Categories are valid:

Code 1 for accounts receivable (debtors); and

Code 2 for accounts payable (creditors)

In the Account field, enter the Account Number of the Control Account of which use in the General Ledger is to be prohibited. The text in the Debtors field is entered automatically by the program, and is determined by the Account Category chosen.

Click [Save] to save the changes and close, or the close box to close without saving changes.

Tax Codes

In this setting you can define as many Tax Codes as you need, with different accounting specifications.

After defining your Tax Codes, you can then assign them to Customers, Vendors, Items and also to individual Sales and Payables Accounts. The Tax Codes ensure that correct Tax percentages will be used and subsequently posted to the correct General Ledger Accounts.

It is strongly recommended that in the case of changes in Tax rates, a new Tax Code is created with the new % rates specified (instead of updating the existing Tax Code). This will ensure reporting integrity in the database. Please refer to row 6 in the illustration below.

To edit the Tax Codes, double-click 'Tax Codes' in the Settings in the GeneralLedger:

SAMPLE: Tax Codes: Inspect							Save
Code	Excl. %	Incl. %	Outp A/C	O/P A/C	Inp A/C	I/P A/C	Description
1 MIAST	2.90		23011		23911		MIA State
2 MIACT	0.80		23012		23912		MIA County
3 MIACI	3.85		23013		23913		MIA City
4 MIAGR	2.25		23013		23913		MIA Grocery
5 GVMA	0.00		23011		23911		MIA Government
6 EXMIA	0.00		23011		23911		MIA Exempt
7 SMIA	0.00		23011		23911		MIA Services
8 MIAO...	0.00		23011		23911		MIA Out of State
9 GCMA	0.00		23011		23911		MIA Gift Certificates
10 BOSST	2.90		23021		23921		BOS State
11 BOSCT	0.80		23022		23922		BOS County
12 BOSCI	1.20		23023		23923		BOS City
13 BOSGR	0.00		23023		23923		BOS Grocery
14 GVBOS	0.00		23023		23921		BOS Government
15 EXBOS	0.00		23021		23921		BOS Exempt
16 SBOS	0.00		23021		23921		BOS Services
17 LABB...	0.00		23021		23921		BOS Labor
18 BOS...	0.00		23021		23921		BOS Out of State
19 GCBOS	0.00		23021		23921		BOS Gift Certificates

Code: Each Tax Code record should be identified by a unique Code.

Excl %: Specify the percentage to be applied to a figure that excludes Tax in order to calculate the Tax amount. You must specify an Input or Output Account if the percentage is zero, as shown in the illustration above.

Incl %: Specify the percentage to be applied to a figure that includes Tax in order to calculate the Tax element.

Outp A/C: Specify here the Tax Output Tax Account to be credited whenever this Tax Code is used in a sales transaction.

Inp A/C: Specify here the Input Tax Account to be debited whenever this Tax Code is used in a purchase transaction.

Description: The description entered here will appear in the 'Paste Special' list, so this should give enough detail to ensure the correct Tax Code is always chosen. To save the changes and close the window, click the [Save] button. To close the window without saving changes, click the close box.

Tax Templates

Multiple tax templates can be created to allow for different tax amounts on invoices, providing more flexible combinations than Tax codes.



The requirements for this are:

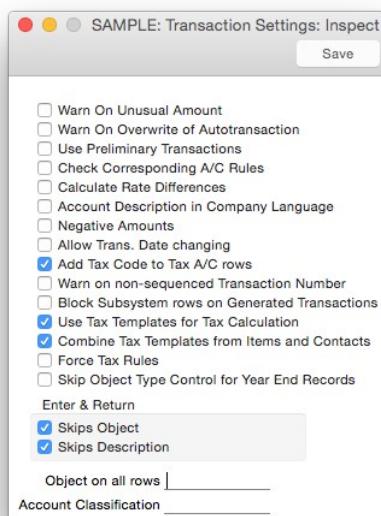
- There are countries where there are more taxes than one simple tax, and these tax amounts need to be calculated on invoices;
- Certain taxes are calculated based on the Invoice Net Amount, some are based on Invoice Net plus Tax, plus some other Taxes
- Certain Taxes are updating the Invoice Total, some are just posting to the General Ledger Transactions – But don't need to be charged to the customer

- Certain countries have an option that the same item sold to the same customer might have different tax rule dependent on the transaction type.

For example, different tax rules may apply if the item is sold to a local customer, depending whether the item was imported or produced locally

Settings

The following transaction settings need to be ticked:



1. In the General Ledger Module >>Settings>>Transaction Settings – Ensure Use Tax Templates for Tax Calculation and Combine Tax Templates from Items and Contacts is ticked.

2. In the General Ledger Module >>Settings>>Tax Code on Transaction Rows, the following tax codes on transaction settings need to be ticked:

3. All the relevant tax codes need to be entered and tax templates need to be created:

3.1 In the General Ledger Module >> Settings >> Tax Codes

SAMPLE: Tax Codes: Inspect								
	Code	Excl. %	Incl. %	Outp A/C	O/P A/C	Inp A/C	I/P A/C	Description
1	MIAST	2.90		23011		23911		MIA State
2	MIACT	0.80		23012		23912		MIA County
3	MIACI	3.85		23013		23913		MIA City
4	MIAGR	2.25		23013		23913		MIA Grocery
5	GVMIA	0.00		23011		23911		MIA Government
6	EXMIA	0.00		23011		23911		MIA Exempt
7	SMIA	0.00		23011		23911		MIA Services
8	MIAO...	0.00		23011		23911		MIA Out of State
9	GCMIA	0.00		23011		23911		MIA Gift Certificates

3.2. In the General Ledger Module >> Settings >> Tax Template:

SAMPLE: Tax Template: Inspect

Code	Excl. %	Comment	Base
1 MI...	2.90	MIA State	Net
2 BO...	0.00	BOS Out of State	Net
3 CH...	0.00	CH Out of State	Net
4 NY...	0.00	NY Out of State	Net
5 WH...	2.90	DC State	Net
6			
7			
8			
9			
10			

Tax Templates can be created for different scenarios, by item, Customers/Vendors, branches (multi-stores) and delivery address.

Accounts (register)

This register allows you to enter the chart of accounts.

To enter a new record in the Account register, click [Create] and choose [New Account] in the Button Bar or use the **-N** keyboard shortcut. Alternatively, highlight a record similar to the one you want to enter and click [Create] and choose [Duplicate Account] on the Button Bar. By clicking the tabs you can navigate between cards. The header is always visible, as a reminder of the Account you are working with.

Enter the unique code you are assigning to this Account: this is the means by which this Account will be identified elsewhere in the system as well as the name or description for the record.

Once you have saved the record, you cannot change the Account Number!

SAMPLE: Account: Inspect

Account 41100	Name Sales - Keyboard Instruments
<input type="button" value="Misc"/> <input type="button" value="Texts"/>	
Autotrans.	SRU Code
Tax Code	Consolidation A/C
Currency	Accrual
Tax Template	Auto Autotrans.
Classification	
Account Type Normal Amount	
Asset <input checked="" type="checkbox"/> Debit Liability <input checked="" type="checkbox"/> Credit Equity Income <input checked="" type="checkbox"/> Expense <input type="checkbox"/>	
<input type="checkbox"/> Closed <input type="checkbox"/> Group Account <input type="checkbox"/> Reduce Minorities	

The 'Account Type' radio buttons make it easier to define what kind of account it is.

Check box Closed: Check this box if you want to close the Account for further transactions. You will no longer be able to use it, or post to it and it will not appear in the 'Paste Special' selection window. If you want to open the Account again, you simply click in the box to remove the check mark.

As mentioned above, there are two ways to add new Accounts to the Chart of Accounts, namely creating a new Account or duplicating and then editing an existing one.

In the 'Accounts: Browse' window, click [Create] and choose [New Account] in the Button Bar, or highlight the Account to be copied and click [Create] and choose [Duplicate Account] in the Button Bar. The 'Account: New' window appears, as detailed above.

Enter the new information or change the copied record as appropriate. Click [Save] to save the new record or [Cancel] to close without saving the record.

You can delete an Account from the Chart of Accounts as long as it has not been used in any Transactions.

In the 'Accounts: Browse' window, double-click the Account you want to delete and this opens the 'Account: Inspect' window. From here you can select 'Delete' from the Record menu. The Account is deleted and the previous Account in the list is shown.

Note: Once an account has been deleted, this cannot be undone. An account that has been used cannot be deleted.

Objects (register)

An object is a tool to create multidimensional analysis within your chart of accounts. This allows your accounts to be classified and reported in several different categories or dimensions. When an object is set up it can be attached to a product, sales person, customer, supplier, etc and will automatically flow through all relevant transactions to the General Ledger. You can set up the system to force users to enter the relevant object code against transactions to ensure data integrity. There are a wide range of reports that can be run by object or range of objects.



To enter an Object: (in the Register "Objects" in the General Ledger Module)

Object: Enter a Code for your Object.

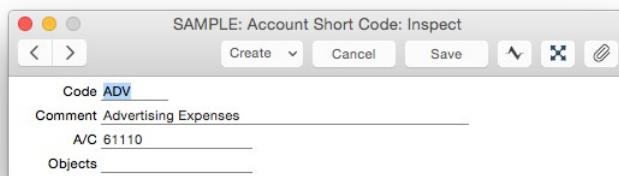
Name: Enter the Object Name.

Object Type: Enter an Object Type, this helps to organize your Objects. You can use Paste Special to select the adequate Object Type.

Hierarchy Object: Enter an Object Code, with Paste Special. When you enter a Transaction and include an Object with a Hierarchy Object, the system will automatically enter the Object Code typed in the Hierarchy Object field, plus this Object Code.

Closed Checkbox: Activate this checkbox in case the Object is to no longer be used. Please note that Objects shouldn't be deleted from the database.

Accounts short codes (under Settings in the General Ledger module)

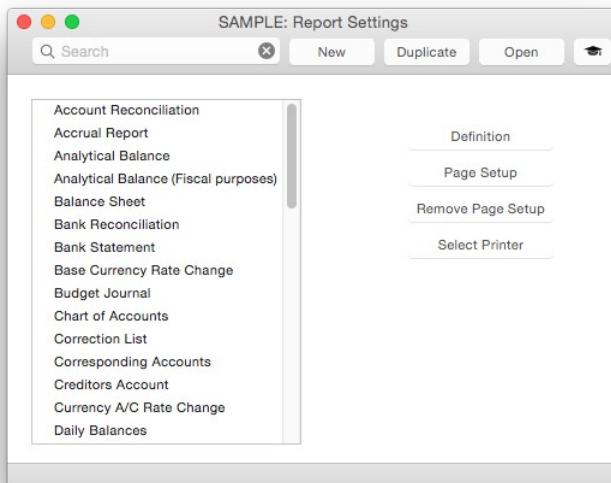


Account Short Codes can help reduce errors when selecting Accounts and Objects on Payables and Expenses. You can also use them if you do not want members of staff, using Payables and Expenses, to have any access to the Account and Object registers. Account Short Codes indicated which account should be used in the most common day-to-day transactions of your company, like for example, travel expenses, mileage costs, office supplies, etc).

REPORT DEFINITIONS

Report Definitions

You can change the appearance and format of some General Ledger reports to suit your specific requirements. This is known as changing the report's definition. The reports for which this facility is available are the Balance Sheet, Key Financial Ratios, Profit & Loss Report and Tax Report. This flexibility is maintained in the system as most businesses will require their Profit & Loss report to have a specific layout and level of detail and also because the Chart of Accounts will differ among most businesses, so the reports need to be defined based on the Chart of Accounts that the Company is using.



To change a report definition, ensure you are in the General Ledger module and click the [Settings] icon in the Navigation Centre panel. Then double-click 'Report Settings' in the subsequent list. Then highlight a report name in the list on the left-hand side of the 'Report Settings' window and click the [Definition] button. The subsequent definitions windows are described on the pages describing the Balance Sheet, Key Financial Ratios, Profit & Loss Report and Tax Report.

Example: Balance Sheet

You can define the structure of the Balance Sheet to suit your requirements. The following example illustrates the set-up process.

To change the report definition of the Balance Sheet, first click the [Settings] icon in the Navigation Centre panel and double-click 'Report Settings' in the subsequent list. Then, highlight 'Balance Sheet' in the list on the left-hand side of the 'Report Settings' window and click the [Definition] button. The 'Balance Sheet Report Definition: Inspect' window is opened.

SAMPLE: Balance Sheet Report Definition: Inspect		
<input type="button" value="Create"/> <input type="button" value="Cancel"/> <input type="button" value="Save"/> <input type="button" value="New Line"/> <input type="button" value="X"/> <input type="button" value="Edit"/>		
Name	Type	
BalRn	Balance Sheet	
Id	Comment	Accounts
1000	ASSETS	
1001		
1010	Current Assets	
1020	Cash On Hand	11110:11190
1030	Deposits Paid	11300
1035	Prepaid Expenses	11300:11799
1040	Inventory	11800+11810
1050	Total Current Assets	1020+1030+1035+1040
1051		
1060	Accounts Receivable	12100:12130
1061	Prepayments to vendors	12200
1062		
1070	Fixed Assets	13000:13820
1075		
1080	TOTAL ASSETS	1050+1060+1061+1070
1085		
2000	LIABILITIES	
2001		
2010	Current Liabilities	22000:22201
2020	A/P Accrual - Inventory	21240:21275
2030	Accounts Payable	21000:21120
2040	Sales Tax Payable	23000+23300
2045	Other taxes payable	24000+25020+25030:23060

The window shows the Balance Sheet row by row, as it has been presented up to now. The rows are numbered 1000, 1010, 1020 etc., so there is room to insert new rows in between. You can insert new rows using the [New] or [Duplicate] buttons in the usual manner.

Double-click the first row, "1000: Assets".

The 'Definition of Balance Sheet: Inspect' window is opened, showing the current definition of the row.

SAMPLE: Line Definition: Inspect				
		<input type="button" value="Create"/> <input type="button" value="Cancel"/> <input type="button" value="Save"/> <input type="button" value="X"/> <input type="button" value="Edit"/>		
No.	1000	Name	BalRn	
Text	ASSETS	Extra Code		
Accounts	11110:14110			
Cor. A/C				
Type	<input checked="" type="radio"/> Accounts <input type="radio"/> Sum <input type="radio"/> Text <input type="radio"/> Page break	<input checked="" type="radio"/> Asset <input type="radio"/> Liability <input type="radio"/> Equity <input type="radio"/> Income <input type="radio"/> Expense	<input checked="" type="radio"/> Normal <input type="radio"/> Debit <input type="radio"/> Credit	<input checked="" type="radio"/> Active/Passive <input type="radio"/> Normal <input type="radio"/> Only Debit <input type="radio"/> Only Credit
Language	Text			
1				
2				
3				

The number identifies the row in the Balance Sheet, and the Text "Assets" is printed in the report as a heading for a group of Accounts when the report is sent to the screen or to the printer.

The Accounts field contains a range of Account numbers. Every Account in this range will be printed in the Balance Sheet, under the heading specified in the Text field. An alpha sort is used so, in the example illustration above, "11110:14110"

effectively means that all Accounts whose first digit is "1" are to be printed in the report.

Of the four Type options, "Accounts" has been selected, which means that each of the Accounts in the range will be printed individually in the report. After the last Account in the group, a total for the group will be printed.

The Account Type is "Asset". The Account Type concept is explained here.

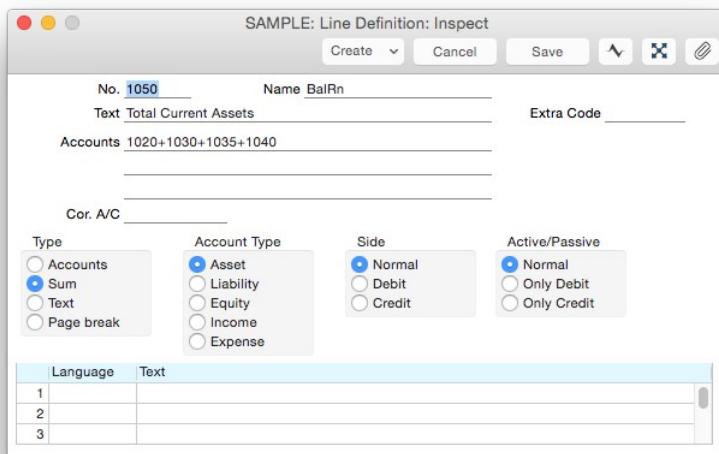
The Side and Active/Passive options are described on the Special Features of the Balance Sheet page.

You should use the grid to enter various translations of the Text (i.e. the report heading or sub-heading). Specify a Language in the first column using 'Paste Special' if necessary, and the appropriate translation in the second column. There is no need to enter a row for your home Language. When you print the report, you can specify which Language is to be used.

The Extra Code is used in Russia where the Balance Sheet is printed using a standard report design that includes line numbers: use this field to specify the correct line number for this row of the report. The Extra Code only appears in the report when you produce it using the No Comparison option.

The Accounts field consists of three rows, with room for a definition 300 characters long. As alternatives to specifying a range of Accounts, you can also specify a number of individual Accounts, or ranges of Accounts, separated by commas. If you enter a range of Accounts with the highest number first, the Accounts in that range will be presented in reverse order.

Open row 1050, "Total Current Assets". The Type of this row is "Sum", which means that the total values from rows 1020, 1030, 1035 and 1040 will be added together. The result will be shown on line 1050 under the heading "Total Current Assets". The Account Type is still "Asset".

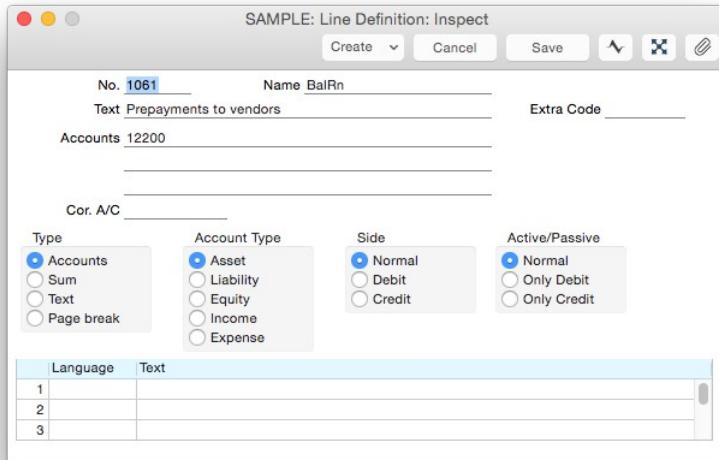


Adding more rows

Ensure you are in the General Ledger, then open the 'Settings' list window and double-click 'Report Settings' in the subsequent list. Then, highlight 'Balance Sheet' in the list on the left-hand side of the 'Report Settings' window and click the [Definition] button. The 'Definition of Balance Sheet: Browse' window is opened.

Click [New Line] or highlight a row similar to the one you are creating and click [Create] and choose [Duplicate Line Definition]. An empty form or a copy of the highlighted row is opened.

Enter the information for the new row. Remember to give the new row a number that will insert it in the right place in the Balance Sheet (e.g. if you want to insert a row between rows 1060 and 1070, you can use 1061.)



Click [Save] and close the window, or click the close box to cancel. You will be returned to the 'Definition of Balance Sheet: Browse' window, where the new row is shown in its proper place in the list.

The result can be seen by running the Balance Sheet report:

SAMPLE: Balance Sheet			
Balance Sheet		Standard ERP, Print date: 02/06/2015 12:37 Period 01/01/2014 : 12/31/2014 Values in USD Exact Notation Comparison: Net Change With Balance Only	
		Fwd Balance	Net Change
ASSETS			Balance
11110	Checking Account	-92,367.60	24,045.10
11130	Cash Drawer	-534,224.07	0.00
11199	Intra Company Receipts	0.00	9,924.50
11800	Inventory	511,944.00	59,710.70
12100	Accounts Receivables	36,813.31	76,772.33
13500	Computers	9,966.00	0.00
13800	Vehicles	2,377.00	0.00
Total ASSETS		-65,491.36	170,452.63
			104,961.27
Current Assets			
Cash On Hand			
11110	Checking Account	-92,367.60	24,045.10
11130	Cash Drawer	-534,224.07	0.00
Total Cash On Hand		-626,591.67	24,045.10
			-602,546.57
Inventory			
11800	Inventory	511,944.00	59,710.70
Total Inventory		511,944.00	59,710.70
Total Current Assets		-114,647.67	83,755.80
			-30,891.87

Removing rows

Ensure you are in the General Ledger module, then open the 'Settings' list window and double-click 'Report Settings' in the subsequent list. Then, highlight 'Balance Sheet' in the list on the left-hand side of the 'Report Settings' window and click the [Definition] button. The 'Definition of Balance Sheet: Browse' window is opened.

Double-click the row you want to remove, to show its definition window.

Select 'Delete' from the Record menu, or use the shortcut Cmd Shift D key combination for Mac, or Ctrl Shift D for Windows

Next	⌘ +
Previous	⌘ -
Save	⇧ ⌘ S
Cancel	✖
New	⌘ N
Duplicate	⌘ Y
Delete	✖ ⌘ D
Invalidate	
Attachments	✖ ⌘ A
Workflow	✖ ⌘ W
Send to Desktop	
History	
Re-sync	
Force Re-sync	
Sync Info	

The row is deleted from the Balance Sheet and the definition for the following row is shown in its place. Close the window. You will be returned to the 'Definition of Balance Sheet: Browse' window. You cannot undo the deletion of a row in the Balance Sheet.

CREATING TRANSACTIONS AND SIMULATIONS

Transactions

In a Company, all accounting events are entered as Transactions. Depending on the nature of the Transaction, this can be done directly to the Transactions register or remotely from the Accounts Receivable or Accounts Payable, or the Inventory module.

To open the Transaction register, ensure you are in the General Ledger module, then click the [Registers] icon and choose [Transactions] button in the Navigation Centre panel. The 'Transactions: Browse' window is opened, showing a list of Transactions already entered.

SAMPLE: Transactions: Browse			
No.	Trans. Date	Text	Reference
2014.1.40100	07/15/2014	Opening Balances	
S/INV.1001	07/30/2012	1001 ABC Music, USD	
S/INV.1002	07/05/2012	1017 Space Music Inc, USD	
S/INV.1003	08/23/2012	1027 Richmond Music School, USD	
S/INV.1004	09/10/2012	1037 Austin Nicholson, USD	
S/INV.1005	09/30/2012	1011 Sound industries, USD	
S/INV.1006	10/31/2012	1023 Instrument Supplies, USD	
S/INV.1007	11/04/2012	1023 Instrument Supplies, USD	
S/INV.1008	11/28/2012	1005 Cosmo Instruments, USD	
S/INV.1009	12/05/2012	1033 Shelby Johnson, USD	
S/INV.1010	12/24/2012	1027 Richmond Music School, USD	
S/INV.1011	01/20/2013	1034 Mike Williams, USD	

Transactions that have been entered directly to the Transaction register are shown with their Transaction Numbers preceded by the financial year - the Transaction numbered 2011.2000 in the illustration is an example of this. The characters representing the financial year are taken from the Fiscal Years setting in the System module. Transactions that have been created from a Sub System are shown with their Transaction Numbers preceded by a code depending on their nature. In these cases, the Transaction Numbers are determined in the Sub System in which they were created. For example, Transactions generated from Invoices have a Transaction Number that is the same as their Invoice Number, and are shown in the browse window with a prefix of S/INV.

In the Text column you can see the short explanatory text that was entered for each Transaction. For those Transactions created from Sub Systems, the Text column usually shows details of the Customer or Vendor involved and, if appropriate, the Currency and Exchange Rate used.

There are four things you can do with your Transactions:

- Enter transactions
- Inspect transactions
- Make corrections
- Print transactions

To enter a new transaction, you first need to open the Transaction register in the Navigation Centre panel.

Click [Create] and choose [New Transactions] in the Button Bar or use the **-N** keyboard shortcut. Alternatively, highlight a Transaction similar to the one you want to enter and click [Create] and choose [Duplicate Transactions] on the Button Bar.

SAMPLE: Transaction: New

No. 140001	Trans. Date 09/27/2014	Reference _____		
Text _____				
Account	O Description	Additional Description	Base 1 Debit	Base 1 Credit
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				

Difference Base 1 _____ Total _____
 Difference Base 2 _____ Total _____

No.: When creating a new Transaction, Standard ERP will enter the next unused number from the current number sequence defined. You may change this number, but not to one that has already been used and before saving the record. If you are working in a multi-user environment, the Transaction number is assigned when the Transaction is saved.

Trans. Date: In this field you can use Paste Special to select the current date. The date of the Transaction does not have to coincide with the date when the Transaction was recorded. The last used Transaction date is offered as a default.

Objects: You can assign up to 20 Objects, separated by commas, to each Transaction row. You might define separate Objects to represent different departments, cost centres or product types. This provides a flexible method of analysis that can be used in General Ledger reports. You can use the Skips Object option in the Transaction Settings setting to have the insertion point skip over this field when you press Return or Enter (but not Tab) if you don't use Objects. If you enter more than one Object, they will automatically be sorted alphabetically when you move to the next field. If you have specified an Object On All Rows in the Transaction Settings setting, that Object will be placed here automatically when you enter a debit or credit amount. If object type control setting is filled, using the paste special function entry assistant window will be open:

SAMPLE: Transaction: New

No. 140001	Trans. Date 09/27/2014	Reference _____				
Text _____						
Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	T-Cd
1						
2						
3						
4		New Duplicate				
	Object	Type	Name			
5	AM	PERS	Alex Macarthur			
6	BE	PERS	Ben Eagleton			
7	DEPT1	DEPT	Department 1			
8	DEPT2	DEPT	Department 2			
9	FM	PERS	Frank Milner			
10	FOOD	FOOD	Food			
11	HM	PERS	Hannah Miles			
12	HW	PERS	Henry Ward			
13	KEYBD	PROD	Keyboard Instruments			
14	MISC	PROD	Miscellaneous			
15						

Difference Base 1 _____ Total _____
 Difference Base 2 _____ Total _____

Reference: An optional reference field whose contents are shown in the "Transactions: Browse" window.

Text: A short description of the Transaction. You can change the text after the transaction has been saved.

Footer

Difference: Any difference between the sum of the debited and credited amounts is shown here: the two sums must be the same before the Transaction can be saved. A balancing entry therefore shows a zero balance in this field.

Total: These two fields show the sum of the Debits and Credits of the Transaction.

The Transaction row matrix is divided into seven horizontal flips. When you click a flip tab (marked A-G) the two or three right hand columns of the grid are replaced.

Flip A

SAMPLE: Transaction: New

No.	Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	T-Cd
1	11110	NSW	Cheque Account			125.00	
2	62210	PDY	Telephone Mobile		100.00		
3	21330		GST Paid		25.00		
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
Difference Base 1				0.00	Total	125.00	125.00
Difference Base 2					Total		

Account: Paste Special to the Account register. Specify here the Account used by the Transaction row.

T-Cd: In this field you can use Paste Special to the Tax Codes setting. You can mark each row in a Transaction with a Tax Code. The code may be entered automatically with the Account number, or manually.

Flip B – D

SAMPLE: Transaction: New

No.	Account	Objects	Base 1 Debit	Base 1 Credit	Base 2 Debit	Base 2 Credit	
1	11110	NSW		125.00		250.00	
2	62210	PDY	100.00		200.00		
3	21330		25.00		50.00		
4							
5							
6							
7							
8							
9							
10							
Difference Base 1				0.00	Total	125.00	125.00
Difference Base 2				0.00	Total	250.00	250.00

Multi-Currency Accounting: If you are using a Dual-Base Currency system, values in Base 2 should be entered on flip B. The Dual-Base will be useful for companies operating in countries where there is a second Currency in use, in addition to the National one. If the Transaction is one which uses a simple conversion from a foreign to the home currency, the foreign currency together with values in that currency should be entered on flip C. All Exchange Rates are entered on Flip D. In case of Transactions solely in home currency, flip B – D can be ignored.

SAMPLE: Transaction: New

No. 140001		Trans. Date	09/27/2014	Reference	TEL150101	
Text Payment of Mobile Phone Bill						
Account	Objects	Base 1 Debit	Base 1 Credit	Currency	Currency Debit	Currency Credit
1 11110	NSW		125.00	USD		
2 62210	PDY	100.00		USD		
3 21330		25.00		USD		
4						
5						
6						
7						
8						
9						
10						
Difference Base 1		0.00		Total	125.00	125.00
Difference Base 2		0.00		Total	250.00	250.00

If the Transaction is one that uses a simple conversion from a foreign Currency to the home Currency, you should enter the foreign Currency together with values in that Currency on flip C. If you use an Account where a Currency has been specified, this Currency will be brought in automatically. When you specify the Currency or it is brought in from the Account, the current Exchange Rates will be brought in to flip D.

SAMPLE: Transaction: New

No. 140001		Trans. Date	09/27/2014	Reference	TEL150101		
Text Payment of Mobile Phone Bill							
Account	Objects	Currency	Base Rate 1	Base Rate 2	From Rate	To Rate B.1	To Rate B.2
1 11110	NSW	USD					
2 62210	PDY	USD					
3 21330		USD					
4							
5							
6							
7							
8							
9							
10							
Difference Base 1		0.00		Total	125.00	125.00	
Difference Base 2		0.00		Total	250.00	250.00	

Flip E

You can use Flip E to pay off Invoices and Payables. On one row of the Transaction, specify the Bank Account to be debited (in the case of an Invoice) or credited (in the case of a Payable). On the next line, on flip E, specify the Invoice(s) being paid as described below. The Debtor or Creditor Account as appropriate will be brought in automatically from the Invoice/Payable.

Invoices and Payables paid off in this manner will no longer be treated as open, but records in the Receipt or Payment registers will not be created.

It is also possible to create Invoices and Payables Invoices using flip E. Again, records will not be created in the Invoice or Payables registers, but such Invoices will appear in any Open Invoice 'Paste Special' list until they have been paid off: in this respect they are treated as normal Invoices/Payables. On separate rows of the Transaction, specify the Debtor/Creditor

Account, Receivables/Payables Account(s) and Tax Output/Input Account. No defaults are offered. On flip E in the row posting to the Debtor/Creditor Account, set the T (Type) field to "C" or "S" as appropriate and enter a Customer or Vendor and an Invoice Number.

If you are going to use flip E, there is no need to turn off the Sub-ledger Checking options in the Account Usage A/R and A/P settings. You can use any Accounts that have been protected by this feature in a Transaction if you set the T (Type) field to "C" or "S". This means that there is no risk you will use the Debtor or Creditor Account accidentally and incorrectly in other General Ledger Transactions, thus rendering their balances inaccurate.

In the case of Transactions generated automatically from Invoices and Payables, Receipts and Payments, the fields on flip E will contain values if you are using the Cust. Info. on Trans. (in the case of the Accounts Receivable) or Vendor Info. on Trans. (Accounts Payable) options in the Account Usage A/R or A/P settings.

T (Type): Use this field to specify whether the Transaction row is a debtor or creditor posting. Enter "C" (for "Customer") if you are registering a Receipt or Sales Invoice or "S" (for "Supplier" - Vendor) if you are registering a Payment or Payable. The 'Paste Special' lists attached to the Serial No and Company fields will vary, depending on what you have entered here.

SAMPLE: Transaction: New

No.	Trans. Date	Reference	Create		Cancel		Save		
140001	09/27/2014	TEL150101							
Text Payment of Mobile Phone Bill									
T	Ser. No.	Due Date	Company	Description	Additional Description	Account	Debit	Credit	T-Cd
1	C	1005	10/14/2012	1011	1005 1011 Sound indu...	12100		3,516.40	M...
2	M				MasterCard	22200	3,516.40		
3									
4									
5									
6									
7									
8									
Difference Base 1		0.00	Total		3,516.40	3,516.40			
Difference Base 2			Total						

You should only use "C" or "S" if the row is a posting to the Debtor or Creditor Accounts. Balancing postings to Receivables, Payables, Tax and Bank/Cash Accounts should carry the default entry of "M" (Manual). You should also use "M" in all other Transactions.

Ser No: Once you have entered "C" or "S" in the Type field, you must enter an Invoice or Payable Number here before you can save the Transaction.

Enter an existing Invoice Number to signify the Invoice that you want to be paid off. When you press the Tab or Enter key, its Customer or Vendor Number will appear in the Company field, the appropriate Debtor or Creditor Account will be brought in, and the outstanding amount will be placed in the Credit (Invoice) or Debit (Payable) field.

Enter a non-existent number to signify that a new Invoice is to be created.

Due Date: Once you have entered an Invoice or Payable in the Serial No field, its Due Date will be shown here.

If you are creating a new Invoice, enter a Due Date as appropriate.

Company: Once you have entered an Invoice or Payable in the Serial No field, its Customer or Vendor will be shown here.

If you are creating a new Invoice, enter a Customer or Vendor as appropriate.

If the Type is "C", the 'Paste Special' list will contain Customers. If the Type is "S", it will contain Vendors. If the Type is "M", the 'Paste Special' list will not open.

An example Receipt against an Invoice entered using the Transaction screen is shown above (flip E is shown in the illustration).

When you enter "C" or "S" to the Type field and an Invoice or Payable Number to the Serial Number field, the Debtor or Creditor Account (750 in the illustration above) will be brought in automatically, and the outstanding amount will be placed in the Credit or Debit field as appropriate. If the original Invoice was in a foreign Currency, the outstanding amount will be converted using the Exchange Rate in the Invoice. If the Exchange Rate has changed since the Invoice was raised or

received, you can optionally have a new row added automatically to the Transaction, posting the gain or loss to the Rate Gain or Loss Accounts specified in the Rate Gain/Loss setting. If you would like to make use of this option, check the Calculate Rate Differences box in the Transaction Settings setting.

Automatic Balance Function

If you have entered the debit amounts in Base 1 Debit column you can easily balance the transaction. With the cursor in the Base 1 Credit column, press the Return or Enter key (or vice versa).

Correcting Transactions

For various audit and control reasons, you cannot simply update transactions within your ledger as you please – this must be done so that the transaction changes are visible and represented in a legal manner.

Standard ERP has the functionality to quickly and accurately make such corrections if you find that an entry has been made to the ledger incorrectly:

1. Reversing the transaction:

Highlight the Transaction containing the error in the “Transaction: Browse” window, click [Create] and choose [Duplicate Transactions]. This creates a copy of the faulty Transaction. Select “Swap Debit & Credit” from the Operations menu, thus creating an action that cancels out the original erroneous transaction. Select “Correction Mark” from the same Operations Menu which will contain a cross reference to the Transaction containing the error. Remember to include the prefix of the financial year, and [Save].

2. Update Mark

Standard ERP provides you with another method to correct entries. In manual Ledgers, errors are often corrected or eliminated by striking a line through the entry. A note is made with the initials of the user/accountant, and a correction entry is made. To use this method in Standard ERP, double-click on the incorrect Transaction to open it. From the Operations menu select “Update Mark”. A line with the initials of the person performing the function appears at the bottom of the transaction. Highlight the row that you want to correct and press Backspace button on your keyboard to draw a line through it. Add the correct information and [Save].

SAMPLE: Transaction: Inspect

No. 9	Trans. Date	Reference	Create	Cancel	Save	
Text General Credit Card						
Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	T-Cd
1 11110	SJ	General Credit Card		892.32		
2 12100	SJ	1013 Eric Collins			832.32	
3 Signature	SJ	Old Trans. Date	02/28/2013			
4 11140	SJ	Petty Cash		832.32		
5						
6						
7						
8						
9						
10						
Difference Base 1 0.00			Total	832.32	832.32	
Difference Base 2			Total			

SAMPLE: Transaction: New

Text Payment of Mobile Phone Bill									
T	Ser. No.	Due Date	Company	Description	Additional Description	Account	Debit	Credit	T-Cd
1	C	1005	10/14/2012	1011	1005 1011 Sound indu...	12100		3,516.40	MI...
2	M				MasterCard	22200	3,516.40		
3									
4									
5									
6									
7									
8									

Difference Base 1 0.00 Total 3,516.40 3,516.40
Difference Base 2 Total

Simulations

Standard ERP offers the possibility to enter simulated Transactions in the General Ledger. These Transactions are similar to standard Transactions, with the difference that they may be removed or altered. Most reports in the General Ledger allow you to include or exclude simulation Transactions. This allows you to try different alternatives in the business e.g. to test the outcome of different depreciation calculations on the rest of the company.

All simulated Transactions are stored in the Simulations register, and can be converted into Transactions using the “Create G/L Transaction” function on the Operations menu of the “Simulation: Browse” window.

SAMPLE: Simulations: Browse

No.	Trans. Date	Text	Reference
140000	02/06/2014	Telstra Mobile Charges	

The Transaction dates of the new G/L Transaction will be the same as the dates in the rows of the Simulations from which they were created. If there are Simulation rows with different dates, a separate Transaction will be created for each Simulation. If there are rows without dates, the date will be taken from the header of the Simulation record.

SAMPLE: Simulation: Inspect

No. 140000 Trans. Date 02/06/2014 Reference _____
Text Telstra Mobile Charges

A/C	Trans. Date	Objects	Description	Additional Description	Debit	Credit	T-Cd
1 62210			Telephone Mobile Charges		100.00		
2 12200			Prepayments (to vendors)			100.00	
3 62210			Telephone Mobile Charges		100.00		
4 12200			Prepayments (to vendors)			100.00	
5 62210			Telephone Mobile Charges		100.00		
6 12200			Prepayments (to vendors)			100.00	
7							
8							
9							
10							
11							
12							
13							
Difference	0.00				Total 300.00	300.00	

The status on Flip B can be used to Exclude Simulation rows from the resulting Transaction. This field can hold one of five values, and is selected by using Paste Special function.

SAMPLE: Simulation: Inspect

No. 140000 Trans. Date 02/06/2014 Reference _____
Text Telstra Mobile Charges

A/C	Trans. Date	Objects	Status	Debit	Credit	T-Cd
1 62210			Active	100.00		
2 12200			Active		100.00	
3 62210			Transferred		100.00	
4 12200			Invalid		100.00	
5 62210			Year End Stage 1		100.00	
6 12200			Year End Stage 2		100.00	
7						
8						
9						
10						
11						
12						
13						
Difference	0.00				300.00	

Active: The row will be included in a new Transaction when created from the Simulation. The status is shown in General Ledger reports when the option to include the Simulations is used.

Transferred: A Transaction including the Simulation row has already been created. The row will not be included in another Transaction if one is created from the Simulation. If you want to include it in another Transaction, change the Status back to "Active", take care to ensure that a Balancing Transaction will result from the remaining rows.

Invalid: If the Simulation is obsolete, change the Status of its rows to "Invalid". No Transactions will be created from such rows. If not all the Simulation rows are marked as "Invalid", take care to ensure that a Balancing Transaction will result from the remaining rows.

Year End Stage 1, Year End Stage 2: These are very similar to "Active", with the exception that Simulation rows of each Status can explicitly be included or excluded in the Analytical Balance and General Ledger report. They are included in all other reports when the option to include Simulations is used.

AUTOTRANSACTIONS

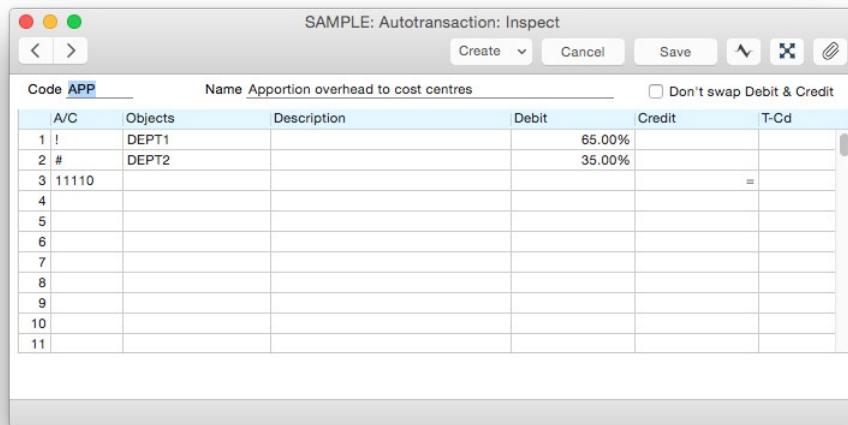
About Autotransactions

Autotransactions are accounting templates that you can use to simplify the entering of various transactions. You can use Autotransactions in Transactions, Simulations, Payables and Expenses.

When a certain type of Transaction occurs repeatedly (such as the salaries or rent), you can create a template in which you put all the recurring data once and for all, e.g. a certain combination of Account numbers. Next time you wish to enter this type of Transaction, you can use the automatic function instead. This will create a ready-made Transaction, except for the data that is unique for each particular entry. Examples might include rent payments, salary payments and recurring journals. Autotransactions can thus save labour and ensure that you use the correct Accounts every time.

Setting up Autotransactions

Double-click 'Autotransactions' in the 'Settings' list. A list of existing Autotransactions appears. Click [Create] and choose [New Autotransactions] in the Button Bar to enter a new record. When the Autotransaction has been entered, save it using the [Save] button and close the window by clicking the close box. Then, close the browse window using the close box again.



The screenshot shows a software window titled "SAMPLE: Autotransaction: Inspect". At the top, there are standard Mac OS X window controls (red, yellow, green) and a toolbar with buttons for "Create", "Cancel", "Save", and other functions. Below the toolbar is a table grid for defining Autotransactions. The grid has columns labeled "Code APP", "A/C", "Objects", "Description", "Debit", "Credit", and "T-Cd". There are 11 rows in the grid, indexed from 1 to 11. Row 1 contains "1 !" and "DEPT1" in the "Objects" column. Row 2 contains "2 #" and "DEPT2". Row 3 contains "3 11110". The "Debit" column shows percentages: "65.00%" for row 1 and "35.00%" for row 2. The "Credit" column shows a single row with an equals sign (=). The "T-Cd" column is empty. A checkbox labeled "Don't swap Debit & Credit" is located at the top right of the grid area.

Code: This is the code that identifies this particular template. The code can consist of up to six alphanumeric characters. Each template must have a unique code, and you should use codes that do not duplicate Account numbers.

When you need to use the Autotransaction in a Transaction, Simulation, Payable or Expense record, enter this code in the Account field. When you press Tab or Return, the calculations defined in the grid of the Autotransaction record will be applied to the Transaction, Simulation, Payable or Expense record.

Name: Assign a descriptive name to the template, e.g. "Sales Tax included". The name is then shown in the 'Autotransactions: Browse' window.

Use the grid area that takes up the majority of the window to define the Autotransaction. Usually this will require several rows.

When you use an Autotransaction in a Transaction, you will do so by entering the Autotransaction Code in the Account field in a Transaction row. When you press Tab or Return, the Autotransaction will be applied to the Transaction. Usually, the result of the first row of the Autotransaction will appear in the Transaction row where you entered the Autotransaction Code. The exception is when the Account field in the first Autotransaction row contains !. In this case, the result of the first row of the Autotransaction will appear in the Transaction row above the one where you entered the Autotransaction Code, overwriting what was previously there. The results of the other rows of the Autotransaction will appear in new Transaction rows underneath. Each Autotransaction row will therefore generate a corresponding Transaction row.

Account: You can make three types of entry in this field, as follows:

- An Account Number: You can enter an Account number, using 'Paste Special' if necessary to choose the correct

one. This Account Number will be copied to the corresponding Transaction row.

- The hash sign (#): # in this field will cause the Account to be copied from the preceding line of the Transaction when you use the template.
- The exclamation mark (!): in this field will cause the amount in the previous line of the Transaction is to be overwritten by the result of the Autotransaction row.

Object: The Object(s) specified here will be copied to the corresponding Transaction row. You can also enter a # sign to copy the Objects from the preceding line of the Transaction.

Description: By default, the Description in the corresponding Transaction row will be taken from the relevant Account record as usual. If you need this default to be overwritten, enter the new Description here. You can also enter a # sign to copy the Description from the preceding line of the Transaction.

Debit, Credit: You can enter a fixed amount here (e.g. a salary or a rent), or a formula for a calculation. You can enter a percentage as a number followed by a % sign (e.g. 30%). The Autotransaction will then apply the specified percentage to the amount on the preceding line of the Transaction. If you enter a number followed by two % signs (e.g. 30%), the result of the percentage calculation will be rounded to the nearest whole number. You can also define a more complex formula using the Calculation Formulae setting and then enter the Code of that formula here. The Autotransaction will then apply the specified formula to the amount on the preceding line of the Transaction.

By default, if you enter the amount or percentage in the Debit field, the calculated amount will be entered on the same side of the Transaction as the original amount. If you enter the amount or percentage in the Credit field, the calculated amount will be entered on the opposite side. But, if you use the Don't Swap Debit & Credit option in the Autotrasaction header, if you enter the amount or percentage in the Debit field, the calculated amount will be entered on the debit side, irrespective of whether the original amount was a debit or credit. If you enter the amount or percentage in the Credit field, the calculated amount will be entered on the Credit side.

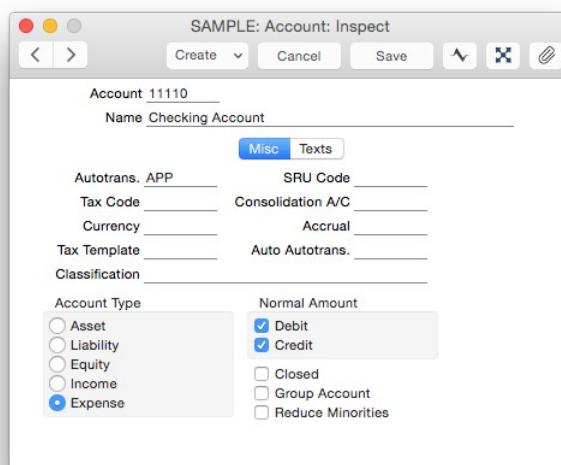
However, if you enter a Calculation Formula in the Debit field, it will calculate an amount based on the figure in the row above and enter the result as a Debit. If you enter the Calculation Formula in the Credit field, the calculated amount will be entered as a Credit. In other words, if you enter a Calculation Formula in an Autotransaction row, that row will always behave as if you are using the Don't Swap Debit & Credit option.

You can balance all the preceding lines of the Transaction by entering an equal sign (=) in the Debit or Credit field.

T-Cd: By default, the Tax Code in the corresponding Transaction row will be taken from the relevant Account record as usual. If you need this default to be overwritten, or if there is no default in the relevant Account record, enter the new Tax Code here. You can also enter a # sign to copy the Tax Code from the preceding line of the Transaction, if the A/C is ! Or #.

Applying Autotransactions

If you know that a particular Autotransaction will always be used with an Account, enter it in the Autotrans. field in the Account record:



Examples

The following example shows a template that distributes an amount across four Objects on a percentage basis after you have entered that amount in a Transaction row. You might use such a template to allocate shares of overhead costs to four departments.

The first row contains an exclamation mark in the Account field and a percentage in the Debit field. The exclamation mark indicates that when the Autotransaction is specified in a Transaction, the amount of the previous row of the Transaction is to be overwritten by a figure determined by the application of the Autotransaction (in this case, by a percentage of the original figure). That figure will be on the same side (debit or credit) as the original, as the percentage has been entered to the Debit field of the Autotransaction (and the Don't Swap Debit & Credit option is not being used). In other words, the original figure entered will be reduced by 90%. The Object specified will be entered to the Object field of the Transaction row and the Description and Tax Code will be retained.

The second line of the Autotransaction will again refer to the original figure and calculate a percentage from it, on the same side (debit or credit) as the original, using a new line in the Transaction. The # sign in the Account, Description and Tax Code fields signifies that the Account, Description and Tax Code originally specified are to be used in the new line, which will contain "DEPT2" in its Object field. The third and fourth lines of the Autotransaction will have a similar effect, creating new lines in the Transaction with different Objects and percentages to the original figure.

The fifth line calculates Tax from the original figure at the standard rate of 17.5% and places it in a new row in the Transaction, posting to the Tax Inputs Receivable Account on the same side (debit or credit) as the original figure.

The final line of the Autotransaction contains an Account number and an equal sign (=) in the Credit field. This signifies that the sum of the previous lines of the Transaction is to be posted to that Account. The posting will be on the opposite side (debit or credit) to the original figure, since the equal sign is in the Credit field.

This is an example of a double-sided Autotransaction. The = in the final row means that when you use it in a Transaction, the result will be a Transaction that balances. You can also use a single-sided Autotransaction in a Transaction, in which case you will need to ensure the Transaction balances yourself before you save it.

When you enter a Transaction or Simulation, begin by entering the Account Number for the relevant expense category, and the amount excluding Tax. On the second row, enter the code of the Autotransaction in the Account field.

SAMPLE: Autotransaction: New

Code DIST		Name Distribution of QH	<input type="checkbox"/> Don't swap Debit & Credit		
A/C	Objects	Description	Debit	Credit	T-Cd
1 !	DEPT1	#	10.00%		
2 #	DEPT2	#	20.00%		
3 #	DEPT3	#	30.00%		
4 #	DEPT4	#	40.00%		
5 21330			17.50%		
6 11110				=	
7					
8					
9					
10					
11					

Press Return. The Autotransaction is applied to the first row of the Transaction, and the amounts are recalculated as follows:

SAMPLE: Transaction: New

No.	Trans. Date	Reference	Create	Cancel	Save	
140001	09/27/2014					
Text Office Expenses September 2014						
Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	T-Cd
1 61800	DEPT1	Office Supplies		100.00		
2 DIST						
3						
4						
5						
6						
7						
8						
9						
10						
11						
Difference Base 1	100.00		Total	100.00		
Difference Base 2	161.13		Total	161.13		

SAMPLE: Transaction: New

No.	Trans. Date	Reference	Create	Cancel	Save	
140001	09/27/2014					
Text Office Expenses September 2014						
Account	Objects	Description	Additional Description	Base 1 Debit	Base 1 Credit	T-Cd
1 61800	DEPT1	Office Supplies		100.00		
2 61800	DEPT2	Office Supplies		200.00		
3 61800	DEPT3	Office Supplies		300.00		
4 61800	DEPT4	Office Supplies		400.00		
5 21830		GST Paid		175.00		
6 11110		Cheque Account			1,175.00	
Difference Base 1	0.00		Total	1,175.00	1,175.00	
Difference Base 2	161.13		Total	161.13		

ACCOUNT RECONCILIATION

This register will most commonly be used for Bank Reconciliations (checking bank statements against the bank account Transactions recorded in Standard ERP) but can be used to reconcile any account within the ledger. This can be done using the Account Reconciliation register within the General Ledger.

The register is a list of transaction rows (i.e. individual account postings) for the specified period in the header, showing the Transaction number and date, Amount in either Base Currency (as selected), Amount in foreign currency (where appropriate) and whether it has been reconciled.

Click on the [Registers] in the General Ledger Module, in the Navigation Centre Panel, and choose [Account Reconciliation] register.

SAMPLE: Account Reconciliation

Period 01/01/2014:12/31/2014		Company _____	<input type="checkbox"/> Reconciled	Bal. Date 03/01/2015					
Account 11110	Object _____	Type Any	<input checked="" type="checkbox"/> Unreconciled	Confirmed Reconciled Balance _____					
Bank Bal 24,045.10	Amount _____	Recon. Code _____	<input type="checkbox"/> Show Reference	Currently Reconciled _____ 24,045.10					
Transaction	Trans. Date	Description	Objects	Currency Value	Base Cur. 1	Base Cur. 2	Recon.	Recon. Date	Rec.
1 2014.140000	02/15/2014	Opening Balances		740.00					R
2 RECPT.16	06/06/2014	General Credit Card, General Credit Card		27,195.10					R
3 PAYMT.1007	07/10/2014	Meeting room payment, Check		-460.00					R
4 PAYMT.1008	07/24/2014	Internet, Visa		-200.00					R
5 PAYMT.1009	09/10/2014	Check 9074		-230.00					R
6 PAYMT.1009	09/10/2014	Check 9075		-1,500.00					R
7 PAYMT.1010	09/27/2014	Check 9102		-1,500.00					R
8									-
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
<input type="checkbox"/> Overflow									
		Currency _____	New Reconciled Balance _____	24,045.10	Difference _____	0.00			

Enter a Period from a list of Reporting Periods using Paste Special, or enter a period for the reconciliation manually.

Enter the Account number representing your bank account, or any other account. If so required, you can also enter an object here.

Click the Unreconciled checkbox. All unreconciled Transactions for the specified Period will be listed. The figure in the Confirmed Reconciled Balance field shows the balance previously reconciled and should be equal to the opening balance on the bank statement.

Compare the list of Transactions with the bank statement. Where a Transaction is correctly shown on the statement, enter an "R" to the Rec field. The Transaction value will be added to the Reconciled total and the New Bal figure; which represents the closing balance for the account.

If a Transaction appears in the bank statement but not in the list, it should be added to the Transactions register, or entered in the relevant module. An example of this would be a direct debit or standing order that automatically leaves the bank account without being physically paid and entered by the employee. In this instance, you could enter a manual transaction by using Operations menu, Create N/L Transaction; or you could enter an invoice and make the payment through the Accounts Payable module. This will then be added to the list of unreconciled items.

You can assign an arbitrary code to the Transactions reconciled on a particular day, so that you can identify them later. Enter the code in the Recon. Field in the matrix or in the Recon Code field in the header, before checking the "Unreconciled" box.

Once all the Transactions on the bank statement have been checked, its closing balance should be the same as the figure in the New Reconciled Balance field.



To save the Transactions which are now reconciled, you need to select “Confirm Reconciliation” from the Operations menu.

Closing the “A/C Reconciliation” window without selecting “Confirm Reconciliation” will result in a loss of all of the transactions that have been marked as reconciled.

You can run the Report “Bank Reconciliation” where you should enter the same period as the one you have reconciled in the Account Reconciliation Register, enter the Payment Mode, which should correspond to the Reconciled Bank Account, and insert the Bank Balance that is shown on your Bank Statement.

If every Bank transaction was fully reconciled for that period, then the report will show the Reconciled Bank Statement and the computer's Balance both as zero, meaning that no transaction was left out and the system is matching the Bank's Statement.

In addition to this, the Accounts Reconciliation Register can be used to check which transactions for the Bank Account (or other account) have been already reconciled. To do this, proceed as before (for reconciling) but instead of ticking the “Unreconciled” checkbox, check the “Reconciled” checkbox, and, a list of transactions already reconciled previously will be shown.

BUDGETS

About budgets

The Budget register allows you to enter a budget for the company – Account by Account, Object by Object.

Standard ERP provides various budgeting models, which can be combined in different ways, namely:

- Absolute amounts - budgets with values for each month
- Annual basis with key values – a budget showing how the annual values are distributed over the months

It is possible to change the budgeted value during the current accounting year, and this may be tempting if the actual amounts differ dramatically from budgeted amounts. It is, however, advisable to leave the budget unchanged to enable a realistic evaluation of the quality of the budgeting process.

If it is necessary to make changes to budgets during the current year, they should be made using the Revised Budget Register.

SAMPLE: Budget - Accounts: Browse						
Account	OK	Object	Class	Date	Comment	Total
41000				07/01/2012	Sales - General	-186,000.00
61000				07/01/2012	General & Administrative Exp	74,000.00
61060				07/01/2012	Office Supplies	4,800.00
61079				07/01/2012	Telephone	7,360.00
61110				07/01/2012	Advertising	7,000.00
66010				07/01/2012	Rent	32,000.00
66090				07/01/2012	Electric	1,440.00

Setting up budgets

To enter a Budget register:

Select [Registers] from the Navigation Centre panel and choose [Budgets]. The [Budget – Accounts] Browse window is now open, showing all Accounts for which Budgets have already been entered. A separate Budget should be created for each account.

Click [Create] and choose [New Budget - Accounts] in the Button Bar or select an existing Account and click [Create] and choose [Duplicate Budget – Accounts].

SAMPLE: Budget - Account: Inspect

Account 61000		Comment General & Administrative Exp
Object		
Base Value		Period 07/01/2012 - 10/31/2013
Budg. Key	Date	Values
Class		Budget
1	07/01/2012	4,000.00
2	08/01/2012	4,000.00
3	09/01/2012	4,000.00
4	10/01/2012	4,000.00
5	11/01/2012	4,000.00
6	12/01/2012	4,000.00
7	01/01/2013	3,000.00
8	02/01/2013	3,000.00
9	03/01/2013	4,000.00
10	04/01/2013	5,000.00
11	05/01/2013	5,000.00
12	06/01/2013	6,000.00
13	07/01/2013	6,000.00
14	08/01/2013	6,000.00
15	09/01/2013	6,000.00
16	10/01/2013	6,000.00
17		
18		
19		
20		
21		
22		
23		
24		

OK Budget Sum 74,000.00

Account: Enter the Account Code or use Paste Special to select the account that you are budgeting for. The comment field will be entered automatically when you enter the Account Code.

Object: You can specify an Object here to assist with reporting.

Period: Enter the first and last day of your budget period here

Base Value: The expected total for the Budget Period. Remember to enter Sales and Income values, Liabilities and Equity as negatives (credits) and Assets and Costs as positives (debits). The figure entered here can be treated as a control total for the Period. If the Period is a year, for example, the figure can be broken down into monthly or quarterly totals in the grid area. These can be entered manually, working to the Base Value as a target, or they can be calculated from the Base Value using a Budget Key; specified in the next field.

Budget Key: In this field you can use Paste Special to access the Budget Key settings in the General Ledger. This is a useful tool for breaking down an annual Budget figure into monthly amounts. To apply a Budget key to a Budget record it is first necessary to enter a figure to the Base Value field. This figure should represent the Budget for the whole Period. Then, specify an appropriate Budget Key and enter the Start Dates of each month or quarter on separate rows of the grid area. Select "Recalculate" from the Operations menu. Each row will be calculated by apportioning the Base Value according to the ratios in the Budget Key. Then Save.

SAMPLE: Budget Key: Inspect

Code FLAT		Comment Flat
Sum	12.00	
		Value
1		1.00
2		1.00
3		1.00
4		1.00
5		1.00
6		1.00
7		1.00
8		1.00
9		1.00
10		1.00
11		1.00
12		1.00

Date: In the grid area, enter the start date for each of the Budget Periods you want to enter. Any number of Periods can be used, but if you are using a Budget Key, you should have the same number of periods as you have entered for the Budget Key, in order for the calculation to work. If the Budget and the Budget Key have different number periods, the Base Value and Budget Sum figures will not match.

Values: Enter absolute values for each Period. If not; Budget Key is specified and these values will be moved to the right-hand column as soon as you select "Recalculate" from the Operations menu. If a Budget Key and Base value have been specified, these Values will be treated as extra amounts to be added to the calculated figures in the right-hand column when the "Recalculate" function is used.

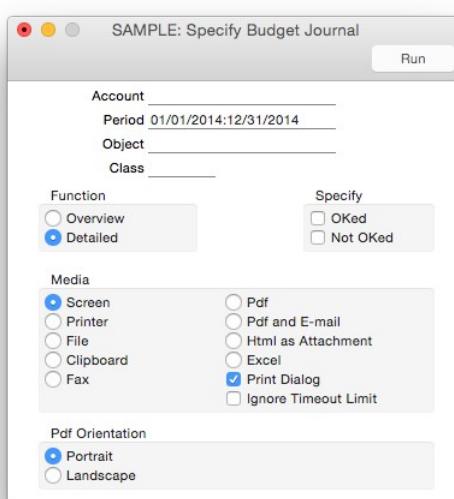
Budget Column: Standard ERP will calculate this value for you when you select the "Recalculate" command form the Operations menu.

Budget Sum: This field shows the total Budget for the year. Unlike the figure entered to the Base Value field, this figure is calculated by Enterprise by HansaWorld as a sum of the Budget figures in the grid. Therefore, if the Budget is revised and recalculated using the "Recalculate" function, the Base Value will remain unchanged, so some comparison can be made between the original budgeted figure and the final one. The Budget Sum will also take into account any amounts added in the Value column.

Printing budgets

Follow these steps:

1. Select "Reports" from the Navigation Centre panel.
2. Double-click "Budget Journal" from the list.
3. In the following window, enter the required report period and press [Run].



4. A list of Budgets is printed. If you chose the Detailed option, the list will include all monthly or quarterly totals.

SAMPLE: Budget Journal						
Budget Journal Enterprise SAMPLE Company			Standard ERP, Print date: 02/07/2015 00:22 Period 01/01/2012 : 12/01/2012 Account: 61000 Both OKed and not OKed			
Account	Comment	Object	Class	Start Date	End Date	Sum
61000	General & Administrative Exp			07/01/2012	10/31/2013	74,000.00
				07/01/2012		4,000.00
				08/01/2012		4,000.00
				09/01/2012		4,000.00
				10/01/2012		4,000.00
				11/01/2012		4,000.00
				12/01/2012		4,000.00
				01/01/2013		3,000.00
				02/01/2013		3,000.00
				03/01/2013		4,000.00
				04/01/2013		5,000.00
				05/01/2013		5,000.00
				06/01/2013		6,000.00
				07/01/2013		6,000.00
				08/01/2013		6,000.00
				09/01/2013		6,000.00
				10/01/2013		6,000.00
					Total Sum	74,000.00

Comparison with the actual amounts

After entering all the Budgets in the register, you can draw comparative figures with General Ledger reports by selecting the Budget radio button in the Report Specify window of these reports.

Comparison	
<input type="radio"/>	Net Change
<input type="radio"/>	Previous Year
<input checked="" type="radio"/>	Budget Class _____
<input type="radio"/>	Revised Budget
<input type="radio"/>	No Comparison

REPORTS

General Ledger

The General Ledger report is a list of the Transaction rows entered during the specified report period (i.e. it is a list of the amounts posted to each Account in that period). This report can be found in General Ledger reports.

This report offers exceptionally powerful multi-level Object analysis. You can search for Transaction rows with several different Objects, and you can control subtotaling. For example, if you have Object Types of DEPT (Departments) and PERS (Persons), you can create a report with the Transaction rows sorted by Account and department and with subtotals per person within each department. These features are illustrated below.

When printed to screen, the General Ledger report has the Standard ERP Drill-down feature. Click on any Transaction Number to open an individual Transaction record.

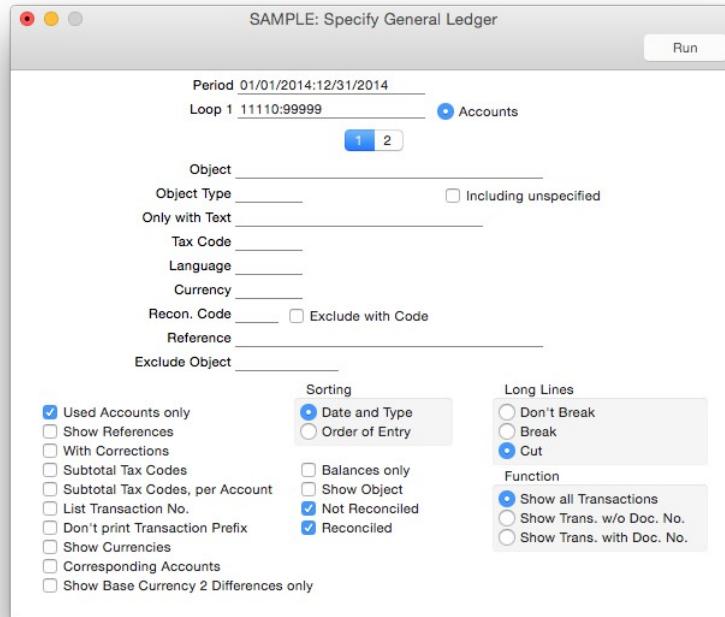
Illustration:

The examples below will illustrate the features offered by the General Ledger report, using the Transactions resulting from a day's invoicing. Each Invoice carries an Object representing the sales person and one representing the office making the sale. The Objects representing the sales people belong to the "PERS" Object Type, while those representing the offices belong to the "OFF" Object Type.

The Transactions involved are as follows:

Trans No	Account	Objects	Debit	Credit
5013	750 Debtors		408.50	
	110 Sales - Video	NB,TALL	64.00	
	100 Sales - Audio	NB,TALL	284.00	
	830 Tax Outputs Payable		60.50	
5014	750 Debtors		306.68	
	110 Sales - Video	IP,TALL	48.00	
	100 Sales - Audio	IP,TALL	213.00	
	830 Tax Outputs Payable		45.68	
5015	750 Debtors		715.58	
	110 Sales - Video	JM,LOND	112.00	
	100 Sales - Audio	JM,LOND	497.00	
	830 Tax Outputs Payable		106.58	
5016	750 Debtors		102.23	
	110 Sales - Video	FF,LOND	16.00	
	100 Sales - Audio	FF,LOND	71.00	
	830 Tax Outputs Payable		15.23	

First, use the General Ledger report to list the journal postings to each Sales Account (i.e. to list Transaction rows with Sales Accounts):



Enter the range of Sales Accounts (1110:9999) in the Loop 1 field in the header. You can use 'Paste Special'. As with all the examples on this page, we have checked the Show Object box so that Objects are shown in the illustrations.

This is the resulting report:

SAMPLE: General Ledger					
General Ledger			Standard ERP, Print date: 02/07/2015 00:29		
Enterprise SAMPLE Company			Account 11110:99999		
Last Reg Date 11/01/2013			Period 01/01/2014 : 12/31/2014		
Values in USD			Not Reconciled Reconciled		
ACCOUNT 11110 Checking Account					
Trans No	Trans. Date	Text	Debit	Credit	Balance
<u>2014.140000</u>	02/15/2014 SJ	Fwd balance			0.00
<u>RECPKT.16</u>	06/06/2014 SJ	Opening Balances	740.00		740.00
<u>PAYMT.1007</u>	07/10/2014 SJ	General Credit C	27,195.10		27,935.10
<u>PAYMT.1008</u>	07/24/2014 SJ	Meeting room pay		460.00	27,475.10
<u>PAYMT.1009</u>	09/10/2014 SJ	Internet, Visa		200.00	27,275.10
<u>PAYMT.1009</u>	09/10/2014 SJ	Check 9074		230.00	27,045.10
<u>PAYMT.1009</u>	09/10/2014 SJ	Check 9075		1,500.00	25,545.10
<u>PAYMT.1010</u>	09/27/2014 SJ	Check 9102		1,500.00	24,045.10
Total			27,935.10	3,890.00	
Fwd balance					0.00
Net Change				24,045.10	
Balance					24,045.10
Transaction Count: 7					
ACCOUNT 11130 Cash Drawer					
Total					
Fwd balance					-534,224.07
Net Change					
Balance					-534,224.07
Transaction Count: 0					
ACCOUNT 11140 Petty Cash					
Total					
Fwd balance					832.32

The report is a list of Accounts. For each Account, opening and closing balances are shown together with the net change over the report period. The postings to each Account are listed in date order.

It is also possible to list transaction rows with Objects belonging to a particular Object Type, by entering the Sales Account range in the Loop 1 field, enter "PERS" in the Object Type field, with the aim of listing all Transaction rows that have an Object representing a sales person.

Since every Transaction row in this example has an Object belonging to the "PERS" Object Type, the result is similar to the first report, with two differences:

1. There are no opening balances. While the Accounts have been used prior to the report period, the Objects have not; and
2. Because we specified an Object Type and we are using the Show Object option, only those Objects belonging to the Object Type are printed for each Transaction row.

If you want subtotals for each Object belonging to the "PERS" Object Type, do not use the Object Type field. Instead, go to card 2 of the specification window and enter "PERS" in the Loop 2 field.

In one sense, entering "PERS" in the Loop 2 field is the same as entering it in the Object Type field in the previous example: it ensures that only Transaction rows with Objects belonging to the "PERS" Object Type will be listed in the report (although, as we are using the Show Object option, every Object is printed for each Transaction row, not just those belonging to the Object Type). However, entering "PERS" in the Loop 2 field also means that within each Account the postings will be sorted by sales person. This means that subtotals will be provided for each sales person within each Account.

In general terms, you should use Loops 1, 2 and 3 to impose a sort order on the report. As you have entered the Account range in the Loop 1 field, the top level sort order is by Account. Entering the "PERS" Object Type in the Loop 2 field means that the second level sort order is by the Objects belonging to that Type. Subtotals are provided at the lowest level of sorting. So, in this case, the report is sorted by Account and then by Object, with subtotals for each Object.

Use the Loop 3 field if you want to sort through three levels. For example, you might want to report on the range of Sales Accounts, by office, with subtotals per sales person within each office. Enter the "OFF" Object Type (for Objects representing the offices) in the Loop 2 field, and the "PERS" Object Type in the Loop 3 field:

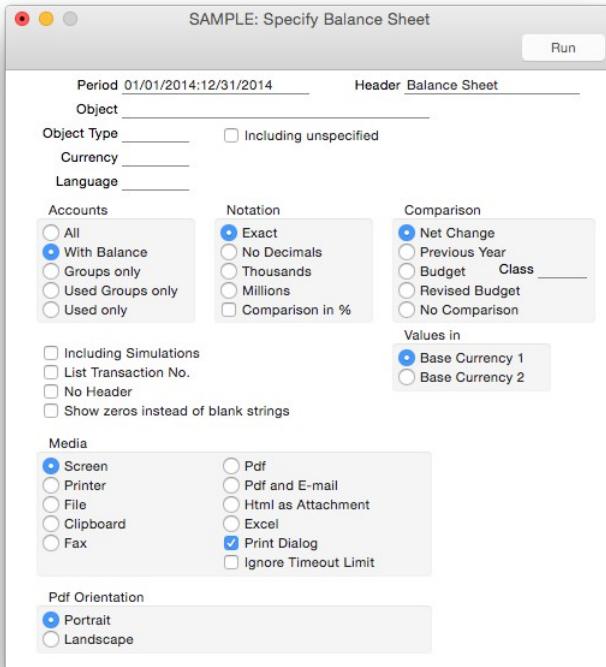
The Loop 2 and Loop 3 fields are both used as search criteria (only Transaction rows with Objects belonging to both Object Types will be listed in the report). Also, because an entry has been made to the Loop 3 field, subtotals will be provided at this level.

Again, the resulting report is structured on an Account-by-Account basis (i.e. the top level sort is by Account). This time, within each Account the postings are sorted first at the Loop 2 level (i.e. by office) and then at the Loop 3 level (i.e. by sales person). Within each Loop 2 Object (i.e. within each office) subtotals are provided for each Loop 3 Object (i.e. for each sales person):

Finally, you can change the structure of the report from Account-by-Account to Object-by-Object. This time, within each Object subtotals are provided for each Account. In the example, this has the effect of listing the Sales Accounts used by each sales person, so that you can see what each person has sold. To do this, enter the "PERS" Object Type in the Loop 1 field and the range of Sales Accounts in the Loop 2 field. Select the Accounts radio button next to the Loop 2 field, because this now contains Account Numbers and not Objects.

Balance Sheet

The Balance Sheet shows the assets, liabilities and capital of the company at a given point in time. You can use the standard Balance Sheet model supplied with Standard ERP, or you can define your own, possibly editing the standard definition to suit your needs.



Period: Enter the period for the Balance Sheet you want to print. The first period in the Reporting Periods setting will be offered as a default.

Header: Specify a title for the report here.

Object: Enter an Object Code in this field if you want to limit the report to Transaction rows with a certain Object. If you leave this field empty, the Account balances in the report will be calculated from all Transaction rows, with and without Objects. If you enter a number of Objects separated by commas, only those Transaction rows featuring all the Objects listed will be included in the calculations.

Object Type: Enter an Object Type Code in this field if you want the report to show Account Balances calculated from Transaction rows with Objects belonging to a certain Object Type.

Including Unspecified: Check this box if, for each Account, you want to show a balance figure for Transaction rows for Objects belonging to the Object Type specified above and a second balance for all other Transaction rows.

Currency: If you specify a Currency here, the Account balances in the report will be calculated only from those Transaction rows with the specified Currency shown on flip C. The balances will be calculated using the figures on flip C of those Transaction rows (i.e. they will be in the chosen Currency). If you leave this field blank, all Transaction rows will be included in the calculations. In this case the calculation will use the figures in the Base 1 or Base 2 Debit or Credit fields on flip A (choose which Base Currency is to be used using the Values In options described below).

Language: You can produce the Balance Sheet in different Languages: enter the required Language Code here. The appropriate translation for each Account Name will be taken from the 'Texts' card of the Account record and for each report heading and sub-heading from the report definition.

If you do not enter a Language here, but you have entered a Language in the Company Info setting in the System module, the report will be produced in that Language if you are using the Account Description in Company Language option in the Transaction Settings setting in the General Ledger.

Accounts: Select how you want the Accounts printed in the report.

- All: This option will show all Accounts that have been included in the Balance Sheet definitions.
- With Balance: This option will only show Accounts that have an opening balance and/or a closing balance.

An Account with no opening balance and that has been used in the period in such a way that it also has no closing balance will not be shown in the report. If you want such an Account to be included in the report, use the Used Only option below.

- Groups only: This option does not show balances for individual Accounts. Instead, it simply shows an overall balance for each row as entered in the Balance Sheet definitions.
- Used Groups only: This option only shows balances for rows as entered in the Balance Sheet definitions that have been used.
- Used only: This option will only show Accounts that have been used. This includes Accounts that have balances brought forward from a previous period but that have not been used in the report period.

This option is similar to With Balance above, with the exception that it also includes Accounts with no opening balances that have been used in the period in such a way that they also have no closing balances.

Notation: Select the printing format for the values in the Balance Sheet.

- Exact: Shows the balances as stored in the Transactions.
- No Decimals: Rounds the balances up or down to the nearest whole number.
- Thousands, Millions: Divide the balances by 1,000 or 1,000,000.
- Comparison in %: Only valid if Budget or Rev Budget is chosen as the Comparison option.

Comparison: Choose to compare with Net Change, Budget, Revised Budget or the same period the previous year.

If you are using the Budget or Revised Budget option, Budget or Revised Budget records will only be included in the report if they have at least one entry in the grid area of the screen complete with date. If you use Objects, you should create Budget (and, if you are using them, Revised Budget) records for each Account/Object combination and overall Budgets/Revised Budgets for each Account without Objects. This will allow you to use the Budget or Revised Budget options with a particular Object, and with no Object.

The No Comparison option simply shows the balances brought forward and those for the report period. It is appropriate for users in Russia where the Balance Sheet is printed using a standard report design including line numbers. You should define the line numbers using the Extra Code field in the Balance Sheet definitions.

Including Simulations: Check this box to include simulated transactions in the report. Simulation rows of "Invalid" and "Transferred" Status will not be included.

List Transaction Nos: With this box checked, the Transaction Numbers of all Transactions that fall within the reporting period, together with debit and credit totals, will be listed at the bottom of the report.

No Header: Check this box if you want the report to be printed without a header.

Values in: If you are using the Dual-Base system, values in this report can be shown in either Base Currency. Use these options to choose which Currency is to be used on this occasion.

If you are not using the Dual-Base system, use the Base Currency 1 option to produce a report in your home Currency.

If you enter a foreign Currency in the Currency field above, these options will be ignored and the amounts in the report will be converted to the specified Currency using the Exchange Rate for the Transaction Date.

When you click [Run], the Balance Sheet is printed as you have specified it.

When printed to screen, the Balance Sheet has the Standard ERP Drill-down feature. Click on the Account Number of any Account in the report to open the General Ledger Report for the same Account and period. From the General Ledger report, you can click on any Transaction Number to open an individual Transaction record.

Profit & Loss

The Profit & Loss report shows the economical results from the business operation in a period. This report exposes the incomes vs. expenses and shows the net profit or loss in a specific period.

This report can be considered one of the principle reports and could be considered a dynamic report because this exposes the results after a period. The Profit and Loss report can be defined under the Report Settings Setting in the General Ledger Module.

SAMPLE: Specify Profit & Loss

Period 01/01/2014:12/31/2014 Header Profit & Loss

Budget period 01/01/2014:12/31/2014

Object _____

Object Type _____ Including unspecified

Currency _____

Language _____

Exclude Object _____

Accounts	Notation	Comparison
<input type="radio"/> All <input checked="" type="radio"/> Used Only <input type="radio"/> Groups Only <input type="radio"/> Used Groups Only <input type="radio"/> With Balance	<input checked="" type="radio"/> Exact <input type="radio"/> No Decimals <input type="radio"/> Thousands <input type="radio"/> Millions <input type="radio"/> % Turnover	<input checked="" type="radio"/> Accumulated <input type="radio"/> Previous Year <input type="radio"/> Previous Result <input type="radio"/> Budget Class _____ <input type="radio"/> Revised Budget
<input type="checkbox"/> Including Simulations <input type="checkbox"/> List Transaction No. <input type="checkbox"/> No Header	<input type="checkbox"/> Show Comparison <input type="checkbox"/> In Values <input checked="" type="radio"/> In % <input type="checkbox"/> Don't Show	<input type="checkbox"/> Values in <input checked="" type="radio"/> Base Currency 1 <input type="radio"/> Base Currency 2
Media		
<input checked="" type="radio"/> Screen <input type="radio"/> Printer <input type="radio"/> File <input type="radio"/> Clipboard <input type="radio"/> Fax	<input type="radio"/> Pdf <input type="radio"/> Pdf and E-mail <input type="radio"/> Html as Attachment <input type="radio"/> Excel <input checked="" type="radio"/> Print Dialog <input type="checkbox"/> Ignore Timeout Limit	
Pdf Orientation		
<input checked="" type="radio"/> Portrait <input type="radio"/> Landscape		

SAMPLE: Profit & Loss

Profit & Loss Standard ERP, Print date: 02/07/2015 00:34
 Enterprise SAMPLE Company Period 01/01/2014 : 12/31/2014
 Last Reg Date 11/01/2013 Exact Notation
 Comparison: Accumulated in %
 Only used accounts

	Period	Accumulated
Income		
41100 Sales - Keyboard Instruments	12,500.00	12,500.00
41300 Sales - Percussion Instruments	25,550.00	25,550.00
41500 Sales - String Instruments	38,527.00	38,527.00
41700 Sales - Food	18.50	18.50
41800 Sales - Rental	3,825.00	3,825.00
42000 Service Income	13,165.00	13,165.00
Total Income	93,585.50	93,585.50
Cost Of Sales		
51100 Purchases - Keyboard Instruments	10,000.00	10,000.00
51200 Purchases - Percussion Accessories	295.00	295.00
51300 Purchases - Percussion Instruments	20,355.00	20,355.00
51500 Purchases - String Instruments	32,900.00	32,900.00
51700 Purchases - Food	8.30	8.30
Total Cost Of Sales	63,558.30	63,558.30
Gross Profit	30,027.20	30,027.20
Expenses		
54200 Purchase Price Variance	25,475.00	25,475.00
61010 Legal & Professional Fees	3,500.00	3,500.00
61090 Internet access	200.00	200.00
Total Expenses	29,175.00	29,175.00
Net Profit/(Loss)	852.20	852.20

KEY FINANCIAL RATIOS

About Key Financial Ratios (KFR)

The Key Financial Ratios report is a useful tool that can help you evaluate the performance and prospects of your company.

You can create your own Key Ratios, so that the report will contain the information that you need. Examples might be sales per square meter for retail outlets, or the relation between salaries and debited time for consultants. Some Key Ratios are used in other reports: the Turnover % option in the Profit & Loss report requires you to have defined a Key Ratio for 'turnover', for example.

To change the report definition of the Key Financial Ratios report, first select 'Settings' from the File menu and double-click 'Report Settings' in the subsequent list. Then highlight 'Key Financial Ratios' in the list on the left-hand side of the 'Report Settings' window and click the [Definition] button. The 'Definition of Key Financial Ratios: Inspect' window is opened.

Enter the definitions for your Key Ratios.

The following illustration shows a sample list of defined Ratios. In this list, all the functions available for use in defining Key Ratios are illustrated.

We've included the possibility to display pie charts in the key financial ratio reports.

SAMPLE: Key Financial Ratios Report Definition: Inspect			
Name <u>KeyRn</u>		Type <u>Key Financial Ratios</u>	Define Columns
Code	Comment	Definition	Hide
1 10	SALES	Result("41000:49999")	No
2			No
3 20	COST OF SALES	Result("50000:55000")	No
4			No
5 30	GROSS PROFIT	KEY(10)-KEY(20)	No
6			No
7 40	OVERHEADS	Result("61000:66090")	No
8			No
9	-----...		No
10 50	NET PROFIT	KEY(30)-KEY(40)	No
11			No
12			No
13			
14			
15			
16			

The fields on the screen are as follows:

Row: Each Ratio is defined on its own numbered row in this window.

Code: A unique code identifying each Key Ratio: this can be used to refer to the Key Ratio when calculating others (see the illustration).

Comment: The name of the Ratio, to be shown on the report.

Definition: The formula used to calculate the value of this Key Ratio.

Hide – Yes/No: If this line is just a subtotal and is not needed to be seen in report, mark this line as "Hide" - "yes".

Several commands are available for use by formulae in the Definition field. They are not case sensitive.

Result("Account Code"): This command returns the net change during the period for the Account specified in the brackets. Some examples of the use of this command are as follows:

Result("100"): Returns the net change in Account 100 for the specified period.

Result("100:1999"): Returns the sum of the net changes in Accounts 100 to 1999 for the specified period. The Accounts

used are determined using an alpha sort, rather than a numeric one. Thus Account 1000001 will be included in the example range, while Account 200 will not.

Result("100:1999"): As the previous example, but the sign of the final figure is changed. This is useful when displaying figures for sales, which are stored as negative figures in Standard ERP. Prefixing the RESULT command with a minus sign will cause sales to be displayed as positive figures in the report.

Result("100+120:1999"): Takes the net change in Account 100 and adds it to the sum of the net changes in Accounts 120 to 1999.

ObjResult("Account Code","Object Code"): The same as Result but with possibility to filter by object code.

Balance("Account Code"): This command returns the closing balance for the Account specified. It therefore differs from the RESULT command in that balances brought forward from previous periods are taken into account.

The command can return the sum of the balances of specified Accounts in the same manner as the RESULT command: please refer to the description of the RESULT command above for examples.

Key("Code"): The value of another Key Ratio can be included in the calculation. The Key Ratio referred to must already have been defined. If not, a zero value is used. Therefore, in the example illustration, the GPP line must appear below the GP and TURNO lines.

Note that although the KEY command itself is not case sensitive, the reference to another Key Ratio is. Thus, in the example illustration, key(TURNO) and KEY(TURNO) are relevant, but key(turno) is not.

VATResult("Account Code" , "Tax Code"): This command is similar to RESULT, but in calculating the net change during the period for the Account specified, only postings with the specified Tax Code are taken into account.

The reference to the Tax Code is not case sensitive.

The command can return the sum of the balances of specified Accounts in the same manner as the RESULT command: please refer to the description of the RESULT command above for examples.

VATBalance("Account Code","Tax Code"): This command returns the closing balance for the Account specified, with only Transactions with the specified Tax Code taken into account. It therefore differs from the VATRESULT command in that balances brought forward from previous periods are taken into account.

VATCredResult("Account Code" , "Tax Code"): This command returns the total credit posting to the Account specified during the period, taking only transactions with the specified Tax Code into account.

VATDebResult("Account Code" , "Tax Code"): This command returns the total debit posting to the Account specified during the period, taking only transactions with the specified Tax Code into account.

APDue("Number of days"): This command returns the total in the Accounts Payable that is overdue for payment by the specified number of days. The last day of the report period is used as the due date. For example, APDUE(20) will return the total that became due 20 days or more before the end of the report period (i.e. that was overdue by at least 20 days on the last day of the period). A number must be specified: use APDUE(0) if the total is to include all overdue Payables.

ARDue("Number of days"): This command is the Sales Ledger equivalent of APDUE above.

When you have finished defining Key Ratios, click [Save]. You are returned to the 'Reports' list window.

The illustration of the Key Ratio definitions shows examples of the various methods of calculating a Key Ratio. There are a few things to remember.

As the calculation uses Standard ERP internal values, balances on e.g. Sales Accounts will be shown as negatives, since they normally are in credit. You solve this simply by reversing the sign for all such calculations: an example of this is in Key Ratio No. 1 in the illustration. The examples also show how to group different Accounts.

The value of a well-structured Chart of Accounts is easily noticed here. If all income related Accounts are found in a consecutive series, summing them all up becomes simple.

Assisted formula entry

There is a possibility to use the assisted formula entry window since version 6.0. When in "Definition" field in report definition window, press CTRL+ENTER on Windows and CMD+ENTER on Mac. The assisted entry window will be open (displayed below).

Using options available in this window you can enter any kind of formula that is available in manual mode.

General Ledger, Accounts Payable, Accounts Receivable: Choose the type of formula you want to use. Descriptions of these options correspond to a formula described above.

Account: Enter an account or group of accounts if the formula type is from group "General Ledger"

Object: Enter the object code if the formula type is from group "General Ledger"

Tax Code: Enter the Tax code if the formula type is from group "General Ledger"

Days: Enter the number of days (aged periods) for calculating KFRs from group "Accounts Receivable" or "Accounts Payable"

Row Code: Enter the row code if using type "Row Total"

Amounts – Debit/Credit/Both: Used for General Ledger data, allows credit, debit or balance data for an account.

Skip Open Invoices – On Hold: Tick this option if using Accounts Payable type of formula and filtering of "On hold" Payables is needed.

Skip Open Invoices – No reminders and disputed, no reminders only, disputed only: Use this option if using Accounts Receivable type of formula and any kind of due invoices filtering is needed.

Formula: Use this field to double check the selected formula and make manual adjustments if needed.

Press [Replace] or [Add] to finish editing this formula and include it in report definition.

Defining columns

Key financial ratios reports have only three columns by default – code, description and result. Since version 6.0 it is possible to expand this functionality. By adding additional columns you can create a report showing detailed results by months, quarters, budgets etc in a single report, thus creating a powerful tool to generate management planning and budgeting reports.

To define columns press "Define Columns" on the report definition window. An empty "Column Definition" window will be opened.

Fill in this table to enable columns functionality

Flip A

Code: Define code of column. This can be used later for referral in other columns.

Comment: Description of column, will be printed as column headers in report.

Type: Use this field to define type of column. Type determines what will be printed in the specific column. Types can be any of the following:

- **Code:** Code of report definition row (can be "1" to "10" from above example)
- **Comment:** Text from field "Comment" from report definition will be printed ("Turnover (result)" from row "1" from above example)

- Actuals: Result from selected formula. By default returns the same value as using standard functionality without columns.
- Columns Sumup: Sum of columns
- Budget: Display values of selected accounts/periods entered in register “Budget”
- Revised Budget: Display values of selected accounts/periods entered in register “Revised Budget”
- Purchase Order Commitments
- Goods Receipt Accruals

SAMPLE: Column Definition: Inspect

Create Cancel Save

Name KeyRn

	Code	Comment	Type	Additional Info
1	10	Code	Code	
2	20	Comment	Comment	
3	30	1st Quarter	Actuals	
4	40	2nd Quarter	Actuals	
5	50	3rd Quarter	Actuals	
6	60	4th Quarter	Actuals	
7				

A
B
C

Flip B

Objects: Enter object code to view filtered General Ledger data. This field can be very useful If one account needs to be displayed divided among different departments, persons, item groups etc.

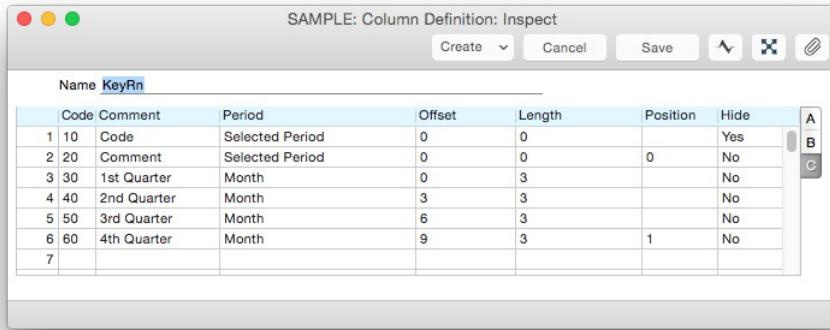
SAMPLE: Key Financial Ratios

Standard ERP, Print date: 02/07/2015 00:42
Period 01/01/2014 : 12/31/2014
Exact Notation Groups only

Comment	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
SALES	0.00	-93,585.50	0.00	0.00
COST OF SALES	0.00	63,758.30	25,275.00	0.00
GROSS PROFIT	0.00	-157,343.80	-25,275.00	0.00
OVERHEADS	0.00	660.00	3,730.00	0.00
NET PROFIT	0.00	-158,003.80	-29,005.00	0.00

Flip C

Flip C lets you specify period of each column. Even though the report is run for the whole year, each column can display data for any period within the reporting period or even outside reporting period. Tile C is displayed below.



Period: Select the type of period this column should show. Possible choices are

- Selected period - period specified in report specification window
- Month
- Year
- Fiscal Year to Date
- Fiscal Year

Offset: By default the selected period will be from the start date specified in the report specification window. Field "Offset" allows to offset the period by any value backwards or forwards. From the illustration above – the Period is specified as "Month", "Offset" as 0, 3, 6 or 9. This allows each column to show results for periods starting with the report start date, report start date plus 3 months, etc.

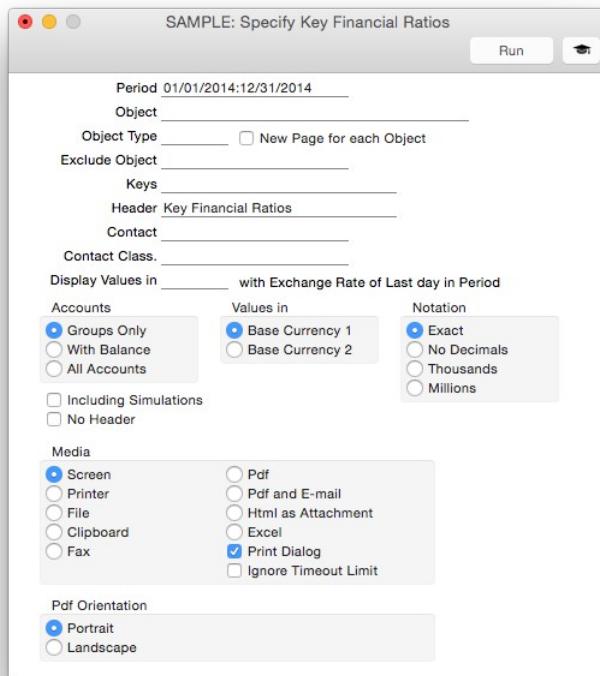
Length: length of period specifies the number of elements (specified in field "Period") as the length of period. From the illustration above, line 3, 4, 5 and 6 each contain a different period of three months i.e. quarters.

Position: By default in the report window, columns are evenly distributed. It is possible to specify the position of each column in values from 0 to 480. Value "1" means the right side of window.

Hide: Select "Hide" "yes" if specific column is not to be displayed in report window.

Key Financial Ratios - Printing

Open the 'Reports' list window and double-click 'Key Financial Ratios'. The 'Specify Key Ratios' window is opened.



Period: Enter the report period, in the format "01-02-02:28-02-02". If you are using four-digit years as in the illustration, the leading digits will be inserted automatically. If your report period is a single day, just enter the date once and this will be converted to a period format automatically. The first row of the Reporting Periods setting is the default value.

Object: Enter the Object (if any) for which you want to calculate Key Ratios.

Keys: If you do not want to show all Key Ratios in the report, specify here which ones are to be included. If specifying more than one, they should be separated by commas (e.g. "TURNO,CR,EMP").

Header: Specify a title for the report here.

Display Values in: Specify the Currency that is to be used in the report. Leave the field empty to use the home Currency (Base Currency 1).

Including Simulations: Check this box if you want to include simulated transactions in your report. Simulation rows of "Invalid" and "Transferred" Status will not be included.

No Header: Check this box if you want the report to be printed without a header.

YEAR END

At the end of a fiscal period all business prepares their year end balances with the purpose to know their financial position resulting from the daily operations.

To prepare this year end balance and start a new fiscal period it is necessary to close the Profit and Loss accounts. This means that all Income and Expense accounts must be closed on the last day of the fiscal year.

In most companies the fiscal year is the same as the calendar year, but some companies may be using a different fiscal year.

Spreading income and costs over time

To get a result that is as correct as possible, income and expenses should be spread over the periods where they are supposed to be taken before closing the year.

In the following cases you might have to spread income or expenses over time.

1) When buying assets for example a truck or machines.

The whole amount for the machines is paid fully when buying it. Every asset that you use loses value over time due to it getting older and used. This means that the value of every asset decreases every year. This is called depreciation and it is a cost that is split over a certain period of time, for example a five year period (20% per year). In this case the whole value of the machines will be booked on the asset account for machines (debit). Before closing the year, 20% of the value of the machines is booked on the asset account depreciation of machines (credit). At the same time, a cost is booked on the cost account for depreciation. The model of depreciation used depends on each countries' rules.

2) Spreading costs for stocked items over time.

Items that have been bought during the year are connected to purchase costs (price, transportation, assembling). These purchase costs have to be booked to a cost account for items.

If all items that have been bought during the period have also been sold, the cost of your account for sold items represents the actual cost of all items you have sold. If however not all items have been sold, the cost of the unsold items must be moved to a stock account before closing the year. This is the starting balance of your stock value in the beginning of the next year.

3) Expenses that have been booked and paid, but that are not supposed to be a cost for the year where they are booked – prepaid cost.

This can be for example an insurance that is paid that will cover a part of the next fiscal year. Before closing the year the part of the cost that should not be taken in the current fiscal year should be deducted from the costs and put on the asset account for prepaid costs. Immediately in the beginning of the next year the transaction should be reversed (switch debit and credit) so the cost will be taken on the next fiscal year.

4) Income that is already booked and paid, but that is not supposed to be an income for the current fiscal year – prepaid income.

This can be a prepayment from a customer who has not yet received the goods or services. Before closing the year the amount should be taken away from the income account and put onto the liability account for prepaid income. Immediately in the beginning of the next year the transaction should be reversed.

5) Income that is not yet booked and not paid but that should be an income for the current year – accrued income.

This can be for example a rental fee from a customer for this year, that is paid in February next year. Before closing the year the part of the interest that is for the current fiscal should be booked as an interest income and as an accrued income. Immediately in the beginning of the next fiscal year the transaction should be reversed.

6) Expense that is not yet booked or paid that should be a cost for the current fiscal year – accrued cost.

This can be for example the phone bill for the last quarter that will be sent to us in the beginning of the next year. Before the year end the phone cost for the last quarter should be estimated. This cost is booked as a cost on the current fiscal year and as an accrued cost. Immediately in the beginning of the next fiscal year the transaction should be reversed.

Profit/Loss

After all the year end transactions are done, the profit of the year can be calculated.

The income accounts show all the income we had during the year and the expense accounts show the costs that we had. If you deduct the costs from the income the result will show you your profit (or eventually your loss).

The income is booked in credit (with minus) while the costs are booked in debit (with plus). If you had for example, income of 10000 USD and costs of 8000 USD the profit will be 2000 USD. The calculation will look like:

Income -10000

Costs +8000

Result -2000

A negative value of the result shows profit while a positive value shows that the company has made a loss. **Standard ERP** (and most other accounting systems) can reverse the figures so that profit will always be shown with positive figures and loss with negative. To make sure you have made a profit or a loss compare the income to the costs.

When doing the year end, the profit or loss is booked on the liability account for result and is also booked on a special account for accrued results. The profit of the year is a liability to the owners of the company.

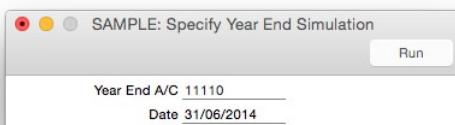
Balance Sheet

A balance sheet is often described as a "snapshot" of the company's financial position on a given date. A modern balance sheet usually has three parts: assets, liabilities and equity. The income and expense accounts are as mentioned above, measured in the Profit and Loss Report. To have a balance sheet is the most used report in a company for assessing how well a company has done in the fiscal year. Its purpose is to inform everyone that has an interest in the company about the financial situation at the end of the year.

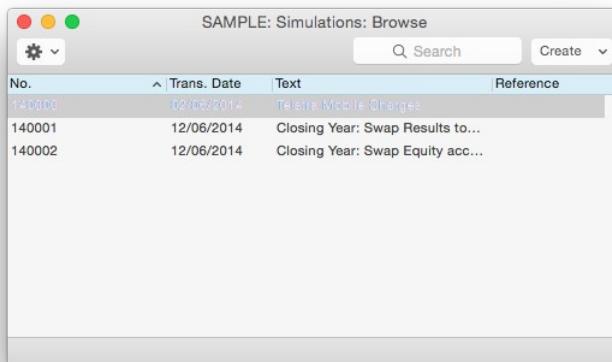
The Balance Sheet has also a debit and a credit side. The asset accounts are only written on the debit side, while the equity (accounts 3xxx) and liabilities accounts (accounts 2xxx) are on the credit side.

Year end simulation

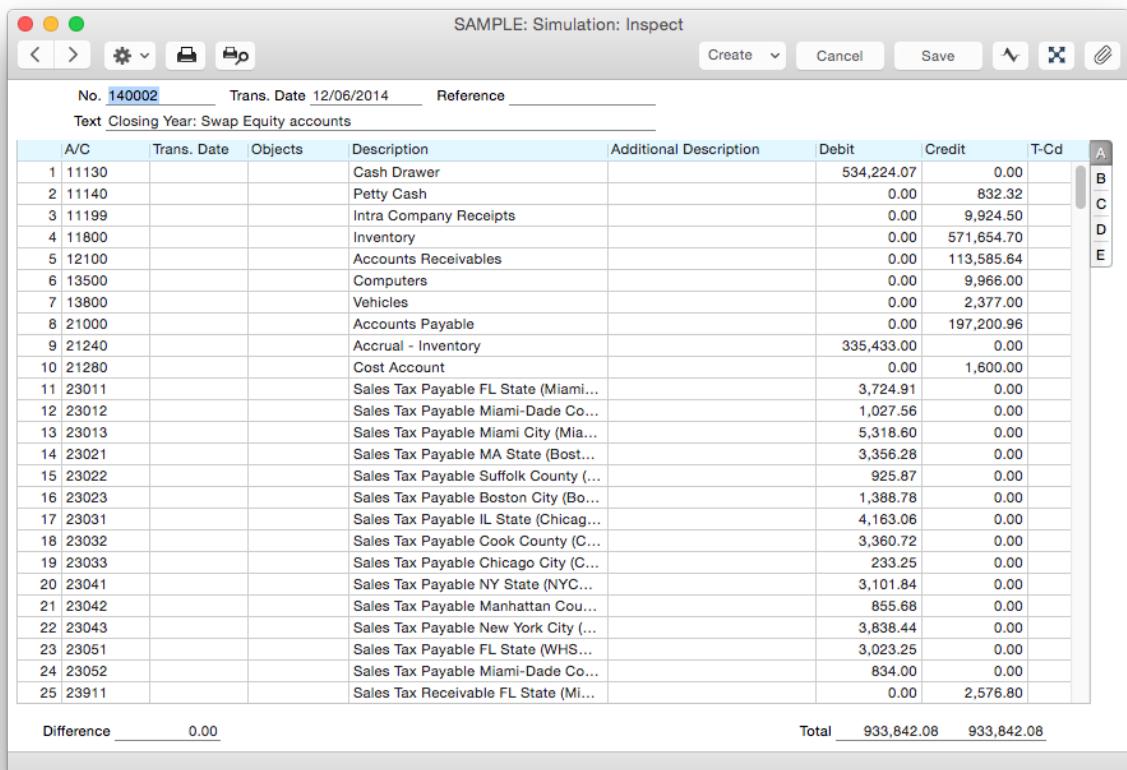
Standard ERP provides a quick and easy way to do the year end by following these steps and running one simple maintenance. These steps can only be followed once all other year end journals have been passed (e.g. depreciation accruals etc)



1. Go to the General Ledger Module and open the Routines. Select the Maintenance Year End Simulations.
2. Select an account. Normally you would create an account that is at the end of the chart of accounts specifically for this maintenance. (99999 Special account for Y/E profit postings) [Run]



3. Go to the General Ledger module and open the Register Simulations
4. You will find that simulation records have been created. This closes the profit & loss accounts.



No. 140002 Trans. Date 12/06/2014 Reference _____
 Text Closing Year: Swap Equity accounts

A/C	Trans. Date	Objects	Description	Additional Description	Debit	Credit	T-Cd
1 11130			Cash Drawer		534,224.07	0.00	A
2 11140			Petty Cash		0.00	832.32	B
3 11199			Intra Company Receipts		0.00	9,924.50	C
4 11800			Inventory		0.00	571,654.70	D
5 12100			Accounts Receivables		0.00	113,585.64	E
6 13500			Computers		0.00	9,966.00	
7 13800			Vehicles		0.00	2,377.00	
8 21000			Accounts Payable		0.00	197,200.96	
9 21240			Accrual - Inventory		335,433.00	0.00	
10 21280			Cost Account		0.00	1,600.00	
11 23011			Sales Tax Payable FL State (Miami...		3,724.91	0.00	
12 23012			Sales Tax Payable Miami-Dade Co...		1,027.56	0.00	
13 23013			Sales Tax Payable Miami City (Mia...		5,318.60	0.00	
14 23021			Sales Tax Payable MA State (Bost...		3,356.28	0.00	
15 23022			Sales Tax Payable Suffolk County (...)		925.87	0.00	
16 23023			Sales Tax Payable Boston City (Bo...		1,388.78	0.00	
17 23031			Sales Tax Payable IL State (Chicag...		4,163.06	0.00	
18 23032			Sales Tax Payable Cook County (C...		3,360.72	0.00	
19 23033			Sales Tax Payable Chicago City (C...		233.25	0.00	
20 23041			Sales Tax Payable NY State (NYC...)		3,101.84	0.00	
21 23042			Sales Tax Payable Manhattan Cou...		855.68	0.00	
22 23043			Sales Tax Payable New York City (...)		3,838.44	0.00	
23 23051			Sales Tax Payable FL State (WHS...)		3,023.25	0.00	
24 23052			Sales Tax Payable Miami-Dade Co...		834.00	0.00	
25 23911			Sales Tax Receivable FL State (Mi...		0.00	2,576.80	
Difference				0.00	Total	933,842.08	933,842.08

5. The simulation can now be inspected. Once you are satisfied, you can change the simulation to a G/L transactions from the Operations Menu in the "Simulations: Browse" Window

EXERCISES

Preparation: Download an Standard ERP client from www.standardinstall.com. Go to the page and choose correct planform, country, product, version. You can choose to download either a test version or a current version. You can choose either version – test version will contain new features, however current version will have been tested more extensively.

1. Download the Standard ERP Client that fits to your operating system and install it on the desktop.
For the latest versions of Windows operating system (up to Windows 7), please make sure not to install the software in Program Files folder.
2. Start the program and install demo database.
3. Start up the System again. Go to the system module and change the company name to your own, in the applicable setting (First name and Surname please) and save these new settings.
4. Enter two new Reporting periods, for the two half-years of 2013. Call them 13H1 and 13H2.
5. Go to the setting Company Date and Numeric Format and make sure that the Centuries- checkbox is ticked.
6. Create a new Tax code for 25% Tax.
7. Add a new cash account with account number 701 for cash that you have in your local office.
8. Create a General Ledger transaction for the event: Sales, 1000 USD excluding Tax (250 USD). The customer pays with cash.
9. Create a General Ledger transaction for the event: inventory for 300 USD excluding Tax (75 USD) is bought. We pay from our bank account 700.
10. Run a Profit and Loss report for the period where the transactions above were registered. Find the transaction for inventory and open it by using drill down.
11. You had forgotten to register the invoice fee. Make an update mark and erase the rows for bank account and Tax. Add the following lines: invoice fee of 4 USD, Tax 76 USD and 380 USD that is payed from the bank account.
12. Recalculate the Profit & Loss report.

APPENDIX

Terminology between different versions of English language

The language used in this material is American English. There can be slight differences between other versions of the English language, which can lead to confusions. This table should help to clear these up. Sorted alphabetically

USA	British	Canada	Australia + New Zealand	Singapore
Check	Cheque	Cheque	Cheque	Cheque
Color/colored	Colour/coloured	Colour/coloured	Colour/coloured	Colour/coloured
Credit Memo (CN)	Credit Note(CN)	Credit Memo (CM)	Credit Note (CN)	Credit Note
Dialog	Dialogue			
Installment	Instalment			
Jewelry	Jewellery	Jewellery	Jewellery	Jewellery
License	Licence (noun)	Licence	Licence	Licence
Miles	Mileage Claim	Way Lists	Mileage Claim	Mileage Claim
Miles	Miles	KM	KM	KM
Cell	Mobile	Mobile	Mobile	Mobile
General Ledger (GL)	Nominal Ledger (NL)	General Ledger (GL)	General Ledger (GL)	General Ledger (GL)
ZIP Code	Post Code	Post Code	Post Code	Post Code
Payable (PL = AP)	Purchase Ledger	Payable (PL = AP)	Purchase Ledger	Purchase Ledger
Receivable (SL=AR)	Sales Ledger	Receivable (SL=AR)	Sales Ledger	Sales Ledger
Salesperson	Salesman	Salesperson	Salesman	Salesperson
Inventory	Stock	Inventory	Stock	Inventory
Inventory Count	Stocktake	Inventory Count	Stocktake	Inventory Count
Inventory Adjustment	Stock Depreciation	Inventory Adjustment	Stock Depreciation	Inventory Adjustment
Vendor	Supplier	Vendor	Supplier	Vendor
Sales Tax or Tax	VAT	Tax (ideally GST/PST)	GST	GST/SST/HST