

# ACCOUNTING PROCESSES

---

This section will try to explain the processes you will need to know in order to complete day to day functions in EDC Accounting. It will outline the daily and monthly functions needed for a smooth and easily maintained accounting system. The scope of this document is to expose you to the tools within EDC Accounting to complete this. A more comprehensive guide will be provided in the complete manual.

Before we begin the most important thing you must know is that EDC Accounting is programmed to understand account types. The program knows DEBIT and CREDIT accounts. Unlike many programs that expect you to know whether you are crediting or debiting an account and in which case is a debit or a credit the entry you need to make.

Therefore your entries will always be positive numbers, unless your entry is truly a negative entry.

**Example:** You just received your electric bill and need to enter it into Accounts Payable. You will make a Purchase Journal entry, where you will Credit Accounts Payable \$100.00 and Debit Utilities \$100.00.

In the example above EDC Accounting will automatically make the credit entry when you enter the dollar amount of the invoice. All you will need to do is select the offsetting account and the program will put the dollar amount in the debit account. If you are splitting the expense between multiple accounts, simply change the debit amount in the first account and the balance will be dropped to the next line awaiting you to select the account for the balance. You can have as many offsetting accounts you need to complete the transaction.

If you received a credit invoice in the above example, you then will enter a negative dollar amount for the total. All other entries would be the same, except negative.

Since PIMS is already making all your journal entries from SALES (posted invoices) and INVENTORY ADJUSTMENTS ( posted receiving records, inventory transfers, RMA's), all you need to concentrate on is the daily business functions centered around bookkeeping. There are just five daily things that you need to do in order to keep a happy and well adjusted accounting system.

- 1) DAILY TRANSACTION REPORT
- 2) PROCESS A/R PAYMENTS RECEIVED
- 3) DEPOSITS
- 4) PROCESS PURCHASE JOURNAL ENTRIES
- 5) WRITE CHECKS

The order in which you accomplish these tasks is not important, except for number 1. The basis of your deposits is dependent on this report.

---

# DAILY TRANSACTION REPORT

This report will show the sales generated from a date range selected. The program defaults to the previous day when you first bring up the report.

CHOOSE DATE RANGE TO PROCESS:

STARTING DATE  
▼ 03/15/08

ENDING DATE  
▼ 03/15/08

1 Days

All Available

SPECIAL DATES: ▼

OK CANCEL

March 2008

Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Once you have selected the day or days you want reported, click OK. You will now be prompted to select how much detail you would like to see.

DAILY REPORT PARAMETERS

PRINTED SECTIONS:

- FRONT PAGE
- PAYMENT TYPES
- CATEGORY SALES
- TAX JURISDICTIONS
- MANUAL ADJUSTMENTS

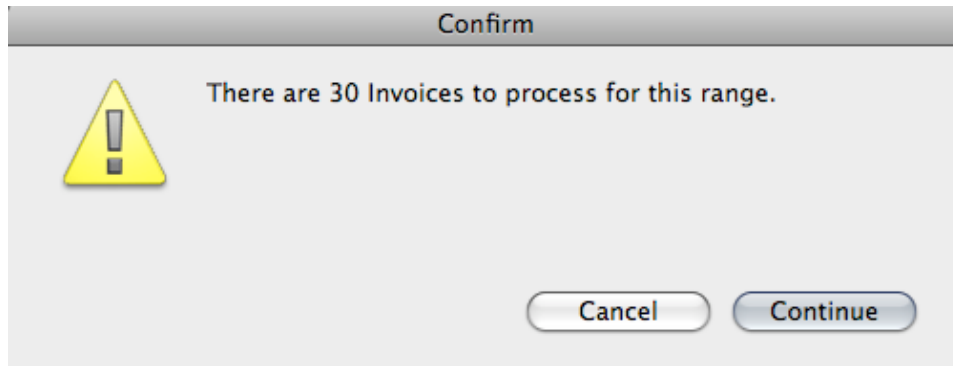
THIS LOCATION: MAIN

ALL LOCATIONS

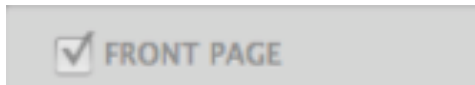
PRINT CANCEL

You will be shown the total number of invoices for the date range selected. Click Continue, if you wish to proceed. The report will be based on which pages you have selected to be printed

# DAILY TRANSACTION REPORT



The **FRONT PAGE** will always print with this report. It details the Totals for your A/R Sales, Cash Sales, Sales Tax Collected and Freight Charged. The other pages will be detailed following.



## DAILY TRANSACTION REPORT

00/00/00 Thru 12/31/2100

LOCATION: All Locations Processed Together

INVOICES: 30

**SALES:**

<b>TOTAL TAXABLE SALES:</b>	
	\$101,370.58
<b>TOTAL NON-TAXABLE SALES:</b>	
ITEMS:	\$15,166.75
FREIGHT:	\$60.00
HANDLING:	\$20.00
OTHER:	\$30.00
<b>TOTAL TAXES COLLECTED:</b>	
	\$7,608.63

**CASH:**

100's:	\$ _____
50's:	\$ _____
20's:	\$ _____
10's:	\$ _____
5's:	\$ _____
1's:	\$ _____
Coin's:	\$ _____
<b>Total:</b>	\$ _____

**BALANCE:**

TOTAL SALES:	\$124,255.96
LAYAWAY:	\$0.00
A/R RECEIPTS:	\$3,203.10
LESS A/R SALES:	\$124,748.57
	Only positive A/R amounts are shown.
<b>TOTAL:</b>	\$2,710.49
_____ \$ _____	
CASH DRAWER:	\$ _____
DEPOSIT SLIP:	\$ _____
DEPOSIT SLIP:	\$ _____
DEPOSIT SLIP:	\$ _____
<b>PROOF:</b>	\$ _____

**ACCOUNTS RECEIVABLE:**

CASH/CHECK:	\$3,203.10
CREDITCARD:	\$0.00
<b>CREDITS TO ACCOUNT:</b>	
	-\$1,631.25
<b>TOTAL RECEIPTS:</b>	\$3,203.10

**GIFT CARDS:**

HOW MANY RUN:	1
<b>TOTAL DOLLAR:</b>	\$29.95

# DAILY TRANSACTION REPORT

## PAYMENT TYPES

The **PAYMENT TYPE** page of the report will show how invoices from the date range where paid. This is necessary to determine your credit card sales which should be entered as a separate deposit from your cash and checks.

### PAYMENT TYPES FROM SALES

00/00/00 Thru 12/31/2100

LOCATION: All Locations Processed Together

INVOICES: 30

COUNT	PAYMENT TYPE NAME	TYPE	TOTAL AMOUNT
0016	Net 30	Accounts Receivable	\$14,500.66
0001	VISA	Credit Card	\$42.68
0001	MasterCard	Credit Card	\$13.92
0006	Cash	Cash/Check	\$889.94
0003	2%-10/NET-30	Accounts Receivable	\$108,616.66
0002	CHECK	Cash/Check	\$162.15
0001	ExecUtron Gift Card	Gift Card	\$29.95

## CATEGORY SALES

The **CATEGORY SALES** page of the report will show what categories sales where posted to from the invoices from the date range. This report is generally used by the sales department.

### ITEM'S CATEGORIES PROCESSED

00/00/00 Thru 12/31/2100

LOCATION: All Locations Processed Together

INVOICES: 30

CATEGORY NAME	SALES AMOUNT
Software	-\$481.49
Service Parts	\$5,875.00
Service Hourly Rate	\$2,388.75
Hardware	\$8,439.00
Books	\$248.65
General Supplies	\$73.90
Accessories	\$99,893.52
Homemade Stuff	\$0.00
Gift Card	\$100.00

## TAX JURISDICTIONS

The **TAX JURISDICTIONS** page of the report will show the amount of tax collected from any Tax Jurisdictions that you have set up in your data file for the date range selected. If you do not have any Jurisdictions, this page will not print.

# DAILY TRANSACTION REPORT

## MANUAL ADJUSTMENTS

The **MANUAL ADJUSTMENTS** page of the report will show any manual entries made within the date range selected, that were made outside of PIMS's normal processes. An example would be changing a cost on an inventory item directly on the record. This is not recommended and if done can cause discrepancies between the Inventory G/L and the PIMS cost numbers. There are proper ways of changing costs, but manual adjustments are not the way. This report will show you when this is being done.

Now that you have seen the report, the questions arises, What am I looking for? The Front Page of the report is breaking down your cash sales from you're A/R sales. You need to focus on your cash sales, so that you can reconcile the cash collected from the previous day sales. The two pages of the report that allow you to do this are the Front Page and the Payment Types Collected page.

You will normally be making two deposits per day, one for your credit cards and the other for cash and checks that you will be actually taking to the bank. The Payment Types Page breaks this out for you, so that you will simply count your cash and checks and reconcile to this page. If all is well, you are ready to deposit this amount. Your credit cards will be reconciled to your batch report from your credit card merchant. If they also reconcile you are ready to make your deposit for the credit cards.

COUNT	PAYMENT TYPE NAME	TYPE	TOTAL AMOUNT
0016	Net 30	Accounts Receivable	\$14,500.66
0001	VISA	Credit Card	\$42.68
0001	MasterCard	Credit Card	\$13.92
0006	Cash	Cash/Check	\$889.94
0003	2%-10/NET-30	Accounts Receivable	\$108,616.66
0002	CHECK	Cash/Check	\$162.15
0001	ExecUtron Gift Card	Gift Card	\$29.95

*Credit card sales*

*Cash sales*

# ACCOUNTS RECEIVABLE

Now you can make your deposits now or later in the day after you have checked the mail. I say this because the mail may hold more checks for A/R that will need to be deposited. If you normally take them to the bank together as one deposit, I advise you wait until you have processed the A/R payments for the day. So let us wait for the mail.....Here it comes...

What you need to do when processing A/R payments is to go to the A/R menu and select PROCESS CUSTOMER PAYMENT.

## RECEIPT JOURNAL: Process Customer Payment...

You are now on the RECEIPT JOURNAL SCREEN. Enter the customer you want by entering their customer code or name into the field above. All outstanding invoices due you from this customer are listed so you may select which invoices the payment will be applied to. If you are paying off an entire invoice, then click the check box on the right of the listing. If you are applying a partial payment, then do not click the check box, but enter the amount you want applied into the payment field. Once you have selected the invoice(s) that you are processing, enter the check number and date and click on POST. Continue this process for all the checks that you need to process.

**CUSTOMER MAKING PAYMENT:**

**CUSTOMER (F4):** AHW Anderson Hardware Corporaton

Dave Smith  
87653 South Rd  
Building #7  
Santa Monica, CA 98543  
213-555-1234

NOTES:

ENTRY DATE: 03/17/2008

CHECK#:

CUSTOMER CHECK DATE: 03/17/2008

PAYMENT AMOUNT: \$0.00

A/R ACCOUNT: 12000-000-000

CASH DRAWER ACCOUNT: 10050-000-000

DISCOUNT ACCOUNT: 43100-000-000

Deposit Directly Into Default Bank Account

REFERENCE#:	DESCRIPTION:	Due By	AMOUNT DUE:	Discount	PAYMENT:
D1327M	Invoiced Sale - PO# 159753	5/14/06	\$3,875.00	\$0.00	\$0.00 <input type="checkbox"/>
D1326M	Invoiced Sale - PO# 987564321	6/13/06	\$2,996.25	\$0.00	\$0.00 <input type="checkbox"/>
FinChrg	Finance Charge (Late Fee)	6/14/06	\$30.00	\$0.00	\$0.00 <input type="checkbox"/>
D1325M	Invoiced Sale - PO# 321654987	7/14/06	\$467.45	\$0.00	\$0.00 <input type="checkbox"/>
D1335M	Invoiced Sale - PO# 23165	7/14/06	\$3,593.95	\$0.00	\$0.00 <input type="checkbox"/>
D1338M	Invoiced Sale - PO# 32654	7/14/06	\$65.00	\$0.00	\$0.00 <input type="checkbox"/>
1348	Invoiced Sale - PO# 321654	2/14/07	\$784.85	\$0.00	\$0.00 <input type="checkbox"/>
1349	Invoiced Sale - PO# 321654	3/17/07	\$529.90	\$0.00	\$0.00 <input type="checkbox"/>
1353	Invoiced Sale - PO# 321	5/15/07	\$219.95	\$0.00	\$0.00 <input type="checkbox"/>
1357	Invoiced Sale - PO# 987654	9/14/07	\$126.85	\$0.00	\$0.00 <input type="checkbox"/>

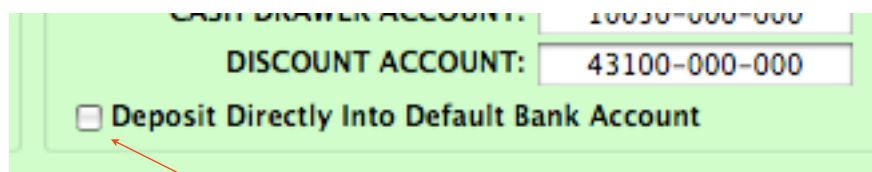
# ACCOUNTS RECEIVABLE

**Note:** You have processed the payments without any regard to the general ledger. PIMS is making the journal entries for you as you process each payment. You would probably like to know where is money going. Well the general journal entry is as follows.

ACCOUNT CODE:	ACCOUNT DESCRIPTION:	DEBIT:	CREDIT:
12000-000-000	Accounts Receivable		\$1,067.70
10050-000-000	Cash Drawer (Undeposited Funds)	\$1,067.70	

All money that comes into PIMS, whether from the Payment Journal or Posted Cash Sales, is debited to the Cash Drawer (Undeposited Funds) account. When you make your deposit this account is credited. This allows you to easily audit this account, since to should zero out after your deposits are done for the day.

**Note:** The only exception to the above transaction, is when you are applying payments to an account where you are not receiving payments by check or credit card. This would primarily be by wire transfer. In this case since the money is being deposited directly into your account, it is not necessary to make a deposit in PIMS.



The screenshot shows a software interface with a light green background. At the top, there are two input fields: "CASH DRAWER ACCOUNT:" with the value "10050-000-000" and "DISCOUNT ACCOUNT:" with the value "43100-000-000". Below these fields is a checkbox labeled "Deposit Directly Into Default Bank Account". A red arrow points from the bottom of the text block below to the checkbox.

By clicking the Deposit Directly check box, PIMS will make the deposit and journal entries directly from the receipt journal screen. This is only to be used for Wire Transfers and any other deposits directly into your account from Accounts Receivable. If you use this feature improperly, doing a Bank Reconciliation will be difficult.



## DEPOSITS

You will see that the G/L entry below is complete, as long as you have enough funds in the Cash Drawer to finish the deposit. If you do not, PIMS will put the balance into a third line on the G/L entry. If this happens, you are trying to deposit more money into the bank than PIMS has seen come through the system. This normally denotes an error in some process and the deposit should be aborted. I recommend that the error be corrected before continuing..

Account ID	Description	Debit	Credit	Balance
10050-000-000	Cash Drawer (Undeposited Funds)		\$1,700.00	\$3,501.84
10100-000-000	Cash in Bank - BANK OF AMERICA	\$1,700.00		\$143,780.63
				\$0.00

Click the POST button once the deposit is complete. You can change the date on the deposit screen and PIMS will post to that date.

Depositing your daily cash and check receipts (this includes you're A/R receipts) can be processed very easily if you have turned on a few options in PIMS

If you have turned on the Option in Accounting Preferences entitled

Always Send A/R Receipts To Pending Deposits

And you have told PIMS in the payment type set up for checks entitled

SEND TO PENDING DEPOSITS LIST

You will see a new button appear on the Deposit screen

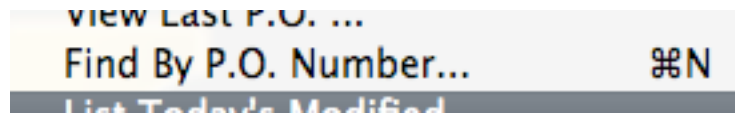
Load Pending Deposits

When you click on this button you will see all the checks that have been posted through the system based on the settings mentioned above. If you are depositing all of them, click on select all and they will be added to the reference section of the deposit screen. Click post and you are done.

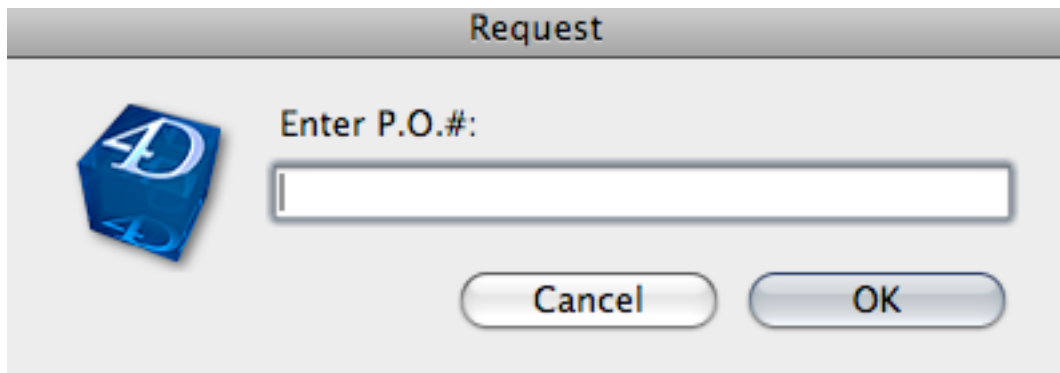
## ACCOUNTS PAYABLE

I recommend when you receive invoices from your vendors, that they be processed daily. I would separate the payables between inventory and non inventory invoices. There are two ways of making entries to A/P. Invoices for Inventory should be processed through a Vendor Reconciliation Non inventory invoices should be processed through the Purchase Journal.

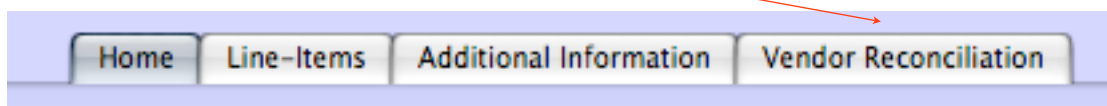
We will discuss Inventory first. There should be a PO Reference number on your invoice from the vendor. From the Main PIMS screen (not the accounting) go to the PO menu and select FIND BY PO NUMBER



You will be prompted for the PO number, which you can enter from the vendor invoice. Click OK once you have entered the number.



On the Purchase Order, there is a tab on the screen called Vendor Reconciliation.



# ACCOUNTS PAYABLE

Select this tab and you will see the detail of what was ordered and received. Now from here there can be many variables, depending on what procedures are in place around the rest of the company. But for this document we will rely on the fact that everyone is doing what they are supposed to do and not the exception.

VENDOR INVOICE INFO: VENDOR INVOICE DATE: 00/00/00 VENDOR INVOICE NO: INVOICE DUE DATE: 00/00/00 VENDOR INVOICE AMOUNT: \$1,828.00 **BALANCED**

RECEIVING RECORDS: TOTAL AMOUNT RECEIVED: \$1,828.00 SEND TO HOLDING ACCOUNT: \$1,828.00 AMOUNT LAID-IN TO COST: \$0.00

POSTINGS TO GENERAL LEDGER:

DATE	TIME	AMOUNT	INVOICE#	G/L REFERENCE

PAYMENT TERMS: NET TERMS: None OR DUE ON THIS DAY: n/a EARLY DISCOUNT: DISCOUNT BEFORE: n/a EARLY DISCOUNT AMOUNT: \$0.00

ORDERED	PART#	MODEL#	DESCRIPTION	QTY REC'V	BOOK COST	PREV REC'D	QTY ON INV.
2	1MBSIMM	1MBSIMM	1 MB Simm Ram (Plumb Series)	2	\$89.0000	0	2
10	2MBSIMM	2MBSIMM	2 MB Simm	10	\$165.0000	0	10

Save Cancel FREIGHT ON INVOICE: \$0.00 TAX ON INVOICE: \$0.00 \$1,828.00

You should at this time compare the amount of the vendor invoice with the total of the PO and see if they are the same. If they are then you are ready to complete the Vendor Rec. If they are not then usually it is because freight is not on the PO and you can enter it at the bottom of the screen. If the totals are not the same then it is probably a line item on the PO with a different cost than the invoice. If this is the case, I would suggest for the sake of this document, that you cancel the vendor rec and send it back to purchasing to correct the PO and receiving record. There are ways to make the corrections here at the Vendor Rec, but that is not the scope of this document. We will assume that all procedures in the company have been followed and all is correct.

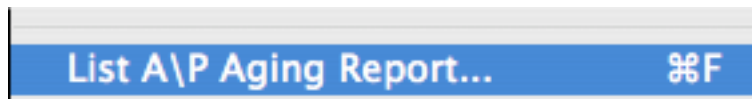
Now you will see in Green text the word balanced. This means everything reconciles to the vendor invoice and all you have to do at this time is enter Vendor Invoice Number, Invoice Date and Due Date. Once entered click on the Post to A/P button

# CHECKING

We have now made it to the Checking section of the program. You may not need to write checks daily, or even weekly, but I am including the procedure here. Checks can be written against A/P or individually against whatever account you need to expense it against. We will discuss the process for writing checks clearing A/P first.

When writing checks against A/P you can either list all the Vendors you owe and process payments, or you can simply make a Vendor payment if you are only paying one vendor.

So lets us start with pulling a list of Vendors you want to make payments to. If you want to pull a report on who you owe I recommend pulling an A/P Aging report. This report shows who you owe and how much you owe each vendor. Go to the A/P menu and select List A/P Aging Report.

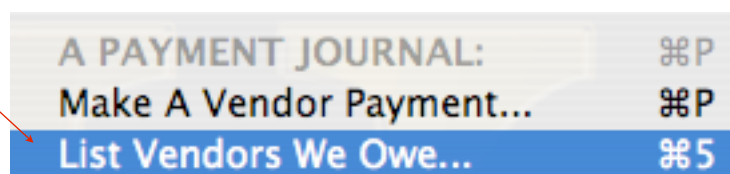


You will be presented with a report showing the current status of your A/P aging.

VENDOR CODE ▲	VENDOR NAME ▲	CURRENT	1-30 DAYS	31-60 DAYS	OVER 60 DAYS	BALANCE
BOFA	BANK OF AMERICA	\$1,000.00	\$0.00	\$0.00	\$0.00	\$1,000.00
EXEC	ExecURAM,Inc	\$0.00	\$0.00	\$0.00	\$20,902.00	\$20,902.00
JS	Johnson Supplies	-\$1,400.00	\$0.00	\$0.00	\$127.50	-\$1,272.50
MDD	Macro-D Distributors	\$0.00	\$0.00	\$0.00	\$14,837.25	\$14,837.25
PRUNE	Prune Computers	\$0.00	\$0.00	\$0.00	\$2,999.00	\$2,999.00

This is a report to help aid you in deciding who you want to make payments to. You can double click on a line if you want to go to the vendor record. You will not make your payments from here. So now let's go and pay some vendors.

When you want to pay the vendors, I suggest you go to the A/P Menu and select List Vendors We Owe.





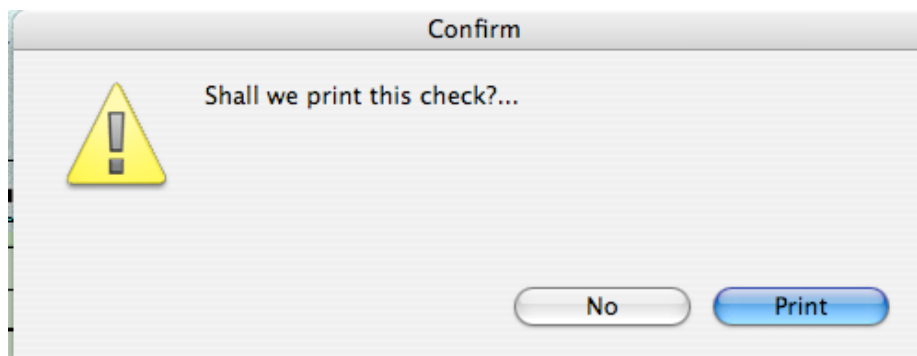
## CHECKING

The check is now completed, and all you have to do is click the POST/PRINT button.



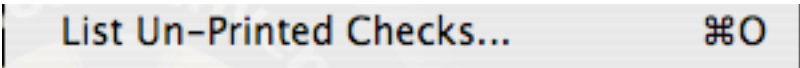
POST/PRINT

You will now be asked if you want to Print the check. If you click print the check will print at this time. If you click no, you can batch print your checks later.



You will now be taken back to your list, so that you can pay the next vendor. When you are done, click DONE. Now that your vendors are paid and checks are in the system. Let us Batch Print them.

Go to the Checking Menu and select List Unprinted Checks. If you have multiple Bank Accounts, you will be prompted to select which Bank you want to print checks for.



List Un-Printed Checks...

You are now presented with a list of checks that have not been printed. You will now select which checks you want to print. If you go to the edit menu and select all, then all of your checks will be selected. If you are selecting just a few, then click on the first check and depending on which computer platform you are using, hold down the CONTROL KEY (Windows) or COMMAND KEY (Macintosh) and click on each check you want to print.

# CHECKING

12445	06/14/2006	EXECUTRON DEVELOPMENT CORP.	1,000.00			<1,767.03>
12444	06/14/2006	ExecURAM,Inc	500.00	X		<767.03>
12443	06/14/2006	Macro-D Distributors	3,387.03	X		<267.03>
12442	06/14/2006	Johnson Supplies	150.00	X		3,120.00
12441	06/14/2006	ExecURAM,Inc	6,730.00	X		3,270.00

Done   Sort Register   Narrow Listing   Print List   **Print Checks**   Report Selected   CURRENT BALANCE: \$123,970.63

Click the **Print Checks** button. Your checks are now printing.

The only thing left regarding printing checks is the printing of a single check. Go to the **Checking Menu** and select **Write a Check - Non A/P**. We specify **Non A/P** because you must write checks against **A/P** from either the **List Vendors We Owe** or **Make A Vendor Payment**. Any checks written from here are normally checks that you are expensing and not posting to **Accounts Payable**.

CHECKS:  
**Write A Check - Non A/P...** ⌘W

