

Solution-IV™ Accounting General Ledger



Version 8.71

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1 Introduction

This chapter explains how the manual is organized and how the manual should be used. It also provides you with an overall view of the Solution-IV General Ledger features.

The General Ledger and System Integration flowcharts show how your General Ledger module operates and how it relates to the overall accounting system.

Thoroughbred Solutions

Thoroughbred Software develops and internationally markets software products for small through Fortune 500 sized businesses. Thoroughbred products are true multi-user solutions and are installed at thousands of worldwide sites.

Solving everyday accounting problems has never been a simple task. Thoroughbred Solution-IV Accounting modules are 4GL-based providing the quality and versatility you need to bring your business accounting needs into and through the new millennium. Thoroughbred software is always at the forefront of our industry's rapidly changing technology. Thoroughbred Solution-IV Accounting sets the pace for 4GL-based applications and is a result of more than 25 years of application development and design experience. This product was built using one of the most powerful 4GL-application development environments available today – Thoroughbred OPENworkshop.

OPENworkshop provides a comprehensive set of productivity tools designed to be easy to understand and use. Solution-IV Accounting is built on top of this robust development platform, which provides the perfect foundation for construction of a feature rich solution to your accounting problems. The Thoroughbred OPENworkshop development environment makes it easy and practical to customize complex applications.

Thoroughbred Solution-IV Accounting is a completely integrated accounting solution. Each module provides a seamless integration and sharing of common data with each of the other modules.

General Ledger Features

General Ledger provides an overall picture of your company's financial performance by summarizing accounting records. Thoroughbred Solution-IV General Ledger complies with Generally Accepted Accounting Principles by providing a complete audit trail. The audit trail allows you to examine transactions from the time they are entered into a journal until they are printed in the financial statements. You can then track revenues and expenses to analyze the efficiency of your operations by identifying cash flow problems, cost savings, and areas for possible expansion.

The following standard features are included in Thoroughbred Solution-IV General Ledger:

- Account numbers may use up to 12 alphanumeric characters divided into up to four segments. These segments can define account numbers, departments, and locations.
- The fiscal year may be divided into as many as 13 accounting periods. By entering the period-ending dates, you can define the length of each period.
- Posting to future accounting periods may be done from the General Journal without closing the current period. You can also post into the next year without closing the current year.
- Comparisons between current year and prior year activity can be made by period for each account. You may do the same with last year, initial this year, revised this year, and next year budgets.
- All information may be entered through the General Journal. The Recurring Journal and Allocation Journal may be used to record entries that are similar for each period, saving time and reducing errors.
- Journal entries may be reversed automatically in another period.
- Thoroughbred Solution-IV General Ledger automatically performs a mathematical check on journal entries. The system does not let you make an out-of-balance entry.
- Income Statements and Balance Sheets are automatically generated. While you have the ability to define custom statements, many are created for you.
- The Extended Financial Reporting subsystem allows you to create fully customized financial statements with full line and column control.

Other standard reports include:

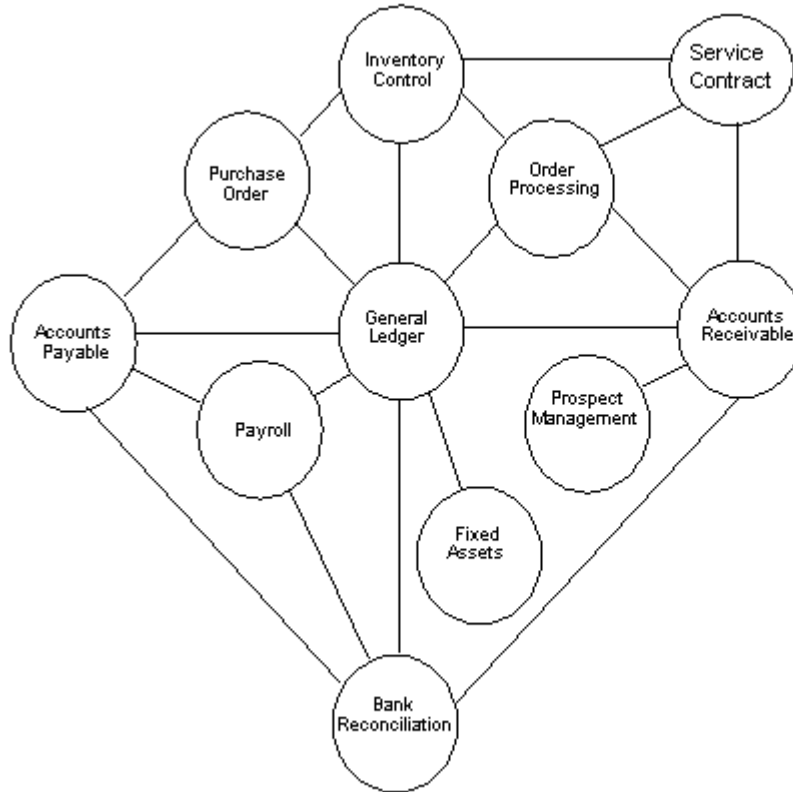
- ◆ Trial Balance - which also may be printed in a worksheet format.
- ◆ Transaction Detail Report - containing every posting made to every account.
- ◆ Budget Master Listing - detailing budgets for each account.
- ◆ Account History Report - showing history for the past four years.

All of the preceding features are standard to the Solution-IV General Ledger package.

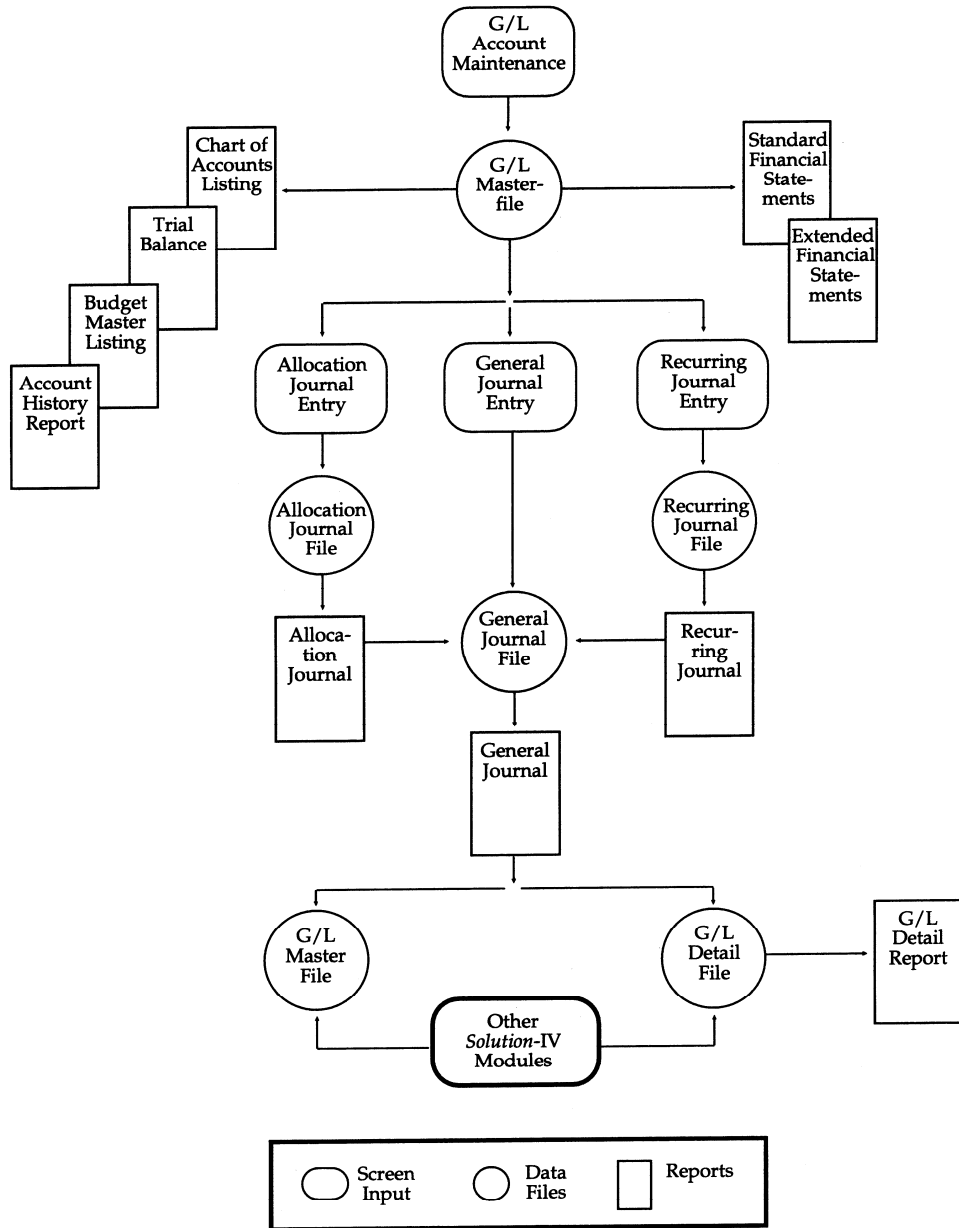
Thoroughbred Solution-IV Accounting Flowchart

The following System Integration flowchart diagrams how the various Solution-IV Accounting modules relate to one another.

The Solution-IV General Ledger flowchart on the following page shows how the various components of the General Ledger module are related.



Solution-IV General Ledger Flowchart



How to Make the Greatest use of this Manual

Introduction

With this manual we have created reference material that is easy to read, yet contains all of the information you need to set up and run the Thoroughbred Solution-IV General Ledger system.

This manual will introduce you to the capabilities of the Solution-IV General Ledger, give you ideas to help you get started with the initial setup, provide complete processing instructions and also serve as a reference guide once you are up and running.

Suggested Steps

In order to make the greatest use of this manual and to provide the easiest transition to your new system, we suggest you complete the following before actually entering your own data into the system.

- **Know how your computer works.** Users who are familiar with the functions of their computer will have an easier time using the system.
- **Read, or at least browse, the entire manual.** Become familiar with the options and capabilities before starting to use the software.
- **Install the system.** Make sure both the programs and demonstration data have been installed on your computer so you can begin looking at the system.
- **Use the demonstration data.** Demonstration data has been provided to allow you to get a look and feel of the operations of the system and reports without using your company's information.
- **Begin using the system.** Use this manual to begin entering and/or converting your information into the Solution-IV Accounting system.

Keep the manual handy. Once you are up and running, you will find the manual helpful as a reference guide. A complete Table of Contents has been provided for your assistance.

How this Manual is Organized

This manual has been organized to take you through normal General Ledger activity. As a supplement to these day-to-day procedures we have included a brief explanation of accounting theory, an extensive glossary of accounting terms, and several helpful setup ideas and system design hints.

Chapter 1

Introduction-Explains how the manual is organized and how the manual should be used. It also provides you with an overall view of the Solution-IV General Ledger features. The General Ledger and System Integration flowcharts show how your General Ledger module operates and how it relates to the overall accounting system.

Chapter 2

General Ledger Menus-Describes the options available on the General Ledger Main Menu, Account Maintenance Menu, Code File Maintenance Menu, Monthly Reports Menu, and Financial Statement Menus.

Chapter 3

General Ledger Set-Up-Explains how to get started with your General Ledger system. This chapter contains all of the options on the Code File Maintenance Menu.

Chapter 4

Account Maintenance-Describes the options that are available from the Account Maintenance Menu. These options include: Account Code Maintenance, Budget Maintenance, History Maintenance, Inquiry, Set up all Department and Location Detail History Accounts, and Change/Delete Account Code.

Chapter 5

Transaction Processing-Describes the options that are available during usual day-to-day processing. These include General Journal Entry, Recurring Journal Entry, and Allocation Journal Entry, and the accompanying reports and updates.

Chapter 6

General Ledger Reports-Describes how to execute the Solution-IV General Ledger Reports. These include the Chart of Accounts, Trial Balance, Transaction Detail Report, Budget Master Listing, and Account History Listing.

Chapter 7

Standard Financials Menu-This chapter discusses all aspects of generating, customizing, and printing the standard financial statements. You may find these statements easiest to use, especially while you are still modifying your chart of accounts.

Chapter 8

Extended Financials Menu-This chapter discusses the generation, customization and printing of financial statements. The extended financials give you much more control over the look and contents of your financial statements, but may be more complex to maintain, especially when first starting to use the system.

Chapter 9

Period End Processing-Describes what happens during the Period End Update and the Status Change Update.

Appendices

Appendices-Contains supplemental information, which is helpful to the understanding of Solution-IV General Ledger. System conversion is detailed in the Appendices. Any errors that you may encounter while using the system are also listed and explained in the appendix. You will also find a glossary of terms used in the Solution-IV manuals.

2 General Ledger Menus

Thoroughbred Solution-IV General Ledger uses six menus. This chapter describes the options that are available on the following menus:

- General Ledger Main Menu
- Account Maintenance Menu
- Code File Maintenance Menu
- Reports Menu
- Standard Financials Menu
- Extended Financials Menu

General Ledger Main Menu

Introduction

The General Ledger is the core of Thoroughbred Solution-IV Accounting. This is where the transactions from the other applications, if you are using them, are brought together to give you a picture of the company's overall financial condition.

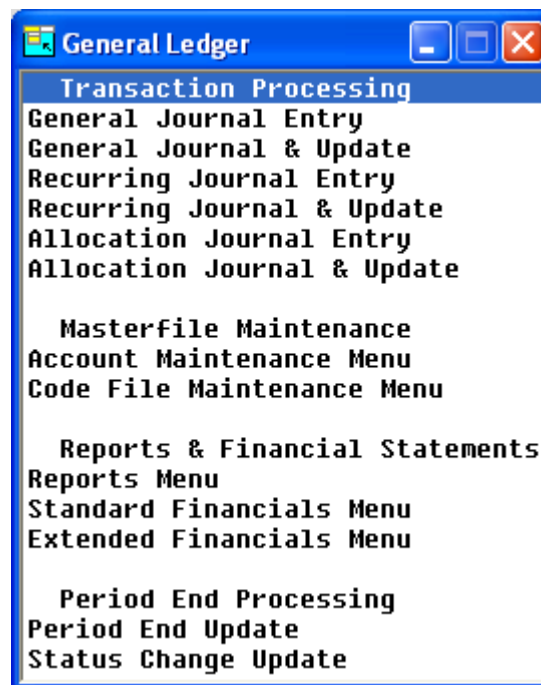
The General Ledger helps you track and control your business expenses, analyze budget controls, set realistic growth goals, accurately record your financial information, and print financial statements.

The General Ledger Main Menu is displayed when you select General Ledger from the Accounting System Master Menu. Most of the day-to-day operations are found on the main menu including account maintenance and transaction entry.

The other menus may be accessed from this menu. From them you can do code file maintenance and print financial statements.

How to Execute

From the Accounting System Master Menu, select **General Ledger**.



Transaction Entry

General Journal Entry

This option is used to make standard journal entries into the General Ledger.

If you are using the other Thoroughbred Solution-IV Accounting applications, most of your entries will be performed from the Thoroughbred Solution-IV Accounting application. General Journal Entry will be used mainly for adjustments and miscellaneous postings. If you do not use other Thoroughbred Solution-IV Accounting applications, you will perform the majority of your entries to the General Ledger through General Journal Entry.

This option is also used to enter your beginning balances when first starting to use the system.

Recurring Journal Entry

This option allows you to enter and automatically post journal entries that do not change much from period to period. These entries remain in the system until they are deleted. Good examples of recurring entries are depreciation and amortization.

Allocation Journal Entry

This journal is used to allocate the balance of one account to one or more other accounts by a pre-determined percentage.

A classic use for this journal would be to disburse expenses among divisions or to allocate the profit between several partners.

Transaction Reports

General Journal & Update

This report is an audit report that details the information entered in General Journal Entry.

The report provides a permanent audit trail of the general journal entries and also insures that all entries are correct before the update posts the entries to the permanent files.

Recurring Journal & Update

This report is printed after selecting various recurring journals. Its contents should be verified before running the update, which puts the selected recurring entries into the General Journal Entry file.

Allocation Journal & Update

This report is printed after selecting various allocation journals. Its contents should be verified before running the update, which puts the selected allocation entries into the General Journal Entry file.

Masterfile Maintenance

Account Maintenance Menu

This option is used to add and maintain your General Ledger accounts. Not only can you maintain account codes, descriptions, and ratio codes, but also budgets (last year, initial this year, revised this year, and next year) and the last four years of history. You can also review this year's activity and balance information.

Code File Maintenance Menu

This menu provides access to General Ledger Parameters, and Department, Location, Category, and Bank Code Maintenance.

Reports

Reports Menu

This menu provides access to the standard (non-financial statement) reports including the Chart of Accounts, Trial Balance, and Transaction Detail Report.

Standard Financials Menu

This menu provides access to the standard financial statement maintenance and printing options. If you have fairly simple reporting needs, the standard financials should be sufficient. For more flexible reporting use the options found on the Extended Financials Menu.

Extended Financials Menu

The Extended Financials Menu has the same capabilities as the Standard Financial Reporting options with the following additions:

- You can build custom financial statements without modifying *Report-IV* definitions.
- You can build "multi-column" financial statements showing multiple departments, locations or companies in various columns across the page.
- You can build statements that consolidate multiple ranges and lists of accounts and are in a different sequence than the Chart of Accounts.

Period End Processing

Period End Update

The Period End Update closes periods in the current year so those postings are not accidentally posted to a prior period. Year-End allows you to roll budgets and history, and processes year-end (computing retained earnings, etc.).

Status Change Update

The Status Change Update will affect any status changes (such as changes or deletions) that have been entered into the Account Master File or the bank code file.

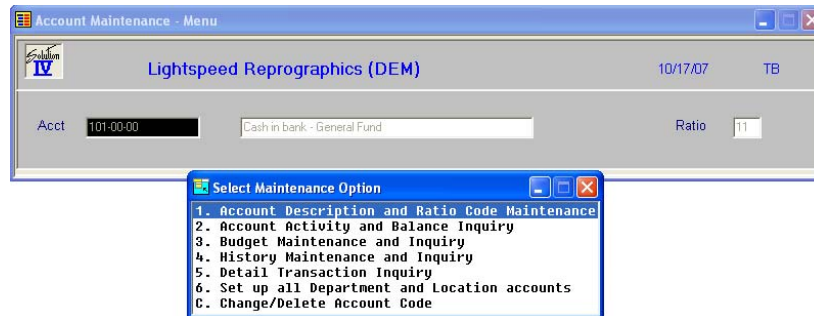
Account Maintenance Menu

Introduction

This option is used to add and maintain your General Ledger accounts. Not only can you maintain account numbers, descriptions, and ratio codes, but also budgets (last year, initial this year, revised this year, and next year), and the last four years of history. You can also review this year's activity and balance information.

How to Execute

From the General Ledger Main Menu, select **Account Maintenance Menu**.



Account Options

Account Description and Ratio Code Maintenance

This option places the cursor at the account description field. You may change the account description and ratio code.

Account Activity and Balance Inquiry

This option displays the activity for each period and the balance at the end of each period. It also displays the next year and last year activity for the selected account.

Budget Maintenance and Inquiry

This option allows you to maintain any of the budgets for the selected account.

History Maintenance and Inquiry

This option allows you to maintain history for the past four years.

Detail Transaction Inquiry

This option lets you see the detail transactions for this account.

Set Up All Department and Location Accounts

If you are setting up the same account for multiple departments and/or locations, this option allows you to enter it once and then copy it to every department/location combination. You also have the option of appending the description of the department/location to the end of the account description.

Change/Delete Account Code

This option allows you to change one account code to another, delete an account code, or de-activate an account code so that it cannot be used in the future.

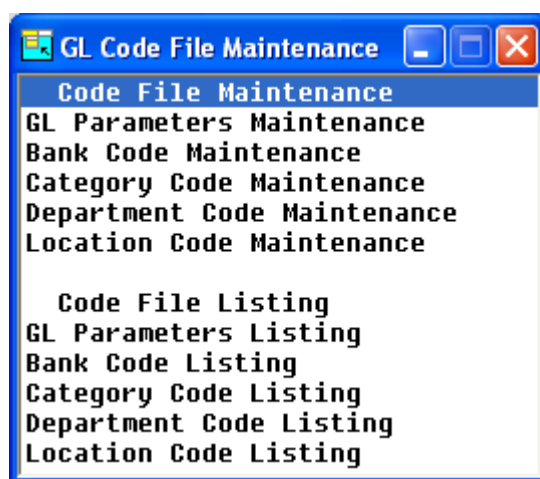
Code File Maintenance Menu

Introduction

This menu provides access to General Ledger Parameters, and Department, Location, Category, and Bank Code Maintenance. The parameters and code files contain the information used to customize the General Ledger to your particular company.

How to Execute

From the General Ledger Main Menu, select **Code File Maintenance Menu**.



System Parameters

GL Parameters Maintenance

The parameters allow you to customize the General Ledger to meet the specific needs of your company. Here you will be able to state the size and structure of your account codes, whether or not you wish to use locations and/or departments, and enter the period ending dates defining your company's fiscal year.

GL Parameters Listing

This report shows what was entered in General Ledger Parameter Maintenance.

Code File Maintenance

Bank Code Maintenance

This option is used by all of the applications to define different bank or deposit accounts. At least one bank code should be set up for each cash account to which you wish to post.

Category Code Maintenance

This option is used to enter account categories in the form of major category breaks (C), headings (H), and subheadings (S). These categories are used to group accounts of the same type and by the Trial Balance and financial statements to print subtotals for all accounts within a category.

Department Code Maintenance

If you stated during Parameter Maintenance that one of the segments of your account code was to be used as the department, this option allows you to enter those departments.

Location Code Maintenance

If you stated during Parameter Maintenance that one of the segments of your account code was to be used as the location, this option allows you to enter those locations.

Code File Listings**Bank Code Listing**

This report shows all the codes defined in Bank Code Maintenance.

Category Code Listing

This report shows all the codes defined in Category Code Maintenance.

Department Code Listing

This report shows all the codes defined in Department Code Maintenance.

Location Code Listing

This report shows all the codes defined in Location Code Maintenance.

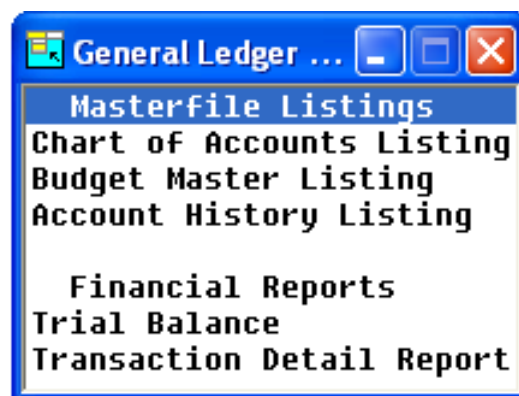
Reports Menu**Introduction**

This menu gives you access to the standard (non-financial) reports in General Ledger.

All of the reports on this menu may be printed at any time; it is not necessary to wait until the end of the month since all reports are current to the last update.

How to Execute

From the General Ledger Main Menu, select **Reports Menu**.



Standard Reports***Chart of Accounts Listing***

The Chart of Accounts lists all accounts, headings and subheadings in the General Ledger, in numerical order. It is used as a reference for recording transactions in General Ledger.

Trial Balance

This report shows a summary of all account activity for a selected period. It provides a quick check of all account balances during the selected period.

Transaction Detail Report

The Transaction Detail Report is one of the most valuable tools in the General Ledger system. It provides a detailed record of all activity within each account in every accounting period. No change may be made to any account without a record of it showing on this report.

It may be printed for a range of periods, accounts, source journals, departments, locations, or transaction numbers making it invaluable when you need to isolate specific information.

Budget Master Listing

This report shows all budgets (last year, initial this year, revised this year, and next year) for all or a range of accounts.

Account History Listing

This report shows the history for each of the previous four years for all or a range of accounts.

Standard Financial Reporting

Introduction

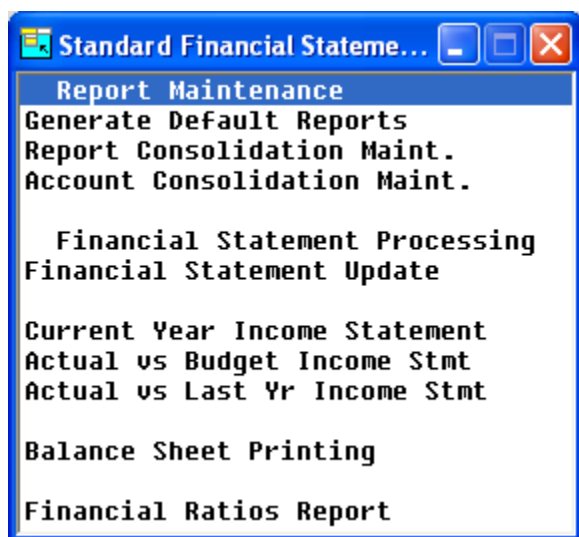
This menu provides access to the standard financial statement setup and printing options.

Financial statements are reports of the financial status of a business. Solution-IV automatically generates most of the financial statements you will need, and provides the ability to create custom statements if needed.

If you have fairly simple reporting needs, or are just getting started with Solution-IV General Ledger, these standard financial statements should be adequate. For more flexible reporting, you may want to use the options found on the Extended Financials Menu.

How to Execute

From the General Ledger Main Menu, select **Standard Financials Menu**.



Financial Statement Creation

Generate Default Reports

This option generates a default set of reports. What is generated can then be modified using Report Consolidation Maintenance. It is recommended that this step be run when you begin to set up your financial statements.

Report Consolidation Maintenance

This option allows you to modify the default reports that were generated in the above step. Additional reports can be created as well. You can consolidate any range or any number of selected companies, locations and departments into a given financial statement. In addition, location and/or departmental accounts can be consolidated into their respective primary accounts.

Account Consolidation Maintenance

This option allows you to consolidate multiple accounts on a given financial statement. Note that this option is only needed if you want to consolidate accounts other than location and department accounts. For example, consolidating 401-00-00 through 499-ZZ-ZZ could consolidate all of the sales accounts. Additionally, a different account description can be entered for printing on the financial statement.

Financial Statement Update

This option creates the work file from which all financial statements print.

Statement of Operations

Current Year Income Statement

This option prints a Statement of Operations for the current year and the specified period.

Current Year Actuals vs. Budget

This option prints a Statement of Operations comparing current year actuals vs. budgets.

Current Year Actuals vs. Last Year

This option prints a Statement of Operations comparing current year actuals vs. last year actuals.

Other Statements

Balance Sheet Printing

This option prints a Balance Sheet for the specified period.

Financial Ratios Report

This option prints a financial statement showing 14 different financial statement ratios relating to your company.

Extended Financials Menu

Introduction

The Extended Financials Menu has the same capabilities as the Standard Financial Reporting options with the following additions:

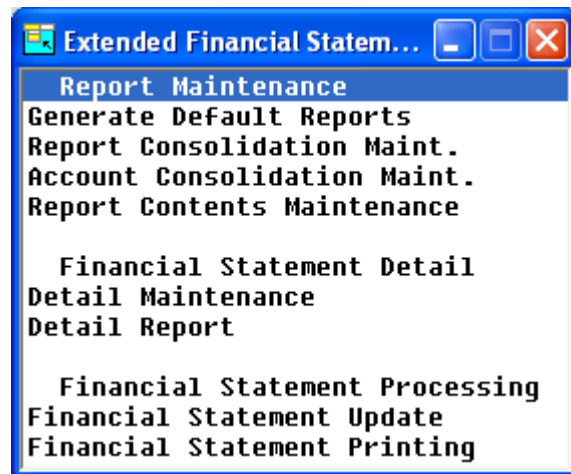
- You can build custom financial statements without modifying Report-IV definitions.
- You can build multi-column financial statements showing multiple departments, locations or companies in various columns across the page.
- You can build statements that consolidate multiple ranges and lists of accounts and are in a different sequence than the Chart of Accounts.

The main advantage of the Extended Financials over the Standard Financials is its flexibility and control.

The main disadvantage of the Extended Financials is that the financial statements need to be regenerated or maintained if any accounts are added or deleted.

How to Execute

From the General Ledger Main Menu, select **Extended Financials Menu**.



Financial Statement Maintenance

Generate Default Reports

This option generates a default set of financial statements. The generated statements can then be modified using Report Consolidation Maintenance and Financial Statement Detail Maintenance. This step should be run when you begin to set up your financial statements

Report Consolidation Maintenance

This option allows you to modify the default report consolidations created in the above step as well as create new reports. You may create reports that consolidate a range of or selected companies, locations and/or departments into a given financial statement. Locations and/or departments can also be consolidated into their respective primary accounts.

Account Consolidation Maintenance

This option allows you to consolidate multiple accounts on a given financial statement. This option is only necessary if you want to consolidate accounts other than location or departmental accounts.

Report Contents Maintenance

Report Contents Maintenance is used to define what is to be printed in the horizontal columns across the report. Each financial statement can have a unique column configuration.

Financial Statement Detail Maintenance

This option is used to maintain the detailed line items you wish to print on a financial statement. You need this option to consolidate non-contiguous accounts, add new subtotals, reorder accounts or add new headings.

Financial Statement Detail Report

This report allows you to see the actual row contents of any of your financial statements.

Financial Statement Processing

Financial Statement Update

The Financial Statement Update is used to update the actual budget and history numbers to the defined financial statements. The update must be run before printing the financial statements.

Financial Statement Printing

This option prints the defined financial statements for the period selected when the above update was run.

3 General Ledger Setup

This chapter explains how to perform the initial setup of your Thoroughbred Solution-IV General Ledger. Instructions for using the GL Parameters Maintenance and all of the code files are given here.

You must set up all of the items covered in this chapter before entering accounts or printing reports because the items entered here are used throughout the system.

If you have not already done so, now would be a good time to read the Appendices.

GL Parameters Maintenance

Introduction

The General Ledger Parameters allow you to customize the structure of your General Ledger to fit your company's specific needs. This is where you define how many characters make up your account and how it is displayed, how your fiscal year is structured, and whether or not you have locations and/or departments.

Note: This must be your first step in setting up your General Ledger.

How to Execute

From the Code File Maintenance Menu, select **GL Parameters Maintenance**.

Account Size	Acct Code Mask	Period	Ending Date
Segment 1: 3	###-##-##	01	01/31/07
Segment 2: 2		02	02/28/07
Segment 3: 2		03	03/31/07
Segment 4: 0		04	04/30/07
		05	05/31/07
Location Segment Number: 0		06	06/30/07
Department Segment Number: 0		07	07/31/07
		08	08/31/07
Number of Accounting Periods: 12		09	09/30/07
Current Accounting Period: 1		10	10/31/07
		11	11/30/07
Retained Earnings Account: 320-00-00		12	12/31/07
		13	

Description of Fields

Account Size

General Ledger account codes may contain up to 12 characters. You can divide these codes into as many as four segments and designate segments for locations and/or departments. Once you have established the size and structure of your account codes, and begun posting, they should not be changed.

Location Segment

Enter the segment number you wish to use to represent the location. You cannot use segment one as the location segment. You must make a selection if you wish to produce financial statements by location.

If you want Income Statements to contain location information within a single balance sheet, you should set up multiple locations. If you want separate balance sheets, you should set up multiple companies.

If you do not require locations, enter **0**.

Department Segment

Enter the segment number you wish to use to represent the department. The department segment may not be segment one or the same as the location segment. You must make a selection if you wish to produce financial statements by department.

If you do not require departments, enter **0**.

Number of Accounting Periods

Enter a number from 1 to 13 representing the number of periods in your fiscal year.

Note: Solution-IV actually allows you to post into next year before you close the current year. The period numbers for next year will be periods 14-26, even if your fiscal year has less than 13 periods.

Current Accounting Period

Enter a number from 1 to 13 representing the current period. This number cannot exceed the number of accounting periods.

Note: If you are posting into the next fiscal year, this field will contain a period number from the current fiscal year, i.e., 12.

Retained Earnings Account

Enter the General Ledger account code to which you wish to post the year's profit (or loss) during Year-End Processing. This should be an equity account.

Description of Current Year Profit (Loss)

Enter up to 40 characters for the description of the year-to-date profit, as you want it to appear on the balance sheet. The system defaults to Current year profit (loss).

Description of Gross Profit (Loss)

Enter up to 40 characters for the description of the gross profit, as you want it to appear on the income statements. The system defaults to Gross profit (loss).

Description of Net Profit (Loss)

Enter up to 40 characters for the description of the net profit, as you want it to appear on the income statements. The system defaults to Net profit (loss).

Period XX**Ending Date**

Enter the dates on which each of your accounting periods end. The system defaults to the calendar month ending dates in the current year.

Exit the Screen

When you are finished, you are returned automatically to the Code File Maintenance Menu.

GL Parameters Listing

Introduction

Use this report to display or print the parameters currently defined in GL Parameters Maintenance.

How to Execute

From the Code File Maintenance Menu, select **GL Parameters Listing**.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Code File Maintenance Menu.

Bank Code Maintenance

Introduction

All Thoroughbred Solution-IV Accounting applications use this function to define separate bank or deposit accounts. Each cash account should have a unique bank code. This code is used to designate the General Ledger account to which a deposit is to be made or from which a check is to be drawn.

How to Execute

From the Code File Maintenance Menu, select **Bank Code Maintenance**.

The screenshot shows a window titled "Bank Code Maintenance" for "Lightspeed Reprographics (DEM)" dated 10/17/07. The window contains the following fields:

Bank Code	BA	Description	Operating Bank
GL Account No	101-00-00		Cash in bank - General Fund
Bank Acct No	[REDACTED]		
Status	[YELLOW BOX]		

Description of Fields

Bank Code

Enter up to two alphanumeric characters for the bank code.

Examples: BA — Bank of America - checking
AX — American Express - deposit account

Description

Enter up to 40 characters to describe the bank code.

GL Account No

Enter up to 15 characters for the General Ledger account code to which this bank code posts. It is normally a cash account.

Bank Acct. No

Enter up to 15 characters for your bank account number. This field is optional and for internal use only.

Bank Route

Enter up to 10 characters for your bank route number.

Next Cash Receipt Batch Number

Enter the first cash receipts batch number that you want the system to automatically assign during OP Invoice Posting.

Status

Enter one of the following:

CR Active: Anyone may use this record at anytime.

I Inactive: This bank code may not be added to new files. This record continues to appear on files currently using it.

D Delete: This record is scheduled for deletion and may no longer be used.

C Change: This record is scheduled to be changed to or combined with a different bank code.

Exit the Screen

When you are finished, press **F4** on the bank code field to return to the Code File Maintenance Menu.

Bank Code Listing

Introduction

Use this report to display or print the bank codes currently in the bank code file.

How to Execute

From the Code File Maintenance Menu select **Bank Code Listing**.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Code File Maintenance Menu.

Category Code Maintenance

Introduction

This program is used to enter account categories. These categories are used to group accounts of the same or similar type and by Trial Balance and Financial Statements, to print the subtotals for all accounts within a category.

The categories have three different types — major category breaks (C), headings (H), and subheadings (S). You must set up one and only one major category break for each account classification (Assets, Liabilities & Equity, Revenue, Expenses and optionally Cost of Sales). These major breaks determine which accounts belong on the balance sheet and which ones belong on the income statements, as well as totaling major account groups. See the sample category code listing in the following section for an example of one way to set up your category codes.

How to Execute

From the Code File Maintenance Menu, select **Category Code Maintenance**.

The screenshot shows a software window titled "Category Code Maintenance". At the top, it displays "Lightspeed Reprographics (DEM)" and the date "10/17/07" with the user initials "TB". Below this, there are four input fields: "Category Code" with the value "000-00-00", "Category Type" with a dropdown menu showing "C", "Description" (empty), and "Classification" (empty).

Description of Fields

Category Code

Enter up to 12 alphanumeric characters for the category code.

Categories are structured exactly like your account code. You can use the same code for all three types of category codes as well as an account code. When you are printing reports such as the Chart of Accounts, Trial Balance, or Financial Statements, the number for the category will not appear. All category codes will appear as headings and total descriptions only.

Example:

100-000-000	Assets (Major Break)
100-000-000	Current Assets (Heading)
100-000-000	Cash Accounts (Sub-heading)
100-000-000	Cash in bank-checking (Account)

Category Type

Enter one of the following:

- C** Defines the code as a Major Category Break (Assets, Liabilities & Equity, Revenue, Cost of Sales, or Expenses).
- H** Defines the code as a Heading.
- S** Defines the code as a Sub-heading.

Description

Enter up to 40 characters to describe the category.

Classification

Enter one of the following:

- A** Assets
- L** Liabilities
- E** Equity or Capital
- R** Revenue or Income
- C** Cost of Sales
- X** Expenses

Note: You must set up one and only one major category break (type C) for A, L, R, C, and X.

Exit the Screen

When you are finished, press **F4** at the category code field to return to the Code File Maintenance Menu.

Category Code Listing**Introduction**

Use this report to display or print the category codes currently in the category code file.

How to Execute

From the Code File Maintenance Menu, select **Category Code Listing**.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Code File Maintenance Menu.

Department Code Maintenance

Introduction

Use this option to set up departments. The system accesses this file when printing financial statements or other reports by department, so you must set up a department code for every department on which you wish to report.

If you do not have a segment of your account code designated as the department segment, you will not be able to enter departments.

How to Execute

From the Code File Maintenance Menu, select **Department Code Maintenance**.

The screenshot shows a software window titled "Department Code Maintenance". At the top, it displays "Lightspeed Reprographics (DEM)", the date "10/17/07", and the user initials "TB". Below this, there are two input fields. The first is labeled "Department Code" and contains the text "10". The second is labeled "Description" and contains the text "BlueLine/Blackline".

Description of Fields

Department Code

Enter the department code. The field will be the same length as the department segment defined in GL Parameters Maintenance.

Examples: 00 — Administration

01 — Sales

Description

Enter up to 40 characters for the description of the department.

Exit the Screen

When you are finished, press **F4** and the system prompts, "Do you want to set up departments for multiple accounts? Yes No." Selecting Yes opens the Multiple Account Code Setup. Select No to return to the Code File Maintenance Menu.

Multiple Account Department Setup

Introduction

If you select "Yes" at the previous screen, you can select a range of General Ledger accounts to add to a department code.

Description of Fields

Department to set up

Enter the department code to copy to a range of General Ledger accounts.

Examples: 03

Description to append

Enter up to 4 characters for the description to append to each General Ledger account description.

Examples: SLS

Beginning account code

Enter the first General Ledger account codes in the range to which you wish to add departmental accounts.

Examples: 400-00-000

Ending account code

Enter the last General Ledger account codes in the range to which you wish to add departmental accounts.

Examples: 900-01-000

Exit the Screen

When you are finished, press **F4** on the department code field to return to the Code File Maintenance Menu.

Department Code Listing

Introduction

Use this report to display or print the department codes currently in the department code file.

How to Execute

From the Code File Maintenance Menu, select **Department Code Listing**.

Report

Select a printed or displayed copy. When the report is finished, you will be returned automatically to the Code File Maintenance Menu.

Location Code Maintenance

Introduction

Use this option to set up locations. The system accesses this file when printing financial statements or other reports by location, so you must set up a location code for every location on which you wish to report.

If you do not have a segment of your account code designated as the location segment, you will not be able to enter locations.

How to Execute

From the Code File Maintenance Menu, select **Location Code Maintenance**.

The screenshot shows a software window titled "Location Code Maintenance". At the top, it displays "Lightspeed Reprographics (DEM)" and the date "10/17/07" with the user initials "TB". Below this, there are two input fields: "Location Code" containing the text "01" and "Description" containing the text "New Jersey".

Description of Fields

Location Code

Enter the location code. The field will be the same length as the location segment defined in GL Parameters Maintenance.

Example: 00 - Home Office - New Jersey

01 - California Office

Description

Enter up to 40 characters for the description of the location.

Exit the Screen

When you are finished, press **F4** and the system prompts: **Do you want to set up locations for multiple accounts? Yes No.** Selecting Yes opens the Multiple Account Code Setup. Select No to return to the Code File Maintenance Menu.

Multiple Account Location Setup

Introduction

If you select "Yes" at the previous screen, you can select a range of General Ledger accounts to add to a location code.

Field	Value	Dropdown
Location to setup	03	Texas Office
Description to append	TX	
Beginning account code	700-00-00	Advertising and promotion
Ending account code	900-00-00	Miscellaneous expenses

Description of Fields

Department to set up

Enter the location code to copy to a range of General Ledger accounts.

Examples: 03

Description to append

Enter up to 4 characters for the description to append to each General Ledger account description.

Examples: SLS

Beginning account code

Enter the first General Ledger account codes in the range to which you wish to add location accounts.

Examples: 400-00-000

Ending account code

Enter the last General Ledger account codes in the range to which you wish to add location accounts.

Examples: 900-01-000

Exit the Screen

When you are finished, press **F4** on the location code field to return to the Code File Maintenance Menu.

Location Code Listing

Introduction

Use this report to display or print the location codes currently in the location code file.

How to Execute

From the Code File Maintenance Menu, select **Location Code Listing**.

Report

Select a printed or displayed copy. When the report is finished, you will be returned automatically to the Code File Maintenance Menu.

4 Account Maintenance

This section explains the Account Maintenance option on the General Ledger Main Menu.

This option is used to add and maintain your General Ledger accounts. Not only can you maintain account codes, descriptions, and ratio codes, but you can also maintain budgets (last year, initial this year, revised this year, and next year). It is also possible to review activity and balance information for this year and the last four years of history.

How to Design Your Chart of Accounts

The design of your chart of accounts is one of the most important things you can do when starting to set up your Solution-IV General Ledger package. If you are already using a chart of accounts that gives you the information you need, you can probably still use it with Solution-IV. However, you may want to restructure your chart of accounts to (1) take advantage of the Solution-IV General Ledger package built-in features that depend upon the chart of accounts structure, or (2) get more information out of your General Ledger than you are currently getting.

The design of your chart of accounts is made up of both the structure of the account code itself and how you organize those account codes.

Account Codes

You must first determine the structure of the account code itself. The Solution-IV General Ledger package allows you to have up to 12 characters divided into up to four segments. You may use numbers, letters or a combination of both.

The first segment is always used to define the primary account. The other three segments may be used to identify sub-accounts such as departments or locations. If you use segments to define the departments and/or locations, the Solution-IV General Ledger will be able to generate departmental and location financial statements automatically.

If you have several departments and locations, you may want to subdivide your chart of accounts as follows:

Segment 1 - Primary Account
 Segment 2 - Location
 Segment 3 - Department

Examples:

600 - Primary payroll account
 01, 02 - Locations New Jersey and California, respectively
 A, S, P - Departments Administration, Sales & Production

Using the preceding, you would create the following accounts:

600-01-A = Wages - New Jersey - Administration
 600-01-P = Wages - New Jersey - Production
 600-01-S = Wages - New Jersey - Sales
 600-02-A = Wages - California - Administration
 600-02-P = Wages - California - Production
 600-02-S = Wages - California - Sales

If you use a chart of accounts like the one above, be sure you define the departments and locations in Department and Location Maintenance. Unless they are defined there, the system cannot automatically add the accounts for you, nor can it automatically generate the financial statements.

Account Breaks

In Solution-IV, the account breaks are called category codes. These breaks, or categories, define where subtotals are printed on your financial statements and Trial Balance. You can have as many or as few breaks as needed, as long as you have the minimum. The categories are explained in detail in the section Category Code Maintenance of the chapter on General Ledger Setup.

Your business is unique; you will need to create a chart of accounts that fits your business needs the best. Keep in mind that the Solution-IV Accounting packages can do some extra work for you without requiring any extra effort on your part once you have a properly designed chart of accounts.

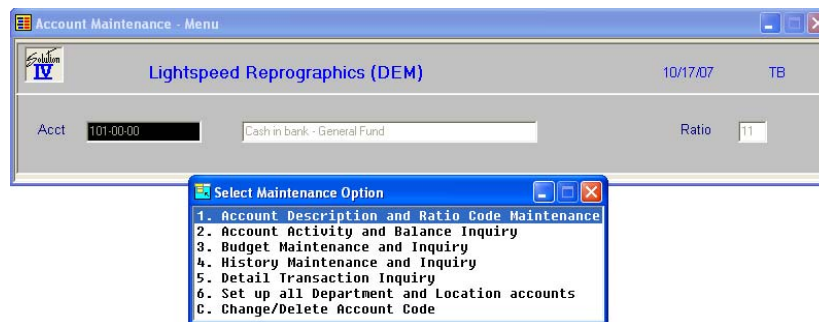
Account Maintenance

Introduction

Account Maintenance allows you to maintain accounts and their descriptions, along with budgets and history.

How to Execute

From the General Ledger Main Menu, select **Account Maintenance Menu**.



To perform any of the seven options on the Account Maintenance Menu, you must first enter an account code. Once you are in Account Maintenance and have executed an option from the Account Maintenance Menu, you can enter another account code from within the option.

Description of Fields

Acct

Enter up to 15 characters representing the General Ledger account. The length of the field and location of the dashes for this field depends upon what was entered in GL Parameter Maintenance.

The dashes separate the segments of the account code and are optional entries. If they are not entered, the system automatically inserts them.

- Empty Segments:** Are filled with zeros.
- Numeric Segments:** Are right justified, and empty spaces are then filled with zeros.
- Character Segments:** Are left justified, and empty spaces are then filled with spaces.

Exit the Screen

To exit Account Maintenance, press **F4** from the account code field to return to the General Ledger Main Menu.

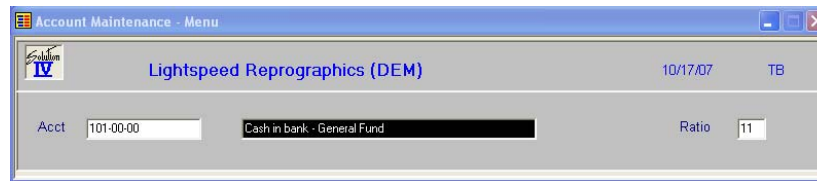
Account Description and Ratio Code Maintenance

Introduction

This option moves the cursor to the top of the Account Maintenance Menu screen to change the account description and/or ratio code.

How to Execute

From the Account Maintenance Menu, select **Account Description and Ratio Code Maintenance**.

**Description of Fields****Description**

Enter up to 40 characters for the account description.

Examples: Cash in bank - Bank of America checking
Sales - Bicycles - New Jersey

Ratio

This field is used to compute the ratios and other analytical information shown on the General Ledger Ratios Report. If you are not using the Ratio Report, it is not necessary to enter ratio codes here.

Enter the appropriate type for the account as follows:

	Ratio Code	Description
Assets:	11	Cash
	12	Net Accounts Receivable
	13	Other Receivables
	14	Inventory
	15	Fixed Assets
	16	Other Assets
Liabilities:	21	Current Liabilities
	22	Long Term Liabilities
Equity:	31	Owners Equity
	32	Retained Earnings
Income:	41	Net Sales
	42	Other Income

Cost of Sales:	51	Cost of Sales
Expenses:	61	Operating Expenses
	62	Other Expenses
	63	Interest Expense

The ratio code will default to the ratio code used on the account previous to this one.

Exit the Screen

When you are finished editing an account description and/or ratio code, you are returned automatically to the Account Maintenance Menu.

Account Activity and Balance Inquiry

Introduction

This option displays the activity for each period and balance at the end of each period. It also shows activity for the next year and last year.

How to Execute

From the Account Maintenance Menu, select **Account Activity and Balance Inquiry**.

Period	Curr Yr Activ	Curr Yr Balan	Next Yr Activ	Last Yr Activ
1 01/31	432.05-	432.05-	.00	.00
2 02/28	1528.10-	1960.15-	.00	.00
3 03/31	4600.00-	6560.15-	.00	.00
4 04/30	2350.00-	8910.15-	.00	.00
5 05/31	3880.09-	12790.24-	.00	.00
6 06/30	.00	12790.24-	.00	.00
7 07/31	.00	12790.24-	.00	.00
8 08/31	.00	12790.24-	.00	.00
9 09/30	.00	12790.24-	.00	.00
10 10/31	.00	12790.24-	.00	.00
11 11/30	.00	12790.24-	.00	.00
12 12/31	.00	12790.24-	.00	.00
	.00	.00	.00	.00

Description of Fields

This screen is for display purposes only. These fields cannot be modified.

Exit the Screen

When you are finished with the Account Activity and Balance Inquiry screen, when you are on the account code field, press **F8** to select another screen or **F4** to return to the Account Maintenance Menu.

Budget Maintenance and Inquiry

Introduction

This option allows you to maintain any of the four types of budgets.

How to Execute

From the Account Maintenance Menu, select **Budget Maintenance and Inquiry**.

Period	Last Year	Curr Initial	Curr Revised	Next Year
1 01/31	0	.00	.00	.00
2 02/28	.00	.00	.00	.00
3 03/31	.00	.00	.00	.00
4 04/30	.00	.00	.00	.00
5 05/31	.00	.00	.00	.00
6 06/30	.00	.00	.00	.00
7 07/31	.00	.00	.00	.00
8 08/31	.00	.00	.00	.00
9 09/30	.00	.00	.00	.00
10 10/31	.00	.00	.00	.00
11 11/30	.00	.00	.00	.00
12 12/31	.00	.00	.00	.00
Totals	.00	.00	.00	.00

Description of Fields

Last Yr Budget

These fields contain the budgets entered for last year. They are updated automatically during year-end Processing from the figures in the Revised Budget fields. They can also be entered here, if desired.

Initial Budget

These fields contain the first budget entered for the year. During Period End Processing (from the previous year) these fields may be copied from the Next Year Budget fields.

Note: Budgets for credit accounts, such as revenue, must be entered as negative numbers.

Revised Budget

These fields are provided to allow you to revise your budgets at some point during the year without losing sight of the original goal (initial budgets). Comparisons can be done comparing actual activity to initial and/or revised budgets.

Next Yr Budget

These fields are provided to allow you to enter budgets for next year before the current year is over.

Messages

After entering the budget amount for period one, for any of the budgets, you will receive the following prompt:

Copy first period budget to all periods? Yes No Divide evenly

- Y** Copies the first period budget to all periods. This feature will save you a lot of time if your budgets are the same or similar for each period. After the copy, the cursor moves to the next budget column and allows you to make changes as required.
- N** Does not copy the first period budget to all periods. The cursor moves to period two.
- D** Divide the amount entered in period one evenly among all periods. This feature is especially useful if you create annual budgets and divide each period equally.

When you move from the initial budget column to the revised budget column, you will receive the following prompt:

Copy initial budgets to revised budgets? Yes No

This feature is very useful if you are modifying your budgets mid-year or the budgets are otherwise the same for part of the year.

- Y** Copies the initial budgets to the revised budgets. After the copy, you can make changes as required.
- N** Does not copy the initial budgets to the revised budgets.

When you move from the revised budget column to the next-year budget column, you will see the following message:

Copy revised budgets to next year budgets? Yes No

This feature is very useful when creating budgets for next year that are the same as or similar to this year's revised budgets.

- Y** Copies the revised budgets to the next year budgets. After the copy, you can make changes as required.
- N** Does not copy the revised budgets to the next year budgets.

Exit the Screen

When you are finished with the Budget Maintenance and Inquiry screen, from the account code field, press **F8** to select another screen or **F4** to return to the Account Maintenance Menu.

History Maintenance and Inquiry

Introduction

This option allows you to maintain account history for the past four years.

How to Execute

From the Account Maintenance Menu, select **History Maintenance and Inquiry**.

Account Maintenance - History
 Lightspeed Reprographics (DEM) 10/17/07 TB

Acct 101-00-00 Cash in bank - General Fund Ratio 11

Period	Yr End	2006	Yr End	2005	Yr End	2004	Yr End	2003
0	0	.00	.00	.00	.00	.00	.00	.00
1	01/31	.00	.00	.00	.00	.00	.00	.00
2	02/28	.00	.00	.00	.00	.00	.00	.00
3	03/31	.00	.00	.00	.00	.00	.00	.00
4	04/30	.00	.00	.00	.00	.00	.00	.00
5	05/31	.00	.00	.00	.00	.00	.00	.00
6	06/30	.00	.00	.00	.00	.00	.00	.00
7	07/31	.00	.00	.00	.00	.00	.00	.00
8	08/31	.00	.00	.00	.00	.00	.00	.00
9	09/30	.00	.00	.00	.00	.00	.00	.00
10	10/31	.00	.00	.00	.00	.00	.00	.00
11	11/30	.00	.00	.00	.00	.00	.00	.00
12	12/31	.00	.00	.00	.00	.00	.00	.00
		.00	.00	.00	.00	.00	.00	.00
Ending		.00	.00	.00	.00	.00	.00	.00

Description of Fields

Year Ending XXXX

One column is displayed for each of the last four years of history. The period numbers are displayed in the far-left column.

Enter the net activity for each period in each year, if desired. These fields will be filled automatically during year-end processing with the oldest year being dropped off.

Exit the Screen

When you are finished with the History Maintenance and Inquiry screen, from the account code field, press **F8** to select another screen or **F4** to return to the Account Maintenance Menu.

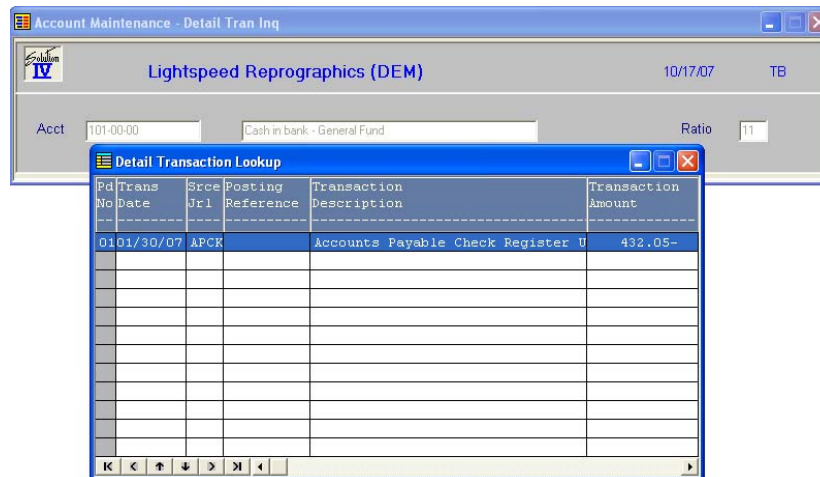
Detail Transaction Inquiry

Introduction

This option allows you to see the detail transactions for this account on the screen. It is the same information that is shown on the Transaction Detail Report.

How to Execute

From the Account Maintenance Menu, select **Detail Transaction Inquiry**.



You will receive the following prompt:

Enter the Period to View: xx

Press **Enter** to select the current period or enter the period number you want to view (01-26). If you want to view all periods, press the **Spacebar** twice.

When you are finished with the view, press **Enter** or **F4** to return to the prompt, then **F4** from the prompt to return to the account code field.

Description of Fields

This option contains no information that may be modified. The detail transactions are displayed in a view, so you can scan them using the keys normally used in a view such as **Up Arrow**, **Down Arrow**, **Page Up**, **Page Down**, and **F10**.

Exit the Screen

When you are finished with the Detail Transaction Inquiry, from the account code field, press **F8** to select another screen or press **F4** to return to the Account Maintenance Menu.

Set up All Department and Location Accounts

Introduction

This option allows you to copy this account, creating a similar one for each department and location you have defined. It is designed so that it is not necessary to type the same description and ratio code repeatedly, and to insure that you do not miss any of the possible combinations.

In order to get the best use from this option, be sure you have all of your locations and departments entered into Department and Location Code Maintenance before using this option.

How to Execute

From the Account Maintenance Menu, select **Set up all Department and Location Accounts**.

Description of Fields

Set up this Account for all Locations and Departments? Locs Depts Both No

- L** This account will be copied using all of the location codes.
- D** This account will be copied using all of the department codes.
- B** This account will be copied to all department/location combinations.
- N** Returns to the **Enter Selection** prompt.

Example: If you have account 400-00-00 defined and you have locations 00, 01, and 02, and departments AA and BB, the following accounts will be created:

Locations Only	400-00-00
	400-01-00
	400-02-00
Departments Only	400-00-AA
	400-00-BB
Both	400-00-AA
	400-00-BB
	400-01-AA
	400-01-BB
	400-02-AA
	400-02-BB

Append Location and Department descriptions? Yes No

You have the option of adding the location and/or department descriptions to the end of the account description as follows:

- Y** Adds the description to the end of the account description (i.e. Sales-Bikes-California).
- N** Does not change the account description.

Suggestion: If you will be consolidating departments and/or locations on your financial statements, you will not want to have the description appended to the end of the main account in each grouping, i.e., 400-00-A.

Hint: During the process of appending department/location descriptions, you may wish to temporarily shorten the descriptions (i.e. change location California to CA). When you are finished, be sure to change the department/location back to their complete descriptions.

Exit the Screen

When finished with the copy, you are returned automatically to the **Enter Selection** prompt on the Account Maintenance Menu.

Change/Delete Account Code

Introduction

This option allows you to rename, delete, or inactivate account codes.

How to Execute

From the Account Maintenance Menu, select **Change/Delete Account Code**.

Description of Fields

Do you want to Delete Change Inactivate Re-activate

Enter one of the following:

- D** Marks the account code for deletion.
- C** Changes the account code to another account code. You will be asked for the new account code.
- I** Makes the account code inactive.
- R** Reactivates an inactive account code.

Exit the Screen

When finished changing the status, you are returned automatically to the **Enter Selection** prompt on the Account Maintenance Menu.

5 Transaction Processing

This chapter provides a detailed explanation of the following functions:

- General Journal Entry, Report, and Update
- Recurring Journal Entry, Report, and Update
- Allocation Journal Entry, Report, and Update

General Journal Entry

Introduction

General Journal Entry is used to make entries into the General Journal that have not been made from a subsidiary journal (such as Accounts Payable or Accounts Receivable). It is used for regular entries, reversals, adjustments, and to enter the beginning balances.

General Journal Entry consists of two screens. The first, the Header, allows you to enter basic information about the entry, such as the date, reference, and comment. The Lines screen is where you enter the General Ledger distribution.

How to Execute

From the General Ledger Main Menu, select **General Journal Entry**.

The screenshot shows a software window titled "General Journal Entry - Header". The window has a blue title bar and a standard Windows-style interface. The main content area is light gray and contains several input fields. At the top, there is a logo for "Lightspeed IV" and the text "Lightspeed Reprographics (DEM)". To the right of this, the date "10/17/07" and the user initials "TB" are displayed. Below this, there are two rows of input fields: "Posting Date" with the value "10/17/07" and "Reference" with the value "0000123589". The next row has "Period Number" with the value "10". Below that are "Source Journal" and "Reversing Period" fields. The "Line Item Desc" field is a wide text box. Finally, the "Journal Comment" field consists of three stacked text boxes.

Header Screen Fields

Posting Date

Enter the date you want to use when posting to the General Ledger.

If you attempt to post to a closed period, the system returns the cursor to the posting date field. You must then enter a new date or exit this screen and enter GL Parameter Maintenance to reopen the closed period by changing the current period. You may, however, post to a date in the future.

Reference

Enter up to ten alphanumeric characters for the reference. The system uses the posting reference to identify a particular journal entry. Each entry should have a unique reference. There are many methods of assigning reference numbers to journal entries - you may be using one already. If not, the simplest method is to assign consecutive numbers, starting at one, preceded by the month.

Example: MAY007

Period Number

Enter the period number into which this journal entry should be posted. This field is automatically computed based on the posting date, but can be overridden.

Source Journal

Enter a four-character code to identify the source journal. The system uses this field to group similar entries. If you are using any subsidiary module, such as AP or AR, we suggest you make the first two characters of the source journal **GL**.

Examples: GLDP Depreciation
 GLGJ General Journal Entry

Note: There is one reserved source journal, BEGB. When you use BEGB for the source journal, it is put into the beginning balance bucket in the account master file, and no posting is made to the detail transaction file. The sole purpose of this function is to allow you to make your opening entries without having to do the journal entry and then run year-end.

Reversing Period

Enter two digits for the reversing period. If you enter anything in this field, the system automatically creates a second entry with an opposite distribution for the period specified here (debits become credits and credits become debits). The reversing period number must be different from the period number above.

Line Item Desc

The line item description is used to descriptively identify this journal entry in the transaction detail file. Each line in the distribution may have either the same or a different description associated with it.

If you want all or most lines of your entry to have the same description, enter up to 40 characters for the description here. If each line will have a unique description, leave this field blank and enter the description during line entry.

Journal Comment

Enter up to three lines of 50 characters for the detailed description of the general journal. This description only prints on the general journal report. It does not get updated to the transaction detail file.

When you are finished with the Header screen, the Lines screen is displayed.

Line	GL Account	Description	Debit	Credit
1	130-01-00	Inventory - New Jersey	300.00	
2	105-00-00	Retly Cash	250.00	
3				

Lines Screen Fields**Line**

If you are adding a new journal entry, just press **Enter** for the line.

Return	Modifies the line, if it exists. Adds a line, if it is blank.
Line = #	Goes to that line. If you enter a line that is greater than the total number of lines, it goes to the last line.
Up arrow	Goes to next line above.
Down arrow	Goes to next line below.
Page-up	Goes to the previous screen.
Page-down	Goes to the next screen.
Line delete	Deletes that line and moves all lines below it up.
Line insert	Inserts a line at that spot and moves all lines below it down.

Acct Code

Enter the General Ledger account code to which you wish to post.

Debit

Enter the debit amount to post to this account. If you wish to post a credit, press **Enter**, or enter a negative number in the debit column.

Credit

Enter the credit amount to post to this account. Press **Enter** to continue without posting a credit. If you have entered anything in the debit field, the cursor skips this field.

Description

Enter up to 40 characters to describe this entry. This is the field that allows you to make individual descriptions for each line.

If you have entered a Line Item Description on the Header screen, that description will be displayed and this field will be skipped. If you want to change that description, press **Up Arrow** to return to this field and make the change.

Exit the Screen

When you are finished, press **F4** from the line field. If the journal entry is in balance (total debits equal total credits), you will be returned to the Header screen with the cursor positioned at the posting date; press **F4** to return to the General Ledger Main Menu.

If the journal entry is out of balance, you will receive the following prompt:

Distribution out of balance. Delete F4 - More changes

D	Deletes the entire journal entry.
F4	Allows you to move through the lines and make any necessary corrections. You cannot exit this screen if the distribution is out of balance.

You may now wish to proceed with the General Journal.

General Journal Report and Update

Introduction

The General Journal must be printed before the update posts the entries to the transaction detail and account master files. This is an audit report and should be kept in your permanent accounting files.

How to Execute

From the General Ledger Main Menu, select **General Journal & Update**.

Report

Select a printed or displayed copy.

Update

If you selected a printed copy, you are asked if you want to continue with the update. The update actually posts the general journal entries to the permanent General Ledger files.

Exit the Screen

When the update is finished, you are returned automatically to the General Ledger Main Menu.

Recurring Journal Entry

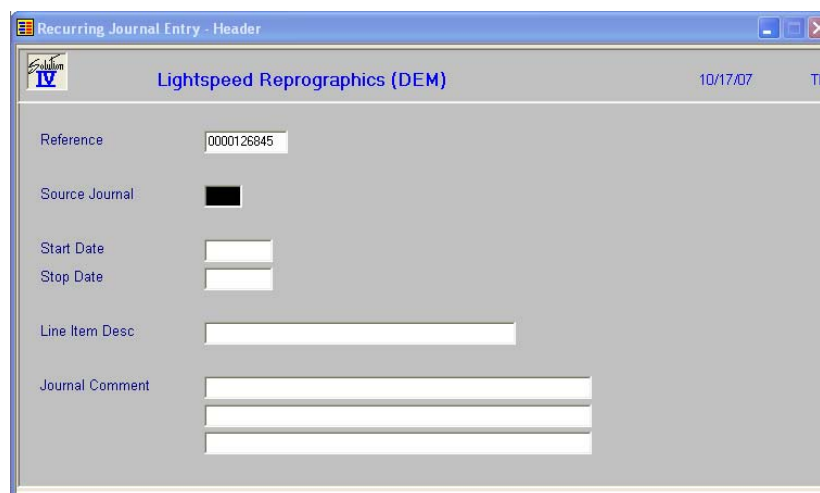
Introduction

Recurring Journal Entry is used when you have the same or similar journal entries to make over and over again. They may be entered once here, and then selected as needed to update to the general journal file. Once in the general journal entry file, they may be modified, if necessary, and then updated to the permanent account and transaction files just like a normal general journal entry.

Recurring Journal Entry consists of two screens. The first, the Header, allows you to enter basic information about the entry, such as the reference and comment. The Lines screen is where you enter the General Ledger distribution to the individual GL accounts.

How to Execute

From the General Ledger Main Menu, select **Recurring Journal Entry**.



Header Screen Fields

Reference

Enter up to ten alphanumeric characters for the reference. The system uses the posting reference to identify a particular journal entry. Each entry should have a unique reference.

Example: F&F DEPREC

Source Journal

Enter a four-character code to identify the source journal. The system uses this field to group similar entries.

Example: GLRD

Start Date

Enter the first date on which posting of this recurring journal may occur. Press **Enter** to enter today's date or **Down Arrow** to leave the field blank.

Stop Date

Enter the last date on which posting of this recurring journal may occur. If the system is to post it indefinitely, leave this field blank by pressing **Down Arrow**. Press **Enter** to enter today's date.

Line Item Desc

The line item description is used to descriptively identify this journal entry in the transaction detail file. Each line in the distribution may have either the same or a different description associated with it.

If you want all or most lines of your entry to have the same description, enter up to 40 characters for the description here. If each line will have a unique description, leave this field blank and enter the description during line entry.

Journal Comment

Enter up to three lines of 50 characters for the detailed description of the recurring journal. This description only prints on the recurring and general journal reports. It does not get updated to the transaction detail file.

When you are finished with the header screen, a Lines screen, similar to the following will appear:

Line	GL Account	Description	Debit	Credit
1	101-00-00	Cash in bank - General Fun	2000.00	
2				

Here you will be able to edit the text (Line, GL Account Number, Description, Debit, Credit, and Line Description).

Lines Screen Fields**Line**

If you are adding a new journal entry, just press **Enter** for the line.

Return

Modifies the line, if it exists. Adds a line, if it is blank.

Line = #

Goes to that line. If you enter a line that is greater than the total number of lines, it goes to the last line.

Up arrow

Goes to next line above.

Down arrow

Goes to next line below.

Page-up

Goes to the previous screen.

Page-down

Goes to the next screen.

Line delete

Deletes that line and moves all lines below it up.

Line insert

Inserts a line at that spot and moves all lines below it down.

Acct Code

Enter the General Ledger account code to which you wish to post.

Debit

Enter the debit amount to post to this account. If you wish to post a credit, press **Enter**, or enter a negative number in the debit column.

Credit

Enter the credit amount to post this account. Press **Enter** to continue without posting a credit. If you have entered anything in the debit field, the cursor skips this field.

Description

Enter up to 40 characters to describe this entry. This is the field that allows you to make individual descriptions for each line.

If you have entered a Line Item Description on the header screen, that description will be displayed and this field will be skipped. If you want to change that description, press **Up Arrow** to return to this field and make the change.

Exit the Screen

When you are finished, press **F4** from the line field. If the journal entry is in balance (total debits equals total credits), you will be returned to the header screen with the cursor positioned at the reference field; press **F4** to return to the General Ledger Main Menu.

If the journal entry is out of balance, you will receive the following prompt:

Distribution out of balance. Delete F4 - More changes

D Deletes the entire journal entry.

F4 Allows you to move through the lines and make any necessary corrections. You cannot exit this screen if the distribution is out of balance.

You may wish to proceed to the Recurring Journal.

Recurring Journal and Update

Introduction

The Recurring Journal actually consists of a selection of the required recurring entries followed by a report to confirm that the selection is correct. The update then puts the selected recurring entries into the general journal file. To update the entries to the permanent files, you will need to print and update the General Journal.

The Recurring Journal is not an audit report, but may be attached to the associated General Journal, if desired, as a reminder that the entry originated in the recurring file.

How to Execute

From the General Ledger Main Menu, select **Recurring Journal & Update**.

Description of Fields

Print Selected Posting References?

Y Allows you to select individual posting references to print.

N Allows you to enter a range of posting references.

If you enter **N**, the system prompts:

From Posting Reference

To Posting Reference

Enter the first and last posting references you want to display on the report. Press **Enter** twice to select all recurring references in the system.

Posting Date

Enter the date to be used in updating the selected recurring entries to the general journal file. The system defaults to the terminal date.

Report

Select a printed or displayed copy.

Update

When the report is finished, you are asked if you want to continue with the update. The update actually posts the recurring entries shown on the report to the General Journal entry files.

Exit the Screen

When the update is finished, you are returned automatically to the General Ledger Main Menu.

You may now wish to verify the entries in General Journal Entry or by printing the General Journal.

Allocation Journal Entry

Introduction

The Allocation Journal is used to distribute, by percentage, the account balance of one account to one or more other accounts. To update the entries to the permanent files, you will need to print and update the General Journal.

The most frequent uses of this journal include dispersing expenses between divisions or allocating profits at the end of the year between several partners.

Example:

<u>Division</u>	<u>% of Expenses</u>
A	40%
B	35%
C	25%

Allocation Journal Entry consists of two screens. The first, the Header, allows you to enter basic information about the entry such as the reference and account from which you are allocating. The Lines screen is where you enter the accounts to which you are allocating and the percentage.

How to Execute

From the General Ledger Main Menu, select **Allocation Journal Entry**.

Header Screen Fields**Reference**

Enter up to ten alphanumeric characters for the reference. The system uses the posting reference to identify a particular journal entry. Each entry should have a unique reference.

Example: PROFALLOC

Source Journal

Enter a four-character code to identify the source journal. The system uses this field to group similar entries. You may wish to use a code similar to the following:

Example: GLPR

Allocation Acct

Enter the account code you wish to allocate from. The account code entered here has its balance allocated to the accounts entered on the lines screen. After the journal is updated to the General Journal and then to the permanent General Ledger files, the balance of this account will be zero.

Account Comment

Enter up to 40 characters for the description of the "from" account as you wish it to appear in the General Ledger detail file.

Line Item Desc

The line item description is used to descriptively identify this journal entry in the transaction detail file. Each line in the distribution may have either the same or a different description associated with it.

If you want each line of your entry to have the same description, enter up to 40 characters for the description here. If each line will have a unique description, leave this field blank and enter the description during line entry.

Journal Comment

Enter up to three lines of 50 characters for the detailed description of the allocation journal. This description only prints on the allocation and general journal reports. It does not get updated to the transaction detail file.

When you are finished with the Header screen, a Lines screen, similar to the following will appear:

The screenshot shows two overlapping windows. The top window is titled "Allocation Journal Entry - Header" and displays "Lightspeed Reprographics (DEM)", the date "10/24/07", and the user "TA". The bottom window is titled "Allocation Journal Entry - Lines" and contains a table with the following data:

Line	GL Account	Description	Percentage
1	810-00-00	Telephone expense	50.000
2	810-02-00	Telephone Expense - California	50.000

Lines Screen Fields**Line**

If you are adding a new journal entry, just press **Enter** for the line.

- Return** Modifies the line, if it exists. Adds a line, if it is blank.
- Line = #** Goes to that line. If you enter a line that is greater than the total number of lines, it goes to the last line.
- Up arrow** Goes to next line above.
- Down arrow** Goes to next line below.
- Page-up** Goes to the previous screen.
- Page-down** Goes to the next screen.
- Line delete** Deletes that line and moves all lines below it up.
- Line insert** Inserts a line at that spot and moves all lines below it down.

Acct Code

Enter the account code to which you wish to allocate.

Percentage

Enter the percentage you wish to allocate to this account. The maximum integer size is three characters.

Example: Enter 25.00 for 25%.

Note: The sum of all the percentages must be 100% when you are finished.

Description

Enter up to 40 characters to describe this entry. This is the field that allows you to make individual descriptions for each line.

If you have entered a Line Item Description on the Header screen, that description will be displayed and this field will be skipped. If you want to change that description, press **Up Arrow** to return to this field and make the change.

Exit the Screen

When you are finished, press **F4** from the line field. If the journal entry distribution totals 100%, you are returned to the Header screen with the cursor positioned at the posting date; press **F4** to return to the General Ledger Main Menu.

If the journal entry is out of balance, you will receive the following prompt:

Distribution out of balance. Delete F4 - More changes

- D** Deletes the entire allocation entry.
- F4** Allows you to move through the lines and make any necessary corrections. You cannot exit this until 100% of the account balance has been distributed.

You may now wish to proceed with Allocation Journal.

Allocation Journal and Update

Introduction

The Allocation Journal actually consists of a selection of the required allocation entries followed by a report to confirm that the selection is correct. The update then converts the percentages to dollar amounts and puts the selected allocation entries into the general journal file.

The Allocation Journal is not an audit report, but should be attached to the associated General Journal since the Allocation Journal works with percentages, but the General Journal uses actual dollar amounts.

How to Execute

From the General Ledger Main Menu, select **Allocation Journal & Update**.

Description of Fields

Print Selected Posting References?

Y Allows you to select individual posting references to print.

N Allows you to enter a range of posting references.

If you enter **N**, the system prompts:

From Posting Reference

To Posting Reference

Enter the first and last posting references you want to print. Press **Enter** twice to select all allocation references in the system.

Posting Date

Enter the date to be used in updating the selected allocation journals to the general journal file. The system defaults to the terminal date.

Report

Select a printed or displayed copy.

Update

When the report is finished, you will be asked if you want to continue with the update. The update actually converts the percentages shown on the allocation journal report to dollar amounts and posts them to the General Journal Entry file.

Exit the Screen

When the update is finished, you are returned automatically to the General Ledger Main Menu.

You may now wish to verify the entries in General Journal Entry or by printing the General Journal.

6 General Ledger Reports

This chapter explains how to execute all of the non-financial statement General Ledger Reports. Samples of each report are also shown. These reports include:

- Chart of Accounts Listing
- Trial Balance
- Transaction Detail Report
- Budget Master Listing
- Account History Report

Chart of Accounts Listing

Introduction

The Chart of Accounts serves as a table of contents for the General Ledger. It lists in order, all major category breaks, headings, sub-headings, and account codes. Everyone using the accounting system will find it helpful to have a Chart of Accounts Listing.

Thoroughbred Solution-IV General Ledger allows you to print the Chart of Accounts for:

- All or a range of accounts within:
 - ◆ A single location and a single department
 - ◆ A single location and a range of departments
 - ◆ A range of locations and a single department
 - ◆ A range of locations and a range of departments

How to Execute

From the Reports Menu select **Chart of Accounts Listing**.

Chart of Accounts Listing

Lightspeed Reprographics (DEM) 10/24/07 TA

Print Selected Accounts Only? N

From Account

To Account

From Location

To Location

From Department

To Department

Print Account Ratio Codes? N

Current, Inactive, Deleted or All

Description of Fields

Print Selected Accounts Only?

Y Allows you to select individual accounts to print.

N Allows you to enter a range of accounts.

If you enter **N**, the system prompts:

From Account

To Account

Enter the first and last account codes you wish to print. Press **Enter** twice to select the first and last account codes in the system.

From Location

To Location

Enter the first and last location codes you wish to print. Press **Enter** twice to select the first and last location codes in the system.

**From Department
To Department**

Enter the first and last department codes you wish to print. Press **Enter** twice to select the first and last department codes in the system.

Print Account Ratio Codes

Y The system prints the ratio code on the Chart of Accounts.

N The system does not print the ratio code on the Chart of Accounts.

Reports

Select a printed or displayed copy. When the reports are finished, you will be returned automatically to the Reports Menu.

Trial Balance

Introduction

The Trial Balance shows a summary of all account activity for every account in the system for a given period. It provides a quick check of all account balances for the given period.

The Trial Balance should be printed every month; it can be printed as often as you like, however it is important to prove that your General Ledger is in fact in balance. The General Ledger is in balance when the Total Beginning Balance and Total Ending Balance are both **zero** and the Total Debits equals Total Credits.

A final Trial Balance should be printed at the end of every period and be kept with the rest of your financial statements for the month.

How to Execute

From the Reports Menu, select **Trial Balance**.

The screenshot shows a dialog box titled "Trial Balance Selection" for the company "Lightspeed Reprographics (DEM)" on the date "10/24/07". The dialog has two main options: "Print for Period Ending" which is set to "1" and a date field showing "01/31/07", and "Print Worksheet Format?" which is set to "N".

Description of Fields**Print for Period Ending**

Enter the period number you wish to print. This report can be printed for any period (including closed periods) in the current year (1-13) or next year (14-26). The system defaults to the current period.

Print Worksheet Format?

You have the option of printing a regular Trial Balance (showing the period's activity) or a worksheet format Trial Balance. With the worksheet, the beginning balances for the period are printed, but the debit, credit, and ending balance columns print dashed lines instead of amounts so that you may enter your figures for each account.

Y Prints the Trial Balance in a worksheet format.

N Prints the Trial Balance in the regular format with amounts in all columns.

Reports

Select a printed or displayed copy. When the reports are finished, you are returned automatically to the Reports Menu.

Transaction Detail Report

Introduction

The Transaction Detail Report is one of the most valuable tools in the General Ledger system. It provides a detailed record of all activity within each account in every accounting period. No change can be made to any account without a record of the change showing on this report.

It can be printed for a range of periods, accounts, source journals, departments, or locations making it invaluable when you need to isolate specific information.

This report is an important part of your audit trail and will be invaluable in the event of an audit.

How to Execute

From the Reports Menu, select **Transaction Detail Report**.

The screenshot shows the 'Transaction Detail Report' window with the following fields and values:

- Print Selected Accounts Only?** N
- Selected Accounts**
- From Account**: 101-00-00
- To Account**: 900-00-00
- From Location**: 00
- To Location**: 03
- From Department**: 00
- To Department**: 99
- Print Summary only?** N
- Print Selected Source Jrls Only?** N
- From Source Journal**: [empty]
- To Source Journal**: zzzz
- Selected Source Journals**: [empty]
- Sort by Tran** N
- Report by Date?** N
- Period**: 1 01/31/07 to 12 12/31/07
- Transaction Number**: 1 to 99999

Description of Fields

Print Selected Accounts Only?

Y Allows you to select individual accounts to print.

N Allows you to enter a range of accounts codes.

If you enter **N**, the system prompts:

From Account

To Account

Enter the first and last account codes you wish to print. Press **Enter** twice to select the first and last account codes in the system.

From Location

To Location

Enter the first and last location codes you wish to print. Press **Enter** twice to select the first and last location codes in the system.

From Department

To Department

Enter the first and last department codes you wish to print. Press **Enter** twice to select the first and last department codes in the system.

Print Summary only?

Y Prints a summary report only.

N Shows all detail.

Print Selected Source Jrls Only?

Y Allows you to select individual source journals to print.

N Allows you to enter a range of source journals.

If you enter **N**, the system prompts:

From Source Journal

To Source Journal

Enter the first and last source journal codes you wish to print. Press **Enter** twice to select the first and last source journal codes in the system.

Sort by Transaction Number?

You have the option of sorting the detail transactions by GL Transaction number:

Y Sorts transactions by Transaction number. This is useful for finding out-of-balance GL Transactions.

N Prints report normally, sorted by GL account number.

From Period

To Period

Enter two digits for the first and last periods you wish to print. Press **Enter** twice to select the entire year. Periods 1-13 select the current year; periods 14-26 select the next year.

From Transaction Number
To Transaction Number

Enter the first and last transaction numbers you wish to print. Press **Enter** twice to select all transaction numbers for the selected accounts and journals in the selected period.

Note: Selecting a specific transaction number can be useful when tracking a very specific problem with one transaction.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Reports Menu.

Budget Master Listing

Introduction

The Budget Master Report displays all four types of budgets (last year, initial this year, revised this year and next year) for your accounts.

How to Execute

From the Reports Menu, select **Budget Master Listing**.

Description of Fields

Print Selected Accounts Only?

Y Allows you to select individual accounts to print.

N Allows you to enter a range of accounts.

If you enter **N**, the system prompts:

**From Account
To Account**

Enter the first and last account codes you wish to print. Press **Enter** twice to select the first and last account codes in the system.

**From Location
To Location**

Enter the first and last location codes you wish to print. Press **Enter** twice to select the first and last location codes in the system.

**From Department
To Department**

Enter the first and last department codes you wish to print. Press **Enter** twice to select the first and last department codes in the system.

Print Zero Budgets?

Y Prints every account in the selected range (even if the account's budget figures are zero).

N Prints only those accounts with non-zero budgets (checks this year's budgets).

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Reports Menu.

Account History Listing

Introduction

The Account History Report allows you to display or print the history for your accounts for the four previous years.

How to Execute

From the Reports Menu, select **Account History Listing**.

The screenshot shows a software window titled "Account History Listing" for "Lightspeed Reprographics (DEM)". The window contains the following fields and options:

- Print Selected Accounts Only?**: A checkbox with the value **N**.
- From Account**: Text box containing **101-00-00**.
- To Account**: Text box containing **900-00-00**.
- From Location**: Text box containing **00**.
- To Location**: Text box containing **03**.
- From Department**: Text box containing **00**.
- To Department**: Text box containing **99**.
- Print Zero History Accounts?**: A checkbox with the value **Y**.

Description of Fields

Print Selected Accounts Only?

Y Allows you to select individual accounts to print.

N Allows you to enter a range of accounts.

If you enter **N**, the system prompts:

From Account

To Account

Enter the first and last account codes you wish to print. Press **Enter** twice to select the first and last account codes in the system.

From Location

To Location

Enter the first and last location codes you wish to print. Press **Enter** twice to select the first and last location codes in the system.

From Department

To Department

Enter the first and last department codes you wish to print. Press **Enter** twice to select the first and last department codes in the system.

Print Zero History Accounts?

Y Prints every account in the selected range (even if the account's history figures are zero).

N Prints only those accounts with a non-zero history (checks last year's history).

Report

Select a printed or displayed copy. When the report is finished, you will be returned automatically to the Reports Menu.

7 Standard Financial Statements

This chapter provides instructions for the Standard Financial Statement setup and printing options.

Financial Statements are reports showing the financial status of a business. Solution-IV automatically generates most of the financial statements you will need, and provides the ability to customize these statements.

The standard financials are generally used when first starting with Solution-IV General Ledger, while the Chart of Accounts is still being modified. The standard financials are also ideal for those companies whose financials are fairly simple. The main advantage of the standard financials is that they do not have to be modified if accounts are added to or deleted from the chart of accounts.

The options on the Standard Financials Menu include:

- Generate Default Reports
- Report Consolidation Maintenance
- Account Consolidation Maintenance
- Financial Statement Update
- Current Year Income Statement
- Actual vs Budget Income Statement
- Actual vs Last Year Income Statement
- Balance Sheet Printing
- Financial Ratios Report

Note: The Standard Financial Statements and Extended Financial Statements are separate and therefore both types may be maintained and run for the same company.

Generate Default Reports

Introduction

This option generates the structure for the default financial statements (called report consolidations). Report consolidations are created as shown by the following report codes and descriptions:

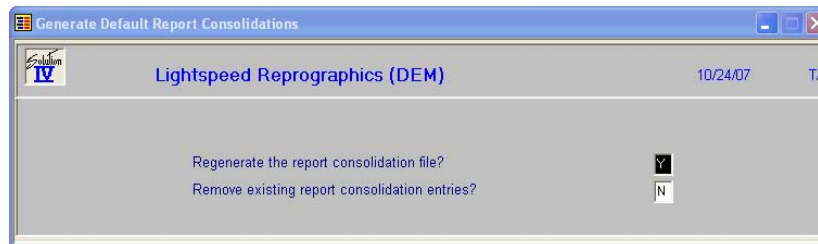
<i>Example:</i> B001	Balance Sheet
I001	Detailed Statement of Operations
I002	Consolidated Statement of Operations
D001 - D999	Statement of Operations for each department
L001 - L999	Statement of Operations for each location
R001	Financial Ratios Report

You should start here when creating your financial statements for the first time. You may find that your financial statements need no further setup after this step has been completed.

Note: This function is generally run only once — after the full chart of accounts has been entered but before any custom reports have been defined.

How to Execute

From the Standard Financials Menu, select **Generate Default Reports**.



Description of Fields

Regenerate the report consolidation file?

Y Creates the default report consolidation file as described in the introduction.

N Terminates the Generate Report consolidation process.

Remove existing report consolidation entries?

Y Removes existing entries in the report consolidation file.

WARNING: If you answer **Y**, any additional reports you may have created or any modifications to existing reports will be deleted. Answer **Y** only if you want to start over.

N Only adds new entries to the report consolidation file (such as new locations and/or departments).

Exit the Screen

When the generation is complete, you will be returned automatically to the Standard Financials Menu.

Report Consolidation Maintenance

Introduction

This option allows you to modify the Default Report Consolidations that were generated in the previous step. Additional consolidations can be created as well. You can consolidate companies, locations, and/or departments on a given financial statement

In addition, you may consolidate location and/or departmental accounts into their respective primary accounts.

How to Execute

From the Standard Financials Menu, select **Report Consolidation Maintenance**.

Description of Fields

Report Code

Enter up to four alphanumeric characters for the report code on which you want to work. You may want to use the following numbering scheme:

<i>Example</i>	B001	Balance Sheet
	D001	Statement of Operations, 1st department
	D002	Statement of Operations, 2nd department
	I001	Consolidated Statement of Operations
	L001	Statement of Operations, 1st location
	R001	Financial Ratios Report

Description

Enter up to two lines of 50 characters each for the heading of the financial statement.

Income Stmt, Bal Sheet or Ratios

Enter the code for the type of financial statement you wish to create.

- B** Balance Sheet
- I** Income Statement (Statement of Operations)
- R** Ratio Report

Print Selected Companies Only?

- Y** Allows you to consolidate individual companies on this report.
- N** Allows you to consolidate a range of companies.

If you enter N, the system prompts:

**From Company
To Company**

Enter the first and last company codes you wish to include on this report. Press **Enter** twice to select all companies defined on your system.

Consolidate Location Accounts

- Y** Consolidates all sub-accounts by location on this financial statement as follows:

If you have accounts 401-01, 401-02, and 401-03, they will be consolidated into 401-01. This saves you from having to do it manually in Account Consolidation Maintenance.
- N** Does not consolidate sub-accounts by location on this financial statement.

Print Selected Locations Only?

- Y** Allows you to select individual locations to include on this report.
- N** Allows you to enter a range of locations.

If you enter N, the system prompts:

**From Location
To Location**

Enter the first and last location codes you wish to print. Press **Enter** twice to select all locations.

Consolidate Department Accounts?

- Y** Will consolidate all sub-accounts by department on this financial statement as follows:

If you have accounts 401-01, 401-02, and 401-03, they will be consolidated into 401-01. This saves you from having to do it manually in Account Consolidation Maintenance.
- N** Does not consolidate sub-accounts by department on this financial statement.

Print Selected Departments Only?

- Y** Allows you to select individual departments to include on this report.
- N** Allows you to enter a range of departments.

If you enter N, the system prompts:

**From Department
To Department**

Enter the first and last department codes you wish to print. Press **Enter** twice to select all departments.

Exit the Screen

When you are finished, press **F4** on the report code field to return to the Standard Financials Menu.

Account Consolidation Maintenance

Introduction

This option allows you to consolidate multiple accounts into one line on a given financial statement. Note that this option is only needed if you want to consolidate accounts other than location and departmental accounts.

How to Execute

From the Standard Financials Menu, select **Account Consolidation Maintenance**.

Description of Fields

Report Code

Enter up to four characters for the report code on which you want to work.

You must enter a report code that already exists. Report codes are created using Generate Default Report Consolidations or Report Consolidation Maintenance.

Into Acct Code

Enter the General Ledger account code into which you want to consolidate a range of accounts.

Consolidated Line Description

Enter up to 40 characters for the description of the consolidated group of accounts. The description defaults to the account description for this account code.

**From Account Code
To Account Code**

Enter the first and last General Ledger account codes you wish to consolidate into this line. These account codes need not actually exist in the Chart of Accounts. Press **Enter** twice to select all account codes.

Exit the Screen

When you are finished, press **F4** on the report code field to return to the Standard Financials Menu.

Financial Statement Update

Introduction

This option creates a work file consisting of all the financial information (actuals, budgets, and history) pulled from the permanent General Ledger files. It is within this work file that all totaling is done, including the gross and net profit calculations. The Financial Statement Update must be run before printing any of the financial statements.

The Financial Statement Update may take quite some time to run if you have a large and complex chart of accounts with many departments and/or locations. The smaller the range of reports selected here, the faster the update will run. This is very useful if you are only interested in seeing the Consolidated Income Statement and Balance Sheet.

Once you have run the Financial Statement Update, however, you may print the selected financial statements for any period, as many times as desired without running the update again. You only need to run the update again if you make additional postings to General Ledger.

How to Execute

From the Standard Financials Menu, select **Financial Statement Update**.

The screenshot shows a dialog box titled "Financial Statement Printing" for the company "Lightspeed Reprographics (DEM)" on the date "10/25/07". The dialog has several input fields: "Print Selected Reports Only?" with a dropdown set to "N", "From Report" with "B001", "To Report" with "R001", and "Period Ending" with "1" and "01/31/07".

Description of Fields

Update Selected Reports?

Y Allows you to select individual reports to update.

N Allows you to enter a range of reports to update.

If you enter **N**, the system prompts:

From Report

To Report

Enter the first and last reports you wish to print. Press **Enter** twice to enter the first and last reports in the system.

Exit the Screen

When the Financial Statement Update is finished, you will be returned automatically to the Standard Financials Menu.

Current Year Income Statement

Introduction

This report prints the Statement of Operations with columns for MTD and YTD actuals. You may select which reports to print and for which periods.

How to Execute

From the Standard Financials Menu, select **Current Year Income Statement**.

The screenshot shows a window titled "Financial Statement Printing" for "Lightspeed Reprographics (DEM)" dated 10/25/07. The window contains the following fields:

- Print Selected Reports Only?**: A dropdown menu set to "N".
- From Report**: A text box containing "B001".
- To Report**: A text box containing "R001".
- Period Ending**: A dropdown menu set to "1" and a date field containing "01/31/07".

Description of Fields

Print Selected Reports Only?

Y Allows you to select individual statements of operations to print.

N Allows you to enter a range of statements of operations.

If you enter **N**, the system prompts:

From Report

To Report

Enter the first and last report codes you wish to print. Press **Enter** twice to select the first and last report codes in the system.

Period Ending

Enter the period number representing the period you wish to print. The period defaults to the current period. Periods 1-13 print the current year; periods 14-26 print the next year.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Standard Financials Menu.

Current Year Actuals vs Budget

Introduction

This option prints Statements of Operations comparing current year actuals to budgets.

How to Execute

From the Standard Financials Menu, select **Actual vs Budget Income Stmt.**

The screenshot shows a window titled "Financial Statement Printing" for "Lightspeed Reprographics (DEM)" dated 10/25/07. The window contains the following fields:

- Print Selected Reports Only?**: A radio button labeled "N" is selected.
- From Report**: A text box containing "B001".
- To Report**: A text box containing "R001".
- Period Ending**: A text box containing "1" and a date field containing "01/31/07".

Description of Fields

Print Selected Reports Only?

Y Allows you to select individual statements of operations to print.

N Allows you to enter a range of statements of operations.

If you enter **N**, the system prompts:

From Report

To Report

Enter the first and last report codes you wish to print. Press **Enter** twice to select the first and last report codes in the system.

Period Ending

Enter the period number representing the period you wish to print. The period defaults to the current period. Periods 1-13 print the current year; periods 14-26 print the next year.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Standard Financials Menu.

Current Year Actuals vs Last Year

Introduction

This option prints Statements of Operations comparing current year actuals to last year actuals.

How to Execute

From the Standard Financials Menu, select **Actuals vs Last Year Income Stmt.**

The screenshot shows a window titled "Financial Statement Printing" for "Lightspeed Reprographics (DEM)" dated 10/25/07. The window contains the following fields and controls:

- Print Selected Reports Only?**: A radio button set to **N**.
- From Report**: A text box containing **R001**.
- To Report**: A text box containing **R001**.
- Period Ending**: A text box containing **1** and a date field containing **01/31/07**.

Description of Fields

Print Selected Reports Only?

Y Allows you to select individual statements of operations to print.

N Allows you to enter a range of statements of operations.

If you enter **N**, the system prompts:

From Report

To Report

Enter the first and last report codes you wish to print. Press **Enter** twice to select the first and last report codes in the system.

Period Ending

Enter the period number representing the period you wish to print. The period defaults to the current period. Periods 1-13 print the current year; periods 14-26 print the next year.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Standard Financials Menu.

Balance Sheet Printing

Introduction

This option prints Balance Sheets for the specified period.

How to Execute

From the Standard Financials Menu, select **Balance Sheet Printing**.

Description of Fields

Print Selected Reports Only?

Y Allows you to select individual balance sheets to print.

N Allows you to enter a range of balance sheets.

If you enter **N**, the system prompts:

From Report

To Report

Enter the first and last report codes you wish to print or press **Enter** twice to select all balance sheets in the system.

Period Ending

Enter the period number representing the period for which you want to print balance sheets. The period defaults to the current period. Periods 1-13 print the current year; periods 14-26 print the next year.

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Standard Financials Menu.

Financial Ratios Report

Introduction

This option prints a report showing 14 different financial statement ratios relating to your company. The ratio codes entered in account maintenance are used to determine which accounts are included in each of the ratios reported here.

How to Execute

From the Standard Financials Menu, select **Financial Ratios Report**.

The screenshot shows a window titled "Financial Statement Printing" for "Lightspeed Reprographics (DEM)" dated 10/25/07. It contains the following fields and options:

- Print Selected Reports Only?**: A radio button set with 'N' selected.
- From Report**: A text box containing 'B001'.
- To Report**: A text box containing 'R001'.
- Period Ending**: A dropdown menu set to '1' and a date field containing '01/31/07'.

Description of Fields

Print Selected Reports Only?

Y Allows you to select individual ratio reports to print.

N Allows you to enter a range of ratio reports.

If you enter **N**, the system prompts:

From Report

To Report

Enter the first and last report codes you wish to print. Press **Enter** twice to select all of the ratio reports in the system.

Period Ending

Enter the period number representing the period you wish to print. The period defaults to the current period. Periods 1-13 print the current year; periods 14-26 print the next year.

Explanation of Ratios

The equations used to calculate each of the ratios are shown here.

Note: In these equations, an **underlined boldface** number represents an actual number and all other numbers represent codes.

Quick Ratio (Acid-test Ratio)

$(\text{Cash} + \text{Net Accounts Receivable} + \text{Other Receivables}) \div \text{Current Liabilities}$

Using ratio codes: $(11 + 12 + 13) \div 21$

Current Ratio

$\text{Current Assets} \div \text{Current Liabilities}$

Using ratio codes: $(11 + 12 + 13 + 14) \div 21$

AR Turnover

YTD Sales ÷ Net AR

Using ratio codes: 41 ÷ 12

Average Collection Period

$\frac{365}{AR \text{ Turnover}}$

$\frac{365}{(41 \div 12)}$

Inventory Turnover

YTD Sales ÷ Inventory

Using ratio codes: 41 ÷ 14

Average Days to Turnover Inventory

$\frac{365}{Inventory \text{ Turnover}}$

Using ratio codes: $\frac{365}{(41 \div 14)}$

Equity Ratio

(Stockholder's Equity + Retained Earnings) ÷ (Assets)

Using ratio codes: $(31 + 32) \div (11 + 12 + 13 + 14 + 15 + 16)$

Total Debt Ratio

Total Liabilities ÷ Total Assets

Using ratio codes: $(21 + 22) \div (11 + 12 + 13 + 14 + 15 + 16)$

Total Debt to Equity Ratio

Total Liabilities ÷ (Stockholder's Equity + Retained Earnings)

Using ratio codes: $(21 + 22) \div (31 + 32)$

Net Operating Margin

(Net Sales - Cost of Sales - Operating Expenses) ÷ Net Sales

Using ratio codes: $(41 - 51 - 61) \div 41$

Gross Margin

(Net Sales - Cost of Sales) ÷ Net Sales

Using ratio codes: $(41 - 51) \div 41$

Expense to Sales

Operating Expenses ÷ Net Sales

Using ratio codes: $61 \div 41$

Return on Total Assets

$(\text{Net Sales} - \text{Cost of Sales} - \text{Operating Expenses} + \text{Interest Expenses}) \div \text{Assets}$

Using ratio codes: $(41 - 51 - 61) (11 + 12 + 13 + 14 + 15 + 16)$

Return on Equity

$(\text{Net Sales} - \text{Cost of Sales} - \text{Operating Expenses}) \div \text{Stockholder's Equity}$

Using ratio codes: $(41 - 51 - 61 + 63) \div 31$

Report

Select a printed or displayed copy. When the report is finished, you are returned automatically to the Standard Financials Menu.

8 Extended Financial Reporting

This chapter provides instructions for the extended financial statement setup, customization, and printing options.

The extended financials are ideal for those companies whose financial reporting requirements are more extensive. You have full column and row control, along with the ability to rearrange the order of the accounts, and add additional totaling logic.

The extended financials are best used after the chart of accounts is stable, since manual manipulation or regeneration of the financials is required if accounts are added to or deleted from the chart of accounts.

The options on the Extended Financials Menu include:

- Generate Default Reports
- Report Consolidation Maintenance
- Account Consolidation Maintenance
- Report Contents Maintenance
- Financial Statement Detail Maintenance
- Financial Statement Detail Report
- Financial Statement Update
- Financial Statement Printing

Note: The Extended Financial Statements and Standard Financial Statements are separate and therefore, both types can be maintained and run for the same company.

Generate Default Report Consolidations

Introduction

This option generates a default set of financial statements. The contents of these reports can then be modified using Report Consolidation Maintenance, Account Consolidation Maintenance, and Financial Statement Detail Maintenance.

After you have generated the initial reports, this option is used to generate the default lines for any new reports you create using Report Consolidation Maintenance. It is also used if you make changes to a report in Report Consolidation Maintenance, such as to the locations/departments selected, etc.

WARNING: Using this option after making changes using Financial Statement Detail Maintenance will cause those custom changes to be removed.

The following report codes are generated automatically when you select this option:

B001	Balance Sheet
L001-L999	Statement of Operations, for each location
D001-D999	Statement of Operations, for each department
I001	Detailed Statement of Operations
I002	Consolidated Statement of Operations, with all location and department accounts consolidated into a single line
I003	Detailed Statement of Operations with budgets
I004	Detailed Statement of Operations with comparisons against last year
R001	Financial Ratios Report

How to Execute

From the Extended Financials Menu, select **Generate Default Reports**.

The screenshot shows a dialog box titled "Generate Default Report Consolidations" for "Lightspeed Reprographics (DEM)". The date is 10/25/07. The dialog contains the following text and controls:

Use this option to generate the default reports on a new system or to generate reports created with Report Consolidation Maintenance

Regenerate financial report header file? Y

From Report Code

To Report Code

Answer 'Y' to the following question only if you wish to remove all reports currently defined, including custom reports created using Report Consolidation Maintenance and Report Contents Maintenance

Remove existing report definitions? N

Description of Fields

Regenerate financial report header file?

- Y** Allows you to recreate the default Report Consolidation file. It is recommended that this routine be run first when creating your financial statements.
- N** Exits this process.

From Report Code

To Report Code

Enter the range of reports to generate as follows:

- Press **Enter** twice to generate all reports.
- Enter the same report code for both the 'from and to' fields to generate one report.
- Enter the starting and ending report codes to generate a specific range of reports.

Remove existing report definitions?

- Y** Removes existing report consolidations and customization to the reports in the range entered above. This option should only be used if you wish to create, or revert to the original default reports that are generated by the system.

<p>WARNING: If you answer Y and have all reports selected above, all existing reports, account consolidations, and content codes will be removed and the original default reports will be recreated. Any custom changes you have made will be removed.</p>

- N** Updates and adds new entries to the existing field. It does not remove any of the custom reports you have defined, but it does replace any of the existing reports in the above range.

Exit the Screen

After generating the report file, the system will return automatically to the Extended Financials Menu.

You may now wish to proceed to the Financial Statement Update.

Report Consolidation Maintenance

Introduction

This option allows you to modify the default report consolidations that were generated with option **1** of the Extended Financials Menu, Generate Default Report Consolidations. Additional reports can be created here as well. You can consolidate any range or any number of selected companies, locations, and departments into a given financial statement. In addition, you can consolidate location and/or departmental accounts into their respective primary accounts.

How to Execute

From the Extended Financials Menu, select **Report Consolidation Maintenance**.

The screenshot shows the 'Report Consolidation Maintenance' window for 'Lightspeed Reprographics (DEM)'. The window title is 'Report Consolidation Maintenance' and the date is '10/25/07'. The 'Report Code' is 'B001' and the 'Report Header' is 'Balance Sheet'. There are several fields for consolidation options:

- Income Stmt, Bal Sheet or Ratios:** A dropdown menu set to '1'.
- Report Contents Code:** A text field.
- Corresponding Income Stmt:** A text field.
- Sales Line Number:** A text field.
- Statement Notes:** A text field.
- Selected Comps?:** A checkbox labeled 'N' and a dropdown menu labeled 'Consolidate' set to 'N'. Below are 'From Company' (DEM) and 'To Company' (DEM) text fields.
- Selected Locs?:** A checkbox labeled 'N' and a dropdown menu labeled 'Consolidate' set to 'N'. Below are 'From Location' (01) and 'To Location' (03) text fields.
- Selected Depts?:** A checkbox labeled 'N' and a dropdown menu labeled 'Consolidate' set to 'N'. Below are 'From Department' (01) and 'To Department' (99) text fields.

Description of Fields

Report Code

Enter up to four characters for the report code that you want to add or modify. It is recommended that you use the following naming conventions for setting up your report codes:

- Bxxx** Balance Sheets
- Dxxx** Departmental Statements of Operation
- Ixxx** Standard Income Statements
- Lxxx** Location Statements of Operation
- Rxxx** Ratio Reports

Report Header

Enter up to two lines of up to 50 characters each to appear as the heading of the financial statement.

Income Stmt, Bal Sheet or Ratios

Enter the code representing the type of financial statement you wish to create from the following list:

- B** Balance Sheet
- I** Income Statement (Statement of Operations)
- R** Ratios Report

Report Contents Code

Enter up to four alphanumeric characters representing a valid contents code. The contents code is used to define the columns that will be printed on one or more financial statements. Each financial statement is assigned one contents code, which defines the columns for that report.

Corresponding Income Stmt

If this financial statement is a balance sheet, enter the report code for the income statement that should be used to obtain the current year figures for retained earnings.

Sales Line Number

If this financial statement is an income statement that uses a column and code that is a percentage of sales, indicate the line on the report that contains the total sales figures. This field may be left blank, as the Generate Default Report Consolidation will fill it with the total revenue line.

Statement Notes

This field is used to maintain financial notes that will be printed at the end of the financial statement.

Press **F1** to enter the text field, then enter the desired text. The standard field editing keys can be used, such as **Insert**, **Delete**, **Line-insert** and **Line-delete**.

Selected Companies?

- Y** Enters a view and allows you to select an unlimited number of companies to consolidate on the report.

Press **Enter** to select the desired companies. Once selected, pressing **Enter** again de-selects the company.

- N** Allows you to enter a range of companies for inclusion on the financial statement.

Consolidate Companies

- S** Consolidates the same account number for all selected companies on the same line.

- N** Same as **S**. There is no way to see different companies on different lines on a financial statement. Use **M** to separate companies into columns.

- M** Displays each company in a separate column on the financial statement. You need to set up which company to print in which column in Report Contents Maintenance.

From Company**To Company**

Enter the range of company codes to print as follows:

Press **Enter** twice to select all companies.

Enter the same company code for both the 'from and to' fields to include only one company.

Enter starting and ending company codes to select a range of companies.

Selected Locations?

Y Enters a view and allows you to select an unlimited number of locations to include on this report. Press **Enter** to select the desired locations. Once selected, pressing **Enter** again de-selects the location.

N Allows you to enter a range of locations for inclusion on the financial statement.

Consolidate Locations

S Consolidates location sub-accounts on the financial statements as follows:

If you have accounts 400-01-S, 400-01-P, 400-02-S, and 400-02-P where the second segment is the location, the amounts will be consolidated into 400-01-P and 400-01-S.

If you consolidate departments as well, all four accounts will be consolidated into 400-01-P.

N Does not consolidate the locations. You will see each account by itself.

M Will show each location in a separate column on the financial statement. You need to set this up in Report Contents Maintenance as well.

From Location**To Location**

Enter a range of location codes to print as follows:

- Press **Enter** twice to select all locations.
- Enter the same location code for both the 'from and to' fields to include only one location.
- Enter starting and ending location codes to select a specific location range.

Selected Departments?

Y Enters a view and allows you to select an unlimited number of departments to include on this report. Press **Enter** to select the desired departments. Once selected, pressing **Enter** again de-selects the department.

N Allows you to enter a range of departments for inclusion on the financial statement.

Consolidate Departments

- S** Consolidates departmental sub-accounts on the financial statements as described with locations above.
- N** Does not consolidate the departments. Each departmental account will be shown.
- M** Will show each department in a separate column on the financial statement. You need to set this up in Report Contents Maintenance as well.

**From Department
To Department**

Enter a range of department codes to print as follows:

- Press **Enter** twice to select all departments.
- Enter the same department codes for both the “from and to” fields to include only one department.
- Enter starting and ending department codes to select a department range.

Note: Only one of companies, locations, or departments should be set up with the Consolidate field set to **M**.

Exit the Screen

When you are finished maintaining reports, press **F4** on the Report Code Field to return to the Extended Financials Menu.

You should now proceed to General Default Report Consolidations and generate the report created here. Be sure to answer **N** to the second question.

Account Consolidation Maintenance

Introduction

This option allows you to consolidate a range of accounts into a single line on a given financial statement. This option is only necessary if you want to consolidate accounts other than location or departmental accounts.

How to Execute

From the Extended Financials Menu, select **Account Consolidation Maintenance**.

Description of Fields

Report Code

Enter up to four characters representing the report code for which you wish to consolidate accounts. This report must have already been created using Generate Default Report Consolidations or Report Consolidation Maintenance.

Into Acct Code

Enter the "top" General Ledger account into which you wish to consolidate a range of accounts.

Example: 400-00 Sales - Bikes - NJ

Description

If desired, enter up to 40 characters, overriding the account description. This is the description that will print on the financial statement; it does not change the actual General Ledger account description.

Example: Total sales before returns

From Acct Code

Enter the General Ledger account with which to begin the consolidation.

Example: 400-00 Sales - Bikes - NJ

To Acct Code

Enter the General Ledger account through which the consolidation should occur. This does not have to be a valid General Ledger account code; if you think you might be adding accounts at a later date that would need to be included in this consolidation, you can enter the last possible account code, even if it does not currently exist.

Example: 409-ZZ *Invalid Code*

Exit the Screen

When you are finished, press **F4** on the report code field to return to the Extended Financials Menu.**F4**

You should now proceed to Generate Default Report Consolidations and generate the report you worked on here. Be sure to answer **N** to the second question.

Report Contents Maintenance

Introduction

Report Contents Maintenance is used to define what is to be printed in the columns across a report. Each financial statement you define can have a unique column configuration.

To define columns simply enter the appropriate code for each column. You can define up to 25 columns per report.

Example:

Column 1	Column 2	Column 3	Column 4	Column 5
ACCP	ACYR	DESC	IBCP	IBYR
M-T-D	Y-T-D	M-T-D	Y-T-D	
Actuals	Actuals	Description	Budget	Budget

How to Execute

From the Extended Financials Menu, select **Report Contents Maintenance**.

Report Contents Maintenance

Solution IV Lightspeed Reprographics (DEM) 10/25/07 TE

Contents Code: BALS

Column	Contents	Multi-Column	Width	Mask
1	DESC		42	
2	ACYR		17	(###,###,###.00)
3				
4				
5				
6				
7				
8				
9				
10				

Print Zero Lines? N Character Pitch: 10 Landscape N

Header 1: _____

Header 2: _____

Header 3: _____

Description of Fields**Contents Code**

Enter up to four alphanumeric characters for the Contents code.

The Contents code is used to define the columns that will be printed on one or more financial statements.

Column Code

Enter the four-character column code that defines the data that are to be printed in this column on the financial statement. There can be up to 25 columns on a report.

For a list of available column codes, press **F2** or see the list at the end of this section.

Multi-Column

If you are printing the same data in multiple columns, enter the department, location, or company code for this column. For example, to print the actuals for the current year for departments 1, 2, and 3, enter the following:

	Contents	Multi-Column	Width	Mask
Column 1:	DESC		42	
Column 2:	ACYR	01	17	
Column 3:	ACYR	02	17	
Column 4:	ACYR	03	17	
Column 5:	ACYR	T2-4	17	

Note: You must be sure to enter **M** in the appropriate "consolidate" field in Report Consolidation Maintenance (in this example, you would have an **M** for "Consolidate Departments").

This field can also be used to indicate that a column is the total of two or more columns. In the example given above, column 5 will be the total of columns 2, 3, and 4, or all three departments.

Another possible use is to subtract two columns. If column 6 were to be the difference of column 2 minus column 4, you would enter **S2-4**.

Note: At this point you may wish to press **F8** and have the system calculate default widths, masks, character pitch, and column headers for this contents code.

Width

Enter the width of this column in number of characters. Be sure to leave room for spaces between the columns.

For example, if your mask takes 15 characters, you will want to enter at least 16 here, to allow for space between columns.

Mask

Enter the numeric mask to be used when printing this column. For example, the following mask:

###,###,##0

would display a number up to 999,999,999 rounded to the nearest dollar.

Print Zero Lines

You can specify whether or not lines that are all zeros should be displayed on the financial statement as follows:

- Y** Print all-zero lines.
N Do not show all-zero lines.

Character Pitch

Enter the character pitch that should be used to print this financial statement as follows:

- 10** 10 characters per inch, or cpi (normal)
12 12 characters per inch
17 17 characters per inch

By using 12 or 17 CPI you can print wide reports on narrow paper (such as 8½ x 11) or fit more columns on wide paper (such as 11 x 17).

Landscape?

You have the option of printing a financial statement in either portrait (normal) or landscape (sideways) mode as follows:

- N** Portrait orientation (normal).
Y Landscape orientation (sideways).

Note: This capability is only available on printers that support landscape orientation, such as laser printers.

Header 1**Header 2****Header 3**

Enter up to three lines of 244 characters each for the column heading lines of the financial statement.

Note: If you press **F8**, the column headings will be generated automatically.

Column Codes

The following is a list of the available column codes:

ACCP	Actuals - Current Period
ACCS	Actuals - Current Period - % Sales
ACCQ	Actuals - Current Quarter
ACQS	Actuals - Current Quarter - % Sales
ACQx	Actuals - Quarter x
AQxS	Actuals - Quarter x - % Sales
ACYR	Actuals - YTD
ACYS	Actuals - YTD - % Sales
ACxx	Actuals - Period x
AMxx	Actuals - Curr Period minus xx

ACCT	Account Code
BLNK	Blank Column
DESC	Account Description /Heading
IBCP	Initial Budget - Current Period
IBCS	Initial Budget - Current Period - % Sales
IBCQ	Initial Budget - Current Quarter
IBQS	Initial Budget - Current Quarter - % Sales
IBQx	Initial Budget - Quarter x
IBxS	Initial Budget - Quarter x - % Sales
IBYR	Initial Budget - YTD
IBYS	Initial Budget - YTD - % Sales
RBCP	Revised Budget - Current Period
RBCS	Revised Budget - Current Period - % Sales
RBCQ	Revised Budget - Current Quarter
RBQS	Revised Budget - Current Quarter - % Sales
RBQx	Revised Budget - Quarter x
RBxS	Revised Budget - Quarter x - % Sales
RBYR	Revised Budget - YTD
RBYS	Revised Budget - YTD - % Sales
RBxx	Revised Bgt – Period x
LBCP	Lyr Budget - Current Period
LBCS	Lyr Budget - Current Period - % Sales
LBYR	Lyr Budget - YTD
LBYS	Lyr Budget - YTD - % Sales
NBCP	NYR Budget - Current Period
NBCS	NYR Budget - Current Period - % Sales
NBYR	NYR Budget - YTD
NBYS	NYR Budget - YTD - % Sales
NBxx	Next Year Bgt – Period x
1YCP	Lyr Actuals - Current Period
1YCS	Lyr Actuals - Current Period - % Sales
1YCQ	Lyr Actuals - Current Quarter
1YQS	Lyr Actuals - Current Quarter x - % Sales
1YQx	Lyr Actuals - Quarter x
1YxS	Lyr Actuals - Quarter x - % Sales
1YYR	Lyr Actuals - YTD,Lyr
1YYs	Actuals - YTD - % Sales
1Yxx	Lyr Actuals – Period x
2YCP	2 Years Ago - Current Period
2YCS	2 Years Ago - Current Period - % Sales
2YYR	2 Years Ago - YTD
2YYs	2 Years Ago - YTD - % Sales
3YCP	3 Years Ago - Current Period
3YCS	3 Years Ago - Current Period - % Sales
3YYR	3 Years Ago - YTD

3YYS	3 Years Ago - YTD - % Sales
4YCP	4 Years Ago - Current Period
4YCS	4 Years Ago - Current Period - % Sales
4YYR	4 Years Ago - YTD
4YYS	4 Years Ago - YTD - % Sales
ACIA	Actual vs. Initial Budget - Current Period
ACIP	Actual vs. Initial Budget % - Current Period
AQIA	Actual vs. Initial Budget - Current Quarter
AQIP	Actual vs. Initial Budget % - Current Quarter
AxIA	Actual vs. Initial Budget - Quarter x
AxIP	Actual vs. Initial Budget % - Quarter x
AYIA	Actual vs. Initial Budget - YTD
AYIP	Actual vs. Initial Budget % - YTD
ACRA	Actual vs. Revised Budget - Current Period
ACRP	Actual vs. Revised Budget % - Current Period
AQRA	Actual vs. Revised Budget - Current Quarter
AQRP	Actual vs. Revised Budget % - Current Quarter
AxRA	Actual vs. Revised Budget - Quarter x
AxRP	Actual vs. Revised Budget % - Quarter x
AYRA	Actual vs. Revised Budget - YTD
AYRP	Actual vs. Revised Budget % - YTD
ACLA	Actual vs. Last Year's Budget - Current Period
ACLP	Actual vs. LYR's Budget % - Current Period
AYLA	Actual vs. Last Year's Budget - YTD
AYLP	Actual vs. Last Year's Budget % - YTD
ACNA	Actual vs. Next Year's Budget - Current Period
ACNP	Actual vs. NYR's Budget % - Current Year
AYNA	Actual vs. Next Year's Budget - YTD
AYNP	Actual vs. Next Year's Budget % - YTD
ACLY	Actual vs. Last Year's Actual - Current Period
AQLY	Actual vs. Last Year's Actual - Current Quarter
AxLY	Actual vs. Last Year's Actual - Quarter x
AYLY	Actual vs. Last Year's Actual - YTD
BBYR	Beginning Balance - This Year
EBLY	Ending Balance - Last Year
Ax-y	Add Column x to y
Sx-y	Subtract Column y from x
Tx-y	Total Columns x thru y

Note: For options **Ax-y**, **Sx-y**, and **Tx-y** the following applies for x and y:

Example: To total columns 5 through 8 use **T5-8**.

If you are processing columns 10 through 25, use alpha characters where 10=A, 11=B, etc. Example: To total columns 12 through 15 use **TC-F**.

Exit the Screen

When you are finished, press **F4** on the contents code field to return to the Extended Financials Menu.

Financial Statement Detail Maintenance

Introduction

Financial Statement Detail Maintenance can be used to customize or create detailed line items on a financial statement. You may wish to generate a default set of financial statements using option **1**, then use this option to consolidate additional accounts, define new headings, re-arrange accounts, add sub-totals, etc.

How to Execute

From the Extended Financials Menu, select **Detail Maintenance**.

Description of Fields

Report Code

Enter up to four characters for the report code on which you want to work. The report must have been created using Report Consolidation Maintenance and/or Generate Default Report Consolidations.

Line Number

From the line number prompt you have several options as follows:

Enter an existing line number to edit, or enter a new line number to add a new line.

F2 Displays a view showing all of the lines on this report. Once in the view, you have the following options:

PgUp, PgDown

Up Arrow, Down Arrow To move through the view.

Line-delete Deletes a line from the report.

Enter Selects the line for maintenance.

F4 Exits this screen.

F6 Provides help on this field.

F7 Allows you to rearrange lines on the report using the following prompt:

Enter line numbers to switch separated by commas.

If you enter two line numbers that exist (i.e.: 35, 30), those two lines will be switched. If you enter a second line number that doesn't exist (i.e.: 35,42), the first line will be moved to the second position.

F8 Allows you to renumber the lines back to increments of five. This is useful if you have added or re-arranged numerous lines. This function will also correct the line number on any report using these lines.

F9 Allows you to copy this report to another report code. This is useful if you want a report similar in line format with a different Contents code.

Description

Enter up to 40 characters for the descriptive field to print on the financial statement. This field will print in the column **DESC**.

If you generated the financial statement, this field will contain the category description on header lines, and the account code description on detail lines.

Line Type

Enter the line type for this line on the financial statement from the following:

- B** Blank line
- C** Category heading
- H** Heading
- S** Sub-heading
- P** Page break
- AC** Standard detail line
- TC** Category total
- TH** Heading total
- TS** Sub-heading total
- TO** Miscellaneous other total
- Dashed line
- =** Equal sign line
- _** Underscore line

See the end of this section for a sample of the Totaling logic.

Print line on report?

With this option, you can define a line as an "accumulator" line, meaning that it will not actually appear on the report, but is added to or subtracted from the next total line.

- Y** Prints this line on the financial statement.
- N** Does not print this line on the financial statement, but does accumulate the amount into the total.

Number of lines to skip

Enter the number of blank lines that should be printed after this line on the financial statement. Enter **0**, or press **Enter** if you do not wish to skip any lines after this line.

Column indentation

Enter the number of characters to indent the normal printing of the amount columns beyond their normal print position.

A good use of this function would be on a balance sheet where the Total Assets and Total Liabilities and Equity might be printed farther over than all the other amounts.

Change sign?

You have the option of changing the sign of the numbers as they are displayed on the financial statement. You will probably want to change the sign on lines containing accounts that normally have a credit balance, such as liabilities, equity, and revenue.

- Y** Change the sign of the numbers on this line.
- N** Leave the sign as stored.

Add/Subtract

With this function you can add or subtract this line into the total line as follows:

- A** Adds this line to the total.
- S** Subtracts this line from the total.
- blank** Does not include this line in the total.

Note: If you specified in the previous field to change the sign, the sign will be changed BEFORE the line is added to or subtracted from the total.

Starting Account**Ending Account**

Each line on a financial statement can have many single accounts or ranges of accounts summarized into the line as follows:

Single Account: Enter the same account number for both the starting and ending account.

Range of Accounts: Enter the first and last accounts in the range you wish to include.

Account Mask

A line on a financial statement can contain a group of accounts that is not necessarily an entire range of accounts. For example, if you want to summarize all accounts from 401-00 to 499-99 that end in 02", enter a mask of 4**02.

Link from Report

If this line contains the amount from a line or range of lines calculated on another financial statement, enter the appropriate report code in this field.

For example, if you are creating a balance sheet, you need to get the current year profit amount from a corresponding income statement, so you might enter I001.

If you are accumulating lines from this financial statement, leave this field blank.

From Line To Line

If you have entered a report code on the previous field, you will need to enter the appropriate range of lines from that report to be included on this line of the financial statement.

Using the above example where you are printing the profit amount from I001 on the Balance Sheet, you might enter line 280 for both the 'from and to' lines.

Totaling Logic

The following is an example of how the Totaling logic works:

There are certain rules to be aware of:

- TC, TH, and TS lines all behave identically and although all are generated by the Generate Default Report Consolidations option to correspond to the associated header types, they can be used interchangeably.
- Multiple accounts and report lines can be accumulated by using total lines (TC, TH, TS, and TO) with the "Print Line on Report" field set to N.
- Setting the last "Print line on report" field to Y will print the line with all previous N lines included in the total. The accumulator will be cleared when the line is printed or if the line type changes.
- Only AC and TO lines will be accumulated into TC, TH, TS, and TO lines.
- Lines with a blank add/subtract indicator will not be accumulated into any total line.

Line#	Line Type	Add/Sub	Print Line?	Account/Line Number Range to print on this line
1	AC	A	N	101-00 to 101-99
2	AC	A	N	105-00 to 105-00
3	AC	A	N	110-00 to 110-00
4	TO		Y	Line 1 to line 3
5	AC	A	Y	120-00 to 120-00
6	TS		Y	Line 1 to line 5
7	AC	A	Y	130-00 to 130-00
8	AC	A	Y	140-00 to 140-00
9	TS		Y	Line 7 to line 8
10	TH	A	N	Line 1 to line 6
11	TH	S	Y	Line 7 to line 9
12	TC		Y	Line 1 to line 11

Notes on the example above:

- Line four prints the total of accounts 101-00 through 101-99 plus 105-00 plus 110-00.
- Line six prints the total of accounts 101-00 through 101-99 plus 105-00 plus 110-00 plus 120-00.
- Line nine prints the total of accounts 130-00 plus 140-00.
- Line ten doesn't print, but accumulates Line 1+ 2+ 3+ 5.
- Line 11 prints Line 1+ 2 + 3+ 5 - 7 - 8.
- Line 12 prints Line 1+ 2+ 3+ 5+ 7+ 8.

Exit the Screen

When you are finished with the report, press **Up Arrow** to return to the report code field.

When you are finished maintaining all reports, press **F4** from the line number or report code fields to return to the Extended Financials Menu.

You may now wish to proceed with the Financial Statement Update.

WARNING: After you have customized the lines on your financial statement, you must NOT run the Generate Default Report Consolidations option again for this report or all of your custom changes will be lost!

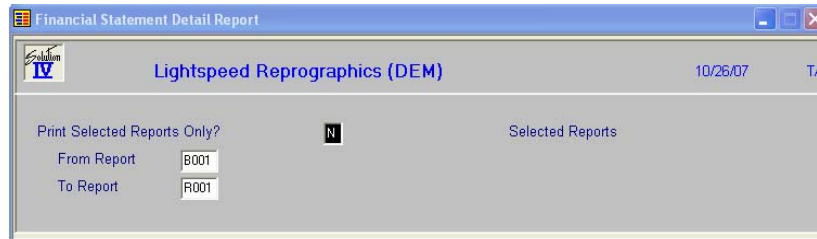
Financial Statement Detail Report

Introduction

The Financial Statement Detail Report shows you the actual row contents of any financial statement.

How to Execute

From the Extended Financials Menu, select **Detail Report**.



Description of Fields

Print Selected Reports Only?

Y Displays a view and allows you to select individual reports for printing.

N Allows you to enter a range of reports for printing.

If you answer **N**, the system prompts:

From Report

To Report

Enter a range of reports as follows:

- Press **Enter** twice to select all reports.
- Enter the same report code for both the 'from and to' fields if you want one report.
- Enter the starting and ending report codes to select a specific range.

Report

Select a printed or displayed copy. When the report is finished, you will be returned automatically to the Extended Financials Menu.

Financial Statement Update

Introduction

This option is used to update the actual, budget, and history numbers from the account masterfile to the defined financial statements. The Financial Statement Update must be run before printing financial statements.

How to Execute

From the Extended Financials Menu, select **Financial Statement Update**.

Description of Fields

Update Selected Reports?

- Y** Displays a view and allows you to enter individual reports to update.
- N** Allows you to enter a range of reports to update.

Note: Updating selected reports or a small range of reports allows the update to run much faster than if all financial statement reports are updated. This option provides a quick means of updating selected reports such as the consolidated Income Statement and Balance Sheet to see the effect of month-end closing journal entries without updating all of the financial statements defined in the system. It is also good for generating a small number of mid-month financial statements.

If you enter **N**, the system prompts:

From Report

To Report

Enter a range of reports as follows:

- Press **Enter** twice to update all reports.
- Enter the same report code for both the 'from and to 'fields if you want to update a single report.
- Enter the starting and ending report codes to update a specific range of reports.

Period Number

Enter the period number for which you want to update your financial statements. The financial statement update must be run again to update a different period.

After the information on the screen is correct, the system prompts:

Are you sure you want to run the Financial Stmt Update? Yes No

Y Performs the update.

N Returns to the Extended Financials Menu.

Exit the Screen

When the update is finished, you will be returned automatically to the Extended Financials Menu.

You may wish to proceed to Financial Statement Printing.

Financial Statement Printing

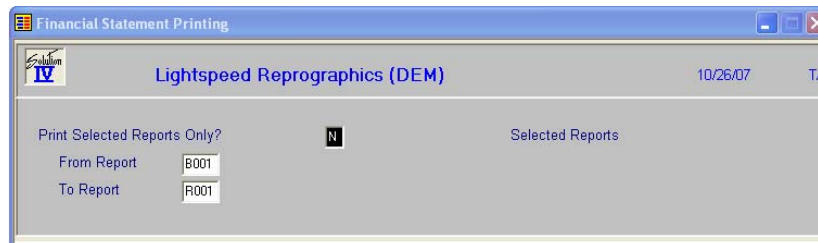
Introduction

This option prints the financial statements for the period you selected in the Financial Statement Update. The Financial Statement Update should be run after posting to the General Ledger and before running this option.

Note: It is important that you run the Financial Statements Update option for all reports selected here; otherwise some amounts may be incorrect.

How to Execute

From the Extended Financials Menu, select **Financial Statement Printing**.



Description of Fields

Print Selected Reports Only?

Y Displays a view and allows you to select individual reports for printing.

N Allows you to enter a range of reports for printing.

If you answer **N**, the system prompts:

From Report

To Report

Enter a range of reports as follows:

- Press **Enter** twice to select all reports.
- Enter the same report code for both the 'from and to' fields if you want one report.
- Enter the starting and ending report codes to select a specific range.

Reports

Select a printed or displayed copy. When the reports are finished, you will be returned automatically to the Extended Financials Menu.

9 Period End Processing

This chapter explains the period end processing functions for General Ledger. The options include both the Period End Update itself and the Status Change Update.

Period End Update

Introduction

General Ledger Period End Update is different from the update in the other Solution-IV applications. In General Ledger, the month-end processing does not do much, and year-end processing does a lot more.

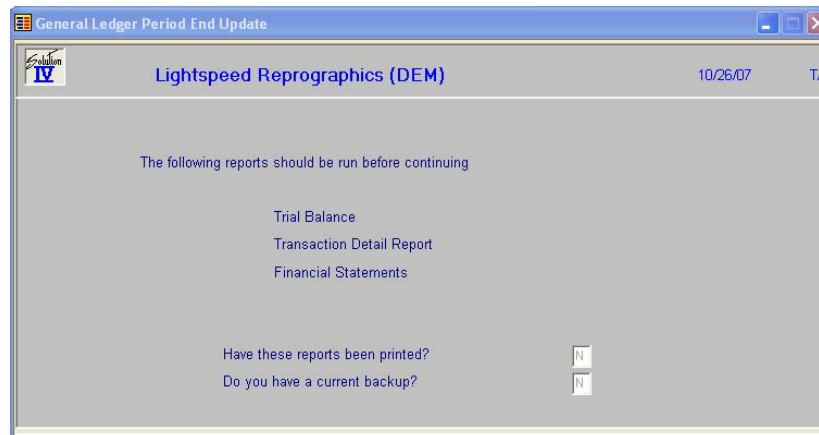
Month-end processing will only increment the current period. There are three reasons for running it:

- By incrementing the current period you can be sure that no one will accidentally post to a prior period. If you need to make a posting to a closed period, you just need to go into GL Parameters Maintenance and change the current period.
- Whenever there is a period number on a screen, the default is the current period. By keeping the current period accurate, you will not have to change that field as often.
- When posting to a future period, you will receive a message indicating such. The message does not stop you from making the posting, but may get in your way.

Year-end processing does significantly more. It clears the transaction detail file, rolls the history in Account Maintenance, calculates and then adds the net profit to retained earnings, clears the detail for all accounts and zeros the balances of the income and expense accounts. If you have made postings into the next year it also renumbers the transactions from periods 14-26 to periods 1-13.

How to Execute

From the General Ledger Main Menu, select **Period End Update**.



Description of Fields

Have these reports been printed?

It is not actually necessary to print the above reports when running month-end processing since they may be printed at any time. If you are going to clear historical transactions, however, you really should print the Transaction Detail Report.

- Y** All required reports have been printed.
- N** The system terminates the update and returns to the General Ledger Main Menu.

Do you have a current backup?

Refer to the Solution-IV System Utilities manual for more information on backups.

Y You have a current backup.

N If you do not have a current backup, the system terminates the update and returns to the General Ledger Main Menu.

If you answer **Y** to the above questions, you will see the following screen:

The screenshot shows a window titled "General Ledger Period End Update" for "Lightspeed Reprographics (DEM)". The date is 10/26/07 and the user is TA. The screen contains the following options:

- Type of Period End Processing
 - Month-end processing only? Y
 - Month and year-end processing? N
- If processing year-end,
 - Copy revised budgets to initial budgets? N
 - Copy next year budgets to initial budgets? N
 - Copy new initial budgets to revised budgets? N

Month-end processing only?

Y Increments the current period field in GL Parameters Maintenance.

N Does not increment the current period field.

Month and year-end processing?

Y Runs full year-end processing as described in the above introduction. The current period will be reset to 1, and the year on the period ending dates will be incremented.

N Does not run year-end and the cursor skips to the Clear Transaction Detail File field.

If you answer **Y**, you will receive the following 3 questions:

Copy revised budgets to initial budgets?

Y The amounts in this year's revised budget become the initial budgets for your next year.

N The revised budgets are set to zero during year end.

Copy next year budgets to initial budgets?

Y If you have already created budgets for next year, **Y** will move them to the initial budget column during year-end.

N The next year budgets you have entered will be cleared.

Copy new initial budgets to revised budgets?

Y If you want your initial budgets to equal revised budgets, answer **Y**.

N Revised budgets will be zero.

Exit the Screen

When the Period End Update is finished, you are returned automatically to the General Ledger Main Menu.

Status Change Update

Introduction

The Status Change Update takes all of the Account Masterfile and Bank Code file entries that you have marked to change or delete, verifies their validity and then effects the change. A report is printed prior to the update showing what is going to be changed/deleted, and you then have the option of continuing the update or not.

Important: This is a powerful function which may result in accounts or bank codes being deleted or irreversibly combined with others. Make sure you have current backups before continuing.

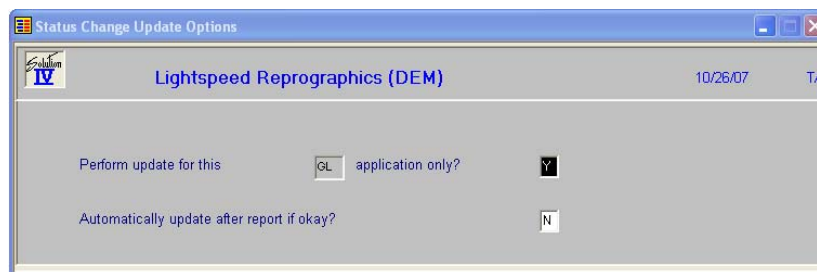
Before You Start

Before you start the Status Change Update, you must do the following:

- Make a current backup — this is for your own protection.
- Make sure that the general journal file and the associated data entry files for other Solution-IV applications are empty.
- Make sure no one else is using Solution-IV.

How to Execute

From the General Ledger Main Menu, select **Status Change Update**.



Steps in Status Change

The Status Change Update works as follows:

1. Makes sure the entry files are empty and that no one else is using the system (any company, any application).
2. Builds a list of all the records that are marked to be deleted or changed (Status = D or C).
3. Once the list is built, it checks all of the records to be deleted and makes sure that they are not being used anywhere in the system.
Example: If you are deleting Account Code 101, 101 may not be used by any transactions in the Transaction Detail File; the account balance also must be zero.
4. It then checks the records to be changed and insures that the 'change to' is not going to be changed to something else or deleted.
5. A report is printed showing the changes to be made and any conflicts that it found in steps three and four. If there are any conflicts, the remaining steps are skipped.

6. If there are no conflicts, the system prompts:

Are you sure you want to continue the update?

YES Completes the status changes as indicated on the report.

NO Does not run the update and returns to the menu.

7. The requested changes are performed.

8. The requested deletes are performed.

9. The history files are marked if anything was changed. There are multiple flags in each history record in each of the history files — one for each element that could be changed. They are normally blank. If the element has been changed, the associated flag is set to "C."

Exit the Screen

When the Status Change Update is finished, you are returned automatically to the General Ledger Main Menu.

10 Appendices

The following pages contain supplemental information that is helpful to the understanding of Solution-IV General Ledger.

- A. General Ledger Messages
- B. Understanding the Accounting Theory Behind General Ledger
- C. What To Do With All the Paper Generated
- D. Glossary

A General Ledger Messages

Most messages that you encounter are described in the appropriate chapters of this manual, where the operation that you are performing is documented.

This appendix contains additional messages that may be displayed during the normal processing of your system. These messages are not explained in the body of the manual because in most cases they are displayed infrequently. The messages are grouped by the operation being performed:

- Account Maintenance
- Convert Data Files
- Department Maintenance
- Financial Statement Data
- Financial Statement Printing
- Financial Statement Update
- General Journal Entry
- Location Maintenance
- Miscellaneous
- Parameters Maintenance
- Period End Update

Messages

Account Maintenance

Invalid ratio code.

The ratio code that you have entered is invalid. Refer to your manual or display a view on this field to find out what ratio codes are valid.

Convert Data Files

The GL parameters must be set up prior to combining companies.

The General Ledger Parameters must be set up for both companies before the companies can be combined.

Department Maintenance

Departments not set up in GL Parameters Maintenance.

You cannot run Department Maintenance because you have not defined one of your account segments as the department in GL Parameters Maintenance. If you would like to use departments, return to GL Parameters Maintenance and designate one of your account segments as the department.

Financial Statement Data

Financial Statement Printing

The Financial Statement Update must be run first.

You must run the Financial Statement Update before any financial statements may be printed. This process insures that the figures shown on the financial statements will be accurate.

Financial Statement Update

At least one of each type category code must be set up.

You must have one and only one of each of the following classifications of category codes as a major break (type = C) to process financial statements and correctly print the Trial Balance:

A - Asset L - Liability E - Equity R - Revenue X - Expense

There is one other classification that is optional:

C - Cost of sales

You may set these up using Category Code Maintenance.

Retained Earnings Account must be defined in parameters.

You must define a retained earnings account to run the Financial Statement Update. Create a retained earnings account in Account Maintenance and then define the retained earnings account in GL Parameter Maintenance.

General Journal Entry

Distribution out of balance. Delete F4-More changes

The sum of your debits does not equal the sum of your credits for this journal entry. They must be equal before you may save and exit this journal entry. You have the option of deleting the entry and starting over or editing the entry.

If you have entered a very long journal entry and are having a hard time finding the error, you may want to make a posting to a "dummy" account to get the journal in balance. You may then print the journal where it may be easier to find the problem.

D Deletes the entire entry.

F4 Allows you to edit the entry and get the journal in balance.

Period x has been closed. Change period or re-open.

This period has been closed. Re-open this period using GL Parameters Maintenance or change the period number.

Reversing entry must be in a different period.

You have attempted to do a reversing entry to the same period as your regular entry. This is not logical and is not allowed. Enter a different period either for the regular posting or the reversing entry.

Warning: Posting date is in a closed period.

You will receive a warning in General Journal Entry if the posting date is in a closed period. You will not be allowed to continue.

Warning: Posting to a future period.

This is just a warning that you are about to post the journal to a period past the period that is currently open. This is allowed and may in fact be part of your normal processing.

Location Maintenance

Locations not set up in GL Parameters Maintenance.

You cannot run Location Maintenance because you have not defined one of your account segments as the location in GL Parameters Maintenance. If you would like to use locations, return to GL Parameters Maintenance and designate one of your account segments as the location.

Miscellaneous

Posting date MM/DD/YY is in a closed period.

Posting to a closed period is not allowed. Either change the posting date or go to GL Parameters Maintenance and set the current period field to whatever period you are trying to post to. If you re-open a prior period, don't forget that you will need to reprint all of your reports for that period.

Parameters Maintenance

Period ending dates are invalid.

The dates you have entered for your accounting periods are invalid. They must be in ascending order (in other words, if Period 1 ends 2/28/09, Period 2 cannot end 01/31/09). Examine your period ending dates closely and make changes as necessary.

Period End Update

Retained Earnings Account must be defined to run year end.

Make sure you have a retained earnings account defined in your chart of accounts; then run GL Parameters Maintenance and enter that account for the Retained Earnings Account. It is to this account that your net profit (loss) for the year will be posted.

B Understanding the Accounting Theory Behind General Ledger

"Do I really need to understand accounting to use the General Ledger? I thought the computer would do my accounting for me!"

You can use the Solution-IV General Ledger package without understanding a lot about accounting, but you may find the following concepts helpful in understanding what the system is doing.

Definition

Accounting may be defined as the process of keeping, classifying, and summarizing records related to your business. Every business needs these accounting records to evaluate its financial condition in order to make well-informed business decisions. These records are also necessary to make reports for others outside the business including such items as loan applications and taxes.

Accounting Components

Every company's financial picture is made up of the following basic elements

- **Assets** — anything of value that the company owns.
Examples: cash, accounts receivable, inventory, property
- **Liabilities** — anything that the company owes to someone else.
Examples: accounts payable, notes payable
- **Equity** — what the company is worth.
Examples: owner's equity, capital stock, retained earnings
- **Revenue** — income or earnings.
Examples: sales revenue, interest income
- **Expenses** — the cost of doing business.
Examples: cost of sales, payroll expense, supplies

Within the General Ledger, each of these basic components is broken down into individual accounts that are assigned a code. The number of accounts a business has depends on its size and at what level of detail it wishes to see its financial data. A small company may have less than one hundred accounts, whereas a very large one could have thousands of accounts.

Fiscal Year

A fiscal year is defined as the year established for accounting purposes for the preparation of accounting reports. The fiscal year is usually made up of 1, 4, 12 or 13 accounting periods that the business uses to track its activity.

Every business has a fiscal year. Often your accountant will determine your fiscal year; the IRS also has certain restrictions for certain types of business defining the fiscal year. For most small businesses, farms, and professional corporations, the fiscal year is the same as the calendar year — January 1 through December 31 with the periods ending on the last day of each month. Manufacturing companies sometimes use 13 periods, each being 28 days in length.

Unless you are just starting your business, your fiscal year has already been defined. See your accountant if you are not sure what it is. The Thoroughbred Solution-IV General Ledger package can handle it, whatever it is.

Cash vs. Accrual

There are two acceptable ways of keeping your accounting records.

- Under an accrual method of accounting, revenue and expenses are recorded into the General Ledger whenever you make a sale or purchase, not when you actually receive or make the payment. Operating under an accrual basis, you are better able to match revenue to expenses, giving a better picture of the actual profitability of your company. Most companies operate under an accrual basis.
- If you operate under a cash basis, you do not actually record the revenue and expenses in the General Ledger until the payment is received or made. Operating under a cash basis often distorts the picture of your company's profitability. It does, however, have the advantage that taxes are not due on the revenue made until the revenue is actually received.

Whichever way your company operates, the Solution-IV General Ledger will give you an accurate picture of your company's financial position.

Debits & Credits

Debits and credits seem to cause the most confusion to those just learning accounting. In the simplest of terms, every account has a debit side and a credit side. If total debits are more than total credits, the account has a debit balance; if total credits are more than total debits, the account has a credit balance. Each account has a normal debit or credit balance. The following table demonstrates what happens with each basic component:

Account Type	Normal Balance	Debits	Credits
Asset	Debit	Increase Balance	Decrease Balance
Liability	Credit	Decrease Balance	Increase Balance
Equity	Credit	Decrease Balance	Increase Balance
Revenue	Credit	Decrease Balance	Increase Balance
Expense	Debit	Increase Balance	Decrease Balance

Pluses & Minuses

A lot of people like to think of debits and credits as pluses and minuses, but that causes a lot of confusion. In general, in the General Ledger, debits are entered as positive numbers and credits are entered as negative numbers. This may be confusing since revenue is a credit account (see above table) which means the amounts to it are usually negative numbers.

If you are using one of the other Solution-IV Accounting packages such as Accounts Payable, Accounts Receivable, or Inventory Control, you will not need to be as concerned about pluses and minuses, since the system will do most of the work for you.

Postings

The basis of double entry accounting that Solution-IV uses, requires that every transaction be composed of two entries — a debit and a credit. This means that when you are making entries into General Journal Entry, the sum of all of your debits must equal the sum of all of your credits. If they are not equal, the system will print a warning, and will not let you save the entry until they are equal.

Ledgers

The ledger is the complete set of account transactions for a business. It is the detailed reference book of the accounting system. It is the basis for the financial statements. The complete ledger for a business is called the general ledger. The Solution-IV General Ledger is designed to provide this complete ledger for your business.

You can use the Solution-IV General Ledger package by itself to satisfy all of your accounting needs —the Transaction Detail Report fulfills the requirements of a manual general ledger. However, you may find it useful to use other Solution-IV Accounting packages to save you both time and effort. By using them, you create subsidiary ledgers.

Subsidiary Ledger

A subsidiary ledger is a supporting ledger consisting of a group of similar accounts, the total of which is in agreement with a controlling account in the General Ledger. The purpose behind a subsidiary ledger is to keep unnecessary detail out of the General Ledger.

As an example, in Accounts Receivable, the Aged Trial Balance can be considered a subsidiary ledger because it contains the details of which customers owe you money. The report total should match the Accounts Receivable account(s) in the General Ledger. The supporting documents for the Aged Trial Balance (Sales Journals, Cash Receipts Journal, and Finance Charge Journal) are also considered subsidiary ledgers because they can be used to recreate the Aged Trial Balance.

C What to do With all the Paper Generated

It may seem to you that the Solution-IV General Ledger uses a lot of paper. Not only does it have the ability to print the many reports you use on a daily basis, but it forces you to print certain reports before continuing with updates. You may wonder why and what you are supposed to do with all of it.

Why?

The entire line of Solution-IV Accounting has been designed to comply with the Generally Accepted Accounting Principles (GAAP). This is a technical term that covers too much to fully explain here – there are entire courses, which do not even fully cover the topic. In general, they are broad concepts and detailed practices including all conventions, rules, and procedures that together make up accepted accounting practice at any given time. They have become "generally accepted" by agreement, over time, and unfortunately, are not necessarily logical.

All the paper generated by the Solution-IV General Ledger system is to comply with GAAP. One of the principles of GAAP is that you must be able to provide an "audit trail" or sufficient backing for every entry in the General Ledger. The General Journal provides this necessary audit trail.

What you need to keep

In general, you will need to keep the final copy of each of the following reports. The final copy is the one printed just before you run the update. If you printed the report several times, you can tell the final copy by looking at the date and time the report was printed. It is important that you keep only the final copy and throw all of the earlier ones away.

The reports that you **MUST** keep are:

- General Journal

You may want to attach the following reports to the back of your General Journal, if desired.

- Recurring Journal
- Allocation Journal

You will also want to keep the final copies of the reports you print before running the Period End Update. In general, these reports consist of the following:

- Trial Balance
- Transaction Detail Report
- Balance Sheets
- Income Statements
- Ratio Reports

How to Organize Saved Reports

Everyone has a system for filing or organizing all of the reports printed. The following are just a few ideas. You must determine the one that works best for you and modify it to your specific needs.

Binders

If your company is relatively small and is printing only a few reports each month, standard three-ring binders may be the best method for you. You should have at least 4 binders, one of each of the following:

- General Journals
- Trial Balance
- Transaction Detail Report
- Financial Statements

You will want to put dividers in the binders, separating the reports by month.

Data Binders

If your company is a little larger, computer data binders may work better for you because they hold more information and do not require the extra time required to tear off the feed strips and punch the holes – you use them to hold the reports in the binders. You will want to have binders for each of the reports that you print. If you are printing departmental or locational income statements, you will want a binder for each of those. The number of data binders you will need depends on how many departments and locations in your company. We highly recommend that you purchase dividers specially made for data binders since the binders can get very thick. Please note that a disadvantage of data binders is that as they get full, they are rather cumbersome, and it may be difficult to take pages out if necessary.

Filing Cabinet

If your company generates too many reports to make three-ring binders practical, and you do not like data binders, your best bet will be to use file folders and your filing cabinet. You should use a separate folder for each type of report for each month. In other words, you would have a folder labeled "General Journals - January", etc. If you print many reports, and need to make copies of them from time to time, this will be the easiest system for you. Be sure to keep the reports in date order in the file folder.

A Closing Note

Try not to let the filing of all these reports get ahead of you. It may seem tedious now, but in the event of a system problem, or an accounting or IRS audit you will find these reports invaluable in proving what exactly happened in the system. With proper filing, corrections become easier to make and audits take less time, saving you both time and money.

D Glossary

1099 Reporting

1099 reporting is the filing of a 1099 tax form with the federal government. This is a report of all payments made to individual vendor of more than an amount specified by the government in a calendar year.

A

Account or Account Code

An account is the basic component of a formal accounting system. It records all additions and deductions and shows balances of assets, liabilities, owners' equity, revenues and expenses.

There are two types of accounts: debit and credit. Asset and expense accounts are usually debit accounts. Liability, equity and revenue accounts are usually credit accounts.

Accounting

The process of recording, organizing, reporting and interpreting the financial data of a business.

Accounting Period

An accounting period is an interval of time for which a financial statement is prepared. In most businesses, each month is a separate accounting period.

Solution-IV allows you to store data for as many as 26 accounting periods (2 full years).

Accounting System

An accounting system is a method for interpreting the financial performance of a business. It includes the raw data, procedures and equipment needed to make this analysis.

Accounts Payable

Accounts payable is a record of money owed and payments made by a business to creditors. It is a current liability showing the actual dollar amount owed to creditors.

Accounts Receivable

Accounts receivable is a record of money owed and payments made to a business by customers. It is a current asset showing the actual dollar amount owed by customers.

Accrual Basis

Accrual basis accounting records revenues and expenses for the current accounting period even though payments will not be received or paid until a later accounting period. This is to be distinguished from cash basis.

Most companies operate on the accrual basis.

See Accrued Asset and Accrued Liability.

Accrued Asset

An accrued asset is a revenue that is recorded when it is earned, not when a payment is received. The revenue then appears on financial statements for the period in which it is earned. (It may also be called an accrued income.)

Example: If you sell a camera for \$295 on credit, this transaction is immediately recognized as revenue and recorded in accounts receivable (even though cash has not yet been received).

Accrued Liability

An accrued liability is an expense recorded when it is incurred, not when a payment is made. The expense then appears on financial statements for the period in which it is incurred. (It may also be called an accrued expense).

Example: If you purchase on credit 5 dictionaries at \$24.95 each, the \$124.75 transaction is immediately recognized as an expense even though cash has not been paid.

Accumulated Depreciation

Accumulated depreciation is the sum of all recorded depreciation for a particular asset (or group of assets) since the date of acquisition.

Activity

Activity is the continuous completing of transactions. This activity, whether an expense or a revenue, changes the account balance.

The Solution-IV General Ledger allows you to see the activity of each account for a given accounting period.

Adjusting Entry

An adjusting entry is a general journal entry that corrects an account or brings that account up to date.

These entries are usually made at the end of an accounting period, but may be made whenever it is considered appropriate.

Aging Period

The aging period is an interval of time following a sale or a purchase that defines a revenue or expense as outstanding. The length of this period is different for each company.

Example: A loan company may want a listing of payments that are 2 weeks late.

Allowance for Bad Debts

Allowance for bad debts is an asset account that offsets uncollectible revenue. The amount is usually estimated as a percentage of accounts receivable, based on previous experience with unpaid accounts.

Alphanumeric

Alphanumeric describes a combination of letters and/or numbers.

Example: L48, 56SJ, E913S, 1234, and ASTVLS are alphanumeric.

Amortization

Amortization is the writing-off of the cost of an intangible asset over its economic life. It is usually used with leasehold improvements, organization costs, or goodwill.

Asset

An asset is anything that is owned by a business and has a monetary value.

Example: Buildings, fixtures, equipment, supplies and cash are assets.

Audit Report

An audit report verifies the accuracy of information entered into the computer. An audit report must be printed before updating the permanent files.

Audit Trail

An audit trail is a detailed record of accounting activity. It is a means of examining transactions from the time they are entered into a journal until they are printed in the financial statements.

Average Cost Method

The average cost method is a system of inventory costing. The value of inventory is determined by averaging the cost of goods in stock with goods recently received.

Example: 25 bicycle pedals purchased by you for resale at a cost of \$35 each remain in inventory. You purchase 10 more at \$40. Your inventory is now valued at $(25 \times \$35) + (10 \times \$40)$ or a total of \$1275 or \$36.43 each. If you sell 30 of them, the cost of the sale will be computed as $\$36.43 \times 30$ or \$1092.90, with a remaining inventory value of $\$36.43 \times 5$ or \$182.15.

See Standard Cost, LIFO and FIFO.

B**Back Order**

A back order is a request for items that are currently out of stock. As soon as they become available they are shipped to the customer.

Backup

A backup is a copy of computer files on a portable medium (such as a floppy diskette or tape cartridge). Should the computer files be corrupted or destroyed the backup can be used to replace the data.

Backups should be made at regular intervals.

Bad Debt

A bad debt is a revenue that is partially or completely uncollectible. It becomes an expense when it is established that the customer will not pay the obligation and it is not practical to enforce payment.

Balance

A balance is the difference between total debits and total credits of an account at a given time. An individual account is said to have a debit balance if debits are greater than credits, a credit balance if credits are greater than debits, or a zero balance if debits equal credits.

Balance Forward

Balance forward is a technique used in accounts receivable summarizing all transaction activity at the end of an accounting period. The balance is then carried forward to the next accounting period.

See Open Item.

Balance Sheet

A balance sheet is a financial statement summarizing the financial status of a business at a specific time. It is a detailed presentation of the assets, liabilities and owner's equity as in the fundamental accounting equation: $\text{Assets} = \text{Liabilities} + \text{Equity}$.

Bank Reconciliation

A bank reconciliation compares the bank statement to the depositor's records. Differences should be analyzed and explained by deposits in transit, checks outstanding, bank charges, and errors.

Bucket

A bucket is a field on the screen or in a file where data is displayed or stored. Often it is a field that does not allow user input such as the data in a specific aging category.

Budget

A budget is a financial plan or goal for a specific period of time. It can be used to compare with actual results.

C**Capital**

In accounting, capital is too general to be used by itself. In most cases it means the ownership of the assets of a business by the proprietor(s).

See Equity.

Cash Basis

Cash basis accounting records revenue only when a payment is received and records an expense only when a payment is made. The payments are recorded on financial statements for the period in which they are made.

Very small businesses usually operate on a cash basis.

Example: When the sale of a product or a service is made, the transaction is not recorded until cash is received. This is to be distinguished from accrual basis.

Cash Discount

A cash discount is the amount deducted from a customer's bill when a prompt payment of that invoice is made.

Character

A character is a symbol, letter, or number.

Chart of Accounts

The chart of accounts is a table of contents for the General Ledger. It lists the accounts systematically with assets followed by liabilities, capital, revenue, cost of sales and expenses.

Check Register

A check register is a listing of check numbers and invoices paid. It is available when computer checks are generated, hand-written checks are entered, or as a summary at the end of the period.

Company

A company is an organization with its own separate assets, liabilities and equity. It may, however, be a division, branch office, department or subsidiary of a single organization. Solution-IV separates all files by company. In Solution-IV a company may also be referred to as a business or an entity.

Compressed Printing

Compressed printing is a feature available on some 80-character printers. It allows reports formatted for a 132-character column width to be printed on an 8-inch by 11-inch page.

Credit

A credit decreases an asset or an expense account and increases a liability, equity, or revenue account. It is entered on the right side of a ledger account.

Credit Balance

See Balance.

Credit Limit

A credit limit is the maximum dollar amount in merchandise a customer may receive prior to payment. Once this amount is reached, the customer must make a payment before receiving additional merchandise.

Credit Memo

A credit memo is a document notifying a customer that his account has been credited. It is usually a result of a return. A credit memo reduces accounts receivable.

Current Asset

A current asset is expected to be converted into cash or depleted in one year or less.

Current Liability

Also called short term liability. See Liability.

Current Liquidity Ratio

See Liquidity Ratios.

Current Ratio

See Liquidity Ratios.

Cursor

The cursor is a character on a computer terminal screen, which marks the place where typed characters are entered.

D**Data File**

See File.

Debit

A debit increases an asset or an expense account and decreases a liability, equity, or revenue account. It is entered on the left side of the ledger account.

Debit Balance

See balance.

Depreciation

Depreciation is the decrease in value of a fixed asset over a period of time. The loss of value is caused by wear or obsolescence.

Direct Labor

Direct labor is the labor cost to convert raw materials into finished goods.

Discount Due Date

The discount due date is the last day a payment may be made to receive a cash discount. After this date the full price must be paid.

Diskette

A diskette, computer storage media, is made of flexible plastic rather than rigid metal. It is a portable medium and can be easily stored.

Due Date

The due date is the date on which payment must be made.

Dunning Message

Dunning messages are messages that may be printed on a customer statement. The messages usually are different, depending on how late the customer's oldest invoice is.

Example: Your account is past due please pay promptly. Thank you!

E**Economic Life**

The economic life of a fixed asset is the time during which it is usable. When it must be replaced, its economic life is over.

Equity

Equity is the investment in a business by the owner. It can be expressed as: $\text{Equity} = \text{Assets} - \text{Liabilities}$.

Expense

An expense is a cost incurred while operating a business.

Example: The electric bill is an expense of operating a retail store.

F**FIFO**

FIFO (an abbreviation for first-in, first-out) is a method of assigning cost to inventory. Those items acquired or produced first are used or sold first. This keeps the value of all items in stock at the latest price to be paid for them.

In inflationary times, costing by FIFO increases both the gross margin and the stated value of remaining inventory.

Example: 25 bicycle pedals purchased by your company for resale at a cost of \$35 each remain in inventory. You purchase 10 more at a cost of \$40. Your inventory is now valued at $(25 \times \$35) + (10 \times \$40)$ or \$1275. If you sell 30 of them, the cost of sale will be computed as $(25 \times \$35) + (5 \times \$40)$ or \$1075, with a remaining inventory value of $(5 \times \$40)$ or \$200.

See LIFO, Standard Cost and Average Cost.

Field

A field is the place on the computer terminal screen where a single item of data is entered.

Example: In a customer masterfile record, the customer name is typed in the customer name field and the customer address is typed in the customer address field.

See Key.

File

A computer file is a collection of related records stored under a unique name. Data files contain accounting information such as journal entries and account balances. Program files contain instructions used by the computer.

Financial Statement

A financial statement is a report of the financial status of a business. It can be a balance sheet, profit and loss statement, or any other presentation of financial data.

Fiscal Year

The fiscal year is an accounting period that does not necessarily follow the calendar year. It might consist of 12 months, 13 periods of 28 days each or 4-4-5 weeks (each 13 weeks equaling 1/4 year).

Fixed Asset

A fixed asset is a physical item having a useful life of one year or more. It is also referred to as property, plant, equipment, or plant assets.

Example: A copy machine is a fixed asset.

Floppy Disk

See Diskette.

Function

A function is an operation that performs a job.

G**GAAP**

See Generally Accepted Accounting Principles.

General Ledger

The General Ledger summarizes all business transactions, grouping them by account code. Financial statements are prepared from this information.

Generally Accepted Accounting Principles (GAAP)

Generally Accepted Accounting Principles provide guidelines for conventions, rules, and procedures currently considered acceptable accounting practice.

Goodwill

Goodwill is an intangible asset whose dollar value is derived from the management skills and reputation of a business. It represents the potential earning power of a business beyond the current market value of its assets. Goodwill is usually recognized only at the time a business is sold.

Gross Profit

Gross profit is the difference between the selling price and the cost of the items being sold. It does not recognize other expenses such as rent, telephone, or utilities.

Gross Profit Percentage

Gross profit percentage shows the relationship of gross profit to sales. It can be expressed as: $\text{Gross Profit Percentage} = (\text{Total Sales} - \text{Total Cost of Sales}) / \text{Total Sales}$.

H**Hard Disk**

The hard disk is computer storage media made of rigid material and is either fixed or removable. It has greater storage capacity and handles data faster than diskettes.

Hardware

Hardware is a general term referring to the computer and its associated equipment.

I**Income**

Income is the excess of revenues over expenses. It may be expressed as: $\text{Income} = \text{Revenues} - \text{Expenses}$.

Income Statement

An income statement is a report that balances total revenues and total expenses over a period of time. A positive balance is a profit, while a negative balance is a loss. It is also called a profit and loss statement or a statement of operations.

Intangible Asset

An intangible asset is a long term asset without physical substance.

Examples: Copyrights, franchises, patents, trademarks, and goodwill are intangible assets.

Integration

Integration is the bringing of separate parts together. It can be used to describe the transferring of data from one system to another or the entering of data into the system once and having it transferred to all related files.

Example: Accounts Payable is integrated with General Ledger. Entries to Accounts Payable, which are relevant to General Ledger, are automatically transferred to General Ledger.

Interactive System

An interactive system does not allow the user to enter invalid data.

Example: Solution-IV is an interactive system and does not accept the entry of a company code that has not yet been created.

Interest

Interest is the amount of money paid for the use of money over time.

Inventory

An inventory is the stock owned by a business at any given time. It can be finished goods held for direct sale or component parts used in manufacturing for future sale.

Inventory Costing

Inventory costing is the method of determining the value of items in inventory.

See LIFO, FIFO, Average Cost, and Standard Cost.

Invoice

An invoice is a complete list of goods or services delivered to the buyer by the seller. It also shows quantity, price, shipping charges, terms, and other costs or discounts.

J**Journal Entry**

A journal entry is the primary means of entering financial data into the General Ledger. The sum of the debits and credits in a journal entry must always equal zero.

Example: The journal entry for the purchase of \$250 of office supplies (paid in cash) would consist of a \$250 credit to cash and a \$250 debit to office supplies expense.

K**Key**

A key is a specialized field (see Field). Since the system uses the characters entered in this field to access records in a specific file, the key entry must be unique.

Example: In Solution-IV Customer Maintenance Masterfile, the customer code is the key field.

L**LIFO**

LIFO (an abbreviation for last-in, first-out) is a method of assigning cost to inventory. Those items acquired or produced last are used or sold first. This keeps the value of all items in stock at the earliest price paid for them.

In inflationary times costing inventory by LIFO reduces both the gross margin and the stated value of remaining inventory.

Example: 25 bicycle pedals purchased by you for resale at a cost of \$35 each remain in inventory. You purchase 10 more at a cost of \$40. Your inventory is now valued at $(25 \times \$35) + (10 \times \$40)$ or \$1275. If you sell 30 of them the cost of sale will be computed as $(10 \times \$40) + (20 \times \$35)$ or \$1100, with a remaining inventory value of $(5 \times \$35)$ or \$175.

See FIFO, Standard Cost and Average Cost.

Labor Burden

Labor burden is the expense incurred for workers in addition to their actual wages.

Example: The employer's share of FICA (Social Security), federal and state unemployment insurance tax, workers' compensation insurance premiums, and employer-paid union contributions are part of the labor burden.

Leasehold Improvement

A leasehold improvement is a fixed asset purchased by the lessee for a rented property. Usually it may not be removed from the property when the lease expires.

Example: The installation of new fixtures and walls are leasehold improvements.

Leverage Ratios

Leverage ratios indicate how much the business is encumbered by its liabilities. It is the relationship of liabilities to assets and of debt to equity.

Liability

A liability is the amount of money due creditors.

Types of liabilities:

1. Current(or short term)-full payment is due in 1 year or less.
2. Long term-full payment is not expected for over 1 year.

Liquidity Ratios

Liquidity ratios indicate how much of the assets are easily available.

The Current Ratio is the relationship of current assets to current liabilities. It can be expressed as: $\text{Current Ratio} = \text{Current Assets} / \text{Current Liabilities}$.

The Quick Ratio is the relationship of current assets less inventory to the current liabilities. It can be expressed as: $\text{Quick Ratio} = (\text{Current Assets} - \text{Inventory}) / \text{Current Liabilities}$.

List Price

A list price is a published price subject to customer discounts.

Long Term Liability

See Liability.

M**MTD**

MTD is an abbreviation for month-to-date. In Solution-IV it usually refers to the activity of an account (such as General Ledger account codes, customers, or vendors) so far this month.

Masterfile

A masterfile is a computer file containing all related data elements for a specific record.

Multi-Company Accounting

See Multi-Company Environment.

Multi-Company Environment

A multi-company environment allows the user to maintain separate sets of records for different businesses. Solution-IV is a multi-company environment system. It is also called multi-company accounting.

Multi-User Accounting System

A multi-user system allows more than one user to access a specific program from different terminals at the same time. All users can access the same files (except when a file has been security protected).

N**Net Asset**

The net asset is the total stockholders' equity. It can be expressed as: $\text{Net Assets} = \text{Total Assets} - \text{Total Liabilities}$.

Net Income

See Net Profit.

Net Profit

The net profit results when income exceeds costs and expenses. A Net Loss occurs when costs and expenses exceed income.

O**Open Item**

Open item accounting is the accounts receivable procedure which tracks each transaction in the customer record. Statements for open item customers show all invoices that are not fully paid regardless of the period in which they originated.

See Balance Forward.

Operating Expense

An operating expense includes marketing and administrative expenses. It is all expenses other than the cost of goods, cost of labor, interest, and income tax.

Operator Code

The operator code is an identifier from 1 to 3 characters long that must be entered to gain access to the system or to a function.

Overhead

Overhead is an expense not directly related to a specific job. These expenses occur whether or not a specific job is under way.

Example: Wages to office personnel, office supplies, rent, and utilities are overhead.

Overhead Burden

Overhead burden is all overhead expenses except for labor that can be applied to the cost of producing goods or services.

Overhead Rate

An overhead rate applies a predetermined rate to a contract or job to cover overhead burden. It is usually based on labor hours or direct material dollars.

Overtime

Overtime is the number of hours of work done beyond regular hours. These records are kept for payroll purposes.

Example: Overtime might be anything over 8 hours a day or 40 hours a week.

P**Paid-in Capital**

Paid-in capital is the amount of money invested as equity when a business is started.

Parameter

A parameter is a format definition. When setting up Solution-IV, the system may be customized by setting parameters such as the length of the account size, the position of the location segment and the position of the department segment.

Perpetual Inventory Method

The perpetual inventory method is a continuous count of merchandise. The inventory count is updated at the time of a purchase or a sale.

Physical Inventory

A physical inventory is a list of merchandise on hand, determined by an actual count.

Profit Center

A profit center is a part of a business generating its own income and incurring its own expenses. It is separated from the rest of the business for accounting purposes. A conceptual division (rather than a physical department) of a company may also be a profit center.

Example: One store in a chain of stores may be designated a profit center.

Profitability Ratios

The profitability ratio is the relationship of the net profit to the size of the business. It may be expressed as:

Net Profit Margin = Net Profit / Total Sales

Return on Assets = Net Profit / Total Assets

Return on Equity = Net Profit / Total Equity

Earnings per Share = Net Profit / Total Shares of Stock

Program File

See File.

Purchase Order

A purchase order is a document requesting a vendor to ship a specified quantity of merchandise.

Q**Quantity Pricing**

Quantity pricing is a system that provides a lower price when larger quantities are ordered.

Example: 10 bicycle tires may be ordered at \$9.95 each, while 100 bicycle tires may be ordered at \$9.45 each.

Quick Ratio

See Liquidity Ratios.

R**Range**

A range is a group defined by two specific end points.

Examples: The number 2 is within the range of numbers from 1 to 10. The letter G is outside the range of all letters from A to C.

Ratio Analysis

A ratio analysis is a financial report assessing the performance of a business. It analyzes the activity in terms of leverage ratios, liquidity ratios, and profitability ratios for a business over a specific period of time.

Record

A record is related data stored in a computer file.

Example: Information for each company (company name, address, telephone number, federal ID number and applications used) is a single record in the Company Masterfile.

Recurring Entry

A recurring entry is a fixed journal entry that occurs on a regular basis.

Example: Rent, loan payments, and flat rate utility fees may be recurring entries.

Reorder Amount

The reorder amount is the minimum quantity of stock allowed in inventory. When that number is reached, an order is placed to replenish the stock.

Example: If the reorder amount for handlebars is 25, an order will not be placed until the inventory reaches 25 handlebars.

Reorder Level

See Reorder Amount.

Retainage

Retainage is an amount of money withheld from payment until an entire job (or a specified portion of the job) is completed. It is most often used in construction.

Retained Earnings

Retained earnings are profits reinvested in the business as stockholder equity. It is also the accumulated profits, minus any losses or dividends, of a company from its creation.

Reversing Entry

A reversing entry cancels a previous entry. A credit is used to cancel a debit and a debit is used to cancel a credit.

S

Sales Allowance

The sales allowance is a reduction of the previously agreed upon selling price.

Sales Returns

A sales return is a product returned by the customer. When merchandise is returned, a debit must be made to the sales return and allowances account, and a credit to Accounts Receivable.

Security

Security is a system safeguard against unauthorized entry.

Short Term Liability

Also called current liability. See Liability.

Source Document

A source document is the original transaction record. It is used to enter data into the computer file.

Example: The vendor invoice is a source document which contains information such as the vendor invoice number, the invoice date, terms, discount, and sales tax which is entered into the computer files.

Standard Cost Method

The standard cost method is a system of inventory costing. It uses a predetermined amount for a specific item to value the inventory and establish the sales price.

See LIFO, FIFO and Average Cost methods.

Example: The standard cost of your bicycle pedals is predetermined to be \$35. 25 pedals remain in inventory at a cost of \$35 each. You purchase 10 more at \$40 each. Your inventory value will be calculated at (35×35) or \$1225. If you sell 30 of them the cost will be computed as (30×35) or \$1050 with a remaining inventory value of (5×35) or \$175.

T

Terms

Terms are the conditions of payment agreed to by the customer and are included on the invoice. Discount terms are often used to encourage prompt payment.

Example: Terms of payment such as 2/10 net 30 (a 2% discount is allowed if payment is made within 10 days), might be offered to encourage prompt payment.

Trade Discount

A trade discount is a reduction from the list price.

Transaction

A transaction is an event that affects the financial position of a business.

Example: The purchase of 2 bicycle pumps @ \$7.50 each is a transaction requiring the following journal entries: a \$15 debit to inventory and a \$15 credit to cash.

Trial Balance

The trial balance is a report showing the balance of each account in the General Ledger. The total credits must always equal the total debits in the General Ledger.

Two-Step Billing

In a two-step billing procedure the first step is to enter the customer order and the second step is to prepare the invoice for that order. The invoice is not prepared until the ordered items are shipped.

V

Variance

A variance is the difference between an actual amount and an estimated amount. It can be shown as an amount (e.g., \$1000 over) or as a percentage (e.g. -2%).

Example: If \$500 is budgeted for office supplies and \$450 is spent, the variance is \$50 under (or -10%).

Voucher

A voucher is a document that legitimizes an invoice and authorizes payment. Solution-IV Accounts Payable allows the entry of records using either the vendor's invoice number or your company's voucher number.

W**W-2 Form**

A W-2 form is a statement of an employee's total earnings received and total taxes paid during the calendar year. The IRS requires that a W-2 be prepared for and distributed to each employee.

W-4 Form

The W-4 is a form completed by the employee informing the company of the amount of income tax that should be withheld from that employee's wages. The form is provided by the IRS and is also called the Employee's Withholding Exemption Certificate.

Working Capital

Working capital is the amount of capital in current use in the operation of a business. It can be expressed as: Working Capital = Current Assets – Current Liabilities.

Write-Off

See Amortization.

Y**YTD**

YTD is an abbreviation for year-to-date. In Solution-IV it usually refers to the activity of an account (such as General Ledger account codes, Customers, or Vendors) so far this fiscal year.