

Showroom Accounting Basic

Please DO NOT use a speaker phone. Not now and not at any point during the class as it makes it very difficult for other participants to hear the instructor clearly. You can have as many people as you like call into the same conference number to listen in. Also, please mute your phones whenever possible to cut down on background noise.

This class focuses on functions used by the Sales Person. We teach you how to:

- Receive client payments for both Showroom Bill and Mfg. Bill Lines
- View payments
- Make payments to vendors for purchase orders
- Make payments to vendors for office expenses
- Track cash
- Bank reconciliation
- Maintenance/verify

Standard Accounting Process Assumption

- 1) Quote
- 2) Receive receipt from client
 - a. Convert quote to order
 - b. Record client deposit on order
 - c. Print deposit check to vendor
 - d. Send acknowledgement to client
- 3) Receive acknowledgement from vendor
 - a. Record vendor order #
 - b. Confirm order pricing
- 4) Receive invoice from vendor
 - a. Confirm order pricing
 - b. Add freight
 - c. Record vendor invoice # and date
 - d. Record ship date, etc.
 - e. Convert order to invoice or send Proforma Invoice to client
- 5) Receive final payment from client
 - a. Record client payment on order
 - b. Print final check to vendor
 - c. Convert order to invoice if not done in #4

Client Deposits and Payments**- Record memo with Check #, Date and Amount for Mfg Bill**

- Recorded within the order – Click [Payments](#) at top right
 - Only used when check is sent on to the mfg and will not affect the showroom's cash account.

- Record receipt into Cash Account for any type of order

All receipts included on a deposit slip should be tied together by the receipt date. This is imperative for bank reconciliation purposes. We suggest dating the deposit slip before entering receipts. This can be date they *think* it will go to the bank, or any other date as long as **every** receipt listed on the deposit slip gets that date).

- From within the order click Receipts tab
 - Only used when the receipt is deposited into the showrooms checking account
 - Amount in **Box 1** is what will be added to checking account
 - Can manually enter \$ in Amount to Apply or use Fill In buttons
 - Fill In Amounts will complete the Amount to Apply in the following circumstances:
 - On Order (not invoiced) will fill with deposit requested
 - Does not auto fill if no deposit requested
 - Does not auto fill if deposit was already received
 - If Invoiced, will auto fill with item balance
 - Received and Applied in **Box 2** should be equal
 - Click Apply Payment in **Box 3** to post
 - Say Yes to Create a check voucher
- View all receipts and vendor payments within [Payments](#) at top right
- Can also apply receipt from the main menu (Receipts | Enter Receipts)
 - Yellow in Amount to Apply designates Mfg Bill = Yes
- Final invoice payments are recorded the same way

Paying Vendors for Orders

- Create an Order Check Voucher
 - o Checks | Enter and Print Checks | Order Check Vouchers
 - Click deposit or final to enter check amount
 - Or, enter the amount at the bottom on the item
 - o **Item Check Vouchers**
 - Shows ALL items, not po summary
 - Can click space bar and arrow down to select quickly
 - o Show **View All** to find items already paid or with "Pending"
 - o If Pending, voucher already exists
- **Print a check**
 - o Select using spacebar or by changing at the bottom of screen
 - o Multiple Entries per Check
 - Yes – Order check format – multiple orders per check
 - YPO - Order check format – one order per check
 - No – Office (overhead) check format
 - o Check formats
 - By item – show info for each item
 - By order – shows total for each order

Mfg Bill & Deposit Exchange

- When the client makes the check to the showroom, but should have made it to the mfg. we call it a “Deposit Exchange”. It is handled exactly the same way as what we just did above with two exceptions.
 1. You CANNOT manually create an order check voucher for an exchange check
 - You MUST say Yes to Do you want to generate a check voucher? OR
 - You can go to the receipt from the client, click Deposit Exchange and click Yes to “Do you want to generate an Exchange Check?”
 - It will always generate the voucher for the same amount as the receipt.

The screenshot shows the Studio Designer software interface. At the top, there are navigation tabs: Home, Address, Client Accounts, Quotes, Orders, Invoices, Reminders, Receipts, and Checks. The Receipts tab is active, and the 'Deposit Exchange' option is selected. Below the navigation, there are three buttons: 'Enter Cash Receipts', 'Enter Commission Receipts', and 'Deposit Exchange'. A table displays receipt data with columns for Priority, Client, Vendor, Date, Check #, Invoice #, Order #, Account #, Amount, and Description. The first row shows a receipt for Client DOUGLAS, Date 8/15/2007, Check # 11234, Invoice # 56, Order # 56, Account # 1010, Amount \$400.00, and Description 'Receive Apply Client De'. Below the table, a dialog box is open with the text: 'Do you want to generate an Exchange Check for \$400.00 for Order #56?'. The dialog box has two buttons: 'Yes' and 'No'.

2. The journal transactions for both the receipt and the check automatically run through an account designated as “Deposit Exchange” in the System Master.
- Report 322701 or 322702 should be checked at least weekly to be sure that the deposit exchange account remains 0.00 as it should be if a check has been written for every Mfg Bill-Yes receipt received.

Paying Vendors for Office (non Order) Expenses

- Create an office check for rent and explain:
 - o Check code
 - Print – ready to print now
 - Hold – entered, but wait to print
 - Manual – hand written or deducted from account without printing a check
 - Reoccurring – ready to print now, place back into checks as “Hold” and increase invoice date by 1 month after printing
 - o Only need to fill in check and date for Manual checks
 - o Memo shows as description in check list
 - o If Memo is blank, description from 1st GL Account line will print as description
 - o **Make descriptions meaningful**, ie. Rent-September 07 rather than just Rent
 - o Cash account can be changed if using multiple checking accounts
- Print a check
 - o Multiple = No to show account distribution
 - o Multiple = Yes to just show vendor invoice
 - o **Must** say “Yes” to “Did they print correctly” or NO record will exist for the check
- Post a manual check
 - o Must be filtered for the cash account you are trying to post or it won't post
 - o Can also post manual checks in Order Check Vouchers

Changing Check #'s and Dates

- From the checks or receipts list, locate the check to be updated
 - o Click View and change the Check # and / or Date
 - Be careful not to change dates between years
 - If you change a description it changes for ALL lines

Tracking Cash

- View cash through Business Manager – Cash
- Use report 3130 – Check Register to see balances and activity in date order for an account
- Use report 315001 – Client Payment application to see how receipts were applied
- Use report 312004 – Checks with Account to see how checks were distributed

Bank reconciliation-Open and enter a cash account

- Statement date = bank statement closing date
- Explain date range
 - o Transactions must fit within or left side can't balance
- Add bank charges and interest per statement
 - o **Adjust account = adjustment type:** bank charges, or interest income, etc. Should NOT be the same as the cash account
 - o Positive amount increases cash
 - o Negative amount decreases cash
- Reconcile the sample statement
 - o Reconcile Deposits on This Date is the reason for dating the deposit slip and tying receipts together. Adds together all receipts on a date
 - o Reconcile This Check – Adds together all lines on a check
 - o Press spacebar to manually reconcile one line at a time, or to un-reconcile
 - o Filter to find check #'s, etc.
- **Right** side of the statement = current month (Is only used to locate discrepancies for the current month, it DOES NOT determine reconciled status.
- **Left** side = Cumulative and the ONLY TRUE RECONCILIATION.
- Always print an Outstanding reconciliation after reconciling.
- **Refresh** by typing over the account number.

Can use Reconciliation to reconcile credit card statement and any other account as well

ANY BANK USA
 4117 Old Buff Road
 Hickory, NC 28602
 (800) 554-0536
 Fax (828) 294-0375

Statement Closing Date: 8/31/2007
 Account #: 5301-22905

Design Firm International
 4089 Mama's Garden Road
 Hickory, NC 28602

Balance 7/31/07: \$48545.10
 Deposits and Receipts: \$68864.67
 Checks: \$4555.00
 Analysis Fee: \$10.00
 Balance 8/31/2007:\$112844.77

Deposits and Receipts

	7/1/2007	\$2000.00
	7/2/2007	\$4395.14
	7/5/2007	\$43811.84
	7/7/2007	\$9433.12
	7/12/2007	\$2427.51
	7/13/2007	\$6791.85
	Interest 7/31/2007	\$5.21
	Total Deposits and Receipts:	\$68864.67

Checks

1000	\$200.00	1006	\$310.00
1001	\$400.00	1008	\$425.00
1002	\$500.00	1009	\$195.00
1003	\$250.00	1010	\$110.00
1004	\$675.00	1011	\$975.00
1005	\$160.00	1014	\$235.00
		1015	\$120.00

Total Checks: \$4555.00

- Maintenance/Verify
 - o Click Verify Financials then Verify Sub-Ledgers. If any variance exists, print the error report from within Verify Sub-ledgers and fax to 303.223.7142. This should be run DAILY. ***The current policy is that if it is run daily and faxed over that day, we will fix program errors at no charge. If it is not run daily, you will be charged for the time to correct.***

Question and Answer Session

Thank you for taking Accounting Basic, we also have Sales Codes and Chart of Accounts training available in pre-recorded formats on the Studio Navigator website.