



Setup
and
Daily Operations:
Tutorials

Hilbert Software, Inc.

21st Century Accounting *Setup and Daily Operations: Tutorials*

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Chapter 1: Getting Acquainted

This manual will help you learn how to use 21st Century Accounting.

This chapter, "Chapter 1: Getting Acquainted," shows you how to start up 21st Century Accounting and how to take advantage of the online Help and other data-entry helpers.

For your convenience, the information in the "Getting Acquainted" chapter in this manual is duplicated in the *Getting Started* manual.

"Chapter 2: Setup" shows you how to create a company, tailor a company's Chart of Accounts, configure control accounts, and set up recurring journal entries and custom journals for error-free data entry. We also show you how to prepare a company's bank accounts and credit card accounts to receive the cash that flows into a business. Finally, you'll see how you can set up Payroll pay factors and employees to take advantage of built-in shortcuts and keystroke-saving defaults.

"Chapter 3: Daily Operations" shows you how to configure and set up customers and vendors. We then show you how to enter customer and vendor invoices, receive customer payments, write checks to vendors (and others), and make Payroll runs with and without Timecards.

"Chapter 4: Checklists" provides menu-level reminders of procedures as a way of checking off "milestones" as you complete them.

"Chapter 5: Double-Entry Accounting in 21st Century Accounting" gives you a summary of the double-entry posting performed by each of the data entry functions that post to the general ledger.

The regular index follows an index of all the screens (windows) reproduced in this manual.

Starting 21st Century Accounting

Installing 21st Century Accounting sets up the Hilbert Software (zebra) icon on your desktop. Double-click the zebra icon on your desktop to start up 21st Century Accounting.

Logging In

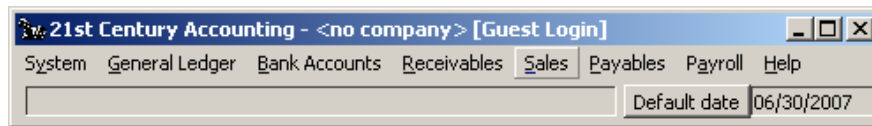
Every time you start up 21st Century Accounting, a login window pops up. The first time you start up, the system lets you use the "Guest" user ID and a blank user password to log in.



Login window

First time login

Just click the OK button in this window to log in.



Main menu

Notice the small "footprint" of the main menu on your desktop, with the accounting main menu commands displayed horizontally. The main menu format leaves plenty of room so you can see other applications that you are running.

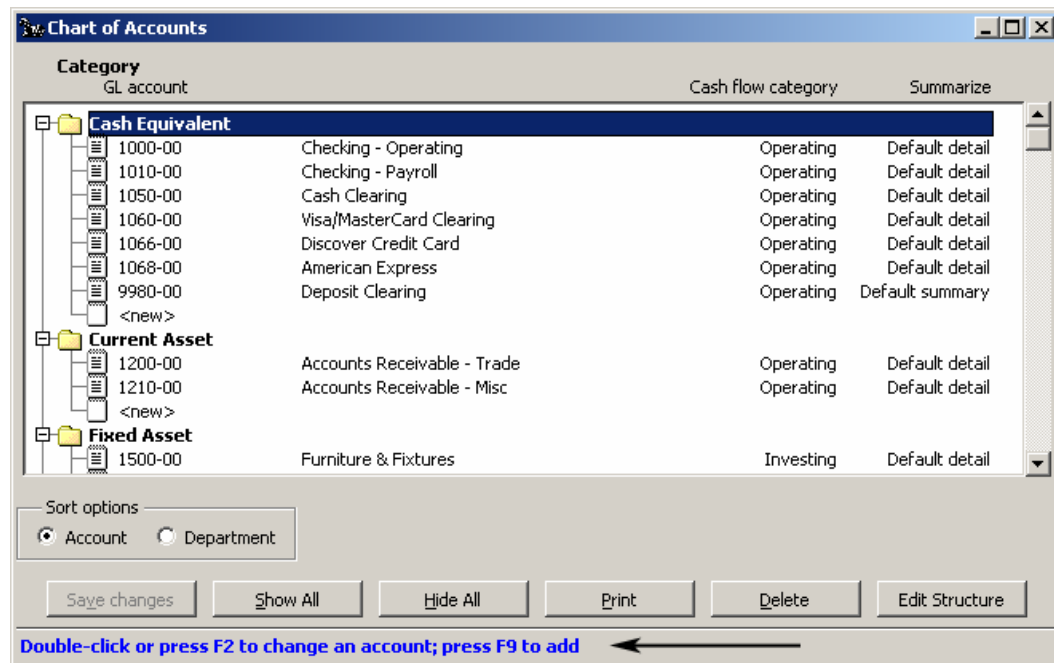
You can grab the main menu bar with the mouse and move it around on the desktop or click the zebra icon (top left corner), select Move, and reposition the menu bar with the Arrow keys.

Using Hints, Options Menus, Tips of the Day, and Help

In addition to this *Setup and Daily Operations* manual, 21st Century Accounting provides online advice, guidance, and in-depth information to help you take advantage of the ease-of-use and power of the system.

Hints

Wherever possible, the program provides hints in the status bar (the "frame") at the bottom of the data entry window. In some cases, hints are positioned beside the field to which the hint applies. Whenever you aren't sure how to proceed, look for the hint in the data entry window.




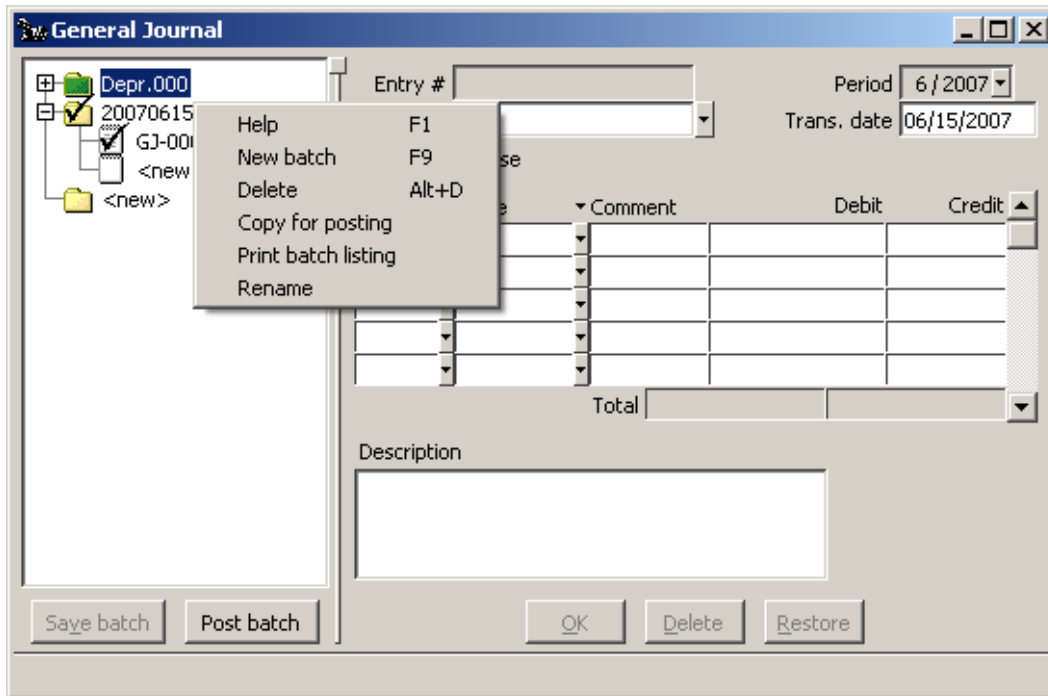
HINTS at the bottom of every window tell you how to proceed

Right-click options menu

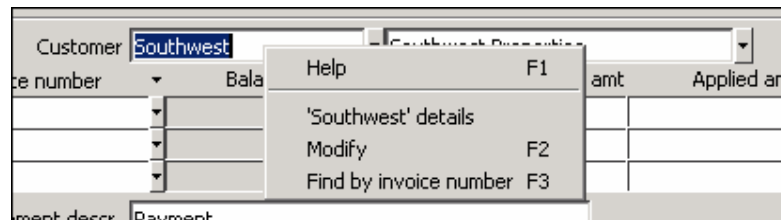
Frequently you'll see "Right-click to see options" in the status bar. For example, at any time, with the mouse pointer on an item in the left pane, click the right mouse button. (This assumes your mouse is configured for right-hand use; left-click if you've configured the mouse buttons for left-hand use.) An options menu opens to show you what actions are available at that point. The options menus also show the keyboard shortcuts for the available actions.

Right-click options menus are available virtually everywhere in every window.

A keyboard trick for opening the right-click menu is to press the Menu key, that mysterious key on the bottom row . On most keyboards, it is to the right of the Windows Icon key, which is to the right of the Alt key that is to the right of the Spacebar.



General Journal batch window, showing Right-Click Options Menu



Deposits window customer field, showing Right-click options menu

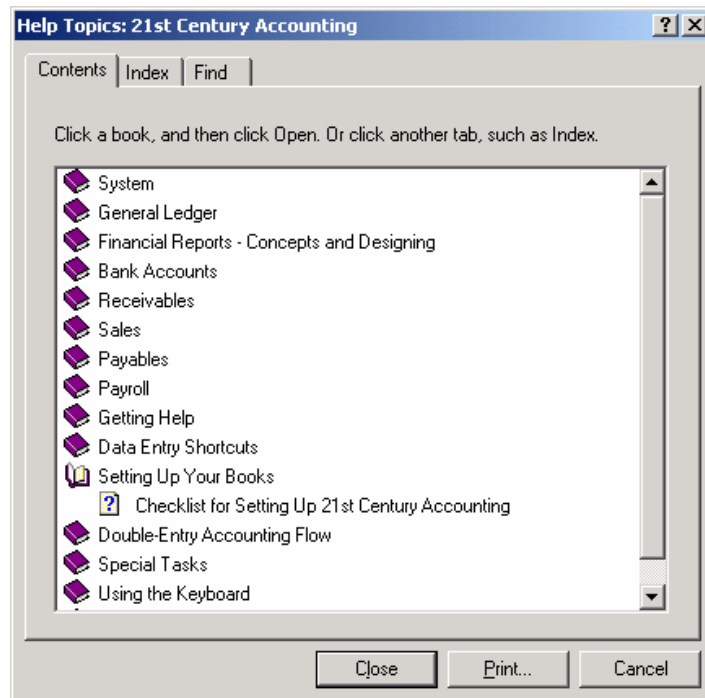
Using Help:
Shift+F1 and F1

For an overview of any 21st Century Accounting window, press Shift+F1 or right-click on a bare part of the window for the options menu and select Help. A Help window will open with information about the window and links to related information.

Press F1 or right-click at each field for specific Help for the field.

Using Help:
Contents, Index,
Find

You can also open Help like a book by selecting Contents from the Help menu on the 21st Century Accounting menu bar. In the Help Contents, you will find these sections, among others:



Help Contents

Double-click the **book icon** beside a topic to view the contents of the main topic.

- **The applications.** Double click the book icon beside an application name to see a list of all the functions in the application. Double-click a function (command) name to see a discussion of the function.
- **Special Tasks.** Guides you step-by-step through common tasks in 21st Century Accounting such as setting up security, backing up and recovering data, entering receipts, and creating recurring entries.
- **Setting Up Your Books.** Step-by-step instructions at the command level for setting up your books efficiently and quickly.
- **Data Entry Shortcuts.** A quick course on how to take advantage of the many ease-of-use features that turn you into a "power user" in a few minutes.

-
- **Using the Keyboard.** A complete list of keystrokes and shortcuts so you can accomplish "mouseless" quick data entry.
 - **BPI Users.** A "map" of all the BPI Accounting© commands and functions to equivalent functions in 21st Century Accounting.

Click the **Index tab** to search the Help Index just as you would search the index of a book for quick access to particular topics.

Click the **Find tab** to enter a single word. Help will display every topic that contains that word. You can view the Help topics that use that word.

Using Help to send info and data

Use Help commands for Development and Technical Support issues.

- Use **Help/Send Feedback** to email your comments and suggestions about 21st Century Accounting to Product Support.
- Use **Help/Submit Problem Report** to email a description of a problem, plus the compressed posted batches file and any error batch files associated with the currently selected company.
- Use **Help/Send Company Data to Hilbert Software** to send Hilbert Software a backup of your data for analysis. The system automatically sends the data over the Internet using an Internet file transfer procedure

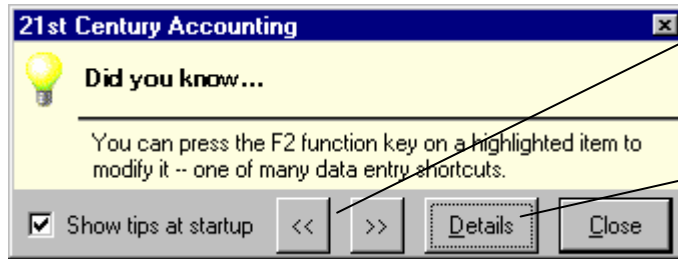
Using Help/About to find your version number

Use the **Help/About** command to display –

- The 21st Century Accounting version number
- The currently installed Tax Table date
- The location of the software and the currently selected company
- Your 21st Century Accounting Serial Number

Tip of the day

21st Century Accounting displays a tip like the one shown here every time you start up the system (unless the tips have been turned off). Tips are designed to direct you to useful bits of information about using the system that you might otherwise take awhile to find. Don't ignore the tips!



Cycle through the Tips by clicking the forward and back arrows.

Click the Details button for additional information.

Tip of the Day

Getting Help on the Web

You can find additional assistance on the 21st Century Accounting Web site:

- **Hot Topics.** A page devoted to current "hot" support issues that affect some users. Look first on this page for your issue to see if a solution or workaround is suggested.
- **Technical Notes.** Solutions and workarounds for unusual situations, environments, and other problems submitted by users.
- **FAQs** (Frequently Asked Questions).
- **Download Software Upgrades.** Available on the Web as installation programs. Download, click to install, and you have the latest new features.
- **Download Payroll Tax Updates.** Available on the Web as installation programs, as soon as they are released – a very quick and easy way to obtain tax updates.
- **Tutorials.** Printable lessons with screenshots illustrating a number of setup and daily tasks.
- **Daily Operations.** A map of daily business operations to 21st Century Accounting functions where you can most efficiently and effectively complete each business operation.

You can reach Tutorials, FAQs, and Tech Notes by clicking the command on the Help menu. You can also reach all these resources from our home page at <http://www.hilbertsoft.com/>.

Finally: To enter the data you just typed and move to next field

The "Keypad mode" option in the User ID window lets you configure a user to use the Enter key (in addition to the Windows-standard Tab key) to move through data entry screens. When you log in as a user with this option turned on, pressing the Enter key after you type data into a field will enter the data and move the cursor to the next field. Pressing the Up and Down Arrow keys will move the cursor back to the previous field or forward to the next field. The Right and Left Arrow keys move the cursor right and left in a data entry field.

So where a lesson says to press the Tab key, if you are a "Keypad mode" user, you can also press Enter to enter the data that you just typed and move to the next field. If you aren't in "Keypad mode," type and then press the Tab key to enter the data and move on.

Backing Up Frequently

The importance of maintaining current, restorable backups of your company data cannot be emphasized too much!

The System/Company/Backup/Restore function allows you to back up and restore your data, selecting from various backup options for optimizing (speed or size), selecting the backup drive, and verifying the integrity of the data.

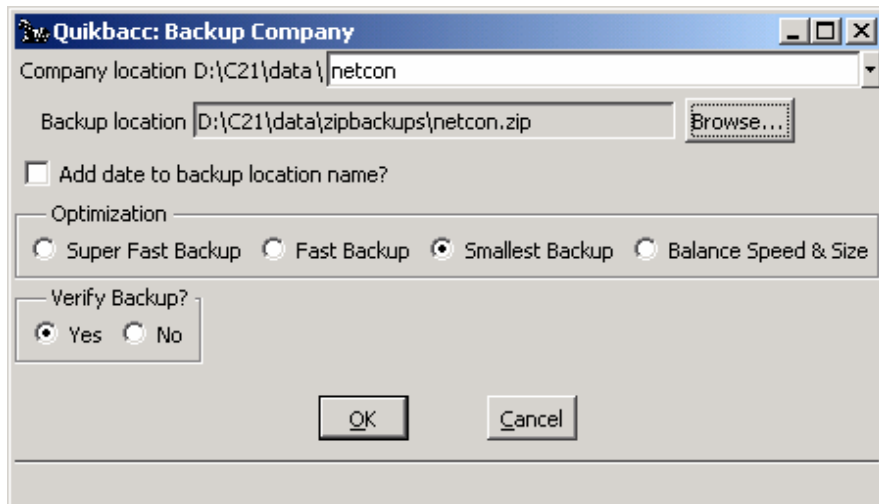
The Backup/Restore submenu lets you choose to back up a company, restore a company, test the backup (a good idea before you restore), and list the backed up files.

When you back up a company, the paths you enter in the Backup Company window will be there the next time you back up. If you have only one company, you will only need to select the company once, open the Backup Company window, and click the OK button to back the data up.

Backup

Follow these steps to back up a company.

1. Run System/Company/Backup/Restore/Backup.



Backup window

The system displays a window that lets you confirm the (From) Company location and (To) Backup location paths. The default company to be backed up is the currently selected company, if one is selected. The default backup location is the most recent backup or restore location. The window also offers several more backup options.

2. If necessary, select "Choose a different location" from the drop-down list to select a company in a location besides the current data directory.
3. If necessary to pick a backup location, press the Browse button. In the browse window, select the location for the backup and enter a name for the backup file, if you want to give it a name different from the default. (Browse to the desired drive and directory, if necessary.) Click Save.
4. To append today's date to the backup filename, click the "Add date" box.
5. Click any Optimization and Verify Company options you want the backup to use and click the OK button.

The system creates a zip file of the company you selected in the location you selected with the name you entered or approved.

Restore

Follow these steps to restore a company from a backup.

1. Run System/Company/Backup/Restore/Restore.

-
2. In the Browse window, select the company you want to restore. (Browse to the correct drive and directory, if necessary.) Click Open.
 3. In the Browse window, select the location for the restored company and enter a name, if you want to give it a name different from the default. (Browse to the desired drive and directory, if necessary.) Click Save.

The system unzips the file you selected in the location you selected with the name you entered or approved. The company is ready to use.

Make sure your backups are GOOD

Restore a backup now and then before you need to, just as a test. Verify that you can find your backups. Verify that your backup medium can be read by the Restore command. Verify that 21st Century Accounting can open and read the restored data. Make sure your backups are being made often enough and are usable – before you really need one.

Back up OFTEN

Back up your data after every data entry session that you don't want to risk having to repeat. Depending on your company's volume of work, this may entail running Backup at the end of each hour, day, or week. Backing up may seem time consuming, but it's time well spent compared to reentering your data.

Back up where

Backups are fastest when the backup file is on a computer hard drive, either the computer running 21st Century Accounting or another computer on the same network. Backing up to a hard drive on another computer on the same network is the most efficient and useful way to do frequent backups, because it is fast and still adds the safety of putting the backup on a different hard drive than the one the working company data is on.

Back up – WHO?

Make sure that backups are made by a known person into a known place. Don't let unauthorized users back up and restore company data. You never want to be in danger of backing up to drive X and then restoring an earlier backup that someone put on drive Y.

Back up your backup on removable media

Once a backup file has been created on a hard drive on the network, the backup file should periodically be copied to removable media for safety in the event that the machine containing the backup file should fail. Since backup files are compressed, they occupy less space on the removable media than a copy of the entire company data folder would.

Nowadays the development of removable media for portability and backing up is proceeding rapidly. Flash drives, external hard drives, ZIP drives, and CDRW (Read/Write CD) drives are a few of the choices available to you.

Don't use floppies

Although the backup command supports backing up to multiple floppies, floppies are not a good backup media choice – they are small, slow, and fairly often develop errors over time, rendering a backup on the floppy unrecoverable. Many new computers don't have floppy drives.

Chapter 2: Setup

The tutorials and window shots in this chapter illustrate the steps for creating a company and configuring a 21st Century Accounting company for basic business operations.

The instructions and setup guidelines assume that you are familiar with the requirements of the business you are setting up. Our intention is to help you understand how the system can be made to work for its users. As you set up an actual company, you will make many decisions, perhaps in consultation with the people who will use the software daily.

Your value as the setup person, in addition to handling some of the setup tasks, is to help the daily users of the software avoid costly mistakes in the future. In the long run, you will save time and money for the accounting system users through your familiarity with —

- The business's daily accounting needs
- Generally accepted accounting principles
- Periodic and end-of-year requirements of banks, the IRS, and other small business overseers.

To keep the lessons short, we demonstrate only the steps **required** for successful setup. The system supports maintaining much other useful information. Press the Shift+F1 key in each Configure window and press F1 at each field to see the full capacity of 21st Century Accounting.

Using Model Companies

System/Company/Create is the 21st Century Accounting module that creates the data structures for a new company. Company creation provides a number of "model" companies. You can use any model company as the basis for any company you create.

Create, examine,
and delete if
necessary; create
again

Model companies also include some basic configurations such as sample bank accounts, control accounts, customers, vendors, and pay factors (taxes, incomes, and so forth). Create a company based on a model whose business type fits your needs. Examine the new company. If it doesn't suit you, you can delete it and create another company based on a different model.

The significant difference in different types of companies is the Chart of Accounts. The Equity section of a company's Chart of Accounts identifies a company as a sole proprietorship, a corporation, and so forth.

21st Century Accounting provides model companies that include the following business types with the associated equity accounts that are appropriate for the business type. Additional models may become available over time.

- **Sole Proprietorship.** As the proprietor, you own and control the business. From the standpoint of nearly all legal rights and responsibilities, your sole proprietorship business and you, as the proprietor, are considered to be one and the same.
- **Partnership.** An association of two or more persons formed to carry on a business for profit. As such, it is a special form of business entity separate from the individuals (partners) and is owned by two or more persons each of whom has a specified ownership interest.
- **Corporation.** As a legal entity (an artificial person), the corporation is separate and distinct from the stockholders – the owners of the corporation. A company can be either a C corporation or an S corporation. The two types of corporate entities are subject to differing federal and state tax treatment.
- **Nonprofit Corporation.** An organization formed for the purpose of public or mutual benefit other than the pursuit or accumulation of profits. Nonprofits are recognized and authorized by Congress (as well as state legislatures), which determined that certain types of enterprises should be free from the burden of having to pay income taxes.

The Equity category in each model company currently provided by 21st Century Accounting is set up according to the business type, as described in the following table.

Business Type	Typical Equity Accounts
Sole proprietorship	Retained Earnings Capital
Partnership	Retained Earnings Partner A Capital Partner B Capital Partner A Withdrawals Partner B Withdrawals
Corporation	Retained Earnings Capital Stock Common Stock Preferred Stock Treasury Stock Paid in Capital
Nonprofit Corporation	Retained Earnings General Fund Balance Fixed Asset Fund Balance Restricted Fund Balance Designated Fund Balance Building Fund Balance

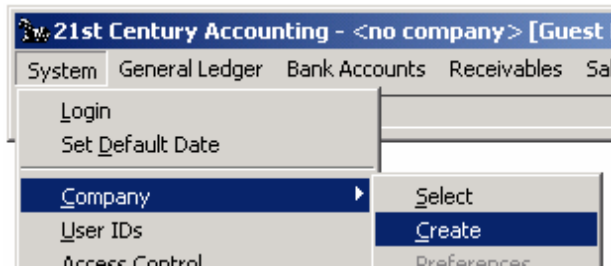
Create and Customize a Company

Tutorial: Create Company

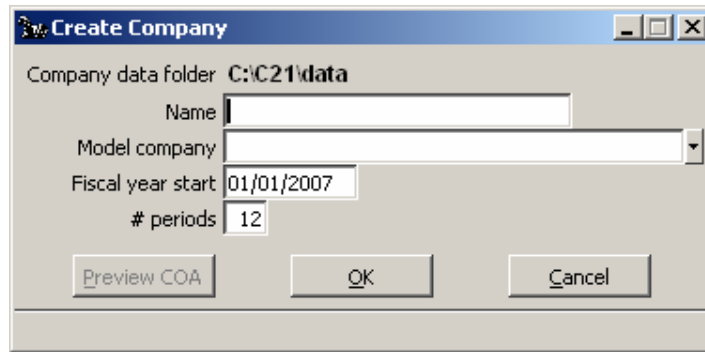
You can create an "empty" data set and configure it from scratch, or you can select a "model" company as the created company. A model company will contain a Chart of Accounts and other configured features that are designed for a certain type of business.

In the Setup tutorials, we will work with a small business that is a sole proprietorship, selling retail products and services.

Click **Default date** on the menu bar and set the date to **06/30/07**.
Run System/Company/**Create** to create a new 21st Century Accounting company.



Running the Create command



Create Company window, new company

Name. Type **Arnold Plumbing** and press **Tab**. (Press Tab after you finish typing in a field.)

Any company you create will be in a subfolder called **data** under the \C21 folder.

The system uses the name you enter here as the name of the company data folder. The name you enter here also will be displayed as the company name the first time you open the company configuration window.

In the company configuration window you can change to a "pretty" name if you wish. The company configuration name appears on reports and on forms such as statements and invoices.

Model company. Click the little **down-arrowhead** at the right end of the field to display a list of choices. Select **Sole Proprietorship with Payroll** from the drop-down list.

From the drop-down list, you selected a partially configured "model" company as the shell for the company you are creating. Since Arnold Plumbing is a small sole proprietorship, you make creation and

configuration faster and easier by basing Arnold Plumbing on the model sole proprietorship company.

A Chart of Accounts (COA) is created by each model company shell. The COA has been set up for that type of business, identified by the name of the model.

The **Preview COA button** at the bottom of the window displays the selected model company's Chart of Accounts. You can review each model company's COA before you create a company.

All model companies contain some "sample" configurations. You can review the sample configurations and change or add to them according to a company's business needs. You will see some of the sample configurations in Arnold Plumbing as you go through the Setup lessons.

If you wish, you can select an "empty company" with no Chart of Accounts (except the 21st Century Accounting required accounts) and start from scratch.

Fiscal year start. Type **090107**.

This particular example company's fiscal year begins in September.

Number of periods. Press **Tab** to accept the default of 12 (12 posting periods per 12-month fiscal year).

You can set up a financial calendar in any way that corresponds to your company's fiscal requirements, for example—

12 periods for the 12 calendar months

12 noncalendar periods

4 periods for the calendar quarters

13 4- and 5-week periods

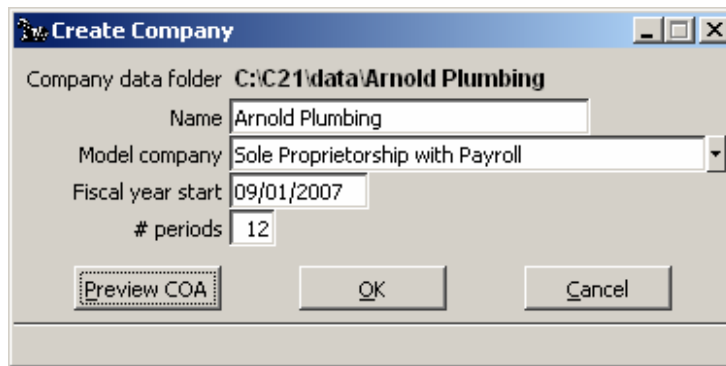
12 4- and 5-week periods

1 annual calendar period

Up to 13 unequal-length periods

The system sets up a financial calendar in the created company that is based on your entries at the FY start and Number of periods fields. You can use the Configure/Financial Calendar command to fine-tune or change your financial calendar.

Your selections in the Create Company window should look like this.



Create Company window, ready to create

Click the **Preview COA** button to review the Chart of Accounts that will be created if you use this model.

Click the **X** in the upper right of the Preview window to close the COA window.

Click the **OK** button in the Create Company window.

The system creates the data structures for Arnold Plumbing and then displays the Configure Company window. You can complete the company configuration now or at any time.

To customize this company later and to review the company-required accounts (such as retained earnings), use the General Ledger/Configure/Company command. To further customize the financial calendar, use the General Ledger/Configure/Financial Calendar command. To customize the account structure, use the Edit Structure button in the General Ledger/Configure/Chart of Accounts window. The following lessons cover these windows in detail.

Proceed to the next lesson to configure the company you just created.

Tutorial: Configure Company

When you create a company, the Configure Company displays automatically. If you want to continue later, you can close this window and then later select the company and run General Ledger/Configure/Company at any time.

Configure Company window

Name. Type **Arnold Plumbing Company** and press **Tab**.

The initial default name is the name of the company's Windows folder. You can change it to the official name. The name appears on reports and forms printed from 21st Century Accounting.

Password. Press **Tab**.

Setting up a company password is optional. Once you set up a company password, any user who logs in must enter the company password to gain access to the company. If you want access control over certain functions, in addition to or instead of company-level access control, use the System/Access Control window to set up groups and their access to menu items.

Tax ID. Type **12-3456789** and press **Tab**.

You can enter the tax ID (employer federal identification number or EIN) in this field, if you wish. The Tax ID prints on W-2s.

Taxation country. Press **Tab** (for USA).

Company address. The address prints on invoices, statements, and, optionally, checks.

Street. Type **678 Washer St.** and press **Tab**.

City, State, Postal code, Country. Type **Austin**, press **Tab**, **TX**, press **Tab**, **78700**, press **Tab**, **USA**, press **Tab**

Phone, Fax. Type **512-555-4321**, **Tab**, **512-555-4322**, **Tab** until you get to the OK button.

Start date. **Note** that the system created the previous as well as the current fiscal year and displays the previous year's start date as the "Start date" of the company's financial calendar. The previous year is added to your financial calendar so you can enter historical data if you wish.

The completed Configure Company window looks like this.

The screenshot shows the 'Configure Company' window with the following fields and values:

- Name: Arnold Plumbing
- Password: (empty)
- Tax ID: 12-3456789
- Taxation country: USA
- Company address:
 - Street: 678 Washer St.
 - City: Austin
 - State: TX
 - Postal code: 78700
 - Country: (empty)
 - Phone: 512-555-4321
 - Fax: 512-555-4322
- Fiscal year 2006 info:
 - Num. periods: 12
 - Start date: 09/01/2006
 - Button: Edit Fin. Calendar...
- Special accounts:
 - Retained earnings: 3050 (dropdown: Retained Earnings)
 - Income transfer: 9990 (dropdown: Transfer)
 - Deposit clearing: 9980 (dropdown: Deposit Clearing)
- Button: OK

Configure Company window, completed

Click **OK**.

Proceed to the next lesson to review the financial calendar.

Tutorial: Configure Financial Calendar

Because the tutorial company's fiscal year begins in September, you entered a fiscal year start date of 09/01/07 when you created the tutorial company. The system created a two-year financial calendar beginning with last year. Now you can enter historical data for last year and begin entering current transactions to the current fiscal year.

Run General Ledger/Configure/**Financial Calendar** to review the calendar.

# per.	Period 1	Period 2	Period 3	Period 4	Period 5	Period 6	Period 7	Period 8	Period 9	Period 10	Period 11	Period 12	
2006	12	09/01/2006	10/01/2006	11/01/2006	12/01/2006	01/01/2007	02/01/2007	03/01/2007	04/01/2007	05/01/2007	06/01/2007	07/01/2007	08/01/2007
2007	12	09/01/2007	10/01/2007	11/01/2007	12/01/2007	01/01/2008	02/01/2008	03/01/2008	04/01/2008	05/01/2008	06/01/2008	07/01/2008	08/01/2008

Financial Calendar window

The financial calendar is the basis for mapping calendar dates to the correct General Ledger periods. In the General Ledger/Configure/Financial Calendar window, you can customize the financial calendar for each company to reflect the company's fiscal year and the posting periods (up to a limit of 13) if they don't coincide with the calendar year. If you realize you need to modify the financial calendar to better fit your needs, you can edit the calendar at any time.

You must add any year in which you want to enter transactions. For example, before you enter historical balances for previous years, add those years to the financial calendar. Before you can create budgets or post to future years, you must add them to the calendar.

Remember that you can set up a financial calendar in any way that corresponds to a company's fiscal requirements.

You also use the financial calendar window to prevent posting to selected periods and years with the Lock (period) and Close Year functions. But keep in mind that you never have to close a year or lock a period if you don't want to.

Financial Calendar Edit Buttons

Lock (period) is reversible. You can unlock a locked period.

- **Lock.** Click a period to select it and then click the Lock button to prevent posting to the period. Click Lock again to reopen a locked period for posting. Locked period dates appear in red in the window.
- **Insert.** To insert a year before or between years in the financial calendar, click the Insert button. The inserted year defaults to the period dates of the following existing year
- **Add.** To configure the next year in the calendar, click the Add button. The added year defaults to the period dates of the preceding existing year.

Close year is permanent. You cannot reopen a closed year.

- **Close Year.** To permanently close a year, which will prevent entering data to any period in the year, position the pointer anywhere in the year, click the Close Year button, and respond Yes to the confirmation question. Be sure you have completed all posting to the year because a closed year cannot be reopened.

Keep in mind that you are not required to ever close years or periods. You can prevent data entry by using the reversible Lock function. You can UNlock Locked periods. Highlight the period you want to unlock and click the Lock button.

Press **Esc**.

Proceed to the next lesson to review the special accounts created and assigned in the company configuration.

Tutorial: Special Accounts

Each 21st Century Accounting company contains three special accounts in its Chart of Accounts and they must be assigned in the company configuration. When you create a new company, the accounts are created and assigned for you.

Run General Ledger/Configure/**Chart of Accounts** to review names and numbers of special accounts.

You may want to edit the names or numbers of these created and assigned accounts for suitability.

- **Retained earnings.** The retained earnings account reflects the sum of income and expenses from inception to the present. When you create or convert a company, an owner's equity account is assigned as the general ledger account to use for retained earnings. The retained earnings account can be any account in the Owner's Equity

account category. The account balance can be viewed as the company's net earnings minus any dividends paid out.

- **Income transfer.** This account reflects the fiscal year-to-date amount of income or loss posted to the owner's equity (retained earnings) account. When you create or convert a company, the transfer account is assigned as the general ledger account to use for income transfer. You can edit the account ID and name in the Chart of Accounts window, if you wish
- **Deposit clearing.** The system uses the deposit clearing account to accumulate all receipt transactions into a single deposit transaction to the receiving bank account. The clearing account is debited by the amount of each receipt in the deposit batch and credited by the total deposit amount, thus maintaining a zero balance. When you create or convert a company, a cash equivalent asset account is assigned as the general ledger account to use for deposit clearing. You can edit the account ID and name in the Chart of Accounts window, if you wish.

Tutorial: Customizing Windows

THE CUSTOMIZE WINDOWS SETTINGS APPLY TO ALL COMPANIES, INCLUDING YOUR TUTORIAL COMPANY. DO NOT ACTUALLY DO THIS TUTORIAL IF YOU DO NOT WANT TO CHANGE THE GJ LABEL FOR ALL YOUR COMPANIES. Or you can do the tutorial and then reverse your change.

Turn on the System/Customize Windows command if you want to be able to change field labels, field order, and other ways in which the editing and data entry windows appear and operate.

Customizing windows allows you to make 21st Century Accounting windows work the way the people using the system work. A business may —

- Use special terminology for some data entry fields
- Never use certain data entry fields.
- Enter data from original documents in a different order from the fields in data entry windows.
- You can adapt 21st Century Accounting windows to all these unique data entry requirements.

To customize a window, right-click the label or field you want to change. You customize fields one-by-one. You restore the original labels one-by-one. You restore field order, read/write status, and hidden fields field-by-field or for the entire window.

Customize Windows turns off automatically when you exit the system or a different user logs in (on a single computer).

When Customize Windows is turned on, the right-click menu in each 21st Century Accounting window includes the available customize options.

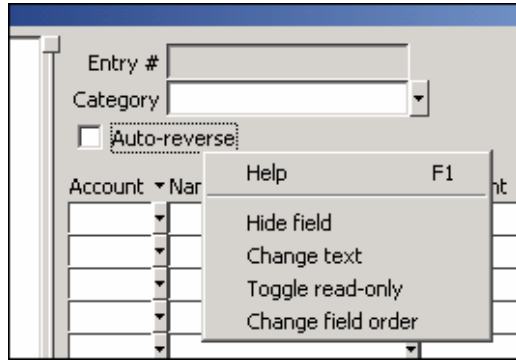
Click System/**Customize Windows**.

A check mark appears to the left of the command name.

Run General Ledger/**General Journal** and click **OK** to the Batch Options window.

Right-click "Auto-reverse."

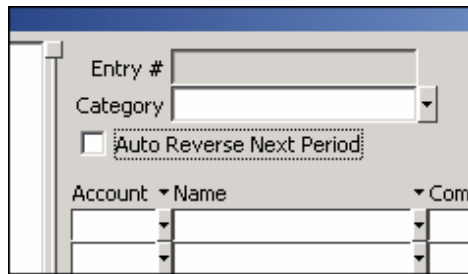
The Customize windows tools available at the Auto-reverse field are displayed.



Customize windows tools on the right-click menu

Select **Change text**.

In the text field that appears at Auto-reverse, type **Auto Reverse Next Period** and press **Enter**.



Customized Label

(**Right-click** and select **Restore text** to change back to the default label.)

Click System/ Customize Windows again to turn off the function. The command is UNchecked when it is off.

Customize Windows also turns off automatically when you close and reopen 21st Century Accounting.

Customize Windows Tools

The tools available for customizing the appearance of 21st Century Accounting windows are:

Hide Field. Right-click the field you want to hide and select Hide Field. To restore hidden fields, right-click a gray area of the window, select Restore, and select a field or select All from the submenu.

Change Text. Right-click the field label you want to change and select Change Text. The field label becomes editable. Type a new label and press Enter.

Changing a field label changes the text throughout the system. For example, if you change the label of the Description field in General Journal, the new description field label also appears in Custom Journals, Deposits, Invoices, and so forth.

Toggle Read—Only. You can make some fields read-only, so that the displayed data can't be overwritten. Right-click the field and select Toggle read-only to change the attribute back and forth.

Change Field Order. Right-click the field you want to move, select Change Field Order, then right-click the field you want the selected field moved before. The physical fields don't change position on the screen; you are changing the order in which the cursor moves through the fields.

Restore Text. Right-click the field label you changed previously and select the Restore Text option to restore the original label.

Restore Field Order. Right-click a gray area of the window and select Restore Field Order to restore the order in which the cursor moved through the window before you changed the field order.

Remove all customization. Right-click a gray area of the window and select Remove all customization to restore the original field order, to remove read-only status, and to restore hidden fields. (Use Restore Text to restore field labels.)

An asterisk appears beside the window title if any fields are hidden, made read-only, or reordered. (The asterisk does not appear for text changes only.)

To Restrict Access to the Command

Use the User IDs and Access Control functions if you need to restrict access to the command to customize 21st Century Accounting windows. User IDs and Access Control are discussed in the next two lessons.

Tutorial: User IDs

THE USER ID AND ACCESS CONTROL SETTINGS APPLY TO ALL COMPANIES, INCLUDING YOUR TUTORIAL COMPANY. DO NOT ACTUALLY SAVE YOUR CHANGES FOR THIS TUTORIAL IF YOU DO NOT WANT A USER ID CALLED SYSTEM ADMINISTRATOR. Or you can do the following two tutorials, reverse your Access Control settings, and then delete the sysad User ID.

Use System/User IDs and System/Access Control if your company requires different levels of security for different employees. You can set up users or groups of users and control their access to an entire application (such as System, General Ledger, or Payables) or to individual commands (such as Customize Windows, General Journal, or Create Payments). Access Control allows you to prevent unauthorized access to confidential company information.

A user who belongs to more than one group will be denied access to all commands to which access has been denied in all groups to which the user belongs.

The following steps use an example to show you one path to activating access control for your company. The example demonstrates how to deny access to Customize Windows to all ordinary users while giving the system administrator access to the entire system. This is just an illustrative example. You must determine your own security configuration requirements.

The order in which you perform the tasks described may differ from one company to another, depending on the complexity of a company's security requirements and the size of the staff.

Run System/**User IDs** to set up IDs for the people who use 21st Century Accounting.

(Or, you can run System/Access Control, select the Group Membership tab, and press the Add User button.)

Press **F9**.

Now add a user with the following settings: Press F1 at each field to see how the option works for the user.

User ID. sysad

Password. 13579

Name. System Administrator

Delay (in seconds). Press tab.

Keypad mode. Tab.

Keypad mode lets you use the Enter key (in addition to the Windows-standard Tab key) to move through data entry screens. When you select this option and login with this User ID, pressing the Enter key after you type data into a field will enter the data and move the cursor to the next field.

Implied decimal in currency. Tab

Persistent report options dialog. Tab

Remember invoice distribution prompts. Tab

Auto select most recent company. Tab

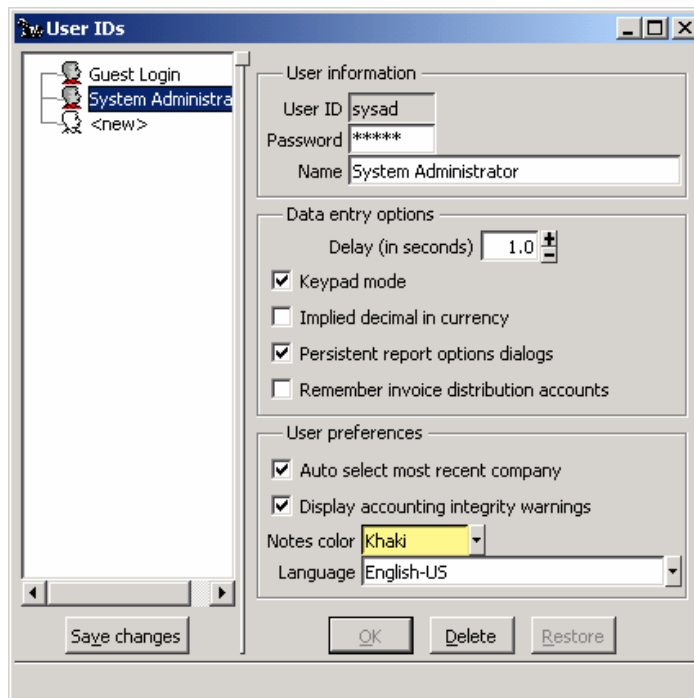
Display accounting integrity warnings. Tab

Notes color. Tab.

Language. Tab.

Click **OK** and **Save changes**.

Your completed User ID looks like this.



User IDs window

Tutorial: Access Control

THE USER ID AND ACCESS CONTROL SETTINGS APPLY TO ALL COMPANIES, INCLUDING YOUR TUTORIAL COMPANY. DO NOT ACTUALLY SAVE YOUR CHANGES FOR THIS TUTORIAL IF YOU DO NOT WANT TO RESTRICT ACCESS TO THE CUSTOMIZE WINDOWS COMMAND. Or you can do the two security tutorials, then reverse your Access Control settings and delete the sysad User ID.

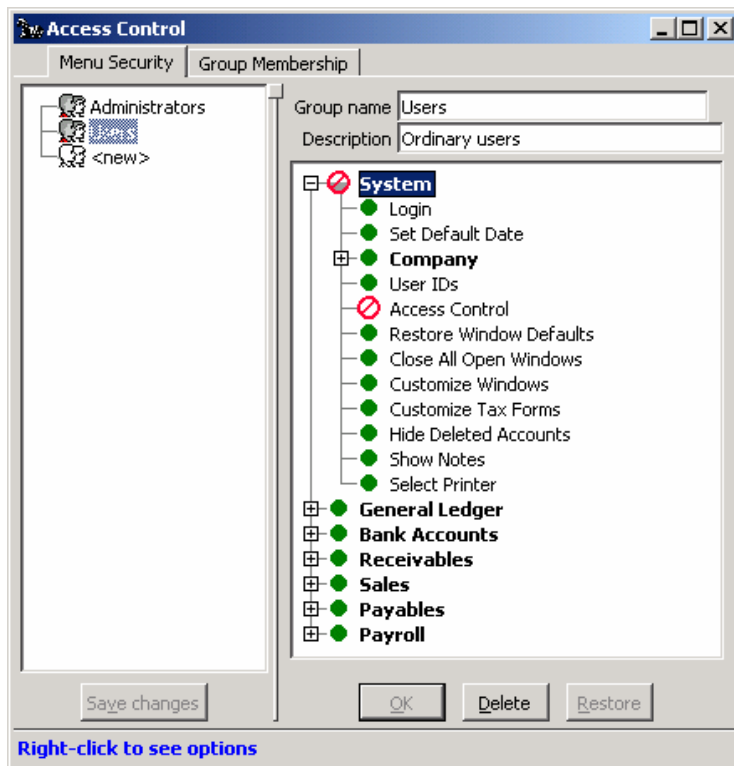
You run Access Control to give or deny access to menu items.

Run System/**Access Control** and select the Menu Security tab.

Select **Users** and press the **Tab** key until you're in the **Menu Access Control** pane on the right.

Press the Right-Arrow key (or click the plus sign) **beside System** to display the System commands.

Notice that in the window shown below, the Users group is already denied the Access Control function.



Access Control window: Menu Security

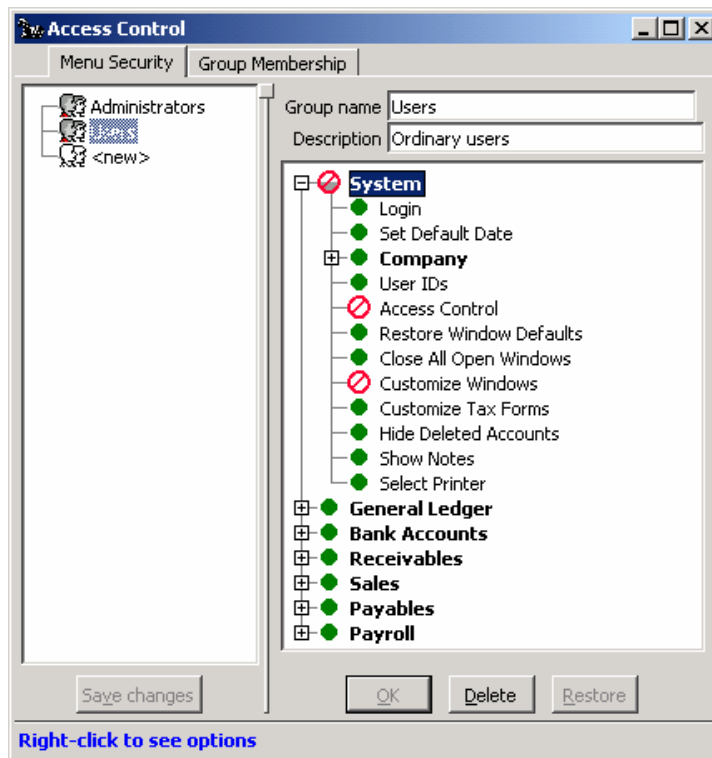
Highlight **Customize Windows**.

Click the "allowed" icon ●. (You can also press the Spacebar, or right-click and select Deny access from the menu.)

The "forbidden" icon ☒ appears beside **Customize Windows** to indicate that members of the Users group will not be able to turn on **Customize Windows**. Members of the Users group will find **Customize Windows** dimmed (not selectable) on the **System** menu when they log in.

Click **OK** below the right pane and then **Save changes** below the left pane.

The new access control settings for the Users group look like this.



Access Control window: Commands denied to Users group

Now you add User IDs to the Access Control groups.

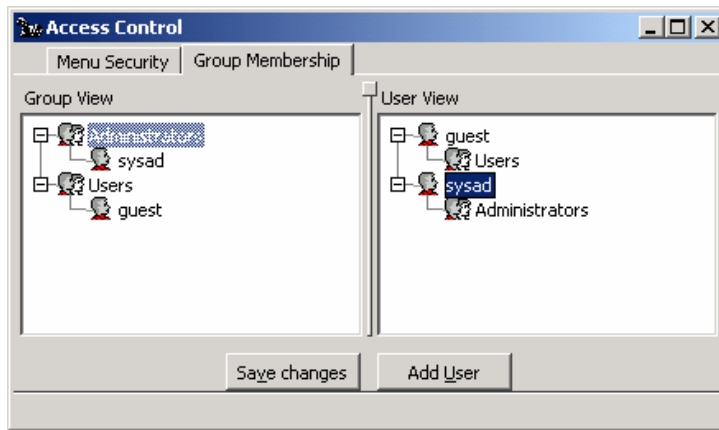
Select the **Group Membership** tab.

Drag the user who should be able to use any command in the system (the **sysad**, or system administrator) into the **Administrators** group.

Drag the user who should be prevented from turning on Customize Windows (**guest**) into the **Users** group.

Right-Arrow on Administrators and on Users to see the member of each group.

Right-Arrow on guest and sysad to see the groups they are members of.



Access Control window: Group Membership

Click **Save changes**.

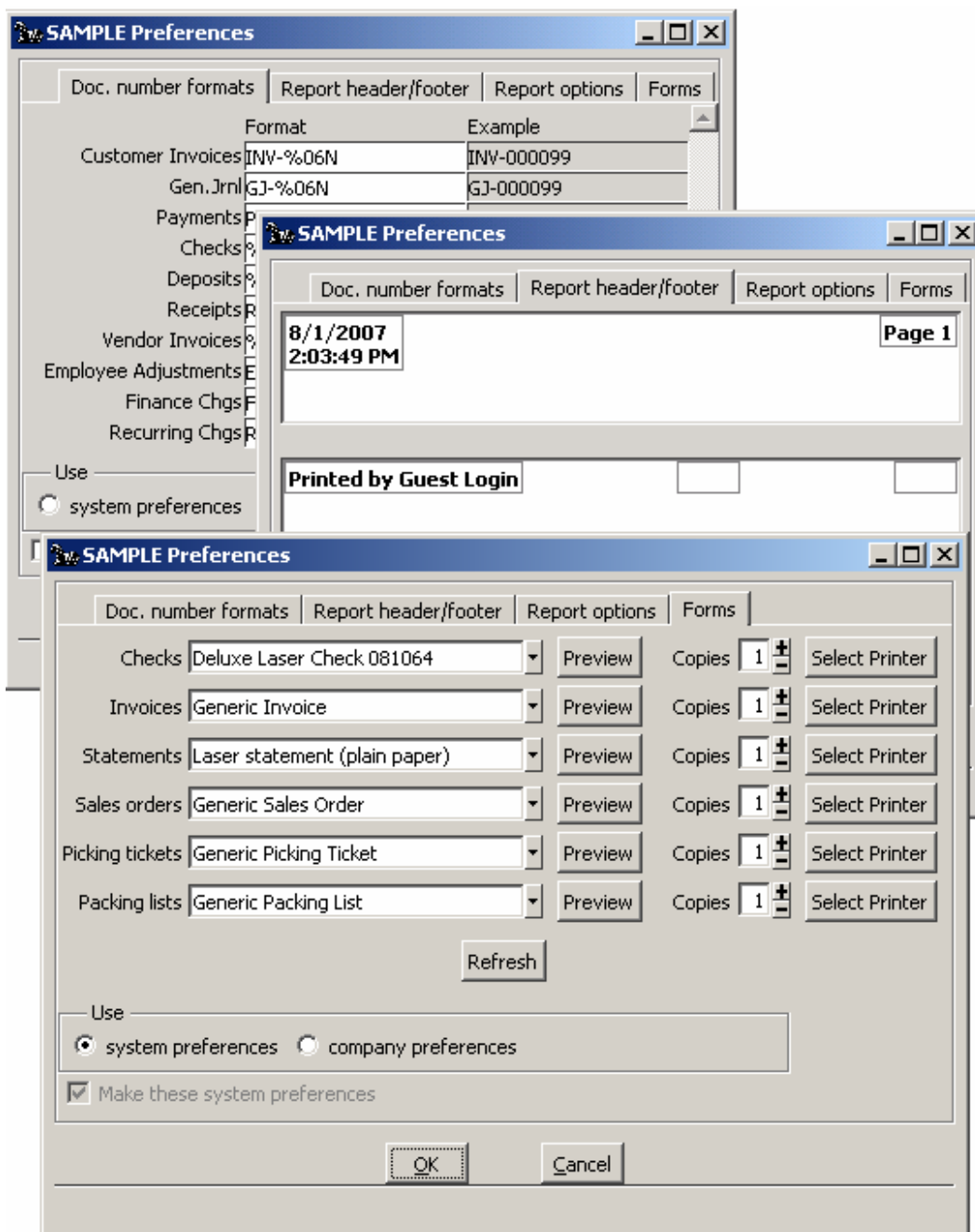
If you wish, you can show a local "system administrator" of the system how to add User IDs and put new users into groups. As security needs change and as users come and go, the local system administrator can perform these functions.

From now on, if you completed the tutorial, you must **login as sysad** if you want to use the Customize Windows feature.

To erase the effects of the two previous tutorials, log in as sysad, run Access Control to remove both sysad and guest from the access control group, then login as guest and run User IDs to delete the sysad User ID.

Customizing Document Numbers, Reports, and Forms

In the System/Company/Preferences windows, you control certain aspects of the system for all users on a company-by-company basis.



Company Preferences: three of the "tabs" (windows)

For the currently selected company, you use the System/Company/Preferences command to select the tabs that open company-wide options in the following windows:

- **Doc. number formats.** Set up document number formats. You can control the formats of the numbers that the system automatically generates for documents such as invoices, deposits, GJ entries, checks, and so forth.
- **Report header/footer.** Customize your standard report headers and footers. You can customize printing in report headers and footers of any of the information maintained by the system, including company name, date, period, and so forth.
- **Report options.** You can indicate whether to sort certain Payables reports and all Payroll reports by vendor ID or name, where applicable.
- **Forms.** Select forms for printing checks, invoices, statements, sales orders, and so forth. 21st Century Accounting supports a number of formats for the forms you print in your business. You can set the number of copies to print and the printer to use, if different from the printer you use for regular reports.

If you have more than one company, you can apply your preferences to all companies or select each company and customize each appropriately.

See the lesson that follows, "Tutorial: Preferences – Selecting Forms and Dedicated Printers" for detailed instructions on how to use the System/Company/Preferences Forms window.

Tutorial: Preferences – Selecting Forms and Dedicated Printers

Use the function-rich Forms preferences window to set up your company for efficient printing of checks, invoices, and other special documents.

Select a Form

In the Forms tab in the System/Company/Preferences window, you select the form you use to print checks, invoices, statements, and other special forms. The drop-down lists for each document show the form types supported by 21st Century Accounting as well as any other forms provided and properly installed as third-party add-ons.

Select a Dedicated Printer

You can print forms (checks, statements, invoices, and so forth) from different printers, if you wish. If you print a lot of forms, this feature allows you to keep different printers loaded with different printer forms.

Then you don't have to stop, for example, to remove check forms and insert invoice forms between printing checks and invoices.

Be sure **Arnold Plumbing** is the selected company.

Run System/Company/**Preferences**. The **Forms window** should open by default. If not, click the **Forms tab** at the top right.

The screenshot shows the 'ARNOLD PLUMBING Preferences' dialog box with the 'Forms' tab selected. The dialog has four tabs: 'Doc. number formats', 'Report header/footer', 'Report options', and 'Forms'. The 'Forms' tab contains a table of document types with their respective form names, preview buttons, copy counts, and printer selection buttons. Below the table is a 'Refresh' button and a 'Use' section with radio buttons for 'system preferences' (selected) and 'company preferences'. A checked checkbox labeled 'Make these system preferences' is also present. At the bottom are 'OK' and 'Cancel' buttons.

Document Type	Form Name	Preview	Copies	Select Printer
Checks	Generic Check	Preview	1	Select Printer
Invoices	Generic Invoice	Preview	1	Select Printer
Statements	Generic Statement	Preview	1	Select Printer
Sales orders	Generic Sales Order	Preview	1	Select Printer
Picking tickets	Generic Picking Ticket	Preview	1	Select Printer
Packing lists	Generic Packing List	Preview	1	Select Printer

Refresh

Use
 system preferences company preferences

Make these system preferences

OK Cancel

System/Company/Preferences window: Forms

Let's look at the invoice forms.

Invoices. Tab into the **Invoices** field.

Select the **Generic Invoice**. (You may wish to select a different invoice form to test.)

Preview. Click the **Preview button** to the right of the Invoices form field to preview and test the selected form on your printer.

Test print the forms

You can Preview and test print each form on your blank invoice. For example, Multipurpose 081319 does not print the company name at the top or the tax information at the bottom of the invoice.

If none of the forms fit, consider using a different type of invoice blank or consider printing invoices on plain paper. You may also want to consider purchasing the Report Customizer, which lets you move fields, remove fields, and change fonts.

The Report Customizer is available separately. Click the Preview button to use the Report Customizer if you have purchased, installed, and activated it.

(In older versions of 21st Century Accounting, older forms will be accompanied by an **Options button** to the right of the form field. You can click the Options button to see the built-in customization options for the selected form.)

Copies. Select the number of copies of this form you want to print. For example, if you always need to print an original invoice plus one copy for your files, select 2 for the number of copies.

The system will always print the form the number of times you enter here. Return to the Preferences/Forms window if you need to change the number of copies to print.

Select Printer. To select a printer other than your regular report printer for invoices, **press the Select Printer button** and choose a printer from a list of printers available to your computer. (You can change the choice of printer you made in Preferences when you print the invoice from the Sales/Invoices window or from Customer Status.)

Refresh. Click the Refresh button to update the Forms Selector lists. If Customized forms from another computer have been placed in the custom directory on your computer, the Refresh button adds the new forms to the Selector lists, thus making them available for your use.

Use system preferences or company preferences. Click **company preferences** to apply the choices shown in the window to Arnold Plumbing only.

You can apply the choices you have made in this window to this company only or you can choose to apply the choices marked as "system preferences" to this company.

- **Use system preferences.** Mark this option to apply the set of Forms preferences that you chose to be "system preferences" to this company.

-
- **Use company preferences.** Mark this option to apply the Forms choices in this window to this company.
 - **Make these system preferences.** "Once you choose "Use company preferences," you can then make those company preferences be the system preferences for the Forms options.

OK. Click **OK** when you have completed work in this window.

General Ledger Setup

Start Setup tutorials with this step For your first steps in each Setup tutorial, start up 21st Century Accounting, select the company **Arnold Plumbing (except for the Payroll Setup tutorials)**, and set the Default date as **06/30/2007**.

Tutorial: Configure Chart of Accounts: Edit Accounts

The *Getting Started* manual discusses taking advantage of 21st Century Accounting's flexible account structure – to meet your company's needs today and to grow with your business in the future – in the section "Designing Your Chart of Accounts."

If you choose when you create a company to enter your Chart of Accounts from scratch, you enter the accounts in the General Ledger/Configure/Chart of Accounts window.

If you decide to use one of the model companies, use the Chart of Accounts window to customize the chart according to your company's needs (adding and deleting accounts and changing account names and numbers as necessary).

You cannot move accounts from one category to another in the Chart of Accounts. For unusual reporting requirements, you can change account categories in a Financial Report Template that includes GL accounts "explicitly."

Run System/Company/Select/**Arnold Plumbing**.

Use the company you created, Arnold Plumbing, for all the General Ledger Setup tutorials.

Run General Ledger/Configure/**Chart of Accounts** to learn how to edit accounts.

Click the **Show All** button to see the account IDs and names within each category.

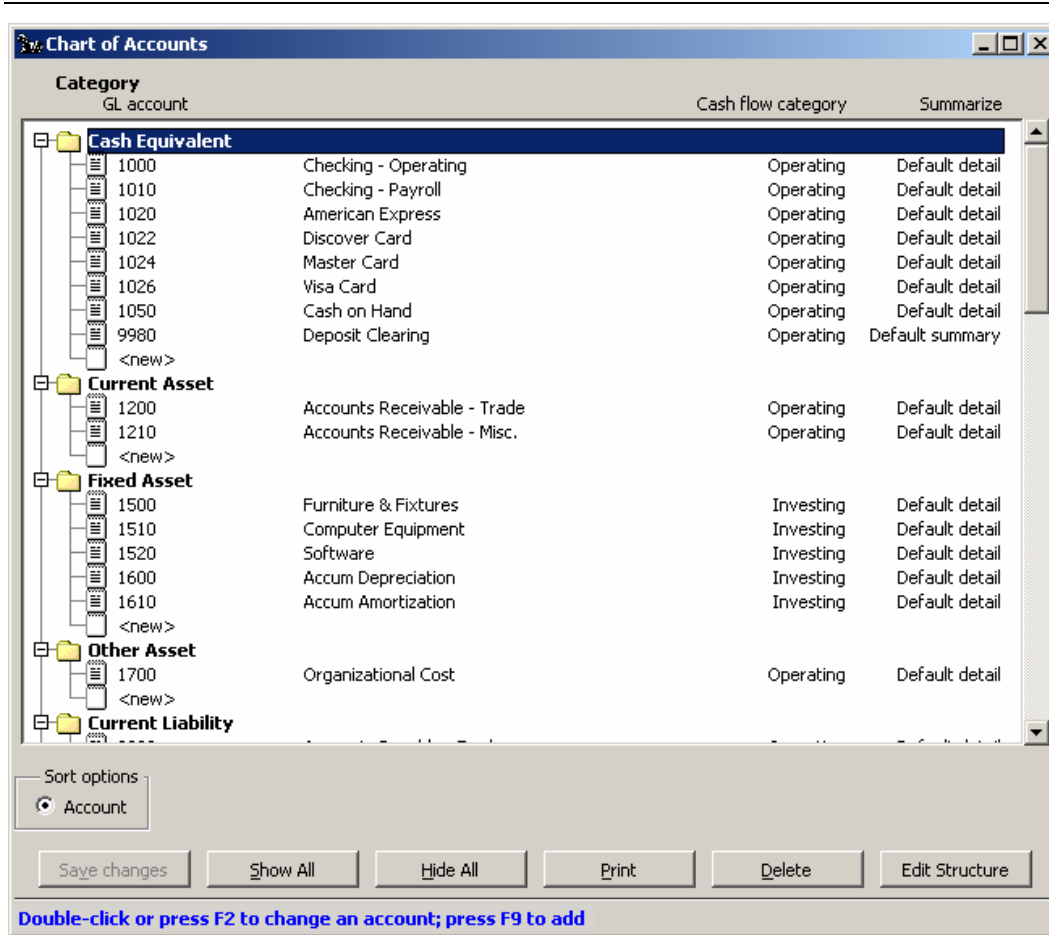
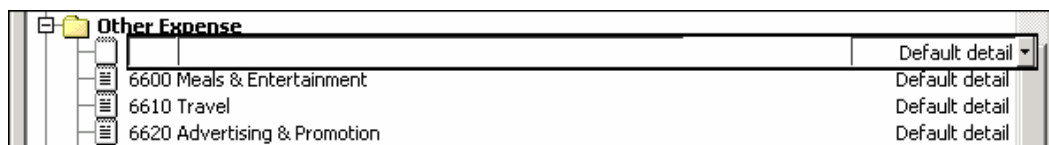


Chart of Accounts window

Notice the HINT at the bottom of the window.

Down-Arrow to the Category **Other Expense**.

Press **F9** to add an account.



Adding to the Chart of Accounts

The COA window creates a blank account line. You type a new account number and name.

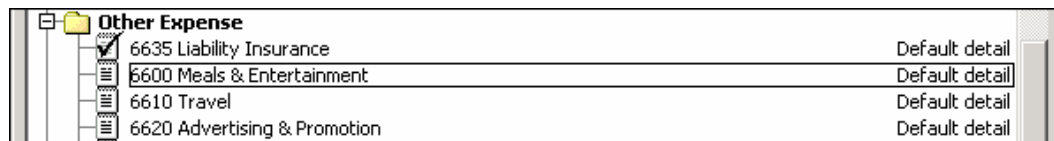
Type **6635**, press **Tab**, type **Liability Insurance**, press **Tab**.

At the Summarize field, on an account-by-account basis, you can control the level of transaction detail that appears on the General Ledger Activity report. From the drop-down list, select the amount of detail you want when you print the General Ledger Activity report.

- **Default detail.** Show all transactions (that meet the selection criteria) associated with the account. You can override this setting for transactions associated with certain source codes, if you wish.
- **Default summary.** Show only total debits and credits associated with the account for the transactions that meet the selection criteria. You can override this setting for transactions associated with certain source codes, if you wish.
- **Force detail.** Show all transactions (that meet the selection criteria) associated with the account, regardless of the Summary setting for the source codes associated with the transactions.
- **Force summary.** Show only total debits and credits associated with the account for the transactions that meet the selection criteria, regardless of the Summary setting for the source codes associated with the transactions.

Press **Tab** again.

A new blank account line appears. Press **Tab** until the blank line closes.



Other Expense	
6635 Liability Insurance	Default detail
6600 Meals & Entertainment	Default detail
6610 Travel	Default detail
6620 Advertising & Promotion	Default detail

Saving changes to the Chart of Accounts

The account you inserted is ready to save in the Chart of Accounts.

Click **Save changes**.

Review the COA Help to see how to drag and drop, copy and paste, and delete accounts in the Chart of Accounts window.

Tutorial: Configure Chart of Accounts: Change Account Structure

You also use the Edit Structure button in the Chart of Accounts window to open a window where you can set up, review, and modify the structure of general ledger accounts. You can then use a Chart of Accounts function to "fill" the new account segment with values for the new

departments, divisions, or cost centers (or whatever you call the new segment).

Run General Ledger/Configure/**Chart of Accounts** if the window is not already open.

Click the **Show All** button to see the account IDs and names within each category.

Does this business need to reflect departments or cost centers in its Chart of Accounts?

Click the **Edit Structure** button to open a window where you can set up, review, and modify the structure of general ledger accounts.

Name	Account
Length	4
Separator	
Fill char	0
Example	0000

OK Insert Add Delete

Chart of Accounts: Edit Structure window

Click the **Add** button to add a segment, provide a segment name, length, and separator character.

Name	Account	<new>
Length	4	1
Separator		
Fill char	0	0
Example	00000	

OK Insert Add Delete

Chart of Accounts: Add a Segment

Say the business needs to track revenue and expenses by department. In that case, you define one segment besides the primary or **account segment**: a department segment (You can add segments at any time, up to a total of five.)

Enter **Department** in the Name row.

Enter **2** in the Length row.

Enter a **hyphen** to appear as a separator between segments in the first Separator field.

Enter **0** as the fill character with which to fill empty account segments in an existing chart of accounts when you add segments to the structure. For example, if you add a Department segment with a length of 2 and a fill character of **0**, an existing account **1010** becomes **1010-00**.

The completed G/L Account Structure window looks like this.

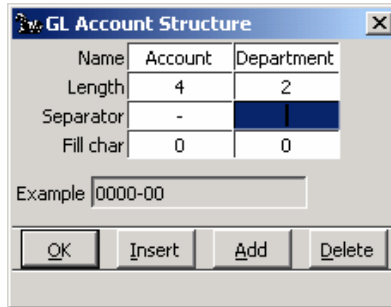


Chart of Accounts: Name the Segment

Note: Do NOT rename the "Account" segment. The system uses the name "Account" to identify the primary account segment.

Click **OK** to add the Department segment to the COA.

Click **Show All** in the COA window to see the new account numbers.

Tutorial: Configure G/L Account Segment Names

Setting up department names is very useful – and required if you intend to consolidate information across segments (that is, across departments, divisions, or whatever accounting subdivisions you identify by account segment).

If you do not set up the values and names, the system inserts default names in the Chart of Accounts when it replicates accounts. You can edit the default names in the COA. But let's save ourselves lots of editing in the COA by adding the names only once in the window below before we replicate accounts.

Run Configure/G/L Account Segment Names.

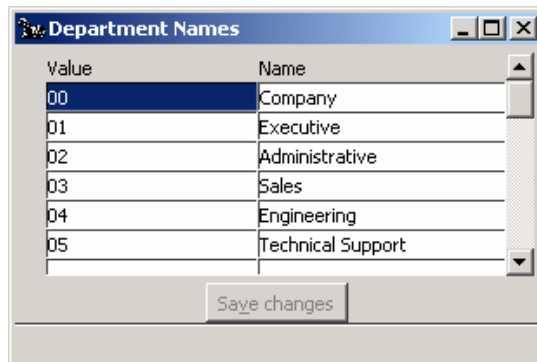
Remember, you can leave the Chart of Accounts window open while you perform this function. The only real limitation to the number of open windows is your computer's resources.

Arnold Plumbing Company has five departments. Enter the following values and names.

Press the **Tab** key after each entry.

00 **Company**
01 **Executive**
02 **Administrative**
03 **Sales**
04 **Engineering**
05 **Technical Support**

Click **Save changes**. The window should look like this:



Configure G/L Account Segment Names window

Tutorial: Configure Chart of Accounts: Replicate Accounts

Now you can edit the COA to add accounts for the departments for which you want to track revenue, expenses, and certain liabilities.

(Reopen the Chart of Accounts window if you closed it earlier.)

Click **Hide All**, cursor down to **Current Liability**, and press **Right-Arrow** to show the accounts in that category.

Highlight the following accounts:

2500-00 FIT Payable
2510-00 Social Security Payable
2520-00 Medicare Payable
2530-00 FUTA Payable

and **right-click** your mouse.

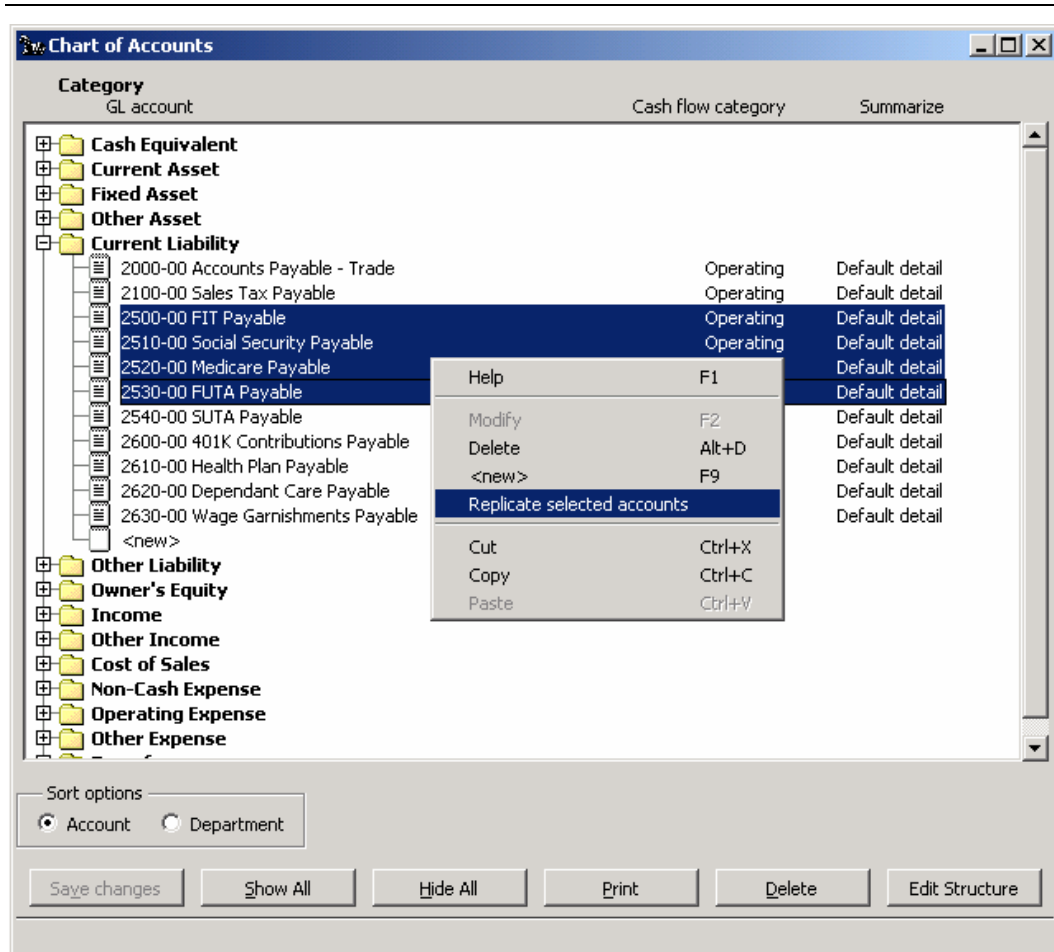


Chart of Accounts window: Replicate accounts command

Select **Replicate selected accounts**.

Since you added a segment called "Department," the window for replicating selected accounts prompts for the Department values (the segments) you want to add for the selected accounts.

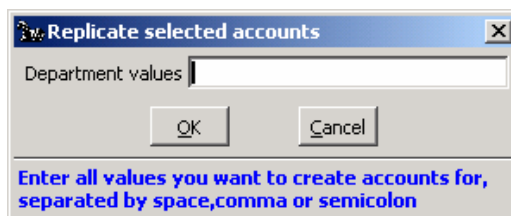


Chart of Accounts: Replicate accounts window

Say, for example, the company wants to track federal Payroll tax liabilities company-wide and by five departments. We already added a department segment with a length of 2 to the account structure, so our values need to be 2 characters in length.

Department Values. Type **00 01 02 03 04 05**

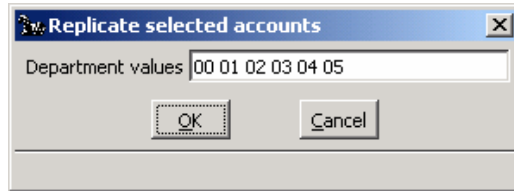


Chart of Accounts: Replicate accounts window completed

Click **OK**.

The system generates departmental accounts for the accounts you highlighted, using the department names you entered in the Configure/G/L Account Segment Names window.

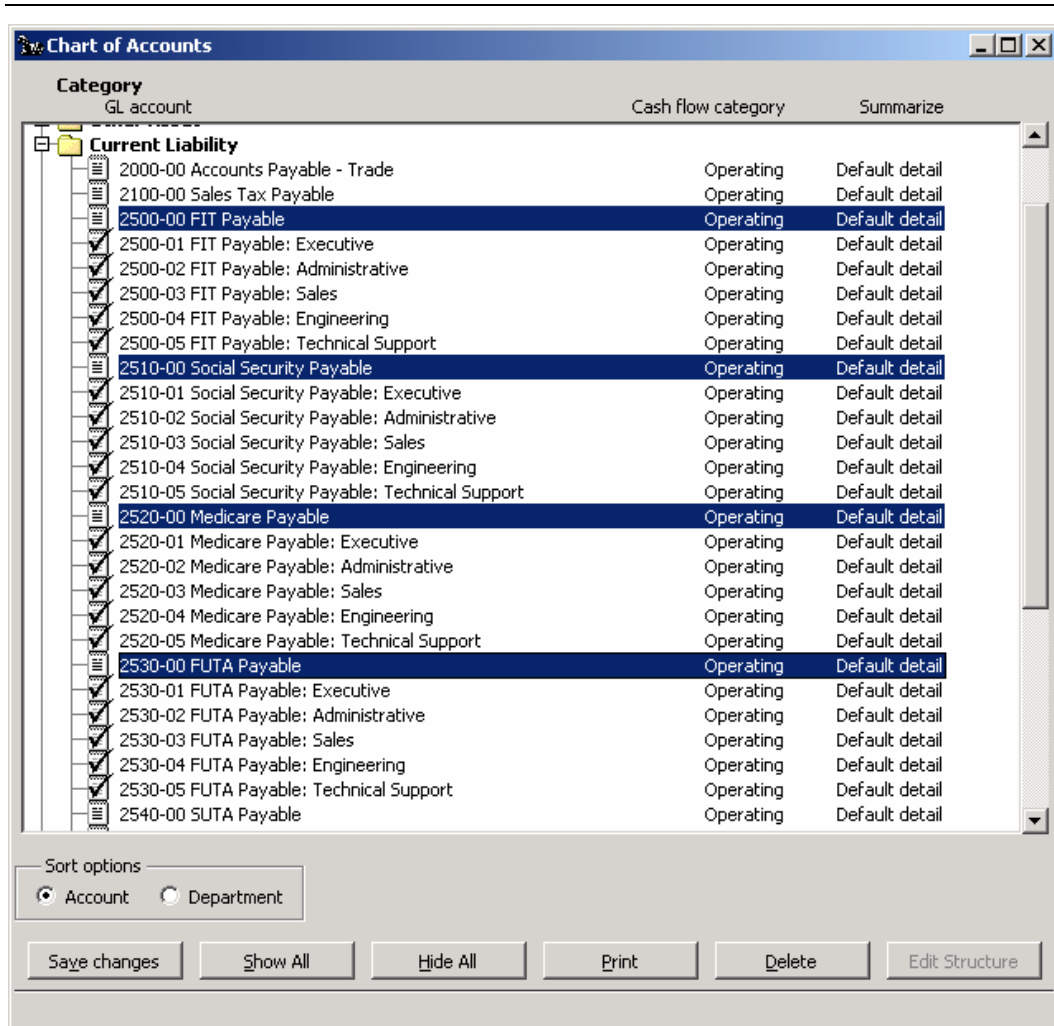


Chart of Accounts window: Replicated accounts

Click **Save changes** to add the new accounts to your COA.

Tutorial: General Journal Recurring Entries

Most companies record a number of routine adjusting and closing journal entries at the end of each accounting period. Typically, these entries account for ongoing items such as depreciation, amortization of prepaid expenses, and expense accruals.

Run General Ledger/**General Journal**.

Create a batch of GJ entries you want to post periodically.

Save the batch as a recurring batch: **Right-click the batch in the left pane and select Make Recurring from the options menu.**

The batch folder becomes green to indicate that it's a recurring batch. You can edit a recurring batch at any time. When you're ready to **post** the recurring entries, you can either—

Right-click the recurring batch and choose Copy for Posting

or

Highlight the recurring batch and click the Post batch button.

The system makes a copy of the recurring batch that you can edit as required and then post.

The original recurring batch is not affected when you post the recurring batch.

Edit the Batch Options window (batch period/year and name) if necessary.

If necessary, open the recurring batch **copy** in the data entry window to edit, add, or delete entries.

Save and post the batch when you are done.

Financial Report Templates and Financial Reports, an Overview

A company's chart of accounts represents the foundation of the business. Financial reports let you check the soundness of the foundation. Understanding the ideas behind 21st Century Accounting financial reports will help you design effective reports.

Keep in mind that 21st Century Accounting provides a number of automatic financial reports, including income statements, balance sheets, trial balance reports, and cash flow statements. The system may already provide all the financial reports you need. You don't necessarily have to customize or design your own reports. Many users find that the reports provided by the system are perfectly adequate for their financial reporting requirements.

Rows and Columns

You use two functions in 21st Century Accounting to design financials: General Ledger/**Configure/Financial Report Templates** and General Ledger/**Configure/Financial Reports**.

-
- The **templates control the rows** on financial reports — the accounts and headings that print on the reports. For example, in General Ledger/Configure/Financial Report Templates, you choose whether to print all income accounts, selected income accounts, only non-zero accounts, individual accounts summed under a text heading, and so forth).
 - The **reports control the columns** on financial reports — the type and time frame of the data that prints on the reports. For example, in General Ledger/Configure/Financial Reports, you add columns and choose whether the columns print actual activity, budgeted amounts, period ending balances, year-to-date totals, ratios, and so forth.

21st Century Accounting financial reports are based on the financial report templates. When you customize a template, the report(s) that are based on the template will reflect your template customizations. The report will print data using the accounts and captions in the template. When you create or modify a financial report, you explicitly designate the template to base it on.

Include G/L Accounts by Category or Explicitly

Say for special financial reporting required by a business, you want to add accounts, remove accounts, and move accounts from one category to another. The 21st Century Accounting template's flexibility lets you create special reports for special purposes. The Financial Report Template design window provides an option to include G/L accounts by category or explicitly. This option has the following effect:

- **By category.** Include all the general ledger accounts within the categories that are included on the template. Use "By category" if you want the G/L accounts to be tied to and automatically printed in account ID order following their categories. If you check "By category," you cannot add or remove individual accounts to or from the template. (You can only add or remove entire categories. For example, you can remove empty categories or categories that contain inactive accounts.)
- **Explicitly.** Include only the accounts that remain after additions and deletions within the categories. You must check the "Explicitly" option to customize templates in the following ways:

Summarize a few accounts into a single detail line — for example, summarize all payroll expense accounts into a single "Payroll expense" line

Order the accounts in some order other than account ID (within a single caption)

Omit some accounts without omitting an entire category

Split the accounts for a single category into more than one caption

Move accounts into categories different from their categories in the Chart of Account.

Sometimes you may want to provide very specific information that can be produced quickly and easily by severing the tie between accounts and their categories. The "Explicitly" option lets you isolate performance in an area that might not be obvious or even show up on a normal financial report — say, in response to a request from the bank or to meet an internal management need.

Create a copy of any financial report template that you want to base "explicit" financial reports on. Once you save a template that uses the "Explicitly" option, it is not advisable to change the option back to "By category." (If you change back to "By category," the template drops all its accounts, since they lost their categories when you changed to "Explicitly.")

Tutorial: Configure Financial Report Templates

21st Century Accounting provides a copy of each default financial report template that you can copy and customize as many different ways as you wish.

Remember — the templates control the rows on financial reports and the reports control the columns.

The system also provides a set of the default financial report templates that you cannot delete or change, for "insurance." If you "mess up" a financial report template and want to start over with a fresh template, make a new copy of the default template. To copy one of the default templates (in fact, to copy any of the templates), highlight the template in the left pane. Right-click the mouse for the options menu and select Copy. Let's look at the tools that help you modify a financial report template.

Run General Ledger/Configure/**Financial Report Templates**.

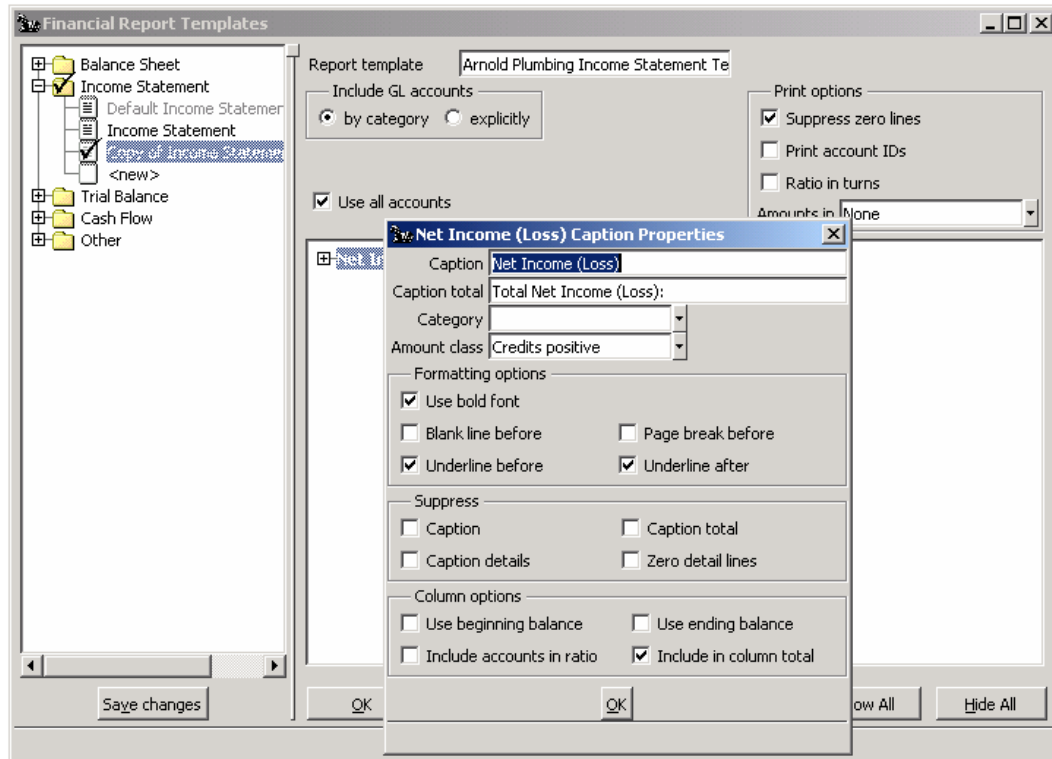
Double-click the **Income Statement** folder.

Highlight the **Income Statement** template in the left pane. Right-click the mouse for the options menu and select **Copy**.

In the Report template name field, type **Arnold Plumbing Income Statement Template** over "Copy of Income Statement."

Tab through the options in the upper part of the window. Press **F1** at the options to Include GL accounts, Use all accounts, Suppress zero lines, Print account IDs, Ratio in turns, and Amounts in <None>.

Highlight the **caption Net Income(Loss)** in the Income Statement workspace and press the **F2** key. The Caption Properties window opens, where you can edit the text that appears for the caption and the caption total. Press **F1** at each option in the Caption Properties window for Help.



Financial Report Template: Caption Properties window

Press **Esc**.

Click the **Show All** button.

Still in the workspace, press the **F9** key to see the insertion menu, which lets you insert a Caption, Text Only, or a Report total. Press **Esc**.

At any place in the workspace, press **Alt+i**. Highlight different captions and accounts and then press **Ctrl+Shift+Right Arrow** and **Ctrl+Shift+Left Arrow** to see how you can change the indentation.

At any place in the workspace, click the **right mouse button** to see the menu of tools available for customizing templates.

Help	F1	
Modify	F2	
Insert	F9	▶
Cut	Ctrl+X	
Paste	Ctrl+V	
✓ Show indentation	Alt-i	
Indent more	Ctrl+Shift+Right	
Indent less	Ctrl+Shift+Left	

Financial Report Template: workspace tools

Once you have reviewed the online Help for the Financial Report Template tools, press **OK** to save the template and press **Save changes** to commit the new template.

You can keep this template as a learning tool. Experiment with it, base a report on it, and print the report (from General Ledger/Print/Income Statement/Arnold Plumbing Income Statement) to see how the template and the report work together.

Tutorial: Configure Financial Reports

21st Century Accounting provides a copy of each default financial report that you can copy and customize as many different ways as you wish.

Remember — the reports control the columns on financial reports and the templates control the rows.

The system also provides a set of the default financial reports that you cannot delete or change, for "insurance." If you "mess up" a financial report and want to start over with a fresh one, make a new copy of the default report. To copy one of the default reports (in fact, to copy any of the reports), highlight the report in the left pane. Right-click the mouse for the options menu and select Copy.

Let's look at the tools that help you modify a financial report.

Run General Ledger/Configure/**Financial Reports**.

Double-click the **Income Statement** folder.

Highlight the **Per: Default Income Statement** in the left pane. Right-click the mouse for the options menu and select **Copy**.

In the Report name field, type **Arnold Plumbing Income Statement** over "Copy of Per: Default Income Statement."

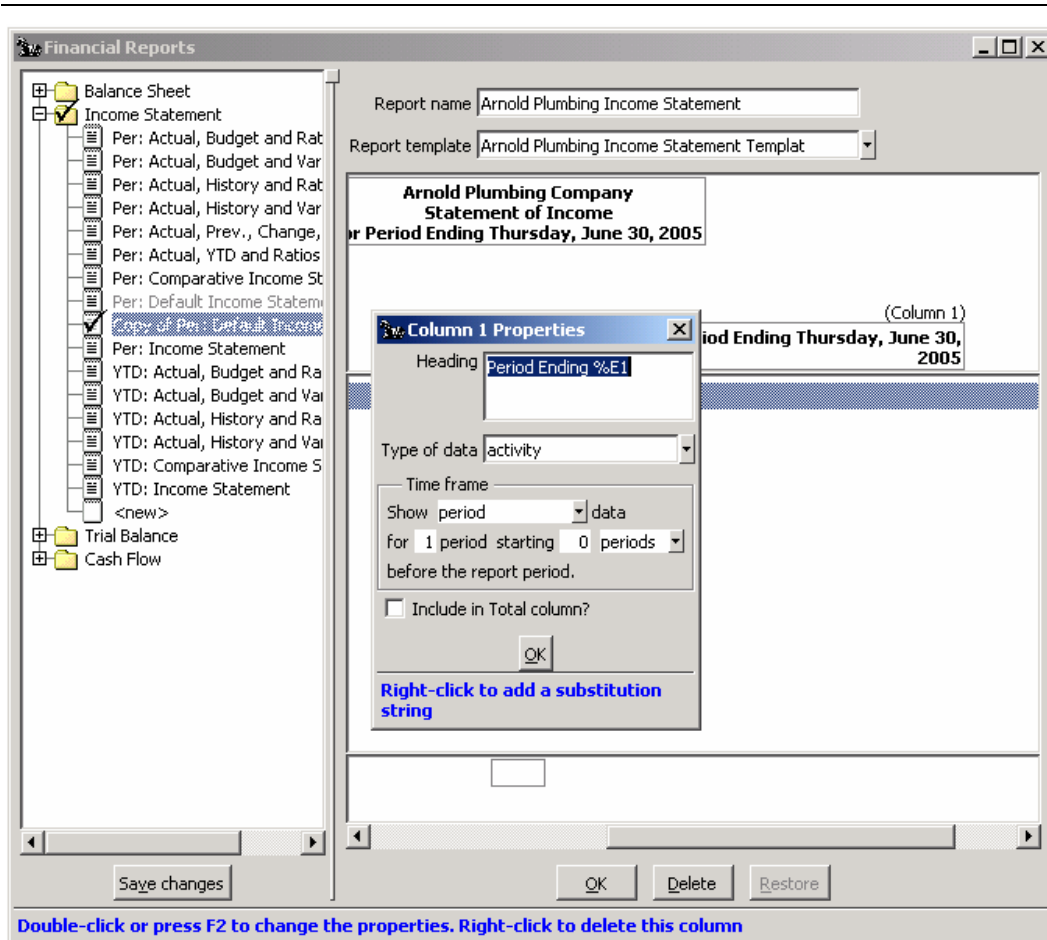
The Report template field shows you the name of the template upon which this report is based. The drop-down selector lists the Income Statement templates that have been designed. Select the template you created, **Arnold Plumbing Income Statement Template**, to base this Income Statement report on.

Press **Tab** once to move into the Header area. Press **F2** to open the Upper Left Properties window, where you can customize the text that will print in this area on the printed Income Statement. Click **F1: Help** to learn about the "substitution strings" you see. For example, "%D" is simply the substitution string code name for the Date.

Right-click the mouse for the options menu, from which you can select appropriate header and footer information such as page number, date, and so forth. You can also type any text you want printed in this area. Just put the insertion point where you want to insert information.

Press **Esc** to close the window and **Tab** into the first column heading. Press **F2** to open the Column Properties window.

Tab through the fields in the Column Properties window, pressing **F1** at each field to see Help.



Financial Report: Column Properties window

As you can see, the Column Properties window is the heart of your financial reporting.

Press **Esc** to close the Column Properties window for an existing column.

Move the mouse pointer an inch to the right of the existing column heading, **right-click** the mouse, and select "Add column" to set up a new column on this report.

Press **Esc** to close the new Column Properties window when you're finished reviewing the options.

Once you have reviewed the online Help for the Financial Report tools, press **OK** to save the report and press **Save changes** to commit the new Income Statement.

You can keep this report as a learning tool. Experiment with the template you created, base this report on it, experiment with the report, and print the report (from General Ledger/Print/Income Statement/Arnold Plumbing Income Statement) to see how the template and the report work together.

Tutorial: Configure Financial Report Templates: Combining Account Totals

You can set up financial reports to summarize a number of account totals into a single total under a caption, rather than showing all the accounts with their individual totals under the caption. Using the same procedures, you can also group accounts in a category into subcategories, printing only the subcategory totals on the financial reports.

The key step is to select the option to Suppress Caption details in the Caption Properties window.

Say, for example, you want to show all salary expenses as a separate total on your Income Statement. Follow these steps:

Run General Ledger/Configure/**Financial Report Templates**.

Open the **Income Statement** folder

Highlight **Income Statement**, right-click, and select **Copy**.

Name. Type **Combined Account Totals** for the Name of the new income statement copy.

Include G/L Accounts explicitly. Under "Include GL accounts" click "explicitly."

Read the message about changing from "by category to "explicitly" and click **Yes** to continue.

Make sure "Suppress zero lines" is NOT checked. This way you can see your changes even if the financial report contains no data.

Click the **Show All** button or press Alt+S to show all the captions, categories, and accounts.

Highlight "**Operating Expenses**" and either right-click or press **F9** and insert a caption.

Enter the caption text, **Salary Expenses** and **Tab** to "Amount Class."

Select **Debits positive** at Amount class and press **Tab**.

UNcheck the option to "Use bold font." You want the "summary" caption to look like the other accounts.

Select the option to "Suppress Caption details."

Select the option to "Include in column total."

The Caption Properties window looks like this:

The screenshot shows the 'Caption Properties' dialog box with the following settings:

- Caption: Salary Expenses
- Caption total: Total Salary Expenses:
- Category: (empty)
- Amount class: Debits positive
- Formatting options:
 - Use bold font
 - Blank line before
 - Underline before
 - Page break before
 - Underline after
- Suppress:
 - Caption
 - Caption total
 - Caption details
 - Zero detail lines
- Column options:
 - Use beginning balance
 - Use ending balance
 - Include accounts in ratio
 - Include in column total

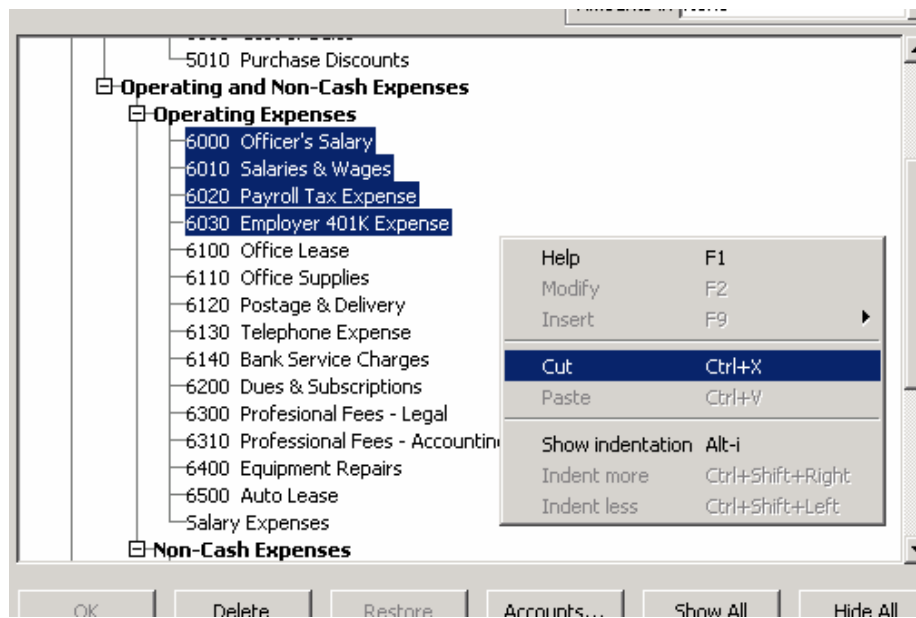
Financial Report Template: Adding a caption

Click **OK**.

Now move the salary expense accounts to include them under the new caption.

Hold down the **Ctrl** key and click **Officer's Salary, Salaries & Wages, Payroll Tax Expense, and Employer 401K Expense** to highlight them.

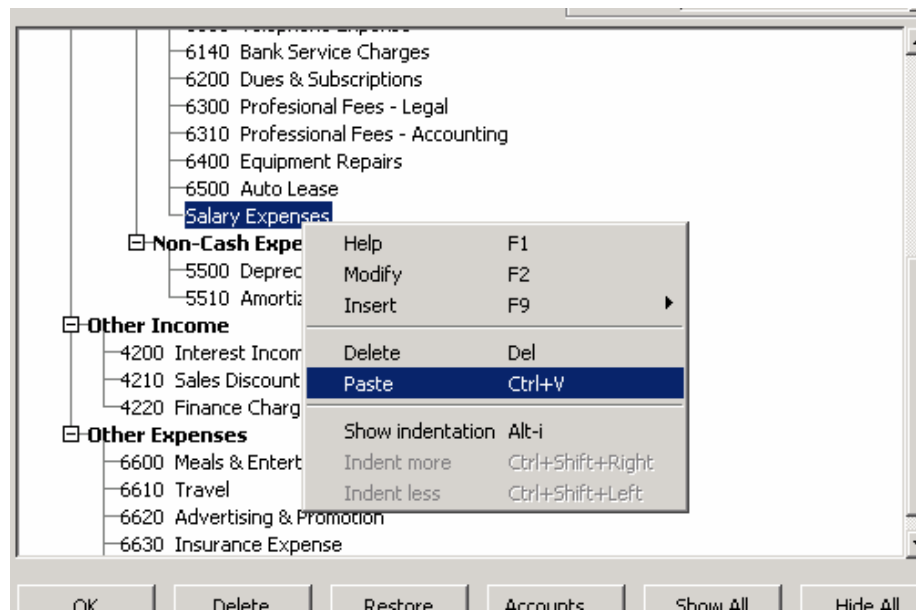
Right-click and select **Cut**.



Financial Report Template: Cutting accounts

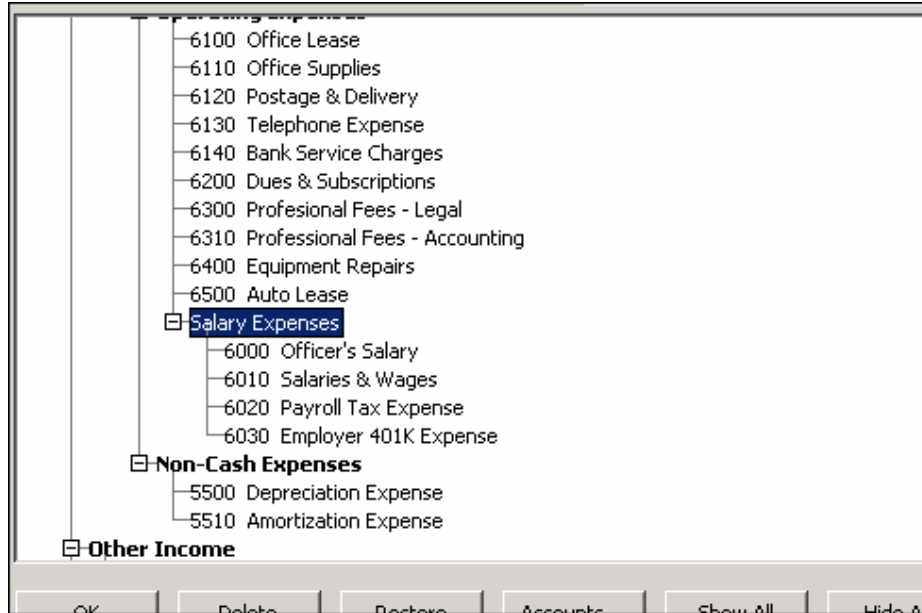
Click the new caption, **Salary Expenses** to highlight.

Right-click and select **Paste**.



Financial Report Template: Pasting accounts

Click the plus icon beside Salary Expenses to see your moved accounts.



Financial Report Template: Viewing accounts moved to new caption

You may also wish to adjust the indentation of the new caption

Right-click and select **Show indentation** to check the Salary Expenses caption is indented correctly.

Use Ctrl+Shift+Right and Ctrl+Shift+Left to move highlighted captions and accounts to the right or left, if you want to adjust the indentation.

Click **OK** and then click **Save changes**.

To see the report, you must run Configure/**Financial Reports**, select or create an Income Statement, select the template you just created (**Combined Account Totals**) as the Report template, and save the report.

Now you can print the Income Statement that is based on this template to see the four account totals summarized under the new caption.

Run General Ledger/Print/Income Statement and select the report, which appears on the menu with the name under which it was saved.

Tutorial: Configure Custom Journal

In the General Ledger/Configure/Custom Journal window, you can set up any number of specialized "mini" general journals for access to certain

sets of accounts. A custom journal allows you to define a set of prompts and G/L account distributions that reflect a business-specific type of transaction appropriate for your company.

The custom journal configuration window lets you control the debit and credit sides of the entries at each prompt in the transaction entry window, to prevent data entry mistakes that can affect the integrity of your books.

Run General Ledger/Configure/**Custom Journal**.

Press **F9**.

Name. Type **Inventory Shrinkage**.

Source code. Select **CJGJ - Custom Journal** from the drop-down list.

Indent credit column. Click or press Spacebar to **check the box**.

Columns allowed. Select **Debit only** from the drop-down list.

You can restrict the entry in this field to debit entry or credit entry, to help prevent errors, or you can allow either (debit or credit).

You can also enter lines that are not associated with accounts by selecting "None - prompt only" at Columns allowed. Then you can create a custom label for the accounts that follow by entering your own text in the prompt field. For this lesson, we'll just let the account names be the prompts.

Account. Select **1510-00 Computer Equipment** for debiting inventory shrinkage.

You can create a custom prompt by entering your own text for the prompt. The text in this field appears as the prompt for entries to this account in the custom journal data entry window.

Prompt. Press **Tab**.

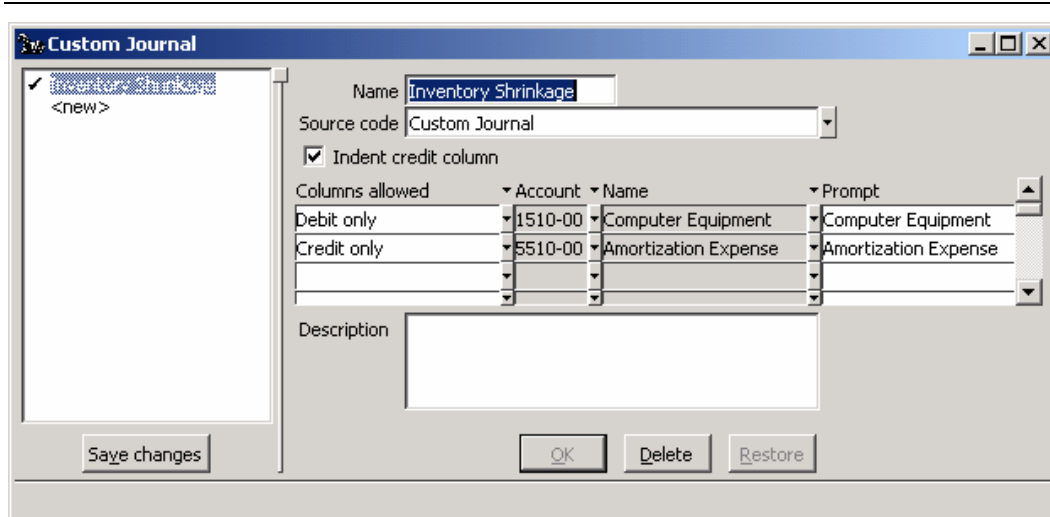
Columns allowed. Select **Credit only** from the drop-down list.

Account. Select **5510-00 Amortization Expense** for inventory shrinkage expense.

Prompt. Press **Tab**.

Click **OK**.

Your completed custom journal window looks like this.



Custom Journal window

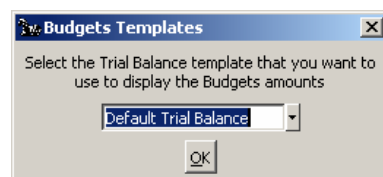
Click **Save changes**.

Tutorial: Configure Budgets

In General Ledger/Configure/Budgets you create budgets and modify existing budgets. The spreadsheet format for setting up budgets, with account names as row labels and fiscal periods as column heads, lets you keep track of fiscal year totals and column (period) totals as you enter and modify amounts.

For this lesson, we'll talk about the budget that NETCON already set up for 2007, without saving any of the changes that you make.

Run System/Company/**Select** and select **NETCON**.
Run General Ledger/Configure/**Budgets**.



Configure Budgets: Select a template

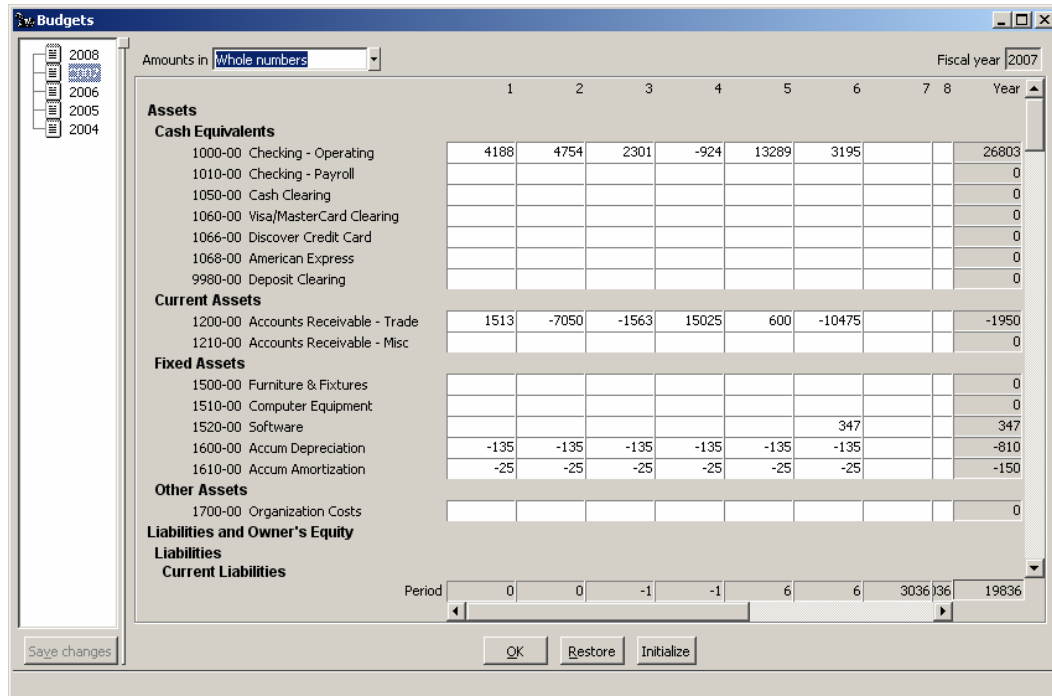
You select an existing Financial Report Trial Balance template to serve as your budget template. The Budgets window displays the captions and accounts in the Trial Balance template you select as your budget template. The template acts as a data entry and trouble-shooting aid.

(If you see the need to change captions or account names, use Configure Financial Report Templates to change the captions on this trial balance template. Use the General Ledger Configure Chart of Accounts command to add or change account names and IDs.)

Budgets Templates. Select Default Trial Balance.

In the left pane, if it is not already selected, highlight **2007** and press **Tab** or **Enter**.

NETCON's Budget for 2007 is displayed. The cursor moves to the Amounts in field.



Configure Budgets window

Amounts in <select format>

- The **Amounts in** selector in the upper left corner of the budgets window lets you control the format for dollar amounts. Select a multiplier (ranging from thousands to ten millions) for the numbers you enter or distribute across the periods. For example, if the multiplier is Thousands, the system interprets a value of 99 in a budget cell as \$99,000.00.

To enter exact budget amounts, select Amounts in Whole numbers. If you change from Amounts in Whole numbers to a multiplier, detail is lost. For example, if you change from Whole numbers to Thousands, the

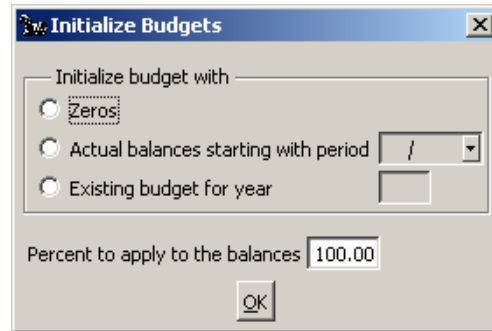
budget amounts are rounded to the nearest one-thousand. Any hundreds are permanently lost.

The amount multiplier choice is a company level setting. All budgets in a company use the same Amounts in setting.

Initialize

- Notice the Initialize button at the bottom of the Budgets window.

Initialize button. Click **Initialize** to display the Initialize Budgets options.



Configure Budgets: Initialize Budgets options window

The Initialize button gives you some quick setup options for entering initial budget amounts, which you can then modify as required. Use the Initialize menu to set up initial amounts as—

Zeros. This option creates the budget for the selected year with all zeros for the amounts or replaces amounts in an existing budget with zeros. You can use this option to start over if your budget entries are not satisfactory.

Actual balances starting with period. This option lets you select a period and year of actual general ledger balances for beginning the entries in the budget for the selected year. You can also enter a percentage by which to increase or decrease the budgeted amounts.

Existing budget for year. Select another year's budget as the basis for the budget for the selected year.

Percent to apply to the balances. You can also enter a percentage by which to increase or decrease the budgeted amounts. (This option is available only if the company has some budgeted amounts for at least one year.).

Now practice entering amounts and using the budget tools to manage the amounts in the cells:

Try the different Initialize options to see how they work.

Use the tools described below to edit the cells.
--

Right-click period cells to fill, clear

As you enter the budgeted amounts for the periods or edit the displayed amounts –

Right-click in a cell to display a menu of functions to help you fill the row with the value in the current cell, clear the row, or clear the column.

Right-click year cell to amortize

You can enter a budget amount for the year in a cell and then right-click in the Year column at the right side of the window to amortize the annual amount evenly across the periods.

Use the Calculator

- To calculate budget amounts, press F5 or enter an amount plus an arithmetic operator (+, -, /, or *) to display the 21st Century Accounting Calculator with the value you entered inserted and ready to be operated upon. You can make your calculations and press the Insert key to paste the results into budget periods.

Click the X in the upper right corner and click No at the Save the Changes message to close the Budgets window.

Bank Accounts Setup

Tutorial: Configure Bank Accounts

You use the Bank Accounts/Configure/Bank Accounts window to associate each of your bank accounts and checkbooks with a general ledger account, to establish the bank statement's date and ending balance at the last bank reconciliation, and to set up check printing options based on whether you use preprinted checks.

Each bank account defined in 21st Century Accounting is associated with a specific G/L asset account. You can associate one or multiple bank accounts with a single G/L account, although for bank reconciliation, you will find it more efficient to assign a single bank account to each G/L account.

21st Century Accounting expects all transactions entered to general ledger accounts that you have defined as bank accounts to be bank transactions that show up on your bank statement. All 21st Century Accounting transactions that affect a bank account are displayed when you reconcile the account in Bank Accounts/Reconciliation.

Several sample bank accounts are set up in the model company. You will add a new bank account to the company you created, Arnold Plumbing.

Run System/Company/ Select and select Arnold Plumbing .

Run Bank Accounts/Configure/**Bank Accounts** to see how to set up a bank account.

Press **F9**.

Name. Type **Operations - First City**.

The name of the bank, the checkbook, or the bank account—First City National Bank, for example—can be printed on checks and identifies the bank account on Selector lists and reports. If you keep cash in more than one account at the same bank or if you write checks from multiple checkbooks on the same account, make each name meaningful for easy recognition.

Account ID. Press **Tab**.

The bank account ID identifies each bank account in data entry windows and on reports. The system defaults the bank account Name.

Make each bank account ID begin with a unique character for quick entry when you are prompted for an account ID during data entry.

Bank account number. Type **555-66-1552-8**.

Optionally, you can enter the account number for printing on checks and reports.

G/L Account. Select **1000 00- Checking - Operating** from the drop-down list. Press **Tab twice**.

You must use an **asset (cash equivalent)** account. When you select the bank account as you enter deposits, checks, and other transactions, the system posts to the associated general ledger account you enter here.

If you intend to use bank reconciliation, you should assign each bank account a separate general ledger account.

Starting check number. Type **1000**.

The system will use this number as the check number for the next check you enter on this bank account.

Starting deposit number. Press **Tab** to leave blank.

The system will supply a deposit number, beginning with 1.

Address. Press **Tab**.

You can leave the bank address blank if you wish. Press Spacebar or click the address icon if you want to enter an address.

Check printing options.

Print check number? Check this option to print 21st Century Accounting check numbers on checks.

Print company name/address? Check this option if your checks do not show the company name and address and you want the 21st Century Accounting company name and address printed on them. The name and address from General Ledger/Configure/Company will print on the checks.

Print bank account number? Check this option if your checks do not show the bank account number and you want to print the 21st Century Accounting bank account number on them.

Print bank account name? Check this option if your checks do not show the bank account name and you want to print the 21st Century Accounting bank account name on them.

Press **Tab 4 times**.

You check the boxes to select the check printing options that are appropriate for your check forms.

Last statement: Date. Type **053107**.

During initial set up, enter the date you last reconciled the bank statement with your checkbook. Bank Reconciliation will use this date plus 30 days to default the statement date the next time you reconcile your statement for this account. When you finish a reconciliation, the statement date from the reconciliation updates this field.

Last statement: Statement ending balance. Type **55012.00**.

During initial set up, enter the bank statement ending balance from the last bank reconciliation for this bank account. Bank Reconciliation uses this amount as the opening balance the next time you reconcile your statement for this account. When you finish a reconciliation, the statement ending balance from the reconciliation updates this field.

Click **OK**.

Your completed bank account window looks like this.

Bank Accounts: Configure Bank Accounts window

Click **Save changes** to commit the information to your books.

Tutorial: Configure Credit Card Accounts

You create credit card accounts with the Bank Accounts/Configure/Credit Card Accounts command. When you create an account, you specify the associated G/L account.

Recording and Depositing Credit Card Payments

In the Invoices window, you can select the credit card as a method of payment when a customer pays an invoice by credit card at the time of the sale. You enter the invoice and the payment in the same transaction. When you post the transaction, the system debits the credit card account for the payment. Later, when you record the payment as a deposit, the system credits the credit card account for the transfer of funds from the credit card account to the bank account

Or if you are depositing credit card payments in the bank from a cash drawer or cash register, you can use a custom Cash Receipts Journal, discussed in the following lesson, to record the cash received and deposited. When you post the deposit, the system debits the credit card

account for the amount received and credits the credit card account for the transfer of funds from the credit card account to the bank account.

Let's say the company has decided to begin accepting Discover credit card payments.

Select **Arnold Plumbing** if it isn't already selected.

Run Bank Accounts/Configure/**Credit Card Accounts** to see how to set up a credit card account.

Press **F9**.

Name. Type **Discover Card**.

As you see in the model company, you enter a name that identifies the credit card account—for example, VISA, MasterCard, Discover, and so forth.

G/L Account. Select **1022-00 Discover Card** from the drop-down list.

In this field you enter the G/L account ID associated with this credit card account. You always use an **asset (cash equivalent)** account. When you select the credit card account as you enter invoices and other transactions, the system posts the amount to the associated general ledger account.

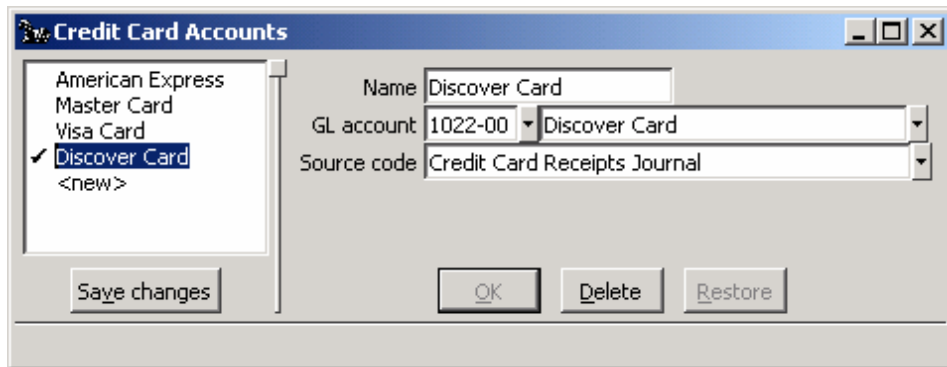
The model company Chart of Accounts already included a separate account for Discover Card transactions. You could easily add this account if it wasn't already in the COA.

Remember you can use Find (F3 or Ctrl+F) to search long lists.

Source code. Select **CCRJ - Credit Card Receipts Journal** from the drop-down list.

Click **OK**.

Your completed credit card account window looks like this.



Bank Accounts: Configure Credit Card Accounts window

Click **Save changes** to commit the credit card account to your books.

Tutorial: Configure Cash Receipts Journal

Use Bank Accounts/Configure/Cash Receipts Journal to set up any number of "cash receipts" journals, where you can preconfigure sets of customized prompts that appear when you enter a deposit (with Deposits on the Bank Accounts menu) from a cash drawer or cash register.

The cash receipts journals you set up do not have a separate transaction entry window. They are fully (and only) integrated with Deposits to help you control the flow of cash receipts into bank accounts and into bank reconciliation records.

The custom cash receipts journal configuration window lets you control the debit and credit sides of the entries at each prompt in the Deposits data entry window, to prevent mistakes that can affect the integrity of your books.

Select **Arnold Plumbing** if it isn't already selected.

Run Bank Accounts/Configure/**Cash Receipts Journal** to see how to add the new credit card account to a cash receipts journal in the model company.

Highlight **Cash/Cr Cd Receipts** in the left pane. Press **F2**.

Name. This journal is called **Cash/Cr Cd Receipts**. Press **Tab**.

You can give the journal any name you wish.

Source code. **CJCR - Cash Register Journal** was selected from the drop-down list. Press **Tab**.

Transactions in this journal will be associated with this source code on reports.

Indent credit column. The **box is checked**. Press **Tab**.

The credit column will be indented in the data entry window for easier reading.

The credit card accounts for VISA, MasterCard, and Amex are already in the custom journal, for recording and posting credit card sales from the sales drawer. We are going to add the new credit card account for Discover.

Two sales income accounts, taxable and nontaxable, have been set up for distribution of cash and checks from the sales drawer.

Columns allowed. Press the **Tab** key until the cursor is in the first **Credit only** column, just below the Visa Card account.

Right-click to open the field options menu and select **Insert Row**. (This will keep all the credit card accounts together in the journal.)

Generally, when you set up a custom journal, you can restrict the entry in this field to debit entry or credit entry, to help prevent errors, or you can allow either (debit or credit).

You can rename the Prompt field for any account lines.

You can also enter lines that are not associated with accounts by selecting "None - prompt only" at Columns allowed. Then you can create a custom prompt by entering your own text for the prompt. The text in this "prompt only" field appears as the prompt for the journal lines that follow in the Deposits window when you select this cash receipts journal.

Right-click to see the menu of available functions as you edit this journal: Insert row, Delete row, and Modify.

Columns allowed. Select **Debit - Discover Card receipts** from the drop-down list.

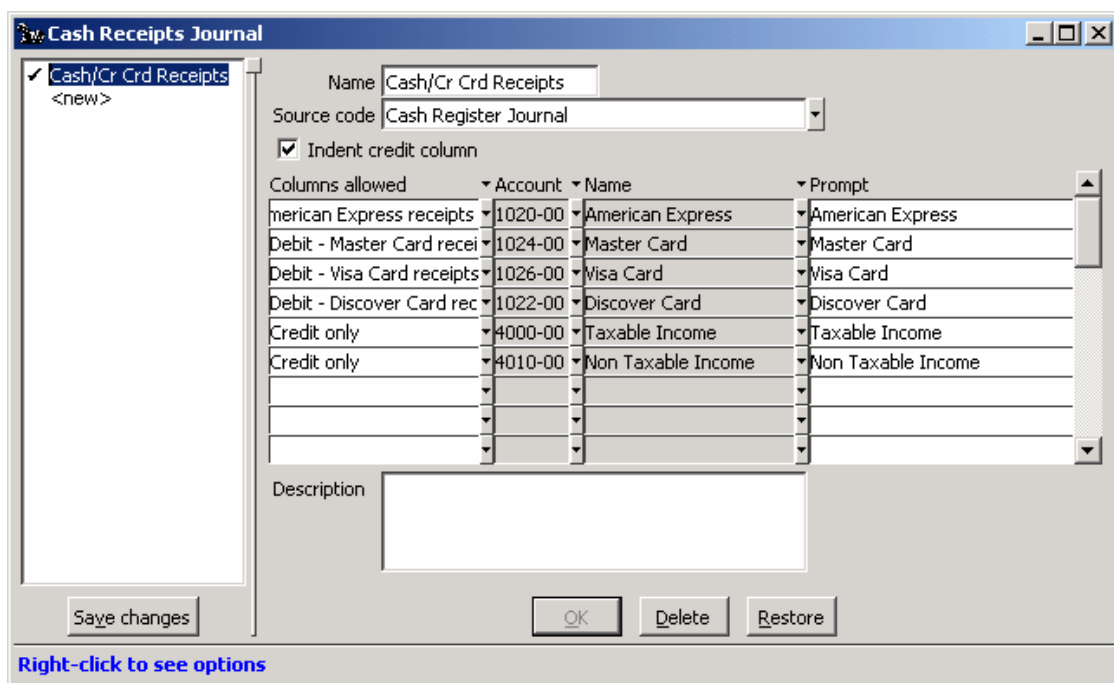
Your choices in this drop-down list are the credit cards that were set up in the Bank Accounts/Configure/Credit Card Accounts window. When you add credit cards to the Cash Receipts Journal, you select the credit card at Columns allowed to automatically set up the credit card account for distribution as a debit in the custom cash receipts journal.

The account names are the prompts. Remember that optionally, you can create a custom prompt by entering your own text label for the prompt.

Prompt. Press **Tab** until you are on the OK button.

Click **OK**.

Your completed custom cash receipts journal window looks like this.



Bank Accounts: Configure Cash Receipts Journal window

Click **Save changes**.

Now you are ready to deposit cash credit card receipts that you received over the counter (from non-Receivables customers) into your cash register. We'll show you how in the lesson, "Tutorial: Entering Cash and Credit Card Receipts from a Cash Register" on page 108.

Receivables Setup

Tutorial: Configure Control Accounts

Control accounts are special accounts used in "accrual" accounting. Control accounts allow you to carry what the customer owes you as an asset and what you owe the vendor as a liability so that these business conditions are reflected on the Balance Sheet.

In Receivables, the Receivables control account contains the sum of the balances in all the customer accounts that have been assigned that control account. You can set up multiple sets of Receivables control accounts, including accounts for receivables, discounts, finance charges, and cash receipts, and assign the sets to appropriate customers or groups of customers.

When the user enters a customer invoice, the system debits the invoice total to the Receivables control account that belongs to the control account set assigned to the customer. The system debits the customer's "account" (the customer's record, not a General Ledger account) and credits the sales income accounts that you specify.

Select **Arnold Plumbing** if it isn't already selected.

Run Receivables/Configure/**Control Accounts**.

At least one set of all four accounts is required before you can set up customers.

The preconfigured set of control accounts that "came with" the company you created is perfect for Arnold Plumbing's needs. You just need to review the set.

Name. A unique name identifies the set of control accounts.

Receivables account. This is the G/L **asset account** to which all transactions will be posted for the customer to whom you assign the set.

The Receivables control account is equal to the sum of all customer account balances. Customer charges, payments, and adjustments are posted to the customer account and to the Receivables control account.

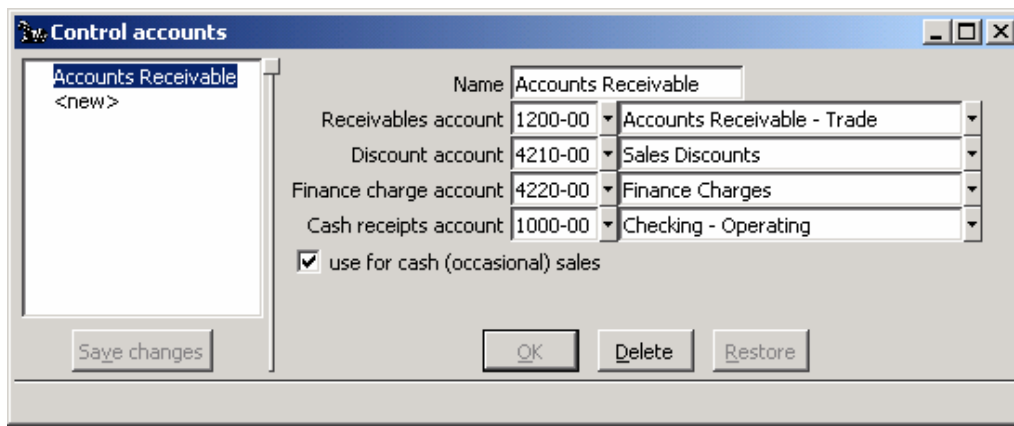
Discount account. This is the account to which all discounts will be debited for the customer to whom you assign the set. The discount account is usually a **contra-income account**.

Finance charge account. This is the **income** account to which all Finance charges will be posted for the customer to whom you assign the set.

Cash receipts account. This is the **asset (cash equivalent)** account to which all Cash receipts will be posted for the customer to whom you assign the set.

Use for cash (occasional) sales. You check this box if you want the system to use the cash receipts and discount accounts in this control account set for posting sales to cash (occasional) customers.

You can set up a separate set (thus a separate cash receipts account) for cash customers or use one of the sets you use for regular Receivables customers.



Receivables: Configure Control Accounts window

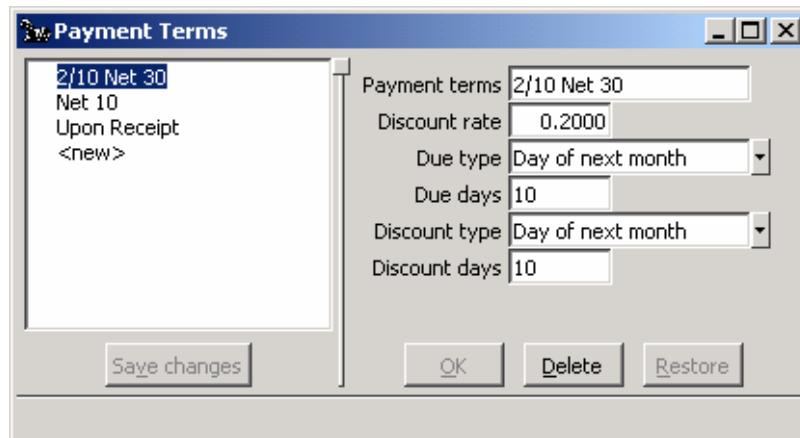
Tutorial: Configure Payment Terms

The preconfigured set of payment terms meets Arnold Plumbing's needs. You just need to review the set.

Run Receivables/Configure/**Payment Terms** to set up at least one set of required payment terms.

At each prompt, enter the payment terms name and payment stipulations. Press F1 for Help at each field for an explanation. Once you OK and save a set of payment terms, you can assign a set of terms to each customer. You can create as many payment terms sets as are required by your company.

At least one set is required before you can set up customers.



Receivables: Configure Payment Terms window

Tutorial: Configure Billing Cycles

You set up as many Receivables billing cycles as you need to split up your customer list for billing at different times. For example, you can set up cycles "1Cycle 1-15" and "2Cycle 16-31" for billing half your customers on the 15th and half on the last day of the month.

You must set up at least one billing cycle. If all your customers are processed and billed at the same time, you set up a single billing cycle and assign all customers to it.

In the Configure/Customers window, you assign a billing cycle for each customer from those you have set up.

Then use the Receivables/Billing Cycle Checklist to process customers.

Arnold Plumbing needs to bill only once a month. You edit the preconfigured billing cycles window like this:

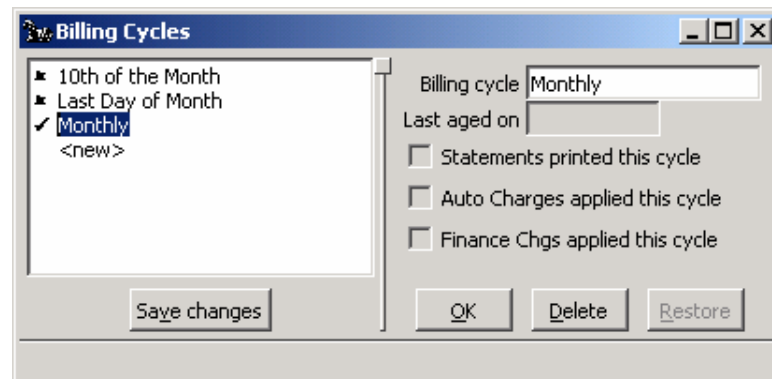
Run Receivables/Configure/**Billing Cycles**.

In the left pane, **right-click "10th of the Month"** and select **Delete**.

Right-click "Last Day of Month" and select **Delete**.

At <new> press **Tab**.

Billing cycle. Enter **Monthly**.



Receivables: Configure Billing Cycles window

Click **OK** and **Save changes**.

Configure Sales Taxes, Categories, Prompt Accounts, Finance Charges

For optional Receivables steps, configuring Taxes, Categories, Prompt Accounts, and Finance Charges, follow the same general procedures as described above. Press F1 at any field where you need Help.

Payables Setup

Tutorial: Configure Control Accounts

Control accounts are special accounts used in "accrual" accounting. Control accounts allow you to carry what the customer owes you as an asset and what you owe the vendor as a liability so that these business conditions are reflected on the Balance Sheet.

In Payables, the Payables control account contains the sum of the balances in all the vendor accounts that have been assigned that control account. You can set up multiple sets of Payables control accounts, including accounts for payables, discounts, and cash receipts, and assign the sets to appropriate vendors or groups of vendors.

When the user enters a vendor invoice, the system credits the invoice total to the Payables control account that belongs to the control account set assigned to the vendor. The system credits the vendor's "account" (the vendor's record, not a General Ledger account) and debits the expense accounts that you specify.

Select **Arnold Plumbing** if it isn't already selected.

Run Payables/Configure/**Control Accounts**.

At least one set of all three accounts is required before you can set up Vendors.

The preconfigured set of control accounts that "came with" the company you created is perfect for Arnold Plumbing's needs. You just need to review the set.

Name. A unique name identifies the set of control accounts.

Payables account. This is the G/L **liability account** to which all transactions will be posted for the vendor to whom you assign the set.

The Payables control account is equal to the sum of all vendor account balances. Vendor invoices, payments to a vendor, and adjustments are posted to the vendor account and to the Payables control account.

Discount account. This is the account to which all discounts will be posted for the vendor to whom you assign the set. The discount account is usually a **contra-expense account**.

Cash purchases account. This is the **asset (cash equivalent)** account to which all cash purchases will be posted for the vendor to whom you assign the set.

Use for occasional vendor purchases. You check this box if you want the system to use the cash purchases and discount accounts in this control account set for posting cash purchases from occasional vendors.

You can set up a separate set (thus a separate cash purchases account) for cash vendors or use one of the sets you use for regular Payables vendors.

Control Accounts

Accounts Payable
<new>

Save changes

Name Accounts Payable

Payables account 2000-00 Accounts Payable - Trade

Discount account 5010-00 Purchase Discounts

Cash purchases account 1000-00 Checking - Operating

use for occasional vendor purchases

OK Delete Restore

Right-click to see options

Payables: Configure Control Accounts window

Configure Sales Taxes, Categories, Prompt Accounts, Payment Terms

For optional Payables steps, configuring Taxes, Categories, Prompt Accounts, and Payment Terms, follow the same general procedures as described above. Press F1 at any field where you need Help.

Payroll Setup

Tutorial: Setting up Payroll

Setting up Payroll consists of installing the current Tax Tables, configuring Payroll Company Information for several options (if desired), configuring pay factors (income, deductions, noncash benefits, accruals, and taxes), and then adding employees and assigning their pay factors and other attributes.

(This lesson is designed for users who do NOT do departmental distribution of Payroll expenses.)

Follow these steps:

If you intend to use the Payroll Remittance Checks function, run Payables/Configure/Vendors to set up Payroll tax remittance payees as Payables vendors and then designate the appropriate remittance vendor for each Payroll tax when you configure the tax in the Payroll/Configure/Taxes window.

For Payroll tutorials, use NETCON

NOTE: Because the sample data in NETCON contains data that fully illustrates most Payroll functions, the Payroll tutorials are built on NETCON.

You can see some remittance vendors in NETCON's Configure/Vendors window. For example, the United States Treasury is the remittance vendor for US FIT, US FUTA, US Med, and US SS.

Run System/Company/**Select** and select **NETCON**.

Run Payroll/Configure/**Company Information**.

Review the Payroll company configuration options:

Once Payroll data is posted in a 21st Century Accounting company, the Payroll departmentalization option is fixed. Since NETCON contains posted Payroll data, you can no longer change the departmentalization option. Read Help/Contents/Special Tasks/Payroll/ Departmentalizing Payroll to learn how to departmentalize Payroll by G/L account segment.

- Turn on the option for manual pay distribution at any time if you intend to use this feature.
- Check the option box to print vacation and sick balances on paycheck stubs at any time.
- If you want to use the feature, at any time turn on the option to automatically calculate accrual pay amounts when you enter the number of accrual hours taken when you run Calculate or ATF Payroll.

Configure pay factors in this order

When you are setting up Payroll from scratch, set up pay factors used in your company's Payroll in this order for maximum effectiveness.

If you intend to track Workers' Compensation, configure Workers' Comp. Codes before you add employees.

1. Income
2. Deductions
3. Noncash Benefits

-
- | | |
|---|--|
| | 4. Vacation and Sick Accruals |
| | 5. Tax Calculations (only if you have a local Payroll tax) |
| | 6. Taxes |
| Configure Workers' Comp. Codes if you report Workers' Comp. | 7. Workers' Compensation. Codes (if you track and report Workers' Comp.) |
| | 8. Employees |

Tutorial: Configure Income

When you set up Payroll from scratch, set up Income factors first. Of course, you can modify and add Income at any time.

If you haven't already, run System/Company/**Select** and select **NETCON** for all the Payroll lessons.

Run Payroll/Configure/**Income**.

Highlight <new> and press the **Tab** key (or press F9 for a new entry).

Name. Type **Bookkeeper Salary** and press **Tab**.

Enter a meaningful name for each income, such as Executive Salary, Regular Hours, Overtime Hours, and so forth.

Auto assign. Press **Tab** to leave Auto assign unchecked.

You would check this box to automatically assign a pay factor to employees as you later add them in the Configure/Employees window. (Configuring a factor to be auto-assigned does not affect existing employees.)

For example, if most of your employees work for a regular, fixed hourly rate, check this box when you configure the "Hourly rate" income factor. Then when you add a new employee, the system automatically assigns "Hourly rate" as a pay factor.

You can delete auto-assigned factors that don't apply to specific employees in the Configure/Employees window.

Make subject to new taxes? Press **Spacebar** or click the box to check the option.

This option makes each income subject to new taxes. When you add taxes later in setting up your company, the income factors with this option turned on are automatically put into the "Earnings include" list for each tax (that is, they are made taxable).

Earnings subject to. Press **Spacebar** or click the icon to open the box. Click **Select all** to select all taxes in the Earnings subject to box and click **OK**.

In general, you make earnings subject to existing taxes by selecting the taxes in the "Earnings subject to" box OR you make taxes include certain pay factors as taxable in the "Earnings include box" in the Taxes window. The system automatically updates one "taxable status" box when you update the other "taxable status" box.

Additional W-2 reporting. Press **Tab**.

The default of "None" is correct for most earnings. The system automatically reports taxable earnings on W-2s. Press F1: Help to see how to handle W-2 reporting of other types of income.

Contribution method. Select **Salary** for the method and press **Tab**.

Choose the method you want the system to use to calculate the income, like straight salary, hourly rate, percent of sales, and so forth. Then you press the Tab key to display the prompts associated with that contribution method in the Options section of the window below.

GL account. Select **6010-02 Salary & Wages - Administrative** from the Selector list.

Enter a General Ledger account, normally a Payroll expense account, for posting the income. You can ignore the warning that the account is in use, if you wish.

Salary. Press **Tab**.

For certain types of income, you can enter a default amount. Usually you'll leave the amount blank in the Income window and fill in the amount or rate at the employee level (in the Employees windows).

For sales commissions, piece rates, and certain other types of income, you'll enter additional information the system uses to calculate the income when you run Calculate or ATF Payroll.

Click **OK** to save your work so far.

Here is how your completed Income window should look.

Payroll: Configure Income window,

Press the **Save changes** button in the left pane to permanently record the income you have just configured.

Tutorial: Configure Deductions

When you set up Payroll from scratch, set up Deductions factors second (after Income). Of course, you can modify and add Deductions factors at any time.

Run Payroll/Configure/**Deductions**.

Highlight <new> and press the **Tab** key.

Name. Type **Health Ins Premium**.

Enter a meaningful name for the Deduction, such as 401k, Dependent Care, and so forth.

Auto assign. Click the box or press Spacebar to **turn on the option**.

You check this box to automatically assign a pay factor to employees as you later add them in the Configure/Employees window. (Configuring a factor to be auto-assigned does not affect existing employees.)

For Deductions factors (for example, health insurance that employees pay for) that are common to most employees in the company, turn on the "Auto assign" option.

You can delete auto-assigned factors that don't apply to specific employees in the Configure/Employees window.

Deduct before new taxes. Press Tab.

The Health Insurance Premium is not a pretax deduction. This option in the Deductions window allows you to set up each deduction to be deducted before or after taxes are calculated.

If your deduction is a pretax deduction, like a 401k or an approved savings plan benefit, check the "Deduct before new taxes" option in the Deductions window. When you add taxes, the deduction factors with this option turned on are automatically put into the "Earnings include" list for each tax. Pretax deductions are put into a tax's earnings include list so the deduction will be deducted before the tax is calculated.

Deduct before. Press Tab.

The Health Insurance Premium is not a pretax deduction. The system will calculate taxable income before subtracting this deduction.

Additional W-2 reporting. Press Tab.

The default of "None" may or may not be correct for a deduction. Press F1: Help to see how to handle W-2 reporting of various types of Deductions. Review your W-2 instructions if you are in doubt. For example, for a 401k deduction, select "Employee 401k" for additional W-2 reporting from the list.

Contribution method: Employee. Select **Amount per pay period** and then **click** the **Options** button to display the prompts associated with the contribution methods in the Options part of the window below.

Depending on their family coverage needs, employees will pay a fixed dollar contribution to their health insurance premium per pay period.

Liability account. Choose 2610-00 Health Plan.

You enter a General Ledger account, normally a Payroll liability account, for posting the Deduction. (For this tutorial using the sample data, you can select any liability account.)

Amount. Press Tab to leave the amount blank.

The deduction amount will vary according to the employee's health insurance choice.

Ceiling. Press **Tab**.

Many deductions have period or annual ceilings and floors. You may need to enter such additional information the system uses to calculate the Deduction. The pay period contribution for health insurance is not subject to a ceiling.

Click **OK** to save your work so far.

Here is how the completed Deductions window should look.

The screenshot shows the 'Deductions' window with the following configuration:

- Name: Health Ins Premium
- Auto assign:
- Deduct before new taxes?:
- Deduct before: [Empty field]
- Additional W-2 reporting: None
- Contribution Method:
 - Employee: Amount per pay period
 - Employer: None
- Options:
 - Liability account: 2610-00 Health Plan
 - Amount: \$0.00
 - Annual ceiling: \$0.00

Buttons at the bottom: Save changes, OK, Delete, Restore.

Payroll: Configure Deductions window

Press the **Save changes** button in the left pane to permanently record the deduction you have just configured.

Tutorial: Configure Noncash Benefits

When you set up Payroll from scratch, set up Noncash Benefits factors third (after Income and Deductions). Of course, you can modify and add Noncash Benefits factors at any time.

Run Payroll/Configure/Noncash Benefits.

Highlight <new> and press the **Tab** key (or press F9).

Name. Type **Housing Allowance** and press **Tab**. In each field, press **Tab** after you type your choice (or choose it from the Selector list) to enter the data and move to the next field.

Always enter a name that will be meaningful on reports and check stubs.

Auto assign. Press **Tab**.

You don't want to automatically assign the factor to new employees as you add them. Only a few employees qualify for this noncash benefit.

Make subject to new taxes. Click to **check the checkbox**.

The noncash benefit factor is subject to most Payroll taxes you will set up in the future.

Earnings subject to. Press **Spacebar** or click the icon to open the box. Click **Select all** to select all taxes in the Earnings subject to box and click **OK**.

In general, you make earnings subject to existing taxes by selecting the taxes in the "Earnings subject to" box OR you make taxes include certain pay factors as taxable in the "Earnings include box" in the Taxes window. The system automatically updates one "taxable status" box when you update the other "taxable status" box.

Additional W-2 reporting. Select **Fringe benefit**.

Review your W-2 instructions if you are in doubt about how to report a noncash benefit.

Contribution method. Select **Amount per pay period**.

The contribution method determines how the system calculates the noncash benefit. With the method displayed in the Employee Contribution method field, press the **Tab** key to display the prompts for this noncash benefit in the Options part of the window below.

Amount. Press **Tab**.

You can enter a default amount if many of your employees qualify for the same noncash benefit amount per pay period. Otherwise, leave the

Amount field blank and fill in the individual amount for each employee in the Configure/Employees window.

Annual ceiling. Enter **7200.00** for the Annual ceiling.

This type of noncash benefit usually has an annual limit.

Press the **OK** button to save the entry.

Here is how the completed Noncash Benefits window should look.

The screenshot shows the 'Noncash Benefits' configuration window. The left pane lists 'Use of Company Car' and 'Housing Allowance' (checked). The main pane shows the configuration for 'Housing Allowance'. The 'Name' field is 'Housing Allowance'. The 'Auto assign' checkbox is unchecked, and the 'Make subject to new taxes?' checkbox is checked. The 'Earnings subject to' field is 'CA SDI, CA SIT, CA SUTA, I ...'. The 'Additional W-2 reporting' dropdown is set to 'Fringe benefit'. The 'Contribution Method' dropdown is set to 'Employer'. The 'Amount per pay period' field is '\$0.00'. The 'Options' section shows 'Amount' as '\$0.00' and 'Annual ceiling' as '\$7,200.00'. At the bottom, there are buttons for 'Save changes', 'OK', 'Delete', and 'Restore'.

Payroll: Configure Noncash Benefits window

Press the **Save changes** button in the left pane to permanently record the noncash benefit you have just configured.

Tutorial: Configure Vacation and Sick Accruals

When you set up Payroll from scratch, set up Vacation and Sick Accruals factors fourth (after Income, Deductions, and Noncash Benefits). Of course, you can modify and add accrual factors at any time.

The system automatically displays an accrual payout field when you run Calculate or ATF Payroll for the employee to whom the accrual is assigned.

You may want to track vacation and sick hours earned and taken, but you do not want to track vacation and sick time paid out as a separate expense. Then simply assign your regular wages account as the accrual expense account. When you enter the number of "Hours paid" when you run Calculate or ATF Payroll, the amount paid in the accrual's payout field is posted to regular pay.

If you want to expense vacation and sick pay separately from regular pay, when you set up an accrual, you assign an expense account specifically for accrual payouts. The payout amount will be posted to the separate account.

The number of hours accumulated and the number of hours taken (entered at "Hours paid" in the Calculate or ATF window) show on the Earnings Report.

Finally, if you don't accrue vacation and sick hours, you can ignore the Accruals function altogether. If you do not want to track accrued vacation or sick hours but you do want to expense vacation and sick payout separately from regular pay, simply set up separate Income factors for vacation and sick pay.

Run Payroll/Configure/Vacation and Sick Accruals.

In the left pane, press **Tab** on <new> or press F9.

Name. Type **Vacation (Salaried)**.

In each field, press **Tab** after you type your choice to enter the data and move to the next field.

Auto assign. Press **Tab**.

Do not automatically assign the factor to new employees as you add them. You will manually assign this accrual to salaried employees.

Make subject to new taxes. Press **Spacebar** or click the box.

The accrual payout is subject to all or most Payroll taxes you will set up in the future.

Earnings subject to. Press **Spacebar** or click the icon to open the box. Click **Select all** to select all taxes in the Earnings subject to box and click **OK**.

In general, you make earnings subject to existing taxes by selecting the taxes in the "Earnings subject to" box OR you make taxes include certain pay factors as taxable in the "Earnings include box" in the Taxes window. The system automatically updates one "taxable status" box when you update the other "taxable status" box.

Contribution method. Select **Hours per period** and press the Tab key.

The contribution method determines how the system calculates the accrual.

Expense account. Select **6010-00 Salary and Wages**.

This is the general ledger expense account for posting vacation payouts you enter in the Calculate or ATF Payroll window.

Accrual ceiling. Enter **80** for the Accrual ceiling.

The numbers of hours accrued for vacations and sick leave usually have a limit.

Hours accrued. Enter **6.67** hours per pay period for this vacation accrual.

You can enter a default number of accrual hours per pay period if all employees to whom the accrual is assigned will accrue the same number of hours. Otherwise, leave the Hours accrued field blank and fill in the individual hours for each employee in the Configure/Employees window.

Press the **OK** button to save the entry.

Here is how the completed Accruals window should look.

Name	Vacation (Salaried)
Auto assign	<input type="checkbox"/>
Make subject to new taxes?	<input checked="" type="checkbox"/>
Earnings subject to	CA SDI, CA SIT, CA SUTA, I ...
Contribution Method	Hours per period
Options	
Expense account	6010-00 Salaries & Wages
Accrual ceiling	80.00
Hours accrued	6.67

Payroll: Configure Accruals window

Press the **Save changes** button in the left pane to permanently record the Vacation and Sick Accrual you have just configured.

You assign the Vacation (Salaried) accrual to your salaried employees. When you process Payroll, the system accrues the hours. If the employee is to receive accrual pay, you enter the accrual payout amount and the hours paid. (In Configure/Company Information, you can configure Payroll to automatically calculate the payout amount based on the hours paid.)

Tutorial: Configure Tax Calculations

When you set up Payroll from scratch, use the Tax Calculations window only if user-defined Taxes apply to your employees or if you want to edit the SUTA Maximum taxable earnings.

Set up Tax Calculations factors fifth, after Income, Taxes, Noncash Benefits, and Accruals.

Of course, you can modify and add Tax Calculations factors at any time.

Run Payroll/Configure/**Tax Calculations**.

Press **F9** to make a new entry.

Name. Type **School Tax** for the name of the user-defined tax.

Additional W-2 reporting. Select **Local tax box**.

The default of "None" at "Additional W-2 reporting" is correct for Taxes supported by the Payroll Tax Updates. User-defined Taxes may have other requirements for W-2 reporting such as Local tax box or Other information box. Review your W-2 instructions if you are in doubt.

Contribution method

Employee. Select **Percent of taxable earnings**.

Employer. Press **Tab**.

Earnings calculation. Select **Earnings**.

The contribution method determines how the system calculates the tax. The employer does not contribute to the school tax. At "Earnings Calculation," you set up the earnings base -- straight earnings, earnings minus exemptions, and so forth.

Click the **Options** button to display the prompts associated with the contribution and Taxable earnings calculation methods in the Options part of the window below.

Percent. Type **.002**.

Minimum taxable earnings. Type **5000**.

Maximum taxable earnings. Type **15000**.

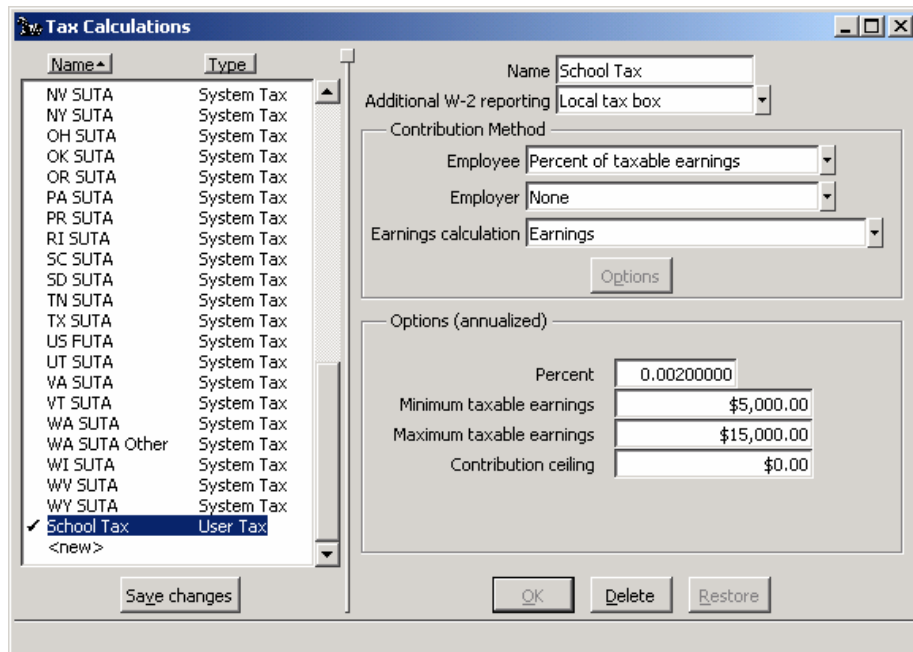
Contribution ceiling. Press **Tab**.

You enter the annualized limits, if any, for the local tax in the Options fields. User-defined Taxes may require maximum and minimum earnings levels to kick in. They may require contribution ceilings. You will need to enter such additional information the system uses to calculate the Tax.

You assign posting accounts when you assign a Tax to a company in Configure/Taxes. In this window, you enter the calculation information.

Click **OK** to save your work so far.

Here is how a completed Tax Calculations window might look.



Payroll: Configure Tax Calculations window

Click **Save changes** to save the factor.

Tutorial: Configure Taxes

When you set up Payroll factors from scratch, set up Taxes factors last, after Income, Deductions, Noncash Benefits, Accruals, and Tax

Calculations (which you use only if user-defined Taxes apply to the company). In this window, you assign the appropriate taxes to a company from among ALL available taxes -- either Federal and state taxes supported by the Payroll Tax Updates or user-defined taxes you created.

Of course, you can modify and add Taxes factors at any time.

For our sample tax, let's say you opened an office in Tulsa and hired some staff. Your Oklahoma employees will be paying Oklahoma state income tax. You add Oklahoma SIT and you then assign the tax to the Tulsa employees.

Run Payroll/Configure/Taxes.

In the left pane, press **Tab** on <new> or press F9.

Name. Select **OK SIT** from the drop-down list.

Auto assign. Press **Tab**.

You don't want to automatically assign the factor to new employees as you add them. Only a few employees will be hired in Tulsa from time to time.

Reporting ID. Enter **12-3456789**, the employer identification number you use to report state taxes to Oklahoma

The EIN prints on W-2s.

Remittance vendor. Select **State Comptroller** from the list.

You can set up the financial institution to which you remit OK SIT as a Payables vendor and associate the tax with that vendor in the Payroll/Configure/Taxes window. You must associate the tax with a remittance vendor if you intend to use Payroll/Print/Remittance Checks.

Current liability. The Current liability field is protected from accidental data entry. Right-click to edit the field and to review Help for how the system uses this information.

As you process Payrolls for Oklahoma employees, the accumulated, unremitted current liability amount is displayed here. When you are adding a new tax, the liability is zero, since you have not yet paid any employees whose pay is subject to the tax.

As you process payrolls and submit remittances of the tax, the amount should reflect what you owe in OK SIT remittance. If this amount is incorrect, you can right-click the field and type your correct liability for this tax.

Payroll: Configure Taxes Current liability field

Additional W-2 reporting, Contribution Method, and Earnings Calculation. The Oklahoma tax tables control W-2 reporting, contribution methods, and how to determine taxable income, so these fields are for your information only.

Liability account. For this lesson, just for practice, let's select **2580-00 IL SIT Payable** for posting the employee withholding.

Following the scheme in NETCON's COA, you would normally add an account to the COA for OK SIT before posting. You can change this account later, after you add the appropriate account for OK SIT to the Chart of Accounts.

Earnings include. Press the **Spacebar** or click the icon to open the window. You indicate which factors to include when calculating OK SIT. **Make sure the Oklahoma-taxable factors are checked** and click **OK**.

The Earnings include window lists all eligible pay factors (Incomes, Noncash Benefits, Accrual payouts, and Deductions) set up so far.

Press the **OK** button to save the entry.

Here is how the completed Taxes window should look.

Payroll: Configure Taxes window

Press the **Save changes** button in the left pane to permanently record the tax you have just configured.

When you assign the tax to employees, you will enter the employee-specific information for the tax such as filing status, allowances, exemptions, and extra withholding.

When you process Payroll, the system calculates the tax amount for the employee and subtracts the amount from gross pay. For employee withholding and employer contribution, if any, the system credits the tax liability accounts. For the employer contribution, the system debits the tax expense account. And finally, the system updates the current liability shown in this window.

Tutorial: Configure Workers' Comp. Codes

Use Configure/Workers' Comp. Codes to set up all the Workers' Compensation classification codes that identify the kinds of Workers' Comp.-covered jobs assigned to your employees. You then enter the

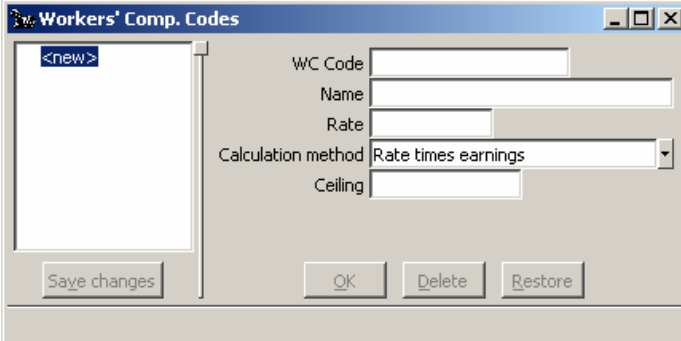
applicable WC Codes for the pay factors (WC-covered jobs) that are assigned to employees in the Configure/Employees window.

Then when you process payroll, the system records earnings associated with each of the WC-covered jobs. For each WC Code for the selected date range, the Workers' Compensation Report shows regular hours and pay, overtime hours and pay, and total WC-covered pay for affected employees. The value in the "Premium" column is the total pay or hours associated with the WC Code multiplied by the rate.

Run System/Company/**Select**. Select the company NETCON.

Run Payroll/Configure/**Workers' Comp. Codes**.

In this window you enter the WC Code, a descriptive name, the calculation method (rate times earnings or hours), the rate, and the ceiling, if any.



Payroll: Configure Workers' Comp. Codes window

WC Code. Identify the Workers' Comp. Code by its official ID. This helps auditors and others who examine payrolls to determine the appropriate insurance premium, experience modifications, credits, discounts, and so forth.

Name. You can enter a name to help identify each Workers' Compensation Code. The name might identify the kind of work associated with the code. For example, in California, you could give the name "Umbrella mfg." to the WC Code 2501(3).

Rate. Enter the rate that is assigned to this Workers' Comp. Code. Type the rate as you see it in your WCC documentation; for example, type a rate of 5.63 as 5.63.

Calculation method. Select a calculation method from the options, as described below. The calculation method determines how the Workers'

Compensation Report calculates the unadjusted “Premium” associated with the covered earnings or hours.

The Workers’ Comp. calculation methods work as follows:

Rate times earnings. The calculated WC “premium” on the Workers’ Compensation Report is the rate you enter in this window times the calculated earnings (up to the ceiling, if there is one) for the factors that are assigned to WC Codes that use this rate.

Rate times earnings - no overtime multiplier. The calculated WC “premium” on the Workers’ Compensation Report is the rate you enter in this window times the calculated earnings (up to the ceiling, if there is one) for the factors that are assigned to WC Codes that use this rate.

Earnings for overtime factors assigned to WC codes using this rate are calculated at the base factor rate (no Overtime multiplier).

Rate times hours. The calculated “premium” on the Workers’ Compensation Report is the rate you enter in this window times the hours worked for the factors that are assigned to WC Codes that use this rate.

Worker’s Comp. considers **overtime hours** to be hours worked at any pay factor for hourly income that uses the Overtime multiplier contribution method. Regardless of the Calculation method you select, all overtime hours are reported as overtime hours on WC reports.

Ceiling. Enter the ceiling, if there is a ceiling to the Worker’s Comp.-covered earnings associated with this WC Code.

The ceiling is taken into account across the transaction date range you specify when you print the report. The system does not track “earnings subject to” with and without ceiling as it does with taxes. For example, when you print the Workers’ Compensation Report from April 1st of one year to April 1st of the next, if an employee’s covered pay for that date range exceeds the ceiling, the pay is capped at the ceiling for the purpose of calculating a premium.

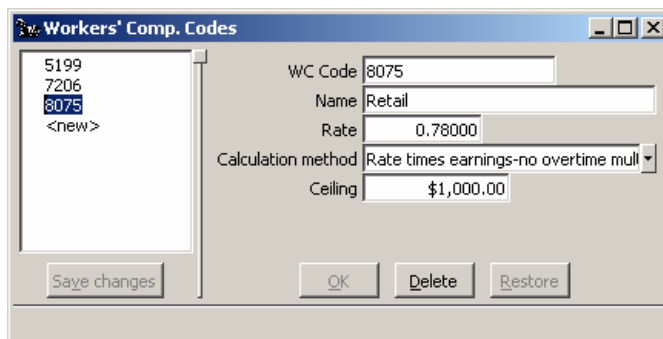
The Ceiling field is disabled for Rate times hours.

Configure the following WC Codes if you want to see the various options reflected on the Workers' Compensation Report for Sample Data:

WCCode	Description	Rate	Calculation method	Ceiling	
8075	Retail	.78	Rate times earnings - no overtime multiplier	\$1,000	OK
5199	Maintenance	2.79	Rate times hours	NA	OK
7206	Installation	1.45	Rate times earnings	None	OK

Your completed Payroll Workers' Comp. Codes configuration window should be similar to this sample.

Click **OK** and **Save changes**.



Payroll: Configure Workers' Comp. Codes window, completed

Tutorial: Configure Employees

When you set up Payroll from scratch, set up Employees last. Of course, you can modify and add Employees at any time. Your daily operations will also often include adding new employees, modifying employees whose circumstances change, and deactivating employees who leave.

You use Configure/Employees to assign pay factors (income, deductions, taxes, and so forth) to employees. You also enter the codes associated with Workers' Compensation-covered jobs, if you track and report WC-covered jobs.

This Employee Setup lesson assumes you do NOT departmentalize Payroll expenses and liabilities.

Run Payroll/Configure/**Employees**.

Press **F9** to create a **new entry**. (Or highlight <new> and press Tab.)

The Pay factors tab in the Employees window displays the pay factors that were configured for automatic assignment to employees.

Name. Enter **Perkins|Melissa**.

Be consistent with the format of employee names.

If you plan to use 21st Century Accounting to produce W-2s, enter the name like this:

Lastname, Suffix | Firstname

(The "|" may look like a vertical dashed line on your keyboard. Enter the suffix only if it is on the employee's Social Security card.)

Employee ID. Enter **2003**.

Along with the name, this ID will identify the employee on reports, in selector lists, and on paychecks.

SSN. Enter **452-55-5599**.

Pay frequency. Select **Semimonthly** from the drop-down list.

W-2 filing information. Tab through the boxes.

Information from the W-2 boxes prints on W-2s. Follow your W-2 guidelines when you enter your own employees.

Now you configure the employee pay factors. (You can Tab through the fields or press Enter to move down the window if you're in Keypad mode.)

401K: Percent. Enter **.05**.

Put your **mouse pointer over Salary, right-click**, and select **Delete salary** from the menu.

Sick: Hours accrued. Enter **1.67**. Employees accrue 3.33 sick hours a month, which is 1.67 hours each semimonthly pay period.

Sick: Accrual ceiling. Enter **40**.

Vacation: Hours accrued. Enter **4**. The employee accrues 8 vacation hours a month, which is 4 hours each semimonthly pay period.

Vacation: Accrual ceiling. Enter **96**, the maximum vacation hours this employee can accrue.

Health Ins Premium. Enter **35.92** (half the semimonthly employee's monthly portion of the premium).

Click <new>, select **Bookkeeper Salary** from the list, and press **Tab**.

Bookkeeper Salary: Salary. Enter **1500.00**.

Bookkeeper Salary: Hours worked. Enter **86.67**.

Bookkeeper Salary: Workers' Comp. Code. Enter **8075**.

You can enter amounts, hours worked, vacation and sick hours accrued, and percents that are the same every pay period. When you make a Payroll run, calculations that use these values are automatic.

Leave the variable values (if any) as "0.00" -- you will fill them in when you run Payroll. These values might be, for example, regular and overtime hours worked and reimbursements.

Enter tax-filing statuses, exemptions, and other information from the employee's W-4, W-5, or other equivalent forms.

To DELETE factors, mouse over a factor, right-click, and select Delete from the menu. (Or Tab into the factor field, press the Menu key to the right of the Windows Icon key to the right of the Alt key to the right of the Spacebar, and select Delete from the menu.)

To ADD factors, click <new> and select a factor from the drop-down list. (Or Tab into any factor field, press the Menu key to the right of the Windows Icon key to the right of the Alt key to the right of the Spacebar, and select <new> from the menu.)

Click **OK** to save your work so far.

Here is how a completed Employee Payroll Info window might look.

The screenshot shows the 'Employees' application window with the 'Personnel' tab selected. The left pane lists employees, with 'Perkins| Melissa' selected. The main area contains the following fields:

- Payroll info** (selected): Name (Perkins| Melissa), Employee ID (2003), SSN (452-55-5599), Pay frequency (Semimonthly), Status (New).
- W2 filing information**: Statutory employee, Retirement plan, 3rd party sick.
- Pay factors**:
 - Bookkeeper Salary**: Salary (\$1,500.00), Hours worked (86.67), Workers' Comp Code (8075).
 - Sick**: Accrual ceiling (40.00), Hours accrued (1.67), Workers' Comp Code.
 - Vacation**: Accrual ceiling (96.00), Hours accrued (4.00), Workers' Comp Code.
 - 401K**: Percent (0.05000000).
 - Health Ins Premium**: Amount (\$35.92).
 - TX SUTA**, **US FUTA**, **US Med**, **US FIT**: Filing Status (Single), Exemptions (0), Exempt from tax ()
 - US SS**: Additional withholding (\$0.00).

Buttons at the bottom include: Save changes, Print, OK, Delete, Restore, Memorize, Unprocess.

Payroll: Configure Employees, Payroll Info window

Click the **Personnel** tab at the top of the window to finish entering employee information.

The fields on the Personnel page are optional.

Click the address card icon or press the Spacebar to open the employee's address window. Enter an address if you wish.

Enter any other information you want. State of employment and Category can be used to sort or select data for some reports.

Click **OK** to save your work so far.

Here is how a completed Employee Personnel window might look.

The screenshot shows a software window titled "Employees" with two tabs: "Payroll info" and "Personnel". The "Personnel" tab is active. On the left, a list of employees is shown with columns for "Employee ID" and "Name". The entry for "2003 Perkins | Melissa" is selected. The right side of the window contains a form for the selected employee's details:

- Name: Perkins | Melissa
- Address: 789 San Antonio St.... / Austin
- Sex: Female
- Job title: Bookkeeper
- Part time?
- State of employment: Texas
- Birthdate: 04/01/1972
- Hire date: 07/01/2005
- Last review date: (empty)
- Termination date: (empty)
- Category 1: Ongoing
- Category 2: (empty)
- Category 3: (empty)
- Notes: (empty text area)

At the bottom of the window, there are several buttons: "Save changes", "Print", "OK", "Delete", "Restore", "Memorize", and "Unprocess".

Payroll: Configure Employees, Personnel window

Click **Save changes** to save the employee.

Chapter 3: Daily Operations

The following tutorials illustrate many of the steps for setting up the applications and going through normal daily data entry in Bank Accounts, Receivables, Payables, and Payroll.

Use the online Help for detailed information as you set up your books and go through data entry cycles in your company.

Start Daily Ops tutorials with this step

For your first steps in each Daily Operations tutorial, start up 21st Century Accounting, select the company **NETCON (except where indicated)**, and set the Default date as **06/30/2007**.

Bank Accounts Operations

The tutorials provide instructions and illustrations (Window shots) for entering and tracking bank-related transactions. We will show you how to perform a bank reconciliation, enter deposits, transfer funds among bank accounts, void deposits and receipts, and renumber checks, using the sample data (NETCON).

See the Checklists for maintaining bank accounts in "Checklist: Bank Accounts," beginning on page 176.

Tutorial: Reconciliation

Use Bank Accounts/Reconciliation to reconcile your company books with your bank statements. You can reconcile any or all of the bank accounts that you set up in the Configure/Bank Accounts window.

When you select a bank account, the system provides a list of unreconciled deposits, a list of unreconciled withdrawals, a window for making adjusting entries to general ledger accounts, and the period ending balance for the account being reconciled.

The system displays unreconciled transactions affecting the bank account whose transaction dates or posting periods fall in or before the posting period associated with the date you enter at Statement date: journal entries, bank transfers, checks, deposits, custom journal entries, and

transactions from anywhere else in the system you can specify a general ledger bank account. If the effect of a transaction is to increase the account balance, it is displayed as a Deposit. If the effect is to decrease the account balance, it is displayed as a Withdrawal.

IMPORTANT NOTE: Before you start --

Transactions you entered in 21st Century Accounting that are not truly bank transactions — for example, journal entries involving 21st Century Accounting bank accounts that don't pass through your bank as deposits or withdrawals — will not, of course, appear on the statement from the bank. They WILL be displayed in the 21st Century Accounting Reconciliation window during bank reconciliation and they will create discrepancies. We recommend that you make journal entries to reverse their effect on the general ledger bank account, leaving the general ledger bank account "pure" — so that the 21st Century Accounting general ledger bank account reflects only the transactions that actually pass through the account at your bank.

Run System/Company/Select and select **NETCON** for all the Daily Operations lessons (with a few exceptions, where indicated).

If you have not already done this, click **Default date** on the menu bar and set the date to **06/30/07**.

Now run Bank Accounts/**Reconciliation**.

Bank account. Select **01 - Operating**.

Statement end date. The system displays the date from the last statement you reconciled, **05/30/07**. Press **Tab**.

Statement opening balance. The system displays the ending balance from the last statement you reconciled as the opening balance for this statement, **\$10,339.29**. Press **Tab**.

Statement ending balance. Type **59193.98**, the ending balance shown on your bank statement.

Before you begin to check off (reconcile) the transactions on your statement with transactions in the Reconciliation window, the window looks like this.

Reconciliation

Bank account: 01 Operating

Bank statement

Statement end date: 05/30/2007 Stmt. opening balance: \$10,339.29 Stmt. ending balance: \$59,193.98

Deposits | Withdrawals | Adjustments

Deposit #	Date	Amount	Period	Description
000004	05/25/2007	\$3,062.50	5/2007	
000456	05/09/2007	\$14,724.50	5/2007	
JE # 1:2	12/01/2006	\$35,565.47	12/2006	

0 cleared, totalling \$0.00 3 outstanding, totalling \$53,352.47

Reconciliation progress for period 5/2007

Stmt. opening balance	\$10,339.29	Stmt. ending balance	\$59,193.98	Adjusted bank balance	\$108,027.67
+ Total cleared	\$0.00	+ Total outstanding	\$48,833.69	+ discrepancy	(\$48,854.69)
+ discrepancy	\$48,854.69	- Future postings		= Book balance	\$59,172.98
= Stmt. ending balance	\$59,193.98	= Adjusted bank balance	\$108,027.67	for GL account 1000-00	

Finished Finish later Preview Print

To clear a transaction click on the icon or press spacebar.

Bank Accounts: Reconciliation window, Deposits Workspace

The "Deposits" workspace is displayed when you open this window and start a new reconciliation.

Click the **"Withdrawals"** tab above the workspace to see the checks recorded on this bank account.

Reconciliation

Bank account: 01 Operating

Bank statement

Statement end date: 05/30/2007 Stmt. opening balance: \$10,339.29 Stmt. ending balance: \$59,193.98

Deposits | **Withdrawals** | Adjustments

Check #	Date	Amount	Period	Description
002067	04/05/2007	\$21.00	4/2007	Speedy Delivery Service
002069	05/06/2007	\$121.95	5/2007	ABC Electrical Supply
002070	05/06/2007	\$97.24	5/2007	Bell Telephone
002071	05/06/2007	\$850.00	5/2007	North Park Plaza
002072	05/10/2007	\$1,490.54	5/2007	Todd Merrell
002073	05/15/2007	\$1,415.50	5/2007	Computer Supply Company
002074	05/20/2007	\$456.55	5/2007	ABC Electrical Supply
002075	05/20/2007	\$66.00	5/2007	US Post Office

0 cleared, totalling \$0.00 8 outstanding, totalling \$4,518.78

Reconciliation progress for period 5/2007

Stmt. opening balance	\$10,339.29	Stmt. ending balance	\$59,193.98	Adjusted bank balance	\$108,027.67
+ Total cleared	\$0.00	+ Total outstanding	\$48,833.69	+ discrepancy	(\$48,854.69)
+ discrepancy	\$48,854.69	- Future postings		= Book balance	\$59,172.98
= Stmt. ending balance	\$59,193.98	= Adjusted bank balance	\$108,027.67	for GL account 1000-00	

Finished Finish later Preview Print

Bank Accounts: Reconciliation window, Withdrawals Workspace

The "Withdrawals" workspace is displayed when you click the Withdrawals tab.

Let's say the first check, #002067 for \$21.00 has not cleared the bank. That check can't be reconciled with this statement. All the remaining checks displayed in the window have cleared the bank and are on the bank statement.

Highlight check #002069. Press the **Spacebar** to mark the check as reconciled.

Press the **Spacebar 6 more times** to check (that is, mark as reconciled) all the following checks in the workspace.

Watch the "Total cleared" box recalculate as you clear the checks.

Now your window should look like this:

Bank account: 01 Operating

Bank statement: Statement end date: 05/30/2007 Stmt. opening balance: \$10,339.29 Stmt. ending balance: \$59,193.98

Check #	Date	Amount	Period	Description
002067	04/05/2007	\$21.00	4/2007	Speedy Delivery Service
✓ 002069	05/06/2007	\$121.95	5/2007	ABC Electrical Supply
✓ 002070	05/06/2007	\$97.24	5/2007	Bell Telephone
✓ 002071	05/06/2007	\$850.00	5/2007	North Park Plaza
✓ 002072	05/10/2007	\$1,490.54	5/2007	Todd Merrell
✓ 002073	05/15/2007	\$1,415.50	5/2007	Computer Supply Company
✓ 002074	05/20/2007	\$456.55	5/2007	ABC Electrical Supply
✓ 002075	05/20/2007	\$66.00	5/2007	US Post Office

7 cleared, totalling \$4,497.78 1 outstanding, totalling \$21.00

Reconciliation progress for period 5/2007

Stmt. opening balance	\$10,339.29	Stmt. ending balance	\$59,193.98	Adjusted bank balance	\$59,172.98
+ Total cleared	\$48,854.69	+ Total outstanding	(\$21.00)	+ discrepancy	
+ discrepancy		- Future postings		= Book balance	\$59,172.98
= Stmt. ending balance	\$59,193.98	= Adjusted bank balance	\$59,172.98	for GL account 1000-00	

Buttons: Finished, Finish later, Preview, Print

Bank Accounts: Reconciliation window, Cleared Checks (Withdrawals)

Note: To highlight more than one transaction at a time

To highlight a group of items that are next to each other, cursor to the first item, and then hold down the Shift key while you down-arrow to the last item.

Once you have highlighted a number of items, then press the Spacebar to check (or uncheck) all highlighted items.

Now **click the "Deposits" tab** to reconcile the deposits to this bank account.

All 3 deposits are on the bank statement. Press **Spacebar 3** times to mark them as cleared.

The "Reconciliation progress" area at the bottom of the screen has kept track of your cleared checks. Now the discrepancies are zero.

Bank reconciliation involves two interacting phases:

- Reconcile 21st Century Accounting bank account transactions to bank statement. In the Reconciliation window, mark all bank transactions that appear on your statement from the bank as "cleared"

and enter all adjustments (such as bank fees and interest) that are on the statement but not entered into 21st Century Accounting yet. This phase is complete when the Statement opening balance plus Total cleared amount is equal to the Statement ending balance.

- Reconcile bank balance to book balance. The balance in the account according to the bank and the general ledger bank account balance should be equal when the first phase is complete. Any discrepancy indicates that some transactions that will never pass through the bank have affected the general ledger bank account. You can press the Finish Later button, make journal entries to correct the G/L bank account, and return to complete the reconciliation.

Press the **Preview** button now.

You can print a report of the reconciliation-in-progress from the Reconciliation window or you can print a Reconciliation Report of any posted reconciliation later from the Bank Accounts/Print menu.

Reconciliation Report					
03/27/2007 12:04:35 PM		Network Consultants, Inc. Reconciliation Report Bank account: 01 - Operating Statement date: 05/30/2007 Period: 5/2007		Page 1	
Stmt. opening balance:	10,339.29	Stmt. ending balance:	59,193.98	Bank balance:	112,525.45
+ Total cleared:	-4,497.78	+ Total outstanding:	53,331.47	+ discrepancy:	-53,352.47
+ discrepancy:	53,352.47	- Future postings:	0.00	Book balance:	59,172.98
Stmt. ending balance:	59,193.98	Bank balance:	112,525.45	for GL account 1000-00	
Date	Period	Document number	Description/GL Account	Amount	
Deposits					
Outstanding					
05/25/2007	5/2007	000004			3,062.50
05/09/2007	5/2007	000456			14,724.50
12/01/2006	12/2006	JE # 1:2			35,565.47
				Number of items:	3
				Total Outstanding Deposits:	53,352.47
				Number of items:	3
				Total Deposits:	53,352.47
Withdrawals					
Outstanding					
04/05/2007	4/2007	002067	Speedy Delivery Service		21.00
				Number of items:	1
				Total Outstanding Withdrawals:	21.00
Reconciled					
05/06/2007	5/2007	002069	ABC Electrical Supply		121.95
05/06/2007	5/2007	002070	Bell Telephone		97.24
05/06/2007	5/2007	002071	North Park Plaza		850.00
05/10/2007	5/2007	002072	Todd Merrell		1,490.54
05/15/2007	5/2007	002073	Computer Supply Company		1,415.50
05/20/2007	5/2007	002074	ABC Electrical Supply		456.55
05/20/2007	5/2007	002075	US Post Office		66.00
				Number of items:	7
				Total Reconciled Withdrawals:	4,497.78
				Number of items:	8
				Total Withdrawals:	4,518.78
Printed by Guest Login					

Bank Accounts: Bank Reconciliation Report Preview

You can press the Print icon in the Preview window to print a hardcopy of the report for your files if you wish.

Entering Adjustments

You use the Adjustments tab to enter miscellaneous transactions that appear on your bank statement but have not been entered into the system, such as electronic transfers, fees, and dividends. Adjustments you enter in the Reconciliation window are automatically posted to the bank account being reconciled. You enter increasing adjustments (debits), such as dividends, as positive amounts and decreasing adjustments (credits), such as fees, as negative amounts. The balancing entries are posted to the general ledger accounts you select.

Reconciliation and Credit Card Transactions

The system keeps a record of all credit card transactions in a separate credit card journal. During bank reconciliation, you can use the Adjustments tab to reconcile deposits from credit card companies that are reported on your bank statement but have not yet been recorded in 21st Century Accounting as bank deposits. Select the general ledger account that is associated with the credit card account as the offsetting entry for the adjustment, assuming that you posted the sale to the credit card account when you entered the sale invoice. (Alternatively, you may have entered credit card receipts as deposits using a custom cash receipts journal in the Deposits window. In that case, the credit card receipts already appear in the Deposits pane.)

Finish later

If you are not ready to commit the reconciliation, you can press the Finish later button to save your work and close the window. The next time you select this bank account, which is now associated with an unfinished reconciliation, the Reconciliation window displays the reconciliation-in-progress and gives you an opportunity to continue working on it or to "throw away" the unfinished reconciliation and start over.

In this lesson, one of the checks in our 21st Century Accounting books is not on the bank statement, so we can't clear that check. It is put into the "Total outstanding" category and added to the statement balance to create the adjusted balance. The adjusted balance equals the funds in your G/L bank account. All discrepancies are resolved. Unless you void it, the unreconciled check will appear in the Reconciliation window the next time you reconcile this bank account.

The reconciliation window now looks like this:

Reconciliation

Bank account: 01 Operating

Bank statement

Statement end date: 05/30/2007 Stmt. opening balance: \$10,339.29 Stmt. ending balance: \$59,193.98

Deposit #	Date	Amount	Period	Description
✓ 000004	05/25/2007	\$3,062.50	5/2007	
✓ 000456	05/09/2007	\$14,724.50	5/2007	
✓ DE # 1:2	12/01/2006	\$35,565.47	12/2006	

3 cleared, totalling \$53,352.47 0 outstanding, totalling \$0.00

Reconciliation progress for period 5/2007

Stmt. opening balance	\$10,339.29	Stmt. ending balance	\$59,193.98	Adjusted bank balance	\$59,172.98
+ Total cleared	\$48,854.69	+ Total outstanding	(\$21.00)	+ discrepancy	
+ discrepancy		- Future postings		= Book balance	\$59,172.98
= Stmt. ending balance	\$59,193.98	= Adjusted bank balance	\$59,172.98	for GL account 1000-00	

Finished Finish later Preview Print

To clear a transaction click on the icon or press spacebar.

Bank Accounts: Reconciliation window, Finished

Press **Finished** once all discrepancies are resolved and you are satisfied with the results, to record the reconciliation in your books.

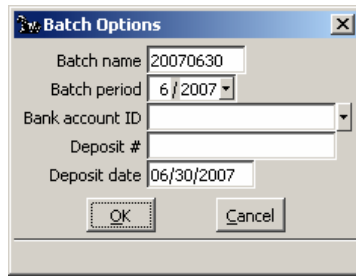
Tutorial: Entering Payments from Others (Deposits)

When you receive a payment from someone other than a Receivables customer, you need to put the money in the bank. Other cash received might be, for example, a rebate from a vendor or cash from cash sales not registered in a cash receipts journal.

"Other" receipts appear in the Deposits and Other Receipts journals.

Run Bank Accounts/Deposits.

If there are no unposted batches in a data entry module, the system automatically displays the Batch Options dialog when you open the data entry window.



All data entry sessions that create batches open with the Batch Options window. You establish the posting period and name for the batch, both of which initially default to today's date. You can enter any open period for posting and name the batch anything you like, up to eight characters. Deposit batches also ask for the bank account that will receive the deposit and the deposit number, which you can enter or press Tab for the system default.

(Press Shift+Tab if you want to back up and change the batch name.)

Batch options. Press **Tab** at Batch period and year, select Bank account ID **01**, press **Tab** on Deposit # and Deposit date. Click **OK**.

The cursor moves into the Receipt type field in the new deposit window. You can press the F6 key to move back into the left pane.

Receipt type. Select **Other** and press the **Tab** key.

Bank Accounts: Deposits window, Add New Deposit, Other

The choices for Receipt type are "Customer," for the regular customers you set up in Receivables/Configure/Customers, "Other," for non-customers who pay cash into the business, and any journals you have set up with Configure/Cash Receipts Journals.

Receipt amount. Enter **500** as the receipt amount.

The receipt amount from an "Other" has not been entered into the system as a receivable.

Trans date. Press **Tab** again to accept the Trans. date.

You can change the transaction date to any date in an open period. Check the date Help to see how to use shortcut keys to change dates.

Name. Type **Bob Lotsado** and press **Tab**.

The name helps to identify the transaction on reports.

Account. From the drop-down list, select **4020-00 Income - Materials and Supplies** and press **Tab**.

Comment: Type **Obsolete office furniture** and press **Tab**.

Description. Tab through to leave the journal description blank and click **OK** to save the deposit entry.

The completed deposits window looks like this:

Account	Name	Comment	Amount
4020-00	Income - Materials & Supplies	Obsolete office furniture	\$500.00

Bank Accounts: Deposits window, "Other" Deposit Saved

When you are done, click the **Post batch** button.

Tutorial: Entering Cash and Credit Card Receipts from a Cash Register (Deposits)

You may do a mix of sales that includes credit card, cash, and check payments into a cash register from non-Receivables customers. The Setup lesson, "Tutorial: Configure Cash Receipts Journal" on page 66 shows you how to create a cash receipts journal that you use to deposit cash register receipts. Now we'll show you how to use the journal.

Select **Arnold Plumbing** for the company. We'll use the company you created to show you how to use the cash receipts journal you worked with in the Setup tutorial.

Run Bank Accounts/**Deposits**.

Select the **Checking Account** in the Batch Options window and click **OK**.

Select **Cash/Cr Crd Receipts** at Receipt type. This is the cash receipts journal that was set up with Bank Accounts/Configure/Cash Receipts Journal.

Enter **1000** at Receipt amount. This is the total amount of cash and checks received from customers (NOT INCLUDING the credit card receipts).

For example, if you are recording a deposit that consists of \$1,000 in cash and \$2,000 in credit card slips, enter \$1,000 for the Receipt amount. Then you distribute the \$2,000 in credit card receipts at the credit card account prompt(s) from your special cash receipts journal below.

At American Express, enter **800** debit.

At Master Card, enter **800** debit.

At Visa Card, enter **200** debit.

At Discover Card, enter **200** debit.

At Taxable Income, enter **3000** credit.

The entry is balanced and complete. Click **OK**.

Deposits

20070630.000
Cash/Cr Crd Receipt
<new>
<new>

Deposit information

Bank account ID: Checking Account Period: 10 / 2006
Deposit #: 2 Deposit date: 06/30/2007
Total cash deposit: \$1,000.00
Total credit card deposits: \$2,000.00

Receipt

Receipt type: Cash/Cr Crd Receipts Trans. date: 06/30/2007
Receipt amount: \$1,000.00

	Debit	Credit
American Express	\$800.00	
Master Card	\$800.00	
Visa Card	\$200.00	
Discover Card	\$200.00	
Non Taxable Income		\$0.00
Taxable Income		\$3,000.00

Description Undistributed amount: \$0.00

Save batch Post batch OK Delete Restore Deposit Info

Bank Accounts: Deposits window, Cash register deposit

Click **Post batch**.

Tutorial: Entering Disbursements Checks to "Other Payees"

Bank Accounts/Disbursements Checks lets you enter and print checks that are not intended to go through a control account.

Disbursements Checks provides the appropriate check-writing method for cash-based businesses. The system credits the bank account for the amount of the check and debits the G/L accounts you specify for the amounts you enter.

You can enter checks to Payables vendors that are not intended to go through the Payables control account or affect the vendor's account, taking advantage of the ability in Payables to set up distribution prompt accounts. "Other" disbursements debit the G/L accounts you specify for the amounts you enter.

Manual and Printed Disbursements Checks

You can enter after-the-fact checks that have been produced manually or you can print system checks from the Disbursements Checks window.

Run System/Company/Select and select **NETCON**.

Run Bank Accounts**Disbursements Checks**.

All data entry sessions that create batches open with the Batch Options window. You establish the posting period and name for the batch, both of which initially default to today's date. You can enter any open period for posting and name the batch anything you like, up to eight characters. The Disbursements Checks function also gives you the option to print a batch of checks.

Batch options. Press **Tab** on period and **check the Print checks?** option.

Click **OK**.

Payee type. Click the little arrowhead beside the Payee type field (or press Alt+Down Arrow) to see to whom Disbursement Checks are paid. Select **Other** and press **Tab** to move to the next field.

Bank account ID. At Bank account ID, type **01**.

You can type an entry without using the Selector List if you already know what goes in a field.

Check #. The system will use the next available check number when the check is printed and posted.

Check date. Press **Tab** to accept the Check date.

In data entry windows, the default transaction date is the Default date. You can enter the date from the transaction's document of origin (invoice, statement, PO, check, and so forth) to help identify the transaction for reporting.

You can change the Transaction date to any date in an open period. Ignore the warning message if you really want to post the check amount to an open period that doesn't include the check date.

Use the Plus (+) and Minus (-) keys to change the day. Use the Ctrl+Plus and Ctrl+Minus keys to change the month.

Name and Address. Enter the payee's name, **Perfect Plumbing**, to print on the check and skip the optional address. Press **Tab** in the address field.

Payment tendered: Description. Type **Plumbing repairs**, press **Tab**, and enter the amount, **172.50**. Press **Tab**.

GL distributions. Select the account **6400-00 Equipment Repairs** and **Tab** through the Comments and Applied Amt fields.

The full check amount is automatically distributed to the account.

Check memo. **Tab** through to leave it blank.

Text you enter at this field prints on the check.

Click the **OK** button.

Your Disbursements Checks window should look like this:

The screenshot shows the 'Disbursements Checks' window with the following details:

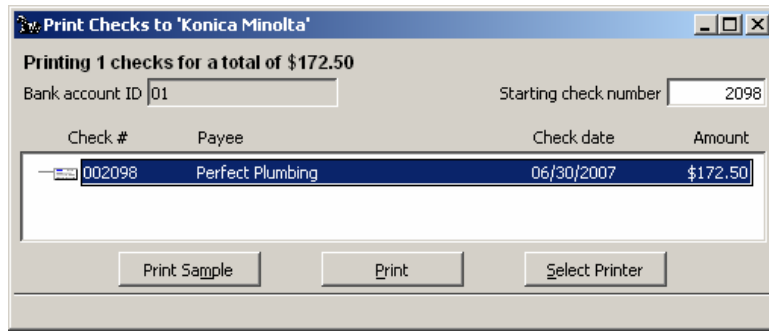
- Payee type: Other
- Bank account ID: 01
- Check #: (blank)
- Period: 6 / 2007
- Check date: 06/30/2007
- Batch total: \$172.50
- Name: Perfect Plumbing
- Address: (blank)
- Payment tendered table:

Description	Amount
Plumbing repairs	\$172.50
Check amount	\$172.50
- GL distributions table:

Account	Name	Comment	Applied amt
6400-00	Equipment Repairs		\$172.50
Undistributed amount			\$0.00
- Check memo: (blank)
- Record on 1099: (unchecked)
- Buttons: Save batch, Post batch, OK, Delete, Restore

Bank Accounts: Disbursements Checks window, Other check

Click the **Post batch** button to print and post the check.



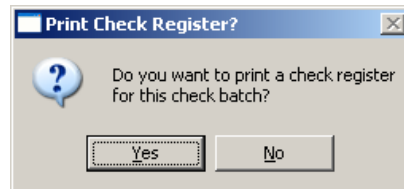
Bank Accounts: Disbursements Checks Print Checks window

Make sure plain paper is in your printer. Review the Starting check number, the Payee, and the check amount.

Click the **Print** button to print this check.

Did all checks print properly? When the check is correctly printed, you click **Yes** in this window to post the check data.

The system posts the disbursements check and asks if you want to print a Check Register for this batch.



You can print a record for your files of the checks just printed if you wish. Click Yes or No.

Press Esc or click the **X** in the upper right corner to close the Disbursements window.

Tutorial: Entering Disbursements Checks to Vendors

Although the two disbursements tutorials (to "Other" and "Vendor" payees) are presented separately, keep in mind that any number and type of printed disbursements checks can be included in the same batch.

Disbursements Checks provides the appropriate check-writing method for cash-based businesses. The system credits the bank account for the amount of the check and debits the G/L accounts you specify for the amounts you enter.

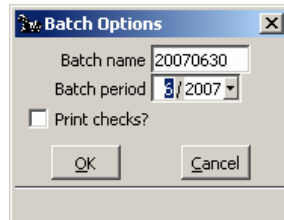
You can enter checks to Payables vendors that are not intended to go through the Payables control account or affect the vendor's account, while still taking advantage of the distribution prompt accounts that are set up in Payables.

You can enter after-the-fact checks that have been produced manually or you can print system checks from the Disbursements Checks window.

Run Bank Accounts\Disbursements Checks.

As with all data entry functions, the Batch Options window lets you establish the posting period and name for the batch, both of which initially default to today's date. You can enter any open period for posting and name the batch anything you like, up to eight characters. The Disbursements Checks function also gives you the option to print a batch of checks.

Batch options. Press **Tab** on period and **Tab** to leave the **Print checks?** option unchecked. You want to record a handwritten check you gave the vendor earlier in the day.



Click **OK**.

Payee type. Select **Vendor** and press **Tab** to move to the next field.

Bank account ID. At Bank account ID, type **01**.

You can type an entry without using the Selector List if you already know what goes in a field.

Check #. Enter **005123**, the check number of your handwritten check.
(You use numbers above 5000 for handwritten checks.)

Check date. Press **Tab** to accept the Check date.

Vendor ID. Select **ABC Electrical Supply** from the drop-down list and press **Tab**.

Notice that when you select the vendor, the vendor's account distribution prompts (set up in Payables) are displayed automatically for potential distribution of this check. Of course, you can distribute the payment to any G/L accounts you wish.

Remember that this payment does not affect the Payables control account or the vendor's account, since the product is delivered and paid for at the same time.

Vendor Name. Press **Tab**.

Address. Press **Tab**.

Payment Tendered: Description. Type **Miscellaneous supplies**, press **Tab**, and enter the amount, **59.95**. Press **Tab**.

GL distributions. Tab through the account **6110-00 Office Supplies** and **Tab** through the Comments and Applied Amt fields.

The full check amount is automatically distributed to the vendor's displayed distribution account.

Check memo. Tab through to leave it blank.

Text you enter at this field prints on the check.

Record on 1099. Tab through to leave it unchecked.

Click the **OK** button.

Your Disbursements Checks window should look like this:

Disbursements Checks

Payee type: Vendor Period: 6 / 2007

Bank account ID: 01 Check #: 005123 Check date: 06/30/2007

Vendor ID: ABC Batch total: \$59.95

Vendor name: ABC Electrical Supply

Address: P.O. Box 7877
Austin, Texas 78701

Payment tendered

Description	Amount
Miscellaneous supplies	\$59.95
Check amount: \$59.95	

GL distributions

Account	Name	Comment	Applied amt
6110-00	Office Supplies		\$59.95
Undistributed amount:			\$0.00

Check memo: Record on 1099

Buttons: Save batch, Post batch, OK, Delete, Restore

Right-click to see options

Bank Accounts: Disbursements Checks window, Vendor Check

Click the **Post batch** button to post the check and press **Esc** to close the window.

Tutorial: Voiding Checks and Receipts

Voiding Checks

Use the Bank Accounts/Void/Checks window to void a check that you have issued and posted in 21st Century Accounting. Use this command to void checks issued by your company when they are returned for insufficient funds, lost in the mail, or for any reason need to be backed out of the system. When you post voided checks, the system reverse-posts the transaction and marks the check as voided on reports.

To void a check, you enter the bank account on which the check was written, a posting date for the void transaction, and the check number. The window displays the check date, amount, and payee for verification. You save and post the entry to complete the action.

Voiding Receipts

Use the Bank Accounts/Void/Receipts window to void receipts that you have entered and posted as deposits or as on-the-spot payments on sales

invoices. Use this command to void payments from customers and other payors when they are returned for insufficient funds or for any reason need to be backed out of the system.

Be sure to use
Receipt number,
not Deposit number

To void a receipt, you enter a posting date for the void transaction and the receipt number. The window displays the original transaction date, the receipt amount, and the payor (if available) for verification. You save and post the entry to complete the action.

When you post voided receipts, the system reverse-posts the transaction and marks the receipt as voided on reports.

Check number 002067 was not on your bank statement as expected. You have determined that it was lost in the mail. Follow these steps to void the check.

Run Bank Accounts/**Void/Checks**.

Batch Options. Press **Tab** to accept the batch period for recording the reverse posting of the transaction. Enter **01** for the bank account ID, press **Tab** to accept the posting date, and click **OK**.

Check to void. **Right-click on the Check to void field** and notice that you can preview or print the **Check Register** verify the check number and payee. Press **Escape** to close the right-click menu and type **002067**.

Verify from the displayed transaction date, amount, and payee that you have selected the correct check.

Comment. Enter **Lost in mail**. The Comment will appear in the Bank Activity report.

Click **OK**

The completed window should look like this.

The screenshot shows the 'Void Checks' window. On the left, a tree view displays a folder '20070630.000' containing a file '002067' and a folder '<new>'. The right pane has the following fields: Bank account ID (01), Period (6/2007), Check to void (002067), Void date (06/30/2007), Check date (04/05/2007), Amount (\$21.00), Payee (Speedy Delivery Service), and Comment (Lost in mail). At the bottom, there are buttons for 'Save batch', 'Post batch', 'OK', 'Delete', and 'Restore'.

Bank Accounts: Void Checks window

Click **Post batch** to complete the void transaction.

Tutorial: Entering Bank Transfers

Use the Bank Accounts/Transfers window to record transfers of funds from one bank account to another bank account.

You indicate the bank account from which funds are being transferred, the bank account to which funds are being transferred, and the amount of the transfer. The amount of the transfer is credited to the "from" account and debited to the "to" account.

The amount is shown on reports and in reconciliation as a withdrawal from the bank account from which the amount is transferred and as a deposit to the bank account to which the amount is transferred.

Run Bank Accounts/**Transfers**.

Batch Options. Press **Tab** to accept the batch period for recording the transfer. Click **OK**.

Deposit date. Press **Tab** to accept the date of the transfer transaction.

From bank account. Type **01** or select 01 Operating from the drop-down list.

Enter the bank account from which funds are being transferred or select from the drop-down list. The amount of the transfer is credited to this account and recorded as a withdrawal.

To bank account. Type **03** or select 03 Payroll from the drop-down list.

Enter the bank account to which funds are being transferred or select from the drop-down list. The amount of the transfer is debited to this account and recorded as a deposit.

Document number. Press **Tab** to accept the default transfer number.

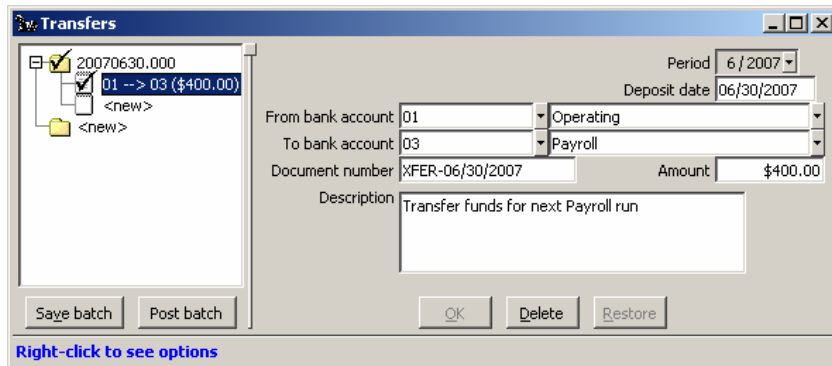
The transfer document number is a transfer's equivalent to a deposit number. The default number (XFER plus the deposit date) can be changed to any number that does not duplicate an existing deposit number for either the "from" or "to" bank account.

Amount. Type **4000** for the amount to be transferred. The decimal is inserted when you press the Tab key.

Description. Enter **Transfer funds for next Payroll run**

Click **OK**.

The completed window should look like this. Notice the information now provided as the entry name in the left pane.



Bank Accounts: Transfers window

Click **Post batch** to complete the transfer.

Tutorial: Renumbering Checks

Use the Bank Accounts/Renumber Checks window to renumber individual posted checks — including voided checks — to give a check a different check number from the number currently associated with it. The new number must be a number that has not already been used by a check on the selected bank account.

The old check number becomes available for use once you post the renumbered check. Write the old number down if you want to reuse it. The old number does not become the default next check number during data entry; you must specify it for the printed or manual check.

In the Renumber Checks window, you indicate the check's bank account, enter the old and new check numbers, and enter the reason for the change.

Run Bank Accounts/**Renumber Checks**.

Batch Options. Press **Tab** to accept the batch name. Click **OK**.

Bank account ID. Type **01**.

Check number. Type **002067**.

You enter the existing posted check number that you want to change. You use this function to give this check a different check number from the number currently associated with it.

Since you voided this lost check, you can reuse the check number if you wish.

The old check number becomes available for use once you post the renumbered check. Write the old number down if you want to reuse it. The old number does *not* become the default next check number during data entry; you must specify it for the printed or manual check.

Renumber to. Type **V002067**.

Enter the new check number for the existing posted check. You use this function to renumber individual posted checks -- to give a check a different check number from the number currently associated with it.

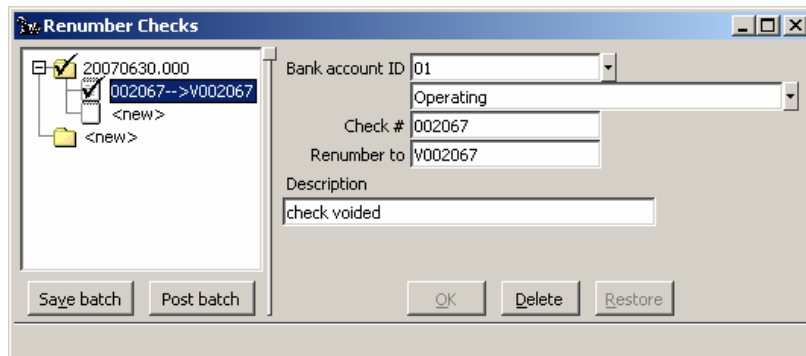
The old check number becomes available for use once you post the renumbered check. Write the old number down if you want to reuse it. The old number does *not* become the default next check number during data entry; you must specify it for the printed or manual check.

Once you post the new number, all past and future transactions associated with the check will be associated with the new check number.

Description. Type **check voided**

Enter the reason for changing the check number from the existing number to a new number.

Click **OK**.



Bank Accounts: Renumber Checks window

Click **Post batch** to complete the renumbering.

Receivables Operations

These tutorials provide instructions and illustrations (Window shots) for daily operations in Receivables. We will show you how to add a new customer, enter a sales invoice, and enter a customer payment, using the sample data (NETCON).

To keep the lessons short, we demonstrate only the steps **required** for successful operation. The system supports maintaining much other useful information.

See the Checklists for setting up and tracking Receivables in "Receivables Checklists," beginning on page 177.

Start with this step For your first steps in each Receivables Daily Operations tutorial, start up 21st Century Accounting, select the company **NETCON**, and set the Default date as **06/30/2007**.

Tutorial: Configure Customers

In the Receivables/Configure/Customers window, you add your customers and assign control accounts, payment terms, billing cycles, and, optionally, sales tax groups, categories, default prompts, and recurring charges.

Run Receivables/Configure/ Customers .

Customers

Customer ID	Name
August	August & Associates
Champion	Champion Florists
Coleman	Coleman & Haywar
Hampton	Hampton Insuranc
Liberty	Liberty National Ur
Lone	Lone Star Travel
SmithDDS	Shawn Smith, DDS
Southwest	Southwest Propert
<new>	

Name: August & Associates
Customer ID: August
Address: [Field]
Billing address: [Field]
Shipping address: [Field]
Customer type: Balance Forward
Category 1: Installation
Category 2: [Field]
Category 3: [Field]
Control accounts: Accts Receivable
Billing cycle: Last Day of Month
Payment terms: Net 10
Default prompts: Sale Accounts
Tax group: State Sales Tax

Apply finance charges Print statements

Fixed payment: \$0.00
Revolving min. pmt.: \$0.00
Revolving pmt. rate: 0.0000
Credit limit: \$0.00

Notes: [Text Area]

Recurring charges: Consulting Fee

Buttons: Save changes, Print, OK, Delete, Restore, Memorize

[Right-click to see options](#)

Receivables: Configure Customers window (Edit, Add)

Press F9 for a new entry.

The cursor moves into the Name field of a new customer window. You can press the F6 key to move back into the left pane.

Name. Type **Sullivan| Arthur** and press the **Tab** key.

When you enter a customer's name, you can enter the last name first, separated from the first name by a vertical bar (|) if you want the name alphabetized by last name. The system displays names entered as Last| First in the Configure/Customers window as Last, First in customer lists. The system prints such names as First Last on Invoices and Statements.

Customer ID. Type **Sullivan** and press **Tab**.

A unique alphanumeric ID identifies the customer for posting purposes and for reporting. When IDs are alphabetic, if you tab through this field, the system uses the name with no spaces for the ID. Once you have entered a numeric ID, the system uses the next number for the next customer you add.

Addresses. Press the **Spacebar** or click the address card. An address window opens where you can add (or edit) the address.

Type **123 Post St., Tab, San Antonio, Tab, TX, Tab, 78299, Tab,** and click **OK.**

The system will fill in the Billing and Shipping addresses with this address later.

Customer type. Press **Tab** for the default, **Open Item.**

The options for customer type are:

Open item (the default): A customer with an account type of Open Item pays by individual invoice rather than by balance due. Each customer invoice you enter persists in the system until paid in full. You specify the invoice(s) to which to apply a customer payment or choose "all" to leave the payment unapplied (for example, a prepayment).

Balance forward: A customer with an account type of Balance Forward pays by statement balance rather than by individual invoice. The customer statement shows current period transactions in detail. Aging receivables for the customer combines the transaction detail and carries forward the account balance, which is the accumulation of all invoices, payments, and adjustments to the account. Customer payments are applied to the total balance due, beginning with the balance in the oldest aging period.

Revolving: A Revolving charge account customer is a balance-forward type customer who must make a minimum payment each period. The customer must pay at least the minimum dollar amount that you specify later in this window. You can use either the level method or the average daily balance method to calculate finance charges on revolving charge accounts.

Fixed: A Fixed Payment customer is a balance forward-type customer who pays a fixed dollar amount each period until the balance is paid in full. Finance charges for Fixed Payment customers are assessed on the customer's outstanding balance minus current period activity and outstanding finance charges. You specify the fixed payment amount later in this window.

Categories. Press **Tab three times** to leave blank.

Categories allow you to group customers (and vendors and employees) for printing documents and for reporting. In Configure/Categories, you can set up any number of categories and then assign up to three categories to each customer in the Configure/Customers window.

A common use of categories is to assign the name of the salesperson who handles the customer account as the category. You can then generate Receivables and Sales reports on a per-salesperson basis.

Control accounts. Select **Accts Receivable** from the drop-down list.

You assign a set of control accounts to each customer, choosing from those you have set up. Customer receivables, discounts, finance charges, and cash sales are automatically posted to the accounts in the assigned set.

Billing cycle. Select **Last Day of Month** from the drop-down list.

You select a billing cycle for each customer from those you have set up. If you have a lot of customers, you can process them in groups at different times.

Payment terms. Select **2/10 Net 30** from the drop-down list.

You select the payment terms for a customer from those you have set up.

Default prompts. Select **Sale Accounts** from the drop-down list.

You can set up any number of sets of prompt accounts to be displayed automatically for distribution when you enter customer invoices. You create a Name for each Default Prompts set and associate any number of distribution accounts with it. Default prompt sets allow you to customize the invoice distribution for different types of customers, to save you data entry time and help prevent distribution errors. You select a set of account prompts for each customer from those you have configured.

Tax group. Select **State Sales Tax** from the drop-down list.

You set up sales taxes that are applicable to the products and services you sell. Here you enter a tax group to associate with a customer for automatic display when you enter invoices for the customer. You can change the tax group when you enter an invoice.

Apply finance charges. Check the box.

The system will include this customer when you run the command to automatically calculate finance charges.

Print statements. Check the box.

The system includes this customer when you print customer statements.

Fixed payment. Press **Tab** to leave blank.

For balance forward customers (those with a customer type of "Fixed") whose payment terms require a fixed periodic payment, you enter the minimum fixed payment amount

Revolving minimum payment amount or rate. Press **Tab twice** to leave blank.

Balance forward customers (those with a customer type of "Revolving") with revolving charge accounts are billed for whichever is greater of the minimum amount or minimum percent you specify (or for the account balance if the account balance is less than the minimum payment).

Credit limit. Press **Tab** to leave blank (no credit limit).

You can enter any amount as a credit limit for the customer. When you enter invoices, the system warns you if the account balance will exceed the credit limit.

Notes. Press **Tab** to leave blank.

If you wish, you can enter free-form notes to further identify this party in data entry windows and on reports. This could be information you want to review when you enter transactions that reference this party, or it could simply be notes you want to record in addition to the information in the other fields.

When System/Show Notes is turned on, customer notes you enter and save are displayed when you select the customer for data entry in the Sales/Invoices window.

To make information entered as a note "private" (not visible in the data entry window), precede the information with a double backslash (//).

Recurring charges. Press **Tab** to leave blank.

Select the recurring charges you want to apply to each customer from those you have configured in the Receivables/Configure/Recurring Charges window.

Click **OK**.

The completed Customers window looks like this:

Customers

Customer ID	Name
August	August & Associates
Champion	Champion Florists
Coleman	Coleman & Hayward,
Hampton	Hampton Insurance
Liberty	Liberty National Under
Lone	Lone Star Travel
SmithDDS	Shawn Smith, DDS
Southwest	Southwest Properties
✓ Sullivan	Sullivan Arthur
<new>	

Name: Sullivan| Arthur
Customer ID: Sullivan
Address: 123 Post St... / San Antonio
Billing address: 123 Post St... / San Antonio
Shipping address: 123 Post St... / San Antonio
Customer type: Open Item
Category 1:
Category 2:
Category 3:
Control accounts: Accts Receivable
Billing cycle: Last Day of Month
Payment terms: 2/10 Net 30
Default prompts: Sale Accounts
Tax group: State Sales Tax

Apply finance charges Print statements

Fixed payment: \$0.00
Revolving min. pmt.: \$0.00
Revolving pmt. rate: 0.0000
Credit limit: \$0.00

Notes:

Recurring charges:

Buttons: Save changes, Print, OK, Delete, Restore, Memorize

[Right-click to see options](#)

Receivables: Configure Customers window, New Customer Saved

Click **Save changes**.

The system fills in the Billing and Shipping addresses with the Address you entered. You can edit the addresses, add Notes, and change the Customer name, ID, type, in fact, any Customer detail -- all at any time.

Tutorial: Entering a Sales Invoice

Once you have set up Receivables Customers and the optional Product List, you're ready to start recording the sale of products and services to your customers.

Use the After the Fact Invoices window from the Sales menu to record new invoices and to enter credit and debit memos that do not reference items or services.

The "after-the-fact" invoice function lets you quickly record counter tickets and other sales transactions that you don't need to print for the customer from this window. After the Fact Invoices do not reference items or services and require only general ledger distributions. After the Fact Invoices do not reference sales orders.

Run Sales/Invoices.

All data entry sessions that create batches open with the Batch Options window. You establish the posting period and name for the batch, both of which initially default to today's date. You can enter any open period for posting and name the batch anything you like, up to eight characters.

Batch Name and Batch Period. Click **OK** to accept the defaults.

A new, empty invoice looks like this.

Sales: Sales Invoices window, Add New Invoice

The cursor moves into the Customer type field in the new invoice window. You can press the F6 key to move back into the left pane.

Customer type. Select **Customer** (or type **cu**) and press the **Tab** key.

The choices for Customer type are "Customer," for the regular customers you set up in Receivables/Configure/Customers, and "Occasional," or walk-ins and other customers whose business is not frequent enough to justify setting them up as regular customers. For best use of the software, enter all your regular customers into the system. Do not use "Occasional" for customers you expect to do business with frequently.

Trans type. Select **Sale** and press **Tab**.

The choices for Transaction type are "Sale," "Credit Memo/Return," and "Debit Memo."

Customer ID. Type **sull** and press **Tab**. (Or select Sullivan, Arthur, from the Selector list.) Press **Tab** through the fields until you come into the Item ID field.

The system will supply a default invoice number if you do not assign a number. "Apply to" is used optionally to apply credit and debit memos to existing invoices. "Order number, "Ordered by," and the optional "PO number" provide additional customer information. You can set up, assign to customers, automatically calculate, and track sales taxes ("Tax group") if you wish.

The "Discount rate" is a trade or purchase discount; not the early payment discount associated with the customer's payment terms.

Item ID. Select **Consulting** from the **Product List** by displaying the Selector list. Press **Tab twice**.

Type **2** for the quantity (under Qty) purchased, that is, 2 hours' consulting time. **Tab** through the remaining Invoice detail fields.

Since "Consulting" has an assigned distribution account in the Product List, the system automatically distributes this sale to the account assigned to the product.

To sell products and services that are not on the Product List, you press Tab at the Item ID field to skip it, move to Description, and type your own Description, brief or lengthy.

Tab through Item ID and enter **Network Server, special order to replace inadequate server and improve network performance** in the Description drop-down.

The screenshot shows a software window with three tabs: "Invoice details", "GL distributions", and "Tax info". The "Invoice details" tab is active. It contains a table with columns for "Item ID", "Description", and "Qty UOM". The "Description" column has a dropdown menu open, showing three options: "Consulting", "Network Server, special order to", and "replace inadequate server and improve network performance". The "Qty UOM" column shows "2 each" for the first row and "1" for the second row. There is also a field labeled "nt amt" at the bottom right.

Item ID	Description	Qty UOM
Consulting	Consulting	2 each
	Network Server, special order to	1
	replace inadequate server and improve network performance	

Sales: Sales Invoices window, Description field, non-Product-List item

Price. **Tab** to Price and enter **4500**. Notice that the G/L distributions tab turns red.

When the items you sell on the invoice do NOT have assigned distribution accounts, you must distribute the sale income manually.

Click the **GL distributions tab**.

You will see the customer's assigned account prompts, if any. You can distribute the sale to an assigned prompt or enter a different account

Down-Arrow to account **4020-00** and then **Tab** through the fields into Applied amt to distribute the \$4,500 to that account. Press **Tab**.

Account	Name	Comment	Applied amt
4000-00	Income - Consulting		\$0.00
4010-00	Income - Installation		\$0.00
4020-00	Income - Materials & Supplies		\$4,500.00
4210-00	Sales Discounts		\$0.00
4220-00	Finance Charges		\$0.00
Undistributed amount			\$0.00

Discount amt	\$0.00	Subtotal	\$4,750.00
Tax amt	\$371.25	Invoice total	\$5,121.25

Sales: Sales Invoices window, manual G/L distribution

You could click the Tax info tab if you want to see sales tax details.

Tab through the Shipping fields, the Payment tendered fields, Payment terms (displays terms assigned to the customer), Due date (calculated using invoice date and terms), Statement description (prints on statement), Address, and Description (prints on invoice). Press F1 at fields you want more information about.

You can enter any shipping Amount. The shipping Amount prints on the customer invoice and is included in the Balance Due. In this case, the consultant will deliver the new server to the customer. You are finished with this invoice.

Click **OK**.

The screenshot shows the 'Invoices' application window. On the left, a tree view shows a folder '20070630.000' containing 'Sullivan, Arthur' and '<new>'. The main window has the following fields:

- Customer type: Customer
- Trans. type: Sale
- Batch total: \$5,121.25
- Customer: Sullivan
- Apply to: Sullivan, Arthur
- Period: 6 / 2007
- Invoice number: INV-001037
- Trans. date: 06/30/2007
- Tax group: State Sales Tax
- Tax rate: 0.08250

The 'Invoice details' tab is active, showing a table with the following data:

Item ID	Description	Qty	UOM	Price	Tax?	Discount	Amount
Consulting	Consulting	2	each	125.00		\$0.00	\$250.00
	Network Server, special order to replace	1		4,500.00	✓	\$0.00	\$4,500.00

Summary fields at the bottom of the table:

- Discount amt: \$0.00
- Subtotal: \$4,750.00
- Tax amt: \$371.25
- Invoice total: \$5,121.25

Other fields include: Shipping (Amount: \$0.00), Payment terms (2/10 Net 30), Due date (07/10/2007), Balance due (\$5,121.25), and Billing/Shipping addresses for Arthur Sullivan.

Sales: Sales Invoices window, New Invoice Saved

At this point, you can enter more invoices or post this one. If you enter multiple invoices, save the batch periodically. You can print the invoices and packing lists as you go.

To print a batch listing, **right-click** on the **batch name** in the left pane and **select Print batch listing** to Preview the batch and print a hardcopy if you wish.

When you are done, click the **Post batch** button.

Tutorial: Entering Payments on Customer Accounts (Bank Accounts Deposits)

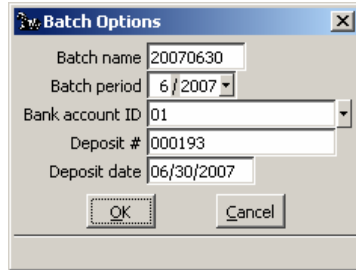
When you receive payments from Receivables customers, you need to record their payments against their accounts and put the money in the bank.

Run Bank Accounts/**Deposits**.

Batch options. Press **Tab** on period, select Bank account ID **01**, enter **193** at Deposit # and **Tab** through Deposit date.

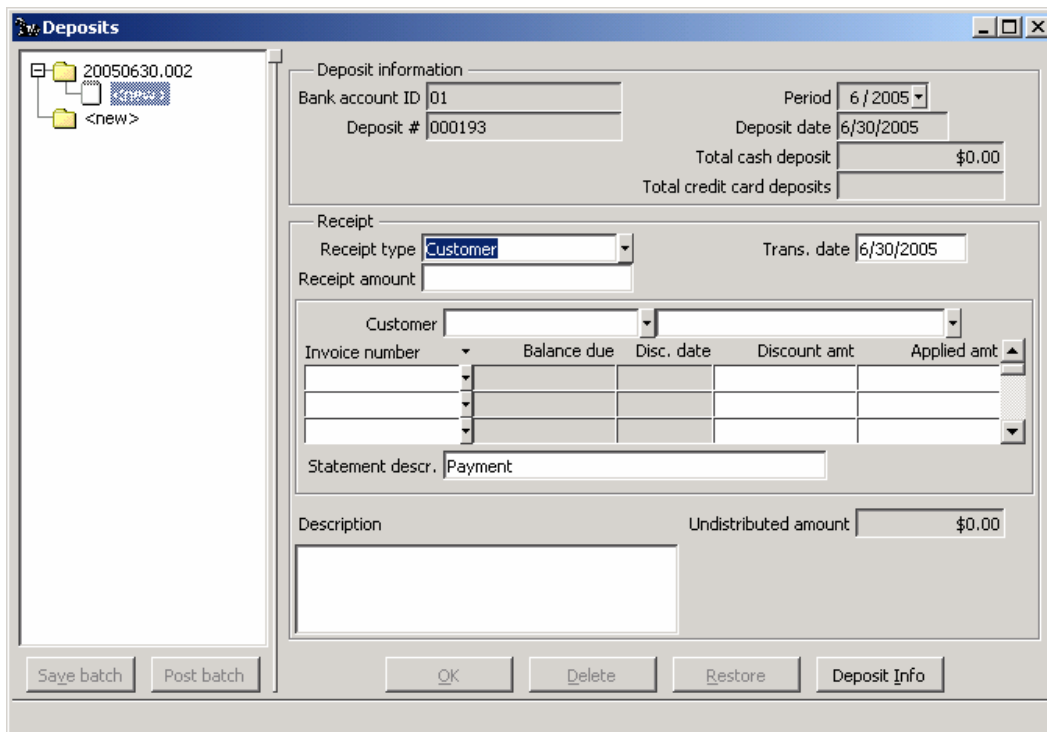
Notice that the deposit number you typed is automatically formatted as **000193**. NETCON's custom deposit number format is %06N, which means the number is formatted as six characters with leading zeros.

(Your Deposit number can be different. Unless the number has been used, a deposit can have any number you wish.)



A dialog box titled "Batch Options" with a close button (X) in the top right corner. It contains the following fields: "Batch name" with text "20070630", "Batch period" with a dropdown menu showing "6 / 2007", "Bank account ID" with a dropdown menu showing "01", "Deposit #" with text "000193", and "Deposit date" with text "06/30/2007". At the bottom are "OK" and "Cancel" buttons.

Click **OK** to the batch options.



The "Deposits" window is shown with a tree view on the left containing folders "20050630.002" and "<new>". The main area is divided into sections: "Deposit information" with fields for "Bank account ID" (01), "Period" (6 / 2005), "Deposit date" (6/30/2005), "Total cash deposit" (\$0.00), and "Total credit card deposits"; "Receipt" with "Receipt type" (Customer), "Trans. date" (6/30/2005), and "Receipt amount"; a "Customer" dropdown; a table with columns "Invoice number", "Balance due", "Disc. date", "Discount amt", and "Applied amt"; "Statement descr." (Payment); "Description" field; and "Undistributed amount" (\$0.00). At the bottom are buttons for "Save batch", "Post batch", "OK", "Delete", "Restore", and "Deposit Info".

Bank Accounts: Deposits window, Add New Deposit

The cursor moves into the Receipt type field in the new deposit window. You can press the F6 key to move back into the left pane.

Receipt type. Select **Customer** and press the **Tab** key.

The choices for Receipt type are "Customer," for the regular customers you set up in Receivables/Configure/Customers, "Other," for non-customers who pay cash into the business, and any journals you have set up with Configure/Cash Receipts Journals.

Receipt amount. Enter **4097.** as the receipt amount and press **Tab**.

Frequently, the payment is a check a customer sends you in response to an invoice or statement.

Trans date. Press **Tab** again to accept the Trans. date.

You can change the transaction date to any date in an open period. Check the date Help to see how to use shortcut keys to change dates.

Customer. Type **sull** and press **Tab**. (Or select Sullivan, Arthur, from the Selector list.)

Arthur Sullivan is an open item customer. You can apply a payment to a particular invoice or to the customer's account ("all") if there are no unpaid invoices.

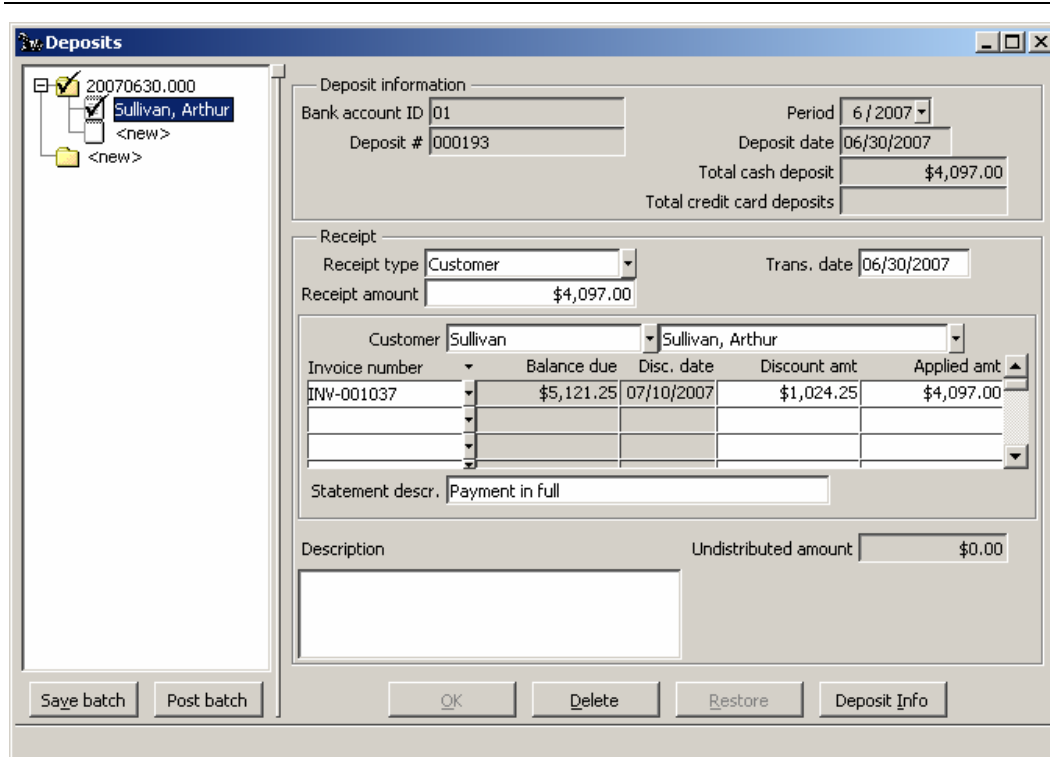
Invoice number. From the drop-down list, select by number the **invoice you entered in the Invoice tutorial for \$5,121.25**. **Tab** through the invoice fields for number, Discount, and Applied amt.

This customer earned the early payment discount according to his payment terms, so the system shows the Discount amount. The remainder of the receipt is applied to the invoice up to the invoice total. You can override these amounts. You can distribute any amount of the receipt to any invoice or to "all."

Statement descr. Type **Payment in full** to appear on the customer's statement.

Notice that in the upper right corner, the Deposits window displays a running total of the cash and credit card entries in a deposit.

Description. **Tab** through to leave the journal description blank and click **OK** to save the deposit entry.



Bank Accounts: Deposits window, Customer Payment Saved

When you are done, click the **Post batch** button.

Payables Operations

These tutorials provide instructions and illustrations (Window shots) for daily operations in Payables. We will show you how to add a new vendor, enter a vendor invoice, and pay a selection of vendors with printed checks, using the sample data (NETCON).

To keep the lessons short, we demonstrate only the steps **required** for successful operation. The system supports maintaining much other useful information.

See the Checklists for setting up and tracking Payables in "Payables Checklists," beginning on page 179.

Start with this step For your first steps in each Payables Daily Operations tutorial, start up 21st Century Accounting, select the company **NETCON**, and set the Default date as **06/30/2007**.

Tutorial: Configure Vendors

In the Payables/Configure/Vendors window, you add your Vendors and assign control accounts, and, optionally, payment terms, categories, and default prompts.

Enter as Vendors the companies and individuals you do business with regularly on an Accrual Accounting basis.

Run Payables/Configure/Vendors.

Vendor ID	Name
ABC	ABC Electrical Supply
Baker	Jason Baker
Bell	Bell Telephone
Computer	Computer Supply C
DirectorofEmployment	Director of E
EaglePrinting	Eagle Printing
EDD	Employment Devel
GMAC	GMAC
GTE	GTE
Harris	Harris Insurance
Hughes	Hughes Accounting
IllinoisDepartmentof	Illinois Departr
Luce	Luce & Luce, Attor
Merrell	Todd Merrell
NetworkMo	Network Monthly
NorthPk	North Park Plaza
Speedy	Speedy Delivery S
StateComptroller	State Comptroller
TexasWorkforceCommis	Texas Wo
UnitedStatesTreasury	United State
US Office	US Office Supplies
USPO	US Post Office
VO-000001	Business Services
Web	Web Designers Inc
<new>	

Payables: Configure Vendors window (Edit, Add)

Press F9 for a new entry.

The cursor moves into the Name field of a new Vendor window. You can press the F6 key to move back into the left pane.

Name. Type **Gilbert| William S.** and press the **Tab** key.

When you enter a Vendor's name, you can enter the last name first, separated from the first name by a vertical bar (|) if you want the name alphabetized by last name. The system displays names entered as Last| First in the Configure/Vendors window as Last, First in Vendor lists. The system prints such names as First Last on vendor checks.

Vendor ID. Type **Gilbert** and press **Tab**.

A unique alphanumeric ID identifies the Vendor for posting purposes and for reporting. When IDs are alphabetic, if you tab through this field, the system uses the name with no spaces for the ID. Once you have entered a numeric ID, the system uses the next number for the next Vendor you add.

Addresses. Press the **Spacebar** or click the address card. An address window opens where you can add (or edit) the address.

Type **456 Pillar St., Tab, San Antonio, Tab, TX, 78255, 3 Tabs, Bill Gilbert, Jr** (at **Contact**), and click **OK**.

The system will fill in the Payment address with this address later.

Check memo. Press **Tab**.

If you wish, you can enter information for the Check memo that will print on the check and on the stub when you print checks for this vendor.

Tax ID. Press **Tab** to leave blank.

You can enter the vendor's tax ID for printing in the Recipient's Identification Number box on 1099s and on other reports. For individual 1099 vendors without a tax ID, enter the individual's social security number.

Discount method. Press **Tab** to accept "Always take."

The vendor discount options are

Always take (the default). The system takes the discount even if the discount date has passed when you pay the invoice.

Take if valid. The system takes the discount only if you pay the vendor invoice before or on the discount date.

Categories. Press **Tab three times** to leave blank.

Categories allow you to group Vendors (and Customers and Employees) for printing documents and for reporting. In *Configure/Categories*, you can set up any number of categories and then assign up to three categories to each Vendor in the *Configure/Vendors* window.

Control accounts. Select **Accts Payable** from the drop-down list.

You should assign a default set of control accounts to each Vendor from those you have set up. If you have more complex posting requirements – say you want to post a certain kind of transaction to a particular set of control accounts -- you can select the control account set for posting of a particular invoice when you enter the vendor invoice.

Payment terms. Press **Tab** to leave blank.

Optionally, you can select the payment terms for a Vendor from those you have set up.

Default prompts. Select **Insurance Exp** from the drop-down list.

You can set up any number of sets of prompt accounts to be displayed automatically for distribution when you enter Vendor invoices. You create a Name for each Default Prompts set and associate any number of distribution accounts with it. Default prompt sets allow you to customize the invoice distribution for different types of Vendors, to save you data entry time and help prevent distribution errors. You select a set of account prompts for each Vendor from those you have configured.

Report on 1099. Press **Tab** for "No."

You can indicate that a vendor requires 1099 reporting by selecting a 1099 box from the drop-down list. If you select a 1099 box for reporting payments to the vendor, payments to the vendor are posted to the vendor's records as 1099 payments and are reported in the designated box when you print the vendor's 1099. The supported boxes are those that appear on the 1099-MISC form.

Hold new invoices. Press **Tab** to leave the box unchecked.

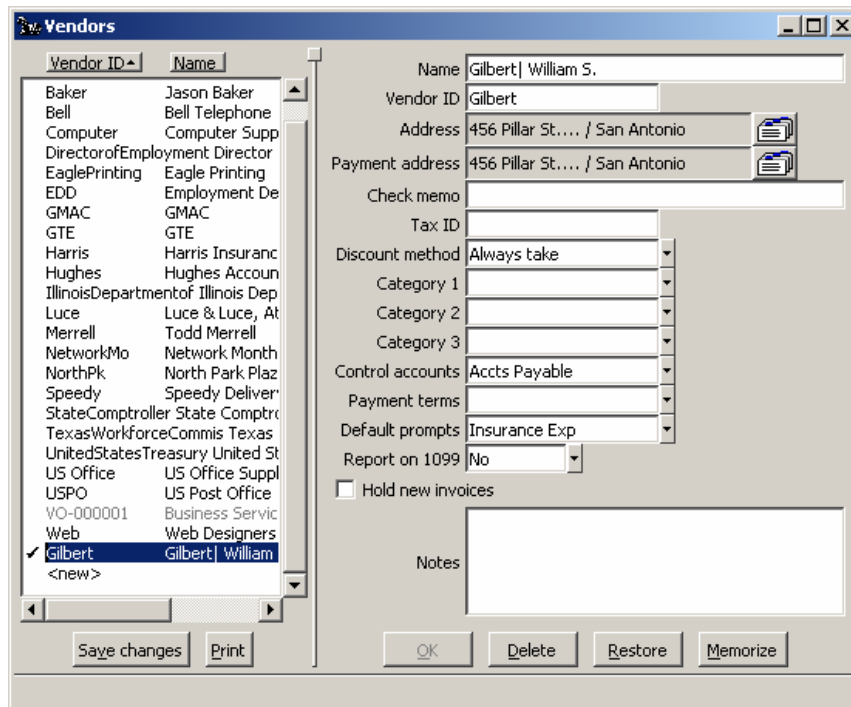
Optionally, you can check the box to automatically put new vendor invoices on hold. You can change a vendor invoice's default status when you enter or update the invoice.

Notes. Press **Tab** to leave blank.

If you wish, you can enter free-form notes to further identify this party in data entry windows and on reports. This could be information you want to review when you enter transactions that reference this party, or it could simply be notes you want to record in addition to the information in the other fields.

Click **OK** and then click **Save changes**.

The completed Vendors window looks like this:



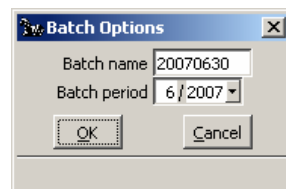
Payables: Configure Vendors window, New Vendor Saved

Notice that the system has filled in the Payment address with the Address you entered. You can edit the addresses, add Notes, change the Vendor name, ID, tax ID -- all at any time.

Tutorial: Entering a Vendor Invoice

Once you have set up Payables Vendors, you're ready to start recording the purchase of products and services from your Vendors.

Run Payables/Vendor Invoices.



All data entry sessions that create batches open with the Batch Options window. You establish the posting period and name for the batch, both of which initially default to today's date. You can enter any open period for posting and name the batch anything you like, up to eight characters.

Batch name and Batch period. Click **OK** to accept the defaults.

Payables: Vendor Invoices window, Add New Invoice

The cursor moves into the Payee type field in the new invoice window. You can press the F6 key to move back into the left pane.

Payee type. Select **Vendor** and press the **Tab** key.

The choices for Vendor type are "Vendor," for the regular Vendors you set up in Payables/Configure/Vendors, and "Occasional," or walk-ins and other Vendors whose business is not frequent enough to justify setting them up as regular Vendors. For best use of the software, enter all your regular Vendors into the system. Do not use "Occasional" for Vendors you expect to do business with frequently.

Trans type. Select **Purchase** and press **Tab**.

The choices for Transaction type are "Purchase," "Credit Memo," and "Debit Memo."

Period. Press **Tab** twice to leave the displayed period.

When you enter a batch of Vendor invoices, you can change the posting period and transaction date of individual invoices, since you may be entering a pile of invoices that you received over a period of days.

Vendor ID. Type **gil** and press **Tab**. (Or select Gilbert, William S. from the Selector list.) Press **Tab** until you come to the Invoice Amt field.

"Apply to" is used optionally to apply credit and debit memos to existing invoices. The system will supply a default invoice number if you do not assign a number.

Invoice Amt. Enter **599.95**.

For a purchase, you enter the total amount due from the vendor's invoice. You would enter a credit memo amount as a negative amount (precede with a minus sign).

Control accounts. You can select any control account set, from those you've set up, for posting any particular vendor invoice. Select **Accts Payable** from the drop-down list.

Shipping. Enter **50.00** and press **Tab twice**.

You can enter the amount of the invoice that was charged for shipping. Any invoice amount (such as shipping charges) in this field will be excluded from calculation of the vendor's discount. The system subtracts the shipping amount from the invoice total to get the discount base.

The Payment address is correct.

GL distributions. Press **Tab to the end of the line** to distribute the full amount of the invoice to the insurance expense account.

Since you set up and assigned a default account prompt set to this vendor, you can distribute to the automatically displayed account. Use the drop-down list to select other distribution accounts, if required.

When the Vendor does NOT have assigned distribution accounts, you must distribute the purchase expense manually.

Tab through the Payment tendered fields (Press F1 at fields you want more information about):

In this case, no payment is entered at the time of invoice entry. You are finished with this invoice.

Tab through the remaining fields (Press F1 at fields you want more information about):

Status (Pay, Hold, and so forth)

Due date (calculated using invoice date and terms, if any)

Discount amt (calculated using invoice date and terms, if any)

Discount date (calculated using invoice date and terms, if any)

Partial payment amt. You can enter a partial payment amount if you do not want to pay the invoice off automatically. Say that you want to make regular partial payments against the invoice, such as, for example, monthly installment payments on a large purchase.

Description (prints on invoice)

Record on 1099. You can indicate whether payment on this particular invoice should be recorded as a 1099 payment. Then, when you post a payment on the vendor invoice, the actual payment amount is recorded as a 1099 payment to the vendor.

Click **OK**.

The screenshot shows the 'Vendor Invoices' window with the following details:

- Payee type:** Vendor
- Trans. type:** Purchase
- Period:** 6 / 2007
- Vendor:** Gilbert
- Trans. date:** 06/30/2007
- Apply to:** Gilbert, William S.
- Invoice number:** 000001
- Control accounts:** Accts Payable
- Invoice amt:** \$599.95
- Shipping:** \$50.00
- Batch total:** \$599.95
- Payment address:** 456 Pillar St.... / San Antonio

GL distributions

Account	Name	Comment	Applied amt
6800-00	Insurance Expense		\$599.95

Undistributed amount: \$0.00

Payment tendered

Payment type	Bank account ID	Check #	Description	Payment amt

Status: Pay
Due date:
Discount amt: \$109.99
Disc. date:
Balance due: \$599.95
Partial payment amt:

Description:

Record on 1099

Buttons: Save batch, Post batch, OK, Delete, Restore

Payables: Vendor Invoices window, New Vendor Invoice Saved

At this point, you can enter more invoices or post this one. If you enter multiple invoices, save the batch periodically.

To print a batch listing, **right-click** on the **batch name** in the left pane and **select Print batch listing**.
When you are done, click the **Post batch** button.

Tutorial: Making Payments on Vendor Accounts

When payments to your vendors start falling due, you can select the vendors you want to pay during a "Create Payments" session and print their payment checks.

Use the Create Payments window to select a batch of vendor invoices for payment via printed checks issued from Payables. You select the invoices by due date or by discount date or you can select all unpaid invoices.

Select invoices by due date if you want to take advantage of any early payment discounts (based on payment terms) that are applicable.

Leave unchecked any vendors or any individual invoices you don't want to pay in this batch of checks. You can modify the amount of payment to apply to any invoice. You can print and review the list of invoices selected for payment. You can save and modify the payment list and print the checks at any time.

Run Payables/Create Payments.

Payables: Create Payments window, Create New Payments

Select invoices with due date on or before. Enter the date **06/30/07** and press **Tab** twice. (If you check **Select all invoices**, the system will select all the displayed invoices for payment whether or not they are due.)

The system automatically selects for payment the invoices with due dates on or before the date you enter and with a status of Pay. (You will be able to UNselect any invoices you don't want to pay in this session.)

Bank account ID. Type **01** and press **Tab**.

You can also select the bank account for writing this check from the drop-down list.

Period and Check date. Press **Tab** three times to accept the Period and Check date.

As always, the posting period can be any open period. You can change the check date to the date you expect to print or distribute the checks. Check the date Help to see how to use shortcut keys to change dates.

With **ABC Electrical Supply** highlighted, press the **Right-arrow** key to display the vendor's invoices.

With ABC Electrical Supply highlighted, press the **F2** function key to edit the **Payment amount** (the total payment) for this vendor.

Create Payments

Select invoices with due date with discount date on or before
 Select all invoices

Bank account ID Check date Period

Vendor	Invoice number	Due date	Status	Balance due	Discount	Applied amt	Payment amt
<input checked="" type="checkbox"/> ABC Electrical Supply	<input checked="" type="checkbox"/> 8556732	06/15/2007	Pay	\$452.85		\$452.85	\$452.85
<input checked="" type="checkbox"/> Computer Supply Company							\$231.85
<input checked="" type="checkbox"/> Gilbert, William S.							\$489.96
<input checked="" type="checkbox"/> US Office Supplies							\$78.46
						\$109.99	\$1,253.12

Press **Esc**.

Move the highlighting to the invoice for ABC, number 8556732 and press the **F2** function key to edit the **Applied amt** (the amount of the check to apply to this invoice).

Pressing the F2 key has opened the amount field for editing. You can now edit the check amount to apply to the invoice, if you wish.

Create Payments

Select invoices with due date with discount date on or before
 Select all invoices

Bank account ID Check date Period

Vendor	Invoice number	Due date	Status	Balance due	Discount	Applied amt	Payment amt
<input checked="" type="checkbox"/> ABC Electrical Supply	<input checked="" type="checkbox"/> 8556732	06/15/2007	Pay	\$452.85		\$452.85	\$452.85
<input checked="" type="checkbox"/> Computer Supply Company							\$231.85
<input checked="" type="checkbox"/> Gilbert, William S.							\$489.96
<input checked="" type="checkbox"/> US Office Supplies							\$78.46
						\$109.99	\$1,253.12

Click the icon or press spacebar to toggle the selection - press F2 to change the payment amount

Press **Esc**.

Highlight **Gilbert, William S.**, press **Right-Arrow** to see his invoices, and press **Spacebar** to UNselect him for payment in this session.

The screenshot shows the 'Create Payments' window with the following details:

- Buttons: Select invoices, with due date, with discount date, on or before 06/30/2007, Select all invoices
- Period: 6 / 2007
- Bank account ID: 01
- Check date: 06/30/2007
- Vendor list:

Vendor	Invoice number	Due date	Status	Balance due	Discount	Applied amt	Payment amt
ABC Electrical Supply	8556732	06/15/2007	Pay	\$452.85		\$452.85	\$452.85
Computer Supply Company							\$231.85
Gilbert, William S.	000001	06/30/2007	Pay	\$599.95	\$109.99		\$78.46
US Office Supplies							\$78.46
						\$0.00	\$763.16

Buttons at the bottom: Finish later, Show All, Hide All, Print selection, Clear selection, Print checks

Payables: Create Payments window, Payment Selections Completed

The buttons at the bottom of the window show the actions you can perform on the payment selection.

Finish later. Use the Finish later button to save your work at any time and close the window. The next time you run the Create Payments command, the window displays the payment selection-in-progress and gives you an opportunity to continue working on it and to print checks.

Show All/Hide All. Use the Show All button to display all invoices for all selected vendors. The Hide All button collapses the list back into vendors only. (You can also click the plus or minus icon beside a vendor or press Right-Arrow/Left-Arrow to "open" and "close" the display of all the vendor's invoices.)

Print selection for a "batch listing"

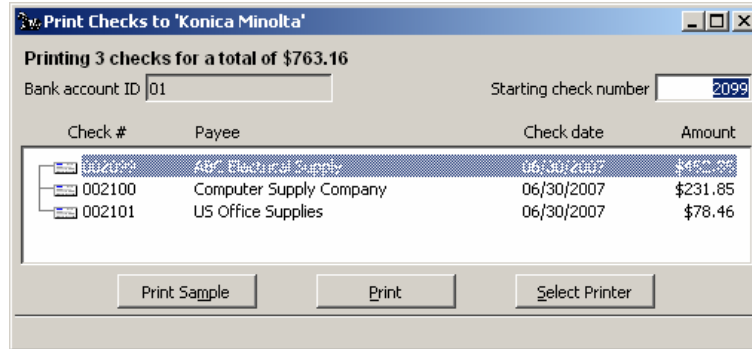
Print selection. Before you press the Print checks button to complete the payments as displayed, you can use the Print selection button to print a report that shows the selected vendors, invoices, and payment amounts shown in the window at the time you print the report.

Use this batch listing as a payment selection record for review and approval before you print the checks to vendors.

Clear selection. Use the Clear selection button to unselect all vendors and start over.

Print checks. Use the Print checks button to print checks to the selected vendors in the amounts shown.

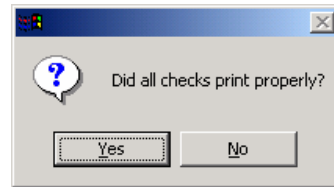
When you finish selecting invoices for payment, click the **Print checks** button in the Create Payments window.



Payables: Create Payments Print Checks window

Review the check numbers, payees, dates, amounts, and check numbers. Put plain paper in your printer to print these sample checks.

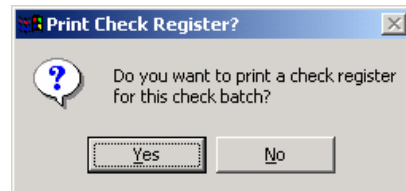
Click **Print** in the Print checks to <printer name> window when you are ready to print the checks.



Review the printed checks.

Click **Yes** to indicate that the checks printed properly.

The system posts the payments to vendors and asks if you want to print a Check Register for this batch.



You can print a record for your files of the checks just printed if you wish. Click Yes or No.

Making Other Kinds of Vendor Payments

You may do a mix of vendor payments that includes manual and system-printed checks. Use Payables/**Manual Payments** to record manual checks you have written to vendors. When you want to pay for a product or service on the spot with a printed check, run Payables/**Quick Checks**.

Consult the online Help when you need to record a manual check payment or print a quick check to a vendor. See your Reseller or Accountant for more information.

Payroll Operations

These tutorials provide instructions and illustrations (Window shots) for daily operations in Payroll. We will show you how to enter a Timecard and how to run Calculate Payroll using the Timecard. Finally, you'll see how to create a custom payroll report, using the sample data (NETCON).

To keep the lessons short, we demonstrate only the steps **required** for successful operation. The system supports maintaining much other useful information.

See the Checklists for setting up and tracking Payroll included in "Payroll Checklists," beginning on page 181.

Tutorial: Print 941 Information

Run Payroll/Print/941 Information to review information maintained by the system, to enter 941 data that the system does not maintain, such as adjustments, and to print the 941 Information report. You can use the report to fill out the 941 Form, Employer's Quarterly Federal Tax Return, by hand.

If you have purchased and installed the Tax Form Kit, you can use this command to create a completed Form 941, the Employer's Quarterly Federal Tax Return. The 941 Form created by the Tax Form Kit is ready to file with the IRS.

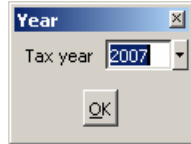
The 941 Information program is provided on 21st Century Accounting Payroll Tax Updates, so the window and the report meet current federal requirements. Press the F1 key for Help at the prompts in the window. Refer to the IRS instructions for filling out and filing this form.

Select the sample data company, NETCON .

Run Payroll/Print/941 Information.

In the **Tax year** window, enter **2007** and click **OK**.

You select the Payroll tax year and quarter when you enter 941 information and print the report.



Payroll: Print 941 Information for tax year

Quarter. In the 941 window, enter **2** for the quarter and press **Tab**.

Line 7a. Tab down to line 7a Current quarter's fractions of cents and enter **.08** to adjust for the rounding difference between the 941 report calculations and the amount actually withheld during Payroll runs.

941 Information

Year Quarter Trade name

Part 1 | Month 1 | Month 2 | Month 3 | Prepare to print

1	Number of employees in the pay period that includes June 12th	<input type="text" value="11"/>	1
2	Total wages and tips, plus other compensation	\$168,628.78	2
3	Total income tax withheld from wages, tips, and sick pay	\$27,602.45	3
4	If no wages, tips, and other compensation are subject to SS or Medicare tax	<input type="checkbox"/>	4
5	Taxable social security and Medicare wages and tips:		
5a	Taxable social security wages	<input type="text" value="\$190,437.26"/> x 12.4% (.124) =	<input type="text" value="\$23,614.22"/> 5a
5b	Taxable social security tips	<input type="text" value="\$0.00"/> x 12.4% (.124) =	<input type="text" value="\$0.00"/> 5b
5c	Taxable Medicare wages and tips	<input type="text" value="\$190,437.26"/> x 2.9% (.029) =	<input type="text" value="\$5,522.68"/> 5c
5d	Total social security and Medicare taxes		<input type="text" value="\$29,136.90"/> 5d
6	Total taxes before adjustments		<input type="text" value="\$56,739.35"/> 6
7	Tax adjustments		
7a	Current quarter's fractions of cents	<input type="text" value="\$0.08"/>	7a
7b	Current quarter's sick pay	<input type="text" value="\$0.00"/>	7b
7c	Current quarter's adjustments for tips and group-term life insurance	<input type="text" value="\$0.00"/>	7c
7d	Current year's income tax withholding	<input type="text" value="\$0.00"/>	7d
7e	Prior quarter's social security and Medicare taxes	<input type="text" value="\$0.00"/>	7e
7f	Special additions to federal income tax	<input type="text" value="\$0.00"/>	7f
7g	Special additions to social security and Medicare	<input type="text" value="\$0.00"/>	7g
7h	Total adjustments	<input type="text" value="\$0.08"/>	7h
8	Total taxes after adjustments		<input type="text" value="\$56,739.43"/> 8
9	Advance earned income credit (EIC) payments made to employees		<input type="text" value="\$0.00"/> 9
10	Net taxes		<input type="text" value="\$56,739.43"/> 10
11	Total deposits for quarter, including overpayment applied from a prior quarter		<input type="text" value="\$56,739.43"/> 11
12	Balance due		<input type="text" value="\$0.00"/> 12
13	Overpayment	<input type="text"/>	<input type="radio"/> Apply next qtr <input type="radio"/> Send refund

Payroll: Print 941 Information Part 1

Now you would usually tab through each of the 941 panels and review the numbers, make any other necessary adjustments, and fill in the data that the system doesn't maintain.

Click the **Prepare to print** tab to move to the last page of the 941.
 Fill in the last page if you want to see the completely filled in 941 Form.

941 Information

Year Quarter Trade name

Part 1 | Month 1 | Month 2 | Month 3 | Prepare to print

Part 2

14 State abbreviation for deposit state, or "MU" if multiple states.

15 Line 10 is less than \$2,500
 Monthly schedule depositor for the entire quarter

Month 1 Month 2 Month 3 Total

Semiweekly schedule depositor for any part of this quarter

Part 3

16 Business has closed and you do not have to file returns in the future
Date final wages paid

17 You are a seasonal employer and you do not have to file a return for every quarter

Part 4

Do you want to allow the IRS to discuss this return with a 3rd party?

Yes Designee's name
Phone PIN

No

Part 5

Your name
Your title
Date Phone

Part 6

Preparer firm
Address EIN
 Postal code
Date Phone SSN/PTIN

Check if you are self-employed.

Save Print Year Total Create PDF

Payroll: Print 941 Information Prepare to print

- Create PDF.** If you installed the Tax Form Kit, the Create PDF button appears at the bottom of the last tab. Click the button when you are ready to create a 941 Form ready to be submitted to the IRS.
 If you check "Semiweekly schedule depositor," the Tax Form Kit creates the Schedule B Form also.

Payroll saves the 941 PDF Forms in the company folder with the filenames 941_YEARQX.pdf and 941sb_YEARQX.pdf where YEAR = the year and X = the quarter.

- **Print.** If you don't have the Tax Form Kit, click the Print button to print the 941 Information report. Use the information on the report to fill in a 941 Form by hand.
- **Year Total.** Click the Year Total button to print a report showing year-to-date totals for 941 data. The report is for your information.
- **Save.** Click the Save button to save your work so far.

If you have the current Tax Form Kit and the current Tax Update, you can click the Create PDF button to see the current 941 Form filled in with your Payroll data, ready to sign and submit. Otherwise, you would click the Print button and use the report to fill in the 941 Form by hand.

You cannot modify any of the information in the 941 Information window from quarters that have been closed, although you can review and print the 941 for any current or past quarter at any time.

Close all the open 941 windows and reports so you can proceed to the next Tutorial.

Tutorial: Timecards

Close the pay period first

If you haven't already done so, run System/Company/**Select** and select **NETCON**.

If you haven't already done so, run **Close Pay Period Checklist** and **close** NETCON's current open Pay Period (2007.06.30).

NETCON has only one hourly employee. Let's look quickly at her Timecard. Then we'll show you a sample Timecard for a company with departments, which better illustrates the real power and flexibility of using Timecards to process Payroll. For a complete list of the steps involved in a pay cycle, see "Checklist: A Payroll Cycle Using Timecards," on page 182.

Hours, jobs, multiple distributions, and more

In Payroll/Timecards you can enter hours worked, jobs or departments worked in, and the hours taken as vacation, sick leave, comp time or any accrued time that your employees report on their timesheets. You can also enter one-time pay amounts such as, for example expense reimbursements, savings plan payouts, and bonuses. Enter pieces for piece rate incomes and sales amounts for sales commissions.

When jobs are clocked separately by Income factor, by department, by Workers' Comp. classification, or for any other reason, you can use Timecards to distribute payroll expenses accordingly.

Timecards override other distributions

The G/L account distributions entered in the Timecards window override any other distributions, for the same incomes, that may exist in Payroll.

You can also create new Recurring Timecards in the Recurring Timecards window. But let's start with the Timecards window when no Recurring Timecards have been created.

If you haven't already done so, run System/Company/**Select** and select **NETCON**.

Run Payroll/**Timecards**.

Initially, the Timecards window opens a blank Timecard with the cursor in the Employee ID field. When your employees' source documents are at hand, containing the employee IDs as well as hours for the period, you can enter the ID from the source document. Once you enter the employee ID or name, all the timecard-appropriate Incomes from the employee configuration are displayed by default.

Employee ID. Enter **2002**, Charlotte Gilchrist.

Timecard end date. Enter **071507**

The screenshot shows the 'Timecards' window for Employee ID 2002, Charlotte Gilchrist. The 'Timecard end date' is 07/15/2007. The table below shows the default income categories and their values:

Income	Hrs/Pcs	Salary/Amount	Account	Name	WC Code
Hourly	86.67		6010-00	Salaries & Wages	8075
Overtime	0.00		6010-00	Salaries & Wages	8075
Sick	0.00		6010-00	Salaries & Wages	
Vacation	0.00		6010-00	Salaries & Wages	

Total:

Hours	86.67	Salary	\$0.00	Sales	\$0.00
Pieces	0.00	Other income	\$0.00		

Save as recurring timecard for this employee

Buttons: Save changes, Print, Recurring, OK, Delete, Restore, Unprocess, Next

Payroll: Timecards window, Charlotte's default Timecard (NETCON)

Now in a Timecard environment, you'd have a stack of timesheets with the hours each employee worked during the pay period ready to enter into the computer.

Hrs/Pcs. Enter **87** and press **down-arrow**.

Overtime. Enter **4** and press **down arrow**.

No Sick or Vacation hours this period for Charlotte. Click **Next**.

You would now continue to the bottom of the stack, entering the paper timesheets into the system. When your “stack” is ready to submit to Calculate Payroll, you’d normally save the new set of electronic Timecards.

For this exercise, **close the window** and answer **No** to the “save changes” message.

Timecard illustrating Departments

A company with departments demonstrates the power and flexibility of the Timecards module better than NETCON can. The Timecard below belongs to an employee of such a company. (This Timecard is for illustration only. It is not included in NETCON.)

Income	Hrs/Pcs	Salary/Amount	Department	Account	Name	WC Code
Regular hour	86.00		Maintenance	6012-003	Hourly: Maint	7206
Overtime 1	0.00		Maintenance	6015-003	Hourly: Maint	7206
Sick Leave	0.00		Maintenance	6012-003	Hourly: Maint	
Vacation	0.00		Maintenance	6012-003	Hourly: Maint	
Overtime 2	0.00		Maintenance	6018-003	Hourly: Maint	7206

Total

Hours	86.00	Salary	\$0.00	Sales	\$0.00
Pieces	0.00	Other income	\$0.00		

Save as recurring timecard for this employee

Payroll: Timecards sample, departments, distributions, WC Codes

The Timecard display reflects your Payroll setup – a department column if your company is departmentalized, a WC Code column if you track Workers’ Comp., and so forth. This Timecard window is ready for you to fill in from your source document showing the employee’s hours for the period. Thus you can distribute the hours to as many departmental G/L accounts as needed. Each WC-covered job’s distribution will be reported on the Workers’ Compensation Report, associated with the applicable WC Code.

Timecard:Employee Name
 2007-07-14:2007 Craftsman
 <new>

Employee ID
 Timecard end date 07/14/2007

Income	Hrs/Pcs	Salary/Amount	Department	Account	Name	WC Code
Regular hour	45.00		Maintenance	6012-003	Hourly: Maint	7206
Overtime 1	10.00		Maintenance	6015-003	Hourly: Maint	7206
Sick Leave	0.00		Maintenance	6012-003	Hourly: Maint	
Vacation	8.00		Maintenance	6012-003	Hourly: Maint	
Overtime 2	0.00		Maintenance	6018-003	Hourly: Maint	7206
Regular hour	33.00		Acquisitions	6012-002	Hourly: Acqu	7206
Overtime 1	6.00		Acquisitions	6015-002	Hourly: Acqu	7206

Total
 Hours 102.00 Salary \$0.00 Sales \$0.00
 Pieces 0.00 Other income \$0.00

Save as recurring timecard for this employee

Save changes Print Recurring OK Delete Restore Unprocess Next

Payroll: Timecards sample, completed

This employee worked 45 regular hours in Department 003 (his home department) and 33 regular hours in Department 002. He worked 10 overtime hours (at time and a half) in Department 003 and 6 overtime hours (time and a half) in Department 002. He did his usual type of work in both departments, so the same WC Code, 7206, continues to apply. He took 8 hours of vacation. He didn't work any Overtime-2 hours (double time). On the Timecard you distribute the payroll expense for his time to the departments he worked in.

The "Total Hours" number 102 sums all his hours worked and hours taken as entered on the Timecard. Calculate Payroll plugs in the hourly rate from the employee's configuration and calculates his regular and overtime pay based on the distribution of his hours on the Timecard, as you'll see in a moment.

Calculating Payroll with Timecards

Now if you were to run Calculate Payroll in this hypothetical company, and click OK for the Current Payroll year of 2007 and click Semimonthly and enter Start and End dates of 7/1/07 – 7/15/07, then if Timecards exist with End dates that are before or on the End date of a selected pay frequency, Calculate Payroll uses the Timecards to calculate payroll for the employees in that frequency. The Calculate Payroll semimonthly pay frequency end date of 7/15/07 will cause the semimonthly employee's Timecard with an end date of 7/14/07 to be included in the pay run.

After Calculate Payroll processes Timecards, you can click the Distribution tab in the Calculate Payroll window for details. The distribution of the Timecard above would look like this:

Income	Hours	Amount	Department	Account
Regular hours	45.00	\$675.00	Maintenance	6012-003
Regular hours	33.00	\$495.00	Acquisitions	6012-002
Overtime 1	10.00	\$225.00	Maintenance	6015-003
Overtime 1	6.00	\$135.00	Acquisitions	6015-002
Sick Leave	0.00	\$0.00	Maintenance	6012-003
Vacation	8.00	\$120.00	Maintenance	6012-003
Overtime 2	0.00	\$0.00	Maintenance	6018-003

Payroll: Calculate Payroll using Timecard, pay expense distribution

Before you print checks and post, always print the Payroll Register to verify the payroll numbers. If you find an error that originated on a Timecard, you must correct the error on the Timecard. A correction procedure is described in the Checklist, “Correcting Timecard Errors,” on page 184.

Tutorial: Recurring Timecards

Use Payroll/Recurring Timecards to create and manage a set of reusable “templates” for the working Timecards. You call up the Recurring Timecards when you run Timecards and fill them in with employee hours and so forth in the Timecards window. The data on those Timecards are then “used up” in the payroll run. The empty Recurring Timecards are then presented the next time you run Timecards. You can review,

modify, and permanently delete these templates in the Recurring Timecards window.

The Payroll supervisor may want to maintain a set of templates that reflect new hires, terminations, and other changes. The supervisor can pare the templates down so they require the Timecard entry clerk to enter only what's necessary for processing.

You usually "use up" a batch of working Timecards in a payroll run – that is, all the pay data on the Timecards is used by Calculate Payroll to process pay. The system deletes the "used up" working Timecards when you close the pay period. The next time you run Payroll/Timecards, you can call up the existing Recurring Timecards as a new set of working Timecards. You fill in the working Timecards with the data from your current employee source Timecards. (Then run Calculate Payroll to complete the payroll run, "use up" the working Timecards, and begin a new cycle.)

For the steps involved in using Recurring and working Timecards, see "Checklist: A Payroll Cycle Using Timecards," on page 182.

Tutorial: Run Calculate Payroll (no Timecards)

Your company does not use Timecards. Use the Calculate Payroll window to process Payroll and print paychecks for your employees.

Use the After the Fact Payroll window to process Payroll for employees whose checks are printed outside the 21st Century Accounting Payroll system.

In both Calculate and ATF Payroll windows, the system calculates pay using the information that you entered in the Payroll/Configure windows and additional information you enter at runtime.

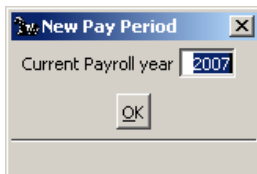
This lesson shows you how to calculate Payroll, verify your entries, and print paychecks.

Run System/Company/**Select** and select **NETCON**.

If you haven't already done so, run **Close Pay Period Checklist** and **close** NETCON's current open Pay Period (**2007.06.30**).

On the main menubar, set the **Default date to 07/15/07**. It's time to pay the semimonthly employees.

Run **Calculate Payroll**.



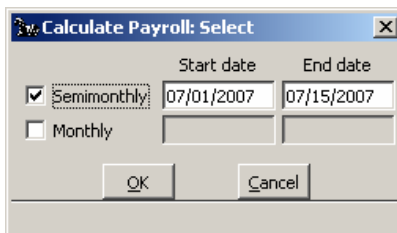
The system verifies the Payroll year.

Click **OK**.

For either Calculate or ATF Payroll, you select your employees' pay frequency or frequencies for each Payroll run. The system selects for processing the employees paid with the selected frequency or frequencies. You can run all frequencies in the same processing session or you can process one frequency at a time.

In the Select dialog, click **Semimonthly**. NETCON shows pay frequency start and end dates, which are optional for printing on the check.

Once you enter start and end (or end) dates, they ratchet forward for each pay frequency.

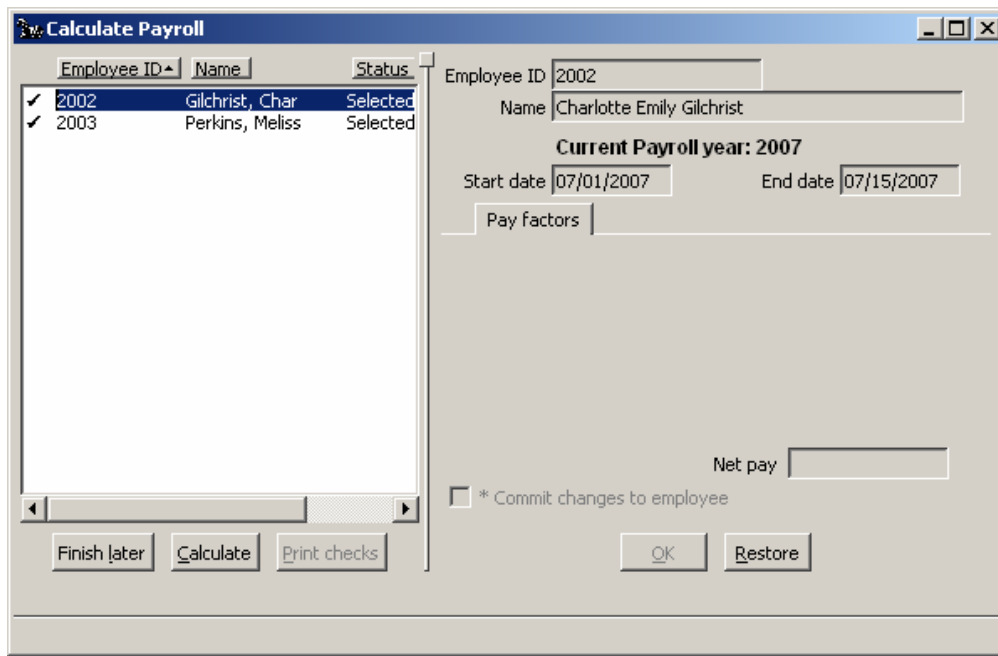


Payroll: Calculate Payroll, Select Semimonthly

Click **OK**.

The semimonthly employees are displayed in the left pane, with a status of Selected.

To Unselect or Calculate individual employees, you can highlight the employee, right-click, and select the function from the right-click menu.



Payroll: Calculate Payroll, Semimonthly Selected

Click the **Calculate** button (or press Alt+C)

The system calculates Payroll for the semimonthly employees.

Calculate Payroll

Employee ID	Name	Status
✓ 2002	Gilchrist, Char	Calculate
✓ 2003	Perkins, Meliss	Calculate

Employee ID: 2002
Name: Charlotte Emily Gilchrist

Current Payroll year: 2007
Start date: 07/01/2007 End date: 07/15/2007

Pay factors

Hourly		\$1,256.71
Hours worked	86.67	
Rate	14.500	*
Overtime		\$0.00
Hours worked	0.00	
Rate	21.750	*
Sick		\$0.00
Hours accrued	1.67	
Hours paid	0.00	
Balance	12.04	
Vacation		\$0.00
Hours accrued	4.00	
Hours paid	0.00	
Balance	48.00	
US Med		\$18.24
US FIT		\$135.13
US SS		\$77.89
<new>		
Net pay		\$1,025.45

* Commit changes to employee

Buttons: Done, Calculate, Print checks, OK, Restore

Payroll: Calculate Payroll window, Initial Calculation Completed

If additional information is required, such as the number of hours worked for hourly employees, you can enter it now. You can enter vacation or sick hours taken. You can even override the tax calculations if necessary, although, of course, it is very seldom necessary if the correct Payroll Tax Updates have been installed.

Charlotte worked some extra hours last week. We need to pay her for the overtime on this paycheck.

Highlight **Employee 2002** and press **Tab** until the **Overtime: Hours worked** field is highlighted.

Overtime: Hours worked. Type 5.

The system calculates and displays the additional pay to the right of Overtime.

Click **OK**.

Click **Done**.

"Done" tells Payroll to save the calculated run. You must verify the numbers before you print checks.

Print Unposted Payroll Register

Before you print paychecks or post ATF Payroll, run Print/Payroll Register to verify the data. Select "Current Pay Period" for the Pay period ID and click the checkbox at "Print only unposted activity."

Payroll Register is like a batch listing

You can think of the unposted Payroll Register as a batch listing of the current Payroll run.

If you find errors in your review of the unposted Payroll data, re-enter Payroll as needed, save, and then reprint the unposted Payroll Register until you are satisfied with the results. Then print and approve paychecks or post ATF to post the run.

Run Payroll/Print/Payroll Register.

Select **All** employees, **All** categories, **Current Pay Period**, and click **Print only unposted activity**. Set the report up like this:

The screenshot shows the 'Payroll Register' dialog box. It has a title bar with the text 'Payroll Register' and standard window controls (minimize, maximize, close). The dialog is divided into two main sections: 'Selection options' and 'Sort options'.
In the 'Selection options' section, there are two rows of radio buttons. The first row has 'All' selected and 'Selected' unselected, followed by 'Employee ID' and a 'Browse...' button. The second row has 'All' selected and 'Selected' unselected, followed by 'Category' and a 'Browse...' button. Below these is a 'Pay period ID' dropdown menu set to 'Current Pay Period' and a checked checkbox for 'Print only unposted activity'.
In the 'Sort options' section, there are five radio buttons: 'by Employee ID' (selected), 'by Employee Name', 'by Department', 'by Pay Frequency', and 'by Employment State'.
At the bottom of the dialog are four buttons: 'Preview', 'Print', 'Restore', and 'Select Printer'.

Payroll: Payroll Register

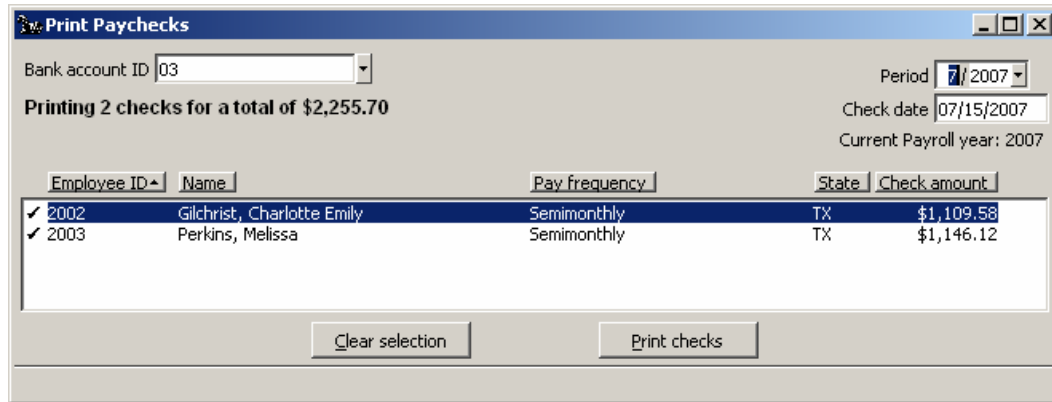
Click **Preview**.

Verify that the numbers are correct. You can change any pay information in the Calculate window that is producing incorrect numbers!

Once you are satisfied that the numbers are correct, finish the Payroll run.

Reopen the Calculate window.

Click **Print checks** in the Calculate Payroll window.

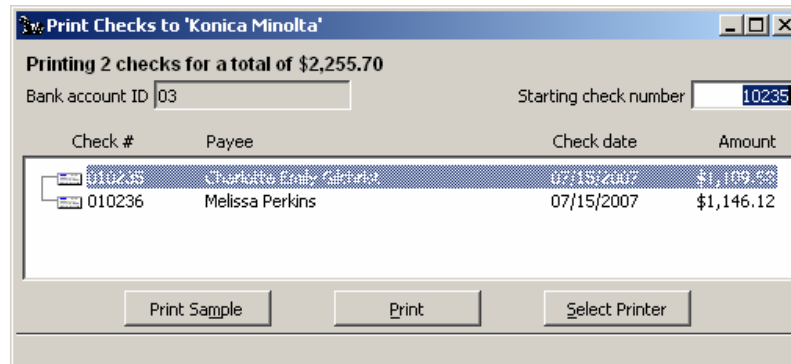


Payroll: Calculate Payroll, Print Paychecks window

Verify the bank account ID and verify the period, check date, and check amounts. You can organize the list of employees and print the paychecks by employee ID, name, pay frequency, department (if you use departments), employment state, or check amount. Click the bar above the column to select that column for determining the order of the printed checks.

Make sure plain paper is in your printer for printing these tutorial checks.

Click **Print checks** in the Print Paychecks window.



Payroll: Calculate Payroll, Print Checks to <printer name> window

Review the check numbers, payees, dates, and amounts. You can change the starting check number if necessary.

Click **Print** in the Print checks to <printer name> window when you are ready to print the checks.

Review the printed checks.

Click **Yes** to indicate that the checks printed properly.

Click **No** to indicate you don't want to print a check register for the batch.

The system posts the semimonthly employee paychecks.

Wait to close the pay period ...

Use the Bank Accounts/Void/Checks window to void a posted Payroll check. You should verify that all paychecks are correct and are received by employees before you close the pay period. Then, if a paycheck got lost in the mail (for example), the voided check and the replacement, if any, can be recorded in the same pay period as the original check.

Voiding a paycheck reverses all employee payroll-to-date information as well as all general ledger account posting that resulted from the original check.

Run Close Pay Period Checklist.

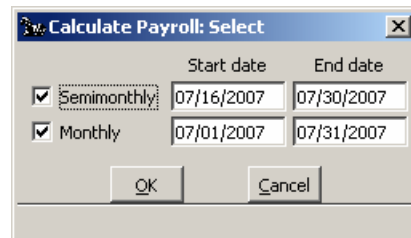
Click the **Close button** to close the semimonthly pay period, 2007.07.15.

Change the Default date to **07/31/07**.

Now you are ready to run the end-of-month payroll for all employees, semimonthly and monthly.

Run Calculate Payroll.

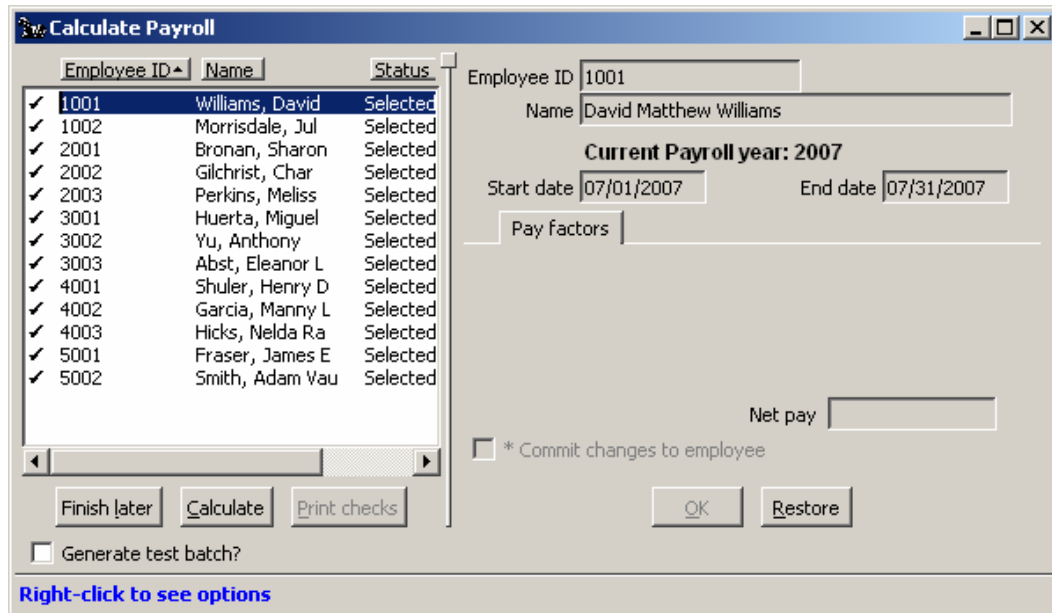
In the Select dialog, click **Semimonthly and Monthly**.



Payroll: Calculate Payroll, Select Semimonthly and Monthly

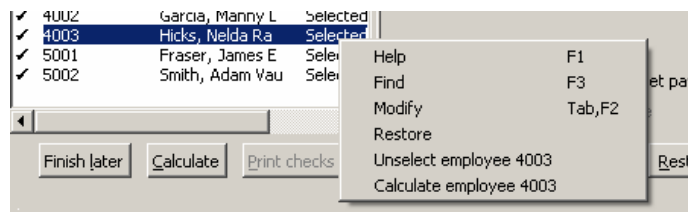
Click **OK**.

The semimonthly and monthly employees are displayed in the left pane, with a status of Selected.



Payroll: Calculate Payroll, Semimonthly and Monthly Selected

Highlight one of the employees in the left pane and **right-click** to see what operations you can perform on these employees before you run Calculate.



The right-click menu provides some important functions. You can run Calculate for a single individual, Unselect to exclude an employee from calculation, and Modify an employee's pay information in the right pane before you run Calculate.

Press **Esc** to close the right-click menu.

Now proceed as you did in the earlier part of this lesson:

Click the **Calculate** button.

Now you would enter vacation days taken, overtime hours, variable benefits and deductions, and other information that varies from one payroll to the next.

Click **Done** to save your work.

Run Payroll/Print/**Payroll Register**.

Select **All** employees, **All** categories, **Current Pay Period**, and click **Print only unposted activity**. Click **Preview**.

Verify the numbers.

Print and approve paychecks.

Some users consider it wise to leave the pay period open until it has to be closed for the next run. If you need to void and reprint a paycheck, for logical grouping purposes, you may prefer to have the original, voided, and reprinted paychecks all reported in the same pay period.

Remember to close this pay period when you are ready to make your next pay run. Closing the pay period clears the way for the next run and lets you edit employees if necessary.

Tutorial: Print Remittance Checks

Payroll/Print/Remittance Checks lets you enter and print checks for automatic remittance of your Payroll tax liabilities.

To use Payroll/Print/Remittance Checks, you must first set up Payroll tax remittance payees as Payables vendors (in Payables/Configure/Vendors) and then designate the appropriate "remittance vendor" for each Payroll tax when you configure the tax in the Payroll/Configure/Taxes window.

For the most efficient use of Remittance Checks, set up your tax liabilities this way:

- You assign each federal, state, and local tax the appropriate remittance vendor for that tax. (All federal taxes are usually assigned to the same remittance vendor.)
- You assign to each Payroll tax its own dedicated G/L liability account.

Paychecks and Payroll adjustments credit the employee deduction and the employer contribution (if any) to the tax's assigned liability account. Remittance checks debit the tax's assigned liability account. Posting from Payroll runs and Remittance checks also updates a company record of each tax liability.

The system is designed so that each tax's liability account balance and each tax's "current liability" should be the same. Each reflects what you owe (your current outstanding payroll tax liability) at any given time.

When you are ready to send in your remittances, run Payroll/Print/**Remittance Checks**.

The preliminary window displays the remittance vendors and the amount accumulated (since the last remittance) for all the taxes due each vendor.

Remittance to	Amount
✓ Director of Employment Security (IL SUTA)	\$60.15
✓ Employment Development Department (CA SDI, CA SUTA, CA SIT)	\$348.73
✓ Illinois Department of Revenue (IL SIT)	\$301.43
✓ Texas Workforce Commission (TX SUTA)	\$24.00
✓ United States Treasury (US FUTA, US Med, US SS, ...)	\$18,651.94

Payroll: Select Remittance Vendors window

You identify the remittance year and quarter (for updating 941 information), the bank account on which the check is drawn, and the period and check date.

Select the **03 - Payroll** bank account.

Mark the box at **Print checks?** with a check mark when you want to print the checks. Leave the box unchecked if you are recording the checks after the fact.

You haven't reached the required liability yet for Texas Workforce Commission.

Double-click Texas Workforce Commission to unselect it for this round of remittance checks.

Remittance to	Amount
<input checked="" type="checkbox"/> Director of Employment Security (IL SUTA)	\$60.15
<input checked="" type="checkbox"/> Employment Development Department (CA SDI, CA SUTA, CA SIT)	\$348.73
<input checked="" type="checkbox"/> Illinois Department of Revenue (IL SIT)	\$301.43
<input checked="" type="checkbox"/> Texas Workforce Commission (TX SUTA)	\$24.00
<input checked="" type="checkbox"/> United States Treasury (US FUTA, US Med, US SS, ...)	\$18,651.94

Payroll: Select Remittance Vendors window, unselect a vendor

Click OK.

After you complete the Select Remittance Vendors window and click OK, the system moves on to the Remittance Checks data entry window. The system analyzes the Remittance Vendors you selected and displays the appropriate Payroll tax liability accounts as the default distribution accounts.

Payroll: Remittance Checks window, one vendor, one tax

Payment tendered
(top)

For each check in the batch, the Remittance Checks disbursement window shows the total liability that has been accrued on a per tax basis in the Payment tendered (top) portion of the window.

This is the amount you see as the "Current liability" the Configure/Taxes window.

G/L distributions
(bottom)

The G/L distributions (bottom) portion of the window shows the current account balances for all the G/L liability accounts that are assigned to the listed taxes.

This is the G/L account balance.

Highlight the United States Treasury batch entry and review the window.

Remittance Checks

20070731.000

- Director of Employme
- Employment Develop
- Illinois Department o
- United States Treas

Payee type: Vendor

Bank account ID: 03

Vendor ID: UnitedStatesTreasury

Vendor name: United States Treasury

Address: PO Box 1
Austin, TX 78701

Period: 7 / 2007

Check date: 07/31/2007

Batch total: \$19,362.25

Payment tendered

Description	Amount
US FUTA	\$68.00
US Med	\$2,080.44
US SS	\$8,895.40
US FIT	\$7,608.10
Check amount: \$18,651.94	

GL distributions

Account	Name	Comment	Applied amt
2530-00	FUTA Payable		\$68.00
2500-00	FIT Payable		\$7,608.10
2510-00	Social Security Payable		\$8,895.40
2520-00	Medicare Payable		\$2,080.44
Undistributed amount:			\$0.00

Check memo:

Record on 1099

Save batch Post batch OK Delete Restore

Payroll: Remittance Checks window, one vendor, multiple taxes

In NETCON, several tax liabilities are assigned to the same "remittance vendor" (tax authority), as is usually the case with federal taxes. Each tax is assigned to a separate G/L liability account. For a single vendor's check, you see multiple taxes in the top portion and multiple distribution accounts in the bottom portion.

What if they aren't the same?

If the "Current liability" amounts (top portion) do not reflect the true liabilities, the two most likely causes are--

- This is your first remittance check after converting data to 21st Century Accounting and/or
- The "Current liability" amounts have been edited.

If the G/L account balances (bottom portion) do not reflect the true Payroll tax liabilities, the two most likely causes are--

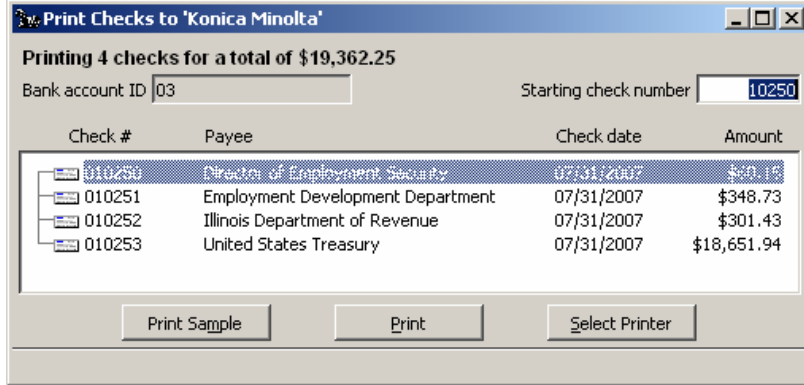
- General journal entries have been made against the accounts and/or
- The accounts are used as configuration accounts for other purposes.

To correct the liabilities --

In Configure/Taxes windows, the Current liability field is protected from accidental data entry. **Right-click to edit the field** so that it reflects the true liability for that tax.

In General Journal, create additional accounts and assign them as necessary so that Payroll tax liability accounts are used in the future for Payroll tax liabilities only. Make entries that correct the balances of the Payroll tax liability accounts so that the accounts reflect the true liabilities.

Once the amounts are correct and there is no undistributed amount, print remittance checks or post ATF checks with the **Post batch** button.



Payroll: Remittance Checks, Print checks window

Click the **Print** button, **approve** the checks, and print the Check Register if you wish.

The system credits the selected bank account for the amount of each check, debits the displayed G/L distribution accounts, and updates the "Current liability" amounts in the Taxes windows.

Tutorial: Print Workers' Compensation Report.

If you posted a sample pay run that included income from WC-Coded jobs, you can see the results reported on the Workers' Compensation Report.

Run Payroll/Print/**Workers' Compensation Report**.
Select **All** transaction dates, WC Codes, and employees. Click **Preview**.

For the selected date range, for each selected WC Code, for each selected employee, the report shows regular hours and pay, overtime hours and pay, and total Workers' Comp.-covered pay for affected employees. The

value in the "Premium" column is the total pay or hours associated with the WC Code multiplied by the rate.

The "summary only" option doesn't print employee details.

Tutorial: Create Custom Pay Summary Reports

The Custom Pay Summary report in Payroll lets you create and export any number of summary per-employee or per-pay-period reports that fit the needs of your company. The many different possibilities and the speed of the report allow you to experiment until you get what you want!

For example, you can print or export a one-line-per-employee summary of pay period activity that looks like this in 21st Century Accounting:

04/06/2007
2:16:46 PM

Network Consultants, Inc.
Custom Pay Summary
Pay Period Summary

Page 1

Employee ID: All
Pay period ID: 2007.06.30 to 2007.06.30

Employee	Pay Period	Gross Pay	Federal Deductions	Net Pay	
1001 Williams, David Matthew	2007.06.30	8,054.84	-1,960.93	-1,300.00	4,793.91
1002 Morrisdale, Julianna Kay	2007.06.30	7,416.67	-1,574.52	-1,516.67	4,325.48
2001 Bronan, Sharon M.	2007.06.30	3,500.00	-588.12	-826.67	2,085.21
2002 Gilchrist, Charlotte Emily	2007.06.30	1,256.71	-250.58	0.00	1,006.13
3001 Huerta, Miguel Ramon	2007.06.30	7,420.00	-1,529.24	-845.00	5,045.76
3002 Yu, Anthony	2007.06.30	7,697.99	-1,611.46	-857.87	4,894.04
3003 Abst, Eleanor Louise	2007.06.30	7,175.00	-1,949.36	-705.00	4,335.29
4001 Shuler, Henry Drake	2007.06.30	6,829.05	-1,607.50	-291.70	4,929.85
4002 Garcia, Manny L.	2007.06.30	5,582.47	-1,012.33	-60.00	4,309.71
5001 Fraser, James Evan	2007.06.30	5,000.00	-1,312.33	-1,171.92	2,515.75
5002 Smith, Adam Vaughan	2007.06.30	4,500.00	-721.13	-750.00	3,028.87
Report Total:		64,432.73	-14,117.50	-8,324.83	41,270.00

Printed by Guest Login

Payroll: NETCON Custom Pay Period Summary report, Preview

To create the report shown above, follow these steps.

Select the sample data company, **NETCON**.

Run Payroll/Configure/**Custom Pay Summary**.

In the Custom Pay Summary window, with <new> highlighted, press the **Tab** key.

Name. Type a name for the report. For this lesson, type **Pay Period Summary** and press **Tab**.

The Custom Pay Summary provides a number of predefined columns such as (for example) Gross Pay (all incomes summed into a single amount), Net Pay (net pay), and Federal taxes (US FIT, US SS tax, and US Medicare tax summed into a single amount). You can modify the predefined columns and create your own columns.

Using your mouse, grab "**Gross Pay**" from the **Column choices** box. Drag it to the **Report columns** box and drop it in the upper left corner.

To drag and drop, put your mouse pointer on the item, click and hold down the mouse clicker button, move the item to where you want it, and release the clicker button.

Grab "**Federal**" from the **Column choices** box, move it to the right of "Gross Pay" in the **Report columns** box and drop it.

Grab "**Net Pay**" from the **Column choices** box, move it to the right of "Federal" in the **Report columns** box and drop it.

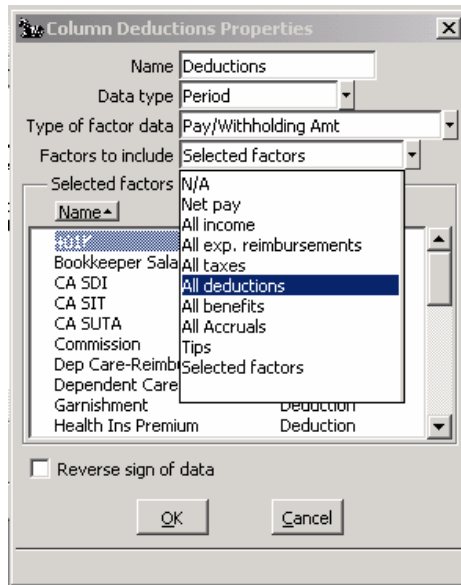
Some employees have other deductions from income besides taxes. To print a summary of all deductions on your report, for example, you create a new column.

Click the **Add column** button at the bottom right of the Custom Pay Summary window.

In the **Column Properties** window that pops open, type **Deductions** for the **Name**.

The default **Data type** (Period) and **Type of factor data** (Pay/Withholding Amt) are correct. Click the drop-down arrow beside each field to see what the other choices are.

Click the drop-down arrow beside the **Factors to include** field to see how you can summarize or itemize pay factors.



Payroll: NETCON Custom Pay Period Summary Column window

Notice that you can select individual factors or get the system to summarize related factors such as all taxes, all deductions, all benefits, and so forth. If you wanted to select factors from the Selected factors box, you would press the spacebar or double-click with the mouse to check the ones you want.

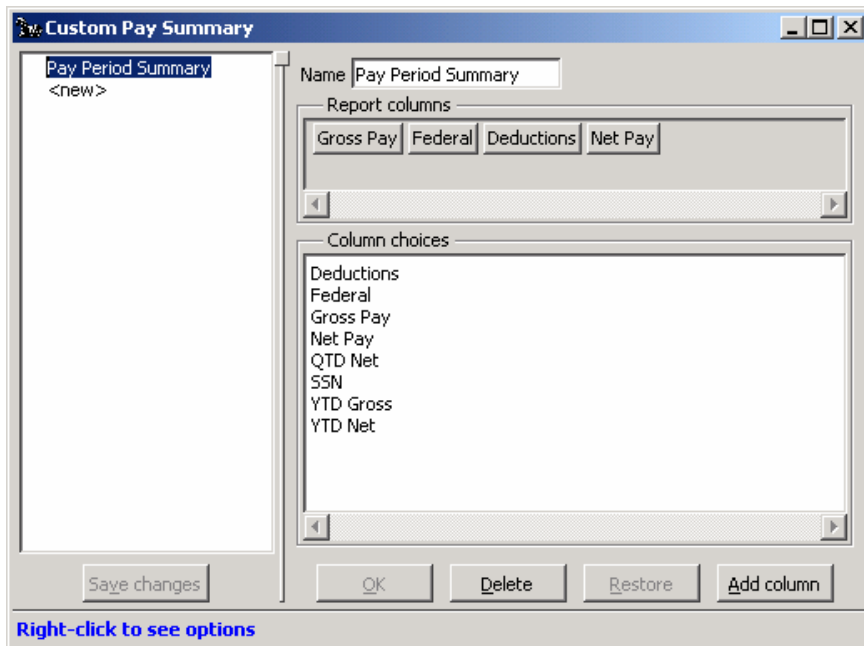
Click **All deductions** in the **Factors to include** list to enter it in the field, press the Tab key, and click the **OK** button at the bottom of the Column Properties window.

Grab "**Deductions**" from the **Column choices** box, move it to the right of "Federal" in the **Report columns** box and drop it. Notice that a red line appears between "Federal" and "Net Pay" to show where your new column will appear.

Click the **OK** button below the Column choices box.

Click the **Save changes** button at lower left to save the report.

Your finished report definition should look like this:



Payroll: NETCON Custom Pay Period Summary configured

To print the report shown above, follow these steps.

Run Payroll/Print/**Custom Pay Summary**.

At Report name, select the report you created, **Pay Period Summary**.

Select **All** employee IDs.

At Pay period ID, select from **2007.06.30** to **2007.06.30**.

Use the Sort option, **by Employee**.

Click **Preview or Print** to print the report (or click Export to export a text file that you can view in Excel or any spreadsheet).

Try different reports, modify them, delete them, start over – these reports are yours to create and use any way you wish.

Chapter 4: Checklists

The following checklists list many of the steps for setup and daily operations in General Ledger, Receivables, Payables, and Payroll. For the most efficient setup and processing, follow the order of the steps in the checklists.

Use the online Help for detailed information as you perform these tasks.

Checklist: Creating and Configuring a Company

1. Use System/Company/Create to create a new company.
2. Run System/User IDs and System/Access Control to set up user IDs, user preferences, and security.
3. Now or at any time later, run System/Company/Preferences to configure –

Forms. Select the form you use to print checks, invoices, statements, and other special forms. The drop-down lists for each document show the form types supported by 21st Century Accounting as well as any other forms provided and properly installed as third-party add-ons.

Report Headers/Footers. Customize printing in standard report headers and footers of any of the information maintained by the system, including company name, date, period, user ID or name, and so forth.

Document Number Formats. Control the number format of the various types of transactions you enter into the system (invoices, receipts, deposits, journal entries, and so forth).

Checklist: Setting up General Ledger

Use General Ledger commands to configure a new company and design your chart of accounts.

-
1. In the General Ledger/Configure/Company window that opens automatically, enter the company name, address, and contacts and review the special company accounts for retained earnings, income transfer, and deposit clearing. If you require password security for your company, assign a password.
 2. Run General Ledger/Configure/Chart of Accounts.
 - Click the Edit Structure button to create your account structure if you need additional segments representing departments (or whatever you call them in your company).
 - Edit, rename, and create new accounts in your Chart of Accounts. Choose Replicate selected accounts from the right-click menu to automatically create departmental accounts.
 3. Run General Ledger/Configure/Financial Calendar to customize your fiscal year for beginning and ending dates, number of fiscal periods, and so forth.
 4. Now or at any time later, run General Ledger/Configure/Historical Balances to enter closing balances from your previous set of books. For complete comparative financial reports, enter as much historical data as you wish.
 5. Now or at any time later, run General Ledger/Configure/Budgets if you want to maintain budgets for certain accounts and produce financial reports that compare projected account performance with actual activity.
 6. Now or at any time later, run General Ledger/Configure/Custom Journals to create special custom journals for recording recurring types of business transactions that do not result in a bank deposit.
 7. If you want to post periodic automatic entries, now or at any time later, run General Ledger/General Journal to create a batch of the entries you want to post periodically. Save the batch as a recurring batch. (Right-click the batch in the left pane and select Make Recurring from the options menu.)
 8. You can run General Ledger/Configure/Financial Reports and General Ledger/Configure/Financial Report Templates at any time to create customized financial reports, if you require financial reporting other than the default financials provided by 21st Century Accounting.

Checklist: Bank Accounts

Setting up Bank Accounts consists of assigning general ledger accounts to the bank accounts you use for depositing receipts and making

payments and then configuring the system for entering the deposits and payments.

1. Run Bank Accounts/Configure/Bank Accounts to associate the general ledger accounts you use for banking (making deposits and writing checks) with bank account numbers and checkbook names that identify the accounts at the bank, and as you enter transactions.
2. Since credit card transactions do not require bank deposits, 21st Century Accounting maintains credit card accounts separately from bank accounts. Run Bank Accounts/Configure/Credit Card Accounts to associate transactions for a given credit card with a G/L account.
3. Run Bank Accounts/Configure/Cash Receipts Journals to preconfigure sets of customized prompts that appear when you enter a deposit (with Deposits on the Bank Accounts menu). Cash receipts journals do not have a separate transaction entry window.

Receivables Checklists

Checklist: Setting Up Receivables

Setting up Receivables consists of configuring customer attributes and then adding customers and assigning their attributes.

1. Run Receivables/Configure/Control Accounts to set up at least one set of the control accounts required to post Receivables transactions.
2. Run Receivables/Configure/Payment Terms to set up at least one set of required payment terms.
3. Run Receivables/Configure/Billing Cycles to set up at least one required billing cycle. Even if you bill all customers at the same time, the billing cycle is required as a mechanism for periodic customer processing.
4. If you want the system to calculate sales taxes as you enter customer invoices, run Receivables/Configure/Tax Authorities and Receivables/Configure/Tax Groups to set up at least one sales tax group.
5. If you want to organize customers into categories for reporting, run Receivables/Configure/Categories.
6. If you want the system to display a set of sales distribution accounts when you enter invoices, run Receivables/Configure/Default Prompts to set up at least one set of prompts.

-
7. If you bill regular periodic charges to customers, run Receivables/Configure/Recurring Charges to set them up.
 8. If you plan to assess finance charges on customer accounts, run Receivables/Configure/Finance Charges.
 9. Finally, run Receivables/Configure/Customers to add your customers and assign control accounts, payment terms, billing cycles, and, optionally, sales tax groups, categories, default prompts, and recurring charges.
 10. To establish customer balances, run Receivables/Configure/Historical Invoices and Receivables/Configure/Historical Receipts to enter open invoices and, if you wish, paid invoices.

Checklist: Setting up Sales

The Sales module allows you to set up a list of the products and services you sell, for easy entry on customer invoices.

1. Run Sales/Product List to enter items, optional associated sales accounts, default taxable and discount status, and prices.

Checklist: Entering a Sales Invoice

Once you have set up Receivables Customers and the optional Product List, you're ready to start recording the sale of products and services to your customers.

1. If your sales cycle begins with a sales order from a potential customer, run Sales/Sales Orders to record requirements for one-time purchases that are not to be shipped and billed at this time or standing orders for frequent or regular customer purchases.
2. Run Sales/Invoices when a sale is made. You can enter an invoice from scratch or turn a sales order into an invoice.

Payments entered on invoices

If the customer makes payment or partial payment at the time of the sale, enter the payment amount on the invoice.

Credit card payments that you entered on the invoice should be deposited into your bank account later. You can enter the transaction either as a Deposit or as a bank Reconciliation Adjustment. Credit the credit card deposits to the credit card accounts.

Print the invoice at the time of the sale, if the customer wants a copy.

When you post the batch, the system also saves the printable invoice. You can print the invoice later from Customer Status or by drilling down on the invoice number in the Invoice Journal Preview.

Checklist: Entering Payments on Customer Accounts

During each billing cycle, you will apply optional finance charges and optional recurring charges, print statements, and age customer accounts. Normally, customers respond to their periodic statements with payments against their accounts.

All cash received into the business in this way is recorded in the Bank Accounts/Deposits window.

1. Run the Bank Accounts/Deposits command and select <new> in the left pane.
2. Enter the ID of the bank account where the receipts will be deposited and the deposit number in the Batch Options window (and accept or edit the batch name, batch period, and deposit date).
3. Select "Customer" for the Receipt type.
4. Enter the amount of the receipt.
5. Enter or select the customer ID.
6. For an open item customer, at Invoice Number, use the drop-down list to see the customer's outstanding invoices. Select the individual invoices that the customer wants to pay with this payment. Select "all" if there are no unpaid invoices. For a balance forward customer, you apply the payment to "all."
7. At Applied amount, enter the amount of the receipt to apply to the invoice(s).
8. Choose Save.
9. Choose Save batch to save all the entries in the batch and choose Post batch when you're ready to commit the deposit to your books.

Payables Checklists

Checklist: Setting up Payables

Setting up Payables consists of configuring vendor attributes and then adding vendors and assigning their attributes.

1. Run Payables/Configure/Control Accounts to set up at least one set of the control accounts required to post Payables transactions.

-
2. If you want to organize vendors into categories for reporting, run Payables/Configure/Categories.
 3. If you want the system to display a set of expense distribution accounts when you enter invoices, run Payables/Configure/Default Prompts to set up at least one set of prompts.
 4. If you want the system to automatically take early payment discounts if available, run Payables/Configure/Payment Terms to set up applicable vendor payment terms.
 5. For calculation of GST, HST, PST, and QST in Canada, run Payables/Configure/Tax Authorities and Payables/Configure/Tax Groups to review the default Tax Groups and make sure that the tax rates are correct for the Tax Authorities that make up the default GST, HST, GST/PST, and QST Tax Groups.
 6. If you make regular periodic purchases from vendors, now or at any time later, run Payables/Vendor Invoices to create a batch of the entries you want to post periodically. Save the batch as a recurring batch. (Right-click the batch in the left pane and select Make Recurring from the options menu.)
 7. Finally, run Payables/Configure/Vendors to add your vendors and assign default control accounts, and, optionally, categories, default prompts, payment terms, and sales tax groups in Canada.
 8. To establish vendor balances, run Payables/Configure/Historical Invoices and Payables/Configure/Historical Payments to enter open invoices and, if you wish, paid invoices.

Checklist: Entering a Vendor Invoice

Once you have set up Payables Vendors, you're ready to start recording the purchase of products and services from your vendors.

1. When you receive a regular invoice from a vendor, run Payables/Vendor Invoices.

Enter cash and manual check payments on regular vendor invoices

If you make immediate payment by cash or manual check at the time of the purchase, enter the payment amount on the regular invoice.

2. When you want to pay for a product or service on the spot with a printed check, run Payables/Quick Checks.

Print on-the-spot payment checks to vendors

3. After entering and OK-ing the invoice, click Print checks. The system prepares and prints a check for the amount of the invoice. When you approve the printed check, the system posts the vendor invoice and the payment.

Checklist: Making Payments on Vendor Accounts

Use Create Payments to make regular payments (by system-printed checks) to vendors.

1. Run Payables/Create Payments.
2. Enter the Payables bank account to write the checks on.
3. Select the vendors and/or individual invoices to be paid.
4. Edit the check total or the invoice amount to pay vendors amounts other than the full amount you owe.
5. Print and review the checks.
6. Once you are satisfied with check printing, approve the checks to post the vendor payments.

Payroll Checklists

Checklist: Setting up Payroll

Setting up Payroll consists of configuring employee pay attributes and then adding employees and assigning their attributes.

1. Run Payroll/Configure/Company Information to manage company-wide Payroll functions such as manual distribution or departmentalization of Payroll expenses and liabilities.
2. Run Payroll/Configure/Income to set up methods for calculating pay (salaries, hourly rates, sales commissions, expense reimbursements, tips, other pay), and other income parameters.
3. Run Payroll/Configure/Deductions to set up before- and after-tax deductions.
4. Run Payroll/Configure/Noncash Benefits to set up benefits that affect the employee's tax liability.
5. Run Payroll/Configure/Vacation and Sick Accruals to set up accruals if you want to track hours accrued and hours taken.

-
6. Run Payroll/Configure/Tax Calculations to set up any user-defined taxes.
 7. Run Payroll/Configure/Taxes to set up the company's Payroll taxes.
 8. If you want to organize employees into categories for reporting, run Payroll/Configure/Categories. (You might use categories to organize employees into departments, for example.)
 9. If you want to report Workers' Compensation-covered hours, run Configure/Workers' Comp. Codes to set up the codes for WC-covered jobs.
 10. Run Payroll/Configure/Employees to add your employees and assign pay, deductions, benefits, taxes and so forth, and, optionally, categories and WC Codes for your employees' WC-covered jobs.
 11. To establish employee pay histories, run Payroll/Configure/Historical Pay Information to enter quarter-to-date and year-to-date data from your previous Payroll system – any data from this year that was processed in your old Payroll. To verify that year-to-date information is correct, before you run a Payroll in 21st Century Accounting, print the Historical Pay Information report and compare the amounts with earnings records from your previous accounting system.

Checklist: A Payroll Cycle Using Timecards

Normal payroll processing once you're up and running regularly with Timecard input may optionally include Recurring Timecards.

Manage Recurring Timecards as needed

Manage Recurring Timecards at any time. Recurring Timecards function as "templates" for the working Timecards that are filled with employee hours and so forth in the Timecards window and that are then used in the payroll run. The Payroll supervisor may want to maintain a set of templates that reflect new hires, terminations, and other changes. The supervisor can pare the templates down to only the input necessary for processing.

1. Sometime between payrolls, NOT on paycheck day, run Payroll/Recurring Timecards.
2. Create new Recurring Timecards as needed. Modify Recurring Timecards as you wish (delete lines that won't be used, etc). Delete Recurring Timecards as needed.
3. Save and close.

Now you can choose to display Recurring Timecards "templates" as fresh Timecards when you open the Timecards window to start entering a new batch of Timecards for processing payroll.

Enter Timecards

4. Run Payroll/Timecards.
5. In the "Recurring Timecards: Select" dialog box, enter the end date of the pay period covered by Timecards in the batch you are entering and check pay frequencies of employees whose Timecards you want to include in this payroll run.
6. Recurring Timecards you've set up in the Recurring Timecards window are listed in left pane and first Timecard is displayed with the rows specified for the Recurring Timecard.
7. Fill in hours worked and hours taken for each hourly factor.

The employee's configured rate will be used initially to calculate the pay amount. You can change the rate in the Calculate window or in configuration.

8. Fill in any other information that identifies the hours for that factor.

You may want to distribute the hours to different G/L accounts, departments, or WC Codes, for example.

9. Fill in any payout amounts (expense reimbursement, bonus, savings plan).

The factor must be assigned to the employee (in Configure/Employees) to be available for inclusion in the employee's Timecard.

10. Review the Totals. Make sure that total hours, especially, don't exceed the number of hours actually worked and taken.
11. Check the option to "Save as recurring timecard for this employee" if you want to create Recurring Timecards from working Timecards.
12. Click Next.

Clicking the Next button saves the Timecard and positions the cursor at Employee ID, ready for the next one in the stack.

13. Repeat filling in each Timecard in the stack.
14. Save changes periodically. Save changes when you finish entering all the Timecards.

You can print a listing of the Timecards to compare with the Timecards in the stack, if you wish. The Timecards continue to appear when you open the Timecards window until Calculate Payroll "uses them up" and you close the pay period with Close Pay Period Checklist.

Calculate Payroll

15. Run Payroll/Calculate Payroll.
16. Select the pay frequency. Modify if necessary. Timecards are included for employees in the pay frequency if the employee's Timecard end date is on or before the pay frequency's end date.
17. Click the Calculate button.
18. Review results.
19. Print the Payroll Register.
20. Review the Payroll Register (unposted activity).
21. When you have verified the numbers for this payroll run, print and approve checks.
22. Run Close Pay Period Checklist and close pay period.

Correcting Timecard Errors

The procedure below is one of several paths you can follow for correcting Timecard errors. Print the Payroll Register to verify the payroll numbers after you finish entering and saving the payroll data, before you post.

1. Print Payroll Register to verify data entry in Calculate Payroll. You discover an error that originates in a Timecard.
2. Run Timecards.
3. Highlight the Timecard with the error.
4. Timecard is grayed out; that is, cannot be edited. Click Unprocess.
5. Edit the Timecard to correct the error.
6. Click OK and click Save changes.
7. Reopen Calculate Payroll.
8. Highlight the now Unselected employee in left pane.
9. Right-click, choose Select.
10. Right-click, choose Calculate.
11. Your edited Timecard is used.
12. Click OK.
13. Print Payroll Register to verify the correction.
14. Print and approve paychecks.

Checklist: A Typical Pay Cycle (no Timecards)

Payrolls are often very different in setup, although the desired result is always the same: correct calculation of net pay, taxes, deductions, benefits, accruals, G/L distributions, and so forth. Depending on your company, you also need either to successfully print paychecks or to record in your accounting system the paychecks produced by some outside paymaster.

You decided whether to departmentalize Payroll and/or manually distribute earnings. You have set up pay factors and employees. Now use the Payroll/Calculate Payroll or Payroll/After the Fact Payroll frequency selection window to select the pay frequency or frequencies you want to process in a Payroll run.

The checklist that follows provides very general steps for calculating and printing Payroll checks.

1. Run Payroll/Calculate Payroll or Payroll/After the Fact Payroll.
2. Select the pay frequency to be paid in this check run.
3. You can also enter optional pay period start and end dates in the frequency selection window. If you enter pay period start and end dates in the Calculate Payroll frequency selection window, the dates print on paychecks. If you enter pay period start and end dates in the ATF Payroll frequency selection window, the dates in the start and end date fields print on the Payroll Register.
4. Once the employees in a pay frequency are "ready" in the Payroll window (with a status of "Selected"), press the Calculate button. This method calculates pay using the information that you entered in the Payroll/Configure windows. It also queues up the "Incomplete" employees and lets you go quickly from one "Incomplete" hourly employee to the next. You can also add or edit pay data — say vacation time taken or a one-time bonus — for any employee being paid.
5. Enter runtime information for employees whose setup information is not complete. For example, you might need to enter regular hours and overtime hours worked during the pay period, accrual hours taken, and special payments such as "savings plan" payouts.
6. Click the Done button to save your work so far.
7. Before you print paychecks or post ATF Payroll, **print the Payroll Register to verify the data.** Select "Current Pay Period" for the Pay period ID and click the checkbox at "Print only unposted activity."

You can think of the unposted Payroll Register as a batch listing of the current Payroll run. If you find errors in your review of the unposted Payroll data, re-enter Payroll as needed, save, and then reprint the unposted Payroll Register until you are satisfied with the results.

8. Now you can return to the Calculate window or to Print/Paychecks to print and approve paychecks, or to the ATF window to post the ATF checks.
9. Finally, and very importantly, once everybody's been paid and you are ready to run the next Payroll, close the pay period. Closing the pay period simply prepares the system for the next Payroll run.

If you need to print another check for an employee after you closed the pay period (a bonus, for example), just make an additional Payroll run for that employee and then close that pay period.

Remember that the pay period is not associated in any way with the general ledger posting period. Closing the pay period allows you to edit pay factors and employee information that you can't edit while a Payroll run is in progress — from the time you start Payroll processing until the time you close the pay period.

Chapter 5: Double-Entry Accounting in 21st Century Accounting

This section provides a very brief overview of general accounting concepts such as double-entry accounting and debits and credits. The following subsections show how normal information you enter flows through each of the applications.

The Accounting Equation

Every transaction you enter must debit at least one general ledger account, credit at least one general ledger account, and the two entries must balance or *offset* each other.

Some examples—

When you	You also
Increase (debit) an asset account (buy merchandise on credit)	Increase (credit) a liability account (owe a debt)
Increase (debit) an asset account (buy merchandise for cash)	Decrease (credit) another asset (decrease cash on hand)
Decrease (debit) a liability account (pay a debt with cash)	Decrease (credit) an asset (decrease cash on hand)
Decrease (debit) a liability account (pay a debt with borrowed funds)	Increase (credit) another liability (owe another debt)
Increase (debit) an asset account (cash or accounts receivable. (make a sale)	Increase (credit) an income account (increase income)
Decrease (credit) an asset account. (ship inventory)	Increase (debit) an expense account. (increase cost of sales)

The simplified accounting equation is:

$$\text{Assets} = \text{Liabilities} + \text{Owner's Equity} + \text{Income} - \text{Expenses}$$

When you consider that Income and Expenses are a part of Owner's Equity; in that they are "netted" to Retained Earnings, you can simplify the accounting equation even further:

$$\text{Assets} = \text{Liabilities} + \text{Owner's Equity (ALOE)}$$

Retained Earnings is the component of Owner's Equity that reflects the amount the business has earned to date.

Asset and Expense accounts are "debit balance" accounts. A debit increases the account and a credit decreases the account.

Liability, Owner's Equity, and Income accounts are "credit balance" accounts. A credit increases and a debit decreases the account.

Summaries of Double-Entry Accounting Flow

The following tables summarize for each application what you enter and what the system posts, when you should use minus signs, and whether normal entries are debits or credits—or both, as in the case of General Journal.

In 21st Century Accounting, the system creates the balancing side of your entry in every journal except the General Journal and custom journals that you create.

General Ledger Data Flow

What You Enter	What the System Posts
General Journal and Custom Journals	
You enter both sides of each transaction. Debit and credit entries must balance. Enter debits in the debit column and credits in the credit column as positive amounts.	The system posts debits and credits you enter to the accounts you specify.

Bank Accounts Data Flow

What You Enter	What the System Posts
Deposits	
<p>For each deposit, you enter the bank account ID and the deposit number with the first entry in the batch, and the receipt amount for each entry.</p> <p>How you indicate the credit side of the distribution for each entry depends on the type of receipt, below.</p>	<p>When you post a deposit batch, the system debits the deposits clearing account for the amount of each receipt in the batch and then credits the clearing account and debits the bank account for the deposit (batch) total. The result is that the deposit is posted to the bank account as a single entry and the clearing account activity sums to zero.</p>
<p>For deposits from customer receipts, select Customer as the Receipt Type, enter the customer account, the amount of each receipt, and select the invoices to which to apply the receipts.</p>	<p>The system credits the Receivables control account and the customer account for the amount of each receipt plus any discounts taken, and debits the Receivables discount account for the discounts taken. The system debits the deposits clearing account for the amount of each receipt, and then credits the clearing account and debits the bank account for the deposit (batch) total.</p>
<p>For deposits from customized cash receipts journals you configure debit and credit prompts for each journal beforehand, then select your journal as the Receipt Type, enter the receipt total, and the account distribution at your preconfigured prompts.</p>	<p>The system debits or credits the accounts for the amounts you specify, debits the deposits clearing account for the amount of each receipt, and then credits the clearing account and debits the bank account for the deposit (batch) total.</p>
<p>For deposits from other sources, you enter the bank account ID, the receipt total, and the account distribution.</p>	<p>The system debits or credits the accounts for the amounts you specify, debits the deposits clearing account for the amount of each receipt, and then credits the clearing account and debits the bank account for the deposit (batch) total.</p>
Disbursements Checks	
<p>You enter the bank account ID, the check numbers for manual checks, the amount of the check, and the G/L accounts and amounts to debit.</p>	<p>The system credits the bank account for the amount of the check and debits the G/L accounts for the amounts you specify.</p>

What You Enter	What the System Posts
Void Checks	
<p>For Payables checks, you enter the bank account on which the check was written, a posting date for the void transaction, and the check number.</p> <p>For disbursements checks, you enter the bank account on which the check was written, a posting date for the void transaction, and the check number.</p> <p>For paychecks, you enter the bank account on which the check was written, a posting date for the void transaction, and the check number.</p> <p>For payroll tax remittance checks, you enter the bank account on which the check was written, a posting date for the void transaction, and the check number.</p>	<p>The system debits the bank account for the check total, credits the Payables control account and the vendor account for the check total and any discounts taken, and debits the Payables discount account for any discounts taken.</p> <p>The system debits the bank account for the check total and credits the G/L accounts to which the original check was distributed.</p> <p>The system debits the bank account for employee net pay.</p> <p>The system credits the general ledger expense accounts for all income factors (which include salaries, wages, cash benefits, expense reimbursements, commissions, etc.) and for vacation and sick accrual amounts paid out.</p> <p>For taxes (employee withholding and employer contribution), debits the configured liability accounts and updates the "Current liability" amounts in the Taxes windows. For employer contribution, credits the configured expense account.</p> <p>For deductions (employee deduction and employer contribution), debits the configured liability accounts. For employer contribution, credits the configured expense account.</p> <p>The system debits the bank account for the amount of each check, credits the displayed G/L distribution accounts, and updates the "Current liability" amounts in the Taxes windows.</p>

What You Enter	What the System Posts
Void Receipts	
<p>For all receipts, you enter a posting date for the void transaction and the receipt number.</p> <p>Customer receipts entered as deposits:</p>	<p>The system debits the Receivables control account and the customer account for the amount of the voided receipt plus any discounts taken, and credits the Receivables discount account for the discounts taken. The system credits the deposits clearing account for the amount of the voided receipt, and then debits the clearing account and credits the bank account for the voided receipts (batch) total.</p>
<p>Other receipts entered as deposits:</p>	<p>The system reverses entries to the accounts to which the receipt was distributed, credits the deposits clearing account for the amount of each voided receipt, and then debits the clearing account and credits the bank account for the voided receipts (batch) total.</p>
<p>Receipts entered as "Payment tendered" at the time you enter sales invoices:</p>	<p>The system debits the voided payment plus any discounts taken to the Receivables control account and the customer account, credits the Receivables discount account for discounts taken, and credits the voided payment to the Receivables cash receipts control account (for cash and check receipts) or the credit card account (for credit card receipts).</p> <p>If you have already used the Deposits window to deposit cash or checks you received as payment tendered on an invoice, you also need to reverse the deposit. In Bank Accounts/Deposits or as an adjustment in Bank Accounts/Reconciliation, enter the voided receipt amount as a credit to the bank account and a debit to the Receivables cash receipts control account.</p>

What You Enter	What the System Posts
Transfers	
<p>You indicate the bank account from which funds are being transferred, the bank account to which funds are being transferred, and the amount of the transfer.</p>	<p>The amount of the transfer is credited to the "from" account and debited to the "to" account. The transfer amount appears as a withdrawal when you reconcile the bank account from which the funds were withdrawn. It appears as a deposit when you reconcile the bank account to which the funds were transferred.</p>
Reconciliation	
<p>For adjustments, you enter the bank account ID, the amount of the adjustment, and the G/L account for the balancing entry. Enter debits (dividends or electronic fund transfers in, for example) to the bank account as positive amounts and enter credits (bank charges, EFTs out, for example) to the bank account as negative amounts.</p>	<p>The system debits or credits the bank account for the amount of the adjustment and debits or credits the G/L account you specify for the balancing entry.</p>

Receivables Data Flow

What You Enter	What the System Posts
Finance Charges	
You apply finance charges to eligible customers.	The system calculates finance charges on the customer balance according to the customer's finance charges configuration. The system debits the finance charge amount to the Receivables control account and the customer account and credits the FC amount to the finance charges account in the customer's assigned control account set.
Recurring Charges	
You apply recurring charges to eligible customers.	The system debits the Receivables control account and the customer account and credits the sales tax account(s). The system credits the income accounts specified in the configuration for each recurring charge.

Sales Data Flow

What You Enter	What the System Posts
Invoices	
<p>For normal customer invoices, you enter amounts for sales of product list items associated with income accounts, amounts to distribute to income accounts for sales of other items, and any purchase discounts. Depending on how your company is set up, you directly or indirectly enter tax amounts.</p> <p>For After the Fact customer invoices, you enter sales amounts, distributions to income accounts, and any purchase discounts. Depending on how your company is set up, you directly or indirectly enter tax amounts.</p> <p>For invoices that are paid or partially paid when you enter them, you enter invoice payment amounts (cash, check, credit card, unattached receipt, or unattached credit memo).</p> <p>For account distribution of a return or credit memo, you enter entries with the opposite sign from those on an invoice or debit memo.</p>	<p>The system debits the Receivables control account and the customer account, debits the Receivables discount account, and credits the sales tax account(s). The system credits the income accounts specified indirectly through the Product List item or directly in the G/L distributions tab.</p> <p>The system credits all payments to the Receivables control account and the customer account. The system debits cash payments to the Receivables cash receipts account and debits credit card payments to the credit card accounts. Any invoice amount still due is debited to the Receivables control account, the customer account, and the Receivables discount account and credited to the sales tax accounts. Credit applied to the sale from previous transactions (a credit memo, for example) has already been posted to the general ledger; its effect is to reduce the invoice amount debited to the Receivables control account and the customer account. For cash payments in full, there is no net effect on the Receivables control account and the customer account.</p> <p>The system posts the entries with the opposite sense (credits become debits and vice versa) from those on an invoice or debit memo.</p>
Invoice Updates	
<p>You void an invoice.</p>	<p>The system reverses the invoice's entries to the Receivables control accounts, the customer's account, and the G/L distribution accounts.</p>

Payables Data Flow

What You Enter	What the System Posts
Vendor Invoices	
<p>For all purchases, you enter a purchase amount that you distribute to one or more expense accounts.</p> <p>For cash purchases, you enter the amount of cash payment.</p> <p>For manual check purchases, you enter the bank account, check number, and amount of check payment.</p> <p>For account distribution of a credit memo, you make entries with the opposite sign from those on an invoice or debit memo.</p>	<p>The system credits the invoice total to the Payables control account and to the vendor account and debits the specified expense accounts.</p> <p>The system debits the Payables control account and the vendor account for the amount of cash tendered and any discounts taken, credits the Payables cash purchases account for the cash tendered, and credits the Payables discount account for any discounts taken. For cash payments in full, there is no net effect on the Payables control account and the vendor account.</p> <p>The system debits the Payables control account and the vendor account for the check total and any discounts taken, credits the checkbook account for the check total, and credits the Payables discount account for any discounts taken.</p> <p>The system makes entries with the opposite sense (debits become credits and vice versa) from those on an invoice or debit memo.</p>
Quick Checks	
<p>You enter a purchase amount that you distribute to one or more expense accounts. You enter a bank (checking) account ID and the payment amount.</p> <p>You print and approve the check.</p>	<p>The system credits the invoice total to the Payables control account and to the vendor account, and debits the specified expense accounts.</p> <p>The system debits the Payables control account and the vendor account for the check total and any discounts taken, credits the checkbook account for the check total, and credits the Payables discount account for any discounts taken.</p>

What You Enter	What the System Posts
Create Payments	
<p>You select for payment vendor invoices previously created with the Payables Vendor Invoices command.</p> <p>You review check selection, print the checks, and approve printed checks.</p>	<p>The system temporarily stores the check information until you print and approve the checks.</p> <p>The system debits the Payables control account and the vendor account for the check total and any discounts taken, credits the checkbook account for the check total, and credits the Payables discount account for any discounts taken.</p>
Manual Payments	
<p>You enter manual checks for on-account payment of vendor invoices previously created with the Payables Vendor Invoices command. You enter the checkbook number, vendor ID, and amount of the check. You apply the payment to one or more open invoices.</p>	<p>The system debits the Payables control account and the vendor account for the check total and any discounts taken, credits the checkbook account for the check total, and credits the Payables discount account for any discounts taken.</p>
Invoice Updates	
<p>You void an invoice.</p>	<p>The system reverses the invoice's entries to the Payables control accounts, the vendor's account, and the G/L distribution accounts.</p>

Payroll Data Flow

What You Enter	What the System Posts
Calculate Payroll	
<p>For normal payroll, you run payroll and print and approve paychecks.</p> <p>For after-the-fact payroll, you enter and post checks.</p>	<p>The system debits the general ledger expense accounts for all income factors (which include salaries, wages, cash benefits, expense reimbursements, commissions, etc.) and for vacation and sick accrual amounts paid out.</p> <p>For taxes (employee withholding and employer contribution), credits the configured liability accounts. For employer contribution, debits the configured expense account.</p> <p>For deductions (employee deduction and employer contribution), credits the configured liability accounts. For employer contribution, debits the configured expense account.</p> <p>Credits the payroll bank account configured for employee net pay.</p>
<p>Payroll departmentalized by G/L account segment.</p>	<p>For departmentalized factors, the system substitutes the segment value(s) that correspond to the department name(s) you assign each employee for the department segment value in the factor's default account and posts the payroll factor for each employee to the accounts that are based on the employee's assigned departments.</p>
<p>Reviewing Timecard distributions.</p> <p>Using the manual pay distribution option or distributing earnings on Timecards.</p>	<p>Timecard distribution can be viewed but not edited in the Calculate Payroll Distribution window, whether or not Payroll is configured to allow manual distribution.</p> <p>The explicit G/L distribution accounts for the pay factors on Timecards in a given pay run override any explicit or implicit accounts that would result for distribution by any other method in Payroll configuration.</p> <p>For manual pay or Timecard distribution, the system debits earnings for each employee to the accounts you specify in the proportions</p>

What You Enter	What the System Posts
	you specify in the distribution window (in Calculate Payroll or After the Fact Payroll) or on the Timecard. If you select the option to allow manual distribution of vacation and sick pay amounts (no Timecards), manual pay distribution includes those amounts in the distributable total earnings amount.

What You Enter	What the System Posts
Employee Adjustments	
You enter debits or credits as appropriate. Then debit or credit G/L accounts (expense, liability, bank, and so forth) as appropriate.	The system posts adjustments to the specified accounts. Also adjusts employee to-date earnings records.
Remittance Checks	
You select remittance vendors for payment and verify that payment amounts and G/L distributions are correct and in balance.	The system credits the selected bank account for the amount of each check, debits the displayed G/L distribution accounts, and updates the "Current liability" amounts in the Taxes windows.

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