Version

2.1

AGRIMASTER®

Computer Software for Farm Business Management

The Agricultural Business System

"TABS" – The Agricultural Business System

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Welcome & Overview

Welcome to the family of TABS users! The Agricultural Business System (TABS), brainchild of John F. Moneysmith, Agrimaster, Inc. Worthington, Ohio, is a complete double-entry accounting system that is adaptable for use in most any business. This Windows-based, user-friendly software simultaneously creates both cash and accrual basis ledgers, while maintaining accurate inventories – a rarity in software! This feature alone allows the user to maintain precise financial records on both the cash and the accrual basis so the records can be analyzed in a complete and professional manner. The system also generates Market Value balance sheets, making this a very unique software indeed! Very few accounting programs can simultaneously support Cash, Accrual, AND Market Value reports. TABS has evolved over the 50+ years accounting career of Mr. Moneysmith and is a total accounting package for any business. By design, TABS conforms to Generally Accepted Accounting Procedures (GAAP) and the Farm Financial Standards (FFS) created by the American Bankers Association (ABA). Complete detail and ease of use are attributes of TABS that users appreciate.

System Requirements

To install TABS, you need:

- A personal computer with at least 32 meg of RAM. While the software will operate on less, you may find the speed unsatisfactory for data entry.

- Approximately 20 MB of space free on your hard disk

- An average size farm requires an additional 5 to 7 meg of hard drive space per year of data on the hard drive

- A USB Drive

- Microsoft Windows 98 operating system or later (TABS is not compatible with Apple/Mac systems)

- A Microsoft Mouse pointing device or compatible pointing device

- A 15" or larger monitor

Why TABS?

For many years, the emphasis in farming has been on production and on the efficiencies of producing more corn, more beans, more beef, more pork, more milk, etc. at the lowest cost per unit of production. In recent times, there has been a greater emphasis on doing a better job of marketing farm products. But will efficient production and effective marketing keep you in business?

As a farm manager, you should always strive to maximize your profits by doing an efficient job of production and marketing – but equally important is the task of record keeping and the ability to analyze

and use the records to make sound business decisions. Inadequate accounting systems or incomplete financial data available for management decisions leads many businesses in the wrong direction.

If you are interested in records for only tax purposes, a single-entry cash basis system may be acceptable. However, if you want to have records that are complete and accurate enough to use in the management of your business, it is imperative that you adopt General Accepted Accounting Procedures. This includes both cash basis and accrual basis record keeping and the Double–Entry Method of Accounting. TABS allows you to maintain and prepare various financial statements including cost, modified cost, and/or market value Balance Sheets, cash and/or accrual basis Profit & Loss Statements, Inventory Reports, Accounts Payable and Accounts Receivable Reports, Cash Control Statements, Budget Reports, Profit Center Reports, and Cost Center Reports for both management and tax purposes. With business records that are complete and accurate, you are offered a much better tool to managing your business and its finances.

Service and Support

The TABS Software is serviced and supported primarily through TABS Coordinators located across the state of Ohio. These Coordinators provide a source of one-on-one instruction and software support to TABS users. Help is never more than a phone call, email, or text away! Your TABS Coordinator will teach you how to use the TABS software and assist you in verifying the accuracy of your records and in interpreting them. The net result is that you have better, more accurate records available to manage your business and plan for the future. Once you have a good set of records to refer to, your TABS Coordinators can assist you with such things as cash flows, budgets, loan applications, and tax estimates. Your TABS Coordinator can assist you through personal on-farm visits, e-mail, telephone, or remote support.

Chapter

1

Getting Started

The TABS system, by design, requires very little setup to be done for a farm or agriculture-related business. Getting started with TABS can be very simple - but as is the case with any software, you must be prepared to commit time to learning how the software functions and to understanding the information you have generated. The following six steps are points that must be considered before you begin journal entry in TABS. The detail and exact procedure to complete each step follows the list.

1. **Review Double-Entry Accounting**
2. **Install the Software**
3. **Personalize the Provided Chart of Accounts**
4. **Develop a Vendor File**
5. **Record Opening Balances**
6. **Record Beginning Inventory**
7. **Enter Open Invoices if Accounts Payable or Accounts Receivable is to be used.**

1 – Review Double-Entry Accounting

We are often asked if knowledge of accounting is necessary for the preparation and analysis of a set of business records, and particularly if knowledge of accounting is necessary to use TABS. If knowledge of accounting implies all of the minutiae which constitute a complete accounting system, the answer is no. At the same time, it is true that some understanding of how data is recorded, how statements are constructed, and how the "double-entry" system of accounting maintains balance and accuracy of accounts is helpful, if not absolutely necessary. The intent of this step is not to make you an accountant, but rather to offer a very basic review. The design of TABS minimizes the need of accounting expertise but having an understanding of double-entry accounting is helpful.

Double-Entry System

The fundamental basis of the double-entry system is the fact that every item of value is owned or claimed by someone, be it an individual, a group of individuals, or government. Since every item of value has a claimant, it follows that the total of existing values and the total of the claims must be equal. This is the very essence of the double-entry system of accounting.

Elements of the Accounting Equation

In order to understand double-entry accounting, you must first understand the accounting equation. Assets = Liabilities + Equity

Assets are the economic resources of the business. Anything of monetary value owned by the business is considered to be an asset. For financial management and analysis of the farm business, assets are normally classified in three categories:

1. Current Assets are the economic resources of the business that are typically expected to be used up within approximately one year, or resources that can be quickly converted to cash.

2. Intermediate Assets are the economic resources of the business that are expected to be used up within an intermediate period - usually one to ten years. Intermediate assets are less liquid than current assets, meaning that they usually cannot be converted to cash as easily. Intermediate assets are often depreciable assets.

3. Long-Term Assets are the economic resources that are a permanent part of the business. They are assets that generally are not sold – such as land or buildings.

Liabilities are the sums of money owed to others. Any claim on the business by an outsider is a liability. When items are purchased on credit, values are acquired by the business. But at the same time, claims are incurred. Each liability has a claim against the business, but this claim may or may not be against a specific item of value. Like assets, for financial management and analysis of the farm business, liabilities are normally classified in three categories:

1. Current Liabilities, by definition, are debts that will be paid within one year.

2. Intermediate Liabilities are debts that will be paid between one and ten years. The portion due in the current year may be transferred to the current liability category.

3. Long-Term Liabilities are debts that will be paid over a period of time greater than intermediate liabilities, usually from 10 to 40 years. The portion due in the current year may be transferred to the current liability category.

Equity is the owners' or shareholders' right to the assets of the business. Another term sometimes used for Equity is Capital. Owners should expect to be compensated, first by a return of income, and second by the return of all invested capital if the business were to be discontinued. Owners cannot exercise their claim, however, until all claims of creditors have been satisfied.

Everything that happens in the business throughout its existence causes one or more changes in the accounting equation. Assets may be acquired or sold. Liabilities may appear or disappear. Owner's equity may rise or fall, but the accounting equation still remains – changed in appearance, but always in balance. The "Double-Entry" system maintains this balance by never allowing a transaction that makes only a single change. If one account is debited, some other account(s) must be credited by the same amount. The name "Double-Entry Accounting" is derived from this fact. The beauty of TABS is that you need only to make a single entry and the computer generates the offsetting entry automatically.

Rules of Debits and Credits

Determining the Debit or Credit element requires additional understanding. Each distribution in a transaction must either increase or decrease the balance of an account. Each account has both a Debit and Credit side. Understanding how debits and credits affect each type of account is the challenge and key to double-entry accounting. The so-called T-Account is the instrument of recording and understanding the increases and decreases of an account.
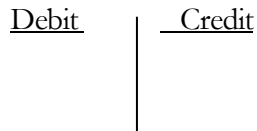
Debit	Credit

Debit means, simply, the left side of an account. It does not mean add or subtract or increase or decrease.

Credit means the right side of an account. It does not mean add or subtract or increase or decrease.

For each account, you must first determine what type of account it is. Is it an Asset, Liability, or Equity account? Once this is determined, the rest is simple. Remember that the accounting equation is stated Assets = Liabilities + Equity. Also remember that the rule of debits and credits stated above shows that debit refers to the left side of an account, and credit refers to the right side of an account. Apply this same rule to the accounting equation. The left side of the accounting equation (Assets) typically carries a debit balance. The right side of the accounting equation (Liabilities and Equity) typically carries credit balances. There are few exceptions to this rule.

RULES OF DEBITS AND CREDITS

Balance Sheet

Asset Accounts			Liability Accounts	
Increases on the debit side	Decreases on the credit side		Decreases on the debit side	Increases on the credit side

		Equity Accounts	
	Decreases on the debit side	Increases on the credit side

Increases and decreases are made to account by applying the rule of debits and credits. An increase to an account is always recorded on the side of origin or on the same side that the account appears in the Accounting Equation. A decrease to an account is always recorded opposite to the side of origin (opposite of where it appears in the Accounting Equation.)

Debiting an account is to make an entry on the left hand side of the T-Account. This will increase an asset account but decrease a liability or equity account.

Crediting an account is to make an entry on the right hand side of the T-Account. This will decrease an asset account but increase a liability or equity account.

Since income causes owner's equity to increase, an increase in an income item is recorded on the credit side.

Expenses cause owner's equity to decrease. Therefore, an increase in an expense item is recorded on the debit side.

In summary:

DEBITS REPRESENT	CREDITS REPRESENT
Increases in assets	Decreases in assets
Decreases in liabilities	Increases in liabilities
Decreases in owner's equity	Increases in owner's equity

In analyzing a transaction, the following steps should be taken in conformity with the above rule:

1. Determine the accounts affected by the transaction.

2. Determine the effect on each account, i.e., increase or decrease.

3. Apply the appropriate designation in the account, i.e., debit or credit.

2 – Install & Configure the Software

As mentioned in the Welcome and Overview, TABS is delivered and supported by TABS Coordinators working across the state of Ohio. It is not available in any stores. An appointment must be made with a Coordinator in order to install the software and to guide you through proper setup and use. Each business entity will be assigned a "Client ID" by the TABS Coordinator. A user is licensed to have up to three Client ID's set up on a single computer. Each Client ID has a password that keeps the data secure. Without the password, a person cannot access the business records. A user can change his/her password at any time.

System Configuration/Printer Setup:

After the TABS software is installed by your TABS Coordinator, the printer(s) you will be using to print checks, invoices, reports, etc. must be identified within the software. This enables TABS to distinguish between the printers when multiple printers are used or when different paper settings are required for specific reports. The printer must first be installed in the Printers folder of Windows before this process can be completed.

1. Log into TABS, using a valid Client ID, Password, and Year.

2. Select *F4 Proceed to The System Administration Menu* (or select *F1 Proceed To To System Menu* then select *F4 System Administration).*

3. Select *F7 System Configuration File Maintenance.* The Configuration Data window will be displayed, showing the system's current settings. The following fields should be reviewed and changed as necessary:

    TABSYS Drive – This field should contain the letter of the drive the TABS software resides on. Note that TABS performs best when located on the main C: Drive.

    Internal Backup Drive - This field should contain the letter designation of an internal drive you wish to use for backups. This drive can be the same as the TABSYS Drive.

    USB Ports For Updates and Data Backups – This field should contain the letters of available USB Drives that might be used for updates or backups. Note that up to 4 drive letters can be named... These are typically E, F, G, and H, although depending on what other drive options your computer has, your drive letters may be different.

    Printer 1 Description and Type – This printer will be the default printer for all portrait, 8 ½ x 11" reports printed from TABS. Enter your cursor into the description field, then select *F8 Help* and select the printer desired. In the field to the right of the description, type (or select) an "I" for InkJet printer, "L" for Laser printer, or "M" for Matrix printer to identify the type of printer in the description. Note ** Do NOT try to type the name of your printer in this box... you must use *F8 Help* to SELECT the printer from your available list of printers or else TABS will not recognize your printer.

    Printer 2 Description and Type – This printer will be the default printer for all of the reports too wide to fit on 8 ½ x 11" paper. Enter your cursor into the description field, then select *F8 Help* and select the printer desired. Select the correct printer designation in the field to the right of the description. This may be the same printer as Printer 1.

    Printer 3 Description and Type – This printer will be the default printer for printing journal entry and payroll checks from TABS. Enter your cursor into the description field, then select *F8 Help* and select the printer desired. Select the correct printer designation in the field to the right of the description. This may be the same printer as Printer 1 or 2.

    Printer 4 Description and Type – this field is not required. Printer 4 is for additional printers you may wish to use for specific reports in TABS. Select a printer description and type if desired.

    Printer 5 Description and Type – this field is not required. Printer 4 is for additional printers you may wish to use for specific reports in TABS. Select a printer description and type if desired.

4. Select *F7 Save* to save your changes. The message at the bottom of the screen should say "Record Has Been Updated." If you have any other message, you may have an error on something you have entered. Correct the error before selecting *F7 Save* again to save your changes.

5. Select *F12 Exit* to exit from System Configuration after all necessary changes have been made and saved.

Changing Your Password:

Each Client ID has a password that keeps the data secure. Without the password, a person cannot access the business records. The initial password is set up for each Client ID when the software is installed, but a user can change his/her password at any time.

1. On the TABS security Logon screen, type a valid Client ID.

2. In place of your normal password, type the word *"PASSWORD."* The "Change Password" window will be displayed.

3. Type your current password in the Current Password field.

4. Type your new password in the New Password field. The screen will return to the Security Logon where you can continue to log into TABS or exit.

3 – Personalize the Provided Chart of Accounts

By design, TABS' detailed Chart of Accounts offers a ledger account for nearly anything that a user could imagine in a farming operation. The Master Chart of Accounts installed with the software was developed over a period of time to reflect the needs of a large variety of farm businesses. It contains over 1490 accounts, including accounts for assets, liabilities, and equity, as well as accounts for income and expense transactions. The concept is to provide more accounts than necessary, then allow the non-used accounts to be deleted, leaving "used" accounts at the same location in the chart for every farm business on the software. This ensures consistency in the Chart of Accounts from farm to farm. An assignment, as part of the pre-installation preparation, is to review the TABS Master Chart of Accounts on paper (this should be provided by your TABS Coordinator) and cross out or highlight those accounts which do not apply to your business. More detailed accounts may be added later, where necessary. This printout will be used during the "Initial Delete from Master Chart of Accounts" process later in this chapter.

It is helpful to know the general layout of the TABS Master Chart of Accounts –

1000 00 Accounts = Assets

1000 – 1499	Current Assets
1500 – 1799	Intermediate Asset
1800 – 1999	Long Term Assets

2000 00 Accounts = Liabilities & Equity

2000 – 2499	Current Liabilities
2500 – 2699	Intermediate Liabilities
2700 – 2899	Long Term Liabilities
2900 – 2999	Equity

3000 00 Accounts = Farm Operating Income (Schedule F)

3100 – 3199	Livestock Related Income
3200 – 3599	Crop Related Income
3700 – 3899	General Farm Income
3900 – 3999	Non-Cash Income

4000 00 Accounts = Items Purchased For Resale (Schedule F)

        4100 – 4199   Market Livestock (Purchased as Feeders)

        4300 – 4499   Misc Items for Resale

5000 00 Accounts = Farm Operating Expenses (Schedule F)

        5000 – 5039   Farm Labor Expense

        5100 – 5299   Livestock Related Expense

        5300 – 5499   Crop Related Expense

        5600 – 5899   General Operating Expense

        5900 – 5999   Depreciation & Amortization Expense

6000 00 Accounts = Inventory Change

        All automatically generated by posting to other inventory-related accounts

7000 00 Accounts = Capital Assets Sold (Schedules D & 4797)

        7000 – 7599   Sale of Stocks/Bonds/Securities

        7610 – 7619   Sale of Raised Breeding Livestock

        7620 – 7639   Sale of Purchased Breeding Livestock

        7710 – 7729   Sale of Machinery/Equipment

        7730 – 7749   Sale of Transportation Equipment

        7770 – 7789   Sale of Personal Capital Assets

        7810 – 7829   Sale of Farm Real Estate

        7880 – 7899   Sale of Non-Farm Real Estate

8000 00 Accounts = Non Farm Income & Expenses (Schedules B, C, & E)
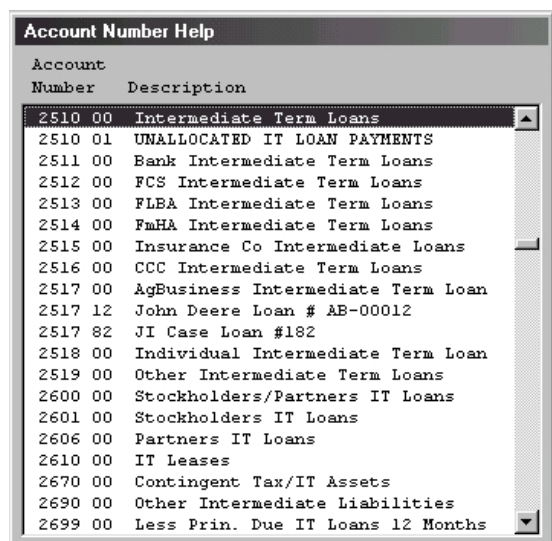
        8000 – 8499   Non-Farm Income

        8500 – 8999   Non-Farm Expense

9000 00 Accounts = Capital Withdraw/Family Living

        9000 – 9989   General Family Expenses

        9990 – 9999   Personal Income Taxes Paid

TABS uses a three-level concept to organize its Chart of Accounts. All accounts are identified by both a number and a description and are categorized as *Major* Accounts, *Sub-Major* Accounts, or *Sub-Accounts*. The ledger account numbers are comprised of six digits. The first four digits, left to right, determine if an account is a Major account or a Sub-Major account. If the fourth digit of an account is a zero, it is a "Major" account. Major accounts are the framework of the Chart of Accounts. They are the "main" accounts that may be used to summarize the content of the more detailed accounts beneath them. If the fourth digit is a number one through nine, the account is considered to be a "Sub-Major" account. Sub-Major accounts allow the user to record more detail than a Major account offers.

Figure 1.1 – Chart of Accounts help window

Example: The 5680 00 Utilities/Farm Share account is a Major account, very generic in its

description. There are several Sub-Major accounts beneath this account which allow more detail - such as the 5681 00 Electric/Farm Share, 5682 00 Telephone/Farm Share, etc.

The Master Chart of Accounts installed with the software contains only Major and Sub-Major Accounts (it uses only the first four digits of the six). The right-most two digits of each account can be used to create a Sub-Account. The Sub-Accounts are reserved for the user in the event even more detail is desired than the Sub-Major account allows. An example of where a Sub-Account may be used is in the case of loans. We recommend that you create a specific account for each individual loan the business has. Figure 1.1 displays a Help window for the Chart of Accounts. Note the loans in this window, beginning with the 2510 00 Intermediate Term Loans account. The 2510 00 account is a Major account for loans two to seven years in length. Unless the business has only one such loan, you should create more specific accounts beneath this one to identify them more clearly. The Master Chart of Accounts already provides further breakdown of this account with accounts 2511 00 Bank Intermediate Term Loans, 2512 00 FCS Intermediate Term Loans, 2517 00 AgBusiness Intermediate Term Loans, etc. Again, unless the business has only one loan in each Sub-Major account category, you should create additional accounts beneath those ones to track each individual loan. In Figure 1.1, note that the 2517 12 account has been created for the "John Deere Loan # AB-00012," and the 2517 82 account has been created for the "JI Case Loan # 182."

Initial Delete Accounts From Master Chart of Accounts:

If a printed Master Chart of Accounts was provided by your TABS Coordinator, it would be helpful to review this and highlight those accounts which are unwanted or not applicable to your business before following this "Delete Accounts from Master Chart of Accounts" procedure. Remember as you are deciding which accounts to save and which accounts to delete - if a Sub-Major Account is saved, you need to also keep the Major Account that precedes it. It is acceptable to save a Major Account and delete the Sub-Major Account, but not vice versa. If in doubt as to whether to save an account or not - save the account.

We recommend that you do **not** delete **any** accounts in the 2900-00 through 2999-99 (Equity Accounts) range without first asking a TABS Coordinator. Many of the accounts in this range are used in the background of the software and are necessary for the Equity section of the Balance Sheet. We also recommend that you do **not** delete any accounts in the 0000-00 to 1000-00 (Analysis Accounts) or the 6000-00 to 6999-99 (Inventory Offset Accounts).

If it is your wish to add an account to the Chart of Accounts or to change the wording or description of an existing account, make a notation of the desired change on your printed Chart of Accounts. These changes can be made following the initial setup of the software.

This "Delete Accounts from Master Chart of Accounts" procedure is intended for use after the initial installation of the software and before data entry begins, and we strongly recommend asking for the assistance of a TABS Coordinator so you don't accidentally delete an account you think isn't needed, but which is used by the TABS Software to keep the system in balance. This procedure offers a very simple method of deleting groups of accounts all at once, as opposed to deleting accounts one at a time, as will be described later, but you must use caution to be sure you don't delete accounts that are needed by the software.

To Delete Ranges of Accounts from Master Chart of Accounts File:

Once you have reviewed a printed Chart of Accounts and have marked the accounts you wish to delete, follow these steps to delete the unwanted ranges of accounts:

1. On the TABS security Logon screen, type a valid Client ID, password, and year.

2. Select *F1 Proceed To The System Selection Menu.*

3. Select *F1 General Ledger System.*

4. Select *F1 Master File Maintenance Applications.*

5. Select *F4 Chart of Accounts File.*

6. Select *F6 GetRcd. (Get Record)*

7. Select *F3 D List.*

8. Using your printed Chart of Accounts for reference, scroll down to the account range you wish to delete.

9. Select *F6 GetRng. (Get Range)*

10. In the box that appears, type the range of accounts you would like to delete. Be careful not to overlap any accounts you wish to keep. With this procedure, you will delete individual ranges of accounts, which saves you from deleting each of the individual accounts one at a time… but you do need to use caution to be sure you don't enter too large of a range and delete accounts you need.

11. Select *F3 DelRng (Delete Range)* to delete the range you have specified.

12. Repeat this process until you are finished with the Delete process, then select *F12 Exit* three times to return to the main menu.

4 – Develop a Vendor File

The use of a Vendor File reduces entry time, offers control and consistency to the record system, and allows data for any one vendor to be queried, averaged, or totaled. The first question that is always asked when talking about the Vendor File is – Who is considered a "vendor?" A "vendor" in TABS is anyone or any place you do business with. It includes people and businesses you purchase things from, as well as those you sell things to.

Creating the vendor file before beginning data entry in TABS is not required, but we highly recommend entering at least the primary vendors with whom you do business before beginning data entry. This task will help to familiarize you with the software before you move on to journal entry.

Figure 1.2 – Vendor File Maintenance

Following is a brief overview of the fields in the Vendor File Maintenance window shown in Figure 1.2.

Vendor ID – The Vendor ID is simply a short abbreviated name for a Vendor. It may be from one to six characters in length and should be uncomplicated and easy to remember.   Although TABS will accommodate either a numeric or an alphabetic coding scheme, we suggest that you use an alphabetic Vendor ID. If you put some thought into the "system" you will use to identify vendors before beginning this process, you will find your vendor file much easier to use as you do journal entry. It is best to develop some kind of a pattern to be used on all Vendor ID's, then try to stay with that same pattern throughout the file. For example, you may decide to use the first letter of each word in the vendor's name like the vendor shown in Figure 1.2. In this illustration, "CSB" is the Vendor ID for Countywide Savings & Banking. Another common method is to use the first three or four letters of the first word for the Vendor ID. In this case, Countywide Savings & Banking would be "COU" or "COUN." Of course, you could use all six spaces in the Vendor ID field if you wish, but keep in mind that the shorter your Vendor ID's, the less keystrokes you'll have to make to recall that vendor during journal entry. Where names of people are concerned, it is often good to identify them by using the first three letters of their last name, followed by the first two letters of their first name. This way, they will appear in the vendor file in alphabetic order by their last name and more flexibility is allowed in entering names that are similar – such as "Jack Smith" and "Joe Smith" ("SMIJA" and "SMIJO"). The important point to remember here is to choose the method you are most comfortable with and be consistent in using that same method throughout the entire vendor file.

Vendor Name – The Vendor Name is the proper name of the business or individual as it should appear on checks or statutory forms, such as the 1099 form.

Address Line 1 – Address Line 1 is the primary postal designation of the vendor's place of business. This field is normally used for the street address. It may also be used as an optional second Vendor Name line where the Vendor Name is a person and the second line of the address is their business name or vice versa. In that case, the street address would be moved to Address Line 2. If the address of a vendor is not known, an asterisk (*) should be used on this line.

Address Line 2 – This field may be left blank, or it may be used as a supplementary line to Address Line 1. *Note – if a Canadian address is being entered, this line will not display on a printed check, invoice, or statement.

City – This field is used to record the city. If the address is not known, an asterisk (*) should be used on this line.

State/Zip Code – These are required fields. A valid state code and zip code must be entered, regardless of whether the correct address is known for this vendor. If asterisks were used for Address Line 1 and City, the system knows that the address is "unknown," so it will not display any part of the address on checks, invoices, etc. for this vendor. So it is acceptable to use your own state and zip code on vendors where the address is not known.

If a Canadian address is being entered, the two-letter abbreviation for the province should be entered as the State. Select *F8 Help* for assistance if you don't know the abbreviations. If there are no Canadian provinces listed on the help screen, your State Code File needs updated – contact your TABS Coordinator for an update.

Telephone Number – This field may be left blank. If a telephone number is entered, it should include the area code. An extension number may be entered if applicable.

Fax Number – This field may be left blank or used to record a fax number.

My Vendor's ID – My Vendor's ID is the account number or identification code assigned to you by this vendor. The advantage to recording this information in the Vendor File is that it can be recalled automatically to be displayed or printed on the memo line when printing checks from the system. So it saves you the effort of having to write your account number, etc. on the check manually after it has been printed. My Vendor's ID field may also be left blank.

Contact Person – This field is for the name of an individual to contact if the need should arise to discuss business with this vendor. This field may be left blank.

Federal ID Number – Federal ID Number is a number assigned by the IRS to identify a business. It is used to prepare certain statutory reports, such as 1099's. This field should be used to record Federal ID Numbers or Social Security Numbers for those vendors who do the type of business with you that might create the need for you to send them a 1099.

Issue 1099 Form – Issue 1099 Form is to indicate if a 1099 form is to be filed for this vendor. For filing requirements, refer to the Federal Tax Guide or consult with your accountant or tax preparer. This field defaults to "N" for No – change this to "Y" for Yes if this is a vendor you pay for rent, services (including veterinary work), or if it is an individual (a person, rather than a business) you pay interest to.

Vendor Type – Enter the Vendor Type code as "B." Limiting the Vendor Type to any other choice does not offer any benefit at this time.

Statement Code – This field is applicable only to those vendors whom you might invoice through Accounts Receivable. For all other vendors, allow the system default of "Y" for this field. The Statement Code tells the system which vendors to print statements for when you choose "Print A/R Statements for All Vendors." A Statement Code of "Y" tells the system to print this vendor's statement if he/she owed you money *at any point in time* during the month chosen for printing – even if that vendor paid the balance down to zero before the month ended. A Statement Code of "N" tells the system to skip over this vendor, regardless of whether there is a balance due or not. A Statement Code of "X" tells the system to print a statement for this vendor only when there is a balance due.

Payment Code – Payment Code is applicable only for vendors who will be used in the Accounts Payable or Accounts Receivable Journal. For all other vendors, allow the system default of "1" for this field.

> Valid Payment Codes are:
> > 1 – Pay Invoices by Due Date
> > 2 – Pay Invoices by Discount Due Date
> > 3 – Pay Invoices Per Explicit Pay Request
> > 4 – Withhold All Payments To This Vendor

Terms Code – Terms Code is applicable only for vendors who will be used in the Accounts Payable or Accounts Receivable Journal. For all other vendors, allow the system default of "1" for this field.

> Valid Terms Codes are:
> > 1 – Enter Specific Due Date During Posting – If this code is used, you will be prompted to enter a due date each time an entry is made in the Accounts Payable or Accounts Receivable Journal for this vendor.
> > 2 – Due Date From Cutoff Day Of The Month – Use this code to automate due dates during journal entry for vendors who have a set day of the month that payment is due to/from them.
> > 3 – Days Due From Invoice Date – Use this code to automate due dates during journal entry for vendors whose payment is due a specific number of days after the invoice date (rather than a set day of the month).

If Terms Code 2 or 3 is entered, another window will open and the following data must be entered:

Terms Code 2 Data :

> **Day of Month Due** is the day payment is expected for purchases charged with the current vendor. Any day of the month (01 through 31) can be entered, or if the last day of the month is the due day, enter 99.

> **Cut Off Day Of Month** is the last day of month charges are included for each billing cycle. Any day of the month (01 through 31) can be entered, or if the last day of the month is the cut off day, enter 99. Example: While payments to a certain vendor may always be due on

the last day of the month, their billing cycle may end on the 25th of the month. In this case, the Day of Month Due would be 99, and the Cut Off Day of Month would be 25.

Day Of Month Due For Discount is the last day payment may be received to earn a discount for prompt payment. If the day due for discount is a set day of each month, a valid day 01 through 31 may be entered. If the day of month due for discount is the last day of the month, enter 99. If no discount is offered, leave this field blank.

Discount Percentage Eligible Items is the discount percent available if payment is made within the designated discount settings. Entering a discount percent in this field does not lock you into using that percentage during journal entry. The eligibility for discount is determined for each distribution at the time invoice is posted. If no discount is offered, or if the discount percent varies by item, leave this field blank.

Service Charge Percent Past Due Invoices is the percent charged on balances not paid by Day Of Month Due. This field may be left blank. The system does not automatically charge a service charge on past due invoices.

Days From Due Date For Service Charge designates the number of days after Day Of Month Due where the service charge will take effect. This field may be left blank.

Terms Code 3 Data:

Days Due From Invoice Date is the number of days after the invoice date that payment is due.

Days Due From Invoice Date For Discount is the number of days after the invoice date that payment may be received to earn a discount for prompt payment.

Discount Percentage Eligible Items is the discount percent available if payment is made within the designated discount settings. The eligibility for discount is determined for each distribution at the time invoice is posted. If no discount is offered, or if the discount percent varies by item, leave this field blank.

Service Charge Percent Past Due Invoices is the percent charged on balances not paid by Day Of Month Due. The system will not assess a service charge on past due invoices automatically. This field may be left blank if not applicable.

Days From Due Date For Service Charge designates the number of days after Day Of Month Due where the service charge will take effect. This field may be left blank.

Adding Vendors:

You can add new Vendors to the Vendor File at any point in time. There are two methods available. One method is to add the vendor through *Master File Maintenance*. The other is to add the vendor "on the fly" during journal entry (in any journal). Both methods allow the same completeness of detail to be entered. The following instructions are to be used for adding a vendor through Master

File Maintenance. For instructions on adding a vendor "on the fly" or modifying an existing vendor, see Chapter 3 – Vendor File Maintenance.

To Add a Vendor Through Master File Maintenance:

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F5 Vendor File* from the File Maintenance Applications Menu. The first vendor (alphabetically) will be displayed.

4. Select *F5 AddRcd* to add a new vendor record.

5. Enter a Vendor ID and press *Enter*.

6. Enter the Vendor Name, Address Line 1, Address Line 2 (if applicable), City, State, and Zip Code fields. Press *Enter* after each entry to advance to the next field. If the correct address is not known, type an asterisk (*) for both Address Line 1 and City. Zip Code will allow only a valid range of numbers for the state entered, (unless a Canadian Zip code is being entered) so any valid zip code for the given state may be entered until a more correct address is determined.

    If a Canadian address is being entered, the city should be entered in the City field. The two-letter abbreviation for the province should be entered as the State. Select *F8 Help* for assistance if needed. If there are no Canadian provinces listed on the help screen, your State Code File needs updated – contact your TABS Coordinator for an update. Address Line 2 will not print on checks, invoices, etc. in TABS for Canadian vendors – this allows room for automatic printing of the word "Canada" on the last line of the address (required by the U.S. Postal Service).

7. At this point, the minimum requirements for adding a new vendor are met. If checks are going to be printed from the system, it is advantageous to continue through the "My Vendor's ID" field. Refer back to the overview following Figure 1.2 for description of these fields. After you have completed the last desired field, select *F9 End*. The screen will be displayed in the modify mode to allow any field on the screen to be changed before saving. Select *F9 Modify* if any changes are desired.

8. To save this record, select *F7 Save*. The record will be added to the Master File and a blank screen will be displayed for additional vendors to be entered.

9. When you are finished adding Vendors, select *F12 Exit* to exit from Vendor File Maintenance. Repeat until the desired menu is displayed.

5 – Record Opening Balances

The Opening Balances Journal is used to record the account balance and financial position of the business for the beginning of the fiscal year. The balance of each asset, liability, and equity account will need to be determined in order to complete Opening Balances. Inventory items should not be

entered in the Opening Balances Journal. The process for entering Inventory is detailed in Section 6 of this chapter – Record Beginning Inventory.

Opening balances need only be entered once. From that point forward, the ending balances from one year will be transferred forward to make up the opening balances of the following year. For this reason, it is essential to enter these beginning opening balances accurately and then follow with proper accounting procedures throughout the year to maintain accurate balances. The opening balances for individual accounts may be entered as distributions in one or more transactions. If both cash and accrual basis records are to be kept, at least two opening balance transactions are needed because the balances will differ in assets and equity for Cash vs Accrual.

To Enter Opening Balances:

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the Processing Period 00.

4. Select *Opening Balances.*
   - If no opening balances have been entered yet, the Posting Opening Balances screen will be displayed in the vertical mode and is ready for data entry.

   - If transactions have already been entered for opening balances, the last transaction entered will be displayed in the horizontal mode. If this is the first year of data for this TABS Client, you can edit these Opening Balances. If a prior year exists, then a different procedure must be used to change Opening Balances - Contact your TABS Coordinator.

   - If you wish to edit an existing entry, first note what letter you see in the Transaction Type column of the existing entry. If you see the letter "A" or "B" then that transaction is for accounts that would have the same balance for both Cash Basis or Accrual Basis (such as checking or savings accounts). If you see the letter "C" or "D" – this entry is for Cash Basis entries only. If you see the letter "E" or "F," this entry is for Accrual Basis entries, or Market Value entries if you are a Cash Basis tax filer and wish to print Market Value Balance Sheets.

   - If you are editing existing entries, use *F1 PrvTrn (Previous Transaction)* or *F2 NxtTrn (Next Transaction)* to get to the desired transaction. Press *Enter* to display the transaction in the vertical mode to review a specific distribution, or double-click on the desired line item to open the transaction.

   - If you are adding a new Opening Balance Entry, select *F5 AddTrn* to add another transaction.

5. Enter the Vendor ID for the new transaction.
   - For Opening Balances and Adjusting Entries, we suggest you use your own name or business name as the vendor, or simply leave the Asterisk in the Vendor field, and type a description for this entry (such as "Cash Basis Opening Balances"). If there has been no vendor ID created for your own business, you can set one up "on the fly." Select

F8 Help, then select *F7 Setup*. Proceed through the address, city, state, and zip code fields, then select *F9 End* and *F7 Save*.

6. The Date of Transaction will default to the last day of the previous fiscal year.

7. Press *Enter* to accept the default Reference Number.

8. The cursor will skip past the Net Amount of Transaction field. The Opening Balances Journal does not create its own automatic accounting offset, so you must enter both the debit distribution(s) and the offsetting credit distribution(s). There will never be an amount in the *Net Amount of Transaction* field at the top for an Opening Balance entry.

9. Enter the Type Of Transaction Code which best describes this transaction.
   ▪ Select *F8 Help* to display a list of the valid Type of Transaction Codes if assistance is needed. Note that A and B Type of Transaction should be used only for accounts that have the same balance on both cash and accrual basis – such as the checking account or loan accounts. C and D Type of Transaction codes should be used to enter cash basis balances. E and F Type of Transaction codes should be used to enter accrual basis balances. These three combinations (A/B, C/D, and E/F) cannot all be used within the same transaction, so separate transactions must be entered according to the accounting basis – cash, accrual, or both.

   ▪ Use as much detail as you can when selecting the Type of Transaction Codes. (Example: use C01, C02, or C03 rather than just C00) This will help you with the debit/credit designation of each account. If the detail is used, the system will default the correct debit/credit designation for the amount given. If detail is not used, you may have to edit the debit/credit designation manually for each account.

   ▪ Ideally, you should create three transactions for Opening Balances when entering them for the first time in TABS.

   ▪ Use A and B Type of Transaction Codes for the first transaction. This transaction will include all account balances that have the <u>exact same balance</u> <u>on both the cash and accrual basis</u> – such as the checking and savings accounts, liability accounts, etc., plus an offset to Owner's Equity. Using the A/B Type of Transaction Code for this type of account balances merely eliminates the need to enter them twice. Optionally, you could enter these account balances in both the C/D and the E/F transactions, but entering them once under the A/B code will do the same thing with less effort.

   ▪ Use C and D Type of Transaction Codes for the second transaction. This transaction will include <u>cash basis</u> balances of all accounts not already included in the A/B transaction, plus an offset to Owner's Equity or other Equity accounts such as Retained Earnings (corporation). Original cost and accumulated depreciation totals of each class of assets should be determined from the prior year's depreciation schedule. It is unnecessary to create accounts to list individual pieces of machinery, equipment, buildings, etc. in Opening Balances – those details will be readily available from the Depreciation portion of TABS. Total the assets in classes of use and enter totals of those classes. (Example: Tractors, Harvest Equipment, Tillage Equipment, Planting Equipment, etc.) In some cases, it may be best to create the Depreciation Schedule in TABS first. The totals for each class of assets will then be readily available at the press of a key.

- Use E and F Type of Transaction Codes for the third transaction – This transaction will include the <u>accrual (market) basis</u> balance of all accounts not already included in the A/B transaction, plus an offset to Owner's Equity. Rather than entering original cost and accumulated depreciation of assets, the fair market value of each class of assets should be entered. In most cases, you will be entering balances for the same accounts you entered in the C/D Transaction – with the exception of Accumulated Depreciation. This is okay. Remember that this transaction deals with market values only, and the C/D transaction dealt with cash basis values only. Again, it is not necessary to create accounts to list individual pieces of machinery, equipment, buildings, etc. That type of detail can be printed easily from the depreciation portion of TABS. In some cases, it may be best to create the Depreciation Schedule with accompanying market values in TABS first. The totals for each class of assets will then be readily available at the press of a key.

10. Enter a valid Ledger Account Number.
    - Select *F8 Help* to display a list of the valid ledger account numbers for the Type of Transaction chosen if assistance is needed. Account numbers are displayed in two levels in the Account Number Help window. The major accounts are displayed with an asterisk beside those that have sub-accounts beneath them. To view the accounts beneath any major account, move the highlight bar to the major account, then select *F8 Help* again. An account can be selected from this list by double-clicking on the desired account, or by moving the highlight bar to the desired account and pressing *Enter.*

    - If you are entering loan account balances, you should create accounts to identify each loan separately.

    - To create a specific loan account – If the *F8 Help* window is not already displayed, select *F8 Help.*

    - Select *F7 Setup.* The Chart of Accounts Record to be Added window will appear.

    - Type the account number you wish to assign to the loan account. Remember to stay within the correct range of accounts when assigning new numbers. For instance, if you are adding a short-term loan, you should stay within the 2110 00 – 2119 99 account range. Intermediate-term loans should be within the 2510 00 – 2519 99 account range. Long-term loans should be within the 2710 00 – 2779 99 account range. It is best to choose the account that best describes your loan, then use the two digits furthest to the right to create a new account. (see Figure 1.1 and surrounding description in the "Personalize the Provided Chart of Accounts" section of this chapter.)

    - Type an account description and press *Enter.*

    - The minimum requirements for adding a new account are now met. The rest of the account details will be filled in with system defaults. Select *F9 End,* then select *F7 Save.* The screen will return to the Account Number Help window.

    - Select the account you just added to continue with data entry.

11. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

12. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record. A different Vendor ID may be entered if applicable. It is helpful during entry of liabilities (loans in particular) to enter the Vendor ID of the lender in this field.

13. Press *Enter* to bypass the Invoice Number field.

14. Enter the amount for this distribution (account balance) or press *Enter* to accept the entire Undistributed Amount as the amount for this distribution.
    ▪ Debit/Credit designation is determined by the Type of Transaction Code and Ledger Account Number used. If you need to change the debit/credit designation for this distribution, select the *F5 Dr/Cr* button while on the Distribution Amount line.

15. Management detail (Item Category/Item Number, Profit/Cost Center, Site ID/Lot Number, or Quantity) is optional. If no further detail is desired or required for this account, select *F9 End* to end this distribution, then select *F7 Save*.

16. Repeat Steps 9 – 15 for all asset and liability accounts which are to be included in this transaction.

17. After all opening balances for asset and liability accounts have been entered, post the remaining Undistributed Amount to the 2990 00 Owner's Equity Account so the system remains in balance. Note: For Corporate Clients, post the remaining Undistributed Amount to the 2980 00 Corporate Equity account. There are a few other differences in the equity section for corporate clients that may require changes to be made to your chart of accounts. If you are a corporation, please verify that the following accounts exist. If they don't, you should add them at this time.

    - <u>2990 00</u> This account should be named "Retained Earnings" rather than "Owner's Equity" for corporations. This is the account that will be used by the system to reflect the current year profit/loss of the corporation.
    - <u>2980 00</u> Corporate Equity
    - <u>2981 00</u> Common Stock
    - <u>2982 00</u> Preferred Stock
    - <u>2983 00</u> Treasury Stock
    - <u>2984 00</u> Paid In Capital
    - <u>2985 00</u> Dividends Paid

    - You may use the range of accounts from 2981 00 through 2989 99 to add other equity accounts specific to your corporation. Do not make changes to the 2980 00 account or any of the others specifically listed above. Do not use the 2990 00 series of accounts for any corporate equity accounts other than Retained Earnings.

18. Select *F9 End,* then *F7 Save,* then *F7 EndTrn* to complete this transaction. Repeat Steps 5 – 18 to add another Opening Balance transaction if desired.

On occasion, a user will decide to keep only income and expense records the first year, particularly if starting on the program mid-year. If this is the decision made, only the checking account balance(s) as of the beginning of the year is necessary. Opening Balances may then be added or modified in the following year.

6 – Record Beginning Inventory

TABS is unique in its ability to keep both cash and accrual basis ledger systems simultaneously while maintaining accurate inventories. If you enter a complete beginning inventory, then use the proper procedure to record account activity and adjustments during the year, the year-end inventory adjustments will be minimal. Inventory account balances can then be transferred at year-end and the need to create a beginning inventory in succeeding years is un-necessary.

To Record Beginning Inventory:

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the Processing Period 00.

4. Select *Inventory Changes*.
   - If no beginning inventory has been entered yet, the Add Inventory Change Transaction window will be displayed in the vertical mode and is ready for data entry.

   - If some inventory has previously been entered and you wish to add another inventory transaction, select *F5 AddTrn*.

5. Enter a valid Item Category Code. Select *F8 Help* if assistance is needed.
   - The Item Category Code is a zero, followed by the middle two digits of the corresponding Ledger Account Number.

6. Type of Transaction will default to B00 – Beginning Inventory.

7. Enter a valid Ledger Account Number. Select *F8 Help* if assistance is needed.

8. Enter an Item Number/Description. Select *F8 Help* to display a list of valid Item Numbers for this account.
   - You can create a new Item Number/Description if none of the existing descriptions are applicable or if more detail is desired by selecting *F12 Exit* to exit from the Help window. Type a number in the Item Number field that has not already been used. The cursor will move to the Description field. Type the desired description and press *Enter*.

9. The Date of Change will default to the last day of the previous fiscal year.

10. Press *Enter* to accept the default Reference Number.

11. The Comments field is optional. Enter a meaningful remark or explanation if desired, or press *Enter* to bypass this option.

12. Profit/Cost Center and Project is optional. Enter a valid Profit/Cost Center and Project, or press *Enter* to bypass this option. Refer to Chapter 18 – Managerial Accounting for more detail on this topic.

13. Site ID/Lot is optional. Enter a valid code, or press *Enter* to bypass this option.

14. If the inventory item you are entering is for livestock, enter the number of head in Quantity 1/Head. If the inventory item is for anything other than livestock, enter the number of units in Quantity 2/Units.

15. Enter the value per head or per unit in both the Cost and Market Value fields.

16. Select *F7 Save* to save the transaction.

17. The Add Inventory Change window will be displayed and is ready for the next inventory item to be added. Repeat Steps 5 – 16 until all inventory items have been entered.

7 – Enter Open Payable or Receivable Invoices

Although the use of the Payables and/or Receivables Journal is totally optional in TABS, please refer to the sections on Payables and Receivables in Chapter 4 of this manual to learn about all of the benefits of utilizing this portion of TABS. Assemble all <u>unpaid</u> accounts payable and accounts receivable invoices/statements from the prior year and follow instructions given in Chapter 4 to enter these invoices into Period 00 of the current year. It would be helpful to establish totals for each vendor if there is more than one open invoice for a particular vendor.

Chapter

2
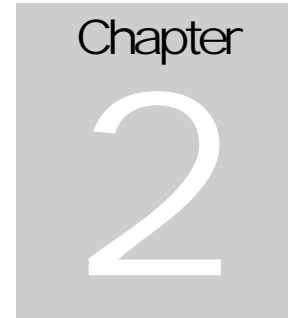
Chart of Accounts Maintenance

I t is important for you to have some knowledge of the settings available for each account used in TABS. It is also important for you to know what each of these settings can or cannot do for you. Figure 2.1 shows the Chart of Accounts File Maintenance screen with the account 3211 Sale Corn Raised account selected. Refer to this illustration when you read the overview that follows. Following is a brief overview of the fields in the Chart of Account File Maintenance:

Record To Be Modified

Account Number	3211 00	
Account Class	C 02	Crop Related Income
Account Name	Sale Corn Raised	
Account Status	A	Active
Inventory Method	A	Average
Inventory Control	2	Qty #2 Units
Budget Control	Y	Allow Budget
1099 Type/Item No	N 99	No 1099
Posting Edits		
Category and Item	0	Optional
P/C Center and Project	0	Optional
Site and Lot	0	Optional
Qt. #1/Number Head	N	Not Used
Qt. #2/Number Units	R	Required
Unit Of Measure Code	BU	Bushel

Figure 2.1 – Chart of Accounts File Maintenance

Account Name – It is important to remember that while an account name can be changed, you must be careful not to change the general meaning of the account. If the meaning is changed, it is likely that the account belongs in a different series of account numbers where there are other accounts with similar meaning of content.

Account Status – By default, all accounts have an "Active" status. If there is a Major account that has Sub-Major accounts beneath and you would like to force the use of the Sub-Major accounts and disallow the use of the Major account, then change the Major account's status to "Inactive." It is important to keep the Major account and "block" data entry to it by using the Inactive status,

rather than deleting the account. If you delete a Major account, the Sub-Major accounts beneath it will not show on help screens, and reports "summarized to majors" may not work correctly. The same holds true in the relationship between Sub-Major accounts and Sub-Accounts. Never delete an account if there are sub-accounts beneath it that you wish to keep.

Inventory Method – The default for Inventory Method is "Average" for inventory-related accounts and "None" for accounts that are not tied to inventory in any way. "FIFO" (First In-First Out), or "LIFO" (Last In-First Out) may also be used to maintain inventory on any inventory-related account. If only Periodic Inventory is being used, then the system defaults will be adequate. If there are any Items for Resale or items with basis, such as CCC Basis Grain, then more care must be taken to be sure that not only the inventory account in the 1000's is set to the desired method, but also the related "Sale" account in the 4000's.

Inventory Control – Accounts with an Inventory Method other than "None" MUST have the Inventory Control Code set at something other than "None" if inventory is to work correctly. Qty #1 Head should be used where livestock are concerned, and Qty #2 Units should be used in all other (non-depreciable) inventory accounts.

Budget Control – Budget Control will always default to "Yes" for applicable accounts. If budgeting is used and there is an account you wish NOT to be included in the budget, this can be changed to "No."

1099 Type/Item No – This field is used to identify whether or not an account contains entries that may require the user to send a Form 1099, and if so, what kind.

Item Category – The Item Category field is used primarily to identify inventory items associated with a particular chart of account. It will always default to "Optional" when a new account is added. This simply means that during journal entry posting, using the Item Category Code field is allowed but not required. During journal entry, the cursor will stop on that line and you can either enter an Item Category Code or bypass it. The code may be set to "Not Used" to make the system automatically skip the Item Category field when using that particular account, or it may be set to "Required" to force entry of an Item Category any time that account is used. If Perpetual Inventory is being kept on any inventory items, all inventory accounts and accounts related to the purchase and sale of those items should be set to "Required."

P/C Center and Project – For an explanation of the benefits of using Profit/Cost Centers, see Chapter 18 – Managerial Accounting. The default for Profit/Cost Center is "Optional," which means it allows, but does not require a code to be selected in journal entry. "Not Used" makes the system bypass the Profit/Cost Center and Project fields completely in journal entry, and "Required" forces a code to be entered when using that account. If the Profit/Cost Center feature of TABS is being used, it is helpful to change the P/C Center and Project Codes to "Required" on accounts that can be directly linked to a Profit or Cost Center. Otherwise, it is likely that some entries will be missed by mistake.

Site and Lot – The Site and Lot codes allow for further breakdown of Profit and Cost Centers by identifying specific fields, farms, pens of livestock, etc. It will also default to "Optional" and can be set at either "Not Used" or "Required," depending on the wishes of the user.

Qt. #1/Number Head – If the account is livestock-related and you would like to be able to look at totals and averages as they relate to the number of head, then you should set this field to "Required." If the account involves Market Livestock Purchased for Resale, it is <u>highly recommended</u> that this field be set to "Required" to eliminate the chance that the number of head (which drives the inventory and automatic computing of "Cost") would be passed by during data entry.

Qt. #2/Number Units – The same rules apply here as those that apply for the Qt. # 1/Number Head, except this is for the non-livestock related accounts. Items Purchased for Resale where automatic computing of cost is allowed should be set to "Required." It may be desirable to set other accounts such as the 3184 00 Sale of Milk to "Required" so the user is prompted to enter the pounds of milk each time a milk check is entered into the system. By entering the pounds as well as the dollars, it allows totals and averages to be viewed at the press of a key.

Unit of Measure Code – This field may be used to specify the unit of measure that will be used with each chart of account. If this field is left blank, the system prompts you to enter a Unit of Measure Code during journal entry where Qt #2/Number Units is used. Select *F8 Help* to display the Unit of Measure Codes already set up in the system. New codes may be added in Unit of Measure File Maintenance if necessary.

Add a Chart of Account

New accounts can be added to the Master Chart of Accounts File at any point in time. If there is an account you wish to add, it is best to check the TABS Master Chart of Accounts (which should have been provided to you by your TABS Coordinator) to see if the desired account already has a designated account number. (It may have been deleted from your system when the Chart of Accounts was initially installed.) If you find that the desired account does exist, you should use the number assigned. If not, try to put the account in a numbering sequence that "makes sense." Find other accounts of similar content and add the new account(s) in the same numbering series.

If you add an Inventory account, Item for Resale account, or an Income account that will be used in invoicing, it is extremely important that you complete the Inventory Method, Inventory Control, and the Unit of Measure fields, rather than accepting the defaults.

There are two methods of adding an account to the Chart of Accounts. One method is to add the account through the *Master File Maintenance* menu. The other is to add the account "on the fly" from the Ledger Account field during journal entry (in any journal). Both methods will be addressed in this section.

To Add An Account Through Master File Maintenance:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3.   Select *F4 Chart of Accounts File* from the File Maintenance Applications Menu. The first account (numerically) will be displayed in the Modify mode.

4.   Select *F5 AddRcd* to add a new account (record).

5.   Type an account number and press *Enter*. At this point, the rest of the entry fields (except the account description field) will be filled in with defaults.

6.   Type an account description and press *Enter*.

7.   The minimum requirements for adding a new account are now met. If you wish to accept the default settings, select *F9 End*, then *F7 Save*.

8.   If you wish to change any of the default settings before saving the account, type an appropriate code from the given choices for each entry field, or click on the radio button beside the desired choice. When you are finished making changes, select *F9 End*, then select *F7 Save*.

9.   Select *F12 Exit* to exit from Chart of Accounts File Maintenance.

To Add An Account "on the fly" From Journal Entry Posting:

1.   From the *Ledger Account Number* field of a transaction in any posting journal, select *F8 Help*.

2.   Check to make sure the desired account is not already included in the Chart of Accounts. Determine the account number you will use for the new account by looking at available numbers in the desired range. Select *F7 Setup* to begin setup.

3.   Enter an account number for the new account and press *Enter*. At this point, the rest of the entry fields (except the account description field) will be filled in with defaults.

4.   Enter an account description and press *Enter*.

5.   The minimum requirements for adding a new account are now met. If you wish to accept the default settings, select *F9 End*, then *F7 Save*.

6.   If you wish to change any of the default settings before saving the account, type an appropriate code from the given choices for each entry field, or click on the radio button beside the desired choice for each entry field. When you are finished making changes, select *F9 End*, then *F7 Save*.

7.   Select *F12 Exit* to exit from Chart of Accounts File Maintenance.

Review/Modify Accounts

Any field in an account record may be modified as desired except the account number itself. If the account number is in error, it can be deleted, and the entire record re-entered. Changing the account name is common, but it is important not to change the general meaning of the account.

To Review, Modify, Or Delete An Existing Account In The Chart of Accounts:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F4 Chart of Accounts File* from the File Maintenance Applications Menu. The first account (numerically) will be displayed in the Modify mode. There are three ways to retrieve the desired account for modifications.

   a. The *F1 PrvRcd* (Previous Record) and *F2 NxtRcd* (Next Record) buttons can be used to page through each account in the Chart of Accounts one at a time until the desired account is shown on the screen. This is probably the most cumbersome method of the three unless the desired account is near the beginning of the Chart of Accounts.

   b. If you know the number of the desired account, you can move directly to that account. Select *F6 GetRcd*, then type the account number in the Account Retrieval window and press *Enter* or select *F6 GetRcd* again.

   c. If you are unsure of the exact account number, the best method is to use the *F8 Help* feature. Select *F6 GetRcd*, then either type in an account number to use as a starting point or leave the zeros in the Account Retrieval window and select *F8 Help*. The Account Number Help Window will be displayed, showing the entire Chart of Accounts in list form. At this point, you can use the scroll bar and mouse, the Page Up and Page Down keys, the space bar, or the arrow keys to move through the account list until the desired account is displayed. Once the desired account is displayed in the Account Number Help window, you can select this account either by double-clicking on it, or by moving the highlight bar to the desired account (with the mouse, arrow keys, or space bar) and pressing *Enter*.

4. Once the desired account is displayed in the Record To Be Modified window, changes may be made to any field except the Account Number field. Move the highlighted arrow in the vertical bar (on the left side of the field descriptions) to the desired line by using the mouse, arrow keys, or space bar. Press *Enter* (or double-click in the space to the left of the field to be modified) to activate the "Options" window showing the applicable choices for that field, or, in the case of the Account Name, the existing name will be highlighted, and a new name can be entered. Repeat this process until all desired modifications are made to the selected account.

5. Select *F7 Save* to save your changes. The Record To Be Modified window will advance to the next chart of account on file.

6. <u>To Delete a record</u>, retrieve the account you wish to delete (using one of the methods described in Step 3), then select *F3 DelRcd*. A message will appear at the bottom of the screen asking you to select *F3 DelRcd* again to delete the record or select *F12 Exit* to continue without deleting the account.

7. When all desired modifications have been made, select *F12 Exit* to exit from Chart of Accounts File Maintenance.

Chapter

3

Vendor File Maintenance

The use of a Vendor File reduces entry time, offers control and consistency to the record system, and allows data for any one vendor to be queried, averaged, or totaled. The Vendor File stores all the names and addresses that will be used when printing checks, invoices, or statements.

Creating the vendor file through Master File Maintenance before beginning data entry in TABS is not required, but we highly recommend entering at least the primary vendors with whom you do business before beginning data entry. That process is described in detail in Chapter One – Getting Started. The other option to adding vendors through Master File Maintenance is to add the vendor "on the fly" from any journal in Journal Entry Posting as you are entering transactions. If you are adding vendors for the first time, please review the line-by-line description of the fields in the Vendor File by reading the Creating a Vendor File section in Chapter One – Getting Started before beginning this process.

Add A Vendor

To Add a Vendor Through Master File Maintenance:

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F5 Vendor File* from the File Maintenance Applications Menu. The first vendor (alphabetically) will be displayed.

4. Select *F5 AddRcd* to add a new vendor record.

5. Enter a Vendor ID and press *Enter*.

6. Enter the Vendor Name, Address Line 1, Address Line 2 (if applicable), City, State, and Zip Code fields. Press *Enter* after each entry to advance to the next field. If the correct address is not known, type an asterisk (*) for both Address Line 1 and City. Zip Code will allow only a valid range of numbers for the state entered, (unless a Canadian Zip code is being entered) so any valid zip code for the given state may be entered until a more correct address is determined.

If a Canadian address is being entered, the city should be entered in the City field. The two-letter abbreviation for the province should be entered as the State. Select *F8 Help* for assistance if needed. If there are no Canadian provinces listed on the help screen, your State Code File needs updated – contact your TABS Coordinator for an update. Address Line 2 will not print on checks, invoices, etc. in TABS for Canadian vendors – this allows room for automatic printing of the word "Canada" on the last line of the address (required by the postal service).

7. At this point, the minimum requirements for adding a new vendor are met. If checks are going to be printed from the system, it is advantageous to continue through the "My Vendor's ID" field. Refer to the overview following Figure 1.2 in Chapter One for description of these fields. After you have completed the last desired field, select *F9 End*. The screen will be displayed in the modify mode to allow any field on the screen to be changed before saving. Select *F9 Modify* if any changes are desired.

8. To save this record, select *F7 Save*. The record will be added to the Master File and a blank screen will be displayed for additional vendors to be entered.

9. Select *F12 Exit* to exit from Vendor File Maintenance. Repeat until the desired menu is displayed.

To Add a Vendor "on the fly" From Journal Entry Posting:

1. From the *Vendor field* of a transaction in any posting journal, select *F8 Help*. The Vendor ID Help Window will be displayed. (Note: If you type a letter or letters in this field before selecting *F8 Help*, the help window will go directly to that area of the alphabet and will also return to that area after saving, rather than going back to the beginning of the vendor file each time.)

2. Select *F7 Setup* to add a new vendor.

3. Enter a valid Vendor ID and press *Enter*.

4. Fill in the Vendor Name, Address Line 1, Address Line 2 (if applicable), City, State, and Zip Code fields, pressing *Enter* after each entry to advance to the next field. If the correct address is not known, an asterisk (*) can be put in for both Address Line 1 and the City which will allow those fields to remain blank when printing checks, invoices, etc. for this vendor. Zip Code will allow entries in a valid range of numbers for the state entered, so any valid zip code for the given state may be entered until a more correct address is determined.

    If a Canadian address is being entered, the city should be entered in the City box, then the two-letter abbreviation for the province should be entered as the State. Select *F8 Help* for assistance if necessary. If there are no Canadian provinces listed on the help screen, your State Code File needs updated – see your TABS Coordinator for an update. If a Canadian Zip Code is being entered, address Line 2 will not print on checks, invoices, or statements - this allows room for automatic printing of the word "Canada" on the last line of the address.

5. At this point, the minimum requirements for adding a new vendor are met. The vendor entry may be ended by selecting *F9 End* at this time and allowing the system to complete the screen with defaults, or entry may be continued.

6. If checks are going to be written from the system, it is advantageous to continue through the "My Vendor's ID" field, entering in that field anything that is normally written on the Memo line of a check written to that particular vendor (eg: account number, phone number, etc.)

7. After completing the last desired field, select *F9 End*. The screen will be displayed in the modify mode to allow any field on the screen to be changed before saving. Select *F9 Modify* if any changes are desired.

8. To save this record, select *F7 Save*. The screen will return to the Vendor ID Help window. If you typed the new Vendor ID in before selecting *F8 Help* and *F7 Setup*, the vendor you just added will be highlighted. If you selected *F8 Help* without specifying a beginning letter in the vendor field of journal entry, the highlight bar will be at the beginning of the file.

9. Select the desired vendor (double-click or highlight and press *Enter*) to continue with journal entry or select *F7 Setup* to add another vendor.

Review/Modify Vendors

Any field in the Vendor file can be modified as desired except the Vendor ID. This is the Record Key Field and cannot be changed once it has been created. If the Vendor ID is wrong, the vendor can be deleted and re-entered with the correct ID. (Care must be taken, however, not to delete a vendor that has already been used in that year.)

Vendors can be reviewed or modified either through Master File Maintenance/Vendor File Maintenance, or from two different places in Journal Entry Posting.

To Review/Modify a Vendor Record Through Master File Maintenance:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F5 Vendor File* from the File Maintenance Applications Menu. The first vendor (alphabetically) will be displayed in the Modify mode. There are three ways to retrieve the desired vendor for modifications.

   a. The *F1 PrvRcd* (Previous Record) and *F2 NxtRcd* (Next Record) buttons can be used to page through each vendor in the Vendor File one at a time until the desired vendor is displayed on the screen. This is probably the most cumbersome method of the three unless the desired vendor is near the beginning of the file.

   b. If you know the Vendor ID of the desired vendor, you can move directly to that vendor. Select *F6 GetRcd*, then type the vendor ID in the Vendor Retrieval window and select *F6 GetRcd* again.

   c. If you are unsure of the vendor ID, the best method is to use the Help feature. Select *F6 GetRcd*, then either type in a letter or letters to use as a starting point or leave the Vendor Retrieval window blank and select *F8 Help*. The Vendor ID Help Window will be displayed, showing the entire Vendor File in list form. At this point, you can use the scroll bar and mouse, the PageUp and PageDown keys, the space bar, or the arrow keys to move through the vendor list until the desired vendor is displayed. Once

the desired vendor is displayed in the Vendor ID Help Window, you can select this vendor either by double-clicking on it, or by moving the highlight bar to the desired vendor (with the mouse, arrow keys, or space bar) and pressing *Enter*.

4. Once the desired vendor is displayed in the Record To Be Modified Window, changes may be made to any field except the Vendor ID field. Move the highlighted arrow in the vertical bar (on the left side of the field descriptions) to the desired line by using the mouse, arrow keys, or space bar. Press *Enter* (or double-click in the space to the left of the field to be modified) to bring your cursor into the correct position for modifications or to activate the "Options" window showing the applicable choices for fields that offer choices. Repeat this process until all desired modifications are made to the selected account.

5. Save your changes by selecting *F7 Save*. The Record To Be Modified window will advance to the next chart of account on file.

6. When all desired modifications have been made, select *F12 Exit* to exit from Vendor File Maintenance.

To Review/Modify a Vendor Record During Journal Entry Posting:

This feature is extremely useful to users who have entered Vendors without addresses and other detail but would now like to begin printing checks or invoices from the system. Vendors can be modified directly from the Vendor ID field of any journal, and also from the Print Check screen in Check Disbursements or the Print Invoice screen in Accounts Receivable or Income & Cash Receipts journals.

From the Vendor ID Field Of Any Transaction:

1. At the Vendor ID field, select *F8 Help*.

2. Highlight the vendor you wish to review/modify and select *F9 Update*. The Vendor Record To Modify Window will be displayed.

3. Review or modify the account as you wish.

4. Select *F7 Save* to save your changes.

From the PrtChk or PrtInv Screen In The Check Disbursements, Accounts Receivable, or Income & Cash Receipts Journal:

1. After entering a transaction and selecting *F8 WrtChk* or *F8 PrtInv* from the Check Disbursements, Accounts Receivable, or Income & Cash Receipts journal, you may notice in the print preview on the screen that a vendor's address is not correct.

2. Select *F9 UpdVdr* to Update the Vendor Record (not to be confused with the *F2 Addr* button which will appear for vendors that have no address. The *F2 Addr* button allows entry of an address but does not write to the vendor file.)

3. The Vendor Record to be modified will be displayed. Make any necessary modifications to the Vendor displayed.

4. Select *F7 Save* to save changes.

Delete A Vendor

Care must be taken when deleting a vendor to ensure that it has not been used in that year. It is best to do an Inquiry of all accounts from "Inquiry Applications" for that vendor before deleting the record. This will enable you to verify whether or not the vendor has been used during the current year. Deleting a vendor from the current year's records will not affect data in previous years.

To Delete a Vendor:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F5 Vendor File* from the File Maintenance Applications Menu. The first vendor (alphabetically) will be displayed in the Modify mode.

4. Select *F6 GetRcd*, then type the Vendor ID in the Vendor Retrieval window and press *Enter* or select *F6 Get Rcd,* then *F8 Help* if you are unsure of the vendor ID and wish to scroll through the vendor list to locate the vendor.

5. Once the desired vendor is displayed in the Record To Be Modified window, select *F3 DelRcd*. A message will appear at the bottom of the screen asking you to select *F3 DelRcd* again to delete the record or select *F12 Exit* to continue without deleting the vendor.

6. When all desired modifications have been made, select *F12 Exit* to exit from Vendor File Maintenance.

Journal Entry

The Agricultural Business System has nine journals for posting transactions. These are:

Check Disbursements	Bank Deposits	Receivables/Charge Sales
Cash Disbursements	Inventory Change	Payables/Charge Purchases
Income & Cash Receipts	Adjusting Entries	Opening Balances

Each of the posting journals will be discussed in detail in this chapter, with the exception of Opening Balances. The process of entering Opening Balances is discussed in Chapter One – Getting Started.

Each of the journals, except the Inventory Change Journal, allows the user to post 99 different distributions for each single transaction. This allows a vast amount of flexibility in posting transactions. Remember also, that TABS is a double-entry accounting system. For each transaction you enter (other than entries in the Adjusting Entries or Opening Balances Journal), the computer generates another entry automatically. This automatic accounting offset maintains the constant balance of the system. You can view the offset by selecting *Offset* when a transaction is in the horizontal mode.

Check Disbursements

The Check Disbursements Journal allows the use of up to fourteen checking accounts. Each account has an automatic offset to a unique General Ledger Account number which maintains the balance of these accounts. The Check Disbursements Journal is used to record all transactions that credit your checking account(s). This includes more than actual checks written. It also includes such things as service charges, automatic deductions, debit card purchases, MAC/ATM machine withdrawals, etc. While those types of transactions may not involve an actual check, they do affect the checking account the same as a check would, and therefore must be entered in the Check Disbursements Journal. A fictitious check number should be used for this type of transaction where there is no actual check written. The number can be any number but must be lower than any actual check number you'll use in that year.

Multiple checking accounts are controlled by using an alphabetic prefix before the check number. The prefix designates which checking account the automatic accounting offset will credit each time an entry is made in the Check Disbursements Journal. Accounting Offset File records must be set up properly in Master File Maintenance for multiple checking accounts to work correctly. Contact your TABS Coordinator for proper setup procedure

To Enter a Check Disbursement:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.
   - If you are logged into the current year, the highlight bar will default to the current month. The current month is designated by the system calendar on your computer.

4. Select *Check Disbursements*.
   - If no transactions have been entered for the period selected, the Posting Check Disbursements screen will be displayed in the "Vertical Mode" and is ready for data entry.

   - If transactions have already been entered for the period selected, the last transaction entered for that period will be displayed in the "Horizontal Mode." Select *F5 AddTrn* to add another transaction.

5. Enter a valid Vendor/Payee using a valid Vendor ID Code.
   - Select *F8 Help* to display a list of all vendors currently in the Vendor Master File if assistance is needed with the Vendor ID Code. Entering the first letter of the vendor ID before selecting *F8 Help* will display the vendors alphabetically starting with the letter entered. The mouse and scroll bar, Page Up and Page Down keys, space bar, and arrow keys are all methods that can be used to maneuver through the list of vendors in the Vendor ID Help window to search for the appropriate vendor. Once it is found, select the vendor by double-clicking on it, or by moving the highlight bar to that line and pressing *Enter*.

   - If the desired Vendor/Payee is not found to be in the Vendor File, you can add the vendor at this time without leaving Journal Entry. If the Vendor ID Help window is not already open, select *F8 Help*, then select *F7 Setup*. Fill in the required fields for the vendor and select *F9 End,* then *F7 Save* to save the vendor when you're finished. Refer to the instructions outlined in Chapter 3 – Vendor File Maintenance for further detail, if necessary.

   - If the Vendor/Payee to be used is one that you will not likely do business with again and you do not wish to save the vendor in your Vender File, a one-time vendor may be used. With the asterisk (*) in the Vendor/Payee field, press *Enter*, then type the vendor's name as desired.

6. Enter the Date of Check
   - Month and year will default to the processing period chosen.

   - The day of month will default to the current day if you are in the current month and year (and if the System Calendar on your computer is set correctly).

   - Once the first transaction is entered for a given posting session, the day will default to the day used in the previous transaction.

7. Enter the Check Number
   - If checking account prefixes (multiple checking accounts) are being used, the checking account will default to the account listed in the Processing Control File (in Master File Maintenance) in the *Check Account Prefix – JE Posting* field. If a different account is

desired for this check, either use the f4 key or the Shift + Tab keys to move to the proper position to change the prefix or select *F8 Help* to view your choices - then from the Checking Account Selection window, choose the desired account. If you would like to change the default (so another account shows up every time by default), go to Master File Maintenance, Processing Control File Maintenance to make this change.

- Check Number may be entered with leading zeros, or the check number may be entered followed by a decimal point (period) to invoke right justification. Example: Entering "000123" would be the same as entering "123."

- After the first transaction is entered for a given posting session, the check number will automatically increment by one integer in succeeding transactions.

- If the transaction being entered is for a charge to the checking account but was not an actual check written (a service charge, automatic payment, debit card purchase, ATM/MAC machine withdrawal, etc.) a fictitious check number should be used. Keep any fictitious check numbers <u>lower</u> than the lowest check number used in the current fiscal year.

8. The cursor will be in the Net Amount of Check field. At this point and on this line only, templates will be available (if any have been set up). See Chapter 5 – Journal Entry Templates for details on creating and using templates to simplify journal entry. If templates are being used, all applicable vendor-specific templates and a menu item for non-vendor specific templates will be displayed, or if no vendor-specific templates exist for this vendor, the non-vendor specific list will be displayed. Choose a template. If none of the listed templates are applicable, select *F12 Exit* to return to the Net Amount of Check field and continue the transaction without using a template.
    - If the order in which the templates are displayed is not favorable, they can be re-arranged at this point. Highlight the description of the template you would like to move, then select *F7 Move*. Double-click (or highlight and press *Enter*) on the location in the list you would like to move the template to. The template will be inserted <u>above</u> the point you choose. Continue this process until the templates are organized however you like.

    - If none of the templates listed is applicable for this transaction and you would like to create a template automatically for future use, finish this transaction, then refer to the section entitled "Creating Templates On The Fly" in Chapter 5 – Journal Entry Templates.

9. Enter the Net Amount of Check and press *Enter*. If a template was used, many of the following steps will be filled in for you and you can skip to step 16. Otherwise, continue here.

10. Enter the Type Of Transaction Code which best describes this transaction.
    - Select *F8 Help* to display a list of the valid Type of Transaction Codes if assistance is needed. The two purposes of these transaction codes are to determine the debit/credit designation of the distribution and to narrow down the available choices when using *F8 Help* for the Ledger Account Number field. Entering a Type of Transaction Code greatly simplifies the process of choosing the correct Ledger Account Number and ensures greater consistency in your records.

- If this Check Disbursement is a payment to an open invoice entered in the Accounts Payable journal, enter D00 Debt Payment/Expense.

11. Enter a valid Ledger Account Number.
    - Select *F8 Help* to display a list of the valid ledger account numbers for the Type of Transaction chosen if assistance is needed. Account numbers are displayed in two levels in the Account Number Help window. The major accounts are displayed with an asterisk beside those that have sub-accounts beneath them. To view the accounts beneath any major account, move the highlight bar to the major account, then select *F8 Help* again. An account can be selected from this list by double-clicking on the desired account, or by moving the highlight bar to the desired account and pressing *Enter*.

12. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

13. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record. A different Vendor ID may be entered if applicable.

14. The Invoice Number field is optional unless this check is being written to the 2010 00 Accounts Payable account (to pay on invoices that were entered in the Accounts Payable journal). Press *Enter* to bypass Invoice Number or select *F8 Help* to display open invoices. A new screen will be displayed, listing all open invoices for this vendor. Select the invoices you wish to pay one at a time either by double-clicking on them, or by moving the highlight bar to them and pressing *Enter*. If you wish to pay an amount less than the balance due on any one invoice, highlight the invoice and select *F5 PayAmt* rather than pressing *Enter*. This will give you the opportunity to pay an amount less than the balance due.
    - If the invoice to be paid has a discount available (Refer to the Accounts Payable section of this chapter for help on entering invoices with discounts) and the date of check is on or before the Discount Due Date, you have the option of taking the discount when you pay the invoice. With the desired invoice highlighted, select *F5 PayAmt*. Type in the amount to be paid (type the Balance Due amount if it is to be paid in full), then select *F6 Take The Discount*. The Payment Amount in the Selection Recap window will reflect the amount paid for that invoice with the discount taken.
    - The *F6 PayHst* button may be used to display previous payments made to any invoice.
    - The *F9 Sort* button may be used to sort invoices if numerous invoices are displayed. This gives you the ability to sort by Invoice Number, Invoice Date, Due Date, or Discount Date.

15. If this check is NOT payment to Accounts Payable, skip this step and continue with the next step. If this check IS payment of an invoice in the Accounts Payable account, your transaction is complete. Select *F7 Save* to save the transaction. If discounts were taken, you may need to select *F9 AdjNet* to adjust the amount of check for the discount taken. Select *F7 EndTrn* to end the transaction or skip to Step 24 to print a check

16. Enter the amount for this distribution or press *Enter* to accept the entire Undistributed Amount as the amount for this distribution.

17. If no management detail (Item Category/Item Number, Profit/Cost Center, Site ID/Lot Number, or Quantity) is desired or required for this account, skip Steps 18 – 22 and proceed with Step 23.

18. Item Category/Item Number is optional unless otherwise specified in the Chart of Accounts. If Perpetual Inventory is being used and this distribution involves an inventory-related account, an item category, item number, and quantity must be specified. Enter a valid Item Category Code and Item Number or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Item Category and Item Numbers if assistance is needed.

19. Profit/Cost Center and Project is optional unless otherwise specified in the Chart of Accounts. Enter a valid code or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Profit/Cost Center or Project codes if assistance is needed. If you wish to post to a Profit Center, Cost Center, or Project that is not set up, you can set it up at this time by selecting *F8 Help*, then selecting *F7 Setup*. For further assistance on Profit Centers, Cost Centers, and Projects, see Chapter 18 – Managerial Accounting.

20. Site ID/Lot Number is optional unless otherwise specified in the Chart of Accounts. Enter a valid Site ID/Lot Number or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Site ID/Lot Number codes and descriptions if assistance is needed. For additional assistance on Site ID/Lot Numbers, see Chapter 18 – Managerial Accounting.

21. Quantity #1/Number Head is optional unless otherwise specified in the Chart of Accounts. Enter the number of head purchased or press *Enter* to bypass this field.

22. Quantity #2/Number Units is optional unless otherwise specified in the Chart of Accounts. Press *Enter* to bypass this field or enter the number of units.
    - If Quantity #2 is used, a Unit of Measure may have to be entered if one is not already specified in the Chart of Accounts for that account. Select *F8 Help* to display the valid Unit of Measure Codes and descriptions.

23. Select *F7 Save* to save the distribution.
    - If the Undistributed Amount is greater than zero, another distribution screen will be displayed. Repeat Steps 10 – 22.

24. If the Undistributed Amount is zero, the transaction is complete. Select *F7 EndTrn* to end the transaction without printing a check (then skip to Step 25) or select *F8 WrtChk* to display the proposed check on the screen before printing.
    - Select *F1 Memo* once to bring the cursor to the Memo field for manual entry of a memo.

    - Select *F1 Memo* twice to bring a memo automatically from the "My Vendor ID" field in the Vendor File for this vendor. This is an easy way to store account numbers, loan numbers, etc. so they do not have to be manually typed in each time a check is written. (See the "Develop A Vendor File" section of Chapter 1 – Getting Started for further detail on "My Vendor ID.")

    - Select *F3 RepChk* to change the check number if it is in error.

    - Select *F9 UpdVdr* to modify the Vendor Record for the current vendor. This is a convenient time to make changes to addresses, phone numbers, etc. or to add

information such as account numbers or loan numbers in the My Vendor ID field so it can be recalled automatically to appear on the memo line on future checks to this same vendor. Save any changes you make to the vendor file, then you will be returned to the Print Check screen.

- If there is no address in the vendor file for the current vendor, the *F2 Addr* button will be available. This may be selected to enter the address on the current check *without making any change to the vendor file*. Note that if you wish to save your change to the vendor file, you should choose *F9 UpdVdr* rather than *F2 Addr*.

- Select *F8 PrtChk* to print the check as it is displayed. If the check does not print or is not properly aligned, refer to the "Problems Printing Checks" section of the Helpful Hints Chapter in this manual.

25. If no further check disbursements are to be entered, select *F12 Exit* a number of times until the desired menu screen is displayed.

Cash Disbursements

The Cash Disbursements Journal is used to record disbursements paid in cash (as opposed to being paid with a check). Don't confuse this with transactions that are charged to the checking account automatically. Any disbursement that flows through the checking account must be entered in the Check Disbursements journal, regardless of whether there was actually a check written. Other disbursements, where actual cash money was used, should be entered in the Cash Disbursements Journal.

The data entry process of Cash Disbursements flows exactly like Check Disbursements with only a few exceptions. There are no "Check Numbers" in Cash Disbursements - therefore, when a cash disbursement is being entered, you bypass the Reference Number line by pressing *Enter*. This allows the computer to assign a Reference Number to each transaction. The number assigned will be the processing period, followed by the transaction number. Follow Steps 8 through 25 of Check Disbursements for further detail on each of the other fields of entry.

The default for the automatic accounting offset created by entering a disbursement in the Cash Disbursements Journal is a credit to the 9010 Family Living/Unclassified Account. The system assumes that if you spent cash from your pocket to pay a farm expense, you spent money initially coded as Family Living (by keeping cash out from a deposit or having written a check to the 9010 account). If your business is a Corporation or Partnership, you should not have a *Family Living* account, but rather a *Petty Cash* account. See the "Special Notes for Corporations" chapter in this manual for instructions on how to change the offset of the Cash Disbursements Journal to automatically post to the 1011 Petty Cash Account, rather than the 9010 Family Living/Unclassified Account.

Income & Cash Receipts

The Income and Cash Receipts Journal is used to record all transactions that document money flowing into the business – taxable, or non-taxable. This money may be in the form of cash, loans, capital contributions, barters/trades, or non-cash distributions such as patronage dividends. The

Income and Cash Receipts Journal provides the necessary documentation to support each transaction in the Bank Deposits Journal. These two journals work hand-in-hand and are "reconciled" by maintaining a zero balance in the 1010 Cash On Hand account. The automatic offset created by an entry in the Income & Cash Receipts Journal is a debit to the 1010 Cash On Hand account. The automatic offset created by an entry in the Bank Deposits Journal is a credit to the 1010 Cash On Hand account. Therefore, when all income and deposits are properly documented, the balance in the Cash On Hand account should be zero. A credit balance in this account suggests that money was deposited, and the system was not told where that income came from. A debit balance in this account suggests that there is money waiting to be deposited.

To Enter an Income or Cash Receipt Transaction:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Income and Cash Receipts*.
   - If no transactions have been entered for the period selected, the Posting Income and Cash Receipts screen will be displayed in the "Vertical Mode" and is ready for data entry.

   - If transactions have already been entered for the period selected, the last transaction entered for that period will be displayed in the "Horizontal Mode." Select *F5 AddTrn* to add another transaction.

5. Enter a valid vendor, using a valid Vendor ID Code.
   - Select *F8 Help* to display a list of all vendors currently in the Vendor Master File if assistance is needed. Entering the first letter of the vendor ID before selecting *F8 Help* will display the vendors alphabetically starting with the letter entered. The mouse and scroll bar, Page Up and Page Down keys, space bar, and arrow keys are all methods that can be used to maneuver through the list of vendors in the Vendor ID Help window to search for the appropriate vendor. Once it is found, select the vendor by double-clicking on it, or by moving the highlight bar to that line and pressing *Enter*.

   - If the desired vendor is not found to be in the Vendor File, you can add them at this time without leaving Journal Entry. If the Vendor ID Help window is not already open, select *F8 Help*, then select *F7 Setup*. Fill in the required fields for the vendor and select *F9 End*, then *F7 Save* to save the vendor when you're finished. Refer to the instructions outlined in Chapter 3 – Vendor File Maintenance for further detail, if necessary.

   - If the vendor to be used is one that you will not likely do business with again and you do not wish to save them into your Vender File, a one-time vendor may be used. With the asterisk (*) in the Vendor field, press *Enter*, then type the vendor's name as desired.

6. Enter the Date of Receipt. For cash income, it is often best to use the date <u>you</u> <u>received</u> the income, rather than the date that appears on the vendor's check. This will help when trying to reconcile the 1010 Cash on Hand account.
   - Month and Year will default to the processing period chosen.

- Day of month will default to the current day if you are in the current month and year (and the System Calendar on your computer is set correctly).

- Once the first transaction is entered for a given posting session, the day will default to the day used in the previous transaction.

7. Check/Reference Number is optional in Income & Cash Receipts.
   - If you wish to track the check number a vendor uses to pay their account with you, a check number can be entered. Otherwise, press *Enter* and the system will fill this field automatically with a number created by using the month followed by the transaction number.

8. The cursor will be in the Net Amount of Cash Received field. At this point and on this line only, templates will be available (if any have been set up). See Chapter 5 – Journal Entry Templates for details on creating and using templates to simplify journal entry. If templates are being used, they should pop up automatically, or if they don't the *F6 SelTmp* button is available. All applicable vendor-specific templates and a menu item for non-vendor specific templates will be displayed, or if no vendor-specific templates exist for this vendor, the non-vendor specific list will be displayed. Choose a template. If none of the listed templates are applicable, select *F12 Exit* to return to the Net Amount of Cash Received field and continue the transaction without using a template.
   - If the order in which the templates are displayed is not favorable, they can be re-arranged at this point. Highlight the description of the template you would like to move, then select *F7 Move*. Double-click (or highlight and press *Enter*) on the location in the list you would like to move the template to. The template will be inserted <u>above</u> the point you choose. Continue this process until the templates are organized however you like.
   - If none of the templates listed are applicable for this transaction and you would like to create a template automatically for future use, finish this transaction, then refer to the section entitled "Creating Templates On The Fly" in Chapter 5- Journal Entry Templates.

9. Enter the Net Amount of Cash Received and press *Enter*. If a template was used, many of the following steps will be filled in for you and you can skip to Step 16. Otherwise, continue here.

10. Enter the Type Of Transaction Code which best describes this transaction.
    - Select *F8 Help* to display a list of the valid Type of Transaction Codes if assistance is needed. The two purposes of these transaction codes are to determine the debit/credit designation of the distribution and to narrow down the available choices when using *F8 Help* for the Ledger Account Number field. Entering a Type of Transaction Code greatly simplifies the process of choosing the correct Ledger Account Number and ensures greater consistency in your records.
    - If this Cash Receipt is a payment to an open invoice entered in the Accounts Receivable journal, enter P00, for Payment Received on Debt.

11. Enter a valid Ledger Account Number.
    - Select *F8 Help* to display a list of the valid ledger account numbers for the Type of Transaction chosen if assistance is needed. Account numbers are displayed in two levels in the Account Number Help window. The major accounts are displayed with

an asterisk beside those that have sub-accounts beneath them. To view the accounts beneath any major account, move the highlight bar to the major account, then select *F8 Help* again. An account can be selected from this list by double-clicking on the desired account, or by moving the highlight bar to the desired account and pressing *Enter*.

12. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

13. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record. A different Vendor ID may be entered if applicable.

14. The Invoice Number field is optional unless this check is being written to the 1040 00 Accounts Receivable account (to pay on invoices that were entered in the Accounts Receivable Journal). Press *Enter* to bypass Invoice Number or select *F8 Help* to display open invoices. A new screen will be displayed, listing all open invoices for this vendor. Select the invoices you wish to pay one at a time either by double-clicking on them, or by moving the highlight bar to them and pressing *Enter*. If you wish to pay an amount less than the balance due on any one invoice, highlight the invoice and select *PayAmt* rather than pressing *Enter*. This will give you the opportunity to pay an amount less than the balance due.

   ▪ If the invoice being paid has a discount offered (Refer to the Accounts Receivable section of this chapter for help on entering invoices with discounts) and the date of receipt is on or before the Discount Due Date, you have the option of taking the discount when you pay the invoice. With the desired invoice highlighted, select *F5 PayAmt*. Type in the amount to be paid (type the Balance Due amount if it is to be paid in full), then select *F6 Take The Discount*. The Payment Amount in the Selection Recap window will reflect the amount paid for that invoice with the discount taken.

   ▪ The *F6 PayHst* button may be used to display previous payments (Payment History) made to any invoice.

   ▪ The *F9 Sort* button may be used to sort invoices if numerous invoices are displayed. This gives you the ability to sort by Invoice Number, Invoice Date, Due Date, or Discount Date.

15. If this transaction is NOT a receipt of a payment to invoice in accounts receivable, skip this step and continue with Step 16. If this transaction IS receipt of a payment for an invoice in the Accounts Receivable journal, your transaction is complete. Select *F7 Save* to save the transaction, then select *F7 EndTrn* to end the transaction or skip to Step 24 to print a receipt (invoice).

16. Enter the amount for this distribution or press *Enter* to accept the entire Undistributed Amount as the amount for this distribution.

17. If no management detail (Item Category/Item Number, Profit/Cost Center, Site ID/Lot Number, or Quantity) is desired or required for this account, skip Steps 18 – 22 and proceed with Step 23.

18. Item Category/Item Number is optional unless otherwise specified in the Chart of Accounts. If Perpetual Inventory is being used and this distribution involves an inventory-

related account, an Item Category, Item Number, and Quantity must be specified. Enter a valid Item Category Code and Item Number or press *Enter* to bypass this field.

- Select *F8 Help* to display the valid Item Category and Item Numbers if assistance is needed.

19. Profit/Cost Center and Project is optional unless otherwise specified in the Chart of Accounts. Press *Enter* to bypass this field or enter a valid code.
    - Select *F8 Help* to display the valid Profit/Cost Center or Project codes if assistance is needed. If you wish to post to a Profit Center, Cost Center, or Project that is not set up, you can set it up at this time by selecting *F8 Help*, then selecting *F7 Setup*. For further assistance on Profit Centers, Cost Centers, and Projects, see Chapter 18 – Managerial Accounting.

20. Site ID/Lot Number is optional unless otherwise specified in the Chart of Accounts. Enter a valid Site ID/Lot Number or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Site ID/Lot Number codes and descriptions. For additional assistance on Site ID/Lot Numbers, see Chapter 18 – Managerial Accounting.

21. Quantity #1/Number Head is optional unless otherwise specified in the Chart of Accounts. Enter the number of head sold or press *Enter* to bypass this field.

22. Quantity #2/Number Units is optional unless otherwise specified in the Chart of Accounts. Enter the number of units or press *Enter* to bypass this field.
    - If Quantity #2 is used, a Unit of Measure may have to be entered if one is not already specified in the Chart of Accounts for that account. Select *F8 Help* to display the valid Unit of Measure Codes and descriptions if assistance is needed.

23. Select *F7 Save* to save the distribution.
    - If the Undistributed Amount is greater than zero, another distribution screen will be displayed. Repeat Steps 10 – 22.

24. If the Undistributed Amount is zero, the transaction is complete. Select *F7 EndTrn* to end the transaction without printing a receipt/invoice or select *F8 PtrInv* to display the top portion of the proposed receipt/invoice on the screen before printing. *Note that only the first line item of the invoice is displayed on the screen, regardless of the number of items billed.
    - Select *F1 Memo* once to bring the cursor to the Memo field for manual entry of a memo. Or, if you have created a list of memos to choose from, the *F8 Help* button will appear at this time. Select *F8 Help* to retrieve the saved list and double-click on the desired memo. If no memo list has been created, you can do so at this time by selecting *F7 Update*, then *F1 Add*. Save each memo before adding the next memo or exiting from the memo list.
        - If the address or vendor name does not appear to be correct on the displayed invoice, select *F9 UpdVdr* to modify the Vendor Record and make any necessary changes. Save your changes by selecting *F7 Save*, then you will be returned to the Print Invoice screen.
        - If there is no address in the vendor file for the current vendor, the *F2 Addr* button will be available. This may be used to enter the address on the current invoice

without making any change to the vendor file. Note that if you wish to save your change to the vendor file, you should choose *F9 UpdVdr* rather than *F2 Addr.*

- Select *F8 PrtInv* to print the invoice as it is displayed. If the invoice does not print, refer to Chapter 16 – Helpful Hints.

- If no further income and cash receipts are to be entered, select *F12 Exit* several times until the desired menu screen is displayed.

Bank Deposits

The Bank Deposits Journal is used to record the transfer of cash from the 1010 Cash On Hand account to a Checking, Savings, or Family Living Expense account (for cash withheld from a deposit). The Income and Cash Receipts Journal details the source of all the cash receipts, and the Bank Deposits Journal records the primary destination of the cash. Therefore, the Bank Deposits journal contains no detail as to the source of the cash that was deposited – it tells only where the cash on hand went. The primary purpose of the Bank Deposit Journal is to create an audit trail of cash coming into the business and to maintain accurate checking account/savings account balances. The Income & Cash Receipts Journal and the Bank Deposits Journal work hand-in-hand and are "reconciled" by maintaining a zero balance in the 1010 Cash On Hand account. Each time an entry is made in the Income and Cash Receipts Journal, TABS creates an automatic offset for the same net amount in the 1010 Cash On Hand account. This amount will be a debit in the 1010 account, which suggests that you have "X" dollars of cash on hand, waiting to be deposited. When an entry is made in the Bank Deposits Journal to show where this cash was deposited, TABS creates an automatic offset to the 1010 Cash On Hand account as a credit. Therefore, when all income and deposits are properly documented, the balance in the Cash On Hand account should be zero. The debits created by entries in the Income and Cash Receipts Journal and the credits created by entries in the Bank Deposits Journal "cancel" each other out, leaving the balance at zero. A credit balance at any point in time in the 1010 account suggests that money was deposited, and the system was not told where that income came from. A debit balance in this account suggests that there is money waiting to be deposited.

* Note – it is not a recommended practice to withhold cash from any deposit for family/personal use. Even though TABS allows for this practice, we recommend that you deposit 100% of your cash into the business checking and write a check to yourself or to your personal checking account for personal use. This creates a much cleaner audit trail and leaves your records open to less scrutiny.

To Enter a Bank Deposit:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Bank Deposits.*
    - If no transactions have been entered for the period selected, the Posting Bank Deposits screen will be displayed in the "Vertical Mode" and is ready for data entry.

- If transactions have already been entered for the period selected, the last transaction entered for that period will be displayed in the "Horizontal Mode." Select *F5 AddTrn* to add another transaction.

5. Enter a valid vendor, using a valid Vendor ID Code.
   - The vendor used here should always be the bank you're presenting your deposit to. Remember that you have already told the system who the cash was from in the Income and Cash Receipts Journal. Now you're just recording where the money was deposited, so the bank is the only vendor applicable.

   - If your bank has not yet been added to the vendor file, you can add it at this time without leaving Journal Entry. Select *F8 Help*, then select *F7 Setup*. Fill in the required fields for the vendor and select *F9 End,* then *F7 Save* to save the vendor when you're finished. Refer to the instructions outlined in Chapter 3 – Vendor File Maintenance for further detail, if necessary.

6. Enter the Date of Deposit.
   - Month and year will default to the processing period chosen.

   - Day of month will default to the current day if you are in the current month and year (and the System Calendar on your computer is set correctly).

   - Once the first transaction is entered for a given posting session, the day will default to the day used in the previous transaction.

7. Press *Enter* to bypass the Deposit/Reference Number. TABS will fill this field automatically.

8. The cursor will be in the Amount Tendered for Deposit field. At this point and on this line only, templates will be available (if any have been set up). See Chapter 5 – Journal Entry Templates for details on creating and using templates to simplify journal entry. If templates are being used, all applicable vendor-specific templates and a menu item for non-vendor specific templates will be displayed, or if no vendor-specific templates exist for this vendor, the non-vendor specific list will be displayed. Choose a template. If none of the listed templates are applicable, select *F12 Exit* to return to the Amount Tendered For Deposit field and continue the transaction without using a template.
   - If the order in which the templates are displayed is not favorable, they can be re-arranged at this point. Highlight the description of the template you would like to move, then select *F7 Move*. Double-click (or highlight and press *Enter*) on the location in the list you would like to move the template to. The template will be inserted <u>above</u> the point you choose. Continue this process until the templates are organized however you like.

   - If none of the templates listed are applicable for this transaction and you would like to create a template automatically for future use, finish this transaction, then refer to the section entitled "Creating Templates On The Fly" in Chapter 5 – Journal Entry Templates.

9. Enter the Amount Tendered For Deposit and press *Enter*. This amount should include not only the amount deposited into a checking or savings account, but also any cash withheld from the deposit for personal use. If a template was used, much of the screen will be filled in for you and you can skip to Step 15. Otherwise, continue here.

10. Enter the Type Of Transaction Code which best describes this transaction – most likely a "D" for deposit, or an "X" for cash withheld.
    - Select *F8 Help* to display a list of the valid Type of Transaction Codes if assistance is needed.

11. Enter a valid Ledger Account Number, which is any valid checking or savings account, or the 9010 Family Living/Unclassified account. Payments may also be made directly to a liability account from the bank deposits journal if it is set up correctly in the Accounting Offset File.
    - Select *F8 Help* to display a list of the valid ledger account numbers for the Type of Transaction chosen if assistance is needed. Account numbers are displayed in two levels in the Account Number Help window. The major accounts are displayed with an asterisk beside those that have sub-accounts beneath them. To view the accounts beneath any major account, move the highlight bar to the major account, then select *F8 Help* again. An account can be selected from this list by double-clicking on the desired account, or by moving the highlight bar to the desired account and pressing *Enter*.

12. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

13. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

14. Press *Enter* to bypass the Invoice Number field.

15. Enter the amount for this distribution or press *Enter* to accept the entire Undistributed Amount as the amount for this distribution.

16. Press *Enter* to bypass the Item Category/Item Number field.

17. Select *F7 Save* to save the distribution.
    - If the Undistributed Amount is greater than zero, another distribution screen will be displayed. Repeat Steps 10 – 16.
    - If the Undistributed Amount is zero, the transaction is complete. Select *F7 EndTrn* to end the transaction.

18. If no further deposits are to be entered, select *F12 Exit* several times until the desired menu screen is displayed.

Payables / Charge Purchases

The use of the Payables/Charge Purchases Journal is totally optional in TABS. Checks can be written directly from the Check Disbursements Journal without the use of accounts payable just as income can be brought directly into the Income and Cash Receipts Journal without using the accounts receivable. However… there are a great many benefits to utilizing both the Accounts Payable and the Accounts Receivable Journal in your business. When using these two journals, purchases or sales are entered in the system at the time of the transaction, regardless of whether or not money actually changed hands at that time. This manner of record keeping utilizes both cash basis and accrual basis accounting simultaneously. On the cash basis, your records won't show any income or expenses until money actually changes hands. On the accrual basis, however, you will be able to see a more accurate picture of your business and where it stands financially - as all

expenses and income will be included in the reports, regardless of whether they have been paid or received.

Another unique feature with TABS and accounts payable is the software's ability to automatically interact with inventory and allow it to be kept current, whether or not money has changed hands for the inventory item that was purchased.

Other benefits to using Payables/Charge Purchases:
- If invoices are entered into Accounts Payable as they occur, you can query your system at any point in time and view either on paper or on the screen, a list of all open invoices and their due dates. This eliminates many hours spent sorting through a pile of bills to determine which vendors need paid first.

- The confusion of trying to remember the breakdown of the different items you purchased from a vendor whom you do not pay off completely each month is eliminated – the system remembers the breakdown for you!

- Utilizing Accounts Payable allows for a much more organized office. If invoices are entered into TABS as they occur or as they arrive in the mail each day, those invoices can immediately be filed away. There is no need to clutter up the office desk with invoices that need paid – the computer will remind you who they are!

Before using Accounts Payable for the first time, there are a few settings in the Processing Control File that should be reviewed to ensure their correctness.

Setting The Processing Control File:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF4 Processing Control File Maintenance* from the File Maintenance Applications Menu.

4. Review the settings of the Processing Control File to be sure they meet your needs. The following details the settings that are pertinent to using Accounts Payable:
   - Accounts Payable Accounts
     - Set at 2010 00 Thru 2010 99.

   - Accounts Payable Change Account:
     - Set at 2992 00.

   - AP Prompt Pay Discount Account:
     - Set at 3820 00 Cash Discount Received, or 3821 00 AP Prompt Pay Discounts Received, depending on the level of detail you desire.

   - AP Service Charge Account
     - Set at 5810 00 Finance/Late Charges Paid, or 5811 00 AP Service/Late Charges Paid, depending on the level of detail you desire.

At this point, we are ready to enter an Accounts Payable Invoice:

To Enter an Account Payable:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Payable/Charge Purchases.*
   - If no transactions have been entered for the period selected, the Posting Payables/Charge Purchases screen will be displayed in the "Vertical Mode" and is ready for data entry.

   - If transactions have already been entered for the period selected, the last transaction entered for that period will be displayed in the "Horizontal Mode." Select *F5 AddTrn* to add another transaction.

5. Enter a vendor using a valid Vendor ID Code.
   - Select *F8 Help* to display a list of all vendors currently in the Vendor Master File if assistance is needed. Entering the first letter of the Vendor ID before selecting *F8 Help* will display the vendors alphabetically starting with the letter entered. The mouse and scroll bar, Page Up and Page Down keys, space bar, and arrow keys are all methods that can be used to maneuver through the list of vendors in the Vendor ID Help window to search for the appropriate vendor. Once it is found, select the vendor by double-clicking on it, or by moving the highlight bar to that line and pressing *Enter.*

   - If the desired vendor is not found to be in the Vendor File, you can add them at this time without leaving Journal Entry. If the Vendor ID Help window is not already open, select *F8 Help*, then *F7 Setup.* Fill in the required fields for the vendor and select *F9 End,* then *F7 Save* to save the vendor when you're finished. Refer to the instructions outlined in Chapter 3 – Vendor File Maintenance for further detail, if necessary.

6. Enter the Date of Invoice.
   - Month and year will default to the processing period chosen.

   - Day of month will default to the current day if you are in the current month and year (and the System Calendar on your computer is set correctly). Make necessary changes to match the date on the invoice.

   - Once the first transaction is entered for a given posting session, the day will default to the day used in the previous transaction.

7. Enter the Invoice Number or press *Enter* to allow the system to assign an invoice number automatically. All automatic invoice numbers will consist of the processing period, followed by the transaction number.

8. The cursor will be in the Net Amount of Invoice field. At this point and on this line only, templates will be available (if any have been set up). See Chapter 5 – Journal Entry Templates for details on creating and using templates to simplify journal entry. If templates are being used, all applicable vendor-specific templates and a menu item for non-vendor specific templates will be displayed, or if no vendor-specific templates exist for this vendor, the non-vendor specific list will be displayed. Choose a template. If none of the listed templates are applicable, select *F12 Exit* to return to the Net Amount of Invoice field and continue the transaction without using a template.

- If the order in which the templates are displayed is not favorable, they can be re-arranged at this point. Highlight the description of the template you would like to move, then select *F7 Move*. Double-click (or highlight and press *Enter*) on the location in the list you would like to move the template to. The template will be inserted <u>above</u> the point you choose. Continue this process until the templates are organized however you like.

- If none of the templates listed are applicable for this transaction and you would like to create a template automatically for future use, finish this transaction, then refer to the section entitled "Creating Templates On The Fly" in Chapter 5 – Journal Entry Templates.

9. Enter the Net Amount of Invoice and press *Enter or* leave the net amount blank to allow the computer to add the distributions for you. If a template was used, much of the screen will be filled in for you and you can skip to Step 14. Otherwise, continue here.

10. Enter the Type Of Transaction Code which best describes this transaction.
    - Select *F8 Help* to display a list of the valid Type of Transaction Codes if assistance is needed.

11. Enter a valid Ledger Account Number.
    - Select *F8 Help* to display a list of the valid ledger account numbers for the Type of Transaction chosen if assistance is needed. Account numbers are displayed in two levels in the Account Number Help window. The major accounts are displayed with an asterisk beside those that have sub-accounts beneath them. To view the accounts beneath any major account, move the highlight bar to the major account, then select *F8 Help* again. An account can be selected from this list by double-clicking on the desired account, or by moving the highlight bar to the desired account and pressing *Enter*.

12. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the comments field blank to bypass this option. Note that any comments entered will appear on the printed invoice.

13. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record. A different Vendor ID may be entered if applicable.
    - Press *Enter* to default Eligible Prompt Pay Discount to "No" if no discount is offered or change to "Y" if a prompt pay discount is offered.

14. Enter the amount for this distribution or press *Enter* to accept the entire Undistributed Amount as the amount for this distribution.

15. If no management detail (Item Category/Item Number, Profit/Cost Center and Project, Site ID/Lot Number, or Quantity) is desired or required for this account, skip Steps 16 – 20 and proceed with Step 21.

16. Item Category/Item Number is optional unless you are keeping perpetual inventory and this distribution involves an inventory item, or unless this distribution involves an item purchased for resale.
    - Select *F8 Help* to display the valid Item Category and Item Numbers if assistance is needed. If you are entering an Item Number that has not been set up yet, you can do so at this time. Exit from the Help window, type the appropriate Item Category, then

assign an Item Number for the new item and press *Enter*. A yellow error message will appear, and the *F7 Setup* button will appear, allowing you to add the new item number and description.

17. Profit/Cost Center and Project is optional unless otherwise specified in the Chart of Accounts. Enter a valid code number or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Profit/Cost Center and Project codes and descriptions if assistance is needed.

18. Site ID/Lot Number is optional unless otherwise specified in the Chart of Accounts. Enter a valid code number or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Site ID/Lot Number codes and descriptions if assistance is needed.

19. Quantity #1/Number Head is optional unless otherwise specified in the Chart of Accounts. Enter the number of head purchased or press *Enter* to bypass this field.

20. Quantity #2/Number Units is optional unless otherwise specified in the Chart of Accounts. Enter the number of units or press *Enter* to bypass this field.
    - If Quantity #2 is used, a Unit of Measure may have to be entered if it is not already specified in the Chart of Accounts. Select *F8 Help* to display the valid Unit of Measure Codes and descriptions.

21. Select *F7 Save* to save the distribution.
    - If the Undistributed Amount is greater than zero, another distribution screen will be displayed. Repeat Steps 10 – 20.

    - If the Undistributed Amount is zero, the transaction is complete. Select *F7 EndTrn* to end the transaction.

22. If no further invoices are to be entered, select *F12 Exit* several times until the desired menu screen is displayed.

Receivables / Charge Sales

The use of the Receivables/Charge Sales Journal is totally optional in TABS. Income can be brought in directly into the Income and Cash Receipts Journal without the use of accounts receivable just as disbursements can be made directly from the Check or Cash Disbursements Journal without using accounts payable. However… there are a great many benefits to utilizing both the Accounts Receivable and the Accounts Payable Journal in your business. When using these two journals, purchases or sales are entered in the system at the time of the transaction, regardless of whether or not money actually changed hands at that time. This manner of record keeping utilizes both cash basis and accrual basis accounting simultaneously. On the cash basis, your records won't show any income or expenses until money actually changes hands. On the accrual basis however, you will be able to see a truer picture of your business and where it stands financially, as expenses and income are shown at the time the transaction is made.

Another unique feature with TABS and accounts receivable is the software's ability to automatically interact with inventory and allow it to be kept current, whether or not money has changed hands for the inventory item that was sold.

Other benefits to using Receivables/Charge Sales:

- You can print detailed invoices and monthly statements for the vendors who owe you money.

- You can print an "Open Invoice Report" at any point in time or view on the screen from the Inquiry Program, a complete list of vendors who owe you money.

- The confusion of trying to remember the breakdown of the different items you billed a vendor for as he/she makes partial payments on a bill is eliminated – the system remembers the breakdown for you!

Before beginning to create Invoices, some thought must be given as to how you will use this feature. What are the things you will be invoicing for? Do they involve inventory? Are they Items Purchased for Resale that have basis? Are they services provided that should be tracked in separate Chart of Account numbers, or do some things have the same general classification and you want only the detailed description to show on the invoice (rather than cluttering up the Chart of Accounts, printed reports, etc. by creating separate accounts for each item or activity billed)? One example for services would be in the case of a person who does custom work. That person may wish to keep their Chart of Accounts simple and post all of their custom work income into one account called "Custom Work," but on the invoice, he/she wants to show the detail that explains the type of custom work that was provided, such as Planting, Anhydrous Application, Spraying, etc. Another person may want to track these different kinds of custom work in separate accounts so they can see the detail of each of these every time a report is printed, or the balances are reviewed through Inquiry Applications. Each of these two cases are valid ways of keeping records and invoicing vendors, and neither is right or wrong. It is a decision that must be made by each individual business, depending on the level of detail desired in the records.

Preparing for Invoicing:

There are a few preliminary steps necessary to prepare your system for invoicing. Depending on the level of detail you desire and the nature of the items you're invoicing, the difficulty level can vary from easy to complex. If you are doing very minimal invoicing or are not printing your invoices and you find it acceptable to use the ledger account description to show the detail of the service or item sold on the printed invoice (as opposed to having a more detailed description), skip this section and continue with the section titled "To Enter an Account Receivable." If you would like more detailed invoices or if the items sold involve inventory items or resale items, you must complete this "Preparing for Invoicing" section first before continuing with invoicing.

In this section, we will be creating Item Category Codes and Item Numbers, as well as changing the system settings to best fit your invoicing needs. Due to the flexibility of the software and the sheer power it demonstrates in its ability to tie accounts receivable and invoicing with inventory, one of the biggest challenges you'll find in setting up your accounts is determining what method is best for your business. First, you must have an understanding of the terminology used.

Item Category Code – Among other things, an Item Category Code is used to group each general activity or general classification of items that are to be billed. It is much like a *Major* ledger account number, where the account description is general and allows for much more detailed accounts beneath. The Item Category Code is general too, and it allows for much more detailed

descriptions (Item Numbers) beneath. The Item Category Code is not the description that appears on an invoice – it is used only to group the individual items or services that will be billed. The Item Category Code is a number you create in most cases, but there are also a number of Category Codes already provided in the TABS software. Perhaps the best way to explain what Category Codes are is to take you through the ones that already exist in the software.

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F6 Item Category File* from the File Maintenance Applications Menu.

4. Select *F1 PrvRcd* from the Item Category File Maintenance Menu to get to the beginning of the file. The Item Category Code 005 will appear. Note that its description is Stocks/Securities Readily Marketable, and the valid posting accounts that are used in either a purchase or a sale of these stocks are listed underneath the description.

5. Select *F2 NxtRcd* to view the next record. Continue through the records in this manner until you reach the end. By doing this, you should have a feel for what Item Category Codes are. They are similar to the *Major* ledger account numbers in that they are very general in their description and allow for more detail beneath.

6. Select *F12 Exit* four times until you get back to the main System Menu.

Item Number – Among other things, an Item Number is used to describe the exact service or item being sold on an invoice. It is the Item Number Description that will appear on an invoice when using them, so care must be taken to make the wording clear and concise. Item numbers are also used to maintain inventory records, so if inventory has been entered into TABS for your business, some Item Numbers may already exist for raised items or items purchased for resale.

If you are clear on what Item Category Codes and Item Numbers are, continue with the setup procedure. The following process will take you through (A) Creating Item Categories; (B) Creating Item Numbers; (C) Setting the Print Format Control File; (D) Setting the Processing Control File.

A. Creating Item Categories:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F6 Item Category File* from the File Maintenance Applications Menu.

4. Select *F5 Add Rcd* to add a record.

5. Enter an Item Category Code. Generally, if you have to add a Category Code, it is best to use the middle two numbers of the chart of account number you're building Item Numbers for. This is consistent with the Category Codes already provided in the software, but occasionally it is not possible because that code may already exist for another use. An Item Category Code needs to be created for each general activity or general classification of items that are to be billed. The Category Code is used only to group the individual items or services that will be billed, so each category should be very general in its description. This

process can be very confusing even to an experienced TABS user. Following are some examples:

- Example A: If you are doing custom work and wish to show the detail of your services on each invoice, set up an Item Category Code such as 078 to use for the individual item numbers involved. The only logic behind using 78 is that 7 and 8 are the middle two digits of the ledger account number 3780 Custom Work/ Machine Hire Income, and this method is consistent with the method used to number other Category Codes already included in the TABS software.

- Example B: If you purchase items for resale and want to allow the computer to track the basis of these items for you, it is not necessary to set up an Item Category Code. The 048 Item Category is already provided for this purpose. Four and eight are the middle two numbers of the ledger account 4480 Sale of Misc. Resale Items.

- Example C: If you are selling miscellaneous parts or items that have been expensed at the time of purchase and you do not keep an inventory of these items, set up an Item Category Code consisting of zero, followed by the middle two numbers of the income account the sale will be posted to. Occasionally, you may find that the number you choose to use has already been taken for another Category. If this is the case, simply pick another number.

6. Enter an Item Category Description.
   - In Example A, this might be "Custom Work Income."
   - In Example B, the description already exists as "Miscellaneous Resale Items."
   - In Example C, this could be something like "Sale of Misc. Parts."

7. Enter Category Class Code as 99.

8. Enter the valid posting accounts that may be used in conjunction with this Item Category Code. Be sure to include the full range of accounts desired. Multiple account ranges can be added.
   - For Example A, the range would be 3780 00 Thru 3789 99.
   - For Example B, the accounts already exist, including all possible accounts that might involve resale items.
   - For Example C, enter the account range for the income account you will use to record the income from the sale of parts.

9. When all valid account ranges have been added, select *F12 Exit* two times to close the extra windows, then select *F7 Save* to save your entry.

10. Repeat the process as many times as necessary to create all desired Item Categories.

11. Select *F12 Exit* twice to return to the File Maintenance Applications Menu. Now continue by creating Item Numbers – which will describe the exact item or service being sold.

B. Creating Item Numbers:

1. Select *SF6 Item Number File* from the File Maintenance Applications Menu.

2. Select *F5 AddRcd* to add a new record.

3. Enter the Ledger Account Number that will be used for the item number to be entered.

4. Enter the Item Category that is valid to be used for the selected ledger account.

5. Enter an Item Number to be used for the selected Ledger Account Number and Item Category. The Item Number field can contain up to five digits. This allows for 99,999 Item Numbers for each Item Category. Therefore, some thought may be put into the numbering sequence if you are selling items that can be put in some sort of "order." There are plenty of numbers to choose from, so it doesn't hurt to "scatter them around" a bit. If you are selling ½" pipe and 1" pipe, for instance – you might wish to leave some numbers between the two in case you decide to carry ¾" pipe later. That way, your order will be maintained even after you add product that you didn't carry earlier.

6. Enter an Item Description. This is the description that will appear on invoices, so care should be taken to be sure it is clear and concise. The Caps Lock Key may be turned off in order to prevent this entry from being in all capital letters.

7. Select *F7 Save* to save this item.

8. Repeat Steps 3 – 7, or when all entries are complete, select *F12 Exit* until the Main System Menu is displayed.

C. Setting the Print Format Control File:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF7 Print Format Control File* from the File Maintenance Applications Menu.

4. Select *F6 GetRcd* to get a record.

5. In the Report Type Code field, type *IN 01,* then select *F8 Help.* The Record Retrieval Help window will appear and IN 01 B Invoices With Headings should be highlighted. Press *Enter* or double-click on Invoices With Headings.

6. Review the settings of this Report Type Code to be sure they meet your needs. The following details those settings:
    - Format:
        - Set at 001 if you will be printing invoices on plain paper with no letterhead. (This is the default if no changes have been made)
        - Set at 002 if you will be printing invoices on paper with a pre-printed letterhead.
    - Printer Number:
        - Set the Printer Number for the appropriate printer, number 1 through 5, as is set up in the System Configuration File. (The default will be Printer 1) If printers have not been set in the System Configuration File, see the "Install The Software" section of Chapter 1 – Getting Started.
    - Top Margin Inches:
        - This setting is not used for the Report Code IN01
    - Top Margin Lines:
        - This setting allows you to choose how many lines you want the printer to leave at the top of the page before beginning to print. There is no set number that works

for all printers or all invoices, but most inkjet/laser printers work well with a setting between 4 and 6 lines. Choose a setting, then print an invoice. Fold the invoice to fit in an envelope, then determine if adjustments need made to the alignment to better fit your envelopes. Return to the Print Format Control File to make further adjustments and save your changes with *F7 Save*.

7. Select *F7 Save* to save any changes you made, then select *F12 Exit* three times to return to the main System Menu

D. Setting the Processing Control File:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF4 Processing Control File* from the File Maintenance Applications Menu.

4. Review the settings of the Processing Control File to be sure they meet your needs. The following details the settings that are pertinent to using Accounts Receivable and Invoicing:
   - Accounts Receivable Accounts
     - Set at 1040 00 Thru 1040 99.

   - Accounts Receivable Change Account:
     - Set at 2993 00.

   - AR Prompt Pay Discount Account:
     - Set at 5820 00 Cash Discounts Allowed, or 5821 00 AR Prompt Pay Discounts Allowed, depending on the level of detail desired.

   - AR Service Charge Account
     - Set at 3810 00 Finance/Service Charges Received, or 3811 00 AR Service/Late Charges Received, depending on the level of detail desired.

At this point, we are ready to enter an Accounts Receivable Invoice:

To Enter an Account Receivable:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Receivable/Charge Sales*.
   - If no transactions have been entered for the period selected, the Posting Receivables/Charge Sales screen will be displayed in the "Vertical Mode" and is ready for data entry.

   - If transactions have already been entered for the period selected, the last transaction entered for that period will be displayed in the "Horizontal Mode." Select *F5 AddTrn* to add another transaction.

5. Enter a vendor using a valid Vendor ID Code.
   - Select *F8 Help* to display a list of all vendors currently in the Vendor Master File if assistance is needed. Entering the first letter of the Vendor ID before selecting *F8 Help*

will display the vendors alphabetically starting with the letter entered. The mouse and scroll bar, Page Up and Page Down keys, space bar, and arrow keys are all methods that can be used to maneuver through the list of vendors in the Vendor ID Help window to search for the appropriate vendor. Once it is found, select the vendor by double-clicking on it, or by moving the highlight bar to that line and pressing *Enter*.

- If the desired Vendor is not found to be in the Vendor File, you can add them at this time without leaving Journal Entry. If the Vendor ID Help window is not already open, select *F8 Help*, then *F7 Setup*. Fill in the required fields for the vendor and select *F9 End*, then *F7 Save* to save the vendor when you're finished. Refer to the instructions outlined in Chapter 3 – Vendor File Maintenance for further detail, if necessary.

6. Enter the Date of Invoice.
   - Month and year will default to the processing period chosen.

   - Day of month will default to the current day if you are in the current month and year (and the System Calendar on your computer is set correctly).

   - Once the first transaction is entered for a given posting session, the day will default to the day used in the previous transaction.

7. Enter the Invoice Number or press *Enter* to allow the system to assign an invoice number automatically. All automatic invoice numbers will consist of the processing period, followed by the transaction number.

8. The cursor will be in the Net Amount of Invoice field. At this point and on this line only, templates will be available (if any have been set up). See Chapter 5 – Journal Entry Templates for details on creating and using templates to simplify journal entry. If templates are being used, all applicable vendor-specific templates and a menu item for non-vendor specific templates will be displayed, or if no vendor-specific templates exist for this vendor, the non-vendor specific list will be displayed. Choose a template. If none of the listed templates are applicable, select *F12 Exit* to return to the Net Amount Of Invoice field and continue the transaction without using a template.
   - If the order in which the templates are displayed is not favorable, they can be re-arranged at this point. Highlight the description of the template you would like to move, then select *F7 Move*. Double-click (or highlight and press *Enter*) on the location in the list you would like to move the template to. The template will be inserted <u>above</u> the point you choose. Continue this process until the templates are organized however you like.

   - If none of the templates listed are applicable for this transaction and you would like to create a template automatically for future use, finish this transaction, then refer to the section entitled "Creating Templates On The Fly" in Chapter 5 – Journal Entry Templates.

9. Enter the Net Amount of Invoice and press *Enter or* leave the net amount blank to allow the computer to add the distributions for you. If a template was used, many of the following steps will be filled in for you.

10. Enter the Type Of Transaction Code which best describes this transaction.
    - Select *F8 Help* to display a list of the valid Type of Transaction Codes if assistance is needed.

11. Enter a valid Ledger Account Number.
    ▪ Select *F8 Help* to display a list of the valid ledger account numbers for the Type of Transaction chosen. Account numbers are displayed in two levels in the Account Number Help window. The major accounts are displayed with an asterisk beside those that have sub-accounts beneath them. To view the accounts beneath any major account, move the highlight bar to the major account, then select *F8 Help* again. An account can be selected from this list by double-clicking on the desired account, or by moving the highlight bar to the desired account and pressing *Enter.*

12. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the comments field blank to bypass this option. Note that any comments entered <u>will</u> appear on the printed invoice.

13. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record. A different Vendor ID may be entered if applicable.
    ▪ Press *Enter* to default Eligible Prompt Pay Discount to "No" if no discount is offered or change to "Y" if a prompt pay discount is offered.

14. Enter the amount for this distribution or press *Enter* to accept the entire Undistributed Amount as the amount for this distribution.

15. If no management detail (Item Category/Item Number, Profit/Cost Center and Project, Site ID/Lot Number, or Quantity) is desired or required for this account, skip Steps 16 – 20 and proceed with step 21. * Note that if no Item Category/Item Number are entered, the Ledger Account Description and Comments will appear on the invoice as a description of the service or items sold.

16. Item Category/Item Number is optional if you are satisfied with using the ledger account name / description to as detail of the services rendered, or items sold on the invoice. If you would like to be more specific on your invoices as to the description of each line item, the Item Category/Item Number fields will allow that. Anything entered in Item Category and Item Number takes precedence over account number on the printed invoice. For example, see Figure 4.1. In this transaction to George

Figure 4.1 – Posting Receivables/Charge Sales, Item Number Help display

Karnse, George is being billed for a net amount of $950.00. The account number used for the first distribution is 3780 Custom Work/ Machine Hire Income. If the Item Category/Item Number fields were left blank in that distribution, George's invoice would read "Custom Work/Machine Hire Income" for that line item. If more specific descriptions are desired on the invoice, however, Item Numbers such as those displayed should be set up. Figure 4.1 shows an Item Number Help window where four different item numbers have been set up to describe different services related to hauling manure. By using the Item Category 078, combined with any or all of the four Item Numbers, George's

invoice can be very specific, while the accounting still remains "un-cluttered" because all of this income is still being posted to the 3780 Custom Work/Machine Hire Account.

- For assistance in setting up Item Categories or Item Numbers, see the "Preparing For Invoicing" section of this chapter.

- Select *F8 Help* to display the valid Profile Category and Item Numbers.

17. Profit/Cost Center and Project is optional unless otherwise specified in the Chart of Accounts. Enter a valid code number or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Profit/Cost Center and Project codes and descriptions if assistance is needed.

18. Site ID/Lot Number is optional unless otherwise specified in the Chart of Accounts. Enter a valid code number or press *Enter* to bypass this field.
    - Select *F8 Help* to display the valid Site ID/Lot Number codes and descriptions if assistance is needed.

19. Quantity #1/Number Head is optional unless otherwise specified in the Chart of Accounts. Enter the number of head purchased or press *Enter* to bypass this field.

20. Quantity #2/Number Units is optional unless otherwise specified in the Chart of Accounts. Enter the number of units or press *Enter* to bypass this field.
    - If Quantity #2 is used, a Unit of Measure may have to be entered if it is not already set up in the Chart of Accounts. Select *F8 Help* to display the valid Unit of Measure Codes and descriptions if assistance is needed.

21. Select *F7 Save* to save the distribution.
    - If the Undistributed Amount is greater than zero, another distribution screen will be displayed.   Repeat Steps 10 – 20.

22. If the Undistributed Amount is zero, the transaction is complete. Select *F7 EndTrn* to end the transaction without printing the invoice or select *F8 PrtInv* to display the first line of the proposed invoice on the screen before printing. *Note that only the first line item will be displayed on the screen to be previewed, regardless of the number of items on the invoice.
    - Select *F1 Memo* once to bring the cursor to the Memo field for manual entry of a memo. Or, if you have created a list of memos to choose from, the *F8 Help* button will appear at this time. Select *F8 Help* to retrieve the saved list and double-click on the desired memo. If no memo list has been created, you can do so at this time by selecting *F7 Update*, then *F1 Add*. Save each memo before adding the next memo or exiting from the memo list.

    - If the address or vendor name does not appear to be correct on the displayed invoice, select *F9 UpdVdr* to modify the Vendor Record and make any necessary changes. Save your changes by selecting *F7 Save*, then you will be returned to the Print Invoice screen.

    - If there is no address in the vendor file for the current vendor, the *F2 Addr* button will be available. This may be used to enter the address on the current invoice *without making any change to the vendor file*. Note that if you wish to save your change to the vendor file, you should choose *F9 UpdVdr* rather than *F2 Addr*.

    - Select *F8 PrtInv* to print the invoice as it is displayed. If the invoice does not print, refer to instructions on setting the Print Format Control File to verify its correctness.

23. If no further invoices are to be entered, select *F12 Exit* a number of times until the desired menu screen is displayed.

Inventory Change

What is considered "inventory?" Inventory includes raised or purchased assets on hand that are not already included in the depreciation system – so they are "non-depreciable" assets of value. This includes such things as raised livestock, feed on hand, crop inventories, growing crops, supplies, etc.

TABS is unique in its ability to keep both cash and accrual basis ledger systems simultaneously while maintaining accurate inventories. If you enter a complete beginning inventory, then use the proper procedure to record account activity and adjustments during the year, the year-end inventory adjustments will be minimal. Inventory account balances can then be transferred at year-end and the need to create a beginning inventory in succeeding years is un-necessary.

There are two basic types of inventory that can be used in TABS – Periodic Inventory and Perpetual Inventory. With Periodic Inventory, you manually take inventory at the end of each year (or when an updated balance sheet is desired) and enter the total balance on hand of each item into the computer without showing the increases and decreases that have occurred during the year for those items. Perpetual Inventory is a way of entering inventory changes as they occur and maintaining accurate inventory balances at all times. Either of these two methods can be used, or a combination of both may be used. Perhaps you want to keep perpetual inventory of your shelled corn so the inventory is always accurate, but you don't care to maintain perpetual inventory for the bales of straw in the barn. This can be done. If basis items (items or livestock purchased for resale, or CCC basis grain) are involved, however, you <u>must</u> keep perpetual inventory on those items so the proper costs can be generated.

The following instructions describe the process of maintaining inventory of non-depreciable items. If this is the first time you have entered any inventory in your records and you are entering a beginning inventory (inventory as of the first day of the year), see Chapter 1 – Getting Started for instructions on entering beginning inventory.

For Periodic Inventory:

Periodic Inventory means you have taken a physical inventory of inventory items on hand, and you wish to show this "Balance On Hand" without consideration to increases and decreases that have happened throughout the year. This method ignores any previous balance or changes that have occurred for these items and brings the inventory immediately up to date. The printed balance sheet or trial balance will reflect only the balance and value you enter. This method can be used by itself, or it can be used in combination with Perpetual inventory to make corrections to inventory items that need to be adjusted. Caution! There are two conditions for which you must <u>NEVER</u> use Balance On Hand Inventory:

- <u>Never</u> use Balance On Hand inventory to adjust inventory for items that have <u>basis</u> or for <u>resale</u> <u>items</u>. This includes any accounts that fall under the 031 CCC Basis Grain profile category and any accounts that fall under the 048 Miscellaneous Resale Items

profile category. Follow instructions described under the Perpetual Control Inventory section for adjustments to these accounts.

- <u>Never</u> use Balance On Hand inventory if you are using Managerial Accounting to track income/expenses of individual Profit & Cost Centers. It is important to show all increases and decreases of inventory items in order to accurately reflect income and costs. Follow instructions described under the Perpetual Control Inventory if Managerial Accounting is being used.

It is helpful to print a list of the existing inventory in TABS before you attempt to enter Balance On Hand inventory changes. This way, you know what account numbers and item numbers were used, and what value each item was given in the past.

To Print The List Of Existing Inventory:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F7 Inquiry Applications* from the General Ledger System Menu.

3. Select *F4 Non Depreciable Inventory Data.*
   - The Selection Criteria For Inventory Inquiry Window will be displayed. The system defaults to Cash Basis, period 00 through 13.

4. Change your query from Cash (the default) to Accrual/Market Basis by entering into the <u>Accounting Basis</u> field and selecting *A = Accrual/Market Basis.*

5. If you would like to specify a definite range of months to include in your query, enter into the <u>Accounting Period</u> field and specify the ending month. You cannot select a starting month other than Period 00, as it is necessary to include Opening Balances for Inventory.

6. Select *F9 Select* to prompt the system to calculate inventory balances and display them on the screen. The non-depreciable inventory accounts will be displayed on the screen, complete with balances and quantities.

7. Select *F1 PrtBal* if you wish to print the balance of the inventory accounts as they are seen on the screen.

8. Detail of any specific account may be viewed by either double-clicking on it, or by placing the highlight bar on it and pressing *Enter.*

9. Select *F2 PrtDtl* if you wish to print the detail (all transactions) of the account selected.

Selecting *F12 Exit* will return the view to the account listing after looking at specific detail on any account.

Entering Balance On Hand (Periodic) Inventory:

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period. This should be the month in which the physical inventory was taken.

4. Select *Inventory Changes.*

5. If one or more inventory changes have already been entered in this month, the title bar of the window displayed will say "Review/Modify Inventory Changes." Press *F5 AddTrn* to add another change. If no inventory changes have been entered in this month yet, the title bar will read "Add Inventory Change Transactions" and it is ready for entry.

6. Enter a valid Item Category Code. The Item Category Code is a zero, followed by the middle two digits of the corresponding Ledger Account Number.
   ▪ Select *F8 Help* to display a list of valid Item Category Codes if assistance is needed.

7. When entering "Balance On Hand Inventory," you are telling the system exactly how many units of each item you have on hand at that particular point in time, and what each unit is worth. "Balance On Hand Inventory" is now entered separately for Cost Basis Values vs. Market Values. In most cases, you will need to enter only the "B02" Transaction Type entry for the Market Value Balance On Hand. This will make the Market Value of the inventory items show up on a Market Value Balance Sheet. (Inventory is typically not reported on a true Cost Basis balance sheet for a Cash Basis tax filer).

8. After selecting *B02* as the Type of Transaction, Enter a valid Ledger Account Number for the Item Category selected.
   ▪ Select *F8 Help* to display a list of valid accounts if assistance is needed.

9. Enter an Item Number/Description. You can track up to 99,999 different items for each inventory account number, so you are almost limitless on amount of detail you can keep. It is often useful to create different item numbers when you have items that fall under the same basic account number, but may have different values. Examples of situations where more than one item number have been used:
   - Enter four or five different item numbers for each cutting of hay in the account 1221 00 Hay Raised On Hand, or for round bales vs. square bales.
   - Track corn stored in different bins or storage locations by using different item numbers under the account 1211 00 Corn Raised On Hand.
   - Split your dairy herd and replacements into various groups according to value such as Lactating Cows, Bred Heifers, Open Heifers, Yearlings, & Calves – all under the 1614 00 Breeding Dairy Cattle Raised account.

   ▪ Select *F8* Help to display a list of valid Item Numbers for this account. If no special Item Descriptions have been added, the cursor will skip past that field and it will default to 00001. The item description will be the same as the account name.

   ▪ If you wish to create a new Item Number/Description for this account so you can keep more detail without adding more accounts, type a number in the Item Number field that has not already been used. The cursor will move to the Description field. Type the desired description and press *Enter*. (If your cursor has already skipped past this Item Description field and you wish to add a new item, you cannot back up to that field – you must exit from Inventory Change and start over with this entry.)

10. Enter the desired Date of Change (the date the physical inventory was taken).

11. Press *Enter* to accept the default Reference Number.

12. The Comments field is optional. Enter a meaningful remark or explanation if desired, or press *Enter* to bypass this option.

13. Profit/Cost Center and Project is optional. Enter a valid Profit/Cost Center and Project, or press *Enter* to bypass this option. Refer to Chapter 18 – Managerial Accounting for more detail on this topic.

14. Site ID/Lot is optional. Enter a valid code, or press *Enter* to bypass this option.

15. If the inventory item you are entering is for livestock, enter the number of head in Quantity 1/Head. If the inventory item is for anything <u>other than</u> livestock, enter the number of units in Quantity 2/Units.
    - If the Unit of Measure for Quantity #2 is not the one you want to use for this inventory account, this can not be changed here. The Unit of Measure description is tied to the Ledger Account Number you used for this entry, so that must be changed in Chart of Accounts File Maintenance. You can save this entry first and come back to it, but to change the Unit of Measure description (such as changing from Tons to Bales), exit out of inventory and go to Master File Maintenance. Choose Chart of Accounts File Maintenance, then retrieve the account number you wish to change and change the Unit of Measure. Save any changes you make.

16. Enter the value per head or per unit in the Market Value fields. Tabs will do the math and show the Total Value for this inventory item below the Market Value boxes.

17. Select *F7 Save* to save the transaction.

The Add Inventory Change window will be displayed and is ready for the next inventory item to be added. Repeat Steps 5 – 17 until all inventory items have been entered.

Note* Don't forget to add Inventory items in for expenses that have been prepaid at year end, such as feed, fertilizer, chemicals, or seed. Even if you do not have the item on hand, you have shown the expense for that item, and should show the offsetting inventory asset on your balance sheet. This will help your lender to understand why your expenses may be higher than expected for those items on your Profit & Loss Statement. We recommend that you label those Items with the word "Prepaid" in the description (such as "Prepaid Feed," "Prepaid Fertilizer," etc.)

For Perpetual Inventory:

Perpetual Inventory means that your inventory is constantly updated and always current. When perpetual inventory is kept, all increases and decreases to the number of items on hand during the year are recorded. This is done partly through the Inventory Change Journal, and partly through entries in other journals involving the purchase or sale of inventory items. Perpetual Inventory control requires a little more dedication than Periodic Inventory control, but it is required if you are dealing with resale or basis items or if you are maintaining profit center and cost center detail for Managerial Accounting reports.

When Perpetual Inventory records are being kept, it is important to remember that the majority of the inventory changes will be done during routine day-to-day journal entry of purchases and sales, rather than through changes in the Inventory Change journal. These entries can be done with very little added effort. When you are entering an account payable, check disbursement, or cash disbursement for the <u>purchase</u> of an inventory item, there are two fields you are required to complete in addition to the usual requirements of data entry. These are the Item/Category Number field and the Quantity field. If these two fields are filled in for a transaction posted to a valid inventory account, the inventory balance will automatically increase for that item by the quantity

and value entered. The same rule applies when entering an account receivable or income entry for the <u>sale</u> of an inventory item. If the Item/Category Number field and the quantity field are filled in, the quantity sold will automatically be subtracted from inventory. If the item is a resale or basis item, that information will also trigger an automatic offset to be generated for the Cost of Sale for that item – which is very important in order to maintain accurate tax records.

It is helpful, if not absolutely necessary, to review all of the inventory accounts you use <u>and</u> their corresponding sale accounts in Chart of Accounts File Maintenance to verify the accuracy of their settings. If you want to use perpetual inventory to maintain constant inventory of a particular item, then the following changes should be made to the asset account <u>and</u> sale account associated with that inventory item: (See Chapter 2 – Chart of Accounts File Maintenance if you need assistance in reviewing the accounts in Chart Of Accounts File Maintenance)

Review the following fields in Chart of Accounts File Maintenance for the specific accounts used, and make any necessary changes.

- <u>Inventory Method</u> – Select the appropriate Inventory Method for this account. "Average" is the default, but "FIFO" (First In, First Out) or "LIFO" (Last In, First Out) may also be used.

- <u>Inventory Control</u> – Select Quantity #1/Head if this is a livestock-related account, or Quantity #2/Units if this is anything other than livestock.

- <u>Category and Item</u> – Change "Optional" to "Required" so you are reminded to specify the category and item when you are entering a transaction to purchase or sell an inventory item associated with this account.

- <u>P/C Center and Project</u> - Change "Optional" to "Required" if you are maintaining records for Profit and Cost Centers.

- <u>Quantity # 1/Number Head</u> – Change "Optional" to "Required" if this is an livestock-related account so you will be reminded to specify the number of animals purchased or sold each time you post to this account.

- <u>Quantity # 2/ Units</u> – Change "Optional" to "Required" if this is anything other than a livestock-related account so you will be reminded to specify the number of units purchased or sold each time you post to this account.

- <u>Unit of Measure Code</u> – For a non-livestock account, specify the unit of measure you will use when you purchase or sell this item. (You must buy and sell using the same unit of measure. For example, if you buy in Tons and sell in Pounds, one of the two must be converted so they are both the same.)

<u>Entering Perpetual Inventory Changes</u>:

Adjustments to inventory that do not require the exchange of money (harvest of crops, loss/shrink/damage to crop inventory, feed fed to livestock, birth of livestock, death of livestock, inventory used on farm, etc.) need to be entered into the Inventory Change Journal as they occur. The following instructions will guide you through that process:

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period. This should be the month in which the inventory change occurred.

4. Select *Inventory Changes.*

5. If one or more inventory changes have already been entered in this month, the title bar of the window displayed will say "Review/Modify Inventory Changes." Press *F5 AddTrn* to add another change. If no inventory changes have been entered in this month yet, the title bar will read "Add Inventory Change Transactions" and it is ready for entry.

6. Enter a valid Item Category Code. The Item Category Code is a zero, followed by the middle two digits of the corresponding Ledger Account Number.
    ▪ The Select *F8 Help* to display a list of valid Item Category Codes if assistance is needed.

7. Enter a valid Type of Transaction. The following is a list of the various Type of Transaction Codes for Inventory and a brief description of their purpose or function:

    B00 – Balance On Hand – This is used with Periodic Inventory and should not be used if pure Perpetual Inventory records are being maintained. It must not be used if the change being entered is for a resale item or an item with basis (items in profile 012 Market Livestock Purchased, 031 CCC Basis Grain, or 048 Miscellaneous Resale Items). If it is used for these resale items with basis, it will not generate the cost of sale for the inventory correction, so your Profit & Loss Statement will not be correct with regards to Cost of Sale for Inventory.

    C00 – Items Consumed/Personal Use – This is used to record inventory items consumed for personal use, such as butchering a hog or cull cow for family consumption. The value of items consumed are considered Operating Farm Income due to the fact that the expenses of raising/growing those items have already been counted as Operating Farm Expenses. The use of C00 will decrease the inventory on hand and will automatically transfer the value of that item to the 3990 Value of Items Consumed account.

    D00 – Decrease Quantity – This is used to decrease the quantity of an inventory item by the number of head or units, whichever is applicable. The value per unit is not entered when D00 is used, so the inventory account balance is automatically decreased by the existing average value per unit (of the items being decreased) times the number of head/units being decreased. *This is the Type of Transaction that should be used to record all decreases in inventory of resale or basis items (012 Market Livestock Purchased, 031 CCC Basis Grain, or 048 Miscellaneous Resale Items) other than decreases that occur due to items consumed, items fed, or death loss. The use of D00 on items within the above three profiles will automatically create an offset to the appropriate Cost of Sale account, showing the decrease as a debit amount equal to the original cost of the item times the number of head/units decreased.

    E00 – Expired (Died) – This is used to record the death of livestock. The Value per head is not entered when E00 is used, so the inventory account balance is decreased by the average value/head times the number of head that expired. If E00 is used to record the death of Market Livestock Purchased for Resale (in the 012 Marked Livestock Purchased category), it will automatically create an offset to the appropriate Cost of Sale account, showing the decrease as a debit amount equal to the original cost of the livestock, and therefore "expensing" the livestock.

F00 – Fed – This is used to remove physical quantities of purchased or raised feed on hand from the inventory and to record the inventory change in the appropriate Profit/Cost Center where Managerial Accounting is used. Value per unit is not entered when F00 is used, so the inventory account is decreased by the average value per unit (of the items being decreased) times the number of units fed. If CCC Basis Grain (category 031 CCC Basis Grain on Hand) is being fed, the net change will be a decrease to CCC Basis Grain on Hand and an increase to Farm Operating Expense. Income is claimed on the grain at the time of the loan, thereby creating "basis" on that grain equal to the CCC Loan Rate per bushel. Upon entering the inventory change for CCC Basis Grain fed, an automatic offset is posted to the 5141 00 Feed Grain Purchased account, moving the basis of that grain to that expense account.

H00 – Harvested – This is used to record the quantity and value of crops harvested. This is extremely important if you are doing Profit/Cost Center analysis of your records. If there is inventory remaining in the account before the harvested crops are entered, the value per unit entered for the quantity harvested will be averaged with the existing value per unit on a weighted average basis to reflect the total value of inventory on hand.

I00 – Increase Quantity – This is used to increase the quantity of an inventory item by the number of head or units, whichever is applicable. The value per unit is not entered when I00 is used, so the inventory items retain the same cost basis value and market basis value as they had prior to the increase in quantity. * This is the Type of Transaction that should be used to record all increases in inventory of resale or basis items (012 Market Livestock Purchased, 031 CCC Basis Grain, or 048 Miscellaneous Resale Items). The use of I00 on items within the above three profiles will automatically create an offset to the appropriate Cost of Sale account, showing the decrease as a credit amount equal to the original cost of the item times the number of head/units increased.

L00 – Loss/Shrink/Damage/Spoiled – This is used to record a decrease in the quantity of an inventory item due to storage or other losses. The value per unit is not entered when L00 us used, so the inventory account balance is decreased by the average value per unit of (of the items being decreased) times the number of units decreased.

M00 – Per Unit Market Value – This is used to adjust the Market Value of non-livestock inventory items without affecting the cost basis of those items. When M00 is used, all prior market values for that specific item are "ignored" by the system. The inventory account balance changes on the accrual (market value) basis only and is equal to the number of units on hand times the per unit market value entered.

N00 – Newborn – This is used to record the birth of livestock. The value entered per head will be averaged by the system with other items remaining in inventory for the same account and item number.

O00 – Transfer Out – This is used to decrease the quantity of an inventory item by the number of head or units, whichever is applicable. This inventory change is most commonly used when an item is to be "Transferred Out" of one item number, then "Transferred In" to another item number. The Value per unit is not entered when O00 is used, so the inventory account balance is decreased by the average value per unit (of the items being transferred out) times the number of head/units transferred out. If the type O00 is used to decrease the quantity of any resale or basis items (profile 012 Market Livestock Purchased, 031 CCC Basis Grain, or 048 Miscellaneous Resale Items) the system will

automatically create an offset to the appropriate Cost of Sale account, showing the decrease as a debit amount equal to the original cost of the item times the number of head/units transferred out.

T00 – Transfer In At Entered Price – This is used to increase the quantity of an inventory item by the number of head or units, whichever is applicable. The value per unit must be entered when T00 is used. If there is inventory remaining in the account before the additional items are Transferred In, the value per unit entered for the quantity Transferred In will be averaged with the existing value per unit on a weighted average basis to reflect the total value of inventory on hand. This type of inventory change must <u>not</u> be used with basis or resale items (profile 012 Market Livestock Purchased, 031 CCC Basis Grain, or 048 Miscellaneous Resale Items).

T01 – Transfer In At Calculated Price – This is used to increase the quantity of an inventory item by the number of head or units, when Managerial Accounting is being used and the cost and market value of the item can be automatically retrieved from previous values entered. This type of inventory change must <u>not</u> be used with basis or resale items (profile 012 Market Livestock Purchased, 031 CCC Basis Grain, or 048 Miscellaneous Resale Items).

U00 – Used On Farm – This is used to remove physical quantities of inventory items used on the farm. If U00 is used to record a decrease of any item that falls under the category 031 CCC Basis Grain, the appropriate CCC Basis Grain On Hand account will be decreased and the basis of the grain used with automatically offset to the 5141 Feed Grain Purchased expense account. Income is claimed on the grain at the time of the loan, thereby creating a "basis" on that grain equal to the CCC Loan Rate per bushel. When the grain is used, the basis grain is expensed. If U00 is used to record a decrease of any items that fall under the category 048 Miscellaneous Resale Items, an automatic offset will be posted to the corresponding 5000 series expense account for the basis of the item used.

V00 – Per Head Market Value/Weight – This is used to adjust the Market Value of livestock inventory items without affecting the cost basis of those items. When V00 is used, all prior market values for that specific item are "ignored" by the system. The inventory account balance changes on the accrual (market value) basis only and is equal to the number of units on hand times the per unit market value entered.

8. Enter a valid Ledger Account Number for the Item Category selected.
   ▪ Select *F8 Help* to display a list of valid accounts if assistance is needed.

9. Enter an Item Number/Description. You can track up to 99,999 different items for each inventory account number, so you are basically limitless on amount of detail you can keep. Examples of situations where more than one item number have been used:
   - Enter four or five different item numbers for each cutting of hay in the account 1221 00 Hay Raised On Hand.
   - Track corn stored in different bins or storage locations by using different item numbers under the account 1211 00 Corn Raised On Hand.
   - Split your dairy herd and replacements into various groups according to value such as Lactating Cows, Bred Heifers, Open Heifers, Yearlings, & Calves – all under the 1614 00 Breeding Dairy Cattle Raised account.

- Select *F8* Help to display a list of valid Item Numbers for this account. If no special Item Descriptions have been added, the cursor will skip past that field, and it will default to 00001. The item description will be the same as the account name.

- If you wish to create a new Item Number/Description for this account so you can keep more detail without adding more accounts, type a number in the Item Number field that has not already been used. The cursor will move to the Description field. Type the desired description and press *Enter*. (If your cursor has already skipped past this Item Description field and you wish to add a new item, you cannot back up to that field – you must exit from Inventory Change and start over with this entry.)

10. Enter the desired Date of Change.

11. Press *Enter* to accept the default Reference Number.

12. The Comments field is optional. Enter a meaningful remark or explanation if desired, or press *Enter* to bypass this option.

13. Profit/Cost Center and Project is optional. Enter a valid Profit/Cost Center and Project, or press *Enter* to bypass this option. Refer to Chapter 18 – Managerial Accounting for more detail on this topic.

14. Site ID/Lot is optional. Enter a valid code, or press *Enter* to bypass this option.

15. If the inventory item you are entering is for livestock, enter the number of head in Quantity 1/Head. If the inventory item is for anything <u>other than</u> livestock, enter the number of units in Quantity 2/Units.

16. If entry in the Cost Basis or Market Value fields is allowed, the cursor will stop on those fields and allow you to enter the applicable value per head or per unit. If this type of inventory change does not allow entry in these fields, the cursor will skip over them.

17. Select *F7 Save* to save the transaction.

The Add Inventory Change window will be displayed and is ready for the next inventory item to be added. Repeat Steps 5 – 17 until all inventory items have been entered.

Adjusting Entries

The Adjusting Entries Journal is used to record any transaction that does not properly belong in any other journal type. Adjusting Entries are non-cash transactions (Base Record $0.00) that are used to adjust account balances between two or more currently used Ledger Accounts.

There are no automatic offset entries generated from the use of the Adjusting Entries Journal, so you must post both the debit and the credit side of the transaction to maintain system balance. For this reason, it is important to understand which accounts are to be debited and which accounts are to be credited when using this journal.

There are three types of Adjusting Entries that can be entered – Cash Basis Adjusting Entries, Accrual/Market Basis Adjusting Entries, or one that affects both Cash and Accrual/Market Basis balances. The code used in Type of Transaction field for each distribution in the transaction will determine which of these three types the transaction is. A/B type of transactions will affect both

Cash and Accrual/Market Basis balances. C/D type of transactions will affect Cash Basis balances only. E/F type of transactions will affect Accrual/Market Basis balances only.

The Adjusting Entries Journal is not recommended for correcting posting errors. It is best to correct posting errors by changing the transaction(s) in error, then recreating report files and financial statements for the affected processing period through the current period.

The following instructions describe the method used for six of the most common transactions entered in the Adjusting Entries Journal. While these six transactions are the most common, the Adjusting Entries Journal is certainly not limited to this use.

- Disposal (sale, junk, gift) of a Purchased Capital Asset; Cash Basis Adjusting Entry
- Disposal (sale, junk, gift) of a Purchased Capital Asset; Accrual Basis Adjusting Entry
- Trade of a Purchased Capital Asset; Accrual Basis Adjusting Entry
- Year-End Depreciation Expense; Cash Basis Adjusting Entry
- Year-End Asset Value Adjustment for Market Value Balance Sheet; Accrual Basis Adjusting Entry
- Allocation or Re-allocation of Principal and Interest for Liability Accounts; Cash & Accrual Basis Adjusting Entry

* A note should be made that the instructions for these six transactions are applicable only for the Cash Basis tax filer. If your business files taxes on the Accrual Basis, the general method and account numbers noted below for the Cash Basis adjusting entries are valid for you, but rather than using the C/D Type Of Transaction codes, you should use A/B Type Of Transaction codes so both Cash and Accrual balances are affected by the entry. The three Accrual Basis adjusting entries described below (to modify market values) are not applicable for a business that files an accrual basis balance sheet with their taxes, as this would corrupt the tax basis of these items.

To Record Disposal of a Purchased Capital Asset; Cash Basis Adjusting Entry:

The disposition of a purchased capital asset (breeding livestock, machinery, land, etc.) via sale, gift, or junk requires an entry in the adjusting entries journal to remove the asset and its accumulated depreciation from the balance sheet, and also to record the "Cost of Sale" (Unrecovered Cost, or the un-depreciated amount), if any, so that Capital Gain/Loss can be calculated. This transaction is entered <u>in addition to</u> the entry in the Income and Cash Receipts Journal, which shows the amount of money received for the sale of the item. This entry is made on the cash basis only, so as not to corrupt the Market Value Balance Sheet.   * Note – for accrual basis tax filers, this adjustment should be made using A/B Type of Transaction codes so both cash and accrual basis accounts are adjusted.

Before entering the adjusting entry for the disposition of a capital asset, you must first enter the disposition in the Depreciation System of TABS and calculate the current year depreciation. (See Chapter 10 – Depreciation for instructions on how to do this.) Once the asset is disposed of in the Depreciation System and the current year depreciation is calculated, you can view the asset detail on the screen, or print the Depreciation Summary Report to obtain the Original Cost (Cash/Boot

paid plus the Unrecovered Cost of Trades), Total Accumulated Depreciation, and Total Unrecovered Cost for the asset disposed of. This Adjusting Entry will have two or three distributions, depending on the age of the asset and the depreciation taken.

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Adjusting Entries.*
    ▪ If no adjusting entry transactions have been entered yet for this month, the Posting Adjusting Entries screen will be displayed in the vertical mode and is ready for data entry.

    ▪ If transactions have already been entered, the last transaction entered will be displayed in the horizontal mode. Select *F5 AddTrn* to add another transaction.

5. Enter the Vendor ID for the new transaction.
    ▪ For Adjusting Entries, we suggest leaving the asterisk in the Vendor ID field, then typing a brief description for the entry as the Vendor Name (this will not save to your vendor file since the asterisk was used in the Vendor ID field). An example of this would be " * *To Remove Basis of Tractor Sold*"

6. Enter the Date of Transaction (the date the asset was sold).

7. Press *Enter* to accept the default Reference Number.

8. The cursor will skip past the Net Amount of Transaction field. The Adjusting Entries Journal does not create its own automatic accounting offset, so there is no "Net Amount of Transaction" and you must manually enter both the debit distribution(s) and the offsetting credit distribution(s).

9. Enter D01 as the Type Of Transaction Code for the first distribution. This distribution will be used to subtract the Original Cost of the asset from the balance sheet.

10. Enter a valid Ledger Account Number for the asset disposed of. Valid account ranges would be:
    • 1620-00 to 1629-99 if it is for Purchased Livestock sold or disposed of
    • 1710-00 to 1719-99 if it is for Machinery/Equipment sold or disposed of
    • 1730-00 to 1739-99 if it is for Transportation Equipment sold or disposed of
    • 1810-00 to 1819-99 if it is for Buildings/Real Estate that was sold or disposed of

    ▪ Select *F8 Help* to display a list of the valid ledger account numbers if assistance is needed to find the appropriate account number.

11. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

12. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

13. Press *Enter* to bypass the Invoice Number field.

14. Enter the amount for this distribution as a credit amount. The dollar amount entered should be the Original Cost of the Asset (Cash/Boot paid plus any Unrecovered Cost of

Trades included in the basis of this item), obtained from the Depreciation System. The Debit/Credit designation is determined by the Type of Transaction Code and Ledger Account Number used, so it should default to a credit. If it does not, and you need to change the debit/credit designation for this distribution to make it a credit, select the *F5 Dr/Cr* button while on the Distribution Amount line.

15. Enter the Item Category/Item Number that identifies this asset in the Depreciation System or select *F8 Help* to select the asset from the Help window.

16. The remainder of the management detail in this distribution is optional. You may wish to enter the quantity of items disposed of if more than one item is identified with this same Category/Item Number in the Depreciation System.

17. Select *F9 End* to end this distribution, then select *F7 Save.*

18. Enter D01 again for the Type of Transaction Code of the second distribution. This distribution will be used to subtract the Total Accumulated Depreciation of this asset from the balance sheet. If this asset is one that was purchased in the same year of it's disposal, or if it is a non-depreciable asset (such as land), there may be no Accumulated Depreciation. If either of these is the case, skip to step 25 to enter the last distribution.

19. Enter a valid Ledger Account Number for the Accumulated Depreciation of the asset disposed of. This account should be an asset contra account in the following account ranges:
    - 1630-00 to 1639-99 if it is for Purchased Livestock accumulated depreciation
    - 1720-00 to 1729-99 if it is for Machinery/Equipment accumulated depreciation
    - 1740-00 to 1749-99 if it is for Transportation Equipment accumulated depreciation
    - 1820-00 to 1829-99 if it is for Buildings/Real Estate accumulated depreciation

    - Note that if you do not want to clutter up your balance sheet with numerous Accumulated Depreciation Accounts, it is acceptable to use just the "Major Account" (the one ending in zero) to post the accumulated depreciation for each category of asset – so in this case you would use only accounts 1630, 1720, 1740, or 1820 for the Accumulated Depreciation portion of the entry.

    - Select *F8 Help* to display a list of the valid ledger account numbers if assistance is needed.

20. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

21. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

22. Press *Enter* to bypass the Invoice Number field.

23. Enter the amount for this distribution as a debit amount. The dollar amount entered should be the Total Accumulated Depreciation (including the current year's depreciation) for this item. This amount can be obtained from the Depreciation System or from the Depreciation Summary Report. The Debit/Credit designation is determined by the Type of Transaction Code and Ledger Account Number used and should default to a debit. If it does not, and you need to change the debit/credit designation for this distribution to make it a debit, select the *F5 Dr/Cr* button while on the Distribution Amount line.

24. Select *F9 End* to end this distribution, then select *F7 Save*. If the asset was fully depreciated (the Original Cost of the item equals the Accumulated Depreciation), then this transaction is complete, and you can select *F7 EndTrn* to end the transaction. Otherwise, continue to the next step.

25. Enter C07 for the Type of Transaction Code of the third and final distribution. This distribution will be used to record the Cost of Sale for the asset disposed of – which is the Unrecovered Cost of the asset.

26. Enter a valid Cost of Sale account number for the asset disposed of. This account should be in the 7000 series of accounts.
    - 7630-00 to 7639-99 if it is for Purchased Livestock
    - 7720-00 to 7729-99 if it is for Machinery/Equipment
    - 7740-00 to 7749-99 if it is for Transportation Equipment
    - 7820-00 to 7829-99 if it is for Buildings/Real Estate

    ▪ Select *F8 Help* to display a list of the valid ledger account numbers if assistance is needed.

    ▪ If the asset is a personal asset rather than a business asset, and the Unrecovered Cost is not a business expense, you can use Type of Transaction D00 and Account 2994 to offset the Original Cost of the Asset with a credit amount to Net Change Capital Investment (equity account) rather than a cost account.

27. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

28. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

29. Press *Enter* to bypass the Invoice Number field.

30. Press *Enter* to bring down the remaining Undistributed Amount for the distribution amount as a debit amount. This dollar amount should match the Unrecovered Cost (depreciation not yet claimed) of the asset disposed of. This amount can be obtained from the Depreciation System or from the Depreciation Summary Report. The Debit/Credit designation is determined by the Type of Transaction Code and Ledger Account Number used and should default to a debit. If you need to change the debit/credit designation for this distribution to make it a debit, select the *F5 Dr/Cr* button while on the Distribution Amount line.

31. Select *F9 End* to end this distribution, then select *F7 Save* and *F7 End Trn*.

The net result after making this entry is that the Cash Basis Balance Sheet agrees with the printed Depreciation Schedule and/or the printed Asset Evaluation Report. If the Cash Basis Balance Sheet doesn't match either report, other adjusting entries involving the sale of capital assets may have been missed or additional adjusting entries may be required to rectify the situation.

To Record Disposal of a Purchased Capital Asset; Accrual Basis Adjusting Entry:

If a Market Value Balance Sheet is being maintained in addition to the Cash Basis Balance Sheet in TABS, then the sale of a purchased capital asset (breeding livestock, machinery, land, etc.) requires

a second adjusting entry to remove the asset's market value from the Market Value Balance Sheet. * Note – For accrual basis tax filers, this entry is not applicable.

Before entering this adjusting entry, you must first review Market Value screen for the asset disposed of in the Depreciation System of TABS so you know what value it had on the existing balance sheet. Make a note of the Item Category and Item Number that identify this asset, as well as the most current Market Value assigned to it.

This adjusting entry will have two distributions.

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Adjusting Entries.*
   - If no adjusting entry transactions have been entered yet for this month, the Posting Adjusting Entries screen will be displayed in the vertical mode and is ready for data entry.

   - If transactions have already been entered, the last transaction entered will be displayed in the horizontal mode. Select *F5 AddTrn* to add another transaction.

5. Enter the Vendor ID for the new transaction.
   - For Adjusting Entries, we suggest you use your own name or business name as the vendor. If there has been no vendor ID created for your own business, you can set one up "on the fly." Select *F8 Help*, then select *F7 Setup*. Proceed through the address, city, state, and zip code fields, then select *F9 End* and *F7 Save*.

6. Enter the Date of Transaction (the date the asset was sold).

7. Press *Enter* to accept the default Reference Number.

8. The cursor will skip past the Net Amount of Transaction field. The Adjusting Entries Journal does not create its own automatic accounting offset, so there is no "Net Amount of Transaction" and you must manually enter both the debit distribution(s) and the offsetting credit distribution(s).

9. Enter the F01 Type Of Transaction Code for the first distribution. This distribution will be used to subtract the Market Value of the asset from the balance sheet.

10. Enter a valid Ledger Account Number for the asset disposed of. This account number should be an asset account in the 1000's.
    - 1620-00 to 1629-99 if it is for Purchased Livestock sold or disposed of
    - 1710-00 to 1719-99 if it is for Machinery/Equipment sold or disposed of
    - 1730-00 to 1739-99 if it is for Transportation Equipment sold or disposed of
    - 1810-00 to 1819-99 if it is for Buildings/Real Estate that was sold or disposed of

    - Select *F8 Help* to display a list of the valid ledger account numbers if assistance is needed.

11. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

12. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

13. Press *Enter* to bypass the Invoice Number field.

14. Enter the amount for this distribution as a credit amount. The dollar amount entered should be the last assigned Market Value of the Asset, as shown in the Depreciation System (on the 3rd screen of the asset where Market Values are listed). The Debit/Credit designation is determined by the Type of Transaction Code and Ledger Account Number used, so it should default to a credit. If it doesn't, and you need to change the debit/credit designation for this distribution to make it a credit, select the *F5 Dr/Cr* button while on the Distribution Amount line.

15. Enter the Item Category/Item Number that identifies this asset in the Depreciation System or select *F8 Help* to select the asset from the Help window.

16. The remainder of the management detail in this distribution is optional. You may wish to enter the quantity of items disposed of if more than one item is identified with the same Category/Item Number in the Depreciation System.

17. Select *F9 End* to end this distribution, then select *F7 Save*.

18. Enter F02 as the Type Of Transaction Code for the second distribution. This distribution will be used to offset the value of the asset to a decrease in equity.

19. Enter 2994 00 as the Ledger Account Number for this distribution. This is Net Change Capital Investment.

20. The Comments field is optional. Enter a meaningful explanation or remark for this distribution, or press *Enter* with the Comments field blank to bypass this option.

21. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

22. Press *Enter* to bypass the Invoice Number field.

23. Press *Enter* to bring down the Undistributed Amount, or manually enter the Market Value of the asset disposed of as a debit amount in the Distribution Amount field. This will decrease equity on the accrual basis.

24. Select *F9 End* to end this distribution, then select *F7 Save* and *F7 End Trn* to end the transaction.

The net result after making this entry is that the Accrual/Market Basis Balance Sheet agrees with the printed Asset Evaluation Report. If the Accrual Basis Balance Sheet doesn't match this report, other adjusting entries involving the sale or trade of capital assets may have been missed or additional adjusting entries may be required to rectify the situation.

To Record the Trade of a Purchased Capital Asset

The Tax Cuts and Jobs Act, which went in to affect on January 1, 2018, changed the way we treat trades for equipment and livestock. Prior to the Tax Cuts and Jobs Act, the basis of the traded property was added to the basis of the replacement property, and no gain was reported on the traded asset until the replacement property itself was sold.

This is now different. A traded piece of equipment, or traded livestock must now be treated as if it were sold. The replacement property is shown as purchased for the full price (before trade allowance), and the traded property is shown as sold for the trade allowance given.

The only trades that can be treated like 1031 Exchanges (postponing the recognition of gain) are those involving real estate.

With these things in mind, when livestock or a piece of equipment is traded, the adjusting entries for those traded assets will be identical to the previous instructions for recording the sale of capital assets. Refer to the previous two sections for instructions on how to record the adjusting entries to remove the traded asset basis and accumulated depreciation, and to record any remaining Cost of Sale.

To Record Year-End Depreciation Expense; Cash Basis Adjusting Entry:

After the depreciation schedule for the fiscal year has been finalized, an adjusting entry is necessary to record the depreciation expense and to adjust the Accumulated Depreciation accounts accordingly. This adjustment is made on the cash basis only so that the Market Value Balance Sheet is not altered. * Note – for accrual basis tax filers, this adjustment should be made using A/B Type of Transaction codes so both cash and accrual basis accounts are adjusted.

Before this adjusting entry can be entered, you must first record all necessary additions and dispositions in the Depreciation System, then calculate the current year depreciation and print the Depreciation Schedule. The Depreciation Schedule will be the source document for this transaction. (See Chapter 10 for further instruction on how to use the Depreciation System.)

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Adjusting Entries.*
   - If no adjusting entry transactions have been entered yet for this month, the Posting Adjusting Entries screen will be displayed in the vertical mode and is ready for data entry.
   - If transactions have already been entered, the last transaction entered will be displayed in the horizontal mode. Select *F5 AddTrn* to add another transaction.

5. Enter the Vendor ID for the new transaction.
   - For Adjusting Entries, we suggest leaving the asterisk in the Vendor ID field, then typing a brief description for the entry as the Vendor Name (this will not save to your vendor file since the asterisk was used in the Vendor ID field). An example of this would be " * *To Enter Depreciation Expense*".

6. Enter the Date of Transaction.

7. Press *Enter* to accept the default Reference Number.

8. The cursor will skip past the Net Amount of Transaction field. The Adjusting Entries Journal does not create its own automatic accounting offset, so there is no "Net Amount

of Transaction" and you must manually enter both the debit distribution(s) and the offsetting credit distribution(s).

9. Enter C05 as the Type Of Transaction Code for the first distribution. This distribution will be used to record the current year's depreciation expense.

10. Enter Ledger Account Number 5900 00 for Depreciation Expense.

11. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

12. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

13. Press *Enter* to bypass the Invoice Number field.

14. Enter the amount for this distribution as a debit amount. The dollar amount entered should be the total depreciation expense (including Section 179 and any Bonus Depreciation taken, if any) for the current year. This figure can be found on the Gross Summary page (last page) of the printed Depreciation Schedule. The Debit/Credit designation is determined by the Type of Transaction Code and Ledger Account Number used, so it should default to a debit. If it does not, and you need to change the debit/credit designation for this distribution to make it a debit, select the *F5 Dr/Cr* button while on the Distribution Amount line.

15. The management detail in this distribution is only necessary if you wish to allocate the depreciation expense to Profit/Cost Centers. Select *F9 End* to end this distribution, then select *F7 Save.*

16. Enter C01 for the Type of Transaction Code of the second distribution. This distribution and the remainder of distributions that follow for this transaction will be used to record the Accumulated Depreciation to the appropriate contra asset accounts.

17. Enter a valid Ledger Account Number (an Accumulated Depreciation account such as 1630-00 Brd Livestock Purch/Accum Depr, 1720-00 Machinery/Equipment/Accum Depr, 1740-00 Farm Transportation Equip/Accum Depr, or 1820-00 Farm Real Estate/Accum Depr…. Or the more detailed SubAccounts if more detailed accounts are preferred) for the Accumulated Depreciation of the first category you wish to enter. The Depreciation Schedule shows each large category such as *Machinery & Equipment, Transportation Equipment, Real Estate, and Purchased Livestock,* so those totals could be posted in the accounts listed above, or you can post them in smaller sub-categories such as "*Tractors & Power Equipment, Harvest Equipment, Tillage Equipment,* etc." Either method is acceptable. We recommend that you use whichever method has been used in the past so that you remain consistent in your posting. This results in a more accurate balance sheet that is easier to tie to the depreciation schedule.
   ▪ Select *F8 Help* to display a list of the valid ledger account numbers if assistance is needed.

18. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

19. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

20. Press *Enter* to bypass the Invoice Number field.

21. Enter the amount for this distribution as a credit amount. The dollar amount entered should be the current year's depreciation (including Section 179 and any 1st Year Bonus Depreciation taken) for this category. This amount can be obtained from the totals shown on the Depreciation Schedule. The Debit/Credit designation is determined by the Type of Transaction Code and Ledger Account Number used and should default to a credit. If it does not, and you need to change the debit/credit designation for this distribution to make it a credit, select the *F5 Dr/Cr* button while on the Distribution Amount line.

22. Select *F9 End* to end this distribution, then select *F7 Save*.

23. Repeat Steps 16 – 22 until the current year's depreciation expense for each category has been recorded and the Undistributed Amount of the transaction equals zero.

24. Select *F9 End* to end this distribution, then select *F7 Save* and *F7 End Trn*.

The net result after making this entry is that the printed Profit & Loss Report reflects the current year depreciation expense, and the Cash Basis Balance Sheet agrees with the printed Depreciation Schedule and/or the printed Asset Evaluation Report. If the Cash Basis Balance Sheet doesn't match either depreciation report, other adjusting entries involving the sale of capital assets may have been missed during the year, or additional adjusting entries may be required to rectify the situation.

To Record Year-End Asset Value Adjustment for Market Value Balance Sheet; Accrual Basis Adjusting Entry:

If a Market Value Balance Sheet is being maintained in addition to the Cash Basis Balance Sheet in TABS, then an adjusting entry should be made at least annually to synchronize the Asset Evaluation Report with the General Ledger System. This adjustment is made on the accrual basis only so that the Cash Basis Balance Sheet is not altered. * Note – For accrual basis tax filers, this entry is not applicable.

Before this entry can be made, you must first evaluate each asset listed in the Depreciation System and assign a market value. The third screen of each asset in the Depreciation system allows a market value to be assigned. (See Chapter 10 – Depreciation for further instruction on how to do this.) After market values have been assigned to each asset, print the Asset Evaluation Report from the Depreciation System – this will be one of the source documents used to enter this transaction. The other source document needed is a listing of the current balance of each of the depreciable asset accounts on the accrual basis. This listing can be obtained either by printing an Accrual Basis Trial Balance, or by using *F7 Inquiry Applications* to view and print account balances (on the accrual basis) for accounts 1620 00 through 1819 99.

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Adjusting Entries*.
   ▪ If no adjusting entry transactions have been entered yet for this month, the Posting Adjusting Entries screen will be displayed in the vertical mode and is ready for data entry.

- If transactions have already been entered, the last transaction entered will be displayed in the horizontal mode. Select *F5 AddTrn* to add another transaction.

5. Enter the Vendor ID for the new transaction.
   - For Adjusting Entries, we suggest leaving the asterisk in the Vendor ID field, then typing a brief description for the entry as the Vendor Name (this will not save to your vendor file since the asterisk was used in the Vendor ID field). An example of this would be " ** To Reconcile Mkt Values to Depr Schedule*".

6. Enter the Date of Transaction.

7. Press *Enter* to accept the default Reference Number.

8. The cursor will skip past the Net Amount of Transaction field. The Adjusting Entries Journal does not create its own automatic accounting offset, so there is no "Net Amount of Transaction" and you must manually enter both the debit distribution(s) and the offsetting credit distribution(s). A separate distribution must be entered for each capital asset account whose total market value listed on the Asset Evaluation Report does <u>not</u> match the value listed on the Accrual Basis Trial Balance or Inquiry Balance.

9. At this point, you need to compare the two reports you have in hand. The Market Value totals for each category listed on the Asset Evaluation Report (printed from the Depreciation System) are the numbers we need to make the Trial Balance agree with. For example - The total Market Value of Category 111 Tractors and Power Equipment on the Asset Evaluation Report should be compared to the Accrual Basis Account Balance for account 1711 Tractors/Power Equipment On Hand. Category 112 should be compared to account 1712, Category 113 should be compared to account 1713, and so on. Each account whose balance does not agree with the Asset Evaluation Report will be adjusted in a separate distribution in this transaction.

   Enter <u>E01</u> as the Type Of Transaction Code for this distribution if the total Market Value for this profile category on the Asset Evaluation Report is <u>higher</u> than the corresponding asset account on the Accrual Basis Trial Balance or Inquiry Balance. (If you want to <u>increase</u> the value on the Trial Balance or Inquiry Balance to match the Asset Evaluation Report).

   Enter <u>F01</u> if the total Market Value for this profile category on the Asset Evaluation Report is <u>lower</u> than the corresponding asset account on the Accrual Basis Trial Balance or Inquiry Balance. (If you want to <u>decrease</u> the value on the Trial Balance or Inquiry Balance to match the Asset Evaluation Report).

10. Enter the appropriate Ledger Account Number for the first asset account that needs adjusted.

11. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

12. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

13. Press *Enter* to bypass the Invoice Number field.

14. Enter the amount for this distribution. The dollar amount entered should be the difference between the category total listed on the Asset Evaluation Report and the account balance listed on the Accrual Basis Trial Balance or Inquiry Balance. The distribution amount should be posted as a <u>credit</u> if you want to <u>decrease</u> the asset account balance to match the

Asset Evaluation Report, or a <u>debit</u> if you want to <u>increase</u> the asset account balance to match the Asset Evaluation Report. The Debit/Credit designation should default correctly if the correct Type of Transaction code was used, but if it doesn't and if you need to change it, select the *F5 Dr/Cr* button while on the Distribution Amount line.

15. The management detail in this distribution is not necessary. Select *F9 End* to end this distribution, then select *F7 Save*.

16. Repeat Steps 9 – 15 for the remainder of the purchased capital asset accounts that require a market value adjustment.

17. After all desired adjustments are made, the remaining "Undistributed Amount" will be posted as a net change in Capital Investment (an equity account). Enter F00 as the Type of Transaction for the last distribution.

18. Enter 2994 00 Net Change Capital Investment as the Ledger Account Number.

19. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

20. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

21. Press *Enter* to bypass the Invoice Number field.

22. Press *Enter* to automatically bring the remaining Undistributed Amount down to the Distribution Amount field. The debit/credit designation will default to whichever one makes the Undistributed Amount zero for this transaction.

23. Select *F9 End* to end this distribution, then select *F7 Save* and *F7 End Trn.*

24. Select *F12 Exit* three times to return to the General Ledger System Menu.

25. Select *F7 Inquiry Applications.*

26. Select *F1 General Ledger Account Data.*

27. Enter into the Accounting Basis field and select *A=Accrual/Market Basis.*

28. Enter into the Account Number Field and type in the range 1620 00 through 1999 99.

29. Select *F9 Select*

30. Verify that the adjustments you made were correct. The account balances shown on the screen should match the Market Value totals on the Asset Evaluation Report. If they do not, further changes or adjustments may be necessary.

The net result after making this entry is that the printed Market Value Balance Sheet or Trial Balance agrees with the supporting schedule (which is the printed Asset Evaluation Report) for all purchased capital asset accounts.

To Allocate or Re-allocate Principal and Interest for Liability Accounts; Cash & Accrual Basis Adjusting Entry:

Often, when you are paying on liability accounts, (especially those from equipment dealers) the exact interest amount applied to your loan is not known until a statement is received at the end of the year showing the amount of interest paid, or until a phone call is made to that lender to acquire this information. At the end of each year when you receive these informational statements (Form

1099-Int, Form 1098-Mort Int., or other informational statement), these must be reconciled to make sure they match your records in TABS. Some lenders may need to be contacted by phone if no year-end statements were received.

This adjustment is made on both the cash and accrual basis and is applicable for both cash basis and accrual basis tax filers.

Before this entry can be made, you must first evaluate the current balance of each liability account and its corresponding interest account to verify the accuracy of each. It may be necessary to use Inquiry Applications by Vendor to evaluate these balances if separate accounts were not made for the interest expense of each loan. Printing the Trial Balance may also be helpful when doing these adjustments.

1. Select *F1 General Ledger System* from the System Menu.

2. Select *F3 Journal Entry Posting* from the General Ledger System Menu.

3. Select the desired Processing Period.

4. Select *Adjusting Entries.*
   ▪ If no adjusting entry transactions have been entered yet for this month, the Posting Adjusting Entries screen will be displayed in the vertical mode and is ready for data entry.

   ▪ If transactions have already been entered, the last transaction entered will be displayed in the horizontal mode. Select *F5 AddTrn* to add another transaction.

5. Enter the appropriate Vendor ID for the liability/expense account you will be adjusting.

6. Enter the Date of Transaction.

7. Press *Enter* to accept the default Reference Number.

8. The cursor will skip past the Net Amount of Transaction field. The Adjusting Entries Journal does not create its own automatic accounting offset, so there is no "Net Amount of Transaction" and you must manually enter both the debit distribution(s) and the offsetting credit distribution(s).

9. The first distribution will be used to adjust the interest expense account. At this point, you need to compare the balance of the interest expense account in TABS with the informational statement you have in hand. If the interest expense in TABS needs to be increased in order to match the informational statement, enter A05 as the Type of Transaction for this distribution. If the interest expense in TABS needs to be decreased in order to match the informational statement, enter B05 as the Type of Transaction for this distribution.

10. Enter the appropriate Interest Expense Account Number associated with this liability account.

11. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

12. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

13. Press *Enter* to bypass the Invoice Number field.

14. Enter the amount for this distribution. The dollar amount entered should be the difference between the balance shown in TABS and the balance shown on the Informational Statement in hand. The debit/credit designation should default correctly, depending on the Type of Transaction you chose (A05 or B05). It should default to a <u>debit</u> if you want to <u>increase</u> the Interest Expense account in TABS, or a <u>credit</u> if you want to <u>decrease</u> the Interest Expense account. If you need to change the debit/credit designation, select the *F5 Dr/Cr* button while on the Distribution Amount line.

15. The management detail in this distribution is only necessary if you wish to allocate the interest expense to Profit/Cost Centers. Select *F9 End* to end this distribution, then select *F7 Save.*

16. The second distribution will be used to adjust the liability account to reflect an accurate balance. At this point, you need to compare the balance of the liability account in TABS with the informational statement you have in hand. Be sure that the balance on the informational statement is only the <u>principal</u> <u>balance</u> and is not principal and interest combined. If the exact principal balance is not known, you may have to assume that the only adjustment necessary is the one needed to offset the interest change you made in the last distribution. If this is the case, enter <u>A02</u> as the Type of Transaction Code. If the principal balance is known and the liability account balance in TABS needs to be <u>increased</u> in order to match the informational statement, enter <u>A02</u> as the Type of Transaction for this distribution. If the liability account balance in TABS needs to be <u>decreased</u> in order to match the informational statement, enter <u>B02</u> as the Type of Transaction for this distribution.

17. Enter the appropriate Liability Account Number.

18. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

19. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

20. Press *Enter* to bypass the Invoice Number field.

21. Enter the amount for this distribution. The dollar amount entered should be the difference between the balance shown in TABS and the balance shown on the Informational Statement in hand. The debit/credit designation should default correctly, depending on the Type of Transaction you chose (A02 or B02). It should default to a <u>debit</u> if you want to <u>decrease</u> the balance of the liability account in TABS, or a <u>credit</u> if you want to <u>increase</u> the balance of the liability account. If you need to change the debit/credit designation, select the *F5 Dr/Cr* button while on the Distribution Amount line.

22. The management detail in this distribution is not necessary. Select *F9 End* to end this distribution, then select *F7 Save.* If the Undistributed Amount of this transaction is zero, you can select *F7 EndTrn* to end this transaction.

23. If Unallocated Loan Accounts have been used to post loan payments throughout the year (2110 01, 2510 01, or 2770 01), an additional distribution may be required to subtract the adjustments you just made to the Interest and Liability account balances from the Unallocated Loan Account used. If this is the case, select B02 as the Type of Transaction for this distribution.

24. Select the appropriate Unallocated Loan Account that was used to post loan payments for this liability account.

25. The Comments field is optional. Enter a meaningful explanation or remark for this distribution or press *Enter* with the Comments field blank to bypass this option.

26. Press *Enter* to default the Distribution Vendor to the vendor entered in the Base Record.

27. Press *Enter* to bypass the Invoice Number field.

28. Press *Enter* to automatically bring down the Undistributed Amount for this distribution. It should default to a <u>credit</u>. If you need to change the debit/credit designation, select the *F5 Dr/Cr* button while on the Distribution Amount line.

29. The management detail in this distribution is not necessary. Select *F9 End* to end this distribution, then select *F7 Save* and *F7 EndTrn* to end this transaction.

30. Create additional transactions for each Liability or Interest expense account that requires adjustment. After all adjustments are made, use Inquiry Applications to verify the accuracy of your adjustments.

The net result after making these entries is that the General Ledger System reflects accurate Principal and Interest account balances, according to statements received from individual lenders. If Unallocated Loan Accounts were used, the balance of these accounts should be zero. If they are not, further adjustments may be necessary.

Journal Entry Templates

Templates are a tool that can be used to improve speed, accuracy, and consistency of your records. When a template is used in a transaction, parts of the distribution portion of the transaction are filled in automatically, thereby eliminating the need to search through help screens or manually type in account numbers. Templates can be used in any journal except Opening Balances and Inventory Change. They are easier to use than ever before since they can be created "on the fly" entirely from Journal Entry Posting as well as from Master File Maintenance.

There are four basic types of templates – Percent, Variable, Fixed, and Mixed. Before beginning with templates, you must have a basic understanding of how each type functions. Once you know this, you can choose what type you want by asking yourself what you want the template to do for you.

➢ Percentages – This is perhaps the most commonly used of the four types. A Percentage template can be used to allocate money to different accounts by percentages. Maybe you're accustomed to allocating your electric bill 60% to farm and 40% to personal expense due to the fact that your house and barn both run from the same meter. Rather than doing the math manually each time you pay your electric company, the template can do this division for you. More commonly, however, the Percentage template is used on a transaction where 100% of the base record amount goes to one distribution. This eliminates keystrokes in that the distribution amount will be filled in for you automatically and the only data that needs to be keyed in is any management data that may not have been included in the template – like quantities.

➢ Variable Amounts – This type of template should be used for transactions where there is more than one distribution, but those amounts vary and cannot be split by percentages, fixed amounts, etc. An example of this would be your local feed/supply store. Maybe you get a monthly statement from them and it normally has feed, gasoline, diesel fuel, and livestock supplies on it. The variable template will display each account in a distribution and stop on the distribution amount line so you can allocate the funds accordingly. A zero amount can be used in any distribution where there is not an amount to post, so it is best to set up all the "possibilities" that may happen, then just bypass the ones that are not applicable when writing the check. Another common use of the Variable template (for dairy farmers) is for the settlement milk check. This check always has multiple distributions, due to all the deductions taken from the gross amount of check.

➢ Fixed Amounts – A fixed template can be set up for any transaction that occurs that is a set amount of money. Maybe you have a monthly insurance bill that is always the same amount. If a fixed template is used, it remembers the amount and saves you keystrokes by defaulting this amount to the net amount of check and to the distribution record. A fixed template can be used on both single-distribution transactions and multiple-distribution transactions.

➢ Mixed Amounts – This type of template is a combination of a Fixed and a Variable template. It is used for transactions where there are multiple distributions, but some of the distributions are set amounts and some vary. Again, the dairy farmer's settlement milk check is a good example of this. Most of the amounts in a settlement check are variable because you don't know what your charge for hauling, advertising, etc. are until you get the check. But there may be some deductions that are set amounts as well. Perhaps a lease payment and/or an insurance payment are deducted from your settlement check on a monthly basis. These are likely fixed amounts, so they can be set up that way in the template to save you the effort of typing them in when that distribution is called up during data entry.

Once a template type is determined, the only other decision that needs to be made is whether it is going to be a Vendor-Specific, or a Non-Vendor Specific template.

Vendor-Specific means that the template will be available only for that vendor. There would be no need for your template for the electric bill to be available to vendors other than your electric company. Therefore, that template should be Vendor-Specific.

Non-Vendor Specific means that a particular template would be available at all times in a particular journal, no matter who the vendor is. A common example of this is a template set up for Machinery Repair. There may be a dozen or more places you go to buy parts. Rather than setting up a template for each and every vendor you buy parts from, you can set up one Non-Vendor Specific template and it will be available to use with any vendor.

Creating Templates

Templates are easier to use than ever before since they can be created "on the fly" entirely from Journal Entry Posting. Occasionally, however, you may wish to add a template through Master File Maintenance. These instructions will take you through both methods of creating a template:

To Add a Template "On The Fly" From Journal Entry Posting:

Templates can now be created "On the Fly" right from journal entry, rather than through Master File Maintenance. The process is quite simple and allows us to create the template rapidly at any point in time. If you enter a transaction that did not have a template, and you wish to have a template for future use for this same vendor or same account, follow the instructions below to create a template based off of the transaction you just saved.

1. Templates can be created by replicating transactions that have already been entered in journal entry. Therefore, you must have already entered a transaction that looks like you want your template to look like. Find the transaction you wish to "copy" so that it is on the screen in the Horizontal Mode. If you have just finished the transaction you wish to create a template for, then return to that transaction with *F1 PrvTrn*. The screen should resemble the picture in Figure 5.1.
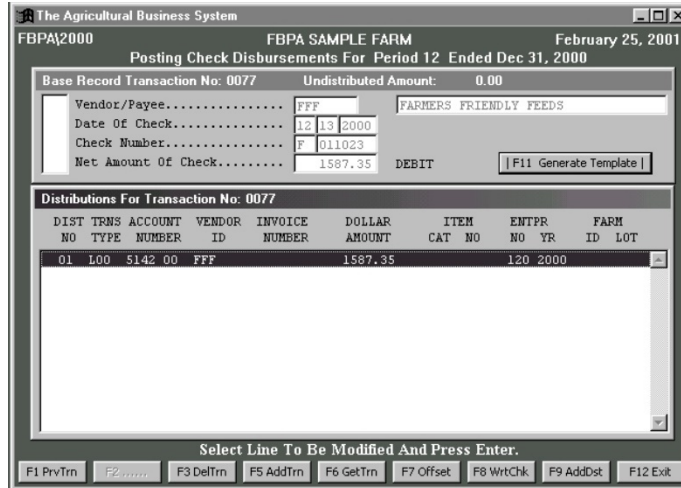
Figure 5.1 – Adding Templates "On The Fly." This shows a transaction in the "Horizontal Mode" where the "Generate Template" button can be seen.

2. Select the *F11 Generate Template* button located in the base record field of the transaction.
   ▪ Another window will be displayed with the cursor flashing in the Template Description field.
   ▪ If there are already other templates on file for this vendor and journal, the *F8 Help* button will be lit. Select *F8 Help* at this point if you would like to view a list of those templates. Select *F8 Detail* if you would like to see specifically what accounts, Profit/Cost Center, Category, Site/Lot, etc. that template is set up for. Select *F12 Exit* to return to the template setup screen.

3. Enter a Template Description.
   ▪ This description will be seen only on help screens later when using the templates you have created. The description can be anything that is helpful to you in explaining that template's use so you could choose it from a help screen.

4. Enter a valid Template Type or click on the appropriate radio button to select from the choices. (Refer to the overview on the first page of this chapter for explanation of template types).
   ▪ If the template is a Percentage Template with multiple distributions, the system will compute the percent allocation to each distribution from the transaction you are replicating and it will make the same allocation on the template.
   ▪ If the template is a Variable, the amounts will be omitted from the template and you will be prompted for amounts during journal entry.
   ▪ If the template is Fixed, the amounts in the transaction you are replicating will be the amounts used in the template.
   ▪ If the template is Mixed, you will be prompted to go back to the transaction and enter a "V$" in the comments line of at least one distribution before creating the template. This tells the system which distribution(s) is the variable one. The distributions that do

not have the "V$" in the comments line when the template is created will be assumed to be the "Fixed" amounts.

5. Enter "Y" to make the template Vendor-Specific, or "N" to make the template Non-Vendor Specific, or click on the appropriate radio button to select from the choices.

6. Select *F7 GenTmp* to save the specifications and create the template.

    ▪   If the template was a Percentage, Variable, or Fixed Template, the screen will automatically return to Journal Entry Posting.

    ▪   If the template was a Mixed Template, a message will appear telling you to press f1 *Rem V$* to remove the *V$* automatically from the comments line, then it will return to Journal Entry Posting.

    ▪   If "Comments" were used in the original transaction, those comments will appear in the template unless they are deleted before creating the template.

To Add a Template Through Master File Maintenance:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF8 Journal Entry Template File* from the File Maintenance Applications Menu.

4. Select the Posting Journal that you would like to create templates in.

    ▪   If no templates have been entered for the journal selected, a blank template will be displayed in the "Vertical Mode" and is ready for data entry.

    ▪   If any templates exist in the given journal, the last template created will be displayed in the "Horizontal Mode." Select *F5 AddTrn* to add another template.

    ▪   If the template is to be a Non-Vendor Specific template, press *Enter* at the Vendor/Payee field without entering a vendor. The vendor will default to "Non-Vendor Specific." If the template is to be Vendor-Specific, enter a valid Vendor ID Code.

    ▪   Select *F8 Help* to display a list of all vendors currently in the Vendor Master File if assistance is needed. Entering the first letter of the vendor ID before selecting *F8 Help* will display the vendors alphabetically starting with the letter entered. A vendor can be selected from this list by double-clicking on the desired vendor, or by moving the highlight bar to the desired vendor and pressing *Enter*.

    ▪   If the Vendor/Payee is not found to be in the Vendor File, you can add them at this time without leaving Template File Maintenance. If the Vendor ID Help window is not already open, select *F8 Help*, then *F7 Setup*. Fill in the required fields for the vendor and select *F9 End*, then *F7 Save* to save the vendor when you're finished. Refer to the instructions outlined in Chapter 3 – Vendor File Maintenance for further detail, if necessary.

5. Enter a Template Description.

    ▪   This description will be seen only on help screens later when using the templates you have created. The description can be anything that is helpful to you in explaining that template's use so you will be able to choose it from a help screen.

6. Enter a valid Template Type (refer to the overview on the first page of this chapter for explanation of template types).

7. In the Net Amount field, enter an amount only if this is to be a Fixed Template. If it is a Mixed or a Variable Template, the system will default past the Net Amount line, leaving it zero. If the template is a Percentage Template, the Net Amount field will default to 100 (%).

8. Enter the Type of Transaction Code which best describes this transaction.
   - Select *F8 Help* to display a list of the valid Type of Transaction Codes if assistance is needed.

9. Enter a valid Ledger Account Number.
   - Select *F8 Help* to display a list of the valid ledger account numbers for the Type of Transaction chosen. Account numbers are displayed in two levels in the Account Number Help window. The major accounts are displayed with an asterisk beside those that have sub-accounts beneath them. To view the accounts beneath any major account, move the highlight bar to the major account, then select *F8 Help* again. An account can be selected from this list by double-clicking on the desired account, or by moving the highlight bar to the desired account and pressing *Enter*.

10. Press *Enter* to allow the template to bypass the Comments field during journal entry. If you wish to have the cursor stop at the comments field during journal entry, press the space bar to remove the asterisk from this line in the template. An example of where you might want to do this would be in a template for the sale of cull cows. Stopping on the comments line gives you a chance to type which cow was sold so you can go back to it later and remove the cow from inventory or depreciation.

11. There are three options for the Distribution Vendor ID field.
   - The first and most common option would be to press *Enter* without typing anything in the vendor ID field. The words "Will default to Base Vendor ID" appear to the right of the Vendor ID field. This simply means that the Distribution Vendor is the same as the Base Record vendor and it will be defaulted to that vendor during journal entry.

   - The second option would be to type another Vendor ID in that field. Perhaps this is your template for the milk check with deductions and you want to enter the insurance company's vendor ID for that deduction rather than using the milk company.

   - The third option would be to select *Varies*. The message "Causes prompting for Vendor ID" will appear to the right of the Vendor ID field. This will cause the cursor to stop on the Distribution Vendor ID field during journal entry so another vendor can be entered. An example of where this might be used is for a credit card or Farm Plan template, where the check is written to one vendor, and each distribution may be another vendor – but we don't know who those other vendors are going to be until the bill is in hand, so the cursor is set to stop on that line and allow entry.

12. Press *Enter* to bypass the Prompt for Invoice Number field and allow it to default to "N" for "No" or type a "Y" for "Yes" if you want the cursor to stop on that line during journal entry to allow entry of an invoice number.

13. The Distribution Amount field depends on the type of template you're setting up:

- Percentage Template – Press *Enter* if to default the Distribution Amount/Percent to 100 (%) if there is only one distribution for this template. If the template has multiple distributions, enter the percentage that is valid for the current distribution. This will be the percentage used to compute the distribution amount when the template is used in journal entry.

- Variable Template – Leave zeros in this field.

- Fixed Template – Enter a dollar amount.

- Mixed Template – The amount is optional. Enter the amount only if this is the "fixed" portion of the template, otherwise, leave it zero.

14. Enter a valid Category and Item Number or press *Enter* to bypass this field without entry. (See the Inventory Section of Chapter 4 – Journal Entry to gain knowledge about the benefits of using this field)

15. Enter a valid Profit/Cost Center or press *Enter* to bypass this field without entry. (Refer to Chapter 18 – Managerial Accounting for further detail on Profit/Cost Centers.)

16. Enter a valid Site ID and Lot Number or press *Enter* to bypass this field without entry.

17. Select *F7 Save* to save this distribution.
    - If the Undistributed Amount is zero and if no further distributions are desired, select *F7 EndTrn* to complete this transaction

    - If a Variable or Mixed Template is being created and additional distributions are desired, select *F9 AddDst* to add a distribution.

    - If the Undistributed Amount is greater than zero, another distribution screen will be displayed. Repeat Steps 8 – 17.

    - If the Undistributed Amount is greater than zero and all distributions are complete, select *F9 AdjNet* to adjust the net amount of transaction.

Reorganizing Template Display

Once a number of templates have been created, you may find it useful to reorganize the order in which they are displayed on the help screens. By default, templates are added on to the end of the list as they are created. This is fine, except in the case where a template is created that will be used very frequently and it happens to be at the end of a very long list of templates. The list can be rearranged so that the most frequently used templates appear at the top of the list when the Help option is chosen during journal entry.

To Reorganize Template Display:

1. Both Vendor-Specific and Non-Vendor-Specific Templates can be reorganized, but they must be reorganized during Journal Entry (any journal). Start an entry to the vendor whose templates you wish to reorganize (any vendor will work if you are reorganizing Non-Vendor-Specific Templates). This does not have to be a "real" transaction – you only have to enter enough to get to the Net Amount line so the Template Help Window can be displayed, then you can exit away from this transaction without saving, or you can complete the transaction.

2. From the Template Selection Help Window of any transaction in any journal, highlight the description for the template you would like to move.

3. Select *F7 Move*.

4. Double-click (or highlight and press *Enter*) on the location in the list you would like to move the template to. Note that the template always moves to the position <u>above</u> the point you choose.

5. Continue this process until all templates you wish to re-organize have been moved.

6. Exit from the Template Help window or continue with your transaction.

Note that if you go to Template File Maintenance in Master File Maintenance, the order of the transactions there has not been changed. Reorganizing the template display only changes the order in which they will be displayed on the help screen – it does not change their actual location in Master File Maintenance.

Chapter

6

Inquiry Applications

The Inquiry portion of TABS is an integral part of the software. Inquiry gives us the ability to query the system and view account totals, account balances, quantity totals/averages, vendor balances, accounts payable balances, accounts receivable balances, inventory, Profit/Cost Centers, etc. without printing. Inquiry is also extremely useful in giving you the ability to look for specific entries. New to Inquiry Applications is the ability to post "Pay Reminders" and "To Do's" from the inquiry screen that may be used to flag entries for further investigation or to prompt the user to pay a bill.

View Data by Account, Vendor, or Profit/Cost Center

If you wish to view an account balance/total for a single account or a range of accounts, you can do this with the following instructions.

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F7 Inquiry Applications* from the General Ledger System Menu.

3. Select *F1 General Ledger Account Data* from the Inquiry Options menu.
   - The Inquiry Selection Criteria window will be displayed with the required fields filled by defaults. The system defaults to Cash Basis, period 00 through 13, and shows the entire account range from the lowest to the highest account in TABS.

4. At this point, you have the option of accepting the defaults for the selection criteria or narrowing down or changing the selection criteria. If you do <u>not</u> want to narrow down the search by specifying a different accounting basis, range of months, range of accounts, specific journal source, specific vendor, specific profit/cost center, or specific site/lot, accept the defaults and skip to step 12. Otherwise, continue here.

5. If you would like to change your query from Cash (the default) to Accrual/Market Basis, enter into the <u>Accounting Basis</u> field and select *A = Accrual/Market Basis*. Reasons for doing this might include the following:
   - If you use Accounts Receivable and/or Accounts Payable and would like to include in your query all transactions posted in these journals (regardless of whether or not they have been paid), you should choose the Accrual Basis. A Cash Basis query would only show those invoices (or portions of invoices) that have been paid.

- If you are looking at asset account balances and would like to see the market value of your depreciable assets (assuming the correct entries have been made to create and maintain these balances), rather than the cost basis and accumulated depreciation, you should choose Accrual Basis.

6. If you would like to specify a definite range of months to include in your query, enter into the <u>Accounting Period</u> field and specify the months you would like to include. Keep the following points in mind:
   - If you are looking at asset or liability account balances, remember that it is important to include period 00 in your query, because this is where the opening balances of those accounts are.

7. If you would like to look at a specific account number or a specific range of accounts, enter into the <u>Account Number</u> field to make this change. The *F8 Help* button is available if you would like to search for an account, or the *F9 Class* button is available if you want to select a range of accounts by "class" (Assets, Liabilities, Income, Expenses, etc.).
   - If you do not make changes to the default account range, all accounts with activity will be displayed upon choosing *Select,* and you can scroll through the accounts to find the account(s) you want to look at.

8. If you would like to narrow the query to include only transactions within one specific journal, enter into the <u>Journal Source</u> field and specify a journal. The *F8 Help* button is available to help you with the abbreviations.

9. If you would like to narrow the query to include only transactions that are with a specific vendor, enter into the <u>Vendor ID</u> field and specify a vendor ID. The *F8 Help* button is available to help you with the selection.

10. If you are using Managerial Accounting and would like to narrow the query to include only transactions that have been allocated to a specific Profit/Cost Center and Project, enter into the <u>P/C Center and Project</u> field and type your selection. The *F8 Help* button is available if assistance is needed.

11. If you are using Managerial Accounting and Site/Lot Detail, and would like to narrow the query to include only transactions that have been allocated to a specific Site/Lot ID, enter into the <u>Site ID and Lot</u> field and type your selection. The *F8 Help* button is available if assistance is needed.

12. Select *F9 Select* to prompt the system to show the detail of the accounts with the selection criteria you specified. The designated account or group of accounts will be displayed on the screen. If more accounts were chosen than fit on the screen, you can scroll through them with your Page Up and Page Down keys, arrow keys, mouse and scroll bar, space bar, or the End and Home keys.

13. Detail of any specific account may be viewed by either double-clicking on it, or by placing the highlight bar on it and pressing *Enter.* Further detail of any specific entry within an account may be viewed by double-clicking on or moving the highlight bar to any specific entry and pressing *Enter.* Selecting *F12 Exit* will return the view to the account listing after looking at specific detail on any account.

14. Select *F1 PrtBal* if you wish to print the balance of the ledger accounts in the selected range as they are seen on the screen.

15. Select *F2 PrtDtl* if you wish to print the detail (all transactions) of each account in the selected range of accounts as they are seen on the screen. If you wish to print the detail for only one of the accounts in the range, you must press *Enter* so you are looking at the detail to be printed – otherwise, the detail for every account in the range of accounts selected will print.

View Accounts Payable Invoices by Vendor

If the Accounts Payable journal has been used to record invoices due for any or all vendors, Inquiry will be used frequently to check balances due to vendors.

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F7 Inquiry Applications* from the General Ledger System Menu.

3. Select *F2 Accounts Payable Invoice Data* from the Inquiry Options menu. There are three levels of viewing the detail:
   - The first level displays all vendors who have had activity in the Accounts Payable journal. The Invoice Amount column shows the total amount of money invoiced from each vendor, and the Amount Open shows the remaining balance due to each vendor.

   - Further detail can be viewed at the second level, by either double-clicking, or highlighting pressing *Enter* on any vendor. This shows the detail of specific transactions or invoices charged.

   - If payments have been made on an invoice or if the invoice is completely paid off, a third level of detail can be viewed. The Payment History can be viewed by double-clicking or highlighting and pressing *Enter* on any transaction.

4. Select *F12 Exit* to leave Inquiry Applications when finished browsing.

View Accounts Receivable Invoices by Vendor

If the Accounts Receivable journal has been used to record invoices to customers/vendors, Inquiry will be used frequently to check balances due to you from these vendors.

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F7 Inquiry Applications* from the General Ledger System Menu.

3. Select *F3 Accounts Receivable Invoice Data* from the Inquiry Options menu. There are three levels of viewing the detail:
   - The first level displays all vendors who you have invoiced through the Accounts Receivable journal. The Invoice Amount column shows the total amount of money invoiced to each vendor, and the Amount Open column shows the remaining balance due to you from each vendor.

   - Further detail can be viewed at the second level, by either double-clicking, or highlighting pressing *Enter* on any vendor. This shows the detail of specific transactions or invoices charged.

- If payments have been received on an invoice, or if the invoice is completely paid off, a third level of detail can be viewed. The Payment History can be viewed by double-clicking or highlighting and pressing *Enter* on any transaction.

4. Select *F12 Exit* to leave Inquiry Applications when finished browsing.

View Inventory Balances/Quantities

If you would like to view account balances and quantities on hand of Non-Depreciable Inventory Items, you can do so with the following instructions.

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F7 Inquiry Applications* from the General Ledger System Menu.

3. Select *F4 Non Depreciable Inventory Data.*
   - The Selection Criteria For Inventory Inquiry Window will be displayed. The system defaults to Cash Basis, period 00 through 13.

4. If you would like to change your query from Cash (the default) to Accrual/Market Basis, enter into the <u>Accounting Basis</u> field and select *A = Accrual/Market Basis.* Note that sometimes certain inventory displays only on the Accrual/Market Basis, depending on how they were recorded in the Inventory Change Journal.

5. If you would like to specify a definite range of months to include in your query, enter into the <u>Accounting Period</u> field and specify the ending month. You cannot select a starting month other than Period 00, as it is necessary to include Opening Balances for Inventory.

6. Select *F9 Select* to prompt the system to calculate inventory balances and display them on the screen. The non-depreciable inventory accounts will be displayed on the screen, complete with balances and quantities.

7. Select *F1 PrtBal* if you wish to print the balance of the inventory accounts as they are seen on the screen.

8. Detail of any specific account may be viewed by either double-clicking on it, or by placing the highlight bar on it and pressing *Enter.*

9. Select *F2 PrtDtl* if you wish to print the detail (all transactions) of the account selected.

10. Selecting *F12 Exit* will return the view to the account listing after looking at specific detail on any account.

Chapter

7

Display Check Register

There are two places in TABS that will allow you to look at the Check Register to verify checking account balances. One is from the General Ledger System Menu; the other is from Base Record (the first four lines) of any transaction in any journal when a new transaction is being added.

To Display the Check Register through the General Ledger System Menu:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F5 Display/Print Check Register* from the General Ledger System Menu.

3. Select the checking account you would like to display.

4. Select *F1 Display Check Register.* There are two levels of display – the first level shows only the Opening Balance and Closing Balance of each day that there was activity on the selected checking account.

5. To look at the second level of detail, select (double-click) on any day listed. The display will expand to show each individual check and deposit entry, along with a running balance of the checking account. Note that detail will only be shown from the selected date forward, so choose a day that is the earliest day you wish to review.

6. Scroll through the register as desired.

To Display the Check Register from the Base Record of a Transaction:

1. From any journal, in any month, select *F5 AddTrn* to add a new transaction.

2. At any point in the Base Record window (first four lines of a transaction), select *F9 ChkReg.*

3. Select the checking account you would like to display. The first level of display will appear, showing Opening Balance and Closing Balance of each day that there was activity on the selected checking account.

4. To see more detail, you must look at the second level of detail. Select (double-click) on any day listed. The display will expand to show each individual check and deposit entry, along with a running balance of the checking account. Note that detail will only be shown from the selected date forward, so choose a day that is the earliest day you wish to review.

5. Scroll through the register as desired.

Print Check Register

The Check Register is often printed as a hard copy of checks that were written and deposits that were made. The register can be printed for any range of dates desired, and for any checking account.

To Print the Check Register:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F5 Display/Print Check Register* from the General Ledger System Menu.

3. Select the checking account you would like to display.

4. Select *F2 Print Check Register*. A window will appear, asking for the range of dates you would like to print for the selected checking account.

5. Type a beginning and ending date range, then select *F1 PrtReg* to print the register.

Chapter

8

Check Reconciliation

The check reconciliation portion of TABS allows the user to easily reconcile the Ledger System to the bank statements and determine bank balances on any checking account in the system. Bank statement opening/closing balances can be seen on the screen to verify that they match the bank statement before printing the check reconciliation report.

Initial Setup

Important Notes: The first time check reconciliation is used on a particular checking account in TABS, manual entry of checks-in-transit (checks that were written in the old year but had not cleared the bank) is required. This is a one-time process. If the checking account is reconciled monthly from that point forward, all checks/deposits-in-transit at the end of subsequent years will transfer automatically to the next fiscal year.

To Begin Check Reconciliation (for the first time on a particular checking account):

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F6 Check Reconciliation Applications* from the General Ledger System Menu.

3. Select the desired checking account.

4. Select *F1 Bank's Balance & Open Entries Brought Forward.*

5. The cursor will be flashing in the "Number" field in a window for the checking account selected. This is where we will enter the list of checks in transit from the old year. Enter the check number, payee (or an asterisk if you don't care to enter the payee on checks brought forward), and amount of the first check, then select *F7 Save*. Select *F5 AddOpn* and repeat this process for each check in transit.

6. As checks in transit are added, the "Opening Bank Balance" is generated and updated automatically by adding the amount of the checks in transit to the balance in the checking account, period 00, Opening Balances (cash basis). To re-state this in a more understandable fashion, the system takes the "real" checking account balance (from the Opening Balances Journal) and adds back the checks that were written but have not cleared the bank. The resulting balance is the Opening Bank Balance for the first day of the fiscal year. This Opening Bank Balance can be seen in the title bar of the Open Entries Brought Forward window and

must agree with the Opening Bank Balance (for the first day of the fiscal year) of the Bank Statement in hand.

7. If the computer-generated Opening Bank Balance does <u>not</u> agree with the bank statement in hand, then either the balance of the checking account in period 00 - Opening Balances is incorrect (cash basis), or the checks-in-transit are incorrect. Start by verifying that the list of checks-in-transit is complete and accurate. If this list is complete and accurate, use a calculator to compute the difference between the Opening Bank Balance in the title bar of the Open Entries Brought Forward window and the Opening Bank Balance on the bank statement. This "difference" needs to be added to or subtracted from (depending on which way it is off) the checking account balance in period 00 of the Opening Balances Journal. To do this, exit the check reconciliation portion of the software, choose *F3 Journal Entry Posting*, then *Period 00*, then *Opening Balances*. Adjust the balance for the checking account you're working with on both the cash and accrual basis (which means you probably have to change two transactions), then return to Check Reconciliation *F1 Bank's Balance & Open Entries Brought Forward* screen to see that the correct adjustment has been made (you may have to re-organize the posting file for the change to take effect). If it agrees, you are ready to begin check reconciliation – continue with the "Monthly Check Reconciliation" section of these directions.

Monthly Check Reconciliation

Upon receipt of a monthly bank statement for a checking account, that checking account should be reconciled with the bank statement. The process is simple but requires concentration and discipline in that the source document (bank statement) and the screen must be compared during the process.

To Do Monthly Check Reconciliation:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F6 Check Reconciliation Applications* from the General Ledger System Menu.

3. Select the desired checking account.

4. Select *F2 Post Data From Bank Statement*.

5. Select the desired month.

6. Type in the Bank Statement Closing Date for the month chosen and press *Enter*.
    -   TABS allows only one posting date for each month. In the case where two statements for the same account close in the same month (maybe January closes on Feb 2nd, then February closes on Feb 28th), you may have to choose a month that has already been posted. In this case, TABS will automatically change the earlier closing dates in that month to the later closing dates. (In the example, it would change all of the checks cleared on Feb 2nd to be cleared on Feb 28th.) In most cases where this situation occurs, it is possible to use the last day of the "blank" month, rather than the actual closing date (in the example given, use January 31, rather than February 2). This keeps the months separate so they can still be matched with their corresponding bank statements rather than being combined into one. Keep in mind that if an earlier date is used, the charges appearing on the bank statement that have not been entered in TABS or any checks or deposits that clear in that month <u>must</u> be dated on or before the closing date

you choose. This may mean entering them in a different month in Journal Entry than they were originally entered.

7. Select *F8 Open.*
   - All Open Entries that are valid for the Bank Statement Closing Date chosen will be displayed. Both checks and deposits will be shown on the same screen. Note that the column titled "JS" shows the "Journal Source" for the transaction, which makes it easier to distinguish between deposits and checks. **No** transactions with a date later than the Bank Statement Closing Date chosen for that month, whether they be checks or deposits, will be displayed. This prevents errors of clearing a check or deposit on a date earlier than they were actually written or deposited.

   - By default, the Open Entries are listed in order by Check/Reference Number. You have the option of selecting *F2 TrnDte* to put the entries in order of transaction date or selecting *F3 Source* to put the entries in order by journal source (alphabetic by source, then in date order within each journal). Selecting *F1 Ck/Ref* will return the open entries to being sorted by Check/Reference Number.

8. Review the list. Press *Enter* or double-click on all checks or deposits that have been recognized by the bank and are listed on your bank statement. As you acknowledge each item, the Bank Statement Date and Transaction Amount will appear in the Bank Date and Bank Amount column, thus acknowledging that the check/deposit has been "posted" or "been paid" by the bank. The highlighted bar will automatically move to the next line. Continue this process until all entries that appear on your bank statement have been recognized in TABS.
   - Pressing *Enter* a second time on an entry returns that check/deposit to the "in transit" status if a mistake is made.

9. When all posted checks and deposits have been dealt with, select *F12 Exit.* The window displayed will list the Opening and Closing Balance of each month that has been posted in check reconciliation. If the Closing Balance for the month chosen matches the Closing Balance on the bank statement for that same month, check reconciliation is complete. Proceed to Print Bank Reconciliation Report.

10. If the closing balance for the month chosen does NOT match the closing balance on the bank statement, you need to either print the report to find the difference, or review the checks and deposits cleared on the screen before printing.
    - If you wish to review on the screen, choose the desired month and press *Enter.*

    - The Bank Statement Date will default to the same date chosen before. Accept this by pressing *Enter.*

    - Select *F9 Posted.* This will display all of the checks that were "posted" for that month. Review these entries, comparing them again with the bank statement in hand.

    - If you don't see a problem there or would like to see the open entries as well, select *F12 Exit*, then select *F8 View* with the desired month highlighted. The open entries will be displayed. Select *F9 LstAll* to display all the entries (both posted and open) valid for the given month.

Print Bank Reconciliation Report

We recommend printing the Bank Reconciliation Report and keeping the printed copy on file along with the bank statement and a backup of the TABS data for each month of the year.

To Print the Bank Reconciliation Report:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F6 Check Reconciliation Applications* from the General Ledger System Menu.

3. Select the desired checking account.

4. Select *F3 Print Bank Reconciliation Report.*

5. Select the desired month.
   - A white message will appear at the bottom of the screen, stating the range of dates to be printed.

6. Select *F1 PrtRpt.*

How to Interpret the Bank Reconciliation Report

The Bank Reconciliation Report is printed in a number of sections. Following is an explanation of the line items and totals displayed on the report.

- The Opening Statement Balance is displayed near the top of the reconciliation report and should match the Opening Account Balance listed on the statement from your bank.

- Following the Opening Statement Balance are the checks and deposits recognized as being "posted" by the bank. The totals of the debit and the credit columns are shown, followed by the Net Amount Posted, which is the net of these two totals.

- The Closing Statement Balance is displayed in the middle section of the reconciliation report, following the list of posted checks and deposits. This balance should match the bank statement in hand. A balance printed in the Debit column signifies a positive balance. Likewise, a balance printed in the Credit column signifies a negative balance.

- The Outstanding Entries After Close are the checks and deposits entered into TABS that have not been posted by the bank as of the Bank Statement Closing Date. Only the checks and deposits entered with a date that is on or before the Bank Statement Closing Date will be displayed in this section.

- The Balance With Outstanding Entries is the net of the Closing Statement Balance and the Net Amount Outstanding. This shows your *check register* balance on the Bank Statement Closing Date.

Fixing Errors to Reconcile the Checking Account

When you complete your monthly check reconciliation and find that the closing balance for the given month in TABS does not match the closing balance on the bank statement, you need to know how to find the error. Following are some things to check:

1. Verify that the <u>Opening</u> Balance for the month agrees with the bank statement. If it does not agree, then the problem is in a previous month or in the opening balance at the beginning of the year. Verify the closing balances of all previous months to locate the month of error.

2. From the Checking Account Reconciliation window, select (double-click) the month with the error. The window showing the bank statement closing date will appear. Accept that date by pressing *Enter*. Select *F9 Posted* to see a list of the entries that you have posted to the bank. Compare these entries, one by one, with the bank statement in hand. If you find a check or deposit that was posted and should NOT have been posted, you can send it back to Open Checks now by double-clicking on that entry to remove the "Bank Date" and "Bank Amount"

Chapter

9

Payroll System

The TABS Payroll System is designed to accommodate almost any method of paying employees. It is designed to rapidly compute the proper pay and deductions for employees, print payroll checks with easy-to-understand vouchers, and generate various reports for payroll tax deposits, Workers' Compensation payments, insurance, W-2's and other government requirements associated with the payment of wages to employees.

Initial Setup

There are several steps that must be completed in order to prepare the system for payroll the first time it is used. The following instructions will take you through the initial setup. If you have used payroll in previous versions of TABS, your payroll files will transfer and will be converted to the new format. We recommend, however, that you follow through all of the instructions in this chapter regardless of whether you are transferring files from a previous version or whether you are setting up payroll for the first time. There have been many changes made that may require you to alter your current settings in order for payroll to function like it has in the past.

Set the Accounting Offset File:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF3 Accounting Offset File* from the File Maintenance Applications Menu.

4. Select *F5 AddRcd* to add a record to the Accounting Offset File.

5. Enter the following:

    Journal Source Code – *CD*

    High Order Reference Number – *P* (If you get a yellow message at this point that says "Record To Be Added Is Already On File," select *F12 Exit* and continue on to the next section.)

    Offset to Trans Vender – This should default to "*N - No, Offset to Designated Vendor ID*"

    Vendor Id – This should default to "********" *(asterisks)* Note – This vendor is used at various places in the software. If you have deleted the vendor "********" from your Vendor File, you will need to add the vendor back in through Vendor File Maintenance

(in the Master File Maintenance menu). Use asterisks for the vendor ID, name, and address, then use your own state and zip code to complete the address.

<u>Ledger Account Number</u> – *1018 00 Cash Payroll Account.* If you get a message that this is not a valid account, you will have to add it in Chart of Accounts File Maintenance (in the Master File Maintenance menu). Select *F9 End* after typing the account name to allow the default on all account settings.

<u>Offset Summary Code</u> – *A = By Account Number*

6. Select *F7 Save* to save changes.

Set the Processing Control File:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF4 Processing Control File* from the File Maintenance Applications Menu.

4. Move the modify arrow down to the last line titled "Check Account Prefix – Payroll." This field determines which checking account payroll checks will be deducted from. Enter the appropriate checking account prefix for the payroll checking account or leave this field blank if you use the 1020 00 Checking Account for payroll checks and don't use a Check Account Prefix for this account. * Note – You cannot set up a new checking account from this screen. If you plan to use a new checking account for payroll that has not been set up in TABS, you must first set that checking account up in the Chart of Accounts, then set the offset up in the Accounting Offset File.

5. Select *F7 Save* to save your changes.

6. Select *F12 Exit* several times until the desired menu is displayed.

Company Master File

The Company Master File contains basic information about the business and also displays Pay Frequency Codes and Authorized Use Level.

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options.

3. Select *F2 Company Master File* from the File Maintenance Options. The Company Master File Data window will be displayed.

4. Verify the accuracy of the following, and make changes or corrections where necessary to the data displayed:

<u>Company Name</u> – This field should contain your name or the name of your business as you want it to appear on the W-2 forms that you will send to employees at year- end. (This should be the business or personal name the IRS has registered with the Federal ID number you are using for this business). No punctuation (periods, commas) should be used in the Company Name field, and the name should appear in all capital letters.

Address, City, State, and Zip Code – These fields should contain your mailing address or the address of your business as you want it to appear on the W-2 forms. No punctuation should be used, and the address should appear in all capital letters.

Telephone Number – This field is optional.

Federal ID Number – This field should contain the Federal ID Number for the business. This is required if you are going to print W-2's for your employees from TABS.

State ID Number – This field should contain the State ID Number for the business. If you do not withhold state tax from your employees, this field should be left blank.

Minimum Hourly Wage – This is an informational field only. Although it might display the current minimum hourly wage, it does not prevent you from paying employees less than minimum.

Pay Frequency Codes 1 and 2 – If you are at "Level One" of Authorized Use Level (addressed in the following section), you will need to specify which Pay Frequency(s) you will be using. You are limited to two frequencies, other than "Daily" and "Other/Special." Enter into the first empty Pay Frequency Field to see the options available. If you are at "Level Two" of Authorized Use Level, you need not specify which Pay Frequencies you will be using at this point. All Frequencies are available to Level Two users. To change your Pay Frequency Code, see the instructions below.

5. Select *F7 Save* to save changes. A white message will appear that says "Record Has Been Updated."

6. Select *F12 Exit* to exit from the Company Master File.

Authorized Use Level

There are two levels of usage for payroll. Each level sets a limit on the number of employees or pay frequencies you are authorized to use. You will need to determine which level is necessary for your business, then set the system accordingly. A "key" number, assigned to you by Agrimaster® will allow you to change your authorized use level from one level to another. This key is the same number as your user license key.

Level One is the default level included with the regular software license and is intended for those who have very minimal payroll. This level allows a maximum of three employees to be paid for any pay period and pay frequency combination. Level One provides for the use of "Daily" and "Other/Special" pay frequencies, plus any two of the following frequencies: Weekly, Biweekly, Semimonthly, Monthly, Quarterly, Semiannual, and Annual.

Level Two may now be used at no additional fee. You simply need to pay your annual TABS user fee and wait until you receive the annual software update. Your Key Code will be provided with the annual software update after your user fee is received by Agrimaster.® Level Two allows one thousand employees to be paid, and any or all of the nine pay frequencies to be used. The Key Code for User Level Two must be entered by Feb 1st each year.

To Set or Change the Authorized Use Level:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options.

3. Select *F2 Company Master File* from the File Maintenance Options. The Company Master File Data window will be displayed.

4. Observe the current Authorized Use Level setting – shown in the top margin of the Company Master File Data window. If the level is correct, you don't need to make any changes. Exit from Payroll File Maintenance.

5. If you would like to move to *Level 2*, select the *F2 Level 2* function key. An "Upgrade to Authorized Use Level" window will be displayed.

6. Type the six-digit Key Code (provided by Agrimaster®), then press *Enter*.

7. Select *F7 Save* to save your changes.

8. Select *F12 Exit* several times until the desired menu is displayed.

Company Pay Periods

Before using payroll for the first time and again at the beginning of each year, you must tell the system what days your pay periods will end for each type of pay frequency (other than Daily and Other/Special) you plan to use. This annual task must be done before the first payroll checks can be written.

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options.

3. Select *F4 Company Pay Period File* from the File Maintenance Options. If the pay period ending dates have already been set up for one or more pay frequencies, the last one (alphabetically) will be displayed. If this is the case, select *F5 AddRcd* to add a record.

4. Select a Pay Frequency Code. Keep in mind that Pay Frequency is a factor that is used in the tax tables to determine the correct amount of taxes to be deducted from your employees. Using the wrong Pay Frequency may result in over- or under-withholding of tax. Read the following descriptions carefully before choosing a frequency:

    -   Daily and Other/Special – these pay frequencies will not be displayed as choices. They are special exceptions that will be allowed in pay entry without setting up pay period ending dates. *Daily* pay is sometimes used for seasonal workers whose length of employment is questionable or unknown and you would like the ability to pay them at the end of each work day. *Other/Special* pay is used for occasions where it is necessary to pay an employee more than once during the same pay period. If you have already paid an employee their regular pay and want to give them an additional paycheck during the same pay period, Other/Special pay frequency will allow you to do that.

    -   Weekly – You will have the opportunity to pay employees set up under *Weekly* pay once a week. If you choose Weekly Pay, the cursor will be blinking at "End Day of January's First Pay Period" field. Enter the date (day only) the very first pay period of the fiscal year will end (1 through 7) and press *Enter*. The remainder of the pay period

ending dates will automatically fill in for the year. Select *F7 Save* to save the dates displayed.

- <u>Bi-Weekly</u> – You will have the opportunity to pay employees set up under *Bi-Weekly* pay once every-other week. If you choose Bi-Weekly Pay, the cursor will be blinking at "End Day of January's First Pay Period" field. Enter the date (day only) that the very first pay period of the fiscal year will end (1 through 14) and press *Enter*. The remainder of the pay period ending dates will automatically fill in for the year. Select *F7 Save* to save the dates displayed.

- <u>Semi-Monthly</u> – You will have the opportunity to pay employees set up under *Semi-Monthly* pay two times each month (the same two dates every month – such as the 15th and 30th). If you choose Semi-Monthly Pay, the cursor will be blinking at "End Day of January's First Pay Period" field. Enter the date (day only) that the very first pay period of the fiscal year will end (1 through 15) and press *Enter*, then enter the day that the second pay period of the fiscal year will end and press *Enter*. The remainder of the pay period ending dates will automatically fill in for the year. Select *F7 Save* to save the dates displayed.

- <u>Monthly</u> – You will have the opportunity to pay employees set up under *Monthly* pay one time each month. If you choose Monthly Pay, the pay period ending dates are all automatically filled in for you. By definition, Monthly pay means that the pay period ends on the last day of each month (you will still be able to select a different date for the actual check date when payment is made). Select *F7 Save* to save the dates displayed.

- <u>Quarterly</u> – You will have the opportunity to pay employees set up under *Quarterly* pay one time each quarter. If you choose Quarterly Pay, the pay period ending dates are all automatically filled in for you. By definition, Quarterly pay means that the pay period ends on the last day of each quarter (you will still be able to select a different date for the actual check date when payment is made). Select *F7 Save* to save the dates displayed.

- <u>Semi-Annually</u> – You will have the opportunity to pay employees set up under *Semi-Annually* pay two times each year. If you choose Semi-Annual Pay, the pay period ending dates are all automatically filled in for you. By definition, Semi-Annual pay means that the pay period ends exactly half way through the year, and on the very last day of the year (you will still be able to select a different date for the actual check date when payment is made). Select *F7 Save* to save the dates displayed.

- <u>Annually</u> – You will have the opportunity to pay employees set up under *Annually* pay one time each year. If you choose Annual Pay, the pay period ending date is automatically filled in for you. By definition, Annual pay means that the pay period ends on the last day of the year (you will still be able to select a different date for the actual check date when payment is made). Select *F7 Save* to save the date displayed.

5. Repeat the above steps until all desired pay frequencies have been set up.

6. Select *F12 Exit* several times until the desired menu is displayed.

Company Earnings & Deductions

The Company Earnings and Deductions file contains the templates for all the earnings types and deduction types used when setting up employees. These templates can be viewed or changed as desired, or more templates may be added to fit any special needs your business may have. It is helpful to review the earnings types you use and update each type with the Workers' Compensation Code and Rate(s) specific to your business.

To Edit the Company Earnings & Deductions File:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options.

3. Select *F5 Earnings and Deductions File* from the File Maintenance Options.

4. Each Earnings Type and Deduction Type your business uses needs to be reviewed. Select the earnings type or deduction type you would like to review or modify first. The first record of that type will be displayed.

5. Select *F6 GetRcd* then select *F8 Help* to display the list of all records of the type chosen. Select the desired record.

6. Make any modifications necessary to the record displayed. Note that if you make any changes to the Earnings Types in this file, you are changing what those types will *default* to when you set up this earnings type for an employee… you will still be able to edit these default amounts in each employee's settings, so you will not be locked in to the default settings or amounts. Modifying the Earnings file is primarily to be sure the proper deductions are set up if you are an employer who withholds state, city, school district, etc. It is much easier to have these settings default correctly than it is to fix them on each employee.

   ▪ If you are reviewing an <u>Earnings Type</u>, please note the following:

     - The *Fixed Earnings Amount* or the *Hourly Rate Factor* can be changed to contain your "default" fixed amount or hourly/unit/percentage rate for this earnings type.

       o If you are editing a *Salary* type of pay, then you can edit the *Fixed Earnings Amount* (Leave the Hourly Rate Factor at zero – this field will be ignored for Salary type earnings).

       o If you are editing an *Hourly* type of pay, then you will leave the Fixed Earnings Amount at zero, and change the *Hourly Rate Factor* to the desired default pay per hour.

     - The *Debit Account Number* displays an appropriate expense account. This is the account payroll earnings will appear in when payroll checks are posted to the General Ledger System. The default account is 5011-00 Gross Wages Paid. Modifications may be made if another account is desired for this earnings type (for instance, if you are tracking Profit/Cost Centers and wish to show more detail on your Profit & Loss Stmt by separating the Gross Wages for each Profit/Cost Center into a separate account. In this instance, you would set up a different

earnings type for each Profit Center, then change the Debit Account Number to go to that specific Chart of Account Number.)

- The *Credit Account Number* will default to the 1020 Checking Account. Modifications may be made to this account setting, although it is not necessary. The Processing Control File (accessed through Master File Maintenance) will ultimately tell the payroll system which checking account is used for payroll and which checking account should be credited when payroll checks are posted to the General Ledger. The Credit Account Number displayed on the Earnings Record is informational only. It may or may not be the actual checking account you are using for payroll checks.

- The *Workers' Comp Code/Rate* is used for Bureau of Workers' Compensation reports. Fill in the code and rate specific to your farm – this will enable you to print the Workers' Compensation reports offered in Payroll Report Generating. Many employers have more than one Workers' Compensation rate for their business. If you have two or more rates for the same earnings type, we advise you to set up separate earnings types for each Workers' Comp. rate you have so that the earnings can be kept separate for BWC reporting purposes. (Example: R11 is "Hourly Wages." If you have hourly employees working with livestock under one Workers Comp rate, and hourly employees doing office work under another Workers Comp rate, you could re-name the R11 to be "Hourly Lvstk," then add an R21 (or any other available number) and name it "Hourly Office." Each earnings type could then have its own Workers Compensation Rate and reporting for the Bureau of Workers' Compensation would be simplified.)

- The *Tax Control Entries* displayed in the bottom window are taxes that will automatically be set up when adding a new employee and using this earnings type. These should be reviewed and added to or deleted from as applicable. FICA, Medicare, and Federal Tax cannot be deleted. State tax can be deleted and re-added if it is set for the wrong state (see the Entity column for state abbreviation), but it DOES need to be there – even if you do not withhold state tax from your employees (the method to prevent Ohio tax from being deducted will be addressed in Employee File Maintenance). City and School District Tax can and should be deleted if you do not withhold these types of taxes, or if it only applies to a small percentage of your employees.

  To Delete a Tax Type – select *F8 UpdTCE* to Update the Tax Control Entry, then select (double-click on) the tax type you wish to delete and select *F3 DelTCE* two times. If you are finished editing the tax controls, select *F12 Exit* to exit the Tax Control Entries window and *F7 Save* to save your changes.

  To Add a Tax Type – select *F8 UpdTCE*, then select *F8 AddTCE* to Add the Tax Control Entry, then select the tax type to be added from the selection list that appears. Accept the default settings by pressing *Enter* twice. Select *F12 Exit* to exit the Tax Control Entries window and *F7 Save* to save your changes.

▪ If you are reviewing a <u>Deduction Type</u>, please note the following:

- The Debit Account Number will default to the 1020 Checking Account. Modifications may be made to this account setting, although it is not necessary.

The Processing Control File (accessed through Master File Maintenance) will ultimately tell the payroll system which checking account is used for payroll, and which checking account should be debited when deductions are made from payroll checks. The Debit Account Number displayed on the Earnings Record is informational only. It may or may not be the actual checking account you are using for payroll checks.

- The Credit Account Number will display an appropriate liability account. This account may be changed to default to other accounts you may have already set up for this deduction type.

7. After all earnings/deduction types used by your business have been reviewed and desired changes have been made and saved, select *F12 Exit* a number of times until the desired menu is displayed.

Set up New Employee

There are two ways to enter employees into the Payroll System. The following instructions will guide you through the step-by-step instructions of setting up an employee. Note that there is also a feature in Payroll allows you to "copy" an existing employee and "paste" their payroll settings to a new employee, thereby using an existing employee as a "template" and simplifying the setup procedure. This use of templates in payroll is addressed in the section entitled "Set Up New Employees Using Templates."

Before beginning the setup procedure for adding employees, you should first collect the necessary data. You will need a completed Form W-4 for each employee. This form is a simple form that shows the employee's name, address, social security number, and number of exemptions he/she claims. You are required by law to have a W-4 on file for each and every person you employ. Note that in 2020, the IRS released a new version of Form W-4 which is much more complicated than the 2019 and prior years version of Form W-4, and changes the way payroll tax deductions are calculated. At this point in time, TABS is being programmed to be able to accept the newer version W-4, but that programming is not complete. It is expected to be released in 2021. Please use a W-4 from 2019 or prior to set up new employees until the updated programming is complete.

In addition to the W-4, you will need to know how this employee will be paid (salary, hourly, piece work, etc.), the pay frequency (how often they will be paid), and how much they will be paid, and if any special deductions will be taken from their pay.

To Enter A New Employee (without using templates):

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options.

3. Select *F6 Employee Master File* from the File Maintenance Options.

4. If you are adding employees for the first time, a blank screen will be displayed, ready for data entry. If you have already added employees, or if you are transferring payroll from a

previous version of TABS, the second employee (listed alphabetically by EmployeeID) will appear on the screen. Select *F5 AddRcd* to add an employee record to file.

5. Fill in the following fields in the Record To Be Added window:

Employee ID - This is an abbreviation of the employee's name. There are six spaces available for this abbreviation. We recommend that you use the first two or three letters of the last name, followed by the first two or three letters of the first name. This will keep the employee names in alphabetical order as they are displayed on the screen and on various payroll reports.

Social Security Number – Enter the employee's Social Security Number. The system will not allow duplicate Social Security Numbers to be added.

Employee Name – Enter the employee's legal name. Enter the last name, followed by a "/" then the first name and middle name or initial. Example: Smith/John W   No periods or commas may be used, and there should be no space between the name and the "/".

Address Line 1 and Line 2 – Enter the employee's street address and/or P.O. Box.

City and State – Enter the employee's city and state of residence.

Zip Code – Enter the employee's zip code.

Telephone Number – This field is optional.

Marital Status – Select "M" for Married, or "S" for Single or Unmarried.

Gender Code – Select "M" for Male, "F" for Female, or "N" for Not Recorded.

Original Hire Date – Enter the original hire date. This date must be before the first date you want to pay the employee.

Birth Date – This field is optional. Enter the employee's birth date or leave blank.

Employment Status – This will default to "A" for *Active*. Press enter to accept this default. The status of the employee can later be changed to "I" for *Inactive* or "T" for *Terminated* if the employee no longer works for you. "Inactive" status should be used for employees you might expect to return to work for you in the future. "Terminated" status should be used for employees you do not expect to return. In both cases, the employee record and earnings data will remain in the system through the end of the calendar year so Form W-2's can be printed.

Status Date – This will default to the same date as the Original Hire Date. Press *Enter* to accept this default.

Assigned PC Center – This field is an optional field and is informational only. The *F8 Help* key is available for this field.

Pay Method – Select the primary Pay Method that will be used for this employee. This field is informational only. It is not limiting, in that you may use different combinations of methods that are not offered as choices in this window.

Pay Frequency – Select the appropriate Pay Frequency for this employee. (See the Company Pay Periods section in this chapter for a description of each frequency)

Base Hours in Pay Period – These are the hours that will appear as the default when paying this employee. Enter a valid number of hours the employee will work each pay period, or

leave the default number there. You will have the opportunity to change the hours to actual hours each time the employee is paid.

Work Days In Pay Period – This field will default to the appropriate number of work days (using a 5-day week) in a pay period. This is important for those employers who are subject to Federal or State Unemployment Tax. Press *Enter* to accept the default.

Type Of Payment – Select the payment method used for this employee.

Exempt From FUTA (Y or N) – If you are an employer that is subject to Federal Unemployment Tax, accept the default setting of "N" for all employees whose wages are subject to FUTA. If you are not subject to FUTA, enter a "Y" in this field.

Exempt from SUTA (Y or N) – If you are an employer that is subject to State Unemployment Tax, accept the default setting of "N" for all employees whose wages are subject to SUTA. If you are not subject to SUTA, enter a "Y" in this field.

6. Select *F7 Save* to save the employee record. The Tax Withholding window will appear for this employee.

7. The Tax Withholding window is used to specify the number of exemptions for Federal and State Tax (valid for 2019 and earlier Forms W-4), plus an additional tax the employee wishes to withhold from his/her paycheck. With the modify arrow pointing at Federal Income Tax, press *Enter* to move the cursor to the Number of Exemptions field, then enter the number of exemptions (from the employee's Form W-4) this employee claims. * Note – if this employee is exempt from Federal Income Tax, enter "99" as the number of exemptions. If the employee wishes to have additional tax withheld (over and above the amount taken out with the tax tables), enter this amount in the Additional/Fixed Amount field.

8. Move the modify arrow down to the State Income Tax line. Press *Enter* to move to the State Code field, then enter the two-letter abbreviation for the state. Enter the number of exemptions claimed by this employee in the Number of Exemptions field. * Note – if this employee is exempt from State Income Tax, or if you are an agricultural employer and do not wish to withhold State Income Tax from this employee, enter "99" as the number of exemptions. If the employee wishes to have additional tax withheld (over and above the amount taken out with the tax tables), enter this amount in the Additional/Fixed Amount field.

9. Select *F7 Save* to save the Tax Withholding settings.

10. Next, you must add the Earnings Type(s) for this employee, Deduction Type(s) (if applicable), and Tax Control settings. Select from the following choices of earnings types and deductions:

    a. Regular Earnings – Includes Fixed Salary, Overtime Wage, Bonus Wages, Vacation Wages, Holiday Wages, Sick Pay Wages, Net Fixed Wages, Hourly Wages, Hourly Overtime, Hourly Bonus, Hourly Vacation, Hourly Holiday, Hourly Sick Pay, Hourly Net Wage, Balance Forward, Xmas Bonus, Pay Adjustment, and any other Regular Earnings Types you have added.

        - Select *F1 Get RE* – The Regular Earnings Template window will appear, displaying any Regular Earnings types that are already set up for this employee. (It may be blank if none have been set up).

- Select *F1 Add RE* to add a *Regular Earnings Type*, then proceed to Step 11.

b. Piece Work – Used to pay employees by the unit (bushel, pound, cwt., etc.), rather than by the hour. Any Piece Work Earnings type can be added to the TABS system to meet your specific business needs.

- Select *F2 Get PW* – The Piece Work Earnings Template window will appear, displaying any Piece Work Earnings types that are already set up for this employee. (It may be blank if none have been set up)

- Select *F2 Add PW* to add a *Piece Work Earnings Type*, then proceed to Step 11.

c. Commodity Earnings – Used when an employee is not paid in cash, but is paid instead with commodities such as dairy calves, corn, oats, wheat, beans, etc. This method of payroll has many rules that must be followed in order for it to be a legal method of payment for employees. Consult your TABS Coordinator or tax consultant for advice before using Commodity Earnings for payroll.

- Select *F3 Get CE* – The Commodity Earnings Template window will appear, displaying any Commodity Earnings types that are already set up for this employee. (It may be blank if none have been set up)

- Select *F3 Add CE* to add a *Commodity Earnings Type,* then proceed to Step 11.

d. Other Earnings – Used for things such as Incentive Bonus, Profit Sharing, Meal Allowance, etc.

- Select *F5 Get OE* – The Other Earnings Template window will appear, displaying any Other Earnings types that are already set up for this employee. (It may be blank if none have been set up).

- Select *F5 Add OE* to add an *Other Earnings Type*, then proceed to Step 11.

e. Deductions – Used for deductions such as health insurance, dental insurance, savings plan, 401K deduction, 401K loan pay, loan payments, Flex benefit, pay advance, child support, alimony payment, garnishment, items purchased, rent, and any other deduction type you have added to the system.

- Select *F6 Get OD* – The Deductions Template window will appear, displaying any Deductions types that are already set up for this employee. (It may be blank if none have been set up).

- Select *F6 Add OD* to add an *Other Deduction Type*, then proceed to Step 11.

11. Select the desired Earnings Type or Deduction Type from the list box that appears. Another set of windows will be displayed.

12. Change the Rate Factor to be the rate per hour or per unit you wish to pay this employee (if applicable for the pay type chosen), or change the Fixed Amount field to the fixed dollar amount for this earnings or deduction type.

13. Enter a *Dollar Limit Per Pay* if desired. This is an optional "safety" that will give you a warning if you try to pay this employee more than the dollar limit per pay in any one pay check. A Dollar Limit of $0.00 means there is no limit.

14. Select a *Frequency Code* for this earnings or deduction type. If it is an earnings or deduction type that will be used every time you pay this particular employee, select *E=Every Pay*. If it will only be used every other pay, select either *F=First PayPeriod Of Year, Then Every Other* or *S=Second Pay Period of Year, Then Every Other*. If it is only used on occasion, and you do not wish to have it appear automatically when generating pay checks, select *N=Non Scheduled.*

15. Verify that the *First and Last Pay Dates* are acceptable.

16. Next, you must review the Tax Control Entries displayed in the bottom window. The number and type of taxes that are set up by default for each employee depends on how the Company Earnings and Deductions File is set for each Type. Lets start from the top:

    - <u>01 FICA</u> – (Social Security Tax) If this employee is exempt from FICA, select *F8 UpdTCE*, then select (double-click) the line for FICA. Another window, titled "Tax Control Data for Tax Type 01 FICA" will appear. In the Tax Code field, select "N=No Tax To Be Calculated." *Note – only under special circumstances is an employee exempt from FICA. One such exemption is for children under the age of 18 who work <u>on their parent's farm</u>. These children are exempt from FICA until their 18th birthday. An exception of this rule is if the farm is a partnership or corporation – in this case, the child is NOT exempt, regardless of his/her age.

    - <u>02 MEDC</u> – (Medicare) If this employee is exempt from Medicare, select *F8 UpdTCE*, then select (double-click) the line for MEDC. Another window, titled "Tax Control Data for Tax Type 02 MEDC" will appear. In the Tax Code field, select "N=No Tax To Be Calculated." *Note – only under special circumstances is an employee exempt from MEDC. One such exemption is for children under the age of 18 who work <u>on their parent's farm</u>. These children are exempt from MEDC until their 18th birthday. An exception of this rule is if the farm is a partnership or corporation – in this case, the child is NOT exempt, regardless of his/her age.

    - <u>03 FIT</u> – (Federal Income Tax) No changes should be required for FIT unless an employee is literally exempt from Federal Income Tax, meaning that their gross wages should not even appear in the earnings box on a Form W-2. If this is the case, select *F8 UpdTCE*, then select (double-click) the line for FIT. Another window, titled "Tax Control Data for Tax Type 03 FIT" will appear. In the Tax Code field, select "N=No Tax To Be Calculated." *Note – this is different than a full-time student who may meet the qualifications for not having any tax withheld from his/her paycheck. In that case, the Tax Code is left on "T=Use Tax Rate Tables" and the amount of tax taken out is controlled by using the number of exemptions, as described in Step 7 of these instructions. A setting of 99 exemptions tells the system not to withhold FIT.

    - <u>04 SIT</u> – (State Income Tax) If you are an agricultural employer, you are not required to withhold SIT. However, that does not mean that your employees are exempt from State Income Tax. Just as we did with FIT, the Tax Code setting for SIT needs to be "T=Use Tax Rate Tables," and you control the amount of tax withheld by using the number of exemptions, as described in Step 7 of these instructions. A setting of 99 exemptions tells the system not to withhold SIT. *Note: If <u>no</u> SIT line is displayed, this means you did not enter your state code in Step 7. You <u>must</u> exit back to that step before continuing on with this employee. Select *F12 Exit,* then select *Delete* two times to delete the earnings record you were just adding (this doesn't delete the employee – only the earnings record you were working on). Select *F12 Exit* again to return to the

main employee record window, then select *F8 TaxE&D* and return to Step 7 of these instructions.

- 05 CIT – (City Income Tax) If you live in a city where city income tax is required to be withheld from your employees, select *F8 UpdTCE*, then select *F5 CIT*. Another window, titled "City Income Tax Selection" will appear. Select the desired city, then select *F12 Exit* twice to exit back to the Employee Maintenance Screen. *Note – if the city you wish to withhold tax for is not one of the ones listed in the City Income Tax Selection window, you may have to add it to your company file. Contact your TABS Coordinator.

- 06 SDIT - (School District Income Tax) If you live in a school district where school district income tax is required to be withheld from your employees, select *F8 UpdTCE*, then select *F6 SDIT*. Another window, titled "School District Income Tax Selection" will appear. Select the desired school district, then select *F12 Exit* twice to exit back to the Employee Maintenance Screen. Be sure that the Tax Code (in the "Code" column) is "T" for "Use Tax Rate Tables" *Note – if the school district you wish to withhold tax for is not one of the ones listed in the School District Income Tax Selection window, you may have to add it to your company file. Contact your TABS Coordinator.

17. Select *F7 Save* to save the earnings record. (If the *F7 Save* button is not available, select *F12 Exit* one time, then *F7 Save*.)

18. Return to Step 10 and repeat as many times as is necessary to set up all the desired earnings and deduction types for each employee.

Set Up New Employee Using Templates

A new feature of this version of Payroll allows you to "copy" an existing employee and "paste" their payroll settings to a new employee, thereby using an existing employee as a "template" and simplifying the setup procedure. You must have at least one employee entered in TABS before you can use this feature. For some employers who hire a lot of seasonal help, it may be beneficial to set up a few fictitious employees for the sole purpose of using them as templates for a specific type of worker.

To Enter A New Employee Using Templates:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options.

3. Select *F6 Employee Master File* from the File Maintenance Options.

4. Select *F5 AddRcd* to add an employee record to file.

5. Select *F1 Copy* to view the list of employees available to use as a template.

6. Select an employee from the choices offered. This copies the employee's earnings types, deductions, number of exemptions, tax settings, etc. to a "clipboard" where it will be stored until you "paste" it to the new employee, so an attempt should be made to choose an

employee who matches the criteria for the new employee's payroll settings. The screen will return to the "Record To Be Added" window after an employee is selected to copy.

7. Enter the Employee ID for the new employee.

8. Enter the Social Security Number for the new employee.

9. Before typing the employee Name, select *F2 Paste* two times. The remainder of the screen, beginning with Employee Name, will automatically be filled in with the employee information pasted from the clipboard.

10. Type the new employee's name (to replace the one pasted there).

11. Enter down through all of the remaining fields in the Record To Be Added window, making any necessary changes as you go to correct the employee information.

12. When all necessary changes have been made, select *F7 Save*. The Tax Withholding window will be displayed.

13. Make any adjustments necessary to the number of exemptions or Additional/Fixed Amount of tax withheld for Federal Income Tax and/or State Income Tax.

14. Select *F7 Save* to save your changes.

15. The new employee's earnings and deductions will be set exactly like the employee you copied to the clipboard, including the pay rate, tax settings, etc. So all of these things should be reviewed to make sure they are acceptable for the new employee. Select *Get…,* then select (double-click) an earnings or deduction type from those displayed. Make any changes necessary to the settings, then select *F7 Save* to save your changes. *Note- you could also select *F3 Delete* at this point if this earnings or deductions type is not wanted, or *Add….* if you wish to add another earnings or deduction type to this employee. If no changes are made, selecting *F12 Exit* will return you to the previous screen. Repeat this process for each of the earnings and deduction types set "pasted" to this employee.

16. Select *F12 Exit* a number of times until the desired menu is displayed.

Enter Payroll & Print Checks

Once the employees have been entered and the company payroll settings are complete, it is time to write the payroll checks.

To Enter Payroll & Write Payroll Checks:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F2 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options.

3. Select the desired Pay Frequency from the list displayed. *Note: If the Pay Frequency you want to use is not displayed, you have missed a step in the setup procedure. Return to the Company Master File. If you are a Level One user, verify that the pay frequency you wish to use is listed in one of the Pay Frequency Code fields. If you are a Level Two user, verify that the title bar of the Company Master File window says "Authorized Use Level 2." If it doesn't, select *Level 2* and enter the Level Upgrade Key Code. (Be sure to save any changes you make). Level One <u>or</u> Level Two users must also have set up the Company Pay Period

Dates for each Pay Frequency you wish to use. If this has not been done, return to the section titled "Company Pay Periods" in these instructions.

4. After a Pay Frequency is chosen, a list box will appear, displaying the valid pay period ending dates. Select the appropriate Pay Period. A Check Date window will be displayed.

5. The check date can be changed, if desired, but we recommend that you date the checks the same as the pay period ending date wherever possible. If no change is necessary, select *F1 DateOK*. Otherwise, change the date, then select *F1 DateOK*.

6. Select *F1 Enter/Update Employee Pay Data*. The first employee (alphabetically) for the selected Pay Frequency will be displayed.

7. If the employee displayed is not the employee you wish to pay first, select *F6 GetEmp*, then select the desired employee from the list displayed. (If you have a large number of "Active" employees for this pay frequency, a small window may appear first, asking you what letter of the alphabet you'd like the employee list to start at.)

8. Select *F5 Gentry* to generate a payroll entry for the selected employee. The earnings and deductions are generated, based on the template settings for each earnings and deduction type set up in the Employee Earnings File for this employee.

9. To modify, add to, or delete any portion of the generated entry, select *F5 Update*. The modify arrow will appear in the Wage Earnings portion of the window.

10. To modify or delete an Earnings Type in the Wage Earnings section, move the modify arrow to the line you wish to modify, then press *Enter* to bring the cursor into a field in that record. (If the modify arrow is in another section, select *F2 Upd WE* to move the arrow to the Wage Earnings section of the screen.
    -   At this point, you have a couple of options. You can modify the days worked (you may have to back up to this field using the F4 key), the fixed amount, the hours, the units, or the rate in that particular line, or you can delete this Earnings Type from this paycheck by selecting *F3 Delete* two times. ("Delete" is only an option when you have entered in to one of the earnings types and the cursor is in the Days, Fixed Amount, Hours, Units, or Rate field of that Earnings Type.)

    -   Repeat this process until all desired adjustments have been made to the Wage Earnings displayed for this employee.

    -   If there is a Regular, Piece Work, or Commodity Earnings Type that is set up for this employee as a "Nonscheduled" Earnings Type, the *F1 Add WE* button will be available. Select *F1 Add WE* if you want to add the non-scheduled earning type to this paycheck, then select a type from the Wage Earnings Selection Window. Modify that entry as desired.

11. To modify or delete an Earnings Type in the Other Earnings section, select *F6 UpdOE*. This will move the modify arrow down to the Other Earnings section. Move the modify arrow to the line you wish to modify, and press *Enter*.
    -   At this point, you can either modify the amount for the Earnings Type, or you can delete the Earnings Type from this paycheck by selecting *F3 Delete* two times ("Delete" is only an option when your cursor is in the Amount field of the Other Earnings Type selected)

- Repeat this process until all desired adjustments have been made to the Other Earnings for this employee.

- If there is an Other Earnings Type that is set up for this employee as a "Nonscheduled" Earnings Type, the *F5 Add OE* button will be available. Select *F5 Add OE* if you want to add the non-scheduled earning type to this paycheck, then select the Other Earnings Type from the Other Earnings Selection Window. Modify the earnings amount if desired.

12. To modify or delete a Deduction Type in the Other Deductions section, select *F8 Upd OD*. This will move the modify arrow down and over to the Other Deductions section. Move the modify arrow to the line you wish to modify, and press *Enter*.

    - At this point, you can either modify the amount for that particular deduction, or you can delete the deduction from this paycheck by selecting *F3 Delete* two times. ("Delete" is only an option when your cursor is in the Amount field of the Other Deductions)

    - Repeat this process until all desired adjustments have been made to the Other Deductions for this employee.

    - If there is a Deduction Type that is set up for this employee as a "Nonscheduled" Deduction, the *F7 Add OD* button will be available. Select F7 *Add OD* if you want to add the non-scheduled deduction to this paycheck, then select the deduction type from the Other Deductions Selection Window. Modify the deduction amount if desired.

13. When all desired modifications have been made to the pay entry data, select *F9 End*, then *F7 Save* to save the changes. (If no changes have been made to the original entry generated, *F9 End* and *F7 Save* are not available - skip to the next step.)

14. If you are an employer who is subject to Federal/State Unemployment Taxes (FUTA & SUTA), verify the accuracy of the Weeks Worked in the title bar next to the employee's name. If the number of weeks displayed is not correct, select *Weeks* and type the correct number of weeks worked in the box that appears. Select *F7 Save* to save your changes. If you are not subject to FUTA/SUTA, skip this step.

15. At this point, you have two options. A) You can edit the payroll calculations for each employee on the screen, post the pay, and print the checks one at a time as the employee pay data is entered, or B) You can enter payroll data for all employees without posting or printing the checks, then edit, post, and print all of them in one batch at the end. There are payroll reports designed specifically to allow you to proof the payroll data of all employees before printing the checks if you go this route. Choose from Option A or Option B that follow:

Option A: To Edit, Post, and Print Employee Checks Individually As You Go:

16a. Select *F8 DspCPS* to display the calculated pay summary. The pay stub detail will be displayed for the current check and for the year-to-date earnings and deductions amounts.

17a. For further detail of the calculations, select from the following options.

> *WE Dtl* – to Display Wage Earnings Detail

> *OE Dtl* – to Display Other Earnings Detail

OD Dtl – to Display Other Deductions Detail

Tax Dtl – to Display Tax Deduction Detail

18a. If any corrections/additions are desired, *F12 Exit* back to pay entry screen to make these changes. Otherwise, continue with the next step. (If changes are made, select *F7 Save,* then *F8 DspCPS* to return to the Calculated Pay Summary screen.)

19a. Select *F7 PstPay* to post the pay. This posts the pay detail to a Payroll Master File. (If *F7 PstPay* is not available, you forgot to save your pay data - *F12 Exit* once, select *F7 Save,* then select *F8 DspCPS* to get back to where you were)

20a. Select *F8 Check* to view the top portion of the check as it will appear when printed. *Note that printing the paycheck is required, regardless of whether or not you have actual checks in the printer. If you do not print checks with your TABS software, print payroll checks on plain paper. There is one exception to this rule…

   If you are paying an employee designated as a "cash payroll" employee (if the *Type Of Payment* field in the Employee Master File has an "M" for "Pay Cash Money" for this employee), *F8 Check* is not an option for this employee, as no paycheck is to be printed. See the Payroll Report Generating section for instructions on how to print the Pay Earnings/Deductions/Tax Sheets for these employees so they have an accurate record of their earnings and deduction detail to accompany their cash payment of wages.

21a. Select *F2 Addr* if you would like to make any changes to the address that appears on the check (note, however, that this does not change the employee's master file – the address is changed for this check only).

22a. Select *Memo* if you would like to type a memo on the memo line of the check.

23a. Select *F3 ChkNbr* to enter the check number for the check to be printed. Select *F8 Help* to display a list box of the available numbers for payroll checks (this displays the ranges of check numbers that are not used in the General Ledger System) or type the check number desired. Press *Enter* to accept the check number displayed.

24a. Select *F8 PrtChk*, then verify that the check number displayed matches the check in the printer, and select *F8 PtrChk* again. The screen will automatically return to the payroll entry screen. Repeat Steps 7 – 24a until all employee checks have been printed.

25a. Payroll checks that have been printed go directly to the check register so an accurate checking account balance is maintained. The Profit and Loss, Balance Sheet, etc. however, will remain inaccurate until the payroll totals (gross wages paid, taxes withheld, etc.) are posted to the General Ledger. Before payroll totals can be posted to the General Ledger, you must first acknowledge every employee for the selected Pay Frequency who has an "Active" status in the Employee Master File. Employees who have been paid are already acknowledged. Those who do not get paid for this pay period must be acknowledged by assigning a "No Pay" status to those employees for this pay. There is a very easy way to do this for many employees all at once if you are a Level 2 user. After all employees have been paid, (and before you leave payroll entry) select *F6 Get Emp* from the Payroll Processing screen. A list of Active employees for this Pay Frequency and Pay Period will be displayed. The "X's" will show which employees have had pay entered, posted, and printed. Verify that none of the remaining employees (those without any "X") need paid for this pay period. Select *F9 No Pay* two times to automatically assign the "No Pay" status to all

employees who remain unpaid, thereby "finalizing" this pay period. An "X" should appear in the No Pay column for all of the unpaid employees.

*Note – If you enter employee pay data in the order that they appear in TABS, you may prefer to assign the "No Pay" status to each unpaid employee individually as you go, rather than all at once at the end of the payroll session. This is the required method if you are a Level 1 user. To do this, select *F9 No Pay* from the Payroll Processing screen for each applicable employee. Either method is fine, as long as all employees are acknowledged in the end.

26a. Select *F12 Exit* a number of times until the Payroll Processing Options Menu is displayed.

27a. If *F2 Post Calculated Pay* menu item is "dimmed out" and not available as an option, skip this step and proceed with the next step. If *F2 Post Calculated Pay* menu item is "lit" and an available choice, that means you have one or more employees whose pay data has been entered, but the pay has not been posted, nor has the check been printed. You will not be able to post Payroll Journal Entries to the General Ledger System until these two steps are done. Select *F2 Post Calculated Pay* to display the first employee (alphabetically) who has pay data entered, but not posted. Select *F7 PstPay* to post this employee only (the next employee will be displayed), or select *F9 PstAll* (twice) to post all employees remaining to be posted.

28a. If *F3 Print Employee Pay Checks* is "dimmed out" and not available as an option, skip this step and proceed with the next step. If *F3 Print Employee Pay Checks* menu item is "lit" and an available choice, it means you have one or more employees whose pay data has been entered and posted, but the check has not been printed. Select *F3 Print Employee Pay Checks* to display the first employee (alphabetically) on the screen. Select *F3 ChkNbr* to enter the check number for the check to be printed. Select *F8 Help* to display a list box of the available numbers for payroll checks (this displays the ranges of check numbers that are not used in the General Ledger System) or type the check number desired. Press *Enter* to accept the check number displayed. Select *F8 PrtChk* two times to print the payroll check, or select *F9 PrtAll* (twice) to print all the remaining checks. (*Note that *F9 PrtAll* assigns check numbers in consecutive order, starting with the first number you selected. If it runs into a number that has already been used, it will stop on that check and you will have to do this step again to give it a valid number).

29a. If you are not using Managerial Accounting or do not care to allocate payroll expense at this level, skip this step and proceed with the next step. If you <u>do</u> wish to allocate each employee's earnings to a specific Profit/Cost Center to this level, select *F4 Allocate Wage/Other Earnings.* (See the chapter on Managerial Accounting for other options regarding the allocation of expenses.)

30a. Now that the "No Pay's" have been acknowledged and the paid employees have had their calculated pay posted and their checks printed, the *F5 Post Payroll Journal Entries* menu item will be available. Select *F5 Post Payroll Journal Entries.* This automatically creates an entry in the check disbursements journal for the total of all employees whose pay was made by check, and an entry in the Cash Disbursements Journal for the total of all employees whose pay was made in cash. The month and day on these journal entries will match the Pay Period Ending Date used for this pay.

31a. This completes payroll entry and Journal Entry Posting for this payroll session. See the Payroll Reports section of these instructions for details on how to print payroll reports.

Option B: To Enter all Employee Pay Data first (without printing checks), Then Edit, Post, and Print Pay Checks All In One Batch At The End:

16b. Repeat Steps 7 – 15 until the employee pay data has been entered for all employees who will receive a paycheck for this Pay Frequency and Pay Period.

17b. Next, you must acknowledge the remaining employees (those with no pay data) who have an "Active" status for this Pay Frequency and Pay Period. By acknowledging the "No Pay" employees, you accept that they will receive no pay for this pay period. This tells the system that entry is complete for this pay period and it allows you to automatically generate a General Ledger entry which states the total wages paid, taxes withheld, deductions withheld, etc. and maintains the accuracy of the Profit and Loss Statement, Cash Receipts & Disbursements Statement, Balance Sheet, etc. There is a very easy way to acknowledge all of the "No Pay" employees in one step if you are a Level 2 user. After all employee pay data has been entered for those receiving a paycheck, (and before you leave payroll entry) select *F6 Get Emp* from the Payroll Processing screen. A list of Active employees for this Pay Frequency and Pay Period will be displayed. The "X's" will show which employees have had pay entered, posted, and/or printed. Verify that none of the remaining employees (those without any "X") need paid for this pay period. Select *F9 No Pay* two times to automatically assign the "No Pay" status to all employees who remain unpaid, thereby "finalizing" this pay period. An "X" should appear in the No Pay column for all of the unpaid employees.

*Note – If you enter employee pay data in the order that they appear in TABS, you may prefer to assign the "No Pay" status to each unpaid employee individually as you go, rather than all at once at the end of the payroll session. This is the required method if you are a Level 1 user. To do this, select *F9 No Pay* from the Payroll Processing screen for each applicable employee. Either method is fine, as long as all employees are acknowledged in the end.

18b. Select *F12 Exit* a number of times until the Payroll Processing Options Menu is displayed.

19b. If you would like to edit the employee pay data and pay calculations on paper before posting the employee earnings and printing paychecks, there are two reports available on this menu that have been designed for this purpose. They are the **Earnings & Deductions Summary**, and the **Calculated Pay Summary**. Each of these two reports has a different purpose, and each prints only the detail for the pay frequency and pay period you have selected coming into payroll processing. See the description and sample of each that follows:

F7 - Earnings & Deductions Summary Report

This report shows the detail of earnings and deductions for each employee with pay <u>entered</u> (the paychecks do not have to be posted or printed to appear on this report). This report shows the earnings types and deduction types, along with the days worked, hours (if hourly type pay), units (if piece work), rate (if hourly or piece work), and the gross amount of pay. It does not show net amount of check or tax deductions, as the purpose of this report is not to check the calculations the computer makes, but rather the entries that the data entry person made in entering the employee's pay data. In addition to showing each employee that has pay entered, the report also includes a list of all employees who have not had any pay data entered and have not been acknowledged as "No Pay's" for this pay period. This is to make sure none have been erroneously skipped over while entering pay data. Following is a sample of the detail offered on this report for two employees Ben Thayer and Don Thatt:

- -

EARNINGS AND DEDUCTIONS SUMMARY

Semi-Monthly   Pay Ending: 10/15/2002

Run Date: 10/15/2002

Employee ID	Name	CC	Days	Check Date / Fixed Amount	Hours	Units	Rate	Total Amt
THABEN	THAYER/BEN			10 15 2002				
	R11 Hourly Wages	GH						
10	80.00 6.000		480.00					
	R12 Hourly Overtime	GH			10.00		9.000	90.00
	D01 Health Ins	FA		-100.00				-100.00
			10					470.00
THADON	THATT/DON			10 15 2002				
	R01 Fixed Salary	FA	11					
1200.00				1200.00				
	E01 Incentive Bonus	FA		90.00				90.00
	D01 Health Ins	FA		-100.00				-100.00
			11					1190.00

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F8 - Calculated Pay Summary

This report is a one-line summary of each employee, showing the gross wage earnings, total taxes withheld, other deductions withheld, and the net amount of check for each employee with pay <u>and</u> posted. The pay has to be posted, but checks do not have to be printed to

appear on this report. If the *Post Calculated Pay* menu item is lit, it means there are employees who have pay entered, but not posted. If you want those employees to appear on this report, select *Post Calculated Pay*. The first employee who has pay entered but not posted will be displayed on the screen. Select *PstPay* to post this employee and move on to the next one, or select *PstAll* to post all of the employees (only available if there is more than one that needs posted.), or select *F12 Exit* to exit away without posting employee pay data. (Pay can always be un-posted if you post, then find a mistake that needs fixed.) Following is a sample of the detail offered on this report for two employees Ben Thayer and Don Thatt:

- -

CALCULATED PAY SUMMARY

Semi-Monthly   Pay Ending: 10/15/2002

Run Date: 10/15/2002

Employee ID	Name	Check Date	Wage Earnings	Other Earnings	Taxes Withheld	Net Amt Pay	Other Deductions	Check Amount
THABEN	THAYER/BEN	10 15 2002	570.00	0.00	90.69	479.31	100.00	379.31
THADON	THATT/DON	10 15 2002	1200.00	90.00	312.31	977.69	100.00	877.69
	** TOTAL **		1770.00	90.00	403.00	1457.00	200.00	1257.00

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20b. Print either (or both) of the two reports described above and edit all payroll data entered before continuing

21b. If you have not already done so, select *F2 Post Calculated Pay* to display the first employee (alphabetically) who has pay data entered, but not posted. This process posts the pay detail to a payroll master file (not to the General Ledger) and is necessary before printing employee paychecks. Select *F7 PstPay* to post employees one at a time if you wish to review them on the screen (the next employee will be displayed automatically), or select *F9 PstAll* to post all employees remaining to be posted.

22b. Select *F3 Print Employee Pay Checks* to display the first employee (alphabetically) on the screen who has had pay posted, but not printed. Select *F3 ChkNbr* to enter the check number for the check to be printed. Select *F8 Help* to display a list box of the available numbers for payroll checks (this displays the ranges of check numbers that are not used in the General Ledger System) or type the check number desired. Press *Enter* to accept the check number displayed. Select *F8 PrtChk* two times to print the payroll checks one at a time (the next employee will be displayed after each one is sent to the printer), or select *F9 PrtAll* to print all the remaining checks. (*Note that *F9 PrtAll* assigns check numbers in consecutive order, starting with the first number you selected. If it runs into a number that has already been used elsewhere, it will stop on that check and you will have to do this step again to give it a valid number).

* Note that if you are paying employees in cash (and they are set as such in the Employee Master File), these employees will not print a paycheck. See the Payroll Report Generating section for instructions on how to print the Pay Earnings/Deductions/Tax Sheets for these employees so they have a record of their pay detail.

23b. If you are not using Managerial Accounting, or if you do not care to allocate payroll expense to individual Profit Centers at this level, skip this step and proceed with the next step. If you are using Managerial Accounting and would like to allocate each employee's earnings at this point, select *F4 Allocate Wage/Other Earnings*. A window will appear for the first employee (alphabetically). If the employee only has more than one earnings type, you will have to select and allocate each type individually. If the employee only has one earnings type, or if you have selected a type from an employee with multiple types, a window will appear which displays the earnings type and the percent and amount allocated (if it is a fixed amount earnings type) or the hours/units and amount allocated (if it is an hourly, piece work, or commodity earnings type). Regardless of the type of pay, the gross amount of pay will already be 100% allocated to a "blank" Profit Center by default. (This allows for those who do not want to allocate payroll to Profit Centers) Select the default line displayed, then either select *F3 Delete* or change the allocation amount/hours to zero and press *Enter*. Select *F9 Add AE* to add an Allocation Entry, then fill in the Profit Center/ Project, Site/Lot (optional), and percent or hours as desired. Multiple allocations can be made for the same earnings type, if desired. The bottom left corner of the display window will show what amount of the earnings are not yet allocated or are over-allocated.

24b. Now that the "No Pay's" have been acknowledged and the paid employees have had their calculated pay posted and their checks printed, the *F5 Post Payroll Journal Entries* menu item will be available. Select *F5 Post Payroll Journal Entries*. This automatically creates an entry in the check disbursements journal for the month and day matching the Pay Period Ending Date. This is necessary to maintain accuracy of financial statements because although the checks appear immediately in the check register when they are printed, the total wage expense, taxes withheld, other deductions withheld, etc. are not known to the General Ledger System until the Payroll Journal Entries have been posted.

25b. This completes payroll entry and Journal Entry Posting for this payroll session. See the Payroll Reports section of these instructions for details on how to print other payroll reports.

Void a Payroll Check

Some time you may have the need to void a payroll check that has already been printed. Perhaps the check jammed in your printer and you need to reprint it using a different check number, or perhaps the check got lost in the mail and you want to void the lost check and re-issue another. Due to the different reasons behind voiding a payroll check, the payroll process could be at various stages when the need arises. You could be in the middle of printing payroll checks, or it could be several weeks later when payroll journal entries have already been posted. The process of voiding a payroll check is the same either way, but if the journal entries have already been posted for that pay frequency and period, they will have to be removed first. The following instructions will take you through the process. If you would like to delete or change pay data that has <u>not</u> been printed yet, follow the instructions in the section titled "Delete or Change a Payroll Entry."

To Void A Payroll Check That Has Been Printed:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F2 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options.

3. Select the desired Pay Frequency from the list displayed. (You need to go back to the same Pay Frequency that was used to write the check you want to void.)

4. Select the appropriate Pay Period from the list box that appears.

5. Type the check date that was used for the check you want to void, then select *F1 DateOK*.

6. If the menu item *F6 Remove Posted Payroll Journal Entries* is available (lit), this means you have already posted the journal entries to the General Ledger for this pay frequency and pay period. They must be removed before any checks in this pay period can be changed or voided. Select *F6 Remove Posted Payroll Journal Entries* if available. If not, skip this step and proceed with the next step.

7. Select *F1 Enter/Update Employee Pay Data*. The first employee (alphabetically) for the selected Pay Frequency will be displayed.

8. Select *F6 GetEmp*, then select the desired employee from the list displayed. (If you have a large number of "Active" employees for this pay frequency, a small window may appear first, asking you what letter of the alphabet you'd like the employee list to start at.)

9. Select *F8 DspCPS* to display the calculated pay summary.

10. Select *F8 Check* to display the check to be voided.

11. Select *F5 Void* twice to void this check. The check number on the check displayed on your screen should return to zero. At this point, you have three options: a) you can re-print the check as is with a different check number; b) you can edit the payroll data and make necessary changes to the check before re-printing; or c) you can delete the pay entry entirely. Choose from choice a, b, or c below.

    a) To re-print the check as is, select *F3 ChkNbr*, then either type a new check number or select *F8 Help* to see a list of available numbers, then select one from the list displayed. Press *Enter* to accept the number after it appears on the check displayed, then select *F8 Print* twice (after verifying that the check in the printer agrees with the check number displayed on the screen) to re-print the check.

    b) To edit the payroll data for this check, select *F12 Exit* once to return to the pay summary screen for this employee. Select *F7 Unpost* twice to remove the posted pay data from the designated payroll master file (the pay data itself is not being deleted – it will still remain on the screen). Select *F12 Exit* again to return to the Payroll Processing screen for this employee. Select *F5 Update* to enter the edit mode, then make any corrections necessary before re-posting and re-printing the check.

    c) To delete the pay data entirely, select *F12 Exit* once to return to the pay summary screen for this employee. Select *F7 Unpost* twice to remove the posted pay data from the designated payroll master file (the pay data itself is not being deleted – it will still remain on the screen). Select *F12 Exit* again to return to the Payroll Processing screen for this employee. Select *F3 Delete* twice to delete the pay entry. If this employee is not going to receive pay for this pay period, select *F9 NoPay* to acknowledge this.

12. If you "Removed Posted Payroll Journal Entries" in Step 6 above, don't forget to re-post the journal entries after all desired corrections have been made and all "No Pay's" have been acknowledged.

Delete or Change a Payroll Entry

If a payroll entry is found to be in error, the entry may be voided, deleted, or changed. If the payroll check has already been printed, the Void process described above should be used. If the check has not been printed yet, the entry data may be deleted or changed by completing the instructions that follow:

To Delete or Change A Payroll Check That Has Not Been Printed:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F2 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options.

3. Select the desired Pay Frequency from the list displayed. (You need to go back to the same Pay Frequency that was used to write the check you want to change or delete.)

4. Select the appropriate Pay Period from the list box that appears.

5. Type the check date that was used for the check you want to correct or delete, then select *F1 DateOK.*

6. Select *F1 Enter/Update Employee Pay Data.* The first employee (alphabetically) for the selected Pay Frequency will be displayed.

7. Select *F6 GetEmp*, then select the desired employee from the list displayed. (If you have a large number of "Active" employees for this pay frequency, a small window may appear first, asking you what letter of the alphabet you'd like the employee list to start at.)

8. If you see *F5 Update* and *F3 Delete* are valid options on your screen, skip to the next step. If neither *F5 Update* nor *F3 Delete* are available choices, that means you have already posted this pay data – select *F8 DspCPS* to display the calculated pay summary, then select *F7 Unpost* twice to unpost the pay data, and *F12 Exit* once to return to the payroll processing screen.

9. Select *F3 Delete* if you would like to delete the entire payroll entry. Otherwise, skip to the next step.

10. Select *F5 Update* if you would like to edit the payroll data. The modify arrow will appear in the Wage Earnings section of the screen.

11. If you would like to delete one particular earnings type or deduction type from this payroll entry, move the modify arrow to the earnings or deduction type you wish to delete (you may have to use the *F6 Upd OE* to get to the Other Earnings field, or the *F8 Upd OD* to get to the Other Deductions field), then press *Enter* so your cursor is anywhere within that field on the line item you wish to delete (you should no longer see the modify arrow, but some number should be highlighted), then press *F3 Delete* to delete this line item. Note that pay types in the Wage Earnings section cannot have zero for fixed amount, hours, and units – you must have some number other than zero in the appropriate field for this pay type in order to delete it. Note also that in Step 9 above, the *F3 Delete* was used to delete the entire payroll entry, rather than just one item within the payroll entry. The difference is that in Step 9, you had not yet pressed *F5 Update*, so there was nothing specifically highlighted to delete. Once you select *F5 Update* and enter into a particular field, you can selectively delete individual earnings or deduction types.

12. To modify or delete an Earnings Type in the Wage Earnings section, move the modify arrow to the line you wish to modify, then press *Enter* to bring the cursor into a field in that record. (If the modify arrow is in another section, select *F2 Upd WE* to move the arrow to the Wage Earnings section of the screen. At this point, you have several options:

   - You can modify the days worked (you may have to back up to this field using the F4 key), the fixed amount, the hours, the units, or the rate in that particular line by simply typing over the previous data entered.

   - You can delete this Earnings Type from this particular paycheck by selecting *F3 Delete* two times. ("Delete" is only an option when you have entered in to one of the earnings types and the cursor is in the Days, Fixed Amount, Hours, Units, or Rate field of that Earnings Type.) You cannot change the Fixed Amount, Hours, or Units to zero in order to make the Gross Amount for a Wage Earnings Type zero – you must use delete.

   - You can add a Regular, Piece Work, or Commodity Earnings Type that is set up for this employee as a "Nonscheduled" Earnings Type. Select *F1 Add WE* if you want to add the non-scheduled earning type to this paycheck, then select a type from the Wage Earnings Selection Window. Modify that entry as desired.

   - You can change the tax deductions taken from this paycheck by selecting *F8 UpdTCE* to update the Tax Control Entries. (*"Upd TCE"* is only available when you have entered in to one of the earnings types and the cursor is in the Days, Fixed Amount, Hours, Units, or Rate field of that Earnings Type.) When you select *F8 Upd TCE*, another window will appear that lists each of the tax deductions calculated on this Earnings Type. Move the highlight bar to the Tax Type you wish to modify, and press *Enter*. You now have four choices of modification. Select from one of the four choices below, then select *F12 Exit* to close the Tax Control Entries Window, then *F9 End* to end, and *F7 Save* to save.

      A = Use Adjustment Given. If you select "A," you are telling the system to ignore the Tax Tables for this particular earnings type and use the amount you type in the "Adjustment" field. This works well when there was only one earnings type used in the payroll entry. If there was more than one earnings type used, however, this is not the method I would select. Remember that we are only dealing with one earnings type at a time – so if there are more than one, the other earnings types will have their own tax calculations and it is difficult to know what amounts they are contributing to the total.

      N = No Tax To Be Calculated. If you select "N," you are telling the system two things. You are telling it not to calculate this tax type at all for this earnings type, and you are also telling it not to include the gross wages of this earnings type as taxable wages. Care must be taken that you don't misuse this choice. Since it does change the Taxable Wages for this person, you are not only affecting this paycheck, but you are also changing the Taxable Wages that will appear on their W-2 at the end of the year.

      R = Use Rate Given. If you select "R," you are telling the system to ignore the tax tables and use the Rate or Percent you specify instead. This works well when there was only one earnings type used in the payroll entry. If there was more than one earnings type used, however, this is not the method I would select. Remember that

we are only dealing with one earnings type at a time – so if there are more than one, the other earnings types will have their own tax calculations and it is difficult to know what amounts they are contributing to the total.

- T = Use Tax Rate Tables. The "T" is the default choice of using the Tax Tables to calculate the tax on the earnings. This choice, however, also offers us the flexibility to increase or decrease the amount calculated from the tax table by a specified amount – so in situations where there are more than one earnings type and you need to modify the tax deduction, this is the choice that works the best because you only have to modify one earnings type. First, you should note the amount of tax the system calculated by looking at the "Calculated Pay Summary" on the screen. Then, after selecting "T," for any of the earnings types used, type in an "Adjustment" amount to be added or subtracted to the amount calculated from the tax tables. (Use a minus "-" sign before your number to designate a negative amount.) This will tell the system to calculate the taxes using the tax tables as it had done before, but then to add or subtract the amount adjustment amount you specified to that total.

13. To modify or delete an Earnings Type in the Other Earnings section, select *F6 UpdOE*. This will move the modify arrow down to the Other Earnings section. Move the modify arrow to the line you wish to modify, and press *Enter*.
    - At this point, you can either modify the amount for the Earnings Type, or you can delete the Earnings Type from this paycheck by selecting *F3 Delete* two times ("Delete" is only an option when your cursor is in the Amount field of the Other Earnings Type selected)

    - Repeat this process until all desired adjustments have been made to the Other Earnings for this employee.

    - If there is an Other Earnings Type that is set up for this employee as a "Nonscheduled" Earnings Type, the *F5 Add OE* button will be available. Select *F5 Add OE* if you want to add the non-scheduled earning type to this paycheck, then select the Other Earnings Type from the Other Earnings Selection Window. Modify the earnings amount if desired.

14. To modify or delete a Deduction Type in the Other Deductions section, select *F8 Upd OD*. This will move the modify arrow down and over to the Other Deductions section. Move the modify arrow to the line you wish to modify, and press *Enter*.
    - At this point, you can either modify the amount for that particular deduction, or you can delete the deduction from this paycheck by selecting *F3 Delete* two times. ("Delete" is only an option when your cursor is in the Amount field of the Other Deductions)

    - Repeat this process until all desired adjustments have been made to the Other Deductions for this employee.

    - If there is a Deduction Type that is set up for this employee as a "Nonscheduled" Deduction, the *F7 Add OD* button will be available. Select F7 *Add OD* if you want to add the non-scheduled deduction to this paycheck, then select the deduction type from the Other Deductions Selection Window. Modify the deduction amount if desired.

15. When all desired modifications have been made to the pay entry data, select *F9 End*, then *F7 Save* to save the changes.

Change a Payroll Check Number

What if you have printed the payroll check on the correct check, but you entered the wrong number in TABS? Or if you entered the correct number, but had a different check in the printer? The following instructions will show you how to change a payroll check number. Note that this process does not allow you to re-print the check or to change the amount in any way – the check number is the only thing being changed in this situation. If the check needs to be re-printed, you must follow the instructions for Voiding a payroll check, then you can re-print the check.

To Change A Payroll Check Number On A Check That Has Been Printed:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F2 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options.

3. Select the desired Pay Frequency from the list displayed. (You need to go back to the same Pay Frequency that was used to write the check you want to change.)

4. Select the appropriate Pay Period from the list box that appears.

5. Type the check date that was used for the check you want to change, then select *F1 DateOK*.

6. Select *F1 Enter/Update Employee Pay Data*. The first employee (alphabetically) for the selected Pay Frequency will be displayed.

7. Select *F6 GetEmp*, then select the desired employee from the list displayed. (If you have a large number of "Active" employees for this pay frequency, a small window may appear first, asking you what letter of the alphabet you'd like the employee list to start at.)

8. Select *F8 DspCPS* to display the calculated pay summary.

9. Select *F8 Check* to display the check to be changed.

10. Select *F8 ChgCK#* to change the check number. Enter a new check number, or select *F8 Help* to select from the list of available check numbers.

11. Press *Enter* to acknowledge the new check number after it been typed or selected.

12. Select *F8 ChgCK#* again to verify the change.

Payroll Reports & W-2's

The TABS system offers a wide variety of pre-programmed reports in the payroll system which have been designed to give you the information you desire in a format that is easy to understand and follow. In this section, I will attempt to describe each of the payroll reports in words first, then I will also show a sample of what the report looks like (using two employees – Ben Thayer and Don Thatt). There are two different sets of reports available in payroll. One set of reports is available through the Payroll Report Generating menu item. The other set of reports is available from within a pay frequency and pay period in Payroll Processing. Both of these sets will be discussed separately below:

Reports That Are Available Through Payroll Report Generating Applications Menu:

F1 Employee Earnings & Deductions

F2 Company Earnings & Deductions

F3 Employee Pay Summary

F4 Workers' Comp Report

F5 Annual W2 Forms

F6 Quarterly Employee Pay Detail

F7 Quarterly Company Pay Detail

F8 Quarterly FUTA Report

F9 Quarterly SUTA Report

Reports That Are Available Through Payroll Processing Options Menu:

F7 Earnings & Deductions Summary

F8 Calculated Pay Summary

F9 Pay Earnings / Deductions / Tax Sheets

F10 Journal Entries by Account Number

F11 Journal Entries by Transaction Number

F1 Employee Earnings & Deductions

This report prints the pay detail for a given employee or list of employees and offers a variety of choices in what you print. * Note – The pay data has to be posted, but checks do not have to be printed in order to appear on this report.

Following is a sample of the Employee Pay Detail by check date, sorted by name, and printed by pay (Pay is only shown for one employee, but notice that since I chose Earnings & Deductions "By Pay" both of Ben Thayer's checks are listed separate rather than being added together):

- -

EMPLOYEE EARNINGS AND DEDUCTIONS BY PAY
For Check Dates 10/15/XX Thru 10/31/XX

Run Date: 10/31/20XX

Employee ID	Soc Sec No.	Name	Period Ending	P F	Check Date	Weeks Worked				Rate	Days	Hours	Units	Amount
THABEN	123 45 6789	BEN THAYER												
			10 15 20XX	S	10 15 20XX	2	R11	Hourly Wages		6.00	11	80.00		480.00
							R12	Hourly Overtime		9.00		10.00		90.00
											Wage Earnings			570.00*
							D01	Health Ins.						100.00
							IRS	FICA	Amount Taxable			570.00		35.34
			Social Security Tax				IRS	MEDC	Amount Taxable			570.00		8.27
			Medicare Tax				IRS	FIT	Amount Taxable			570.00		37.95
			Federal Income Tax				OH	SIT	Amount Taxable			570.00		9.13
			Ohio State Income Tax						Taxes Withheld					90.69*
									Check Number		017068			379.31*
			10 30 20XX	S	10 30 20XX	2	R11	Hourly Wages		6.00	11	80.00		480.00
							R12	Hourly Overtime		9.00		4.50		40.50
											Wage Earnings			520.50*
							D01	Health Ins.						100.00
			Social Security Tax				IRS	FICA	Amount Taxable			520.50		32.27
			Medicare Tax				IRS	MEDC	Amount Taxable			520.50		7.55
			Federal Income Tax				IRS	FIT	Amount Taxable			520.50		30.53
			Ohio State Income Tax				OH	SIT	Amount Taxable			520.50		7.53
									Taxes Withheld					77.88*
									Check Number		017104			342.62*

- -

To Print the Employee Earnings & Deductions Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options.

3. Select *F1 Employee Earnings & Deductions* from the Payroll Report Options menu.

4. Enter the range of dates you would like to include in the report.

5. Select *F1 Check* or *F2 Period*. If you select *F1 Check,* the report will include all employee pay detail that was entered under a *Check Date* that falls within the range of dates you entered. If you choose *F2 Period,* the report will include all employee pay detail that was entered under a *Pay Period Ending Date* that falls within the range of dates you entered. (If your check date is always the same as the payroll period ending date when entering payroll, both choices will yield the same result).

6. Regardless of which choice you made above, another window will appear that lists all of the employees who have a pay that falls within the limitations selected. You have the option to select only one employee to print, or to print all employees. If you print all, you also have the option to choose what order the employees will appear in on the report. You can sort the list by Employee ID, by Name, or by Social Security Number (they are sorted by Employee ID by default). If you wish to sort the list before printing, select *F2 Name* or *F3 SSN* (or *F1 Emp ID* to put them back in employee ID order), then select *F9 PrtAll.*

7. After choosing *F9 PrtAll* you have two more options – *F1 Earnings And Deductions*, or *F2 Earnings And Deductions By Pay*. The first option will combine all of the pays of each employee for the specified range of dates, thus giving a <u>total</u> of the amount paid <u>to each employee</u> during that range of dates. The second choice, "By Pay," does not total the pays, but keeps <u>each pay separate</u> and lists them all individually.

F2 Company Earnings & Deductions

This report prints the same pay detail as the Employee Earnings And Deductions, only it is at the <u>company level</u> – meaning that it is a summary of all employees added together for a given check or pay period ending date. This report shows you totals, not individual employees. * Note – The pay data has to be posted, but checks do not have to be printed in order to appear on this report.

Following is a sample of the Company Pay Detail by check date, printed by pay (Pay is Semi-Monthly, and there were two pays in the selected range of 10/15/2002 Thru 10/31/2002. The two employees are added together to give a Company total for the pay dates):

- -

COMPANY EARNINGS AND DEDUCTIONS BY PAY
For Check Dates 10/15/XX Thru 10/31/XX

Period Ending	P F	Weeks Worked			Avg. Rate	Days	Hours	Units	Amount
10 15 20XX	S	4	R01	Fixed Wages		11			1200.00
			R11	Hourly Wages	6.0000	11	80.00		480.00
			R12	Hourly Overtime	9.0000		10.00		90.00
						22	90.00	Wages	1770.00
			E01	Incentive Bonus					90.00
			D01	Health Insurance					200.00
			Social Security Tax		IRS	FICA	Taxable	1860.00	115.32
			Medicare Tax		IRS	MEDC	Taxable	1860.00	26.98
			Federal Income Tax		IRS	FTT	Taxable	1860.00	209.25
			Ohio State Income Tax		OH	SIT	Taxable	1860.00	51.45
							Taxes Withheld		403.00
							Total of Check/Cash Payments		1257.00

Period Ending	P F	Weeks Worked			Avg. Rate	Days	Hours	Units	Amount
10 31 20XX	S	4	R01	Fixed Wages		11			1200.00
			R11	Hourly Wages	6.0000	12	80.00		480.00
			R12	Hourly Overtime	9.0000		4.50		40.50
						23	84.50	Wages	1720.50
			E01	Incentive Bonus					90.00
			D01	Health Insurance					200.00
			Social Security Tax		IRS	FICA	Taxable	1810.50	112.25
			Medicare Tax		IRS	MEDC	Taxable	1810.50	26.26
			Federal Income Tax		IRS	FTT	Taxable	1810.50	201.83
			Ohio State Income Tax		OH	SIT	Taxable	1810.50	49.85
							Taxes Withheld		390.19
							Total of Check/Cash Payments		1220.31

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To Print the Company Earnings & Deductions Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options.

3. Select *F2 Company Earnings & Deductions* from the Payroll Report Options menu.

4. Enter the range of dates you would like to include in the report.

5. Select *F1 Check* or *F2 Period.* If you select *F1 Check,* the report will include all employee pay detail that was entered under a *Check Date* that falls within the range of dates you entered. If you choose *F2 Period,* the report will include all employee pay detail that was entered under a *Pay Period Ending Date* that falls within the range of dates you entered. (If your check date is always the same as the payroll period ending date when entering payroll, both choices will yield the same result).

6. You have two more options – *F1 Earnings And Deductions*, or *F2 Earnings And Deductions By Pay.* The first option will combine all of the pays and all of the employees for the entire period of time in the range of dates you entered, thus giving a total of the amount paid <u>as a company</u> for the entire period of time entered. The second choice, "By Pay," keeps it at the company level by totaling employees together, but keeps each pay period (or check date) within the range separate and lists them individually.

F3 Employee Pay Summary

This report is very similar to the Calculated Pay Summary that can be printed from the Payroll Processing Options menu. It is in the same format – showing a simple, one-line summary of each pay posted for each employee. In addition to the information shown on the Calculated Pay Summary (gross wage earnings, total taxes withheld, other deductions withheld, and the net amount of check), this report also shows the pay period ending date, pay frequency code, and check number for each pay, plus the social security number of each employee. * Note – The pay data has to be posted, but checks do not have to be printed in order to appear on this report.

Following is a sample of the Employee Pay Summary by check date, sorted in Name order. (Pay is Semi-Monthly and there were two pays in the selected range of 10/15/2002 Thru 10/31/2002).

- -

EMPLOYEE PAY SUMMARY
For Check Dates 10/15/XX Thru 10/31/XX

Run Date: 10/31/20XX

Employee ID	Soc Sec No.	Name	Ending	F	Number	Check Date	Wage Earnings	Other Earnings	Taxes Withheld	Net Amt Pay	Other Deduct	Check Amt
THADON	987 65 4321	DON THATT										
			10 15 2002	S	017066	10 15 20XX	1,200.00	90.00	312.31	977.69	100.00	877.69
			10 30 2002	S	017104	10 30 20XX	1,200.00	90.00	312.31	977.69	100.00	877.69
		* EMPLOYEE TOTAL *					2,400.00	180.00	624.62	1,955.38	200.00	1,755.38
THABEN	123 45 6789	BEN THAYER										
			10 15 2002	S	017068	10 15 20XX	570.00	0.00	90.69	479.31	100.00	379.31
			10 30 2002	S	017105	10 30 20XX	520.50	0.00	77.88	442.62	100.00	342.62
		* EMPLOYEE TOTAL *					1,090.50	0.00	168.57	921.93	200.00	721.93
		** REPORT TOTAL **					3,490.50	180.00	793.19	2,877.31	400.00	2,477.31

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To Print the Employee Pay Summary Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options.

3. Select *F3 Employee Pay Summary* from the Payroll Report Options menu.

4. Enter the range of dates you would like to include in the report.

5. Select *F1 Check* or *F2 Period.* If you select *F1 Check,* the report will include all employee pay detail that was entered under a *Check Date* that falls within the range of dates you entered. If you choose *F2 Period,* the report will include all employee pay detail that was entered under a *Pay Period Ending Date* that falls within the range of dates you entered. (If your check date is always the same as the payroll period ending date when entering payroll, both choices will yield the same result).

6. Regardless of which choice you made above, another window will appear that lists all of the employees who have a pay that falls within the limitations selected. You have the option to select only one employee to print, or to print all employees. If you print all, you also have the option to choose what order the employees will appear in on the report. You can sort the list by Employee ID, by Name, or by Social Security Number (they are sorted by Employee ID by default). If you wish to sort the list before printing, select *Name* or *SSN* (or *Emp ID* to put them back in employee ID order), then select *F9 PrtAll.*

F4 Workers' Compensation Report

This report is designed to simplify reporting for Workers' Compensation. If the system is properly maintained with accurate Workers' Compensation rates for the different earnings types you use, the report will list the dollar earnings for each employee that falls under each rate category and it will show a total for the premium due. This is especially useful for those employers who have more than one Workers' Compensation rate for their business and need to have the ability to separate their payroll accordingly. In order for this report to be useful and accurate, there are a couple of requirements. 1) You must review the Earnings and Deductions File before printing the Workers' Compensation Report and edit each earnings type used by your business. The Workers' Compensation Code and Rate must be entered or verified for accuracy for each earnings type used. 2) You can not have more than one Workers' Compensation Rate for the same earnings type. Example: If you have two hourly employees and they each fit under different Workers' Compensation Rate Codes, you must set up a separate earnings type for one of them and pay each of them under separate earnings types. This is explained in more detail in Step 6 of the "Company Earnings & Deductions" section of the Payroll Setup instructions. The instructions following the sample report displayed below will take you through editing the Company Earnings and Deductions and printing the Workers' Comp. Report.

Following is a sample of the Worker's Compensation Report.   The report is divided into sections by Worker's Comp. Code and Rate. More than one pay type can have the same code and rate, such as with the code "37RN" in the sample report below – both R01 Salary Crop and R21 Hourly Crop fall under the same Worker's Comp Code. * Note - If you fail to enter a Worker's Comp Code and Rate for an earnings type that was used during this reporting period, that earnings type will be listed at the end of the report. You must go back to the earnings file and enter a code and rate for this earnings type, then re-print the report. Otherwise, your report will not include all wages paid, and is not accurate.

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WORKER'S COMP REPORT
For Check Dates 01/01/20XX Thru 06/30/20XX

Run Date: 06/30/20XX

Code			Employee ID	Soc Sec No	Name	Days	Hours	Earned	Rate	Premium
37RN	R01	Salary Crop	FARO	456 12 3456	RODNEY FARMHAND	120		13,567.64	0.077753	1,054.92
37RN	R01	Salary Crop	THBE	423 45 6789	BEN THAYER	130		17,760.08	0.077753	1,380.90
37RN	R21	Hourly Crops	THDO	987 65 4321	DON THATT	77	690.5	8,286.00	0.077753	644.26
					* Premium Due For Comp Code *			39,613.72	0.077753	3,080.08
8810RN	R22	Hourly Office	BOBE	465 89 1327	BETTY BOOKS	105	425.75	2,980.25	0.003036	9.05
8810RN	R22	Hourly Office	PEPI	497 34 5682	PENNY PINCHER	120	832.50	7,097.75	0.003036	21.55
					* Premium Due For Comp Code *			10,078.00	0.003036	30.60
8RN	R23	Hourly Field	TIDU	489 89 9977	DUSTY TILLER	45	295.00	1,519.27	0.043029	65.37
8RN	R23	Hourly Field	TIMA	478 53 3333	MARY TILLER	40	270.00	1,390.50	0.043029	59.83
8RN	R31	Salary Field	FICL	564 12 3456	CLAY FIELDS	130		20,260.50	0.043029	871.79
					* Premium Due For Comp Code *			23,170.27	0.043029	996.99
					* Total Premium Due *					4,107.67

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To Edit the Company Earnings & Deductions File:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options.

3. Select *F5 Earnings and Deductions File* from the File Maintenance Options.

4. Each Earnings Type and Deduction Type used by your business needs to be reviewed. Select the earnings type or deduction type you would like to review or modify first. The first record of that type will be displayed.

5. Select *F6 GetRcd* then select *F8 Help* to display the list of all records of the type chosen. Select the desired record.

6. Review the *Workers' Comp Code/Rate* field. Fill in the code and rate specific to your farm for this particular earnings type.

7. Select *F7 Save* to save your changes.

8. Repeat this process until all earnings types subject to Workers' Compensation that are used by your business have been edited

To Print the Workers' Compensation Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options menu.

3. Select *F4 Workers' Comp Report* from the Payroll Report Options menu.

4. Select the applicable period for the report.

5. After the report is printed, it is extremely important to verify that all wages are accounted for. At the very end of the report, after the "Total Premium Due," if there is a section titled "Earnings Without Comp Code or Rate," that means there are earnings types that you have missed when entering the Workers' Comp. Codes and Rates. If this is the case, you need to edit the types listed and enter a code and rate, if applicable, then re-print the report.

6. After a report is printed that includes all applicable earnings types, it would also be advisable to print the Company Pay Detail Report covering the same time period and compare the total earnings on that report with the total of the earnings shown on the Workers' Comp. Report. Verify that all wages are accounted for.

7. The Total Premium Due may differ slightly from that which you calculate on the actual Workers' Compensation Report due to differences in rounding.

F5 Annual W2 Forms

There are a number items that must be reviewed each year before W-2's can be printed. This is to ensure that they are complete and accurate. Items that must be reviewed are: the Company Master File, the Employee Master File, the Form W-2's (on the screen) and the Print Format Control File.

To Review the Company Master File:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options menu.

3. Select *F2 Company Master File* from the File Maintenance Options menu.

4. Verify that the Company Name, Address, and Federal ID Number are complete and accurate. These must match the name, address, and Federal ID Number used by the IRS to identify your business.

5. If your business withholds State Tax from employees, be sure that the State ID Number field is complete and accurate. If your business does not withhold State Tax from employees, this field should be blank.

6. Save any changes you have made with *F7 Save.*

7. Note that if changes were required and if you have already transferred your Master Files to the new year, you may wish to log into the new year and make the same corrections in the new year.

To Review the Employee Master File:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options menu.

3. Select *F6 Employee Master File* from the File Maintenance Options menu.

4. Select *F1 Prv Rcd* to get to the first employee alphabetically.

5. Review each and every employee's name, social security number, and address to verify that they are correct.
    - **Name** – it is important that the "proper" name as listed on the Form W-4 and Social Security Card be used for each employee – not nicknames or abbreviations. If Josh's name is really Joshua, then it should be listed as "Joshua." Employee's names should be in all capital letters, and must be entered in the following order in the Employee Name field: LAST NAME/FIRST NAME (space) MIDDLE INITIAL. No periods should be used. Example: DOE/JOHN B
    - **Address** – Periods and commas are not to be used in addresses. Correct any addresses that contain periods or commas. Addresses should be in all capital letters. If a person worked for you during the year, but has since quit and moved

away, you are required to mail their W-2 to the last known address, even if you are certain they do not live there. When the Form W-2 is returned to you stamped "Undeliverable," leave it in the sealed, stamped envelope and file it in your records. This is your proof that you attempted to provide the former employee with his/her Form W-2.

- **Social Security Number –** Verify that the Social Security Number matches the W-4 you have on file for each employee.

6. Save any changes you make to an employee's name, address, or social security number with *F7 Save.*

To Review and Set the Print Format Control File for W-2's:

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF7 Print Format Control File.*

4. Select *F6 GetRcd.*

5. Type W2 in the Report Type field, then select *F8 Help.*

6. There should be two report codes in the Record Retrieval Help window with Report Type "W2" – one with format W2 01 for standard size W-2 Forms that print on matrix, inkjet, or laser printers, and one with format W2 04 for "4-Up" W-2 Forms that print only on inkjet or laser printers. The 4-Up forms print four "black" copies of one employee's W-2 all on one sheet perforated of paper, thereby saving you from having to print the W-2's multiple times to get through each of the required "copies." This format requires special ordered forms that are set up to print these condensed form W-2's, plus you still need to order the regular size (two employees to a page) "red" copy for the Social Security Administration copy.

7. If the W2 04 format does not exist, you must add it at this time - even if you are not going to use that format. To add the W2 04 format, select *F12 Exit* to exit from the help window.

8. Select *F5 AddRcd*

9. Type *W2 04* in the Report Type/Number field.

10. Type *B* in the Accounting Basis field.

11. Type *4 Up W-2 Forms* in the Report Title field.

12. Type *001* in the Format Number field.

13. Enter a printer number, or select *F8 Help* to select a printer from a list.

14. Type *P* for Orientation/Paper Size.

15. Type 0.420 in the Top Margin Inches field. This number tells the printer how far (in inches) to move down on the page before starting to print. 0.420 is the "typical" setting for most inkjet printers, but you will have to print a test copy of the W-2's from your own computer and printer to verify that the Top Margin Inches is correct. This can be done on plain paper, then held up to the W-2's to see if they are lined up correctly.

16. Press *Enter* to bypass the Top Margin Lines field. This field has no effect on W-2 printing.

17. Next, you need to review the Print format for the standard W-2 format. Select *F6 Get Rcd*.

18. Type *W2* in the Report Type field, then select *F8 Help*.

19. With the *W2 01* format highlighted, press *Enter*.

20. Verify that the Printer Number is correct for the printer you wish to print W-2's on.

21. If you already know what Top Margin Inches are appropriate for this printer, verify that setting is correct. If you are not sure, then you must wait until we get to printing the test alignment pages of the W-2's, then you will return here to adjust the Top Margin Inches accordingly.

22. Save all changes with *F7 Save*.

To Review / Modify the Form W-2's:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options menu.

3. Select *F8 Employee W-2 File* from the File Maintenance Options menu.

4. If this is the first time the W-2 file has been viewed, the <u>second</u> employee's W-2 will appear on the screen. If the W-2 file has been viewed before, you will have a menu with two choices – select *F1 Delete File And Rebuild From Employee Pay History* if you want to delete the file and rebuild it from payroll records, or select *F2 Review, Modify, and/or Add Employee Pay Records* if you do not want to delete the file.

5. Select *F1 PrvRcd* to back up o the first employee W-2 record.

6. Page through each and every W-2 form, verifying the following:

    - The amounts should "look" correct. Generally speaking, unless there are special retirement plans or earnings that are treated differently, the gross amount of pay for FIT Wages, MEDC Wages, FICA Wages, and State Wages should be exactly the same. This is not true in all cases, but if these four are not the same, you should know why they are not. The State Wages, in particular, tend to be a place that frequently requires manual corrections due to employees not being set up correctly in payroll or corrections being made during the year. Even if you do not withhold state tax, the gross wages paid to that employee are taxable state wages and should match the FIT amount.

    - Verify that the State code appears in the State box in line with the State Wages and Tax Withheld.

7. Manually type corrections in any fields that require changes. Remember to save all changes with *F7 Save*.

8. Select *F12 Exit* twice to return to the Payroll System Options menu.

To Test the Form W-2 Alignment:

It is important to print some test W-2's on plain paper before actually printing on the W-2 forms. This step will save you from wasting a lot of forms due to misalignment.

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options menu.

3. Select *F5 Annual W2 Forms* from the Payroll Report Options menu.

4. With plain paper (or forms if you have extra to test with) in your printer, select one of the following - *F5 Print Line Up For Single Copy Form* to test the alignment for standard W-2 Forms, or *F6 Print Line Up For Four Copy Form* to test the alignment for the 4-Up forms.

5. Hold the plain paper copy W-2's up to the actual forms in a bright light or window to see if the print lines up correctly with the boxes on the form. If they do not line up, or if they need slight adjustment, proceed with the following instructions.

6. Select *F12 Exit* a number of times to return to the main System Menu.

7. Select *F1 General Ledger System* from the main System Menu.

8. Select *F1 Master File Maintenance* from the General Ledger System Menu.

9. Select *SF7 Print Format Control File* from the File Maintenance Applications Menu.

10. Select *F6 GetRcd*.

11. Type W2 in the Report Type field, then select *F8 Help*.

12. With format W2 01 or W2 04 highlighted (depending on which format you are trying to align), press *Enter*.

13. Adjust the Top Margin Inches field accordingly for the misalignment of the test printing. If the print began too far down on the form, then the number in Top Margin Inches needs to be smaller. If the print is too high on the form, then the number in Top Margin Inches needs to be bigger. The "typical" setting for most inkjet printers is 0.420 inches.

14. Save all changes with *F7 Save*.

15. Repeat Steps 1 through 5 until the alignment of the W-2's is satisfactory.

To Print the Form W-2's:

Make sure all of the above steps have been completed before attempting to print the Form W-2's.

1. Select *F3 Report Generating Applications* from the Payroll System Options menu.

2. Select *F5 Annual W2 Forms* from the Payroll Report Options menu.

3. With the W-2 Forms in the printer, select the desired option from the Print Options menu. You will have to repeat this process for as many copies as you need to print (Social Security Administration copy, State copy, Employee copy, Employer copy, etc.)

F6 Quarterly Employee Pay Detail

This report is very similar in format to the Employee Earnings And Deductions Report - except rather than showing individual pays, it shows the employee detail in Quarter-To-Date and Year-To-Date totals. * Note – The pay data has to be posted, but checks do not have to be printed in order to appear on this report.

Following is a sample of the Quarterly Employee Pay Detail by check date, sorted in Name order for the two employees used in this example.

- -

QUARTERLY EMPLOYEE PAY DETAIL
For Check Dates 10/01/20XX Thru 12/31/20XX

Run Date: 12/31/20XX

Emp ID	Soc Sec No	Weeks	Days	Hours	Avg Rate	Units	Amount	Weeks	Days	Hours	Avg Rate	Units	Amount
					* Year To Date *						* Quarter Selected *		
THABEN	123 45 6789	BEN THAYER											
R11	Hourly Wages		269	1,762.00	6.0000		10,572.00		66	469.00	6.0000		2,814.00
R12	Hourly Overtime			136.25	9.0000		1,226.25			24.5	9.0000		220.50
		48	269	1,898.25		Wages	11,798.25	13	66	493.50		Wages	3.034.50*
D01	Health Ins.						2,300.00						600.00
					Other Deductions		2,300.00				Other Deductions		600.00*
	Social Security Tax	IRS	FICA	Taxable	11,798.25		731.49	IRS	FICA	Taxable	3,034.50		188.14
	Medicare Tax	IRS	MEDC	Taxable	11,798.25		171.07	IRS	MEDC	Taxable	3034.50		44.01
	Federal Income Tax	IRS	FIT	Taxable	11,798.25		699.95	IRS	FIT	Taxable	3034.50		173.33
	Ohio State Income Tax	OH	SIT	Taxable	11,798.25		171.81	OH	SIT	Taxable	3,034.50		42.79
					Taxes Withheld		1,774.32				Taxes Withheld		448.27*
	Total of Check/Cash Payments						7,723.93						1,986.23*
THADON	987 65 4321	DON THATT											
R01	Fixed Wages		253				27,600.00						7200.00
		48	253			Wages	27,600.00	13	66			Wages	7200.00*
E01	Incentive Bonus						1,170.00						360.00
D01	Health Ins.						2,300.00						600.00
					Other Deductions		2,300.00				Other Deductions		600.00*
	Social Security Tax	IRS	FICA	Taxable	28,770.00		1,783.74	IRS	FICA	Taxable	7,560.00		468.72
	Medicare Tax	IRS	MEDC	Taxable	28,770.00		417.23	IRS	MEDC	Taxable	7,560.00		109.64
	Federal Income Tax	IRS	FIT	Taxable	28,770.00		3,738.90	IRS	FIT	Taxable	7,560.00		987.60
	Ohio State Income Tax	OH	SIT	Taxable	28,770.00		929.76	OH	SIT	Taxable	7,560.00		245.20
					Taxes Withheld		6,869.63				Taxes Withheld		1,811.16*
	Total of Check/Cash Payments						19,600.37						5,148.84*

- -

To Print the Quarterly Employee Pay Detail Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options menu.

3. Select *F6 Quarterly Employee Pay Detail* from the Payroll Report Options menu.

4. Select the quarter you would like to print.

5. Select *F1 Base Selection Upon Check Dates* or select *F2 Base Selection Upon Period Ending Dates.* If you choose to select based on *Check Dates,* the report will include all employee pay detail that was entered under a *Check Date* that falls within the quarter you selected. If you choose to select based on *Period Ending Dates,* the report will include all employee pay detail that was entered under a *Pay Period Ending Date* that falls within the quarter you selected. (If your check date is always the same as the payroll period ending date when entering payroll, both choices will yield the same result).

6. Regardless of which choice you made above, another window will appear that lists all of the employees who have a pay that falls within the limitations selected. You have the option to select only one employee to print, or to print all employees. If you print all, you also have the option to choose what order the employees will appear in on the report. You can sort the list by Employee ID, by Name, or by Social Security Number (they are sorted by Employee ID by default). If you wish to sort the list before printing, select *F2 Name* or *F3 SSN* (or *F1 Emp ID* to put them back in employee ID order), then select *F9 PrtAll.*

F7 Quarterly Company Pay Detail

This report is the same as the Quarterly Employee Pay Detail, except that it is at the <u>company level</u>, rather than the employee level. Rather than showing detail of earnings and deductions for each employee, all employees are added together and the company detail is shown in Quarter-To-Date and Year-To-Date totals. * Note – The pay data has to be posted, but checks do not have to be printed in order to appear on this report.

Following is a sample of the Quarterly Company Pay Detail Report using the same two employees in previous examples. Notice that the report combines all employees together and give only company totals.

- -

QUARTERLY COMPANY PAY DETAIL
For Check Dates 10/01/20XX Thru 12/31/20XX

Run Date: 12/31/20XX

		************ Year To Date ***********						********** Quarter Selected ***********					
		Weeks	Days	Hours	Avg Rate	Units	Amount	Weeks	Days	Hours	Avg Rate	Units	Amount
R01	Fixed Wages		253				27,600.00		66				7,200.00
R11	Hourly Wages		269	1,762.00	6.0000		10,572.00		66	469.00	6.0000		2,814.00
R12	Hourly Overtime			136.25	9.0000		1,226.25			24.50	9.0000		220.50
		48	522	1,898.25		Wages	39,398.25		132	493.50			10,234.50*
E01	Incentive Bonus						1,170.00						361.00*
D01	Health Ins						2,300.00						1,200.00*

Social Security Tax	IRS FICA	Taxable 39,398.25	2,515.23	IRS FICA	Taxable 10,594.50	656.86
Medicare Tax	IRS MEDC	Taxable 39,398.25	588.30	IRS MEDC	Taxable 10,594.50	153.65
Federal Income Tax	IRS FIT	Taxable 39,398.25	4,438.85	IRS FIT	Taxable 10,594.50	1,160.93
Ohio State Income Tax	OH SIT	Taxable 39,398.25	1,101.57	OH SIT	Taxable 10,594.50	287.99
		Taxes Withheld	8,643.95		Taxes Withheld	2,259.43*
Total of Check/Cash Payments			27,324.30			7,135.07*

- -

To Print the Quarterly Company Pay Detail Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options menu.

3. Select *F6 Quarterly Company Pay Detail* from the Payroll Report Options menu.

4. Select the quarter you would like to print.

5. Select *F1 Base Selection Upon Check Dates* or select *F2 Base Selection Upon Period Ending Dates.* If you choose to select based on *Check Dates,* the report will include all company pay detail that was entered under a *Check Date* that falls within the quarter you selected. If you choose to select based on *Period Ending Dates,* the report will include all company pay detail that was entered under a *Pay Period Ending Date* that falls within the quarter you selected. (If your check date is always the same as the payroll period ending date when entering payroll, both choices will yield the same result).

F8 Quarterly FUTA Report

This report is for those employers who are subject to Federal Unemployment Tax. FUTA is an employer tax (as opposed to an employee tax). Agricultural employers are not automatically subject to FUTA tax, but become subject to it if they exceed the maximum limit of wages paid in any one quarter. (Currently, this limit is $20,000 as of 10/31/2003.) Once an employer becomes subject to FUTA tax, it is a mandatory expense for the remainder of the life of that business or until a petition to be excused is accepted by the federal government.

The FUTA report is a simple report that shows the taxable wages for FUTA – both for the quarter and for year-to-date. It also shows the amount of FUTA tax due for the quarter selected. Some maintenance is required to be sure the rate and wage limits are correct before printing the report. * Note – The pay data has to be posted, but checks do not have to be printed in order to appear on this report (for those who pay some wages in cash).

Following is an Example of the Quarterly FUTA Report. Notice that employees Don Thatt and Ben Thayer have already reached the maximum taxable wages prior to the current quarter, so they have no taxable wages in the last quarter. Employee Rodney Farmhand, however, has only been paid a total of $2014.00 year-to-date, so he does have taxable wages.

- -

QUARTERLY FUTA REPORT
For Check Dates 10/01/20XX Thru 12/31/20XX

Run Date: 12/31/20XX   In Name
Sequence

| Emp ID | Soc Sec No | Employee Name | * * * * * * Year To Date * * * * * * | | | * * * * * Quarter Reported * * * * * | | |
			Weeks	Wages	Taxable	Weeks	Wages	Taxable
FARROD	456 12 345	RODNEY FARMHAND	8	2,014.00	2,014.00	5	1,007.00	1,007.00
THADON	987 65 4321	DON THATT	48	28,770.00	7,000.00	13	7,560.00	0.00
THABEN	123 45 6789	BEN THAYER	48	11,798.25	7,000.00	13	3,034.50	0.00

3 Employees Listed $7000.00 Maximum Taxable Per Employee   0.8000% Rate   Amount Due   8.06

- -

Before Printing the FUTA Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options menu.

3. Select *F1 Tax Rate Tables File* from the File Maintenance Options menu.

4. Select *F6 GetRcd*, then select *F8 Help*.

5. Scroll down to the bottom of the Help window and select T08 FUTA.

6. In the window that appears, verify that the Upper Amount agrees with the legal limit on taxable FUTA wages. Traditionally, this has been $7,000 – this means that the first $7,000 of wages for each employee is taxable. Also verify that the Pct Over Low field displays the correct rate. Traditionally, this rate has remained steady from year to year and is the same 0.8% for all employers subject to FUTA.

7. Select *F7 Save* to save any changes you made, then select *F12 Exit* once.

8. If you have any employees whose wages are Exempt from FUTA tax, select *F6 Employee Master File* from the File Maintenance Options menu. Use *F6 GetRcd* and *F8 Help* to locate the exempt employee. Change the *N* to a *Y* in the Exempt from FUTA field and save your changes with *F7 Save.* (Typically, all employees' wages are subject to FUTA, but there are certain exceptions – like the spouse of the farm owner who is employed to qualify for AgriBiz Plan. Consult your tax advisor if you have questions concerning the exempt status of an employee.)

To Print the FUTA Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options menu.

3. Select *F8 Quarterly FUTA Report* from the Payroll Report Options menu.

4. Select the quarter you would like to print.

5. A window will appear that lists all of the employees who are not set as "Exempt" from FUTA in the Employee Master File. You have the option to sort the list to have them print in a different order. You can sort the list by Employee ID, by Name, or by Social Security Number (they are sorted by Employee ID by default). If you wish to sort the list before printing, select *F2 Name* or *F3 SSN* (or *F1 Emp ID* to put them back in employee ID order), then select *F9 PrtAll.*

F9 Quarterly SUTA Report

This report is for those employers who are subject to State Unemployment Tax. SUTA is an employer tax (as opposed to an employee tax). Agricultural employers are not automatically subject to SUTA tax, but become subject to it if they exceed the maximum limit of wages paid in any one quarter. (Currently, this limit is $20,000 as of 10/31/2002.) Once an employer becomes subject to SUTA tax, it is a mandatory expense for the remainder of the life of that business or until a petition to be excused is accepted by the federal government. The SUTA rate is not the same for everyone – it is specific to each business and may change annually.

The SUTA report is a simple report that shows the taxable wages for SUTA – both for the quarter and for year-to-date. It also shows the amount of SUTA tax due for the quarter selected. Some maintenance is required to be sure the rate and wage limits are correct before printing the report. * Note – The pay data has to be posted, but checks do not have to be printed in order to appear on this report (for those who pay some wages in cash).

Following is an Example of the Quarterly SUTA Report. Notice that employee Don Thatt has already reached the maximum taxable wages prior to the current quarter, so he has no taxable wages in the last quarter. Employees Ben Thayer and Rodney Farmhand, however, have some wages that are taxable in the current quarter. Only $236.25 of Ben Thayer's $3,034.50 that he was paid in this quarter is taxable because he reaches the $9,000 upper limit with that amount. All of the $1,007.00 paid to Rodney Farmhand in this quarter is taxable because he has not yet reached the upper limit.

- -

QUARTERLY SUTA REPORT
For Check Dates 10/01/20XX Thru 12/31/20XX

Run Date: 12/31/20XX   In Name Sequence

			* * * * * *	Year To Date	* * * * * *	* * * * *	Quarter Reported	* * * * *
Emp ID	Soc Sec No	Employee Name	Weeks	Wages	Taxable	Weeks	Wages	Taxable
FARROD	456 12 345	RODNEY FARMHAND	8	2,014.00	2,014.00	5	1,007.00	1,007.00
THADON	987 65 4321	DON THATT	48	28,770.00	9,000.00	13	7,560.00	0.00
THABEN	123 45 6789	BEN THAYER	48	11,798.25	9,000.00	13	3,034.50	236.25

3 Employees Listed $9,000.00 Maximum Taxable Per Employee   1.5000% Rate   Amount Due   18.65

- -

Before Printing the SUTA Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 File Maintenance Applications* from the Payroll System Options menu.

3. Select *F1 Tax Rate Tables File* from the File Maintenance Options menu.

4. Select *F6 GetRcd*, then select *F8 Help*.

5. Scroll down to the bottom of the Help window and select T09 SUTA.

6. In the window that appears, verify that the Upper Amount agrees with the legal limit on taxable SUTA wages. Traditionally, this has been $9,000 – this means that the first $9,000 of wages for each employee is taxable. Also verify that the Pct Over Low field displays the

correct rate –specific to your business. You should get a mailing from the Bureau of Employment Services annually that shows your rate for the year.

7. Select *F7 Save* to save any changes you made, then select *F12 Exit* once.

8. If you have any employees whose wages are Exempt from SUTA tax, select *Employee Master File* from the File Maintenance Options menu. Use *F6 GetRcd* and *F8 Help* to locate the exempt employee. Change the *N* to a *Y* in the Exempt from SUTA field and save your changes with *F7 Save*. (Typically, all employees' wages are subject to SUTA, but there are certain exceptions – like the spouse of the farm owner who is employed to qualify for AgriBiz Plan. Consult your tax advisor if you have questions concerning the exempt status of an employee.)

To Print the SUTA Report:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F3 Report Generating Applications* from the Payroll System Options menu.

3. Select *F9 Quarterly SUTA Report* from the Payroll Report Options menu.

4. Select the quarter you would like to print.

5. A window will appear that lists all of the employees who are not set as "Exempt" from SUTA in the Employee Master File. You have the option to sort the list to have them print in a different order. You can sort the list by Employee ID, by Name, or by Social Security Number (they are sorted by Employee ID by default). If you wish to sort the list before printing, select *F2 Name* or *F3 SSN* (or *F1 Emp ID* to put them back in employee ID order), then select *F9 PrtAll*.

F7 – Earnings & Deductions Summary Report

The primary purpose of this report is to provide an easy way for the data entry person to verify that the payroll data entered into the computer is correct <u>before</u> actually posting the data or printing the paychecks. This report shows the detail of earnings and deductions for each employee with pay <u>entered</u> (the paychecks do not have to be posted <u>or</u> printed to appear on this report). It shows the earnings types and deduction types, along with the days worked, hours (if hourly type pay), units (if piece work), rate (if hourly or piece work), and the gross amount of pay. It does not show net amount of check or tax deductions, as the purpose of this report is not to check the calculations the computer makes, but rather the entries that the data entry person made in entering the employee's pay data. In addition to showing each employee that has pay entered, the report also includes a list of all employees who have not had any pay data entered and have not been acknowledged as "No Pay's" for this pay period. This is to make sure none have been erroneously skipped over while entering pay data.

Following is a sample of the detail offered on this report for two employees Ben Thayer and Don Thatt:

- -

EARNINGS AND DEDUCTIONS SUMMARY

Semi-Monthly   Pay Ending: 10/15/20XX

Run Date: 10/15/20XX

Employee ID	Name	Check Date / CC	Days	Fixed Amount	Hours	Units	Rate	Total Amt
THABEN	THAYER/BEN	10 15 20XX						
	R11 Hourly Wages	GH						
	10	80.00	6.000	480.00				
	R12 Hourly Overtime	GH			10.00		9.000	90.00
	D01 Health Ins	FA		-100.00				-100.00
	- 470.00							
THADON	THATT/DON	10 15 20XX						
	R01 Fixed Salary	FA	11					
	1200.00			1200.00				
	E01 Incentive Bonus	FA		90.00				90.00
	D01 Health Ins	FA		-100.00				-100.00
	- 1190.00							

- -

To Print the Earnings And Deductions Summary:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F2 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options menu.

3. Select the Pay Frequency desired. (This report prints pay data detail for a specific pay frequency and pay period selection rather than for a range of frequencies and dates.)

4. Select the Pay Period desired.

5. Accept the Check Date or Date Paid by selecting *F1 DateOK.*

6. Select F7 Print Earnings & Deductions Summary.

F8 – Calculated Pay Summary

This report is a one-line summary of each employee, showing the gross wage earnings, total taxes withheld, other deductions withheld, and the net amount of check for each employee with pay entered <u>and</u> posted. The pay has to be posted, but checks do not have to be printed to appear on this report.

Following is a sample of the detail offered on this report for two employees Ben Thayer and Don Thatt:

- -

CALCULATED PAY SUMMARY

Semi-Monthly   Pay Ending: 10/15/20XX

Run Date: 10/15/20XX

Employee ID	Name	Check Date	Wage Earnings	Other Earnings	Taxes Withheld	Net Amt Pay	Other Deductions	Check Amount
THABEN	THAYER/BEN	10 15 20XX	570.00	0.00	90.69	479.31	100.00	379.31
THADON	THATT/DON	10 15 20XX	1200.00	90.00	312.31	977.69	100.00	877.69
	** TOTAL **		1770.00	90.00	403.00	1457.00	200.00	1257.00

- -

To Print the Calculated Pay Summary:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F2 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options menu.

3. Select the Pay Frequency desired. (This report prints pay data detail for a specific pay frequency and pay period selection rather than for a range of frequencies and dates.)

4. Select the Pay Period desired.

5. Accept the Check Date or Date Paid by selecting *F1 DateOK*.

6. If the *F2 Post Calculated Pay* menu item is lit, it means that there are employees who have pay entered, but not posted. If you want these employees to appear on the report, select *F2 Post Calculated Pay*. The first employee who has pay entered but not posted will be displayed on the screen. Select *F7 PstPay* to post this employee and move on to the next one, or select *F9 PstAll* to post all of the employees (only available if there is more than one that needs posted.), or select *F12 Exit* to exit away without posting employee pay data. (Pay can always be un-posted if you post, then find a mistake that needs fixed.)

7. Select *F8 Print Calculated Pay Summary*.

F9 – Pay Earnings/Deductions/Tax Sheets

The detail shown on this report is very similar to that which you see on an employee's paycheck stub. Every detail of the employee's pay is shown, and only one employee is printed per sheet of paper. This report is especially nice if you pay employees in cash rather than by check because it serves as a substitute "pay stub" to give them, showing the detail of earnings, deductions, and year-to-date totals. There are three options when choosing this report to print – 1) Print All Employees With Checks Printed (employees paid by check have to have their pay posted <u>and</u> printed to appear on this version). 2) Print All Employees Paid In Cash With Pay Posted (employees designated as "cash" employees in the Employee Master File have to have their pay posted). 3) Print Designated Employee (allows you to pick employees you would like to print). Following is a sample of the detail offered on this report for employee Don Thatt:

Following is a sample of the detail offered on this report for employee Don Thatt:

- -

EMPLOYEE EARNINGS, DEDUCTIONS AND TAXES

Semi-Monthly   Pay Ending: 10/15/20XX
Run Date: 10/15/20XX

	Check Date	Check Number			Amount This Pay	Amount This Year
THADON DON THATT				Wage Earnings	1,200.00	22,800.00
	10/15/20XX	017058		Other Earnings	90.00	1,710.00
				Taxes Withheld	312.31	3,747.72
				Net Pay	977.69	18,576.11
				Other Deductions	100.00	1,900.00
				Check Amount	877.69	16,676.11

			Taxable This Pay	Withheld This Pay	Taxable This Year	Withheld This Year
Taxable Earnings						
IRS	FICA	Social Security Tax	1,290.00	79.98	24,510.00	1,519.62
IRS	MEDC	Medicare Tax	1,290.00	18.71	24,510.00	224.52
IRS	FIT	Federal Income Tax	1,290.00	171.30	24,510.00	3,254.70
SIT	OH	Ohio State Income Tax	1,290.00	42.32	24,510.00	804.08

			- - - - - - - This Pay - - - - - - -				- - - - - This Year - - - - -			
Wage Earnings	Rate	Days	Hours	Units	Amt Earned		Days	Hours	Units	Amt Earned
R01 Fixed Wages		11			1,200.00		11			22,800.00

	Amt Earned This Pay	Amt Earned This Year				Deductions This Pay	Deductions This Year
Other Earnings				Other Deductions			
E01 Incentive Bonus	90.00	1,710.00		D01 Health Ins		100.00	1,900.00

- -

To Print the Pay Earnings / Deductions / Tax Sheets:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options menu.

3. Select the Pay Frequency desired. (This report prints pay data detail for a specific pay frequency and pay period selection rather than for a range of frequencies and dates.)

4. Select the Pay Period desired.

5. Accept the Check Date or Date Paid by selecting *F1 DateOK.*

6. If the *F2 Post Calculated Pay* menu item is lit, it means that there are employees who have pay entered, but not posted. Select *F2 Post Calculated Pay* to post the pay for these employees. The first employee who has pay entered but not posted will be displayed on the screen. Select *F7 PstPay* to post this employee and move on to the next one, or select *F9 PstAll* to post all of the employees (only available if there is more than one that needs posted.), or select *F12 Exit* to exit away without posting employee pay data. (Pay can always be un-posted if you post, then find a mistake that needs fixed.)

7. If the *F3 Print Employee Pay Checks* menu is lit, it means that there are employees (designated as being paid by check rather than cash) who have pay data entered and posted, but the paychecks have not been printed. Select *F3 Print Employee Pay Checks* to print these employee paychecks. (Employees designated as "cash" payroll employees do not have to have a check printed.)

8. Select one of the three choices offered on the *F9 Print Employee Earnings / Deductions / Tax Sheets* menu.

F10 – Print Journal Entries By Account Number & F11 – Print Journal Entries By Trans Number

These report print the detail of the Journal Entry that is created in the General Ledger System after posting the Payroll Journal Entries. The only difference between the two is the way that the information is sorted on the printed report. One sorts by Account Number, the other sorts by Transaction Number. Both reports show the employee ID for each of the amounts that were added together to create the totals you see in the journal entry. All employee pay data must be entered, posted, and paychecks printed (except "cash payroll" employees), and the Payroll Journal Entries must be posted in order to print this report.

To Print the Journal Entries By Account Number or By Trans Number:

1. Select *F3 Payroll System* from the main System Menu.

2. Select *F1 Payroll Processing (Entry/Calc/Checks/JE's)* from the Payroll System Options menu.

3. Select the Pay Frequency desired. (This report prints pay data detail for a specific pay frequency and pay period selection rather than for a range of frequencies and dates.)

4. Select the Pay Period desired.

5. Accept the Check Date or Date Paid by selecting *F1 DateOK.*

6. If the *F2 Post Calculated Pay* menu item is lit, it means that there are employees who have pay entered, but not posted. Select *F2 Post Calculated Pay* to post the pay for these employees. The first employee who has pay entered but not posted will be displayed on the screen. Select *F7 PstPay* to post this employee and move on to the next one, or select *F9 PstAll* to post all of the employees (only available if there is more than one that needs posted.), or select *F12 Exit* to exit away without posting employee pay data. (Pay can always be un-posted if you post, then find a mistake that needs fixed.)

7. If the *F3 Print Employee Pay Checks* menu item is lit, it means that there are employees (designated as being paid by check rather than cash) who have pay data entered and posted, but the paychecks have not been printed. Select *F3 Print Employee Pay Checks* to print these employee paychecks. (Employees designated as "cash" payroll employees do not have to have a check printed.)

8. If the *F5 Post Payroll Journal Entries* menu item is lit, it means that you have not yet posted the Payroll Journal Entries. Select *F5 Post Payroll Journal Entries* to post the payroll totals to the General Ledger System.

9. If neither *F5 Post Payroll Journal Entries* nor *F6 Remove Posted Payroll Journal Entries* is lit, that means you have not yet posted the Payroll Journal Entries, and are prevented from doing so because of "unfinished business" in payroll entry. Most likely, there are employees who did not get paid this period, but have not been designated as "No Pays" in payroll entry. Select *F1 Enter/Update Employee Pay Data.* Select *F6 GetEmp.* A window will appear, listing every valid employee for this pay frequency and period. Select *F9 NoPay* twice to designate all unpaid employees as "No Pay." Return to the Payroll Processing Options Menu and select *F5 Post Payroll Journal Entries.*

10. Select *F10 Print Journal Entries By Account Number* or *F11 Print Journal Entries By Trans Number.*

Using Payroll in a Fiscal Year Other Than The Calendar Year

This part of the manual not written yet (as of 01/01/22)

Frequently Asked Questions Regarding Payroll

I cannot get the payroll totals to automatically post to the General Ledger after I finish a payroll session. What am I doing wrong?

The automatic posting of payroll journal entries is accomplished by selecting *F5 Post Payroll Journal Entries* from the Payroll Processing Options menu for each payroll session. (This menu is obtained by selecting *F3 Payroll System, F2 Payroll Processing* select a pay frequency, select a pay period, then select *F1 Date OK* to accept the check date.) If *F5 Post Payroll Journal Entries* is not lit on the Payroll Processing Options menu, it means that either you have already posted the journal entries (the *F6 Remove Posted Payroll Journal Entries* will be lit if that is the case), or you have not yet told the system that this payroll session is complete. How do you tell the system that a payroll session is complete? First, for each employee who has pay data entered – the checks must be printed (unless they are designated as "cash" payments). Second, you must recognize each of the other employees that appear in payroll entry for this pay frequency and pay date – even if they do not get paid this time. Until you do that, you are prevented from posting the Payroll Journal Entries because the system thinks there is "unfinished business." To recognize the unpaid employees - Select *F1 Enter/Update Employee Pay Data*. Select *F6 GetEmp*. A window will appear, listing every valid employee for this pay frequency and period. Select *F9 NoPay* twice to designate all unpaid employees as "No Pay." Return to the Payroll Processing Options Menu and select *F5 Post Payroll Journal Entries*.

When I use the "Post Payroll Journal Entries" menu item to post my payroll totals to the General Ledger, some of the totals are not in the accounts I wish to use. How can I change this?

This is a change that must be made in the (Company) Earnings File. Select *F3 Payroll System*, *F1 File Maintenance Applications,* then *F5 Earnings and Deductions File*. Select one of the earnings or deduction types. Select *F6 Get Rcd,* then *F8 Help*. Select the specific Earnings Type or Deduction Type you would like to modify. If this is an Earnings Type that you are changing, modify the Debit Account Number to be the account you wish to see this type of earnings posted to. If this type is a Deduction Type, modify the Credit Account Number to be the account you wish to see this type of Deduction posted to. Additional Earnings Types or Deduction Types may be added if necessary, in order to create the detail desired in the General Ledger System.

I employ my own children, who are less than 18 years old. How do I set them up as employees so the system does not deduct FICA or Medicare Tax from them?

Refer to Step 16 of the section titled "Set Up A New Employee" in this chapter.

How can I manually change the tax withheld on a paycheck?

Instructions for this are detailed in the section titled "Delete or Change A Payroll Entry" in this chapter.

Some of my employees have more than one pay type set up (such as Incentive Bonus, Holiday Pay, etc.) that is only used occasionally. Is there a way to code these so they don't always appear automatically during payroll entry?

Yes. Select *F3 Payroll System, F1 File Maintenance Applications,* then *F6 Employee Master File.* Select *F6 Get Emp,* then *F8 Help* to retrieve the desired employee. Once the desired employee is on the screen, select *F8 Tax E&D.* Select one of the buttons along the bottom of the screen to retrieve the earnings or deduction type you wish to change, then double-click on the specific earnings or deduction type. Change the *Frequency Code* for this earnings or deduction type to be one of the following: If it will only be used every other pay, select either *F=First Pay Period Of Year, Then Every Other* or *S=Second Pay Period of Year, Then Every Other.* If it is only used on random occasions, and you do not wish to have it appear automatically at all when generating pay checks, select *N=Non Scheduled.* This way, you will be able to retrieve this earnings type or deduction type at any time to add to a specific paycheck (during payroll entry).

The check in the printer jammed when I was trying to print a payroll check. How do I reprint the check?

In order to re-print a payroll check that has already been sent to the printer (even if it did not come out of the printer), you must Void that check in payroll, then re-print. See the section titled "Void a Payroll Check" in this chapter.

I am an employer who is subject to Federal and State Unemployment Tax (FUTA and SUTA). How do I tell TABS what my correct SUTA rate is?

Select *F3 Payroll System, F1 File Maintenance Applications, F1 Tax Rate Tables File, F6 GetRcd*, then *F8 Help.* Scroll down to the bottom of the Help window and select T09 SUTA. In the window that appears, verify that the Upper Amount agrees with the legal limit on taxable SUTA wages. Traditionally, this has been $9,000 – this means that the first $9,000 of wages for each employee is taxable. Enter over to the Pct Over Low field, and type in the correct rate for your business. Select *F7 Save* to save your changes.

When I print my FUTA and SUTA reports, the Weeks Worked is not correct for some employees. Is there a way to fix this?

You can manually modify the weeks worked for any employee if errors were made during payroll entry and the weeks are incorrect. Select *F3 Payroll System, F1 File Maintenance Applications,* then *F7 Employee Quarter Weeks Worked.* Make any changes necessary to the weeks worked for each of the employees. You only have to enter the number of weeks worked for the quarter that is incorrect and for each employee that is incorrect. The quarters that are printing the correct number of weeks worked will show zero's in the weeks worked file for those quarters. This simply means that there is no correction for that quarter and TABS should use the number of weeks computed in payroll.

I have some employees I pay in cash, rather than by check. Are there special settings for these employees?

Yes. Select *F3 Payroll System, F1 File Maintenance Applications,* then *F6 Employee Master File.* Select *F6 Get Emp,* then *F8 Help* to retrieve the desired employee. The "Type of Payment" field should be set to "M" for Pay Cash Money. Since no check is printed for these employees, it is helpful to print the *Pay Earnings/Deductions/Tax Sheets* for each employee paid in cash so they have a record of their earnings and deductions for each pay. To print this report, select *F3 Payroll System, F2 Payroll Processing,* select the Pay Frequency used for this employee, select the Pay Period used, select *F1 DateOK* to accept the date paid, then select *F9 Print Pay Earnings/Deductions/Tax Sheets.*

Chapter

10

Depreciation

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions on about the Depreciation System.

Initial Setup

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions on about the Depreciation System.

Capital Asset Purchases

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions on about the Depreciation System.

Capital Asset Sales

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions on about the Depreciation System.

Capital Asset Trades

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions on about the Depreciation System.

Market Values

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions on about the Depreciation System.

Depreciation Reports

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions on about the Depreciation System.

Chapter

11

Report Generating

The TABS system offers a wide variety of pre-programmed reports which have been designed to simplify the process of analyzing your business – whether it be for taxes or for management.   The accuracy of the reports relies on accurate data entry and use of the provided Chart of Accounts. Accounts may be deleted or added to the Chart of Accounts, but care must be taken that accounts that have been added stay within the correct ranges to be included on financial reports. Figure 13.1 displays the *Print Options* menu, which is obtained by selecting *F4 Report Generating Applications* from the General Ledger System Menu. This menu can take you down many avenues, so it is important to understand what choices each of the buttons offer to you.
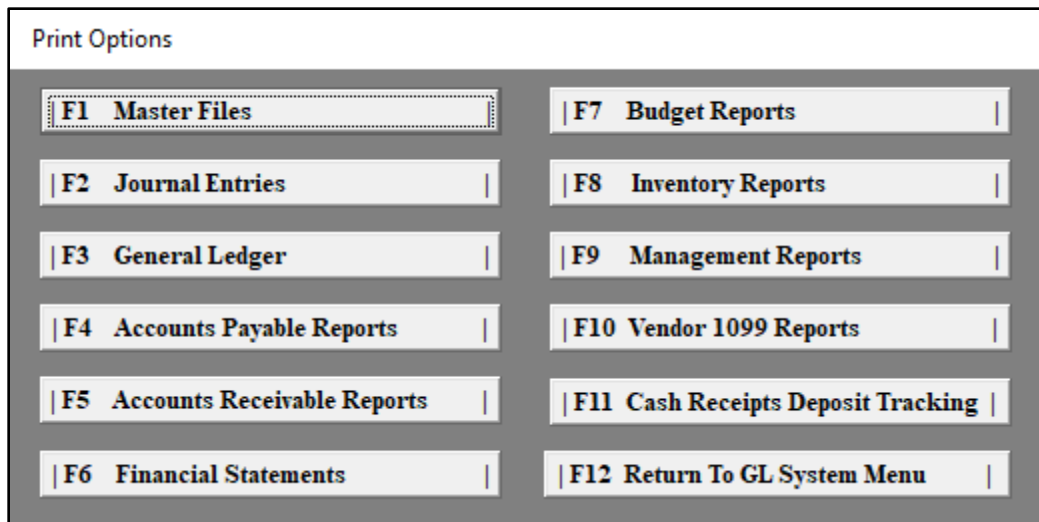
Print Options

F1 Master Files	**| F7 Budget Reports**
| F2 Journal Entries	**| F8 Inventory Reports**
| F3 General Ledger	**| F9 Management Reports**
| F4 Accounts Payable Reports	**| F10 Vendor 1099 Reports**
| F5 Accounts Receivable Reports	**| F11 Cash Receipts Deposit Tracking |**
| F6 Financial Statements	**| F12 Return To GL System Menu**

Figure 13.1 Print Options menu

F1 - Master Files

Each of the Master Files included in the Master File Maintenance menu can be printed. It is unlikely that you will want to print all of the Master Files, but it is often useful to print such files as the Vendor File or the Chart of Accounts. Both of these menu items offer further options in printing, depending on the level of detail you desire to print.

F5 – Vendor File

The Vendor File offers three different formats of printing.
- *F1 Vendor ID/Name/Telephone Number* will print a list of all vendors in the vendor file in alphabetic order, showing their vendor ID, name and telephone number only. This is often printed for a quick telephone listing to keep near the phone.

- *F2 Vendor ID/Name/ Address/Telephone* will print the same list, but includes addresses of the vendors.

- *F3 Vendor Master Detail Listing* will print a single sheet for each vendor in the vendor file, and will include detail for all the settings entered on each vendor. This format can be quite long and is rarely printed.

F4 – Chart of Accounts

The Chart of Accounts offers two different formats of printing, plus a third option.
- *F1 Print Account Numbers/Descriptions* will print the account numbers and their name in numerical order.

- *F2 Print Account Detail Listing* will print each account, along with all of the settings chosen for that account. This format can be quite long and is rarely printed.

- *F3 Print Physical Inventory Sheets* is an option that is often printed when a business is entering records in TABS for the first time. This report prints the account number and name for each asset and liability account in the Chart of Accounts, leaving a blank line for the business to fill in account balances on both the cash and accrual basis. It serves merely as a place to gather balances before entering them into the system. On this report, there are three columns. The "Type B" column would be for balances that are the same on both the Cash and Accrual Basis. The "Type D" column are for Cash Basis Only balances, and the "Type F" column are for Accrual/Market Value balances only. This is important for things like Depreciable Asset accounts where the Cost Basis of the assets is different than the Market Value of those same assets.

F2 - Journal Entries

The Journal Entries reports provide a hard copy of each transaction entered. These reports can be printed for any journal and are very useful when reviewing data entries and checking for errors. If you would like a hard copy of your records in detail, we recommend that you print the Journal Entries for each journal and each month. Keep these reports with your tax records and other reports as a hard copy of the data for each year. Optionally, you could print them to a PDF file using a PDF printer on your computer, and just save the file digitally on your computer. The Journal Entries reports are the most extensive reports in TABS, and they can be quite long depending on how many entries
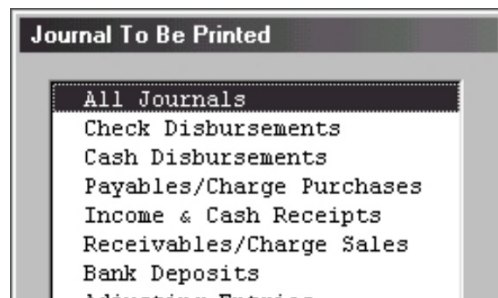

Figure 13.2 Journal To Be Printed menu – displays applicable choices for printing Journal Entries

you make in a month. They can be printed on any type of printer, and in either portrait or landscape mode. These reports are easiest to read and interpret if they are printed in landscape mode on legal (8 ½ x 14") paper from an inkjet or laser printer. If they are printed on 8 ½ by 11" paper in landscape mode instead of portrait, they will still print, but the Quantity and Profit Center data will be cut off and will not be included on your report.

To Change or Verify the Print Settings for the Journal Entries Report:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF7 Print Format Control File* from the Master File Maintenance menu.

4. Select *F6 GetRcd* to open the Record Retrieval window.

5. Type *BJ 01* in Report Type/Number field, then select *F8 Help*.

6. Select *BJ 01 B - Batch Journal Listing* from the list of reports in the Help window.

7. Change settings to match desired option below:

   a) To print on an inkjet or laser printer on 8 ½ x 11" paper
      - Set Format to 011.
      - Set Orientation to Portrait (or you can choose Landscape, but the report will cut off the quantity and profit center detail columns on this size paper).
      - Verify that the Printer Number is set for the correct printer.

   b) To print on an inkjet or laser printer on 8 ½ x 14" paper (this is the easiest version to read / interpret).
      - Set Format to 001.
      - Set Orientation to Landscape.
      - Verify that the Printer Number is set for the correct printer and printer settings are correct (typically, printer number 2 is set for legal size paper. If the printer driver for the chosen printer is not set for legal paper, make those changes in the Printers Folder of Windows before printing the Journal Entries).

To Print the Journal Entries:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F2 Journal Entries* from the Print Options menu.

4. Select the Processing Period you wish to print.

5. Select any item from the Journal To Be Printed menu (shown in Figure 13.2).
   - The printer must be set up and ready.

F3 - General Ledger

This The General Ledger is a detailed report, often requested by accountants and tax preparers, which provides a hard copy of each transaction and distribution entered into the system during the fiscal year. It differs from the Batch Journal in that each <u>distribution</u> is listed in the General Ledger,

sorted primarily by account and secondarily by order of entry without regard to the journal of entry whereas the monthly Batch Journals list the <u>transactions</u> sorted primarily by journal source and secondarily by order of entry. This report makes it easier to see what entries were made under each Account in the Chart of Accounts (regardless of what Journal they were made in) than the Journal Entries reports do. We recommend that you print this report on an annual basis to create a hard copy of all data for the year. It is probably the longest single report that you will print with your system. We recommend that you have legal paper (8-1/2"x14") available for your inkjet/laser printer.

There are three different print formats available:

- GL01 Monthly Detailed Ledger

- GL02 Quarterly Detailed Ledger

- GL03 Year To Date Detailed Ledger

To Change or Verify the Print Settings:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF7 Print Format Control File* from the Master File Maintenance menu.

4. Select *F6 GetRcd* to open the Record Retrieval window.

5. Type *GL 01* in Report Type/Number field, then select *F8 Help*.

6. Select *GL 01 B – Monthly Detailed Ledger* from the list of reports in the Help window

7. Change settings to match desired option below:

   a) To print on an inkjet or laser printer on 8 ½ x 11" paper
      - Set Format to 011.
      - Set Orientation to Portrait.
      - Verify that the Printer Number is set for the correct printer.

   b) To print on an inkjet or laser printer on 8 ½ x 14" paper:
      - Set Format to 001.
      - Set Orientation to Landscape.
      - Verify that the Printer Number is set for the correct printer and printer settings are correct (typically, printer number 2 is set for legal size paper. If the printer driver for the chosen printer is not set for legal paper, make those changes in the Printers Folder of Windows before printing the Journal Entries).

8. Repeat this process for the other formats of the General Ledger (GL02 and GL03) if you would like to print either of those formats.

To Print the General Ledger:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F3 General Ledger* from the Print Options menu.

4. Select the Processing Period you wish to print.

5. Select *F1 Cash Basis* or *F2 Accrual Basis*.

6. Select the desired report format for Monthly, Quarterly, or Year-To-Date detail.
   ▪ The printer must be set up and ready.

7. Select whether you want the report to be sorted only by Account, or by Vendor first, then by Account. (Generally, the report sorted only by Account is preferred).

F4 - Accounts Payable Reports

The Accounts Payable Reports give you the ability to view detail of transactions and balances due to vendors entered in the Accounts Payable journal. Three Accounts Payable Reports are available – The Accounts Payable Ledger, the Open Invoice Report, and the A/P Ageing by Vendor.

To Print the Accounts Payable Reports:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F4 Accounts Payable Reports* from the Print Options menu.

4. Select the Processing Period you wish to print. All months prior to and including the month chosen will be included in the report.

5. Select *F1 Print Accounts Payable Ledger,* or *F2 Print Open Invoice Report,* or *F3 Print A/P Ageing By Vendor* based on the descriptions of these choices below.

6. Regardless of which report you select, you are given the option to select one vendor to print, or to print the report for all vendors. Either specify a vendor by typing a valid Vendor ID, or press *Enter* with the "Vendor To Be Printed" field blank to include all Accounts Payable vendors in the report.

F1 – Accounts Payable Ledger

The Accounts Payable Ledger can be printed if you want to see a listing (by vendor) of each and every transaction that has been posed to Accounts Payable. This report shows <u>both the paid and unpaid invoices</u> for all vendors along with the payment detail of each invoice, so it can be quite lengthy. You have the opportunity to select one vendor, or print all vendors who have had invoices entered in Accounts Payable.

F2 – Open Invoice Report

The Open Invoice Report is printed in the same format of the Accounts Payable Ledger, except it includes <u>only those invoices that have an amount due on them</u>…. the "open" invoices. If Accounts Payable is used for all vendors, this report really simplifies the process

of paying bills. You can print the Open Invoice Report and have a complete list of all monies owed before sitting down to pay bills (assuming all bills are entered in Accounts Payable). It is also very useful in situations where one person is entering the bills in the Accounts Payable journal, and another person is printing the checks or approving the payment of the bills before they are paid. You have the opportunity to select one vendor, or print all vendors who have an open amount in accounts payable.

F3 – A/P Ageing Report

The A/P Ageing Report is the shortest report for printing balances due in Accounts Payable. This report displays just one line for each Vendor that has an amount owed to them in Payables, and it categorizes the balance due into columns that show how old the debt is. Lenders often request this detail when they are trying to evaluate a business to make a loan. Note that this Ageing Report also prints as the last page of the Open Invoice Report, but choosing the Aging Report from the Print Menu is a way to get only the Ageing Report without the Open Invoice Detail.

F5 - Accounts Receivable Reports

The Accounts Receivable Reports give you the ability to view detail of transactions and balances due from vendors entered in the Accounts Receivable journal. Three Accounts Receivable Reports are available – The Accounts Receivable Ledger, and the Open Invoice Report and Accounts Receivable Statements.

To Print the Accounts Receivable Reports:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F5 Accounts Receivable Reports* from the Print Options menu.

4. Select the Processing Period you wish to print. All months prior to and including the month chosen will be included in the report.

5. Select *F1 Print Accounts Receivable Ledger,* or *F2 Print Open Invoice Report,* or *F3 Print A/R Aging by Vendor,* or *F4 Print AR Statements* based on the descriptions of these choices below.

6. Regardless of which report you select, you are given the option to select one vendor to print, or to print the report for all vendors. Either specify a vendor by typing a valid Vendor ID, or press *Enter* with the "Vendor To Be Printed" field blank to include all Accounts Payable vendors in the report.

F1 – Accounts Receivable Ledger

The Accounts Receivable Ledger can be printed if you want to see a listing (by vendor) of each and every transaction that has been posed to Accounts Receivable. This report shows

both the paid and unpaid invoices for all vendors along with the payment detail of each invoice, so it can be quite lengthy. You have the opportunity to select one vendor, or print all vendors who have had invoices entered in Accounts Receivable.

F2 – Open Invoice Report

The Open Invoice Report is printed in the same format of the Accounts Receivable Ledger, except it includes only those invoices that have an amount due on them…. the "open" invoices. You can print the Open Invoice Report at any time, and have a complete list of all monies owed to you (assuming all receivables are entered in Accounts Receivable). If you charge a late fee on invoices that remain unpaid past a given number of days, this report can be printed as a worksheet to calculate the late fee. Separate invoices must then be entered in the Accounts Receivable journal for the late fee charge.

F3 – A/R Aging Report

The A/P Ageing Report is the shortest report for printing a list of amounts due to be paid to your business (as entered in Accounts Receivable). This report displays just one line for each Vendor (Customer) that has an open amount owed to you in Receivables, and it categorizes their balance due into columns that show how old their balance is. Lenders often request this detail when they are trying to evaluate a business to make a loan. Note that this Ageing Report also prints as the last page of the A/R Open Invoice Report, but choosing the Aging Report from the Print Menu is a way to get only the Ageing Report without the Open Invoice Detail so you can see at a glance, what balance is past due for which customers.

F4 – Accounts Receivable Statements

Statements can be printed for vendors in Accounts Receivable. The statement will show all invoices that have a balance due for a given vendor. The aging of the invoices will be shown at the bottom of the statement. There are many settings in the vendor file that will change the way AR Statements are printed. Please review the chapter on Vendor File Maintenance to learn about these settings.

F6 - Financial Statements

Financial Statements are reports that summarize the transactions that have been entered into the system. They are available in a huge variety of formats that may be selected, reviewed, or revised to accommodate the needs of your business. Many of the financial statements can be printed in "detail" with each General Ledger Account being displayed, or "summarized," where each Major Account presents the total of its contributing Sub-major Accounts. Figure 13.3 shows the options available in printing standard financial statements. A review of each of these menu items follows the instructions for printing.
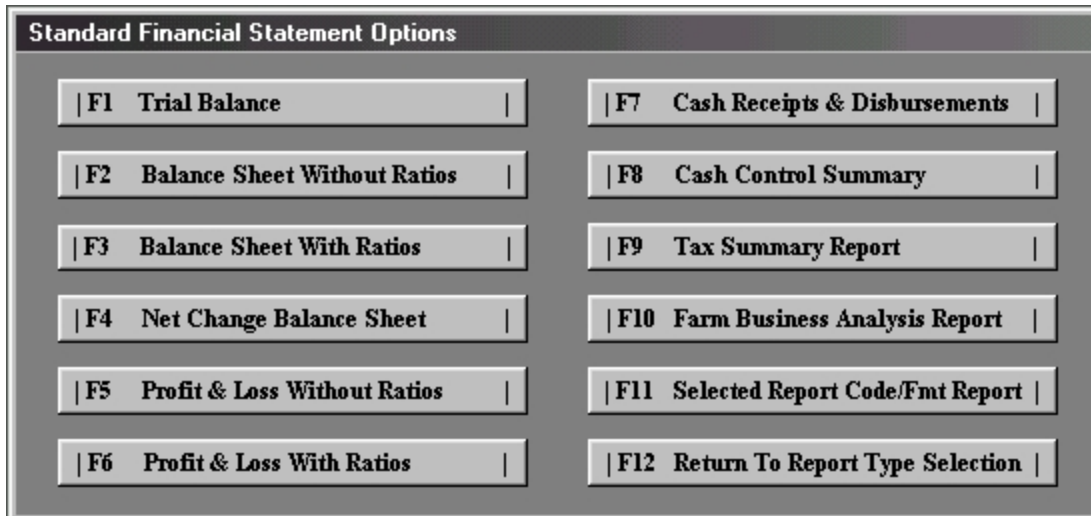
```
Standard Financial Statement Options

 | F1   Trial Balance                  |      | F7   Cash Receipts & Disbursements  |

 | F2   Balance Sheet Without Ratios   |      | F8   Cash Control Summary           |

 | F3   Balance Sheet With Ratios      |      | F9   Tax Summary Report             |

 | F4   Net Change Balance Sheet       |      | F10  Farm Business Analysis Report  |

 | F5   Profit & Loss Without Ratios   |      | F11  Selected Report Code/Fmt Report|

 | F6   Profit & Loss With Ratios      |      | F12  Return To Report Type Selection|
```

Figure 13.3 Standard Financial Statements Options print menu.

To Print a Standard Financial Statement:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F6 Financial Statements* from the Print Options menu.

4. Select the desired processing period.

5. Select *F1 Standard Financial Statement* from the Report Type Options menu.

6. Select either *F1 Cash or Cost Basis* or *F2 Accrual Basis* or *F3 Market Basis*.

7. Select the desired report from the menu, or identify a report format not included on the default list by selecting *F11 Selected Report Code/Fmt Report* and specifying a code for the desired report.

F1 – Trial Balance

The Trial Balance displays the net sum of activity in each account for a given posting period and the year-to-date balance for each account. This report is an effective test of the equilibrium of debits and credits within the General Ledger. A Trial Balance that balances (debits equal credits) is sometimes considered proof of accuracy of the records and can be used to spot irregularities quickly when, for instance, a credit balance appears in an account which normally carries a debit balance and vice-versa. There are a number of errors that a Trial Balance will not disclose, however. Following are a few examples:

1. The omission of a debit and a credit of equal amounts in posting

2. The total debits and credits made in reverse

3. The omission of a complete transaction, such as missing a check

4. The transaction posted to the wrong account number

F2 – Balance Sheet Without Ratios

The Balance Sheet presents the financial status of the business at a given point in time. This format of the balance sheet is printed in standard format, listing assets first, followed by liabilities, then equity. This menu option gives you four main menu options.

1. (True) Cost Basis Balance Sheet – This balance sheet does not include balances/values for things such as raised livestock, inventory of raised crops or other inventory items except those that were purchased for resale, etc. These things typically do not appear on a True Cost Basis Balance Sheet. This Balance Sheet format is most often used as a report to give the tax preparer (not your bank or other lenders) – although the Net Change Balance Sheet is preferred for your tax preparer/accountant so they can see both beginning and ending balances of the balance sheet accounts.

2. Modified Cost Basis Balance Sheet – This balance sheet is still on the Cost/Cash Basis, but it DOES include balances for things such as raised livestock, raised inventory items, etc. It is the same report as the above report, except with the value for the raised items added. It is primarily used for analysis of your business. This is typically NOT the preferred balance sheet for your tax preparer or for your lenders.

3. Accrual Basis Balance Sheet – This balance sheet shows the balance of accounts on the Accrual Basis rather than the Cash Basis. If you are an Accrual Basis tax filer, this version would be printed for your tax preparer (or the Accrual Basis Net Change Balance Sheet).

4. Market Basis Balance Sheet – This balance sheet is useful to print for lenders or for other uses where you would like to show the Market Value of Assets, rather than the Cost Basis. Note that in order for this balance sheet to be accurate, the Market Value of assets must be maintained, and appropriate Adjusting Entries entered to reflect current values of equipment, land, buildings, etc. Inventory must also be maintained with accurate market values entered.

F3 – Balance Sheet With Ratios

This format of the balance sheet is the Standard Balance Sheet with an additional column that presents the percent distribution of the assets, liabilities, and equity, and also presents the distribution of items within each category. So for example, where the checking account is listed, you will see a column that shows the dollar balance in the checking account, and also a column that displays what percent the checking account is of the total Current Assets. The display of ratios facilitates the analysis of the financial structure of the business, and the measurement of the risk-bearing ability of the business. This format may be selected to print with the same four choices as the above "Balance Sheet Without Ratios" (Cost, Modified Cost, Accrual, or Market Value Basis). Refer to the above descriptions for an explanation of the difference between these choices.

F4 – Net Change Balance Sheet

This format of the balance sheet is the Standard Balance Sheet with a column showing the assets, liabilities, and equity at the beginning of the year; a column showing their status for the selected period you chose to print; and a column reflecting the net change between these two columns. This report clearly illustrates the change in asset, liability, and equity balances over time, and is very helpful when evaluating the business short-term. This format may be selected to print in the same four choices as the above two balance sheet formats (either Cost, Modified Cost, Accrual Basis, or Market Value Basis) for any type of business. Refer to the description under the "Balance Sheet without Ratios" for an explanation of the difference between these choices.

F5 – Profit & Loss Without Ratios

The Profit & Loss Statement, also known as the Income Statement, is very similar to the Cash Receipts and Disbursements Statement in that it is a document that summarizes income and expenses associated with the business for the selected period of time. The difference is primarily that the purpose of the Profit & Loss Statement is to show whether or not the business made a profit or loss, rather than to show the cash flow of the business. The report is used for tax and management purposes, and is also often requested when applying for a loan.

F6 – Profit & Loss With Ratios

This format of the profit and loss includes an additional column that presents the percent distribution of income and expenses. The display of ratios facilitates analysis of the business.

F7 – Cash Receipts & Disbursements Statement

The Cash Receipts and Disbursements Statement shows the cash flow of the business for the selected period of time. It is a report that documents the source of all money flowing into the business and details where all money flowing out of the business was spent. It can help identify areas where adjustments can be made to improve cash position, or it can help in planning for the future. The Cash Receipts and Disbursements Statement gives a quick analysis of how well cash flow is being managed in the business. This report is often requested when the business is applying for a loan.

Following is a summary of the primary differences between the Profit & Loss Statement and the Cash Receipts & Disbursements Statement

Profit & Loss Statement	Cash Receipts & Disbursements Statement
1) Includes non-farm income and expenses, but <u>after</u> Net Farm Income is calculated.	1) Includes non-farm receipts and disbursements and capital withdrawals.
2) Shows only interest payments on loans and does **not** include loan income or payments to principal.	2) Includes debt service on loans (principal and interest) and loan income.
3) Reflects only the **gain** or **loss** from the sale of capital assets.	3) Reflects cash transaction amounts from the sale of capital assets.
4) Reflects only the annual depreciation of capital assets purchased as an expense.	4) Reflects the cash transaction amounts from the purchase of capital assets.
5) The ending number on the report – prior to the Personal Draws - reflects the Taxable Net Profit or Loss of the business.	5) The ending number on the report shows the amount of increase or decrease in the total of the cash type accounts (cash, checking, & Savings) from the beginning of the year to the end of the period selected for the report. It does NOT show if the business made a profit or loss. It is strictly a Cash Flow report.

F8 - Cash Control Summary

The Cash Control Summary is a one-page report that is used as a preliminary test of the integrity of the data entry and automatic offsets. The goal in this report is to have a zero amount in "Unaccounted For Cash." This report, when used in conjunction with a "balanced" trial balance, is a good indication that the mechanical portion of TABS is performing as expected.

F9 - Tax Summary Report (Schedule F)

The *Tax Summary Report* lists, line by line, the account totals that can be transferred directly to the IRS Schedule F – Profit or Loss From Farming Tax Form. The numbered lines and descriptions on this report match the Schedule F, so this simplifies the process of filling in the Schedule F on your income taxes at year end. The Tax Summary Report is updated each year in accordance with changes in tax rules and regulations. Note that this report does NOT include things that are not reported on the Schedule F, such as Sale of Capital Assets – so the Profit & Loss Report also needs to be printed, along with the Tax Summary Report for income tax preparation.

F10 - Farm Business Analysis Report

No business can be successful if the financial structure is not sound. The Farm Business Analysis Report follows the guidelines set forth by the Farm Financial Standards Committee of the American Bankers Association and uses the following five financial performance criteria to guide the financial analysis process: Liquidity Measures/Ratios, Solvency Measures/Ratios, Profitability Measures/Ratios, Financial Efficiency Measures and Activity, and Repayment Capacity Measures.

F11 - Selected Report Code/Fmt Report

This menu item can be used to select a report format that is not on the default list of reports offered. The codes for these reports may be obtained from your TABS Coordinator.

F7 - Budget Reports

If the Budgeting feature of TABS is used, the Budget Reports section offers you a variety of reports that allow you compare actual income and expenses to your budgeted amounts. Refer to the chapter on Budgeting to prepare a budget in TABS. After your budget is prepared and entered into Budget File Maintenance, the Budget Reports can be printed to monitor actual cash receipts and expenditures as compared to those budgeted amounts. Note that all of the budget reports are formatted to be printed in landscape mode on legal size paper (8 ½ x 14"). If you try to print these reports on regular letter size (8 ½ x 11") paper, some columns will be cut off.

To Print a Budget Report:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F7 Budget Reports* from the Print Options menu.

4. Select the Processing Period you wish to print.

5. Select the desired Budget Report. Following is a description of the options:

F1 – Cash Receipts & Disbursements

The Cash Receipts and Disbursements Budget Report is similar to the Cash Receipts & Disbursements Stmt in Financial Reports as far as what accounts are included in the report. This report shows all accounts affecting the cash flow of the business for the selected period of time, not only those that are taxable income or expense accounts. The report starts with a column that shows the Annual Budget Amount. The next three columns show the Budgeted Amount, Actual Amount, and Variance for the Period you selected to print. After that, there are three more columns showing the Year-To-Date figures for the Budgeted Amount, Actual Amount, and Variance. The last two columns show the amount of budgeted dollars that remains in each account, and what percentage that number

represents. Note that this report can be printed even if you have not created a budget in Budget File Maintenance. If no budget was created, the system automatically brings the prior year's income and expenses over as the budget amount for each account.

F2 – Income & Expense Statement With Ratios

This Budget Report includes the same accounts as the Profit & Loss Report does in the Financial Statement Reports, so it includes only taxable income and tax deductible expense accounts, with the exception of an added section at the end for Personal Income and Expenditures. No loan activity is included in this budget report. The columns are the same as the previous report in that it includes a column for the Annual Budget amount, then the Budget Amount, Actual Amount, and Variance Amount for both the Current Period and Year-To-Date. Each of these columns also show the Ratio that amount represents. The final two columns show the amount and percent of Annual Budget Amount remaining. Most people prefer to print the next report option – without ratios, as this report can get pretty cluttered and hard to follow. Note that this report can be printed even if you have not created a budget in Budget File Maintenance. If no budget was created, the system automatically brings the prior year's income and expenses over as the budget amount for each account.

F3 – Income & Expense Statement Without Ratios

This Budget Report is the same as the previous menu item, only without the ratios. This report may be easier to follow, as it does not appear as "crowded" as the format <u>with</u> ratios. It includes the same accounts as the Profit & Loss Report does in the Financial Statement Reports, so it includes only taxable income and tax deductible expense accounts, with the exception of an added section at the end for Personal Income and Expenditures. No loan activity is included in this budget report. The report includes a column for the Annual Budget amount, then the Budget Amount, Actual Amount, and Variance Amount for both the Current Period and Year-To-Date. The final two columns show the amount and percent of Annual Budget Amount remaining. Note that this report can be printed even if you have not created a budget in Budget File Maintenance. If no budget was created, the system automatically brings the prior year's income and expenses over as the budget amount for each account.

F4 – Proforma Cash Receipts & Disbursements

This Budget Report can be used in a couple of different ways… This report lists, month by month, the amounts you have budgeted for each account. BUT – similar to the other budget reports, it can be printed even if you have <u>not</u> created a budget.

- If a budget <u>***was***</u> <u>created and entered in Budget File Maintenance in TABS</u> - it will show you in detail, the amount <u>budgeted</u> month by month in every account. In

this case, there will be no "actual" amounts received or spent on this report. It will include budgeted amounts only.

- If *no budget was created*, the report shows the month by month <u>actual</u> total of each income and expense account in the <u>prior year's</u> set of records. This makes the report a useful tool, even if you are not using the budgeting feature of TABS. The report can be used as a tool to see your **actual** monthly income and expenses for analysis, OR it can be used as reference for creating a budget based off of prior year actual amounts. Note that the report always prints the activity for the PRIOR year, not the current year. So if you are using it as a tool to help you gather numbers for creating a budget and you want to see CURRENT YEAR amounts, you have to transfer your data to the next year and print the Proforma Report from that year. The system does not allow you to print a budget report for a year you have not worked in, so if you are printing from an "empty" year, you will have to put one made-up entry in so the report will print. You can then delete the made-up entry.

F8 - Inventory Reports

There are a variety of Inventory Reports available in TABS, depending on the level of detail desired. The following instructions will give a brief description of the five inventory reports available.

Print Balance or Detail in Inquiry Applications

The most frequently printed Inventory Report is one that is not even in the Report Generating section of TABS. This report is helpful if you would like a short list of the inventory quantities and balances that are currently in your records. People often print this as a checklist when it is the time of year to take a physical inventory of all inventory items on hand. That way, they will not forget any item that was in inventory before. This report is also frequently used as a supporting statement to show the detail of the inventory items summarized in the Current Assets portion of the Balance Sheet.

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F7 Inquiry Applications* from the General Ledger System Menu.

3. Select *F4 Non Depreciable Inventory Data.*
   o The Selection Criteria For Inventory Inquiry Window will be displayed. The system defaults to Cash Basis, period 00 through 13.

4. If you would like to change your query from Cash (the default) to Accrual/Market Basis, enter into the <u>Accounting Basis</u> field and select *A = Accrual/Market Basis.*

5. If you would like to specify a definite range of months to include in your query, enter into the <u>Accounting Period</u> field and specify the ending month. You can not select a starting month other than Period 00, as it is necessary to include Opening Balances for Inventory.

6. Select *F9 Select* to prompt the system to calculate inventory balances and display them on the screen. The non-depreciable inventory accounts will be displayed on the screen, complete with balances and quantities.

7. Select *F1 PrtBal* if you wish to print the balance of the inventory accounts as they are seen on the screen.

8. Detail of any specific account may be viewed by either double-clicking on it, or by placing the highlight bar on it and pressing *Enter*.

9. Select *F2 PrtDtl* if you wish to print the detail (all transactions) of the account selected.

10. Selecting *F12 Exit* will return the view to the account listing after looking at specific detail on any account.

To Print an Inventory Report from the Report Generating Menu:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F8 Inventory Reports* from the Print Options menu.

4. Select the desired Inventory Report. Following is a description of the options:

F1 - Print Item Master Listing

The Item Master Listing does not print any quantities or balances of inventory items in your records. This report prints a list of each inventory account and item number that has activity in the current year. This report could be used as a checklist when taking a physical inventory of items on hand.

F2 - Print Transaction Audit Trail

The Transaction Audit Trail shows specific detail of each transaction that affects the inventory item or items chosen for a specific month chosen. The report is a very detailed report that includes the date, quantity, unit price, and total amount of the inventory change on both the Modified Cost Basis and the Market Value basis. It prints in Landscape Mode on 8 ½ x 14" paper (Legal-size paper). After selecting the F2 menu choice from the Report Generating Menu to print this report, there are a few additional steps to get this report:

1. Select the month you would like to see inventory detail for.

2. A help window will appear, showing all inventory items that have activity for the month chosen. Move the highlight bar to the first item in the range of items you wish to print and press *Enter*.

3. Next, select the last item in the range of items you wish to print and press *Enter*. (This can be the same item if you only want to print detail for one specific item.)

4. The report will print the selected range of items in Landscape mode.

F3 - Print Perpetual Inventory Detail

The Perpetual Inventory Detail is intended to show specific detail of each transaction that affects the inventory item or items chosen from Period 00 (Inventory Opening Balances) through the month selected. The report displays a running balance of both the quantity and amount of inventory on hand for each item. You are given options as to whether you want to print the report on Modified Cost Basis or Market Basis, or Both. The report that prints both Modified Cost and Market on the same page prints in Landscape Mode on 8 ½ x 14" paper. After selecting the F3 menu choice from the Report Generating Menu to print this report, there are a few additional steps to get this report to print:

1. Select the month you would like the report to go through. (All activity from Period 00 through the month selected will be printed.)

2. A help window will appear, showing all inventory items that have activity for the year. Move the highlight bar to the first item in the range of items you wish to print and press *Enter.*

3. Next, select the last item in the range of items you wish to print and press *Enter.* (This can be the same item if you only want to print detail for one specific item.)

4. Make a selection on the Basis you would like to print – *F1 Modified Cost Basis* prints only the Cost Basis detail and fits on regular 8 ½ inch wide paper. *F2 Market Basis* prints only the Market Basis detail and also fits on regular 8 ½ inch wide paper. *F3 Both Modified Cost and Market Basis* prints both Cost and Market detail side-by-side, but requires 14 inch wide paper (prints in Landscape Mode).

F4 - Print Perpetual Inventory Summary

The Perpetual Inventory Summary is a brief summary of the detail provided in the Perpetual Inventory Detail Report. This report does not show individual transactions, but instead shows totals for the quantity of units and dollar amount each item increased by, the quantity of units and dollar amount each item decreased by, and the ending units and dollar balance on hand. Each Profile Category starts on a new page and lists only the inventory items under that profile. After selecting the F4 menu choice from the Report Generating Menu to print this report, there are a few additional steps to get this report to print:

1. Select the month you would like the report to go through. (All activity from Period 00 through the month selected will be printed.)

2. A help window will appear, showing all inventory items that have activity for the year. Move the highlight bar to the first item in the range of items you wish to print and press *Enter.*

3. Next, select the last item in the range of items you wish to print and press *Enter.* (This can be the same item if you only want to print detail for one specific item.)

4. Make a selection on the Basis you would like to print – *F1 Modified Cost Basis* prints only the Cost Basis detail and fits on regular 8 ½ inch wide paper. *F2 Market Basis* prints

only the Market Basis detail and also fits on regular 8 ½ inch wide paper. *F3 Both Modified Cost and Market Basis* prints both Cost and Market detail side-by-side, but requires 14 inch wide paper (prints in Landscape Mode).

F9 – Management Reports

The Management Reports menu item gives you some options to print some very useful reports for analyzing your business financially.

To Print a Management Report from the Report Generating Menu:

1. Select *F1 General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications* from the General Ledger System menu.

3. Select *F9 Management Reports* from the Print Options menu.

4. Select the desired Management Report. Following is a description of the options:

F1 – Trend Analysis Reports

The Trend Analysis Reports menu item allows you to print a seven-year trend for a large variety of financial reports. This is a wonderful way to see the financial data for multiple years side-by-side in one report. This menu item also allows you to Export the trend data to an Excel spreadsheet.

To **Print** a Trend Analysis Report:
1. Select *F1 Trend Analysis Reports* from the Management Reports menu.

2. Select *F1 Select/Generate/Print Reports.*

3. Carefully read through your choices to select the Trend Report you would like to print. Note that the same report may be listed multiple times because Cost Basis, Modified Cost Basis, Accrual Basis, and Market Value Basis options are listed separately. Take care to determine which report you would like to print. Although all of the reports are useful, some of them are more popular than others for TABS users. Some of the more popular reports are:

    TA 06-001 Market Basis Balance Sheet – This shows a 7-year detailed trend of the Market Value Balance Sheet

    TA 11-001 Cash Basis Income Statement – This shows a 7-year trend of the Profit & Loss Statement on a Cash Basis.   Among other uses, this is a quick way to review your expenses to see if there are any large increases in accounts that might flag an audit – such as repairs or supplies. It is also a great report to give a new lender who wants multiple years of Profit & Loss Statements from you.

    TA 11-002 Accrual Basis Income Statement – This shows a 7-year trend of the Profit & Loss Statement on the Accrual Basis. This is useful when you want to see a trend report of for the profit or loss of your business on the accrual

basis – which differs from the cash basis if Accounts Payable and Accounts Receivable are used in TABS.

TA 21-001 Cash Receipts & Disbursements – This is a 7-year trend of the Cash Receipts and Disbursements Statement in TABS, which is a cash-flow report, rather than a report that shows profit or loss.

To **Export** a Trend Analysis Report to Microsoft Excel:

1. Select *F1 Trend Analysis Reports* from the Management Reports menu.

2. Select *F2 Select / Generate Spreadsheets*

3. Carefully read through your choices to select the Trend Report you would like to export to Excel. Note that the same report may be listed multiple times because Cost Basis, Modified Cost Basis, Accrual Basis, and Market Value Basis options are listed separately. Take care to determine which report you would like to export, then select that item.

4. The screen will flash briefly as an export file is generated, then it will return to the selection menu.

5. Now you can minimize or close TABS and open Microsoft Excel.

6. From the Microsoft Excel screen, select *File*, then *Open*.

7. Select *Browse* so you can Browse to locate the export file you just created.

8. To find the file, Locate and select the C: Drive.

9. Once you have selected the C: Drive, locate and select the TABSYS folder on that drive.

10. Double-Click on the TABSYS folder to open it. You should now see a folder named "Data."

11. Double-Click on the DATA folder to open it. You should now see a folder with your Client ID as the name.

12. Double-Click on the folder with your Client ID on it (if you have multiple Client IDs, select the one you just created the export file from).

13. Now you should see folders with the year as their name… look past these and you will find two or more exported files. Ignore the files that start with an "R" – these reports do not show your financial data. They simply report what account ranges are included in each line of the exported report. Look at the files that start with the letter "T" and Double-click to select the report number that matches the Control ID you selected to export from TABS.

14. You may get a warning that says the file format and extension don't match and the file could be corrupted. If you get this warning, it means that you may have a more current version of Excel than the file is created for – ignore the warning and select *Yes* to open it anyway.

15. Next, Step 1 of 3 for the Text Wizard Import box should pop up. Make sure that "*Delimited*" is selected rather than "Fixed Width," then select *Next*.

16. In Step 2 of 3 for the Text Import Wizard, be sure that both the "*Tab*" and the "*Comma*" boxes are selected. None of the other boxes should have a checkmark in them. Select *Next*.

17. In Step 3 of 3 for the Text Import Wizard, the "*General*" button should be selected. Click on *Finish*.

18. Excel should open and your exported file will be displayed.

F2 – Profit Center / Project Reports

This menu choice is one that can be used for clients who utilize Profit Centers and Cost Centers in TABS. Detail of this menu choice has not yet been added to this manual.

F3 – Cost Allocations & Activity Reports

This menu choice is one that can be used for clients who utilize Profit Centers and Cost Centers in TABS. Detail of this menu choice has not yet been added to this manual.

F10 – Vendor 1099 Reports

TABS does not have reports that print directly on to 1099 forms, but there are some reports you can print that make 1099 reporting easier for you. The accuracy of these reports depends on the accuracy of your Account and Vendor settings in TABS, so care must be taken to follow the steps outlined below before relying on any 1099 report generated from TABS.

Step 1 – Review The Chart of Accounts File to verify 1099 settings:

This is a step that should be done annually before printing ANY 1099 reports. Settings from the prior year will transfer to the new year, but this is a process that is usually done in January after files have already been transferred to the new year, so any changes that were made to the Chart of Account settings last year may not have been re-transferred to the new year after those changes were made. You must also check to make sure new accounts were not added that did not get set correctly for 1099 settings.

1. Select F1 *General Ledger System* from the main System menu.

2. Select *F1 Master File Maintenance* from the General Ledger System menu.

3. Select *F4 Chart of Accounts File* from the Print Options menu.

4. Select *F6 Get Rcd,* then type 5110 and press *F8 Help*. The Account Number Help window will be displayed.

5. You will need to review every account in the 5000-series of accounts (starting with 5110) to verify that the account settings are correct on the 1099 settings. You can do this by selecting F6, then F8 to pull up the Help Window, then select an account each time you see one that could potentially trigger a 1099 and review its settings…. Or you can simply start with account 5110 (select this account to open it), then click on F2

Next Record to advance through the Chart of Accounts one at a time, being sure to press F7 Save each time you make changes to an account's settings.

6. As you look at each account, review the 1099 settings in the middle of the Account screen. If the account is one that *might* require a 1099 to be sent, then be sure that it is set on the proper 1099 setting. If you are unsure of what type of 1099 is required, choose M for Miscellaneous, then 07 for NonEmployee Compensation. This will ensure that the account is included on the 1099 reports.

7. Be sure to press F7 Save after making any changes to an account's settings.

8. Review all of the accounts in the 5000 to 5999-99 range.

Accounts Requiring 1099s to be sent:

There are a lot of different payments that require a 1099 to be sent, but the primary ones most farms will encounter are the following:

*   *Rents* – Anyone you pay $600 or more for rent in the course of your trade or business must be sent a 1099 showing the amount of rent paid to them. Any type of rent qualifies here – not just land rent. If you are leasing livestock or renting equipment from another farmer – these will potentially require a 1099 to be sent. One exception is that if you are paying a company that is incorporated, then you are not required to send that corporation a 1099. There is NO exception for LLCs, partnerships, sole proprietors/individuals however. Only Corporations are exempt (they should have "Inc." as part of their company name).

*   *Services Hired / Contract Labor / Custom Work Hired* – Anyone you pay $600 or more in the course of your trade or business for services (other than employees who are receiving a Form W2 instead) must be sent a 1099 showing the amount paid to them for "NonEmployee Compensation." This includes but is not limited to anyone you hire for custom work or contract labor and anyone you are paying for professional services, such as a company who sprays your barns for pest control, a surveyor, an accountant, an attorney, an engineer, a consultant, etc. This could also include people you hire to repair your farm equipment or to build or repair a barn. The purchase of actual parts or supplies does not require a 1099, but any service-related expense does. So if you hire someone to overhaul a piece of equipment and they do not separate the labor portion of the bill from the parts portion, the IRS rules say you have to send them a 1099 for the entire amount you paid them (if it is over $600). One exception is that if you are paying a company that is incorporated, then you are not required to send that corporation a 1099. There is NO exception for LLCs, partnerships, sole proprietors/individuals however. Only Corporations are exempt (they should have "Inc." as part of their company name). This exception also does NOT count for attorneys. Any attorney or legal firm you pay $600 or more for services in one year should be sent a 1099, regardless of whether they are a corporation or not.

*   *Medical / Health* – Anyone you pay $600 or more in the course of your trade or business for Medical-related services must be sent a 1099. This includes medical-related services for your livestock, so your veterinarian must be sent a 1099 if he/she is paid $600 or more. The purchase of medicines and medical supplies

does not count, but if these are not tracked separately from the service portion of the bill, then the IRS requires that you include the entire amount (both service and supplies) in their 1099. Note that there is NO exception in this category for corporations. Any amounts paid of $600 or more in this category require a 1099 to be sent, regardless of whether or not it is a corporation.

- *Interest paid to an individual* – Any individual you pay $10 or more in the regular course of business for interest must be sent a 1099-INT for the interest paid to them. An example of this is where you are buying land via Land Contract from an individual – or if your business borrowed money from an individual, rather than a bank or other lending institution. Any amount of interest of $10 or more paid to individuals must be reported on a 1099-INT.

Step 2 – Print 1099 Account Summary Report for ALL Vendors

This report will be used to refer to as the Vendor File is edited in the next step - to include or exclude vendors so a more fine-tuned report can be printed.

1. Select F1 *General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications*

3. Select *F10 Vendor 1099 Reports*

4. Select *F2 Print Account Summary for All Vendors*

5. The report preview will be displayed on your screen. While you can review this report on the screen and make notes of changes that need to be made to Vendor settings, it is easiest to print this report and simply highlight or circle the vendor settings that need to be changed. Note that this report will undoubtedly include MANY more vendors than will actually require a 1099 to be sent. The report is designed to include any and all vendors or accounts that are a *possibility* for 1099s. Your task now is to review the report, pick out the vendors that DO require a 1099, and note which ones they are so their settings can be reviewed in the Vendor File and a more fine-tuned report is printed.

6. Look at each Vendor included on this report. The report will show you how much was paid to each vendor, and what account(s) those payments were posted to. Note that this report will only pick up amounts paid to ledger accounts that were set to be potential 1099 accounts in the previous step when you reviewed the Chart of Accounts.

7. If the amount shown on the report for a particular vendor is for rent, services hired, contract labor/custom work, veterinarian/medical services, interest paid to an individual, or any other known 1099 type payment, then you should see the Vendor's Name listed, and on the same line to the right of the Vendor Name, it should say Federal ID Number (with no words in between the vendor name and the Federal ID Number). For these Vendors, verify that there is an actual Federal ID Number or Social Security Number listed there. If not, highlight or circle "Federal ID Number" so you can make a note to get this

number. You must also verify that the correct address is listed for the Vendor.
If there is no address listed, this should also be noted. If you see the words
"NO 1099" to the right of the Vendor Name for a Vendor who DOES qualify
for a 1099, this Vendor needs edited in the Vendor File to change the 1099
settings. Highlight or circle the words "NO 1099" for this vendor so their
settings can be changed when you review the Vendor File in the next step.

8. As I said above, this report WILL include a lot of Vendors who were paid for
supplies utilities, etc. that do NOT require a 1099 to be sent. For those vendors
NOT requiring a 1099 to be sent to them, simply verify that the words "NO
1099" show next to their name. As long as those words are there, the vendor
settings are correct for these vendors and no further review needs to be done
for them. Any Vendor with "NO 1099" next to their name will NOT appear
on the final 1099 report you print using these instructions.

Step 3 – Review the Vendor File to make necessary changes to 1099 settings

This step will enable you to fine-tune your 1099 report so that only 1099-eligible vendors are
included on it. This will create a much shorter and more accurate 1099 report that you can then
use to prepare 1099s, or to send to your tax preparer.

1. Select F1 *General Ledger System* from the main System menu.

2. Select *F1 Master File Maintenance.*

3. Select *F5 Vendor File Maintenance.*

4. Select *F6 Get Rcd*

5. Using the report you just reviewed, type the Vendor ID for any Vendor
needing modifications to be made to their 1099 settings and press Enter to
open that Vendor Record. If "NO 1099" appears on the report for a Vendor
who DOES need a 1099, that is a Vendor that needs to be reviewed and
corrected. On the Vendor Record, change the line item that says "Issue 1099
Form" to a "Y" for Yes.

If the Social Security number or Federal ID number is missing for a 1099
Vendor, add that in the field labeled "Federal ID Number." Note that the
Vendor should give you whichever number he/she uses for their income taxes.
If you are sending a 1099 to someone who gives you a Social Security Number,
then the 1099 should be issued in their personal name. If they give you a
Federal ID Number, then it should be issued to their Business Name.

If the address is missing for any Vendor who DOES need a 1099, then that
Vendor needs to be reviewed and the missing mailing address added.

Be sure to select F7 Save after editing any Vendor settings to save your changes.
The record will advance to the next Vendor after F7 is selected. Simply press
F6 Get Rcd again to type the next Vendor you wish to modify.

6. Note that NO changes need to be made to vendors who do NOT require a 1099, as long as "NO 1099" appears next to their name on the 1099 Report you printed.

7. Once all Vendors needing corrections have been reviewed and modified, proceed to the next and final step.

Step 4 – Print 1099 Account Summary Report for ALL Vendors

This report will be used to refer to as the Vendor File is edited in the next step - to include or exclude vendors so a more fine-tuned report can be printed.

1. Select F1 *General Ledger System* from the main System menu.

2. Select *F4 Report Generating Applications*

3. Select *F10 Vendor 1099 Reports*

4. Select *F4 Print Account Summary for 1099 Vendors* – This report includes ONLY those Vendors who are set to "Y – Yes" to on the "Issue 1099" line on their screen in the Vendor File. That's why the previous step was so important. If it was done properly, now you should have a narrowed-down report that includes only Vendors who require a 1099 to be sent to them.

5. Use this report to prepare your own 1099s, or send this report to your tax preparer or other individual preparing your 1099s.

Chapter

12

Backup / Recovery of Data

Backing up your data files at the end of each work session is extremely important. While the working data folder remains on your hard drive, it is prudent to have another backup of these files on some other source of removable media, such as a flash drive, or removable hard drive. In the event that your hard disk fails, is infected with a computer virus, or data is deleted by mistake, this "outside" backup may save you a tremendous amount of work in re-creating your records. The following instructions will take you through the procedure for backing up your data, restoring your data to the hard drive from a backup, and maintaining backup directories on your hard drive.

Backup Media Options

Computers used to give us many options for backup media that could be used to store your TABS data (Floppy Discs, CDs, Zip Drives, etc). Nowadays, most of these options are gone and computers are equipped with an easily accessible USB port that can be used with a Flash Drive for backups. The Flash Drive is thought to be one of the most reliable and durable methods of backing up data. This type of media is very easy to use.

The only other option we have for making backups directly from TABS is to an Internal Backup Drive (hard drive). The System Configuration File in TABS requires you to identify an Internal Backup Drive for backups, as well as the USB Port(s) to be used with your Flash Drives. This allows you to back up your TABS data to another location on your hard drive (or on another hard drive if your computer has multiple hard drives or hard drive partitions).

Configuring The System for Backups

After the TABS software is installed, the available drives your system has for backups must be identified within the software. This is done through System Configuration.

System Configuration:

1.   Log into TABS using a valid Client ID, Password, and Year.

2.   Select *F4 System Administration.*

3.   Select *F7 System Configuration File Maintenance.*

4. The Configuration Data window will be displayed, showing the system's current settings. The following fields should be reviewed and changed as necessary:

TABSAPPS and TABSYS Drive – This field should contain the letter of the drive the TABS software resides on. By default, this is Drive C.

USB Ports for Updates and Backups – There are four available slots to type the drive letters that will identify any Flash Drives plugged in to your computer for backups. Type the appropriate drive letter(s) for your computer. (Note – if you are not sure which letters your computers use, plug a flash drive in. A window should pop up with the drive letter used to identify that flash drive.

5. Select *F7 Save* to save your changes. The message at the bottom of the screen should say "Message Has Been Updated." If your message says anything else, you may have other settings that need changed (such as printer settings) before this record can be Saved. Make the necessary changes and Select *F7 Save* again.

6. Select *F12 Exit* to exit from System Configuration after all necessary changes have been made and saved.

Backing Up Your Data

Your data is valuable! While there are many options available in TABS to back up your data, none of them will help you unless you use them on a regular basis and keep your backups current and in a safe place. Computers are unpredictable machines and do not often give warning before breaking down. You should always be prepared with backups of your data. I recommend that you make a backup of your records each day you make entries in your TABS software…. If that seems to frequent to you, at least make a backup once a month – perhaps after doing your monthly check reconciliation for that month. Your backup should be kept off premises. If some sort of disaster strikes at the office, this "off-site" backup may save you a lot of work in re-creating records. At the end of each year, I recommend making at least two "permanent" backups labeled "Final TABS Backup for year XXXX." One backup can be kept at the office, and the other should be kept in a safe place off premises.

To Back Up Your Data:

1. Log into TABS using a valid Client ID, Password, and Year. (If you are already logged in to TABS, exit back to the main System Menu and proceed to Step 3.)

2. Select *F1 Go To System Menu.*

3. Select *F12 End Of Session.*

4. Select *F1 or F2*, depending on what type of backup you wish to make.

- *F1 Back Up Data To Both Internal and Removable Drives* allows you to make a routine backup on both your hard drive and on a Flash Drive at the same time. Note that this type of backup does not compress the data at all, and all of the data files from TABS will be stored in a unique folder each time a backup is made, thus creating a "history" of your data. This history would allow you to restore the data back to any of the dates you had backed up to this drive as long as they had not been erased. Each folder is encoded with a name that represents the date and time the backup

was created. These folders will continue to accumulate on your hard drive until they are deleted through TABS System Administration – Backup/Directory Management.

- *F2 Create A .Zip File To Restore On Another Computer* allows you to create a compressed Zip file that is small enough to be emailed, if desired. This backup can be made either to the Internal Disc Drive (hard drive), or to your flash drive. Note that Zip backups do NOT create a unique folder each time a backup is made. A Zip backup will overwrite the previous Zip backup that was stored on the hard drive or flash drive for this client and year – so caution must be used if you are making only Zip type backups. You will have only one backup at any given time unless you use different drives to store backups on.

5. Select the appropriate menu choice for the drive you wish to put the backup on. If the drive letter you need is not displayed, you can select *F6 Change Configuration Data Drive Assignments* at this time to change or add the drive letter you need for your backup drive. Note that if you chose F1 to make a regular backup, the menu choice assumes the drive for the hard drive backup, so you need only to select the backup drive for the flash drive. Both backups will still be made.

6. If you choose F1 to make a regular backup, you have an opportunity to put some safety measures in place for those backups. After you select F1 to make a backup, then select which drive letter your flash drive is in, you will see two options for the type of backup you wish to make. *"R"* is the default - it makes a *"Routine"* backup. *"P"* can be typed in if you wish to make a *"Permanent"* backup. With either choice, the data saved is identical. The only difference between the two backup types is that a *Permanent* backup has safety features that make it fdifficult to accidentally delete the backup when you are "Managing your directories" (addressed in the next section) and deleting excess backups through TABS. Either press *Enter* to accept *"R"* as the type of backup, or type a *"P"* and press *Enter*.

7. The Comments field is optional. If you want to note anything in particular about this backup, you can do so in this field. An example would be to note that the backup was made after a particular month's check reconciliation was done, or that it is the final backup for the year after taxes have been filed, etc. These comments can provide useful information if you should find it necessary in the future to select one to restore to your hard drive.

8. When the backup process is complete, select *F12 Exit* to exit the software.

Backup / Recovery Directory Management

Each time you make a Regular TABS backup (not a Zip Backup) to a flash drive or your hard drive, a new folder is created on that drive to contain the TABS data files. While the additional security of having these "dated" backups is very valuable, there does come a point in time where old folders can safely be deleted to make room for new folders. The best way to manage these folders is through TABS, where you can view the detail of each backup session, delete specific backups, or delete all "Routine" backups prior to a certain date.

To View a List of Backups Made:

1. Log into TABS using a valid Client ID, Password, and Year.

2. Select *F4 System Administration.*

3. Select *F4 Backup/Recovery Directory Management.*

4. From the available Drive Selection Options, select the drive you wish to view.

5. Select *F2 View, Update, and/or Delete Backup Directories.* A list of all backups made for the Client ID and Year you logged in on will appear. If you wish to delete any of the displayed backups, proceed to Step 6 in the set of instructions below.

To Delete Specific Backups (one at a time) from Backup Media:

1. Log into TABS using a valid Client ID, Password, and Year.

2. Select *F4 System Administration*

3. Select *F4 Backup/Recovery Directory Management.*

4. From the available Drive Selection Options, select the drive you wish to view.

5. Select *F2 View, Update, and/or Delete Backup Directories.* A list of all backups made for the Client ID and Year you logged in on will appear.

6. To delete a specific backup, double-click on that description (or move your highlight bar to it and press *Enter)* so that another window appears at the bottom of the screen.

7. If the backup was a "Routine" backup, the *F3 Delete* button will be lit and you can select it twice to delete the specified backup.

8. If the backup was a "Permanent" backup, the *F3 Delete* button will <u>not</u> be lit. In order to delete a "Permanent" backup, you must change the "P" to an "R," then select *F7 Save.* Once it has been saved as an "R," you can select it again and the *F3 Delete* will be available.

To Delete Multiple Routine Backups All At Once From Backup Media:

Another option to deleting backups is to follow this set of instructions where you can specify a date – then all "Regular" backups prior to that date will be deleted. The key to using this method is to <u>make sure</u> that all backups you wish to keep are coded with a "P" for Permanent. The backups coded with a "P" will not be deleted.

1. Log into TABS using a valid Client ID, Password, and Year.

2. Select *F4 System Administration.*

3. Select *F4 Backup/Recovery Directory Management.*

4. From the available Drive Selection Options, select the drive you wish to view.

5. Select *F2 View, Update, and/or Delete Backup Directories* if you have not already done so, to verify what backups are contained on this backup media and to make sure it is safe for them to be deleted. If there are backups you wish to protect from being deleted, select those backups individually and change the "R" to "P" on the backup type, then select *F7 Save* to save your change. Exit back to the Backup/Recovery Maintenance Options menu when you are finished viewing the directories and are ready to delete.

6.   Select *F3 Delete Routine Backups Prior To A Specified Date.*

7.   Type a date to specify which backups to delete, then press *F3 Delete* twice. All Routine backups made prior to the date you specified will be deleted.

File Recovery / Restoring Data To Hard Drive

Occasionally, you may find you have the need to restore data from a backup to the working folder in TABS. The following instructions will take you through this process:

To Restore Data from a Backup to the Working Folder in TABS:

1.   On the Security Logon screen in TABS, type the Client ID, Password, and Year you wish to restore to the working folder of TABS.

2.   If you are restoring a regular backup, select *F5 Restore Selectable Client Backup Data Files.* If you are restoring a Zip Backup, select *F6 Restore Zip Files From TABSZIPS/Client Folders.*

3.   With either choice, another menu will appear, allowing you to select what drive letter you are restoring from. ** CAUTION! Once you select the drive letter, if you have selected to restore a Zip Backup, it will immediately restore and the data that HAD been on the hard drive for that client ID and year will be erased and replaced with the data from the zip backup. If you selected to restore a regular backup, you will be given the opportunity to select which backup to restore, then the same thing will happen. It will completely erase the data that WAS on the hard drive for this client and year, and it will replace it with the data from the backup being restored.

Chapter

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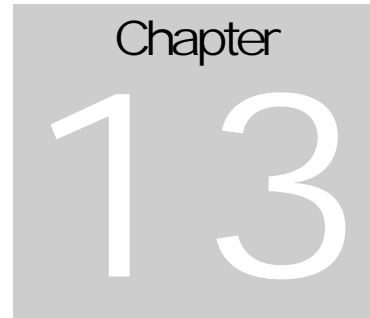
Other System Administration Functions

This chapter of the manual is reserved for future use.

Chapter

14

Year-End Transfer

At the end of a year, it is necessary for you to transfer your master files and account balances to the new year so you can continue entering data beyond the end of the year. Many times, we continue working in both years for a couple months until the records in the old year are finalized for taxes. This process is common, but you must use extreme care when doing this because it may involve re-transferring the account balances numerous times. Keep in mind that the communication between two years of data is not automatic – each time you return to the old year and enter data, the account balances must be re-transferred to the new year in order for the new year to reflect your changes. Open Checking Account Entries, Accounts Payable and Receivable, Inventory Balances, and Depreciation Files may also need to be re-transferred if the changes you made affect these areas. The following two sets of instructions will guide you through the process of either transferring to the new year for the first time, or re-transferring if you've already transferred one or more times.

Transfer To The New Year

Note: If you have already transferred to the new year and have begun entering data in that year, please skip to the set of instructions titled "Re-Transfer To The New Year."

To Transfer Files/Data To The New Year For The First Time:

1. Log into TABS using a valid Client ID, Password, and the Year you would like to transfer (the "old" year).

2. If you use the Payroll System in TABS, I would advise that you use this opportunity to review the "Employment Status" of each employee in the Employee Master File <u>before</u> transferring files to the new year. This is an optional step, but doing this now will save you the effort of deleting "terminated" employees in the new year to de-clutter your employee master file. Select *F3 Payroll System,* then *F1 Payroll File Maintenance Applications*, then *F6 Employee Master File.* Select *F1 PrvRcd* to get to the first employee. Page through each employee, using *F2 NxtRcd* and verify the accuracy of the *Employment Status* field for each (refer to the definitions below). When this process is complete, select *F12 Exit* a number of times to return to the main System Menu.
    -   *A – Active* means the employee still works for you – this setting will allow the transfer of this employee's record to the new year.

- *I – Inactive* means that this employee no longer works for you, but may return in the future – this setting will allow the transfer of this employee's record to the new year.

- *T – Terminated* means this employee no longer works for you and is not likely to return – an employee with this setting will <u>not</u> be transferred to the new year.

3. Before transferring to the new year, you need to verify that the Check Register for all checking accounts matches the Inquiry Balance for those same checking accounts. If these two balances don't match, you will not have an accurate starting balance for your checking account(s) in the new year. To check these balances, do the following:

    a) Select *F1 General Ledger System* from the main System Menu.

    b) Select *F5 Display/Print Check Register.*

    c) Double-click to select your checking account.

    d) Select *F1 Display Check Register.*

    e) Write down the closing balance for the last day of the year (the very bottom number under the Closing Balance column).

    f) Repeat this process for each checking account you have if you have multiple checking accounts.

    g) Select *F12 Exit* three times to return to the General Ledger System Menu

    h) Select *F7 Inquiry Applications.*

    i) Select *F1 General Ledger Account Data.*

    j) Select *F9 Select.*

    k) Your checking accounts should be listed near the top. Compare the balances you wrote down from the Check Register with the balances of the same checking accounts displayed in the Cash Basis Inquiry window. These balances must match to the penny in order for your checking account balance to be correct in the new year. (The opening balance of your checking account in the new year will be the balance you see in Cash Basis Inquiry - not the balance you see in the Check Register). If these balances do not match, and if you are a payroll user, it is likely that you forgot to post one or more pay periods to the General Ledger. See the section titled "Check Register Does Not Match Inquiry Of The Checking Account" in the Helpful Hints Chapter of this manual. Once the balances match, proceed with the following instructions.

4. Still logged in to the old year, exit back to the main System Selection Menu.

5. Select F1 Reorganize Data Files.

6. When the system finishes Reorganizing the files, you will get a message that says "Update Complete. Press F12 to Exit." At the bottom of the screen. Select *F12 Exit* twice when you see this message.

7. Select *F1 General Ledger System* from the main System Menu.

8. Select *F8 Transfer Files To New Fiscal Year* from the General Ledger System Menu.

9. There should be only two active buttons on the Files/Data To Be Transferred To The New Year menu (the top one, and the bottom one). If all of the buttons are active (the wording appears in dark print, rather than being "greyed out"), that means you have already transferred the General Ledger Master Files to the new year and should be following the "To Re-Transfer Files/Data To The New Year" set of instructions.

10. Select *F1 General Ledger Master Files*. This will create a folder for the new year's data, and it will transfer all General Ledger Master Files to the new year. The process will take only a brief moment, and your screen will return to the Files/Data To Be Transferred To The New Year menu. When it returns to the menu, all of the buttons will now be active. * Note – If There is a Master File that is missing or has nothing in it, the screen will return to a window titled "Files Not Transferred" and the files that were not transferred will be listed so you can verify that they are not necessary. In this case, press *Enter,* or select *F12 Exit* to return to the Files/Data To Be Transferred menu.

    ▪ The General Ledger Master Files are the "framework" of your records. They do not include any specific data or account balances from actual transactions, but they are required in order to enter a transaction. Master Files are those files that you see on the Master File Maintenance Menu (Chart of Accounts, Vendor File, Template File, Print Format Control File, etc.) Since they do not contain information that changes frequently, it is usually only necessary to transfer them once, even if you return to the old year to enter more data. Extreme caution should be used in transferring the Master Files more than once to be sure that you are not replacing new vendors, accounts, etc. that may have been added in the new year with old files that did not include these vendors, accounts, etc. See the instructions titled "Re-Transferring Files/Data To The New Year" for further detail.

11. Select *F2 General Ledger Account Balances* to transfer all asset, liability, and equity balances to the Opening Balances journal in the new year. Your screen may temporarily flash back to the desktop while this happens, then it will return to a blank TABS screen with the message "Account Balances Have Been Transferred Without Period 13 Equity Distributions" at the bottom. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

    ▪ Transferring the General Ledger Account Balances to the new year ensures consistency and shows validity in the records in that the ending balances of the asset, liability, and equity accounts of the old year will match the Opening Balances of those same accounts in the new year. The Account Balances are transferred and automatically saved as two separate transactions in Period 00, Opening Balances Journal in the new year. Manual changes should not be made to these transferred opening balances. If changes are found to be necessary, they should be made in the old year, then the balances should be re-transferred, thereby always maintaining the "flow" between the two years.

12. If the Check Reconciliation feature of TABS has been used on one or more checking accounts, select *F3 Open Checking Account Entries* to transfer the open checks and/or deposits to the new year. At the Checking Account Selection menu, select the Checking Account you would like to transfer open entries for. If you have more than one checking account, the screen will return to the Checking Account Selection window after the open entries have been transferred for the account selected and that checking account will disappear from the list. Select any additional checking accounts you would like to transfer open entries for, and repeat the process until all desired accounts are transferred. The

screen will return to the Files/Data To Be Transferred menu after all checking account open entries are transferred. Select *F12 Exit* if you wish to return to this menu without transferring the remaining checking accounts.

- In order for this feature to work correctly, you must have posted at least one check or deposit in check reconciliation for the last fiscal period in the year (December, if you're on a calendar year). If your bank closes on a day other than the last day of the month, it is optional, but not necessary to reconcile twice in that last month in order to get to the last day of the year with your reconciled balance. If your bank closes on any day other than the last day of the month and you do <u>not</u> reconcile the balance in TABS twice in that last month to get to the last day of the year, you can transfer the open checking account entries for the remainder of the month to the new year, then reconcile the balance in the first month of the new year (logged in to the new year).

13. If the Accounts Payable and/or Accounts Receivable features of TABS have been used, select *F4 Open Payables and Receivables* to transfer all of the open invoices to the new year. The process will take only a brief moment, then your screen will return to a blank TABS screen with a message at the bottom stating how many records have been transferred. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

14. If the Inventory portion of TABS has been used, select *F5 Inventory Balances* to transfer all inventory account balances to the new year. These will be transferred and automatically saved in period 00, Inventory Change Journal in the new year. The process will take only a brief moment, then your screen will return to a blank TABS screen with a message at the bottom stating how many records have been transferred. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

15. If the Depreciation System has been used in TABS, select *F6 Depreciation Files* to transfer all Depreciation records to the new year. The process will take only a brief moment, then your screen will return to the Files/Data To Be Transferred menu.

16. Press *F12 Exit* until you have logged completely out of TABS.

17. Log back in to TABS, using the <u>new year</u> as the Fiscal Year on the logon screen.

18. Select *F2 System Administration.*

19. Select *F1 Reorganize Data Files.* A message will appear when the reorganization is complete. Select *F12 Exit* twice to return to the main System Menu. If you are <u>not</u> a payroll user, the Year-End Transfer process is now complete and you may resume data entry. If you <u>are</u> a payroll user, continue with the following instructions to set up payroll for the new year.

20. Select *F3 Payroll System* from the main System Menu.

21. Select *F1 File Maintenance Applications* from the Payroll System Options menu.

22. Select *F2 Company Master File* from the File Maintenance Options Menu.

23. Arrow down to Pay Frequency 1, then enter in and select the pay frequency you are using for paying employees. Enter a second frequency type in Frequency 2 if needed.

24. Press F7 Save.

25. Select *F12 Exit* to exit the Company Master File and return to the File Maintenance Options menu.

26. Select *F4 Company Pay Period File* from the File Maintenance Options menu.

27. Select (one of) the Pay Frequency Code(s) you use for payroll.

28. Fill in the required dates for the Pay Frequency chosen. <u>Weekly</u> and <u>Bi-Weekly</u> pay frequencies will require only the date of the first pay – the remaining dates will be filled in automatically. <u>Semi-Monthly</u> will require the first two dates – the remaining months will automatically be filled in with the same two dates. <u>Monthly</u>, <u>Quarterly</u>, <u>Semi-Annual</u>, and <u>Annual</u> pays do not require any entry of dates – these will all be filled in automatically. Save all dates with *F7 Save.*

29. Repeat Steps 27 and 28 for all desired Pay Frequencies.

30. If you are a Level Two payroll user (you will pay more than three different employees throughout the year), you will need to set your Company File to be a Level Two user before the first payroll in February. The software will not limit the number of employees paid in January each year, but starting on Feb 1st, if you do not have your software set at Level Two, you can pay only three employees in each pay frequency. If you do not have your six-digit Upgrade Key Code that was provided to you by Agrimaster® after you paid your annual user fee, you cannot do this step yet. Once you receive your software up date and License Key, you can return to do these final steps….

31. Select *F3 Payroll System.*

32. Select *F1 File Maintenance Applications* from the Payroll System Options Menu.

33. Select *F2 Company Master File.*

34. Select *F2 Level 2,* then type your Upgrade Key Code in the "Upgrade to Authorized Use Level" window that appears, then press *Enter.* If the code you typed was valid, the window will disappear and you will note that the Company Master File screen has now changed to allow all Pay Frequencies (rather than only two). If the code was not valid, contact your TABS Coordinator or Agrimaster® to get a valid code number. (Note – you must first update your TABS software before the code is valid for use in the Payroll System).

35. Payroll is now ready for entry. Select *F12 Exit* to return to the desired menu.

Re-Transfer To The New Year

Many times, it is necessary to continue working in both the old year and in the new year for a couple of months after the year has ended until the records in the old year are finalized for taxes. This process is common, but it may involve re-transferring the account balances, open payables/receivables, inventory balances, and/or depreciation files numerous times. Keep in mind that the communication between two years of data is not automatic – each time you return to the old year and enter data, the ledger account balances must be re-transferred to the new year in order for the new year to reflect your changes. Open Checking Account Entries, Accounts Payable and Receivable, Inventory Balances, and Depreciation Files may also need to be re-transferred if the changes you made affect these areas. The following set of instructions will guide you through the process of re-transferring to the new year.

To Re-Transfer Files/Data To The New Year (after having already transferred one or more times):

1. Log into TABS using a valid Client ID, Password, and the Year you would like to transfer (the old year).

2. Before re-transferring, verify that the Check Register for all checking accounts matches the Inquiry Balance for those same checking accounts with the following steps:

3. Select *F1 General Ledger System* from the main System Menu.

4. Select *F5 Display/Print Check Register*.

5. Select each checking account, one at a time, then select *F1 Display Check Register* and write down the closing balance for the last day of the year for each account.

6. Select *F12 Exit* three times to return to the General Ledger System Menu

7. Select *F7 Inquiry Applications*.

8. Select *F1 General Ledger Account Data*.

9. Select *F9 Select*.

10. Compare the balances you wrote down from the Check Register with the balances of the same checking accounts displayed in the Cash Basis Inquiry window. These balances must match to the penny in order for your checking account balance to be correct in the new year. (The opening balance of your checking account in the new year will be the balance you see in Cash Basis Inquiry - not the balance you see in the Check Register). If these balances do not match, and if you are a payroll user, it is likely that you forgot to post one or more pay periods to the General Ledger. See the section titled "Check Register Does Not Match Inquiry Of The Checking Account" in the Helpful Hints Chapter of this manual. Once the balances match, proceed with the following instructions to re-transfer to the new year.

11. Select *F1 General Ledger System* from the main System Menu.

12. Select *F8 Transfer Files To New Fiscal Year* from the General Ledger System Menu.

13. All of the buttons will be active on the Files/Data To Be Transferred To The New Year menu, which gives you the option of re-transferring any or all of the choices. Extreme caution must be used however – be sure you know what you are transferring! Any files you transfer from the old year will replace the same files in the new year. Read each option below carefully before making the choice to re-transfer.

   ▪ *F1 General Ledger Master Files* - Unless you have a specific reason to re-transfer the General Ledger Master Files, this menu item should not be transferred more than once. The General Ledger Master Files are the "framework" of your records. They do not include any specific data or account balances from actual transactions, but they are required in order to enter a transaction. Master Files are those files that you see on the Master File Maintenance Menu (Chart of Accounts, Vendor File, Template File, Print Format Control File, etc.) Select *F1 General Ledger Master Files* to see a list of "Files Already Transferred" then select the specific file or files that need to be re-transferred. When the transfer is done for a selected file, that file description will disappear from the list. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

▪ *F2 General Ledger Account Balances* – The General Ledger Account Balances should be re-transferred any time you return to the old year and add or delete transactions or make changes to existing transactions in Journal Entry. This ensures that the ending asset, liability, and equity balances of the old year match the Opening Balances in the new year. Select *F2 General Ledger Account Balances* to re-transfer the account balance. Your screen may temporarily flash back to the desktop while the transfer is in process, then it will return to a blank TABS screen with the message "Operation Complete" at the bottom. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

▪ *F3 Open Checking Account Entries* – The Open Checking Account Entries can be re-transferred any time there are additions, deletions, or changes in the old year that change the amount or number of open checking account entries remaining at year-end for any checking account. Note that any time a re-transfer is necessary for Open Checking Account Entries, it is probably also necessary to re-transfer the General Ledger Account Balances. Select *F3 Open Checking Account Entries,* then select the Checking Account you would like to transfer open entries for. If you have more than one checking account, the screen will return to the Checking Account Selection window after the open entries have been transferred for the account selected and that checking account will disappear from the list. Select any additional checking account you would like to transfer open entries for, and repeat the process until all desired accounts are transferred. The screen will return to the Files/Data To Be Transferred menu after all checking account open entries are transferred, or you can select *F12 Exit* to return to the Files/Data To Be Transferred menu without transferring all checking accounts. Keep in mind that in order for this feature to work correctly, you must have posted at least one check or deposit in check reconciliation for the last fiscal period in the year (December, if you're on a calendar year). If your bank closes on a day other than the last day of the month, it is optional, but not necessary to reconcile twice in that last month in order to get to the last day of the year with your reconciled balance. If your bank closes on any day other than the last day of the month and you do <u>not</u> reconcile the balance in TABS twice in that last month to get to the last day of the year, you can transfer the open checking account entries for the remainder of the month to the new year, then reconcile the balance in the first month of the new year (logged in to the new year).

▪ *F4 Open Payables And Receivables* – The Open Payables and Receivables Invoices can be re-transferred any time you return to the old year and make changes, additions, or deletions to Open Invoices, or any time you add a payment or receipt that changes the Open Payable or Receivable amount for any given vendor. Note that any time a re-transfer is necessary for Open Payables And Receivables, it is also necessary to re-transfer the General Ledger Account Balances. Select *F4 Open Payables and Receivables* to re-transfer the open invoices. The process will take only a brief moment, then your screen will return to a blank TABS screen with a message at the bottom stating how many records have been transferred. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

▪ *F5 Inventory Balances* – Inventory can be re-transferred any time you return to the old year and make changes, additions, or deletions to entries that affect inventory balances. Select *F5 Inventory Balances* to re-transfer all inventory account balances to the new year.

These will be transferred and automatically saved in period 00, Inventory Change Journal in the new year. The process will take only a brief moment, then your screen will return to a blank TABS screen with a message at the bottom stating how many records have been transferred. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

- *F6 Depreciation Files* – Depreciation files can be re-transferred any time you return to the old year and make changes, additions, or deletions in the Depreciation System portion of TABS. Select *F6 Depreciation Files* to view a list of the depreciation files already transferred, then select each file you wish to re-transfer individually. After a file is transferred, it will disappear from the list. Select *F12 Exit* to return to the Files/Data To Be Transferred menu.

14. Once all desired files are re-transferred, you can log out of the old year in TABS, then log back in to the new year to resume work in the new year. If Open Payables and Receivables have been transferred, the system will require you to reorganize your data files (in the new year) before allowing you in to journal entry. To do this, select *F4 System Administration* from the main System Menu, then select *F1 Reorganize Data Files*.

Chapter

15

Special Notes for Corporations

Corporations offer some special challenges in record-keeping. Generally speaking, the records of a corporation must be much "tighter" and more "pure" than those of other entities. A corporation operates as an entity separate from its owners, and therefore, the records can not contain personal/family living expenses. The cost basis balance sheet of a corporation can not contain raised inventory. Special equity accounts are required for the chart of accounts and balance sheet. A "True Cost" balance sheet, rather than a "Modified Cost" balance sheet is required. These are just a few of the special requirements and other helpful tips for corporations that are outlined in this chapter.

Set The Chart of Accounts:

There are a few differences in the chart of accounts for corporate clients that may require changes to be made to your existing chart of accounts. The following instructions will take you through the process of verifying that all the necessary accounts exist and adding them if they do not.

Equity Accounts -

1. Select Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *F4 Chart of Accounts File* from the File Maintenance Applications Menu. The first account (numerically) will be displayed in the Modify mode.

4. Select *F6 GetRcd*.

5. Type 2980 00 in the Account Retrieval window and select *F8 Help*. An Account Number Help window will appear. Look at all the accounts from 2980 00 through 2990 00 and note which ones of the following accounts exist. It is important that the account number for each account described be exactly the same as is listed here – if the account description exists, but has a different account number, it must be deleted and the correct account must be added.

   - 2980 00 Corporate Equity
   - 2981 00 Common Stock
   - 2982 00 Preferred Stock

- <u>2983 00</u> Treasury Stock
- <u>2984 00</u> Paid In Capital
- <u>2985 00</u> Dividends Paid

6. If each of the six accounts listed above match the account number and account description in your chart of accounts, skip to Step 12 of these instructions.

7. If you are missing one or more of the six accounts listed above, select *F12 Exit* to exit from the Account Number Help Window, then select *F5 AddRcd* to add a new account.

8. Type the account number of an account you would like to add and press *Enter*. At this point, the rest of the entry fields (except the account description field) will be filled in with defaults.

9. Type the account description and press *Enter*.

10. The minimum requirements for adding a new account are now met. Select *F9 End*, then *F7 Save* to accept the default settings for the remainder of the settings.

11. Repeat Steps 8 through 10 until each of the six accounts described above have been added. If you have other equity accounts that are specific to your corporation, you may add them using available account numbers in the range of accounts from 2981 00 through 2989 99. Do not make changes to the 2980 00 account or any of the others specifically listed above.

<u>Retained Earnings Account</u> -

12. Select *F6 GetRcd*.

13. Type 2990 00 in the Account Retrieval window, then select *F8 Help*.

14. With account 2990 00 highlighted, press *Enter*.

15. The Account Name for the 2990 account in a corporation should be *Retained Earnings*. If the account has any other name (such as Owner's Equity Beginning of Year), enter into the Account Name field and change it to Retained Earnings.

16. Select *F7 Save* to save your changes.

<u>Petty Cash Account</u> –

17. Since no Personal/Family Living Accounts (any account in the 9000's) can be used in a corporation, it is helpful to have a Petty Cash Account for cash expenditures. Note that you must also see the instructions on "Changing the Offset of the Cash Disbursements Journal" in this chapter in order to make this account be the automatic offset for cash expenses.

18. Select *F5 AddRcd*.

19. Type 1011 00 in the Account Number field, then press *Enter*. If a yellow message appears at the bottom of the screen, stating that the "Account To Be Added Is Already On File" then you already have the Petty Cash Account and can skip these instructions.

20. Type *Petty Cash Account* in the Account Name field and press *Enter*.

21. The minimum requirements for adding a new account are now met. Select *F9 End*, then *F7 Save* to accept the default settings for the remainder of the settings.

Change The Offset Of The Cash Disbursements Journal:

The default for the automatic accounting offset created by entering a disbursement in the Cash Disbursements Journal is a credit to the 9010 Family Living/Unclassified Account. The system assumes that if you spent cash from your pocket to pay a farm expense, you spent money initially coded as Family Living (by keeping cash out from a deposit or having written a check to the 9010 account). If your business is a Corporation or Partnership, you should not have a *Family Living* account, but rather a *Petty Cash* account, and the offset of the Cash Disbursements Journal should be changed to automatically offset to the 1011 Petty Cash Account rather than the 9010 Family Living/Unclassified Account.

1. Select Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF3 Accounting Offset File* from the File Maintenance Applications Menu.

4. Select *F6 GetRcd*.

5. Type *CD* in the Journal Source field of the Record Retrieval window, then select *F8 Help*.

6. Move the highlight bar to the description that shows the Cash Disbursements Journal and the 9010 00 Account Number, and has nothing in the High Order column. Press *Enter* with this record highlighted.

7. On the Record To Be Modified window, change the 9010 00 in the Offset Account Number field to 1011 00 for the Petty Cash Account. * Note – If you get a message at the bottom of the screen that says "Invalid Account Number," then the 1011 account does not exist. You must exit from here and go add the 1011 account in Chart Of Accounts File Maintenance before you can continue.

8. Select *F7 Save* to save your changes. The screen will automatically advance to the next record.

9. Exit from the Accounting Offset File Maintenance.

Set The Processing Control File:

There are a few differences in the settings for the Processing Control File for corporate clients that may require changes to be made.

1. Select Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF4 Processing Control File* from the File Maintenance Applications Menu.

4. The setting for the A/P Change Account and the A/R Change Account depend on whether or not you show the balance in Accounts Payable as a liability and the balance in Accounts Receivable as an asset on your True Cost Balance Sheet filed with the IRS. Some Cash Basis businesses show these balances, and some don't. The accounts payable and accounts receivable will work the same, regardless of whether or not these balances are printed on the balance sheet. If you want to show the AP and AR balances on your balance sheet, then the A/P Change Account field should have the account 2992 00 in it and the

A/R Change Account field should have the account 2993 00 in it. If you do <u>not</u> want to show the AR and AP balances on your balance sheet, both of these fields should be zeroed out. Make any necessary changes and save your changes with *F7 Save*.

5. The Automatic Inventory field can be set to *Y =Yes* so that perpetual inventory can be maintained. Raised inventory items will not be printed on a True Cost Balance Sheet, but will be printed on the Accrual Basis/Market Basis Balance Sheet. Make any necessary changes and save your changes with *F7 Save*.

Set The Print Format Control File For True Cost Balance Sheet:

There are special Print Formats that need to be added into the Print Format Control File in order to be able to print the True Cost Balance Sheet that is required for Federal Income Tax reporting for Cash Basis Corporations. The True Cost Basis Balance Sheet differs from the Modified Cost Basis Balance Sheet in that raised inventory items on hand or inventory items that have been expensed but are still on hand (like purchased feed on hand) are excluded from the cost basis balance sheet. These items would not be excluded from the Modified Cost Basis Balance Sheet. The following instructions take you through the process of verifying that the necessary Print Formats exist, and if not, they tell you how to add them.

1. Select Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF7 Print Format Control File* from the File Maintenance Applications Menu.

4. Select *F6 GetRcd*.

5. Type *BS* in the Report Type field, then select *F8 Help*.

6. In the Record Retrieval Help window, you should see a number of records that have the Report Type *BS* in the first column. Look in the Type and Number columns and see if you have the following Report Codes:

    -   BS04   Cost Basis Net Change Balance Sheet

    -   BS05   Cost Basis Percentage Balance Sheet

    -   BS06   Cost Basis Balance Sheet

7. If you already have the above three formats, you do not have to add any more formats.

8. If you do <u>not</u> have the above three formats, select *F12 Exit* to exit from the Record Retrieval Help window, then select *F5 AddRcd* to add a new record.

9. Type *BS 04* in the Report Type/Number fields.

10. Select *B = Both Cash and Accrual Basis* for the Accounting Basis field.

11. Type *Cost Basis Net Change Balance Sheet* as the Report Title.

12. You have two options for the Format Number field. Format Number 001 will split both the asset section and the liability section of the balance sheet into Current, Intermediate, and Long Term assets/liabilities. Format Number 011 will split the asset section and the

liability section into Current and Non-Current assets/liabilities (thereby combining Current and Intermediate into one "Current" section. "Non-Current" would be the same as "Long Term" above.) Type the desired Format Number.

13. Type the desired Printer number (1 through 5), or press *F8 Help* to select the desired printer for this report format.

14. Type *P* in the Orientation/Paper Size field for Portrait printing.

15. Press *Enter* to bypass the Top Margin Inches field, leaving it set at 0.000.

16. Top Margin Lines can be either 0, 1, or 2. This tells the system how many lines to move down on the page before beginning to print. Two is the default format for most other report codes.

17. Select *F7 Save* to save the record. A blank Record To Be Added window will appear.

18. Repeat Steps 9 through 17 two more times, replacing the Report Type/Number and the Report Title with BS05 Cost Basis Percentage Balance Sheet, then BS06 Cost Basis Balance Sheet. The other settings should all be the same as described above.

19. Once these report formats have been added, you are ready to print the True Cost Basis Balance Sheets.

Chapter

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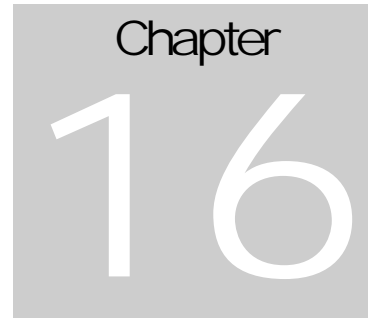
Helpful Hints

Change Your Password:

Each Client ID has a password that keeps the data secure. Without the password, a person cannot access the business records. The initial password is set up for each Client ID when the software is installed, but a user can change his/her password at any time.

1. On the TABS security Logon screen, type a valid Client ID.

2. In place of your normal password, type the word "*PASSWORD.*" The "Change Password" window will be displayed.

3. Type your current password in the Current Password field.

4. Type your new password in the New Password field. The screen will return to the Security Logon where you can continue to log into TABS or exit.

Set Up A New Printer For TABS

After the TABS software is installed by your TABS Coordinator, the printer(s) you will be using to print checks, invoices, reports, etc. must be identified within the software. If you get a new printer or change printers you are using with TABS, you must change the System Configuration File in TABS to reflect this change. The printer must be installed in the Printers folder of Windows before this process can be completed.

1. Install the printer in Windows, following the installation directions that came with your printer.

2. Log into TABS, using a valid Client ID, Password, and Year.

3. Select *F2 System Administration.*

4. Select *F7 Setup/Configuration File Maintenance.* The Configuration Data window will be displayed, showing the system's current settings.

5. Move the highlight arrow to the first Printer Numbers you want to change. Enter into the description field and select *F8 Help* to select the new printer name from a help window. It is important to use *Help* here to select the printer rather than typing in the name. Note that

Printer 1 is the default for all reports that print on regular 8 ½ x 11" paper. Printer 2 is the default for all reports that print on legal size (8 ½ x 14") paper. Printer 3 is the default for journal entry checks and payroll checks. Printers 4 and 5 are extra printers that can be set for specific reports or uses.

6. In the small box to the right of the printer description field, select the appropriate Printer Type (Ink Jet, Laser, or Matrix) for the new printer.

7. Select *F7 Save* to save your changes. The message at the bottom of the screen should say "Record Has Been Updated."

8. Select *F12 Exit* to exit from System Configuration.

9. If you are printing checks from TABS, it is possible that you will have to re-align your checks for the new printer. Follow the instructions for "Check Alignment" in the "Problems Printing Checks" section that follows.

Problems Printing Checks

In this section, I will try to address various problems you may encounter when printing checks.

<u>Check Alignment is off</u> - These instructions tell you how to set the Print Format Control File so the print is properly aligned on your journal entry and payroll checks.

1. Go to Journal Entry, Check Disbursements for any month and re-print any check already entered. You can use plain paper to print the check on, rather than an actual check. Preferably, print a check where the vendor has a complete address set up that shows on the check.

2. Hold the printed check up against a blank check to get an idea of how far the print needs adjusted and which way the adjustment needs to go. Holding the two sheets of paper up to a window or bright light makes it easier to see the print on both of them.

3. Select *F1 General Ledger System* from the main System Menu.

4. Select *F1 Master File Maintenance.*

5. Select *SF7 Print Format Control File* from the File Maintenance Applications Menu.

6. Select *F6 GetRcd.*

7. Type *CK* in the Record Retrieval window and select *F8 Help.*

8. With *CK 01 Print Checks From Posting Journal* highlighted, press Enter.

9. Adjust the number in the Top Margin Inches field to change the print position on the check. If the words/numbers are printing too <u>low</u> on the check, the Top Margin Inches number needs to be lower. If the words/numbers are printing too <u>high</u> on the check, the Top Margin Inches number needs to be higher. Keep in mind that the Top Margin Inches is the actual distance (in inches) that the printer will move down to before beginning to print. So use this to determine (guess) a new number to put in this field.

10. Return to the Check Disbursements Journal and print another check onto plain paper to test your adjustment, then repeat the process, if necessary, until an acceptable alignment is reached.

11. When an acceptable Top Margin Inches number is found for Journal Entry Checks, return to the Print Format Control File and set the *PC 01Print Payroll Checks* record to be the same Top Margin Inches as was used for *CK 01 Print Checks From Posting Journal*. You do not need to print a "test check" in payroll – the same setting will work for both journal entry and payroll checks.

Printer does not respond when I tell it to print a check - When this happens, it is most likely that there is either a problem with your printer, or you have the wrong printer set up in the Print Format Control File.

1. If the printer is not responding when you tell it to print a check, first you need to rule out the possibility that there is a problem with the printer. Use Note Pad, Word Pad, or another program on your computer to try to print a test page and verify that the printer is working.

2. Check the print format control file – Select *F1 F1 General Ledger System* from the main System Menu.

3. Select *F1 Master File Maintenance.*

4. Select *SF7 Print Format Control File* from the File Maintenance Applications Menu.

5. Select *F6 GetRcd.*

6. If it is Journal Entry Checks that you are trying to print, type *CK* in the Record Retrieval window and select *F8 Help*. If it is Payroll Checks that you are trying to print, type *PC* in the Record Retrieval window and select *F8 Help*.

7. For Journal Entry Checks - With *CK 01 Print Checks From Posting Journal* highlighted, press *Enter*. For Payroll Checks - With *PC 01 Print Payroll Checks* highlighted, press *Enter*.

8. Verify that the Printer Number field has the correct number and description for the printer you are trying to print on. Change the number to another number (valid numbers are 1 – 5) if necessary - *F8 Help* is available in that field to select the valid printers as they are set up in the System Configuration File of TABS. Save all changes with *F7 Save*. If none of the 5 numbers bring up the printer you are trying to use, you need to change your System Configuration file in TABS and add this printer in for Printer 3. See the section titled "Set Up A New Printer For TABS" in this chapter for detailed instructions on doing this.

Set Up A New Checking Account

Adding a new checking account during the year is a fairly simple process. It involves setting the new account up in the Chart of Accounts, then setting up the Accounting Offset for the new account.

9. Select *F1 General Ledger System* from the main System Menu.

10. Select *F1 Master File Maintenance* from the General Ledger System Menu.

11. Select *F4 Chart of Accounts File* from the File Maintenance Applications Menu.

12. Select *F6 GetRcd.*

13. Type 1020 00 in the Account Retrieval window, then select *F8 Help*.

14. Note which account numbers are available (not used) in the range of accounts from   1020 00 to 1029 99, then select *F12 Exit* to exit from the Account Number Help window.

15. Select *F5 AddRcd*.

16. Type an available checking account number in the Account Number field and press *Enter*. This number must be between 1020 00 and 1029 99.

17. Type a description for this checking account in the Account Name field and press *Enter*.

18. Select *F9 End,* then *F7 Save* to save the account.

19. Select *F12 Exit* once to return to the File Maintenance Applications Menu.

20. Select *SF3 Accounting Offset File*.

21. Select *F5 AddRcd*.

22. Type *CK* in the Journal Source Code field.

23. Type a letter in the High Order Reference field. It can be any letter that is not already being used for another checking account. This letter will designate which checking account is being used when transactions are entered in the Check Disbursements Journal. You will need to use the letter in front of each check number so the system credits the correct checking account when a check is entered.

24. The cursor will skip to the Offset Account Number field. Type the chart of account number you assigned to this checking account. The *F8 Help* button is available, if needed.

25. Select *A = By Account Number* in the Offset Summary Code field.

26. Select *F7 Save* to save this record.

27. You are now ready to use the new checking account. Keep in mind that if you are discontinuing use of another checking account and replacing it with this new one, you may have templates that need changed in the bank deposits journal so the deposits go to the correct checking.

28. If you want this new checking account to be your default checking account in Journal Entry, see the following instructions on how to set the default checking account.

Set the Default Checking Account for Journal Entry

If you are using more than one checking account in TABS, one or more of them have a "High Order Reference" letter that you type in beside the check number in journal entry to show which checking account the check should be credited to. You can make this letter appear automatically for any account you want to designate as the "default" checking account. That way, the letter is always there, and if you need to type another letter in for a different checking account, you can do that at the time of journal entry. If you want to Adding a new checking account during the year is a fairly simple process. It involves setting the new account up in the Chart of Accounts, then setting up the Accounting Offset for the new account.

1. Select *F1 General Ledger System* from the main System Menu.

2. Select *F1 Master File Maintenance* from the General Ledger System Menu.

3. Select *SF4 Processing Control File* from the File Maintenance Applications Menu.

4. At the very bottom of the Review/Modify/Print Processing Control Data window, there are two fields that are used to designate the default checking for Journal Entry and Payroll. Type the checking account prefix (High Order Reference, which is the letter designation, or a "blank" that is used to distinguish one checking account from another) for the account you wish to be the default for journal entry in the *Check Account Prefix – JE Posting* field. Type the checking account prefix for the account you wish to be the default for payroll in the *Check Account Prefix – Payroll* field.

5. Select *F7 Save* to save your changes. A message should appear at the bottom of the screen that says "Record Has Been Updated."

Reorganize Data Files

A simple process that is sometimes necessary to correct file errors is "Reorganizing Data Files." This is a process that can be done any time, without fear of losing data or causing problems. It is, in fact, the first thing you should do any time you have something "unusual" happening with your records in TABS.

1. Select *F4 System Administration* from the main System Menu.

2. Select *F1 Reorganize Data Files* from the System Administration Options menu.

3. All files will be re-organized, then updated. Select *F12 Exit* when the procedure is complete.

Check Register does not match Inquiry of the Checking Account:

The balance in your Check Register should agree with the balance of the same checking account in Inquiry Applications at all times. If at any point in time, you notice that these two numbers do not agree, there are two possible problems.

1 – It is possible that you have an entry with an undistributed amount, or one that needs re-saved. 99% of the time, the computer can find these entries for you. Select *F1 General Ledger System* from the Main System Menu. Select *F3 Journal Entry Posting*. With the "Select Processing Period" window on the screen, select the *F1 $Bal* button. A message will appear briefly that says "Checking For Undistributed Amounts," then the message will return to "Select Desired Processing Period And Press Enter." If the *F5ToDo* key is now lit, that means the system found one or more transactions that have a problem. To follow the "To Do" to the entry(s) with the problem, select *F5 To Do*. Only the month(s) that contain a transaction with a problem will remain in the Select Processing Period window. Select one of them. Select the *F5 To Do* again to find out which Journal(s) the problem is in. Once in that journal, select *F6 GetTrn*, then *F5 To Do* to let the system take you to the exact transaction with the problem. Fix the transaction, save your changes, then return to the Select Processing Period window and repeat this process until the F5 To Do button is no longer lit.

2 – The most common problem is with payroll, but it is also the more difficult to find. If you are using the "Post Payroll Journal Entries" option in payroll, it is likely that you forgot to post

them for one or more pay periods. You have a couple options for finding which pay period is not posted. The first option is to go to the Payroll System and call up each and every Pay Frequency and Pay Period used. If the *F6 Remove Posted Payroll Journal Entries* button is <u>not</u> lit, then there have been no entries posted for that pay. If *F5 Post Payroll Journal Entries* is also not lit, then you forgot to mark all unpaid employees in that pay period as "No Pay." The second option would be to narrow the problem down to which <u>month</u> it happened first, before reviewing each pay period. To do this, you would have to print the *F2 Company Earnings & Deductions* report for each month, then compare the gross earning totals for each month to the total of the 5010 Wages Paid series account in Inquiry. * It is important that you print the Company Earnings & Deductions <u>By Pay Period</u> – not by Check, if you are going to do this. Payroll Journal Entries are posted by Pay Period Date, not by Check Date in Journal Entry.
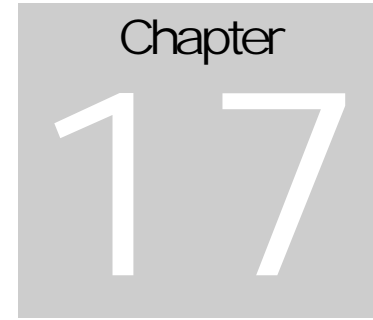
Budgeting

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions about Budgeting.

Create Budget From Prior Year Records

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions about Budgeting.

Create Budget Without Prior Year TABS Records

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions about Budgeting.

Budget Reports

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions about Budgeting.

MANAGERIAL ACCOUNTING

Chapter

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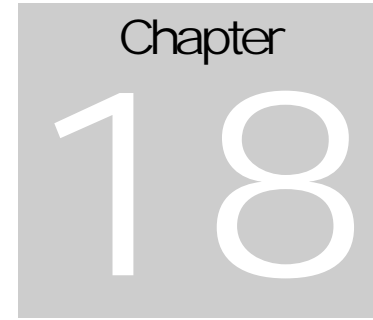
Managerial Accounting

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions about Managerial Accounting in TABS.

Profit Center/Cost Center Reports

This part of the TABS Manual is under review. Consult your TABS Coordinator for questions about Managerial Accounting in TABS.