



Accountmate Newsletter

Autumn 2009

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Our goal

At Purtil & Company, we believe our best client is a well-informed client, one who welcomes ideas and challenges us with ideas. Our strengths are in planning, strategies and actions where we can put our knowhow to work as opposed to the book-and-forms work favored by many accounting firms. This newsletter is part of that information effort, but it's not the only part. In addition to this, we want you to feel free to ask us anything. If it's a quick email, and doesn't require extensive research or effort on part, our policy is to absorb the cost internally. That will also let us identify bigger opportunities as they emerge.

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Taming the Inventory Reconciliation Beast

One of the things many clients wrestle with is reconciling their **inventory on-hand reported value** with the **value in the General Ledger asset** account.

Ideally, at any time you can print your "**Warehouse Quantity Listing**" (which shows on-hand value), **circle the bottom line** of that report and see it **match your inventory asset**. In fact, this reconciliation/confirmation is part of the regular month-end closing process and, in a perfect world, would never require corrective journal entries once they were in synch. Realistically, though, they often disagree...

The first thing to understand about reconciling detail reports to their corresponding asset and liability accounts is that you **never make a GL entry to a validated account without it being reflected in the detail report**. As an example, most clients have no problems with their AR Aging report staying in synch with their AR asset account. Why is that? Because the creation of invoices puts invoices on the report and debits the asset; while credits and cash receipts remove invoices from the report and credit the asset. Most importantly, they never make GL journal entries or other transactions which impact the AR asset account without being reflected on the AR aging, so everything stays beautifully in synch!

Often, though, people don't apply the same logic to the inventory asset account; as the **most common error we see is entry of Accounts Payable invoices posting to the inventory asset account**. Since that obviously doesn't get reflected to the inventory on-hand report, you're guaranteed to make them out of synch.

This is properly handled in AccountMate by the "**Accrued Received Goods**" functionality which, **at the time of purchase order receipt** (when the on-hand count is incremented), **debits the inventory asset** and credits a liability account that is later processed in Payables when the vendor invoice is entered.

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The subject of **Accrued Received Goods** is a pretty deep one, and can't be sufficiently detailed here, but proper configuration and usage is the **primary factor in keeping your inventory on-hand in synch with GL** - and it's one of the **key differentiators between entry-level accounting programs** (like QuickBooks or PeachTree) **and mid-tier financial management systems like AccountMate.**

So, **if you're wrestling with reconciling inventory to GL** and you're not currently using Accrued Received Goods, then **be sure to contact us** for a discussion on how to set this up and **improve the accuracy of your monthly financial statements.**

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Getting Ready for Y2K + 10 Years

AccountMate allows posting to unrestricted periods anywhere within a three year window of your last/this/next fiscal years, so we're already seeing clients posting entries in the year 2010 and this will become even more common in the next few months. The **default configuration** of AccountMate is to allow "two digit year input", and for **many of the older versions/builds** currently in operation, the "rollover year" is set to 10 - meaning that the **two digit year 10 is 2010, but the year 11 is 1911**. So far, no problem, right? But, as you can see, **when the year 2011 rolls around you'll be receiving errors that the year 1911 isn't defined!**

The proactive solution is to **configure your century setup NOW** with a rollover of, say, 20 so that years up through then will be recognized as being in the 21st century. Exactly where/how this is done varies by AccountMate platform and version: If you're running **LAN 3 or LAN 5** then it's under the <File><System Setup><Year 2000 Setup>; for **LAN 6.5 and newer plus all SQL versions**, the setting is configured via the **separate administrative program**. Please contact us for details if you have trouble finding it.

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Free Add-on for AccountMate LAN

Now available is a free add-on for all versions of AccountMate LAN 6.5 and 7 which allows easy export of all reports to numerous formats - including Excel, PDF, and HTML - and one-click ability to e-mail the reports to recipients. The software is available for free, and typically takes us less than a half hour to install - making your valuable financial management data all the easier to analyze. So, if you're interested in easily exporting your AccountMate/LAN reports, then be sure to contact us.

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AccountMate Compatible Forms

Did you know that checks and forms which are designed to be 100% compatible to work with your AccountMate Software package can be ordered directly from AccountMate Forms? Imprinting logos are free of charge. Blank stock items ship in 2 working days and imprinted items are shipped in 3-5 working days.

You can also get a 25% discount on your first order. Please call us with questions or if you'd like a catalog or samples.

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AccountMate Tips:

Module: SO, AR, PO, AP

Q: *How do I print the Analysis report (e.g. Transactions Listing) from the vendor or customer record?*

A: After generating the Analysis report in the vendor or customer record, perform the following:

1. Highlight any value in the grid and right-click to show the Export Grid to Excel, Cut, Copy and Paste options. Select the Export Grid To Excel option to export the data to MS Excel.
2. Print the report from MS Excel.

Modules: PR

Q: *I need to change one state's SUTA Rate; however, when I accessed the **State Tax Tables Maintenance** function I noticed that the SUTA Rate field in every state is inactive. How can I update the SUTA Rate?*

A: To update the SUTA rate for each state, access the **PR Module Setup** function and select the **State** tab. Select the state that you wish to update; then, enter the new rate in the SUTA rate field.

The new SUTA Rate will not be displayed on the **State Tax Tables Maintenance** window, however, the system will use the new SUTA rate in the PR Module Setup function for future transactions and when you perform Recalculate SUTA.

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Module: GL

Q: *How do I verify that the General Ledger reports reflect the most recent subsidiary module transactions?*

A: You must verify the date and time when the period-end closing or transfer data to GL was last performed successfully for each subsidiary module. This information is displayed in the **Last Transfer Date** field in the **Batch Transfer Data to GL** function which is under the **Housekeeping** menu in the General Ledger module. Note that the Last Transfer Date is updated based on the date and time on the SQL server at the point when the transfer or closing is completed.

Modules: SM, AR

Q: *I generated the **AR Aging Reports** and compared it with the **Executive Summary Report**. I noticed that the **AR Aging** amounts do not match. Why is this so?*

A: The **Executive Summary AR Aging** balances are calculated based on **History Aging** as of today's date; that is, the date when the Executive Summary is generated. Note also that the **Executive Summary Report** does **not** include the open credits created by advance payments.

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Contact list

You can contact any Purtil & Company employee by using the employee's first name and our company email location. Or, just click the employee's name below. So, for John, the email address would be john@purtil.com.

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Administration, client accounts, collections.

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Circular 230 disclosure

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