

Accounts Receivable

Accounts Receivable

Working with customer deposits, printing deposit requests and proforma invoices, Flagging lines for invoicing and cutting the invoice, reversing the invoice, recording payments and applying payments to multiple invoices, applying unapplied payments and backing payments out, Reconciling Accounts Receivable to the General Ledger

Advanced Accounts Receivable

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Deposits

Customers | Maintenance | Double Click Customer | Deposits

Enter deposit funds from your customer with a proposal number, as you have not yet invoiced the customer. Deposit entry creates a "DR" (Deposit Received) against the proposal in the customer ledger. This deposit will be available to be used against the invoice activity for this proposal later.

The 'Create Transactions' dialog box is shown with the following options:

- StartUp Balances
- Payments
- Deposits
- Adjustments
- Transfers

Below the dialog box is a form with the following fields:

Check#	Date	Amount	Invoice	Proposal
1254	09/12/02	5,000.00	0	15482

Below the form is a table showing transaction details:

?? Invoice	?? Proposal	Date	Type	Gross Amount	Debits	Credits	Open Amount
0	15482	06/21/01	DR	-15,780.00		-15,780.00	-881.00
0	15482	09/12/02	DR	-5,000.00		-5,000.00	-5,000.00

Reversing a Deposit

If you discover that you have entered a deposit for an incorrect dollar amount, you will need to reverse it. You can accomplish this by entering a second deposit, reference the original proposal, but enter the opposite dollar amount. Creating a new entry using the same information as the original entry except for the opposite amount creates a deposit line in the outstanding ledger that will be matched with the incorrectly entered original deposit. When matched together, each of these deposit lines will fall into the customer's historical ledger.

To match deposit entries together, access the customer's open ledger by double-clicking the customer's name in customer maintenance. Then choose detail ledger and select. After accessing the open ledger, choose Edit | Options | Reset.

The 'Options' dialog box is shown with the following buttons:

- Open
- Historical
- Collections
- Reset
- Cancel

TeamDesign® searches the ledger to find matching entries by proposal and moves them to the historical ledger.

Moving deposits from one proposal to another

After reversing the deposit from the incorrect proposal using the procedure discussed previously, enter the deposit for the correct proposal.

Distributing a deposit after the invoice is created

Ideally, the customer's deposit has been received prior to creating the invoice. The deposit funds would then be available to use when the invoice is posted. However, assume that the invoice was generated and no deposit funds were available at that time. You now want to apply deposit funds to an existing invoice. You would enter the deposit into the customer's ledger twice. Enter the deposit once to create the outstanding deposit on the customer's ledger. This will be done without referencing an invoice number but will reference the proposal number. A second deposit entry, this time referencing the invoice as well as the proposal number, will apply the deposit funds to the invoice.

Note:

When referencing the invoice number, this does NOT duplicate the deposit but simply applies the deposit to the existing invoice. Different accounting journals are created for each of the deposit transactions. Without referencing an invoice number, a debit to the cash account and a credit to the customer liability account, is created in the Cash Receipts Journal. By entering an invoice number, it is no longer treated as a deposit entry but as an application of funds. When applying funds, a debit to the customer liability account and a credit to the accounts receivable account, is created in the Accounts Receivable Journal.

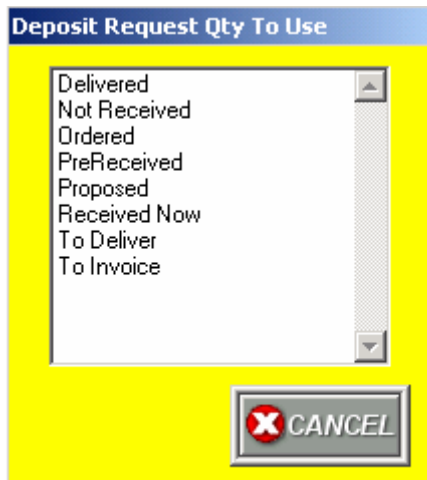
Invoicing

Creating a Pro Forma | Deposit Request Invoice

Prior to the creation of a Deposit Request or Pro Forma Invoice, you will need to choose which line items from the proposal you want to be included on the document. There are three different methods available to flag the line items. Consider the status of the line items, the number of vendors, and the ratio of line items in the proposal that need to be included on the Deposit Request | Pro Forma when deciding which method to use.

Flagging by purchase order

Use this method when you have only a few purchase orders, or when a deposit request is needed for a specific line item on a purchase order. Go to Vendors | Purchase Orders | Transactions | Receiving. After verifying the date, do a quick find for the proposal purchase orders. Double-click the purchase order that contains the line items to be placed on the Deposit Request. Locate the “*Request” column. TeamDesign® uses the quantities from this column to determine the line items that will print on the document. One way to update the values in this column is to click the Dep Request button in the left corner of the screen. The Deposit Request Qty To Use screen appears.



These options enable you to copy the values from a designated column into the Request column. Your column selections include:

Delivered: will copy the values in the "Delivered" column into the Request column

Not Received: will calculate the quantity ordered minus the quantity in the received column

Ordered: will copy the values in the "Ordered" column into the Request column

PreReceived: will copy the values in the "Received" column into the Request column

Proposed: will copy the values that were proposed for the proposal, which may be different from the value ordered

Received Now: will copy the values in the "Receiving" column

To Deliver: will copy the values in the "To Deliver" column

To Invoice: will copy the values in the "To Invoice" column

Highlight one of the options and click the Okay button. The quantity in the chosen column is now the same as the *Request column. This process would be performed for every purchase order that has line items to be included on the deposit request/proforma invoice.

Flagging by manual entry in purchase order screen

You could also manually edit the values in the "*To Request" column by double clicking or highlighting the cell and pressing enter. Once the quantities have been entered and verified, click the Okay button to exit the purchase order screen. Once you click Okay to exit the purchase order screen, the quantities from the "*To Request" column will populate the "*Deposit Qty" column of the proposal detail data

browser. This is the column that TeamDesign® uses to determine the actual line item and quantity selection when creating the deposit request/proforma invoice. This method is the most effective when you need to request a deposit for items relating to one specific purchase order.

Flagging By Manual Entry In Proposal Detail

Use this method when line items need to be flagged and purchase orders have not yet been created.

<Block>	Line #	*Quantity	Item	*Dlv Tkt Date	Delivered	*Deposit Qty	Invoiced Qty
	GROUP	1.00		//	//	0.00	0.00
	2	2.00	EXCT42X9E	//	//	2.00	0.00
	3	6.00	CFC-1000	//	//	6.00	0.00
	TOTAL	1.00	SUBTOTAL	//	//	0.00	0.00
	GROUP	1.00		//	//	0.00	0.00

You may notice that the “*Deposit Qty” column in the proposal detail line item data browser can be edited directly. This provides a second option to choose which items and quantities you want TeamDesign® to use for your deposit request/proforma invoice. If you need to request a deposit for just a few items, a quantity less than the proposed quantity on a line item, or a single item only, this would be the most convenient method of flagging.

Flagging By Mass Update

Use this method for flagging line items by Vendor, Vendor Category, or blocked lines. Go to **Customers | Proposals | Maintenance**. Click the quick find icon and search for the proposal. Once you find the proposal, access the detail line items. In the line item screen, click **Tools | Summary** or the **sigma** icon. This opens the summary screen, allowing the use of the mass update functions.

Vendor Name	List	Sell	Cost
DYNAMIC OFFICE INTERIO	0.00	1,131.55	646.60
HAWTHORNE	32,330.00	19,291.66	13,254.52
LACKAWANNA FABRICS	0.00	0.00	975.00
YELLOW FREIGHT	0.00	275.00	150.00

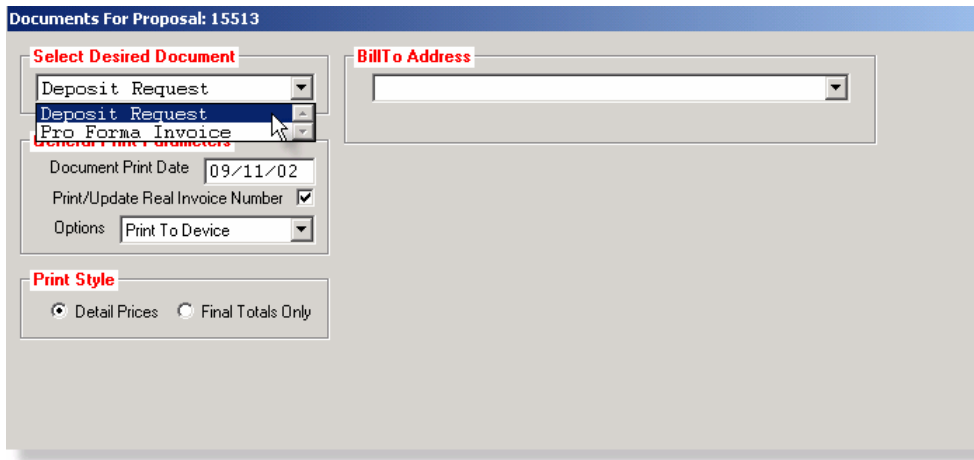
Category/Group To Mass Replace	Mass Replace Data For DYNAMIC OFFICE INTERIO
All Category/Groups	Change Document Presence On Delivery Ticket - YES
Empty Category/Groups	Change Document Presence On Invoice - NO
	Change Document Presence On Invoice - YES
	Insert Quantity Proposed Into Deposit Request Quantity
	Insert Quantity Received Into Quantity To Be Invoiced
	Change Purchase Order Break Group

Once a vendor (or blocked lines) has been selected, scroll down near the bottom of the Mass Replace Data box until you get to the option “Insert Quantity Proposed Into Deposit Request Quantity”. Click this option, and then click “Yes” on the confirmation. This will copy the proposed quantities for each line item of the chosen vendor (or all blocked line items if used) and entered the quantity into the “*Deposit Qty” column. Once this process is completed for all vendors whose corresponding line items should be flagged for inclusion on the deposit request/proforma invoice,

click the Exit button. This method works well when you want to choose certain line items that have multiple vendors for inclusion on the deposit request/proforma, or when you have multiple purchase orders for the same vendor that should have all quantities flagged for inclusion.

Remember, if purchase orders have not been created then you only have the direct editing of the “*Deposit Qty” column or the summary screen options. Also, flagging within the summary screen only uses the quantity proposed option whereas the purchase order screen gives you the additional quantity choices.

Printing the Deposit Request | Pro Forma document



To print a Deposit Request or Pro Forma invoice, go to Customers | Proposals | Transactions | Deposit Request, double click on the desired Proposal Number and choose either Deposit Request or Pro Forma Invoice from the drop down menu. In the general print parameters, Update Real Invoice Number is an option available to choose if not already checked from answering yes to the question in System Configuration. If checked, when posting the deposit request or pro forma invoice an actual invoice number will be assigned to the document and will post directly to the customer’s historical ledger. Remember, this document does not produce any accounting journals; therefore, there would not be a record of it unless a current invoice number is used.

The "Deposit Requesting" will determine the percent of the sell value of the FLAGGED line items for this document. The percentage is defaulted from the proposal profile and can be changed to a different percent or to an actual dollar amount. Use the preview button to verify calculations.

Using a partial deposit request as tiered invoice

You can use Deposit Request | Pro Forma invoices as a method of tiered invoicing for your customers. If a customer is paying over a four-month period, you could generate three deposit requests and a final invoice. You would request 1/4 of the entire proposal per deposit request. When the deposits are received, enter them as deposits against the proposal. Then create the final actual invoice and apply the deposits, leaving the last one-quarter to pay. In this case as you are doing several

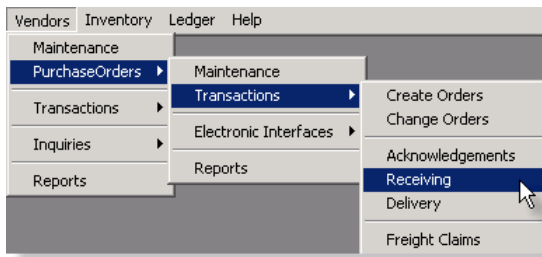
Deposit Requests, you would not choose to clear the requested quantities column from proposal detail to save time from having to flag the line items each time you create the next Deposit Request.

Invoicing a proposal

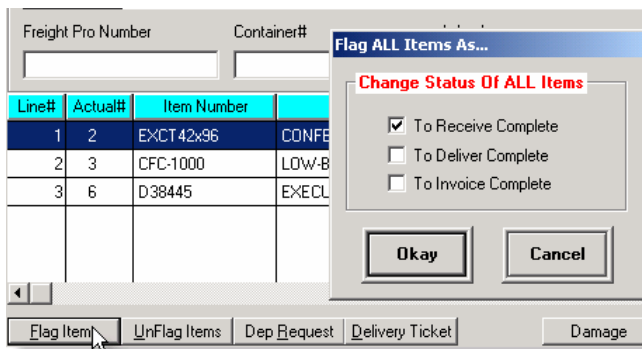
Before an Invoice can be printed, it must first be “Flagged” as “Ready to Invoice”.

Following are the different options of flagging the proposal line items to invoice.

Flag By Purchase Order: To flag the line items "To Invoice" thru Purchase Orders, complete the following tasks. From the main menu, select the Vendors | Purchase Orders | Transactions | Receiving menu options.



Once you locate the purchase orders for the proposal that you wish to invoice, there are two methods available to flag the items as ready to invoice. If you are flagging ALL items on the Purchase Order to invoice, click the “Flag Items” button at the bottom of the screen. Then select the “To Invoice Complete” option by clicking in the box to the left of the option.

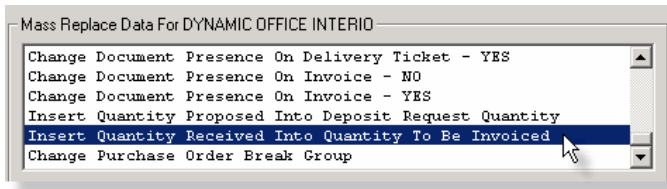


The system will enter the quantity in the “To Invoice” column. The other method would be to manually enter the quantity in the "To Invoice" column for each individual line item.

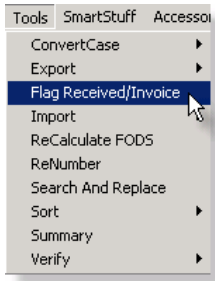
Once quantities have been "Flagged" or entered in the **To Invoice column, click the Okay button. The system returns to the 'P/O Receiving For' window. Click the Exit icon to close the window and return to the TeamDesign® main menu.

Flag by Mass Update: From the proposal detail, access the mass update screen by clicking the summary icon or choosing Tools | Summary. Choose either a particular

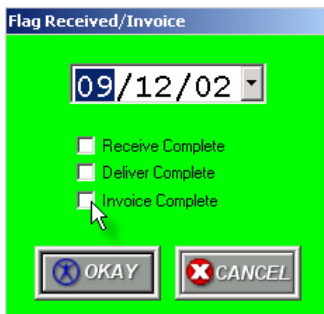
vendor or the “Blocked Items” selection from the center of the screen. After selecting the specific category (manufacturer category, all, or empty) also from the center section, you can choose to insert the quantity to be invoiced based upon the quantity received.



Flagging the entire proposal: You may select the entire proposal, including all of the associated purchase orders, to be flagged as Received, Delivered and To Invoice from the line item screen of the proposal. This feature is performed by opening the proposal detail and selecting the new menu option “Tools | Flag Receive/Invoice”.

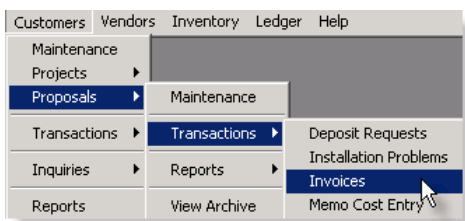


Then check the boxes for the actions you wish performed.

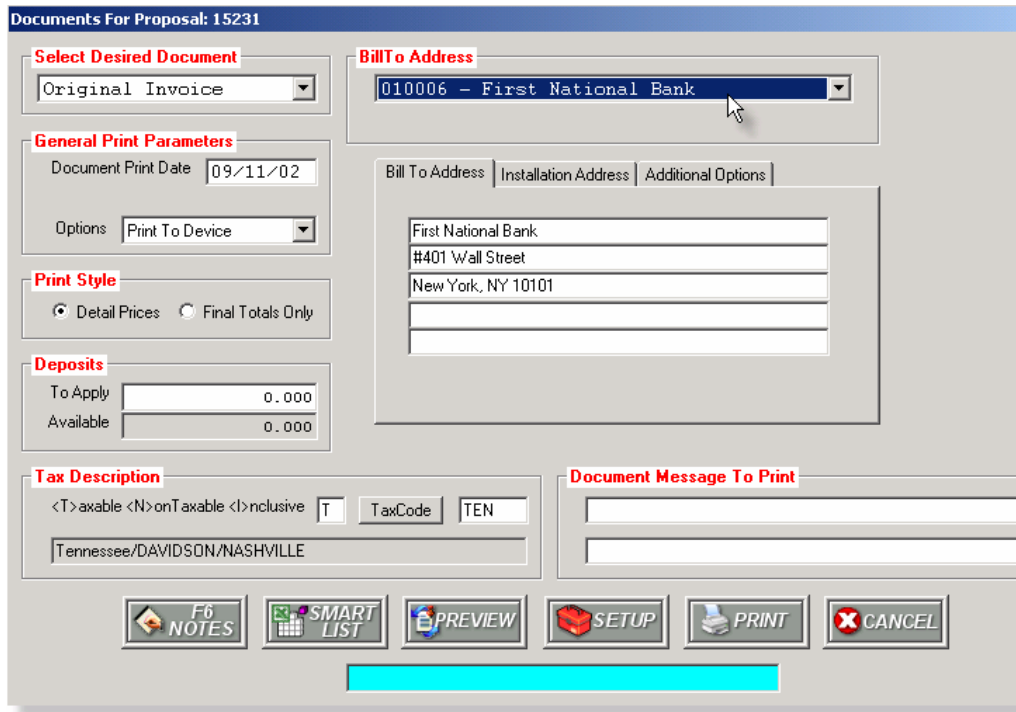


Printing the invoice

From the TeamDesign® main menu, select the **Customers | Proposals | Transactions | Invoices** menu options.



This opens the 'Proposal Invoicing List' window. Double-click on the proposal to be invoiced. This opens the 'Documents for Proposal' window. Choose the Select Desired Document drop down menu to access the options.

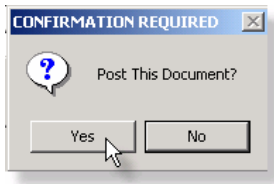


Selecting the Desired Document and the Bill to Address fields activates the rest of the window's field options. Remember that all illustrations are intended to provide examples. Your window may appear differently depending upon how System Configuration questions are answered. The Bill To Address and Installation Address tabs can be edited from this window. Changing the Bill To Address on this screen only affects the printing of the invoice. It does not change the customer's ledger that this invoice will post to. Click on the Installation Address tab to edit fields as required. The Additional Options tab allows you to enter the Customer Purchase Order number and Payment terms at the time of invoice printing. Enter the amount of the deposit to be applied to the invoice if necessary. TeamDesign® interprets numbers from .001 through 1.00 as a percent. A value of 1.01 and above is perceived as a dollar value. There are two additional 80-character data fields that allow you to include any additional information that you require to be printed on this document.

Note:

If this is the last Invoice for the proposal, TeamDesign® automatically applies any remaining deposit funds. If the deposit amount exceeds the invoice amount, a credit invoice will be created.

You may view a preview of the invoice totals prior to printing by clicking on the "Preview" button. After previewing, click the Print button. The system displays a message asking to "Post This Document" as illustrated.



Selecting "Yes" posts the invoice in the system. Selecting "No" will print the invoice but results in the word "Unposted" printing at the top for the invoice number. Also, no invoice number is recorded in the system.

Direct Bill Invoicing

The process for Direct Bill Invoicing is very similar to the "Print Proposal Invoice" previously discussed. If you are billing the manufacturer for your commission AND you are billing the customer for services (installation, etc.), you would first flag the product purchase orders and invoice the manufacturer. After invoicing the manufacturer, repeat the process for any services being billed to the customer.

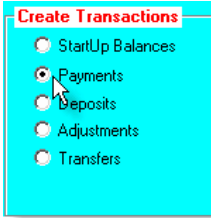
Reversing/Reprinting Invoices

To reverse or reprint an invoice, choose Customers | Proposals | Transactions | Invoices. From the 'Proposal Invoicing List' data browser, double-click on the proposal to be reversed or reprinted. Click on the down arrow to the right of the Select Desired Document field to access the options list. Once the "Original Reprint" or "Original Reverse" option is selected, the Invoice to Reprint | Reverse field activates. This field is also a drop down list. Select the Invoice you wish to reprint or reverse.

There are several reasons that you may need to reverse an invoice. Typically, reversing an invoice is necessary when you or the customer needs a corrected original invoice or an incorrect sales tax code was used. When a proposal invoice is reversed, the procedure creates the opposite entry of the original invoice using a unique invoice number. The system automatically applies this invoice to the original Invoice, leaving a zero balance on the customer's account. The Proposal quantities are reset and reversing journals are created in the Accounts Receivable Journal Processing.

Payments

To access the payment entry screen, choose **Customers | Maintenance | DC the Customer | choose Payments** and select.



Distributing single payment among multiple invoices: enter the check number, date, the amount, and optionally the invoice number. If the payment applies to ONLY one invoice, enter the invoice number in the invoice field. Otherwise the field can be left blank.

Check#	Date	Amount	Invoice
<input type="text"/>	09/11/02	0.00	0

<Record#>	Invoice#	Type	Date	Gross Amount	Open Amount	<Pay Amount>	<Discount>	Proposal	SLS
642	344	MI	07/20/01	1,815.00	-1,000.00	0.00	0.00		234
654	3006	MI	08/10/01	12.50	12.50	0.00	0.00		0
655	3093	I	04/04/02	21,037.12	21,037.12	0.00	0.00	15201	33

Distributions

<input type="text" value="0.00"/>	Distributed
<input type="text" value="0.00"/>	Left To Distribute

To distribute the payment to several invoices, double click in the "<Pay Amount>" column of each invoice being paid. The system automatically inserts the outstanding amount of the invoice up to the amount of the payment. If you wish to pay an amount different than the full open amount of the invoice, double click in the <Pay Amount> field again and edit the amount you wish to pay for the invoice.

As you distribute the full amount of the payment among the various invoices, the system tracks the amount distributed in the "Distributed" field plus calculates how much is left to distribute in the "Left To Distribute" field.

Check#	Date	Amount	Invoice
2350	09/11/02	25,000.00	0

<Record#>	Invoice#	Type	Date	Gross Amount	Open Amount	<Pay Amount>	<Discount>	Proposal	SLS
642	344	MI	07/20/01	1,815.00	-1,000.00	0.00	0.00		234
654	3006	MI	08/10/01	12.50	12.50	0.00	0.00		0
655	3093	I	04/04/02	21,037.12	21,037.12	21,037.12	0.00	15201	33

Distributions

21,037.12	Distributed
3,962.88	Left To Distribute

OKAY CANCEL

After the payment has been fully distributed, click the “Okay” button to update the open amount of the invoices. The system clears the fields in preparation of entering additional payments for the customer. To enter payments for another customer, click the Cancel button and select a new customer.

Changing default accounts

if you receive a vendor credit in lieu of an accounts receivable payment, the invoice still needs to be cleared off the open ledger. Since actual cash is not being deposited, you would not want to post to the default cash account normally used. From within the 'Payments' window, select Edit and choose Account Defaults. The 'A/R Default Accounts' window opens as illustrated.

A/R Default Accounts

Accounts Receivable

Accounts Receivable	110.00
Payments Received	100.00
Payment Discounts	800.00

Proposal Deposits

Cash Account	100.00
Customer Liability	202.00

OKAY CANCEL

To change the Cash Account while in payments, click on the Payments Received button. This accesses the 'General Ledger Search' window. From this window, select an appropriate account by clicking on the account number to highlight and click the Select button. Another option is to double click on the account. The system then inserts the selected account to the right of the Payments Received button. Once the

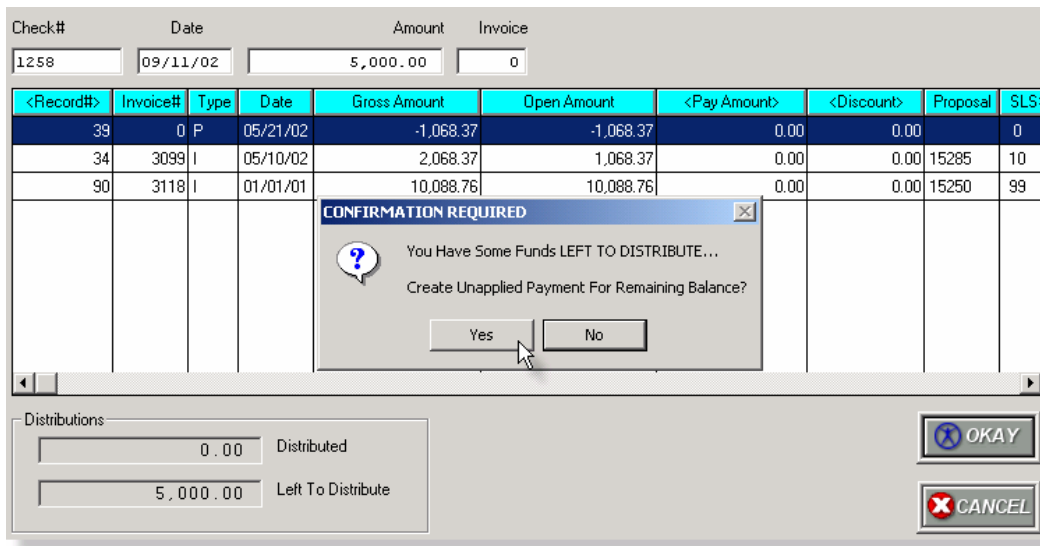
correct account is selected, click the Okay button and continue with the payment entry.

NOTE:

The above procedure may be followed for a Deposit entry as well. From the 'Deposits' window, select Edit and choose Account Defaults. The 'A/R Default Accounts' window is displayed. Under the Proposal Deposits section, click on the Cash Account button and make the appropriate selection. Then click the Okay button and continue with the Deposit entry.

Applying unapplied payments

If you have received cash from a customer but you do not know which invoice it applies to and you want to enter the payment on the customer's account, you will need to enter the payment as "unapplied". When entering an unapplied payment, leave the invoice number as zero in the invoice# field. Once the other required fields are completed, click the Okay button. The system recognizes that the payment amount has not been fully distributed (notice the amount in the Left To Distribute field) and generates a confirmation message to "Create an Unapplied Payment For the Remaining Balance", as illustrated.



Click the Yes button to post the payment on the customer's account as an unapplied payment. Click the No button to return to the 'Payments' window to edit the fields.

Reversing Payments

If an invoice has an open balance and you need to reverse any payments that have been applied to it, enter the payment information as you normally would except enter the opposite dollar amount. If the original payment was entered as a debit, when reversing the payment enter a negative dollar amount. You will also enter the invoice number into the invoice number field or if the reversal payment is for several invoices, double-click in the Pay Amount column for each invoice. If you wish to

distribute a different amount, double click in the Pay Amount field again and edit the amount you wish to reverse against that invoice.

If an invoice is paid in full (the previously entered payment reduced the invoice balance to zero) then the invoice will NOT be displayed in the payment entry screen. In this instance, you will need to know the invoice number and enter it in the Invoice field. In older versions of TeamDesign® you would need to reverse the payment as an UNAPPLIED payment. Once the unapplied payment has been created, then use the "Transfer" menu option to apply the unapplied payment to the original invoice balance.

Reconciling Accounts Receivable to the General Ledger

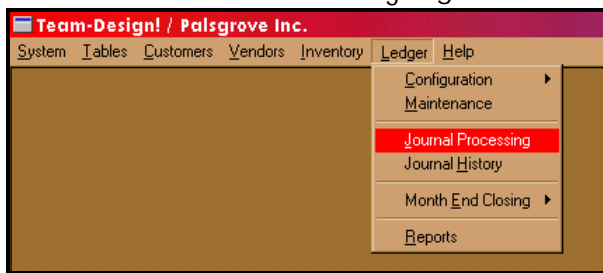
Part of the month end closing process is verifying the balances of the balance sheet accounts. Now suppose the Accounts Receivable Aging does not match the balance sheet. What follows is a procedural list of things to do to find the difference(s) of why the aging does not match the balance sheet.

When did Accounts Receivable last Reconcile

Determine the last period that the A/R aging matched the Balance Sheet. This might require the running of the Aging and Balance Sheet for prior periods. Once you find the Period that the A/R aging last matched the balance sheet, the reconciling will start the period after. For Example: If period 1 is in balance then period 2 is the period that needs to be reconciled.

Check the Journals

At the main screen TeamDesign® go to LEDGER | JOURNAL PROCESSING:



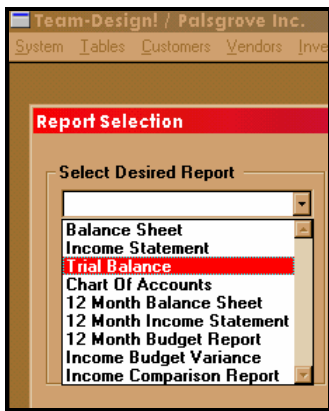
Select A/R at the General Ledger Journal processing screen and make sure that all journals are posted for the month you are trying to reconcile under the AR - Accounts Receivable and CR – Cash Receipts.

Print the Reports

Go to LEDGER/REPORTS:



Under LEDGER/REPORTS select the Trial Balance Report.



Once the Trial Balance report is selected, enter the period being reconciled in the From Period and Thru Period. Also make sure that the report is run in Detail. This option is under the Print Style section.

NOTE: To run the report for just the Accounts Receivable Account, click on smart filter (Express Plus Version and higher). Under the Available Columns, select Account # and hit the include button. This will move the element into the Filter On Columns. Click on the Account # under the Filter On Columns and the Filter Options will become active. Click on Exactly Equal To and enter the Account Number in the blank box that appears. Then click the Okay button and Print the report.

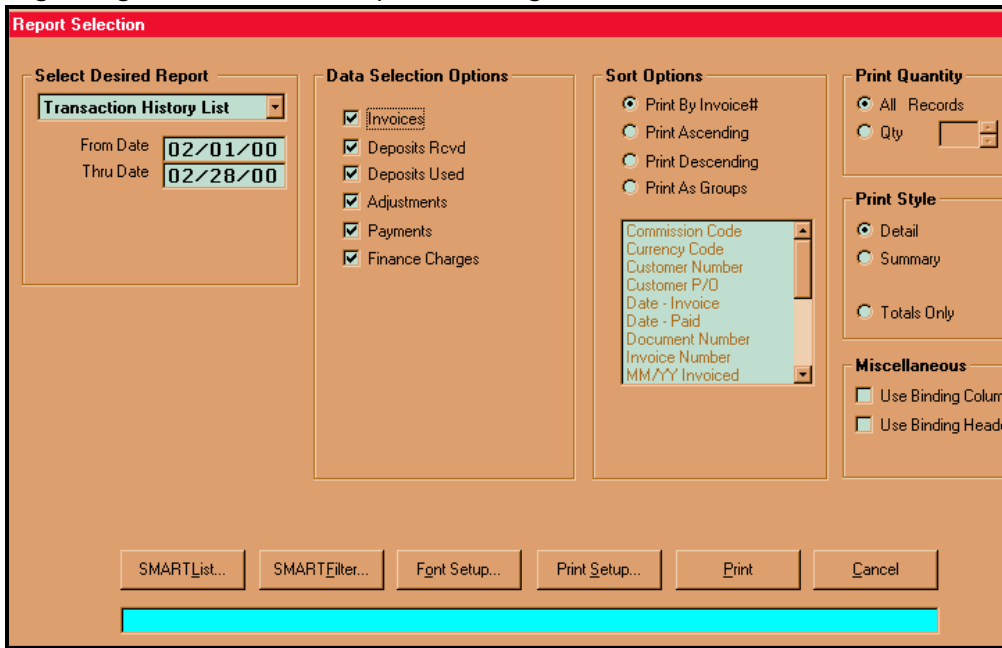
First look at the Trial Balance and make sure all the entries are either CR or AR. If there are any other Journal types, make sure that they are correct and verify whether they affected the sub-ledger account. For Example: If there are journal types of GF then it only affected the General Ledger and not the Sub-Ledger.

The next step is to go to CUSTOMERS/REPORTS.

Under CUSTOMER/REPORTS select the Transaction History List.



When running the Transaction History List make sure the date range is from the beginning to the end of the period being reconciled.



Compare Reports

After running the Transaction History List, check it off against the Detailed Trial Balance. You will find an entry or entries on the transaction history list that is not on the trial balance or an entry or entries on the trail balance that are not on the transaction history report.

If the entry is on the Transaction History List and not on the trial balance, then research further and find out if the entries are posted to an incorrect period. If posted in the wrong period, then reverse the entries in the wrong period and create them in the correct period. If the entry did not make journal entries then create and post thru Journal Processing. If a one-sided journal entry is needed, contact Tech Support.

If you find an entry on the Trial Balance that is not on the Transaction History List, then research further by going to the customer's historical detail ledger and find the entry. If the entry is not on the customer's ledger, was the journal entry manually created from the CR or AR journals or a different journal type?

NOTE: Tech support can assist with correcting the error, but it is the User's responsibility of finding out why it is out of balance.

Refunding a Customers Deposit or Payment

First you will need to back out the customers deposit or payment in either the deposit or payment screen. Normally when you back out a deposit or payment it will reduce cash, but in this case we are also planning to cut a refund check to the customer so we need to back out the payment or deposit w/o affecting cash.

To do this we will use the Accounts Defaults. From inside the payment or deposit screen select **E**dit and **A**ccount Defaults options from the menu. The 'A/R Default Accounts' window is displayed. Click on the **C**ash Account for deposits or the **P**ayments **R**eceived for payments and change your cash account to a clearing account (i.e. a Zero Balance Clearing Account or some other account through which you wash entries) Once you have finished making your change, click the **O**kay button and continue backing out the deposit or payment like normal.

Now you are ready to enter the Vendors Invoice and cut the refund check. You will need a vendor set up for the customer or a miscellaneous vendor. From the TeamDesign® main menu select the **V**endors and **M**aintenance menu options. The 'Vendor List' window opens. Double-click on the Vendor (or you can select a Miscellaneous Vendor). This opens the 'A/P Inquiry' window. Click on the *Invoices* field and then click on the **S**elect button. This opens the 'Invoices' window. Enter an invoice just like you would enter an invoice received from an actual Vendor, except distribute this invoice to the same clearing account you used in the Accounts Default screen. This will create journals increasing accounts payable and offsetting the clearing account entry. Select that invoice for payment and print a check as you normally would. This will create journals to decrease accounts payable and cash.