Accounting Definitions

Accounting Definitions Overview

Before you can use the BOOMS Accounting system, the following are required:

- Accounting Global Information must be defined
- Valid Journals must be defined
- The Chart of Accounts must be defined

In general, these three tasks have already been done for you. However, if changes are necessary, the following sections will describe how they can be made.

Accounting Global Information Record

Global Information is used by BOOMS for a number of purposes, including the dates of the Fiscal Year, the names of the Cash Receipts and Cash Payments Journals, and the numbers for various Accounts to which automatic postings are done.

☞ **Please consult with Lissan Computing if you wish to make changes to global information.**

Following are the valid fields for the Accounting Global Information Record:

- ***Ledger Date*** - last day of the current Accounting period.

- ***Date of Balances*** - last day of the Accounting period for which the General Ledger was in balance.

- ***Fiscal Year Begin/Fiscal Year End*** - first and last days of the fiscal year.

- ***Retained Earnings Account*** - Account Number of the Balance Sheet Account where Year-to-Date Net Income is to be posted at year-end.

- ***Y-T-D Net Income Account*** - Account Number of the Balance sheet Account where Year-to-Date Net Income is to be posted.

- ***Beginning Income Statement Account*** - Account Number that indicates the start of the Income Statement (and end of the Balance Sheet).

- ***100% Account For Income Statement Percentages*** - Account Number (of Gross Sales) used to derive percentages for the Income Statement.

- ***A/R Account Number*** - Accounts Receivable Account Number.

- ***A/P Account Number*** - Accounts Payable Account Number.

- ***T/P Account Number*** - Sales Tax Payable Account Number.

- ***Bad Debt Account Number*** - Account Number to which VOIDED A/R or A/P amounts are to be posted.

- ***Cash Account Number*** - Account Number to which Cash Receipts and Cash Payments are to be posted.

- ***Cash Receipts Journal*** - "SOURCE" Name of the Cash Receipts Journal.

- ***Cash Payments Journal*** - "SOURCE" Name of the Cash Payments Journal.

- ***Sales Accounts Prefix*** - Account Number of the beginning of the Sales Accounts.

- ***Purchases Accounts Prefix*** - Account Number of the beginning of the Purchases Accounts.

- ***Expense Accounts Prefix*** - Account Number of the beginning of the Expense Accounts.

- ***Default Sales-ID -*** any accounting records that cantain invalid salesperson information are assigned this sales-id. This field is included for compatibility with prior versions of BOOMS.

- ***Real World Checks Version*** - The version number (5 or 6) of the Real World Accounting Accounts Payable Checks being used for the Check Writer (Version 5 is the default. See "Journals Processing").

- ***Print Zero Balance Accounts*** - By default (N) zero balance accounts are not printed on the Income Statement and Balance Sheet. A value of "Y" will allow these account to be printed.

- ***Period 1 (End), Period 2 (End), "Current" Column Text***

   These 3 fields are used to customize the 3 column headings for the A/R and A/P Aging Statements. The defaults for the columns are "Current", "31-60", and "61+".

- ***Aging Differential*** - A zero (000) differential indicates that Aging Statements (Receivables & Payables) are aged

from the PAYMENT DUE DATE. Specify "030" to have Aging Statements age from the Mail Date (i.e. "30" days before the payment due date).

■ **Retain/Print "FREED"?** - is used to indicate whether or not "freed" orders are retained on the Accounting file. By default (Retain=N), "freed" orders are not retained. That is, a "freed" order that has no cash applied to it is DELETED when an aging statement is printed. Also, by default, these orders are not included on aging statements. Specifying "Y" results in accounting records not being deleted when an order is "freed". In addition, the order will appear on aging statements with a "FREED" flag (F). Regardless of this setting, when an order is reposted to A/R-A/P the reposted information will totally reflect the new order (i.e. Account Code, Broker, Mailer, Service Bureau, amounts, etc). The old accounting record will be replaced UNLESS it has cash applied against it. In this case, the old record will be updated to indicate a zero amount due and a non-zero amount paid.

■ **Date Type for Statement**- by default (Type=M) the Mail Date is printed on Aging Statements. If you specify "Type=I", the Invoice Date will be printed on Aging Statements. Selecting either date does not affect the actual aging, which is based on Payment Due Date (See Chapter 5).

■ **A/P Payment Due Date for PIPs** - allows you to indicate whether the Invoice Date ('I') or Insert (Mail) Date ("M") is used as the basis for the calculation of the Payment Due Date.

■ **Period 1....11 End Dates** - (see below). BOOMS allows you to change the fiscal period-end dates to something other than month-end. The 12th period-end must correspond to FISCAL YEAR END.

Global Accounting Information Maintenance

The ACCOUNTING GLOBAL INFORMATION screen is displayed by selecting Function "Definitions", Sub-Function "Global Information" (D1) from the Accounting Selection Menu. The valid function Keys are:

■ **F2** - Print a hardcopy of the Global Information (also prints Valid Journal definitions)

■ **F5** - Update Global Information

■ **Shift-F5** - Update Fiscal Period-end Dates

■ **F7** - Display Global Information

Display Accounting Global Information (F7)

Selecting Option Display (F7) results in an automatic display of Accounting Global Information (See Figure 12.1). Once you have displayed the record, you can update it ("F5" or "Shift-F5").
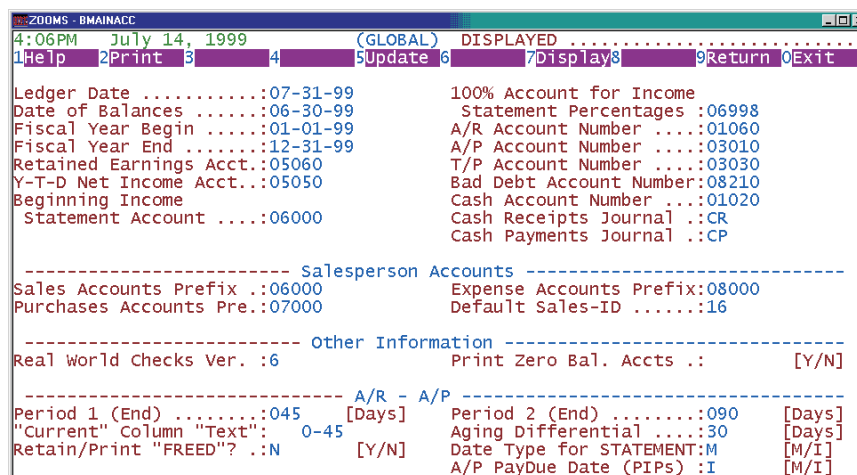

Figure 12.1. Display of Accounting Global Information

Update Accounting Global Information (F5)

Selecting Option Update (F5) results in:

- Status Message:

    Update Request ....

- The positioning of the cursor at the first input field (Ledger Date)

Update the fields as needed and press "Esc" to complete the update.

Update Fiscal Period-end Dates (Shift-F5)

Selecting Option Edit-2 (Shift-F5) while Accounting Global Information being displayed will results in the display of the "Accounting Global Information (2)" screen (Figure 12.2). Once this screen is displayed, you can press "F5" to update the "Fiscal period-end dates".
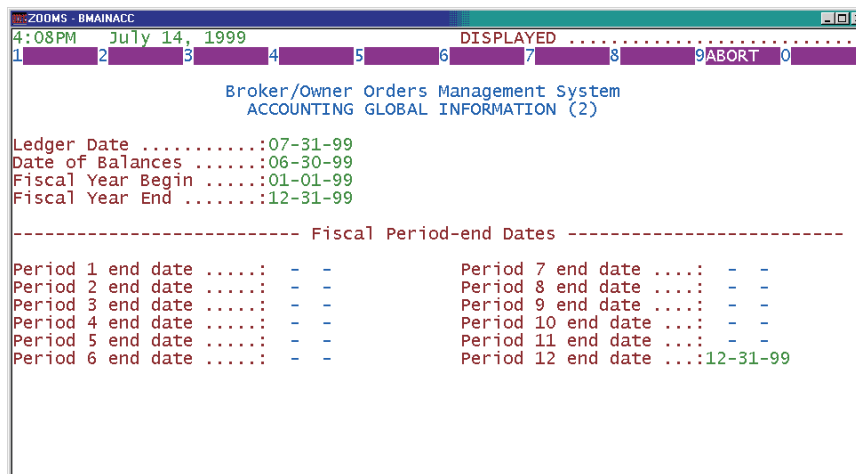
Figure 12.2. Display of Accounting Global Information (2)

Printing Accounting Global Information (F2)

Selecting Option Update (F2) results in the printing of a hardcopy of the Accounting Global Information. (This also gives a listing of Valid Journals). Figure 12.3 is a sample printout.

Valid Journals

BOOMS requires that the following Journals be defined:

- Sales/Purchase AutoPost Journal (SP)
- Cash Receipts Journal (CR)
- Cash Payments Journal (CP)
- Exchanges Journal (EJ)
- Sales Tax Payments Journal (TP)
- Period-End Adjustments Journal (AJ)
- Exchanges Journal (EJ)

If required, other Journals may be used (such as the "Memorized Journals" and a "General Journal"). Although BOOMS does not require these journals for Order-related processing, they are useful for general accounting.

```
March 1, 1990      Broker/Owner Orders  Management System
9:42AM                  ACCOUNTING GLOBAL INFORMATION
TLC Associates

LEDGER DATE...................................02-28-90
DATE OF BALANCES..............................12-31-89
FISCAL YEAR BEGIN DATE........................01-01-90
FISCAL YEAR END DATE..........................12-31-90
RETAINED EARNINGS ACCOUNT.....................05060
Y-T-D NET INCOME ACCOUNT......................05050
BEGINNING OF INCOME STATEMENT ACCOUNT.........06000
100% ACCOUNT FOR INCOME STATEMENT PERCENTS...06998
ACCOUNTS RECEIVABLE ACCOUNT NUMBER...........01060
ACCOUNTS PAYABLE ACCOUNT NUMBER..............03010
SALES TAX PAYABLE ACCOUNT NUMBER.............03030
BAD DEBT ACCOUNT NUMBER.......................08210
CASH ACCOUNT NUMBER..........................01020
CASH RECEIPTS JOURNAL.........................CR
CASH PAYMENTS JOURNAL.........................CP


         SALESPERSON ACCOUNT INFORMATION

STARTING SALES ACCOUNT NUMBER................06000
STARTING EXPENSE ACCOUNT NUMBER..............08000
STARTING COMMISSION ACCOUNT NUMBER...........08100
DEFAULT SALES-ID.............................02


           A/R-A/P AGING INFORMATION

PERIOD 1 END (DAYS)..........................030
PERIOD 2 END (DAYS)..........................060
CURRENT PERIOD TEXT..........................Current
AGING DIFFERENTIAL...........................
RETAIN/PRINT "FREED".........................N
DATE TYPE FOR STATEMENT......................M
```

Figure 12-3 Sample Accounting Global Information Listing.

Valid Journals Maintenance

The JOURNAL DEFINITION screen (Figure 12.4) is displayed by selecting Function "Definitions", Sub-Function "Valid Journals" ("D2") from the Accounting Selection Menu. The valid function Keys are:

- **F2** - Print a hardcopy of the Valid Journals (also prints Accounting Global Information)
- **F3** - Add a Journal Definition
- **Shift-F3** - Add-NOCLEAR a Journal Definition
- **F4** - Delete a Journal Definition
- **F5** - Update a Journal Definition
- **F7** - Display a Journal Definition
- **Shift-F7** - Display Next Journal Definition (same as PgDn)
- **Ctrl-F7** - Display Prior Journal Definition (same as (PgDn)

Add a Journal Definition (F3, Shift-F3)

Selecting Option Add (F3) results in:

- Status Message:

    Add Request ....

- The positioning of the cursor at the first input field (Journal Name)

The valid input fields are:

- **Journal Name** - 2-character Journal Name. This is the name entered as the "Source" during Transaction Entry/ Edit
- **Description** - 24-character descriptive name for the Journal

Display a Journal Definition (F7, Shift-F7, Ctrl-F7)

Selecting Option Display (F7) results in:

- Status Message:

    Display Request ....

- The positioning of the cursor at the "Journal Name" field

After you have filled in the Journal Name and press "Enter", the Journal Definition will be displayed. Once an entry is displayed, following entries can be displayed by pressing **Shift-F7** (or **PgDn**). Also, preceding entries can be displayed by pressing **Ctrl-F7** (or **PgUp**).
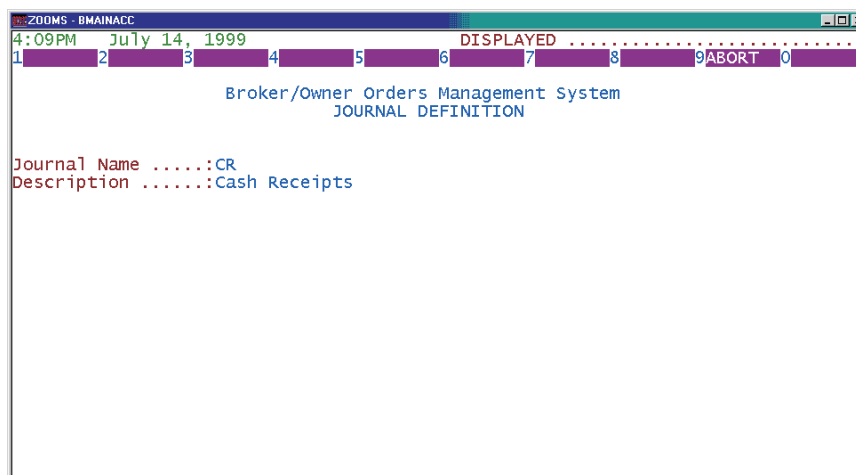

Figure 12.4. Journals Definition Screen (after Display)

Update a Journal Definition (F5)

Selecting option Update (F5) when a Journal Definition is being displayed, results in:

- STATUS Message:

    Update Request ....

- The positioning of the cursor at the first, and only, field eligible for input (Description)

Once you have entered the new description, the record will be updated.

Delete a Journal Definition (F4)

Selecting Option "Delete" (F4) when a Journal Definition is being displayed results in the Journal Definition being removed from "BJOURNAL.DBF" and STATUS Message:

    DELETED ....

Print Valid Journal Definitions (F2)

Selecting Option "Print" (F2) will give you a hardcopy of the Valid Journal Definitions. This option will also give you a hardcopy of the Accounting Global Information. Figure 12.5 is a sample listing.

```
March 1, 1994        Broker/Owner Orders  Management System          PAGE
001
9:42AM                          JOURNAL DEFINITIONS

TLC Associates


Journal Name     Journal Description

    AJ           Adjustments Journal

    CP           Cash Payments

    CR           Cash Receipts

    EJ           Exchanges Journal

    GJ           General Journal
    MG           Memorized General Journl
    MP           Memorized Cash Payments
    MR           Memorized Cash Receipts
    SP           Sales/Purchases AutoPost
    TP           Tax Payments Journal
```

Figure 12-5. Sample Journals definitions Listing

Chart of Accounts Overview

The Chart of Accounts defines the look-and-feel of the Balance Sheet and the Income Statement. Three types of Accounts are valid:

- **Header Accounts** - accounts that are used for "header" purposes on the Income Statement and Balance Sheet. Journal transactions CANNOT be entered against these accounts.

- **Detail Accounts** - accounts against which transactions can be entered.

- **Total Accounts** - accounts that are used for totaling purposes only. These accounts affect the format and totaling levels on the Balance Sheet and Income Statement. Journal transactions CANNOT be entered against these accounts.

Chart of Accounts Maintenance

The G/L ACCOUNT DEFINITION screen is displayed by selecting Function Definitions, Sub-Function Chart of Accts ("D3") from the Accounting Selection Menu. The valid function Keys are:

- **F2** - Print the Chart of Accounts
- **F3** - Add an Account Definition
- **Shift-F3** - Add an Account Definition without clearing the screen
- **F4** - Delete an Account Definition
- **F5** - Update an Account Definition
- **F7** - Display an Account Definition
- **Shift-F7** - Display Next Account Definition (same as PgDn)
- **Ctrl-F7** - Display Prior Account Definition (same as PgUp)

Add an Account (F3, Shift-F3)

Selecting Option Update (F3) results in ("**Shift-F3**" does not clear any field that are currently being displayed):

- Status Message:

    Add Request ....

- The positioning of the cursor at the first input field (Account Number)

Following are the valid fields for a Chart of Accounts Record:

- *Account Number* - a number from 1 to 65535.
- *Kind*

    H   =   Header Account

    D   =   Detail Account

    T   =   Total Account

- *Description* - 24 character description.
- *Indent* - number of columns to indent this account on the Balance Sheet or Income Statement.
- *Space* - number of blank lines to print after printing this account.
- *Debit/ Credit* -

    D   =   this account is normally a Debit Account

    C   =   this account is normally a Credit Account

- *Total Level* - number from 1 to 9 indicating a total level for reporting purposes.
- *Underscore Type* -

    S   =   Single Underscore

    D   =   Double Underscore

- *Dollar Sign* -

    Y   =   print a Dollar Sign for this Account

    N   =   don't print a Dollar Sign for this Account

- *Print Column* - for a Balance Sheet Account, this is a number (from 1 to 3) that indicates the column in which the dollar amount for this account should print.
- *Y-T-D Balance* - THIS FIELD IS MAINTAINED BY BOOMS. It is meaningful for a DETAIL Account only.
- *Beginning Balance* - THIS FIELD IS MAINTAINED BY BOOMS. It is meaningful for a DETAIL Account only.

Display an Account (F7, Shift-F7, Ctrl-F7)

Selecting Option Display (F7) results in:

- Status Message:

Display Request ....

- The positioning of the cursor at the "Account Number" field

After you have filled in the Account Number and press "Enter", the Account will be displayed (Figure 12.6).

Once an Account has been displayed, following Accounts can be displayed, in sequence, by repeatedly pressing Shift-F7. Also, prior entries can be displayed, in sequence, by repeatedly pressing Ctrl-F7.
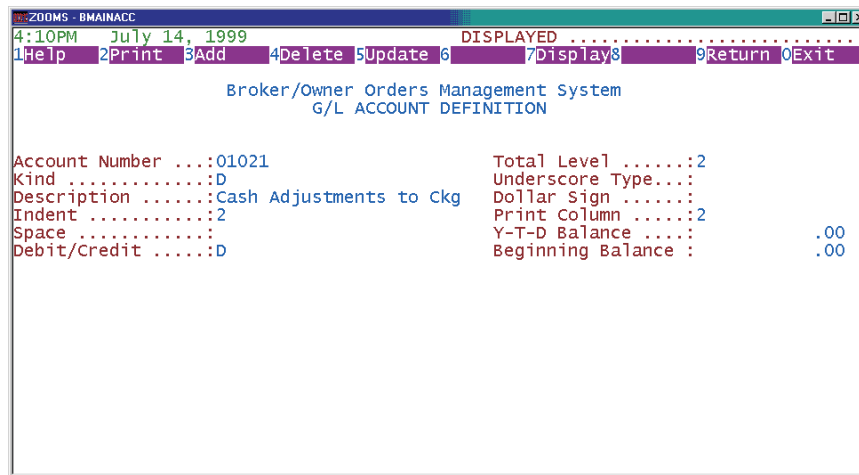


```
ZOOMS - BMAINACC                                                    _ □ ×
4:10PM   July 14, 1999                  DISPLAYED .........................
1Help    2Print  3Add     4Delete 5Update 6        7Display8       9Return 0Exit

                    Broker/Owner Orders Management System
                         G/L ACCOUNT DEFINITION


Account Number ...:01021              Total Level ......:2
Kind .............:D                  Underscore Type...:
Description ......:Cash Adjustments to Ckg  Dollar Sign ......:
Indent ...........:2                  Print Column .....:2
Space ............:                   Y-T-D Balance ....:          .00
Debit/Credit .....:D                  Beginning Balance :          .00
```

Figure 12.6. G/L Account Definition Screen (after Display)

Update an Account (F5)

Selecting option Update (F5) when an Account is being displayed, results in:

- STATUS Message:

Update Request ....

- The positioning of the cursor at the first field eligible for input (Total Level)

Fields are entered just as if they were being Added. A successful Update results in STATUS Message:

UPDATED ....

Delete an Account (F4)

Selecting Option "Delete" (F4) when an Account is being displayed results in STATUS Message:

DELETED ....

☞ **Deleting an Account should be done with caution, since this will probably affect the balance sheet and income statement.**

Chart of Accounts Printout (F2)

Selecting Option "Print" (F2) will give you a hardcopy of the Chart of Accounts (This is the same report as obtained by running a "Trial Balance" during the "G/L Period-End Checklist"). The Current Period and Y-T-D amounts printed for each account reflect any transactions that have been entered during the Current Period. When you first install BOOMS, you can use this function to get a listing of the accounts that are initially included with the system. Figure 12.7 shows an abbreviated Chart of Accounts Listing.

```
January 10, 1990                    Broker/Owner Orders Management System                        PAGE  001
9:50AM                                    WORKING CHART OF ACCOUNTS
TLC Associates                                (TRIAL BALANCE)

ACCOUNT KIND DESCRIPTION           IND SPACE DR/CR TOTAL UNDER $ COL PER_BALANCE YTD_BALANCE BEGIN_BALANCE

00997   H    ASSETS                 C    01
01000   H     Current Assets             01
01020   D     Cash in Bank - Checking 2        D     2              2   20,568.93   20,568.93
01030   D     Cash in Bank - Savings  2        D     2
01060   D     Accounts  Receivable    2        D     2    S     Y    2   12,565.36-  12,565.36-
01997   T     Total Current Assets    6    01  D     5          Y    3
03000   H     Current Liabilities          01
03010   D     Accounts  Payable       2        C     2          Y    2    3,814.82-   3,814.82-
05050   D     Y-T-D Net Income        2        C     2               2
05060   D     Retained Earnings       2        C     2    S          2
05997   T     Tot Stockholders'Equity 6        C     7    S          3
05998   H     Total Liability and     8
05999   T     Stockholders' Equity    8        C     9    D     Y    3
06000   H     Sales
06001   D     SALESID #01             2        C     3          Y    1    6,514.94-   6,514.94-
06002   D     SALESID #02             2        C     3               1    1,719.17-   1,719.17-
06998   T     Gross Sales             6    01  C     5               1
07000   H     Cost of Sales
07001   D     PURCHASEID #01          2        D     3               1    4,045.36    4,045.36
07002   D     PURCHASEID #02          2        D     3               1
07990   T     Total Cost of Sales     6        D     5    S          1
07995   T     Gross Profit            8    01  C     7               1
08199   H     Operating Expenses      2
08210   D     Bad Debt                4        D     3               1
08220   D     Postage                 4        D     3               1
08235   D     Utilities               4        D     3               1
08398   T     Total Operating Expense 6    01  D     5               1
09000   H     Other Income & Expenses
09010   D     Interest                4        C     3               1
09090   D     Other                   4        C     3    S          1
09198   T     Other Income (Exp.)-Net 6        C     7    S          1
09999   T     Net Income              8        C     9    D     Y    1

                                                                        .00         .00          .00
                                                                      ==========  ==========  ==========
```