

Contents

SouthWare Self-Study Guide: Accounts Payable	3
To create a data-directory:	3
To create a SouthWare Company ID to access the files in the AP directory:	3
To create a SouthWare Logon Operator who has access to the Company ID in XX-03-01:	4
LESSON 1: Overview of the Accounts Payable System	5
Learning Objectives:	5
The purpose/function of Accounts Payable	5
AP interface with the Excellence Series	6
General Ledger Interface	6
Cash Flow Interface	6
Job Cost Interface	6
Service Management Interface	6
Purchasing Interface	7
Answer the Questions for Lesson 1 before proceeding to the next Lesson	7
LESSON 2: Accounts Payable Accounting	8
Learning Objectives:	8
Basic Account Numbers for Accounts Payable	8
Accounts Payable Accounting	9
A/P Transaction Processing	9
Invoice Accounting	9
Credit Memo Accounting	9
Prepaid Accounting	9
Payment Processing	10
Check and Manual Check Accounting	10
Void Check Accounting (for check still in history)	10
Answer the Questions for Lesson 2 before proceeding to the next Lesson.	10
LESSON 3: Overview of Set Up	11
Learning Objectives:	11
Set Up Menus	11
The basic steps to set up A/P	11
Set Up Account Structure and Periods (AP-07-01)	11
The Accounts Payable Control Record (AP-07-02)	12
Setting Up Terms Codes (AP-07-03)	12
Setting Up Your Vendors (AP-07-04)	12
Loading Initial Open Items (AP-07-08)	13
Answer the Questions for Lesson 3 before proceeding to the next Lesson.	13
LESSON 4: The Control Record	16
Learning Objectives:	16
Basic purpose of the Control Record	16
Control Record Options	16
Answer the Questions for Lesson 4 before proceeding to the next Lesson.	21
LESSON 5: The Terms Code File	22
Learning Objectives:	22
Basic purpose of the Terms Code File	22
Terms Code Types and Set Up	22
Answer the Questions for Lesson 5 before proceeding to the next Lesson.	24
LESSON 6: The Vendor File	25
Learning Objectives:	25
The use of the vendor file	25
The Miscellaneous vendor:	26

Answer the Questions for Lesson 6 before proceeding to the next Lesson.	28
LESSON 7: Other AP Related Files	29
Learning Objectives:.....	29
The use of recurring transactions.....	29
The use of Alternate Vendor Pay To Addresses	31
The use of Alternate Payment Types	32
Answer the Questions for Lesson 7 before proceeding to the next Lesson.	33
LESSON 8: A/P Transaction Basics, Types and Operators.....	34
Learning Objectives.....	34
Understand A/P transaction processing	34
Different transaction types.....	34
The A/P transaction operator	35
Answer the Questions for Lesson 8 before proceeding to the next Lesson.	36
LESSON 9: Entering A/P Transactions.....	37
Learning Objectives.....	37
Know how to enter, delete, and change an AP Transaction.....	37
Correcting transactions prior to posting to the Open item file	38
Correcting transactions after posting to the Open item file	38
How to generate a recurring A/P transaction	40
Answer the Questions for Lesson 9 before proceeding to the next Lesson.	41
LESSON 10: Selecting Items for Payment.....	42
Learning Objectives:.....	42
How to determine cash needed for checks.....	42
The concept of selecting/unselecting items to pay.....	43
Change Payment Status for Documents.....	44
Print a Pre-check Report.....	44
Answer the Questions for Lesson 10 before proceeding to the next Lesson.	44
LESSON 11: Producing Checks.....	45
Learning Objectives:.....	45
How to print checks	45
Manual Check Processing.....	46
Void Check Processing.....	46
Answer the Questions for Lesson 11 before proceeding to the next Lesson.	47
LESSON 12: Overview of Inquiries and Reports.....	48
Learning Objectives.....	48
How to analyze a vendor's account with the vendor inquiry program	48
How to find/analyze a check with the check inquiry program.....	48
Be familiar with the standard A/P reports.....	48
LESSON 13: Overview of Periodic and Year-End Processing	51
Learning Objectives.....	51
Menu checklist (AP05).....	51
Important steps in Periodic and Year-End Processing	51

SouthWare Self-Study Guide: Accounts Payable

Welcome to the Accounts Payable Self-Study Guide! This guide will help you to learn the most important concepts in the Accounts Payable System. This Guide is designed to be used in conjunction with reading the Accounts Payable Documentation. You will find that we refer to pages in the documentation and also require you to create a directory and load the demo files. If you do not have security to do this, you may need to get some help from your System's Administrator.

In order to effectively use this Self-Study Guide you should have the following:

- ✓ An Accounts Payable user manual
- ✓ Access to a computer with Accounts Payable properly installed
- ✓ Access to an unmodified copy of the Demo Files
- ✓ A basic knowledge of standard SouthWare functions such as using menus, help, printing, file maintenance, and security.

Please refer to the Quick Reference for SouthWare functions.

NOTE: If you cannot create files at the operating system level or don't know where your files are located, get help from your System's Administrator.

Before you begin, make sure you have access to a directory where no files currently exist and make sure you have an un-modified version of the demo files loaded into the DM (DEMO) data-directory:

To create a data-directory:

WINDOWS: From Windows Explorer or My Computer
Click on c:\swrun (or current SouthWare run directory)
Click on FILE, NEW, FOLDER
Rename the new folder AP

UNIX: cd /usr/swrun (or current SouthWare run directory)
mkdir AP

To create a SouthWare Company ID to access the files in the AP directory:

At a SouthWare main menu, type XX-03-01

Create a Company ID record to access files in the AP sub-directory

WINDOWS: Company ID = AP\
UNIX: Company ID = AP/

Use the RENAME function to create a new Company ID record for this exercise:

- Press <F1> until the DM\ record appears.
- Enter 'R' for Rename and press Enter.
- Answer No to the question about deleting the current record.
- Type "AP\" in field 1 and press Enter.
- Type '2' and press Enter to access field 2.
- Type "AP Self-Study Guide" and press Enter.
- Enter to write the record.

To create a SouthWare Logon Operator who has access to the Company ID in XX-03-01:

At a SouthWare main menu, type XX-03-02 to create an operator who has AP as the Company ID.

Use the RENAME function to create a new operator for this exercise:

- Press <F1> until the DEMO operator record appears.
- Enter 'R' for Rename and press Enter.
- Answer No to the question about deleting the current record.
- Type "AP" in field 1 and press Enter.
- Answer No to the question about copying profiles and default transaction operators.
- Type '4' and press Enter to access field 4.
- Type "AP\" and press Enter.
- Answer No to the question about re-entering transaction operator records.
- Enter to write the record.

The SouthWare Excellence Series offers multiple user interfaces. As you work through the exercises your keystrokes will depend on which user interface you select. If using the "Classic" interface (WINDOWS or UNIX), then you will use Function Keys when suggested. If using one of the graphical interfaces "BUI" or "EUI" or "GUI" you will want to use buttons and mouse clicks when appropriate. The function keys work in the graphical interface if you prefer to use them.

LESSON 1: Overview of the Accounts Payable System

Learning Objectives:

- ✓ Understand the purpose/function of Accounts Payable
- ✓ Know how Accounts Payable interfaces with the Excellence Series



Please read the Introduction of the Accounts Payable Manual before proceeding.

The purpose/function of Accounts Payable

The purpose of an Accounts Payable system is to record liabilities to vendors and the resulting payments in cash.

SouthWare uses double entry accounting to accomplish this, debits and credits. The underlying concept of double entry accounting is that at least two accounts are affected by each transaction, one being debited and the other being credited. Review the following equation. This equation should always remain in balance.

$$\text{Assets} = \text{Liabilities} + \text{Owner's Equity} + (\text{Revenue} - \text{Expenses})$$

The accounting functions of SouthWare's Accounts Payable are:

- to accept normal information about vendor invoices and credit memos
- to accept information about manually written checks to vendors
- to prepare checks paying invoices generally or individually selected by management
- to report this data in the form of aging reports, cash requirements reports, pre-check authorization reports, check registers, and other inquiries and reports



Please re-read and familiarize yourself with the Accounting Introduction section of the Introduction of the Accounts Payable Manual before proceeding.

The discussion presents the accounting information flow within SouthWare's Accounts Payable. It is not necessary that you understand this in order to operate the package, but this explanation should be helpful for anyone familiar with accounting concepts.

AP interface with the Excellence Series

General Ledger Interface

The accounting interface between Accounts Payable and SouthWare's General Ledger is controlled within Accounts Payable. Debits and credits resulting from transactions are passed to a distribution "holding" file. We will refer to the distribution file as the AP/GL Interface file. Each time you process AP transactions (invoices or checks) all General Ledger entries will be posted to the AP/GL Interface file. There are 3 options for interfacing the AP/GL Interface file with the SouthWare General Ledger system:

1. **No interface** - if you do not use SouthWare's GL. The entries will still be posted to the AP/GL Interface file, where they will remain until you choose to purge them.
2. **Periodic Interface** - if you want to only update your GL system "periodically," typically once a month, but it's at your discretion. For this option there's a process in the AP Periodic Processing that prompts you to post the AP/GL Interface file.
3. **Automatic interface** - if you want to update your GL system each time you post any transactions or process any checks. This option still posts to the AP/GL Interface file but then automatically posts the file to the GL module.

NOTE: No accounting data sent to General Ledger is reflected in General Ledger until it is posted via the G/L Transaction Post process (GL-01-03).

Cash Flow Interface

If you use SouthWare's Cash Flow application, any cash accounts set up in Cash Flow will be affected when you post the AP/GL Interface file. There is not any set up or questions in Accounts Payable indicating that you use or do not use SouthWare's Cash Flow.

Job Cost Interface

If you use SouthWare's Job Cost application, you will have the option to enter invoices that are for Jobs. If an invoice is for a Job, you will have the option to enter a distribution type of "J" for Job. (Only those who have the proper fields set in the Job Cost control record will have a "J" option.) When a distribution is entered for a Job, you will be asked for a Job # and a Cost Code to have the distribution posted to. There is not any set up in Accounts Payable for the interface with Job Cost, the set up is done in the Job Cost module.

Service Management Interface

If you use SouthWare's Service Management application, you could have the option to enter invoices that are for Return Authorizations. If an invoice is for a Return Authorization, you will have the option to enter a distribution type of "R" for Return

Authorization. (Only those who have the proper fields set in Service Management control record will have the “R” option.) When a distribution is entered for a Return Authorization, you will be asked for a RA #. There is not any set up in Accounts Payable for the interface with Return Authorizations, the set up is done in the Service Management module.

Purchasing Interface

If you use SouthWare’s Purchasing Subsystem, you can enter information about purchase orders when you enter invoices in AP. The AP control record allows you to set whether you are interfacing with the Purchasing subsystem. If the question in the AP control record is not set to yes, you cannot enter a PO number in during invoice entry (regardless of how the Inventory Sales control record is set). Once you decide that you are interfacing with the Purchasing subsystem you can set the level of interface in the IS control record. There are three levels of interface:

1. **None** - The PO number entered during AP invoice entry time **will not** be validated against PO’s from the Purchasing subsystem.
2. **Summary** - The PO will be updated with an invoiced amount during posting for an AP Invoice that is entered with a valid PO number on it. When all lines are received, costed and the amount invoiced is greater than or equal to the PO total, the PO is complete.
3. **Detail** - During entry of an AP invoice, you will have the option of updating the PO with cost based on received line items. The received line items are stored in a temporary file that is automatically accessed after the header information for an AP transaction is entered. You will indicate the costs from the current AP invoice that are for the appropriate received line items. (See the Inventory Sales manual for a discussion on the procedures for receiving inventory and how to handle discrepancies between received costs and invoiced costs). When all lines are received, costed and invoiced, the PO is complete.

Answer the Questions for Lesson 1 before proceeding to the next Lesson

LESSON 2: Accounts Payable Accounting

Learning Objectives:

- ✓ Understand the basic account numbers associated and needed with Accounts Payable
- ✓ Understand the accounts used and the places to set up account numbers for specific types of Accounts Payable related accounting issues (Accounts Payable Accounting)



Please re-read and familiarize yourself with the Accounting Information Flow section of the Introduction of the Accounts Payable manual before proceeding. (Pages 17 through 28.)

Basic Account Numbers for Accounts Payable

The following is a summary of the basic account numbers needed by SouthWare's Accounts Payable:

<i>Accounts Payable</i>	Defaults from the AP Control Record, unless the Vendor file has an account entered. You can also override the account during entry if your AP control record allows multiple AP account numbers.
<i>Expense Account/ Inventory Account/ Freight/ Handling Chgs</i>	Entered in distribution portion of transaction or defaulted from vendor's automatic distributions.
<i>Cash</i>	Defaults from the AP control record. You can also override the account during entry if your AP control record allows multiple Cash account numbers.
<i>Discounts Taken</i>	Defaults from the AP control record. You can also override the account during entry if your AP control record allows multiple Discount accounts.

Accounts Payable Accounting

Several of the procedures in the Accounts Payable system result in General Ledger entries being created. Below is a listing of the processes and the resulting General Ledger distributions:

A/P Transaction Processing

You may enter invoices and credit memos in the AP transaction processing program. Prepaid invoices and canceling transactions will also be entered in this program. Lesson 8 will explore and discuss the entry of each type. For this discussion we will be reviewing the General Ledger entries for invoices, credit memos and prepaid transactions. The General Ledger entry for a credit memo is generally just the opposite of an invoice entry. The General Ledger entry for a canceling transaction is the reverse of the entry that was created during entry of the original document (depending on whether the original document was an invoice or a credit memo). A Prepaid transaction is an entry where you are entering the invoice and the payment information at the same time (usually due to the check being hand written or typed outside of the computerized accounting system).

Invoice Accounting

Debit Expense (ex., Office Supplies) or Inventory (if purchased for resale)
Credit Accounts Payable

Credit Memo Accounting

Debit Accounts Payable
Credit Expense (ex., Office Supplies) or Inventory

Prepaid Accounting

Debit Expense (ex., Office Supplies) or Inventory
Credit Cash
Credit Discounts Taken

Payment Processing

Computer generated checks are printed based on your selection of which invoices to pay. You may also process manual check and voiding of checks. A later lesson will explore and discuss the entry of each type. For this discussion we will be reviewing the General Ledger entries for check processing. Manual check processing results in the same general entries that computer generated checks do. A void check will create General Ledger entries that are the reverse of the entry that is created when the document was originally paid. The paid document is restored as an open item in the Accounts Payable file.

Check and Manual Check Accounting

<i>Debit</i>	Accounts Payable
<i>Credit</i>	Cash
<i>Credit</i>	Discounts Taken

Void Check Accounting (for check still in history)

<i>Debit</i>	Cash
<i>Debit</i>	Discounts Taken
<i>Credit</i>	Accounts Payable

Answer the Questions for Lesson 2 before proceeding to the next Lesson.

LESSON 3: Overview of Set Up

Learning Objectives:

- ✓ To be familiar with the set-up menus
- ✓ Understand the basic steps to set up Accounts Payable

Set Up Menus

Accounts Payable has a special "Installation and Set Up" menu to guide you through the steps of building your data files. The sub-menus in this section are arranged in the sequence you should set up your files. It is important that you perform the set up in the order they appear, since each step depends on the previous one. Once the initial installation is done, you may also access the files from the "File Maintenance" menus. You access the same programs as you did in the install process, but the programs are arranged differently on the menu screens based on the most frequently accessed to the least frequently accessed.



*Please read **SECTION AP-06 FILE MAINTENANCE** of the Accounts Payable Manual before proceeding. These pages are concerned with general procedures for file maintenance. (Also see Quick Reference to the SouthWare Functions).*

The basic steps to set up A/P



*Please read **SECTION AP-07 INSTALLATION AND SETUP PROCEDURES** Accounts Payable manual before proceeding.*

Set Up Account Structure and Periods (AP-07-01)

If you don't plan to interface with SouthWare's General Ledger, there are a few G/L files that are required. You must begin with a chart of General Ledger accounts (Assets, Liabilities, Revenue, Expense, etc.). You must also define your accounting periods. Usually accounting periods correspond with the months of the year, but with SouthWare's accounting system you are not limited to this structure.

In setting up your chart of accounts SouthWare offers an automatic set-up option by asking if you want to use a standard chart of accounts. This option will create a complete chart of accounts, including all account types. If you choose not to use SouthWare's standard chart of accounts, you must set-up (key-in) each account

you will need in your accounts payable processing.

If you are using SouthWare's General Ledger, that module will need to be set up before you set up the files in Accounts Payable.

The Accounts Payable Control Record (AP-07-02)

In the Control Record you define the system-wide features of the Accounts Payable system; therefore, it is very important that you set it up carefully and properly.

The Control Record requires you to answer questions about some optional features. The answers you give here will be used by the system to determine what information you want to keep and they will help the system ask you only questions that are appropriate.

Under normal circumstances you will only set up the Control Record once but there are several optional user features that are controlled from the Control Record that can be maintained at your discretion.

More on Accounts Payable Control Record in **LESSON 4**

Setting Up Terms Codes (AP-07-03)

This option is used to set up codes which define the different types of payment terms which your vendors allow.

There are 2 Term types possible:

- one in which the due date is calculated (Due days)
- one in which the due date falls on a specific day of the month (Prox terms)

The SouthWare Accounts Payable system will also account for vendors allowing partial payments due on different dates. This is referred to as Split Terms.

More on Terms Codes in **LESSON 5**

Setting Up Your Vendors (AP-07-04)

This option is used to enter information about each vendor that you use. You must assign up to a six character code to each of the vendors you purchase from, but you also may access your vendors by name when entering transactions and inquiring into vendor status. If you use the Purchasing sub-system, you will need to enter additional information

regarding purchasing terms with the vendors into the Inventory Sales control file and Vendor Purchasing records. The Purchasing sub-system uses the Vendor Purchasing records for entry of PO's, so you need only set records up for that file (Vendor Purchasing File) for vendors you will be entering purchase orders in for.

More on Vendors in **LESSON 6**

Loading Initial Open Items (AP-07-08)

This option is included in the set up process so you can enter the invoices and credit memos that you have on hand and have already recorded in your general ledger, but have not paid. After you have entered these items the SouthWare A/P system should contain the same total amount of payable's liability as that shown in your general ledger.

You should not enter any invoices you have on hand that are not currently reflected in your general ledger. Those invoices should be entered through A/P transaction processing after you have completed the set up process.

The procedure for initial open items is the same as will be discussed in **LESSON 8** and **LESSON 9** for entering new documents from your vendors.

Answer the Questions for Lesson 3 before proceeding to the next Lesson.

***** ATTENTION *****

This will start the first lesson where we will be using the computer. When you see the  symbol the next action will be taken at a computer terminal. When you see the  symbol you will need to be prepared to follow the instructions listed after the symbol at the keyboard. When you see <CR>, this means to use the <enter> or **carriage return** key. This manual is written using menu short cuts (type in the menu reference number and then a <CR>). Also, since not all systems are graphics systems, we will be processing in "Classic" mode. Please refer to the SwiftMate manual for alternate procedures of accessing the menus and an explanation of the different menu modes. Any questions you will be asked by the system will be in ***bold italics*** and any keystrokes you need to enter will be in **bold**. If any help screens appear (a box of information about a program or field will display in the middle of the screen) read the screen and then enter <CR>(s) to get into the program.

 **For this lesson we need to set up files from scratch using the SW Login operator we created for the AP company ID. We will be setting up a Mini-GL. For complete procedures of setting up a fully functioning GL please refer to the General Ledger Self-Study Guide or the General Ledger Manual.**

 Log in as the new operator and type in **AP-07** and then <CR> (Accounts Payable Installation and Set Up) from the main menu.

 Select option number 1 or **AP-07-01** and then <CR> to Set up G/L Info (if needed). We are doing this since we are setting up a Mini-GL.

 Type in number 1 again or **AP-07-01-01** and then <CR> to get to Set Up Account Structure and Periods.

 You will see a copyright screen; read this carefully and then press <enter> or <CR> to continue. Choose option number 1 to continue. Next, "***Continue with Non-G/L Users Version of Control Record?***". Answer this with a "Y" and press <CR>.

 Next you will be asked "***Do you want to use a standard chart of accounts?***". Answer this with a "Y" and press <CR>. You will now see a box with the following questions:

Please select account number structure:

As you can see, our General Ledger Control File maintenance program (whether Mini-GL or full GL) will set up a standard 4-3 (4 digit Code, 3 digit Department) or a 6-4 (6 digit Code, 4 digit Department) account structure. Any other structure you choose will require you to enter all of the account numbers and their descriptions directly into the account file. Enter a "1" here for 4-3 structure and then <CR>. See the General Ledger Manual and Self-Study Guide for explanation of the account structure.

How many departments do you have?

For our lesson we are going to have 2 departments. Enter a "2" and <CR>.

Separate BALANCE SHEET for each Department?

Enter "N" here and <CR>.

<C>orporation or <P>roprietorship?

Enter "C" here and <CR>.

Will you be needing COST OF GOODS SOLD?

Enter "N" here and <CR>.

Any change?

Enter "No".



Next you are asked to set-up your accounting periods. The Year ID will default to the current year in your system date, <CR> to accept the year, then enter **0101xx** for the Start Date and **0131xx** for the End Date for Period 1 (xx is the last 2 digits of the year). Now you will be asked if you want to "***Default remaining months?***". Answer this question by entering a <CR> to accept yes as the default answer. The system will take a few seconds (depending on your machine's speed) to create the account file (with account numbers already set up) and a GL Control file.



The next screen to display will be a "Non-GL User Control Maint" screen. The cursor will be at the bottom of the screen at "***Enter Change Number:***", enter <CR> here. <F8> once or type **AP-07** to return to the Installation and Set Up menu.

You've now set up a Mini-GL, Congratulations!!!

LESSON 4: **The Control Record**

Learning Objectives:

- ✓ Understand the basic purpose of the Control Record
- ✓ Understand the system-wide options contained in the Control Record

Basic purpose of the Control Record

The Control Record allows you to configure some system-wide options available in Accounts Payable. By setting these options, you are determining your preferences (such as numeric or alphanumeric vendor numbers), defining features that need to apply consistently to all operators (such as certain G/L accounts to be used), and helping the system know which features to ignore (such as interface to Purchasing).

Control Record Options

As stated in Lesson 3, the questions in the Accounts Payable control record maintain many SouthWare A/P features. This lesson will explore the major (but not all) options in the Accounts Payable control record.



*Please refer to **SECTION AP-07-02 SET UP THE CONTROL RECORD** of the Accounts Payable manual for a detailed description of each field in this file.*

Options to Note:

- Vendor Numbers - can be numeric or alphanumeric.
- Keep Paid Item History - understand that if you answer no to this question you will not be able to inquire on paid invoices or run history reports on paid invoices past one month.
- Aging Periods - you can define the aging periods to be used when you produce an Aging Report of your open AP items.

- Check Printing Options - there are various options that can be set to determine how your checks should be printed. You may decide if the Vendors name is to be reversed, if you want to print headers (yes, if check form is not pre-printed with headings for remittance advice), if you are printing on laser form checks, if you have a repeat check stub (if using laser) and how to handle overflow of documents paid on a single check. You may also indicate if you are using SYNAPSIS for laser checks on plain paper.
- Check Reconciliation - answer “Y” if you want the information about checks to be posted to a reconciliation file. This reconciliation is a check number reconciliation. If you want a fully functioning bank reconciliation, you will need to use SouthWare’s Cash Flow product. If using Cash Flow, information about all cash related transactions will be automatically posted to Cash Flow regardless of the answer here.
- Interface to Purchasing - A “Y”es answer here will allow you to compare invoices entered with Purchase Orders from the Inventory Sales Purchasing module. You can indicate in the Inventory Sales control record what level of interface you want. A “N”o answer will cause the program to skip the PO field during invoice entry.
- G/L Update Option -you may indicate how you will interface entries created from AP transactions and checks to the General Ledger. An “N” indicates you don’t use SouthWare’s General Ledger, “P” indicates that you use SouthWare’s General Ledger and that you want to update or send entries on you own periodic basis, an “A” indicates that you use SouthWare’s General Ledger and that you want to update or send entries immediately to GL as a part of the posting processes in AP.
- Period Number - The accounting period number is stored in the Accounts Payable control record and should reflect the period you are currently working in. If you enter a G/L post date on a transaction that does not fall within the current accounting period in your control record you will receive a warning. This period is automatically updated during the end of period processing but can be manually maintained if necessary.
- Default Post Date - This date is very important. Here you determine if you want your General Ledger posting dates for your Accounts Payable transactions and checks to be the "C"urrent system date or the "E"nd of Period date. This will be the date on General Ledger entries, coming from Accounts Payable, for financial reporting as well as history purposes. It is this date (the GL Post Date) that makes sure the items that are reflected on a month’s trial balance are also in that month’s figures in General Ledger.

- Multiple Account Numbers - as in all SouthWare modules, if you answer the multiple account number questions with a “N”o you will be asked to enter the account number and that will be the number that is used during entry. If you enter “Y”es for multiple account numbers, you will be asked to enter the default number in the control record and that number will be the default, but you will be allowed to accept the account number or enter in another number during entry. How you answer these questions will change the number of keystrokes during entry of documents. These questions should be carefully considered and answered during initial set up of the control record.



Let's set up an AP Control Record from scratch:



Log into your AP Company using the operator set up during the welcome part of this manual.



From the **AP-07** menu, type in option #2 (**AP-07-02**). You will see the familiar copyright screen for the Accounts Payable control record. You may press <CR> when you have completed reading the screen.



Choose “Skip” at “*Select Setup Template*” box.



<CR> at the *Next Trx # To Assign* question to allow the transaction numbers to begin with 1.



Enter a value of **8** for the *Document # Size* field. This means the document numbers that are on your vendor’s invoices and credit memos will be limited to 8 characters. A value of 15 is also valid for this field. If you entered 15, then the document number on the check stub will print in the reference area. For our exercise use 8.



Enter an **N** for Numeric Value in the “*Vendor Number Format*” box.



Enter a **Y** for *Assign Vendor #?* This will allow the system to assign vendor numbers during set up of vendors.



<CR> for *Last # Used?* This will allow the system to start with # 1 when auto assigning vendor numbers.



Enter **Y** for **Keep Paid Item History?**



Take the defaults for Aging Period descriptions and days. The Aging Period section should look like the following:

	—Desc—	#Days
4. Aging Periods: Period 1	Current	0
Period 2	1 - 30 Days	30
Period 3	31 - 60 Days	60
Period 4	Over 60 Days	999



We will next choose our Check Printing Options.

Enter a **“Y”** at **Reverse Vendor Name?**

Enter a **“Y”** at **Print Headers?**

<CR> at **Last Interactive check #** to leave blank.

Enter a **“Y”** at **Laser?** If using a Laser printer for these exercises, otherwise **“N”**.

If you entered Yes to the Laser question you will be asked about a **Repeat Stub?**

Enter **“N”** to not have a repeat stub to print.

Enter a **1** at **Check Overflow Option** for printing the invoices on the check stub.

Enter **“V”** at Check Sequence to print checks in Vendor Number sequence.

Your Check Printing Options should look like the following:



Enter “Y” at **Check Reconciliation?**



Enter “N” at **Interface to Purchasing?** This is an advanced topic that should be covered with the Inventory Sales module.



Let’s enter the G/L Update Options.
 Enter “P” for Periodic at **G/L Update Option**.
 The **Print Additional Ref lines?** will default to Runtime Option.
 Enter **current year** and **6** for **Accounting Period**.
 Enter “C” at **Default Post Date** for Current Date.
 Enter “N” at **Cash Basis?**

Your G/L Update Options should look like the following:



Enter “Y” for **Multiple A/P Accounts?** and account # **2110-010** as the default.
 Enter “N” for **Multiple Cash Accounts?** and account # **1020-010** as the account number.
 Enter “N” for **Multiple Disc Accounts?** and account # **7020-010** as the account number.

NOTE: *If you answer No to any of the Multiple Accounts questions, each transaction entered will automatically be booked to the account number entered.*



<CR> at **Credit Value %** to accept the default of **.00**. This field is used for the ExcelReport module and will not be discussed here.

Your AP Control Record should now look like the following:

The screenshot shows the 'Control File Maintenance' window with the following fields and values:

- 1. Next Trx # To Assign: 1
- 2. Vendor Number Value: N
- 3. Keep Paid Item History?: Y
- 4. Aging Periods:

Period	Desc	#Days
Period 1	Current	0
Period 2	1 - 30 Days	30
Period 3	31 - 60 Days	60
Period 4	Over 60 Days	999
- 5. Check Printing Options: Reverse Name (Y), Headers (Y), Sequence (Vendor Number)
- 6. Check Reconciliation?: Y
- 7. Interface to Purchasing?: N
- 8. G/L Update Option: P
- Accounting Period: 6, 06/01/12, Thru 06/30/12
- 9. Multiple A/P Acct #'s?: Y, 2110-010, Accounts Payable
- 10. Multiple Cash Acct #'s?: N, 1020-010, Cash in Bank
- 11. Multiple Disc Acct #'s?: N, 7020-010, Purchase Discounts
- 12. Credit Value %: (empty)

Buttons: OK, Cancel, # to change



<CR> at the **Enter Change Number:** field. This accepts your entries and writes the file.

Great Job !!! You have set up an Accounts Payable control record!!!!

Answer the Questions for Lesson 4 before proceeding to the next Lesson.

LESSON 5: The Terms Code File

Learning Objectives:

- ✓ Understand the basic purpose of the Terms Code File
- ✓ Understand the different types of terms codes and how to set each up

Basic purpose of the Terms Code File

The Terms Code File is used to define the different types of payment terms which your vendors allow. This is a supplemental file that lets you define the number of days and type of terms. You will set up the codes and refer to them for each of your vendors. SouthWare's Accounts Payable also allows for split terms where a single invoice is due in several payments over a period of time. This file must be set up before the Vendor file because each Vendor record will require you to enter a value for the default terms code.

Terms Code Types and Set Up

This file allows two types of term codes.

Due Days

The Due Date is calculated based on a number of days from the invoice date. You may also enter a Discount Date and Discount Percentage. This allows you to set up a terms code where the invoice is due in a specified number of days, but the vendor allows a discount if it is paid in a fewer number of days.

Prox Terms

Prox Terms allow a due date to be calculated based on a day of the month in a future period. You may also enter a Discount Date for Prox Term invoices. The Discount Date when using Prox Terms is also a day of the month.

Split Terms

SouthWare's Accounts Payable system allows you to calculate multiple due days for the same invoice. If a vendor allows you to pay the invoice off over a period of time, you can calculate due days and amounts for up to 15 splits.



*Please refer to **SECTION AP-06-02 TERMS CODE** of the Accounts Payable manual for a detailed description the different types of Terms and examples.*



Let's set up some records in the Terms Codes File from scratch:



Enter **AP-07-03** from any *SELECT*: prompt.

We are going to set up 3 different terms codes. They will be called **N30** for Net 30, **210** for 2/10, Net 30 (Invoice is due in 30 days, but will receive 2% discount if paid in 10 days), and **25P** for Prox Terms due on the 25th of the next month.



N30 Enter **N30** at *Terms Code*

Enter **Net 30** at *Desc*

<CR> at *Type* for Due Days

Enter “**N**” at *Split Terms?*

Enter **30** at *Due Days*

<CR> at *Disc Days* for no discount

<CR> at *Disc %* for no discount percent

<CR> at *Enter Change Number* for no change and to write the record.

*1. Terms Code	N30	05. Due Dates		
2. Desc	Net 30	Due Days	Disc Days	Disc %
3. Type		30	0	.00
4. Split Terms?	N			
5.+Due Dates				



210 Enter **210** at *Terms Code*

Enter **2/10, Net 30** at *Desc*

<CR> at *Type* for Due Days

Enter “**N**” at *Split Terms?*

Enter **30** at *Due Days*

Enter **10** at *Disc Days*

Enter **2.00** at *Disc %*

<CR> at *Enter Change Number* for no change and to write the record.

*1. Terms Code	210	05. Due Dates		
2. Desc	2/10, Net 30	Due Days	Disc Days	Disc %
3. Type		30	10	2.00
4. Split Terms?	N			
5.+Due Dates				



25P Enter **25P** at *Terms Code*

Enter **25 EOM** at *Desc*

Enter “**P**” at *Type* for Prox Terms

Enter “**N**” at *Split Terms?*

Enter **25** at *Prox Day* (This is the day of the month the payment is due)

Enter **10** at **Disc Day** (This is the last day of the month payment can be made and a discount still taken).

Enter **2.00** at **Disc %**

Enter **30** at **Cutoff Day** (This determines the day of the month that determines which payment period an invoice falls).

<CR> at **Incr** for no special month increment

<CR> at **Enter Change Number** for no change and to write the record.

*1. Terms Code	25P
2. Desc	25 EOM
3. Type	P
4. Split Terms?	N
5.+Due Dates	

05. Prox Due Dates				
Prox	Disc		Cutoff	
Day	Day	Disc%	Day	Incr
25	10	2.00	30	1

Now you have 3 different terms codes that will be used for later exercises!!!

<F8> to return to menu.

Answer the Questions for Lesson 5 before proceeding to the next Lesson.

LESSON 6: The Vendor File

Learning Objectives:

- ✓ To understand the use of the vendor file
- ✓ To be familiar with the information stored in the vendor file
- ✓ To be familiar with the Excellence Period History information

The use of the vendor file

The vendor file is where you define basic vendor information, such as terms and payment status.

In the control record you may indicate whether the name is to be reversed on checks. If you answer "Y" to name reversal, you should enter last name first on any names to be reversed. A comma must separate the last and first name, and any appendage (such as ",Jr.") must be at the end preceded by a slash. During check printing the name will be reversed on any names which contain a comma.



*Please refer to **SECTION AP-06-01 VENDOR RECORDS** of the Accounts Payable manual for more information on how to enter names for proper reversal.*

There are 4 payment status options:

- ✓ "A" for always take this vendor's discount
- ✓ "H" for hold all payments to this vendor
- ✓ "N" for no purchases allowed from this vendor
- ✓ <Blank> will allow normal activity for that vendor

The vendor file is also where you indicate that a vendor is a 1099 vendor. The SouthWare A/P system will only produce **1099-MISC forms**.

For each 1099-MISC vendor you must indicate if the information being stored is for:

- Rents
- Royalties
- Non-employee compensation

These are the only boxes on the 1099-MISC form that SouthWare will print in. It's important to know that the year-to-date payments to each 1099-MISC vendor are NOT zeroed out by the normal year-end processing. This information is only cleared by 1099 processing.

The Miscellaneous vendor:

A vendor of 999999 indicates to SouthWare's transaction processing that this is a miscellaneous vendor. You will have to set up a vendor record for this vendor. The A/P transaction processing session will explain how the miscellaneous vendor is treated differently from the rest of your vendors.

NOTE: *The system will not allow you to delete vendor records with any year-to-date activity or open items (unpaid invoices).*

The information stored in the vendor file

The vendor file stores information such as the vendor's address, E-mail address, telephone number, fax number, current balance, and any past due balance as well as the highest balance you have ever owed each vendor. These balance fields are automatically updated by the system and should not be manually changed in the vendor's file.

The Excellence Period History information

The excellence period history information is stored in the Vendor excellence period history file, a separate file from the vendor file. The excel file stores history for each vendor for the current year and five years of past history.

This information is accessed by: entering **23** at Enter Change Number from the Vendor file, then **<F6>** for Excel History. The summary screen shows some key period numbers for the current year. You then have the option of changing years or zooming into the detail of any period shown.



*Please refer to **SECTION AP-06-01 VENDOR RECORDS** of the Accounts Payable manual for an explanation of each field in this file.*



For this lesson, we will set up vendor records from scratch.



Enter **AP-07-04** from any **SELECT:** prompt.

We are going to set up 3 different vendors. They will be called **Power Company, All Purpose Supplies, and** one you may call anything that you wish. Use the information below to set up the vendors. For any field where the information has not been given for setting up, you may set up that field any way you wish. Use the Accounts Payable manual as a reference for how to set up the fields. You may also access field help by entering **<F7>** at any field you don't understand.



Vendor 1 Enter **1** at **Vendor #**

1. Enter **Power Company** for the **Name**
2. Fields 3 - 8 enter any info you want or leave blank
3. Enter **N30** for the **Terms Code**
4. Leave the **Credit Limit** blank, **<CR>** through **Priority**
5. Enter **<CR>** at **Pay Status for Normal Activity**
6. Enter **N** for **Automatic Distributions**
7. Enter **<CR>** at **Default Pay To**
8. Enter **N** for **Multiple Pay Tos?**
9. Enter **<CR>** at **Category**, **<CR>** at **Manufacturer?**, **<CR>** at **Inactive?**
10. Enter **<CR>** twice for **A/P Acct** to make sure an override account number is not set up here
11. Enter **<CR>** to default through remaining fields
12. Do you want to create the Vendor Purchasing Record? **"N"**.

*1. Vendor #	1	16. Default Pay To:	Power Company
2. Name	Power Company		
3. Address 1			
4. Address 2			
5. City, State			
6. Zip Code		Int?	<input type="checkbox"/> N <input type="checkbox"/>
7. Contact			
8. +Phone/Other		Fax	
Credit Info		17. Mult PayTos?	<input type="checkbox"/>
9. Terms Code	N30 Net 30	18. +Category	Mfr <input type="checkbox"/>
	Due in 30 Days, 00% Disc in Days	19. A/P Acct	
10. Credit Limit		Ref	
11. Pay Status	Normal Activity	20. +User Fields	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>
12. Current Bal	.00	21. 1099 MISC Req'd?	<input type="checkbox"/> Box <input type="checkbox"/>
13. Past Due Amt	.00	22. Fed ID#	
14. High Balance	.00	23. +History	
15. Automatic Distributions?	<input type="checkbox"/>	YTD Prints	.00
		YTD Purch	.00
		YTD Disc	.00



Vendor 2 Enter **2** at **Vendor #**

1. Enter **All Purpose Supplies** for the **Name**
2. Fields 3 - 8 enter any info you want or leave blank
3. Enter **210** for the **Terms Code**
4. Enter **2000** for the **Credit Limit**, **<CR>** through **Priority**
5. Enter **A** to Always take a discount for the **Pay Status**
6. Enter **Y** for **Automatic Distributions**
7. Enter **<CR>** at **Default Pay to?**
8. Enter **<CR>** at **Multiple Pay tos?**
9. Enter **<CR>** at **Category**, **<CR>** at **Manufacturer?**, **<CR>** at **Inactive?**
10. Enter **<CR>** twice for **A/P Acct** to make sure an override account number is not set up here
11. Enter **<CR>** to default through remaining fields on main screen
12. Since we said **"Y"** to Automatic Distributions, another screen will appear to enter the Document Distributions. Enter **"P"** for Percentage for the **Amount/Pct Code**
13. Enter **6150-010** and **100** for the account number and %, **<F8>** to End Dist
14. Do you want to create the Vendor Purchasing Record? **"N"**.

LESSON 7: Other AP Related Files

Learning Objectives:

- ✓ To understand the use of recurring transactions
- ✓ To understand the use of the vendor pay addresses
- ✓ To understand the use of alternate payment types

The use of recurring transactions

Recurring transactions allow you to set up or maintain the standard A/P transactions that apply to your company. Recurring transactions may be such things as rent, utilities, loan payments, or other standard transactions to be processed through A/P.

You will need to define the vendor that the recurring transaction is for. You will also need to identify this recurring transaction with a unique number (up to 9999). This will allow you to enter multiple recurring transactions for a single vendor. When generating the transaction you will be given the option to generate based on a frequency that you enter in the set up of the recurring transactions. This frequency is a user defined field. You may make it any thing that you want. You should try to set the frequencies with logical names (M = Monthly, W = Weekly, B = Bi-monthly, etc). There is not any validation of this field. Upper and lower case values will be accepted.

You have the option to pay an Alternate Pay to address for the recurring transaction. You can set up the invoice number (if the same) to be used when generating transactions. You have the option to enter an invoice amount in. If the recurring transaction is for the same amount each frequency, enter the amount and the transaction that is generated will be for that amount. If you leave this field blank, the recurring transaction will be used to generate GL account number templates or to allow you to define percentage distributions. When generating a transaction where there is not an amount defined, the system will prompt the operator for an amount. An example of when you would leave the field blank is when you are entering a recurring transaction for monthly utilities. The amount of the bill will fluctuate each month depending on usage.

You may enter start and end invoice dates. These dates are used when generating. If you generate with a date before the start date or after the end date, a transaction will not be generated. An example of when you want to use start and end dates would be when you are paying for a recurring set service (maybe cleaning services). Your contract states that the cleaning company will clean every Friday of the year for \$500 a month. Your recurring transaction will have an invoice start date no earlier than January 1 (of your current year) and an end date no later than December 31 (of your current year). The recurring file also stores the last time an invoice transaction was generated so that you will not generate for the same day of the same month twice.

You may enter alternate account numbers if the AP control record indicates multiple account numbers for AP and Discount, if not the fields will be filled in with the account numbers from the control record and you cannot maintain.

Before you enter the distributions you must specify whether you will be entering amounts or percents for each distribution.

- ✓ Enter "A" if you want to enter dollar amounts for the distributions for this invoice.
- ✓ Enter "P" if you want to enter percents for the distributions which will allocate the invoice amount.

EXAMPLE: Vendor 1 (Power Company) sends us a monthly invoice that should be distributed to two different accounts, 6110-010 (Rent) and 6120-010 (Utilities). You know that 33% of the invoice total is for account 6110-010 and 67% is for account 6120-010, but you do not know the dollar amount until you receive the bill.



Let's set up a Recurring Transaction for the monthly statement described in the above example



Enter **AP-07-05** from any *SELECT:* prompt



Set up the recurring transaction using the following information:

Vendor Number Enter **1**

Trans number Enter **1**

Pay to leave **blank**

Frequency enter **M** for Monthly

Invoice number enter **RENT/PWR**

Invoice amount leave **blank**

Non-discount amount enter **\$.00**

Terms Code enter **N30**

Reference enter **Monthly Land Lease / Utility**

Starting Invoice Date enter **1/01/xx**

Ending Invoice Date enter **12/31/xx**

Last Invoice Date enter **5/31/xx**

A/P Account enter **CR** twice to accept the default of **2110-010**

Discount Account will default to **7020-010** from the AP Control Record

Distributions enter **P** for Percent and

33% for 6110-010 (Rent)

67% for 6120-010 (Utilities)

<F8> to End Distribution

*1. Vendor Number	1	Power Company
*2. Trx Number	1	
3. Pay To		Power Company
4. Frequency	M	
5. Invoice Number	RENT/PWR	
6. Invoice Amount		.00
7. Non Disc Amount		.00
8. Terms Code	N30	Net 30
9. Reference	Monthly Land Lease / Utility	
10. Starting Invc Date	01/01/12	
11. Ending Invc Date	12/31/12	
12. Last Invc Date	05/31/12	
13. A/P Account	2110-010	Accounts Payable
14. Disc Account	7020-010	Purchase Discounts
15.+Distributions		

We will generate a recurring transaction as part of LESSON 9's exercises.

The use of Alternate Vendor Pay To Addresses

You can set up alternate pay-to addresses for your vendors. This makes it easier to write multiple checks for one vendor but to be paid at different addresses. You may only set up alternate addresses for a vendor if the vendor record indicates that Multiple Pay To addresses are needed.



Let's add an Alternate Pay To Address for Vendor number 2 (All Purpose Supplies)



Enter **AP-07-04** from any **SELECT:** prompt.

Access Vendor 2's record (using any standard method as described in the File Maintenance section of the Accounts Payable Manual, see **Accessing Existing Records**).

Change field 17 to **Y** for yes to the question **Multi Pay To's?**

<CR> at **Enter Change Number** for no change and to write the record.



Enter **AP-07-06** from any **SELECT:** prompt.



Set up an Alternate Pay to Address for Vendor 2 using the following information:

Vendor # enter **2**

Pay To # enter **1**

Name enter **All Purpose Supplies**

Address 1 enter **1234 Railroad Parkway**

Address 2 enter **Suite 101**

City enter **Birmingham**

State enter **AL**
Zip enter **36333**

<**CR**> to write record

*1. Vendor #	2	All Purpose Supplies
*2. Pay To #	1	
3. Name	All Purpose Supplies	
4. Address 1	1234 Railroad Parkway	
5. Address 2	Suite 101	
6. City	Birmingham	
7. State	AL	
8. Zip	36333	

The use of Alternate Payment Types

You can set up alternate payment types to handle the recording of invoices paid by credit cards, wire transfer, and other non-check payment types. This handles situations such as:

- ✓ Recording a prepaid invoice that was paid via company credit card
- ✓ Recording a prepaid invoice that was paid by an employee and reimbursement needs to go to the employee
- ✓ Recording payment of an open invoice via a credit card, wire transfer, auto-debit, or other non-check payment
- ✓ Recording payment of multiple invoices for multiple vendors via a single credit card charge
- ✓ ...and other similar payment situations

Please note that these features allow you to **record** these types of payments in Accounts Payable but they do not electronically transfer any funds.



*Please refer to **SECTION AP-06-06 Alternate Payment Types** of the Accounts Payable manual for a detailed description of each field in this file.*



Let's add an Alternate Payment Type for a Visa credit card



Enter **AP-07-11** from any **SELECT:** prompt.



Set up an Alternate Payment Type using the following information:

Pay Code enter **V**

Description and Short Desc enter **Visa**

<CR> through remaining fields 4, 5, and 6.

<F8> in field 7 **Reference Info**

<CR> to write the record.

*1. Pay Code	V
2. Description	Visa
3. Short Desc	Visa
4.+Third Party Payment?	<input type="checkbox"/>
5. Allow Multiple Vendors?	<input type="checkbox"/>
6. Ovr Cash Account	
7. Reference Info	

Answer the Questions for Lesson 7 before proceeding to the next Lesson.

LESSON 8: A/P Transaction Basics, Types and Operators

Learning Objectives

- ✓ To have a basic understanding of A/P transaction processing
- ✓ To be familiar with the different transaction types
- ✓ To be familiar with the A/P transaction operator option

Understand A/P transaction processing

The menu serves as a check list for A/P transaction processing.

1. Enter and Edit A/P Transactions is where you enter each invoice or credit memo as a separate transaction.
2. Print a Transaction Edit List will provide a list of all transactions you have entered for your review before posting.
3. Post Transactions to Open Item File will do just that. Once the transactions are in the Open item file they are then ready to be selected for payment, when due. Transactions must exist in the Open item file before a check will be produced for that invoice.



*Please refer to **SECTION AP-01-01 ENTER AND EDIT TRANSACTIONS** in the Accounts Payable manual for a complete definition of each field in transaction processing. Also read **SECTIONS AP-01-02 and AP-01-03** for special situations and processes.*

Upon entering the program you will be asked to enter a transaction operator to control what types and how transactions will be entered. If the SW login operator stores the default AP transaction operator, you will be taken directly into the program. The transaction number is the "key" for each transaction. This number is assigned by the system in numeric sequence.

Different transaction types

There are 4 types of transactions possible:

- I** Invoices
- C** Credit Memos
- P** Prepaid Invoices (where you have already hand written a check before entering the invoice)
- X** Canceling transactions (invoices or credit memos that have already been posted to the

Open Item file)

The system will skip the A/P account for prepaid invoices. Accounting done for Prepaid invoices will be:

Debit Expense (ex., Office Supplies) or Inventory
Credit Cash

Also, when entering a prepaid invoice there are three additional fields required:

- ✓ Cash Account to be credited
- ✓ Check date
- ✓ Check number

For prepaid invoices, you also have an option to print the check interactively (upon entering the prepaid invoice) by using the <F5> function key. Prepaid invoices do not affect a vendor's open balance. When these transactions are posted they bypass the open item file and go directly to the vendor's history.

When entering a Credit memo, you cannot directly apply it to an invoice in Transaction processing. Refer to the check processing lesson for direction in applying credit memos to invoices. Accounting entry for Credit memos is:

Debit Accounts Payable
Credit Expense (ex., Office Supplies) or Inventory

The A/P transaction operator

Each operator that will be entering A/P transactions should have a transaction operator set up in AP. This is where you define each operator's security for entering A/P transactions. In the Operator file you can also customize the keystrokes required in transaction entry. For example, if none of your vendors are 1099-MISC vendors then you can set an option in each operator's record to automatically skip the 1099-MISC related fields on each transaction.

When the AP Control Record was defined, upon exit a default transaction operator was created (AP). This transaction operator has been defined by SouthWare to have the basic security and customized keystroke features that previous versions of the software had before transaction operators were required. Once the operator has been created, you may attach the operator to a SW login operator and not be required to enter the transaction operator when accessing the program.



*Please refer to **SECTION AP-06-05 A/P TRANSACTION OPERATORS** in the Accounts Payable manual for a complete definition of each option for the operators.*



Let's take a look at the default transaction operator created when the AP Control Record was set up



Enter **AP-07-07** from any *SELECT:* prompt.

Access the operator **AP** (using any standard method as described in the File Maintenance section of the Accounts Payable Manual, see **Accessing Existing Records**) and look at the options that are defined.

Answer the Questions for Lesson 8 before proceeding to the next Lesson.

LESSON 9: **Entering A/P Transactions**

Learning Objectives

- ✓ Know how to enter, delete, and change an Accounts Payable Transaction
- ✓ Know how to generate a recurring A/P transaction

Know how to enter, delete, and change an AP Transaction

When entering AP transactions for any of the types mentioned in the previous lesson you will need to enter Header Information and Expense Distributions. Header Information for a transaction includes information about the document being entered - document type, Vendor #, document number, document date, document amount, terms code (for calculating due date), and any appropriate AP and Discount account numbers. The Distribution information relates to the GL account numbers that need to be entered for the document (what accounting needs to be done for what you are purchasing from the vendor).

Key items of interest during entry of an AP transaction are listed below:

- ✓ The transaction number will be assigned by the system once you have completed entry of the information requested on the first screen of the transaction.
- ✓ The G/L post date can be entered or defaulted depending on your setup.
- ✓ The transaction type (as discussed in a previous lesson) can be entered.
- ✓ The first 20 characters of the reference (or default ref) will appear on the A/P check stub.
- ✓ The vendor number can be entered by keying in the number or searching for the vendor by either <F3> lookup or <Enter> to search by vendor name.
- ✓ The document number entered is the invoice/credit number.
- ✓ The document date is the invoice/credit date.
- ✓ The document amount is entered next. There is an operator option that has the system verify a document's number, date and amount to see if they have already been entered or paid.
- ✓ Enter the distributions for the transaction amount. The full amount of the invoice must be distributed. There is a limit of 999 distributions per transaction.

Correcting transactions prior to posting to the Open item file

A transaction may be deleted by entering the transaction number in AP0101, then at the Enter Change number prompt enter a "D" to delete the transaction. The program will ask you to confirm the delete.

If you find an error on a transaction that appears on the Transaction edit list, you still have an option to make the corrections before posting to the Open item file. Bring the transaction up in Enter and Edit transactions, and at the Enter Change number enter the field number where the change needs to be made, then key in the correct information.

Correcting transactions after posting to the Open item file

In Enter and Edit AP Transactions (AP0101), you should enter through the transaction number as if you are entering a new transaction. At the transaction type field enter an "X" for a cancellation. You should then enter the appropriate vendor number and document number you want to cancel. The system will automatically pull in the detail of the original invoice that you're canceling.

You will then be asked to verify the document to be canceled. Once you have verified the document to be canceled, you will have a canceling transaction that must be posted to the Open item file before the cancellation will be completed. All G/L transactions that were done with the original invoice will be reversed by the canceling transaction.



Let's enter several AP transactions



Enter **AP-01-01** from any *SELECT:* prompt.

Use the **AP** transaction operator that was created when the control record was entered.



Enter an Invoice for **Power Company**, dated **6/01/xx** (make sure the G/L date is 6/01/xx also), document (Invoice) number is **2341**, the invoice amount is **\$775.00**. Distribute the invoice to the Repairs and Maintenance account number **6140-010**.

When finished, the transaction header should look like the following:

List		Transaction		Distributions	
*1. Transaction #		1		2. G/L Date	06/01/12
3. Transaction Type	I	Invoice		4. Reference	Inv:2341
5. Vendor Number		1		Pay To	
6. P/O Number					Power Company
7. Document Number		2341			
8. Document Date		06/01/12			
9. Document Amount		775.00			
	1099?				
10. Non-Discount Amt		.00		Due Date	07/01/12
11.+Terms...		N30		Disc Date	00/00/00
		Net 30		Disc Amt	.00
12. A/P Account		2110-010			Accounts Payable
13. Discount Account		7020-010			Purchase Discounts
Prepaid Info					
14. Cash Account					
15. Check Date					
16. Check Number					

The transaction distributions should look like the following:

Transaction		Distributions				
*1. Transaction #		1				
3. Transaction Type	I	Invoice				
2. G/L Date		06/01/12	AP			
4. Reference		Inv:2341				
Line #	Type	Account #	Description	Reference	Qty / Units	Amount
1	A	6140-010	Repair and Maintenance	Inv:2341		775.00
17. Line #						Amount Left:
18. Type						.00
19. Account #						
20. Amount						
21. Reference						

 Enter an Invoice for **All Purpose Supplies**, dated **6/15/xx (GL date of 6/15/xx)**, document number is **2353**, the invoice amount is **\$1165.00**. Notice how the system automatically fills in the account number to distribute this invoice to.

 Enter an Invoice for **vendor number 3** (the vendor you developed), dated **6/03/xx (GL date of 6/03/xx)**, any document number, the invoice amount is **\$266.00**, and you should distribute this to the Wages account, **6030-010**. The entire document amount is a 1099 expense.

 Enter a Prepaid invoice for **All Purpose Supplies**, dated **6/06/xx (GL date of 6/06/xx)**, document number is **2393**, the invoice amount is **\$75.00**, the cash account is **1020-010**, use a check date of **6/06/xx**, and a check number of **2100**.

 Enter a Credit Memo for **Power Company**, dated **6/22/xx (GL date of 6/22/xx)**, document number is **3321**, document amount is **\$125.00**. Distribute the credit amount to

account number **6140-010**.



Enter a Prepaid invoice for vendor 3, dated **6/19/xx** (**GL date of 6/19/xx**), any document number, the invoice amount is **\$1100.00**, use cash account **1020-010**, use a check date of **6/19/xx**, and a check number of **2101**, distribute **\$100** of this invoice to the Inventory account, **1310-010** and the remaining **\$1000** to the Store Supplies account, **6160-010**.



Post these transactions to the Open item file (**AP-01-03**).



Select a printer option. You will need to submit this report with LESSON 9 exercises. Label this **REPORT # 1**.

How to generate a recurring A/P transaction

Recurring transactions will generate actual invoice (AP0101) transactions through AP0501. These transactions will appear on the transaction edit list (AP0102) and will have to be posted through transaction processing (AP0103) before they will be selected for payment. If you need to make changes to a recurring transaction after it has been generated, you may edit the transaction through Enter and Edit A/P transactions (AP0101).

When generating recurring transactions you will be asked to enter an invoice date to be assigned on the invoice transactions. You will also be asked a frequency code of the transactions to be selected. The frequency is entered in the AP recurring transaction file maintenance. We set up a recurring transaction in an earlier lesson.



Let's see if we can generate a transaction from our previously set up recurring record



Enter **AP-05-01** from any **SELECT:** prompt.

Use the **AP** transaction operator that was created when the control record was entered.



Enter **6/30/xx** for the *Invoice Date to be assigned to transactions generated*



Enter **M** for the *Frequency of transactions to be selected* (The case is important here because the field is a user defined field and there is not any validation during the set up).

Read the box that pops up that explains what the program will be doing.



When the transaction we created is displayed on the screen, enter **Y** to *Generate the transaction*.



Enter **3000.00** when you are prompted to enter the amount of the invoice.
<CR> at the *Non-Disc* amount to accept **\$0.00**.



Post these transactions to the Open item file (**AP-01-03**).



Select a printer option. You will need to submit this report (AP0103) with LESSON 9 exercises. Label this **REPORT # 2**.

Answer the Questions for Lesson 9 before proceeding to the next Lesson.

LESSON 10: Selecting Items for Payment

Learning Objectives:

- ✓ Know how to determine cash needed for checks
- ✓ Understand the concept of selecting/unselecting items to pay

How to determine cash needed for checks

As a part of the Payment processing options in Accounts Payable, SouthWare offers a Cash Requirements Report (*AP-02-02*). Based on the selection criteria you enter, this report allows you to forecast the amount of cash required to pay all the invoices due by a certain date. This report has no effect on the actual selection of items to pay and it can be run at any time.



Let's print a Cash Requirements Report



Enter **AP-02-02** from any *SELECT:* prompt.



Enter the following options to produce the report:

Enter **6/30/xx** for *Date you will pay the documents selected*

Enter **7/31/xx** for *Date of your next payment processing (after this)*

Enter **Y** for *Include Early-Pay Discounts*

<CR> to accept Vendor for *Report Sequence*

<CR> to accept ALL for *Beginning and Ending Vendor Range*

<CR> to accept ALL for *Beginning and Ending Vendor Priority*

<CR> **twice** to accept ALL for *AP Account Number to Process*

<CR> for **No** to *Any Change*

Select a printer option. You will need to submit this report with LESSON 10 exercises.



Label this **REPORT # 3** and submit with **LESSON 10** exercises.

The concept of selecting/unselecting items to pay

You must specify the general criteria for the check processing cycle you are about to run. Then you actually choose the invoices to be paid by either running a generalized selection (AP020302) or individual invoice selection/unselection (AP020303). This must be done before checks can be printed. When entering the basic general information about a check run, you are given the option to enter ***generalized invoice selection criteria***. If you answer yes, you will be given the same options as AP020302.



Let's enter general payment selection criteria



Enter **AP-02-03-01** from any ***SELECT:*** prompt

Use the **AP** transaction operator that was created when the control record was entered.



Enter the following options for generalized invoice selection:

Enter **6/30/xx** for ***Date when you will pay the documents selected***
Enter **7/31/xx** for ***Date of your next payment processing (after this)***
<CR> **twice** to accept the default A/P account number of **2110-010**
<CR> for **No** at ***Enter Change Number***
<CR> for **No** at ***Enter Change Number***

You will be asked "***Select Documents by Vendor/Priority?***"

Enter **Y** for yes. (Remember this yes question takes you to the same options you will see if you answered no, then went to AP020302).

<CR> for **ALL** at ***Beginning Vendor Number***
<CR> for **ALL** at ***Beginning Vendor Priority***
Enter **Y** for yes at ***Include Early-Pay Discounts***
Answer **OK**.

<CR> to continue once the ***TOTALS FOR INVOICES SELECTED FOR PAYMENT*** information is displayed.

You will be asked "***Are you ready to build the CHECK FILE?***" Enter **Y** for yes.

A check file **must** be built before checks can be printed. You can also change your selections and rebuild the check file as many times as you want/need prior to running the checks to get them exactly the way you want.

Change Payment Status for Documents

Before the checks are printed the check file can be maintained to include or exclude any invoices. This is done through the Change Payment Status for Documents (*AP020303*). If you change the payment status on any documents you are then required to rebuild the check file to include those changes.

Print a Pre-check Report

The Pre-check Report (*AP0204*) reflects only those invoices that have been selected for payment in the current check process (those currently in the check file). This report shows the checks that will be printed unless you make changes. This report should be carefully reviewed before going to the next step to keep you from wasting time and check forms. This report is often used as a payment authorization document. The report can be printed and given to the proper management person for review and approval prior to printing checks.

The Pre-check Report can also be printed after checks have been printed, but before files have been updated to see what checks the system thinks have been printed for a check run. This is especially helpful in situations where the checks were printed but the system abnormally aborted before the checks could be posted (before 'C' to continue has been entered). You can use this report in support situations to determine if it is necessary to restore the files from backup if a system crash occurs during check printing procedures.

Answer the Questions for Lesson 10 before proceeding to the next Lesson.

LESSON 11: Producing Checks

Learning Objectives:

- ✓ Know how to print checks
- ✓ Know how to do manual check processing
- ✓ Know how to do void check processing

How to print checks

Printing checks and updating files should be done once the check file is built and the Pre-check report has been approved by the appropriate person(s). Remember the checks will print exactly as listed on the Pre-check report. Checks will be printed with a detailed remittance advice on the check stub of what invoices and credit memos the check is for. When the checks have printed successfully and you have answered they are OK, the system will update the appropriate files with the payment information.

Instructions for special situations that might occur when printing checks are given in the Accounts Payable manual. Look at the section pertaining to AP0205. You will find how to handle **Printer Misfeed/Malfunctons, Wrong Check Numbers/Contents, To Clear a Check Run and When Checks are OK.**

NOTE: *You can only print checks after creating a check file, which was discussed in the previous lesson of this study guide.*



Let's print some checks



Enter **AP-02-05** from any **SELECT:** prompt

Select a printer option. You will need to submit this report with LESSON 11 exercises. Because we are printing our checks on plain paper and not 'real' check forms, you will not encounter some of the normal roadblocks with printing on pre-printed forms. There will not be any need to print alignment forms and you may spool your checks and reprint later. Spooling of forms (checks) is usually not an option because the programs require you to answer that the check is okay before the actual printed copy of the check is printed.



Enter **2105** at **Enter Beginning Check Number.**
<CR> to answer **OK.**

Enter **N** for **Do you want to print an alignment form?** Checks will begin printing. You may print as many alignment checks as needed to get your checks and printer in sync. Alignment checks are assigned a number, which the system will automatically void. This is to provide an audit for all pre-printed check numbers.

Enter **Y** for yes when asked **Are all the checks OK?** only if the checks are ok. If your checks did not print correctly, for whatever reason, you should answer "**N**" to this question.

Answering no is the only way to reprint all checks in the current process.

Once you have answered "Y"es to the checks O.K. question, you will be prompted to reload plain paper in your printer.

 When checks have printed, you will need to submit them (checks) with **LESSON 11** exercises. Label this **REPORT # 4**.

 Select a printer option. You will need to submit this report (Summary Check Register) with **LESSON 11** exercises. Label this **REPORT # 5**.

Next your Check Register will print and you will be prompted to type a "C" to continue with the file update process. You must type a "C" at this prompt, there is not an option to print checks without updating all related files. This is also done for audit purposes.

Manual Check Processing

This feature is used when you have already entered and posted the vendor's invoice but the check needs to be written manually or printed interactively. You may have hand-written the check or you may use this feature to print the individual check for you.

If the invoice has not yet been entered into the system and a manual check was written, the invoice should be entered as a Prepaid transaction type in A/P Transaction Processing.

NOTE: *There is a posting step in manual check processing. Files will not be updated until the posting program has been run.*

Void Check Processing

This program is used to void any check you've issued to any of your vendors. Once the check has been voided the invoice is reinstated to the vendor's Open item file and is now included in their current balance.

NOTE: *The posting step for void check processing is done automatically when exiting the entry of a void transaction. Files will be updated and the void check register is required upon exit of the program.*



Let's void a previously posted check



Enter **AP-02-01-02** from any **SELECT:** prompt

Use the **AP** transaction operator that was created when the control record was entered.

Enter **3** for the *Vendor #*

Enter **<F4>** for the Check File from the *Check Date* field and select a check

Enter **<F4>** to *Void Check* once the check record is accessed

Enter **6/30/xx** for *Post Date* of the void

Enter **No** to *Do you want to review individual documents?* You will receive a message that *Check has been voided and Documents reinstated.*

<CR> to continue.

<F8> to exit and post the void

 Select a printer option. You will need to submit this report (AP Void Check Audit Report) with **LESSON 11** exercises. Label this **REPORT # 6**.

Answer the Questions for Lesson 11 before proceeding to the next Lesson.

LESSON 12: Overview of Inquiries and Reports

Learning Objectives

- ✓ Know how to analyze a vendor's account with the vendor inquiry program
- ✓ Know how to find/analyze a check with the check inquiry program
- ✓ Be familiar with the standard A/P reports

How to analyze a vendor's account with the vendor inquiry program

The Vendor Inquiry (AP0301) program allows you a quick glance at your vendor's account, current and past activity. You can also access information such as aging, G/L distributions, and discounts allowed. The exercises for this lesson will ask questions about information found in the Vendor Inquiry program. Review the options before continuing with this lesson.



Please refer to **SECTION AP-03-1 VENDOR INQUIRY** of the *Accounts Payable manual* for more information.

How to find/analyze a check with the check inquiry program

The Check Inquiry (AP0302) program helps you find and display the details of the checks you've processed. You may inquire about checks for a particular vendor or look for a particular check number or check date. This feature allows you to quickly answer any questions about a past check. The exercises for this lesson will ask questions about information found in the Check Inquiry program. Review the options before continuing with this lesson.



Please refer to **SECTION AP-03-02 A/P CHECK INQUIRY** of the *Accounts Payable manual* for more information.

Be familiar with the standard A/P reports

Cash Requirements Report

This is the same report produced as part of the *Selecting Items for Payment* menu. This report should be run as part of the normal payment cycle to provide assistance in deciding which outstanding items to pay. See **LESSON 10** for more information regarding this report.



Please refer to **SECTION AP-04-01 CASH REQUIREMENTS REPORT** of the *Accounts Payable manual* for more information.

A/P Trial Balance Report

This report shows all outstanding open items for an A/P account through the current period. This report should be used as a subsidiary ledger to reconcile the detail payables to the A/P balance shown in general ledger.



*Please refer to **SECTION AP-04-02 A/P TRIAL BALANCE REPORT** of the *Accounts Payable manual* for more information.*

Aged Analysis of Open Items Report

This report allows you to enter and “aging” date and then shows you the open items for a vendor or range of vendors and categorizes them based on the aging period defined in your AP control record.



*Please refer to **SECTION AP-04-03 AGED ANALYSIS OF OPEN ITEMS REPORT** of the *Accounts Payable manual* for more information.*

Purchases Journal Report

This report allows you to print the A/P transactions which have been distributed to a particular GL account. This report is very useful during audit situations to show the AP entries that posted to an expense account for a period of time. This report quickly shows any differences in expenditures for a time period.



*Please refer to **SECTION AP-04-04 PURCHASE JOURNAL REPORT** of the *Accounts Payable manual* for more information.*

Summary Check Register Report

This report prints a history of the checks you have produced through the SouthWare AP system. This is the same report that is printed for a month as part of the normal month end process. This is a good report to print after every check processing cycle to have a hard copy of the check information. The report shows manual checks, voided checks and prepayments which do not show on your normal check registers.



*Please refer to **SECTION AP-04-05 SUMMARY CHECK REGISTER REPORT** of the *Accounts Payable manual* for more information.*

Open Item Report

This listing allows you to print the open items that you have posted to the open item file and have not yet paid. There are three ranges for selection of records and there are various

purposes for printing this report. You also have the option to print detail of partial payments and only Hold status items.



*Please refer to **SECTION AP-04-06 OPEN ITEM REPORT** of the *Accounts Payable* manual for more information.*

Paid Item Report

This listing allows you to print the paid items that have not been purged from your files. This report is useful in research situations.



*Please refer to **SECTION AP-04-07 PAID ITEM REPORT** of the *Accounts Payable* manual for more information.*

Other AP Reports

There are many other Accounts Payable reports and file listings. The use of these reports will depend on what information you choose to track for your vendors.



*Please refer to the remaining sections, **AP-04-08** through **AP-04-09-07** in the *Accounts Payable* manual for more information.*

LESSON 13: Overview of Periodic and Year-End Processing

Learning Objectives

- ✓ Understand why the menu is arranged in the sequence it is
- ✓ Have a basic understanding of periodic and year-end processing

Menu checklist (AP05)

The menu under AP05 was designed as a periodic (monthly) checklist. Not all of the menu options are required each period. The important features to note are the G/L interface and the Period-End Update Process.

Important steps in Periodic and Year-End Processing

The G/L interface option was discussed in an earlier session. It's included in the Periodic processing section to remind those who choose to post their G/L entries to their General Ledger on a periodic basis. This posting is required for those interfacing with G/L on a periodic basis or their General Ledger will not be updated.

The Period-End Update Process automatically prints a Check History Report and changes the current period in the A/P Control Record. Having the period current in the Control Record helps avoid posting transactions with an incorrect G/L post date.

Note the History Purge programs are in this section. You can purge history at any time or you can never purge if you have enough disk space.

The Report and Clear YTD 1099-MISC Info process should only be done at the end of the calendar year. This process must be done for your 1099-MISC vendors to receive accurate 1099-MISC forms that are required by the federal government for tax reporting purposes.

Refer to the documentation, Section AP0506, for a complete explanation on how to process 1099-MISC forms.