



February 2012 Newsletter

When Expenses are Really Investments

As a Business Owner, you've probably heard this from customers making cutbacks: "I can't afford the expense at this time". The domino effect has likely caused you to view everything as an expense as well. When times get tough, companies curtail or cease spending. Everything that costs money is viewed as an expense. This mindset is one of the biggest downfalls of businesses in general. If everything is viewed as an expense, then decisions are based not on a growth model but rather a survival model.

The key is to know and understand the difference between what is an expense to your business and what is an investment in your business.

Areas that are considered an investment by companies that understand a growth model vs a survival model are Image and Marketing, Training and Development, Technology, Physical Location, and Hiring.

Ask yourself the following when considering a justifiable investment:

- Can it be directly measured for increased productivity in an area of the business?
- Can it be directly measured for greater efficiencies in a process or the business overall?
- Can it be directly measured for increased profitability of products or services?
- Can it be directly measured for increased sales in the business?
- Can it be recouped and realized as a financial gain as a result of the monies spent?
- Will it allow time for more income generating or income-producing activity?
- Will it improve individual, team or customer service performance?
- Will it enhance, reinforce, or protect the company image?
- Will it credibility or capability, which can be promoted?
- Will it aid in distinguishing the company against competitors?

If you answer yes to one or more of these, then what you are considering is an investment, not an expense.

When you are next thinking about upgrading your Open Systems or Traverse Software, adding applications, providing training to your employees, or putting in a new technical infrastructure ask yourself the above questions.

Especially on the accounting side, if you are not using the most current tools available to extract and analyze the

We do Hardware and Networks too!

You already know that we provide TRAVERSE and OSAS software services, but not all of our clients are aware that we also provide advanced systems and hardware services too! Our systems department specializes in servers, networking, firewalls and security, antivirus, email and web hosting, PBX, and other IT services. We can be your one stop provider of all IT and Technology needs, providing a more coordinated and managed approach that addresses your short *and* long term needs. Just call us for a free site survey to review your unique needs and find out if one-stop IT services makes sense for your business!



After Year/End Clean Up

W2's and 1099's are filed, most all the work is completed and ready to give to the CPA or Auditor for your taxes so now that the rush of year end is over it is time to do a little clean up:

- Purge Open Invoice Files if you have not already done so at year end. When you purge paid invoices it leaves all other history in tact it only removes and speeds up your Accounts Payable Processing.
- Set Customers, Vendors, Employees, and General Ledger Account numbers to INACTIVE if you no longer need them.
- Enter General Ledger Budgets for the new fiscal year.
- Close last year's Periods so that there will be no accidental posting to incorrect periods or years.
- Insure that you have 'updated the current General Ledger year' after all transactions have been completed in 2011.
- Send W4's to all employees so that they can update their tax status for the year 2011.

Invoice/Statement Messages

When printing invoices or statements you have to ability to have a message print on the bottom of the form.

Each invoice printed contains the message that you have selected to print once you have set up your various messages in Setup and Maintenance. These can be thanking your clients for their purchase or advertising an upcoming sale or event.

For statements these messages are setup in Business Rules and are entered as general, 30, 60, and 90, days. Depending on the age of the invoices on the statement the appropriate message will print.

Customer Deposits

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Do you take deposits up front on a Sales Order or Job?

You can apply the invoice to the customer's account. This creates a debit to Cash and a credit to the Accounts Receivable account . The issue with this approach is that you are creating negative Accounts Receivable amounts.

Another way to handle deposits is:

When you receive the deposit check go to Accounts Receivable, Transactions, Cash Receipts. Blank out Customer ID, enter the amount and check number. Apply this to the invoice ON ACCOUNT. Change the invoice number from ON ACCOUNT to the CUSTOMER ID. Process Cash Receipts as usual.

Set up a Payment Method Code called DEP. Set it up as a 'write off' and use the Customer Deposit GL account number.

When the invoice is generated you can apply the deposit amount to the invoice itself and it will show the remaining amount due.

For example if you took a \$5000 deposit on a \$10000 job. When you bill the job you would bill \$1000 and on the payment tab you would use the payment meth-

Select Payables

Did you know that once you have 'Prepare Payments' if you need to 'drop' an invoice from those invoices that are already prepared you can do that without having to 'unprepare' your payments and then re-prepare.

The Select Payables Menu item contains all the invoices that you have just prepared for payment. You can then go through vendor by vendor and/or invoice by invoice and 'drop' this vendor's invoice from the group that you had already prepared for payment.

When dropped it gives the invoice a status of TEMP which means it will NOT be paid in this payment run but upon posting the payment run the invoice will revert back to a status of RELEASED.

Save time, energy and stress at submittal time by testing.



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Quick Payroll Reminders

- Employee Social Security Rate remains at 4.2% and the Employer Social Security rate remains at 6.2% at least for now.
- If you did not change your FICA table back to 4.2% after year end you can still do so and it will be self-adjusting.
- The following states must pay Additional FUTA: AR, CA, CT, FL, GA, IL, IN, KY, MI, MN, MO, NC, NJ, NV, NY, OH, PA, RI, VA, WI, and VI. For more information check the Schedule A for 940.
- KY state Unemployment limit has raised this year from \$8000 to \$9000 per employee.
- 2012 W2 reporting includes Employer portions of HSA, and paid health insurance.



docUnity Report & Form Capture

With docUnity Report & Form Capture you can capture Forms (Customer Invoices, Vendor PO's etc.) and Reports that TRAVERSE produces. Data is automatically extracted from the PDF files and used to identify the document type and to add Keyword data so that the documents can be searched for and viewed in docUnity. Additional information contained in the TRAVERSE database can also be added to the Keywords if required. Searching for the reports or forms in docUnity is extremely quick and easy, and with a click you can view, print or email as wanted.

Looking for a full document imaging and management solution? docUnity also has the Document Management Solution which supports advanced scanning of external documents and links them to your TRAVERSE transactions, orders, vendors/customers, history etc!

Contact us for more information on these great solutions.

Bank Reconciliation

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In both TRAVERSE and OSAS you must set up BANK ACCOUNTS to direct incoming and outgoing funds to a particular account. All this function does is direct transactions to the proper General Ledger Account and allow processing to the proper Bank Account and GL number.

While this stream lines the process of Cash Receipts, Payroll, and Invoice Payments it does not keep up with the checks or deposits that have passed through the bank account, thereby you must go to either the AR history, the AP history, the PA history, or the General Ledger in order to reconcile your bank accounts.

With the Bank Reconciliation application all deposits and checks that are processed in AP, AR, PA, flow into bank reconciliation. They remain there so that at month end you can 'tag' each deposit or check that has cleared the bank and check your totals to know that your bank account is in balance with your General Ledger.

With Bank Reconciliation you can also enter transactions directly into Bank Reconciliation. These can be monthly fees electronically taken from your bank account or transfers of fund between bank accounts, or any adjustments that need to be made.

If these same adjustments occur each month you can set them up as 'recurring adjustments' and automatically bring them into transactions each month when you reconcile your bank account.

When you void a check out of Payroll or Accounts Payable this 'voided' check will also be reflected in the Bank Reconciliation balance. You can also void checks from right within Bank Reconciliation.

Want a demo of Bank Reconciliation and how it can speed up your processing? Give us a call!

