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BWC BusinessWare NEWSLINE

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TRAVERSE and OSAS News for BusinessWare Clients!

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Bill of Materials Kitting

Do you sell items that are actually made up of several Inventory items? Do you then have to enter each item that makes up this ‘Assembly or Kit’ onto the Sales Order so that the Picking Slip can be sent to the warehouse so that the proper items can be pulled from Inventory?

Bill of Materials/Kitting is an application that can save you time and money as well as insure that your Inventory is being relieved properly.

Bill of Materials are actually assemblies. What this means is that once ‘assembled’ these items are then stocked on your warehouse shelf as an assembly. To build these assemblies you create a Bill of Materials by assigning an Inventory item number to it. The quantities of each items are entered that make up this assembly. You can also add Labor, Overhead, and Processing dollar amounts that are involved in creating this assembly.

Once all the items and overheads have been applied to a Bill of Materials you actually BUILD the number of assemblies that you need. When the build is performed the raw materials are pulled from Inventory and become part of this ‘stocked assembly’ that you have just created. These assemblies are now ready to be sold.

Within an assembly you can also have ‘subassemblies’ that are also Bill of Materials that were first created and then added to the top level assembly.

Kitting is the other feature available with this application. Kits can be referred to as ‘phantom assemblies’ because they are not pre-made and stocked on the shelf in the warehouse. The Inventory item is defined as a kit when it is set up in Inventory. In the Bill of Materials/Kitting application you then define what items make up this Kit.

The items that make up the kit are not removed from Inventory until the Kit is actually sold. When the Picking slip is generated you have the choice of listing only the Kit ID, only the components that make up the kit, or both. Now you shipping department has a list of the components they need to pull to make up this kit.

When the invoice is generated you again have your choice as to whether you want to bill the Customer using only the Kit description, only the components that make up the kit, or both.

Bill of Materials/Kitting pulls all components from Inventory automatically. Those assemblies or components you were having to manually remove from Inventory will no longer have to be manually removed thereby increasing efficiency and accuracy.

If you are interested in taking a look at this application, just give us a call and we can schedule a demonstration for you to see how this application can assist your company.

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2011 Customer Excellence Conference

Mark your calendars for September 14th and 15th. This year's conference will again be at the South Point Casino in Las Vegas.

These two days are packed with break out sessions for both TRAVERSE and OSAS, access to the Learning Lab and the Vendor Booths that will show you various software and programs that can enhance your current suite of applications. Also get a view of the latest releases of software that will shortly be coming your way.

Watch the website for the early bird special at www.osas.com.

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Updating Current Year

Just a reminder that each time you post something back to the last year out of any application or through manual General Ledger entries and then Post to the Master in General Ledger you must 'Update the Current Year' to bring these balances forward to the current year beginning balances.

Switch to the most current year and in Periodic Processing select Update Current year. Check the top box and check the center box to open up the field to enter your Retained Earnings Account number. Click OK and then print the report that lists each account that was cleared to Retained Earnings.

Updating the Current Year can be performed as often as you Post to the Master in the last year's General Ledger.

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Split and Re-apply Accounts Receivable

A Customer’s account balance can be zero yet there are still invoices, payments, and credit memo’s that do not clear out when you ‘Purge Paid Invoices’. This is because the invoices, payments, and credit memo’s do not have the same ‘invoice number’.

This can come about when a Customer Deposit is applied to just the customer account an not a specific invoice. It can also come about when a credit memo is issued and either not tied back to the original invoice, nor given the same invoice number as the original invoice.

In Open Invoices, Hold/Release Invoices place your cursor next to the credit memo or the unapplied payment and select “S” to Split and Re-apply. Enter the amount to take from the credit memo or payment and enter the invoice number you want this applied to.

This will create a negative credit memo or payment number to zero it out and will apply the payment or credit memo to the original or requested invoice.

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Split and Re-apply Accounts Payable

There are situations where you have entered an invoice for payment and then decide that you will not be paying the entire invoice in one check or voucher.

You have the ability to take this invoice and split it into as many ‘invoices’ as you need. The process only allows you to split and re-apply to one invoice at a time but you can do it multiple times to get multiple invoices with different due dates and status’.

To split an open invoice into more than one invoice go to Pay Invoices, Hold/Release Invoices and select the vendor and invoice that you want to split into multiple invoices.

Select “S” and enter the amount that you want to move out of the original invoice and assign a new due date for this partial invoice.

To split this original invoice into another partial invoice, move your cursor back to the original invoice and “S” again, enter that amount and assign the new date to this portion of the invoice. This function can be repeated as often as you need to in order to generate the number of partial payments.

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Cash Receipts Negative and Positive

Using the Split and Re-apply can sometimes become confusing if there are a lot of invoices involved.

Another way you can move payments from one invoice to another is through Cash Receipts. You can apply a 'negative' cash receipt to a payment to put that invoice back into the open invoice file, and then immediately apply a 'positive' cash receipt to the invoice that should have originally had the payment applied to it. When you run the ?Cash Receipts Journal it will net to zero and correct the invoices that were paid or not paid.

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General Ledger Account Types

When setting up the General Ledger Chart of Accounts each account number is assigned an 'Account Type'. This account type serves several purposes. It tells the system whether this number is an Asset, Liability, Capital, Revenue, or Expense Account. It also determines whether this account is normally a Debit account or a Credit Account.

With the Chart of Account's types set up correctly there are also Management Reports that can be set up using these types. The content files that make up your Balance Sheet and Income Statement contents can be set up using Account Types rather than individual account numbers. This is especially useful if the actual General Ledger Accounts numbers are not in sequence but all have the same account type. One line can be used to describe this group of accounts by type rather than several lines needed to include each of these account numbers that do not run sequentially.

The Cash Flow Report also uses 'Account Types'. When setting up the Cash Flow Report you are will assign an account type to each inflow/outflow you are trying to analyze. For example to see the changes in Receivables that have occurred (increased or decreased) you would assign the account type(s) to the Change in Receivables line on the Cash Flow Report.

Once account types are assigned to each line the Cash Flow Report you can then analyze your inflows and outflows of cash compared to various periods in time.

If an account type had originally been set up incorrectly you can change the account type to another one as long as the two accounts types are the same Debit or Credit.

Never change an account type from a credit to a debit, or a debit to a credit because it will cause an imbalance in your General Ledger. What you can do to correct an account type is to add a new account number, apply the correct type, and make Journal Entries to move the amounts over.

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