

## STUDIO DESIGNER

### Accounting 2 – Participant

Thank you for enrolling in Accounting 2 for Studio Designer. Please feel free to ask questions as they arise. If we start running short on time, we may hold off on some of them and have a 5-10 minute session available after the class to answer any questions.

We ask you to be considerate of others, so please do NOT use a speaker phone at any time during the class. Although it sounds fine to those using the speaker, the static is multiplied many times to all other participants. You can have as many people as you like call into the conference number to listen in. Also, please mute your phones whenever possible to cut down on background noise.

This is Accounting 2

We'll cover:

- Changing check numbers and dates
- Voiding checks
- Removing incorrectly entered cash receipts
- Creating credits, refunding clients and recording vendor refunds
- Using Specifier to create Purchase orders where you won't pay the vendor
- Using the time billing rate box

This class assumes that you are comfortable with your software and have taken your accounting basic class.

### Changing check numbers and dates

(Great for bank reconciliations where the check was written in one month, but voided in a later month)

- o Locate the check that you want to change from within the Checks list
  - Click View
  - Change the check #, date and/or description
  - Watch out for:
    - Date changes on ALL transactions
    - Description changes on ALL transactions
    - Never change to a date in a closed year
  - Checks are grouped together by batch date, so it only associates checks with the same number, posted on the same date.
- o Use same procedure to change cash receipts (from the Receipts list).
- Voiding checks
  - o From the Checks list, click the Void button. All transactions that you see on the void screen will be reversed.
  - o Manually by entering a negative check
    - Always use the current date unless you have a specific reason for back dating.

### **Correcting cash receipts entry errors.**

- o Record a negative receipt of EXACTLY the same thing you did when the receipt was originally entered. This includes entering a negative amount in the Amount to Apply for the items at the bottom of the screen.
- o If unsure how the original deposit was entered, use the client payment application to see if the receipt was entered as a misc. receipt or client deposit. (Misc. receipts do NOT show up on the client payment application report.)
- o If the receipt was entered as a misc. receipt use the journal report or G.L. to see how the misc. receipt was entered.

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## Credits and Refunds

### Create the Credit

1. Create a credit item by clicking the Duplicate Button from within the original item. Change the quantity to a negative number (freight, crating, installation and other will NOT automatically become negative. You must manually, change or remove these.)

- If you will be receiving a credit or refund from the vendor, make sure that the appropriate amount is reflected in the purchase cost column as well. The example below includes a re-stocking fee.

Microsoft Access - [Design Item]

Item

Client: DOUGLAS  
Project:   
Room: 001  
Item: 004  
Component: A  
Vendor: MAX  
Ship To: CANYON  
Sales Code: FURN  
Designer:   
Inventory:   
Catalog:   
Code 1:   
Code 2:   
Proposal #:   
P.O. #:   
Invoice #:   
Ship Via: Best Way  
Terms: 50% Deposit  
FOB:   
Date Req:   
Attention:   
Sidemark: Venetian Console v  
Department: 01  
Specifier: No  
CFA:   
Expediting:   
Entry  
Credit for Venetian Console with Marble Top  
Restocking fee in other V

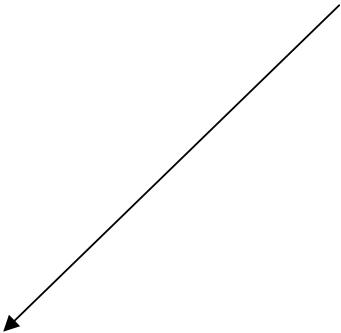
Costs Reminders Payments Specification

Purchase Cost		Budget		Selling Price						
Unit	Each	Quantity	1	Price	Mark Up Percent	Mark Up Amount	Total	Taxable	Deposit Percent	Deposit Amount
Unit Cost		-1		\$3,470.00			\$3,470.00	Yes	50	(\$1,735.00)
Sub Total			\$0.00	(\$3,470.00)			(\$3,470.00)	Yes	50	(\$520.50)
Freight	\$0.00			\$0.00	30	\$1,041.00	(\$3,470.00)	Yes	50	\$0.00
Crating	\$0.00			\$0.00	30	\$0.00	(\$1,041.00)	Yes	50	\$0.00
Installation	\$0.00			\$0.00	30	\$0.00	(\$4,511.00)	Yes	50	\$0.00
Other	\$100.00			\$100.00	30	\$30.00	\$0.00	Yes	50	\$0.00
Sales Tax	\$0.00						\$130.00	Yes	50	\$65.00
Total	(\$3,370.00)		\$1,685.00				(\$361.43)	50		(\$180.72)
							(\$4,742.43)			(\$2,371.22)

Form View NUM

- Add the credit item to the original PO. Enter the original PO # into the Add to PO field on the Payments tab and click the Add to PO Button.

Acknowledge:	<input type="text"/>
CFA Approved:	<input type="text"/>
Est Ship Date:	<input type="text"/>
Date Shipped:	<input type="text"/>
Received:	<input type="text"/>
Delivered:	<input type="text"/>
Move to Inventory	<input type="text"/>
Add to P.O.	<input type="text"/>



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## Refund the Client

2. Write an office check to the client using suspense as the expense account.
3. Record a negative client deposit on the item changing the cash account to the suspense account.
  - Use the check number that you wrote to the client in the check # field. Type "Refund" after the check #. ("3293REFUND" in the check number field)
  - Enter the date that the refund check was printed.
  - Enter the refund amount in the Amount to Apply column for the credit item.
  - Click Apply Payment.

**1 Enter the Client Payment**

Client: DOUGLAS  
Project: [Dropdown]  
Amount: (\$4,742.43)  
Date: 4/19/2007  
Check #: 3293Refund  
Description:  
Credit Card:  
Credit Card #:  
Expiration:  
Authorization:

**2 Apply the Payment to Items**

Received: (\$4,742.43)  
Applied: \$0.00  
Remaining: (\$4,742.43)

**3 Post the Payment**

Apply Payment  
Cash Account: 1910  
Department: 04  
Apply Misc Payment  
Income Account: [Dropdown]

**Client Payments**

Deposits Received: \$19,583.26  
Deposits Applied: \$19,583.26  
Deposit Balance: \$0.00  
Retainers Received: \$0.00  
Retainers Applied: \$0.00  
Retainer Balance: \$0.00  
Invoice Payments: \$0.00  
Total Payments: \$19,583.26

Project	Proposal #	Invoice #	Description	Selling Price	Freight/Tax	Payments	Balance	Amount to Apply
View			Credit for Venetian Console with Marbl	(\$4,511.00)	(\$231.43)	\$0.00	(\$4,742.43)	
View			Queen Duvet Cover	\$455.00	\$0.00	\$0.00	\$455.00	
View	0001	1	Venetian Console with Marble Top	\$4,511.00	\$372.15	\$4,883.15	\$0.00	
View	0001	2	Marble Top for Venetian Console	\$1,183.00	\$97.60	\$1,280.60	\$0.00	
View	0001	3	Tulip Iron Sconces	\$1,170.00	\$96.53	\$1,266.53	\$0.00	
View	0001	4	Reupholster Side Chair	\$487.50	\$40.22	\$527.72	\$0.00	
View	0001	5	Fabric for Side Chair	\$499.20	\$0.00	\$499.20	\$0.00	
View	0002		Reupholster Vanity Chair	\$461.50	\$38.08	\$499.58	\$0.00	
View	0002		Vanity Chair Fabric	\$450.45	\$0.00	\$450.45	\$0.00	
View	0002	9	Venetian Pedestal Sink	\$1,781.00	\$146.93	\$1,927.93	\$0.00	
View	0002	9	18th Century Venetian Wall Sconces	\$2,236.00	\$184.47	\$0.00	\$2,420.47	
				\$36,349.95	\$2,797.24	\$19,583.26	\$19,563.93	

4. Invoice the item(s), the credit by itself or with other existing items.

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## Record a Vendor Refund

1. When the refund check is received from the vendor, record it as a miscellaneous cash receipt using suspense as the income account.
2. Through Order Check Vouchers, enter the vendors refund check as a negative manual check on the credit order. Note that in the example below, we only received a partial refund of \$490.00 as we had not paid the original item in full, and they also deducted the balance of another item before refunding the remainder.

The screenshot shows a Microsoft Access window titled "Microsoft Access - [P.O. Check Vouchers]". The main window displays a table with the following columns: P.O. #, Vendor, Client, Vendor Inv #, Inv Date, Inv Due, Amount, Payments, Pending, Balance, and Check Amount. The table contains 16 rows of data, with row 23 highlighted. Below the main table, there is a detailed view for row 23, showing item descriptions and their respective amounts.

P.O. #	Vendor	Client	Vendor Inv #	Inv Date	Inv Due	Amount	Payments	Pending	Balance	Check Amount
31	MAX	DOUGLAS				\$4,600.00	\$0.00	\$0.00	\$4,600.00	
30	EUROFAB	DOUGLAS				\$1,595.50	\$0.00	\$0.00	\$1,595.50	
29	MAX	DOUGLAS				\$835.00	\$417.50	\$0.00	\$417.50	
28	EUROFAB	DOUGLAS				\$310.00	\$195.00	\$0.00	\$115.00	
27	STAR	DOUGLAS				\$900.00	\$450.00	\$0.00	\$450.00	
26	STELLA	DOUGLAS				\$275.00	\$137.50	\$0.00	\$137.50	
24	EUROFAB	DOUGLAS				\$384.00	\$192.00	\$0.00	\$192.00	
23	MAX	DOUGLAS				\$1,010.00	\$1,500.00	\$0.00	(\$490.00)	(\$490.00)
22	STELLA	TAYLOR				\$255.00	\$127.50	\$0.00	\$127.50	
21	GOLDEN	TAYLOR				\$2,300.00	\$755.00	\$0.00	\$1,545.00	
20	MAX	SMITH				\$4,700.00	\$2,350.00	\$0.00	\$2,350.00	
19	EUROFAB	SMITH				\$918.00	\$235.00	\$0.00	\$683.00	
18	MAX	TAYLOR				\$1,400.00	\$700.00	\$0.00	\$700.00	
17	STELLA	GOLDMAN				\$280.00	\$110.00	\$0.00	\$170.00	
16	MAX	GOLDMAN				\$4,200.00	\$2,100.00	\$0.00	\$2,100.00	

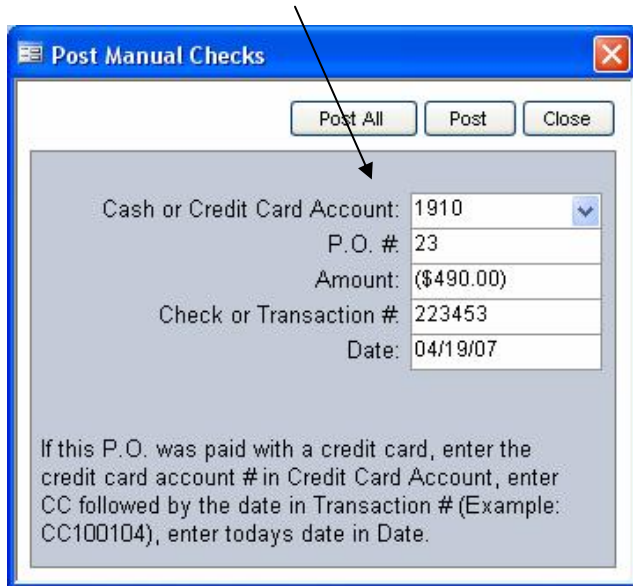
  

Item Description	Inventory	Vendor Inv #	Inv Date	Inv Due	Amount	Payments	Pending	Balance	Check Amount
View Venetian Console with					\$3,470.00	\$1,000.00	\$0.00	\$2,470.00	\$2,470.00
View Marble Top for Venetia					\$910.00	\$500.00	\$0.00	\$410.00	\$410.00
View Credit for Venetian Cor					(\$3,370.00)	\$0.00	\$0.00	(\$3,370.00)	(\$3,370.00)

3. Click Post Credit Card or Manual

a. Change the cash account to suspense and use the vendors check number in the Check # field.

SUSPENSE = 1910



Post Manual Checks

Post All Post Close

Cash or Credit Card Account: 1910  
P.O. #: 23  
Amount: (\$490.00)  
Check or Transaction #: 223453  
Date: 04/19/07

If this P.O. was paid with a credit card, enter the credit card account # in Credit Card Account, enter CC followed by the date in Transaction # (Example: CC100104), enter todays date in Date.

4. Click Post

5. If the credit will only offset the cost of the original item or another open order, you will need to record a manual check on the original item (or the item that the credit will be applied to) and a negative manual check on the credit item to remove the open balances.

6. If you will be applying the vendor credit to another outstanding order of greater value, as opposed to receiving a refund, simply select the credit order for payment, along with the order the credit will be applied to the next time the vendor is paid. The credit item will then be listed on the check stub for both your record and the vendor's record.

\*\* The same procedure can be used whether the items have been invoiced or just proposed.

**Credits create an audit trail that can be clearly followed by both your office staff and your clients. They also help to insure that sales tax credits are recognized.**

### **Using Specifier-Yes to create a Purchase Order and not be expected pay the vendor**

- There are instances where you may need to create a Purchase Order, but will not be paying the vendor directly.
  - o Client is using a purchasing agent (commercial jobs)
  - o Client will pay vendor directly
  - o Ordering office furniture, etc.
  
- From within the item screen, change Specifier to Yes. This will allow you to create a purchase order, but not generate any accounting transactions and will not show up on your accounts payable report.

### Using the Time Billing Rate Box

- The way that the time billing rate box works is dependent on two things:
  - o The setting selected in the System Master
  - o Completing entries within the Rate Box
    - Depending on the information entered into the Rate Box, my description, client rate, account, billing code and taxable can come in automatically.

#### Example:

- My rates vary for each client as well as the group that is doing the work
- In this example, my groups are:
  - Senior designers
  - Junior designers
  - Administrative personnel
- In the System Master Time Billing Rate = 03
- In my Time Billing Rate box, I must enter every client three times like below:

Time Rate Add Delete Close

	Client	Employee	Group	Activity	Description	Client Rate	Account	Billing Code	Taxable
	DOUGLAS		JUNIOR			\$75.00	4210	B	No
	DOUGLAS		SENIOR			\$150.00	4210	B	No
	DOUGLAS		ADMIN			\$40.00	4210	B	No
*									

- This means that if I have 20 clients, I will have 60 lines in my rate box.
- **It's best to keep it as simple as possible.** For instance, if all of my rates only changed by group and all clients paid the same rate, I would only need three lines in my rate box. One for each group and my System Master would be set to 13.
- Because time billing entries can be entered for all time, I could create a group called OFFICE and set it to Billing Code O in the rate box and it would automatically be excluded from invoicing.