

October 1998

ADVANTAGE

BUSINESS COMPUTER SYSTEMS

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Featuring Dunn Lumber Company

Located in Seattle, the center of the bustling Puget Sound region of Washington state, Dunn Lumber Company has been serving both contractors and do-it-yourself (DIY) customers since its founding in 1927.

Structured as a strictly cash-only lumber yard during the depression years, Dunn grew to be known as *the* low-priced source for building materials in the Seattle area. Buying direct in carload quantities from the largest mills guaranteed a steady, low-cost supply of

quality building materials. This led Dunn Lumber Company to ever expanding sales and a growing customer base.



In 1938, a spectacular fire destroyed all of the lumber sheds, stock, trucks, and offices at the sole location. After clearing away the remains, 68 carpenters, many of which were customers, worked two shifts a day to construct a new 18,000 square foot building in just twelve working days. The new building has proven to be an excellent facility for sales and distribution of lumber and building materials. Located on Lake Washington, it continues as the corporate headquarters and its largest volume Dunn yard today. During the following years, Dunn has increased in size and now operates ten full-service lumber yards serving King and Snohomish counties, two of the fastest growing in America.

The post World War II era saw Dunn experience even greater success. The combined demand for new housing in the suburbs and the constantly growing remodeling market in Seattle helped spur sales to an even higher level. Dunn has become known as the supplier of choice for both professional contractors and weekend DIY builders. Dunn remains focused on what they do best...providing a comprehensive inventory of basic building products along with an experienced staff that can provide the assistance and knowledge necessary to satisfy their customers needs.

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Newsletter

P O Box 421
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Dunn is constantly evaluating and changing their inventory mix to be certain that they have the products in stock to satisfy their customers needs. During the last decade it became clear that the market was changing in an accelerated fashion with the opening of the “box” stores. Up-to-date information was needed to chart the course. The decision to go with Advantage was a fortuitous one. The ABCS database program has provided them with timely, relevant, usable inventory control information allowing them to maximize inventory turnover while increasing profit margins at the same time. Especially useful is the ability to review daily the individual yard location sales data on a departmental and class basis, which allows them not only to track profit and performance but to anticipate future purchasing needs.

Vice President Mike Dunn says, “Although the road from manual inventory systems to computerized is always a trying one, Advantage came through and has given the needed encouragement and support to propel Dunn Lumber into the fullest use of its systems”. “It can be fairly said that without the ABCS program, Dunn would be less profitable and would have greater difficulty mapping a business strategy for the future. The responsiveness of the Advantage personnel and their ability to customize the



program to fit Dunn’s individual information needs have been outstanding. We are looking forward to a continuing successful working relationship with ABCS.”, says Jim Coshow.

From the President’s Desk,

The “Advantage way” continues to be distinct. While we boast of our accomplishments offered in the new release, it is not because we are trying to convince you to purchase it. It’s already yours, if you are current with your account. It is because we want you to use it! We are even excited about sending you this next release even though we will not receive a single dime of additional income as a result. We want all of our users to keep growing your business and your successes. Providing you an enriched package ensures us both that together we can continue to compete and survive in the years to come. That makes us both profitable!



Thanks to so many of you, our partners in continued sales, we are again having a good year. Although, just as you, our costs continue to rise, our commitment still remains to work diligently to keep our overhead down. Again, we are unique to the industry (Our competitors are rapidly raising their fees in order to keep up with their appetites. In one case, a nearly 90% increase was assessed.). We hope to avoid any need to increase our current maintenance fees. A key is your cooperation. We are offering more and more user tools to offset our rising costs. The more use you make of the existing and new tools (provided for user-help, cross-training of your staff so that more than one person knows how things are done, and following the instructions and recommendations offered in these newsletters and other references) the greater the effect on our bottom line.

We don’t intend to change our old-fashioned method of providing real, live operators and technicians when you call, even though it has become another unique value in our industry. Your support fees continue to allow us to offer you what we think you find valuable.... real people providing you realtime solutions to your business needs.

For those of you that are new to the Advantage family, we welcome you. This next month will be exciting for us all as we usher in the 9809 Version of the Advantage System.

Scott W. Stanford

WHAT SHOULD YOU BE DOING IN PREPARATION FOR THE YEAREND?

Good bookkeeping practices would dictate that all of the below listed procedures be done throughout every month, not just at yearend. The fiscal or calendar yearend, however, demand that reconciliation be done to allow proper accounting for tax purposes. The once or twice a year attempt to reconcile these files creates an unnecessary burden on all involved. Any potential problems resulting from improper procedures or configurations can only be effectively dealt with on a day-to-day basis. The time you save in not doing this in a timely manner may likely result in many more hours spent in manually reconciling errors.

ACCOUNTS PAYABLE:

- Clean up vouchers: Follow-up with vendors regarding any open credit vouchers, not yet issued by them. Print the Voucher Listing report for open vouchers only and review each invoice. Void invalid vouchers. Check with your CPA regarding the significance of voiding vouchers from prior periods.
- Clean up voucher distributions: Print the A/P Distribution report or the A/P Voucher Listing with a G/L summary to confirm distribution of expenses. The Voucher Listing report will read history once you are on the next release. The A/P Distribution report only reads history by entering the [F8] history path. See the "Setting history paths for report generators" document for specific instructions.
- Balance A/P aging to the Accounts Payable G/L account: See the [F1] help screen on "Accounts Payable" from the main menu for specific instruction on tips in balancing.
- Reconcile your bank statements to the G/L: Either use the "Check reconciliation" program or manually balance the bank account to your General Ledger bank account. See the "Check reconciliation" document for specific instructions.
- Confirm 1099 miscellaneous vendors tax information: Contact your CPA for specifics regarding your responsibility to report 1099 miscellaneous income, if you are unfamiliar with the process.
- Send out W-9's to 1099 miscellaneous vendors, if not on record.
 - Confirm addresses, corporate status, YTD payments, etc.

ACCOUNTS RECEIVABLE:

- Clean up customer accounts of unapplied credits and open credit invoices.
- Charge-off bad debt accounts: Determine if any account balances will be deemed uncollectable. Print an A/R Aged Trial Balance report to evaluate accounts with severe past due balances. See the "Uses of the Charge Off" document.
- Balance A/R aging report to the Accounts Receivable G/L account: See the [F1] help screen on "Accounts Receivable" from the main menu for specific instruction on tips in balancing.
- Clean up customer job accounts: Close and/or delete completed customer job accounts to reduce confusion regarding valid or invalid job accounts. The A/R detail or ability to reprint invoices will not be effected by deleting the job account.

GENERAL LEDGER:

- Balance each G/L account to its corresponding subledgers or detail: Critically analyzing the YTD activity within each G/L account against an appropriate audit trail will confirm the accuracy of your data. The key to this process is to determine the appropriate audit trail. For an asset account on a vehicle, securing a schedule of the principal verses the interest paid in each payment will provide an audit trail for the payments expensed and the remaining loan balance. Contact your CPA for assistance in determining the appropriate audit trail for each account. Some examples are listed of common audit trails for basic accounts are as follows:
- Accounts Receivable = Current A/R Aged Trial Balance after all G/L postings are posted and no users are on the system.
- Accounts Payable = A/P Aging Report by Fiscal Period after all G/L batches are posted and no users are on the system.

Inventory = Valuation and GM report by average cost and for all items, after all G/L batches are posted and no users are on the system.

Sales = Combined total of each month's sales registers....maybe. The assumption is that you do not manually post to the Sales account from any other source than POS. This can be confirmed by running the G/L Sales account detail listing and verifying that no other "source" codes appear outside of POENTRY.

Cost of Sales = Certainly POS is posting to this account, but so are many other sources, typically. Inventory adjustments, physical count variances, and PO adjustments may also be posting to this account. It would be quite difficult to find any one source for an audit trail. Printing the G/L Cost of Sales account detail listing and confirming the "source" of the entries would provide various audit trails to consider.

INVENTORY:

Clean up any open inventory transfers: Open or invalid transfers should be received or cancelled as is appropriate.

Print the "Clear/report inventory open transfers" report to review each transfers status.

a) Any "shipped" transfers should be "received" prior to the end of any period.

b) Invalid transfers should be cancelled in each store prior to the end of any period.

Conduct a physical count: A physical count with the store closed, is the most accurate method of inventory count processes. The accuracy of your on-hand counts times its average cost (On-hand X average cost= value) equals the value of your existing inventory. Inaccurate counts make it impossible to establish a meaningful inventory value. See the "Inventory count procedures" documents for specific instructions.

Balance the Valuation and GM report to the Inventory G/L account(s): See the "Balancing inventory value to the G/L value" document for specific balancing instructions.

PAYROLL:

Confirm payroll tax liabilities for the yearend: Review the total tax liabilities collected this year versus the total tax deposited and/or to be deposited. This should be done as you complete each quarter's reports, but a combined YTD reconciliation is good bookkeeping practice to confirm the year's activity prior to producing the last quarterlies and W-2's.

Confirm YTD earnings information: When balancing payroll YTD information, remember that the system has calculated various pay types based on the deductions and what they were or were not "subject to" at the time of the pay check. Inconsistencies are typically the result of the deduction being setup incorrectly and then altered after checks had already been posted. In the case of withholding taxes or deductions that are not subject to tax, errors found may require corrections to be made in the affected quarter's tax deposits and quarterlies. The only changes you can make on the Advantage System are in the Employee Maintenance record. Check detail cannot be changed. Balancing will then be limited to the Wage and Tax report by "M"aintenance records. The system will use the Employee Maintenance record data in printing W-2's.

a) Print Wage and Tax report: first by "C"heck history (if you have been on the system the entire year), and then by "M"aintenance records. Compare the two to confirm they are the same for each employee. If you have not been on the system the entire year, use the "M"aintenance option to balance against the "C"heck history plus the YTD earnings from your prior system. If you entered the YTD earnings correctly when you first converted to the system, these should balance to the "M"aintenance totals. The "M"aintenance totals are the totals that will be used to print the W-2's. Any needed editing should be done with care and again balanced when all changes have been completed. Please contact your CPA for accounting assistance in combining figures from your prior system and those on the Advantage System.

b) Use the Federal/state tax report to balance the FICA/Medicare YTD wages and withholdings. This is a place where the deduction "subject to" fields will greatly influence the YTD accuracy of these types of

earnings. Printing the “Deduction history report” in detail will show you the status of a deduction at the time the check was printed. Check history cannot be edited. In all withholding taxes, the audit trail for what was actually calculated when the check was written holds true. If you have discrepancies due to improper setup or need assistance regarding specific deduction setup and how to calculate FICA/Medicare YTD wages, contact your CPA for assistance in these accounting issues.

c) Print the Local Tax report for YTD local tax liabilities. The same rules apply as in (b), above.

d) Print the Quarterly Federal/State Unemployment report and balance to your YTD FUTA/SUTA earnings. This is a place where the deduction “subject to” fields will greatly influence the YTD accuracy of these types of earnings. Printing the “Deduction history report” in detail will show you the status of a deduction at the time the check was printed. If errors are found, make manual corrections on the reports. Since these reports do not affect any withholding from employees but only confirm any tax liability the company has, manual changes can be documented for audit trail purposes. Confirm that the deductions are properly setup for the next year to avoid this issue in the future. Please contact your CPA for accounting assistance in combining figures from changes or from your prior system and those on the Advantage System.

e) Print the Workmen’s Compensation report for YTD compensation earnings. The YTD accuracy of these types of earnings will be based on the configuration setup under “Workman’s compensation” codes from the beginning of the calendar year. If the fields were not setup properly or added later in the year, the system will not calculate accurately. This report was designed to provide the data you need to calculate your state’s workmen’s compensation. It may not actually calculate the liability based on your state’s requirements, as every state is so varied. Please contact your CPA for accounting assistance in making any needed adjustments, or instructions on how to calculate your state’s liability.

f) 401K/125 Plan deductions are setup as deductions on the Advantage System. Again, we emphasize that deductions that did not have their “subject to” flags set properly in the beginning will have created inaccuracies in the taxable and nontaxable earnings. If this is the case, contact your CPA to determine tax deposits and amendments that may be needed. The only changes you can make on the Advantage system are in the Employee Maintenance record. Check detail cannot be changed. Balancing will then be limited to the Wage and Tax report by “M”aintenance records.

g) Adding additional income to employee earnings: Earnings, such as car allowances, non-cash benefits, etc. must be reported as additional income on the W-2. Confirm with your CPA the amounts and whether they are taxable, placement and qualifications for these types of earnings. These must be added to the employee pay records in order to appear on the W-2. They may be added to the last month of the year, quarter or in each month as your CPA dictates.

Update current and former employee records in preparation for W-2’s:

- a) Mark all terminated employees as such.
- b) Update addresses, as needed.
- c) Have employees verify their social security numbers are correct.

POINT-OF-SALE:

Clean up open sales orders, quotes, or estimates: Invalid sales orders that will never ship should be cancelled in order to not clutter tools, such as the Open Order Status report. Print this report in detail and evaluate each order found to confirm it is still a valid open order.

Quotes and estimates will expire upon the expiration date. Expired quotes and estimates will archive to history and, therefore, should not be causing a problem. However, if the user entered an extended time period on the quote or estimate, it may be causing unexpected pricing issues. Print the “Multiple Quote/Estimate

Listing” to review open quotes or estimates.

To cancel orders, quotes, or estimates, bring it up at POS and go to the “Print” options and choose the “Cancel” option.

PURCHASING:

Clean up open purchase orders or backorders: Verifying the status of all open purchase orders and therefore “on order” quantities will enhance the accuracy of purchasing reporting and decision making for stocking needs. Print the “Open purchase orders” report and verify the status of each open purchase order. To cancel invalid purchase orders and backorders, simply pull the PO backup and go to the “Print” screen and choose “Cancel”.

Receive all delivered open purchase orders prior to the close of any period: Completing the “receiving” process before each month’s end is required for accurate inventory values and cost accruing.

THE LATEST AND THE GREATEST IS COMPLETED! THE 9809 RELEASE OF THE ADVANTAGE DATABASE VERSION IS READY FOR DELIVERY

It is always with pride and excitement that we release a new version of the Advantage System’s database software package. The accomplishments of our combined staff of programmers and support technicians have put together what we believe to be an exceptional release. Along with the featured enhancements, some of which we have shared with you in earlier newsletters, great strides have been made to put user-help tools into your hands.

The addition of the “Frequently Asked Questions” database already contains of hundreds of questions and answers to commonly asked questions. This resource will provide many of the quick answers or confirmations you may need when using your Advantage System. It is the beginning of what will become a “browser” of help screens, documents, and these FAQ’s found throughout the system. That final product is still another release or two away.

New and existing documentation has been added or updated to provide a deeper resource of self-help instructions. Step-by-step instructions for the routine, as well as the less familiar processes, offer a visual guide. The “How To” reference files have also been moved to their corresponding module for your convenience. Giving you instant access to either display or print the instructions when you need them will provide a timely resource.

We are confident that these tools, along with the multiple enhancements that accompany your new 9809 Release, will assist in elevating you to a higher level of usage in your Advantage System.

BEFORE ACTIVATING YOUR 9809 RELEASE READ THE RELEASE NOTES!

Once you have loaded the update tape, you may view or print the new release notes. This is a **MUST** prior to activating the release. There are a few new configurations that you will need to be aware of prior to going “live” on the new release. In addition, the release notes will update you on new enhancements and features now available.

SYSTEM ADMINISTRATION > PREVIEW NEW RELEASE NOTES

BE WATCHING FOR YOUR UPDATE TAPE SOON!

SALES AND MARKETING

From the desk of Gregory Cuke;

Sales are what make the world go around. Just ask any salesman! This month though I would like to focus a little on our development, as it is the continued enhancement and growth of our product that makes it so easily saleable.

During the last several months our programming staff have been hard at work writing code to further enhance our product. Some of the changes in the next release were designed from customer input, but one new and, in my view, major addition is the inclusion of the Frequently Asked Questions (FAQ) database. As you already know, Advantage is at the forefront in this industry as far as on-line manuals and help are concerned, but the FAQ now takes us once again leaps and bounds ahead of our competition. The FAQ is designed to help users improve their use of the system. Our goal is to make all of our customers "super users" so that they are able to take advantage of the varied cost and time saving benefits that are a part of the Advantage System.

The new release is out in Beta test now and should be in your hands shortly. I hope that you will find the new features as exciting as we do.

Gregory Cuke

AFFORDABLE LASER PRINTERS

Laser printers have continued to impact the printer market as a "must have" printer. Their clarity of print provide users with clean, easily read documents. The use of plain bulk paper have provided tremendous cost savings over tractor-fed paper. But, if none of that impresses you, how about speed? The new Advantage compatible laser printer from HP will print 17 pages per minute. Compared to the counter part dot-matrix printer which only prints 1-1/2 pages per minute, the laser printer is lightning fast. Reports, statements, and now even checks are supported on laser printers within the Advantage System. The "landscape" capability of the laser printers have also given us new report format options, only available for laser printers.

Call your Sales Representative today for price quotes on a compatible laser printer to add to your Advantage System.

SUPPORT ALERTS

SCO 5.04 USERS:

If your operating system has been upgraded or you have purchased a new machine, in the last 12 months you likely are on the SCO 5.04 version of the operating system. If so, this alert is for you.

When doing "Bootroot" floppies, in multi-user (you or others are logged in) mode, you may have experienced a "PANIC K-trap" or a "Memory fault core dump" error. If you have experienced this please do not continue to attempt bootroots in multi-user mode. The bootroot floppies may safely be created in single-user mode (this is where you are when you do the rootbackup tape). From prompt, while in single-user mode type in "bootroot". The system will then prompt you for the diskettes, as usual.

ALL USERS:

Anytime your system has gone down unexpectedly, (PANIC's, core dumps, harddrive failures, power outages, harddrive out-of-space, etc.) take the following steps to ensure the best possible recovery of your data's integrity:

- 1) Save the daily backup tape from the prior day's business, indefinitely.
- 2) Keep all users off of the system and complete a full data reorganization. This process could take several hours, based on the size of your data. It cannot be interrupted and no users can be on the system while it is running. If you do not do this prior to going "Live" on your system you may experience a loss of data and/or corruption of data.

Single stores: System administration > Database maintenance > Reorganize/auto-create databases

- Press [Home] to select all databases
- Press [F10] to activate reorganizations

Multiple stores: Other options > System command prompt

Primary store:

- At the # sign type in "dbfreorg all"

Each additional store:

- At the # sign type in "dbfreorg local"

These can be started on multiple screens, keeping in mind that the more you start the slower the system will run. As a rule, start one store per processor.

Example: If you are running on a dual processor, start two stores.

FASTER Cash Slip Printers

They are new and WOW are they fast! The Star printer you currently have prints 2 lines per second. These new thermal slip printers will print 32 lines per second. That is 16 times faster than your current printer.

Is speed an issue when printing receipts at Point-of-sale? Well, no longer. The new thermal cash slip printer is your answer. At a cost of 1 penny per inch, the thermal paper still provides a cost effective alternative.

Delivering high performance printing speed and reliability at a very competitive price, the new printers are being offered at \$595.00.

FOR MORE INFORMATION OR TO PLACE AN ORDER CALL SALES AT EXT 216 OR 242.

BASIC AND DATABASE USERS:

Taking your system down once a week is a must. The operating systems, print spoolers, and directory structures must be allowed to clean themselves up. User frustration and unneeded support can be avoided by following this requirement.

Advantage Academy

Another session of the Advantage Academy has come and gone this week. We always enjoy the opportunity to meet the faces of those we talk to over the phone. The relationship we build over the phones seems to be sealed with those handshakes and finally an eye-to-eye connection. There is always a lot of laughter and memories as the stories unfold, typically with "I'm the one who.....". It's a priceless time for all of us.

Every session we learn something new about our users and their needs and every session we know they learn something new about the software package and the company they have placed their confidence in. We all benefit from this time of coming together.

If we haven't seen you here in the last year or so, make plans to attend the next session of the Advantage Academy in January, 1999. Learning to more fully utilize your system is an investment in your future.

Timely Connections

"But there are just so many hours in a day".... "I can only do what I can do".... "I'll get to it later"....

Do those phrases seem like something you hear often or even say to yourself? We have found that "later" generally means never, or even worse, "I am down"!

Just as you maintain the servicing of your vehicles, it is just as important to put the servicing of your system at the top of the list. Can you afford a down system? Utilizing your monthend procedures (rootbackup, boot, root, and cleaning your CPU) will help in preventing the catastrophic, "I am down" phrase. Normal usage of a machine causes normal wear and tear, as in your vehicles. But, also as in your vehicle doing preventative maintenance will prolong it's life.

So, if you want to keep your customers happy, and your stress level down, an ounce of prevention is worth a pound of cure.

Herb Matatall

IT'S TIME TO REORDER 1998 IRS TAX FORMS!!

W-2'S and 1099 MISCELLANEOUS FORMS

Orders are being taken now thru November 10th. Prices are listed on the order form. Shipping is scheduled for mid-December.

- * **IRS authorized and approved!**
- * **GUARANTEED 100% compatible with your accounting software.**
- * **Save time with compatible envelopes.**

If you have any questions call:

1-800-991-7283 Extension 246 or 204

Look for the order form in the September issue of the Advantage Newsletter.