

October, 1999

ADVANTAGE

BUSINESS COMPUTER SYSTEMS

(903) 636-5200 Fax (903) 636-4674

featuring: **BAILEY LUMBER & SUPPLY**

Sherwood R. Bailey, Sr. grew up on a farm in rural Scott County, Mississippi, the youngest of five boys. He worked with three of his brothers in Jackson, Mississippi before he moved south to the "coast." In 1951 with his brothers as partners, he started Bailey Lumber & Supply of Gulfport. As the business began to grow, the family ventured out into home building, real estate brokerage, land development, motels, apartments and insurance. Bailey Lumber's largest customer for many years has been its own construction division.

In the early 1980's when Sherwood R. Bailey, Jr. became president, he felt the company needed to invest in a computer system. "At that time," stated Mr. Bailey, "my dad was not too excited about bringing in this new technology. Nevertheless, we installed our first computer system in 1983."

By 1993, Bailey Lumber felt compelled to look for a new computer system. A number of systems were reviewed and Advantage Business Systems was selected. Advantage was competitively priced and designed to take Bailey Lumber into the future.



"Throughout this expansion and with a volume now in excess of 50 million per year, Advantage Business Systems has been with us every step of the way," says Mr. Bailey, Jr.

Richard Kostal, General Manager of Bailey Lumber, says, "Advantage has always been willing to assist us with any problem that develops," Richard along with Jill Gay, Systems Manager are the liaisons between Advantage and Bailey Lumber. Jill comments, "I can call them at any time, day or night, to assist me. They have been especially helpful during our recent expansion."

Richard Kostal sums up the relationship between Bailey Lumber and Advantage by saying, "We are looking forward to a bright future and plan on Advantage being aboard in the new millennium and beyond."

Newsletter

P O Box 421
Big Sandy, Tx 75755-0421

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END OF MONTH PROCEDURES

The End-of-month procedure must be run every month to clear and recreate the month-end data area, clear the month-to-date totals for A/R and Inventory, close the A/R statement period, and archive closed transactions to history. Read the “How to reference file” documents listed below to become familiar with these processes.

- Data tape archives
- EOM closing procedures
- EOM multi-store closing (helpfile)
- EOM reminders
- EOM single store closing (helpfile)
- Hard drive space management
- History archiving (helpfile)
- Monthly history archiving
- Understanding multi-store EOM processing
- When EOM fails (helpfile)

Before running the EOM for the first time, you must configure the End-of-Month procedures by going to End-of-month/year> Administrative menu> EOM header configuration and setting the defaults for your system. End-of-Month procedures can only be run after the store is closed, all users are logged off of the software, and End-of-Day has been run.

1. **ON THE END-OF-DAY MENU, RUN THE “EXECUTE A STORE END-OF-DAY.”** Select either single store or multi-store depending on your system configuration.
2. **AFTER END-OF-DAY HAS RUN, POST ALL REMAINING G/L BATCHES.** See the General Ledger> How to reference files> “General Ledger batch procedures” document.
3. **CLOSE THE GENERAL LEDGER** using the “Close the current fiscal month or year” option. *NOTE: Closing the General Ledger before running the End-of-month procedure is acceptable every month, except for the last period of your year. (If you close the General Ledger before running the End-of-month procedure on the last period of the year, you will not be able to make adjusting entries to your year-end General Ledger because it will have been closed before the End-of-year data area is created.)* See the General Ledger> How to reference files> “G/L closing fiscal month or year (helpfile)” document.

4. **“EXECUTE A STORE END-OF-MONTH”** by selecting either the single store or multi-store depending on how your system is configured. There can be NO ONE logged in except you.
 - a) **THE BACKUP CREATED BY THE END-OF-DAY RUN IS YOUR END-OF-MONTH BACKUP.** Remove that backup from the computer, label it as the End-of-month backup and date it accordingly. Place a new backup tape in the drive before continuing. End-of-month creates a history backup ONLY. See the How to reference files documents on “archiving” for more information.

```
[Esc]-abort [F10]-proceed
(increment keys are active)
-----
account 9904 /work/abosacct/userdata/ 19/09/1999
      End-of-month procedure (A/R & Inventory)
run which eom/eoy procedure (N, C, or F)..... M
Enter closing date for the end-of-month..... 09/30/1999      Last run
Execute A/R end-of-month procedure..... Y                    08/31/1999
Execute Inventory end-of-month procedure.... Y                    08/31/1999
Enter year-month history code (YWHN) to use.. 9909?
Path: /work/abosacct/history
Posting selections
Post service charges at this time..... Y      Due date: 10/10/1999
Post service charges as memo postings.... Y   Lat day: 1 Last day: 31
Post interest to installment accounts.... N      As memo postings: N
Calculate revolving accounts at this time: N
Data updating selections
Update Inventory LIFO: N
Data archival selections
A/R detail..... Y   A/R register..... Y   A/P closed vouchers.. Y
Check reconciliation: Y   Inventory tracking: Y   Inventory transfers.. Y
Point-of-sale..... Y   Purchase orders... Y   Sales register..... Y
-----
initializing for end-of-month procedure
```

The above default screen appears before the EOM begins processing. The answers are defaulted from the “End-of-month header configuration” and may be overridden.

- b) **“RUN WHICH EOM/EOY PROCEDURE?”** The first question on the End-of-month configuration screen wants to know which month-end process you are running, i.e., [N]ormal, [C]alendar or [F]iscal. The **Normal** EOM process is described in the first paragraph. The **Calendar** and **Fiscal** processes clear the year-to-date totals for A/P, A/R, Inventory, Payroll and Sales Reps in addition to the procedures done for the Normal month-end. These YTD clearings are configured on the last screen of the End-of-month header configuration. Instead of a month-end data area, a calendar or fiscal end-of-year data area is created to use for year-end reporting. See next month’s Newsletter for a more detailed discussion of End-of-year closing procedures.

c) **CLOSING A/R & INVENTORY TOGETHER:** To close both modules on the same day, answer [Y]es to both of the “Execute end-of-month procedures” questions. Verify that the answers to the questions regarding calculations of service charges, installment interest and revolving accounts are correct.

d) **CLOSING THE A/R ON A DAY OTHER THAN THE LAST DAY OF THE MONTH:** Remember, if you close the A/R and Inventory on two different days, you will need to keep the daily backup tapes from both days as your end-of-month tapes. You will answer [Y]es to “Execute A/R end-of-month procedures” and [N]o to “Execute Inventory end-of-month procedures.” Verify that the answers the questions regarding calculations of service charges, installment interest and revolving accounts are correct.

e) **CLOSING THE INVENTORY ONLY ON THE LAST DAY OF THE MONTH:** Answer [N]o to “Execute A/R end-of-month procedures” and [Y]es to “Execute Inventory end-of-month procedures.” Verify that the answers to the questions regarding calculations of installment interest and revolving accounts are correct.

f) **IF THE END-OF-MONTH ABORTS:** The End-of-month process will fail if the user has aborted the process, or if the system aborts the process because it cannot complete an assigned task. If the system aborts End-of-month, it will display an error message.

DO NOT CLOSE THE ERROR MESSAGE WITHOUT GETTING A COPY OF IT!

Do a print screen by pressing [Shift] + [F1] or write down the error message. See the “When EOM fails” document for more information.

g) **END-OF-MONTH LOG:** The End-of-month procedure creates a log of its activity. It prints with your EOM reports. You need to review the log every month. It will tell you which procedures completed successfully and at what point it aborted when there is an EOM failure.

5. WHEN EOM CLOSING IS COMPLETE, ACCOUNTS RECEIVABLE STATEMENTS CAN BE PRINTED from the “monthend” area by using the “Print statements” option on the A/R reports menu.

6. COMPLETE ALL ARCHIVING before the next month-end. See the How to reference files documents on “archiving” for more information.



1999 IRS TAX FORMS

Use the form on the last page of this Newsletter to order your 1999 W-2 and 1099 forms and compatible envelopes.

Our forms are IRS authorized and approved, and guaranteed 100% compatible with Advantage Software

If you have any questions, call the Forms Dept. at ext. 204 or 246.

**CONVERSIONS
BASIC TO DATABASE**

We want to remind you again that we will not be doing any conversions during the months of November and December. If you have not made arrangements to have your conversion completed before November 1, 1999, it will have to be delayed until after January 1, 2000.

WHAT SHOULD YOU BE DOING IN PREPARATION FOR THE YEAR-END?

The fiscal or calendar year-end requires that reconciliations be done, so that we have proper accounting records for tax purposes. Good bookkeeping practices dictate that all of the below listed procedures be done every month, not just at year-end. 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 are small when handled on a day-to-day basis. Any time you thought you were saving by not reconciling in a timely manner will likely be lost when you spend many more hours reconciling these errors that have been compounded over time.

ACCOUNTS PAYABLE:

Clean up vouchers. Follow-up with vendors regarding any open credit vouchers they have not sent you. 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 reads history. The A/P Distribution report only reads history by entering the [F8] history path. See Other Options>How to reference files>Software>Report Generator>“Setting history paths for report generators” document for specific instructions.

Balance the A/P aging report to the Accounts Payable G/L account: See the “Balance Accounts Payable to the G/L” document on the General Ledger>How to reference files menu and 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 your bank account to the General Ledger bank account balance. See the “Check reconciliation” document for specific instructions.

Confirm 1099 miscellaneous tax information for vendors: If you are unfamiliar with the process, contact your CPA for specifics regarding your responsibility to report 1099 miscellaneous income.

- a) Send out W-9's to 1099 miscellaneous vendors, if there is not one on record.
- b) Confirm addresses, corporate status, YTD payments, etc.

ACCOUNTS RECEIVABLE:

Clean up customer accounts of unapplied payments and open credit invoices.

Charge-off bad debt accounts: Determine if any account balances will be deemed uncollectible. 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 General Ledger>How to reference files document, “Balancing the A/R to the G/L,” and the [F1] help screen on “Accounts Receivable” from the main menu for specific instructions and tips in balancing.

Clean up customer job accounts: Close and/or delete completed customer job accounts to reduce confusion regarding valid and invalid job accounts. The A/R detail or ability to reprint invoices will not be affected by deleting the job account.

GENERAL LEDGER:

Balance each G/L account to its corresponding subledger 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. Also review the “Audit Trail” section of the General Ledger>How to reference files” for more information. Some examples of common audit trails for G/L accounts are as follows:

PREPARING FOR THE YEAR-END

- ▼ *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 Gross Margin 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(s) from any source other than POS. This can be confirmed by running the G/L sales account(s) detail listing and verifying that no other "source" codes appear besides 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. 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 counting. The accuracy of your on-hand count times its average cost equals the value of your existing inventory (*On-hand * average cost = value*). Inaccurate counts make it impossible to establish a meaningful inventory value. See the "Inventory count procedures" documents for specific instructions. Balance the Valuation and Gross Margin 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 year-end. 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 have already been posted. In the case of withholding taxes or deductions that are not subject to tax, errors found may require corrections 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 when 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 record. 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 balanced again 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.

PREPARING FOR THE YEAR-END

- 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 another 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 “Workmen’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 because of the many differences from state to state. 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 standard 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 inaccuracies in the taxable and nontaxable earnings. If this is the case, contact your CPA to determine tax deposits and amendments to returns that may be needed. The only changes you can make on the Advantage system are in the Employee Maintenance record. Check detail cannot be altered. Balancing will then be limited to the Wage and Tax report by [M]aintenance records.
- g) Add additional income to employee earnings. Earnings, such as car allowances, noncash 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, quarterly or in each month, whichever your CPA suggests.

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 that 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. This will prevent cluttering of 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.

PREPARING FOR THE YEAR-END

Quotes and estimates will expire upon their 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 an order, quote or estimate, bring it up at POS. Go to the "Print" options menu and select 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 decisions 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. Go the the "Print" options menu and select "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.



EXPANDING SOON?

If you plan on adding a new remote site soon, contact Herb Matatall to discuss the possibility of having one of our technicians visit your existing site for a plan or site review. Or make a copy of your floor plan and send it to Herb for review. He will make recommendations and work with you on your layout. If you are adding a new "on site" building include a site plan with dimensions and elevations also.

Have you received your 9904 update tape?

If not, perhaps you have not requested one. We are only sending out tapes to customers who request one. If you haven't done so, use the fax back form that was in the April and May Newsletters or call extension 216 or 242 to request your copy of the 9904 version of the database software. We are continually improving the program. Don't miss out on the new options available.

VISIT OUR WEBSITE

www.abcsinc.com

Construction is being done on the site and new information is being added.

TIMELY CONNECTIONS

from Herb Matatall

Tips for successful Root-n-Boot creation

- Do not start a root-n-boot creation without first cleaning your floppy and tape drives. "Media write errors" when you try to format floppies can sometimes be helped by cleaning that drive. Typically, most of you do not work in "controlled environments." This means that you have to work a little harder at maintaining your system.
- Do not try to do the Root-n-Boot from the multi-user environment. You have to be in single user mode to complete the process. Trying to do it in multi-user mode will likely cause your system to "panic." Remember, make Root-n-Boot backup media in **single user mode only**.
- Keep extra, new backup media on hand in case of media failure. There are times when cleaning will still not make the floppy or tape usable. At those times you must replace the particular media with new. Having new media on hand will allow you to complete the backup at the regularly scheduled time, reducing your stress level.

Doing monthly maintenance on your equipment and creating your Root-n-Boot backups will help eliminate problems and give you a safety net in the event of a failure.



1999 IRS TAX FORMS

ABCS Compatible CONTINUOUS OR LASER SHEETS

W-2	<input type="text"/>
W-2 Envelopes	<input type="text"/>
1099 Miscellaneous	<input type="text"/>
1099 Interest	<input type="text"/>
1099 Dividend	<input type="text"/>
1099 Envelopes	<input type="text"/>
W-3	<input type="text"/>
1096	<input type="text"/>
Other _____	<input type="text"/>
_____	<input type="text"/>

Printer Type: _____

* IRS authorized and approved!

* **GUARANTEED 100%** compatible with your accounting software.

* **Save time with compatible envelopes.**

Place your order before **November 10th & save!**

Prices will be available after November 10th

ALL TAX FORMS WILL BE SHIPPED

1st Week of December, 1999

THIS ORDER IS NOT VALID

UNLESS CONFIRMED By Phone.

TO PROVIDE BETTER CUSTOMER SERVICE, WE REQUEST THAT YOU PLACE YOUR ORDER IN WRITING. FILL OUT AND RETURN THE ORDER FORM BEFORE **NOVEMBER 10TH**. WE WILL CALL YOU TO CONFIRM YOUR ORDER.
THANK YOU!

For questions call 1-800-991-7283 at EXT. 246 or 204.

PLEASE FAX OR MAIL OR E-MAIL **before November 10th.**

Attn: **Forms Department**

E-Mail: blanca@abcsinc.com

FAX: (903) 636-4605 / 4674

OR MAIL TO:

Advantage Business
Computer Systems
P.O. BOX 421
Big Sandy, TX 75755

From Company _____

Contact _____

Shipping Address _____

City _____ **State** _____ **Zip Code** _____

Phone# _____

**Deadline to Order: November 10th*

