Simply Accounting

by Sage

Workbook

00-21-602-35063

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Subject to your compliance with all terms of this Agreement, Sage Accpac hereby grants to You a limited, nontransferable, non-exclusive license to use the Program under the terms stated in this Agreement for use in your business or profession. The grant of rights hereunder to the Program is not a sale of the Program or any portion thereof and does not convey any rights of ownership in the Program. Sage Accpac reserves all rights not expressly granted by this Agreement and You hereby acknowledge that all title and ownership of the Program and all associated intellectual property rights are and shall remain with Sage Accpac.

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You shall abide by all foreign and United States federal, state and local laws, ordinances, rules and regulations applicable to the transactions contemplated hereunder. You agree to comply to the extent applicable with the United States Export Administration regulations, the International Traffic in Arms regulations and any regulations or licenses administered by the Department of the Treasury's Office of Foreign Assets Control

7.   SUPPORT.

Sage Accpac disclaims any responsibility to provide any customer support except as may be agreed under a separate agreement to render support services. Upon registration of the Program You will receive thirty (30) days of free customer support, provided that the Program is registered within thirty (30) days of your payment of the license fee, as evidenced by your receipt. All other support requires purchase of a support option, as outlined in any special offers that Sage Accpac may from time to time send You, or may be found on the Simply Accounting Web site at www.simplyaccounting.com. Sage Accpac does not provide free customer support for the Evaluation Version, NFR Version, Student Version, or versions for Educational Purposes..

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(b) Should You decide to submit any materials to Sage Accpac via electronic mail, through or to Sage Accpac Web site(s), or otherwise, whether as feedback, data, questions, comments, ideas, concepts, techniques, survey responses, suggestions or the like, You agree that such submissions are unrestricted and shall be deemed non-confidential upon submission. You grant to Sage Accpac and its assigns a non-exclusive, royalty-free, worldwide, perpetual, irrevocable license, with the right to sublicense, to use, copy, transmit, distribute, create derivative works of, commercialize, display and perform such submissions.

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This Program has been designed to work optimally in the environment documented within the Documentation. Any defects, inconsistencies or issues arising out of operating outside the parameters set forth therein may not be supported by Sage Accpac and may require You to pay additional maintenance/upgrade costs to Sage Accpac to rectify.

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The Program is not fault-tolerant and is not designed or intended for use in hazardous environments requiring fail-safe performance, including without limitation, in the operation of nuclear facilities, aircraft navigation or communication systems, air traffic control, weapons systems, direct life-support machines, or any other application in which the failure of the Program could lead directly to death, personal injury, or severe physical or property damage (collectively, "**High Risk Activities**"). Sage Accpac expressly disclaims any express or implied warranty of fitness for High Risk Activities.

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14.   TERM AND TERMINATION.

(a)   This Agreement shall commence on the date You install the Program and shall continue until the earlier of: (i) the date it is terminated in accordance with the terms herein; (ii) your acceptance of a superseding license agreement; or (iii) the expiration of the trial period, if applicable.

(b)   This license, and all of Sage Accpac's obligations hereunder, automatically terminate if You fail to comply with any provision of this Agreement. Upon the termination or expiration of this Agreement for any reason whatsoever: (i) the license granted hereunder shall immediately cease; and (ii) You shall immediately stop using the Program in any way and, within ten (10) days after the effective date of expiration or termination deliver to Sage Accpac, or certify that You have destroyed all copies of the Program.

(c)   If You licensed an NFR Version or Educational Version, this Agreement is effective unless and until You or Sage Accpac terminates the Agreement in accordance with the terms set forth herein or the terms set forth in your Other Sage Accpac Agreements or upon the earlier termination or expiration of your Other Sage Accpac Agreements.

(d)   If you licensed a Student Version, this Agreement is effective for a term of fourteen (14) months, unless sooner terminated by You or Sage Accpac in accordance with the terms set forth herein.

(e)   If You licensed an Evaluation Version, this Agreement is effective for a period commencing on the first date the Program is downloaded, installed or first run for a term of sixty (60) days, unless sooner terminated by You or Sage Accpac in accordance with the terms set forth herein.

15.   MISCELLANEOUS.

(a)   As a user of the Program, You assume the responsibility for the selection of the Program as being appropriate for your purposes. You understand and agree that: (i) You are solely responsible for the content and accuracy of all reports and documents prepared with the Program; (ii) using the Program does not relieve You of any professional obligation concerning the preparation and review of such reports and documents; (iii) You do not rely upon Sage Accpac or the Program for any advice or guidance regarding the appropriate tax treatment of items reflected

on such reports or documents; (iv) You will review any calculations made by using the Program and satisfy yourself that those calculations are correct; and (v) Sage Accpac's support service is designed to offer technical support for issues regarding the features and functionality of this Program in the recommended operating environments only.

(b)   To the fullest extent permitted by law and consistent with valid entry into a binding agreement, the controlling language of this Agreement is English and any translation you have received has been provided solely for your convenience. In the event You have entered into this Agreement by means of the display of a translated version of this Agreement in a language other than U.S. English, you may request a U.S. English language version of this Agreement by notice to Sage Accpac. To the fullest extent permitted by law, all correspondence and communication between You and Sage Accpac under this Agreement must be in English language. The exclusive judicial forum for any action that You bring to enforce this Agreement shall be an appropriate federal or state court located in Georgia. The exclusive forum for any action that Sage Accpac brings to enforce this Agreement shall be an appropriate federal, state or provincial court in the state or province, as applicable, in which You have your principal place of business. In either case, this Agreement shall be governed by the internal laws of the forum state without regard to the conflict of laws provisions thereof.

(c)   This Agreement allocates risk between You and Sage Accpac as authorized by applicable law, and pricing of Sage Accpac's products reflects this allocation of risk and the limitation of liability contained in this Agreement. In the event that any provision of this Agreement is found invalid or unenforceable pursuant to judicial decree, the remainder of this Agreement shall be valid and enforceable according to its terms.

(d)   The Sage Accpac logo, Simply Accounting and the Simply Accounting logo are registered trademarks or trademarks of Sage Accpac SB, Inc. or its affiliated entities. For an up-to-date list of copyright and trademark statements, refer either to the copyright page of the Program User Guide or the Help About Simply Accounting window within the Program. Other product names mentioned may be service marks, trademarks, or registered trademarks of their respective owners and are hereby acknowledged.

(e)   No failure or delay of either party to exercise any rights or remedies under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of the same or other rights or remedies preclude any further or other exercise of the same or other rights or remedies, nor shall any waiver of any rights or remedies with respect to any circumstances be constructed as a waiver thereof with respect to any other circumstances.

(f)   Quebec. With regard to Quebec, the parties declare that they have required that this Agreement and all documents related hereto, either present or future, be drawn up in the English language only. Les parties déclarent par les présentes qu'elles exigent que cette entente et tous les documents y afférents, soit pour le présent ou l'avenir, soient rédigés en langue anglaise seulement.

(g)   Sections 12 (Limitation of Liability), 14(b) (Term & Termination), 15(b) (Governing Law) and this Section 15(g) shall survive the expiration or termination of this Agreement.

(h)   This Agreement constitutes the entire agreement between You and Sage Accpac with respect to the subject matter hereof, and supersedes all proposals, oral or written, and all other communications between the parties with respect to such subject matter. This Agreement shall not be modified, except by written agreement signed by the parties hereto. Sage Accpac shall not be bound by or liable to You for any pre-existing or contemporaneous written or oral representations or warranties, made by anyone, with respect to the Software Product, including any Sage Accpac Premier Advisor or Authorized Consultant or distributor or reseller or their respective agents, employees, or representatives.

(i)   Sage Accpac shall not be liable for and shall be excused from any failure to deliver or perform or for delay in delivery or performance due to causes beyond its reasonable control, including but not limited to, work stoppages, shortages, civil disturbances, terrorist actions, transportation problems, interruptions or power or communications, failure or suppliers or subcontractors, natural disasters or other acts of God.

(j)   All notices given hereunder shall be in writing and sent by overnight courier or delivered in person: (i) if to Sage Accpac, to Sage Accpac, Legal Department, 1505 Pavilion Place, Norcross, Georgia 30093; and (ii) if to You, to the address You indicated upon your registration of the Program.

(k)   You authorize Sage Accpac to send You information, including but not limited to marketing and promotional material, via facsimile, email, telephone, and other reasonable means.

Workbook

Workbook

The *Workbook* guides you through the entire process of setting up a company's books and entering common transactions. Step-by-step lessons accompany each accounting procedure introduced, to give you practice setting up and using the Simply Accounting program.

When you finish the *Workbook*, you will have a complete set of records for a fictional company called Data Processing Services. You can use this data for more practice, if you wish.

If your company uses cash-basis accounting, be sure to read Chapter 5, "Cash-Basis Accounting," in *Advanced Topics*.

Backing up

Get in the habit of backing up your Simply Accounting data on a regular basis, in case your current data becomes damaged. Remember that a daily backup will save you a whole day's worth of time and effort.

Print historical reports anytime

Using the backup copy instead of your current records, you can print historical reports even after you start a new month, calendar year, or fiscal year. This is useful, for example, if you need to print payroll reports as of the end of the calendar year, after you have already entered data for a new year.

For information about backing up your data, see "Backing Up Your Company's Information" in Chapter 19, "Protecting Your Data," in the *User Guide*.

Displayed amounts and date formats may vary

Note that the screen representations in the *Workbook* may not exactly match your screen because you will probably be using different tax tables. The date format may also be different.

The *Workbook* uses the MM-DD-YYYY format that can be set in Simply Accounting. From the Home window choose the Setup

menu, then choose System Settings, and then Settings, then click the Dates.)

Status bar text

Most of the screens in Simply Accounting include a "status bar," a line of text at the bottom of the screen. The line displays information about a field or menu item when you drag the mouse pointer over it.

Online help

You can display additional information or instructions for most tasks in Simply Accounting. Either press the F1 key, or use the Help button or Help menu to select a topic.

Before You Start

Install Simply Accounting

Follow the installation instructions in the Simply Accounting *Quick Start Guide*. Select Typical if the program asks you what type of installation you prefer.

Creating a Company

You can create a company using one of the company templates that come with the program, modifying it to suit the needs of your business. In Exercise 1, you will create a company using the Service Company template.

Exercise 1: Creating a Company

This exercise outlines the steps to create a company from the Service Company template for Data Processing Services, a fictional company you will use in these exercises.

You can use any Simply Accounting product (Basic, Pro, Premium, or Accountants') to complete these exercises. The *Workbook* uses the Basic version of Simply Accounting for its examples.

1. Start Simply Accounting. In Windows, on the Start menu, choose Programs (All Programs if you are using Windows XP), and choose Simply Accounting by Sage, and then Simply Accounting by Sage.

Create a new company.

2. From the start-up screen, choose Create A New Company, and click OK.

3. In the Setup Wizard window, click Next.

4. Choose Custom Setup, then click Next.

Professional Assistance

5. If you would like more information about professional assistance, click Find A Business Partner. If not, click Next.

Type of Company

6. Select Copy A Template Containing Typical Accounts, and click Next.

Choose the type of company and a company template

7. Select (highlight) Service in the list of industries, and select Service Company in the list of company templates, then click Next.

Business location

8. From the list of provinces, select British Columbia, then click Next.

Company name and address

9. Enter the following information:

Name:	Data Processing Services
Street 1:	2406 East Hastings St.
City:	Vancouver
Province:	British Columbia Code: BC
Postal:	V5K 1K1
Country:	Canada
Phone 1:	(604) 555-1234
Fax:	(604) 555-6789

Then click Next.

File name

10. Change the location to store the company file to: **C:\Program Files\Winsim\Samdata**, then click Next.

Dates

11. Enter the following accounting information:

Fiscal Year Start: 01-01-2015

Earliest Transaction: 01-01-2015
Fiscal Year End: 12-31-2015

Then click Next.

Business type

12. Leave Sole Proprietor selected, then click Next.

Business activities

13. Leave all the items checked, and click Next.

Bank account

14. Uncheck (clear) Use The Same Bank Account, and click Next.

Multi-currency

15. Under the question Do You Wish To Keep Track Of Foreign Currency Transactions, leave No selected, and click Next.

Departmental Accounting

16. If you use Simply Accounting Pro or higher, leave the Use Departmental Accounting box unchecked, and click Next.

Capital assets

17. Check all the boxes (Vehicle, Building, and Land), and click Next.

18. Leave all the options checked on the Orders, Quotes, and Projects window, then click Next.

Terminology

19. Leave Use Non-accounting Terms selected, and click Next.

Business number

20. In the Business Number field, type **123456789RC0001**, and click Next.

Payroll Services

21. To learn about Payroll Services, click the Tell Me More button. To continue, click Next.

Payroll definitions

22. Leave all the Income field names unchanged, and click Next.

23. Change the deduction field names as follows:

Deduction 1: **Pension**
Deduction 2: **Group Ins.** (for Group Insurance)
Deduction 3: **Medical**
Deduction 4: **Misc 1**
Deduction 5: **Misc 2**

Then click Next.

24. Leave the Additional Payroll window unchanged, and then click Next.

Project title	25. Enter or accept the following information:
	Project Title: Project
	Then click Next.
Printer settings	26. In the Printer Settings window click Next. (Do not click the Printer Settings button. You will change the printer settings for reports and forms later, in Exercise 3.)
Track Inventory Turnover	27. Leave the Store Invoice Lookup Details box checked, and click Next.
Cash-basis accounting	28. Leave the Use Cash-Basis Accounting box unchecked, and click Next.
Budgeting	29. Leave the Budget Revenue And Expense Accounts box unchecked, and click Next.
Budget Project	30. Leave the Budget Projects box unchecked, then click Next.
Account reconciliation	31. Leave the Use Cheque No. As The Source Code For Cash Purchases And Sales box checked, and click Next.
Sales taxes	32. Leave the Yes option selected, and click Next. This will automatically create a tax code that will calculate GST at a rate of 7.0% and PST at a rate of 7.0%.
Payroll	33. Leave the Automatic Payroll Deductions box checked, and click Payroll Settings.
Payroll settings – Income	a) Under Income, you can see the different types of income you can pay your employees. For example, you can select whether an income is paid based on an hourly or differential rate. An hourly rate represents a base rate paid for standard work or hours, while a differential rate represents a rate beyond the standard or base rate.
	Income settings also show the taxes paid on various incomes as well as the EI, EHT and QHSF factors, and enable you to track Quebec tips.
	Leave all the information as shown, then click Payroll Deductions.

Payroll settings –
Deductions

b) Under Deductions fill in the following information:
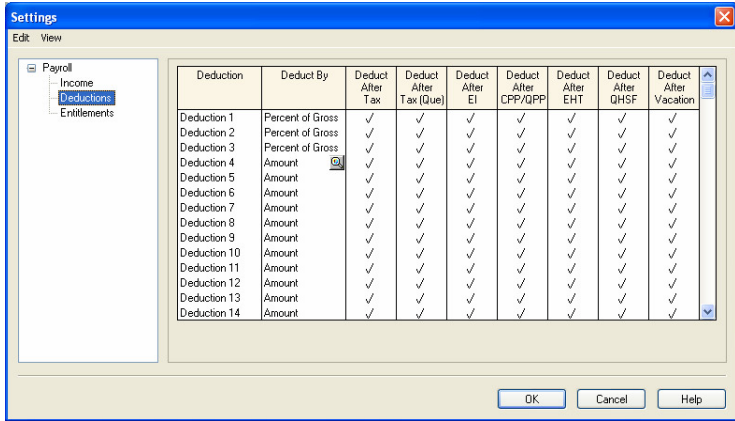
Click OK to close the payroll Settings window.

34. Click Next.

Forms

35. Enter 100 for all forms, and click Next.

36. If the What's Next window appears, click Next.

Finish setup

37. Click Finish. You have now created a new company. Once Simply Accounting has finished opening the new company, the program opens the online help with a checklist of optional steps to complete your setup.

Looking Up Company Information

Simply Accounting stores background information about your company, such as your company's name, address, business number, and the start and end dates of your fiscal year, for tax purposes. Once you begin using the program for day-to-day transactions, it updates your accounts and records in a file called "data file."

You can use the Company Information window to check your company information.

Exercise 2: Checking Your Company Information

1. In the Home window from the Setup menu, choose System Settings, and then Company Information.

2. Check that you correctly entered the company information during Exercise 1.

   The Company Information window should look like this:

3. If you need to modify any of the information, type the correct information, and click OK to accept the changes. Otherwise, click Cancel to exit this window.

Setting Up Reports and Forms

Use the Reports And Forms window on the Setup menu to set options for printing reports, graphs, payroll and payment cheques, receipts, invoices, labels, purchase orders, sales orders or quotes, statements, and T4 and Relevé 1 slips. You must set

up at least one printer before you can print from Simply Accounting.

The Report And Form Options window looks like this. If you are using Simply Accounting Pro or higher, you will also see Time Slips :
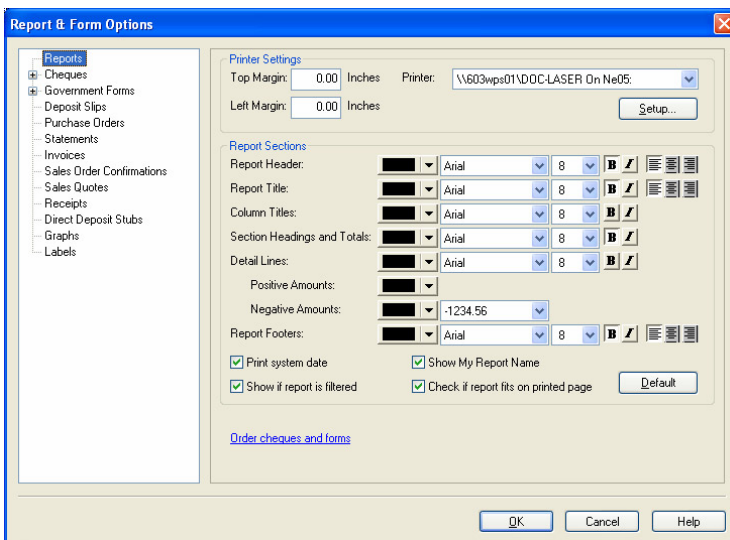
Set up your printer for the report or form you plan to print. You can edit the following fields:

Printer. Click the arrow to the right of the field, and select a printer for the type of report you selected. Or, with the Printer field highlighted, press Alt+Down Arrow, use the arrow keys to highlight the printer you want, and then press Alt+Down Arrow again.

Top Margin. If a report is printing too high or too low on the page, enter an amount (in inches) by which you want the printed text to be lowered or raised. Positive amounts lower the text and negative amounts raise it.

Left Margin. Enter an amount (in inches) by which you want the printed text to be moved to the right or left if a report is printing too far to the left or right. Positive amounts move the print to the right and negative amounts move it to the left.

Form Type. This box appears only if you choose Payroll Cheques, Payment Cheques, Sales Quotes, Statements, Receipts, Invoices, Purchase Orders, Deposit Slips, Direct Deposit Stubs, or Sales Order Confirmations. Use this box to choose a size to match the form you want to use.

If you want to use customized forms, see "Customizing Forms and Management Reports," in the *Advanced Topics* manual. (In the Home window select the Help menu, then choose Simply Accounting Manuals, and then Advanced Topics.)

Form. This box becomes active when you choose User-defined form in the Description field. The Form field shows the location of the file to use for the customized form. To use customized forms, see "Customizing Forms and Management Reports," in the *Advanced Topics* manual. (In the Home window select the Help menu, then choose Simply Accounting Manuals, and then Advanced Topics.)

Font and **Size.** These options appear only under Labels, and the Payroll selections under Government Forms. Select a font and a type size from the lists.

Show Subtotals In Invoice. This option appears only under Invoices. Select this option to print the subtotal (before taxes) on invoices.

Report Sections. These options appear only under Reports. Select the font, type size, colour, and alignment you want to use in the report headers and footers. You can also select how you would like negative amounts to appear.

- **Print System Date.** Prints today's date on all reports to identify when the reports were generated.

- **Show If Report Is Filtered.** Prints the words "This report has been filtered" on any report to which you apply a filter. For more information, see "Filtering Reports" in Chapter 1 in the *Advanced Topics* manual. (In the Home window on the Help menu, choose Simply Accounting Manuals, then Advanced Topics.)

■ **Show My Report Name.** Prints the name of the report template to the right of the report title, if the report was saved as a template.

■ **Check If Report Fits On Printed Page.** Checks if your report settings will cause the report to print across more than one page.

E-Mail Form. E-mail form options appear only if you choose Sales Quotes, Statements, Receipts, Invoices, Purchase Orders, or Sales Order Confirmations. Use this box to choose the form you want to use.

If you want to use customized forms, see "Customizing Forms and Management Reports," in the *Advanced Topics* manual. (In the Home window on the Help menu, choose Simply Accounting Manuals, then Advanced Topics.)

Labels. These fields appear only on the Labels tab:

■ **Label Height.** The minimum label height is one inch.

■ **Label Width.** The minimum label width is one inch.

■ **Number Of Labels Across The Page.** A maximum of nine labels can be printed across the page.

Exercise 3: Entering Printer Options for Reports and Forms

1. From the Setup menu, choose Reports And Forms.

2. Under Reports, move through the fields, and enter or accept the following data:

Printer:	Choose a printer from the list.
Top Margin:	1
Left Margin:	1
Report Sections:	Leave the settings.

3. Click OK to accept these settings.

Settings

Simply Accounting options are divided into two categories — user and system options. If you set up Simply Accounting so that you need a user name and password to open a company, each user can customize their user settings. Changes to system settings affect all users.

User Settings

User settings allow you to change settings related to the way you interact with Simply Accounting.

The User Preferences window looks like this:
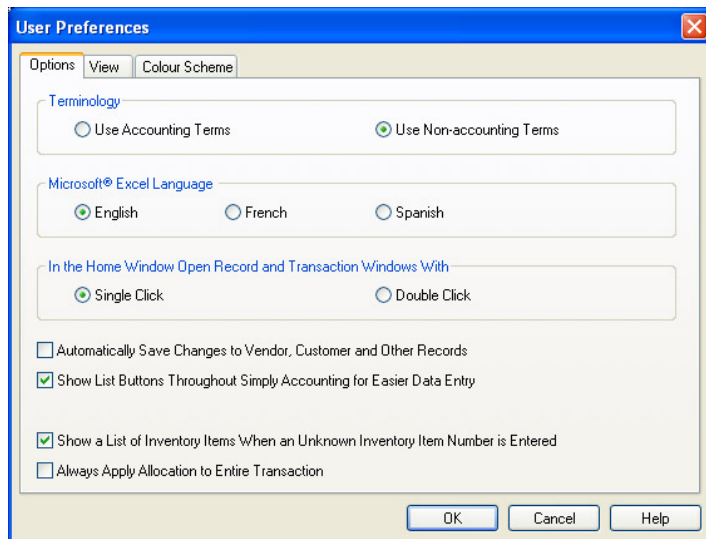
Terminology. If you are not familiar with accounting terms, select non-accounting terminology.

Microsoft Excel Language. Choose the language you use when working in Microsoft Excel.

Open Records and Transaction Windows With. Select whether you want to click once or twice to open records and transaction windows from the Home window.

Automatically Save Changes to Vendor, Customer, and Other Records. If you select this option, changes are automatically saved when you close a record. If you want Simply Accounting to ask you whether you want to save changes, turn off this option.

List button

Show List Buttons Throughout Simply Accounting for Easier Data Entry. If you select this option, the program displays List buttons at certain fields in Simply Accounting windows. When you click a List button, a list of options for that field will appear.

Simply Accounting Pro or higher

Automatically Refresh Lists. If you enter transactions while running Simply Accounting in multi-user mode, check this box if you want the program to automatically update lists of records.

Show a List of Inventory Items When An Unknown Inventory Item Number Is Entered. Choose this option if you want the program to provide a list of all inventory items and services if an item number is entered incorrectly. With this option selected, when you type the first letter or number of an item on an order or invoice, a new window pops up allowing you to search for the specific item by number or description.

Always Apply Allocation to Complete Transaction. Check this box if you want Simply Accounting to automatically allocate all items in a transaction in the same way (this option can be changed on each transaction record).

System Settings

The Settings window for system settings allows you to set options such as interest charges, payroll taxes, aging periods, and the format and contents of invoices and reports.

The Settings window looks like this:
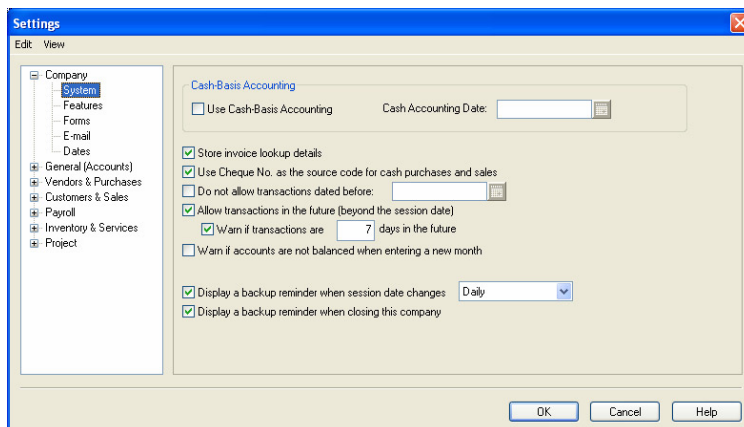
System options

Use Cash-Basis Accounting. Select this option if you want to use cash-basis accounting. Leave it turned off if you want to use accrual-basis accounting.

Store Invoice Lookup Details. Select this option to have the program store all invoice details so you can look them up later. This feature uses extra space on your hard disk, but provides useful information.

Use Cheque Number as the Source Code for Cash Purchases and Sales. If you use the account reconciliation feature, select this option to use the cheque number, rather than the invoice number, as the source document number (for lookup purposes) in the Reconciliation and Deposits window for purchases and sales paid by cheque.

Do Not Allow Transactions Dated Before. Use this option to avoid processing transactions in an earlier period.

Allow Transactions in the Future. Select this option to be able to process transactions with dates up to the end of the current fiscal year. Leave it turned off to allow transactions up to and including the session date.

Warn If Transactions Are (   ) Days in the Future. If you allow transactions in the future, select this option to receive a warning if you try to enter a transaction date a certain number of days beyond the session date.

Warn If Accounts Are Not Balanced When Entering A New Month. Select this option to receive a reminder if your accounts are not balanced whenever you advance the session date into a new month.

Display A Backup Reminder When Session Date Changes. Check this box to be reminded to back up your company data every time you change the session date.

Display A Backup Reminder When Closing This Company. Check this box to be reminded to back up your company data every time you close Simply Accounting.

Exercise 4: Entering Settings

You have already entered several settings using the Setup wizard during Exercise 1. In Exercise 4, you will use the Settings windows to enter more settings and to check that you entered the correct information during Exercise 1.

1. In the Home window from the Setup menu, choose User Preferences, and then the Options tab.

Enter user settings   2. Enter or accept the following settings:

Terminology:	Use Non-accounting Terms
In the Home Window Open Record and Transaction Windows With:	Single Click
Automatically Save Changes To Vendor, Customer and Other Records:	Yes
Show List Buttons Throughout Simply Accounting For Easier Data Entry:	Yes
Show A List of Inventory Items When An Unknown Inventory Item Number Is Entered:	Yes
Always Apply Allocation To Entire Transactions:	No

3. Click OK.

4. In the Home window from the Setup menu, choose System Settings, and then Settings.

Enter company settings

5. Under Company, choose System. Note the following information that you entered during Exercise 1:

Use Cash-Basis Accounting:	No
Store Invoice Lookup Details:	Yes

Use Cheque Number As
   The Source Code For Cash
   Purchases And Sales:
	Yes

    Enter or accept the following settings:

Cash Accounting Date:	Leave blank
Allow Transactions In The Future:	No
Days In The Future:	Leave blank
Warn If Accounts Are Not Balanced When Entering A New Month:	Yes
Display A Backup Reminder When Session Date Changes:	Daily
Display A Backup Reminder When Closing This Company:	Yes

6. Under Company, choose Features, and then check the My Company Uses Project box.

Enter forms settings

7. Under Company, choose Forms, and then enter or accept the following settings (note that you have already entered 100 in the Next Form Number fields during Exercise 1).

8. Under Company, choose E-mail, and then select Invoices. In the Message box, type this message:

> Please open the attachment using your word processor. The attachment may not display correctly, but you should be able to print it. If you are unable to print it, call us immediately.

Select PDF in the Attachment Format For Forms box.

Repeat this message for the remaining e-mail forms, except for purchase quote and purchase invoice confirmations.

Tip: Instead of retyping the message each time, you can select (highlight) and copy (Ctrl+C) the first message, then paste it (Ctrl+V) in the Message boxes of the other forms.

Enter vendors and purchases settings

9. Under Vendors And Purchases, choose Options, and enter the following settings:

Aging Periods:	30 45 60
Calculate Discounts Before Tax	
For One-Time Vendors:	No

Enter customers and sales settings

10. Under Customers And Sales, choose Options, and enter or accept the following settings:

Aging Periods:	30 45 60
Interest Charges:	Yes (1%, 60 Days)
Include Invoices Paid In The	
Last [ ] Days On Statements:	31
Early Payment Terms:	1%, 10 Days
	Net 30 Days
Calculate Discounts Before Tax:	No
Tax Code for New Customers	G - GST 7%
Print Salesperson On Invoices,	
Orders, Quotes	No

The window should look like this:
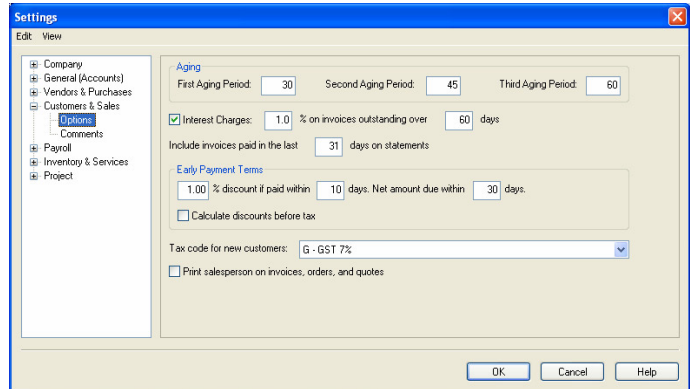
Enter inventory and services settings

11. Under Inventory And Services, choose Options, and then enter or accept the following settings:

Profit-Evaluation Method:	Margin
Sort Inventory And Services By:	Number
Allow Inventory Levels To Go Below Zero:	Yes

Enter project settings

12. Under Project, choose Allocation, and then enter or accept the following settings:

Allocate Payroll Transactions By:	Amount
Allocate Other Transactions By:	Amount
Warn If Allocation Is Not Complete:	No
Allow Access To Allocate Field Using Tab Key:	No

13. Under Project, choose Budget, and leave the Budget Project box blank.

14. Under Customers And Sales, choose Comments and enter the following comments:

Sales Invoices:	Watch for our spring sale.
Sales Order Confirmations:	Thank you for your order!
Sales Quotes:	Order within 10 days to qualify for this special rate.

15. Click OK to accept the settings.

Adapting the Chart of Accounts

The Service Company template you copied earlier included a list of accounts called the chart of accounts. You will now adapt the chart of accounts to suit the needs of Data Processing Services.

To set up a chart of accounts that reflects your needs, you change the names and numbers of existing accounts, and add new accounts. When numbering your new accounts, you must assign numbers within the following ranges:

Assets	1000 to 1999
Liabilities	2000 to 2999
Equity	3000 to 3999
Revenues	4000 to 4999
Expenses	5000 to 5999

Note: In Simply Accounting Premium or higher, you can set up an extended numbering system. See Chapter 2 "Setting Up Accounts" in the *User Guide*.

The program prints accounts on the balance sheet and income statement in numerical order.

To adapt the chart of accounts, you open the Accounts window in the General Module. Then, to modify an existing account or create a new account, you enter information in the following fields:

Account. Enter the account number in the first part of the field and the account name in the second part.

Inactive Account. Check this box to set the account status to Inactive. Inactive accounts are not listed in transaction windows, and you can choose to omit them on most reports.

On the Account tab   **Account Type.** Select one of five account types. For an explanation of account types, see "Account Types," in Chapter 2 in the *User Guide*.

GIFI Code. Enter a GIFI code for the account if you file your corporate financial statements electronically. (Contact the Canada Revenue Agency or your accountant for information on GIFI codes.)

Omit From Financial Statements If Balance Is Zero. Check the box to omit the account from financial statements if its balance is zero. Leave the box unchecked if you want the account to appear on financial statements, regardless of its balance.

Allow Project Allocations. Check this box to be able to allocate amounts to projects.

Opening Balance. Enter the account balance as of the earliest transaction date.

On the Class Options tab

Account Class. Select a description of the account's purpose. Assigning account classes for asset accounts is particularly useful, because you can differentiate between cash, bank, and other types of asset accounts.

On the Reconciliation and Deposits tab

Save Transactions For Account Reconciliation. Check this box if the account is a bank or credit-card account, and you want to reconcile the transactions in this account to the transactions on your bank or merchant statement.

On the Additional Information tab

Fields 1 to 5. Enter additional information about this account if you wish. You can rename each of the five fields by choosing Set Field Names from the File menu.

Exercise 5: Modifying Existing Accounts

Accounts

1. In the Home window open the Accounts window (choose the Accounts icon).

2. In the Accounts window, scroll to account 1520 Category A, and double-click it to open the account.

3. In the Account description field, type **Computer Supplies**.

   The screen should look like this:

Scroll through the chart of accounts using these buttons.

You can type a new account description in this box.
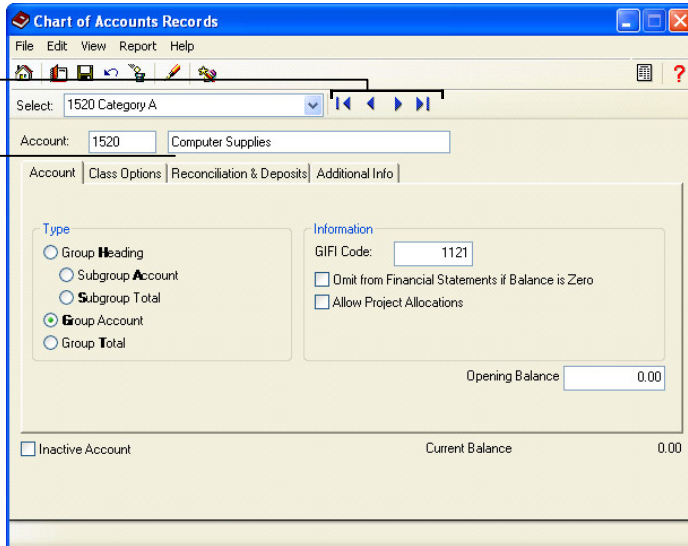
4. Use the arrow buttons to scroll through the list of accounts. Select the following accounts and make these changes (after you change each account, if asked if you want to save your changes, click Yes):

Change this:	To this:
1530 Category B	Manuals
1540 Category C	Computer Hardware
4020 Sales Inventory A	Sales -- Computer Supplies
4030 Sales Inventory B	Sales -- Manuals
4040 Sales Inventory C	Sales -- Computer Hardware
5020 Category A	Cost -- Computer Supplies
5030 Category B	Cost -- Manuals
5040 Category C	Cost -- Computer Hardware

5. Open account 2240 Deduction 1 Payable.

6. In the Account description field, type **Pension Payable**.

Subgroup Account

7. Change the Account Type to Subgroup Account.

8. Change these account descriptions and types:

Change this:	To this:
2250 Deduction 2 Payable	Group Ins. Payable Subgroup account
2260 Deduction 3 Payable	Medical Payable Subgroup account
2270 Deduction 4 Payable	Subgroup account
2280 Deduction 5 Payable	Subgroup account

Chart of Accounts Records
Restore
Move
Size
— Minimize
□ Maximize
✕ Close   Alt+F4
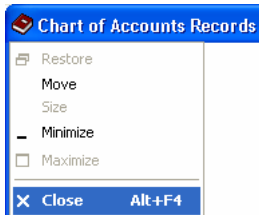
9. Close the Account record by clicking the "x" in the top-right corner of the record window, or press Alt+F4.

10. To close the Accounts window, double-click the small icon in the upper-left corner of the window, or press Alt+Spacebar, then choose Close. The changes you have just made to the accounts are saved automatically.

Exercise 6: Adding Accounts

1. In the Home window, choose the Accounts icon.

2. Using the scroll bar on the right, scroll in the Accounts icon window until you see Account 2300 PST Payable. Select (highlight) it.

Create

3. From the File menu or toolbar, choose Create. Enter the following information:

Account Number: 2290
Account Description: Deductions: Total
Account Type: Subgroup Total

The screen should look like this:

Enter the number and description.

Select Subgroup Total as the account type.
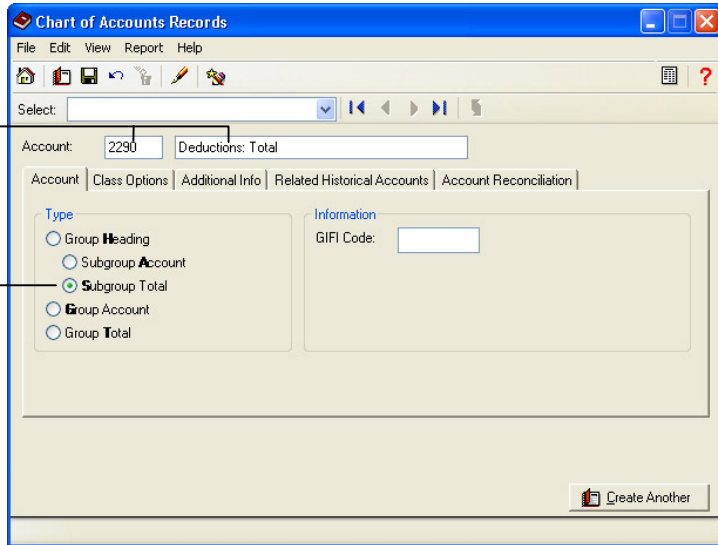
4. Click the Create Another button.

5. Add another account, entering this data:

   Account: 4410
   Account Description: Shipping and Handling Revenue
   Account Type: Group Account

Save

6. From the File menu or the toolbar, choose Save and then close the record, or click the Save and Close button.

Display By Type

7. In the Accounts icon window, with Display By Type selected in the toolbar, check that you have correctly modified and added the accounts as instructed in the preceding exercises.

Check The Validity Of Accounts

8. From the File menu or the toolbar, choose Check The Validity Of Accounts to check the organization of your chart of accounts. If you have made an error when modifying your chart of accounts, the program displays a message describing the problem. Check the accounts you have added, and make any needed corrections.

Linked Accounts

When you enter transactions, such as sales, purchases, and payments, Simply Accounting keeps track of all the amounts for you in the Accounts window. Some of the accounts in the Accounts list are linked to the windows in which you enter transactions and to the records for inventory that you track in Simply Accounting. Linking ensures that the program updates all related records automatically when you process a transaction.

To see which linked accounts are included in your company setup, from the Home window, choose Setup, then System Settings, and then Linked Accounts. Choose the following modules:

- General

- Vendors and Purchases

- Customers and Sales

- Payroll

- Inventory Items

Exercise 7: Deleting Linked Accounts

You may want to delete the linked accounts you never use. Deleting linked accounts requires two steps: removing the link, and removing the account. In this two-part exercise, you will delete a linked account.

Part 1: Unlinking an Account

1. From the Setup menu, choose System Settings, then Linked Accounts, and then Inventory And Services.

2. Select 5120 Item Assembly Costs, and press the Delete key on your keyboard to remove the link.

   The window should look like this:
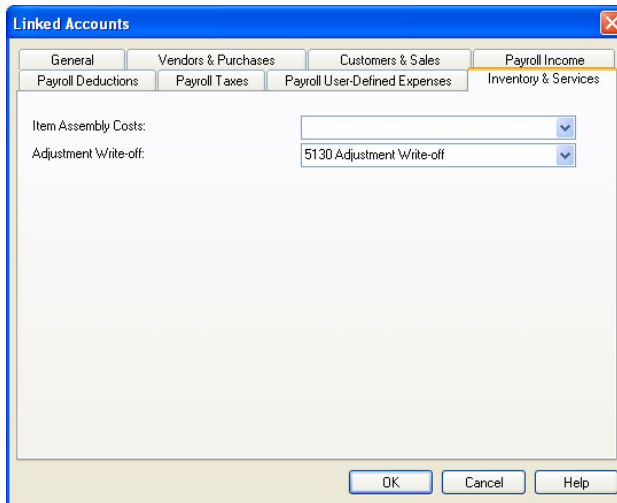
3. Click OK to accept the changes. The account is no longer linked, but it still exists in the Accounts list. Follow the steps in the next section to remove the account.

Part 2: Removing the Account from the Chart of Accounts

1. Open the Accounts window.

Remove

2. Highlight account 5120 Item Assembly Costs, and click the Remove button, or choose Remove from the File menu.

3. Click Yes to confirm the removal of the account.

Check The Validity Of Accounts

4. From the File menu or the toolbar, choose Check The Validity Of Accounts to ensure that your chart of accounts is logically organized.

5. Close the Accounts window. The changes you have just made are saved automatically; the account has been removed.

Exercise 8: Linking New Accounts

Linking a new account requires two steps: creating the account in the Accounts window, and linking it. In this two-part exercise, you will add a linked account.

Part 1: Create a New Account

1. Open the Accounts window.

2. Scroll to account 1070 Total Cash, and select (highlight) that
    account.

Create
3. Click the Create button on the toolbar, and enter the
    following record:

4. Click the Class Options tab.

5. In the Account Class field, select Bank.

6. In the Next Cheque No. field, type 100.

7. Click the Save and Close button, or choose Save from the
    File menu, and close the account record.

8. Close the Accounts icon window.

Part 2: Link the Account

1. In the Home window from the Setup menu, choose System
    Settings, then Linked Accounts, and then Customers And
    Sales.

2. Link the new account by clicking on the arrow to the right of the Principal Bank Account field, then clicking on 1069 Central Bank: Richmond. Or, press Alt+Down Arrow to display the list of accounts, use the Up or Down Arrow key to reach the account, then press Alt+Down Arrow to select it.
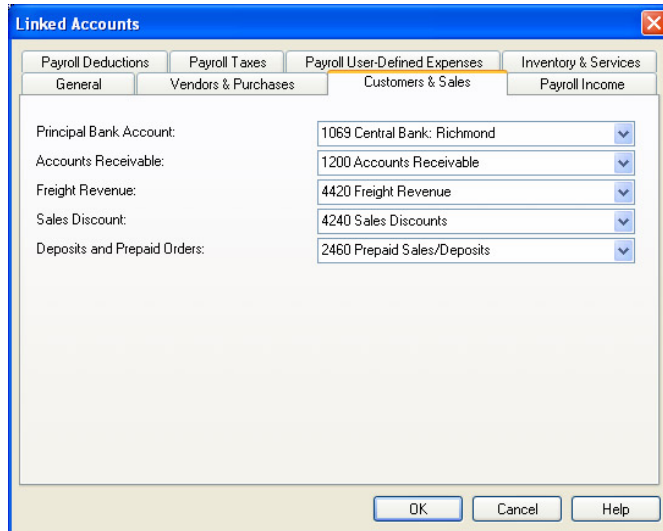
3. Click OK to accept the entry.

📓 Display Chart of Accounts

4. To review the changes to your account list, in the Home window, choose Reports, then Lists, and then Chart of Accounts.

Adding Vendors

The Vendors window contains records of all the vendors (suppliers) with whom your company does business. Each record contains tabs on which you enter information about a vendor.

Address tab

On the Address tab, you enter information in these fields:

Vendor. Enter the vendor's name. The program does not allow you to enter identical vendor names.

Contact. Enter a contact name, usually the person you deal with most often when you write, phone, or e-mail the vendor.

Street 1 and **Street 2.** Enter the vendor's street address.

City, **Province,** and **Country.** Enter the vendor's city, province, and country. The names you entered for your company in the Company Information window are displayed automatically.

Postal Code, Phone 1, Phone 2, and **Fax.** Enter the vendor's postal code, phone, and fax numbers.

Tax ID. Enter the vendor's business number or social insurance number.

E-Mail and **Web Site.** Enter the vendor's e-mail address and Internet URL (Web site address).

Department. If you are using Simply Accounting Pro or higher and have checked Use Departmental Accounting in the System Settings, you can assign the transactions associated with this

vendor to a specific department in your company. For more information on departments, see the *User Guide*.

Inactive Vendor. Check this box if you no longer interact with this vendor but want to keep the record for reference.

Payroll Authority. Check this box to identify vendors to whom you remit payments for tax and other payroll liabilities.

Options

On the Options tab, you enter information in these fields:

Expense Account. Enter the expense account that you normally use to record the non-inventory purchases from this vendor (that is, purchases for which you have not created an inventory record). The account number you enter in the Expense Account field will automatically appear in the Account field of the first line in the detail section of the Purchases, Orders and Quotes window.

Early Payment Terms. Enter the payment terms the supplier generally offers you. Payment terms include an early-payment discount rate (a percentage), a period (in days), and the number of days until the invoice is due in full.

For example, if an invoice from your supplier has terms of 1%, 10 days, net 30, you would receive a 1-percent discount for paying in full within 10 days of the invoice date. You can also pay as late as 30 days from the invoice date, but you will lose the discount.

Calculate Discounts Before Tax. If the vendor calculates the early-payment discount on the full invoice amount, including tax, then leave this box unchecked. If the discount applies only to the amount before tax, then check the box.

Include This Vendor When Printing T5018 Slips. Select this option if you wish to include the vendor when printing T5018 (Statement of Contract Payments) slips.

Print Contact On Cheques. Check this box if you want the program to print the contents of the Contact field on your payment cheques to vendors. You would leave it unchecked if the Contact field contains the name of the person you normally phone, e-mail, or write to at the vendor's company.

(   ) Purchase Orders For This Vendor. Select Print if you normally print purchase orders for this vendor, or E-mail if you normally send purchase orders via e-mail.

E-Mail Confirmation Of Purchase Invoices And Quotes. If you include an e-mail address in the E-mail field on the Address tab, you can send confirmation by e-mail to the vendor automatically when you process an invoice or quote. Check this box if you want Simply Accounting to send confirmation of receipt of this vendor's invoices and quotes automatically.

Taxes

On the Taxes tab, you enter information in these fields:

Tax. This column lists all the taxes that you have set up for this company; it does not represent the taxes assigned to the tax code described later. You cannot edit this field.

Tax Exempt. This column specifies whether purchases from this vendor are exempt from the selected tax. Click this field to set to Yes or No as follows:

■   If purchases are tax-exempt (that is, the tax is *not* to be charged on purchases), set to **Yes**.

■   If purchases are *not* tax-exempt (that is, the tax is to be charged on purchases), set to **No**.

Tax Code. Select the tax code that you normally use for this vendor. When you enter an item on a purchase invoice, order or quote for this vendor, Simply Accounting will automatically charge the taxes defined by the tax code. However, you can exclude some or all of the taxes by editing the Tax Exempt column, described earlier.

Statistics

Complete the following fields on the Statistics tab:

Year-to-Date Purchases, Last Year's Purchases. Enter this information, if available.

Payments for 2015, Payments for 2014. Note that the fields for Payments For 2015 and Payments For 2015 refer to the current year and the previous year, respectively. Enter these amounts manually if you need to include payments to this

vendor that were not made using Simply Accounting. Normally, you do not need to enter these amounts manually.

Recalculate. You can replace an amount you entered for the year by clicking the Recalculate button. Simply Accounting totals the payments recorded for the vendor.

Reminders

You can record and recall important information about the vendor on the Memo tab. The Memo tab looks like this:

Simply Accounting can remind you to take action with respect to this vendor, if you complete these fields.
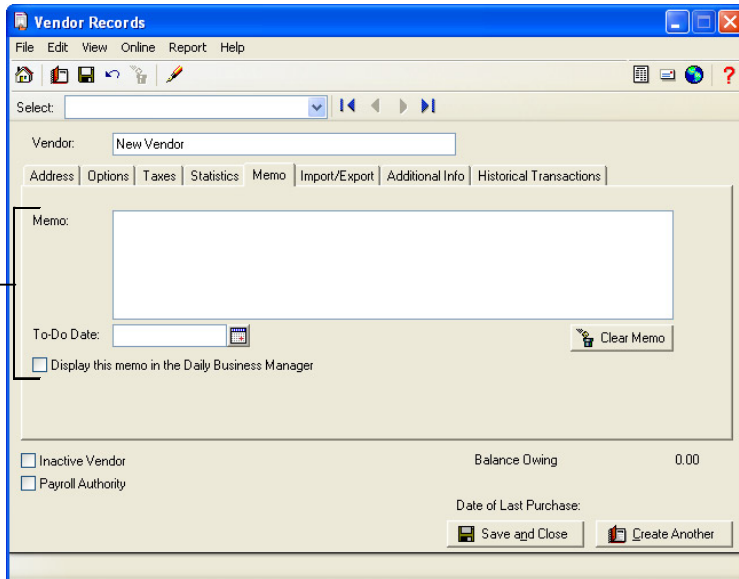
Import and export purchase transactions

You can import purchase invoices and quotes that your vendor sends you by e-mail, if both you and the vendor use Simply Accounting version 7.0 or higher and have MAPI-compatible e-mail programs, such as Microsoft® Outlook® Express or QUALCOMM® Eudora. You can also e-mail purchase orders to your vendor that they can import into their Simply Accounting program.

This Vendor Has Simply Accounting And Can Import Orders. Check this box if you wish to be able to import invoices and quotes from, and export purchase orders to this vendor.

This Vendor Uses My Item Numbers On Invoices And Quotes. If the vendor uses the same numbers as you do for

inventory items and services, check this box. You do not have to match the vendor's item and service numbers with yours.

However, if the vendor uses different numbers for items and services, match each of your vendor's item numbers with your item number or an inventory or services account in the table below.

To find out more about importing transactions, see the *Advanced Topics* manual. (In the Home window on the Help menu, choose Simply Accounting Manuals, then Advanced Topics.)

Additional information

Fields 1 to 5. On the Additional Information tab, enter additional information about this vendor if you wish. You can rename each of the five fields by choosing Set Field Names from the Edit menu.

Historical transactions

You can enter historical invoices and payments on this tab after you create the vendor record. You will add history in a later exercise.

Exercise 9: Adding Vendor Records

Vendors

1. In the Home window, choose the Vendors icon.

2. From the File menu or the toolbar, choose Create.

3. On the Address tab, enter the following vendor information:

Vendor:	Data International Corp.
Contact:	John Crowley
Street 1:	2 Dowding Rd.
City:	Vancouver
Province:	British Columbia
Postal Code:	V6X 2P9
Country:	Canada
Phone 1:	(604) 555-2552
Fax:	(604) 555-2553
Tax ID:	011-234-567
E-mail:	crow@smile.com
Web Site:	http://whiz.datacorp.net

The Address tab should look like this:

You can click this button to visit the vendor's Web site, if you include a URL in the Web Site field.

You can click this button to send an e-mail message to the vendor, if you include an address in the E-Mail field.

4.   Click the Options tab, and enter the following information:

Expense Account:	Leave blank
Early Payment Terms:	1.25%, 21 Days, Net 60
Calculate Discounts Before Tax:	No
Include This Vendor When Printing T5018 Slips:	No
Print Contact On Cheques:	No
E-Mail Confirmation Of Purchase Invoices And Quotes:	No
[ ] Purchase Orders For This Vendor:	Print

The Options tab should look like this:

5. Click the Taxes tab, and in the Tax Code field, select GP (which specifies a GST of 7% and PST of 7.0%).

6. Click the Statistics tab, and enter the following information:

    Year-to-Date Purchases: 125.25
    Last Year's Purchases: 563.45
    Payments for 2015:   0.00
    Payments for 2014:   0.00

7. Click Create Another to add the vendor to your records.

8. Repeat steps 3 to 7, entering these two vendors:

On the Address tab

Vendor:	Hart Computer Supplies	Software Unlimited
Contact:	Elizabeth Hart	Walter Quan
Street 1:	1047 Cornell Ave.	3491 West 41 St.
City:	Victoria	Vancouver
Province:	British Columbia	British Columbia
Postal Code:	V3R 1M7	V2B 7Z8
Country:	Canada	Canada
Phone 1:	250 555 1962	604 555 2098
Fax:	250 555 3625	604 555 2943
Tax ID:	012-234-567	013-234-567
E-mail:	ehart@lilt.com	quan@telly.com
Web Site:	leave blank	leave blank

On the Options tab	Expense Account:	blank	blank
	Include This Vendor When Printing T5018 Slips:	No	No
	Print Contact on Cheques:	No	No
	E-Mail Confirmation Of Purchase Invoices And Quotes:	No	No
	[ ] Purchase Orders For This Vendor:	Print	Print
On the Taxes tab	Tax Code:	GP	GP
On the Statistics tab	YTD Purchases:	126.32	125.74
	Last Year's Purchases:	335.75	180.60
	Payments for 2015:	0.00	0.00
	Payments for 2014:	0.00	0.00

9. Close the Vendor Records window.

10. In the Vendors icon window, from the Reports menu, choose Display Vendor List. Select all fields and then click OK to review the information you just entered.

Adding Customers

The Customers window contains records of all the customers with whom your company does business. Each record contains tabs on which you enter information about a customer.

Addresses

The Address tab in a customer's record looks like this:

You enter information in these fields:

Customer. Enter the customer's name. The program does not allow you to enter identical customer names.

Contact. Enter a contact name, usually the person you deal with most often when you write, e-mail, or phone the customer.

Street 1 and **Street 2.** Enter the customer's street address.

City, Province, and **Country.** Enter the customer's city, province, and country. The names you entered for your company in the Company Information window are displayed automatically.

Postal Code, Phone 1, Phone 2, and **Fax.** Enter the customer's postal code, phone, and fax numbers.

E-Mail and **Web Site.** Enter the customer's e-mail address and Internet URL (Web site address).

Department. If you are using Simply Accounting Pro or higher and have checked the Use Departmental Accounting in the System Settings, you can assign the transactions associated with

this customer to a specific department in your company. For more information on departments, see the *User Guide*.

Inactive Customer. Check this box if you no longer interact with this customer but want to keep the record for reference.

Internal Customer. This box appears in Simply Accounting Pro and higher. Check this box if the customer is to be included in Time and Billing to track activities performed for a department within the company, but *not* included in the customer list used for sales invoices, orders or quotes.

Shipping address

If you ship goods to a customer at an address different from the mailing address (where you send invoices), record shipping details on the Ship-To Address tab. Otherwise, check the Same As Mailing Address box. This address appears on sales invoices, orders, and quotes beside the mailing address.

Options

You enter credit terms and other housekeeping information regarding the customer on the Options tab.

Revenue Account. Enter the revenue account that you normally use to record the non-inventory sales to this customer (that is, sales for which you have not created an inventory record). The account number you enter in the Revenue Account field will automatically appear in the Account field of the first line in the detail section of the Sales, Orders and Quotes window.

Price List. Select the price list you want to use for this customer, regular or preferred. If you are using Simply Accounting Pro or higher, you may set up additional price lists to assign your customers.

Early Payment Terms. Enter the payment terms you generally offer this customer. Payment terms include your early-payment discount rate (a percentage), a period (in days), and the number of days until an invoice is due in full. The program automatically displays the terms you entered on the Customers and Sales tab in the Settings window (under System Settings on the Setup menu), but you can change the terms for individual customers if you wish.

Produce Statements For This Customer. Check this box if you want to create statements for this customer.

(   ) Forms For This Customer. Select Print if you normally print invoices or order-confirmation forms for this customer, or E-mail if you normally send them via e-mail.

Taxes

Use the Taxes tab to record tax information for this customer.

Tax. This column lists all the taxes that you have set up for this company; it does not represent the taxes assigned to the tax code described later. You cannot edit this field.

Tax Exempt. This column specifies whether sales to this customer are exempt from the selected tax. Click this field to set to Yes or No as follows:

■   If sales are tax-exempt (that is, the tax is *not* to be charged on sales to this customer), set to **Yes**.

■   If sales are *not* tax-exempt (that is, the tax is to be charged on sales to this customer), set to **No**.

Tax ID. This is the customer's government-assigned tax ID number for the selected tax.

Tax Code. Enter the tax code that normally applies to this customer. When you enter an item on an invoice, sales order or quote for this customer, Simply Accounting will automatically charge the taxes defined by the tax code. However, you can exclude some or all of the taxes by editing the Tax Exempt column, described previously.

Note: You can assign a default tax code to use for new customers. In the Home window select the Setup menu, then choose System Settings, and then Settings. Under Customers and Sales, choose Options and select a code from the Tax Code for New Customers field.

Statistics

Use the Statistics tab to keep track of your sales to this customer.

Year-To-Date Sales and **Last Year's Sales.** Enter this information, if available.

Credit Limit. Enter an amount, if applicable. The program warns you before you process a sale that will exceed this limit. (You can still process invoices that exceed the credit limit.)

Memo

You can record and recall important information about the customer on the Memo tab.

Import and export sales transactions

To be able to import and export sales transactions, complete the information on the Import/Export tab. The Import/Export tab looks like this:

If you and your customer *both* have Simply Accounting version 7.0 or higher and MAPI-compatible e-mail programs, such as Microsoft Outlook Express or QUALCOMM Eudora, you can e-mail sales invoices and quotes that they can import into their Simply Accounting program. You can also import sales orders that your customers e-mail to you as purchase orders.

This Customer Has Simply Accounting And Can Import Invoices And Quotes. Check this box if you want to be able to e-mail sales transactions that this customer can import directly into their Simply Accounting program.

This Customer Uses My Item Numbers On Orders. If the customer uses the same numbers for inventory items and services that you do, check this box. You do not have to match their item and service numbers with yours.

However, if they do not use the same numbers that you do, match each of your customer's item numbers with your item number or an inventory or services account in the table below.

To find out more about importing transactions, see the *Advanced Topics* manual. (In the Home window on the Help menu, choose Simply Accounting Manuals, then Advanced Topics.)

Additional Information

Fields 1 to 5. Enter additional information about this customer if you wish. You can rename each of the five fields by choosing Set Field Names from the File menu.

Historical transactions

You can enter historical invoices and payments on this tab after you create the customer record. You will add history in a later exercise.

Exercise 10: Entering Customer Records

Customers

1. In the Home window, choose the Customers icon.

2. From the File menu or the toolbar, choose Create.

3. Move from field to field, entering the following information on the address tab:

Customer:	Software Corp.
Contact:	Leo da Costa
Street 1:	921 Vulcan Street
City:	Vancouver
Province:	British Columbia
Postal Code:	V1W 1E5
Country:	Canada
Phone 1:	(604) 555 5921
Fax:	(604) 555 5217

4. On the Ship-To Address tab, enter the following information:

Contact:	Mario DiFranco
Street 1:	23 Pemberton Ave.
Street 2:	Suite 221
City:	Richmond

Province:	British Columbia
Postal Code:	V6V 2X7
Country:	Canada

5. On the Options tab, enter the following information:

Revenue Account:	Blank
Price List:	Regular
Early PaymentTerms:	Accept the amounts
Produce Statements for this Customer:	Yes
[ ] Forms For This Customer:	Print

6. On the Taxes tab, enter the following so that the customer will be automatically assigned the tax code **GP** (GST and PST) when you enter sales orders or invoices:

GST Tax Exempt:	No
PST Tax Exempt:	No
Tax Code:	GP (GST 7%, PST 7.0%)

Choose the tax code that includes the taxes that you normally charge this customer:
GP - GST 7%, PST 7.5%
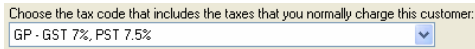
7. On the Statistics tab, enter the following information:

Year-To-Date Sales:	122.15
Last Year's Sales:	574.75
Credit Limit:	6,000.00

Note: For the credit limit, you can type **6000**. Simply Accounting automatically formats the number.

8. Click Create Another to add the customer to your records.

9. Repeat steps 3 through 8, entering the following records:

On the Address tab

Customer:	Management Consulting	Action Line
Contact:	Sally Kesterton	Steven Wong
Street 1:	4215 Georgia Street	389 W. 49 Ave.
City:	Vancouver	Burnaby
Province:	British Columbia	British Columbia
Postal Code:	V3W 9S9	V8Y 1U7
Country:	Canada	Canada

	Phone 1:	(604) 555 4782	(604) 555 3385
	Fax:	(604) 555 1847	(604) 555 3386
On the Ship-To Address tab	Same As Mailing Address:	Yes	Yes
On the Options tab	Revenue Account:	Blank	Blank
	Price List:	Regular	Preferred
	Early Payment Terms:	0%, 0 Days, Net 30	Accept
	Produce Statements:	Yes	Yes
	[ ] Forms For Customer:	Print	Print
On the Taxes tab	GST Tax Exempt:	No	No
	PST Tax Exempt:	No	No
	Tax Code:	GP	GP
On the Statistics tab	Year-To-Date Sales:	124.15	0.00
	Last Year's Sales:	4,000.00	2,000.00
	Credit Limit:	2,000.00	3,000.00

10. Close the customer's record, but leave the Customers icon window open.

11. From the Report menu, choose Display Customer List.

12. To review the information you just entered, choose Select All and click OK.

13. Close the window.

Adding Employees

The Employees window contains records for all your company's employees. Each record contains several tabs on which you enter information about an employee.

Personal tab   The Personal tab looks like this:

On this tab, enter the employee's personal information, such as:

Hire Date. Enter the date the employee was hired.

Terminate. If the employee no longer works for your company, enter the employee's termination date.

ROE Code. Enter the code that describes the employee's reason for leaving the company. This code prints on the employee's ROE (Record of Employment) form.

Department. If you are using Simply Accounting Pro or higher and have checked Use Departmental Accounting in the System Settings, you can assign the transactions associated with this employee to a specific department in your company. For more information on departments, see the *User Guide*.

Date Last Paid. This field will display the date the employee was last paid, once you have entered a paycheque.

Inactive Employee. Select Inactive if the employee has left your company or is on unpaid leave.

Language Preference. Select the language to use for forms and cheques issued to this employee.

Job Category. Job categories can help you save time when entering invoices and time slips. If you want to use Job Categories, set them up using the Setup Menu in the Home window (select System Settings and then Job Categories).

Taxes tab

Enter information about federal and provincial taxes on the Taxes tab.

Tax Table. Display the list of provinces, then select the one in which the employee resides.

Federal Claim. Enter the total claim amount shown on the employee's federal TD1 form. This is a dollar amount, not a claim code.

Federal Claim Subject to Indexing. Enter the employee's federal tax credit amount that is eligible for indexation.

Provincial Claim. Enter the amount of the employee's provincial tax credit. This is a dollar amount, not a claim code.

Provincial Claim Subject to Indexing. Enter the employee's provincial tax credit amount that is eligible for indexation.

Deduct EI. If the employee is EI insurable, check the Deduct EI box, then enter the employer's EI premium rate. The EI factor entered on the Payroll tab in the Settings window is displayed automatically, but you can change it. The field accepts four decimal places. If the employee is not EI insurable, leave the Deduct EI box unchecked.

Deduct CPP/QPP. Check this box if Canada/Quebec Pension Plan premiums should be deducted from the employee's paycheque. Remove the check from this field if the employee is exempt from paying CPP or QPP premiums for reasons other than age.

Enter additional income tax

Additional Federal Tax. If you wish, enter an additional amount of federal income tax to be deducted from the employee's pay every pay period.

The program uses the amount you enter in this field, plus the amount it calculates using the current tax rate, to find the total amount of income tax to deduct from the employee's pay for the pay period.

Income tab

Enter salary and wages information on the Income tab.

Note: To specify the taxes that apply to each type of income, open the Setup menu, choose System Settings and then Settings; then click the Payroll tab and check or clear (uncheck) the boxes for each income type.

Benefits. If you pay benefits to or make contributions on behalf of the employee in addition to the regular salary, enter the amount in this field.

Quebec Benefits. If you pay benefits to or make contributions on behalf of a Quebec employee in addition to the regular salary, enter the amount in this field.

Regular, Overtime 1, and **Overtime 2.** If the employee is paid by the hour, enter the dollar amount per hour for regular pay and up to two different rates for overtime pay. You can enter up to four decimal places. If you enter amounts in these fields, you would normally leave the Salary Per Period field blank.

Salary. If the employee is paid a salary, enter the employee's normal salary for each pay period. If you enter an amount in this field, you would normally leave the Regular Per Hour and Overtime Per Hour fields blank.

Hours Per Period. If you pay the employee by the hour, enter the number of hours the employee normally works in the pay period. For salaried employees, this number is used to determine eligibility for Employment Insurance.

Pay Periods Per Year. Select from the list of possible pay periods, or type a valid number of pay periods.

Retain Vacation. Check the Retain Vacation box if you want to retain vacation pay and pay it out later. Then enter the percentage used to calculate vacation pay. Leave the box unchecked if you want to pay vacation pay with each cheque. This varies according to provincial legislation.

Record Wage Expenses In. Employee wages are normally recorded in the accounts you linked for payroll. If you wish to record this employee's wages in a different wage expense account, click the button to the right of The Payroll Linked Accounts option and enter an account.

Deductions tab

Note that the program can deduct amounts either before or after it calculates taxes. To specify when to make the deductions, choose System Settings and then Settings from the Setup menu, then click the Payroll Deductions tab and check or clear (uncheck) the boxes for each deduction.

Tip: Using preset deductions saves time and helps prevent errors because you do not have to type the deduction amounts every time you issue a paycheque.

If you need to, you can enter a different deduction amount when you record a paycheque in the Paycheques window.

Pension, Group Insurance (Group Ins.)**, Medical**, **Misc 1**, **Misc 2**, and **Deductions 6** through **20.** Enter the amounts of pension contributions, group insurance, medical premiums, and miscellaneous deductions to be withheld from the employee's pay for the period. If you have changed the names of the deduction fields (by choosing System Settings and then Names from the Setup menu), these fields display their new names.

WCB and other expenses tab

WCB Rate. Enter the Workers' Compensation Board assessment percentage that relates to this employee. The WCB Rate field accepts four decimal places. If Quebec is chosen in the Tax Table field, enter the assessment percentage which relates to CSST (Commission de la santé et de la sécurité du travail).

User-Defined Expenses. You can define up to five additional expense accounts to record employer expenses. For example, you can define an expense account to record the portion of an employee's insurance premium that is paid by the employer.

Entitlements tab

Use the Entitlements tab to track an employee's sick days or leaves of absence. You must enter the number of hours the employee normally works during a day of paid employment.

Simply Accounting calculates the days earned based on this field.

Exercise 11: Entering Employee Records

Employees

1. In the Home window, choose the Employees icon.

2. From the File menu or the toolbar, choose Create.

3. Enter the information for the employee record as follows:

   a) Click the Personal tab and enter:

Employee:	Ashcroft, Howard
Street 1:	63 Inglenook Drive
City:	New Westminster
Province:	British Columbia
Postal Code:	V9N 9E1
Phone 1:	604 555 5432
SIN:	306 921 123
Birth Date:	04-16-1950
Hire Date:	07-31-1993

Calendar

Note: You can click the Calendar button to the right of the date fields to select a date from a calendar.

   b) Click the Taxes tab and enter:

Tax Table:	British Columbia
Federal Claim:	7,912.00
Federal Claim Subject to Indexing:	7,412.00
Provincial Claim:	8,500.00
Provincial Claim Subject to Indexing:	8,000.00
Deduct EI:	Yes Rate 1.4
Additional Fed. Tax:	0.00

c) Click the Income tab and enter:

On the Regular line:
Amount Per Unit: 16.00
Hours Per Period: 80
On the Overtime 1 line:
Amount Per Unit: 24.00
On the Salary line:
Amount Per Unit: 0
Pay Periods Per Year: 26
Retain Vacation: Yes Rate 4%
Record Wage Expenses In: Payroll linked accounts

d) Click the Deductions tab and enter a Percentage Per Pay Period for the following:

Pension: 3.0 %
Group Ins.: 0.75 %
Medical: 1.0 %

4. Click the WCB And Other Expenses tab and enter 4.25% as the WCB Rate.

5. Click the Entitlements tab to enter the number of hours in a work day: 8.0

6. Click Create Another to add the employee to your records.

7. Repeat steps 3 to 5, entering the following information:

a) Click the Personal tab and enter:

Employee: Smart, Pauline L.
Street 1: 3701 Harmon Ave.
Street 2: Apt 403
City: Vancouver
Province: British Columbia
Postal Code: V2B 1Y8
Phone 1: 604 555 3621
SIN: 777 888 991
Birth Date: 12-05-1967
Hire Date: 05-08-1994

b) Click the Taxes tab and enter:

Tax Table: British Columbia
Federal Claim: 7,412.00
Federal Claim Subject to Indexing: 7,412.00
Provincial Claim: 8,000.00
Provincial Claim Subject to Indexing: 8,000.00
Deduct EI: Yes   Rate 1.4
Additional Fed. Tax: 0.00

c) Click the Income tab and enter:

Salary Per Period: 2,100.00
Salary Hours Per Period: 37.5
Pay Periods Per Year: 26
Retain Vacation: Yes   Rate 4%
Record Wage Expenses In: Payroll linked accounts

d) Click the Deductions tab and enter:

Pension: 3.0%
Group Ins.:   0.75%
Medical: 1.0%

e) Click the WCB And Other Expenses tab and enter 3% as the WCB Rate.

f) Click the Entitlements tab to enter the number of hours in a work day: 8.0

8. Close the window.

9. To display the employee records you have just entered, in the Employees icon window, from the Reports menu, choose Display Employee List.

Adding Inventory Records

The Inventory and Services window contains records of all items and services that you sell.

The Inventory and Services window looks similar to this (note that the Build tab appears only in Simply Accounting Pro and higher):

The fields and tabs that will appear depend on whether you specified the item type as Inventory or Service. You enter information in the following fields:

Number. Enter the inventory or service item number.

Description. Enter a description of the item.

Type. Choose whether the item is an inventory or service item.

Activity (Time and Billing). This box appears only if you specified service as the item type in Simply Accounting Pro or higher. Click this box if the service is to be included in the Time and Billing (Time Slips) process.

Inactive Item. Check this box if you no longer stock this item but want to keep the record for reference.

Internal Service Activity. This box appears in Simply Accounting Pro and higher, if you had specified service as the item type *and* checked the Activity (Time and Billing) box. Click this box if the activity is to be tracked for reporting within the company only (that is, the activity will not appear in the list of items to be billed and sold in the Sales, Orders and Quotes window).

Quantities tab

The Quantities tab appears only if you choose Inventory in the Type field.

Show Quantities In. Select the unit of measure in which the quantities are shown, for example, dozen, kilogram, or tonne. You set the units of measure on the Units tab.

Minimum Level. Enter the minimum quantity you wish to have in stock.

Units tab

If you select a service item, the only field that appears on this tab is Unit of Measure. You do not need to differentiate between stocking, buying, or selling units of measure for services.

In Simply Accounting Pro or higher, if you select a service item that you designated as an activity for Time and Billing, then the fields on the Units tab are unavailable for edit. Use the Time And Billing tab instead.

Stocking Unit of Measure. Enter the unit of measure in which you stock the item in your inventory, for example, dozen, kilogram, or tonne.

Selling Units and **Buying Units.** If you buy or sell items in a different unit of measure than the one in which you stock the item, uncheck the Same As Stocking Unit box under the Buying Units or Selling Units section.

■   **Unit of Measure.** Enter the unit of measure in which you buy or sell the item, such as dozen, kilogram, or tonne.

■   **Relationship.** Describes the relationship between the stocking unit and the buying or selling unit. Enter the number of stocked units that make up a buying or selling unit or vice versa. For example, if the stocking unit of measure is kilograms and selling unit is grams, you would enter 1000 in the first box, and select Grams per Kilogram in the second box:

Pricing tab

Regular. Enter the regular price at which you sell this item.

Preferred. Enter the preferred price for this item.

Web Price. Enter the price at which you sell this item on the Web.

If you are using Simply Accounting Pro or higher, you may have additional prices to enter.

Linked tab

You can add the following accounts "on the fly" if they do not already exist.

Asset. This field appears if you chose Inventory in the Type field. From the list of accounts, select the asset account you want to associate with this inventory item.

Revenue. Select the revenue account you want to associate with this inventory item, service or activity.

Expense. This field appears if you chose Service in the Type field. Select the expense account you want to associate with this service.

Cost of Goods Sold (C.O.G.S.). This field appears if you chose Inventory in the Type field. Select the Cost Of Goods Sold expense account you want to associate with this inventory item.

Variance. This field appears if you chose Inventory in the Type field. The account records any difference in price caused by negative inventory levels. Select the variance account you want to associate with this inventory item. It can be the same account as the C.O.G.S. account.

Time and Billing tab (Simply Accounting Pro or higher)

The Time And Billing tab appears in Simply Accounting Pro and higher. You can edit this tab only for a service item that is a Time and Billing activity. After you complete this tab and create the item record, you can select the item when using the Time Slips window.

Unit's Relationship to Time. Enter the following information:

- **Unit of Measure.** Enter the unit of measure by which to measure this service activity. You can choose Hours or

Minutes from the drop-down list, or type your own value, such as Service Call.

■ **Unit is Related to Time.** If you enter hours or minutes in the Unit of Measure field, then Simply Accounting automatically selects the Unit Is Related To Time box. If the unit is not hours or minutes but can be measured in hours or minutes, check the Unit Is Related To Time box, then in the Relationship field, fill in the information about the item.

■ **Relationship.** If you selected the Unit Is Related To Time box, define the relationship that the unit has with time. For example, if a service call is defined as one hour per service call, enter 1 in the first Relationship field, and select Hours Per Service Call from the drop-down list of the second Relationship field.

If you did not select the Unit Is Related To Time box, you do not need to define the relationship.

Billing & Payroll Options. Enter the following information:

■ **The Service Activity is.** Specify whether the activity is:

– Billable — The charge for the service item (activity) will appear on the invoice.

– Non-billable — The service item (activity) will not appear on the invoice.

– No charge — The service item (activity) will appear on the invoice, but without a charge amount.

■ **Sometimes Charge for this Activity.** This field appears only if the Service Activity Is field is Non-billable or No Charge. Selecting the Sometimes Charge For This Activity option enables you to charge for the activity during Time Slips entry, even though the activity is normally non-billable or not charged.

■ **Charges are Based on.** You can edit this field only if you specified that the "unit is related to time" and that the service activity is "billable." Then specify whether charges are based on:

- Billable Time — The amount charged for the service activity will be based on the time spent on the activity.

- Flat Fee — If you choose this option, then you must further specify how the flat fee is defined, relative to the price. For example, the flat fee of a service call may actually be based on 1.25 hours of activity, even though the service call has been defined as only one hour in the "relationship to time" fields.

■ **Default Payroll Income.** You can specify the type of income normally associated with this service (for example, regular or overtime income). The value in this field automatically appears in the Payroll Income field of the time slip, so you don't have to select it every time.

Simply Accounting Pro or higher

The Build tab appears in Simply Accounting Pro and higher, and only for an inventory item. After you complete this tab and create the item record, you can select the item when using the Bill of Materials And Item Assembly window.

Build ( ) of this Item from the Following Components. Enter the number of items that you will build on this bill.

Then, in the table that lists the components, enter the following information:

■ **Item No.** Enter the item that you wish to include in this bill of materials. Simply Accounting will automatically display the item's unit of measure and description.

■ **Unit** and **Description.** When you enter the item number, Simply Accounting automatically displays the item's unit of measure and description.

■ **Quantity.** For the item number, enter the number of units required to build the bill of materials item.

Additional Costs. Enter any additional costs associated with this build, such as manufacturing overhead or direct labour.

Record Additional Costs To. Enter the account number to which to record the additional costs.

Taxes tab	**Tax** and **Tax Exempt.** The Taxes tab enables you to specify the taxes to charge on the item. Select one of the taxes listed in the Tax column. Then, in the Tax Exempt column, set to Yes or No by clicking the column:

- If the item is tax-exempt (that is, the tax is *not* to be charged on the item), set to **Yes**.

- If the item is *not* tax-exempt (that is, the tax is to be charged on the item), set to **No**.

Additional Information tab	**Fields 1 to 5.** On the Additional Information tab, enter additional information about this item if you wish. You can rename each of the five fields by choosing Set Field Names from the File menu.
Detailed Description tab	**Long Description.** Enter a detailed description of the item. You can choose to print the long description when you print the Inventory and Services List (from the Reports menu, choose Lists, then Inventory and Services).
	Picture. You can associate pictures of inventory items with their inventory records. Pictures can be bitmap (*.BMP), JPEG (*.JPG, *.JPEG), or Graphics Interchange Format (*.GIF) files and should measure 120x120.
	Thumbnail. You can store a smaller version of the picture that you associated with this item.
Statistics and History tabs	The fields on the Statistics and History tabs are described later in the *Workbook* under "Adding Historical Inventory Information."

Exercise 12: Entering Inventory Records

Inventory & Services

1. In the Home window, choose the Inventory And Services icon.

2. From the File menu or the toolbar, choose Create.

3. Enter inventory details as follows:

   a) Click the Quantities tab and enter:

Item Number: A13
Item Description: Toner Cartridge
Type: Inventory
Minimum Level: 25

b) Click the Units tab and fill in the information as follows:
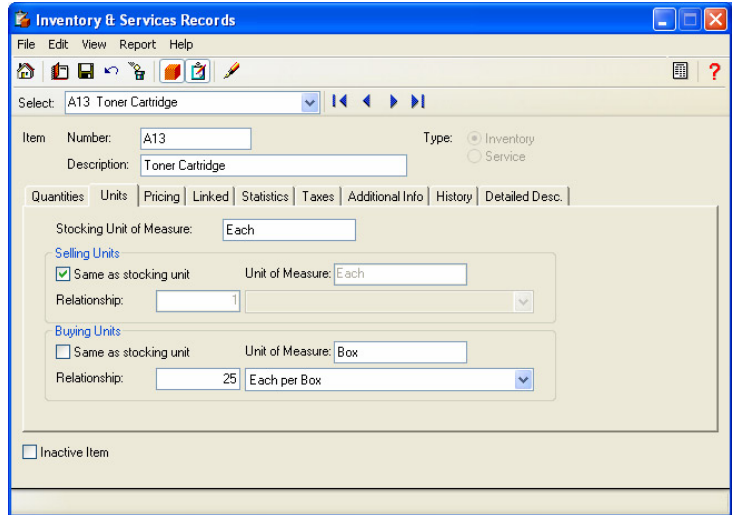
c) Click the Pricing tab and enter:

Regular Selling Price: 100
Preferred Selling Price: 97.50

d) Click the Linked tab and enter:

Asset: 1520
Revenue: 4020
C.O.G.S.:   5020
Variance: 5020

Note: You will fill in the remaining fields in "Exercise 16: Entering Historical Inventory Details."

Click the Taxes tab and enter the following so that GST and PST will be charged on this item:

GST Tax Exempt: No
PST Tax Exempt: No

4. Click Create Another to accept the information and open a
    new record.

5. Repeat steps 3 and 4, entering the following two item
    records:

Item Number:	A15	A18
Item Description:	User's Guide	Web Server
Type:	Inventory	Inventory
Minimum Level:	5	5
Stocking Unit of Measure:	Each	Each
Regular Selling Price:	30	3200
Preferred Selling Price:	25	3150
Asset:	1530	1540
Revenue:	4030	4040
C.O.G.S.:	5030	5040
Variance:	5030	5040
GST Tax Exempt:	No	No
PST Tax Exempt:	No	No

6. Close the Inventory And Services Records window.

7. To review the inventory items entered, in the Inventory And
    Services icon window, from the Reports menu, choose
    Display Inventory And Services List.

Adding Projects

You use the Projects module to list the names and the start dates
of projects you are working on. When you use the other modules
to enter day-to-day transactions, you can allocate amounts to
projects through their transaction windows. (The Projects
module has a reporting role only; it does not have its own
transaction window.)

The Project records window looks like this:

The window contains the following fields:

Project tab

Project. Enter the project name.

Start Date. Enter the date your company started work on the project. The date displayed automatically is the session date.

Revenue. Enter the revenue generated by the project prior to the start date. If you are starting a new project, leave the balance forward amount at 0.00.

Expense. Enter the expense incurred by the project prior to the start date. If you are starting a new project, leave the balance forward amount at 0.00.

Status. Identify whether this project is currently active: Pending, In Progress, Cancelled, Completed.

Inactive Project. Check this box if you no longer use this project but want to keep the record for reference.

Additional
Information tab

Fields 1 to 5. Enter additional information about this project if you wish. You can rename each of the five fields by choosing Set Field Names from the File menu.

Exercise 13: Entering Project Records

Project

1. In the Home window, choose the Project icon.

2. From the File menu or the toolbar, choose Create.

3. Enter the following information:

   Name: Police Academy
   Start Date: 10-21-2015
   Revenue: 78,514.00
   Expense: 59,872.00

   The Project record should look like this:
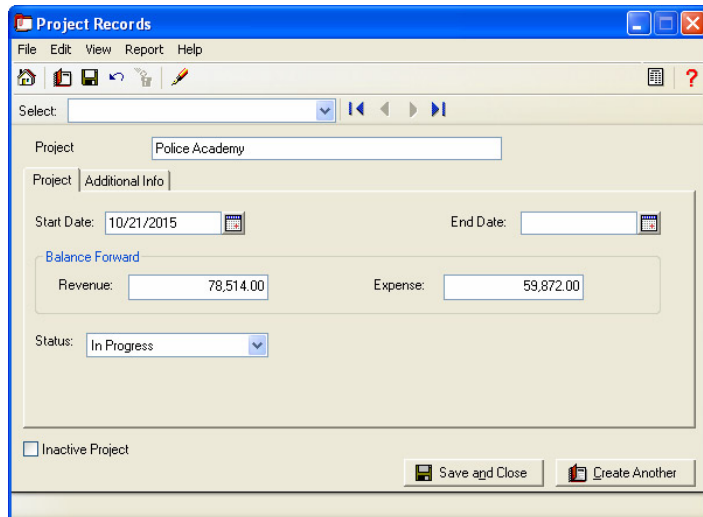
4. Click Create Another.

5. Enter the following two projects, clicking Create Another after entering each one:

   Name: Arthritis Society
   Start Date: 11-05-2015

Revenue:	124,714.00
Expense:	99,637.00
Name:	Mayfield, Green and Associates
Start Date:	01-01-2015

6. Close the Project Records window.

7. To review the projects you entered, in the Project icon window, from the Reports menu, choose Display Project List.

Entering Historical Financial Data

Now that you have created the accounts and records that you need, you can enter historical accounting data. You should enter account balances as of the earliest transaction date, based on the trial balance taken from your manual records. The program automatically calculates balances for subtotal, group total, and current earnings accounts. (For an explanation of account types, see "Account Types" in Chapter 2 in the *User Guide*.)

History symbol

Until you choose the Finish Entering History command (on the History menu), all the modules display a History symbol, indicating that you can enter historical data.

Simply Accounting modules are set up to accept both historical and current transactions concurrently; you do not need to finish entering historical data before entering new transactions. History can be added to any module until you choose the Finish Entering History command or until the end of your company's first fiscal year.

Exercise 14: Entering Historical Balances in the Accounts

1. In the Home window, choose Accounts.

2. For each of the following accounts, enter these opening balances in the Opening Balance field on the Account tab:

1050	Petty Cash	50.00
1055	Saving Bank Account	2,200.00
1060	Chequing Bank Account	2,533.11

1100	Investments	4,000.00
1200	Accounts Receivable	6,000.00
1320	Prepaid Expense	710.00
1520	Computer Supplies	4,875.00
1530	Manuals	1,500.00
1540	Computer Hardware	15,450.00
1820	Office Furniture and Equipment	5,000.00
1825	Accum. Amort. –Furn. & Equip.	-3,000.00
1840	Vehicle	6,000.00
1845	Accum. Amort. -Vehicle	-4,500.00
2120	Bank Loan - Current Portion	34,302.25
2185	CPP Payable	845.00
2230	WCB Payable	592.00
3010	Owner's Contribution	100.00
3560	Retained Earnings - Previous Year	5,993.36
5430	CPP Expense	422.50
5440	WCB Expense	592.00

3. Close the Accounts window.

    Note: If you have mistyped one of the amounts above, then Simply Accounting warns you that the debits and credits are not equal and that it will assign the difference to the Retained Earnings account. Click OK and correct the values in the chart of accounts.

4. To display the historical information you just entered, in the Accounts icon window, from the Reports menu, choose Trial Balance. Your total debits and total credits — at the bottom of the report — should balance.

Adding Historical Sales Data

Before you finish entering history, the Accounts Receivable account balance must equal the total of unpaid invoices for all customers.

In the previous exercise, you entered a $6,000 balance in the Accounts Receivable account. Now you must make sure that the total of all customer balances in the Customers window is $6,000.

Simply Accounting calculates the customer's balance, based on information you enter about the customer's invoices and payments, as of the earliest transaction date. This information is called a customer's "history" or "historical data."

Invoices...

To add historical sales data, choose the Customers icon to display a customer record. Click the Historical Transactions tab, and then click the Invoices button.

The Historical Invoices window looks like this:

Historical Invoices	
Customer:	Action Line
Invoice No.:	
Date:	01/01/2015
Terms:	1.00 % 10 Days, Net 30 Days
Amount:	

Record   Close

You enter information in the following fields:

Invoice No. Enter an invoice number. The program does not allow you to enter duplicate or blank invoice numbers.

Date. Enter the invoice date. The earliest transaction date is displayed automatically, but you can change it if you wish.

Terms. Enter the payment terms you offered this customer. The program fills in the payment terms you added in an earlier exercise, but you can change them if you wish.

Amount. Enter the amount of the invoice.

Exercise 15: Entering Historical Sales Details

1. In the Home window, choose the Customers icon.

2. Open the record for Management Consulting.

Invoices...

3. Click the Historical Transactions tab, and then click the Invoices button.

4. Enter the following invoice details:

Number:	A458
Date:	01-11-2014
Terms:	Accept the terms
	(0 %, 0 days, Net 30)
Amount:	4,000.00

The Historical Invoices window should look like this:
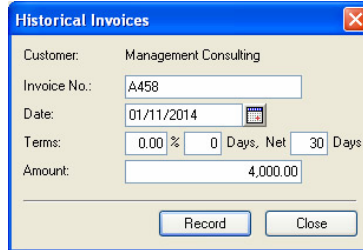
5. Click Record to accept the information.

6. Click Close to tell the program you have finished entering this customer's historical invoices.

7. In the Select field, select Action Line.

8. Click the Historical Transactions tab, and then click the Invoices button.
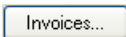
9. Enter the following information:

Number:	A620
Date	11-25-2014
Terms:	Accept the terms
Amount:	2,000.00

10. Click Record, then click Close.

11. Close the window.

12. To review the information you entered:

    a) From the Customers icon window, choose the Reports menu, then Customer Aged.

    b) Select the Detail option.

    c) Click the Select All button.

    d)   Check the Include Terms and Include Historical Difference boxes.

    e)   Click OK.

If you made a mistake

If you entered a historical invoice incorrectly, you must clear the invoice. To do this, open the customer's record, and on the Historical Transactions tab, click the Payments button. Pay the invoice in full, then click Record. Modify the invoice number and re-enter the invoice correctly.

Adding Historical Inventory Information

Before you finish entering history, the total value of inventory items must equal the total of the associated asset account(s) in the Accounts window.

You should therefore enter a quantity and value for each item in your inventory. This is called "historical" inventory information.

In Exercise 14, you entered inventory asset account balances in the Accounts window. The accounts are Computer Supplies, Manuals, and Computer Hardware. Now you must enter the values for the individual inventory items in the inventory records. You must make sure, for example, that the total value of inventory associated with the asset account Computer Hardware is $15,450, the amount you entered earlier in the Accounts window.

In these exercises, only one inventory item is associated with each asset account, but that may not always be true.

You enter historical information in the following fields:

On the Statistics tab

Show Units Sold In. Select the unit of measure in which the data on this tab is measured. You set the units of measure on the Units tab.

Year To Date. Enter the number of transactions, units sold, amount sold, and cost of goods sold for the current fiscal year.

Last Year. Enter the number of transactions, units sold, amount sold, and cost of goods sold for the previous fiscal year.

Date Of Last Sale. Enter the last date on which you sold some of this item.

On the History tab **Opening Quantity.** Enter the number of items in stock as of the earliest transaction date.

Opening Value. Enter the total cost of the stock on hand as of the earliest transaction date.

Exercise 16: Entering Historical Inventory Details

1. In the Home window, choose the Inventory and Services icon.

2. Open the record for A13 Toner Cartridge.

3. On the Statistics tab, enter the following:

   Show Units Sold In: Each
   In the Last Year section:
       Number Of Transactions: 22
       Units Sold: 35
       Amount Sold: 3500.00
       Cost Of Goods Sold (C.O.G.S.): 2625.00
   Date Of Last Sale: 08-04-2014

   The Statistics tab of the Inventory and Services record should look like this:
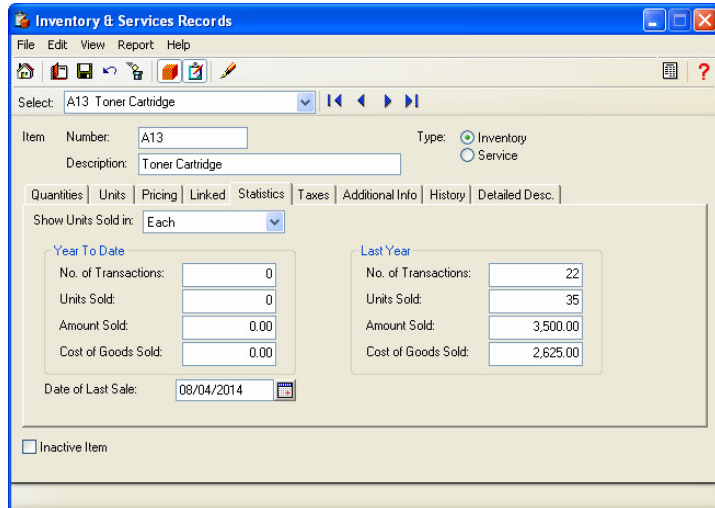
4. On the History tab, enter the following:

   Opening Quantity: 65
   Opening Value: 4,875.00

5. Scroll to items A15 and A18, entering the following information for them:

Statistics Tab

Item Number:	A15	A18
Show Units Sold In:	Each	Each
Number Of Transactions:	45	7
Units Sold:	49	9
Amount Sold:	1,470.00	28,800.00
Cost Of Goods Sold:	1,078.00	22,500.00
Date of Last Sale:	12-14-2014	12-19-2014

History Tab

Opening Quantity:	60	6
Opening Value:	1,500.00	15,450.00

6. Close the Inventory And Services Records window.

7. To review the inventory details:

   a) In the Inventory And Services icon window, from the Reports menu, choose Synopsis.

   b) Select the Inventory By Asset, Stocking Units, and Item Synopsis options.

c) Check the Include Historical Difference box.

d) Click the Select All button, and then click OK.

e) Repeat steps a) through d), but select the Inventory By Item option instead of the Inventory By Asset option.

Finish Entering History

You can continue to change account balances or other information, and you can delete records without restriction, until you set up Simply Accounting to accept only new transactions using the Finish Entering History command.

You should finish entering history by the end of the first fiscal year, prior to completing year-end activities. If you have not finished entering history, Simply Accounting will not allow you to start a new year.

Before you finish entering history, ensure that the balances of all the modules (such as Customers or Vendors) equal the balances of their respective linked accounts. To check for differences, display or print the reports for modules in which you entered history, using the option to include historical differences. For example, when you display the Customer Aged report, be sure to select Include Historical Difference. The report then includes a line indicating whether the balance for the module matches the balance in the linked account.

Back up your data

It is important to back up your data before choosing the Finish Entering History command. Once you finish entering history, you cannot enter additional historical information.

Backup

In the Home window, choose Backup from the File menu or toolbar, then fill in the screen. For more details, see "Backing Up Your Company's Information" in Chapter 19 in the *User Guide*.

Exercise 17: Finish Entering History

Be certain that the fiscal start, fiscal end, and earliest transaction dates are correct (as you set up earlier in Exercise 1). To check these dates, choose Company Information from System Settings on the Setup menu.

To set up Simply Accounting to accept only current transactions:

1. In the Home window from the History menu, choose Finish Entering History.

    A warning appears, telling you to back up your data before proceeding. If you have not already backed up your data, click the Backup button.

2. Click Proceed.

    The History symbols disappear from the modules on the Home window, indicating that you can no longer enter historical information.

Entering Purchases

To record a purchase of inventory or services, you use the Purchases, Orders, and Quotes window. When you record purchases of inventory or services, the Vendors And Purchases, Inventory And Services, and General modules are affected.

The Purchases, Orders, and Quotes window looks like this:
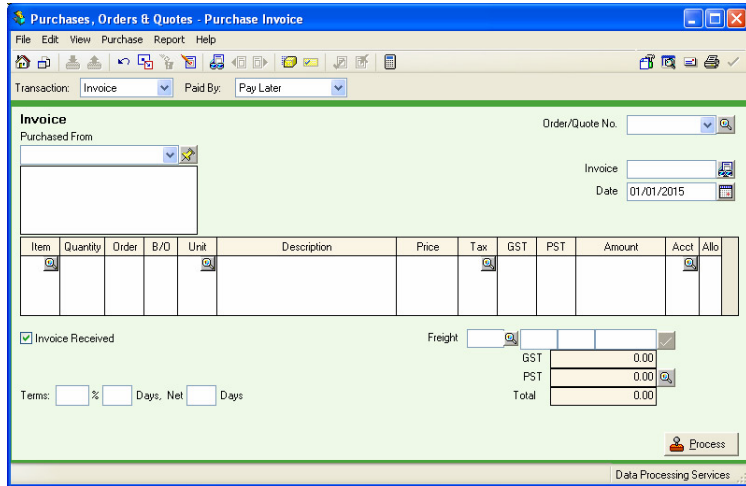
You enter information in the following fields:

Transaction. The appearance and function of the Purchases, Orders, and Quotes window varies, depending on the type of transaction you select:

- **Invoice.** For recording details of an invoice from your suppliers (vendors) for a purchase you made.

- **Purchase Order.** For recording details of goods or services you are ordering. (You will receive and pay for them later.)

- **Quote.** For recording details quoted by your suppliers for goods or services you might want to purchase later. (You can convert the quote into an order or invoice if you decide to make the purchase later.)

The program stores the information from purchase orders and quotes for tracking purposes only; it does not update the accounts until you record a purchase invoice.

Details of cash purchases appear in the Transactions By Account, All Transactions, and Purchase Transaction Details reports.

Paid By. Select a payment method from the list.

Purchased From. Select a vendor from the list; the program automatically enters the vendor's address.

If the vendor is not listed, you can enter a one-time vendor. Type the vendor's name, press the Tab key, and click Continue. You must pay one-time vendors at the time of purchase.

Ship To. If you select Purchase Order or Quote in the Transaction field, the program displays this field and fills in your company's name and address. You can accept this information or type over it.

Order/Quote Number (PO Number). If you select Purchase Order in the Transaction field, the program automatically enters the next available purchase order number. You can accept it or type a different number or word to identify the order.

If you want to fill an existing purchase order, select Invoice in the Transaction field, and then Pay Later, Cash, Cheque, or a credit card in the Paid By field. Then enter the purchase order number. The program fills in the fields for the purchase, which you can accept or change.

Cheque. If you select Cheque in the Paid By field, the program automatically enters the next available cheque number. You can accept this number, or type a different number or word to identify the transaction.

Invoice. If you select Invoice in the Transaction field, enter the number of the vendor's invoice for this purchase. If you select Purchase Order or Quote, this field does not appear.

Ship Date. If you select Purchase Order or Quote in the Transaction field, enter the date by which you need to receive the order.

Date. Enter the date of the invoice, or accept the date displayed. The date can be any date between the earliest transaction date and the session date, inclusive. If you selected the option Allow Transactions In The Future, on the System tab in System Settings, you can enter any date between the earliest transaction date and the last day of the fiscal year, inclusive.

Item. Enter the item number, or press Enter and select one from the list. The Unit, Description, Price, and Account (Acct) fields are filled in automatically, using values you entered in the Inventory or Service record.

Quantity. If you are filling a purchase order, enter the quantity received. If this differs from the quantity ordered, the program automatically fills in the difference in the Back Order (B/O) field.

Order. Enter the number of items being purchased or ordered.

Back Order (B/O). If you are filling a purchase order, the program automatically fills in the difference between the quantities ordered and received. You can accept this number, or change it.

Unit. Enter the item's buying unit, for example, dozen, kilogram, or tonne.

Description. Enter a description of the item.

Price. Enter the cost of the inventory item. On a purchase order, enter the quoted or advertised price; you can adjust it later if the price changes.

Tax. Enter a tax code for the item, and the program will automatically calculate and display the taxes that are defined by the tax code. You create tax codes by using the Sales Tax Information window (from the Setup menu, select System Settings, then Sales Taxes).

Tax Amount (such as **GST, PST**). If you have defined more than two taxes in your system, then the program calculates and displays the item's total tax amount (based on the tax code that you selected) in the Tax Amount field. If you have defined only one or two taxes in your system, then the program displays a separate tax field for each tax, such as a GST and a PST field.

Amount. If you have entered a quantity and a price, the program calculates the amount automatically. If you wish, enter a different amount; the program recalculates the price.

Account (Acct). The program fills in the asset account for this item, as listed in the Inventory or Service record.

If no account number appears, enter the number of the account to debit or credit for the item.

✔	Allocate	**Allocate** (Allo). You can allocate the cost of a non-inventory item to a project. (Inventory items are usually allocated when you sell the item.)

If you want to allocate the cost of inventory items, check the Allow Project Allocations box in the asset account record associated with the item(s).

Click the Allocate button. The Project Allocation window appears. You enter information in the following fields.

Apply This Allocation To Entire Transaction. Check this box if you want to allocate all detail lines in the transaction to the same project in the same amounts or percentages. This box is selected by default if you chose it as a user preference (on the Setup menu in the Home window, choose User Preferences, then Settings, and then check the option, Always Apply Allocation to the Entire Transaction).

Project. Double-click or press Enter to display a list of projects, then select one.

Amount. Since you chose to allocate other transactions by amount (in Exercise 4), you can change the Amount field. The percentage field is calculated based on what you enter in the Amount field. (You could also have chosen to allocate by percentage.)

Enter the dollar amount to be allocated to the project. You can allocate all or part of the remaining amount among additional projects by selecting each project, then entering the amount. The program displays the total amount to be allocated and the remaining amount, at the top of the window.

When you have completed your allocation, a check mark appears in the Allocate column beside the detail line, in the Purchases window.

Invoice Received. If you selected Invoice in the Transaction field, but did not receive an invoice with your shipment, clear (uncheck) this box. The Invoice field name then changes to Reference. If you later try to pay for the shipment you are recording now, the program will warn you to look for the

invoice, so you can enter any shipping costs or changes in price or payment terms.

Freight. Enter the cost of freight that cannot be directly allocated to a specific item. If the freight can be allocated to a specific item, include it in the Amount field for the item.

Tax totals (such as **GST, PST**). If you have defined more than two taxes in your system, then the program calculates and displays in the Tax totals field, the total tax amount for all items. If you have defined only one or two taxes in your system, then the program displays a separate tax field for each tax total, such as a total GST and a total PST field.

Terms. If you select Purchase Order or Quote in the Transaction field, or if you selected Invoice in the Transaction Field and Pay Later in the Paid By field, the program automatically displays three fields and fills in the payment terms listed in the vendor's record.

You can accept these terms, or change them if the vendor invoice differs. For purchase orders, enter the payment terms this supplier generally offers you. If you have no invoice now, you can fill in payment terms later, when you receive the invoice.

Payment terms include an early-payment discount rate (percent) and period (in days), and the number of days until the invoice is due in full.

Discount. If you select Cash, Cheque, or a credit card as the payment method, the program automatically displays two fields in which you can enter a cash discount, if you received one. Enter the percentage or the lump sum of the discount. In either case, the program deducts the discount from the total, and shows the new total in the Amount Paid box.

Exercise 18: Entering Inventory Purchases

Change the session date

When you chose settings for your company in Exercise 1, you left the option Allow Transactions In The Future (beyond the session date) unchecked.

The current session date is January 1, 2015. Because the option Allow Transactions In The Future is not selected, you cannot

process transactions with a date later than the session date. To record transactions dated after January 1, 2015, you must advance the session date to the date you need.

To change the session date:

1. Close all records and transaction windows.

Change
Session Date

2. In the Home window, from the Maintenance menu or the toolbar, choose Change Session Date.

Backup

If you have not yet backed up your data, the program asks whether you want to do so. Click Yes and follow the instructions on the screen. For more details see "Backing Up Your Company's Information" in Chapter 19 in the *User Guide*.

3. Enter **01-03-2015** as the new session date, and click OK.

After you change the session date, the Daily Business Manager and the Checklists windows appear. Close these windows. If you do not want them to appear every time you advance the session date, from the View menu, select User Preferences, and then Daily Business Manager, and uncheck the After Changing Session Date option. Again from the View menu, select User Preferences, and then Checklists, and uncheck the After Changing Session Date option.

To enter a purchase:

1. In the Home window, open the Purchases, Orders, and Quotes window.

Purchases,
Orders & Quotes

2. Select Invoice in the Transaction field, and Pay Later in the Paid By field.

3. Move from field to field, entering or accepting the following information:

Purchased From:	Software Unlimited
Invoice:	2245
Date:	01-03-2015
Item:	A15
Quantity:	10
Price:	Accept the price displayed

Tax code:	GP
Amount:	Lower the total amount owing by entering 205 (the program adjusts the Price field to 20.50 when you leave the Amount field)
Freight:	Enter 5 in the freight field (the final field)
Invoice Received:	Yes

The window should look like this:
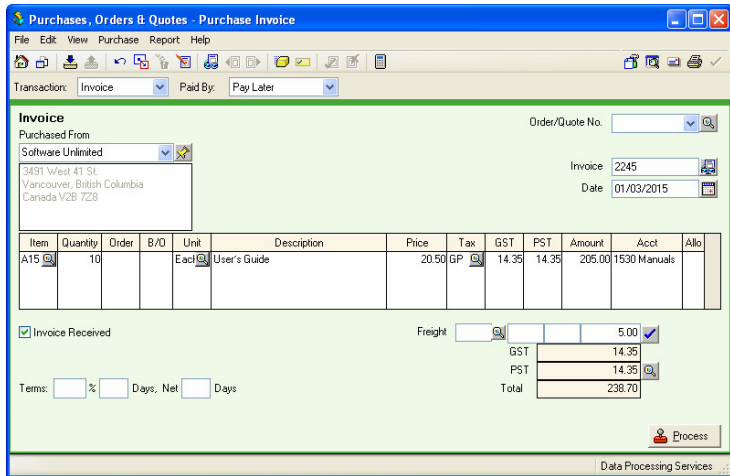
4. To review the transaction before processing it, from the Report menu, choose Display Purchase Transaction Detail. Close the report when you are finished.
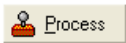
5. Click the Process button.

6. Repeat the same procedure for the following purchase:

Purchased From:	Hart Computer Supplies
Invoice:	397
Date:	01-03-2015
Item:	A13
Quantity:	5 (boxes)
Price:	75.00
Freight:	Leave blank

7. Close the Purchases, Orders, and Quotes window.

8. In the Home window from the Reports menu, select
    Transaction Details and then Purchases, to review the
    transactions. Accept the start and end date range
    of 01-03-2015 by clicking OK.

Entering Payments

To record payment of a purchase or a prepayment to a vendor,
you use the Payments window. You can also use this window to
pay credit-card bills or to make other payments not necessarily
associated with an invoice, such as phone bills or loan payments.

The window looks like this:

Transaction Type (the first field). Select the type of payment
you want to make. You can choose to pay purchase invoices that
you have entered or pay a credit-card bill that you have
received. You can also select the Make Other Payment option,
which allows you to make a payment without entering an
invoice.

By. You can select to pay by cash, cheque, or a credit card that
you have set up. You can set up the credit cards you accept

using the Credit Card window (on the Setup menu choose System Settings and then Credit Cards).

From. If you are paying by cash or cheque, you can select the bank account from which you will withdraw the funds.

To The Order Of. Select the individual or company that you are paying.

No./Source. If you are paying by cheque, you can enter the cheque number in this field. Otherwise, this field is named Source, and you can type another identifier for the payment (such as Cash or Credit Card).

Date. The day on which you make the payment.

If you select Pay Purchase Invoices

Once you select the vendor that you want to pay, a list of unpaid invoices appears. The following fields also appear:

Invoice/Pre-payment (Invoice/Pre-pmt.)**.** The invoice or prepayment reference number.

Original Amount (Original Amt.)**.** The amount on the invoice or the amount of the prepayment.

Amount Owing (Amt. Owing)**.** The amount left to pay on an invoice or the amount of a prepayment that you can apply to an invoice.

Discount Available (Disc. Available)**.** The amount you will save, according to your payment terms, by paying the invoice before the discount expires. This field is calculated automatically, based on the payment terms of the original invoice.

Discount Taken (Disc. Taken)**.** The discount already applied to the invoice.

Payment Amount (Payment Amt.)**.** The amount that you are paying or the amount of the prepayment that you are applying. You can pay the entire invoice or just a part.

	Include Fully Paid Invoices/ Prepayments	Click the Include Fully Paid Invoices/Prepayments button if you need to list fully paid invoices, so you can reverse all or part of a fully paid invoice (to correct an error or to account for an NSF cheque).

If you select Pay Credit Card Bill

If you select Pay Credit Card Bill, the following field appears:

Payment Amount. The amount that you are paying to the credit-card company.

If you select Make Other Payment

If you select Make Other Payment, the following fields appear:

Account (Acct.)**.** The account this payment will debit or credit.

Description. A description of an item that you are paying.

Amount. The amount you are paying.

The remaining fields are the same as described in the section "Entering Purchases," earlier in the *Workbook*.

Exercise 19: Paying an Invoice

Allow future transactions

1. Before you begin, set Simply Accounting to allow future transactions. In the Home window from the Setup menu, choose System Settings and then Settings. Under Company, choose System, and check Allow Transactions In The Future (Beyond The Session Date). Then click OK.

2. Open the Payments window.

Payments

3. In the first three fields, select Pay Purchase Invoices, Cheque, and 1060 Chequing Bank Account.

4. In the To The Order Of field, select Software Unlimited.

5. In the Date field, type **01-08-2015** (the day on which you make the payment).

6. In the Discount Taken field, type **10**.

7. Click the Payment Amount field. The full amount of the invoice, minus the discount, appears.

8. In the Comment field, type **Discount taken for late delivery**. The should look like this:
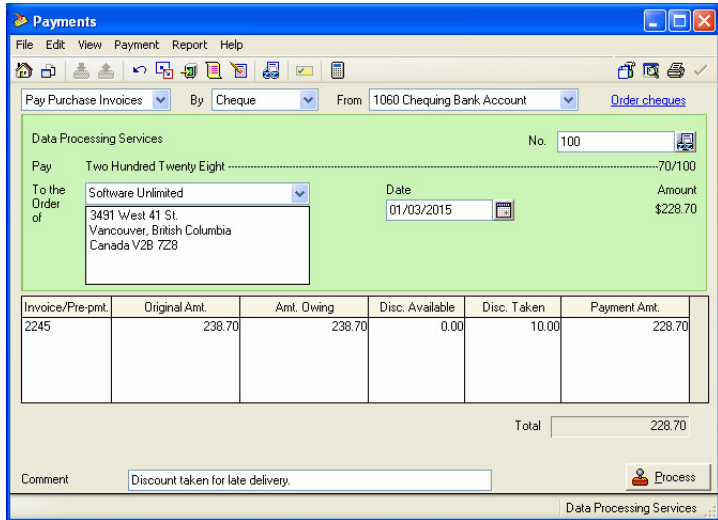
9. To print the cheque, choose Print from the File menu.

10. Click Process.

Exercise 20: Making a Miscellaneous Payment

1. Open the Payments window.

2. In the Transaction Type field (the first field), select Make Other Payment.

3. In the By field, select Cheque. Simply Accounting automatically enters the principal chequing bank account.

4. In the To The Order Of field, type **D&P Charities**, and press the Tab key. You have not entered a record for this vendor, so Simply Accounting asks if you want to add the name to your vendor list. Click Continue to use this name without entering a record.

5. In the Account field, type 5740 and press Tab.

6. In the Description field, type **Money for charity event**, in the Amount field, type **200**, and in the Tax field, click the

magnifying glass button and select **No Tax**. The Payments window should look like this:
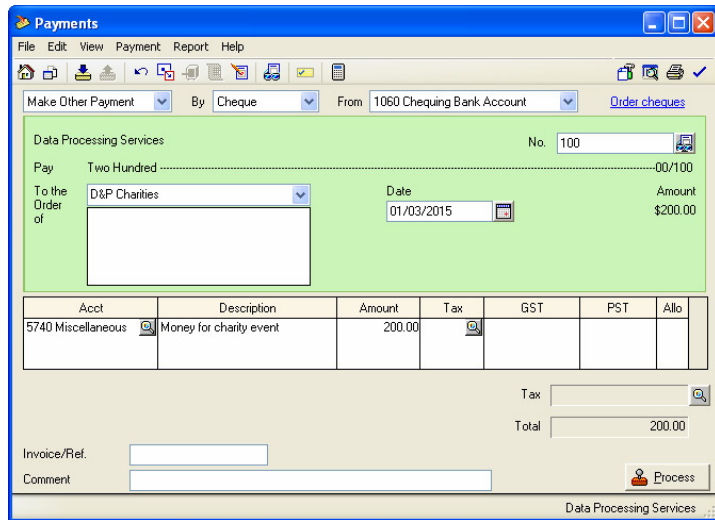
7. Choose Print from the File menu to print the cheque.

8. Click Process.

Entering Inventory Sales

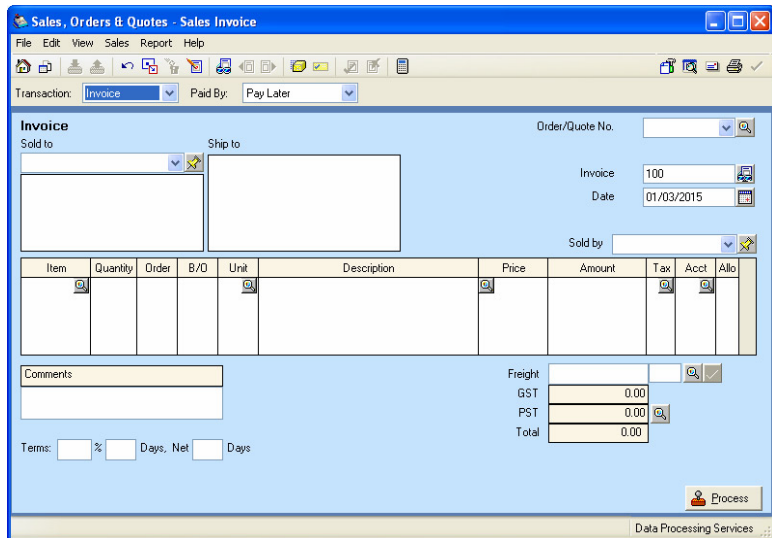To create sales invoices for inventory items, you use the Sales, Orders, and Quotes window, which looks like this:

If you plan to use Simply Accounting to print invoices, fill in the information described below, and the program prints it on the invoice. If you plan to produce invoices by some other method (such as filling in by hand), you can skip some of the fields, as noted.

Enter information in these fields:

Transaction. The appearance and function of the Sales, Orders, and Quotes window varies, depending on the type of transaction you select:

- **Invoice.** For recording details of a sale to a customer.

- **Sales Order.** For recording a customer's order that you will deliver later. When you fill the order, you can convert the sales order to an invoice.

- **Quote.** For recording a sales quote to your customer. (You can convert the quote to an order or invoice later.)

Details of all sales invoices appear on the Transactions By Account, All Transactions, and Sales Transaction Details reports.

Paid By. You can select Pay Later for customers for whom you have entered a customer record, or you can select Cash, Cheque,

or a credit card you have set up. You must select Cash, Cheque, or a credit card for one-time customers.

For more information about entering sales paid by cash, cheque, or a credit card at the time of sale, see "Entering a Sale" in Chapter 13 in the *User Guide*.

Sold To. Select a customer from the list; the program fills in the customer's address. If the customer is not on the list, you can enter a one-time customer. (Type the customer's name, press the Tab key, and click Continue.) You must receive payment from one-time customers at the time of sale.

Ship To. If you select a customer from the list, the program fills the Ship To field with the ship-to address you entered in the customer record.

Invoice. The invoice number displayed automatically is the next number in the series of invoice numbers. If you wish, you can type a different number.

Ship Date. If you select Sales Order or Quote in the Transaction field, enter the date by which you need to ship the order.

Date. Enter the date of the invoice, or accept the date displayed.

Item. Enter the item number of the item you are selling. If you do not know the item number, press Enter to display a list of items, then select one. The program fills in the Unit, Description, Price, and Account fields. You can also add an item "on the fly" by choosing <Add New Inventory/Service> from the list of items, clicking the Add button, and then filling in the information on the screen.

Quantity. If you are entering a sales invoice, enter the number of units you are selling.

Order. If you are entering a sales order or quote, enter the number of units on order.

Back Order (B/O). If you are entering a sales order, the program automatically fills in this field with the same number you entered in the Order field. When you fill in the sales order later, the program automatically adjusts the Back Order amount.

Unit. The program enters the item's selling unit (such as each, dozen, or kilogram) listed in the inventory or service record.

Description. The program enters the item's description listed in the inventory or service record.

Price. The program fills in this field automatically. If you wish, enter a different price. The field accepts up to four decimal places.

Amount. If you have entered a quantity and a price, the program calculates the amount automatically. If you wish, enter a different amount; the program recalculates the price.

Tax. Enter a tax code for the item, and the program will automatically calculate and display the taxes that are defined by the tax code. You create tax codes by using the Sales Tax Information window (from the Setup menu, select System Settings, then Sales Taxes).

Account (Acct). The program fills in the revenue account for this item, as listed in the inventory or service record.

If no account number appears, enter the number of the account to debit or credit for the item. This would normally be a revenue account.

Allocate

Allocate (Allo). You can allocate the revenue from the sale of an item to a project. Choose Allocate from the Sales menu, click the Allocate toolbar button, or use the Tab key to enter the field; the Project Allocation window appears. You enter information in the following fields.

- **Project.** Double-click or press Enter to display a list of projects, then select one from the list.

- **Amount.** Since you chose to allocate by amount (in Exercise 4), the Amount field is available. (You could also have chosen to allocate by percentage.)

- Enter the dollar amount to be allocated to the project. You can allocate all or part of the remaining revenue from the item among additional projects by selecting each project, then entering the amount. The program displays the total

amount to be allocated and the remaining amount at the top of the window.

When you have completed your allocation, a check mark appears in the Allocate column beside the detail line in the Sales, Orders, and Quotes window.

Freight. Enter the cost of freight that cannot be directly allocated to a specific item.

The amount is added to the linked Freight Revenue account when you process the transaction.

Tax totals (such as **GST, PST**). If you have defined more than two taxes in your system, then the program calculates and displays in the Tax totals field, the total tax amount for all items. If you have defined only one or two taxes in your system, then the program displays a separate tax field for each tax total, such as a total GST and a total PST field.

Comments. The invoice comment entered on the Comments tab in the System Settings window appears automatically in this field. You can change it if you wish.

Terms. If you select Sales Order or Quote in the Transaction field, or if you select Invoice in the Transaction Field and Pay Later in the Paid By field, the program automatically displays three fields and fills in the payment terms listed in the customer's record.

The program automatically includes invoices that have payment terms in the To-Do Lists. Among other things, you can use the To-Do Lists to keep track of:

■ Recurring sales you should ship and invoice this week.

■ Customers with overdue accounts, and the balance due.

Discount. If you select Cash, Cheque, or a credit card as the payment method, the program automatically displays two fields in which you can enter a discount, if you wish. You can enter a discount either as a percentage of the total amount owed, or as a lump sum. In either case, the program deducts the discount from the total, and shows the new total in the Amount Received box.

Sold By. If you use Job Categories, you can specify which employees are salespersons and choose one for this invoice.

Exercise 21: Entering Sales Invoices

Sales, Orders & Quotes

1. Open the Sales, Orders, and Quotes window.

2. Select Invoice in the Transaction field, and Pay Later in the Paid By field.

3. In the Sold To field, select Software Corp.

4. Move from field to field, entering the following information:

    Invoice: 429
    Date: 01-03-2015
    Item: A18
    Quantity: 1
   Tax code: GP (GST 7%, PST 7.0%)

    Accept the entries displayed for unit, description, selling price, and account. When you enter the quantity, the program calculates the amount, GST, PST, and total amount.

5. On the next line, enter this information:

    Item   A15
    Quantity: 3
    Tax code: GP

    The Sales, Orders, and Quotes window should look like this:

The program enters the payment terms listed in Software Corp.'s customer record.
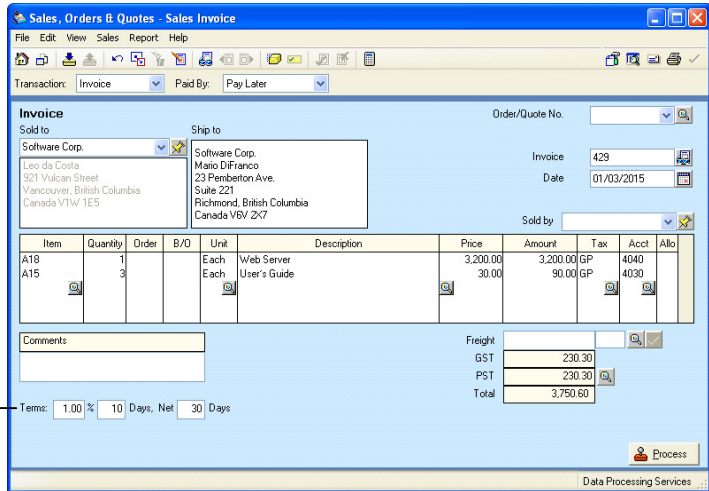
6. To check the accuracy of your work before processing, choose Display Sales Transaction Detail from the Report menu. Close the report.

7. To print the invoice, choose Print from the File menu or the toolbar.

   The program displays the message: "The invoice number you entered is greater than the next number in your invoice numbering sequence. Do you want the next invoice to continue with this new numbering?" Click Yes.

8. Click the Process button.

   If the program displays the invoice numbering warning, click Yes.

9. Close the Sales window.

10. In the Home window from the Reports menu, choose Customers And Sales, then Customer Aged to check your work. Select the Detail option, then select Software Corp., and then click OK. Close the window once you have looked at the report.

11. To review the transaction, from the Reports menu, select Transaction Details and then Sales. Accept the dates displayed, and click OK.

Looking Up Invoices

You can store and look up the details of invoices, orders, and quotes for both sales and purchases.

Store invoices

To have the program store invoices to look up later, you must check the Store Invoice Lookup Details box. (In the Home window on the Setup menu, choose System Settings, Settings, then Company, and then System.)

To look up invoices, you use the Invoice Lookup feature available in the Sales, Orders, And Quotes, and Purchases, Orders, And Quotes windows.

If you know the invoice or the transaction number, you can enter it in the window and view the invoice directly. If not, you can browse a list of invoices by clicking the Browse button. If you do not know the invoice or transaction number, enter information into as many other fields as possible to narrow down the list.

You enter information in the following fields:

Start and **Finish.** Enter the date or range of dates you want the program to include.

Customer Name or **Vendor Name.** Enter the name of the customer or vendor whose invoice you want to look up.

Invoice Number. Enter the number of the invoice. If you do not know the number, click the Browse button, then select the invoice from the list.

Transaction Number. Enter the transaction number. If you do not know the transaction number, click the Browse button to select an invoice from the list.

To look up an order or quote, open the window in which you created it (either Purchases, Orders, And Quotes or Sales, Orders, And Quotes), select the order/quote number, and press Tab.

Amount. Enter the amount of the invoice. If you do not know the amount, click the Browse button, then select the invoice from the list.

Exercise 22: Looking Up a Sales Invoice

1. Open the Sales, Orders, and Quotes window.

Look up an invoice

2. Click the Look Up An Invoice button on the toolbar, or press Ctrl+L to display the Invoice Lookup window.

3. In the Customer Name field, select Software Corp.

Browse...

4. Click the Browse button to display Software Corp.'s invoices:

Date	Customer	Invoice #	Transaction #	Original Amt
01/03/2015	Software Corp.	429	4	3,750.60

View invoices by: Date Z...A↓

Select an invoice

Select   Cancel
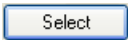
Select

5. Click the Select button, or press the Enter key to select the highlighted transaction (the sales invoice you entered in the previous exercise).

   Because the program has already updated the customer account with this invoice, you cannot change any of the displayed information.

6. Click the Print toolbar button to reprint the invoice. Then close the Sales, Orders, and Quotes window.

# Entering a Credit Memo (Customer Refunds)

When a customer returns merchandise, you must enter the return as a negative invoice in the Customers And Sales window. When you process the invoice, the program updates the Inventory And Services, General, and Customers And Sales modules. When you create a negative invoice (credit memo), the program automatically credits the linked Accounts Receivable account.

Exercise 23: Entering a Credit Memo

1. Open the Sales, Orders, And Quotes window.

2. Select Invoice in the Transaction field, and then Pay Later in the Paid By field.

3. In the Sold To field, select Software Corp.

4. Move from field to field, entering or accepting the following credit memo details:

Invoice:	CR 25
Date:	01-05-2015
Item:	A13
Quantity:	-1 (negative number)
Tax code:	GP
Acct:	4020
Comments:	Return -- our invoice #429 dated Jan 3, 2015
Terms:	Clear all three fields

The window should look like this:
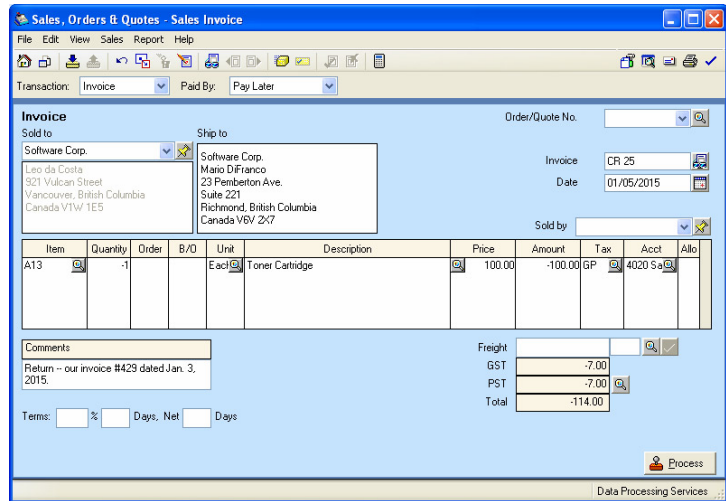
5. To review the transaction before processing, from the Report menu, choose Display Sales Transaction Detail. Close the window.

6. If you want to print the credit memo, in the Sales, Orders, And Quotes window, choose Print from the File menu or the toolbar.

7. Click Process.

8. Close the transaction window.

9. To review the reduction in the customer account:

    a) In the Home window from the Reports menu, choose Customers And Sales, then Customer Aged.

    b) Select the Detail option and then Software Corp.

    c) In the As At field, select 01-05-2015.

    d) Click OK.

10. To review the transaction, in the Home window from the Reports menu, select Transaction Details and then Sales. Change the Finish date to 01-05-2015, and then click OK.

Entering a Sales Receipt

To record a payment received for an unpaid invoice or to record a customer deposit, you use the Receipts window.

If you are receiving payment for goods at the same time as you are selling them, you can use the Sales, Orders, And Quotes window to process both the invoice and the payment, without having to open the Receipts window.

The Receipts window looks like this:

You enter information in these fields:

Paid By. You can select cash or cheque or a credit card, if you have set them up (in the Home window, on the Setup menu, choose Settings, then Credit Cards).

Deposit To. You can select any bank or cash account to which you want to deposit this payment.

Cheque. If the customer is paying by cheque, enter the cheque number.

From. From the list of customers, select the customer whose payment you wish to record. A list of unpaid invoices appears at the bottom of the screen.

Number (No.). Enter the receipt number.

Date. Enter the date for processing this receipt; for example, the date of the cheque used to pay the invoices.

Invoice/Deposit. The program lists all unpaid invoices and unused deposits for this customer. The program can also list fully paid invoices (described at the end of this section).

Original Amount (Original Amt.). For each invoice listed, the program displays the total of the original invoice before early-payment discounts or payments.

Amount Owing (Amt. Owing). For each invoice listed, the program displays the unpaid portion of the original amount.

Discount Available (Disc. Available). Using the date you entered in the Date field and the payment terms from the invoice (not shown on this screen), the program calculates whether the customer qualifies for an early-payment discount, and fills in this field.

Discount Taken (Disc. Taken). The discount amount applied to the invoice.

Payment Amount (Payment Amt.). The program uses the Amount Owing and Discount Taken fields to calculate and fill in the total amount paid. To display the amount, click in or Tab to the Payment Amount field of the invoice.

If the customer is paying less than the full amount, type over the amount displayed. If an amount appears and you have not received any payments for that invoice, press Delete to remove it.

Include Fully Paid Invoices/ Deposits

Click the Include Fully Paid Invoices/Deposits button if you need to list fully paid invoices, so you can reverse all or part of a fully paid invoice (to correct an error, or to account for a customer's NSF cheque).

Exercise 24: Entering a Sales Receipt

1. Change the session date to 01-05-2015, using the steps described in Exercise 18.

2. Open the Receipts window.

Receipts

3. Move from field to field, entering or accepting the following information:

    Paid By: Cheque
    Deposit To: 1069: Central Bank: Richmond
    Cheque: 450
    From: Management Consulting
    No.:   141
    Date: 01-05-2015
    Payment Amt.:   4000.00 (Full payment of invoice A458)

    The Receipts window should look like this:

4. To check the transaction before processing it, from the Report menu, choose Display Receipt Transaction Detail. Then close the report window.

5. From the File menu or the toolbar, choose Print.

6. Click Process.

A message appears, telling you that the receipt number you entered is greater than the next number in the sequence. It asks whether you want the next receipt to continue with the new numbering. Click Yes.

7. Repeat steps 3 through 6 for the following information:

Deposit To: 1069: Central Bank: Richmond
Cheque: 358
From: Action Line
Date: 01-05-2015
Payment Amt.:   200 (Partial payment of invoice A620)

8. Close the Receipts window.

9. To review the results of the transactions:

   a) In the Home window from the Reports menu, select Customers And Sales, and then Customer Aged.

   b) Choose the Detail option, and click the Select All button.

   c) Check the Include Terms box, and then click OK.

   d) Close this report window.

10. To review the transactions, in the Home window from the Reports menu, select Transaction Details and then Receipts. Select 01-01-2015 as the start date, and accept 01-05-2015 as the finish date, then click OK.

Entering a Customer Deposit

Occasionally, you may request that a customer pays a deposit for ordered items. You can use the Receipts window to record customer deposits.

(If you want to make a prepayment to a vendor, you use the Payments window.)

Exercise 25: Entering a Customer Deposit
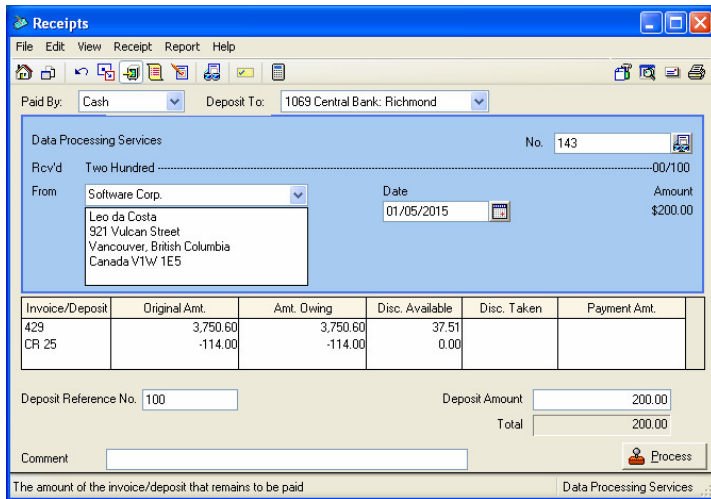
1. Open the Receipts window.

Enter
Customer
Deposits

2. Click the Enter Customer Deposits toolbar button.

3. Enter these deposit details:

Paid By:	Cash
From:	Software Corp.
No:	143
Date:	01-05-2015
Deposit Reference No.:	100
Deposit Amount:	200

The Receipts window should look like this:

4. To check the accuracy of the transaction, choose Display Receipt Transaction Detail from the Report menu. Then close the report.

5. Print the deposit receipt by choosing Print from the File menu or clicking the Print toolbar button.

6. Click Process.

    If a warning appears about the number sequence, click Yes to continue with new numbering sequence.

7. Close the Receipts window.

8.   To review the reduction in the customer account, in the Home window from the Reports menu, choose Customers And Sales, then Customer Aged. Select the Detail option, and then select Software Corp. Click OK.

9.   To check your work, in the Home window from the Reports menu, select Transaction Details and then Receipts. In the Start Date, enter 01-05-2015 and click OK.

Entering Miscellaneous Transactions

The Miscellaneous Transactions window is used to make all entries that cannot be made in other transaction windows.

In the Miscellaneous Transactions window, you can process transactions affecting all accounts except the linked Accounts Payable, Accounts Receivable, Payroll Advances, and Vacation Payable accounts, inventory asset accounts, and Current Earnings accounts. You cannot update these linked accounts directly. Their balances are changed only through the related transaction windows, or when the program automatically calculates the balance of the Current Earnings account.

The Miscellaneous Transactions window looks like this:

You enter information in these fields:

Source. Enter the source document number you want to store with the transaction; for example, enter a cheque number or invoice number.

Date. Enter the date on which you entered the transaction.

Comment. Enter a description or reason for the transaction.

Account. Enter the account number that you want to debit or credit. You can type in the number, or select it from the list of accounts by double-clicking the field. You can also create a new account "on the fly" by choosing <Add new account> from the list of accounts.

Debits. Enter the amount you want to debit the account.

Credits. Enter the amount you want to credit the account.

Comment. If you wish, you can enter a description for each line of the transaction.

Allocate

Allocate. You can allocate amounts to projects or departments, if the account is set up to allow project allocations. Click the Allocate button in the toolbar to display the Project Allocation window. You enter information in the following fields.

■ **Project.** Double-click or press Enter to display a list of projects, then select one from the list.

■ **Amount.** Since you chose to allocate by amount (in Exercise 4), the Amount field is available. (You could also have chosen to allocate by percentage.)

Enter the dollar amount to be allocated to the project. You can allocate all or part of the remaining amount among additional projects by selecting each project, then entering the amount. The program displays the total amount to be allocated and the remaining amount at the top of the window.

When you have completed your allocation, a check mark appears in the Allocate column beside the detail line, in the Miscellaneous Transactions window.

You can store a transaction that you use on a regular basis and recall it whenever you need it. See "Using Recurring Transactions," later in the *Workbook*, for details.

Exercise 26: Entering Miscellaneous Transactions

To enter miscellaneous transactions:

Miscellaneous Transactions

1. Open the Miscellaneous Transactions window.

2. Move from field to field, entering the following information:

Source:	29
Date:	01-05-2015
Comment:	To increase petty cash $100

3. Click the magnifying glass in the Account field. Select and enter 1060 Chequing Bank Account.

4. Move to the Credits field, then type 100.

5. Tab to a new line, then select account 1050 Petty Cash.

6. In the Debits field, press Tab to accept the amount of 100.00.

   The Miscellaneous Transactions window should look like this:

7. To check the transaction before processing it, choose Display Miscellaneous Transaction Detail from the Report menu. Close the report window when you are finished.

8. Click the Process button to update your accounts.

9. Repeat the same procedure for the following transaction:

    Source: Transfer
    Date: 01-03-2015
    Comment: To transfer from savings to chequing
    Account: 1060 Chequing Bank Account
    Debits: 1200
    Account: 1055 Savings Bank Account
    Credits: 1200

10. Close the Miscellaneous Transactions window.

Paying Employees

Simply Accounting uses the information you entered in each employee's record to calculate payroll cheques. Be certain that all payroll records are correct before issuing a paycheque for an employee.

Note: A Payroll ID is required if you want to complete the payroll exercises using automatic tax calculations.

To record a payroll cheque, you use the Paycheques window, which looks like this:

Enter information in the following fields:

Direct Deposit This Paycheque. Select this option if you have registered for this service and set up the Direct Deposit option for this employee.

To The Order Of. Select an employee from the list.

No. The program fills in a cheque number for you. You can type a different number, if you wish.

Date. Enter the date on which you issue the cheque, or accept the date displayed.

Period Ending. Enter the ending date of the pay period to be covered by the cheque. The date displayed is the session date.

Income tab - Earnings   **Regular** (Reg.). If the employee is paid by the hour, enter the number of regular hours worked by the employee during the pay period. The program multiplies this number by the regular hourly rate entered in the employee's record to determine the regular pay amount earned during the period.

Overtime (OT 1 and OT 2). Enter the number of overtime hours worked at each overtime rate. The program multiplies these

numbers by the overtime hourly rates entered in the employee's record to determine the amount of overtime pay earned during the period.

Salary. Enter the number of hours per pay period in the Hours column and the amount of pay in the Amount column. If a salary amount and number of hours per pay period have been entered in the employee's record, the program fills these in for you. You can type a different amount of pay if needed.

Commission. Enter any commission earned in the pay period.

Income tab - Other

Advance. Enter the amount advanced to the employee, which will be taken off a future cheque.

Benefits. Enter the amount of any taxable benefits received by the employee during the pay period.

Vacation Accrued. Enter the amount of vacation pay to be paid to the employee for this period.

Vacation Paid. Enter the amount of vacation pay retained from prior periods to be paid with this paycheque.

Deductions tab

Pension, Group Insurance, Medical, Miscellaneous 1 and **2.** The amounts entered originally in the Employee Record is displayed.

Taxes tab

EI, CPP/QPP, and **Tax.** Since you checked Automatic Payroll Deductions as a Payroll option in Exercise 1, the fields for federal and provincial payroll taxes are not accessible. The program calculates these amounts automatically.

Allocate

Allocate. You can allocate payroll expenses to projects. Click the Allocate button to display the Project Allocation window. You enter information in the following fields:

■   **Project.** Double-click or press Enter to display a list of projects, then select one.

■   **Amount.** Since you chose to allocate payroll expenses by amount (in Exercise 4), the Amount field is available. (You could also have chosen to allocate by percentage or hours.)

Enter the dollar amount to be charged to the project. You can allocate all or part of the remaining expense among additional projects by selecting each project, then entering the amount. The total amount to be allocated and the remaining amount are displayed at the top of the window.

Exercise 27: Entering Payroll Transactions

This is a two-part exercise. In part 1, you will add enough money to the Payroll Bank account to cover the paycheques you will issue, and in part 2, you will enter payroll transactions.

Part 1: Increasing the Payroll Bank Account

When you use separate bank accounts for different functions in your business, you need to keep track of your account balances. You want to avoid having an overdrawn account, and you want to keep large amounts of cash in a higher interest-bearing account.

Data Processing Services has begun to earn revenues, and receipts are starting to come in. However, to earn those revenues, the company has had to incur expenses. Payroll is usually a significant expense for a service company, and Data Processing Services is no exception. The Payroll Bank account does not have sufficient cash to meet the payroll. Therefore, before entering paycheques, you must transfer cash into the Payroll Bank account.

1. In the Home window, choose Miscellaneous Transactions.

2. Enter the following information:

Source:	Transfer
Date:	01-10-2015
Comment:	To increase Payroll Bank account
Account:	1060 Chequing Bank Account
Debits:	4000
Account:	1069 Central Bank: Richmond
Credits:	4000

3. Click Process and then close the Miscellaneous Transactions window.

Part 2: Payroll Transactions

1. Change the session date to 01-15-2015. A message tells you that the session date is more than a week past your previous session date. Click OK.

2. In the Home window, open the Paycheques window.

Paycheques

3. Move from field to field on the Income tab, entering or accepting the following information:

To The Order Of:	Smart, Pauline L.
No.:	125
Date:	01-15-2015
Period Ending:	01-15-2015
Salary:	When you click or tab to the Salary field, the program fills in the number of hours (37.50) and amount of pay per pay period ($2100) from the payroll records.
Commission:	100
Vacation Accrued:	The vacation field is automatically updated as a percentage of total earnings (salary + commission).

The window, with the Income tab selected, should look like this:
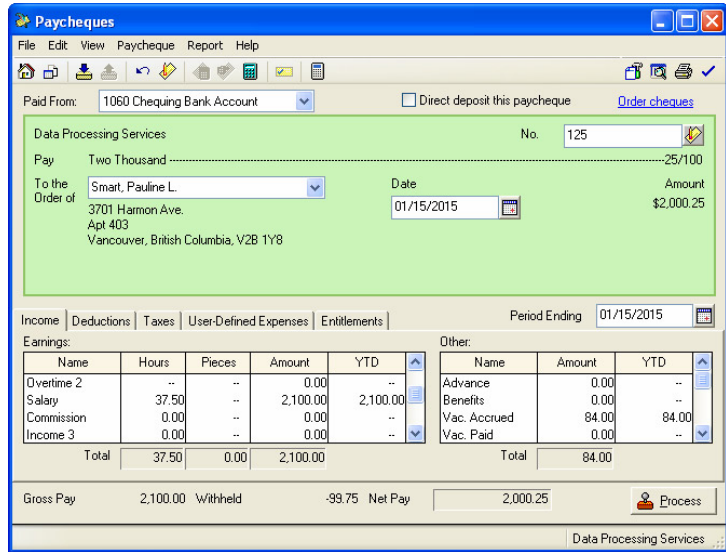
| | Calculate Taxes Manually | 4. | If you do not have a Payroll ID, the Calculate Taxes Manually button on the toolbar is enabled. Calculate this employee's taxes using the correct tax tables. Refer to the current income tax publications issued by the Canada Revenue Agency (CRA). |

| | Calculate Taxes Automatically | 5. | If you entered a Payroll ID during setup, you can calculate taxes automatically (click the Calculate Taxes automatically button on the toolbar). Depending on the tax table you use, the amounts for EI, CPP, and Tax may differ from the amounts shown on the Taxes tab: |

6. To review the transaction before processing it, choose Display Payroll Transaction Detail from the Report menu. Close the window.

7. To print the paycheque, choose Print from the File menu.

8. Click Process.

The program will display the message: "The cheque number you entered is greater than the next number in your cheque numbering sequence. Do you want the next cheque to continue with this new numbering?" Click Yes, and the program will then use 126 as the next cheque number.

The program may also display the following message: "The payroll formulas being used are valid only for session dates [   ] to [   ]. Are you sure you want to continue with this transaction?"

This message means that the program's payroll formulas are not valid for the 2015 session date you entered. Since this is only an exercise, you do not have to be concerned with this message. Click Yes to process the transaction.

9. Enter the following information for another employee:

To The Order Of: Ashcroft, Howard
No.:   126
Date: 01-15-2015
Period Ending: 01-15-2015
Reg.:   80
OT 1:   5

✓   Allocate

10. Click the Allocate button, then click the magnifying glass in the Project field. Click Arthritis Society, and click Select.

11. Accept the amount displayed, and click OK.

12. Repeat steps 4-6 to review and process your transaction.

13. Close the Paycheques window.

14. To review your employee records, in the Home window from the Reports menu, choose Payroll, then Employee. Select the Summary option, click Select All, and click OK. Close the window once you have reviewed the information.

15. To review transactions, from the Reports menu, choose Transaction Details and then Payroll. Accept the start and finish dates displayed by clicking OK.

Adjusting Paycheques

If you discover an error in a paycheque after it has been processed, you can reverse it, and then enter a new transaction with the correct information, as described under "Correcting Errors on Paycheques" in Chapter 15 in the *User Guide*.

Or, you can adjust the existing cheque by looking it up, correcting the errors, and processing the adjustment. However, because income tax deductions are complex, you should avoid adjusting paycheques, unless:

■   You are adjusting the most recent cheque you paid to the employee, *and*

■   The employee has not reached the maximum deduction levels for EI, WCB, or CPP.

Exercise 28: Adjusting a Paycheque

In this exercise, you will adjust Pauline Smart's salary from $2100 to $1890 because she took some time off without pay.

1.   In the Home window, open Paycheques.

Adjust Paycheque

2.   On the Paycheque menu or the toolbar, choose Adjust Paycheque, then select the most recent paycheque for Pauline Smart (click Browse).

Simply Accounting reminds you to recalculate the taxes on the cheque after you make any adjustments. Click anywhere in the box to close it.

3.   Move from field to field, changing only the information in these fields:

|	
No.:	125 ADJ
Salary Hours:	32
Salary:	1890
Commission:	100

Recalculate Taxes

4.   On the Paycheque menu or the toolbar, choose Recalculate Taxes. *Do not forget this step.*

Note: If you do not have a Payroll ID, you must recalculate taxes manually. Refer to the current income tax publications issued by the Canada Revenue Agency (CRA).

The Paycheques window should look like this:

After you enter the new salary amount, remember to recalculate the taxes.
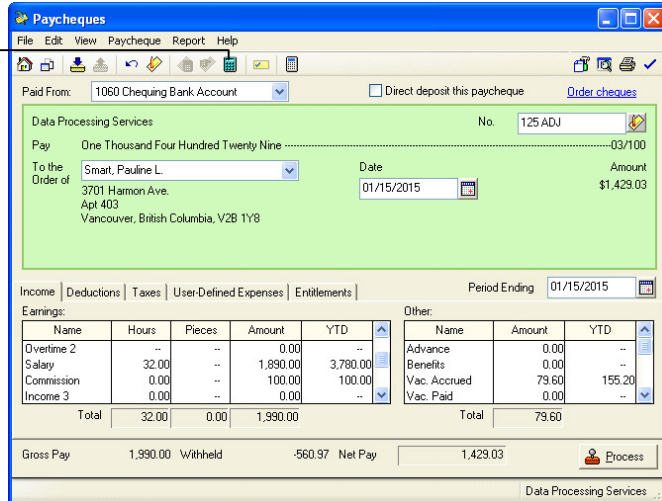
Depending on the tax table you use, the deduction amounts may differ from those shown in this example:

5. To review the transaction before processing it, choose Display Payroll Transaction Detail from the Report menu. Then, close the window.

Print

6. Print the new paycheque.

   If you had printed a real paycheque in Exercise 27, you would write "VOID" on it and replace it with the new paycheque.

7. In the Paycheques window, click Process.

8. Close the Paycheques window.

9. In the Home window on the Reports menu, select Payroll, then Employee. Select the Summary option, select Pauline Smart, and then click OK. Review the employee record. The gross pay should be $1,990.00 ($1,890 in salary and $100 in commissions).

Entering Inventory Adjustments

During the fiscal year, inventory items may become damaged, broken, or obsolete. Also, inventory loss or shrinkage may occur. You use the Inventory Adjustments window to record any changes to the inventory quantity.

The window looks like this:

You enter information in these fields:

Source. Enter the source document number.

Date. Enter a date, or accept the one displayed.

Comment. You can use this optional field to describe the transaction in more detail.

Item. Enter the number of the item to be adjusted; or, double-click or press Enter, then select the inventory item from the list. The program fills in the Unit, Description, and Unit Cost fields from the inventory record for this item.

Quantity (Qty). If the stock is to be increased, enter a positive quantity. If stock is to be reduced, enter a negative quantity.

Amount. The unit cost multiplied by the quantity. You can accept the amount calculated by the program, or enter a different amount.

Account. Enter the expense account that will record the inventory adjustment, or accept the Adjustment account you have linked to the item. To change the account, press Enter, then select the account from the list. When you process the adjustment, the program automatically updates the linked inventory asset account and the expense account.

Allocate

Allocate. If you entered an account that allows project allocations, click the Allocate button to allocate the amount of this adjustment to one or more projects. A Project Allocation window appears. You enter information in the following two fields.

- **Project.** Double-click or press Enter to display a list of projects, then select one.

- **Amount.** Since you chose to allocate by amount (in Exercise 4), the Amount field is available. (You could also have chosen to allocate by percentage.)

  Enter the dollar amount to be allocated to the project. You can allocate all or part of the remaining amount among additional projects by selecting each project, then entering the amount. The program displays the total amount to be allocated and the remaining amount at the top of the window.

When you have completed your allocation, a check mark appears in the Allocate column beside the detail line, in the Inventory Adjustments window.

Exercise 29: Entering an Inventory Adjustment

1. Open the Inventory Adjustments window.

2. Move from field to field, entering the following information:

   Source: 12
   Comment: Damaged goods
   Item: A13
   Quantity: -2

   The window should look like this:
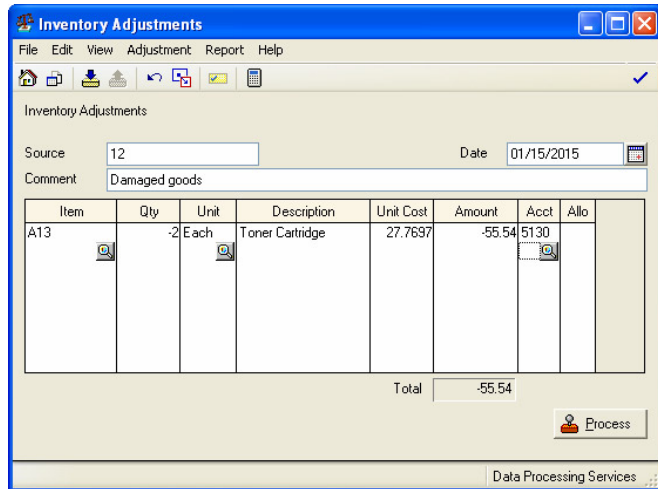
3. To review the transaction before processing, choose Display Adjustment Transaction Detail from the Report menu. Close the report when you are finished.

4. Click Process.

5. Close the Inventory Adjustments window.

6. To review the transaction, in the Home window from the Reports menu, select Transaction Details, and then Inventory

Adjustments. In the Start Date, enter 01-15-2015 and click OK.

Using Recurring Transactions

Simply Accounting lets you store copies of transactions and recall them for future use. You can store and recall transactions for any of the following transaction windows:

- Miscellaneous Transactions.
- Purchases, Orders, and Quotes.
- Payments.
- Sales, Orders, and Quotes.
- Paycheques.
- Item Assembly (and Bill of Materials in Simply Accounting Pro and higher).
- Inventory Adjustments.
- Time Slips (Simply Accounting Pro and higher).

Store As
Recurring
Transaction

The two recurring-transaction buttons — Store and Recall — appear in the toolbar at the top of the windows.

The Store Recurring Transaction window looks like this:

Store Recurring Transaction

Recurring Transaction: [   ]

Frequency: [Monthly   ▾]

[OK] [Cancel]

You enter information in these fields:

Recurring Transaction. Enter the name you want to give the recurring transaction. Each recurring transaction must have a unique name.

Frequency. Select the frequency of the transaction. If the transaction does not take place regularly, select Random.

Recall Recurring Transaction

After you have stored a transaction, you can recall it using the Recall Recurring Transaction button. The Recall Recurring Transaction window looks like this:
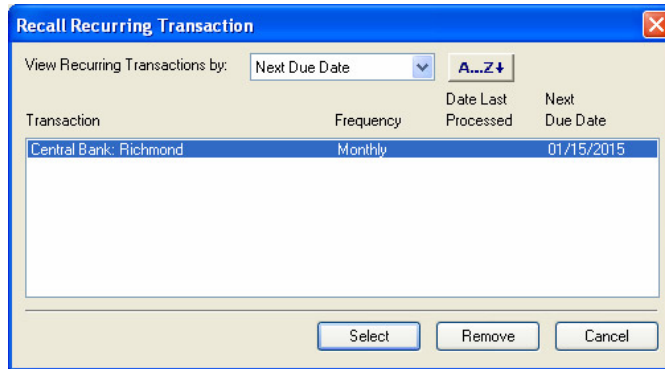

Exercise 30: Storing a Recurring Transaction

1. Open the Payments window and enter the following information:

Transaction Type:	Make Other Payment
By:	Cheque
From:	1060 Chequing Bank Account
No.:	102
Date:	01-15-2015
Acct:	2120 Bank Loan – Current Portion
Description:	Bank loan payment
Amount:	500
Tax:	No tax
Comment:	Loan payment to Central Bank.

2. In the To The Order Of field, type Central Bank: Richmond, and press Tab.

3. When Simply Accounting warns that no record exists for the name you entered, click the Quick Add button to add a vendor record under this name. You can open the vendor record later to enter more details, such as the bank's address. The Payments window should look like this:
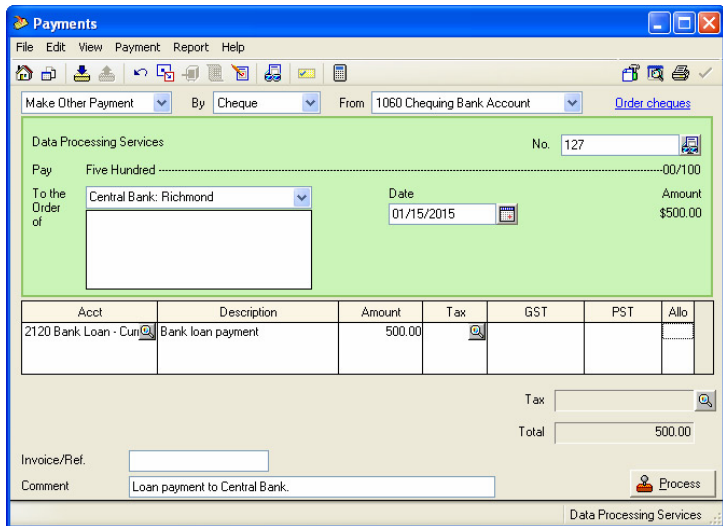
Store As Recurring Transaction	4. Click the Store button or press Ctrl+T to store the recurring transaction.
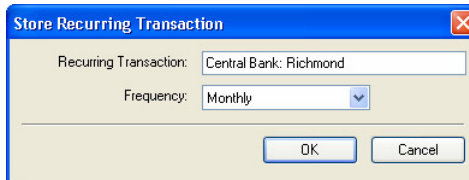
5. Click OK or press Enter to accept the recurring transaction name and the frequency (monthly).

6. Close the Payments window. The program asks you if you want to discard the displayed transaction. Click Yes to discard it. You will process it in Exercise 31.
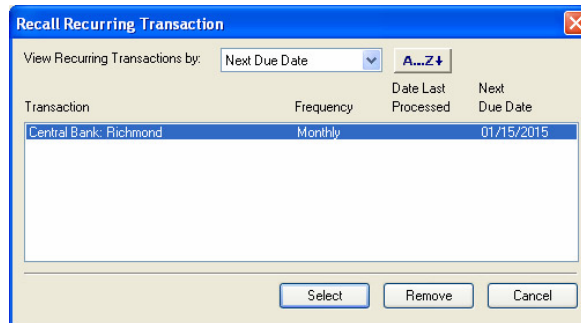
Exercise 31: Recalling and Processing a Recurring Transaction

1. Open the Payments window.

2. In the Transaction Type field (the first field), select Make Other Payment.
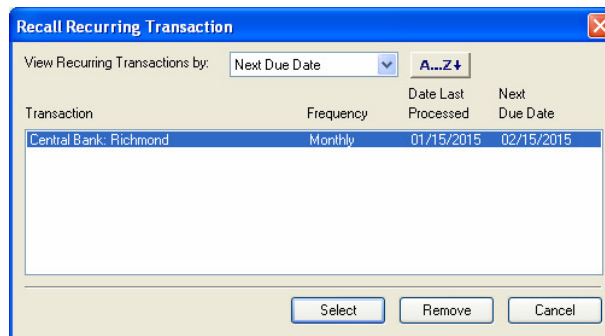
Recall
Recurring
Transaction

3. Click the Recall button (or press Ctrl+R) to display a list of all stored transactions.

Recall Recurring Transaction

View Recurring Transactions by: Next Due Date   A...Z↓

Transaction	Frequency	Date Last Processed	Next Due Date
Central Bank: Richmond	Monthly		01/15/2015

Select   Remove   Cancel

4. Double-click the transaction you added, or highlight it and click the Select button.

5. In the Comment field, add the word January to the beginning of the line.

6. Choose Print from the File menu to print the cheque.

7. Click the Process button to update the accounts.

8. Select Make Other Payment, and click the Recall button again to look at the list of recurring entries:

Recall Recurring Transaction

View Recurring Transactions by: Next Due Date   A...Z↓

Transaction	Frequency	Date Last Processed	Next Due Date
Central Bank: Richmond	Monthly	01/15/2015	02/15/2015

Select   Remove   Cancel

Note that the next due date for this transaction has changed to February 15, one month after the transaction you just processed.

9. Click Cancel to return to the Payments window. Then close the Payments window.

Bank Reconciliation

Once you have set up your accounts for reconciliation, Simply Accounting can help you automate the reconciliation of statements. When you receive a bank or credit-card merchant statement, you can use the Reconciliation and Deposits window to compare transactions on the statement with your Simply Accounting transactions and account for any differences.

The screen you use to reconcile accounts looks like this:

Transaction. Use this window to complete an account reconciliation or prepare a deposit slip.

Account. Select the bank account that you want to reconcile.

Statement Start/End Date. Enter the period-start and end dates from the bank statement.

Reconciliation Date. Enter the actual date you are processing the reconciliation.

Statement Opening/Ending Balance. Enter the starting and/or ending balance shown on the bank statement.

Comment. Enter a brief description of the reconciliation.

Sort Transactions By. Select a display option to view transactions: date, source, comment, deposit or withdrawal amount, or order of entry.

Exercise 32: Reconciling Your Bank Account

You receive the following bank statement:

CENTRAL BANK		01-15-2015
Richmond Branch		
Date	**Transaction**	**Amount**
01-01-2015	OPENING BALANCE	$0.00
01-08-2015	Deposit: Cheque #141, Batch 010815	$4,000.00
01-08-2015	Deposit: Cheque #142, Batch 010815	$200.00
01-08-2015	Deposit: Cheque #143, Batch 010815	$200.00
01-10-2015	Bank Transfer	-$4,000.00
01-15-2015	Interest	$0.25
01-15-2015	Bank Charges	-$4.00
	ENDING BALANCE	$396.25

This is a two-part exercise in which you will reconcile this statement with the corresponding transactions in Simply Accounting. In part 1, you will prepare the Central Bank account for account reconciliation. In part 2, you will complete the reconciliation.

Part 1: Preparing the Bank Account for Reconciliation

1. Open the Accounts window, and double-click the account 1069 Central Bank: Richmond.

2. Click the Reconciliation and Deposits tab, and check the Save Transactions For Account Reconciliation box.

3. Click the Setup button. In this window, set the linked accounts for revenue and expenses that regularly appear on your bank statements. Enter or select the following options:

4. Click OK and close the Accounts window.

Part 2: Reconciling your Account for the first time

1. Open the Reconciliation and Deposits window.

2. In the Account field, select 1069 Central Bank: Richmond. You should see a set of instructions entitled First Reconciliation.

3. Enter the following dates, in this order:

Reconciliation Date:	01-15-2015
Statement End Date:	01-15-2015
Statement Start Date:	01-01-2015

   Because you opened this account on January 1, the balance from your last statement is $0.

4. In the Statement End Balance field, type the balance from the bank statement, which is 396.25.

5. In the Comment field, type January statement.

6. To specify that you do not have any transactions from an earlier period waiting to be processed, click the Add Prior Outstanding button, then click OK.

   The Reconciliation and Deposits window now lists current outstanding transactions:

7. In the Deposit No. column, enter the number 010815 for the first three transactions, and enter the number 011015 for the transfer.

8. Once you have checked that the amounts on your bank statement match the amounts on this screen, select the transactions that have cleared the bank by clicking in the Cleared (☑) column.

    Note: To assign the same status to all transactions with the same deposit number, click the heading of the Cleared column. This way you can reconcile deposits reported as a lump sum on the bank or merchant statement, but recorded in Simply Accounting as several different receipts.
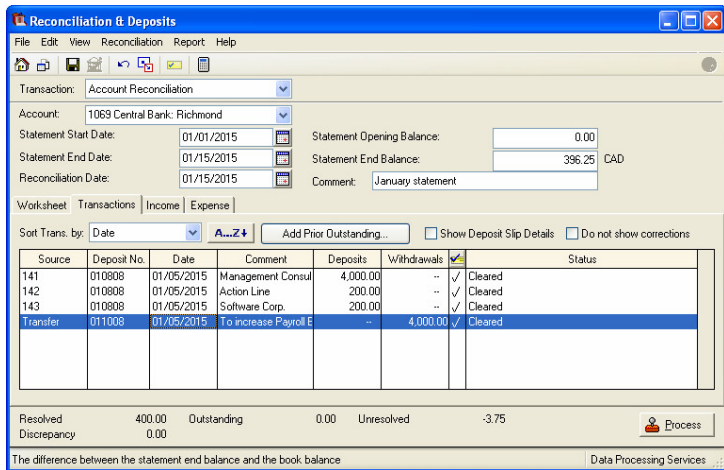
9. Notice that $3.75 still needs to be resolved. This is because you still need to account for the bank interest and charges. Select the Income tab.

10. On the Income tab, enter the following information:

Source No.:	Statement
Date:	01-15-2015
Comment:	January bank interest
Account:	4440 Interest Revenue
Amount:	0.25

11. Select the Expense tab, and fill in the following:

    Notice that Simply Accounting uses the linked accounts that you set up in the first part of this exercise.

Source No.:	Statement
Date:	01-15-2015
Comment:	January bank charges
Account:	5690 Interest and bank charges
Amount:	4.00

12. Simply Accounting now shows that you have $0 unresolved. Click Process to complete the reconciliation, then close the Reconciliation and Deposits window.

Foreign Currencies

If you do business outside of your country, you can use Simply Accounting to keep track of transactions in a foreign currency.

Once you have set up the foreign currency, you can add foreign cash and bank accounts, set foreign prices, and add foreign vendors and customers.

When purchasing or selling items, the vendor or customer that you select determines the currency used on an invoice. If you select a foreign customer, Simply Accounting uses foreign prices on the invoice.

The Basic version of Simply Accounting allows you to use two currencies; Simply Accounting Pro and higher allows you to use as many as you need.

The setup screen for currencies looks like the following for Simply Accounting Pro and higher:

Allow Transactions in a Foreign Currency. Select this option to prepare Simply Accounting to handle another currency, such as US dollars.

Home Currency. Select the currency of the country in which your company resides. If you cannot find the currency that you want to use, you can type it in the field and fill in the remaining fields manually.

By default, the home currency is Canadian dollars. On most reports, any foreign balances will be converted into this currency.

Currency Code. An abbreviation of the currency.

Symbol. The symbol that represents the country's currency, such as $ for dollars or £ for pounds.

Symbol Position, Separators, Decimal Places. Fill in the values for the currency you have selected.

Denomination. Specify the currency type you want used for deposit slips. Simply Accounting uses the denomination type available for the currency you choose (for example, CDN $5, $10, $20… or USD $1, $2, $5, $10…).

Track Exchange and Rounding Differences In. Select a revenue or expense account in which you can track differences due to changes in the exchange rate over time.

Foreign Currency. Select the other currency in which you want to conduct business. If you cannot find the currency that you want to use, you can type the name.

Exchange rates

If you are using the Basic version of Simply Accounting, the following options appear on the same screen as the ones described above. In Simply Accounting Pro and higher, these options appear on the Exchange Rate tab.

Select a Foreign Currency. Select the currency for which you want to enter an exchange rate.

Display a Reminder if the Exchange Rate is (   ) Old. Select this option if you want Simply Accounting to remind you that the exchange rate may be out of date. You can select a warning period from the list.

Exchange Rate Table. Use this table to enter exchange rates and dates.

Exercise 33: Entering Transactions in a Foreign Currency

This exercise is in two parts. In part 1, you will set up a foreign currency. In part 2, you will create a foreign customer, and sell that customer an item.

Preparing to use foreign currency

Before you set up a foreign currency, you must add an account to track exchange-rate changes and rounding. Account 5650 Currency Exchange and Rounding in the Data Processing Services company is set up for you to use.

Exchange-rate changes

When you purchase or sell an item, payment is often made or received in the future. If the item's price is in a foreign currency, the exchange rate may change before payment. This means that the equivalent price in your home currency also changes. Sometimes this works in your favour, sometimes not.

Let's say you purchase an item for $100 US. On the day of the purchase, the exchange rate is 1.65, so the price in Canadian dollars is $165. Some time later, when you are ready to pay the vendor's invoice, the exchange rate has changed, and the US dollar is worth $1.60 CDN. You pay your vendor $100 US (worth $160 CDN). You have gained $5 CDN.

Rounding

The final price of an item paid for in foreign currency may also change due to rounding that occurs when the exchange rate is calculated.

For example, if you purchase two items and pay in a foreign currency, US dollars, the entries might appear as follows. The foreign currency is worth 1.5997033 Canadian dollars.

Account	Foreign Currency Amount	Debits	Credits
1540 Hardware	534.99	855.83	
1560 Lumber	35.00	55.99	
2220 Accounts			

Account	Foreign Currency Amount	Debits	Credits
Payable	569.99		911.81
Total:		911.82	911.81

As Simply Accounting converts the transactions to the home currency, it rounds each line individually. However, as shown in the example above, this can result in small differences in the totals. Such differences are recorded in the Currency Exchange and Rounding account, as shown below.

Account	Foreign Currency Amount	Debits	Credits
1540 Hardware	534.99	855.83	
1560 Lumber	35.00	55.99	
2220 Accounts Payable	569.99		911.81
5650 Currency Exchange and Rounding			0.01
Total:		911.82	911.82

Part 1: Setting Up the Foreign Currency

1. In the Home window from the Setup menu, choose System Settings, and then Currencies.

2. Check the Allow Transactions In A Foreign Currency box.

3. In the Track Exchange And Rounding Differences In field, select 5650 Currency Exchange & Rounding.

4. In the Foreign Currency field, select United States Dollars. Notice that Simply Accounting automatically fills in the remaining fields.

5. If you are using Simply Accounting Pro or higher, click the Exchange Rate tab and select United States Dollars.

6. In the Exchange Rate table, click in the Date column, and type 01-15-2015.

7. Click in the Exchange Rate column, and type 1.305.

8. Select the Display A Reminder If The Exchange Rate Is [   ] Old option.

9. In the box below, select One Week.

10. Click OK.

Part 2: Entering a Foreign Transaction

1. In the Home window, from the Maintenance menu, choose Change Session Date. If Simply Accounting asks you if you want to back up your data, click No.

2. Type 01-20-2015, and click OK.

3. Open the Customers window.

Create
4. Click the Create button on the toolbar, and enter the following record:

On the Address tab
Customer:	University Association
Contact:	David Jones
Street 1:	425 Main Street
City:	Seattle
Province:	Washington
Postal Code:	98158
Country:	USA
Phone 1:	(216) 555 1234
Fax:	(216) 555 5678
E-mail:	djones@ua.org

On the Ship-To Address tab
| Same As | |
| Mailing Address: | Yes |

On the Options tab
Currency:	USD
Price List:	Preferred
Terms:	0%, 0 Days, Net 30
Produce Statements:	Yes
[ ] Forms For	
This Customer:	E-mail

5. Click the Save and Close button.

6. Open the Sales, Orders, and Quotes window.

7. In the Sold To field, select University Association.

8. In the Item field, type A15, and in the Quantity field, type 2.

   To calculate the price of the item, Simply Accounting chooses the exchange rate from the date closest to the transaction's date.

Exchange
Rate button

9. Click the Exchange Rate button located next to the Exchange Rate field.

10. In the Exchange Rate table, click below the date 01-15-2015, and type 01-20-2015.

11. In the Exchange Rate column, click beside the date you just entered and type 1.3064. The table should look like this:

12. Make sure the rate you just entered is selected, and click OK.

   Note: If you want to keep one price for inventory and service items, you can set separate foreign prices. In the Home window on the Setup menu, choose System Settings, then Settings. Under Inventory and Services, select the option to use the foreign price listed in the inventory or service record.

13. Simply Accounting will ask if you want to recalculate the prices on the invoice. Click Yes.

14. Click Process.

Time and Billing

Simply Accounting
Pro and higher

If you are using Simply Accounting Pro or higher, you can keep track of the time you and your employees spend on various tasks or Activities by using the Time Slips window, and can create sales invoices based on the time spent. You can also pay your employees based on the time slips.

The Time Slips window looks like this:

Employee. Enter the employee whose time you are recording for this time slip. You can specify which of your employees can enter time slips by assigning employees to Job Categories.

Time Slip Number. Enter a number if you want to use a number that is different from the one that automatically appears.

Date. Enter the date of this time slip.

Time (hh:mm:ss). Click Start to start the timer in the Time (hh:mm:ss) field, and click Stop to stop the timer. After you click Stop, you can continue or reset the timer. To apply the value in

the Time field to an item (activity) that is selected (checked), click Apply Time.

Customer. Enter the customer for whom the employee is performing the activity.

Item. Select the item (activity) that the employee is performing.

Description. Simply Accounting automatically displays the description from the item's inventory record.

Billing Status. This is the status as a result of the time spent on the activity (item). The Billing Status field normally displays the value from the item's inventory record (Billable, Non-Billable, or No Charge). You may be able to change the Billing Status field; for example, from Billable to No Charge. For a flat fee item, you could change the Billing Status field to In Progress.

Selected (check mark). If the item has a check mark in this field, it means that the value that is in the Time (hh:mm:ss) field will be added to the Actual Time and Billable Time fields of the item when you click Apply Time.

Actual Time. Enter the actual time that the employee spent on the item (activity).

Billable Time. This is the time associated with the Billing Status field. For example, if the status is No Charge, then the Billable Time is the amount of time that is non-chargeable. If the item's status is Billable, and you change the Billable Time field, the billable amount also changes automatically.

Billable Amount. The amount that is to be charged for the time spent. Simply Accounting automatically calculates this amount based on the information from the item's inventory record; however you can change the amount if you wish:

■   If you change the amount of a billable item, then the Billable Time field automatically changes accordingly.

■   If you change the amount of a flat fee item, the Billable Time field does not change.

■ If you change the amount of a flat fee item to zero, then the Status automatically changes to In Progress.

Payroll Time. The time that an employee is to be paid for the activity.

Payroll Income. The type of income that the employee will receive for the work completed, such as regular vs. overtime pay.

Payroll Status. If applicable, indicates whether an employee has been paid for this time billed. You cannot change this field.

Exercise 34: Keeping Track of Time and Billing

You can do this exercise only if you are using Simply Accounting Pro or higher.

The management at Data Processing Services has decided to track how much time employees spend on the following activities, and to charge customers for the time spent:

■ Data entry services (a billable service charged at $100 per hour).

■ Consultation sessions (a billable service charged at a flat fee of $50).

■ Photocopy services (normally not charged, but may be charged at $50 per hour).

This exercise is in three parts. In part 1, you will prepare Simply Accounting to accept time and billing information. In part 2, you will use time slips to record the time spent on services. In part 3, you will create an invoice that bills a customer for the time spent on services.

Part 1: Preparing to Use Time and Billing

Before you can start tracking time, you must prepare your records in Simply Accounting. In Part 1, you will prepare account, inventory, and customer records.

Rename accounts	1. In the Home window, open the Accounts window (choose the Accounts icon).
	2. In the Accounts icon window, scroll to account 4310 Service A, and double-click it to open the account record.
	3. In the Account description field, type Data Entry Revenue.
	4. Use the arrow buttons to scroll through the list of accounts. Select the following accounts and make these changes (after you change each account, if asked if you want to save your changes, click Yes):

Change this:	To this:
4320 Service B	4320 Consultation Revenue
4330 Service C	4330 Photocopy Revenue

5. Close the Chart of Accounts Records and Accounts windows.

Create inventory service records

6. In the Home window, open the Inventory and Services window.

7. Click the Create button on the toolbar and create an inventory service record for each of the following activities (items S001 to S003):

Field	Record 1	Record 2	Record 3
Item Number:	S001	S002	S003
Description:	Data Entry	Consultation Session	Photocopying
Type:	Service	Service	Service
In the checkbox — Activity (Time and Billing):	Yes	Yes	Yes
On the Pricing tab — Regular Selling Price:	$100.00	$50.00	$50.00

	Field	Record 1	Record 2	Record 3
On the Linked tab	Revenue Account:	4310 Data Entry Revenue	4320 Consultation Revenue	4330 Photocopy Revenue
	Expense Account:	Leave blank	Leave blank	Leave blank
On the Time and Billing tab	Unit of Measure:	Hour	Session	Hour
	Unit Is Related to Time:	Defaults to Yes	Yes	Defaults to Yes
	Relationship:	Not applicable	30 minutes per session	Not applicable
	The Service Activity Is:	Billable	Billable	No Charge
	Sometimes Charge For This Activity:	Not applicable	Not applicable	Yes
	Charges Are Based On:	Billable Time	Flat Fee	Billable Time
	Flat Fee =	Not applicable	1 session x Price	Not applicable
	Default Payroll Income:	Non-payroll	Non-payroll	Non-payroll
	Internal Service Activity:	No	No	No

8. Close the Inventory and Services Records window.

You are now ready to start tracking time spent on the three activities.

Part 2: Tracking Time

On January 15, 2015, Howard Ashcroft spent time on each of the three activities for different customers. You wish to record the time spent so that you can later create invoices to charge for the time.

1. In the Home window, choose the Time Slips icon.

2. Enter the following information:

Employee:	Ashcroft, Howard
Time Slip No.:	100
Date:	01-15-2015
Customer:	Software Corp.
Item:	S001

   Notice that the item is automatically selected (checked) which indicates that the item will have time applied to it if you click Apply Time. The window should look like this:

3. In the Time (hh:mm:ss) field, type 220 (the time that Howard spent on this activity, 2 hours and 20 minutes).

   Note: If you wanted to use the Timer to actually time an activity instead of merely typing in the time, click Start, and the clock starts in the Time (hh:mm:ss) field. To stop the clock, click Stop.

4. Click Apply Time.

The value that was in the Time field (02:20:00) automatically appears in the Actual Time and Billable Time fields. Note that the item must have a check mark in order for time to be applied this way, and the check mark disappears after you apply the time.

Note also that the Billable Amount field becomes 233.33. Simply Accounting automatically calculates the amount to be charged based on the information in the inventory record for activity S001.

5. Move the cursor to the second line, and enter the following information:

   Customer: Action Line
   Item: S002

   Notice that values from item S002's inventory record automatically appear in the Description, Billing Status, Billable Time and Billable Amount fields.

6. In the Actual Time field, type 100 (for 1 hour).

   Notice that although Howard spent more than the designated "30 minutes per session" for a consultation session, the Billable Amount field remains at 50.00 because you have specified that consultation sessions are billed at a flat fee of $50.00.

7. Move the cursor to the third line, and enter the following information:

   Customer: Action Line
   Item: S003
   Actual Time   010 (for 10 minutes)

   Note that the Billable Time field also becomes 00:10:00, and the Billing Status field is No Charge.

   On this occasion, however, you have decided to charge the customer for the photocopy services. Recall that when you created the inventory record, you had defined photocopy services as "no charge," but you had also selected the Sometimes Charge For This Activity option. This enables you to charge fees on a non-chargeable item, as follows:

a) Highlight the Billing Status field and click the magnifying glass to display the Select Billing Status window.

b) Select Billable. The Billing Status field changes to Billable and the Billable Amount field changes (recall that you created an inventory record for photocopy services specifying its rate at $50 per hour, so ten minutes of photocopy service is $8.33).

The Time Slips window should look like this:
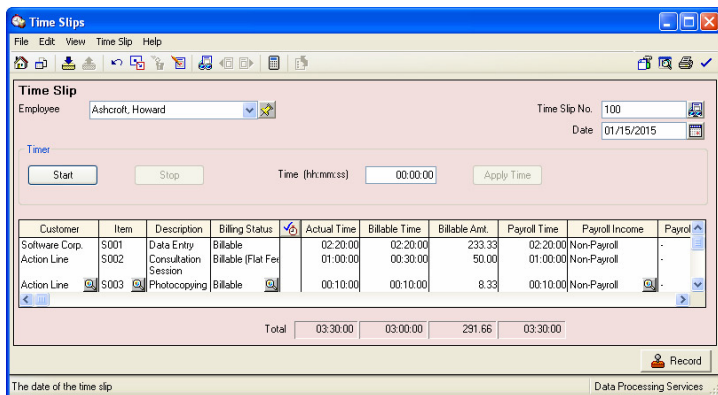
8. To complete this time slip, print the time slip and click Record.

If a warning about the time slip numbering sequence appears, click Yes to continue.

9. Close the Time Slips window.

This information is now available when you enter a sales order, quote, or invoice.

To review or edit the time slip, open the Time Slips window and from the Time Slip menu, choose Look Up Time Slip to review only, or choose Adjust Time Slip to edit. To remove the time slip, first look up the time slip and then choose Remove Time Slip.

To print the information on a report: From the Home window, choose Reports, Time and Billing, then Billing, and one of the following reports:

- ■   Time by Customer

- ■   Time by Employee

- ■   Time by Activity

Part 3: Entering a Sales Invoice

You are now ready to create invoices to charge your customers for the services provided.

1. In the Home window, choose Sales, Orders, And Quotes.

2. In the Sold To field, select Action Line.

Add Time Slip Activities

3. From the Sales menu, choose Add Time Slip Activities (or click the Add Time Slip Activities icon from the toolbar).

The Service Activities Selection window appears, and displays a list of activities to be billed:

Include on Invoice

4. Select items S002 and S003 by clicking the Include On Invoice (check mark) column of each of those items. A check mark appears for each item.

5. Click Add.

The Service Activities Selection window automatically closes, and items S002 and S003 appear in the details section of the invoice. Simply Accounting calculates and displays the total invoice amount as $66.49. The invoice should look similar to this (you may have to increase the window size to display all details):
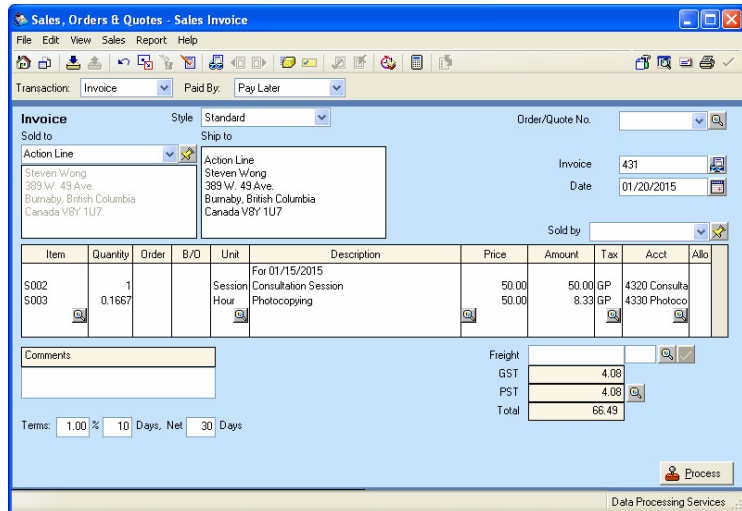
6. Click Process.

Where To Now?

Congratulations! You have completed the Simply Accounting *Workbook*. If you would like additional practice, complete the exercises in the next section, "Practice Session."

Practice Session

The following exercises provide practice and reinforce a number of important concepts in Simply Accounting.

1. There is an error in the address for your company, Data Processing Services. Change the address to read 2360 East Hastings St.

2. Data Processing Services has decided to supply laser printers. To accommodate this new inventory item, you must create several new accounts. First create the accounts, then create the inventory record.

   a) Add the following accounts:

Account Number	1550
Account Description:	Printers
Account Type:	Group Account
Omit From Financial Statements	
If Balance Is Zero:	Yes
Account Class:	Inventory
Account Number:	4050
Account Description:	Sales -- Printers
Account Type:	Group Account
Omit From Financial Statements	
If Balance Is Zero:	Yes
Account Class:	Revenue
Account Number:	5050
Account Description:	Cost -- Printers
Account Type:	Group Account
Omit From Financial Statements	
If Balance Is Zero:	Yes
Account Class:	Cost of Goods Sold

   b) Create the new inventory record:

Item Number:	A20
Item Description:	Printer
Stocking Unit of Measure:	Each
Minimum Level:	5
Regular Selling Price:	428.50
Preferred Selling Price:	411.50
Asset:	1550
Revenue:	4050
Expense:	5050
Variance:	5050

3. Add a new customer:

    Portfolio Investments
    Jack Visser
    560 West 45th Avenue
    Vancouver
    British Columbia
    V2Q 1A8
    (604) 555 5525
    (604) 555 5526

    Early Payment Terms: Clear all fields
    Produce Statements For This
        Customer: Yes

4. Enter transactions to record the following business activities:

    a) On January 4, 2015, Data Processing Services purchased eight laser printers for $2,500 from Hart Computer Supplies (invoice number A352). You paid by cheque.

    b) On January 5, 2015, $500 was transferred from 1055 Savings Bank Account to 1060 Chequing Bank Account. Enter 35 in the Source field.

    c) Data Processing Services sold a Web server to Portfolio Investments for $3,200 plus sales tax and 7 percent GST on January 5, 2015 (invoice number 440). The customer decided to pay later.

    d) On January 7, 2015, the bank returned cheque number 279, due to insufficient funds. This cheque was from Action Line for the partial payment of invoice A620. In the Receipts window, reverse the NSF cheque by recording a negative receipt. In the No. field, enter the original receipt number followed by NSF.

5. To accommodate a management decision, make the necessary change to age customer invoices at 30, 60, and 90-day intervals.

6. How many toner cartridges does Data Processing Services have in stock on January 7?

7. Display a Miscellaneous Transactions report for the period of January 1, 2015, to January 7, 2015.

8. The bookkeeper of Software Corp. calls to say he misplaced invoice 429. Display and reprint the invoice.