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## Taming the Inventory Reconciliation Beast!

Dear AccountMate Clients,

One of the things many clients wrestle with is reconciling their **inventory on-hand reported value** with the **value in the General Ledger asset** account.

Ideally, at any time you can print your "**Warehouse Quantity Listing**" (which shows on-hand value), **circle the bottom line** of that report and see it **match your inventory asset**. In fact, this reconciliation/confirmation is part of the regular month-end closing process and, in a perfect world, would never require corrective journal entries once they were in synch. Realistically, though, they often disagree...

The first thing to understand about reconciling detail reports to their corresponding asset and liability accounts is that you **never make a GL entry to a validated account without it being reflected in the detail report**. As an example, most clients have no problems with their AR Aging report staying in synch with their AR asset account. Why is that? Because the creation of invoices puts invoices on the report and debits the asset; while credits and cash receipts remove invoices from the report and credit the asset. Most importantly, they never make GL journal entries or other transactions which impact the AR asset account without being reflected on the AR aging, so everything stays beautifully in synch!

Often, though, people don't apply the same logic to the inventory asset account; as the **most common error we see is entry of Accounts Payable invoices posting to the inventory asset account**. Since that obviously doesn't get reflected to the inventory on-hand report, you're guaranteed to make them out of synch.

This is properly handled in AccountMate by the "**Accrued Received Goods**" functionality, available in both the LAN and SQL platforms of the product - which, **at the time of purchase order receipt** (when the on-hand count is incremented), **debits the inventory asset** and credits a liability account that is later processed in Payables when the vendor invoice is entered.

The subject of **Accrued Received Goods** is a pretty deep one, and can't be sufficiently detailed here, but proper configuration and usage is the **primary factor in keeping your inventory on-hand in synch with GL** - and it's one of the **key differentiators between entry-level accounting programs** (like QuickBooks or PeachTree) **and mid-tier financial management systems like AccountMate**.

So, **if you're wrestling with reconciling inventory to GL** and you're not currently using Accrued Received Goods, then **be sure to contact us** for a discussion on how to set this up and **improve the accuracy of your monthly financial statements**.

Regards,

Al Wittmann

Fourim Consulting, LLC.

## Holiday Closing

Fourim will be closed on Friday, July 3, 2009 for the Independence Day Holiday. If you have an emergency contact us via [support@fourim.com](mailto:support@fourim.com).

## Tech Note: Scheduling and Processing Batch Period-End Closing and Transfer to GL

The process of performing month-end and year-end closing usually increases the work load of a companies finance or accounting departments. Timely and accurate financial statements are important tools used by management, auditors, and government agencies and the need and ease of generating reports is important to users. AccountMate's Batch Period-End Closing and Batch Transfer to GL features can help to expedite these closing processes; thus, enabling the finance or accounting personnel to devote more time to verifying and reviewing the accuracy of financial statements. This tech note addresses the Batch Period-end Closing and Batch Transfer To GL features.

[Article 1274: Scheduling and Processing Batch Period-End Closing and Transfer to GL](#)

## Tech Note: Running AccountMate 7 on Vista

There has been an increase in the number of users upgrading their workstation operating systems to Windows Vista. Although several changes were made to facilitate AccountMate 7 running in Vista, some limitations are still present. This week's TechNote highlights the limitations and provides configuration information.

[Article 1242: Running AccountMate 7 on Windows Vista](#)

## Tech Note: Employer Matching/Contribution

Although it is not mandated by law, many employers choose to match their employees' contributions to their retirement funds as an added incentive for their employees to save for their retirement as well as to stay with the company. AccountMate's Payroll module is equipped with the necessary features so that users can properly record and track the employer's matching contributions. The Payroll system must be set up properly for AccountMate to correctly calculate the matching amounts for retirement and other similar deductions. For this reason, these two TechNotes will help you configure your Payroll module.

The first article discusses the formulas that AccountMate uses to calculate the employer matching contribution under the **Percentage** method. The second article expounds on the first one with emphasis on employer matches that are calculated using the **Percentage Based on Deduction Amount** method. Click the title of each article below to access each document. Each TechNote contains a downloadable version of the article.

[Article 1275: Understanding the Employer Matching/Contribution by Percentage Method Formula](#)

[Article 1276: Calculating the Employer Matching/Contribution by Percentage Based on Deduction Amount Method](#)

## Technical Tips

**Versions:** AM7 for SQL and Express  
AM7 for LAN  
AM6.5 for SQL and MSDE  
AM6.5 for LAN

**Module:** AR

**Q:** *How do I void the adjustment applied to a wrong invoice without voiding the invoice itself?*

**A:** To do this, perform the following:

1. Access the Void Applied Adjustment function.
2. In the Customer # field, enter the Customer # for which the invoice was created.
3. In the Invoice # Leading Search - Current & History window, select the Invoice # from which the adjustment was applied.
4. In the Void Applied Adjustment window, mark the checkbox under the Void column in the Adj Amount field for the adjustment.
5. Specify the void date; then, click Void.

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**Versions:** AM7 for SQL and Express (AM7.5 and higher)  
AM7 for LAN (AM7.2 and higher)

**Module:** PR

**Q:** *I attempted to create new leave code tiers and marked the checkbox entitled: Automatically Update Employee Tier on Anniversary Date in Paid Leave Code Maintenance. When I tried to save the record, I encountered a message "Invalid years and months". How do I resolve this?*

**A:** If you set the Paid Leave Code to automatically update the employee tier on the anniversary date, be sure that the value in the Years or Months fields in each Paid Leave code tier is greater than zero. The Years and Months fields are available only if the Automatically Update Employee Tier on Anniversary Date option is activated.

**AccountMate**



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