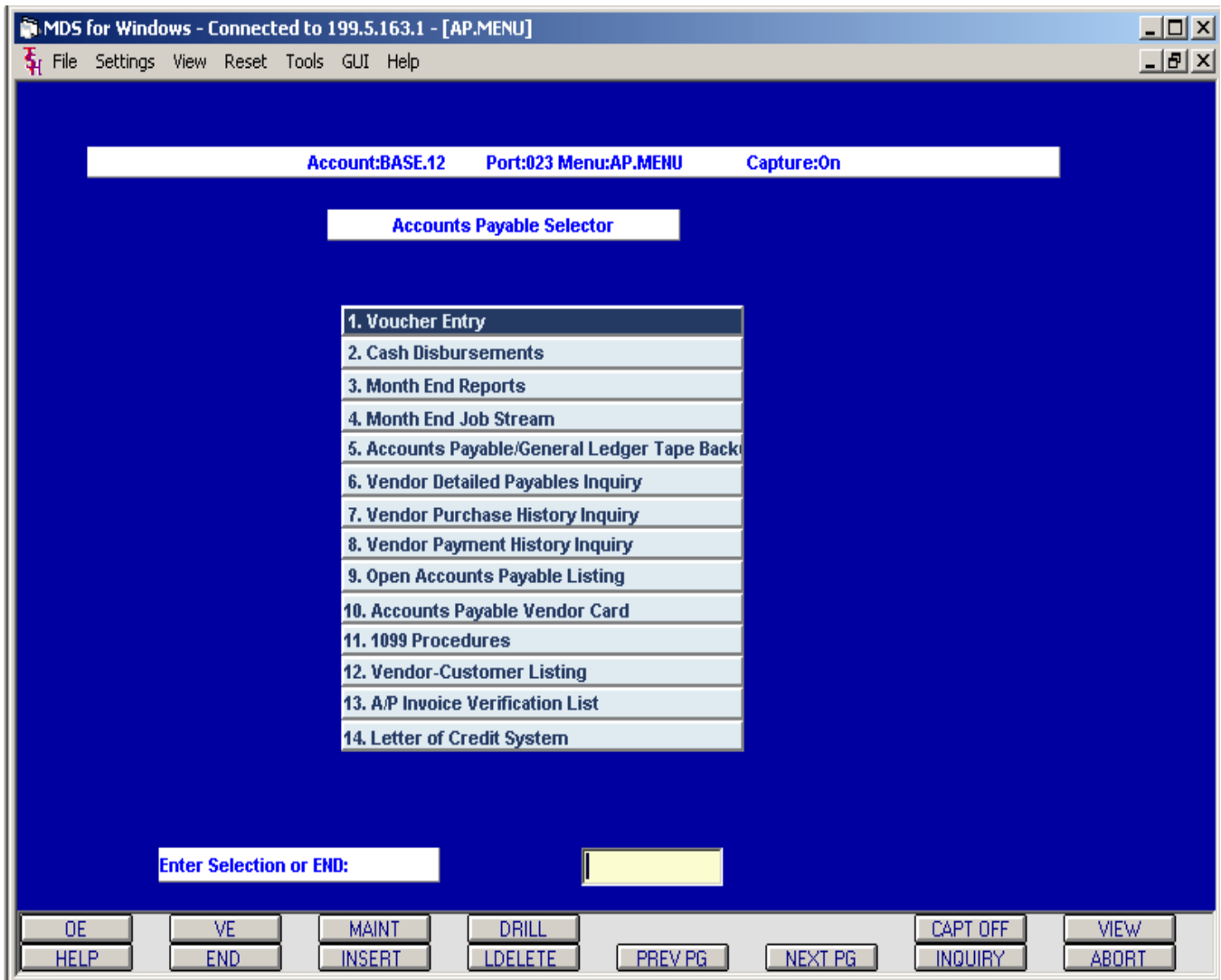# XIII. ACCOUNTS PAYABLE

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

ACCOUNTS PAYABLE MENU

MDS for Windows - Connected to 199.5.163.1 - [AP.MENU]

File   Settings   View   Reset   Tools   GUI   Help

Account:BASE.12   Port:023 Menu:AP.MENU   Capture:On

Accounts Payable Selector

1. Voucher Entry
2. Cash Disbursements
3. Month End Reports
4. Month End Job Stream
5. Accounts Payable/General Ledger Tape Back
6. Vendor Detailed Payables Inquiry
7. Vendor Purchase History Inquiry
8. Vendor Payment History Inquiry
9. Open Accounts Payable Listing
10. Accounts Payable Vendor Card
11. 1099 Procedures
12. Vendor-Customer Listing
13. A/P Invoice Verification List
14. Letter of Credit System

Enter Selection or END:

| OE | VE | MAINT | DRILL | | | CAPT OFF | VIEW |
| HELP | END | INSERT | LDELETE | PREV PG | NEXT PG | INQUIRY | ABORT |

XIII. ACCOUNTS PAYABLE

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

ACCOUNTS PAYABLE VOUCHER MENU

XIII. ACCOUNTS PAYABLE

The Accounts Payable Module is designed to automate and simplify the payment of vendor invoices. It is fully integrated into the General Ledger System (as are all other accounting modules). It is designed to operate on an open item accrual accounting basis.

A brief overview of each of the functions of the system follows:.

A.   VOUCHER ENTRY SELECTOR

1.   VOUCHER INPUT (VENDOR INVOICE ENTRY)

As vendor invoices are received, they are entered into the system using the accounts payable voucher input program. The program can operate with or without the use of batch controls.

Header Information

The operator enters the following information:

a.   Vendor number (a vendor lookup facility is provided)
b.   Vendor name and address for temporary vendors.
c.   Transaction type - (I)nvoice, (D)ebit memo, (C)redit memo, OA (on account). Invoice for regular invoices, credit memos for credits received from the vendor, debit memos to use to "debit" or charge back the vendor, and on account payments. The OA type is used to record progress payments to a vendor. In this case, the system generates two transactions: the first to record the payment of the advance, and the second to record the debit balance in the vendor's accounts payable balance.
d.   Vendor invoice number
e.   Invoice amount
f.   Invoice date
g.   Due date - Can be calculated from the invoice date based on the parameters in the vendor file (PROX and term day calculations are supported), or entered manually.
h.   Gross amount
i.   Merchandise amount
j.   Discount amount - If there is a discount code on file, the operator is asked if a discount is to be taken. The discount can be manually entered (dollar amount or percent) or computer based on the discount percent in the vendor file and the merchandise amount entered.

XIII. ACCOUNTS PAYABLE

A. VOUCHER ENTRY SELECTOR

1. VOUCHER INPUT (VENDOR INVOICE ENTRY)

Distribution Data

Account numbers and amounts are entered until the account distributions equal the amount of the vendor's invoice.

a. Up to four account numbers can be prestored in the vendor record for automatic distribution.

b. An alphanumeric account lookup facility assists the operator in selecting the correct distribution account numbers.

c. If a multi-company structure exists, MDS allows the vendor invoice to be distributed across multiple companies if a single vendor invoice contains charges that are to be distributed to other than the paying company. The system will automatically create the necessary intercompany entries. For example, an inter-company receivable on the books of the corporation "paying" the voucher, and an intercompany payable on the books of the "distribution" company.

Purchase Order - Accounts Payable Interface

a. A unique feature of the MDS system is its ability to cross-reference the vendor invoice to the corresponding purchase order(s) and receiver(s). Furthermore, the system requires that every payables transaction affecting an inventory account is properly cross-referenced to a purchase order and a receiver. Inventory accounts are identified by a category code of "I" in the chart of accounts description file (CADF). Conversely, purchase order/receiver references cannot be entered on non inventory distribution lines.

The advantages of this capability are:

1. MDS can insure that the general ledger inventory control account remains in balance with the value of the physical inventory counts contained in the product master file.

2. It insures the accuracy of vendor payments. The system will place all vouchers that the vendor invoice amount does not agree with the value of the merchandise received via purchase order receipts on "inventory hold".

13.4

XIII. ACCOUNTS PAYABLE

A.   VOUCHER ENTRY SELECTOR

Purchase Order - Accounts Payable Interface (continued)

b.   An automatic distribution is also available for inventory vendors. The merchandise, freight, and miscellaneous general ledger numbers are stored in the company record. The vendor is flagged as an inventory vendor and the department is also stored in the vendor record. At the general ledger distribution, the operator enters AUTO and the merchandise, freight, and miscellaneous amounts previously input are distributed to the general ledger numbers. The operator has the option of changing the general ledger number and also entering the purchase order and receiver information.

To facilitate the matching process, the operator has the ability to inquire into the status of receivers for a specific purchase order. Upon entry of a purchase order number, the inquiry will display in summary fashion the value received, previously vouchered, and balance non-vouchered on the receiver to this purchase order. If the receiver is not known at the time of voucher entry, the document will be held in suspense (inventory hold) until it is properly matched, and the purchase order/receiver recorded via the voucher maintenance program or removed from inventory hold program.

Other Features

a.   The on-line vendor balance and dollar purchase amounts are updated by the amount of the invoice.

b.   The detail information pertaining to that invoice is placed in the open invoice file.

c.   If the voucher is being paid against a letter of credit, the applicable letter of credit number is entered, and the letter of credit file is updated as a by product.

d.   The same entry procedure is designed to handle checks, which are indicated by entering "PAID" in the invoice due date field, and the check number in the appropriate field. The appropriate accounting entries are automatically generated to handle the hand checks.

e.   The system automatically assigns a voucher control number to each transaction.

XIII. ACCOUNTS PAYABLE

A.   VOUCHER ENTRY SELECTOR

1.   VOUCHER INPUT (VENDOR INVOICE ENTRY) (continued)

Other Features (continued)

f.   Several accounting periods may be posted to during the same calender month - with the integrity of each maintained. The number of "future" months to which input is allowed is controlled by a user defined parameter. The system accommodates both 12 and 13 period fiscal years. Posting to multiple fiscal years simultaneously is supported as well.

g.   An optional batch control entry screen is available within voucher input. If selected, the operator is prompted for the number of vouchers and gross dollar amount to be input. The system then compares the actual input total to the batch control before accepting and closing the batch. If the batch control is not selected, then each invoice is entered individually and the sequential voucher listing is used to control the accuracy of the input.

h.   To guard against duplicate invoice payments, a file of all entered vendor invoices is maintained for one year. Should the same invoice be entered for the same vendor, the system will safeguard against duplicate entry.

2.   VOUCHER MAINTENANCE

This program provides the ability to change the due date and/or payment code status on any voucher on file.

The voucher maintenance program provides the ability to change the purchase order or receiver reference on any line item coded to an inventory distribution line. In addition, if the month has not been closed, the program allows a change to any of the data elements on the general ledger distribution line, including the general ledger, job number, and/or distribution amount.

3.   VOUCHER MAINTENANCE BY VENDOR

The voucher maintenance program by vendor provides the ability to review all open vouchers for a vendor and allows for sequential change of due dates or payment status to assist in the check writing function.

4.   VOUCHER DELETION

This procedure allows the operator to delete a previously entered voucher. All updates are reversed with the operator required to enter only the voucher number.

5.   SEQUENTIAL VOUCHER REGISTER

The sequential voucher register is a detailed report showing all the vouchers entered into the MDS system for the day. This report is used for both edit checking the days work as well as an audit trail for the month-to-date work.

XIII. ACCOUNTS PAYABLE

A. VOUCHER ENTRY SELECTOR

6. DAILY HAND CHECK REGISTER

The daily hand check register is a detailed listing showing all the hand checks entered for that day. This report is used for both edit checking the day's work as well as an audit trail for the monthly work done to date.

7. DAILY EXPENSE DISTRIBUTION REPORT

Like the two reports above the daily expense distribution report shows all the vouchers entered for the day. This report shows how each of the vouchers will be posted to the general ledger.

8. REMOVE VOUCHERS FROM INVENTORY HOLD

This program will remove vouchers from inventory hold if the receiver and voucher totals match. If the vouchered inventory amount does not match the received value, the voucher will remain on hold. At this point, if the voucher information is incorrect, it can be corrected through voucher maintenance and this program can be rerun. If the received amount is incorrect, a receiving adjustment program can be used to correct the quantity or pricing errors.

9. VOUCHERS ON INVENTORY HOLD REPORT

As a follow-up tool for the accounts payable department, a report will be written off the OAP file, listing in department sequence all vouchers on inventory hold. If a receiver number was entered against this voucher, then it will print on the report. Each time the report is run, a sequence number in the voucher record will be updated and printed on the report in order to show how long this voucher has been in suspense. Vouchers on inventory hold with PO (detailed receiving information) and without PO reports are also available.

10. AP VOUCHERS ON INVENTORY HOLD WITH PO#

This report will print all open accounts payable on inventory hold with a purchase order number.

11. AP VOUCHERS ON INVENTORY HOLD WITHOUT PO#

This report will print all open accounts payable on inventory hold without purchase order numbers.

12. MANUAL REMOVE FROM INVENTORY HOLD

After reviewing the several reports available that display vouchers in a hold status, this process lets you manually remove vouchers from inventory hold one voucher at a time.

XIII. ACCOUNTS PAYABLE

A.   VOUCHER ENTRY SELECTOR

13.   RECURRING VOUCHER INPUT/MAINTENANCE

Expenses paid on a regular basis, such as a monthly rent payment, may be stored in the recurring voucher file. The number and frequency of payment, payment date, and general ledger distribution are stored in the recurring voucher file. Based upon the input information, the vouchers are automatically updated to the open accounts payable file.

14.   RECURRING VOUCHER LISTING

The recurring voucher listing is designed to act as a file listing for the recurring voucher file. The report is sorted and prints by the reference number that is manually entered at the time the voucher is initially being input into the system.

15.   RECURRING VOUCHER UPDATE

The recurring voucher update processes all recurring vouchers that need to be selected for payment for that period. Once the update is run, all records that should have a voucher created for the period are created and written to the open accounts payable file. At this point the vouchers will appear on the sequential voucher listing and can then be selected for payment.

### 16.   OPEN ACCOUNTS PAYABLE MAINTENANCE

This maintenance program is designed to allow payment of an open payable item without the creation of a computer generated check. It will payment via a hand check. It can also be used to record payment through a draft or a bank transfer.

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

ACCOUNTS PAYABLE CASH DISBURSEMENT MENU
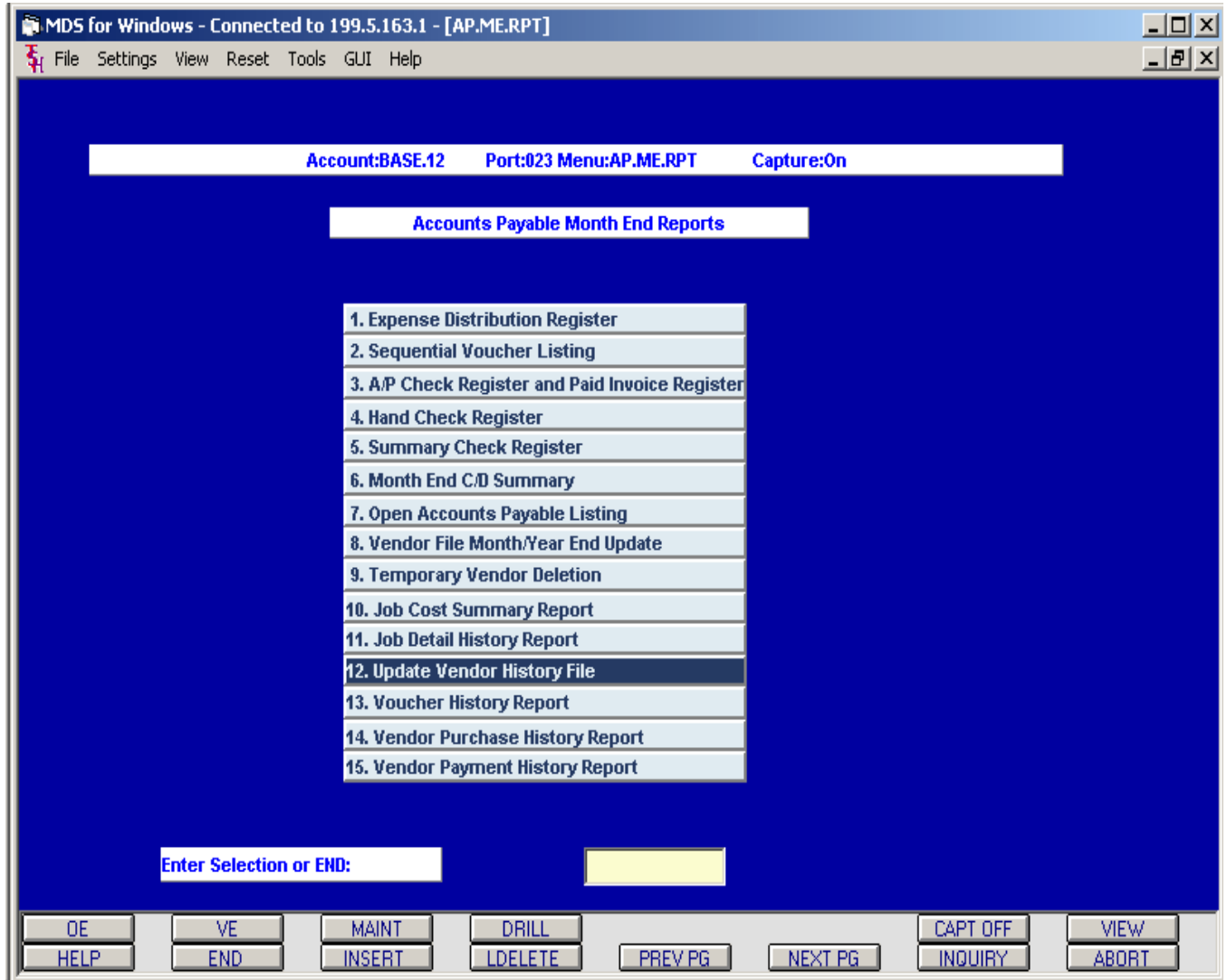
XIII. ACCOUNTS PAYABLE

B. CASH DISBURSEMENTS

1. ACCOUNTS PAYABLE PAYMENT SCHEDULE

This report is designed to provide a flexible tool to forecast cash requirements and to initiate check writing. Using this report, financial management can decide which items are to be paid, fully or partially. Vendors with credit balances are segregated into a separate section of the report so as not to distort actual cash needs.

2. ACCOUNTS PAYABLE SUMMARY PAYMENT SCHEDULE

The accounts payable summary payment schedule is a summary version of the preceding accounts payable schedule. This report will print the total lines that would appear in the accounts payable payment schedule, but where the detail report would break out and print the hold totals, the summary version prints totals to be paid.

3. SCHEDULED CASH DISBURSEMENTS

This report provides the ability to determine which vendors and in what amounts would be paid if automatic check writing would be invoked for a given date.

4. CASH DISBURSEMENTS BY DUE DATE

This program will initiate the disbursement of cash to all vouchers with a due date less than or equal to the date the user enters when prompted.

5. CASH DISBURSEMENTS BY INDIVIDUAL VOUCHER

This procedure allows the user to select specific vouchers for payment. The procedure would normally be used in conjunction with due date check writing, to allow inclusion of specific vouchers not meeting due date requirements.

6. CLEAR CHECK PRINT FILE

The check print file clear routine allows the clearing of checks (or vouchers) that were selected for payment using one of the preceding cash disbursement options.

7. ACCOUNTS PAYABLE CHECK PRINT

This process will print computer generated checks for those vouchers that were selected for payment. Since the procedure initiates a check print, no voucher deletion, maintenance or washout should be done while its being run.

8. CHECK REGISTER

This report provides a detailed list of each check written during the period, in check number sequence. This report is available on a detail basis (showing each voucher paid) as well as on a summary basis. A separate report for hand checks is also provided.

XIII. ACCOUNTS PAYABLE

B. CASH DISBURSEMENTS

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9. BANK RECONCILIATION ENTRY

Upon receipt of canceled checks from the bank, the operator enters the check number and the amount cleared. The system has provision to maintain and reconcile multiple bank accounts.

Based upon the information entered, three reports are produced serving a two-fold purpose: first, the ability to automatically reconcile the monthly bank balance by determining the average "float".

a. Checks Outstanding

This report lists all checks outstanding in sequence by check control number and provides an analysis by the number of days outstanding.

b. Cleared Checks

This report will give a listing of all cleared checks in sequence by check control number and provides analysis by the number of days outstanding.

c. Checks Outstanding Over 90 days

This report is used for analysis and follow up.

10. BANK RECONCILIATION LISTING

This program will produce a listing that shows the bank reconciliations, as well as update and delete the checks cleared through the bank.

11. CHECK REVERSAL

Procedures are provided to reverse computer generated and/or hand checks. All necessary reversals are generated from the entry of the check number.

12. OPEN PAYABLES ON HOLD REPORT

This report prints all vouchers which are coded for non payment. It is used primarily as a control tool. Included in the printout are: vendor number and name, voucher number, vendor invoice number, date entered, invoice date, due date, and voucher amount.
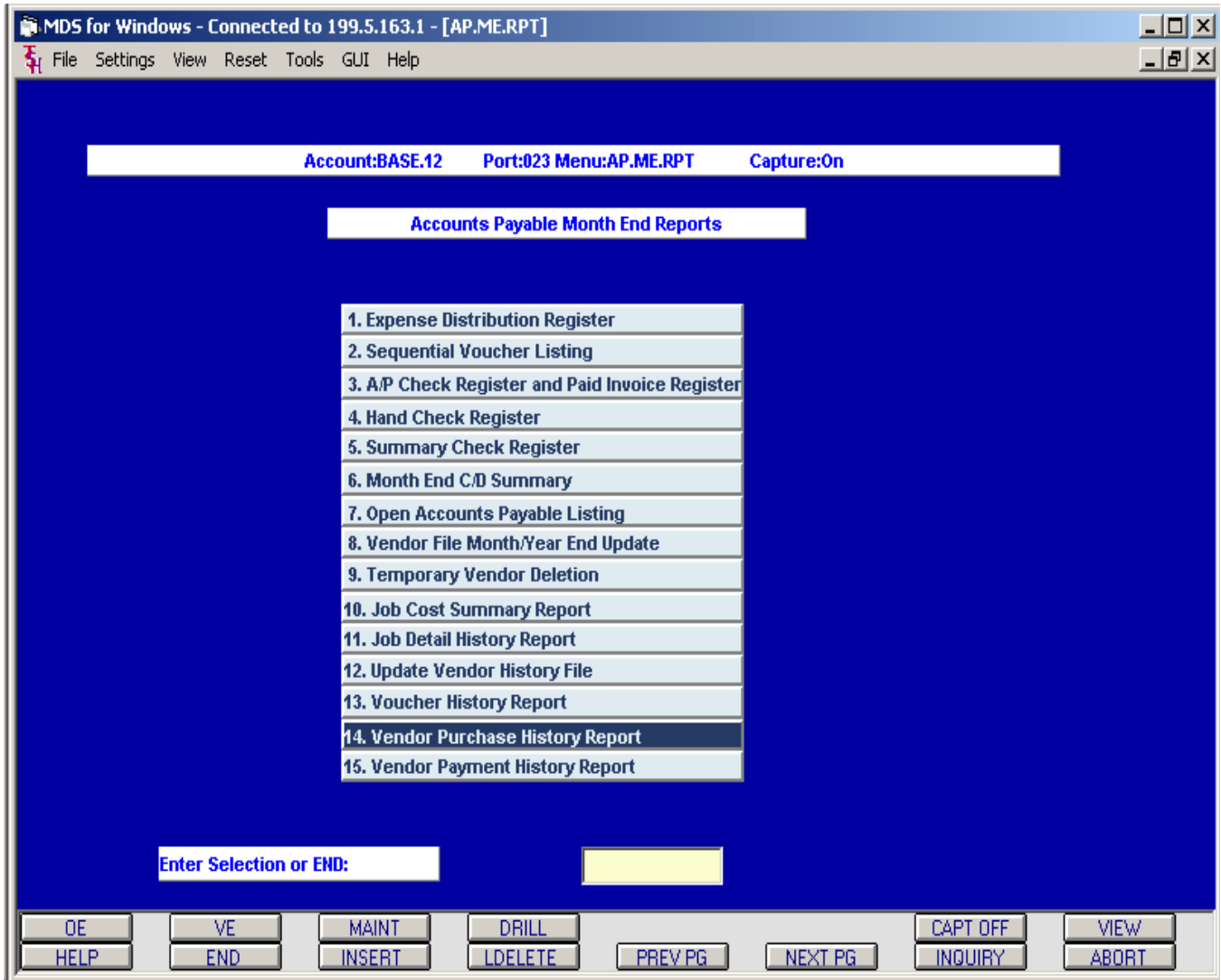
13. DUE DATE UPDATE

This procedure processes the open accounts payable file, and selects all discount items which are now past their cash discount due dates. The program recomputes the payment date (based on the vendor's normal payment terms) and removes the discount from the file.

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

ACCOUNTS PAYABLE MONTH END REPORTS MENU

MDS for Windows - Connected to 199.5.163.1 - [AP.ME.RPT]

File   Settings   View   Reset   Tools   GUI   Help

Account:BASE.12   Port:023 Menu:AP.ME.RPT   Capture:On

Accounts Payable Month End Reports

1. Expense Distribution Register
2. Sequential Voucher Listing
3. A/P Check Register and Paid Invoice Register
4. Hand Check Register
5. Summary Check Register
6. Month End C/D Summary
7. Open Accounts Payable Listing
8. Vendor File Month/Year End Update
9. Temporary Vendor Deletion
10. Job Cost Summary Report
11. Job Detail History Report
12. Update Vendor History File
13. Voucher History Report
14. Vendor Purchase History Report
15. Vendor Payment History Report

Enter Selection or END:

| OE | VE | MAINT | DRILL | | | CAPT OFF | VIEW |
| HELP | END | INSERT | LDELETE | PREV PG | NEXT PG | INQUIRY | ABORT |

XIII. ACCOUNTS PAYABLE

C.   ACCOUNTS PAYABLE REPORTING

A variety of reports are available in the Accounts Payable Module, including the following:

1.   EXPENSE DISTRIBUTION REGISTER

This report will give a listing of all the expenses that were paid out for the month. The option to sort this report and have it print according to three different criteria exists. It also should be known that this report cannot be run for a month that has been closed and will print when the end-of-month job stream is run.

2.   SEQUENTIAL VOUCHER LISTING

This report will provide a sequential listing of all vouchers entered for a specific fiscal period. It is commonly referred to as the "purchase journal".

3.   A/P CHECK REGISTER AND PAID INVOICE REGISTER

This report will print a listing of all paid invoices for a specific fiscal period along with the voucher number and detail information. It can act as an easy reference or control document to insure that an invoice or purchase order has not been paid twice.

4-5.   CHECK REGISTERS

This report provides a detailed list of each check written during the period, in check number sequence. This report is available on a detail basis (showing each voucher paid) as well as a summary basis (cash disbursements summary). Separate reports for hand checks are provided on the detail version. The summary includes both hand checks as well as computer generated checks.

6.   MONTH END C/D SUMMARY

The month end cash disbursements summary reports are a recapitulation of a specific month's disbursements. Two separate reports are generated. The first is a summary of regular disbursements, and shows the starting check, general ledger code, number of checks disbursed for that date, and the totals of gross, discount, and net amounts.

Report number two is the summary-detail for the hand checks. This report lists all hand checks by number and gives the same data as the first report. In addition, vendor number and name are included on the report.

7.   OPEN ACCOUNTS PAYABLE LISTING

This report provides a listing of all outstanding payable items as of the month cutoff. It is intended to serve as a proof to the general ledger accounts payable control account.

XIII. ACCOUNTS PAYABLE

C. ACCOUNTS PAYABLE REPORTING

8. VENDOR FILE MONTH END/YEAR END UPDATE

The month end/year end process clears the month to date and year to date accumulations in the vendor file. These updates are also performed as a part of the month end jobstream and therefore do not have to be run separately. No reports will generate from this update.

9. TEMPORARY VENDOR DELETION

This program will delete any vendors flagged as temporary in the vendor file that have a balance of $0.00 and a check date older than 65 days. This deletion update is run as a part of the month end jobstream and therefore does not normally have to be run separately.

10. JOB COST SUMMARY REPORT

This report summarizes entries "charged" to a "job" during voucher entry or journal entry procedures. The report will print month-to-date and year-to-date totals.

11. JOB DETAIL HISTORY REPORT

This report prints details for each charge to a job number recorded during the voucher entry or journal entry procedures.

12. UPDATE VENDOR HISTORY FILE

The monthly vendor history update copies the current status of all items in the open accounts payable file. The history file is then used to produce the vendor ledger cards, and to serve as a source of voucher information in the check voiding process (computer generated checks). This process also runs during the month end jobstream.

13. VOUCHER HISTORY REPORT

This report provides a detailed listing of all charges to each general ledger number for the entire fiscal year. It uses the same format as the expense distribution report.

14. VENDOR PURCHASE HISTORY REPORT

This report prints in summary fashion, the total purchase dollars for each vendor by month for this year and last year. The report prints only totals for each month, not the details of each purchase.
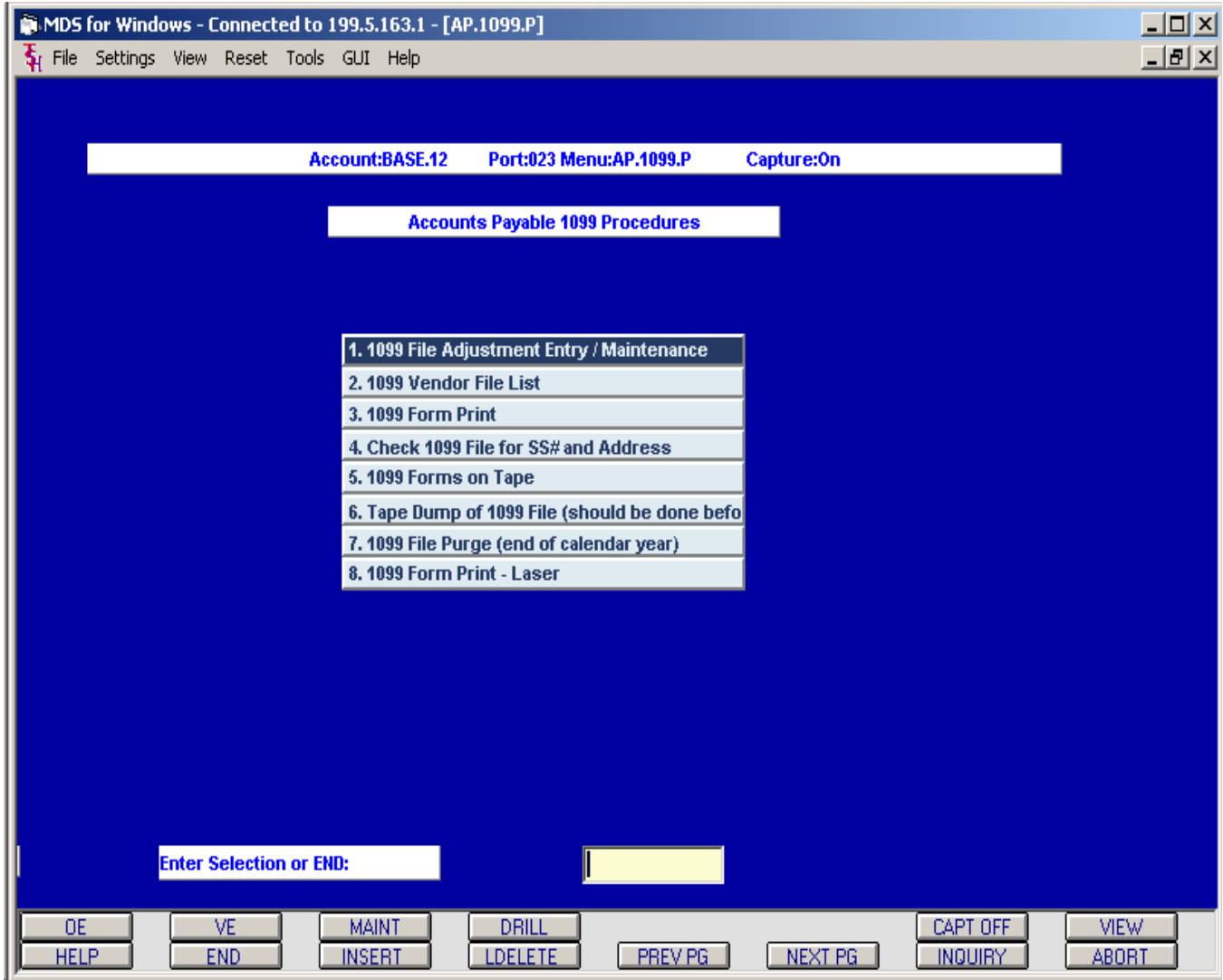
15. VENDOR PAYMENT HISTORY REPORT

This report prints in summary fashion all the payments made to the vendor for the month. The report will print totals for each month not the details of each payment.

THE SYSTEMS HOUSE, INC
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

ACCOUNTS PAYABLE 1099 MENU

XIII. ACCOUNTS PAYABLE

B.   1099 PROCEDURES

MDS provides full 1099 report capabilities. The programs included in this subsystem are:

1.   1099 ADJUSTMENTS

Data for the 1099 system is accumulated as a by-product of check writing into a transaction file called the 1099 file. If a vendor is not coded to receive a 1099, the check data is not saved. In addition, other errors could occur which would necessitate the adjustment of the 1099 amount.

This procedure allows the user to adjust the 1099 amount for any vendor. It can also be used to input a year-to-date balance if a mid-year conversion of accounts payable has occurred.

2.   1099 VENDOR FILE LISTING

This report of the 1099 file prints in detail all 1099 changes for each vendor.

3.   1099 FORM PRINT

This program prepares the 1099-MISC form. Output is to a spooler hold file. The program has been designed to require separate runs by company.

4.   1099 CHECK FOR SOCIAL SECURITY NUMBER AND ADDRESS

This program should be run before the 1099's are printed or dumped to tape. The program checks all vendors with 1099 records for city, state, and zip code in proper format and tax identification in proper format. If any errors are found, a report will print with those records on it.

XIII. ACCOUNTS PAYABLE

D. 1099 PROCEDURES

5. 1099 FORMS ON TAPE

This program prepares a magnetic tape of 1099-MISC form suitable for submission to the IRS. Prior to use, the user must obtain clearance and the following from the IRS:

a. Transmittal Control Code
b. Pay Name

The tape is blocked 10 (4200 bytes) and conforms to current IRS regulations. Each company must be run separately.

6. TAPE DUMP OF 1099 FILE

This procedure dumps the 1099 file and vendor file to tape. This should be done before the 1099 file purge is run. The tape should be stored in a secure location in case you need to retrieve 1099 information from previous calender years.

7. 1099 FILE PURGE

This procedure clears the 1099 file for the calender year completed. Once cleared, the 1099 reports/tapes cannot be recreated.

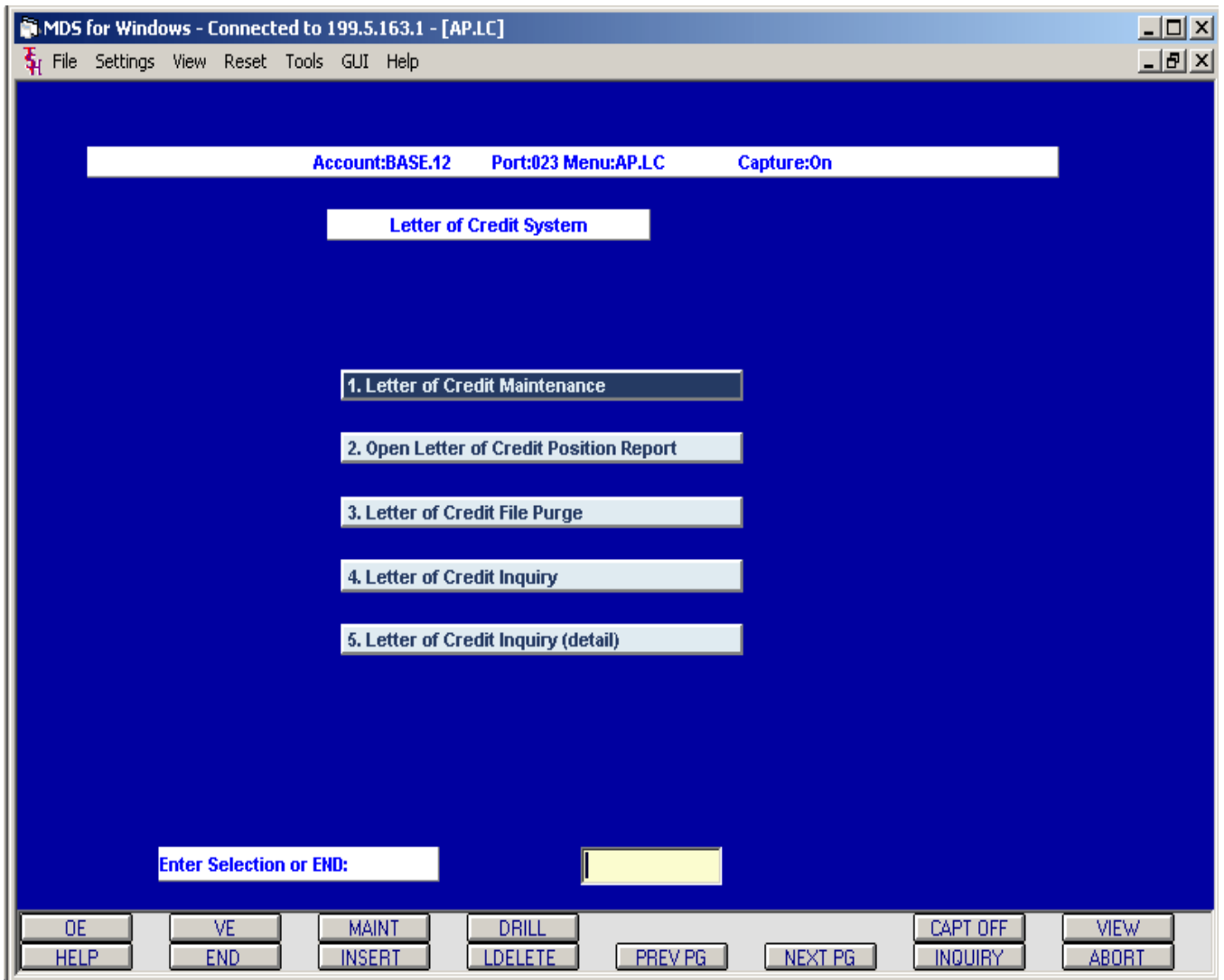### 8. 1099 FORM PRINT - LASER

This program will print the 1099 form to a laser printer instead of a printronix or dot matrix line printer..

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

LETTER OF CREDIT MENU

XIII. ACCOUNTS PAYABLE

C. LETTER OF CREDIT SUBSYSTEM

The Letter of Credit Subsystem enables the MDS user to track and control outstanding letters of credit. This subsystem is fully interfaced with the Accounts Payable Module, through which letter of credit payments are normally recorded.

1. LETTER OF CREDIT MAINTENANCE

The letter of credit maintenance program is used:

a.   to establish new letters of credit
b.   to post amendments or payments to a letter of credit
c.   to expire a letter of credit based on bank notification

Four types of transactions are accommodated by the letter of credit maintenance program and are identified by a transaction code.

ISS - Issuance of Letter of Credit - This code is automatically entered for the first transaction posted to the letter of credit and may not be used for further transactions.

ADJ - Adjustment - This code allows adjustments to the open balance of the letter of credit.

AMD - Amendment - This code is used to post amendments to the letter of credit such as terms, expiration date, and amount.

PMT - Payment - This code is used to post payments against the letter of credit where payment was not entered during the voucher input program.

2. OPEN LETTER OF CREDIT POSITION REPORT

The Open Letter of Credit Position Report lists all open letters of credit as of the end of a specified fiscal period. It is useful as a reconciliation tool to prove to the summary balances in the general ledger.

The following three versions are available:

a.   Detail Report - Showing detail transactions for each letter of credit.

b.   Detail Summary Report - Showing the open balance of each letter of credit by vendor.

c.   Summary Report - Showing the vendor's open letter of credit balance.

XIII. ACCOUNTS PAYABLE

E. LETTER OF CREDIT SUBSYSTEM

3. LETTER OF CREDIT FILE PURGE

The Letter of Credit file purge deletes expired letters of credit based on the latest expiration date to be purged entered by the user and the company number selected.

4. LETTER OF CREDIT INQUIRY

This inquiry summarizes the open letters of credit by vendor.

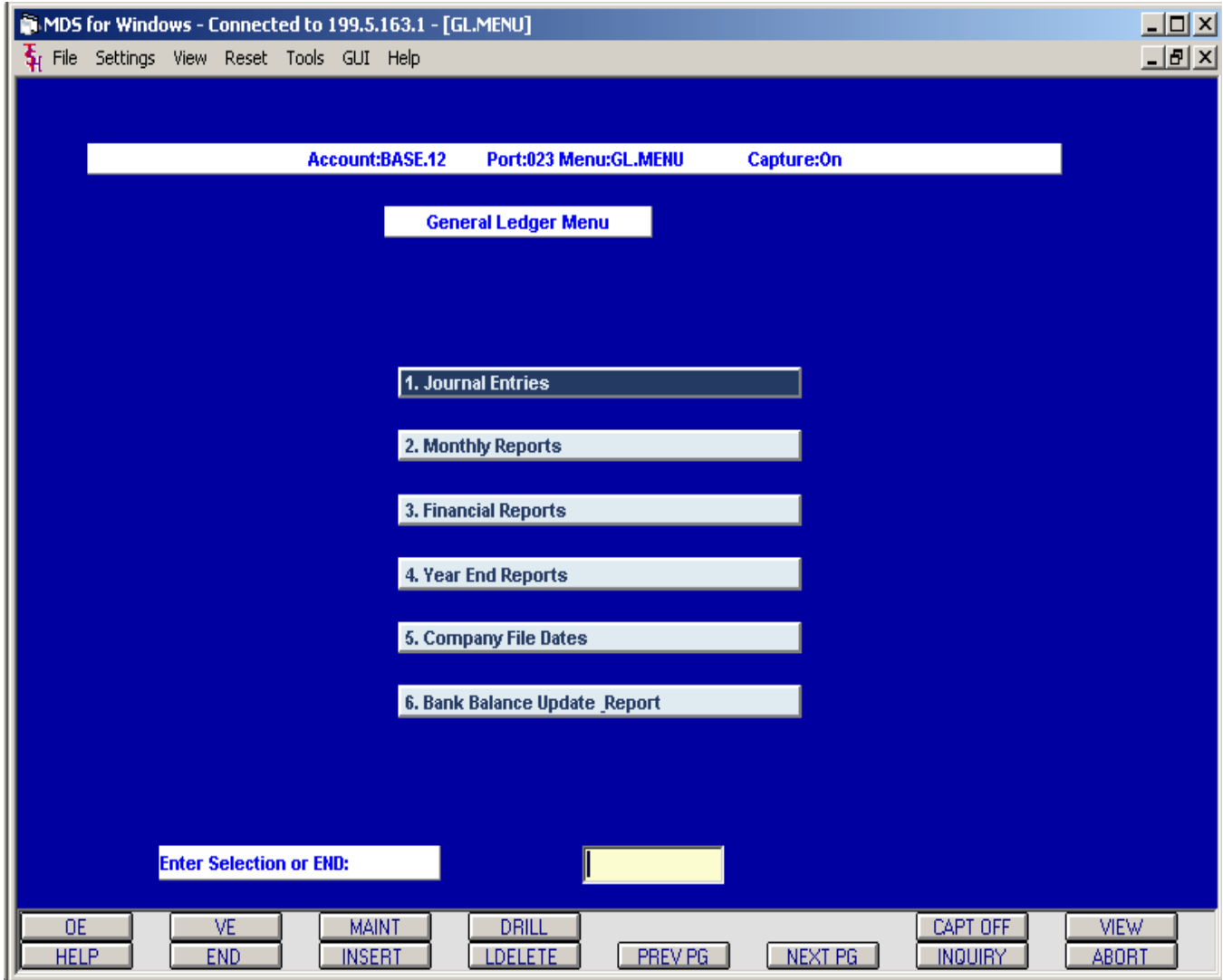### 5. LETTER OF CREDIT DETAIL INQUIRY

This second inquiry shows all detail transactions for a specific letter of credit.

XIV. GENERAL LEDGER

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

GENERAL LEDGER MENU

XIV. GENERAL LEDGER

A. MODULE OVERVIEW

The general ledger module is intended to integrate all accounting elements of the system (sales, accounts receivable, accounts payable, payroll, and fixed assets), and provide the facility to prepare all required corporate financial reporting.

The approach taken to effect the integration with other modules is to have each subsystem generate a journal entry into the general ledger activity file. Each entry is coded to identify its source, and appears on the general ledger activity listing prior to the actual update of the general ledger.

The system provides the ability to accommodate up to 99 accounting entities. Each company may have different fiscal year ends, which will be transformed into a consistent calender basis for consolidation purposes.

Several general ledger accounting periods may be posted to simultaneously - with the integrity of each maintained. This is accomplished by the entry of the fiscal month and year to which the transaction is to be updated. The system accommodates 12 and 13 period fiscal years. Posting to multiple fiscal years simultaneously is supported as well.

Provisions are made for processing multiple companies, divisions and/or cost centers. The general ledger file stores:

> Monthly activity for the previous, current, and "next" year.

> Budgeted amounts by month for the current and "next" year and revised budget for this year.
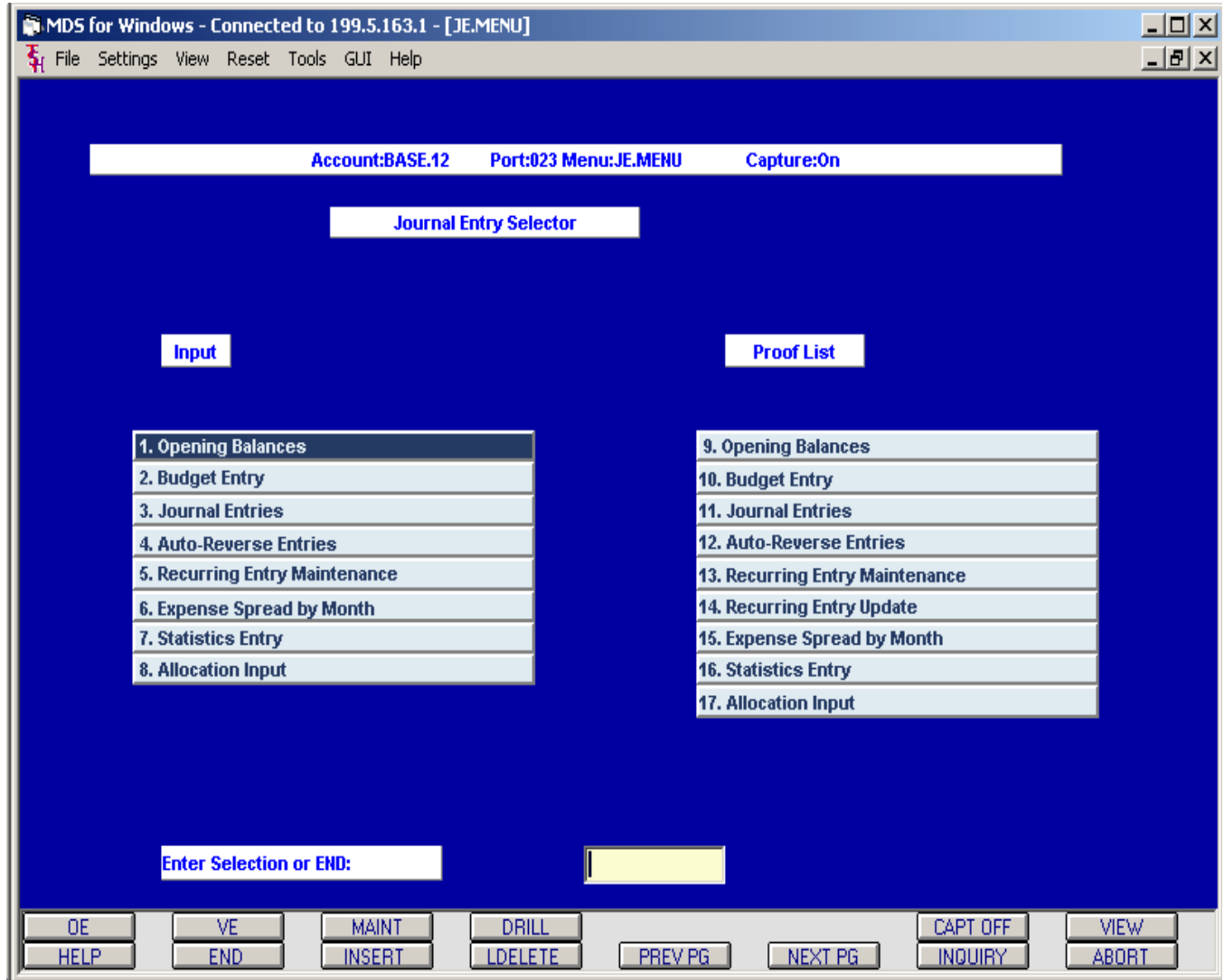
The maximum size of the general ledger code is sixteen (16) digits, and subject to this maximum, may be subdivided by the MDS user as appropriate for their operation For example:

   XX   -   XXXXX   -   XX   -   XXXX

Company   Account   Division   Department

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

JOURNAL ENTRY MENU

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MDS for Windows - Connected to 199.5.163.1 - [JE.MENU]          _ □ ×
File  Settings  View  Reset  Tools  GUI  Help                 _ 日 ×

        Account:BASE.12      Port:023 Menu:JE.MENU      Capture:On

                      Journal Entry Selector


       Input                                      Proof List


   1. Opening Balances                    9. Opening Balances
   2. Budget Entry                        10. Budget Entry
   3. Journal Entries                     11. Journal Entries
   4. Auto-Reverse Entries                12. Auto-Reverse Entries
   5. Recurring Entry Maintenance         13. Recurring Entry Maintenance
   6. Expense Spread by Month             14. Recurring Entry Update
   7. Statistics Entry                    15. Expense Spread by Month
   8. Allocation Input                    16. Statistics Entry
                                          17. Allocation Input




   Enter Selection or END:         [              ]

  OE       VE       MAINT      DRILL                     CAPT OFF    VIEW
  HELP     END      INSERT     LDELETE   PREV PG  NEXT PG  INQUIRY   ABORT
```

14.3

XIV. GENERAL LEDGER

B. JOURNAL ENTRY MENU

1. OPENING BALANCES

This procedure initially establishes the opening balances for the balance sheet accounts. The opening balances are updated automatically in subsequent years as a by-product of year end closing procedures.

2. BUDGET ENTRY

Provisions are made for the storage of three budget series (by month):

a.   Current year budget
b.   Current year budget - revised
c.   Next year budget

The entry procedure provides for the individual entry of monthly budget amounts or for an annual amount which the program will allocate by month.

3. JOURNAL ENTRIES

Each entry is assigned a sequential entry number for control purposes. In addition, reference number and transaction description can be input. The system also provides a proof listing that can be reviewed prior to the update to the general ledger activity file.

4. AUTO REVERSE JOURNAL ENTRIES

This program is used for any entries (such as accruals and reversals) that are to be reversed in the following period. The system automatically creates the reverse entry into the succeeding accounting period.

5. RECURRING JOURNAL ENTRIES

This procedure is used to prestore any entries which are made each month (i.e., depreciation expense). The running of the recurring journal entry update automatically creates a journal entry for the current accounting period.

6. EXPENSE SPREAD BY MONTH

This program is designed to input historical information on profit and loss or balance sheet items. In addition, the program establishes the chart of accounts record on the CA file, if it has not already been loaded.

7. STATISTICAL DATA

MDS provides the ability to incorporate statistical data into the chart of accounts file. Thus, data such as the number of employees or sales units can be incorporated into the financial reports. Corresponding to the budget fields, statistical data may be stored in current year, current year revised, or next year fields.

XIV. **GENERAL LEDGER**

C. **ALLOCATION MODULE**

The General Ledger Allocation Module provides the ability to redistribute charges posted to one general ledger account to others. The allocation can be based on either fixed percentages stored in a maintenance record or in a ratio to another income or expense account.

Since the program operates against account balances, the redistribution is effective against both auto-reversing entries as well as normal entries. The redistribution entry is always based upon the allocation percentages or account ratios in effect at the time of processing. Therefore, if the account reallocation percentages are altered, the "reversal" portion of the auto-reverse entry will not agree with the "accrual" portion of the entry.

1. **ALLOCATION INPUT**

This program establishes the allocation. Input consists of the general ledger code to be redistributed and the target general ledger accounts with either:

a. Specific reallocation percentages; or

b. A general ledger base code (i.e., payroll expense or sales) which will cause the program to redistribute the amount in ration to the balances in each target general ledger record.

2. **ALLOCATION LISTING**

A listing of the allocation file is provided showing the base and target general ledger accounts, as well as related percentages or ration general ledger number.
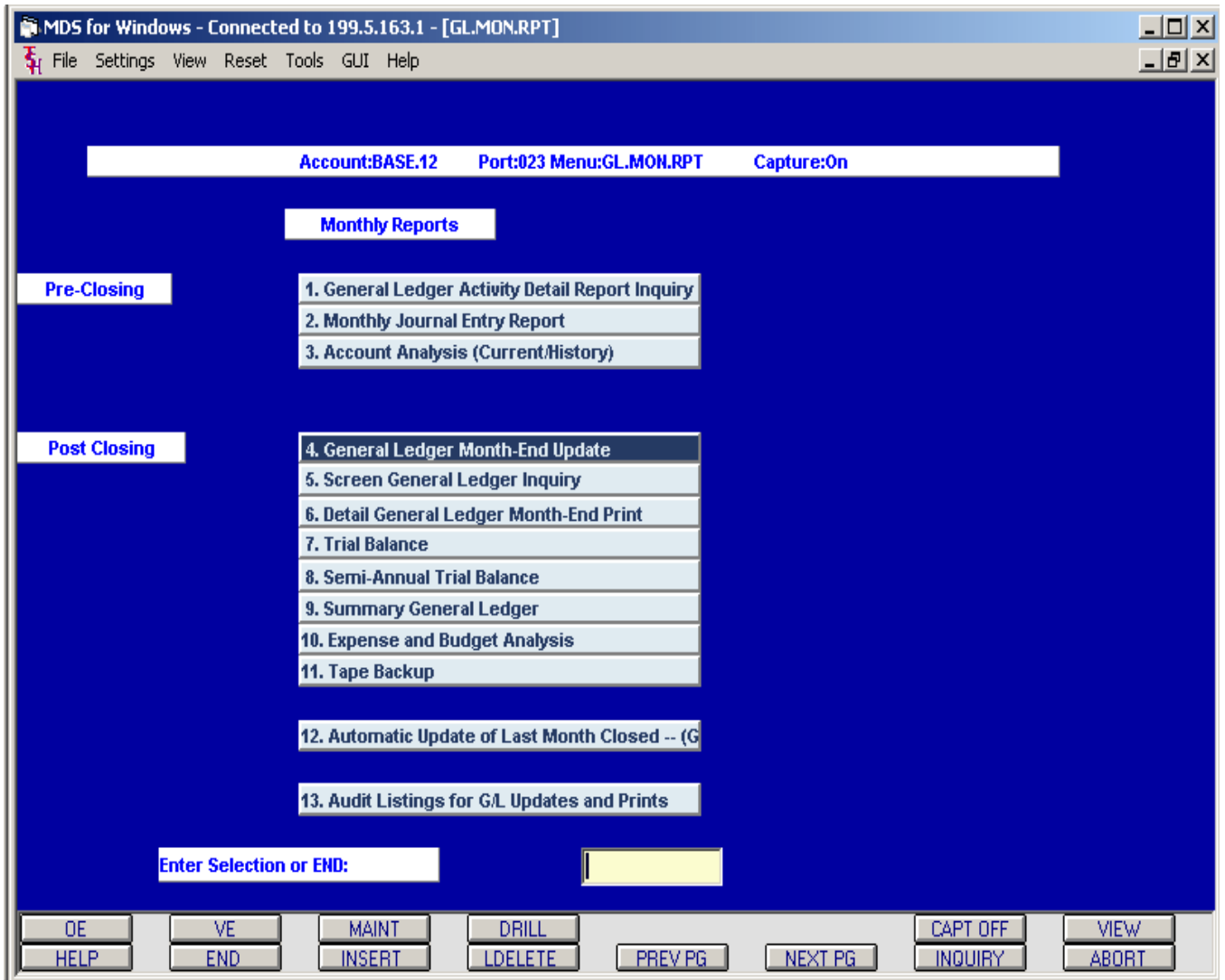
3. **REDISTRIBUTION UPDATE**

The redistribution is processed each time a general ledger month end is run.

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

MONTHLY REPORTS MENU

XIV. GENERAL LEDGER

D. MONTHLY REPORTS

The system provides for preliminary reports so that reports can be reviewed prior to month end

1. GENERAL LEDGER ACTIVITY REPORT

The general ledger activity report details all transactions for the fiscal period. The report is sequenced and subtotaled by general ledger number.

2. MONTHLY JOURNAL ENTRY REPORT

The monthly journal entry report lists all journal entries entered for the month in either general ledger account or journal entry number sequence.

3. ACCOUNT ANALYSIS (Current/History)

This report is used for analysis of a specific account. It can be based on the activity of the current period or on history. If the account is flagged as detail, the specific voucher information is updated to this file. If the account is flagged as summary, the accounts payable transactions are posted in summary.

4. GENERAL LEDGER MONTH-END UPDATE

The general ledger update process selects the activity for the specific fiscal period. A copy of the transaction is written to the general ledger history file and to a report file for the production of the general ledger detail report. The corresponding month in the general ledger file is updated.

The monthly general ledger update can be run multiple times as long as the year has not been closed. An audit trail is kept to determine the fiscal period, company, date and operator that has closed the month. The trial balance will print the revision number if it is not the first run for the period. Subsequent end of month closes reverse the redistribution transactions for that month and reupdates the month from the general ledger activity file.

5. SCREEN GENERAL LEDGER INQUIRY

This general ledger inquiry shows the opening balance for the month for each account, the current month net change and the closing balance. This inquiry may be run for any fiscal period that has been closed. Screen and print options are available.

6. DETAIL GENERAL LEDGER MONTH-END PRINT

The detail general ledger report is available for any month in the current year that has been closed. This report prints each account's opening balance for the month, the transactions affecting this account during the month and the ending balance for the period. The audit trail is updated and the revision number will appear on the report if this is not the first run for that fiscal period.

XIV. GENERAL LEDGER

D. MONTHLY REPORTS

7. TRIAL BALANCE

The trial balance prints each account with a balance. It prints the year to date position (debit or credit), separating Balance Sheet accounts from Profit and Loss accounts. The report totals compute the corporate profit and loss position. The audit trail is updated and the revision number will appear on the report if this is not the first run for that fiscal period.

8. SEMI-ANNUAL TRIAL BALANCE

The semi-annual trial balance gives a cumulative six month picture of activity (separating debits and credits). The option is for the first six months or the last six months.

9. SUMMARY GENERAL LEDGER

The summary general ledger is designed to print a summary of the activity for a month for each account by journal source. The report prints the account's opening balance and any activity on each month up to and including the specific month. The audit trail is updated and the revision number will appear on the report if this is not the first run for that fiscal period.

10. EXPENSE AND BUDGET ANALYSIS

The expense and budget analysis provides a summary analysis of performance versus plan. Sort options by account and cost centers are provided. The report can be run using the budget or the revised budget. The audit trail is updated and the revision number will appear on the report if this is not the first run for that fiscal period.

11. TAPE BACKUP

The tape backup is run before the month end update. It dumps all pertinent general ledger files to tape (or diskette) for archive.

12. AUTOMATIC UPDATE OF LAST MONTH CLOSED

This option will increment the last general ledger month closed for a specific company. This is used if there is no activity for a specific company for the next fiscal month to be closed.

13. AUDIT LISTINGS FOR G/L UPDATES AND PRINTS

This report prints a listing of all general ledger month end closes. It indicates the number of times a month has been closed for a specific company and the number of times the reports have been run.

XIV. GENERAL LEDGER

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

YEAR END REPORT MENU

XIV. GENERAL LEDGER

E. YEAR END REPORTS

1. PRELIMINARY END OF YEAR CLOSE

The preliminary end-of-year close computes the opening balances for the new year, but does not actually update the chart of accounts file. Thus, the year end financials can be reviewed, adjusting entries created and posted, and simultaneously "new" year processing and reporting can occur.

2. END OF YEAR TAPE BACKUP

The tape backup procedure simplifies the year end backup of the financial system, and creates a tape suitable for saving as a permanent accounting record.

3. ANNUAL GENERAL LEDGER DETAIL REPORT

The annual general ledger detail report provides a cumulative analysis of all general ledger transactions, by general ledger number or department for a range of fiscal periods.

4. GENERAL LEDGER HISTORY INQUIRY

This inquiry provides a screen display or hard copy printout of the activity on a specific general ledger account.

5. GENERAL LEDGER INQUIRY (Current/History)

This report is used for analysis of a specific account. It can be based on the activity of the current period or on history. If the account is flagged as detail, the specific voucher information is updated to this file. If the account is flagged as summary, the accounts payable transactions are posted in summary.

XIV. GENERAL LEDGER

E. YEAR END REPORTS

6. FINAL END OF YEAR CLOSE

The final end of year close computes the opening balances for the new year on balance sheet accounts, and closes out profit and loss accounts to retained earnings. In addition, it updates the chart of accounts file and the financial chart of accounts file as necessary to initiate the new year.

7. END OF YEAR HISTORY PURGE

The end of year history purge deletes data from the general ledger history files. After running of this program, the annual detail general ledger report is no longer available for the year purged.
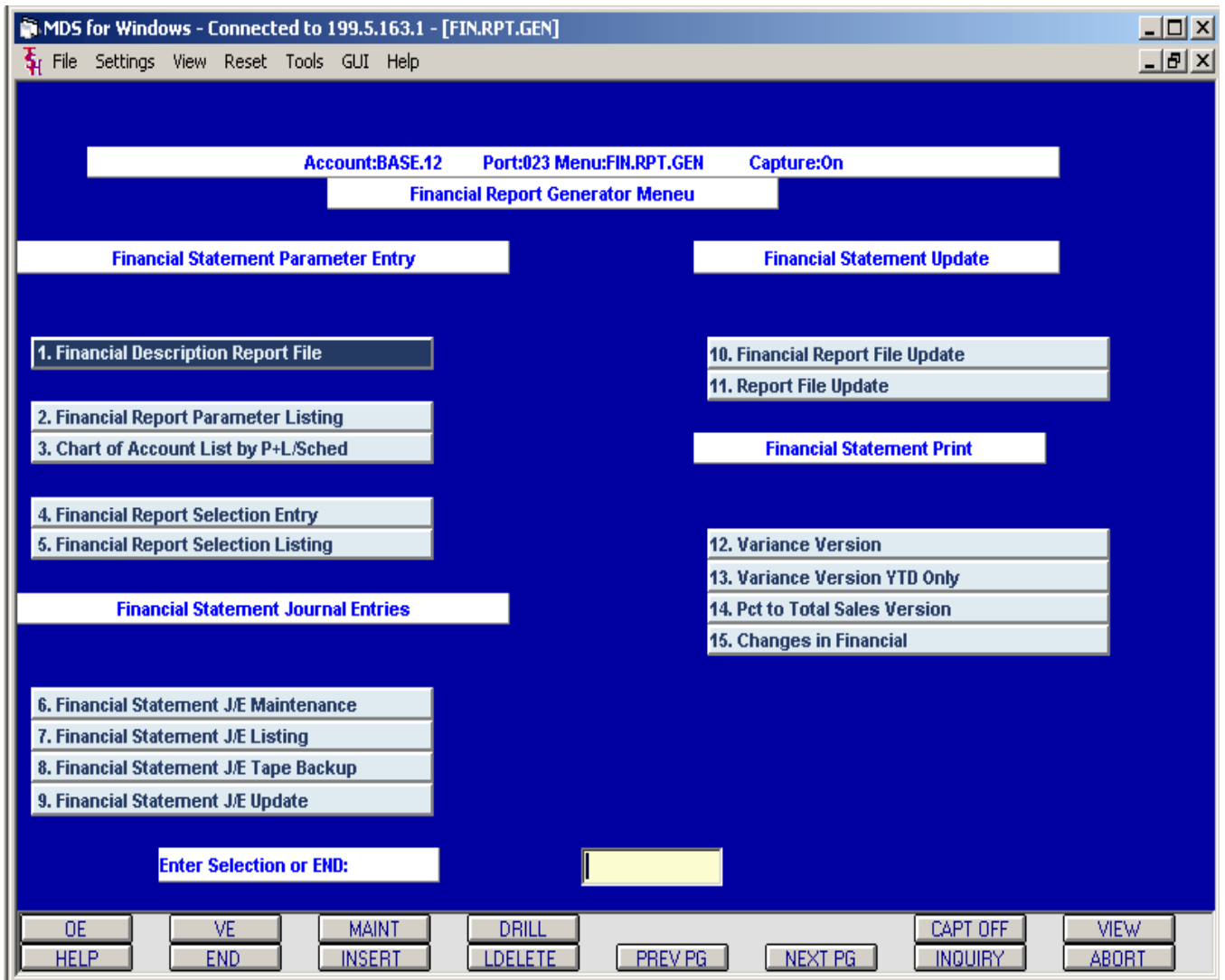
8. UPDATE HEADER RECORDS TO HISTORY FILE FOR NEW YEAR

This program updates the new year's opening balances to the general ledger history file.

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

FINANCIAL REPORTING MENU

XV. FINANCIAL REPORTING

The financial reporting subsystem of the General Ledger Module facilitates the preparation of corporate financial statements and budget analyses. The financial report generator is a parameter driven system which allows the MDS user to custom design any required financial report. Reporting by cost center, department and company is provided as well as corporate consolidations.

Using the procedures provided with the system, the user is able to design a customized set of financial reports.

A.   FINANCIAL DESCRIPTION REPORT FILE MAINTENANCE

This program provides the ability to format balance sheet, profit and loss statements, as well as up to 26 supporting schedules.

B.   FINANCIAL REPORT PARAMETER LISTING

This report provides the information to assign the specific general ledger numbers to a line on the financial reports.

C.   CHART OF ACCOUNTS LISTING BY P&L/SCHED LINE#

This report is used for clients that do not want all financial reports for each department, division, company, and corporate consolidation.

D.   FINANCIAL REPORT SELECTION ENTRY

This option is used for clients that do not want all financial reports for each department, division, company, and corporate consolidation.

E.   FINANCIAL REPORT SELECTION LISTING

This report is used to indicate which financial reports will print.

F.   FINANCIAL STATEMENT JOURNAL ENTRY MAINTENANCE

Financial journal entries are available. They will only post to the financial journal entry file to affect the financial reports. The financial journal entry will have no affect on the chart of accounts.

G.   FINANCIAL STATEMENT JOURNAL ENTRY LISTING

This report lists all financial journal entries.

XV. FINANCIAL REPORTING

H. FINANCIAL STATEMENT JOURNAL ENTRY TAPE BACKUP

This procedure will backup the financial journal entries to tape suitable to archive.

I. FINANCIAL STATEMENT JOURNAL ENTRY UPDATE

This procedure updates the financial journal entries to the financial chart of accounts file. An audit record is written each time the update is run.

J. FINANCIAL REPORT FILE UPDATE

This procedure is run to update the financials from the chart of accounts and the financial chart of accounts files.

K. REPORT FILE UPDATE

This procedure is used to generate financial data in statement format to a file that can be used in the creation (download) of a spreadsheet. The file contains the same information as the financial reports along with total lines.

L. FINANCIAL REPORTS

The following financial reports are available:

1. Variance version - this year to last year, this year to budget, or both.
2. Variance version YTD only - this year to last year or this year to budget.
3. PCT to total sales version - this year to last year, this year to budget, or both.
4. Statement of changes in financial condition.

The option is also available for budget or revised budgets and quarter-to-date or month-to-date reports.

XVI. <u>RECALL GENERATOR</u>

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

RECALL GENERATOR MENU
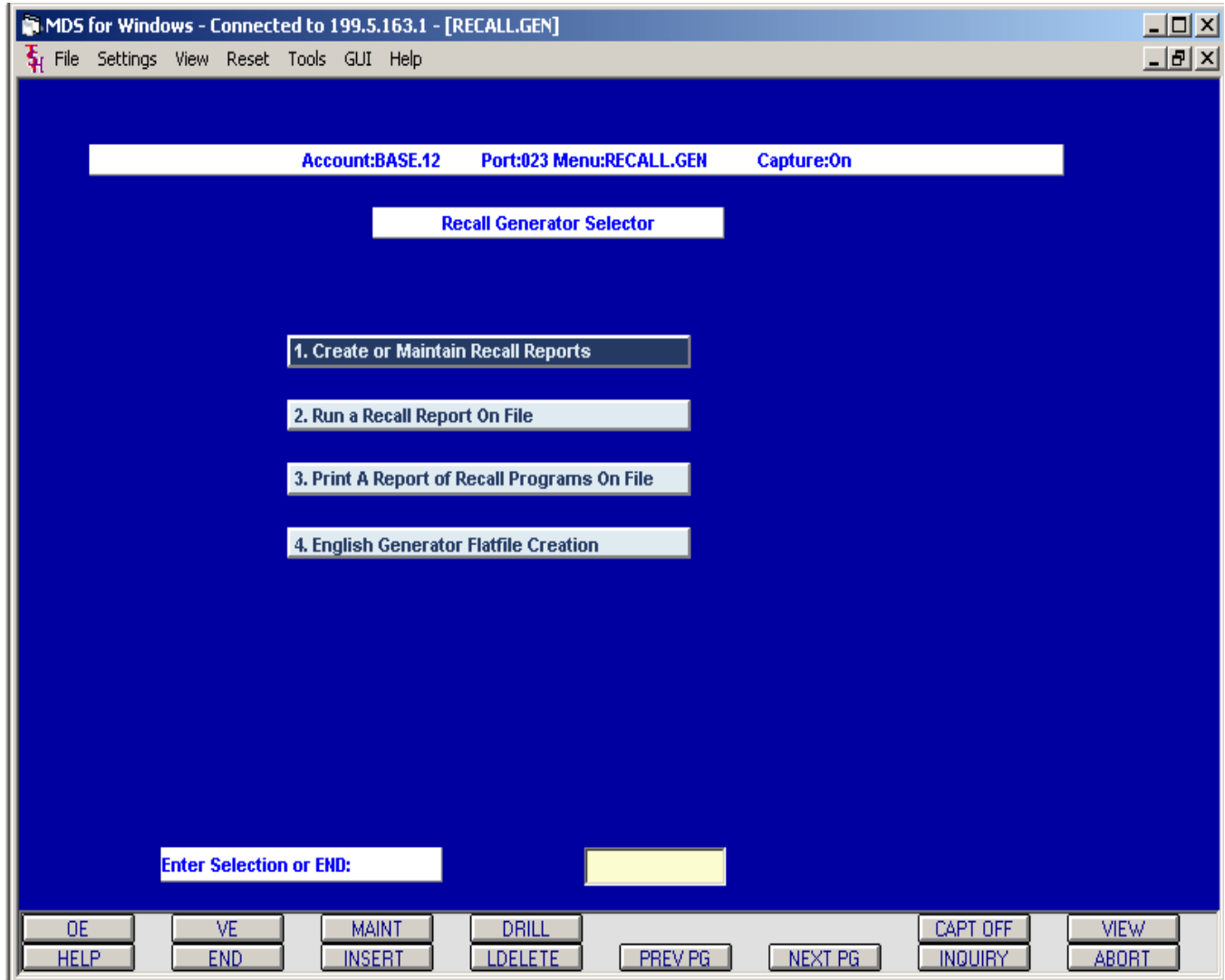
XVI. <u>RECALL GENERATOR</u>

The recall generator is designed to allow non-technical user personnel to design their own recall reports. It provides the facility to create and maintain recall statements processed against any data file. It is designed for users having no special training in the use of the editor or recall. As a by product of this procedure, the recall program is permanently stored in the program file "English".

The program starts by prompting for the file name to be processed. It makes use of the dictionary of that file to validate input and to display to the user on the screen the allowable dictionary names that may be used.

The program will then prompt the operator for the following:

> User defined display information
> Sort sequence and subtotal specifications
> Selection criteria
> Print specifications and totaling information
> Report headings
> Print to CRT or to a printer

A catalog of recall programs on file can be obtained for reference. Once on file, the program can be retrieved and modified. It can be run merely by entering the program name.

XVII. <u>ELECTRONIC DATA INTERCHANGE (EDI)</u>

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

EDI MENU

MDS for Windows - Connected to 199.5.163.1 - [EDI.MENU]

File   Settings   View   Reset   Tools   GUI   Help

Account:BASE.12   Port:023 Menu:EDI.MENU   Capture:On

EDI Order Processing Main Selector

1. Load DOS Floppy Into EDI.UPLOAD File
2. Create PRE.ORDER Items From EDI.UPLOAD Ite

3. Create PRE.ORDER Items From WEB.ORDER Ite

4. Create PRO.FORMA Items From PRE.ORDER Ite
5. Create MDS ORDER Items From PRO.FORMA It

6. Download 856 to Floppy
7. Download 810 to Floppy
8. Clear Transmitted 856 Records
9. Clear Transmitted 810 Records

Enter Selection or END:

| OE | VE | MAINT | DRILL | | | CAPT OFF | VIEW |
| HELP | END | INSERT | LDELETE | PREV PG | NEXT PG | INQUIRY | ABORT |

XVII. <u>ELECTRONIC DATA INTERCHANGE (EDI)</u>

The MDS electronic data interchange module (EDI) allows the user to receive customer orders and transmit vendor rebates, purchase orders, and customer invoices via an EDI clearing house, Internet, or a direct transmission to the customer/vendor computer system.

A.   <u>LOAD DOS FLOPPY INTO EDI.UPLOAD FILE</u>

This is the process where the diskette that contains the order records is entered into the drive and then uploaded into the MDS system. The records here will be removed from the diskette and stored in the system as a "preorder".

B.   <u>CREATE PRE.ORDER ITEMS FROM EDI.UPLOAD ITEMS</u>

This process will take place after the diskette containing the records has been uploaded into the system. It will then take these records and convert them into a preorder state where they will remain until a conversion to turn them into proformas is run.

C.   <u>CREATE PRE.ORDER ITEMS FROM WEB.ORDER ITEMS</u>

The MDS system also has the capabilities of downloading orders received via the Internet. This process will take those orders received through the Internet and then down load them into a preorder status, similar to the preorder creation of a standard EDI download. As do the EDI orders, the web orders will remain in a preorder status until the conversion to a proforma is run.

D.   <u>CREATE PRO.FORMA ITEMS FROM PRE.ORDER ITEMS</u>

This process will take all or any of the EDI or Internet orders that have been stored as preorders and convert them into proformas on the MDS system. The proformas are similar to a standard order but do not actually affect inventory until they are converted into actual orders. At this time, the user can access these records via any of the proforma inquiries available on the system. They can change or maintain them as needed. There is no way to view or access the orders until they have been converted into proformas.

XVII. <u>ELECTRONIC DATA INTERCHANGE (EDI)</u>

   E. **<u>CREATE MDS ORDER ITEMS FROM PRO.FORMA ITEMS</u>**

     This process will take all the profromas on file that were created from either an EDI download or a web site order and convert them into an MDS order. This process will now affect inventory on hand balances and can then be put through the normal order entry processes like verification, order maintenance, etc.

   F. **<u>DOWNLOAD 856 TO FLOPPY</u>**

     This process allows the MDS user to download advanced shipping notices to your customers. After the customer sends you an order via EDI, you then would be able to transmit an acknowledgment to that customer stating that you received the order and its expected ship date.

   G. **<u>DOWNLOAD 810 TO FLOPPY</u>**

     This procedure allows the MDS user to electronically invoice their customers.

   H. **<u>CLEAR TRANSMITTED 856 RECORDS</u>**

     This process will purge whatever 856 records that were transmitted previously. This should be run prior to downloading new advanced shipping notices.
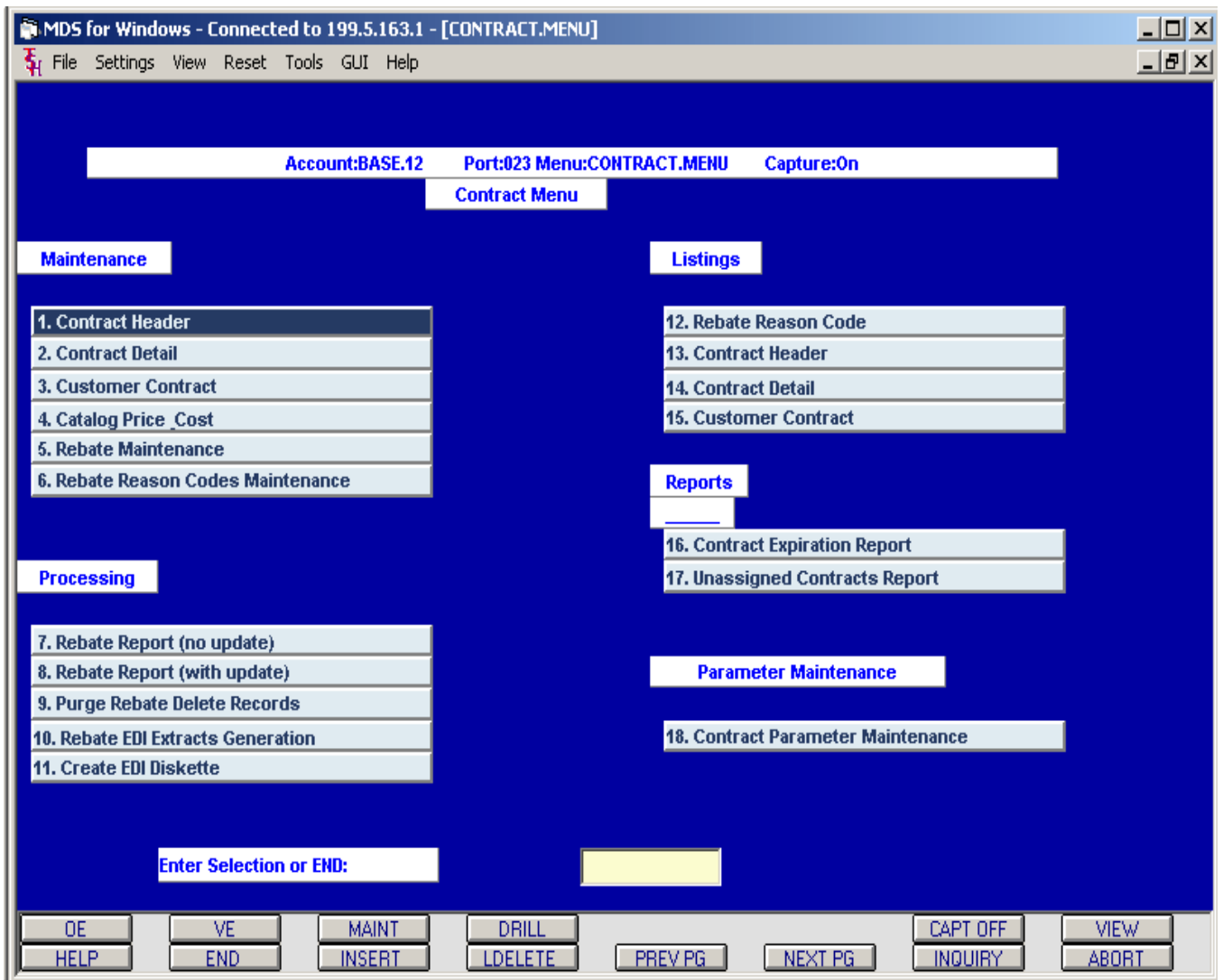
   I. **<u>CLEAR TRANSMITTED 810 RECORDS</u>**

     This process will purge whatever 810 records have been transmitted previously. This can be run after the 810 download is complete or prior to new download procedure.

XVIII. REBATE SYSTEM

THE SYSTEMS HOUSE, INC.
MASTER DISTRIBUTION SYSTEM PRODUCT DESCRIPTION

REBATE SYSTEM MENU

MDS for Windows - Connected to 199.5.163.1 - [CONTRACT.MENU]

File   Settings   View   Reset   Tools   GUI   Help

Account:BASE.12   Port:023 Menu:CONTRACT.MENU   Capture:On

Contract Menu

Maintenance

1. Contract Header
2. Contract Detail
3. Customer Contract
4. Catalog Price_Cost
5. Rebate Maintenance
6. Rebate Reason Codes Maintenance

Processing

7. Rebate Report (no update)
8. Rebate Report (with update)
9. Purge Rebate Delete Records
10. Rebate EDI Extracts Generation
11. Create EDI Diskette

Listings

12. Rebate Reason Code
13. Contract Header
14. Contract Detail
15. Customer Contract

Reports

16. Contract Expiration Report
17. Unassigned Contracts Report

Parameter Maintenance

18. Contract Parameter Maintenance

Enter Selection or END:

| OE | VE | MAINT | DRILL | | | CAPT OFF | VIEW |
| HELP | END | INSERT | LDELETE | PREV PG | NEXT PG | INQUIRY | ABORT |

18.1

XVIII. <u>REBATE SYSTEM</u>

The Contract Rebate System is designed to automate the generation and tracking of rebates and reduce the maintenance involved in keeping contracts up to date. The system operates in an on-line environment which allows you to monitor your gross profit on a daily basis. The setup and tracking of rebates is accomplished as follows:

A.   <u>CONTRACT SETUP MAINTENANCE</u>

This one time maintenance is used to establish the general ledger accounts that will be used during rebate update.

B.   <u>CONTRACT VENDOR DIVISION</u>

This program allows the MDS user the ability to set up their own contract numbers to be used to track the rebate system. This maintenance allows you to establish meaningful contract numbers to reduce the overhead in running and maintaining the system. Multiple vendors can have the same contract number.

C.   <u>CONTRACT DETAIL</u>

This maintenance is designed to ease the volume of both the number of contracts as well as the maintenance to update them. This program contains the actual details of the contract such as cost, beginning and ending dates, etc.

D.   <u>CUSTOMER CONTRACT</u>

This program is used to link the customer to various contracts. Using this structure, the system requires only one contract when multiple customers have access to it.

E.   <u>CATALOG PRICE AND COST</u>

The system stores the current, previous and second previous catalog prices and costs. This program is provided for the review of this information as well as maintenance of products which need to be updated manually.

F.   <u>REBATE MAINTENANCE</u>

This program can be used if the operator needs to correct a contract cost on a contract detail and the release was created before the contract cost was corrected. This program has to be run before you run the rebate update.

XVIII. REBATE SYSTEM

G.   REBATE REASON CODE MAINTENANCE

This program is used to create and maintain allowable codes for the various possible reasons for rebates. It is used in conjunction with the rebate maintenance program.

H.   REBATE REPORTS

There are various reports and listings available in the contract module of MDS. They range from simple listings of what your files contains to reports that can be sent to a vendor that update or not update your files.

I.   REBATE EDI EXTRACTS GENERATION

This program will select the detail rebate information to be loaded during the creation of the EDI diskette.

J.   CREATE EDI DISKETTE

This program copies the EDI867 files to diskette on the computer system.