
MDS Quick Guide:

Using your Credit Card as a Bank in MDS Vs. Using the A/P Transfer System

Djf 4/13/18

MDS offers multiple ways to handle credit card payments to vendors. Our preferred method is our A/P transfer system because it allows you to see open transaction history with a vendor and show the transfer to a new vendor for the credit card. However, some customers prefer setting up credit cards as a bank in the MDS System. This Quick guide will explain the setup of the bank, paying vendors via credit card, and reconciling your credit card payments using the MDS Bank reconciliation module.

Before we begin, you will need to have two banks setup (at a minimum, you can have more) and you must have an account setup for credit card transfers. This account will be a place holder account to allow you to record payments to the credit card, the balance should be zero typically however due to timing of the entry the balance would show the amount open to be paid to the credit card vendor.

In our examples below:

Bank 500 STANDARD BANK GL# 01-1050

Bank 600 CREDIT CARD BANK GL# 01-1060

Transfer account GL# 01-1070 **(optional if you want to record payments as a deposit)**

(your numbers will likely be different)

Step 1. Setup a bank for your credit card

This will require a bank general ledger number to be setup, this can be created by entering a new opening balance. Typically, when starting up on the MDS system, you would enter the amount open on your credit card as of the last statement. This is the amount you would be paying normally.

PLEASE NOTE THIS AMOUNT SHOULD BE A NEGATIVE AS YOU WOULD OWE THIS TO THE CREDIT CARD

The screenshot shows the 'BANK MAINTENANCE' screen in the MDS application. The window title is 'D.J.F. [mail.tshinc.com BASE-12-BANK-MAINT00851]'. The menu bar includes 'File', 'Edit', 'Settings', 'Reset', 'Tools', 'Mode', 'Standard Functions', 'Special Functions', 'Refresh Dashboard', and 'Help'. The left sidebar has buttons for 'Screens', 'Factory', 'Terminal', 'MDS Menu', 'Print', 'Tasks', 'Charts', and 'Key Indicators'. The right sidebar has buttons for 'Products', 'Customers', and 'Vendors'. The main area contains the following fields:

Field	Value
Company No	01 Base Medical Supply
Bank #	600
1. Bank Name	CREDIT CARD BANK
2. G/L Code/Number	01-1060
3. Account Number	4242-4454-1234-1111
4. Next Check#	5
5. Next Washout Check#	000001
6. Bank Expense G/L Code	
7. Credit Line	50000.00
8. Bank Verification Templ (DTL)	
9. Bank Verification Templ (TOT)	
10. Routing Number	
11. ABA Bank Number	
12. Bank Name for ACH File	
13. Filename for ACH file	
14. Company Name for ACH file	
15. IRS/EIN Federal Tax ID	
16. Account# for ACH/Dir Deposit	
17. Prenotification Filename	
18. Skip Debit Record for ACH file	N
19. DFI Name for EDI 820	N
20. DFI Account for EDI 820	

At the bottom of the screen, there is a toolbar with buttons for 'Help', 'Ok/End', 'Insert', 'Delete', 'Prev', 'Next', 'Inquiry', 'Cancel', 'Off', and 'Popup'. The status bar at the bottom left shows 'The Systems House Operator:SF Ready.' and the bottom right shows '3/19/20 18:15:38 CAP NUM SCRL'.

Note the Bank general ledger number needs to be setup prior to creating the bank record.

Step 2. Using the accounts payable system enter vouchers for your vendors/products/goods to record the invoices you have received. Note for inventory items you would likely match them to receivers and purchase orders.

Make sure to choose the credit card bank your setup in step 1 for payment (in our example bank 600)

The screenshot displays a legacy accounts payable software interface. The main window is titled 'Application' and shows a voucher entry form for 'Base Medical Supply' (CO# 01). The vendor is 'INVERNESS MEDICAL, INC.' with address 'PO BOX 846047, GPO, BOSTON, MA 022846047'. The invoice number is 101, dated 03/19/18, with a net amount of 1000.00. The payment terms are 'NET 30 DAYS'. The bank selected for payment is 'CREDIT CARD BANK' (Bank # 600). The interface includes a menu bar at the top, a sidebar on the left with navigation options like 'Standard Functions' and 'Refresh Dashboard', and a bottom navigation bar with buttons for 'Vend Inq', 'Check Inq', 'Vouch Inq', 'Vrm Det', 'Help', 'Ok/End', 'Insert', 'Delete', 'Prev', 'Next', 'Inquiry', 'Cancel', and 'Off'. The status bar at the bottom indicates 'The Systems House Operator:SY Ready' and the date/time '3/19/2018 15:42'.

VOUCHER	ENTRY	INPUT	(HEADER)	CO#	01	Base Medical Supply
VEND#	1193			MON	1708	
1.NAME	INVERNESS MEDICAL, INC.			BATCH#		
2.ADDR1	PO BOX 846047, GPO			VOU#		
3.ADDR2				CURRENCY	US	
4.CITY,STATE	BOSTON, MA			CURR RATE	0.000000	
5.ZIP CODE	022846047			7.FOR VALUE	0.00	
6.DISCOUNT	N					
TERMS	NET 30 DAYS					
TRANS CD	I					
8.INVOICE#	101			16.PAY STATUS	P	
9.INV DATE	03/19/18			17.BANK#	600	CREDIT CARD BANK
HAND CHECK	N			18.SING CHECK	N	
10.DUE DATE	04/18/18			19.MISC DESC		
11.DUE DT 2nd						
12.GROSS AMT		1000.00		20.BANK REF		
13.MERCH AMT		0.00		21.HAND CHK#		
14.NON-DISC		1000.00		22.HAND CKDT		
15.DISC AMT		0.00		23.LIC NUMBER		
NET AMT		1000.00				

ENTER LINE# TO CHANGE, 'DELETE' TO DELETE OR '0' TO ACCEPT THE HEADER:

Enter the appropriate G/L distribution for the lines for inventory vendors you would need to match to a po and receipt if you have the GL setup as an inventory type.

The screenshot shows a financial software interface with a menu bar (File, Edit, Settings, Reset, Tools, Mode, Standard Functions, Special Functions, Refresh Dashboard, Help) and a sidebar with navigation options (Shortcuts, Header, Terminal, MIS Menu, Print, Tables, Charts, Key Indicators, Products, Customers, Vendors). The main window displays a 'VOUCHER ENTRY INPUT (DETAIL)' screen for 'Base Medical Supply'.

VOUCHER ENTRY INPUT (DETAIL)

VEND#	1193	CO#	01	Base Medical Supply
NAME	INVERNESS MEDICAL,INC.	MON	1708	
INVOICE#	101	BATCH#		
INV DATE	03/19/18	VOU#		
DUE DATE	04/18/18			
GROSS AMT	1000.00	01-1400	INVENTORIES	GROSS TOTAL
MERCH AMT	0.00			1000.00
NON-DISC	1000.00			DIST BALANCE
DISC AMT	0.00			0.00
NET AMT	1000.00			

LN#	GL#	DESC	JOB	NO	PO#	RECEIVER#	DIST	AMT
1	01-7190	MISCELLANEOUS EXPENSE						1000.00
2								0.00
3								0.00
4								0.00

ENTER LINE# TO CHANGE, 'V' TO ACCEPT VOUCHER,
'ADD' TO ADD LINES OR 'DELETE' TO DELETE VOUCHER:

Buttons: Gross Amt, Help, OK/End, Insert, Delete, Prev, Next, Inquiry, Cancel, Off, Popup

System tray: The Systems House Operator:SY Ready, 3/19/2018 15:43 CAP NUM SCRL

In our example are just paying to a misc. code. But this is the normal process for paying vendor invoices.

Step 3. Recording CC payments to vendors

Using the standard cash disbursements screen (or a/p washout) record the payments you made on your credit card. If multiple invoices were paid you can combine them into a single payment or you can create separate payments for each vendor.

Cash Disbursement (Selection Screen)

New Select or Continue with current file? (N/C) N

1.Company# 01 Base Medical Supply

2.Select All, Range or Selected Vendors A

3.Beg Vendor# End Vendor#

4.Selected Vendors

5.Bank#

6.Due Date 05/01/18

7.Include Vouchers on Hold? (Y/N) N

8.Discounted Vouchers ONLY? (Y/N) N

9.Bank# for Selection 600 CREDIT CARD BANK

ENTER LINE# TO CHANGE, "0" TO ACCEPT OR "C" TO CANCEL THIS SESSION

Help Ok/End Insert Delete Prev Next Inquiry Cancel Off Popup

The Systems House Operator:SY Ready. 3/19/2018 15:47 CAP NLM | SCRL

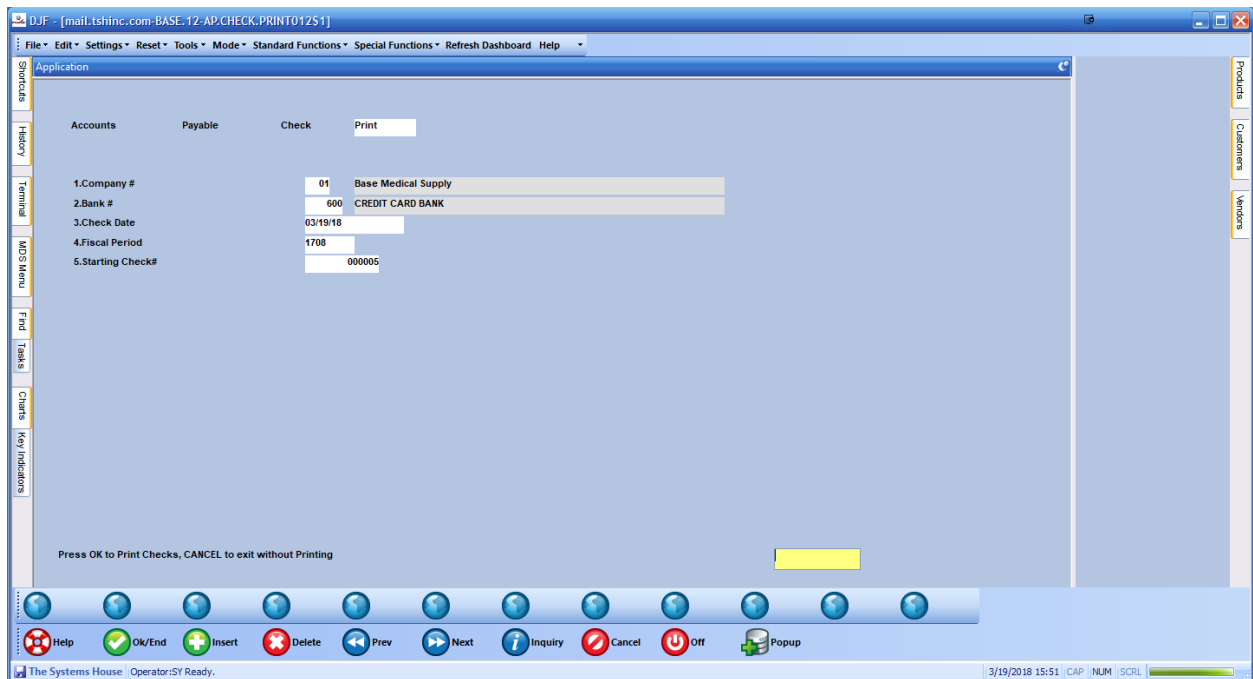
Note: make sure to select the credit card bank.

Select all the vouchers/invoices you have paid for this period.

Once that is done – you will run a check print but do not have physically print the checks unless you wanted a hard copy. The system will create a pdf copy automatically. This will record the payments against the vendor and show them as paid via credit card.

Step 4. Credit Card Check Run

Run a standard Check print for the credit card bank – in our example bank 600



Once the checks have printed accept them and move on the next step which is to record the payment to your credit card company.

Step 5. Recording your payments to the credit card company.

In our example we have a vendor called Amex that we will be paying via a check however this check will be from our real bank 500 and will use a physical check. If you are paying online or via ACH you can use the ACH module or enter the checks using washout entry.

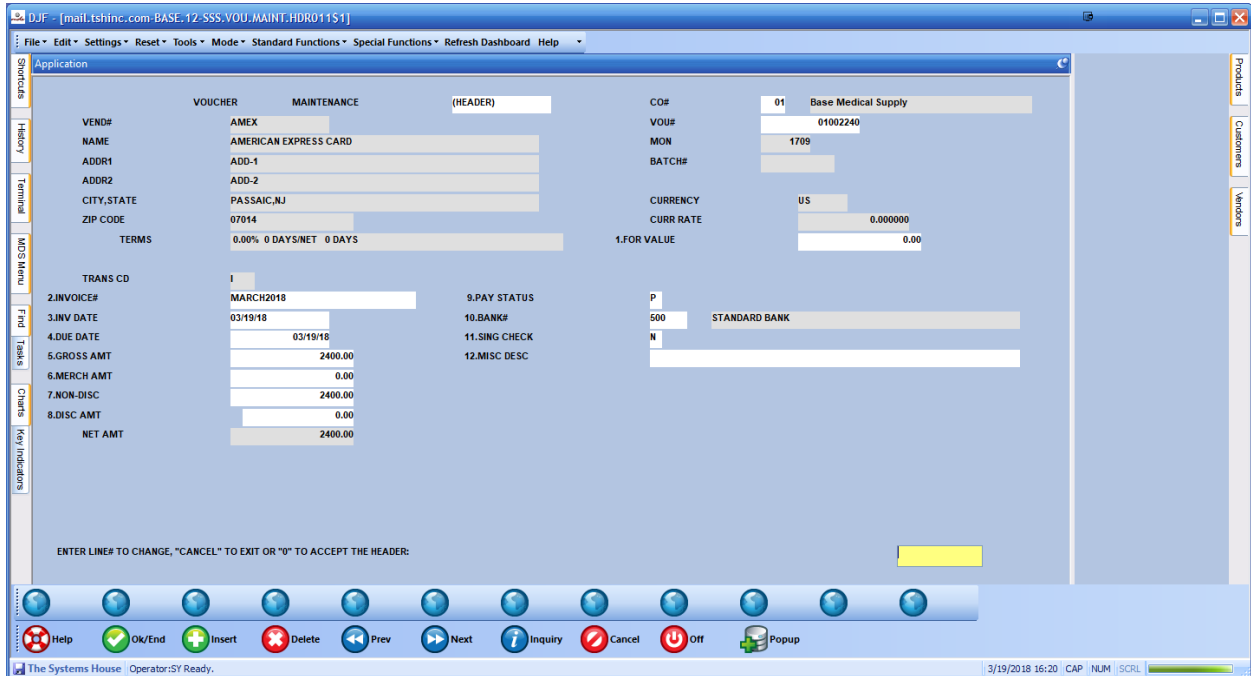
We will need to get the statement from the credit card at this point.

Example below:

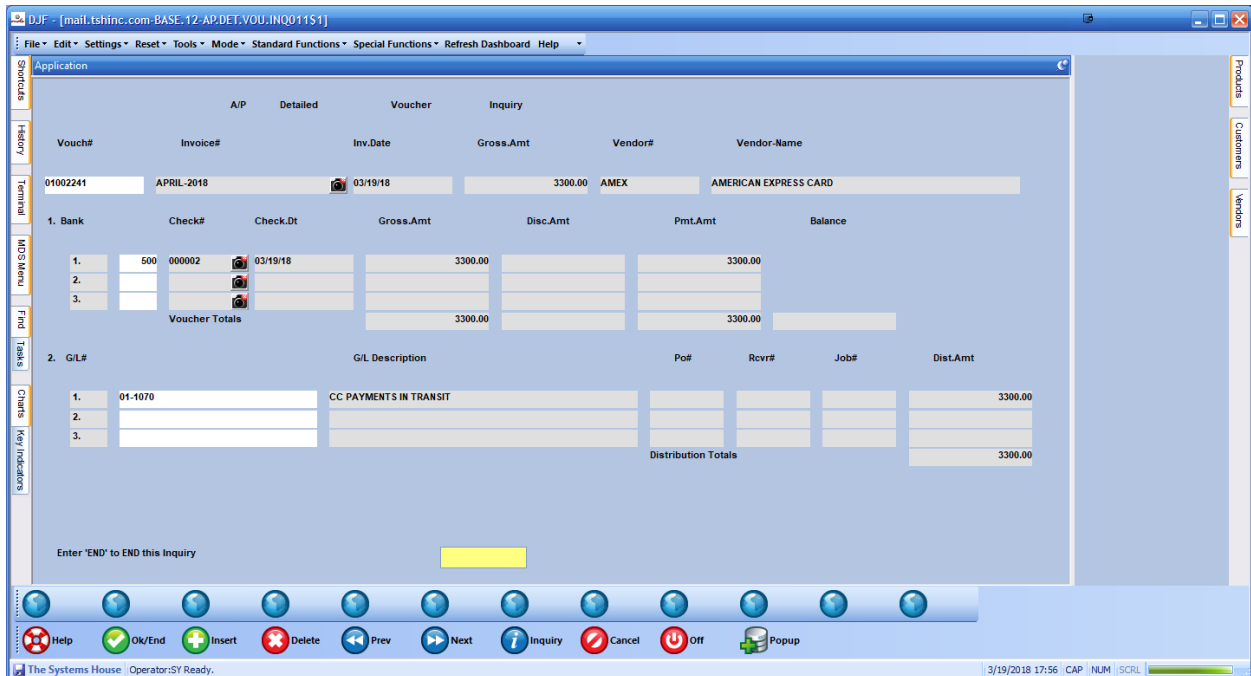
Step 6. Recording the payment to your credit card vendor.

When entering the payment for his vendor you want to have it come out of real bank 500, not the credit card bank 600. However, we want to record the payable against the transfer account we have setup. In this example 01-1070 – IF YOU DO NOT WANT TO ENTER THE PAYMENTS AS DEPOSITS YOU CAN CAN JUST USE THE BANK GL FOR THE CREDIT CARD BANK AS THE GL# IE 01-1060

So, we can then take that amount and use it during the bank reconciliation.



Note the payment bank is 500 in this example – where we will cut a real check from.



Note that we are using the G/L setup for your transfer account as the offset here – example 01-1070

IF YOU DO NOT WANT TO ENTER THE PAYMENTS AS DEPOSITS YOU CAN CAN JUST USE THE BANK GL FOR THE CREDIT CARD BANK AS THE GL# IE 01-1060

Once the Voucher is entered you would pay it as part of your normal check runs and pay the Amex bill.

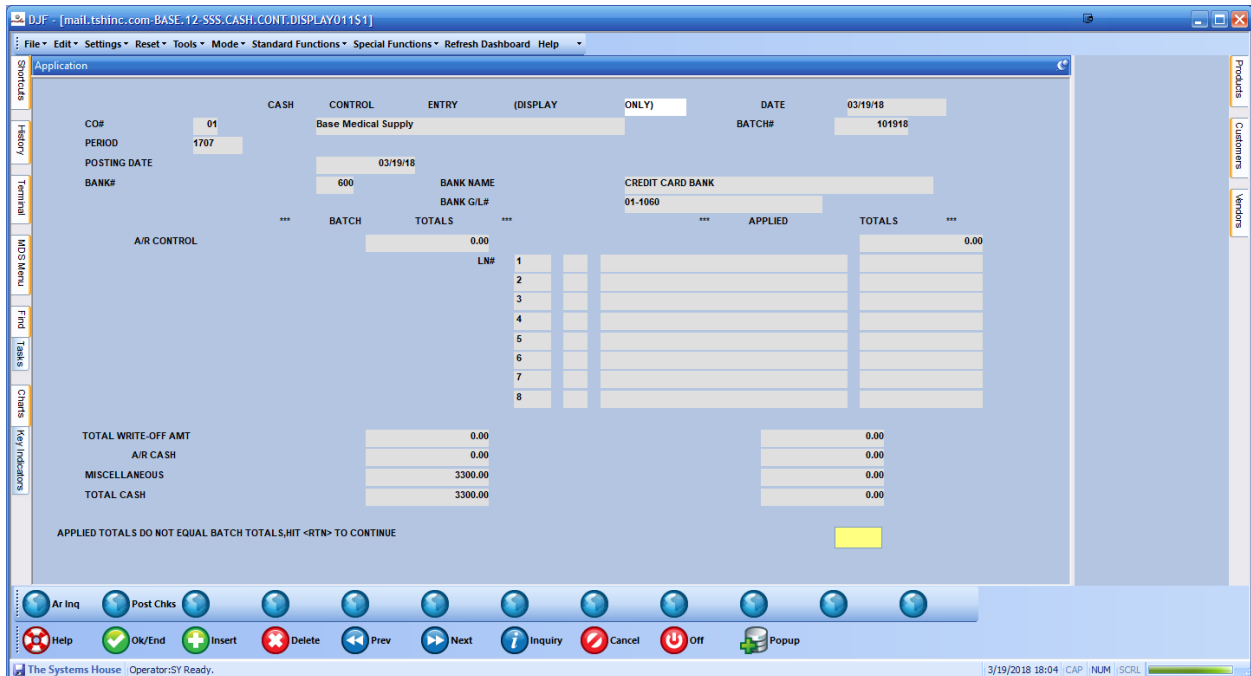
In our example we entered some invoices in the current period, but we are paying the 3300.00 because that was the open amount from the last credit card statement we have. So, we will reconcile the invoices we entered last month to the 3300 we paid this month. NOTE THE FISCAL PERIODS as they do not typically match up.

Step 7. Now that we have recorded our checks and payments we want to show the money coming into bank 600 from bank 500 to do that we use the miscellaneous cash option of cash entry. This is because it's not directly tied to a customer.

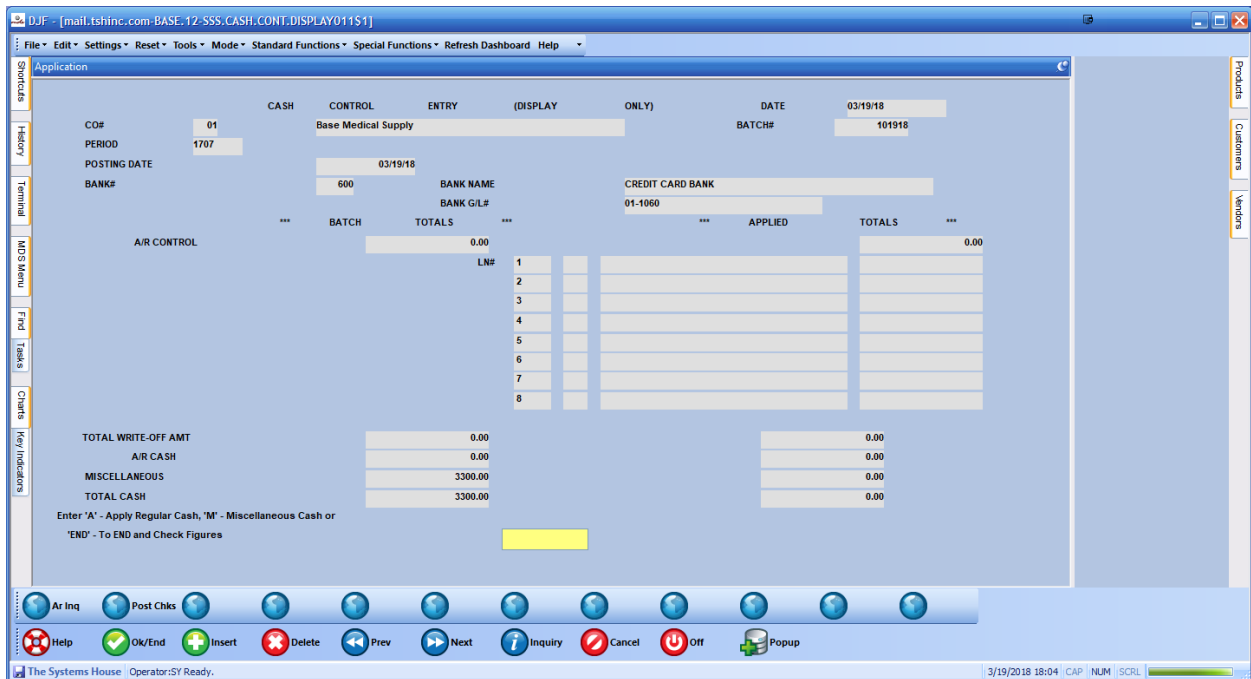
IF YOU DO NOT WANT TO ENTER THE PAYMENTS AS DEPOSITS YOU CAN CAN JUST USE THE BANK GL FOR THE CREDIT CARD BANK AS THE GL# IE 01-1060 DURING VOUCHER ENTRY AND SKIP THIS STEP

The screenshot shows a software window titled "Application" with a menu bar (File, Edit, Settings, Reset, Tools, Mode, Standard Functions, Special Functions, Refresh Dashboard, Help). The main area is a form for "CASH CONTROL ENTRY" dated 03/19/18. The form includes fields for Operator, CASH CONTROL ENTRY, DATE, 2. CD# (01 Base Medical Supply), BATCH#, 3. PERIOD (1707), 1. BATCH TYPE, 4. POSTING DATE (03/19/18), 5. BANK# (600), BANK NAME (CREDIT CARD BANK), BANK G/L# (01-1060), 6. A/R CONTROL (0.00), TOTAL WRITE-OFF AMT (0.00), A/R CASH (0.00), 7. MISCELLANEOUS (3300.00), and 8. TOTAL CASH (3300.00). A yellow box highlights the "Please make a selection, OK/END to Save, or Cancel" prompt. The bottom of the window features a toolbar with icons for Ar Inq, Post Chks, Findcheck, and other functions. The status bar at the bottom indicates "The Systems House Operator:SY Ready" and the date/time "3/19/2018 18:02".

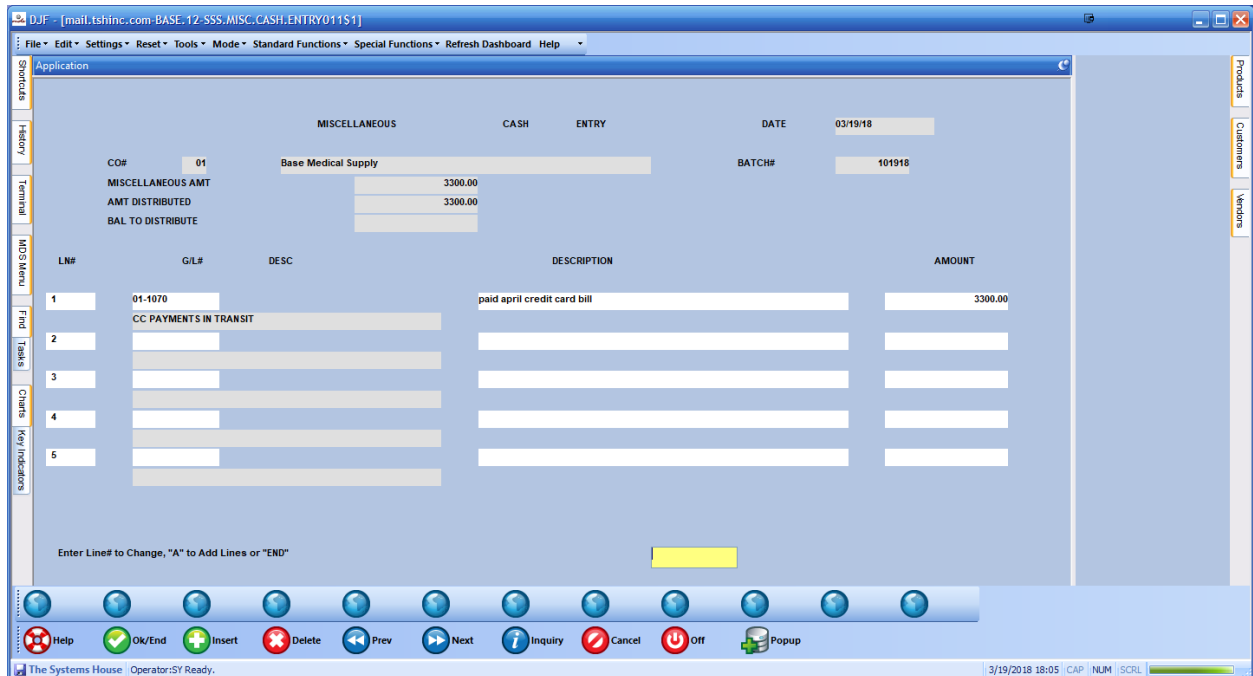
Note we manually enter the amount in fields 7 and 8 to record the amount we will be paying the credit card company. When it asks for a customer just click ok/end and a prompt will come up to enter the miscellaneous cash.



Hit return or enter/ok to continue



Choose option M to enter the GL code in this case the transfer account (01-1070)



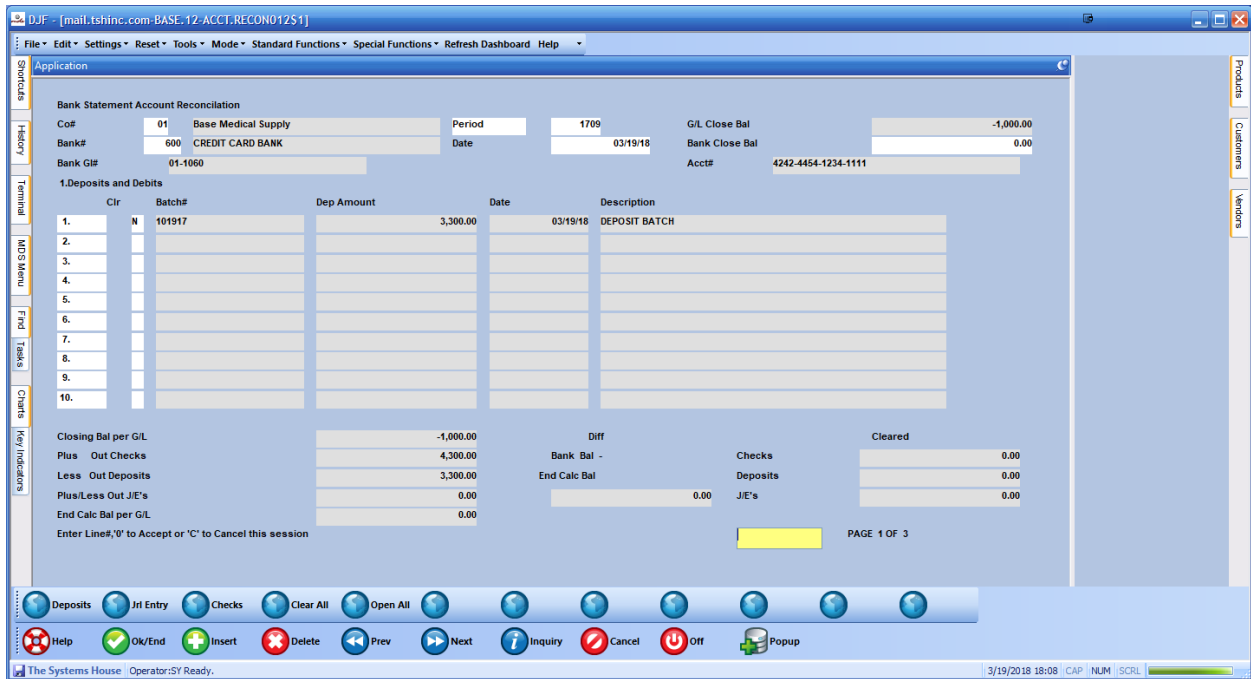
Enter the GL code, a description and the amount – in this case I made note it was the April payment

Click ok/end to have it accepted

And run the daily cash register to have to recorded into the general ledger.

(note depending on your options, it may not update until the end of the day.)

Step 9. Viewing and Clearing your Credit Card Statement from the Bank Reconciliation Screen



Enter your credit card bank and bring up the credit card statement details

The bank closing balance does not matter in the case since it's a credit card bank, so you can enter 0.00

The g/l close balance will show you the total outstanding items in this case we have 1 check for 1000.00 that has not been recorded as we cut it today/paid the vendor via cc today and it's not due until next month.

The first page will show you the CC batch we created to record the payment to the credit card company

Verify it shows correctly on your statement and click the Clr column to clear it.

CHASE ULTIMATE REWARDS SUMMARY		
Previous Points Balance	21,344	It's easy to redeem your points for cash back or gift cards from popular merchants. Please visit www.chase.com/ultimaterewards to see options & to book travel.
+ 1 point per \$1 earned on all purchases	964	
+ Points for Ultimate Rewards Travel	0	
+ Bonus points from Ultimate Rewards Mall	0	
+ 4 pts per \$1 intrnt, cable, phone, ofc sply st	0	
+ 1 point per \$1 on hotels & gas stations	40	
= Total points available for redemption	22,348	
<p>Your Ink Bold card earns 1 point per \$1 spent on every purchase. You earn an additional 1 point per \$1 on your first \$50,000 spent annually at gas stations and on hotel accommodations when purchased directly with the hotel. You earn an additional 4 points per \$1 on your first \$50,000 spent annually on internet, cable, phone & office supply stores.</p>		
ACCOUNT ACTIVITY		
Date of Transaction	Merchant Name or Transaction Description	\$ Amount
11/09	Payment - Thank You	-597.37
11/15	Payment Thank You Bill Pay Service	-509.00
11/12	USA HOSTELS SF SAN FRANCISCO CA	40.00
11/13	BART-CIVIC CENTER QPS SAN FRANCISCO CA	8.25
11/30	TRAVRES*EANBEST 877-283-5585 WA PARAG [REDACTED]	915.70
	TRANSACTIONS THIS CYCLE (CARD [REDACTED]) INCLUDING PAYMENTS RECEIVED	-\$142.42
11/13	Payment Thank You - Web	-636.59
11/20	Payment Thank You - Web FREQUENT FLYER UNIVERSITY TRANSACTIONS THIS CYCLE (CARD [REDACTED])	-48.25 -\$684.84

The Click the checks button at the bottom of the screen and match up all the charges on the card.



In our example about the 1000.00 was not on the card yet – so we will leave it until next month

Outstanding payments and charges (checks) will show in the bank reconciliation until manually cleared.

If you have extra fees from the credit card for late payments, interest etc. OR if you don't want to enter a voucher for all the vendors you paid – you can just enter them as a journal entry here as well.

PLEASE SEE NOTES AT THE END OF THIS DOCUMENT - AS A REMINDER

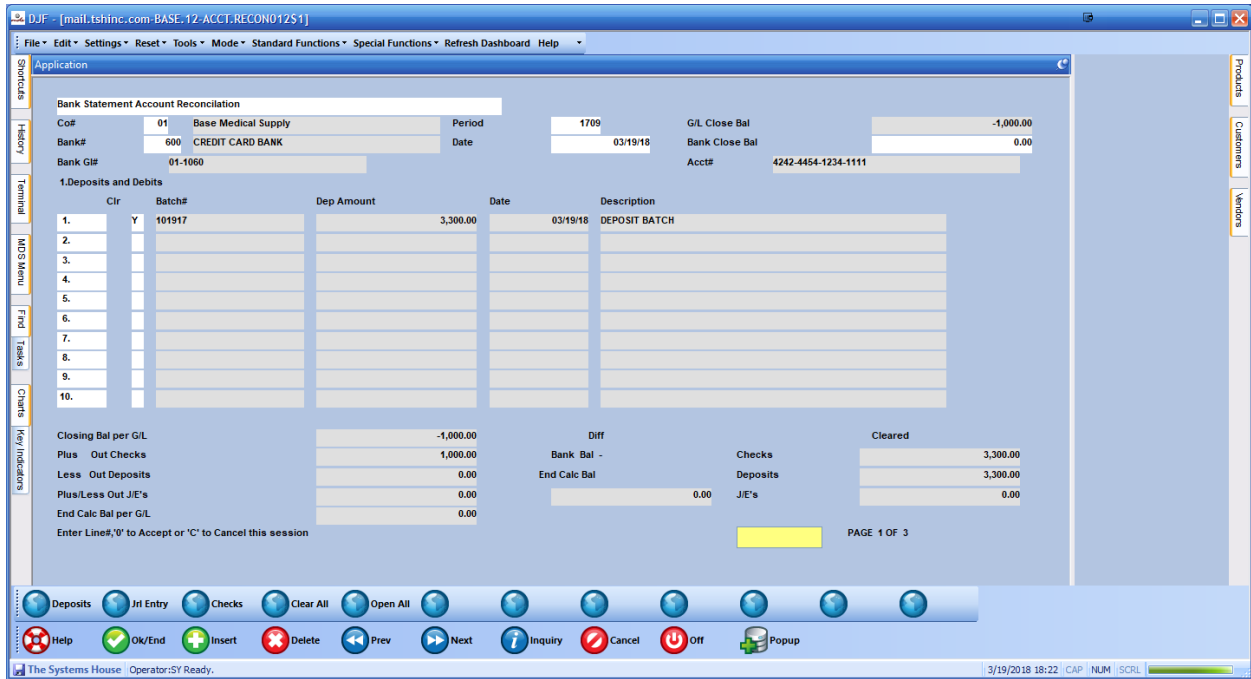
FEE'S OR CHARGES ON THE CARD WOULD NORMALLY BE ENTERED AS A NEGATIVE JOURNAL ENTRY.

Record them using the JRL Entry button.

Use a GL code for the fee's the offset will be the bank.

Note: you may have to wait until the end of day for the update to be recorded into the financials. Or you can run the option to update your entries without running the EOD process.

Step 10. Final Clearing and updates:

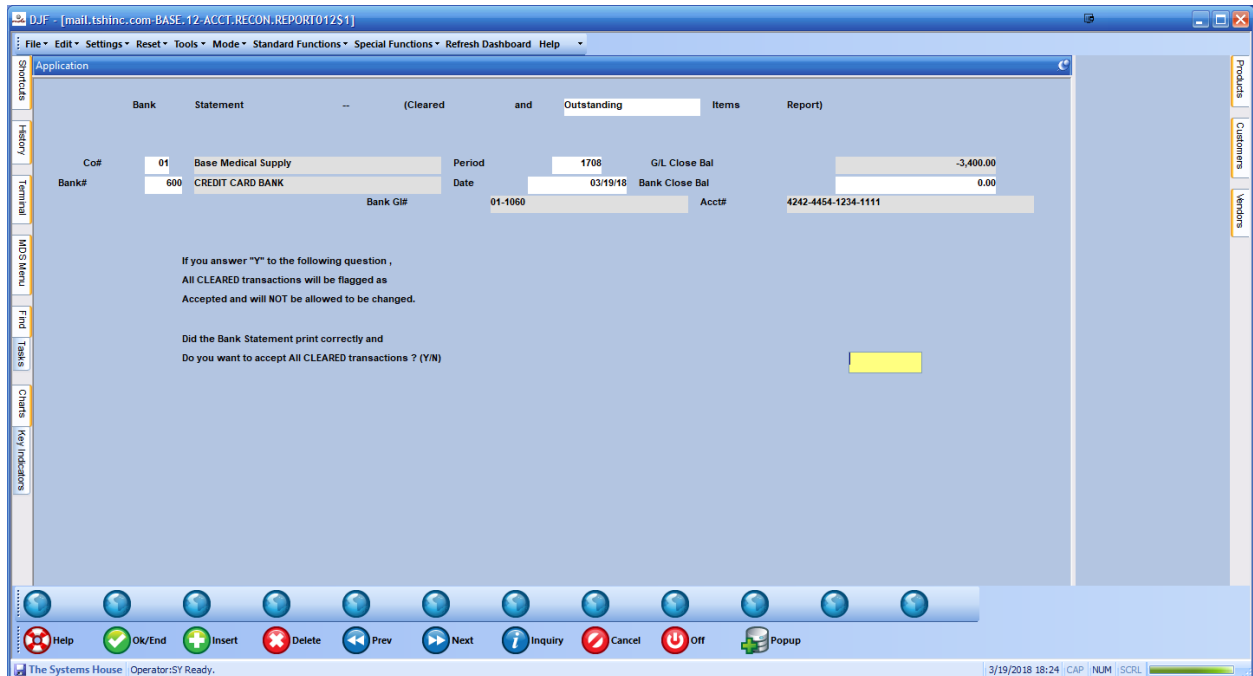


Once you have cleared both the checks and cash batches (payments and charges on the credit card) You should have an Ending Calculated balance of the current amount due on the card (assuming you paid off in full)

And you can click ok/end to accept.

To save your changes and clear these records so they do not appear on the reconciliation screen again

Run the "Cleared and Outstanding Items Report" to update the reconciliation screen.



Once you click ok/end it will prompt you to verify you want to clear all the transactions you have flagged and generate a report for your records in capture. Y*** is needed to clear the transaction – and as noted once you do this you cannot go back and make changes

This process is an alternative to the more streamlined A/P transfer system. But allows you the flexibility to update and view your credit card in the manner you wish.

Some notes:

1. for a standard bank

- balance in bank is a positive number
- checks are treated as negative but show on screen on positive (subtracted from bank as they go out)
- deposits are treated as positive and show on screen as positive and are added to the bank totals as it's cash coming in
- Journal entries will show as negative and positive depending on what they are - a bank fee might be negative as it's paid out or an interest amount might be positive as it was earned (assuming interest bearing checking account)

2. for a Credit card Bank

- balance in bank is a negative number
- checks are treated as negative but show on screen on positive (added to bank as they go out) - a negative and negative is an positive
- deposits are treated as positive and show on screen as positive and are added to the bank totals as it's cash coming in (since they are positive for a credit card bank it will reduce the amount in the bank instead of adding ie reducing what you owe on the card..
- Journal entries will show as negative and positive depending on what they are - a credit card fee might be negative as it's paid out est amount might be positive as it was a credit like a returned item where they put the money back on your card.

At any given point should you wish to see the outstanding charges on the credit card you can YOU THE G/L history inquiry, enter all periods, all transactions

The screenshot shows a software application window titled "G/L HISTORY INQUIRY". The window has a menu bar with options: File, Edit, Settings, Reset, Tools, Mode, Standard Functions, Special Functions, Refresh Dashboard, Help. On the left side, there are vertical tabs: Shortcuts, Headers, Terminal, MDS Menu, Print, Search, Charts, Key/Indicators. On the right side, there are vertical tabs: Products, Customers, Vendors. The main area contains a form with the following fields: GL Number (01-1060), Source (ALL), Period (ALL), and Count (13). Below the form is a table with the following columns: Ln#, TNX-Date, Period, Src, Ref#, Description, J/E Number, Job#, and TNX-Amount. The table contains 12 rows of data. At the bottom right of the table, there is a "Total" row with a value of -1,000.00. Below the table, there is a prompt: "Enter END to exit, NEXT PG or PREV PG". At the bottom of the window, there is a toolbar with icons for Help, OK/End, Insert, Delete, Prev, Next, Inquiry, Cancel, Off, and Popup. The status bar at the bottom left says "The Systems House Operator:SY Ready." and the status bar at the bottom right says "3/19/2018 18:30 CAP NUM SCRL".

Ln#	TNX-Date	Period	Src	Ref#	Description	J/E Number	Job#	TNX-Amount
1.	03/15/18	1708	CD		REGULAR DISBURSEMENTS 03/15/18			-5,500.00
2.	03/15/18	1708	PJ	01002235	AMEX AMERICAN EXPRESS CARD			5,500.00
3.	03/15/18	1708	CD		REGULAR DISBURSEMENTS 03/15/18			-2,400.00
4.	03/15/18	1707	CR		MISCELL. CASH: 03/15/18			-1,000.00
5.	03/15/18	1707	CR		MISCELL. CASH: 03/15/18			5,000.00
6.	03/15/18	1708	PJ	01002239	AMEX AMERICAN EXPRESS CARD			5,500.00
7.	03/15/18	1709	PJ	01002240	AMEX AMERICAN EXPRESS CARD			2,400.00
8.	03/15/18	1707	CR		MISCELL. CASH: 03/15/18			3,300.00
9.	03/15/18	1708	CD		REGULAR DISBURSEMENTS 03/15/18			-4,300.00
10.	03/19/18	1707	JE		PAID CARD OFF COMPLETEL	004329		4,000.00
11.	03/19/18	1707	JE		PAID OFF CARD AGAING	004334		-8,000.00
12.	03/19/18	1708	JE		PAID OFF CC	004339		-3,100.00
Total								-1,000.00

Should have any questions please feel free to reach out to

support@tshinc.com or call us at 1-973-777-8050