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Headline News

On November 16, 2010, Sage announced the availability of Sage ERP MAS 200 SQL version 4.45. It combines the innovative customization capabilities and the features and functionality of Sage ERP MAS 200 with the efficiency of Microsoft® SQL Server. A migration path for existing Sage ERP MAS 90 and 200 customers to the new SQL product is expected to be available sometime in 2011.

Keep Your Inventory Accurate

Features In Sage ERP MAS 90 Version 4.4 And Cycle Counting Streamline Physical Inventory Process

Physical Inventory is a time-consuming yet essential task in a well-run business. In this article we cover best practices for performing a physical count, using the tools in Sage ERP MAS 90 and 200, and we will highlight some of the new features of Inventory Management Version 4.4 that help speed the process along.

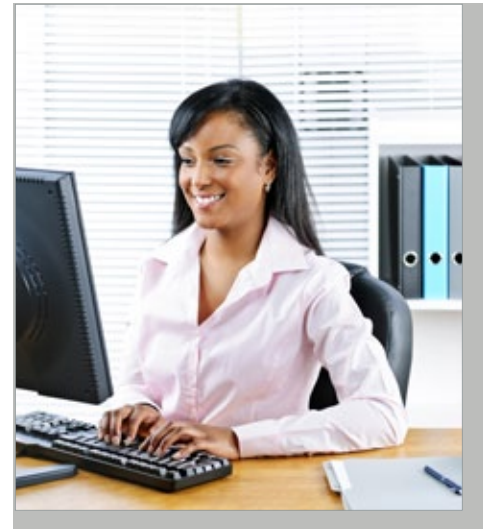
The Importance Of An Accurate Inventory Count

There are many good reasons to keep an accurate inventory. Perhaps the most important is your ability to provide good customer service. There is nothing worse for customer satisfaction than taking a rush order in the morning and then calling the customer in the afternoon to explain that the product is not available after all. Accurate inventory counts also enable you to write off non-existent items and reduce your tax liability. Purchasing will be more efficient, and regular counts can help you detect and minimize theft and fraud.

Preparing Your Data

Before beginning a physical count, there are a number of steps to take to prepare your data: posting transactions, clearing the variance register, running the negative tier report, and running the inventory balancing utility.

First, make sure all transactions affecting inventory have been posted, including those from the Inventory Management, Sales Order, Purchase Order, Return Merchandise Authorization, Bill of Materials, and Work



Order modules. Preview and if necessary clear the Physical Count Variance Register to make sure there is no data left over from previous physical counts.

Next, run the Negative Tier report. This report identifies over-distributed tiers that need to be resolved. Over-distributed tiers exist when sales or issues are made for items prior to processing the receipts. Reconciling these tiers should be a regular part of your Period End Processing procedures, but it is a good idea to clear them before physical count as well. Print the Negative Tier Report and the Inventory Valuation Report and compare them to find positive tiers that can offset negative tiers. If none are available in a particular warehouse, use Inventory Transaction Entry to transfer or adjust quantities as needed. Then run the Negative Tier Adjustment Task to automatically apply the positive tiers to

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the negative tiers. Next, run the Inventory Negative Tier Report again to verify that no negative tiers remain.

Finally, run the Inventory Balancing Utility; it identifies discrepancies between the warehouse detail file and the cost detail file. Data damage in either file can cause the on-hand quantity information to be inaccurately reported. Always make a backup before running any utility program. To run the utility, from the File menu type the following: IM_BALANCEQTYONHAND_UI.

After the utility runs, a report will be produced showing any discrepancies. You can then choose whether to use the quantity on hand in the warehouse detail file or the cost detail file, and the system will automatically correct discrepancies. Your choice depends on a number of factors such as the valuation method of the item(s). The inventory balancing utility should not be used to correct the out-of-balance condition if:

- » Item's valuation is Standard or Average Cost.
- » The Stock Status Report is correct and the items are Lot or Serial.

For more information refer to resolution ID 626 in the Knowledgebase, and Help menu > Help Topics > *Correct out of balance inventory items*. Please give us a call if you would like assistance with this procedure.

Physical Count Process

Now you are ready to run your physical count. There are four steps to the process.

1. Print the Physical Count Worksheet.
2. Count the items and record the quantities on the worksheet.
3. Enter the variance in Physical Count entry.
4. Print and update the Physical Count Variance Register.

Physical Count Worksheet—On the Physical Count Worksheet selection screen


there is an option to print Report Settings. Printing report settings makes it easy to select the same settings in Physical Count Entry so that they match, to make data entry faster.

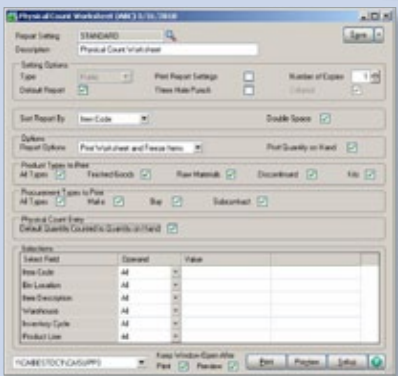
New options for the worksheet in Version 4.4 allow you to:

- » Sort the report by bin number.
- » Choose whether to print the on-hand quantity on the worksheet.
- » Select items for counting by product type and/or procurement method.
- » Select to have the system quantity default to the quantity on hand, so only variances require an entry on the worksheet.

When you print the Worksheet, the system freezes the items, keeping a record of the current quantities in Inventory Management, Sales Order, Purchase Order, RMA, Work Order, and Bill of Materials. In previous versions, only Inventory Management was frozen.

Physical Count Entry—New features

ZOOM IN 



In Version 4.4, the Physical Count Worksheet includes new sort and selection options that make it easy to select exactly which items you want to count.

in Physical Count Entry make this process much faster. The Warehouse field no longer defaults to default Warehouse, and there are

new sort and selection criteria similar to the worksheet. The *Sort Lines By* option defaults to the selection from the Physical Count Worksheet. Plus, in Version 4.4 you have all the flexibility and power of the Business Framework grid entry, as well as a quick row selection field that allows the person entering data to quickly navigate to rows requiring edits.

Physical Count Variance Register—The Physical Count Variance Register now includes sort options and search criteria similar to the Physical Count Worksheet.

Choose a quiet time of day to update the Physical Count Variance Register and **do not** interrupt this process. During the update, the quantity on hand in the Inventory Item Warehouse file is updated, the average cost is recorded in Inventory, Lot/Serial and LIFO/FIFO items are updated in Item Cost file, and the Physical Count detail is recorded in the Item Transaction History file. In addition, a GL Transaction Register is created with the cost amounts associated with adjustments.

Cycle Counting

Performing a physical count on all your inventory at once can be burdensome and bring all other activity to a halt. We recommend you manage inventory by counting in item subsets. The physical count worksheet allows you to select items to count according to their Inventory Cycle code entered in Item Maintenance. Physical count can be done in smaller chunks that are easier to accomplish. This way, you can count high value or high volume items more frequently. Make certain that you count all inventory items within the year. Give us a call with your questions about the physical inventory count process.

Save Time And Money With ACH Electronic Payments

Product Update 2 for Sage ERP MAS 90 and 200 Version 4.4 included the addition of ACH (Automated Clearing House) Electronic Payments for Vendors. Using ACH Electronic Payments, you can increase efficiencies, improve cash management, lower operating costs, and reduce the risk of lost or stolen checks or check fraud by paying your vendors electronically. In this article, we take you through the features and processing steps of ACH Electronic Payments to give you an idea of how this useful enhancement works.

Electronic Payments Benefits

ACH Electronic Payments allow you to transmit payments electronically directly from your financial institution to your vendor. You can save the time and cost of printing paper checks, and reduce the risk of checks being lost or stolen. And, because you can control when the payments leave your bank account, you improve cash flow management as well. For companies that reimburse employee expense through Accounts Payable, the ACH Electronic Payments feature allows employees to receive their expense payments as a direct deposit to their bank account. They even can specify multiple bank accounts to distribute the funds to.

How It Works

Vendor ACH Electronic Payments works much the same way as Direct Deposit in Payroll. Once you enable Electronic Payments in Setup Options, you have the flexibility to set up one or more financial institutions for your electronic payments; you will define the format and layout of the ACH file for each financial institution. ACH Electronic Payments includes the ability to adjust the file format to fit your financial institution's required layout—without hiring



a programmer. After setting up bank account information for each vendor, you send a pre-note, which is a zero-dollar transaction to test the validity of bank account information. Pre-note selection and approval registers help this process run smoothly.

Electronic Payment Flexibility

A new drop-down selection in Vendor Maintenance from the *More* button provides access to electronic payment information for vendors. Here you set up the bank accounts and routing numbers where vendors will receive payments. Multiple accounts can be used, and a distribution method for the account selected, such as Fixed Amount, Percent of Gross, and Percent of Net. Buttons here allow you to flag a vendor for pre-note selection and approval. You also can see the date that the prenote was sent and approved, and the YTD amounts deposited.

Activate Security

In order to provide access to ACH Electronic Payment functions, security must be activated. In Role Maintenance, Module

Options, there is a new checkbox to select: *Allow Vendor Electronic Payments*.

Processing Electronic Payments

Processing ACH Electronic Payments is much the same as normal check processing. In Invoice Payment Selection, you can select *Yes* to include Electronic Payment Vendors. There also is an option to pay electronic payment vendors by check, so that you can continue to pay vendors during pre-note validation and approval process.

The Invoice Payment Selection Register displays the accounts and amounts of electronic payments. Check Maintenance is now Check and Electronic Payment Maintenance, and the total amount for electronic payments is displayed on the check maintenance screen. If you select to pay both checks and electronic payments at the same time, both checks and remittance advice forms must be printed before updating the register. The same bank code also will be used for both types of payments. If you want to use separate bank codes for checks and electronic payments, this can be accomplished by processing checks and electronic payments separately. Just as with checks, you may include an Extended Stub on the remittance advice to provide more detail to the vendor regarding the payment.

You must update the Check and Electronic Payment Register before you produce the ACH file for your bank. Then you can generate the ACH file and print the ACH file listing. You also can view previously generated ACH files from the Generate ACH file screen.

Are you ready to save time and money with ACH Electronic Payments? Please give us a call for assistance, or with any questions you may have.



IN THE SPOTLIGHT:

Accounts Payable Tips And Tricks

Recording And Transferring Vendor Credit Card Payments

When you pay for products or services using a credit card, the payment record in history will show the credit card company, not the individual vendors. However, you may still want to track the expense to the actual vendor for reporting purposes. To do this you can set up the credit card company as a *Credit Card Vendor* and then transfer the amounts paid to the vendor who actually provided the products or services. Here are the steps:

1. Open Vendor Maintenance and enter the vendor number used to pay the credit card company or add the vendor if it does not already exist.
2. On the Main tab, on the lower-right side, check the box for Credit Card Vendor and accept.
3. Create the invoices that were paid by credit card on the vendor account by processing an Accounts Payable Invoice or Purchase Order Receipt of Goods with an invoice number or Receipt of Invoice.
4. Open Accounts Payable/Main/Invoice Data Entry, select the Credit Card Vendor account and enter an invoice number that you would like to create for payment on that account and enter the total amount you want to transfer.
5. On the Lines tab, click the *Transfer Information* button to open the Update Purchase Vendor window.
6. Select the vendor account in which the invoices were created and select the invoice to be paid.
7. The invoice date and balance will

automatically be populated and the transfer amount will default to the full balance but can be overridden. Enter any discount amount and select the OK button. A detail line will be created for the Credit Card Vendor's invoice. Select the OK button and you can select the transfer button again to complete the amount being transferred.

8. Accept the invoice and print the Invoice Register and update it.

A new invoice now exists for the Credit Card Vendor and the invoices that were created on the original vendor show a payment transaction with a check number that begins with a C.

Checks Do Not Display On AP Check History

You must select the Track Detailed Invoice/ Payment History check box in Accounts Payable Setup options in order to be able to review checks in AP Check History. Once the option is selected, future checks will show on the report, but it will not recreate records for checks that have previously been posted.

Discounts Not Applied On Accounts Payable Invoices

If you find that discounts have not been applied on the Invoice Payment Selection Register after selecting invoices for payment using Invoice Payment Selection through Accounts Payable Check Printing, the following tips may help resolve the problem:

1. Verify invoices selected for payment have discount dates that are on or after the date

- selected in the *Discount Due Date* field.
2. Invoices that have had payments previously applied will not apply discounts even if there are discounts available to be taken. To apply discounts to these invoices, they must be manually entered in the Discount Amount field in Check Maintenance.

Please call us if you need assistance.

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