

Advanced Fund Management Solutions

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Hi Everyone!

The new Sales Tax Component has recently been released. It is for more than just municipalities, too. I could work for you, as well!

Perhaps our most important article ever is what your accounting software says about your organization. Please give it lots of thought and share it with your management.

If you have any questions, give me a call!

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Did You Know?

Work Orders. The Work Order component is designed to record and report the status of work orders relating to the Utility Billing system (examples are meter change or repair). It allows you to create work orders, assign due dates, and to print and provide them to the maintenance crews for action. The status of the work order can be updated as needed, from original creation to completion. Naturally, reports are available anytime that show the status of each work order.

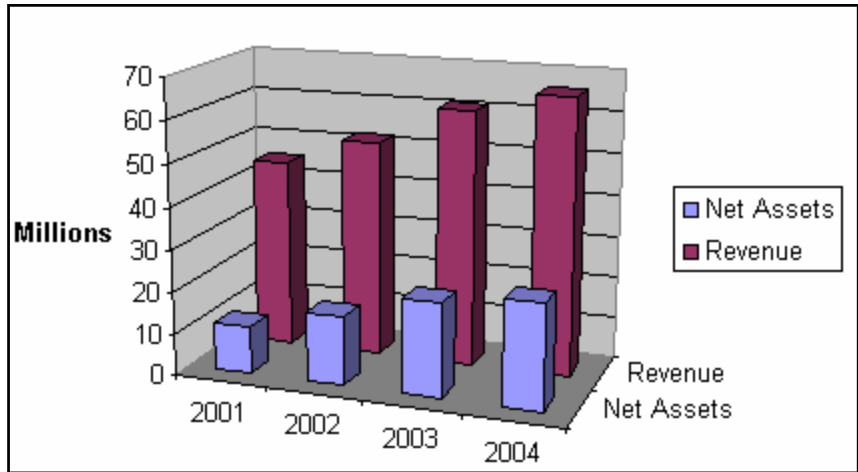
Fixed Assets. You may depreciate assets using any technique you wish (although straight line is most often used). The depreciation technique is attached to the asset; theoretically each asset could be automatically depreciated with a different technique. In addition, you may depreciate assets by asset number range, or by the cost center to which they belong. A preliminary, or "dry run", depreciation may be run first for verification purposes.

What Does Your Accounting System Say About You? —————

You spend a great deal of time entering information into AccuFund. Along the way, you produce checks and extract ledger reports, balance sheets, etc. That's what the software is for. However, because the software reflects so much of your activity, it can reveal much about how well your organization is being run. Some of you may be thinking "Wheh, at least that information is confidential!". That's not entirely true,

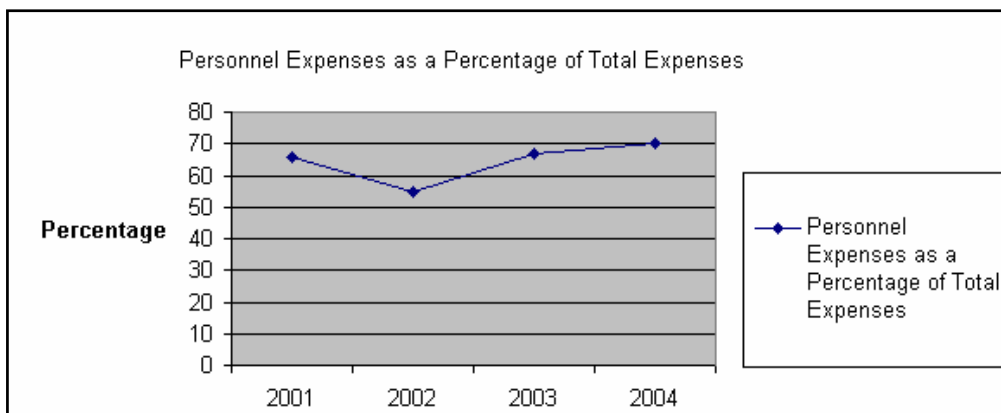
however. Let's see why.

You probably provide reports (at least revenue and expense reports) to your funding agencies. These reports can reveal such things as how much of the revenue is spent on personnel costs. There may also be allocated expenses that reveal whether you have your overhead expenses under control. Of course, whether you are managing to budget will also be evident. If you provide balance sheets, your cash management skills and financial ratios will also be revealed. This type of information, and more, will be available to outsiders. (To whom do you send your financial reports?)



What to do? Since outsiders may be making decisions about your organization based on your reports, you should be analyzing them, too! Your analysis may help you retain your funding, or get more. You will want to look at your financial ratios, how many days it takes to pay invoices, personnel costs as a percentage of grant revenue, overhead rates, etc.

If you don't know what to look for, check with your CPA, business associations, or books on financial management. Custom reports may be written in AccuFund that reveal all you need to know. Check with us!



The Sales Tax Component

The Sales Tax component is quite new. Despite its name (which will be changed in the near future), it has much broader use than to just record and report the receipt of sales taxes. It is designed to record any amounts or fees (such as dues, donor contributions), licenses (marriage, dog) and taxes, such as sales tax, lodging tax, etc. It is integrated into the Cash Receipts module, and is also capable of performing calculations, as we will see in the following tax receipt example.

In this example we will assume that we are recording the receipt of \$300 from a business. The cash receipt is initiated as any other cash receipt, using the form shown below:

The screenshot shows a software window titled "Receipt will be Added". The window contains a form for recording a receipt. The form is titled "RECEIPT" and has a sub-header "Receipt: To Be Assigned". The form includes the following fields and controls:

- Deposit To:** A dropdown menu with "<any>" selected.
- Drawer:** A dropdown menu with "<none>" selected.
- Customer:** A text field containing "Muhn Consulting, Inc." and a search icon with "[000001]" next to it.
- Description:** A large empty text area.
- Receipt Type:** A dropdown menu with "To Be Assigned" selected.
- Received:** A text field containing "300.00".
- Date:** A date field containing "3/09/2005" with a calendar icon.
- Type:** A dropdown menu with "<none>" selected.
- Reference:** An empty text field.
- Checkboxes:** "Fine" (unchecked), "Tax Fee" (checked), "Miscellaneous" (unchecked), and "Printed" (unchecked).
- Buttons:** "Print", "OK", "Cancel", and "Apply".

Below the form is a table titled "Tax / Fee". The table has the following columns: "#", "Tax / Fee", "Fee Date", "License", and "Options". The table is currently empty. At the bottom right of the window, there is a status bar that reads "Total Taxes / Fees: 0.00".

Notice that a customer is selected and that \$300 has been entered as the received amount. Since we have the Sales Tax component is part of our AccuFund Suite, the "Tax Fee" box appears, and we have checked it. This indicates that we are entering a tax receipt. The bottom portion of the form thus reflects that a Tax/Fee is to be recorded. When the "Insert" button is clicked, the following form opens:

TAX, FEE OR LICENSE Tax Fee Date: 3/2005

Tax / Fee: \$4

General | Distribution

Gross Sales:	10,000.00	Taxable Sales:	9,000.00
Tax Due:	360.00	Received:	300.00

Next
Previous
OK
Cancel

We have selected the sales tax item called “S4” which is used to record the receipt of 4% sales taxes from businesses. The item could have been called anything we wish, instead of “S4”. This item refers to a calculation (located in AccuFund’s setup section) that calculates taxes due by multiplying 4% times taxable sales. Other items may also be added for such items as donor contributions, dues, or licenses. Each may then be reported separately by the system.

This particular Tax/Fee has four fields on the General tab. These fields vary depending on what data the Tax/Fee requires to perform its calculations. In this case, the business has indicated that its gross sales for the quarter were \$10,000 (and we have entered that amount). Of the \$10,000 in sales, \$9,000 of it were subject to taxes, which in this case will be four percent. Finally, we indicate that we have received \$300 from the business. The “Tax Due:” field now contains \$360. This amount was calculated by the system (4% x \$9,000), and, since the field is grayed out, we cannot change the amount. As you can see, the business has underpaid us by \$60. This amount will be stored in the Sales Tax Component and will be available on reports. (In the near future, a link with the Accounts Receivable module will be established that will automatically record any underpayments as an invoice so that the business may be billed for the shortfall.)

The Sales Tax component is ideal for those clients that must record the receipt of fees or taxes that require special calculations (such as sales tax) or that require specialized reporting, such as donor contributions.

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