



Advanced Fund Management Solutions

April 2006

Hi Everyone!

The Fee, Tax and License module is designed to work within Cash Receipts to record (and report) payments received in response to items you may have sold, services you provided, business licenses issued and taxes. No matter what type of organization you are, the FTL module is for you!

One feature that is not used very much is the Memo entry capability built into General Ledger. This type of journal entry can be very useful in revealing information on reports in very informative and useful formats. You'll learn how to use them in this issue.

Judy Garver

Voice (318) 253-8556 jgarv@afmss.com www.afmss.com

The Tax, License and Fee Module

This article shows how easy it is to record the receipt of fees from the sale of concert tickets on behalf of a fundraising drive using the Fee, Tax and License (FTL) module. This is a simple example—the module can easily do complex calculations to record fees, taxes and licenses charged by not-for-profits, for-profits and municipalities.

In our example, the fundraising event is a concert. Tickets are being sold at a cost of \$40 each. Customers (donors) may buy any number of tickets at that price. The sale of the tickets is recorded in the Cash Receipts module (FTL operates only within that module).

A customer has just walked into our office and has given us an \$80 check for two concert tickets. The Cash Receipts module is now opened, as indicated by the Browse Receipts form shown at right:

Receipt#	Date	Deposit To	Drawer	Type	Reference	Loc
1	1/15/2005	<any>	<none>	<none>		5
2	1/31/2005	Federal Bank and	<none>	<none>		4
3	2/05/2005	Federal Bank and	<none>	<none>		12
4	2/05/2005	Federal Bank and	<none>	<none>		2
5	2/05/2005	Federal Bank and	<none>	<none>		3
6	2/10/2005	Federal Bank and	<none>	<none>		4
7	2/10/2005	Federal Bank and	<none>	<none>		6
8	2/10/2005	Federal Bank and	<none>	<none>		102
9	3/05/2005	Federal Bank and	<none>	<none>		12
10	3/05/2005	Federal Bank and	<none>	<none>		4
11	3/05/2005	Federal Bank and	<none>	<none>		3
12	4/01/2005	Federal Bank and	<none>	Check	0000101	2
15	11/08/2005	Federal Bank and	<none>	Check	0003456	5
17	11/12/2005	Federal Bank and	<none>	Check	0020022	4
18	11/15/2005	Federal Bank and	<none>	Check	0000123	2
19	11/15/2005	Enterprise Natl Bal	<none>	<none>		2

Click on the “Insert” button to add the receipt for the concert tickets. The form below opens:

Receipt will be Added

RECEIPT Receipt: **To Be Assigned**

Deposit To: Federal Bank and Trust Fine Tax Fee Miscellaneous Printed

Drawer: <none> Received: 80.00

Customer: Gaynier, Robert Date: 4/04/2006

Description: Purchase of two concert tickets. Type: Check

Reference: 0003811

Buttons: Print, OK, Cancel, Apply

#	Tax / Fee	Fee Date	License	Options

Buttons: Insert, Change, Delete, Up, Down, Total Taxes / Fees: 0.00

The top half of the form should look familiar if you have ever recorded receipts using the Cash Receipts module. The difference is that the “Tax Fee” check box has been checked. (Otherwise, the bank, customer, amount, check number and description information reflects the information placed on other receipts.) Checking the “Tax Fee” check box activates the lower portion of the form and adds a “Tax/Fee” tab, which has been selected.

Click on the “Insert” button, above, and the form below will open:

Update Tax, Fee or Business License

TAX, FEE OR LICENSE Tax Fee Date: 4/01/2006

Tax / Fee: Concert Ticket Fee

Buttons: Next, Previous, OK, Cancel

General | Distribution

Nbr of Tickets: 2 Amount Owed: 80.00

Amount Paid: 80.00

Above, the “Concert Ticket Fee” has been selected in the “Tax/Fee” drop down box (this item will be included in the Sample database to be released in the next AccuFund version—3.04). When that selection is made, three boxes open on the General tab. Any fields that are not grayed out require operator entry—in this case the number of tickets being sold is entered. The software then calculates the “Amount Owed” and displays it in the field of that name. Grayed out fields contain information provided by the system, in this case the total the system calculated. (The per ticket price is stored elsewhere.) Finally, the operator enters the amount paid in the “Amount Paid” field.

Click on the “OK” button. This will return you to the receipt form, as shown below:

RECEIPT Receipt: **To Be Assigned**

Deposit To: Federal Bank and Trust Fine Tax Fee Miscellaneous Printed

Drawer: <none> Received: 80.00

Customer: Gaynier, Robert Date: 4/04/2006

Description: Purchase of two concert tickets. Type: Check

Reference: 0003811

Print OK Cancel Apply

#	Tax / Fee	Fee Date	License	Options
1	Concert Ticket Fee	4/01/2006		Nbr of Tickets=2, Amount Owed=80.00, Amount Paid=80.00

Insert Change Delete Up Down **Total Taxes / Fees: 80.00**

Click on the “OK” button and the receipt will be included on the Browse Receipts form along with all the others you may have entered.

Note: When we entered the number of tickets that were being purchased, the total for the tickets was automatically calculated. This was a very simple calculation. When designing your own fees, taxes, or license calculations, you may place any number of required information fields on the form to collect information your calculations require. The operator then enters that information and the calculations kick in and come up with the results.

Reporting Memo Entries

There are occasions when, for analysis purposes, you may want to report information in a format that “modifies reality”. This article will show you how to record memo entries that, if desired, can be shown on reports. The Consolidated Balance Sheet report below is a copy of one provided by AccuFund in its Sample database. It has a current balance column (shown in the middle) below:

That central balance column shows the current status of all “actual” type entries to the accounts (this is the standard presentation). Look at the Long Term Debt entry. The current balance for that account is 12,000. The column on the right shows the combination of actual entries and any memo entries that have been made. Note that the Long Term Debt appears to be 11,000. One thousand dollars of that long term debt has been moved to the Short Term Debt account with a memo entry (we are assuming that \$1000 represents the next twelve months of liability—i.e. the short term amount). The total liability is still 12,000, but

	Balance	Balance with Memo
Assets		
Assets	0.00	0.00
Cash	48,224.56	48,224.56
Checking Accounts	0.00	0.00
Savings Accounts	0.00	0.00
Money Market Accounts	0.00	0.00
Accounts Receivable	56,631.98	56,631.98
Other Assets	62,740.32	62,740.32
Total Assets	167,596.86	167,596.86
Liabilities and Net Assets		
Liabilities	0.00	0.00
Accounts Payable	4,610.89	4,610.89
Long Term Debt	12,000.00	11,000.00
Short Term Debt	0.00	1,000.00
Accrued Labor	10,993.88	10,993.88
Tax Liabilities	10,633.67	10,633.67
Other Liabilities	1,935.47	3,935.47
Total Liabilities	40,173.91	42,173.91
Net Assets	59,975.00	57,975.00
Excess Revenue over (under) Expense	0.00	0.00
Total Net Assets	59,975.00	57,975.00
Total Liabilities and Net Assets	100,148.91	100,148.91

the amounts appear to be in two separate accounts. In this case, the memo entry was made so that financial ratio analysis could be performed, such as comparing short term debt to current assets, a standard ratio (You could do other “breakouts” like this to do other ratios on balance sheets as well as revenue and expense reports). We’ll look at the several steps that were required to create this display.

First, keep in mind that the long term debt account already has 12,000 in it. Our first step is to do a Memo entry to move the short term debt portion out of it and into the short term debt account. That amounts to 1,000, in our example. Go to General Ledger “Add new or change existing journal entries”. Here is the transaction:

Activity Date: 9/30/2006 Posting Type: Memo Next

Reference: Type: <none> Previous

Description: Remove short term amount JE: 3 OK

Has Units Cancel

Fund	Dept	Obj	Sub Obj	Description	Amount
001	000	2050	00	Long Term Debt	1,000.00
001	000	2075	00	Short Term Debt	(1,000.00)

0.00

Note that the posting type is “Memo”, instead of actual. The two accounts involved in the memo transfer are shown in the lower half of the form. The Long Term Debt account is reduced with a \$1,000 debit, and the Short Term Debt account is increased with a \$1,000 credit. That’s all that is required to “move” the short term amount.

The next, and last, thing to do is revise a balance sheet report to add a column to show the results of the memo entry we just made. From the sample balance sheet report at the beginning of this article, you can see we have a “normal” balance column and an actual + memo column. Here’s what that actual + memo column looks like in the balance sheet (Financial) report:

This column much the same as the “actual” balance column, except it has a different title, and the “Post Type” is “Actual + Memo” (as seen in the field in the bottom left of the form above). This column will then pull the appropriate actuals, as a balance sheet normally does, but, it will add any memo entries that have been made to accounts.

Some clients use this capability, at year end, to make memo entries to “subtract” encumbrance amounts from fund balance (or net asset) accounts. It is simple to use memo entries to help show your financial data in a way that suits your needs!

Update Column Properties [3. Account Amount]

Column Hidden Title: Balance with Memo

Width: 1.5000 Justification: Decimal Offset: 0.2000

Bounding: Decimal (.99) Sign: Use Parenthesis ()

Font... Negative...

Account Selection

?? ? ? ? ? ? ? ?

Insert Change Delete Up Down

Amount

Post Type: Actual + Memo Balance: Balance To Date

Extract Year: Current Year Period: Current Period

Get Units

Next Previous OK Cancel

Did You Know?

Cash Receipts. The Cash Receipts module can be host to other modules whenever cash is received on their behalf. For example, payments can come in as a result of Accounts Receivable billings, as a result of court fines, and as a result of sales or property taxes, business licenses and fees for products or services. Cash Receipts, then, can become a repository for all funds that come into an organization. All receipts are then reportable from one place.

Accounts Payable. When purchasing a new item you may indicate that it is an asset. This adds another tab to the invoice form into which you may add one or more components (portions) of the asset. Each component may, or may not, be depreciated by any method you have setup. The item will then be added to your list of assets in the Fixed Assets module for continued tracking and reporting there.

Financial Reports. When viewing a financial report (such as a balance sheet) double click on the amount for an account classification, such as Accounts Payable. The system will show you the accounts that made up the dollar amount. Double click on one of those accounts and you will see the individual debits and credit that make up the amount. This is an example of drill down to two levels of detail.