Furniture How Databases Affect Accounting

ECi ECi DDMS®

Contents

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Databases

To get started using Furniture, begin by setting up your database information. This includes setting up the following:

- Tax information
- Vendor alias departments
- Vendor database information.

Setting Up Item Tax Districts

You can use the Item Tax Districts window to set up tax districts that work with item departments. This is a helpful feature for Furniture dealers who have both taxable and non-taxable locations. Suppose you have two separate locations — Phoenix and Albuquerque. While Alburquerque is taxable, Phoenix is not. When you place an order for Phoenix, it is important that the system recognize the non-taxable status of items on the order.

The Item Tax Districts window lets you specify a From tax district to a Replacement tax district that is tied to the item's department. When items with this department are placed on the order, the system automatically switches the tax district to use the replacement district you specified, from taxable to non-taxable, for example. This feature also works with the Use Department As Item Tax Code for Uncataloged field in the (LGC) screen. If you set this field to Y, the system automatically matches the uncataloged item's department to the correct tax code.

Note: To use the item tax district feature, you must set the Calculate Tax By Line field in the (LØ) screen to **Y**.

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1. From the DDMS Master Menu, click Databases and select Item Tax Districts.
2. The Item Tax District dialog box opens displaying existing item tax districts. To create a new item tax district, click Add.
3. The Item Tax District Detail dialog box opens. See Figure 1. In the From Tax District box, enter the tax district, T for taxable, for example. If you can't recall the tax district, you can click to open the Tax District dialog box.
4. In the Item Tax Code box, enter the item department code.

5 In the Replacement Tax District box, enter the tax district for the system to use instead of the district set in the From Tax District box, N for non-taxable, for example. When you place an item on the order with the department code set in the Item Tax Code box, the system uses the tax district you specify in this box.

6 When you finish, click Apply. Then click OK.

7 The system returns to the Item District dialog box.

Completing the Order Entry Tab

You use the Customer Order Entry tab to assign your customer a tax district. See Figure 2.

- **Taxable:** This box lets you specify whether the customer is subject to sales tax.

- **District:** This box lets you enter the customer's tax district. You should assign a tax district to every customer, including nontaxable customers. This information is used to determine the total tax percentage to charge a customer. For a taxable customer in your state, the state base percentage entered in the (LØ) screen is added to the district tax percentage. For a taxable customer outside your state, only the district tax percentage applies. You can also use the  button to assign a tax district.

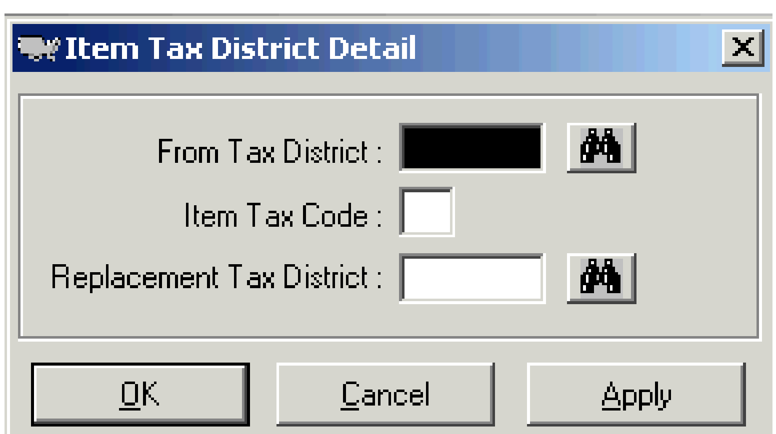


Figure 1: Setting Up Item Tax Districts

Setting Up Vendor Aliases

Once you set up your customer database, you *must* set up your vendor aliases. This is one of the most crucial steps in using the Furniture application. You use the Vendor Alias dialog box to set up all your vendor aliases, as shown in Figure 3. Vendor aliases are second names for vendors in your database. They are additional names that vendors may use to identify their items. For example, a vendor like HON may have several divisions within its company. By setting up the divisions as vendor aliases, the system links the original vendor to all its aliases. This greatly simplifies your order entry procedure and streamlines your purchasing process, allowing you to easily handle larger purchasing orders without investing more time or resources.

When you set up vendor aliases, you gain control over the entire purchasing process. Since vendor aliases allow you to tie the items directly to the purchase order, you can create purchase orders using the Short-Buy to include only furniture items. Also, the system recognizes any manufacturer discounts you may have set up and automatically calculates the discount for you on the P/O. When you create the order using vendor aliases and specify to create the P/O, the system automatically identifies the vendor and links its alias information to the purchase order. There is no need to manually enter it.

You set up vendor aliases in the Vendor Alias dialog box. Once you add a vendor alias, the original vendor account code is linked to the alias. For example, if you're setting up a vendor alias for HON, you may enter HS2 for HON's Simplicity Division or HRC for HON's Regency Series Division.

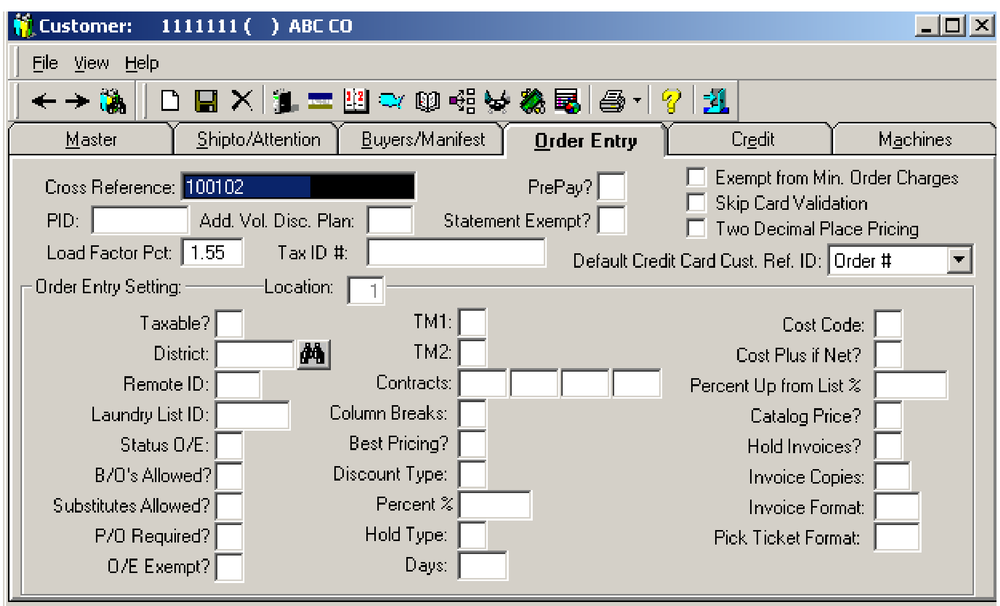


Figure 2: The Customer Order Entry Tab

You use the Vendor Alias dialog box to specify the vendor alias number, description, address, and any discount percentages the manufacturer may allow you. You can specify up to five different discounts for each vendor alias. When you create orders and quotes, you can have the system automatically determine your cost. However, you can always change this information during order entry.

When you complete the order, you can have the system create the purchase order. At that time, the system searches for any matches on the vendor and automatically places all the vendor alias items on the P/O that need to be ordered. This eliminates the need to enter all the vendor alias items individually.

You can view the alias information by scrolling through the Vendor Alias dialog box.

1 Double-click 

.

2 Select the vendor for which to add an alias.

3 Click . The Vendor Alias dialog box opens displaying basic information about each alias for the vendor.

4 To add a vendor alias, click Add. The Add Alias Vendor dialog box opens, and the cursor moves to the Alias ID box.

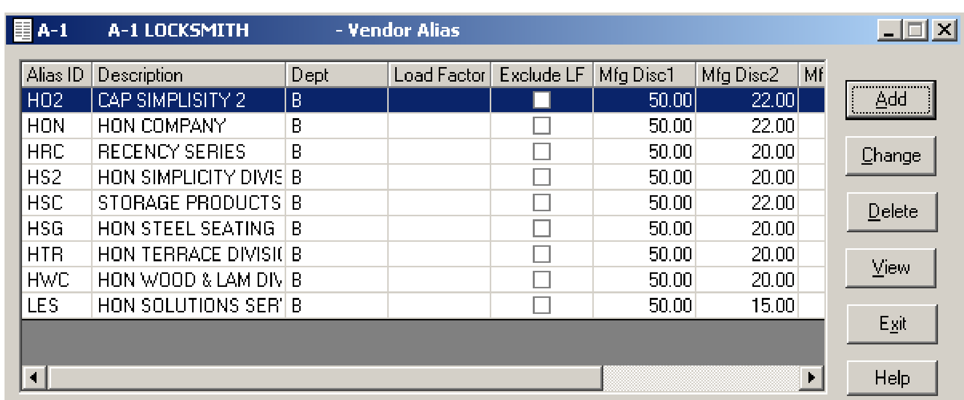
5 Click each box and enter the appropriate information:

5.1 **Alias ID:** This box displays the vendor alias assigned to this item. Use the three characters library code from your specification system. You can also create your own code, if needed.

5.2 **Description:** This box displays the vendor alias description.

5.3 **Name:** Click this box to enter a name for the vendor alias you are adding. You can enter up to 30 alphanumeric characters.

Figure 3: The Vendor Alias Dialog Box



Alias ID	Description	Dept	Load Factor	Exclude LF	Mfg Disc1	Mfg Disc2	Mf
HO2	CAP SIMPLISITY 2	B		☐	50.00	22.00	
HON	HON COMPANY	B		☐	50.00	22.00	
HRC	RECENCY SERIES	B		☐	50.00	20.00	
HS2	HON SIMPLICITY DIVIS	B		☐	50.00	20.00	
HSC	STORAGE PRODUCTS	B		☐	50.00	22.00	
HSG	HON STEEL SEATING	B		☐	50.00	20.00	
HTR	HON TERRACE DIVISI(	B		☐	50.00	20.00	
HWC	HON WOOD & LAM DI\	B		☐	50.00	20.00	
LES	HON SOLUTIONS SER'	B		☐	50.00	15.00	

5.4 **Address/City/St/Zip/Phone Number/Fax Number:** In these boxes, enter the address and phone and fax numbers for this vendor alias.

5.5 **Contact:** Click this box to enter the name of the contact for this vendor alias. For example, you might enter the sales representative.

5.6 **Mfg Discounts:** Click these boxes to enter the manufacturer's discount for this vendor alias. You can specify up to five different discounts for each vendor alias. For example, if this manufacturer gives you a discount of 50 percent, 5 percent, and 2 percent, enter the percentages in these boxes. To use manufacturer's discounts, you must enter a percentage in the first Mfg Discounts box. Suppose the manufacturer offers you a discount of 50% first, then 5%, and then 2% on a particular item. First, the list price is discounted by 50 percent (the percentage in the first box). If the item's list price is $90, the discount price is $45. Second, the discount price from the first calculation ($45) is discounted by 5% (the percentage in the second box). Using the same example, the discount price from the second calculation is $42.75. Finally, the discount price from the second calculation ($42.75) is discounted by 2% (the percentage in the third box). Your cost for this item is $42.32.

5.7 **Department:** This box lets you enter a default department for items you receive using this vendor's alias. When you build the purchase order in Furniture Order Entry, the system uses the department you specify in this box as the default for the items on the P/O. You can have a different department specified for each vendor alias you create. This feature allows the system to assign the G/L department code to items that you import using a Sif file. If necessary, you can also change an item department for a single item or for all items on the order when changing orders by using the Furniture Mass Change dialog box.

6. When you finish, click Accept.
7. The vendor alias information you specified is added and displays in the Vendor Alias dialog box. You can continue to add as many vendor aliases as necessary.
8. When you finish adding aliases for this vendor, click Exit to close the Vendor Alias dialog box and return to the Vendor window.

Setting Up Vendors

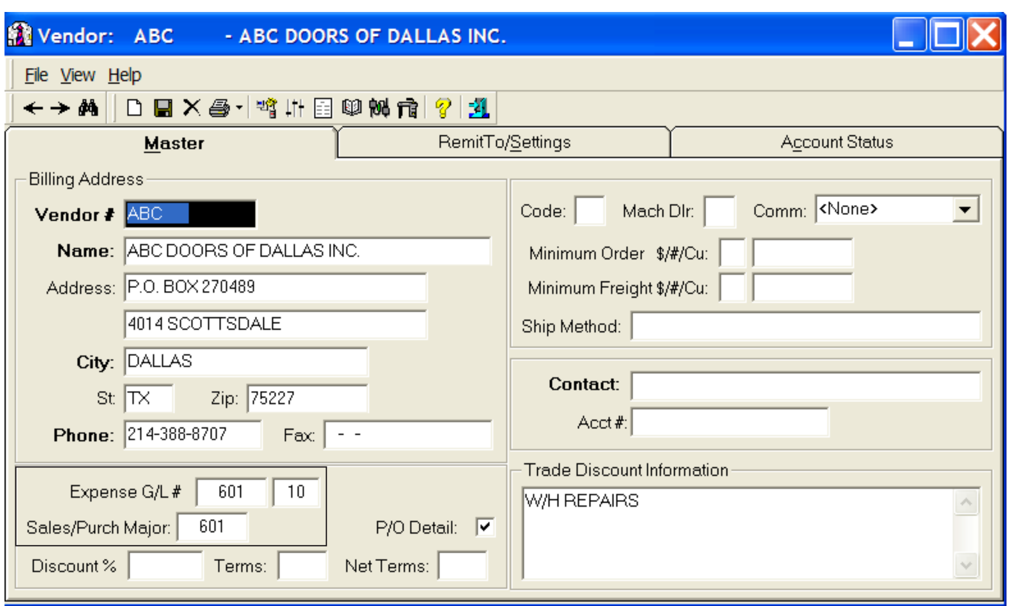
You set up your vendors in the Vendor window. See Figure 4. You can use this window to specify vendor information, including the following:

The Expense G/L # and Sales/ Purchases Major feature is not included in all software packages and may require authorization. For more information, contact ECi sales.

- **Expense G/L #:** This box displays the assigned expense General Ledger (G/L) account number for this vendor. The first part of this box is the RC number for this account. The following two boxes are the major and minor number. This number displays in the Accounts Payable Invoice tab where it is used to identify vendors. If a vendor's invoices are regularly posted to a particular expense G/L account, you can enter the G/L number in the Expense G/L # boxes in the Vendor Master tab.

  This G/L number becomes the default debit entry when posting invoices to this vendor.
- **Sales/Purchases Major:** This box displays the sales or inventory purchasing General Ledger (G/L) major account number for this vendor. If you enter a number in this box, it is used as the reverse general ledger major account when posting invoices in the Accounts Payable Post P/O tab. Unless you change it, this box defaults to the major displayed in the Expense G/L # box.

Figure 4: The Expense G/L # and Sales/ Purchases Major Boxes



You should also set the following box in the Vendor RemitTo/Settings tab:

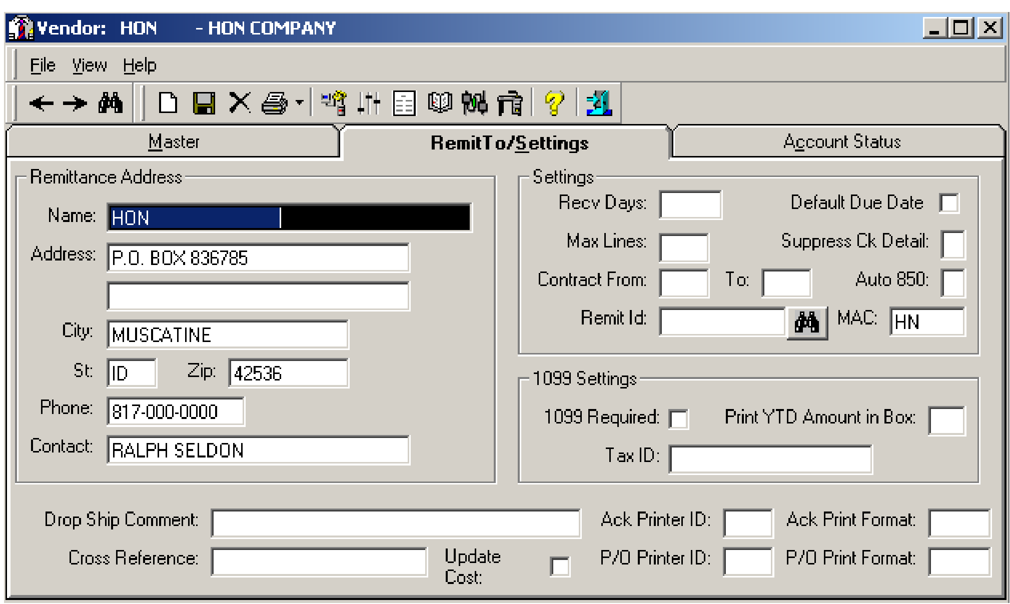
- **Mac:** In this box, enter the MAC code to build a P/O number. See Figure 5. The MAC code is a user-defined code that you can assign to each vendor. For example, you enter HN or HON as a MAC code for the vendor HON or KN for the vendor KNOLL. You can specify up to a three-digit MAC code for each vendor.

  Since a single order can have multiple P/Os, you can specify that the system default to use a combination of the pick ticket number and the vendor's MAC code (manufacturer's code), followed by an alphanumeric digit as the purchase order number. To do so, check the Ticket/Mac P/O # box in the Furniture Profile Settings dialog box. Using this combination helps the receiving department quickly match the purchase order to the ticket (sales order).

  When adding the additional alphanumeric digit, the system increments one digit each time a purchase order is entered for the manufacturer against the ticket. The first P/O for a manufacturer and a ticket would be Ø. If the number 9 is reached, the system then uses alpha characters as the last digit, A, B, C, and so on.

  Suppose the pick ticket number is 10000 and you enter a MAC code for this vendor of HN. The system defaults to use 10000HNØ as the purchase order number. The next P/O would be 10000HN1 and so forth. However, you can always change the purchase order number while placing an order.

Figure 5: The Mac Box in the RemitTo/ Settings Tab



Making Mass Changes

When you change Furniture orders, you have the option to make mass changes, including changing the dates and item departments for line items on the order. To do this, retrieve the order and click the Item Detail tab; then right-click to open a context menu. Select the Change Furniture Dates/Dept option to open the Mass Change Dates dialog box.

Be aware, however, that when you change the order information in this dialog box, including item departments, the system does not change the information for any purchase orders you built prior to changing the item department. It only changes the information for the order, not the P/O. This could create general ledger issues.

Normally, when you invoice the order and bill the customer, the system updates the general ledger sales control account, 401-01, for example and the accounts receivable control account, 102-01, for example. And if you ran the cost to goods, the system would update the cost account, 501-01, for example, and the inventory account, 104-01, for example.

Note: In addition, if you are also using the Furniture Work in Progress feature, the system updates the cost account, 501-01 and the WIP account, 130-01, for example.

Software Version 8.16 or Less

If you are using DDMS software version 8.16.0 or less, there is an additional issue regarding making mass changes. If you build the purchase order before changing the item departments and later change them, the item department is changed only for the order and not the P/O. To correct this mass change item department issue, you could do one of the following:

- You could go to the Purchase Order Entry window and delete the P/O. Then return to Furniture Order Entry and make the item department mass change. In the Order Totals tab, re-build the P/O, using the same purchase order number you previously used. The item departments are now the same on both the order and the purchase order.
- You could also go to the A/P Post P/O tab. When the system displays the invoice totals by item department, you could correct the information for that department.
- Or you could manually adjust your general ledger accounts in the General Ledger window.

Software Version 8.17 or Greater

If you are using DDMS software version 8.17.0 or greater, the mass change issue described above does not apply. Beginning in version 8.17.0, the system updates the P/O item departments and responsibility centers when changing Furniture orders. Now when you change an order's line item (general ledger) department in Change or Final Verify modes, the G/L department is also updated on both the ticket and the purchase order, as long as the line on the P/O has not been posted to payables using the A/P Post P/O feature. To do this, the system checks the PO-MASTER and JOUR-PO files, as well as the first journal listed in the (LF2) screen. If the P/O lines have been posted, the Changing the Order's Department Will Make the Order and P/O Not Match warning message appears. The system also now updates the responsibility center (RC) for the new department. By updating the ticket, the P/O, and the RC, this ensures that the Cost of Goods and account payable information properly match. The responsibility center feature is not included in all software packages and may require authorization. For more information, contact ECi sales.