NETWORK BUSINESS SYSTEMS
SOFTWARE SYSTEM DOCUMENTATION

ACCOUNTS PAYABLE

FEATURES

*   You can use the same check as the NBS Payroll System
*   Calculates from Invoice date or 1st of month for discounts
*   Automatic or manual check processing
*   Recurring expenses automatic processing
*   Batch processing of invoices/vouchers for verification
*   Batch processing of check printing for verification
*   Directly linked to NBS inventory purchases and NBS work
        orders for actual cost tracking
*   Multi-division Multi-Company

REPORTS

*   Report of batch entered invoices/vouchers
*   Report of open vouchers
*   PreCheck and PostCheck registers
*   Updated Checks report
*   Manual checks not updated
*   Vendor Listing, Activity, YTD Balance
*   Aged Vouchers by voucher and vendor
*   Accounts Available
*   Recurring Expenses
*   Cash Requirements Forecast
*   General Ledger Distribution Report with detail
*   1099 report and actual 1099's

INTEGRATED WITH:

*   General Ledger System
*   Inventory System
*   Purchasing/Receiving System
*   Work Order System

SYSTEM OVERVIEW
VENDORS

Each vendor will be assigned a unique ID number that will track information specifically to that vendor. The system will automatically generate a 1099 at year end for those vendors that you set up to receive one.

Vendors can be set up for individual terms and discounts. The aging reports will advise when a discount can be taken and the amount of dollars you can save. You can post savings due to discounts to a separate account for tracking purchases discounts.

The NBS Accounts Payable Module allows you to process invoices for up to 99 divisions within 99 different companies. Invoice/voucher processing can be done by entering in the invoices as they arrive, and/or by setting up automatic recurring expenses that happen each month at the same time and are paid to the same vendor for the same amount, like rent!

The entire system is based on a batch processing method, which allows you to set up the checks and balances as you deem necessary. It is highly advisable to have different people entering data, approving the data entry, and the signing and final approval of the checks.

PAYABLES ENTRY/PROCESSING

The process consists of entering in the invoices (also called bills) from your vendors and suppliers into a batch file, using the programs that allows you to set up and automatically regenerate reoccurring expenses (such as a fixed payment or rent), and updating both of the above to the permanent invoice files. You can generate a report of vouchers not yet updated to see if you did not actually perform the update routine. This is the first programmed ability to allow one person to enter in the accounts payable vouchers and allow another person to verify entry against the correct accounts, etc.

ENTERING VOUCHERS

The NBS Accounts Payable System is directly interfaced with the NBS Inventory System, therefore you will be asked for a purchase order number as you enter in each line item from the invoice. The system does allow for when you have been invoiced by a vendor for several of your purchase orders/receipts. As you enter in the purchase order for each line item, the program checks against the purchase order detail and notifies you if the unit price is different. It is advisable to set up some type of check and balance between the person entering in the invoice and the person responsible for placing the purchase order. This will help prevent the opportunity for incorrect data entry and fraud and is the first programmed chance to separate accounts payable functions.

In addition to the price and quantity checking going on, you also have the opportunity to cost close each line item. You will do this when the final quantities have been invoiced and not until then. AGAIN, do not cost close if you are entering in an invoice for a partial shipment that is not the last shipment. You can only cost close once so be aware. Cost closing a line item sets the inventory record to the final actual price. Prior to this the inventory record reflects the purchase order price which is considered the standard.

Now, you are allowed to enter in one invoice for multiple items to multiple accounts, against multiple purchase orders. This means the data is stored in two individual databases...a header datafile for the basic invoice amount and the vendor...and a detail file that consists of each line item being paid by the invoice. The batch entry has two such databases, and when you update there are two permanent databases.

The system also forces you to enter in balanced invoices.

NOTE: The most important date in the NBS Accounts Payable invoices/vouchers is the voucher date. This is the date that will determine what month the transaction will be posted to the General Ledger in. Generally, the voucher date will be the same as the invoice date.

GENERATING RECURRING EXPENSES

The NBS Accounts Payable System provides a powerful function that allows you to create payable vouchers for repeat items, such as rents or payments. Once you have created the recurring expense type in the program "Enter/Edit Recurring Expenses:APAUTOVO", you will need to run the program "Generate Recurring Expenses:APASKVOC" to include these expensed in the current accounts payable. This process merely creates an accounts payable expense in the batch files, both header and detail. They will need to be updated just like an invoice that has been entered.

UPDATING INVOICES AND RECURRING EXPENSES

All entered invoices and generated recurring expenses that are verified can now be updated as permanent liabilities or expenses. Prior to running this report all invoice amounts and distributions should be verified. The program to update is "Update Database:APUDMAIN". This program should never be interrupted in the middle of the process.

After the data entry has been verified and updated, you can now utilize aged accounts payable to plan your cash flow.

This program also provides the opportunity to cost close the any invoiced item that is also on a purchase order, and also attempts to cost close the entire purchase order if all items are cost closed. NOTE: any subcontractor or indirect materials that have been purchased directly against a work order will not show up in the value of any unfinished goods or finished goods from that work order until the purchase order has been cost closed.

PLACING VOUCHERS ON HOLD

You can place vouchers on hold pending action on your part. While on hold, these vouchers cannot be selected for payment. They will however still be included in the report of open vouchers and also be included in the accounts payable aging report due according to the voucher date and vendor terms.

SELECTING VOUCHERS FOR PAYMENT

Selecting vouchers to pay can be automatic or manually driven. If you have recurring expenses, you will want to generate them for this accounts payable selection process before printing the pre- check register. The process of generating recurring expenses actually creates vouchers in the open vouchers database.

CHECK PRINTING

Once you have selected which vouchers to pay, you can then go immediately to the automatic check printing options and print a pre-check register, print the actual checks, a post check register, a print of updated checks, and a general ledger distribution report. Here is the second programmed opportunity to separate the check printing routine from the entry personnel, and from the actual check signing authority. The theory here is that it is less likely to have multiple employees involved in a scam, as opposed to only one person...who perform all the functions of the accounts payable process with no supervision. The person who actually signs the check does not even really need to know the detail of the entry and posting of the checks.

CHECKBOOK MANAGEMENT

In addition to all computer generated checks in the NBS Accounts Payable, Payroll, and Refund Systems, there will still be a need to write manual checks for various items. Some examples would be: petty cash fund; C.O.D. receipts check only; various charges with no invoice; manually written refunds; etc.

Here is a suggestion as to how to operate an up to the minute cash balance checkbook. Utilize the same bank checking account for all checks, or at least all company expenses other than payroll. This bank account will also be used for the manually written checks. As you write a manual check, you always deduct it from the running balance right? Well, when you run any NBS computer generated checks that go against the same bank account, simply write in a miscellaneous entry in the checkbook and make reference to the range of checks in the checkbook in addition to the total amount. This will provide an up to the minute checkbook balance!

GENERAL LEDGER TRANSFER

If you are operating the NBS General Ledger System, then it is recommended that in addition to the above you also complete the posting process on through to the general ledger accounts in preparation to generate financial statements.

First, you should run the program "G.L. Detail Listing:APGLRPT1" as a means to verify that your accounts payable system is in balance. This report can be ran as many times as you want throughout the month for an ongoing report of the monthly expense and accounts payable balance. You can print in detail or just by summary by account.

OUT OF BALANCE SITUATION

If you are not in balance, then you are missing the accounts payable data in the header database or in the detail database and will need to reconstruct it from the actual hard copy invoice you will have on file. Please contact your NBS representative for assistance. You will use the programs provided that allow you to completely delete the permanently updated accounts payable header and detail records, and re-enter the correct invoice and then update it for posting. If it has been paid already, then you will need to indicate so. The paid data will exist in the accounts payable paid database.

At the end of each month, you will need to run the "End of Month (Transac. Reg):APTRANSR" program to start the update of monthly figures to the NBS General Ledger System. You can use the distribution report that is printed to verify the transfer totals against

the initial distribution report first generated. If the totals are not correct, then you will need to fix them as mentioned above, and rerun this report.

NOTE: This program will only transfer totals per general ledger account number. The detail will remain in the NBS Accounts Payable System.

You will need to get into the General Ledger system under the Company and Division that you just processed the Accounts Payable G.L. transfer from, and then operate the program "Transfer From A/P or Payroll:GLTRANS". From this menu you will choose which module you are transferring from.

After this has been completed, you will next print or view the batch balance to make sure it transferred the correct amounts from the Accounts Payable month end transfer. If it did not, then you can edit them at this point. You cannot transfer a batch that is not in balance or has invalid general ledger account numbers.

Once you have verified the Accounts Payable batch is in balance, you will "Select Batches For Posting:GLUPDTE1" and then "Post Batches to Journals:GLUPDTE2". This also must be done in the same company and division as you have just posted.

After this, you will want to run your "Trial Balance Worksheet:GLJOURN" or "Trial Balance to Screen:GLJOURN2" to make sure that your general ledger is in balance. Once this is confirmed, you will "Post Journals To G.L. Accts:GLUPDTE3". In order to do this you will have to be in the same company you have been working with but will need to be in division "00". This is critical and the program will force you to do this. This is the last step in the posting process any with the intelligently placed batch file processing, your books should be in balance!

YEAR END PROCEDURE

At year end, in addition the regular month end transfer and update routine, you will need to run the 1099 reports to confirm
the data prior to printing the actual 1099's. You should also print a detailed general ledger distribution report for permanent reference, prior to posting the final year end monthly figures and running the "End Of Year Processing:APEOYVEN", which resets the vendor totals to zero.

BASIC SYSTEM OPERATIONAL FLOW

1. **Enter/Edit Vendors:APVENDOR**....Create your vendors as needed. They may be the same as the NBS Purchase order vendors and they may not.

2. **Enter/Edit G.L. Account #:APGLX**....Create new accounts in the NBS General Ledger Account master file and they are automatically available to the NBS Accounts Payable Module. Use this program to create new accounts if you are not using the NBS General Ledger.

3. **Enter/Edit Recurring Expenses**....You can use this program to create invoices that occur each month at the same time.

4. **Enter/Edit Vouchers:APENTERV**....Enter Invoices/vouchers as you receive them.

5. **Vouchers not Updated:APTVRPT**....Use this report to verify that invoices have been entered in correctly. This makes a logical cutoff to have another person check the work to create an arms length responsibility.

6. **Generate Recurring Expenses:APASKVOC**....You will need to run this program to create the vouchers for the automatically generated recurring expenses you created under "Enter/Edit Recurring Expenses". They will be marked to pay if the date of the recurring expense is current.

7. **Update DataBase:APUDMAIN**....Run this program to update all invoices/vouchers entered into the NBS Accounts Payable system.

8. **Select Vouchers to Pay:APPS**....You will use this program to determine which invoices/vouchers you will pay.

9. **Print Selection Register:APCHKREG**....This will give you a report of checks you are about to print, for what invoices.

10. **Print Checks:APCHKWRI**....Print the checks, and do not answer if they did not print correctly. Look at the last check for proper line up.

11. **Check Writing Restart:APCKREDO**.... Do not run the program "Check Writing Restart:APCKREDO" unless the printer jammed and the program aborted.

12. **Update Checks:APCHKUD**....This process clears the open invoice/voucher file and stores the vendor totals. You will do this only when you are sure the checks printed correctly.

13 **Enter Manual Disbursements:APMANCHK**....This program allows you to enter in a manually generated check for an invoice/voucher that has been entered into the NBS Accounts Payable System.

14. **Disbursements Entered Not UPDTD:APMANRDY**....A report of unupdated manually entered checks.

15. **Update Manual Disbursements:APMANUD**....Well, update them then!

16. **Review Check Detail:APPAID**....Review check information.

17 **G.L. End of Month Transfer:APGLRPT1**....This is a report of all entries into the NBS Accounts Payable system, payments,
invoices/vouchers, credits, computer and manually entered checks, according to their account numbers. This is the data that can be posted automatically to the General Ledger. This report must be ran prior to beginning the month end updating process.

18. **End Of Month Transaction RPT:APTRANSR**....This will print a report of paid vouchers and a distribution report. You can only do this one time!

IF YOU ARE USING THE NBS GENERAL LEDGER SYSTEM

19. **Transfer From A/P or Payroll:GLTRANS**....You will use this program to transfer the data from the NBS Accounts Payable System to the NBS General Ledger System if you are using it. You will then need to run the posting process in the NBS General Ledger System to post these figure to the general ledger accounts.

20. **Print Batch Balance:GLBATCH:**....Verify that the transferred balances from the Accounts Payable System match up with this report. If they do not, you will need to edit the batch and correct either the accounts or the amounts.

20. **Select Batches For Posting:GLUPDTE1**....Select this batch for updating.

21. **Post Batches to Journals:GLUPDTE2**....Post the selected batches.

22. **Trial Balance Worksheet:GLJOURN**....Make sure the posted batch transferred correctly.

23. **Post Journals to G.L. Accts.:GLUPDTE3**....This the final step in posting the Accounts Payable data to the general ledger accounts. You will need to be in the same company as the original month end update and as you have been all throughout this process, but you will be in division "00". The program will force you to do this.

24. **Print 1099 Listing:AP1099R**....Run this program to look at the data that will be printed on the actual 1099's.

25. **Print 1099 Forms:AP1099**....You are committed once you run this program.

26. **End Of Year Processing:APEOYVEN**....You will run this program to reset the NBS Accounts Payable vendors YTD totals to zero.

SYSTEM SETUP REQUIREMENTS

You will need to set up the General Ledger accounts if you are using the NBS General Ledger Financial System. If not, you will need to operate the program "Enter/Edit G.L. Account #:APGLX" which sets up the valid account numbers usable in the NBS Accounts Payable Module.

If you are using the NBS Inventory System and or the NBS Manufacturing System, then you will have automatic interface with valid purchase orders which may have been generated directly to a work order or generated for purchasing supplies. You are not forced to enter in a valid purchase order number, but if you do enter in a valid number then you can use the (IFF) functions to find the proper item you are entering in the invoice for.

Change Company Number:APCOMPAN
Enter/Edit Vendors:APVENDOR
Enter/Edit Recurring Expenses:APAUTOVO

If you are in the middle of the year and are starting up the accounts payable process, then you simply enter in all of your open invoices as you normally would. There is no special setup instructions. The end of month routine will post the activity to the NBS General Ledger with the exact totals of open vouchers.

MENU STRUCTURE/PROGRAM DOCUMENTS

5. ACCOUNTS PAYABLE   MENU #1

    1. FILE MAINTENANCE   MENU #1
        1. Enter/Edit Vendors:APVENDOR
        2. Delete Vendors:APDV
        3. Enter/Edit G.L. Account #:APGLX
        4. Enter/Edit Recurring Expenses:APAUTOVO
        5. Put Voucher On Hold (DONT PAY):APHOLDV
        6. Change Manual Checks / Vendors:APPAID2
        7. Delete Voucher Header:APDLB2
        8. Delete Voucher Detail:APDLB1
        9. Recalculate Vendor YTD Totals:APVENYTD

    2. PAYABLES PROCESSING   MENU #1

        1. Enter/Edit Vouchers:APENTERV
        2. Enter/Edit Open Credits:APOPNCRV
        3. Vouchers not Updated:APTVRPT
        4. Generate Recurring Expenses:APASKVOC
        5. Update DataBase:APUDMAIN
        6. Open Vouchers:APOPENVR
        7. Select Vouchers to Pay:APPS

    3. AUTOMATIC CHECK PROC.   MENU #1
        1. Print Selection Register:APCHKREG
        2. Print Checks:APCHKWRI
        3. Check Writing Restart:APCKREDO
        4. Update Checks:APCHKUD
        5. Void Check Routing:APVOIDCK
        6. Void Check Reconciliation:APRECON3
        7. Perform Check Reconciliation:APRECON1

    4. MANUAL CHECK PROC.   MENU #1
        1. Enter Manual Disbursements:APMANCHK
        2. Disbursements Entered Not UPDTD:APMANRDY
        3. Update Manual Disbursements:APMANUD
        4. Review Check Detail:APPAID
        5. Review Check Detail w/Acct Inf.CHECKVW
        6. Review Check Detail by Ck#:CHECK

5. A.P. REPORTS   MENU #1
    1. Vendor Address Listing:APCA
    2. Vendor YTD Balance Listing:APCAYTD
    3. Vendor Activity:APVR2CRT
    4. Aged Vouchers:APVAGED
    5. Aged Vendors:APAGERPT
    6. G/L Xref Account Listing:APACCRPT
    7. Cash Requir. Forecast:APCASH
    8. Recurring Expenses Lstg.:APAVRPT
    9. History Check Register:APCKRPNT

6. A.P. REPORTS   MENU #2
    1. Accounts Payable Check Reg.:APCKRPNT
    2. Accounts Payable Check /Ck#:APCKRPN1
    3. Accounts Payable Check /DateAPCKRPN2

6. END OF PROCESSING   MENU #1
    1. G.L. Detail Listing:APGLRPT1
    2. G.L. End of Month Transfer:APTRANSR
    3. Cleanup Vendor History File:APEOYPD
    4. Print 1099 Listing:AP1099R
    5. Print 1099 Forms:AP1099
    6. End Of Year Processing:APEOYVEN

7. Enter/Edit Company/Div/Date:APCOMPAN