

NETWORK BUSINESS SYSTEMS

SOFTWARE SYSTEM DOCUMENTATION

ACCOUNTS RECEIVABLE

FEATURES

- Allows parameter driven terms
- Automatically assigns unique payment number
- Options menu
- Allows for payer separate from bill-to\ship-to
- Allows for multiple payment against an invoice
- Allows for payment against multiple invoices
- Forces balanced entry
- Full detailed viewing
- Tracks first purchase date
- Tracks last payment date
- User defined credit limit and credit terms, supervisor controlled
- Tracks open invoices and payment performance
- Customer driven finance charges
- Tracks year-to-date shipping
- Tracks year-to-date paid
- Past due reporting is parameter driven
- Allows cash, check, money order, Visa, MC, Discover, and trade
- Overpayments of shipped orders creates automatic credit memo
- Credit memo can be changed to generate refund or transfer to another order.
- Provides on line credit information with recalculation of critical data on line for support
- Payments entered against invoices are updated immediately
- Deposit system interface providing batch processing of all A/R payments entered into system

REFUND PROCESSING

- Automatic creation when overpayment of shipped order is detected in Accounts Receivable payment processing, or in Order Modification/Restocking program.
- Review of batch prior to check printing
- Check printing functions
- Duplicate checks not allowed
- Automatic update for successfully printed checks
- Historical review
- Linked directly to invoices
- Full check details stored
- Check numbering independent from Accounts Rec. and Payroll system.
- Check numbering automatic

REPORTS

- Prints payment labels with check detail for physical reference to support paper filing system
- Prints daily deposit slips for verification and updating
- Online history review or printing
- Statement processing and printing
- Customer aging reports
- Cash flow analysis
- Unprinted Refund Report
- Credit availability reports
- Accounts Receivable and Prepaid Deposits

INTEGRATED WITH:

- Customer account system
- All sales systems
- Shipping/UPS Manifest system
- General ledger system

SYSTEM OVERVIEW

IBS's Accounts receivable module works with all sales systems and the Customer accounts to manage customer credit. Credit terms are user defined, and are assigned to each customer individually. You can change a customer's terms, and all unshipped orders can be changed globally. Shipped orders will not be changed, however! Statements are dynamic according to each customer's terms. Order processing works with the accounts receivable module to automate the credit management responsibilities. Allows for payers separate from a customer's ship-to or even bill-to addresses. (such as a wholesaler with many UPS cash only customers, where the payer would actually be UPS). The Accounts receivable module is included as a sub-module with all sales systems.

NOTE: The IBS Accounts Receivable System does not post directly to the IBS General Ledger System as of this time. Future enhancements will include this capability. One of the primary reasons we have not provided this automation is due to the aggressive development of the sales/distribution system with almost unlimited discounting capabilities. You will need to make month ending journal entries to record the changes in accounts receivables, prepaid deposits, and refund checks generated automatically or manually. This is discussed further in the IBS General Ledger System Manual.

INTEGRATION

Because the IBS Accounts Receivable system is truly integrated throughout the entire IBS Sales System, there are pop-up options menus that make available credit information at your fingertip. This is vital information when your company must provide instantaneous data in a sales situation. IBS can provide on line customer balance, credit limit, past due knowledge, unshipped or backorder, historical shipping analysis, historical shipping totals, and other sales related info.

For instance, lets say that you have a large check from UPS representing cash payments from many C.O.D. cash shipments. As you are making payments in the "Make Payments/ARECEIVE" program you are required to make balanced entries. The IBS UPS

Manifest system prints the invoice number as what is called the alternate control number on the UPS supplied C.O.D. tag. By default UPS refers to the alternate control number on the payment voucher you are sent along with the check. If the tag is unreadable in the field then UPS will use their own pre-printed control number, and then part of the name or address. If you are in the middle of the check entry, you can use the F7 pop-up options menu in the payment program to locate the open invoice UPS is paying, when they do not use any reference that makes sense to our system. You can simply select by the dollar amount and find the open invoice almost immediately! (Without leaving the program and having to start over!)

DEPOSIT SLIP SYSTEM

Incorporated into the IBS Accounts receivable system is a unique, powerful feature that will add a dimension to your business not found with most other software systems...a payment deposit slip system. It doesn't matter whether the payments are made into the distribution orders, retail point of sale, accounts receivable payment system or all three, or refunds are created against orders... all are summarized on the deposit slip reporting system.

As you process money anywhere into the IBS system, all payments are stored as a batch. The batch is controlled simply by an update flag and a deposit date in the order database. They are automatically on line to the entire system, but in a batch mode. You can tell if a payment has been updated by noticing in the program "Order Viewing/Current:SAORVIEW" in the "F4" option to view payments that there is no deposit slip date. There will be a date when the payment is updated in the bank deposit slip routine. There will be a date of 11/11/11 when the update routine is in process.

DEPOSIT SLIP REPORTS

The deposit slip reporting system allows you to generate a report of all payments that have not been previously updated since the last time bank deposit slip routine was updated. All cash refund activity will be included in the batch also. Refunds that have been set up to be printed automatically (but not yet printed) will not be included because they have not been printed. There is a separate reporting mechanism when they have been generated and confirmed. The reports are staged as initial reports, reprinted (corrected), and final reports, immediately upon which the update routine is ran to finalize the process.

NOTE: As of this time the liability of the unprocessed refunds is not directly reported to the IBS General Ledger system. Therefore you may want to generate the report of unprinted refund checks and consider posting this liability as a monthly journal entry. Each month you would want to post the difference as either a debit or a credit to a refund liability account and an off setting debit or credit to sales.

The system reports all money activity that affects cash flow categorized by payment type, summarized for actual bank deposit slip total, and finally a gross report of payment activity. These reports tell you exactly what payments against what order when, in detail. During the reporting process no payments will be allowed. This is controlled by the programs setting a flag in the system setup file while generating the report. This simple function provides a clean cut off point where actual payments can be matched with the deposit slip reports.

Cash refunds are included as a deduction to the cash deposits, as a deduction to the bank deposit slip report, and as a deduction to the gross payment report. There is a detailed list of cash refunds with customer order number at the end of the deposit slip report generation routine

that automatically prints out. This will tell you exactly where the refund was paid and how much and when!

DEPOSIT SLIP ROUTINE

The deposit slip update routine consists of simply generating the above-mentioned reports in conjunction with your actual bank deposit routine.

It is recommended that you update this routine each time you take a deposit to the bank. This will most generally be daily. If you operate this way, then IBS can provide you with virtual control over all monies and refunds that are being entered into your sales system without fear of fraud or mistakes, no matter how many people are involved. **THE REPORTING SYSTEM PROVIDES A ONE-TO-ONE MATCH UP OF ALL PAYMENTS AND CASH REFUNDS ENTERED!** You simply compare all payments against the reports and deal with any discrepancies prior to updating permanently. If you have a person verify the payments using the bank deposit slip system, who is independent from the people who actually made the payments...then you can provide an arms length audit routine assuring payment integrity! This guarantees on up to the minute on line credit accuracy at all times!

NOTE: Do not run a deposit slip twice in the same day. Although it can be done, if there are any cash refunds for that day you will see the deductions and detailed report on the first deposit slip, and no deductions on the second deposit but the cash refunds for that same day will print out with the second deposit slip also!

CREDIT MEMO/REFUND SYSTEM

IBS's Refund processing is tied directly into the both the distribution order processing and the retail point of sale system, the order modification, and the shipping modules. Batches are created during the normal course of business. Checks can be automatically printed or manually written and entered in the system, directly against the customer order.

The program that processes the refund data is "Order Modification/Cancel:CUSTSERV". This program automatically detects overpayments on shipped orders and will force you to deal with an overpayment.

You will first have to decide as to maintaining the money as a credit against that order or a refund of some type. If you choose to hold as a credit, then the overpayment will stay with the order until some time in the future you choose to either turn that credit into a refund which you can do, or transfer the overpayment to another order. Once a credit memo has been generated with a payment held as a credit, you can reprocess the order in the program mentioned above to transfer the overpayment to another order. If you need to convert it to a refund, then you can use the program "View/Edit Credit Memos:ARCEVIEW" to change the held credit to a refund. **NOTE:** this will be automatically generated refund check. If you want to generate a cash refund or credit card refund, then you will use the program "Order Modification/Cancel:CUSTSERV" to reprocess the refund.

The type of refund depends on the type of payments made against the order. If any payment were made using a credit card, then you will have the opportunity to issue a refund against the credit card. You do not have this choice if payment was not made by credit card.

When you are presented with the choice of refund, then you can go with either a cash refund or a check refund. If you choose the cash refund then it is assumed that you paid cash to the customer. When you run the next deposit slip you will be presented with the cash refund as a deduction against the cash deposits and as a deduction against the deposit total. If you choose the check refund method, then an entry is made in a batch database that allows you to either automatically print the refund checks or hand write the refund check as a manual disbursement and then enter in directly against the customer order. NOTE: Both the manually entered and computer generated checks do not update to the general ledger so you will need to make journal entries for the refunds.

Credit Memos are automatically created in the program "Order Modification/Cancel:CUSTSERV" when items are canceled. This is regardless of whether monies have been paid to the order or not.

CREDIT MANAGEMENT/PAST DUE

During both distribution order processing and retail point of sale processing, both programs check with the ship to customer for credit terms, credit limit if applicable, and dating of shipped and due orders. The system forces you to comply with those terms and limits. You can set the past due controls and credit overage limits in the system setup file. You can also setup one password that allows you to override these credit checks.

SYSTEM SETUP

You will need to set up the customer credit terms in order to operate any of the IBS sales systems so this is one of the first data files you will set up. Customers cannot be created until this file is setup. The program name is "Customer Account Terms:CMACCTYP". Now you must use "1" to represent C.O.D cash only customers and "2" to represent C.O.D. check ok customers. There is a separate receivables report that lists only these account types. Also, other system functions depend on this. Your system came initially installed with these two codes already. You will also need to set up the system setup parameters that control the past due days limit and the over credit limit. There is a password that is shared by the work order system that is called "WORKORDER/CREDIT LMT/PASTDUE PASSWORD" that allows over ride of the past due days limit and credit limit, during any order entry.

If you are in the middle of the year and wish to setup all customers with true accounts receivable, then you may want to duplicate the orders that are still outstanding, with the true shipping/invoicing date. Pay attention not to ship inventory that has already been accounted for!

BASIC SYSTEM OPERATIONAL FLOW

1. **Make Payments/ARECEIVE....**Process all payments against orders as they occur. Orders shipped over the manifest system that are to be paid by a credit card pre-payment, should have a credit card authorization approval number and any freight calculations figured before paying on the order. This information is updated to the order immediately after entry. You can delete a payment until the deposit slip update routine has been run.
2. **Print Deposit Slips/DPBANK....**Process deposit slips by running the initial first, verifying 100% accuracy by comparing the actual monies received, then run the final. There should never be any discrepancies in the match up. If there are, you can...

- A) Delete payment from system that shows on initial deposit but you do not have money.
- B) Add payment that does not show on initial deposit slip - but you have the money
- C) Correct a payment if there is a difference.

This program locks out all payments until the final deposit slip has been run and labels printed and updated. There will be a temporary deposit date of 11/11/11 until the final deposit has been run.

3. **Print Labels and Update Pmts/LISTARJL....**You need to be routed to the wide carriage printer with labels installed, if you want to print the labels for physical reference. Once the labels have finished printing, reinstall wide paper to print the update report. Remove each label and attach to the matching order for filing. You can print to plain paper if you do not use this form of payment indication. This program marks all payments as updated and unlocks all order payment and accounts receivable payment programs by resetting the flag in the system setup file.

4. **Print out Statements/ARSTATE....**Print out customer accounts receivable statements. This program calculates interest on accounts since the last time the program was ran.

5. **Print Cust Aging/ARREPO....**This program can be used to quickly view the aging of all customers, AFTER statements have been run.

6. **Customer Credit Exposure Rpt./ARYTD....**This report shows credit exposure and targeted sales against credit.

7. **List Overdue Invoices/OVERCHK....**This report should be ran at least monthly and possibly weekly to show overdue invoices user defined.

8. **C.O.D. Still Due/CCODSD....**A report of C.O.D. monies due from account type 1 and 2 only. This amount will not be included in the Open Account report.

9. **Open Account Still Due/COPENS D....**The same as above only for open accounts only, account type 3 or greater. Run the same time as C.O.D. report.

10. **Advanced Deposits on Orders/CPREPAID....**Report on monies paid against unshipped orders. Run with C.O.D. and Open Accounts still due reports.

11. **Receivables/Deposits Summary/PSUMMARY....**A summary of the above reports. The above reports must be run prior to running this report.

12. **Unprinted Refund Check Report/RFCHKTMP....**A report of all unprinted payouts for check reimbursement to customers with a credit balance. This could happen in the accounts receivable payment program, the order modification program, or the UPS/manifest processing.

13. **Print Refund Checks/RFCHKWRI....**After running the above report, route to the printer that has the company checks installed and run this program to print checks for refunds.

14. **Update Printed Refund Checks/RFCHKUD....**Run this report immediately following the check printing routine. The program will also post a batch to the general ledger for automatic updating.

15. **Manual Refund Check Entry/RFHSTGUT....**This program allows the entry of a manually written refund check or cash pay out to the system. This should be done as the refund is given. As of this time, you will also need to enter in this check in the manual accounts payable module as a manual check written also. It does not automatically transfer to the A/P.

SYSTEM SETUP REQUIREMENTS

The Accounts Receivable System is designed to use integrated into the IBS Professional Sales Systems. You will be required to have the IBS General Ledger Accounts, IBS Inventory, Sales Distribution or Retail Point of Sale, and Customer Account Functions set up.

MENU STRUCTURE/PROGRAM DOCUMENTS

- 4. ACCOUNTS RECEIVABLE MENU #1
 - 1. PAYMENT PROCESSING MENU #1
 - 1. Make Payments:ARECEIVE
 - 2. Print Deposit Slips:DPBANK
 - 3. Print Labels and Update Pmts:LISTARJL
 - 4. Find Unpaid/Overpaid Orders:FINDCOD
 - 5. RePrint Payment Labels:LSTPAYMT
 - 6. Print History Deposit Slips:DPHBANK
 - 7. Payment Header Gut Program:ARHEADER
 - 8. Payment Detail Gut Program:ARDETAIL
 - 9. Delete Cr Memos w/o Dollars:ARCRDELZ
 - 2. CUSTOMER CREDIT RPTS MENU #1
 - 1. Open Account Inquiry:OPACCTIQ
 - 2. Customer Account Terms:CMACCTYP
 - 3. View/Edit Credit Memos:ARCRVIEW
 - 4. Print Credit Memos:ARCRPRNT
 - 5. Print Out Statements:ARSTATE
 - 6. Print Single Statements:ARSTSNGL
 - 7. Print Cust Ageing:ARREPO
 - 8. Customer Credit Exposure RPT.:ARYTD
 - 9. List Overdue Invoices:OVERCHK
 - 3. RECEIVABLES REPORTS MENU #1
 - 1. C.O.D. Still Due:CCODSD
 - 2. Open Account Still Due:COPENSD
 - 3. Open Account Due/by CustID
 - 4. Advanced Deposits on Orders:CPREPAID
 - 5. Receivables/Deposit Summary:PSUMMARY
 - 6. Customer Payment History:PAYMENT
 - 7. Calculate Customer Pay Data:ARAGE
 - 4. REFUND PROCESSING FUNC MENU #1
 - 1. Unprinted Refund Check Report:RFCHKTMP
 - 2. Print Refund Checks:RFCHKWRI
 - 3. Update Printer Refund Checks:RFCHKUD
 - 4. Review Refund Checks History:RFCHKVW

5. Manual Refund Check Entry:RFHSTGUT