Solution-IV™ Accounting
Prospect Management

THOROUGHBRED
software international, inc

Version 8.521

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Table of Contents

1   Introduction

This chapter explains how the manual is organized and how the manual should be used. It also provides you with an overall view of the *Solution*-IV Prospect Management features.

Thoroughbred Solutions

Thoroughbred Software develops and internationally markets software products for small through Fortune 500 sized businesses. Thoroughbred products are true multi-user solutions and are installed at thousands of worldwide sites.

Solving everyday accounting problems has never been a simple task. Thoroughbred Solution-IV Accounting modules are 4GL-based providing the quality and versatility you need to bring your business accounting needs into and through the new millennium. Thoroughbred software is always at the forefront of our industry's rapidly changing technology. Thoroughbred Solution-IV Accounting sets the pace for 4GL-based applications and is a result of more than 25 years of application development and design experience. This product was built using one of the most powerful 4GL-application development environments available today – Thoroughbred OPENworkshop.

OPENworkshop provides a comprehensive set of productivity tools designed to be easy to understand and use. Solution-IV Accounting is built on top of this robust development platform, which provides the perfect foundation for construction of a feature rich solution to your accounting problems. The Thoroughbred OPENworkshop development environment makes it easy and practical to customize complex applications.

Thoroughbred Solution-IV Accounting is a completely integrated accounting solution. Each module provides a seamless integration and sharing of common data with each of the other modules.

Prospect Management Features

The Solution-IV Prospect Management System was designed to assist the sales staff of a Solution-IV Accounting installation in managing their prospect database. The system will eventually allow for the prospect Masterfile to be stored both on a standalone notebook computer as well as on a UNIX, Linux, or Windows based host environment at the main office.

Prospect Management is integrated with Solution-IV Accounts Receivable, giving the user the option to convert a prospect into a customer, and then enter quotes or orders for the new customer. It is also integrated with the Solution-IV Gateway for Microsoft Office Library, allowing the user to generate form letters for either prospects or any of the alternate contacts.

Other features included are 15 user-definable sort fields, full text field, last and next call dates (which can be updated automatically) and a full "to-do" list complete with text and phone calls to be made.

Thoroughbred Solution-IV Accounting Flowchart

The following System Integration flowchart diagrams how the various Solution-IV Accounting modules relate to one another.

Copyright © 2005 Thoroughbred Software International, Inc.
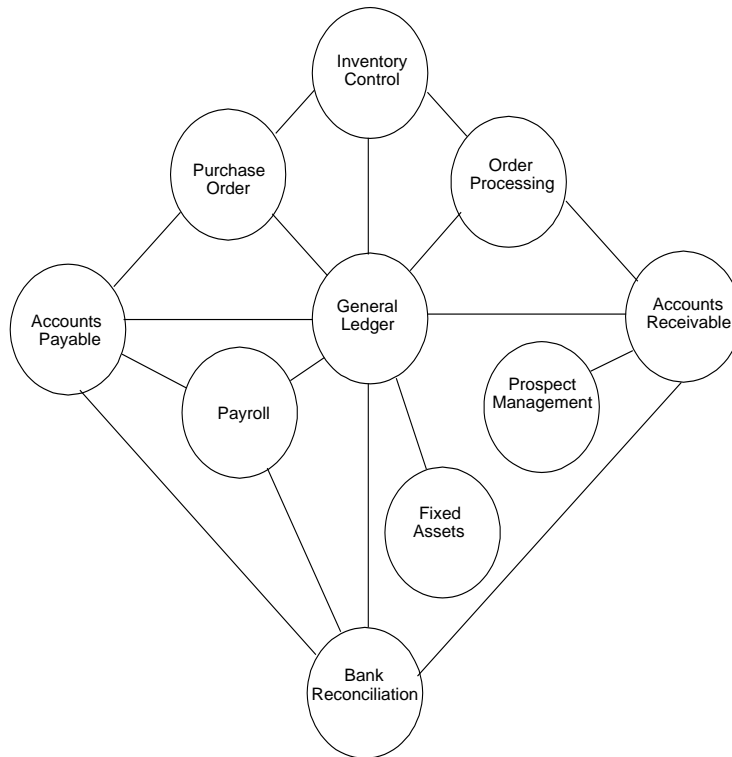
How to Make the Greatest Use of this Manual

Introduction

With this manual we have created reference material that is easy to read, yet contains all of the information you need to set up and run the Thoroughbred Solution-IV Prospect Management system.

This manual will introduce you to the capabilities of Solution-IV Prospect Management, give you ideas to help you get started with the initial setup, provide complete processing instructions, and also serve as a reference guide once you are up and running.

Suggested Steps

In order to make the greatest use of this manual and to provide the easiest transition to your new system, we suggest you complete the following before actually entering your own data into the system.

➢ **Know how your computer works.** Users who are familiar with the functions of their computer will have an easier time using the system.

➢ **Read, or at least browse, the entire manual.** Become familiar with the options and capabilities before starting to use the software.

➢ **Install the system.** Make sure both the programs and demonstration data have been installed on your computer so you can begin looking at the system.

➢ **Use the demonstration data**. Demonstration data has been provided to allow you to get a look and feel of the operations of the system and reports without using your company's information.

➢ **Begin using the system.** Use this manual to begin entering and/or converting your information into the Solution-IV Accounting system.

Keep the manual handy. Once you are up and running, you will find the manual helpful as a reference guide. A complete Table of Contents has been provided for your assistance.

2   Prospect Management Menu

This chapter describes the options that are available from the following Solution-IV Prospect Management Main Menu

Prospect Management Main Menu

Introduction
The Thoroughbred Solution-IV Prospect Management package allows you to manage your prospect database more effectively.

How to Execute
From the Solution-IV Accounting Main Menu, select option **10,** Prospect Management.
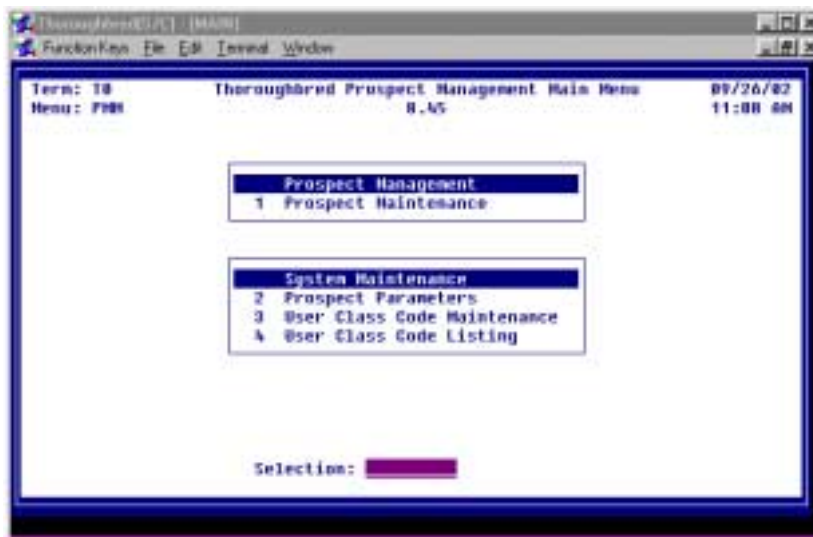
Prospect Management

Prospect Maintenance
This function allows you to maintain all necessary information about a prospect as well as print the various reports.

System Maintenance

Prospect Parameters
This function allows you to customize the Prospect Management System to meet the specific needs of your company.

User Class Code Maintenance
User Class Codes are the specific codes used within each of the various user fields set up in Parameter Maintenance.

User Class Code Listing
User Class Code Listing is a report showing all of the class codes defined for each of the users defined fields you will be using.

Prospect Maintenance

Introduction
This function allows you to maintain all necessary information about a prospect, as well as print the various reports. From this option you maintain general prospect information such as name, address and phone numbers, all of the user-defined fields, alternate contacts, text, and tasks.

This is the core of the Solution-IV Prospect Management System, and the majority of the sales rep's time will be spent here.

How To Execute
From the Prospect Management System Menu, select option **1**, Prospect Maintenance.

Description of Fields
Sales Rep
The first field that is required is the sales rep. This will set up much of what happens after this point. For example, the "next call" function will pull up the next call for the sales rep entered here. Also, the text field printed on the Task Report uses the sales rep entered here.

Enter a valid sales rep code or press **F2** to display a list of valid sales rep codes. If this is a new sales rep, press **F3** to add the rep to the sales rep file. The sales rep is validated against the Solution-IV Accounts Receivable Sales Rep Masterfile in the company code currently selected.

After entering a valid sales rep code, the cursor will go to the prospect name and the following message is displayed:

Enter prospect or F2-Lookup F3-New F4-Exit F8-Next call F9-Tasks F12-Sched

Main Prospect *Message Options*
For prospect, the full or a partial company name, any contact name or phone number can be entered. If there are multiple companies a view will be displayed with the name matches found and the appropriate one can be selected.

F2 - Lookup

Allows a lookup on the following fields:

- ♦ Prospect name
- ♦ Main contact name
- ♦ Alternate contact name
- ♦ City
- ♦ State
- ♦ Phone number
- ♦ Next call date
- ♦ Sales rep

Once found, the appropriate prospect from the displayed list can be selected by pressing
Enter.

F3 - New Prospect

Allows a new prospect to be added. If an <u>exact</u> duplicate name is entered, the information for
that prospect will be displayed and can be changed.

F4 - Exit

Exits the Prospect Maintenance and returns to the Prospect Management System menu.

F8 - Next Call

A prospect will be displayed based on the oldest call from the "Next call date" field in the
Prospect Masterfile for the sales rep currently displayed on the screen.

F9 - Task List Report

Displays a screen allowing entry of a date range, task types, status codes and the text field. A
report is then printed with the text field, meetings, "to-do's" and all of the calls in the date
range for the sales rep currently displayed.

F12 - Reschedule Calls

This option displays another screen and allows you to re-schedule calls for a later date.

Prospect

Once a prospect has been selected, the screen will be filled with the information for that
Selected prospect, and the additional contacts will be displayed below the screen. The cursor
will be positioned on the prospect name and the following message displayed:

F1-Edit F5-Contacts F7-Notes F8-User F9-Rpt F10-Tasks F11-Word F12-Conv

Prospect F1 – Edit *Options*

Allows the user to change any of the prospect information, except the name, contacts, text
and user fields (which are changed with a separate function key).

Press **F6** on any of the fields to display the help text for that field.

Fields with special options:

Sales Rep field　　Allows **F2-**Lookup and **F3-**Maintain file

Next call date　　Blank date indicates next call date not scheduled

User fields:　　　Access these using **F8**

F4 - Exit
Clears the current prospect from the screen and returns to the initial message.

F5 - Contacts
Gives the user access to the Prospect Contact Maintenance screen (PMSPROS2).

F7 - Notes
Allows the user to add to the prospect notes. This is a standard IDOL-IV text field. It is copied to the Solution-IV Accounts Receivable Customer Masterfile standard comments field when converting the prospect to a customer.

When exiting the notes, the following message will be displayed:

Update last and next call dates?
Y　　Updates the last call date to today's date, defaults the next call date based on today's date plus the number of days from the Prospect Management Parameters, and allows the user to change the next call date.

N　　Saves and exits the text field, and returns to the prospect name field.

F8 - User Fields
This option gives access to all 15 of the user fields. The descriptions for each of the 15 user fields are maintained in the Prospect Parameters. The codes allowed for each user field are maintained in Class Code Maintenance.

F9 - Report
Prints a report containing this prospect's information, including name, address, phone numbers, user fields, tasks and call notes.

F10 - Tasks
Displays the view shown on the following page and allows maintenance of the meeting, call and "to-do" type tasks required for this prospect.

Task List File					
Prospect	Date & Time	T	Task Description	S	
360 Degree Biking	05/09/96 09:00 AM	M	Demo to Technical Staff	A	
360 Degree Biking	05/09/96 12:59 PM	M	Presentation to Management Board	A	
360 Degree Biking	05/09/96 06:59 PM	M	Dinner with CFO	A	
360 Degree Biking	05/14/96 09:59 AM	M	Followup with Technical Staff	A	
360 Degree Biking	05/15/96 09:59 AM	M	With Dean & CFO -- Close the deal	A	
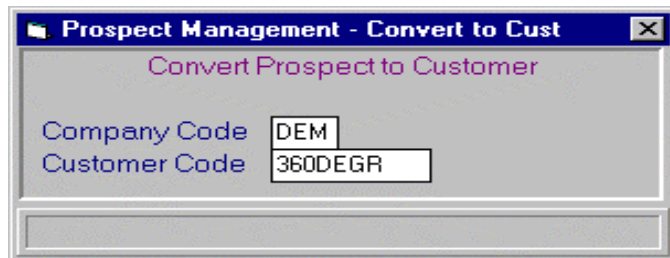
F11 - Word
Gateway for Windows interface to Microsoft Word. Requires Thoroughbred Gateway for Windows and the Solution-IV Gateway for Microsoft Office Library.

Displays a view of the Word documents available. Once a document is selected, it fills the prospect information into the appropriate fields. This works the same as Solution-IV Customer Maintenance.

F12 - Convert
Converts the prospect to a Solution-IV Accounts Receivable customer.

The system will generate a default customer code using the first eight characters of the Prospect Name. The user can then override the code. It verifies that the entered code is not already in the Accounts Receivable Customer Masterfile.

The system will then add the prospect as a customer, using information from customer "~DEFAULT~" to fill in the fields that are in the Customer Masterfile (ARFCUST1), but not in the Prospect Masterfile (PMFPROS1). It adds the prospect text field to the standard customer comment field. It also adds all of the prospect contacts to the customer alternate contact file (ARFCUST3). The prospect is deleted from the Prospect Masterfile once added to the Customer Masterfile.

Exit the Screen
When you are finished viewing and maintaining the information for a prospect press **F4** to return to the Main Message Prompt. When you are finished with all prospects, press **F4** again to return to the Prospect Management System Main Menu.

Task List Report

Introduction
Prints a report combining all tasks from the task file, calls to be made and text for the specified sales rep. The report can be limited by date range, task type and/or task status.

How to Execute
From the Prospect Maintenance Screen Main Message prompt, press **F9** to access the Task List Report Selection Screen.

Description of Fields
Starting Date
Ending Date
Enter the first and last dates you wish to have on the report. If you want the report to contain tasks for only one day, enter that date for both starting and ending.

Print Selected Tasks Types?
You have the option of printing a range or selected task types as follows:

Y   Allows you to enter up to five separate task types to print on the report.

N   Allows you to enter a range of task types to print on the report.

If you selected to print a range of task types, the system prompts:

From Type
To Type
Enter the first and last task types you wish to print on the report. If you only wish to print one task type, enter it for both first and last. If you wish to print all task types, press **Enter** twice**.**

If you are entering selected task types, the system prompts:

Selected Task Types
Enter up to five individual task types to print on the report.

Print Selected Status Codes?
You have the option of printing a range or selected status codes as follows:

Y   Allows you to enter up to five separate status codes to print on the report.

N   Allows you to enter a range of status codes to print on the report.

If you selected to print a range of status codes, the system prompts:

From Status
To Status
Enter the first and last status codes you wish to print on the report. If you only wish to print one status code, enter it for both first and last. If you wish to print all status codes, press **Enter** twice**.**

If you are entering selected status codes, the system prompts:

Selected Status Codes
Enter up to five individual status codes to print on the report.

Text
Press **F1** to maintain the general text field for this sales rep. This text field may be used as a more general "to do" list for the sales rep of items that may not have something to do with a specific prospect. The text field will be saved between reports, so each time you enter the text field it will look the same as you last left it.

Once your selections are satisfactory, there will be a slight delay as the system merges in the calls with the task file and text.

Sample Report
When finished, you will see a report similar to the following.

```
03/31/00                              Lightspeed Distributors (DEM)                          Term: T0
05:15 PM                         Prospect Management Task List Report                         Page: 1
                                       03/31/90 to 03/31/00
                                       SALLY -- Sally Summers

Date      Time   Type  Prospect Name                    Contact              Phone         Description                        Stat
--------  ------ ----- -------------------------------- -------------------- ------------  ---------------------------------- ----
General Task Notes:


02/24/00 09:00 AM Mtg   360 Degree Biking                Dean Lucy            313 555-9360  Demo to Technical Staff             A

02/24/00 12:00 PM Mtg   360 Degree Biking                Dean Lucy            313 555-9360  Presentation to Management Board    A

02/24/00 06:00 PM Mtg   360 Degree Biking                Dean Lucy            313 555-9360  Dinner with CFO                     A

02/29/00 10:00 AM Mtg   360 Degree Biking                Dean Lucy            313 555-9360  Followup with Technical Staff       A

03/01/00 10:00 AM Mtg   360 Degree Biking                Dean Lucy            313 555-9360  With Dean & CFO -- Close the deal   A

03/07/00 00:00 AM Call  Biking Products Inc.             Kevin Laughten       914 555-4715

03/08/00 00:00 AM Call  Future Bikes                     Bob McBride          713 555-9400

03/10/00 00:00 AM Call  Best Choice Bikes & Trikes       Sharon Kay           209 555-1312

03/12/00 00:00 AM Call  Alpha & Omega Biking             Bruce Hall           410 555-8000

03/13/00 00:00 AM Call  Computer Aided Designed Bikes    Bob Severs           516 555-6391

03/15/00 00:00 AM Call  360 Degree Biking                Dean Lucy            313 555-9360
```

Exit the Report
When the report is finished, you will be returned automatically to the Prospect Maintenance Screen Main Message Prompt.

Reschedule Calls

Introduction
This option allows you to reschedule calls for a future date. This function is useful if the sales rep has gotten behind on calls either in general or because of a trip or other absence.

How to Execute
From the Prospect Maintenance Main Message prompt, press **F12**.

Description of Fields
Reschedule all calls?
This option is most useful if the sales rep has gotten so far behind in calls that rescheduling calls based on the original call back date no longer makes sense.

Y   Allows the sales rep to reschedule all calls in the system starting with today's date and spreading the calls evenly over the number of days entered in the next field.

N   Skips to the date range fields below.

If you select **Y**, the system prompts:

Reschedule calls over x days
Enter the number of days over which you wish to contact all of your prospects.

Starting Date
Ending Date
This function is most useful if only a few weeks worth of calls need to be rescheduled, and they will be merged in with calls already scheduled in the future. Enter the first and last dates in the range that you wish to reschedule.

Number of days to add to original date
Enter the number of days to add to the original call back date.

Example: If you wish to reschedule the calls for two weeks later, enter 14.

Alternate Contacts

Introduction

This option allows the user to maintain an unlimited number of contacts for each prospect. Each of these contacts will be added to the Solution-IV Customer Masterfile Alternate Contacts file when the prospect is converted into a customer.

How to Execute

From the Main Prospect Maintenance screen, press **F5.**

Contact Code *Message Options*

Enter a valid contact code and the information for that contact will be displayed on the screen.

If adding a new contact not already in the contact file, enter up to six alphanumeric characters for the contact code.

F2   Displays a view and allows the user to select a contact code already defined for this prospect.

F4   Returns to the main Prospect Maintenance screen.

Once a contact code has been entered, the user may then maintain the information about the contact or use any of the following function keys:

F4   Exits the contact. If any information about the contact has changed, you will be asked if you wish to save the changes.

F6   Gives help on the various fields.

F11   Gateway for Windows Interface to Microsoft Word. Requires Thoroughbred Gateway for Windows and the Solution-IV Gateway for Microsoft Office Library.

Displays a view of the Word documents available. Once a document is selected, it fills the prospect contact information into the appropriate fields. This works the same as Solution-IV Customer Maintenance and the GWW interface on the main prospect screen.

User Fields

Introduction
This option gives access to all 15 of the user fields. The description for each of the fields is maintained in the Prospect Parameters. The codes allowed for each user field are maintained in Class Code Maintenance.

How to Execute
From the Prospect Maintenance Screen, with a prospect displayed, press **F8.**

Description of Fields
User Field *x*
The actual description of these fields will be replaced with the descriptions entered in the Prospect Parameters. Enter a valid class code for each of the user fields you will be using for this prospect. The descriptions of each class code will be displayed automatically.

Press **F2** to display a list of the valid class codes for each user field.

Press **F3** to add new class codes for this User Defined Field.

Exit the Screen
When you are finished, press **F4** and you will be returned to the main Prospect Maintenance screen, with the prospect's information still displayed.

Prospect Masterfile Listing

Introduction

The Prospect Masterfile Listing shows this prospect's information, including name, address, phone numbers, user fields, tasks and call notes.

How to Execute

From the Prospect Maintenance Screen, with a prospect displayed, press **F9** to print or display the report.

```
03/31/00 05:17 PM        Prospect Masterfile Report            Term: T0
                         Lightspeed Distributors (DEM)          Page: 1
--------------------------------------------------------------------------

360 Degree Biking                       Contact:   Dean Lucy
7623 Newburgh Road                      Phone:     313 555-9360  Ext: 101
P.O. Box 3267                           Alternate: 313 555-9000
Livonia, MI  48150                      FAX:       313 591-9365

Sales Rep: SALLY  Sally Summers

Referred by: Susan Landry

Hardware Platf  RS6000    IBM RS-6000
Estimated Usrs  U32       Unix -- 32 Users
Source Code     CPA       CPA Software News
$ Potential     25-50     $25,000 to $50,000

Last Call: 03/01/00    Next Call: 03/15/00

To Do List:
   02/24/00 09:02 AM Meeting Demo to Technical Staff           A
   02/24/00 12:02 PM Meeting Presentation to Management Board  A
   02/24/00 06:02 PM Meeting Dinner with CFO                   A
   02/29/00 10:02 AM Meeting Followup with Technical Staff     A
   03/01/00 10:03 AM Meeting With Dean & CFO -- Close the deal A

Call Notes:
   These can be used for anything.  For example, they could keep
   track of calls made.  Also note that the text entered here will
   be copied to the Solution-IV Accounts Receivable Customer
   Masterfile if and when this prospect is converted to a customer.

   022900 SS Confirmed today's followup meeting.  They are excited.
             Looks like a go!

   022400 SS Meetings today went great.  The mgt board indicated
             we had the most professional presentation they've seen.
             The tech staff indicated through body language that
             they were interested and we can probably do what they
             need.

   022300 SS Confirmed tomorrow's meeting.

   021900 SS Another conversation with Dean.  They are pleased with
             the technical information we've sent and want to
             schedule an extended demo in about a week.  Will make
             presentation to technical guys in the morning, mgmt
             in the afternoon, then dinner with CFO to discuss
             pricing.  Wow.  These guys are moving fast.

   021200 SS Rec'd call from Dean Lucy, President.  Saw our ad in
          CPA Software News.  Interested.  Send tech materials.
```

Exit Report

When the report is finished, you will be returned automatically to the Prospect Maintenance Screen.

Prospect Parameters

Introduction
The parameters allow you to customize the Prospect Management System to meet the specific needs of your company. Here is where you will indicate the "days to add" when computing the next call date, as well as provide descriptions for the 15 user fields.

How to Execute
From the Prospect Management System Menu, select option **2**, Prospect Parameters.

Description of Fields
Number of days to add when calculating the next call date
The number entered here will be added to today's date to calculate the next call date. The next call date can always be overridden.

User Field *x* Desc
Enter up to 14 characters, followed by a "**:**" (colon) to describe as many of the User Fields as you need. If you are using graphical screens, you may want to eliminate the colon.

Exit the Screen
When you are finished, press **F4** and you will be returned to the Prospect Management System Menu.

User Class Code Maintenance

Introduction

User Class Codes are the specific codes used within each of the various User Fields set up in Parameter Maintenance. At least one class code needs to be defined for each User Defined Field that you will be using.

How to Execute

From the Prospect Management System Menu, select option **3**, User Class Code Maintenance.

Description of Fields

You will receive the following prompt:

Enter the User Field you wish to maintain
Enter the appropriate number to maintain.

Example: 01

User Field *x* (replaced with actual field description)
Enter up to ten alphanumeric characters representing a valid code within this User Defined Field.

Examples: A

B

CPA

0000000500

Description
Enter up to 35 alphanumeric characters for the description of the code entered.

Examples: A   Agricultural

B   Bakery

CPA   CPA Software News Ad

0000000500$0 to $500 Potential

Exit the Screen

When you are finished entering class codes for a particular User Defined Field, press **F4** from the class code and you will be returned to the "Enter the User Field to Maintain" prompt. When you are finished entering all class codes, press **F4** from the message and you will be returned automatically to the Prospect Management System Menu.

User Class Code Listing

Introduction
The User Class Code Listing is a report showing all of the class codes defined for each of the User Defined Fields you will be using.

How to Execute
From the Prospect Management System Main Menu, select option **4**, User Class Code Listing. You will see a report similar to the one on the following page.

Exit the Screen
When the report is finished, you will be returned automatically to the Prospect Management System Menu.

```
03/31/00 05:14 PM              Class Code Listing              Term: T0
                        Lightspeed Distributors (DEM)          Page: 1
-------------------------------------------------------------------------------


Company Type
   A          Agricultural
   B          Bakery
   C          Car Repair
   M          Manufacturing
   W          Wholesale Distribution
   Z          Zoo

Hardware Platf
   0000000586 586 Compatible
   ALPHA      Dec Alpha System
   HP9000     HP 9000 Series
   PENTIUM    Pentium-based processor
   RS6000     IBM RS-6000
   VAX        DEC VAX System

Estimated Usrs
   N10        DOS Network -- Up to 10 Users
   N15        DOS Network -- Up to 15 Users
   N25        DOS Network -- Up to 25 Users
   N5         DOS Network -- Up to 5 Users
   NUNL       DOS Network -- Unlimited Users
   SINGLE     DOS -- Single User
   U128       Unix -- 128 Users
   U16        Unix -- 16 Users
   U24        Unix -- 24 Users
   U256       Unix -- 256 Users
   U3         Unix -- 3 Users
   U32        Unix -- 32 Users
   U48        Unix -- 48 Users
   U512       Unix -- 512 Users
   U64        Unix -- 64 Users
   U8         Unix -- 8 Users

Source Code
   CC         Cold Call
   CPA        CPA Software News
   M0300      Direct Mailing - 03/00
   OCR0300    Orange County Register Ad - 03/00

$ Potential
   0-1        $0 to $1000
   1-2        $1000 to $2000
   10-25      $10,000 to $25,000
   2-5        $2000 to $5000
   25-50      $25,000 to $50,000
   5-10       $5,000 to $10,000
   50-100     $50,000 to $100,000
   >100       More than $100,000
```

3   **Glossary**

1099 Reporting
1099 reporting is the filing of a 1099 tax form with the federal government. This is a report of all payments made to individual vendor of more than an amount specified by the government in a calendar year.

> **A**

Account or Account Code
An account is the basic component of a formal accounting system. It records all additions and deductions and shows balances of assets, liabilities, owners' equity, revenues and expenses.

There are two types of accounts: debit and credit. Asset and expense accounts are usually debit accounts. Liability, equity and revenue accounts are usually credit accounts.

Accounting
The process of recording, organizing, reporting and interpreting the financial data of a business.

Accounting Period
An accounting period is an interval of time for which a financial statement is prepared. In most businesses, each month is a separate accounting period.

Solution-IV allows you to store data for as many as 26 accounting periods (2 full years).

Accounting System
An accounting system is a method for interpreting the financial performance of a business. It includes the raw data, procedures and equipment needed to make this analysis.

Accounts Payable
Accounts payable is a record of money owed and payments made by a business to creditors. It is a current liability showing the actual dollar amount owed to creditors.

Accounts Receivable
Accounts receivable is a record of money owed and payments made to a business by customers. It is a current asset showing the actual dollar amount owed by customers.

Accrual Basis
Accrual basis accounting records revenues and expenses for the current accounting period even though payments will not be received or paid until a later accounting period. This is to be distinguished from cash basis.

Most companies operate on the accrual basis.

See Accrued Asset and Accrued Liability.

Accrued Asset
An accrued asset is a revenue that is recorded when it is earned, not when a payment is received. The revenue then appears on financial statements for the period in which it is earned. (It may also be called an accrued income.)

Example: If you sell a camera for $295 on credit, this transaction is immediately recognized as revenue and recorded in accounts receivable (even though cash has not yet been received).

Accrued Liability
An accrued liability is an expense recorded when it is incurred, not when a payment is made. The expense then appears on financial statements for the period in which it is incurred. (It may also be called an accrued expense).

Example: If you purchase on credit 5 dictionaries at $24.95 each, the $124.75 transaction is immediately recognized as an expense even though cash has not been paid.

Accumulated Depreciation
Accumulated depreciation is the sum of all recorded depreciation for a particular asset (or group of assets) since the date of acquisition.

Activity
Activity is the continuous completing of transactions. This activity, whether an expense or a revenue, changes the account balance.

The Solution-IV General Ledger allows you to see the activity of each account for a given accounting period.

Adjusting Entry
An adjusting entry is a general journal entry that corrects an account or brings that account up to date.

These entries are usually made at the end of an accounting period, but may be made whenever it is considered appropriate.

Aging Period
The aging period is an interval of time following a sale or a purchase that defines a revenue or expense as outstanding. The length of this period is different for each company.

Example: A loan company may want a listing of payments that are 2 weeks late.

Allowance for Bad Debts
Allowance for bad debts is an asset account that offsets uncollectible revenue. The amount is usually estimated as a percentage of accounts receivable, based on previous experience with unpaid accounts.

Alphanumeric
Alphanumeric describes a combination of letters and/or numbers.

Example: L48, 56SJ, E913S, 1234, and ASTVLS are alphanumeric.

Amortization
Amortization is the writing-off of the cost of an intangible asset over its economic life. It is usually used with leasehold improvements, organization costs, or goodwill.

Asset
An asset is anything that is owned by a business and has a monetary value.

Example: Buildings, fixtures, equipment, supplies and cash are assets.

Audit Report
An audit report verifies the accuracy of information entered into the computer. An audit report must be printed before updating the permanent files.

Audit Trail
An audit trail is a detailed record of accounting activity. It is a means of examining transactions from the time they are entered into a journal until they are printed in the financial statements.

Average Cost Method
The average cost method is a system of inventory costing. The value of inventory is determined by averaging the cost of goods in stock with goods recently received.

Example: 25 bicycle pedals purchased by you for resale at a cost of $35 each remain in inventory. You purchase 10 more at $40. Your inventory is now valued at (25 x $35) + (10 x $40) or a total of $1275 or $36.43 each. If you sell 30 of them, the cost of the sale will be computed as $36.43 x 30 or $1092.90, with a remaining inventory value of $36.43 x 5 or $182.15.

See Standard Cost, LIFO and FIFO.

B

Back Order
A back order is a request for items that are currently out of stock. As soon as they become available they are shipped to the customer.

Backup
A backup is a copy of computer files on a portable medium (such as a floppy diskette or tape cartridge). Should the computer files be corrupted or destroyed the backup can be used to replace the data.

Backups should be made at regular intervals.

Bad Debt
A bad debt is a revenue that is partially or completely uncollectible. It becomes an expense when it is established that the customer will not pay the obligation and it is not practical to enforce payment.

Balance
A balance is the difference between total debits and total credits of an account at a given time. An individual account is said to have a debit balance if debits are greater than credits, a credit balance if credits are greater than debits, or a zero balance if debits equal credits.

Balance Forward
Balance forward is a technique used in accounts receivable summarizing all transaction activity at the end of an accounting period. The balance is then carried forward to the next accounting period.

See Open Item.

Balance Sheet
A balance sheet is a financial statement summarizing the financial status of a business at a specific time. It is a detailed presentation of the assets, liabilities and owner's equity as in the fundamental accounting equation: Assets = Liabilities + Equity.

Bank Reconciliation
A bank reconciliation compares the bank statement to the depositor's records. Differences should be analyzed and explained by deposits in transit, checks outstanding, bank charges, and errors.

Bucket
A bucket is a field on the screen or in a file where data is displayed or stored. Often it is a field that does not allow user input such as the data in a specific aging category.

Budget
A budget is a financial plan or goal for a specific period of time. It can be used to compare with actual results.

C

Capital
In accounting, capital is too general to be used by itself. In most cases it means the ownership of the assets of a business by the proprietor(s).

See Equity.

Cash Basis
Cash basis accounting records revenue only when a payment is received and records an expense only when a payment is made. The payments are recorded on financial statements for the period in which they are made.

Very small businesses usually operate on a cash basis.

Example: When the sale of a product or a service is made, the transaction is not recorded until cash is received. This is to be distinguished from accrual basis.

Cash Discount
A cash discount is the amount deducted from a customer's bill when a prompt payment of that invoice is made.

Character
A character is a symbol, letter, or number.

Chart of Accounts
The chart of accounts is a table of contents for the General Ledger. It lists the accounts systematically with assets followed by liabilities, capital, revenue, cost of sales and expenses.

Check Register
A check register is a listing of check numbers and invoices paid. It is available when computer checks are generated, hand-written checks are entered, or as a summary at the end of the period.

Company
A company is an organization with its own separate assets, liabilities and equity. It may, however, be a division, branch office, department or subsidiary of a single organization. Solution-IV separates all files by company. In Solution-IV a company may also be referred to as a business or an entity.

Compressed Printing
Compressed printing is a feature available on some 80-character printers. It allows reports formatted for a 132-character column width to be printed on an 8-inch by 11-inch page.

Credit
A credit decreases an asset or an expense account and increases a liability, equity, or revenue account. It is entered on the right side of a ledger account.

Credit Balance
See Balance.

Credit Limit
A credit limit is the maximum dollar amount in merchandise a customer may receive prior to payment. Once this amount is reached, the customer must make a payment before receiving additional merchandise.

Credit Memo
A credit memo is a document notifying a customer that his account has been credited. It is usually a result of a return. A credit memo reduces accounts receivable.

Current Asset
A current asset is expected to be converted into cash or depleted in one year or less.

Current Liability
Also called short term liability. See Liability.

Current Liquidity Ratio
See Liquidity Ratios.

Current Ratio
See Liquidity Ratios.

Cursor
The cursor is a character on a computer terminal screen, which marks the place where typed characters are entered.

D

Data File
See File.

Debit
A debit increases an asset or an expense account and decreases a liability, equity, or revenue account. It is entered on the left side of the ledger account.

Debit Balance
See balance.

Depreciation
Depreciation is the decrease in value of a fixed asset over a period of time. The loss of value is caused by wear or obsolescence.

Direct Labor
Direct labor is the labor cost to convert raw materials into finished goods.

Discount Due Date
The discount due date is the last day a payment may be made to receive a cash discount. After this date the full price must be paid.

Diskette
A diskette, computer storage media, is made of flexible plastic rather than rigid metal. It is a portable medium and can be easily stored.

Due Date
The due date is the date on which payment must be made.

Dunning Message
Dunning messages are messages that may be printed on a customer statement. The messages usually are different, depending on how late the customer's oldest invoice is.

Example: Your account is past due please pay promptly. Thank you!

E

Economic Life
The economic life of a fixed asset is the time during which it is usable. When it must be replaced, its economic life is over.

Equity
Equity is the investment in a business by the owner. It can be expressed as: Equity = Assets – Liabilities.

Expense
An expense is a cost incurred while operating a business.

Example: The electric bill is an expense of operating a retail store.

F

FIFO
FIFO (an abbreviation for first-in, first-out) is a method of assigning cost to inventory. Those items acquired or produced first are used or sold first. This keeps the value of all items in stock at the latest price to be paid for them.

In inflationary times, costing by FIFO increases both the gross margin and the stated value of remaining inventory.

Example: 25 bicycle pedals purchased by your company for resale at a cost of $35 each remain in inventory. You purchase 10 more at a cost of $40. Your inventory is now valued at (25 x $35) + (10 x $40) or $1275. If you sell 30 of them, the cost of sale will be computed as (25 x $35) + (5 x $40) or $1075, with a remaining inventory value of (5 x $40) or $200.

See LIFO, Standard Cost and Average Cost.

Field
A field is the place on the computer terminal screen where a single item of data is entered.

Example: In a customer masterfile record, the customer name is typed in the customer name field and the customer address is typed in the customer address field.

See Key.

File
A computer file is a collection of related records stored under a unique name. Data files contain accounting information such as journal entries and account balances. Program files contain instructions used by the computer.

Financial Statement
A financial statement is a report of the financial status of a business. It can be a balance sheet, profit and loss statement, or any other presentation of financial data.

Fiscal Year
The fiscal year is an accounting period that does not necessarily follow the calendar year. It might consist of 12 months, 13 periods of 28 days each or 4-4-5 weeks (each 13 weeks equaling 1/4 year).

Fixed Asset
A fixed asset is a physical item having a useful life of one year or more. It is also referred to as property, plant, equipment, or plant assets.

Example: A copy machine is a fixed asset.

Floppy Disk
See Diskette.

Function
A function is an operation that performs a job.

G

GAAP
See Generally Accepted Accounting Principles.

General Ledger
The General Ledger summarizes all business transactions, grouping them by account code. Financial statements are prepared from this information.

Generally Accepted Accounting Principles (GAAP)
Generally Accepted Accounting Principles provide guidelines for conventions, rules, and procedures currently considered acceptable accounting practice.

Goodwill
Goodwill is an intangible asset whose dollar value is derived from the management skills and reputation of a business. It represents the potential earning power of a business beyond the current market value of its assets. Goodwill is usually recognized only at the time a business is sold.

Gross Profit

Gross profit is the difference between the selling price and the cost of the items being sold. It does not recognize other expenses such as rent, telephone, or utilities.

Gross Profit Percentage

Gross profit percentage shows the relationship of gross profit to sales. It can be expressed as: Gross Profit Percentage = (Total Sales – Total Cost of Sales) / Total Sales.

H

Hard Disk

The hard disk is computer storage media made of rigid material and is either fixed or removable. It has greater storage capacity and handles data faster than diskettes.

Hardware

Hardware is a general term referring to the computer and its associated equipment.

I

Income

Income is the excess of revenues over expenses. It may be expressed as: Income = Revenues-Expenses.

Income Statement

An income statement is a report that balances total revenues and total expenses over a period of time. A positive balance is a profit, while a negative balance is a loss. It is also called a profit and loss statement or a statement of operations.

Intangible Asset

An intangible asset is a long term asset without physical substance.

Examples: Copyrights, franchises, patents, trademarks, and goodwill are intangible assets.

Integration

Integration is the bringing of separate parts together. It can be used to describe the transferring of data from one system to another or the entering of data into the system once and having it transferred to all related files.

Example: Accounts Payable is integrated with General Ledger. Entries to Accounts Payable, which are relevant to General Ledger, are automatically transferred to General Ledger.

Interactive System

An interactive system does not allow the user to enter invalid data.

Example: Solution-IV is an interactive system and does not accept the entry of a company code that has not yet been created.

Interest

Interest is the amount of money paid for the use of money over time.

Inventory

An inventory is the stock owned by a business at any given time. It can be finished goods held for direct sale or component parts used in manufacturing for future sale.

Inventory Costing

Inventory costing is the method of determining the value of items in inventory.

See LIFO, FIFO, Average Cost, and Standard Cost.

Invoice

An invoice is a complete list of goods or services delivered to the buyer by the seller. It also shows quantity, price, shipping charges, terms, and other costs or discounts.

J

Journal Entry

A journal entry is the primary means of entering financial data into the General Ledger. The sum of the debits and credits in a journal entry must always equal zero.

Example: The journal entry for the purchase of $250 of office supplies (paid in cash) would consist of a $250 credit to cash and a $250 debit to office supplies expense.

K

Key

A key is a specialized field (see Field). Since the system uses the characters entered in this field to access records in a specific file, the key entry must be unique.

Example: In Solution-IV Customer Maintenance Masterfile, the customer code is the key field.

L

LIFO

LIFO (an abbreviation for last-in, first-out) is a method of assigning cost to inventory. Those items acquired or produced last are used or sold first. This keeps the value of all items in stock at the earliest price paid for them.

In inflationary times costing inventory by LIFO reduces both the gross margin and the stated value of remaining inventory.

Example: 25 bicycle pedals purchased by you for resale at a cost of $35 each remain in inventory. You purchase 10 more at a cost of $40. Your inventory is now valued at (25 x $35) + (10 x $40) or $1275. If you sell 30 of them the cost of sale will be computed as (10 x $40) + (20 x $35) or $1100, with a remaining inventory value of (5 x $35) or $175.

See FIFO, Standard Cost and Average Cost.

Labor Burden

Labor burden is the expense incurred for workers in addition to their actual wages.

Example: The employer's share of FICA (Social Security), federal and state unemployment insurance tax, workers' compensation insurance premiums, and employer-paid union contributions are part of the labor burden.

Leasehold Improvement

A leasehold improvement is a fixed asset purchased by the lessee for a rented property. Usually it may not be removed from the property when the lease expires.

Example: The installation of new fixtures and walls are leasehold improvements.

Leverage Ratios

Leverage ratios indicate how much the business is encumbered by its liabilities. It is the relationship of liabilities to assets and of debt to equity.

Liability

A liability is the amount of money due creditors.

Types of liabilities:

1. Current(or short term)-full payment is due in 1 year or less.

2. Long term-full payment is not expected for over 1 year.

Liquidity Ratios

Liquidity ratios indicate how much of the assets are easily available.

The Current Ratio is the relationship of current assets to current liabilities. It can be expressed as: Current Ratio = Current Assets/Current Liabilities.

The Quick Ratio is the relationship of current assets less inventory to the current liabilities. It can be expressed as: Quick Ratio = (Current Assets - Inventory) / Current Liabilities.

List Price

A list price is a published price subject to customer discounts.

Long Term Liability

See Liability.

M

MTD

MTD is an abbreviation for month-to-date. In Solution-IV it usually refers to the activity of an account (such as General Ledger account codes, customers, or vendors) so far this month.

Masterfile

A masterfile is a computer file containing all related data elements for a specific record.

Multi-Company Accounting

See Multi-Company Environment.

Multi-Company Environment
A multi-company environment allows the user to maintain separate sets of records for different businesses. Solution-IV is a multi-company environment system. It is also called multi-company accounting.

Multi-User Accounting System
A multi-user system allows more than one user to access a specific program from different terminals at the same time. All users can access the same files (except when a file has been security protected).

N

Net Asset
The net asset is the total stockholders' equity. It can be expressed as: Net Assets = Total Assets – Total Liabilities.

Net Income
See Net Profit.

Net Profit
The net profit results when income exceeds costs and expenses. A Net Loss occurs when costs and expenses exceed income.

O

Open Item
Open item accounting is the accounts receivable procedure which tracks each transaction in the customer record. Statements for open item customers show all invoices that are not fully paid regardless of the period in which they originated.

See Balance Forward.

Operating Expense
An operating expense includes marketing and administrative expenses. It is all expenses other than the cost of goods, cost of labor, interest, and income tax.

Operator Code
The operator code is an identifier from 1 to 3 characters long that must be entered to gain access to the system or to a function.

Overhead
Overhead is an expense not directly related to a specific job. These expenses occur whether or not a specific job is under way.

Example: Wages to office personnel, office supplies, rent, and utilities are overhead.

Overhead Burden
Overhead burden is all overhead expenses except for labor that can be applied to the cost of producing goods or services.

Overhead Rate
An overhead rate applies a predetermined rate to a contract or job to cover overhead burden. It is usually based on labor hours or direct material dollars.

Overtime
Overtime is the number of hours of work done beyond regular hours. These records are kept for payroll purposes.

Example: Overtime might be anything over 8 hours a day or 40 hours a week.

P

Paid-in Capital
Paid-in capital is the amount of money invested as equity when a business is started.

Parameter
A parameter is a format definition. When setting up Solution-IV, the system may be customized by setting parameters such as the length of the account size, the position of the location segment and the position of the department segment.

Perpetual Inventory Method
The perpetual inventory method is a continuous count of merchandise. The inventory count is updated at the time of a purchase or a sale.

Physical Inventory
A physical inventory is a list of merchandise on hand, determined by an actual count.

Profit Center

A profit center is a part of a business generating its own income and incurring its own expenses. It is separated from the rest of the business for accounting purposes. A conceptual division (rather than a physical department) of a company may also be a profit center.

Example: One store in a chain of stores may be designated a profit center.

Profitability Ratios

The profitability ratio is the relationship of the net profit to the size of the business. It may be expressed as:

Net Profit Margin = Net Profit / Total Sales
Return on Assets = Net Profit / Total Assets
Return on Equity = Net Profit / Total Equity
Earnings per Share = Net Profit / Total Shares of Stock

Program File

See File.

Purchase Order

A purchase order is a document requesting a vendor to ship a specified quantity of merchandise.

Q

Quantity Pricing

Quantity pricing is a system that provides a lower price when larger quantities are ordered.

Example: 10 bicycle tires may be ordered at $9.95 each, while 100 bicycle tires may be ordered at $9.45 each.

Quick Ratio

See Liquidity Ratios.

R

Range

A range is a group defined by two specific end points.

Examples: The number 2 is within the range of numbers from 1 to 10. The letter G is outside the range of all letters from A to C.

Ratio Analysis

A ratio analysis is a financial report assessing the performance of a business. It analyzes the activity in terms of leverage ratios, liquidity ratios, and profitability ratios for a business over a specific period of time.

Record

A record is related data stored in a computer file.

Example: Information for each company (company name, address, telephone number, federal ID number and applications used) is a single record in the Company Masterfile.

Recurring Entry

A recurring entry is a fixed journal entry that occurs on a regular basis.

Example: Rent, loan payments, and flat rate utility fees may be recurring entries.

Reorder Amount

The reorder amount is the minimum quantity of stock allowed in inventory. When that number is reached, an order is placed to replenish the stock.

Example: If the reorder amount for handlebars is 25, an order will not be placed until the inventory reaches 25 handlebars.

Reorder Level

See Reorder Amount.

Retainage

Retainage is an amount of money withheld from payment until an entire job (or a specified portion of the job) is completed. It is most often used in construction.

Retained Earnings

Retained earnings are profits reinvested in the business as stockholder equity. It is also the accumulated profits, minus any losses or dividends, of a company from its creation.

Reversing Entry

A reversing entry cancels a previous entry. A credit is used to cancel a debit and a debit is used to cancel a credit.

S

Sales Allowance
The sales allowance is a reduction of the previously agreed upon selling price.

Sales Returns
A sales return is a product returned by the customer. When merchandise is returned, a debit must be made to the sales return and allowances account, and a credit to Accounts Receivable.

Security
Security is a system safeguard against unauthorized entry.

Short Term Liability
Also called current liability. See Liability.

Source Document
A source document is the original transaction record. It is used to enter data into the computer file.

Example: The vendor invoice is a source document which contains information such as the vendor invoice number, the invoice date, terms, discount, and sales tax which is entered into the computer files.

Standard Cost Method
The standard cost method is a system of inventory costing. It uses a predetermined amount for a specific item to value the inventory and establish the sales price.

See LIFO, FIFO and Average Cost methods.

Example: The standard cost of your bicycle pedals is predetermined to be $35. 25 pedals remain in inventory at a cost of $35 each. You purchase 10 more at $40 each. Your inventory value will be calculated at (35 x $35) or $1225. If you sell 30 of them the cost will be computed as (30 x $35) or $1050 with a remaining inventory value of (5 x $35) or $175.

T

Terms
Terms are the conditions of payment agreed to by the customer and are included on the invoice. Discount terms are often used to encourage prompt payment.

Example: Terms of payment such as 2/10 net 30 (a 2% discount is allowed if payment is made within 10 days), might be offered to encourage prompt payment.

Trade Discount
A trade discount is a reduction from the list price.

Transaction
A transaction is an event that affects the financial position of a business.

Example: The purchase of 2 bicycle pumps @ $7.50 each is a transaction requiring the following journal entries: a $15 debit to inventory and a $15 credit to cash.

Trial Balance
The trial balance is a report showing the balance of each account in the General Ledger. The total credits must always equal the total debits in the General Ledger.

Two-Step Billing
In a two-step billing procedure the first step is to enter the customer order and the second step is to prepare the invoice for that order. The invoice is not prepared until the ordered items are shipped.

V

Variance
A variance is the difference between an actual amount and an estimated amount. It can be shown as an amount (e.g., $1000 over) or as a percentage (e.g. -2%).

Example: If $500 is budgeted for office supplies and $450 is spent, the variance is $50 under (or -10%).

Voucher
A voucher is a document that legitimizes an invoice and authorizes payment. Solution-IV Accounts Payable allows the entry of records using either the vendor's invoice number or your company's voucher number.

W

W-2 Form
A W-2 form is a statement of an employee's total earnings received and total taxes paid during the calendar year. The IRS requires that a W-2 be prepared for and distributed to each employee.

W-4 Form
The W-4 is a form completed by the employee informing the company of the amount of income tax that should be withheld from that employee's wages. The form is provided by the IRS and is also called the Employee's Withholding Exemption Certificate.

Working Capital
Working capital is the amount of capital in current use in the operation of a business. It can be expressed as: Working Capital = Current Assets – Current Liabilities.

Write-Off
See Amortization.

Y

YTD
YTD is an abbreviation for year-to-date. In Solution-IV it usually refers to the activity of an account (such as General Ledger account codes, Customers, or Vendors) so far this fiscal year.