Computerized Accounting

IN THE CLOUD using

Microsoft Dynamics GP 2016

8th Edition

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Instructions & Assignments

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Instructions & Assignments

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ACKNOWLEDGEMENTS

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CHAPTER 3

OVERVIEW OF MAINTENANCE, TRANSACTION PROCESSING, AND OTHER ACTIVITIES

INTRODUCTION

This chapter provides an overview of the types of information and activities in *Microsoft Dynamics GP*. It is important for you to understand each of these because they will be used extensively in the remainder of these materials.

As discussed in Chapter 1, there are five related types of information or activities included in *Microsoft Dynamics GP*. The five items are:

1. **Maintenance**
2. **Transaction processing**
3. **Other activities**
4. **Transaction and other information review**
5. **Reports**
   - ❑ General ledger balances
   - ❑ Subsidiary ledger balances
   - ❑ Financial Statements

Chapter 3 covers the first three items. Items 4 and 5 are covered in Chapter 4.

MAINTENANCE

Maintenance is covered first. Maintenance means establishing the information in the system that permits the convenient processing of transactions and preparation of reports. Examples include such tasks as setting up general ledger accounts, customer accounts, and employee payroll information. To illustrate, after a Customer ID is selected in the Sales Transaction Entry window to process a credit sale, *Microsoft Dynamics GP* automatically completes many areas of the window, such as the customer's name, address, and the general ledger sales account for sales to that customer. This automation is possible only when maintenance has been completed.

There are six maintenance windows, and for each window there are three possible maintenance tasks that can be performed. These are as follows:

Six Maintenance Windows Tasks	Three Types of Maintenance
1. Customer Maintenance	1. Add a new record
2. Vendor Maintenance	2. View and change information in an existing record
3. Employee Maintenance	
4. Item Maintenance (inventory)	3. Delete a record (or retire a fixed asset record)
5. Account Maintenance (general ledger account)	
6. Asset General Information (fixed assets)	

Maintenance is time consuming when a company initially uses accounting software such as *Microsoft Dynamics GP*, but when it is completed it greatly reduces the time required to process transactions and increases the available information after processing is completed. You will be introduced to maintenance to understand what has already been entered into the system. Maintenance is accessed through Cards on the relevant functional area page.

An important characteristic of maintenance is the inability to add or change any transaction data by doing maintenance. For example, it is impossible to add, delete, or change sales when doing customer maintenance and any other maintenance.

EXAMINE EXISTING MAINTENANCE

First let's view some maintenance that has already been done for Fabrikam, Inc. This is the second type of maintenance task listed previously.

▶ *Sign in to DynamicsCloud following the instructions in Chapter 1.*

▶ *Open the Fabrikam company.*

▶ *Click Sales → Cards → Customer.* A blank Customer Maintenance window appears that looks like the one shown below.

▶ *Click the lookup button next to Customer ID, which brings up the Customers and Prospects window like the one shown below.*

▶ *Select Castle Inn Resort in the Customers and Prospects window.*

The Customer Maintenance window appears with information for Castle Inn Resort already included as shown in the illustration at the top of the following page. The information in the window has already been entered as a part of maintenance.

Observe the information in the window. It includes the name, address, shipping method, and other information for Castle Inn Resort that will make processing the sales transaction faster and more accurate.

Next, you will examine some of the default information for Castle Inn Resort more closely. For example, observe that the name next to Salesperson ID in the window is Gary W. The salesperson, Gary W., is the default salesperson for this customer, which means this is the default entry that will be shown on the screen when the window first opens. When the *Microsoft Dynamics GP* operator processes a sales transaction for a specific customer, several default settings from the Customer Maintenance window will be shown in the Sales Transaction Entry window. There are hundreds of default settings in *Microsoft Dynamics GP*. These default settings are established through maintenance.

▶   *Click the lookup button next to the Salesperson ID box.*

The following window opens, which includes six salespersons' names. If the user wants one of the other selections when processing a transaction, he or she will click on the Salesperson ID lookup button and change it.

Salesperson ID	Name	Sales Territory ID	Status
GARY W.	Wood, Gary	TERRITORY 6	Active
GREG E.	Erickson, Gregory	TERRITORY 2	Active
IAN M.	Marsh, Ian	TERRITORY 8	Active
NANCY B.	Buchanan, Nancy	TERRITORY 3	Active
PAUL W.	West, Paul	TERRITORY 1	Active
SANDRA M.	Martinez, Sandra	TERRITORY 4	Active

(Salespeople window — Find by Salesperson ID; View: All Salespeople; by Salesperson ID)

▶   *Close the Salespeople window, but do not close the Customer Maintenance window for Castle Inn Resort.*

▶   *Click several other lookup buttons in the window and observe the large amount of information in this window.*

▶   *Click the Accounts tab at the top of the window.* The Customer Maintenance - Accounts window for Castle Inn Resort opens. Observe that there are default general ledger account settings for different types of transactions. For each account there is also a lookup button to allow the user to easily change account numbers if necessary.

▶   *Click the Options tab at the top of the Customer Maintenance window.* The Customer Maintenance – Options window opens. Again, additional information has been provided. What is the credit limit for Castle Inn Resort? It is, of course, $40,000.

▶   *Close all windows to return to the Sales application page.*

Based on this discussion you should reach two conclusions.

1. A large amount of information can be entered into each type of maintenance window.
2. Much of the information in the maintenance windows was originally set up with the use of maintenance through the Cards category.

ADDING A NEW RECORD

When a company obtains a new customer or vendor, adds new inventory, or hires a new employee, new records must be created in *Microsoft Dynamics GP*. It is important that sufficient information be included when the new information is added to allow for processing transactions. For example, if management wants to know, at some future time, the sales territory and salesperson for a given sale, that information will need to be added during maintenance. You will be setting up new records in Chapter 5.

TRANSACTION PROCESSING

After an accountant is satisfied with maintenance for all six maintenance windows, processing transactions can begin. Additional maintenance, such as adding a new customer, can and is often done during the processing of transactions.

Processing transactions is the most time-consuming aspect of any accounting system. For most companies there are both a wide variety and a large volume of transactions, often every day, but certainly every week and month.

You have already been introduced to the window for processing sales transactions in Chapter 2. Starting in this chapter, you will learn about transaction processing. In Chapters 5 through 7 you will learn and practice the many types of transactions covered in this book.

As an introduction to transaction processing, do the following for processing a sales transaction.

▶ *Open Fabrikam if that company is not already open. Click Sales → Transactions → Sales Transaction Entry. Select Invoice in the Type/Type ID box.*

The Sales Transaction Entry window appears on the screen. The window should look like the one shown at the top of the following page. This window is an example of a typical window for recording transactions in *Microsoft Dynamics GP*. You will be using this type of window extensively in later assignments.

Examine the Sales Transaction Entry window to help you understand processing a sales transaction. Then do the following:

▶ *Click in the Document No. box. The next invoice number will appear.*

▶ *Click the lookup button next to Customer ID and select Nova Systems, Inc., the same customer you selected in the introduction to maintenance in Chapter 2.*

▶ *Enter April 6, 2017, in the Date box.*

▶ *Click in the Currency ID box. The ID "Z-US$" will appear indicating the currency is US dollars.*

▶ *Click the lookup button next to Item Number to select the inventory item Surge Protectors HDWR-SRG-0001.*

▶ *Click the Show Details button.*

Compare the information on the screen to the information on the blank window shown previously. Observe that the Customer ID, Type/Type ID, Item Number, and Unit Price, along with other information, all resulted from you using two lookup buttons. The sources of this information are maintenance and the calculation abilities of *Microsoft Dynamics GP*.

▶ *Change the contents of the Quantity box from 1 to 5 (immediately to the left of the $39.95 unit price). Tab across.* Observe the change in the totals on the bottom of the screen.

▶ *Click the Insert Row button to the left of the Show Details window, and notice that a blank line appears so that you would be able to add the next item if necessary. With your cursor in the item description box of the row you just inserted, click the Delete Row option (small X) to the left of the Show Details/Hide Details buttons.*

▶ *Click the Hide Details button.*

▶ *Click the Go To button at the top of the window and select Distributions.* Observe that the general ledger distributions for this transaction have already been determined. The general ledger distributions were previously decided through maintenance and you can change the distributions if you want to use different accounts than those in the default entries.

▶ *Close the Sales Distribution Entry window, but do not close the Sales Transaction Entry window.*

You do not want to post this entry, so keep the window open for now, but do not post.

CORRECTING A TRANSACTION BEFORE POSTING

Before a transaction is posted, most errors can be corrected by clicking the box with the error and making the correction. For many errors, you can click the box with the error and reenter the correct information.

For other boxes, error correction is a bit more complicated. An example of one of these boxes is the Item Number box. Assume that the last item sold to Nova Systems should have been item #HDWR-SWM-0100, small switch, instead of item #HDWR-SRG-0001, the surge protector.

▶ *Click in the Item Number box for the last item, item #HDWR-SRG-0001.* **Note:** *Be sure to click in the Item Number box, not the Item Number description field.*

▶ *Click the Item Number lookup button and attempt to select item #HDWR-SWM-0100.*

The following error message appears.

Microsoft Dynamics GP

ⓘ You cannot change this item because the information has been saved. To remove this item, select Delete Row from the Edit menu.

OK

▶ *Click OK to remove the error message.*

▶ *Make sure the cursor is somewhere in any box for item #HDWR-SRG-0001.*

▶ *Click the Delete Row option (small X) to the left of the Show Details/Hide Details buttons.* A message appears asking you if you are sure that you want to delete this item.

▶ *Click the Delete button.*

▶ *Select HDWR-SWM-0100 in the Item Number box.*

Certain boxes cannot be changed after they are originally completed. Changes in these boxes can only be made by deleting the transaction and entering the transaction again, which is described in the following section.

DELETING A TRANSACTION BEFORE POSTING

> **NOTE**
>
> After a transaction is posted in *Microsoft Dynamics GP*, it cannot be changed or deleted. This is so important that it is worth repeating often. You should make every effort to be sure a transaction is correct before it is posted.

You can delete a transaction *prior* to posting by clicking the Delete option, which is located under the Actions menu. Deleting a transaction before posting is useful if there is an error in the window that cannot be corrected. An example in the Sales Transaction Entry window is the Customer ID box. For example, assume you discover that you selected the wrong customer for the practice sale. The sale was made to Advanced Paper Company, customer ID #ADVANCED0001, not Nova Systems, Inc.

▶ *Try to click the Customer ID lookup button.* The program will not let you change the Customer ID. You must delete the transaction and start over again.

▶ *Click the Actions menu at the top of the Sales Transaction Entry window. Select Delete.* A message appears asking you if you are sure you want to delete this record.

▶ *Click Delete to answer the question. Notice that the Sales Transaction Entry window is now blank.* **Do not close the Sales Transaction Entry window yet.**

CORRECTING A TRANSACTION AFTER POSTING

In using *Microsoft Dynamics GP*, it is important to avoid posting a transaction that is in error. After a transaction is posted, you cannot edit or delete the transaction. Depending on the type of transaction, you must first either void the transaction or record a transaction that removes the effects of the transaction in error. Next, you must record another transaction with the correct information. In some cases, error correction is quite difficult.

Four strategies are suggested to minimize the likelihood of errors.

1. **Starting in Chapter 5, follow the guidance in the Reference book for each activity or transaction.** Completing a window may appear simple after you have practiced a couple of times, but it is easy to make mistakes.

2. **Enter all information carefully.** There is often a penalty for excessive speed.

3. **Read the instructions and hints very carefully as you proceed.** The materials have been class-tested several times and hints are provided where you are most likely to make mistakes.

4. **Review each window carefully before posting or saving.** It is worth the time it takes to review each *Microsoft Dynamics GP* window. Frequently, check figures are provided to help you minimize errors.

Specific instructions for error correction are included in Appendix A of the Reference book. Because Chapters 5 through 7 are for practice, error correction applies primarily to Chapters 8 and 9. You may, however, practice using Appendix A to correct errors you make in Chapters 5 through 7.
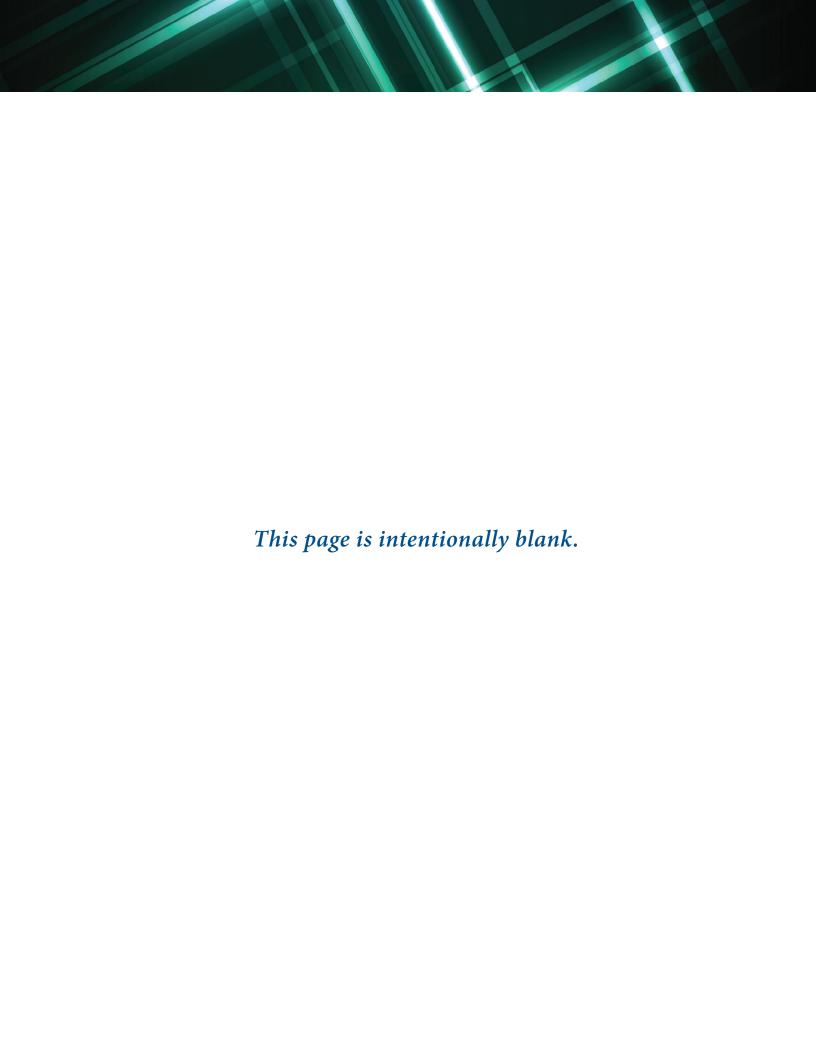
OTHER ACTIVITIES

There are five types of other activities covered in this book:

1. Post transactions to the general ledger
2. Print an accounts receivable statement to a customer
3. Prepare a bank reconciliation
4. Depreciate fixed assets
5. Perform year-end closing procedures

All of these activities are important in the accounting processes. Most of them are self-evident by their titles. Each will be covered in a later chapter.

CHAPTER SUMMARY

After completing Chapter 3, you have now learned an overview of maintenance activities and how to process data and correct data entry. You should now answer the Chapter 3 questions and problems that your instructor assigned on the following pages.

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ASSIGNMENTS PART I – QUESTIONS
MAINTENANCE

Answer the following questions. If the question asks for a date, write your answer using the following format MM/DD/YYYY.

Q-3-1. Maintenance Window Tasks

Required

Which of the following are Maintenance window tasks?
- a.   Customer Maintenance
- b.   Vendor Maintenance
- c.   Item Maintenance
- d.   Financial Statement Maintenance
- e.   Back Up Maintenance
- f.   Employee Maintenance

  1.   a., b., d., and f.
  2.   b., b., c., and d.
  3.   c., b., c., and f.
  4.   d., c., d., and f.
  5.   all of the tasks are Maintenance window tasks.

_____

Q-3-2. Maintenance Information Types

▶ *Select Fabrikam as the company in the Microsoft Dynamics GP drop-down menu.*

Required

a. What is the credit limit for the customer Advanced Paper Company?

_____

b. What is the hire date for employee Jane Clayton?

_____

c. When was the fixed asset "laser printer" acquired? **Hint:** Use Financial → Cards → General – Asset ID (scroll down to the Fixed Asset section of Cards to find this information).

_____

d. What was the acquisition cost of the laser printer?

_____

e. What is the account number for Finance Charges for a sale to the customer Continental Properties (write your answer in the following format 000-XXXX-XX)?

_____

f. What is the commission rate for the salesperson, Paul West (Write your answers using the following format X%)? **Hint**: Use Sales → Cards → Salesperson to find this information. How much did Paul West earn in commissions in January 2017? **Hint:** Use Sales → Cards → Salesperson to find this information.

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