

## Vendor Database Tutorial

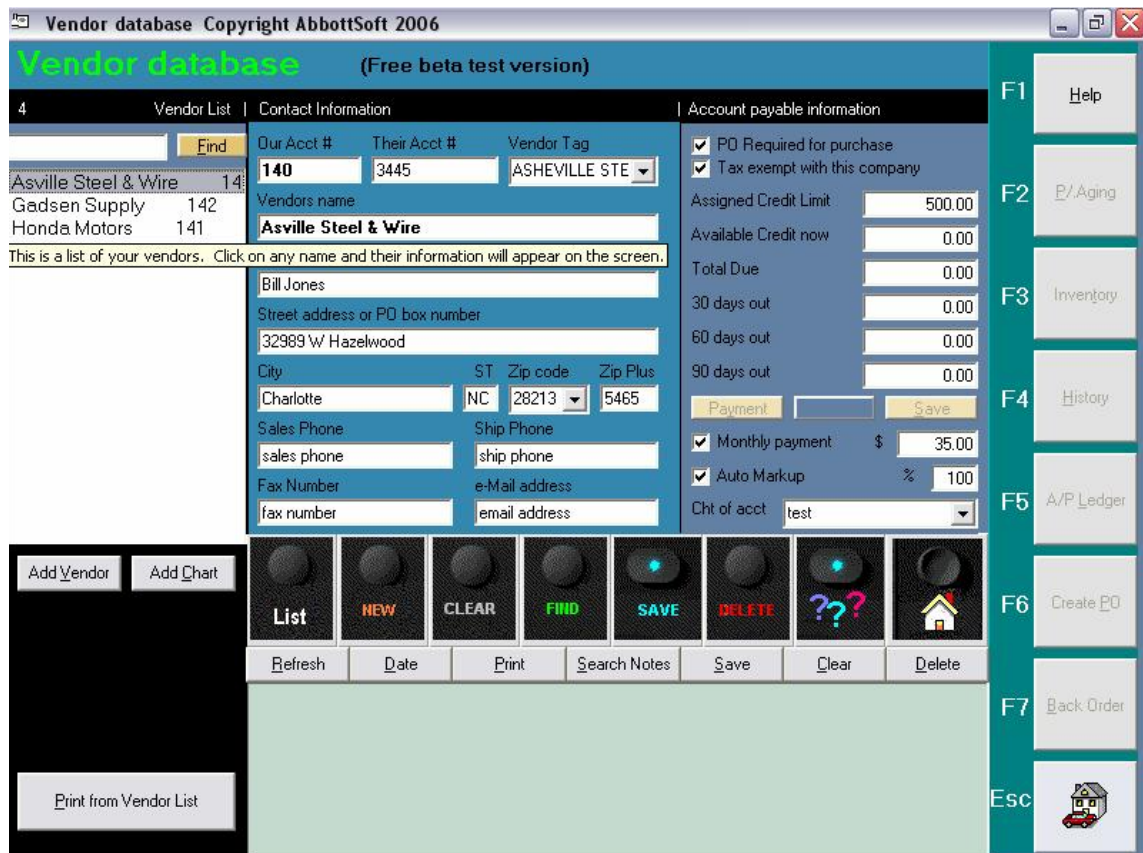
This database module is for use with the following programs from AbbottSoft

- I-Rent Software
- I-Sell POS Software
- XPressSell POS Software
- QuickFix Repair shop Software

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**Vendor database window figure 10-1**

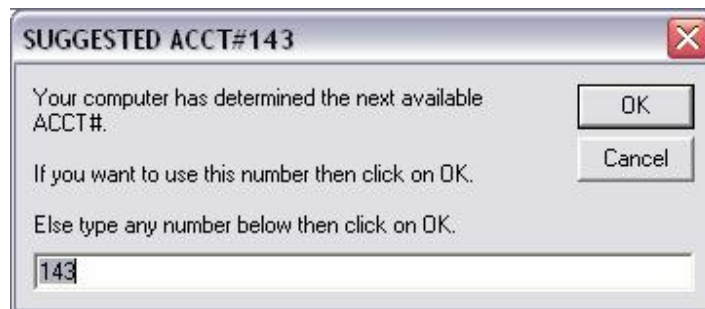
There are of course two sides to the general ledger of your company. The income and the outgo – more properly termed the “Receivables” and the “Payables.”

This vendor database is where you list people and companies which you pay money to. IT does not matter if they provide your telephone service, office cleaning or resalable merchandise.

The vendor database is utilized like the customer database. The primary difference being the clients pay you money, any you pay your vendors money. Income—outgo. The Clients are on the receivable side of your general ledger, Your vendors are on the payable.

NOTE: The vendor database module which this tutorial refers is the first release of the beta test. This beta is not complete and likewise this tutorial

**Setting up a vendor in your vendor module is easy.** The first thing you do is click on the black radio control button which says “New”. A window will pop open asking you if you will accept the vendor account number the computer picked. Our suggestion is to just click on the OK button and you will see the number appear on the top (left) center area of your vendors contact information screen. If you want to you can change the account number you are going to assign a vendor but there is seldom a real good reason to do so, and this will keep it simple for you. You must have a vendor account number installed with each client, and each client’s number must be different for it to work.



**Their account number:** This field is where you store the account number your vendor assigned to you. You should expect your vendor to use this number when referencing your account. For example when and if you receive a statement or an invoice from them, you will not only see your company name listed but your assigned account number they are using to track you.

**The Vendor Tag** is set and defined by you when you are adjusting your vendor’s tags. There are two places this is done. One is on the vendor module which we are defining now, and the other is within the inventory database. You can check the tutorial on the inventory database for more information.

You need to understand that the Vendor Tag (in most instances) is a simplified version of the vendors full company name. Remember to keep it simple when assigning a name.

Once you have the Vendor Tag for a individual vendor you can then ( and should) select it when inserting a new vendor on this database, and when inserting a new inventory item on the inventory database, when the item is purchased from the same vendor.

Remember to take your time and do it right the first time.

For information on how to add a new vendor to your list see the inventory database tutorial.

## REMINDERS:

- **As you move between data fields** remember to do so by pressing down on your “Tab” key and not your mouse.
- **As you fill out the information** always remember: Never insert symbols, only use letters and number. Doing otherwise could crash your database.
- **As you insert prices** do not insert a dollar sign. (The program will add it automatically when you save the item away)
- **If you want to change the name or account number** then you will need to delete the account and start another. Just the account number and name must be left alone once saved. You can change all the other information whenever you want.

**Filling in the Accounts/Payable** information shown on the right side of the vendors screen should be accomplished as soon as you complete the contact information.

**F1** If you require a PO be issued by your company in order to make a purchase then check that feature at the top.

**F2** If you are tax exempt and have notified your vendor then check this feature as well.

**F3** If you are allowed to charge your purchases with this vendor then initially set the maximum credit limit the vendor has assigned to you.

**F4** The Available credit now, total due, out 30-90 will be tracked automatically by the program.

**F5** If you have made an agreement to make monthly payments to your vendor for something then type in the amount.

**F6** If you want to apply an automatic markup for any purchases from this

vendor then insert it next in the form of a percentage of the purchase price. For example if you insert a percent of 125 (as shown above in the example) then the program will override the suggested retail price recorded in the inventory database and insert the new price, when you are creating a Purchase Order.

**The Chart of Accounts:** Is the last thing to be chosen when inserting a Vendor into your computer. It is very simple once you have the chart fully developed because all you need to do is drop down the list and click on the chart item which matches this Vendor.

The chart of accounts is a listing of all the accounts in the general ledger, each account accompanied by a reference number. To set up a chart of accounts, one first needs to define the various accounts to be used by the business. Each account should have a number to identify it. For very small businesses, three digits may suffice for the account number, though more digits are highly desirable in order to allow for new accounts to be added as the business grows. With more digits, new accounts can be added while maintaining the logical order. Complex businesses may have thousands of accounts and require longer account reference numbers. It is worthwhile to put thought into assigning the account numbers in a logical way, and to follow any specific industry standards. An example of how the digits might be coded is shown in this list:

## Account Numbering

1000 - 1999: asset accounts  
2000 - 2999: liability accounts  
3000 - 3999: equity accounts  
4000 - 4999: revenue accounts  
5000 - 5999: cost of goods sold  
6000 - 6999: expense accounts  
7000 - 7999: other revenue (for example, interest income)  
8000 - 8999: other expense (for example, income taxes)

By separating each account by several numbers, many new accounts can be added between any two while maintaining the logical order.

## Defining Accounts

Different types of businesses will have different accounts. For example, to report the cost of goods sold a manufacturing business will have accounts for its various manufacturing costs whereas a retailer will have accounts for the purchase of its stock merchandise. Many industry associations publish recommended charts of accounts for their respective industries in order to establish a consistent standard of comparison among firms in their industry. Accounting software packages often come with a selection of predefined account charts for various types of businesses.

There is a trade-off between simplicity and the ability to make historical comparisons. Initially keeping the number of accounts to a minimum has the advantage of making the accounting system simple. Starting with a small number of accounts, as certain accounts

acquired significant balances they would be split into smaller, more specific accounts. However, following this strategy makes it more difficult to generate consistent historical comparisons. For example, if the accounting system is set up with a miscellaneous expense account that later is broken into more detailed accounts, it then would be difficult to compare those detailed expenses with past expenses of the same type. In this respect, there is an advantage in organizing the chart of accounts with a higher initial level of detail.

Some accounts must be included due to tax reporting requirements. For example, in the U.S. the IRS requires that travel, entertainment, advertising, and several other expenses be tracked in individual accounts. One should check the appropriate tax regulations and generate a complete list of such required accounts.

Other accounts should be set up according to vendor. If the business has more than one checking account, for example, the chart of accounts might include an account for each of them.

### Account Order

Balance sheet accounts tend to follow a standard that lists the most liquid assets first. Revenue and expense accounts tend to follow the standard of first listing the items most closely related to the operations of the business. For example, sales would be listed before non-operating income. In some cases, part or all of the expense accounts simply are listed in alphabetical order.

### Sample Chart of Accounts

The following is an example of some of the accounts that might be included in a chart of accounts.

#### Sample Chart of Accounts

##### Asset Accounts

###### *Current Assets*

1000	Petty Cash
1010	Cash on Hand (e.g. in cash registers)
1020	Regular Checking Account
1030	Payroll Checking Account
1040	Savings Account
1050	Special Account

# Vendor Database

1060	Investments - Money Market
1070	Investments - Certificates of Deposit
1100	Accounts Receivable
1140	Other Receivables
1150	Allowance for Doubtful Accounts
1200	Raw Materials Inventory
1205	Supplies Inventory
1210	Work in Progress Inventory
1215	Finished Goods Inventory - Product #1
1220	Finished Goods Inventory - Product #2
1230	Finished Goods Inventory - Product #3
1400	Prepaid Expenses
1410	Employee Advances
1420	Notes Receivable - Current
1430	Prepaid Interest
1470	Other Current Assets

## *Fixed Assets*

1500	Furniture and Fixtures
1510	Equipment
1520	Vehicles
1530	Other Depreciable Property
1540	Leasehold Improvements
1550	Buildings
1560	Building Improvements
1690	Land
1700	Accumulated Depreciation, Furniture and Fixtures
1710	Accumulated Depreciation, Equipment
1720	Accumulated Depreciation, Vehicles
1730	Accumulated Depreciation, Other
1740	Accumulated Depreciation, Leasehold
1750	Accumulated Depreciation, Buildings
1760	Accumulated Depreciation, Building Improvements

## *Other Assets*

1900	Deposits
1910	Organization Costs
1915	Accumulated Amortization, Organization Costs
1920	Notes Receivable, Non-current
1990	Other Non-current Assets

## **Liability Accounts**

### *Current Liabilities*

2000	Accounts Payable
2300	Accrued Expenses
2310	Sales Tax Payable
2320	Wages Payable
2330	401-K Deductions Payable
2335	Health Insurance Payable
2340	Federal Payroll Taxes Payable
2350	FUTA Tax Payable
2360	State Payroll Taxes Payable
2370	SUTA Payable
2380	Local Payroll Taxes Payable
2390	Income Taxes Payable
2400	Other Taxes Payable
2410	Employee Benefits Payable
2420	Current Portion of Long-term Debt
2440	Deposits from Customers
2480	Other Current Liabilities

### *Long-term Liabilities*

2700	Notes Payable
2702	Land Payable

2704	Equipment Payable
2706	Vehicles Payable
2708	Bank Loans Payable
2710	Deferred Revenue
2740	Other Long-term Liabilities

## Equity Accounts

3010	Stated Capital
3020	Capital Surplus
3030	Retained Earnings

## Revenue Accounts

4000	Product #1 Sales
4020	Product #2 Sales
4040	Product #3 Sales
4060	Interest Income
4080	Other Income
4540	Finance Charge Income
4550	Shipping Charges Reimbursed
4800	Sales Returns and Allowances
4900	Sales Discounts

## Cost of Goods Sold

5000	Product #1 Cost
5010	Product #2 Cost
5020	Product #3 Cost
5050	Raw Material Purchases
5100	Direct Labor Costs
5150	Indirect Labor Costs
5200	Heat and Power
5250	Commissions
5300	Miscellaneous Factory Costs

5700	Cost of Goods Sold, Salaries and Wages
5730	Cost of Goods Sold, Contract Labor
5750	Cost of Goods Sold, Freight
5800	Cost of Goods Sold, Other
5850	Inventory Adjustments
5900	Purchase Returns and Allowances
5950	Purchase Discounts

## Expenses

6000	Default Purchase Expense
6010	Advertising Expense
6050	Amortization Expense
6100	Auto Expenses
6150	Bad Debt Expense
6200	Bank Fees
6250	Cash Over and Short
6300	Charitable Contributions Expense
6350	Commissions and Fees Expense
6400	Depreciation Expense
6450	Dues and Subscriptions Expense
6500	Employee Benefit Expense, Health Insurance
6510	Employee Benefit Expense, Pension Plans
6520	Employee Benefit Expense, Profit Sharing Plan
6530	Employee Benefit Expense, Other
6550	Freight Expense
6600	Gifts Expense
6650	Income Tax Expense, Federal
6660	Income Tax Expense, State
6670	Income Tax Expense, Local
6700	Insurance Expense, Product Liability
6710	Insurance Expense, Vehicle
6750	Interest Expense
6800	Laundry and Dry Cleaning Expense

6850	Legal and Professional Expense
6900	Licenses Expense
6950	Loss on NSF Checks
7000	Maintenance Expense
7050	Meals and Entertainment Expense
7100	Office Expense
7200	Payroll Tax Expense
7250	Penalties and Fines Expense
7300	Other Taxes
7350	Postage Expense
7400	Rent or Lease Expense
7450	Repair and Maintenance Expense, Office
7460	Repair and Maintenance Expense, Vehicle
7550	Supplies Expense, Office
7600	Telephone Expense
7620	Training Expense
7650	Travel Expense
7700	Salaries Expense, Officers
7750	Wages Expense
7800	Utilities Expense
8900	Other Expense
9000	Gain/Loss on Sale of Assets

Establishing a chart of accounts within the program structure is easy. On the Vendor database screen (bottom left in the black area) you will see a button which says "Add Chart". When you click on this button you open the "Add chart of accounts window which allows you to add accounts just like adding vendors, zips etc. through out the program.

Once you have the accounts added and the vendors data saved you are ready to start creating purchase orders to the vendor and stocking your shelves.

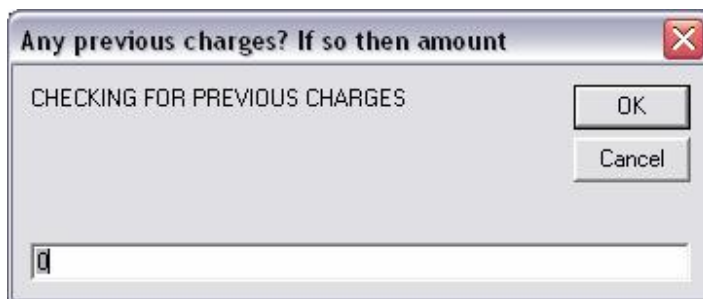
**NOTES:**



**Window used for inserting accounts**

**Saving your vendor** once you have entered the needed information, is quite simple.. Just click on the black “Save” radio control button.

When you save a vendor (Just like the clients, inventory and equipment database modules) the Vendor will be inserted into the vendor list on the far left of your screen, and the list will be sorted alphabetically for you. Another automated service of the program.



Previous Charges are considered after you click on the black “Save” radio control button. The program will stop and ask if there are any previous charges you own this customer, which were incurred prior to opening the account. If you want these old charges added onto your open account

with this vendor then just type in the amount you want to start off with.

**Help Screen is available** by clicking on the black, radio control button with three question marks on it.

**Help with vendor database:**

This program is a pre-release and NOT complete. As a BETA version it is provided so you can start using the module, build your database of vendors, and at the same time provide us with feedback about the features and functions you find. Realize many functions will not work. If however you find an issue with a function that appears to be working then please call (828) 926-2892 Mon-Tue or Thur-Fri from 9am to 5:30 pm EST. You can also send suggestions or report issues direct to our website 24.7 -- <http://www.abbottsoft.com>

The vendor database is only one part of the "Accounts Payable" A/P side of the general ledger. This series of modules will be usable on our many programs. Included in the finished product will be a module to create purchase orders and another to record your expenses (check writing) All of these modules will work together and automatically post information between the various databases, including those already available. Once finished we will have a complete solution where your business can add or delete modules which will help you run your business the way you want.

The NEXT MODULE to come on line will be the module which allows you to create Purchase Orders. When we deliver it to you, we will also deliver an update of this module so information created by the purchase order will be reflected back into the vendor database, and the inventory database.

**Defining fields of information:**

**OUR ACCOUNT NUMBER:** Is selected with the NEW button. This is the number your computer will attach to each vendor.

**THEIR ACCOUNT NUMBER:** Is a client number which your vendor will probably assign to you. This number works with their computer.

**VENDOR TAG:** Should be the simple name of your vendor. This name is used and shared by many modules such as the inventory, purchase order etc.


**ZIP CODE:** Shared with the client database. The vendor module will skip over the city and state when you use the tab key. When you type in the vendors zip code the program will look for a match, and if one is found then fill in the city and state for you. If no match is found the program will prompt you for the city and then the state and then if you file the information the next time you type in the zip the program will complete the city and state for you.

**ASSIGNED CREDIT LIMIT:** This is the credit line (amount of credit) extended to you by your vendor. The module will automatically track the amount due as you create Purchase Orders and make payments to your account. Do not use a \$ sign when typing in numbers.

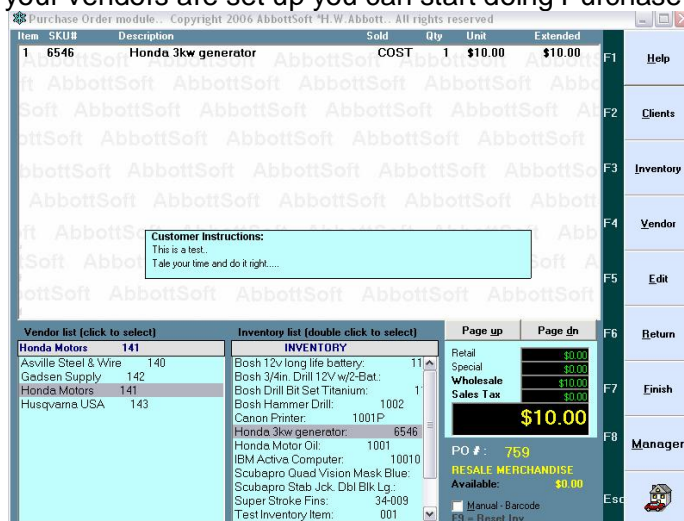
**MONTHLY PAYMENT:** If you have an arrangement with a vendor where you make a monthly payment you can record the amount here and the program will allow you to get a printed report and post the amount to your A/P ledger.

**AUTO MARKUP:** If you wish you can assign a percentage of the cost of inventory as a automatic markup when creating purchase orders. You can also set the retail price in the inventory database and the program can also use that. You can choose by vendor if you want the auto-markup or not. There are advantages and disadvantages to both methods. Consider carefully.

**CHART OF ACCOUNTS:** This is a bookkeeping item and must be filled in before you can save a vendor. The Chart of Account is used to set each vendor to the type of product or service they provide you. This information is required by bookkeeping procedures and if you do not understand what a chart of accounts is made up of, then you should seek professional assistance in defining your own. While we have seeded a sample chart it is only designed to help you understand.



Once your vendors are set up you can start doing Purchase Orders



Item	SKU#	Description	Sold	Qty	Unit	Extended
1	6546	Honda 3kw generator	COST	1		\$10.00

Vendor list (click to select)	Inventory list (double click to select)
Honda Motors 141	<b>INVENTORY</b>
Asville Steel & Wire 140	Bosh 12v long life battery: 11
Gadsden Supply 142	Bosh 3/4in. Drill 12V w/2-Bat:
Honda Motors 141	Bosh Drill Bit Set Titanium: 1
Husqvarna USA 143	Bosh Hammer Drill: 1002
	Canon Printer: 1001P
	Honda 3kw generator: 6546
	Honda Motor Oil: 1001
	IBM Activa Computer: 10010
	Scubapro Quad Vision Mask Blue:
	Scubapro Steab Jck. Del Blk Lg:
	Super Stroke Fins: 34-009
	Test Inventory Item: 001

Retail	\$0.00
Special	\$0.00
<b>Wholesale</b>	<b>\$10.00</b>
Sales Tax	\$0.00
<b>\$10.00</b>	

PO #: 759  
**RESALE MERCHANDISE**  
 Available: \$0.00

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