

# Payroll Posting to Accounts Receivable

## Instruction Manual



**CHAMP SYSTEMS, INC.**

## Table of Contents

Introduction	3
Overview of System Startup	3
Setup	4
Using the Main Menu	11
Using the Inquiries Menu	14

## **INTRODUCTION**

The Payroll Posting to Accounts Receivable enhancement helps to eliminate double entry of data. When keying in payroll, you will also have the ability to enter the customer code to be invoiced, and when payroll is updated, Accounts Receivable invoices will also be created.

The Payroll Posting to Accounts Receivable enhancement is totally integrated with MAS 90 · MAS 200 Payroll and Accounts Receivable modules.

The following pages contain detailed instructions for the Payroll Posting to Accounts Receivable enhancement.

## **OVERVIEW OF SYSTEM SETUP**

The following are steps on installing your Payroll Posting to Accounts Receivable enhancement:

- 1**      Insert diskette in floppy drive A.
- 2**      Select your windows option for File and Run, and then type in A:\SETUP.
- 3**      Once the installation process is completed, the first time Accounts Receivable or Payroll is accessed, the system will prompt you to run the level conversion.

You are now ready to setup the billing rate options as discussed in the Setup Section.

# SETUP

## Setting up Sales Codes

### Accounts Receivable Setup – Sales Code Maintenance

To process Payroll to Accounts Receivable transactions, you will need to set up a new sales code in Accounts Receivable called PR2AR.

The screenshot shows the 'Sales Code Maintenance' window. At the top, the 'Sales Code' field contains 'PR2AR' and the 'Description' field contains 'P/R-to-A/R'. Below this, there are three rows for account selection: 'Sales Account' with '400-01-01' (Distribution sales - East), 'Cost of Goods Account' with '450-10-00' (Cost of Goods Sold), and 'Inventory Account' with '115-00-01' (Inventory - East Warehouse). A checkbox for 'Post to General Ledger by Division' is unchecked. The 'Unit of Measure' is 'HR', 'Standard Cost' is '.000', and 'Standard Price' is '.000'. The 'Tax Class' is 'NT'. Checkboxes for 'Calculate Commission', 'Enter Description', and 'Enter Cost Amount' are all checked. At the bottom, there are navigation buttons (back, forward, etc.), 'Accept', 'Cancel', 'Delete', and a help icon. The status bar at the very bottom shows 'Enter Sales Code Description', 'ABC', and '02/17/2000'.

When setting up your Payroll to Accounts Receivable enhancement, there are two methods to determine the General Ledger accounts that will be posted to with the Payroll transaction. We will explain the options and how they work in the next section.

## Customer Maintenance

The screenshot shows the 'Customer Maintenance' window for customer '01-AVNET'. The 'Sales Code' field is currently blank. An arrow points from the text below to this field.

The Sales Code that is set up in the Customer File is used when payroll posts to Accounts Receivable Invoice Data Entry. It is also used to determine the General Ledger accounts to be posted to in Accounts Receivable Invoice Data Entry.

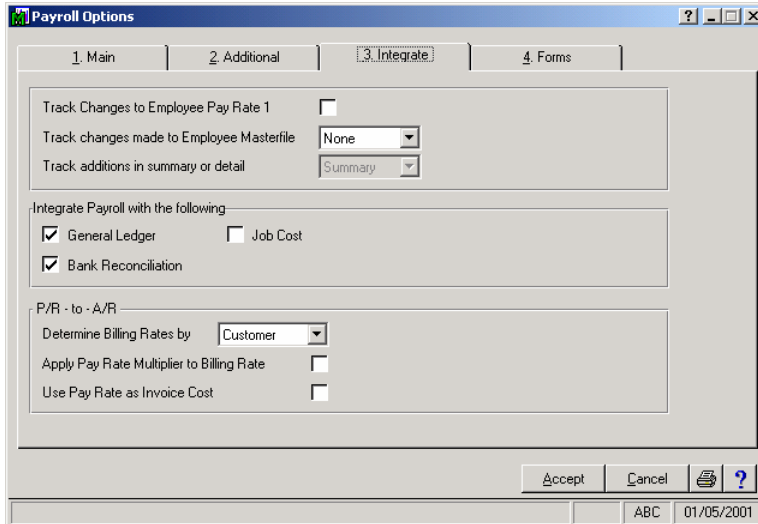
*Method 1* - If the sales code is left blank, the system will default to the Sales Code PR2AR and use the General Ledger accounts set up in PR2AR.

*Method 2* - If a sales code is entered in Customer Maintenance, the Payroll Update program will use that sales code for creating the Accounts Receivable invoice and will use the General Ledger accounts set up for that sales code.

### Setup Options

#### Payroll Setup Options

There is an option in Payroll Setup that determines how the hourly rate to the customer is to be determined.



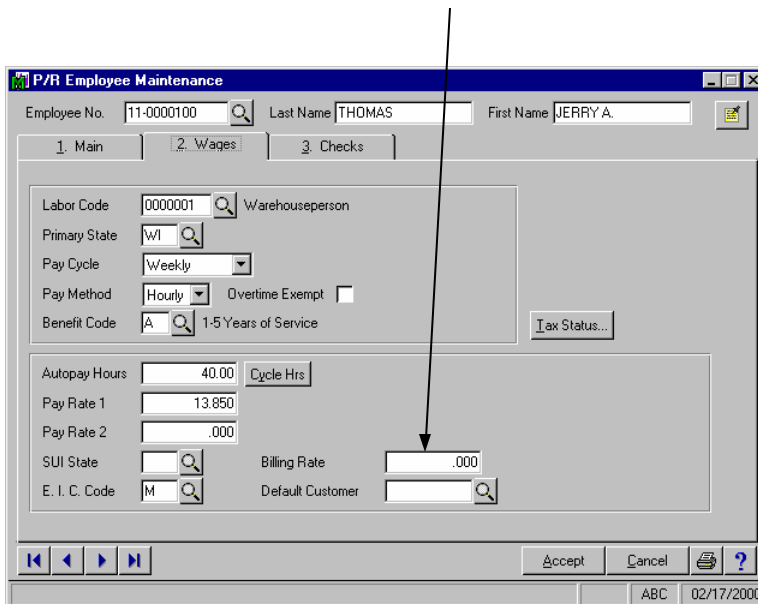
### Determine Billing Rate by: Employee / Customer

By selecting **Employee**, the hourly rate to bill the customer will be setup in the Employee Maintenance screen. If the Employee Maintenance screen is left blank, the rate will be determined by the hourly rate set up in Labor Code Maintenance.

By selecting **Customer**, the hourly rate to bill the customer will be setup in the customer file under by Labor Code Rate. If the Labor Code Rate is left blank, the system will default to the customer rate set up in Customer Maintenance.

### Employee Rate

The setup in this screen represents the rate being determined by the employee. In the Employee Maintenance, under the Wages tab, there are two new fields.



The **Billing Rate** is the rate that the employee is to be billed out at.

The **Default Customer** is the customer that this employee normally works for. This will come up automatically and can be overridden during Payroll Data Entry.

## Labor Code Rate

Another way to calculate the billing rate is by using Labor Codes.

You can specify the Labor Code Rate in the Employee Maintenance screen on the Wages Tab.

The screenshot shows the 'P/R Employee Maintenance' window with the 'Wages' tab selected. The window contains the following fields and controls:

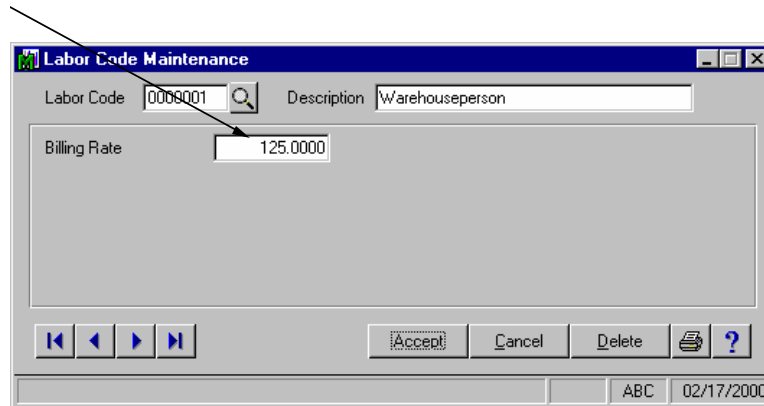
- Employee No.: 11-0000105
- Last Name: JENKINS
- First Name: ALLEN
- 1. Main | 2. Wages | 3. Checks
- Labor Code: 0000001 (Warehouseperson)
- Primary State: WI
- Pay Cycle: Weekly
- Pay Method: Hourly (Overtime Exempt checkbox is unchecked)
- Benefit Code: A (1-5 Years of Service)
- Autopay Hours: 40.00 (Cycle Hrs button)
- Pay Rate 1: 13.850
- Pay Rate 2: .000
- SUI State: [empty]
- Billing Rate: .000
- E. I. C. Code: [empty]
- Default Customer: [empty]
- Buttons: Accept, Cancel, Print, Help
- Status: ABC 02/17/2000

The Labor Code must first be setup in Payroll Options Labor Code Maintenance.

The screenshot shows the 'MAS 90' application window with the 'Setup' menu open. The menu items are:

1. Payroll Options
2. General Ledger Account Maintenance
3. Bank Code Maintenance
4. Earnings Code Maintenance
5. Deduction Code Maintenance
6. Department Maintenance
7. Tax Table Maintenance
8. Labor Code Maintenance
9. Workers' Compensation Maintenance
- A. Benefit Schedule Maintenance

A new field has been added in Labor Code Maintenance for the billing rate for that Labor Code. This is always the default and can be overridden during Payroll Data Entry.

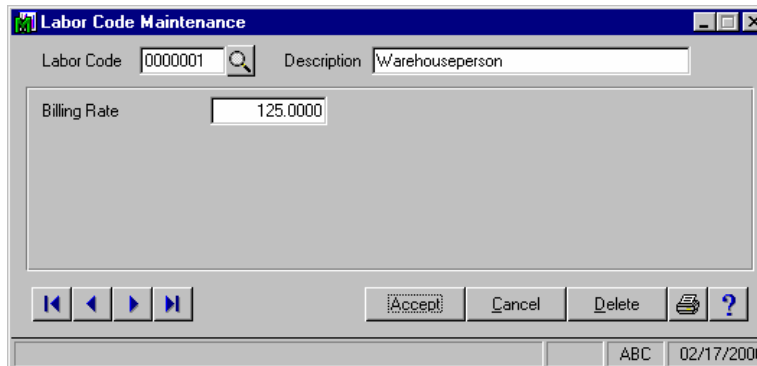


## Customer Maintenance

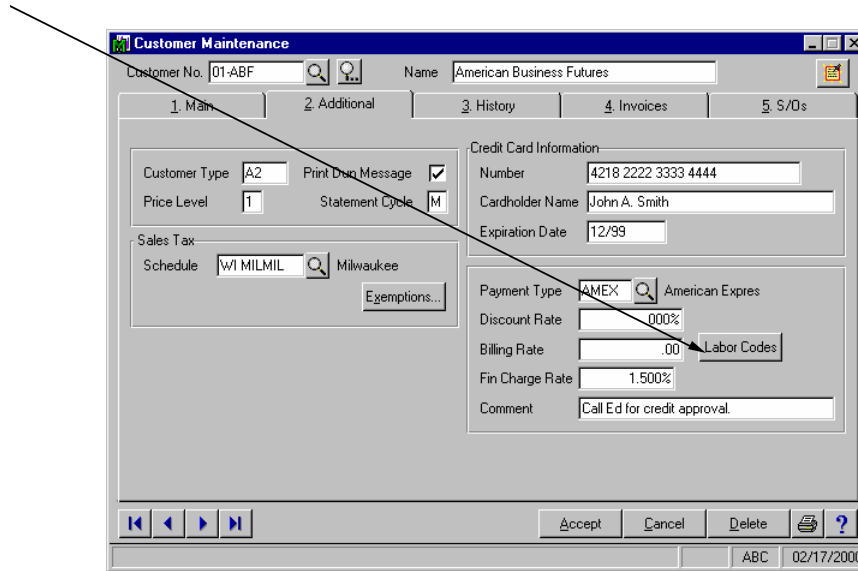
Billing rates can also be defined in Accounts Receivable Customer Maintenance.

## Customer/Labor Code Rate

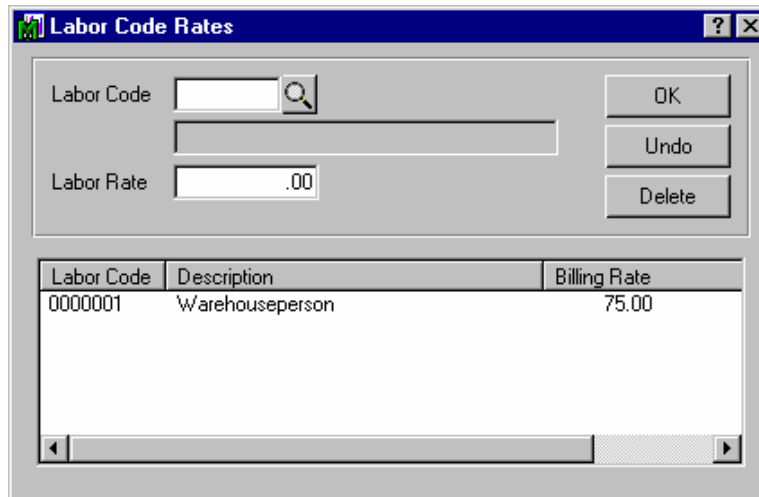
Within Payroll, Setup Options, Labor Code Maintenance, you will define the billing rate for that Labor Code.



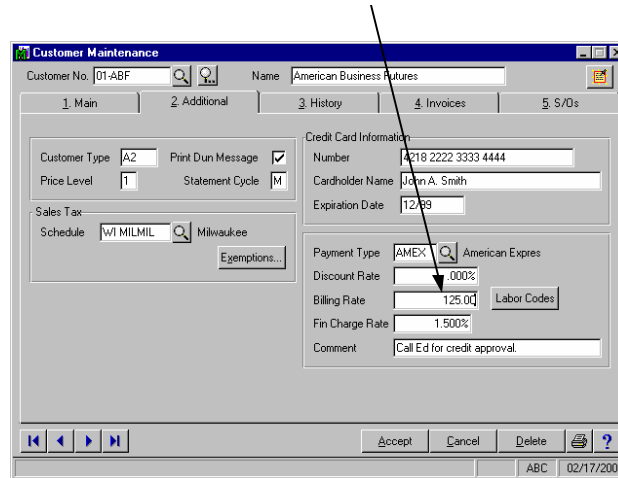
You will then go to Accounts Receivable Customer Maintenance, Additional Tab, there is a new button added for Labor Codes.



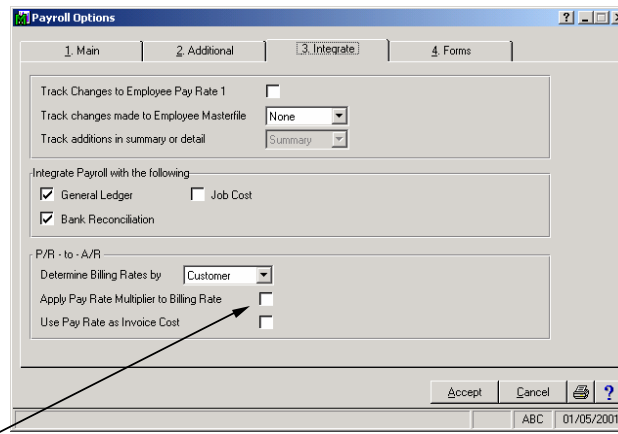
Click on the Labor Codes button, this screen is where you can select each labor code that is defined in the Payroll module and enter the billing rate for this customer only.



Another way to determine the billing rate by customer is to enter the standard rate for this customer on the Customer Maintenance screen. This is the default rate for this customer and can be overridden during Payroll Data Entry.



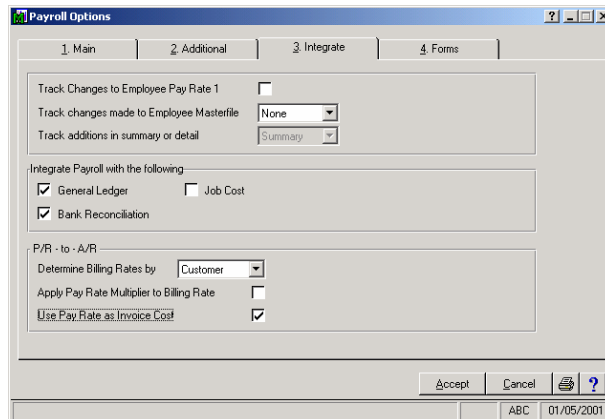
## Apply Pay Rate Multiplier to Billing Rate



Check this box if customer is charged for employees that work overtime. If this box is unchecked, the regular rate for that customer/employee will be used.

## Use Pay Rate as Invoice Cost

Check this box to allow the Pay Rate for the employee to be transferred to the Invoice cost for that line item. If this box is not checked, there will be no cost applied.

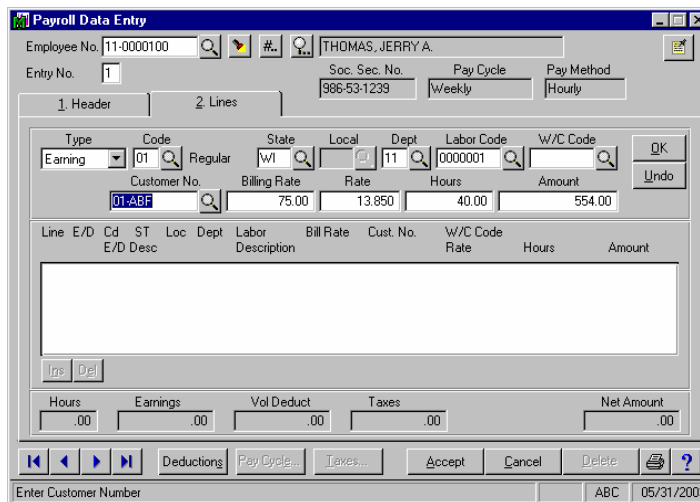


## USING THE MAIN MENU

### *Payroll Main Menu*

### Payroll Data Entry

The Payroll Posting to Accounts Receivable enhancement will primarily affect your Payroll Data Entry. Fields have been added to your Payroll Data Entry screen for the information necessary to do billing in Accounts Receivable.



The new fields are the Customer Code, and Billing Rate. These fields will be filled in automatically based on the following hierarchy. The Rate and Customer Code can always be overridden during Payroll Data Entry. By selecting Employee, the Hourly Rate to bill the customer will be setup in the Employee Maintenance screen. If the Employee Maintenance screen is left blank, the rate will be determined by the hourly rate set up in Labor Code Rate. By selecting Customer, the hourly rate to bill the customer will be setup in the Customer file under by Labor Code Rate. If the Labor Code Rate is left blank, the system will default to the customer rate set up in Customer Maintenance.

## Accounts Receivable Main Menu

### Invoice Data Entry

Once the payroll checks have been updated, the system will create invoices in Accounts Receivable.

To review those invoices, simply go into Accounts Receivable Invoice Data Entry.

The screenshot shows the 'A/R Invoice Data Entry' window. The 'Header' tab is selected, displaying the following information:

- Invoice Number: 0100049-IN
- Customer No.: 01-ABFI (American Business Futures)
- Customer PD: [Empty]
- Invoice Date: 05/31/03
- Due Date: 06/30/03
- Discount Date: [Empty]
- Net Invoice Amt: 11000.00
- Terms Code: 01 (Net 30 Days)
- Shipping Method: UPS BLUE
- Salesperson: 0100 (Jim Kentley)
- Comment: 05/31/2003
- Sales Tax Schedule: w/1 MILMIL (Milwaukee)
- Print Invoice:
- Batch Fax:

At the bottom of the window, there are navigation buttons (back, forward, etc.), 'Accept', 'Cancel', and 'Delete' buttons, and a status bar showing 'Enter Division and Customer number', 'ABC', and '05/31/2003'.

One invoice will be created for each customer that was entered through the Payroll module.

The Payroll Wages Through date will be displayed in the comment field on the header of the invoice.

The Lines Tab will display each employee that was posted to that customer during Payroll Data Entry.

A/R Invoice Data Entry

Invoice Number 0100061-IN Quick Print... Customer... Credit...

1. Header 2. Lines 3. Totals

Sales Code Description Tax Class Commission  OK  
 Subject to Exemption  Undo

G/L Acct Quantity Price Cost Amount

Line	Sales Cd	Description	Quantity	Price	Cost	Amount
1	PR2AR	JERRY A. THOMAS	40.000	8341.160	13.850	333646.40
2	PR2AR	ALLEN JENKINS	40.000	8341.160	13.850	333646.40

Net Invoice 667292.80

Accept Cancel Delete ?

ABC 05/30/2003

If Use Pay Rate as invoice cost was selected in Payroll Options this cost will be automatically entered on the Lines Tab.

The payroll information on the Accounts Receivable invoice can now be edited. If any changes are made, this will only affect this invoice. It will not make any changes in the Payroll system.

The Sales Code will default to PR2AR, unless a default sales code is set up in the customer file. Again, this is only used to determine the General Ledger accounts to post to in Accounts Receivable Invoicing.

# USING THE INQUIRIES MENU

## *Invoice History Inquiry*

The invoice that was created through Payroll is processed as a normal Accounts Receivable invoice and is available in Invoice History Inquiry. You will be able to view the lines panel and see the employees that were billed on a particular invoice.

Sales Code	Description	Quantity	Unit Price	Unit Cost	Extension
PR2AR	JERRY A. THOMAS	40.000	125.000	.000	5,000.00
PR2AR	ALLEN JENKINS	40.000	150.000	.000	6,000.00

For additional information or technical assistance on this product, please contact:

Champ Systems, Inc.  
6060 Freeport Blvd.  
Sacramento CA 95822  
(888) 424-4066 or  
(916) 424-4066  
[www.champsystems.com](http://www.champsystems.com)