

## 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
- Copyright

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**NOTE: The vendor database module, which this tutorial refers, is the first release of the beta test. Although functional, this beta is not complete and likewise this tutorial. There are no warranties!**

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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 *paidout* – 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 That your clients pay you, their money and you pay your vendors, your money.

Income—outgo. The Clients are on the receivable side of your general ledger; Your vendors are on the payable side.

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## KNOW THE PARTS OF YOUR VENDOR MODULE:



### 1: VENDOR LIST AND PRINTING CHOICES:

You can accomplish two basic operations from the “VENDOR LIST”.

1<sup>st</sup>. If you click on any name shown the vendors information its details will automatically appear in both the contact information window (2) the Account payable window (3) and If notes are attached they will appear in window (5)

2<sup>nd</sup>. You can print any of the six reports which will include information about all the vendors shown in the vendor “list window.”

### 2: VENDOR CONTACT INFORMATION:

Use the black “radio control” buttons to control this module. They are tied together.

### 3: VENDOR ACCOUNTS PAYABLE INFORMATION:

This database is relational to the contact database and they are intertwined. Separate controls.

### 4: TOUCH SCREEN BUTTONS:

Used to move between modules or run procedures related to the vendor on the screen.

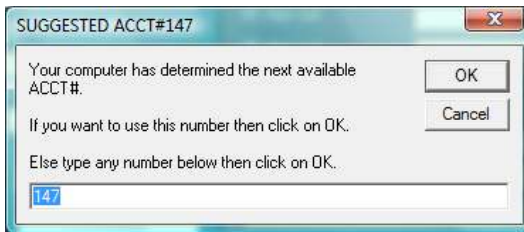
### 5: VENDOR NOTE PAD:

The Vendor notepad has it’s own set of control buttons. Using the search feature will list all vendors where their notepad contains the search string. This feature offers extreme flexibility.

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**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.

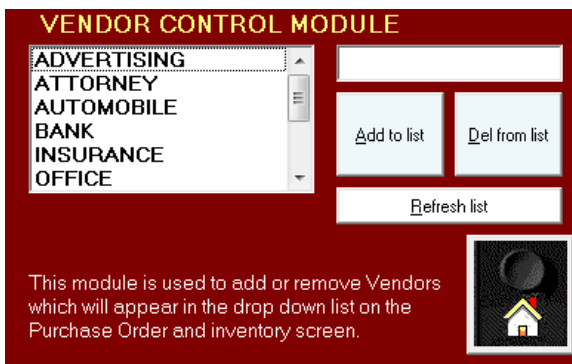


Our suggestion is to just click on the OK button and you will see the number appear on the top (left) center area of your vendors contact information screen. If you want you can change the account number you are going to assign a vendor but there is seldom a real good reason to do so, and this will keep it simple for you.

You must have a vendor account number installed for each vendor, and each vendors number must be different.

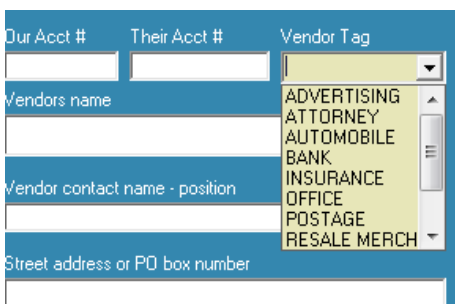
**Their account number:** This field is where you store the account number which your vendor assigned you. You should expect your vendor to use this number when referencing your account. For example when and if you receive a statement or an invoice from them, you will not only see your company name listed 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. First is on this vendor module that we are reviewing now, and the other is within the inventory database. You can check the tutorial on the Inventory database for more information. When listed both can link to each other.



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

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



Once you have the Vendor Tag for individual vendor types installed, you can then (*and should*) drop down and select a vendor tag from the list when inserting a new vendor.

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Remember to collect your vendors e-mail address. With today's internet you will appreciate the power it offers you. Read further about how to build bulk e-mail to vendors and clients.

## VENDORS ACCOUNT PAYABLE SECTION:

**Account payable information**

PO Required for purchase  
 Tax exempt with this company

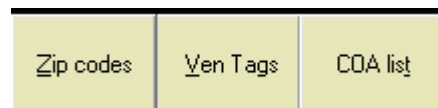
Assigned Credit Limit   
Available Credit now   
Total Due   
30 days out   
60 days out   
90 days out

Monthly payment \$   
 Auto Markup %

1101 MISC

5000	Cost of goods sold
5200	Utility - Power
5250	Sales Commission
5750	Cost of goods - freight
6010	Advertising
6100	Auto Expense
6200	Bank Fees
6300	Charitable donations - expe

this section is where you track any money owed to your vendor, record information about how you deal with the vendor and set your "CHART OF ACCOUNT" name for each vendor. (A sample chart of accounts is already set up for you) more information about the chart of accounts is listed later in this module.



You can add, change and delete the listing, as you need -- using the "COA list" button on the bottom left of your screen. Under the vendor list. (more information below)

**FIXED MONTHLY PAYMENTS:** Such as used for office cleaning, internet, phone or other agreed to service contracts, can be setup and recorded once you activate the "Monthly payment" choice and then insert the amount you will be paying this vendor.

**AUTO MARKUP:** This allows you to set the preferred percentage of mark up for each item you purchase for resale. If you activate and input a percent then when you are creating a Purchase Order the program will stop and suggest the retail price.

You can override it, or change the retail in the inventory database module to match the new retail.

You can modify and re-save information in the AP section anytime you need by making the changes then clicking on the "Save" button located directly above the monthly payment field.

**YOU MUST SELECT A CHART OF ACCOUNT FROM THE LIST BEFORE YOU CAN SAVE THE CLIENT INITIALLY.**

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It is important to fill in all the information you can. While it might be tempting to pass over a field of information in an attempt to save a second or two, you will probably find yourself spending even more time later paying for those two seconds.

## SAVING THE VENDOR INTO YOUR DATABASE:

Once you have completed the vendor's contact information and made any entries you need into the accounts module, you can click on the black "radio control" button marked "save" and the information will be filed away. Assuming you have completed the information the program will stop during the initial setup of the vendors account and ask "if there is a beginning balance?" This additional prompt allows you to specify if you already owe the vendor moneys and if so then start tracking the payable for this vendor properly. Once saved you will see the name is automatically listed in the "VENDOR LIST."

## 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.

## CHANGING THE CHART OF ACCOUNT:

When you activate the "Chart of Accounts" module using the "COA list" button on the bottom left of your screen, the pop-up window appears. This allows you to add, delete or modify line items for your own Chart of Accounts. (You should consult your bookkeeper or accountant if you do not understand this feature)

The screenshot shows a software window titled "Chart of Accounts:". On the left is a scrollable list of accounts with their numbers and descriptions. On the right, there are input fields for "Acct. Num." and "Account Name (Title)", and three buttons: "Add above to list", "Delete above from list", and "Refresh list on left". Below the buttons, there are instructions: "To add new account - type info in above fields then Add to list." and "To delete account - click on list of accounts then Delete from list". A small house icon is in the bottom right corner.

Acct. Num.	Account Name (Title)
5000	Cost of goods sold
5200	Utility - Power
5250	Sales Commission
5750	Cost of goods - freight
6010	Advertising
6100	Auto Expense
6200	Bank Fees
6300	Charitable donations - expenses
6450	Dues and subscription expense
6500	Employee Benefit Expense, Health Insurance
6600	Gifts Expense
6650	Income Tax Expense, Federal
6660	Income Tax Expense, State

This feature is easy to use. Just follow the instructions on the bottom of the window and review the suggested account numbering for compatibility with your own business.

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**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.

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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.

### 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
- 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



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## ***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

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## ***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

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## 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

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## SEARCHING AND FINDING VENDORS

Your ability to drill down into your vendor data and quickly retrieve vendors either singly or many that are related. It is easy and yet powerful. Here is how you do it.



Once you have filled in most of the fields shown in the vendors contact information you can find a vendor (or vendors) predicated upon the field you enter your search information into. The fastest way will be to enter your vendors account number. Almost as fast is searching for all or part of the vendors name. Searching by using other fields will be a bit slower because your computer needs to look at and compare more information than with the acct. number or name.

**The “Find” button:** Once you have your search information filled in you can click on the black “radio control” button labeled “find” and the computer will search and if a match is found your computer will fill in the vendor information for you.

**The “List” button:** Following the same methodology the computer will search and list any matches onto the “Vendor List” located on the left of the screen. If you are searching and listing vendors from a particular state or perhaps a common vendor tag, then you might find many clients listed.

Once you have vendors shown on the list you can do one of two things. You can click on any vendors name and their information will be shown in the contact information portion of the screen (you can click on one vendor after another and quickly see their information) – or- you can click on one of the printing routine buttons shown below the list and the computer will automatically send your printed report to your attached printer. NOTE: You will not be prompted by windows for the number of copies etc. so make sure your printer is on-line and ready to print. Failure to prepare your system can cause a system crash.

### ONLINE HELP:

In addition to this tutorial and with all modules in our software, the vendor database has numerous methods for getting help on your computer screen while running the program. Press F1, or click on the black “radio control” button with the three question marks and a popup window will appear. Watch the help line below the black “radio control” buttons as you move your mouse around the screen.

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## NOTE:

The following features may not function on the Beta model. In order for them to function you must be using the Purchase Order module. Also; other features available from the new managers menu in your core program (home page). Features such as the PO module, Day, month, year payable reports and your Profit and loss report which are in development or being planned at this time.

## MAKING AND TRACKING PAYMENTS TO VENDORS.

There is more than one way you can and might pay your vendors.

- You might pay cash from your drawer... (petty cash)
- You might use your charge card at a store.
- You might use your debit card over the Internet or phone
- You might pay the old-fashioned way, with a check.

You record your payments to the vendor by activating the below pop-up window when you click on the "Payment" button located inside the Account Payable zone. When you do this correctly your payment will be posted and reported first in your daily payables report and automatically carried through to the P&L and other accounting reports. Please consider #4 carefully as a reference.

The image shows a software interface for entering vendor payments. On the left is a blue sidebar with four numbered steps (1-4) and corresponding input fields. Step 1 is a radio button menu for payment type. Step 2 is a text field for the amount. Step 3 is a text field for check or credit card number. Step 4 is a text field for invoice number or purchase description. On the right, a white box titled 'Instructions:' lists six numbered steps corresponding to the form fields. At the bottom right, there are two radio buttons for 'POA' and 'COD', and two buttons: 'SAVE' (with a blue dot) and a home icon.

Step	Field / Instruction
1	Payment Type: <input type="radio"/> Cash, <input checked="" type="radio"/> Check, <input type="radio"/> Mastercard, <input type="radio"/> Visa, <input type="radio"/> Discover, <input type="radio"/> American Express, <input type="radio"/> Other
2	Amount Paid \$
3	Check or credit card #
4	Inv# or describe purchase

**Instructions:**

- 1 Click on the type of tender you will use to make this payment to your vendor
- 2 Record the amount of payment. Do not use \$ sign.
- 3 Record your check or credit card number.
- 4 Record vendors invoice # or describe purchase.
- 5 Tell the program if this is a payment on account(POA) with this vendor, or a over the counter (COD) payment.
- 6 Record the payment by clicking on the "SAVE" radio control button below.

5>  POA  COD

6>  SAVE  Home

## PRINTED REPORTS FOR VENDORS

Vendor Aging	Mail Merge	e-Mail ASCII
Print contact information	Purchases	N/A

This feature allows you to print various reports about the vendors, which are shown, on the vendor list on the left side of your screen.

You will not need to provide any input once you have the vendors selected and shown in the list. However you should understand and use the power of the black “list” button to receive the maximum benefit.

### Using the black “List” button: (Also the notepad search)

You can build a list which features related vendors easily once you understand the following procedures.

**Selecting from drop down list:** Make your choice from the drop down “Vendor” or Zip list. Then click on the black “List” button.

**Selecting from other recorded fields** of information. Fill in any of the other fields such as city, state etc shown in the contact information section. Then click on the black “List” button.

Once you have selected a field (only one) and activated the list, the software will search your database and list any matches on the left vendor list.

You can also search the notepads of all vendors by typing a search string into the pop-up box after clicking on the “Search notes” button above the notepad. The list will be updated to any records that match.

**Building e-mail lists.** Once you have your list of vendors built to your satisfaction and when you click on the e-mail ASCII button any of the vendors in the list, which have a recorded e-mail address, will be added to the special file, which you can then cut and paste into almost any e-mail program.

Since e-mail is normally free on the Internet; you should make a special effort to collect e-mail address from your clients and use this feature to help market your business.

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## How the payables will all fit together for you.

Our software (as a complete package) features multiple and relational databases.

**As you record day to day business** the information you provide the program will be automatically filed away into the appropriate database and then when needed the software will dig out the information and present it to you in the form of either printed or visual reports.

Here is how we plan on integrating the “payables” into the total system. Remember. There are two sides to the total. Money received and spent out.

**If you create a Purchase Order** for merchandise the program will prompt for your approval and then update the on-order field located in your inventory database. The purchase order module will also check with the vendor database and advise you if you are exceeding your allowed credit limit.

**When you record a payment** to the vendor the payables are automatically updated and likewise the individual vendors file is updated to show the history of your purchases. You can also use this vendor database to record simple purchases which do not need all the recording and updating provided in the P.O. module.

**General ledger:** falls into the category of accounting software and our system is business management and marketing software. We suggest you consider any software with ASCII file structure for exporting our information if you ever need.

**Check ledger:** We are taking a different approach than trying to put everything on a check ledger because there are so many ways to spend your money, other than writing checks. At this point we consider this method outdated and we know we can design the payables to provide you and your accountant the information you need without the extra effort of generating a check ledger and GL. (Keep it simple)

**Payroll:** Payroll not only consists of earned income for your employees it also includes federal income and social security taxes. This and with most states having their own rules about state income taxes make this feature very difficult. Difficult to cover all the variables around the country. So difficult that it forms a swamp we don't care to swim in, or want to charge you even more for providing. You can easily obtain it on commercially available accounting software. All you would need to do in our software is set up the IRS, the State Income and Sales tax agencies as vendors and then just record the lump sum payment to them in the vendor module.