CLOSE BOOKS

For
METROPLEX DATA SYSTEMS
ROUTING AND DISTRIBUTION SYSTEM

MDS - MONTHLY SYSTEM CLOSE

One of the most important functions that must be completed on the computer system is the monthly

close. The purpose of the monthly close is not just to keep your data files properly organized into

monthly summary files, but to reduce the size of some of the files so your system will operate with

proper efficiency and speed. If some of these files are not reduced in size from time-to-time, eventually they will become so large that the system will run out of available space and be unable to proceed with normal operations, or the system will bog down and be unable to process reports or find necessary data. Another reason for properly closing your system is there are a number of reports that are only valid at the close of the month and they must be closed so next month's data can be accurately collected.

It is the purpose of this report to assist you in properly closing your system. By following the steps outlined in this report, you will be assured of closing everything that is required or suggested to be closed, in the proper sequence and understand what occurs when the file is closed.

UNDERSTANDING THE CLOSE

In the most of the MDS modules there are some procedures that should be followed for a proper closing. It is also important to understand that some modules must be closed on a specific date for proper reporting and reconciling, and other modules can remain open for several weeks or just before the next months close before they must be closed. You need to know which modules require all the information to be loaded before closing because they can only be closed once for each month and which modules can be closed checked and re-closed after corrections are made. There are two different types of close programs. The first is to close as of a specific date and update other files and remove data from some files; The other is to close history or remove data prior to a specific date without updating or saving anything.

Other terms used during the close routine include:

reset - this means to remove values and reset the accumulator to 0 so the next month's

activities can be recorded. initialize - this means to remove all information. clear - this means to remove all information generally tied to a specific date, like close.

sort - this is used to restructure files into a specific format.

BACKUP FOR THE CLOSE

Before any closing routines are started, a FULL SYSTEM BACKUP must be made. During the closing process, there are many changes made to your DATABASE. If something goes wrong with the close procedure, a good system backup can save hundreds of hours in recreating data or hundreds to thousands of dollars in recovering data. Be sure to do a full-system backup and not just a daily backup.

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A full system backup recovers all of your program files, permission files, system configuration files, as well as, your data files. The daily backup only copies your data files which is OK for almost every other backup, except for the monthly and, anytime you get a program upgrade from MDS, a full system backup must be done. If you are doing a backup on a tape cartridge, be sure the backup completes without error. On a disk backup, if any error is encountered, the bad disk should be replaced and the entire backup must be re-done.

Once you have made your backup, you can begin the close by running the desired reports. All of the reports for a month-end close are optional depending on your specific management style. Some reports in the MDS system should be run after running a close procedure those reports will be mentioned in the section dealing with the close.

It is also recommended that a check-off list of both reports and closing procedures be established for the person in charge of the computer.

SYSTEM REPORTS

In recovering the reports to be run, we will start with each module in the system and work through the entire system for both reports, as well as closing requirements. For a complete explanation of the specific use of the various reports, consult your manual for details.

1.   EQUIPMENT TRACKING

There are no reports required to be run from this Module for closing. Unless you are using the Accounting module and you use the system to post your depreciation on a monthly or yearly basis. In that case you need to proceed with the following selections.

(1.C.3   DEPRECIATE EQUIPMENT)This report will ask if you want to depreciate the

equipment for the month or for the year. After making the appropriate selection, the system

will make the journal entries and update your equipment file.

(1.C.2   DEPRECIATION REPORT) After running the depreciation program, a report may

be run to produce a copy of the equipment depreciation records. There are several reports that should be run occasionally just so you will have a hard copy of what is in the Equipment data file.

(1.B.4 - Option F3 Print Equipment Type) From time-to-time you might want to upgrade

everyone's list of the type assignments.

(1.A.2   LIST EQUIPMENT) Report Generator format that produces a list of your

equipment by asset number.

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(1.A.3   LIST BY LOCATION) Report Generator format that produces a report in customer

format.

At the close of the month, it is a good time to update the equipment replacement costs that have changed during the month.

(1.B.1 UPDATE REPLACEMENT COST) This report allows you to upgrade the

equipment replacement cost by equipment type.
(1.A.9   EQUIPMENT MOVEMENT REPORT)

2.   ACCOUNTS PAYABLE

The accounts payable system when used in conjunction with the check register as well as accounting, has a number of reports that would be date sensitive to your ability to reconcile and verify closing values.

(2.A.1   PRINT SUMMARY) This is used to print all of the vendors and the amounts you

currently owe.
(2.A.3   PRINT DETAIL) This prints a detailed report on the outstanding invoices, plus an

aging analysis of the invoices.
(2.A.5   PAID INVOICE REPORT) Reports, by vendor, each invoice paid, the date, check

number and if the discount was taken, with summary at the end.
(2.A.7   CASH REQUIREMENTS REPORT) Provides a list by day of all the invoices due

for each vendor.
(2.B.2 PRINT CHECK REGISTER) Used to print a listing of all checks written by the

computer since the last close of the check register. Used to recalculate your ending bank

balance. Used to reconcile your bank account.

D. TELSEL

From the invoicing or telsel report module a number of valuable reports can be run for a month-end closing.

(D.A.6   COMMISSIONS) Prints a commission report for primary or secondary salesmen,

open commission rates, information is collected from Invoice History file.
(D.A.9   SALES TAX) Prints sales tax reports by summary or for individual tax categories.

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(D.A.7 GROSS PROFIT DETAIL) Prints gross profit information by date, invoice and

customer, in category summary.
(D.A.1 UNPOSTED INVOICES) Before closing or initializing the invoice data base, this report should run to verify the file is empty and you will not lose any invoices.

(D.A.F   LIST BACK ORDERS) Only if you have the back order system enabled do you

need to print this report.
(D.A.D MONTHLY BALANCING REPORT) Shows out-of-balance conditions.

4.   RECEIVABLES

In the receivables module, there are a number of reports that can be run, and most of them can be run in a variety of formats depending on the information you want. Like the invoicing report menu, most of the receivable reports can be run for view option, but, if you want the information preserved for an audit trail, they should be printed because closing the system will remove some of the files these reports are developed from.

(4.A.1   PRINT AGED SUMMARY) Print Accounts Receivable for your company, in any

format you need.
(4.A.8   LIST ACCOUNTS) (4.A.C   PRINT CUSTOMER GROSS PROFIT) This is a

single line per account listing that will show total month-to-date sales. List accounts should

be run in summary mode. G/P Report can also be viewed. (4.8)
(4.A.B   PRINT PAYMENT RECEIPT) When you make deposits I'm sure you print a copy

of the payment activity for the day. This report can be printed by a date range and therefore,

could give you a consolidated payment report for the month or week, if you feel it is

necessary. The PAID INVOICE REPORT can also be printed if desired, but, with the paid

date now maintained on the history file, it is no longer necessary.
(4.A.5   PRINT STATEMENTS) If you want to print the statements with complete monthly

activities, including payments received, then now is the time to print statements. If you want

to print statements with only open invoices, then wait until after closing the accounts

receivable to print statements.
There are a number of other reports that can be run from this menu selection but they would be optional and not date sensitive.

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5.   INVENTORY

In Inventory there are a number of reports that can be generated. This is dependent on how closely you audit your inventory and if you operate with consigned or manufacturing inventory. As in other modules, some of this information is only available prior to closing your inventory and is therefore date sensitive.

(5.B.8   SORT PRODUCT DATABASE) Before running any inventory reports, it is always best to sort the product database so all products will be recognized by the system.

(5.A.8   PRINT WORK SHEET) The print product worksheet program is used to print an

inventory count sheet to assist you in taking inventory.
(5.A.5   LIST SALES) This will list the products that have had sales. It will print both the

sales and gross profit for both month and year.

(5.A.C. PRODUCT SALES ANALYSIS) This program is a new report generator format

that allows the operator to select the options the report will be developed from; it also allows

a variety of sort selections to assist in analysis of the results. The source for its data is the

invoice history file, therefore, the time to run this program will be directly related to the size

of your history file.

(5.A.2 PRINT REORDER LIST) This is an optional program that will advise you of any

products with uncommitted quantities less than the reorder point.

(5.A.3 PRINT CURRENT INVENTORY) Prints product numbers that have product

quantities in stock. The report shows total cost for each product and total cost of all products

in stock.

(5.A.6   ANALYZE INVENTORY) Optional program that reports product sales in volume

or dollar totals in highest to lowest sequence.

(5.7   UPDATE INVENTORY) This is used to correct your computer inventory count to

the physical count. Although several other programs can be used to reset the quantity field,

this report will produce a variance report and will create journal entries to reduce inventory

and post to inventory corrections. (Be sure to reset the xenix system date to the month-

ending so the journal entries will be postable in the appropriate period.

(5.A.E   RECEIVED PRODUCTS REPORT) Print by date products received for month.

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MANUFACTURING INVENTORY

Closing the manufacturing inventory is only necessary if you are using the kit or manufacturing
functions on the MDS System. The following reports are only needed if you are using these functions.

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     ( 5.C.6    PRINT KITS ) This report provides you with information on
your kit configuration.
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          ( 5.C.8   MANUFACTURE PRODUCT REPORT ) This report selects kit
production reports
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for the month.

CONSIGNMENT INVENTORY

(5.4.A.1 PRINT WAREHOUSES) Provides you with information on what product is in

stock, the quantity consigned from the warehouse, variances, last sales dates, and other

information to consigned system.

(5.4.A.2 PRINT TRUCKS) Provides information similar to PRINT WAREHOUSES except

for each truck.

(5.4.A.3 CONSIGNMENT REPORT) Provides information on what product was consigned, what warehouse it was consigned from and the final destination of the product.

(5.4.4 UPDATE CONSIGNED) Used to update your consigned inventory for either a

warehouse or a truck from the physical inventory count.

(5.4.A.4 CONSIGNMENT VARIANCE) Provides you with a detailed record of any

discrepancies between what the computer records should be at the location and what a

manual inventory reveals to actually be at the location.

PAYROLL

The MDS System does not have any reports that are date sensitive for the normal closing, but there are a few reports that could be processed.

(6.5 PRINT PAYROLL REPORT) This report provides you with printed information on

your total payroll, selected by employee type and payroll period.

(6.F PRINT DEDUCTION REPORT) Provides you with a quarterly summary of all

deductions from your employees checks.

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ROUTING

The routing system only has one function that is date sensitive, and that is to produce a delivery ticket for any account that has not had a ticket printed during the month.

(7.1 PRINT DELIVERY TICKET) To process delivery tickets for any accounts that may

have been missed during the regular ticket printing procedures , Press [ENTER] when asked

for salesman number and type "ALL" when asked for the starting date.

(7.2 PRINT ROUTE LIST) With the version 9 upgrade, there are a number of ways the

route list can now be produced and might be helpful as a monthly report.

(7.B AGED ROUTE LIST) Similar to above but aged to produce report showing accounts

overdue.

ACCOUNTING

The accounting package has a number of reports that are used for end-of-month accounting. But the accounting function is the last system that needs to be closed, because all other systems will feed data to this package through the journal file. The accounting reports are also not date sensitive as long as the final copy of each report is printed before the journal entries are posted for the next month. Be sure to back date your system date before printing reports so they will reflect the proper monthly date.

At this time, the only report that should be printed is the journal (8.2 PRINT JOURNAL) This should be printed for all sections of the journal for the proper month in detail. The other reports to be printed and the SPECIAL ORDER they must be printed in will be covered in the ACCOUNTING CLOSE section of this document.

SYSTEM MENU

There are no monthly reports to be run from this menu.

(9.A SET SYSTEM DATE) This is the selection that should be used for all revisions of the

system date.

RENTAL

(A.9 RENTAL VALIDITY REPORT) Shows invalid rentals.

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PURCHASE ORDERS

The purchase order file interfaces with the inventory file by posting to the "QUANTITY ORDERED" field of the Add/Edit Product file. At the close of the month, there is no need to keep the record of purchase orders on file. Therefore, after printing reports, this file can be reset.

(B.4 LIST SUGGESTED PURCHASES) This report is much like the inventory program

"PRINT REORDER LIST".

(B.2 PRINT PURCHASE ORDER) This can be used to reprint any purchase orders needed for file copies to verify that there are no unprinted purchase orders left in the file.

REAL WORLD SOFTWARE

This is the program interface selection if you are using any of the Real World Programs. This document will not cover the Real World Software or any closing procedures. Real World is not supported by MDS.

TELSEL

In the Telsel report menu you will find the same report programs covered in the "INVOICING" section of this document. There are no special reports to be run from the Telsel module except for.

(D.A.1 UNPOSTED INVOICE REPORT) This report should be generated at the close of

each month to verify that there are no unposted invoices remaining in the Telsel data base

that should be included in the month to be closed.

VENDING

Vending will not be covered in this closing document. It is a special module and too expensive to be included in the general documentation.

THIS COMPLETES THE REPORT SECTION FOR THE MONTHLY OR YEARLY CLOSE ROUTINE. NEXT WE WILL COVER THE CLOSE PROGRAMS IN DETAIL.

CLOSING THE MDS SYSTEM

EQUIPMENT TRACKING

There are no closing programs associated with the equipment tracking system.

ACCOUNTS PAYABLE

Move to the Accounts Payable menu and perform the following closing procedures.

(2.B.8 CLOSE PAYABLES) This program closes and removes the paid invoice record

from the view/pay vendor file and updates the year-to-date total on the add/edit vendor file

by date.

(2.B.4 CLEAR CHECK REGISTER) This will clear a selected months checks from the

check register and reset the beginning balance as seen in Add/Edit Bank. This is usually

done to decrease the amount of disk space used by the check register.

(2.B.6 FILE MAINTENANCE) This is used to remove selected files from the system. If

you are not currently using the Accounting function on the MDS System, then you should

remove the journal file to save disk space.

TELSEL

Even if you do not use the Invoicing module and use Telsel instead, you will need to close specific files from this selection.

(D.B.8 CLOSE G/P DETAIL FILE) The gross profit detail file takes a great deal of space

on the hard disk and should be closed each month. By closing this file, you will

automatically post the monthly totals to the gross profit summary file. This will allow you

to view or print reports that can compare sales from one period to another.

ACCOUNTS RECEIVABLES

There are several close procedures on the accounts receivable menu that are date sensitive. Be sure to set your system date accordingly.

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(4.B.6 CLOSE ACCOUNTS RECEIVABLE) This program will clear the paid invoices

from the customer open file, clear the monthly sales totals from the customer master file and

post the total sales to the sales history file and account activity file. If you have waited to

print statements without the detail activity, you may now print statements after completion

of this program.

(4.B.8 CLOSE HISTORY FILES) This program is not required to be run at the close of the month, but it is a good habit to set a procedure to clean your history files.

The first file it will ask for a month, is the sales history file. We recommended a 13-month

history if space allows.

The second file it will ask for a specific date, is the invoice detail history. This file actually

has two large files linked together, the invoice product file and the invoice history file. We

recommend no more than 6 months history because of space and the time to run several

reports that read this file.

The third file it will ask for a specific date, is the Delivery Ticket history. Maintaining any

history on this file is only important if you are trying to record accountability on delivery

ticket numbers. This file does not use a great deal of space. We feel more than 3 months of

history is not productive.

The fourth file it will ask for a month/year, is the Gross Profit Summary file this does not use

much space and should be maintained for as long as the sales comparison information is

valuable.

(4.B.A CLOSE PAYMENTS) This history file will grow very rapidly and should not be

maintained for longer than the payment information is valuable as an on line record. Since

you have a printed record of the payment history, the need for this file should not exceed 3

months.

This completes the close procedures for the Accounts Receivable.

INVENTORY

The number of close procedures that need to be run off the Inventory module depend on the extent you implement the total system. The close programs in Inventory are date sensitive and will require specific scheduling and resetting the system date.

(5.B.7 CLOSE INVENTORY) The close inventory program will zero out the month-to-date

sales and unit fields, and reset the fields for the upcoming month. (5.B.C CLOSE RECEIVED PRODUCTS HISTORY) If, during the month, you have not closed the received products file, you should not print the final report and close the file.

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MANUFACTURING INVENTORY

(5.C.5 CLOSE KITS) This program is designed to do routine maintenance on your

manufacturing inventory. This program could cause some delays for operations if run during

operational times, if you use kits, it should be run at monthly close.

CONSIGNMENT INVENTORY

(5.4.B.3 CLOSE CONSIGNED INVENTORY) If you are running consigned inventory, then you will need to close each of your warehouses and trucks by running this program.

PAYROLL

There are no specific procedures required for a monthly close on the payroll module. There is, however, a selection for a yearly close of the payroll system and the printing of yearly forms.

ROUTING

There are no specific procedures required for a monthly close on the routing module.

SYSTEM MENU

There are no specific procedures required for a monthly close on the system menu.

RENTAL

There are no specific procedures required for a monthly close on the system menu.

PURCHASE ORDER

The purchase order system interfaces with the inventory file and, after printing file copies of the purchase orders, the system should be reset to save file space.

(B.8 REINDEX PURCHASE ORDER FILE) This program will reindex the purchase order

file.

REAL WORLD SOFTWARE

MDS does not support the close procedures for Real World Software. Once the journal file is transferred to the real world format, the manuals for that system should be consulted for the closing procedures.

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TELSEL

There are no specific close procedures in the Telsel Module. There are, however, some file maintenance programs available in the Extension menu.

(D.B.3 INITIALIZE TELSEL DATABASE) This program may be used to reduce the size

of your allocated Telsel invoice file. DO NOT USE THIS FILE UNLESS ALL INVOICES

IN THE FILE HAVE BEEN POSTED; ANY UNPOSTED INVOICES WILL BE POST.

(D.B.4 RE-INDEX TELSEL DATABASE) This program is used to remove any problem

records from your Telsel database.

VENDING

Vending close procedures are not being covered in this documentation. Refer to the Vending Manual or contact MDS for details.

ACCOUNTING

Closing the Accounting module is the final step in the monthly close procedure. The accounting system can be posted from the journal file as many times as necessary, for the same month, as long as the journal is not posted for the current month. Before the final sets of financials are printed for the month being closed. It is very important that the financial be printed in a very specific sequence so profit is updated by the system.

(8.6 POST JOURNAL) After printing the journal, you may post the journal at any time for

the closing period. If an UNPOSTED JOURNAL REPORT prints with any un-postable

entries, then no JOURNAL ENTRIES WILL BE POSTED. The journal will only post if all

entries are acceptable.

(8.7 PRINT INCOME STATEMENT) It is necessary to first print the Profit and Loss Statement so monthly profit can be calculated and posted to the Balance Sheet. (8.8 PRINT BALANCE SHEET) This will print a standard balance sheet in Asset, Liabilities, and Equity format. After printing, be sure the report is in balance. (8.D PRINT TRIAL BALANCE) This will produce an account listing much like the List Chart-Of-Accounts, except the balances will be printed. The balances must always equal zero or there is a problem in the beginning balance of one or more of the accounts.

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(8.9 PRINT GENERAL LEDGER) This program has two functions. The first is to print a detail list of the activity of each of the accounts. The second is to close the general ledger.

The closing of the general ledger will purge the detail of the accounts, but keep the monthly

balances. This file can get very large and, unless there is a specific purpose to keep the detail

available on-line, it should be closed as a final step.

(8.C DEFINE DIVISIONS) Divisions are closed with the general ledger closing; therefore,

the divisional reports should be printed before final G L close.

This over view completes the procedure for normal full system monthly close.

YEARLY CLOSING PROCEDURES

There are only five modules in the MDS System that have yearly close menu selections. Most of these appear as selection options when you are executing the monthly-close procedure. At the close-of-the-year it is best to complete the monthly close and then return to the selection and choose the yearly close.

ACCOUNTS PAYABLES

(2.B.7 CLOSE PAYABLES) This close will clear the year-to-date purchase information

from the accounts payable vendor file and reset the totals to zero for next year's

accumulation. Reports should be generated to capture this information before this close is

processed.

ACCOUNTS RECEIVABLE

(4.B.6 CLOSE RECEIVABLES) Because the system accumulates year-to-date sales figures

for both the account and salesman, the yearly close procedure will clear this information and set the totals to zero. Reports to capture this information should be generated before this close is selected.

INVENTORY

(5.B.7 CLOSE INVENTORY) The system accumulates year-to-date information on both quantities and sales for each product in your inventory; the close procedure will clear this information and reset the total to zero. Reports to capture this information should be generated before this close is selected.

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PAYROLL

(6.A YEAR END CLOSE) This close is designed to be run on the annual year-end close 12/31. It will clear your employee payroll records and print the required federal and employee information reports.

ACCOUNTING

(8.9 PRINT GENERAL LEDGER) At the end of the print general ledger program, you will be asked if you want to close the ledger. After answering [Y], you will be asked if this is a yearly close. The [Y] response will then require password security clearance. Once this program is started, the file's beginning balances on expense accounts are zeroed and the year-to-date totals are cleared. The earnings YTD are posted to accrued income, and balance sheet accounts are reset with the current balance as next year's beginning balance. This is the final step in resetting the system for next year's operations.