

General Ledger Setup





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General Ledger Overview

SedonaOffice is a complete financial application, from billing to financial statements. As a single software program, all the modules within the application are designed so all the financial transactions are immediately posted to the general ledger.

The primary purpose of recording financial transactions in the GL is so that financial statements may be generated for both management and tax purposes. The basic financial statements typically prepared by security companies and companies across all industries include:

- Balance sheet
- Income statement

These statements can present current year data, prior year data and budget data if available.

The General Ledger is the repository of financial transactions that are created as Users perform various tasks in SedonaOffice, such as:

- Receiving parts on purchase orders
- Entering vendor bills
- Issuing parts to jobs and service tickets
- Entering technician time and sales representative commissions on jobs and service tickets
- Creating customer invoices for jobs, tickets and recurring services
- Entering general journal entries

Accrual Based Accounting

SedonaOffice is an accrual based accounting application, which means Income and Expenses are recorded to the General Ledger at the time they are entered.

Most transactions are automatically recorded to the General Ledger as Users perform a task. Other transactions are entered manually and require that you have the requisite knowledge to record the transaction per your company's accounting policies.



SedonaOffice Accounting Basics

Each GL transaction must be dated and be comprised of at least one debit amount and one credit amount. The transaction date must fall in an "open status" *Accounting Period*, which is a calendar month within your company's fiscal or calendar year. Each line item of the transaction must be coded to a GL account number listed in the company's *Chart of Accounts*. The total debits and total credits must equal each other.

The SedonaOffice General Ledger also requires that all transactions must be coded to a *Branch*, and income statement items must also be coded to a *Category*.

Branches and Categories are setup and maintained in the SedonaSetup application. Accounting Periods and the Chart of Accounts are initially setup in SedonaSetup; once your company begins using SedonaOffice, these are maintained from the General Ledger module of the SedonaOffice application.

Accounting Periods

Accounting periods are used in SedonaOffice to track your General Ledger transactions within a specific period of time. By using Accounting Periods your company may generate reports based on consistent periods from both within a fiscal year and period vs. period for previous fiscal years. SedonaOffice supports a twelve (12) period fiscal year. When an accounting period is closed, it will "lock out" any changes to transactions made within that Accounting Period. Once an Accounting period has been set to Closed, it may be changed to a status of Re-Opened to allow only Users with the appropriate permissions to enter transactions into a previously closed period. This is typically for the purpose of manually creating Journal Entries for the prior period.

| | | - 🖀 🔟 | 1 2 1 🗖 🍕 | 🛛 🖾 🖏 🖉 | 8 😗 | 5QL 🛛 🖂 😡 🙆 🚺 |
|-------------------------------------|---------------|------------------|---------------|-------------|------------|-----------------|
| donaOffice 🛛 🕅 | | | No. | | | |
| Sedona Security | | | | | | _ |
| 🖂 💛 Client Management | Accounting | Periods | | | × | |
| Accounts Receivable | Current Accou | nting Period | | Eiscal Vear | | |
| General Ledger | 11/1/2016 - | | Ŧ | 2016 | - | |
| Accounting Periods | 111/1/2010 | 1,00,2010 | | 12010 | | |
| Chart of Accounts | | Accou | nting Periods | | | |
| Close Fiscal Year | Period | Start Date | End Date | Status | - | 0.00 |
| Deferred Income | 1 | 1/1/2016 | 1/31/2016 | Closed | | 0()+ |
| | 2 | 2/1/2016 | 2/29/2016 | Closed | | |
| | 3 | 3/1/2016 | 3/31/2016 | Closed | | |
| | 4 | 4/1/2016 | 4/30/2016 | Closed | | re for Security |
| Register Number Lookup | 5 | 5/1/2016 | 5/31/2016 | Closed | | o for occurry |
| Royalties & Commissions | 6 | 6/1/2016 | 6/30/2016 | Closed | | aoffice.com |
| Accounts Payable | 7 | 7/1/2016 | 7/31/2016 | Closed | | ponice.con |
| Accounts Payable | 8 | 8/1/2016 | 8/31/2016 | Closed | | |
| - 😳 Inventory - 🍌 Job Management | 9 | 9/1/2016 | 9/30/2016 | Closed | | |
| Sob Hanagement | 10 | 10/1/2016 | 10/31/2016 | Closed | | |
| Point Of Sale | 11 | 11/1/2016 | 11/30/2016 | Open 💌 | | |
| Sales Management | 12 | 12/1/2016 | 12/31/2016 | Open | | |
| | * 1 | 1/1/2017 | 1/31/2017 | Closed | | |
| General Documents | * 2 | 2/1/2017 | 2/28/2017 | Future | | |
| SQL SQL Query Window | * 3 | 3/1/2017 | 3/31/2017 | Re-Open | | |
| 🚽 Lock Table Maintenance | * 4 | 4/1/2017 | 4/30/2017 | Future | * | |
| Management Summary | | | | | | |
| SedonaDashboard | * - Denotes I | Next Fiscal Year | | Save Clos | se | |
| SedonaSetup | | | | | _ | |
| ▼ ocdondoctop | | | | | | |



Chart of Accounts (GL Account Listing)

Your Chart of Accounts determines how financial transactions are stored. Think of two main segments for your Chart of Accounts; Balance Sheet Accounts and Income Statement Accounts.

Balance Sheet Accounts

Balance Sheet Accounts track what you have (Assets) and what you owe (Liabilities). These accounts maintain a balance that continues forward even past your fiscal year. It also tracks what your company is worth (Equity).

Income and Expense Accounts

SedonaOffice tracks all income and expenses transactions in these account types. This is used to analyze the profitability of your business.

Income Accounts can be classified into two types of accounts, Income or Other Income. Ordinary income used to determine the operating profitability should be classified as an Income account type. Non-operating income such as interest, or a sale of equipment, should be classified as Other Income.

Expenses can also be classified as regular Expenses and Other Expenses. There is also a special account type called Cost of Goods Sold, which is used to recognize the expense of inventory materials, labor and sales commissions.

| | | | 🥘 🖂 🗟 💝 . | 🎉 😷 🛛 SQL | 🛛 🗔 🥥 🙆 🗐 |
|-----------------------------|-----------------|----------------------------|--------------|-----------|----------------|
| donaOffice 🛛 | - | 1.4 | | 14 | |
| Sedona Security | 🕒 🕒 Chart of Ad | counts (Sedona Security) | | | X |
| - 🤫 Client Management | - | | | | |
| Accounts Receivable | Account | Description | Account Type | Inactive | A |
| General Ledger | 100200 | Cash - Operating* | BANK | N | tis |
| Accounting Periods | 100201 | POS Credit Cards | BANK | N | |
| Account Register | 100300 | Cash - Payroll | BANK | N | |
| | 100600 | Savings Account | BANK | N | |
| C Chart of Accounts | 100900 | Petty Cash | BANK | N | and the second |
| Close Fiscal Year | 100990 | Undeposited Funds* | OCA | N | |
| | 110110 | Accounts Receivable* | AR | N | |
| | 110210 | Allowance for Bad Debt | OCA | N | |
| Journal Entry | 110300 | Accrued Job Income | OCA | N | |
| Reconcile Bank Account | 110400 | Holdback Job Billings | OCA | N | |
| | 120000 | Inventory* | OCA | N | ecurity |
| Register Number Lookup | 120010 | Inventory-Service Provider | OCA | N | |
| Royalties & Commissions | 120900 | Purchase Price Variance* | OCA | N | h |
| 🔤 🔂 Sales Tax Query Builder | 120901 | Parts Kit Build Variance | OCA | N | e.com |
| 🖓 Accounts Payable | 122100 | WIP - Job Parts | OCA | N | |
| Inventory | 122120 | WIP - Job Labor | OCA | N | |
| 🧈 Job Management | 122125 | WIP - Subcontract Labor | OCA | N | |
| 🔺 Pavroll Interface | 122130 | WIP - Job Commissions | OCA | N | |
| | 122135 | WIP - Job Permits | OCA | N | |
| | 122140 | WIP - Job Other | OCA | N | |
| 🖓 Sales Management | 122190 | WIP - Job Part Discounts | OCA | N | |
| 🖉 Service | 122210 | WIP - Service Parts | OCA | N | |
| General Documents | 122220 | WIP - Service Labor | OCA | N | |
| 50L SQL Query Window | 122240 | WIP - Service Other | OCA | N | - |
| | Lincon | HITE CHE E I | 0.51 | | |
| Management Summary | T Include Ina | ctive | New E | dit Clo | |
| SedonaDashboard | | | | | 56 |
| Report Manager | | | | | |



Branch

All transactions recording to the General Ledger must be coded to at least one Branch. A Branch is any grouping of G/L data within the Company; such as a remote office, acquisition, or another business entity. Companies have the ability to generate financial statements for individual Branches.

| Sedona Office Setup (Sedona Security) |) | | | | | | | | |
|---------------------------------------|--------|----------------|---------|------------------------|--|---------------------|-----------|----------|-------------------|
| File Find Find Next View Tools | Help | | | | | | | | |
| Sedona Setup | | Branches | | | | | | | |
| Description | Area 🔺 | | | | | | | | |
| Custom Fields Table3 (System) | CM | | | | | | | | |
| Customer Groups | СМ | | | | | | | | |
| Data Entry Defaults | СМ | Branch | nes - | | | | | | |
| Extended User Defined Fields | СМ | | | | | | | | |
| Payment Methods | СМ | Brand | :h | Description | Alternate Address | | GL Code | Inactive | |
| RMR Escalations | СМ | M | | Michigan | Sedona Security 345 West 75t | | 10 | N | |
| RMR Reasons | СМ | Nation | al | National Accounts | Sedona Security 345 West 75t | | 99 | N | |
| System Types | CM | OH | | North Carolina Ohio | SedonaSecurity PO Box 9648 SedonaSecurity PO Box 9648 | | | N N | |
| Type Of Customer | СМ | | | Onio | Sedunasecurity PO Box 9646 | Chagnin Fails, OH 4 | 20 | IN C | |
| Alarm Services | CS | | | | | | | | |
| Authorities | cs | 1 | | | | | | | |
| Signal Types | cs | 🗌 🗆 🗌 🗌 | lude Ir | nactive | | | | | |
| Transmission Format | cs | | | | | | | | |
| UL Grade | CS | 📰 Branch | n Edit | | | | | | |
| Branches | GL = | | | | | | | | In <u>a</u> ctive |
| Categories | GL | Durand | | 1 | | | | | |
| Chart of Accounts | GL | <u>B</u> ranch | 1 | MI | | Invoice Address | 1 | | _ |
| Create Accounting Periods | GL | Descri | otion | Michigan | | - S | edona Sec | urity | |
| Define GL Segments and Length | GL | | puon | Iniciada | | 345 | West 75th | Street | |
| Open Current Accounting Period | GL | GL Co | te | 10 | | – Plyr | nouth, MI | 48170 | |
| Custom Fields Setup(Part) | IN | | | 1.01 | | | | | |
| Custom Fields Table1(Part) | IN | Merch | ant Id | 103799 | • | | | | |
| Custom Fields Table2(Part) | IN | | | 1 | البنيد | | | | |
| Custom Fields Table3(Part) | IN | | | | | Appl | V N | ew | Delete |
| Customer Part Groups | IN | | | | | | | C ** | Delete |
| Inventory Setun | TN | | | | | | | | |





Categories

A Category is used to identify and record to the General Ledger transactions for income and expenses. Using Categories allows you to produce departmentalized profit and loss statements. You can think of a Category as a Department or Profit Center within your company and General Ledger.

The most typical Categories setup in SedonaOffice are:

- G & A (General & Administrative)
- Sales
- Installation (Jobs)
- Service/Inspections
- Recurring (Monitoring)

| Sedona Setup | | Categories | | | |
|--------------------------------|--------|----------------------------|-------------------------------|------------|-------------------|
| Description | Area 🔺 | | | | |
| Custom Fields Table3 (System) | CM | | | | |
| Customer Groups | CM | | | | |
| Data Entry Defaults | CM | Categories | | | |
| Extended User Defined Fields | СМ | | 1 | | 1 7 |
| Payment Methods | CM | Code | Description | GL Code | Inactive |
| RMR Escalations | CM | Admin G & A | Administration G & A Sales | 100 200 | N |
| RMR Reasons | CM | Recurring | Sales Monitoring | 300 | N |
| System Types | CM | Jobs | Jobs | 400 | N |
| Type Of Customer | CM | SVC T&M | Service - Time & Material | 500 | N |
| Alarm Services | CS | 110 M 100 M 100 M 100 M 10 | | | |
| Authorities | CS | | | | |
| Signal Types | CS | | | | |
| Transmission Format | CS | Include Inactive | | | |
| UL Grade | CS | Category Edit | | | |
| Branches | GL = | Category Edit | | | 🗆 Inactive |
| Categories | GL | | | | Sec. 2 |
| Chart of Accounts | GL | Code | Description | | <u>GL Code</u> |
| Create Accounting Periods | GL | Admin G & A | Administration G & A | | 100 |
| Define GL Segments and Length | GL | | | | 1 |
| Open Current Accounting Period | GL | | | Apply Ne | ew <u>D</u> elete |
| Custom Fields Setup(Part) | IN | | | | |

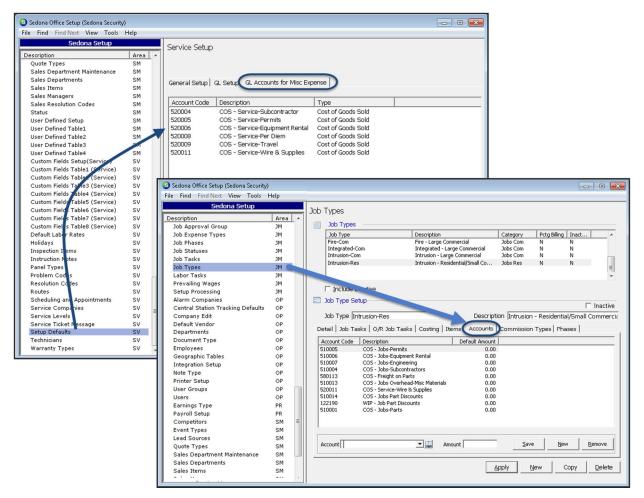




Posting Transactions to the G/L

When a company first implements SedonaOffice, a great deal of time is spent entering setup values that will default a specific G/L Account and possibly Category for a specific type of transaction based upon the company's preferences for financial reporting. The default G/L Accounts setup automate the posting of transactions so that Users do not need to make decisions on which G/L Account to select.

There are some transactions where the User has the ability to select a particular G/L Account for expense transactions; expense item purchase orders and A/P bills. Users performing these types of tasks should be briefed on which accounts are appropriate to use for the situation. There are options in SedonaSetup to limit which expense G/L Accounts a User is able to select for Jobs and Tickets. It is strongly suggested these options be setup to prevent data entry errors.

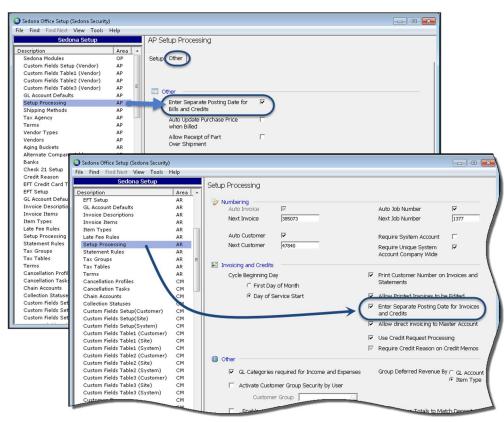


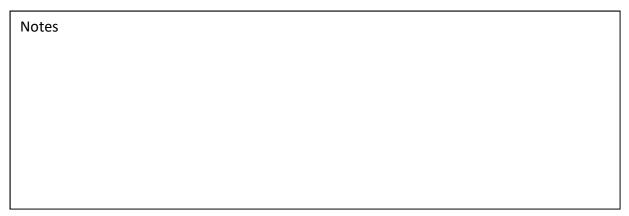


Posting Dates

The date a transaction records to the General Ledger is determined by the transaction date or the posting date entered by the User. The transaction date would be the Invoice Date or Bill Date entered by the User. If the option is turned on (in SedonaSetup) to "Enter a Separate Posting Date", then an additional field will be displayed on the form for data entry. The Separate Posting Date option is available for both A/P and A/R transactions.

If the transaction date or posting date entered for the User is in an Accounting Period with an Open status, the transaction will be posted. If the Accounting Period is Closed, the User will be presented with a message stating the Accounting Period is not Open, and not allow the posting of the transaction.







Below are examples of transactions posted to the General Ledger and what determines the posting Branch and Category.

Customer Invoice

| | | Invoice Type | Category Source | | Branch S | ource | | | |
|-------|-------------------------|--|------------------------------------|-----------|------------|--|----------------------|-----------------|----------|
| | | Service | Ticket (default from System's Serv | ice Co) | Site | | | | |
| | | Inspection | Ticket (default from Inspection se | tup) | Site | | | | |
| | | dot | Job Type setup | | Job Work (| Order (default from | n Site) | | |
| | | Recurring | Cycle Invoice Posting form | | Site | | | | |
| | | Miscellaneous | Selected by User | | Site | | | | |
| | | | | | | | 177 | | |
| | | A REAL PROPERTY OF A REAL PROPER | - Accounting Data Lc ked *** | | | | | | |
| | istomer II | | | R Account | | a <u>x</u> Gri | | | |
| 10 | 15 | | SVC T&M | .0110 | | | iyne County | | |
| I | Invoice | e # 341156 | | | | | | Aging Date | |
| | | Ashley, Victoria | | | | 7/19/201t | | 7/19/2016 | _ |
| | | 1022 Wayne Roa | | | | Branch | | P.O. Numbe | er |
| | | Salem, MI 48175 | | | | MI | | A CONTRACTOR | |
| | | Ashley, Victoria | | | | Warehouse | | <u>T</u> erm | |
| | Site Address | 1022 Wayne Roa | | | | A state of the second s | | Due On R | eceipt 💌 |
| | , nadiross | Salem, MI 48175 | 5 | | | Invoice <u>Type</u> | | Ticket <u>#</u> | |
| | | | | | | Service | | 3357 | |
| | | | | | | Salesperson | | | |
| | | | | | | N/A | <u>- 6</u> | | |
| | Items \$ | 295.00 Parts \$40.00 | | | | | | | |
| | | | | | | | | Show Custo | m Fields |
| | | | 1 | Item Lis | | | | | _ |
| | Ite | | Description | | Qty | Rate | Amount | Memo | |
| | _Ø SVO | C Call | Minimum Service Call Charge | | 1 | 115.00 | 115.00 | | |
| | SVO | C Labor | Service Labor | | 1.5 | 120.00 | 180.00 | | |
| | - | | n | | | 1 | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | - |
| 35 | - | | | | | | | | |
| C | Descriptio | D Service Call | | • | | | Sub Total | | 335.00 |
| c | Contact | | • | | | | Tax | | 23.89 |
| | o z arenaren | - | | | | | Total Balance Due | | 358.89 |
| - Sta | <u>1</u> emo | | | | | | Dalarice Due | | 358.89 |
| T | Complet | Te . | | | | | | | |
| | | Print Queue Last Printed | 1: 7/22/2016 | | | Invoice List | EFT | Save | ⊆lose |
| | | | | _ | | | | | |
| | | | | | | | | | |
| NI. | atos | | | | | | | | |



Accounts Payable Bill (Expense Items)

| | | 21 | Source | Cate | egory Source | 2 | Branch Sour | 00 | | | |
|----------------------------|------------------|-------|-----------------------|---|---|---|--|--------------------------|-------------------------------------|----------------|---------|
| | | PO | Receipt - Ticket | Rece | ipt | | Site | | | | |
| | | _ | Receipt - Job | Rece | ipt | | Job Work Orde | er (default from | m Site) | | |
| | | PO | Receipt - Stock | Defa | ult from Vende | or setup | Default from V | /endor setup | | | |
| | | _ | anually Entered | Defa | ult from Vende | or setup | Default from V | endor setup | | | |
| | | _ | | 77 | | | | | | | |
| Bills | | | | 7.4 | | | 7 | | | | |
| idor | | _ | Category | | т | | | 1 | | ∏ <u>H</u> ole | d Payme |
| rizon Wir | ireless | | Admin G & A | | 1 | | <u>×</u> | | | | |
| 'endor endor ddress: | Verizon Wireless | | | R <u>e</u> ference 2016-10- | | Branch MI | | | | | |
| | Albany, MT 12212 | - | | Terms | | <u>A</u> mount | | | | | |
| | | | | Net 10 | | 850.91 | | | | | |
| | | | | | | | | | | | |
| | | | | Bill <u>D</u> ate | | Payment Due | | | | | |
| | | | | Bill <u>D</u> ate | .6 | Payment Due | | | | | |
| | | | | 12/7/201 | 6 | | | | | | |
| | | | | 12/7/201 | | 12/17/2016 | | | | | |
| <u>P</u> arts | 0.00 Expense 85 | 0.91 | | 12/7/201 Eligible fo 850.91 | | 12/17/2016 | | ngle Expense Lin | ne | | |
| <u>P</u> arts | 0.00 Expense 85 | 0.91 | | 12/7/201 Eligible fo 850.91 | r Discount Amt | 12/17/2016 Costing Show Job | | ngle Expense Lin | ne | | • |
| | 0.00 Expense 85 | i0.91 | | 12/7/201 Eligible fo 850.91 | r Discount Amt | 2 12/17/2016 Costing | | | ne Category | | - |
| - GL | | | Documents | 12/7/201 Eligible fo 850.91 | r Discount Amt Iow Branches G | 12/17/2016 Costing Show Job | Cost Sin | Branch | | | - |
| - GL 610 | . Account | | Documents | 12/7/201 Eligible fo 850.91 | r Discount Amt ow Branches G Qty | Costing Costing Show Job Eneral Ledger Rate | Cost Sir | Branch MI | Category | | - |
| GL 610 610 | Account 0630 | | Documents Description | 12/7/201 Eligible fo 850.91 V Sh | r Discount Amt | intereal Ledger Rate 120.55 | Cost Sin Amount 120.55 | Branch MI MI | Category Admin G & A | | - |
| GL 610 610 | Account 0630 | | Documents Description | 12/7/201 Eligible fo 850.91 V Sh bile bile bile | r Discount Amt | interval Ledger Rate 120.55 352.79 | Cost Sin Amount 120.55 352.79 | Branch MI MI MI | Category Admin G & A Jobs Com | | - |





Prepaid A/R & A/P Accounts

SedonaOffice has built-in functionality to accommodate "Pre-Paid" situations in both Accounts Receivable and Accounts Payable.

Prepaid Accounts Receivable

A prepaid A/R situation occurs when a customer remits a payment and it is applied to an invoice with a future date. This can occur if your company generates cycle invoices and enters an invoice date in the future. For example, on December 15th you generate the January cycle and date the invoices January 1st. These are future dated invoices. If your customer pays the invoice on December 16th, the invoice really does not yet exist in your Accounts Receivable until the first of January.

To be able to apply the payment to a future dated invoice, a special G/L Account (Prepaid A/R) is used to post this transaction [SedonaSetup G/L Account Defaults for AR]. When entering the customer payment, a debit is posted to the Un-deposited Funds account and a credit is posted to the Prepaid A/R account on the date of the payment (12/16/2016). A second transaction is automatically posted and is dated 01/01/2017 (the cycle invoice date); debit to the Prepaid A/R account and credit to Accounts Receivable. This is all done behind the scenes.



Below are the transactions performed by the software when a payment is applied to a future dated invoice.

Transaction dated 12/16/2016 – posting a payment to the future invoice.

| | Register | No | . 661860 | Registe | аТуре: СНК | | ⇒ ;≈] | |
|--------|-----------------|------|------------------------------------|-----------------|----------------|------|--------------|----------|
| a a | Journal Informa | | | - | | | | |
| Ł | Branch | acio | ЮН | | | | | |
| | Date | | 12/16/2016 | | | | | |
| | Primary | | 100990 | | | | | |
| | Acccount | | Undeposited Funds* | | | | | |
| | Reference | - | 1212 | | | | | |
| | | | Show Job Costing | ₩ Show Branches | General Ledger | | | |
| Т | | | | | | | | |
| F | Account | m | Description | Debit | Credit | Memo | Branch | Category |
| | Account 100990 | | Description Undeposited Funds* | Debit 43.48 | Credit | Memo | Branch OH | Category |
| 1 | | | | | Credit 43.48 | Memo | | Category |
| 1 | 100990 | | Undeposited Funds* | | | Memo | он | Category |
| 1 | 240110 | | Undeposited Funds* Prepaid A/R* | | | Memo | он | Category |

Transaction dated 01/01/2017 – clearing the Prepaid A/R Account with offset of Accounts Receivable.

| Register | o. 661861 | Register Type: | CHK | | ⇒ 街 | |
|-----------------------------|-------------------------|----------------|----------------|------|--------|----------|
| 🔄 Journal Informati | on | | | | | |
| Branch | ОН | | | | | |
| Date | 1/1/2017 | - | | | | |
| <u>P</u> rimary Acccount | 240110 Prepaid A/R * | | | | | |
| Reference | 1212 | - | | | | |
| | | Show Branches | | | | |
| | | | General Ledger | | | |
| | Description | Debit | Credit | Memo | Branch | Category |
| 240110 | Prepaid A/R* | 43.48 | | | ОН | |
| 10110 | Accounts Receivable* | 1 | 43.48 | | OH | |
| | | | | | | |
| | | | | | | |



Prepaid Accounts Payable

A prepaid A/P situation occurs when a Bill is paid prior to the date of the Bill. For example, on 12/07/2016 you enter a Vendor Bill with a Bill Date of 01/01/2017. This is considered a future dated Bill. If your company pays the Bill prior to 01/01/2017, the bill really does not yet exist in your Accounts Payable until the first of January.

To be able to make a payment on a future dated bill, a special G/L Account (Prepaid A/P) is used to post this transaction [SedonaSetup G/L Account Defaults for AP]. When entering the vendor payment, a credit is posted to the bank account and a debit is posted to the Prepaid A/P account on the date of the payment (12/07/2016). A second transaction is automatically posted and is dated 01/01/2017 (the date of the vendor bill); credit to the Prepaid A/P account and debit to Accounts Payable. This is all done behind the scenes.

| Notes | | |
|-------|--|--|
| | | |
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| | | |



Below are the transactions performed by the software when a payment is made for a future dated bill.

Transaction dated 12/07/2016 – paying the future Bill.

| 6 | Journal Entry | | | | | | |
|---|------------------|--------------------|-----------------------|----------------|------|--------|----------|
| | Register N | lo. 661865 | Register Type: | BILLPYMT | | ⇒ 😰 | |
| | Journal Informat | ion | | | | | |
| | Branch | MI | | | | | |
| | <u>D</u> ate | 12/7/2016 | | | | | |
| | Primary | 100200 | | | | | |
| | Acccount | Cash - Operating* | | | | | |
| | Reference | 607 | _ | | | | |
| | | ☐ Show Job Costing | 🔽 Show Branches | | | | |
| | | | | General Ledger | | | <u>*</u> |
| _ | | Description | Debit | Credit | Memo | Branch | Category |
| ► | 100200 | Cash - Operating* | and the second second | 199.00 | | MI | |
| | 140100 | Prepaid A/P* | 199.00 | | | MI | |
| | Т | otal | \$199.00 | \$199.00 | | | • |
| | | | | | | | |

Transaction dated 01/01/2017 – clearing the Prepaid A/P Account with offset of Accounts Payable.

|) | lournal Entry | | | | | | |
|---|---------------------|--------------------|-----------------|----------------|------|--------|----------|
| | Register N | o. 661865 | Register Type: | BILLPYMT | | ⇒ 🔳 | |
| | 🔄 Journal Informati | on | | | | | |
| | Branch | MI | _ | | | | |
| | Date | 1/1/2017 | _ | | | | |
| | Primary | 140100 | _ | | | | |
| | Acccount | Prepaid A/P* | | | | | |
| | Reference | 607 | _ | | | | |
| | | F Show Job Costing | 🔽 Show Branches | | | | |
| | 1 | | ar | General Ledger | | | ^ |
| | | Description | Debit | Credit | Memo | Branch | Category |
| ۲ | 140100 | Prepaid A/P* | | 199.00 | | MI | |
| | 210100 | Accounts Payable* | 199.00 | | | MI | |
| | Τα | otal | \$199.00 | \$199.00 | | | × |
| | | | | | | | |





Deferred Revenue

In SedonaOffice, Deferred Revenue is an amount invoiced in advance of being earned. For example, if a Cycle Invoice is created and posted for \$25.00 on 12/01/2016 for services that will be provided 01/01 - 01/31/2017, the \$25.00 is unearned in the December 2016 accounting period. The revenue is deferred to the accounting period of the service period being invoiced – January 2017 in this example. When the cycle invoice is posted, the software will automatically debit Accounts Receivable account and credit the Deferred Revenue (liability type) account.

If a cycle invoice covers more than one month, such as a quarterly invoice, when posting the invoice, the software will automatically allocate the invoice deferred revenue into the appropriate month/year.

The default Deferred Revenue account that will be used for posting is setup and maintained in SedonaSetup/GL Account Defaults (AR). If a different Deferred account is specified on the Invoice Item setup, that deferred account will take precedence.

| 🕒 Sedona Office Setup (Sedona Security) | | | | | | | | |
|---|------|---|--------------------------|-------------------------|------|--|---------------------------|------------|
| File Find Find Next View Tools Help | | | | | | | | |
| Sedona Setup | | | GL Account Links for AR | | | | | |
| Description | Area | _ | | | | | | |
| Aging Buckets | AR | | | | | | | |
| Alternate Company Addresses | AR | | | | | | | |
| Banks | AR | | 📃 🔲 GL Account Links for | AR | | | | |
| Check 21 Setup | AR | | | | | | | |
| Credit Reason | AR | | Balance Equity/ | 320200 | - 💷 | Advance Deposit | 244110 | T |
| EFT Credit Card Types | AR | | Inter-Company | 1 | | Auvance Deposit | Advanced Job Deposits* | |
| EFT Setup | AR | = | and company | Open Balance Equity Acc | ount | | noroneo repeata | |
| GL Account Defaults | AR | - | | 110110 | - | Unavailized Cools | 240220 | |
| Invoice Descriptions | AR | | A/R | Accounts Receivable* | - 🛄 | Unapplied Cash | Unapplied Cash* | - <u> </u> |
| Invoice Items | AR | | | ALLOUNS A CLEWROVE | | | Unapplied Cash | |
| Item Types | AR | | Deferred Revenue | 244500 | - u | Unapplied Credit | 240210 | J 🗉 🔪 |
| Late Fee Rules | AR | | | Deferred Revenues* | | onapplied credit | Unapplied Credit Memos* | |
| Setup Processing | AR | | | | | | enoppiee er eart i terres | |
| Statement Rules | AR | | Late Fee | 810160 | - 💷 | Undeposited Funds | 100990 | • 🗉 🔒 |
| Tax Groups | AR | | | Late Fees Income | | | Undeposited Funds* | |
| Tax Tables | AR | | | | | | Undeposited Punds* | |
| Terms | AR | | Discount | 620120 | - 🛄 | PrePay AR | 240110 | • 💷 🖉 |
| Cancellation Profiles | CM | | | Discount Given | | , | Prepaid A/R* | |
| Cancellation Tasks | CM | | | | | | | |
| Chain Accounts | CM | | Inter-Branch | 140110 | - | | | |
| Collection Statuses | CM | | Revenue | Inter-Branch A/R* | | | | |
| Custom Fields Setup(Customer) | CM | | | | | | | |
| Custom Fields Setup(Site) | CM | | | | | | | |
| Custom Fielde Sotue(System) | CM | | | - | | | | 1 |
| | CM | - | | | | and the second design of the s | | |

| Notes | | |
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The Invoice Item(s) on the invoice determine whether the revenue will be deferred when an invoice is posted. If the Item Type of the Invoice Item is flagged as a "Recurring Type", then the Invoice Item may defer revenue. If the "Non Deferred Income" checkbox is selected on the Invoice Item setup, that Item will not post to the deferred account; charges invoiced for non-deferred items will post immediately to your revenue accounts.

A field is available on the Invoice Item setup to select the Deferred Account. This field may be left blank if your company uses a single Deferred Revenue account company-wide.

| | Invoice Ite | em Types | | | |
|--|--------------------|--|--|---------------------------|--|
| | Invoice It | tem Types | | | |
| | | | | | |
| | | Item Types Description | Recurring | CS Service | |
| | CS RI | Central Statiion Monitori Recurring-Inspections | ng Y Y | Y | |
| | RL | Recurring-Lease | Ŷ | N | |
| | RM | Recurring-Monitoring Ser | | Y | |
| | RO | Recurring-Other | Y | Y | |
| | RW IPJ | Recurring-Service Contra Inventory Part-Jobs | act/Ext. Warranty Y | N | |
| | IPS | Inventory Part-Service | N | | |
| | LBJ | Labor-Jobs | N | | |
| | LBS | Labor-Service | N | | |
| | 🗆 Includ | de Inactive | | | |
| | 📰 Invoice If | tem Types Edit | 6 | | |
| | Invoice It | tem TypesRM | [¥ Is | Recurring | |
| | De <u>s</u> cripti | | ing Services | | |
| | | | - | | |
| | | Central Station | Service <u>A</u> pply | New Delete | |
| | | | | | |
| Sedona Office Setup (Sedona Security File Find Find Next View Tools | /) Help | | | | |
| Sedona Setup | Пер | | | | |
| | | Invoice Items | | | |
| Description | Area ^ | Invoice Items List | | | |
| Aging Buckets | AR | | | | |
| Alternate Company Addresses | AR | Item | Description | Type G/L Code | Category 🔺 |
| Banks Check 21 Setup | AR AR | Mon-01 No Tax | Monitoring Services | RM 430110 | Recurring |
| Credit Reason | AR | MON-DLR WEB | Dealer Basic Monitoring Web Access | RM 430110 RM 430110 | Recurring Recurring |
| EFT Credit Card Types | AR | RAD | Radio/Cellular Backup | RM 430110 | Recurring |
| EFT Setup | AR | Smoke Detection | Smoke Detection | RM 430110 | Recurring |
| GL Account Defaults | AR | Statement Fee | Statement Fee Daily Test | RM 430110 RM 430110 | Central Station Recurring |
| Invoice Descriptions | AR | TSTW | Weekly Test | RM 430110 | Recurring |
| Invoice Items | AR | MON-Taxable | Monitoring | RM 430110 | Recurring |
| Item Types | AR | Remote Access | Remote Access | RO 430130 | Recurring |
| Late Fee Rules | AR | Maint Code Change-SVC | Maintenance Agreement Code Change-SVC | RW 420330 RM 490900 | Recurring Recurring |
| Setup Processing | AR | SUB O/C Reports | O/C Reports | RM 249000 | Central Station |
| Statement Rules | AR | Subscriber MON | Monitoring | RM 249000 | Recurring |
| Tax Groups | AR | Permit | Permit | RO 250120 RO 410210 | Admin G & A |
| Tax Tables | AR | Payment Plan - Burg Syste Alarmnet Overages | Payment Plan - Burg Syste Alarmnet Overages | RO 410210 RO 430110 | Installation G & Recurring |
| Terms | AR | emote Access | Remote Access | RO 430130 | Recurring |
| Cancellation Profiles | CM | M int | Maintenance Agreement | RW 420330 | Recurring = |
| Cancellation Tasks Chain Accounts | CM CM | Service Agreement | Service Contract | RW 420330 | SVC Cont |
| Collection Statuses | CM | | | | |
| Custom Fields Setup(Customer) | CM | | III | | • |
| Custom Fields Setup(Customer) | CM | Include Inactive | | | |
| Custom Fields Setup(System) | CM | 🔯 Item Edit | | | |
| Custom Fields Table1 (Customer) | CM | Tiem Eait | | | □ Inactive |
| Custom Fields Table1 (Site) | СМ | Item Type RM | Account | 430110 | ✓ III IIIIIIIIIIIIIIIIIIIIIIIIIIIIIIII |
| Custom Fields Table1 (System) | СМ | | nitorina Services | Revenue - Monitoring | |
| Custom Fields Table2 (Customer) | | | | | Available |
| Custom Fields Table2 (Site) | CM | | rred Income Category | y Recurring Monitoring | in Sales |
| Custom Fields Table2 (System) | СМ | Item MON-Taxable | | moniconing | |
| Custom Fields Table3 (Customer) | | Description Monitoring | Job Cos | ting | Available |
| Custom Fields Table3 (Site) | СМ | Description pronitoring | 700 C08 | ung ju | in Service |
| Custom Fields Table3 (System) | CM | Default Rate 20.00 | Default (| Cost 0.00 | |
| Customer Groups | CM | Deferred Acct | | | |
| Data Entry Defaults Extended User Defined Fields | CM CM | Colonea , near 1 | | Apply | <u>N</u> ew <u>D</u> elete |
| Extended Oser Denned Fields | CM + | | | | |



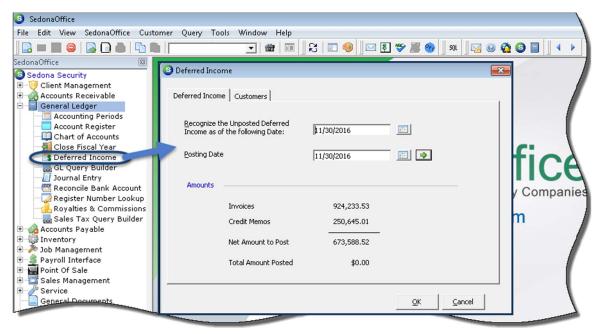
Deferred Income Process

Each month a User will run the Deferred Income process (option from the G/L module). The User selects the month/year for the revenue to be earned. The program will move amounts from the Deferred Revenue account to the Revenue accounts associated with the items that were invoiced.

Typically, the Deferred Income process is run once a month, however it may be run multiple times throughout the month to earn eligible revenues for invoices that were posted throughout the month. This process can take from a few seconds to several minutes depending on the volume of data being processed (number of invoices).

While the Deferred Income process is running, other Users should not be working in any areas that may affect the deferred posting process. Tasks/process that should be suspended until the process is complete are:

- Creating any type of invoice
- Modifying any type of invoice
- Cancelling Recurring Lines (manually or through the cancellation queue)







Financial Reporting

The financial statements are the product of all your data gathering within SedonaOffice. Financial statements are essential for understanding a company's financial status and performance. Three options are available for your company to generate financial reports; predesigned reports available within SedonaOffice, Excel Financials, and Vivid Reports[™] CPM. Depending on the complexity of your business structure and reporting needs, one of these options will suit the needs of your company.

SedonaOffice Financial Reports

SedonaOffice includes several pre-designed Income Statement and Balance Sheet reports. These reports may be produced by Branch or a consolidated report for the entire company. The design of these reports are very "vanilla" and cannot be modified. Any of the SedonaOffice financial reports may be exported to excel for manipulation if desired.





Excel Financials

Using this method, general ledger data is exported to reporting tables and financial reports are generated with an ODBC connection to this data source. Companies have the flexibility to design their financial reports (group various GL Accounts, Branches, and Categories) depending on their reporting needs. There is some setup involved with this tool. There is no charge for the program, however training for this product is billable on an hourly basis. A document that explains the Excel Financials setup and use is available for download from the SedonaOffice website: http://www.sedonaoffice.com/wp-content/uploads/2014-SOUC-Financial-Reporting-Using-Excel.pdf. For more information contact SedonaOffice Support.





Vivid Reports CPM

This is a third-party product which uses General Ledger data from your SedonaOffice database to quickly produce, deliver and analyze powerful and interactive financial reports and budget models. This reporting tool empowers team members and stakeholders to immediately access the financial information and Key Performance Indicators they need to gain valuable insight, ensure targets are met and achieve maximum financial performance. For more information on this product, contact the SedonaOffice Sales department for additional information.