

STUDIO DESIGNER

Accounting Basic – Participant

Thank you for enrolling in Accounting Basic for Studio Designer. Please feel free to ask questions as they arise. If we start running short on time, we may hold off on some of them and have a 5-10 minute session available after the class to answer any questions.

We ask you to be considerate of others, so please do NOT use a speaker phone at any time during the class. Although it sounds fine to those using the speaker, the static is multiplied many times to all other participants. You can have as many people as you like call into the conference number to listen in. Also, please mute your phones whenever possible to cut down on background noise.

This is Accounting Basic

We'll cover:

- Receive client payments
- Understanding the differences between deposits and retainers
- View payments
- Vendor payments for purchase orders and office expenses
- Tracking cash
- Bank reconciliation
- Maintenance/verify

Receiving Client Payments

“Amount” in box #1 updates the cash account balance. If you are not putting cash in the bank, then you shouldn't have anything in “Amount” in Box 1.

- Receive a client deposit on the new item.
 - o Filling in the Amount to Apply is what attaches the \$ to the item making the payment show up on the proposal and invoices.
 - o Deposits vs Retainers
 - Deposits are normally used for goods.
 - Retainers are normally used for services.
 - Although Client Deposit and Client Retainers can be used interchangeably, Retainers are normally \$ collected before a job ever begins and are used against remaining invoices at the end of the job. Most often, we see them collected specifically for time billing or design fees. **With some designers they are non-refundable and are just a fee collected in advance, never to be applied to any fees or items at all. In this case, you must at some point move those funds into income.** With accrual basis accounting, income is never recognized on these funds until they are applied to items and invoiced, or manually moved to income.
 - o When funds are received and you don't know where to apply them, they can be added to deposits or retainers until you contact the client.
 - Leave amount in Box 1 empty to apply funds from a Deposit Balance to an item.
- Click View Time Billing to see Time Billing items.
 - o In most instances, you can apply funds to items and time billing invoices at the same time so that Box 2 Received = Applied and Remaining = 0, but occasionally Studio will reject it. If this happens, enter two receipts. One for items and one for time billing invoices.
- **Miscellaneous Receipts**
 - o **Client = whoever the \$ are coming from, NOT the client that they relate to (if any).**
 - If the \$ are coming from a vendor for a refund, use the vendor Address ID.
 - **Must use the Apply Misc Payment** button.
 - Income account **should not be cash** unless transferring funds.

Checks

- Create a purchase order for an existing item- Say YES to: “Do you want to create a PO Check Voucher?”
- Open Checks| Enter and print checks. The voucher will be waiting to be printed.
 - Multiple = Yes – PO check formats, multiple items per check. Studio will add all selected entries for a particular vendor and write the check for that total amount, but only show as much detail items as it has space for on the check stub. If there are many items that do not print, please use the Check Detail report to show ALL items.
 - Multiple = YPO – PO check formats, one po per check.
 - Multiple = NO – Office check format, one item per check.
 - **Remove the check amount automatically calculated by Studio and change it to a new amount to change the check amount.**
 - **Click View to to open and make changes to the PO from this screen.**
 - While in the item, **view the Payments tab within an item to show Client and Vendor payments.**
 - Print vs Hold
 - Change from Hold to Print by clicking into the voucher at the bottom of the screen and changing from Hold to Print
 - Toggle between print and hold by using the spacebar in the list.
- Enter and print an office check for overhead expenses like rent, telephone, etc.
- Post a Manual Check
 - Open PO Check Vouchers and post a manual check.
 - Create a voucher and post from within the Enter and Print checks screen.
- View the Check Register report to show how to see the changes in the cash balance.

Bank Reconciliation

- Open and enter a cash account
 - o Statement date = bank statement closing date.
- Reconcile the sample statement.
 - o Transactions must fit within the date range.
 - o Add bank charges and interest using Adjustments button.
 - **Adjust account is never the cash account.**
 - Negative to reduce, positive to increase.
- Right side of the statement = current month (Is only used to locate discrepancies for the current month, it DOES NOT determine reconciled status. Left side = Cumulative and the ONLY TRUE RECONCILIATION.

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ANY BANK USA
4117 Old Buff Road
Hickory, NC 28602
(800) 554-0536
Fax (828) 294-0375

Statement Closing Date: 7/31/2007
Account #: 5301-22905

Design Firm International
4089 Mama's Garden Road
Hickory, NC 28602

Balance 6/30/07: \$48545.10
Deposits and Receipts: \$68864.67
Checks: \$4555.00
Analysis Fee: \$10.00
Balance 7/31/2007: \$112844.77

Deposits and Receipts

	7/1/2007	\$2000.00
	7/2/2007	\$4395.14
	7/5/2007	\$43811.84
	7/7/2007	\$9433.12
	7/12/2007	\$2427.51
	7/13/2007	\$6791.85
	Interest 7/31/2007	\$5.21
Total Deposits and Receipts:		\$68864.67

Checks

1000	\$200.00	1006	\$310.00
1001	\$400.00	1008	\$425.00
1002	\$500.00	1009	\$195.00
1003	\$250.00	1010	\$110.00
1004	\$675.00	1011	\$975.00
1005	\$160.00	1014	\$235.00
		1015	\$120.00

Total Checks: **\$4555.00**

Maintenance/Verify

- Click Verify Financials then Verify Sub-Ledgers. If any variance exists, print the error report from within Verify Sub-ledgers and fax to 303.223.7142. This should be run DAILY. ***The current policy is that if it is run daily and faxed over that day, we will fix program errors at no charge. If it is not run daily, you will be charged for the time to correct.***
- Cash basis – Only Orders and Invoices are relevant.
 - o Note, Cash Basis users print Accounts Receivable from: Reports | Invoices | 3030 08 Accounts Receivable and Accounts Payable from Reports | Purchase Order | 3020 08 Accounts Payable.