



Plan To Communicate

For an accounting system to work, it is important to create efficient and cost effective methods for gathering project information that will determine net profit or loss. As with almost every aspect of business, communication should not be overlooked.

It is one thing to understand the business and the financial side of the company and another thing to get people to manage it well. The multitasking project manager often doesn't appreciate the part of the company that knows insurance, government rules and regulations, taxes and accounting. The busy financial manager sometimes doesn't appreciate that the paperwork required in the field can seem like a burdensome task, not specific to the project.

For an accounting system to work, it is important to create efficient and cost effective methods for gathering project information that will determine net profit or loss. Establishing procedures for gathering accounting information is a must and will generally work better if it's not a directive coming from the accounting office but a team effort. Project managers, who know more about specific labor, equipment, supplies and subcontractor costs, can be the source for great ideas on time-saving record-keeping methods. The project manager will cooperate more easily when he is involved in the process and their expertise is acknowledged.

The best way to ensure that two-way communication happens is to plan for it. Schedule regular meetings between the office and the field staff. Discuss the value of tracking costs and evaluating financial data. Brainstorm for more efficient ways of gathering information and keeping records. Discuss the status of projects with respect to timelines, billings, collections, and any onsite job issues. This information is vital and needs to be shared with anyone in the organization who's position is affiliated with the project.

In today's economy, taking care of the business side of the contracting company is just as critical as the work completed. Contractors must have an understanding of the basic accounting principles that separate the construction industry from other businesses. However, to be successful these principles and plans must be shared and understood by the entire organization from office to field.

Last Reminder: Order Tax Forms

As a courtesy to our customers, we provide 1099 and W-2 tax forms at cost. Our cut off for ordering 2008 tax forms is Wednesday, December 17th, 2008 at 5:00 p.m. If you need a quote or wish to place an order, just give us a call or send an email to sales@wrightoffice.com.



Resolve Prior Year Cash Entries

This is a reminder for you to resolve any prior year entries in your Sage Master Builder bank reconciliation at menu 1-5 that were carried over from 2007 fiscal year end close. All prior year entries will have a "P" in italics in front of the transactions.

These transactions must be resolved before you close your year. If you have prior year entries carried over from your 2007 fiscal year end, they will disappear from the bank rec when you close 2008 and the statement beginning balance be adjusted accordingly. When you do your next bank reconciliation, the beginning balance will be off. Resolve the prior year entries before closing the books is easier than fixing it once you close.

Tech Support



Calls From Our Customers

How do I void a prior year A/P check?

First you must determine if you want the a/p invoice to return to an open status for future payment. If you do NOT want to reissue a check, simply enter a negative GL check at menu 1-1. Use the same check number and the same expense account from the original a/p invoice. In the Debit column in the grid, enter a negative number for the amount of the check. Clear both the positive and negative checks in the bank rec.

If you do want the A/P invoice to return to an open status so you may reissue a check, follow the instructions in the SMB help for "Reversing accounts payable checks from prior year".

I have vendor invoices for a job entered but the Title Company paid them based on our Sworn Statement. How do I show them paid in SMB?

For example you billed a customer for \$100,000. The total vendor invoices = \$85,000. The title company paid vendors directly \$85,000.

Go to menu 3-3 enter a cash receipt for \$85,000 to account "cash clearing". Go to menu 4-3, select the vendors to pay, and Print/Post Vouchers. Make sure you select the same "cash clearing" account used for the cash receipt.

Cash clearing balance is zero, balance on a/r invoice is \$15,000, and vendors are marked paid. If you know the title company check numbers used for the payments, you may go to the GL transaction window and enter the correct check number in the transaction number field. The balance on the a/r invoice should be what is due to your company for your services. If the owner or title company paid the \$15,000 to your company, you may then enter that in 3-3 Cash Receipts to your cash account.