

# Effective Use of Advanced Features, Part 1

Financial Navigator is designed to make users more productive. Like any tool, it can best increase productivity when the user is knowledgeable about the system's capabilities. This section focuses on maximizing productivity through advanced features in Financial Navigator.

This document consists of 2 parts:

- **Advanced Features 1:** (this document)  
Periodic Transactions, Suspense Accounts, Check and Address Fields
- **Advanced Features 2:**  
Account Reconciliation, Reports, Beginning a New Year Efficiently

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## Using Periodic Transactions Effectively

The Periodic Transaction feature allows a user to enter transactions that occur on a regular basis. Using one or more sets allows users to automate sets of data entry. This can cover relatively simple bill paying routines or more complex sets such as the income allocation and cash distribution procedures.

**Points to Remember** — When using periodic transactions, keep these points in mind:

- **Transaction not needed** — If a particular transaction is not needed, it can be deleted from the transaction register before moving to the next transaction.
- **Next periodic transaction** — Using the down cursor key is the quickest way to move to the next periodic transaction.
- **Status type and date** — Set the transaction Status Code and date before invoking the Periodic Transactions function.
- **Alphabetical order** — The Periodic Transactions function invokes payee names in alphabetical order.

## Tracking Rental Income

An effective use of periodic transactions is to track rental payments for taxpayers who recognize rental income on a cash basis. When doing this, keep these points in mind:

- **Set numbers** — Rental income payors can be associated with a particular set number so that a Date Order of Periodic Transactions report can be produced for rentals owned. However, the rental receipts should not be entered using the Periodic Transactions function unless all rentals are received, because the periodic date is reset even if an entry is immediately deleted.
- **Automatic memo** — Since periodic transactions can be easily changed, you should use a memo field to prompt the user to identify the month of rent the tenant is paying.
- **Sample entry** — The following automatic entry will provide a good audit trail for rental income:

Account	Action	Chg/Dep	Amount/Memo
*** Multiple Distribution	Net Distribution Am	Dep	
RENT EXPENSE/BUS	Confirm Amount	Dep	2,000.00
UTILITIES & PHONE/PERSONAL	Memo=For & Enter	Memo	
	Enter Amount	Dep	
	End Entries		

Observe several aspects of this entry:

- **For field** — The Payor has "Rent for" entered in the For field of the Payees name so that the Memo "Rent For" automatically appears in the entry. The user need only enter the month being paid.
- **Action Code for Deposit Amount** — The entry uses the Action Code on the first line for Net Distribution Amount. This automatically changes the first line of the deposit to the amount paid by the tenant.
- **Action Code for Rental Income** — The user has to confirm the rental amount. This allows the user to make any changes necessary in the dollar amount received.
- **For Field as Memo** — The memo field uses the "For" part of the Payor's name as an automatic prompt. This text is also entered as a memo line immediately after the rental income account where the amount is posted. This means the Transactions by Account report gives you an analysis that displays the memo.

## Using a Suspense Account

Sometimes information is not available to properly code a transaction. It is normally better to enter a transaction into the prime account affected even if you do not know all of the

information. For example, if you know that a check was written for \$100.00 but do not know what the check was for, you can go ahead and record it, using "Suspense" as the account distribution. This means you will know the available balance in the checking account, and will keep all your check numbers in order, even if you do not know where you plan to allocate the amount for accounting purposes.

When all the information is not available, enter a transaction and post the amount to a suspense account. This allows you to have both an accurate record of one side of the entry and a record of the other side, which is identified as an open item. How you handle the open item until it is settled is critical.

### Location of Suspense Account

Use a standard location in the Chart of Accounts for the suspense account for all entities so you know exactly where to look for it. Using the Unclassified Asset category is a good approach, unless you frequently have several accounts you leave in this category.

**Note:** *It's not a good idea to place a suspense account in the Expense section of the Chart of Accounts, because it can easily be overlooked there.*

### Correcting a Suspense Item

An item can't stay in suspense forever. When you find out the proper distribution of the item, go to "Change/Review Transactions" and change the account distribution from "Suspense" to the proper account name.

### Review of Statements

It is a good practice in general to review financial statements before they are distributed to make sure that all transactions have been properly entered. If you use suspense accounts, one step in your review should be to insure there is no suspense account appearing in its usual place on the financial statements. You know it would appear there if transactions were outstanding. Since it is not there, its balance is zero and all transactions have been properly allocated.

If your review shows a balance in the Suspense Account, print out a Transactions by Account report for it. Review the report carefully to determine what transaction or transactions need to be corrected.

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## Using the Check and Address Fields Effectively

Because simple check printing is so easy to set up and do, many users fail to take advantage of the advanced features in this area.

## Information on Checks

When printing checks, it is often desirable to have information such as the vendor's account number printed on the check. Although the Memo field can be used, this is not the most efficient method.

## Memos

Using the Memo field for this purpose has the following limitations:

- **First line only** — Although many memos can be entered, only the first line will actually print on the face of the check. Other memos are printed on the stub of the check.
- **Wastes resources** — Using the memo field uses computer resources. Each line of memo will take up room in the data files. As files grow larger, they run more slowly and take up more room on the hard disk.
- **Long transaction reports** — Entering information in the memo field means that it will print out on the various transaction activity reports. The user must remember to go to report options and clear the option for memos to print. This avoids having a great deal of superfluous data appear on reports.
- **Requires extra data entry** — Entering information in the memo field means that it must be entered for every individual transaction, either manually or as part of an automatic entry.

## Address Info Screen

A better way to enter vendor-required information is to use the Address Information screen. This has the following advantages:

- **More information available** — The payee's name and up to five lines of additional information can be printed on the check.
- **Efficient use of system resources and operator time** — Using the address information fields for this purpose means that the data is only entered once.
- **Improved reports** — Data entered here prints only on the check, rather than cluttering up transaction reports.

## Entering Address information

The first 5 non-blank lines print on the check. The other lines do not print on the check but do print on payee and payor Name and Address Info report.

### *To use the address information fields:*

1. Select **Transactions | Info For Name & Address**.
1. Select the payee you wish to change.
2. Enter in the first lines on this screen information you wish to appear.

**Note:** Many vendors supply self-addressed envelopes, so printing the vendor's address on the check is usually unnecessary. This leaves room on the check for additional information if needed.

### Changing Name on Check

Often the payee's name in the entity is different from the name you wish to appear on the check. For example, the payee name may be Smith, Robert, but the user wishes to make the check payable to Robert Smith or Bob Smith.

**Note:** Be consistent in creating payee names. For example, you choose from the following conventions:

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- Last name first (Smith, Robert)
  - No unnecessary punctuation (Jones, C J not C. J. Jones)
  - No titles (Brown, Ann M D not Dr. Ann Brown)
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*Using these or your own naming conventions will help make your data files consistent and will help prevent multiple names for one payee.*

### **To change the name that prints on the address section of the check:**

2. Select **Transactions | Info for Name and Address**.
3. Go to the Info for Name & Address field
4. Change the name that appears on the first line.

The payee name remains the same.

**Warning:** *It is possible to change the name on the check to something inappropriate, such as a data entry clerk's name. This can result in a serious breakdown in internal control. When more than one person has access to the data files, it is important to review the actual checks, either when they are returned with the bank statement or, preferably, before they are signed.*

### Name Appears Twice

The payee's name appears twice on the check when FN's default settings for check printing are used. This is distracting and can result in problems if the name in the Info for Name & Address differs from the payee name.

### **To match payee names on checks:**

3. Select the **Print Checks** icon on the tool bar.
5. If no checks appear, select **Sample**.

6. Select the command button **Change Settings**. The following screen appears:

	Top	Left
Margin	0	0
Size of Form	#Rows: 42	#Cols: 80
--- ON CHECK ---		
Check #	4	75
Date	10	49
Payee Name	10	12
Amount in Digits	10	65
Amount in Words	8	6
Memg on Check	13	47
Address-1st line	13	6
Checking Acct Name	0	1
Payor Address	0	1
Payor No. for Address		0
--- ON STUB ---		
1st line of Stub	23	1

7. Change the settings for payee name so that they are the same for the settings for Address - 1st line. In the above example, change Payee Name row to 13 and Payee Name column to 6.

Now when checks are printed, if the Address Info name field differs from the payee name, the Address Info name will print on the check. If there is nothing in the Address Info field, the payee name will print on the check.

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