

Introduction to Account Qualifiers

Often the main reason to use Financial Navigator is to gain the information available from the reports. Therefore, knowing all the best reporting techniques gives you the full benefit of your time and effort spent entering the data.

This document consists of 2 parts:

- Introduction to Account Qualifiers (this document)
- Advanced Account Qualifiers

Key to Improved Reporting: Account Qualifiers

Account qualifiers are one of the most powerful features of Financial Navigator. Account qualifiers make it possible to track several different criteria, including ownership, marketable securities, real estate, Schedule C businesses, and other asset specifications. Because most people do not fully understand them, account qualifiers are one of the most under-used features of the program.

Account Qualifiers There are two approaches to defining and using account qualifiers:

- **Descriptive qualifiers** — In their simplest form, account qualifiers are used to distinguish among similar accounts. For example, if both husband and wife own shares of Netscape Communications, there might be two accounts called NETSCAPE/DEWEY and NETSCAPE/VERA. The "DEWEY" and "VERA" portions of the account names are the qualifiers, and in these cases they are *descriptive qualifiers*. This type of account qualifier is useful in only the simplest situation, as in this case of separating accounts by ownership.
- **Code-type qualifiers** — There is no rule that account qualifiers have to be whole words. In fact, *code-type qualifiers* can be almost any combination of letters and numbers that uniquely establish categories. An account qualifier set up in this way can contain a greater amount of information than a descriptive qualifier. These types of qualifiers are discussed at length later in this section.

Qualifier Structure

The key to having a really useful account qualifier is structure. Each digit or character within the account qualifier has a meaning. There is no right or wrong answer to developing an account qualifier structure, and often tradeoffs are involved. Before any kind of account qualifier is implemented, the Financial Navigator professional should ask the following questions:

- What kind of reports do I need from this entity?
- Is it important to track ownership separately?
- Is it important to keep on top of the various brokerage firms?
- Are there rental properties or businesses to report on?
- Do I want Financial Navigator to produce reports that will tie directly into my 1040?
- Are there other asset criteria that are especially important to me?

Based on the answers to these questions, the most important criteria should become obvious. These are the criteria that need to be built into the account qualifier structure.

Using Account Qualifiers: The Basics

Account qualifiers are set up in the Chart of Accounts and are simply part of the account name. For example, in the account name SALARY/DEWEY, "DEWEY" is the account qualifier.

Note: *The entire account name, including the account qualifier and the / character, cannot exceed 26 characters. The account qualifier itself cannot exceed 24 characters.*

To add an account qualifier to an account name:

1. Select **Accounts | Chart of Accounts**.
2. Create or select the account that you want to add an account qualifier to.
3. Insert a backslash (/) at the end of the account name. Type the account qualifier following the backslash.

Note: *Be careful with the / character. **Anything that follows the first / is considered the account qualifier.** For example, in the account TWA STOCK 11/2/89/VERA, the account qualifier is 2/89/VERA, which is probably not the desired effect. In this situation, use dashes to separate the dates, such as TWA STOCK 11-2-89/VERA.*

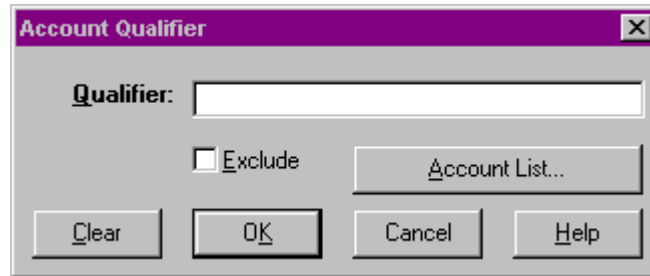
Checking Qualifiers

When setting up account qualifiers or starting to work with them for a report, you should check to see that the qualifier you have in mind does include all of the accounts you want and no accounts you do not want. This

ensures the qualifiers have been set up accurately. Use the following technique to check a list of accounts quickly using a given qualifier.

To create a list of accounts that includes only accounts that have a specific account qualifier:

1. Select **Accounts | Account Qualifier**. The following dialog box appears:



2. Type the characters that make up the account qualifier.
3. Select the **Account List** command button. A window appears with a list of accounts that have the qualifier you specified.
4. Look over this list carefully to determine it contains the accounts you want covered by the qualifier.

Clearing Account Qualifiers

Once you set an account qualifier anywhere in FN, it remains active until you tell the system it should no longer be active. Therefore, if want to print reports using that qualifier, go directly to Report Selection and begin producing your reports.

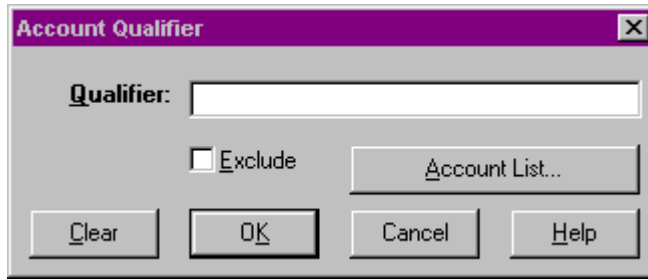
If you want to print another report without an account qualifier, go to the Account Qualifier dialog box shown above and select the **Clear** command button.

Reporting with Account Qualifiers

Once they are set up properly, using account qualifiers to customize reports is easy.

To create a report that includes only accounts that have a specific account qualifier:

1. Select **Reports | Report Selection**.
2. Select the **Account Qualifier** command button. The following dialog box appears:



3. Type the characters that make up the account qualifier. Select **OK**.
4. Select the report you want to produce.

Note: Remember, the account qualifier remains active until you tell the system it should no longer be active. If a report gives you results you do not expect, check to see if you left a qualifier in effect. Clear the qualifier to get the report you want.

Tracking Ownership with Account Qualifiers

Often a personal tax return reports the income and deductions of two or more owners. For example, with a joint tax return, there may be assets owned jointly, other assets owned by the husband, and other assets owned by the wife. While all these assets are part of one entity, it is often desirable to be able to report a single owner's assets separately. Financial statements for an individual owner are useful:

- To obtain separate credit.
- To account for assets for estate planning.
- To monitor the separate assets of a spouse obtained through inheritance, divorce, etc.

Descriptive Qualifiers

In the simplest situation where only ownership enters into the account qualifier structure, descriptive qualifiers can be used. For example, for a married couple named Joe and Mary Client who have a living trust, the entire chart of accounts can be set up with the following account qualifiers:

- /JOE
- /MARY
- /JOINT
- /TRUST

Code-Type Qualifiers

In a more complex situation where several factors enter into the account qualifier structure, code-type qualifiers can be used. For example, if Joe and

Mary Client wish to incorporate ownership into a complex account qualifier scheme, the chart of accounts can be set up with a one-digit code signifying ownership. Thus, the following account qualifiers can be used:

- **/1** — For Joe's assets, liabilities, and related income statement accounts
- **/2** — For Mary's assets, liabilities, and related income statement accounts
- **/3** — For jointly owned assets, liabilities, etc.
- **/4** — For a living trust

Note: *Using /JOE or /1 for an account qualifier does not seem to be a very important distinction. However, as described later in this section, the length of the account qualifier makes an important difference when selecting reports.*

Tracking Marketable Securities with Account Qualifiers

Many investors keep their securities in street name at their brokerage firm or use the brokerage firm's safekeeping services.

Note: *More and more investors are using this practice with the advent of shortened trading times, called by brokers "T+3." Even shorter trading times, "T+1" are on the horizon.*

It is a good idea to be able to track both the content and performance of the securities portfolio. For this tracking to be meaningful, it is important to be able to separate the investments held at various brokerage firms or in different accounts.

Using Code-Type Qualifiers

One of the most powerful features of account qualifiers is their flexibility. Just about anything that the client deems worthy of reporting separately can be tracked with an account qualifier. For example:

- **By broker** — An investor might have a stock portfolio that includes the same stock held in many lots at different brokers. If it is especially important to the investor to track a particular stock, the stock's ticker symbol or an abbreviation might be part of the account qualifier. Code each brokerage firm's name into a one, two, or three-character code. Letters, numbers, or a combination of letters and numbers can be used. For example, Salomon Smith Barney might be SS, Paine Webber might be PW, and so on.

Note: *It is important to be consistent. All the codes must be the same number of characters. Using SSB for Salomon Smith Barney and PW for Paine Webber can result in problems if the account qualifier contains codes other than the brokerage firm.*

- **By maturity date** — Another investor might have even more specialized needs. For example, an investor might want to track his municipal bonds by maturity date, bond rating, or interest rate. Any or all of these criteria can be built into the account qualifier. For example, the maturity year and month can be reduced to a four-character code. The rating can be a one or two-character code. Even the interest rate can be coded.

Note: *Caution should be used, however, or the account qualifier might end up overly long and complicated.*

Updating Securities by Qualifier

A powerful use of account qualifiers with securities is to update positions to current market values. If you are entering prices at the keyboard, you may be working from a brokerage statement that includes only the securities for a particular person held at a specific broker. In that case, it is easier and more accurate to enter the prices if you limit the account list to only those securities for that owner and broker. This avoids having to skip over securities you do not want to update and prevents other positions from being updated accidentally.

To limit the securities included in a price update:

1. Select **Investments | Enter Prices to Update Securities**.
1. Enter the date for the market prices.
2. Select the **Qualifier** command button.
3. Enter the qualifier for the securities you want to update. This may be owner or the brokerage firm or both.
4. Select **Account List** to check that the securities you want to update do appear in the list. This confirms the qualifier is properly entered.
5. Select **Cancel** to exit the account list.
6. Select **OK** to return to the Enter Prices to Update Securities account selection screen.
7. Press **PgDn** to move to the first account that meets the qualifier criteria. If the account displayed in box contains the qualifier, this step is not necessary.
8. Select **OK** to view the information about the first security.
9. Enter the current price for the first security. Press cursor down to update the account balance. Look at the balance to verify the new market value.
10. Press **PgDn** or select **Next** to move through the list of securities.

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