CHAPTER 1: GREAT PLAINS INSTALLATION AND INTERFACE

CHAPTER OVERVIEW

The introductory chapter contains step-by-step instructions for installing Great Plains Standard 8.0 Education software as well as installing, backing up, and restoring the sample databases included with the textbook. The databases included are ***S&S, Incorporated*** and a replica of this database named ***S&S, Inc Project DB***. Providing two copies of the database allows you to use the first as a “sandbox” for practicing skills and chapter exercises and the second for completing tasks graded by professors.

After reading this chapter, you know:

- The minimum hardware and operating system requirements for software installation
- How to install Great Plains Standard 8.0 Education Edition software and the Series included during installation
- How to install, back up, and restore the company databases
- How to log into Great Plains, open a company database, navigate menus, record basic transactions, perform database inquiries, and prepare reports

Level One covers:

- Installing Great Plains software, loading databases, backing up databases, and restoring databases
- The Great Plains user interface used to enter and post transactions, perform inquiries, and print reports
- An introduction to Series integration

Level Two covers:

- Identifying and evaluating general ledger software intricacies related to a company’s internal control environment and operating needs
- Adherence to software licensing and “rights of use” policies

HARDWARE AND OPERATING SYSTEM REQUIREMENTS

The minimum hardware and software requirements for installing Great Plains Standard 8.0 Education Edition are outlined in ***T1:1***.

Hardware:	210 MB Hard Drive
	128 MB Ram
	Pentium III 350 MHz (or equivalent)
	SVGA (900x600) with 16-bit video driver
	DVD or CD-Rom Drive
Operating Systems:	Windows 2000 Server with SP 3 or SP 4
	Windows XP Professional with SP 1a or SP 2
	Windows XP Tablet PC Edition
	Windows 2000 Professional or Server Editions with SP 3 or SP 4
	Windows 2003 Standard Edition with SP 1

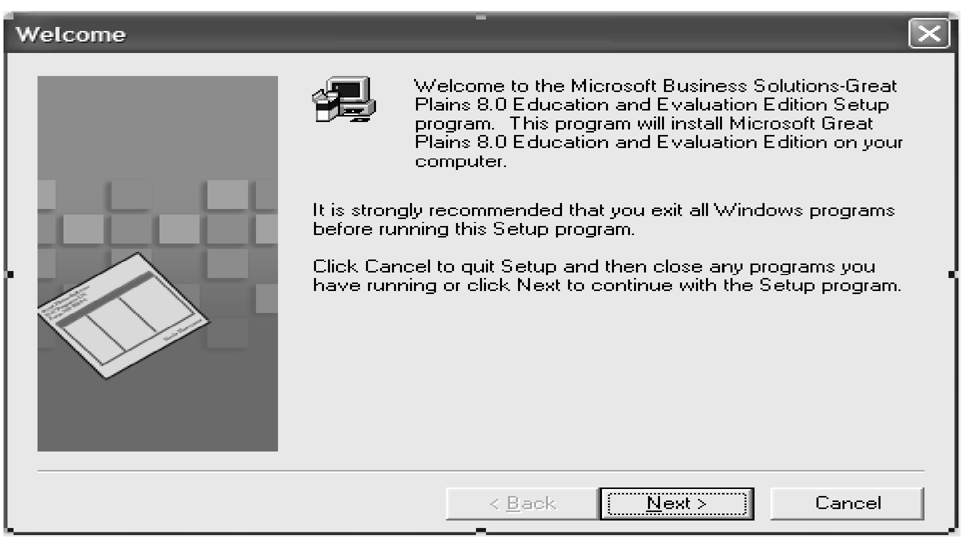
T1:1 Hardware and Operating System Requirements

SOFTWARE AND DATABASE INSTALLATION

This textbook contains a single user license for Great Plains. There are three stages to installation before using this software. The first stage installs Great Plains, the second installs company data files, and the final prepares Great Plains for use.

Stage 1: Install Software

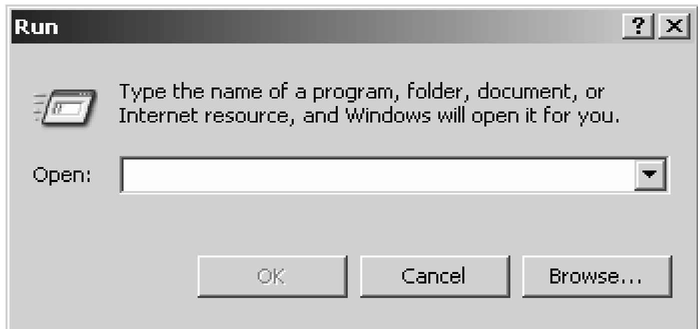
Insert the CD labeled Great Plains Standard 8.0 English Education into your computer's drive. The CD automatically initiates the installation process illustrated in ***F1:1***. Click Next.



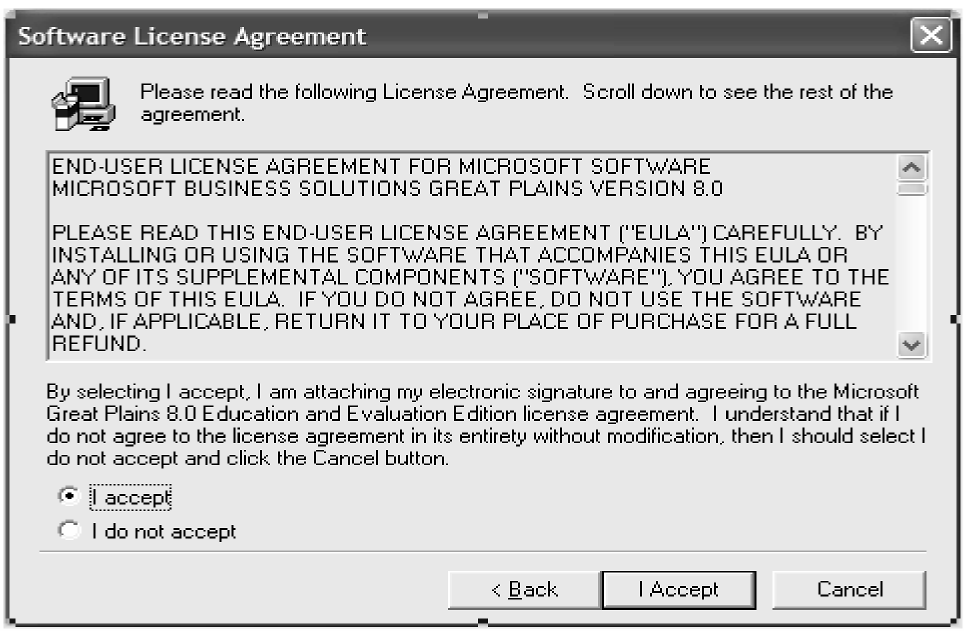
F1:1 Software Installation Step 1

Alternative procedure for software installation

Occasionally the CD does not automatically initiate installation. When this occurs, click on Window's Start menu and select Run. Click the Browse button to locate the file named Setup.exe on the installation CD. Highlight the file and then OK to begin installation.

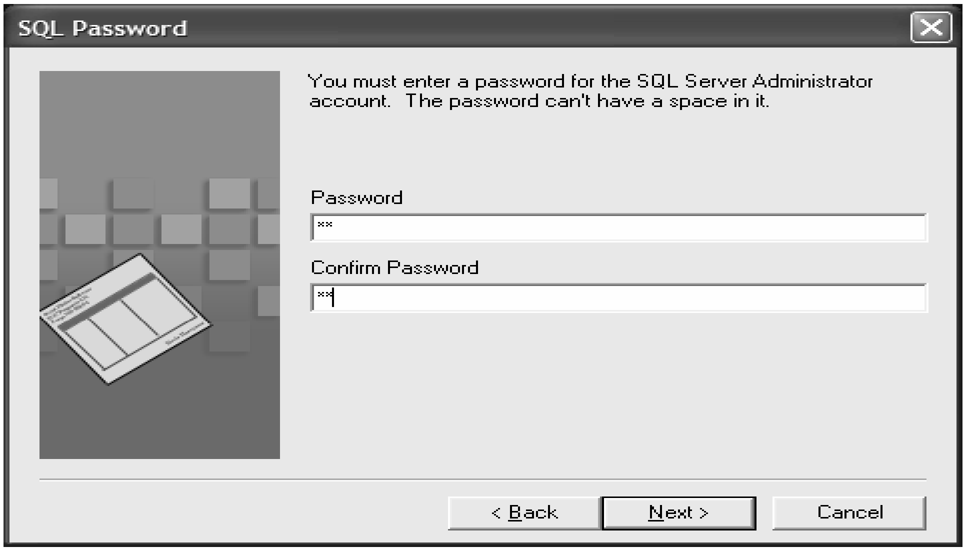


After clicking Next, the Software License Agreement window appears (***F1:2***). Read the agreement before clicking I Accept. Acceptance confirms your promise to use the software in accordance with this agreement. Software licensing is discussed in Level Two.



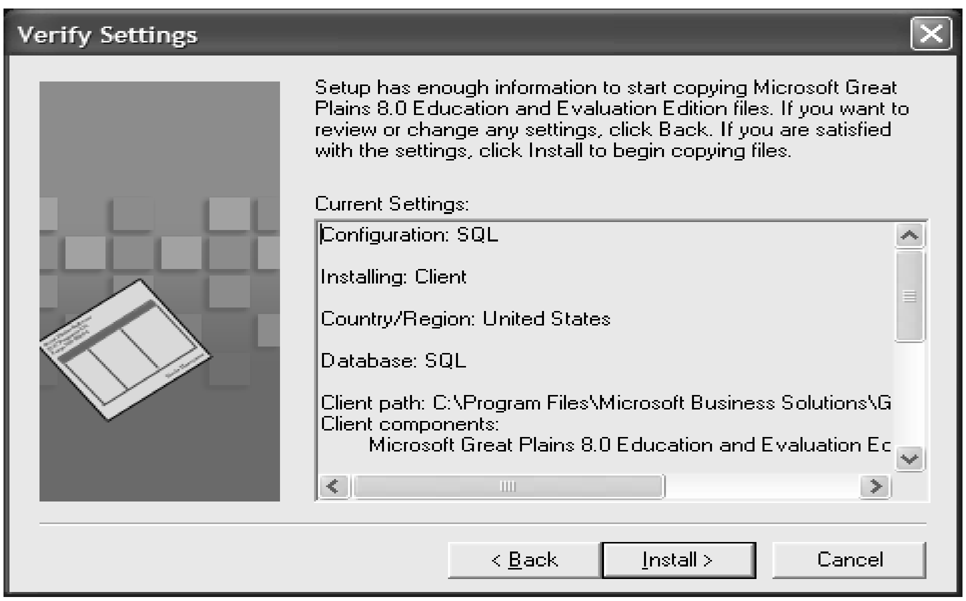
F1:2 Software License Agreement Window

The next window (***F1:3***) that appears requests the entry of a password for the sa user account. It is recommended you also use *sa* as the password. If you choose to use a different password and later forget this password, the software must be removed and reinstalled to establish a new password. Great Plains passwords are case sensitive, meaning the software differentiates between upper and lower case letters. Please be careful when creating this password and click Next when finished.



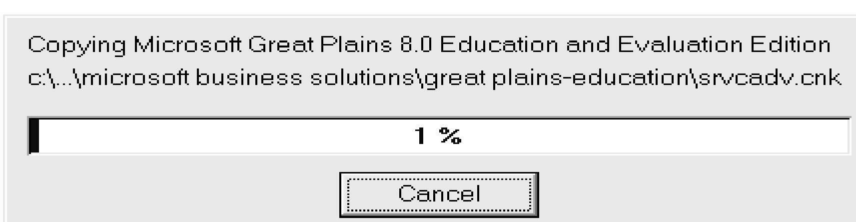
F1:3 <u>sa</u> User Password

The next window (**F1:4**) confirms the directory used to install Great Plains. Note that the location is *<u>C:\Program Files\Microsoft Business Solutions\Great Plains-Education</u>*. Click the Install button.



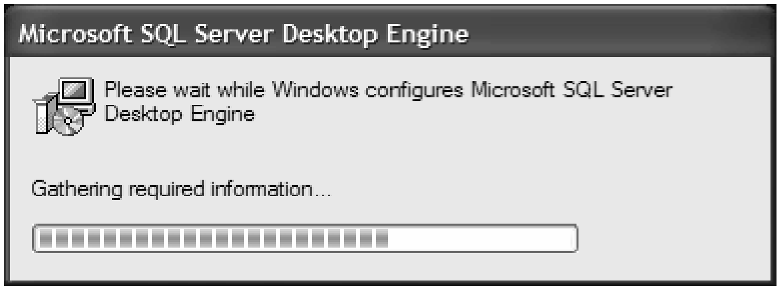
F1:4 Great Plains Software Directory

The software updates you on the progress of installation (***F1:5***). Do not interrupt installation, otherwise you will have to delete partially installed files and restart.



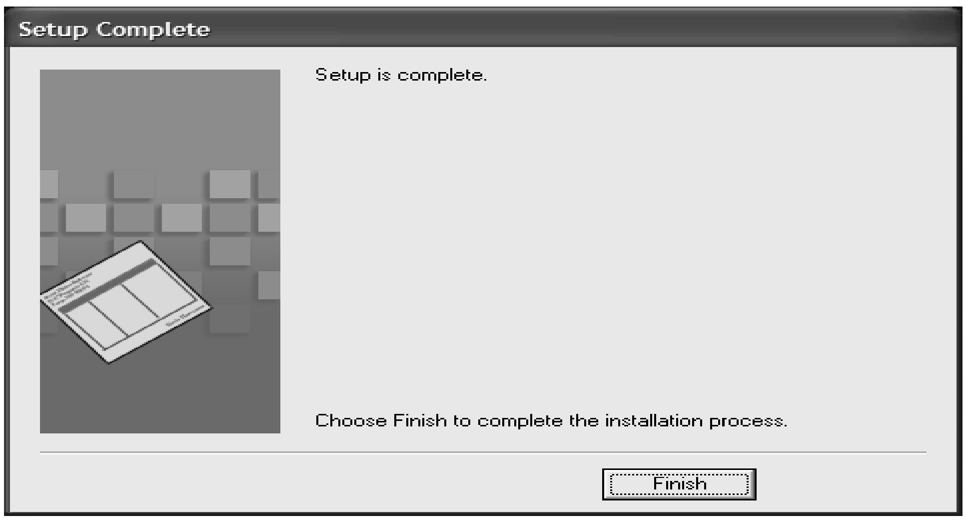
F1:5 Install Progress Indicator

During installation, the Great Plains interface and database management (DBMS) system are copied to your computer (***F1:6***). The DBMS will be discussed in Chapter 2, Level Two.



F1:6 DBMS Configuration

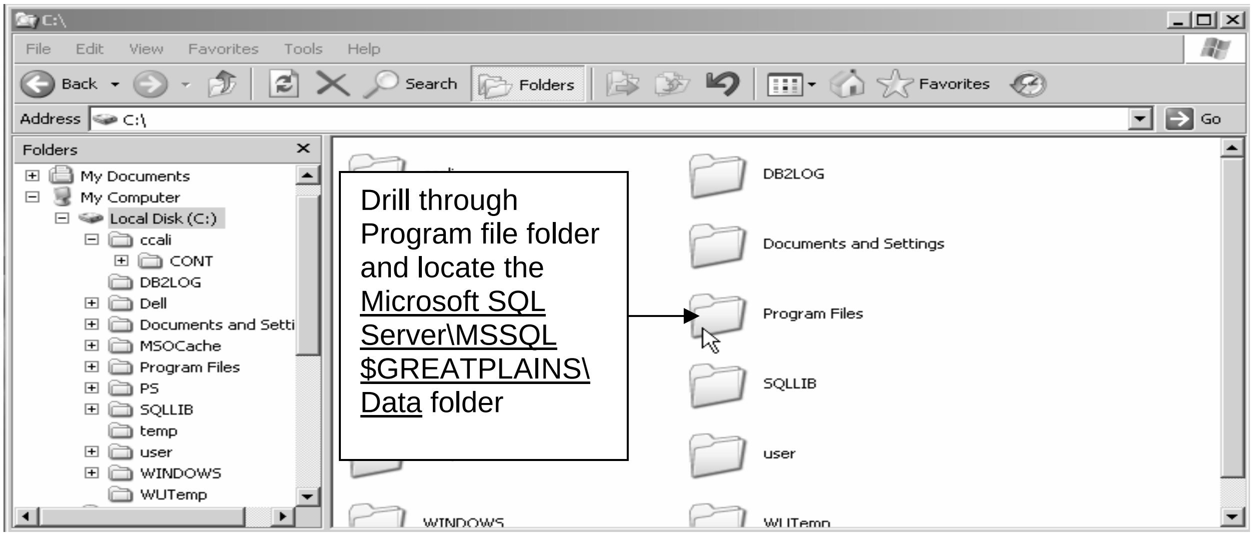
When Great Plains notifies that installation is complete (***F1:7***), click Finish and move on to copying the company database files to your computer.



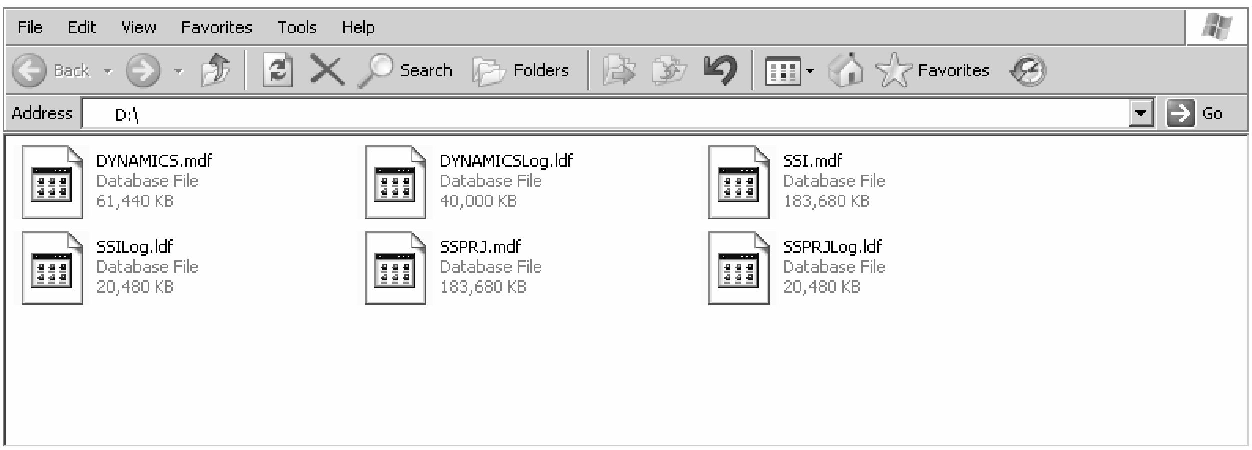
F1:7 Great Plains Successfully Installed

<u>Stage 2: Copy Company Database Files</u>

The database files are located on the CD included with your text labeled *<u>GP Data Files</u>*. Insert this CD and then right click on Window's Start button and select Explore. Locate the C drive folder created during software installation called *<u>Program Files\Microsoft SQL Server\MSSQL $GREATPLAINS</u>* (***F1:8***). Copy the six data files located on the CD to this folder on your computer's C drive (***F1:9***).



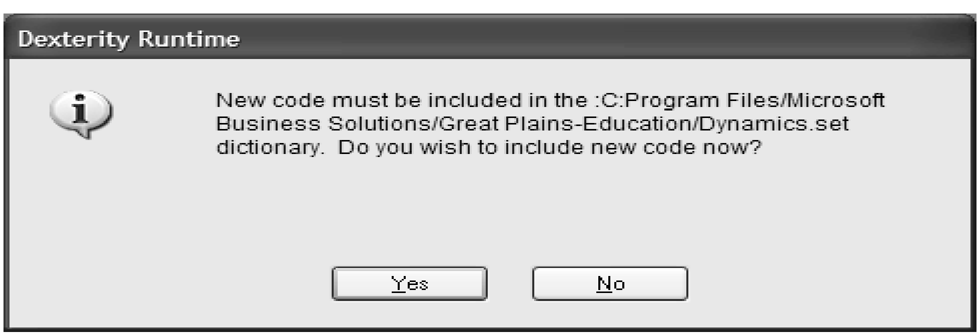
F1:8 Explorer Window



F1:9 CD Data Files

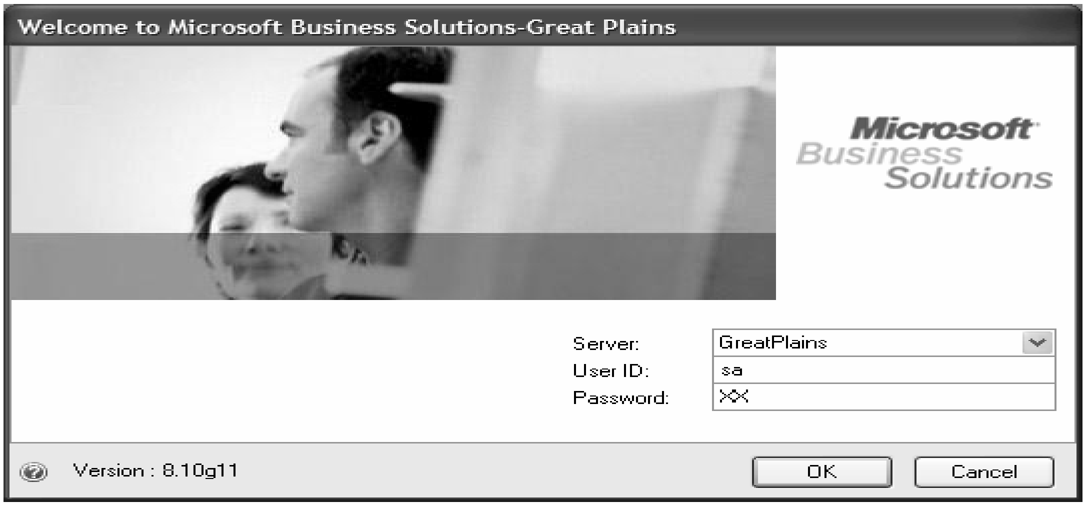
Stage 3: Launch Great Plains

Return to Window's Start menu and open Great Plains using the *All Programs>>Microsoft Business Solutions>>Great Plains-Education* menu. This path is used every time you open Great Plains. The message in ***F1:10*** appears the first time you open the software after installation. Click Yes to install the additional code required to run Great Plains.

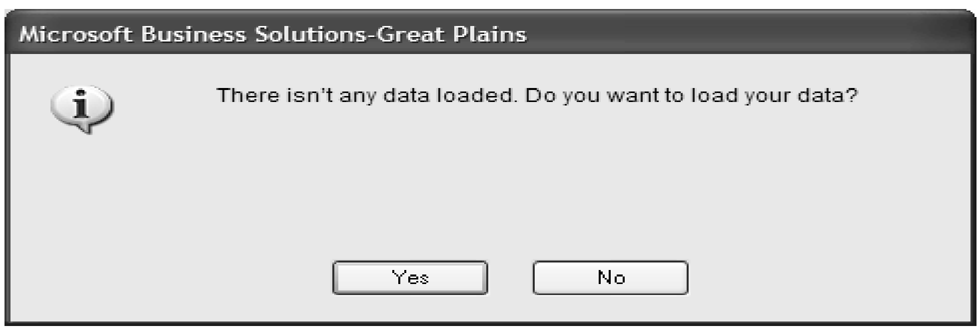


F1:10 Message to Include New Code after Install

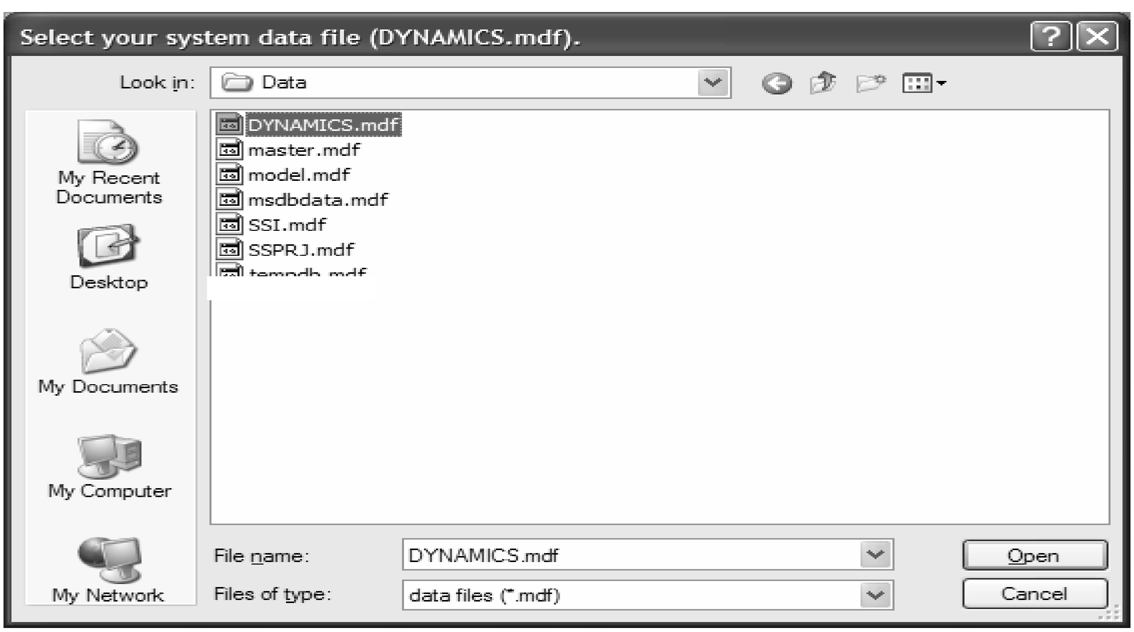
After including new code, Great Plains opens the login window (***F1:11***). Enter <u>sa</u> as the User ID and then the password created during installation. The next screen (***F1:12***) appears, prompting you to attach the company databases. Click Yes, then locate the folder containing the copied database files.



F1:11 Great Plains Login

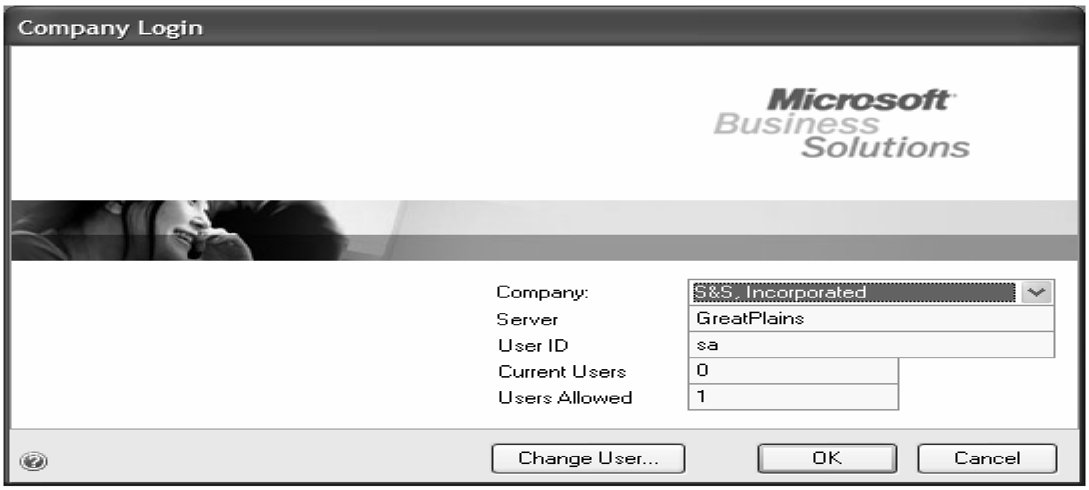


F1:12 Attach Company Databases

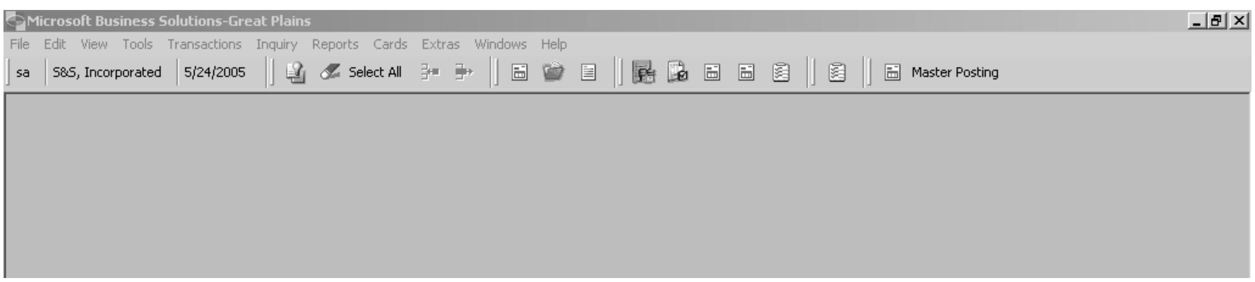


F1:13 DYNAMICS.mdf File

Highlight the _DYNAMICS.mdf_ file and click Open (***F1:13***). Great Plains initializes the company databases for use and then displays the company selection screen (***F1:14***). Click on the dropdown list to show _S&S, Inc Project DB_ and _S&S, Incorporated_ as the databases. As previously discussed, the first database may be used for completing projects and assignments and the second as a "sandbox" for practicing Great Plains skills. Select _S&S, Incorporated_, then click OK to enter the Great Plains environment (***F1:15***).

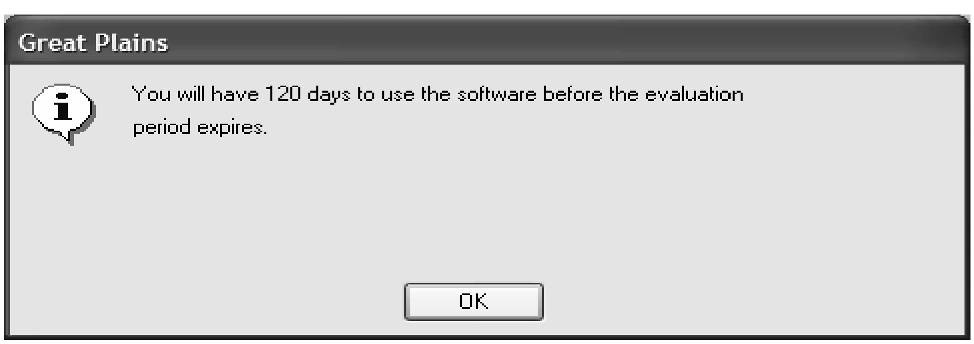


F1:14 Company Database Selection



F1:15 Great Plains Environment

The first time you open the interface, Great Plains initializes the Fixed Assets Series and displays information on the licensing period (***F1:16***). Note that your copy of Great Plains expires after 120 days.



F1:16 Evaluation Period Notification

Congratulations! You have now completed installation and are ready to begin using the software.

Your copy of Great Plains comes with the Series outlined in ***T1:2***. In addition, you also have the Human Resources and Fixed Asset Series, which are not covered in this text.

Series	**GP Menu References**	**Traditional Journal/Ledger References**	**Series Tasks**
System Manager	System		♦ Required for all Series to manage overall software behavior such as user IDs, passwords, series security, audit trails, etc. ♦ Establishes company defaults such as name, address, fiscal periods, etc.
Financial	Financial and Company	General Ledger, General Journal, and Chart of Accounts	♦ Create and maintain the chart of accounts ♦ Enter adjusting, accrual, deferral, and correcting journal entries ♦ Produce trial balance, financial statements, worksheets, and other financial analysis reports
Receivables Management, Invoicing, and Sales Order Processing	Sales	Accounts Receivable Ledgers, Sales Journal, and Cash Receipts Journal	♦ Create and maintain customers ♦ Enter sales orders, order shipments, invoices, cash receipts, merchandise returns, debit memos, and finance charges ♦ Produce customer statements, accounts receivable aging, and other sales analysis reports
Payables Management and Purchase Order Processing	Purchasing	Accounts Payable Ledger, Purchases Journal, and Cash Disbursements Journal	♦ Create and maintain vendors ♦ Enter purchase orders, receipts against purchase orders, vendor invoices, cash disbursements, returns, and credit memos ♦ Produce accounts payable aging, cash requirement report, and other purchasing analysis reports
Inventory Control	Inventory	Inventory Ledgers	♦ Create and maintain inventory items ♦ Establish inventory valuation method ♦ Enter inventory adjustments ♦ Produce inventory analysis reports
Payroll	Payroll	Payroll Journals	♦ Create and maintain employees ♦ Enter payroll data and produce paychecks ♦ Produce tax liability and other payroll analysis reports

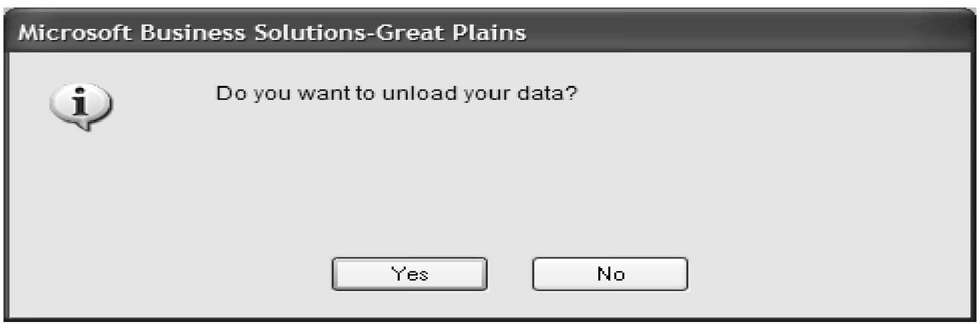
T1:2 Great Plains Series Covered in the Text

It makes sense to think of each Series as fitting within the functional areas of a company's business operation. Often textbooks refer to these areas as accounting cycles. Each standalone Series (other than System Manager) contains all the subsidiary ledgers and journals used by a particular cycle. The table also outlines the Great Plains menus used for accessing each Series, the traditional accounting journals and ledgers incorporated into that Series, and the tasks performed within each Series. Great Plains sells additional Series and add-ins not covered in this text.

You are not required to download security patches or updates for the Education software. However, you should make security a priority whenever using a computer. Continual monitoring for software patches and upgrades is critical.

EXITING GREAT PLAINS

Select the *File>>Exit* commands from Great Plains' menu. The prompt in ***F1:17*** asks you to unload the databases. Databases are unloaded for portability between school and home. If you plan to continue using the company databases on the current machine, then select No. However, when working in a school lab, you MUST unload the databases or the next user has access to your data.

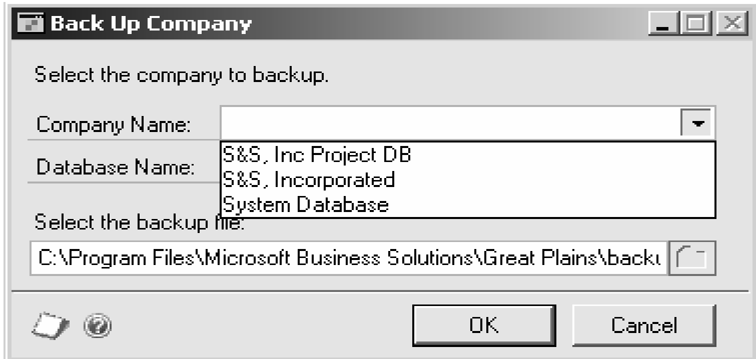


F1:17 Unload Company Databases

After unloading, the databases are ready for copying to a removable storage disk for relocation to a different computer. When relocating data, all six files illustrated in ***F1:9*** must be copied. (Note: You do not have to remove data files from a lab computer. As long as files are unloaded, the next user does not have access to your data files). When data files are unloaded, Great Plains prompts you to reattach as previously illustrated in **F1:12**. As the next topic illustrates, the procedures for detaching and reattaching databases are different from those used to backup and restore databases.

BACKUP AND RESTORE THE DYNAMICS AND COMPANY DATABASES

After using Great Plains, you should perform a backup of the databases by selecting the Great Plains menu *File>>Backup*. Great Plains prompts for a system password and this password is *sa*. (Note: This password is separate from the password created during installation and used to login to Great Plains.) ***F1:18*** displays the company and system databases available for backup. You should backup the company database used during a session as well as the system database.



F1:18 Database Backup Window

Choose a database and then click OK to create a backup file in the pathname shown. You can click the folder icon to select a different path and to rename the backup file; however, remember this location and filename for future use. By default, each time a backup is performed, Great Plains names the backup file using the company name and the date of the backup.

To restore the backup, return to the *File* menu and select the *Restore* command. The restore window looks the same as the window used to backup data files. Highlighting a company database activates the folder icon for browsing and selecting the backup file to restore. The restore process takes time, therefore be patient and do not close any windows.

IF YOU HAVE NOT PERFORMED A BACKUP, backup files do not exist and, therefore, cannot be restored. Consequently, you must return to the original CD and recopy the original data files. Unfortunately, any changes to data files will be lost.

RETURNING TO GREAT PLAINS

Again, Great Plains is located under Programs on the Window's Start menu. Each time you open the software, Great Plains prompts for the user's login account (User ID) and password. In addition, when company database were previously detached, Great Plains prompts to reattach the files.

> ***Note: In the event your last session ended improperly (i.e. the hardware system crashed or the software irregularly closed), Great Plains prompts to delete the previous login. See Appendix A to resolve this issue.***

COMPANY BACKGROUND

Before beginning the tasks in this text, become familiar with the sample company. S&S operates a mid-sized distribution company in Northeast Ohio. The company operates on a calendar year basis and the current open accounting period is March of 2007. The company's inventory includes small electronics, televisions, cameras, and audio equipment. S&S' chart of accounts, customers, vendors, inventory items, and employees are located in Appendix B. Take a few minutes to review this information before continuing.

LEVEL ONE

INTRODUCTION TO THE INTERFACE

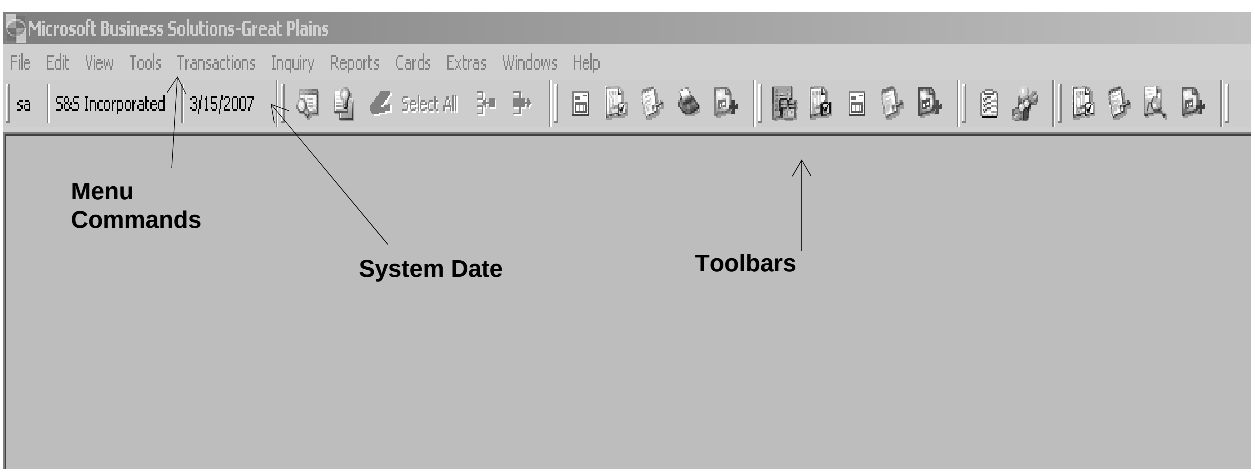
Before practicing the examples, emphasis must be placed on changing Great Plains' system date each time you enter the software and/or begin recording transactions. The system date is located on the menu bar (***F1:19***). Double clicking the displayed date opens a window to change the date. All examples in this textbook occur in March of 2007. Be careful to change the system date before beginning an example as well as each time you log into Great Plains.

<u>IMPORTANCE OF THE SYSTEM DATE</u>:

Warning: Transactions may be posted in the wrong accounting period.

Great Plains uses the system date as a default for transactions, inquiries, and some of the reports. Great Plains initially selects this date from the computer's system date. Since you will be working on the financial records for March 2007, overriding the initial date ensures working in the correct accounting period. In addition, when performing particular exercises and problems in the text, you will want to change to the date matching the task. Always remain conscious of the date before performing any task. Whenever you see the calendar symbol to the right, this signals you to observe the date.

The Great Plains interface screen appears in ***F1:19***, illustrating the location of menu commands and shortcut toolbars. An overview of Great Plains' menus is provided in ***T1:3***. The Edit, Windows, and Help menus are omitted from this table since these commands function similarly to other Microsoft Office products. Toolbar shortcuts are discussed later in the chapter.



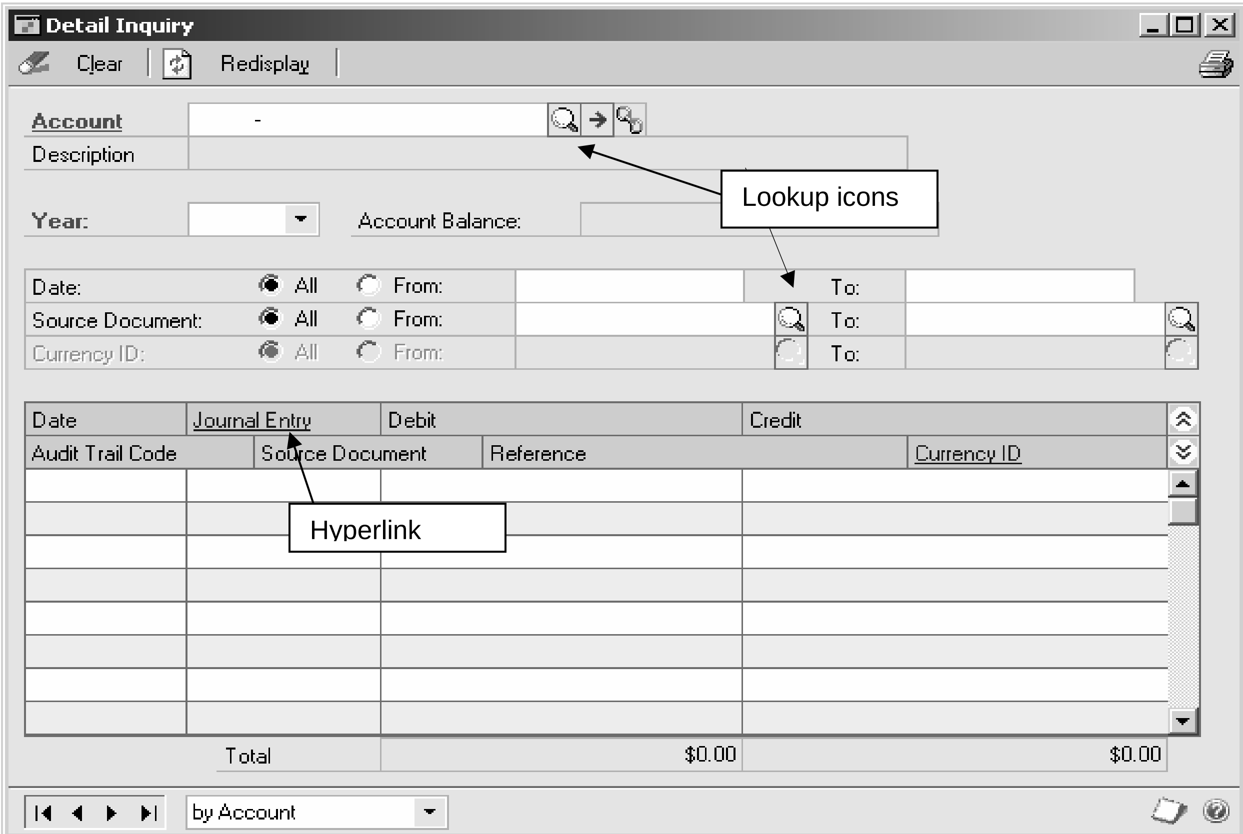
F1:19 Basic Interface Screen

Menu Item	Submenu	Description
File	1) User and Company 2) User Date 3) Maintenance 4) Backup 5) Restore	1) Change user or company 2) Change default date used during transaction entry 3) Routines to repair data files 4) Backup data files 5) Restore data files from a backup copy Print Setup and Exit are self-explanatory. The Process Monitor controls distributed printing for networks and is not covered in this text.
View	Submenus correspond to installed Series	Turns on/off or customizes menu bars. Also used to open/close other shortcuts and the Smart List.
Tools	1) Setup 2) Utilities 3) Routines	1) Setup and configure Series features such as security, default forms, user preferences, and audit trail codes 2) Data file maintenance utilities for removing transaction history and reconciling out of balance conditions 3) Used to perform posting, year-end, month-end and other user routine checklists
Transactions	Submenus correspond to installed Series	Access to Series' transaction entry menus used for processing day-to-day transactions
Inquiry	Submenus correspond to installed Series	Access to read-only views of data, permitting lookups to supporting transactions
Reports	Sub-Menus correspond to installed Series	Prints reports
Cards	Sub-Menus correspond to installed Series	Create master records such as customers, vendors, general ledger accounts, inventory, and employees.

T1:3 Menu Commands

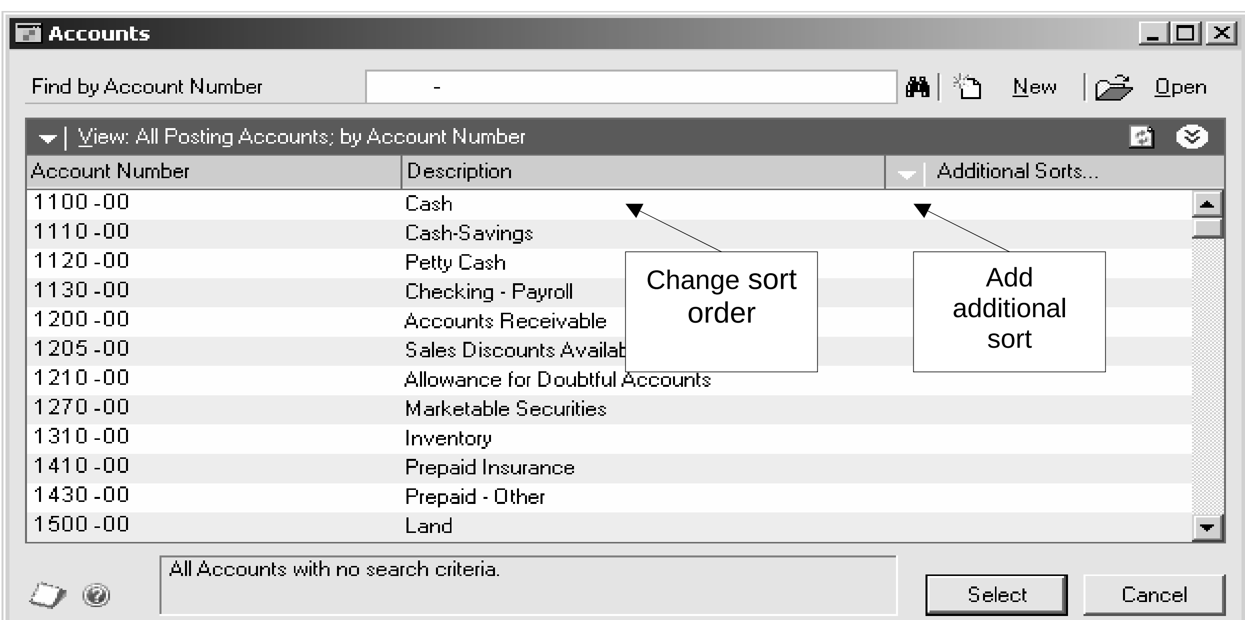
FIELD LOOKUPS AND HYPERLINKS

During data entry or inquiry, users frequently need quick access to account data and details. Hyperlinks and lookups provide quick access to other menus that open inquiries, cards, and transaction details. Lookups open windows accessible through the Inquiry or Cards menus. Hyperlinks provide quick links to specific transactions. For instance, S&S' accountant, Ashton, needs to locate details on a transaction posted to the cash account on January 8, 2007. He clicks the menu items *Inquiry>>Financial>>Detail* to open the window illustrated in ***F1:20***.



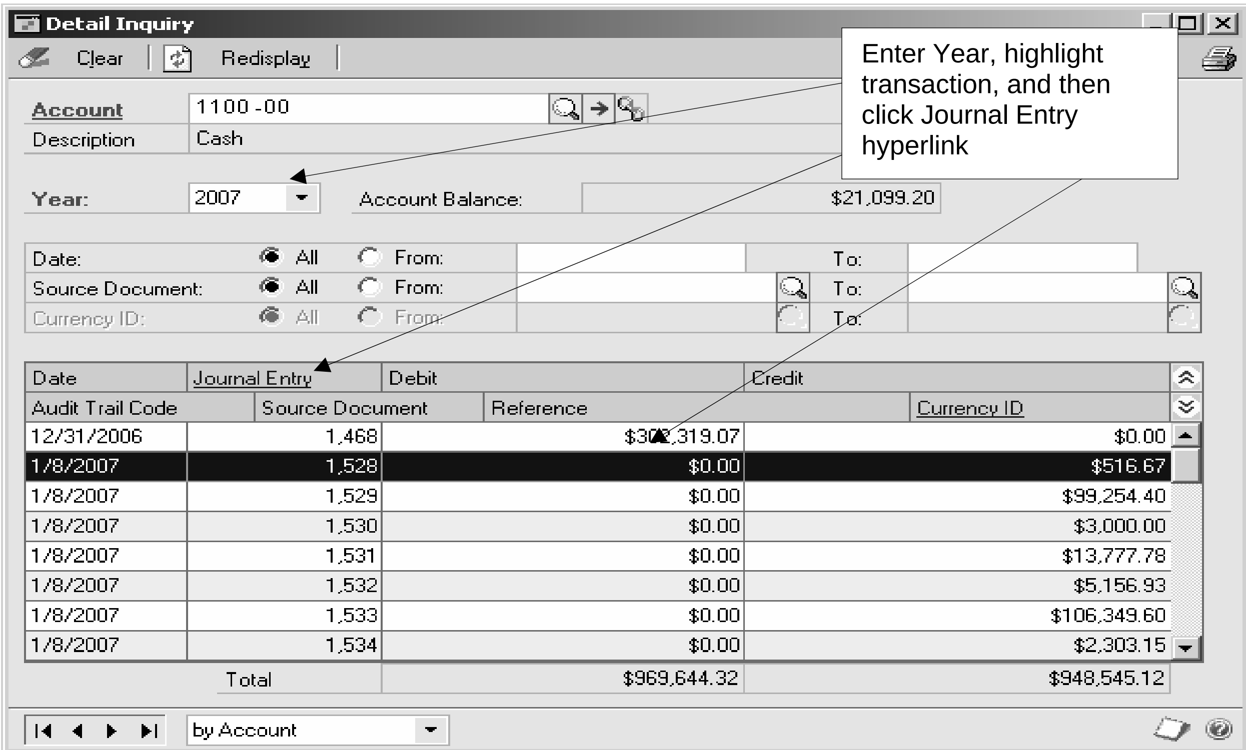
F1:20 Detail Inquiry Window

After opening, Ashton cannot remember the cash general ledger account number, so he clicks the Lookup icon located beside the Account field and the window in ***F1:21*** opens.



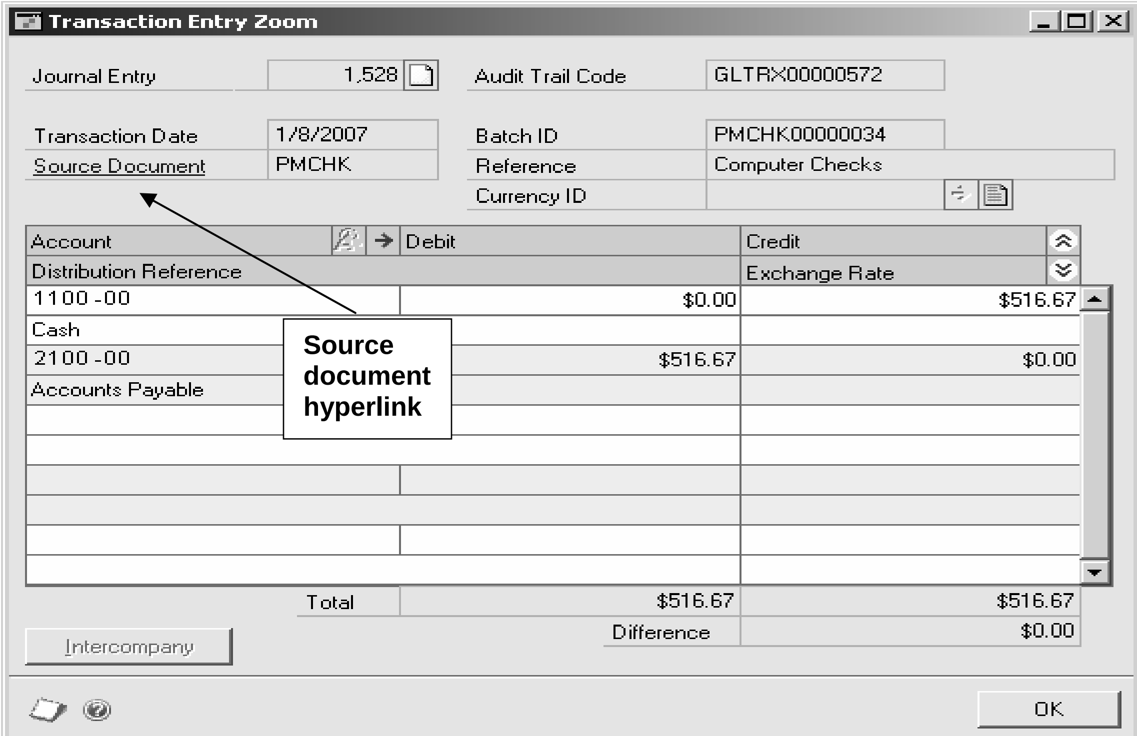
F1:21 Accounts Lookup Window

This window sorts data by account number. When the account does not appear towards the top, Ashton changes the sort order by clicking the Description heading or by using the dropdown menu that adds additional sorts. In addition, Ashton uses the binocular icon to search for the account, the New button to add accounts, and the Open button to modify existing accounts.



F1:22 Cash Account Transactions

Highlight account 1100-00 Cash and click Select. The Detail Inquiry window now displays transactions for the this account. Highlight the transaction illustrated (***F1:22)*** and click the Journal Entry hyperlink to view details on this transaction. Ashton could also drill down to the transaction's source document by clicking the Source Document hyperlink (***F1:23).***



F1:23 Transaction Details

Ashton asks you to inquire into a transaction recorded on January 25, 2007 for $138,412.50 that posted to the sales account for the East. He would like to know the customer billed, the invoice number, and the inventory items sold.

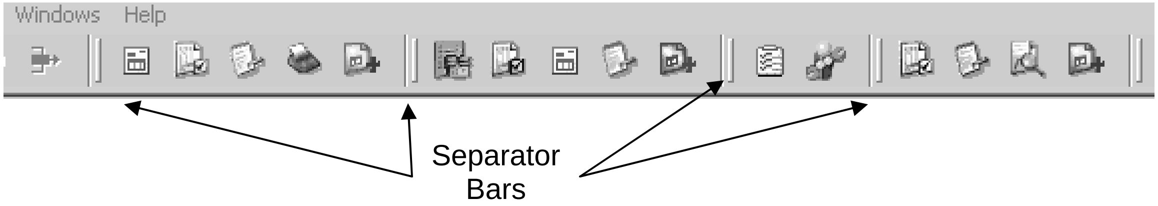
After locating this information, you could also experiment with looking up the same transaction using the *Inquiry>>Sales>>Transaction by Customer* or *Transaction by Document* menu.

Practice using other Inquiry menus and see that Great Plains facilitates inquiries by knowing the general ledger account number, the customer name, or the specific invoice number.

E1:1 Practice Lookups and Hyperlinks

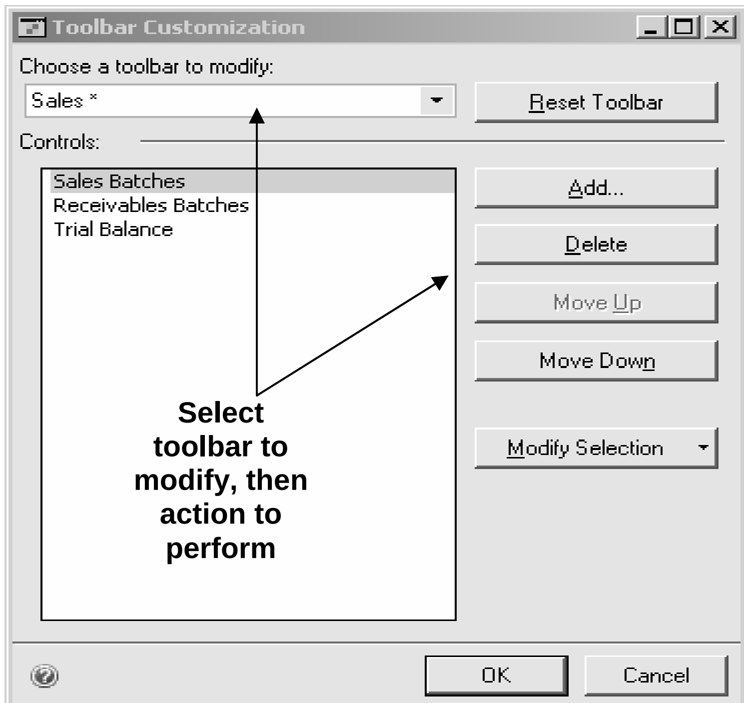
TOOLBAR SHORTCUT

Shortcuts are useful to create quick links to often-used menu commands. Shortcuts are setoff into groups by separator bars. ***F1:24*** shows the shortcut groups currently displayed. These icons open menus for the Sales, Purchasing, Payroll, and General Ledger Series.



F1:24 Shortcuts

Feel free to customize shortcuts for use in performing tasks. You customize the toolbar by clicking the *View>>Toolbars>>Customize* menu. Highlight the toolbar to add, delete, or rearrange shortcut items (***F1:25***).



F1:25 Toolbar Customization Window

Click OK to close the Toolbar Customization window and practice using shortcuts. Hold your mouse over the shortcut icons until the Sales Transaction Entry shortcut is located (second icon on the Sales Group). Click the icon to open the Sales Transaction Entry window. The menu commands to perform this same task are *Transaction>>Sales>Sales Transaction Entry*. You now see the benefits of establishing shortcuts. Close the transaction window by using the x icon.

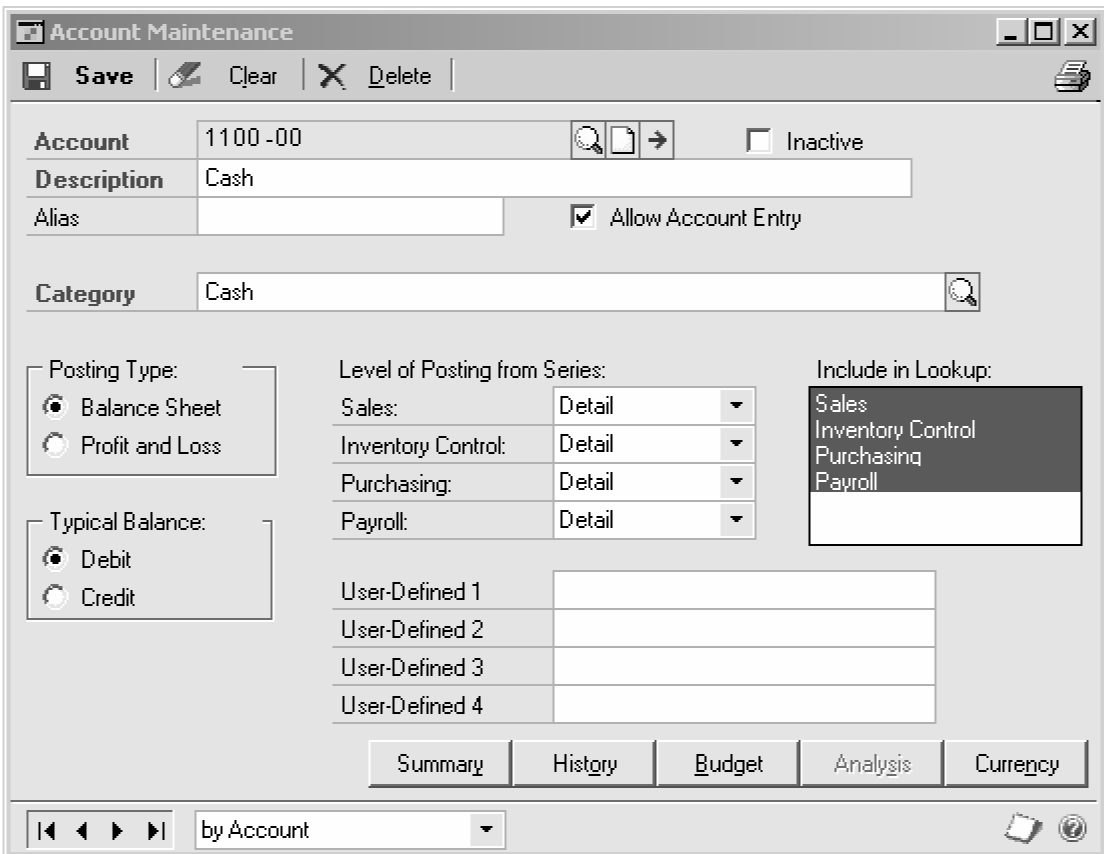
CREATING AND CHANGING MASTER RECORDS

Master records are created before recording transactions. In Great Plains, these records are created using the Cards menus. In relational database terms, the customer, vendor, inventory, employee, and general ledger accounts are called master records.[1] Transaction records are

[1] See Chapter 2 for more information on master records.

linked to master records. For instance, a sales transaction links to a customer's card, a purchase transaction links to a vendor's card, and so on.

Open the Cards>>Financial>>Account menu used to create Financial Series master records. These records are also called general ledger accounts. The Account Maintenance window for general ledger accounts is shown in ***F1:26***, now look up the first cash account. This account contains a basic description and an alias name that speeds transaction entry and lookups (remember the additional sort options available in the lookup window). Notice that this account also contains options for selecting the Posting Type and Typical Balance. These options determine the account's appearance on financial statements as well as whether the account's balance is increased by a debit or credit. In addition, the Category field is used to group accounts on financial statements. For instance, this account appears under the Cash category of the Balance Sheet. These settings emphasize the importance of possessing knowledge of accounting when creating general ledger accounts.



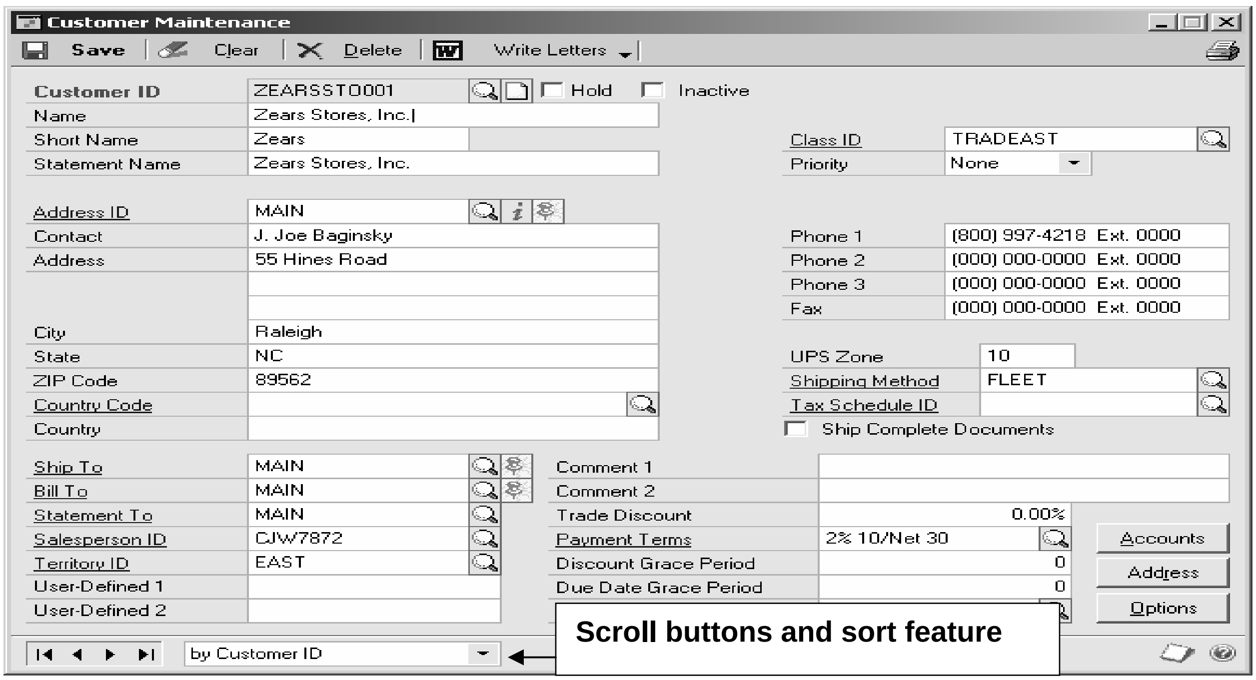
F1:26 Account Maintenance Window

The Allow Account Entry option determines whether transactions can post to an account. The Include in Lookup option permits lookups to account information within other Series. Finally, the Level of Posting from Series option determines the level of transaction detail stored for transactions. When the level is set to Detail, then all information is available for inquiries and reporting.

Also notice the buttons for Summary and History. These buttons open windows that view current or historical transactions in the account. A word of caution, it is extremely dangerous to perform data inquiries using the Account Maintenance window because this window also permits record additions, changes, and deletions. Although Great Plains denies deletions of master records with transaction history, accounts can still exist for which deletion is not denied. Thus, <u>Card</u> menu access should be restricted to individuals authorized to create master records and <u>Inquiry</u> menus should be used to view transactions. [2]

> Typing ZEA in the Customer field before launching the lookup takes the user to customer names beginning with ZEA. This feature works for all lookups.

Now that we have looked at general ledger accounts, use the <u>*Cards>>Sales>>Customer*</u> menu to open a Sales Series master record. These records are also called customer accounts. Pull up Zears' customer account and review the fields (***F1:27***). Customer card fields are fully explained in Chapter 5. For now, notice the scroll buttons located at the bottom left of the window that allows sequential movement through customer records. In addition, you can change the lookup's sort properties by clicking the sort dropdown menu located beside the scroll buttons. Before moving on to the next topic, take the time to explore master records in other Series.



F1:27 Customer Account Maintenance

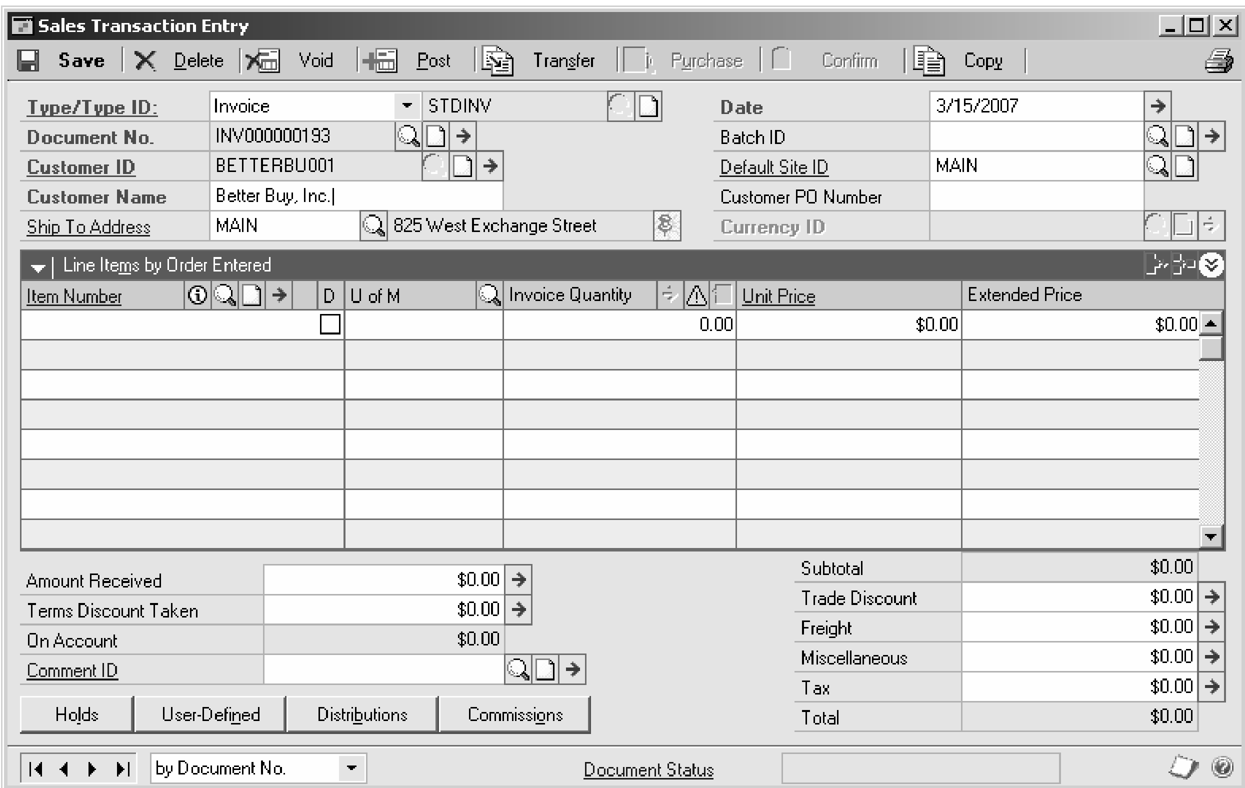
ENTERING TRANSACTIONS

With knowledge that transactions link to cards, we learn to record transactions. Transactions post the day-to-day activities of a company, thus, many users need access to transaction menus. We'll start by discussing whether transactions should be posted individually or by batch.

[2] Authorization is discussed in Chapter 3.

Transactions are entered individually when you need to immediately post. For instance, on March 15, 2007, accounts receivable clerk, James Richmond, needs to immediately post a sale to Better Buy so shipping can begin customer delivery. James opens the Sales Transaction Entry window (***F1:28***) by clicking on the toolbar shortcut. He changes the transaction type to Invoice, tabs to the Customer ID field, and looks up Better Buy. Notice as you tab past the Document No. field that Great Plains auto-fills its value. This is a document control feature discussed in Chapter 5.

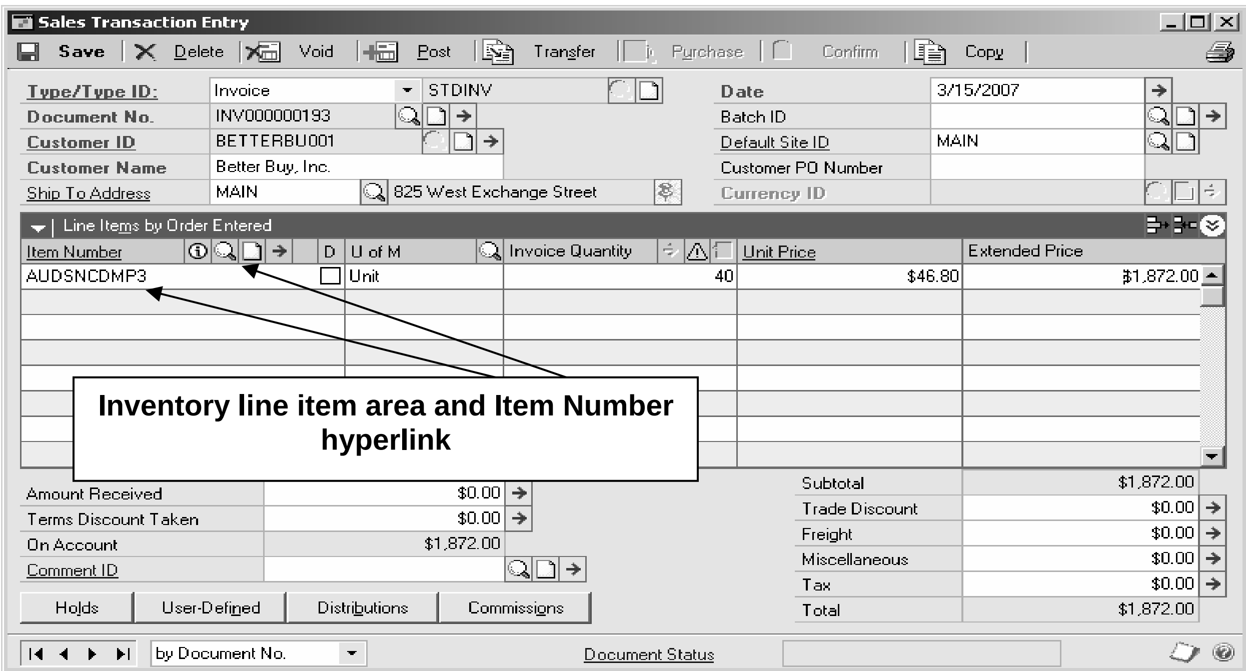
> Great Plains automatically increments an auto-filled document number when the software posts, deletes, or voids transactions. Therefore, the user should disregard differences between illustrated document numbers and actual numbers displayed during transaction entry.



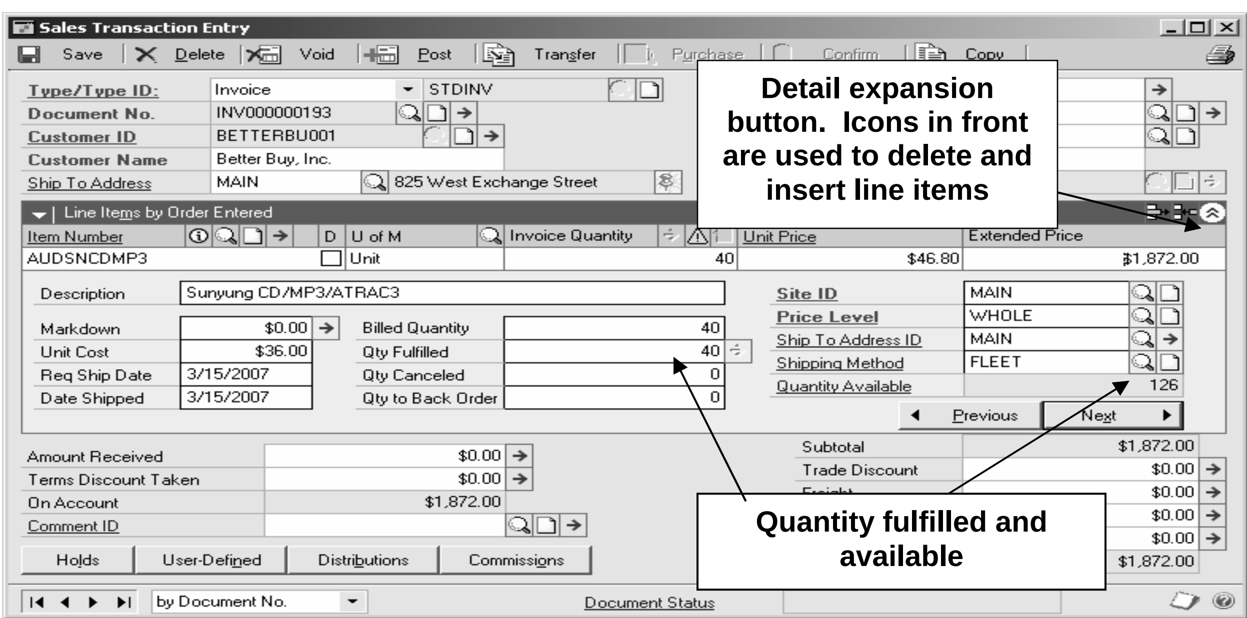
F1:28 Sales Transaction Entry for Better Buy Invoice

James then tabs to the inventory line item area and enters Better Buy's order for 40 MP3 players (***F1:29***) by clicking the Item Number lookup and selecting <u>AUDSNCDMP3</u>. He expands the entry's details by clicking the Detail Expansion button and verifies that the quantity is in stock and the Qty Fulfilled indicates 40 (see ***F1:30***). After entering this data, James attempts to save the transaction by clicking the Save button and the informational message in ***F1:31*** appears. Since James did not enter the transaction to a batch, his choice at this point is to either post, delete, or void the transaction. James clicks the Post button, printing posting reports to the screen. Posting reports are control reports that show the transaction's effect on inventory, customer, and general ledger accounts. Subsequent chapters discuss transaction posting and control reporting in detail. For now, close the reports and return to the main screen.

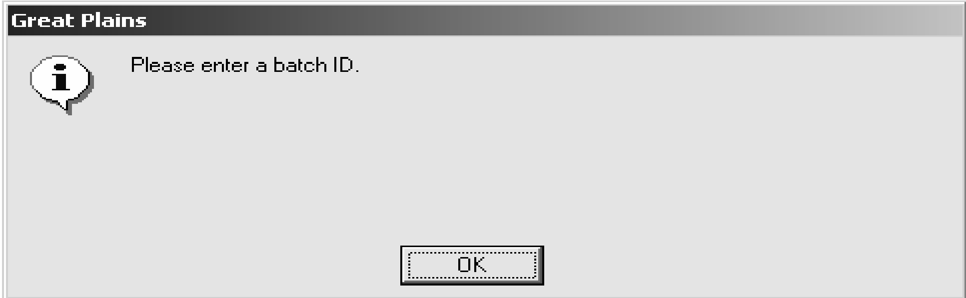
> ⚠ You entered the wrong customer and now Great Plains does not provide access to change the customer's ID. This occurs because the transaction is already linked to the customer's record. Delete or void the order and then reenter using the correct Customer ID. The same holds true when you enter the wrong item number. This time you delete the row, not the entire transaction, and reenter the correct item number. To delete the row, use the add/delete row buttons located beside the Details Expansion button or use the menu commands *Edit>>Delete Row*.



F1:29 Sales Invoice Inventory Selection



F1:30 Sales Invoice Inventory Details



F1:31 Sales Transaction Save Error Message

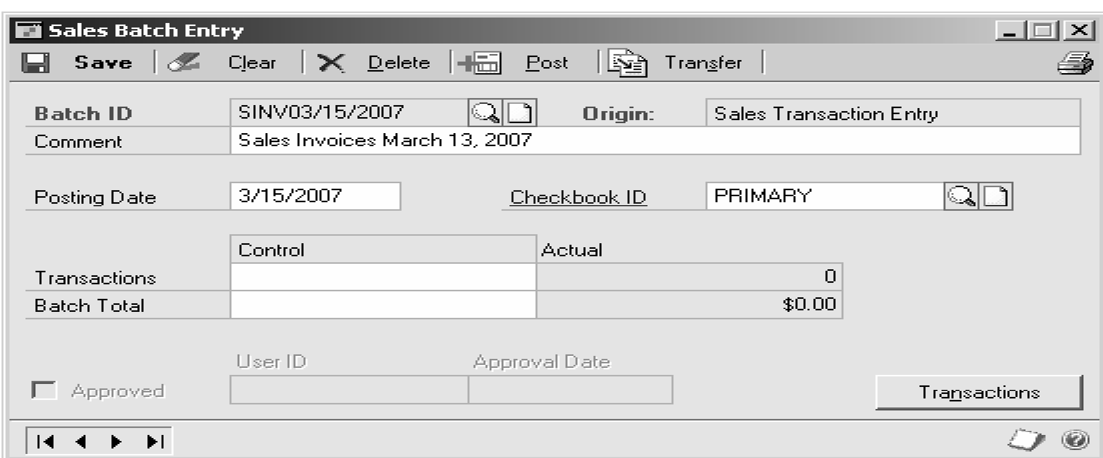
Transaction entry is inefficient for processing large numbers of transactions because each entry transaction requires a separate post. Furthermore, several internal control features are bypassed when transactions post outside batches. Finally, certain transaction types, such as sales orders, are not permitted to post; therefore, must be saved to batches. All of the aforementioned features are discussed in depth in Chapters 3 and 5. For now, turn to the batch concept.

Batches are folders that store transactions for posting at a later time. Click on the *<u>Transactions >>Sales>Sales Batches</u>* menu and create the batch folder illustrated in ***F1:32***. The Batch ID is chosen by the user to uniquely identify transactions stored in the batch. The Origin identifies transaction posting types. Verify the batch date is correct and then click the Transactions button. Enter a sales order to customer, Book Buy Earnest, for 50 digital camcorders as illustrated in ***F1:33***. Notice the ID from the batch folder appears in the transaction's Batch ID field. Since this transaction window was opened from the Batch window, the ID was automatically assigned. Click Save to store the transaction for later posting, close the transaction entry window using the <u>x</u> icon, and return to the now empty Batch window.

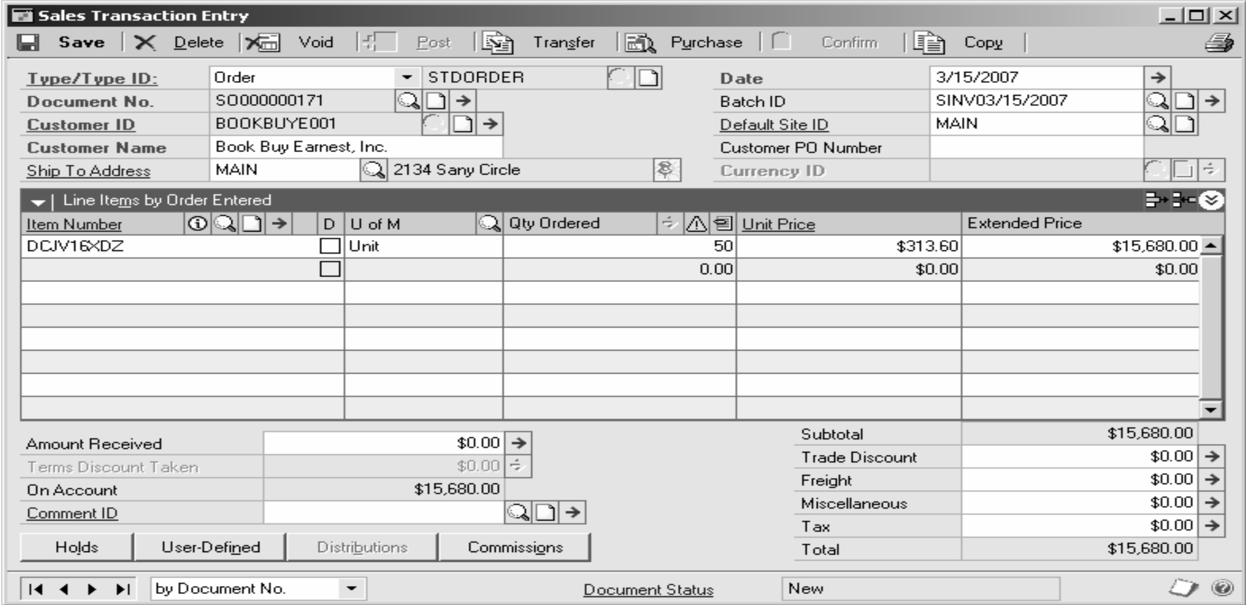
How do I store additional transactions in a batch?

It's easy, just click on the menu used to create the batch and look up the Batch ID. Next, click the Transactions button, enter the new transaction, and save.

To reopen this transaction, look up the Batch ID and click the Transactions button. In the transaction window, look up the sales order or use the scroll buttons to move to the transaction. Now close the transaction window and the batch window and return to the main screen.



F1:32 Sales Batch Entry Window



F1:33 Sales Order Entry

DATES…DATES…What's all these dates?

By now, you know that dates appear on batches and transactions. These dates do not have to be the same, however, both impact accounting data.

What does the batch date do?

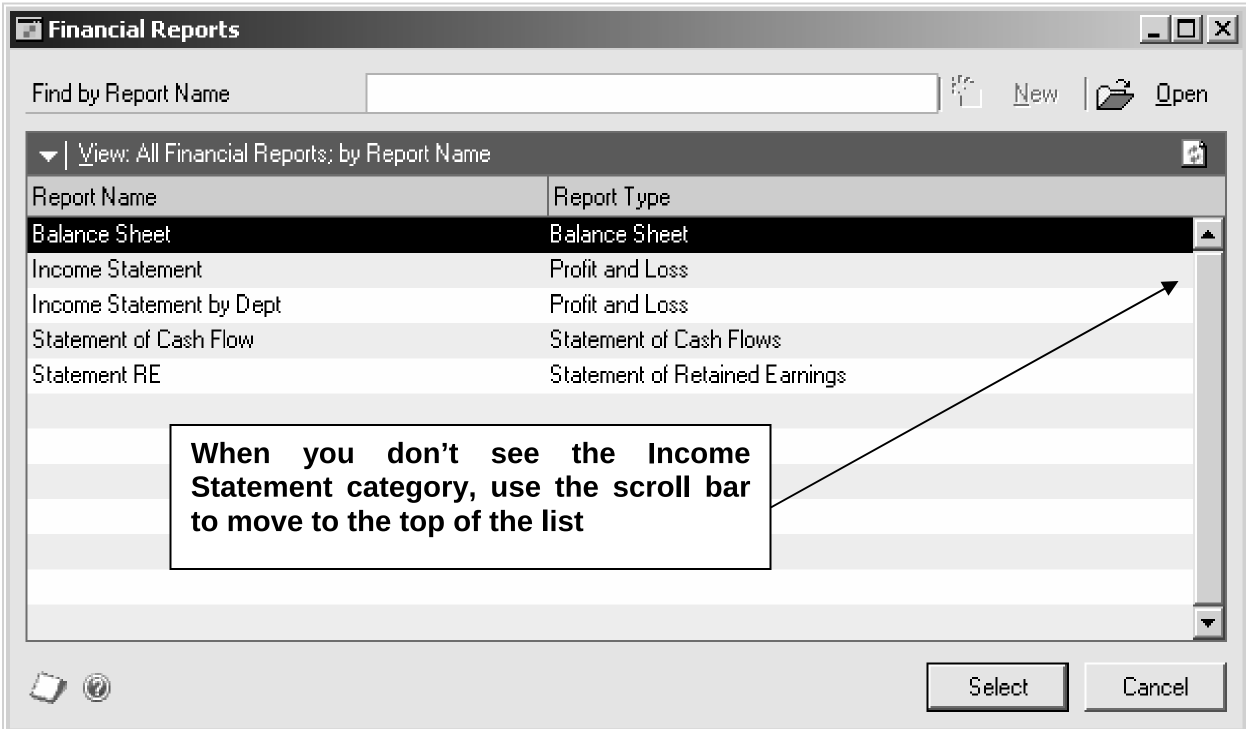
Under Posting setup, the accountant determines whether the batch or transaction date determines the period used to post transactions to general ledger accounts. We discuss Posting setup in Chapter 3. Until then, know that Ashton configured the option to use the batch date unless a transaction posts individually.

What does the date on the transaction do?

The master accounts for other Series always use the date on the transaction. For the Sales Series, the transaction date posts an invoice to a customer's card using the invoice date. This date then determines the invoice's due date, discount date, and days outstanding.

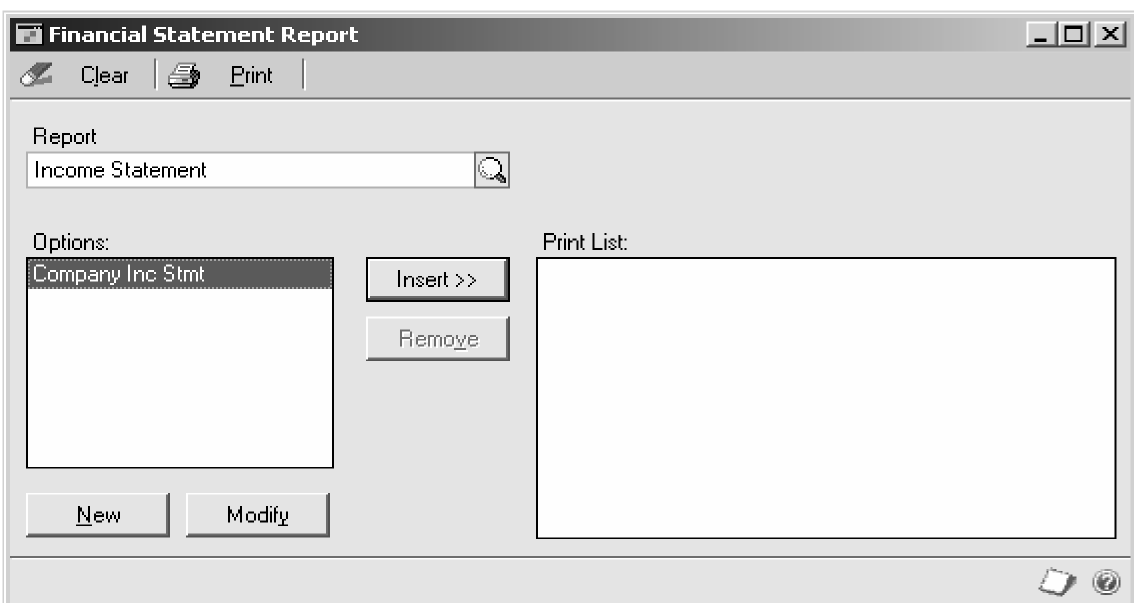
RUNNING REPORTS

Reports are at the heart of analyzing financial performance. Great Plains offers many options for reporting data and all reporting originates under the Reports menu. In subsequent chapters, we discuss reports in greater depth. For now, let's try to run a few of the basics. We'll start with financial statements. These reports are accessed from the *Reports>>Financial>>Financial Statements* menu. Look up the list of financial report categories (***F1:34***), highlight the Income Statement category, and then click Select.

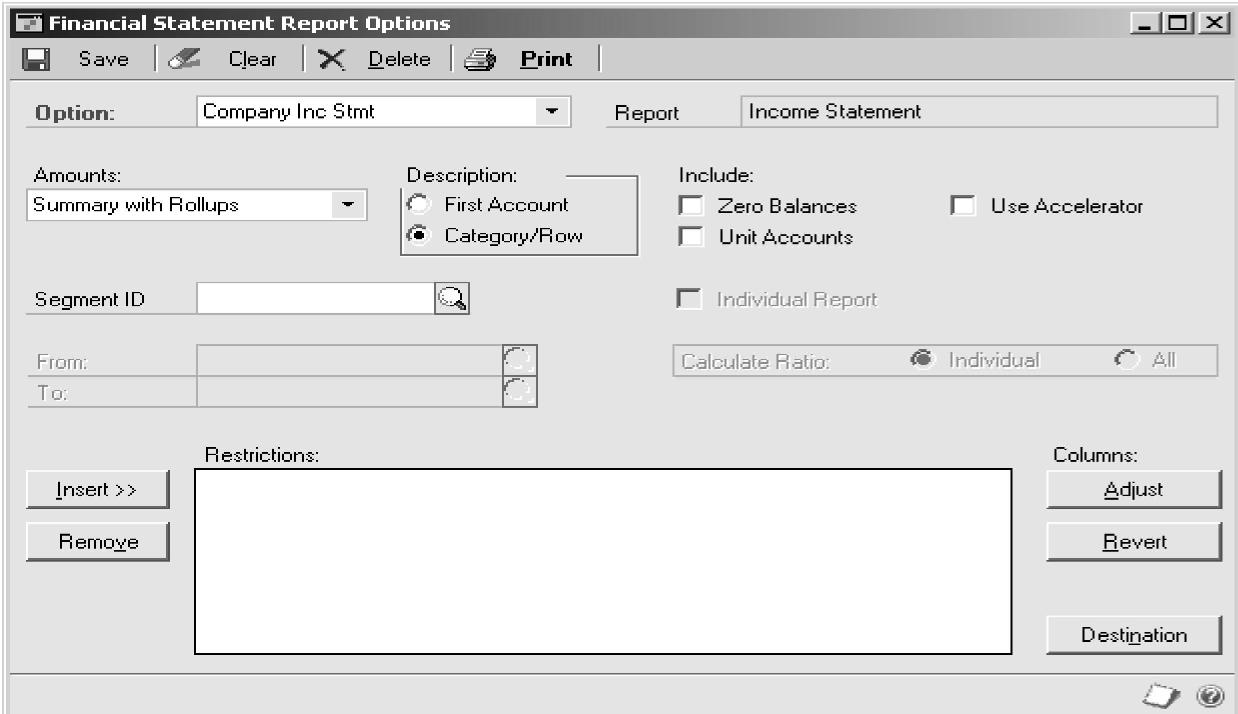


F1:34 Look Up to Report Categories

You find one report under this category named Company Inc Stmt (***F1:35***). Highlight this report and click Modify.



F1:35 Existing Income Statement Reports



F1:36 Window to Modify Income Statement Options

This window (***F1:36***) provides few options for modifying the income statement. For instance, there is no option to enter the report's date (more on this later). This report is printed by clicking the Print button. However, before printing, verify that the report will print to the screen by clicking the Destination button. You can always send the report to a printer after printing to the screen. The Destination button also lets you save a report to Excel.

Now click the Print button and notice that the report shows results as of March 31, 2007. How did the report select this time period? Financial statements use the system date to determine the reporting period. Since the date is currently set to March of 2007, the report is as of this month. Change the system date to February 25, 2007 and rerun the report. It now displays results as of the end of February. While financial statements use the system date, other Great Plains' reports include an option for entering dates.

> If your system date shows a time period before 2006, an error appears on the report stating:
>
> *<u>"The user date falls within a fiscal year that hasn't been set up."</u>*
>
> This is because S&S did not use the software before 2006 and the report uses Great Plains system date to select the reporting period. Make sure the system date is set to March of 2007.

Test a few of the report's options by changing current settings and clicking Print. When finished, use the <u>x</u> icon to close this window and choose to discard your changes. When you want to print a report without modifying, highlight the report's name, click the Insert button to place the report in the Print List, and then click Print. In addition, you can insert multiple reports from different categories and print reports simultaneously. All Series report windows work similarly but offer different reporting categories.

Try printing multiple financial statements. First, insert the income statement report just viewed to the Print List section, then insert a report from the balance sheet category. Now click the Print button and view the reports. As you close one report, the other appears. Also, at the top of each report is the option to send it to the printer.

Setting the report destination to the screen before sending it to the printer is an economical way of reviewing output before using paper.

E1:2 Practice Printing Multiple Reports

SETTING USER PREFERENCES

Preferences allow users to customize screen display and printer options for local installations of Great Plains. Open the User Preferences window by clicking on the ***Tools>>Setup>>User Preferences*** menu. In this window (***F1:37***), you can set reminders, display properties, key movement actions, default printer options, and more. Take time to explore the features and make changes, if desired. When finished, click OK to save your changes or Cancel to discard.

F1:37 User Preferences Window

LEVEL TWO

GENERAL LEDGER SOFTWARE AND COMPANY OBJECTIVES

With all the information presented thus far, we have failed to address the complexities involved in selecting an appropriate accounting package in the first place. It is important to understand that most mid-market general ledger software is sold in a modular fashion; recall the table presented in Level One. While smaller packages may include features similar to Great Plains, these packages are sold bundled with all features. The smaller packages referred to have familiar names such as Microsoft Small Business Accounting® and Peachtree®. These packages are very suitable and affordable for small businesses. In addition, they are often simpler to use and provide features meeting most small business accounting needs, including inventory, payroll, and low-level job costing. However, while these “commercial-off-the-shelf” (COTS) packages are easier to use, this ease comes with restrictions and limitations. For instance, customizing user permissions is limited, audit trail reporting less sophisticated, and reporting less customizable.

Mid-market software costs more but offers significantly more features and greater flexibility. These packages are not sold through retail outlets. Instead, they are purchased through business partners (sometimes called VARs or resellers.) In addition, the modular structure of these packages gives customers greater flexibility in designing their accounting systems. This modular design also provides scalability by allowing a company to add additional features as business grows or strategies change. Furthermore, these packages run over top of a sophisticated database management system that accommodates customizing internal controls and expanding data analysis capabilities. Keep in mind that these packages also require increased hardware specs to install and deliver desired system performance.

To illustrate, let us assume you are a regional accounting firm providing audit, consulting, and tax services to area firms. Your client base is comprised primarily of small to mid-size firms with annual sales ranging from $100,000 to $3,000,000. One of your clients has recently experienced rapid growth and desires a computerized accounting solution. The owner seeks your assistance in selecting a general ledger package. The client currently provides management consulting services to customers in a tri-state area and would like to eventually expand into selling related products. The company’s payroll is outsourced to a third party. It employs 50 people in a tri-state area, and staffs 5 people in the accounting department. It is a privately held LLC, thus no SEC reporting requirements. However, it does have loan covenants with area banks requiring submission of monthly financial reports within two weeks after month-end.

The client has already prepared a feasibility study and developed a budget for the project. The budget for general ledger software ranges from $20,000 to $30,000. In addition, the project team put together a report outlining proposed purchases of hardware and operating software. Your client’s biggest obstacle is selecting accounting software to fit current needs and future expansion plans. After meeting with several software resellers and looking at different products available at area retail stores, the client has narrowed the choice between Peachtree and Great Plains. While both packages fall within their budget, the difference in price is measurable. However, you caution your client to evaluate the purchase on more factors than price. They should also weigh scalability features, reporting options, and internal controls. You also advise your client that the inherent sophistication of larger packages brings an increased user learning curve and inquire about the budget for training.

After further discussion, you determine the client wants to use remote locations in other states. The customer wants these offices to perform sales order entry and sales reporting, but all other accounting and reporting will remain at the corporate office. In addition, you discover your client wants a system that provides strong accounting controls and allows flexibility in assigning user security. Finally, you note that the client will sell inventory in the future, requiring multiple sales tax tables for the tri-state region. Once you and the client have finished this discussion, the decision to purchase Great Plains results from the client's need to have strong internal controls, flexible financial reporting, and multi-state sales tax reporting.

While this is an oversimplification of the process, it provides insight into the issues involved in evaluating accounting software. It is important that customers have an opportunity to work with software candidates and test features prior to making any decision. Oftentimes accountants play an important role in assisting companies with this process.

SOFTWARE LICENSING AND "RIGHTS OF USE"

Accountants are often responsible for assessing company threats and instituting policies that minimize threats. In the software area, companies are continually exposed to two specific threats. First, employees may install software without the company owning a license. Second, employees may be using software outside the vendor's "rights of use" policy. Both threats expose companies to legal action, often resulting in monetary loss that compensates the software company for theft of intellectual property. Violators may also face criminal sanctions for their actions.

Before we begin, let's clear up a frequent misnomer about software. Software purchasers often believe that they own the software purchased, thus are free to resell, copy, use, or distribute as needed. However, if you thought of the software industry's business model, you would understand why these companies cannot sell ownership and remain viable. To assist in understanding this model, we contrast it to an automobile manufacturer's business model. Just as automobile manufacturers make investments in raw materials, labor, and other resources to produce a car, software companies make similar investments. Raw materials used to produce a car are easily visualized, taking the form of steel, rubber, and other tangible items. In contrast, software's raw materials are intangible, taking the form of intellectual contributions by especially talented employees. Hence, software is referred to as intellectual property; however, this term also extends to products produced by the music and movie industries.

Let's return to our comparison. Both the automobile and intellectual property industries rely on product sales to sustain operations and to further investments in research and development that enhance products. However, unlike the automobile industry, software, music, and movie industry sales are threatened because their products are easily reproduced and freely shared and the original purchaser retains the benefits of purchasing. Could you imagine manufacturing your car or giving your car to someone else? Of course not, but these are the realities faced by intellectual property manufacturers. To mitigate revenue threats, the intellectual property industry protect profits by licensing products instead of selling ownership. Thus, the buyer of software, music, or movies purchases a license to use and agrees to use the product within the sellers "rights of use" contract.

For instance, a license for Great Plains legally grants the purchaser the right to use and install the software on any machine located at the purchasing site and to create as many different company databases needed to run the licensing company's operations. This is referred to as the "rights of use" policy. However, this right does not permit the company to lease, rent, or give the software to others. In addition, Great Plains' standard "rights of use policy" does not give the licensing company a right to use an unlicensed Series or to use the product for commercial purposes such as maintaining unrelated company financial records for compensation. Nor does the licensing company own the right to install the product on a Web server for use by other companies. While it is possible to use Great Plains in these fashions, the licensing company must contract for a different "rights of use" policy.

In addition to "rights of use," a licensing company contracts to access the software in accordance with the license agreement. Not all companies license products the same. Some software is licensed on a per-user basis, whereas others are licensed on a per-seat basis. The methodology employed depends on the software model. Larger packages, like Great Plains, are client/server models. This means that the "brain" of the software, the server piece, is installed on a computer functioning as a central server. The software's client piece is then installed on each terminal requiring access to the central server. Thus, the server holds the main processing software, along with the Great Plains data, while client machines simply process and retrieve existing data.

Generally, a company using client/server software buys licenses to access the software on a per-user basis. Per-user refers to the number of concurrent users permitted to access the server's software. With client/server software, the server piece controls the number of concurrent users. For instance, your copy of Great Plains licenses one concurrent user. Thus, when logging in to Great Plains, the number "1" displays in the total number of authorized users field. In addition, you installed both client and server software on your machine, thus it functions as both client and server. However, suppose a company installs Great Plains' client piece on ten client computers, but only five users need simultaneous access to Great Plains. In this hypothetical, the company would purchase a five-user license for Great Plains. Remember, Great Plains permits unlimited client installations on machines located at the purchasing company's site, but grants concurrent access to the server based on the number of licenses purchased. Thus, while the company may have ten locations for using Great Plains, a five-user license fulfills its concurrent user needs. When concurrent access requirements grow, the company purchases additional user licenses.

Let's contrast this to software sold on a per-seat basis. Software such as Microsoft Office sells in this fashion. Per-seat licensing requires a separate license for each computer installation; think of this as each seat that sits in front of a computer containing the software requires a license. Thus, in our previous hypothetical, the company would purchase ten licenses to install the software on ten computers. (Companies can purchase bulk licensing without purchasing separate copies of the software.) Consequently, unlike client/server licensing controls, per-seat software installations pose greater difficulties in mitigating threat posed by installing unlicensed software. Therefore, companies should institute preventative controls by configuring a computer's operating system to deny users the right to install software.

Regardless of whether software is licensed on a per-seat or per-user basis, it is important that companies track software licenses and ensure products are used within the "rights of use" agreement. Installing pirated software (unlicensed software) is a serious legal offense subjecting companies, **and you**, to the threat of significant financial losses, criminal sanctions, and public scrutiny. Just remember the next time you are offered an unlicensed piece of software, a free movie, or a free music download, or witness any of these so-called "free" products being used by others, every industry is entitled to the profits earned by manufacturing its products and no industry exists without profits. As an accountant, you understand the impact lost profits has on a business. Moreover, as an accountant, you understand that, aside from legal ramifications, using an unlicensed product is professionally unethical.

LEVEL ONE QUESTIONS

Menu Navigation Questions

1. List the menu path that opens the window used to create vendor master records.

2. You need a summary general ledger trial balance report. List the menu path and the name of the existing report that prints this report. After locating, print the report and describe what information this report contains.

3. You would like to turn on the Purchasing toolbar. List the menu path to accomplish this.

4. An employee's address has changed. List the menu path used to update the address.

5. You need to enter a purchase order. What menu path allows you to complete the task?

Drill Down and Lookup Questions

6. Ashton has requested that you inquire into the total sales for 2007 for Fillard's, Inc.

   a. What menu path opens the window containing this information?

   b. What are the total sales for fiscal year 2007? (Hint: Change to Summary View, enter the date range, and then click Calculate.)

7. One of your suppliers, Canyon Cam, wants to know if S&S submitted payment for its invoice INV23453 sent in February of this year. What is your response? (Hint: After you locate the document, click on the Details Expansion button illustrated earlier in the chapter.)

LEVEL TWO QUESTIONS

1. Your client decides to purchase Great Plains. Since this software is sold in Series, recommend the Series your client should initially purchase. List any questions you would ask the client that may impact your recommendation.

2. Your client seeks information on Great Plains licensing. The company owns 25 laptops and workstations. Three workstations are in the shipping department, which operates two full-time shifts. There are ten full-time salespeople needing Great Plains on their laptops. Six full-time accounting clerks will use Great Plains. The clerks work in two shifts with three to a shift. Finally, the controller needs Great Plains on his workstation. What optimal number of licenses would you recommend your client to purchase? Will this permit your client to install the client software on all workstations? Explain.