

# 1ERP Daily Operations

**Note:** To open links in our guides in a new tab, hold CTRL (Windows) or CMD (Mac) while clicking on the link.

## Introduction

Welcome to the Daily Operations Guide for 1ERP. In this guide, we will cover all eight modules in 1ERP: Common Area, Expense Reporting, Payroll (Canada), Fixed Asset, Accounts Payable, HR Management, Accounts Receivable, and General Ledger.

**Video Version:** To view the video version of this guide, please click on the resources link [here](#) to view our separate videos for each module.

If you have any questions, concerns, or comments—throughout this process and beyond—**please let us know in our Discord community channel [here](#)**. We are more than happy to help.

## Accounting (Basic Knowledge)

In this section, we will give you some basic knowledge about accounting to strengthen your foundation for understanding the processes in 1ERP.

Accounting is a **systematic process of recording, summarizing, analyzing, and interpreting financial transactions of a business or organization**. It involves the measurement, processing, and communication of financial information about economic entities. The primary purpose of accounting is to provide relevant and reliable financial information to various stakeholders, including management, investors, creditors, and regulatory authorities.

Accounting helps businesses keep track of their financial activities and assess their financial health. It often involves the following key activities:

1. **Recording:** Accountants systematically record financial transactions in a chronological order. This is typically done using accounting journals, ledgers, and other financial records.
2. **Classifying:** After recording transactions, accountants classify and organize them into meaningful categories and accounts such as assets, liabilities, equity, revenue, and expenses.
3. **Summarizing:** With transactions categorized, accountants summarize the data into financial statements (i.e., balance sheets, income statements, and cash flow statements). The statements provide an overview of the financial position, performance, and cash flows for the business.
4. **Analyzing:** Using the financial statements, accountants analyze the financial information to gain insights into the business's financial performance and identify trends, strengths, weaknesses, and areas for improvement. This analysis will help management make informed decisions.

5. **Interpreting:** After the analysis is completed, accountants interpret the produced financial analysis to communicate the results and findings to stakeholders. This may involve preparing financial reports, including annual reports, tax returns, and other regulatory filings.

Accounting also **encompasses other areas such as budgeting, auditing, financial planning, and financial management**. It follows generally accepted accounting principles (GAAP) or international financial reporting standards (IFRS) to ensure consistency and comparability of financial information. Moreover, accounting plays a crucial role in determining taxation, complying with legal requirements, and providing information for decision-making, planning, and control within an organization.

In order to achieve these processes of accounting, we need to capture certain information from all the modules in 1ERP as follows before summarizing them as journal entries to General Ledger:

## Common Area

Financial transactions usually involve receiving payments from Customers and paying Vendors and Employees. This is where the Common Area comes in.

### Firm

Because a Firm can sometimes be both a Customer and a Vendor, we record the company's or individual's information as a Firm before assigning it as Customer/Vendor/Employee. A **Member (i.e., employee)** to be paid (by its Firm) must also be set up as a Vendor.

### Centres

In Customer Centre, you may select a firm and provide a trade name for the customer; the legal name is from the Firm record. You may create a **Customer Job** by naming a job for a selected Customer and assign various rates for the time-tracked billing tasks in the HR module.

Similarly, in **Vendor Centre and Member Centre**, you may select the appropriate Firm, give it a trade name, and then fill in more information about this Vendor/Employee accordingly. **Agent Centre** is meant for the partners/affiliates of your organization.

### Bank Accounts

A Bank Account is also needed for receiving payment and forwarding payment. You may set them up accordingly as they are being established. Once a Bank Account is available, you may use the screen "**Bank Transfer**" to record movements among Bank Accounts including bank charges, interest earned, and extraordinary banking transactions.

## Expense Reporting

Once a Member (i.e., employee) record is established, expenses incurred can be tracked and reimbursed here with the Expense Report.

### Finalize

When the “Finalized” button is pressed, a bill payment record will be established in Accounts Payable. To process partial/full payment, select the desired record in Accounts Payable.

## Payroll (Canada)

### Setup

First, Payroll Info needs to be set up properly before salaries in **Salary Info** can be set up for each Member to be paid. Payroll is usually done monthly but can also be weekly/biweekly for the Members.

### Record

Then, the **Periodic Payroll** needs to be run periodically by pressing the “NEW” button. When the “NEW” button is pressed in Periodic Payroll, all of the payroll records will be prepared on your behalf waiting for your review and approval.

You can make appropriate salary adjustment(s), delete the incorrect row, and press the “SAVE” button to regenerate the correct payroll(s) before pressing the “Finalize” icon.

### Finalize

When the “Finalize” icon is pressed, a bill payment record will be established in Accounts Payable. To process partial/full payment, select the desired record in Accounts Payable.

## Fixed Asset

From time-to-time, companies need to keep track of their capitalized assets and its financial values, depreciation, and location. This is where Asset Management comes in.

### Setup

Each asset class has its own depreciation method and schedule which can be set up in **Asset Type**.

### Record

Then, each newly acquired asset can be entered into **Asset Management** with its invoices, images, and location imported and tracked. If appropriate, its acquisition value, book value, and ultimately disposed value can also be recorded.

### Finalize

When the "Finalize" icon is pressed, a bill payment record will be established in **Accounts Payable** on your behalf. To process partial/full payment, select the desired record in Accounts Payable.

## Accounts Payable

### Setup

The "Enter Bill" screen can receive bills from three different sources:

1. Subsystems including Expense Report, Payroll, and Fixed Asset (automatic);
2. "Recurring Bill" screen where periodic recurring bills are tracked (automatic);
3. Entered ad-hoc (manual).

It is highly recommended to import the original or imaged bill for the ease of answering questions during an audit.

### Review

After a bill is entered and finalized, a record will show up in the "**Pay Bill**" screen where payment date and partial/full payment can be selected. Bills with the same payment and payees will be grouped into one payment unless specified as "Pay Individually" in **Vendor Centre**.

The final stage of payment is the "**Payments**" screen. In the criteria, select "No" for Finalized and Voided and then select "All Dates" in Quick Filter. Select the appropriate payment record to be paid. Here, the payment date and method can be changed.

## Cheque Method

If "CHECK" is selected as Pay Method, a cheque record will be prepared eventually with a starting count of zero for the number of times it has been printed. This count will be incremented only when printed to a dedicated cheque printer marked "Y" manually in the database field RCDesign.dbo.Printer.UpdatePrinted. Please note the RCDesign.dbo.Printer.PrinterPath must be the exact name as the name on LAN. It is particularly important that the cheque printer has an authorized signature burned into the MICR cartridge that is filled with a special toner powder designed specifically for check printing.

In the "Print Checks" screen, you may select to print "not yet printed" (i.e., # of Times Printed is 0) or enter a range of cheque numbers to be printed again to a designated printer.

## Finalize

Press the "Finalized" button only when you are sure that the payment has occurred, especially for EFT/ACH; in the case of the "CHECK" Pay Method, a cheque will be prepared upon Finalized.

## Prepaid Expenses

There is an option to enter a prepaid expense to Vendor without a bill by pressing the "NEW" button on this Payment screen. The "Show Prepaid(s)" icon will review all the prepaid Vendors and amounts in its currencies.

## HR Management

An administrator can enter all the Tasks via the Task Detail screen with the selected Customer Job assigned to the selected Member(s); each Member will receive the task details via email.

### Time Chart (Member)

Each Member has their own login and should be entering their time spent via the Time Chart (Singular) screen with selected Task assigned to them. Anything less than 8 hours per day will be flagged in red colour; it will be up to the supervisor to determine if this is acceptable.

Each Member can use the Recurring Shortcut screen to manage the order and the contents of their shortcuts appearing on their Time Chart (Singular) screens. The supervisor can access all Members' time sheets while each Member can only access their own.

### Time Chart (Supervisor)

Once a month, the supervisor would check if the time sheets are all filled in using the Time Chart (Singular) screen, and then use the Time Chart (Multiple) screen to review the content to make sure the desired descriptions are entered and charged to the appropriate Task, which would lead to the corresponding Customer.

## Holidays

Holidays are automatically filled in on their behalf one week ahead of time when set up accordingly once a year in database table RCCmon.dbo.HolidayDtl; otherwise, it is another option for the supervisor to manually fill them in.

## Finalize

Back to the Time Chart (Singular) screen, there is a large button with “Create All Invoices and Post to A/R” written on it. When the supervisor is satisfied with all the time sheets, they would press the “Create All Invoices and Post to A/R” button to generate all the invoices for the current fiscal month and post them into Accounts Receivable.

Now, you need to review each of the invoices before forwarding to Customers by selecting those unfinalized Invoices in Accounts Receivable. The reports are self-explanatory.

## Accounts Receivable

### Setup

The screen “Invoice Customer” can receive invoices from three different sources as follows:

1. Automatically – from subsystems such as HR Management;
2. Automatically – from screen “Recurring Invoice” where periodic recurring invoices are tracked;
3. Manually – being entered ad-hoc manually;

It is highly recommended to import the original or imaged invoices for the ease of answering questions during audit.

### Review

After the invoice is entered and finalized, a record will show up in the “Customer Payment” screen when the respective Pay To bank account and Customer are selected. Each payment can be partial payment to one invoice, or it can cover multiple invoices simply by point and click.

### Finalize

Press the “Finalized” button only when you are sure that the payment has occurred, especially in EFT/ACH where a deposit record would be automatically created in the screen “Record Deposit” and finalized; in the case of “CHECK” Pay Method, you would need to create a deposit record yourself and print a copy to go with the batch of cheques to be deposited, after it is finalized.

### Prepayment

There is an option to enter a prepayment from Customer without an invoice by pressing the "NEW" button on this Customer Payment screen. The Prepaid Balance would be updated and displayed every time this Customer is selected.

## General Ledger

This is the heart of 1ERP. In the old days, some would only use this module for accounting purposes and each transaction is recorded as journal entries. While this is a simple approach, the result is that the table became so cluttered with unwanted details which slowed down reporting significantly.

1ERP has solved this problem by summarizing only what is needed from all the subsystems periodically and leaving all the details in the subsystems—divide and conquer.

## Setup

The screen "Journal Entry" can receive journals from three different sources as follows:

1. Automatically – from subsystems such as Accounts Payable, Accounts Receivable, Common Area, Miscellaneous, and Banking;
2. Automatically – from screen "Recurring Entry" where periodic recurring journals are tracked;
3. Manually – being entered ad-hoc manually;

## Record

You may post one finalized journal at a time using this "Journal Entry" screen or in multiples using the "Journal Posting" screen. Similarly, you may create one journal at a time using the "Recurring Entry" screen or in multiples using the "Recurring Posting" screen.

## Accounts

One Natural Account can have multiple Chart of Accounts, mostly when multiple currencies are involved and/or by Department/Location/Source. Trial Balance can be reported in either Natural Accounts or in more detail in Chart of Accounts and in the original/functional/presentation currency. Account Type and Journal Type are self-explanatory.

## Statements

You may use the screens "Statement Columns Map" and "Statement Rows Map" to alter the look and feel of your Income Statement, Balance Sheet and Cashflow Statement. Then, map each appropriate Natural Account to each Statement Row. Unassigned Natural Accounts will be reported in "Accounts Map Exception".

## Others

The rest will be covered in the 1ERP Month End Process guide. This guide can be accessed through our Resources section [here](#).