Billing Statements: Preparation, Set-up & Generating

◼ What Are Billing Statements?

Billing statements itemize all of a customer's invoices and payments, and keep a running balance how much they owe. Statements are invaluable for customers that order from you on a frequent basis. When they pay, such customers will often combine several invoices together and pay in a lump sum. By generating statements on a regular basis--most businesses do it once a month--you'll be able to keep track of who owes you and how much. If someone is falling behind in their payments, you'll be able to catch it right away.

Statements are not only useful for active customers, but they also keep you up-to-date on customers who order infrequently from you. Whenever you generate billing statements, AnyOrder will display a list of those customers that owe you, and you can page through each statement and quickly identify someone if their payment is overdue. Note that these basic features are found on all programs starting with Level II.

Here's an example of what a statement looks like:

Sample Statement:

BILLING STATEMENTS

Main St. Books (SAMPLE)
6125 Main Street
Boise, ID 83705

STATEMENT AS OF: 12/21/06
Balance: $56.85
Please Pay: $0.00
Customer Group #: None
Normal Dating: 30 Days   **Quick Print**

An asterisk(*), below, indicates an unpaid invoice. A pound sign(#) indicates an invoice which was only partially paid.

Date	Invoice #	Reference		Debit	Credit	Balance
12/12/06	993	45667		95.44		95.44
12/19/06	1000	1345	*	56.85		152.29
12/21/06		PAYMENT			95.44	56.85

Current	Over 30	Over 60	Over 90	Over 120
$56.85	$0.00	$0.00	$0.00	$0.00

**Print**   **Close**   **Help**

■ Creating Billing Statements

To create billing statements, select MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES from the menu bar on top of the Main Invoice Screen. When the "Billing Options" screen appears, click on "Start Normal Billing Process."

To generate a billing statement, begin at the Main Invoice Screen. Select MAIN TASKS >> MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES from the menu bar. The Billing Options dialog box will appear. Click on "Start Normal Billing Process."
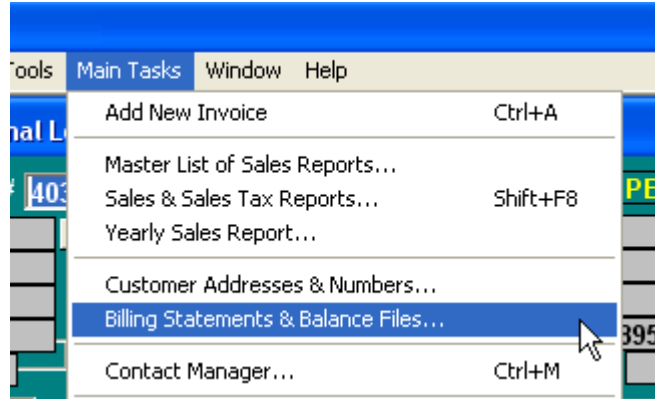
Billing Options Screen:
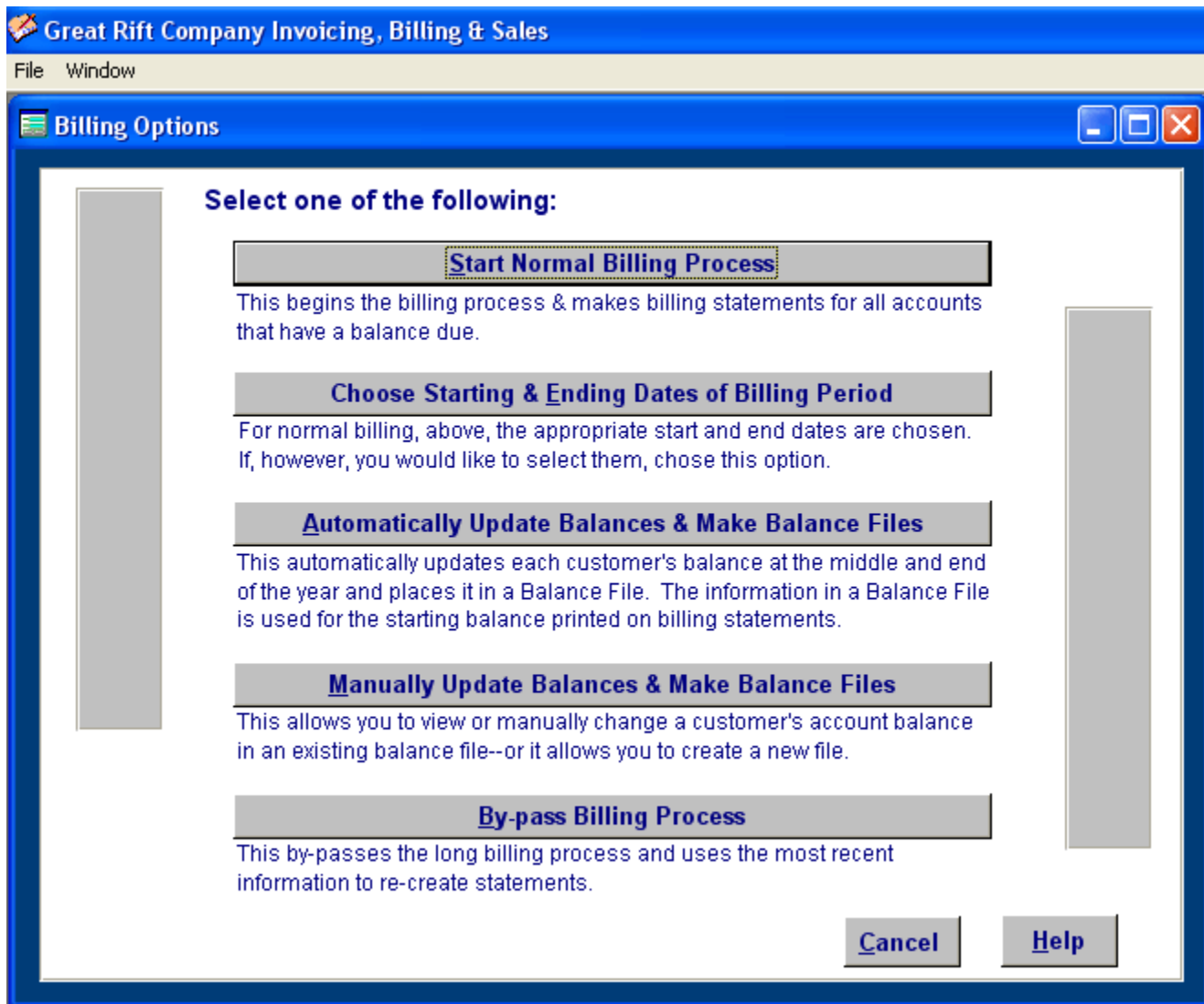
When you click on "Start Normal Billing Process," a message will appear, but don't worry about that now. Click on "Continue Process." You'll get something similar to the "Sample Statement" displayed on page 1.

If you look at the Sample Statement, you'll see that two invoices have been issued to the customer. The customer has paid off one of those invoices. That leaves one more invoice ($56.85) that the customer needs to pay. Thus, the customer has an ending balance of $56.85. (Note that the amounts shown are in US dollars. International users of AnyOrder will have the appropriate monetary symbol before the amounts.)

You can easily tell which invoices haven't been paid. They're indicated with an asterisk. That's just one of many features found in the Billing Statement portion of the program. The number of features available to you increase with each level in the AnyOrder series. More details on each of the features are found in the help documentation that comes with the program. To reach it, select HELP >> SEARCH HELP and search for "Billing Statements." Web Link. You'll find an abundance of information to help you keep track of your customers.

■ Proper Invoicing Techniques

The key to creating accurate and useable billing statements is proper invoicing techniques. That means using the "L" buttons (shown below) to enter customers on the invoices. You want to make sure that the customer's name is spelled exactly the same on each invoice, and selecting from the customer pop-up lists makes that easy.

The first "L" Button ("L" is for "List") brings up a pop-up list of the customers you've entered in the Customer Database. Use the Customer Database for your regular customers.

The second "L" Button (beside the "Bill to" blank) brings up a pop-up list of ALL customers to which you've ever issued an invoice.

■ Check to Make Sure No Customer has More than One Billing Statement

When you are first learning how to use the Billing Statement portion of the program, you should check to make sure that customers' names have been properly entered on the invoices. Here's how to do a quick test. First run a set of billing statements by selecting MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES >>

"Start Normal Billing Process. You'll end up at the Billing Statement screen that is shown on page 1. From the menu at top of the screen, select GO TO >> FIND STATEMENT FROM LOOK-UP LIST.

A list of statements will appear. Take a look at the list. You will need to make a correction if any customer that has two or more billing statements. To make corrections, run through *all* of the customer's invoices. Use the "L" buttons at the top of the Main Invoice Screen and re-enter the customer's name. There's a section in the help documentation that explains how to do this in more detail. Select HELP >> SEARCH HELP and search for "Customers, Changing Names." Web Link

■ Billing Group Numbers

One important concept to understand when creating billing statements is the concept of Billing Group Numbers. You know about Customer Numbers. That's the number which is assigned in the Customer Database. In AnyOrder, you really don't have to think too much about Customer Numbers because they are entered for you automatically when you use the first "L" button and select from the pop-up list.

The Billing Group Number comes along with the Customer Number. For most customers, the Billing Group Number is the same as the Customer Number. But let's say you deal with a business in which you send products to different locations. In this case, you can set up the Customer Database so each of the locations has a different Customer Number, but all of the bills are sent to one central office. That's done by assigning each location a different Customer Number but giving them all the same Billing Group Number. *AnyOrder uses the Billing Group Number to gather all the invoices from each location together into one billing statement.*

As an example, the company Baker & Taylor has several different warehouses where products are sent: Baker & Taylor-Reno, Baker & Taylor-Somerville, Baker & Taylor-Georgia, etc. Each of these will have a different customer number, but they'll all have same Billing Group Number. When you generate billing statements, the invoices for the Reno, Somerville and Georgia locations will all appear on the same statement.

If you have customers like Baker & Taylor, you'll want to make sure that you give each of the locations the same Billing Group Number when you enter them in the Customer Database. If you've forgotten to do that, it can be corrected. First make the appropriate Billing Group Number correction in the Customer Database. Then page through all invoices issued the customer, and using the "L" button at the top of Main Invoice Screen, re-enter the customer name again.

The Billing Group Number appears here on the Billing Statement

Normally, a statement lists all invoices of a customer as long as the name is spelled the same on the invoices -- and they have the same Customer Number (if they have one). The Billing Group Number (or Customer Group Number) combines invoices with same spelling of the customer's name *but with different Customer Numbers* into one billing statement. It's primarily used for customers that have several different shipping locations, and for each shipping location, a different Customer Number has been assigned. The statement summarizes all invoice activity and it can be sent to one central accounts payable office.

◼ More on Customers and Billing Statements

When AnyOrder creates statements, it combines invoices together by the Billing Group Number for the statement period. The Billing Group Number is normally the same as the Customer Number unless you have the customer with several different shipping locations and different customer numbers (see the previous section for more information).

Customers without numbers are also included when billing statements are generated. In that case, the spelling of the customer's name is used to determine which invoices appear on the statement. As long as the name is spelled the same, all of the customer's invoices will be combined and itemized on the statement. When creating invoices for customers without numbers, be sure the use the second "L" button, the one just to the right of the "Bill-to" blank on the Main Invoice Screen. That way you'll be assured that the customer name is always spelled the same.

◼ Switching from Your Old Invoicing Program to AnyOrder

Switching from another accounting or invoicing software program to AnyOrder is a fairly easy process. The help documentation has section which will assist you in getting underway (HELP >> SEARCH HELP >> "Preparing the Program for Your Use." Web Link)

The most important part of the switch over is to make sure that you account for any customers that owe you. The easiest way to do this is to create an invoice in AnyOrder for any outstanding invoice under your old system. If that's impractical, there's another way as well. Both methods are described in the help documentation (HELP >> SEARCH HELP >> "Moving Your Billing Information to the Program" Web Link) Once you've created the invoices, generate a set of billing statements and make sure that the balances agree with your figures. If they don't, change the invoices accordingly until the statements are properly showing the amounts owed.

◼ Balance Files

In its normal default mode, AnyOrder creates statements with about a year of invoice activity. (It actually ranges between 3/4 to 1 1/4 of the fiscal year depending on when the statement is generated.) If there is a balance owing from the previous statement period, AnyOrder will indicate it with the notation "Starting Balance." The following is an example:

Date	Invoice #	Reference		Debit	Credit	Balance
12/31/05		STARTING BALANCE				178.86
02/28/06		PAYMENT			66.98	111.88
03/03/06	443894	379911		79.57		191.45
04/01/06		PAYMENT			41.16	150.29
05/26/06		PAYMENT			79.57	70.72
05/31/06	443939	480578		76.32		147.04
06/15/06	443950	496132	*	24.34		171.38

The "Starting Balance" shown on the sample statement, above, comes from a Balance File. Balance Files keep a record of your customers' outstanding balances every six months. In this example, the customer owed $178.86 at the end of

2005. Starting with this amount, the customer's balance is updated depending on the payments made and additional invoices issued.

Where does the "Starting Balance" come from? It comes from a file called a Balance File. Balance Files are created every six months: in the middle of the fiscal year and at the end of the year. If the customer owes something at the end of one of these periods, it's stored in the Balance File.

Balance Files have a fairly easy naming convention: Bal06End.dbf is holds the balances at the end of 2006. Bal07Mid.dbf holds the balances in the middle of 2007. The Help document has more details about Balance Files. It's found by selecting HELP >> SEARCH HELP and searching for "Balance Files."

Whenever you run billing statements, the program will tell you what Balance File it will be using. If desired, you can view the Balance File and see what the starting balance will be for each of your customers. Usually, you don't have to worry about Balance Files. AnyOrder will create and maintain them for you automatically.

■ Correcting Starting Balance Errors

Let's say that you look at the starting balance on a customer's statement and you find that it's not correct. There are three ways to correct it. You can issue a "Balance Correction" invoice, correct it on the original invoice, or correct it in the Balance File.

1) Create a "Balance Correction" Invoice. If you find an error in the starting balance, consider creating a new invoice to correct the mistake. By creating a new invoice you'll have a track record for both you and your customer should there ever be a question. To do so, start a new invoice and type in "Account Correction" in the PO Number field (that's what appears in the "Reference" column on the Statement). In the Item Area, type in "Account Adjustment." Use the "S" sales code for positive amounts or the "M" sales codes for negative amounts. You'll want to adjust the Total Due so that properly balances out the error.

2) Correcting the Original Invoice. If it's not possible to issue a "Balance Correction" invoice, another option is to make a correction to an invoice. You need to know, of course, which invoice has created the problem. Once you've corrected the invoice, you have one more step. You'll need to re-create the Balance File to reflect the change in the invoice. To do this, use the Automatic Update feature. That's reached by selecting MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES. If you look at the list you'll see "Automatically Update Balances & Make Balance Files." When you select this option, you'll need to enter a six month range of dates. The starting date should be the first or the middle of your fiscal year. The ending date should be the Balance File that you are updating. The range of dates indicated should include the date of the invoice that you have corrected. More details on this process is found by selecting HELP >> SEARCH HELP and searching for "Billing Options Screen." Web Link

Automatically Update Balances & Make Balance Files

This automatically updates each customer's balance at the middle and end of the year and places it in a Balance File. The information in a Balance File is used for the starting balance printed on billing statements.

The Automatic Update feature is found on the Billing Options screen (MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES. Use it when you need to update an existing Balance File

3) Balance File Correction. Finally, you can make a correction in the starting balance by making an adjustment directly to the Balance File. If you go this route, keep this in mind: if you use the Automatic Update feature (described above) to re-create a balance File that you've manually adjusted, you'll lose your

correction. This may be of little importance. The Automatic update feature is rarely, if ever, used, but it's something to keep in mind if you make a change to a balance File. To make a balance file adjustment, select MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES. Then select the following option: "Manually Update Balances & Make Balance Files." The help documentation provides full information on how to use this part of the program. For details, select HELP >> SEARCH HELP >> "Balance File Screen." Web Link

This feature is found on the Billing Options screen (MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES.) It's used when you want to view or edit an existing Balance File.

Selecting the Billing Period

When you select "Start Normal Process" on the Billing Options screen, AnyOrder will put together a statement with approximately one year worth of invoices. For most purposes, this works fine. However, there may be times when you may wish to extend the range, say to cover two years instead of one. For example, you might want to generate a two-year statement for a customer has a question about an outstanding balance that's over a year old. Additionally, if you're trying to track down a recording error, you may wish to generate a billing statement for a period of time three or four years ago.

Whenever you need to generate a statement for an odd period of time, use the following option: "Choose Starting and Ending Dates of Billing Period."

This feature is found on the Billing Options screen (MAIN TASKS >> BILLING STATEMENTS & BALANCE FILES.) It's used when you want to control the range of dates the billing statement covers.

If you click on "Choose Starting & Ending Dates," AnyOrder will bring up a dialog box (below) on which you indicate the range of dates. You can enter any range of dates, but in order to have accurate starting balances, the starting date should correspond with either the beginning of your fiscal year or the middle of the year. If you use the calendar year as your fiscal year, you'll want to choose either January 1st or July 1st as starting dates.

This dialog box appears after you click on "Choose Starting & Ending Dates. To help you enter dates, click on the "C" button and you can select from the pocketbook calendar.

Once you entered the desired dates, the program will give you a choice of reviewing the customer's Balance File at the beginning date. Most of the time, you'll by-pass this and continue with the billing process. You can, however, review the customer's balance and make changes if necessary.

When the process is complete, the Billing Statements Screen appears with a list of all customers and their balances at end of the specified billing period.

Dealing With Overly Long Statements

If you have particularly active customers, you may find that when you print the statement, it runs into many pages. To cut back on the size of the statement, you may wish to limit the statement to a list of unpaid invoices only. This simplifies long statements and concentrates the attention of your customer on unpaid invoices.

This option is found under the print menu. To get there, you must first generate the billing statements. From the Billing Statements screen (illustrated on page 1), select FILE >> PRINT THIS STATEMENT (NORMAL METHOD). The following dialog box appears.

You can limit the billing statement to a list of unpaid invoices only. This is will reduce the size of particularly long billing statements. Select FILE >> PRINT THIS STATEMENT (NORMAL METHOD) from the Billing Statements screen. The dialog box to the right will appear. Place a checkmark in "List Unpaid Invoices Only." When you print the statement, only unpaid invoices will be shown.

(Note: the dialog box shown is found in Levels IV and higher. Levels II and III have less options but both do include the "unpaid" feature.
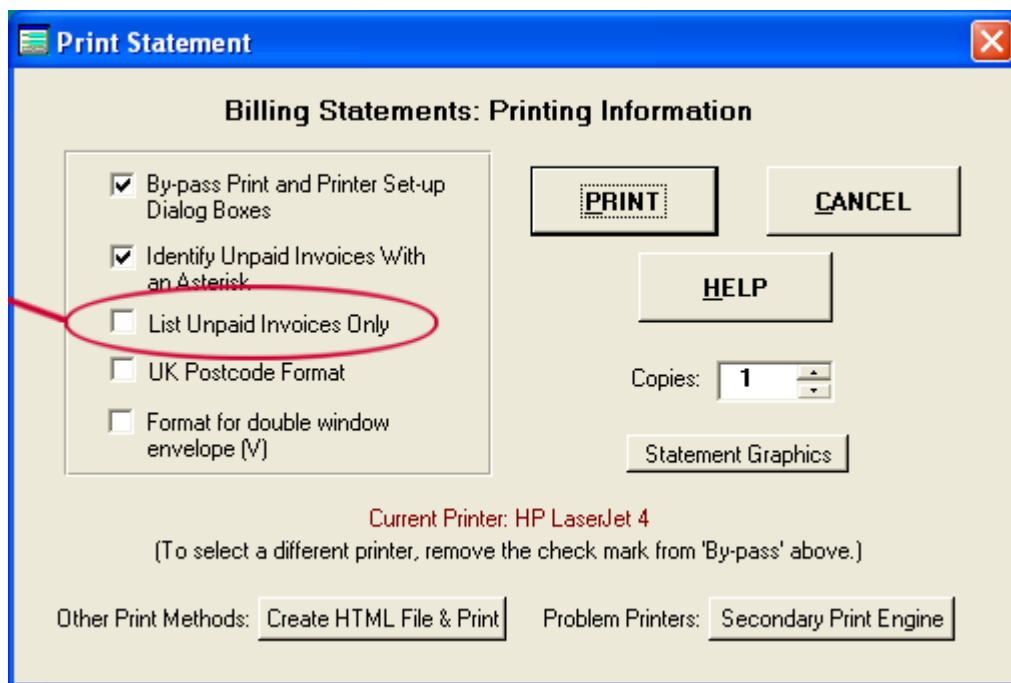

To turn on this printing option, click on "List Unpaid Invoices Only." When you select this option, the statement will not show a running balance. That's because, it's missing payments. It will, however, print the overall balance and the age of the balance at the bottom.

Total Receivables and Payables

To obtain the sum total of what all of your customers owe you (total invoiced accounts receivable) and the total of customer credits (total invoiced payables), start at the Billing Statements screen (illustrated on Page 1) and select TOOLS and TOTAL RECEIVABLE from the menu.

Total Receivable & Payables. You can obtain the total receivable and payable figure, by select TOOLS and TOTAL RECEIVABLE from the menu on the Billing Statements Screen. (Note: the screen displayed below is from Level IV or greater. Level II and III have less options, but do have the ability to provide total receivables and payables.
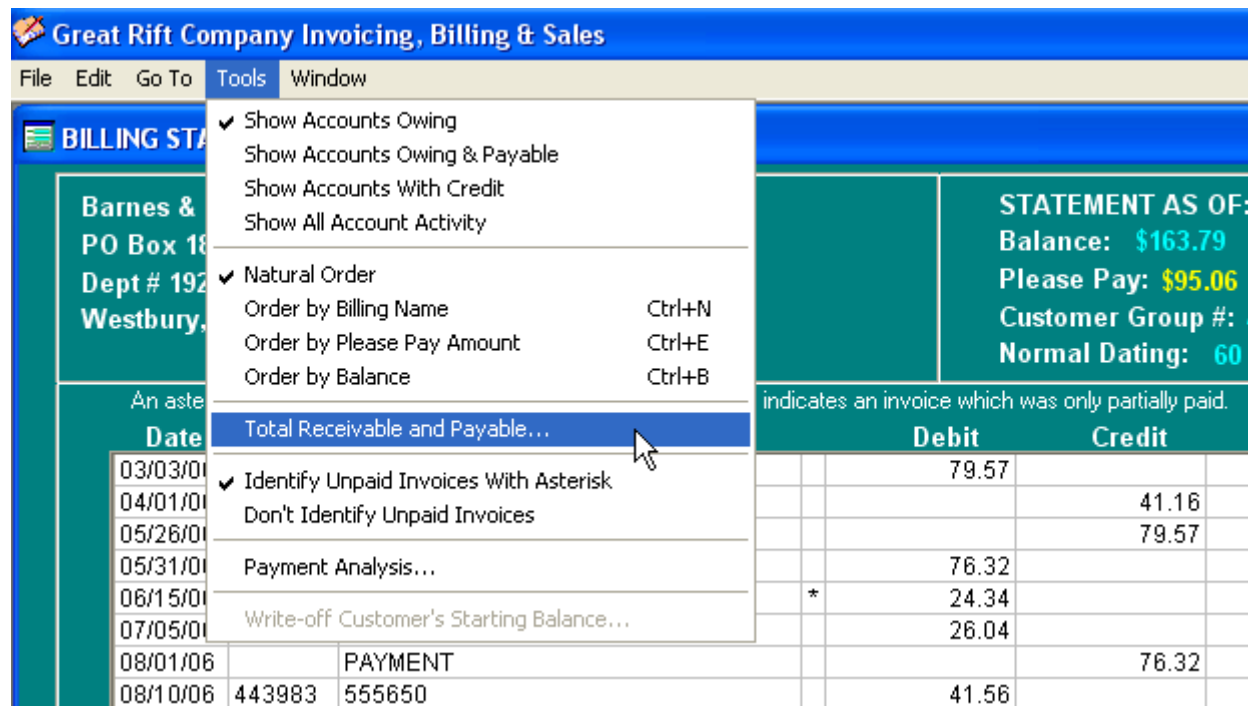
This is a particularly handy feature to use at the end of the year when, for accounting and tax purposes, you need total receivables and payables. Note that, in addition to the payable figure generated by the program, you'll probably have other payables (such as equipment, supplies, etc. that were payable at the end of the year). This feature of the program gives you only the total invoiced amount payable to your customers.

Showing All Account Activity

You are not restricted to viewing the statements of customers that have a balance owing. You can view the account activity of *all* of your customers. To view all activity, select TOOLS >> SHOW ALL ACCOUNT ACTIVITY from the Billing Statements screen. (The menu choice is shown in the illustration above.) After making the selection, page through the statements. You'll see that all of your customer now appear, and you can view a summary of the invoices issued and the payments they have made.

More Information on Billing Statements

You'll find many more details on this portion of the program in the Help Documentation. To access it, select HELP from the Menu Bar on top of the screen. Then click on SEARCH HELP. Search for "Billing Statements" (Web Link) and you'll find a list of topics. You can also click on the HELP button found on most

of the dialog boxes. The function key F1 is the quick access key to the help system, and pressing it always brings up the most relevant help information.