

# Newsletter - May 2009



This month I will be taking a closer look at some of the new features of Sage 50 v2009/v15. I have devoted the next page to an explanation of using contact management options within the Communications tab to improve your debt chasing and cash flow forecasting. Not only have many of the businesses we deal with reported a slow down in business activity, they are also reporting slower settlement of accounts. It is important to closely monitor this, as if left unchecked it will affect your own cash flow and ability to pay suppliers and tax.

## **Sage 50 v2009 / v15 - Stationery Layouts**

### **Suppress Zeroes**

There are times when it is necessary (or desirable) to suppress zeroes when printing documents. While it would seem easy to do this by just putting a tick in the "Suppress if Zero" within the Properties, Formatting, Numeric tab) this option does not work. To overcome this, you need to use the following method:

1. Select Edit from the invoice printing screen.
2. Go to the menu bar, Select Tools, Options and tick the "Use Advanced Conditional Formatting" option.
3. Select the field that you want to suppress when zero and find the Conditional Formatting property.

Enter the following expression:

```
If INVOICE_ITEM.QUANTITY = 0 Then  
Visible: =False  
Else  
Visible: =True
```

If the field still prints a zero, use the following:

```
If RoundDP(INVOICE_ITEM.DISCOUNT_RATE,6) = 0 Then  
Visible: =False  
Else  
Visible: =True
```

This is because the system stores some fields as 0.00000001 rather than 0.00000000. Obviously change the variables to suit the field you are suppressing. If it looks too complex for you, please contact us and we will be happy to help.

### **Line printing**

It is possible to put line graphics and boxes on stationery layouts. Sometimes a line will not print on the invoice even though you can see it in the layout designer. This is usually due to the size of the line being too fine to print. To correct this problem, go to the Properties window of the line graphic, select the Line Style property and make sure that the Width setting is set to at least 0.75 pt. Most of the problems I have encountered relate to settings of 0.25 pt.

## **Provisional Tax - How's 2009 shaping up?**

If you pay provisional tax, you are entitled to reduce your payments if you believe your income will be lower, however, misjudging your estimate of the tax due will cost you IRD interest at 14.24 percent a year on the shortfall or each provisional tax payment. IRD needs to be informed by the last provisional tax payment date if you wish to estimate your tax. For 31 March balances this is 7 May 2009. Please check with your accountant if you think you need to estimate your provisional tax.

## **Wake-up water**

Have you ever felt so tired you wonder how you will stay awake? A friend regularly fell asleep when he attended late afternoon seminars. One day, when he was feeling particularly tired, he drank three glasses of cold water before a seminar started. To his amazement he stayed wide awake throughout the course. Next time you are having trouble staying awake, try copious amounts of cold water. It can be as effective as strong coffee and a lot better for you. If you are running a long meeting, be sure to supply plenty of cold water for participants.

## **Attention Sage 2007 Users: Update Available**

There is an update available for users of Sage 50 v2007/v13. It can be downloaded via the link below:

[Http://www.adeptcom.co.uk/updates.htm](http://www.adeptcom.co.uk/updates.htm)

Go to the Sage Line 50 2007 v13.03 section and select option 2, update7.exe. The download window will be presented, select "Save", and note the folder that the file is being saved in. When the download has completed, click "Run" and accept the defaults given. Make sure you install the update on all workstations in a network environment.

Although this update has been available for a while, our previous distributor did not make us aware of it. If you are running Sage 50 v13 and are not going to upgrade to v15 you should install this update. Recently we had a customer experience problems which would have been prevented with this update. There is also a patch for pdf printing for users of Windows Vista on this site if required.

## Controlling your debtors

### New features in Sage v15 to assist with debt chasing.

While there is no easy way to get customers to pay their outstanding accounts if they do not have any money, you do want to be the one at the top of their list to pay as soon as they receive funds. To assist with this you need to keep in regular contact with your slow payers. Sage 50 v15 has some new options to help in this area. Communication history allows a record of letters, emails and phone calls to be kept. It is then easy to refer back to the customers communication history to check when contact was made. This is especially useful when more than one person is in contact with the customer - the obvious one is where more than one person does debt chasing, however it also applies to sales people who may be asked to sell more to the customer when their account is in arrears. They are able to see the status of promised payments and advise the client while still on the phone, rather than having to wait for the accounts department to be available.

In Sage, go to:

Customers,  
Record.

Enter the account code.

Go to:

Communications tab.

Select New.

A new Communication History record is created.

Fill in the details, you must enter a subject.

Use the Telephone Timer if you wish to store the time the call was made - it will also let you know how much time you spend on each call.

Under Communication Result, select Outcome. If a payment is promised, record the date and amount.

Customer Communications History - ABS001

Communication Details Memo

Communication Details

Telephone  Letter/Fax/Email  Meeting

Subject: Debt Chase

Balance: 2533.31

Date: 30/04/2009

Our Contact: MANAGER

Contact Type: Telephone, made

Contact Details

Spoke To: Mike Hall

Telephone: 0191 254 5909

Street1: Unit 34

Street2: Holystone Ind Estate

Town: Hebburn

County: Tyne & Wear

Postcode: NE31 1Y8

Telephone Timer

Start: 13:17:19

Duration: 00:02:53

Stop: 13:20:12

Communication Result

Outcome: Payment Promised

Promised Amount: 2000.00

Due Date: 01/05/2009

New Account Status: Open

Credit Position: Good

Notes:

Invoice

Save Save and Generate Close

By completing the payment amount promised and the date expected, the system can automatically update the cash flow forecast. It also updates the Diary To Do list with a record of the expected payment. The same options exist for you when dealing with suppliers.

Cash Flow

Date range: Next 7 days From: 01/03/2009 Forecast up to: 07/05/2009 NOTE: All values displayed in GBP

Summary

	Balance
Book Balance for Bank Account(s)	-20091.04
Regular Payments	311.10
Forecast Payments	0.00
Regular Receipts	0.00
Forecast Receipts	2000.00
Forecast Book Balance for Period	-18402.14

Bank Accounts

A/C	Bank Name	Balance	Min Limit	Include?
1200	Bank Current Account	-20091.04	-120000.00	<input checked="" type="checkbox"/>
1210	Bank Deposit Account	3510.00	0.00	<input type="checkbox"/>
1220	Building Soci...	507.53	0.00	<input type="checkbox"/>
1230	Petty Cash	1130.48	0.00	<input type="checkbox"/>
1240	Company Credit Card	9358.97	-1500.00	<input type="checkbox"/>

All Regular Payments Forecast Payments Regular Receipts Forecast Receipts

Forecast	Due	A/C Ref.	Details	Overdue	Disp	Inc?	Receipts	Payments	Balance for Day
28/03/2009	28/03/2009	7903	Hire Purchase Interest	33 days		<input checked="" type="checkbox"/>	0.00	5.55	
28/03/2009	28/03/2009	2310	Hire Purchase Payment	33 days		<input checked="" type="checkbox"/>	0.00	150.00	-20246.59
28/04/2009	28/04/2009	7903	Hire Purchase Interest	2 days		<input checked="" type="checkbox"/>	0.00	5.55	
28/04/2009	28/04/2009	2310	Hire Purchase Payment	2 days		<input checked="" type="checkbox"/>	0.00	150.00	-20402.14
01/05/2009	01/05/2009	ABS001	Promised Payment			<input checked="" type="checkbox"/>	2000.00	0.00	
01/05/2009	01/05/2009	7200	Electricity Direct Debit			<input type="checkbox"/>	0.00	162.00	-18402.14

Print Graph Refresh Send To... Manage Payments Chase Debt Close

In Sage, go to:  
Bank,  
Cash Flow.

Manage Payments shows all outstanding supplier accounts.

Chase Debt shows all outstanding customer accounts.

In both cases, payment promises and follow up dates are shown.

"Send to" sends the cashflow data to Excel.

## Terms and conditions of trade

When you get a new customer you should get them to complete an account application form. This should be comprehensive and include full details about the customer - legal name, address for service, etc. This should clearly state your terms of trade and the penalties your customer will face if the account is not paid in a timely manner. It should include the option to charge interest and collection costs (this is very important, as if you pass the debt on to a collection agency, this ensures that you will still receive the full value of the debt when collected). If you do not use account application forms, at least get them to sign a quotation or order acceptance form which includes clauses stating ownership remains with you until paid in full, the right to charge monthly interest, and the right to charge collection costs if the account is not paid.

Remember that you can practice in Sage 50 without risking your live data by going to File, Open, Open Demo Data or (v15 only) Open Practice Data.

## **Taking money out of a family trust**

If you want to take money out of your trust, remember it is the trustees who decide, not you. As one of the trustees, you must wear your trustee hat when dealing with trust business. Trustees need to make their intentions clear when paying money to a beneficiary of a trust.

Is the money to be taken out as:

- A reduction of debt to you or a beneficiary
- A distribution of the trust's taxable profits?
- A distribution from the capital of the trust?
- Wages, in the case of a trading trust?

The trustees clarify their intention by all signing a minute. If a trustee makes a payment without the agreement of the other trustees, it is invalid and cannot be confirmed later.

Beneficiaries can have trustees removed for not keeping proper records. Would you want one of your children (or, indirectly, your child's partner) to take control of your family trust, particularly one which owns your family home? It is essential to keep good records.

## **TAX TRAPS - Tax Refunds**

Beware of tax refunds. Before you bank money from IRD, check that you are entitled to it. Also make sure that by receiving it, that it will not lead to a shortfall in tax payments somewhere else.

A taxpayer was several years in arrears with his tax returns. He paid tax in advance to avoid penalties and use of money interest.

IRD refunded what they thought was overpaid tax. As he caught up with his tax returns he discovered there was no money with IRD to cover the tax liabilities. He had to repay the tax he had been refunded and was charged substantial interest and penalties.

Some people allow IRD to pay tax refunds straight into their bank account. If you are one of these people, keep an eye on credits from the IRD appearing in your bank account. It may be safer to get refunds paid by cheque. Taxpayers can be prosecuted if they accept a tax refund where they should have known they were not entitled to it.

## **Suggestions**

Please let me know if you would like a particular topic covered in our newsletter, or if you have any other suggestions that may make it better and more relevant for you.

Our contact details are:

Bean Counters Ltd  
P O Box 13-605  
Wellington  
Ph. 04 477 4411

Best regards,  
Shane Durrant

## **Business Branding**

Two elements that can build customer perception about a brand are quality and price.

People go to Starbucks for the consistently good quality coffee and food at a price that they find acceptable. The Warehouse started its business by selling goods to the public at a price customers felt offered value for money.

If you want your business to be known for its value and/or quality, create that first, long before you think about a logo or slogan.

Don't create a slogan and tell people your quality is great if you are still ironing out consistency issues! Never fall into the trap of thinking you should have the cheapest price so that customers think that you give great value for money. A BMW has a high price, but many people think the "ultimate driving machine" is great value

## **The "I'm so busy" comment**

Be careful about telling people that you are very busy. You might be saying, "please don't send me any more work, I'm so busy." Do you really want to tell people this when you are trying to grow your business? Make it clear, if you comment on how busy you are, that you can still handle more. If you wish to limit your business, improve the quality of your customers by getting rid of those you least want.

## **Monitor your Yellow Page ads**

Do you measure your responses from your Yellow Pages ads? How many of those responses turn into sales? Yellow Pages advertising is expensive. Some people advertise, get responses, and then never follow up. They have more business than they can handle! So why do they pay for advertising? Examine the return on your Yellow Pages advertising. If your advertising works, that's great. If it doesn't, save your money.

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