

## Palladium Company Setup Guide

This document will assist you in setting-up your Palladium Company prior to processing transactions.

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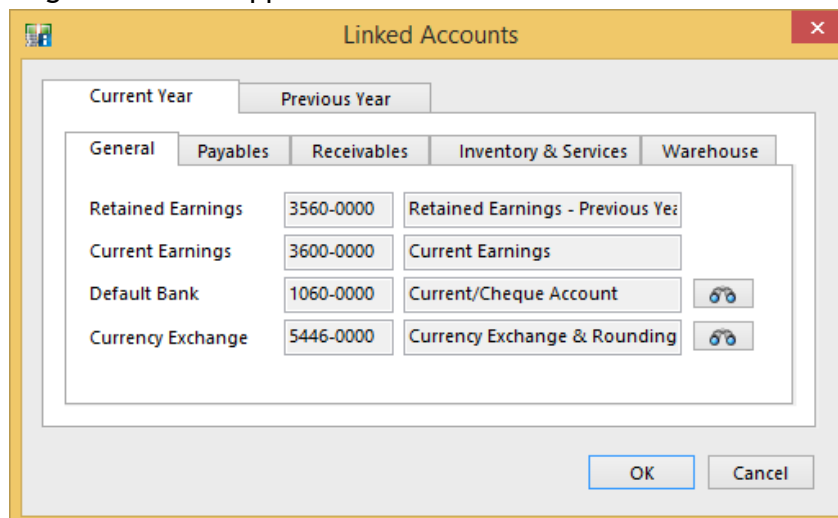
## Setting Up Linked Accounts

Palladium Accounting uses linked accounts to define the main control accounts (such as Accounts Payable, Accounts Receivable) as well as to define default bank accounts etc. If you chose a template for your accounts setup on installation, this information would have been setup automatically. If, however, you chose the manual accounts setup (during company creation), you will be required to complete this information manually.

You access your linked accounts by going into Control Panel | Linked Accounts.



Once selected the following window will appear:



At this point you can access your linked accounts for the current year, or the previous year. Note: you will not have access to the previous year setup if that year does not actually exist.

## Purpose of Linked Accounts

1. **Retained Earnings:** This is an equity account that holds earnings from previous years.
2. **Current Earnings:** This is an equity account that holds earnings for the current year. This account cannot be changed once it is selected for the life of the company.
3. **Default Bank:** This is a bank account (asset) that is used by default on all entry screens in Palladium. If you have more than one bank account, choose the bank that is used most often.
4. **Currency Exchange:** This account is used to hold the exchange functions such as rounding errors, exchange differences between unrealized and realized.
5. **Accounts Payable:** This account is a liability account that holds money to be paid out to suppliers. This is for all purchases that are paid on account.
6. **Purchase Discount:** This account is an expense account that is used to record all discounts entered in the payment processing window.
7. **Prepayments:** This is an asset account that holds monies paid in advance to vendors entered as a prepayment in the payment processing window.

8. **Accounts Receivable:** This account is an asset account that holds money to be received from your customers. All invoices that are paid on account will be recorded into this account.
9. **Sales Discounts:** This is a revenue account that records the discounts given to customers during the receipt entry process.
10. **Deposits:** This account is a liability account that holds money given to you by your customers in advance on orders using the deposit system in the receipts processing window.
11. **Item Assembly Costs:** This account is an expense account that is used during item assembly when additional costs are recorded as part of the assembly.
12. **Adjustment / Write-off:** This is the default expense account used during stock counts and adjustments. This is just a default and can be changed during the entry process.
13. **Received Vouchers:** This account is used to hold monies for stock that is received by GRV in the warehouse module. When the actual invoice arrives, the stock will be adjusted to the correct values and this control account will be cleared.

**Accounts Receivable / Accounts Payable as Deposit and Prepayment Accounts**

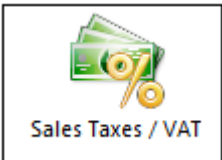
Note, you can have your accounts receivable and deposit accounts as the same account should you not require to disclose these values separately.

**Sales Taxes**

Palladium allows you to have multiple tax definitions if you have several government bodies that collect tax. Through the use of tax codes, you can setup one or many tax definitions and rates into a single code.

Please note that your tax registration (ie VAT) number is entered on the Company setup screen when you first created the company. It can also be accessed by choosing Setup from the Company menu on the Control Panel.

You Access the Sales Tax / VAT setup menu on the Control Panel | Sales Taxes/VAT



The following screen will be displayed once you select the taxes option.

A screenshot of the "Sales Taxes / VAT" window in the Palladium Accounting software. The window has a title bar with the text "Sales Taxes / VAT" and a close button. Below the title bar is a menu bar with options: "New", "Edit", "Delete", "Set Default", and "Set Default". There are two tabs: "Tax Definition" (selected) and "Tax Codes". The "Tax Definition" tab contains a table with three columns: "Tax Name", "Purchases Control Account", and "Sales Control Account". The table is currently empty.

From the menu, you can create, edit or delete tax definitions and codes. You can also set a selected code as the default tax code for existing Vendors/Customers using the “set as default” tabs on the menu.

**Setting Up Tax Definitions (Taxation Bodies)**

On the Sales Taxes menu shown above, select the Tax Definition tab, click on “New” and the following screen will be displayed. Enter the name of the authority such as VAT, Federal Tax, State Tax, etc. At this point you must also select the control accounts where the purchases and sales transactions will be allocated to. When finished press “OK”.

**Tax Definition**

Sales Tax / VAT Name: VAT

Purchases Control Account: 2200-0000 VAT on Purchases

Sales Control Account: 2300-0000 VAT on Sales

OK Cancel

**Setting Up Taxes In Code**

Once you have finished creating your tax definitions above, you need to setup the various tax codes that are used on all transactions, and link them to one more related tax definition. On the Sales Tax / VAT menu, select the Tax Codes tab and the following menu will be displayed. You will now need to enter a tax code such as "01", "02", etc. Enter a description such as "VAT on Sales", etc. This will help your users to determine what code to use for the specific transaction. The “allowed in” function allows you to define where the code is able to be used. It is recommended you have separate codes for sales and purchases. Your exempt and non-taxable codes should be allowed in all journals.

The final option now is to define the defaults. If selected, this code will be the default for all new customers or vendors (or both) when they are created (but can be changed “on the fly” during the masterfile creation).

**Tax Code**

Code: 01

Description: Vat on Sales

Allowed In: All Journals

Defaults: ☐ Vendors ☒ Customers

Rec & Pmt Journal Default: ☐ Payments ☐ Receipts

Taxes in Code:

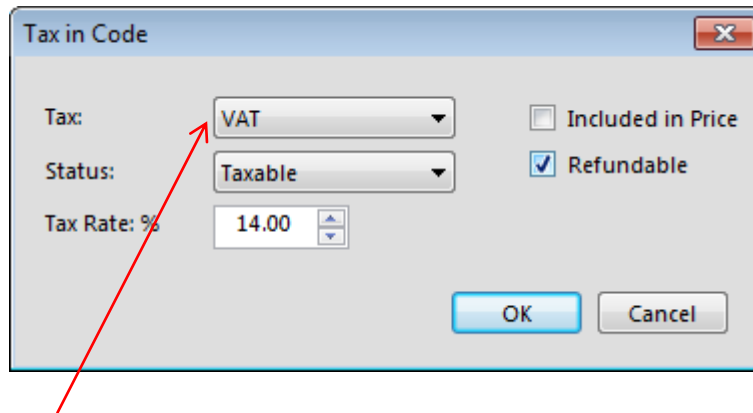
Tax	Status	Rate	Included in Price	Refundable
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New Edit Delete

OK Cancel

## Tax In Code

The next step is to select the “New” button to actually enter the different taxes to be charged on this code. Once selected you will see the following screen:



The tax drop down box, as seen above, is populated with the definitions we created earlier. In this example it is VAT. The status drop down allows you to select whether the authority is taxable, non-taxable, or exempt. You can then enter the tax rate. If you use amounts on invoices that include the sales taxes (tax-inclusive), then you need to check the “included in price” check box. If your prices are exclusive of tax, then leave this field clear. The last check box (refundable) signifies that this tax should be offset (refundable sales less refundable purchases) on your tax reports.

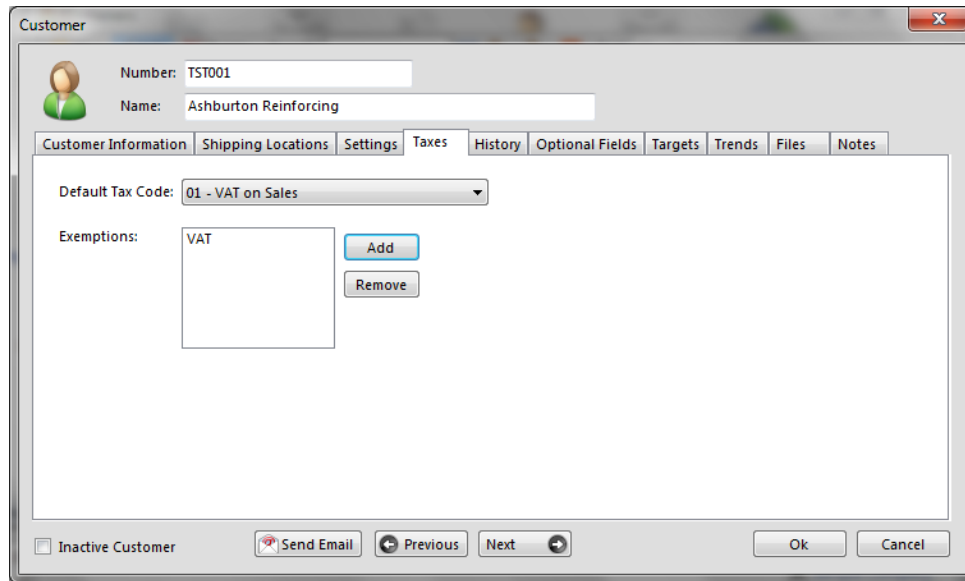
## Using Tax Codes to Facilitate Processing

In order to facilitate the processing of purchases, for example, it would be advisable to have (2) purchases tax codes. One code where the price is inclusive of tax and another where it is not. This way each supplier can be setup based on how they present the invoices to you (tax inclusive or exclusive). The operator can also change between the codes as required, to prevent them from having to use a calculator or remove any sales taxes during the entry process.

On the sales side you would generally only have 1 code which is generally tax inclusive or not. Please note that all price lists within Palladium are created net of any tax. Your company should decide as standard which way they would like to produce invoices and set the pricing in Palladium accordingly. The reason for only requiring one sales tax report is because all exceptions can generally be managed using the overriding tax code function below.

## Overriding Tax Codes

Palladium has the facility to override one or more taxes by Customer, Vendor or by Inventory Item. An example could be that a specific Customer is exempt for VAT, Federal Tax or that an item does not attract a “Super Tax” such as a sin tax on Tobacco. You can set the exceptions under the Taxes section as per the related Masterfile as in the example below.



The screenshot shows the 'Customer' window with the 'Taxes' tab selected. The window title is 'Customer'. The 'Number' field contains 'TST001' and the 'Name' field contains 'Ashburton Reinforcing'. Below the fields are tabs for 'Customer Information', 'Shipping Locations', 'Settings', 'Taxes', 'History', 'Optional Fields', 'Targets', 'Trends', 'Files', and 'Notes'. The 'Taxes' tab is active, showing a 'Default Tax Code' dropdown set to '01 - VAT on Sales'. Below this is an 'Exemptions' section with a list box containing 'VAT' and 'Add' and 'Remove' buttons. At the bottom, there are checkboxes for 'Inactive Customer', 'Send Email', 'Previous', 'Next', 'Ok', and 'Cancel'.

## Create Inventory Item Account Sets

Account sets for service items have 2 parts, the revenue and the expense. Should you require to use Inventory items with an Inventory Control and Cost of Sale Account, you will need to install either the Palladium Business or Enterprise Editions.

1. Asset: The asset account is where all the money (without any relevant sales taxes) is stored. As you purchase inventory items the amounts of those items are stored in your asset account. As you sell these items, the moving weighted average is removed and used as a COGS (cost of goods sold) entry to obtain your gross profit. INVENTORY ITEMS ONLY

2. Revenue: The revenue account where the amount you charged for the item is stored

(Without any relevant sales taxes). This is the selling price of each item (inventory or service). This amount is compared to expense to obtain your gross profit.

3. Expense: The expense account where the amount you paid for the item is stored. If you are selling an inventory item, Palladium will transfer the asset amount (cost) to this expense account. If this is a service item and you are purchasing it, Palladium will transfer the total amount of the purchase (less any sales taxes) to this account. This account is used to find your gross profit for the transaction and finally for the business on your income statement.

4. Variance: The variance account is used when an entry is being made by the user that needs correction. Normally you can just use the same account as your expense account. However, it is broken out here so that you can choose a different account to track variance.

## Create / Import Master Files

Here we will explain how you can create your Masterfile Items, either by entering them manually or by importing them. The masterfiles discussed are:

- a. Customers
- b. Suppliers
- c. Inventory Service Items

## Creating Suppliers Manually

Go to Accounts Payable | Vendors

## Creating Customers Manually

Go to Accounts Receivable | Customers | New

Customer

\* Number:  \* Name:

Customer Information | Contacts | Shipping Locations | Settings | Taxes | Optional Fields | Targets | Files | Notes | Linked Customers

Contact:  Phone:   
Contact2:  Mobile:   
Street 1:  Fax:   
Street 2:  Website:   
Suburb:   
City:  Email Addresses:  
Province:  Main:   
Postal:  Invoices:   
Country:  Statements:   
VAT Reg:   
Reg No.:

Last Updated: Never Customer Since: 01 March 2016

☐ Inactive Customer

## Creating Inventory Service Items Manually

Go to Inventory | Inventory & Services | New

Inventory Item

Number Mask:  ☐ Item Numbering Convention

\* Number:  Barcode 1:  Labels  
\* Description:  Barcode 2:  Labels

Item Summary | Vendors | Pricing | Related Items | Reorder | Taxes | BOM | Files | Optional Fields | Ext Description | Notes | Statistics | Targets | Activity

Item Type: ☒ Item ☐ Service  
Account Set:  Category:   
Default Purchase Price:   
Last Received Cost: ☒   
Default Item Cost:   
Item Control / Settings:  
Standard Cost:   
Default Sale Quantity:   
Repair Cost Charge:   
Dimension Profile:   
Bin Location:   
Sales Decimal Quantity:   
Item Images:  
☐ Default Image

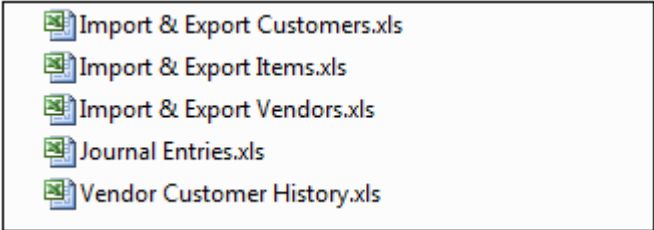
Serial / Lot Settings:  
☐ Serial / Lot Item Type   
Units:  
Stock:   
Buy:  1 Buy =  Stock Units  
Sell:  1 Sell =  Stock Units  
Remote Sales Terminal Sync:  
 Terminal Numbers: 1,2,3 or 4-10

☐ Inactive

## Importing Suppliers | Customers | Inventory Service Items

You can create all your masterfile information in one function by importing them into the system. It is advisable to first check the layout of the file you will import.

To do this go to Help | Import Examples and the layout below will be listed.



Once you have formatted your import files go to Control Panel | Import Export and start importing your master file accounts.

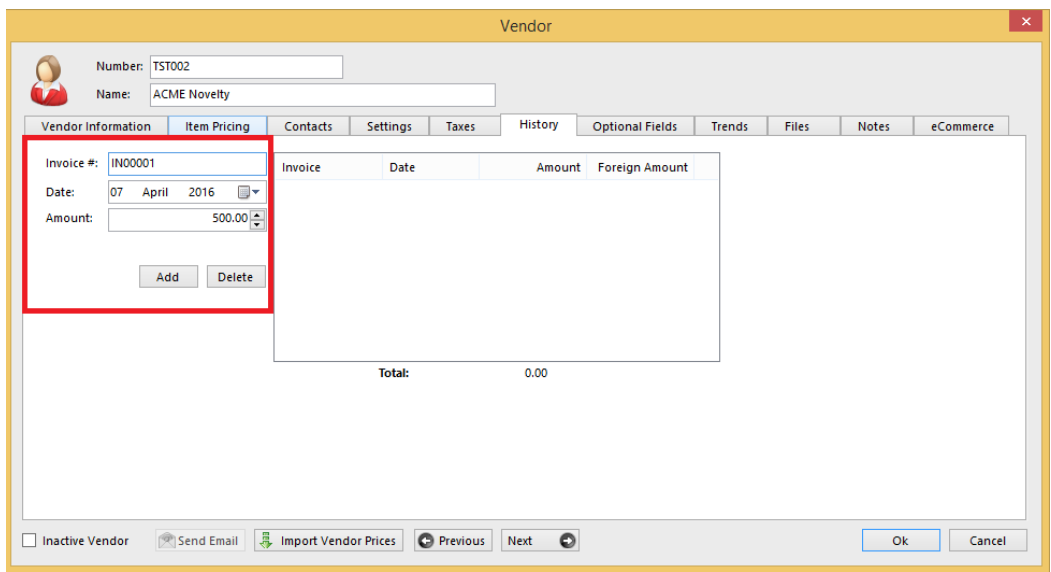


## Capture / Import History Balances

This function allows you to take on your open item Customer and Supplier outstanding open item Balances. Again, like the Masterfile imports, Palladium allows this to be performed manually or dynamically using our advanced import functionality.

### Capturing History Manually Suppliers

Go to Accounts Payable | Vendors. Select a Supplier Account and go to the History tab. Using a detailed age analysis from your previous system, enter each outstanding invoice number, the date of the invoice, and the invoice amount then select "Add". Once you are finished entering for this Vendor press the OK button. Remember you are only entering outstanding invoices and unallocated payments into this window, not the entire history for the vendor. All items entered this way will appear in the payments window to accept your payments once you have made them.



Vendor

Number: TST002  
Name: ACME Novelty

Vendor Information | **Item Pricing** | Contacts | Settings | Taxes | History | Optional Fields | Trends | Files | Notes | eCommerce

Invoice #: IN00001  
Date: 07 April 2016  
Amount: 500.00

Add Delete

Invoice	Date	Amount	Foreign Amount
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Total: 0.00

☐ Inactive Vendor

## Customers

Go to Accounts Receivable | Customer. Select a Customer Account and go to the History tab. Once again, using a detailed age analysis from your previous system, capture the outstanding invoices and deposits. Note that all transactions entered here will appear in both the customer receipts function as well as on the customer statements, aged appropriately. This allows you to send a correct and detailed statement to your customers immediately after take-on.

The screenshot shows the 'Customer' window with the 'History' tab selected. A red box highlights the 'Invoice #' field (IN000002), the 'Date' field (15 April 2016), and the 'Amount' field (500.00). Below these fields are 'Add' and 'Delete' buttons. The main table has columns for 'Invoice', 'Date', 'Amount', and 'Foreign Amt'. The 'Total' at the bottom is 0.00. At the bottom of the window, there is an 'Inactive Customer' checkbox, a 'Send Email' button, and 'Previous', 'Next', 'Ok', and 'Cancel' buttons.

## General Ledger

Go to General Ledger | Accounts. Select a General Ledger Account and go to the Opening Balance Section as shown below. Enter the opening balance as specified as in this example from an extract of your Trial Balance from your previous system or Auditors.

The screenshot shows the 'Account' window with the 'Opening Balance' section. The 'Number' field is 10000000 and the 'Description' field is empty. The 'Account Type' section has 'Full Account (G)' selected. The 'Legend' section lists account ranges: 10000000 - 19999999 Assets, 20000000 - 29999999 Liability, 30000000 - 39999999 Equity, 40000000 - 49999999 Revenue, and 50000000 - 59999999 Expense. The 'Bank / Cash Account' section has 'Next Cheque Number' set to 1 and 'Currency' set to 'South African Rand'. The 'Account Class' is set to 'Assets'. The 'Opening Balance in (ZAR)' and 'Opening Balance in (\*\*\*)' fields are both 0.00. At the bottom, there is an 'Inactive' checkbox, an 'Add Another' button, and 'OK' and 'Cancel' buttons.

Please remember, your asset accounts (begins with a 1) and expense accounts (begins with 5) are debit accounts. If these accounts are in credit, you must enter a negative opening balance. The remaining accounts (that begin with a 2, 3, or 4) are credit accounts. If these accounts are in debit, you must enter the opening balances as negative as well.

You cannot enter opening balances for current earnings or retained earnings. These will be calculated for you as you enter the opening balances on the other accounts.

Please also note that you have the facility to go back and amend both the Customer and Supplier open-item take-on balances as well as the General Ledger account opening balances. Once you are happy with these balances, you simply need to go to the Control Panel and select the “Finished Entering History” function. This will, in turn, confirm that the take-on figures are in balance and close-off the take-on function accordingly.

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## Additional Support

Should you have any further queries or if you require any document adaptations or customizations, you may reach us on the details below.

### Support Hours

Monday - Thursday	08:00 -17:00
Friday	08:00 - 16:30

### Consultation

-Remote Login	[billable]
-Onsite Consultation	[billable]
-Form Design/Customization	[billable]
-Report Design	[billable]

### Palladium Support Contact Details

Email: [support@palladium.co.za](mailto:support@palladium.co.za)  
Tel: +27 11 367 0656

### Palladium Upgrade and Support Contract Queries:

Email: [sales@palladium.co.za](mailto:sales@palladium.co.za)  
Tel: +27 (0)86 172 5523

[CLICK HERE](#) to see a product comparative feature table across our entire product range.