

Financial Accounting

More Than Just Certified Accounting Records

A financial accounting system, as the central instrument for factual and chronological recording of all business activities, must conform to certain "ground rules" known as the generally accepted accounting principles (GAAP) as well as to certain tax laws and trade regulations. The proALPHA® Financial Accounting system has been tested and certified by a noted international, independent financial auditing firm. All processing algorithms and data management methods are in strict accordance with applicable regulatory principles including the regulations of the EC-Harmonization accord.

Combined with a comprehensive and flexible business information system, the financial accounting modules provide internal control tools which allow the most complex business situations to be portrayed at levels of detail defined by the user. Built on a common database, all relevant data for decision-making can be analysed using user-defined codes and information is output from easy to use reporting tools.

Comprehensive Basic Functions

Unique organisational structures are portrayed with a high degree of flexibility through the chart of accounts. The range of number that can be assigned supports activity based costing systems and any level of detail considered appropriate by management. For example, the general ledger controlling accounts or the detailed subsidiary accounts can use different numbers in each department or, can be set up just as easily with the same numbering scheme throughout the entire enterprise.

A business year that differs from the calendar year, or the length of the accounting period presents no problems for proALPHA. There are no limitations in proALPHA® regarding time. Each fiscal year is sub-divided into 13 periods. Current and prior year values can be stored indefinitely and referenced down to the level of an individual invoice. In the closing process, after a balance has been carried forward, any adjusting entries to the previous period will automatically lead to a correction of the new beginning balance. Therefore, up to date prior year account balances are carried forward to the new year, and the postings which rightly belong in a prior year - which may include payments received on accounts receivable - change not only the prior year figures but also modify the new beginning balances.

Postings can be batched or made in real time. Different posting methods support each different business activity, so that the user sees a different screen when posting the transactions of a general ledger account to that seen when posting withdrawals from bank accounts. Alternatively, a mandatory distribution of amounts and quantities can be created in the proALPHA Cost Accounting system that ensures that identical values are posted in all accounts.

With the use of posting schemas and definable time intervals, values are posted to the desired accounting periods. A very useful, efficient and time saving feature is the capability to cancel and reverse even a complex posting by simply pressing a key. The creation of reverse entries includes an appropriate note to accompany the entry.

Integrated - Information and Processes

The point of capture, or, the point where data is entered, is only the beginning of data processing. In proALPHA data is not confined within the functions of an individual module. To be precise, because complete processes are mapped in parallel within the system, data is channelled along event driven paths.

Integration in proALPHA does not simply mean accepting a billing amount from an order transaction and "passing it on" to be included in an Income Statement. Integration means the identification of complete business cycles of values and quantities. For example, every change in inventory is reflected not only in materials management data, but the same values will appear in financial information.

Current Accounts and Late Notices - Increased Efficiency with Automated Procedures

With fully integrated Sales and Purchasing data, all, important information for Finance and Accounting purposes is delivered automatically. Automated procedures reduce manual processing to a minimum. Nevertheless, the accounts clerk, with the proper access permission and attention to regulating principles, still has manual access to every outstanding account at any stage of processing. This feature for example, permits a stop payment of total or partial sums or, a change to a late notice procedure. Another practical and extremely flexible administrative tool permits assignment of selected features to each outstanding account. These features may be edited with texts that may then be displayed together with late notices or simply for internal analyses. Archiving of this text with the accounts makes possible the retrieval of information long after the account has been balanced, for evaluating creditworthiness or the reliability of a particular customer or supplier.

In addition to the management of multiple accounts and payment methods, a fully automated suite of internal and external office communications complements this user-friendly module.

Payment Transactions - Cheques, Notes or Electronic Transfer

The proALPHA payment management functions support not only the usual electronic processing, but also traditional procedures such as printing cheques or transfer orders. Payments to suppliers and crediting of customer accounts are optimised across several parallel banking connections. When handling transactions with trade associations, it can be determined whether payment adjustments should be made to the association itself or to individual members.

Whether notes payable, notes receivable or, financial paper, proALPHA manages all of your essential information, for receipts, for discounts or, as payment. The amount of funds required as secondary liabilities can be monitored and matched to a guaranteed credit line of an institution.

The Complexities of Foreign Currencies

Successful management of multiple foreign currencies requires a high degree of sophistication. In countries like Switzerland that are highly dependent upon exports, local businesses must juggle foreign currencies just as expertly as a bank. Current accounts must have transaction amounts stated in multiple currencies. proALPHA is able to manage such open entries in any number of currencies in one and the same subsidiary account. Additionally, accounts maintained in a second currency can be compared using a third currency. The financial valuation of assets and liabilities follows the principle of least value (LCM).

An accountant can analyse the exchange rates of various currencies and can realise profits by differentiating between the exchange rate fluctuations.

The Budget - Operating Profitably and Staying Solvent

Business managers at middle-sized companies now have a budgeting tool that meets their need. A flexible budgeting process, supported by budget distribution columns, allocates annual figures to monthly values according to user definable number ranges. When past values are maintained, the fastest way to produce a forecast is to use a range of financial models that can run for different accounts and time-periods.

The continuous budgeting technique in proALPHA adjusts upcoming monthly budget figures based on actual values. Evaluation of short-term liquid assets and liabilities can be forecast for the next quarter (twelve calendar weeks). The level of integration in proALPHA ensures that all system data relevant to liquidity is considered. This means that values from Sales and Purchasing together with any periodic recurring payments are included. The unpredictable flow of cash income and outgoings can also be budgeted with the same ease and flexibility.

Information and Reports - Tailored to Individual Needs

The proALPHA Information and Controlling System provides on-line queries to bring all relevant transactions up on a user's desktop to assist in decision-making. For example, you could retrieve the records for any posting include all cross entries, costing sheets, and, for outstanding accounts, all payments received or late notices sent out.

Balance sheets, profit and loss statements and other financial analyses can be defined in a variety of formats. Each user can easily create or modify all reports and forms, such as the list of outstanding accounts, cost account sheets, or late payment notices using proALPHA's Report and Form Builder functions.

Consolidation

Any number of companies or departments can be managed and consolidated at any desired level and all functions are available at any level. For example, a parent company can access the data of a subsidiary company; or, as soon as an online entry is made, the information, such as a current balance or operational analysis, can be called up at any level.