



Article # 1082

Technical Note: Guidelines for Assigning Access Rights in AccountMate

Difficulty Level: Beginner Level AccountMate User

Version(s) Affected: AccountMate 7 for SQL and Express
AccountMate 7 for LAN
AccountMate 6.5 for SQL and MSDE
AccountMate 6.5 for LAN

Module(s) Affected: System Manager

Posting Date: 01/14/2009

DESCRIPTION

The main objective of setting up access rights is to provide segregation of duties. Access rights determine the functions a person is authorized to use. Rights should be assigned based on the task or tasks the individual is required to perform. Proper assignment of access rights is necessary to ensure data security. In a worst-case scenario, incorrect assignment of rights may allow a person to record fraudulent transactions.

This TechNote provides an example of business cycles used in a retail business, the various functions under each cycle, steps necessary to set up rights, and the system features used in setting up these rights. For each function, a recommended set of rights in the AccountMate system is presented. Remember, these are general guidelines and are based on a retail business such as the National Office Supply.

SOLUTION

To properly set up security rights, perform the following steps:

1. Identify the operating cycles of your company.

The operating cycles provide a general picture of the company's operational flow. This will help you determine the appropriate functions necessary for each operating cycle; then, will aid you in the process of segregating the appropriate functions for each department, depending on the operating cycle it belongs. The following are the common operating cycles in a retail company:

- o **Revenue/Receipt Cycle**
This cycle covers the sales of goods or services to customers and the collection of payments on receivables.
- o **Expenditure/Disbursement Cycle**
This cycle covers purchases from vendors and payroll payments to employees.
- o **Purchasing Cycle**
This cycle covers acquisition of goods and services and the subsequent payment to vendors. It involves purchases, prepaid and accrued expenses, cash disbursements, adjustments and accounting for all the expenses incurred by cost centers.
- o **Payroll Cycle**
This cycle includes preparation and update of personnel records, preparation and recording of the payroll, and distribution of paychecks to employees.
- o **Inventory Cycle**
This cycle covers the purchase and receipt of goods and their storage and subsequent sale.
- o **Conversion Cycle**
This cycle pertains to the process of converting purchased inventory into finished product. This cycle starts with the Purchasing and Expenditure/Disbursement cycles and ends with the Revenue/Receipt Cycle.
- o **Financial Reporting Cycle**
This cycle involves recording and summarizing business transactions to generate financial statements and reports for analysis.

2. Identify the company's departments and their functions.

The operations of each department are related to the company's operating cycles. This step will guide you in determining what cycle the department belongs and an overview of the appropriate functions each department will access in the system.

The following are the cycles and the corresponding departments with their appropriate functions:

Revenue/Receipt Cycle

- o Customer Orders
Accept customer orders prepare sales orders, prepare credit memoranda on customer's returned goods for posting by the Accounting Department.
- o Credit Investigation
Review sales orders, investigate customer credit information and

prepare credit memoranda for uncollectible customer accounts for posting by the Accounting Department.

- o Shipping
Review sales orders, release goods from warehouse, and complete shipping documents.
- o Billing
Prepare sales invoice.
- o Accounting
Record sales returns and uncollectible accounts and prepare the bank reconciliation.
- o Treasury
Receive cash payments, prepare cash summary, and update cash records.

Expenditure / Disbursement Cycle

- o Purchasing
Accept approved purchase requisitions and prepare purchase orders.
- o Receiving
Receive goods and prepare receiving reports.
- o Personnel
Prepare and update personnel records (i.e. pay rates, deductions, etc.)
- o Accounting
Prepare bank reconciliation for all cash in bank transactions and payroll register for submission to Treasury.
- o Treasury
Review cash requisitions; and prepare and release check payments.

Inventory Cycle

This cycle has the same departments as that of the Expenditure/Disbursement and Revenue/Receipt cycles discussed above. Aside from shipping and receiving, internal movements of inventory items should also be recorded by the warehouse department. The accounting department is responsible for verifying the actual inventory item quantities by administering a physical inventory count.

Conversion Cycle

This cycle's main event is the conversion of purchased inventory into manufactured products suitable for selling or internal consumption. It starts with the purchase and procurement of raw materials; then, labor and overhead components are added during the production process. The finished products are marketed and sold or may be used for internal consumption.

The Production Department handles the purchase and receipt of raw materials while the Product Department manages and operates the core processes in the manufacture of goods. It is the Sales Department's responsibility to market, sell, and deliver the finished product to end users. All transactions pertaining to finished goods production are the responsibility of the Accounting Department.

Financial Reporting Cycle

This cycle involves the Accounting Department. All General Ledger module transactions, Period End-Closing and Transfer Data to GL functions should be accessible to this department.

3. Analyze the tasks that will be performed by each individual. You may use the analysis in this document to assist you in determining the appropriate security rights to be assigned to each person.

In order to achieve optimum segregation of duties for each user, transaction authorization, execution, recording, and independent checking of performance functions should be performed by different employees. Where possible, no employee should be responsible for more than one function.

4. Access the Group/User Setup function of the Administrator program to define the security rights.

AccountMate allows assignment of access rights by group; then, by user(s) in a group. You may identify each department in the company as one group; or a group may only be comprised of a number of employees in one department that handle a specific operation. After you have set up a group and assigned its access rights, you can start to set up the members in the group; then, assign the individual user rights. Note that the security rights you can grant to a user are restricted to the AccountMate functions that the group to which the user belongs has access rights.

The available rights you can assign to a group correspond to the different Transactions, Maintenance and Reports functions in the system; while the user rights pertain to the different courses of action available in the Transactions, Maintenance and Reports functions. For example, if the group right is the **AR Customer Maintenance** function, the available user rights are **Update/Delete Customer in Maintenance** and **Edit Customer Settings in Maintenance**.

If several companies are installed in the system, you may choose to allow the group to access all or some of the installed companies and their corresponding functions; however, a user can be a member of only one group and not several groups. Refer to the System Manager Electronic Manual or Online Help for more information pertaining to setting up the access rights in the Group/User Setup function.

The suggested combination of AccountMate access rights under each cycle and department is presented in the Exhibits of this TechNote. In each Exhibit,

functions indicated with the letter **(a)** are available only in AccountMate 7 for SQL/Express while those indicated with letter **(b)** are available only in AccountMate 7 for SQL/Express and AccountMate 7 for LAN. Functions marked with an asterisk (*) are **not available** in AccountMate 7 for LAN and AccountMate 6.5 for LAN.

Revenue / Receipt Cycle

MODULES	TRANSACTION FUNCTIONS	DEPARTMENTS					
		Customer Order	Credit Investigation	Shipping	Billing	Accounting	Treasury
Sales Order	Create Sales Order/ Sales Quote	✓					
	Ship Sales Order			✓			
	Cancel SO Open Order		✓	✓			
	Approve Sales Quote	✓					
	Recurring Sales Order Setup	✓					
	Generate Recurring Sales Order	✓					
	Create Blanket SO *	✓					
	Release Blanket SO *		✓				
	Import Sales Order	✓					
	Build Customized Kit Item			✓			
	Create Advanced Billing				✓		
	Approve Advanced Billing				✓		
	Post Customer Beginning Balance					✓	
	Inventory Adjustment					✓	
	Disassemble Customized Kit Item			✓			
	Cancel Shipment			✓			
Accounts Receivable	Create Invoice				✓		
	Generate Invoice From Shipment				✓		
	Create Sales Return without Invoice #					✓	
	Create Sales Return with Invoice #					✓	
	Apply Payment						✓
	Apply Finance Charge					✓	
	Refund Open Credit					✓	
	Import Invoice				✓		
	Recurring Invoice Setup				✓		
	Generate Recurring Invoice				✓		
	Record Bank Deposit						✓
	Verify Bank Deposit					✓	

	Post Customer Beginning Balance					√	
	Inventory Adjustment					√	
	Adjust Finance Charge (a)					√	
	Void Payment					√	
	Void Applied Credit					√	
	Void Refund					√	
	Void Applied Adjustment					√	
Bank Reconciliation	Record Deposits/ Other Receipts						√
	Record Checks/ Other Disbursements						√
	Record Bank Transfers						√
	Reconcile Bank Account					√	
	Recurring Transaction Setup						√
	Generate Recurring Transaction						√
	Generate Positive Pay File (a)						√

Purchasing Cycle

MODULES	TRANSACTION FUNCTIONS	DEPARTMENTS			
		Purchasing	Receiving	Accounting	Treasury
Purchase Order	Create Purchase Order by Vendor	√			
	Create Purchase Order by Item	√			
	Create Purchase Order by Sales Order	√			
	Create Purchase Order by Reorder Quantity	√			
	Create Purchase Quote by Vendor	√			
	Create Purchase Quote by Item	√			
	Create Purchase Quote by Sales Order	√			
	Create Purchase Quote by Reorder Quantity	√			
	Receive Goods		√		
	Accrue Landed Cost (a)		√		
	Cancel PO Backorder		√		
	Approve Purchase Quote	√			
	Create Blanket PO *	√			
	Release Blanket PO *	√			
	Import Purchase Order	√			
	Export Purchase Order	√			
	Inventory Adjustment			√	
	Cancel Received Goods		√		
Accounts Payable	AP Invoice Transactions			√	
	AP Prepayment Transactions			√	
	Manual Apply Payment				√
	Automatic Apply Payment				√
	Generate Prenotes (b)			√	
	Activate Vendors for Electronic Payment (b)			√	

	Post Credit Card Payment (b)				✓
	Post Finance Charge or Post Finance Charge to Invoice			✓	
	Post Handwritten Check				✓
	Record Cancelled Check			✓	
	Release On-hold Check				✓
	Import AP Invoice			✓	
	Recurring AP Invoice Setup			✓	
	Generate Recurring AP Invoice			✓	
	Regenerate ACH File (a)				✓
	Print Computer Check				✓
	Post Vendor Beginning Balance			✓	
	Void Check			✓	
	Void Credit Card Payment (b)			✓	
Bank Reconciliation	Record Checks/ Other Disbursements				✓
	Record Deposits/ Other Receipts				✓
	Record Bank Transfers				✓
	Reconcile Bank Account			✓	
	Recurring Transaction Setup				✓
	Generate Recurring Transaction				✓
	Generate Positive Pay File (a)				✓

Payroll Cycle

MODULE	TRANSACTION FUNCTIONS	DEPARTMENTS		
		Personnel	Accounting	Treasury
Payroll	Time Card/Piece Work	✓		
	Additional/1099 Payment	✓	✓	
	Apply Payroll/Payment			✓
	Generate Prenotes	✓		
	Activate Employees for Electronic Payment	✓		
	Process Transmission Files			✓
	Update Transmission Confirmation			✓
	Post Handwritten Check or Handwritten Check			✓
	Post After-the-Fact Payroll		✓	
	Federal 941 Tax Deposit			✓
	Federal 940 Tax Deposit			✓
	State Tax Deposit			✓
	Local Tax Deposit			✓
	Post Employer Matching/Contribution (b)	✓	✓	
	Convert/Adjust Unused Paid Leave (b)	✓	✓	
	Record Cancelled Check		✓	
	Print Payroll Check			✓
	Reprint Payroll Check (b)			✓
	Regenerate ACH File (b)			✓
	Post Employee Beginning Balance (b)		✓	
	Amend Applied Payroll		✓	
	Amend Unpaid Wages Distribution		✓	
	Amend Paid Wages Distribution		✓	
	Void Payroll Check		✓	
	Void Tax Deposit Check		✓	
Bank Reconciliation	Record Checks/Other Disbursements			✓
	Record Deposits/Other Receipts			✓

	Record Bank Transfers			✓
	Reconcile Bank Account		✓	
	Recurring Transaction Setup			✓
	Generate Recurring Transaction			✓
	Generate Positive Pay File (a)			✓

Inventory Cycle

MODULES	TRANSACTION FUNCTIONS	DEPARTMENTS	
		Warehouse	Accounting
Inventory Control	Assign Serial Number	✓	
	Import Serial Number	✓	
	Assign Lot Number by Item	✓	
	Assign Lot Number by Purchase Order	✓	
	Assign Lot Number for Customized Kit Item	✓	
	Build Kit Item	✓	
	Bin Inventory Movement	✓	
	Warehouse Inventory Transfer	✓	
	Receive Warehouse Inventory Transfer	✓	
	Internal Stock Issuance (a)	✓	
	Freeze Inventory		✓
	Input Physical Count		✓
	Update Physical Count		✓
	Clear Frozen Inventory		✓
	Inventory Adjustment		✓
	Amend Serial Number	✓	
	Disassemble Kit Item	✓	
	Mass Copy Inventory		✓

Conversion Cycle

MODULES	TRANSACTION FUNCTIONS	DEPARTMENTS	
		Production	Accounting
Manufacturing	Work Order Transactions or Create Work Order	✓	
	Explode Work Order	✓	
	Post Work-In-Process		✓
	Post Finished Job		✓
	Void Work-In-Process		✓
	Void Finished Goods		✓
	Cancel Backorder		✓

The information in this document is offered to help you understand your company's various business cycles and operations; and can be instrumental in helping you determine how best to set up its groups and users, and assign group and individual access rights.

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