


PROCOUNTOR ASSIGNMENT FOR AALTO UNIVERSITY AIS COUSE

BASIC INFO

A Procountor environment and login credentials have been created for each student group. REMEMBER: Please do not use real personal ID numbers (henkilötunnus) anywhere in the system when completing the tasks. You can create valid company IDs, bank account numbers and identity numbers e.g. with this generator (in Finnish):

<http://www.telepartikkeli.net/tunnusgeneraattori>

You can access the User manual (incl. videos) under the  icon → Manual. Try to find answers to your questions from the manual, videos etc. The instructional videos currently show a different Procountor layout and menus, however the functionalities are the same.

Under the same icon, you'll find Personal information and settings, under which you can change the language

Task 1 – Basic settings

Before you can start using any accounting system, you need to complete some basic setup tasks. These include filling in company information and information on e.g. financial years and chart of accounts. All of this information has relevance later, so it needs to be filled in first in order for the system to work properly.

- Fill in the basic information of the company (*Management > Company info > Basic info*):
Company address: add address
Company ID: 123456-2 (leave the drop-down menu choice empty).
NB: you may be required to fill in Billing address in order to save the changes. You can come up with any address to fill in the fields.
- You can also add *Contact persons*.
- Fill in bank account information (*Management > Company info > Bank account information*):
 - The bank account must be filled in, so that sales invoices can be sent from this company. The bank account number must pass the verification and it must be different in each company.
- Fill in your own information in *Management > Personal information and settings*. (You can use imaginary personal info also.)

Task 2 - Accounting and payroll settings

Payroll settings need to be filled in, because you have to report e.g. earnings and withheld taxes monthly to tax authorities as a part of payroll cycle. Procountor as built-in checks to ensure all relevant info is filled in. I

- Fill in the current year as the financial year in the accounting info (*Management > Accounting info > Financial years*)
- Add basic information:

- *Management > Accounting info > Tax information*: add 45698765 as *My Tax reference number* and FI2516603000116775 as *Tax payment bank account*. Choose 1 month as the *VAT period length*.
- *Management > Salary info > Salaries basic info > Employees' pension insurance*: click **Add contract** and choose a pension insurance provider. Add 10-11111111 as the agreement number.
- Add LähiTapiola as the *Occupational accident insurance* provider (ID 8055870-8) and 123456789 as the policy number.
- *Management > Salary info > Salary periods*: add salary periods for one year.
- Check the chart of accounts *Management > Accounting info > Chart of accounts* (choose *Export > HTML*). What are your thoughts on the chart of accounts? Do you need to add anything?

Task 3 – Adding registers

The main source of revenue postings in your accounting are the sales invoices. Procountor utilizes registers such as customer- and product register in order to make invoicing easier and faster, and also for reporting purposes. In the following, you will be creating both a small customer register and a product register.

- Add a new customer with the following information (*Register > Customer register > Add customer*):
Name: PR Oy
Address: Maapallonkuja 1 A, 02210 Espoo
Company ID: 123123-1
Invoice channel: Email (add your own email address)
- Come up with at least three additional customers, and add them to the customer register.
- Add a new product in the Sales product register (*Registers > Sales product register > Add product*):
“Calendar”, price with no tax 10 €, VAT 24 %.
- Now add at least five more products to your register. You can come up with your own products.

Task 4 – Invoicing

Invoicing is one of the parts in the process the company most likely does themselves. In Procountor, every sales invoice created gets accounting postings automatically. Remember: Only the invoices that are approved will show up in your accounting reports and VAT handling – remember to click “Approve” whenever creating invoices. You can find information on the different invoice fields in the online manual.

- Create a new sales invoice for PR Oy (*New > Sales invoice*).
 - Choose PR Oy from the customer list (**Search customer**). Add 500 calendars on the invoice.
 - Send the invoice to yourself via email.
- Now create at least a couple of invoices to each customer in your register. Add more than one product to at least some invoices. Remember to use all the products in your product register.

Task 5 – Purchase invoices

The main source for expense items / postings in your accounting are the purchase invoices. In EFM, we utilize electronic invoicing, and try to avoid the manual task of adding purchase invoices to the system. However, for learning purpose you will be creating some invoices in order to see what kind of information is needed, and how the accounting is created for the invoices.

- Create a new purchase invoice in *New > Purchase invoice*.

Supplier Procuntor Oy

Invoice date dd.mm.yyyy

Bank reference code 5555

Invoice row info:

Monthly charge for accounting software 50 €, incl. VAT 24 %

Consulting service, one-time fee for 900 €, incl. VAT 24 %

Licenses, 24 pcs, á 50 € incl. VAT 24 %

Choose *Bank transfer* as the *Payment method* and add FI55 4322 0842 0008 98 as the bank account number.

- Now create at least five more purchase invoices. You can come up with supplier and product info (use e.g. telephone expenses, rent, raw material etc.). You can use the Telepartikkeli generator for bank reference and bank account n:o.
- After creating the purchase invoices, you can search them under *Search > Receipt search* (choose the correct search criteria).
 - Open the invoice for Procuntor Oy, and click *Go to > Accounting*. Check whether the expense account is the correct one.
 - Check the other invoices you created, and change the expense accounts to the correct ones.
- Go to the front page, on the *Invoice waiting for verification* view. Approve the purchase invoices you just created. Go back to the front page. Choose *Quick links > Purchase invoices waiting for payment* and choose one of the invoices you created. In the *Payment* view, click **Mark as paid elsewhere**. This replaces the actual payment transaction. Repeat for all open purchase invoices.

Question: Can you see a possibility for fraud anywhere in the process? If so, what would you suggest should be done to prevent it or limit the risk?

Task 6 – Payroll

Procuntor's payroll functionality is best suited for SME's with a manually manageable number of employees. Completing payroll cycle within the same system as your accounting is efficient, since salary slips create accounting postings automatically. Salaries can also be paid within the system.

- Add a new person with the following mandatory information (*Payroll > Person register > Add person*)

Name: Matti Virtanen

ID: SSN 101070-UUUU. Choose gender.

Address: Kielotie 2, 02120 Espoo. Choose Finland from the *Country* drop-down menu. Add the same information as *Address in home country*.

Account number: FI96 9000 9000 1234 57 // BIC NDEAFIHH

- Save basic info for Matti Virtanen (*Payroll > Employee register > Edit salary info*).

Add **New employment**. Valid from dd.mm.yyyy

Base salary 2000 € / month

Add **New tax card**. Choose *One income limit* as *Type*. Set *Base* percentage to 20 % and *Additional* percentage to 35 %, *Annual income limit* to 25 000 / year.

Choose Employees' Pension Act (TyEL) as the *Pension insurance* and choose the agreement from the drop-down menu.

Choose the *Accident insurance policy number* from the drop-down menu.

Add a *Statistics Finland's classification of occupations (TK10)*. You can find the codes from this link: https://www.tilastokeskus.fi/meta/luokitukset/ammatti/017-2018-05-15/index_en.html

Add a telephone benefit of 20 € from the salary types (*Payroll > Employee register > Edit Salary base > Add salary type*).

- Add a new salary list for Matti (*Payroll > New salary list*). Add a *payment period*, *Salary list name*, *Accounting date*, *Due date* and *Payday*. Save and approve the salary list.
- Mark the salary list as *Paid elsewhere*.
- Create a notification of salaries paid and taxes withheld to tax officials. Go to *Notifications > Incomes register > Employer's separate report* and create a report for Matti's salary. Mark as reported elsewhere.

Task 7 – Ledgers and accounting

Most of the accounting postings in Proccountor and many other EFM systems are created automatically. As you have seen, when you create an invoice it is already in the accounting. In production mode (“real world use”) bank statements are transferred to Proccountor automatically. Bank statements also get accounting postings automatically, and ledgers are updated through the bank statements. In the following, you will be simulating the bank account postings by creating a journal receipt and updating the ledgers manually - a task accountants still have to do manually sometimes, too.

- Find the sales invoices you created earlier for PR Oy (*Search > Open sales invoices*)
- Note the gross sum of the open invoices! You will need the total sum in this task.
- One by one, mark the invoices as paid as follows: choose *Go To > Special situations > Add payment transaction* and add *Payment date*. Choose *External bank transfer* as *Payment method*. After this, the status of the invoice is *Marked paid*, so the invoice is not shown in the *Open sales invoices* view.
- Add a new receipt in *Accounting > Ledger entry tool (new)*. Use the receipt to create a bank statement for dd.mm.yyyy.

- Name the receipt as Bank statement mm/yy and add receipt date dd.mm.yyyy.
- Add 4 transactions on the receipt:
2880 Payment transaction account + net salary € (Matti's salary has been paid)
1910de debtors – gross sum € (Customers have paid the invoices)
1910 Cash in bank + gross sum € (Customers have paid the invoices)
1910 Cash in bank – net salary € (Matti's salary has been paid)

You can find the receipt in *Accounting > Journal receipt search*.

- After finishing all the assignments above and making sure there are no unfinished invoices, create a VAT summary in *Accounting > VAT summary*. The accounting page of the VAT summary automatically creates an entry on the account 2930 (VAT liability). After this, the accounting for the month is in balance.
- Create a tax return for self-assessed taxes in *Notifications > Tax return for self-assessed taxes*. Include VAT information only.
- You can find the accounting reports in *Reports > Accounting reports* once you have updated the reporting database. By clicking **Update reporting database**, the receipts you just created and/or changes you made will show on the reports.
- You can now check the fiscal year's profit from the income statement. You can check the balances of the accounts from the account inspection report (*Accounting > Reconciliation tools > Account inspection report*).
- Keep on practicing by adding customers in the customer register and creating sales invoices for these clients. You can also try the Group invoice function or add customers using the Import data function. Date the new receipts on the following month, create a VAT summary and update the reporting database. Check if your company is making profit.

Task 8 - Management accounting and controlling functions

Procontor provides several tools for management accounting. Dimensions are the tool that is used to track cost centers (locations, personnel, functions, business lines etc). You can also get several reports based on registers. Some of these tools, functionalities and reports can also play a role in controls and fraud prevention, however they will only work if checked regularly.

- Set up dimensions in *Management > Accounting info > Dimensions*. You can choose the objects you want to track with different dimensions.
- Dimension all the receipts for one month in *Search > Receipt search > open the receipt > Go to > Dimensions > Set receipt dimension*. Then check the report from *Accounting reports > Income statement > Every dimension code and total sum*. Under *Dimensions*, choose the items you wish to add on the report.
- Add a supplier in the supplier register. Add a default account and default dimension (*Registers > Supplier register > Defaults > Default dimensions / Default accounts*). Create a sales invoice for the said supplier.
- Create a travel invoice for Matti Virtanen in *New > New travel or expense invoice*. Search for Matti's information. Use the *Travel calculator* and add daily allowance for travelling to Turku / Firma Oy for training. Set departure time as 1.2. 7am and return time as 2.2. 19:20pm. Add a kilometre allowance for 300 km and expenses for pastries for the customer for 10 €. Add a receipt from *Attachments*.
- Implement the Documents function in *Management > Company info > Usage settings > Documents*. Add a document (e.g. a contract) in *Management > Company info > Basic info > Attachments*. You can find the document in *Documents*.


- Add your colleague as a user in *Management > Users and privileges > Add existing user*. You can add them with their username and delete them afterwards.
 - What kind of user privileges would you give someone who only needs to create travel invoices and see their own salary slip?

Questions: Think about the invoicing, purchase invoice handling and payroll processes that you just completed. Can you see anything that might create a reliability issue in reporting? How about fraud issues?

Task 9 – Further tasks and functionalities

This assignment only covers a small number of tasks you can perform in Procountor. In the following, you can explore the system a bit more. When completing these, you might need to check the online manual.

When completing the tasks, try and think of practical, real-life applications for the functions!

- Open the *Guided setup* from under the  icon and check all the tasks in the list. Did you finish all the tasks?
- You can add accounts in the chart of accounts in *Management > Accounting info > Chart of accounts > Edit chart of accounts*. You can add accounts of 4 digits. Try using the account you just added on a receipt.
- You can add business partners by importing data in your own environment. Create e.g. a person register and import it from *Management > Import data*. You can find the description of the file from the Procountor Guide: <https://procountor.finago.com/hc/en-us/articles/360000256437-Business-partner-data-import-file>
 - When would you utilize this?
- You can save the previous year's comparison data using the *Ledger entry tool (new)*, the *Import data* function or directly with a journal receipt. In the *Ledger entry tool (new)*, you can copy and paste transactions from Excel with the **Paste transactions** function. You can save the data on the previous year's last day.
- You can view transactions with the graphical reports in the *Reports* menu. The graphical reports are updated every couple hours, so the transactions you have just entered will not show on the reports. You can view *Sales reporting* by product or customer. In the *Travel and expense reporting* view, you can see the content of the travel invoices by product. All the travel expenses can be posted on the same account, as you can drill down to the kilometre expenses and daily allowances from the report.

Enjoy the assignment!

We are happy help with any additional questions.

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