## Tips & Tricks #41 – To Err is Human, and the Fix Can Vary

The Passport system has many points at which warnings will be issued or data prohibited from being accepted if the data being entered is wrong or inconsistent. While we all do our best not to goof, sometimes we do, despite the program's best efforts to keep us on the straight and narrow.

Generally, data entered into master files (e.g., Customer or Vendor files) or parameter files (e.g., Price code structures in Order Entry or Tax Tables and Deduction Codes in Payroll) can simply be examined via a listing or an on-screen display and re-edited if there is an error. Similarly, data going into a transaction file (AP vouchers, GL Adjustments or AR Miscellaneous Charges etc.) can be reviewed by running the edit list and, as long as this data has not been posted, it can be changed at will. However, a major difference between master files maintenance and transaction entry is that a transaction file once posted cannot be simply edited to undo any errors. This is because the posting process has divvied up the data and distributed it to numerous different files.  Good solid audit trails exist in PBS due to the behind-the-scenes flow.  For example, an AP voucher posting updates not only the AP Open Item file, it also updates the Vendor History file, the AP GL Distribution file, and the Vendor file, just to name a few. Undoing these various postings would be either theoretically impossible or exorbitantly complex, especially in a multi-user environment where a number of people are making changes to these shared data files all independently and often at the same time. To enforce this, the PBS posting programs remove the transactions just posted to ensure that they are not reposted in error.

This is the first point of this piece – "trap door" types of transactions – once through the trap door there is no coming back.

From a practical point of view, the trick is to get it right the first time because otherwise having to reverse out and re-enter and (re-)post the data triples the effort. This emphasizes the importance of *always* running an edit list (to paper, or as a PDF onscreen) to verify the data before posting – something I have been "preaching" about for some time. This approach is also echoed by the carpenter's motto – "measure twice, cut once".

The second point of this piece – always use the edit list to maximize the odds of a correct posting.

Despite everything above, let's say we've made an error, what is behind fixing it? Usually, from an accounting point of view you want to back out the old and re-enter the correct data. For Order Entry invoicing or AP vouchers or AR billing, that would mean creating a credit and then following it with a debit or a new invoice or voucher. And that will always be a correct, if not necessarily most efficient, way of fixing the problem. If the basic data is correct, i.e., the Customer/Vendor number is right, and the amounts are correct, but the GL distributions are wrong, you can save yourself a bunch of effort by fixing this only in the GL.

The third point of this piece is that clearly when there are Customer or Vendor facing documents being produced and sent out, having the right customer/vendor is mandatory, as is having the correct pricing. But GL distributions are an internal accounting issue and while the applications like Order Entry, and AP vouchers prompt for, and collect account numbers as part of the distribution information, they merely pass this data on to the GL and don't really use the data themselves. This means that once you have interfaced the distributions to the GL, if you have made an error in the account numbers, you can correct these by simply doing a reclass from the wrong account to the correct one in the General Ledger.

One caveat to this, either major or minor, depends on whether you are using the PBS General Ledger. If you are *not* using PBS General Ledger, Distributions produced by the Accounting Modules – AR, AP, PR, Check Reconciliation - are the only source of Ledger information and so these must be right and that changes the game. You *must* credit/reverse and then re-enter the transaction. Presumably you periodically print out the distribution lists in the "Distributions to GL" report in each of the above modules to obtain the information needed for your manual general ledger or to send to your accountant.

Most of our customers do run the General Ledger and once the data is in the General Ledger, the data in these distribution files is redundant because it has been copied to the GL. So, if you fix the data in the GL, this is where it will be used even though technically you have left errors uncorrected in the source distribution file. This makes the leaving of incorrect data a minor issue. This is especially true since it is advisable as a maintenance function to purge the distribution files of older data periodically – we recommend between 30 and 90 days after you have closed the month in the General Ledger for the data being purged. Since the data will be purged shortly after it is in the GL, there is no shame in leaving this "incorrect data" in the file.

The third point is about when you can and when you shouldn't wait to fix these errors in the GL. Doing a simple set of debit and credits in the GL is much more efficient than going through the whole enter, print, post cycle twice (once for the credit and once for the re-issued invoice).

Finally, a fourth issue specifically refers to those modules that can produce the customer facing invoices: Order Entry (OE)  and AR Billing and in manufacturing Customer Orders (CO). Here you may have another "short cut" to save time and effort. In cases where there has been an error or a problem with an order e.g., a short ship, damaged goods etc., if the invoice has been printed and posted but the error is caught before the invoice document goes out the door, then the problem is internal and not customer facing. That means re-entering the order and invoicing it correctly and sending that document. But what about the original? Certainly, a credit invoice can be created and will do the job, but it may not be necessary, and it may be quicker and easier to use Miscellaneous Charges. The important points here are that Misc. Charges do not produce anything other than a posting report (so it is definitely only an internal accounting process) and the Misc. Charge transaction is simply an invoice summary – there are no line items - just the invoice number, invoice date and amount fields. This transaction type should be considered when a summary credit or debit can be accepted (i.e., no line items) and is particularly useful when no inventory is involved. If inventory is involved this side of the transaction can be taken care of by doing Adjustment transactions directly in the Inventory module (IC/Inventory/Enter). Using this transaction type may not always be practical but it is useful to keep in mind as part of your tool kit for correcting errors.

So, when you don't have to produce a customer facing credit invoice and when returning items to stock is not an issue, use Miscellaneous Charges.

In summation:

1) Transactions are "trap door" operations – you have only one chance to get it right.
2) Run an edit list to verify your data before posting.
3) If the errors you discover are in the distribution account numbers, you can wait until these get into the GL and do a reclass to fix them. This will save a lot of effort.
4) If client facing documents are not necessary to fix the problem, consider the summary invoice capabilities of Miscellaneous Charges – much simpler and easier than doing a full-scale credit and invoice enter, print, post.