



Accounting Overview

An Orchestrate Beginner Course

CONCEPTS & FUNCTIONS

Thank you for joining our Orchestrate class, Accounting Overview. Today we are going to look at high-level concepts, common functions, processes, best practices and reports that will help you make the most of your Orchestrated system. Grab a drink, get comfortable, and let's jump in!

CONCEPTS

Orchestrated Continuous Cycle

The Continuous Cycle methodology inside Orchestrated software is based on the concept that each department, while functioning independently, relies heavily on the others. We break the departments into 4 key areas:

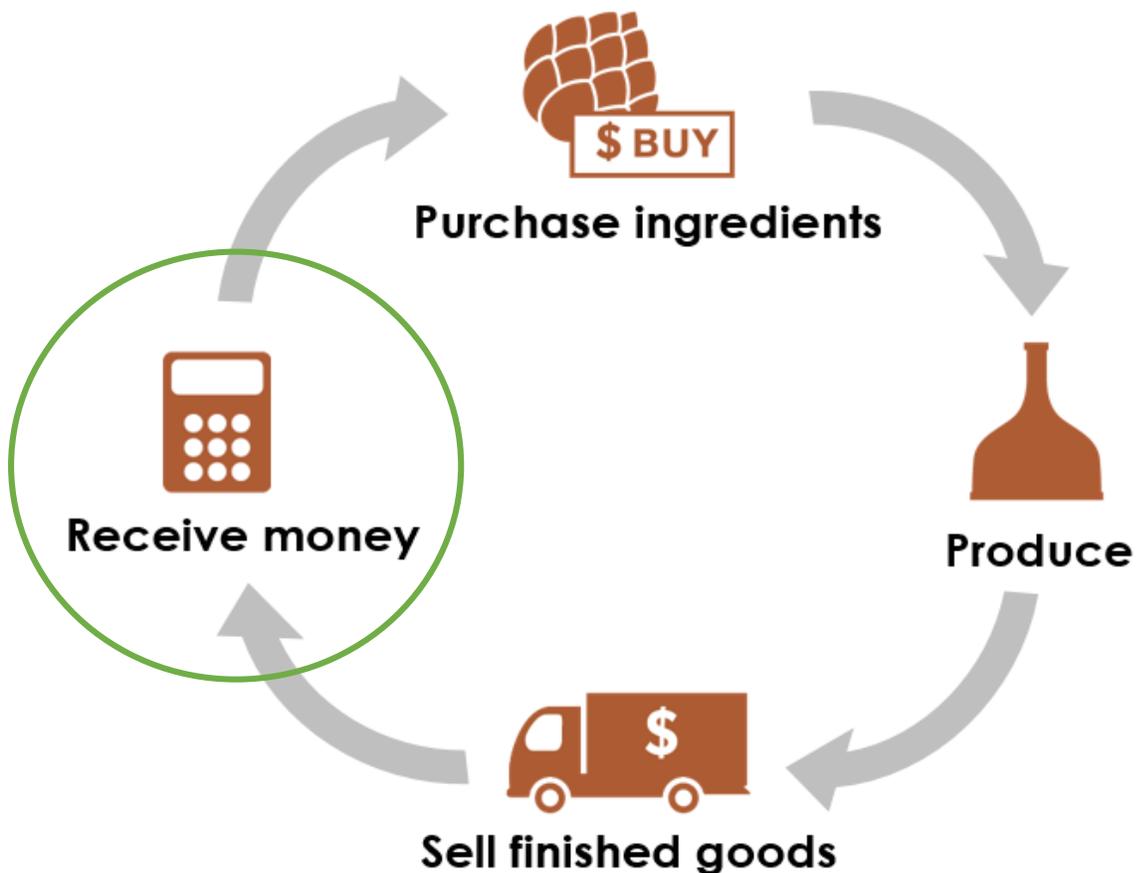
Purchasing

Production

Sales

Financials

If one of these departments is removed, or not completed, the rest of the process breaks down. Today, we will dive into Accounting/Financials. Understanding how Financials affects the other 3 areas is vital to success within the software.



CONCEPTS

Template Chart of Accounts

After working with 300 breweries and distilleries, we've nailed down the must haves for your ledger. With a separate drawer for each - Assets, Liabilities, Equity, Revenues, COGS, Expenses, and Financing – there's a place for everything, and everything is in its place. With built in proper accounting procedures, GAAP compliance and drill down capabilities, your accounting foundation is set, and strong.

Real-time Accounting & Automated Posting

Orchestrated Accounting is supported by real-time, automated posting. Whether it is Purchasing, Production, Sales or Banking – Orchestrated has you covered. Items, Business Partners and Production are mapped to automatically post in real time – leaving less room for error, and more time for you to focus on what matters.

GL Determinations

In order for real-time accounting entries to occur, Orchestrated uses GL Determinations. By pre-configuring your inventory/non-inventory items and business partners to post to specific GL accounts based on the type of transaction, you no longer have to worry about the consistency and accuracy of journalizing.

GL Determinations are set up as part of your initial configuration and ensure that not only your items, but also incoming/outgoing payments, freight, tax, etc. post to the correct GL accounts. Keep in mind, you can change default determinations to best fit changes made to your Chart of Accounts if needed.

Item Groups

Building onto the GL Determination concept, Item Groups have been configured to allow easier and cleaner accounting. Item Groups such as "Raw Materials," "Packaging Items," "WIP – Fermentation" allow you to add an item, choose an Item Group, and trust that it will post correctly as it moves through the system. Item Groups have GL Determinations set for them for any transaction that can occur – purchasing, production, loss, variance, sales, revenues, etc. You can trust that your Item Group will handle the heavy lifting of GL determination.

Manage by Exception

Variations, alerts, minimums – any outliers that are a signal of coming trouble, we've got you covered. By setting minimum inventory levels and tracking variance in Production and Inventory, you can rest assured that you'll know if something isn't right.

CONCEPTS

Moving Average

Orchestrated utilizes a moving average valuation method defined at the item level. This dynamic cost accounting enables you to track real-time costs of purchased and produced items as prices fluctuate or production variances occur. Since the moving average costs fluctuate with any new purchase, successful accounting relies upon a perpetual inventory tracking system that keeps real-time records of inventory balances, also known as Orchestrated. By preventing the peaks and valleys seen with other costing methods, you can always trust the cost of your goods as shown in Orchestrated.

Moving Average Cost of Cascade Hops			
Batch	<u>Lbs of Hops Purchased</u>	Cost per Lb	Total Cost per Batch
4567	230	\$ 0.50	\$ 115.00
3214	500	\$ 0.75	\$ 375.00
9986	700	\$ 0.80	\$ 560.00
	<u>1430</u>		<u>\$ 1,050.00</u>
Total Cost		\$ 1,050.00	
/ Lbs on Hand		<u>1430</u>	
= Cost per Lb		\$ 0.73	

Now that you've seen some basic concepts about Orchestrated, let's check out some specific Functions that will make your life easier!

FUNCTIONS | FINANCIALS

Chart of Accounts | Edit Chart of Accounts

Orchestrated comes with a pre-configured Chart of Accounts based on best-practices gleaned through working with over 300 breweries and distilleries. You have the ability to add, delete, edit and move your GL accounts around at your disposal once you are live in your Orchestrated system.

Journal Entries

While automated posting handles the day-to-day posting with purchasing, receiving, production, sales, deliveries and financials – you also have the ability to post manual journal entries at your discretion.

Posting Templates

To help ease the burden of repetitive posting, you can create Posting Templates that are ready for you to post at a moment's notice. Update the information you need to, and you're off to the races.

Recurring Postings

When Spotify hits your bank account at the same time every month – making a manual entry seems tedious and unnecessary. Set up Recurring Postings to handle this for you. You will be prompted every month with a reminder, and you simply approve or decline.

Reconciliation

Whether Bank or Business Partner, reconciliations are easy and manageable inside Orchestrated.

1099 Management

Manage and monitor your 1099 Business Partners and contractors inside Orchestrated.

FUNCTIONS | BANKING

Incoming and Outgoing Payments

Posting payments made or received via credit card, EFT, check or cash is simple and quick. Incoming checks will sit in your Check Clearing account until you process a *Deposit* – helping to keep your bank reconciliations clean and simple. Posting numerous payments? Use the Payment Wizard.

Payment Wizard

We realize you are rarely cutting one check, or entering one customer payment at a time. In order to better assist with payment runs, the Payment Wizard was built to guide you through choosing what Business Partners, what date ranges, and what type of Invoices you are looking to pay or receive.

Check Writing

Easily print checks out of Orchestrated to help keep everything in one place.

Bank Reconciliations

Easily reconcile your bank account with the Bank Reconciliation feature. For large amounts of entries, use the Expense Interface to mass import Invoices or Journal Entries.

Month-End Close

Step-by-step instructions to handle Month-End Close within Orchestrated are on our Support site. By ensuring all of your data for the month is solid, you can close your month, lock your period, and be sure you are ready to move forward.

Year-end Close

Just like Month-End Close, Year-End Close is a hot topic with instructions on the Support site. We help make sure you can check the boxes, and start next year with a clean slate!

HELPFUL TOOLS, TRICKS AND TIPS

Right-click > Journal Entry

Any Document or Function that will affect your General Ledger, is posting an automated journal entry upon creation. Inside Orchestrated, there is a *very* useful feature, *Preview Journal Entry*. For existing documents, this feature will show you the journal entry that was posted. Even more valuable, you can preview this same Journal Entry view before you ever submit the document - ensuring that you are posting them correctly!

Drill Down

If you're looking at an AR Invoice, and get curious about the balance and aging of this customer, you probably don't want to leave the invoice to get more data. If you're looking at a Production Order and are curious about the cost of a specific hop, you don't want to have to hunt down that item elsewhere. You want to see more details, and you want it to be easy. With drill down arrows located everywhere in your database, you can easily access anything you want, from wherever you are – including inside most of your reports. Just follow the golden arrows...

Orchestrated Reports | Quick Reports

Because Orchestrated is built on top of SAP, there are hundreds of pre-configured reports available. But we are always working to understand your industry needs, and generic reports just aren't good enough for us. We've developed hundreds of *Orchestrated Reports* that are made to fit *your* business's needs. Within any Module, drill into Reports, and then one more layer into *Orchestrated Reports* to get the most out of your system. And, as a bonus for our folks transitioning from common accounting software, we've built some *Quick Reports* to help ease your transitional struggles.

Useful Reports

- **Purchasing:** Vendor Performance Report | Purchase Item Cost Analysis | inventory Count Variance
- **Production:** Production Cost Analysis by Item or Process | Indented Costed BOM
- **Sales:** Item Sales Analysis | Taxable Shipments by State | Customer Sales Analysis
- **Banking:** Check Register | Bank Reconciliation
- **Financials:** Balance Sheet | P&L | Journal Transaction Report | 1099 Vendor Summary

USEFUL LINKS

Hopefully you found some value in the class! Whether it was for yourself or your organization – we enjoyed having you. Below are some great links if you want to learn more about Accounting in Orchestrated Software. Share these with your team when you get back home – it can't hurt to share the knowledge!

Accounting Training Videos

<http://support.orchestratedbeer.com/hc/en-us/articles/212356028-Financials>

Journal Transaction Report

<http://support.orchestratedbeer.com/hc/en-us/articles/207123527-Journal-Transaction-Report>

Month-End Close

<http://support.orchestratedbeer.com/hc/en-us/articles/206414428-Month-End-Close-Period-End-Close>

Year-End Close

<http://support.orchestratedbeer.com/hc/en-us/articles/215230348-Year-End-Close>

Reports by Persona

<http://support.orchestratedbeer.com/hc/en-us/articles/219972028-Reports-by-Persona>

Data Integrity

<http://support.orchestratedbeer.com/hc/en-us/articles/221862748-Customer-Data-Integrity-Check-Recommendations>

TROUBLESHOOTING

Sometimes we just need some help. Whether you are curious about a Business Partner balance that doesn't look right, concerned about an item's value or not understanding a GL balance – here are some helpful tips for getting to the bottom of your most common problems.

Where will/did this document post?

On any document:

- Before adding the document: Right-click > Journal Entry Preview
- On an existing document: Right-click > Journal Entry

What is this Business Partner balance comprised of?

- Within BP Master Data: BP Balance Drill-down (golden arrow)
 - Can process BP Reconciliation within this view

Why does this Item's value look strange?

- Within Item Master Data: Right-click > Inventory Audit Report
 - Bottom right corner > Expand

Why is there a balance in this GL Account?

- Within Chart of Accounts: COA Drill-down (golden arrow)

What caused this huge Production Variance?

- Within the Production Order:
 - Tab: Production Order Summary
 - Drill-down into Issue and Receipt for more details