

GILES CHEMICAL CORPORATION		
COMPANY PROCEDURE		
ALL COMPANIES - ACCOUNTS RECEIVABLE PROCEDURE	Page : 1 of 4	Date : 05/26/04 Revision :
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ALL COMPANIES - ACCOUNTS RECEIVABLE PROCEDURE

Most payments will be received at the Lock Box address in Charlotte. Any checks received at the Waynesville Post Office Box will be received from HR Manager or Controller in Manager's absence. All checks, Lock Box funds and ETF's will be entered on a daily check log. Bank Deposits, if any, will be completed and ready for delivery to the bank no later than 1:45 each day. Accuracy is of the utmost importance and any questions should be addressed prior to completing deposits. *(See work instructions for cash receipts, daily check log and AR posting)*

CASH RECEIPTS

1. Separate checks by Company, and alphabetize, writing the company number on the check stub and on the corner of the check.
2. Stamp stub with date received stamp.
3. Use check stubs to pull "open invoices" for each check received – check the invoice number and dollar amount to insure accuracy.
4. Any checks received that are paid in Canadian Funds will be kept separate. The check is **not** entered on the check log and a separate deposit slip will be completed for the Canadian Funds (mark cdn funds on the deposit slip) A copy of the check will be given to Controller. See #17
5. If a check is received that pays invoices for more than one Company, make a copy of the entire check. The check will be deposited to the Company with the largest amount paid on the invoice. The check copy will be placed with the invoice(s) for the other company.
6. Run a total on the checks for each company – run total twice to insure accuracy marking the tape with the company number. In the event of "splits" the entire check will be deposited in the company with the largest amount received.
7. Enter all checks on the daily check log. *(See instruction for daily check log)* The Check Log is located at L:/jgreen/excel/daily cr_reports/creceivwlockbox . Check each company total against the tape for that company.
8. Electronic Funds Transfers (EFT) are entered at the end of the document in the company's EFT section. Place the trace number in the check number column. The amount will then be transferred to the Company's check section

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under EFT. It will not change the deposit amount Staple the stub to the corresponding invoice(s). Stub should be stapled on the left edge in the center of the invoice(s).

9. The amounts on the spreadsheet are checked against the totals that have been previously run for any errors. EFT amounts are not included in the bank deposit on the spreadsheet.
Save the check log under the month, dash, day (ex. 12-30) in L:\jgreen/excel/daily cr_reports/creceivwlockbox in appropriate year. Separate stubs from checks (or make copy of check in the absence of a stub).
10. **Miscellaneous (ZZ Cash) payments that are received must be copied and the copy should be forwarded to the AR clerk, along with all other checks and invoices for posting..

DAILY CHECK LOG

- Enter the amounts into the check log under each company's section.
- For checks that are split between two companies, the amount for the company with the smallest amount is entered in the spreadsheet under that company's check section and then subtracted out at the bottom of that company's section called Split Check Amounts.
- For checks that are split between two companies, the amount for the company with the largest amount is entered in the spreadsheet under that company's check section and then the remaining amount of the check that has been subtracted out of the other company is added at the bottom of that company's section called Split Check Amounts.
- The amounts on the spreadsheet are checked against the tape totals for any errors. EFT amounts are not included in the totals on the spreadsheet.
- Save the check log under the month, dash, day (ex. 12-30) in jgreen/excel/Daily-Cr-Rpts.
- The check log goes to HR Manager along with the Bank Deposit Bag for deposit.

BANK DEPOSITS

Stamp checks on back according to company and complete deposit slip for each individual company. Deposit slip totals should match adding machine tape and check log totals. Insert checks, with adding machine tapes attached, in appropriate deposit books and books into deposit bag. The deposit bag should be forwarded to HR Manager or Controller in Managers absence. Each deposit total will be checked against each company deposit total to ensure accuracy. HR Manager will take deposit to banking institution.

AR POSTING – ENTER CASH RECEIPTS IN DYNAMICS

Trans/Sales/Cash Receipts/By Company

1. After entering each document place "entered stamp" with appropriate date on each check stub. Write PM# on check stub and enter Batch ID # (Ex: PSM50CR041403_1)

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2. Then psm 50 cr for April
3. Customer vendor—pull up by customer code. If payments are split between more than one company, enter the amount paid for that customer in the appropriate company.
4. Wire transfers—when split make copy for each company. Treat wires as you would checks in data entry. (make a separate entry for the customer in the appropriate company)
5. Enter amount of check
6. Enter check #
7. Click apply and choose Invoice #, then check that invoice is zero and that unapplied amount (on account) is 0. Click OK, and then SAVE.
 - 1) **Select Series Post**—choose batch (cash receipts), click and then click Post. Print 1st copy and If it is not 0, return to previous screen to check amounts entered and if amount does not checkout return to salesperson to show that customer has overpaid or underpaid. Stamp each stub with entered/date stamp. After entering all entries x-out and go to*
 - 2) ***Select Receivable Batches**—pull up your Batch #ID and print. Check printout against invoices (inv.#, amts., totals) x-out. If posting does not agree, check distribution tab. **Always be sure to check entries before you post.**
11. Cancel the rest. If posting does not agree, check distribution tab.
12. Staple each run total with posting sheets (left corner on last sheet) and hold until you get the Daily Check Receipts Log from Kathy and then verify totals. Initial check log and then stamp entered date on bottom.
13. Put posting sheets in appropriate CR binders at AP's shelf with the latest CR # on top.
14. Put Check Log in Controller's mailbox.
15. File paid invoices in paid files by company.
16. Canadian checks/transfer to US funds—do not post. When Darrell lets you know that the bank has deposited US dollars in our account, do a credit and apply to invoice. Do cash receipt first, and then do a return to apply.
17. Different "ship to's" need to be entered separately in cash receipts.
18. Returns are printed on pink "returns" copies

APPLYING CREDITS AGAINST INVOICES

1. Transaction
2. Sales
3. Apply
4. Select Customer ID
5. Under Type – Select Payment or Return
6. Find Document # and choose the item you are applying against – check to insure that it balances.
7. Click OK

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8. No report will print

ZZ CASH

1. Transaction
2. Sales
3. Transaction Entry
4. Tab
5. Write Number on check stub or copy
6. Enter Description
7. Batch ID
8. Customer ID
9. Tab down to Miscellaneous and enter amount
10. Tab over to Check and enter amount and check # and OK
11. Click on Distribution and enter Account # and OK
12. Save and X out
13. Receivables Batch Entry
14. File – Print
15. Print copy and review for accuracy and X out
16. Select Batch
17. Series Post
18. Post and Print
19. OK
20. 1 copy for file
21. 1 copy for check stub
22. Cancel the remaining 2 copies
23. Staple Edit list and distribution list to copy of check