

# DAZZLE “ADVANCED” ACCOUNTING

## TRANSACTION JOURNAL / QUICKBOOKS INTERFACE

Dazzle has two different levels of accounting; the “basic” and the “advanced”. We strongly advise all businesses to start out with the “basic” level until they become familiar with the system. Then we can switch you over to the “advanced” if you feel it is necessary and if you feel you understand it.

For this reason we do not provide any support on the “advanced” system to new users. You can use it of course, if you wish, but it has been our experience that the potential for misunderstandings with “advanced” accounting is too great while users are new to the Dazzle system. Such misunderstanding cause mistakes that are hard to undo, and are a drain on both us and you. They are easily avoided by simply waiting a month or two till all the “kinks” are out of your system, and you are comfortable with all the concepts. Therefore we begin providing support on advanced accounting after 30 days.

A KNOWLEDGE OF ACCOUNTING PRINCIPLES IS ADVISABLE TO USE THIS SYSTEM, So you should work in co-operation with your bookkeeper or accountant.

APOLOGIES TO ACCOUNTANTS: for the sake of simplicity this documentation refers to "increasing" or "decreasing" an account whether that account is an income, or expense, or asset, or liability, etc. In actual fact - as you know - some accounts (such as income accounts) are usually negative, so strictly speaking the words "increase" and "decrease" are backwards in these cases. When this documentation refers to "increase" it means making the balance a bigger number, so that if the balance was previously negative it will become even more negative.

The “advanced” accounting system consists of several main parts:

THE ACCOUNTING SETUP (click on Management/Setup/Accounting Setup)

THE TRANSACTION JOURNAL SCREEN (click on "Browse" and select "Transaction Journal")

THE ACCOUNTING REPORTS (click on Management/Reports/Accounting)

We will refer to these different parts throughout the following explanations.

## INTRODUCTION

Dazzle(tm) maintains a Transaction Journal. Every transaction you perform is recorded there in the form of several lines in the journal. Each line contains a positive or negative amount and an "account" no. All the different amounts for each transaction add up to exactly zero (they are said to "balance") This is the principle of double-entry accounting. The different "accounts" represent different types of expense or income for your business. See appendix 1 at the end of this document for a list of accounts used.

For example, If you look at the TRANSACTION JOURNAL screen after you have just issued a new pawn for \$100, you will see one line for MINUS \$100 representing CASH you paid out, and one line for PLUS

\$100 representing Pawn INVENTORY you took in. The second line is also called RECEIVABLES because it is money which the customer owes you. Either way, it is an ASSET which is worth \$100 to you.

You will see each line has a GROUP NO., and all lines with the same GROUP NO. are part of the same transaction. Some transactions may have as many as 6 lines. You cannot change what is written to the journal, it is built-in to XPawn.

The account names and account numbers used by the transaction journal are also built in to Dazzle(tm) and cannot be changed. However you can change the displayed account titles to make them more meaningful to you. Simply edit the field called YOUR TITLE on the SETUP TRANSACTION JOURNAL ACCOUNTS screen.

#### QUICKBOOKS TRANSFER

The TRANSACTION JOURNAL screen lets you transfer your transaction journal to your Quickbooks "General Journal." This is something you would normally do on a monthly basis (or whenever you want). First you select the particular month or date period you want to transfer, then Dazzle(tm) totals all the rows in your transaction journal for that period which have the same account no. Therefore there will be a total figure for account no. 1000, a total figure for account no. 2000, and so on. When all these different totals are added together they should add up to zero, meaning the transaction journal is in balance. Neither Dazzle(tm) nor Quickbooks will allow you to transfer totals which are not in balance. Therefore the first step is BALANCING.

#### BALANCING

As explained above, all transactions must balance out to zero. The TRANSACTION JOURNAL screen provides a way for you to find any groups of transactions which don't balance. Simply select the date range you want to check, then click the ADVANCED button. At the bottom left you will see the overall BALANCE which should be zero. If it is not, click the SHOW UNBALANCED GROUPS button. If there are any unbalanced groups they will be shown to you.

In normal operation it is not possible for your computer to create unbalanced groups. If there are any, it is a sign that there was some kind of computer or network malfunction, and a transaction did not get properly finished, closed, or written. (This can also happen if a computer is turned off without properly exiting XPawn.)

It is best not to try and balance your journal manually - this can be quite complex. The easiest and quickest way to balance it is to create SUSPENSE entries. The SUSPENSE account is a special account (No. 9999) where you create entries which exactly offset any errors. Your accountant then examines this suspense account and transfers the corrections to the correct place(s), using his/her training to decide where to put the money.

Creating balancing entries is simple and automatic. Just click the ADD BALANCING ENTRIES button. You will see a screen which shows you the entries about to be created. Click the CREATE BALANCING

ENTRIES button and everything will be done for you automatically. The unbalanced groups will then disappear from the screen to prove everything is now in balance.

Click the NORMAL VIEW button to return to a full display. The balance at the bottom left should now be zero.

As a final step you should click the PRINT TRIAL BALANCE button. This prints a special report which consolidates all your accounts for the selected period into several main types called CASH, EXPENSES, INCOME, ASSETS, LIABILITIES etc. This report will be very useful to your accountant. The last line of it should show a balance of ZERO (In Balance).

## SETTING UP FOR TRANSFER

You are now ready to do your transfer. But before you can do this the first time you must complete the ACCOUNTING SETUP screen. On this screen you tell Dazzle(tm) which Quickbooks accounts to use as the "destination" for each Dazzle(tm) account.

The ACCOUNTING SETUP screen tells Dazzle(tm) which Quickbooks "accounts" correspond to the individual "accounts" in the Dazzle(tm) transaction journal. The last five columns in each row are where you set up this information. Check the "EXPORT" box for each row (account) you wish to export to Quickbooks. (Basically that should be all of them). Then in the column "QB ACCT TO EXPORT TO (1)" You can type the exact name of the Quickbooks account into which you want to export it. Note that this name must match the Quickbooks name EXACTLY. To make this easy for you, Dazzle(tm) will show you a list of all the Quickbooks accounts, so all you need do is pick one. This list of accounts is created by Quickbooks, and when you first run the ACCOUNTING SETUP screen, you will automatically see a "wizard" which will guide you through creating this list and linking Dazzle(tm) to it. It is quite possible that the Quickbooks is kept at your accountants office, in which case you should ask your accountant to export the chart of accounts, and email you the file. The file will have the extension ".IIF"

If you want to reverse the "Polarity" of the exported total (turn positive into negative and vice-versa), click the box marked "REVERSE #1".

If you want to export the same total into a second Quickbooks account, select the second Quickbooks account name from the dropdown list in "QB ACCT TO EXPORT TO (2)". To reverse the polarity of this one, check the box marked "REVERSE #2".

YOU CANNOT REALLY PICK AND CHOOSE which accounts you want to transfer. This means there must be a Quickbooks destination account, (or one must be created) for every Dazzle(tm) account. Alternatively, there is no reason why two or more Dazzle(tm) accounts cannot be "dumped" into the same Quickbooks account. For example, many people will export Pawn Interest Income, Pawn Service Income, Pawn Misc. Income, and Pawn Storage Charges into the same Quickbooks account called (perhaps) "Pawn Income." However you should not omit any of these accounts, even if, for example, you may never charge "service charges" on pawns, because you never know when Dazzle(tm) might place a value in this account.

## TRANSFERRING YOUR DATA.

Finally you are ready to do your transfer. During this step, Dazzle(tm) writes a special format file, called an "IIF" file, which Quickbooks is able to read. Later when you run Quickbooks you simply read in this file.

Transfer is done from the TRANSACTION JOURNAL screen. Simply make sure the screen is displaying the month or date-range you want to transfer, and click the EXPORT button. If the EXPORT button is not showing, click the ADVANCED button first.

The EXPORT button will give you a choice of exporting to MICROSOFT EXCEL or to Quickbooks. If you export to EXCEL, you can basically export any data, balanced or not, complete or not. It simply generates a spreadsheet which you or your accountant can use in any way you like. If you export to Quickbooks however, the journal must be balanced as described above. This export process does not immediately impact your Quickbooks data in any way, and will not impact it until you later run Quickbooks and choose to IMPORT the exported data. This makes it very convenient for you to mail (or email) the exported data file to your accountant so it can be imported into Quickbooks at the accountant's office.

After data has been exported, the export-date will show in each row of the transaction journal. Before exportation this field is blank. If you attempt to export a row which has previously been exported (the row has a date in it), you will receive a warning, but you will not be prevented from going ahead. However, unless you know what you are doing, it is a very bad idea to transfer the same data twice into Quickbooks - it will produce all kinds of bookkeeping errors.

## THE ACCOUNTING REPORTS

The Transaction Journal is used to produce a set of financial reports quite separate from your daily data. At the end of each day when all the cashdrawers are properly closed out, you should click on Management/Reports/Accounting Reports, and run either the SIMPLE or the ADVANCED DAILY SUMMARY. When you print this, not only do you receive valuable information about your business, but you also force Dazzle(tm) to SAVE all the totals to a special file called the DAILY FINANCIALS. As its name suggests, this file contains a complete summary of all your different totals and balances, for every aspect of your business. There is one row in this file for each day of business. As you can imagine, as this file grows it provides a detailed insight into the performance and growth of your business. You can view this file by printing either the SIMPLE or the ADVANCED SPREADSHEET report. These spreadsheets will show you your entire business history, with one line for each day, with totals, averages, monthly and yearly grand-totals, etc.

You can also view the raw data in the DAILY FINANCIALS file, and export it to Excel if you like.

Dazzle(tm) does not attempt to compete with Quickbooks in its range of accounting reports. If you are exporting your data to Quickbooks you can use Quickbooks to produce a spectacular selection of consolidated reports, charts, and graphs. That is the whole purpose of the export process.

## APPENDIX 1

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### LIST OF ACCOUNTS USED BY DAZZLE

This is a list of all the accounts used in the transaction journal, with an explanation of their purpose, and some recommendations about where to export them to, in Quickbooks.

#### 1000 Cash on hand

Represents all forms of currency entering and leaving your cash-drawers, including checks, credit-card vouchers, etc. The only exception is Checks presented for cashing.

Should be exported to your Quickbooks "Cash" account, whatever name it has in Quickbooks.

#### 1100 Checks Cashed On Hand

Checks presented for cashing. Although tracked separately from the rest of the cash, it will normally also be exported to your Quickbooks "Cash" account, unless you have a separate Quickbooks account for Check-Cashing.

#### 1200 Cash In Safe

In Dazzle(tm) when the drawers are closed out, all money is assumed to be transferred TO the SAFE. When you initialize a drawer in the morning, the money is assumed to come FROM the SAFE. During the day you can add more to the drawers from the safe, or you can add to the safe from the drawers. At any given time, part of your cash on hand may be in the safe, and part may be in the cash drawers. There is a flow back and forth. To get a complete picture of "Cash on hand" therefore you must include the money in the safe. So you should export the "Cash In Safe" to the same Quickbooks "Cash" account you use for 1000 "Cash on Hand"

#### 1300 Cash In Bank

Dazzle(tm) allows you to transfer money back and forth between the SAFE and the BANK. The Dazzle(tm) "Cash in Bank" account does not track your actual bank balance (that is the function of Quickbooks). It tracks how much of your bank cash is transferred to, or taken from, the store. The "Bank" account is just an integral part of your overall cash picture. Therefore this account should also be exported to the same Quickbooks "Cash" account you use for 1000 "Cash on Hand"

#### 1500 Cash Drawer Over/Under

When the drawer(s) don't reconcile properly the error is stored in this account. Most Quickbooks Chart of Accounts contain an equivalent over/under account... this is where you should export this one.

#### 2000 Pawn Inventory/Receivables

This account reflects how much principal is owed to you by pawn customers. It also reflects how much you are holding in customer pledges (which is the same thing). If your pawns are redeemed, this account goes down, but your cash-on-hand and your income accounts go up. If your pawns are pulled or forfeited this account goes down, and your sales-inventory account goes up. Your Quickbooks Chart of Accounts will have a similar account, and you should export this into it.

#### 2050 Buys Inventory

This account reflects how much inventory you are holding from BUYS. It also reflects how much you have paid out for buys (which is the same thing). When your buys are pulled for inventory this account goes down, and your sales-inventory account goes up. You should have a separate Quickbooks account for buys, and export this into it.

#### 2100 Sales Inventory

This account reflects the cost of all your sales inventory on hand. It does not include items sold on layaway but not yet paid and picked up.

Forfeited pawns, and buys ready to be put out, automatically increase the value of the inventory account.

Sales decrease the value of the account. Returns increase it.

If you purchase new inventory through your company checkbook or through your accounts payable, then Quickbooks will already "know" about the existence of this inventory, and its associated expense. However, Dazzle(tm) will NOT know about it, and it must still be "received" (entered through the inventory screen.) But doing this does NOT increase your Dazzle(tm) "sales-inventory" account because Quickbooks already knows about the value of this inventory.

However when you purchase your inventory with cash from the cashdrawer, Dazzle(tm) reduces your "Cash on hand" account and increases your "Sales-Inventory" account in the transaction journal at that time. Later when you "receive" it (or enter it in the inventory screen) NO further adjustment is made to the inventory account, because that was done when you paid cash for it.

Your Sales Inventory account should be exported into your Quickbooks inventory account.

#### 2150 Layaway Inventory

This is really a part of your sales inventory, but Dazzle(tm) keeps it separate. As items move in and out of layaway, and are sold, or pulled and put out for sale again, the value of this account goes up and down. If you keep a separate account in Quickbooks for Layaways, this account should be exported into it. Otherwise it should be exported into your main Quickbooks Inventory.

#### 2170 Scrap Gold Inventory

All scrapped gold items increase the balance of this account. When you sell scrap, it decreases the balance. Some pawnshops have a separate Quickbooks General Ledger account for scrap, while others lump it in with inventory. The choice is yours, and obviously this choice will determine which account you export it to.

#### 2200 Pawn Confiscations

If a pawned item is confiscated by the police, its value shows up in this account, and the Pawn Inventory account is decreased. If your accountant has set up a separate Quickbooks account for "confiscations" you will export to that account. Otherwise you might use a "writeoffs" account or something similar.

#### 2250 Inventory Confiscations

Same as 2200 but these are sale-inventory items.

#### 2300 Sales Inventory Adjustments

Every time you manually adjust the value of your sales inventory, this balance is changed. For example if you do a store inventory and find \$1200 of missing items... you mark these items as missing in your Dazzle(tm) inventory. This causes a \$1200 reduction in your "Sale Inventory" account and a \$1200 increase in your "Inventory Adjustments" account. There is no way around this - you must have an "Inventory Adjustments" account in your Quickbooks accounts (Although you can call it anything you want.) You should not use the "Write-offs" account if you have one, since that traditionally reflects only inventory losses, whereas an adjustment can also be a gain.

#### 2400 Layaway Inventory Adjustments

Same as 2300 Sales Inventory Adjustments, but applies only to items on layaway. If you track layaways separately with Quickbooks, then export to your "Layaway Inventory Adjustments" account otherwise - you must have an "Inventory Adjustments" account in your Quickbooks accounts (Although you can call it anything you want.) You should not use the "Write-offs" account if you have one, since that traditionally reflects only inventory losses, whereas an adjustment can also be a gain.

#### 2500 New Inventory Purchases - cash

(See also 2100 - Sales Inventory) The balance in this account is changed whenever you purchase inventory using cash out of the cashdrawer. If you wish you can export it to an "Inventory costs" account, or you may have some kind of separate "petty cash" account you use for this purpose. Just remember it represents the cost of Sales-Inventory. But it has nothing to do with inventory purchased on credit, or by check, or by any other method.

#### 3000 Misc Expense

This is a special category. See separate documentation.

#### 4000 Misc Income

This is a special category. See separate documentation.

#### 4100 Firearms Fees Income

These are fees paid for background checks etc. They are a form of income and should be exported into the income account of your choice.

#### 4200 Check Cashing Fees Income

This is income derived from check-cashing in the form of fees and commissions. It should be exported into whatever Quickbooks income account you feel is most suitable.

The following accounts (6010-6080) are all very similar... They are all forms of pawn income, over and above the principal, and should all be tracked as income. You probably do not collect all these different types of charges. Whether your chart of accounts separates them or lumps them all together under "income" is up to you. Simply export them to the "income" account of your choice.

#### 6010 Pawn Interest Income.

Income from interest on pawns

#### 6020 Pawn Service Charges Income

Income from service charges on pawns

#### 6030 Pawn Misc Charges Income

Income from misc. charges on pawns

#### 6040 Pawn Late Charges Income

Income from Pawn late-fees and penalties

#### 6050 Pawn Lost Ticket Charges Income

Income from lost-ticket fees

#### 6060 Pawn Accumulated Charges Income

Income from notice charges, courtesy hold charges, etc.

#### 6070 Pawn Setup Fee1 Income

Income from ticket writing or appraisal fees

#### 6071 Pawn Setup Fee2 Income

Income from ticket writing or appraisal fees

### 6073 Pawn Setup Fee3 Income

Income from ticket writing or appraisal fees

### 6080 Pawn Storage Income

Income from storage fees.

### 6090 Pawn Prepayments

6090 is income money "on account" paid in advance, by customers, to partly cover future interest and charges. It is recorded in this special "prepayments" account and it is money you are holding on behalf of the customer. Dazzle(tm) accepts it through the use of the "credit" button on the payment/tools screen. Think of it as a customer "piggy-bank." It is recorded as a special form of Income, because its exact final disposition is not known yet. The customer may or may not return, the money may be used for one thing or another...

In future, if the customer does return to pay, he is charged the normal amount MINUS whatever prepayments he has made. The transaction is recorded in the normal way in the usual accounts in your transaction Journal, with all income amounts just what they would normally be. But there are 2 differences ---

First, the "Cash On Hand" is less than it would normally be, by an amount equal to the amount of prepayments, because the customer actually has to pay you less. It is as if you reached into the "piggybank" for the rest.

Second, this "prepayments" income account is reduced by the exact same amount, because that money is now gone from the "piggybank".

If the customer does not return and his merchandise is forfeited, then the pre-payments income is lost (the customer has lost it - you have gained it) but no account entry is made for it when the merchandise is pulled for sale, because the income was already recorded back when he made the payment. However, as with all pulls, the value of the merchandise is subtracted from pawn inventory/receivables and added to sales-inventory.

### 6095 Pawn Sales Tax Payable

If you collect sales tax on pawn payments, that amount is recorded here. It should be exported into whatever QUickbooks Sales Tax account you use for this purpose.

### 7000 Taxable Sales Income

This is income, from the outright sale of taxable items. It represents the TOTAL amount of money received for the goods, minus any sales tax paid. This figure will not be meaningful until you deduct COST OF GOODS from it later. This account is increased by sales, and reduced by returns and refunds.

This account is NOT affected by LAYAWAY sales. You will export it into your "Sales" account. If you have separate "Sales" accounts for taxable and nontaxable, it will go into the "taxable sales" account.

#### 7100 NonTaxable Sales Income

Same as 7000 except this represents all money derived from the sale of NON taxable items. This account is NOT affected by LAYAWAY sales. You will export it into your "Sales" account. If you have separate "Sales" accounts for taxable and nontaxable, it will go into the "non-taxable" account.

#### 7200 Sales Tax Payable

This is where the tax portion of all outright sales (not layaways) is recorded. Almost certainly you have a "Sales Tax Payable" account in your Quickbooks, and you should export it to there. Returns and refunds of taxable items will cause this account to be reduced.

#### 7250 Layaway Sales Tax Payable

This is where the tax portion of all layaway sales is recorded. Depending on your Dazzle(tm) setup, you may be collecting layaway sales tax with each payment, or you may collect it all at the end. You may have a separate "Layaway Sales Tax" account in your Quickbooks ledger, and if so you should export it to there. Otherwise, you should export it to your "Sales Tax Payable" account.

#### 7300 Sales Store Credits

This is similar to 6090 Pawn prepayments, but here it applies to sales. When a sales customer receives an in-store credit, it is placed in this account, like a customer "piggy-bank. When a customer uses up all or part of a credit on a subsequent purchase, it is removed from this account. The balance in this liability account is the amount of money you owe customers. You should have some kind of "Outstanding credits" account in your Quickbooks General Ledger, to export this account to.

#### 7500 Sales Restocking Fees

If you charge a restocking fee on returns, that money is posted separately in this account. If you have a separate Quickbooks account for such fees, you would export this to it... otherwise you would probably export it to "Sales Income"

#### 7600 Taxable Layaway Income

Same as 7000 Taxable Sales Income except only Layaway sales and layaway payments are recorded here. You will export it into your "Sales" account. If you have separate "Sales" accounts for layaway sales and regular sales, it will go into the layaway-sales account. If you have separate accounts for taxable and nontaxable, it will go into the "taxable" account.

#### 7650 NonTaxable Layaway Income

Same as 7100 Non-Taxable Sales Income except only Layaway sales and layaway payments are recorded here. You will export it into your "Sales" account. If you have separate "Sales" accounts for layaway

sales and regular sales, it will go into the layaway-sales account. If you have separate accounts for taxable and nontaxable, it will go into the "non-taxable" account.

#### 7700 Layaway Fees Income

All layaway late fees and other penalties are recorded here. It is an income account. If you have a specific account for it in your ledger, export to that. Otherwise export wherever it seems most suitable, such as "Misc fees" or "Layaway Income" or even "Sales Income".

#### 7900 Cost of Goods Sold

Self explanatory. Cost of all goods sold, and all layaways sold once they are final. Returns and refunds reduce this account. Export to your "COGS" account.

#### 9999 Suspense Account

Please see the explanation above about suspense accounts. Entries in this account will contain an amount, a date, and an explanation. They will need "dealing with" or moving to the correct account after you figure out what the heck they are. You will need a Quickbooks "suspense" account to export them to.

# **ACCOUNTING CHEAT-SHEET**

A step-by-step daily procedure

## **MORNING**

- \_ Banking transactions – deposits and withdrawals. Date back to previous day if necessary using the option provided.
- \_ Initialize cash drawers with cash only. Any checks or CCs remain in safe for bank deposit.

## **INTRA-DAY**

- \_ Banking transactions – bank deposits and withdrawals as needed, from/to safe.
- \_ Add to drawers as needed
- \_ Subtract from drawers as needed.

## **END OF DAY**

- \_ Close and reconcile cash drawers.
- \_ Run Accounting Simple Daily Summary , or Advanced Daily Summary
- \_ Run other reports as needed
- \_ Banking transactions 1 – deposits and withdrawals as needed.

## **END OF MONTH**

- \_ After all end of day procedures ...
- \_ Run Simple Spreadsheet 8 or Advanced Spreadsheet
- \_ Run Trial Balance
- \_ If not in balance, then Add Balancing Entries and run trial balance again.
- \_ Export Transaction Journal to Quickbooks or to Excel.

## ACCURACY OF TRANSACTION JOURNAL

**So ... Dazzle is really keeping track of your business in two separate, independent ways.**

- a/. Using the actual data and transactions you create as you do business.
- b/. Using the Transaction Journal.

Sometimes the totals do not agree. Why is that?

It's important to understand why there might be a difference, and the easiest way to explain it is by analogy ...

Remember, the transaction journal is not the real data; it is only a diary or a logbook about the real data. If you drive to work in your car it is a real journey. If, afterwards, you write in your diary "I drove to work today," that is not a real journey, it is a diary, or logbook, or journal, about something that has already happened.

In your car you have an odometer. Every time you move the car, whether by one inch or one thousand miles, that odometer moves either a little or a lot. The odometer is physically linked to the wheels. If you drive in reverse, the odometer faithfully goes backwards. There is really no possibility of the odometer ever being "wrong".

Now let's say you need to keep a very accurate ("transaction") journal of miles driven, for tax reasons. So every time you drive the car you faithfully write in your journal how many miles you drive.

After six months you add up all the miles in your journal and it comes to 5,000 miles. You look at the odometer and it says 6,000 miles! What's wrong? Which one is correct? Should you call Ford or GM and ask them why the two figures are different?

The answer is: the odometer is correct. But you can't send an odometer to the tax Office, you have to send your journal. Why is your journal wrong?

Well --- remember the night you lent your car to your brother because his was being serviced? Probably that didn't go in the journal. What about the thirty or forty times you jumped in the car and drove to the corner store to get milk or beer? Ah yes! You kept saying it's only a few hundred yards, it's not important enough to write down. But it adds up.

What about the time you had to take your daughter to the emergency room? You were too upset to think about journals. And what about the three trips to the airport and back -- you kept saying you'd put them in the journal when you got time. Are you sure you did? What about when you took your car in for service? The mechanic said he test-drove it. Do you know how many miles he drove? You pick up your wife from work every day and you write in a fixed number of miles for that every weekend. Are you sure you never forgot? What about the six weeks when she had to work on Saturdays? That's one extra trip a week. Did you allow for that? What about all the times .... etcetera.

The point must be obvious. Although the odometer is physically linked to the wheels, your journal is not. When you try to add up all the individual trips separately it never comes to the same total as the odometer.

The transaction journal in DAZZLE is very similar. It tries to keep a journal of every dollar or pound in and out of the register. It tries to keep a journal of every ticket issued, every ticket redeemed, every payment made, every payment canceled, every item bought or sold, etc. It tries to, just as you try to record all the miles you drive. But unless you do everything absolutely by the book, it is very easy for its final totals to be inaccurate. Every time you delete something or change something or edit something, or reprice something, or lose something, or give the wrong change, or break something, or buy, sell, or swap something without putting it in the computer, or adjust, deviate, alter, change, "fix", or "correct" your records in some way, whether on the computer or off, you run the risk of making the final totals not add up correctly, and the difference gets carried forward to the next day, and just grows and grows.

So at the end of six months you run a report to total all your inventory or all your loans, and it does not agree with the total in the transaction journal. Which is correct? The report or the journal? The answer is usually the report. The report is like the odometer. It is physically counting what you really have, not calculating what you should have from a list of entries collected over a long period, which may be incomplete or inaccurate.

What is the point of having the transaction journal then? There are two answers to this. The first is - checks and balances. Let's say there is a dispute. A customer says he made a payment of \$1000.00 but your computer records say it was only \$100. A big difference! The first thing you can do is check your transaction journal, which is a totally separate record. If it says \$1000.00, your customer was correct. So why does the main payment file show only a \$100 payment? Well that's for you to figure out, but if it happens often enough you might want to suspect employee record tampering. Computer "glitches" don't normally create such nice round numbers. Occasionally a computer glitch might prevent a payment or a ticket from showing up at all. Once again, you can always check the transaction journal for final verification. Most employees don't even know about the journal, and they certainly can't get to it to change it. (You do have it secured, right?)

The second reason for a transaction journal is -- it is in "double-entry" format. Payments are broken down into their component parts for accounting purposes, and all the parts must add up to zero. If they don't then something is wrong or "out of balance". This makes it ideal for use for accounting purposes, which is why the transaction journal is used to export to Quickbooks, etc. It's like your car Journal. You can't send an odometer to the tax office. You have to send them a list in a format they understand.

But whenever you have two essentially disconnected systems running independently, if you care about accuracy, you must reconcile them frequently. Your Dazzle software produces two lists of totals every day, one from the transaction journal and the other from the data-files (the "odometer"). If you want to maintain an accurate accounting picture, you really should reconcile them against each other every day, and hopefully understand what actions caused the differences, and make any necessary corrections. If you wait six months you are likely to find very great differences. Then you will probably want to call Dazzle Support in a panic and say "Why don't my books balance?" Of course we have no idea. You might as well ask us why your car odometer is different from your mileage journal. How could we know? Unfortunately there is not much you can do at this six-month late stage.

How do you make "corrections"? Whether it is a few dollars once a week for reasons you understand, or a few thousand dollars for reasons you don't understand because you waited too long to reconcile... What you have to do is synchronize the two sets of figures, and hopefully keep a closer eye on them from now on. It's just like when you don't reconcile your checking account for six months and one day you look at the latest bank statement and you see it says your balance is \$500 less than you thought. The bank might have made an error, but it would be a whole lot easier to spot such errors if you checked it every month instead of every six months. Now you will have to check and cross-check thousands of transactions and charges and checks, etc. Probably if you are like most people you can't be bothered, and you will just re-synchronize your check-register to agree with what the bank says, and continue on from there.

That's what you do with Dazzle if you can't find the cause of the difference, or if you can't be bothered. The easiest way to re-synchronise is to go to OFFICE-->CONFIGURATION-->ACCOUNTING-->STARTING BALANCES. You will see a screen showing you the major closing balances for yesterday (Loans, Inventory, etc) Some of them may be zero because you don't use that area of Dazzle. For instance if you don't do check-cashing, then the check depository balance will be zero.

Put a checkmark in those boxes where zero is correct and OK. With the other balances, to synchronise them with the counted data totals, click on CALCULATE. Dazzle will re-count the database totals just to be sure and plug the "corrected" amount into your screen... just like you would probably do with your checkbook. Click SAVE to save.

We do urge you do compare the totals daily, and stay on top of any disparities that occur. This is just a cost of having a separate double-entry journal. If you are unwilling to do this we quite understand, it is your decision to make, but we would recommend you simply turn off your transaction journal permanently in OFFICE-->CONFIGURATION-->MASTER CONFIGURATION-->ACCOUNTING, and click on STANDARD.