

# MYOB EXO BUSINESS WHITE PAPER

Overview for External Advisors

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# Overview for External Advisors

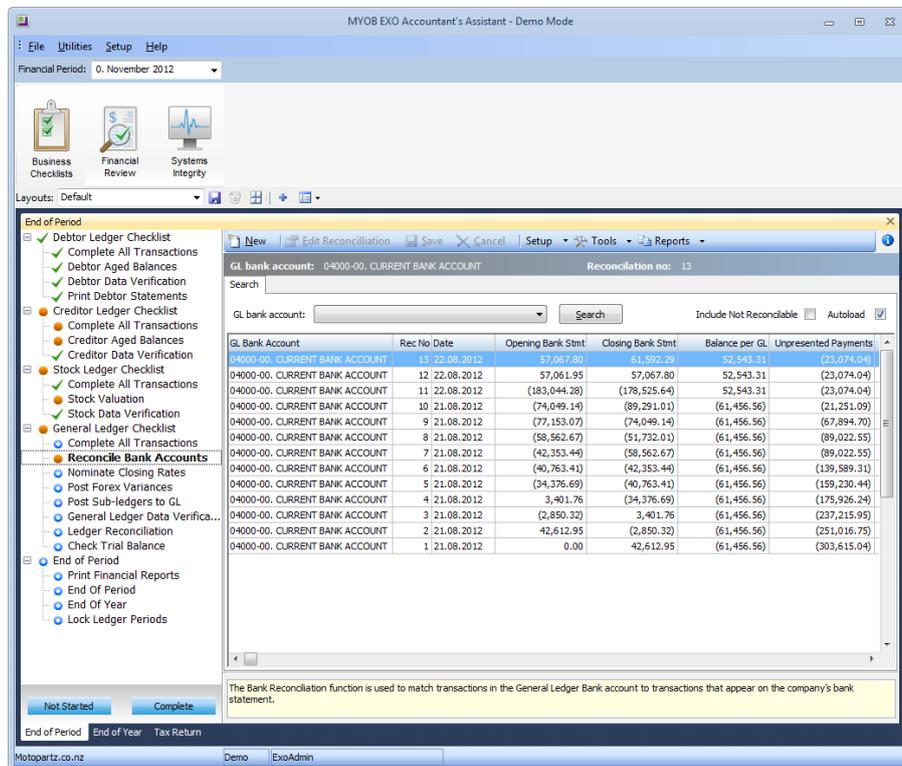
MYOB EXO Business is a powerful, integrated solution that can scale to serve hundreds of simultaneous users; it includes modules for finance (ERP), job costing, point of sale (POS), fixed assets, CRM and intercompany reporting. For accountants and external advisors, EXO Business includes an intuitive and easy-to-use portal to the available accounting functions: the EXO Accountant's Assistant module.

The MYOB Enterprise Solutions suite also includes EXO Employer Services, a comprehensive payroll solution that ranges from basic payroll management to a fully integrated HR management solution. As their business grows, your clients add modules such as online employee services, time and attendance, time-clocks and biometric readers to increase the effectiveness of their solution.

This white paper provides an overview of key areas of the EXO Business system, so that accountants and external advisors can familiarise themselves with the basic concepts and functions they will encounter in EXO Business.

## EXO Accountant's Assistant

The EXO Accountant's Assistant module provides accountants and external advisors with an intuitive and easy-to-use portal to the accounting functions of EXO Business. Driven by key accounting processing checklists, the EXO Accountant's Assistant helps you manage your clients' accounts, without having to be experienced in EXO Business. At the same time, your clients can easily gain a unified view right across the organisation so they can truly understand how their business works.



The EXO Accountant's Assistant interface is divided into the following sections:

- Business Checklists – this section displays a set of dashboard widgets containing checklists for important accounting processes.
- Financial Review – this section contains a standard package of financial reports that show key metrics for business owners and external advisors.
- Systems Integrity – this section displays a set of checks against the EXO Business database and ledgers to ensure that the system is balanced and healthy.

**Note:** The EXO Accountant's Assistant module can be run by a single user without the need for an additional licence; licences must be purchased to allow more than one user to access it.

## Business Checklists

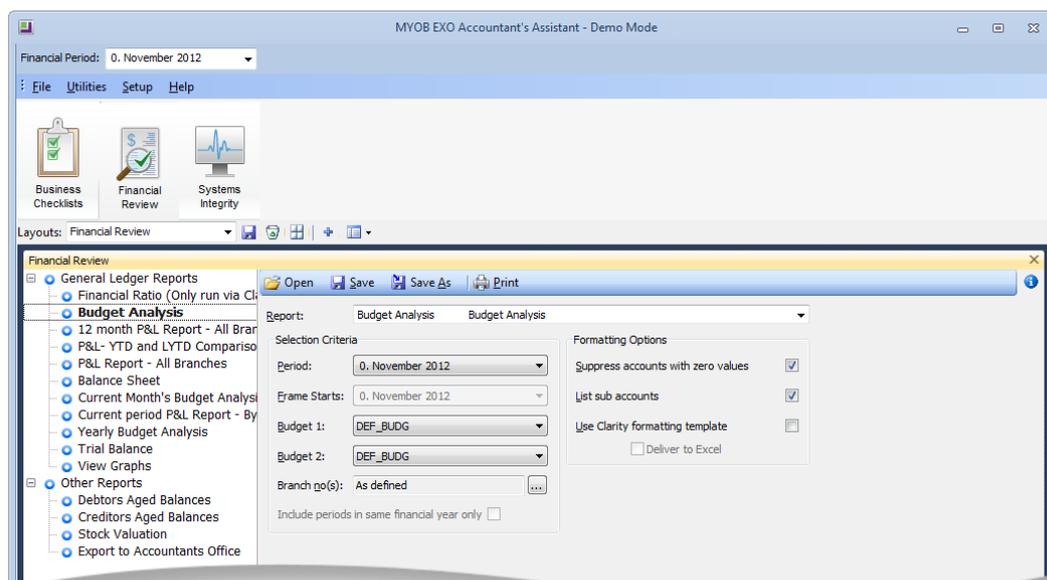
The Business Checklists section of the EXO Accountant's Assistant displays a set of checklist widgets for important accounting processes. By default, checklists for the following processes are displayed:

- End of Period
- End of Year
- Tax Return

Each checklist represents the best practices recommended by MYOB for those processes. These checklists are all context-sensitive to the period selected from the **Financial Period** control on the Accountant's Assistant (see page 6).

## Financial Review

The Financial Review section of the EXO Accountant's Assistant contains a standard package of financial reports that show key metrics for business owners and external advisors:



This tab also includes an export function, allowing General Ledger accounts and transactions to be exported in a format that can be imported into the MYOB Accountants Office system.

On upgrading to EXO Business 8.5 or later, all General Ledger reports that are set up in the system are added as nodes to the checklist on the Financial Review tab. In a new install of EXO Business 8.5 or later, the default General Ledger reports are added.

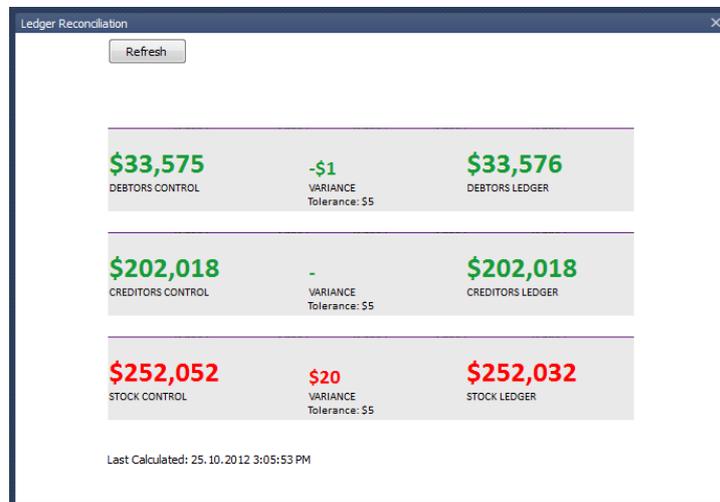
## Systems Integrity

The Systems Integrity tab displays a set of checks against the EXO Business database and ledgers to ensure that the system is balanced and healthy. The following utilities are displayed by default:

- Ledger Reconciliation
- Data Verification
- Tax Exceptions

The Data Verification and Tax Exceptions utilities are generic functions that are available elsewhere in the EXO Business system.

The Ledger Reconciliation utility provides an overview of the status of each EXO Business sub-ledger:



Control Account	Variance	Tolerance	Sub-Ledger
\$33,575 DEBTORS CONTROL	-\$1 VARIANCE	\$5 Tolerance: \$5	\$33,576 DEBTORS LEDGER
\$202,018 CREDITORS CONTROL	- VARIANCE	\$5 Tolerance: \$5	\$202,018 CREDITORS LEDGER
\$252,052 STOCK CONTROL	\$20 VARIANCE	\$5 Tolerance: \$5	\$252,032 STOCK LEDGER

Last Calculated: 25.10.2012 3:05:53 PM

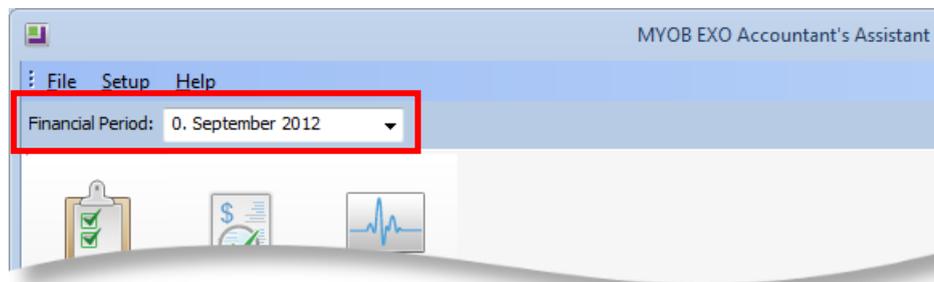
Sub-ledgers that are green are in balance with the related control account; red sub-ledgers are not. The status of each sub-ledger is determined using the reconciliation reports (GL Payables Reconciliation, GL Receivables Reconciliation and Inventory Value Reconciliation).

Each area of the report can be clicked on to drill to more information:

- Clicking on a total for a control account opens the General Ledger Account Details window, displaying the relevant control account (Stock, Debtors or Creditors).
- Clicking on the variance amount for a sub-ledger icon and the General Ledger icon opens the relevant Reconciliation Exceptions report.
- Clicking on the total for a sub-ledger opens the relevant Reconciliation report.

## Global Financial Period Setting

The EXO Accountant's Assistant includes a **Financial Period** option at the top of the interface:



This is a global setting that specifies the period to be used by all Dashboard widgets appearing on the Accountant's Assistant. Widgets, reports and checklists that have been set up to use the Financial Period parameter will automatically refresh when the selected Financial Period changes.

## Setting up the EXO Accountant's Assistant

The dashboard interfaces on each tab of the EXO Accountant's Assistant can be fully configured to suit the needs of its users. Widgets can be added, removed and re-arranged as necessary.

Dashboards are configured in the EXO Business Configurator application. The basic process for configuring dashboards is as follows:

1. Create new widgets or edit existing ones at Admin > Dashboards > Setup Widgets. To ensure that widgets will be available in the Accountant's Assistant, set their **Module Visibility** properties to "<All>" or "EXO Accountant's Assistant".
2. Give users access to widgets by adding them to their EXO Accountant's Assistant menus at Staff > Menus > Dropdown Menu.
3. In the EXO Accountant's Assistant, add widgets to dashboard displays by using the toolbar controls at the top of each dashboard display, then position and re-size them as necessary.
4. Save the arrangement of widgets using the Save Layout button on the dashboard toolbar.

See the EXO Business Help file or User Guide for full information on setting up widgets and menus.

# General Ledger Structure

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The General Ledger (GL) is the consolidation of all movements created in the Debtors, Creditors and Stock sub ledgers (see page 8). The GL forms the basis of the recording of business activity. By creating as many or as few GL accounts as you need, you can define the level of detail to report at. The reporting can be consolidated from the GL accounts using the Report Writer (see page 14).

In MYOB EXO Business, GL account codes can be divided into up to four sections:

## **company-branch-account-subaccount**

Both the branch prefix and sub-account suffix are optional. It is up to the organisation to specify whether branches and/or sub-account sections are needed, and the number of digits in each section. The company section is only used by the InterCompany add-on module (see page 16).

GL Account Groups can also be set up, so that accounts can be grouped under different functions such as Sales, Asset and Liability accounts and Overheads.

**Note:** The EXO Accountant's Assistant module allows full access to key functions relating to the General Ledger.

## GL Budgets

MYOB EXO Business includes a GL Budgeting tool. This tool enables you to store projections and report against them. The reporting is against transactions that have been posted to the General Ledger. It is period-driven in the same way as the transactions in the General Ledger being reported on.

GL Budgets can be entered directly into EXO Business or imported in the form of a .CSV file. EXO Business can export budgets to a spreadsheet (for example, Microsoft Excel) for modification and import the budgets back into EXO Business. You have the ability to store multiple budgets, for different years or a reforecast within the same financial year.

## Periods

While MYOB EXO Business stores transaction dates, it is not a purely date-based system. It does not rely on dates for critical procedures such as transaction ageing and posting between ledgers, nor are dates used by any of the standard reports within EXO Business to calculate control totals.

EXO Business employs a method of tagging all transactions with a nominated period number at the time of posting. Transaction ages are numbered from current (0) backwards, e.g. 1 = one period ago (last month), 2 = two periods ago, and so on.

As an extra validation, EXO Business can ensure that the transaction date given is valid for the period that the transaction is being posted to. This method is used to avoid the traditional problems associated with incorrectly entered dates and extra processing overhead required to "age" transactions into periods, which often make purely date-based solutions very limited in scale.

## End of Period

EXO Business has a definite "end of period" or "roll-over" procedure. Each ledger (Debtors, Creditors, Stock and General Ledger) can be rolled separately or all ledgers can be rolled simultaneously (recommended). MYOB EXO Business tags all transactions with a nominated period number at the time of posting (see above). As an extra validation, EXO Business can ensure that the

transaction date given is valid for the period that the transaction is being posted to. This method is used to avoid the traditional problems associated with incorrectly keyed dates and extra processing overhead required to “age” transactions into periods which often makes purely date based solutions very limited in scale.

The End of Period process does the following:

- Sets period totals
- Sets month totals
- Copies aged balances to last period balances
- Sets aged balances
- Increments the transaction age
- Increments the allocation age
- Updates the allocation statuses
- Ages the period status
- Rolls the period status

The End of Period utility includes an **End of financial year** option—if this option is enabled, the End of Year procedure will be run. This includes all of the steps listed above as well as the following:

- Copies the This Year total to the Last Year total on all Debtor accounts, Creditor accounts and/or Stock items.
- Zeros the This Year totals on all Debtor accounts, Creditor accounts and/or Stock items.

Period lock controls help manage these processes, and periods would normally be locked once period reporting has been completed.

It is not necessary that all transactions be posted to General Ledger before a ledger is rolled over; however, an End of Period must be performed before any transactions can be entered into the new period.

There is no loss of transaction detail as a result of the End of Period or End of Year procedures. Transaction detail is retained as history and is never deleted by EXO Business.

Processes and controls exist to allow transactions to be posted back into prior periods.

## Analysis Codes

Analysis Codes are arbitrary codes that can be assigned to transactions. They do not perform any function themselves and are independent of the normal grouping of account codes; they are simply a customisable way of grouping related transactions together for sorting and reporting. This means you can collect and monitor income and expenditure for a particular function or event that is not captured by the use of a job code or GL sub-account, allowing for much finer segmentation.

# Sub-Ledgers

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MYOB EXO Business uses separate sub-ledgers for Debtors, Creditors and Stock. These ledgers then post to the General Ledger (see “Transaction Mechanisms” on page 11).

## Debtors and Creditors

MYOB EXO Business keeps detailed records of all Debtor and Creditor accounts, including contact details, transactions, aged balances, pricing policies and historical sales performance. All Debtor transactions/sales are recorded in the Debtors ledger; similarly, all Creditor transactions/purchases are recorded in the Creditors ledger.

**Note:** Restricted access to Debtor and Creditor accounts is available from the EXO Accountant’s Assistant; basic details of Debtor and Creditor accounts can be edited, but no transactions can be generated for them.

## Stock

The Stock function in MYOB EXO Business is indispensable to the operation of the system, as it represents the only available link between the Sales (Debtors) ledger and the General Ledger. All products and services commonly supplied as part of the day-to-day business must have an appropriate code set up in the Stock ledger. This applies to physical stock items as well as services provided. It is therefore common practice to have a number of miscellaneous stock codes (probably one for each product group) to accommodate any infrequent sales transactions such as the sale of an asset or the renting of property. This principle has proven to work well in practice for two reasons:

- You can take advantage of a large number of reports and graphical representations for all revenue-generating activities.
- It shields the non-accounting sales data entry operator from more complex decisions required for General Ledger posting.

**Note:** Read-only access to Stock item records is available from the EXO Accountant’s Assistant.

## Periodic vs. Perpetual Stock

MYOB EXO Business allows two methods of integrating the stock system with the General Ledger:

### Periodic stock

This option is more suited to stock valuation where processes such as Job Costing or Manufacturing (including the allocation of overhead or labour costs to the finished product) are used. Periodic Stock allows the user to determine the level of stock-on-hand to be reflected in the accounts at the end of the period

### Perpetual stock

This option is the more complex of the two inventory integration methods. This method allows the posting of physical stock transactions to the General Ledger on a one-to-one basis. Disabling this feature will require the user to manually post stock valuations in a periodic manner (Periodic Stock system). Perpetual Stock is more suited to warehousing and retail type situations with standard

stock in/stock out movements, and only supports Average stock costing methods. To use Perpetual Stock, two additional accounts are required to be setup in the GL Control Accounts (Stock Clearing Account and a Stock Adjustment Account).

## Fixed Assets

If the EXO Fixed Assets module is in use (see page 16), it will post journal entries to the General Ledger whenever assets are revalued, depreciated or sold.

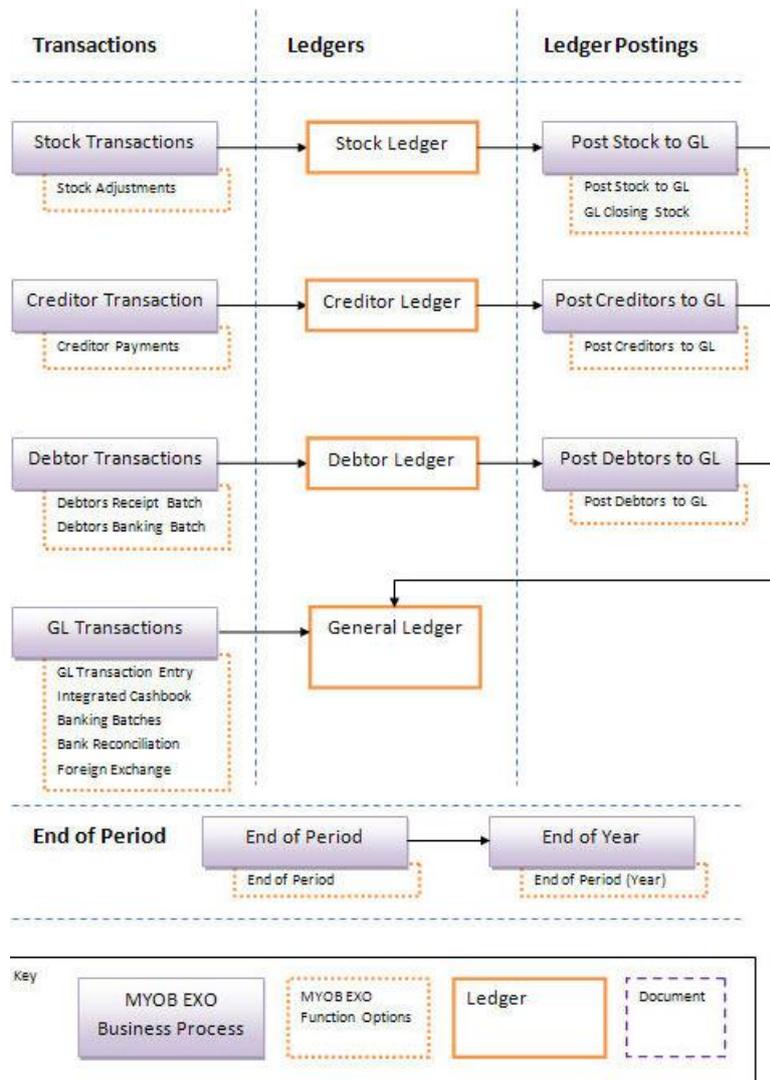
Fixed Assets includes a year-end rollover procedure, which should be performed at the end of the financial year. This process is associated with the depreciation run; assets should be depreciated up to the year-end date and this should be posted to the General Ledger. The year-end rollover is then run using the same year-end date (the system will not allow you to proceed if the Last Depreciation Date on each asset is not the same as the Year End Date). This process does not post anything to the General Ledger, but performs updates to the database.

# Transaction Mechanisms

All transactions are recorded in one of the sub-ledgers discussed in the previous section before being posted to the General Ledger.

## Transaction Posting

The following diagram illustrates the process of transaction posting:

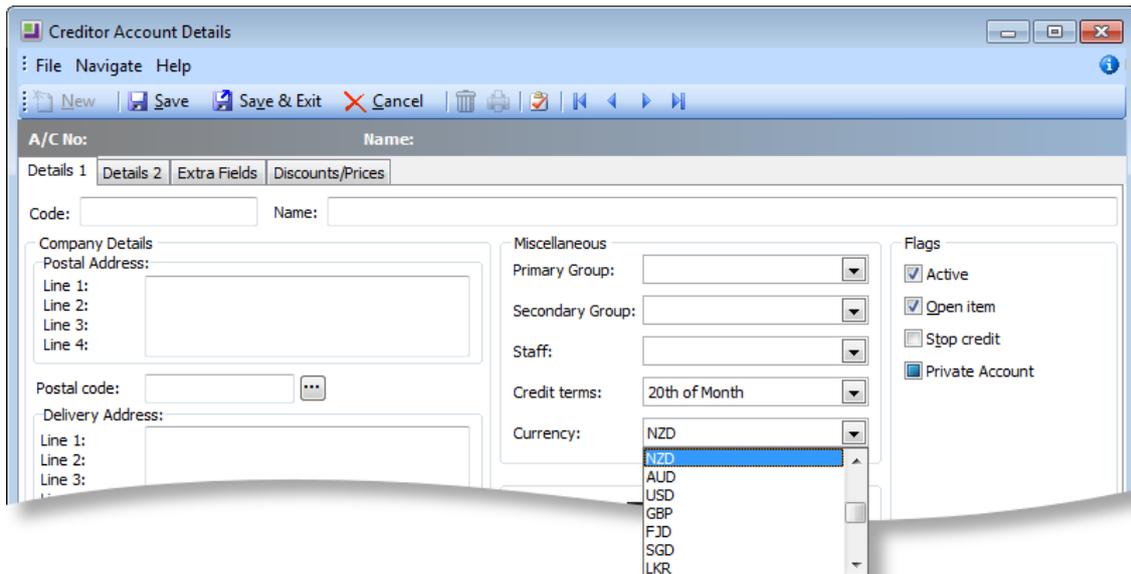


All three source ledgers (Debtors, Creditors and Stock) can be posted to the General Ledger at the same time. One transaction batch is created for each ledger. Batches are created on combination of Period and ledger, i.e. one for each period and ledger combination.

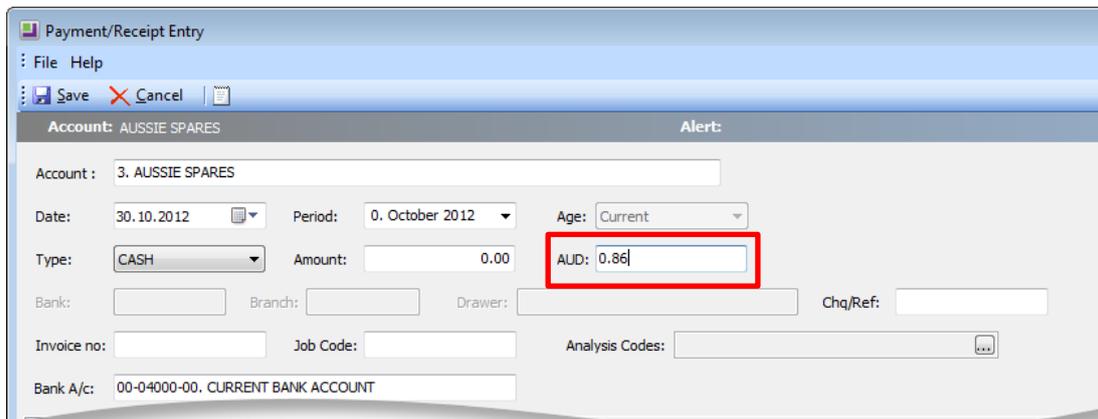
## Foreign Currency

MYOB EXO Business allows users to store Debtor, Creditor and Balance Sheet accounts in a currency other than the default currency. MYOB EXO Business has a utility to convert these transactions into the default currency for the General Ledger.

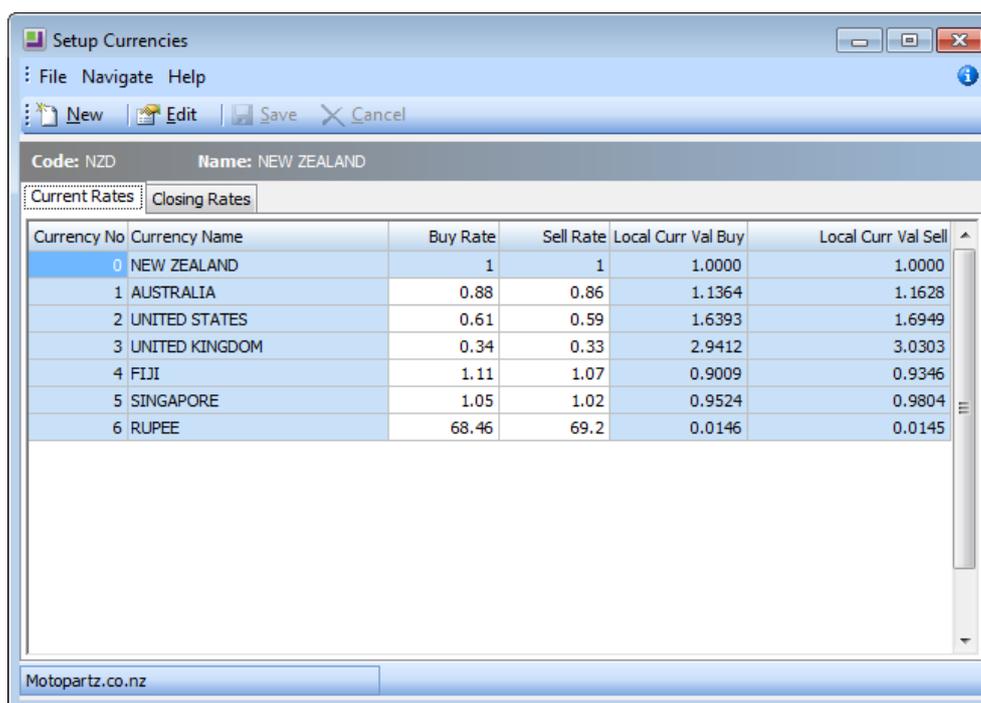
A guiding principle of having customers and suppliers in foreign currencies is that any transaction that takes place is in the Debtor's/Creditor's currency. The user's view of the account will also be in the customer's/supplier's currency. The currency is specified when the Debtor/Creditor account is first created; once set, the account's currency cannot be changed.



When entering transactions (e.g. invoices, payments, receipts), the currency and exchange rate in use is displayed to users; rates can be overridden as necessary.



Exchange rates are maintained in the EXO Business Configurator application at Administration > Finance > Currencies.



The screenshot shows the 'Setup Currencies' application window. The window title is 'Setup Currencies' and it has a menu bar with 'File', 'Navigate', and 'Help'. Below the menu bar is a toolbar with 'New', 'Edit', 'Save', and 'Cancel' buttons. The main area displays 'Code: NZD' and 'Name: NEW ZEALAND'. There are two tabs: 'Current Rates' (selected) and 'Closing Rates'. Below the tabs is a table with the following data:

Currency No	Currency Name	Buy Rate	Sell Rate	Local Curr Val Buy	Local Curr Val Sell
0	NEW ZEALAND	1	1	1.0000	1.0000
1	AUSTRALIA	0.88	0.86	1.1364	1.1628
2	UNITED STATES	0.61	0.59	1.6393	1.6949
3	UNITED KINGDOM	0.34	0.33	2.9412	3.0303
4	FIJI	1.11	1.07	0.9009	0.9346
5	SINGAPORE	1.05	1.02	0.9524	0.9804
6	RUPEE	68.46	69.2	0.0146	0.0145

The bottom of the window shows the URL 'Motopartz.co.nz'.

The local currency (0) exists in all EXO Business databases when they are initially created. The local currency rate must always have buy and sell rates of 1.

## Foreign Exchange Variances

Variances in exchange rates can be accommodated within the GL to balance the changes in the Debtor and Creditor control accounts (Forex Gain/Loss accounts in the Profit and Loss section of the GL are used for this). Reconciliation is carried out using the Foreign Exchange Rate Variance Calculator utility, which calculates variances based on the rates set up in the EXO Business system.

Unrealised foreign exchange can be re-evaluated in the following situations:

- When changing currency rates for the prior or current period via the Setup Currencies screen (see above).
- When performing an End of Period operation (see “End of Period” on page 7). The End of Period utility automatically re-evaluates the unrealised foreign exchange gains/losses when the General Ledger is rolled.
- When using the Foreign Exchange Variance Calculator utility, which lets you revalue unrealised foreign exchange gains/losses for the current and prior periods.

When posting foreign exchange variances to the current period (age 0), the previous revaluation is reversed before a new auto-reversing journal takes place.

When posting to the previous period (age 1), the existing valuations in age 1 are reversed and new ones are entered for the period. These then auto-reverse themselves out in the next period, i.e. age 0. In addition to this, any existing foreign exchange auto-reversals in age 0 are reversed out as well.

# Reporting

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MYOB EXO Business includes powerful and flexible reporting functions throughout the entire system. GL reporting capabilities are included as a subset of these functions. GL Reports provide you with the ability to generate a variety of reports such as the Profit & Loss, Balance Sheet, GL Trial Balance and GL Transaction Listings.

The GL Report Writer enables you to report on transactions that have been posted to the General Ledger. It is period-driven in the same way as the transactions in the General Ledger being reported on.

The Report Writer is set up in a tabulated format with rows and columns. The rows determine the content by General Ledger account or group of accounts. The columns determine the periods (month, quarter, year, etc.), budget or variance to budget. The report is written in a sequential order both in terms of the rows and the columns.

Once generated, GL reports can be saved to PDF files or exported as Microsoft Excel files, so that GL data can be reviewed and processed externally from EXO Business.

# EXO Business Modules

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Aside from the main finance module, MYOB EXO Business includes a variety of add-on modules. Some of these are included in a default installation, while others must be licensed separately. These modules are fully compatible with each other, meaning they can be added as and when they are needed.

## EXO Job Costing

EXO Job Costing helps manage the profitability of jobs and projects in real time by providing direct visibility of all input, process and time costs, including:

- Consulting hours
- Equipment hours
- Inventory
- Labour hours
- Materials
- Subcontractors

Use EXO Job Costing to estimate, set budgets, quote and manage to budget. When it's time to invoice, you can easily identify any variances and charge appropriately.

## Serviceable Units

The Serviceable Units module fully integrates with EXO Job Costing to better manage the end to end process of servicing items.

With Serviceable Units you can:

- Store all the details relating to the unit being serviced
- Track and link warranties
- Plan service schedules
- Store a complete history of units
- Utilise graphical dashboards to help with the management of jobs

## EXO CRM

EXO CRM adds Customer Relationship Management functionality to the MYOB EXO Business system. With EXO Business CRM, you can keep track of contacts, companies, prospects, tasks and appointments; as part of the EXO Business system, EXO Business CRM has access to all relevant records in the EXO Business database.

## EXO POS

The EXO POS (Point of Sale) module provides the functionality required to deal with customers in a live customer facing environment such as a shop counter or lane. It caters for invoicing and credit notes, customer receipt and refund payments, lay-bys and deposits, and stock transfers into store.

EXO POS integrates with the account, stock, pricing system and other structures from the EXO Business system. POS connects in real time to a centralised database. Stock and other balance fields are therefore always up to date throughout the entire EXO Business system.

With a simple user-friendly interface, POS contains capabilities that allow it to be used by the Salesperson operating the cash register, as well as the Store Manager or Administrator who has the availability to access advanced or restricted options.

## EXO Fixed Assets

The EXO Fixed Assets module is an asset management system that is linked to EXO Business and can access the required information from the EXO Business database.

Fixed Assets provides for depreciation with automatic postings to the EXO Business General Ledger. It also posts journal entries to the General Ledger whenever assets are revalued or sold. You can also print asset and depreciation reports.

Fixed Assets monitors the asset accounts in EXO Business and prompts users when new capital purchases occur but haven't yet been added to the asset register.

## EXO Intercompany

EXO Intercompany enables a business to consolidate its various entities into a single consolidated entity for the purposes of reporting. The consolidation process can happen as frequently as necessary to perform group based reporting. The group company is treated as an entity in its own right and as such all the General Ledger transactions and reporting functions are available.

EXO Intercompany gives you the ability to:

- Consolidate multiple companies
- Consolidate foreign subsidiaries
- Account for related party and OEI or minority interest companies

## EXO Distribution Advantage

The Distribution Advantage module for MYOB EXO Business is a collection of tools that may be used by advanced warehouse and distribution teams. The module consists of:

- On-Demand Purchase Orders
- Batch Sales Order Line Processing
- Stock Transfer Requests
- Sales Order Consolidation