OpenERP Check Writing Documentation (US)

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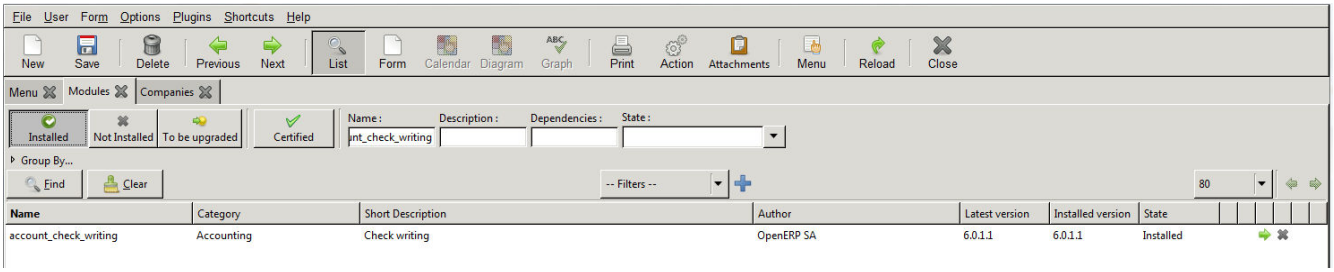
OVERVIEW

OpenERP provides easy-to-use check writing capabilities starting with version 6. Users can manage their check writing process by installing the account_check_writing module. The module provides users a variety of check writing capabilities:

- Ability to make supplier payments with checks
  - Support paying a single and multiple outstanding supplier invoices with one check
- Support printing checks in three formats: Top voucher check, middle voucher check, and bottom voucher check,
- Support both pre-printed check (check # already printed), and blank check stock
- Printing an individual check
- Printing multiple checks in batch (printing multiple checks at one time)
- Reprinting checks
- Voiding checks
- Tracking Stop Payment assignment on checks
- Printing replacement checks
- Manage errors that can occur during check printing
- Tracking check status
- Support US check format
- And provide a foundation to support additional check formats in the future (e.g. Mexico, Canada, Europe)

Setup Of Check Writing

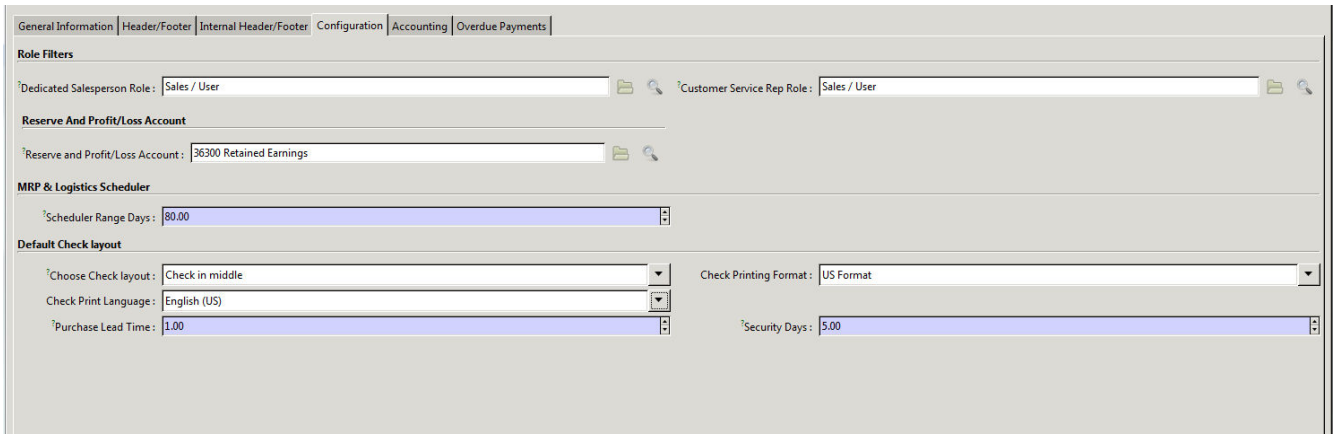
Install the account_check_writing module.



Setup the company configuration for check writing.

Assign check format.

Administration >>> Companies >>> Companies on the Configuration Tab



Select the Check Layout used at the company:

- Check on Top
- Check in Middle
- Check on Bottom

Select the Check Printing Format

- US Format – prints the check with US standard "Amount in Words".
  - (e.g One-Thousand Five Hundred Twenty-Three and 56/100s **********)
- European Format – Print the check with Euro embedded in the "Amount in Words".

Select Check Print Language
Select the country the Print language is targeted to use.

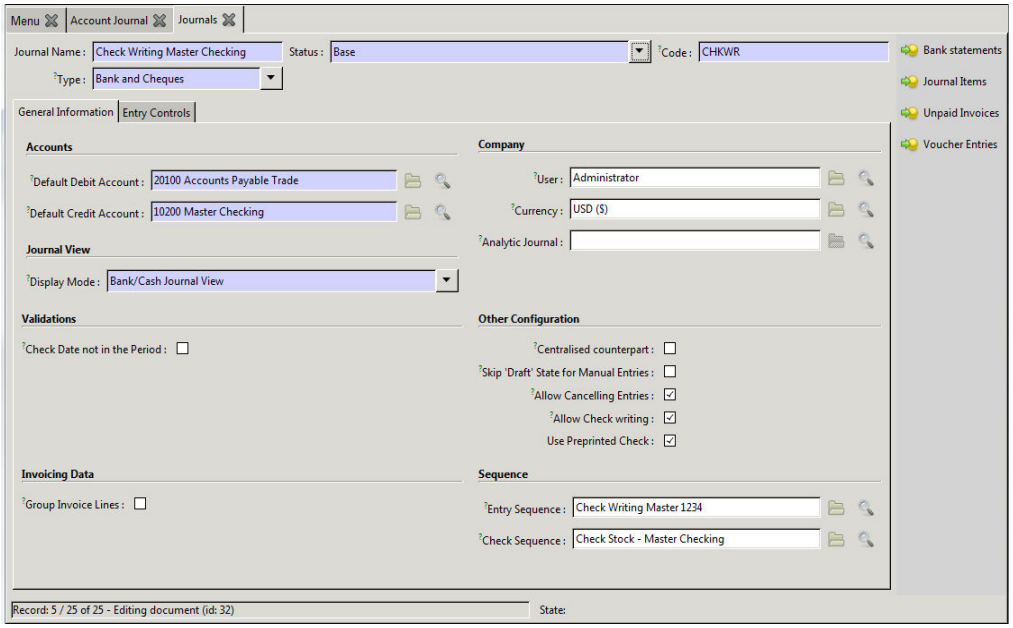
Setup a Journal for Check Writing

Individual accounting journals should be setup for each bank account used to write checks in OpenERP. Each journal needs to be configured to allow check writing, the type of check stock used (preprinted, or blank), which accounts to post transactions to, and the check numbering sequence associated with a specific check journal. Each bank account used for check writing should have it's own bank writing journal, and a unique sequence number for tracking the Check Numbering in an account.

To setup a check writing journal navigate to:

Accounting >>> Configuration >>> Financial Accounting >>> Journals

Click New.



The journal you will set-up is designed specifically to Pay Suppliers with an outstanding Account Payable (the most common check writing activity in a business). When a check is written the Journal will be setup to make the following accounting entries:

G/L Number / GL Account Name	Debit	Credit	Comment
20100 Accounts Payable Trade	XXXX.XX		The amount you owe a supplier is reduced since you are pay them.
10200 Master Checking Bank Account		XXXX.XX	The balanced in the Checking account is reduced since you are withdrawing funds from a Bank Account when you write a check.

Enter values in the following fields:

Journal Name
Status
Code
Type – must be Bank and Cheques <--- Note Cheques is the same as Checks in the US

Default Debit Account – typically this is your Account Payable account
Default Credit Account – this will be the G/L account number associated with the bank account from which the check is written against. (NOTE: Each Bank Account should have its own G/L Account in OpenERP).

Display Mode – Bank/Cash Journal View

Allow Canceling Entries – Checked
Allow Check Writing – Checked
Use Preprinted Checks – Checked if you have preprinted Check Stock (the check number is preprinted on the check prior to printing).

KEY TERM: PRE-PRINTED CHECK STOCK - the check number is preprinted on the Check and voucher sections of the voucher check.

KEY TERM: VOUCHER CHECK - a check with 3 sections: The check portion, an informational portion for the recipient of the check (Supplier), an informational portion for accounting at the company that wrote the check.

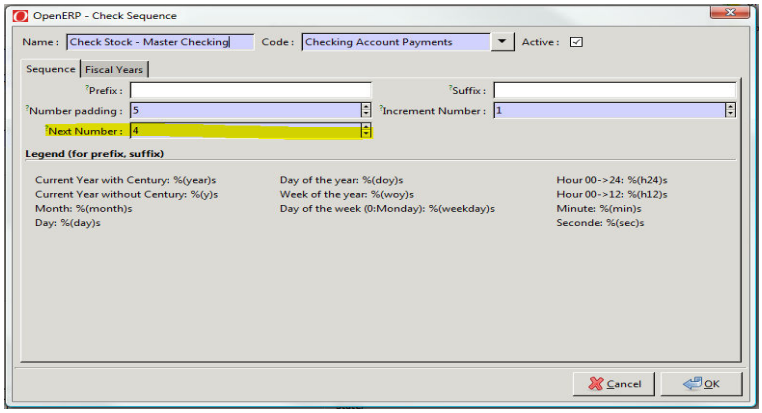
Entry Sequence – select a sequence number (this is the unique sequence number used to track the transactions in this Journal).

Check Sequence – this is the check numbering used by OpenERP. Your check stock starting number should equal the number setup in this sequence.

USER VERIFICATION: VERIFY YOUR CHECK SEQUENCE NUMBER EQUALS YOUR CHECK STOCK IN PRINTER

Setup a sequence number for tracking checks on a specific bank account.

Open the Check Sequence



Verify the Next Number in the Sequence = the next number on your blank check stock to be printed.

Click OK.

PAY A SUPPLIER INVOICE BY WRITING A CHECK

With account_check_writing users can make Supplier Payments via check. This allows a user to select which invoices to pay and print a check paying those invoices.

NOTE: In OpenERP – the Payment is required be posted prior to being able to print a check.

Navigate to:

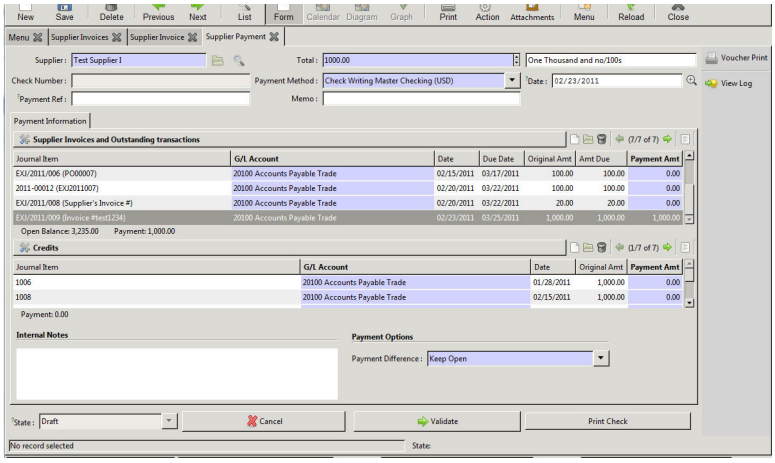
Accounting >>> Suppliers >>> Supplier Payment

Click New.

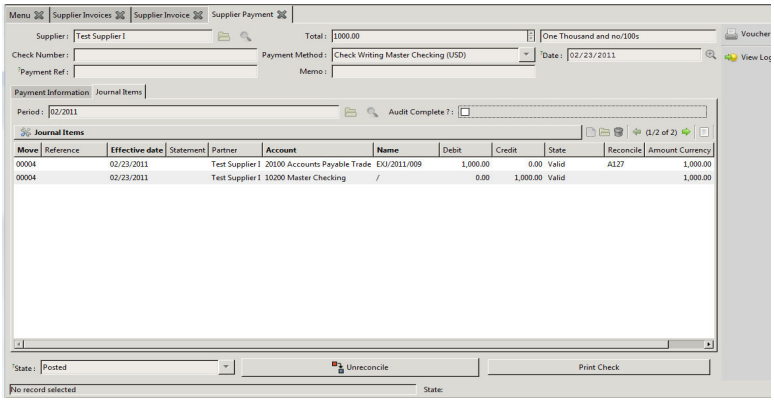
Enter the following information:

1. Supplier you're paying. This will list their outstanding invoices.
2. Total = Amt of check to be written
3. Payment Method - select the "Journal name associated with the Bank Account you're writing the checks against" (e.g. Check Writing Master Checking)
4. For each outstanding invoice you want to pay enter and amount.

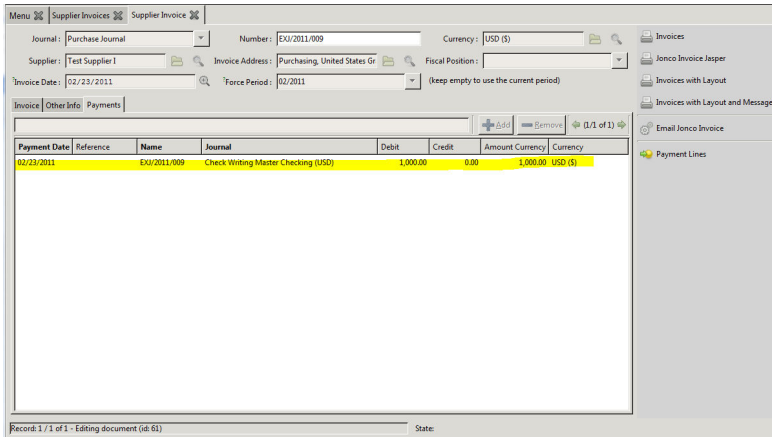
Click Validate.



The Supplier Payment is now Posted and accounting journal entries have been made.



As validation of the payment a user can also lookup a specific Supplier Invoice and look at the Payment tab. This shows the payments associated with a specific Supplier Invoice for future reference.



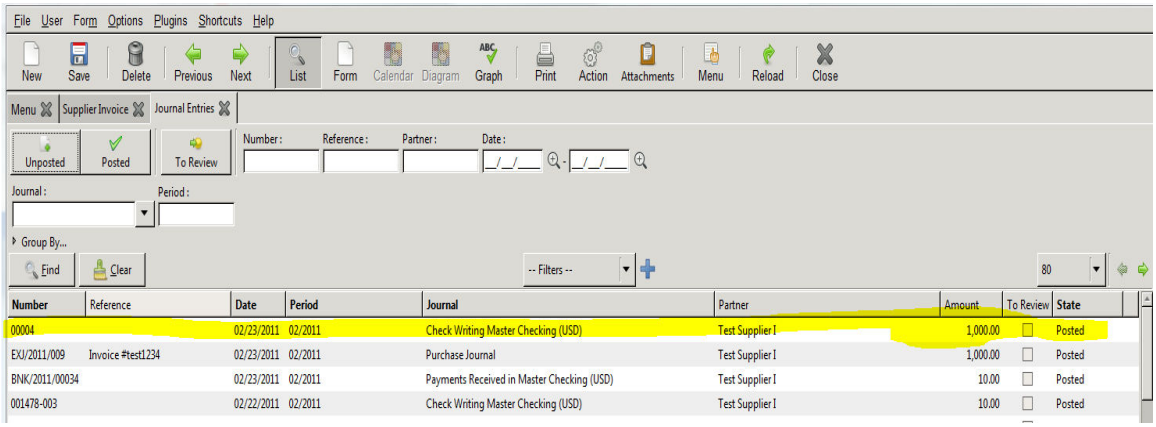
In a Supplier Payment list view OpenERP also shows the residual amt (amt remaining due) as zero(0) and the State as "Paid".

At this point the user has several options:

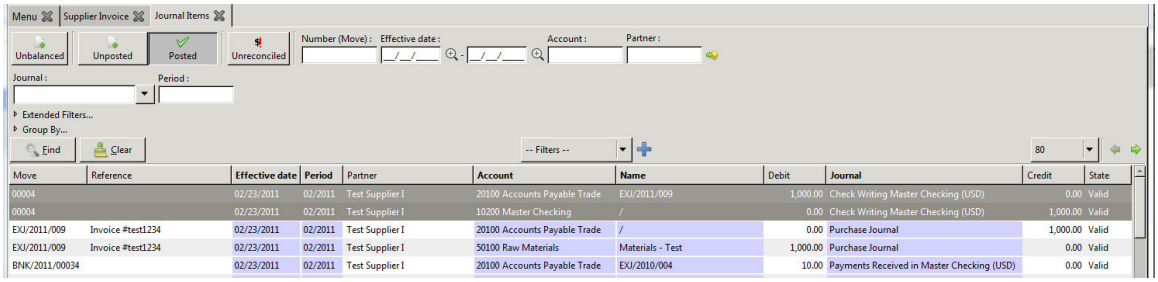
- Print Now
- Print Later – Individual Check
- Print Later – Batch Check Printing

Account Verification – Journal Entries

The Journal Entries have also been made in the Accounting Journal.
Number 0004 represents the accounting move (transaction).



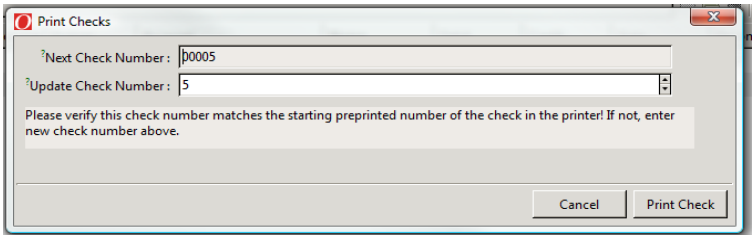
Individual Journal Items (shows each side of the transaction separately)
Each account.move (0004) is associated with multiple accounting move lines – or individual entries for each side of the transaction. (Note: If this was compound entry more than two lines would be displayed.)



Printing A Check From The Supplier Payment Form

Click the Print Check Button on the Supplier Payment Screen.

OpenERP will display a window indicating the next check number it is prepared to print. The user should compare this starting number with the check number in your printer. Make sure the "Next Check Number" value displayed on the screen = the number of the check stock in your printer.



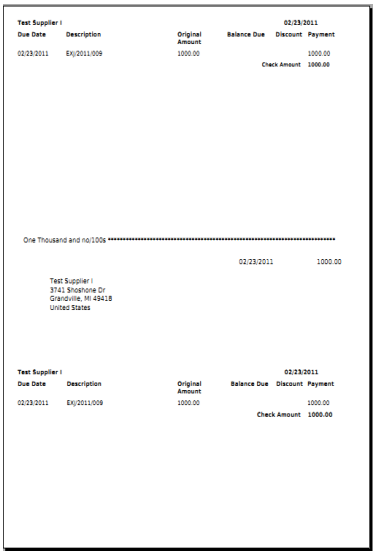
If yes, click the Print Check button.

If No, Enter the new check number in the Update Check Number field.

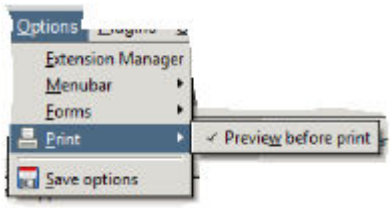
Click the Print Check button.

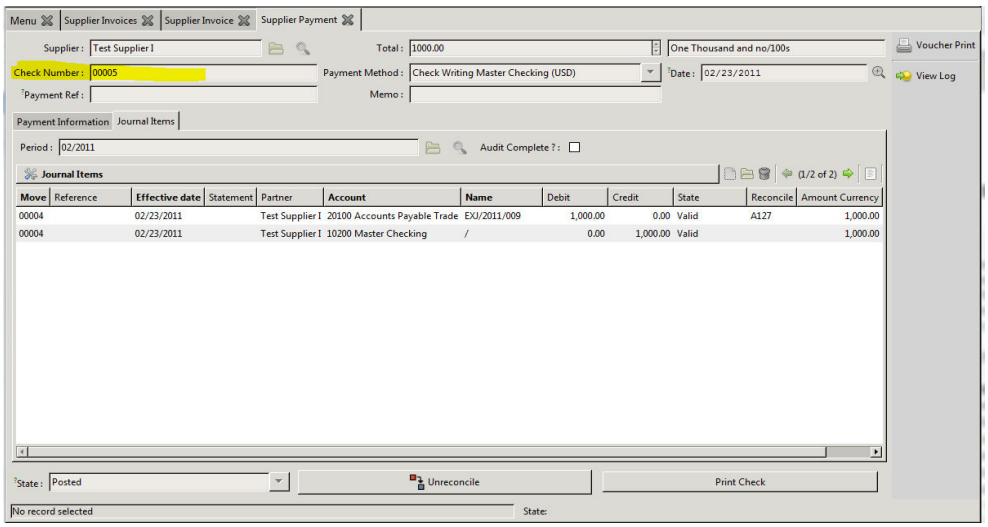
OpenERP will then:

- Print the Check
- Increment the Check Sequence Number
- Writes the check information to the check log
- Updates the Supplier Payment with the Check Number Printed

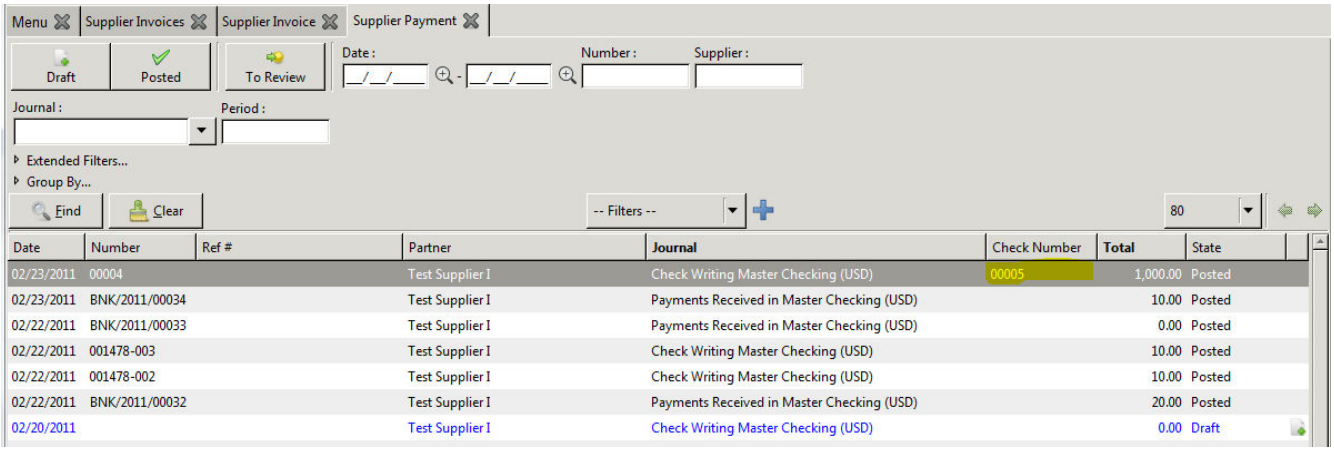


NOTE: In the GTK+ Client, OpenERP will immediately print the check if the system is configured to not display a preview first. Top Menu: Options >>> Print >>> Preview Before Print





In the Supplier Payment List view the Check No can now be seen displayed in the list.



A list of all checks written against a specific Journal can be displayed using the Filters and Group By buttons. . .

MANAGING CHECK PRINTING

When printing checks several situations may occur when things don't go exactly as planned that the accounting staff need to deal with such as:

- A preprinted check is ruined (jammed in the printer, coffee spilled on the check, the company dog ate it!)
- The accountant/user forgot to check the check stock in the printer and the actual check printed has different number than what was recorded in OpenERP on the Supplier Payment.

The Check Writing Module in OpenERP has been designed to handle these situations in a simple and easy approach.

Printing A Replacement Check (Pre-printed Checks)

If a company is using pre-printed checks, the only way to "reprint" a check is to actually print a "replacement check". There are two ways to replace an existing check already associated with a Supplier Payment when preprinted checks are used:

- Print Replacement Check (New Check) from the Supplier Payment Form View
- Print Replacement Check (New Check) from the Supplier Payment List View.

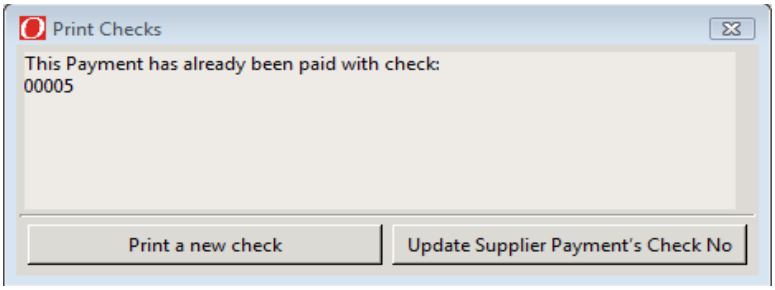
We'll review both methods.

Reprint Replacement Check (New Check) from Supplier Payment Form View

Open the Supplier Payment associated with the check you want to replace.

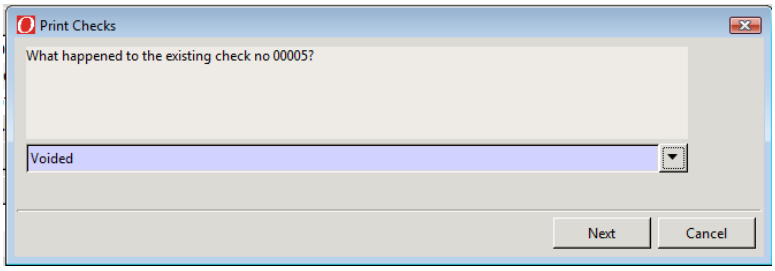
Click the Print Check button.

OpenERP will first check to see if the Check Number field is already populated for a Supplier Payment. If it is, OpenERP will display the following wizard.



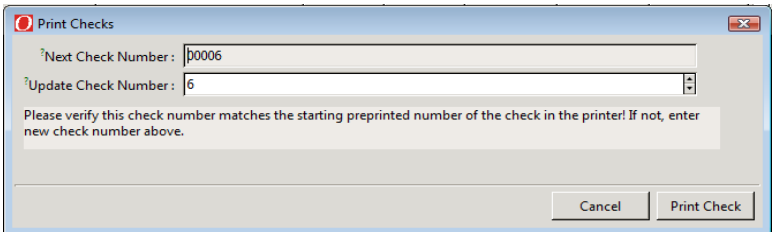
User clicks the "Print a New Check" Button.

OpenERP displays the Print Wizard Asking "What happened to the Existing Check?"



User selects an option and hits Next

OpenERP displays the following Window:



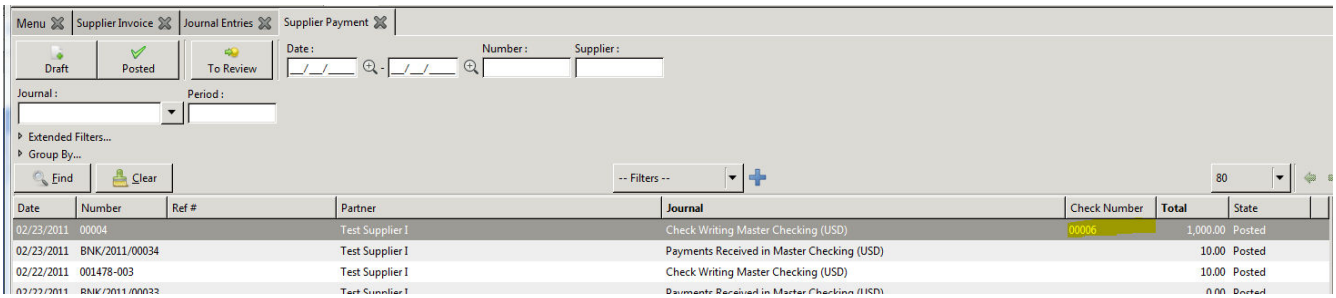
The user verifies the "Next Check Number" is what's in the printer. If it matches the user clicks the Print Check button.

If no, the user updates the number in the Update Check Number field and clicks the Print Check.

OpenERP at this point will:

- Update old check's status in the Log with its updated disposition (Void, Stop Pay, Lost, Unknown)
- Remove the existing check number on the Supplier Payment
- Print a New Check
- Update the existing Supplier payment with the new check number.
- Increment the check sequence number.

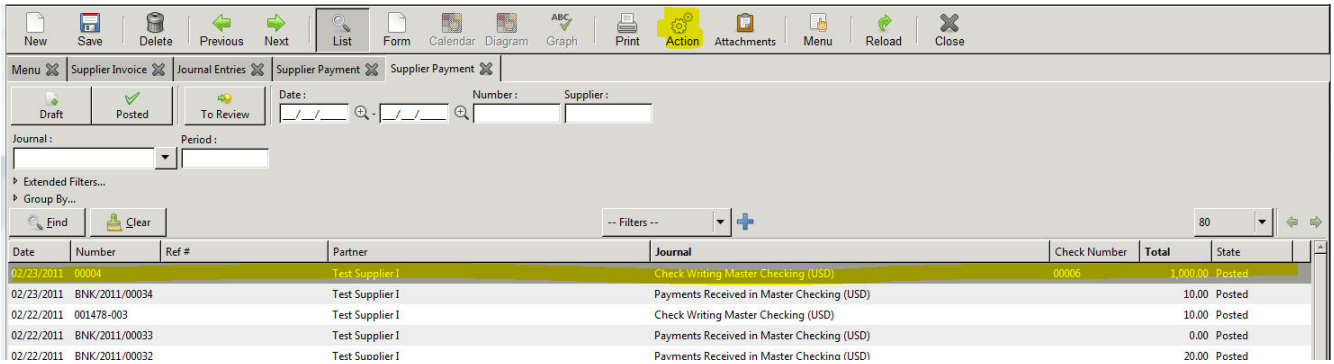
The check number is updated in the system – which we show below in the Supplier Payment List view.



Reprint Replacement Check (New Check) from Supplier Payment List View

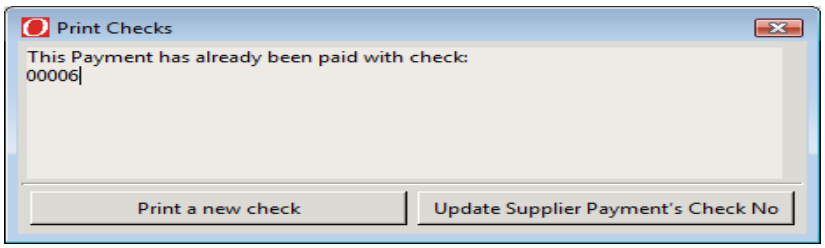
Open the Supplier Payment List View.

Highlight the Supplier Payment for which you want to Print a Replacement Check (a new check with a new check #).

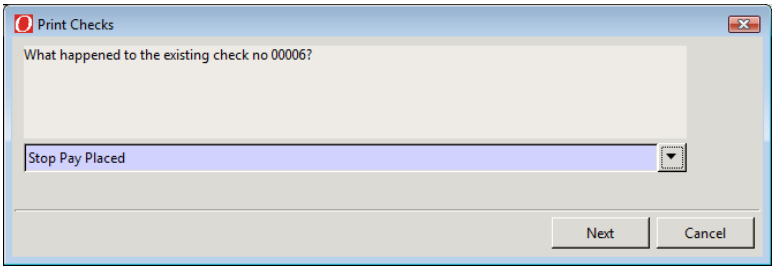


Click the Action button

OpenERP will check to see if the Check Number field is already populated. If yes, it will display the following wizard.

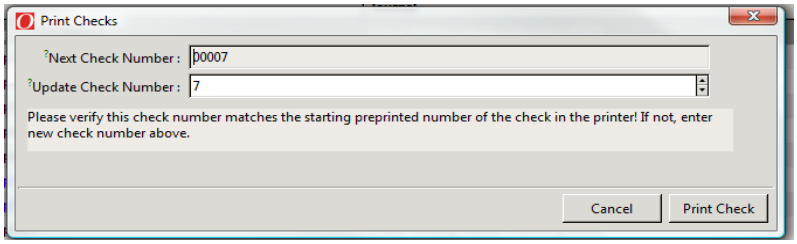


Select Print a new Check Button.



User selects an option and hits Next

The user the verifies the Next Check Number display in the wizard is what's in the printer. If it matches the user clicks the Print Check button.



If it doesn't match what's in the print, the user updates the number in the Update Check Number field and clicks the Print Check button.

OpenERP at this point will:

- Update old check's status in the Log with the "answer"
- Remove the existing check number on the Supplier Payment
- Print a New Check
- Update the existing Supplier payment with the new check number.
- Increment the check sequence number.

Updating OpenERP to Match a Printed Check Number

This situation only presents itself when pre-printed check numbers are used. If "Blank" check stock is used this situation will not exist.

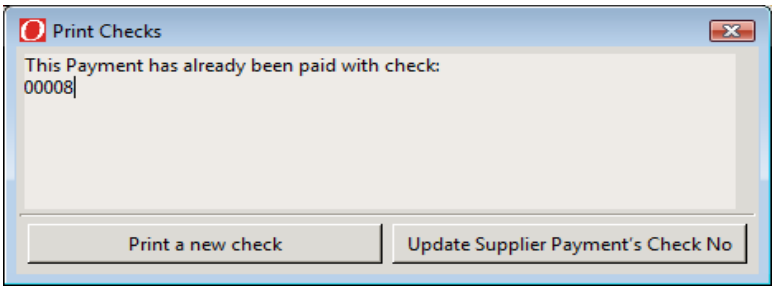
The scenario: The user forgot to check the number of the check stock in the printer prior to printing. The number on the check that was printed is different than the number OpenERP has saved. (e.g. Actual Check printed = 00010, and OpenERP shows the number as 00006 in the system). OpenERP must be updated to match the actual printed check. The user does this manually which can be done one of two ways:

From the Supplier Payment Form the user clicks the Print Check button.

or

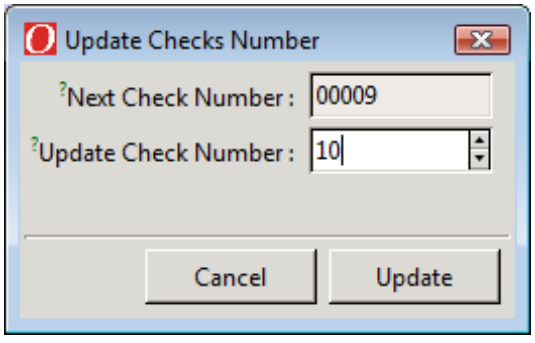
From the Supplier Payment List View the user highlights the Supplier Payment and clicks the Action Button.

The following window appears and the user clicks the "Update Supplier Payment's Check No" button.



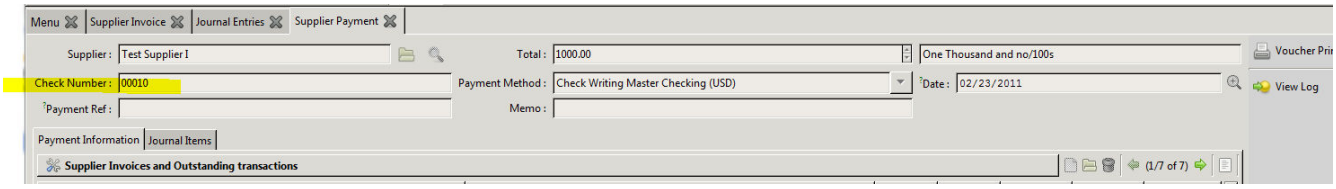
OpenERP displays a window showing what it believes is the next check number to use.

The user fills in the Update Check Number field (in this scenario 10) to match what has actually been printed and then clicks Update. OpenERP is now updated.



OpenERP then:

- Removes the existing check number on the Supplier Payment
- Updates the existing Supplier payment with the new check number to match the printed check.
- Increments the check sequence number.



Reprint An Existing Check When Using Blank Check Stock

At times there is the requirement to reprint a check due to various reasons (e.g. Printer jammed, Check torn into pieces). When using Blank Check Stock (check stock with no preprinted Check No) it is possible to reprint and existing check.

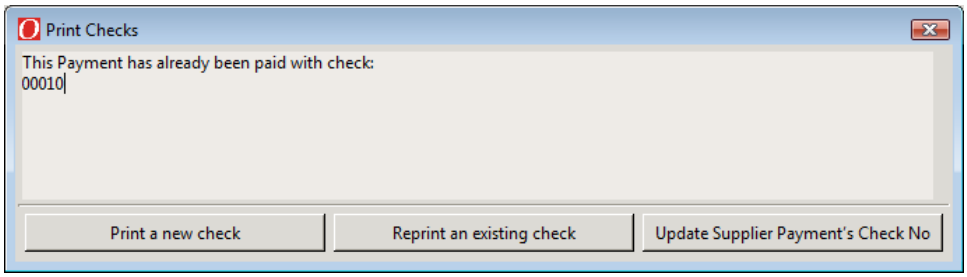
Reprinting a replacement check is very simple.

From the Supplier Payment Form the user clicks the Print Check button.

or

From the Supplier Payment List View the user highlights the Supplier Payment and clicks the Action Button.

The following window appears and the user clicks the "Reprint an existing check" button.



OpenERP will then reprint an existing check with the same number.

PRINTING CHECKS IN BATCH

OpenERP check printing offers the capabilities to batch print checks. A user can print all the unprinted checks at one time. This allows accounting staff to record payments through the day for instance and then print checks all at once at the end-of-a-day.

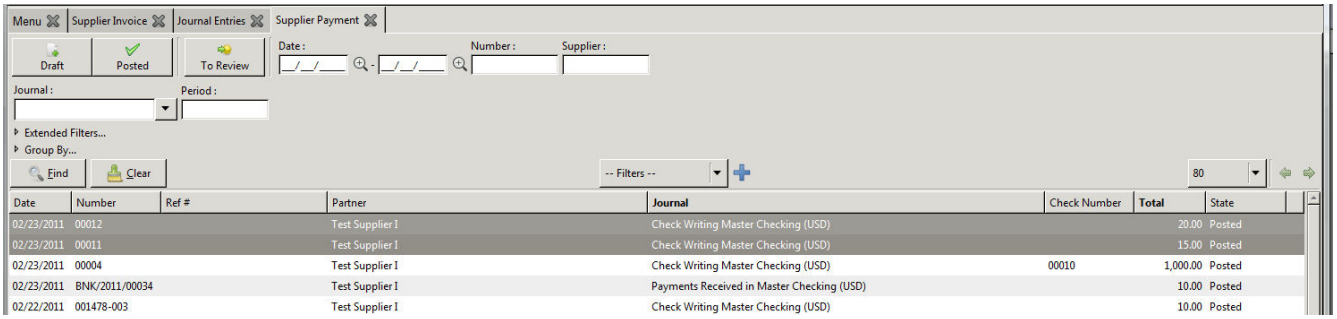
A key requirement of printing checks in batch is to validate the starting check number in the printer for preprinted check stock. This is of course, not a requirement for non-preprinted blank check stock.

Scenario: In the morning an accountant review the outstanding supplier invoices and decides to pay 2 of them. They make two supplier payments associated with the Check Writing journal – they plan on printing checks later in the day. They Post the supplier payments but do not "Print the checks" at time of posting. After a restful day and leisurely lunch that afternoon they decide to print the checks and send them to the customer.

The user does a search to look for Supplier Payments with the following criteria:

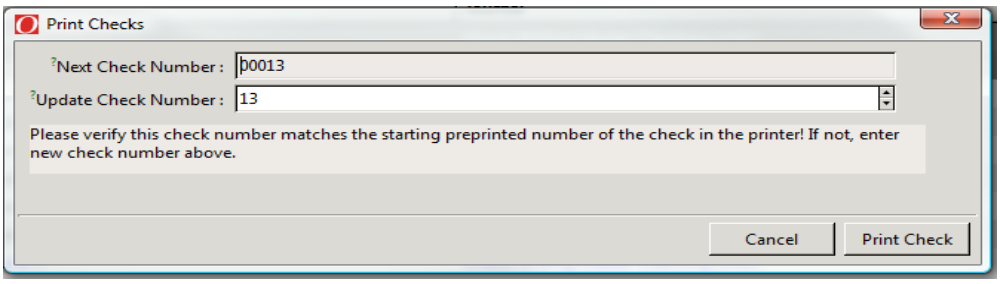
Journal = Check Writing Journal
Supplier Payment State = "Posted"
Check Number = Blank

The user highlights the payments they want to print in the Supplier Payment List View.



The user clicks the Action Button

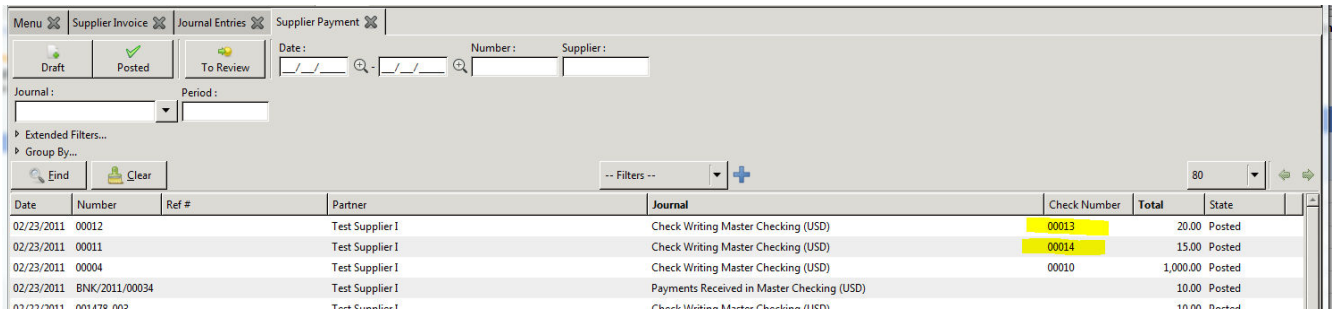
OpenERP display the Print Checks verify starting Check Number window.



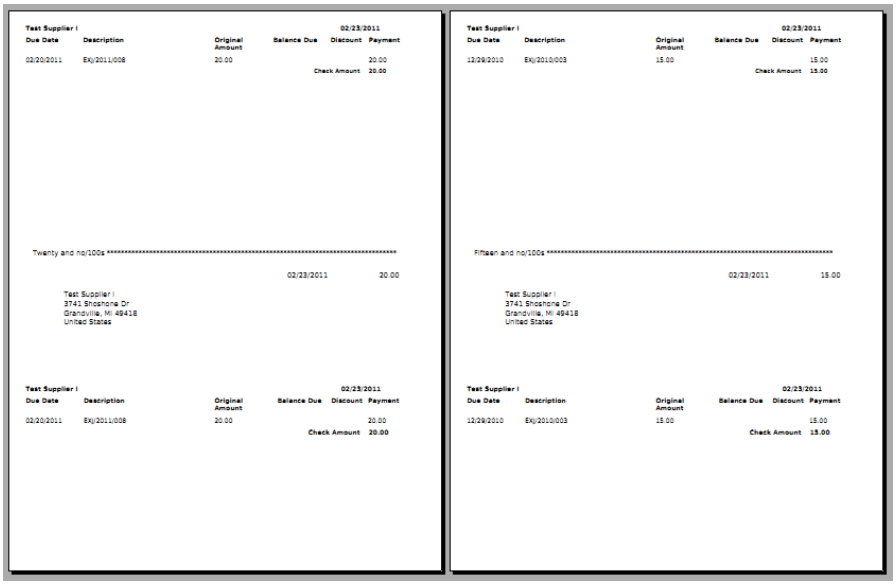
The user verifies this Next Check Number matches the next check loaded in the printer. If it matches the user clicks the Print Check button. If not, the user update the Check number in the Update Check Number field to match, and then clicks Print Check.

OpenERP then:

- Assigns Check Numbers to each of the highlighted Supplier Payments.
- Prints Check for each of the payments.
- Updates the Check log file.
- Increments the check sequence number.



Multiple checks assigned to Supplier Payments.



Sample: multiple checks printed (Pre-printed check format)

THE CHECK LOG FILE

The Check Log File's purpose is simple and follows the principle of "Every Check that is put into production (aka Printed, Lost, Stolen, taken out of the company safe and "in play") should have its disposition/status tracked. This is an important part of security related to check management and follows the sample principles used by many financial institution's own check stock.

A user viewing a Check Log can easily understand the status of checks, including:

Void status – when a check has been voided for some reason.
Stop Payment status – when a check has had stop payment placed on it.
Lost status – when a check has been lost.
Unknown – when the disposition is unknown
Written status – when a check has been written.
Cleared status – when a check has cleared (aka Paid) by the bank.

An accountant should be able to look at the check log file, or search the check log file and be able to easily understand the status of a check.

RECOMMENDATION: To better protect against check fraud, accountants may want to investigate Treasury and Cash management tools available from their financial institution such as Positive Pay (in which the company uploads their daily check file to the bank, and the bank will notify the company if the check presented for payment doesn't match the upload check: payee, amount on the check, check number).

<To Be Added>

WHERE TO PURCHASE CHECKS FOR OPENERP?

OpenERP supports three types of voucher checks:

- Check on Top
- Check in Middle
- Check on Bottom

Voucher Check Example

Checks that support the OpenERP Standard can be affordably purchased at Open-Supplies.com or by calling 1-877-907-6451 . Open-Supplies.com is a resource for affordable checks and supplies and donates a portion of it profits back to support open source applications every year.