

# OpenERP Check Writing Documentation (US)

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**Version 1.0**



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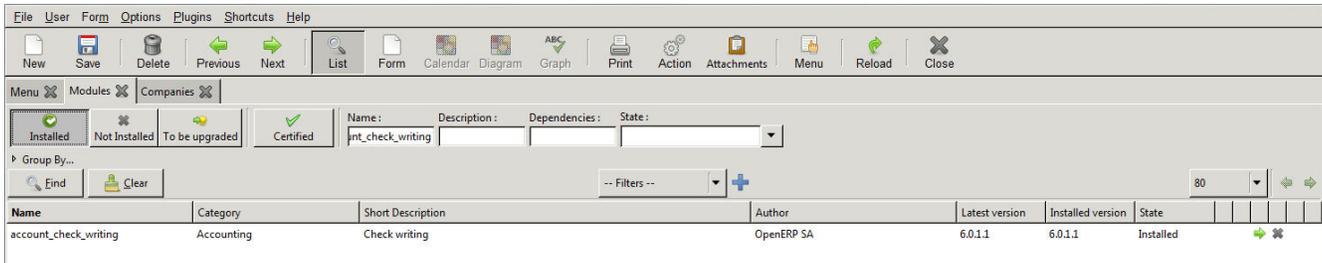
# OVERVIEW

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

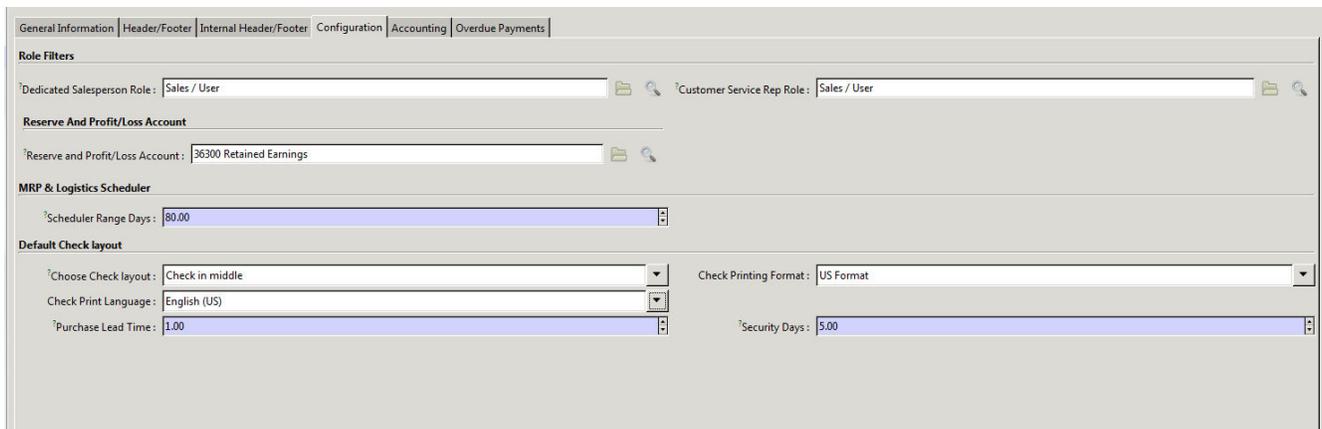
Install the account\_check\_writing module.



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 screenshot shows the 'Account Journal' configuration form in OpenERP. The journal name is 'Check Writing Master Checking' with a status of 'Base' and code 'CHKWR'. The type is set to 'Bank and Cheques'. The 'General Information' tab is active, showing the following fields:

- Accounts:** Default Debit Account: 20100 Accounts Payable Trade; Default Credit Account: 10200 Master Checking.
- Company:** User: Administrator; Currency: USD (\$); Analytic Journal: (empty).
- Journal View:** Display Mode: Bank/Cash Journal View.
- Validations:** Check Date not in the Period: .
- Other Configuration:** Centralised counterpart: ; Skip 'Draft' State for Manual Entries: ; Allow Cancelling Entries: ; Allow Check writing: ; Use Preprinted Check: .
- Invoicing Data:** Group Invoice Lines: .
- Sequence:** Entry Sequence: Check Writing Master 1234; Check Sequence: Check Stock - Master Checking.

On the right side, there are links for 'Bank statements', 'Journal Items', 'Unpaid Invoices', and 'Voucher Entries'. The bottom status bar shows 'Record: 5 / 25 of 25 - Editing document (id:32) State:'.

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.

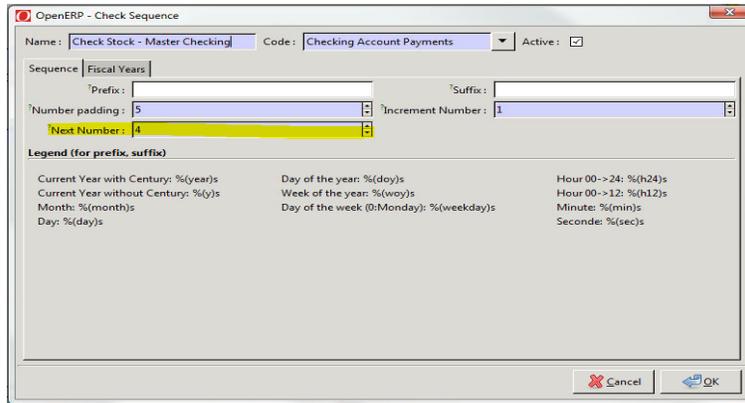
Entry Sequence – select a sequence number (this is the unique sequence number used to track the transactions in this Journal).

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



The screenshot shows the 'OpenERP - Check Sequence' dialog box. At the top, the 'Name' field is 'Check Stock - Master Checking' and the 'Code' is 'Checking Account Payments'. The 'Active' checkbox is checked. Below this, there are two tabs: 'Sequence' and 'Fiscal Years'. The 'Sequence' tab is active. It contains several input fields: 'Prefix' (empty), 'Suffix' (empty), 'Number padding' (set to 5), and 'Increment Number' (set to 1). The 'Next Number' field is highlighted in yellow and contains the value 4. Below these fields is a 'Legend (for prefix, suffix)' section with a table of format codes:

Legend (for prefix, suffix)		
Current Year with Century: %(year)s	Day of the year: %(doy)s	Hour 00->24: %(h24)s
Current Year without Century: %(y)s	Week of the year: %(woy)s	Hour 00->12: %(h12)s
Month: %(month)s	Day of the week (0:Monday): %(weekday)s	Minute: %(min)s
Day: %(day)s		Second: %(sec)s

At the bottom right of the dialog box are 'Cancel' and 'OK' buttons.

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.

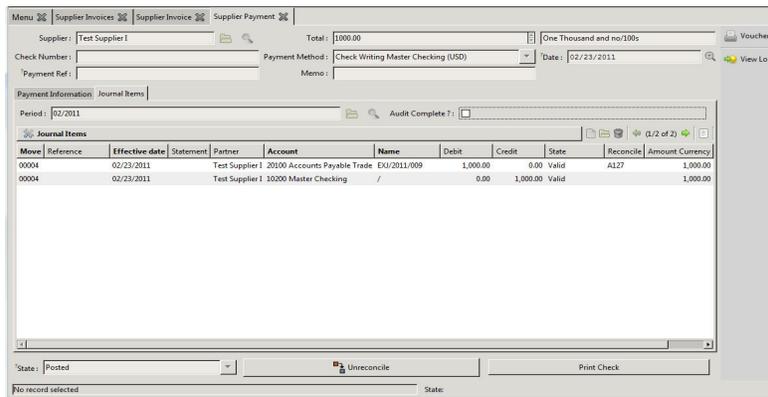
Enter the following information:

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 an amount.

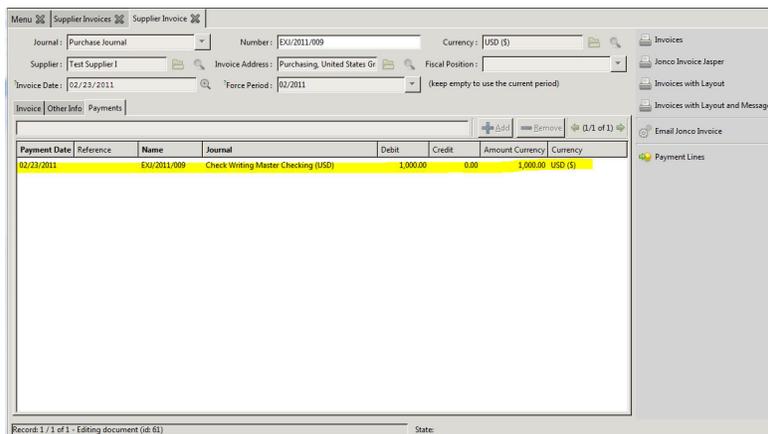
Click Validate.

The screenshot displays the 'Supplier Payment' form in OpenERP. At the top, there are navigation buttons (New, Save, Delete, Previous, Next, List, Form, Calendar, Diagram, Graph, Print, Action, Attachments, Menu, Reload, Close) and a menu bar. The form fields include: Supplier: 'Test Supplier 1', Total: '1000.00', Payment Method: 'Check Writing Master Checking (USD)', and Date: '02/23/2011'. Below these is the 'Payment Information' section with a table for 'Supplier Invoices and Outstanding transactions'. This table has columns for Journal Item, G/L Account, Date, Due Date, Original Amt, Amt Due, and Payment Amt. It lists three invoices: EXI/2011-006 (PO00007), EXI-00012 (EXI0011007), and EXI/2011-008 (Supplier's Invoice #). Below the invoices, it shows 'Open Balance 3,225.00' and 'Payment 1,000.00'. There is also a 'Credits' section with a table for Journal Item, G/L Account, Date, Original Amt, and Payment Amt, listing two entries: 1006 and 1008. At the bottom, there are 'Internal Notes' and 'Payment Options' (Payment Difference: 'Keep Open'). The form ends with a 'State: Draft' dropdown, 'Cancel', 'Validate', and 'Print Check' buttons.

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).

Number	Reference	Date	Period	Journal	Partner	Amount	To Review	State
0004		02/23/2011	02/2011	Check Writing Master Checking (USD)	Test Supplier I	1,000.00	<input type="checkbox"/>	Posted
EXJ/2011/009	Invoice #test1234	02/23/2011	02/2011	Purchase Journal	Test Supplier I	1,000.00	<input type="checkbox"/>	Posted
BNK/2011/00034		02/23/2011	02/2011	Payments Received in Master Checking (USD)	Test Supplier I	10.00	<input type="checkbox"/>	Posted
001478-003		02/22/2011	02/2011	Check Writing Master Checking (USD)	Test Supplier I	10.00	<input type="checkbox"/>	Posted

Individual Journal Items (shows each side of the transaction separately)

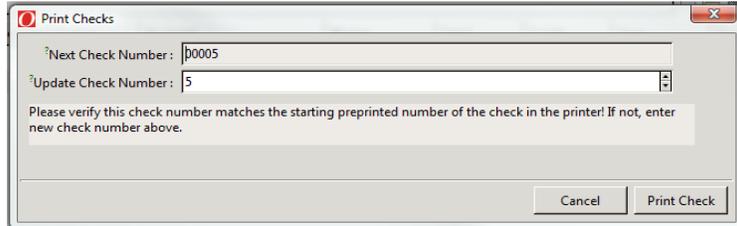
Each account.move (0004) is associated with multiple accounting move lines – or individual entries for each side of the transaction. (Note: If this was compound entry more than two lines would be displayed.)

Move	Reference	Effective date	Period	Partner	Account	Name	Debit	Journal	Credit	State
0004		02/23/2011	02/2011	Test Supplier I	20100 Accounts Payable Trade	EXJ/2011/009	1,000.00	Check Writing Master Checking (USD)	0.00	Valid
0004		02/23/2011	02/2011	Test Supplier I	10200 Master Checking	/	0.00	Check Writing Master Checking (USD)	1,000.00	Valid
EXJ/2011/009	Invoice #test1234	02/23/2011	02/2011	Test Supplier I	20100 Accounts Payable Trade	/	0.00	Purchase Journal	1,000.00	Valid
EXJ/2011/009	Invoice #test1234	02/23/2011	02/2011	Test Supplier I	50100 Raw Materials	Materials - Test	1,000.00	Purchase Journal	0.00	Valid
BNK/2011/00034		02/23/2011	02/2011	Test Supplier I	20100 Accounts Payable Trade	EXJ/2010/004	10.00	Payments Received in Master Checking (USD)	0.00	Valid

## 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.

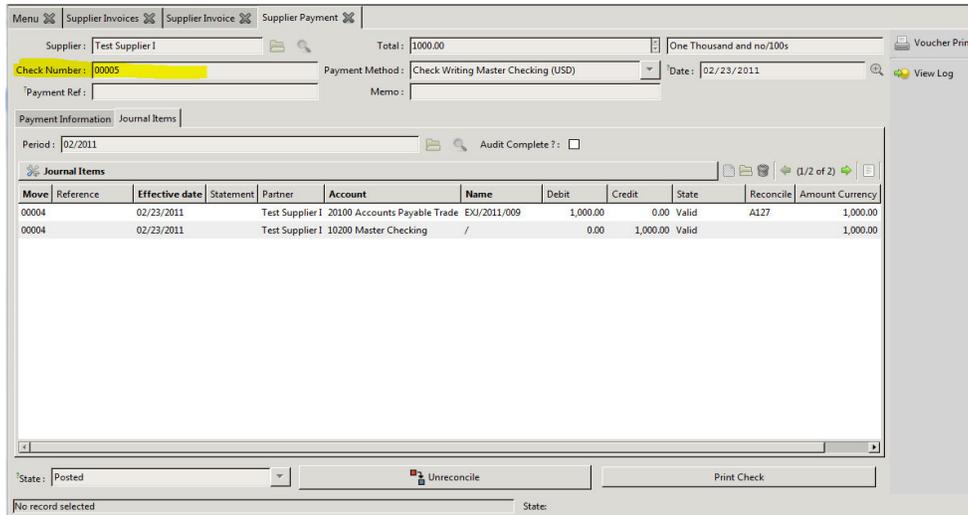
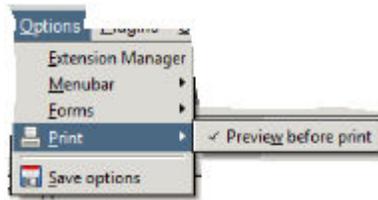
Click the Print Check button.

OpenERP will then:

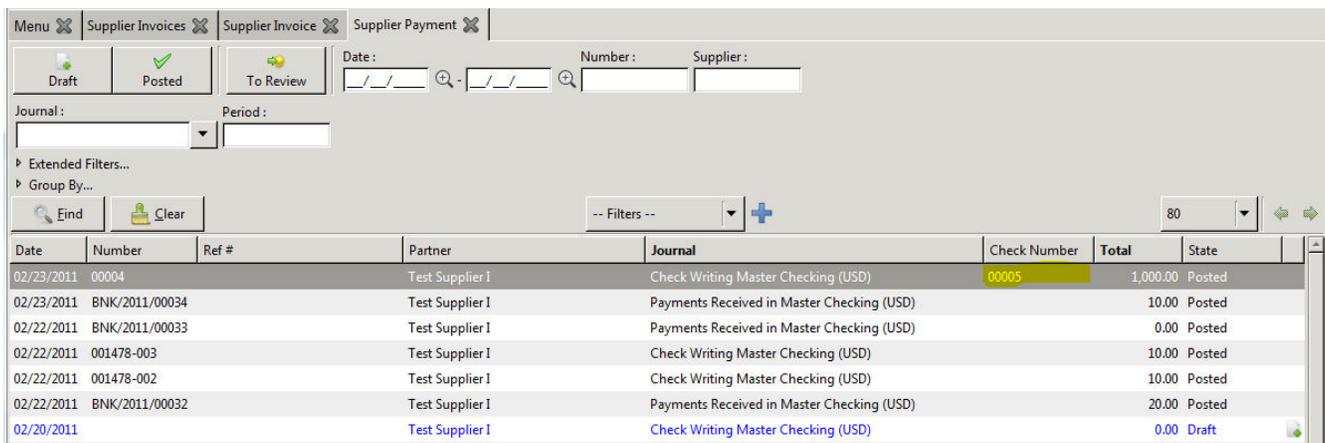
- Print the Check
- Increment the Check Sequence Number
- Writes the check information to the check log
- Updates the Supplier Payment with the Check Number Printed

Test Supplier 1				02/28/2011	
Due Date	Description	Original Amount	Balance Due	Discount	Payment
02/28/2011	Erj20111009	1000.00			1000.00
				Check Amount	1000.00
One Thousand and no/100s					
			02/28/2011		1000.00
Test Supplier 1 3721 Washington Dr Grandville, MI 49428 United States					
Test Supplier 1				02/28/2011	
Due Date	Description	Original Amount	Balance Due	Discount	Payment
02/28/2011	Erj20111009	1000.00			1000.00
				Check Amount	1000.00

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.

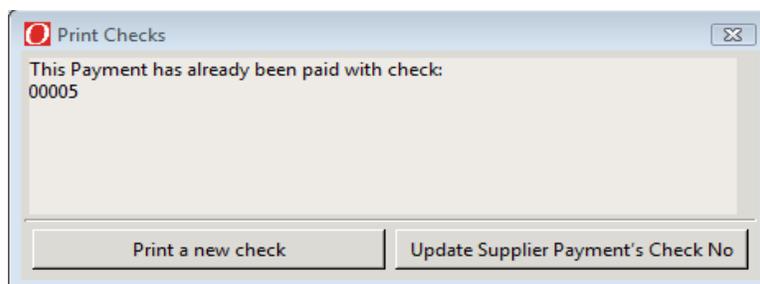
We'll review both methods.

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

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

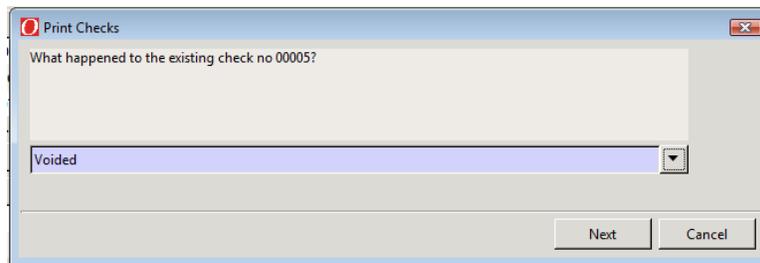
Click the Print Check button.

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.



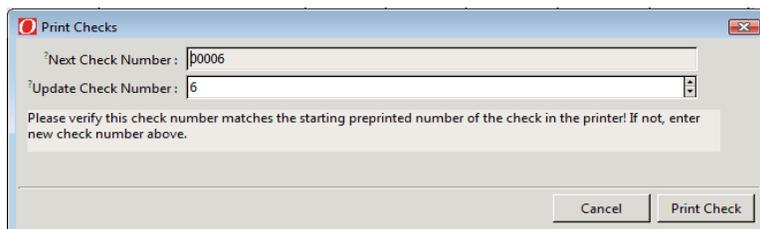
User clicks the "Print a New Check" Button.

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.

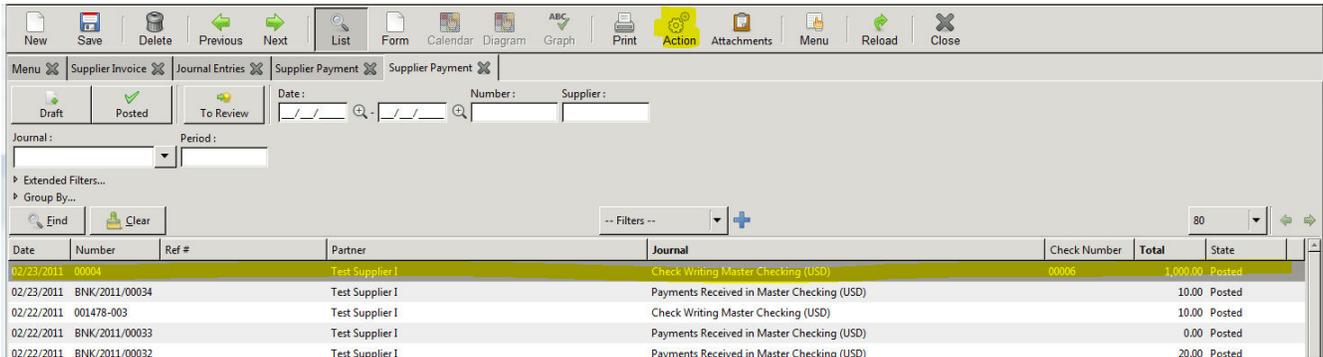
The check number is updated in the system – which we show below in the Supplier Payment List view.

Date	Number	Ref #	Partner	Journal	Check Number	Total	State
02/23/2011	00004		Test Supplier 1	Check Writing Master Checking (USD)	00006	1,000.00	Posted
02/23/2011	BNK/2011/00034		Test Supplier 1	Payments Received in Master Checking (USD)		10.00	Posted
02/22/2011	001478-003		Test Supplier 1	Check Writing Master Checking (USD)		10.00	Posted
02/22/2011	BNK/2011/00032		Test Supplier 1	Payments Received in Master Checking (USD)		0.00	Posted

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

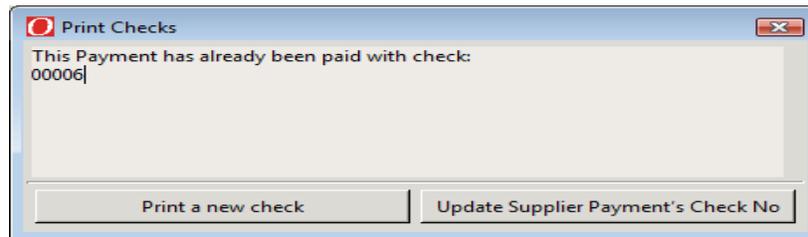
Open the Supplier Payment List View.

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

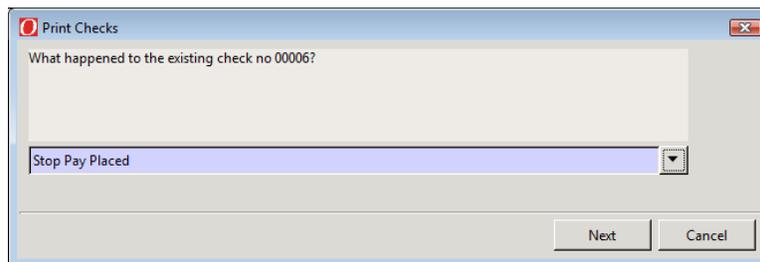


Click the Action button

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

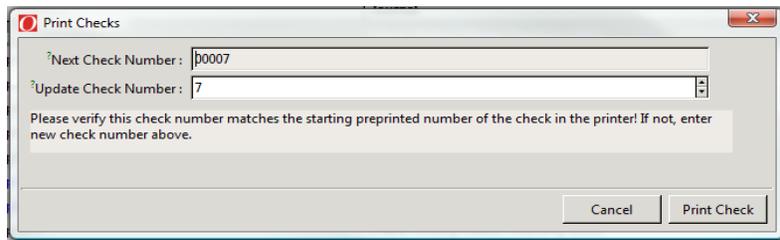


Select Print a new Check Button.



User selects an option and hits Next

The user then 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.

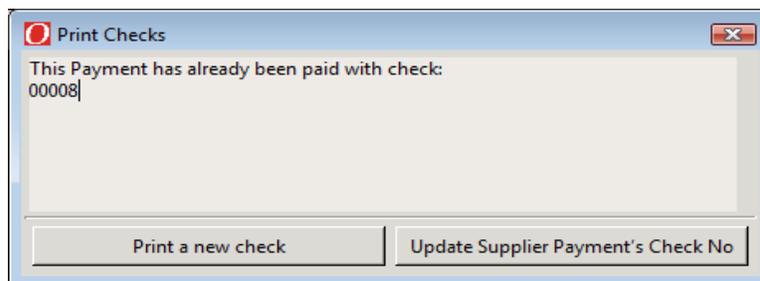
The scenario: The user forgot to check the number of the check stock in the printer prior to printing. The number on the check that was printed is different than the number OpenERP has saved. (e.g. Actual Check printed = 00010, and OpenERP shows the number as 00006 in the system). OpenERP must be updated 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

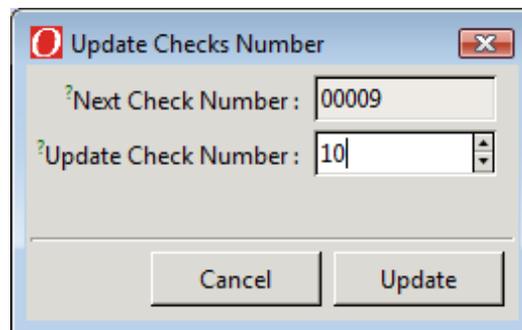
From the Supplier Payment List View the user highlights the Supplier Payment and clicks the Action Button.

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



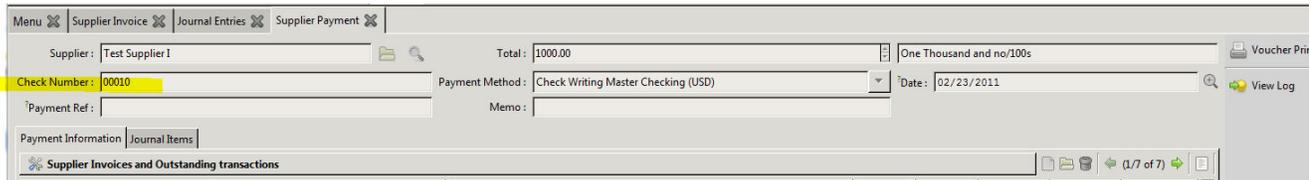
OpenERP displays a window showing what it believes is the next check number to use.

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 an existing check.

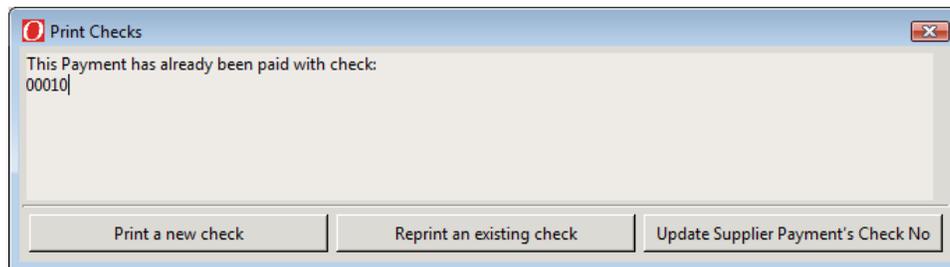
Reprinting a replacement check is very simple.

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.

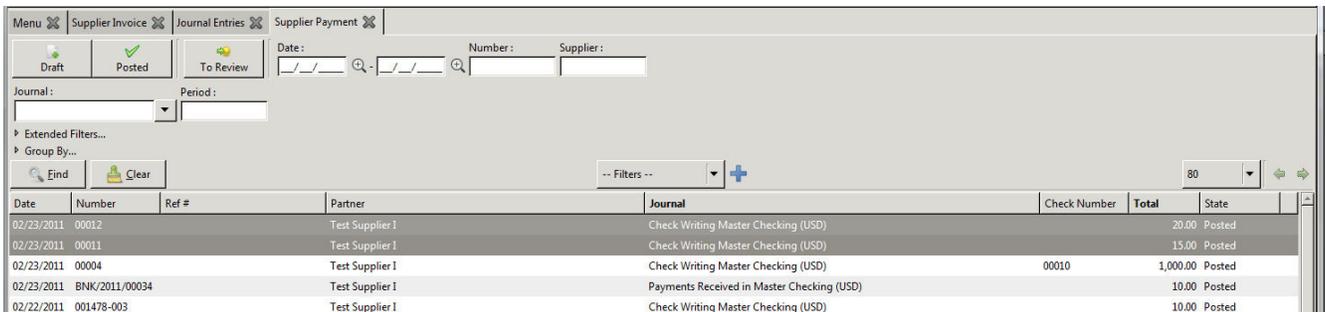
A key requirement of printing checks in batch is to validate the starting check number in the printer for preprinted check stock. This is of course, not a requirement for non-preprinted blank check stock.

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.

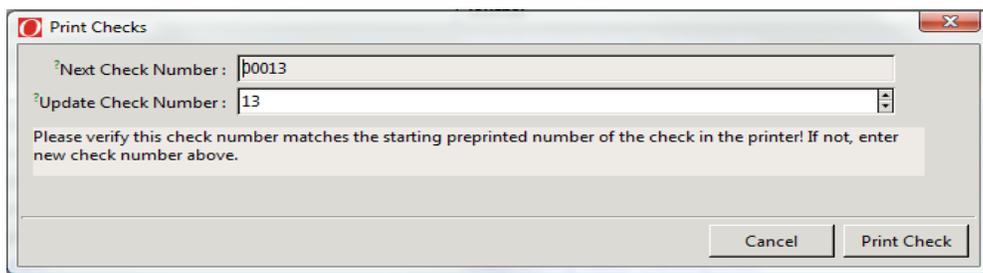


Date	Number	Ref #	Partner	Journal	Check Number	Total	State
02/23/2011	00012		Test Supplier I	Check Writing Master Checking (USD)		20.00	Posted
02/23/2011	00011		Test Supplier I	Check Writing Master Checking (USD)		15.00	Posted
02/23/2011	00004		Test Supplier I	Check Writing Master Checking (USD)	00010	1,000.00	Posted
02/23/2011	BNK/2011/00034		Test Supplier I	Payments Received in Master Checking (USD)		10.00	Posted
02/22/2011	001478-003		Test Supplier I	Check Writing Master Checking (USD)		10.00	Posted

The user clicks the Action Button



OpenERP display the Print Checks verify starting Check Number window.



**Print Checks**

Next Check Number : 00013

Update Check Number : 13

Please verify this check number matches the starting preprinted number of the check in the printer! If not, enter new check number above.

Cancel Print Check

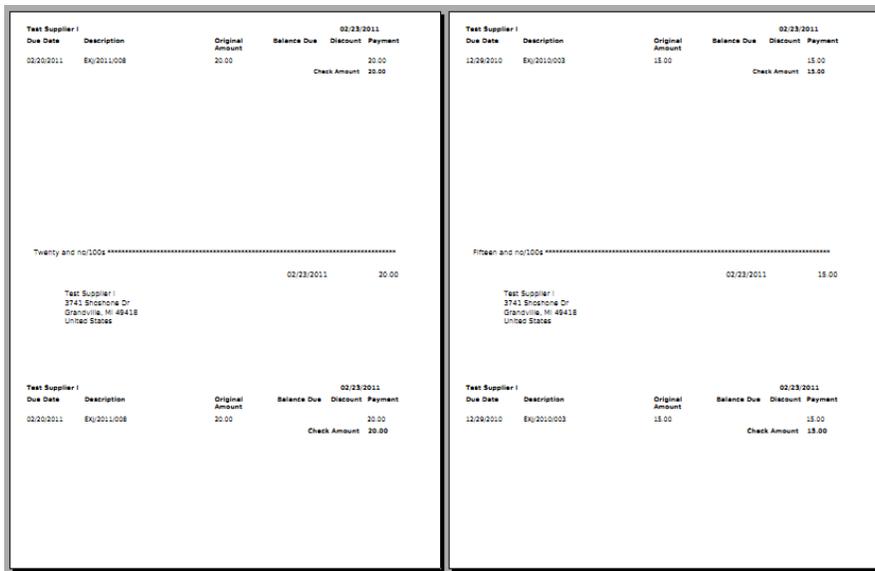
The user verifies this Next Check Number matches the next check loaded in the printer. If it matches the user clicks the Print Check button. If not, the user update the Check number in the Update Check Number field to match, and then clicks Print Check.

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.

Date	Number	Ref #	Partner	Journal	Check Number	Total	State
02/23/2011	00012		Test Supplier I	Check Writing Master Checking (USD)	00013	20.00	Posted
02/23/2011	00011		Test Supplier I	Check Writing Master Checking (USD)	00014	15.00	Posted
02/23/2011	00004		Test Supplier I	Check Writing Master Checking (USD)	00010	1,000.00	Posted
02/23/2011	BNK/2011/00034		Test Supplier I	Payments Received in Master Checking (USD)		10.00	Posted

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](http://Open-Supplies.com) or by calling **1-877-907-6451** . [Open-Supplies.com](http://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.

