

## Money Smith Version 2.0 Manual

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Association of Shareware Professionals (ASP) Member

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### Using this Document:

This document can be loaded into the Write application that comes with Windows and printed using the File Print command. Depending on your printer you may want to change the font to a printer font to speed printing. You can do this by holding the control key down while clicking the left mouse button in the left margin of the write application. This selects the entire document. Next use the Character Fonts command to select a font appropriate to your printer.

The entire document is also available online with a complete command index accessible from the Help Information Center command in Money Smith. Underlined text in this document denotes hypertext links in the online document making the online document much more powerful. You can press these links with the mouse while in Money Smith to jump directly to that subject.

### README!

The readme.txt file on your disk contains important release notes and instructions for setting up and using Money Smith. Use the windows notepad to read this file carefully. You can access this and other online documents from the Help Information Center command.

## **1. Introduction to Money Smith**

### **Why use Money Smith?**

Why use a tool like Money Smith? You may not need it? If you are already financially secure, are not worried about where your money is coming from or going to, and not interested in establishing a budget or tracking investments there is no reason to use this product. Unfortunately, the rest of us do need a tool like Money Smith to help us better manage our Money and make financial decisions.

### **Using this Manual**

The manual is essentially laid out on a need to know basis. The Chapter on Money Smith version 2.0 is the one exception as it is intended as a guide for users upgrading from earlier versions of Money Smith. Each chapter is short and should take you about 5-10 minutes. If you are a beginner you need only read chapters 3-9 to install Money Smith, set up your accounts and begin using most of its features. This would take you about an hour if you are a slow reader. The time is well spent since there are a number of time saving features detailed along the way.

### **About Money Smith**

Money Smith is a full featured tool for financial management. It is scalable. You are not forced to use features you don't want to use. If you don't want a budget, don't establish one. If you don't care about account categories, don't use them. If you'd rather track your investments using a spreadsheet, then you are not forced to enter them here. We designed it to be simple, but we have the features to satisfy the more demanding users.

Money Smith is easy to learn. Unlike other Money Management programs, Money Smith has a fully graphical interface. If you can use a mouse, you can learn Money Smith easily. Our press and point help lets you point out the things you need help with. Just press on the '?' icon and then press on the field, item or menu command you need help with. What could be easier?

My advice: start small and learn the advanced features as you go. The key is to start and start soon. If you start now, you'll have a base of information to make decisions from. If you start later, you'll continue to make many of your financial decisions blindly.

The remainder of the Manual is broken into easy to read sections, with each section detailing one major feature of Money Smith. Take some time to read the manual. Each section can be read in about 5 minutes. You only need to read the first few to get a feel for the product.

### **License**

Money Smith is marketed as Shareware, but it is not free. You are given a 30 day trial period to decide if you want to purchase the software. The full license is contained in the license help selection. Basically it says we're not responsible for any damages whatsoever that result from using this product, and that you agree to register the product if you use it outside of the 30 day trial period. The Association of Shareware Professionals Ombudsman statement is at the end of the license. The ASP is a professional organization to help mediate problems between us and the public. They do not provide technical support.

## **Definition of Shareware**

Shareware distribution gives users a chance to try software before buying it. If you try a Shareware program and continue using it, you are expected to register. Individual programs differ on details -- some request registration while others require it, some specify a maximum trial period. With registration, you get the simple right to continue using the software and an updated program.

Copyright laws apply to both Shareware and commercial software, and the copyright holder retains all rights, with a few specific exceptions as stated below. Shareware authors are accomplished programmers, just like commercial authors, and the programs are of comparable quality. (In both cases, there are good programs and bad ones!) The main difference is in the method of distribution. The author specifically grants the right to copy and distribute the software, either to all and sundry or to a specific group. For example, some authors require written permission before a commercial disk vendor may copy their Shareware.

Shareware is a distribution method, not a type of software. You should find software that suits your needs and pocketbook, whether it's commercial or Shareware. The Shareware system makes fitting your needs easier, because you can try before you buy. And because the overhead is low, prices are low also. Shareware has the ultimate money-back guarantee -- if you don't use the product, you don't pay for it.

## **Registering**

We're not going to do any arm twisting about registering. We distribute full working copies of Money Smith with the understanding that you are a responsible person who recognizes a software value. The only difference between the version you have in your hands and the registered version is the reminder dialogs that come up when you start Money Smith. Registering gets rid of those and also gets you the very latest version, not to mention heavy discounts on upgrades. To register, print the 'register.txt' file to the printer either from the windows notepad utility or using the DOS PRINT command. Fill out the form and send it in with payment.

## **Benefits of Registration**

- A disk (720k or 360k) including the latest version of Money Smith with documentation & examples.
- A professionally bound and printed manual of complete documentation.
- A 90 day limited warranty with mail support. (see license for details).
- All of the reminder dialogs are removed.
- Notification and nice discounts for later versions.

## **HELP!**

Money Smith has comprehensive help features including this entire manual online. Our original point and press '?' (question mark) icon on the toolbar changes the mouse cursor into an arrow with a question mark. Press the menu selection or item you want help on and it magically appears. The same can be done with the Shift+F1 key. You can also press F1 anywhere (including dialogs) to get context sensitive help. You won't find these features in just any piece of shareware!

## **2. What's New in Version 2.0?**

### **A guide to the upgrade**

This section is intended primarily for users of Money Smith version 1.2 to guide you through installing and using the new features of Money Smith version 2.0. It is a quick summary for those that don't want to read the whole manual.

### **Message from the Author**

I started writing Money Smith in the Spring of 1991 because I was fed up with available commercial packages. I wanted a simple double entry accounting system that didn't require CPA certification to use it. Money Smith V1.2 (August '91) was the successful result. It surpassed my own expectations and much to my surprise became a hit in Europe as well as America. Even so, many of you wanted a more intuitive interface and more features. You wanted a lazy, graphical accounting system where you could do as you please.

I hope version 2.0 meets or exceeds your expectations. I spent a year writing it and four months testing it. Frankly it makes version 1.2 look like a Model T Ford. This is no minor upgrade. It represents the best in shareware, continuing our commitment to exceed the quality of comparable commercial products.

This upgrade would not have been possible had I not received encouragement from so many of you out there. I'd like to give many thanks to those of you that provided feedback through the year. It takes more than one brain to come up with as many great ideas as we have incorporated here, and it takes many more people to make sure we've got it right.

Please recommend Money Smith to your friends. I've found word of mouth to be a powerful force in the software business. I hope you enjoy using Money Smith as much as I enjoyed writing it. Keep the cards and letters coming...

Sincerely,  
Bradley J. Smith, May 1992

### **Interactive Windows**

Perhaps the single most significant windows advance since the invention of the toolbar is a concept we call interactive windows. All of the reports, graphs, views, - virtually every window you see is interactive. While other vendors are still figuring out how to display your assets and expenses on the same screen, we've been turbocharging every window in the system.

What does this mean for you? It means not hunting for menu commands anymore, perhaps not even bothering with the toolbar. The most common commands are embedded in the window. If you are looking at your balance sheet of accounts, you will see tiny buttons to the left that let you edit or zoom in on the account register. It doesn't stop there. The titles on the reports are buttons as well. Press a date, and the date command comes up. Press the word "Accounts" or "Transactions" and a new account or transaction edit is brought up. Press on the Assets numeric display and a graph of assets pops up. Graphs are interactive too, letting you zoom in on an expense account register, for example, to see why you spent so much on entertainment this month. Just press on the legend fields. You can also switch graph types

easily by just pressing on the graph title bar. Jump from assets to expenses with a mouse click. The combinations seem endless at first, but before long you'll be looking at non interactive windows like they were dinosaurs.

### **Graphical Toolbars**

The toolbar is pretty now, and includes handy functions like open, save, print, cut and a smattering of graphs and reports. If you are familiar with other popular applications you should have little trouble navigating our new toolbar. Press and point help can clear up any questions you have. Just press the '?' icon on the toolbar, then press the item you want help with.

### **User Preferences**

Several of you didn't like one feature or another, so rather than force new defaults on you, we allow a new set of preferences. You can set startup options, view options, and much more from the Options|Preferences dialog.

### **Print Preferences**

You can now select the font you like for your reports and graphs as well as print multiple copies. You can also turn the grid lines off from the print dialog, and define whether you want boxes printed around title fields. The preferences dialog comes up automatically when you print anything.

### **Check Style Transactions**

We now offer a new option for entering transactions that looks like a checkbook. The familiar Deposit/Withdrawal format is much easier to use when entering checkbook transactions. Naturally the old styles are still supported for those of us who can't change. Set this from the Options|Preferences command.

### **Financial Calculator**

What financial application is complete without a calculator? It performs most of the financial functions you need: future values, payments, etc... I even have reverse polish algebraic notation support for the HP fans. The calculator is on the toolbar and available from most entry dialog boxes. It's also its own separate application, so you can use it apart from Money Smith. The calculator has its own online help and documentation files.

### **Smart Number Entry Fields**

Now that we've told you about the calculator, we're going to tell you that you don't need it. We've made every field that takes in a real number into a mini calculator. You can type simple expressions into them like "123.45 + 34.44 " and we'll do the calculation when you tab to the next field. This works from any real number field including transaction amounts, investments, starting balances, etc...

### **History Graphs**

A powerful new feature in version 2.0 is the addition of history graphs. History graphs let you look at your month by month balance for any single account, category or type of account. The results may surprise you. Look at the Graph|History sub-menu.

### **Split Transactions**

Money Smith now supports single splits to transactions. You can split either the to or from amount to another account. When you initiate a split,

you will see the to and from amounts displayed under their respective account fields. Choose the Split>> button from the transaction dialog.

### **International Currency/Dates**

Full support for international currency including the dates. We also made the year field editable so you don't have trouble crossing years anymore.

### **Memorized Transactions**

Money Smith now supports pure memorized transactions. Just set up recurring transactions with NONE for the transaction frequency. Then use the Mem button on the transaction dialog to recall your memorized transactions.

### **Right Button Popups**

If you press the right mouse button on a Money Smith window, a pop-up menu will appear showing relevant selections. Make a selection from the menu using the left mouse button.

### **Warning about File Compatibility**

Money Smith V2.0 is upwardly compatible with V1.2. The conversion is done transparently when you open an old V1.2 file. However, because version 2.0 has features like split transactions not available from V1.2, you cannot generally load V2.0 files into V1.2. Be careful you do not load and then save an old V1.2 file while running V2.0 unless you really intend to convert it. If you try to load a Version 2.0 file into version 1.2 you will get a warning, and possibly a read error. The files are upward, but not downward compatible.

### **Backing up your old files**

I strongly recommend saving your old files off to a disk before you load Money Smith V2.0. The best way to this is to copy everything in your old Money Smith directory to a floppy disk. If you have only a 360K drive you may need to save the files on more than one disk.

### **Loading Money Smith V2.0**

Money Smith V2.0 has the same enhanced setup program as in version 1.2. Run setup from the program manager using the File|Run command. If you want Version 2.0 in a separate directory, just type in a new directory name in the destination field. The default is c:\smith2. Setup will install Money Smith and the new Calculator in your program manager if you tell it to. Look for them in your Money Smith group.

### **3. Setting up Money Smith**

#### **From Official Disks: Running Setup**

If you received Money Smith from a shareware vendor or registered source you will have a program on the distribution disk called "setup.exe" which will create a directory of your choice on your hard drive and step through copying the files to your disk. Just run this program from the Windows program manager using the File Run command. When setup is started it will ask for the source device (usually A:\ or B:\) and a destination directory (C:\SMITH2 is the default). If you are installing from or to some other directory, type the paths in these two fields. The defaults are good for most people.

Setup will copy all the files to the directory specified and then set the executable up in your program manager in a group called 'Money Smith'. You can copy or move the icon to another program group using the program manager if you please. If files are packed (360k disks for example) Setup will automatically unpack and remove the self extracting archive (smitharc.exe).

#### **From the shareware source**

Odds are pretty good you downloaded this from a bulletin board or copied it from a buddy. Odds are equally good the program is compacted in some way. The most popular file compaction programs follow:

Self Extracting Archive example: smithpak.exe - you need to run  
smith.exe

PKZIP format: example: smith.zip - you need to run  
pkunzip smith.zip

LHARC format: example smith.lzh - you need to run  
lharc x smith.lzh

You can get all three of these shareware unpacking program from you nearest bulletin board or a local users group. Other packing programs are popular, so ask the person you got the program from what to use. Use the setup program described above to install from floppy or hard drive after you unpack the files.

#### **The Setup Destination Directory**

Because Money Smith is large and you might eventually have several account files you will probably want a unique directory to put it in. It can be anywhere on your hard disk you have enough space. The setup.exe program will let you choose a directory and copy the files to it. Fill in the destination directory edit box under the setup program. The default is c:\smith2.

#### **Starting Money Smith**

Double click the Money Smith icon after setting it up using the setup program. Another method is selecting the 'Run' command from the program manager menu and typing the path to Money Smith.

#### **Licensing Window**

Money Smith will bring up a licensing window the first time you run it. This window lets you type in your name and read the license. It is very important that you type in your name and read the license terms before

pressing the 'I agree' button. If you don't type in your name, the 'I Agree' button will not be enabled. If you agree to the license terms, choose I agree and continue. If you have problems with the terms you can disagree and it will exit the program. Please read the license and understand that the program is provided 'As Is'. We will not be held liable for any losses of any kind you might suffer as a result of using this program.

#### **Exiting Money Smith**

To exit you can double click the Money Smith system menu box, or choose the System Close command from the system menu box or choose the File Exit Command.

#### **4. Money Smith Files**

All Money Smith data for a particular set of accounts is stored in one single file with a ".ACT" extension. You might keep one Money Smith file for all of your home accounts and another for a small business. You can name Money Smith files any way you choose as long as you keep the ".ACT" extension.

#### **For the Beginner:**

The easiest way to establish accounts is to use one of the sample Money Smith ".ACT" files distributed with Money Smith. Just open a file (HOME.ACT is a good starting point) using the File Open command and edit the accounts to reflect your own starting balances and budgets. The file open command is represented as an open folder icon on the toolbar. Applications using the sample files are described in the Chapter titled Applications of Money Smith.

#### **Creating a new Money Smith File**

Creating an empty Money Smith file is easy. Just choose the File New command from the menu, and add accounts and transactions as you please. Be sure to save the file when you Exit from Money Smith or your work will be lost.

#### **Saving a Money Smith File**

Choose the File Save command from the menu, or press the F3 key to save the currently active Money Smith file. The save command is represented as a floppy disk on the toolbar. If you have not given this file a name, you will be prompted to type one now. You don't need to type the ".ACT" file extension since it is assumed. If you have the Status Bar on, you should see the name and size of the file on the status bar after saving it.

#### **Opening an existing File**

Choose the File Open command, or select the file from the numbered list at the bottom of the File menu. Alternately, you can access the file open command by pressing on the open file icon on the toolbar. The name and size of the file will appear on the Status Bar after the file has been opened. The file will be opened with the last active window views.

#### **Passwords**

Money Smith has a password feature to prevent unauthorized people from looking at your private files. You can enable this feature on any file using the Options Set Password command. Just type in a new password twice (so they match) and it is set. Anyone attempting to open the file will be asked the password. If they put the wrong password in, they can't open it. Don't forget your password, or you won't be able to open it either! Refer to the



Options Set Password command for removing and altering existing passwords.

### **Copying, Backing Up, and Saving as another name**

To copy, backup, or save your file to another file, just open the file as described above then choose the File Save As command. Select or type in the directory desired, then type in the new file name. Press the OK button to save the file, or the Cancel button to cancel the save. Alternately you can use the Windows file manager or other disk copying utility to copy your "\*.ACT" file to another disk or directory.

## **5. Interactive Windows**

One of the most powerful features of Money Smith version 2.0 is the graphical interface we call interactive windows. It allows you to intuitively access the functions you need without even touching the toolbar or menu. To edit an account or transaction for example, just press the small magnifying glass next to the account or transaction. To zoom to an assets graph just press on the Assets bar. Like most true graphical interfaces, learning them takes time, but the ability to avoid menus and toolbars makes them much easier to use in the long run.

### **Learning Interactive Windows**

Interactive Windows are introduced at this point in the manual to eliminate confusion when windows start popping up all over. They may seem confusing at first but you will quickly come to appreciate the power after a short period. Interactive windows provide context sensitive functions directly on the reports, graphs, and views you use most.

Press and point help works well with interactive windows and lets you easily navigate the windows. Just press the '?' icon on the toolbar and then press on the field or icon you need help with.

### **A Summary of Interactive Fields**

A number of features can be directly accessed from the main views and reports:

- Close Box: Press here to close the current window.
- View (Eye) icon: Press here to toggle from account to transaction view.
- Accounts: Press here to create a new account.
- Transaction: Press here to add a new transaction.
- Dates: Press on a date to change the date.
- Category: Press here to define a new category.
- Type Bars: Press here to graph the accounts of this type.
- Register Triangle: Press this icon to see the register of transactions for this account.
- Edit Magnifying Glass: Press this icon to edit the account or transaction.
- Investment icon: Press here to see the investment records for this account.
- Mark/Unmark Transaction: You can toggle the cleared transaction flag by pressing this button.

### **Investment Report Fields**

The following are available only from the investment report.

- Investment**: Add a new investment transaction.
- Price**: Graph the price history of the investment.
- Value**: Graph the value history of the investment.
- Return**: Graph the return history of the investment.

### **Other Interactive Functions**

You can edit any account, transaction or investment by simply double clicking it. Also any menu function can be run from any of the interactive windows.

Editing menu functions are taken in the context of the current window. For example if you press the big '+' icon to add when your current window is an account report you will add an account. If you press the cut (scissors icon) while your current window is an investment window you will end up cutting the current investment transaction.

File, Report, and other non-editing functions work in the context of the current accounting file. For example if you press the save icon from any active window it will save the currently active account file. If you press the print icon it will print the current window. Other menu functions follow in this fashion.

### **Interactive Graphs**

The graph legends are interactive. Again the function depends on the context of the graph. If you press on an account legend you will see the transaction register report for the corresponding account. If you press on a category name the category report will pop up. If you press on an investment legend the corresponding investment dialog will pop up.

## **6. Setting up your Accounts**

Everything you want to track using Money Smith should be an account. Accounts represent actual accounts or property (called assets), real loans, leins or liabilities, your net worth which in Money Smith is called equity, and your income and expenses. The key to tracking your finances is setting up a good set of accounts. If you have too many, your decisions will be clouded by a bunch of trivial data. If you have too few, you won't be able to track what's really going on. In general its best to start with a few accounts and grow as you go. You can make up new accounts while typing transactions by just typing in an account name that does not exist, so there is no reason to knock yourself out with accounts to start.

### **Account View**

It's easiest to work on accounts from the account view. Choose the View Account command or press the button on the toolbar that shows an eye over a checkbox to view accounts. Account View shows a list of all of your accounts listed alphabetically by type, with their name, category, starting and ending balances. Account view also displays totals for your assets, liabilities, equity, income and expenses. Using Interactive Windows you can perform a variety of functions from account view.

### **For the Beginner**

The easiest way to establish accounts is to use one of the sample Money Smith ".ACT" files distributed with Money Smith. Just open a file (HOME.ACT is a good starting point) using the File Open command and edit the accounts to reflect your own starting balances and budgets. Delete the ones you don't need and add others as you go.

**Adding Accounts**

To add an account choose the Edit Add command or press the big '+' toolbar button while in accounts view. Fill the account dialog as described below.

### **Filling the Account Dialog**

At a minimum, fill in the Name, Type and Starting Balance or Budget fields in the Account Dialog. Use the tab key to move from field to field. Other fields are optional and can be filled later. The name is any unique account name like 'Checking' or 'Savings'. The type is assets, liability, equity (net worth), income or expense. The starting balance represents the account balance at the beginning of the month you start using Money Smith. The budget is a monthly expected income or expense for the account. Press 'Another' (return) to save the account and bring up another. Press the 'Cancel' button to stop adding accounts.

### **Editing Accounts**

You've entered your accounts, but messed up a few. Select the offending account by pushing it with the mouse or using the arrow keys to highlight it while still in account view. Choose the Edit Edit command or press the magnifying glass icon either next to the account or on the toolbar. Double clicking the account or pressing the Enter key from account view also works. Any of these actions will bring up the Account Dialog. Use the tab key or mouse to move to the field you want to change and either type or select the new value. Press 'Save' or the Enter key to save your changes. Press the cancel key to discard your changes.

### **Deleting Accounts**

You have an account that's no longer needed, or maybe you're just deleting an account from one of our examples. Before you can delete an account, you must make sure there are no transactions against it. If there are, Money Smith will tell you. Select the account you want to delete from account view using the mouse or arrow keys then choose the Edit Cut command or press the scissors icon on the toolbar.

Money Smith will prompt you to confirm the deletion. If you still have transactions assigned to the account, Money Smith won't delete the account. To find these transactions you can select the account and switch to 'Register' view by choosing the Report Current Account Register command or pressing the small register triangle next to the account you want to zoom to. You may need to change the date to view the transactions you are interested in. Delete or edit these transactions and assign them to another account.

### **Limitations**

You are currently limited to 200 accounts in a single Money Smith file.

## 7. Entering Transactions

Any flow of money from one account to another is called a transaction. You can find the most obvious examples of transactions by opening your checkbook. When you write a check to pay your electric bill you are creating a transaction from your checkbook account to your 'Electric' expense account. When you make a credit card purchase, you create a transaction from your 'Mastercard' account to the appropriate 'Expense' account. When you pay off that Credit Card you create a transaction from your 'Checking' account to your 'Mastercard' account.

### Thinking Transactions

It takes a while to think in terms of transactions. The two primary questions are:

*'Where's the money coming from?'*            and  
*'Where's the money going to?'*

If you have answers to both of these you are ready to enter transactions.

### Transaction View

Money Smith has lots of ways to look at transactions. You probably want to be in a transaction window when editing transactions. Transaction view shows you all of your transactions for the current accounting dates. You can get to transaction view using the View Transaction command or by pressing the icon with an eye over a dollar sign on the toolbar or pressing the eye button from the title bar of the account view window.

### Current Register Report

Another handy report is the current account register report. The register report shows the transactions for only the current account (Checking for example). This view is great if you're working from just one account. To get to register view just press the small register triangle next to the account you want to see from any account report or window. Alternately you can select the account using the mouse or keyboard and then choose the Report Current Account Register command.

### Account Reconciliation Report

One last useful transaction report is the Reconcile Current Account Report. This report lets you easily compare your cleared and un-cleared account balances. It is particularly useful for clearing checks when you get an account report at the end of the month. To see this report first select the account you want to see from any account window using the mouse or keyboard and select the Report Reconcile Current Account command.

### Dates

The current dates determine which transactions are viewable and what account balances you see. By default Money Smith sets the accounting dates to reflect the beginning and end of the current month. You can alter the Money Smith defaults to beginning of year or today using the Options Preferences Command. If you want to see another month or several months you need to use the Options Date command to change the current dates. The small calendar page icon on the desktop as well as the date title on most interactive windows also will perform the date command.

### **Adding Transactions**

To add transactions, make sure you in one of the transaction view or reports and then choose the Edit Add command or press the big '+' (plus) button on the toolbar. Fill in the transaction dialog as described below.

### **Check vs. Transaction Style Entry**

There are two separate but similar transaction entry formats available in Money Smith. You can set either using the Options Preferences Command. The default, called check style transactions has a familiar check-like format. You make deposits and withdrawals to a single account (the Use: account on the dialog). This format is very useful for entering a lot of transactions from a single account. The other format called 'Transaction style' uses an accountant style 'To:' and 'From:' entry system. Transaction style entry is useful when you have a lot of different accounts involved.

People that have used 'other' financial packages or use Money Smith just to balance their checkbooks usually prefer the Checkbook style entry. People running businesses, familiar with accounting, and people insulted by checkbook style entry will prefer Transaction Style entry.

### **Filling the Transaction Dialog**

To fill the transaction dialog, enter the date and check number (if any) of the transaction. Enter the payee (for a check) or description of the transaction. It is important that you fill in the Description or Payee field. The amount for the transaction in your local currency is entered. For transaction style you can put in the To and From accounts by either typing the name or selecting them from the Combo Box. For check style you typically put the account you are working on (Checking) in the Use: combo box and select either Deposit or Withdrawal along with the an account in the other combo box. The cleared checkbox is used to help reconcile your account and is usually checked once the transaction has cleared the bank. Press 'Another' or the Enter key to save this transaction and bring up another. Press Save or Cancel to stop adding transactions.

### **Smart Number Fields and the Calculator**

One of the powerful features in Money Smith is called smart number entry fields. Basically any field you would put a number into has become a complete calculator. You can type in a simple expression like  $29.5*4$  and Money Smith will automatically do the math for you and place the result in the field.

For more complex financial calculations you can bring up the Money Smith financial calculator. Just press the calculator icon on the toolbar or from most dialogs. The financial calculator has its own detailed online help and documentation files. See the readme.txt file for the names of these documentation files or select the help index from within the calculator.

### **Making up Accounts on the fly**

A powerful feature of Money Smith is that it allows you to make up new accounts while entering transactions. Suppose you have a new bill or expense that didn't exist before. While in the transaction editor you just need to type in the new account name in either the 'To' or 'From' field. When you try to save this transaction Money Smith will ask you if you want to add the new account and bring up the Account Editing Dialog to let you add it. All without skipping a beat.

### **Recurring Transactions on the Fly**

Money Smith lets you automate repetitive bills and transactions using recurring transactions. Pressing the 'Recurring' button lets you do this. The topic is fully covered in the chapter on Recurring Transactions.

### **Split Transactions**

A feature added in Money Smith V2.0 allows you to split a transaction to or from a second account. To use this feature you enter the amount of the entire transaction in the amount field, fill the remainder of the dialog as described above, and then press the **SPLIT** button. Pressing the split button brings up additional fields in the dialog. You must first select whether you want to split the to amount or the from amount. Next select an account to split the transaction to and enter the amount of the split. As you enter the split amount you will see the dollar amount going to each account displayed under the corresponding account name. Verify these amounts before saving the transaction.

For example suppose you want to split a transaction from your checking account to the principle and interest accounts for a loan payment. Suppose the total payment is \$1000 with \$900 going to principle and \$100 going to interest. Enter the total \$1000 payment amount, putting Checking in as the From account and Loan Principle as the to account. Select the split button and press the Split To radio button. Next enter the split account as Loan Interest and the split amount as \$100. You should see the correct amounts under each account name.

### **Editing Transactions**

From either transaction or register view select the transaction you want to change with the arrow keys or mouse. Choose the Edit Edit command or press the Enter key to bring up the transaction dialog. Double clicking the transaction or pressing the magnifying button next to the account or on the toolbar also works. Use the tab key or mouse to move to the field you want to make changes on and press the Enter key or Save to save your changes.

### **Deleting Transactions**

From transaction or register view, select the transaction you want to delete using the mouse or arrow keys. Choose the Edit Cut command or press the scissors icon on the toolbar. Confirm your deletion by pressing 'Yes'. All your account balances are updated automatically.

### **Printing Transactions**

You can print transactions from any of the transaction views using the File Print command. You can also print checks if you have a capable printer and tractor fed business checks of the right type. See the chapter on Printing for more information.

### **Limitations**

The number of transactions is limited by the amount of memory Windows can allocate and a program limitation. Each transaction takes approximately 64 bytes and Money Smith places a limitation of 32,767 transactions itself. Typically as you approach 1000 transactions performance degrades rapidly. It is wise to roll out your transactions at least yearly.

## 8. Money Smith Reports

### Automatic Reports

Now that you have entered tons of financial trivia, what do you do with it? A great starting point is to print a few reports. Reports tell you lots of interesting things like where your money is coming from and going to. They tell you your net worth. They help you balance your checkbook. Lets look at some Money Smith reports.

### Using Reports

You create a report window using one of the commands under the Report Menu. Report windows are documents of their very own. One great thing about this is that they update automatically. If you add a transaction or change a balance the report changes magically. You don't need to recreate it. The other great thing about Money Smith Reports is that they are fully interactive. You can edit accounts, transactions, and investments and perform virtually any operation while the report windows are active. You can even press certain fields on the reports to jump to individual areas on the report. (see the Interactive Windows Chapter). They even have their own menu of commands for printing, copying, saving to a text file, etc... Two important commands to know are the File Close command and the Window 1,2,3 command since these let you exit the report or just switch back to your Money Smith account window.

### Assessing your Financial Position

Once you have the first month's data entered in Money Smith it's a good time to evaluate your financial position. You would typically do this once a month.

First, set the accounting dates using the date command to reflect a month you are interested in (typically the previous month). All of your reports will now be limited to that Month. Start with the Balance Statement. This statement shows your assets, liabilities and net worth. The balance statement is a snapshot of what you own, owe, and your net worth (equity). Its good to look at the percentages of your assets and liabilities. If you have too much tied up in one asset or liability you may want to consider diversifying to other assets and liabilities. If your net worth(equity) is positive you are probably in pretty good shape. Under equity you will see your retained earnings. If that number is positive you had a good month, because you took in more than you spent.

For a more detailed view of your income, try the Income Report. This report shows your income and expenses for the month for each account. Take a look at the percentages. Where did all of your money go? Press on the Expenses title bar to see a graph of your expenses. Which were the biggest? Why? Zoom in on some of your big expense accounts by pressing on the graph legend for the accounts. Look over the transactions before you close the windows. What can you do better for next month?

A good start would be to establish a budget. Every income and expense account can have a budget associated with it. Edit each account to establish a budget. You can view your budget vs. actual income and expenses using the Budget Report. After a few months you can use the History graphs to view trends in your spending and refine your budget.

### Setting the Report/Graph Title

Use the Options Report Title command to change the title that appears at Money Smith/16



the top of all reports and graphs.

**The Balance (Net Worth) Statement:**

The balance statement gives you a snapshot of your current value or net worth. It shows you all your Assets (Great), all of your Liabilities (Not so great!) and your Equity (Net Worth). The percentages are nice because they show you where your money is really tied up. Equity is interesting because it shows both your starting equity (The sum of all of your starting balances) from the beginning of the accounting period, and your retained income, a fancy word for how much money you've earned and kept in one form or another for the accounting period.

**The Income (Cash Flow) Statement:**

The Income Statement shows you totals of all of your income accounts and expense accounts for the current dates. Percentages show you where your money is coming from and going to. You'll probably be surprised by some of the expense percentages. The bottom line on this statement is your net income which represents all your income minus all your expenses. If this is a positive value you are in good shape. If it's negative, you may be in trouble since you are spending more dollars than you are taking in. Take a hard look at your expenses (the Graph Expense command might help) and your budget report (below) to try to get spending under control. Decide what you can do without and stick to it.

**The Budget Report:**

The budget report helps you compare your monthly budget against actual spending. It shows the difference between the budget you set for each income or expense account and the amount you actually spent. The difference is shown both in dollars and as a percent. By tightly monitoring this report and modifying your budget to better reflect reality you may be able to bring up that Net Income figure from the Income Report and live a little more financially secure.

**The Tax Summary Report:**

If you have been vigilant all year long and entered data for a whole year, this report might help you fill out the old 1040 form. Basically it just totals the income and expense accounts you marked as Taxable or Non-taxable and prints the totals out. This might help remind you of the \$10 bucks you gave to charity, or \$100 you earned on that stock that you forgot about. Money Smith will not do your taxes, however. It won't even attempt to estimate your taxes since tax laws change annually and we're just not ready for that kind of litigation. Several commercial programs are out for this purpose although a discount tax preparer probably costs no more than the software. You don't need to teach yourself how to use a tax preparer either!

**The Reconcile Account Report:**

The monthly checking statement comes in and as usual it doesn't match. You bring up Money Smith and switch to the reconcile current account report. Within a few minutes you mark off the transactions that have cleared by pressing the little grey X's on the corresponding transactions. As you clear your transactions, the report changes to reflect new balances automatically. Why don't other financial programs give you interactive reports you wonder? A quick press on the financial calculator icon lets you do a little math on the different balances, and in a few minutes your

checkbook and statement are reconciled using Money Smith.

**The Category Report:**

Categories are better covered in the chapter on Account Categories. Basically a category is a collection of accounts you want to group together. It may be an investment portfolio, consumer debt, your entertainment expense accounts, or just about anything. This report shows you the current balances of all the accounts in your categories and totals them for you. Percentages let you see how much single accounts affect the category balance. This is a nice advanced account feature. It is also very useful for tracking separate business or property expenses as described in the chapter on sample applications.

**The Current Account Register Report:**

This report simply shows all the transactions for a single account for the current accounting period. The running balance is kept on the right and updated as you enter, edit and delete transactions. This command is commonly invoked by pressing on the small triangle to the left of the account you wish to view.

**The Investment Report:**

Investments are better covered in the chapter on Investments. Basically an investment is a special account with separate investment transactions kept on it. Because investment information is kept separate from the account balances, you can track the value of a stock or mutual fund easily without messing up the nice neat double entry accounting system that Money Smith uses for regular balances. The investment report shows all your investment transactions and the current values and return on a single investment account. Like all Money Smith reports it is interactive, letting you add, edit and delete investment transactions from an account.

**Limitations**

You can only have a total of 10 combined report and graph windows active on a single Money Smith file. This is not a problem for most users.

## 9. Money Smith Graphs

### Automatic Graphs

Another great way to look at your finances is using Money Smith graphs. Graphs often let you see things that are not so obvious in the numbers. Money Smith graphs are fully interactive so you can see the data as its updated and even perform functions from graph windows.

### Using Graphs

You create a graph window using one of the commands under the Graph Menu. Graph windows are documents of their very own. One great thing about this is that they update automatically. If you add a transaction or change a balance the graph changes as well. Another great thing is that they are interactive. You can switch graph types and zoom to other accounts at the press of a button. Two important commands to know are the File Close command and the Window 1,2,3 command since these let you exit the graph or just switch back to your Money Smith account window. You can also copy your graph to the clipboard and read it into any graphical program like paint.

### Setting the Report/Graph Title

Use the Options Report Title command to change the title that appears at the top of all reports and graphs.

### The Assets Graph:

### The Liability Graph:

### The Equity Graph:

### The Income Graph:

### The Expense Graph:

All of these graphs display a pie graph of accounts of the given type, either assets, liability, equity (net worth), income or expense. It's important to note that only accounts with positive balances are graphed. I don't have an easy method for graphing negative pie slices. These graphs have an interactive title bar that lets you switch other types by pressing the corresponding type button in the window. Similarly you can zoom to a single account or category report by pressing on the corresponding graph legend.

### The One Category Graph:

The category graph lets you select a category from your list or categories and the shows the category composition in a pie graph. This is great for seeing how an investment portfolio is diversified, for example.

### The All Category Graph:

The all category graph lets you view the breakdown of all categories of a particular type. If you want to see how all of the assets are distributed among the categories, just select this command. To see another type (like expenses) just press the corresponding button on the window title bar.

### The History One Account Graph:

### The History One Category Graph:

### The History Assets Etc... Graph:

These graphs provides a monthly history of the end of month balance for the currently selected account, category or type totals. They are very useful for observing long term patterns in an account, category, or overall balances. Note that these graphs show all data since the very first transaction

recorded, and do not limit the display to the current accounting dates. It is interesting to note how seasonal many expenses are once you have collected a year's worth of data.

#### **The Current Investment Graph:**

The graph current investment command lets you see bar graphs of the price, value or return history for a selected investment account. Just make sure you select the account you want to graph from account view first or you'll get an error when you try to graph a non-investment. The bar graphs show all of your investment history and might help in deciding what to do with a stock or mutual fund. Note: Returns are calculated as total value over total investment and are not annualized or otherwise convoluted, so you need to be careful when making decisions based on these values.

#### **Limitations**

You can only have a total of 10 combined report and graph windows active on a single Money Smith file. This is not a problem for most users, but you will get an error on opening the 11th window.

## **10. Printing Basics**

### **What can I print?**

You can print any graph, report, or view on virtually any windows compatible printer. If you have the right printer and order some checks as described below, you can also print checks using Money Smith.

### **Printing: General Tips**

Make sure your printer is properly setup before using it. If you do not have the correct windows driver installed for your printer the printout will not work correctly. For graphs, reports and views, the File Print command prints the currently active window. This command is also available from the toolbar as a printer icon. A printing dialog shows the current document and page. You can press the Cancel button on the print dialog to cancel a print in progress or use the Windows Print Manager.

### **Printing Windows**

Printing any Money Smith window is easy. Select the window you want to print and choose the File Print command or press the printer icon on the toolbar. Your current window, either view, report or graph, will be printed on the printer. You can adjust print options from the dialog that comes up when you print.

### **Print Options**

You can adjust printer options from the dialog that comes up when you select the print command. Number of copies can be entered, a font selected and grid or title box lines added to allow easy viewing of your report or graph. Fonts default to a 10 point size but some fixed pitch printer fonts may be too large to print a complete report. Most printers also print slower when the Print Grid or Print Title boxes are selected.

### **Printing Graphs**

You first need to create a graph using the Graph Commands, or activate a previous graph by pressing it with the mouse. You can use two methods to

print a graph. One is to print using the File Print command either from the menu or by pressing the print icon on the toolbar. This produces a full page graph. If you want a smaller graph or want to use the Edit Copy command to copy the graph to the clipboard and import it into Windows Write, Paintbrush or a like application and print it from there.

### **Ordering Checks**

Before you can print any checks, you need to order some. Before ordering some, I recommend you perform a little test to make sure your printer will support check size paper. Money Smith supports general purpose tractor fed Business size checks of 8-1/2" by 3-1/2" size and prints them in Landscape mode. If your Windows tractor fed printer driver does not support 8-

1/2" by 3-1/2" paper size in Landscape mode, odds are the checks won't work. Money Smith also supports standard laser printed checks in 8-1/2x11" cut sheet form.

You can check this using the Printer Setup command, by pressing the Setup button in the dialog, and looking at the list of paper sizes. You can also choose the Print button from the Transaction Dialog which will force you to set your printer paper size if not set correctly. I recommend printing a few on plain paper before you order.

### **Warning**

If you have a tractor fed printer make sure you TEST your printer for 8-1/2 by 3-1/2 paper size using actual paper. Some printer drivers do not support 3-1/2" forms.

### **Check styles**

Tractor feed: 091013 and 091004 (Business size)

Laser checks: 081013 and 081004 (Business size)

### **Sample Checks Obtained From:**

Deluxe Business and Computer Forms

3660 Victoria Street North

P. O. Box 64046

St. Paul, MN 54164-0046

Phone: 1-800-328-0304

They have been cooperative and will usually send you a catalog and a few samples if you call them. Money Smith will work with most of the Dual Purpose (one check and one blank page with check number for records) tractor checks with a little vertical adjustment. They are not the only ones that print checks, they just happened to be the ones I got my samples from. Many other reputable companies make checks that work, just use discretion and common sense before sinking a bundle in custom printed checks.

### **Printing Tractor-Fed Checks**

You print checks directly from your transactions. First, make sure your printer is set up with the checks in it, form size set to 8-1/2" wide by 3-1/2" high landscape mode. Next bring up the Transaction Dialog to enter or edit a check and press the Print button in the dialog.

If your paper size is wrong, you will need to change it using the File Printer Setup command. Otherwise your check is printed twice, once on the check and once on the receipt page. The transaction 'Description' field will

be printed on the 'Pay to the Order of' line. The To Account Address, if any, will be printed below that, and the Transaction Date and Amount will be printed in the appropriate columns. You may need to adjust your printer alignment to match the checks exactly.

If you switch back to normal printer paper after printing checks, be sure to adjust your printer page size accordingly.

### **Printing Laser Checks**

Laser checks are printed using the same procedure as tractor fed checks. Select the Print button from the Transaction Dialog. For laser printers you do not need to worry about adjusting the page size, simply put the preprinted checks into your paper bin. Consult your printer manual to determine if the checks should go face up or face down in the bin.

## 11. Recurring Transactions

### What's a recurring transaction?

Another great feature of Money Smith is the ability to automate transactions so you don't go crazy every month entering transactions. These are called recurring transactions. A recurring transaction is a transaction that happens with some regular frequency. A checkbox lets you either totally automate the transaction so you don't even know it was added, or else have Money Smith bring the transaction up when you open the file so you can edit it or cancel it. Don't use recurring transactions for investments. The investment chapter describes an investment reminder service that is better for this purpose.

### Creating Recurring Transactions the easy way

The easy way to create a recurring transaction is to bring up an existing transaction for editing using the Edit Edit command from transaction or register view. Then press the 'Recurring' button in the transaction dialog to bring up the recurring transaction dialog.

### Filling the Recurring Transaction Dialog

Fill in the dialog as you normally would any . The date is the starting date of the transaction which should be sometime in the future. Check or uncheck the 'Confirm...' checkbox depending on if you want to confirm this transaction or have it be fully automatic. Generally if a transaction is the same amount each month and you're not interested in putting a check number in, make it fully automatic. Otherwise make sure you have the Confirm box checked. Check the frequency as appropriate. Press Save to save or Cancel to cancel this addition.

### Recurring Transaction Dates

When you enter your recurring transactions you generally want them to start at some future date. Entering a date in the past can be done, but will generate a dialog asking if you want the transaction run now. If you run it now, each transaction necessary to bring the recurring transaction up to today's date will be run at this time. If you don't run it now, the transactions will be deferred until the next time you open the file.

### Editing Recurring Transactions

The Tools Recurring Transactions command and icon with the dollar sign over the date on the toolbar both bring up a list of recurring transactions and let you add to, edit, or delete from the list. The basic procedure is to select the transaction you want to work with from the list box, then press the 'Add', 'Edit' or 'Delete' button to bring up the transaction editor or a delete confirmation. The run button forces an out of cycle transaction to be created but does nothing to the regular schedule of recurring transactions. The 'Quit' button leaves the recurring transaction editor.

### Running Recurring Transactions

To normally run recurring transactions you don't do anything. It automatically happens when you open the file. Just make sure your system clock is set right before you run Money Smith. You can force an out of cycle recurring transaction by pressing the 'Run' button from the recurring transaction editor described in the previous paragraph. This lets you run a transaction with no recurring date or just run a transaction outside its

normal cycle.

### **Memorized Transactions**

If you want a recurring transaction to run at a random period you might just set it up as a recurring transaction with NONE for the transaction frequency. This creates a recurring transaction that never runs unless you manually select the RUN command from the Tools Recurring Transaction dialog. When you receive the bill or notice corresponding to this transaction just go to the Tools Recurring Transaction command and select the Run button for this transaction.

### **Mixing Transaction Periods: non-standard frequencies**

How do you automatically handle non-standard transactions? For example suppose you make a payment twice a month on the 5th and 23rd. Treating this as a twice a month payment would not work. The solution is simply to enter two recurring transactions, one which runs monthly on the 5th and one that runs monthly on the 23rd. By combining sets of standard transactions you can form virtually any non-standard transaction frequency.

### **Limitations**

Money Smith has a limitation of 40 recurring transactions active on one Money Smith file. This is not a problem for most home users.

## **12. Defining Account Categories**

### **What's an Account Category?**

An account category is nothing more than a group of accounts you want to occasionally see together. Examples include investment portfolios, your IRA accounts, and expense groupings like living expenses, entertainment expenses and the like. The Report Category command and Graph Category command let you analyze these categories once you set them up.

### **Creating Categories the Easy Way (on the fly)**

The easy way to create categories is to assign them as you build or edit your accounts. From account view select an account you want in the category and edit it by double clicking it with the mouse or pressing the Enter key. This will bring up the Account Dialog which has a field called 'Category' which by default has a value of '(None)'. Use the tab key or mouse to move the cursor there and type in the name of your new category. Press the Enter key or the Save button to save the transaction and Money Smith will ask if you want to add this new category. Press Yes. Now you can edit the other accounts you want in your category, but now you can use the drop down list of categories to select the newly added category rather than typing it.

### **Editing Categories**

You can add, edit, and delete categories using the Tools Category command. The basic process is to select the category you want to act on then press the 'Add', 'Edit' or 'Delete' button. It is important to note that you will get an error if you delete a category with accounts defined in it.

### **Viewing Category Data**

You can look at your categories with the Report Category command. This command shows accounts in each category sorted by type with sums and percentages computed. This is great for tracking separate properties or business units. Categories can also be graphed. You can view either the



history or composition of various categories with commands under the Graph Menu.

### **Sample Applications**

Categories have many uses. They are useful for abstracting accounts to get a broad view of things. If you look at the categories set up in the sample accounts HOME.ACT and RENTER.ACT you will see samples of this use. Broad categories like living expenses let you better see how the money is coming and going for example.

Businesses too can take advantage of categories. The sample file BUSINESS.ACT shows how you can use categories to generate sums that correspond closely to summary balance and income statements.

You might also use a category to separately track small business or property expenses within your personal accounts. For example if you own a property which you rent you might want to assign all of the accounts associated with that property to one category. Then by simply using the category report you can get a quick summary of assets, income, and expenses associated with that property. If you have several properties you can establish a separate category for each.

### **Limitations**

Currently an account can only be assigned to one category at a time. You can only have 30 categories defined for one Money Smith file.

## **13. Investment Accounts**

### **What's an Investment Account?**

An investment account is a normal Money Smith account with an added investment history. The investment history records keeps track of the price, value, and money invested in a security like a stock or mutual fund. The reason for keeping it separate from regular account balances and transactions is to maintain the sanity of the standard double entry accounting system used by Money Smith. Automatic transaction features help you to keep your investment balance and account balance in sync. The advantage of an investment account is it helps you track the value of your investments without destroying the simplicity of a standard cost accounting system.

### **Establishing an Investment Account**

Some small investment examples are included in the sample account files with Money Smith. To add your own create an account as you normally would, then edit it by double clicking the account or pressing the Enter key on it in account view. From the Account Editing Dialog, press the Investment button to bring up the Investment Editing Dialog. Press the 'Add' button to add a new investment transaction.

### **Looking at Investment Records**

The easiest way to look at your investment records is to use the Current Investment Report by selecting the command from the report menu or pressing the investment icon (small rainbow) next to the investment account you wish to look at. The investment report is fully interactive so you can easily edit investment records or jump to graphs by pressing fields on the report.

### **Filling in an Investment History Record**

To create an investment record from the investment report press the add (large +) icon on the toolbar. Put a description, dollar amount invested, and price in for the security. The number of shares are computed from the dollar amount and price. When you save your record, a corresponding regular transaction will be displayed with the same information to update the underlying account with the new investment. Fill this in and save if you wish. This double entry system maintains the balance of the underlying account without having its value fluctuate with the price of the security. This feature is enabled and disabled using the 'AutoTx' button in the Investment editing dialog.

### **Editing History Records**

To change a history record, select the record in the investment report and press the edit (magnifying glass) icon. Change fields as you wish and press the OK button to make them permanent or press the Cancel button to cancel the changes.

### **Deleting Investment History Records**

To delete an investment history record, select the record from the investment report and then press the cut (scissors) icon on the toolbar. Unlike transactions and accounts, you cannot paste investment records once they have been cut.

### **Viewing History Records**

To view past performance all you need to do is select the rainbow investment icon next to the investment account from any account view or report. This brings up the investment report with all of the investment, price, value, and performance information listed in an interactive format. Alternately you can use the Tools Investment command to bring up the investment dialog which has similar information in a slightly different format. You can also see these records graphically using the Graph Current Investment command.

### **Removing Investments from an Account**

You can remove the investment history from an account by pressing the 'Remove' button in the Investment Editing dialog for a given account. This is generally done by first editing the account. Press the Investment button from the account editing dialog and then press the Remove button from within the investment editing dialog. This wipes all investment records associated with this account out completely - so be careful.

### **Another way to Edit Investments**

You can also access the Investment Editing Dialog using the Tools Investment command. This command lists all accounts defined as investment accounts and lets you select and edit them.

### **Investment Reminder Service**

The investment reminder service is analogous to recurring transactions for investment accounts. The main difference is that the investment history record editor is always brought up for confirmation since it is assumed that you will always need to enter a new security price. To set up the investment reminder press the 'Reminder' button on the Investment Editing Dialog. Fill in the starting date, history record amount and description, and the frequency for the reminder. The from account indicates which account to

transfer money from for regular transactions generated if the 'AutoTx' checkbox is enabled. Press OK to enable the reminder or Cancel to cancel it. Reminders will come up automatically when you open the file on or after the assigned date.

### **Limitations**

Money Smith keeps the last 20 investment history records and automatically rolls other into a starting investment balance for the investment.

### **14. End of Year Processing**

#### **Why roll transactions out?**

You could go on indefinitely writing transactions against the same set of accounts, but I recommend you roll your accounts out at least once (sometimes more) a year. Why? For one thing, Money Smith has to walk through all the transactions to get a good balance when you load the accounts or change the dates. After a while this process can get time consuming. Besides Money Smith quickly becomes a memory pig when you start having files with thousands of transactions. It's also good to make a fresh start each year because that's what the IRS wants from you.

#### **What really happens?**

Aside from making a backup copy, Money Smith really just rolls the dollar amounts from all your transactions before the cutoff date into the respective account balances. It then deletes those transactions. The result: You have the same asset, liability, and equity account balances but no more transactions. You start the year fresh.

#### **Running the End of Year Process**

Select the Options End of Year command from the menu. If you want a closeout date other than the one shown, press yes and enter another closeout (ending) date. Next press yes if you want your investment history records rolled out with the regular transactions. Otherwise, your investment histories of any investment accounts will remain intact. Next if you want a backup copy (highly recommended) press yes and enter a new name like 'HOME92' to save a backup of this file. If you choose to backup, you will also be prompted on removing recurring transactions from the backup. This is also highly recommended. Otherwise you will be hit with a flurry of recurring transactions when you later want to access your backup file. Finally you get one more chance to bail out. If you press Yes the work will be done and everything before the closeout will be rolled out.

## 15. Examples using Money Smith

### About this Chapter

In response to a number of you who wanted to use Money Smith in new ways we wrote this chapter on real world examples of using Money Smith. Using this chapter you can tailor Money Smith's features to your particular application, be it home or business.

### Sample Files

As described in the chapter on Files, several sample files or 'accounting templates' are included with Money Smith to make setting up accounts as painless as possible. To use one of these sample files, just open the file using the File Open command and edit the accounts to reflect your own starting balances and budgets. I also strongly recommend using the File Save As command to save your file as a name other than the name of the sample file so that your file is not overwritten if you ever need to reload Money Smith.

### Homeowners and Renters

Files called HOME.ACT and RENTER.ACT are included for the homeowner and renter. These files have typical home accounts set up with names like Checking, Paycheck and Gas & Electric. To better reflect your own financial position you will need to edit, add to, and delete some of the sample accounts. Follow the instructions in the chapter on editing accounts above to alter the list of accounts. It is important that you set up your asset and liability accounts to reflect the starting balances of your actual assets and liabilities for the month you begin using Money Smith.

For example, suppose you don't have a boat. Just select the boat account and then press on the Cut command (Scissors icon) to delete the boat account. If your Mortgage is not the amount shown, just change the starting balance for the loan and the property to get what you want. If you have additional accounts you want to track like your country club expenses, just add a new expense account called "Country Club". It will probably take a few iterations to get everything as you want it, but that's OK. Remember you can always add new accounts on the fly, so there is no need to pull all of your hair out right now.

### Real Property - To add or not to add?

One item most people neglect is the value of their real property (furniture, cars, boats, computers, etc...) The choice to include them or not include them is yours. If you want a genuine idea of your overall net worth you probably want to estimate the value of your furniture and other major items and put it in. You would enter such items as ASSET accounts. I personally keep track of only assets I might sell at some future point like cars and boats. One gentlemen who wrote us actually keeps track of the value of every item he owns right down to the last T-Shirt, Pencil and Pen. Like tracking expenses, it is an individual choice as to how much detail you want. More detailed accounts require more work, less detailed accounts mean less work but inevitably less information available for making real decisions.

### Tracking a Small Business

Money Smith is perfectly suited to a small business because it is a true double entry accounting system. We track our entire business on Money Smith using accounts very similar to those distributed in the sample file BUSINESS.ACT. In BUSINESS.ACT accounts and categories are set up for a small

shareware business. The mission is to use computers to produce software so that explains why the accounts have names like 'Computer Assets' and 'Disk Expenses'. If you print out the account listing from BUSINESS.ACT and attempt to put it in terms of your own business you should have little trouble. A small business or accounting book would also help.

### **Using BUSINESS.ACT for Your Business**

Converting the sample file over to your own business is not as hard as it might seem. Just walk through the major account groupings and edit them as you please. We'll walk through a quick example here using a home sewing business. Here we will use cloth and patterns to create clothing which we sell.

First, what are your assets. Clearly you will need many of the accounts already there. You might use 'Accounts Receivable' to keep track of items you have delivered but not yet been paid for. You will need the 'Checking' and 'Petty Cash' to keep track of money. You may want separate 'Inventory' accounts to keep track of patterns and cloth you have in stock and have not used. Your capital (production) assets for this business will probably not be 'Computer Assets' so you would probably change that account to be 'Sewing Machine' for this example.

Second, what are your liabilities. Here include any business loans, business credit card accounts, or 'Accounts Payable' to include things you may have ordered but not yet paid for.

Third, what is your income. You can broadly establish one sales account as we did in BUSINESS.ACT or instead establish separate accounts for different major customer categories. For example you might want to separate cash sales from those made on via credit card to more easily balance your credit card and cash accounts at the end of the month.

Fourth what kind of equity do you have in your business. If you are not incorporated you probably don't have common stock. A proprietorship might enter the initial investment in the business in place of the 'common stock' account. A partnership would enter each partners initial investment as a separate account.

Finally what are your major expenses. It is important that you distinguish the cost of goods sold from other overhead expenses, because the IRS typically wants to know how much you sold and how much the goods you sold cost you. For the sewing business we would probably have cloth and patterns as cost of goods sold expenses, while pins, needles, and other small items might go in a general supplies account. Depreciation expenses on the sewing machine would replace our computer depreciation account. Other expenses like marketing might replace our printing and mailing expense accounts.

Once you have a good set accounts established, accounting is simply a matter of tracking where every single penny is coming and going to. You must use discipline and keep up with your business to get any meaningful results. Save every receipt after you enter it for tax purposes. After a few months you will find that the monthly income, balance and history reports are invaluable for running your business.

### **Tracking Real Estate**

A common application of Money Smith is in managing real estate. My example will assume you are a landlord tracking multiple rental properties. You can use the same principles to track a single property from your home or business account.

The secret to tracking multiple properties is to use the category feature

of Money Smith. Simply define a category name (see the chapter on categories) for each property you wish to track. Next define Asset, Liability, Income, Equity, and Expense accounts for each property and assign those accounts to the corresponding category. Now, if you wish to see all of the income and expense data associated with one particular property just use the Report Category Summary command. The summary will show each property and totals of all of the accounts assigned to each sorted by type. The various category graphs let you graphically see which properties account for the bulk of income and expenses, as well as zoom in on individual properties to see various accounts.

This same technique can be used to track multiple business units or separate business information from within your home account.

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If I missed any other credits, it was unintended, so please write and I'll be sure to include them in future versions.