



User's Instruction Guide

Preparing Your Smart Vendor for Penny Rounding

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INTRODUCTION

Penny Rounding – How will this affect my business

Effective February 4th, 2013, Canada will begin phasing the Penny out of circulation.

Here are two excellent links to official sites:

- PENNY ROUNDING - Frequently Asked Questions: Businesses
<http://www.fin.gc.ca/1cent/faq2-eng.asp>

- Phasing out the penny: tax implications for businesses
<http://www.cra-arc.gc.ca/gncy/lmntnpenny/bsnss-eng.html>

Of particular interest is: Q7. *How will income tax reporting be affected by rounding (i.e., how to manage the adjustment amount resulting from rounding)?*

As businesses deposit pennies, the banks will withdraw them from circulation and will forward them on to be melted down. Businesses that have pennies in their cash trays can choose to issue them for change when needed, but once out of pennies in the store, they cannot be topped up again by going to the bank – this is a good time to start raiding those penny jars!

Once your supply of pennies has run out, your business will definitely need to follow the guidelines for penny rounding on all cash transactions. The Penny Rounding rules only apply to transactions paid with cash; These Penny Rounding rules do not apply to transactions paid by debit or credit card, credit note, gift certificate, cheques, or charged on account

Stores will need to train their staff on when to round up and when to round down on cash transactions, and collect the proper rounded amount. (Please see the above official links.)

While the CRA indicates that businesses are not required to implement changes to their current cash register, POS Software, or Accounting software to automate this process, we, the developers of your Smart Vendor Point-Of-Sale software, recognize that automation, staff accuracy, and customer service consistency are the Retailers credo in this circumstance.

To that end, Multipost Retail Systems is in mid-development of a major maintenance release that will include automated handling of penny rounding after the first quarter of 2013. We are targeting a spring release for improved performance which will also include new features related to automating currency rounding at the Sales Register.

In the interim, for the Retailers that wish to continue being able to balance their Cash to the penny at the end of the night, and track the increase or decrease to their cash as a result of penny rounding, the Multipost Training & Software Support team offers a temporary solution until the new release is ready for distribution to clients covered by their annual Customer Care Support Plan. PLEASE NOTE, THERE IS NO REQUIREMENT OR OBLIGATION FOR STORES TO FOLLOW THE SOFTWARE SUPPORT INTERIM SUGGESTIONS. They are offered so that Retailers have an interim way of managing their cash handling and being able to balance to the penny.

These Support suggestions will mimic what Smart Vendor will automate when the software release becomes available. These manual routines can be retired once the new Penny Rounding functionality is installed at your store.

This document will guide you through the setup and usage recommendations below to help you train your cashiers to handle penny rounding at the Sales Register.

- Create a non-taxable stock item called “Penny Rounding”, and create a new department for the same (consider assigning an easy to remember Stock # like “PR”, and untag Auto pricing)
- Also create a non-taxable Penny Rounding coupon with the next available Coupon number (printing a Coupon label will make it easy to redeem this coupon, and ensure Auto Pricing is untagged)
- When a customer indicates they are paying by Cash, add the PR stock item to the bill and round the price up when needed, or scan the Coupon barcode for Penny Rounding to round the transaction down
- Complete the transaction and collect the cash payment
- The customer’s receipt will reflect the Penny Rounding line item (to round up or down) and your transaction total will round to the nearest five cents
- On your end of day sales report, you will see your Penny Rounding Department; Bookkeeper and Accountants will track this as an income account on the books
- Retailers using the EXPORT TO ACCOUNTING must ensure that a new account number has been defined in Smart Vendor against the Penny Rounding Department Name for exporting the Penny Rounding value to the accounting software otherwise your export will not balance on the days where rounding has occurred

WHY SHOULD I FOLLOW THESE SETUP RECOMMENDATIONS

One of the greatest challenges for Retail Stores is to balance their monies at the end of the day, and reporting the actual monies collected to the Bookkeeping team.

If Retailers do not capture the amounts rounded up or down on each transaction to their end of day sales report, the Store will not be able to reconcile their cash accurately at the end of the day. This exposes the Retailer to the risk of staff mishandling cash and not declaring the correct cash amounts collected at the end of the day.

According to the CRA, the net gain or loss is to be recorded as Income for end of year business Income Tax reporting. Capturing the total cents rounded up or down at the end of the day will ensure that this an easy task for the store's accounting purposes.

Hint: Once Smart Vendor Version 7.6 or higher is available, Smart Vendor will automate this process and you may Inactivate your Stock & Coupon items created in these instructions!

STEP 1: CREATE NON-TAXABLE STOCK ITEM FOR PENNY ROUNDING UP

SV Regular Store Software → creating this stock item on one station will make it immediately available for all without exiting the software from the other stations.

SV PRO & STANDARD Head Office → creating this stock item will send the new stock item to the store level, but have your stores double check they can sell it at the register after a round or two of polling to ensure they are ready to go!

SV Transactor Server Software → creating this stock item will send the new stock item to the Transactor Stations, but double check you can sell it at the register after a round or two of polling to ensure you are ready to go!

Create Penny Rounding Stock Item

This section will help you create a non-taxable stock item that can be used to round your Cash payment transaction up to the next 5 cent mark.

From the Smart Vendor Head Office / Smart Vendor Transactor Server / Smart Vendor regular store server:

1. Main menu
2. Files menu
3. Stock File
4. Login
5. F2-Add
6. If you are offered a template for New Item Non Taxable, select this, otherwise select the next best alternative, or you may find yourself already on the Stock Details page
7. **Stock #** → change to **PR**
8. **Status** → change to **Non Stock**
9. **Description** → type in **Penny Rounding**
10. **Department** → add a new department with Dept # **PR** and name **Penny Rounding**
11. **Supplier** → add a new supplier with Supplier # **PR** and name **Penny Rounding**
12. **Cost Price, Selling Price** → ensure this section is all \$0.00
13. **Minimum Price** → if this feature is enabled, ensure this value is set to \$0.00 to ensure Staff are not restricted in using it
14. **Taxes** → ensure no taxes are enabled (untagged or defined as None depending on your configuration)
15. **Automatic Quantity** → ensure this field is tagged
16. **Automatic Pricing** → ensure this field is UNTAGGED
17. **PGDN** → save
18. **Yes** → Save Changes
19. **TAB** → to see MORE PRICING if other features are enabled

20. **Point Level** → if present, edit and select **None**
 21. **Commission** → if present, edit and select **None**
 22. **PGDN** → save
 23. **Yes** → Save Changes
 24. Keep pressing **TAB**, until you return to the normal Stock Details page, to determine if there are any other pricing or tax related set up fields that need to be reviewed/configured
 25. **F6 STORES** → Head Offices should edit and review the F6-Stores pricing screen to ensure nothing else is in the background that shouldn't be
- Note → This is where the POINTS level is for Head Office users

Print A Stock Barcode Label

Some stores may want to print a Stock Barcode Label for the Penny Rounding stock item.

Please test scanning it at the register to ensure your particular scanner can read such a short stock # when converted to barcode.

Important: If cashiers are directed to type the quick code, PR is an ideal stock #.

If stores hope for their cashiers to scan a Smart Vendor Stock # barcode, some stores will not be able to scan a short 2 character barcode #.

If you are using an in-counter weigh scale/scanner, a multi-directional (R2D2) scanner, and possibly some hand held scanners, these scanners may have difficulty reading a code that is less than 3 or 4 digits in barcode form.

These stores should simply accept the next available Stock #, or cashiers should simply type the code when they need to use it.

STEP 2: CREATE NON-TAXABLE COUPON ITEM FOR PENNY ROUNDING DOWN

SV Regular Store Software → creating this coupon item on one station will make it immediately available for all without exiting the software from the other stations.

SV PRO & STANDARD Head Office → creating this coupon item will send the new coupon item to the store level, but have your stores double check they can redeem it at the register after a round or two of polling to ensure they are ready to go!

SV Transactor Server Software → creating this coupon item will send the new coupon item to the Transactor Stations, but double check you can redeem it at the register after a round or two of polling to ensure you are ready to go!

Create Penny Rounding Coupon Item

This section will help you create a non-taxable coupon item that can be used to round your Cash payment transaction down to the next 5 cent mark.

From the Smart Vendor Head Office / Smart Vendor Transactor Server / Smart Vendor regular store server:

1. Main menu
2. Files menu
3. Coupon File (see instructions below if Coupon File is not listed on your Files Menu)
4. Login
5. F2-Add
6. If you are offered a template for a 'NON ITEM SPECIFIC COUPON' select it, otherwise select the next best alternative, or you may find yourself already on the Coupon Details page
7. **Coupon #** → for coupons, we recommend you **accept the next available Coupon # in all cases**
8. **Description** → type in **Penny Rounding**
9. **Department** → select the new **Penny Rounding** department
10. **Commission** → if enabled, select **None**
11. **Taxes** → ensure no taxes are enabled (untagged or defined as None depending on your configuration)
12. **Automatic Quantity** → ensure this field is tagged
13. **Automatic Pricing** → ensure this field is UNTAGGED
14. **Redemption Value** → ensure this section is all \$0.00
15. **Coupon Starts** → if you wish to control when cashiers may start redeeming this coupon, define the date 02/04/2013 here
16. **PGDN** → save
17. **Yes** → Save Changes

18. **F6 STORES** → Head Offices should edit and review the F6-Stores pricing screen to ensure nothing else is in the background that shouldn't be

Enabling Coupon Feature

This section will help you enable the coupon function if not already enabled in your Smart Vendor system.

SV Regular Store Software → enabling this feature on one station will enable the feature for all, however, you may have to exit out of Smart Vendor from other stations to detect the change made to System Setup.

SV PRO Head Office → enabling this feature at the Head Office in a PRO environment will typically enable the feature at the store level, but have your stores double check it is on after a round or two of polling.

SV STANDARD Head Office → System Setup changes do NOT poll to stores, please direct your stores to follow this same configuration sequence to enable Coupon tracking at Store level.

SV Transactor Server Software → enabling this feature in the main store system will typically enable the feature at the Transactor Station level, but double check you can redeem the coupon at the Sales Register on each Transactor station after a round or two of polling.

From the Smart Vendor Head Office / Smart Vendor Transactor Server / Smart Vendor regular store server:

1. Main menu
2. Setup menu
3. System Setup
4. Login
5. Coupon, Enter
6. Details, Enter
7. Press the spacebar to tag, or click on Use Coupon File
8. **PGDN** → save
9. **Yes** → Save Changes
10. Now proceed with creating the Penny Rounding Coupon as per the instructions above

Print A Coupon Barcode Label

It is strongly recommended that all stores print a Coupon Barcode Label for the Penny Rounding coupon item.

The coupon barcode will embed instructions to Smart Vendor to search the Coupon File and then locate the required coupon #. Redeeming the Coupon manually requires the cashier to do a coupon search first to locate the coupon which slows down the process at the register.

Please test scanning the coupon barcode at the register to ensure it is being read successfully and practice using it.

Enabling A Coupon Barcode Label If F9-Labels Is Greyed Out

When the F9-Labels button is greyed out on the Coupon Details screen, this indicates that you do not have a selection enabled in System Setup for your particular label printer, **and or** you possibly do not have a Label Printer enabled in Station Setup.

From the Smart Vendor Head Office / Smart Vendor Transactor Server / Smart Vendor regular store server:

1. Main menu
2. Setup menu
3. System Setup
4. Login
5. Labels, Enter
6. Label Selection, Enter
7. Scroll down and highlight the Printer model that is already tagged

DO NOT TAG / UNTAG YOUR PRINTER IN THE MIDDLE COLUMN!

8. **TAB** → to move your highlight bar to the far right column where you should see the tagged printer name across the top in the blue bar (otherwise you did not highlight YOUR printer as directed in step #7 above)
9. Highlight the coupon that indicates the correct media size (5x10, 6x10, 1up / 2up / half up) which indicates 1Price
10. You must press the spacebar on the highlighted selection to tag it
11. **PGDN** → save
12. **Yes** → Save Changes
13. Now return to the Coupon File and try printing a label, then try scanning it at the register to practice redeeming it to round your transaction down to the nearest 5 cent mark

STEP 3: HOW TO MANAGE PENNY ROUNDING USING SPECIAL STOCK & COUPON ITEMS

Hint: You may practice in the live mode of Smart Vendor so long as you do not Complete Invoice 'Yes' in the Sales Register. Keep in mind that this will inflate the number of items appearing on the Cancelled Register Items of your Sales Summary – Statistics page.

Pay In Full By Cash

Practice Rounding Total UP

1. Select an item to sell
2. Select your Discount → Multiple Item Discount option
3. Change the invoice Total to end with eight cents, e.g. \$xx.88
4. Practice having the cashiers ask about the payment method BEFORE they select Total
5. If the customer advises they will be paying fully in Cash
→ Ask customer if they have 3 cents to avoid the rounding up
6. If Customer does not have 3 cents, Cashier sells Penny Rounding stock item
Cashier → type the Stock # **PR**, or → scan the SV barcode label
7. Cashier → change the price to \$0.02 to round the transaction UP, e.g. \$xx.90
8. Total and select Cash
9. Enter Amount tendered; If the customer gave the pennies, or you rounded up, there should be no pennies due back to the customer!
10. Complete Invoice

Practice Rounding Total DOWN

1. Select an item to sell
2. Select your Discount → Multiple Item Discount option
3. Change the invoice Total to end with seven cents, e.g. \$xx.87
4. Practice having the cashiers ask about the payment method BEFORE they select Total
5. If the customer advises they will be paying fully in Cash
→ Ask customer if they have 2 cents
6. If Customer does not have 2 cents, Cashier redeems Penny Rounding coupon item
Cashier → scan the SV Coupon barcode label
7. Cashier → change the price to \$0.02 to round the transaction DOWN, e.g. \$xx.85
8. Total and select Cash
9. Enter Amount tendered
10. Complete Invoice

Pay Part Cash, Part Debit/Credit

Instruct your cashiers that any pennies should be applied to the Debit/Credit payment method, and the Cash payment should be selected as an amount that ends with a \$x.x0 or \$x.x5 amount.

In this scenario, it might be best to select the Debit/Credit payment method so that the balance remaining for Cash Payment ends with 0 or 5 cents.

Pay Part Cash, Part Credit Note

You may have to go through the motions of redeeming the Credit Note to let Smart Vendor calculate the balance due in Cash (alternately, make the calculation on a separate calculator).

Then the Cashier would have to apply the rounding logic and apply the penny rounding UP or DOWN function by scanning the stock # or coupon # barcode and price it.

Transaction Rounding & Points

This a tricky scenario to document since Points can be used in so many different ways, so we will offer some factors that the Retailer should evaluate and incorporate into their store's policies.

Custom Points Redemption Users

Typically stores using the Custom Point Redemption configuration create the redemption value as an even dollar amount, so these stores may have an easier time dealing with the Penny Rounding.

Cashiers will need to evaluate whether any rounding up or down is required before they can total, then they should select Points as normal, and Cash for the difference.

Standard Points Redemptions

Stores using the Standard Point Redemption configuration will need to give some strategic thought to how they will direct cashiers to handle point redemption and rounding.

Customers are typically able to hand in all points on file which could result in a payment amount tendered ending in cents anywhere between 0 and 9.

Recommended Approach

Apply the rounding approach as if the client is paying fully in cash. Ensure that the Points Redeemed Value is overridden to end with 0 or 5 cents then the cashier may proceed with the Cash payment which should also end with 0 or 5 cents.

The Less Graceful Alternative

Cashiers could go through the points redemption process to see what the balance remaining will be for cash if the customer redeems all their points, then the cashier may have to discard the payment selection to go back to the register and apply a round up or down item, then proceed with the final payment selections.

GENERAL INFORMATION

Customer's Receipt

By using the Penny Rounding Stock or Coupon item on the cash transaction, the customer will see the Rounding that was applied to their transaction.

Sales Summary

By having the Penny Rounding Stock and Coupon items post their revenues to this unique new Department on your Sales Summary, the Store Management and the Bookkeeping/Accounting personnel will easily see the net revenue (plus or minus) that has been accumulated per day and reporting period.

According to the CRA site link <http://www.cra-arc.gc.ca/gncy/lmntnpnny/bsnss-eng.html> :

Q7. How will income tax reporting be affected by rounding (i.e., how to manage the adjustment amount resulting from rounding)?

A7. From an income tax perspective, the amount gained or lost on cash transactions due to rounding will constitute income for a taxation year from a business and would be included in the calculation of the taxpayer's profit from that business for the year pursuant to section 9 of the *Income Tax Act*. The phasing out of the penny will not create additional bookkeeping for businesses that already keep accurate books and records and should not create any measurable impact on business revenues.

Exporting Sales Summary To QuickBooks/Simply Accounting

This function allows the Retailer to sit down at their convenience and export their Sales Summary per day for however far back they need to catch up in their accounting software. Some do this routine weekly, some monthly in preparation for the GST/HST remittance.

Retailers who send their bookkeeper paperwork to key in from can expedite this task by sending their bookkeeper/accountant a file instead that the accounting person can simply export. This can potentially save on bookkeeping time (and costs), or free up the Retailer's time for other important tasks.

You will always find the most current copy of the user guide online in the Multipost Support Centre with your valid subscription to the annual Multipost Customer Care Support Plan.

Updating Your Export Configuration

When these recommendations are implemented for managing the Penny Rounding, the Retailer will need to go back into the Sales Summary – F8 Options to map the account number created in QuickBooks or Simply Accounting to receive this revenue amount.

Error Importing File – Out Of Balance

If you overlook updating your configuration, then the first date you export with a Penny Rounding Department total will cause the Accounting software to reject the import file, reporting that the file is out of balance.