Note from the Editor

Welcome to the Magaya Insider for September 2011.

We continue to highlight some of the new features in the software release 8.0. This month's how-to explains a new, simpler way to perform the following accounting procedures:

- Process a discount for a customer
- Handle bounced checks
- Process wire transfer fees

Freight Forwarder Promptus LLC of Miami enjoys a reputation as a company that works by the book. They like it that way because assuring customers that everything is taken care of is the best route to satisfied customers. Read about them in this month's case study. ■

Topics

Accounts Receivable Special Procedures

This month's how-to article explains how to perform the following accounting procedures using features in Magaya software version 8.0 (released in July 2011)

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Plus Logistics

Promptus LLC is a global freight forwarder that is headquartered in Miami, FL. They provide worldwide shipping and cargo logistics solutions, and specialized regional expertise for import and export shipments to and from the Caribbean and Central and South America. Services include customs brokerage, secure warehousing and storage, ocean shipping (FCL and LCL), ...

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In the Works

Customized Emails Templates

We are currently working on a new customization feature that will allow users to customize any email that they send out using their Magaya system.

How it will work:

In the Magaya system Configuration menu, you will have the option to define templates for emails. These templates can be specific for each type of transaction such as using one email template to send out invoices and another to send out notifications about shipments. You will be able to include any fields from the system in the subject and body of the email.

You can select the template that you want to use when you send out batch emails or when configuring any email setting in the system.

New Customers in August 2011

Magaya Corporation welcomes 25 new customers who joined the Magaya Network Community

the **Magaya**Insider

How To

# Accounts Receivable Special Procedures

Introduction

This month's how-to article explains how to perform the following accounting procedures using features in Magaya software version 8.0 (released in July 2011):

1) Process a discount for a customer

2) Handle bounced checks

3) Process wire transfer fees

Former workarounds for previous versions of the software are not needed in version 8.0. All of the following steps can be done from the Accounting folder in your Magaya software.
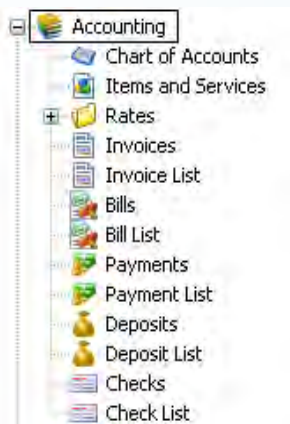
Processing Discounts
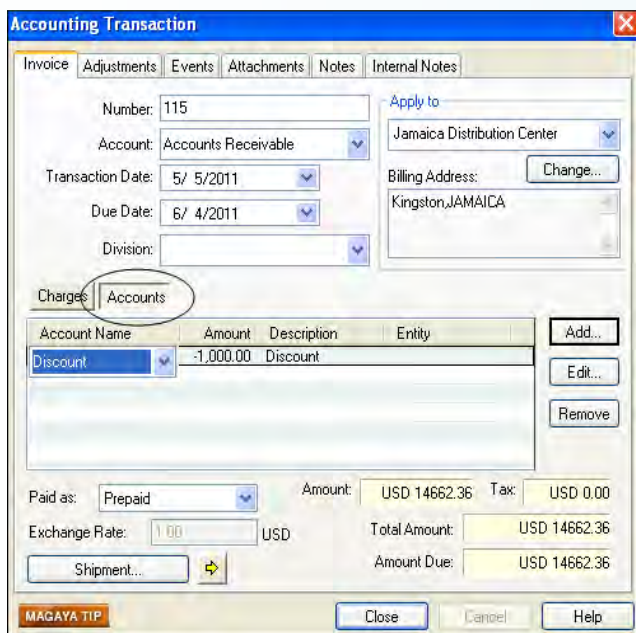
To add a discount to an invoice, follow these steps:

1) First create the invoice as you normally would by filling in the fields and adding the charges into the Invoice dialog box.

2) Next, click the "Accounts" tab (next to the "Charges" tab) in the Invoice dialog box.

3) Click the Add button. Select a discount expense account by clicking in the "Account Name" column. In the dropdown menu, select the expense account for discounts.

4) In the "Amount" column, click the space and enter a minus sign and the number; for example, to offer a $1,000.00 discount, enter -1000.00 in the column.

The Description and Entity columns are optional.

The total will be updated automatically. Click the Close or OK button to save.

Handling Bounced Checks

Handling bounced checks in your Magaya system requires two transactions: One records the bank fee, and another creates a new invoice.

Scenario: You have already received the payment, but the check bounced due to non-sufficient funds (NSF).

1) Create a Check to Expense:

When you receive the bounced check from the bank, make a "Check to Expense" to record the bank fee.

Make the check payable to the bank for the NSF fee amount ($20.00).
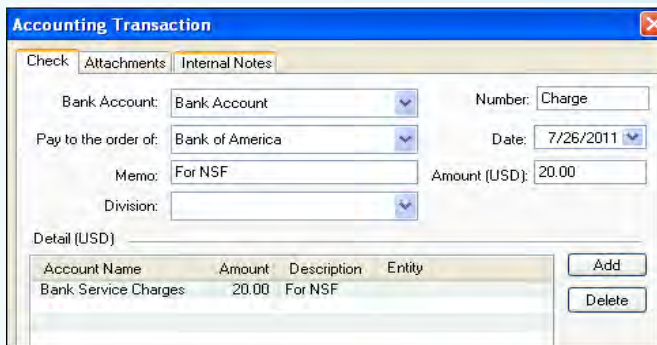
2) Now create another Invoice: Click the "Accounts" tab of the Invoice dialog box as shown here:

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Include the amount that you will charge your customer to cover the fee that the bank charged you ($25.00), and the amount that the customer paid in the check that bounced ($1,500.00) that needs to be subtracted from the bank.

The "Bank Service Fee" is the income account in the Chart of Accounts for bank service charges such as this bounced check fee of 20.00. This example shows a fee of $5.00 added for processing.

Processing Wire Transfer Fees

When you receive a payment via wire transfer, the customer sends the full amount, but the bank charges you a fee for the wire transfer. There are two options to process this: 1) The payment that you receive will show the fee; or, 2) process the payment in full and create a Check to Expense for the wire transfer fee. The choice depends on how your bank charges you. The following example shows how to process option 1:

> 1) In the Payment dialog box, click the invoices in the Charges tab that you want to apply the payment to.
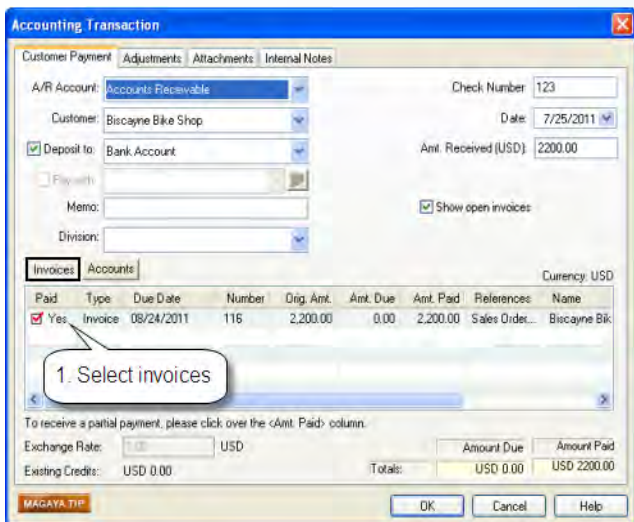
> *Note:* Click the checkbox to show open invoices.

> 2) Click the "Accounts" tab (next to the Charges tab).

> 3) Click the "Add" button, and add the information on the line:

Account Name (Bank Service Charges), Amount (this is the wire transfer fee that the bank charged you; this example shows -25.00), and a description (this is optional, but this example shows "Wire Transfer Fee".
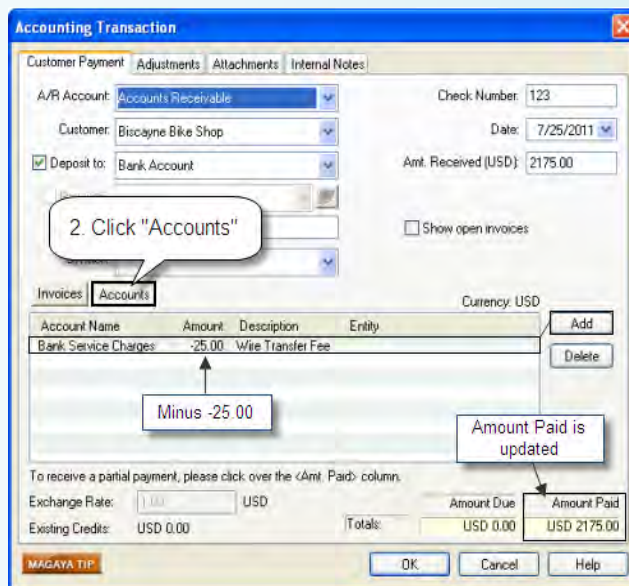
The total amount received must equal the amount paid ($2200.00 minus the fee of $25.00 = $2175.00).
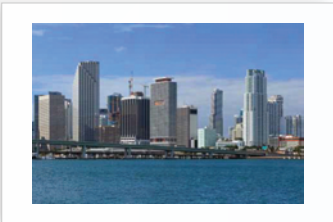
Click OK to save.

For more special AR procedures such as keeping track of petty cash in your Magaya system, see the *Magaya Software Accounting Manual.*

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New Customers

New Customers in August
Magaya Corporation welcomes the following 25 new customers who joined the Magaya Network Community
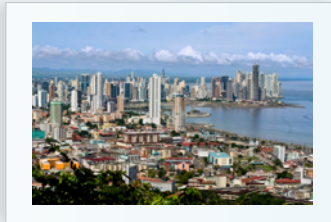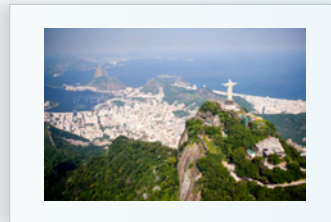
In the United States:
In Florida

- NY Trading Corp., Miami
- RFS International Corp., Miami
- Tech Group Latin America, Doral

- Cargo Logistics Source, Miami
- Expert Log LLC (LAX & NYC), Miami
- Express Box Service, Inc., Miami
- Factucargo LLC, Doral
- FJ Cargo Corporation, Medley
- Gama Cargo, Miami
- IBT Group LLC, c/o Alfridom-sa, Miami
- Ideal Freight Cons. Inc., Miami

In Texas

- ABA Express, Houston
- Express Loading & Auto Trading, Houston

In New York / New Jersey

- Eagle Logistic Service, New York
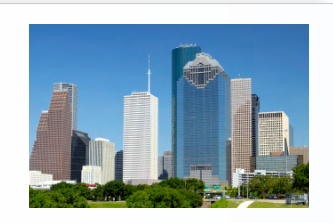
In California

- Tramo @ Home, Gardena

In the Caribbean, and South America:
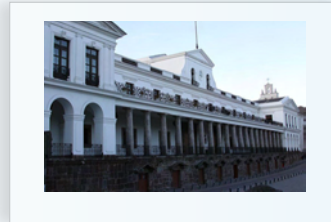

- GWS, Nassau, Bahamas
- GWS Abaco, Abaco, Bahamas
- GWS Freeport, Freeport, Bahamas
- PDX Bahamas Ltd., Nassau, Bahamas
- ShopBox, Castries, Saint Lucia
- Gama Logistics Colombia, Bogota, Colombia
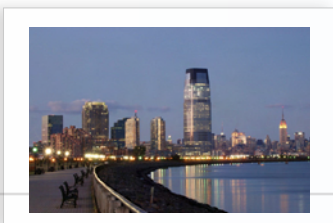- MaxiCargo, Rio de Janeiro, Brazil
- Port Logistics, Lima, Peru

In Asia
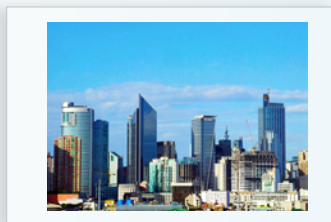
- Top Shipping Systems Corp. Limited, Shatin, Hong Kong
- Sutong Tire China, Beijing, China
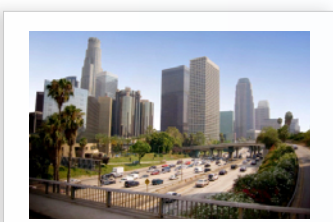
Working By the Book

Perfect Procedures from Start to Finish

Freight Forwarder Promptus LLC of Miami enjoys a reputation as a company that works by the book. They like it that way because assuring customers that everything is taken care of is the best route to satisfied customers.

> *Vendors, suppliers, and customers tell us that we are very specific about the paperwork. We like having this reputation because it results in better quality of service.*

Mr. Perez Freixas, Owner Promptus LLC

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At a Glance

Promptus LLC is a global freight forwarder that is headquartered in Miami, FL. They provide worldwide shipping and cargo logistics solutions, and specialized regional expertise for import and export shipments to and from the Caribbean and Central and South America. Services include customs brokerage, secure warehousing and storage, ocean shipping (FCL and LCL), supply chain management and distribution.

Challenges

Promptus LLC was started by Ramon Perez Freixas, Milton Tejada and Julio Desangles in 2001 to service textile manufacturers in the Dominican Republic.

Today the owners have expanded the services beyond freight forwarding for the textile industry to include many other industries in other countries. They also added in-house customs brokerage services, are licensed as a Container Freight Station (CFS), and they have a sister company, Rapidus, which is an NVOCC.

As they were getting their business launched in 2001, the owners knew they needed logistics software to help them run the company. Some of the requirements the software had to meet included the ability to create shipping documents such as Bills of Lading, Commercial Invoices, EEI's (SED's), and a record of commodities received in their warehouse.

They evaluated a number of software applications, and they tried one that seemed to have the features they wanted, as Mr. Perez Freixas said. "It looked good in theory, but it required the purchase of additional modules that cost far more than the original price." Next they tried the Magaya Cargo System. They received a demo of the software and then tested it on their computers.

"We liked the user-friendly nature of the Magaya Cargo System, and we did not have to spend a lot of money to get started," Mr. Perez Freixas said.

Promptus LLC was one of the earliest customers of Magaya software. "As we used the system, we made suggestions to the software developers about features that we needed," Mr. Tejada said. The new features were incorporated and are now available as part of the system for all customers.

Textile Industry Roots

Since the owners of Promptus worked in and had connections to the textile industry in the Dominican Republic, choosing Miami, Florida as the location to open their logistics company was easy.

Florida's airports offer more direct flights to Dominican Republic and Central American destinations than all other airports in the United States combined, according to the CAFTA Intelligence Center website.

Their location also provides quick access to Miami International Airport, Port Everglades, and the Port of Miami because it is close to major highways such as I-95, the 826 Palmetto Expressway, the Florida Turnpike, and the 112 Airport Expressway.

When a new treaty changed the types of activities that can be performed outside the U.S. such as cutting of fabrics, many textile companies moved certain activities to other countries while maintaining a presence in the U.S. for other aspects of the operations.

The owners of Promptus saw an opportunity to provide logistics services to these companies. In addition to transporting raw materials and finished goods, Promptus also shipped other items for trim and accessory suppliers such as buttons, tapes, bows, lace, ribbon, fasteners and other items.

After the first three years, Promptus began offering logistics services to other industries as well as textiles. When they started, textiles made up the majority of their operations. Now textiles account for about 30% of their business.

Ocean Shipping
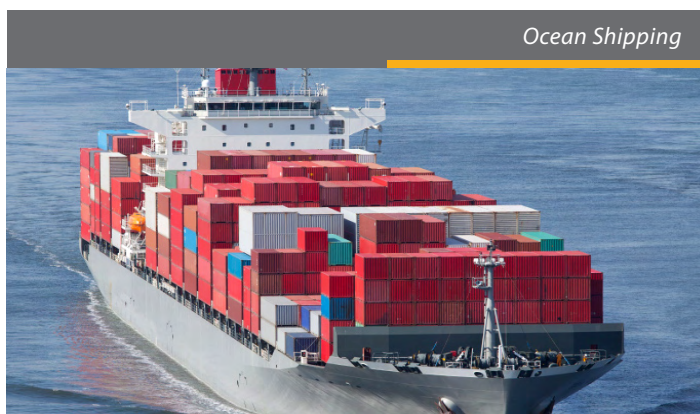
Customs Services In-house

As Promptus LLC grew, one of the services they added was customs brokerage. First they used an outside service, but they wanted to bring that service in house to have more control over it.

When Magaya Corporation added a Customs broker software plug-in, the Magaya SmartBorder Automated Broker Interface (ABI) Integration, in 2010, Promptus LLC sign up for it. With the plug-in, Mr. Perez Freixas creates a shipment transaction in his Magaya system, and all

the shipment and commodity data is transferred to the SmartBorder interface.

"Using the Magaya SmartBorder ABI Integration saves us from having to enter information twice," Mr. Perez Freixas said. "It is more cost effective to process the customs documents ourselves; it's faster, and we have more control. It has cut our work in half. We can prioritize them according to our needs instead of waiting for someone else. I think the customer feels the higher level of service we provide because of it."

Expanded Services

Promptus also ships equipment and machinery for many industries. They also transport vehicles, rolls of fabric, tires for airplanes, food products, and other items. Imports include finished goods of clothing, footwear, and cosmetics that are assembled and packaged in the Caribbean, and Central and South America. Many of the commodities come in full container loads, and the staff at Promptus deconsolidates it, palletizes it and notifies the customer who will then come pick up the items and take them to their distribution centers. Promptus also arranges shipments that go to and from many locations all over the world. "We can satisfy the vast majority of our customers' needs," Mr. Perez Freixas said.

Promptus owners and employees have many certifications such as C-TPAT and handling hazardous materials. The C-TPAT program is a Customs-Trade Partnership Against Terrorism, a worldwide supply chain security initiative run by the US Customs and Border Protection agency. Promptus is also a member of the Florida Brokers and Forwarders Association and the national association.

Of their exports, about 70% are sent by ocean. Many of their destinations are in the Caribbean, Central America and South America. About 80% of their imports arrive by ocean vessels as well.

Another Magaya technology they are using is the Magaya Bar Code scanner plug-in. With this application, they can scan barcodes and print labels for items that they receive in their warehouse. They also use it to create a loading guide and to verify the packing list for shipments. "It helps improve accuracy in the warehouse and with shipping. It prevents errors," Mr. Perez Freixas said.

As items arrive, they are weighed and measured. Photographs are taken if needed and attached to the Warehouse Receipt. They also attach any documents and give customers online access to view the attachments in Magaya LiveTrack, the interactive online application that is automatically connected to all Magaya software products.

When Mr. Perez Freixas talks about his company, he explains: "We do things according to the law and follow the regulations. We stay informed of the latest regulations. We work with our customers by making sure they know the rules and documentation needed. This avoids problems and helps streamline any requests from Customs for more information."

"Vendors, suppliers, and customers tell us that we are very specific about the paperwork," Mr. Perez Freixas said. "We like having this reputation because it prevents problems. It gives better quality of service. A small problem can grow into a big problem if the transaction doesn't start right."

Airplane Parts Shipping