

For more information see:  
<http://denvertax.com/bardahl>

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A Guide To The

# **Bardahl Formula Calculator**

**By Denver Tax Software, Inc.**

For more information see:  
<http://denvertax.com/bardahl>

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# Overview

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## Why Use This Program

### Purpose

The purpose of this program is to significantly reduce the time needed to compute working capital requirements required for a business cycle. The computation is made using the “Bardahl Formula.”

The Bardahl Formula may also be used in analyzing financial information of certain institutions involved with the student loan program.

If you know of other uses for the Bardahl Formula, please call us at 1-800-326-6686.

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## Getting The Most Out Of This Program

### Quick Start

Go to the section “Installing and Running” on page 3. We have tried to design the program so that you don't have to refer to this manual! When you are entering inputs, there will be a section of the input screen that discusses what you should be inputting. If you have any questions, please go first to the Tutorial – Example section. See “Tutorial - Examples” on page 17.

The help file is identical to this manual. The help file, accessed by clicking on the **Help** menu choice, has the same Table Of Contents (Contents) and index that this printed manual does. However, the help file has word search features which are not possible with the written manual.

When the program installs, it also installs a copy of this manual in Adobe's Acrobat (.pdf) format. If you want a hard copy of the manual, click on the manual icon in the Denver Tax Software Group (**Start - Programs - Denver Tax Software Group**). That will bring up the manual in the Acrobat Reader. The manual can be printed from the Acrobat program.

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## **How To Get A Complete Understanding Of This Program**

Read this manual! The Bardahl Formula chapter discusses the Bardahl Formula in depth. See: “The Bardahl Formula” on page 5.

# Installing and Running

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## System Requirements

Operating System: Microsoft® Windows® versions 95, 98, ME, NT 4, 2000 or XP.  
Please refer to the readme.txt file to see if service packs might be required.

---

## Installation

All commands you need to enter will be typed in **bold** type.

### Installing To A Single Machine

For the purpose of these instructions, we are assuming that your CD drive is drive D, if it is not, please make the appropriate changes. To install the program to a single machine, use the following steps:

1. Click on the **Start** button.
2. Click on the **Run** menu item.
3. Type **D:SETUP** and press the **ENTER** key.
4. Follow the instructions in the installation program.

### Network Installation

Network installation instructions are provided in a separate document to customers who have purchased rights to use this program on additional desktops.

---

## Starting the DTS Accumulated Earnings Tax Planner and Bardahl Formula Calculator

The Installation program will create a "Denver Tax Software" Start Group, if it doesn't already exist. The DTS Bardahl Formula Calculator will be placed within this group.

To start the Bardahl Formula Calculator, click on the **Start** button, click on the **Programs** button, click on the **Denver Tax Software** program group, then click on the **Bardahl Formula Calculator** icon.

# The Bardahl Formula

---

## Overview

To some, the Bardahl Formula is an automotive oil additive produced by Bardahl Manufacturing. In 1965 the Tax Court decided *Bardahl Manufacturing Corp. v. Comr.* In that case, the court excluded a portion of accumulated earnings that pertained to working capital requirements needed to fund the next business cycle. The court's formulation of that number is known by tax professionals as the Bardahl Formula. Clearly, this a play on the name of Bardahl Manufacturing Corp.'s primary product.

When a regular corporation, C – Corp, retains substantial profits in the business, that corporation might be penalized with the Accumulated Earnings Tax (§531). The Accumulated Earnings Tax is basically a penalty for not paying out those earnings. Unlike most other taxes, the Accumulated Earnings Tax is not reported on a tax return. Typically, Accumulated Earnings Tax is determined in an IRS examination.

Naturally, a business needs to have funds available for normal business Requirements. These needs include purchasing inventory (something to resell), paying salaries, paying off business loans that are not made to shareholders, buying capital assets such as machinery, equipment and buildings. If a C – Corp can prove that earnings are being accumulated to pay for such normal business needs, those accumulated earnings may escape the Accumulated Earnings Tax.

## Business Cycle

The Bardahl Formula is used to determine how much funds are needed to finance one business cycle. A business cycle begins when a business receives inventory and ends when the business is paid for its product. For example, when Wal-Mart receives a shipment of blue jeans, the business cycle starts. When Wal-Mart receives payment for blue jeans, the business cycle ends.

## What Period To Use

The Accumulated Earnings Tax is typically figured by an IRS agent as part as an examination (“audit”). Examinations usually occur several years after the tax year in question has ended. Thus, the IRS may know during an examination what actually happened after the tax year to justify accumulating earnings in the business. The IRS's §531 Audit Guidelines recommend that its agents use the Bardahl Formula.

In fact, part of the Bardahl Formula uses information from the year after the tax year as part of its computation. Thus, to use the Bardahl Formula for a year – ending 6/30/2006, financial information will be needed for years ending 6/30/2006 and 6/30/2007. Even though the IRS may compute the Bardahl Formula several years after the end of the tax year, tax professionals sometimes use the Bardahl Formula when they prepare the C – Corp’s tax return. The tax return is typically prepared 2 – 9 months after the tax year ends. Thus, sometimes the Bardahl Formula will be computed by tax professionals before all the needed information is available. How does the tax professional come up with information that won’t be available for a year? They will typically estimate the next year amounts using the current year amounts.

## Peak Or Average Method

There are two variations of the Bardahl Formula. The Peak Operating Cycle Method (Bardahl Formula) usually gives the corporation the lowest tax result, particularly if the business is seasonal. The Average Operating Cycle Method (Bardahl Formula as modified by The Empire Steel Castings decision) requires fewer inputs and less computations, but usually does not give the business as high a business cycle working capital requirement as the Peak Operating Cycle Method. In practice, tax professionals will compute the Average Operating Cycle Method to see if there is exposure to Accumulated Earnings Tax. If the use of the Average Operating Cycle Method indicates that Accumulated Earnings Tax might be an issue, the tax professional will then take the additional time to compute the Peak Operating Cycle Method.

---

## Terminology

### Inventory Cycle

Decimal Part of Year of Inventory Cycle = Inventory / COGS.

The Formula calls for monthly computations of inventory. Some businesses do not take physical inventory each month. Estimate Ending Monthly Inventory = Beginning Month Inventory + Inventory Purchases – Inventory in Sales. Inventory in sales can be estimated by taking the product of monthly sales and COGS/Net Sales.

### Receivables Cycle

Decimal part of year of Receivables Cycle = Receivables Amount / Net Sales.

### Operating Cycle

Operating Cycle = Inventory Cycle + Receivable Cycle

### Cost of Operations

Cost of Operations = sum of operating expenses (excluding depreciation and amortization) + COGS for subsequent year.

For a year under examination, the inventory figures for the subsequent year might be taken. If those figures are not available, the next best thing would be to use the current year figures. If both the current and subsequent year figures are known, the

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program could make a computation using both years. The same argument could be made for accounts receivables.

## **Peak Cycle**

Use the largest cycles. Best used for seasonal businesses. The peak Receivable Cycle and Inventory Cycle do not have to occur in the same month. However, some courts might prefer to use the same month.

## **Average Cycle**

Use a 12 month average of end – of – month numbers.

## **Credit Cycle**

This is the average time between receiving inventory and paying for it. This is a reduction to the Operating Cycle.

Credit Cycle = [operating expenses (excluding depreciation & amortization) + COGS] / average monthly Accounts Payable balance.

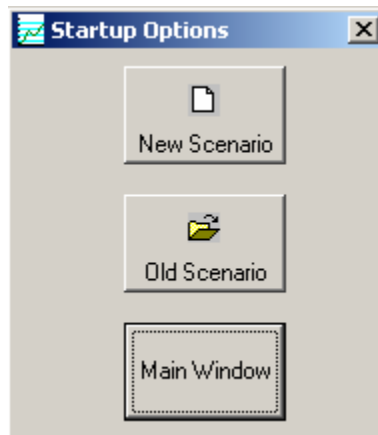
# Using The Bardahl Formula Calculator

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## The Startup Options Screen

The first screen to appear when starting the program is the About Screen. This is where you will find the program's version. It also has a button that will help you locate information about your system. That information might come in handy if technical support is needed, or if you are simply curious. Click the OK button.

The next screen is the Startup Options Screen.

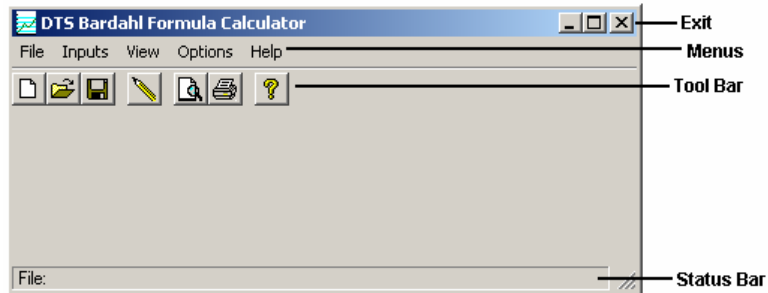


If this is going to be a new scenario, **click** on the **New Scenario** button. If you are going to use a previously saved file, **click** on the **Old Scenario** button.

The next screen that will appear is the Input Screen. The Input Screen is discussed in detail in a separate section. See "Inputs" on page 11.

---

## The Main Window



### Basic Parts Of The Main Window

#### **Minimize, Maximize – Restore Size, and Exit Buttons**

The upper right portion of the Main Window has the standard buttons to minimize, maximize – restore size and exit. If you have used any other programs designed for 32 bit Windows systems, you are already familiar with those buttons.

#### **Menu**

This is where you can pick menu choices. See "Menu", below.

#### **Tool Bar**

Using the Tool Bar is typically the fastest and easiest way to use the program. Tool Bar choices are described with the Menu selections. See "Menu", below.

#### **Status Bar**

This displays what file or scenario is active.

### Menu

#### **File**

**New** . This brings up a blank input screen.

**Open** . This brings up a screen where you can choose a previously saved file. Once the file has been selected, the input screen will appear with that file's information.


**Save** . This saves the current scenario to the file shown in the Status Bar.


**Save As....** This is where you can choose a filename.

*When you **click** on the Input Screen's **OK** button, the scenario will be automatically saved.*

For more information see:  
<http://denvertax.com/bardahl>


*This is the Menu choice  
where you can rename a file.  
Use this a lot if you are  
running a "what if" analysis.*

**Print Preview...**  Use this to display the reports to the screen. You can display any combination of Input Report, Detailed Analysis Report or Summary Report.


**Print...**  Print the reports. You can print any combination of Input Report, Detailed Analysis Report or Summary Report.

**Exit.** Exit the program.

## **Inputs**

**Inputs**  Enter information into the program. This will bring up The Input Screen. See "Inputs" on page 11.


## **View**

**Reports...**  Display the reports on the screen. You can display any combination of Input Report, Detailed Analysis Report or Summary Report.

## **Options**

**Fonts...** You can change the fonts to make the reports appear differently. We recommend staying with Courier or Courier New.

## **Help**

**Contents**  Displays the table of contents for the help file.

**Search For Help On...** This gives you the choice to search the help file using either the index or a keyword search.

**About.** This displays the information about the DTS Accumulated Earnings Tax Planner and Bardahl Formula Tax Planner . This is where you can find the program's version number and ways to contact DTS.

*This is identical to the very  
first screen that the program  
displays.*

# Inputs

---

## Entering Information

### Data Entry

The Bardahl Formula Calculator uses the normal input procedures that most Windows programs use. To move from one input to another you can either use the mouse to select the input item you want, or press the **TAB** key to move through them. To exit an input screen you can use the mouse to click on the appropriate button.

You may find it easier to enter numeric information using the numeric keypad. If so, make sure the **Num Lock** key is on.

### How To Move Around The Input Screens

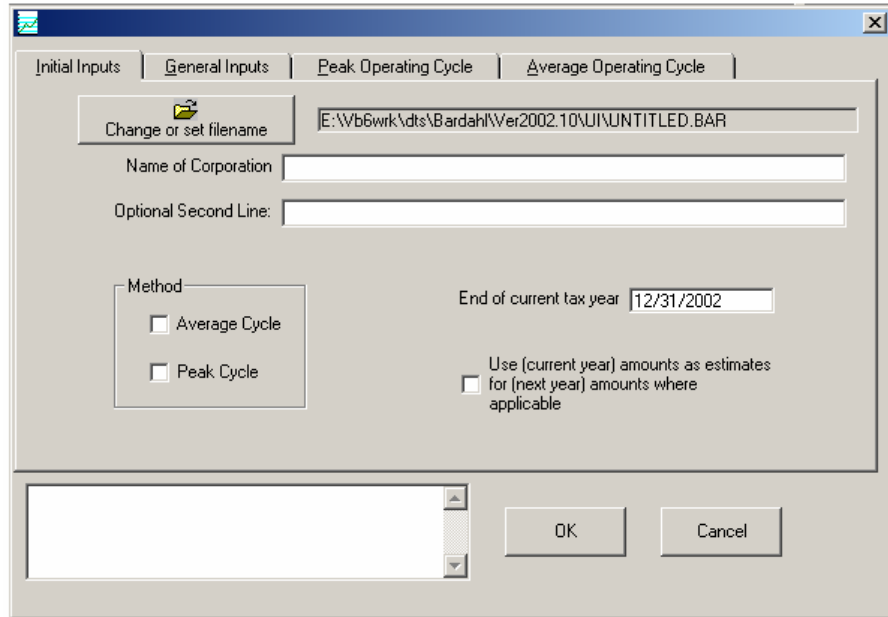
The input screen is broken down into tabbed dividers similar to a tabbed notebook. To move to a different tab simply click on the tab you want to move to. The input screen's tabs are *Initial Inputs*, *General Inputs*, *Peak Operating Cycle*, and *Average Operating Cycle*.

### How To Exit The Input Screens

When working with an input form, the **OK** button or **ENTER** key will exit the form and save the information you entered to a file. The **Cancel** button is used to exit the screen without saving the information you entered.

## Input Screens

### Initial Inputs Tab



*This is an improvement on the Windows interface. With most Windows programs, when you click on a form's OK button you just move to the next screen. When you click on the OK button in this program, it actually saves your data for you.*

#### **Change or set filename**

Click on the  button to choose or change a filename.

#### **Company's Name**

Enter the company's name.

#### **Optional Second Line**

Enter information that you would want to appear as the second line on the reports.

#### **Checkbox For Average Operating Cycle Method**

Check this box if you want to use the Average Operating Cycle Method. This is also called the Bardahl Formula as modified by The Empire Steel Castings decision. This requires fewer inputs since month end amounts are not needed. This method is usually not as favorable to the taxpayer.

Strategy: Compute the Bardahl Formula using the Average Operating Cycle Method. If the results are not good, compute the Bardahl Formula using the Peak Operating Cycle Method.

### **Checkbox For Peak Operating Cycle Method**

Check this box if you want to use the Peak Operating Cycle Method. This method requires more information than the Average Operating Cycle Method, but usually gives better results for the taxpayer.

### **End of Current Tax Year**

Enter the year that the Bardahl Formula is being computed for. For example, if the IRS was attempting to assess Accumulated Earnings Tax for fiscal year ending 6/30/2003. 6/30/2003 would be the end of the current tax year, and 6/30/2004 would be the end of the next year.

### **Checkbox – Use (Current Year) Amounts as Estimates for (Next Year) Amounts Where Applicable**

Check this box if you want to use the current year amounts as estimates for next year. The Bardahl Formula uses information for both the current year and the subsequent year. As a practical matter, if the subsequent year's information is not yet available, the Bardahl Formula is often computed by using the current year information as an estimate for the subsequent year.

## **General Inputs Tab**

Initial Inputs | **General Inputs** | Peak Operating Cycle | Average Operating Cycle

Tax Year Ending 12/31/2002

|                                      |   |
|--------------------------------------|---|
| Current Assets                       | 0 |
| Investment in Securities             | 0 |
| Notes Receivable from Shareholders   | 0 |
| Current Liabilities                  | 0 |
| Other Adjustments to Working Capital | 0 |
| Beginning Inventory                  | 0 |
| Ending Inventory                     | 0 |
| Inventory Purchases                  | 0 |
| Net Sales                            | 0 |
| Cost of Goods Sold                   | 0 |

12/31/2003

|                                         |   |
|-----------------------------------------|---|
| Cost of Goods Sold                      | 0 |
| Operating Expense                       | 0 |
| Income Tax Expense                      | 0 |
| Depreciation                            | 0 |
| Other Adjustments to Cost of Operations | 0 |
| Other Reasonable Needs                  | 0 |
| Contingencies                           | 0 |

Check this box if you want to use the current year amounts as estimates for next year. The Bardahl Formula uses information for both the current year and the subsequent year. As a practical matter, if the subsequent year's information is not yet available, the Bardahl Formula is often computed by using the current year information as an estimate for the subsequent year.

OK Cancel

### **Current Assets**

Enter the Current Assets for the current year.

### ***Investment in Securities***

Enter any Investment in Securities for the current year. Do not include Investment in Securities that are included in Current Assets.

### ***Notes Receivable from Shareholders***

Enter any Notes Receivable from Shareholders for the current year. Do not include Notes Receivable from Shareholders that are included in Current Assets.

### ***Current Liabilities***

Enter Current Liabilities for the current year-end.

### ***Other Adjustments to Available Working Capital***

Enter any Other Adjustments to Available Working Capital for the current year.

### ***Beginning Inventory***

Enter the Beginning Inventory for the current year.

### ***Ending Inventory***

Enter the Ending Inventory for the current year.

### ***Inventory Purchases***

Enter the Inventory Purchases for the current year. These would be the purchases used to compute Cost Of Goods Sold.

### ***Net Sales***

Enter the Net Sales for the current year.

### ***Cost of Goods Sold***

Enter the Cost of Goods Sold for the current year.

### ***Cost of Goods Sold Next Year***

Enter the Cost of Goods Sold for the *next* year.

### ***Operating Expenses***

Enter the Operating Expenses for the next year.

### ***Income Tax Expense***

Enter the Income Tax Expense for the next year.

### ***Depreciation***

Enter the Depreciation for the next year.

### ***Other Adjustments to Cost of Operations***

Enter Other Adjustments to Cost of Operations for the next year.

### **Other Reasonable Needs**

Enter Other Reasonable Needs.

### **Contingencies**

Enter any Contingencies.

## **Peak Operating Cycle Tab**

The screenshot shows a software window titled "Peak Operating Cycle" with four tabs: "Initial Inputs", "General Inputs", "Peak Operating Cycle", and "Average Operating Cycle". The "Peak Operating Cycle" tab is selected. The window displays a "Tax Year Ending 12/31/2002" and a checkbox labeled "Use End - of - Month inventory instead of monthly sales & inventory purchases". Below the checkbox are four columns: "Month End", "Receivables", "Sales", and "Purchases", each with a grid of 12 empty rows for data entry. At the bottom right are "OK" and "Cancel" buttons.

### **Checkbox Use End-of-Month Inventory Instead of Monthly Sales and Purchases**

Check the box to use End – of – Month Inventory instead of monthly Sales & Inventory Purchases. It is preferable to use End – of – Month Inventory. However, some business do not have End – of – Month Inventory. Almost all businesses have monthly Sales and Inventory Purchases that can be used to estimate End – of – Month Inventory.

### **Month**

Enter the first month. The program will figure out the next 11 months.

### **Inventory**

Enter the End – of – Month Inventory for the month if you DID check the box to use End – of – Month Inventory.

### **Sales**

Enter Sales for the month if you DID NOT check the box to use End – of – Month Inventory.

### ***Inventory Purchases***

Enter Inventory Purchases for the month if you DID NOT check the box to use End – of – Month Inventory. Inventory Purchases are the purchase that increase Cost Of Goods Sold.

### ***Receivables***

Enter the End – of – Month Receivables.

## **Average Operating Cycle Input Tab**

The screenshot shows a software window titled "Average Operating Cycle Input Tab". It has four tabs: "Initial Inputs", "General Inputs", "Peak Operating Cycle", and "Average Operating Cycle". The "Average Operating Cycle" tab is selected. The window contains four input fields, each with a "0" value:

- Beginning Accounts Receivable
- Ending Accounts Receivable
- Beginning Accounts Payable Related to Inventory
- Ending Accounts Payable Related to Inventory

At the bottom of the window, there is a scrollable text area and two buttons: "OK" and "Cancel".

### ***Beginning Accounts Receivable***

Enter the Beginning Accounts Receivable for the current year.

### ***Ending Accounts Receivable***

Enter the Ending Accounts Receivable for the current year.

### ***Beginning Accounts Payable Related to Inventory***

Enter the Beginning Accounts Payable Related to Inventory for the current year.

### ***Ending Accounts Payable Related to Inventory***

Enter the Ending Accounts Payable Related to Inventory for the current year.

# Tutorial - Examples

---

## A New Scenario Example

Most of the time it doesn't make much difference whether you use the **TAB** or **ENTER** key. This tutorial will use the **ENTER** key whenever possible. When the tutorial directs you to use the **TAB** key, that would be a situation where using the **TAB** and **ENTER** keys will make the program function differently.

Start the program. If you have any questions on how to do this, see “

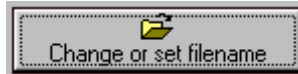
For more information see:  
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Starting the DTS ” on page 4.

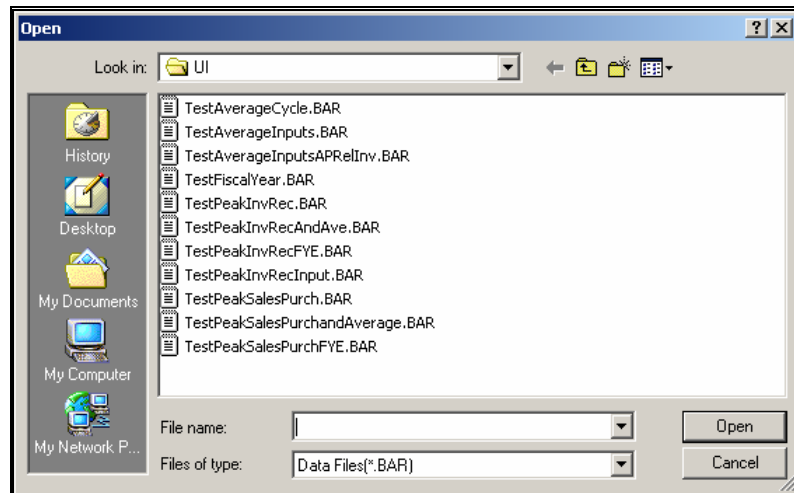
The first screen is the *About Bardahl Formula Calculations* window. Click on the **OK** button.



At the *Startup Options* screen, click on the **New Scenario** button. This will immediately bring up the input screen.



Click on the *Change or set filename* button.



In the *Save As* screen, type **Test Bardahl** in the *File name* input. Click the **Save** button to return to the input screen. Press the **TAB** key.

For the *Company's Name* input enter **XYZ Corporation** and press the **ENTER** key.

For the *Optional Second Line* input enter **Just Testing** and press the **ENTER** key.

For the *End of current tax year* input enter **12312002** and press the **ENTER** key. That date should then change to 12/31/2002. Always enter the year as four digits.

For the *Method* Option click on *Average Cycle* and *Peak Cycle*.

At this time, the screen should look like this:

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Initial Inputs | **General Inputs** | Peak Operating Cycle | Average Operating Cycle

Change or set filename: E:\vb6wkw\dts\Bardahl\Ver2002.10\UI\Test Bardahl.BAR

Name of Corporation: XYZ Corporation

Optional Second Line: Just Testing!

Method:

- Average Cycle
- Peak Cycle

End of current tax year: 12/31/2002

Use (current year) amounts as estimates for (next year) amounts where applicable

Check this box if you want to use the current year amounts as estimates for next year. The Bardahl Formula uses information for both the current year and the subsequent year. As a practical matter, if the subsequent

OK Cancel

Click on the **General Inputs** tab.

For the **Current Assets** input enter 1470000 and hit the **ENTER** key. The program will automatically format the dollar amount. Do Not enter dollar signs or commas. After hitting the Enter key the amount will display \$1,470,000.

For the **Investments in Securities** input enter 200000 and hit the **ENTER** key.

For the **Notes Receivable from Shareholders** input enter and hit the **ENTER** key.

For the **Current Liabilities** input enter 85000 and hit the **ENTER** key.

For the **Other Adjustments to Working Capital** input enter 0 and hit the **ENTER** key.

For the **Beginning Inventory** input enter 400000 and hit the **ENTER** key.

For the **Ending Inventory** input enter 405000 and hit the **ENTER** key.

For the **Inventory Purchases** input enter 0 and hit the **ENTER** key.

For the **Net Sales** input enter 4000000 and hit the **ENTER** key.

For the **Cost of Goods Sold** input enter 2751000 and hit the **ENTER** key.

For the **Cost of Goods Sold** input for the **next** year enter 2891000 and hit the **ENTER** key.

For the **Operating Expense** input enter 906000 and hit the **ENTER** key.

For the **Income Tax Expense** input enter 251000 and hit the **ENTER** key.

For the **Depreciation** input enter 14000 and hit the **ENTER** key.

For the **Other Adjustments to Cost of Operations** input enter 0 and hit the **ENTER** key.

For the **Other Reasonable Needs** input enter 0 and hit the **ENTER** key.

For the **Contingencies** input enter 0 and hit the **ENTER** key.

At this time, the screen should look like this:

| Field                                   | Value     |
|-----------------------------------------|-----------|
| Current Assets                          | 1,470,000 |
| Investment in Securities                | 200,000   |
| Notes Receivable from Shareholders      | 65,000    |
| Current Liabilities                     | 85,000    |
| Other Adjustments to Working Capital    | 0         |
| Beginning Inventory                     | 400,000   |
| Ending Inventory                        | 405,000   |
| Inventory Purchases                     | 0         |
| Net Sales                               | 4,000,000 |
| Cost of Goods Sold                      | 2,751,000 |
| Cost of Goods Sold (12/31/2003)         | 2,891,000 |
| Operating Expense                       | 906,000   |
| Income Tax Expense                      | 251,000   |
| Depreciation                            | 14,000    |
| Other Adjustments to Cost of Operations | 0         |
| Other Reasonable Needs                  | 0         |
| Contingencies                           | 0         |

Click on the **Peak Operating Cycle** Tab.

Check the **Use End - of - Month Inventory Instead of Monthly Sales and Purchases**.

Use End - of - Month inventory instead of monthly sales & inventory purchases

For the **First Month** input enter 01/31/2002 and hit the **ENTER** key. The rest of the dates will be automatically calculated.

For the first **Receivables** input enter 365000 and hit the **ENTER** key.

For the first **Inventory** input enter 404000 and hit the **ENTER** key.

For the second **Receivables** input enter 375000 and hit the **ENTER** key.

For the second **Inventory** input enter 420000 and hit the **ENTER** key.

For the third **Receivables** input enter 425000 and hit the **ENTER** key.

For the third **Inventory** input enter 450000 and hit the **ENTER** key.

For the fourth **Receivables** input enter 435000 and hit the **ENTER** key.

For the fourth **Inventory** input enter 455000 and hit the **ENTER** key.

For the fifth **Receivables** input enter 440000 and hit the **ENTER** key.

For the fifth **Inventory** input enter 460000 and hit the **ENTER** key.

For the sixth **Receivables** input enter 440000 and hit the **ENTER** key.

For the sixth **Inventory** input enter 465000 and hit the **ENTER** key.

For the seventh **Receivables** input enter 425000 and hit the **ENTER** key.

For the seventh **Inventory** input enter 475000 and hit the **ENTER** key.

For the eighth **Receivables** input enter 427000 and hit the **ENTER** key.

For the eighth **Inventory** input enter 470000 and hit the **ENTER** key.

For the ninth **Receivables** input enter 435000 and hit the **ENTER** key.

For the ninth **Inventory** input enter 460000 and hit the **ENTER** key.

For the tenth **Receivables** input enter 450000 and hit the **ENTER** key.

For the tenth **Inventory** input enter 440000 and hit the **ENTER** key.

For the eleventh **Receivables** input enter 440000 and hit the **ENTER** key.

For the eleventh **Inventory** input enter 420000 and hit the **ENTER** key.

For the twelfth **Receivables** input enter 438000 and hit the **ENTER** key.

For the twelfth **Inventory** input enter 405000 and hit the **ENTER** key.

At this time, the screen should look like this:

| Month End  | Receivables | Inventory |
|------------|-------------|-----------|
| 01/31/2002 | 365,000     | 404,000   |
| 2/28/2002  | 375,000     | 420,000   |
| 3/31/2002  | 425,000     | 450,000   |
| 4/30/2002  | 435,000     | 455,000   |
| 5/31/2002  | 440,000     | 460,000   |
| 6/30/2002  | 440,000     | 465,000   |
| 7/31/2002  | 425,000     | 475,000   |
| 8/31/2002  | 427,000     | 470,000   |
| 9/30/2002  | 435,000     | 460,000   |
| 10/31/2002 | 450,000     | 440,000   |
| 11/30/2002 | 440,000     | 420,000   |
| 12/31/2002 | 438,000     | 405,000   |

Click on the **Average Operating Cycle** tab.

For the **Beginning Accounts Receivable** input enter 355000 and hit the **ENTER** key.

For the **Ending Accounts Receivable** input enter 438000 and hit the **ENTER** key.

For the **Beginning Accounts Payable Related to Inventory** input enter 0 and hit the **ENTER** key.

For the **Ending Accounts Payable Related to Inventory** input enter 0 and hit the **ENTER** key.

At this time, the screen should look like this:

For more information see:  
<http://denvertax.com/bardahl>

Initial Inputs | General Inputs | Peak Operating Cycle | **Average Operating Cycle**

Year Ending 12/31/2002

Beginning Accounts Receivable 355,000

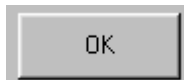
Ending Accounts Receivable 438,000

Beginning Accounts Payable Related to Inventory 0

Ending Accounts Payable Related to Inventory 0

Check this box if you want to use the current year amounts as estimates for next year. The Bardahl Formula uses information for both the current year and the subsequent year. As a practical matter, if the subsequent

OK Cancel



**Click** on the **OK** button. This automatically saves your information. There is no need to take further actions to save the data!



Lets get the results. **Click** on the **Print** button.

Select Reports (Print)

Check Desired Reports

Input Report

Detailed Analysis Report

Summary Report

OK

Cancel

In the Select Reports screen you can select the reports that you want to run. If all three reports are not already checked, please check all three boxes now. **Click** on the **OK** button.

The next screen will be the standard Windows print dialog box. **Click** on the **OK** button, and the reports will now print.



You are done. Simply exit the program by **clicking** on the **X** button in the upper right corner.

---

## An Old Scenario Example

To modify a previously created scenario, we will use the example that we saved in the New Scenario Example. We will change the dates in the peak method we will change net sales to \$5,000,000

Start the program. If you have any questions on how to do this, see “

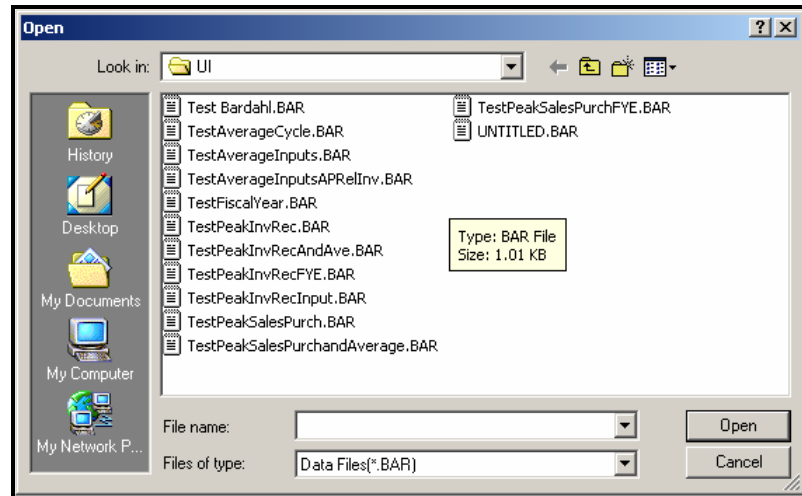
For more information see:  
<http://denvertax.com/bardahl>

Starting the DTS ” on page 4.

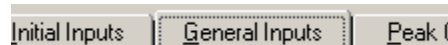
The first screen is the *About Bardahl Formula Calculator* window. Click on the **OK** button.



At the *Startup Options* screen, click on the **Old Scenario** button. This will immediately bring up the Open screen.



In the *Open* screen, click on **Test Bardahl.BAR** text. Click the **Open** button to return to the input screen.



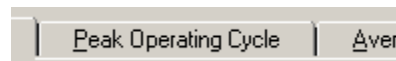
Click on the **General Inputs** tab or press **Alt - G**. The General Inputs will now appear.

In the **Net Sales Box** click on the 4,000,000



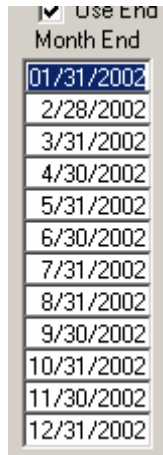
Type 5000000.

Click on the **Peak Operating Cycle** Tab or press **Alt - P**.



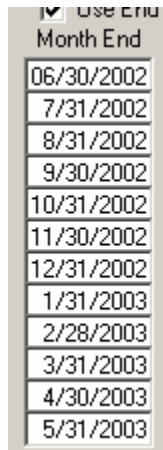
Double – click the first **Month’s Date**.

For more information see:  
<http://denvertax.com/bardahl>



Type 06/30/2002 and hit enter. The new monthly dates will automatically be recalculated.

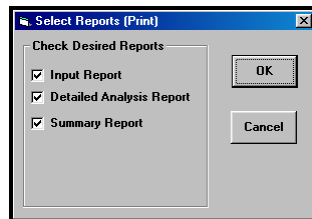
The dates should now look like this:



**Click** on the **OK** button. This automatically saves your information. There is no need to take further actions to save the new data!



Lets get the results. **Click** on the **Print** button.



In the Select Reports screen you can select the reports that you want to run. If all three reports are not already checked, please check all three boxes now. **Click** on the **OK** button.

The next screen will be the standard Windows print dialog box. **Click** on the **OK** button, and the reports will now print.

For more information see:  
<http://denvertax.com/bardahl>




You are done. Simply exit the program by **clicking** on the **X** button in the upper right corner.

# Input Sheet

---

## Printed Copies Of The Input Sheets

The fastest way to get blank printed input sheets is to print them from the program's Help  routine. **Click** the **Contents tab**. **Click** the on **Input Sheet** selection. **Click** on the input section that you are interested in. When you see the input sheet on the help screen, **click** on Help's **Print button**.

---

## Initial Inputs

Company's Name: \_\_\_\_\_

Optional Second Line: \_\_\_\_\_

End of current tax year(mmddyyyy): \_\_\_\_\_

End of next tax year(mmddyyyy): \_\_\_\_\_

Operating Cycle Option:

Average Cycle

Peak Cycle

Use current amounts as estimates for next year's amounts where applicable.



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For more information see:  
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