Landlord 5

User Guide

A basic guide to using our Landlord 5 software.

EZPZ Software Limited
January 2015

Contents

Introduction

This User Guide has been written with the aim of helping you to understand the way the software works and how to carry out common processing tasks.

We have not covered everything in the system here but have tried to focus on the most common processing tasks, those tasks that you are most likely to encounter. The choice of topics covered has also been influenced by the most frequently asked questions over the telephone help line.

This manual is intended to supplement, not replace, the Help file that can be accessed from within the software. Whereas the Help file is a technical reference source that allows you to look up a topic and have it explained in general terms, this manual works through processes in the order a user would typically carry them out.

EZPZ Software

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Conventions

This chapter summarises the controls and features that are common to all parts of the software. Please take a few minutes to read this chapter and familiarise yourself with its contents.

Common Controls

Grids

Grid controls are widely used throughout the system to display lists of records and for data entry. A grid looks very similar to a spreadsheet in its layout; it is made up of rows and columns and the box where a row and column intersect is referred to as a "cell".

At the top of each column in the grid is the *column heading*, which contains text telling you what information is displayed in that column. Many of the grids in the software have their column headings programmed to change the order of the records in the list when the column heading is clicked on.

You will recognise such grids by the presence of a blue arrowhead in one of the column headings. The blue arrowhead indicates which column the grid is currently sorted on and also the direction of the sort. An arrowhead pointing downwards indicates that the column is sorted from lowest value at the top to highest value at the bottom. In terms of a column containing text this means sorted from "A" at the top to "Z" at the bottom. If you click again on the column heading containing the arrowhead the direction of the sort is reversed, so that the highest value is at the top and the lowest value is at the bottom, and the arrowhead points upwards.

This change in the ordering of records in the grid is only temporary: once you close the screen and reopen it, the grid assumes its default order again.

You can also use the column headings of a grid to widen or narrow the columns in order that the data in the grid is easier for you to read.

If you move your mouse pointer over the divider line between two column headings the mouse pointer will change shape to become a double-headed arrow. Whilst in this position if you click and hold down your left mouse button you can drag right or left to make the column wider or narrower as required. When you close the screen the new column widths will be "remembered" and used again the next time that screen is opened.

Use the divider line between the column headings to widen or narrow the columns.

A third use of the column headings is to change the order in which the columns are displayed.

Move your mouse pointer over the centre of a column heading then click and hold down your left mouse button. You should see the column heading turn black whilst the rest of the grid becomes faint or "ghosted out". Keep the mouse button held down and drag the column to where you want it to appear. When you close the screen the new column order will be "remembered" and use again the next time that screen is opened.

Changing the order of the columns in a grid using the column heading.

Buttons

Throughout this Help guide when a button is referred to it is usually denoted by braces. For example, [Delete] would mean we were referring to the "Delete" button.

Many of the buttons seen on various screens throughout the software have similar uses.

The [New] or [Add] button is used to create a new record. You will see it on many of the screens and toolbars in the software. Clicking on the button will usually open another screen with a blank record ready for you to complete.

The [Edit] or [Open] button is used to open an existing record, or document, for editing. When used on the toolbar of a list of records, you can open the record by clicking once on the record in the list with your left mouse button to select it and then clicking on the [Edit] button. You can also open a record from a list by double-clicking on it with your left mouse button. You will then see another screen appear with the details from the record ready for editing.

The [Delete] button is used to delete an existing record. When used on the toolbar of a list of records, you delete the record by clicking once on it with your left mouse button to select it and then clicking on the [Delete] button. Whether a record can be deleted or not will sometimes depend on whether the record is referenced in another data table. Deletion of a record cannot be undone - once a record has been deleted it cannot be recovered.

The [Save] button is used to save the changes you have made to a record. When you edit the details in a record the changes you make do not become permanent until you save them.

Printing Reports

When printing a report you have 4 Output options:

Preview - shows you on screen what the printed results will look like. The toolbar that appears with the preview allows you to move through the pages of the report, zoom in and out of the display, and send a single copy of the whole report to the printer using the current printer settings.

Print - sends the report to the printer. When this option is selected you will be presented with a screen where you can select the page range and number of copies and can set printer options.

File - converts the report to the selected file type and saves it as a file. When the report is run, and this option has been selected, a 'Save as' window will appear enabling you to select the location and file name for the output file. If the 'open file' checkbox is ticked the relevant software application will be opened when the output file has been created.

Email - this option is available in some software titles if the mail client used is Microsoft Outlook or the built in Email Manager. Adds the output document as an attachment to an email.

The following file types are supported for the File and Email options:

- PDF - Adobe Acrobat Document
- DOC - Microsoft Word 2000 document
- DOCX - Microsoft Word 2007 document
- XLS - Microsoft Excel spreadsheet
- HTML - standard HTML file
- RTF - rich-text format file
- TXT - standard text file; any pictures, lines or other drawing elements are excluded when using this format.

The above file formats are generated by converting the native report output to the chosen file format. Not all reports are suitable for conversion and the resulting file, when displayed, may not always match the look of the native report file.

Absolute vs. flow layout

Where you see documents with these options the difference is as follows:

Absolute - the resulting document is created using text boxes to obtain a result that is closest to the native report. This type of document is more accurate but can be difficult to edit and is a larger file size.

Flow - the converter attempts to use proper lines and paragraphs wherever possible. The resulting document may be less accurate but is easier to edit and is a smaller file size.

> Tip: if you are printing to a file we recommend you use the PDF file type; it is most accurate and the file cannot be edited by the recipient whereas the other file formats can.

The [Print] button is used to print a report or document. When you see this button on a list screen it will enable you to print the current list.

The [Reports] button opens the reports screen with the reports pertinent to the area of the software you are currently in.

Managing multiple datasets

The software lets you manage multiple sets of data called *datasets*. Each dataset is stored in its own folder and has its own set of database tables that are maintained independently of any other dataset on your computer.

When you first install and run the program the "Select Dataset" window will appear containing no datasets in the list. Each new dataset you create will be added to the datasets list and can be selected when you next run the software.

You can add further datasets, or remove datasets that you no longer use, using the controls provided in the Select Dataset window.

To open a dataset from the list, click on it to select it and then click the [Open] button. Alternatively, double-click on the dataset in the list. The selected dataset will be opened and will become the current dataset.

Creating a new dataset

You create a dataset using the [New] button on the Select Dataset window.

Alternatively, if you already have a dataset open within the software, select the **New> Dataset** option from the software's File menu.

In the "New dataset" window that opens, select/enter a location on your system where you want your new dataset to be created.

Your new dataset will be created in its own folder at the location you selected. Enter the name for the new folder that will be created, for example "My Data". The folder name cannot contain the characters \ / * ? or a full stop.

Click on [Proceed] to continue.

Selecting a location for your new dataset

It is very important that you select a location on your system that has full access rights for all user accounts in order that your data can be updated. If you are running the software on a single PC the suggested locations are as follows:

Windows XP

C:\Documents and Settings\All Users\Documents\EZPZ Software\EZPZ program name\Datasets

Windows Vista

C:\Users\Public\Documents\EZPZ Software\EZPZ program name\Datasets

Windows 7

C:\Users\Public\EZPZ Software\EZPZ program name\Datasets

The relevant folder will have been created when you installed the software.

LAN Users

If you are running the software on a LAN you should first create a shared folder to hold all your datasets, on the computer you are using as your server, and name it "EZPZDATA" or similar. You would then select the shared folder on the server as the location for the new dataset.

The New Business Wizard

The **New Business Wizard** will now appear. The wizard will take you through the process of creating your business step-by-step. As you complete each step click the [Next] button at the bottom of the screen to take you to the next one.

Step 1

Enter a unique *Reference code* for this business. The Reference code can be any mixture of letters and numbers up to 10-characters long. Once the new business has been saved, you will not be able to change this code.

Enter your business name and address details as you want them to appear on reports, statements, etc.

Step 2

Enter the contact details for your business in the fields provided.

Step 3

Select your Business type from the dropdown list. The business type can be sole proprietor, partnership or limited company. Selecting the correct business type will ensure the correct nominal account records are created.

Choose whether you want to use the default nominal codes, or whether you want to add your own nominal codes later. If you choose the latter option, just the control account nominal codes will be created.

If you are unsure of which nominal codes option to choose, we recommend you select the Use default nominal codes option.

Step 4

Indicate whether your business is VAT registered by ticking the box as appropriate.

If you are VAT registered select the VAT accounting scheme you use by selecting Standard VAT accounting (usual) or VAT Cash accounting, and enter your VAT Registration Number.

Once your business has been created and you begin entering transactions, you will not be able to alter the VAT status of your business until all transactions have been VAT reconciled. If you are not sure of your VAT status you should check with your accountant.

Step 5

Select the base currency for your business using the dropdown provided. The base currency cannot be changed once you have posted transactions to the system.

Step 6

The final step of the wizard is to enter your financial period dates. Your financial period will usually be one year, but other periods are allowed. The financial period dates cannot be changed once you have posted transactions to the system.

Once you have entered all the details for the new business click on the [Finish] button and confirm that you want to create the new business.

Setting business defaults

Once you have created your business there are additional details that can be set up using the "Business defaults" option on the Settings menu. This will open the **Business defaults** screen.

Address tab

The "Address on stationery" section at the right of the page is used to enter your address as you would like it to appear on invoices, statements, etc. Click on the [Generate] button to generate your default address details from the details in the other fields. You can then edit the address if desired, for example, adding a contact telephone number below the last line of the address.

Limited Company tab

The details on this page should be completed if your business is a limited company.

The details of your Registered Office address should be entered using the fields provided. If this address is the same as that on Page 1, click on the button, labelled "as Page 1", to copy over the details.

Enter your Company Registration No. and the place the company is registered in.

It is a legal requirement, when trading as a limited company, to include details of your registered office on outgoing invoices and statements. The Registered Office footer, at the bottom of this page, is the text that will appear on invoices and so on. Click on the [Generate] button, to the right of this field, to generate the default text. The footer can be edited as required.

Properties

Property records are probably the most important records on the system as almost everything else is connected to them. Properties are, after all, the reason why this software exists in the first place.

The Properties List

Property records are managed via the Properties list.

You can open the list by selecting the "Property records" option from the Properties menu or by clicking on the [Properties] button (shown left) on the main toolbar.

Adding a new property

To add a new property, click on the [Add] button on the Properties list screen to start the New Property wizard.

The New Property wizard takes you step-by-step through the process of creating a property and covers the basic information needed.

Enter the details required on each page of the wizard. Click on the [Next] button to go to the next page. If you need to go back to a previous page, click on the [Back] button.

Property address

Enter a unique *Property Code* for the new property. The code can be any combination of letters and numbers up to a maximum of 10 characters. Each code must be unique as it is used to identify the record throughout the system.

> Tip: use a code that tells you something about the property, such as "DONCAST129" and "CHURCH_27A", rather than just using numbers.

Enter the address details for the property.

Line 3 of the address should be used for the *area*, for example:

Address line 1	129 Doncaster Road
Line 2	
Line 3 - Area	Wath-upon-Dearne
Town	Rotherham
County	South Yorkshire
Postcode	S63 7DR

If you have already created area records on your system you can fill in the address quickly by clicking on the [Pick Area] button and selecting the area from the list.

Enter the date the property was acquired. This date will be used as the start date for the initial target rent record. It is important that the date used is earlier than, or the same as, the date of the first transaction that will be entered for the property.

Property type

Select the property type using the dropdown list provided. If the required property type is not already in the list you can add it by selecting the "Add new" option at the very top of the dropdown.

Enter the number of bedrooms the property has.

Select the furnished type using the dropdown.

Select the default tenancy class using the button provided. The tenancy class is a means of categorising your properties by the type of tenancy they will usually have. The default tenancy class is 'RES' (Residential). You might also have properties classed as Commercial, Student and so on.

Property features

This page is used to record information about the features the property has. Tick the features, or amenities, in the list that apply to this property.

Letting restrictions

Use the boxes to indicate any letting restrictions for the property and enter the minimum tenant age if different to the default suggested.

Target Rent

The *target rent* is the rent that will be used in advertising literature and as the default when creating a tenancy for this property.

Enter the amount of the rent in the *Net* field. VAT is not usually chargeable on residential lettings so tax code 9 would normally be used. Certain commercial leases, where the business is VAT registered, are subject to VAT and for these you would use tax code 1.

Select the frequency of the rent.

Enter the amount of any deposit a tenant will have to pay.

If you want to create a reminder for a rent review, enter the date on which you want to be reminded.

Details complete

We have now finished entering the details we need to set up this property.

Click [Finish] to create the property. The Wizard will then close and the new property will be added to the Properties List.

Editing an existing property record

To open an existing record for editing, highlight the record in the Properties list and then click on the [Edit] button. Alternatively, double-click on the record in the Properties list.

The information in a property record is displayed on several pages. Use the tabs, along the top of the screen, to bring a page to the front. When a property record is first opened the Main page is at the front.

Main page

Property Address

A property address consists of up to 7 lines.

Lines 4, 5 and 6 are for the *Town*, *County* and *Postcode* fields.

Line 7 is the *Country*.

Line 3 should be used for the *Area* or district the property is in.

Using Area codes

Area codes are used in the system for two reasons:

1. They make entering addresses quicker. Once an area record has been created, selecting that area code completes the Area, Town and County lines of the address for you.
2. They are used when producing the "Properties to Let" list to sort properties by area.

You can select an area by clicking on the [Pick Area] button. Once an area is selected, the area, town, county and country for your property will be completed and the area code stored in the property record.

Display as dropdown

The value selected from the *Display as* dropdown allows the user to select how the property will appear in the Properties list and in the property dropdown lists used throughout the system.

Date acquired

This date will be used when creating the initial target rent record for the property. It is also used when calculating occupancy of a property to give a true picture of the date range a property was available.

Parent and Child properties

A property record, on the system, is anything that can be let.

For example, if we were dealing with a house split into 4 separate flats, each flat being let individually, we would deal with this by creating 5 property records; one for each of the flats and one for the house itself. The house record could then be used to record shared facilities and to record transactions that were specific to the property but not to any individual flat.

The figure below shows a representation of a property that contains 4 flats:

Parent property

67 Church Road — *Record for the House*

Flat 1   Flat 2   Flat 3   Flat 4

Child properties — *Record for a Flat*
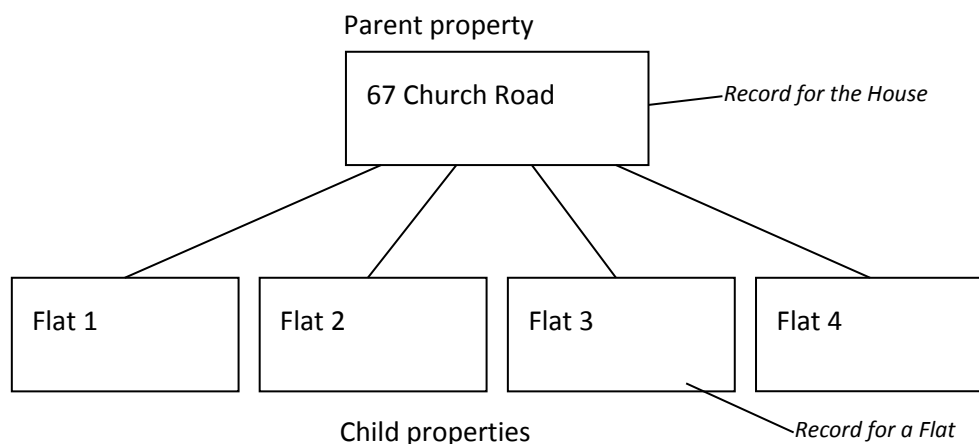
Representation of property 67 Church Road and the concept of parent and child properties

In this example, we want to be able to create tenancies for any of the 4 flats but not for the house (parent property) itself.

To indicate that a property is a child property of another record, open the child property record and select the parent property using the dropdown on the Main page.

We can prevent tenancies being created for the parent property by removing the tick from the "allow tenancies" box on the Tenancies page.

Adding a target rent record

A target rent record holds details of the target rent for a property. Whilst target rent records are not essential to the charging of rents, they are used as the default when creating tenancy charging records and in the creation of tenancy documents and the production of some reports including the "Properties to Let" list. We therefore recommend that you create target rent records for a property.

Target rent records are managed using the Target rent link on the Defaults page of the property record. Click on the link to display a list of target rent records currently held on file for the property.

Each target rent record has a *From date* and a *To date* and the record is effective between these dates.

If the *To date* is left blank it means that the details in the record will be used "until further notice". Where such a record exists for a property, you must edit the record and enter a *To date* before you can add a further rent record, for example where the rent has increased.

You can create a reminder to review the rent for this property by entering a date in the field provided.

Accommodation

You can enter accommodation details for any of your properties. Accommodation details are recorded by creating accommodation records that are linked to the property by its property code. Once you have created accommodation records you can create inventory records for each room, if required, as outlined in the section below.

Open the Properties list and double-click on the entry for the property in the list to open the property record. Select the Accommodation page.

Click on the [Add] button to create a new room record.

Select the room *Description* using the dropdown list provided. If the required value is not already in the dropdown list you can add it by selecting the "Add new" option from the very top of the list.

 Enter the room dimensions in the fields provided.

Click [Save] to save the new record.

Schedule of condition tab

The Schedule of condition tab becomes available once the new room record has been saved.

The Schedule of condition tab can be used to record details of the condition of the room. For example, you might want to record details of the décor of the walls. This can be useful at the end of a tenancy to assess possible damage by the outgoing tenants.

A schedule of condition entry is created using the [Add] button on the Schedule of condition tab.

Select the *Item* using the button provided. New standard items can be added using the button as required.

Enter notes and descriptions as required in the *Details* field.

One or more pictures can be added to the schedule of condition record once it has been saved.

Once saved, the new item will appear in the list on the Schedule of condition tab of the accommodation record along with the date that the record was last updated.

Changing the Order of the Rooms

You can change the order of the rooms listed on the Accommodation page using the [Set order] button.

When you print an inventory or schedule of condition report, rooms are listed in the same order as you see on screen. It may be helpful, particularly when checking off items in a property, to have the rooms listed in the order of a logical progression through the property.

In the window that appears, you can change the order of the items in the list using the grey buttons in the left-hand column. Click and hold down your left mouse button whilst the mouse pointer is over a button then drag the button up or down. Once you have finished ordering the list click [Save] to save the new order.

Updating advertising details

Information about the accommodation of a property is used in the "Property Specification Sheet" and the "Window Display Card". This information can be edited on the Advertising page of the property record.

On the Advertising page you will find various links you can click on to edit the advertising details. The details entered are used in the various advertising aids in the program.

Inventory details

Once accommodation records have been created, inventory records can be added.

Inventory records detail the items that are usually kept in the property for the use of the tenant. Items in the inventory are recorded as belonging to a particular room within the property.

Inventory records are added via the Inventory page of the property record.

At the top right of the Inventory page you will see a dropdown list containing the rooms in the property. Select the room from the list that the item you are about to add belongs in.

Click on the [Add] button to create a new inventory record.

Each inventory item can be given your own *User Reference*, which can be up to 10 characters long. Enter the rest of the details as required.

The fields on the Description tab can be used to enter free form notes for the *Description* and *Condition* of the item. These details are useful for identifying the item and for comparison at the end of a tenancy.

The fields on the Purchase/Valuation Details tab can be used to enter details about the purchase of the item and its current value.

Parent and child items

If the item being added is contained within another item in the room select the *Parent item*.

For example, you could have an item "Wall cupboard 1" in the Kitchen and then add another item "Crockery" and select "Wall cupboard 1" as its Parent item.

```
┌─────────────────────┐
│                     │────────────  *Parent item, belongs in*
│   Wall Cupboard 1   │              *Kitchen*
│                     │
└─────────────────────┘
     │           │
┌──────────┐  ┌─────────────────┐
│          │  │                 │──────  *Child item of Wall*
│ Crockery │  │ Plastic Container│        *Cupboard 1, Parent*
│          │  │                 │        *item of Fuses*
└──────────┘  └─────────────────┘
                     │
              ┌─────────────┐
              │             │──────  *Child item of*
              │   Fuses     │        *Plastic Container*
              │             │
              └─────────────┘
```
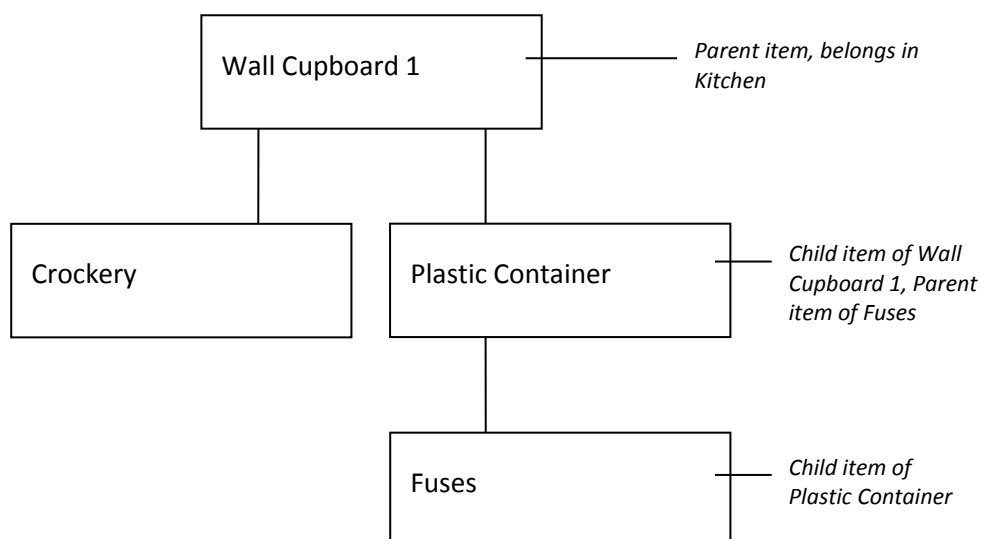
Showing the relationship between parent and child items in an inventory

When you need to move an inventory item from one room to another, you can edit the inventory record for the parent item and change the room it is in using the Room dropdown. Any child items contained within the parent item will be moved to the new room automatically.

Adding a Picture

Once the inventory record has been saved, you can add one or more pictures of the item using the picture control provided.

For more details on adding pictures see the section on "Adding Pictures" later in this guide.

Changing the Order of Inventory items

You can change the order of the items in the inventory using the [Set order] button on the Inventory page of the property record. This button becomes available when a room is selected from the "Show inventory for" dropdown.

When you print an inventory report, items are listed in the same order as you see on screen. It may be helpful, particularly when checking off items in a property, to have the items listed in the order of a logical progression through the property.

In the window that appears, you can change the order of the items in the list using the grey buttons in the left-hand column. Click and hold down your left mouse button whilst the mouse pointer is over a button then drag the button up or down. Once you have finished ordering the list click [Save] to save the new order.

> Note: only parent items will appear in the list as any child items will automatically be moved with their parents.

Printing an Inventory report

You can print an inventory report for the current property using the [Print] button on the Inventory page of the property record or the [Print] button on the Accommodation page of the property record. The [Print] button on the Inventory page is available when "All rooms" is selected in the rooms dropdown list.

This will open the **Print Inventory/Schedule of Condition** window. All the items listed can be printed together so that pictures, included in Appendix A, are referenced in the relevant documents.

Each of the 5 items listed prints as an individual report so you will be presented with an Output Options window for each one.

In addition to printing the Schedule of Condition and Inventory you can choose to print:

- **Confirmation Sheet** - with signature spaces for the tenant and landlord to sign indicating their agreement as to the contents and condition of the property

- **Meter Readings** - where utility providers have been set up on the Utilities page of the property record, this report details the location of the meters and provides space for entry of the current meter readings and confirmation signatures

Copying a property record

If you need to create a new property that is very similar to an existing property in the list you can do so by copying the existing property to a new record with a new code.

In the Properties list click once on the existing property record to select it and then click on the [Copy] button on the toolbar. This will open the **Copy Property** window.

Enter a record code for the new property record in the field provided. As previously mentioned, each property code must be unique so the code entered must not already exist.

When copying a property record you can elect to have the supporting records copied as well by using the tick boxes.

Click [OK] to copy the record. The new property record will be added to the Properties list from where you can open and edit it.

Adding Pictures

You can add one or more pictures of a property, room, inventory item and schedule of condition item using the picture control provided.
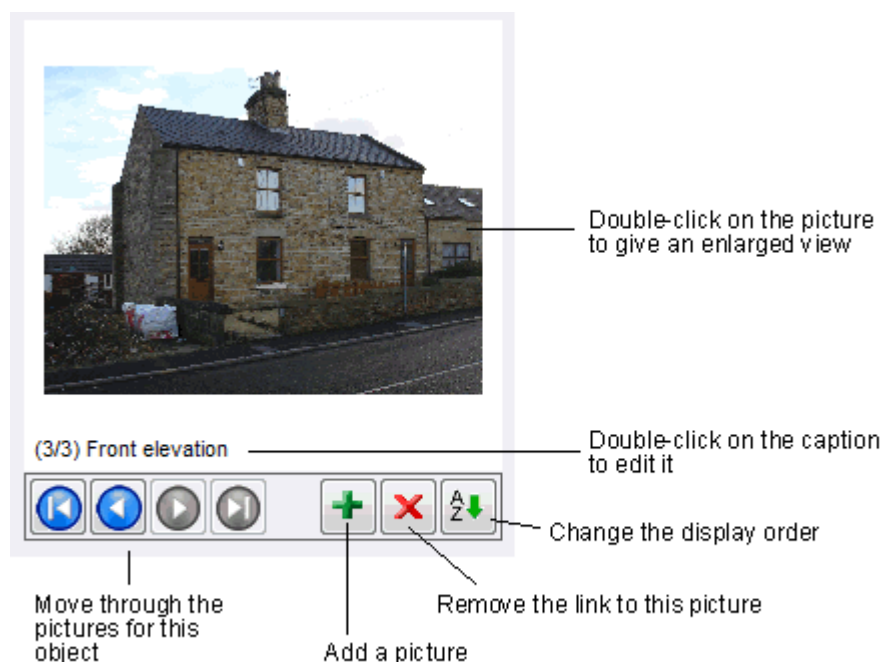
Pictures are scaled down to fit on a report at the time of printing so, to avoid distortion, the picture dimensions should be in the standard ratio of 12:9 in either portrait or landscape format.

Click on the [+] button, to add a picture. The Add Picture window will appear.

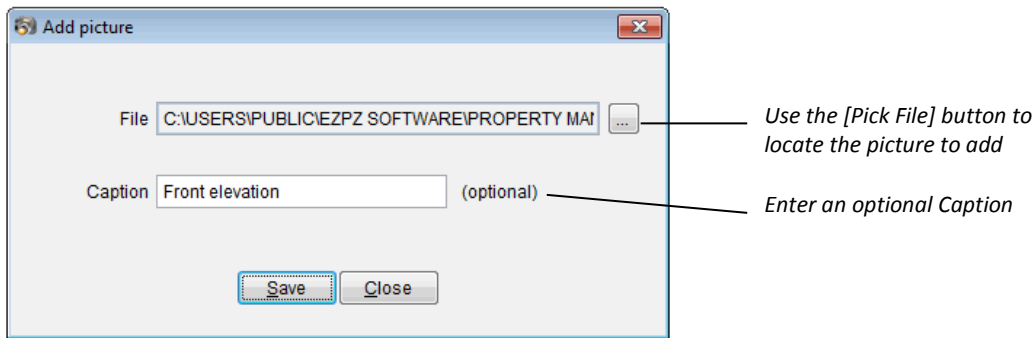*Use the [Pick File] button to locate the picture to add*

Enter an optional Caption

The Add Picture window

Click on the [Pick file] button to select the picture to add.

You can add a *Caption* for the picture to help you identify what the picture is of.

Click on [Save] to add the picture.

Setting the order of pictures

When printing a report that contains a single picture and there are multiple pictures stored for the object, the first picture in the display order will be printed. If the report supports multiple pictures the pictures are printed in order of their display order.

To change the order in which pictures are printed for the current object click on the [Set picture order] button on the picture control.

In the window that appears, you can change the order of the items in the list using the grey buttons in the left-hand column. Click and hold down your left mouse button whilst the mouse pointer is over a button then drag the button up or down. Once you have finished ordering the list click on [Save] to save the new order.
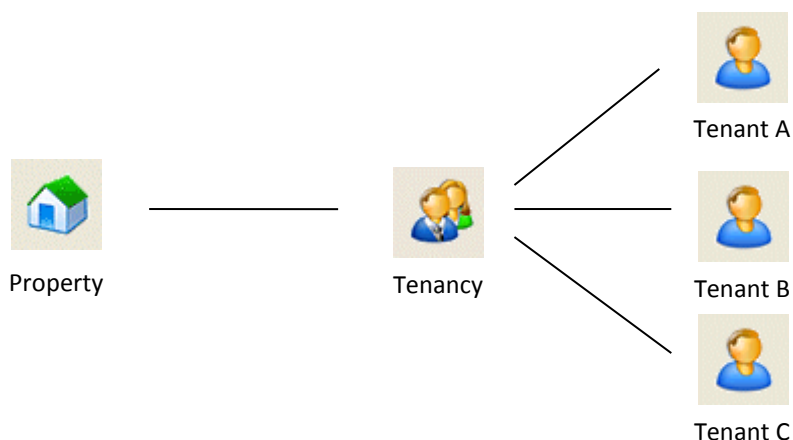
Removing a picture

To remove the currently displayed picture click on the [X] button.

Note: deleting a link to a picture file will not delete the actual picture file itself.

Creating Tenancies

A tenancy record is a link between a property and one or more tenants as shown in the diagram below.

Property   Tenancy   Tenant A

Tenant B

Tenant C

A tenancy record carries the *property code* for the property it relates to and is used to store the *tenancy dates*.

The amount of rent each tenant is to be charged is recorded using a *tenancy charging record*. The tenancy charging record also stores details of the frequency of the rent charge and who the charge is being made to, the tenant himself or another funding source such as housing benefit.

The Tenancies List

Tenancy records are managed via the Tenancies list. The list can be opened by selecting the "Tenancy records" option from the Tenancies menu or by clicking on the [Tenancies] button on the main toolbar.

Current tenancies, at today's date, are shown in black text in the list whilst expired and future tenancies are shown in grey text.

Adding a new tenancy: the Tenancy Wizard

The Tenancy Wizard takes you step-by-step through the process of creating a tenancy.

To start the Tenancy Wizard, open the Tenancies list and click on the [Add] button on the toolbar.

The Tenancy Wizard is also available from the Tenancies page of the property record.

The Tenancy Wizard consists of a series of pages that you work through by completing each one and then clicking on the [Next] button, at the bottom of the screen, to go to the next page. If you need to go back to a previous page, click on the [Back] button.

Page 1: Select property

Select the Property that the new tenancy is for. This will automatically select the class of tenancy based on the default tenancy class for the property.

Edit the class of tenancy if required.

Select the type of tenancy you are creating. Selecting the tenancy type will fill in the details for the tenancy term on the next page.

Page 2: Term and dates

Enter the tenancy commencement date. This is the date that the tenancy physically commences.

The term of the tenancy will have been completed from the default values for the tenancy type selected on the previous page. The values can be edited as required.

The term of a tenancy can be "Fixed" or "Variable".

A fixed-term tenancy is one where you know exactly how the long the tenancy will last and requires the length of the tenancy to be entered in years, (calendar) months and days. The expiry date of a fixed-term tenancy is calculated from the commencement date and the term.

A variable-term tenancy is one where you do not know when the tenancy will end, such as in the case of a "periodic" or "regulated" tenancy. The length of the tenancy cannot be entered and the expiry date is not known.

Rent is normally calculated from the date that the tenancy commences.

The *Start charging rent* date is the actual date that rent should be calculated from. This may be different from the date the tenancy commenced if, for example, you are setting up the software and recording tenancies that started before the financial period you are using. It would be unacceptable, and incorrect, to post rent charges dated before the current financial period begins. In this case, the start charging rent date should be changed to the due date of the first rent charge that falls in the current financial period.

For example, consider a tenancy that commenced on 15/01/2007 on which the rent is due on the 15th of each calendar month. If we were setting up the software, for the financial period 06/04/2007 to 05/04/2008, we would create the tenancy with a commencement date of 15/01/2007 but we would enter 15/04/2007 as the start charging rent date as this is the date of the first rent charge that falls due on this tenancy after 06/04/2007.

Page 3: Add tenants/tenancy charging records (TCRs)

Add one or more tenants to the tenancy using the [Add tenant/TCR] button.

When the "Select tenant" window appears, select the required tenant from the list then click [OK]. If the tenant record has not yet been created use the [Add] button to create it and add it to the list.

Once the tenant has been selected a Tenancy Charging Record window will appear. Complete the details of the amount to be charged to this tenant and the other details as required. Click on the [Save] button to save the details and return to the Tenancy wizard.

Repeat the procedure for any additional tenants and/or tenancy charging records for this tenancy.

If the "set tenant current address to property address" checkbox is ticked the current address of all the tenants on this tenancy will be updated with the address for the property when the tenancy is saved.

You can enter a credit limit for the tenancy for credit control purposes or you can exclude the tenancy from the automated credit control assessment by ticking the checkbox provided.

Page 4: Tenancies list and address style

The details on this page show how the new tenancy will be displayed in the Tenancies list and how the tenants will be addressed if any correspondence is sent to them. Edit the details as required.

Page 5: Tenancy deposit scheme

Select the Tenancy Deposit Scheme to be used for the tenancy deposit.

Where a "custodial" or "insurance-based" scheme is selected, select the scheme Operator from the dropdown list.

Enter the scheme operator's reference as required.

Page 6: Tenancy deposit received

You can record details of the transaction for the tenancy deposit by ticking the box and completing the details.

If the deposit is to be held by you, select the appropriate bank account and the Tenant Deposits Held nominal account.

Enter the date and amount of the deposit received against the relevant tenant(s) in the list.

Page 7: TDS operator charge

This page can only be viewed if you have selected a custodial or insurance-based scheme.

If a charge has been made by the scheme operator for handling the deposit, tick the box and enter the details as appropriate.

Details complete

Click on the [Finish] button to create the new tenancy. The tenancy deposit will also be posted if you entered details.

Editing a tenancy

Once a tenancy has been created it will appear in the Tenancies list from where it can be opened and edited. To open a tenancy for editing, double-click on the tenancy in the Tenancies list.

The information in a Tenancy record is spread over several pages. Click on a tab to bring that page to the front.

The Tenancy window opens with the "Term and Dates" page at the front.

Term and Dates page

Tenancy Class

The *tenancy class* holds the default value for the tax code and Funding Type to be used when a new tenancy charging record is created. Each property record has a default tenancy class and this is used when a new tenancy is created for the property.

Several default tenancy classes are created automatically by the system and you can add your own.

Tenancy classes are managed via the "Other tables" option on the Settings menu.

Actual Term and Dates section

Commences – this is the date that the tenancy actually began.

Expires – this is the date that the tenancy will end if it runs to its full term. This date is calculated using the tenancy commences date and the term and cannot be edited directly by the user. Variable-term tenancies have a blank expiry date.

The *Term* is the length of time that the tenancy will last for, and has a value in years, calendar months and days. The term of a tenancy can be "Fixed" or "Variable". A fixed-term tenancy has a definite term and expiry date. A variable-term tenancy has no value for its term and its expiry date is

blank. A variable-term tenancy will therefore continue on until such time as it is ended, by the user, by entering a date in the *Stop Charging Rents* field.

Rent Charging Period section

The Rent Charging Period is the period during which rent charges will be calculated by the system. The dates that define the rent charging period are called the *Start Charging Rent* date and the *Stop Charging Rent* date. These dates must fall within the date range defined by the tenancy commences and expires dates.

Usually, the start charging rent date will be the same as the tenancy commences date, and the stop charging rent date will be the same as the tenancy expires date. The start and stop charging rent dates can be changed by the user if required.

A change to the start charging rent date will usually be required when the system is first being set up for an existing business. When setting up the system the user defines the financial period to be used. It would be unacceptable, and incorrect, to post rent charges dated before the current financial period begins. In this case, the start charging rent date should be changed to the date of the first rent charge that falls in the current financial period.

For example, consider a tenancy that commenced on 08/03/2007 on which the rent is due on the 8th of each calendar month. If we were setting up EZPZ for the first time, for the financial period 06/04/2007 to 05/04/2008, we would create the tenancy with a commences date of 08/03/2007 but we would enter 08/04/2007 as the start charging rent date as this is the date of the first rent charge that falls due on this tenancy after 06/04/2007.

The stop charging rent date is used to end a tenancy before its expiry date, in other words, where a tenant vacates a property early. It is also used to bring a variable-term tenancy to an end where the tenant(s) have given notice.

The stop charging rent date will be the last day for which rent should be charged.

When the calculation of rent is carried out, only the period from the start charging rent date to the stop charging rent date (inclusive) is calculated for.
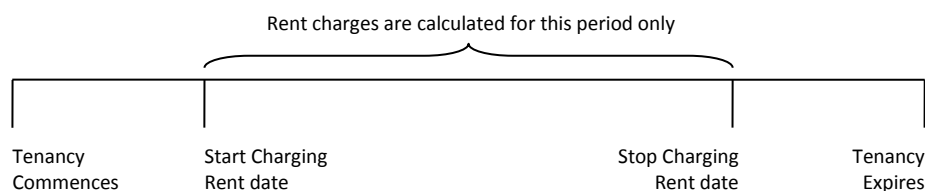
Rent charges are calculated between the start and stop charging rent dates inclusive

Tenants/TCRs page

This page shows details of the tenants on the tenancy and the amount(s) that each tenant is to be charged.

A tenancy can be for one tenant or multiple tenants; there is no limit in the software to the number of tenants that can be added to a tenancy.

Tenants on this tenancy section

The top section of this page shows details of the tenants that belong to this tenancy.

Further tenants can be added to the tenancy using the [Add Tenant] button. In the "Select Tenant" window that opens, the tenant records already on your system are listed. If the tenant you want to

add to the tenancy has not yet been created, click on the [Add] button to add a new tenant record. Once the new tenant record has been saved it will be added to the list on the "Add Tenant to Tenancy" window.

Click on the tenant in the list to select it then click [OK].

For each tenant you add to the tenancy you will be presented with a new Tenancy Charging Record for completion. The tenancy charging record controls the amount of rent that will be charged to this tenant. There must be at least one tenancy charging record for each tenant on the tenancy, even if the amount to be charged to the tenant is nil. For more details on tenancy charging records see below.

If you add a tenant to the tenancy by mistake, you can remove him/her by selecting the tenant in the grid and then clicking on the [Remove Tenant] button. This will not delete the tenant record from the system, but will remove the association between the tenant and the tenancy. When a tenant is removed from a tenancy, any tenancy charging records for the tenant will be deleted.

Note: if the tenancy is for multiple tenants, and one of the tenants leaves before the end of the tenancy, you should not remove the tenant from the tenancy but use the method described in the "Removing a tenant part way through a tenancy" section below.

Tenancy Charging Records

The Tenancy Charging Records (TCRs) section shows the tenancy charging records for the tenants on the tenancy. A tenancy charging record (TCR) is used to control rent charges for a tenant. There must be at least one tenancy charging record for each tenant on the tenancy, even if the amount to be charged to the tenant is nil.
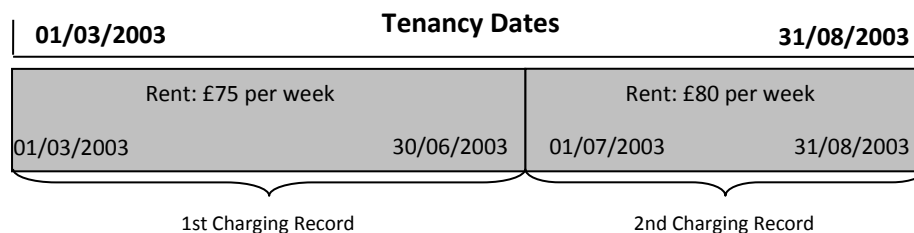
To edit a TCR double-click on it or select it and click the [Edit TCR] button.

Funding details page

Each TCR is valid between, and inclusive of, two dates called the *Valid From* date and *Valid To* date.

Rent charges will only be calculated using this TCR for the period defined by these dates. The dates must lie within the date range formed by the Start and Stop Charging Rent dates of the tenancy. The *Valid To* date must be completed for a fixed-term tenancy but can be blank where the tenancy is a variable-term one.

It is permissible to have charging records with valid dates that only cover part of the tenancy's term, for example, where the rent amount changes part way through the tenancy.

01/03/2003	**Tenancy Dates**	31/08/2003
Rent: £75 per week		Rent: £80 per week
01/03/2003 30/06/2003		01/07/2003 31/08/2003
1st Charging Record		2nd Charging Record

Showing how charging records are used to reflect a rent increase

Funding

The *Funding* refers to whom the rent is to be charged to. Usually, the tenant will be paying the whole of the rent charge himself, but it may be that he will be receiving a contribution from an outside source, for example housing benefit.

In order that the proportion of the rent charge paid by the tenant and that paid by housing benefit can be accounted for separately, funding types are used.

When the TCR is first created the funding type is taken from the tenancy class of the tenancy that the TCR is being created for.

When a funding type is selected, the values for the *Nominal* and *Department* are taken from the defaults in the Funding type record. These values can be edited as required.

Amount

In the case of certain commercial lets, where the landlord is VAT registered, you may require VAT to be charged on the rent. If this is the case select the appropriate *tax code*. In all other cases use tax code 9.

Where the amount you have entered is a daily rate, tick the "per day" box. For example, if the amount entered was 10.00 and the daily rate box ticked and the frequency selected was four weekly, a charge of £280.00 would be made for each complete period charged, being 28 days at £10 per day.

It is permissible to have a tenancy charging record for a nil amount. This enables you to record details of a tenancy without actually generating any rent charges for it.

This technique can also be used where a tenancy is for multiple tenants but you want the whole of the rent charge to appear on the ledger of just one tenant: leave the tenancy charging records for the other tenants as nil amounts.

Example Tenancy Charging Record (TCR) – Funding details

Frequency and dates page

Frequency

When rent is charged it is for a period of time indicated by the *frequency*. For example, where the frequency of the rent is weekly the period that a single rent charge covers will be 7 days inclusive.

In advance / in arrears

The date on which the rent falls due is referred to as the *due date*. Using our example of weekly rent it would be usual for the rent to fall due on the first day of the 7 day period it relates to. Where this is the case we say that rents are due in advance.

If our weekly rent were due to be paid on the last day of the 7 day period it related to, we would say that the rent was payable, or due, in arrears.

Use the in advance/in arrears buttons to select whether the rent is due in advance or in arrears. Changing this option will change the example charging dates accordingly.

Due day/due date

If the frequency is based on a period that is a multiple of whole weeks (weekly, fortnightly, four weekly, etc.) the *Due day* dropdown list is shown. Selecting a day of the week will complete the example dates for you based on the *in advance/in arrears* option setting.

If the frequency is based on a period that is a multiple of whole calendar months (calendar monthly, quarterly, etc.) the *Due date* dropdown list is shown. Selecting a date will complete the example dates for you based on the *in advance/in arrears* option setting.

Quarterly charges

If the frequency is quarterly, select the *Due date* from the first dropdown list and the quarterly *pattern* from the second. For example, selecting "5" and "FebMayAugNov" will mean rents will fall due on the 5th February, 5th May, 5th August and 5th November.

If the quarterly pattern selected is "English Quarter Days" or "Scottish Quarter Days" the due date will be blanked and cannot be changed. You will also find that the example dates cannot be changed. This is because the dates follow a strict pattern:

English Quarter Days	
Lady Day	25th March
Midsummer	24th June
Michaelmas	29th September
Christmas Day	25th December

Scottish Quarter Days (New)		Scottish Quarter Days (Old)	
Candlemas	28th February	Candlemas	2nd February
Whitsun	28th May	Whitsun	15th May
Lammas	28th August	Lammas	1st August
Martinmas	28th November	Martinmas	11th November

Six monthly charges

If the frequency is six-monthly select the *Due date* from the first dropdown list and any one of the possible two month names from the second.

Example dates

The example dates at the bottom of the screen are used as a template by the system. They do not have to be for any specific period as long as they fit in with the pattern of how you want your rent to be charged.

The system will use the example dates to step through each period in turn until it finds the period it is checking for.

Thus, if rent was due weekly and we wanted the due day to be a Tuesday, then as long as the due date entered is a Tuesday, it doesn't matter which one! Be warned though: if you entered a date for a Tuesday that was 10 years ago, the system will have to work through ten years' worth of periods until it finds the current one - expect slight delays!

The example charging dates can be used to provide unusual charging periods. It is possible, for example, to edit the example dates for a four-weekly period to read as follows:

Due date: 02/01/2005, Period covered: 16/01/2005 to 12/02/2005

Here, the charge is due to be paid 2 weeks before the period it relates to. This would be unusual but not impossible!

The example dates cannot be changed where a quarterly/six-monthly frequency has been selected and the quarterly pattern is either English or Scottish Quarter Days.

Example Tenancy Charging Record (TCR) – Frequency & dates

Templates page

This page contains the templates that are used to form the transaction detail, when a rent charge is processed, and the narrative, or descriptive text, used in a rent demand when generated. The default templates are copied from the Funding type record but can be customised as required.

Other page

Specific first/last day in month

You can charge calendar monthly rents on a specific day of each month, for example, the last Thursday. Each time charges are calculated using this basis the system will calculate the date of the last Thursday in that month and the period covered will be from there back to the last Thursday of the previous month. When using this basis, the period charged for will always be either 4 or 5 weeks and the amount entered must be a daily rate.

Tenant Standing Order

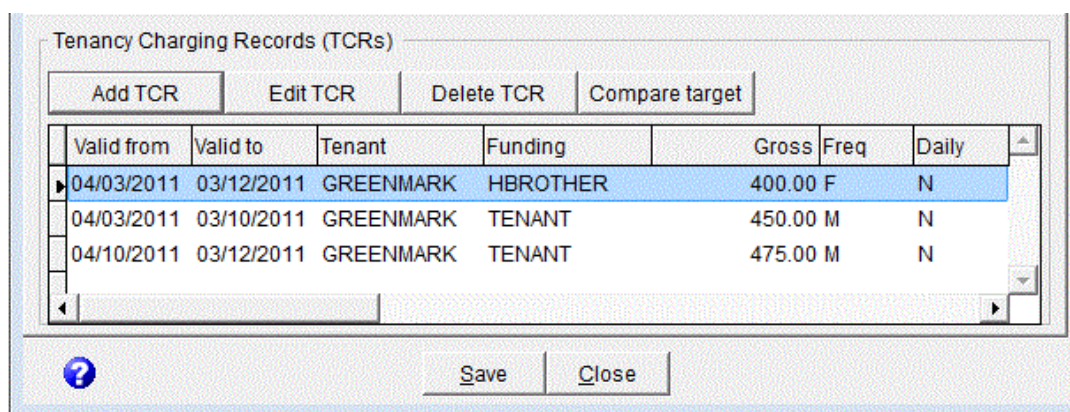Once the details of the TCR have been saved, you can use them to create a tenant standing order record if required.

Click on the Create standing order link to create a new Tenant Standing Order with the details completed from the TCR. Note that where the *Valid To* date of the TCR is blank the generated standing order will be until further notice.

More about Tenancy Charging Records

When you add a tenant to a tenancy you will be presented with a TCR to complete for the tenant. Each tenant will have a minimum of one TCR.

Additional TCRs can be added for any of the tenants on the tenancy using the [Add TCR] button in the "Tenancy Charging Records (TCRs)" section on the Tenants/TCRs page. Where there are multiple tenants on the tenancy, the new TCR will be added for whichever tenant is currently highlighted in the "Tenants on this tenancy", so make sure you highlight the correct tenant before clicking the [Add TCR] button.

A tenancy can have as many tenancy charging records attached to it as you care to create. The screenshot below shows an example of a tenancy that has 3 TCRs for the same tenant.

The first TCR represents housing benefit that the tenant is due from funder "HBROTHER". The frequency "F" represents four-weekly, so a rent charge of 400.00 will be due for each 4 week period.

The second TCR represents the amount the tenant pays himself, funding type "TENANT". This has a frequency of "M", calendar monthly, so a rent charge of 450.00 will be due for each month. Notice that this TCR is valid for the period from 04/03/2011, the start of the tenancy, to 03/10/2011.

The third TCR represents a rent increase. The rent for the last 2 months of the tenancy, payable by the tenant himself, has increased to 475.00 per month, replacing the TCR on the second row.

Each tenancy charging record can be for any amount, frequency and funding type and can be valid for any period, as long as the period lies within the range of the start and stop charging rent dates for the tenancy. The only proviso is that there must be at least one tenancy charging record for each tenant on the tenancy.

> Note: when you select "TENANT" as the funding type the charging dates are adjusted so that they fall in line with the tenancy dates. The charging dates for any other funding type will be copied directly from the defaults in the funding type record and must be edited if necessary.

You can edit an existing tenancy charging record by clicking on it in the grid and then clicking on the [Edit TCR] button, or by double-clicking on the entry in the grid.

Note: Once rent charges have been made using the details from a tenancy charging record the funding type cannot be changed.

You can delete a tenancy charging record from a tenancy by clicking on it in the grid to select it and then clicking on the [Delete TCR] button. All rent charge records connected to the TCR will also be removed and no further rent charges will be made with that tenancy charging record.

Any transactions already posted using the tenancy charging record will not be affected although they will be detached from the removed rent charge records.

Note: If the tenancy charging record is the only record for one of the tenants on the tenancy deleting the tenancy charging record will also remove the tenant from the tenancy.
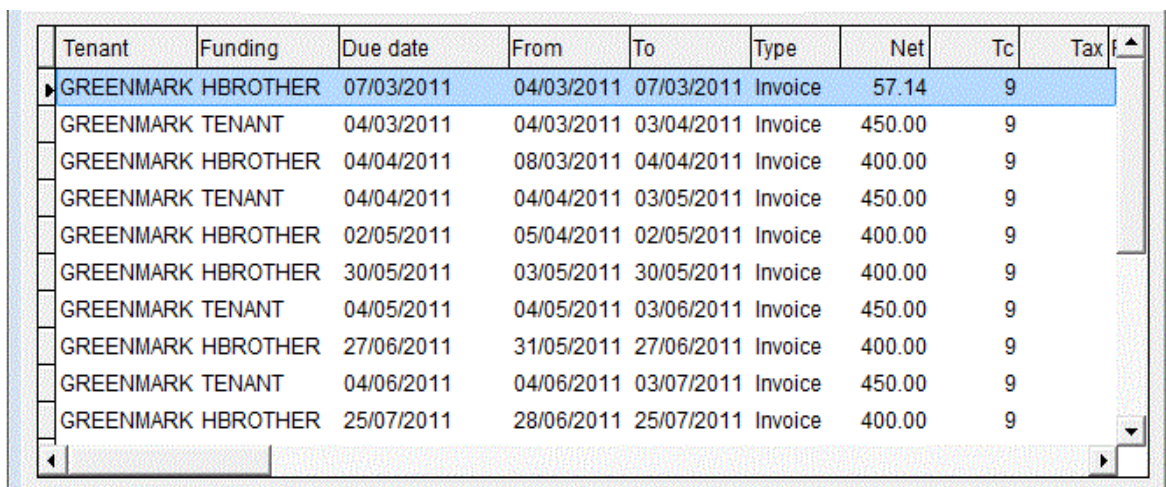
Comparing funding to the target rent

Where a valid target rent record exists for the property you can compare it to the amounts in the tenancy charging records by clicking on [Compare target].

Rent Charges page

The Rent Charges page of the tenancy record shows the rent charges for this tenancy.

Rent charges are calculated using the TCRs for the tenancy. Each rent charge has a due date and covers the period indicated by the "From" and "To" dates.

The screenshot below shows the rent charges that were generated using the example TCRs above.

Tenant	Funding	Due date	From	To	Type	Net	Tc	Tax
GREENMARK	HBROTHER	07/03/2011	04/03/2011	07/03/2011	Invoice	57.14	9	
GREENMARK	TENANT	04/03/2011	04/03/2011	03/04/2011	Invoice	450.00	9	
GREENMARK	HBROTHER	04/04/2011	08/03/2011	04/04/2011	Invoice	400.00	9	
GREENMARK	TENANT	04/04/2011	04/04/2011	03/05/2011	Invoice	450.00	9	
GREENMARK	HBROTHER	02/05/2011	05/04/2011	02/05/2011	Invoice	400.00	9	
GREENMARK	HBROTHER	30/05/2011	03/05/2011	30/05/2011	Invoice	400.00	9	
GREENMARK	TENANT	04/05/2011	04/05/2011	03/06/2011	Invoice	450.00	9	
GREENMARK	HBROTHER	27/06/2011	31/05/2011	27/06/2011	Invoice	400.00	9	
GREENMARK	TENANT	04/06/2011	04/06/2011	03/07/2011	Invoice	450.00	9	
GREENMARK	HBROTHER	25/07/2011	28/06/2011	25/07/2011	Invoice	400.00	9	

Note here the first housing benefit charge of 57.14. The period set up for the "HBROTHER" funding type is a 4-weekly one that is charged in arrears. The example tenancy starts on the 04/03/2011, which is part way through the housing benefit 4-weekly cycle. Thus, the first rent charged for "HBROTHER" is only for 4 days. Notice also that, because this funding type charges in arrears, the due date of the rent charge is the last day of the period it covers.

The tenancy charging record has a *Valid from* date of 04/03/2011, which is a Friday, and the 4-weekly cycle for this funding type runs from Tuesday to Monday. The *Valid from* date of the tenancy charging record therefore falls in the 4-week period from 08/02/2011 to 07/03/2011, so the first charge will be for the 4 days from 04/03/2011 to 07/03/2011 inclusive.

04/03/2011 – Valid from date (Friday)

Tenancy Charging Record

First period to be charged is 04/03/2011 – 07/03/2011 (4 days)

08/02/2011   08/03/2011   05/04/2011   *4-weekly periods*
             (Tuesday)   *derived from the*
                                              funding record
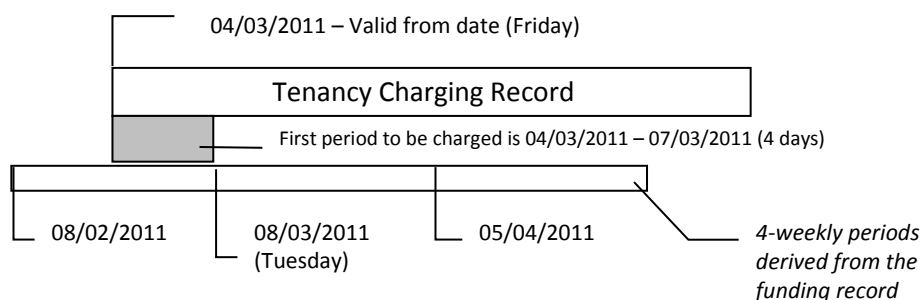
Generating Rent Charges

Rent charges are initially generated when the tenancy charging record is first created, and are regenerated whenever changes are made to the tenancy dates or the tenancy charging record dates.

You can also regenerate rent charges at any time using the [Generate] button on the Rent charges page of the Tenancy record.

Where a tenancy has a fixed term all of the rent charges for the whole of the tenancy will be calculated. If the tenancy is a variable-term one, rent charges cannot be calculated for the whole of the tenancy, as we do not know when it will end, so a specified period is calculated for. This specified period can be set by the user using the "Tenancy Defaults" option on the Tenancies menu.

The rent charges on a variable-term tenancy are updated each day that you start the software so that a pool of rent charges is always maintained.

Editing a Rent Charge

You can edit a rent charge, which has not been posted or demanded, by selecting the rent charge and clicking the [Edit] button, or by double-clicking on the rent charge.

In the screen that appears you can change the rent charge type, any of its dates and its amount. To prevent the system overwriting your changes, if charges are generated again, tick the *Lock* option. Locked charges are left unchanged when charges are generated using the [Generate] button.

Reversing a Rent Charge

When a rent charge has been posted in error and you want to delete the transaction and charge the rent again you can do so using the [Reverse] button.

Crediting a Rent Charge

When a rent charge has been posted, you can issue a full or partial credit note against the rent charge using the [Credit] button. In the screen that appears edit the period and other details as required. Click [Save] to post the credit note. An additional entry will be inserted into the rent charges list for the credit note.

Inserting a Free period

A free period is one for which no charge will be made. You may require this feature where, for example, a tenant has agreed to decorate the property from his own pocket and you in turn have agreed to allow him a week's free rent for this.

To insert a free period, click on the [Free] button.

In the screen that appears select the Tenant and Funding values using the dropdown lists provided and enter the period required. Click [OK] to create the free period(s). The rent charges will be regenerated and the rent charges on either side of the free period can be adjusted if required.

Deleting a Rent Charge

You can delete a free period entry by selecting it and clicking the [Delete] button. You will be asked to confirm your action.

Linking to a transaction

You can make or break a link between a rent charge and its underlying transaction by selecting the rent charge and clicking the [Link] button.

The link between a rent charge and a transaction is what tells the system whether a rent charge has been posted or not. If there is no link the rent charge is classed as not posted.

Posting Rent Charges

Rent charges are processed using the "Post Rent Charges" option on the Tenancies menu.

When a rent charge has been processed, a tick will appear in the "Posted" column, on the Rent Charges page, to indicate that the transaction has been created, whilst a tick in the "Demand" column indicates that a rent demand has been generated for the charge.

Ledger page

The Ledger page shows the transactions for all the tenants on this tenancy. Since a tenancy relates to a property, only those transactions that have the relevant property code will appear here. Thus if you post a tenant receipt and do not allocate it against a rent charge, the action that copies the property code of the rent charge to the tenant receipt, that tenant receipt will not appear on the Ledger page.

You can view and/or edit a transaction by double-clicking on it.

You can print a proof of payment for a receipt transaction by right-clicking over the entry and selecting "Print proof of payment" from the shortcut menu that appears.

Credit Control Page

The Credit Control page shows the credit control history for this tenancy. From this page you can add credit control entries and print statements for the tenancy.

For more details see the chapter on "Credit Control".

Documents page

The Documents page is used to create documents for the tenancy and to record the location and details of any documents produced.

For more details on creating documents see the chapter on "Creating Documents".

Ending a Tenancy

You may wish to end a tenancy where the tenant(s) have vacated the property before the tenancy expires date or where a variable term tenancy is to be brought to an end because the tenant(s) have given notice.

You can end a tenancy by clicking the [change] button to the right of the *Stop Charging Rents* date.

In the screen that opens, enter the date that you want the tenancy to finish on and click [OK]. The screen that next appears provides a summary of the changes that will be made to the tenancy charging records and rent charges if you go ahead and make the change. Click [OK] to make the changes or on [Cancel] to discard them and return to the tenancy record.

Extending a Tenancy

You may wish to extend a tenancy if the tenant(s) have arranged to stay longer in the property than initially agreed.

You can extend a fixed term tenancy by increasing its term or by making it into a variable term tenancy. It is not necessary to extend a variable term tenancy.

You can extend a tenancy by clicking on the [change] button to the right of the *Term* line.

In the screen that opens, change the values for the term, or make the term variable, and click [OK]. The screen that next appears provides a summary of the changes that will be made to the tenancy charging records and rent charges if you go ahead and make the change. Click [OK] to make the changes or on [Cancel] to discard them and return to the tenancy record.

Processing rents

The processing of rents by the system consists of 2 separate stages:

1. The posting of rent charges to the tenant ledgers. When first posted, a rent charge appears as an unpaid item on the ledger.

2. Entering the amount received from a tenant and allocating it against the unpaid rent charges. This is covered in the section on Tenant Receipts.

By processing rents in this way it is possible to provide credit control facilities as the system is able to track unpaid charges.

Rent charges are calculated using the tenancy charging records belonging to a tenancy.

Each tenancy has tenancy charging records linked to it. Each tenancy charging record is for a tenant/funding type combination and is valid for a certain period, usually the term of the tenancy. The record also includes details of the charging dates, nominal code, and department and so on.

Posting rent charges

To post rent charges due, select the "Post rent charges" option from the Tenancies menu. Alternatively, if you have the Tenancies list open, you can select the option from the Tasks menu.

> Note: if the Tenancies list is filtered, the Post Rent Charges screen will only list the rent charges for those tenancies currently shown in the Tenancies list.

The first thing we need to do is to enter the date we want to post charges up to. Charges will be listed that have a due date up to and including the date entered.

The date used here would usually be today's date and the process of posting rents would be carried out on a daily basis. There is no reason why this process could not be carried out weekly, say each Monday, and a date entered that lists rent charges due in the coming week.

Having visually checked that the rent charges are correct we can post them.

We can select specific entries for posting using the tick box in the leftmost column. If you do not tick any entries you will be asked to confirm that you want to post all entries.

Click on the [Post] button to post the rent charges and to optionally create rent demands.

> Tip: You can set the default option for whether or not you want to create a rent demand using the Tenancy Defaults option on the Tenancies menu.

When a rent charge is posted to create a transaction, the corresponding entry on the Rent Charges page of the tenancy record will have a tick placed in the "Posted" column.

When a demand is created, the corresponding entry on the Rent Charges page of the tenancy record will have a tick placed in the "Demand" column.

The effect on the system of posting rent charges

The Tenant Ledger

When rent charges are posted the transactions they create will appear on the tenant ledgers and be included in the balances shown in the Tenants list.

A tenant balance will be <u>positive</u> where the amount is <u>owed</u> by the tenant. If a tenant balance is negative, shown in red, it means that the tenant is in credit as a result of having paid too much or because pending rent charges have not been posted.

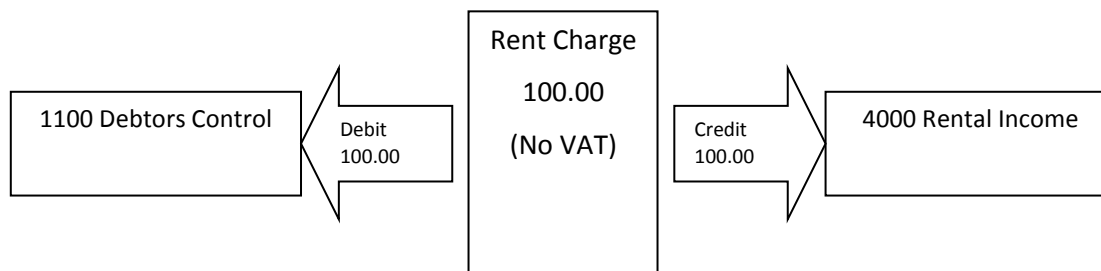Double-click on an entry in the Tenants list to open the tenant record and then go to the Ledger page.

The tenant ledger shows rent charges as transaction type "SI" in the *TT* column, denoting *sales invoice*, and the amount shows in the *Charges* column.

The Nominal Ledger

Open the Nominal accounts list using the [Nominal] button on the main toolbar.

The system uses double-entry bookkeeping when transactions are posted so the process of posting rent charges will have had an effect on two nominal accounts. It will act as a credit to one nominal account and a debit to the other.

```
+------------------------+    +------------+    +----------------------+
|                        |    | Rent Charge|    |                      |
| 1100 Debtors Control   |<== | 100.00     | ==>| 4000 Rental Income   |
|                        |    | (No VAT)   |    |                      |
+------------------------+    +------------+    +----------------------+
        Debit 100.00              Credit 100.00
```

Effect on the Nominal Ledger of posting a rent charge for £100.00

- The credit part of our double-entry bookkeeping is posted to the nominal account selected in the tenancy charging record. This would usually be a sales or income account.

- The debit part of the transaction is posted to the Debtors Control Account.

The *Debtors Control Account* is an important nominal account being one of the *Control Accounts*. These are accounts that are essential for the system to function correctly. The Debtors Control Account keeps a running total of what is owed by our debtors, i.e. the people that owe us money.

Whenever a rent charge is posted, no matter what nominal code we have selected in the tenancy charging record, the equal and opposite posting is always made to the Debtors Control Account.

Tenant Receipts

When rent charges are initially posted they appear as unpaid transactions on a tenant's ledger.

When a tenant pays his/her rent it is entered as a *tenant receipt* and is allocated against the rent charges being paid by it.

Open the Tenant Receipt screen by selecting this option from the Tenants menu or from the Tenants list Tasks menu.

Bank details section

Select the bank account, that the money is being paid into, using the *Bank* dropdown and enter the *Date* the money was received or paid in. Enter a *Reference* as required; this could be a paying-in slip reference for example.

Account details section

Select the tenant *Account* using the dropdown lists: the left-hand dropdown has tenants listed in order of account code; the right-hand one is in name order.

Any unpaid items for the selected tenant will be displayed in the grid. Unpaid items are those transactions that have not been fully allocated or paid. This will include any unpaid invoices, unallocated credit notes and any receipts that were previously entered but not allocated. The amount owed by this tenant is shown as the *Balance*.

Amount section

Enter the amount received from the tenant in the *Amount* field. Press <Tab> on your keyboard to move to the first row of the grid, in the *Allocate* column.

Notice that both the *Balance* and *Left to apply* fields have been updated. The *Balance* now includes the amount you just entered. The *Left to apply* amount shows how much we have available to allocate against rent charges.

Enter the amount received here

Allocate against transactions to be paid using the Allocate column

Entering a Tenant Receipt

We now need to tell the program which items are being paid by this amount by allocating the amount against them. We do this by entering the amount in the cell in the *Allocate* column.

You can either type in the amount to be allocated, in the Allocate column, or use the [Pay this] button. As each amount is allocated the *Left to apply* amount will decrease.

Continue in this way for each charge being paid by this receipt. This process of allocating is important as it marks the amount received with the property code.

Applying a discount

Where you wish to apply a discount against an outstanding invoice this is achieved by entering the amount of the discount in the *Discount* column on the row of the item you wish to discount. A sales discount transaction will then be generated.

For example, say you have an invoice transaction with an outstanding amount of £100.50 for which you have received £100.00. It may be that you do not wish to chase the debtor for the remaining 50 pence and will accept the amount sent in full payment.

In this example, you would enter 100.00 in the *Allocate* column and 0.50 in the *Discount* column. When the receipt is saved, a separate sales discount transaction will be created for the amount you have discounted and will be allocated against the invoice.

Once the *Left to apply* amount is zero, we can save the receipt by clicking on the [Post] button. In the "Transaction details" window that appears, you can edit the default transaction details if you wish.

> Tip: The default transaction details can be changed in Tenant Defaults.

You can print a Proof of Payment for the receipt, to give to the tenant, if required.

The window will then clear ready for you to enter the next tenant receipt on this date.

Each receipt you post will appear on the tenant's ledger.

The effect on the system of tenant receipts

The Tenant Ledger

Once a tenant receipt has been saved it will reduce the balance owed by the tenant as displayed in the Tenants list.

The receipt will appear on the tenant ledger. The receipt transaction is of type "SR" (shown in the *TT* column) denoting "sales receipt" and the amount appears in the *Receipts* column. If the receipt was not allocated when saved the transaction will be of type "SA" denoting "received on account".

If the receipt was allocated it will have picked up the property code and funding code from the charge(s) it was allocated against. If the allocation was made against multiple charges with different codes the receipt will have been split to form one transaction for each code combination.

The Nominal Ledger

Because the system uses double-entry bookkeeping, posting a tenant receipt affects two nominal accounts. It will act as a *credit* to one nominal account and a *debit* to the other.
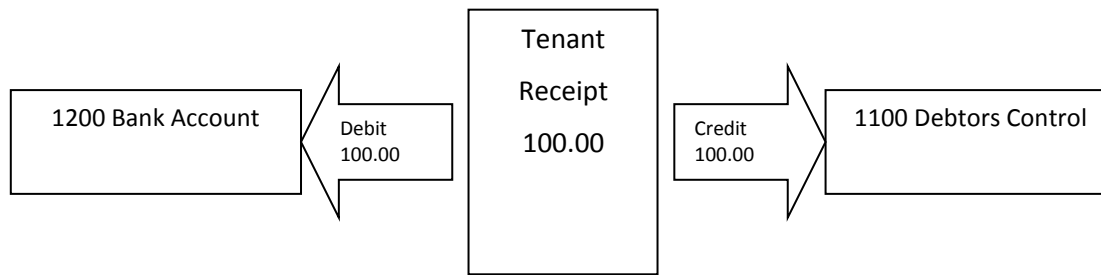
Effect on the Nominal Ledger of posting a tenant receipt for £100.00

As mentioned in the previous section, when we post an <u>invoice</u> a debit is posted to the Debtors Control Account and this increases the debit balance of that account.

When we post a tenant receipt, it must be the <u>credit</u> part of the posting that is made to the Debtors Control Account, thus decreasing the debit balance.

The posting to the bank or cash account must therefore be a debit.

This may be confusing to people who have previously had no experience of bookkeeping. When money is <u>paid in</u> to a bank account the transaction is a <u>debit</u> to that account.

Tenant Receipt via Agent

If any of your properties are managed for you, this wizard is provided for the recording of tenant receipts via a managing agent.

When a property is managed via a managing agent rent is usually received after commission has been deducted from it. In this scenario more than one bookkeeping entry is required.

Using the Wizard will post the following entries:

- A tenant receipt is posted for the gross amount of the rent, i.e. the amount paid by the tenant to the managing agent and before deduction of the agent's commission

- A supplier invoice is posted for the commission with the managing agent as the supplier

- A supplier payment is posted to pay the invoice in 2.

Items 1 and 3 are both processed using the same bank account so that the net amount through that bank account will be the net amount received from the managing agent.

Page 1: Receipt details

Select the Property that the receipt relates to. The dropdown list will only include those properties that have a managing agent selected on their Miscellaneous page.

The Agent details will be shown and the default rate will be updated from that stored in the property record. The rate can be edited if a different figure is to be used for this receipt.

Select the Tenant that the receipt relates to.

Click on the [Next] button.

Page 2: Date received

Enter the date that the money was received / banked and select the bank account it was paid into.

Enter a suitable reference and select the Funding type as applicable.

Click on the [Next] button.

Page 3: Transactions to be processed

Enter the gross amount that was paid by the tenant as advised by the Managing Agent.

The commission charged by the agent will be calculated and shown in the Agent charges section, and the net amount received arrived at. Additional charges made by the agent can be added if required.

Click on the [Finish] button to post the transactions.

When the transactions have been posted the wizard will return you to the first page so that further receipts can be entered if required.

Once posted, the tenant receipt can be allocated against any outstanding rent charges using the "Tenant Receipt" option on the Tenants menu.

Tenancy Deposits

The "Tenancy Deposits" option on the Tenancies menu displays a list of the tenancy deposits recorded on the system.

The Tenancy Deposits list shows an entry for each tenancy on the system with details of the property and tenants on the tenancy. The type of tenancy deposit scheme (TDS type) is shown and the code for the scheme operator if applicable. The two columns labelled "Internal" and "External" show the current deposits balance for each tenancy based on internal and external transactions.

With the introduction of Tenancy Deposit Schemes from 6th April 2007 the deposit taken for a tenancy is now classified as one of the following types:

- Custodial - the deposit is being held by a Custodian or other third party

- Insurance-based - the deposit is being held by you and is backed by an insurance scheme

- Landlord held - the deposit is being held by the landlord (Property Manager 7 only)

- Not applicable - the TDS does not apply to assured shorthold tenancies created prior to 6th April 2007

- Not taken - no deposit has been taken for this tenancy

In the case of Custodial and Insurance-based schemes the operator of the scheme must be specified. The TDS operator is a supplier account. Any charges made by the TDS operator are recorded as supplier transactions in the usual way.

Editing a Tenancy Deposit record

To open a tenancy deposit record for editing, select it from the list and click on the [Edit] button. Alternatively, double-click on the record in the list.

The Tenancy Deposit screen shows details of the deposit held for this tenancy and the associated transactions. Transactions are split into two types, *Internal* and *External*, each type being shown on its own tab.

Select the *TDS type* from the available options. The "not applicable" option should be used for deposits taken prior to 6th April 2007. In the case of custodial or insurance-based types select the TDS *Operator*.

The [Link] button, on the Internal deposits tab, can be used to add or remove a link between a tenancy deposit record and one or more deposit transactions.

Adding a deposit transaction

To record details of a deposit being received or repaid select the appropriate tab for internal or external deposits and click on the relevant button to start the Tenancy Deposit Wizard.

The functions of the buttons are as follows:

- Receive - record a deposit being received

- Repay - record a deposit being repaid

- Use - part or all of the deposit is being used against rent or other charges - this button is only present on the Internal deposits tab

- Transfer - transfer a deposit from internal to external, or from external to internal

When the Tenancy Deposit Wizard opens the details of the transaction and the names of the tenants on the tenancy are shown at the top of the screen.

Page 1: Deposit details

Where there is only one tenant on the tenancy the tenant will be selected in the Tenant dropdown. Where there is more than one tenant on the tenancy select the appropriate tenant. The transaction will be recorded for the selected tenant.

Select the bank account the deposit was paid into/out of (internal deposits only).

Enter the date and other details as required.

Enter the amount of the deposit transaction.

Click [Next] to move to the next page.

Page 2: Tenancy Deposit Scheme

This page will appear when receiving, repaying or transferring a deposit from the external deposits tab and when transferring a deposit from the internal deposits tab and when receiving, repaying or using a deposit from the internal deposits tab where the TDS type of the tenancy deposit is "insurance-based".

Select the TDS type and Operator as applicable. Enter the Reference if the Operator has provided one for this transaction.

Click [Next] to move to the next page.

Page 3: TDS operator charge details

This page will appear where the transaction involves a TDS Operator.

Select the "Yes" option if a charge has been made for this deposit transaction and you want to post the charge to the Operator's (supplier's) ledger.

Complete the transaction details as required. Default values will be filled in for you if these have been entered on the Defaults page of the supplier record for the TDS Operator.

Click [Next] to move to the next page.

Page 4: Tenant Receipt details

This page will appear if the [Use] button was clicked on the internal transactions tab.

The deposit will be repaid from Liabilities and then posted on the system as a Tenant Receipt.

Select the bank account that the tenant receipt is being paid into.

Edit the transaction details as required.

Click [Next] to move to the next page.

Page 5: Tenant Charge details

This page will appear if the [Use] button was clicked on the internal transactions tab.

If the deposit is being used to pay for a charge other than rent, for example damage caused to the property, and the charge has not already been posted to the tenant ledger, you can post it here. Place a tick the checkbox labelled "Post this charge to the Tenant" and then enter details of the charge to be made.

> **Note:** If the rent or other charge, that the deposit is being used against, is already on the tenant ledger it will be necessary to allocate the tenant receipt once you have posted the deposit transaction. This should be done using the "Tenant Receipt" option on the Tenants menu.

Click on the [Finish] button to post the transaction(s) and close the Wizard.

Tenants

A tenant is, strictly speaking, only a tenant as long as he or she occupies a property. But records need to be maintained for tenants, even after a tenancy ends as there are sometimes balances still to be paid, and it is not uncommon for an ex-tenant to occupy a different property at some future time, becoming a tenant again.

Tenant records are different to tenancy records. A tenancy record creates a link between the property and the tenants on the tenancy, but both the property and the tenant records would still exist even if there was no tenancy linking them. If you delete a tenancy record the property and tenant records still remain on the system.

The Tenants list

Tenant records are managed via the Tenants list. You can open the list by selecting the "Tenant records" option from the Tenants menu or by clicking on the [Tenants] button on the main toolbar.

The *Balance* column of the Tenants list shows the balance owing on the tenant's account based on all the transactions entered on the system. As rent charges, and other invoices, are posted the tenant balances will increase. When tenant receipts are entered, the tenant balances will reduce showing that the tenant owes less. Where a tenant balance shows in red, because it is negative, the tenant account is in credit.

Adding a new Tenant

Click on the [Add] button, on the Tenants list toolbar, to start the New Tenant wizard.

Name details

Enter the name details in the fields provided.

Enter a Code for the new record. The code can be any combination of numbers and letters up to a maximum of 10 characters. Each code must be unique as it is used to identify the record throughout the system. If a record with that code already exists you will be prompted to enter a different one.

Click [Next] to go to the next page.

Address details

Enter the address details in the fields provided.

Click [Next] to go to the next page.

Contact details

Enter the contact details in the fields provided. Up to 4 telephone numbers can be stored. Use the dropdown provided to select the type of telephone being recorded. This is important in the case of mobile numbers to activate additional functionality.

Click [Next] to go to the next page.

Defaults

Edit the defaults for the record as required.

Click [Next] to go to the next page.

Identification

Enter the details as required.

Click [Finish] to save the new record.

Editing an existing tenant record

To open an existing record for editing, highlight the record in the list and then click on the [Edit] button. Alternatively, double-click on the record in the list.

The information in a tenant record is split over several pages. Click on a tab to bring that page to the front. When the tenant record first opens the Main page is at the front.

Once you have finished editing the record, click on the [Save] button to update the record. Closing the record without saving changes will cause the changes to be lost.

Main page

Address for letters

Correspondence produced for the tenant will be addressed to the address shown in the *Address for letters* field. Correspondence includes invoices, rent demands and credit control correspondence.

Telephone Numbers

You can enter up to 4 contact telephone numbers for each tenant using the fields designated by the telephone icon. Use the dropdown to select the type of telephone number, such "Home", "Mobile", "Business Fax", and enter the telephone number itself in the field provided.

When telephone type "Mobile" is selected the icon will change to a speech bubble. Click on this bubble to send an SMS text message direct to the tenant's mobile telephone. For more details, please see the section on "SMS Text Messaging".

Ledger page

The Ledger page shows the transactions held on file for the tenant.

The column headed "TT" shows the transaction type. The following transaction types may appear on the ledger:

- SI – sales invoice, appears as a positive amount in the Charges column. Sales invoices are rent charges or other items charged to the tenant.
- SC – sales credit note, appears as a negative amount in the Charges column. Sales credit notes are reductions in rent charges or other items.
- SR – sales receipt, a tenant receipt that has been allocated against another transaction. A tenant receipt show as a positive amount in the Receipts column. Where the transaction is a refund, representing monies paid back to the tenant, the transaction will appear as a negative amount in the Receipts column.
- SA – received on account, a tenant receipt that has not been allocated against another transaction. In all other respects this transaction is identical to a sales receipt.
- SD – sales discount, a discount posted when entering a tenant receipt. A discount appears as a negative amount in the Charges column.

An asterisk * in the column to the right of the *Balance* column indicates that the transaction on that row is unpaid. The term "unallocated" is also used. A "p" indicates that the transaction is part paid.

Whether or not deleted transactions are displayed in the ledger depends on whether the "Show deleted transactions on ledgers" option has been ticked in My Settings (see the Settings menu). If this option has been ticked, deleted transactions will appear in red on the ledger but are *not* included in the balance.

Use the [Set/Clear filter] button to view a subset of transactions, for example, between two dates.

Use the [Print] button to print a copy of the ledger currently displayed on screen.

Viewing/Editing a Transaction

You can view and/or edit a transaction by double-clicking on it.

Proof of Payment

You can print a proof of payment for a receipt transaction by right-clicking over the entry. From the shortcut menu that appears select "Print proof of payment".

Create invoice/credit note from transaction

You can create an invoice, or credit note, that can be printed by right-clicking over the relevant entry and selecting the "Create invoice/credit note" option from the shortcut menu that appears. Once the invoice, or credit note, has been created it will be added to the Invoices/Credit Notes list from where it can be printed.

Entering an opening balance

If you are setting up the system for a business that has already been trading, you may need to enter an opening balance for some or all of your debtors. For more details see the chapter on "Entering an Opening Trial Balance".

Defaults page

Account status

The account status for an account can be "active" or "dormant". Accounts having a "dormant" status are excluded from the dropdown lists used throughout the software.

Credit Control page

The Credit Control page shows the credit control history for this tenant. From this page you can add credit control entries and print statements for the tenant.

For more details see the chapter on "Credit Control".

Deposits page

The Deposits page of the tenant record shows the history of deposit transactions for this tenant. Deposits are added and repaid using the "Tenancy Deposits" option on the Tenancies menu.

Addresses page

The Addresses page is used to record details of the previous address, forwarding address and registered office address, if applicable, for the tenant.

Click on any of the links, above the address fields, to copy the address into the "Address for letters" field on the Main page.

Documents page

The Documents page is used to create documents for the tenant and to record the location and details of any documents produced.

For more details see the chapter on "Creating Documents".

Identification page

The Identification page of the tenant record is used to record details of the date of birth, national insurance number, date of incorporation and company registered number, if applicable, for the tenant.

Once the tenant record has been saved you can add one or more pictures of the tenant using the picture control provided.

For details on how to use the picture control see "Adding Pictures".

Tenancies page

The Tenancies page of the tenant record lists the tenancies on the system that the tenant is linked to.

Click on a tenancy in the list then click on the [View property] button to open the property record for that tenancy. Alternatively, double-click on the tenancy in the list.

Creating invoices and credit notes

Invoices and credit notes can be created that can be printed and sent out to tenants.

When the invoice or credit note has been created it can then be *posted* to become a transaction that will appear on the tenant's ledger.

Until such time as it is posted, the invoice or credit note can be edited and the details and amount changed. Once it is posted, only certain details can be changed.

To create an invoice or credit note, select the "Create invoices/credit notes" option from the Tenants menu or select the "Invoicing" option from the Tenants list Tasks menu.

The Tenant invoices/credit notes screen will open.

Any invoices and credit notes held on file will be listed on the screen. The columns to the right, headed "Status" and "Printed", indicate whether the item has been posted and printed respectively. The tick column enables you to select an entry for processing.

Creating a new invoice or credit note

Click on the [Add] button to create a new invoice or credit note. In the screen that appears, select whether you want to create an invoice or a credit note.

The following comments relate to the **New invoice** screen but also apply to the **New credit note** screen.

Select the *Tenant* that the invoice is to using the dropdown lists. The left-hand list has tenants sorted in order of account code; the right-hand list is sorted by name.

The current address for the tenant (if there is one) will be displayed in the *Address* field where it can be edited if required.

Invoice No.

The *Invoice No.* suggested is the next available number in sequence. An alternative number can be entered if you wish. You can change the number, which invoice numbering starts from, to fall in line with your own numbering system, using the Tenant Defaults option.

Adding items to the invoice

Items are added to the invoice using the grid on the Invoice Items page. Each row of the grid is one item on the invoice.

To add an item to the invoice, click on the [Add] button.

The **Invoice item** screen will open, showing the number of the next item being added.

Select the *Nominal* account.

If the selected tenant currently occupies a property, the code for the *Property* will be completed for you. This can be changed, if the invoice item relates to a different property, or it can be blanked if the charge does not relate to a property.

Enter the *Invoice narrative* as you want it to appear on the invoice. Allow the text to wrap around within the field as you type it.

The *Transaction details* is the text that will appear on the tenant ledger when the invoice is posted. You can use the first 50 characters from the invoice narrative, by clicking on the Update from Item narrative link, or you can enter your own text.

Enter the *Net* amount and the *tax code*. If your business is <u>not</u> VAT registered, use tax code 9 so that no tax is added.

If you <u>are</u> VAT registered, use the appropriate tax code. The *Tax* amount can be edited as required. The [Calc Net] button can be used to work out the net and tax portions of a gross amount by entering the gross amount in the *Net* field and then clicking on the button.

Once saved, the new invoice item will appear on the Invoice Items page of the invoice record and the totals on that page will be updated. Further items can be added as required.

Footer

The Footer tab is used to enter *Payment Terms* and a *Message* for the invoice. These are printed at the bottom of the invoice if entered. Enter a value of -1 if you do not want payment terms to be printed on the invoice. Payment terms do not appear on credit notes.

The VAT Registration Number will be printed at the bottom of the invoice/credit note if entered.

Click on [Save] to save the new invoice. Once saved, the invoice will appear in the list on the Invoices/credit notes screen.

Editing an invoice or credit note

An invoice or credit note can be edited up until such time as it is posted to produce a transaction.

To edit an item double-click on the entry in the list or click on the row the item is on and click on the [Edit] button. The invoice (or credit note) screen will open with the details of the invoice available for editing. Details can be changed as described in the previous section on creating a new invoice.

Items can be changed, added or deleted using the buttons on the Invoice Items page.

Using standard items

To avoid having to re-enter details for invoices, you can save any invoice item as a *standard item* enabling the same details to be called up when required.

To create a standard item, open a suitable invoice item from an invoice you have previously created. Click on the [Save as] button, at the top right of the screen, to create a new standard item using the details from the current invoice item.

In the **New Standard Item** screen that opens, edit the details as required.

The *List description* will enable you to identify the standard item when you come to select it from a list.

The *Amount* details can be left blank if required.

Click [Save] to save the new standard item.

Recalling a standard item

To recall the details of a previously saved standard item, click on the [List] button on the **Invoice Item** screen. Select the standard item you want to use from the list that appears.

Details will be loaded from the standard item into the current invoice item where they can be edited as required.

You can also add, edit and delete standard items using the "Standard Items" option on the Tasks menu of the Invoices/Credit Notes list.

Selecting invoices/credit notes for processing

Before you can process an item from the invoices/credit notes list, you must first select it. Use the tick box to select a single item. A selected item can be deselected by un-ticking the box.

Click on the red tick in the header of the first column to invert current selections.

Printing invoices/credit notes

Invoices and credit notes are printed using the [Print] button. If items have been selected, only the selected items will be printed. If no items have been selected, you will be asked to confirm that you wish to print all items in the list that have <u>not</u> already been printed. An item can be printed as many times as you wish.

You can edit the report file used to print the invoice using the "Edit invoice template" option on the Tasks menu. If you want to use a different report file, you can change it via the Report Manager option on the Utilities menu.

An invoice or credit note in the list can be considered as no more than a sheet of paper until it is *posted*, when it creates a transaction on the ledger.

Invoices and credit notes are posted using the "Post items" option on the Tasks menu. If items have been selected, only the selected items will be posted. If no items have been selected, you will be asked to confirm that you wish to post all items in the list that have <u>not</u> already been posted.

Once an item has been posted to the ledger, it can be edited but only certain details can be changed.

Deleting invoices/credit notes

Invoices and credit notes are deleted from the list using the [Delete] button. Only items that have been selected will be deleted.

Note: deleting an invoice will not affect any transactions that were created from it.

Grouping invoices

Where you have two or more invoices for the same account you can group these together onto one invoice.

Select the items you want to group together and then select the "Group items" option from the Tasks menu. You cannot group both invoices and credit notes together.

The **Group Items** window will appear, listing the items you have selected to group. Enter the new *Date* and *Reference* as required then click [OK] to group the items.

The items you selected will be grouped together and appear as one item on the Invoices/Credit Notes list from where it can be printed and posted. The original items will be removed from the list.

Batch entry of Invoices and Credit Notes

This option allows entry of invoices and credit notes that have been created outside of the system, for example, using a word processor. To produce an invoice that can be printed, see the section on "Creating invoices and credit notes".

Batch entry is carried out by selecting the relevant option on the **Tenants** menu. From the sub-menu select either "Invoice entry" or "Credit note entry". The relevant batch entry screen will then open. Both options are also available from the toolbar on the Tenants list.

Invoices (or credit notes) are entered in the grid, one on each row. The information entered is as follows:

Tenant	Select the tenant account using the dropdown in the first column of the grid.
Date	Invoice date.
Ref	Invoice/Credit note number or reference. This number is automatically calculated using the last invoice/credit note number in Tenant Defaults.
PC	Property code. If the tenant currently occupies a property, the code will be completed when the tenant is selected. The code can also be entered or selected using the dropdown.
FC	Funding type.
Dept	Department code if you are using departments or cost centres, otherwise leave blank.
Nominal	Nominal code. Enter the nominal code or select it from the dropdown list. The selected nominal account cannot be a bank account.
	A new nominal account can be created by typing in a new nominal code not already in the list and pressing <TAB> or <Enter> on your keyboard. Confirm that you wish to add the new value to the list.
Details	Transaction details as they will appear on the ledger, maximum 50 characters.
Net	The Net amount of the invoice/credit note. If the tax code is other than 9 and only the gross amount is known, you can enter the gross amount in the Net field and use the [Calc Net] button to give a Net/Tax breakdown.
Tc	Tax code. If your business is <u>not</u> VAT registered, use tax code 9.
Tax	Tax amount of the invoice/credit note.

> **Tip:** When adding additional invoices on subsequent rows you can use function key <F6> to copy down details from the cell above.

Using Standard Items

If you have previously created standard Items on your system you can use these to fill in the details on the row you are entering. Click on the [List] button to display a list of standard Items to choose from. Once you have selected the standard item, the details will be copied into the fields on the row of the grid you are currently on. The details can then be edited as required.

Standard items are managed using the option on the Invoices/credit notes list Tasks menu.

When all invoices/credit notes have been entered click on the [Post] button to post the items as transactions to the ledger. Click on [Abandon] to discard the details you have entered without posting them.

## The effect on the system of posting a sales invoice

The Tenant Ledger

Once an invoice has been posted (saved) it will increase the balance owed by the tenant as displayed in the Tenants list.

The invoice will appear on the tenant ledger. The transaction is of type "SI" (shown in the *TT* column) denoting "sales invoice" and the amount appears in the *Charges* column.
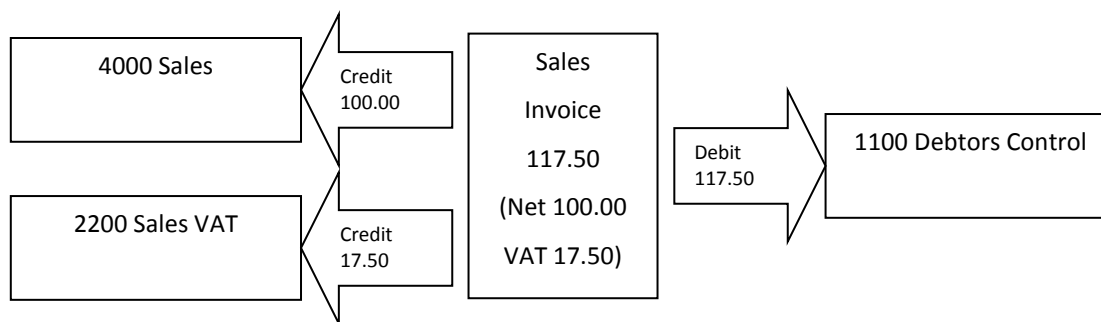
The Nominal Ledger

Because the system uses double-entry bookkeeping, posting an invoice affects two nominal accounts. It will act as a *credit* to one nominal account and a *debit* to the other.
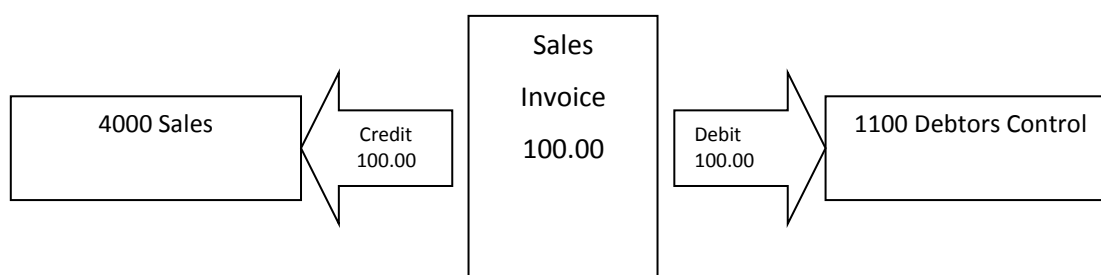
Effect on the Nominal Ledger of posting an invoice for £100.00, no VAT

Furthermore, if the invoice has an amount of VAT, the Sales Tax Account will also be affected. For example, an invoice for 100.00 plus VAT at 17.5% would result in the following:

Effect on the Nominal Ledger of posting an invoice for £100.00 + VAT

When we post an invoice a debit is posted to the Debtors Control Account. An easy way to remember this is to think of <u>deb</u>tors as having a <u>deb</u>it balance. The debit posting increases the debit balance of the Debtors Control Account recording the fact that more is owed.

Writing off a bad debt

Where you find a tenant has left a property without giving notice and you cannot trace him, you may find yourself in the position where the balance left owing by the tenant is never going to be paid and needs to be written off as a *bad debt*.

To carry out this process, select the "Write off to bad debts" option from the Tenants menu. If you have the Tenants list open, the option is also available from the Tenants list Tasks menu.

The **Bad Debt Wizard** will start.

Step 1

Select the account to be written off from the list.

Click [Next].

Step 2

A list of unpaid transactions is displayed for the selected account. Unpaid transactions can include unallocated receipts as well as rent charges.

Select the transactions to be written off by clicking on them. Hold down the <Ctrl> key on your keyboard to select multiple items or use the [Swap] and [Clear] buttons at the bottom of the screen. As each transaction is selected the total at the bottom of the page will be updated.

Where multiple transactions are selected and these involve different property codes, funding types or departments, you will not be able to write them off as one amount. This is because the resulting Profit and Loss Account for a single property would be incorrect. In this case, carry out multiple write-offs, selecting transactions having the same codes each time.

Click [Next].

Step 3

Enter the *Date* of the write off and edit the other details as required.

Click on [Finish] to proceed with the write off or on [Cancel] to close the Wizard without processing the write off.

The write off is processed by posting an equal and opposite transaction to the Bad Debts control account. The new transaction is automatically allocated against the transactions being written off.

Thus, where the account balance is owed, a credit note is posted. If the account balance is in credit an invoice will be posted.

Tenant refund

Where a tenant has overpaid his /her account and the overpayment is to be repaid, use the "Tenant refund" option on the Tenants menu. If you have the Tenants list open, you can select the "Refund" option from the Tenants list Tasks menu.

The **Refund Wizard** will start.

Step 1

Select the account from the list.

Click [Next].

Step 2

Page 2 shows the ledger for the selected account and is for information only.

Click [Next].

Step 3

Select the bank account the refund is being repaid from.

The *Reference* field will be updated with the next cheque number in sequence for the selected bank account.

Enter the *Date* of the refund and suitable transaction details.

Enter the *Amount* and the appropriate *tax code*. This will usually be 9 unless your business uses VAT Cash Accounting.

Click on [Finish] to post the refund or on [Cancel] to close the Wizard without processing the refund.

Item returned unpaid

Where you find a tenant has paid his rent by cheque, only to find a few days later that the cheque has been returned unpaid by the tenant's bank, this can be entered onto the system using the "Item returned unpaid" option on the Tenants menu. If you have the Tenants list open, you can select the "Unpaid item" option from the Tenants list Tasks menu.

The **Unpaid Item Wizard** will start.

Step 1

Select the account from the list.

Click [Next].

Step 2

A list of receipts for the selected account is shown. Select the item that has been returned unpaid by clicking on it in the list. Only one item can be selected.

Click [Next].

Step 3

Enter the *Date* that the item was returned in the field on the left-hand side of the screen.

If a charge for processing the unpaid is to be made to the tenant, complete the details on the right-hand side of the screen.

Click on the [Finish] button to process the unpaid, or on [Cancel] to close the Wizard without processing the unpaid item.

The receipt will be reversed by the posting of a *negative* receipt for the same amount. Any items that were paid by the original receipt will be adjusted by the appropriate amount.

> **Tip:** This option can also be used to make a refund where the amount of the refund is identical to the amount of the receipt.

Credit Control

The automated credit control process is a structured method of carrying out credit control based on criteria you set up. The process is based on a series of steps to be taken, each of which has a waiting period before being carried out.

How the assessment is carried out

The credit control assessment process works as follows:

1. The unpaid transactions for each client are checked in turn to find the oldest unpaid one. The system notes the date and reference of that transaction. Any pending credit control actions for this account that are dated before this date and that refer to a different transaction are removed.

2. The account balance is calculated based on the processing date entered. No action will be suggested if:

   a. the account balance is nil

   b. the account is in credit

   c. the account balance is below the account credit limit

   d. the account has been marked "exclude from credit control"

3. If it appears that an action may be required, the system checks the date of the oldest unpaid transaction against the waiting days for step one of the credit control process. If the difference in days between the transaction date and the processing date is more than the number of waiting days, an action is considered necessary.

4. The system then checks the credit control history to see if any credit control actions already exist for this transaction. If an action is found and is marked as completed the system checks what the next step in the credit control process is and how many more days it has to wait before that step is due to be taken. If the next step is due, it will be suggested and added as a pending action.

5. Where the system finds a pending action in step 4 it checks the date, reference and action for the entry. If these are the same as the action it has just decided needs to be taken, the pending entry is updated with the new date and balance. Where the date of the pending action is dated in the future, or it is for a different action, the action is left unchanged and no further action is added.

Carrying out credit control

Select the "Credit control" option from the Tenants menu.

Any pending credit control actions, due for processing on or before today's date, will be listed on screen. You can use the dropdowns at the top of the screen to show actions of a specific type, or show actions that have been completed. Tick the "include future actions" box to include actions dated for processing after today's date.

Credit control assessment is carried out automatically each time you start the software, if you have the "Check credit control at start-up" option ticked on the My Settings screen. You can also carry out the assessment by clicking the [Assess] button.

Editing the suggested credit control actions

You can edit any of the entries in the list by double-clicking on the entry. An editing screen will open which you can use to update the entry, enter details of telephone conversations and schedule follow-up actions. A copy of the debtor's ledger is provided for your convenience.

Deleting credit control actions

Items can be removed from the list by first ticking them and then clicking the [Delete] button.

If a pending entry is removed from the list, it may reappear next time a credit control assessment is carried out unless further receipts have been entered on the system.

Care should be taken when removing completed actions. If a completed action is removed, and the transaction on which that item was based is still unpaid, this may reset the credit control process resulting in a previous step being suggested again the next time an assessment is carried out.

Processing printable actions

Those credit control actions that involve printing something are processed by clicking on the [Print] button to open the "Process Printable Actions" window.

In the grid on this screen are listed the printable action types. For each entry is shown the report file this action type uses, the number of pending entries and the number to print.
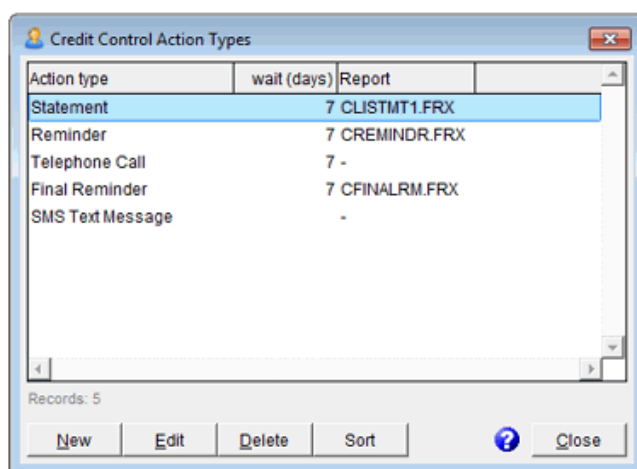
You can change the number to print if you wish to opt for a shorter print run and print the items in batches. For example, if there are 20 statements to print and you enter the number 5 in the number to print column, only the first 5 statements will be printed. Enter 0 (zero) in the column against any items you do not wish to print at this stage.

Once any selections have been made, click on the [Proceed] button to start processing. As processing of each action is completed you will be asked to confirm that you want the pending actions to be marked as completed.

Printing the list

You can print a list of the entries currently shown on screen using the [List] button.

Configuring the steps in the credit control process

The steps to be taken in the credit control process can be configured by clicking on the [Configure] button, at the bottom of the Credit Control window, to open the Credit Control Action Types window.

There are 5 default action types created by the software and you can add your own if you wish.

The first action shown is to send the client a Statement.

We can tell that this is a printable action because the *Report* column shows the name of the report file that will be used for the statement.

The *wait (days)* column shows how many days must elapse before this action is taken.

In the case of the first action type in the list this action will be suggested if 7 days or more have elapsed since the date of the oldest unpaid invoice.

In the case of subsequent actions this will be the number of days that have elapsed since the date of the previous completed action.

Credit control at the Tenant/Tenancy level

The following comments apply to credit control entries made using the <u>tenant</u> record. Similar comments apply to credit control entries made using the <u>tenancy</u> record

Credit control at the client level is carried out from the Credit Control page of the client record.

The History section shows the correspondence history for this account. Actions are added as a result of running the automated credit control process or manually by the user.

The *status* of an action will be either "Completed" or "Pending".

The area at the bottom of this page shows the details of the currently selected entry.

The Defaults section lets you set a credit limit for this account. Credit control actions will not be suggested for this account if the account balance is less than, or equal to, its credit limit.

The "exclude from credit control" option enables you to stop automated credit control for this account. When this option is ticked, the credit control assessment process will ignore the account.

In addition to the automated process generating actions you can add your own actions from this page.

Adding a new credit control action

Click on the [Add] button to add a new credit control action.

The Credit Control Action window that appears has four tabs. The Action details tab is split into two sections: the top section details the current action to be taken or recorded, "This action", and the bottom section lets you diarise a follow-up action, the "Follow-up action".

Details can only be entered in the "Follow-up action" section if the *Completed* option is ticked in the "This action" section.

In both sections you can select the credit control action type from the dropdown list and enter the date of the action in the *Date* field. Comments on the entry can be typed in the *Details* sections.

A copy of the ledger for this account is shown on the Ledger tab and other credit control actions that have been taken for the account are shown on the History tab.

An example usage might be as follows:

- If you wanted to record details of a telephone conversation you would use the "This action" section. Enter the date the conversation took place, select "Telephone call" from the action type list and enter the details of the conversation. You would then mark the action as completed.

- You could then record a follow-up action in the "Follow-up action" section: maybe you want to be reminded to call the account holder again if he did not keep his promise as detailed in the upper part of the screen.

- Enter the date you want the follow-up action diarised for, select the action type from the list and enter any details as appropriate. When saved, the new entries will appear on the Credit Control page of the account record.

Carrying out a credit control action

You can carry out a credit control action for this account by selecting the required action type from the Actions dropdown and clicking the [Go] button.

If a printable action is selected, a print window will appear. In the case of a statement, select the type/date range using the *Selection* dropdown, in the "Statement options" section, to choose the range of transactions you want included on the statement.

When the statement has printed, the credit control history will be updated. If there is a pending statement action it will be updated and marked as completed. If there is no pending action a new completed action will be added to the history.

Printing the credit control history

Click on the [Print] button to print the credit control history for this account.

Aged Debtor report

The Aged Debtor report is one of several tools that can help you manage tenant arrears.

Open the Tenants list and click on the [Reports] button on the toolbar.

There are 2 types of Aged Debtor report listed; double-click on the one named "Aged Debtor report" to run it.

In the selection screen that opens enter the date you want the report produced at. Transactions dated up to and including this date will be included in the report. Click on [Proceed] to run the report.

The report lists the accounts that had a balance outstanding at the date entered as shown in the *Balance* column. The columns to the right of the *Balance* column are used to indicate how old the transactions are that make up that balance.

You may find some of the accounts listed have zero balances. This is because, although the balance is zero, the transactions that make up the balance have not been allocated against each other and so the transactions remain technically unpaid and are included in the report.

By default, the columns are based on periods of 1 calendar month each. You can changes the basis for the periods using the Tenant Defaults option.

If we ran the report based on a date of 30/04/2008 the *Current* column would include transactions that were not fully paid and whose transaction date lay in the current month, that is to say the period 01/04/2008 to 30/04/2008.

Continuing along the columns working to the right, and based on the date of 30/04/2008, gives the following:

1 month - transactions dated between 01/03/2008 and 31/03/2008

2 months - transactions dated between 01/02/2008 and 28/02/2008

3 months - transactions dated between 01/01/2008 and 31/01/2008

Older - transactions dated before 01/01/2008

Thus, the longer a transaction remains unpaid, the further to the right of the report it moves.

Accounts that have transactions in the *3 months* and *Older* columns indicate a more serious problem than those that don't have transactions in those columns and this report can help us focus our efforts on recovering possible future bad debts.

The "Aged Debtor report (transactions)" report has a similar layout to the first one in that the same columns are used to show the balance for the accounts and to indicate how old the balances are, but it also lists the transactions that make up that balance.

Suppliers

Suppliers are integral to any business as they are the individuals that supply the goods and services every business needs in order for it to trade. The money spent with suppliers constitutes part of the expenditure of the business.

The reason I say "part of the expenditure" is because, in bookkeeping terms, expenditure is recorded using both supplier transactions and bank/cash transactions. The distinction between the two types is worth taking a few minutes over.

In bookkeeping a *supplier* transaction is one that involves a supplier account.

There are 5 types of supplier, or *purchase*, transactions each of which is denoted in the system by a 2-character code:

- PI – Purchase Invoice

- PC – Purchase Credit Note

- PP – Purchase Payment

- PA – Payment on Account

- PD – Purchase Discount

The two commonest transaction types you will encounter are the purchase invoice (PI) and the purchase payment (PP).

A *purchase invoice* records the fact that the business owes money to the supplier for the provision of goods or services. The effect of posting a purchase invoice on the nominal ledger is shown in the diagram below.
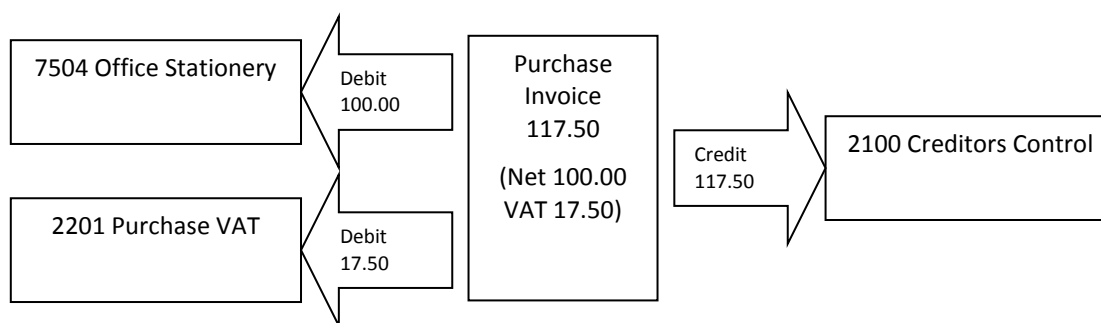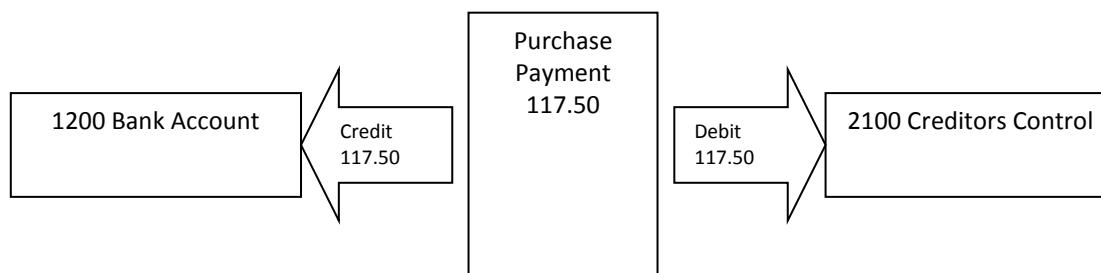

Effect on the Nominal Ledger of posting a purchase invoice for £100.00 + VAT

When a purchase invoice is posted it is initially an unpaid transaction reflecting that the business owes this amount to the supplier. The Creditors Control Account is used to keep a running total of the amount owed to suppliers.

As most supplier invoices involve some period of credit, such as "payment terms 30 days from invoice date", the use of the Creditors Control Account is very important in bookkeeping.

Imagine that you receive an invoice from a supplier dated 21/03/2008 on 30 day terms and your year end is 31/03/2008. Because the invoice has not been paid at the year end the amount has to appear as a creditor in the Balance Sheet.

A *purchase payment* records the fact that the business has paid the purchase invoice. To continue with our example above the diagram below shows the effect on the nominal ledger of posting a purchase payment.

Effect on the Nominal Ledger of posting a purchase payment of £117.50

Notice that the posting to <u>2100 Creditors Control</u> is this time a <u>debit</u>. The purchase payment counters the effect that the purchase invoice had on the Creditors Control Account showing that the amount is no longer owed.

Notice also that, because this is double-entry bookkeeping, if the posting to the Creditors Control Account is a <u>debit</u> then the posting to the bank account must be a <u>credit</u>. In bookkeeping when you credit a bank account it means you take money out of the account.

The Suppliers list

Supplier records are managed via the Suppliers list. You can open the list by selecting the "Supplier records" option from the Suppliers menu or by clicking on the [Suppliers] button on the main toolbar.

Adding a new supplier

Click on the [Add] button, on the Suppliers list toolbar, to start the New supplier wizard.

Name details

Enter the name details in the fields provided.

Enter a Code for the new record. The code can be any combination of numbers and letters up to a maximum of 10 characters. Each code must be unique as it is used to identify the record throughout the system. If a record with that code already exists you will be prompted to enter a different one.

Click [Next] to go to the next page.

Address details

Enter the address details in the fields provided.

Click [Next] to go to the next page.

Contact details

Enter the contact details in the fields provided. Up to 4 telephone numbers can be stored. Use the dropdown provided to select the type of telephone being recorded. This is important in the case of mobile numbers to activate additional functionality.

Click [Next] to go to the next page.

Defaults

Edit the defaults for the record as required.

Click [Finish] to save the new record.

Editing an existing supplier record

To open an existing record for editing, highlight the record in the list and then click on the [Edit] button. Alternatively, double-click on the record in the list.

The information in a supplier record is split over several pages. Click on a tab to bring that page to the front. When the supplier record first opens the Main page is at the front.

Once you have finished editing the record, click on the [Save] button to update the record. Closing the record without saving changes will cause the changes to be lost.

Main page

Telephone Numbers

You can enter up to 4 contact telephone numbers for each supplier using the fields designated by the telephone icon. Use the dropdown to select the type of telephone number, such "Home", "Mobile", "Business Fax", and enter the telephone number itself in the field provided.

When telephone type "Mobile" is selected the icon will change to a speech bubble. Click on this bubble to send an SMS text message direct to the supplier's mobile telephone. For more details, please see the section on "SMS Text Messaging".

Ledger page

The Ledger page shows the transactions held on file for the supplier.

The column headed "TT" shows the transaction type. The following transaction types may appear on the ledger:

- PI – purchase invoice, appears as a positive amount in the *Invoices* column. Purchase invoices are items charged to you by the supplier.

- PC – purchase credit note, appears as a <u>negative</u> amount in the *Invoices* column. Purchase credit notes are reductions against invoices.

- PP – purchase payment, a supplier payment that has been allocated against another transaction. A supplier payment show as a positive amount in the *Payments* column. Where the transaction is a refund, representing monies paid back to you by the supplier, the transaction will appear as a <u>negative</u> amount in the *Payments* column.

- PA – paid on account, a supplier payment that has <u>not</u> been allocated against another transaction. In all other respects this transaction is identical to a purchase payment.

- PD – purchase discount, a discount posted when entering a supplier payment. A discount appears as a <u>negative</u> amount in the *Invoices* column.

An asterisk * in the column to the right of the *Balance* column indicates that the transaction on that row is unpaid. The term "unallocated" is also used. A "p" in this column indicates that the transaction is part paid.

Whether or not deleted transactions are displayed in the ledger depends on whether the "Show deleted transactions on ledgers" option has been ticked in My Settings (see the Settings menu). If this option <u>has</u> been ticked, deleted transactions will appear in red on the ledger but are *not* included in the balance.

Use the [Set/Clear filter] button to view a subset of transactions, for example, between two dates.

Use the [Print] button to print a copy of the ledger currently displayed on screen.

Viewing/Editing Transaction

You can view and/or edit a transaction by double-clicking on it.

Remittance Advice

You can print a remittance advice for a payment transaction by right-clicking over the entry. From the shortcut menu that appears select "Print remittance advice".

Defaults page

Select the Defaults page to choose a default nominal code and department and to enter a credit limit for the supplier. The default nominal code will be suggested whenever you enter invoice details using the supplier's account code.

Account status

The account status for an account can be "active" or "dormant". Accounts having a "dormant" status are excluded from the dropdown lists used throughout the software.

Jobs page

The Jobs page shows a list of jobs where the supplier has been selected as the main contractor. To open a job record, click on it in the list and then click on the [View] button or double-click on the entry in the list.

Batch entry of Invoices and Credit Notes

This option allows entry of invoices and credit notes received from suppliers.

Batch entry is carried out by selecting the option on the Suppliers menu. From the sub-menu select either "Invoice entry" or "Credit note entry". The relevant batch entry screen will then open. Both options are also available from the Tasks menu on the Suppliers list.

Fast tracking Supplier Payments

When entering supplier invoices, if the payment details are known, you can optionally post the supplier payment at the same time as the invoice by entering the relevant details in the columns at the far right of the grid labelled "Paid date", "Bank Ac" and "Cheque No.".

Invoices (or credit notes) are entered in the grid, one on each row. The information entered is as follows:

Supplier	Select the supplier account code using the dropdown in the first column of the grid. A new supplier account can be created by typing in a new supplier account code in the first column of the grid and pressing <Tab> or <Enter> on your keyboard.
Date	Invoice date.
Ref	Invoice/Credit note number or reference.
PC	Property code. If the invoice relates to a property enter the property code or select it using the dropdown.
Dept	Department code if you are using departments or cost centres, otherwise leave blank

Nominal	Nominal account. Enter the nominal code or select it using the dropdown. The selected nominal account cannot be a bank account.
	A new nominal account can be created by typing in a new nominal code not already in the list and pressing <Tab> or <Enter> on your keyboard.
Details	Transaction details as they will appear on the ledger, maximum 50 characters.
Net	The Net amount of the invoice/credit note.
	If the tax code is other than 9 and only the gross amount is known, you can enter the gross amount in the Net field and use the [Calc Net] button to give a Net/Tax breakdown.
Tc	Tax code. If the business is not VAT registered, use tax code 9.
Tax	Tax amount of the invoice/credit note.
Fast track columns - applies to suppler invoices only	
Paid date	The date of the payment, for example the date of the cheque.
Bank Ac	The nominal code of the bank account from which the payment was made.
Cheque No.	The cheque number. The next cheque number in sequence will be suggested when you select the bank account.

> **Tip:** When adding additional invoices on subsequent rows, you can use function key <F6> to copy down details from the cell above.

When all invoices/credit notes have been entered, click on the [Post] button to post the items as transactions to the ledger.

Supplier payments

A supplier payment is a payment to a supplier in respect of an invoice entered on the system.

Open the **Supplier payment** screen by selecting the option from the Suppliers menu or from the Suppliers list Tasks menu.

Bank details section

Select the bank account, that the money is being paid out of, using the *Bank* dropdown and enter the *Date* the money was paid.

The *Reference* field will have been completed with the next cheque number in sequence for the selected bank account and can be edited if required.

Account details section

Select the supplier *Account* using the dropdown lists. The left-hand dropdown has suppliers listed in order of account code; the right-hand one is in name order.

Any unpaid items for the selected supplier will be displayed in the grid. Unpaid items are those transactions that have not been fully allocated or paid. This will include any unpaid invoices, unallocated credit notes and any payments that were previously entered but not allocated. The amount owed to this supplier is shown as the *Balance*.

Amount section

Enter the amount paid to the supplier in the *Amount* field. Press <Tab> on your keyboard to move to the first row of the grid, in the *Allocate* column.

Notice that both the *Balance* and *Left to apply* amounts are updated. The *Balance* now includes the amount you just entered. The *Left to apply* amount shows how much we have available to allocate against invoices.

We now need to tell the program which items are being paid by this amount by allocating the amount against them. We do this by entering an amount in the relevant cell in the *Allocate* column.

You can either type in the amount to be allocated, in the *Allocate* column, or use the [Pay this] button. As each amount is allocated the *Left to apply* amount will decrease.

Continue in this way for each transaction being paid by this payment. This process of allocating is important as it marks the amount paid with the property code.

Applying a discount

Where you wish to apply a discount against an outstanding invoice this is achieved by entering the amount to be discounted in the *Discount* column on the row of the item you wish to discount.

For example, say you have received an invoice from a supplier for an amount of £100.50 and have unwittingly sent a payment to the supplier for £100.00 which he has accepted as full payment.

In this example, you would enter the £100.00 in the *Allocate* column and would enter an amount of £0.50 in the *Discount* column. When the payment is saved, a separate Purchase Discount transaction will be created for the amount you have discounted and will be allocated against the invoice.

Once the *Left to apply* amount is zero, we can save the payment by clicking on the [Post] button. In the "Transaction details" window that appears, you can edit the default transaction details if you wish.

> **Tip:** The default transaction details can be changed in Supplier Defaults.

You can print a Remittance Advice, to send to the supplier along with the payment, if required.

The window will then clear ready for you to enter the next supplier payment on this date.

Each payment you post will appear on the supplier's ledger.

If the payment was allocated it will have picked up the property code from the invoice(s) it was allocated against. If the allocation was made against multiple invoices with different codes the payment will have been split to form one transaction for each code combination.

Writing off bad debts

Although unlikely to occur this option facilitates the writing off of supplier transactions to bad debts.

The process is very similar to that found in the same section under "Tenants".

Supplier refund

Where you have overpaid a supplier account and the overpayment is refunded to you by the supplier, use the "Supplier refund" option on the Suppliers menu.

For details on how to process the refund see the section headed "Tenant Refund".

Item returned unpaid

Where you make a payment to a supplier by cheque, and your bank subsequently returns your cheque as unpaid, this can be entered onto the system using the "Item returned unpaid" option on the Suppliers menu.

For details on how to process the unpaid item see the corresponding section in Tenants.

The Nominal Ledger

When any business trades, its *profit* is the difference between its income (what it takes in) and its expenditure (what it pays out). If expenditure exceeds income then instead of a profit we make a *loss*.

PROFIT (or LOSS) = INCOME - EXPENDITURE

The above formula is okay but it doesn't really tell us enough. It wouldn't be enough just to know that your expenditure in a year was £50,000; you would want to know what that money was spent on.

By analysing your expenditure and grouping it into what you spent on rent and rates, repairs, and motor expenses and so on, you can monitor and plan what you spend on each and gain more control over your business.

The same applies to income; if your income comes from multiple products or services you would want to know how that income was made up so that you could promote the more profitable ones.

The Nominal Ledger

The *Nominal Ledger* forms the basis for the analysis of income and expenditure that goes on in any bookkeeping system.

The Nominal Ledger is simply a list of those items mentioned above, such as motor expenses, and provides us with a means of keeping a total of what we have spent on each of those items throughout the financial year.

Each item in this list is termed a *nominal account*.

Each nominal account has a name, for example "Miscellaneous Motor Expenses", and a *nominal code* that is unique to that nominal account, that is to say no two nominal accounts can have the same nominal code. We use 4 numbers for a nominal code although you could use numbers and letters if you wanted to up to a maximum of 4 characters.

In the case of the "Miscellaneous Motor Expenses" nominal account its nominal code is 7304. If we were referring to this account in the text we would write it as 7304 Miscellaneous Motor Expenses.

The Nominal accounts list

You can view and maintain the nominal accounts on your system by selecting the "Nominal account records" option from the Nominal menu or by clicking the [Nominal] button on the main toolbar.

The Nominal accounts list shows each nominal account along with its current balance. The balance of an account will be either *debit* or *credit* and the total of all debit and credit balances, shown at the bottom of the screen, should always be equal.

| |
|---|
| Note: a nominal account that has a zero balance might still have transactions: the debit and credit transactions when added together may cancel each other out. |

When a transaction is *posted*, the term used for saving a transaction, it will usually affect 2 nominal accounts. This is where the term "double-entry bookkeeping" comes from.

In order to differentiate between the 2 nominal accounts we refer to the second nominal account as the *control account*.

Control accounts work just the same as other nominal accounts but they are special in that they must exist for the system to work properly. You can view a list of the control accounts on the system by selecting the "Control accounts" option from the Nominal menu.

When a transaction is posted the posting to one nominal account is a debit whilst the posting to the other is a credit. Debit and credit are bookkeeping terms the meaning of which may differ from what you are used to. For example, you may be used to the idea that your bank account is overdrawn when it has a debit balance. In bookkeeping terms a bank account with a debit balance has money in it, whilst a credit balance means the bank account is overdrawn!

The effect on the nominal ledger of posting one type of transaction, a bank payment, is shown below. In the case of a bank payment the nominal account is the expense that the payment is for, in this case bank charges, whilst the control account is the bank nominal account used.
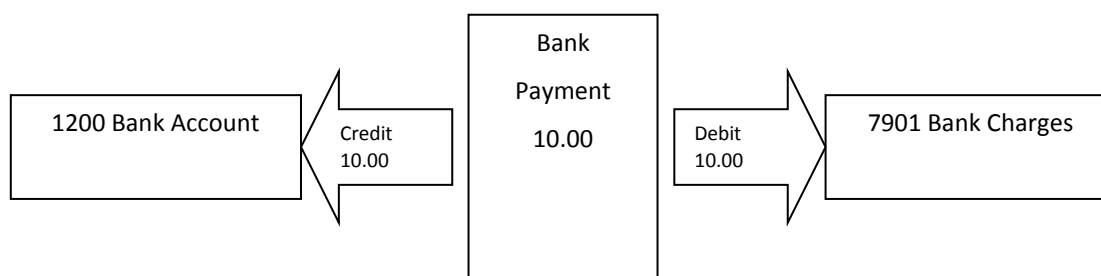
Effect on the Nominal Ledger of posting a bank payment

If at any time you added up all the debits and all the credits in the nominal ledger, the two amounts should be equal and the system therefore balances.

Exceptions to the Rule

I mentioned earlier that posting a transaction would usually affect <u>two</u> nominal accounts. There are two exceptions to this rule that I would like to draw your attention to.

- **Journals** – a journal is a special type of transaction used to move amounts from one nominal account to another. Each journal affects only one nominal account and does not have a control account.

    To ensure that the principle of double-entry bookkeeping is adhered to, there will always be at least 2 journals posted together as a batch, but there could be many more. Furthermore, a journal will be for either a debit amount or a credit amount. When journals are posted, the sum of all the journal debits will equal the sum of all the journal credits.

    The simplest example to quote is the transfer of funds from one bank account to another, say where a cheque is cashed at the bank and the money is moved to the Petty Cash Account. Although this transfer is covered by the Bank to bank transfer option on the Bank menu (see elsewhere) we can get exactly the same effect by posting the journals ourselves (A bank to bank transfer is actually posted as a pair of journals).

- **VAT** – when a business is VAT registered the picture becomes a little more complex. Each transaction has a Net amount and a Tax amount. The Gross amount is the Net and Tax amounts added together.

    When a transaction having tax is posted, the tax amount goes to a special VAT tax nominal account whilst the net amount is posted to its designated nominal account. The gross amount is posted to the control account. The transaction therefore affects 3 nominal accounts!

Nominal Categories

The first level of analysis of income and expenditure comes from the use of *Nominal Categories*. These nominal categories form the main headings used when producing the Profit and Loss Account (sometimes referred to as the Income and Expenditure Account) and the Balance Sheet.

You can examine the nominal categories used by the system by selecting the "Nominal categories" option on the Nominal menu.

Here are the default nominal categories:

Profit and Loss Account includes:	Balance Sheet includes:
Sales/Income	Fixed Assets
Purchases	Current Assets
Direct Expenses	Current Liabilities
Overhead	Capital & Reserves

Direct vs. Indirect Expenses

If you examine the nominal categories on the Profit and Loss Account side of the above table you will see that there is one category for Income but three categories for expenditure.

These 3 expenditure categories are best explained using an example.

Gilbert Threadneedle's shoelace business

Year 1

Gilbert Threadneedle started in business selling shoelaces on a street corner.

At the end of the first year of trading Gilbert's Profit and Loss Account would have featured the following entries:

Income - the money Gilbert obtained from selling shoelaces

Purchases - the money Gilbert spent buying the shoelaces

Year 2

Gilbert decides that he is going to expand his business as there is obviously a market for shoelaces. He employs 2 salesmen and gets them to stand on different street corners to the one he stands on.

At the end of the 2nd year Gilbert finds that his income is 3 times what it was in the 1st year as are his purchases.

The wages that Gilbert pays to his employees appear in the **Direct Expenses** section of his Profit and Loss Account. A *direct expense* (or variable cost) is one that varies in proportion to sales.

You can see that the reasoning here would be that the more salesmen Gilbert employs the more his Income would increase and so would his Direct Expenses.

Year 3

For the third year Gilbert decides to go big time.

He realises that if he buys shoelaces in larger quantities he can buy them direct from the manufacturer at such a good price that he could become a wholesaler himself. So he rents a

warehouse to store the shoelaces in and employs a secretary who will look after the administration side of things, and a man to work in the warehouse who will take care of distribution.

At the end of the 3rd year Gilbert now finds there are entries in the **Overheads** section of his Profit and Loss Account. *Overhead* is a term used for an indirect expense (or fixed cost). An *indirect expense* is an expense that does not vary with sales. In our example the rent that Gilbert has to pay for the warehouse will be the same no matter what level his income rises or falls to and so it is classed as a fixed cost.

Can you identify any other costs that will be overheads rather than direct expenses?

We can now give a summary of what is included in the 4 sections of the Profit and Loss Account.

Income - sales of shoelaces both retail and wholesale

Purchases - cost of buying the shoelaces from the manufacturer

Direct expenses - salesmen's wages, advertising costs, delivery and packaging costs

Overheads - rent and rates, admin wages, warehouse wages, telephone, electricity, stationery, etc.

Gross vs. Net Profit

We can now introduce two more accounting terms that expand the idea of profit.

Gross Profit (or Gross Loss) is the profit (or loss) made just on trading i.e. before deduction of overheads.

Net Profit (or Net Loss) is the profit (or loss) made after deduction of overheads.

> GROSS PROFIT = INCOME - PURCHASES - DIRECT EXPENSES
>
> NET PROFIT = INCOME - PURCHASES - DIRECT EXPENSES - OVERHEADS

Or

> NET PROFIT = GROSS PROFIT - OVERHEADS

Nominal Sub-categories

The second level of income and expenditure analysis comes from the use of *Nominal Sub-categories*. These sub-categories are listed under the main headings when producing the Profit and Loss Account and Balance Sheet.

For example, the **Overheads** category includes the following sub-categories:

- Salaries and Wages
- Rent and Rates
- Heat Light and Power
- Motor Expenses
- Travelling and Entertainment
- Printing and Stationery

Each nominal account in the nominal ledger is assigned to a nominal sub-category.

For example, nominal account 7502 Telephone belongs in nominal sub-category Printing and Stationery which in turn belongs in the Overheads nominal category.

So, when you print a Profit and Loss Account the Overheads section could include a line for Printing and Stationery and the amount shown on this line would be the total of all the transactions that were for nominal account 7502 Telephone as well as any other nominal account that belonged in the Printing and Stationery sub-category, such as nominal account 7504 Office Stationery.

A listing of the nominal categories, sub-categories and code ranges is shown in **Appendix A**.

You can also print a Nominal categories report from the **Nominal account categories** screen. The report shows the nominal categories, sub-categories and their nominal accounts as they are on your system.

Adding a Nominal Account

Suppose we wanted to add a new nominal account to record valuation fees.

The question is what nominal code should we use for the new account?

If you look at **Appendix A** you will see that there is a nominal sub-category "Professional Fees" in the "Overheads" nominal category. This would seem to be the right place for the new account.

Appendix A shows us that the nominal code range for the Professional Fees sub-category is 7600 to 7699. If you take a look at the nominal accounts list you will see that we have a series of accounts starting with 7600 Legal Fees that confirm that this is the right code range for the new account.

The next unused code in the sequence is 7604. We will use this code for the new nominal account.

Open the Nominal accounts list and click on the [Add] button on the toolbar to start the new nominal account wizard.

Enter 7604 in the *Code* field. The code can be any combination of text and numbers up to 4 characters long.

Code 7604 ——————————— *Enter 7604 in the Code field*

Account name Valuation Fees ——————— *Enter "Valuation Fees" in the Account name field*

Sub-category Overheads/Professional Fees ▼ —— *Select the nominal sub-category*

Adding a new nominal account

Enter "Valuation Fees" in the *Account name* field then, from the *Sub-category* dropdown select "Overheads /Professional Fees".

Save the new record by clicking [Finish].

The above is not a hard and fast rule when it comes to choosing the code for a new nominal account. We could have used a code such as 4901 in the above example and, as long as we selected the correct nominal sub-category for the nominal account, it would still have been included in the right place when we ran the Profit and Loss Account.

The point is that maintaining the coding structure of the nominal accounts list makes it easier to follow and easier for you to locate a nominal account in the many dropdown lists that they appear in throughout the system.

Prepayments and accruals

Prepayments and accruals are used to split payments for items that span several months into equal monthly amounts.

This can be important if you print your Profit and Loss Account each month and use the information to manage your business.

For example, a telephone bill may be quarterly: entering it without any adjustment would distort your monthly accounts, showing one month with a large expense and two months with none at all. By splitting the amount over 3 months we get a truer picture in the accounts.

Prepayments

Prepayments are used when a payment is made in advance for a service.

For example, if a business received a rate demand covering the period from the 1st April for 10 months and the total was entered with that date, the profit and loss account would be misleading.

Imagine printing the Profit and Loss Account at the end of April; the amount shown for Rates would be for a full year and the profit for April would be reduced accordingly. To remedy this situation, and show only 1-month worth of rates, we could set up a prepayment.

Accruals

Accruals are the opposite of prepayments in that you are recording the fact that, at some point in the future, you anticipate receiving a charge that covers a period of more than one month.

For example, consider that in 3-months' time you anticipate receiving a quarterly telephone bill for around £300. In the next 2 months the Profit and Loss Account will contain no amount for telephone expenses, but in the third month there will be an amount of £300. This £300 would be more reasonably shown as £100 per month.

Adding a new prepayment or accrual

Select the "Prepayments and accruals" option from the Nominal menu, or select the option from the Nominal list Tasks menu, to open the **Prepayments and accruals** list.

Click on the [Add] button on the toolbar to create a new record.

Select the *Type of entry* required, either "Prepayment" or "Accrual".

Select the *Nominal account*. This must be the same as that used when posting the invoice that the entry is being created for.

Depending on the type of entry selected, the Prepayments (or Accruals) account is the nominal code for the Prepayments (or Accruals) Control Account in the nominal ledger. The defaults are 1199 Prepayments and 2199 Accruals.

Enter *Details* in the field provided. These will form the transaction details used for each posting.

Enter the amount and the number of months over which the amount is to be split.

The net amount is used if your business is VAT registered. The reason for this is that in the original invoice only the net amount shows up in the Profit and Loss Account. The tax element is accounted for in the VAT account in the Liabilities section of the Balance Sheet.

If your business is not VAT registered you should enter the gross amount in the *Amount (Net)* field.

Save the new entry then close the screen to return to the **Prepayments and accruals** list with the entry added. Prepayments are shown in the list as type "P", Accruals as type "A".

Posting prepayments and accruals

Prepayments and accruals are not posted automatically, but by opening the **Prepayments and accruals** list and clicking on the [Post] button when you want postings to be made. This would usually be done at end of each month, but can be done at any time.

In the screen that appears enter the *Posting date* and click on [Proceed] to make the postings. Once postings have been made the **Prepayments and accruals** list will update to show the number posted so far.

How postings affect the nominal ledger – Prepayments

To give you an idea of how the postings for a prepayment work let's use as an example an invoice for an amount of £120.00 for a 12 month subscription. The invoice is posted for the full amount as a supplier invoice in the usual way.

The initial posting of the supplier invoice debits account 8201 Subscriptions with 120.00.

The first posting of the prepayment does the following:

- The full amount of 120.00 is posted as a journal credit to 8201 Subscriptions, effectively reversing the supplier invoice. A journal debit is posted to 1199 Prepayments.

- An amount of 10.00, being 120.00 divided by 12 months, is then posted as a journal debit to account 8201 and credited to account 1199.

In the Profit and Loss Account for the month a figure of just 10.00 will show for this expense. The prepayments account, 1199, will have a debit balance of 110.00. This balance appears in the Current Assets section of the Balance Sheet.

When prepayments are posted at the end of subsequent months an amount of 10.00 will be debited to 8201 Subscriptions and credited to 1199 Prepayments each time. The balance in the prepayments account will reduce each month until, at the end of 12 months, it returns to nil and the full 120.00 will have then been debited to 8201 Subscriptions.

How postings affect the nominal ledger – Accruals

Accruals are somewhat the reverse of prepayments in the way that they work.

When an accrual is set up there is no invoice to post as it will arrive at some time in the future. That, after all, is why we are setting up the accrual.

As an example, consider a quarterly telephone bill we are expecting in three months' time. It is anticipated that the bill will be for around £300.00.

An accrual is created for £300.00 split over 3 months.

The posting of the accrual does the following:

- For each of the 3 months an amount of 100.00, being 300.00 divided by 3 months, is posted as a journal debit to account 7502 Telephone and credited to 2199 Accruals.

- When the third and final posting is made an additional journal is posted for the full amount to reverse the postings to the Accruals account. In our example the full amount of 300.00 is posted as a journal credit to 7502 Telephone and a journal debit to 2199 Accruals.

The actual supplier invoice is then posted when it is received in month 3. If the actual invoice turned out to be for £309.00 there would be a slight unevenness in the postings, but this would be better than not using the accrual at all.

Automated entries

Automated entries make it easier for you to process transactions that are repeated on a regular basis, for example, weekly or calendar monthly. This is an ideal way of dealing with standing orders and direct debits from a bank account.

Once the details of an automated entry have been set up, repeat transactions can be posted at the click of a button with the transaction's date calculated by the program.

Select the "Automated entries" option from the Nominal menu, or select the option from the Nominal list Tasks menu, to open the "Automated entries" list.

Creating a new automated entry

Click on the [Add] button on the toolbar to create a new automated entry.

Details tab

Select the *Type of entry* you want to create. The following types are available:

- Sales Invoice
- Sales Credit Note
- Purchase Invoice
- Purchase Credit Note
- Bank Payment
- Bank Receipt
- Cash Payment
- Cash Receipt
- Journal

If the type of entry is a sales invoice, sales credit note, purchase invoice or purchase credit note, an *Account* dropdown list will be visible on screen so that you can choose the relevant account. The *Bank account* dropdown list will not be visible for these entry types, as they are not associated with a bank account.

If the type of entry is a bank or cash transaction, the *Bank account* dropdown list will be visible but the *Account* dropdown list will not. Select the relevant bank account from the list.

If the type of entry is a journal, neither the *Bank account* nor the *Account* dropdown list will be visible. Instead you will see two nominal dropdowns, one for the debit part of the journal and one for the credit part.

Enter *Details* for the entry as you wish them to appear in the transaction each time it is posted.

Enter the *Amount* of the regular instalment by entering the *Net* figure and *Tax code* as appropriate. The *Tax* amount will be calculated automatically by the program but can be edited as required.

References tab

Enter a suitable reference and select the department as required.

Instalments tab

Enter the Start date for the automated entry. This is the date of the first instalment.

Select the frequency of the instalment using the dropdown. The first instalment will be made with the *Start date* as its date. Subsequent instalments will be made in line with the frequency selected.

Select the *until further notice* option if you want instalments to continue until you stop them.

Select the *number of instalments* option, if there are a fixed number of instalments to be made for this entry, and enter their number.

The *next due* date will initially have the same value as the start date for the automated entry.

Tick the "adjust date if it falls on a weekend" option if you wish to use bank processing dates. When this option is ticked the next due date will be adjusted, at the time of processing, if it falls on a Saturday, Sunday or public holiday, to the date of the next bank business day.

The *Date of last instalment* and *Processed to date* fields will be blank until the first instalment is processed.

First / Last instalment tab

If the amount of the first and/or last instalment is different from the amount of the regular instalment, enter details on this tab. In the case of an automated entry where the "until further notice" option is selected on the Details tab, any amount entered for the last instalment will not be used.

Click on the [Save] button to save the new automated entry.

Editing an entry

To edit an entry, select it from the list and then click on the [Edit] button. Alternatively, double-click on the entry.

If no instalments have been processed for this entry all the details will be available for editing. Once instalments have been processed, you will not be able to change some of the details, such as the frequency.

You can use the *Next due* date field to control the date of the next instalment. This can be used to miss out instalments, by entering a later date than that scheduled, or to repeat an instalment, by resetting the date to an earlier one. The *Next due* date cannot be earlier than the *Start date* for the automated entry.

Ending an "until further notice" automated entry

If you want to stop any further instalments for an automated entry, which is set as "until further notice", from being processed you can do so by selecting the *number of instalments* option. This will update the number of instalments value with the number of instalments already processed and no further processing of the entry will be carried out.

Deleting an automated entry

To delete an automated entry, select it from the list and then click on the [Delete] button. The entry will be deleted from the list and no further instalments will be processed. Deleting an automated entry will not affect any transactions that have already been created from it.

Suspending processing of an automated entry

Should you wish to suspend processing of an automated entry, tick the 'place on hold' option, which can be found on the Instalments tab.

If you decide to reinstate an entry that was previously suspended, remove the tick from the box and edit the next due date to the date that the next instalment is required.

Processing automated entries

Automated entries can be processed at any time using the [Process] button on the "Automated entries" screen.

This will open the "Process automated entries" screen showing a list of instalments due to be processed as at the date shown. Changing the date will rebuild the list and show instalments due at the new date.

The date, net, tax code and tax values can be edited, if required, prior to processing the instalments. Changing any of these values will not affect future instalments.

Tick the entries you want to process then click on the [Process] button.

Checking for automated entries due

The software will check to see if any automated entries require processing at today's date, each time the program is started, if the option on the Start-up tab of the My Settings window is ticked. If there are, these will be displayed on the "Things to Do List".

Entering an Opening Trial Balance

When a business has been operational for one or more years, it is likely to have various opening balances that need to be entered on the system to represent the position of the business on the day you start using the software.

The usual method of entering opening balances is to use the figures from the Balance Sheet of your last year's accounts. However, any date can be used as the starting date so long as you are able to calculate the opening balances at that time.

In order to enter opening balances we need the following information at the selected date:

- Balance Sheet

- Tenant arrears

- Tenancy deposits held

- Unpaid Supplier invoices or payments in advance

It is recommended that opening balance transactions are entered with a date that is the day before the current financial period starts. For example, if the current financial year we are working on starts on the 1st April 2007, we would enter our opening balances with a date of 31/03/2007.

Example Balance Sheet

EZPZ Rentals Limited, Balance Sheet as at 31/03/2007

	DR	CR
Fixed Assets		
Fixtures and Fittings	345.00	
Office Equipment	976.00	
Current Assets		
Debtors	120.00	
Bank	1749.00	
Tenant Bonds Account	500.00	
Cash	45.50	
VAT Refund due	75.25	
Liabilities		
Creditors		505.25
Tenancy Deposits held		500.00
Capital Account		
Shares		2.00
Reserves		2803.50

Tenant Opening Balances

We start by entering the opening balances for the tenants. Tenant opening balances are entered via the tenant record.

Open the Tenants list by selecting "Tenant records" from the Tenants menu or by clicking on the [Tenants] button on the main toolbar.

Locate the required tenant in the list and double-click on it to open the tenant record.

Go to the Ledger page and then click on Enter Opening balance. The **Tenant opening balance** screen will appear.

Select the Transaction type:

- **Invoice** – where the tenant has arrears

- **Credit Note** – where the tenant account is in credit

Select the property code where the balance refers to a specific property.

Enter the rest of the details, including the *amount*, as required.

Click on [Proceed] to post the opening balance.

The opening balance will be posted as a *sales invoice (SI)* or as a *sales credit note (SC)*, as appropriate, to 9998 Suspense Account and will appear on the tenant's ledger.

VAT on Opening Balances

Opening balance transactions are usually posted using the gross amount with a tax code of 9 so that they have no tax amount. This is because the original tax amount, if there was one, would have been accounted for in the previous financial year.

If the business is VAT registered and uses the VAT Cash Accounting scheme you would post the opening balances with their original Net/Tax split and use a tax code of 1. This is because, in that Scheme, VAT is calculated from the receipts. The Net/Tax split has to be copied from the invoice to the payment when the payment is posted and allocated so the opening balance transaction must have the correct Net/Tax split.

Adjusting tenancy records

We now give consideration to the question of when we should start posting rents.

Consider a tenancy that is already in existence at the start of our financial year.

The tenants on that tenancy will have had rent due in the previous financial year and the period covered by that rent may overlap into the new financial year we are setting up. We must not post any transactions in the new financial year that are for rents in the previous financial year as these would already have been included in the previous year's accounts.

Consider a tenant whose tenancy commenced on the 8th March 2007 and whose rent falls due on the 8th of each calendar month. This would mean that the rent that fell due on the 8th March would have been for the period from 08/03/2007 to 07/04/2007. The first rent charge for this tenant that falls in the new financial year will be that due on the 8th April 2007. We therefore need to ensure that this fact is represented in the tenancy record.

We can edit the tenancy record via the Tenancies list. To open the Tenancies list select "Tenancy records" from the Tenancies menu or click on the [Tenancies] button on the main toolbar.

Locate the tenancy in the list and double-click on it to open the tenancy record.

On the Term and dates page of the tenancy record (this page is at the front when the tenancy record opens) change the *start charging rent* date, using the [change] button to the right of that field, to be the first due date for rent in the financial year. This tells the program that, although the tenancy

commenced on the commencement date, 08/03/2007, it should not start charging rent until the start charging rents date, 08/04/2007.

Go to the Tenants/TCRs page and note that the entries in the **Tenancy Charging Records** section have been adjusted so that their *Valid from* dates now agree with the *start charging rents* date for the tenancy.

Save the changes to the tenancy record then close it.

Tenancy Deposits Held

If there are tenancies in existence at the start of the financial year then it is probable that there are also deposits held on behalf of the tenants on those tenancies.

Tenancy deposits are <u>liabilities</u> of the business, due to be paid back to the tenants at the end of their tenancies, and as such can appear in the Liabilities section of the Balance Sheet.

Tenancy deposits for existing tenancies need to be entered using the "Tenancy Deposits" option on the Tenancies menu.

When the Tenancy Deposits list opens, locate the relevant tenancy and double-click on the entry to open the **Tenancy Deposit** screen.

Supplier Opening Balances

Supplier opening balances are entered via the supplier record.

Open the Suppliers list by selecting the "Supplier records" option from the Suppliers menu or by clicking on the [Suppliers] button on the main toolbar.

Locate the relevant supplier in the list and double-click on it to open the supplier record.

Click on the Ledger page and then click on <u>Enter Opening balance</u>. The **Supplier opening balance** screen will appear.

Select the Transaction type:

- **Invoice** – where the balance is owed to the supplier
- **Credit Note** – where the supplier account is in credit

Select the property code where the balance refers to a specific property.

Enter the rest of the details, including the *amount*, as required.

Click on [Proceed] to post the opening balance.

The opening balance will be posted as a *purchase invoice (PI)* or as a *purchase credit note (PC)*, as appropriate, to <u>9998 Suspense Account</u> and will appear on the supplier's ledger.

VAT on Opening Balances

Opening balance transactions are usually posted using the <u>gross</u> amount with a tax code of 9 so that they have no tax amount. This is because the original tax amount, if there was one, would have been accounted for in the previous financial year.

If the business is VAT registered and uses the VAT Cash Accounting scheme you would post the opening balances with their original Net/Tax split and use a tax code of 1. This is because, in that Scheme, VAT is calculated from the receipts. The Net/Tax split has to be copied from the invoice to the payment when the payment is posted and allocated so the opening balance transaction must have the correct Net/Tax split.

Reversing Nominal Ledger balances

Having entered opening balances for tenants and suppliers, balances will have been created in the nominal ledger as a result.

You can view these balances by clicking on the [Nominal] button on the main toolbar to open the Nominal accounts list.

An example is shown below:

Account code	Account name	DR	CR
1100	Debtors Control Account	120.00	
2100	Creditors Control Account		505.25
9998	Suspense Account	385.25	

In this example, we have posted opening balances for tenants totalling 120.00 and opening balances for suppliers totalling 505.25.

As both types of opening balance postings are made to the Suspense account, the balance in 9998 Suspense Account is equal and opposite to the totals of the combined Debtors and Creditors.

Before we can enter the opening trial balance, the current balances in these nominal accounts need to be reversed. This is to avoid duplication as the opening trial balance, taken from your accounts balance sheet, also contains figures for debtors and creditors.

The nominal balances are reversed by posting journals for equal and opposite amounts. Thus the balance of the Creditors Control Account of 505.25 credit is reversed by posting a debit for the same amount.

Open the **Journal entry** screen by selecting the "Enter journals" option from the Nominal menu.

Each row of the grid is used to enter one journal transaction. Each transaction will have either a debit or a credit value but cannot have both. Before the journals can be posted, the total of the debit transactions must equal the total of the credit transactions so that the *Batch total* is zero.

Enter the *Date*. As previously mentioned, it is recommended that opening balance transactions are entered with a date that is the day before the current financial period starts. In the screen that appears advising you this date is outside of the current financial period, confirm that you want to use this date.

Enter "O/BALANCE" or something similar in the *Reference* field.

Enter the details and amounts of the journals as required.

> **Note:** when entering details in the grid you can use function key <F6> on your keyboard to copy down details from the cell above.

When you have entered all the details and checked that the batch total is zero, click on the [Post] button to post the journals to the nominal ledger.

Once the journals have been posted all the nominal accounts in the nominal list will have a zero balance.

We can now proceed with entering the opening trial balance.

Entering the opening trial balance

The opening trial balance for the business is entered by posting journals as explained above.

The journals should be entered with a property code where the amount is specific to a property or with no property code where the amount is not specific to a property.

Example Opening Balance Journals

Code	Nominal account	Tc	DR	CR
0030	Office Equipment	9	976.00	
0040	Furniture and Fixtures	9	345.00	
1100	Debtors Control Account	9	120.00	
1200	Bank Current Account	9	1749.00	
1230	Petty Cash	9	45.50	
2100	Creditors Control Account	9		505.25
2202	VAT Liability	9	75.25	
3001	Shares	9		2.00
3100	Reserves	9		2803.50
	Totals		3310.75	3310.75

Note, there are no journals entered for Tenancy Deposits as these have been entered as bank receipts using the Tenancy Deposit Wizard. This accounts for the opening balance figures of nominal accounts 1210 Tenant Bonds Account and 2101 Tenant Deposits Held.

Bank Accounts

Bank accounts play an important part in any bookkeeping system. I have yet to come across a business that does not use a bank account to receive and pay out money!

Bank accounts are nominal accounts that are marked by the system as bank accounts so that they can take part in those functions involving the receipt and payment of money.

The Cash Account, in turn, is a special type of bank account.

The Bank Accounts list

Bank accounts are managed via the Bank Accounts list. You can open the list by selecting the "Bank Accounts" option from the Bank menu or by clicking on the [Bank] button on the main toolbar.

As mentioned above, bank accounts are nominal accounts and as such they are also displayed in the Nominal Accounts list.

When you look at the balance of a bank account in the Nominal Accounts list it will show up as either a debit or a credit balance. In bookkeeping:

- A bank account with a <u>debit</u> balance has money in it

- A bank account with a <u>credit</u> balance is overdrawn

The balances of the bank accounts in the Bank Accounts list are shown as positive or negative in keeping with normal practice.

Adding a new bank account

Click on the [Add] button on the Bank Accounts toolbar to start the new bank account wizard.

Enter a code for the new account in the *Code* field. The code can be any combination of text and numbers up to 4 characters long and must be unique, i.e. there cannot be 2 nominal accounts with the same code. Once the record is saved you will not be able to edit the code.

Enter a name for the new bank account in the *Account name* field.

The *Sub-category* for the bank account will automatically be selected as "Current Assets/ Bank Accounts".

Click on the [Next] button.

The value in the *Last cheque number* field is used by the program to calculate the next cheque number in sequence when processing payments from a bank account. Enter the number of the last cheque that was written for this account. Enter "-1" to disable auto-increment for the account.

Save the new record by clicking on [Finish] and return to the Bank Accounts list.

Setting the Default Bank Account

The default bank account is the one that will be suggested whenever you deal with a transaction that involves a bank account and you are presented with a list of bank accounts to choose from.

To select the default bank account, open the Bank Accounts list and highlight the bank account you want to make the default. From the Tasks menu, select the "Set as default" option.
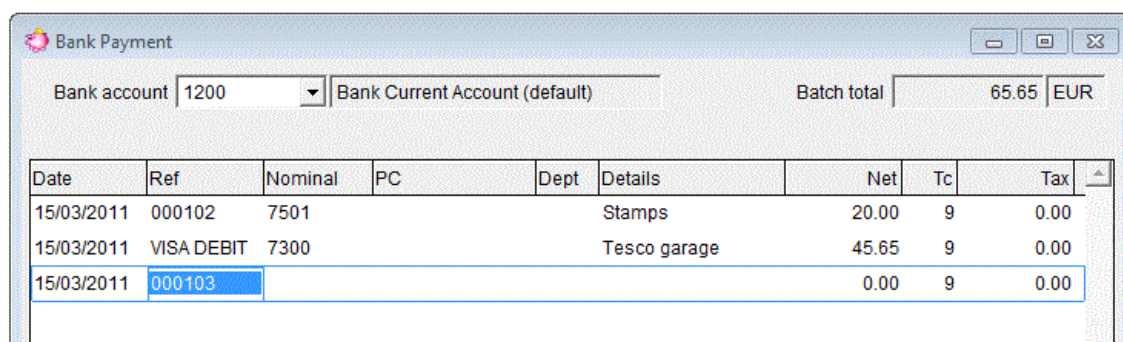
Bank/Cash Receipts and Payments

Bank/Cash receipts and payments are receipts and payments for which no invoice has been entered on the system. See also the section on "Suppliers" for payments where invoices have been entered on the system.

Bank/Cash receipts and payments are entered via options on the Bank menu. They can also be entered using the options on the Bank Accounts Tasks menu.

In the **Bank Receipt** (or **Bank Payment**) screen that opens, transactions are entered using the rows of the grid. Each row represents one transaction when posted.

Select the *Bank account* from the dropdown list. All the entries in the grid, when saved, will be posted to this bank account. If the selected bank account is the cash account, the transactions will be posted as cash receipts or payments; otherwise they will be posted as bank receipts or payments.

Entering bank payments

The details that can be entered on each row of the grid are as follows:

Date   Date of the receipt/payment.

Ref   Reference. Cheque number or paying-in slip number.

Nominal   Nominal code. The nominal code cannot be another bank account (see bank to bank transfer below) or a control account. If the required nominal code is not in the list you can add it by typing in the new code and pressing <TAB> or <Enter> on your keyboard. Confirm that you wish to add the new value to the table and you will be presented with a New Nominal record to complete.

PC   Property code. If the transaction does not relate to a specific property leave the PC column blank.

Dept   Department code.

Details   Transaction details, maximum 50 characters.

Amount   Enter the amount of the transaction in the Net column.

If the business is VAT registered, enter the appropriate tax code in the Tc column. The amount of tax will be calculated for you and displayed in the Tax column. The amount can be edited if required.

Where the Net/Tax split for the transaction is not known, enter the gross amount of the receipt in the Net column and the applicable tax code in the Tc column. Click on the [Calc Net] button and the program will calculate the Net and Tax amounts for you.

If the business is not VAT registered, use tax code 9.

Tip: When adding additional entries on subsequent rows you can use function key <F6> to copy down details from the cell above.

When all entries have been completed save them using the [Post] button.

The screen cannot be closed if the grid contains completed entries. These must be saved or abandoned first.

Supplier Invoice or Bank Payment?

In bookkeeping, expenditure is recorded using both supplier transactions and bank/cash transactions. The distinction between the two types is important as it will help you to decide which type of transaction to use.

The main question to ask, when deciding which type of transaction to use, is "Does the invoice I am entering have a *period of credit* or was it paid at the time the goods, or services, were purchased?"

If the invoice has terms printed on it such as "payment due in 30 days" then that is a period of credit. If the date on which you were charged for the goods, in other words the date on the invoice, is different to the date that you actually made payment then there is a period of credit involved.

If there is a period of credit involved you should enter the invoice as a supplier invoice using the "Batch entry of invoices/credit notes" option on the Suppliers menu. When you pay the invoice you should enter the payment as a supplier payment using the option on the Suppliers menu.

Notice that there is a distinct meaning to the phrase "supplier invoice" in bookkeeping: it does not just mean an invoice from a supplier but is a specific type of transaction.

If there is no period of credit involved you can save work for yourself by entering the details as a bank/cash payment. This involves just one transaction instead of the two transactions, invoice and payment, required by the supplier route.

The disadvantage with a bank/cash transaction is that it has no reference to a supplier account so unless you record the name of the supplier in the transaction details you have no record of who you bought the goods from.

The above is not a hard and fast rule. If you purchase goods regularly from the same supplier and always pay for them in cash you can still create a supplier account and record the invoice by entering a supplier invoice and supplier payment albeit with the same date.

Bank to bank transfer

This option is used to record the movement of money from one bank account to another.

Use the dropdown lists to select the *From* and *To* bank accounts.

Enter the rest of the details as required, then click [Proceed] to process the transfer.

Bank to bank transfers are posted as journals: a journal credit is posted to the bank account the money is leaving and a journal debit is posted to the bank account that the money is going into.

Once the transfer has been posted, the fields will clear ready for you to enter the details for another transfer.
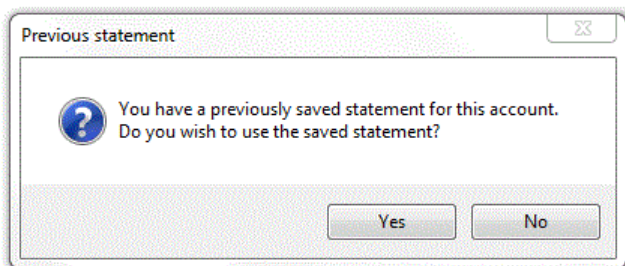
Bank Reconciliation

The bank reconciliation process involves checking that the bank entries on your system agree with the entries on your bank statements. Using this process can show up errors in data entry where, for example, you may have mistyped an amount. Reconciliation should ideally be carried out each time a bank statement is received.

To carry out bank reconciliation, select the "Bank reconciliation" option from the Bank menu. Alternatively, bank reconciliation can be run from the Bank Accounts list when open; select the bank

account to be reconciled from the list then select the "Reconcile account" option from the Tasks menu.

If a previous reconciliation has been saved but not completed, you will be asked if you want to use the saved statement. Click [Yes] to use the saved statement or [No] to start over.


If a previously saved reconciliation is not found, or if you selected [No] on the previous screen, the Statement details window will appear next.

Enter the date of the statement you are reconciling to and its closing or end balance. If the transactions tick box is ticked, the reconciliation window will only contain transactions that are dated on or before the statement date you enter.

It is not essential to enter the statement details but it can help with the reconciliation process.

Click [OK] to launch the Reconciliation window.
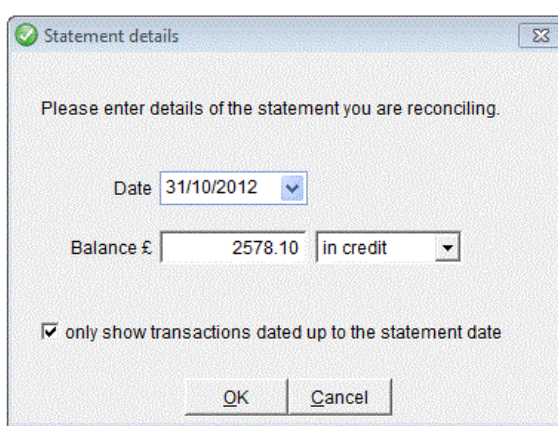
The reconciliation window

The reconciliation window is split into two halves.

The upper half, labelled "Items not yet reconciled", lists the transactions that have not yet been reconciled for this account.

The lower half, labelled "Items that appear on this statement", is used to move transactions into, where the transactions appear on the statement being reconciled.

The calculation, at the bottom of the Reconciliation window, shows the difference between the reconciled balance and the statement end balance. This difference will be equal to the total of the transactions that appear on the statement and that need to be selected on screen to enable the reconciled balance to agree with the statement end balance.

Where transactions have previously been reconciled for the selected account, the total of the reconciled transactions, and the date of the last reconciliation will show as an entry in the lower half of the window with "Last reconciled balance" as the details. In the screenshot below, the last reconciliation was carried out for a statement dated 05/04/2011. The total of all reconciled transactions shows as 1,526.50, and the amount is positive, indicating a credit balance.

The reconciliation is carried out by working through the bank statement and matching each entry on the statement to a corresponding entry in the "Items not yet reconciled" section. As each entry is matched, we double-click on it, or click on the [Move item] button, to move it into the "Items that appear on this statement" section. In so doing, the amounts in the Reconciled balance and Difference fields, at the bottom of the window, will be updated.

When all matching items have been moved into the bottom list, and assuming all the transactions that are on the bank statement have already been entered in the software, we would expect the Reconciled balance field to show £1,359.50, the same as the Statement end balance, and the Difference field £0.00.

The top half of the window shows transactions not yet reconciled.

Double-click on an item, or use the button, to move it into the bottom half of the window if it appears on this statement.

The reconciled and difference amounts will change as each item is moved in or out of the bottom list.

Grouped vs. individual transactions

How the bank transactions are displayed on screen will depend on whether or not the "show individual transactions" box is ticked.

If the "show individual transactions" box is ticked the individual transactions, as they were posted, will be shown.

If the "show individual transactions" box is not ticked the transactions will appear grouped. Transactions having the same transaction type, date, reference and detail are grouped together and shown as a single item, similar to the way in which they appear on a bank statement.

> **Note:** ticking or un-ticking the "show individual transactions" box will clear any transactions you have moved into the lower grid and put them back into the upper grid.

Carrying out the reconciliation

The suggested procedure for carrying out reconciliation, using a bank statement, is as follows:

- Before beginning to reconcile your bank statement, ensure that the *reconciled* balance shown on the screen is the same as the opening balance on the bank statement. If the two amounts do not agree, you should leave the reconciliation and try to find out why there is a discrepancy before continuing.

- For each entry on your bank statement locate the corresponding entry in the "Items not yet reconciled" grid. Click on the entry to select it then click on the [Move item] button to move the entry into the lower grid. When you move an entry from one grid to the other the Reconciled and Difference amounts will be updated. If you move an entry into the "Items that appear on this statement" grid in error you can move it back by selecting the entry and clicking on the [Remove item] button. You can also move an entry, from one grid to the other, by double-clicking on it.
- Continue in this way until the "Items that appear on this statement" grid contains all the transactions that appear on your bank statement. At this point, the *reconciled* balance on screen should equal the closing balance on your bank statement. If this is the case, click on the [Reconcile] button to mark the selected transactions as reconciled. When you next open the Account Reconciliation window, those transactions will no longer appear.

Saving your current position

If you are unable to complete the reconciliation for any reason you can save your current position using the [Save] button. This will record the items in the "Items that appear on this statement" grid so that they can be reloaded next time you carry out reconciliation of this account.

Posting adjustments

Where there is a transaction on your bank statement that does not appear in the Account Reconciliation window, because it has not yet been entered on the system, you can enter the transaction using the [Adjustment] button.

When you click on the [Adjustment] button the "Post adjustment" window will open.

Enter the details of the adjustment as required and enter the amount of the adjustment in either the *Payment* or *Receipt* field. Once saved, the adjustment transaction will appear in the "Items that appear on this statement" grid of the Reconciliation window if the transaction is dated on or before the Statement End Date.

Adjustment transactions are posted as bank payments or bank receipts; as such, they should not be used where the missing transaction relates to the sales or purchase ledgers.

Un-reconciling transactions

If you find that you have reconciled a transaction in error, you can correct this by editing the transaction and blanking the transaction's bank reconciled date. A transaction can be edited via the "Edit transactions" option, on the Utilities menu, or an appropriate ledger screen.

Jobs

Job records are a way of recording repair work and other maintenance carried out on your properties.

The Jobs list

Select "Job records" from the Properties menu to open the Jobs list.

Adding a job record

Click on the [Add] button on the Jobs list toolbar to start the New job wizard. This can also be done by selecting **File> New> Job record** or using the keyboard shortcut <Ctrl + G>.

Job details

Enter a *Job Code* for the new job. The code can be any mixture of letters and numbers up to 10 characters long and must be unique for each job. Once the job record has been saved the job code cannot be changed. Where job codes containing numbers have previously been used the next Job Code will be automatically generated.

Where the job belongs to a particular project select the relevant *Project* from the dropdown list.

Select the *Property* the job is for.

Enter a *Job Summary*. This is a brief description of the job and is used to identify it in the Jobs list. Use the [Pick job summary] button to select from a list of existing job summary values. New values can be added via the Pick Job Summary window if required.

Select the *Job type* using the [Pick job type] button. New values can be added via the Pick Job Type window if required.

Enter your *User reference* for the job if required. This is an optional reference that can be up to 30 characters long and can be used where you have your own job referencing system and the references are longer than the 10 characters used in the job code.

Click the [Next] button.

Job description / Reported problem

Enter details of the work that needs to be carried out in the field provided.

Select the job *importance* as required.

Click the [Next] button.

Contractor

Select the *Main Contractor* for the job.

Enter any additional notes for the contractor about the job in the *Notes to contractor* field.

Click the [Next] button.

Access arrangements

You can prepare details of access arrangements, for printing on the job sheet, using the options on the dropdown list. When an option is selected the *Notes on access* section will be automatically updated. Where the option selected relates to a tenant the information, for example the telephone number, for the selected tenant in the Current tenant(s) list will be used. Where the selected property is currently vacant the Current tenant(s) list will be empty.

Click the [Next] button.

Estimates

If you have received an estimate for this work from the contractor enter details on this page.

Enter the estimated start and completion dates in the fields provided. The job duration is calculated as the number of days inclusive of the start and completion dates.

Where the job is part of a project, and its completion is subject to the completion of another job on the project, select the job that needs to be completed first using the dropdown provided. The dates will then be calculated from the dates of the selected job and will be updated if and when the dates of the selected job are changed.

Click the [Finish] button to create the new job record.

Editing a job record

To edit an existing job record, select it in the Jobs list and click on the [Edit] button. Alternatively, double-click on the job record in the list.

A job record can also be opened from the Maintenance page of the relevant property record.

Contractor page

To print a copy of the individual job sheet (contractor's copy), click on the [Print job sheet] button. Additional reports are available via the [Reports] button on the Jobs list toolbar.

To send a copy of the job details as an SMS text message to the contractor's mobile phone click on the [Text job sheet] button. You must have an SMS account set up with us, with a balance of text credits, to use this service.

Costs page

When the work has been carried out you can record the actual costs for the job on the Costs page.

Posting a new job cost

To post a new cost, click on the [Add cost] button. A job cost window will open.

Select the type of transaction either "Invoice" or "Credit note".

Select the *Contractor* that the cost relates to using the dropdown. The main contractor for the job, if there is one, will have been selected by default.

Select the *Nominal* code for the job cost. The default nominal code for the selected contractor (supplier) will have been selected by default.

Enter the rest of the details for the cost as required.

Click on the [Save] button to post the cost to the contractor (supplier) ledger.

> **Note:** in Property Manager, job costs can only be posted if the property that the job relates to has one or more landlords assigned to it.

Linking an existing transaction as a job cost

Where a transaction already exists on the system, and you want to add it as a cost to the job, click on the [Link] button.

The window that appears contains a list of all transactions held on file for the relevant property.

Select the transaction by clicking on it in the list. Click on the [Link cost] button to link the transaction as a job cost.

Removing a job cost

The link between a transaction and a job can be removed by selecting the job cost from the list and clicking on the [Remove] button.

> **Note:** removing a job cost will not affect the underlying transaction. The transaction must be deleted separately if required.

Notes page

The Notes page can be used to add progress notes for the job. These notes will be printed at the bottom of the Job Sheet.

Deleting a job record

To delete a job record, select it from the list on the Jobs list screen and then click on the [Delete] button.

> **Note:** deleting a job record will delete any job costs associated with that job but will not delete the underlying transactions on the contractor (supplier) ledger.

Batch entry of job costs

In addition to being able to add job costs using the Costs page of the job record, you can also add job costs in a batch mode using the [Batch job costs] option on the Jobs list Tasks menu.

In the Job Cost batch entry screen that appears, each row of the grid represents one job cost.

Select the job using the Job Code dropdown in the first column of the grid. The relevant property code (PC) and Contractor for the job will be displayed in the grid. The property cannot be changed but a different contractor can be selected if required.

Enter the rest of the details, working along the row, as required.

Each job cost must have at least a job code, date, contractor, nominal and amount before it can be posted.

When you have finished click on the [Post] button to post the costs to the jobs and the contractor (supplier) ledgers.

Job Projects

Job Projects are a way of grouping job records together.

The Job Projects list is opened by selecting the "Job Projects" option from the Properties menu.

Adding a new Project

Click on the [Add] button to start the New Project wizard.

Project details

Enter a *Project code* for the new project to identify it throughout the system. The code must be unique and can be up to 10 characters long and contain any mix of numbers and letters.

Enter a name for the project in the *Project name* field.

Enter the total *budget* for the project as required.

Click on [Finish] to save the new project record.

Managing jobs on a project

Once the project record has been created jobs can be added to the project.

To open an existing project record for editing, click on the record in the Job Projects list then click on the [Edit] button. Alternatively, double-click on the entry in the list.

The jobs on a project are managed via the Jobs page of the project record.

Adding a job to a project

If the job record you want to add does not already exist click on the [New job] button to create a new job record. For details on creating a job record see the section "Adding a job record" above.

If the job record you want to add already exists click on the [Link job] button to locate it.

The screen that opens contains a list of all job records on the system that have not yet been assigned to a project.

Click on a job in the list to select it. To select multiple jobs hold down the <Ctrl> key on your keyboard. Click on [Proceed] to add the selected records to the project.

Removing a job from a project

To remove a job from a project select the job in the list and click on the [Remove] button.

Removing a job from a project will not delete the job record but will remove the project link from it, making the job available for adding to another project as required.

Costs page

The Costs page shows a list of all the job costs for all the jobs on the project and is for information only.

Deleting a Project record

To delete a project record, click on the record in the Job Projects list to highlight it and then click on the [Delete] button.

> **Note:** deleting a project record will not delete the underlying job records.

Creating Documents

As well as having a multitude of reports for printing your EZPZ system also enables you to produce professional looking documents using Microsoft Word® document templates.

The Document Manager

The Document Manager is used to manage the Microsoft Word® document templates. The Document Manager is opened by selecting the option on the Utilities menu.

Each entry listed refers to either a document template, as in the case of type "LETTER", or to a type of link that can be created to a file that is not a document template, as in the case of type "LINKED FILE".

Each entry is assigned to an *Object Type* and this dictates which documents list the document will appear on. Thus, when you open a Tenancy record and create a new document from the Documents page, you will see all the document records for object type "Tenancy" listed in the Word Document Wizard.
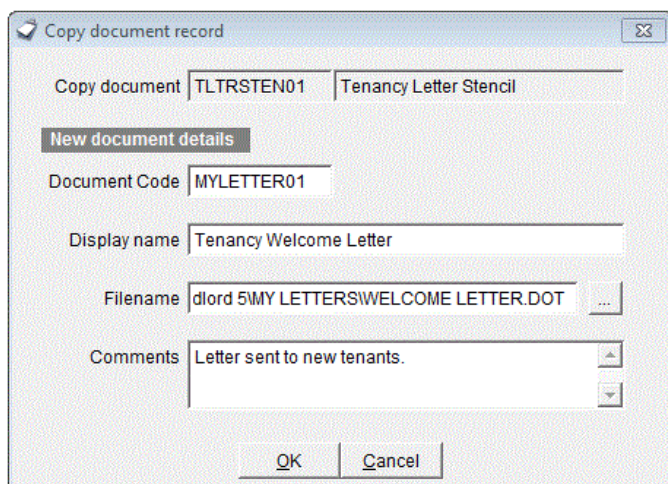
Creating a new document template by copying an existing one

One of the easiest ways to create a new document template for your own specific use is by copying an existing one.

Let's imagine that we have a requirement for a document that is not currently met by any of the documents listed. The new document will be for a tenancy and we have identified that the existing entry for "Tenancy Letter Stencil" has the necessary placeholders for the information we want to use in our new document. We will therefore use this document to create our new one.

Click once on the entry for the "Tenancy Letter Stencil" to select it and then click on the [Duplicate] button to open the **Copy document record** window.

Enter details for the new document template that is to be created.

Enter a *Document Code*. This can be any mixture of letters and numbers up to a maximum of 10 characters. Each document code must be unique on the system.

The *Display name* is what will appear in the list of documents. You can also use the *Comments* field to enter text to help you identify the document.

Next, click on the [Save As] button, to the right of the *filename* field. In the window that opens select a location and enter a filename for the new document template.

Click [OK] to save the new document record.

The new document record will be added to the Document Manager list and a copy of the document template you selected will be created with the new filename you gave it.
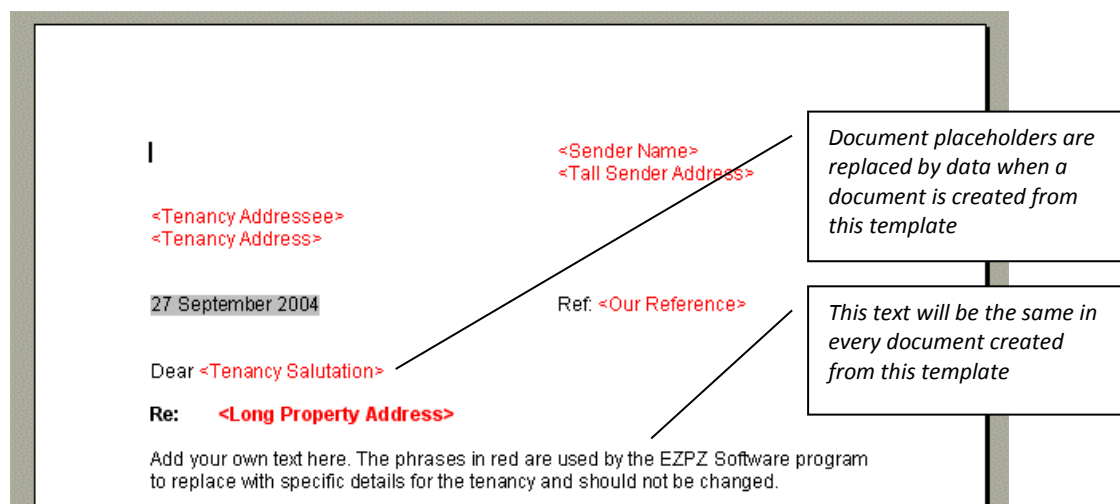
Customising the new document template

Having created our new document record, we can now customise the document template associated with it. Double-click on the entry in the Document Manager list to open the document record.

Locate the button labelled [Edit file] and click on it. This will open the document template in Microsoft Word® where it can be edited.

The figure below shows how the document template appears when it is being edited in Microsoft Word®. Notice the document *placeholders*. These are the phrases coloured in red, although they don't have to be, and enclosed by angled brackets.

When you create a document from this template, using EZPZ, the document placeholders will be replaced by the relevant data for the object.

When the data is inserted the red colour is removed.

I

<Sender Name>
<Tall Sender Address>

<Tenancy Addressee>
<Tenancy Address>

27 September 2004   Ref: <Our Reference>

Dear <Tenancy Salutation>

Re: <Long Property Address>

Add your own text here. The phrases in red are used by the EZPZ Software program to replace with specific details for the tenancy and should not be changed.

Document placeholders are replaced by data when a document is created from this template

This text will be the same in every document created from this template

Editing a document template

Edit the text of the letter to read as required then save the changes you have made using the [Save] button in Microsoft Word®. Close the document template and return to EZPZ.

Creating a Document

Let's now see if we can create a document from our new template.

The new template we created was for a tenancy so we need to first open a tenancy record.

When you have opened the tenancy record, go to the Documents page.

Click on the [Add] button to start the **Tenancy Document Wizard**.

Locate the "Tenancy Welcome Letter" in the list of documents and select it.

Click on the [Next] button.

The fields labelled "Our Reference", "Signature 1" and "Signature 2" enable you to enter details that will be placed in the new document when it is created, assuming that the necessary document placeholders are included in the template. Once you have entered details in these fields the details

will be saved and automatically suggested when you next create a document. Where you are running the software on a LAN the details are specific to the workstation you are using.

Click on the [Next] button.

The information on this page relates to where the newly created document will be saved and what it will be saved as.

Towards the top of the page the *Location* shows where the new document will be saved. The default location is the "WORD DOCS" shorthand folder. You can change the location using the [Pick folder] button to the right of the field.

The grid in the centre of the screen shows the documents that you are about to create with the filename(s) generated by the software. Edit the filename(s) if you want to change them.

Once you are ready, click on the [Create documents] button to create your new document and to open it in Word® from where it can be printed.

> **Note:** you can view a list of the document placeholders that are available for use in the Tenancy Document Wizard using the [View placeholders] button. This button opens a window showing the phrases that can be used as placeholders and their value for the current object the document is being prepared for. The window also has a [Print] button so that you can print the list.

Carrying Out a Mailshot

You can create documents for multiple recipients using the "Mailshot" option on the Tenancies menu. This option is also available on the Tasks menu of the Tenancies list. Select the option to start the Tenancy Document Wizard.

The first page of the Wizard is where you select the recipients for the letter(s) you are going to create. Use the blue arrow buttons to move selected recipients into the right-hand list.

Click on the [Next] button.

You can now follow the steps outlined for the Tenancy Document Wizard in the section on "Creating a Document" above.

Reminders

Reminders are used in the system to remind you of something that needs doing in the future.

When you create a reminder it has a *due date* set by you. Each time you start the program a check is carried out for any reminders whose due date is on or before today's date. If any are found, they are displayed on the "Things To Do List". This option can be disabled in My Settings.

So, once a reminder's due date has been reached, it will keep displaying until such time as you delete it or change its status to "completed".

The Reminders list

The Reminders list is opened from the File menu. Move to the "Open" option then select "Reminders" from the sub-menu.

The reminders that are displayed in the Reminders list are controlled using the dropdowns and date box at the top of the list. When the Reminders list is opened, today's date is used by default and reminders whose due date is on or before this date are displayed. To view reminders set for a date in the future, change this date to a suitable future date.

Adding a New Reminder

Click on the [Add] button to add a new reminder.

Enter the date on which you want to be reminded of the event in the *Due date* field.

Enter the date on which the action needs to be taken in the *Action date* field. This is an optional user value and is not used by the software.

If you have created user records, and the reminder is to be allocated to a particular user, select the *User* from the dropdown. The dropdown will not appear where no user records have been created.

Reminders can be created for various object types - select the relevant one from the *Object type* dropdown. Where an object type other than 'General' is selected, choose the relevant object from the *Object* dropdown that appears.

> **Note:** where the only type of object on the system is the 'General' object, the Object type and Object dropdowns will not be visible.

Select the type of reminder from the *Reminder type* dropdown.

Optional *Notes* can be entered as required.

Click on the [Save] button to save the new reminder.

Repeating reminders

There may be occasions when you want to be reminded to do something every year, or every month. You can set a reminder to repeat itself so that you don't have to remember to create a reminder each time you want one.

On the **Repeat reminder** tab choose how often you want the reminder by selecting the frequency from the *Repeat every* dropdown.

Enter the "*until*" date if you want reminders to stop after that date, otherwise leave the field blank.

When a reminder becomes due, the system will check if the reminder is set to repeat. If it is, the date that the next reminder should appear is calculated from the frequency and a new reminder record is created.

Stopping a repeating reminder

In the case of a repeat reminder, the next reminder record is created when the due date of the first reminder is reached.

Thus if you create a reminder with a due date of 18th August, set to repeat monthly, when the 18th August is reached the first reminder is displayed and a new reminder, with the same details, is created for 18th September.

This is a very simple system and works quite well, but to stop a reminder from repeating you have to do the following:

1. Open the Reminders list.
2. Change the due date to one sufficiently far in the future to show all future reminders in the list.
3. Edit each of the reminders in the repeating sequence blanking the value in the "Repeat every" section to stop them repeating.

Deleting a reminder

To delete a reminder, highlight the entry in the list then click on the [Delete] button.

Pending reminder records are retained on the system for a set number of days after their due date. You can change the number of days reminders are kept for by clicking on the [Keep days] button. Reminders that are older than this number of days, and whose status is "pending", will be removed from the system at start-up.

Keeping Reminders after acting on them

You may want to keep a reminder, after you have acted on it, as a record that a task has been carried out. This can be achieved by changing the status of the reminder from "pending" to "completed". Reminders whose status is "completed" will not be removed by the system and you will not be notified of them. To view completed reminders, select the "completed" or "all" option from the Status dropdown on the Reminders list.

Disabling Reminders

If you want the system to stop notifying you of due reminders at start-up, un-tick the option on the My Settings screen.

Reminder Types

When you create a reminder you select a *reminder type* for it. The reminder type can be used when viewing, or printing, a list of reminders so that only those of a selected reminder type are displayed.

Each reminder type is specific to a type of object.

Reminder types are managed using the "Lookup tables" option on the Settings menu. In the screen that opens, click on the Reminder types link, on Page 1, to open the **Reminder types** screen.

Adding a reminder type

To add a new reminder type, open the **Reminder types** screen and click on the [Add] button. In the window that appears, select the *Object type* and enter a description in the *Reminder type* field.

Click [Save] to save the new record.

If the reminder type does not already exist, it will be added to the list and will be available when you next create a reminder.

Deleting a reminder type

To delete a reminder type, highlight it in the Reminder types screen and click on the [Delete] button. If the reminder type has not been used in the system, it will be deleted.

SMS Text Messaging

The SMS Text Messaging feature works by sending your text message as an email to an SMS service provider who then forwards it to the mobile telephone number you supply.

In order to use this facility you will need an account with us and a supply of text credits, which can be purchased via our website. Please contact us if you want to have an account set up for you.

Please note that this facility will not work with email accounts that are of the "GMAIL" type.

Configuring

Select the "SMS Text Messaging" option from the Utilities menu to open the SMS Text Messaging window.

Select the "Configure" option from the Tasks menu to open the SMS Server Details window.

Account details tab

Select "EZPZSMS" as the Service provider. Other service providers are not supported by the software.

Enter the following information as provided:

- Account Code
- Password
- Reply to - this will be sent with your message to let the recipient know where the message has come from. This can be a text string, maximum 11 characters, or your telephone number. Telephone numbers must include the STD code and should not include spaces so that they are exactly 11 digits long e.g. 01709878828. If you use your telephone number the recipient can reply to the text message.

Mail Server details tab

These are the details of the mail server you use for sending emails.

Enter details for the SMTP Server, From email address, Username and Password. These details are the same as those entered in your email software, Outlook, Outlook Express, etc., for sending emails.

By default, email messages are sent from EZPZ using standard port 25. If your email service provider requires you to use a different port number, enter it in the field provided.

Click on [Save] to save the details.

Sending Messages

Select the "SMS Text Messaging" option from the Utilities menu to open the SMS Text Messaging window.

Click on the [Add] button to open an SMS Text Message window.

Click on the [To:] button to display a list of database records containing mobile telephone numbers.

In the Choose recipients window that opens use the arrow buttons to move the entry(ies) in the left-hand list into the right-hand "Message recipients" list.

You can filter the left-hand list to show only those numbers for a particular object type using the dropdown at the top right of the Choose recipients window. For example, selecting "Contact" from the object dropdown will rebuild the left-hand list to show only contact records that have a mobile number.

If you have created SMS distribution lists, these will show in the left-hand list if the object dropdown shows "All addresses" or "List". Selecting a distribution list as message recipient will add all the mobile numbers for members of that list to the SMS text message.

You can also send a message to a telephone number that is not on your system. Enter the telephone number in the "Tel:" field, on the SMS Text Message window, and then click on the [Add] button to add the telephone number to the recipients list.

Enter the text you want to send in the "Message to send" field. A standard text message is 160 characters in length. Messages longer than this will be sent as multiple text messages. Text messages are charged at a rate of 1 text credit per 160 characters of part thereof. Thus, a text message that is 170 characters in length will use 2 text credits.

Click the [Send] button to send the message to the selected recipient(s).

Appendix A – Default Nominal layout

Range		Sub-category	Nominal Category	
Lower	Upper			
0010	0019	Property	Fixed Assets	Balance Sheet
0020	0029	Plant and Machinery		
0030	0039	Office Equipment		
0040	0049	Furniture and Fixtures		
0050	0059	Motor Vehicles		
0100	0199	Goodwill		
1000	1099	Stock	Current Assets	
1100	1198	Debtors		
1199		Prepayments		
1200	1209	Bank Accounts		
1210	1239	Deposits and Cash		
1240	1299	Bank Accounts		
2100	2198	Creditors	Current Liabilities	
2199		Accruals		
2200	2202	VAT Liability		
2210	2219	Taxation		
2220	2229	Wages		
2300	2399	Creditors: Long Term		
2500	2599	Directors Loan Accounts		
3000	3099	Capital	Capital & Reserves	
3100	3299	Reserves		
3300	3399	Payments to Landlords		
3400	3499	Drawings		
4000	4099	Rental Income	Income	Profit & Loss Account
4100	4199	Overseas Rentals		
4200	4299	Sale of Assets		
4900	4999	Other Income		
5000	5199	Purchases	Purchases	
5200	5299	Stock		
6000	6099	Labour	Direct Expenses	
6100	6199	Sales Commission		
6200	6299	Sales Promotion		
6900	6999	Misc Expenses		
7000	7099	Salaries and wages	Overheads	
7100	7199	Rent and rates		
7200	7299	Heat Light and Power		
7300	7399	Motor Expenses		
7400	7499	Travelling		
7500	7599	Printing and Stationery		
7600	7699	Professional Fees		
7700	7799	Equipment Hire		
7800	7899	Maintenance		
7900	7999	Bank Charges		
8000	8099	Depreciation		
8100	8199	Bad Debts		
8200	8299	General Expenses		
9998	9999	Suspense/Mispostings		

Glossary of Bookkeeping Terms

Balance Sheet	A report summarising the financial position of a business at a specific date.
Bank payment	An expenditure transaction that does not involve a supplier or period of credit.
Bank receipt	An income transaction that does not involve a tenant or period of credit.
Credit	One of the postings made in a double entry transaction, the other being a debit. The postings can be considered the opposite of each other.
Creditor	One that the business owes money to.
Debit	One of the postings made in a double entry transaction, the other being a credit. The postings can be considered the opposite of each other.
Debtor	One that owes money to the business.
Double-entry bookkeeping	The name given to a bookkeeping system where the posting of a transaction affects two nominal accounts.
Income & Expenditure Account	*See* Profit and Loss Account
Journal	A transaction that moves an amount from one nominal account to another. Each journal affects only one nominal account. Two or more journals must be posted at the same time to maintain double entry bookkeeping rules.
Nominal code	A code used to refer to a nominal account.
Nominal account	An item in the nominal ledger.
Nominal ledger	A list of nominal accounts used to keep a total, and provide analysis, of income and expenditure. The basis of producing the Profit and Loss Account and Balance Sheet.
Posting	The permanent recording, or saving, of a transaction.
Profit and Loss Account	A report summarising income and expenditure and the resulting profit or loss over a specified period.
Proof of payment	A sheet that can be printed to give to a tenant as proof or acknowledgement of a payment received.
Rent charge	An income transaction involving a tenant account.
Supplier	One that provides goods or services to a business.
Supplier invoice	An expenditure transaction. A supplier invoice is often payable after a specified period from the invoice date has elapsed.
Supplier payment	A transaction required to pay a supplier invoice.
Tenant receipt	A transaction required to pay a rent charge.

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