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Accruals and Prepayments

The program, accessed through the Nominal Ledger Menu, Accruals & Prepayments, permits the posting of nominal transactions to allow for items prepaid or expenses incurred in a month but not yet invoiced. For example:

- A. Prepayment in January 2005 an invoice for £400 for postage may have been entered. However this cost should be shared between January and February, requiring an adjustment of £200 to the figures, so that January's expenses on the Profit & Loss Account should not be inflated by the next two months liability.
- B. Accrual an estimated cost of £150 for telephones was incurred during January, but the invoice is not expected until February. An adjustment of £150 is needed in order that expenses for January are not understated.

The procedure to accomplish these postings is detailed below.

- In Company Control Files, Ledgers, Account Numbers the Nominal Accrual / Prepayment should be set to an existing Nominal Account (e.g. 2680600 ACC/CUS PREPAY CONTROL). The balancing entries for the Accruals and Prepayments temporarily post to this account prior to being reversed out on the date selected in the Accruals & Prepayments option.
- 2. Prior to Month End, make the following entries in the Accruals & Prepayments program. **NOTE. A debit is entered without a sign, and a credit with a minus.**

a. Entries for Prepayment

Accrual Date	31/01/04
Account	5460141 - POSTAGE EXPENSES-ADMIN
Reference	Enter a reference or <enter> for auto reference number</enter>
Amount	- 200.00
Reverse Date	01/02/04

A second entry is required to create the Debtor in the Balance sheet and appropriate entry in the 2680100 Control Account.

Accrual Date	31/01/05
	1930100 - PREPAYMENTS
Deference	Enter a reference ar «Enter» for auto reference number
Reference	Enter a reference of <enter> for auto reference number</enter>
Amount	200.00
Reverse Date	01/02/05

b. Postings for Accrual

Accrual Date	31/01/05
Account	5480141 - TELEPHONE-ADMIN DEPT
Reference	Enter a reference or <enter> for auto reference number</enter>
Amount	150.00
Reverse date	01/02/05
Account Reference Amount Reverse date	5480141 - TELEPHONE-ADMIN DEPT Enter a reference or <enter> for auto reference numb 150.00 01/02/05</enter>

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A second entry is required to create the Creditor in the Balance sheet and
appropriate entry in the 2680600 Control Account.Accrual Date31/01/05Account2210101 - ACCRUED EXPENSE OTHERReferenceEnter a reference or <Enter> for auto reference numberAmount- 150.00

Reverse Date 01/02/05

- 3. When all required adjustments have been entered, use the F9 exit key twice, and update the postings.
- 4. Assuming the Nominal Ledger is in January, the above entries create the following CURRENT postings:

a.	Debit 2680600 with £200.00 Debit 1930100 with £200.00	Credit 5460141 with £200.00. Credit 2680600 with £200.00
b.	Debit 5480141 with £150.00 Debit 2680600 with £150.00	Credit 2680600 with £150.00 Credit 2210101 with £150.00

- 5. Now the nominal postings have been adjusted, the necessary reports for January can be run, reflecting accurate figures. Note that the reversal postings will have been made at the same time, as DEFERRED entries in February.
- 6. When the Nominal month end is run for January, the Deferred reversal postings will become CURRENT entries in February:

a.	Debit 5460141 with £200.00 Debit 2680600 with £200.00	Credit 2680600 with £200.00 Credit 1930100 with £200.00
b.	Debit 2680600 with £150.00 Debit 2210101 with £150.00	Credit 5480141 with £150.00 Credit 2680600 with £150.00

7. NOTE:

If the reversal is to be spread over a number of months, then it should be entered as a series of amounts each with a specific reversal date.

8. The Account Numbers used are based on the latest Gold distribution data, and are for example only. Specific Accounts may need to be created to meet individual needs.

If you require any further help, please contact the Gold Support Desk.

Importing Accruals/Prepayments from File

The Nominal Ledger Accruals/Prepayments program now has an additional option to import information from a comma separated (.CSV) file.

Files must be in the format: Nominal Code, Debit Amount, Credit Amount, Date (DDMMYY), Reference (Blank for Auto), Description, Auto Reverse (0=No/1=Yes).

Files can be created in notepad and saved as .csv, i.e. ACCPRE.CSV, or created in Excel and saved in .csv format.

🖡 ACCPRE.csv - Notepad	
<u>File Edit Format View Help</u>	
5481011,0,589.25,150509,,Telephone Sales,1 5481051,358.36,0,150509,,Telephone Service,1 	<
	~
K.	>

Importing the CSV File

(Nominal Ledger, Accruals/Prepayments)

Select the "**Import**" button.

G Entry of Accruals ,	/ Prep	ayments								×
Current Total:										
Date	Acc	punt	Description		Ref.	Amo	unt	Reverse	Narrative	
		Entry	of Accruals / Prepayr	nents		×				
			Import Journals (Co	omma Separated) file format						
		2	Nominal Code, Deb	it Amount, Credit Amount,	vintion					
			Auto Reverse(0=N	o/1=Yes)	inpoloriy					
G Posting Detail - I	nsertir	ng line 1 d	of 1							×
Account No:						Ac	rual Da	ate:		
Reference No:		Γ		Amount:						
Reverse Date:		Γ	•	Narrative	¢					
OK Ca	incel	Scr	Pad <u>I</u> mport	Next Prev]					

The standard File Transfer routine is run to locate and import the file.

G File Transfer Details		×
File Transfer ID:	VDU111	
Transfer Type: Terminal ID:	Transfer File to Designated PC	
Windows Share: File Path: PC Filename:	tmp ACCPRE.CSV	
Transfer Format:	ASCII	
OK Cancel		

Key Entry Fields

File Transfer ID	Select the File Transfer ID to use, normally the
	machine name of the pc in use. Set up on the
	Terminal Identity Maintenance file.
Windows Share	Share directory name where the file is located,
	e.g. tmp
PC Filename	Defaults to ACCPRE.CSV, however this may be
	changed to match the file name for the csv file to
	be imported.

Errors

Any unrecognised nominal account numbers will be displayed as a warning with the line number to check. These will need to be amended manually before posting.

Entry of <i>i</i>	Accruals / Prepayments	×
i	Import Field Error Nominal 5481011 on Line 1	
	OK	

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Update

Once imported the lines can be checked and amended if required.

G Entry of Accruals /	' Prepayments							×
			Curr	ent Total:		-230.3	89	
Date	Account	Description		Ref.	Amount	Reverse	Narrative	
15/05/2009	5481011	TELEPHONE-SALES DEPT		N22911	-589.25	1/06/2009	Telephone Sales	
15/05/2009	5481051	TELEPHONE HIRE DEPT		N22911	358.36	1/06/2009	Telephone Service	
G Posting Detail - In	serting line 1	of 1			A.007112	l Data:		X
Account No.					Acciua		1	
Reference No:			Amount:					
Reverse Date:		<u></u>	Narrative					
OK Ca	ncel Scr	.Pad Import Next	Prev					

When complete use the "Update" function to finish or use the Quit key and select 'Yes' to Update Postings.