ibcoscomputers

gold fact sheet

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.

1. 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
> 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
> Account   1930100 - PREPAYMENTS
> Reference   Enter a reference or <Enter> for auto reference number
> 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
> Amount   **150.00**
> Reverse date   01/02/05

A second entry is required to create the Creditor in the Balance sheet and appropriate entry in the 2680600 Control Account.

Accrual Date   31/01/05
Account   2210101 - ACCRUED EXPENSE OTHER
Reference   Enter a reference or <Enter> for auto reference number
Amount   **- 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   Credit 5460141 with £200.00.
      Debit 1930100 with £200.00   Credit 2680600 with £200.00

   b. Debit 5480141 with £150.00   Credit 2680600 with £150.00
      Debit 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   Credit 2680600 with £200.00
      Debit 2680600 with £200.00   Credit 1930100 with £200.00

   b. Debit 2680600 with £150.00   Credit 5480141 with £150.00
      Debit 2210101 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.
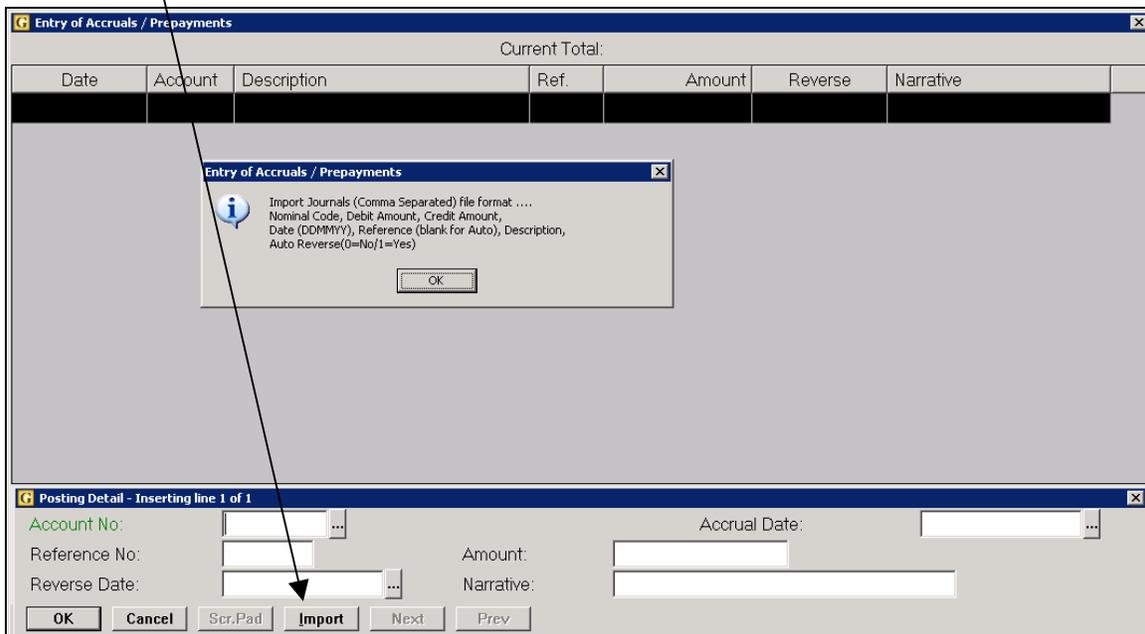
Files must be in the format: Nominal Code, Debit Amount, Credit Amount, Date (DDMMYY), Reference (Blank for Auto), Description, Auto Reverse (0=No/1=Yes).

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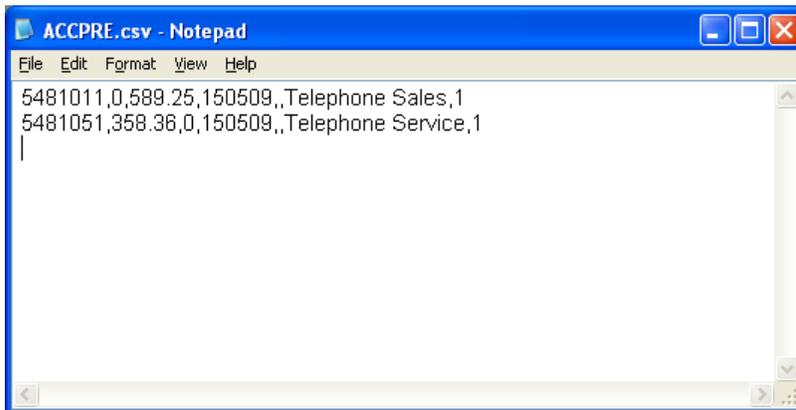
Importing the CSV File

(Nominal Ledger, Accruals/Prepayments)

Select the "**Import**" button.

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

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.

Update

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

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