

Virtual Accountant 2011

User Manual



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INTRODUCTION

Over 20 years of accounting experience and advanced spreadsheet knowledge has culminated in a product which claims to be - ***not just your accounting software, but your accountant***. It aims to do your accounting for you and to help you eliminate or significantly reduce your annual accounting expense...Introducing the accountant for the future "**Virtual Accountant**".

Written upon excel spreadsheets the system is based upon double entry accounting principles which has been automated through the use of excel formulae, significantly reducing the need for bookkeeping or accounting knowledge with all double entries automated. It is done so that non-accountants can handle even the most difficult accounting matters as the system does all the work for you. Virtual Accountant is designed to automatically handle tasks that even experienced accountants have difficulty with, so at last you can have your own professional accountant at your finger tips.

The most important accounting principle to understand is entries to the **Sales** spreadsheets are details of sales income, while entries to the **Purchases** spreadsheets are the business expenses. With the exception of purely banking items such as bank charges, bank interest payable and received, entries to the **Cash** and **Bank** spreadsheets are not cost items but the platform for the receipt of income already entered on the **Sales** spreadsheet or payment of indebtedness already entered on the **Purchases** spreadsheets.

Sales spreadsheets deal with business income.

Purchases spreadsheets deal with business expenses.

Cash and Bank spreadsheets record how income was received and expenses paid.

The package is loaded with **features** including:

- User-friendly **navigation** system which makes finding data fast and easy; it is designed to feel like a high level expensive software without the high-level cost
- Automated generation of your **VAT (GCT) returns**...the system actually prepares the form for you so you don't need to worry about transposition errors; just print and take it to the Revenue Department
- Automated calculation of **tax allowances** and year end corporation tax
- Automated calculation and booking of monthly **depreciation** entries
- High-level **stock** monitoring and control
- Accurate determination of **cost of sales** so your accounts is more accurate
- An all important payroll interface which permits the package to be used with or without the automated Payroll Software that is included.
- **Payroll** preparation including automated paystubs and monthly payroll summary plus automatic booking of all payroll journals
- **Budget Centre** where setting up your budget couldn't be easier; just enter the income you plan to generate and the expenses you should incur in the columns that automatically match your income and expense items for each month and you are done.
- Automated generation of **variance report** each month showing you how well you are doing compared to your budget, both for the current month as well as the year to date.
- Automatic transferring of amounts between **long term and short term balances** at year end
- Tracking of Accounts **Receivable and Payable** including the aging of outstanding balances; amounts outstanding over 90 days are automatically highlighted in **red** so you know your problem balances at a glance.
- Indicates where detailed **bank reconciliations** are required and also gives details of **cash shortages**
- Monthly **Profit & Loss** statements as well as year end Profit and Loss and **Balance Sheet**
- pop-up **Information Boxes** with timely instructions as you work throughout the package
- The familiar Microsoft Excel interface significantly reduces the **learning curve**; the system's ease of use is unbelievable, making it fun to maintain your accounts.
- Your data is **secured** even if your workbook is lost, stolen or transmitted to other computers as it cannot be accessed from another computer without that computer getting an activation code. Your workbook is also protected against password recovery software.

These features and more make **Virtual Accountant** the most complete, knowledgeable and confidential accountant you could hope for. Best of all, Virtual Accountant is always available, never too busy to provide the information you need when you need it.

The essential element of Virtual Accountant is to reduce the recording of transactions to basics. Using excel spreadsheets to enter data is no more complicated than entering your financial information in 3 lists:

Enter sales receipts on the Sales spreadsheet

Enter purchases on the Purchase spreadsheet

Enter cash and bank transactions on the preset Cash and Bank spreadsheets

Designed to be fast and easy to enter with non-accountants in mind, Virtual Accountant is formula driven so that minimum data is entered with automated analysis producing monthly profit & loss accounts, live debtor and creditor reports, automated vat returns, and a set of annual accounts ready for publication and submission to Company House and the Inland Revenue.

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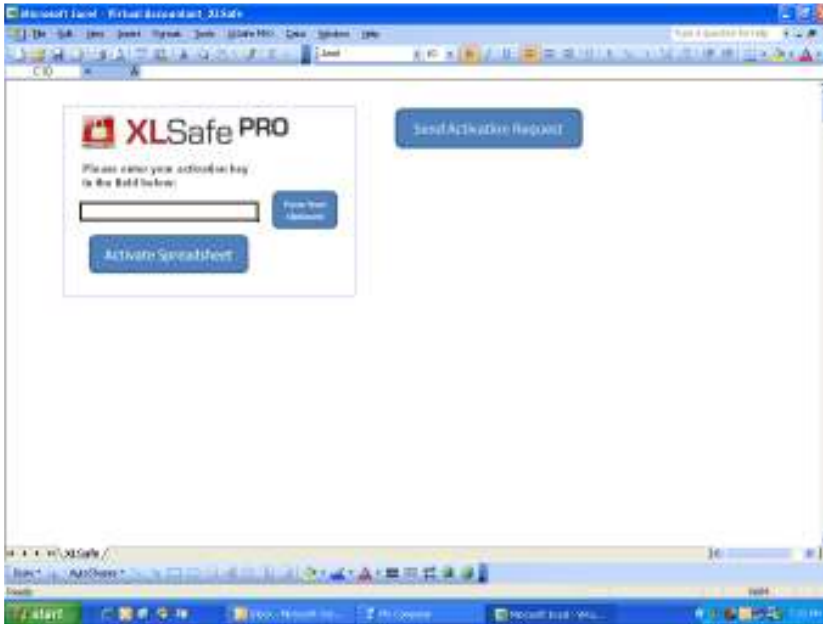
By purchasing this accounting spreadsheet system you agree to use the software for your own business only. No part of this system may be reproduced or transmitted by any means to any third party whether for financial gain or otherwise without the express written permission of the owner, Paul Ffrench c/o ThePractice, Chartered Accountants.

info@theppractice-jm.com

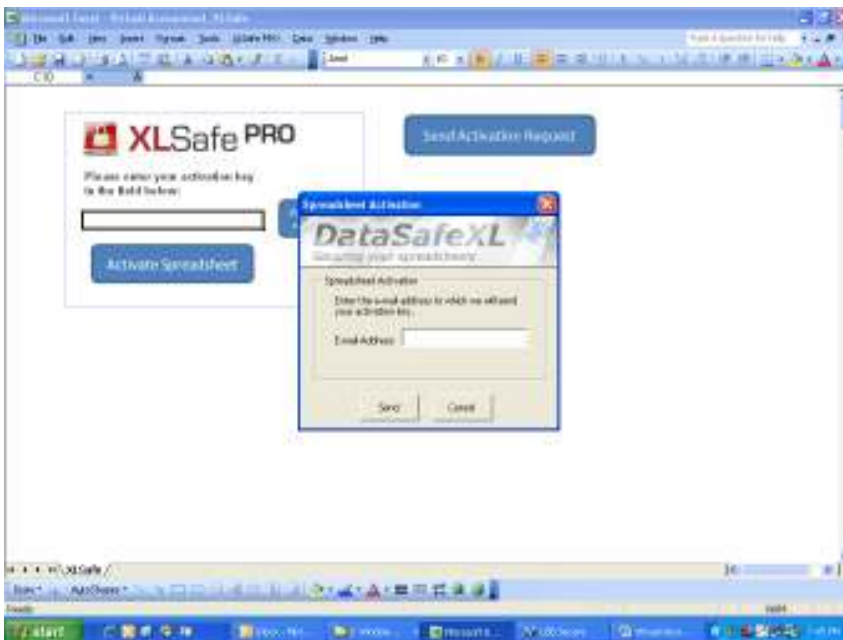
<http://www.theppractice-jm.com>

ACTIVATING VIRTUAL ACCOUNTANT

Virtual Accountant must be activated the first time that it is opened on your computer. When you attempt to open the workbook for the first time you will get the window below asking you for your activation code. Since you won't have a code at this point you will need to click the **“Send Activation Request”** button to request an activation code from the developers.



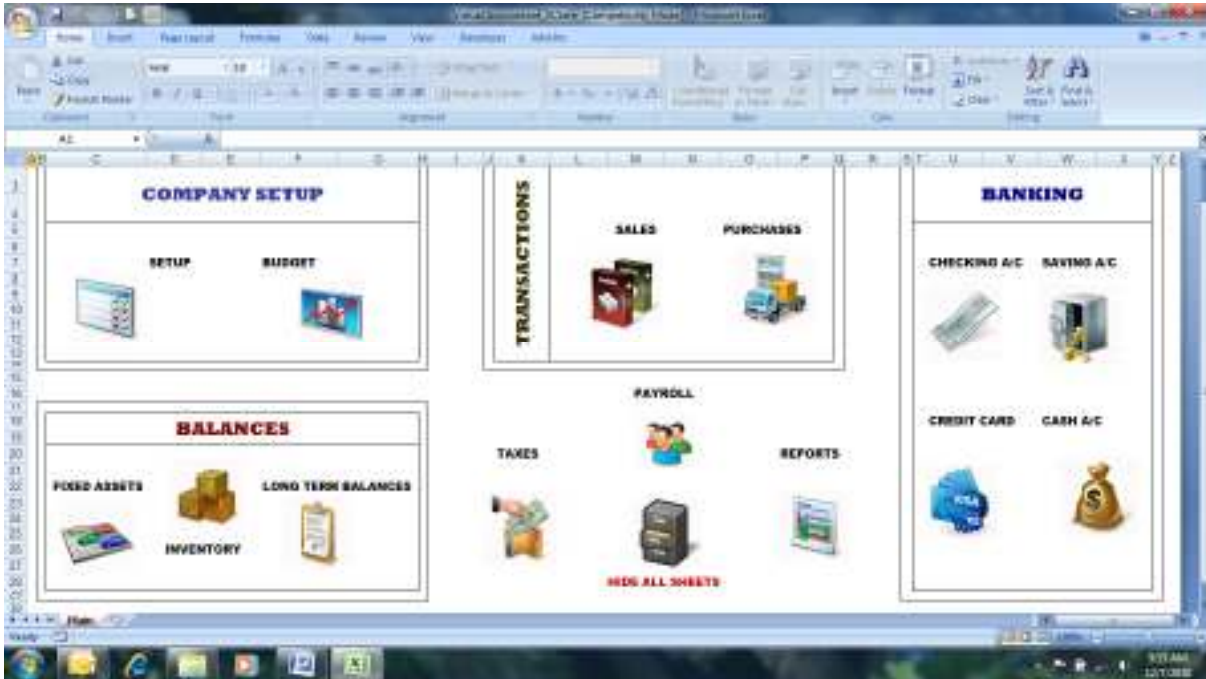
When the **“Send Activation Request”** button is clicked, a new window will appear asking you to enter the email address to which your activation code should be sent.



Enter your email address in the space provided and click **Send**. An email will be sent to the Virtual Accountant Server requesting a unique code which is tied to the configuration of your computer. When you receive your code, which should be within an hour after the request is made, try opening your workbook again. This time when the activation window opens, enter your code in the space provided and click **“Activate Spreadsheet”**, you should now have access to Virtual Accountant.

MAIN SCREEN

Each time you start the software you will be taken to the Main Screen; this is the heart of the user interface from which all parts of the system can be accessed at the click of a button.



Click on the icons on the Main Screen and you will be taken to the relevant worksheet in the software. If at any point you have several worksheets open and you want to quickly close them all, go to the Main Screen and click the Cabinet Icon labelled "Hide All Sheets," all your open worksheets except for the Main screen will disappear from view. This will make the system less cumbersome to navigate.

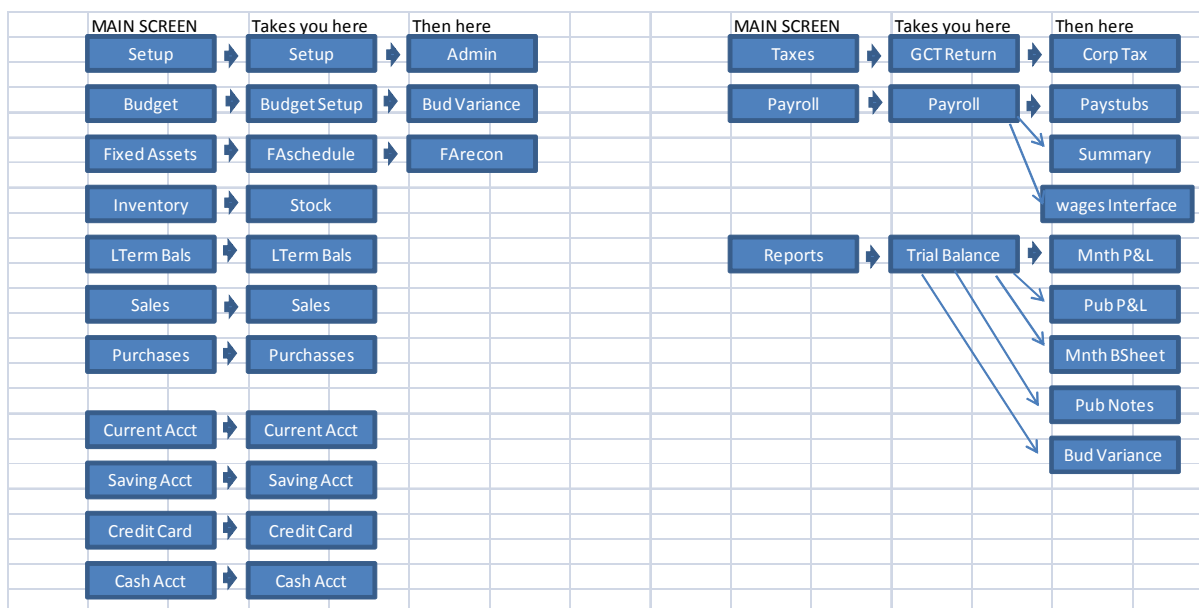
Macros must be enabled for the system to function properly; Select "yes" when asked at start-up if you want to enable macros for this workbook.

NAVIGATION

Each worksheet has arrows at the top that takes you to other worksheets; click the **Red** arrow to be taken back to the previous worksheet viewed, or click the **Blue** arrow to be taken to the sheet listed on the arrow.

		1-Jan-11	January 31, 2011							
		Opening Balances	Sales	Purchases	Bank Current	Bank Savings	Credit Card	Cash Account	Wages	Monthly Accrual
AUTOMATED TRIAL BALANCE										
BALANCE SHEET ITEMS										
FIXED ASSETS										
Fixed Asset Land & Property		FL	0.00							

Navigation Structure



GETTING STARTED

Before entering live transactions for the financial year, **Save your workbook with a new name** so that you will always have your original workbook available; your data entry will be done in the new workbook created. Click the **“Setup”** icon and complete the relevant information on the Setup screen.

The screenshot shows two main sections of a setup form:

- CORPORATE DETAILS:** Includes fields for 'Registered Office Address', 'Company/Business Name' (with a 'Go Back' button), 'Tax Registration Number', 'Telephone number', and 'Accumulated Tax Losses BFWd'. There is also a 'Details of Tax Exemptions' section.
- PREVIOUS YEAR BALANCE SHEET:** A table with columns for 'AUDIT CHECK', 'Fixed Assets', and various asset categories: 'Land & Buildings', 'Plant & Machinery', 'Fixtures & Fittings', and 'Computer Technology Motor Vehicles'. It has sub-sections for 'OPENING BALANCE SHEET' and 'Fixed Asset Accumulated Depreciation'.

Corporate Details

Enter the company/business name, Tax Registration Number, registered office, telephone number, tax losses brought forward from previous years and details of any tax exemptions that the business is entitled to in the Corporate Details section of the **Setup screen**.

Previous Year Accounts

Opening Balance Sheet and Profit & Loss Account

From the previous set of accounts enter the balance sheet and profit & Loss details in the “Previous Year Balance Sheet” and “Previous Year Profit & Loss Account” sections of the **Setup screen**.

Initially enter the totals from the previous balance sheet in **Column E** and subtotals of the main balances in **Columns G to Q** for fixed assets, cash and bank accounts and Taxes payable.

In the second section of this worksheet enter the previous years Profit and Loss account figures ensuring the retained profit or loss for the year agrees with the previous final accounts as these figures will then be automatically shown in the current year financial statements.

In addition to the opening balance sheet entries further detailed specific entries are required in respect of individual fixed assets, debtors – sales not yet received, creditors – purchases not yet paid, to ensure continuity of capital tax allowances and tracking of business debts receivable and payable.

Opening Fixed assets

Having entered the original cost and accumulated depreciation totals for each category of fixed asset on the **Setup** worksheet, further detailed information is required at:

FA schedule in the top section headed EXISTING FIXED ASSETS *[click on the Fixed Assets icon on the main screen and you will be taken there].*

Automated areas of this worksheet are shaded where no entries are required.

List individual Fixed Assets in the appropriate category, each category total is checked to ensure the total original cost and accumulated depreciation entered equals the opening balance sheet totals.

Depreciation rates have been preset in **Column H** with typical depreciation percentages to write off the value of the asset over its useful life. Depreciation rates for a category can be changed to the individual company policy by entering a new depreciation percentage in the un-shaded boxes in Column H or by changing the percentage in the shaded area of column H for individual assets (not recommended as this creates an inconsistent depreciation policy).

First Year or Writing Down Capital Allowances should have been claimed for each existing Fixed Asset bought prior to the start of the current financial year. The Net Written Down Value, that is the amount not yet claimed as a capital allowance should be entered in **Column O**. If these amounts are not available request the information from the Company accountant as the amounts are essential to enable the formulae to automate the calculation of the current year writing down allowances.

Losses Brought Forward

Completing this box on the **Setup** sheet is optional and should be used if the company has tax losses from previous financial years which it wishes to include in the current financial year to offset the taxable profit and reduce the amount of corporation tax payable.

Companies who do not have losses to carry forward should leave this box blank.

Sales not yet received at start of financial year

While the opening balance already entered in **Virtual Accountant** ensures the opening balance sheet is correct it does not provide individual tracking of money still owed to the business by clients. This is achieved by entering the individual sales invoices not yet paid by customers at:

Sales > Opening Debtors *[click Sales icon on Main Screen to be taken there]*

Simply insert the number of rows required in the section for Opening Debtors and insert the opening details by copying and pasting from the previous year Virtual Accountant Sales worksheet if applicable.

The total in **Sales > Opening Debtors** should equal the amount entered in **Setup Cell E16**.

Subsequent receipts can then be entered manually from cash and bank accounts to maintain financial control over the opening debts owed to the Company by customers.

Purchases not yet paid at start of financial year

While the opening balance already entered in **Virtual Accountant** ensures the opening balance sheet is correct it does not provide individual tracking of money owed by the business to suppliers. This is achieved by entering the individual purchase invoices not yet paid to suppliers at:

Purchases > Opening Creditors *[click Purchases icon on Main Screen to be taken there]*

Simply insert the number of rows required in the section for Opening Creditors and insert the opening details by copying and pasting from the previous year Virtual Accountant Purchases worksheet if applicable.


The total in **Purchases > Opening Creditors** should equal the amounts entered in **Setup Cell E20: Cell E24** inclusive

Subsequent payments can then be entered manually from cash and bank accounts to maintain financial control over the opening debts owed by the Company to suppliers and others.

ADMIN

After completing the Setup screen, click on the Admin button at the top left of the Setup screen to go to the Admin screen.

ADMINISTRATION

 Go Back

Dates	
31-Dec-09	
1-Jan-10	
31-Jan-10	
1-Feb-10	
28-Feb-10	
1-Mar-10	
31-Mar-10	
1-Apr-10	
30-Apr-10	
1-May-10	
31-May-10	
1-Jun-10	
30-Jun-10	
1-Jul-10	
31-Jul-10	
1-Aug-10	
31-Aug-10	
1-Sep-10	
30-Sep-10	
1-Oct-10	

Capital Tax Allowances		2010-11	
	Year to	%	
Initial allowance	31-Mar-10	20	
Writing down allowance	31-Mar-10	20	
Initial allowance	31-Mar-11	20	
Writing down allowance	31-Mar-11	20	

Corporation Tax Rates		2010-11		
Corporation Tax	2010	January 1, 2011	March 31, 2011	33.33
Corporation Tax	2011	April 1, 2011	December 31, 2011	33.33

Allowances restricted on Private Motor vehicle	Date	Number
Costing over <input type="text" value="3200"/> Restricted to <input type="text" value="3200"/>	31-Mar-10	=
	31-Mar-11	=

Depreciation Rates Applied		%	
Land & Buildings		2.5%	
Plant & Machinery		10%	
Fixtures & Fittings		20%	
Computer Equipment		33%	
Motor Vehicles		25%	

Mileage Allowances		Miles	p per mile
Higher rate allowance up to			
Lower rate allowance over			

Standard Vat Rate		17.5	
		1-Jan-11	31-Dec-11

Standard Vat Rate		17.5	
		1-Jan-11	

Complete the Admin screen with the information requested; below are the main areas requiring input.

Column B – Enter the monthly start and end dates starting with the date that corresponds with 1 year before the year end that you just completed. So if you have just completed the year ended December 31, 2010 and are setting up for your year running from January 1, 2011 to December 31, 2011 the first date entered in Column B row 4 (cell B4) should be December 31, 2009. If this is done properly the year end that you just completed should be in Cell **B28** and your next year end should be in Cell **B52**. This is important to ensure that your reports are generated for the appropriate periods. Dates should be entered in the format **MM-DD-YY**

Capital Allowances & Specific Annual Allowance Rates – Enter the capital allowance rates in force for the respective asset categories. This can be obtained from the tax department website or from your accountant.

Depreciation Rates – Enter depreciation rates to indicate the percentage of your asset cost that you wish to write off each year

Corporation Tax Rates – Enter the currently applicable corporation tax rate

Standard VAT Rates - Enter the current VAT rates in force (**This should not be changed mid-year, see section on VAT for more information**)

Three Main Products/Services Offered - Enter the three main products or services that you provide for an income. These will be the main sales items tracked throughout your reports. Income from other areas will be grouped in other categories.

BACKUP

Should a problem occur during the financial year which results in the loss or damage of your hard drive then both the financial package and the information entered can be lost.

It is important to back up data to an external storage medium at regular intervals.

It is recommended that the files are backed up each day or week as your circumstances require by saving the file onto an external storage medium such as a thumb drive or CD. It will take less than one minute and it may never be needed but hard drive problems do occur, as well as your data can become corrupted. If this happens to you a back policy could save you hours of work.

Should a hard drive problem occur or your data is corrupted the files and information up to the point where you have backed up can be easily retrieved from the external storage medium.

POP-UP INFORMATION BOXES

Pop-up information boxes are available throughout the software; just click on the cells that they are in and you will receive instant instructions relevant to how that cell should be used. The cells with pop-up information boxes are identified by dotted line borders.

Pop-up information box indicator

Jan-11			
Total			
Feb-11			

VALUE ADDED TAX

VAT Registered Business

No adjustment entries are required as the sales and purchase spreadsheets are already preset to collect vat inputs and outputs at the standard vat rate of 17.5% for that month.

Where zero rated or exempt sales or purchases occur overwrite the vat calculated with the actual vat on that invoice. Entering the actual vat overwrites and removes the formulae in the vat cell to allow this manual entry.

Convert to Not VAT Registered Business

Disable the vat calculation throughout the accounting system as follows:

Go to **Admin Column M Row 21 [Cell M21]** **[click Setup icon then Admin button to go there]**

Enter 0 to overwrite the vat rate of 17.5

If your VAT status changes during the year this method should not be used as it will change amounts that were accurately calculated before the change in status. Instead, manually enter the VAT on individual invoices for the rest of that year and then overwrite M21 on the Admin sheet at the start of the next year. This is expected to be a mild inconvenience and should be a rare occurrence.

Changing from being Not VAT Registered to being VAT Registered Business

If the business circumstances change and the business becomes vat registered the vat function can be enabled as follows.

Go to **Admin Column M Row 21 [Cell M21]** **click Setup then Admin button to go there]**

Enter 17.5 or the appropriate VAT rate to overwrite the vat rate of 0%. *Again if your status changes during the year this method should not be used.*

GCT Returns

For Jamaican GCT registered businesses only *[customizations can be done for non-Jamaican businesses]*:

The GCT return is automatically produced by the software. Simply enter the letter "y" on both the Sales and Purchases worksheets in Column C beside the month's total for which the GCT return is required and ensure that no other row in this column [C] has the letter "y" assigned to it. The System will generate the GCT Return for the month selected. This process is repeated month after month to generate accurate GCT returns on a monthly basis.

Jan-11			
Total	y	0.00	0.00
		0.00	0.00

If adjustments are required these can be manually entered on the GCT return as follows:

- Enter Details of any Exempt, Export and Zero-rated supplies in Boxes 7, 8 and 9.
- Separate supplies made at standard rate from supplies at other rates at Boxes 12 and 14 if required
- If goods are taken for personal use enter the GCT paid on these goods in Box 16; this is the amount that would have been claimed as input tax when the goods were originally purchased
- Enter GCT on imports that qualify for credit or GCT deferred on imports in Boxes 20 and 21
- Enter GCT being claimed this period for capital purchases for which the GCT is claimed over a number of months in Box 23
- Enter any other adjustments required in Box 24

- Enter any outstanding amounts not yet settled from previous periods in Box 27
- Enter the amount you are paying in Box 29 or if it is a negative amount (GCT Recoverable) tick the relevant section of Box 30 to indicate whether you want a refund or you want a credit against future GCT payable.

Please note that these adjustments are only required in the special circumstances indicated as the GCT Return automatically generated by Virtual Accountant is accurate.

PROTECTION AND PARAMETERS

Correct Date Format

Transaction dates are entered in sales, purchases, cash and bank spreadsheets.

The correct format in which to enter the date is MM/DD/YY

Incorrect format is dd.mm.yy as the package does not recognise such an entry as a valid date.

Worksheet Protection

Three levels of protection may be applied to worksheets:

Unprotected: Manual entries to cells overwrite formulae in that cell
 Protected: Manual entries are not permitted to preserve formulae
 Password Protected: No entries required

Data entry cells in main data entry worksheets are Unprotected:

Sales

Purchases

Cash and Bank

Fixed Assets

Payroll

Worksheets requiring none and occasional entries may be Protected:

Trial Balance, Corporation Tax Calculation, GCT Return

Even within protected worksheets, the cells for which data entry is required are not protected.

Formulae Parameters

Row 2 of the main data entry worksheets contains formulae that sum the contents of each column. There is also a separate total for each month's transactions.

Sales

Purchases

Cash and Bank

Inserting Additional Rows on Main Data Entry Worksheets

To avoid creating unnecessary rows, additional rows required should be inserted for each month on the main data entry worksheets when they are needed. This should be done by as follows:

Step 1: Click the cell to the right of the last cell shaded light blue (Column A) for the month for which the additional row is required (that row will become active);

	Jan-11				
		John Brown			
	Total				

Step 2: Click on the cell shaded light blue to the left of the active cell.

A new row will be inserted below the active row with all the formulae and settings of the active row. Just edit the relevant data in this new row with the information you want to enter. Data should only be entered in rows with the light blue shaded cells (in Column A) and only one complete transaction should be entered per row.

	Jan-11		
		John Brown	
		John Brown	
	Total		

It is recommended that the last row inserted for a month NOT be deleted after it is inserted. If the row is no longer required, delete the data in the row until the row is subsequently needed, rather than deleting the row itself. Deleting the row improperly could affect the SUM formula for the month.

SALES SPREADSHEET

Record income from all sources, except bank interest received, in the relevant month's area of the **Sales** worksheet. The analysis to separate different types of income received is achieved by entering a single letter in Column F which automates the analysis. If you are unsure which letter applies to the type of income you are entering, scroll to the right of your worksheet (or see code descriptions below) and you will see the income types in row 4 and the corresponding codes in row 5 of columns P to V.

Sales turnover includes all money earned by the business before deduction of business expenses and includes monies for goods sold, fees and commissions receivable. Investment grants and proceeds from the sale of fixed assets are also recorded on the sales spreadsheets and analysed separately through the Code Letter System and subsequently accounted for separately.

Enter sales credit notes and bad debts written off as negative amounts

Data Entry

Sales Date	Customer Name	Sales Invoice Number or reference	Sales Description	Enter Expense Code Letter	Sales Value including Vat	17.50	Sales Net of Vat
						Vat Output	

Column B – Enter the date of the sales transaction in the format mm/dd/yy e.g. 08/23/10

Column C – Enter the customer name or source of sale

Column D – Enter your reference number for the transaction or sales invoice number.

Column E – Optional column for recording a description of the monies receivable.

Column F – Enter a code letter to analyse the type of monies receivable:

Row 5 shows the only permissible letters that can be used to analyse the transaction; you can also select the appropriate letter from the drop-down box

Enter Letter A = Sales turnover Product **A**, use of unique product names can be set up in Admin.

Enter Letter B = Sales turnover Product **B**, use of unique product names can be set up in Admin

Enter Letter C = Sales turnover Product **C**, use of unique product names can be set up in Admin

Enter Letter D = Sales turnover Other **D**irect Income, income subsidiary to main business income including exchange gains

Enter Letter G = Investment **G**rants and Other Government incentive schemes

Enter Letter O = Amount of specific Bad Debt written off.

Enter Letter FS = Value of **F**ixed Assets **S**old.

Column E contains a drop down menu that can also be used to select the analysis code

Column G – Enter total amount receivable including any Vat chargeable on the sales value.

Column H – No Entry required. **Column H** contains formulae to automatically calculate the Vat output tax.

The Vat calculation can be disabled by changing **Cell H3**.

Column I – No Entry required. **Column I** contains formulae to automatically calculate the net sales value.

Sales receipts

This section does not post any accounting entries but is provided for your information purposes to keep a check on who owes what

For your information only. Enter How Paid e.g. Cash, Cheque etc.,	0.00	0.00	30-Dec-08
	Receipts from Customers		
	Actual amount received	Sales Value not yet received	Number of Days Outstanding

Column K – Enter the Cash or Bank accounting source where details of the amount received in respect of the item on this row is detailed.

Column L – Enter the actual amount received as shown in the Cash or Bank accounting source record.

Column M - No Entry required. Formula driven to calculate the amount still not received

Column N - No Entry required. Formula driven to calculate the number of day's amount outstanding. To assist you in quickly analyzing your data, amounts outstanding for over 90 days are automatically highlighted in **Red**.

Sales Analysis

Sales Net of Vat			Other Income	Investment Grants	Bad Debts written off	Sale of Fixed Assets
Product A	Product B	Product C				
A	B	C	D	G	O	FS

Columns P Q R S T U V

No Entries required. Formula driven analysis by the code letter entered in **Column F**
Code letters A B C D G O FS appear at top of columns under the heading as indicated above

Contractors Only

Sub contractors only	
CIS Tax Deducted	CIS Certificate reference

Column W – Enter amount of tax deducted by contractor if relevant

Column X – Enter reference number of certificate if relevant, when tax deducted by contractor.

Monthly Totals

Each month has a total row which is collected on the **TrialBalance** to produce monthly and annual profit and loss account and balance sheet.

Opening Debtors

The **OpeningDebtors** details is to maintain continuity of financial control to assist the collection of all amounts due to the business. Opening Debtors information should be copied into the section provided on the Sales worksheet. These details do not affect the current year sales figures. When amounts are collected via the cash/bank accounts, the amount received should be entered in Column L so that all outstanding debts can be properly tracked. This is just for information purposes as amounts collected flows to the Trial Balance from the relevant Bank/Cash accounts and not from the sales worksheet.

Closing Debtors

The total outstanding in Cell M2 should equal the closing debtors figure shown at Cell EJ23 of the **TrialBalance**.

PURCHASES SPREADSHEET

Record expenses from all sources, except bank interest and charges, in the relevant areas of the **Purchases** worksheet. The analysis to separate different types of expenses incurred is achieved by entering a single letter in Column F which automates the analysis.

Business expenses includes all costs incurred by the business before including purchase of fixed assets which subsequently should also be entered on the fixed asset schedule where individual assets are depreciated over their useful lives and capital tax allowances calculated.

Enter purchase credit notes as negative amounts

Data Entry

Purchase Date	Supplier Name	Purchase Invoice Number or Reference	Purchase Description	Enter Expense Code Letter	Total Purchase Value including Vat	17.5	Purchases Net of Vat
						Vat Input	

Column B – Enter the date of the purchase transaction

Column C – Enter the supplier's name or source of purchase

Column D – Enter your reference number for the transaction or purchase invoice number.

Column E – Optional column for recording a description of the business expense.

Column F – Enter a code letter to analyse the type of business expense.

Column F contains a drop down menu that can also be used to select the analysis code

Row 5 shows the only permissible letters that can be used to analyse the transaction; scroll to the right of your worksheet to see which expense items are attached to the various codes (column P to column AJ)

Enter Letter **S** = Direct Materials purchased for resale including **S**tock and items consumed to generate sales such as manufacturing materials.

Enter Letter **C** = Purchases of sub **C**ontractor services resold to generate sales turnover

Enter Letter **O** = **O**ther Direct Costs includes any other cost of sales purchases.

Enter Letter **D** = **D**irectors gross wages which have not been included in the Paye system.

Enter Letter **W** = **W**orkers gross **W**ages which have not been included in the Paye system.

Enter Letter **R** = **R**ent, business rates and water rates and other premises costs e.g. security

Enter Letter **P** = **P**remises, heating and other costs associated with operating the **P**remises.

Enter Letter **T** = **T**ransport and distribution costs for moving the goods sold to the customer.

Enter Letter **Q** = **Q**uipment and plant hire costs.

Enter Letter **M** = **M**aintenance of business premises and equipment

Enter Letter **U** = **U**nclassified materials include non direct purchases such as cleaning materials

Enter Letter **A** = **A**dvertising, leaflet, promotion costs including customer entertainment expenses

Enter Letter **G** = **G**eneral administrative expenses, telephone, postage, stationery and **G**eneral administrative expenses

Enter Letter **H** = **H**otel and **H**oliday business expenses

Enter Letter **V** = **V**ehicle expenses, fuel, tax, insurance, repairs and emergency memberships

Enter Letter **N** = **N**on-lease insurance costs relating to premises, equipment and indemnity insurance

Enter Letter **F** = **F**inanced equipment relating to vehicles and other business equipment **F**inanced

Enter Letter **L** = **L**egal and professional fees, accountants, solicitors, surveyors, architects, licences

Enter Letter **Y** = **Y**ield expenses including exchange losses

Enter Letter **Z** = **Z**ero goodwill costs incurred on acquisition of new businesses. **Z**

Enter Letter **FA** = **F**ixed **A**sset purchases

Column G – Enter total amount payable including any Vat chargeable on the purchase value.

Column H – **No Entry required.** **Column H** contains formulae to automatically calculate the Vat input tax at the standard 17.5% rate. Where the vat charged is not 17.5% of the purchase value such as non vat invoices, electricity bills and zero rated items, enter the actual vat by manually overwriting the formula. The Vat calculation can be **disabled by changing Cell H3.**

Column I – **No Entry required.** **Column I** contains formulae to automatically calculate the net purchase value.

Purchase payments

This section does not produce any accounting entries but is provided for information purposes to keep a check on who is owed what

For your information only. Enter How Paid e.g. Cash, Cheque etc.,	0.00	0.00	30-Dec-08
	Payments Made to Creditors		
	Actual Amount Paid	Purchases not yet paid	Purchases Days Outstanding

Column K – Enter the Cash or Bank accounting source where details of the amount paid in respect of the item on this row is detailed.

Column L – Enter the actual amount paid as shown in the Cash or Bank accounting source record.

Column M - No Entry required. Formula driven to calculate the amount still unpaid

Column N - No Entry required. Formula driven to calculate the number of day's amount outstanding.

Purchase Analysis

Purchases Cost of Sales			Directors Wages Non Paye	Employee Wages Non Paye	Premises		Distribution Transport Costs	Equipment Tools & Plant Hire
Direct Materials	Sub Contractors	Other Direct Costs			Rent & Rates	Light & Heating		
S	C	O	D	W	R	P	T	Q

Columns P – AJ

No Entries required. Formula driven analysis by the code letter entered in Column F

Contractor

Contractors	
CIS Certificates	
Tax Paid	Certificate No

Column AL – Enter amount of tax deducted from contractor if relevant

Column AM – Enter reference number of certificate if relevant, when tax deducted from contractor.

Monthly Totals

Each month has a total row which is collected on the **TrialBalance** to produce monthly and annual profit and loss account and balance sheet.

Opening Creditors

The **OpeningCreditors** details are to maintain continuity of financial control to assist the payment of all amounts owed by the business. Opening Creditors information should be copied into the section provided on the Purchases worksheet. These details do not affect the current year purchases figures. When amounts are paid via the cash/bank accounts, the amount received should be entered in Column L so that all outstanding debts can be properly tracked. This is just for information purposes as amounts paid flows to the Trial Balance from the relevant Bank/Cash accounts and not from the purchases worksheet.

Closing Creditors

The total outstanding in Cell M2 should equal the closing creditors figure shown at Cell EJ31 of the **TrialBalance** plus any other creditor balance tracked via the purchases ledger.

CASH AND BANK

Four **Cash** and **Bank** account workbooks are provided to record amounts received and paid out as follows:
Currentaccount Savingaccount Creditcardaccount Cashaccount

Essential Accounting Principle

Sales and expenses are recorded on the **Sales** and **Purchases** workbooks not the **Cash** and **Bank** records. Under the double entry bookkeeping system entries to the **Sales** and **Purchases** workbooks create accounts of money owing to or by the Company regardless of whether these accounts are paid or received instantly. These liabilities are called

Debtors (sales not received) and

Creditors (purchases not paid).

Entries to the **Cash** and **Bank** records are not used to record sales or expenses, with the exception of purely bank generated income and expenses such as bank interest received, bank interest paid and bank charges.

Cash and **Bank** records are used to record the receipts from Debtors and payments to Creditors.

Current Account, Saving Account and Credit Card

Bank Reconciliation

	< Opening Bank Balance	01-Feb-09
0.00	< Closing Bank Balance	28-Feb-09
	< Statement Bank Balance	28-Feb-09
0.00	< Bank - Statement Balance	

Cell B2 - Enter the actual bank balance at the beginning of the first month.

Cell B3- No entries required, this cell automatically adds receipts and deducts payments to calculate the bank balance at the end of the current month.

Cell B4 - Enter the bank balance as shown on the bank statement at the end of the current month

Cell B5 – No entries required, this cell automatically compares the entries made on the worksheet with the statement balance and reports the total value of any differences. This cell indicates whether a Bank Reconciliation is necessary.

Investigate and correct any errors between the bank account spreadsheet and the bank statement.

Receipts Data Entry

			Deposit Bank Reference	Enter Code Letters	Amounts received from each Source
Date	Source of Funds Received	Sales Invoice			

Record bank receipts in Columns B – R.

Column B – Enter the date of the bank receipt

Column C – Enter the source of the funds received, e.g. Name of Customer or other debtor

Column D – Enter the sales invoice number or other reference to which the receipt is associated

Column E – Enter the bank deposit reference, optional which can assist tracing errors.

Column F - Enter a code letter to analyse the debtor account associated with the receipt.

Column F contains a drop down menu that can also be used to select the analysis code

Row 6 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BS = Amounts transferred into Current Account from Savings Account

Enter Letter BD = Amounts transferred into Current Account from Credit Card Account

Enter Letter BC = Amounts transferred into Current Account from Cash Account

Enter Letter DR = Amounts received from customers and other debtors
 Enter Letter K = Bank Interest net of tax credited to current account as shown on bank statement.
 Enter Letter LDR = Amounts received from Long Term Debtors e.g. Repayments of loans granted
 Enter Letter LCR = Amounts received from Long Term Creditors e.g. Bank and other loans received
 Enter Letter RV = Refunds received from Revenue Department in respect of Vat returns
 Enter Letter RC = Refunds received from Revenue Department in respect of Contractors deductions
 Enter Letter DL = Amounts received from directors for credit to the directors loan account
 Enter Letter X = Bank contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the bank account and then re-credited on representation.

Column G – Enter the amount deposited detailing individual receipts from customers

Bank Receipts Analysis

Transfers From Savings	Transfers From Cr Card	Transfers From Cash	Amount Received Debtors	Interest Received	Long Term Debtor	Long Term Creditor	Vat Refunded	Contractors Levy Refunded	Directors Loan Account	Bank Contra items
BS	BD	BC	DR	K	LDR	LCR	RV	RC	DL	X

Columns H – R

No Entries required. Formula driven analysis by the code letter entered in Column F

Bank Payments Data Entry

Payment Date	Suppliers paid	Enter Purchase Invoice No.	Cheque number Direct Debit	Enter Code Letters	Amounts Paid by invoice number
--------------	----------------	----------------------------	----------------------------	--------------------	--------------------------------

Record bank payments in Columns T – AT

Column T – Enter the date of the bank payment

Column U – Enter the name of supplier or other creditor paid

Column V – Enter the purchase invoice number or other reference to which the payment is associated

Column W – Enter the cheque number or other reference such as direct debit to indicate transaction type

Column X - Enter a code letter to analyse the creditor account associated with the payment.

Row 6 shows the only permissible letters that can be used to analyse the transaction

Enter Letter BS = Amounts transferred from Current Account to Savings Account

Enter Letter BD = Amounts transferred from Current Account to Credit Card Account

Enter Letter BC = Amounts transferred from Current Account to Cash Account

Enter Letter CR = Amounts paid to suppliers and other creditors

Enter Letter W = Net wages paid by cheque or direct transfers

Enter Letter B = Bank charges incurred during the month

Enter Letter J = Bank interest charged during the month

Enter Letter LDR = Amounts paid to Long Term Debtors e.g. Loans granted to third parties

Enter Letter LCR = Amounts paid To Long Term Creditors e.g. Bank and other loan repayments

Enter Letter RP = Payments made to Revenue Department in respect of Paye liabilities

Enter Letter NIS = Payments made in respect of National Insurance liabilities

Enter Letter EDT = Payments made in respect of Education Tax liabilities

Enter Letter NHT = Payments made in respect of National Housing Trust liabilities

Enter Letter HRT = Payments made in respect of HEART Tax liabilities

Enter Letter OD = Payments made in respect of other payroll deductions

Enter Letter RV = Payments made to Revenue Department in respect of Vat liabilities

Enter Letter RC = Payments made to Revenue Department in respect of contractors deductions

Enter Letter RT = Payments made to Revenue Department in respect of Corporation Tax liabilities

Enter Letter DV = Payments made to shareholders in respect of dividends

Enter Letter DL = Amounts paid to directors excluding wages and dividend payments

Enter Letter X = Bank contra items being the same transactions that have been both received and paid in the same month. Example represented cheques are automatically debited to the bank account and then re-credited on representation.

Column Y – Enter the amount paid against the reference in **Column W** that may consist of several individual payments e.g. where several purchase invoices have been paid with a single cheque. Entering individual invoices on subsequent rows increases financial control over payments

Bank Payments Analysis

Transfers To Savings	Transfers To Credit Card	Transfers To Cash	Amount Paid Creditors	Net Wages Paid	Bank Charges Paid	Interest Paid	Long Term Debtor	Long Term Creditor
BS	BD	BC	CR	W	B	J	LDR	LCR

Paye Payments	Vat Payments	Contractors Levy Payments	Corp Tax Payment	Dividends Paid	Directors Loan Account	Bank Contra items
RP	RV	RC	RT	DV	DL	X

Columns Z – AT

No Entries required. Formula driven analysis by the code letter entered in **Column X**

Worksheet Checks

Cell F2 and **Cell X2** are automated arithmetical checks that receipts and payments have been analysed using the code letters correctly. Both cells should be zero. Investigate any differences occurring to ensure the bank record is accurate.

CASH ACCOUNT

Cash Reconciliation

	< Opening Cash Balance	01-Feb-09
0.00	< Closing Cash Balance	28-Feb-09
	< Physical Cash Count	28-Feb-09
0.00	< Cash Balanced	

Cell B2 - Enter the actual cash balance at the beginning of the first month.

Cell B3 - No entries required, this cell automatically adds receipts and deducts payments to calculate the cash balance at the end of the month.

Cell B4 - Enter the cash balance as shown by a physical count at the end of the month

Cell B5 – No entries required, this cell automatically compares the entries made on the worksheet with the physical cash balance and reports the total value of any differences. This cell is the Cash Reconciliation. Investigate and correct any errors between the cash account spreadsheet and the physical cash count.

Cash Receipts Data Entry

			Deposit Cash Reference	Enter Code Letters	Amounts received from each Source
Date	Source of Funds Received	Sales Invoice			

Record cash receipts in Columns B – O.

- Column B** – Enter the date of the cash receipt
- Column C** – Enter the source of the funds received, e.g. Name of Customer or other debtor
- Column D** – Enter the sales invoice number or other reference to which the receipt is associated
- Column E** – Enter the cash deposit reference if available.
- Column F** - Enter a code letter to analyse the debtor account associated with the receipt.
Column F contains a drop down menu that can also be used to select the analysis code

Row 6 shows the only permissible letters that can be used to analyse the transaction

- Enter Letter BB = Amounts transferred into Cash Account from Current Account
- Enter Letter BS = Amounts transferred into Cash Account from Savings Account
- Enter Letter BD = Amounts transferred into Cash Account from Credit Card Account
- Enter Letter DR = Amounts received from customers and other debtors
- Enter Letter K = Interest received in Cash
- Enter Letter LDR = Amounts received from Long Term Debtors e.g. Repayments of loans granted
- Enter Letter LCR = Amounts received from Long Term Creditors e.g. Bank and other loans received
- Enter Letter DL = Amounts received from directors for credit to the directors loan account

Column G – Enter the amount deposited detailing individual receipts from customers

Cash Receipts Analysis

Columns H – O

No Entries required. Formula driven analysis by the code letter entered in **Column F**

Cash Payments Data Entry

Payment Date	Suppliers paid	Enter Purchase Invoice No.	Optional cash payment reference	Enter Code Letters	Amount Cash Payment

Record bank payments in Columns Q – AP

- Column Q** – Enter the date of the cash payment
- Column R**– Enter the name of supplier or other creditor paid
- Column S** – Enter the purchase invoice number or other reference to which the payment is associated
- Column T** – Enter optional cash reference to which the payment is associated
- Column U**- Enter a code letter to analyse the creditor account associated with the payment.

Row 6 shows the only permissible letters that can be used to analyse the transaction

- Enter Letter BB = Amounts transferred from Cash Account to Current Account
- Enter Letter BS = Amounts transferred from Cash Account to Savings Account
- Enter Letter BD = Amounts transferred from Cash Account to Credit Card Account
- Enter Letter CR = Amounts paid to suppliers and other creditors
- Enter Letter W = Net wages paid by cash
- Enter Letter B = Bank charges paid during the month
- Enter Letter J = Interest paid during the month
- Enter Letter LDR = Amounts paid to Long Term Debtors e.g. Loans granted
- Enter Letter LCR = Amounts paid to Long Term Creditors e.g. Bank and other loans repaid
- Enter Letter RP = Payments made to Revenue Department in respect of Paye liabilities
- Enter Letter NIS = Payments made in respect of National Insurance liabilities
- Enter Letter EDT = Payments made in respect of Education Tax liabilities
- Enter Letter NHT = Payments made in respect of National Housing Trust liabilities
- Enter Letter HRT = Payments made in respect of HEART Tax liabilities
- Enter Letter OD = Payments made in respect of other payroll deductions
- Enter Letter RV = Payments made to Revenue Department in respect of Vat liabilities
- Enter Letter RC = Payments made to Revenue Department in respect of contractors deductions
- Enter Letter RT = Payments made to Revenue Department in respect of Corporation Tax liabilities
- Enter Letter DV = Payments made to shareholders in respect of dividends
- Enter Letter DL = Amounts paid to directors excluding wages and dividend payments

Column V – Enter the amount paid against the reference in **Column S** that may consist of several individual payments e.g. where several purchase invoices have been paid with a single cheque. Entering individual invoices on subsequent rows increases financial control over payments

Cash Payments Analysis

Columns W–AP

No Entries required. Formula driven analysis by the code letter entered in Column U

Worksheet Checks

Cell F2 and Cell U2 are automated arithmetical checks that receipts and payments have been analysed using the code letters correctly. Both cells should be zero. Investigate any differences occurring to ensure the cash record is accurate. B5 alerts you if there is a cash shortage or overage.

FIXED ASSETS

Fixed assets are physical items not bought for resale but used by the business for a period of more than one year. Company policy determines the value at which capital expenditure is treated as an asset rather than consumable materials subject to being a reasonable decision.

Depreciation spreads the financial effect on profits over the life of the asset but does not have an effect on the business tax as depreciation is disallowed as an expense as depreciation rates are internally set by the business management. Businesses receive relief for capital expenditure on fixed assets through capital allowances calculated in accordance with government policy and set against its taxable profit before tax.

Depreciation Rates

Depreciation rates have been preset in Column H of the FAschedule worksheet with typical depreciation percentages to write off the value of the asset over its useful life. Depreciation rates for a category can be changed to the individual company policy on the FAschedule by entering a new depreciation percentage in the un-shaded boxes in Column H or by changing the percentage in the shaded area of Column H for individual assets (not recommended as this creates an inconsistent depreciation policy).

The following depreciation rates have been preset for the various categories of Fixed assets

Buildings	2.5%
Plant & Machinery	10%
Fixtures & Fittings	20%
Computer Equipment	33%
Motor Vehicles	25%

Fixed Asset Additions

Expenditure on Fixed assets is recorded in the Purchases worksheet.

All items entered on the Purchases spreadsheet also have to be manually entered on the FAschedule in the New Assets section which starts at Row 60 to enable both depreciation and capital allowances to be calculated.

Enter each asset in one of the 5 categories provided:

Land & Buildings Plant & machinery Fixtures & Fittings Computers Motor Vehicles

Column B – Enter the date that the asset was purchased

Column C – Enter the description of the asset

Column D – Enter the purchase invoice number

Column E – Enter the purchase cost net of vat as analysed in Purchases > Column AJ

Sale of Fixed Assets

Sales of Fixed assets are recorded in the Sales worksheet

All items entered on the Sales spreadsheet also have to be manually entered on the FAschedule to enable both depreciation and capital allowances to be adjusted.

Column U – Enter the date that the asset was sold

Column V – Enter the sales value net of vat as analysed in Sales > Column V

Column W and Column X – No entry required Formula driven to calculate the Profit or Loss on sale which is automated to be carried forward to the profit and Loss account.

Capital Allowances

No entries required First year allowances, writing down allowances and balancing charges, as appropriate, are automatically calculated using the current tax rates which have been preset.

Balancing Charges are adjustments to capital allowances to increase or reduce the value of capital allowances claimed on an asset sold to the difference between the sales value and net written down tax value or zero if the asset was sold at a net profit with previous capital allowances being clawed back. Capital allowances on private motor vehicle for Jamaican companies is restricted to \$3,200 and is claimed at 12.5% or \$400 per year.

Fixed Assets Reconciliation

No entries required

Fixed Asset **Purchases** and **Sales** are compared to the values entered in the **FA schedule** to indicate whether all Fixed Assets on the **Sales** and **Purchase** spreadsheets have also been included on the **FA schedule**

Check FA reconciliation after new fixed assets have been entered to ensure all records from the **Purchases** Spreadsheet have been entered accurately.

If Row 16 is zero all sales and purchases of fixed assets have been entered on the **FA schedule**.

If Row 16 is not zero all asset sales and purchases have not been entered on the **FA schedule**.

PAYROLL

Virtual Accountant comes equipped with a Payroll centre based on Jamaican payroll laws but regardless of which jurisdiction you are from and whether or not you are using the supplied payroll package, you can easily have your payroll entries booked by the system by entering the relevant details from your payroll in the Wages Interface (discussed below).

Generating Your Payroll.

- Enter the tax rates for the various bands as determined by tax legislators in cells A5, A7, A9 and A11
- Enter the respective bands in cells B5, B7 and B9
- Enter the cumulative band utilized for the year to date as at the payroll date in cells C5, C7 and C9.
- Enter the pay date in cell C13; this will automatically populate the rows in Column X
- Enter General information in columns B to Q
- In Column G enter D if the employee is a Director and E if the employee is not a director. This is necessary to automatically categorize data for the wages interface.
- Enter Additional information in Columns R to V; Column T (Accommodation code) is not currently being used based on recent changes to the tax laws. Leave this column blank.
- Enter payroll information in the unshaded cells in Columns W to CK; the shaded cells in Columns AK, AL, AV and AX can be overwritten if necessary. *[Please note that a lot more cells than ordinarily required are provided and therefore many of these cells will remain blank]*
- Columns BE to BS provide the possibility of having 15 non-statutory deductions for each employee, use these as required. Deduction 1, Deduction 2 etc. in row 15 should be overwritten with the actual name of the deduction. This will then flow automatically to the pay stubs.

PAYROLL CENTRE		
MAIN PAYROLL DATABASE		
Threshold 1		
Rate	Annual	Cumulative
0%	441,168.00	36,764.00
25%	5,000,000.00	416,666.67
27.5%	10,000,000.00	833,333.33
35%		
PERIOD:		9/25/2010

Extract from Payroll system showing Cells where threshold is entered

Paystubs

No entry is required as paystubs are automatically populated with data from the Payroll worksheet.

Payroll Summary

The Payroll Summary provides a summary of each month's payroll information; this should be printed and filed each month before generating the payroll for the following month.

Wages Interface

The **Virtual Accountant** package contains a **WagesInterface** into which data can be manually inserted if users of the Accounting software are not also using the Virtual Accountant Payroll Software. Simply enter the relevant information in the various columns of the interface each month and the payroll entries will be automatically generated and updated to the accounting system.

For users of the supplied Virtual Accountant Payroll software, you will observe that your payroll is summarized at the bottom of the **Payroll** worksheet in Columns G to T of Rows 42 to 44. This area is in the same format as the Wages Interface. Copy the information from this area and paste it as values (Edit>Paste Special>Values) each month into the Wages Interface; pasting it as **values** breaks the formula link which is required for this process. Cell H42 to T42 should be pasted in the Employees section of the Wages Interface (Rows 5 to 16) while Cells H43 to T43 should be pasted in the Directors section of the interface (Rows 18 to 29). Paste the data as values in the row representing the month for which the payroll was generated.

Section of data from Payroll worksheet

SUMMARY FOR WAGES INTERFACE						
Gross Wages paid	Income Tax deducted	Employees National Insurance deducted	Employees Education Tax deducted	Employees National Housing Trust deducted	Other Employees Deductions	Net Wages Paid
0.00	0.00	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	0.00	0.00	0.00	0.00	0.00	0.00

Go Back

WAGES INTERFACE

Month	Gross Wages paid	Income Tax deducted	Employees National Insurance deducted	Employees Education Tax deducted	Employees National Housing Trust deducted	Other Employees Deductions	Net Wages Paid	Employers National Insurance
EMPLOYEES								
Jan-11								
Feb-11								
Mar-11								
Apr-11								
May-11								
Jun-11								
Jul-11								
Aug-11								
Sep-11								
Oct-11								
Nov-11								
Dec-11								
DIRECTORS								
Jan-11								
Feb-11								
Mar-11								
Apr-11								
May-11								
Jun-11								
Jul-11								
Aug-11								
Sep-11								
Oct-11								
Nov-11								
Dec-11								

As discussed above, users of other payroll systems can simply enter their summary information in the Wages Interface each month and the system will automatically book their payroll journals.

BUDGETING

Budget Setup

The Budget feature is designed so that even if you are totally new to budgeting you can set up your budget in quick time. Budgeting is an area usually left for accountants but now Virtual Accountant does it for you in a snap.

Just click on the **Budget icon** on the Main screen to enter the Budget Centre. You will notice that all your income and expense accounts are automatically available in the Budget centre in an easy to manipulate table format. Simply enter the amounts you project to receive each month for each income type, and the amount you project to spend each month for each expense type, save your work and you are done.

BUDGET CENTRE												
Completed Months (y)												
Current Month (y)												
INCOME	January	February	March	April	May	June	July	August	September	October	November	December
Product A												
Product B												
Product C												
Other Income												
Investment Grants Received												
Interest Received												
Total Income	-	-	-	-	-	-	-	-	-	-	-	-
EXPENSES	January	February	March	April	May	June	July	August	September	October	November	December
REVENUES												
Purchases Stock Materials												
Purchases Sub Contractors												
Purchases Other Direct Costs												
EXPENSES												
Paye Gross Wages												
Non Paye Casual Employee Wages												
Directors Wages												
Employers National Insurance												
Employers Education Tax												
Employers National Housing Trust												
Employers Heart Tax												
Employers Other deductions												
Premises Rent & Rates												

Budget Monitoring

Budget monitoring is just as easy as setting up your budget. All you need to do is to open the Budget Centre and enter the letter “y” in row 4 in the column for each month completed for your financial year to the current date; and then in row 5 enter the letter “y” in the column for the current month only. So for example, if your year runs from January to December and you are now in April, your **Budget Centre** should look like the picture below


Completed Months (y)	y	y	y	y
Current Month (y)				
INCOME	January	February	March	April
Product A				
Product B				
Product C				
Other Income				
Investment Grants Received				
Interest Received				

Next open your Trial Balance by clicking on the **Reports icon** on the main screen and enter the letter “y” in row 2 in the shaded area above the current month’s “Closing Balances” column, and in row 3 enter the letter “y” in all columns except the total column for the current month only.

Pub BSheet → Pub Notes → Variance Report

January 31, 2011							31-Jan-11	
Sales	Purchases	Bank Current	Bank Savings	Credit Card	Cash Account	Wages	Monthly Accrual	Closing Balances
								0.00
								0.00
								0.00
								0.00
								0.00
							0.00	0.00
							0.00	0.00
							0.00	0.00
							0.00	0.00
							0.00	0.00

That is all that is required each month. Virtual Accountant will present you with a professional Budget Variance report showing how your actual situation compares to your budget for the current month as well as for the year to date. Just open the Budget Centre and click on the Blue Arrow with the title "Variance Report" and your report will be appear.

 **Test Limited**

BUDGET VARIANCE REPORT						
INCOME	CURRENT PERIOD			YEAR TO DATE		
	ACTUAL	BUDGET	VARIANCE	ACTUAL	BUDGET	VARIANCE
Product A	-	-	-	-	-	-
Product B	-	-	-	-	-	-
Product C	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Investment Grants Received	-	-	-	-	-	-
Interest Received	-	-	-	-	-	-
TOTAL INCOME	-	-	-	-	-	-
EXPENSES						
COST OF SALES						
Purchases Stock Materials	-	-	-	-	-	-
Purchases Sub Contractors	-	-	-	-	-	-
Purchases Other Direct Costs	-	-	-	-	-	-
EXPENSES						
Paye Gross Wages	-	-	-	-	-	-
Non Paye Casual Employee Wages	-	-	-	-	-	-
Directors Wages	-	-	-	-	-	-
Employers National Insurance	-	-	-	-	-	-
Employers Education Tax	-	-	-	-	-	-
Employers National Housing Trust	-	-	-	-	-	-
Employers Heart Tax	-	-	-	-	-	-

LONG TERM BALANCES

This is another area that your Accountant would normally charge you for. **Long Term balances are balances that will be repaid or collected more than 12 months after your financial year end.** Accounting standards require that if you have balances that falls due more than 12 months after your year end, these balances must be analyzed so that the portion that falls due within 12 months after your year end is shown in short term balances while the portion that falls due more than 12 months after your year end is shown in long term balances. Virtual Accountant uses the Long Term Balances worksheet to prepare this sometimes complicated journal entry for you very easily.

Simply open the Long Term Balances worksheet by clicking the **Long Term Balances icon** on the Main Screen.

Trial Balance

No Entries Required

Financial information entered throughout the Accounting package is collected by the **TrialBalance** using conventional double entry bookkeeping principles.

All adjustments to the **Trial Balance** are required to be made from the prime entry worksheets.

Check TrialBalance Row 103 and if a value does appear then trace the location of the error by determining the column in which Row 103 shows a value. The column heading is the Month and Spreadsheet where this error has occurred. The double entry bookkeeping ensures that the trial balance automatically returns a ZERO value at Row 103 Audit Accuracy Check. It is possible to produce an error value in Row 103 if an error occurs on a spreadsheet that feeds the trial balance.

To correct an error Go to the Spreadsheet and locate the error, the most common error is an invalid Code Letter being used in the analysis or omitted. No adjustments may be made direct on the Trial Balance.

The Trial Balance and formulae has been password protected to prevent inadvertent corruption of the formulae which is vitally important to ensure any errors within the system can be discovered.

Intra Cash & Bank Transfers

Check Row 29 of the TrialBalance is Zero. Row 29 represents the amounts transferred between cash and bank accounts and must equal zero if the same amounts transferred between accounts appear in the opposite account. A balance on this row is an indication that the amounts transferred have not been recorded at the same value in the opposite account and should be investigated and corrected.

Trial Balance Rows 2 and 3 (Budget Facilitation)

Enter the letter “y” in the dark shaded cells in rows 2 and 3 (i.e. the Closing Balance columns for each month). In row 2 enter “y” in the Closing Balance columns for all months completed for the year to date, while in row 3 enter “y” in the Closing Balance column of the current month only. This is to facilitate the accurate generation of Budget Variance reports.

Completed Months (y)		January 31, 2011										31-Jan-11
Current Month (y)		1-Jan-11										
AUTOMATED TRIAL BALANCE		Acct Code Letter	Opening Balances	Sales	Purchases	Bank Current	Bank Savings	Credit Card	Cash Account	Wages	Monthly Accrual	Closing Balances
BALANCE SHEET ITEMS												
FIXED ASSETS												
Fixed Asset Land & Property	FL	0.00										0.00
Fixed Asset Plant & Machinery	FP	0.00										0.00
Fixed Asset Fixtures & Fittings	FF	0.00										0.00

Monthly Profit & Loss

No Entries Required

All the financial information is generated automatically from the Trial Balance each month to produce a Monthly Profit and Loss account and the annual result to date.

Producing a satisfactory financial result is critical to business success and to that end the Monthly Profit and Loss account is updated in real time with every entry made throughout the rest of the package updating the current financial position which should be reviewed in detail at least once monthly.

Published Profit & Loss

No Entries Required

Fully automated the PubP&L is the Published Profit & Loss account for submission to Companies House and Inland Revenue and satisfies the legal requirement for Limited Companies to submit annual financial accounts.

Published Balance Sheet

No Entries Required except Director’s Signature

Fully automated the PubBalSht is the Published Balance Sheet for submission to Companies House and Inland Revenue and satisfies the legal requirement for Limited Companies to submit annual financial accounts. The Published Balance Sheet must be signed by the named director prior to submission.

Published Notes

No Entries Required

These are fully automated additional notes to accompany the published accounts. These include fixed asset movements, directors' emoluments, dividends declared and the corporation tax payable on net taxable profit for the year.

Corporation Tax

No Entries Required

Fully automated and available in real time to determine the Corporation tax payable after adding back disallowed expenses and deducting capital allowances.

All companies have a responsibility to calculate the corporation tax due which is the purpose of the corporation tax worksheet.

Accruals and Prepayments

It is normal accounting practice to adjust final balances at the year end with a series of accounting entries relating to accruals and prepayments.

Accruals and prepayments are receipts or expenses relevant to the current financial year which have not been included in day to day financial transactions at the month or year end.

The Accounting system does not deal with accruals and prepayments to maintain the simplicity of the accounts and therefore an audit review may require further adjustment to the accounts.

Avoiding Accruals and Prepayments

To avoid the necessity for adjustments and the need for accruals and prepayments, ensure that all relevant transactions have been included and where necessary include additional items in the final **Sales** and **Purchase** spreadsheets for the year. This may include entering estimated receipts and expenses in the final month which should be clearly identified as such with any estimated amounts included in that final month being reversed in the first month of the following financial year to remove the estimated figures.

For example, a large contract may have been undertaken, perhaps amounting to say 10% of the annual turnover for the year and the work might be 80% complete at the year end but the client has not yet been invoiced under the terms of the contract.

It **might** be appropriate under these circumstances to include in the current financial year an additional estimated sales item being work in progress not yet invoiced amounting to 80% of the contract even though it has not been invoiced, and then subsequently enter this "accrued sale" as a negative item in the next financial year to reduce the sales value in that following year to the amount actually earned that year.

In this example the current financial year would have sales increased by the 80% value of the completed contract and in the next financial year 100% is included via the actual sales invoice less the 80% reversed as already having been accounted for leaving 20% in that year.

Only the net sales value before vat would be treated this way as the vat is not a liability until the tax point which is the date of the actual sales invoice.

SALES INVOICE [Complimentary Workbook]

The Sales Invoice workbook is available as a complimentary package to purchasers of Virtual Accountant. The Sales Invoice workbook is independent of the accounting package and is not linked to the Sales spreadsheet and therefore does not update the sales records. Use of the Sales invoice workbook is optional and is **provided on request** to assist users to quickly and efficiently produce sales invoices when required, and also *to keep a database of all sales invoices generated*. The invoice is protected to protect the integrity of the formulae, but the **design can be customized** at an additional charge to the user if required.

Sales Invoice Template

No Entries Required

The Invoice Template is fully automated from the information provided in the **Business Details, Customer Details, Product Details** and **Invoice Database** worksheets. All data entry is done on these detailed sheets and flows automatically to the Sales Invoice based on the relevant row checked in the **Invoice Database**.

Business Details

Enter the main business details that are required to appear on the Invoice.

Cell B2. Create and Enter the short business name to appear prominently in extra bold at Cell C5 on the Invoice Template.

Cell B3 – B10 Enter the name and address of the business and contact details as required.

Cell B11. Enter the vat registration number if the business is vat registered.

Enter a blank space if not vat registered.

Important Note - Cell B11 has been preset with a blank space which the formulae use to negate vat calculations otherwise incorporated into the Template.

Cell B12 – B13 Enter up to 2 customer friendly company slogans which appear at the top of the Template

Cell B14 – B16 Enter Terms of Trade which appear next to the Amount Payable

Cell B17 – B18 Enter up to 2 footnotes which should appear at the bottom of the invoice.

Product Details

Column A Create and Enter a numerical Product Code for each product that will appear on the sales invoice

Column B Enter the Product Description that is to appear against each product code on the sales invoice.

Column C Enter the Product Selling Price. If the sales price of a product changes then create a new product code in Column A or previous sales invoices would be incorrectly updated with the new sales price

Column D Enter the standard vat rate applicable of 17.5% for standard rated goods, 0 for zero rated items.

Columns F – H are optional being provided for information purposes only and do not appear on the invoice.

Column F Enter the cost price which automatically calculates Column G profit margin and Column H gross margin percentage.

Customer Details

Column A Create and Enter a numerical Customer code for each customer. A single customer called Cash can be entered if required to track transactions with miscellaneous customers

Column B Enter the credit terms applicable

Columns C – G Enter the customer name, address and postal code

Columns J – M Enter the delivery name and address only if different to the customer name and address. The delivery name and address is preset to be the same as the customer details unless overwritten

Invoice Database

Entries to the Invoice Database drive the entries that appear on the Sales Invoice, as this is where invoice by invoice data is inputted

Column B Create and Enter a numerical sales invoice number.

Column D Enter the customer number created in customer details; this drives the customer name and address and delivery details to appear on the invoice.

Column E Enter manually the amount of any carriage or postage to be charged

Column F Enter the product code created in product details; this drives the product code, description and unit price to appear on the sales invoice.

Column G Enter the quantity of items sold.

Columns HI, JK, LM etc., can be used to enter up to 19 further products to appear on each sales invoice

Producing a Sales Invoice

With all the **business**, **customer** and **product** details entered and the invoice database completed, an invoice can be created on the **Invoice Template** by **Entering 1** in column A of any row of the **Invoice database**. The Invoice details shown on that row appears on the invoice where the net amounts to be invoiced, vat and Invoice totals are calculated.

To produce a **CREDIT NOTE** enter the quantity as **NEGATIVE**

To change the invoice selection Change the row number at which **1** appears in column A of the Invoice database.

All invoices are printed from the Invoice Template worksheet [File > Print].

CLOSING YOUR WORKBOOK

Save your work before attempting to close your workbook. After your work is saved, click on the “X” toward the top right hand corner of your workbook, you will get the window below. Click the “Exit Spreadsheet” button to close the workbook.



Note: *If your work is not saved before you attempt to close your workbook, the system will automatically save it when the “X” is clicked the first time. After clicking “X” you will be presented with the window above. Click the “Exit Spreadsheet” button as usual. You will however notice that your workbook is not closed in this instance because all the system does is to save your work for you. You will therefore have to click the “X” a second time and be presented with the “Exit Spreadsheet” button a second time. This time however, when the “Exit Spreadsheet” button is clicked, the workbook will close. To avoid this routine always save your work before clicking the “X” to close your workbook.*

ThePractice Contact Information

Paul Ffrench
Office 19, 1 Stanton Terrace
Kingston 6
Jamaica, West Indies

Mobile:

Email: info@thepractice-jm.com
Website: www.thepractice-jm.com

Technical support is offered in the event any problem is encountered with the spreadsheet. Further, we are happy to answer queries on the operation of the system and provide assistance as required.

Customizations can also be done at an additional charge for businesses with special requirements.