

## Recording Cash Expenses

### Dealing with Expenses paid out of Cash on hand

Occasionally expenses may be settled out of cash on hand. In order to ensure proper control a record of the disbursement needs to be recorded. In effect the payment of the expense will be out of **Un-deposited Funds** (as you have not yet banked the funds)

To record a Cash Expense transaction:

- ◆ Ensure details of the supplier are setup.
- ◆ If the business is subject to IR35, set up contracts
- ◆ If you are using Branch analysis, ensure branches are set up
- ◆ If you are collecting expense details for taxation P11D purposes, ensure the feature is activated and the appropriate employee is set up. (Please contact your accountant for more information.)
- ◆ Create the Cash Expense Transaction

### Supplier Details

Supplier details are entered via the **LISTS** menu.

**LISTS → SUPPLIER → ADD SUPPLIER**

Enter details in the Supplier Maintenance Screen. More Information is available in the **Setting up a Supplier** user guide.

### IR35 Contracts

IR35 Contract Data is also set up via the **ADD-INS** menu.

**ADD-INS → IR35 → ADD CONTRACT**

Enter details in the IR35 Contract Maintenance Screen. More Information is available in the **Working with IR35** user guide.

### Branches

Sales Item Information is also set up via the **LISTS** menu.

**LISTS → BRANCHES → ADD BRANCH**

Enter details in the Branch Maintenance Screen. More Information is available in the **Using Branches** user guide.

### P11D

P11D recording is activated via the **Optional features** tab, under the **Profile**

**ENTITY NAME → PROFILE → OPTIONAL FEATURES**

Activate P11D recording by ticking 'Track Employee Expenses and Branches' Payroll will also need to be activated (even if not being used for pay purposes) Further information is available both from your advisor and the P11D and On-line Filing and Setting up Officers & Employees user guides. Ensure that the appropriate employee is set up.

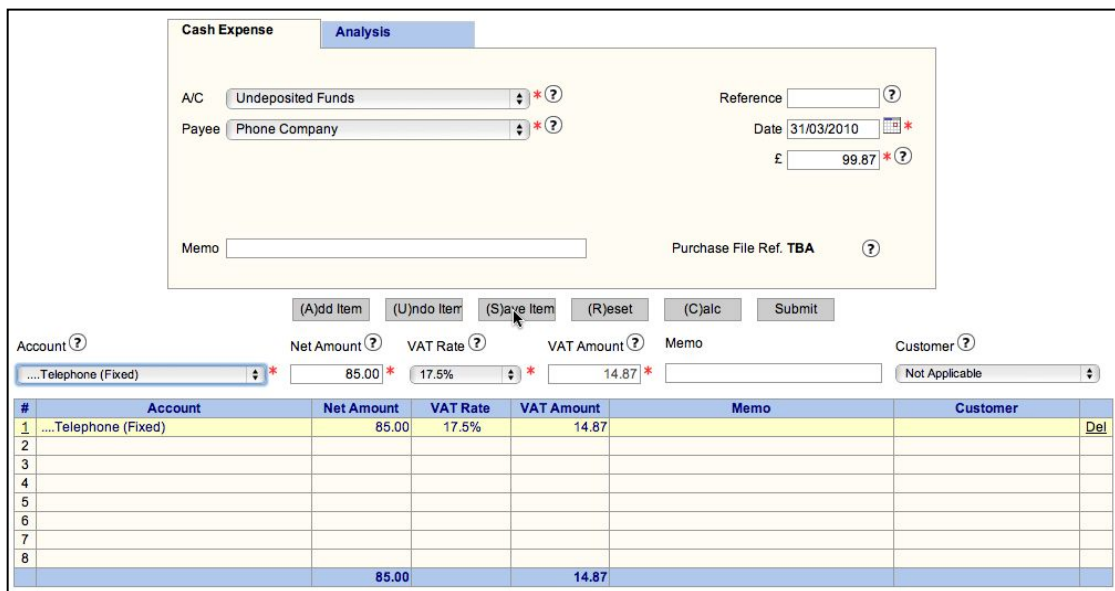
LISTS → OFFICERS/EMPLOYEES → ADD NEW

## Creating a Cash Expense Transaction

Creating a **Cash Expense** transaction is accessed via the **ACTIVITIES** menu

**ACTIVITIES → RECORD CASH EXPENSE → CASH EXPENSE tab**

Note that if the **Prompt for Analysis** box (set in **Profile**) is ticked then when transactions are entered which require analysis to branches, IR35 or P11D reporting; the analysis tab is presented first by default so that the required analysis is not forgotten.



#	Account	Net Amount	VAT Rate	VAT Amount	Memo	Customer
1	...Telephone (Fixed)	85.00	17.5%	14.87		Not Applicable
2						
3						
4						
5						
6						
7						
8						
		85.00		14.87		

- ◆ Select **Undeposited Funds** from the **Account (A/C)**.
- ◆ Select the **Payee** from the dropdown list.
- ◆ Enter any **REFERENCE** information as necessary
- ◆ The **DATE** defaults to to-days date, this to can be amended. This date is the transaction date for recording.
- ◆ The **MEMO** field can be used to enter free format descriptive text, it can be left blank.
- ◆ The line items that make up the transaction now need to be added. A line item is a particular purchase item shown on the transaction. In many instances there may only be the one.
- ◆ **ADD ITEM** accesses the Account input. Select the **ACCOUNT** from the dropdown. Default value, if it exists, for **VAT RATE** (If VAT registered) is shown. The default may be overridden.
- ◆ Enter the **NET AMOUNT** of the line item, the **VAT AMOUNT** is automatically calculated from the **VAT RATE**. It can be overridden if necessary.
- ◆ Use the **MEMO** field to enter free format descriptive text. It can be left blank.

- ◆ If the expense needs to be related to a particular Customer, because it is an expense that will be reimbursable by the customer, select the **Customer** from the drop down list.
- ◆ **SAVE EDIT** confirms the entry. Further Line items can be entered by clicking on **ADD ITEM** on each occasion. **UNDO EDIT** cancels the current line item data. **UNDO ALL EDITS** cancels all line item inputs.

Note the system will provide a **Purchase File Reference** number (that may be used in a document filing process) when the transaction is SUBMITTED and until that happens the field displays TBA (To be Assigned).

### Analysis Tab

The analysis tab allows for further details to be added for recording if the business is using the Branches and/or the IR35 features and/or P11D recording. If these features are not in use, nothing needs to be added in the analysis tab.

- ◆ Select an **Associated IR35 contract** if appropriate (consult your Accountant if you are unsure.) Also see the **Working with IR35** user guide.
- ◆ Select an appropriate **Branch** if this invoice is to be analysed to a branch
- ◆ Select an **Employee for P11D purposes** from the drop down.
- ◆ When all line items have been entered as required, clicking on **(RE)CALCULATE** ensures that all value extensions are correct. When the cash expense data is complete clicking **SUBMIT** saves and confirms the transaction.

A confirmation message appears at the top of the screen together with the unique **Purchase File Reference Number**.

### Editing a Cash Expense Transaction

After a cash expense transaction has been created it may be edited. If a cash expense transaction has been included in a VAT return or reconciled then the details of the transaction may only be viewed they cannot be changed or the transaction deleted. Likewise if a transaction is dated in a closed financial year it also cannot be changed.

It is easiest to locate a particular transaction by listing the Un-deposited Fund account transactions

#### ACCOUNTS → UNDEPOSITED ACCOUNTS → VIEW

- ◆ Locate the relevant transaction and click on **EDIT**
- ◆ The full Cash Expense Transaction screen (see above) is displayed with the current data.
- ◆ The **Purchase File Reference** Number will also display on the screen.
- ◆ Edit the data as necessary
- ◆ When editing line item entries, highlight the appropriate line by clicking on it. The information appears in the edit line. Amend as necessary and **SAVE EDIT** to complete.
- ◆ When all changes have been made, clicking on **(RE)CALCULATE** ensures that all value extensions are correct. Clicking **SUBMIT** saves and confirms the transaction.