

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**

BUSINESS → PROFILE → OPTIONAL FEATURES

Activate P11D recording by checking **Allow P11D recording?** Further information is available both from your accountant and the **Reporting for P11D and NIC** 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

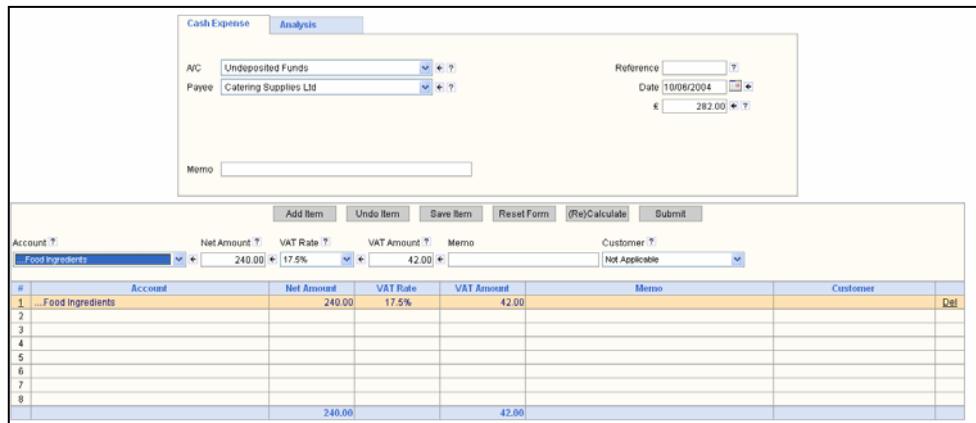
Note that if the **Prompt for Analysis** box (set in **Profile**) is ticked then when transactions are entered which require analysis to branches, IR35 or P11D reporting; the analysis tab is presented first by default so that the required analysis is not forgotten.

- ◆ 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.



#	Account	Net Amount	VAT Rate	VAT Amount	Memo	Customer
1	...Food Ingredients	240.00	17.5%	42.00		
2						
3						
4						
5						
6						
7						
8						
		240.00		42.00		

- ◆ 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.
- ◆ Enter a **MEMO** entry if required.
- ◆ 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.

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.

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.
- ◆ 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.