

Writing a Cheque

Setting up a Bank Account

In order to be able to write a cheque a bank account must exist. On creation of the entity an initial vbank account was set up. Additional bank accounts are set up as a custom accounts.

To set up a bank account the following Information is required:-

- ◆ Name and details of Bank account.
- ◆ Bank Statement dated close as possible to your opening balance date.
- ◆ Details of any un-cleared transactions.

Un-cleared items are transactions that have already been recorded in the accounting system; written a cheque to a supplier or a cheque received from a customer, but they have not yet appeared on your bank statement.

ACCOUNTS → ADD A CUSTOM ACCOUNT

In the **Edit Account Details** screen, enter details:

Edit Account Details	
Active	<input checked="" type="checkbox"/> ?
Account Name	<input type="text" value="HSCB Current"/> ← ?
Description	<input type="text"/>
Account Type	<input type="text" value="Current Assets - Bank Account"/> ↓ ← ?
Sub-Account Of	<input type="text" value="None"/> ↓ ?
Cross Reference	<input type="text"/> ?
Easy View	<input type="checkbox"/> ?
Opening Balance	<input type="text" value="0.00"/> ?
Opening Balance At	<input type="text" value="1/04/2004"/> [calendar] ← ?
Account Number	<input type="text" value="679905654"/> ?
<input type="button" value="Submit"/>	

Active	Allows account to be de-activated, in this case leave ticked active.
Account Name	Enter name such as "HSBC Current"
Description	A text description
Account Type	Select account type from list, in this case select "Current Assets – Bank Account"
Sub Account	If the account is a sub account of another, select it. In this case leave blank.
Cross reference	Leave blank, this is used by your accountant in preparing reports
Balance summary	If checked, the account balance is displayed on the business home page.
Opening balance	Enter the balance on your bank statement
Opening balance at	Bank statement date
Account number	Bank account number

Click on **SUBMIT** when complete

Writing a cheque

If an entity is not registered for VAT, then there will be no references to VAT in the displayed screens, also therefore ignore references to VAT in the guide below.

To record a cheque payment:

- ◆ 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 advisor for more information.)
- ◆ Create the Cheque 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 Cheque payment

Creating a cheque payment transaction is accessed via the **ACTIVITIES** menu

ACTIVITIES → WRITE CHEQUE → CHEQUE 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 the bank **Account (A/C)** to which the transaction is relevant.
- ◆ Select the **Payee** from the dropdown list.
- ◆ Enter the physical cheque number in the **No** field, note that this is mandatory.
- ◆ The **Date** defaults to to-days date, this can be amended. This date is the transaction date for Liberty Accounts recording.
- ◆ The **Memo** field can be used to enter free format descriptive text, it can be left blank.

#	Account	Net Amount	VAT Rate	VAT Amount	Memo	Customer
1	...Office Supplies	258.00	17.5%	45.15		
2						
3						
4						
5						
6						
7						
8						
		258.00		45.15		

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)

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 line item input. Select the **ACCOUNT** from the dropdown. A selection dropdown appears; defaulted to Expense type

accounts, if another account is required click **clear filter** and then select again from a list of account types and then from the accounts under the chosen account type.

- ◆ 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.

- ◆ 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 cheque 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 Cheque payment Transaction

After a cheque payment transaction has been created it may be edited. If a cheque payment 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 cheque transactions

LISTS → CHEQUES

- ◆ Locate the relevant transaction and click on **EDIT**
- ◆ The full **Cheque 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.