

Changing to Income and Expenditure reporting from Receipts and Payments when Assets and Liabilities have not been recorded on the system

In this situation the only balance sheet items on the system will be the Bank/Cash figures, and they will be reflected in the Receipts and Payments Fund balance.

Situation prior to any changes

The organisation has the following asset and liability items at the end of the prior year (say 31/12/2025)

Asset ledger: -

Tangible Fixed Asset Investment (A house not being depreciated) with a cost and net book value of £300,000.

Long Term Investments: -

CAF Deposit £15,000

Long term Loan: -

A loan of £25,000 remains outstanding

These items have not previously been recorded on the system.

Step 1

If the prior year is in a closed status, it will temporally need to be opened.

Navigate to Control – Batch Jobs – Batch Run History.

Delete the year end close job for the relevant (immediately prior) year.

Batch Run History			
From Date	To Date	Batch Run Type	
1/1/2026		Year End Close	
	Year End Close	OK	31/12/2024
	Batch Run Type	Status	As at
	Year End Close	OK	31/12/2025



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Step 2

Create a pseudo transition account as a subaccount of “Other Incoming Resources” to provide a channel to flow Fund movements through using journal transactions. Once the transition is complete the account can be made inactive but will remain as a clear audit trail for future reference.

Navigate to the Accounts Menu - Add Custom Account.

Use the account setup tab, the other tabs will not be necessary.

To record an item to the Asset Ledger

Step 1

If the asset ledger is not active navigate to the Control menu – Organisation Profile – tick Asset Ledger and then SUBMIT

Step 2

Navigate to the Fixed Asset Ledger Expenditure – Fixed Assets – Add

Enter the tangible asset details with the Date Acquired and in Service set to the last day of the prior year. On the Cost Value Tab enter the Net Book Value of the asset as at the same date.

If the asset was being depreciated and the user wishes to use the system to automatically calculate and post depreciation, enter the residual depreciation period and the depreciation rule that applies in the Depreciation tab.

When ready click SUBMIT to store.



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Step 3

Creating the tangible fixed asset as above has also automatically posted an equal but opposite value into the Asset Additions account (Usually used to deal with payments for the asset, but not in this case).

Using a journal move this value to the Transition Account set up above. Ensure the date is the last day of the prior year and that an appropriate Fund is selected.

Add Journal Entry

JOURNAL

Reference: _____ ☐ Reversing Journal Date: 31/12/2025

Counterparty: _____ ☐ Journal Reverse Date: _____

Memo: _____ Asset Name: Select... ▼

ANALYSIS

ADD ITEM **UNDO ITEM** **SAVE ITEM** **SUBMIT** **⋮**

Account	Debit	Credit	Memo	Fund
Transition Account	0.00	300000.00		General Fund (U)

#	Account	Debit	Credit	Memo	Fund
1	Addition of Assets	300,000.00			General Fund (U)
2	Transition Account		300,000.00		General Fund (U)
		300,000.00	300,000.00		

Step 4

Repeat the process above for any other Tangible Fixed Assets.

To record an item to the Investment Ledger

Step 1

If a suitable holding account for the investment value does not exist set up one by adding a custom account.

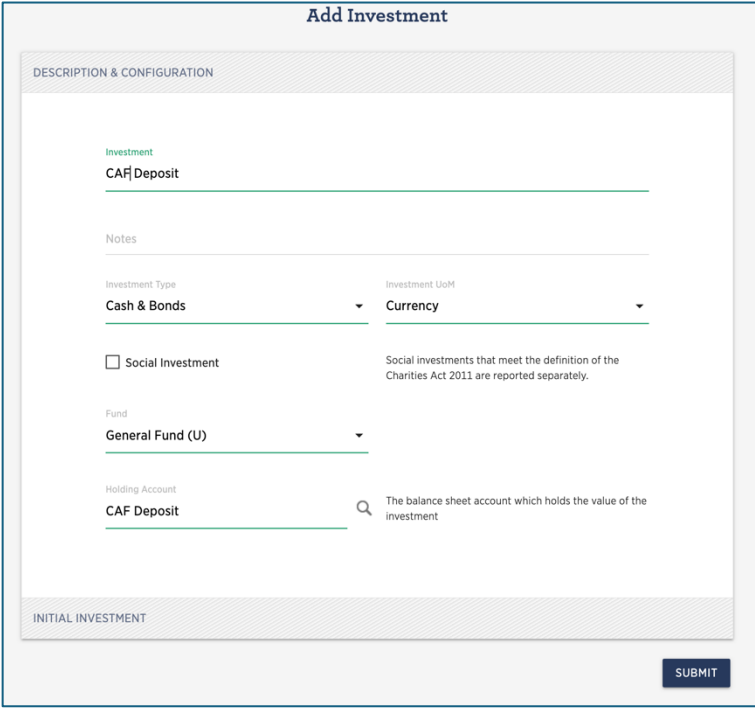
Navigate to the Accounts Menu -Add Custom Account.

If you have multiple investments now would be a good time to think about and create the account structure you want for your investment holding accounts.

Step 2

The investment can now be added to the Investment ledger.
Navigate to Expenditure – Investments – Add

On the Description & Configuration tab enter a name for the investment, select the investment type, in this case, as Cash & Bonds
The investment UoM defaults to Currency



Add Investment

DESCRIPTION & CONFIGURATION

Investment
CAF Deposit

Notes

Investment Type
Cash & Bonds

Investment UoM
Currency

☐ Social Investment
Social investments that meet the definition of the Charities Act 2011 are reported separately.

Fund
General Fund (U)

Holding Account
CAF Deposit

The balance sheet account which holds the value of the investment

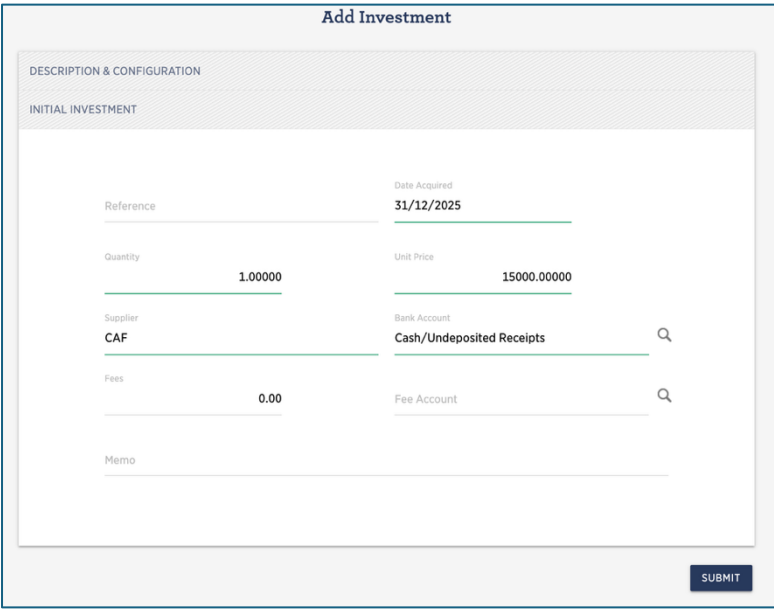
INITIAL INVESTMENT

SUBMIT

Choose a relevant Fund and the Holding Account created in Step 1

For the Initial Investment tab enter a Reference if required. The Date acquired will be the last date of the prior year, in this case 31/12/2025
As the UoM is Currency the Quantity will be 1.0 and the Unit Price is the value used above, again in this case £15,000.00

It is important to select the Cash/Undeposited Funds account not a normal bank account.
There is no need to record any fees.



Add Investment

DESCRIPTION & CONFIGURATION

INITIAL INVESTMENT

Reference

Date Acquired
31/12/2025

Quantity
1.00000

Unit Price
15000.00000

Supplier
CAF

Bank Account
Cash/Undeposited Receipts

Fees
0.00

Fee Account

Memo

SUBMIT



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Step 3

Use a journal to move the value posted to Cash/Undeposited to the Transition Account set up above. Ensure the date is the last day of the prior year and that an appropriate Fund is selected.

Journal Entry

JOURNAL

Reference: _____ ☐ Reversing Journal Date: 31/12/2025

Counterparty: _____ ☒ Journal Reverse Date: _____

Memo: _____ Asset Name: Select...

ANALYSIS

ADD ITEM UNDO ITEM SAVE ITEM SUBMIT

#	Account	Debit	Credit	Memo	Fund
1	Cash/Undeposited Receipts	15,000.00			General Fund (02)
2	Transition Account		15,000.00		General Fund (02)
		15,000.00	15,000.00		

Step 4

Repeat the process above for any other Investments

To record other items of assets and liabilities

Step 1

If suitable accounts for the assets and/or liabilities do not exist set them up by adding a standard or custom account.

Navigate to the Accounts Menu -Add

Step 2

Enter this information using a journal, so for the loan example.

Ensure the date is the last day of the prior year and that an appropriate Fund is selected.

The contra account will be the Transition account.

Use this process for any other opening asset and/or liability balances.

Journal Entry

JOURNAL

Reference: _____ ☐ Reversing Journal Date: 31/12/2025

Counterparty: _____ ☒ Journal Reverse Date: _____

Memo: _____ Asset Name: Select...

ANALYSIS

ADD ITEM UNDO ITEM SAVE ITEM SUBMIT

#	Account	Debit	Credit	Memo	Fund
1	Bank Loans & Overdrafts		25,000.00		General Fund (02)
2	Transition Account	25,000.00			General Fund (02)
		25,000.00	25,000.00		



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Finally

Review the balance sheet report for the last day of the prior year. The fund balances should now reflect the new opening assets and/or liabilities.

The SoFA for the new year will show the opening Fund position.

Two more small actions are required

Close the prior year again if it was opened.

Control – Batch Jobs – Close Financial Year.

Make the Transition account inactive, it will not be needed again but it retains the transaction data for audit purposes if necessary.

Accounts – Income - Configure Account – toggle as Inactive.