V6.09 Training Manual

Standing Journals

Find the freedom to focus on what matters with Nimbus

Contents

Document Information

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Overview

Within Nimbus there can be General Ledger **Standing Journals** for batch posting of journal entries. These can be fixed dollar amounts or percentage amounts that are calculated based on other account balances.

Examples:

Overhead expenditure (i.e. electricity, telephone, rates, gas) are initially posted to a Clearing Account and then transferred monthly to the various Divisions in certain proportions, i.e. Division A gets charged 25%, Division B gets charged 15% and Division C gets charged 60%.

Purchases that cover several periods ahead (i.e. insurance, FBT, rent) are initially posted to a Prepayments Account and then allocated across the months to which it relates.

Provisions for future expenses (i.e. audit fees, taxation) are initially posted to a Provision Account in the Balance Sheet and then allocated to the Profit & Loss Statement on a monthly basis.

Internal charges (i.e. management fees) can be allocated to Divisions on a monthly basis.

Switching accounts between asset and liability types, i.e. a bank account balance can be transferred to a Liability Account for reporting purposes, if it is overdrawn.

The standing journals required must be set up before any transactions can be posted. Views may or may not need to be created. For example, a journal allocating 10% of the overhead accounts monthly balance to Division A will not require a view. However, if you want to allocate 10% of the overhead accounts monthly balance to Division A but ignore certain transactions in the overhead accounts, a view specifying the range of accounts and transactions to be used as the source of the calculation will need to be created by your Nimbus Consultant.

At run time, a **Standing Journal Type** and a **Period** are specified by the user, and all rows of the setup for that type (subject to certain conditions) are processed into a batch of GL transactions. The transactions are posted to the General Ledger and are subject to the same checking as if they were entered through the **Transaction Posting** program. The postings can be made to the specified period or to future periods.

Once set up, Standing Journals are run from the **Finance** menu, as shown below.

Preparation and Planning

As an architect designs a house before it is built, so you should also *design* a **Standing Journal Type** before you create it. To create standing journals without going through the planning stage is to invite error because a standing journal needs to be set up correctly if it is to run correctly.

Before you begin to set up a standing journal, know what it is that you want to journal. What are the requirements? What are the source documents? Where are amounts to be posted to, and in what proportion (if applicable)? Gathering the answers to these questions will help to determine the General Ledger accounts required before you begin setting up the Standing Journal.

Example:

For the purposes of these training notes our standing journal will be set up to allocate the monthly electricity bill to various Divisions in certain proportions, as follows:

DIVISION	ALLOCATION
Administration Division	25%
Engineering Division	15%
Plumbing Division	60%

Two steps are involved in setting up this particular standing journal:

1. Create the General Ledger accounts required:

    a. **Electricity Clearing Account**
        Holds the initial amount when the electricity bill is posted into Nimbus, i.e. $100. This account is cleared when the standing journal has run.

    b. **Electricity (Administration)**
        Holds the allocated amount once the standing journal has run, i.e. $25.

    c. **Electricity (Engineering)**
        Holds the allocated amount once the standing journal has run, i.e. $15.

    d. **Electricity (Plumbing)**
        Holds the allocated amount once the standing journal has run, i.e. $60.

2. Create the Standing Journal Type.

Creating the General Ledger Accounts Required

Create the Electricity Clearing Account as follows:

1. From the **Finance** menu, click on the **Setup Accounts** menu item. This opens the Chart of Accounts report. You can check this to ensure the GL account doesn't already exist.

GL Accounts Setup : Chart of Account - integration details of the GL accounts
Filter : No Filter

Refresh Report   Print ▾   Export ▾   Clear Sort   Clear Filters   Save Report Setting   Clear Report Settings

GLIndex	Division	Summary	Category	Detail	Description	Integrate Count	Bal Sheet	Report Sign
1030200	Engineer	Expenses	Vehicles		Vehicle Expenses		N	D
8040101	Admin	Expenses	Communic		Fax		N	D
1010100	Engineer	Income	Jobbing	0	Engineer Sales	1	N	C
1010110	Engineer	Income	Contract	15	Engineer Contract Sales	1	N	C
1010200	Engineer	Income	WIP	10	Work in Progress Change - Engineer		N	D
1020130	Engineer	CostSale	Plant	15	Engineer Cost of Plant	2	N	D
1020100	Engineer	CostSale	Labour	0	Engineer Cost of Labour	2	N	D
1020120	Engineer	CostSale	Material	10	Engineer Cost of Materials	16	N	D
1020110	Engineer	CostSale	Outwork	5	Engineer Cost of Sub Contractors		N	D
1030110	Engineer	Recovery	Labour	0	Engineer Wages Actual		N	D
1030100	Engineer	Recovery	Labour	5	Engineer Time Cost Recovery		N	C
2010100	Plumbing	Income	Jobbing	0	Plumbing Jobs Sales	1	N	C
2010200	Plumbing	Income	WIP	10	Work In Progress Change - Plumbing		N	D
2020130	Plumbing	CostSale	Plant	15	Plumbing Cost of Plant	1	N	D

2. Click on the New Account header link to open the General Ledger form.

3. Create the Electricity Clearing Account using the settings given below:

*Note that the above set up creates a **Balance Sheet** account i.e. by ticking the **Carried Forward** field. This is useful if the business reconciles the Balance Sheet at the end of each month, because, if the account has a balance at the end of the month, then the ledger account has not been cleared. This is a visual reminder that the standing journal has not been run at the end of the month.*

4. If the business prefers to set up the Clearing Account as an Expense account (so that it posts to the **Profit & Loss Statement** instead of the **Balance Sheet**), set the ledger account accordingly.

5. Create the Electricity account for the Administration Division if it doesn't exist.

6. Create the Electricity account for the Engineering Division if it doesn't exist.

7. Create the Electricity account for the Plumbing Division if it doesn't exist.

Standing Journal Periods

There are two period values associated with a Standing Journal.

With each Standing Journal, a period for the posting is requested and the postings are made according to the standing journal setup, as follows:

1. The period value is obtained from input at runtime, as shown in the screenshot below. This period value is used to calculate the balance of a source account (where applicable).
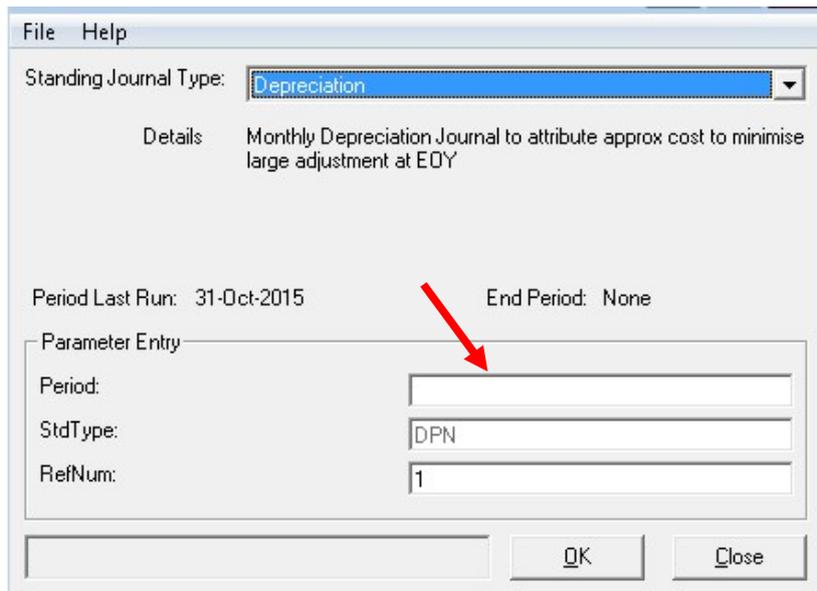

2. The period value is obtained when the posting occurs. This may be the input period, or the input period with a number of months added to it (from the **Add Months** column in the setup).
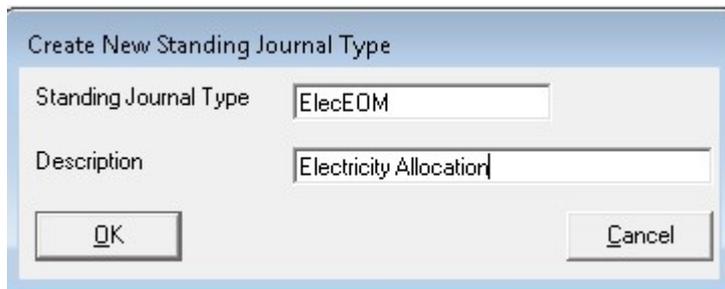
Standing Journal Types

Standing Journal Types must be set up before the Standing Journal program can be run.

To set up a **Standing Journal Type**:

1. From the **Setup** menu, click on the **Setup Apps** menu item.
2. From the list of set up programs, click on **Standing Journals Setup**.
3. The form below appears if a standing journal does not yet exist. This form allows you to set up a new Standing Journal Type.
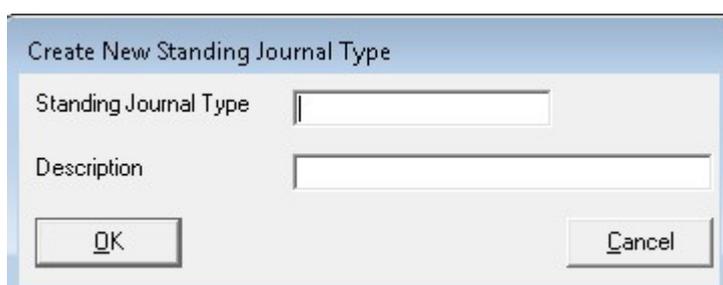
Complete the form as shown below for the electricity standing journal and then click the **OK** button.

4. If at least one standing journal exists, a form different to the one above will open. To create a new Standing Journal Type, click on the **New** button located at the bottom of the form.

This action opens the form shown in Step 3 above. Enter the **Standing Journal Type** details as above.

5. On the **Standing Journal Details** tab, enter the details for this new Standing Journal Type in the **Details** field, i.e. Electricity charges are posted to a special clearing account. At the end of the month these amounts are then allocated to all Divisions (Profit Centres) based on a set percentage allocation.
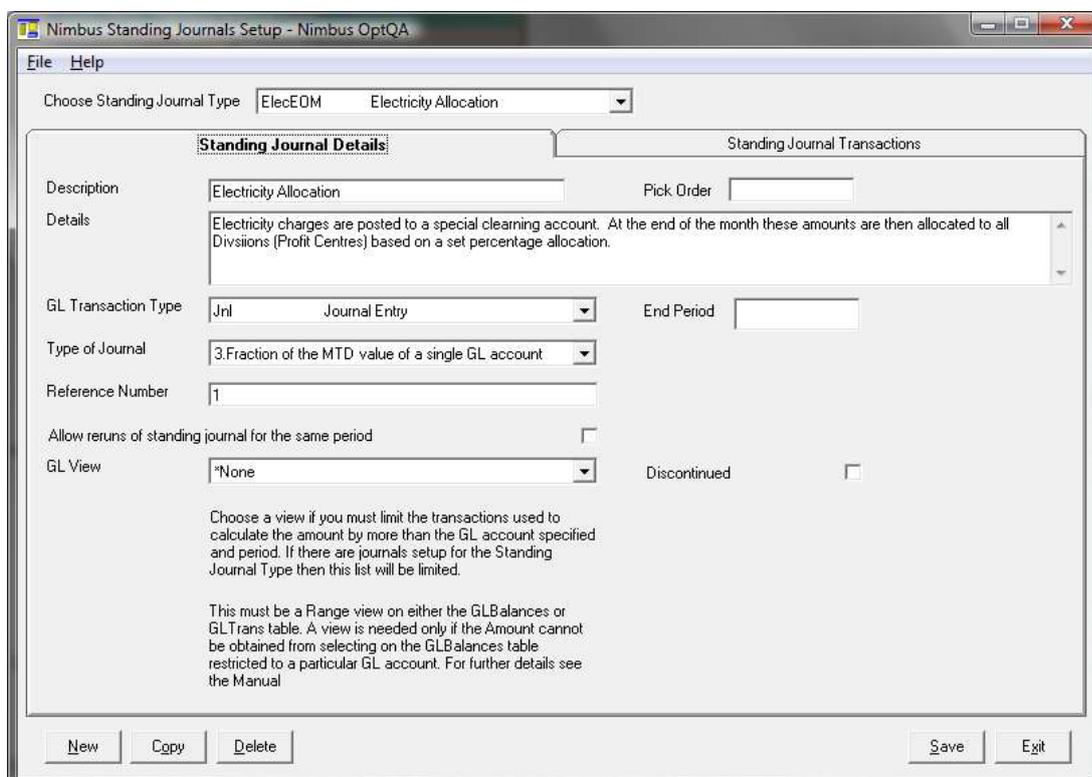
6. Using the drop-down list in the **GL Transaction Type** field, select the transaction type to be used for this standing journal. For our example, select the **Jnl (Journal Entry)** type. Note that the transaction types in the list are the same as the ones provided in the Trans Posting program (GL); refer to the training notes on this topic for more information.

Note:
- The posting sign and all the settings on the GL Transaction Type i.e. Jnl are used when posting.

- If the **GL Transaction Type** has a GST Account specified, then for each line in the Journal Transactions a GST amount is calculated from the Amount of the line (assumed GST exclusive), and the GST rate of the GSTCode of **the general ledger account** of the line. If this **is a transaction** type that has a balancing account, then the period totals will be posted to the balancing account and it does not have to be set up in the journal. The posting to the balancing account will not be **shown when the Test** button is used on the **Standing Journal Transaction** tab.

- If this is a compulsory zero type (Journal) then the journal lines must add up to zero per period. This is not checked until the journal is run, but the result can be seen when the **Test** button is used.

7. Should the Standing Journal only be relevant for a certain period of time i.e. a Hire Purchase agreement that runs for 2 years, enter the last period that you wish the Standing Journal to be able to run in the **End Period** field. If you try and run the Standing Journal after this date, you will receive the following type of message:
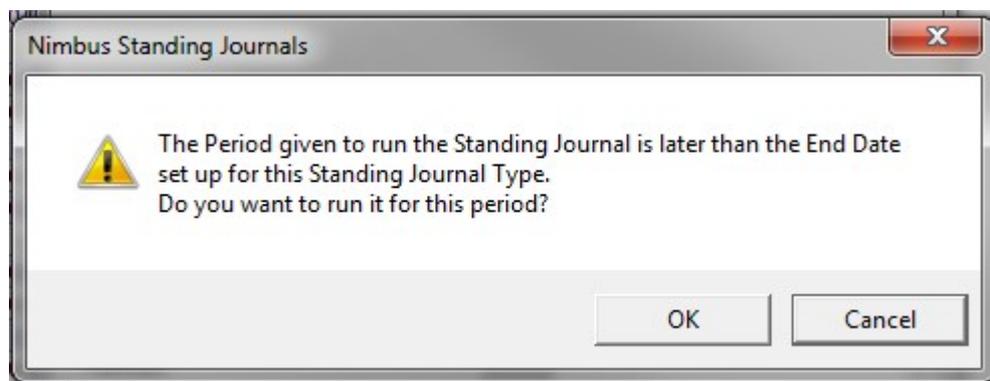
8. Using the drop-down list in the **Type of Journal** field, select the journal type to be used for this standing journal. For our example, select the **3. Fraction of the MTD value of a single GL account** type (explained below).

Various types are shown in the **Type of Journal** list. Once the **Standing Journal Type** has been saved, the list will be limited to the types that apply to this setup and can only be switched between MTD and YTD options. The Fixed Dollar type has no other options.

1. Fixed Dollar Amount
- Requires the destination account and amount. A view is not required.
- The lines in the journal must add up to zero (check this with the Test button).

2. Fraction of the YTD value of a single GL account
3. Fraction of the MTD value of a single GL account
- This journal type could be used for apportioning overheads of single accounts.

- Requires the source and destination accounts and the factor (percentage), and a restriction can be applied to post only if the source account balance is Debit or Credit.
- The posting is only done to the destination account. The source account is only used to look up the MTD or YTD balance. If not all of the transactions in the account are to be used to determine the posting amount, then a view is required. Ask you Nimbus Consultant to create the view for you if you are unfamiliar with Viewmaker. The MTD or YTD balance is as at the period entered at runtime.

**4. Fraction of the YTD value of a group of GL accounts**
5. Fraction of the MTD value of a group of GL accounts.

- The MTD or YTD balance is as at the period entered at runtime.
- This journal type amalgamates several account balances into one journal, according to the view, and could be used for apportioning overheads of a group of accounts. A view is required and it must provide the range of accounts that will be totalled to provide the value to which the factor will be applied. Ask you Nimbus Consultant to create the view for you if you are unfamiliar with Viewmaker.
- Requires the destination accounts and the factor (percentage), and a restriction can be applied to post only if source is Debit or Credit.

9. Enter a reference in the **Reference Number** field if applicable. This will be posted to the General Ledger for every line in the journal. For our example, leave this field blank.

10. The **Allow Reruns of Standing Journal for the Same Period** box can be ticked, if applicable. For our example, leave this box unticked.
    - If this option is ticked then the journal can be run for the same period or for an earlier period, subject to GL period control. If this option is NOT ticked then the journal can only be run for a period later than the previous run, subject to GL period control.

    - If the journal contains a period that is outside the allowable open periods, it will either stop with a warning and nothing will be posted, or it will continue and adjust the periods according to the period control warning flag from the transaction type.

11. Select a GL View from the drop-down list if applicable. The use of a view depends on the **Type of Journal** used, as explained in Step 7 above. For our example, leave this field showing ***None**.

12. Click the **Save** button to record the Standing Journal Type.

Standing Journal Transactions

The next step is to set up the Standing Journal Transactions, as follows:

1. Following on from above, select the **Standing Journal Transactions** tab, as shown below.
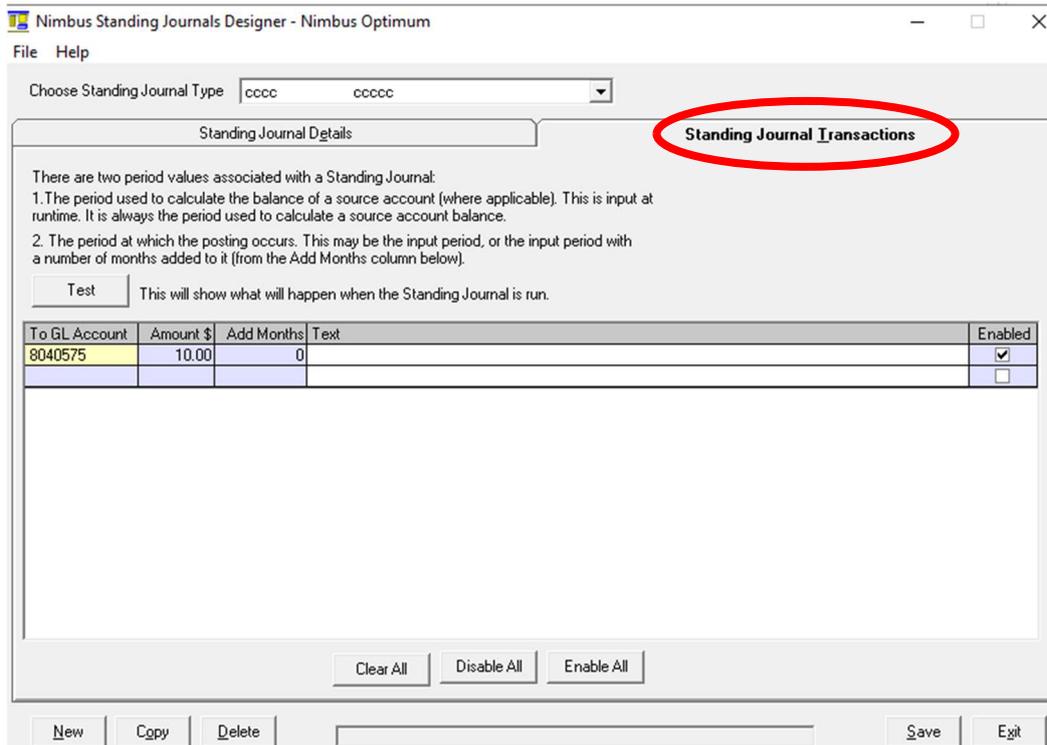
2. Using the drop-down list in the **Choose Standing Journal Type** field, select the standing journal you want to set up the details for. For our example, choose the ElecEOM (Electricity Allocation) type.

3. Enter the standing journal transactions as shown below.
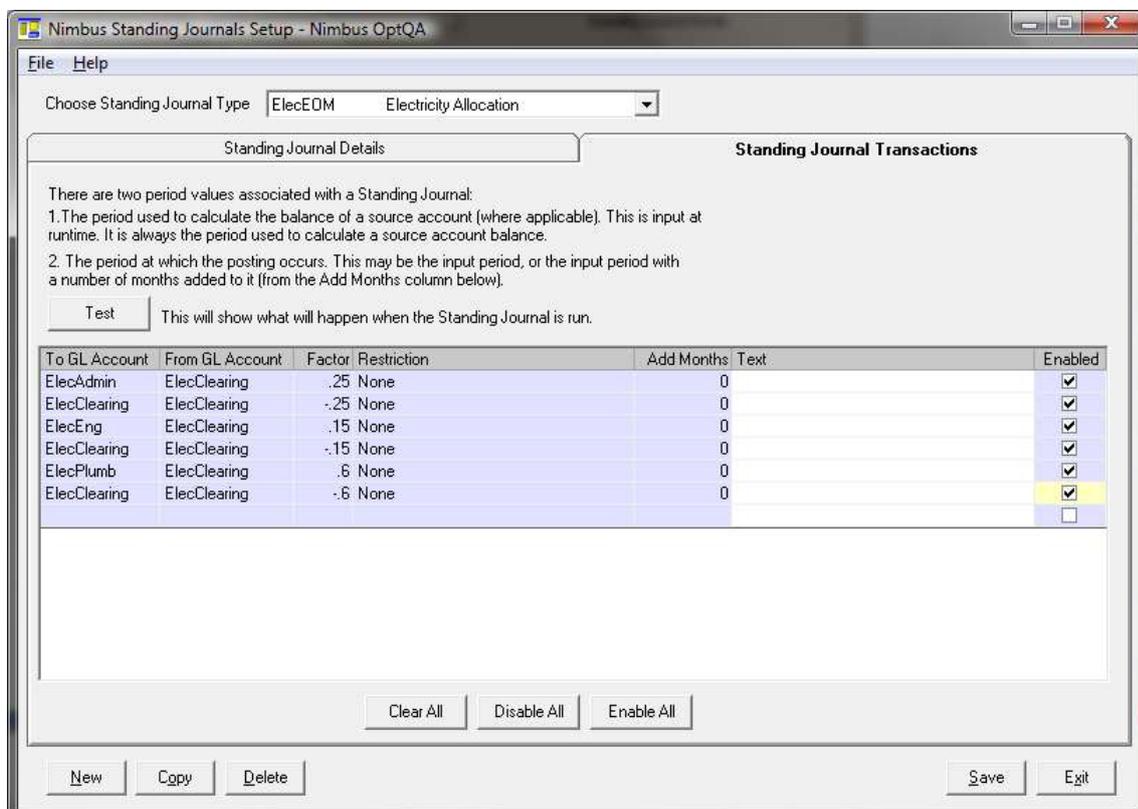
Note that each part of the journal is entered as a minus & plus rather than 3 pluses & one minus.

4. Depending on the type of journal specified on the **Standing Journal Types** tab, certain columns will be enabled or not. The available columns are:

– **Amount**
Required for a Fixed Dollar amount journal. The sign is determined by the GL Transaction Type being used for the journal. The standard JNL transaction type is a debit posting, therefore the sign is positive for a debit and negative for a credit. Where GST is a factor, ensure that the amount entered is GST exclusive.

– **To GL Account**
The destination account that the entry will be posted to. The total for a GL batch must be zero for any period, so there needs to be a balancing account.

– **From GL Account**
The source account that will be used to calculate the amount according to any restrictions applied. Nothing is posted to this account. If a posting is required, then it must be entered as another line.

– **Factor**
This is a number between -1 and +1, and is entered as a decimal. It is multiplied by a calculated account balance (or total of a range of accounts) to provide the amount of the transaction. Its use depends on the journal type. If no factor is entered, the default will be 1.

  · A factor is not required for the Fixed Dollar Amount journal type; however a factor is required by the other four types.

  · Journal Type 2 or 3 (Fraction of the MTD or YTD value of a single GL account) will apply the factor to the value of the "From GL Account", and post the result to the "To GL Account".

  · Example: The first line goes to the ElecAdmin account. This means that a factor of 0.25 will post 25% of the Electricity account to the Admin Division. Nothing is posted to the Electricity account, and this posting must be done on a separate line using a negative factor.

  · Journal Type 4 or 5 (Fraction of the MTD or YTD value of a group of GL accounts). A view must provide the range of accounts (the "From" accounts), and the factor will be applied to the total value of those accounts.

  · Example: If the first line goes to Division A, a factor of 0.25 will post 25% of the total of the accounts in the view to Division A.

– **Restriction**
This allows the posting to only occur if the source account balance is Debit or Credit. If there is no restriction the line will always post as long as the amount calculates to nonzero.

– **Add Months**
Whether the Period specified at runtime is to be modified for that transaction, i.e. if 2 is entered here then the period of the transaction will be 2 months after the period entered at runtime. This field says how many months are to be added to the period, so allows for the spreading of amounts into future periods. NOTE: Months can only be added, not subtracted.

– **Enabled**
Lines can be disabled temporarily for testing etc. without having to delete them. A line must be marked Enabled or it will be excluded from the run. Use the **Disable All** button to disable all lines. Use the **Enable All** button to enable all lines.

– **Test**
This runs the view that the Standing Journal uses (W_GLStandingJournal) and asks for the period and Standing Journal Type (only the period will be requested at runtime).

5. Right click on the grid for options to **Insert**, **Copy** or **Delete** a row.

6. The lines in the journal are selected according to the view, and processed as a batch. This means that if a MTD or YTD balance is being used more than once within the journal, its balance is not affected by any postings.

7. If this is a compulsory zero type (Journal), check that the overall total is zero. Also check that the total per period is zero. In our example, check that:

– The positive numbers in the factor column equal 100%.

– The negative numbers in the factor column equal 100%.

– That the total factor column equals 0%.

8. If this is a Standing Journal Type that has a balancing account, the posting to the balancing account will not be shown when the **Test** button is pressed. Only the posting lines will be shown and the total will be posted to the balancing account. The signs shown in the enquiry are taken from the Standing Journal lines and are correct if the GL transaction type is a debit posting.

9. Click **Save** to record the standing journal details. Your standing journal is now ready to run.

Test by Entering a Creditor Invoice

To demonstrate how the standing journal will operate, you will first need to enter a creditor's invoice. For the best demonstration of how a standing journal works, refresh the test database and then clear transactions in your test database. This will allow you to see how the standing journal entry works after each step. If you do not know how to refresh the test database and clear transactions, don't worry. Just proceed to the next step as you will still see how a standing journal works. (WARNING: Do not clear transactions unless you know what you are doing; the process is irreversible if you clear live data in error.)

To enter a Creditor Invoice:

1. From the **Creditor** menu, click on the **Trans Posting** menu item.

2. Using list select the **Invoice** transaction type to open the Invoice grid. Enter the invoice details given below using a current date.

3. Click the **OK** button to record the invoice transaction.

4. From the **Finance** menu, click on the **Trial Balance** menu item to view the Creditor Invoice entry posted. A debit entry to the Electricity Clearing Account has been posted.

Running the Standing Journal

Once the Standing Journal has been set up and a Creditors Invoice has been posted, the standing journal can be run it as part of your EOM or EOY procedures, as follows:

1. From the **Finance** menu, click on the **Standing Jnls** menu item.

2. Select the **Standing Journal Type** from the drop-down list. For our example, use the Electricity Allocation type.

3. Enter the period the standing journal is to be posted to in the **Period** field. The transaction date will be the same as the period date. Click **OK**.

The RefNum displayed is the default Reference that was entered in the Standing Journal Set up. If you wish to change the RefNum for this Run e.g. SJElec1111 then overtype the default.
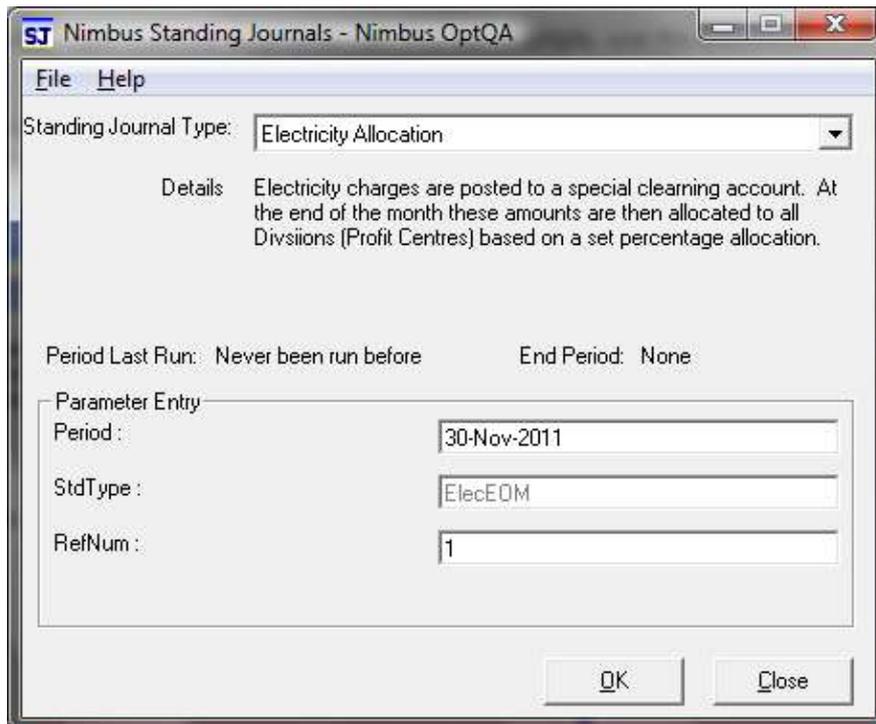
4. The posting is made according to the setup of the **GL Transaction Type** that the journal uses. A dialog box indicates if the standing journal ran successfully or not.
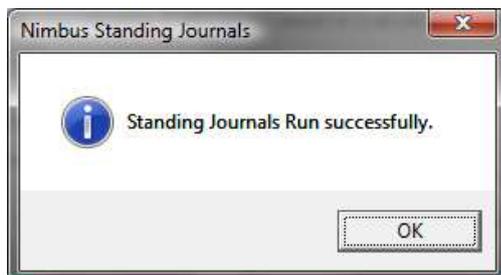
5. If the journal contains a period that is outside the allowable open periods, it will either stop with a warning and nothing will be posted, or it will continue and adjust the periods according to the period control warning flag from the transaction type.

6. All lines in the journal are assembled and then posted. This means that if apportioning is being done based on the balance of an account, i.e. the electricity account example above, no postings are done until the batch has been calculated.

7. From the **Finance** menu, click on the **Posting Audit** menu item to view the journal entry posted. Alternatively do an enquiry on either of the accounts affected.

8. When running Standing Journals the batch is given a unique **Batch No**.

To see all entries in a Batch run the GL Postings report.

1. From the **Finance** menu select **Posting Audit**.

Branch	▼ Batch No	Period	Trans Date	DateTime Posted	Posted by	Ledger	Trans Type	GL Account	Ref No	Amount	Notes
							jnl				
HO	5	31/10/2014	30/10/2014	01/11/2014 22:52	Brian		Jnl	1010200	1	-$6,700.00	
HO	5	31/10/2014	30/10/2014	01/11/2014 22:52	Brian		Jnl	9010150	1	$6,700.00	
HO	4	31/10/2014	30/10/2014	01/11/2014 22:50	Brian		Jnl	1010200	01	$2,350.00	WTD

Click on **Batch No** to filter and see all items in a batch.

Other Uses

Standing Journals can be set up for a variety of uses. Examples, together with the setup, are given below.

Example 1: Switch Bank Account between Asset and Liability
This puts the Bank account balance into a liability account for reporting purposes, if it is overdrawn. The GL Transaction type is an auto reversing journal, so that the balance gets copied back to the asset account in the following period.

In the **Standing Journal Transactions** (tab) set up the journal ledger as follows:

To GL Account	From GL Account	Factor	Restriction	Add Months	Text	Enabled
BankOD	BankC	1	Do if source a/c bal is CR(-)	0	Transferred from Assets report	Y
BankC	BankC	-1	Do if source a/c bal is CR(-)	0	Transfer to Liabilities report	Y

Example 2: Future Spreading
Sales or purchases that cover several periods ahead can be journaled forward using the **AddMonths** field. For example, Rent of $3000 was paid in August to cover September, October and November. This can be spread across the months to which it relates, using an **Asset** account. This is a Type 3 - Fraction of the MTD value of a single GL account and the view contains a filter to ensure that it looks up the correct transaction in the **Rent** account (it could have been done as a type 4 with the Rent account specified in the view). The **From** account uses the Rent account as the view selects a specific transaction in this account. If the **RentAdvance** account was used as the **From** account the 2 transfers to future months would not get posted because the **RentAdvance** account would not have any balance until after the journal was run.

In the **Standing Journal Transactions** (tab) set up the journal ledger as follows:

To GL Account	From GL Account	Factor	Restriction	Add Months	Text	Enabled
RentAdvance	Rent	1	None	0	Rent paid in advance	Y
Rent	Rent	-1	None	0	Rent transferred to Asset a/c	Y
Rent	Rent	0.5	None	1	Rent for first month	Y
RentAdvance	Rent	-0.5	None	1	Rent transferred to first month	Y
Rent	Rent	0.5	None	2	Rent for second month	Y
RentAdvance	Rent	-0.5	None	2	Rent transferred to second month	Y

Example 3: Apportioning Overheads
Overheads accumulate in several accounts (i.e. Power, Phone, Rates etc.) and are transferred monthly to various divisions in certain proportions, i.e. Div A gets charged 20%, Div B 50% and Div C 30%. To avoid rounding errors these need to be done in pairs of positive and negative calculations as shown. In this example the phone account is being apportioned and could result in a small balance left over. A separate standing journal could be run to transfer 100% of the phone account to a dept. and clear any small balances.

In the **Standing Journal Types** (tab) use the **4. Fraction of the MTD value of a group of GL accounts** Journal Type, and the **From** accounts are specified within the GL View.

In the **Standing Journal Details** (tab) set up the journal ledger as follows:

To GL Account	From GL Account	Factor	Restriction	Add Months	Text	Enabled
102062500	PhoneOA	0.67	None	0	67% of phone account	Y
PhoneOA	PhoneOA	-0.67	None	0	67% transferred to Dept A	Y
103062500	PhoneOA	0.03	None	0	3% of phone account	Y
PhoneOA	PhoneOA	-0.03	None	0	3% transferred to Dept B	Y
104062500	PhoneOA	0.02	None	0	2% of phone account	Y
PhoneOA	PhoneOA	-0.02	None	0	2% transferred to Dept C	Y
105062500	PhoneOA	0.23	None	0	23% of phone account	Y
PhoneOA	PhoneOA	-0.23	None	0	23% transferred to Dept D	Y
107062500	PhoneOA	0.05	None	0	5% of phone account	Y
PhoneOA	PhoneOA	-0.05	None	0	5% transferred to Dept E	Y