

MoneyCounters

Master Your Money with



by
James Clarke

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Special thanks to every one at Belgium Avenue Neighbourhood House, Richmond, Victoria for their support.

About the Author

James Clarke has been a Certified MYOB Consultant since 1993. He first started working with MYOB version 3 just when it was first ported from the Apple Macintosh to Windows.

He worked for many years part time with the MYOB Support Team, trained new MYOB Support Team staff and as a technical writer. Among other qualifications, James has a Graduate Diploma in Business (Accounting) as well as a Bachelor of Arts with a major in Legal Studies. He is also a fully licenced Estate Agent and BAS agent.

Says James, the Author - 'I've written about and worked with MYOB for many years. My first book being "Master your money with M.Y.O.B." in 1993. I've seen the Australian company go from being the distributor of the original Teleware MYOB program to becoming the owner of the software. I've seen the company change from private hands to a public company and back again numerous times. I've also seen the emphasis move away from the Apple platform so now the program is no longer being actively updated on the platform.

I've see the huge change to a subscription model along with increasingly restrictive licensing restrictions make MYOB less attractive to my clients. Hence my efforts with Manager.'

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1 Introduction

Many Not For Profits and smaller businesses have used MYOB AccountEdge on the Mac or older versions of MYOB on the PC to run their accounts. MYOB Pty. Ltd. has been slowly changing direction to an expensive subscription model and have stopped developing the Mac version, so desktop versions can no longer run on current Mac operating systems. After extensive research, I found Manager to be an excellent and free replacement for most of MYOB's functions. When combined with the free Payroller software for payroll, all your needs should be covered.

Here we are pretending to account for a brand new business with Manager, so we don't have any opening balances. You will run through all the transactions you are likely to encounter in your day to day work. We will also look at Manager and how it could be used to run a Not for Profit organisation and keep track of grants and projects. From time to time we will compare an MYOB system to Manager.

2 How to use this course

The course is written in a format where it can be used as both a Self Paced and Instructor Lead course. When used as Self Paced read all the instructions and note the step by step activities are in ***Blue writing***. For example:

1 / Add Business / Create a file / Create New Business

When used with an Instructor, you will be able to complete the course by simply following your instructor and the ***Blue*** instructions.

3 About Manager Accounting Software

Manager is developed by the private company - NGSoftware Pty. Ltd based in Sydney. The software is actively developed with new features appearing regularly.

The software has two versions, desktop which is completely free to use on Mac, Windows and Linux computers, while the Cloud version is about \$50 per month for unlimited users and data files. Manager has a comparable feature set to MYOB, but not all features are covered here.

The software can be downloaded from: <https://www.Manager.io>

4 Starting and Setting up a Business in Manager

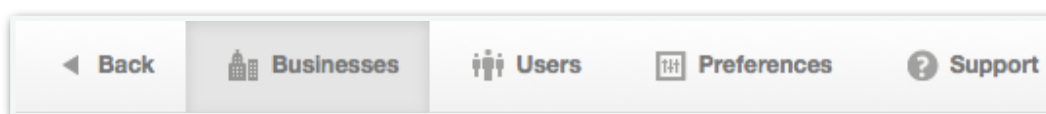
We are setting up a very simple business that will grow in complexity. We will go through various preferences and customisation settings that tend to be scattered around the Manager interface. So, having installed and launched Manager, go to the top of the Manager window, second Tab Business, Add Business, Create New Business.

EXERCISE 1

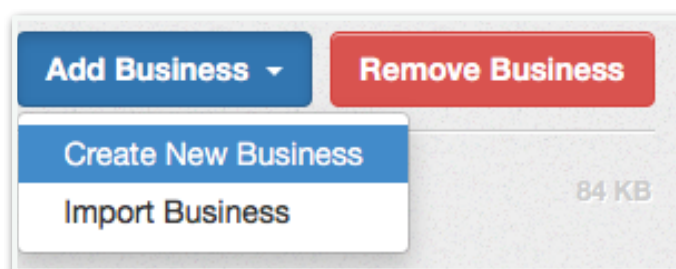
CREATE A NEW MANAGER DATA FILE.

The first step is to create a new data file for our business. Select the business function at the top of the Manager window and add a new business.

1 / Businesses

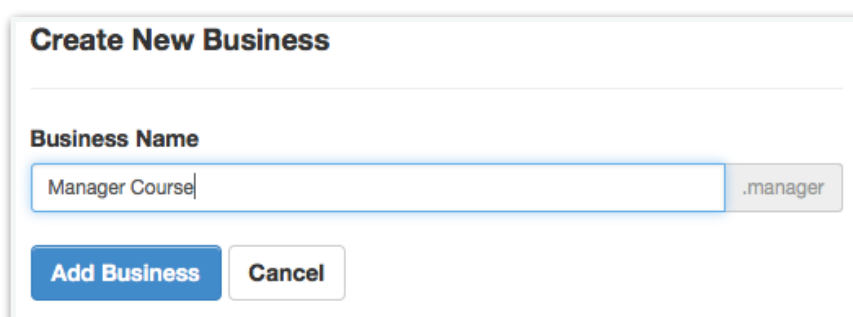


2 / Add Business / Create New Business



You will be taken to a new screen where you name your business and Add it.

3 / Business Name - Manager Course / Add Business



A new window will open with a short list of commands down the left hand side. We are currently on the Summary screen. The list will grow as we add functions to Manager. This is similar to the MYOB Command Centre.

Preferences

With any software you can often gain useful information by looking around at preferences, customisation and setup settings, so this is where we will start.

EXERCISE 1

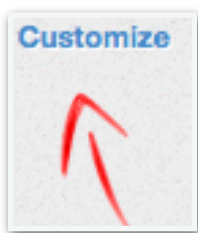
EXAMINE AND ADJUST PREFERENCES

Examine the Preference settings and if required adjust the Date format and notice where the Application Data is stored. Click Back, if you get lost and click Businesses to reopen your Business

1 / Preferences / Top Menu bar

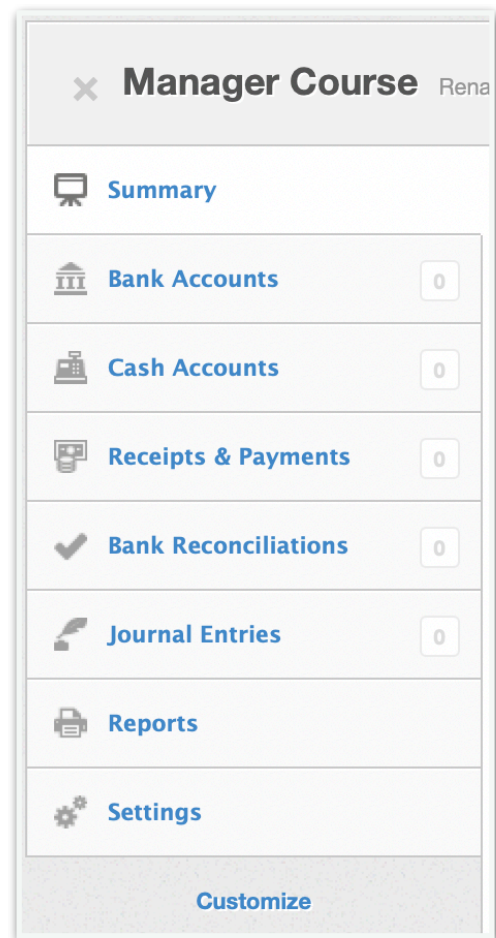
2 / Back (to reopen your file)

Customize



The Customize button is located on the bottom left hand side

This is where you activate the various functions the program can use. Very few users will need all the functions.



EXERCISE 1

CUSTOMIZE TO ACTIVATE FUNCTIONS

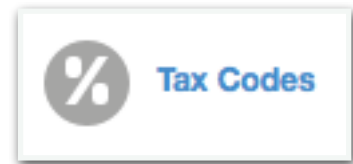
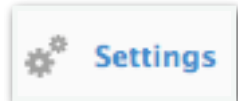
Here we want to activate Bank accounts, Cash Accounts, Receipts & Payments and Bank Reconciliations.

1 / Customise / Bank accounts - Tick / Cash Accounts - Tick / Receipts & Payments - Tick / Bank Reconciliations - Tick / Scroll to the bottom and click Update

It's worth noting that Manager only allows one window open at a time unless run in a Web Browser.

5 Settings and Loading Tax Codes

Go to Settings down the left hand side and simply note there may or may not be a setting called Tax Codes. Manager uses a system whereby various country tax codes and settings are imported into a Manager system. So, if you do not see the setting for Tax Codes, you will need to find them and this might mean you will need to go to the Manager site - Localisations.



EXERCISE 1

FIND AND IMPORT COUNTRY LOCALIZATIONS

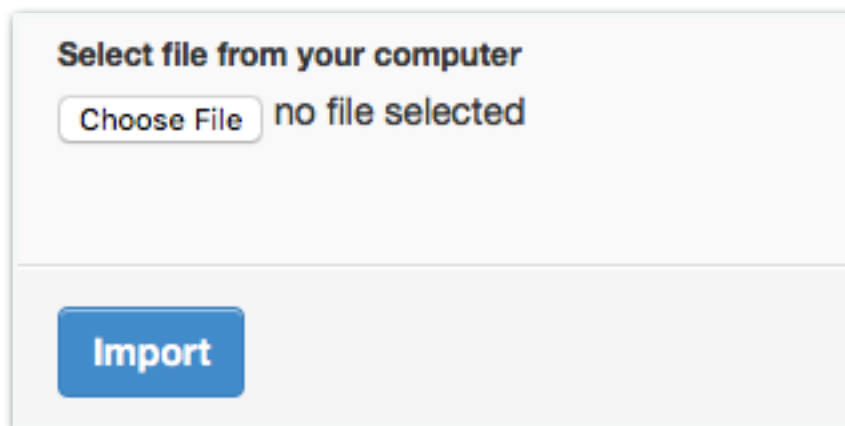
Here we already have the required files stored in your Course / Settings to import folder. The file we want to import is called "GST Calculations Worksheet.json".

We will assume you cannot see the Tax Codes, so click Import (right hand corner of the Settings screen) so we can locate the GST Calculations worksheet.

1 / Settings / Import (Right hand side) - Click

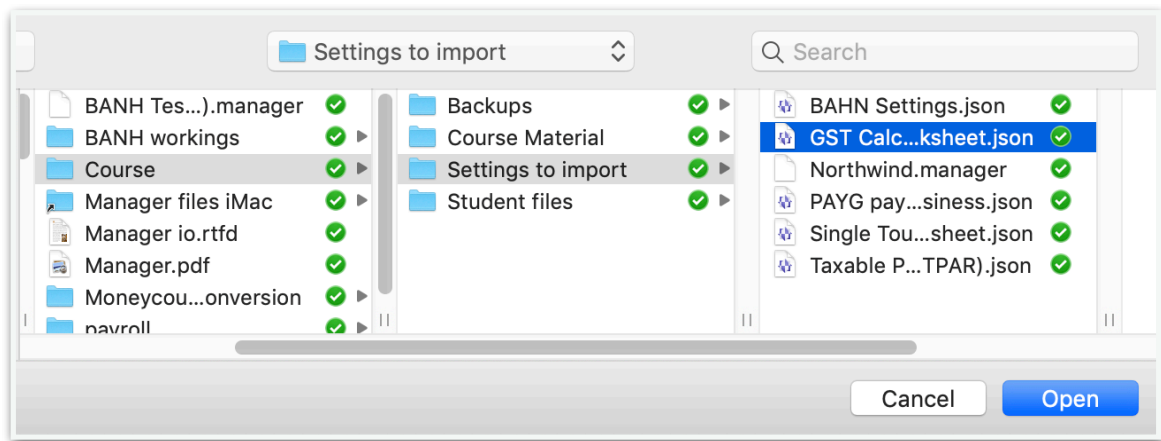


2 / Choose file - Click

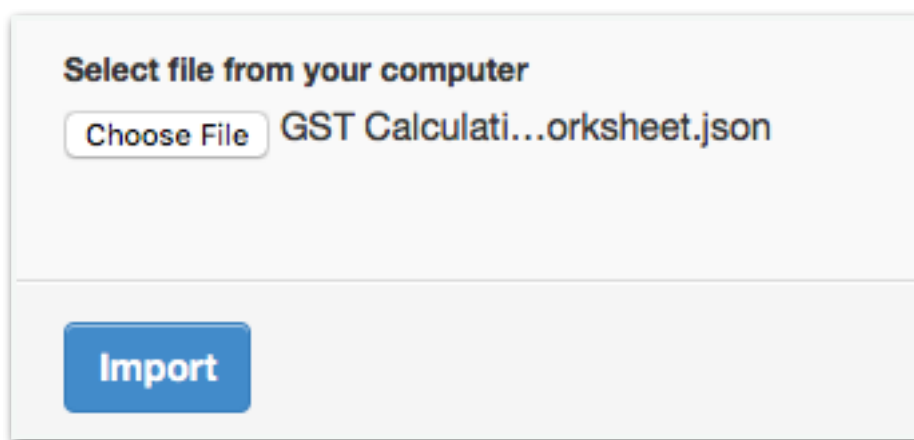


You are now taken to a regular Open dialogue box.

3 / Locate the folder - Course / Settings to import / the file - GST Calculation Worksheet.json / Open - Click



4 / Import - Click



This imports a GST worksheet and various GST Tax codes.

You should now see the "Tax Codes" button. We will come back to the Tax codes and other settings later.

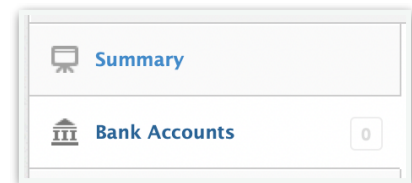
6 Bank, Chart of Accounts and Tax Codes

Unlike MYOB where the Chart of Accounts (Accounts List) is easily found, Manager has it scattered around and is harder to navigate and set up, but it does offer some very useful features that MYOB lacks. The functions for Bank Accounts, Cash Accounts and Chart of Accounts equate to what MYOB has in its Chart of Accounts. Here we are going to setup a Bank Account, set up GST codes and create a few accounts. Complete these tasks:

EXERCISE 1

CREATE A BANK (CHEQUE) ACCOUNT

1 / Bank Accounts / New Bank Account / Name - Cheque account / Create



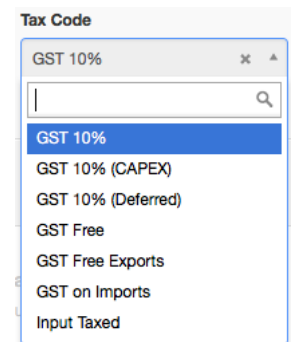
Manager allows you to use codes like MYOB for accounts, but it is optional.

EXERCISE 2

EDIT DEFAULT TAX CODES - CHART OF ACCOUNTS

Set up GST Default codes on income and expense accounts. Go into Settings / Chart of Accounts / P&L Statement. Edit every P & L accounts' default tax code.

1 /Settings / Chart of Accounts / Profit and Loss Statement (Right hand side) / Edit - All Accounts / Tax Codes set As appropriate / Update



EXERCISE 3

CREATE ACCOUNT - EQUITY "OWNERS CAPITAL" NO TAX (N-T)

We are setting up the accounts for a Sole Trader, so we need an Owner's Capital account.

1 /Settings / Chart of Accounts / Balance Sheet (Left hand side) / New Account / Name - Owner's Capital / Group - Equity / Tax Code - No tax / Create

EXERCISE 4

CREATE MAJOR HEADING GROUP - OTHER EXPENSES

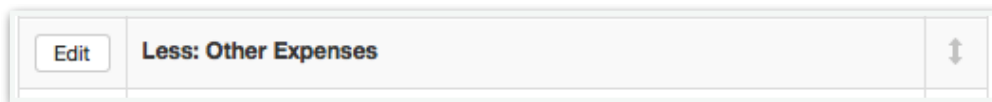
Although Manager's manual does not talk about Major and Minor headings, think of the minor ones as Headers in MYOB and major ones along the lines of major classifications such as Income, Expenses and Cost of Sales. Manager is far more flexible than MYOB with these classifications.

1 / Setting / Chart of Accounts / Profit and Loss Statement / New Group / Name - Other Expenses / Expenses - Tick / Group - Uncategorized / Create

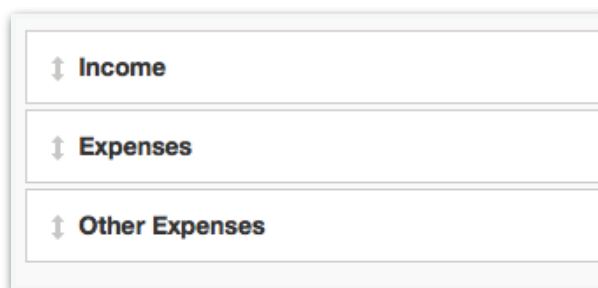
EXERCISE 5

REARRANGE MAJOR HEADING GROUP - OTHER EXPENSES

In Manager new uncategorised groups appear at the top of the lists. The up-down arrow to the right of the group allows the group to be repositioned. We want our new Other Expenses group to appear at the bottom of the Profit and Loss Statement.



When you click the arrow (don't try and move it, but click on it), you are taken to a new window where you can click and hold on the arrow to move the group.



1 Settings / Chart of Accounts / Profit and Loss Statement / Less: Other Expense / Click on up-down arrow / New window / Click and drag up-down arrow to the bottom of the list / Update

Less: Other Expenses should now appear below the Telephone account.

Edit	Repairs and maintenance	↕
Edit	Telephone	↕
Edit	Less: Other Expenses	↕

EXERCISE 6

CREATE ADDITIONAL ACCOUNTS - DRAWINGS AND INTERNET

We need to create a Drawings account under Less: Other Expenses and an Internet account under Less: Expenses

1 / Setting / Chart of Accounts / Profit and Loss Statement / New Account / Name - Drawings / Group - Other Expenses / Tax Code - No Tax / Create & add another

2 / Name - Internet / Group - Expenses / Tax Code - GST 10% / Create

Should Drawings be under Equity or Expenses?

EXERCISE 7

CREATE MINOR HEADING GROUP - COMMUNICATIONS

Minor headings are like MYOB's standard headings. We want to group together our Internet and Telephone expenses.

1 / Setting / Chart of Accounts / Profit and Loss Statement / New Group / Name - Communications / Expenses - Leave Unticked / Group - Expenses / Create

2 / Setting / Chart of Accounts / Profit and Loss Statement / Edit - Telephone / Group - change to Expenses - Communications / Update

3 / Setting / Chart of Accounts / Profit and Loss Statement / Edit - Internet / Group - change to Expenses - Communications / Update

EXERCISE 8

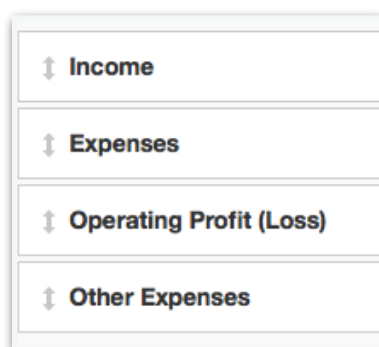
CREATING TOTALS

Normally you would expect an Operating Profit (Loss) figure to show above any Other Expenses or Income, but here we only have the Net Profit showing at the very end of the report. We want to see what is happening in the Summary screen and then make some changes to the Chart of Accounts

1 / Summary / Net Profit - shows below other expenses, Operating Profit not is seen

2 / Setting / Chart of Accounts / Profit and Loss Statement / New Total / Name - Operating Profit (Loss) / Create

3 / Setting / Chart of Accounts / Profit and Loss Statement / Operating Profit (Loss) / Up-down arrows - move so it sits above Less Other Expenses / Update



↑ Income
↑ Expenses
↑ Operating Profit (Loss)
↑ Other Expenses

4 / Summary / Operating Profit (Loss) - shows above other expenses

7 Cash Accounting Transactions

We are now ready to enter some simple cash accounting transactions. If you were doing your own personal accounts or running a simple club, this and a reconciliation is probably all you need. We have set up our file, our Chart of Accounts and now we will use the Receipts and Payments functions. If you want to know more about Cash Accounting see our other material, but it should suffice to say that Cash Accounting records income when the money is received and spent as opposed to an invoice being received or sent.

NOTE:

We are not worried about dates. Just leave the date field set to today.
Transactions are Tax Inclusive and the Default tax codes are fine.

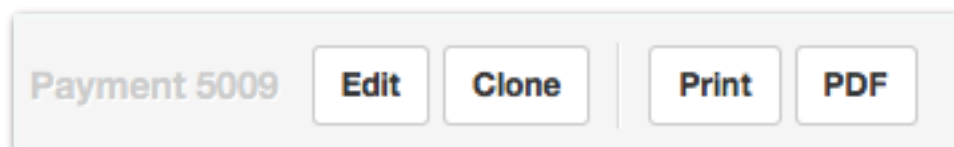
EXERCISE 1

RECEIPTS & PAYMENTS - CAPITAL INJECTION

You make a capital injection of \$8,000 to the business. Use New Receipt in Receipts & Payments.

1 / Receipts & Payments / New Receipt / Date - Today / Type - Receipt / Reference - Automatic - Tick or press Space / Account - Cheque account / Status - Cleared / Date - Blank / Payer - Blank / Description - Capital injection / Account - Owner's Capital / Description - Blank / Qty - Blank / Unit price - 8000 / Amount - Calculated / Tax - Default - No tax / Amounts are tax inclusive - Ticked / Create

When you press create you are given a View of the Receipt. At the top are Edit, Clone, Print and PDF buttons. Later these become important.



There are a few points to note here.

- Pressing tab will always take you to the first field, then move to the next field
- The date will Default to Today's date which is fine for the exercises
- Type Receipt can be change to Payment by pressing the down arrow
- The Space bar will often activate Tick boxes
- Top Account field refers to the bank account, select via the down arrow or type Cheque. Typing the name will populate the field
- Status can be changed with the down arrow - Leave as cleared
- Date can be left Blank
- Lower Account field refers to the allocation account
- Qty can be left Blank
- Unit price refers to the amount of the cheque

- Tax will Default to the account's setting and can be changed
- All transactions here are inclusive unless other expressly noted
- Shift Tab reverses your tabbing direction

EXERCISE 2

RECEIPTS & PAYMENTS - PAY RENT. CHQ 5001

We have just written cheque number 5001 to Maison Real Estate for \$1,500. Use Payments and set the Reference - the cheque number to 5001.

1 / Receipts & Payments / New Payment / Date - Today / Type - Payment / Reference - 5001 / Account - Cheque account / Status - Cleared / Date - Blank / Payer - Maison Real Estate / Description - Rent / Account - Rent / Description - Blank / Qty - Blank / Unit price - 1500 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked / Create & add another

EXERCISE 3

RECEIPTS & PAYMENTS - PAY TELEPHONE CHQ 5002 - AUTO

The \$550 telephone account falls due, payable to Phonecom. Set the Reference to Auto. When the Reference Tick box field is active, press the Space Key to make it Active, Manager will automatically enter cheque 5002

1 / Date - Today / Type - Payment / Reference - Auto (Tick or press space) / Account - Cheque account / Status - Cleared / Date - Blank / Payer - Blank / Description - Phone / Account - Telephone / Description - Blank / Qty - Blank / Unit price - 550 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked / Create & add another

EXERCISE 4

RECEIPTS & PAYMENTS - SPLIT TRANSACTION CHQ 5003 - AUTO

We have purchased goods to the value of \$225 from Pride Office Supplies. The purchase was made up of printing & stationery to the value of \$150 and computer accessories to the value of \$75.

This means we will need to add an extra Account allocation line. The space key will activate the Add line button, but you will either have to shift tab or use your mouse to go backward to enter the account field.

1 / Date - Today / Type - Payment / Reference - Auto / Account - Cheque account / Status - Cleared / Date - Blank / Payer - Blank / Description - Stationery and computer parts / Account - Printing and stationery / Description - Blank / Qty - Blank / Unit price - 150 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked

2 / Either Tab to the Add line and press space, or click the arrow and select Add line

3 / Account - Computer equipment / Description - Blank / Qty - Blank / Unit price - 75 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked / Create & add another

There are a few points to note here.

- Unlike MYOB where you state the value of the cheque early in the transaction, Manager doesn't do this, but totals the cheque at the end
- This means it does not always Auto Balance transactions and can be a bit tricky when editing transactions

EXERCISE 5

RECEIPTS & PAYMENTS - DRAWINGS \$450 CHQ BLANK

You draw \$450 from the business from an ATM. Leave the Reference field Blank.

1 / Date - Today / Type - Payment / Reference - Blank / Account - Cheque account / Status - Cleared / Date - Blank / Payer - Blank / Description - Drawings / Account - Drawings / Description - Blank / Qty - Blank / Unit price - 450 / Amount - Calculated / Tax - Default - No tax / Amounts are tax inclusive - Ticked / Create & add another

Why are we using No tax and not GST or FRE (GST free) for Drawings?

EXERCISE 6

RECEIPTS & PAYMENTS - OFFICE EQUIPMENT CHQ 5004 - AUTO

We have purchased a computer system for \$3,000 from the reputed firm - Quick Jimbo Computers. Ideally we want to allocate it to an Asset Account - Office Equipment - GST 10% (CAPEX), but we don't have the account set up. Unlike MYOB, Manager doesn't generally have the ability to have multiple windows open at the same time and update lists. This limits its ability to create new accounts, cards etc as you are working. We have 2 choices.

- Click on Settings / Chart of Accounts and create the new account. Then return to the Payments section and start the transaction again, or
- Continue entering the transaction and allocate it to the Suspense Account, then create the account and reallocate the transaction later.

Here we are going to allocate it to the Suspense account and fix the problem later.

Enter a computer purchase for \$3,000 from Quick Jimbo Computers and allocate it to Suspense.

1 / Date - Today / Type - Payment / Reference - Automatic / Account - Cheque account / Status - Cleared / Date - Blank / Payer - Quick Jimbo Computers / Description - Blank / Account - Suspense / Description - Blank / Qty - Blank / Unit price - 3000 / Amount - Calculated / Tax - Default - No tax / Amounts are tax inclusive - Ticked / Create & add another

What is a Suspense account?

EXERCISE 7

RECEIPTS & PAYMENTS - VOID A CHEQUE CHQ 5005 - APP

You make a mistake filling out cheque number 5005. Void it. All you are doing here is entering a Zero value cheque. Mark the description - Void.

1 / Date - Today / Type - Payment / Reference - Automatic / Account - Cheque account / Status - Cleared / Date - Blank / Payer - Blank / Description - Void / Account - Suspense / Description - Blank / Qty - Blank / Unit price - Blank (Zero) / Amount - Calculated / Tax - Default - No tax / Amounts are tax inclusive - Ticked / Create

You should now see the Payment View showing cheque 5005 for \$zero.

8 Suspense Account

The suspense account is the place where transactions are allocated because the system is set up improperly, you don't have an account ready or you don't know where a transaction should go. It's Manager's "I don't know" account.

Click on Summary and have a look for the Suspense account in the Equity section. It should show \$3,206.82. Click (Drill) on the blue number and you will see it is made up of our GST and Computer purchase transactions. This is because we deliberately allocated the Computer here and because we forgot to create a GST account and link it to our Tax codes. We need to fix the problems by creating an Asset Account for Office Equipment, a Header Account for Taxes and a GST Paid & Collected account for the GST tax codes.

1 / Summary / Suspense / Drill into the account

You can now see the account (ledger) for the Suspense account.

EXERCISE 1

CREATE NEW ACCOUNTS

We need to clean up the Suspense Account. First we need an Asset Account for Office Equipment, a Header Account for Taxes and a GST Paid & Collected account for the GST tax codes.

1 / Setting / Chart of Accounts / Balance Sheet / New Account / Name - Office Equipment / Group - Assets / Tax Code - GST 10% (CAPEX) / Create

2 / Setting / Chart of Accounts / Balance Sheet / New Group / Name - Taxes / Group - Liabilities / Create

3 / Setting / Chart of Accounts / Balance Sheet / New Account / Name - GST Paid & Collected / Group - Liabilities - Taxes / Tax Code - No Tax / Create

EXERCISE 2

LINK GST TAX CODES

As you saw, all the GST transactions were allocated to the Suspense account. We are going link the new GST account to the tax codes which will correct the Tax entries.

1 / Settings / Tax Codes / Edit - GST 10% / Account - change the Account from Suspense to GST Paid & Collected / Update

2 / Repeat for GST 10% (CAPEX) and GST on Imports. Have a look at the other Tax codes, but no changes are required.

EXERCISE 3

CORRECT COMPUTER PURCHASE

We need to correctly allocate the Computer purchase from our friends at Quick Jimbo Computers.

1 / Summary / Suspense / Drill into the account

2 / Edit - Payment 5004 for 3,000 / change allocation to Office Equipment / Update

3. / Summary / Suspense

The Suspense account should now disappear from the Summary screen.

Warnings

- The void cheque is still in the Suspense account and it can stay there.
- Changing the GST Tax codes linked accounts changed where the money was allocated. You need to be aware that Manager works like this
- Any changes made to a tax code will affect all existing transactions
- So, if GST increased to 15% you would need to create a new GST code at 15% and make the old 10% one inactive
- MYOB does not retrospectively go back and change existing transactions, but Manager does. This is neither good nor bad, just a different behaviour you must know.

9 BreadCrumbs

You should also notice along the top of the window Manager shows a bread crumb trail of where we are and for navigation. This is why most instructions use this format.

[Settings](#) / [Chart of Accounts](#) / [Profit and Loss Statement Account](#) — Edit

[Summary](#) / [Cash at bank](#) / [Cheque Account](#) / [Inter Account Transfer](#) — Edit

10 Petty Cash

How you handle petty cash will depend on the size of your business, how many people have access to the cash and how security conscious you are. Here we are keeping it simple for our sole trader. The trader doesn't have a petty cash tin, but simply pays for items from their pocket. The receipts are totalled up and recorded against a Petty Cash account. The overdrawn amount in Petty Cash represents the total to come back to Drawings, which is where the money came from in the first place.

We need to create a Petty Cash, Cash account and turn on "Inter Accounts Transfer" which we will use later for paying off credit cards.

1 / Cash Account / New Cash Account / Name - Petty Cash / Create

2 / Go back to Summary and notice a new Asset area called "Cash on Hand". Our petty cash is in here.

3 / Customise / activate the "Inter Account Transfers" / Update at the bottom of the screen.

EXERCISE 1

RECEIPTS & PAYMENTS - MULTIPLE PETTY CASH EXPENSES \$134

Using the same technique as used for writing cheques, enter these expenses on one split transaction. Select the "Petty Cash" account and the expenses include GST.

\$45	Repairs and maintenance
\$14	Printing and stationery
\$50	Motor vehicle expenses
\$25	Computer equipment

1 / Receipts & Payments / New Payment / Date - Today / Type - Payment / Reference - Blank / Account - Petty Cash / Payer - Blank / Description - Petty Cash / Account - Repairs and maintenance / Description - Blank / Qty - Blank / Unit price - 45 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked

2 / Add line

3 / Account - Printing and stationery / Description - Blank / Qty - Blank / Unit price - 14 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked

4 / Add line

5 / Account - Motor vehicle expenses / Description - Blank / Qty - Blank / Unit price - 50 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked

6 / Add line

7 / Account - Computer equipment / Description - Blank / Qty - Blank / Unit price - 25 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked / Create

Why is a cleared status field missing?

EXERCISE 2

RECEIPTS & PAYMENTS - REIMBURSE PETTY CASH

Look at the Summary page. Cash at bank is now overdrawn by \$134. Remember, we are keeping things simple for our sole trader. The trader has used Drawings to pay these expenses, so here we can balance the Petty Cash account from Drawings by making a deposit. If we were topping up a Petty Cash tin we would withdraw money from the bank to put in the tin. If this were the case we could either enter a payment from the cheque account and allocate it to the Petty cash account or use the "Inter Account Transfers" function. We will use this soon.

1 / Summary / Cash on hand / Drill -134 / Petty Cash -134 / Drill

2 / Receipts & Payments / New Receipt / Date - Today / Type - Receipt / Reference - Blank / Account - Petty Cash / Payer - Blank / Description - Top up petty cash against drawings / Account - Drawing / Description - Blank / Qty - Blank / Unit price - 134 / Amount - Calculated / Tax - Default - No tax / Amounts are tax inclusive - Ticked / Create

3 / Summary / Cash on hand / Drill / Petty Cash - 0 / Drill

You can now see the petty cash ledger.

Discuss ways to handle petty cash.

11 Credit Cards and Inter Account Transfers

Credit Card transactions are entered in exactly the same way as Cheques and Petty cash transactions. About the only time you will have difficulties is if the Credit Card is used for private purchases. In these cases, the private portion should be allocated to Drawings or a similar account.

The tricky part in Manager is setting up the Credit card which is more complicated than MYOB. Luckily we don't have to do this often.

If we were are happy to have the Visa show as a negative asset, we would just create another bank account, but we want the Visa card to show under our liabilities. To make this happen, we need to create what Manager calls a "Custom Control Account" which is different to the Header accounts we made earlier. It is well worth reading the manual as "Custom Control Accounts" can be used in some very useful ways. Follow the steps:

1 / Bank Accounts / New Bank Account / Name - Visa / Create

2 / Settings / Control Accounts / Bank Accounts / New Control Account / Name - Credit Cards / Group - Liabilities / Create

We now need to tell Manager to make the new Visa account part of the Credit Cards Control Account.

3 / Bank Accounts / Edit Visa / Control account - Credit Cards / Update

Look at the Summary screen. We can now use the Visa account.

EXERCISE 1

RECEIPTS & PAYMENTS - CREDIT CARD PURCHASES.

Enter these transactions against the Visa account. Use a separate transaction for each entry. Use the default tax codes.

\$65 Company Stationery - Printing and Stationery.
\$10 Donation to favourite charity - Donations
\$100 Night on the town - Drawings
\$850 Foxy Computers Repairs - Computer Equipment

1 / Receipts & Payments / New Payment / Date - Today / Type - Payment / Reference - Blank / Account - Visa / Status - Cleared / Date - Blank / Payer - Blank / Description - Stationery / Account - Printing and stationery / Description - Blank / Qty - Blank / Unit price - 65 / Amount - Calculated / Tax - Default - GST 10% / Amounts are tax inclusive - Ticked / Create & add another

2. / Repeat for the remaining transactions.

EXERCISE 2

INTER ACCOUNT TRANSFERS - MAKE A PAYMENT TO THE VISA CARD

Transferring money from one bank style of account can be done through Receipts, Payments and the “Inter Account Transfers” function. Here we are going to pay \$100 off the Visa card from the cheque account via the later function.

1 / Inter Account Transfers / New Inter Account Transfer / Date - Today / Reference - Blank / Description - Visa payment / Paid from - Cheque / Amount - 100 / Status - Pending / Received in - Visa / Amount - 100 / Status - Pending / Create

12 Multiple Cheque, Petty Cash & Visa Entries

Enter the following transactions. You will need to create some Accounts to complete the exercises. Where no account exists, enter the transaction and allocate it to the Suspense account. When the transactions have been entered, create the accounts you need, edit the Suspense transactions and reallocate them.

Use the default Tax codes.

EXERCISE 1

RECEIPTS & PAYMENTS - CHEQUES 5006 - 5008

These are cheques entered via the Receipts & Payments function

\$585 Megawater - Suspense - requires a new "Rates" account. Chq 5006

\$120 Ultra Cleaning Services - Suspense - requires a new "Cleaning" account. Chq 5007

\$450 Drawing - Drawings. Chq 5008

EXERCISE 2

RECEIPTS & PAYMENTS - PETTY CASH CHEQUE ACCOUNT

These are Petty cash entries entered via the Receipts & Payments function. It doesn't matter if you enter them as separate transactions or one split transaction.

\$45 Postage - Suspense - requires a new "Postage" account

\$15 Printing and Stationery

\$30 Repairs and maintenance

EXERCISE 3

RECEIPTS & PAYMENTS - REIMBURSE PETTY CASH

This needs to be entered as a receipt via the Receipts & Payments function.

\$90 Reimburse Petty Cash from Drawings

EXERCISE 4

INTER ACCOUNT TRANSFERS - MAKE A PAYMENT TO THE VISA CARD

Enter this via the Inter Account Transfers function.

\$450 Payment to Visa from Cheque Account

EXERCISE 5

SUSPENSE ACCOUNT AND NEW ACCOUNTS

When you have completed the entries look at the Summary - Suspense is -750. Create new accounts and reallocate the transactions. You will need accounts for:

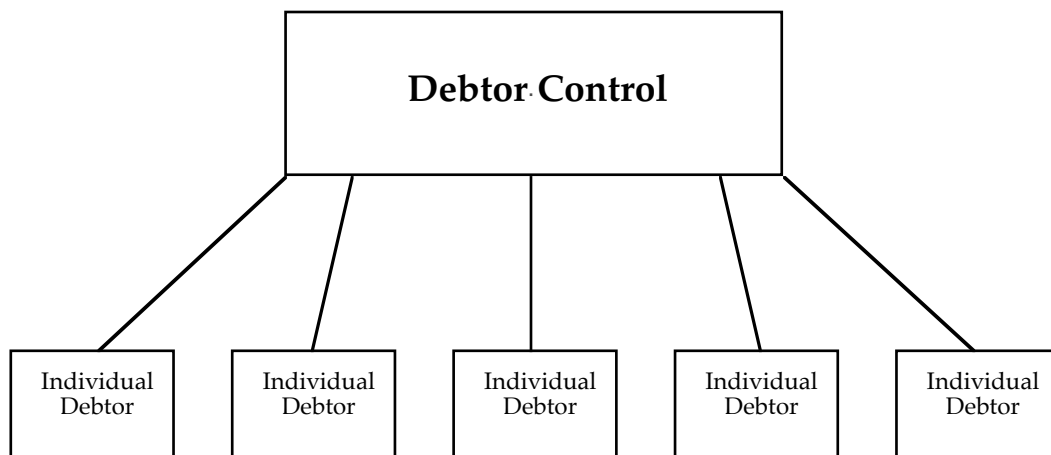
Rates - GST Free, Cleaning - GST 10% and Postage - GST 10%

13 Sales - Understanding Debtors

Accounting systems consist of Debtors and Creditors Control Accounts. These Control Accounts form part of the core system in the Balance Sheet and attached to these Control Accounts are Debtors and Creditors Subsidiary Accounts. These Subsidiary Accounts rarely appear on final reports, but are periodically reconciled to the Control Accounts.

The Accounts Receivable (Debtors) and Payable (Creditors) accounts in the Chart of Accounts are Manager's Control Accounts and these are created automatically when required. The terms "Accounts Receivable" and "Accounts Payable" are synonymous with "Debtors" and "Creditors". Also the terms "Accounts" and "Ledgers" are also synonymous.

Manager's Customers and Suppliers card systems are its Subsidiary Accounts system.



Manager's treatment of Debtors and Creditors is very different and less transparent than MYOB's. It requires analysis which we can do by way of example. First turn on the Sales Invoice module.

1 / Customise / Sales Invoices - Tick / Update

We are now going to enter an invoice for \$1,000 plus GST on our first invoice.

Note: All prices are GST Exclusive, that is plus GST unless otherwise noted.

EXERCISE 1

SALES INVOICES - CREATE AN INVOICE

Bill (Invoice) Adams for 5 hours for computer advice at \$150 per hour

1 / Sales Invoices / New Sales Invoice / Invoice Date - Today / Due date - Blank / Invoice Number - Automatic / Order number - Blank / Customer - Adams / Billing address - Blank / Description - Lots of computer advice / Account - Sales /

Description - Lots more advice / Qty - 5 / Unit Price - 150 / Amount - Calculates \$750 / Tax - Default GST / Other fields - Take a mental note of them / Create

You should now see the Sales Invoice - View showing a total of \$825, erroneously Paid in Full.

EXERCISE 2

SUMMARY - SUSPENSE ACCOUNT

Look at the Summary screen, you should notice something peculiar in the Suspense account.

1 / Summary / Suspense

Manager has posted the transaction to the Suspense account, which is telling us there is a problem with our set up. In fact, whenever you see something in the Suspense account, Manager is telling you there is a problem.

You should also notice the absence of an Accounts Receivable account. Money has been posted to Sales, GST and Suspense where we should post to Sales, GST and Accounts Receivable. We need to fix this now.

EXERCISE 3

ENGAGE DEBTORS SUBSIDIARY LEDGERS

We need to turn on the Debtors Subsidiary Ledger function, we do this by turning on the Customer function.

1 / Customise / Customers - Tick / Update

The Debtors Subsidiary Ledger system is now fully engaged.

EXERCISE 4

CREATE CUSTOMER

We now need a Customer - Debtor, which is Adams.

1 / Customer / New Customer / Name - Adams (Leave the rest Blank) / Create

EXERCISE 5

SUMMARY - CORRECT THE INVOICE

We need to tell Manager that the invoice in the suspense account belongs to Adams.

1 / Summary / Suspense / Drill / Edit - Sales Invoice - 1

Although we used the name “Adams” when we originally entered the invoice, Manager ignored the name.

2 / Enter “Adams” into the Customer field / Update

3 / Return to the Summary screen

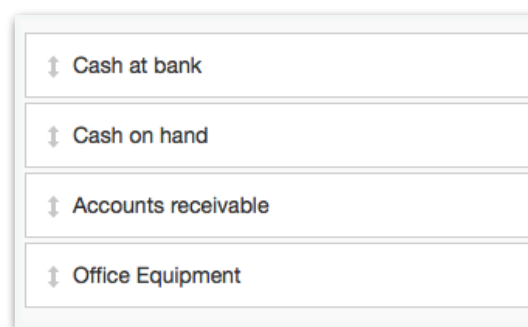
You should see “Accounts receivable” at the top of the Balance Sheet. The invoice now is now unpaid.

EXERCISE 6

ADJUST CHART OF ACCOUNTS - MOVE THE ACCOUNTS RECEIVABLE ACCOUNT

Our finicky accountant prefers to see the Accounts Receivable located between Cash on hand and Office Equipment. Adjust its location.

1 / Settings / Chart of Accounts / Click the up-down arrow right of - Accounts receivable / Move the Account down / Update / Summary



EXERCISE 7

NON-INVENTORY ITEMS - SELLING A SERVICE

Although Manager can handle a full inventory system, we are going to look at its Non-Inventory items as a way to speed up data entry. This is akin to using a non-inventory item in MYOB on an Item Invoice where you would sell a service by the hour.

1 / Settings / Non-inventory Items / New Non-inventory Item / Item code - Blank / Item name - Advice / Unit Name - Hour / Description - Computer Advice

We need to tell Manager that the item can be used on invoices by ticking the selling option. If we wanted to use it on purchases we would tick the purchase option.

2 / This item can be purchased - Blank

3 / This item can be sold - Tick the box

New fields are now displayed which need completing.

4 / Sales price - 150 / Account - Sales / Tax Code - GST 10% / Create

Non-inventory Item

Item code: Optional Item name: Advice Unit Name: hour × ▾

Description: Computer Advice

☐ This item can be purchased
☒ This item can be sold

Sales price: 150 Account: Sales × ▾ Tax Code: GST 10% × ▾

Create Create & add another

EXERCISE 8

SALES INVOICES - NON INVENTORY ITEM INVOICE

Bill Adams 10 hours for computer advice using the Advice item with Default values.

1 / Sales Invoices / New Sales Invoice

Look closely at the invoice. Manager has now created an extra field within the selling details section of the invoice. The first invoice to Adams it showed Account then Description. Now it shows Item, Account then Description. You may need to make your screen wider. Enter the following information:

2 / Invoice Date - Today / Due date - Blank / Invoice Number - Automatic / Order number - Blank / Customer - Adams / Billing address - Blank / Description - Blank / Item - Advice/ Account - Defaults to "Sales" and cannot be edited

3 / Description - Defaults to "Computer Advice". Press the "Down" arrow on your keyboard, this should jump you insertion point to the end of "Advice". Add some additional text.

4 / Qty: 10 / Unit Price: Defaults to \$150, but it can be changed / Amount - Calculates \$1,500/ Tax - Should Default to GST / Create

You should now see an invoice for \$1,650.

EXERCISE 9

SALES INVOICES - CREATE NON INVENTORY ITEM INVOICE, CREATE CUSTOMER

Bill Clivedon \$50 for interest he owed you

Here we are creating invoice which could be described as a free form invoice. We don't have an Item for Interest and we don't want to create one. We also don't have a Customer entry for Clivedon, so we need to create one.

1 / Customers / New Customer / Name - Clivedon / Other fields Blank / Create

2 / Sales Invoices / New Sales Invoice

Enter the following information:

3 / Invoice Date - Today / Due date - Blank / Invoice Number - Automatic / Order number - Blank / Customer - Clivedon / Billing address - Blank / Description - Blank / Item - Blank / Account - Interest received / Description - Interest / Qty - Blank / Unit Price - 50 / Amount - Calculates 50 / Tax - GST Fee / Create

EXERCISE 10

REPORTS - SUMMARY

Go back to the summary screen and drill into the various account balance figures. Spend a few minutes looking around.

EXERCISE 11

SETTING UP QUOTES - ORDERS - INVOICES - NEW ITEM CREATE A HARDWARE SALES ACCOUNT

Adams asks for a quote on a new computer system.

We need to set up Manager to allow quoting and orders. We also want to create a new Non Inventoried Item for Hardware and link this to a new Sales account for Hardware sales. We will start by creating the Hardware sales account.

1 / Settings / Chart of Accounts / Profit and Loss Statement / New Account / Name - Hardware / Group - Income / Tax Code - GST 10% / Create

EXERCISE 12

CREATE A NON INVENTORIED HARDWARE SALES ITEM

We need an Item to sell.

1 / Settings / Non-inventory Items / New Non-inventory Item / Item code - Blank / Item name - Hardware / Unit Name - Blank / Description - Blank

2 / This item can be purchased - Blank

3 / This item can be sold - Tick the box

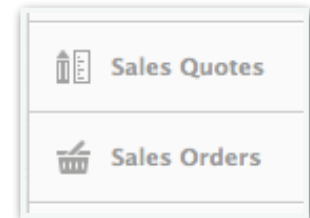
4 / Sales price - Blank / Account - Hardware / Tax Code - GST 10% / Create

EXERCISE 13

SETUP QUOTES & ORDERS

We need to tell Manager to allow for Quotes and Orders

1 / Customize / Sales Quotes - Tick / Sales Orders - Tick / Update



Two new functions will appear in the left hand menu system.

EXERCISE 14

CREATE QUOTE

You quote Adams \$1,750 for the computer and \$450 for installation plus GST.

The procedure is very similar to entering a sale and if the quote is accepted we will need to convert the quote to an order and then to an invoice.

1 / Sales Quotes / New Sales Quote

Enter the following information:

2 / Issue Date - Today / Reference - Automatic / Customer - Adams / Billing address - Blank / Description - Blank / Item - Hardware / Description - Cohuna Computer / Qty - 1 / Unit Price - 1750 / Amount - Calculates 1750 / Tax - GST 10%

3 / Add line - Create a new line / Item - Advice / Description - Computer Installation / Qty - Blank / Unit Price - 450 / Amount - Calculates \$450 / Tax - GST 10% / Create

The total value of the quote should be \$2,420.

Return to the Summary screen. As no sale has been made, the Summary has not changed.

EXERCISE 15

CREATE ORDER FROM A QUOTE

Adams accepts the quote, but requires additional software installation so installation is now \$550 plus GST.

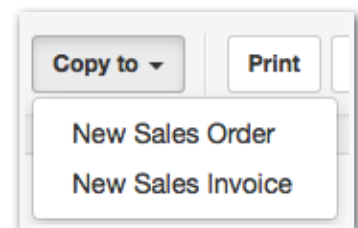
We need to convert the quote to an order.

1 / Sales Quotes / View the Adam's quote

You should now see the printable quote. Look along the top of the screen and note the Edit, Clone, Copy to, Print and PDF functions. Select the Copy to function and select New Sales Order.

2 / Copy to / New Sales Order

3 / Adjust the Advice Unit Price from \$450 to \$550 / Create



The total value of the order should be \$2,530.

EXERCISE 16

CREATE SALE FROM AN ORDER

We have now delivered and installed the computer, so we need to convert the order to an invoice.

1 / Sales Orders / View the Adam's order

2 / Copy to / New Sales Invoice / Create

EXERCISE 17

CLEAN UP QUOTES AND ORDERS

Unlike MYOB which can automatically delete quotes and orders when converted, Manager does not. So we need to delete the remaining quote and order.

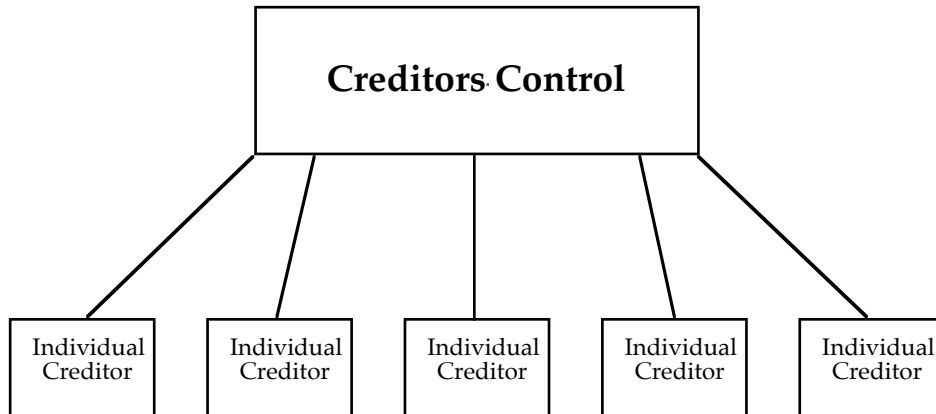
1 / Sales Quotes / Edit the Adam's quote / Delete / Are you sure? - Yes

2 / Sales Orders / Edit the Adam's order / Delete / Are you sure? - Yes

14 Purchases - Understanding Creditors

The techniques you learned using the Sales apply to the Purchases.

Remember the terms “Accounts Receivable” and “Accounts Payable” are synonymous with “Debtors” and “Creditors”. Also the terms “Accounts” and “Ledgers” are also synonymous.



EXERCISE 1

SETUP PURCHASES

First turn on the Purchases Invoice and Suppliers modules.

1 / Customise / Purchase Invoices - Tick / Suppliers - Tick / Update

You can see our function list is becoming longer as we add items.

EXERCISE 2

CREATE SUPPLIER

1 / Suppliers / New Supplier / Name - Zachary (Leave the rest Blank) / Create

Accounts payable will appear on the summary screen when you create your first supplier as happened with customers and accounts receivable.

EXERCISE 3

ADJUST CHART OF ACCOUNTS - MOVE THE ACCOUNTS PAYABLE ACCOUNT

Our finicky accountant prefers to see the Accounts Payable located between Credit Cards and Taxes. Adjust its location.

1 / Settings / Chart of Accounts / Click the up-down arrow right of Accounts payable / Move the Account down / Update

15 Cost of Sales - Making a Purchase

As the business is selling hardware, we should create a Cost of Sales header account and a Hardware purchases account. This will allow us to track our variable and fixed costs and show a gross profit on sales.

What is the difference between Direct and Fixed Costs and why is this important?
What is a Break-even analysis?

EXERCISE 1


CHART OF ACCOUNTS - CREATE COST OF SALES ACCOUNTS

We need a Cost of Sales header account and a Hardware purchases account.

1 / Settings / Chart of Accounts / Profit and Loss Statement / New Group / Name - Cost of Sales / Expenses - Tick the box / Group - Blank / Create

As you saw earlier, Manager allows you to create Top Level header accounts that are on the same level as Assets, Liabilities, Equity, Income and Expenses.

2 / Less: Cost of Sales / Up-down arrow - move it down between Income and Expenses / Update

	Name	
Edit	Income	↑↓
Edit	Hardware	↑↓
Edit	Interest received	↑↓
Edit	Sales	↑↓
Edit	Less: Cost of Sales	↑↓
Edit	Less: Expenses	↑↓
Edit	Accounting fees	↑↓

We now need a Hardware Purchases account within the Cost of Sales area.

3 / Profit and Loss Statement / New Account / Name - Hardware Purchases / Group - Cost of Sales / Tax Code - GST 10% / Create

EXERCISE 2

NON-INVENTORY ITEMS - EDIT HARDWARE

Although Manager can handle a full inventory system, we are going to stay with Non Inventoried items, but we would like to know how many units we buy and sell. We can do this by editing our existing Hardware item.

1 / Settings / Non-inventory Items / Edit - Hardware / Tick - This item can be purchased - Tick

New fields appear

2 / Purchase price - Blank / Account - Hardware Purchases / Tax Code - GST 10% / Update

We can now use the Hardware item for Sales and Purchases.

EXERCISE 3

PURCHASE INVOICE - CREATE NON INVENTORY ITEM INVOICE

Zachary sold us the Cohuna Computer we sold to Adams on credit. We paid \$1,200 plus GST.

1 / Purchase Invoices / New Purchase Invoice

Enter the following information:

2 / Invoice Date - Today / Due date - Blank / Invoice Number: 975 - this is Zachary's invoice number / Supplier - Zachary / Description - Blank / Item - Hardware / Account - Hardware Purchases / Description - Cohuna computer / Qty - 1 / Unit Price - 1200 / Amount - Calculates 1200 / Tax - GST 10% / Create

You should now see a Purchase order for \$1,320

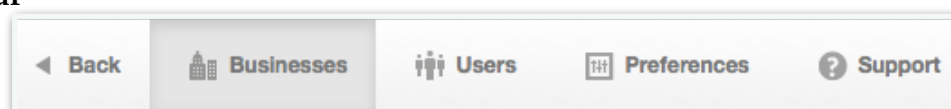
Note: Quotes and Orders work the same way as with Sales. Also items can be directly purchased and sold through the Receipts and Payments system. MYOB and most accounting software do not allow this.

16 Customising Manager for the way you work

Before we receive our Debtors payments, we should take a moment and customise some aspects of Manager. You have probably come across something things you don't like about the program. Fortunately some of the niggles can easily be fixed. So it's worth spending time to find out where the settings are kept as they are all about the place.

This is in part because Manager is not really a native Mac or Windows program, but more a wrapper around a web interface which talks to an SQLite database. Everything it does is contained within its window.

The Top Bar



Back - very useful for going back through the screens that you have opened.

Businesses - Unlike many accounting software programs, Manager freely allows you to have as many data files (Businesses) as you like for little or no cost. MYOB used to allow this up to version 13, then they started putting limits as to how many data files you could create.

Here you can add a business by creating a new one and import an existing manager file. So, I might backup my file, email it to my Tax accountant who would then import the file into their own Manager system. You can also Remove and compact a business.

Over time your datafile will increase in size, but you can compact the file by clicking on the grey size area. Here the "Course Material" file is 68 KB in size. Clicking on the 68 KB will compress it.

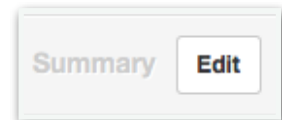


Users - Relates to Manager's cloud edition which costs about \$50 per month for multiuser and multiple businesses. If you prefer, you can even host your own file. You can find out more by clicking the Learn More button.

Preferences - Here you can set the number format, date format, first day of the week and where you data files are stored. For example you could store your file on DropBox and share the file amongst different computers where only one user works at a time. If you need multi-user, then you need the Cloud version.

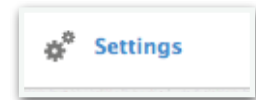
Support - links to Manager's website and help files.

Summary - Edit - The Summary screen has a very easy to overlook setting in the top left hand corner of its window.



Here you can change from Accrual to Cash accounting, show balances for a specified period and exclude zero balances. In other words, set it for the current financial year.

Settings It is well worth spending time in Settings. The **Learn how** to context help feature will often answer any queries you may have. Looking here can give you a good sense of Manager's features.



- Bank Rules - useful when importing bank statements which we will do soon
- Base Currency - Manager can work with multiple currencies
- Business Details - complete your address details here
- Business Logo - manager does allow quite a bit of forms customisation such as invoices and purchase orders, but you do need some html experience. Here you can easily import your logo to add to your invoices.
- Chart of Accounts - remember this is here
- Control Accounts - in sophisticated accounting setups, having an ability to work with control accounts is very helpful. We used this for the Visa account.
- Custom Fields - you have probably already noticed that compared to MYOB, Manager can seem very sparse. Here you can add say a Delivery address to an invoice and customer and much more.
- Email Settings - Manager can send invoices directly out of the program
- Email Templates - customise sales and statements
- Foreign Currencies - Manager can work with multiple currencies
- Form Defaults - Like MYOB it is possible to set the Default bank account used for Receipts and Payments and whether transaction are tax inclusive or exclusive.
- Lock Date - There is no Start New Year command in Manager and the data file can hold years and years of data. Use Lock Date to stop entries being made to prior years or other relevant periods.
- Non-inventory Items - as already explored
- Recurring Journal, Purchase and Sales Entries - Similar to MYOB's recurring entries feature
- Report Transformations - At the moment this is undocumented, but the GST Worksheet is a report transformation
- Starting Balances
- Tax Codes
- Themes - allows you to change the look of the program with HTML knowledge
- Tracking Codes - this is similar to Jobs in MYOB and will be covered in detail later

EXERCISE 1

FORM DEFAULTS - CHANGE SETTINGS

We are now going to change some of the programs Defaults. You should note that to Manager Forms refers to data entry screens, whereas in MYOB it refers to printed invoices, statements and alike. Follow these steps.

1 / Settings / Form Defaults - Change these Default settings

2 / Payment or Receipt / Edit / Account - Cheque Account / Add Line - Add 2 lines (3 in total) / Update

3 / Inter Account Transfer / Edit / Description - Visa Payment / Paid from - Cheque Account / Received in - Visa / Update

4 / Journal Entry / Edit / Add line - Add 5 lines (7 in total) / Update

5 / Return to the Summary

Customize

This is the last place we need to examine. Unlike MYOB which displays all its modules in the command centre, Manager allows you to easily pick the modules you require for you accounts. So, if you decide you want to run a full inventory system you would select the Inventory modules. If you wanted to run its simple payroll you would select Employees and Payslips.

If you thought you wanted a module and decided you didn't require it, you can deselect it so long as you haven't used it.

EXERCISE 1

CUSTOMISE - DEACTIVATE QUOTES AND ORDERS

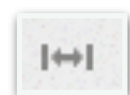
As we do not have any pending Quotes or Orders, Manager allows you to turn the modules off. Do so now.

1 / Customise / Sales Quotes - Untick / Sales Orders - Untick / Update

EXERCISE 2

CUSTOMISE - REDUCE WINDOW WITH

You can see Manager takes a lot of screen space. You can reduce its width.



1 / Try out the Width Reduction Button (Lwr Left hand corner)

17 Receiving Debtors Payments

Look at the Summary screen and you will see you are owed \$5,055. Drill into the number and you will see that Adams owe \$5,005 and Clivedon owes \$50. Drill into the \$5,005 and you will see Adams owes:

Invoice 1	\$825
Invoice 2	\$1,650
Invoice 4	\$2,530

1 / Summary / Account receivable / 5,055 - Drill / shows your debtors

2 / Adams / 5,005 - Drill / shows Adams invoices

Here you can explore further by clicking on the Edit and View buttons.

The purpose of these exercises is to show you how to:

- Accept a payment and allocated it to a particular invoice
- Accept a part payment
- Create and apply a credit note
- Accept a balance owed payment
- Accept an overpayment over multiple invoices
- Refund an over payment
- Handle a bad debt

Manager has two methods to accept payments, one via Receipts and Payments and the other directly against the outstanding invoice, but both end up at the same place. Here we will accept a payment against an invoice.

EXERCISE 1

CUSTOMER PAYMENT - VIA SALES

Adams pays Invoice 1 in full - \$825

So long as you can see the Invoice you can use this method. For example:

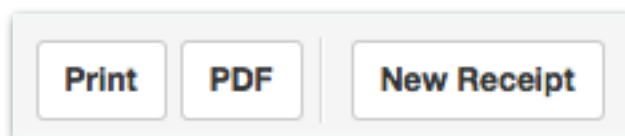
1 / Summary / Accounts receivables -/ Drill - 5,055 / Adams / Drill - 5,005 / Sales Invoice - 1 / View

or

2 / Sales Invoices / Invoice 1 / Adam / View

Either way you should see the Invoice.

3 / Click New Receipt



4 / Check all the details and click Create.

This method fills in all the fields for you, but you may find you need to make Manager's screen quite wide to see everything. Have a close look at this screen.

EXERCISE 2

CUSTOMER PART PAYMENT - VIA RECEIPTS AND PAYMENTS

Adams part pays Invoice 2 - \$200

This second method ends up at the same place as the first method, but the fields are not populated so more work is required. You start at Receipts & Payments, Receipts and fill in all the relevant fields such as Payer, Account, Sub-Account, Invoice and amount. Although you will rarely accept payments this way, we need to see how it works.

1 / Receipts & Payments / New Receipt / Date - Today / Type - Receipt / Reference - Blank / Account - Cheque account / Status - Cleared / Date - Blank / Payee - Adams / Description - Blank / Item - Blank / Account - Accounts receivable / Sub-Account - Adams / Invoice - #2 / Description - Blank / Qty - Blank / Unit price - 200 / Amount - / Calculated / Tax - No Tax / Create

EXERCISE 3

CUSTOMER CREDIT NOTE - SET UP CREDIT NOTES

We allow Adams a Credit on Invoice 2 for \$100 GST Inclusive. So we take \$100 off his bill.

Unlike MYOB where Credit notes are entered as a negative invoice, Manager has it's own Credit Note function. We need to set up the Credit Note module.

1 / Customize / Credit Notes - Tick / Update

As with accepting payments, there are two ways to create a Credit Note, the easiest way is to locate the Sale, View it and then copy it to a Credit note, make any adjustments and record it.

2 / Sales Invoices / Locate Invoice 2 / View / Copy to New Credit Note

Copy to ▾

Print

PDF

New Purchase Invoice

New Credit Note

New Recurring Sales Invoice

3 / Change the Qty to 1 / Unit price to \$100 / Amounts are tax inclusive - Tick / Create

☐ Discount
 ☒ Amounts are tax inclusive
 ☐ Deduct withholding tax

If you don't change the Credit Note to Tax Inclusive, the note will be for \$110, not \$100.

EXERCISE 4

CUSTOMER PAYMENT - VIA SALES

Adams pays the full balance owing on Invoice 2 - \$1,350

1 / Sales Invoices / Invoice 2 / Adam / View / New Receipt / Create

EXERCISE 5

CUSTOMER PAYMENT - VIA SALES

Adams overpays Invoice 4 - \$2,630

1 / Sales Invoices / Invoice 4 / Adam / View / New Receipt / Unit Price - 2630 / Create

Remember to change the amount received to \$2,630.



2 / Return to the Sales Invoices screen / You should see "Overpaid" next to Invoice 4 for Adams.

Sales Invoices

New Sales Invoice

Search

Search

		Invoice date	#	Customer	Description	Invoice total	Balance due	Status
Edit	View	4/8/20	4	Adams		2,530.00	- 100.00	Overpaid

EXERCISE 6

CUSTOMER REFUND - VIA RECEIPTS & PAYMENTS

Refund Adams \$100 for his overpayment on invoice 4 via direct debit.

Here we need to use the Receipts and Payments screen where we allocate the payment to Accounts receivable / Adams / \$100.

1 / Receipts & Payments / New Payment / Date - Today / Reference - Blank / Account - Cheque Account / Status - Cleared / Date - Blank / Payee - Adams / Description - Refund / Item - Blank / Account - Accounts receivable / Sub-account - Adams / Invoice - #4 / Description - Blank / Qty - Blank / Unit price - 100 / Tax - no Tax / Create.

EXERCISE 7

BAD DEBTS - VIA JOURNAL ENTRY

Unfortunately, Clivedon has been declared bankrupt, so we need to write off the debt of \$50. When writing off bad debts you must be careful to use the same tax code that was used when the debt was raised. In this instance we can see by looking at his invoice that GST Free was used. You would be correct to think that if he owes us interest, then he probably has a loan outstanding with us that also needs writing off. We are going to assume he just owes the interest.

The steps are:

Create a "Bad Debt" expense account with a GST 10% Default tax code.

Create a (General) Journal Entry to write off the debt.

In MYOB you would create a negative invoice, allocated to Bad Debts and use the Apply Credit note function to apply it. As Manager Journal system has access to Subsidiary ledgers a more direct approach can be used.

Our first step is to create a Bad Debts expense account with GST as this would be more common than GST Free.

1 / Settings / Chart of Accounts / Profit and Loss / New Accounts / Name - Bad Debts / Group - Expenses / Tax Code - GST 10% / Create

We now need to write off the debt using a Journal Entry. Follow these steps:

2 / Journal Entries / New Journal Entry / Date - Today / Reference - Auto / Narration - Clivedon declared bankrupt

3 / Account - Bad Debts / Description - Blank / Debit - \$50 / Tax - GST Fee (you will need to override the default)

4 / Account - Accounts Receivable / Sub Account - Clivedon / Invoice - #3 / Description - Blank / Credit - \$50 / Tax - No Tax / Create

Clivedon declared bankrupt			
Account	Tax	Debit	Credit
Bad Debts	GST Free	50.00	
Accounts receivable — Clivedon — Invoice #3	-		50.00
	-		

EXERCISE 8

REVIEW - SALES INVOICES

Have a quick look at the Sales area and Summary areas. All debtors should be settled and nothing should be owed to the business.

18 Making Creditors Payments

The Creditors module works exactly the same as Debtors.

EXERCISE 1

PAY ZACHARY'S INVOICE FOR \$1,320

The Creditors functions are a mirror image of Debtors.

1 / Purchase Invoices / Invoice - 975 / Zachary / View / New Payment / Unit Price - 1320 / Create

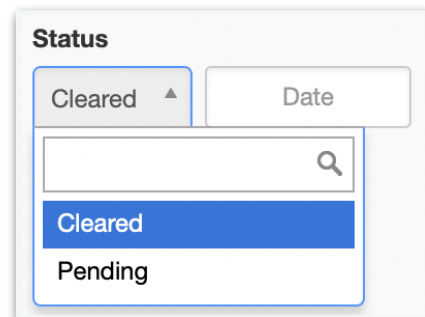
2. Make sure Status is - Cleared

Have a close look at this window before you record the transaction.

19 Reconciling Bank Accounts - Overview

If you have used MYOB, Quickbooks or most accounting software, you will find Manager very different. In some ways better and others worse. One thing worth remembering is that it is not possible to re-print a detailed bank reconciliation without tricking the system and that is to introduce a deliberate error. There are a few points to consider:

In Settings / Form Defaults / Payment or Receipt - Edit, you are given the choice to default the Status of a transaction to Cleared or Pending. At this point I'm inclined to think it is better set to Cleared. Otherwise you could spend much time editing each transaction as cleared. Manager does not have the quick Tick the cheque system that MYOB has.



When you import your bank transactions, Manager takes a good guess to attach an existing entry to one that has been imported. If for some reason you have problems and have not backed up, you will find the errors in the Suspense account where you can delete and bulk delete them.

It is easy to double up when importing bank entries and this will cause problems, but the feature works quite well and can save hours with data entry. It really depends on how you run your accounts. Importing bank entries is an excellent way to quickly catch up on your accounts.

Here we will perform a manual reconciliation from the bank statement. In other exercises we will import a bank file and reconcile again.

Lastly, we will look at the effect of marking and not marking transactions as cleared and how that affects a bank reconciliation.

Look at the Bank Statement and remember it is should be a mirror image of our own Cheque account ledger. If the bank shows a Credit, ours should show a Debit.

NotYours Banking Corporation - Cheque Account

Account Balance Summary

We know who you are	Opening Balance	\$0.00
We know where you live	Total credits	\$13,005.00
	Total debts	\$7,510.00
	Closing Balance	\$5,495.00
	Statement starts	xx/xx/20xx
	Statement ends	xx/xx/20xx

Date	Particulars	Debit	Credit	Balance
xx/xx/20xx	Brought forward			\$0.00 Cr
xx/xx/20xx	Deposit		\$8,000.00	\$8,000.00 Cr
xx/xx/20xx	5001	\$1,500.00		\$6,500.00 Cr
xx/xx/20xx	5002	\$605.00		\$5,895.00 Cr
xx/xx/20xx	Eftex ATM	\$450.00		\$5,445.00 Cr
xx/xx/20xx	5004	\$3,000.00		\$2,445.00 Cr
xx/xx/20xx	Visa	\$100.00		\$2,345.00 Cr
xx/xx/20xx	5006	\$585.00		\$1,760.00 Cr
xx/xx/20xx	5007	\$120.00		\$1,640.00 Cr
xx/xx/20xx	5008	\$450.00		\$1,190.00 Cr
xx/xx/20xx	Visa	\$450.00		\$740.00 Cr
xx/xx/20xx	Adams invoice pay		\$825.00	\$1,565.00 Cr
xx/xx/20xx	Adams invoice pay		\$200.00	\$1,765.00 Cr
xx/xx/20xx	Adams invoice pay		\$1,350.00	\$3,115.00 Cr
xx/xx/20xx	Adams invoice pay		\$2,630.00	\$5,745.00 Cr
xx/xx/20xx	Adams refund	\$100.00		\$5,645.00 Cr
xx/xx/20xx	MYOB Aust Bt	\$140.00		\$5,505.00 Cr
xx/xx/20xx	Bank fees	\$10.00		\$5,495.00 Cr
		\$7,510.00	\$13,005.00	\$5,495.00 Cr

NotYours Banking Corporation - Cheque Account

Driving You and Our dollar harder - Bank NotYours Today

20 Reconciling Bank Accounts - Manually

We will perform a manual bank reconciliation by working off the statement.

EXERCISE 1

EXAMINE THE BANK STATEMENT

We deal with the "NotYours Banking Corporation" who like all banks, likes to drive us and their dollars harder. It shows an ending balance of \$5,495, whereas our Summary screen shows Cash at bank of \$4,155. At the end of the bank reconciliation you will find:

- Cheques 5003 and 5009 remain unrepresented
- Cheque 5002. We entered \$550 where the bank cleared \$605
- MYOB have charged \$140 for our monthly subscription
- The bank charged \$10 for fees
- Transfers were accidentally marked Pending, but should have been marked as cleared because they were direct debits and cleared the bank

Normally you would not be aware of these errors until you reconcile the account.

EXERCISE 2

START THE RECONCILIATION PROCESS

We will begin our first reconciliation.

1 / Bank Reconciliation / New Bank Reconciliation / Date - Today / Bank Account: Cheque Account / Statement balance - \$5,495 / Create

Manager shows "Not Reconciled"

Statement balance	Discrepancy	Status
5,495.00	790.00	Not reconciled
<div>Export (1) Batch Delete</div>		

EXERCISE 3

PERFORM THE RECONCILIATION

Drill into the \$790 Discrepancy number which takes you to the Worksheet screen. Spend a few minutes reading the screen. Specifying a date a transaction hit the statement doesn't seem necessary.

1 / Drill - Discrepancy 790 / Read the screen

EXERCISE 4

UNPRESENTED CHEQUES 5003 AND 5009

MYOB is very straight forward as you simply look at the bank statement and Tick the presented transaction. If a transaction has an error, you would click the zoom arrow, fix the error and move on. Manager is not as straight forward.

1 / Locate Cheque 5003 / Edit / Status - change to Pending / Update

2 / Locate Cheque 5009 / Edit / Status - change to Pending / Update

EXERCISE 5

CORRECT CHEQUES 5002

We made a mistake entering cheque 5002. It should have been \$605, not \$550.

1 / Locate Cheque 5002 / Edit / Unit price - change from 550 to 605 / Update

EXERCISE 6

ENTER BANK FEES AND MYOB SUBSCRIPTION

We need to enter the direct debits for bank fees \$10 and an MYOB monthly subscription for \$140. Use the New Payment option on the Reconciliation screen.

1 / New Payment / Date - Today / Type - Payment / Reference - Blank / Account - Cheque account / Status - Cleared / Payee - Blank / Description - Fees / Item - Blank / Account - Bank charges / Description - Blank / Qty - Blank / Unit price - 10 / Amount - Calculated - 10 / Tax - GST Free / Create & add another

2 / Date - Today / Type - Payment / Reference - Blank / Account - Cheque account / Status - Cleared / Payee - Blank / Description - MYOB Subs / Item - Blank / Account - Accounting fees / Description - Blank / Qty - Blank / Unit price - 140 / Amount - Calculated - 140 / Tax - GST Free / Create

3 / You may need to click Bank Reconciliation near the top of the screen to return to the worksheet.



Bank Reconciliations / Bank Reconciliation / Payment or Receipt — View

EXERCISE 7

PRESENTED DIRECT DEBITS

We need to correct the presented Direct Debits which are listed within the unpresented section of the Reconciliation screen

1 / Locate Visa payment 100 / Edit / Status both fields - change to Cleared / Update

2 / Locate Visa payment 450 / Edit / Status both fields - change to Cleared / Update

3 / Click Blue Bank Reconciliations button at the top of the screen

The Discrepancy should now be zero. View the reconciliation.

21 Reconciling Bank Accounts - Importing

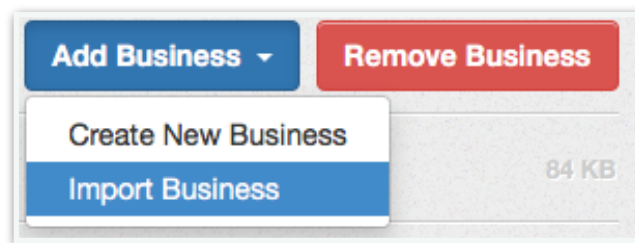
This time we are going to open an existing data file and import bank transactions. Importing transactions can be a great time saver, but it can create difficulties if you double up on the imports. Often software will use the term importing a Bank Statement, but you are really importing Bank Transactions. You usually still need a printed bank statement to work from.

EXERCISE 1

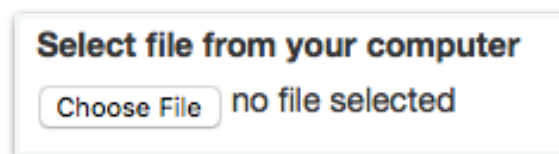
RESTORE A BACKUP

Here we will restore a backup of a file created some time ago. The file is nearly identical to your file just before you reconciled it, but it has different dates in it to work with the bank file. Follow these steps:

1 / Businesses / Add Business / Import Business

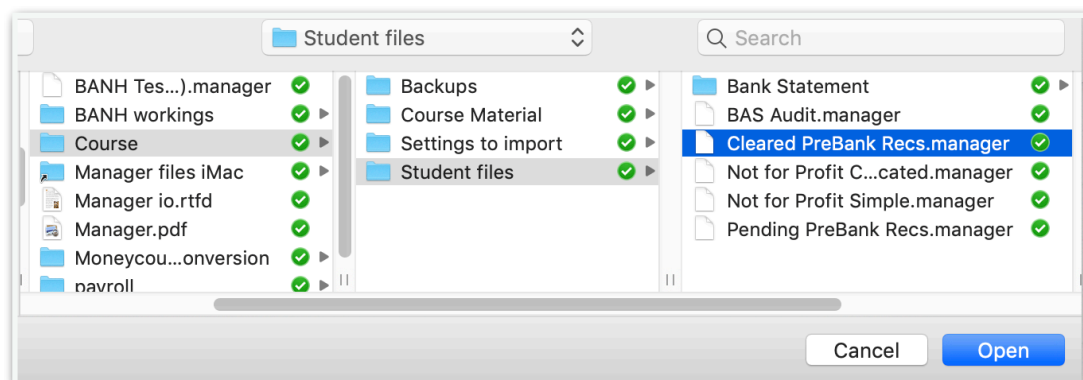


2 / Click - Choose File

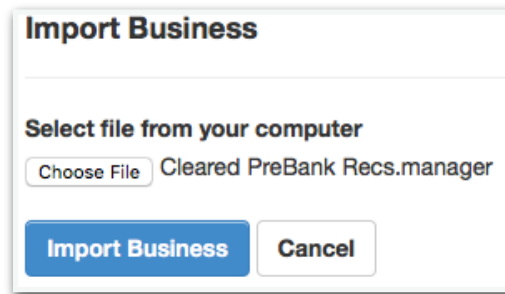


You are now taken to a regular Open dialogue box.

3 / Locate the folder - Student files / the file - Cleared PreBank Recs.manager / Click - Open



4 / Click - Import Business



You should now see your list of Businesses

5 / Open - Cleared PreBank Recs data file.

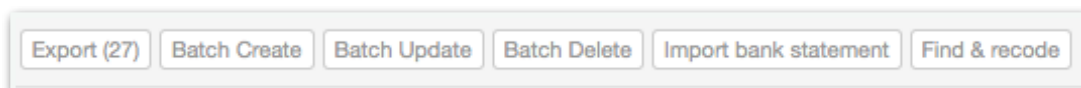


EXERCISE 2

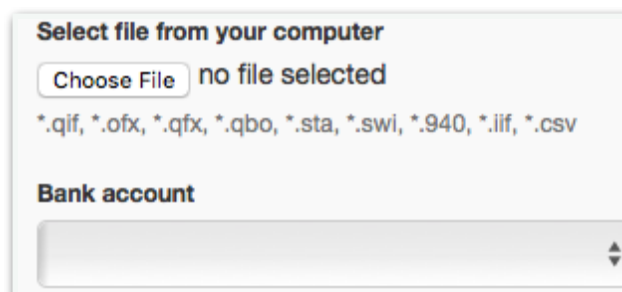
IMPORT A BANK STATEMENT

Most banks allow you to export transactions in a variety of formats. Often the QIF (Quicken Interchange Format) is reliable, but is tricky to edit in a spreadsheet. Formats such as CSV (Comma Separated Values) may need editing before they will work. Here we are going to import a CSV file for our cheque account. Follow these steps:

1 / Receipts & Payments / Scroll to the bottom / Import bank statement

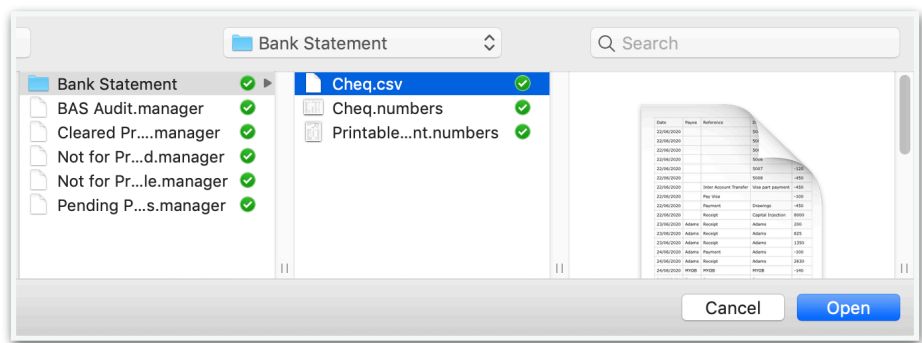


2 / Click - Choose file

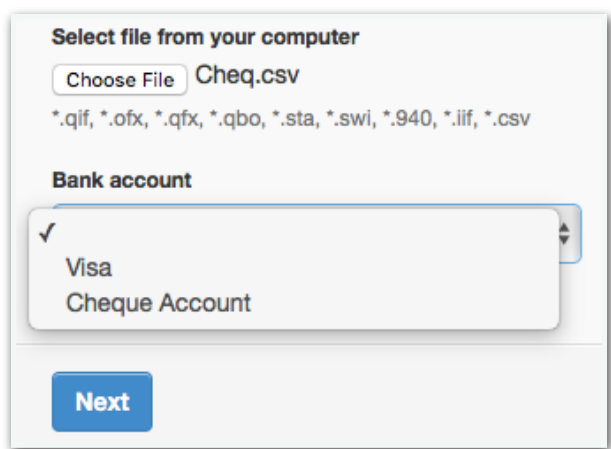


You are now taken to a regular Open dialogue box.

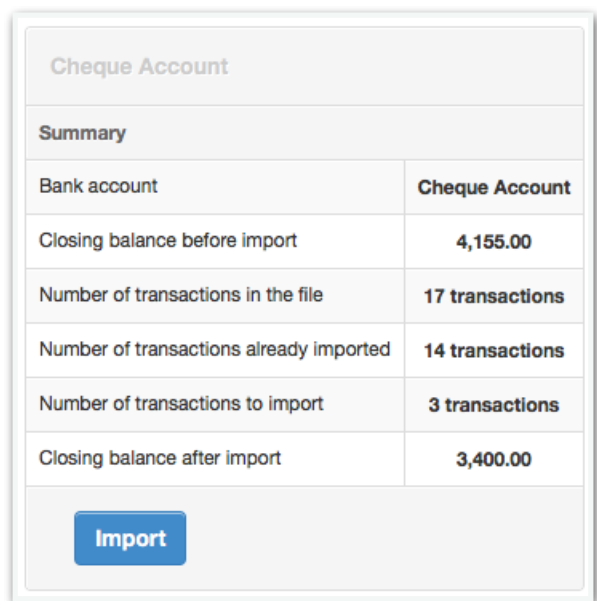
3 / Locate the folder - Student files / Bank Statement / the file - Cheq.csv / Click - Open



4 / Select Bank Account / Cheque Account in the Bank account drop down menu



5 / Click Next which takes you to a Summary screen.



6 / Click "Import"

EXERCISE 3

CLEAR AND CATEGORISE TRANSACTIONS - BANK RULES

When importing transactions most accounting software will take you to a screen with shortcuts to help allocate transactions to their proper accounts. Here they will attempt to align transactions already in the system with transactions being imported.

Manager does the same, but it is worth noting that only transactions that are marked “Cleared” are matched up.

Uncategorized transactions							
<input type="checkbox"/>		Date	Account	Description	Contact	Amount received	Amount paid
<input type="checkbox"/>	Edit	24/06/2020	Suspense <small>New Bank Rule</small>	MYOB	MYOB		140.00
<input type="checkbox"/>	Edit	24/06/2020	Suspense <small>New Bank Rule</small>	Fee	Fee		10.00
<input type="checkbox"/>	Edit	22/06/2020	Suspense <small>New Bank Rule</small>	5002			605.00
		Bulk Update					

The Uncategorized transactions screen is telling us it recognises 3 transactions that we do not have in our system. MYOB subs, banks fees and cheque 5002 for \$605. We can use a Bank Rule to fix and look for future bank fees and MYOB subscriptions, but we will have to manually correct cheque 5002. Let's make some bank rules:

1 / MYOB Transaction / New Bank Rule - Click / Allocate to - Accounting fees / GST 10% / Create

2 / Fees / New Bank Rule - Click / Allocate to - Bank charges / GST Free / Create

3 / Click the top box which selects the altered transactions.

4 / Bulk Update - Click

Uncategorized transactions			
<input checked="" type="checkbox"/>		Date	Account
<input checked="" type="checkbox"/>	Edit	24/06/2020	Suspense Accounting fees
<input checked="" type="checkbox"/>	Edit	24/06/2020	Suspense Bank charges —
<input type="checkbox"/>	Edit	22/06/2020	Suspense <small>New Bank Rule</small>
		Bulk Update	

You are now left with cheque 5002 which as been allocated to the Suspense account along with any unrepresented transactions.

EXERCISE 4

UNRESOLVED BANK IMPORT TRANSACTIONS

We have a few choices and none are ideal. In MYOB (If the imports worked properly) we would probably open another window, locate the cheque, alter it and then come back to this window and Edit / Delete this transaction. We do have some choices, but I think carrying on with our Bank Reconciliation and dealing with this later may be the best way. Follow these steps:

1 / Bank Reconciliation / New Bank Reconciliation / Date - 24/06/2020 / Bank Account: Cheque Account / Statement balance - 5,495 / Create

2 / Click blue Discrepancy 2095 / Read the screen

EXERCISE 5

UNPRESENTED CHEQUES 5003 AND 5009

1 / Locate Cheque 5003 / Edit / Status - change to Pending / Update

2 / Locate Cheque 5009 / Edit / Status - change to Pending / Update

EXERCISE 6

FINDING THE DISCREPANCY

In MYOB it is very easy to tell if you are still out of balance. In Manager it isn't as simple. We need to go back a screen to see the out of balance amount. At the top of the Bank Reconciliation / Transactions worksheet, click on Bank Reconciliation.

1 / Bank Reconciliations - Click (Top of the screen)



Bank Reconciliations / Bank Reconciliation — Transactions

Here you can see we are still \$550 out. This is because both versions of the cheque to Phonecom have been marked as cleared. We have a choice, either correct the entry we made by changing it to \$605 and then deleting the imported one or visa a versa. Lets return to the Bank Reconciliation - Transactions screen, correct the \$550 version of cheque 5002 and delete the imported one.

2 / Click blue Discrepancy 550

3 / Located Cheque 5002 / Edit / Unit price - Change it to 605 / Update

4 / Locate Cheque 5002 (imported) / Edit / Delete / Yes

5 / Bank Reconciliations - Click (Top of the screen)

The Bank Reconciliation is successful.

EXERCISE 7

RECONCILIATION REPORTS

Manager's reconciliation reports are limited, but there are two ways to find out what is going on. Follow these steps:

1 / Bank Reconciliation / Locate the reconciliation from the list / View

A simple report is displayed. If you would like to edit an old bank reconciliation you can trick the system so it show the Reconciliation worksheet screen. Simply locate the reconciliation you want to examine and edit the bank balance. Try this:

2 / Bank Reconciliation / Located the reconciliation from the list / Edit / Statement balance - change to 5,460 / Update

3 / Click on the Discrepancy to be taken to the Reconciliation worksheet.

Remember to correct the error and the reconciliation should now be correct.

Reconciliation - Pending Transactions

You opened a file where all the transactions had been marked as cleared. You should know what happens when the transactions are marked Pending.

EXERCISE 1

RESTORE A BACKUP

Restore and open the file called - Pending PreBank Recs.manager.

EXERCISE 2

IMPORT A BANK STATEMENT

Import the bank statement file called - Cheq.csv.

EXERCISE 3

RECONCILE

Spend a few minutes looking at the reconciliation process.

1 / Bank Reconciliation / New Bank Reconciliation / Date - 24/06/2020 / Bank Account: Cheque Account / Statement balance - 5,495 / Create

22 Auditing and Checking the file

We need to check our accounts before we create our first BAS, but someone has been fiddling around in our accounts. We have to audit them and fix up the errors. Whoever left the dishes also fiddled with the accounts and left a big mess. We will find errors in:

- Bank Reconciliation
- Receivables
- Payables
- Account allocations
- GST coding
- Timing issues

We will be restoring a file which is based on the reconciled version of the Cleared PreBank Recs data file with transactions made in June 2020 - or so we think. You might think the errors that you are about to discover couldn't be legitimate, but I have found them all and much worse in various MYOB data files over the years.

EXERCISE 1

RESTORE A BACKUP

Restore the file called BAS Audit. It is worth noting that when you restore a file, a copy is made of the backup and placed into the folder nominated in the Preferences menu / Application Data setting.

1 / Business / Add Business / Import Business / Choose File - Student files / BAS Audit.Manager / Open / Import Business / Business - Select and open BAS Audit

Bank Reconciliation - Errors and Alterations

It is not uncommon for users to delete and alter previously reconciled transactions and the changes can be very hard to find. Usually they only do it once as these errors can be very expensive to correct. Here are some points to consider:

- Usually never delete previously reconciled transactions. The only time you can is when the transaction is replaced. For example you might replace a cheque with a Supplier payment. If you have to do this, check your reconciliation immediately.
- Be careful changing dates.
- If you don't know where to allocate a transaction, put it to Suspense and come back to it later. You can change allocations after reconciling without affecting the bank.
- Print off any relevant reconciliation reports and keep your bank statements.

EXERCISE 1

BANK RECONCILIATION ERRORS

Check to see if the bank reconciliation still works.

1 / Bank Reconciliation / Discrepancy - 1,255

We can see we already have a problem. Let's check to see if the Manager's Bank Statement balance still agrees with the Bank's printed statement.

2 / Bank Reconciliations / Edit / Statement balance - 7,250

It shows \$7,250, but the statement shows \$5,495. This isn't a common error, but sometimes strange things happen.

3 / Statement balance / Change from 7250 to 5495 / Update

We still have a \$500 error which could be deleted transactions, changes to a transactions value or date.

We need to hunt for altered transactions.

4 / Bank Reconciliation / Discrepancy 500 - Drill

This takes us back into the Reconciliation Transactions worksheet. You will need to look at the printed Bank Statement and look for errors.

The first error is cheque 5007 which has been changed from \$120 to \$210. We need to fix the error.

5 / Locate Cheque 5007 / Edit / Unit price - change from 210 to 120 / Update

We need to go back to the Reconciliation screen to see where we now stand

6 / Bank Reconciliations (Top of the screen) - Click

We are now out by \$590. We still have errors so go back and look further.

7 / Bank Reconciliation / Discrepancy 590 - Drill

The MYOB subscription of \$140 has been deleted, someone thought we had finished with MYOB as we now use Manager. We need to re-enter it and make sure the date is no later than the Reconciliation date - 24/06/2020 and it is marked Cleared.

8 / New Payment / Date - 24/06/2020 / Type - Payment / Reference - Blank / Account - Cheque / Status - Cleared / Payee - Blank / Description - MYOB Subs / Item - Blank / Account - Accounting fees / Description - Blank / Qty - Blank / Unit price - 140 / Amount - Calculated / Tax - GST 10% / Create

Go back to the Bank Reconciliation screen.

9 / Bank Reconciliations (Top of the screen) - Click

We are now out by \$450 so we need to continue our search in the worksheet.

10 / Bank Reconciliation / Discrepancy 450 - drill

If you compare this screen and your printed Bank Statement you should see that cheque 5008 for \$450 Drawings is missing. Like the MYOB subscription, the transaction may have been deleted or its date changed to something later than the current reconciliation date.

The most common solution would be to re enter the transaction and if it was entered twice, it will show up as an unpresented cheque in a later reconciliation which can be deleted. It is not uncommon for transactions to be duplicated, but they always turn up.

Often it might be prudent to search for the transaction in the Receipts & Payments area. So

11 / Receipts & Payments / Search - enter \$450

You should now see cheque 5008 is dated the 26/06/2020. Change it to the 24th and update.

12 / Receipts & Payments / Cheque 5008 / Edit / Date - Change from 26 to 24/06/2020 / Update

Now check the Bank Reconciliation to see if we balance

13 / Bank Reconciliations / Discrepancy - Zero.

Receivable (Payables) Reconciliation Errors

This is an error where the summed total of your individual debtors (Customers) does not equal the balance in the debtors control account. The problem applies equally to Creditors.

Sometimes people will enter an invoice payment date before the invoice date. If this prepayment is made without taking the money as a deposit, in other words it is a data entry error - you will end up with the balance on your subsidiary ledgers being out of balance with the control account.

For example if we invoiced on the 1/3/XX and accepted payment of the invoice on the 1/1/XX we would have a transient out of balance amount in our Receivables over the 2 month period. Errors like this are really only of concern if they transverse relevant reporting periods such as a month, quarter or year, but it will depend on what is relevant to you.

This used to be a very difficult error to find in MYOB until they introduced a report to find pre-paid transactions. Unfortunately, Manager doesn't have a similar report so we have to use a few different techniques. The first thing to do is to find out if our file has such an error - this is easy.

EXERCISE 1

RECEIVABLES (PAYABLES) RECONCILIATION ERRORS

1 / Reports / Customers / Aged Receivables / New Report / Date - Custom - 30/06/2020 / Create

Here you will see the Adams amount owed is -\$825. We have a problem.

More as an academic exercise have a look at a Balance Sheet as at the 30/06/2020.

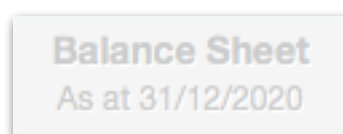
2 / Reports / Financial Statements / Balance Sheet / New Report / Date - 30/06/2020 / View (The report was created earlier and saved by Manager)

Here you will see the Accounts receivable account also shows -\$825.

We can get a sense of where the error may be by looking for any post dated transactions. This file should only be dealing with transactions up to June 2020 (regardless of today's date), so we shouldn't see anything later. We can get a hint by looking at the Summary screen.

3 / Summary / Assets / Accounts receivable - \$zero

Looking at the top of the screen you will see the Balance Sheet is as at the 31/12/2020 which tells us transactions have been entered up to that date. By the way these types of errors also apply to Payables.



We can locate the error easily by clicking on the value for Accounts receivable and drilling into the Adam's account.

4 / Summary / Assets / Accounts receivable - / Drill "-" which indicates \$zero

Accounts receivable	-
---------------------	---

Drill into the Adam's \$Zero balance. Remember we know Adams was our problem when we looked at the Aged Receivables report.

5 / Summary / Assets / Accounts receivable / Adams - / Drill - \$zero

Name	Balance
Adams	0.00

Here you will see the Adam's invoice is dated the 31/12/2020 and needs correction. Viewing the Invoice shows us the date it was paid.

6 / View / Sales Invoice - 1

Total	825.00
Less: Receipt — 23/06/2020	825.00
Balance due	0.00

We now need to correct the invoice date to something before the payment date of the 23/06/2020.

7 / Edit / Invoice date - 23/06/2020 / Update

Now recheck the Aged Receivables report.

8 / Reports / Customers / Aged Receivables / View (Manager saved your last report)

Our problem is now fixed. Be aware there are many different ways to hunt for these types of errors.

Account Allocation Errors

Although you may have your accounts fully reconciled, debtors and creditors balancing you may still have coding errors to the wrong accounts. Sometimes they are just simple errors and sometimes because you are unsure where a transaction should go.

When setting up MYOB for clients I usually create an “I don’t know account” which is really a meaningful description of the “Suspense” account.

EXERCISE 1

ACCOUNT ALLOCATION ERRORS

The Suspense account is the “I don’t know” account. Always check it. Do it now.

1 / Summary / Balance Sheet / Suspense / Drill into the account

There shouldn’t be any entries here, but amongst the multitude are 2 are of concern. At the bottom you will see the payment to Foxy Computer Repairs and the Void cheque.

Edit	View	23/06/2020	Receipt	Cheque Account				772.73 Dr
Edit	View	23/06/2020	Receipt	Cheque Account				772.73 Dr
Edit	View	23/06/2020	Receipt	Cheque Account				772.73 Dr
Edit	View	22/06/2020	Payment	Visa	Foxy Computer Repairs	GST 10%	772.73	772.73 Dr
Edit	View	22/06/2020	Payment — 5005	Cheque Account	Void			0.00
							772.73	
Export (19) Batch Delete								

Correct the Allocation of Foxy Computer Repairs to Computer equipment

2 / Suspense / Foxy Computer Repairs / Edit / Account (Lower) - change from Suspense to Computer equipment / Update

Change the Allocation of the Void Cheque to Contra

3 / Suspense / Void / Edit / Account (Lower) - change from Suspense to Contra / Update

Where should the Void entries go? Does it really matter?

BUG ALERT

None of the zero value Journal, Payment or Receipt entries should be here. If you click on the Edit to any of the entries you will see it has to do with the Blank lines on the transactions. If you remove the Blank lines, the entries will disappear from the Suspense account. Although it makes no difference to our reports, it does make it harder to spot the errors in the Suspense Account and will create a larger data file. You can stop Manager from creating the extra entries by re-adjusting the form Defaults.

*Settings / Form Defaults / Payment or Receipt - Edit / Reduce the number of lines
Look at other Form Defaults*

- Don't bulk delete the errors, if you do -
The full transaction will be deleted

23 Auditing and Checking GST

Most people are now familiar with the GST as it has been in use for over 20 years. A detailed description is available in other material, but we still have work to do before we create our first BAS form.

Checking GST - Part 1

In MYOB the usual way to check a data file before preparing the BAS is to run the "Company Data Auditor". Manager doesn't have a similar feature, but the same accounting checks can be made. The following lists MYOB's GST relevant checks and Manager's equivalent:

<u>MYOB</u>	<u>Manager</u>
• Account (Bank) Reconciliations	Bank Reconciliations
• Reconcile Debtor control	Aged Receivables & Summary
• Reconcile Creditors control	Aged Payables & Summary
• Prepaid Transactions	As above
• Tax code variances	None but not required as tax calculations cannot be manually changed
•	No equivalent.
• Tax code exceptions	Closest Tax Audit - Check tax codes used
•	

EXERCISE 1

LOOK AT THE REPORTS

Look at the reports above and correct the GST coding error on Hardware sales. One easy place to find the error is:

1 / Reports / Tax Codes / Tax Audit / View / 01/06/2020 to 30/06/2020

The entire Hardware sale should attract GST. Be careful adjusting the values as Manager doesn't show the full value of a tax exclusive invoice. You may need to view the invoice to get it correct.

Checking GST - Part 2

The next step in MYOB is to ensure no one has allocated entries directly to the GST control accounts. MYOB uses 2 accounts for GST collected and paid. Manager uses just one GST account.

The idea is to ensure no one has made a erroneous direct allocations to the GST account. This is usually achieved by comparing a GST Summary Accrual report on Sales & Purchases to the GST account. They should agree.

EXERCISE 1

FIND THE CRAZY GST ENTRY

There are many ways to go about this, but the easiest way it to create a GST Calculation Worksheet (Accrual) for the relevant period, check the balance owing (owed) to the ATO and compare this to the GST Paid & Collected account.

1 / Reports / GST Calculation Worksheet / From 01/06/2020 to 30/06/20 / Accrual Basis / View / Your Refund \$695

Compared to:

2 / Summary / Balance Sheet / GST Paid & Collected / Shows - \$285.82.

3 / Drill into the \$285.82 and delete the Crazy GST error

Look again at the worksheet. It now shows a refund of \$286.

4 / Reports / GST Calculation Worksheet / From 01/06/2020 to 30/06/20 / / Accrual Basis / View / Your Refund \$286

EXERCISE 2

FINALISING YOUR GST AND BAS - CASH BASIS

We have corrected any errors and are now happy with the result. We are ready to create our GST worksheet and deal with the ATO. We want to report GST on a Cash basis for June.

1 / Reports / GST Calculation Worksheet / New Report / From 01/06/2020 to 30/06/20 / Cash Basis / Create / Your Refund \$166.

Why is the refund amount different to that shown on the Balance Sheet?

BUG ALERT

Sometimes when creating a GST Calculation Worksheet shows a Tax Summary report. If this happens, just go back to the report and try again.

EXERCISE 3

RECORDING REFUND

The ATO have sent us a GST refund of \$166. Record the receipt.

I always prefer to have a separate account to record payments to and receipts from the ATO. This makes it easier to reconcile the GST Paid & Collected account to the GST reports and much easier to pick up the amounts paid to the ATO during the year.

Create a “GST Paid & Collected ATO” account and record the refund to this new account.

1 / Settings / Chart of Accounts / Balance Sheet / New Account / Name - GST Paid & Collect ATO / Group - Liabilities-Taxes / Tax Code - No Tax / Create

2 / If required, move the new account so it sits below the GST Paid & Collected account.

3 / Receipts & Payments / New Receipt / Date - today / Receipt / Reference - Blank / Account - Cheque Account / Status - Cleared / Payer - ATO / Description - GST refund / Item - Blank / Account - GST Paid & Collected ATO / Description - Blank / Qty - Blank / Unit price - \$166 / Amount - Calculated / Tax - No Tax / Create

Now look at the GST Paid & Collected account on the Summary page. Unfortunately our GST account names are very similar, so changing the GST Paid & Collected account to GST Paid & Collected - Linked would be prudent. Do this now.

4 / Settings / Chart of Accounts / Balance Sheet / Edit GST Paid-Collected change to GST Paid & Collected - Linked / Update

Edit	Taxes	↑↓
Edit	GST Paid & Collected - Linked	↑↓
Edit	GST Paid & Collected ATO	↑↓

24 Reports

MYOB has 100's of reports, but most of them are slight variations on a theme and some are completely useless such as Aged Receivables & Payables. Manager has less than 30 reports plus the ability to create Custom Reports and what it terms Report Transformations such as a GST Worksheet.

EXERCISE 1

LOOK AT THE REPORTS

Spend 10 minutes looking at the reports, create new ones, try customising some and simply explore what is here.

Are there any reports you like missing?

EXERCISE 2

OPEN A REPORT IN A SPREADSHEET

View a Profit and Loss Statement and open it in your SpreadSheet.

There are basically two ways to open a report in a Spreadsheet. One is to use the Copy to clipboard command and the second is to click and drag over the report, copy and paste into a Spreadsheet.

and Loss Statement		Edit	Clone	Print	PDF	Copy to clipboard
BAS Audit						
Profit and Loss Statement						
For the period from 01/06/2020 to 30/06/2020						
Accrual basis						
						30/06/2020
Income						
Hardware						1,750.00
Interest received						50.00
Sales						2,709.09
Total — Income						4,509.09
Less: Cost of Sales						
Hardware Purchases						1,200.00
Less: Expenses						
Accounting fees						127.27
Advertising and promotion						-

I have found that using Copy to clipboard works well with Excel and LibreOffice, but not with Apple's Numbers. Some programs will read the raw HTML.

25 Tracking Codes - Jobs

Like MYOB, Manager has a job system, but calls it Tracking Codes. There is no pretending the Tracking reports are as good as MYOB's jobs reports because they are not. Manager's Job search functions and reports are lacking, but sufficient for our needs.

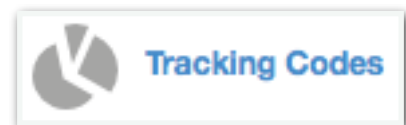
Programs like MYOB and MoneyWorks have very sophisticated Jobbing systems that can accept Job entries via time sheets, purchase orders and cheques to create and mark up invoices. Their advanced features can be so confusing that they are rarely used.

For most NFPs and businesses a system that can tag transactions and can display them in a Profit & Loss statement is sufficient.

EXERCISE 1

CREATE TRACKING CODES

While in your BAS Audit file, create some Tracking Codes



1 / Settings / Tracking Codes / New Tracking Code / Name Job 1 / Create & add another / Name - Job 2 / Create

Here you can create and edit the codes which can be used in Revenue and Income transactions, they cannot be used with Balance Sheet accounts.

You can see the information allowed in a Tracking Code is limited.

EXERCISE 2

USE TRACKING CODES

Add a tracking code to any sale and then any expense.

Amount	Tax	Tracking Code
1,650	GST 10% x	Job 1 x
550	GST 10% x	Job 2 x
100	GST 10% x	Tracking Code x
2,300		

26 Designing a System for your Business

We know how to use Manager and should have some idea as how we might implement it in our business. Manager still has many more features to offer which we will look at as we design a system suitable for a Not For Profit (NFP).

The reason for choosing a Not for Profit is because they are one of the more complicated service entities to track in an accounting sense. That is to say if we can make it work for an NFP, we can make it work for any service business. If we wanted to go beyond an NFP we could look to businesses that require stock control, which is another area which Manager can handle and another Manager course.

You should be very familiar with Manager, so the instructions will be less detailed from this point on.

Manager for Not for Profits

It's important to understand what a Not for Profit such as a club, neighbourhood house, gallery, bike club and so on are trying to account for in the most general terms. So, let's look at an example.

Neighbourhood House Income Sources

- Funding from the local council and the state government.
- Fee for service from courses and events
- Bank interest
- Self funded business activities such as bookshops and op shops
- Business activities which are partially funded from other bodies
- Special projects funded by grants where an administration fee is earned
- Self funded special projects where the costs centres need to be tracked
- Donation and membership fees

You can see we already have a complicated entity which requires a carefully crafted Chart of Accounts. This wants to be as simple as possible, but able to capture all the important monetary movements.

What even makes it more complicated is the the funding may arrive early, late, cover multiple periods and even span years, so most reports will require what are called "Balance Day Adjustments" for income and sometimes expenses in advance.

Here we are going to look at two files prepared earlier. We will look at the transactions in them. Go about the process of working out income in advance and making the journal entries to account for it.

EXERCISE 1

RESTORE AND EXAMINE - NOT FOR PROFIT SIMPLE

Import and open the file "Not for Profit Simple".

1 / Businesses / Add Business / Import Business / Choose file - Not for Profit Simple / Import / Open

Look at the Summary screen and look very closely how the accounts are arranged.

2 / Summary

Manager allows you to get pretty close to a good departmental accounting system. It's New Group feature can be used to create major and minor headings, so if you choose you could have multiple Income, Expenses and Cost of Sales groups.

You can also create Totals based on the Groups, but the totals cannot be isolated from other totals above it.



What is Departmental Accounting?

EXERCISE 2

DISPLAYING REPORTS

Manager has a limited number of reports, but most are very useful, allow some editing, export to spreadsheets and can be saved. Let's look at a Profit and Loss.

1 / Reports / Profit and Loss Statement / View - Profit & Loss

Profit and Loss Statement New Report					
		From	To	Accounting method	Description
Edit	View	01/06/2020	30/06/2020	Accrual basis	Profit & Loss
Edit	View	01/06/2020	30/06/2020	Accrual basis	Jobs P&L

Here you see a statement for June 2020. It shows Core income & expenses, a Second income & expenses, followed by Special Projects income & expenses. We can see the Core Income Profit (Loss), but unfortunately we can't see the same for the Secondary or Special project sections as the totals carry down the page. However, what we see is much better and more flexible than what MYOB would display as we can create Major groups.

Any fine adjustments can be made in a Spreadsheet.

Core Income Profit (Loss)	32,000.00
2nd Income Stream	
2nd Income Grants	40,000.00
2nd Income Sales	-
Total — 2nd Income Stream	40,000.00
Less: 2nd Income Expenses	
Food Purchase (FRE)	300.00
Food Purchases GST	900.00
Total — 2nd Income Expenses	1,200.00
2nd Income Profit (Loss)	70,800.00
Special Project Income	
Project Grants	9,000.00
Project Sales	-
less Income in Advance	(8,400.00)
Total — Special Project Income	600.00
Less: Special Project Expenses	
Project food	600.00
Project Wages	-
Total — Special Project Expenses	600.00
Net profit (loss)	70,800.00

EXERCISE 3

EDITING REPORTS

Let's see what Tracking reports we can create to look at our special projects.

1 / Reports / Profit and Loss Statement / View - Jobs P&L

You are able to allocate Revenue and Expense entries to tracking codes. Clicking on a number will drill into the transaction.

Here you can see a Profit & Loss customised to show the tracking codes performance side by side.

	Job 1	Job 2
Core Income Profit (Loss)	-	-
2nd Income Profit (Loss)	-	-
Special Project Income		
Project Grants	5,000.00	4,000.00
Less: Special Project Expenses		
Project food	600.00	-
Net profit (loss)	4,400.00	4,000.00

Look at the report once again and click the Edit button at the top. If you are lost do this:

1 / Reports / Profit and Loss Statement / Edit - Jobs P&L

Here you can see a number of Customisation options. The important option is the ability to Add comparative columns which is effectively the same as MYOB's select Job function. Have a look at the other options. Unfortunately Manager is without a Find Tracking codes function, nor a Consolidate jobs, but something similar can be created in Custom reports.

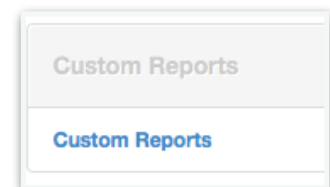
Column name	From	To	Tracking Code
Optional	01/06/2020	30/06/2020	Job 1
Optional	01/06/2020	30/06/2020	Job 2

You are well advised to look at the Editing abilities in every report.

EXERCISE 4

CUSTOM REPORTS

Manager allows great access to its underlying database via its Custom Reports function within the Reports module.



Have a look at the Custom reports we have already created. View and examine them.

1 / Reports / Custom Reports / View & Edit - the reports

The comparative Tracking Profit & Loss and the Custom Tracking (Job) reports both allows us to find the Profit on individual and all jobs. This is required to work out income in advance.

Income in Advance - The Theory

It doesn't matter what your business, from time to time you may need to calculate income in advance. With a Neighbourhood House it is always required on Special Projects which can be followed by Manager's Tracking Codes. So, let's discuss what is involved by example.

It's January / XX and the House obtains a grant for a number of music events to be held over an 18 months period to September / XX + 1. The agreement allows the House to deduct 15% of the money for administration, the rest of the money will pay event costs such as musicians, equipment hire and the organisers wages. The house must account to the donor for the money which is \$5,000 plus GST. In other words an Acquittal is required.

From an academic accounting point of view, the \$5,000 is a liability to the house which is extinguished as it spends the money on the project. If the project was cancelled, the money would be returned to the donor.

From a practical point of view it is difficult to record the money as a liability, draw it down and show it as an expense. So the money is recorded as income and adjusted as income in advance on a quarterly basis to coincide with the House's BAS statements. On top of these requirements, the project spans more than one financial year which can be a problem for accounting software that works strictly on a year to year basis.

You have to remember that this is a Neighbourhood house, not an Engineering consulting firm that uses time sheets for billing purposes. There is no way a strict regime can be imposed. In fact most staff work well beyond their paid hours and it would be demoralising to all if a strict regime was implemented.

Accounting for Special Projects requires a system which allows:

- Income and expenses to go to Special Income & Expenses Accounts
- Income and expenses to go to Tracking codes
- Totals in Tracking Codes should always equal Special Income & Expenses
- Administration fees may be taken over time or as a lump sum
- Some staff wages will need allocating to the projects
- In house resources may be attributed to a project, such as rent, phone and LSL

As Projects are not profit making ventures, unspent money belongs to the donor. So any profit is recorded as income in advance at the end of the BAS periods.

EXERCISE 1

REPORTS - PROFIT & LOSS TRACKING CODES PROFIT

We have a few numbers in the Not for Profit Simple file, let's look at them now.

1 / Reports / Profit and Loss Statement / View - Jobs P&L

Job 1 shows a profit of \$4,400, Job 2 \$4,000. Total profit is \$8,400.

Unfortunately, we had to add the numbers together which could be a problem if there were numerous jobs. All income and expenses are allocated to the correct groups. It is imperative that all entries are within the Special project area.

Income in Advance - The Entry

We know our Tracking Profit is \$8,400 and this needs to be recorded as income in advance. If you look at the Summary screen you will see a few Funding in Advance accounts and \$8,400 against the Special Project account. Also note the corresponding entry under Special Project income of -\$8,400. Drill into either entry.

2 / Summary Screen / Examine - Funding in Advance & Special Project Income

Funding in Advance	8,400.00
Core Funding in Advance	-
Special Project Income in Advance	8,400.00
2nd Income in Advance	-

Special Project Income	600.00
Project Grants	9,000.00
Project Sales	-
less Income in Advance	- 8,400.00

Adjust Job income in advance		
Account	Debit	Credit
less Income in Advance	8,400.00	
Special Project Income in Advance		8,400.00

EXERCISE 2

REPORTS - CUSTOM TRACKING CODES PROFIT

We had to add up the Tracking codes profit to work out income in advance. This is fine with 2 jobs, but can be tricky with more codes. It is possible to obtain some semblance to MYOB's Consolidate Job Profit & Loss Jobs via Custom reports. View and Edit them.

1 / Reports / Custom Reports / View & Edit - Job Transaction Summary

Reports / Custom Reports

Custom Reports

New Report

Search

Search

		From	Until	Name	Description
Edit	View	01/06/2020	30/06/2020	Job Transactions Summary	Job Transactions Summary
Edit	View	01/06/2020	30/06/2020	All Journals	All Journals
Edit	View	01/06/2020	30/06/2020	Journal with Jobs	Journal with Jobs
Edit	View	01/06/2020	30/06/2020	Job Transactions Detailed	Job Transactions Detailed

Export (4)

Batch Delete

Not for Profit Simple			
Job Transactions Summary			
For the period from 01/06/2020 to 30/06/2020			
Transaction	General Ledger Account	Debit	Credit
Job 1		600.00	5,000.00
Job 2			4,000.00
		600.00	9,000.00

The Profit should always be the Credits less the Debits.

2 / Reports / Profit and Loss Statement / View & Edit - Job Transaction Detailed

3 / Export the reports to a Spreadsheet

Complicated Example

In this last section I want you to examine a complicated example based on a real Neighbourhood House.

EXERCISE 1

RESTORE AND EXAMINE - NOT FOR PROFIT COMPLICATED

Import and open the file "Not for Profit Complicated".

1 / Businesses / Add Business / Import Business / Choose file - Not for Profit Complicated / Import/ Open

EXERCISE 2

DISCUSS - NOT FOR PROFIT COMPLICATED

Think about these issues:

- Is the system too complicated?
- Would it be helpful to have another Major Group for in-house projects?
- Would codes in the Chart of Accounts help data entry. For example 1XXXX for Assets and 4XXXX for Core Income?
- How would you customise the reports?
- Would the Settings / Report Transformations feature be helpful?
- Would the Settings / Custom Fields feature be helpful?
- How would you export reports to a Spreadsheet?
- How would you set up your own organisation in Manager?

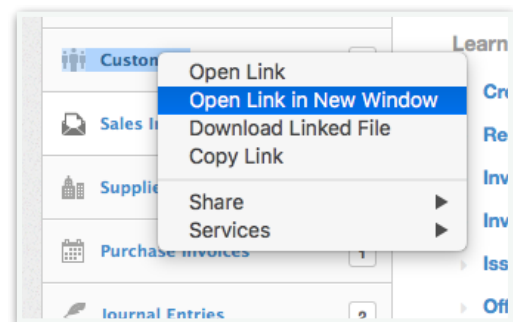
27 Other Features

There are many more features that we haven't touched upon. The Customise menu gives you a good idea of these features. Here we will quickly describe the options that we haven't looked at.

- Expense Claims - allows tracking of business expenses paid by others
- Late Payment Fees - automatic recording of fees on overdue accounts
- Delivery Notes - packing slips, confirmations and more
- Good Receipts - tracking of goods in transit
- Inventory Items - used for Full (Perpetual) inventory systems
- Inventory Transfers - transfers inventory amongst multiple warehouses
- Inventory Write-off - recording stock losses
- Production Orders - used for controlling manufacturing
- Employees - Manager only has basic payroll features
- Payslips - as above
- Billable Time - basic tracking of time
- Billable Expenses - used for tracking customer expenses
- Fixed Assets - Manager has Asset Register features
- Depreciation Entries - as above
- Intangible Assets - as above
- Amortization Entries - as above
- Capital Accounts - Additional abilities to track capital
- Special Accounts - useful for setting up trust accounts and more
- Folders - Deals with the organisation of attachments
- Attachments - Manager allows attachments to accounting records
- Emails - storage of forms and documents sent by Manager's email system

The Manager interface is a wrapper around an HTML page. Right clicking a command and selecting - Open Link in new Window, will open the Manager interface in a web browser.

You can run multiple copies of Manager at the same time if you duplicate the program, so you can have multiple data files open.



Payroll

Manager's Payroll features are limited. One well recommended and free payroll software worth looking at is Payroller at:

<https://payroller.com.au>

28 Conclusion

For most of us, Manager is an excellent alternative to MYOB, in fact it surpasses it in many ways. It is fast, compact, allows bulk deletion of entries which may be useful for reducing file sizes in years to come. The ability to run a desktop version, move to the cloud and back again is quite amazing.

I'm very happy to say for most of my MYOB customers, Manager is a great alternative and those on a Mac one of the few available. One of the few non cloud based alternatives would be MoneyWorks by Cognito in New Zealand.

Importing transactions from MYOB to Manager is a complicated task, but I worked out a technique, I was able to fully recreate my own accounts for the 19/20 year within a reasonable time. One by product of the change was to uncover a bug in MYOB where some GST transactions were not being correctly taken up in MYOB, which harked back to errors I used to occasionally see when I worked part time in the MYOB support department from 1993 to 2000.

At the time of writing, I've yet to fully explore Manager's inventory system, but I'm fully aware that very few people use this in MYOB. Those that need full inventory systems often use other software to look after this aspect of their businesses. I often joked with clients who wanted full inventory that I'd be back next week to turn it off. Often I did return. Inventory is hard, no matter what system you use.

So, I heartily recommend Manager.

James Clarke