

Veco User Guides – Transaction Postings & Accounting Periods

Introduction

“Veco-onesystem” contains a comprehensive, double-entry, ledger based, client accounting module for recording all the financial events relating to each property (“Property Management Accounting”) and building (“Estate Management Accounting”).

Each financial event entered (“posted”) into “Veco” is called an accounting “Transaction”.

There are several types of transaction that can be posted into “Veco”, but every transaction consists of key information that determines how the financial event is processed and reported on:

- Status
- Transaction Type
- Transaction Reference
- Department
- Related Details
- Posting Date
- Transaction Date
- Optional Date From/To
- Description
- Accounting Period
- Allocation Period
- Account Analysis

Transaction Details

Status

Each “Veco” user must be designated as someone who is either allowed to post “Draft” transactions or “Live” transactions.

“Draft” transactions are temporary postings which need to be reviewed by a more senior member of accounts staff before becoming part of the “Live” accounts.

Draft transactions can be viewed in the “Draft Transactions” grid, and can be amended or deleted, and the grid can be printed as required.

When draft transactions have been reviewed they can then be converted to live transactions.

Once a transaction becomes “Live” it cannot then be amended or deleted - it can only be reversed. A reversed transaction takes the form of a new transaction posted into the accounts with a negative value of the original.

A live transaction can only be reversed if it was posted in the current accounting period AND no fees have been processed.

Transaction Type

The transaction type determines how and where the transaction should be dealt with within the accounts. The “Veco” accounts system consists of 3 main areas, and the transaction type also reflects this. The main areas are:

- **Sales Ledger**

The sales ledger generally reflects all transactions that relate to the collection of monies from tenants and leaseholders. Typically, the sales ledger records rent, service charge, and ground rent postings.

There are four types of transaction posted into the sales ledger:

Sales Ledger Invoice (SLI) – a debt posted onto the leaseholder or tenancy account reflecting monies owed from that person (arrears).

Sales Ledger Payment (SLP) – a receipt posted onto the leaseholder or tenancy account reflecting monies received.

Sales Ledger Credit Note (SLN) – a credit posted onto the leaseholder or tenancy account reflecting a reduction in the amount owed.

Sales Ledger Refund (SLR) – a payment made to the leaseholder or tenant to reflect an overpayment being returned.

All sales ledger transactions must be allocated (or matched off) to at least one other sales ledger transaction. For example, a receipt (SLP) should normally be allocated to an outstanding invoice (SLI).

Owner (Landlord) statements will only show allocated receipts and refunds. No unallocated transactions are shown on statements.

- **Purchase Ledger**

The purchase ledger generally reflects all transactions that relate to the payment of monies to a supplier/contractor. Typically, the purchase ledger records fees, and other outgoings.

There are four types of transaction posted into the purchase ledger:

Purchase Ledger Invoice (PLI) – a credit posted onto the supplier account reflecting monies owed to that company.

Purchase Ledger Payment (PLP) – a payment posted onto the supplier account reflecting monies paid to the supplier.

Purchase Ledger Credit Note (PLN) – a debit posted onto the supplier account reflecting a reduction in the amount owed to that company

Purchase Ledger Refund (PLR) – a refund received from the supplier to reflect an overpayment being returned.

Owner (Landlord) statements will only show allocated payments and refunds. No unallocated transactions are shown on statements.

- **Cash Book**

The cash book generally reflects all miscellaneous receipts and payments for which an invoice does not exist. Typically, the cash book will record opening balances, deposits, funding from landlords, payments to an owner, refunds of deposit, and transfers between bank accounts.

There are three types of transaction posted into the cash book:

Cash Book Receipt (CBR) – a receipt of funds or posting used to create a positive cash balance.

Cash Book Payment (CBP) – a payment of funds from a bank account to an individual or company.

Cash Book Bank Transfer (CBT) – a transfer from one bank account to another for a particular property.

- **Nominal Ledger**

All nominal accounts are set up in a “Chart of Accounts”. All transactions posted into the system will always debit at least one of the nominal accounts, and credit at least one other account. The total of all debits and credits must give the same amount.

Nominal Ledger Journal (NLJ) – a transaction used to transfer funds between any two nominal accounts. Generally, this is used for making auditing adjustments at the end of a financial year.

Transaction Reference

Every financial transaction posted into “Veco” is automatically allocated a unique reference. No two transactions can exist with the same transaction reference. The transaction reference appears in the title of the transaction form when posting a new transaction, or opening an existing transaction, and also appears in the transaction grids.

It is recommended that the transaction reference is hand written onto any documentation (such as a supplier invoice, or bank statement) to indicate that the details have been entered into the accounts system.

Department

Every transaction must be assigned to a “department”, or fund, to indicate which entity within “Veco” has responsibility for the transaction. There are four options:

- Estate

The transaction forms part of the Estate accounts and should appear on any financial reports relating to the estate. Typically, the “Estate” department should be used for all transactions involving service charges, estate reserves, building outgoings, etc.

- Freeholder

The transaction forms part of the Freeholder accounts and should appear on any financial reports relating to the freeholder. Typically, the “Freeholder” department should be used for all transactions involving ground rents, and ground rent fees, etc.

- Owner

The transaction forms part of the Owner (Landlord) accounts and should appear on any financial reports and statements relating to the owner. Typically, the “Owner” department should be used for all transactions involving rents, management fees, property outgoings, etc.

- Tenancy

The transaction forms part of the Tenancy accounts and should appear on any financial reports and statements relating purely to the tenancy and not the owner (landlord). Typically, the “Tenancy” department should be used for all transactions involving deposits, agreement fees, etc.

Related Details

Depending on the type of transaction being posted, and also depending on the department chosen, it is necessary to specify certain “contact” details.

The following list shows what details are required:

Ledger	Department	Details Required
Sales	Estate	Property
Sales	Freeholder	Property
Sales	Owner	Tenancy
Sales	Tenancy	Tenancy
Purchase	Estate	Estate, Supplier
Purchase	Freeholder	Estate, Supplier
Purchase	Owner	Property, Supplier
Purchase	Tenancy	Tenancy, Supplier
Cash Book	Estate	Estate
Cash Book	Freeholder	Estate
Cash Book	Owner	Property
Cash Book	Tenancy	Tenancy

Details are entered by clicking on the required field and then typing the first few characters of the name, address, or reference.

The drop-down list will then give various choices.

Select from the drop-down list, and the other related details will be selected automatically.

When all required details have been selected the “Relates To” section will close automatically. To open it, click the down-arrow next to the words “Relates To”.

Posting Date

This is the date when the transaction was posted onto the system.

Transaction Date

This is the relevant accounting date. For an invoice transaction, this would normally be the invoice date. For a transaction involving cash this would normally be the date of the receipt or payment. However, the transaction date will also determine which “Accounting Period” the transaction will fall in to. (See below).

When entering a new transaction the transaction date is normally set automatically to the current date (today). However, if today’s date is after the end date of the current accounting period the transaction date is automatically set to the end date of the current period.

The transaction date can be changed as required, but be aware that the accounting period will change accordingly.

The result of this is that a transaction that is not dated in the “Current Period” will not appear on the Owner Statement for the “Current Period”. Any receipt with a future accounting period will be treated as a “Future Receipt” and will not be paid out to the Owner or used to pay any invoices.

Description

This is a free-format description of the transaction. This description will also be shown automatically on each line of the “Analysis” section. This description will appear on all transaction reports and also on Owner (Landlord) Statements and should be of sufficient detail to describe the financial event.

Accounting Period

The “Veco” accounting module works on the basis of “Accounting Periods”. These allow reports and statements to be produced in a secure and orderly manner and prevent transactions being posted which could undermine previously produced reports and statements.

Each “Accounting Period” consists of a year and period number, and has a period start date and period end date.

Although any date range can be selected for each period, generally, it is normal practice to standardise on each accounting period reflecting a calendar month.

So for the year 2008, accounting periods would be as follows:

Period	Date From	Date To
2008/01	01/01/2008	31/01/2008
2008/02	01/02/2008	29/02/2008
2008/03	01/03/2008	31/03/2008
etc.		

The “Veco” system always has a “Current Period” accounting period into which all transactions are posted when they are entered manually or created by the system.

At the end of each month (each accounting period) it is necessary to run a “Period End Routine”. This closes off the “Current Period” and prevents entries into this closed period. It is, however, possible to continue posting transactions beyond the end of the “Current Period” even though a period end routine has not yet been run.

When entering transactions, the transaction date and the accounting period are selected automatically according to the following rules:

Rule 1:

You cannot post transactions into a closed period – other than with a Nominal Ledger Journal (NLJ)

“Transaction Date” cannot be before the “Start Date” of the “Current Period”

Example: If the “Current Period” is “2008/02” the transaction date cannot be earlier than 01/02/2008.

Rule 2:

Money cannot be received or paid out on a date in the future not yet reached.

“Transaction Date” must be before, or the same as, the current date (ie Today).

Rule 3:

If the transaction date falls between the start date and end date of the “Current Period”, the accounting period of the transaction will be the same as the “Current Period”.

Example: If the “Current Period” is 2008/02 and the transaction date is 10/02/2008, the accounting period of the transaction will be 2008/02.

Rule 4:

If the transaction date falls after the end of the “Current Period”, the accounting period of the transaction will be the accounting period into which the transaction date falls.

Example: If the “Current Period” is 2008/02 and the transaction date is 10/04/2008, the accounting period of the transaction will be 2008/04.

Rule 5:

It is not possible to reverse a transaction posted into a “Closed” period.

Rule 6:

If you wish a transaction to fall into a different period other than the “Current Period” you must ensure that the transaction date is entered correctly.

Allocation Period

All “Sales Ledger” and “Purchase Ledger” transactions must eventually be allocated.

“Cash Book” transactions are self-allocating.

The “Allocation Period” is recorded at the time a transaction is allocated.

Generally, transactions are allocated as follows:

SLP is allocated against SLI
 (“Allocation Period” is later period between SLP accounting period and “Current Period”)

SLN is allocated against SLI
 (“Allocation Period” is set to “Current Period”)

SLR is allocated against SLN
 (“Allocation Period” is later period between SLR accounting periods and “Current Period”)

SLR is allocated against SLP
 (“Allocation Period” is later period between SLR, SLP accounting periods and “Current Period”)

PLP is allocated against PLI
 (“Allocation Period” is later period between PLP accounting period and “Current Period”)

PLN is allocated against PLI
 (“Allocation Period” is set to “Current Period”)

PLR is allocated against PLN
 (“Allocation Period” is later period between PLR accounting period and “Current Period”)

PLR is allocated against PLP
 (“Allocation Period” is later period between PLR, PLP accounting periods and “Current Period”)

CBR, CBP, CBT, and NLJ are self-allocating and take the “Allocation Period” from the accounting period of the transaction.

Only allocated cash transactions will appear on Owner Statements.

Account Analysis

The account analysis specifies which nominal accounts are debited and credited by the values entered on the “Analysis” section of the transaction.

With some transaction types either the debit account or credit account are completed automatically and are not shown.

The “Analysis” for differing transaction types is as follows:

Transaction Type	Debit Nominal	Credit Nominal	Enter amount(s) under heading...
SLI	“DEBTORS”	(Any Income Account)	“Charge”
SLP	Bank Account	“DEBTORS”	“Received”
SLN	(Any Income Account)	“DEBTORS”	“Credit”
SLR	“DEBTORS”	Bank Account	“Refunded”
PLI	(Any Expense Account)	“CREDITORS”	“Invoiced”
PLP	“CREDITORS”	Bank Account	“Payment”
PLN	“CREDITORS”	(Any Expense Account)	“Credit”
PLR	Bank Account	“CREDITORS”	“Refunded”
CBR	(Bank Account)	(Any Income Account)	“In Respect of”
CBP	(Any Expense Account)	Bank Account	“In Respect of”
CBT	(Any Bank Account)	(Any Bank Account)	“Transfer In/Out”
NLJ	(Any Nominal Account)	(Any Nominal Account)	“Increase/Decrease”

The “DEBTORS” and “CREDITORS” accounts are very important control accounts used within the accounting module. If these are changed they need to be re-defined on the “Admin : Parameters : Default Accounts” details form.

Where a “Bank Account” is specified above, the bank account is taken from the “Client Account” as defined on the “Owner Group” form (for “Owner” and “Tenancy” department transactions), or from the “Section 42A” account as defined on the “Estate” form (for “Estate” and “Freeholder” department transactions).

When entering details in the “Analysis” section ensure the correct “Account” is selected from the list of nominal accounts as defined under “Chart of Accounts”. Then enter the amount and (optionally) VAT in the amount column. The amount column will be headed differently depending on the type of transaction (see table above).

Owner Statements

When Owner (Landlord) Statements are produced they will show all transactions with an “Allocated Period” that falls between the “Last Statement Period” and “Next Statement Period” as entered on the Owner Group details.

Account Summary Balances

As transaction postings are entered (either manually or automatically), “Veco” keeps track of various balances that relate to the different Owner/Freeholder Groups, Estates, and Tenancies. These balances can be seen at any time from the “Account Summary” tab on the various details forms.

The “Account Summary” balances are calculated according to the “Department” chosen when entering the transactions: “Estate”, “Freeholder”, “Owner”, and “Tenancy”.

The “Account Summary” balances only reflect transactions which are dated up to the end of the “Current Period” or the current date (today), whichever is earlier.

Posting Transactions & Allocation

Any type of transaction can be posted manually from either the “Draft Transactions” or “Transactions” grids. However, a number of transactions are posted automatically when running some of the “Accounting Routines” (see below).

Manual Postings

1. Navigate to either the “Draft Transactions” or “Transactions” grids
2. Click “Add New” in the top status bar. If “Add New” is not shown if your user security does not allow you access to creating new transactions
3. Choose a transaction type from the drop-down list
4. Enter the transaction details as described previously under these sections:
 - “Relates To” - Department; Contact Details
 - “Details” – Dates; Banking Details; Description
 - “Analysis” – Nominal Account; Amount; VAT; Description (for reports and statements)
5. To save the transaction click “Save”
6. If you are posting a Sales Ledger or Purchase Ledger transaction you may wish to allocate against any outstanding SL or PL transactions. If so, select the “Allocation” tab in the bottom section and allocate the amounts as required against the list of outstanding transactions.
7. Click “Save” or “Close”
8. *Note: After saving and allocating it is not possible to un-allocate a transaction*

Automatic Postings

Quite a lot of transaction postings are created automatically by running the various “Accounting Routines”. The different routines are described below.

Accounting Routines – Summary

The following is a brief summary of the various accounting routines designed to streamline and automate the creation of accounts transactions. These routine are found on the “Accounts” node on the menu tree:

Routine	Description	Transactions Created
Chart of Account	Defines the nominal accounts used by the system	n/a
Draft Transactions	Process Draft Transactions	Various
Transactions	Current “live” transactions for selected accounting period	n/a
Transactions by Nominal	Transactions for chosen date range, showing nominal accounts used	n/a
Outstanding Sales Transactions	Unallocated Sales Ledger transactions with number of days outstanding – generally used for arrears reporting	n/a
Outstanding Purchase Transactions	Unallocated Purchase Ledger transactions with number of days outstanding – generally used for aged creditors (suppliers) invoices	n/a
Summary Balances	Totals of transactions per Owner, Tenancy, etc for chosen accounting period	n/a
Accounts Balances	Shows debits and credits for chosen nominal account, department and date range	n/a
Raise Charges (SLI)	Process Scheduled Sales Ledger Charges (eg rents, service charges, etc)	SLI
Demand Generator	Creates and prints sales invoices (demands) and assigns invoice numbers	n/a
Import Receipts	Import standing orders from external file, and automatically allocates against outstanding sales invoices	SLP
Receipts (SLP)	Semi-automatic posting and allocation of receipts	SLP
Raise Invoices (PLI)	Process Scheduled Purchase Ledger Charges (eg management fees, etc)	PLI
Invoice Generator	Creates and prints purchase invoices and assigns invoice numbers	n/a
Payments (PLP)	Automatic posting and allocation of supplier payments to pay outstanding purchase invoices	PLP
Rent Guarantee	Process Rent Guarantee payments and re-payments	CBR, CBP
Owner Payments	Process payments to Owners	CBR
BACS / Cheques	Process BACS and cheques report for chosen bank accounts and assigns cheque numbers	n/a
Fees Pending	Process monthly management fees as part of the Period End Routine	PLI, PLP
Tax Pending	Process monthly tax as part of the Period End Routine	TAX
Statements	Process interim Owner Statements and full statements as part of the Period End Routine	n/a
Quarterly Tax Return	Process payments to Inland Revenue (HMRC) each quarter	CBP
CNR Tax	End of Year Tax Return for HMRC	n/a
Bank Reconciliation	Cross reference all receipts and payments with bank statements	n/a

Typical Transaction Postings

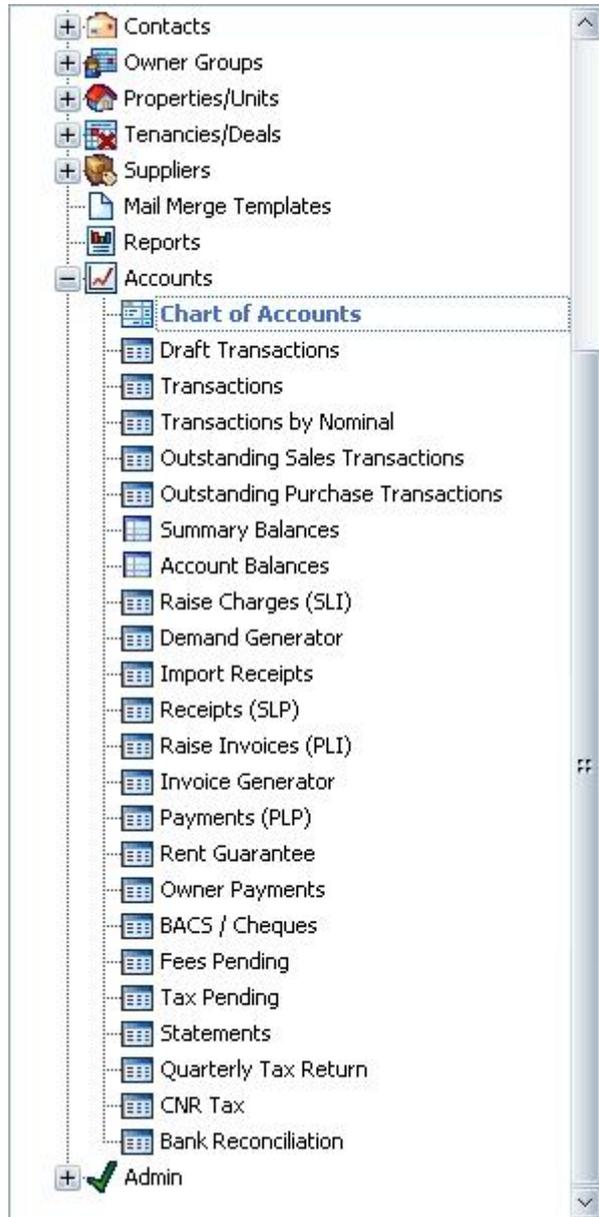
Description	Transaction Type	Department	Method
Rent Due	SLI	Owner	1. Set up Tenancy "Scheduled Charge" 2. "Raise Charges (SLI)" Or Manual Transaction Posting
Rent Received	SLP	Owner	"Import Receipts" from bank file Or "Receipts (SLP)" Or Manual Transaction Posting and Allocation
Service Charges Due	SLI	Estate	1. Set up Property "Scheduled Charge" 2. "Raise Charges (SLI)" 3. "Demand Generator" Or Manual Transaction Posting
Service Charges Received	SLP	Estate	"Receipts (SLP)" Or Manual Transaction Posting and Allocation
Deposit Received	CBR	Tenancy	Manual Transaction Posting
Agreement Fees			
Supplier Invoice	PLI	Owner or Estate	Manual Transaction Posting
Supplier Invoice Payment	PLP	Owner or Estate	"Payments (PLP)" Or Manual Transaction Posting and Allocation
Management Fees Invoice	PLI	Owner or Estate	1. Set up Tenancy "Scheduled Charge" 2. "Raise Invoices (PLI)" Or "Fees Pending" at end of month Or Manual Transaction Posting
Fees Paid	PLP	Owner or Estate	"Payments (PLP)" Or "Fees Pending" at end of month Or Manual Transaction Posting and Allocation
Opening Landlord Balance	CBR	Owner	Manual Transaction Posting
Rent Arrears	PLI	Owner	Manual Transaction Posting
Owner (Landlord) Payments	CBP	Owner	"Owner Payments" Or Manual Transaction Posting
Transfer Estate funds to Reserve account	CBT	Estate	Manual Transaction Posting

Scheduled Charges

(See additional documentation: “Veco User Guides – Scheduled Charges”)

Example Screenshots

Accounts Routines



Transaction Posting

Transaction - Sales Ledger Invoice P2508D3618-35E227A3

File Edit Actions Help

Save Close [Icons]

Relates To

Department

Sub-department

Freeholder Group

Estate

Owner Group

Property

Tenancy

Contact

Details

Office Account Period 2008/03 Gross

Date 18/03/2008 Amount Invoice Number

Date From VAT Days Delay 0

Date To

Description

Other Info

Analysis

Account	Charge	VAT	VAT Amount	Description
	£0.00		£0.00	
	£0.00		£0.00	