

Veco Release Notes (Version 1.5.0.0)

Additional Accounting Functionality

Version 1.5.0.0 introduces enhanced accounting functionality and reporting, summarised as follows:

- “Income & Expenditure” and “Balance Sheet” data grids, with the ability to filter by portfolio, individual property, owner, or estate.
- Production of “Income & Expenditure” and “Balance Sheet” reports.
- Ability to configure Veco to calculate “deferred” income and expenses, with automatic postings into relevant nominal accounts.
- Ability to calculate fees as a percentage of revenue “due” (as well as revenue “received”).

Income & Expenditure Data Grid

The “Income & Expenditure Grid” is available from the “Accounts Reports” node on the menu tree.

The date range of the report is determined by selecting a range of accounting periods at the top of the screen. The grid will then calculate and show accounts balances summarised by Property, Nominal Account, and Accounting Period.

In order to show data on this grid the relevant nominal accounts must be correctly classified. This is done from the menu tree option “Accounts Posting : Chart of Accounts”.

This field needs to be configured:

Report:

Set this as “Income/Expenditure”

It doesn’t matter if the field is incorrectly configured to begin with, as it can be adjusted at any time in light of the results on the grid.

The results can be filtered, sorted, and grouped as required.

A useful tool to use is the “Pivot Grid” option that enables multiple accounting period comparisons to be shown.

Balance Sheet Data Grid

The “Balance Sheet Grid” is available from the “Accounts Reports” node on the menu tree.

The date range of the report is determined by selecting an accounting period at the top of the screen. The grid will then calculate and show accounts balances summarised by Property and Nominal Account for all transactions up to and including the selected accounting period.

In order to show data on this grid the relevant nominal accounts must be correctly classified. This is done from the menu tree option “Accounts Posting : Chart of Accounts”.

This field needs to be configured:

Report:

Set this as “Balance Sheet”

It doesn’t matter if this field is incorrectly configured to begin with, as it can be adjusted at any time in light of the results on the grid.

The results can be filtered, sorted, and grouped as required.

“Income & Expenditure” and “Balance Sheet” Reports

Each of the above grids can be exported into Excel for further manipulation. However, a “Report” button at the top of the screen allows a choice of report template. Examples have been provided for both reports, but these can be custom-designed as required. The reports will always contain the same data as filtered on the grid. This allows for reports to be produced for individual properties; properties belonging to the same owner, portfolio, or estate; or for the entire portfolio.

There are a number of key fields that need to be configured in the Chart of Accounts:

Heading:

Specify the main heading name under which the nominal account should appear on the report. The choice of headings can be configured using the “Admin : Types” menu option.

Sub-Heading:

Specify the sub-heading name under which the nominal account should appear on the report. The choice of sub-headings can be configured using the “Admin : Types” menu option.

Report:

Set this as either “Balance Sheet” or “Income/Expenditure”.

On Report:

Set this as either “Positive” or “Negative” to indicate if the account is normally a positive or negative figure on the relevant report, and should therefore appear as an “Asset” or “Liability” (on the Balance Sheet), or an “Income” or “Expense” (on the Income & Expenditure Report).

Seq No:

Each nominal account should be assigned a unique Sequence Number. This determines the order of the accounts within each heading/sub-heading group on the report.

Heading/Sub-Heading Order

The order of the groups of accounts under each Heading and Sub-Heading on the reports needs to be correctly assigned. Use the menu option “Admin : Templates : Account Heading Order” to set these into the correct numerical order.

It doesn’t matter if these fields and settings are incorrectly configured to begin with, as they can be adjusted at any time in light of the results on the reports.

Deferred Income and Deferred Expenditure

Deferred income and expenditure refers to the need to only show income and expenditure values in the period to which they were earned or incurred.

For example, a monthly rent of £1,000 might be invoiced (SLI) on 1st July 2013 for the period 1st July to 31st July (ie the whole of the July 2013 accounting period). In which case, the whole income value of £1,000 should appear on an Income & Expenditure report for the period July 2013.

However, should the invoice raised on 1st July 2013 actually refer to the period 15th July 2013 to 14th August 2013 the income value for the accounting period July 2013 will only be part of the rent equating to 17 days, with the remaining 14 days value appearing on the report for August 2013.

In this above example the “Income & Expenditure” report for July 2013 will show £548.39, with the remaining £451.61 appearing as a “Deferred Rent” liability on the “Balance Sheet” report. The August 2013 report will show an income of £451.61, with a Deferred Rent balance of £0 on the Balance Sheet. In other words, the deferred balance is moved from the Balance Sheet to the Income & Expenditure report.

Another example might be where a rent is charged 6 months in advance. The full 6 months value should not be shown on the Income & Expenditure report because this would overstate the income (or profit) in the first month. Each monthly report would need to show only the value of the rent for a single month, with the balance appearing as “Deferred Rent” on the Balance Sheet report, reducing over the following 5 months.

The same situation applies to expenses such as fees, works, insurance, etc. A proportion of the whole expense should appear on the Income & Expenditure Report in the month (accounting period) in which the expense is incurred, not necessarily when the invoice is received. The remaining balance will appear on the Balance Sheet as a “Deferred Expense”, reducing of the whole period of the invoice.

Calculating Deferred Income and Deferred Expenditure

The apportioned amounts appearing on the Income & Expenditure Grid/Report can be calculated by different methods as required:

“Apportion by Days”

If the type of income/expense is configured as “Apportion by Days” each accounting period will show a proportion of the whole invoice value calculated by dividing the gross amount by the number of days covered by the invoice (based on “Date From” and “Date To”), and then multiplying by the number of days relevant to each accounting period.

“Apportion Partial Periods by Days with Remainder Spread Evenly”

If the type of income/expense is configured as “Apportion Partial Periods by Days with Remainder Spread Evenly” each partial accounting period will show a proportion of the whole invoice value calculated by dividing the gross amount by the number of days covered by the invoice (based on “Date From” and “Date To”), and then multiplying by the number of days relevant to each accounting period. Each whole accounting period will show an equal value calculated by dividing the whole invoice value by the number of periods covered.

In both cases the value assigned to the final accounting period allows for any rounding errors.

Where a transaction covers a range of accounting periods (as determined by the “Date From” and “Date To” fields), if any accounting period is earlier than the “current” accounting period the value assigned to that period is totalled up into the “current” period.

Configuring for Deferred Accounts

The process of deferring income and expenditure to the balance sheet, and the method of calculation, is controlled by how the Chart of Accounts is configured. Additional nominal accounts must be created to serve as the “deferred” balances on the Balance Sheet.

1. Create New Nominal Accounts

- In “Accounts Posting : Chart of Accounts” create new nominal accounts for each of the required deferred accounts. Eg DEF-RENT for “Deferred Rent”.
- These should be marked as either “Asset” or “Liability” accounts.
- Tick the new nominal account as “Deferred”.

2. Link Nominals to Deferred Accounts

- Go to the menu option “Admin : Accounts Parameters”
- Click “Setup Deferred Accounts”
- Tick “Use Deferred Accounts”
- At the bottom of the screen create a pairing of an Income (or Expense) account with a Deferred Account, and select if the method of apportioning is to be “Apportion by Days” or “Apportion Partial Periods by Days with Remainder Spread Evenly”.
- Click “Save” to add the pairing to the list.
- Repeat for other relevant accounts.
- Note: The same Deferred Account can be used more than once.
- If you make a mistake remove the pairing by clicking “Remove Account Pair” and re-enter.

Processing Transactions

No additional manual processing is required when using the “Deferred Accounts” functionality. Every time a SLI, SLN, PLI, or PLN transaction is posted, either automatically or manually, (where the “Date From” and “Date To” fields have been entered) the system will automatically post the relevant amounts into the income/expense and deferred accounts. These will then be visible when running the “Income & Expenditure” and “Balance Sheet” reports.

Editing and Reversing Transactions

Editing a transaction (to change the amount; nominal; or date range) will automatically cause the deferred amounts to be removed and re-calculated.

Reversing a transaction where deferred accounts have been used will automatically result in the removal of any postings into the deferred accounts.

Calculating Fees as a Percentage of Rent Due

Fee Scheduled Charges can now be configured to calculate the fee as a percentage of the rent due. To do this, the Scheduled Charge for the fee must be “linked” to the relevant Scheduled Charge for the rent. Then, whenever the rent charge (SLI) is raised the fee invoice (PLI) is also raised automatically.

When entering the Scheduled Charge, enter the percentage to charge and then tick the box “% of Rent Due”, and then select the Rent “Demand Schedule” to link to.

Note that this ability to charge a fee as a percentage of rent invoiced does not apply to any manually posted SLI transactions. In these circumstances a PLI transaction for fees must be calculated and posted manually.

Also, if a SLI is reversed, or credited by posting a SLN credit note, manual adjustments must be made to the PLI transaction by either reversing the PLI or by posting a PLN credit note.