



Application	ChreosClient – Chreos 3
Module	Clients
Access	“Clients Journal”
Minimum service pack	SP26
This document	Debtor Journals Ref 3.5 Published May 2004

Overview

Debtor journals are used for making changes to debtor balances where an invoice, credit note or receipt is an inappropriate alternative.

Details Displayed

- **Date.** This must be in the current debtor period.
- **Journal #.** This entry point will only be displayed if the journal number is to be allocated manually. The entry can be numeric digits only and no reference is made to previous numbers entered. If it is set for automatic incremental entry, the next number as displayed in the “Maintenance | Setup | Documents” screen will be used but not shown here. Refer to the “Setup (9.1)” information sheet for setting up these options. Uniqueness is not enforced in either instance.
- **Net.** This is the tax exclusive amount. If the amount is entered as a positive value a ‘DR’ will appear next to it. A ‘CR’ will appear if it is entered as a negative amount.
- **Tax.** The consumption tax value of the journal entry can be entered manually or left blank if no tax is involved in the transaction. However, if you click the [\$\$\$] button the tax will be calculated automatically based on the entered net value entered at the default consumption tax rate. This rate is set in the “Maintenance | Setup | Consumption Tax” screen. The button can not be clicked if the default rate is 0%.
- **Gross.** The total value of the journal entry, being the sum of net and tax, is displayed here.
- **Client Search.** This panel displays the client search facilities. Refer to the “Client Search (1.3)” information sheet.
- **Client Detail.** The address, current and total account balance of the top debtor is displayed.
- **Entry Type.** The second side of the double entry associated with a journal can have either of two destinations:

- **General Ledger** – No other debtor account is involved. A general ledger account will need to be selected.
- **Debtor** – A second debtor account is to have the funds moved from or to it. The debtor will need to be selected.
- **Ledger Account or Search For Double Entry Client.** This depends on which option you have selected in the ‘Entry Type’ panel. If you have selected ‘General Ledger’, this panel will display the general ledger search panel. If you have selected Debtor then it will display the client search panel. Refer to either the “Account Search (1.6)” or “Client Search (1.3)” information sheets for details on their use.

To Enter A Journal

- Enter the journal entry details.
- Enter the amount details.
- Select the debtor.
- Select the entry type.
- Select either the general ledger account or the double entry debtor that the funds are to be journalled to.
- Click the [Save] button.

What Happens Financially

If the ‘Gross’ amount is positive the top debtor’s account will be increased in value by this amount which means that the amount that they owe will increase. If this amount is negative then their indebtedness is reduced.

If the ‘Entry Type’ is ‘Debtor’ then the second debtor’s account will move in the opposite direction to the top debtor and by the same amount. In this instance there will be no difference in the tax status as it will simply transfer from one debtor to the other.

If a general ledger account is selected then the net amount will go to that account with the opposite sign to how it was entered. The tax amount will go to the tax account identified in the “General Ledger | Account linking” screen, again with the opposite sign to how it is entered in the journal.

When To Use Debtor Journals

- To enter initial outstanding values for debtors when setting up a new company in Chreos.
- To alter an account when the debtor pays nearly the right amount.
- To give a general discount after the invoice has been created.
- To correct a receipt that has been entered against the wrong debtor.
- To deal with a bounced cheque.

- To correct a receipt when the wrong amount was entered.
- To correct a receipt where it has been entered against the wrong debtor.

When Not To Use Debtor Journals

- Crediting returned stock. In this and all instances where there are stock levels being altered an invoice or credit note is the correct tool to use.

Related Issues

- If a journal is created for a debtor who is set up as Open item, the transaction will need to be separately allocated using the “Clients | Allocation” screen.
- Under certain circumstances the account aging for a debtor may not be correct after journals have been entered. This is updated by running the 3rd tick in Table Management.
- Even if a debtor is set up not to be charged tax it is possible to charge them tax through a journal entry.

Examples Of Journal Usage

Moving from existing system to Chreos #1

You are moving the accounts of an existing company into Chreos. The company is registered for consumption tax on an invoice basis. You want to enter the figures so that they are aged correctly on a monthly basis. If you are going to start trading in Chreos on 1st October then the debtor module needs to start on 31st July.

Journal in each 2 month and 3+ months outstanding balance for each debtor. They should be entered as a net amount only with no extra tax content. The ‘Entry type’ will be ‘General Ledger’. The General Ledger account to select should be called something like “Opening balances”. Please refer to the “Moving a Company to Chreos (71.4)” information sheet for the full details on the use of this account. The amounts should be entered as positive (DR) except for those debtors with credit balances (you owe them) which are entered as negative amounts.

When all the entries are correctly entered the “Clients | End of period” function can be run. Before rolling the period the balances can be checked by using a “Debtor Aged Trial Balance” report. Enter all the 1 month balances as 31st August and run end of period again. Repeat the same process with the current balances going into 30th September. This should now give an aged report with the same detail as in the system you are replacing.

Moving from existing system to Chreos #2

Using the same parameters as “Moving from existing system to Chreos #1” above except that the company is registered for consumption tax on an

payments basis. Everything is done as per that example except that each amount has to be broken down to a net amount and a tax amount so that the gross amount is equal to the aged amount being brought over.

Under payment by 3 cents

If the debtor has short paid by 3 cents and it is decided to write off the balance then enter the amount as a credit (negative) amount. If there is a tax component then this should be separated out. An appropriate GL account is selected.

Incorrect debtor receipted

To correct an entry where a receipt is entered against the wrong debtor, select the debtor incorrectly receipted as the top debtor and the debtor who should have been at the bottom. Enter the amount of the receipt as the positive (DR) net amount. There is usually no need to enter a tax amount.

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