

FreePlus Accounts User Manual

Table of Contents

Introduction.....	3
Accounting Tasks.....	3
Purpose and Approach of this Manual.....	4
Menu Philosophy and Layout.....	4
Input Fields.....	5
Advertising and Security.....	5
VAT.....	5
Year End Reports.....	6
Registering to use FreePlus Accounts.....	7
Starting to Use FreePlus Accounts.....	9
Entering Initial Company Details.....	9
Opening Balances.....	10
Additional Nominal Accounts.....	12
Construction Industry Scheme.....	14
Adding a New Customer (or Supplier).....	16
Add New Customer.....	16
How to Save new Customer Details.....	17
Raising an Invoice.....	18
Method A - Use 'Raise Invoice' icon.....	18
Method B – Select from 'Sales' dropdown menu.....	19
Raising an invoice for a unlisted customer.....	20
Method C – create from existing similar invoice.....	21
Next Steps – Applicable to All Methods – Entering invoice header and item.....	21
Amending or deleting an item on a draft invoice.....	23
Recording invoice as (already) paid.....	23
Next Step Options:.....	24
Finalise the Invoice.....	24
Print as Quotation.....	25
Preview and Save as a Draft Invoice.....	25
Start Again.....	26
Delete Invoice.....	26
Invoice List.....	26
Raising a Credit Note.....	27
Receiving a one-off, casual payment.....	28
Tracking payments of Invoices.....	29
Receiving Payment for one or more invoices.....	30
Partial and Full Payment(s) of a Single Invoice.....	30
Multiple Invoice Payment.....	32
Making a Refund.....	33
Creating Statements.....	34

Recording Payments to Suppliers.....	35
Payment at time of order	35
Creating a Purchase Invoice.....	36
Payment for purchases made 'on account' / on credit	38
Recording and Paying Expenses.....	39
Record Expense.....	39
Pay Expenses.....	39
Transferring Money.....	40
Putting Money Into your Bank Account.....	40
Getting Money out of your Bank Account.....	41
Transferring Money between Accounts.....	41
Checking Your Bank Statements (Reconciliation).....	43
VAT Returns.....	46
VAT Schemes.....	46
Making a VAT Return.....	46
Previous Returns.....	48
Correcting Mistakes.....	49
Different Reports to help monitor performance.....	51
Front Page.....	51
Invoice/Transaction Analysis.....	52
Trial Balance.....	53
Year End Reports.....	54
Miscellaneous Functions.....	55
Additional Functionality.....	55
Test System.....	55
Reminders.....	55
Feedback.....	56
Audit trail.....	56
Menu Bar Search.....	56
How to Perform Common Tasks in FreePlus Accounts.....	57
Invoicing a Customer.....	57
Record Payment for a single Invoice.....	57
Record a Payment for Multiple Invoices.....	57
Record a Casual Receipt of e.g. Daily Takings.....	57
Record a Purchase.....	58
Finally – How do we, Corunna Systems Ltd, use FreePlus Accounts?.....	59

Introduction

The efficient management of financial accounts is vital for every business, and key to this is a suitable accounting software system. FreePlus Accounts is a reliable, easy-to-use, on-line (web based) accounting system that provides the business owner manager with the means to efficiently carry out the following functions:

- Raise invoices
- Track payments from customers
- Record payments to suppliers
- Make sure that bank statements tally with payments received (called bank reconciliation) and
- (Where applicable) make VAT Returns
- Generally monitor the financial health of the business through the use of various (analytical) reports.
- Generate various Year End reports to make it as easy as possible (and therefore as cheap as possible!) for an accountant to carry out the necessary year end procedures.

Most accounting software systems are complex to use and require some knowledge of accounts and accounting practice. FreePlus Accounts is different because it has been designed from the perspective of the busy small business owner manager; it provides the needed functionality but keeps the complexity hidden in the background where it belongs.

Accounting Tasks

The tasks for which the business owner manager uses an accounting system typically fall into four broad categories:

- **Once-only** type functions such as entering company details;
- **Occasional** functions such as entering details of a new customer;
- **Regular** functions such as carrying out bank statement reconciliation on a monthly cycle;
- **Frequent** functions such as raising invoices and recording payments to suppliers.

This manual will focus on those regular and frequent tasks that form the bulk of the work of maintaining an accurate accounting system.


Purpose and Approach of this Manual

The purpose of this manual is to describe how to use FreePlus Accounts to manage your accounts concentrating mainly on those regular and more frequent tasks. The manual achieves this by using a small, fictional, photographer's business called 'Phunky Photos Ltd' to show how to use FreePlus Accounts to:

- raise invoices for photographic work carried out
- record payments for various equipment that needs to be purchased
- monitor customers' payments
- check (reconcile) transactions recorded against the business's bank statements, to help the user ensure that no transactions are overlooked or slip through the proverbial cracks.
- create a VAT Return

For ease and speed of understanding, the examples (and indeed much of the rest of this manual) are written in conversational style - as if you, the reader were the owner manager of Phunky Photos Ltd. (All data used in the examples is fictional and any resemblance to a real person or entity is entirely coincidental).

Menu Philosophy and Layout

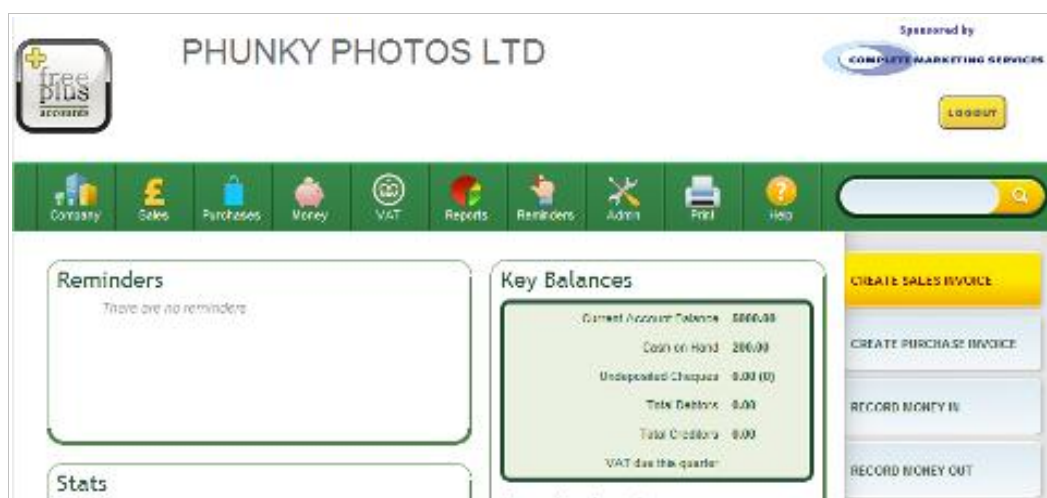
In many of the following illustrations an orange arrow  is used to draw the viewers attention to specific areas of interest.

The main menu buttons along the top of the screen (see illustration below) give access to the main accounting functions. These are functions that need to be accessed from **any** screen.



Many of these menus have dropdown sub-menus which become visible when the mouse is hovered over the menu icon.

The tabs on the right side of the screen control different actions that can occur for (and only for) the specific screen.



Input Fields

Throughout the FreePlus Accounts system, input fields that have a beige coloured background (also marked by a red asterisk [*]) are mandatory fields and must be completed. Fields with a white background may be left empty although, in many instances, an output will only make sense if at least some of these fields are completed.

Advertising and Security

FreePlus Accounts is free to use. The service is funded through sponsors, advertisers and affiliates. They pay to have a presence on the FreePlus Accounts website. Advertisements may appear in different parts of the screen but, mostly, will be below the tabs on the right hand side. Parts of such advertisements are visible in the screen shot illustrations in this manual.

As described in the FAQs (accessible from the login page), your data is safe. It is not accessible to sponsors, advertisers or affiliates.

Any user of the site can also choose to advertise their business on FreePlus Accounts. For information on how to advertise your business on FreePlus Accounts, please see the FAQs?

If you prefer to suppress advertising to your account, this service is available as an optional additional feature. Further details are available under 'Features' (accessible from the login page).

VAT

Phunky Photos Ltd is registered for VAT (Value Added Tax) so, importantly, we show you how to account for VAT and how to ensure that you pay what you owe (and no more) to HM Revenue and Customs (HMRC), using FreePlus Accounts. (FreePlus Accounts has been written for United Kingdom registered businesses).

If you are unfamiliar with VAT you can find a description of what it is and which would be the best Scheme for you on the HMRC website. At the time of writing this manual, the appropriate page of the HMRC website was: <http://www.hmrc.gov.uk/vat/index.htm>).

If your business is VAT registered you will need to activate the FreePlus Accounts VAT functionality. The process for activating the VAT functionality is described below under 'Entering Initial Company Details (including VAT registration and any Opening Balances)'.

Year End Reports

This manual also shows you how to generate year end reports for your accountant (if you have one) or for Companies House and HMRC. Finally we show you how you can use some of the reports to ensure that your business is moving in the right direction.

Registering to use FreePlus Accounts

Before you can start using FreePlus Accounts you must register for a user account. This is very easy and only takes a few moments and, once completed, means that only you can gain access to your information.

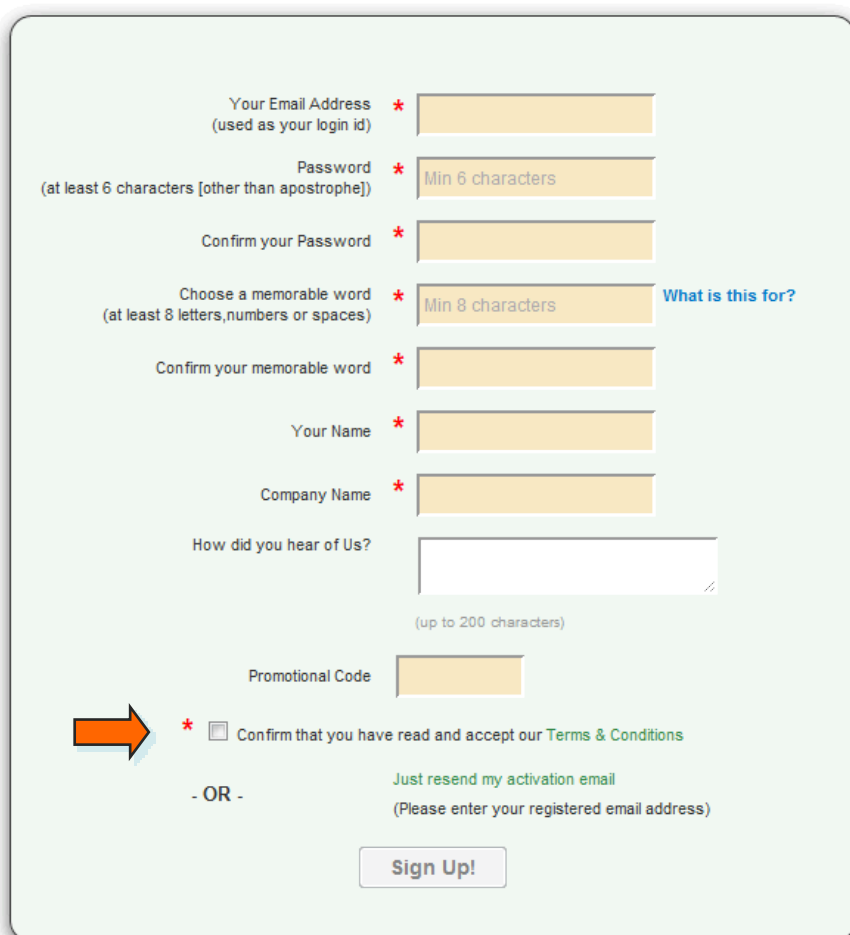
Registration is a two-part process. In the Registration screen, illustrated below, complete each field and confirm that you accept the Terms & conditions.

FREEPLUS ACCOUNTS REGISTRATION

Thank you for trying FreePlus Accounts. To get started we first need to collect a few details so as to ensure that only you have access to the account you are about to set up. We take security very seriously indeed (you can read our Privacy Policy [here](#) for full details) and you can be assured that none of your details are **ever** passed on to any third parties. What is private remains private.

Please note that throughout this system input fields that have a **beige** coloured background (also marked by a red asterisk **(*)**) are mandatory fields and have to be completed

You must complete **ALL** fields



The registration form is displayed on a light green background. It contains several input fields, most of which are highlighted with a beige background and a red asterisk to indicate they are mandatory. The fields are: 'Your Email Address (used as your login id)', 'Password (at least 6 characters [other than apostrophe])', 'Confirm your Password', 'Choose a memorable word (at least 8 letters,numbers or spaces)', 'Confirm your memorable word', 'Your Name', and 'Company Name'. There is also a text area for 'How did you hear of Us?' with a character limit of up to 200 characters, and a 'Promotional Code' field. Below the fields, there is a checkbox for 'Confirm that you have read and accept our Terms & Conditions', a link for 'Just resend my activation email' with a note to enter the registered email address, and a 'Sign Up!' button. An orange arrow points to the checkbox. A link 'What is this for?' is next to the memorable word field.

Your Email Address * (used as your login id)

Password * (at least 6 characters [other than apostrophe]) Min 6 characters

Confirm your Password *

Choose a memorable word * (at least 8 letters,numbers or spaces) Min 8 characters What is this for?

Confirm your memorable word *

Your Name *

Company Name *

How did you hear of Us? (up to 200 characters)

Promotional Code

* ☐ Confirm that you have read and accept our [Terms & Conditions](#)

- OR -

[Just resend my activation email](#)
(Please enter your registered email address)

Sign Up!

Once you have completed this part you will receive an activation email, sent to the email address you have just supplied, to enable you to activate the account you have created.

Once your account is activated you can start using it and benefit from the many features and benefits of FreePlus Accounts.

Starting to Use FreePlus Accounts

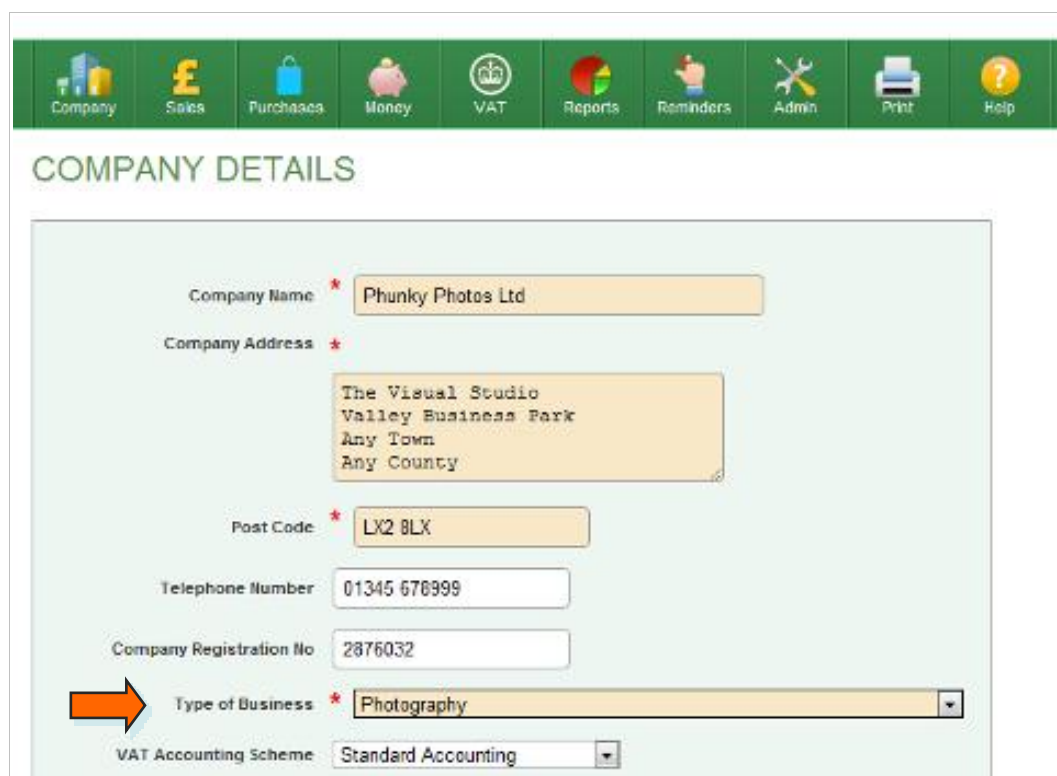
The next section of the manual describes how to begin using FreePlus Accounts once you have registered as a user.

Do not worry about making mistakes! There is an option on the 'Company' menu that will enable you to delete all data other than Company details and, optionally, customer records. Therefore, in the early stages, you can experiment as much as you like until you feel that you have got everything just right.

Entering Initial Company Details

Once you have completed the registration process, the first thing that you need to do is to enter details about your company. These details include the company address, registration number, financial year end (month), VAT details if the company is registered for VAT (see below), and a number of other pieces of information that will enable FreePlus Accounts to be used in managing your accounts.

You must also select the type of business that you are running so that FreePlus Accounts knows how to best set up your accounts.



The screenshot shows the 'COMPANY DETAILS' form in the FreePlus Accounts system. At the top, there is a green navigation bar with icons for Company, Sales, Purchases, Money, VAT, Reports, Reminders, Admin, Print, and Help. The form itself is titled 'COMPANY DETAILS' and contains several input fields with red asterisks indicating required fields. The fields are: Company Name (Phunky Photos Ltd), Company Address (The Visual Studio, Valley Business Park, Any Town, Any County), Post Code (LX2 8LX), Telephone Number (01345 676999), Company Registration No (2876032), Type of Business (Photography), and VAT Accounting Scheme (Standard Accounting). An orange arrow points to the 'Type of Business' dropdown menu.

Although not mandatory, it would be a good idea, at this stage, to enter your bank details as, if they are there, they are printed on invoices.

Important: Account Activation for VAT Registered Businesses

If your business is VAT registered you will need to activate the FreePlus Accounts VAT functionality. In order to do this, it is important that ***immediately after you have entered the above-described details about your company, you log out (of FreePlus Accounts) and then log back in again.*** Until you log out and log in again, the software will continue to operate in non-VAT mode. Once you have logged out and logged in again, at this point, FreePlus Accounts indicates that it is in VAT mode by displaying the VAT icon among the row of icons across the top of the screen. The VAT icon is indicated by the arrow in the illustration below.

Opening Balances

Once you have completed and saved your company details on the 'Company Details' page you should enter your opening balances by clicking the 'Set Opening Balances' tab on the right hand side of the screen. See illustration above. This will open the 'Opening Balances' page, illustrated below.

If this is a new business then most of these fields will be empty. If, however, you are switching from another accounting system you will need to enter the balances as they were at the point that you are switching.

The first thing to do is to pick a suitable start date ('Starting Date'). Ideally this will be the start of your tax year but, if not that, then either the start of the previous VAT period (if you are registered for VAT) or the start of the current month will do.

Having selected your start date you then need to establish what you had in each of the accounts you will use in FreePlus Accounts on that date and enter those figures as your opening balances. You also need to work out the value, at that date, of any assets the company has and also any long term liabilities such as a loan.

Finally, you need to identify all unpaid sales and purchase invoices and enter these into the system. If there are many invoices you can create a single sales invoice with a customer name of 'Debtors' and a single purchase invoice with the customer name 'Creditors' and enter each total as a single line item (but make sure that any VAT is correctly calculated, this may require several line item entries).

For 'Cash on Hand' just enter the amount of petty cash (including any cheques) that you are currently holding.

For 'Current Account Opening Balance' (and 'Deposit Account Opening Balance' if you have a deposit account) enter the Balance Carried Forward amount from statement prior to your starting date and the statement number.

Similarly, if you have any outstanding (business) debt on your credit card, enter that in the 'Amount Owed on Credit Card' field.

For 'Assets' enter the total value of your assets as at the start date.

Similarly for 'Long Term Liabilities' enter the total amount of any mortgage, loans, hire purchase etc that are still outstanding

When you have entered these balances click on the 'Save these Details' tab on the right hand side" (indicated by the arrow in the illustration above).

Additional Nominal Accounts

An additional optional feature available to those who have a subscription is the ability to add new nominal accounts to the Chart of Accounts. Up to 20 additional accounts may be added to each of the following Account Groups:-

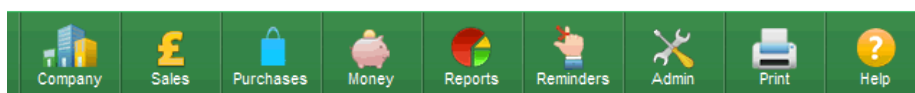
- 4300 – Other Income
- 5000 – Cost of Sales
- 6000 – Other Expenses
- 7000 – Fixed Overheads

To add additional accounts, select 'Chart of Accounts' from the 'Company' menu icon and then click on the 'Add Nominal Accounts' tab at the right. This will display the 'Add nominal Accounts', page as shown below, listing all existing accounts in the groups that may be increased.

Code	Description	Account Group	Group	Status	Edit
4300	Other Income	4300 - Other Income	Income	existing	
4310	Bank Interest	4300 - Other Income	Income	existing	
5000	Cost of Sales	5000 - Cost of Sales	Expenses	existing	
6000	Other Expenses	6000 - Other Expenses	Expenses	existing	
6010	Bank Charges	6000 - Other Expenses	Expenses	existing	
7000	Fixed Overheads	7000 - Fixed Overheads	Expenses	existing	

To add an account ensure that the correct nominal account group, indicated by the arrow above, is selected, enter the text describing the account and then click the 'Plus' button to the right of the description.

This will add that account to the list of 'Nominal Accounts to be Added' along with a Delete button to enable you to delete it if required. The illustration below show a number of accounts to be added to the Chart of Accounts.



ADD NOMINAL ACCOUNTS

Nominal Account Groups
7000 - Fixed Overheads ▼

Description
Office Rental

+

Nominal Accounts to be Added

Code	Description	Account Group	Group	Status	Edit
4310	Bank Interest	4300 - Other Income	Income	existing	
5000	Cost of Sales	5000 - Cost of Sales	Expenses	existing	
6000	Other Expenses	6000 - Other Expenses	Expenses	existing	
6010	Bank Charges	6000 - Other Expenses	Expenses	existing	
7000	Fixed Overheads	7000 - Fixed Overheads	Expenses	existing	
	Advertising	5000 - Cost of Sales	Expenses	new	Del
	Telephone	6000 - Other Expenses	Expenses	new	Del
	Postage	6000 - Other Expenses	Expenses	new	Del
	Motoring	6000 - Other Expenses	Expenses	new	Del

It is important to recognise that, at this stage, these accounts have only been added to the screen, they are not yet in your Chart of Accounts.

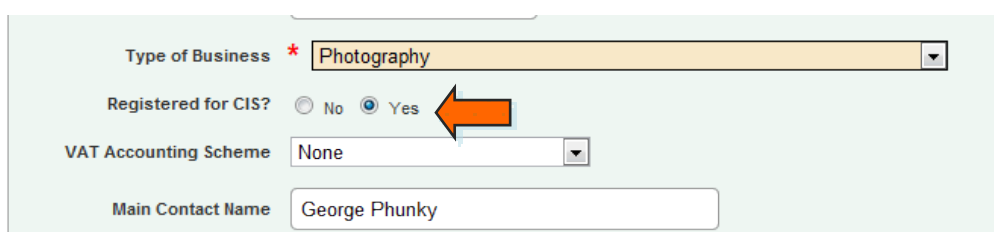
Once you are satisfied with the accounts to be added, the final step is to save them. To do this, click on the 'Save Nominal Accounts' tab at the right of the screen.

Construction Industry Scheme

If you are registered for the Construction Industry Scheme (CIS) as a sub-contractor, when you do work for a contractor that contractor is required to withhold cis tax and account for it to HMRC. Thus any invoices presented to such contractors will only ever be paid less this tax.

FreePlus Accounts makes it very easy to correctly record these payments.

Firstly, when completing the Initial Company Details (see above) select 'Yes' to the question 'Registered for CIS?' as illustrated below.



Once you have saved this change an additional nominal account (1150) called CIS Tax is created (see below).

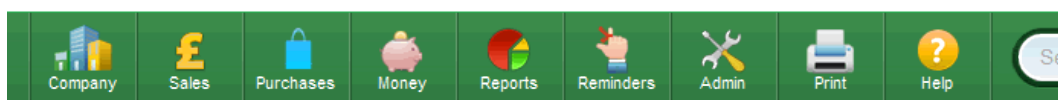
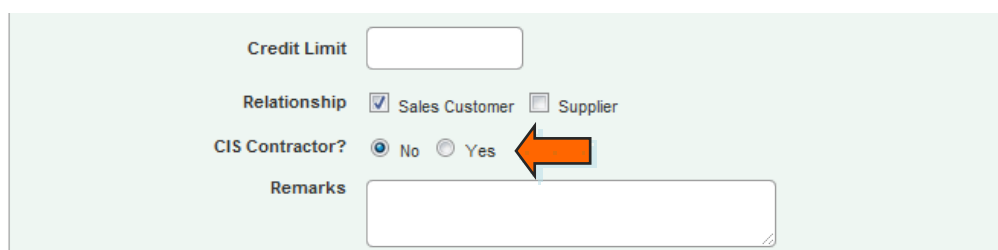


CHART OF ACCOUNTS

Nominal Code	Description	Type	Balance
1000	Fixed Assets	Fixed Assets	0.00
1100	Debtors	Current Assets	110.00
1150	CIS Tax	Current Assets	0.00
1200	Bank Current	Current Assets	-980.20

An additional option is also added to the 'New Customer' screen to enable you to identify a customer as a CIS contractor.



All invoices sent to a CIS customer will have a remark added beside the invoice total showing the amount to be actually paid, see the illustration below.

Total due for payment = £1920.00		Total	2400.00

When this amount is recorded as having been paid the invoice will be marked 'paid'.

If you need to send both CIS and normal invoices to the same customer you should create 2 customer records, one with 'CIS Customer?' set to 'Yes' and the other with 'CIS Customer?' set to 'No' and then just invoice as appropriate.

Adding a New Customer (or Supplier)

You may add as many sets of customer details as you wish. These details are primarily used for invoice creation and customer account management and so are best entered for those customers with whom you have repeat dealings. You can record payments for 'one-off' customers without needing to first enter any details.

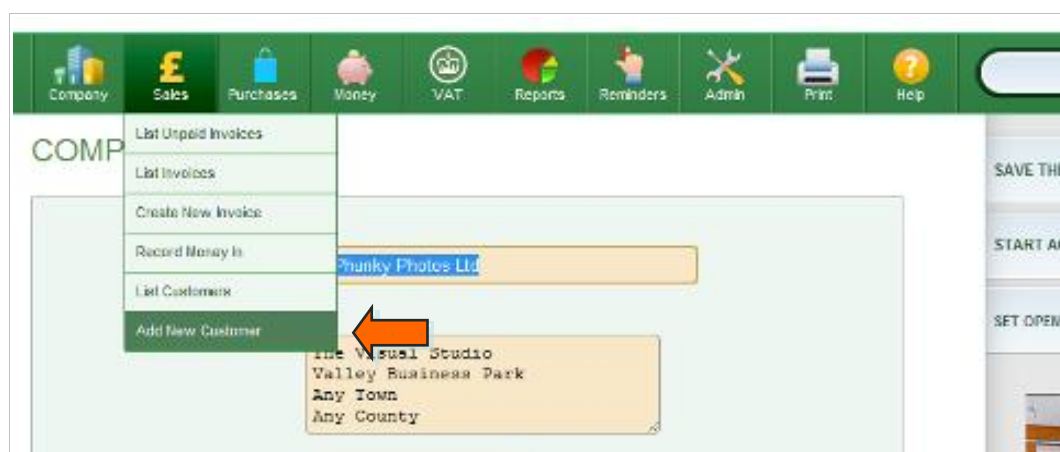
If, having raised a number of invoices for a 'one-off' customer, you decide to create a dedicated customer record you can link those invoices to that record by using 'Assign Unlisted Invoices' located on the 'Admin' dropdown menu.

The customer details to be entered include the name, address, contact name and email address to whom invoices can be emailed plus additional information such as credit limits (not yet functional) and terms of payment.

Entering details for new suppliers follows exactly the same procedure as for customers and, indeed, in some instances a customer can also be a supplier.

Add New Customer

To add the details of a new customer, you need to select the action 'Add New Customer'. This action is located on the dropdown menu accessed by placing the mouse pointer over the 'Sales' icon which is located at the top left hand side of the screen, as indicated by the arrow in the illustration below.



Once the dropdown menu has appeared, select (left mouse click) 'Add New Customer'. This will open a blank 'Customer Details' page.

CUSTOMER DETAILS

Company Name: St Mary's School

Address: 1 The Playground, Toxtons, Bournemouth

Post Code: PR45 2AS

Region: UK

Telephone Number:

Contact Name: Mrs V Stem

Contact Email Address: vstem@stmarysschool.com

Terms of Business: 28 Days

Default Purchase Order No:

Default Payment Method: Cheque

Default VAT Rate: Standard (20%)

Bank Name:

Bank Sort Code:

Bank Account Number:

SAVE DETAILS

START AGAIN

10% OFF
HIGHLY FLEXIBLE
OFFICE SPACE
in prime UK
business locations

Next, fill in the details of the new customer in the fields provided. An illustration of a completed new Customer Details page is shown above. (Ignore the orange coloured arrow at this stage).

How to Save new Customer Details

Once you have filled in the details they will need to be saved. To save the details, hover the mouse pointer on the 'Save Details' tab (indicated by the orange coloured arrow in the illustration above), and left click the mouse. FreePlus Accounts will save the details and, to confirm it has done so, will show the 'List of Customers' page, which will include the customer whose details you have just saved. An illustration of the List of Customers page showing the example customer, 'St Mary's School' is provided below.

LIST OF CUSTOMERS

Number of Entries Found = 1 (Page 1 of 1)

All 0-9 A B C D E F G H I J K L M N O P Q R S T U V W X Y Z

Name	Post Code	Contact	Unallocated Payments	Balance Owing	Credit Limit	Actions
St Mary's School	PR45 2AS	Mrs V Stem	0.00	0.00		 

Raising an Invoice

FreePlus Accounts provides a number of ways for you to raise an invoice, most of which will pre-populate the main fields of the invoice, such as customer name and address. Three different methods (A, B and C) are described below. Following any of the three methods will take you to a point after which the steps are the same. These common steps are described below, under the heading, 'Next Steps – Applicable to All Methods – Entering invoice header and item', after the description of Method C.

Method A - Use 'Raise Invoice' icon

From the 'List of Customers', left click on the 'Raise Invoice' icon of the relevant customer. (The 'Raise Invoice' icon is indicated by the arrow in the illustration below). This will display the 'New Invoice' screen with many details already filled out.

Name	Post Code	Contact	Unallocated Payments	Balance Owing	Credit Limit	Actions
St Mary's School	PR45 2AS	Mrs V Stern	0.00	0.00		 

Alternatively you can click anywhere (other than the action column) on the row of the selected customer, display the 'Customer Details' screen and then click on the 'Create New Invoice' tab.

An example of the 'New Invoice' screen with these customer details already filled out is shown on the next page.

Company

Sales

Purchases

Money

VAT

Reports

Reminders

Admin

Print

Help

New Invoice

Company Name *

St Mary's School

Invoice Type

Sales Invoice

Address

1 The Playground
Toytown
Someshire

Invoice Date

29-Jul-11

Post Code

PR45 2AS

Invoice Number

(System Generated)

Region

UK

Customer Reference

Contact Name

Mrs V Stern

Terms

28 Days

Email

vstem@stmarysschool.co

Paid in Full?

☒ No ☐ Yes

Description	Price	Quantity	VAT Rate
			Standard (20%)

Category

Description	Unit Price	Qty	Sub Total	VAT Rate	VAT Amt	Total	Edit
You have not yet added any line items.							

Method B – Select from ‘Sales’ dropdown menu

From the ‘Sales’ dropdown menu, select ‘Create New Invoice’ (indicated by the arrow in illustration below). Typically this option is used for unlisted customers.

Company

Sales

Purchases

Money

VAT

Reports

Reminders

Admin

Print

Help

LIST C

List Unpaid Invoices

List Invoices

Create New Invoice

Record Money In

List Customers

Add New Customer

Number of E

All 0-9 A B C

St Mary's Scho

S

S T U V W X Y Z

(Page 1 of 1)

Contact	Unallocated Payments	Balance Owning	Credit Limit	Actions
Mrs V Stern	0.00	0.00		

This will display the 'New Invoice' page (see illustration below). Next, if creating an invoice for an existing customer, enter at least one letter into the 'Select Customer' field. This will trigger a dropdown menu of customers from which you select the relevant customer name. (In the illustration below, to keep things simple, the letter 'S' has been entered into the 'Select Customer' field, triggering a dropdown menu containing only the customer, 'St Mary's School'. See arrow.

New Invoice

Select Customer: S

Company Name:

Address:

Post Code:

Region: UK

Contact Name:

Invoice Type: Sales Invoice

Invoice Date: 29-Jul-11

Invoice Number: (System Generated)

Customer Reference:

Terms: -- Please Select --

Email:

Paid in Full? ☒ No ☐ Yes

Description	Price	Quantity	VAT Rate
<input type="text"/>	<input type="text"/>	<input type="text"/>	Standard (20%)

Category:

Description	Unit Price	Gty	Sub Total	VAT Rate	VAT Amt	Total	Edit
You have not yet added any line items.							

Raising an invoice for a unlisted customer

You can also use Method B when creating an invoice for a customer not in the existing customer list. When saved you are given the option of saving the customer details as a new customer record. Choosing this option will create a new customer record and save the invoice under that customer. Otherwise the invoice is saved under the generic 'unlisted' customer entry.

Method C – create from existing similar invoice

Where you wish to create a new invoice that is substantially the same as a previous one, select the invoice that you wish to copy from the list of invoices displayed either by clicking on 'List Invoices' (illustrated by one arrow) below) or by selecting the relevant invoice from the 'Customer Details' screen and, finally, click on the 'Copy to New' tab at the right (illustrated by a second arrow below).

The screenshot shows a software interface with a green top bar containing icons for Company, Sales, Purchases, Money, VAT, Reports, Reminders, Admin, Mail, and Help. A sidebar on the left has a 'Printed' tab and a menu with options: 'List Invoices' (highlighted with an orange arrow), 'Create New Invoice', 'Record Money In', 'List Customers', and 'Add New Customer'. The main area displays a sample invoice for 'Sales Invoice' with the following details:

Invoice Number: 100001
Invoice Printed: 29-Jul-11
Payment Due: 26-Aug-11
Customer Reference: school
Region: UK
Contact Name: Mrs V Soem
Email: vsoem@strawyschool.com
Terms: 26 Days

Description	Unit Price	Qty	Sub Total	Vat Rate	Vat Amt	Total
School Photo - wide angle	15.00	125	2025.00	20%	405.00	2430.00
Staff only photo	15.00	10	150.00	20%	30.00	180.00
Individual child photos	5.15	120	618.00	20%	123.60	741.60
Sub Total:						2793.00
VAT:						558.60
Invoice Total:						3351.60
Total Paid to Date:						0.00

Remarks: All photos to be framed as agreed.

Date of last Payment:

On the right side, there are buttons for 'RECORD PAYMENT', 'PRINT COPY', 'COPY TO NEW' (highlighted with an orange arrow), 'VOID INVOICE', and 'CUSTOMER INVOICE LIST'. At the bottom right, there is a 'parcels monkey' logo and a promotional banner for 'UK & International Parcel Delivery' with benefits like 'Next day!', 'Free collection', 'Free insurance', and 'Free SMS tracking'.

Next Steps – Applicable to All Methods – Entering invoice header and item

Once the 'New Invoice' screen is displayed you can enter the relevant details. These details effectively break down into three sections (see illustration on the next page):

- an **invoice header** section which shows details of the customer to whom you are sending, or will send, the invoice (many of these details may already have been entered by FreePlus Accounts)
- the **invoice item** section where details for items or services for which you are charging are entered (Description, price, Quantity, VAT Rate).
- The **invoice footer** section which includes any general remarks and the invoice totals.

These sections are indicated on the illustration below.

Company

Sales

Purchases

Money

VAT

Reports

Reminders

Admin

Print

Help

New Invoice

Header Section

Company Name *

St Mary's School

Address

1 The Playground
Toytown
Someshire

Post Code

PR45 2AS

Region

UK

Contact Name

Mrs V Stem

Paid in Full?

☒ No ☐ Yes

Invoice Type

Sales Invoice

Invoice Date

29-Jul-11

Invoice Number

(System Generated)

Customer Reference

Terms

28 Days

Email

vstem@stmarysschool.co

Description

Price

Quantity

VAT Rate

Standard (20%)

Category

+

Items Section

Description	Unit Price	Qty	Sub Total	VAT Rate	VAT Amt	Total	Edit
You have not yet added any line items.							

Footer Section

Remarks

Sub Total :

VAT :

Invoice Total :

In the invoice header section, ensure that at least the Company Name is entered. You may also want to complete other details such as the address and email address.

To enter items, begin by entering the 'Description' in the white box provided in the item section of the invoice (indicated in the illustration above), and then enter the item 'Price' (for a single item if you are selling more than one) in the box provided. If you are selling a quantity that is greater than one enter the total 'Quantity'. Make sure that the correct rate of VAT (where applicable) is displayed. Finally, click on the 'Add' (also indicated) button to the right of the item input section. FreePlus Accounts will then calculate the VAT and 'Total' item price and add the details to the list of items already entered onto the invoice (if any). It will also update the 'Sub Total', 'VAT' and 'Invoice Total' totals at the bottom of the invoice.

In the illustration below, three items are visible. Note that there is space for movement downwards of the scroll bar, located to the right of the 'Del' buttons. By sliding the scroll bar downwards, further item(s) would show. You may continue adding as many line items as you wish.

New Invoice

Company Name: Invoice Type:

Address:

Post Code: Invoice Date:

Region: Invoice Number:

Contact Name: Customer Reference:

Email: Terms:

Paid in Full? ☐ No ☐ Yes

Description	Price	Quantity	VAT Rate
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text" value="Standard (20%)"/>
Category: <input type="text"/>			

Description	Unit Price	Qty	Sub Total	VAT Rate	VAT Amt	Total	Edit
School Photo - wide angle	15.00	135	2025.00	20%	405.00	2430.00	<input type="button" value="Amd"/> <input type="button" value="Del"/>
Golf only photo	15.00	10	150.00	20%	30.00	180.00	<input type="button" value="Amd"/> <input type="button" value="Del"/>
Individual school photos	8.18	170	1390.60	20%	278.12	1668.72	<input type="button" value="Amd"/> <input type="button" value="Del"/>
Sub Total:						2733.00	
VAT:						556.60	
Invoice Total:						3351.60	

Remarks:

UK & International Parcel Delivery
 Next day!
 Free collection
 Free insurance
 Free SMS tracking
 good bananas!
 2009 Good Choice Price Crash!
 UK next day
 £8.20

Amending or deleting an item on a draft invoice

If you wish to make any amendments to items already entered, just click on the 'Amd' button (see illustration above) of the relevant item and the details will be copied back in to the item input section where you can make whatever changes are necessary and then re-add it to the item list. Similarly, if you wish to delete an item just click on the 'Del' button of the relevant line item.

Recording invoice as (already) paid

If your customer has already paid you, you can record this by selecting the 'No' or 'Yes' radio buttons located by the 'Paid in Full?' question. If you select the 'Yes' radio button, a window to a dropdown list will appear to the right of 'Yes'. By selecting the arrow in the window, you can select the method of invoice payment (Cash, Cheque, or Bank Transfer). FreePlus Accounts will mark the invoice as 'Paid' once the invoice is saved. However, before saving the invoice, see Next Step Options below.

The 'Remarks' box is provided for your convenience to allow you to communicate with your customer on the invoice, as you see fit.

Next Step Options:

Once you have entered all the details in your invoice, you have a number of options:

Finalise the Invoice

If you wish to save and/or send (email) the invoice, click on the 'Save & Lock' tab. Once you do that the invoice is allocated an invoice number and displayed (on the 'Print/Email Invoice' page – see illustration below) in a form that can either be printed or emailed to your customer. Instructions on how to print or email the invoice are given on the 'Print/Email Invoice' page under the invoice number, as shown below, and are repeated as follows:

"The above invoice is ready to be printed and/or Emailed

- To **print** the invoice click on the print button below.
- To **email** the invoice enter a message in the Message Space below, change the Subject and/or email address if you wish and then click on the 'Email' tab on the right"

The invoice will be immediately sent to your customer.

Company
 Sales
 Purchases
 Money
 VAT
 Reports
 Reminders
 Admin
 Print
 Help

PRINT/EMAIL INVOICE

INVOICE - 100001

The above invoice is ready to be printed and/or Emailed

- To print the invoice click on the print button below.
- To email the invoice enter a message in the Message Space below, change the Subject and/or email address if you wish and then click on the 'Email' tab on the right.

(You may, of course, both print and email the invoice)

INVOICE

Phunky Photos Ltd
The Visual Studio
Valley Business Park
Any Town
Any County
LN2 0LX
Tel: 01345 678999
Email: george@phunky@freeposaccounts.co.uk

St Mary's School
1 The Playground
Toydon
Someshire
PR45 2AS
I-AD: Mrs V Stern

Invoice No	100001
Invoice Date	29 Jul 2011
Due By Date	26 Aug 2011
Terms	20 Days
Your Reference	

VAT Registration No: 347 8709 23

Invoice Description

Description	Qty	Unit Price	VAT %	VAT Amount

Email Section

Recipient Name:

Personal Address:

EMAIL INVOICE

LIST INVOICES

CREATE NEW INVOICE

DELETE THIS INVOICE

90 FREE Business Cards!

Order in minutes! Receive in days!

Plus a FREE holder

Visit VistaPrint.co.uk GET YOURS

Print as Quotation

You can convert the invoice to a quotation by clicking on the 'Print as Quotation' tab. The quotation is given it's own reference number and saved in the same way as if it were a finalised invoice.

At a later time you can then select the quotation from the list of invoices and very simply convert it to an invoice by clicking on the 'Finalise Invoice' tab.

When converted to an invoice, the quotation number is used as a reference number.

Preview and Save as a Draft Invoice

If you want to preview what the finished invoice will look like click on the 'Preview / Save Draft' tab. As well as displaying the invoice as a pdf file (if you have Adobe Reader installed), this will save it in a Draft form. To close the preview, select the 'Close' tab on the right. (If you do not have Adobe Reader installed and wish to install it, visit the Adobe official website for further information, at: <http://www.adobe.com/uk/>)

Start Again

Clicking on the 'Start Again' tab reverts the invoice back to its original state on first being displayed.

Delete Invoice

Clicking on this tab gives you the opportunity to completely remove it from the system. As it has not yet been sent to a customer it does not need to be recorded within the accounting system.

Invoice List

This tab will display the list of invoices for this customer.

Raising a Credit Note

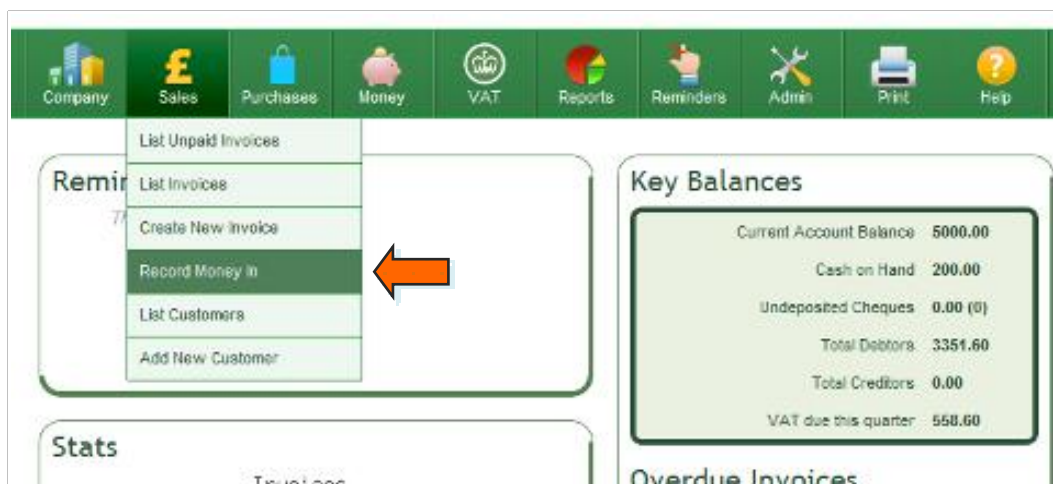
Creating a Credit Note is very similar to creating an Invoice. The only difference is that you must select 'Credit Note' from the 'Invoice Type' on the 'New Invoice' page (see illustration below). Alternatively you may select 'Create New Credit Note' from the 'Sales' dropdown menu.

The screenshot shows a web-based form titled "New Credit Note". At the top, there is a navigation bar with icons for Company, Sales, Purchases, Money, VAT, Reports, Reminders, Admin, Print, and Help. The form itself is divided into two columns. The left column contains fields for Company Name (St Mary's School), Address (1 The Playground, Toytown, Someshire), Post Code (PR45 2AS), Region (UK), Contact Name (Mrs V Stern), and a "Paid in Full?" checkbox (set to No). The right column contains fields for Invoice Type (Credit Note, highlighted with an orange arrow), Credit Note Date (29-Jul-11), Credit Note Number (System Generated), Customer Reference, Terms (28 Days), and Email (vstern@stmarysschool.co).

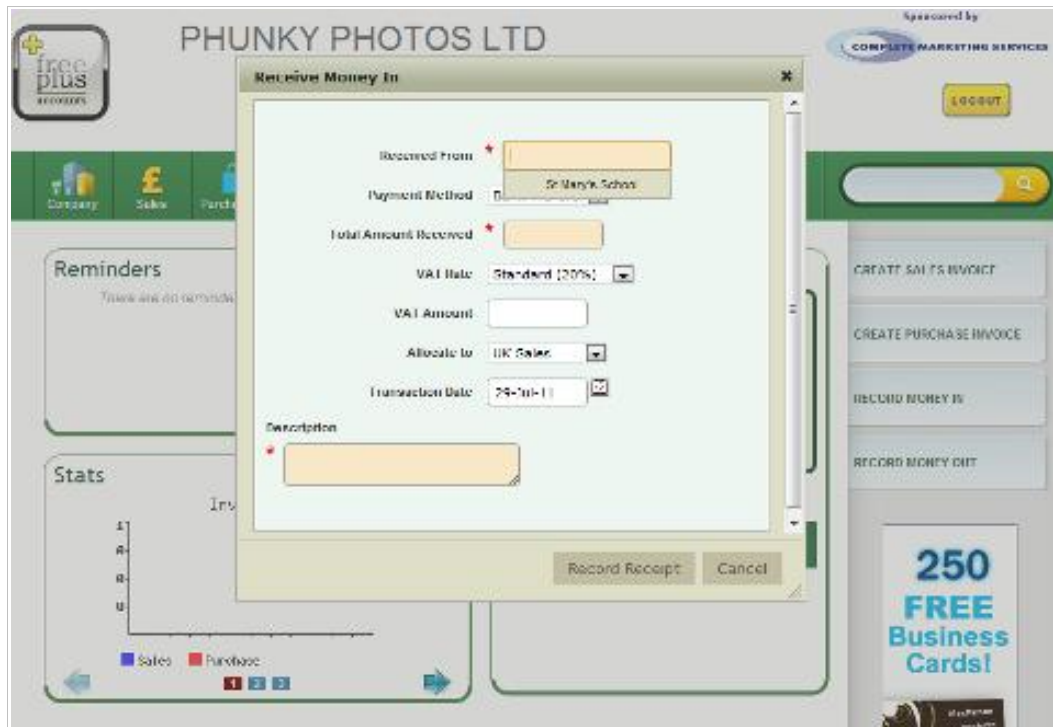
If this credit note is a refund for an earlier invoice you may automatically apply the refund total to the invoice by entering 'Refund for Invoice <invoice no>' into the remarks field where <invoice no> is the invoice to be credited. It is important that, for the value to be correctly allocated, the invoice number is the last 'word' in the remarks field.

Receiving a one-off, casual payment

To enter a casual payment, select 'Record Money In' under the 'Sales' dropdown menu as shown below.



This will open a dialogue box headed 'Receive Money In' (see illustration below). Next, enter the details required into the fields provided, including the full amount, including any VAT, add a description, and then, to record the money received, click on 'Record Receipt' at the bottom of the dialogue box.



If you enter 'Invoice <invoice no>' into the Description field the payment will be allocated to that invoice, otherwise a new invoice will be created.

Tracking payments of Invoices

When creating a new customer record you have the opportunity of entering your standard payment terms. Generally speaking those payment terms will determine the date by which a payment is due, based on the date that the invoice was created. FreePlus Accounts monitors all invoices and, where a payment is overdue, flags it up as 'Overdue'.

You can list all invoices that are Overdue (for payment) plus those which are still to be paid by selecting 'List Unpaid Invoices' from the 'Sales' dropdown menu (see illustration below).



This will produce the 'Invoice List' page. In the 'Invoice List' page illustration below, two invoices are listed, pertaining to St Mary's School, each of which are overdue because they have not been paid by the due date.

The screenshot shows the 'INVOICE LIST' page. It displays a table with two invoices, both of which are overdue. The table has the following columns: Invoice, Customer, Description, Total, Printed, Due, Owed, Status, and Pay.

Invoice	Customer	Description	Total	Printed	Due	Owed	Status	Pay
100002	St Mary's School	Staff prints - medium	80.00	13-Jun-11	11-Jul-11	80.00	Overdue	
100001	St Mary's School	School Photo - wide angle	3351.60	06-Jun-11	04-Jul-11	3351.60	Overdue	

Receiving Payment for one or more invoices

Payments against invoices can be received in one of three different ways:

- A partial payment
- Payment of the full invoice amount
- A single payment covering several invoices

Partial and Full Payment(s) of a Single Invoice

To record receipt of a payment which relates to a single invoice, select 'List Unpaid Invoices' from the 'Sales' menu as described in the previous section.

This will take you to the 'Invoice List' page. Next, click on the 'Pay' icon (indicated in the illustration below).



Invoice	Customer	Description	Total	Printed	Due	Owed	Status	Pay
100002	St Mary's School	Staff prints - medium	90.00	13-Jun-11	11-Jul-11	90.00	Overdue	
100001	St Mary's School	School Photo - wide angle	3351.00	05-Jun-11	04-Jul-11	3351.00	Overdue	

A small payment window will open with the relevant invoice details being displayed (see illustration below). Just enter the total being paid, the correct payment date and any additional remarks and then click on the 'Record Payment' button.



If the amount being paid is equal to or less than the total, FreePlus Accounts will automatically allocate the (partial) payment to the invoice. If it is more than the total the balance will be held 'on account'.

As an alternative, you can display the invoice details as described above and click on the 'Record Payment' tab at the right of the screen. See illustration below.



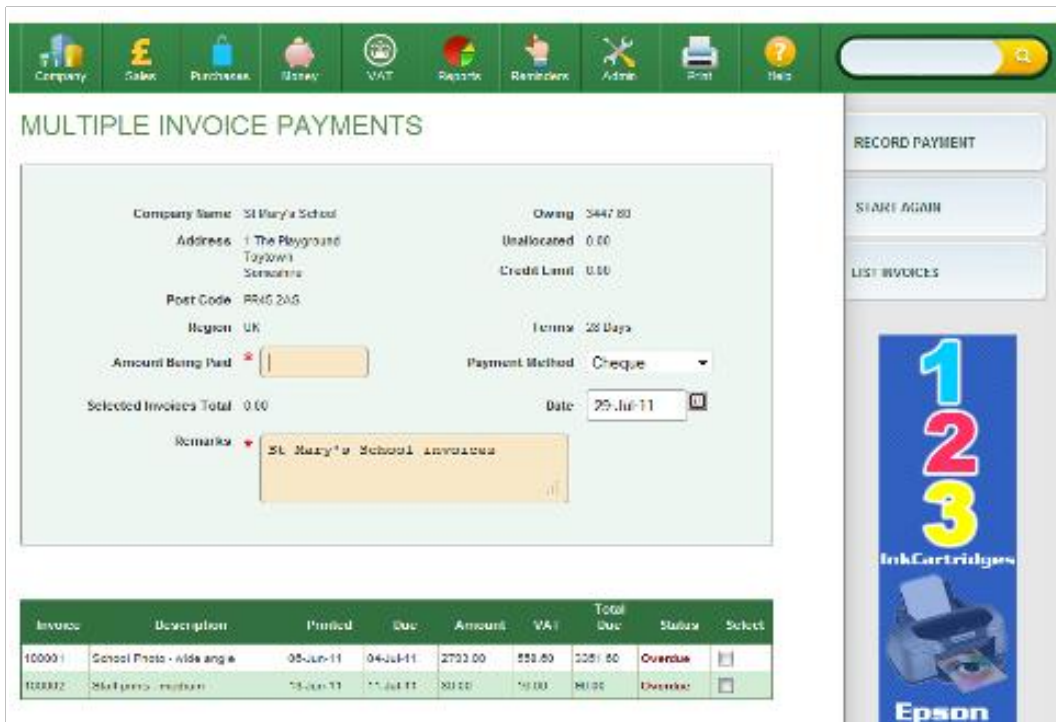
Multiple Invoice Payment

To record receipt of a payment which relates to more than one invoice, select 'List Customers' from the 'Sales' menu to display the 'List of Customers' (see illustration below – listing one customer).



Name	Post Code	Contact	Unallocated Payments	Balance Owning	Credit Limit	Actions
St Mary's School	PR45 2AS	Mrs V Stom	0.00	3447.80		

Click on the 'Receive Payment' (coins) icon of the appropriate customer (located on the right in the 'Actions' column (indicated by the arrow above)). This will display the 'Multiple Invoice Payments' page (see illustration below). Next, select the invoices that are being paid by checking the 'Select' box at the right of the invoice details (see close up illustration below) for each invoice to be paid.



Invoice	Description	Printed	Due	Amount	VAT	Total Due	Status	Select
100001	School Photo - wide angle	05-Jun-11	04-Jul-11	2722.00	558.80	3280.80	Overdue	<input type="checkbox"/>
100002	St Mary's - medium	10-Jun-11	11-Jul-11	80.00	16.00	96.00	Overdue	<input type="checkbox"/>

A running total of the value of the selected invoices is displayed in the 'Selected Invoices Total' field above the list of invoices.

If, having selected all of the invoices being paid, the total value equals the amount being paid, just click on the 'Amount being Paid' text and the value will be automatically entered into the field. Otherwise enter the amount being paid and then click on the 'Record Payment' tab at the right of the screen. FreePlus Accounts will then mark all the invoices as 'Paid' except that, where the total being paid does not cover the full value of an invoice that invoice will be marked as 'Partially Paid'.

Making a Refund

Sometimes you may want to offer a refund, for instance when offering a discount for early payment. Recording refunds is easily achieved in FreePlus Accounts by just selecting a Payment Type of 'Refund' in the 'Receive Payment' window (see the illustration below).

Part-Paid Invoice

Company Name: PHUNKY PHOTOS LTD

Address: [Redacted]

Post Code: [Redacted]

Region: [Redacted]

Contact Name: [Redacted]

Description	Unit Price	Qty	Sub Total	VAT Rate	VAT Amt	Total
Gloss Photographs	5.50	20	110.00	20%	22.00	132.00
Postage and Packing	10.00	1	10.00	20%	2.00	12.00
Remarks: Postage and packing fee will be refunded if collected in person			Sub Total :			120.00
			VAT :			24.00

It is only possible to refund the full amount still outstanding for the invoice, if there is a need to make a partial refund a credit note must be raised as described in 'Raising a Credit Note' above.

When a refund is made in this way FreePlus Accounts will:-

- automatically create a credit note for the balance
- bring the outstanding total of the invoice to zero
- mark it as 'Paid'
- add a note to the Remarks box identifying the related credit note

Creating Statements

There are occasions when customers will ask for a statement of money owed.

If Statement printing has been enabled for your account, select 'List Customers' from the 'Sales' menu and then click on the relevant customer details. In the customer screen, click on 'Print Statement' as shown below.

CUSTOMER DETAILS

Company Name: St Mary's School
Address: 1 The Playground
Tisbury
Somerset
Post Code: BA46 2AS
Region: UK
Telephone:
Owed by Customer: 3457.00
Unallocated: 0.00
Credit Limit: 0.00
Terms: 20 Days
Contact Name: Mrs V Stern

Number of Entries Found = 2 (Page 1 of 1)

Invoice	Type	Description	Total	Printed	Due	Owed	Status	Pay
100002	Inv	Soft prints - medium	90.00	13-Jun-11	11-Jul-11	90.00	Overdue	
100001	Inv	School Photo - wide angle	3397.00	08-Jun-11	04-Jul-11	3397.00	Overdue	

250 FREE Business Cards!

You may then print or email the resulting statement to your customer.

Recording Payments to Suppliers

FreePlus Accounts offers two ways to record purchases.

Payment at time of order

For most small businesses payment will have to be made at the time that goods are ordered or purchased. In order to record such a purchase select 'Record Money Out' from the 'Purchases' menu. This will open a 'Pay Money Out' form (see illustration below), into which you then enter the supplier's name (or select from the drop down list if the supplier details have already been recorded), enter the total amount being paid including any VAT, the VAT rate (where applicable), the date of the transaction, what category (account) the payment should be allocated to and a remark describing the payment. Finally click on the 'Record Payment' button.

The screenshot shows the 'Pay Money Out' form overlaid on the 'LIST OF SUPPLIERS' screen. The form contains the following fields and values:

- Paid To ***: Office Supplies Ltd
- Payment Method**: Bank Transfer
- Total Amount Paid ***: 79.99
- VAT Rate**: Standard (20%)
- VAT Amount**: 13.33 (Net = 66.66)
- Allocate to**: Cost of Sales
- Transaction Date**: 02-Aug-11
- Supplier Reference**: (empty)
- Description ***: 500 sheets of photographic paper

At the bottom of the form are two buttons: 'Record Payment' and 'Cancel'.

Creating a Purchase Invoice

When purchasing 'on account' you are, essentially, re-creating the purchase invoice, received from the supplier, into FreePlus Accounts.

To do this select 'New Purchase Invoice' from the 'Purchases' dropdown (see illustration below).

Company

Sales

Purchases

Money

VAT

Reports

Reminders

Admin

Print

Help

PURCHASE

Number of Entries Found

List Unpaid Purchases

List Purchases

New Purchase Invoice

Record Money Out

List Suppliers

Add New Supplier

Invoice

Reference

Description

Printed

Total

Paid

Owed

Status

Pay

500001

photographic

02-Aug-11

79.99

79.99

Paid

(Page 1 of 1)

A blank 'New Purchase Invoice' page, as shown below, is displayed.

[illegible]

The 'New Purchase Invoice' page provides tabs (on the right hand side) to allow you to 'Save', 'Print', 'Start Again' or select a 'Purchase Invoice List'.

When creating a purchase invoice the company name is the name of the supplier. If you type a character into the 'Select Supplier' box above it will list existing suppliers starting with that character you have typed, and you can select one of those, in which case the details are carried through to the 'Company Name', 'Address', etc. boxes. (See 'New Purchase Invoice' illustration above).

Generally, there should never be a need to print off a 'Purchase Invoice' because one should have been received from the supplier, which is why the 'Save & Print' tabs on the 'New Purchase Invoice' page are separate.

If the 'Save' tab on the 'New Purchase Invoice' page is clicked then: (a) details of the finalised Purchase Invoice are displayed, and (b) there is an option to print off the invoice as either an Invoice or a Purchase Order. If printed as an invoice, the supplier address will be at the top right, that is, will be 'from' the Supplier. If it is printed as a Purchase Order, the FreePlus Accounts User Company name will be top right, and the Supplier's details appear on the left (that is, it is 'from' the Company and 'to' the Supplier).

Payment for purchases made 'on account' / on credit

When recording payment for purchases made on 'on account' / on credit, the user should raise a 'Purchase Invoice' as described above. It can then be 'paid' in the same way that a Sales Invoice is marked as paid.

Select 'List Purchases' from the 'Purchases' dropdown menu and then click on the 'Record Payment' icon of the purchase invoice to be 'paid off' (as shown below).

The screenshot shows the top navigation bar with icons for Company, Sales, Purchases, Money, VAT, Reports, Reminders, Admin, Print, and Help. Below this is a 'PURCHASE' section with a dropdown menu. The menu options are: List Unpaid Purchases, List Purchases (highlighted with an orange arrow), New Purchase Invoice, Record Money Out, List Suppliers, Add New Supplier, Record Expense, and Pay Expenses. Below the menu is a table of purchase invoices. The table has columns: Invoice, Reference, Description, Printed, Total, Paid, Owed, Status, and Pay. The 'Status' column contains icons: a red square with a white 'P' for 'Paid' and a green square with a white 'P' for 'Unpaid'. An orange arrow points to the 'Record Payment' icon (a red square with a white 'P') in the 'Status' column of the invoice with ID 500003.

Invoice	Reference	Description	Printed	Total	Paid	Owed	Status	Pay
500004		Office Supplies	02-Aug-11	360.00	0.00	360.00	Unpaid	
500003		Office Supplies	02-Aug-11	720.00	0.00	720.00	Unpaid	
500002		photographic ...	02-Aug-11	79.99	79.99		Paid	
500001		photographic ...	02-Aug-11	79.99	79.99		Paid	

A payment window similar to that shown below will be displayed with the majority of fields pre-filled.

The 'Record Payment' dialog box is shown over the 'PURCHASE INVOICE' section. The dialog box contains the following fields:

- Invoice No: 500003
- Amount Outstanding: 720.00
- Amount Being Paid: 720.00 (with a red asterisk next to the input field)
- Payment Method: Bank Transfer (dropdown menu)
- Allocate To: Cost of Sales (dropdown menu)
- Date: 03-Aug-11 (calendar icon)
- Remarks: Purchase Invoice 500003 (text input field)

At the bottom of the dialog box are two buttons: 'Record Payment' and 'Cancel'.

Make any changes necessary and then click on 'Record Payment' to save the payment details.

Recording and Paying Expenses

FreePlus Accounts makes it very easy for you to record your expenses and then pay yourself.

Essentially the process is similar to 'Record Money Out' as far as raising the initial purchase invoice is concerned but, whereas with 'Record Money Out' the system will then automatically create a transaction, when recording expenses the two actions are separate. You can, of course, combine both the raising of a purchase invoice and the payment of that invoice for your expenses by using the 'Record Money Out' option.

Record Expense

To record an expense select 'Record Expense' from the 'Purchases' icon dropdown menu. Enter the total amount paid, any VAT details (if applicable), the date of the purchase and a description and then click on the 'Record Payment' button. FreePlus Accounts will then create the purchase invoice and, as confirmation, display a list of all expenses invoices, including the one just created.

Pay Expenses

At some later point, when you are going to reimburse yourself for this expenditure. Select 'Pay Expenses' from the 'Purchases' icon dropdown menu, select, in the same way as that described above for 'Multiple Invoice Payments', the invoices you wish to pay off . Enter the total to be paid either by clicking the 'Amount being Paid' text or enter the total manually and then click on the 'Record Payment' tab. The screen will be updated to show the selected invoices as 'Paid'.

Transferring Money

It is easy to record transfers of money into your accounts, out of your accounts and between your accounts using FreePlus Accounts.

All of these tasks are accessed from the 'Money' dropdown menu, as shown below.

The screenshot shows the top navigation bar with icons for Company, Sales, Purchases, Money, VAT, Reports, Reminders, Admin, Print, and Help. The 'Money' dropdown menu is open, displaying options: List Transactions, List Accounts, List Statements, Put Money in, Get money Out, and Transfer Money. The 'Put Money in' option is highlighted. To the left, the 'Reminders' section shows 'There are no reminders'. To the right, the 'Key Balances' section displays: Current Account Balance 3378.92, Cash on Hand -96.00, Undeposited Cheques 0.00 (0), Total Debtors 0.00, Total Creditors 1080.00, and VAT due this quarter -206.66.

Putting Money Into your Bank Account

Click on the 'Put Money In' option of the 'Money' dropdown menu. The screen shown below will be displayed.

The screenshot shows the 'CASH TO BANK' and 'CHEQUES' screen. The 'CASH TO BANK' section has input fields for 'Cash Total', 'Cheque Total', 'Total Amount', and 'Date' (03-Aug-11). The 'CHEQUES' section has a table with columns: Date, Customer, Amount, and Select?. Below these is a 'Most Recent Transactions' table.

Date	Detail	Paid In	Paid Out
03-Aug-11	Cash (Cash (and cheques) to bank)	182.00	
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)		79.58
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)		79.58
03-Aug-11	St Mary's School (Invoice 100001)	3351.60	
03-Aug-11	Bank Payment (Cheques)		4.73

On the right, there is a 'RECORD TRANSACTION' button and a promotional banner for '10% OFF FULLY EQUIPPED MEETING ROOMS from'.

Enter the amount of cash to be taken to the bank into the 'Cash Total' box. If there are any cheques to be banked, they will be listed in the 'Cheques' section. You may select those to be banked.

If you are only banking cheques, enter 0.00 into the Cash Total box (do not enter the cheques total into the cash box).
Finally, click on the 'Record Transaction' tab at the right of the screen to save these details.

Getting Money out of your Bank Account

Select 'Get money Out' from the 'Money' dropdown menu, enter the amount being taken out into the 'Amount' box and click on the 'Record Transaction' tab, as shown below.

CASH FROM BANK

To: Cash
From: Bank Current Account
Amount *
Date: 03-Aug-11

RECORD TRANSACTION

120 FREE Business Cards!

Order in minutes! Receive in days!

Most Recent Transactions

Date	Detail	Paid In	Paid Out
02-Aug-11	Cash (Cash and cheques to bank)	102.00	
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)		79.99
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)		79.99
02-Aug-11	St Mary's School (Invoice 100001)	100.00	
02-Aug-11	Bank Payment (Charges)		4.71

Transferring Money between Accounts

When using this option, you are either transferring money **into** your current account or **out from** your current account.

Select 'Transfer Money' from the 'Money' dropdown menu. Select whether you are transferring **From** or **To** the non-current account and select the account you are transferring from/to (See the illustration below).

Company

Sales

Purchases

Bank

VAT

Reports

Reminders

Admin

Print

Help

TRANSFER FUNDS BETWEEN ACCOUNTS

From

To

Amount

Date

RECORD TRANSACTION

1

2

3

InkCartridges

Epson

Canon

Brother

Most Recent Transactions

Date	Detail	Paid In	Paid Out
03-Aug-11	Cash (Cash (and cheque) to bank)	192.00	
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)		79.99
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)		79.99
03-Aug-11	St Mary's School (Invoice 155251)	3351.80	
03-Aug-11	Bank Payment (Charges)		4.73

Enter the amount to be transferred and then click on the 'Record Transaction' tab to save the transaction.

Checking Your Bank Statements (Reconciliation)

An important part of managing any business is to keep track of the entries in the business's bank statements and to check that they match the entries in FreePlus Accounts. This process is called bank statement reconciliation.

In order to carry out a bank statement reconciliation in FreePlus Accounts first select the 'List Accounts' option from the 'Accounts' dropdown menu (see illustration below), then click on the reconciliation icon of the account to be reconciled, in the 'Reconcile' column on the 'List of Accounts'.



A new page is displayed in two parts. (In the illustration below, this page is headed 'Reconcile Standard Bank Account 54936678'). The top part of the page contains fields to capture information about the statement as a whole, the lower part shows all transactions not yet reconciled to earlier statements.

The idea is to match off all the entries in the bank statement against entries listed in the 'Unreconciled Transactions' part of the reconciliation screen. The total of the entries selected (shown in the 'Total of Checked Items') should match the 'Statement Difference', see the illustration below..

Many times there will be entries in the bank statement that have not yet been entered into FreePlus Accounts; it is very easy to fix that.

For bank interest and/or charges, just enter the amounts in the 'Total Interest' or 'Total Charges' boxes, enter the date that these entries appeared on the bank statement and then click on the 'Add' icon (you can add both interest and charges in one action). If you are expecting a VAT refund/payment there will be a similar set of boxes for those entries.

For other receipts and payments just complete a 'Record Money In' or 'Record Money Out' transaction as described in earlier sections of this manual.

RECONCILE STANDARD BANK ACCOUNT 54936678

ACCEPT & LOCK

10% OFF
FULLY
EQUIPPED
MEETING
ROOMS
from
2 - 150
people

Total Interest:

Total Charges:

Statement #: (Previous statement was:)

Balance Brought Forward: 0.00

Balance Carried Forward:

Statement Difference: 3185.92

Total of Checked Items: 3185.92

Unreconciled Transactions

Date	Detail	Paid Out	Paid In	Match?
02-Aug-11	Office Supplies Ltd (500 sheets of photograph paper)	75.99		
02-Aug-11	Office Supplies Ltd (500 sheets of photograph paper)	75.99		
03-Aug-11	St Mary's School (Invoice 100001)		3351.00	
03-Aug-11	Bank Payment (Charges)	4.70		

Complete the reconciliation process by entering the 'Balance Carried Forward' total shown as the final entry on the bank statement.










All being well the 'Statement Difference' and 'Total of Checked Items' should agree, if, for some reason, the two totals do not balance you will need to discover why and then correct the erroneous entries.

Two of the columns of the 'Unreconciled Transactions' list have a small green mouse in the top left. This symbol denotes that you can make changes to data in these columns. The section 'Correcting Mistakes' describes how to do this. (Please note that double-clicking on the 'description' entry will (after asking for confirmation) delete that entry from your accounts.)

Once the two totals are in balance click on the 'Accept & Lock' tab to lock those entries. The updated statement for this account (which should match the bank statement), as shown below, will then be displayed.

For accounts that are configured to allow upload you may upload a copy of the bank statement.

You may reverse the order in which the entries are listed by clicking on one of the column headers.

 Company	 Sales	 Purchases	 Money	 VAT	 Reports	 Reminders	 Admin	 Print	 Help
---	---	---	---	---	---	--	---	---	--

TRANSACTION LIST

- Standard Bank Account 54936678
 Stmt # 1

Save Statement

Number of Entries Found = 4 (Page 1 of 1)

Date	Detail	Paid Out	Paid In	Balance
	Balance Brought Forward			0.00
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)	79.99		-79.99
02-Aug-11	Office Supplies Ltd (500 sheets of photographic paper)	79.99		-159.98
03-Aug-11	St Mary's School (Invoice 100001)		3351.60	3191.62
03-Aug-11	Bank Payment (Charges)	4.70		3186.92
03-Aug-11	Balance Carried Forward			3186.92

Statement reconciliation should be carried out for all accounts.

VAT Returns

VAT Schemes

For those companies registered for VAT, completing the VAT return accurately and on time is an important task, HMRC issue fines for late submissions.

At the time of writing this manual, there were two main VAT schemes recognised by HMRC. The first, called the 'Standard Accounting' scheme requires that VAT is owed to HMRC at the point that an invoice is raised for sales, and VAT is due at the point that a purchase invoice is received. In the second, the 'Cash Accounting' scheme, VAT is payable to HMRC only when payment has been received from the customer but VAT is only claimable when the supplier is paid. In practice, for a small company, credit is unlikely to be extended in any meaningful way by suppliers and it is therefore best to opt for the cash accounting scheme.

However, you should speak to your accountant to determine what is best for you.

A variation of both of these schemes is the 'Fixed Rate Scheme' (FRS). In this scheme the VAT on sales is calculated as a percentage (laid down by HMRC depending on your type of business) but no VAT can be reclaimed on purchases. Again, you should speak to your accountant to determine whether this option is favourable to you.

Although there are other VAT schemes FreePlus Accounts only handles those mentioned (in effect, Standard Accounting, Cash Accounting, Fixed Rate Standard Scheme, Fixed Rate Cash Scheme)

If in the future you wish to check which VAT Accounting Scheme has been selected by your Company within FreePlus Accounts, select the 'Company Details' option from the 'Company' icon. The 'VAT Accounting Scheme' selected will be the one visible on the 'Company Details' page.

Making a VAT Return

Although you can view the totals (and the entries that make up those totals) for your VAT Return at any time you can only actually do anything with it once the VAT quarter has passed. It is only at that point that additional tabs, as shown in the illustration below, become visible.

VAT RETURN Up to 30-Jun-

VAT due in this period on sales and other outputs (Box 1): 574.60

VAT due in this period on acquisitions from other EC Member States (Box 2): 0.00

Total VAT due (the sum of boxes 1 and 2) (Box 3): 574.60

VAT reclaimed in this period on purchases and other inputs including acquisitions from the EC (Box 4): 0.00

Net VAT to be paid to HM Revenue & Customs or reclaimed by you (Difference between boxes 3 and 4) (Box 5): 574.60

Total value of sales and all other outputs excluding any VAT. Include your box 8 figure (Box 6): 2873
Whole pounds only

Total value of purchases and all other inputs excluding any VAT. Include your box 9 figure (Box 7): 0
Whole pounds only

Total value of all supplies of goods and related costs, excluding any VAT, from other EC Member States (Box 8): 0
Whole pounds only

Total value of all acquisitions of goods and related costs, excluding any VAT, from other EC Member States (Box 9): 0
Whole pounds only

Notes

Complete & Close (Status = 'Completed') - Select this tab to finalise your VAT return. This is what WILL be sent to HMRC.

LIST VAT ENTRIES

COMPLETE & CLOSE

MARK AS FILED

START AGAIN

UK next day

£8.20

Once you have passed the VAT quarter to be 'returned', to begin the process of creating your VAT Return, place your mouse pointer on the VAT icon (illustrated earlier in this manual under the section, 'Important: Account Activation for VAT Registered Businesses'), then select 'VAT Form 100' from the dropdown menu. This will show the 'VAT Return' page (see the illustration above) which contains the totals that should be entered into your VAT return for the quarter. You may check the entries that comprise these totals either by clicking on the text beside the total or, for a complete listing, by clicking the 'List VAT Entries' tab.

In FreePlus Accounts completing your VAT Return is accomplished in 3 steps.

Step 1 – Telling FreePlus Accounts what figures you *are going to submit* to HMRC

The first stage is to check the figures calculated by FreePlus Accounts, make any adjustments necessitated by transactions that have not been recorded within the accounting system and then click on the 'Complete & Close' tab to close off this quarter. This will assign all open VAT entries prior to the cut off date to this VAT Return and will also lock the calendar so that invoices cannot be created for dates other than the current period.

Step 2 – Telling FreePlus Accounts that you **have submitted** this return to HMRC

The second stage (which may be done at the same time as the first stage) is to tell FreePlus Accounts what figures have been submitted to HMRC. You do this by clicking on the 'Mark as Filed' tab. At this point the system knows what is either going to be deducted from or added to your current account and can create a notional transaction to that effect. This notional transaction will then appear in the top half of the reconciliation screen for your current account. In appearance it is very similar to the Bank interest/charges fields.

Step 3 – Telling FreePlus Accounts that the payment or refund has been paid/received. (This is part of the current account bank statement reconciliation process)

The final stage is to record the fact that the VAT payment has hit your bank account. Whenever you carry out a reconciliation of your current account statements after you have completed Step 2 a section will appear above the Bank interest/charges section showing the VAT to be paid/refunded. Once this figure appears in your statement, enter the date of the transaction and click the 'Add' button. The transaction will then appear in the transactions section of the screen in the same way as other transactions.

Previous Returns

You may view previous returns at any time by selecting 'List VAT Returns' from the 'VAT' icon dropdown menu. Doing this will display a list, as shown below, summarising all previous returns. To view the detail of a return just click on the relevant entry.

 Company	 Sales	 Purchases	 Money	 VAT	 Reports	 Reminders	 Admin	 Print	 Help
<h3>VAT RETURNS</h3>									
Number of Entries Found = 1					(Page 1 of 1)				
Period	Start Date	End Date	VAT Amount	Due	Completed	Filed	Status		
06-11	01-Apr-11	30-Jun-11	674.60	31-Jul-11	03-Aug-11		Completed		

Correcting Mistakes

Although FreePlus Accounts is particularly easy to use, inevitably there will be occasions when mistakes are made that need to be corrected. Unlike many other systems, FreePlus Accounts takes the view that once a Sales invoice has been raised and probably sent to a customer, it should not be deleted from the system. Doing so disrupts the sequential nature of invoice numbers and can make it very difficult to easily audit the accounts.

In consequence, Sales invoices can only be deleted, that is, removed from the system, in very limited circumstances. There are two such circumstances. The first is whilst the invoice is still in a Draft form and the second is immediately after it has been saved in its 'Final' form and provided there are no later invoices. Other than that, they can only be 'Voided' where they remain on the system but totals are reduced to zero or 'Written Off' where the invoice becomes 'paid up' and the outstanding balance is added to the 'Bad Debts' nominal code.

Except as described above, the only way to correct an incorrect Sales Invoice is to carry out a 'reversing' entry by creating a credit note for the incorrectly issued sales invoice.

Mistakenly entered Purchase Invoices, transactions and transfers, on the other hand, can be very easily corrected provided they are still 'open', that is not locked to a bank statement.

Correcting these mistakes is simply a matter of deleting the entry whilst in the 'Statement Reconciliation' screen.

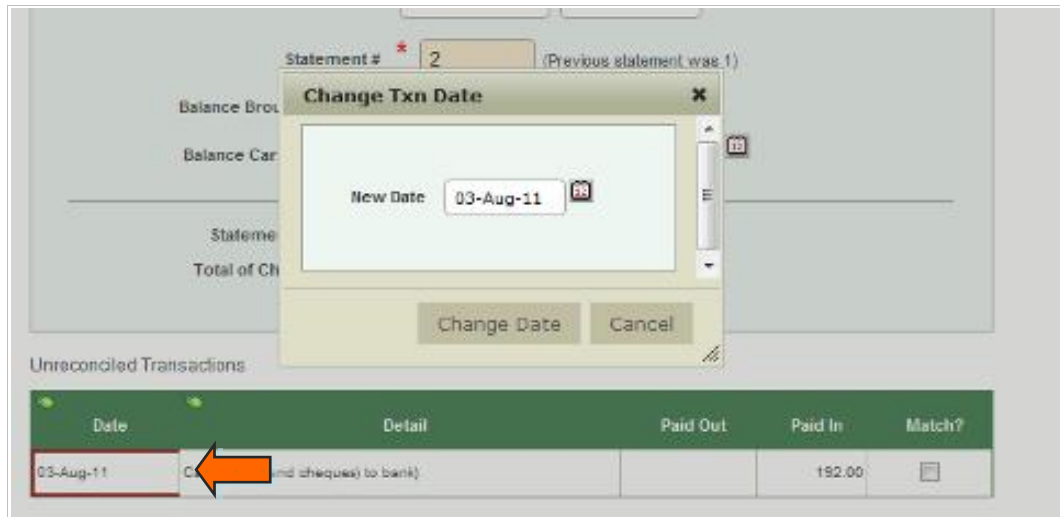
To delete such an entry first select 'List Accounts' from the 'Accounts' icon dropdown menu. Determine which account the transaction will appear in and click on the relevant 'Reconcile' icon. The screen will now display the reconciliation page with all unreconciled transactions listed in the lower section.

Hover the mouse pointer over the Detail description of the entry to be deleted and then double click the left mouse button. You will be asked to confirm the deletion by clicking 'OK'. Once you click on 'OK' the transaction and, if it relates to a purchase invoice, the purchase invoice, will be deleted. If you are deleting a VAT payment/refund the VAT return to which that transaction relates is marked as 'Filed'.

Other than as described above, there are two ways to correct mistakes in FreePlus Accounts. One is to make an opposite, compensating entry, eg for an erroneous invoice, just create an equal and opposite credit note.

The second way is to alter the existing data. This can only be done in certain circumstances and, generally, to data that is in columns marked by a green edit icon in the top left corner. An example of such a column is the Date column in the 'Unreconciled Transactions' listing described earlier (see illustration below).

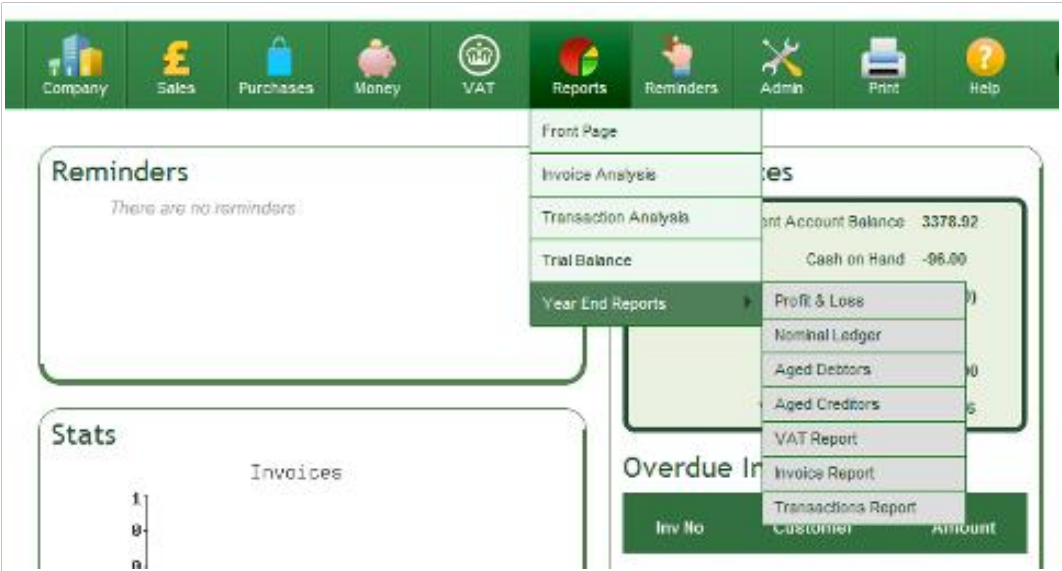
To alter data in one of these columns double click the left mouse button with the mouse pointer in the field to be changed. Depending on the nature to the data a screen will be displayed (as shown below) into which the new information may be entered.



Finally, save the change by clicking on 'Change Date'.

Different Reports to help monitor performance

There are number of reports available in FreePlus Accounts that assist you in monitoring your business. These reports are all available from the 'Reports' icon dropdown menu (see illustration below).





Front Page


This 'report' is the initial screen seen once you have logged in and shows a summary of important information such as outstanding invoices, reminders etc.


Invoice/Transaction Analysis


These two reports provide a summary listing of invoices and transactions and both work in the same way. You may easily select subsets of the total number of invoices/transactions by entering filtering criteria such as date ranges, customer names (or partial names) etc into the analysis section in the top part of the screen. The total value of all selected entries is displayed above the entries.


 Company


 Sales


 Purchases


 Money


 VAT

 Reports


 Reminders


 Admin

 Print

 Help

INVOICE ANALYSIS

Date From: 03-Feb-11 

Date To: 03-Aug-11 

Customer Name:

Invoice #:

Customer Reference:

Invoice Type:

Item Description:

Status:

Item Category:

Number of Entries Found = 5 (Page 1 of 1)

Total Value = £2287.61

Invoice	Type	Customer	Description	Total	Printed	Due	Paid	Status
500004	P	Office Supplies Ltd	7 x 5 picture frames	300.00	02-Aug-11		0.00	Printed
500003	P	Office Supplies Ltd	7 x 5 picture frames	720.00	02-Aug-11		0.00	Printed
500001	P	Office Supplies Ltd	500 sheets of photographic ...	78.99	02-Aug-11		78.99	Paid
100002	S	St Mary's School	Staff prints - medium	90.00	13-Jun-11	11-Jul-11	90.00	Paid
100001	S	St Mary's School	School Photo - wide angle	3351.00	06-Jun-11	04-Jul-11	3351.00	Paid

Trial Balance

In common with the vast majority of accounting systems, FreePlus Accounts is based on double entry accounting standards. This standard defines many categories, (confusingly called 'accounts' and each identified by a 'nominal code') that, in total, comprise the company's account. A fundamental principle of double entry accounting is that the total of the debit categories (accounts) should equal the total of the credit categories.

The trial balance shows the totals for each of these categories and gives confidence that the system is functioning correctly. An illustration of a 'Trial Balance' page is shown below. As with the other reports, it is possible to specify different ranges of dates.

TRIAL BALANCE

Select Date Range:
Date From: Date To:

Balances

Nominal Code	Description	Debit	Credit
1100	Debtors	0.00	
1200	Bank Current	3279.62	
1300	Cash	-90.00	
1310	Cheques	0.00	
1400	VAT Input	200.66	
2000	Creditors		1000.00
2100	VAT Output		574.00
4000	UK Sales		2873.00
5000	Cost of Sales	132.32	
6000	Other Expenses	904.70	
	Total	4527.66	4527.60

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You may also display the 'Balance Sheet' by clicking on the 'Balance Sheet' tab (indicated).

Year End Reports

FreePlus Accounts has a number of Year End reports, including:-

- Profit & Loss
- Nominal Ledger
- Aged Debtors
- Aged Creditors
- VAT Report
- Invoice Report
- Transactions Report

These reports are more for the benefit of the accountant rather than the business owner and so are not described in this manual.

Miscellaneous Functions

There are a number of functions within FreePlus Accounts that do not fall naturally into any of the preceding sections. These functions are documented here.

Additional Functionality

Although FreePlus Accounts is a complete and comprehensive accounting system that will meet the needs of the vast majority of small businesses there are, nevertheless, some additional functions that some users may wish to avail themselves of. These functions include:-

- Removal of advertisements
- Your own company logo on invoices
- Additional user login ids
- The ability to upload documents and attach them to purchase invoices and statements
- Automatic Statement generation
- Automatic generation of recurring invoices
- Additional levels of support
- Promotion of your own company services/products

Users purchase 'credits' that may then be applied to any mix of these functions.

The system of purchasing credits is currently in development and will be available shortly.

Test System

All registered users have access to a test system which is re-initialised daily. To switch to the test system, select 'Switch to Testbed' from the 'Admin' icon dropdown menu.

Once in the test system, users may try out different aspects of FreePlus Accounts without fear of corrupting their own accounts.

To switch back to the live system just click on 'Switch to Live System' from the 'Admin' dropdown.

Reminders

FreePlus Accounts has a 'scratchpad' area that users may use to add reminders for themselves. The system, also, uses this area to remind users when certain events such as VAT returns become due.

To add a reminder, select 'Add Reminder' from the 'Reminders' icon dropdown menu add a note of the event you wish to be reminded about and then click the 'Save' button. Once saved the reminder will be visible in the 'Reminders' section of the Front Page and also by selecting 'View Reminders' from the 'Reminders' dropdown menu.

Only reminders added by the user may be deleted (the system will automatically delete system generated reminders). This is achieved by clicking on the little trash can icon to the right of the reminder note.

Feedback

There is a facility for users to leave feedback for the developers. It works in a similar way to Reminders, select 'Add New Feedback' from the 'Admin' icon dropdown, enter the feedback you wish to pass on to the developers and then click 'Save'.

Existing feedback from other users may be viewed by selecting 'View Feedback' from the 'Admin' dropdown.

Audit trail

FreePlus Accounts records all actions that cause a change in the accounts along with a record of who made that change. This audit trail may be viewed by selecting 'Audit Trail' from the 'Admin' icon dropdown menu.

Menu Bar Search

There is a very powerful search facility to the right of the main menu bar. Using this you can very quickly display sets of invoices that meet certain search criteria. The search processing starts as soon as there is a short pause in the characters being entered thus it is very easy to search on partial data.

- Entering just an invoice number (or partial invoice number) will display all invoices (both sales and purchase) that match the input.
- Entering alphabetic characters (plus, optionally, numeric characters) will display all invoices for customers/suppliers matching the input.
- Entering a currency amount (both pounds and pence, eg 100.00) will display all invoices for that total amount (ie including VAT).
- Entering an equals sign (=) followed by a currency amount will display all invoices with a net total (ie excluding VAT) of the input.
- Entering a hash sign (#) followed by any text will search for invoices with a customer reference matching the input.

All invoices that match the input are displayed in a summary listing.

How to Perform Common Tasks in FreePlus Accounts

This section describes how to use FreePlus Accounts to carry out various common tasks.

Invoicing a Customer

In general it is best to first create a customer record for those customers to whom invoices are to be sent.

If the invoice is a repeat of a previous invoice:-

- Click on 'Sales' and select 'List Invoices' (or 'List Unpaid Invoices')
- Click on the invoice to be repeated
- Click the 'Copy to New' tab
- Make whatever changes are necessary
- Click the 'Finalise Invoice' tab
- Print or email the resultant invoice

If this is a new invoice:-

- Click on 'Sales' and select 'List Customers'
- Click on the customer to be invoiced
- Enter details of each line item to be invoiced, clicking on the 'Plus' button to add the item to the list
- When finished, click on the 'Finalise Invoice' tab
- Print or email the resultant invoice

Record Payment for a single Invoice

- Click on 'Sales' and select 'List Unpaid Invoices'
- Click on the 'Pay' icon of the invoice to be paid.
- Enter the amount and date of the payment
- Click on 'Record Payment'

Record a Payment for Multiple Invoices

- Click on 'Sales' and select 'List Customers'
- Click on the 'Receive Payment' icon of the relevant customer
- Click the Select box of the invoices to be paid
- Click 'Amount Being Paid' text to copy the total amount being paid
- Click the 'Record Payment' tab

Record a Casual Receipt of e.g. Daily Takings

It is suggested that a customer called 'Daily Takings' is first created.

- Click on 'Sales' and select 'Record Money In'
- Enter the first few characters of the customer name and select the full name from the drop down list
- Enter the amount received and, if applicable, the VAT rate
- Enter a brief description of the payment
- Click on 'Record Receipt'

Record a Purchase

- Click on 'Purchases' and select 'Record Money Out'
- Enter the name of the Payee
- Enter the total purchase price
- Where applicable, enter the VAT rate
- Enter a description of the payment
- Click on 'Record Payment'.

Finally – How do we, Corunna Systems Ltd, use FreePlus Accounts?

As we describe on our website, FreePlus Accounts was developed for our own use and has been designed to work the way that we do.

The nature of our business is that we have a number of very similar invoices that we send out on a monthly basis, some invoices that we send out on an ad hoc basis and purchases that we make throughout the month. We also need to send out statements to some customers at the end of each month.

So,

- At the beginning of each month we raise and send out our regular invoices. We do this by 'Copying to New' the most recent invoice for that customer and making sure that it becomes due for payment on or before the end of the month.
- At the end of each month, once we have received our bank statements, we carry out a reconciliation on both our current and deposit accounts. At this time, as we run through our statement we add any purchases that appear (and for which we have a supplier invoice!) using the 'Record Money Out' option on the 'Purchases' icon dropdown menu. We update all sales invoices for which we have received payment and add any bank interest/charges and any outstanding VAT payment/refund. When the difference is zero we 'Accept & Lock' the reconciliation.
- Once the bank statements have been reconciled and all our customer accounts are up-to-date, we then send out any customer statements.
- Ad hoc invoices we raise as and when required and, on the rare occasions where we need to send a purchase order (and we know that we are going to make the purchase), we create a Purchase Invoice and print it off as a Purchase Order.
- Finally, at the end of each VAT quarter, when the system reminds us, we create our VAT return and send it to HMRC.
- Whenever we do log in to our account we always check to see what invoices are still outstanding and, if necessary, chase up payments.