

# **FreePlus Accounts User Manual**

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## 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.
- Carry out 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.

## Purpose and Approach of this Manual

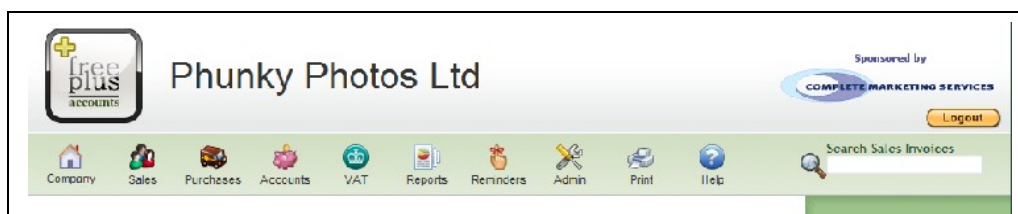
The purpose of this manual is to describe how to use FreePlus Accounts to manage your accounts concentrating mainly on those regular and more frequent tasks. The manual achieves this by using a small, fictional, photographer's business called 'Phunky Photos Ltd' to show how to use FreePlus Accounts to:


- 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

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.



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

The screenshot shows the 'free plus accounts' website interface. At the top, the logo and 'Phunky Photos Ltd' are displayed. A navigation bar contains icons for Company, Sales, Purchases, Accounts, VAT, Reports, Reminders, Admin, Print, and Help. A search bar for 'Sales Invoices' is on the right. The main section is titled 'Company Details' and contains a form with the following fields:

- Company Name: Phunky Photos Ltd (marked with a red asterisk)
- Company Address: The Visual Studio, Valley Business Park, Any Town, Any County (marked with a red asterisk)
- Post Code: XX98 X (marked with a red asterisk)

Buttons on the right include 'Save these Details', 'Start Again', and 'Set Opening Balances'. A large blue number '250' is displayed at the bottom right.

## 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. Firstly, at the prompts, you enter a minimal set of information including your email address, password and a memorable word (which is used as an additional security feature during login). 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.

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.

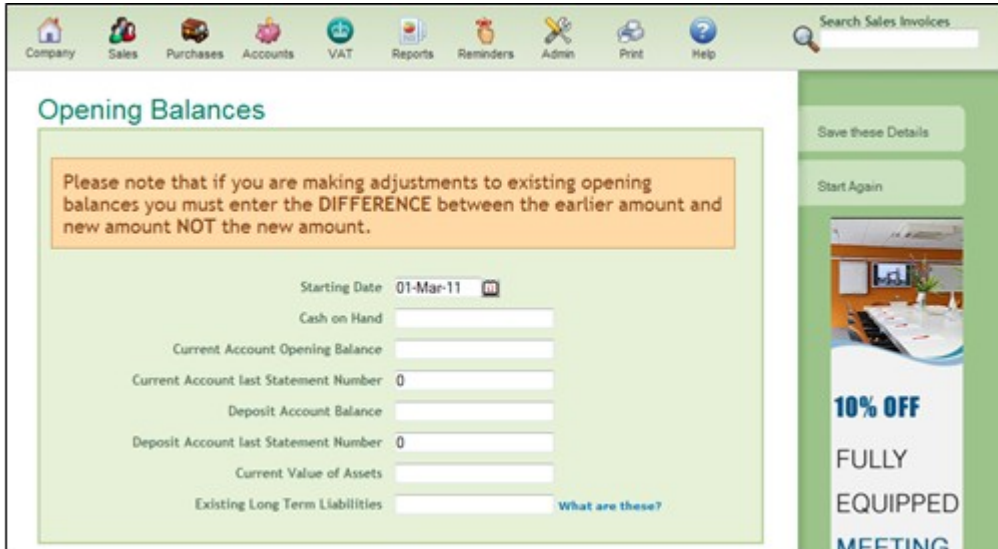
### Important: Account Activation for VAT Registered Businesses

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 below).

Company Sales Purchases Accounts VAT Reports Reminders Admin Print Help Search Sales Invoices

### Opening Balances

Please note that if you are making adjustments to existing opening balances you must enter the **DIFFERENCE** between the earlier amount and new amount **NOT** the new amount.

Starting Date: 01-Mar-11

Cash on Hand:

Current Account Opening Balance:

Current Account last Statement Number: 0

Deposit Account Balance:

Deposit Account last Statement Number: 0

Current Value of Assets:

Existing Long Term Liabilities:  [What are these?](#)

Save these Details

Start Again

10% OFF FULLY EQUIPPED MEETING

Remember, if you make mistakes at this stage they are very easily rectified by just deleting all data and starting again.

## 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.

The screenshot shows the 'free plus accounts' logo and 'Phunky Photos Ltd' title. A navigation bar contains icons for Company, Sales, Purchases, Accounts, VAT, Reports, Reminders, Admin, Print, and Help. An orange arrow points to the 'Sales' icon. A search bar for 'Sales Invoices' is on the right. The main area is titled 'Company Details' and contains a form with the following fields: Company Name (Phunky Photos Ltd), Company Address (The Visual Studio, Valley Business Park, Any Town, Any County), and Post Code (1Y2 8LX). On the right side, there are buttons for 'Save these Details', 'Start Again', and 'Set Opening Balances', and a large blue box displaying the number '250'.

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



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

Phunky Photos Ltd

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Company Sales Purchases Accounts VAT Reports Reminders Admin Print Help

Search Sales Invoices

### Customer Details

Save Details

Start Again

1  
2  
3  
InkCartridges  
  
Epson  
Canon  
Brother  
& many more  
  
Click Here

Company Name \* Sports Equipment Poople

Address Unit 25, Ambridge Business Park, Church Street, Ambridge, Burslemshire

Post Code AM1 2AM

Region UK

Telephone Number 00001 00000001

Contact Name Mr Sportsman

Contact Email Address sportsman@sportsocumontpoople.co.uk

Terms of Business 14 Days

Default Purchase Order No 9000001

Default Payment Method Cheque

Default VAT Rate Standard (20%)

Bank Name The High Street Bank Ltd

Bank Sort Code 001100

Bank Account Number 1001100108

Current Balance

Credit Limit 500

Relationship ☒ Sales Customer ☐ Supplier

Remarks No Deliveries on Sundays

Default Email Message

Default Statement Message

## How to Save new Customer Details

Once you have filled in the details of the new customer in fields provided on the new 'Customer Details' page, 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, 'Sports Equipment People' (indicated by the arrow), is provided below.

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Company Sales Purchases Accounts VAT Reports Reminders Admin Print Help Search Sales Invoices

### List of Customers

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

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 Owning	Credit Limit	Actions
Sports Equipment People	AM1 2AN	Mr Sportswear	0.00	0.00	500.00	

**1 2 3**

## Raising a Quotation and/or Invoice

In FreePlus Accounts a quotation and invoice are very similar documents. The only real differences are:-

- A quotation can be deleted at any time, an invoice cannot be deleted (only Voided) once it has been finalised.
- Quotation totals are not included within the accounts balances.
- A quotation has a quotation reference number, an invoice has an invoice number which is likely to be a different sequence.
- A quotation can be turned into an invoice with a single click of a mouse button at which point the quotation number becomes an additional invoice reference number.

In the following sections everything that applies to creating an invoice applies, equally, to creating a quotation.

To create a quotation, first create an invoice and then click on the 'Print as Quotation' tab at the right of the screen.


To convert a quotation to an invoice, just click on the 'Finalise Invoice' tab.

FreePlus Accounts provides four main 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. The different methods (A, B, C and D) are described below. Following any of the four 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 D.

### 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.

The screenshot shows the FreePlus Accounts web interface. At the top, there's a header with the 'free plus accounts' logo, the company name 'Phunky Photos Ltd', and a 'Sponsored by COMPLETE MARKETING SERVICES' badge. Below the header is a navigation bar with icons for Company, Sales, Purchases, Accounts, VAT, Reports, Reminders, Admin, Print, and Help. A search bar for 'Search Sales Invoices' is also present. The main content area is titled 'List of Customers' and shows 'Number of Entries Found = 1' and '(Page 1 of 1)'. Below this is a table with columns: Name, Post Code, Contact, Unallocated Payments, Balance Owning, Credit Limit, and Actions. The table contains one entry for 'Sports Equipment People' with a post code of 'AM1 2AM' and a contact of 'Mr Sportsman'. An orange arrow points to the 'Raise Invoice' icon in the 'Actions' column. To the right of the table is a sidebar with a 'Add New Customer' button and a large graphic with the numbers '1' and '2'.

Name	Post Code	Contact	Unallocated Payments	Balance Owning	Credit Limit	Actions
Sports Equipment People	AM1 2AM	Mr Sportsman	0.00	0.00	500.00	

An illustration of the 'New Invoice' screen with many details already filled out is shown on the next page.

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Company Sales Purchases Accounts VAT Reports Reminders Admin Print Help Search Sales Invoices

### New Invoice

Company Name: **Sports Equipment People** Invoice Type: **Sales Invoice**  
 Address: **Unit 25, Ambridge Business Park, Church Street, Ambridge, Borectshire** Invoice Date: **20-Mar-11**  
 Post Code: **AM1 2AM** Invoice Number: **(System Generated)**  
 Region: **UK** Customer Reference: **9000001**  
 Contact Name: **Mr Sportsman** Terms: **14 Days**  
 Paid in Full? ☒ No ☐ Yes Email: **sportsman@sportsecuij**  
 Display Invoice PDF: ☒

Description	Price	Quantity	VAT Rate
			Standard (20%)

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

Remarks:

Sub Total :  
VAT :  
Invoice Total :

Are you still sticking stamps on your business mail?

## Method B – Select from 'Sales' dropdown menu

From the 'Sales' dropdown menu, select 'Create New Invoice' (indicated by the arrow in illustration below).

Sales Purchases

- List Unpaid Invoices
- List Invoices
- Create New Invoice**
- Receive Money In
- List Customers
- Add New Customer



This will display the 'New Invoice' page (see illustration below). Next, enter onto the 'New Invoice' page at least one letter in 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 letters 'Spo' have been entered into the 'Select Customer' field, triggering a dropdown menu containing only the customer, 'Sports Equipment People'. See arrow.

**New Invoice**

Select Customer: **Spo** (dropdown menu open showing **Sports Equipment People**)

Company Name: **Sports Equipment People**

Address: [Empty]

Post Code: [Empty]

Region: **UK**

Contact Name: [Empty]

Paid in Full? ☐ No ☐ Yes

Invoice Type: **Sales Invoice**

Invoice Date: **20-Mar-11**

Invoice Number: **(System Generated)**

Customer Reference: [Empty]

Terms: **-- Please Select --**

Email: [Empty]

Display Invoice PDF: ☒

Description	Price	Quantity	VAT Rate
			Standard (20%)

Buttons on right: Save Draft, Preview, Save Final, Start Again, Invoice List

**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, such invoices are grouped under 'unlisted' as the customer name.

**Method C – Select from customer list**

From the dropdown menu under the 'Sales' icon, select 'List Customers'. This will take you to the 'List of Customers' page. See illustration below.

**List of Customers**

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

AI0-9ABCDEFGHIJKLMNCPQRSTUVWXYZ

Name	Post Code	Contact	Unallocated Payments	Balance Owning	Credit Limit	Actions
<b>Sports Equipment People</b>	AM1 2AH	Mr Sportman	0.00	0.00	500.00	[Icons]

Buttons on right: Add New Customer

From that page, hover the mouse pointer over the 'Name' of the customer to be invoiced, and left mouse click. (See example above, arrow pointing to the one customer on the list, 'Sports Equipment People'). This will take you to the 'Customer Details' page of that customer. (See illustration below). Next, on the 'Customer Details' page, hover the mouse pointer over the 'Create New Invoice' tab (indicated by the arrow in the illustration below).

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Logout

Company Sales Purchase Accounts VAT Reports Reminders Admin Print Help

Search Sales Invoices

### Customer Details

Company Name	Sports Equipment People	Owed by Customer	0.00
Address	Unit 25, Ambridge Business Park, Church Street, Ambridge, Borsotshire	Unallocated	0.00
Post Code	AM1 2AM	Credit Limit	500.00
Region	UK	Terms	14 Days
Telephone	00001 00000001	Contact Name	Mr Sportsman

Number of Entries Found - 0 (Page 1 of 0)

Invoice	Type	Description	Total	Printed	Due	Paid	Status	Pay
---------	------	-------------	-------	---------	-----	------	--------	-----

Update Details

Create New Invoice

Receive Payment

1 2 3 InkCartridges

This will display the 'New Invoice' screen with many details already filled out, as illustrated below. Next, follow the directions under the heading below, 'Next Steps – Applicable to All Methods – Entering invoice header and item', located below Method D.



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Company

Sales

Purchases

Accounts

VAT

Reports

Reminders

Admin

Print

Help

Search Sales Invoices

New Invoice

Company Name
Sports Equipment People

Address
Unit 25, Ambridge Business Park, Church Street, Ambridge, Borectshire

Post Code
AM1 2AM

Region
UK

Contact Name
Mr Sportsman

Paid in Full?
☒ No ☐ Yes

Invoice Type
Sales Invoice

Invoice Date
20-Mar-11

Invoice Number
(System Generated)

Customer Reference
9000001

Terms
14 Days

Email
sportsman@sportsman.co.uk

Display Invoice PDF
☒

Description	Price	Quantity	VAT Rate
			Standard (20%)

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

Remarks

Sub Total :

VAT :

Invoice Total :

Save Draft

Preview

Save Final

Start Again

Invoice List

Are you still sticking stamps on your business mail?

## Method D – create from existing similar invoice

Where you wish to create a new invoice that is substantially the same as a previous one, select the Customer details as for Method C, then select the invoice that you wish to copy and, finally, click on the 'Copy to New' tab at the right (see arrow in illustration below).

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Company Sales Purchases Accounts VAT Reports Reminders Admin Print Help Search Sales Invoices

**Draft Invoice**

Company Name: **Sports Equipment Peop** Invoice Type: **Sales Invoice**  
 Address: **Unit 25, Ambridge Business Park, Church Street, Ambridge, Boroctohire** Invoice No. Date: **20-Mar-11**  
 Post Code: **AM1 2AM** Invoice No. Number: **9000001**  
 Region: **UK** Customer Reference: **9000001**  
 Contact Name: **Mr Sportsman** Terms: **14 Days**  
 Email: **sportsman@sportsequi**  
 Paid in Full? ☒ No ☐ Yes Display Invoice PDF ☒

**Description** **Price** **Quantity** **VAT Rate** **Standard (20%)**

Description	Unit Price	Qty	Sub Total	VAT Rate	VAT Amt	Total	Edit
Outdoor photography of new winter sports range - Lake District. 3 days.	400.00	3	1200.00	20%	240.00	1440.00	Am Del
Photography of new javelin range at Birmingham Athletics Arena.	400.00	1	400.00	20%	80.00	480.00	Am Del
Mileage expenses: 473 miles at 65 pence per mile.	0.65	473	307.45	20%	61.49	368.94	Am Del

Remarks: **Sub Total :** 2152.45  
**VAT :** 430.49  
**Invoice No Total :** 2582.94

**parcels monkey**  
 UK & International Parcel Delivery  
 Next day! Free collection Free insurance Free SMS tracking good bananas!  
 200p Credit Crunch Price Crash!

## 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 in to two 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 and
- the **invoice item** section where details of each item(s) or services for which you are charging are entered (Description, price, Quantity, VAT Rate). The section into which these details can be entered is indicated on the illustration below.

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.

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Logout

Company Sales Purchases Accounts VAT Reports Reminders Admin Print Help

Search Sales Invoices

**New Invoice**

Company Name: \* Sports Equipment People Invoice Type: Sales Invoice

Address: Unit 25, Ambridge Business Park, Church Street, Ambridge, Borectshire Invoice Date: 20-Mar-11

Post Code: AM1 2AM Invoice Number: (System Generated)

Region: UK Customer Reference: 9000001

Contact Name: Mr Sportsman Terms: 14 Days

Paid in Full? ☐ No ☐ Yes Email: sportsman@sportsequi

Display Invoice PDF ☒

Description	Price	Quantity	VAT Rate
			Standard (20%)

+

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

Remarks:

Sub Total :  
VAT :  
Invoice Total :

Are you still sticking stamps on your business mail?

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' button to the right of the item input section. The FreePlus Accounts system 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 electing and moving downwards the scroll bar, further item(s) would show. You may continue adding as many line items as you wish.

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Company Sales Purchases Accounts VAT Reports Reminders Admin Print Help Search Sales Invoices

**Draft Invoice**

Company Name: **Sports Equipment People** Invoice Type: **Sales Invoice**

Address: **Unit 25, Ambridge Business Park, Church Street, Ambridge, Boroctonhire** Invoice No. Date: **20-Mar-11**

Post Code: **AM1 2AM** Invoice No. Number: **9000001**

Region: **UK** Terms: **14 Days**

Contact Name: **Mr Sportsman** Email: **sportsman@sportsequip**

Paid in Full? ☒ No ☐ Yes Display Invoice PDF ☒

Description	Price	Quantity	VAT Rate
			Standard (20%)

Description	Unit Price	Qty	Sub Total	VAT Rate	VAT Amt	Total	Edit
Outdoor photography of new winter sports range - Lake District. 3 days.	400.00	3	1200.00	20%	240.00	1440.00	Amd Del
Photography of new javelin range at Birmingham Athletics Arena.	400.00	1	400.00	20%	80.00	480.00	Amd Del
Mileage expenses: 473 miles at 65 pence per mile.	0.65	473	307.45	20%	61.49	368.94	Amd Del

Remarks:

Sub Total: 2152.45  
VAT: 430.49  
Invoice No Total: 2582.94

**parcels monkey**  
UK & International Parcel Delivery  
Next day! Free collection Free insurance Free SMS tracking good bananas!  
200p Credit Crunch Price Crash!

## 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:

### **Option to Preview the Draft Invoice**

If you want to preview what the finished invoice will look like click on the 'Preview' 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/>)

### **Save and Send (Email) Invoice ('Finalise Invoice')**

If you wish to save and/or send (email) the invoice, click on 'Save Final'.

If this invoice is for a customer not yet in the database you are given the option of saving the customer details for future use.

Once saved, 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 indicated in the illustrated 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".



## Print/Email Invoice

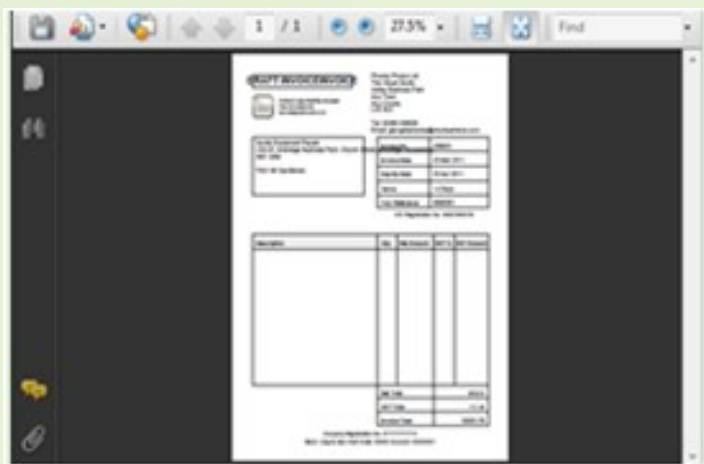
INVOICE - 200001



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 E-mail tab on the right.

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



### Email Section

Recipient Name

Email Address \*

Subject

Message

Copy to Self? ☒

Email Invoice

List Invoices

Create New Invoice

Delete this Invoice



Find what  
you want  
quickly

www.powb.com

## 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).

If the text 'Refund for invoice #####', where ##### is the invoice number to be refunded, is placed in the Remarks column such that the invoice number is the last text in the field, FreePlus Accounts will automatically apply the refund as payment for the specified invoice.

The screenshot shows the 'New Credit Note' form in the FreePlus Accounts system. The form is titled 'New Credit Note' and is for 'Phunky Photos Ltd'. The 'Invoice Type' dropdown menu is set to 'Credit Note', which is highlighted by an orange arrow. Other fields include 'Select Customer', 'Company Name', 'Address', 'Post Code', 'Region' (set to 'UK'), 'Contact Name', 'Paid in Full?' (radio buttons for 'No' and 'Yes'), 'Credit Note Date' (set to '22-Mar-11'), 'Credit Note Number' (set to '(System Generated)'), 'Customer Reference', 'Terms' (set to '-- Please Select --'), 'Email', and 'Display Invoice PDF' (checkbox). The form is sponsored by 'COMPLETE MARKETING SERVICES' and has a 'Logout' button. The 'Save Draft', 'Preview', 'Save Final', 'Start Again', and 'Invoice List' buttons are on the right side.



## Receiving a one-off, casual payment

To enter a casual payment, select 'Receive Money In' under the 'Sales' dropdown menu. 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 the text "Invoice #####" where ##### is the number of an invoice to be settled is placed in the Description box FreePlus Accounts will automatically assign the payment to the specified invoice.

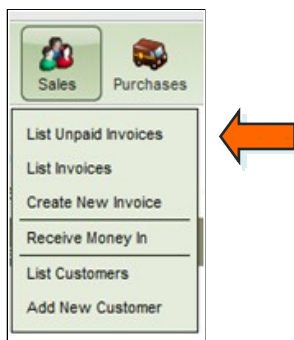
The screenshot shows the 'Receive Money In' dialog box in the FreePlus Accounts software. The background interface includes the 'free plus accounts' logo, the company name 'Phunky Photos Ltd', and a navigation bar with 'Company', 'Sales', and 'Purchase' icons. A sidebar on the left displays an 'Invoice List' with a table containing one entry: Invoice 200001 for 'Spur to Equipment, Per'. The right sidebar features a 'Search sales invoices' field, a 'Create New Invoice' button, and a promotional banner for '10% OFF FULLY EQUIPPED MEETING'. The 'Receive Money In' dialog box is a light green window with the following fields: 'Received From' (text box with a red asterisk), 'Payment Method' (dropdown menu showing 'Bank Transfer'), 'Total Amount Received' (text box with a red asterisk), 'VAT Rate' (dropdown menu showing 'Standard (20%)'), 'VAT Amount' (text box), 'Allocate to' (dropdown menu showing 'UK Sales'), 'Transaction Date' (calendar icon showing '22-Mar-11'), and 'Description' (text box with a red asterisk). At the bottom of the dialog box are 'Record Receipt' and 'Cancel' buttons.



## 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, one invoice is listed, pertaining to Sports Equipment People.

## Receiving Payment for one or more invoices

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

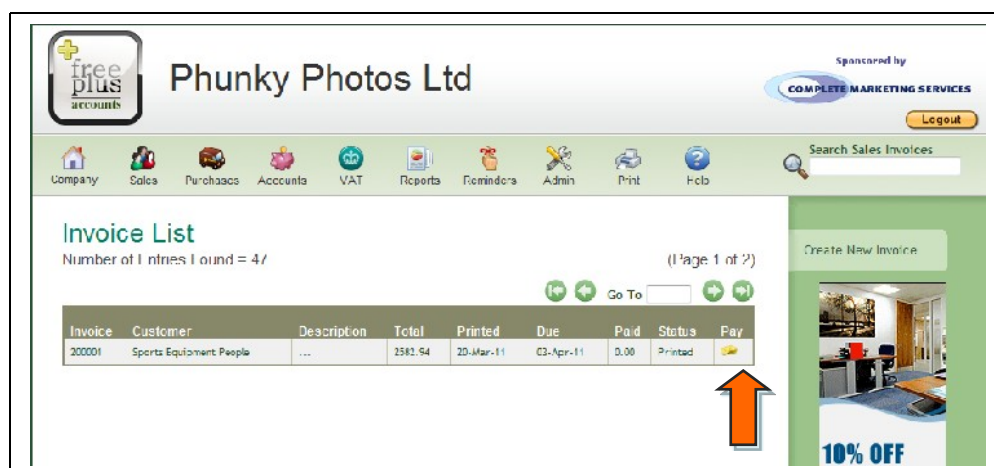
- A partial payment
- Payment of the full invoice amount
- A single payment covering several invoices

### 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 (see illustration below).

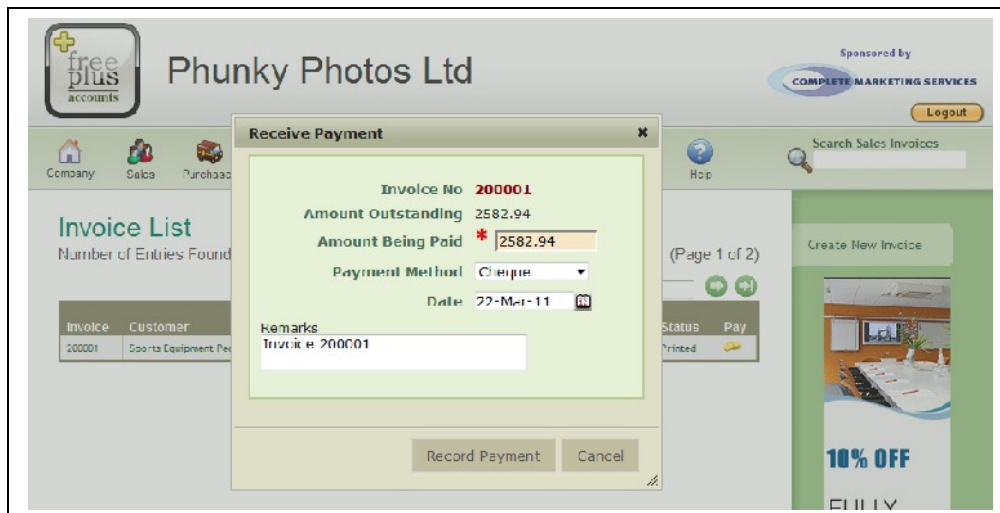


This will take you to the 'Invoice List' page (see illustration below). Next, click on the 'Receive Payment' icon (indicated in the illustration below).

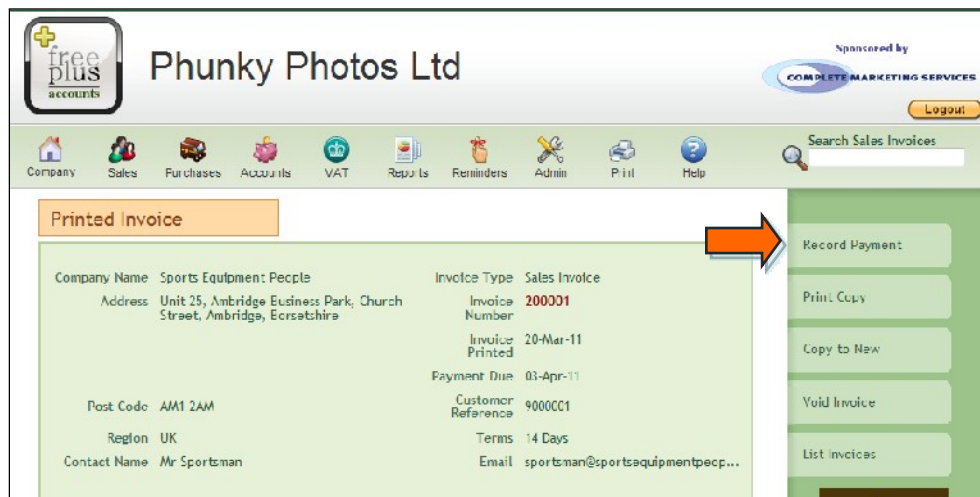


A small payment window will open with the relevant invoice details being displayed (see illustration below). Just enter the total being paid, the correct payment date and any additional remarks and then click on the 'Record Payment' button.

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 three customers).



**free plus accounts** Phunky Photos Ltd

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### List of Customers

Number of Entries Found = 3 (Page 1 of 1)

A-Z 0-9

Name	Post Code	Contact	Unallocated Payments	Balance Owing	Credit Limit	Actions
Intrepid Aero Fastners Company	SB19TY	Mr George Smith	0.00	3308.88	200.00	
Special Occasions Cakes Lim...	FM15ST	Ms Claudia Carerra	0.00	599.28	250.00	
Sports Equipment People	AM1 2AM	Mr Sportsman	0.00	2582.94	500.00	

Click on the yellow 'Receive Payment' 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 – both listed invoices are selected).



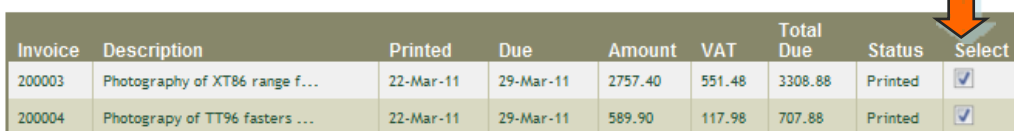
### Multiple Invoice Payments

Record Payment Start Again List Invoices

1 2 3 InkCartridges

Company Name: Intrepid Aero Fastners Company Owing: 4016.76  
 Address: Fookery Business Park, Oldfield, Stonebridge, Dorsetshire Unallocated: 0.00  
 Post Code: SB19TY Credit Limit: 200.00  
 Region: UK Terms: 7 Days  
 Amount Being Paid: \* Payment Method: Bank Transfer  
 Selected Invoices Total: 4016.76 Date: 22-Mar-11  
 Remarks: \* Intrepid Aero Fastners Company invoices

Invoice	Description	Printed	Due	Amount	VAT	Total Due	Status	Select
200003	Photography of XT86 range f...	22-Mar-11	29-Mar-11	2757.40	551.48	3308.88	Printed	<input checked="" type="checkbox"/>
200004	Photography of TT96 fasters ...	22-Mar-11	29-Mar-11	589.90	117.98	707.88	Printed	<input checked="" type="checkbox"/>



Invoice	Description	Printed	Due	Amount	VAT	Total Due	Status	Select
200003	Photography of XT86 range f...	22-Mar-11	29-Mar-11	2757.40	551.48	3308.88	Printed	<input checked="" type="checkbox"/>
200004	Photography of TT96 fasters ...	22-Mar-11	29-Mar-11	589.90	117.98	707.88	Printed	<input checked="" 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 (£4016.76 in the larger illustration above).

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'.

## **Creating Statements**

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

To produce a statement, select 'List Customers' from the 'Sales' menu and then click on the relevant customer details. In the customer screen, click on 'Print Statement'.

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

# Recording Payments to Suppliers

## Payment at time of order

Generally, payments for goods and services purchased from suppliers will be made at the time the goods are ordered. In order to record such a purchase select 'Pay 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, and, where relevant, the VAT rate, the date of the transaction, what category the payment should be allocated to and a remark describing what the payment is for. Finally click on the 'Record Payment' button. This will open a 'Purchase Invoice List' page listing the (Purchase) Invoice corresponding to the payment you have just recorded (see illustration below).

Phunky Photos Ltd

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Company Sales Purchases

Purchase Invoice

Number of Entries Found

Invoice Reference

Pay Money Out

Paid To \* Horizon Photographic Su

Payment Method Bank Transfer

Total Amount Paid \* 289

VAT Rate Standard (20%)

VAT Amount 48.17 (Net = 240.83)

Allocate to Other Expenses

Transaction Date 22-Mar-11

Supplier Reference HPS30

Description

\* 35 mm film plus memory cards and photographic as specified in email order of 22 March 2011.

Record Payment Cancel

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Logout

Search Sales Invoices

Create New Invoice

SAVE 7p postage on every letter you send... ...with a DM50 small office franking

Phunky Photos Ltd

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Purchase Invoice List

Number of Entries Found = 0 (Page 1 of 0)

Invoice	Reference	Customer	Description	Total	Printed	Due Paid	Status	Pay
800001	HPS30	Horizon Photographic Supplier	35 mm film plus memory card...	289.00	22-Mar-11	289.00	Paid	

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Logout

Search Sales Invoices

Create New Invoice

**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’ in much the same way as a ‘Sales Invoice’ is raised. It can then be 'paid off', also in the same way. See the section, Creating a Purchase Invoice, below.



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Search Sales Invoices

Invoice List

Number of Entries Found - 47

(Page 1 of 2)

Go To

Invoice	Customer	Description	Total	Printed	Due	Paid	Status	Pay
200001	Sports Equipment People	...	2582.94	20-Mar-11	03-Apr-11	0.00	Printed	

Create Now Invoice

1

2



## Creating a Purchase Invoice

Purchases your business has made should be recoded in FreePlus Accounts by means of a 'Purchase Invoice'. The 'Purchase Invoices' you create should contain the set of figures from the supplier's invoice. A 'Purchase Invoice' is created by selecting 'New Purchase Invoice' from the 'Purchases' dropdown (see illustration below). A blank 'New Purchase Invoice' page is illustrated below the 'Purchases' dropdown menu illustration. The 'New Purchase Invoice' page provides tabs (on the right hand side) by which you can either 'Save', 'Print', 'Start Again' or select a 'Purchase Invoice List'.



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### New Purchase Invoice

Select Supplier:

Company Name:  Purchase Invoice Type: **Purchase Invoice**

Address:  Purchase Invoice Date: **22-Mar-11**

Post Code:  Purchase Invoice Number: **(System Generated)**

Region: **UK** Supplier Reference:  Expenses Category: **Cost of Sales**

Contact Name:  Email:

Paid in Full? ☒ No ☐ Yes

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

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

Remarks:

Sub Total:   
 VAT:   
 Purchase Invoice Total:

**SAVE 7p postage on every letter you send...**

**Pinney Bowes**

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.

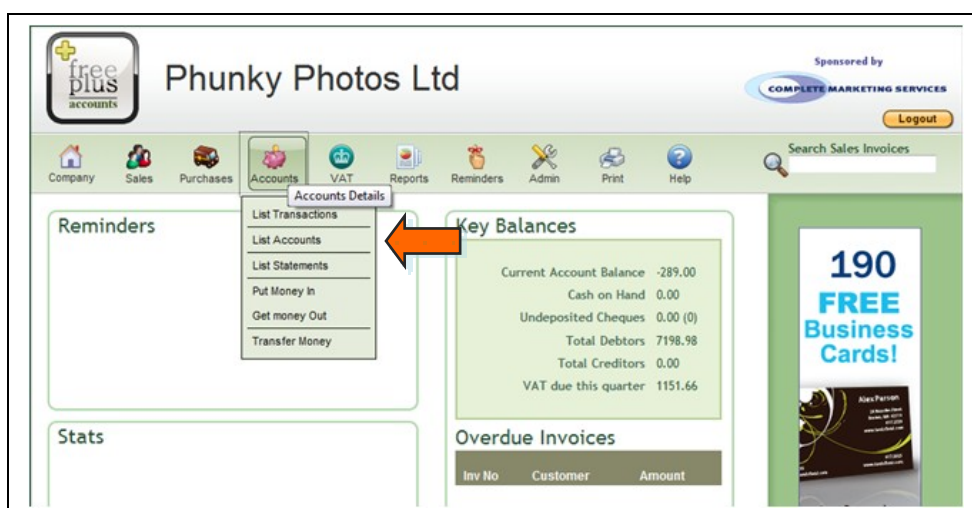
If the 'Save' tab on the 'New Purchase Invoice' page is clicked then: (a) details of the finalised Purchase Invoice are displayed, and (b) there is an option to print off the invoice as either an Invoice or a Purchase Order. If printed as an invoice, the supplier address will be at the top right, that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

## 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' (see arrow on the illustration below).

A new page is displayed in two parts. In the illustration below, this page is headed 'Reconcile Integrity Bank Account 000000001'. 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 an earlier statement.



The screenshot shows the 'List of Accounts' page. An orange arrow points to the 'Reconcile' column header.

Account	Bank	Sort Code	Account #	Last Stmt #	Closing Bal	Current Bal	Reconcile
Bank Current	Integrity Bank	000000	000000001			-289.00	
Bank Deposit	Integrity Bank	000000	000000002			0.00	
Credit Card	Integrity Bank					0.00	

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Reconcile Integrity Bank Account 000000001

Total Interest

Total Charges

Statement #

\*

1

(Previous statement was )

Balance Brought Forward

0.00

Balance Carried Forward

\*

23-Mar-11

Transactions total

-289.00

Statement Difference

0.00

Total of Checked Items

0.00

Accounts Difference

0.00

Unreconciled Transactions

Date	Detail	Paid Out	Paid In	Match?
22-Mar-11	Horizon Photographic Supplier (35 mm film plus memory car...	289.00		<input type="checkbox"/>

In order to be able to complete the reconciliation process, the user needs first to enter (in the top section) the 'Balance Carried Forward', obtained from the statement and then 'match off' statement transactions against the displayed transactions until such time that the 'Accounts Difference' field (at the bottom of the top section) shows zero. At that point the reconciliation can be completed and locked.

In addition to a field into which to enter the 'Carried Forward' balance, there are also in the top part of the page, two fields into which may be entered: bank 'Total Interest' (the top field) and/or bank 'Total Charges' (in the field immediately below). Once the amount of interest/charges, and statement entry date has been entered (using the calendar icon), clicking on the 'plus' button will create a transaction that will be displayed in the transactions section.

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.

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Search Sales Invoices

### VAT Return

Up to 31-Mar-11

VAT due in this period on sales and other outputs (Box 1): 1199.83

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): 1199.83

VAT reclaimed in this period on purchases and other inputs including acquisitions from the EC (Box 4): 48.17

Net VAT to be paid to HM Revenue & Customs or reclaimed by you (Difference between boxes 3 and 4) (Box 5): 1151.66

Total value of sales and all other outputs excluding any VAT. Include your Box 6 figure (Box 6): 5999 Whole pounds only

Total value of purchases and all other inputs excluding any VAT. Include your Box 9 figure (Box 7): 240 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.

Mark as Filed (Status = 'Filed') - Select this tab once the figures HAVE BEEN sent to HMRC. Only once this tab has been selected will the VAT amount owed/due be displayed on the Current Account Reconciliation screen.

(Status = 'Paid') - This VAT return will be given a 'Paid' status once the amount to/from HMRC has been reconciled.

List VAT Entries

Complete & Close

Mark as Filed

Start Again

1 2 3 Ink Cartridges

For all your Ink Needs

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 could 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.

## 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. 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.

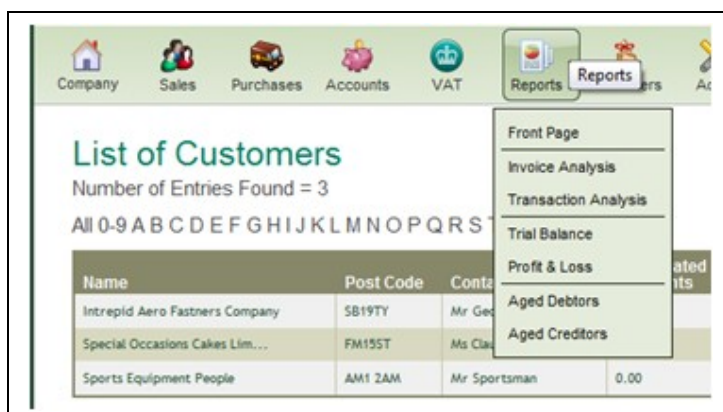
To delete such an entry first select 'List Accounts' from the 'Accounts' icon dropdown menu. Determine which account the transaction will appear in and click on the relevant 'Reconcile' icon. The screen will now display the reconciliation page with all unreconciled transactions listed in the lower section.

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'.



## 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.. See the illustration below.



## Invoice Analysis

This report provides a summary listing of sales and purchase invoices. You may easily select subsets of the total number of invoices 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 invoices is displayed.



# Phunky Photos Ltd



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## Invoice Analysis

Date From24-Sep-10

Date To24-Mar-11

Customer Name

Invoice #

Customer Reference

Invoice Type

Item Description

Status

Number of Entries Found = 5


(Page 1 of 1)

Total Value = £6909.98

Invoice	Type	Customer	Description	Total	Printed	Due	Paid	Status
800001	P	Horizon Photographic Supplier	35 mm film plus memory card...	289.00	22-Mar-11		289.00	Paid
200004	S	Intrepid Aero Fastners Company	Photograpy of TT96 fasters ...	707.88	22-Mar-11	29-Mar-11	0.00	Printed
200003	S	Intrepid Aero Fastners Company	Photography of XT86 range f...	3308.88	22-Mar-11	29-Mar-11	0.00	Printed
200002	S	Special Occasions Cakes Limited	Photography of high rise pa...	599.28	22-Mar-11	29-Mar-11	0.00	Printed
200001	S	Sports Equipment People	...	2582.94	20-Mar-11	03-Apr-11	0.00	Printed

## Transaction Analysis

This is similar in function to 'Invoice Analysis' but gives a summary listing of all transactions. Again, this list may be filtered in different ways. See illustration below.



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## Transactions Analysis

Date From

Date To

Customer Name

Transaction Type

Transaction Description

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


Total Value = £289.00

Date	Txn #	Account	Customer	Description	Paid Out	Paid In
22-Mar-11	1	1200	Horizon Photographic Supplier	35 mm film plus memory card...	289.00	

## 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.



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## Trial Balance

Select Date Range

Current

Date From

14-Apr-10

Date To

24-Mar-11

### Balances

Nominal Code	Description	Debit	Credit
1100	Debtors	7198.98	
1200	Bank Current	-289.00	
1400	VAT Input	48.17	
2000	Creditors		0.00
2100	VAT Output		1199.83
4000	UK Sales		5999.15
6000	Other Expenses	240.83	
	Total	7198.98	7198.98

## Year End Reports


As well as the general reports already described there are a number of Year End reports designed specifically to assist accountants with producing the Year End financial statements. These reports are all accessed from a submenu 'Year End Reports' as the last option on the 'Reports' dropdown menu.

All year end reports can be displayed in a printer friendly format as well as the standard viewable format.











These reports include:-

### Profit & Loss Report

This report shows the health of the company at any time.



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## Profit & Loss Report

Select Date Range This Financial Year to Date

Date From 01-Mar-11Date To 24-Mar-11

### Statement

	09-10	08-09
<strong>Income</strong>		
UK Sales (4000)	5999.15	
EU Sales (4100)		
Export Sales (4200)		
Other Income (4300)		
Total Income	5999.15	
<strong>Expenses</strong>		
Cost of Sales (5000)		
Other Expenses (6000)	240.83	
Fixed Overheads (7000)		
Wages (7500)		
Payroll Taxes (7600)		
Bad Debts (8000)		
Total Expenses	240.83	
Net Profit (Loss)	5758.32	

### **Aged Debtors and Aged Creditors Reports**

The Aged Debtors report shows which customers owe money at the end of the financial year. For each customer the report breaks these debts down into 5 columns based on:-

- Outstanding invoices printed within the last 30 days
- Invoices printed within the last 31 to 60 days
- Invoices printed within the last 61 to 90 days
- Invoices printed within the last 91 to 120 days
- Invoices printed more than 120 days ago and still unpaid

The Aged Creditors Report does the same for suppliers to whom you owe money at the end of the Financial Year.

### **VAT Report**

The VAT report lists the VAT element (Inputs and Outputs) of all invoices, both Sales and Purchase that have been entered in to during the Financial Year. As this report lists entries that were **raised** during the financial year where the Cash accounting VAT scheme is in use it will not necessarily show all the entries that were **paid** during the year.

### **Invoice Report**

The invoice report lists all invoices raised during the financial year.

### **Transaction Report**

The Transaction report lists all transactions carried out during the financial year.

## 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.

### Infrequent Tasks

There are a number of infrequent tasks that need to be performed. Typically, but not always, these will be to do with Year End processing.

- These tasks include:-
- (Some) Adjustments to the Nominal Ledger
- Fixed Asset Depreciation
- Payment of Dividends
- Payment and re-payment of loans
- Payroll updates

All of these functions can be found in the 'Adjustments' options of the 'Company' dropdown menu.

### 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 i 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.



## Correcting Mistakes

Unfortunately we all make mistakes and whilst FreePlus Accounts is so easy to use that mistakes will seldom occur, nevertheless there will be times when corrections need to be made.

In general there are two types of information, financial data such as invoice totals, transactions, etc that affect the accounts balances and descriptive information, such as remarks, dates etc, that expand on the financial data.

For the most part, correcting financial data involves making a 'reversing' transaction. For example, if an invoice has been raised in error or has the wrong total then an equal and opposite credit note should be raised to cancel out the invoice.

In some cases, where totals have been assigned to the wrong category, eg maybe a purchase has been assigned to 'Other Expenses' when it should have been assigned to 'Fixed Assets' a straight-forward adjustment can be made by selecting the 'Adjustments (+)' or 'Adjustments (-)' option under the 'Company' dropdown menu.

Changing descriptive data is easier. A number of columns that show lists of entries have a little, light green mouse icon in the top left hand corner of the column header. This indicates that individual entries in the column may be changed by double-clicking the entry to be modified. Typically, the data that may be changed are dates and descriptions.

## 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 'Save Final' 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 'Save Final' 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 'Receive 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 'Pay 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 'Pay 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.