

PRD: Core Accounting Engine (Project "Accurify")

1. Executive Summary

The goal is to build an immutable, transaction-first accounting engine for African SMEs. Unlike simple "wallet" apps, this system must adhere to **IFRS for SMEs** and **FRC Nigeria** standards, ensuring every financial event is recorded via a double-entry journal system.

2. Core Functional Requirements

2.1 The Ledger System (The "Truth" Layer)

- **Double-Entry Validation:** The system must reject any transaction where $\sum \text{Debits} \neq \sum \text{Credits}$.
- **Immutability:** No **DELETE** or **UPDATE** operations on the `journal_entries` table. Errors are corrected via **Reversing Entries** (Credit what was Debited, Debit what was Credited).
- **The Chart of Accounts (COA):**
 - Support for 5 Parent Types: Assets, Liabilities, Equity, Revenue, Expenses.
 - Unique Account Codes (e.g., 1000-1999 for Assets).
 - **Nigeria Context:** Pre-configured accounts for WHT Receivable, VAT Payable (7.5%), and Nigerian Bank sub-ledgers.

2.2 Transaction Modules

- **Invoicing (Accounts Receivable):** * Status: **Draft**, **Sent** (Accrual trigger), **Partially Paid**, **Paid**.
 - Automatic Debit to **Accounts Receivable** and Credit to **Revenue** upon "Sent" status.
- **Loans & Debt:**
 - Must separate Principal and Interest.
 - Logic: Principal reduces Liability; Interest hits the P&L as an Expense.
- **Grants:** * Support for "Income approach" (Direct to P&L) and "Deferred approach" (Liability released to Income over time).

3. Local Compliance (The "Secret Sauce")

3.1 Nigerian Tax Logic

- **VAT Engine:** Automatically calculate 7.5% VAT on invoices. Separate **Input VAT** (what the SME paid) from **Output VAT** (what the SME collected) for monthly FIRS returns.

- **WHT Management:** Allow users to flag a payment as "WHT deducted." The system must automatically move the deducted amount to a **WHT Receivable** account (Asset).

3.2 Multi-Currency & FX

- **Base Currency:** Default to NGN.
- **FX Revaluation:** Daily exchange rate fetch to calculate "Unrealized FX Gain/Loss" on USD/GBP denominated accounts.

4. Reporting Engine

The system must dynamically generate these reports from the General Ledger:

Report	Frequency	Core Formula
Trial Balance	Monthly	$\text{\$Total Debits} = \text{\$Total Credits}$
P&L Statement	On-demand	$\text{\$Revenue} - \text{\$Expenses} = \text{\$Net Income}$
Balance Sheet	On-demand	$\text{\$Assets} = \text{\$Liabilities} + \text{\$Equity}$
Cash Flow	Monthly	$\text{\$Operating} + \text{\$Investing} + \text{\$Financing}$

5. Technical Specifications for CTO

5.1 Data Model Entity Relationship (ERD)

- **Accounts:** ID, Name, ParentType, Currency, Balance.
- **JournalEntries:** ID, Date, Description, CreatedBy, ReferenceID.
- **JournalItems** (Lines): ID, JournalEntryID, AccountID, DebitAmount, CreditAmount.

5.2 Closing Logic

- **Year-End Close:** A system trigger on Dec 31st that:
 1. Calculates Net Profit.
 2. Debits/Credits all Revenue and Expense accounts to zero them.

3. Transfers the balance to **Retained Earnings** (Equity).

6. User Experience (UX) for SMEs

- **The "Cash/Accrual" Toggle:** A global filter that allows a business owner to see their dashboard based on "Money in Hand" (Cash) vs. "Total Earned" (Accrual).
- **Smart Categorization:** Suggesting account heads for common Nigerian expenses (e.g., "Diesel for Generator" \rightarrow Operating Expense).

7. Success Metrics

- **Audit Readiness:** A Chartered Accountant should be able to export a General Ledger that reconciles perfectly.
- **Zero Discrepancy:** The Trial Balance must always balance, with zero manual interventions needed by the tech team.

8. Procurement & Inward Invoices (Accounts Payable)

8.1 Module Logic: The "Liability Trigger"

Just as a sent invoice triggers a Receivable, a received (inward) invoice triggers a Payable. We must support two types of inward transactions:

1. **Direct Expenses:** Utilities, diesel, or rent (immediate consumption).
2. **Inventory Purchases:** Buying goods for resale (goes to an Asset account first).

8.2 Accounting Entry: Inward Invoice

When the SME receives a bill from a vendor for goods or services:

- **Debit:** Relevant Expense Account OR Inventory (Asset \uparrow)
- **Debit:** Input VAT (7.5%) — *This is an Asset as it reduces what we owe the FIRS.*
- **Credit:** Accounts Payable (Liability \uparrow)

8.3 The "Three-Way Match" (Optional but Auditor-Preferred)

To make this "bulletproof," the system should ideally link:

- **Purchase Order (PO):** The intent to buy.
- **Goods Received Note (GRN):** Proof that the items arrived.
- **Vendor Invoice:** The financial claim from the supplier.

9. Updated Compliance: The WHT Deduction Logic

In Nigeria, when an SME pays a corporate vendor for services, they are legally required to deduct Withholding Tax (WHT) (usually 5% or 10%) and remit it to the FIRS/LIRS. Our software must automate this.

Scenario: A vendor sends an invoice for ₦100,000.

1. At Booking: SME records a Liability of ₦100,000.
2. At Payment:
 - Debit: Accounts Payable (₦100,000)
 - Credit: Bank (₦95,000) — *The actual cash sent.*
 - Credit: WHT Payable (₦5,000) — *The "tax pot" to be paid to the government.*

10. Technical Requirements for CTO

10.1 Database Schema Additions

- **vendors** Table: Name, RC Number (for tax filing), Bank Details, Default WHT rate.
- **inward_invoices** Table: Reference to Vendor, Due Date, Tax Breakdowns.
- **inventory_valuation**: Logic to handle FIFO (First-In, First-Out) or Weighted Average for inward stock.

10.2 Functional Checklist

- [] Expense Categorization: Allow users to snap a photo of a receipt and map it to a specific Ledger head (e.g., "Office Repairs").
- [] Ageing Report: Build a "Payables Ageing Report" (0-30 days, 31-60 days, etc.) so the CEO knows who is about to cut off their credit line.
- [] Input VAT Tracker: A specific report showing all VAT paid on purchases, which can be used to "offset" the VAT collected on sales during tax filing.

11. Impact on Financial Statements

- P&L: Increases "Cost of Sales" or "Operating Expenses."
- Balance Sheet: Increases "Accounts Payable" (Liability) and potentially "Inventory" (Asset).
- Cash Flow: No impact when the invoice is received (Accrual), but an "Outflow" when the payment is actually made.

12. Tax Reconciliation & Settlement Logic

This module acts as a "clearing house" between what the business has recorded and what it actually owes the FIRS (Federal Inland Revenue Service) or LIRS (State Internal Revenue).

12.1 The VAT Net-Off Mechanism

In Nigeria, SMEs don't just pay all the VAT they collect; they pay the *difference* between Output and Input VAT.

- Output VAT (Liability): VAT collected from customers on sales.
- Input VAT (Asset): VAT paid to suppliers on purchases.
- The Formula: $\text{VAT Payable} = \text{Output VAT} - \text{Input VAT}$.

12.2 The WHT (Withholding Tax) Credit Note Ledger

This is a major pain point for Nigerian SMEs. When their customers deduct WHT, the SME needs that "Credit Note" to reduce their own Income Tax.

- Logic: The system must maintain a WHT Receivable Ledger.
- Workflow: 1. User flags an invoice payment as "WHT Deducted."
2. System moves that amount to "Unutilized WHT Credits."
3. When it's time for the annual Companies Income Tax (CIT), the software generates a report of all WHT credits to be applied as a tax offset.

13. Functional Requirements: The "Tax Dashboard"

13.1 Monthly Tax Summary Report

A real-time view that aggregates:

1. Total VAT to Remit: (Sum of Output VAT - Sum of Input VAT) for the month.
2. Total WHT to Remit: (Sum of WHT deducted from vendors/contractors).
3. PAYE (Pay As You Earn): Total payroll tax deducted from employees (linking the payroll sub-ledger to the General Ledger).

13.2 Automated Journal Entry for Tax Settlement

When the user actually pays the FIRS via Remita or a bank, the software must perform a Settlement Entry to clear the liabilities.

Accounting Entry for VAT Payment:

- Debit: VAT Payable (Liability \downarrow) — *Clearing the debt.*
- Credit: Bank Account (Asset \downarrow) — *Money leaving the business.*

14. Technical Implementation for CTO

14.1 Tax Configuration Table

Since Nigerian tax laws can change (e.g., the Finance Act), do not hardcode percentages. Create a `tax_rates` table:

- `tax_type`: (VAT, WHT_Service, WHT_Construction, etc.)
- `rate`: (7.5, 5, 10)
- `effective_date`: (To handle historical data if rates change).

14.2 The "Tax Audit Log"

Every time a tax-related journal entry is created, the system must log the Reference ID (e.g., the Remita RRR number or the FIRS receipt number). This makes the "Year-End Audit" a one-click process.

15. Compliance Checklist (The "ICAN Standard")

- [] Strict Period Cut-offs: Ensure transactions from February cannot be backdated into a "Closed" January tax period.
- [] FIRS/LIRS Formatting: Export reports in CSV/Excel formats that match the official government upload templates.
- [] WHT Rate Logic: Automatic detection—if the vendor is an "Individual," apply LIRS rates; if a "Company," apply FIRS rates.

16. Payroll & Statutory Deductions Module

16.1 The New PAYE (Pay-As-You-Earn) Logic

Starting in 2026, we must move away from the old PITA (Personal Income Tax Act) logic to the NTA 2025 progressive bands.

The "Chargeable Income" Formula:

$$\text{Chargeable Income} = \text{Gross Income} - \text{Employee Pension (8\%)} - \text{Rent Relief (New!)}$$

- Rent Relief: This replaces the old CRA. It is calculated as the lower of ₦500,000 or 20% of the annual rent paid.
- The 2026 Tax Bands:
 - First ₦800,000: 0% (Tax-Free Threshold)
 - ₦800,001 – ₦3,000,000: 15%
 - ₦3,000,001 – ₦12,000,000: 18%
 - ₦12,000,001 – ₦25,000,000: 21%
 - ₦25,000,001 – ₦50,000,000: 23%
 - Above ₦50,000,000: 25%

16.2 Contributory Pension & Social Funds

Our software must automate the "split" between what is deducted from the employee and what the employer pays as a business expense.

Contribution	Employee (Deduction)	Employer (Expense)	Base for Calculation
Pension	8%	10%	Basic + Housing + Transport
NHF (Housing)	2.5%	0%	Basic Salary
NSITF (Social)	0%	1%	Total Monthly Payroll
ITF (Training)	0%	1%	Total Annual Payroll

17. The Accounting Entries (CTO Guide)

When the "Run Payroll" button is clicked, your engine must post a complex journal entry. It's not just one line!

The "Payroll Accrual" Entry (End of Month):

- Debit: Salary Expense (Total Gross Pay)
- Debit: Pension Expense (Employer's 10% portion)
- Debit: Staff Welfare/NSITF Expense (Employer's 1% portion)
- Credit: Net Pay Payable (Liability \rightarrow — what goes to staff bank accounts)
- Credit: PAYE Payable (Liability \rightarrow — goes to State IRS)
- Credit: Pension Payable (Liability \rightarrow — Both 8% and 10% summed)
- Credit: NHF Payable (Liability \rightarrow — goes to FMBN)
- Credit: NSITF Payable (Liability \rightarrow)

18. Functional Features for the PRD

- Rent Relief Vault: A place for employees to upload their tenancy agreements or rent receipts so the system can automatically calculate their tax relief.
- The "7-Day & 10-Day" Alarms:
 - PAYE: Must be remitted by the 10th of the following month.
 - Pension: Must be remitted within 7 working days of salary payment.

- **PFA Integration:** The ability to export a .csv or .xml file formatted specifically for major Pension Fund Administrators (PFAs) like Stanbic IBTC, ARM, or Leadway.
- **Employee Self-Service (ESS):** A portal where staff can download their payslips and view their cumulative tax/pension contributions.

Implementation Checklist for CTO

- [] **Tax Year Logic:** Ensure the system resets "Annual Gross" counters every January 1st.
- [] **Minimum Tax:** Check if the calculated PAYE is less than 1% of Gross Income. If so, the system must apply the 1% Minimum Tax (unless the employee earns the national minimum wage or less).
- [] **Prorating:** Handle mid-month hires/exits automatically by calculating a `daily_rate`.

19. Inventory & COGS Module

19.1 Landed Cost Logic

In Nigeria, the "cost" of an item isn't just the price on the vendor's invoice. Under IFRS for SMEs, we must include all costs incurred to bring the inventory to its current location and condition.

- **Formula:** $\text{Landed Cost} = \text{Purchase Price} + \text{Freight-in} + \text{Customs Duties} + \text{Clearing Fees} + \text{Insurance (Transit)}$
- **CTO Note:** The software must allow the user to "allocate" a shipping bill across multiple items on a single purchase order (usually based on weight or value).

19.2 Inventory Valuation Methods

We will support two IFRS-compliant methods. LIFO is prohibited in Nigeria.

1. **FIFO (First-In, First-Out):** Assumes the oldest stock is sold first.
 - *Best for:* Perishables, fashion, or tech.
 - *Impact:* In inflationary environments (like Nigeria), FIFO results in a higher asset value on the Balance Sheet and higher reported profit.
2. **Weighted Average Cost (WAC):** Recalculates the average price every time new stock is received.
 - *Best for:* Interchangeable goods like fuel, grains, or cement.
 - *Formula:* $\frac{\text{Total Cost of Goods Available}}{\text{Total Units Available}}$

20. The Accounting Engine (The "Inventory Pipeline")

Your engine must move money between the Balance Sheet and the Profit or Loss automatically.

A. The Purchase (Asset Trigger)

When stock is received into the warehouse:

- Debit: Inventory Asset (Balance Sheet \uparrow)
- Credit: Accounts Payable or Cash (Liability \uparrow or Asset \downarrow)

B. The Sale (The COGS Trigger)

This is the most critical logic for you to code. Every "Sale" transaction must trigger two journal entries simultaneously:

1. The Revenue Entry: Record the money from the customer.
2. The COGS Entry: Move the cost of that specific item out of Inventory.

The COGS Journal Entry:

- Debit: Cost of Goods Sold (Expense \uparrow — Profit decreases)
- Credit: Inventory Asset (Asset \downarrow — Balance Sheet decreases)

21. Functional Requirements for the PRD

- Low-Stock Alarms: Automated notifications when quantities hit a "Reorder Point."
- Inventory Adjustments (Shrinkage/Damage):
 - A dedicated module to record "damaged" or "expired" goods.
 - Entry: Debit: Inventory Loss (Expense) | Credit: Inventory Asset.
- Stock-Taking Module:
 - A way to record physical counts.
 - The system must automatically generate a "Reconciliation Entry" if the physical count \neq system count.
- Unit of Measure (UOM) Conversions:
 - Ability to buy in "Cartons" but sell in "Units" (e.g., buying 1 carton of 12 and selling 1 unit automatically reduces stock by 0.083 cartons).

22. Reporting & Analytics

- Gross Profit Margin by Product: $\frac{(\text{Sales Price} - \text{Landed Cost})}{\text{Sales Price}} \times 100\%$
- Inventory Turnover Ratio: How fast is the business selling its stock? (Vital for cash flow planning).
- Valuation Report: A real-time report showing the total value of "Cash tied up in stock" based on the chosen valuation method (FIFO or WAC).

Implementation Checklist for CTO

- [] **Perpetual Inventory:** Ensure COGS is calculated at the *point of sale*, not just at the end of the month.
- [] **Negative Stock Prevention:** The system should have a toggle to "Allow" or "Disallow" selling more than is in the system (useful for SMEs that sell before the paper-trail catches up).
- [] **Landed Cost Allocation:** Build the algorithm to distribute freight costs proportionally across a multi-item invoice.

As your co-founding Accountant, I've structured this final deep dive to cover the "big ticket" items on the Balance Sheet—Fixed Assets—and then synthesized everything into a high-level System Architecture.

For a Nigerian SME in 2026, managing assets like generators, delivery vans, and office equipment is vital because of the Tax Reform Act 2025 incentives.

23. Fixed Assets & Depreciation Module

23.1 Asset Recognition & The "Capitalization Threshold"

Not every chair or stapler is a fixed asset. The system must allow the user to set a Capitalization Threshold (e.g., ₦100,000). Anything below this is an immediate "Expense"; anything above is a "Fixed Asset."

- **The Cost Basis:** Must include the purchase price plus Installation and Delivery costs.
- **Asset Tags:** The software should generate a unique ID (e.g., `LAG-HQ-MVEH-001`) for physical tagging.

23.2 The "Dual-Book" Depreciation Logic

This is where our software wins. In Nigeria, there is a difference between Accounting Depreciation (what we show in the books) and Capital Allowances (what the FIRS accepts).

1. **Book Depreciation (IFRS for SMEs):** Usually Straight-Line.
$$\text{Annual Depreciation} = \frac{\text{Cost} - \text{Salvage Value}}{\text{Useful Life}}$$
2. **Tax Depreciation (Capital Allowances):** The 2026 Tax Act provides for Initial Allowances (e.g., 50% for plant/machinery) and Annual Allowances (e.g., 25% on the balance).

The Journal Entry (End of Month):

- Debit: Depreciation Expense (P&L \uparrow) — Profit \downarrow

- Credit: Accumulated Depreciation (Contra-Asset \uparrow — Asset Value \downarrow)

24. Final System Architecture: "Project Accurify"

To build a software that an ICAN auditor would trust, your engineering team must follow this Transaction-First Flow.

24.1 The Data Pipeline

1. Input Layer: Snap a receipt (OCR), send an invoice, or run payroll.
2. Sub-Ledger Layer: The transaction hits the specific module (AP, AR, Fixed Assets, or Payroll).
3. The Journal (The "Vault"): The sub-ledger sends a validated, balanced double-entry string to the General Journal.
4. Reporting Layer: The General Ledger aggregates the Journal to produce the Trial Balance, P&L, and Balance Sheet.

25. Final Compliance Checklist for 2026 Launch

As we prepare to scale, here are our "Hard Compliance" rules:

- Small Company Status (0% CIT): The system must automatically flag if a company's turnover is \leq ₦50 million and fixed assets \leq ₦250 million to apply the 0% Corporate Income Tax rate.
- Professional Services Exclusion: Even if a law or consulting firm is "small," they cannot enjoy the 0% CIT. The system must have a "Professional Service" toggle during onboarding.
- Audit Trail: Every entry must have a `created_at`, `updated_at`, and `user_id`. No entry is ever deleted; it is only "Voided" via a reversal.
- The "Nominal ₦10" Rule: For Nigerian tax purposes, an asset cannot be fully depreciated to zero while in use. The system must retain a nominal value (usually ₦10 or ₦100) until disposal.

Final Next Steps for the CTO

We have now built a comprehensive blueprint covering:

1. Core Ledger & Double Entry
2. Receivables & Invoicing
3. Payables & Purchases
4. Tax Reconciliation (VAT/WHT)
5. 2026 Payroll & Rent Relief
6. Inventory & Landed Costs
7. Fixed Assets & Dual-Book Depreciation

23. Fixed Assets & Depreciation Module

23.1 Asset Recognition & The "Capitalization Threshold"

In Nigeria, we must include all costs to get an asset "ready for use."

- **The Cost Basis:** Purchase Price + Freight + Installation + Non-refundable taxes.
- **Capitalization Threshold:** I suggest we set a default of ₦100,000. Anything below this is expensed immediately; anything above is a Fixed Asset.

23.2 The "Dual-Book" Depreciation Logic

Our software must track two different values because the FIRS (Federal Inland Revenue Service) doesn't care about our "internal" depreciation.

1. **Book Depreciation:** Usually Straight-Line for simplicity.
2. **Tax Depreciation (Capital Allowances):** The 2026 Act replaced variable rates with uniform ones (10%, 20%, or 25% depending on the asset class).

Important: The system must retain a ₦10 notional value on all assets until disposal, as required by the Nigeria Tax Act.

24. Final System Architecture: "Project Accura"

To be "Audit-Proof," the engine must move data through these four layers:

Layer	Responsibility	Key Feature
Input	Data Capture	OCR for receipts, E-invoicing, Bank Feeds.
Sub-Ledger	Specialized Logic	Specific rules for Payroll, Inventory, or Fixed Assets.
General Journal	The "Vault"	Balanced Double-Entry strings. No Deletions.

General Ledger	Aggregation	Real-time grouping of entries by Account Code.
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25. The "Day 0" Onboarding Questionnaire

When an SME first logs in, we must collect this data to configure their compliance engine correctly. This is the CTO's Configuration Map.

A. Business Identity

- Entity Type: (Limited Liability Company vs. Business Name).
 - *Logic: Only LLCs get the 0% CIT rate.*
- RC/BN Number & Tax ID (TIN): Mandatory for all Nigerian businesses in 2026.
- Is this a Professional Service firm? (Yes/No).
 - *Logic: If "Yes," they are excluded from "Small Company" tax exemptions regardless of size.*

B. Tax & Threshold Configuration

- Estimated Annual Turnover: * Under ₦50M: Small Business (No VAT collection required).
 - ₦50M – ₦100M: Small Company (Must collect VAT, but pays 0% CIT).
 - Above ₦100M: Large Company (Must collect VAT and pays 30% CIT + 4% Development Levy).
- Previous Year-End Date: To set the "Financial Year" cycle.

C. Operational Defaults

- Inventory Method: FIFO or Weighted Average?
- Base Currency: (Usually NGN) and any secondary currencies (USD/GBP).
- Payroll Day: (e.g., 25th of the month) to trigger "7-day" and "10-day" remittance reminders.

Implementation Checklist for the Final Build

- [] The "Small Company" Auto-Switch: If turnover crosses ₦50M or ₦100M mid-year, the system must alert the CEO that their tax status has changed.
- [] Remita/NRS Integration: Build hooks to allow users to generate payment references (RRR) for VAT/WHT directly from the app.
- [] Audit Export: A one-click "Audit Package" that zips up the Trial Balance, Ledger, and all digital receipts.

Part 1: The "Atomic" Foundation

Objective: Establish an immutable General Ledger and basic cash management.

1.1 The Ledger System (The "Truth" Layer)

- Double-Entry Engine: Mandatory $\sum \text{Debits} = \sum \text{Credits}$. Rejects unbalanced inputs.
- Immutability: append-only journal. Errors corrected via Reversing Entries.
- Chart of Accounts (COA): Pre-configured with 5 Parent Types (Assets, Liabilities, Equity, Revenue, Expenses).
- Base Logic: Support for NGN base currency and Multi-currency (FX) revaluation.

1.2 Core Data Model (ERD)

- Accounts: Identity, Type, and running Balance.
- JournalEntries: Metadata (Date, CreatedBy, ReferenceID).
- JournalItems: The line items (AccountID, Debit, Credit).

1.3 Basic Reporting

- Trial Balance: Monthly diagnostic.
- Balance Sheet: $\text{Assets} = \text{Liabilities} + \text{Equity}$.
- P&L Statement: $\text{Revenue} - \text{Expenses} = \text{Net Income}$.

Part 2: Trading & Nigerian Tax Compliance

Objective: Build the "Secret Sauce" for the Nigerian market: VAT, WHT, and Invoicing.

2.1 Accounts Receivable & Payable

- Invoicing: Sent invoice triggers Accounts Receivable (Asset) and Revenue (Income).
- Procurement: Received invoice triggers Accounts Payable (Liability).
- The Three-Way Match: Link Purchase Order (PO) \rightarrow Goods Received Note (GRN) \rightarrow Vendor Invoice.

2.2 Nigerian Tax Engine

- VAT Net-Off: Automated calculation of Output VAT - Input VAT (7.5%).
 - WHT Management: Automatic 5%/10% deductions at payment. Maintain a WHT Receivable Ledger for CIT offsets.
 - Tax Audit Log: Log every transaction with a Reference ID (e.g., Remita RRR).
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Part 3: Operations (Workforce & Assets)

Objective: Scale the software to handle complex lifecycle events (Payroll and Fixed Assets).

3.1 2026 Payroll (NTA 2025 Compliant)

- Tax Bands: Implementation of the new 2026 progressive bands (0% to 25%).
- Rent Relief Vault: Lower of ₦500,000 or 20% of annual rent.
- Statutory Split: Automated Pension (8%/10%), NHF (2.5%), and NSITF (1%) triggers.

3.2 Inventory & COGS

- Landed Cost Logic: Purchase Price + Freight + Duties.
- The COGS Trigger: Automatic inventory movement upon sale.
- Valuation: Choice between FIFO (Inflation-sensitive) or Weighted Average.

3.3 Fixed Assets Register

- Capitalization: Minimum ₦100,000 threshold.
- The ₦10 Rule: Assets never depreciate to absolute zero while in use.
- Dual-Book: Straight-Line for books vs. Capital Allowances for FIRS.

Part 4: Audit Readiness & Onboarding

Objective: Automate "Day 0" setup and final audit exports.

4.1 "Day 0" Configuration (Onboarding)

- Entity Type Selector: LLC vs. Business Name (CIT Eligibility).
- Turnover Threshold Monitor: * \leq ₦50M: Small Business (0% VAT/CIT).
 - $>$ ₦50M: Small Company (VAT-compulsory).
- Professional Services Toggle: Excludes firms from certain tax exemptions regardless of size.

4.2 Closing & Audit Package

- Year-End Close: Automatic zeroing of Revenue/Expenses into Retained Earnings on Dec 31st.
- The Audit Pack: One-click zip export of the Ledger, Trial Balance, and digital receipts for ICAN auditors.

Implementation Checklist for CTO

- [] Immutability: Enforce `updated_at` and `user_id` on all journal strings.
- [] Cash/Accrual Toggle: Global UI filter for business owners.

- [] Remita Integration: API hooks for generating RRR numbers directly.