



## ***MYOB ACCOUNTING PLUS V13 TRAINING***

### **BASIC/COMPUTER LITERATE COURSE**

1. The Chart of Accounts
  - a. Setting up – Linked accounts.
  - b. Adding and Editing
  - c. Attaching tax codes
  - d. Reorganising – Using account numbers
  - e. What are capital accounts and what aren't
2. Making Sales
  - a. Cash Sales
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3. Paying Expenses
  - a. Entering Expenses (cheque facility)
  - b. Entering Expenses (Bills)
  - c. Making Payments to Accounts Payable
4. Banking
  - a. Depositing Funds as lump sum (clearing account)
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5. Maintenance and Reports
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## ***THE CHART OF ACCOUNTS***

### **SETTING UP – LINKED ACCOUNTS**

MYOB has specific accounts linked to certain features of the program in the areas of payroll, Accounts Receivable & Payable and Banking. To access this setup, select the “setup” menu from the top of the screen, then linked accounts.

The Banking Accounts setup should not need to be changed from the defaults that appear. Similarly the Accounts Payable and Accounts Receivable Accounts should not need to be changed however you should deselect the last four options in each unless you definitely require them. You should speak one on one to one of our staff if you require this type of feature.

The payroll setup default bank account will be an extra bank account generated by MYOB. You should change this account to the normal bank account you use for paying wages (where applicable). Other accounts should remain the same.

### **ADDING AND EDITING ACCOUNTS**

The chart of accounts in MYOB is set up in the order of;

1. Assets

2. Liabilities
3. Owner's Equity/Capital
4. Income
5. Cost Of Goods Sold (for trading stock entities only)
6. Expenses
7. Other Income (Unnecessary to use)
8. Other Expenses (Unnecessary to use)

Using the "other" income and expense accounts only adds to the complexity of your data file set up and is not recommended unless you require complex reporting standards. MYOB will not allow you to change the nature of an account once it is set up.

To add or edit an account, click on "accounts" on the navigator window then "account list" on the top, or lists menu then "accounts". From this screen highlight the account (for editing) and click "edit" in the bottom right. To delete an account, follow the instructions for editing, then select "edit" from the top menus, then "delete account". To add an account, select the relevant account type from the top tabs, and then "new" from the bottom icons.

### **ATTACHING TAX CODES**

MYOB attaches tax codes (for GST purposes) to all accounts in the account list (or chart of accounts). It is imperative that the correct codes be chosen to ensure accurate GST reporting. Fortunately, MYOB uses generic codes that are split by the program into income and expenditure. The most common codes that should be used are;

**"GST"** for income and non capital expenses with GST in the price.

**"FRE"** for GST free income and expenses eg. Interest & bank fees

**"CAG"** for capital acquisitions with GST in the price.

If you operate residential rental properties through your MYOB system you should contact our office for help in selecting the correct tax codes.

Depreciation, Wages and Superannuation should have NO TAX CODE APPLIED AT ALL. They are not reported as GST applicable expenses on your Business Activity Statement.

### **REORGANISING ACCOUNTS**

MYOB uses an accounts numbering system to organise accounts in order in the chart of accounts. Accordingly you can only use the relevant number ranges when reorganising your chart of Accounts as listed below.

1-0000 to 1-9999	Assets
2-0000 to 2-9999	Liabilities
3-0000 to 3-9999	Equity Accounts
4-0000 to 4-9999	Income Accounts
5-0000 to 5-9999	Cost of Goods Sold
6-0000 to 6-9999	Expense Accounts
7-0000 to 7-9999	Other Income
8-0000 to 8-9999	Other Expenses

Furthermore, you can set up your account list with Header Accounts for enhanced presentation of your reports. To do this, when you add or edit an existing account and select "Header Account" from the top left of the setup window.

### **WHAT ARE CAPITAL ACCOUNTS AND WHAT AREN'T?**

Sometimes difficult to understand and sometimes a grey area of Taxation Law is the distinguishment between capital and revenue expenditure. Accordingly we have provided some examples that should help to understand common business transactions;

#### **CAPITAL**

##### Fixed Assets

- Motor Vehicles
- Office Furniture/Computers
- Equipment (costing over \$300.00 inc. GST)

##### Other Assets

- Security Deposits (rental bond, electricity)

#### **NON CAPITAL**

##### Expenses

- Tool & Equipment Replacements (under \$300.00 inc. GST)
- Administration/Stationery/Advertising/Fees/Materials

It is important to note that the payment of your GST or PAYG instalments IS NOT TREATED AS AN EXPENSE. If you are unsure of a transaction's nature, you should contact our office for confirmation. It is important for the reporting on your BASs as well as the correct deductions for income tax.

### **MAKING SALES**

#### **ENTERING CASH SALES**

From the navigation window, select "Banking" then "receive money". In this window, select the account you are depositing the money into. If you are collecting cash and cheques and depositing them together, or on a later date, you should select the "group with undeposited funds". Enter the customer (optional), date, amount and transaction memo. Then select the income account relevant and check that the correct tax code appears in the far right.

#### **ENTERING INVOICES**

From the navigation window, select "Sales" then "enter sales". In this window, select the customer you are invoicing. Enter the, date, charge details and amount. Then select the income account relevant and check that the correct tax code appears in the far right.

#### **RECEIVING PAYMENTS**

From the navigation window, select "Sales" then "receive payments". In this window, select the customer you are receiving a payment from. Once you have selected the customer, all outstanding invoices should appear in the lower of the screen. Enter the payment date, method and amount. It is extremely important that you select the bank account that the money is actually being deposited into. Similarly to cash receipts, if you are collecting

cash and cheques and depositing them together, or on a later date, you should select the “group with undeposited funds”.

## **PAYING EXPENSES**

### **ENTERING EXPENSES – CHEQUE FACILITY**

Most expenses can be entered in the cheque facility, select Banking from the navigator, then “spend money” from the navigation window. It is imperative that you select the correct bank account at the top of this window. (This is where the money has directly come from to pay the expense). Where you have paid business expenses from your personal funds, you can set up a bank account called “Loan from ‘*your name*’” and use this account for this type of transaction. Enter the rest of the payment details and select the correct expense account (also ensure that a tax code shows up when you select the account, where applicable).

### **ENTERING EXPENSES – BILLS**

Where you wish to enter your bills and then make payment of them, you can enter them through the “purchases” and then “enter purchases” window. Similarly to the cheque window, enter all the details (you must enter the supplier), however no bank account is entered here as no payment is made. When payment is made, use the “pay bills” button in the “suppliers” navigation window. Complete this window similarly to the “receive payments” for Accounts receivable. Again ensure you have chosen the correct bank account (where the funds have actually come from) at the top of this screen.

## **BANKING**

### **DEPOSITING FUNDS AS A LUMP SUM (UNDEPOSITED FUNDS ACCOUNT)**

As mentioned under “accounts receivable” the undeposited funds account is a clearing account holding cash and cheques until you deposit them into the bank. It is a MYOB generated asset account and will dramatically enhance the ease of completing bank reconciliations.

To Deposit your funds on hand, select the “banking” navigation window, then “prepare bank deposit”. MYOB will automatically bring up a list of undeposited amounts you have received. You should tick off the amounts you are depositing on the far right. Then check the total of the deposit before you click “record”. Where there is a difference, this is money you have withdrawn, or used to pay expenses.

Unfortunately MYOB does not allow you to make changes from this window for these differences. You need to leave this window then make a cheque entry, using the undeposited funds account for the difference, allocating an account for why the difference exists eg drawings. Where you have paid expenses from this cash on hand, you should record it in the cheque facility as well and ensure that the “undeposited funds” account is used.

Return to the deposit window, and select your newly created transaction. Once the total is exactly the same as your deposit book, click "record".

### **BANK RECONCILIATION**

Enter the bank reconciliation window via the "banking" navigation window then select "reconcile accounts". Select the bank account you are reconciling and then enter the statement date from your bank statement. Click OK and the transactions will appear.

In this window, check off the deposits from your bank statement and be sure to mark your bank statement so you know what has been checked off. The deposit amounts should now match your bank statement.

Check off the presented cheques on your bank statement. Once you have finished the reconciliation should equal "0" on the top right. Once you have completed the reconciliation click "reconcile". You will then be prompted whether or not you wish to print a reconciliation report. If you print the report, attach it to your bank statement, if you do not print the report, mark your bank statement as reconciled and the date.

## ***MAINTENANCE AND REPORTING***

### **FINDING TRANSACTIONS**

Should you have a query with any of your transactions or report balances, MYOB provides a handy feature to filter records and find the relevant transaction/s. From the navigation window, at the bottom, select “find transactions”. MYOB allows you to sort by;

1. Account
2. Card
3. Item
4. Invoice
5. Bill
6. Category
7. Job
8. Payroll Category

The most useful would be the “account” and “card” selections. Once you select this option a window will appear that allows you to enter date periods and the relevant account/card name. When you have filtered out the transaction you want to view, click the arrow to the left of the transaction in the list which will bring up the details. Most of these details can be edited here.

### **ACCESSING BASIC REPORTS**

The reports menu is located at the bottom of the navigation window. Profit and Loss and Balance sheet reports are found in the accounts selection, however many other useful reports are available in the other selections. Each report selection requires you to select a date period and some filters before it will be displayed on the screen.

For a standard Profit and Loss report, you need to select the correct financial year in the filters window and then highlight ALL the months you want included in the report. However, when generating a balance sheet, you only need to select the last month of the financial year you wish to view. The Balance Sheet is only a snapshot of the organisations’s financial position at a particular point in time. Should you require more advanced reporting for your organisation, please contact our office.

### ***IN SUMMARY***

The chart of accounts is the basis of your data file. The correct set up and maintenance of this important element is crucial to the accurateness of your data file information and ease of entering data.

It is very important to attach the correct GST tax code to your accounts in the account list (where you are a GST registered entity) to ensure correct BAS reporting and that you receive credit for all the GST you have paid.

Accounts Payable and Receivable may involve a substantial amount of your income and subsequently payments and receipts from these accounts need to be carefully and accurately recorded. Your hard copy paperwork system

should back up your computerised accounting system and correct data entry will assist in the reconciliation of your accounts.

As most of your funds will flow through a bank account, it is also important to regularly reconcile your bank account. Accordingly you must always check that any entry involving a bank account has the correct bank account selected. It is recommended that you reconcile your account whenever you receive your monthly bank statement. Reconciling your account will highlight any errors from data entry or from the bank to ensure your valuable cash resources are not lost.

MYOB's reporting and transaction filtering features allow you to fully access the information developed by the data you enter. The reports are very relevant and can assist you in the successful management and future improvement of your business.