



Booklet 4

Guidance Notes

Nominal Ledger Transactions including Bank, Journals and Payroll

(Updated Aug 2018)

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Nominal Ledger Transactions

Nominal Ledger transactions are **not** connected with the Purchase Ledger (paying suppliers) or the Sales Ledger (receiving money from customers). These transactions are when the payment or receipt is coded directly to a Nominal Ledger Account.

In addition, this is where transactions can be posted for transferring income or expenditure to another code i.e. miscodes.

All of the following transactions are entered by way of a nominal ledger transaction.

1.1 Bank Journals - Receipts and Payments

Switch Module > Nominal Ledger > Registers > Transactions >Create > New Transaction

This opens the journal screen.

Example for Funding Statement transactions

• • • • • • • • • • • • • • • • • • •	002 Trans. C Funding	ate <u>20/07/2018</u> Ref	Create 💌	Cancel S	Save 🔨	X	C
No. <u>9180</u> ext <u>July I</u> ount	002 Trans. D Funding	ate 20/07/2018 Ref	To day Thomas in a				
ext <u>July I</u> ount	Funding		erence pury Funding				_
ount							_
	Objects	Description		Base 1 Debit	Base 1 Credit	V-Cd	1
101		Current Acco	unt	140676.56			A .
01	09000	Delegated Re	venue Funds		124979.00	0	
801	09000	SEN Top-up F	unding From Other LA's		397.74	0	C C
101	09000	Ethnic Minorit	y Funding		2647.00	0	2
04	06000	De-delegated	NQT training	90.00		0	E
01	06000	Non teacher t	raining	250.00		0	F
02	02000	De-delegated	facilities time costs	80.00		0	0
01	02000	Teacher abse	nce Insurance costs	858.00		0	
207	05000	General schoo	ol admin costs	100.00		0	
707	03000	De-delegated	charges for Minority Et	455.00		0	
806	03000	Governor Ser	vices	87.75		0	
02	03000	Clerking servi	ce	121.25		0	
.01	10000	Capital fundin	ig - DFC		698.00	0	
.01	01000	Cluster Incom	e - Business	554.00		0	
210		VAT Re-imbur	sement Current Year		14550.82		
						-	
					-		-
	801 401 304 3004 3002 207 707 806 802 101 101 210	001 09000 001 09000 004 06000 001 02000 001 02000 007 05000 0806 03000 0802 03000 011 10000 101 01000 210	901 99000 SEN Top-up F 901 99000 Ethnic Minorit 901 99000 Ethnic Minorit 901 09000 De-delegated 901 02000 De-delegated 901 02000 Teacher abs 900 05000 General schoo 901 02000 Teacher abs 902 03000 Governor Ser 902 03000 Capital fundin 101 10000 Claster Incom 101 01000 VAT Re-imbur	901 99000 SEN Top-up Funding From Other LA's 901 99000 Ethnic Minority Funding 904 66000 De-delegated NQT training 901 06000 Non teacher training 902 02000 De-delegated AQT training 9010 02000 De-delegated AQT training 902 02000 Teacher absence Insurance costs 907 05000 General school admin costs 907 03000 Governor Services 802 03000 Clerking service 9010 01000 Claster Income - Business 910 VAT Re-imbursement Current Year	01 09000 SRN Top-up Funding From Other LA's 01 09000 Ethnic Minority Funding 004 06000 De-delegated NQT training 90.00 001 06000 Non teacher training 250.00 002 02000 De-delegated facilities time costs 80.00 001 02000 De-delegated facilities time costs 858.00 007 03000 Ge-delegated charges for Minority Eth 455.00 006 03000 Gevernor Services 87.75 001 01000 Capital funding - OFC 121.25 101 01000 Capital funding - OFC 121.25 101 01000 Clapital funding - OFC 121.25 101 01000 Clapital funding - OFC 121.25 101 01000 Clapital funding - OFC 101.00 101 01000 Clapital funding - OFC 101.00 101 01000 1000 1000 1000 101 01000 1000 1000 1000 1000	0901 OPU00 SEN Top-up Funding From Other LA's 397.74 001 OPU00 Ethnic Minority Funding 2647.00 004 06000 De-delegated NQT training 90.00 001 06000 De-delegated NQT training 250.00 001 02000 De-delegated facilities time costs 80.00 001 02000 Teacher absence Insurance costs 858.00 007 05000 General school admin costs 100.00 006 03000 Governor Services 87.75 001 10000 Clarking service 121.25 0101 01000 Clarkin funding - DFC 698.00 0101 01000 Cluster Income - Business 554.00 0101 VAT Re-imbursement Current Year 14550.82	010 09000 SEN Top-up Funding From Other LA's 397.74 0 010 09000 Ethink Minority Funding 2647.00 0 004 06000 De-delegated NQT training 90.00 0 001 06000 Non teacher training 250.00 0 002 02000 De-delegated facilities time costs 80.00 0 001 02000 De-delegated facilities time costs 858.00 0 001 02000 General school admin costs 100.00 0 007 03000 Ge-delegated harges for Minority Et ¹⁰ 455.00 0 0300 Gevernor Services 87.75 0 0 0301 01000 Capital fanding - DFC 698.00 0 0101 01000 Claster Income - Business 554.00 0 0101 01000 Claster Income - Business 554.00 0 0200 VAT Re-imbursement Current Year 14550.82 14550.82

No.	System	generated	field.
	0,000	Beneratea	

- Trans. Date Enter the date or CTRL Enter to access the calendar.
- **Reference** Enter a reference here.
- TextEnter a description for the transaction. It will be this description that shows on the
Bank Reconciliation screen (along with the date, transaction number and amount).
- Account CTRL Enter to choose the account to code this payment to. It's usual to choose the Bank account first, but not compulsory. As this is a receipt we will be Debiting the Bank Account.
- Objects Ctrl Enter to select an object code if applicable (balance sheet codes 90000:99999 do not require an Object)

- **Description** Pre-populates according to account code selected but can be over-typed for more detailed information.
- **Debit/Credit** Enter the amount to be debited/credited
- V-Cd PCC Funding statements should always have '0' in the VAT code column. Other income may have a VAT element which will need to be coded to the correct VAT code (see example in section 2 'Meals Income)'

On subsequent rows use CTRL Enter for the income/expenditure codes (and if applicable the objects), **credit the income codes; debit the expenditure codes**. You may code a transaction to more than one income/expenditure code but the transaction must balance. **Debits=Credits**.

It is only the bank account amount (**91401**) that will appear in the Bank Reconciliation screen.

Tip:After using CTRL Enter, you can type the account number (this will appear in the
search field, you don't have to click in the search field) and press Enter to find the
account quickly instead of scrolling down the list of accounts.

Click the Save button to post this transaction.

In addition to income and charges on the Funding Statement, schools may use this process for:-

Payroll

<u>Meals/Tuck/Photograph commission income</u> Posting the bank transaction – you must add a new row for the VAT output Account (**92105**) on Staff/Adult meals, Tuck and Commission and apportion the Income between the income code and VAT.

) o	• ⊟ □ 0	Crea	te 🔹 Cancel	Save 🔨	×
	No. <u>91</u> Text ba	80003 Trans. Date	20/07/2018 Reference banking	106021		
	Account	Objects	Description	Base 1 Debit	Base 1 Credit	V-Cd
1	10901	07000,08000	Pupil meals income		540.00	• 0
2	10902	07000,08000	Staff meals income		100.00	1
3	92105		VAT Standard Rate Output (2	0%)	20.00	
4	91401		Current Account	1180.00		
5	11202	08000,13000	Educational trips and visits		520.00	0
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
10						
70						
20						
21						
22						•

Trips/Swimming

Uniform (if not invoicing parents)

Miscellaneous Income and Donations (including direct receipts on bank statement)

General Income Cheque un-presented on Bank statement

Income from Lettings and other chargeable services should be processed through the Sales Ledger route (see Booklet 3)

1.2 Bank Journals – Returned cheques

See Booklet 3 Section 1.6, first two bullet points.

2. New Transactions

Transactions can also be used to move an amount from one account code to another – they are actual transactions performed directly on to the Nominal Accounts. Typically they are used to correct errors and on occasions when items have been coded incorrectly.

Switch Module > Nominal Ledger > Registers > Transactions >Create > New Transaction

Trans. Date	Enter the date of the transaction
Reference	Enter a reference
Text	Enter a description of this transaction
Account	CTRL Enter to select the account.
Objects	CTRL Enter to select the object/s
Debit/Credit	Enter the debit and credit amounts. Debits and credits must balance or the system will not allow the transaction to be saved.
V-cd	CTRL Enter to select the VAT code. If there is no VAT then the V-cd can be left as the default value if 0 or changed to 0
Tip :	Enter through the debit and credit fields on the last row of the journal and RM Accounts will enter the last entry for you. It self balances.
Save	Click Save to post this transaction.

3. Reversing Transactions

Nominal Ledger transactions may be completely reversed to correct an error.

Switch Module > Nominal Ledger > Registers > Transactions >Create > New transaction

- find the transaction that needs to be reversed.

Open Original Transaction, Create > Duplicate. This creates a duplicate of the original transaction.



Go to the Operations menu (Cog wheel) and select "Swap Debit Credit".

This will swap the debits and credits of the original transaction.

Enter a new reference and amend the text if necessary and click Save to post the new transaction.

This is used for correcting journals posted to incorrect codes or reversing accruals in the following period.

4. Payroll journals – Using the Payroll Control Account

If your school pays salary on-costs in the following month, the Payroll Control Account **must be used**. If your school pays the salary bill at the end of the month as one individual payment, a Normal Journal from the Bank to the individual employee salary codes **can** be used.

The Salary journal represents a significant transaction to a school and so deserves a special mention here so we can understand how to process all the Salary related transactions.

Enter the salary journal as a normal transaction except that the balancing entries will be against the Payroll Control account (92203). This account balance represents the "on-costs" that a school has to pay to 3rd parties over and above the staff's net pay, such as national insurance, pension etc.

Switch Module > Nominal Ledger > Registers> Transactions >Create > New Transaction – or use the Duplicate option

Enter the transaction as required ensuring that all entries balance to your external payroll reports (EPM/PCC). A Salary journal may look like this:

No. 91800								
	04	Trans. Date 1	4/08/20	18 Reference August Payr	oll			_
ext Augus	t Payroll							_
count C	bjects			Description	Base 1 Debit	Base 1 Credit	V-Cd	
203				Payroll Control		63897.19		*
101 0	02000			Teachers Salaries	43215.75		0	
301 0	2000			Teaching assistants	14305.27		0	
301 0	02000,11000			Teaching assistants	2000.00		0	
401 0	02000			Cleaners - payroll charge	1727.67		0	
501 0	2000			Admin and Clerical staff	2018.83		0	
701 0	02000			Midday supervisors	129.67		0	
818	02000		l de la constante de la consta	Apprenticeship Levy	500.00		0	
								-
	count C 203 101 C 301 C 301 C 401 C 501 C 701 C 701 C 701 C	Count Objects 203 Count 02000 Count 02000 Count 02000,11000 Count 02000,11000 Count 02000 Count 0200 Count 0	Count Objects 203 - 203 - 301 02000 301 02000 501 02000 501 02000 818 02000 818 02000	Count Objects 203 203 301 02000 301 02000,1000 401 02000 501 02000 818 92000	Count Objects Description 203 Payroll Control 203 Payroll Control 203 Teaching assistants 301 02000 Teaching assistants 301 02000 Teaching assistants 301 02000 Cleaners - payroll charge 501 02000 Admin and Clerical staff 701 02000 Midday supervisors 818 12000 Midday supervisors	Description Base 1 Debit 203 Payrol Control 101 02000 Teachers Salaries 43215.75 301 02000 Teachers Salaries 43215.75 301 02000 Teachers Salaries 43215.75 301 02000 Teachers Salaries 14305.27 301 02000 Cleaners - payrol charge 1727.67 501 02000 Admin and Clerical staff 2018.83 701 02000 Midday supervisors 129.67 818 122001 Midday supervisors 500.00 1 122001 Apprenticeship Levy 500.00 1 129.01 Apprenticeship Levy 500.00	Description Base 1 Debit Base 1 Credit 203 Payrol Control 63897.19 101 02000 Teachers Salaries 43215.75 301 02000 Teachers Salaries 43215.75 301 02000 Teaching assistants 14305.27 301 02000 Cleaners -payrol charge 1727.67 501 02000 Admin and Clerical staff 2018.83 701 02000 Midday supervisors 129.67 818 02000 Midday supervisors 129.67 818 02000 Apprenticeship Levy 500.00 9000 Payrol Control staff 90.00 9000 Payrol Contreship Levy 900.00	Description Base 1 Debit Base 1 Credit V-Cd 203 Payroll Control 63897.19 63897.19 101 02000 Teaching assistants 43215.75 0 301 02000 Teaching assistants 14305.27 0 301 02000 Teaching assistants 14305.27 0 301 02000 Cleaners - payroll charge 1727.67 0 501 02000 Admin and Clerical staff 2018.83 0 701 02000 Midday supervisors 129.67 0 818 0.0001 Maprenticeship Levy 500.00 0 91001 91001 91001 91000 91000 91000 91001 91001 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 91000 910000 91000 910000 <

Notice the credit entry for the Payroll Control account. This will be listed on the Balance Sheet as a liability – the school has a liability to pay this amount.

When the various on-costs and 3rd parties e.g. NI, Pensions and Unions etc and the Net Pay are paid, make sure that the charge goes to the Payroll Control account. The payment will then Debit the Payroll Control account thus reducing the balance on the account meaning that the school owes less or in many cases absolutely nothing as it is usual to clear the amounts owed each month.

It should be a regular month end process to check that the Payroll Control account represents what is truly owed at that point in time.

In subsequent months – go to transactions list – pick up the last month journal and duplicate.

Update for new month (date & Reference Text) and change values. Save

5. Payroll journals – EPM payroll charges on Bank Statement

As the Payroll charges appear on the Bank Statement, create a Transaction as example below.

The figure should match the charge on the Bank Statement. Initially this could be just the net costs.

When the NI, Pensions and On-cost charges appear on the Bank Statement another journal will be created.

When all charges have been made the Payroll account 92203 should have a closing balance of zero.

In subsequent months the original journal can be duplicated – changing the Text – Sept – to October etc and the Debit and Credit amounts.

ile	Edit I	Record	Wind	low I	nfo									
•	•	Q		₽ρ					Create 💌	Cancel	Save	~	×	
	No.	918000	05	Tra	ans. Date	14/08/20	18	Reference	Payroll charges	Aug				
	Text	Payroll	charge	s Aug										
	Accoun	it O	bjects				Descriptio	ı		Base 1 Debit	Base 1 Credit	V-C	d	ľ
1	92203						Payroll Co	ntrol		63897.19				
2	91401						Current A	ccount			63897.	19	1	
3													-	
4														
5														
6														
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0	Difference	e Base 1		0.	00	Sign M	ARGARET		То	tal 6389	7.19 6	3897.19	9	
	ifference	Base 2							То	tal				

6. Payroll journals – PCC payroll charges on Bank Statement on pay day

If Payroll charges are all paid on Pay day – a journal can be created between the Salary codes and the Bank – bypassing the Payroll Control.

7. Procurement card transactions – Procurement/Credit Card charges on Bank Statement

When the credit/procurement card charge appears on the Bank Statement go to

Switch Module > Nominal Ledger > Registers > Transactions >Create > New Transaction – or use the Duplicate option

		1				
۹.		٩¢	Create 🔻	Cancel	Save 🔨	r 24
	No. 9180006	Trans. Date 14/08/2018 Referen	e July procurement of	card -		
	Text July procuremen	card -				
	Account Objects	Description	Bi	ase 1 Debit	Base 1 Credit	V-Co
1	91410	Procurement card		198.27		
2	91401	Current Account			198.27	
3						
4						_
5						_
6						
-						
0						
10						
11						
12						-
13						-
14						
15						
16						
17						
18						
19						
20						
21						
44						_

Row 1 - Select Account 91410

Object – leave blank

Description – pre-populated – Procurement card, change if required

Debit amount

Row 2- Select Account 91401

Object – leave blank

Description – pre-populated – Current Account

Credit amount

The resulting transaction puts the charge on the Bank Reconciliation for the current account (91401) and clears/reduces the balance on the Procurement/ Credit Card account (91410).