



MONASH University

Department of Accounting

**ACC/ACF1100 Introduction to financial
accounting**

**MYOB AccountRight Version 2017.2
for Service Businesses**

Prepared by Jean Kwong

Semester 1, 2018

TABLE OF CONTENTS

Using MYOB AccountRight Standard Version 2017.2	3
Introduction	4
Chapter 1 Creating a data file	5
Chapter 2 Setting up an Accounts List	19
Chapter 3 Processing sales	33
Chapter 4 Processing purchases.....	46
Chapter 5 Recording expenses and receipts.....	61
Chapter 6 Recording adjusting entries and printing reports.....	67

Using MYOB AccountRight Version 2017.2

At Monash

- MYOB AccountRight Version 2017.2 is installed in the computers:
 - In Building K (Caulfield campus), Rooms K101, K102, K103 and K104
 - In Building 11 (Clayton campus), Rooms E157, E160, E163 and E164

Installing MYOB AccountRight Version 2017.2 in your PC

- Download the trial accounting software, MYOB AccountRight Version 2017.2 to your computer from MYOB website at: www.myob.com.au
- For Windows users, select **MYOB AccountRight v2017.2** to install.
- For Mac users, select **MYOB AccountEdge Pro v16.5** to install.

OR

- Purchase your own copy of MYOB AccountRight Version 2017.2 to complete the assignment. The Monash Bookshop at Caulfield campus stocks the **MYOB Student Edition Pack Version 2017.2** for \$15.
- When you register your MYOB Trial AccountRight, you are entitled to 30 days free product support, during which you can call MYOB Support Team on 1300 555 128 for assistance with installing and using your product. Remember to quote your Trial Serial Number to access this service.

Minimum system requirements to run MYOB AccountRight Version 2017.2

Operating System:

- Microsoft Windows 10
- Microsoft Windows 8
- Microsoft Windows 7

Hardware:

- 2.1 GHz Intel Core 2 Duo processor
- 2 GB RAM
- 2 GB free hard disk space
- Screen resolution of at least 1024 x 768, 32-bit colour
- CD-ROM Drive
- Tablet installations – Windows 8 and Windows 8 Pro tablets (32 bit or 64 bit) are supported.
- Windows RT devices are not supported.

Introduction

This MYOB guide will use MYOB AccountRight to set up an accounting system for a service business by using Auburn Medical Practice as a case study. It will provide step-by-step instructions on the best way to set up a computerised accounting system using MYOB AccountRight for the transactions of the business.

The list of skills covered will include the following:

- Creating a data file
- Setting up an accounts list
- Processing sales
- Processing purchases
- Recording expenses and receipts
- Recording adjusting entries and printing reports

Things to do before starting MYOB AccountRight:

1. Create a folder named **MYOB Practice** in **This PC (C:)\Documents\MYOB\My AccountRight Files** to save your data file in your PC.
2. In the MYOB workshop at Monash, create the **MYOB Practice** folder in **This PC\OS Disk (C)\MYOB** to save your data file. At the end of the session, remember to backup your data file before you log off.
3. Ensure your computer is set up for the Australian date format, (day/month/year). You may check and alter the Australian date format as follows:
 - Click **Start** (located at the bottom left of the window)
 - Select **Control Panel**
 - Click **Clock, Language and Region options**
 - Choose **Region**
 - In the **Formats** tab, ensure **English (Australia)** is selected in the Format field
 - In the **Location** tab, ensure **Australia** is selected in the Home Location field
 - Click **OK** to close the window.

Chapter 1 Creating a data file

In this chapter, you will learn how to:

- Create a data file for a service business
- Set your preferences
- Set default customer terms
- Access MYOB tax codes and GST accounts
- Backup your data file
- Restore your backup data file
- Close MYOB AccountRight

Creating a data file for a service business

MYOB AccountRight will lead you step-by-step through the process of creating your business data file.

1. Double-click the **MYOB AccountRight icon** on the computer desktop and the **Welcome to AccountRight** window is displayed (see Figure 1.1 below). The Welcome window presents you with four options.

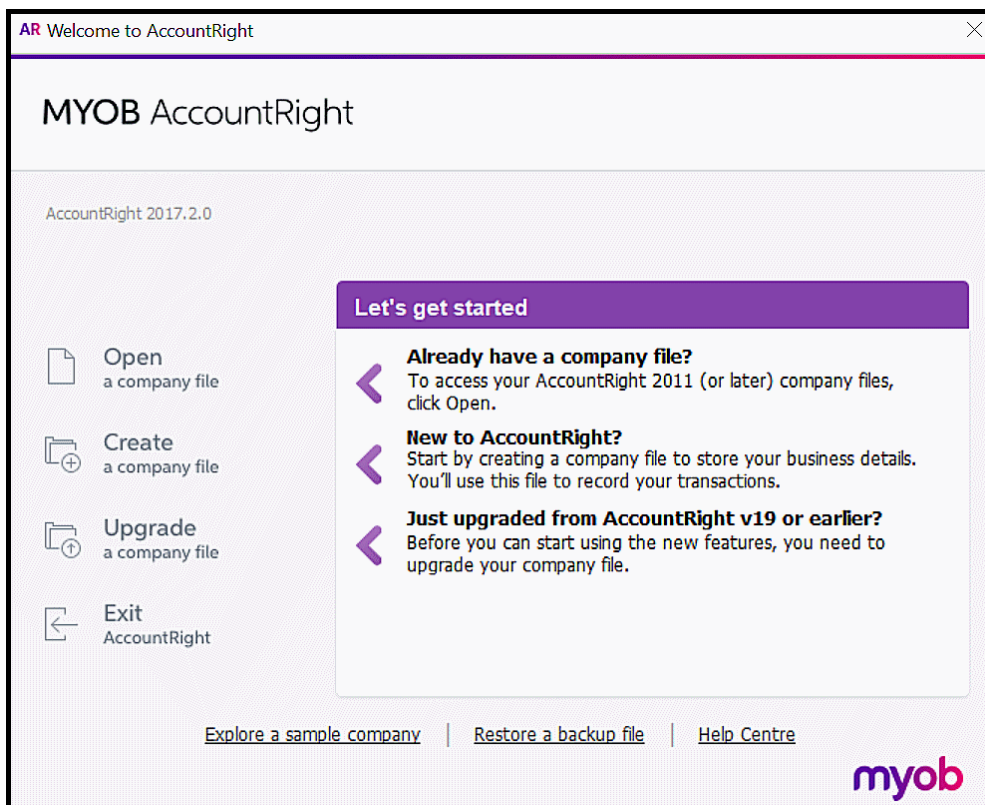


Figure 1.1 Welcome to AccountRight window

2. Click the second option **Create a company file**. The New Company File Assistant window is displayed (see Figure 1.2 on the next page).

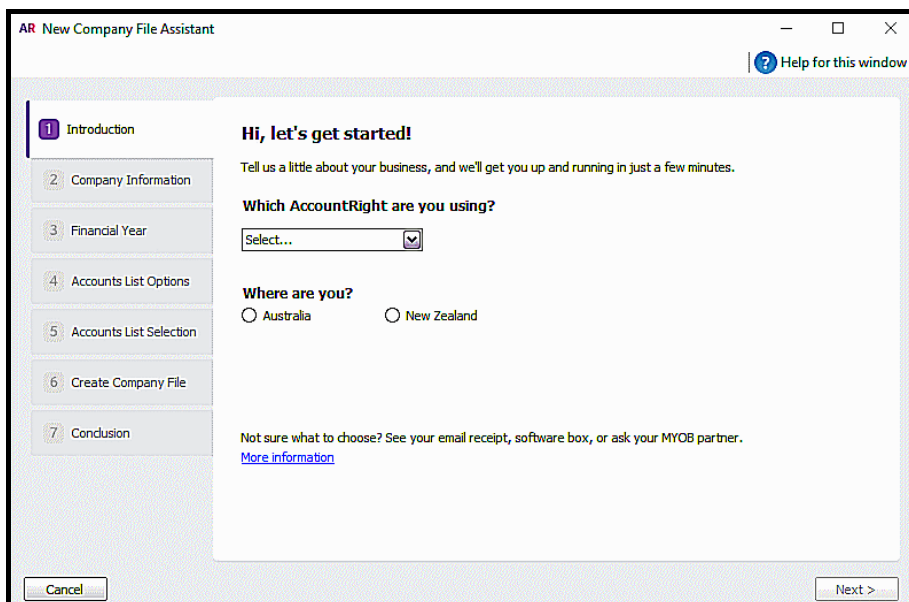


Figure 1.2 New Company File Assistant window

3. Click on the drop down arrow  next to **Which AccountRight are you using?** select **AccountRight Standard**.
4. Click **Australia** for the location **Where are you?**
5. Click **Next**. The Company Information window is displayed.
6. **Enter** the following company information:

Company Name:	Auburn Medical Practice
ABN:	72 444 555 666
Address:	101 Auburn Road HAWTHORN VIC 3122
Phone Number:	(03) 9814 7000

7. Click **Next**. The Financial Year window is displayed (see Figure 1.3 on the next page).
8. Auburn Medical Practice commenced on 1 June 2017, ensure that the Current Financial Year is **2017**. The Last Month of Financial Year is **June**. The business' financial year begins on 1 July 2016 and ends on 30 June 2017.
9. In the Conversion Month field, ensure **June** is selected. This is the month we plan to use MYOB AccountRight for the account opening balances that will be entered during the data file setup.

Your details in the Financial Year window should match Figure 1.3 on the next page.

AR New Company File Assistant

Help for this window

1 Introduction

2 Company Information

3 **Financial Year**

4 Accounts List Options

5 Accounts List Selection

6 Create Company File

7 Conclusion

Set your financial year

You need to specify the financial year for which you want to start recording transactions. This does not need to be the current financial year or the year that your business started trading.

What is the financial year for which you want to start recording transactions? 2017

What is the last month of your financial year? June

Your financial year is 01-Jul-16 to 30-Jun-17.

Set your conversion month

What is the first month for which you want to start recording transactions? June

You cannot record transactions dated before 01-Jun-17.

Cancel < Back Next >

Figure 1.3 Financial Year window

10. It is important that you check through the financial year information carefully.

Note that the default accounting periods is for 13 months and the information cannot be changed. If you want to make any other changes, click **Back**. Otherwise, click **Next** to move to the Accounts List Options window (see Figure 1.4 below).

11. Select the last option **Build your own list** as shown in Figure 1.4 below.

AR New Company File Assistant

Help for this window

1 Introduction

2 Company Information

3 Financial Year

4 **Accounts List Options**

5 Accounts List Selection

6 Create Company File

7 Conclusion

Build your accounts list

Accounts are the categories to which you will allocate your transactions. You need to select a default list of accounts for your company file; however, you can modify the list after creating your company file.

☐ Start with an accounts list provided by MYOB

You can select a predefined accounts list suitable for your business in the next step.

☐ Import an accounts list

Your company file will be created with the minimum number of accounts required. You can import your accounts list after creating your company file.

☒ **Build your own list**

Your company file will be created with a simple list of accounts.

Cancel < Back Next >

Figure 1.4 Accounts list options window

12. Click **Next**. The suggested file name and location is displayed. By default, the company file will be saved in your computer's AccountRight library. Only files saved in an AccountRight library can be opened.

13. Click the **Change Location** button as we are going to change this default location. The Select a company file location window is displayed (see Figure 1.5 below).

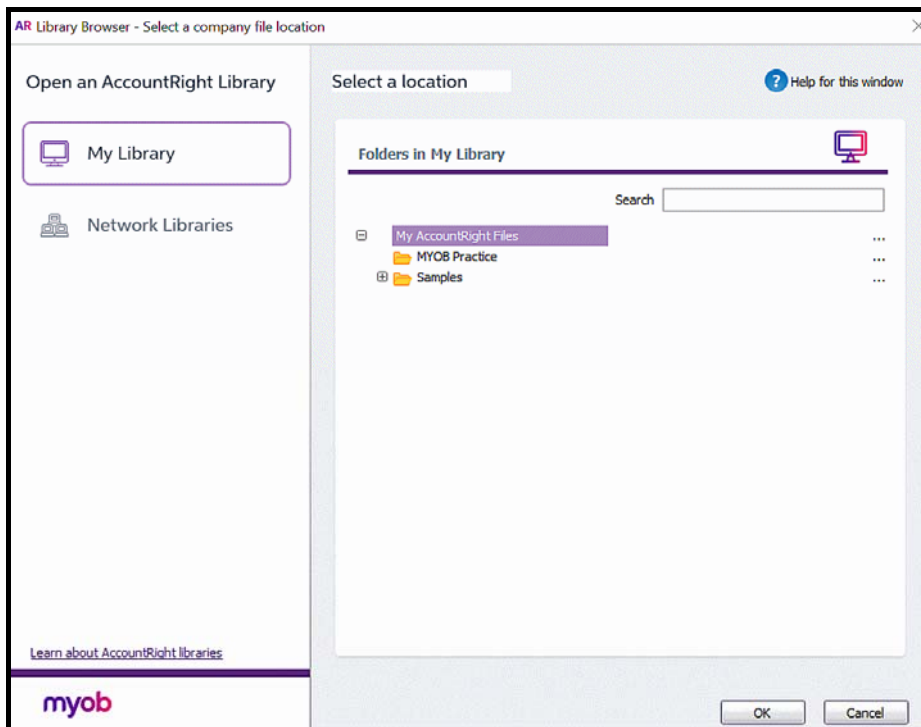


Figure 1.5 Select a company file location window

14. Click the **MYOB Practice** folder (this folder was created before you start using MYOB AccountRight) as shown in Figure 1.5 above. Click **OK**.

Note that this data file is limited to **30 days** free-trial use. After 30 days, the business data file will become read-only. This means you will be able to view information, print reports and export data, but not enter new data in the business data file.

15. Click **Create Company File**. Your company file is created and the Conclusion window is displayed.
16. Click the **Command Centre** button and the File Activation window is displayed.
17. As we are trialing the MYOB AccountRight software, we should select the last option **I use this company for practice, evaluation or study purposes** (see Figure 1.6 on the next page) and click **Next**.

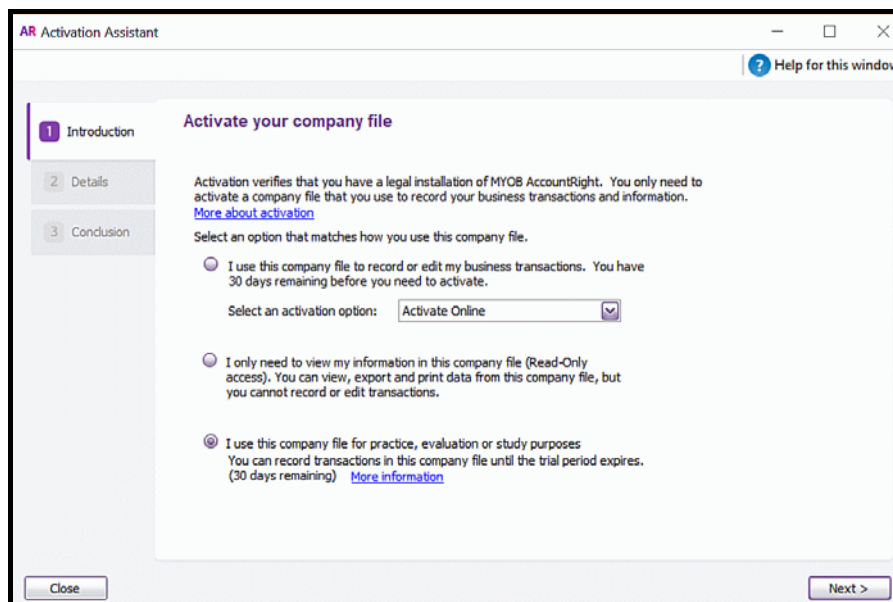


Figure 1.6 Activation Assistant window

An alert message is displayed informing you the number of days left for you to activate your data file.

18. Click **OK**. The Card File Command Centre window is display as shown in Figure 1.7 below.

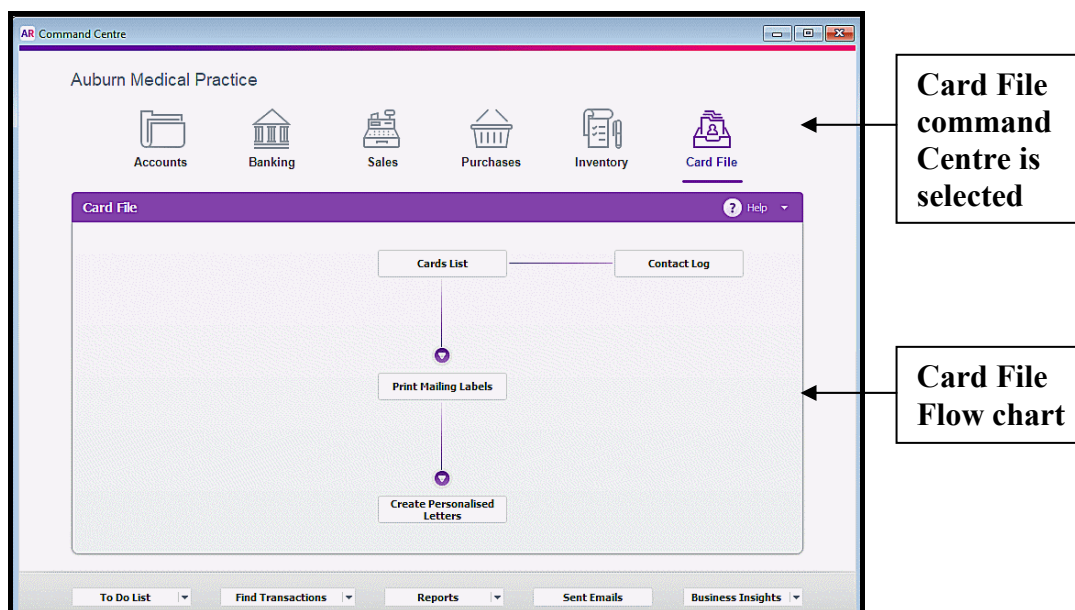


Figure 1.7 Card File Command Centre

The icons along the top of the window are the command centres. The Card File command centre is selected and the flow chart beneath this command centre shows the available options.

Setting your preferences

MYOB AccountRight has set up some preferences for your use. You can change the preferences to reflect the way your business works by clicking in the checkbox next to the preference.

We will change some of the default preferences in MYOB AccountRight.

To change the Preferences:

1. Go to the **Setup** menu and choose **Preferences** as shown in Figure 1.8 below.

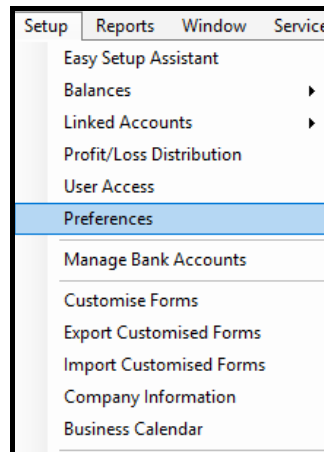


Figure 1.8 Setup menu

The Preferences window is displayed.

2. Select the **Security** tab (see Figure 1.9 below) to display the Security Preferences.

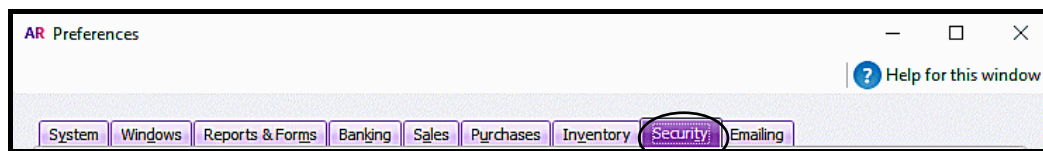


Figure 1.9 Security tab

3. Deselect (no tick in the checkbox) **Warn Before Recording Post-Dated Transactions** as shown in Figure 1.10 below. This change will allow you to enter future-dated transactions to this data file without any warning.

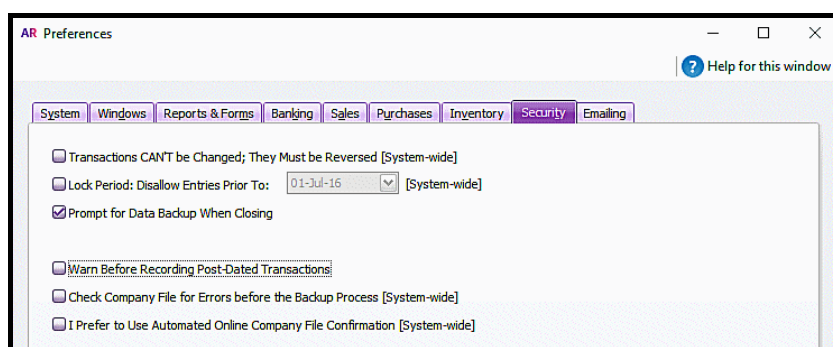


Figure 1.10 Preferences window with completed Security selections

4. Select the **Sales** tab to display the Sales Preferences and select **Warn for Duplicate Invoice Numbers on Recorded Sales [System-wide]** as shown in Figure 1.11 below.

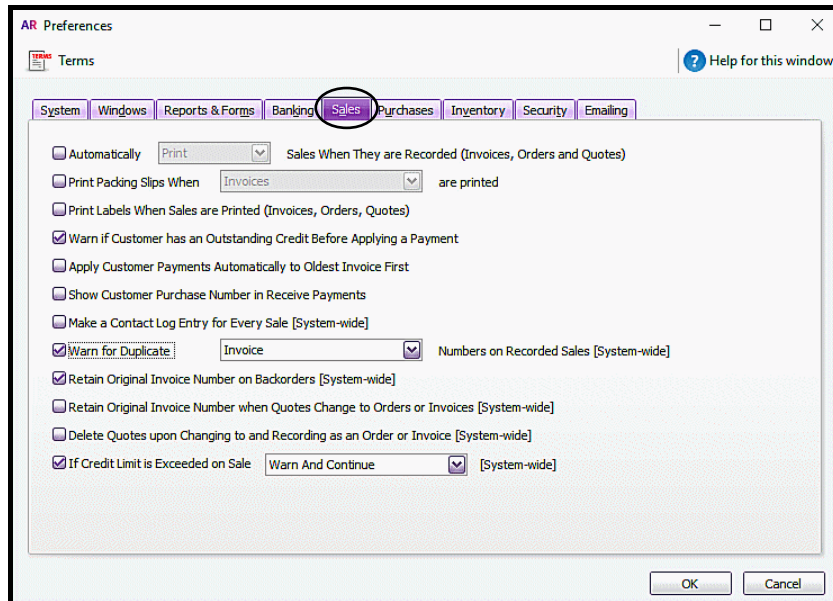
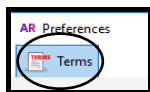


Figure 1.11 Preferences window with completed Sales selections

5. Click on the **Terms** button. The Credit Terms window is displayed. MYOB AccountRight has set the default terms for all new customer cards you create.



6. We will change the default customer terms to **30 day term** and **FRE** (for GST Free) as the Tax Code as shown in Figure 1.12 below. The Tax Code is changed to FRE because Auburn Medical Practice is providing medical services which are GST Free. For your MYOB assignment, all the service businesses are providing services which include GST, therefore, leave the default Tax Code as GST.

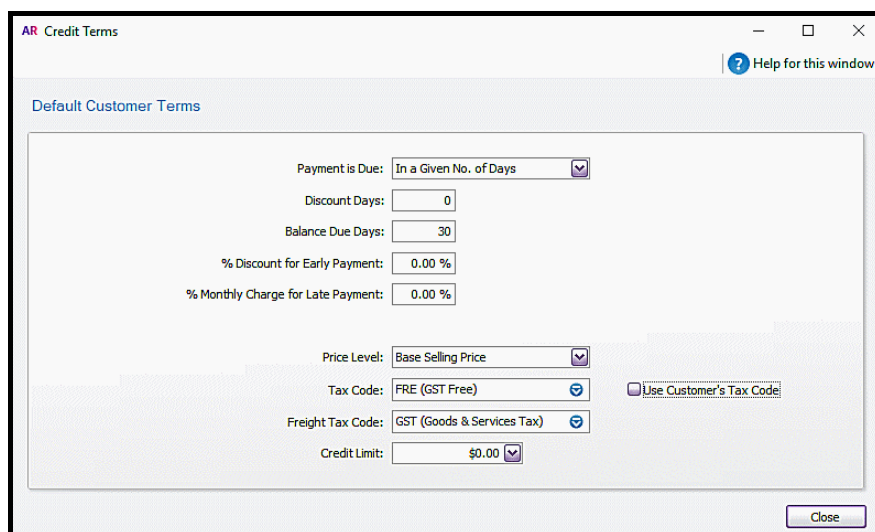


Figure 1.12 Default Customer Terms

Note that you can override these default customer terms on the individual customer card or in the Sales window when you record a sale.

7. Click **Close** to confirm the default customer terms.
8. Click **OK** to return to the Command Centre window.

GST Tax Codes

When recording transactions, you must remember to allocate the correct tax code. A list of tax codes for most service businesses is setup in MYOB AccountRight.

To view MYOB Tax Codes:

1. Go to the **Lists** menu and choose **Tax Codes**. The Tax Code List window is displayed (see Figure 1.13 below). Not all tax codes listed will be used by your business. You can create new tax codes and existing tax codes may be edited or deleted as required.

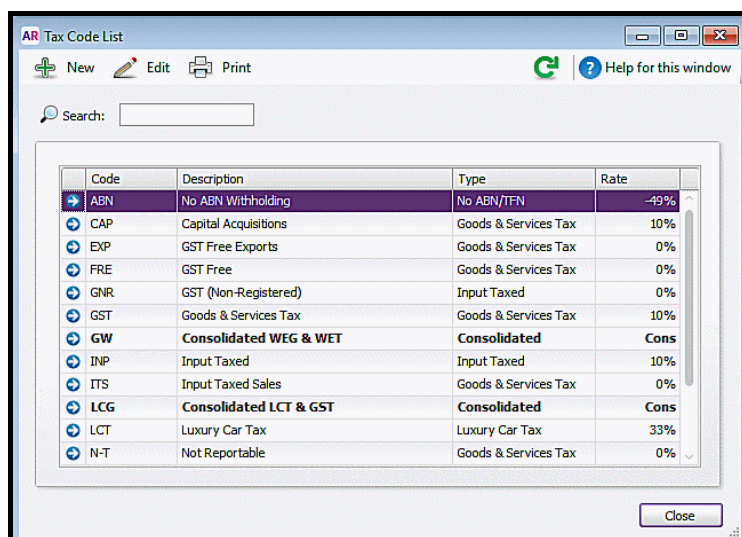


Figure 1.13 Tax Code List window

2. The service business, Auburn Medical Practice will only need the following tax codes listed:

Tax Code	Types of transaction
GST (Goods & Services Tax) Rate: 10%	- Sales and purchases of GST goods and services - Bank charges for merchant services - Online banking services - EFTPOS fees - Office rent

FRE (GST Free) Rate: 0%	• Basic food • Medical services • Bank charges for basic account keeping fees • Government charges • Donations • Interest expense
CAP (Capital Acquisitions) Rate: 10%	• Purchase of capital items (computer system, furnishings or vehicles) that cost more than \$1,000 Note: If the item purchased is to be depreciated, then use CAP; if it is not to be depreciated, use GST
N-T (Not Reportable) Rate: 0%	• Depreciation • Stamp duty • Vehicle registration • Wages • Superannuation • Transfers between bank accounts • Stock transfers • Tax payments • Capital contributions or drawings • Financial investments

3. Click **Close** to return to the Command Centre window.

To view GST Accounts:

1. In the **Accounts** command centre, click **Accounts List**. The Accounts List window is displayed (see Figure 1.14 on the next page).
2. Select the **Liability** tab.

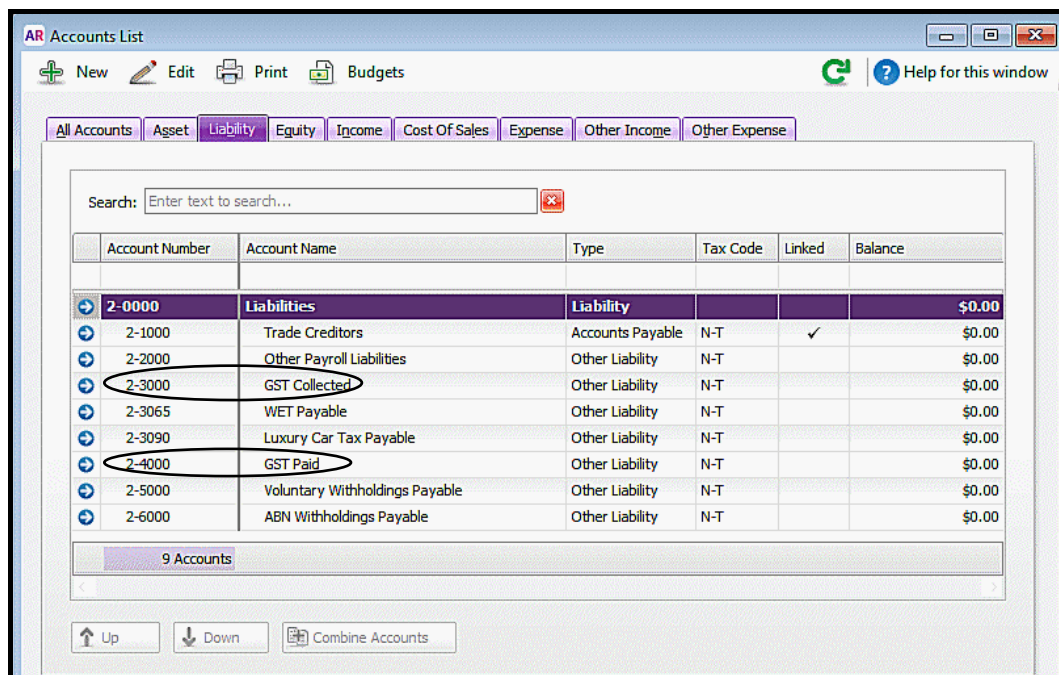


Figure 1.14 Accounts List window, GST accounts displayed

The following GST accounts are displayed (see Figure 1.14 above):

- **2-3000 GST Collected** is a liability, the balance represents GST collected from sales transactions that has to be paid to the ATO.
- **2-4000 GST Paid** is a negative liability, the balance represents the GST paid to suppliers on purchases and can be claimed back from the government – an amount owed by the ATO to the business.

3. Click **Close** to return to the Command Centre window.

Note that the above GST accounts must be used for your MYOB assignment.

Backing up your data file

It is important for you to backup your MYOB AccountRight data file regularly. This will ensure that you have a copy of all the data that you have entered to the point of the backup, in the event of a computer crash or power supply problems.

To backup your data file:

1. Go to the **File** menu and choose **Back Up**. The Back Up Company File window is displayed (see Figure 1.15 below).

A suggested file name and location for the backup is automatically created. We will change the default location of the backup file to the MYOB Back Up folder (create this folder) in your USB key. The suggested file name refers to the date of the backup, for example, the file name MYOB02192018.zip refers to the 19 February 2018.

2. Click the **Browse** button and select your USB key then the MYOB Back Up folder (create this folder) to save the backup file (see Figure 1.15 below).

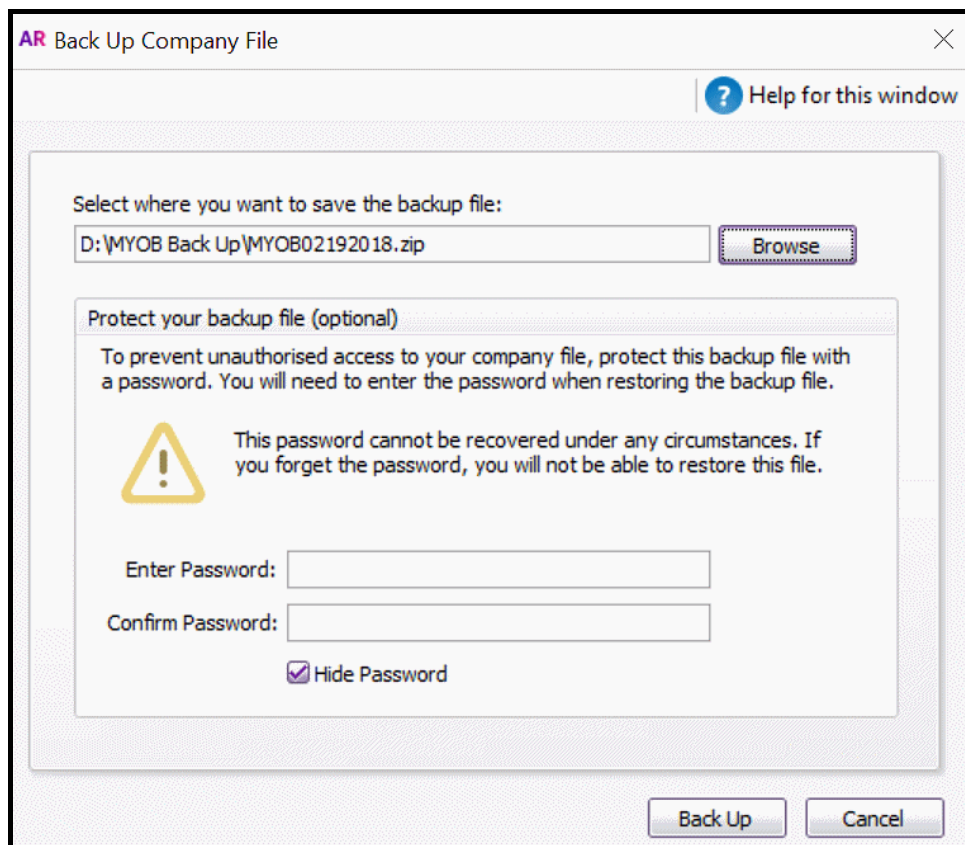


Figure 1.15 Back Up Company File window

3. Click **Back Up** to backup the data file.

Restoring a backup data file

The Restore command closes the data file you are currently using, restores the selected MYOB AccountRight backup file and opens this restored file ready for use.

To restore your backup data file:

1. Go to the **File** menu and choose **Restore** (see Figure 1.16 below).

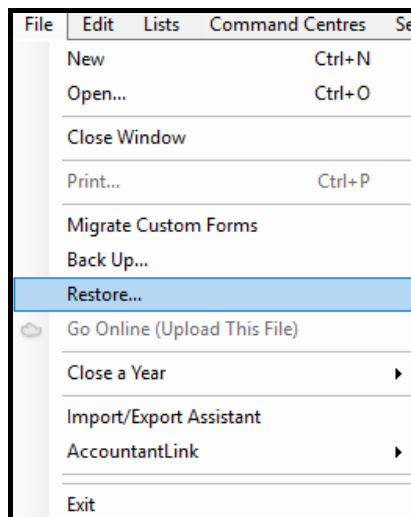


Figure 1.16 File menu

If you have selected the **Prompt for Data Backup When Closing** checkbox in the **Preferences** window, an alert message is displayed asking you whether you want to backup the data file you are currently using.

2. Click **No** as we have just backed up. The Restore Backup File window is displayed (see Figure 1.17 below).

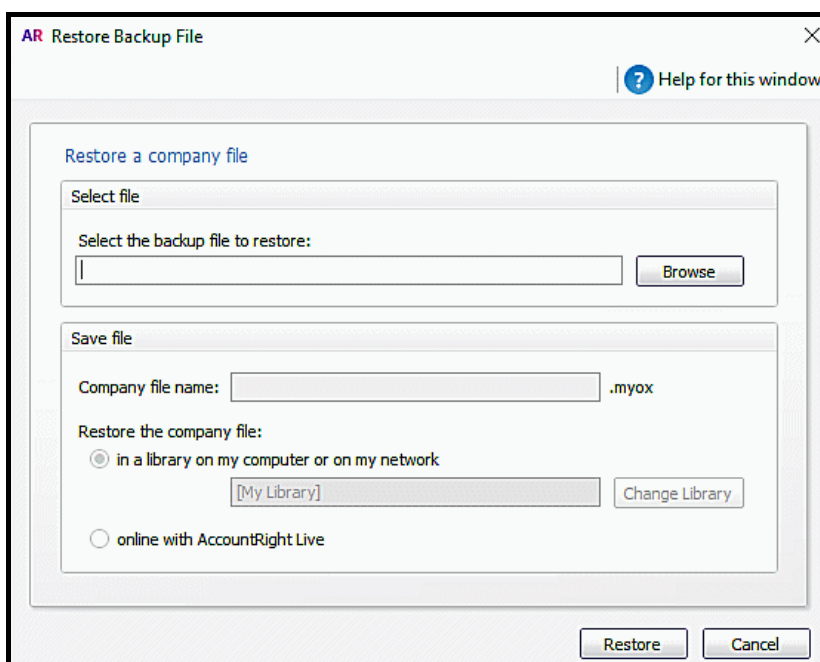


Figure 1.17 Restore Backup File window

3. Click the **Browse** button, locate and select the **MYOB02192018.zip** file from your USB key then MYOB Back Up folder.
4. Click **Open**. The selected backup file is displayed.

A suggested file name and location for the restored file is automatically created. The suggested Company file name is Auburn Medical Practice.myox. MYOB AccountRight uses the original file name. The suggested location is the same folder where the original file is located.

5. Change the Company file name to **Auburn Medical Practice Restored** (see Figure 1.18 below). Click **Restore** to save the restored file in the library location of your computer.

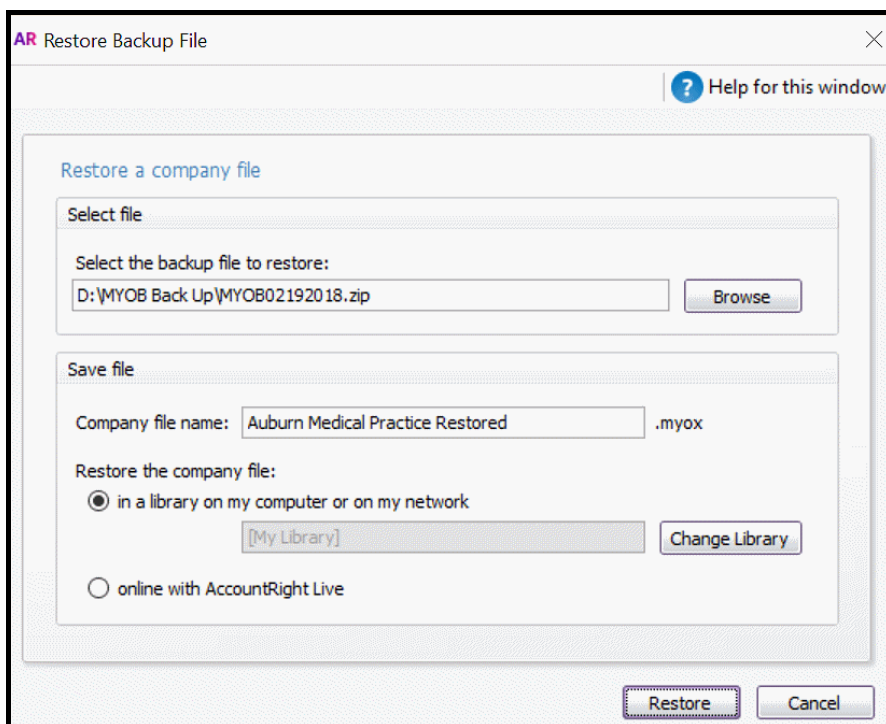


Figure 1.18 Restore Backup File window with selected backup file

6. The Sign-in window is displayed (see Figure 1.19 below).

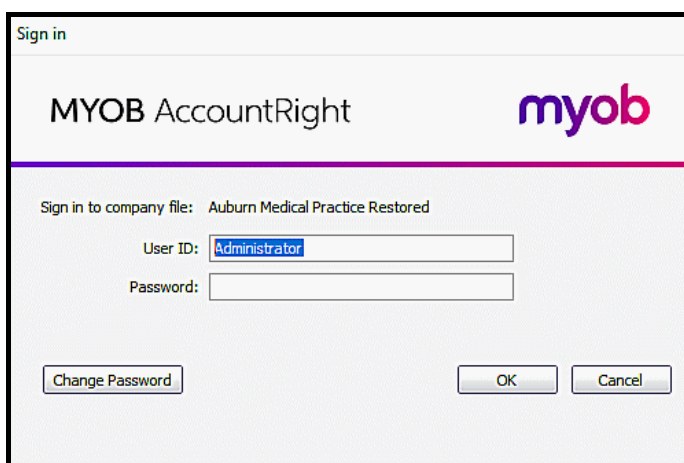


Figure 1.19 Sign-in window

7. In the **User ID** field, accept Administrator. You do not need a password, so leave the **Password** field blank. Click **OK**. (In the workshop, your User ID will be different.) The Company File Activation window is displayed (see Figure 1.20 below).
8. The File Activation window appears each time the data file is opened. As we are trialing the MYOB AccountRight software, we should select the last option **I use this company file for practice, evaluation or study purposes** (see Figure 1.20 below) and click **Next**.

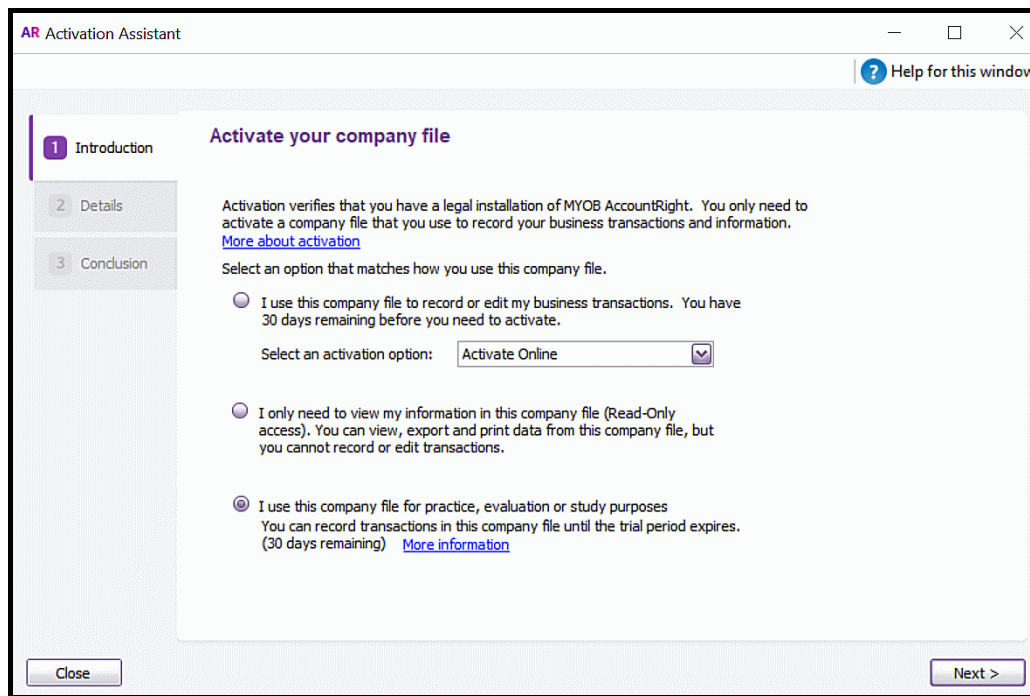


Figure 1.20 Activation Assistant window

An alert message is displayed informing you the number of days left for you to activate your data file.

9. Click **OK**. MYOB AccountRight opens the restored backup file as the current data file on your window.

To close MYOB AccountRight

- Go to the **File** menu and choose **Exit**. The Backup warning window is displayed.
- Click **No** as we have not made any changes to this data file.

Chapter 2 Setting up an Accounts List

In this chapter, you will learn how to:

- Open your data file
- Create a header account
- Change the level of an account
- Add a detail account
- Edit existing accounts
- Enter account opening balances
- Print the General Journal
- Print the Accounts List

The Accounts List (also known as Chart of Accounts) contains all the accounts required by the business to prepare the financial statements. Every account is classified as an asset, liability, equity, income or expense, has a name and a unique number. The design of the Accounts List must include appropriate headings and totals for groups required in the income statement and balance sheet.

To add new accounts and edit existing accounts to meet the unique needs of your business, you need to understand how the Accounts List is setup in MYOB Accounting.

Understanding the Accounts List:

1. Account number

In the Accounts List, accounts are numbered in the form x-xxxx, a one-digit prefix followed by a four-digit number. The one-digit prefix is assigned to each of the eight account classifications shown in Table 2.1 below. The four digits identify the account within that classification.

Prefix	Account Classification
1	Assets
2	Liabilities
3	Equity
4	Income
5	Cost of sales
6	Expenses
8	Other Income
9	Other Expenses

Table 2.1 Prefix coding system for Accounts List

For example, the account number for Trade Debtors (Asset) is 1-5000 (see Figure 2.1 on the next page). The number that you assign to each account will determine its grouping and its order in the financial statements.

2. Account name

A maximum of 30 characters can be entered to describe the account name.

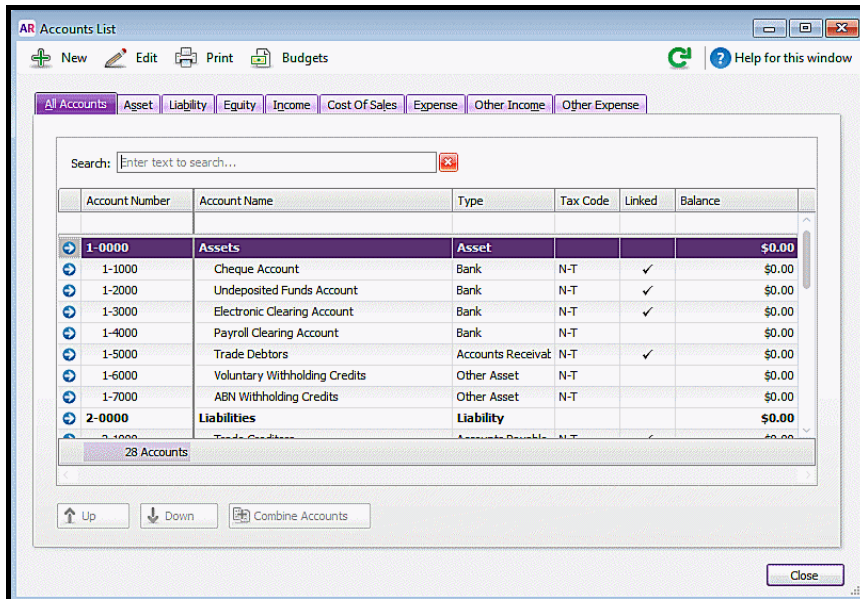


Figure 2.1 Accounts List window with All Accounts tab selected

3. Header accounts or Detail accounts

Every account in the Accounts List is either a Header account or a Detail account.

- **Header accounts** are displayed in bold type in the Accounts List (for example, Assets and Liabilities). They are used to group and total Detail accounts for reporting purposes.
- **Detail accounts** are grouped to a particular Header account and you can post transactions to Detail accounts. For example, 1-1000 Cheque Account (detail account) is grouped with the Header account 1-0000 Assets (see Figure 2.1 above).

4. Account levels

The use of indentation is significant in the design of the Accounts List. MYOB AccountRight allows up to four levels of account (four margins) for you to use. Every account, both Header and Detail, is assigned a level.

Account 1-0000 Assets is a level 1 Header account (see Figure 2.1 above). This heading cannot be deleted and the account number cannot be changed. A level 1 heading is placed at the very left-hand margin.

Account 1-1000 Cheque Account is a level 2 detail account. This account is indented to the second margin from the left.

When Auburn Medical Practice data file was created, we selected the option of building our Accounts List and MYOB AccountRight provided a basic list of

accounts. To meet the unique needs of our business, we need to create more accounts, edit existing accounts and delete accounts we do not need.

To open your data file:

1. Double-click the **MYOB AccountRight icon** on the computer desktop. The Welcome window is displayed.
2. Click **Open a company file** option. The Open a company file window is displayed (see Figure 2.2 below).

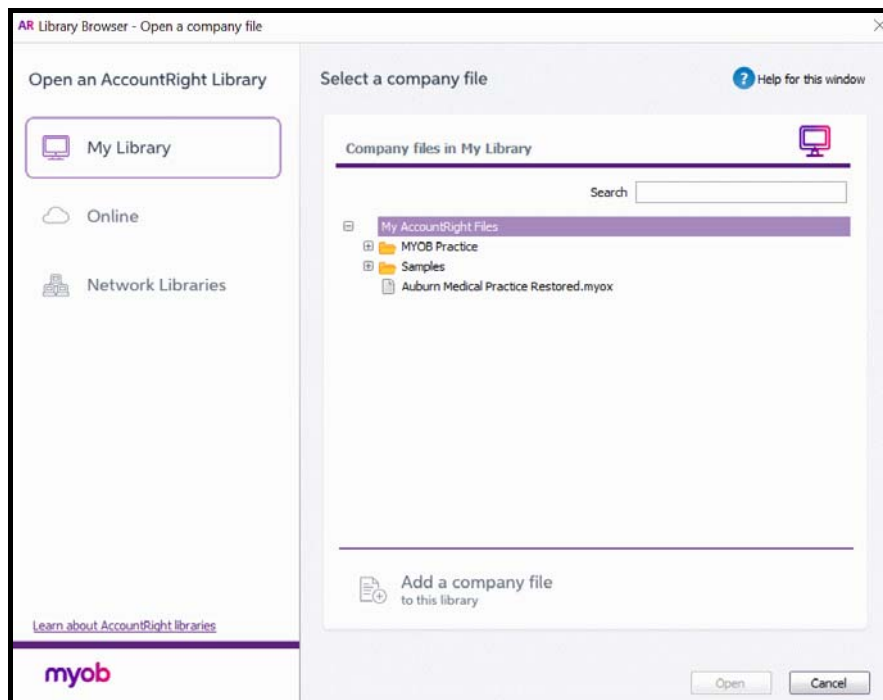


Figure 2.2 Open a company file window

3. Double-click **MYOB Practice** folder, select **Auburn Medical Practice.myox** data file and click **Open**.
4. The Sign-in window is displayed with a default name. Accept the default name in the User ID field and click **OK**. (In the MYOB workshop, your User ID will be different.)
5. The Company File Activation window is displayed. Select the **third** option, **I use this company file for practice, evaluation or study purposes** and click **Next**.
6. An alert message is displayed informing you the number of days left for you to activate your data file. Click **OK**.
7. The data file is opened and the Command Centre window is displayed.

To create a header account:

We are going to create a header account, Current Assets, to group the list of asset accounts.

1. Go to the **Accounts** command centre and select **Accounts List**. The Accounts List window is displayed (see Figure 2.3 below).

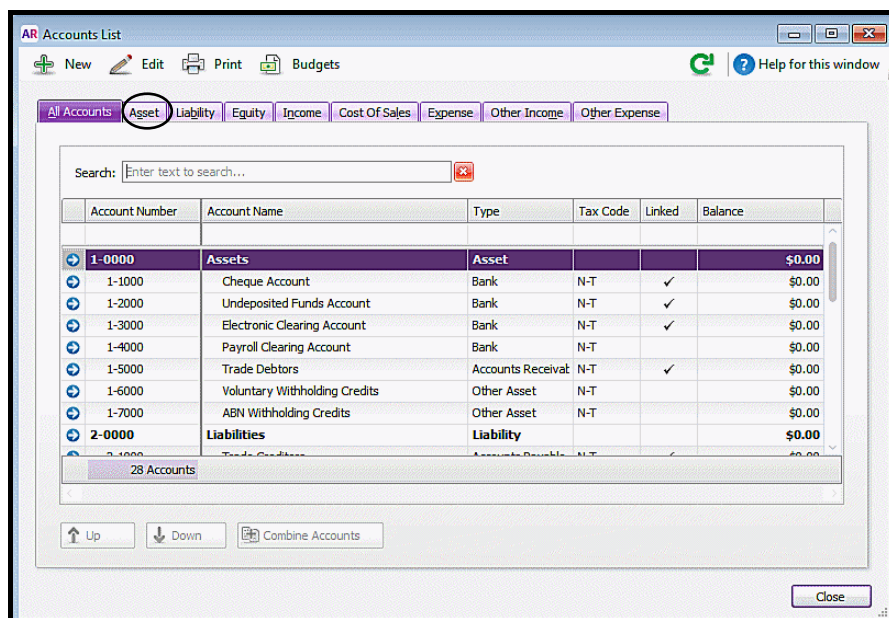


Figure 2.3 Accounts List window with All Accounts tab selected

2. Select the **Asset** tab (see Figure 2.3 above).
3. Click **New**  to display the Account Information window.
4. Ensure the **Profile** tab is selected (see Figure 2.4 on the next page).
5. Select the **Header Account** option.
6. In the Account Number 1-field, type **0001** and press the **Tab** key.
7. In the Account Name field, type **Current Assets** and press the **Tab** key.

Your completed Account Information Profile window should match Figure 2.4 on the next page.

Figure 2.4 Completed Account Information Profile window

8. Select the **Details** tab at the top of the Account Information window (see Figure 2.5 below).
9. Select the **When Reporting, Generate a Subtotal for This Section** checkbox (see Figure 2.5 below). When this checkbox is ticked, MYOB AccountRight will provide a subtotal line for Current Assets in the Balance Sheet.

Figure 2.5 Completed Account Information Details window

10. Click **OK** to record the new header account details. The Accounts List window is displayed (see Figure 2.6 on the next page) with the header for 'Assets' on level 1 and 'Current Assets' header on level 2.

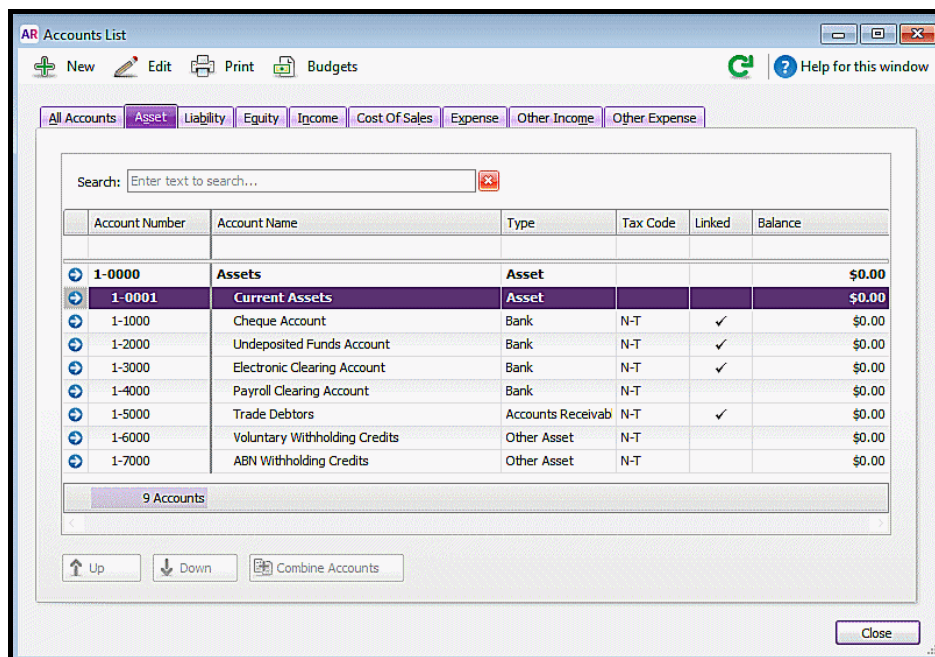
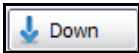


Figure 2.6 Current Assets Header added to Accounts List

To change the level of an account:

In Figure 2.6 above, all the current assets accounts are on level 2. We need to change these accounts to level 3 using the Down button.

1. Click the account **1-1000 Cheque Account** to select the account.

2. Click the **Down** button  at the bottom of the window to group the account with the header located above it.

The 1-1000 Cheque Account moves down by one level and is now grouped with the Current Assets Header account.

3. Repeat steps 1 and 2 for all the Current Assets accounts until your Accounts List is the same as Figure 2.7 as shown below:

Account Number	Account Name	Type	Tax Code	Linked	Balance
1-0000	Assets	Asset			\$0.00
1-0001	Current Assets	Asset			\$0.00
1-1000	Cheque Account	Bank	N-T	✓	\$0.00
1-2000	Undeposited Funds Account	Bank	N-T	✓	\$0.00
1-3000	Electronic Clearing Account	Bank	N-T	✓	\$0.00
1-4000	Payroll Clearing Account	Bank	N-T		\$0.00
1-5000	Trade Debtors	Accounts Receivable	N-T	✓	\$0.00
1-6000	Voluntary Withholding Credits	Other Asset	N-T		\$0.00
1-7000	ABN Withholding Credits	Other Asset	N-T		\$0.00

Figure 2.7 Current Assets accounts moved down

4. Click **Close** to return to the Accounts Command Centre.

Note that if you are creating your Accounts List from the beginning, it would be easier to create all your Header Accounts before entering your Detail Accounts.

To add a detail account:

We will use an Income account, Consultation Fee as an example.

1. Ensure the **Accounts** command centre is highlighted and select the **Accounts List**.
2. Select the **Income** tab.
3. Click **New**  to display the Account Information window with the **Profile** tab selected.
4. Ensure the **Detail Account** option is selected.
5. In the Account Number 4-field, type **1000** and press the **Tab** key.
6. In the Account Name field, type **Consultation Fee**.
7. Select the **Details** tab.
8. In the Tax Code field, click on the search arrow  and select **FRE** (GST Free). Click **OK**.

To edit existing accounts:

We will use 1-1000 Cheque Account and Trade Debtors as examples.

1. Ensure the **Accounts List** is displayed and select the **Asset** tab.
2. Click on the detail (or zoom) arrow  for account **1-1000 Cheque Account**. The Account Information window will open with the Profile tab selected.
3. In the Account Name field, type **NAB Cheque Account**.
4. Click **OK**.
5. Click on the detail arrow next to account **1-5000 Trade Debtors**.
6. In the Account Name field, type **Accounts Receivable**.
7. Click **OK** when you have finished.

Exercise 2.1

Create the following **Header accounts** to the Accounts List. Ensure the appropriate option is selected to create these Header accounts. Remember to tick the checkbox for generating sub-total line in the report.

Account Number	Account Name
1-8000	Non-Current Assets
1-8100	Motor Vehicle
1-8200	Medical Equipment
1-8300	Office Equipment
2-0001	Current Liabilities
2-8000	Non-Current Liabilities

Use the **Down** button to move the accounts to the correct level.

Exercise 2.2

Create the following **Detail accounts**. Ensure the appropriate tab is selected to create these Detail accounts.

Account number	Account Name	Tax Code
1-5100	Office Supplies	GST
1-5200	Medical Supplies	GST
1-5300	Books on hand	GST
1-8101	Motor Vehicle at cost	CAP
1-8201	Medical Equipment at cost	CAP
1-8301	Office Equipment at cost	CAP
2-8100	Bank Loan	N-T
3-1000	Capital	N-T
3-2000	Drawings	N-T
4-2000	Review Consultation Fee	FRE
4-3000	Allergy Testing Fee	FRE
4-4000	Healthy Living Book	GST

Exercise 2.3

Edit the following existing account.

Account number	Account Name	Edit
2-1000	Trade Creditors	Change account name to Accounts Payable

Solution to Exercises 2.1, 2.2 and 2.3

	Account Number	Account Name	Type	Tax Code	Linked	Balance
➔	1-0000	Assets	Asset			\$0.00
➔	1-0001	Current Assets	Asset			\$0.00
➔	1-1000	NAB Cheque Account	Bank	N-T	✓	\$0.00
➔	1-2000	Undeposited Funds Account	Bank	N-T	✓	\$0.00
➔	1-3000	Electronic Clearing Account	Bank	N-T	✓	\$0.00
➔	1-4000	Payroll Clearing Account	Bank	N-T		\$0.00
➔	1-5000	Accounts Receivable	Accounts Receivable	N-T	✓	\$0.00
➔	1-5100	Office Supplies	Other Asset	GST		\$0.00
➔	1-5200	Medical Supplies	Other Asset	GST		\$0.00
➔	1-5300	Books on hand	Other Asset	GST		\$0.00
➔	1-6000	Voluntary Withholding Credits	Other Asset	N-T		\$0.00
➔	1-7000	ABN Withholding Credits	Other Asset	N-T		\$0.00
➔	1-8000	Non-Current Assets	Asset			\$0.00
➔	1-8100	Motor Vehicle	Asset			\$0.00
➔	1-8101	Motor Vehicle at cost	Other Asset	CAP		\$0.00
➔	1-8200	Medical Equipment	Asset			\$0.00
➔	1-8201	Medical Equipment at cost	Other Asset	CAP		\$0.00
➔	1-8300	Office Equipment	Asset			\$0.00
➔	1-8301	Office Equipment at cost	Other Asset	CAP		\$0.00

	Account Number	Account Name	Type	Tax Code	Linked	Balance
➔	2-0000	Liabilities	Liability			\$0.00
➔	2-0001	Current Liabilities	Liability			\$0.00
➔	2-1000	Accounts Payable	Accounts Payable	N-T	✓	\$0.00
➔	2-2000	Other Payroll Liabilities	Other Liability	N-T		\$0.00
➔	2-3000	GST Collected	Other Liability	N-T		\$0.00
➔	2-3065	WET Payable	Other Liability	N-T		\$0.00
➔	2-3090	Luxury Car Tax Payable	Other Liability	N-T		\$0.00
➔	2-4000	GST Paid	Other Liability	N-T		\$0.00
➔	2-5000	Voluntary Withholdings Payable	Other Liability	N-T		\$0.00
➔	2-6000	ABN Withholdings Payable	Other Liability	N-T		\$0.00
➔	2-8000	Non-Current Liabilities	Liability			\$0.00
➔	2-8100	Bank Loan	Other Liability	N-T		\$0.00

	Account Number	Account Name	Type	Tax Code	Linked	Balance
➔	3-0000	Equity	Equity			\$0.00
➔	3-1000	Capital	Equity	N-T		\$0.00
➔	3-2000	Drawings	Equity	N-T		\$0.00
➔	3-8000	Retained Earnings	Equity	N-T	✓	\$0.00
➔	3-9000	Current Year Earnings	Equity	N-T	✓	\$0.00
➔	3-9999	Historical Balancing	Equity	N-T	✓	\$0.00

	Account Number	Account Name	Type	Tax Code	Linked	Balance
➔	4-0000	Income	Income			\$0.00
➔	4-1000	Consultation Fee	Income	FRE		\$0.00
➔	4-2000	Review Consultation Fee	Income	FRE		\$0.00
➔	4-3000	Allergy Testing Fee	Income	FRE		\$0.00
➔	4-4000	Healthy Living Book	Income	GST		\$0.00

END OF EXERCISE

To enter account opening balances:

For a new business, you will enter the account opening balances using the General Journal. **We will use this method to enter the account opening balances for Auburn Medical Practice.**

- Ensure you are in the **Accounts** command centre and select **Record Journal Entry** option (see Figure 2.8 below).

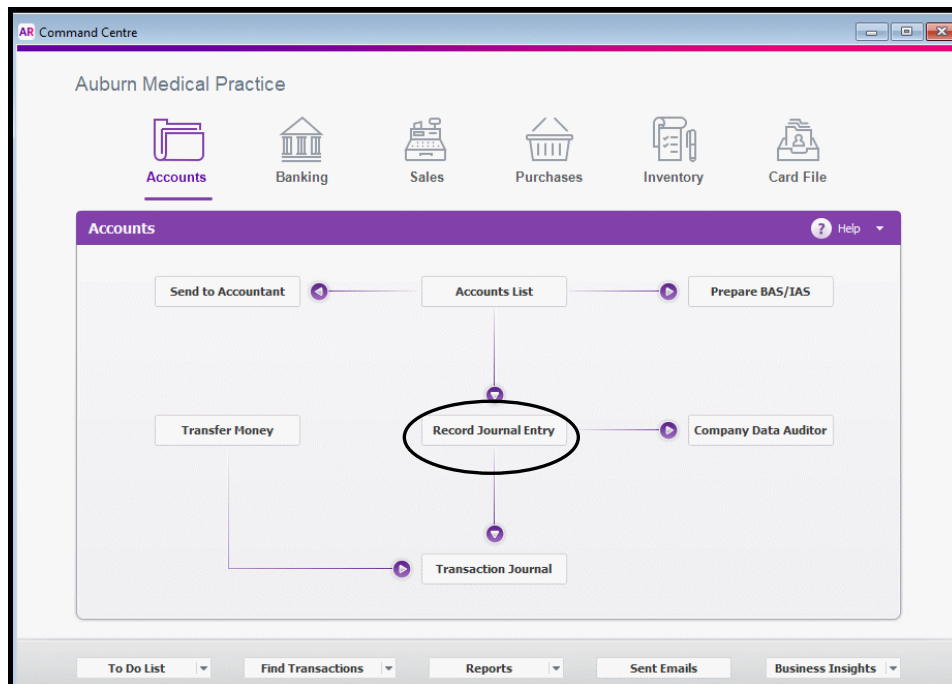


Figure 2.8 Accounts Command Centre

The Record Journal Entry window is displayed.

- In the Date field, select **1 June 2017**.
- In the Memo field, type **Opening Balances 1 June 2017** and press the **Tab** key.
- **Enter** the following account opening balances:

Acct. No	Name	Debit	Credit	Tax
1-1000	NAB Cheque Account	8752		N-T
1-5000	Accounts Receivable	2880		N-T
1-5200	Medical Supplies	2568		N-T
1-8101	Motor Vehicle at cost	38500		N-T
1-8201	Medical Equipment at cost	25000		N-T
2-1000	Accounts Payable		2700	N-T
2-8100	Bank Loan		25000	N-T
3-1000	Capital		50000	N-T

For each account, type only the figures in the Debit or Credit column and MYOB AccountRight will enter the dollar sign and comma to the figures automatically. For example, NAB Cheque Account, type **8752** in the Debit column.

- Your completed General Journal entry for the account opening balances window should match Figure 2.9 below.

AR Record Journal Entry

Journal

Display in GST [BAS] reports as: ☐ Sale (Supply) ☒ Purchase (Acquisition)

General Journal No.: G3000001

Date: 01-Jun-17

Memo: Opening Balances 1 June 2017

☒ Tax Inclusive ☐ Year-End Adjustment

Acct No.	Name	Debit	Credit	Job	Memo	Tax	
1-1000	NAB Cheque Account	\$8,752.00				N-T	
1-5000	Accounts Receivable	\$2,880.00				N-T	
1-5200	Medical Supplies	\$2,568.00				N-T	
1-8101	Motor Vehicle at cost	\$38,500.00				N-T	
1-8201	Medical Equipment at cost	\$25,000.00				N-T	
2-1000	Accounts Payable		\$2,700.00			N-T	
2-8100	Bank Loan		\$25,000.00			N-T	
3-1000	Capital		\$50,000.00			N-T	
Total Debit:		\$77,700.00					
Total Credit:			\$77,700.00				
Tax			\$0.00				
Out of Balance:			\$0.00				

Figure 2.9 Completed General Journal entry for account opening balances

- In the Tax column, ensure **N-T** is selected for all the accounts listed.
- Ensure the Out of Balance field at the bottom of the window has a **zero balance**. This indicates that the total opening balances you assign to the asset accounts equal the total opening balances of your liability and equity accounts.
- Click **Record** to record the opening balances transaction.
- Click **Cancel** to return to the Accounts Command Centre window.

To print the General Journal:

1. Ensure you are in the **Accounts** command centre and select **Transaction Journal** option (see Figure 2.10 below).

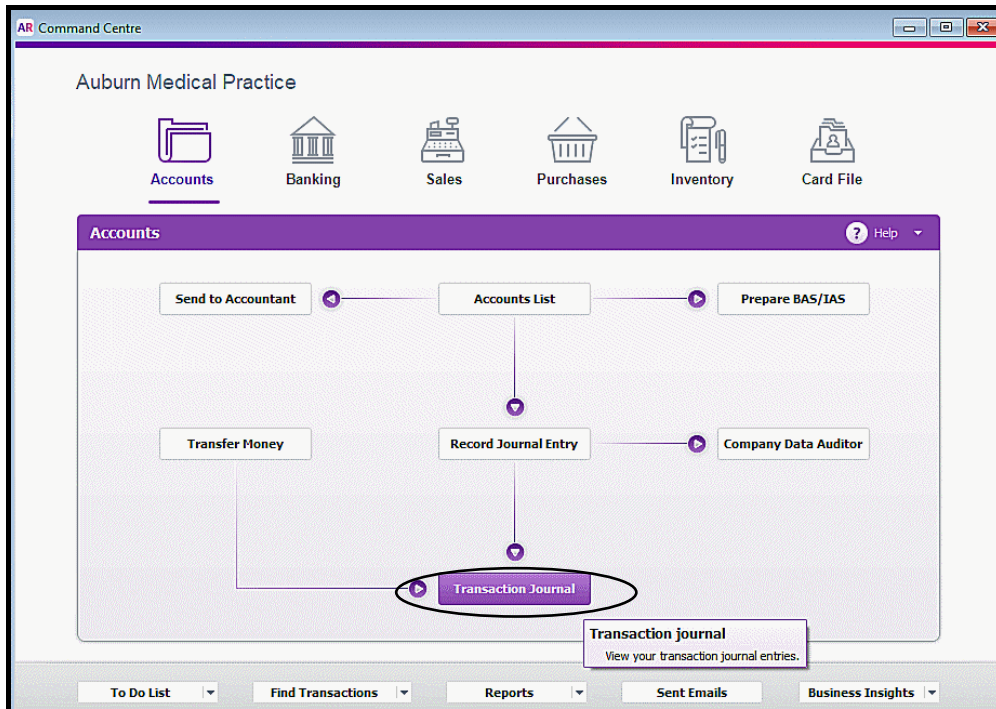


Figure 2.10 Accounts Command Centre

2. The Transaction Journal window is displayed. Ensure the **General** tab is selected. In the Dated From field, select **1 June 2017** and in the To field, select **1 June 2017** (see Figure 2.11 below).

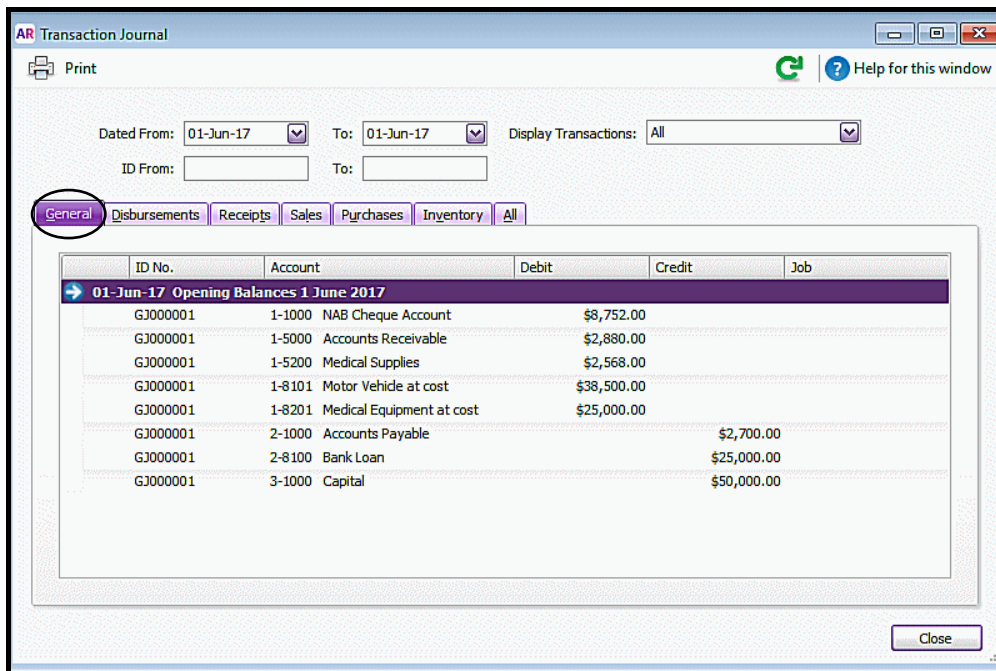
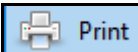


Figure 2.11 Transaction Journal window

3. Click the **Print** button  to print the General Journal.

To print the Accounts List:

1. In the **Accounts** command centre, select the **Reports** menu and choose **Index to Reports** (see Figure 2.12 below).

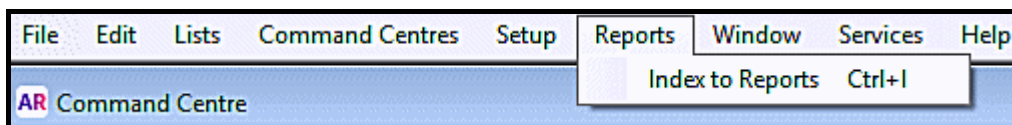


Figure 2.12 Reports menu

The Index to Reports window is displayed with Accounts List Summary selected (see Figure 2.13 below).

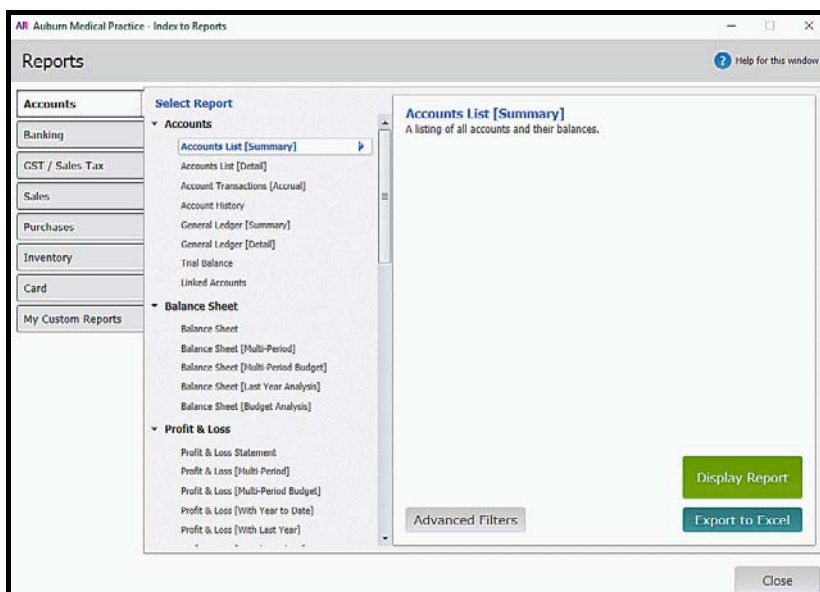


Figure 2.13 Index to Reports window with Accounts List [Summary] selected

2. Click the **Display Report** button. The Accounts List [Summary] report is displayed (see Figure 2.14 below).

Created: 19/02/18 5:19 PM

Auburn Medical Practice
101 Auburn Road
HAWTHORN VIC 3122
ABN: 72 444 555 666

Account Name	Current Balance
Assets	\$77,700.00
Current Assets	\$14,200.00
NAB Cheque Account	\$8,752.00
Undeposited Funds Account	\$0.00
Electronic Clearing Account	\$0.00
Payroll Clearing Account	\$0.00
Accounts Receivable	\$2,680.00
Office Supplies	\$0.00
Medical Supplies	\$2,568.00
Books on hand	\$0.00
Voluntary Withholding Credits	\$0.00
ABN Withholding Credits	\$0.00
Non-Current Assets	\$63,500.00
Motor Vehicle	\$38,500.00
Motor Vehicle at cost	\$38,500.00
Medical Equipment	\$25,000.00
Medical Equipment at cost	\$25,000.00
Office Equipment	\$0.00
Office Equipment at cost	\$0.00
Liabilities	\$27,700.00
Current Liabilities	\$2,700.00
Accounts Payable	\$2,700.00
Other Payroll Liabilities	\$0.00
GST Collected	\$0.00

Figure 2.14 Accounts List [Summary] Report (Opening balance extract)

3. Click the **Print** button  at the top of the window to print the Accounts List [Summary] report.
4. Click the **Close box**  to close the Accounts List [Summary] report window.
5. Click **Close** to return to the Accounts Command Centre window.

Chapter 3 Processing sales

In this chapter, you will learn how to:

- Create customer cards
- Record pre-conversion sales
- Process credit sales
- Process cash sales
- Record customer payments

Auburn Medical Practice will use the Sales command centre to process all the cash sales and credit sales. These sales transactions will be recorded on Service Invoices using the customer list.

In MYOB AccountRight, customer cards must be created before you can enter pre-conversion sales or process sales transactions.

To create customer cards:

We will create two customer cards: a card for Cash Sales and a card for Credit Sales.

Cash Sales card:

1. Go to the **Card File** command centre and select the **Cards List** option (see Figure 3.1 below).

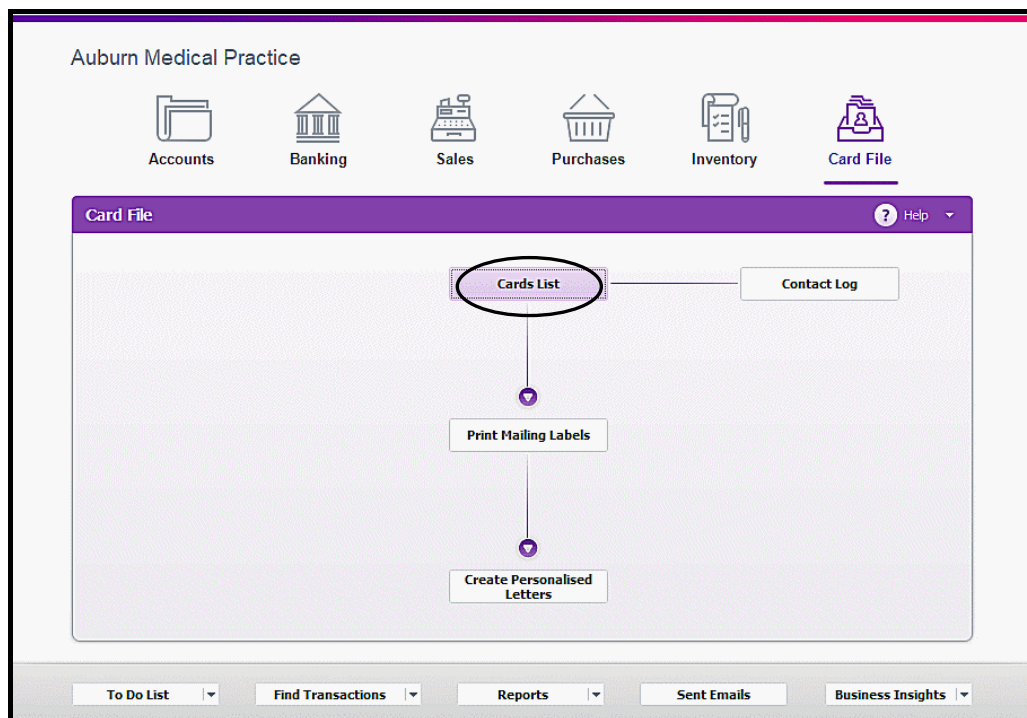


Figure 3.1 Card File Command Centre

2. Select the **Customer** tab (see Figure 3.2 below) and click on the **New** button.



Figure 3.2 Customer tab selected

The Card Information window is displayed (see Figure 3.3 below).

Figure 3.3 Card Information window

3. Ensure the **Profile** tab is selected (see Figure 3.3 above).
4. In the Designation field, ensure **Company** is selected.
The card database is kept in alphabetical order by company name for companies and by last name for individuals.
5. In the Name field, type **Cash Sales** and press the **Tab** key.
6. Click the **Selling Details** tab (see Figure 3.4 below).

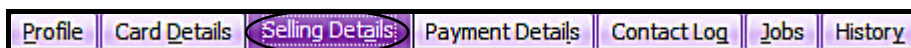


Figure 3.4 Selling Details tab is selected

7. In the Payment is Due field, click on the drop down arrow  and select **C.O.D.** (Cash on Delivery).
8. Click **OK** to record the Cash Sales card details.

Credit Sales card:

1. Ensure that you are in the Cards List window with Customer tab selected. Click on the **New** button.
2. In the Profile window, ensure **Company** is displayed in the Designation field.
3. In the Name field, type **Credit Sales** and press the **Tab** key.
4. Click the **Selling Details** tab.

The credit terms set in the Preferences window appear here by default (see Figure 3.5 below).

Customer Terms Information	
Payment is Due:	In a Given No. of Days
Discount Days:	0
Balance Due Days:	30
% Discount for Early Payment:	0.00 %
% Monthly Charge for Late Payment:	0.00 %
Volume Discount %:	0.00 %

Figure 3.5 Customer Terms Information

5. Click **OK** to record the Credit Sales card details.
6. Click **Close** to return to the Card File Command Centre window.

To record pre-conversion sales:

In MYOB AccountRight, pre-conversion sales relate to credit sales that have not been paid in full, as of the first day of your conversion month. From the Accounts List, Accounts Receivable has a balance of \$2,880. We will now enter and record the details of the unpaid invoices.

1. Go to the **Setup** menu, choose **Balances** and then the **Customer Balances** options. The Customer Balances window is displayed (see Figure 3.6 below). The Linked Receivables Account Balance is \$2,880.

Customer Name	Card ID	Amount Due
Cash Sales	None	\$0.00
Credit Sales	None	\$0.00

Total Sales: \$0.00
Linked Receivables Account Balance: \$2,880.00
Out of Balance Amount: (\$2,880.00)

Figure 3.6 Customer Balances window

2. Click on the **Add Pre-Conversion Sale** button. The Pre-Conversion Sale window is displayed (see Figure 3.7 below).
3. Click on the **search arrow**  in the Customer Name field to display the list of customer cards. Choose **Credit Sales**.
4. In the Date field, select **15 May 2017** (Invoice date).
5. In the Total Including Tax field, type **2880** (amount owing) and press the **Tab** key.

Your Pre-Conversion Sale window should match Figure 3.7 below.

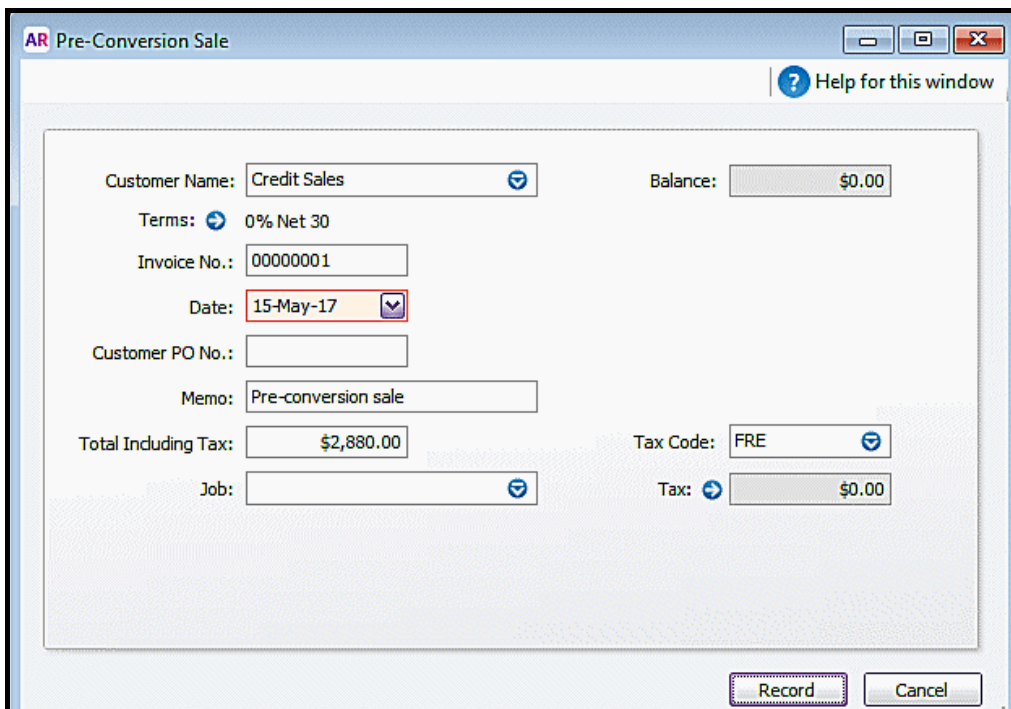


Figure 3.7 Pre-Conversion Sale window

6. Click **Record**. An alert message is displayed on your window (see Figure 3.8 below).

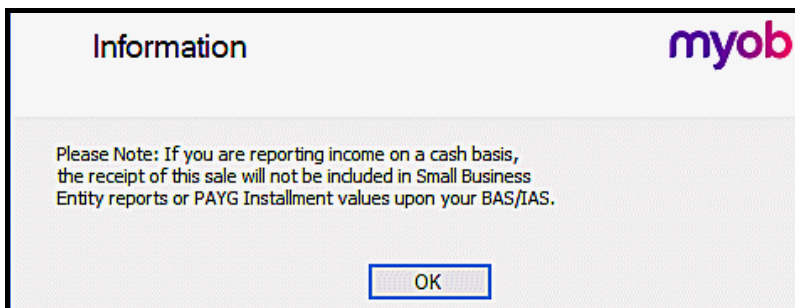


Figure 3.8 Alert message for GST reporting

7. Click **OK**.
8. Click **Close** to return to the Card File Command Centre window.

To process credit sales:

We will use Service Invoices to process credit sales.

Example

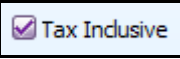
On 1 June 2017, assume a credit sale for an allergy test. The invoice will consist of the following: Consultation Fee \$120 and Allergy Testing Fee \$100.

1. Go to the **Sales** command centre and select the **Enter Sales** option. The Sales - New Service Invoice window is displayed (see Figure 3.10 below).

Figure 3.10 Sales - New Service Invoice window

2. Click on the **search arrow**  in the Customer field to display the list of customer cards. Choose **Credit Sales**.
3. The default customer's terms are displayed in the **Terms** field at the top of the window.

If you want to change the customer's terms just for this invoice, you can click on the zoom arrow  next to the Terms and make the change. Click **OK** to close the Credit Terms window without making any changes.

4. Ensure the **Tax Inclusive** checkbox is selected . This will show the price on this invoice as GST-inclusive.
5. Accept the default **Invoice No: 00000002**.
6. In the Date field, select **1 June 2017**.

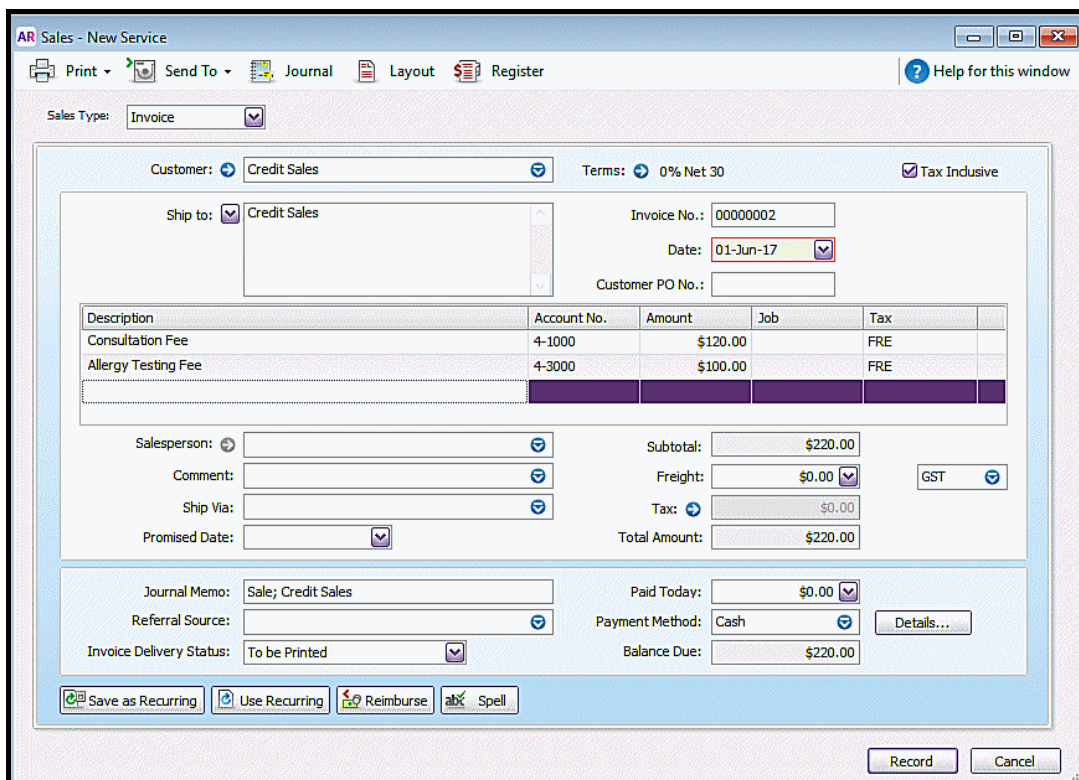
7. In the Description field, type **Consultation Fee** and press the **Tab** key.
8. In the Account No. field, click on the drop down arrow  to display the list of Accounts (see Figure 3.11 below).

Acct No.	Account Name	Classification
2-4000	GST Paid	Liability
2-5000	Voluntary Withholdings Payable	Liability
2-6000	ABN Withholdings Payable	Liability
2-8100	Bank Loan	Liability
3-1000	Capital	Equity
3-2000	Drawings	Equity
3-8000	Retained Earnings	Equity
3-9999	Historical Balancing	Equity
4-1000	Consultation Fee	Income
4-2000	Review Consultation Fee	Income
4-3000	Allergy Testing Fee	Income
4-4000	Healthy Living Book	Income
6-1000	Wages & Salaries Expenses	Expense
6-2000	Other Payroll Expenses	Expense

Figure 3.11 Select from List window

Allocate the service to the appropriate income account.
Choose **4-1000 Consultation Fee**.

9. In the Amount field, type **120** and press the **Tab** key.
10. Ensure that **FRE** is displayed in the **Tax** column. Press the **Tab** key to line 2 of the Description field and enter the remaining credit sale, as shown in Figure 3.12 below:



AR Sales - New Service

Print Send To Journal Layout Register Help for this window

Sales Type: Invoice

Customer: Credit Sales Terms: 0% Net 30 Tax Inclusive

Ship to: Credit Sales Invoice No.: 00000002

Date: 01-Jun-17 Customer PO No.:

Description	Account No.	Amount	Job	Tax
Consultation Fee	4-1000	\$120.00		FRE
Allergy Testing Fee	4-3000	\$100.00		FRE

Salesperson: Comment: Ship Via: Promised Date:

Subtotal: \$220.00 Freight: \$0.00 Tax: \$0.00 Total Amount: \$220.00

Journal Memo: Sale; Credit Sales Paid Today: \$0.00

Referral Source: Payment Method: Cash Details...

Invoice Delivery Status: To be Printed Balance Due: \$220.00

Save as Recurring Use Recurring Reimburse Spell Record Cancel

Figure 3.12 Completed Service Invoice for Credit Sales

11. Go to the **Edit** menu and choose **Recap Transaction** (see Figure 3.13 below).

Src	Date	ID No.	Account	Debit	Credit	Job
SJ	01-Jun-17		Sale; Credit Sales			
		Auto #	1-5000 Accounts Receivable	\$220.00		
		Auto #	4-1000 Consultation Fee		\$120.00	
		Auto #	4-3000 Allergy Testing Fee		\$100.00	

Figure 3.13 Recap Transaction window

This window allows you to preview how the sales transaction affects the accounts before you record the Service Invoice. If there are errors, click on the field on the Service Invoice and correct the error.

12. Click **Close** to close the Recap Transaction window.

13. Click **Record** to record the Credit Sales Service Invoice.

To process cash sales:

Example

Auburn Medical Practice records all the cash sales in MYOB AccountRight every Friday. On 9 June 2017, the cash takings consist of the following:

- Consultation Fee 25 @ \$120 = \$3,000
- Review Consultation Fee 35 @ \$90 = \$3,150
- Allergy Testing Fee 5 @ \$100 = \$500
- Healthy Living Book 10 @ \$16.50 = \$165 (GST-inclusive)

1. Ensure you are in the **Sales - New Service Invoice** window.
2. In the Customer field, select **Cash Sales**. Use the **Tab** key to move to the next field.
3. In the Date field, select **9 June 2017**.
4. In the Description field, type **Consultation Fee 25 @ \$120**.
5. In the Account No. field, click the drop down arrow  and select **4-1000**.
6. In the Amount field, type **3000**.
7. Ensure **FRE** is listed in the Tax column.

8. Enter the next three lines of cash sales transaction as shown in the table:

Description	Account No.	Amount	Tax
Review Consultation Fee 35 @ \$90	4-2000	\$3150	FRE
Allergy Testing Fee 5 @ \$100	4-3000	\$500	FRE
Healthy Living Book 10 @ \$16.50	4-4000	\$165	GST

9. In the Paid Today field, type **6815** (\$3,000 + \$3,150 + \$500 + \$165) and press the **Tab** key. Your Sales - New Service window should match Figure 3.14 below.

The screenshot shows the 'AR Sales - New Service' window. The 'Sales Type' is set to 'Invoice'. The 'Customer' is 'Cash Sales' and 'Terms' are 'C.O.D.'. The 'Invoice No.' is '00000003' and the 'Date' is '09-Jun-17'. The 'Tax Inclusive' checkbox is checked. The 'Ship to' is 'Cash Sales'. The 'Customer PO No.' is empty. The line items table is as follows:

Description	Account No.	Amount	Job	Tax
Consultation Fee 25 @ \$120	4-1000	\$3,000.00		FRE
Review Consultation Fee 35 @ \$90	4-2000	\$3,150.00		FRE
Allergy Testing Fee 5 @ \$100	4-3000	\$500.00		FRE
Healthy Living Book 10 @ \$16.50	4-4000	\$165.00		GST

The 'Subtotal' is \$6,815.00, 'Freight' is \$0.00, 'Tax' is \$15.00, and 'Total Amount' is \$6,815.00. The 'Paid Today' field is \$6,815.00. The 'Payment Method' is 'Cash' and 'Balance Due' is \$0.00. The 'Journal Memo' is 'Sale; Cash Sales' and 'Referral Source' is empty. The 'Invoice Delivery Status' is 'To be Printed'. The window has buttons for 'Save as Recurring', 'Use Recurring', 'Reimburse', 'Spell', 'Record', and 'Cancel'.

Figure 3.14 Completed Cash Sales Invoice

10. Go to the **Edit** menu and choose **Recap Transaction** (see Figure 3.15 below).

The screenshot shows the 'AR Recap Transaction' window. The title is 'Recap Transaction in Sales - New Service'. The table displays the following transactions:

Src	Date	ID No.	Account	Debit	Credit	Job
CR	09-Jun-17					
		Auto #	1-1000 NAB Cheque Account	\$6,815.00		
		Auto #	1-5000 Accounts Receivable		\$6,815.00	
SJ	09-Jun-17		Sale; Cash Sales			
		Auto #	1-5000 Accounts Receivable	\$6,815.00		
		Auto #	4-1000 Consultation Fee		\$3,000.00	
		Auto #	4-2000 Review Consultation Fee		\$3,150.00	
		Auto #	4-3000 Allergy Testing Fee		\$500.00	
		Auto #	4-4000 Healthy Living Book		\$150.00	
		Auto #	2-3000 GST Collected		\$15.00	

The window has a 'Close' button at the bottom right.

Figure 3.15 Recap Transaction for Cash Sales Invoice

11. Click **Close** to close the Recap Transaction window.
12. Click **Record** to record the Cash Sales Service invoice.
13. Click **Cancel** to return to the Sales Command Centre window.

Exercise 3.1

Create and record the following credit sales:

Customer	Credit Sales
Tax	Inclusive
Invoice No.	00000004
Date	12 June 2017
Description (Line 1)	Review Consultation Fee
Account No.	4-2000
Amount	\$90
Tax	FRE
Description (Line 2)	Healthy Living Book
Account No.	4-4000
Amount	\$16.50
Tax	GST

Solution to Exercise 3.1

The screenshot shows the 'AR Sales - New Service' window. The 'Sales Type' is set to 'Invoice'. The 'Customer' is 'Credit Sales', 'Terms' are '0% Net 30', and 'Tax Inclusive' is checked. The 'Ship to' address is also 'Credit Sales'. The 'Invoice No.' is '00000004' and the 'Date' is '12-Jun-17'. The 'Customer PO No.' is empty.

Description	Account No.	Amount	Job	Tax
Review Consultation Fee	4-2000	\$90.00		FRE
Healthy Living Book	4-4000	\$16.50		GST

Below the table, the 'Salesperson' is empty, 'Comment' is empty, 'Ship Via' is empty, and 'Promised Date' is empty. The 'Subtotal' is '\$106.50', 'Freight' is '\$0.00', 'Tax' is '\$1.50', and 'Total Amount' is '\$106.50'. The 'GST' checkbox is checked.

At the bottom, 'Journal Memo' is 'Sale; Credit Sales', 'Referral Source' is empty, and 'Invoice Delivery Status' is 'To be Printed'. 'Paid Today' is '\$0.00', 'Payment Method' is 'Cash', and 'Balance Due' is '\$106.50'. There are buttons for 'Save as Recurring', 'Use Recurring', 'Reimburse', 'Spell', 'Record', and 'Cancel'.

Exercise 3.2

Create and record the following cash sales:

Customer	Cash Sales	Cash Sales
Tax	Inclusive	Inclusive
Invoice No.	00000005	00000006
Date	16 June 2017	23 June 2017
Description (Line 1)	Consultation Fee 40 @ \$120	Consultation Fee 45 @ \$120
Account No.	4-1000	4-1000
Amount	\$4,800	\$5,400
Tax	FRE	FRE
Description (Line 2)	Review Consultation Fee 30 @ \$90	Review Consultation Fee 25 @ \$90
Account No.	4-2000	4-2000
Amount	\$2,700	\$2,250
Tax	FRE	FRE
Description (Line 3)	Healthy Living Book 5 @ \$16.50	Allergy Testing Fee 5 @ \$100
Account No.	4-4000	4-3000
Amount	\$82.50	\$500
Tax	GST	FRE

Note: Remember to enter the amount in the **Paid Today** field.

Solution to Exercise 3.2

The screenshot shows the 'AR Sales - New Service' window in MYOB AccountRight v2017.2. The 'Sales Type' is set to 'Invoice'. The 'Customer' is 'Cash Sales', 'Terms' is 'C.O.D.', and 'Tax Inclusive' is checked. The 'Ship to' is also 'Cash Sales'. The 'Invoice No.' is '00000005' and the 'Date' is '16-Jun-17'. The 'Customer PO No.' is empty.

Description	Account No.	Amount	Job	Tax
Consultation Fee 40 @ \$120	4-1000	\$4,800.00		FRE
Review Consultation Fee 30 @ \$90	4-2000	\$2,700.00		FRE
Healthy Living Book 5 @ \$16.50	4-4000	\$82.50		GST

Summary fields: Subtotal: \$7,582.50, Freight: \$0.00, Tax: \$7.50, Total Amount: \$7,582.50. GST is checked.

Payment details: Salesperson, Comment, Ship Via, Promised Date, Journal Memo (Sale; Cash Sales), Referral Source, Invoice Delivery Status (To be Printed), Paid Today (\$7,582.50), Payment Method (Cash), Balance Due (\$0.00). Buttons: Save as Recurring, Use Recurring, Reimburse, Spell, Record, Cancel.

AR Sales - New Service

Print Send To Journal Layout Register Help for this window

Sales Type: Invoice

Customer: Cash Sales Terms: C.O.D. Tax Inclusive

Ship to: Cash Sales Invoice No.: 00000006 Date: 23-Jun-17 Customer PO No.:

Description	Account No.	Amount	Job	Tax
Consultation Fee 45 @ \$120	4-1000	\$5,400.00		FRE
Review Consultation Fee 25 @ \$90	4-2000	\$2,250.00		FRE
Allergy Testing Fee 5 @ \$100	4-3000	\$500.00		FRE

Salesperson: Subtotal: \$8,150.00

Comment: Freight: \$0.00 GST

Ship Via: Tax: \$0.00

Promised Date: Total Amount: \$8,150.00

Journal Memo: Sale; Cash Sales Paid Today: \$8,150.00

Referral Source: Payment Method: Cash Details...

Invoice Delivery Status: To be Printed Balance Due: \$0.00

Save as Recurring Use Recurring Reimburse Spell

Record Cancel

END OF EXERCISE

To process customer payments from either pre-conversion sales or current period sales:

You must use **Receive Payments** in the **Sales** command centre to record customer payments when a debtor makes a payment against an outstanding service invoice.

Example

On 12 June 2017, received payment from a debtor for \$2,880.

1. Go to the **Sales** command centre and select **Receive Payments**. The Receive Payments window is displayed (see Figure 3.16 on the next page).
2. Ensure in the Deposit to Account field, **1-1000 NAB Cheque Account** option is selected.
3. Click on the **search arrow**  in the Customer field to display the list of customers. Choose **Credit Sales**.
4. In the Amount Received field, type **2880**.
5. In the Payment method field, select **Visa**.

6. The ID No. field displays the default number for the cash receipt. We will accept the default number **CR000004**.
7. In the Date field, type **12 June 2017**.
8. Click **once** in the **Amount Applied** column to **Invoice No 00000001**, and the amount **\$2,880.00** is displayed. Press the **Tab** key.

Your Receive Payments window should match Figure 3.16 below.

AR Receive Payments

Journal Register

Help for this window

Deposit to Account: 1-1000 NAB Cheque Account Balance: \$31,299.50

Group with Undeposited Funds:

Customer: Credit Sales ID No.: CR000004

Amount Received: \$2,880.00 Date: 12-Jun-17

Payment Method: Visa Details..

Memo: Payment; Credit Sales

Invoice No.	Status	Date	Amount	Discount	Total Due	Amount Applied
00000001	Open	15-May-17	\$2,880.00	\$0.00	\$2,880.00	\$2,880.00
00000002	Open	01-Jun-17	\$220.00	\$0.00	\$220.00	\$0.00
00000004	Open	12-Jun-17	\$106.50	\$0.00	\$106.50	\$0.00

Include Closed Sales

Total Applied: \$2,880.00

Finance Charge: \$0.00

Total Received: \$2,880.00

Out of Balance: \$0.00

Receive All

Record Cancel

Figure 3.16 Receive Payments window

9. Go to the **Edit** menu and choose **Recap Transaction** to preview the accounts.
10. Click **Close** to close the Recap Transaction window.
11. Click **Record** to record the payment.
12. Click **Cancel** to close the Receive Payments window.

Exercise 3.3

Record the following Customer payment:

Customer	Credit Sales
Amount Received	\$220
Payment Method	Cheque
Date	15 June 2017
Apply to Invoice No.	00000002

Solution to Exercise 3.3

AR Receive Payments

Journal Register

Help for this window

☒ Deposit to Account: 1-1000 NAB Cheque Account Balance: \$34,179.50

☐ Group with Undeposited Funds:

Customer: Credit Sales ID No.: CR000005

Amount Received: \$220.00 Date: 15-Jun-17

Payment Method: Cheque Details..

Memo: Payment; Credit Sales

Invoice No.	Status	Date	Amount	Discount	Total Due	Amount Applied
00000002	Open	01-Jun-17	\$220.00	\$0.00	\$220.00	\$220.00
00000004	Open	12-Jun-17	\$106.50	\$0.00	\$106.50	\$0.00

☐ Include Closed Sales

Total Applied: \$220.00

Finance Charge: \$0.00

Total Received: \$220.00

Out of Balance: \$0.00

Receive All

Record Cancel

END OF EXERCISE

Chapter 4 Processing purchases

In this chapter, you will learn how to:

- Create supplier cards
- Record pre-conversion purchases
- Process credit purchases
- Process cash purchases
- Record supplier payments

Auburn Medical Practice will use the Purchases command centre to purchase books for resale, office supplies, medical supplies and non-current assets including, for example, office equipment.

These purchases will be recorded using the Service Bills, which can be used for a credit purchase or a cash purchase from the supplier list. An ABN (Australian Business Number) must be entered for each supplier on the list.

In MYOB AccountRight, supplier cards must be created before you can enter pre-conversion balances or process purchase transactions.

To create supplier cards:

We will create two supplier cards: a card for Cash Purchases and a card for Credit Purchases.

Cash Purchases card:

1. Go to the **Card File** command centre and select the **Cards List** option.
2. Select the **Supplier** tab (see Figure 4.1 below) and click on the **New** button.



Figure 4.1 Supplier tab selected

3. Ensure the **Profile** tab is selected (see Figure 4.2 on the next page).

Figure 4.2 Card Information window with Profile tab selected

4. In the Designation field, ensure **Company** is selected.
5. In the Name field, type **Cash Purchases** and press the **Tab** key.
6. Click the **Buying Details** tab (see Figure 4.3 below).

Figure 4.3 Buying Details tab selected

The Buying Details for Cash Purchases card information window is displayed.

7. In the A.B.N. field, type **9999999999** (eleven digit number) and press the **Tab** key. MYOB AccountRight will insert the spaces automatically.
8. In the Payment is Due field, click on the **down arrow** and select **C.O.D.**
9. Click **OK** to record the Cash Purchases card details.

Credit Purchases card:

1. Ensure that you are in the Cards List - Supplier window and click on the **New** button.
2. Ensure the **Profile** tab is selected.
3. In the Designation field, ensure **Company** is selected.
4. In the Name field, type **Credit Purchases** and press the **Tab** key.

5. Click the **Buying Details** tab. In the A.B.N. field, type **8888888888** (eleven digit number) and press the **Tab** key. MYOB AccountRight will insert the spaces automatically.

Your completed Buying Details for Credit Purchases card information window should match Figure 4.4 below:

The screenshot shows the 'Card Information' window with the 'Buying Details' tab selected. The card type is 'CREDIT PURCHASES'. The 'A.B.N.' field contains '88 888 888 888'. The 'Credit Limit' is '\$0.00', 'Available Credit' is '\$0.00', and 'Currently Past Due' is '\$0.00'. The 'Expense Account', 'Payment Memo', 'Purchase Comment', and 'Shipping Method' fields are empty. The 'A.B.N Branch', 'Tax ID Number', 'Tax Code', and 'Freight Tax Code' fields are also empty. The 'Supplier Terms Information' section shows 'Payment is Due' as 'Day of Month after EOM', '% Discount for Early Payment' as '0.00 %', 'Discount Date' as '1st', 'Balance Due Date' as '30th', and 'Volume Discount %' as '0.00 %'. The 'Use Supplier's Tax Code' checkbox is unchecked. The window has 'OK' and 'Cancel' buttons at the bottom right.

Figure 4.4 Completed Buying Details window for Credit Purchases card

6. Click **OK** to record Credit Purchases card details.
7. Click **Close** to return to the Card File Command Centre window.

To record pre-conversion purchases:

Pre-conversion purchases are credit purchases that have not been paid in full as of the first day of your conversion month. From the Accounts List, Accounts Payable has a balance of \$2,700. We will now enter the details of the unpaid bills.

1. Go to the **Setup** menu, choose **Balances** and then the **Supplier Balances** options. The Supplier Balances window is displayed (see Figure 4.5 on the next page). The Linked Payables Account Balance is \$2,700.

AR Supplier Balances

Help for this window

Supplier Detail

Supplier Summary

Supplier Name	Card ID	Amount Due
Cash Purchases	None	\$0.00
Credit Purchases	None	\$0.00

Total Purchases: \$0.00

Linked Payables Account Balance: \$2,700.00

Out of Balance Amount: (\$2,700.00)

Add Pre-Conversion Purchase Close

Figure 4.5 Supplier Balances window

2. Click the **Add Pre-Conversion Purchase** button. The Pre-Conversion window is displayed (see Figure 4.6 below).
3. Click on the **search arrow**  in the Supplier Name field and choose **Credit Purchases**.
4. In the Date field, select **17 April 2017** (Supplier Invoice date).
5. In the Total Including Tax field, type **2700** (amount owing) and press the **Tab** key.

Your Pre-Conversion Purchase window should match Figure 4.6 below.

AR Pre-Conversion Purchase

Help for this window

Supplier Name: Credit Purchases Balance: \$0.00

Terms: 0% 1st Net 30th after EOM

PO No.: 00000001

Date: 17-Apr-17

Supplier Inv No.:

Memo: Pre-conversion Purchase

Total Including Tax: \$2,700.00 Tax Code: GST

Job: Tax: \$245.45

Record Cancel

Figure 4.6 Pre-Conversion Purchase for Credit Purchases

6. Click **Record**. An alert message is displayed on your window (see Figure 4.7 below).

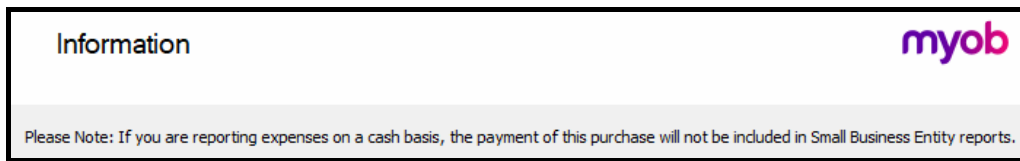


Figure 4.7 Alert message for GST reporting

7. Click **OK**.
8. Click **Close** to return to the Purchases Command Centre window.

To process credit purchases:

We will use a Service Bill to process a credit purchase.

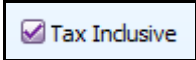
Example

On 1 June 2017, assume a credit purchase of 60 copies of the Healthy Living Book for \$726 (GST-inclusive). Use the account 1-5300 Books on hand to record this purchase.

1. Go to the **Purchases** command centre and select the **Enter Purchases** option. The Purchases - New Service window is displayed (see Figure 4.8 below).

Figure 4.8 Purchases New Service window

2. In the Purchases Type field, ensure the default **Bill** is selected.

3. Click on the search arrow  in the Supplier field to display the list of supplier cards. Choose **Credit Purchases**.
4. The default supplier's terms are displayed in the **Terms** field at the top of the window.
5. Ensure the Tax Inclusive checkbox is selected . This will show the price on this invoice as GST-inclusive.
6. Accept the default **Purchase No.: 00000002**.
7. In the Date field, type **1 June 2017**.
8. In the Supplier Inv No. field, type **787** (assumed Supplier Invoice No).
9. In the Description field, type **Purchase 60 copies Healthy Living Book** and press the **Tab** key to move to the next field.
10. In the Account No. field, click on the drop down arrow  and the Select from List window is displayed automatically with the prefix 6 (see Figure 4.9 below).

Acct No.	Account Name	Classification
2-4000	GST Paid	Liability
2-5000	Voluntary Withholdings Payable	Liability
2-6000	ABN Withholdings Payable	Liability
2-8100	Bank Loan	Liability
3-1000	Capital	Equity
3-2000	Drawings	Equity
3-8000	Retained Earnings	Equity
3-9999	Historical Balancing	Equity
4-1000	Consultation Fee	Income
4-2000	Review Consultation Fee	Income
4-3000	Allergy Testing Fee	Income
4-4000	Healthy Living Book	Income
6-1000	Wages & Salaries Expenses	Expense
6-2000	Other Payroll Expenses	Expense



Figure 4.9 Account No. Select from List window

11. In the Account No. field, type **1** (to display asset accounts). Select **1-5300 Books on hand**.

An alert symbol  is displayed (see Figure 4.10 below). The account 1-5300 selected is correct for this purchase.

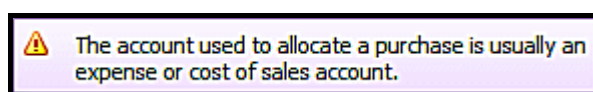


Figure 4.10 Alert message

12. In the **Amount** field, type **726** and press the **Tab** key.

13. Ensure that **GST** is displayed in the **Tax** column. Press the **Tab** key to the end of the line.

Your completed Purchases - New Service window should match Figure 4.11 below.

Purchases - New Service

Print Send To Journal Layout Register Help for this window

Purchases Type: Bill

Supplier: Credit Purchases Terms: 0% 1st Net 30th after EOM Tax Inclusive

Ship to: Auburn Medical Practice
101 Auburn Road
HAWTHORN VIC 3122

Purchase No.: 00000002
Date: 01-Jun-17
Supplier Inv No.: 787

Description	Account No.	Amount	Job	Tax
Purchase 60 copies Healthy Living Book	1-5300	\$726.00		GST

Subtotal: \$726.00
Freight: \$0.00
Tax: \$66.00
Total Amount: \$726.00

Comment: Ship Via: Promised Date: Journal Memo: Purchase; Credit Purchases Bill Delivery Status: To be Printed Paid Today: \$0.00 Balance Due: \$726.00

Save as Recurring Use Recurring Spell

Record Cancel

Figure 4.11 Completed Purchases - New Service window

14. Go to the **Edit** menu and choose **Recap Transaction** (see Figure 4.12 below).

Recap Transaction in Purchases - New Service

Src	Date	ID No.	Account	Debit	Credit	Job
PJ	01-Jun-17		Purchase; Credit Purchases			
Auto #			2-1000 Accounts Payable		\$726.00	
Auto #			1-5300 Books on hand	\$660.00		
Auto #			2-4000 GST Paid	\$66.00		

Figure 4.12 Recap Transaction window for credit purchase of books

This window allows you to preview how the purchase transaction affects the accounts before you record the Service Bill. If there are errors, click on the field on the Service Bill and correct the error.

15. Click **Close** to close the Recap Transaction window.
16. Click **Record** to record the Credit Purchase transaction.

Exercise 4.1

Create the following credit purchase:

Supplier	Credit Purchases
Purchase No.	00000003
Date	5 June 2017
Supplier Inv No.	566
Description	Purchase 1 Office Printer
Account No.	1-8301 Office Equipment at cost
Amount	\$2200.00 (GST-inclusive)
Tax	CAP

Solution to Exercise 4.1

AR Purchases - New Service

Print Send To Journal Layout Register Help for this window

Purchases Type: Bill

Supplier: Credit Purchases Terms: 0% 1st Net 30th after EOM Tax Inclusive

Ship to: Auburn Medical Practice
101 Auburn Road
HAWTHORN VIC 3122

Purchase No.: 00000003
Date: 05-Jun-17
Supplier Inv No.: 566

Description	Account No.	Amount	Job	Tax
Purchase 1 Office Printer	1-8301	\$2,200.00		CAP

Subtotal: \$2,200.00
Freight: \$0.00
Tax: \$200.00
Total Amount: \$2,200.00

Comment: Ship Via: Promised Date: Journal Memo: Purchase; Credit Purchases Bill Delivery Status: To be Printed Paid Today: \$0.00 Balance Due: \$2,200.00

Save as Recurring Use Recurring Spell Record Cancel

END OF EXERCISE

To process a cash purchase:

Example

On 19 June 2017, assume a cash Purchase of office supplies (Account: 1-5100) for \$660 (GST-inclusive).

1. Go to the **Purchases** command centre and select the **Enter Purchases** option. The Purchases - New Service window is displayed.
2. Ensure the default **Bill** is selected.
3. Click on the search arrow  in the Supplier field to display the list of supplier cards. Choose **Cash Purchases**.
4. In the Terms field, the default supplier term is displayed.
5. Ensure the Tax Inclusive checkbox is selected.
6. Accept the default **Purchase No.: 00000004**.
7. In the Date field, select **19 June 2017**.
8. In the Supplier Inv No. field, type **124**.
9. In the Description field, type **Purchase Office Supplies** and press the **Tab** key to move to the next field.
10. In the Account No. field, click on the drop down arrow  and the Select from List window is displayed.
11. In the Look for field, replace the prefix 6 by typing **1**. Select **1-5100 Office Supplies**.
12. In the **Amount** field, type **660** and press the **Tab** key.
13. Ensure that **GST** is displayed in the **Tax** column. Press the **Tab** key to the end of the line.
14. In the Paid Today field, type **660** and press the **Tab** key.

Your completed Cash Purchase window should match Figure 4.13 on the next page.

AR Purchases - New Service

Print Send To Journal Layout Register Help for this window

Purchases Type: Bill

Supplier: Cash Purchases Terms: C.O.D. Tax Inclusive

Ship to: Auburn Medical Practice
101 Auburn Road
HAWTHORN VIC 3122

Purchase No.: 00000004
Date: 19-Jun-17
Supplier Inv No.: 124

Description	Account No.	Amount	Job	Tax
Purchase Office Supplies	1-5100	\$660.00		GST

Subtotal: \$660.00
Freight: \$0.00
Tax: \$60.00
Total Amount: \$660.00

Comment: Purchase; Cash Purchases
Ship Via: To be Printed
Promised Date:
Paid Today: \$660.00
Balance Due: \$0.00

Save as Recurring Use Recurring Spell Record Cancel

Press F1 to get Help.

Figure 4.13 Completed Cash Purchase window

15. Go to the **Edit** menu and choose **Recap Transaction** (see Figure 4.14 below).

AR Recap Transaction

Recap Transaction in Purchases - New Service

Src	Date	ID No.	Account	Debit	Credit	Job
CD	19-Jun-17					
		Auto #	1-1000 NAB Cheque Account		\$660.00	
		Auto #	2-1000 Accounts Payable	\$660.00		
PJ	19-Jun-17		Purchase; Cash Purchases			
		Auto #	2-1000 Accounts Payable		\$660.00	
		Auto #	1-5100 Office Supplies	\$600.00		
		Auto #	2-4000 GST Paid		\$60.00	

Figure 4.14 Recap Transaction window for cash purchase

Note that this cash purchase is from the NAB Cheque Account.

16. Click **Close** to close the Recap Transaction window.
17. Click **Record** to record the cash purchase transaction.
18. A message to verify the cheque is displayed (see Figure 4.15 on the next page).

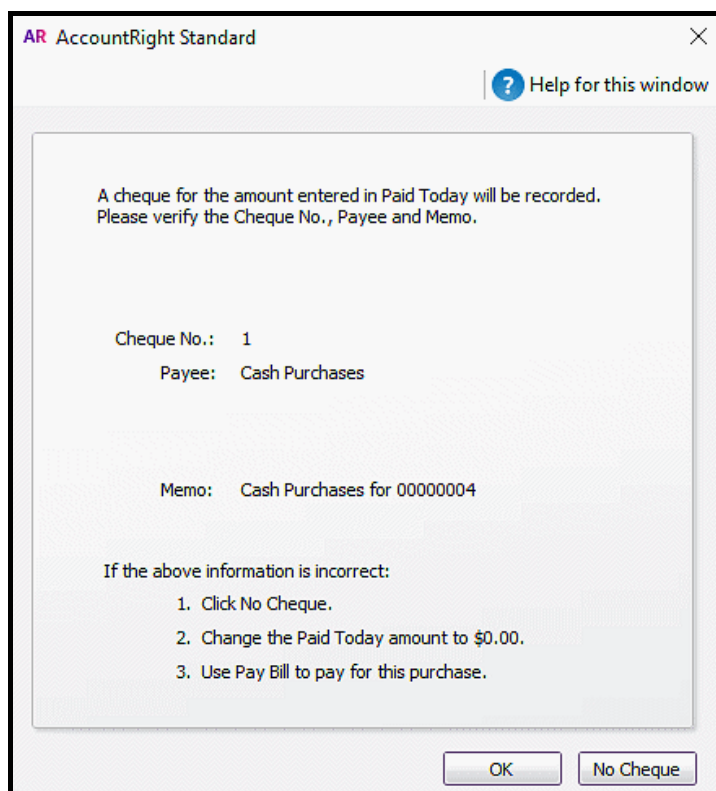


Figure 4.15 Verify cheque details

Click **OK** to record the cash payment.

19. Click **Cancel** to return to the Purchases Command Centre window.

Exercise 4.2

Create the following cash purchase:

Supplier	Cash Purchases
Purchase No.	00000005
Date	27 June 2017
Supplier Inv No	211
Description	Purchase Medical Supplies
Account No.	1-5200
Amount	\$561 (GST-inclusive)
Tax	GST
Paid Today	\$561

Solution to Exercise 4.2

AR Purchases - New Service

Print Send To Journal Layout Register Help for this window

Purchases Type: Bill

Supplier: Cash Purchases Terms: C.O.D. Tax Inclusive

Ship to: Auburn Medical Practice
101 Auburn Road
HAWTHORN VIC 3122

Purchase No.: 00000005
Date: 27-Jun-17
Supplier Inv No.: 211

Description	Account No.	Amount	Job	Tax
Purchase Medical Supplies	1-5200	\$561.00		GST

Subtotal: \$561.00
Freight: \$0.00
Tax: \$51.00
Total Amount: \$561.00

Comment:
Ship Via:
Promised Date:

Journal Memo: Purchase; Cash Purchases
Bill Delivery Status: To be Printed

Paid Today: \$561.00
Balance Due: \$0.00

Save as Recurring Use Recurring Spell

Record Cancel

AR AccountRight Standard

Help for this window

A cheque for the amount entered in Paid Today will be recorded.
Please verify the Cheque No., Payee and Memo.

Cheque No.: 2
Payee: Cash Purchases

Memo: Cash Purchases for 00000005

If the above information is incorrect:

1. Click No Cheque.
2. Change the Paid Today amount to \$0.00.
3. Use Pay Bill to pay for this purchase.

OK No Cheque

END OF EXERCISE

To process supplier payments from pre-conversion or current period purchases:

You must use **Pay Bills** in the **Purchases** command centre to record payments to your suppliers against outstanding service bills.

Example

On 27 June 2017, Payment to Accounts Payable (Purchase No. 00000001) for \$2,700.

1. In the **Purchases** command centre, click **Pay Bills**. The Pay Bills window is displayed (see Figure 4.16 below).

Purchase No.	Status	Date	Amount	Discount	Total Owed	Amount Applied
--------------	--------	------	--------	----------	------------	----------------

Figure 4.16 Pay Bills window

2. Ensure the Pay from Account **1-1000 NAB Cheque Account** option is selected.
3. Click on the search arrow  next to the Supplier field to display the list of suppliers. Choose **Credit Purchases**.
4. In the Cheque No field, accept the default number **3**.
5. In the Date field, select **27 June 2017**.
6. In the Amount field, type **2700** (amount paid). Press the **Tab** key.
7. Click **once** in the **Amount Applied** column to **Purchase No. 00000001**, and the amount **\$2,700.00** is displayed. Press the **Tab** key.

Your Pay Bills window should match Figure 4.17 below.

AR Pay Bills

Journal Register Print

Help for this window

Pay from Account: 1-1000 NAB Cheque Account Balance: \$33,178.50

Group with Electronic Payments:

Supplier: Credit Purchases Cheque No: 3

Payee: Credit Purchases Date: 27-Jun-17

Amount: \$2,700.00

Two Thousand Seven Hundred Dollars and 0 Cents

Memo: Payment; Credit Purchases Auburn Medical Practice

Purchase No.	Status	Date	Amount	Discount	Total Owed	Amount Applied
00000001	Open	17-Apr-17	\$2,700.00	\$0.00	\$2,700.00	\$2,700.00
00000002	Open	01-Jun-17	\$726.00	\$0.00	\$726.00	\$0.00
00000003	Open	05-Jun-17	\$2,200.00	\$0.00	\$2,200.00	\$0.00

Include Closed Purchases

Cheque Already Printed

Remittance Advice Delivery Status: To be Printed

Pay All

Total Applied: \$2,700.00

Finance Charge: \$0.00

Total Paid: \$2,700.00

Out of Balance: \$0.00

Figure 4.17 Payment to Accounts Payable

8. Go to the **Edit** menu and choose **Recap Transaction** to preview the accounts.
9. Click **Close** to close the Recap Transaction window.
10. Click **Record** to record the payment.
11. Click **Cancel** to close the Pay Bills window.

Exercise 4.3

Process the following payment to Accounts Payable from 1-1000 NAB Cheque Account:

Supplier	Credit Purchases
Cheque No	4
Date	30 June 2017
Amount	\$726
Amount Applied	\$726
Apply to Purchase No.	00000002

Solution to Exercise 4.3

The screenshot shows the MYOB Pay Bills window. At the top, there are tabs for Journal, Register, and Print. The main area is divided into sections for payment details and a table of purchases.

Payment Details:

- Pay from Account:** 1-1000 NAB Cheque Account (selected)
- Balance:** \$30,478.50
- Supplier:** Credit Purchases (selected)
- Payee:** Credit Purchases (selected)
- Cheque No:** 4
- Date:** 30-Jun-17
- Amount:** \$726.00
- Memo:** Payment; Credit Purchases
- Auburn Medical Practice**

Purchases Table:

Purchase No.	Status	Date	Amount	Discount	Total Owed	Amount Applied
00000002	Open	01-Jun-17	\$726.00	\$0.00	\$726.00	\$726.00
00000003	Open	05-Jun-17	\$2,200.00	\$0.00	\$2,200.00	\$0.00

Summary:

- Total Applied:** \$726.00
- Finance Charge:** \$0.00
- Total Paid:** \$726.00
- Out of Balance:** \$0.00

Options:

- ☐ Include Closed Purchases
- ☐ Cheque Already Printed
- Remittance Advice Delivery Status:** To be Printed

Buttons: Pay All

END OF EXERCISE

Chapter 5 Recording expenses and receipts

In this chapter, you will learn how to:

- Record a cash payment
- Record a cash receipt

Auburn Medical Practice will use the Banking command centre to record cash payments including, for example, writing cheques to pay wages and the insurance premium. Cash receipts include, for example, the owner contributing additional cash to the business.

To record a cash payment:

Example

1 June 2017 - Paid \$2,310 (GST-inclusive) to GIO for 12 months insurance. Make sure you create 1-5400 Prepaid Insurance account with GST tax code before you begin this cash payment transaction.

1. Go to the **Banking** command centre and select **Spend Money**. The Spend Money window is displayed (see Figure 5.1 below).

The screenshot shows the 'Spend Money' window with the following details:

- Pay from Account:** 1-1000 NAB Cheque Account
- Balance:** \$29,752.50
- Group with Electronic Payments:** ☐ (unchecked)
- Tax Inclusive:** ☒ (checked)
- Card:** [Empty field]
- Cheque No.:** 5
- Date:** 06-Mar-18
- Amount:** \$0.00
- Payee:** [Empty field]
- Memo:** [Empty field]
- Table:**

Acct No.	Name	Amount	Job	Memo	Tax
- Total Allocated:** \$0.00
- Tax:** \$0.00
- Total Paid:** \$0.00
- Out of Balance:** \$0.00
- Cheque Already Printed:** ☐ (unchecked)
- Remittance Advice Delivery Status:** To be Printed
- Buttons:** Save as Recurring, Use Recurring, Record, Cancel

Figure 5.1 Spend Money window

2. In the Pay from Account field, ensure **1-1000 NAB Cheque Account** is displayed.
3. Ensure the **Tax Inclusive** checkbox is selected (a tick is in the box).
4. In the Payee field, type **GIO** (name of insurance company).

Note that you only need to set up cards for customers or suppliers if you have a number of repeated cash transactions. This is not necessary for GIO.

5. In the Memo field, type **Paid yearly insurance**.
6. Accept the default Cheque Number **5**. (You may enter your actual cheque number in this field but, as an example, we will accept the default cheque number.)
7. In the Date field, type **1 June 2017**.
8. In the Amount field, type **2310** (cheque amount).
9. Click the **Acct No.** column, type **15400** (account number for Prepaid Insurance) and press the **Tab** key to the end of the line. The account number, account name, amount and tax will be entered as shown in Figure 5.2 below:

The screenshot shows the 'AR Spend Money' window with the following details:

- Pay from Account:** 1-1000 NAB Cheque Account
- Balance:** \$29,752.50
- Group with Electronic Payments:** (unchecked)
- Tax Inclusive:** (checked)
- Card:** (empty)
- Cheque No.:** 5
- Date:** 01-Jun-17
- Amount:** \$2,310.00
- Payee:** GIO
- Memo:** Paid yearly insurance
- Two Thousand Three Hundred and Ten Dollars and 0 Cents**
- Acct No.:** 1-5400
- Name:** Prepaid Insurance
- Amount:** \$2,310.00
- Job:**
- Memo:**
- Tax:** GST
- Total Allocated:** \$2,310.00
- Tax:** \$210.00
- Total Paid:** \$2,310.00
- Out of Balance:** \$0.00
- Cheque Already Printed:** (unchecked)
- Remittance Advice Delivery Status:** To be Printed
- Buttons:** Save as Recurring, Use Recurring, Record, Cancel

Figure 5.2 Completed Spend Money window

10. Go to the **Edit** menu and choose **Recap Transaction** (see Figure 5.3 below).

The screenshot shows the 'AR Recap Transaction' window with the following details:

- Recap Transaction in Spend Money**
- Table:**

Src	Date	ID No.	Account	Debit	Credit	Job
CD	01-Jun-17		Paid yearly insurance			
Auto #			1-1000 NAB Cheque Account		\$2,310.00	
Auto #			1-5400 Prepaid Insurance	\$2,100.00		
Auto #			2-4000 GST Paid	\$210.00		

Figure 5.3 Recap Transaction window for cash payment using Spend Money option

11. Click **Close** to close the Recap Transaction window. This will take you back to Figure 5.2 above.
12. Click **Record** to record the cheque details.
13. Click **Cancel** to return to the Banking Command Centre window.

Exercise 5.1

Create and record the following cash payments:

Cheque No.	6
Date	15 June 2017
Amount	5,600
Payee	Cash for Payroll
Memo	Paid monthly wages
Acct No.	6-1000 Wages & Salaries Expense
Tax	N-T

Cheque No.	7
Date	19 June 2017
Amount	400
Payee	Cash for Drawings
Memo	Cash withdrawals by owner
Acct No.	3-2000 Drawings
Tax	N-T

Solution to Exercise 5.1

AR Spend Money [Print] [Journal] [Register] [Help for this window]

☒ Pay from Account: 1-1000 NAB Cheque Account Balance: \$27,442.50
☐ Group with Electronic Payments: ☒ Tax Inclusive

Card: [] Cheque No.: 6
 Date: 15-Jun-17
 Amount: \$5,600.00

Payee: Cash for Payroll
 Five Thousand Six Hundred Dollars and 0 Cents
 Memo: Paid monthly wages Auburn Medical Practice

Acct No.	Name	Amount	Job	Memo	Tax
6-1000	Wages & Salaries Exp	\$5,600.00			N-T
[]					

Total Allocated: \$5,600.00
 Tax: \$0.00
 Total Paid: \$5,600.00
 Out of Balance: \$0.00

☐ Cheque Already Printed
 Remittance Advice Delivery Status: To be Printed

[Save as Recurring] [Use Recurring] [Record] [Cancel]

AR Spend Money [Print] [Journal] [Register] [Help for this window]

☒ Pay from Account: 1-1000 NAB Cheque Account Balance: \$21,842.50
☐ Group with Electronic Payments: ☒ Tax Inclusive

Card: [] Cheque No.: 7
 Date: 19-Jun-17
 Amount: \$400.00

Payee: Cash for Drawings
 Four Hundred Dollars and 0 Cents
 Memo: Cash withdrawals by owner Auburn Medical Practice

Acct No.	Name	Amount	Job	Memo	Tax
3-2000	Drawings	\$400.00			N-T
[]					

Total Allocated: \$400.00
 Tax: \$0.00
 Total Paid: \$400.00
 Out of Balance: \$0.00

☐ Cheque Already Printed
 Remittance Advice Delivery Status: To be Printed

[Save as Recurring] [Use Recurring] [Record] [Cancel]

END OF EXERCISE

To record a cash receipt:

Example

26 June 2017 – Owner contributed additional cash of \$1,000 to the business.

1. Go to the **Banking** command centre and select **Receive Money**. The Receive Money window is displayed (see Figure 5.4 below).

AR Receive Money

Register Journal Help for this window

Deposit to Account: 1-1000 NAB Cheque Account Balance: \$21,442.50

Group with Undeposited Funds: Tax Inclusive

Payor: ID No.: CR000006

Amount Received: \$0.00 Date: 06-Mar-18

Payment Method: Details..

Memo:

Acct No.	Name	Amount	Job	Memo	Tax
----------	------	--------	-----	------	-----

Total Allocated: \$0.00

Tax: \$0.00

Total Received: \$0.00

Out of Balance: \$0.00

Save as Recurring Use Recurring

Record Cancel

Figure 5.4 Receive Money window

2. In the Deposit to Account field, ensure **1-1000 NAB Cheque Account** is selected.
3. Ensure the **Tax Inclusive** checkbox is selected (a tick is in the box).
4. Accept the default ID No. **CR000006**.
5. In the Date field, type **26 June 2017**.
6. In the Amount Received field, type **1000** (cheque amount).
7. In the Payment Method field, select **Cheque**.
8. In the Memo field, type **Cash contribution by owner**.
9. Click the **Acct No.** column, type **31000** (account number for Capital) and press the **Tab** key to the end of the line. The account number, account name, amount and tax will be entered as shown in Figure 5.5 below:

Acct No.	Name	Amount	Job	Memo	Tax
3-1000	Capital	\$1,000.00			N-T

Figure 5.5 Allocation Account

10. Go to the **Edit** menu and choose **Recap Transaction** (see Figure 5.6 below).

Src	Date	ID No.	Account	Debit	Credit	Job
CR	26-Jun-17		Cash contribution by owner			
		Auto #	1-1000 NAB Cheque Account	\$1,000.00		
		Auto #	3-1000 Capital		\$1,000.00	

Figure 5.6 Recap Transaction window for cash receipt using Receive Money option

11. Click **Close** to close the Recap Transaction window.

Your completed Receive Money window should match Figure 5.7 below.

Acct No.	Name	Amount	Job	Memo	Tax
3-1000	Capital	\$1,000.00			N-T

Total Allocated: \$1,000.00
Tax: \$0.00
Total Received: \$1,000.00
Out of Balance: \$0.00

Figure 5.7 Completed Receive Money window

12. Click **Record** to record the receipt details.
13. Click **Cancel** to return to the Banking Command Centre window.

Note: Do not use the Receive Money option in the Banking command centre to record money received from a debtor because this will not allocate the receipt to the individual debtor's account.

Chapter 6 Recording adjusting entries and printing reports

In this chapter, you will learn how to:

- Record adjusting entries
- Customise, Display and Print reports
 - Unadjusted Trial Balance
 - Adjusted Trial Balance
 - Income Statement for the month ended 30 June 2017
 - Balance Sheet as at 30 June 2017

To record adjusting entries:

We will record the adjusting entries in the 13th period which was the default accounting periods when the data file was created. This ensures that your final month's accounting records remain accurate. We will select Year-End Adjustment option to assign adjusting entries to the 13th period. You can exclude these adjustments from appearing when you prepare reports for the period.

Note that the tax code for adjusting entries is N-T.

Example

At 30 June 2017, the depreciation for Motor Vehicle is \$550 per month. Create the following accounts: 6-3000 Depreciation and 1-8102 Acc Dep – Motor Vehicle with N-T tax code before you begin this adjusting entry.

1. In the **Accounts** command centre, choose **Record Journal Entry**. The Record Journal Entry window is displayed (see Figure 6.1 below).
2. In the General Journal No. field, accept the default General Journal number **GJ000002**.
3. Select the **Year-End Adjustment** option (tick the box) to identify the transaction as an adjustment journal entry.
4. In the Date field, type **30 June 2017**.
5. In the Memo field, type **Depreciation of Motor Vehicle for the month**.
6. **Enter** the account details in the General Journal:

Acct No.	Name	Debit	Credit	Tax
6-3000	Depreciation	\$550.00		N-T
1-8102	Acc Dep – Motor Vehicle		\$550.00	N-T

Your details in the adjustment journal entry for depreciation window should match Figure 6.1 on the next page.

Record Journal Entry

Journal

Display in GST [BAS] reports as: ☐ Sale (Supply) ☒ Purchase (Acquisition)

General Journal No.: G3000002

Date: 30-Jun-17

Memo: Depreciation of Motor Vehicle for the month

Acct No.	Name	Debit	Credit	Job	Memo	Tax
6-3000	Depreciation	\$550.00				N-T
1-8102	Acc Dep - Motor Vehicle		\$550.00			N-T

Total Debit: \$550.00

Total Credit: \$550.00

Tax: \$0.00

Out of Balance: \$0.00

Save as Recurring Use Recurring

Record Cancel

Figure 6.1 Adjustment General Journal entry for depreciation window

7. Click **Record** to record the adjusting journal entry.

Exercise 6.1

You will need to create the following new accounts: 1-8202 Acc Dep – Medical Equipment, 6-4000 Insurance, 6-5000 Medical Supplies Expense, 6-6000 Office Supplies Expense with N-T tax code before recording the following adjusting entries.

Record the following adjusting entries:

- Insurance is paid for 12 months. The amount paid is \$2,310 (GST-inclusive). This was initially recorded as an asset at the time of payment.
- Depreciation for medical equipment is \$500 per month
- Closing stock of office supplies on 30/6/2017 is \$260
- Closing stock of medical supplies on 30/6/2017 is \$1,160

Solution to Exercise 6.1

AR Record Journal Entry

Journal Help for this window

Display in GST [BAS] reports as: ☐ Sale (Supply) ☒ Purchase (Acquisition) ☒ Tax Inclusive ☒ Year-End Adjustment

General Journal No.: GJ000003

Date: 30-Jun-17

Memo: Adjusting entry - Insurance for the month

Acct No.	Name	Debit	Credit	Job	Memo	Tax
6-4000	Insurance	\$175.00				N-T
1-5400	Prepaid Insurance		\$175.00			N-T

Total Debit: \$175.00

Total Credit: \$175.00

Tax: \$0.00

Out of Balance: \$0.00

☒ Save as Recurring ☐ Use Recurring

Record **Cancel**

AR Record Journal Entry

Journal Help for this window

Display in GST [BAS] reports as: ☐ Sale (Supply) ☒ Purchase (Acquisition) ☒ Tax Inclusive ☒ Year-End Adjustment

General Journal No.: GJ000004

Date: 30-Jun-17

Memo: Depreciation of Medical Equipment for the month

Acct No.	Name	Debit	Credit	Job	Memo	Tax
6-3000	Depreciation	\$500.00				N-T
1-8202	Acc Dep - Medical Equipment		\$500.00			N-T

Total Debit: \$500.00

Total Credit: \$500.00

Tax: \$0.00

Out of Balance: \$0.00

☒ Save as Recurring ☐ Use Recurring

Record **Cancel**

AR Record Journal Entry

Journal Help for this window

Display in GST [BAS] reports as: ☐ Sale (Supply) ☒ Purchase (Acquisition)

General Journal No.: GJ000005

Date: 30-Jun-17

Memo: Adjusting entry - Office Supplies used

☒ Tax Inclusive
☒ Year-End Adjustment

Acct No.	Name	Debit	Credit	Job	Memo	Tax
6-6000	Office Supplies Expense	\$340.00				N-T
1-5100	Office Supplies		\$340.00			N-T

Total Debit: \$340.00

Total Credit: \$340.00

Tax: \$0.00

Out of Balance: \$0.00

AR Record Journal Entry

Journal Help for this window

Display in GST [BAS] reports as: ☐ Sale (Supply) ☒ Purchase (Acquisition)

General Journal No.: GJ000006

Date: 30-Jun-17

Memo: Adjusting entry - Medical Supplies used

☒ Tax Inclusive
☒ Year-End Adjustment

Acct No.	Name	Debit	Credit	Job	Memo	Tax
6-5000	Medical Supplies Expense	\$1,918.00				N-T
1-5200	Medical Supplies		\$1,918.00			N-T

Total Debit: \$1,918.00

Total Credit: \$1,918.00

Tax: \$0.00

Out of Balance: \$0.00

END OF EXERCISE

To customise, display and print reports:

1. Go to the **Accounts** command centre and click the **Reports** button



2. The Index to Reports window is displayed (see Figure 6.2 below).

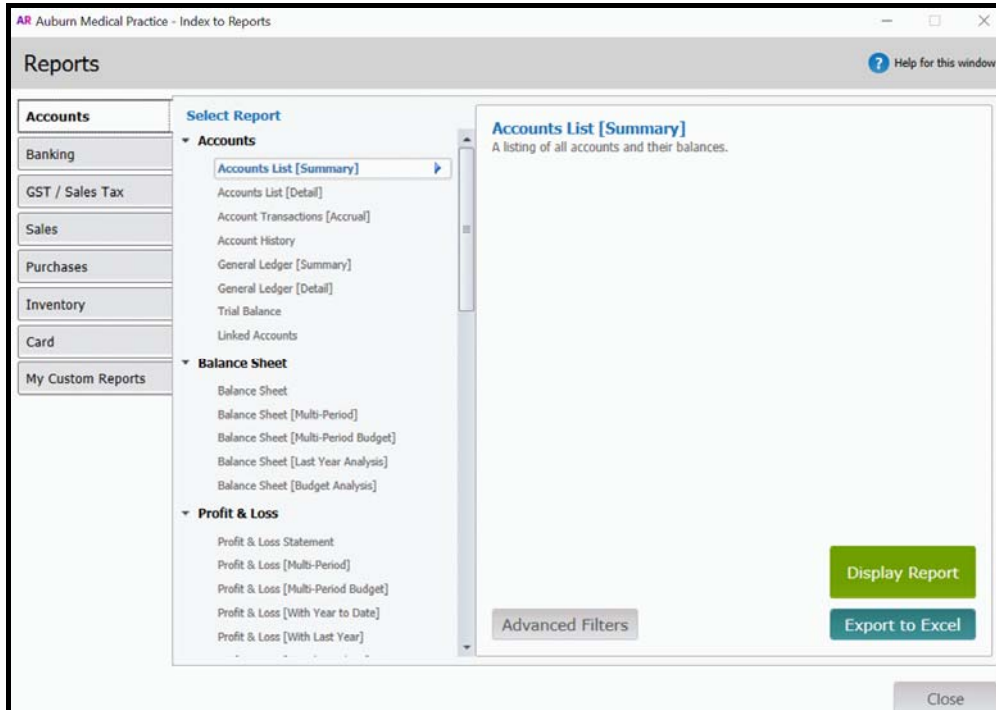


Figure 6.2 Index to Reports window

3. To customise and display the Unadjusted Trial Balance:

- Select **Trial Balance** under the Accounts sub-heading and the Filter Report window is displayed (see Figure 6.3 below).
- Change the As of field to **June**.
- In the Financial Year field, select **This Year (FY 2017)**. Your Filter Report window should match Figure 6.3 below.

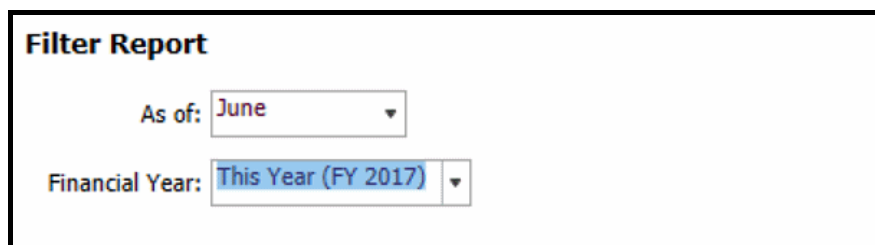


Figure 6.3 Filter Report window

- Click the **Advanced Filters** button to select more filters.

- Select the period as shown in Figure 6.4 below.

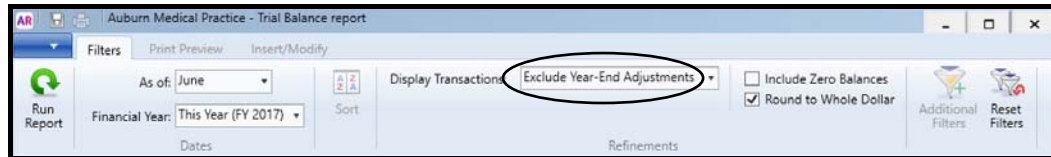


Figure 6.4 Unadjusted Trial Balance Filters tab selected

- Ensure the **Filters** tab (to sort and filter the information that appears on the report) is selected.
- In the Display Transactions field, select **Exclude Year-End Adjustments**. (see Figure 6.4 above)
- Select the checkbox (tick the checkbox) for **Round to Whole Dollar** field. Your window should match Figure 6.4 above.
- Click **Run Report** to apply the changes for the Unadjusted Trial Balance. The Unadjusted Trial Balance is displayed.
- To customise the report, select the **Insert/Modify** tab (to add or remove report fields) as shown in Figure 6.5 below.

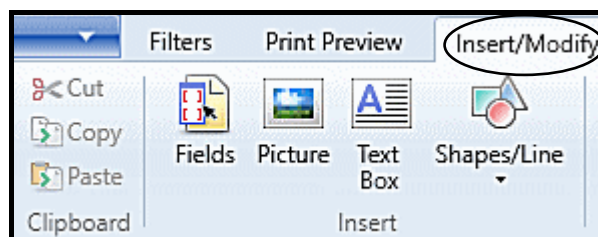


Figure 6.5 Insert/Modify tab window

- Choose the **Fields** option. Deselect the checkbox (remove the tick) for **Email Address** and **Report Creation Date** as shown in Figure 6.6 below.

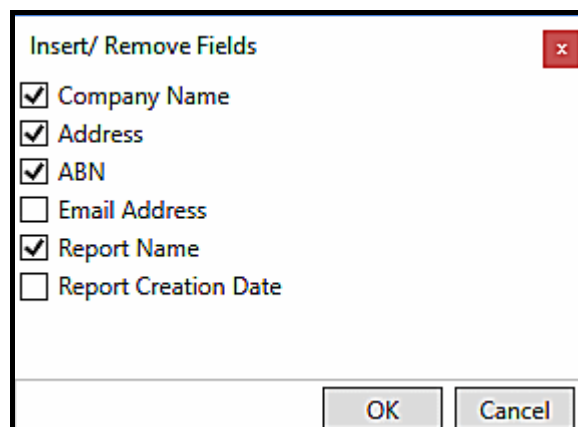


Figure 6.6 Fields option selected window

- Click **OK** to confirm the selections.

- Click on the **Print Preview** tab to see how the customised report will look like when printed. The Unadjusted Trial Balance is displayed (see Figure 6.7 below).

Trial Balance June 2017 Auburn Medical Practice 101 Auburn Road HAWTHORN VIC 3122 ABN: 72 444 555 666				
Account Name	Debit	Credit	YTD Debit	YTD Credit
NAB Cheque Account	\$22,443		\$22,443	
Accounts Receivable	\$107		\$107	
Office Supplies	\$600		\$600	
Medical Supplies	\$3,078		\$3,078	
Books on hand	\$660		\$660	
Prepaid Insurance	\$2,100		\$2,100	
Motor Vehicle at cost	\$38,500		\$38,500	
Medical Equipment at cost	\$25,000		\$25,000	
Office Equipment at cost	\$2,000		\$2,000	
Accounts Payable		\$2,200		\$2,200
GST Collected		\$24		\$24
GST Paid	\$587		\$587	
Bank Loan		\$25,000		\$25,000
Capital		\$51,000		\$51,000
Drawings	\$400		\$400	
Consultation Fee		\$13,320		\$13,320
Review Consultation Fee		\$8,190		\$8,190
Allergy Testing Fee		\$1,100		\$1,100
Healthy Living Book		\$240		\$240
Wages & Salaries Expenses	\$5,600		\$5,600	
Total:	\$101,074	\$101,074	\$101,074	\$101,074

Figure 6.7 Unadjusted Trial Balance

4. To save and print the Unadjusted Trial Balance:

- With the Unadjusted Trial Balance displayed, at the toolbar at the top of the window, click the **Save** icon . The Save report as window is displayed (see Figure 6.8 below).
- In the Name field, type **Unadjusted Trial Balance**.

Save report as

Name

Unadjusted Trial Balance

Description

For each account, displays the total debits and credits for the selected period and the

Save Under

My Reports (Custom)

Save

Cancel

Figure 6.8 Save report as window

- Click **Save** to save the Unadjusted Trial Balance as a custom report
- Click the **Print** icon  at the toolbar at the top of the window.
- In the Print window, click **Print**.
- Click the **close box**  to return to the Index to Reports window.

5. To customise and display the Adjusted Trial Balance:

- In the Index to Reports window, select Trial Balance under the Accounts sub-heading.
- Click on the **Advanced Filters** button.
- Ensure the **Filters** tab is selected.
- In the Display Transactions field, ensure **All** is selected.
- Select the checkbox (tick the checkbox) for **Round to Whole Dollar** field.
- Click **Run Report** to apply the changes for the Adjusted Trial Balance. The Adjusted Trial Balance is displayed.
- To customise the report, select the **Insert/Modify** tab (see Figure 6.9 below).

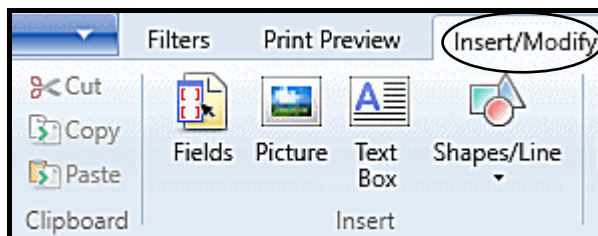


Figure 6.9 Insert/Modify tab window

- Choose the **Fields** option. Deselect the checkbox (remove the tick) for **Email Address** and **Report Creation Date** as shown in Figure 6.10 below.

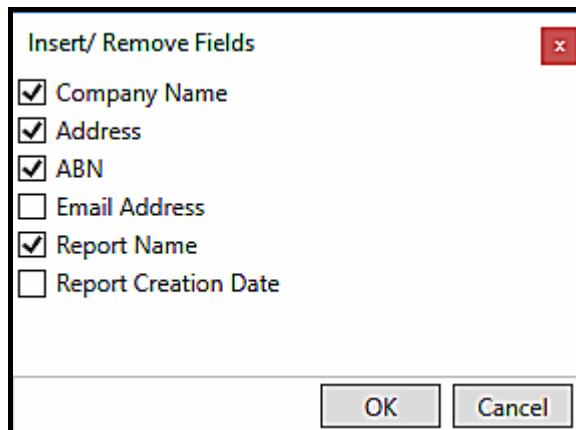


Figure 6.10 Fields option selected window

- Click **OK** to confirm the selections.
- Click on the **Print Preview** tab to see how the customised report will look like when printed. The Adjusted Trial Balance is displayed (see Figure 6.11 on the next page).

Auburn Medical Practice 101 Auburn Road HAWTHORN VIC 3122 ABN: 72 444 555 666 Trial Balance June 2017				
Account Name	Debit	Credit	YTD Debit	YTD Credit
NAB Cheque Account	\$22,443		\$22,443	
Accounts Receivable	\$107		\$107	
Office Supplies	\$260		\$260	
Medical Supplies	\$1,160		\$1,160	
Books on hand	\$660		\$660	
Prepaid Insurance	\$1,925		\$1,925	
Motor Vehicle at cost	\$38,500		\$38,500	
Acc Dep - Motor Vehicle		\$550		\$550
Medical Equipment at cost	\$25,000		\$25,000	
Acc Dep - Medical Equipment		\$500		\$500
Office Equipment at cost	\$2,000		\$2,000	
Accounts Payable		\$2,200		\$2,200
GST Collected		\$24		\$24
GST Paid	\$587		\$587	
Bank Loan		\$25,000		\$25,000
Capital		\$51,000		\$51,000
Drawings	\$400		\$400	
Consultation Fee		\$13,320		\$13,320
Review Consultation Fee		\$8,190		\$8,190
Allergy Testing Fee		\$1,100		\$1,100
Healthy Living Book		\$240		\$240
Wages & Salaries Expenses	\$5,600		\$5,600	
Depreciation	\$1,050		\$1,050	
Insurance	\$175		\$175	
Medical Supplies Expense	\$1,918		\$1,918	
Office Supplies Expense	\$340		\$340	
Total:	\$102,124	\$102,124	\$102,124	\$102,124

Figure 6.11 Adjusted Trial Balance

6. To save and print the Adjusted Trial Balance:

- Click the **Save** icon  at the toolbar at the top of the window. The Save report as window is displayed (see Figure 6.12 below).
- In the Name field, type **Adjusted Trial Balance**

Save report as

Name
Adjusted Trial Balance

Description
For each account, displays the total debits and credits for the selected period and the

Save Under
My Reports (Custom)

Save
Cancel

Figure 6.12 Save report as window

- Click **Save** to save the Adjusted Trial Balance as a custom report
- Click the **Print** icon  at the toolbar at the top of the window.
- In the Print window, click **Print**.
- Click the **close box**  to return to the Index to Reports window.

7. To customise, display and print the Income Statement:

- In the Index to Reports window, select **Profit & Loss Statement** under the Profit & Loss sub-heading.
- In the Filter Report window, select **1 June 2017** in the Dated From field and **30 June 2017** in the To field.
- In the Financial Year field, select **This Year (FY 2017)**.
- Click the **Advanced Filters** button.
- Select the period as shown in Figure 6.12 below.



Figure 6.12 Income Statement reporting period

- Ensure in the Report Level field, **Level 4** is selected and in the Display Transactions field, **All** is selected as shown in Figure 6.12 above.
- Click **Run Reports** to apply the changes to the Profit & Loss Statement. The Profit & Loss Statement is displayed.
- Click the **Insert/Modify** tab then **Fields** button to add or remove report fields. The Insert/Remove Fields window is displayed.
- Deselect the checkbox (remove the tick) for **Email Address** and **Report Creation Date** as shown in Figure 6.13 below.

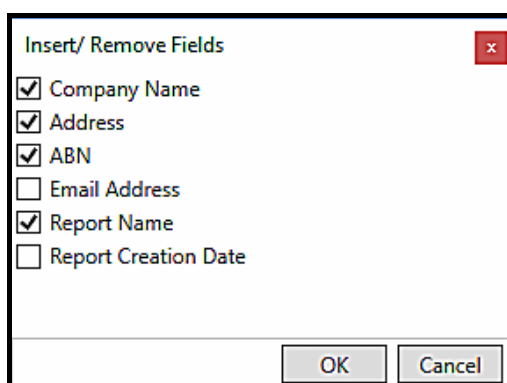


Figure 6.13 Insert/Remove Fields selected

- Click **OK** to confirm the selections.
- Click on the **Print Preview** tab to see how the customised report will look like when printed. The Profit and Loss Statement (also known as the Income Statement) is displayed (see Figure 6.14 on the next page).

Profit & Loss Statement		Auburn Medical Practice
June 2017		101 Auburn Road
		HAWTHORN VIC 3122
		ABN: 72 444 555 666
Income		
Consultation Fee	\$13,320	
Review Consultation Fee	\$8,190	
Allergy Testing Fee	\$1,100	
Healthy Living Book	\$240	
Total Income		\$22,850
Gross Profit		\$22,850
Expenses		
Wages & Salaries Expenses	\$5,600	
Depreciation	\$1,050	
Insurance	\$175	
Medical Supplies Expense	\$1,918	
Office Supplies Expense	\$340	
Total Expenses		\$9,083
Operating Profit		\$13,767
Net Profit/(Loss)		\$13,767

Figure 6.14 Income Statement for the month ended 30 June 2017

- Click the **Print** icon  at the toolbar at the top of the window.
- In the Print window, click **Print**.
- Click the **close box**  to return to the Index to Reports window.

8. To customise, display and print the Balance Sheet:

- In the Index to Reports window, select **Balance Sheet** under the Balance Sheet sub-heading.
- Click the **Advanced Filters** button.
- Select the period shown in Figure 6.15 below.

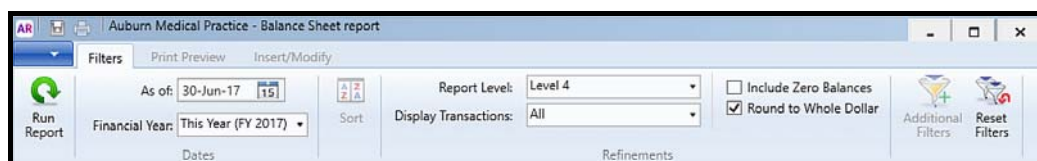


Figure 6.15 Balance Sheet reporting period

- Click **Run Reports** to apply the changes to the Balance Sheet. The Balance Sheet is displayed.
- Click the **Insert/Modify** tab and select **Fields** button to add or remove report fields. The Insert/Remove Fields window is displayed.
- Deselect the checkbox (remove the tick) for **Email Address** and **Report Creation Date**.
- Click **OK** to confirm the selections.

- Click on the **Print Preview** tab to see how the customised report will look like when printed. The Balance Sheet is displayed (see Figure 6.16 below).

Balance Sheet		Auburn Medical Practice
As of June 2017		101 Auburn Road
		HAWTHORN VIC 3122
		ABN: 72 444 555 666
Assets		
Current Assets		
NAB Cheque Account		\$22,443
Accounts Receivable		\$107
Office Supplies		\$260
Medical Supplies		\$1,160
Books on hand		\$660
Prepaid Insurance		\$1,925
Total Current Assets		\$26,554
Non-Current Assets		
Motor Vehicle		
Motor Vehicle at cost	\$38,500	
Acc Dep - Motor Vehicle	(\$550)	
Total Motor Vehicle		\$37,950
Medical Equipment		
Medical Equipment at cost	\$25,000	
Acc Dep - Medical Equipment	(\$500)	
Total Medical Equipment		\$24,500
Office Equipment		
Office Equipment at cost	\$2,000	
Total Office Equipment		\$2,000
Total Non-Current Assets		\$64,450
Total Assets		\$91,004
Liabilities		
Current Liabilities		
Accounts Payable		\$2,200
GST Collected		\$24

Figure 6.16 Balance Sheet extract

- Click the **Print** icon  at the toolbar at the top of the window.
- In the Print window, click **Print**.
- Click the **close box**  to return to the Index to Reports window.
- Click **Close** to return to the Accounts Command Centre window.

9. To close MYOB AccountRight

- Go to the **File** menu and choose **Exit**. The Backup warning window is displayed.
- Click **No**.