Journal Preparation

Last Modified on 12/06/2024 9:15 am AEST

The instructions in this article relate to **Journal Preparation.** The icon may be located on your *StrataMax Desktop* or found using the *StrataMax Search* for both StrataMax and GLMax.

Using **Journal Preparation** ensures that your journals balance and that you have a clear audit trail and offers a simple method of entering debits and credits in one journal set. An archived record is available for all journals done through **Journal Preparation** along with the 'Reason', 'Description', 'User Name' and the 'Date' posted. Note that each journal entry will be allocated a reference number, which will assist in keeping a clear audit trail. This number will appear in the general ledger's 'Extra Details' column.

Creating journals maximises multi-window functionality, and any newly created or added accounts that are added via **Account Maintenance** will be available to use whilst also having **Journal Preparation** and processing.

If there are journal entries that are posted to the general ledger and require a description change, this can be done via **Local Transactions**.

To view the **Journal Preparation** video, including alternative options, click here.

Adding a Journal Set

004/005/ 401/402 entries are systematically updated when creating a set therefore posting to these account will cause issues.

When posting a journal between two balance sheet accounts in Journal Preparation, the Transaction Fund Breakup will be created with the fund set to the first fund (usually Administrative). If entering journals to an investment account or other adjustments which require a different fund, this can be adjusted by setting the relevant fund in the field titled *Fund*. Profit and Loss accounts will automatically display the fund required as the fund associated to the account code. For example 101 will default to Administrative Fund. Assigning the fund when selecting a balance sheet code will cause an error if there is a fund mismatch.

1. Click *Add Journal Set*.
2. Enter the date and reason for the journal set.
3. Tick *Auto Reverse* if applicable.
   - Auto Reverse allows reversal journals to automatically be created in the next month. The transaction

will be written to the general ledger on the first day of the following month. Auto Reverse is commonly used in the current month or old year (depending on when the building's year end is) to assist with Financial Year End adjustments for accruals and prepayments.

4. Click *Add* then select the account code.

5. Enter the amount into either the debit (DR) or credit (CR) field. If the building is registered for GST, tick *No GST* as required.

6. Select the *Fund* the transaction relates to (if not automatically chosen by the account code range selected).

7. Enter in the *Details* and *Explanation* which will report on the Transaction List.

8. Click *Add* and repeat the above steps to complete and balance the journal.

9. The *New Account Balance* is is a handy way of checking that the two sides of the journal have been entered correctly.

10. Click *Save*. Saving will allow you to return to the journal set later. The *Process* button will be available to process the transactions once the journal set balances to 0.00.

> Account balances are dependent on the style of GST selected. GST charges will not be reflected in account balance where *Gross* style is set.

> If you receive a message 'Processing failed. See error log for details', you can refer to the **Log Viewer.**

Process a Single Journal Set

Once a journal set has been entered and saved, and the balance comes back to $0.00, it can be processed. To process a single journal set, complete the following.

1. This screen will confirm 'Debits' and 'Credits' from the summary screen. This can be a simple way of identifying the balance of a singular journal set.

2. From the saved records, highlight the required journal set and from the 'Status' column click on the 'Single Process' (blue arrow) button.
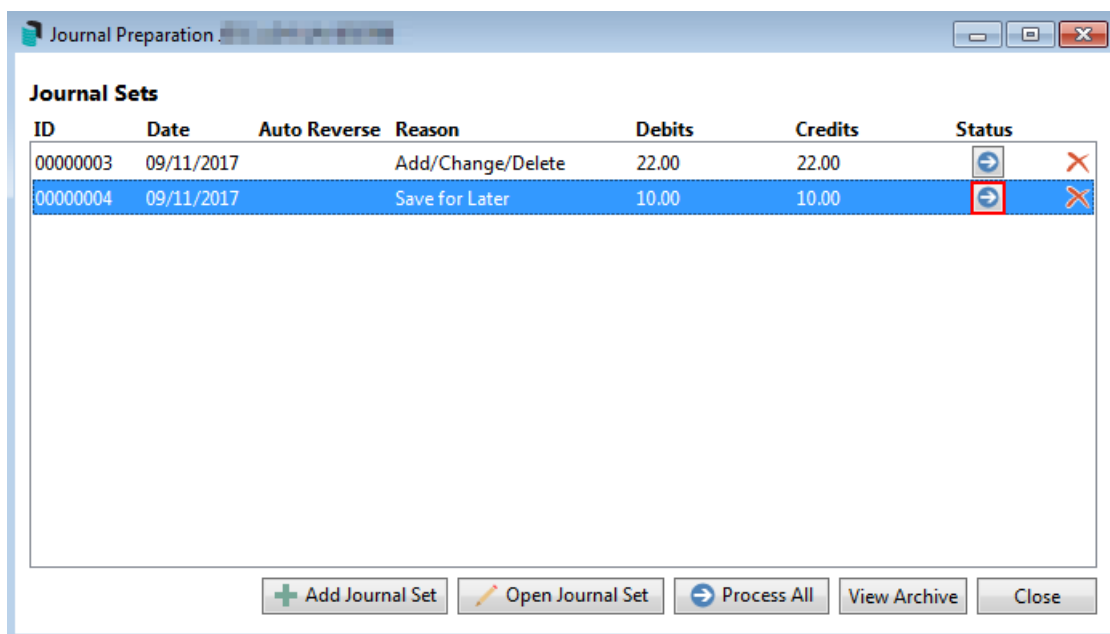

3. To check the entries, click *View Archive* if required or in **Transaction Entry >** *Options* menu >*Transaction History* to confirm the posted transactions.

> If you receive a message 'Processing failed. See error log for details', which is referring to the **Log Viewer**.

Process All Journal Sets

If there are multiple journal sets available for processing and all entries have been reviewed and ready for processing, this is available to be completed with one action.

1. This screen will confirm 'Debits' and 'Credits' from the summary screen and can provide a simple checkpoint if the journal sets are ready for processing. If they have been checked and ready to process, from this window click *Process All*.
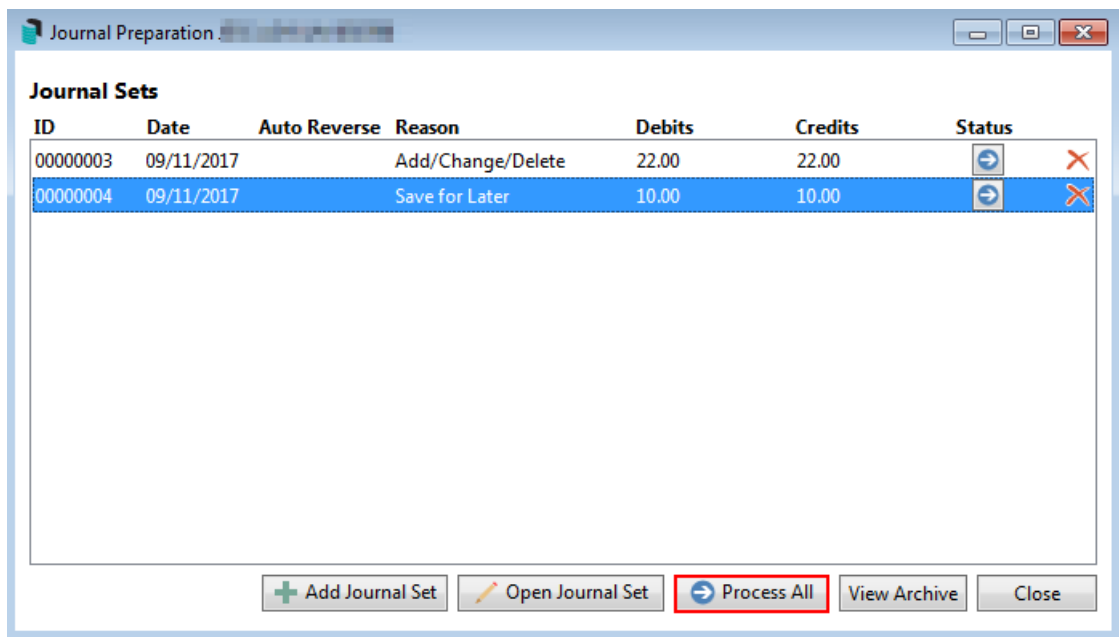
Edit a Journal Set

Any journal set that has been saved but not yet processed can be opened and edited as necessary. However, if the journal set has already been processed, and you later find that it was incorrect (wrong description, not the right GST setting, wrong amount, etc.), then you will need to process another journal set to undo the transactions of the previous journal set first, then process a new journal set with the correct details. Once opened the journals can be added, edited or deleted.

1. From the existing saved journals, click *Open Journal Set*.
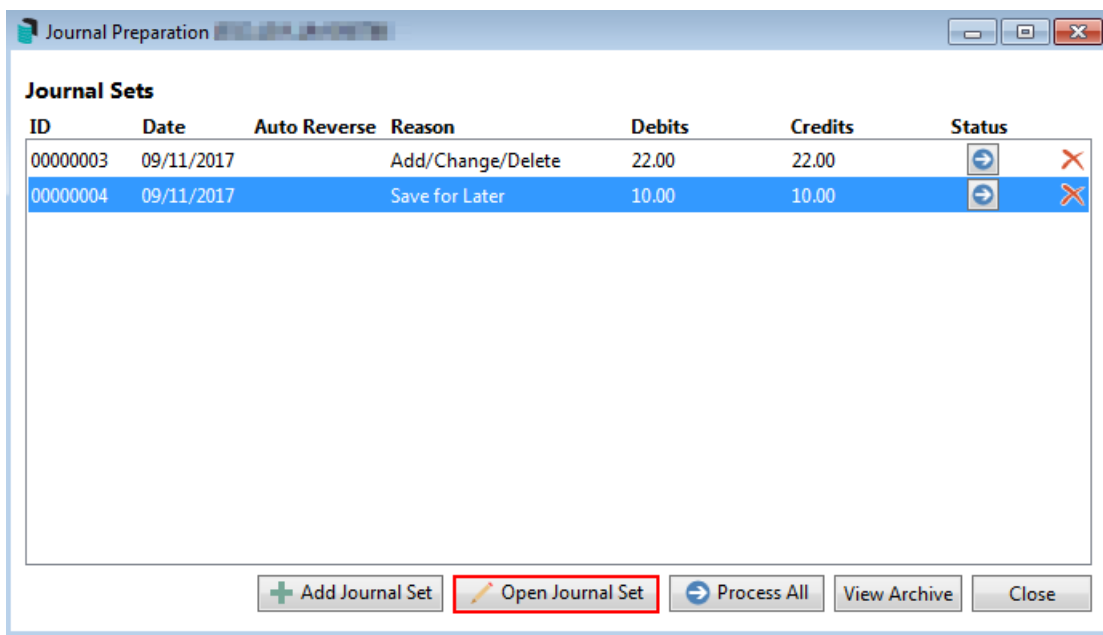
2. Click *Add* to add to the existing journals, or select a transaction and click the red cross to delete an entry or highlight an existing entry to edit and amend the information as needed.

3. Repeat as necessary.

4. Once the journal set balances to $0.00 the journal set will be available for processing by clicking *Process*. Alternatively, the journal set can be re-saved with *Save* or *Print* to print a copy of the journal set.

Deleting a Journal

If the journal set is no longer required or needs to be deleted, this can be managed by Journal Set or by single entry items. The below information will detail both methods.

Delete a Journal Set

1. From the summary screen, highlight the required journal set and click *Delete* (red cross button).

Delete a single journal entry

1. Open the required Journal Set from the summary window, by highlighting and clicking *Open Journal Set*.
2. From the entries, review and highlight the entry that requires removing and click *Delete* (red cross button).
3. Based on the requirement for deleting the entry, re-enter as required.
4. Click *Save* to save the entry for later or *Process* if the journal set balance comes to $0.00.
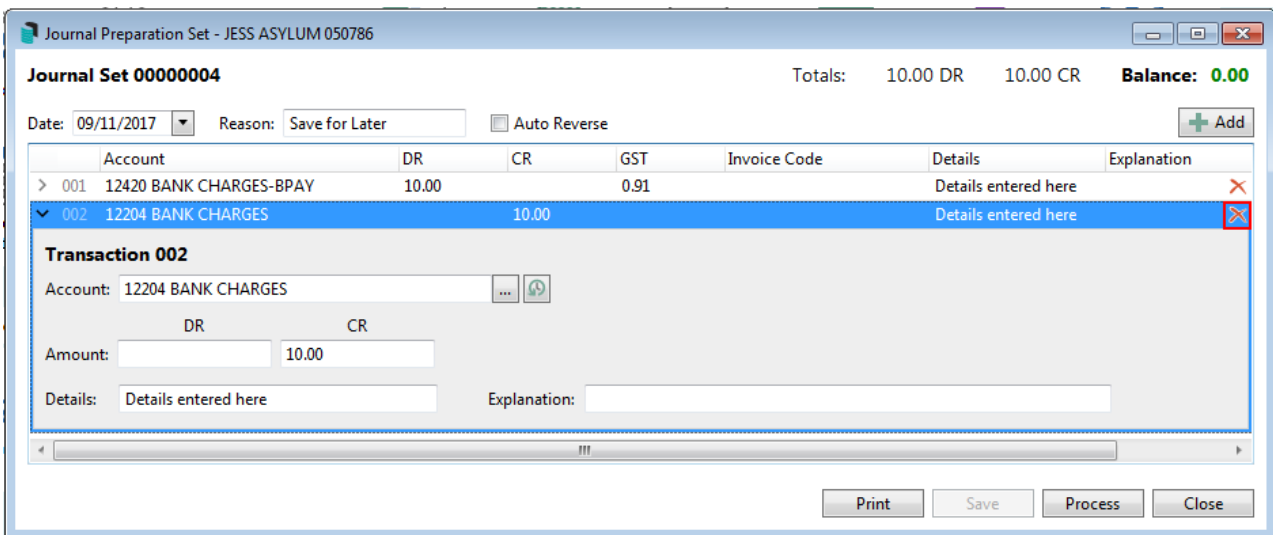
View Archive

Using Journal Preparation allows for archives of each set to be available via this area. The archive will include columns of information confirming the posted entries and details relating to the 'Journal ID', Item Number, Reason, Date, Account Code, Account Description, Debit and Credit details, GST, Transaction Details, Auto Reverse, Date Posted and User Name information. The archive window will give all sets of transactions and these can be printed off in selected batches or all entries depending on requirements.

1. From the summary screen, select *View Archive*.
2. Using the tag column, tag the required entries by selecting or Ctrl +A to tag all.

3. Click *Print Selections*. From the 'Print' window, ensure output method is set correctly. If required, select 'Excel' to export or 'Screen' for a PDF version.
4. Click *OK* to report the archive.

Auto Reverse entries

Using Journal Preparation, the Auto Reverse function can assist from time to time with recording transactions in the year that they apply to. For example, an accrual entry will expend an item in the old year, and a prepayment will remove the expense from the old year. Managing Insurance Premiums is a common process that can also be done using the Pro-Rata option in Creditor Invoices. The other common type is referred with accrued income

which will assist in creating transactions for forecasted income not yet received, and belongs to the prior year.

The end result of these entries will include an entry to the income or expense account (most common) with the opposite entry sitting on the balance sheet for either the prepayment or accrual. It will also create the opposite entry in the current year and post the opposing entries to the same account codes used.

Accrual

1. Search or select **Journal Preparation** from the Old Year.
2. Click *Add Journal Set*.
3. Enter the *Date* (old year date) and *Reason* and select *Auto Reverse*.
4. Click *Add* and select the *Account* from the list. Enter the *Amount* into the debit (DR) column to adjust the balance.

   Recommended to select the expense item and enter a debit entry first. Check the New Account Balance field to ensure the balance is correct.

Journal Set 00000008				Totals:	325.00 DR	325.00 CR	**Balance: 0.00**	
Date: 31/05/2022 ▾ Reason: Accrual		☑ Auto Reverse						✚ Add
Account	DR	CR	GST	Invoice Code	Fund		Details	E:
˅								✖
Transaction 001								
Account: 22215 AIR CONDITIONING SYSTEMS	... ⟲			Fund:	SINKING FUND	▾		
DR	CR							
Amount: 325.00		☑ No GST New Account Balance: 325.00						
Details: Invoice 20/04/22		Explanation: Paid current year						
› 002 083 ACCRUALS		325.00					Invoice 20/04/22	✖

5. Enter some *Details* for the transaction list and an *Explanation* if desired.
6. Click *Add* again to add the balance sheet entry. Enter the opposite entry.

   Recommended for a liability account.
7. If there are multiple entries required, click *Add* to repeat and select/ enter the required field information.
8. Click *Save* and click in the large white box area to activate the *Process* button and click.
9. Click *Close,* then *Close* to exit.
10. Select the Current Year and then run **Financial Statements** and tick *Post Standing Journals* and *Only* and select *Proceed*.

Report Settings

- ☐ Print Header
- ☑ Lot Balance Report   ☐ Show Nil
- ☐ Account Summary
- ☐ Insurance Details Report
- ☐ Print Building Address
- ☐ Print Variation Totals
- ☑ Split Bank Balance
- ☐ Receipt Summary
- ☐ Print Extra Reports Only
- ☐ Committee Expenditure Report
- ☐ Creditors Balance Report
- ☐ Statement of Key Financial Information

Report Name:
Management Financial Stmnts

Report Period
01/06/22 to 03/06/22

☑ UnBalanced Flag   ☑ Only   ☐ Draft
☐ Save Settings as Default
☑ Post Standing Journals

☐ Preview
Proceed
Footnotes Setup
Edit Columns
Edit Header
Change Building
Close

Example:

Code	Description	Actual 03/06/2022	Actual 31/05/2022
003	**OWNERS FUNDS**	0.00	0.00
004	Administrative Fund	-79,046.49	-38,703.76
005	Sinking Fund	-115,108.52	-96,837.34
0098	**TOTAL**	**$ -194,155.01**	**$ -135,541.10**
0099	**THESE FUNDS ARE REPRESENTED BY**	0.00	0.00
010	**CURRENT ASSETS**	0.00	0.00
01300	Bank Balance Admin Fund	45,968.99	45,968.99
01400	Bank Balance Sinking Fund	93,291.29	93,291.29
01401	Investment A/C Sinking Fund	100,000.00	100,000.00
0220001	Levies Billed Not Due	0.00	64,117.80
0221	Levies In Arrears	61,484.80	0.00
0598	**TOTAL ASSETS**	**300,745.08**	**303,378.08**
0599	**LIABILITIES**	0.00	0.00
061000	Gst Clearing Account	1,333.65	1,333.65
061004	Gst Conversion Account	3,005.26	3,005.26
082	Creditors	-110,929.00	-110,929.00
083	Accruals	0.00	-325.00
0960001	Levies Billed Not Due	0.00	-58,288.91
0960002	Levies - Prepayments	0.02	0.02
0961	Levies In Advance	0.00	-2,633.00
098	**TOTAL LIABILITIES**	**-106,590.07**	**-167,836.98**
099	**NET ASSETS**	**$ 194,155.01**	**$ 135,541.10**

Code	Description	Actual 01/06/22-03/06/22	Actual 01/06/21-31/05/22	Budget 01/06/22-03/06/22
200	**SINKING FUND**	0.00	0.00	0.00
2000	**INCOME**	0.00	0.00	0.00
201	Levies - Sinking Fund	-17,946.18	-71,999.94	0.00
2011	Discount - Sinking Fund	0.00	13,886.63	0.00
2191	**TOTAL SINKING FUND INCOME**	**-17,946.18**	**-58,113.31**	**0.00**
220	**EXPENDITURE - SINKING FUND**			
22215	Air Conditioning Systems	-325.00	325.00	0.00
23010	Building Repairs	0.00	967.28	0.00
23330	Consultant - Sinking Forecast	0.00	376.09	0.00
23630	Furniture & Fittings	0.00	1,007.64	0.00
24807	Lift - Replace	0.00	145,400.00	0.00
25110	Minor Building Maintenance	0.00	341.82	0.00
25975	Pool - Pumps/Chlorinators	0.00	489.00	0.00
289	**TOTAL SINK. FUND EXPENDITURE**	**-325.00**	**148,906.83**	**0.00**
290	**SURPLUS / DEFICIT**	$ -18,271.18	$ 90,793.52	$ 0.00
295	Opening Sinking Fund Balance	-96,837.34	-187,630.86	0.00
299	**SINKING FUND BALANCE**	$ -115,108.52	$ -96,837.34	$ 0.00

Prepayment

1. Search or select **Journal Preparation** from the Old Year.
2. Click *Add Journal Set*.
3. Enter the *Date* (old year date) and *Reason* and select *Auto Reverse.*
4. Click *Add* and select the *Account* from the list. Enter the *Amount* into the credit (CR) column to adjust the balance.

   Recommended to select the expense item and enter a credit entry first. Check the New Account Balance field to ensure the balance is correct.

5. Enter some *Details* for the transaction list and an *Explanation* if desired.
6. Click *Add* again to add the balance sheet entry. Enter the opposite entry.

   Recommended for an asset account.

7. If there are multiple entries required, click *Add* to repeat and select/ enter the required field information.

8. Click *Save* and click in the large white box area to activate the *Process* button and click.

9. Click *Close,* then *Close* to exit.

10. Select the Current Year and then run ***Financial Statements*** and tick *Post Standing Journals* and *Only* and select *Proceed*.

Example:

Code	Description		Actual 03/06/2022	Actual 31/05/2022
003	**OWNERS FUNDS**			
004	Administrative Fund		-79,046.49	-38,703.76
005	Sinking Fund		-115,108.52	-96,962.34
0098	**TOTAL**	$	**-194,155.01** $	**-135,666.10**
0099	**THESE FUNDS ARE REPRESENTED BY**			
010	**CURRENT ASSETS**			
01300	Bank Balance Admin Fund		45,968.99	45,968.99
01400	Bank Balance Sinking Fund		93,291.29	93,291.29
01401	Investment A/C Sinking Fund		100,000.00	100,000.00
0178	Prepayment		0.00	125.00
0220001	Levies Billed Not Due		0.00	64,117.80
0221	Levies In Arrears		61,484.80	0.00
0598	**TOTAL ASSETS**		**300,745.08**	**303,503.08**
0599	**LIABILITIES**			
061000	Gst Clearing Account		1,333.65	1,333.65
061004	Gst Conversion Account		3,005.26	3,005.26
082	Creditors		-110,929.00	-110,929.00
083	Accruals		0.00	-325.00
0960001	Levies Billed Not Due		0.00	-58,288.91
0960002	Levies - Prepayments		0.02	0.02
0961	Levies In Advance		0.00	-2,633.00
098	**TOTAL LIABILITIES**		**-106,590.07**	**-167,836.98**
099	**NET ASSETS**	$	**194,155.01** $	**135,666.10**

Code	Description	Actual 01/06/22-03/06/22	Actual 01/06/21-31/05/22	Budget 01/06/22-03/06/22
200	**SINKING FUND**			
2000	**INCOME**			
201	Levies - Sinking Fund	-17,946.18	-71,999.94	0.00
2011	Discount - Sinking Fund	0.00	13,886.63	0.00
2191	**TOTAL SINKING FUND INCOME**	**-17,946.18**	**-58,113.31**	**0.00**
220	**EXPENDITURE - SINKING FUND**			
22215	Air Conditioning Systems	-325.00	325.00	0.00
223135	Carport Maintenance	125.00	-125.00	0.00
23010	Building Repairs	0.00	967.28	0.00
23330	Consultant - Sinking Forecast	0.00	376.09	0.00
23630	Furniture & Fittings	0.00	1,007.64	0.00
24807	Lift - Replace	0.00	145,400.00	0.00
25110	Minor Building Maintenance	0.00	341.82	0.00
25975	Pool - Pumps/Chlorinators	0.00	489.00	0.00
289	**TOTAL SINK. FUND EXPENDITURE**	**-200.00**	**148,781.83**	**0.00**
290	**SURPLUS / DEFICIT**	**$ -18,146.18**	**$ 90,668.52**	**$ 0.00**
295	Opening Sinking Fund Balance	-96,962.34	-187,630.86	0.00
299	**SINKING FUND BALANCE**	**$ -115,108.52**	**$ -96,962.34**	**$ 0.00**