

Setting Up the software and Entering Opening Balances

Introduction

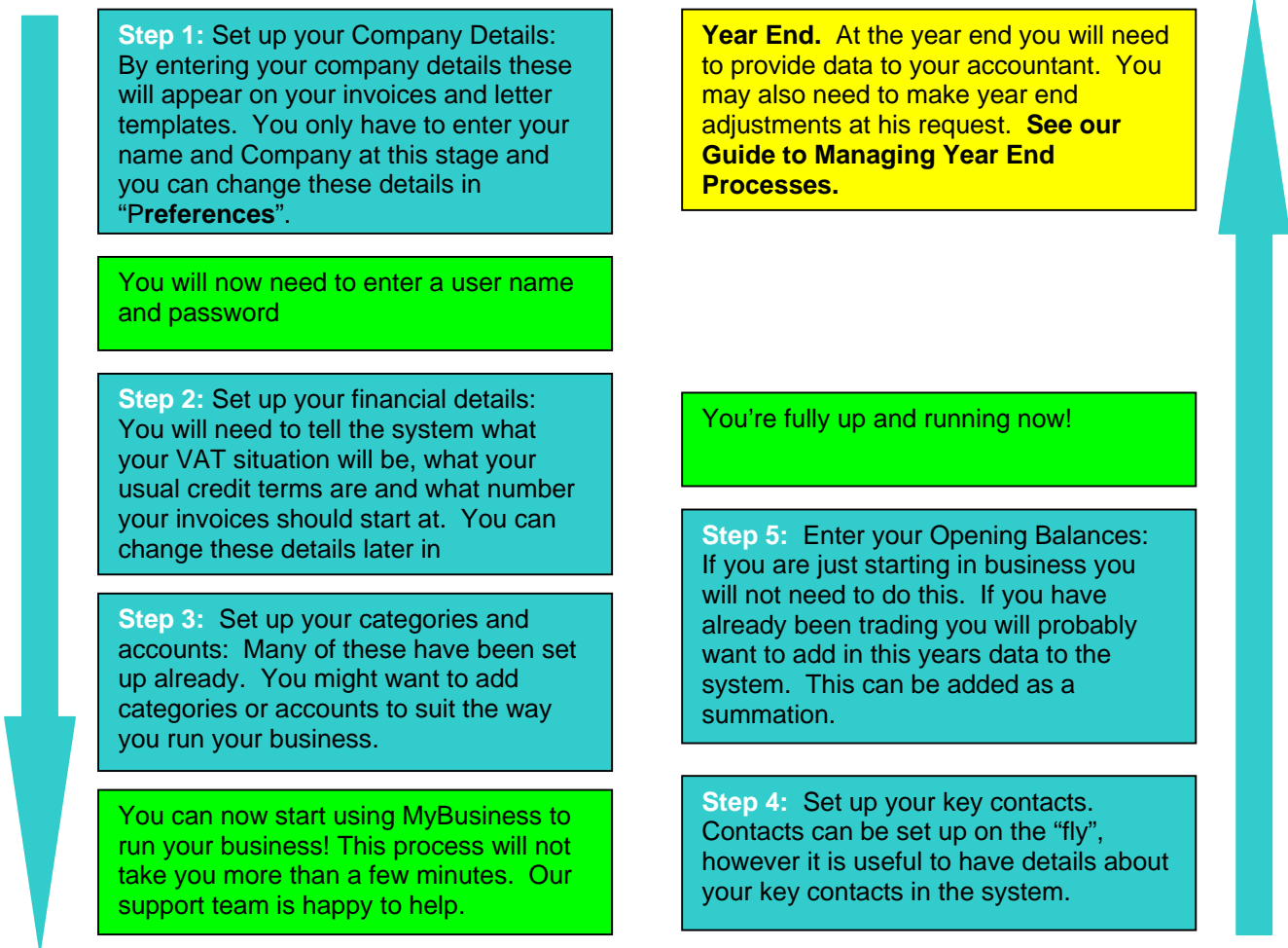
MyBusiness is exceptionally easy to set up and use. The software is designed to be flexible enough to suit the way you work, and it is also designed to avoid accounting complexities and terms. You can for instance set up the categories, which suit your own business methods.

This guide will take you through the simple steps for getting set up with the software (select the item to be taken to that section)

- The simple steps for getting ready with MyBusiness
- Making changes and amendments
- Entering Opening Balances
- Viewing the Trial Balance after entering Opening Balances

5 simple steps to setting up MyBusiness

There is very little information, which you have to enter before you get started. Outlined below is a chart of the key getting started activities – but note that you do not have to make all of these steps on day one. You can use many of the MyBusiness functions “on the fly”. Note with MyBusiness you can change any details whenever you want by going to “**Preferences**”. More details on each of these areas are outlined later.



Before you start

You may want to discuss with your accountant how you want to manage your business finances, for instance: will you be VAT registered, what VAT scheme should you operate (Cash, Standard or Flat Rate) and what should your credit terms be (what is usual for your industry). If you are VAT registered you will need your VAT registration number. It will also be useful to have information handy which you will want to appear on your letterhead, such as email address and Company Registration number.

When you install the software you have the choice of running the demo or the main application. If you choose the main application you will need to enter your serial number. You can access the demo version at any time later.

Step 1: Set up your company details.

Enter your company details. You only have to enter basic name and company name, but remember that the information you enter here such as address, telephone number, email etc... is the information you can select to appear on your invoice and letter templates.

You can change these details at any time in the future by going to Home Page, Preferences.

Now set up your user name and password and your license period will be entered.

Step 2: Set up your financial details.

You need to tell the system whether you will be VAT registered and what number you want your invoices to start from as you may have already raised invoices manually or in a previous system.

The credit terms you put in will dictate when the system reminds you that invoices are overdue.

Step 3: Set up Categories and Accounts.

- **Categories: Books Main Menu, Income and Expense Categories.**

This software will not only help you manage your accounts and finances, but it can also help you understand your business better. One of the big advantages is that you can set up Income and Expense subcategories, which suit the way you run your business. The main categories have already been set up and these reflect the self-assessment tax categories.

You should set up income and expense subcategories, which reflect the way that you want to track and measure your business. For instance, if you sell Magazines, Books and Drinks, you might want Income categories for each of these categories so that you can track the income and profitability of each. In the same way you need to set up Expense Categories, which reflect your business, and how you want to track expenses. It is worth spending a little while considering your business before entering data, although of course you can make amendments later.

For data you do not want to appear in your profit and loss, use the "Other" categories.

If you wish, you can link categories and subcategories to Sage Accounts Preparation to assist final accounts production at year-end. Ask you accountant for advice. Or leave it set to "None".

The three types of category you can use are:

- **Income:** All of your income can be placed in these categories. These will appear in your profit and loss.
- **Expenses:** All of your business expenses can be allocated to these categories. These will appear in your profit and loss.
- **Other:** Items allocated to this category will appear in the Trial Balance but will **not** appear in the Profit and Loss. This makes it an ideal category group for items such as VAT payments, CIS4, Capital Introduced, etc.
- **Accounts: Books Main Menu, My Accounts**

Accounts are like virtual bank accounts. They can be used to track actual cash movements from your cashbook, usually in a Business Current Account. Or they can be used to track activities such as accruals, prepayments, or Opening Balances (an account called Take One has been created for this purpose).

They are very easy to set up and you can choose any name you wish. You can change the details at any time later.

The only detail you need to enter when creating or amending an account is the account name. You can change this at any stage.

Status	Name	Number	Current Balance	Reconciled Balance	
Open	Business Current Account 1		0.00	0.00	Tx...
Closed	Business Current Account 2		0.00	0.00	Tx...
Open	Petty Cash		0.00	0.00	Tx...
Closed	Business Expenses 1		0.00	0.00	Tx...
Closed	Business Expenses 2		0.00	0.00	Tx...
Closed	Business Expenses 3		0.00	0.00	Tx...
Closed	Accruals and Prepayments		0.00	0.00	Tx...
Closed	Credit Card 1		0.00	0.00	Tx...
Open	Capital		0.00	0.00	Tx...
Open	Take On		0.00	0.00	Tx...
Total:			0.00	0.00	

To use an account it needs to be set to **Open**. Select the account above to change its settings. Select **Tx** to view any transactions in that account.

For items such as opening balances use the **Take On** account.

Accounts need to be set to "Open" before you can add transactions or data to them.

Accounts can be used to track information such as accruals and VAT payments, see Guide to Accruals.

Remember that these accounts are virtual accounts and so the transactions will need to be checked against

your monthly bank statements and reconciled.

Name of the account:

Financial Institution:

Account number:

Sort code:

Account is:

Account Preparation Code:

Comments:

Please note: Deleting this account will only be possible if there are no associated transactions.

Save Delete

Id	Reconciled	Date	Reference	Payee	Description	Money In	Money Out	Balance
3	No	10/05/2005	Cashbook	Supplier Ltd	Fuel for April	150.00	50.00	100.00
1	No	10/05/2005	Sales	Cash Customer	Magazine sales			150.00

Account: Business Current A Date: May 10 2005

Reference: Sales Job: Cash Customer

Description: Magazine sales

Reconciled

Description	Category	VAT Code	VAT	Net Amount	Total
Magazine sales	Magazines	Standard	22.34	127.66	150.00
Sub Total				127.66	
VAT Total				22.34	
Total					150.00

Importing Opening Balances in MyBusiness

Note with MyBusiness you can enter Opening Balances at any stage prior to your current year end. You do not have to enter these balances before you can use the product to run your business and manage your current year finances. The process should not usually take more than 30 minutes.

- **When would I want to import Opening Balances?**

There are occasions when you might wish to import accounting data and Opening Balances into MyBusiness software.

1. When you transfer your data from another accounting package
2. When you first start using an accounting package

If there is not much previous data you might be happy to key in all of the previous transactions, but it's more likely that you will just want to import the summary balances or Opening Balances which relate to your year end accounts.

You might be entering these Opening Balances at the following times:

1. At the start of a financial year: In which case simply follow the steps as per the example below.
2. During a financial year. Either follow the steps below, or enter the last year's closing balances first, and then the summation of the current year's trading in the same way.

- **Where to find the right information:**

The information you will need will probably be provided by your accountant. This will include your year end balances from your last year accounts and, as in the example which follows, you might need a record or summary of your transactions for the current year.

Opening Balance Example:

This process is very easy to achieve in MyBusiness. Outlined below is an example of a business entering Opening Balances at March 1st 2005. This example assumes that the opening balances relate to all activities prior to March 1st 2005 and so include last year's data as well. If you want to enter the previous year-end data first, follow the same process but the last day of the previous year as your date of entry (in this case 31 Dec 2005). Both approaches will provide accurate information for the 2005 year-end accounts as long as the dates entered are correct.

How do I enter the following Opening Balances?

The Opening Balances we are going to enter are the following:
(Select a category to see how to enter that balance)

1. CASH:	Opening Cash at March 1 st 2005	£250.00
2. ASSETS:	Fixed Assets at March 1 st 2005	£200.00
3. STOCK:	Stock at March 1 st 2005	
4. VAT:	VAT owing to HMCE at March 1 st 2005	£ 65.00
5. CREDITORS:	Creditors at March 1 st 2005	£ 20.00
6. DEBTORS:	Debtors at March 1 st 2005	£300.00
7. CAPITAL INTRODUCED:	Capital Introduced to March 1 st 2005	£200.00
8. RETAINED PROFIT:	Retained Profit up to end 2004	£1700.00
9. SALES:	Sales for January / February 2005	£350.00
10. COST OF SALES:	Cost of Sales for January / February 2005	£130.00
11. EXPENSES:	Expenses for January / February 2005	£700.00

Note: You may need to set the Take On account to "Open" (go to My Accounts and select Take On) and create contacts called "Dummy Supplier" and "Dummy Customer". If you are not VAT registered you can ignore references to VAT.

1. Opening Balance: Cash

Go to Books / Receive Cash into an Account. Use Expert Wizard.

Use references and descriptions such as: "Opening Balance Cash" or "Cash at March 1 2005"

Add an Item.

Select Category: Opening Balance (Suspense)

Select VAT: "None" (if you are VAT registered)

Enter Amount: £250

Select Account: Business (or whichever account you use as your main business account)

Select Date: March 1st 2005

2. Opening Balance: Fixed Assets. This will require a simple 2-step approach. Example £200

Go to Books / Pay Cash Out. Use Expert Wizard. Use descriptions and references, which immediately help you, remember what is in the details.

- Step 1. Add an Item
- Select Category: Assets
- Select VAT: "None"
- Enter Amount: £200

- Step 2. Add another item
- Select Category: Opening Balance (Suspense)
- Select VAT: "None"
- Select Amount: -£200

- Select Date: The last date of previous period March 1st 2005
- Select Account: Take On

3. Opening Balance: Stock: Stock values will need to be added into the books and the stock module. Example £1000 total value of stock.

Go to Books / Pay Cash Out. Use Expert Wizard. Use descriptions and references which help you remember what is in the details.

- Step 1. Add an Item
- Select Category: Stock
- Select VAT: "None"
- Enter Amount: £1000

- Step 2: Add another Item
- Select Category: Opening Balance (Suspense)
- Select VAT: "None"
- Select Amount: -£1000

- Select Date: March 1st 2005
- Select Account: Take On

Now you need to add this opening stock value to your stock module. You can either add this as detailed items and values or enter a one off value equalling the value entered above.

Go to Books, Stock, add New Item. Once you have created an item go to Adjust on the Item details page and enter the value of your stock (£1000) and select Opening Balance (and the date it relates to which in this case is March 1st 2005). This information will be provided within the year-end Accounts Production report under Stock History.

4. Opening Balance VAT Owing is a 1-step approach. Example: £65 owing at March 1st 2005.

Go to Books / Raise a Supplier Invoice to HMCE

- Terms: 0 Days
- Select VAT: "None"
- Select Category: Opening Balance (Suspense)
- Enter Amount: £65 (enter this by typing the amount into the cost value)
- Enter Date: The last date this item relates to March 1st 2005.

Therefore in your accounts: Accounts Payable is £65 and you will have a reminder to pay this amount on the Home Page under My Money to Pay.

IMPORTANT NOTE: The automatic VAT 100 report will **not** take this £65 into account because it has been given a VAT code "None".

When this is paid this will simply be payment of the supplier invoice from Business Account.

5. Opening Balance: Creditors is a 1-step process e.g. £20

Go to Books / New Supplier Invoice

- Select Date: March 1st 2005
- Terms: 0 Days
- Select VAT: "None"
- Enter Amount: £20
- Select Category: Opening Balance (Suspense)

Therefore in your accounts,
Accounts Payable is -£20, Opening Balance changes by £20

To pay it off it is payment of invoice from your regular Business Account.

6. Opening Balance Debtors e.g. £300

Go to Books / Set up a Customer Invoice

- Select Date: March 1st 2005
- Terms: 0 Days
- Select VAT: "None"
- Enter Amount: £300
- Select Category: Opening Balance (Suspense)

Therefore in your accounts, Accounts Receivable is £300, Opening Balance changes by -£300

When you receive payment, it is a standard payment of invoice into your regular Business Account.

7. Opening Balance Capital Introduced e.g. £200. This is a 2-step process

Go to Books / Receive Cash. Use Expert Wizard.

- Step 1. Add an item
- Select Category: Capital Introduced
- Select VAT: "None"
- Enter Amount: £200

- Step 2. Add new Item
- Select Category: Opening Balance (Suspense)
- Select VAT: "None"
- Enter Amount: -£200
- Select Date: March 1st 2005
- Select Account: Take On

8. Opening Balance Sales for Jan / Feb 2005. Eg. £350 sales. This is a 2 Step process. Note: Any previous sales will be in Retained Profit.

Go to Books / Set up Receive Cash into an account.

- Step 1. Add an item
- Select Category: Business Income
- Select VAT: "None"
- Enter Amount: £350

- Step 2. Add a new Item
- Select Category: Opening Balance (Suspense)
- Select VAT: None
- Enter Amount: -£350

- Select Date: March 1st 2005
- Select Account: Take On

9. Opening Balance COS for Jan / Feb 2005. This is a 2-step process. E.g. £130. Note: Any previous COS will be in Retained Profit.

Go to Books / Set up Cash Out

- Step 1. Add an item
- Select Category: Cost of Sales
- Select VAT: "None"
- Enter Amount: £130

- Step 2. Add a new Item
- Select Category: Opening Balance (Suspense)
- Select VAT: "None"
- Enter Amount: -£130

- Select Date: March 1st 2005
- Select Account: Take On

NOTE: You will not be able to identify the stock purchases during the period from the COS report unless you separate out stock purchases and put them against COS Stock Purchases (a category which is already set up in MyBusiness. You will be able to see stock values at the date in time eg March 1st from Stock Values report.

10. Opening Balance Expenses for Jan / Feb 2005. This is a 2-step process. E.g. £700 into Administration (the cost could go into any Expense Category(s)). Note: Any previous expenses will be in Retained Profit.

Go to Books / Set up Cash Payment

- Step 1: Add an item
- Select Category: Administration
- Select VAT: None
- Enter Amount: £700

- Step 2. Add new Item
- Select Cat: Opening Balance (Suspense)
- Select VAT: None
- Enter Amount: -£700
- Select Date: March 1st 2005

- Select Account: Take On

11. Opening Balance Retained Profit for Up to Jan 2005. E.g. £1700 This is a 2-step process. Note this item must be posted prior to current Annual Accounts Period commencement.

Go to Books / Set Up Cash Receipt (if the amount is negative (a loss) this will need to be a cash payment)

Step 1. Add an item
Select Category: Business Income (or COS)
Select VAT: None
Enter Amount = £1700

Step 2. Add new item
Select Category: Opening Balance (Suspense)
Select VAT: None
Enter Amount: / Amount £-1700

Select Date: **This must be the last day of the previous annual accounting period. 31st December 2004**

Select Account: Take On

Retained Profit will only relate to previous years income and expense calculations, whilst still appearing in the Trial Balance.

Trial Balance Jan 1 2005 to Dec 31 2005 – with only the Opening Balances only inserted

Having entered all of the above in the example provided the Trial Balance Sheet produced by MyBusiness

from the Accounts Preparation report will look like this. Additional Information for the production of year-end accounts such as Stock usage and value and transaction histories can be also be found in the Accounts Production folder.

	A	B	C	D	E	F
1	Trial Balance: Period Saturday, January 1, 2005 to Saturday, December 31, 2005					
2						
3	See 'Information' TAB below for more guidance					
4						
5	Category	Subcategory	Type	Debit (£)	Credit (£)	
6	Business Income		Income		350.00	
7	Business Income-WEB		Income		0.00	
8	Proceeds on Disposal of Assets		Income		0.00	
9						
10						
11	Administration		Expense	700.00		
12	Advertising, Promotion and Customer Entertainment		Expense	0.00		
13	Advertising, Promotion and Staff Entertainment		Expense	0.00		
14	Bad Debts		Expense	0.00		
15	Construction		Expense	0.00		
16	Cost Price of Asset Disposal		Expense	0.00		
17	Cost of Sales		Expense	120.00		
18	Depreciation		Expense	0.00		
19	Direct Costs		Expense	0.00		
20	Employee Costs		Expense	0.00		
21	Employee Costs	Basic Pay	Expense	0.00		
22	Employee Costs	Employers NIC	Expense	0.00		
23	Employee Costs	Employers Pension	Expense	0.00		
24	Finance Charges		Expense	0.00		
25	Motor		Expense	0.00		
26	Other Expenses		Expense	0.00		
27	Premises Costs		Expense	0.00		
28	Professional Costs		Expense	0.00		
29	Repairs		Expense	0.00		
30	Stock Purchases		Expense	0.00		
31	Tax Paid		Expense	0.00		
32	Travel		Expense	0.00		
33						
34	Assets		Other	200.00		
35	Stock		Other	1,000.00		
36	Opening Balance (Suspense)		Other		245.00	
37	Sundry Liabilities		Other	0.00		
38	Suspense		Other	0.00		
39	Capital Introduced		Other		200.00	
40	Drawings		Other	0.00		
41	Drawings	Dividend	Other	0.00		
42	VAT Paid to HM Customs and Excise - prior period		Other	0.00		
43	VAT Paid to HM Customs and Excise - this period		Other	0.00		
44	VAT Received from HM Customs and Excise - prior period		Other		0.00	
45	VAT Received from HM Customs and Excise - this period		Other		0.00	
46						
47	Accounts Payable				85.00	
48	Accounts Receivable			300.00		
49	Business Current Account 1			250.00		
50	Take On			0.00		
51	VAT - balance for this period			0.00		
52	VAT - balance prior to this period			0.00		
53	Retained Profit / Loss (Capital Account) (£):				1,700.00	
54	Total (£):			2,580.00	2,580.00	
55	Balance (£):			0.00		
56						

A MyBusiness User Guide

Make sure you update to version 3.00 for free.
Ring 08451 20 30 40 or email support@mybiz.co.uk

For more information view the MyBusiness HELP: Accounts Production Guide or Stock Management guide.

We hope that you have found this guide useful. If you would like more information or additional guides please ring 08451 20 30 40 or visit www.mybiz.co.uk