AN ACCOUNTING SYSTEM

TECHNICAL FIELD OF THE INVENTION

THIS INVENTION relates to an accounting system for processing transactions.

BACKGROUND OF THE INVENTION

For many years, operators of small and medium enterprises (SME) have been performing manual bookkeeping work for transaction records. The books containing the transaction records are then given to the operators' accountants for preparing accounts statements and tax returns.

Recent changes in taxation law, especially the introduction of the Goods and Services Tax (GST) which requires businesses to collect GST in any transaction that attracts this tax and to submit periodic Business Activities Statements (BAS), have made manual bookkeeping tasks extremely complex. Consequently, SME operators, in general, have resorted to use a computerised accounting system to enter transaction records so that the records can be processed for generating reports for their accountants and the tax authority.

To use the computerised accounting system effectively and to produce accounts reports that are acceptable to accountants and the tax authority, the operators not only have to learn basic computer skills, but also accounting terms and procedures employed in their accounting application software and taxation liabilities appropriate for their businesses.

The application software must also be configured to suit accounting practices of individual SME operators. That means the operators must acquire the necessary knowledge in accounting practice and tax law in order to configure the application software to use the accounting procedures and tax liability options that suit their businesses.

The application software is intended for general use and employs common accounting terms for transactions. Consequently, the SME operators can no longer use the transaction item descriptions they have adopted for their manual bookkeeping system. This represents a major disadvantage for most of the SME operators who now must spend time familiarising with new accounting terms that they are unfamiliar of. Transaction entry errors often occurs when using unfamiliar terms to enter transaction records. The errors can be very difficult to trace and correct.

With the introduction of Goods and Services Tax (GST), the computerised accounting system has become more complicated for the SME operators as they must now act as collection agents for the GST. To set up the accounting system for

generating BAS, SME operators must configure the application software with appropriate tax liabilities of goods and services that attract GST and other taxes. These requirements place heavy burdens on SME operators. In addition, many of them do not have sufficient knowledge to determine which transaction items attract GST and which do not. They also do not have the necessary knowledge to allocate transactions in order to correctly report the GST, Pay As You Go (PAYG) Withholding and PAYG Installments in the BAS.

Periodically, the entered transaction records need to be reconciled with bank records. The reconciliation process is not generally understood by SME operators, and is time consuming.

The known computerised accounting system is for processing accounts reports only. It would be desirable to use information obtainable from transaction records to perform management related functions.

OBJECT OF THE INVENTION

It is an object of the present invention to alleviate or to reduce to a certain level one or more of the aforementioned prior art disadvantages.

SUMMARY OF THE INVENTION

In one aspect therefore the present invention resides in an accounting system including at least one client module for use by a client. The at least one client module has transaction entry means for entering transaction records, pre-assigned transaction category codes being stored on a storage medium, means for selecting a pre-assigned category code to associate with a transaction record to be entered through the transaction entry means, and a client chart of accounts for selection of an account to which the transaction record is to be associated, the accounts being predetermined by the client or in accordance with accounts of at least one trading type prenominated by the client. Each of said accounts include a pre-allocated unique account identification and an account description which is prescribed by the client or generally adopted by traders in said at least one trading type, and each of said category codes is pre-specified as a taxed or non-taxed, and as an expenditure or income transaction type.

In another aspect therefore the present invention resides in an accounting system including at least one client module for use by a client. The at least one client module has transaction entry means for entering transaction records, and means for obtaining information relevant to tax liabilities of the transaction records. Said information obtaining means has one or more prompts associated with each of a plurality transaction category codes that have tax liabilities, and is arranged to present the associated one or more prompts for entering information relevant to tax liabilities

when one of said category code is nominated for a transaction to be entered, and to extract the entered information for allocating tax liabilities of the transaction.

Preferably, said one or more prompts are in the form of one or more leading questions for the client to enter said relevant tax liability information in a designated location(s), and the at least one client module is arranged to extract the entered information at said designated location(s) and apply a tax liability determination procedure which is specific for the or each extracted information from said designated location(s).

It is preferred that the at least one client module has report generating means arranged to access the entered transaction records for generating accounting reports. More preferably, the report generating means includes a report selection arrangement for selecting any one of a number of accounting reports for generation.

In preference, at least one of said taxed category codes is pre-allocated to taxation segments for a taxation report, being one of the accounting reports. More preferably, said taxation report is a Business Activity Statement (BAS) that complies with the Goods and Services Tax (GST). Where a taxed category code having a variable taxation allocation is entered, it is preferred that a window with appropriate prompts for specifying amounts to be allocated is presented entering the amounts.

Said at least one trading type may include trading activities involving the provision of goods and/or services relating to any class of business. Examples of the business classes are accountancy, hardware retail and wholesale, electrical goods and repair services, plumbing supplies and services, health care goods and services, mechanical repair services, transportation goods, etc.

It is further preferred that the category codes include a category for wages and the wage category is associated with a wage account in said client chart of accounts. Accordingly, the system according to the present invention also functions as payroll package.

The system may have storage means for storing the transaction records and is arranged for accessing bank statement records over a communications network. The at least one client module may have reconciliation means for reconciling said stored transaction records with the bank statement records.

Preferably, the system includes at least one adviser module having report generating means being arranged to access transaction records transferred from the at least one client module for generating accounting reports and management reports.

More preferably, the report generating means includes a report selection arrangement for selecting any one of a number of accounting and management reports for generation.

The system may also include an administration module for administering said at least one client module, and the administration module and the at least one client module are arranged for communication over a communications network. The administration module has a master chart of accounts from which the client chart of accounts is extracted, and chart generating means for generating said master chart of accounts in accordance with a user's determination. It is preferred that the client chart of accounts is locked so that the account identifications and the account descriptions therein can not be altered.

It is further preferred that the administration module has a transaction code generating means for generating the transaction codes as specified by the user.

The system may have a number of client modules in communication with the administration module. Each of the client modules has a unique client reference and is adapted to transfer sales orders and/or purchase orders through the administration module. Each of said sales orders and/or purchase orders including a client reference of a purchasing client module and a client reference of a supplier client module. The administration module may have a coordination unit arranged to use the client references to transfer a purchase order from the purchasing client module to the supplier client module and to transfer a subsequently received invoice from the supplier client module to the purchasing client module. It is preferred that payment of the invoice is also transfer through the administration module so that the coordination unit has a record that the invoice has been settled.

Accordingly, the system of the present invention can store transaction information between suppliers and purchasers. The coordination unit can thus be arranged to automate purchase orders when stocks for transactions are below predetermined levels.

Preferably, the or each said client module is associated with an adviser module which is also arranged to be in communication with the administration module so that the transaction records of the associated client(s) can be accessed remotely.

The at least one client module may be a cash book module or an accrual module or a combined cash book and accrual module, or a payroll module or a point of sale module, or any combination of two or more of said modules.

BRIEF DESCRIPTION OF THE DRAWINGS

In order that the present invention can be readily understood and put into practical effect the description will hereinafter refer to the accompanying drawings which illustrate non limiting embodiments of the present invention and wherein:

Figure 1 is a schematic diagram showing an embodiment of the accounting system according to the present invention;

Figures 2A and 2B are flow diagrams showing steps in configuring a cashbook module for the system of Figure 1;

Figures 3A and 3B schematically show the procedure in locating client databases in the system of Figure 1;

Figures 4 to 4B are interface forms for entering payment and receipt; Fgue 4C shows an example of a transaction table with transaction information entered in the interface forms shown in Figures 4 to 4B;

Figures 5 to 5C are flow diagrams of steps in creating a client module ;

Figures 5D to 5Q are interface forms for creating and maintaining client modules;

Figure 5R is report listing available headers for accounts;

Figure 5S is a report of selected accounts;

Figure 6 shows operational steps in creating and maintaining accounts files;

Figure 6A shows the operational steps of the script manager;

Figures 6B to 6F are some interfaces for the steps shown in Figure 6;

Figure 7 shows the client verification procedure in the client module;

Figure 7B is a flow diagram of steps in the Payment Entry and Receipt Entry options;

Figure 7C shows examples of the procedures for prompting the user to provide information for the Receipt Entry option;

Figure 7D shows examples of the procedures for prompting the user to provide information for the Payment Entry option;

Figures 7E and 7F show the steps in accounts reconciliation;

Figure 8A is an interface form for receipt entry;

Figure 8B is an interface form for payment entry;

Figures 8C to 8S are interface forms with prompts for entering information for Receipt Entry and Payment Entry, and for accounts reconciliation;

Figures 8T to 8Y are some examples of reports hat are available;

Figure 9A in an example of the main interface for the general ledger;

Figure 9Bis a flow diagram of options available in the general ledger;

Figure 9C shows the steps in processing GST components to the general ledger;

Figures 9D to 9F are examples of some of the general ledger reports;

Figure 10 is a flow diagram showing steps for online transfer of a purchaser order and a supplier invoice through the administration module;

Figure 10A shows steps in a standard cost process;

Figure 10B is an overview of an embodiment of an accounts accrual system;

Figures 10C to 10F show procedures for the debtor related operations of the accrual system;

Figure 10 G shows the procedure for a purchase order;

Figure 10H shows a procedure for credit payment;

Figures 10I to 10N show the procedures for an extended point of sale system.

DETAILED DESCRIPTION OF THE DRAWINGS

Referring to the drawings and initially to Figure 1 there is shown an accounting system 10 according to an embodiment of the present invention. The system 10 has a number of client modules 12 operating on computers, a number of advisor modules 13, and an administration module 14 operating on a server computer system 14 which may be arranged as shown in Figure 33. The server system 14 and an administrator unit 16 are connected in a local area network. The client module 12 is connected to the server system 14 through the World Wide Web including the Internet 18. As can be seen some of the advisor module 13 can be formed of a group of networked computers.

The adviser modules 13 can access the server system 14 to transfer information to the server system 14 for configuring the client module 12 and to retrieve transaction information of the associated client module 12.

Typically, each of the client modules 12 include a cashbook module, and the advisor module 13 of a client module 12 is managed by a professional accountant who advises the accounting procedures and tax liability options that are appropriate to the client. Each of the advisor modules 13 would also be provided with account descriptions that the client is familiar with. To request the administration module 14 to configure or edit a client module 12, the accountant can use the adviser module 13 to transfer the client's account requirements to the administration module 14. The information provided to set up the master chart of accounts would include any private percentage to be applied to an account and if so which ledger account the private portions are to be allocated. The accountant would also advise the following where applicable:

Cash or Accrual BAS reporting

Small food retailer percentage

Predominant Long Term Commercial Accommodation

New Motor Vehicles purchased before 23 May 2001

Hire purchase start before 1 July 2000

Hire purchase new motor vehicle before 23 May 2001

Particulars of predetermined GST status (eg Property lease)

Bank reconciliation

The account requirements provided by the accountant are used to set up a master chart of accounts for the client. From the master chart of accounts, the accounts for use by the client are identified for generating a user chart of accounts.

If the client does not use an accountant he/she can either provide the required information for configuring a user chart of accounts or simply nominate a trading type of his/her business activities and the administration module 14 would automatically configure a default user chart of accounts based the known account configurations of most businesses in the same trading type.

Figure 2A shows the flow of information between a client who wishes to configure a client module 12, an advisor (accountant in this case) module 13 and the administration module 16. As can be seen, the client and the accountant exchange information regarding the client's account requirements and the accountant accordingly uses a journal maintenance unit 20 to create a general journal for this client. In this respect, the client can provide his/her own descriptions of accounts that are familiar to him/her by using the requester 22 and/or scripter 24.

The accountant then uses a requester unit 22 of the advisor module 13 to select the appropriate accounts from a master chart of account to be configured for a client chart of accounts having the account descriptions that are familiar to the client. The administration module 14 on receiving the request from the account creates a client database for the client chart of accounts and configures a client module 12 using the client chart of accounts having the account descriptions that are familiar to the client. Accordingly, when delivered the client can simply install and use the client module 12 without the labourious and error prone tasks of configuring the client module 12 and determining tax liabilities of the accounts. The client module 12 is also set up to communicate with the administration module 14 over a communications network such as the World Wide Web (WWW) 18.

The client module 12 has a scripter unit 24 for initiating a request to edit the description of any account in the client chart of accounts. The request to edit is either

transferred directly to the administration module 14 (where an advisor module 13 is not linked to a client module 12) or to the advisor module 13 for registering at the advisor module 13 before forwarding to the administration module 14 for editing the account.

In Figure 2B, the client module 12, the advisor module and the administration module 14 are arranged to communicate over a communications network including the WWW 18 so that the administration module 14 is directly responsive to any request from the client module 12 or the advisor module 13.

Figure 3A shows the procedure for a client module 12 to locate the server computer of the administration module 14 where its accounts records are stored. The system 10 uses a communications service which allows its networked modules 12 and13 to make remote procedure calls (RPC) to the server computer of the administration module 14. Uses of the RPC may include enumerating Users and Databases, and accessing other information not available via the client database, including information from the administration module 14 and/or the administration database. In addition, RPC allows potentially sensitive database or other operations onto the server and away from the client modules 12 and the advisor modules 13, such that sensitive information is never sent over the network.

RPC uses HTTP or HTTP over SSL for communication and uses an obscure port for its Server endpoint. Clients can determine the address and port of this endpoint by using DNS SRV (Service Location) lookups for _eclatrpc._tcp.eclat.net.au.

To locate its accounts records on the administration module 14, a client module 12 do the followings:

1. Enter the client module name (for Example, Barry's Big Bins might be barrysbigbins). This will be referred to as the IDB Name.
2. Append The IDB Name to system Domain Name. (ie barrysbigbins.eclat.net.au. This will be referred to as an IDB DNS Name.
3. Using RFC, the system 10 attempts to determine a list of possible servers to connect to. In particular, a record such as _database._tcp.barrysbigbins.eclat.net.au should return 1 or more Address Records specifying valid Accounting Servers, as shown in Figure 3A.
4. The client can then select and connect to a Database Server to access its records using the IDB Name.

At this point, the client module 12 has all the information required to make a connection to the administration module 14 to locate its accounts records.

The client can make a connection to the server of the administration module 14 in the following way:

5. The client retrieves the Hostnames, IP Addresses, and Ports of Suitable Servers (This information is returned from DNS SRV Queries – Above)

6. Check weighting and priority from the SRV reply. Select the server with the lowest Priority and Weighting. If multiple servers are returned with the same Priority and Weighting (ie a Cluster) randomly select one of these records. If only one record is returned we must use it.

7. The client makes a suitable connection to an IP Address/Port pair.

8. Once the connection is established, the client MUST authenticate using their SYSTEM credentials.

An advisor module 13 such as that of an account may have permission to control 1 or more Client Databases. As a consequence, the module 13 should enumerate all databases to which they have access, and allow the account to select a particular database.

The following set of procedure steps describes how the account can enumerate the client databases:

1. Using RFC and the DNS Name: _eclatrpc._tcp.eclat.net.au, a list of potential RPC Servers can be found.

2. Client randomly selects 1 server from the list of RPC Servers. This selection may be prioritized or weighted.

3. Client Makes a request to an RPC server (ie /_eclat_bin/catalogList/?)

4. RPC Backend Server processes the request and builds a response

5. Client receives the response, and can now process or parse the response, as shown in Figure 3B.

Each client module 12 a transaction database with the following transaction fields:

Field	*Description*
Record ID	A unique identifier for an entire transaction
Client ID	The client ID for which this transaction occurred (optional)
Trading type	ID of types of normal business activities of client
Product ID	The product ID for this row in the transaction (optional)
Invoice ID	The invoice ID for this row in the transaction (optional)
Quantity	The quantity of items sold (optional)
SPU	(reserved for later use)
Original Invoice Total	The original amount on the invoice (optional)
Amount Owing	The amount left owing on the invoice (optional)
Payment Total	The total amount for this transaction
Tran Head Entry	Is this row the header row for the transaction
Payee Name	The payee name for the transaction
Payment Type	The payment method
Payment Type Details	Any extra details about the payment method, i.e. Cheque number
Paid To	Describes the payee info field
Payee Info	Describes the payee

Field	*Description*
Source Payment	The source accounts description
Reference	Extra information on the payment method
Receipt To	What module does the payment / receipt go to
Receipt Details	Extra information about the receipt
Locked	Has this transaction been reconciled?
Accounting Method	Which module does the transaction belong to?
Overwrite	(reserved for later use)
Bank Branch	The branch number for the bank account
Bank Department	The department number for the bank account
Branch	The branch number for the destination account
Department	The department number for the destination account
Entry Date	The date of the transaction
Age	How old is the transaction?
Period	Which period (financial month) does the transaction belong?
Type	Is this a payment, a receipt or a general journal entry
Amount	What was the amount of the row for
Description	The destination accounts description
Amount Withheld	The amount that was withheld
Interest	The amount of interest
Principal	The amount of principal
Stamp Duty	The amount of stamp duty
Voluntary Agreement	The amount that was due to a voluntary agreement
Instalment Amount	The instalment amount
GST Amount	The amount of GST
Items Sold	The amount that was due to items sold
GST Paid	The amount of GST that was paid
Pre 28	The amount that was attained before 28/5/2000
TFN Amount Withheld	The amount withheld from the tax file number
AW Amount Withheld	(reserved)
Margin Amount	The margin amount for this account
Capital	The amount of capital gains tax
Taxed Other	The amount of taxed other
Input Taxed	The amount of input tax
Input Tax Sales	The amount of input tax due to sales
No GST	The amount of no GST
Private	The amount that was private
Non GST Reportable	The amount that is NON GST Reportable
GST	The amount of GST
GST Suspense	The amount of GST in suspense
Wage Clearing	The amount of PAYG Withholding
Wage Clearing (2)	The amount of other withholdings
ABN Withhold	The amount withholding from the ABN
GL Amount	The general ledger amount
Export Supply	The export supply amount
GST Free	The GST free amount
GST Pre	The amount of pre GST
Tax Supply	The amount of tax supply
Instalment Income	The amount of instalment income
Account ID	The destination account ID
Account Header ID	The destination account header ID
Outstanding	Is the row outstanding?
Tran Code	What was the Code of the destination account?
Private Use Only	Is this row a sub row that is used for GST balancing purposes
Suspense Moved	Has the suspense been moved to NON GST reportable

Each client module 12 also has a client chart of accounts with the following accounts fields:

Field	*Description*
Branch	The branch number for this account
Department	The department number for this account
COY	The company number (reserved)
Account ID	The account id of this account in the form of XXXX.XXXX
Account Description	A 40 character description for the account
Debit/Credit	Is this account a DEBIT or CREDIT account
Post	Is this account a posting account
End Of Year	This field determines what is done with the data after the financial year
Comments	Any comments for this account
GST Split	The private portion percentage for this account
Group ID	The entity ID that this account belongs to (0 = all)
SP Status	Is this account a bank account
Retention	The retention account ID
Code	The E or I code that applies to this account
Extended Code	An extended code for miscellaneous account options i.e. CA = Capital
Open Status	Is this account an open status account
Credit Total	The opening credit on this account
Debit Total	The opening debit on this account
Saved Total	Used to temporarily store current balances for each account
Must Select	This field is 1 if this account must be selected when its entity is selected
Selected	Is this account selected for use
Taxed Acquisition %	The taxed acquisition percentage that applies to this account
Source	Is this account identified as a source account in requester
New Account ID	If this account is a new account from requester what is its ID

The system 10 uses account category codes for identifying transaction categories. In this embodiment, the following category codes are employed.

Code	*Description*	*Type*
E01	General	Expense
E02	Wages	Expense
E03	Non-Reportable	Expense
E04	GST Paid Up Front	Expense
E05	Included Stamp Duty	Expense
E06	Loan	Expense
E07	Hire Purchase – [ACCRUALS]	Expense
E08	Hire Purchase – [CASH]	Expense
E09	Motor Vehicle Registrations	Expense
E10	GST Free	Expense
E11	Voluntary Agreement	Expense
E12	Input Taxed	Expense
E13	Private NON Deductible	Expense
E14	Airfare Tax	Expense
E15	Taxed Acquisition	Expense
E16	*(reserved)*	Expense
E17	*(reserved)*	Expense
E18	GST Suspense	Expense
E19	*(reserved)*	Expense
E20	*(reserved)*	Expense
I01	General	Income
I02	Small Food Retailer	Income
I03	NON Reportable	Income

Code	Description	Type
I04	Export Supply	Income
I05	Input Taxed	Income
I06	Tax Supply	Income
I07	Pre 1/7/2000	Income
I08	GST Free	Income
I09	Long-term Accommodation	Income
I10	Predominately LTCA	Income
I11	Margin Scheme	Income
I12	TFN Withholding	Income
I13	*(reserved)*	Income
I14	GST Suspense	Income
I15	LTCA Input Taxed	Income
I16	Cost of Goods Sold	Income
I17	*(reserved)*	Income
I18	*(reserved)*	Income
I19	*(reserved)*	Income
I20	*(reserved)*	Income

Shown below are examples of some accounts in a master chart of accounts and a client chart of accounts for a butcher:

Master chart for accounts for Sales trade

Account ID	Acc Descript	Description
1100.0000	Sales	Header
1100.1000	Sale of goods to customers	General with Instalment Income
1100.1001	Sales to Australian customers	General with Instalment Income
1100.2000	Sale second hand goods	Tax Supply with Cost of Good Sold
1100.2001	Sale of new goods	General with Instalment Income
1100.2002	Sale 2nd hand goods costing over $300	Tax Supply with Cost of Good Sold
1100.2003	Sale 2nd hand goods costing under $300	Tax Supply with Instalment Income
1100.2004	Sale 2nd hand goods from global pool	GST Suspense with Instalment income
1100.3000	Sale of goods on consignment	General with Instalment Income
1100.3001	Sale of new goods on consignment	General with Instalment Income
1100.3002	Sale 2nd hand goods on consignment	Tax Supply with Cost of Goods Sold
1100.4000	Small food retailer sales	Small Food Retailer with Instalment Income
1100.4001	Sale of pet food	Tax Supply
1100.4003	Sale of fresh meat	GST Free

Client chart of accounts for a Butcher – Sales Trade

Account ID	Acc Descript	Description
1100.0000	Sales	Header
1100.4001	Sale of pet food	Tax Supply
1100.4003	Sale of fresh meat	GST Free

Figure 4 shows an example of using a client's description of an account (Insurance general in this case) for an E05 category code transaction. When the first row in the Amount field is selected, the client module 12 retrieves and shows details of

the relevant transaction as shown in Figure 4A. Figure 4B shows the details of the Amount in the second row.

Each client module 12 applies an appropriate tax formula to calculate tax liabilities of a transaction. The following table lists some of the tax formulae:

Field	*Formula*
GST	GSTFromInclusive(CalcExPerc(txtsdTaxedAcq.Value, GSTSplit), GSTMargin)
TaxedOther	CalcExPerc(txtsdTaxedAcq.Value, GSTSplit)
No GST	CalcExPerc(txtsdGSTFree.Value, GSTSplit)
Private	CalcPerc(txtsdTaxedAcq.Value, GSTSplit) + CalcPerc(txtsdGSTFree.Value, GSTSplit) + CalcPerc(txtsdStampduty.Value, GSTSplit),
GL Amount	iOrigAmount - (CalcPerc(txtsdTaxedAcq.Value, GSTSplit) + CalcPerc(txtsdGSTFree.Value, GSTSplit) + CalcPerc(txtsdStampduty.Value, GSTSplit))
Non GST Reportable	txtsdStampDuty.Value

Each client module 12 is arranged to generate transaction reports of selected transactions. Using the Figure 4 transactions, the module 12 can generate a report as shown in Figure 4C.

Figure 5 shows the steps applied in the requester unit 22 for creating a client database of a client module 12 using the relevant fields as shown below.

General Client Information

Field	*Description*
Full Name	Full Name of Client
Trading Name	Trading Name of Client
Address	Clients Address
Phone Number	Clients Phone Number
ABN	ABN of related business
Licence Type	This option allows the Accountant to select which version of the program they wish to use, they have the option of Multi Users or Single User. This option determines whether or not they are allowed to have multiple users using their database at a time
Reporting Method	Reporting method for client, two option Cash or Accruals
Year	The financial year that this database is intended for

AS Variables

Field	*Description*
Company / Fund Deferred Value	ATO provided figure for the client
PAYG Commissioner Rate	ATO determined instalment rate
Fringe Benefit tax instalment value	Accountant determined fixed fringe benefit amount
GST Free Rate	Small business GST Free concession

Modules to Include In Package

Field	*Description*
Cashbook (base system)	General Cashbook / General Ledger system – this must be included
Accruals	Accrual accounting system including inventory
Achievement Model	Business management model

Field	*Description*
Assets	Resource Management
Budget	Financial Forecasting
Manufacturing Process	Standard and Variance Analysis
Point Of Sale	Point of Sale Incorporating both Retail and Wholesale
Provisions	Accrued Expenses
Payroll / Personnel System	Personnel Management

Step 3 Fields

Entity Components

Field	*Description*
Club or Association	*(self explanatory)*
Company	*(self explanatory)*
Consolidation Adjustment	*(self explanatory)*
Manufacturing Account	Includes accounts used for manufacturing purposes
Partnership	*(self explanatory)*
Sole Trader	*(self explanatory)*
Superannuation Fund	*(self explanatory)*
Trading Account	Includes accounts used for trading purposes
Trust Discretionary	*(self explanatory)*
Trust Unit	*(self explanatory)*

Partner Fields

Field	*Description*
ID	A unique identifier for the partner, this field is automatically
User Name	A user name for this partner
Name	The full name of this partner
Share	The shared percentage of profits that this partner is distributed
Comments	Any comments associated with this partner

Step 6 Fields (Section 1)

Reconciliation Details

Field	*Description*
Account	Selected bank accounts for this reconciliation entry
Description	Type of item
Amount	The amount for the reconciliation entry
Reference	Reference point for this reconciliation entry

Step 9 Fields (Submission)

Email Settings

Field	*Description*
Username	The clients Username for their SMTP server authentication
Password	The clients password for their SMTP server authentication
SMTP	The clients SMTP server for their ISP
SMTP Port	The clients SMTP port number for their ISP
Email Address	The clients full reply email address

Appendix E – Account Editing Fields

Account Editing Fields

Field	*Description*	*Editable*
Branch	The branch number for which this account belongs	No
Department	The department number for which this account belongs	No
Account ID	The account ID number of this account	No
Acc Descript	The description that the client will see for this account	Yes
Private %	The private portion allocated to other accounts – double click the row to change this field	Yes
Comments	Any comments associated with this account	Yes

Step 6 Fields (Section 2)

New Account Details – Header Information

Field	*Description*
Type	The type of the new account from the list
Name	A descriptive name for the new account
Header Account	The header account for which this new account should belong
DebitThe opening debit amount on the account [1]	
CreditThe opening credit amount on the account [2]	

New Account Details – Private Portions

Field	*Description*
Description	A description for the reason of the private percentage
Percentage	The percentage that should be allocated to the destination account
Destination Account	The destination account for which this private portion should be allocated

Account Setup Fields

Account Selection Fields

Field	*Description*
Setup	Has this account been set up yet, the user cannot submit until all accounts have been set up.
Branch	The branch number of this account
Department	The department number of this account
Account ID	The account id for this account
Description	The name of this account
Account Type	The type of set up that is required for this account

Account Codes Used In Setup Form

Field	*Description*
E07	Hire Purchase (Accruals)
E08	Hire Purchase (Cash)
E03	Non Reportable Expense

Field	*Description*
I15	Predominant LTCA (Input Taxed)
I10	Predominant LTCA (5.5%)

The steps of the requester unit 22 are described in more details in Figures 5A to 5Q. Figure 5R shows parts of an example of the Available Accounts report, and Figure 5S shows parts of an example of the Selected Accounts report.

Figure 6 shows the steps taken by the administration module 14 in creating and maintaining client databases, and in responding to the requests from the requester unit 22. The administration module 14 thus provides the option of opening an existing client database for viewing or maintaining through step 26, the option for a registered advisor (accountant) to create new client modules and to maintain client account databases through step 28, and the option of creating a new client module 12 in responding to a request from the requester unit 22 though steps 30 and 32. In all options, a script step 34 is entered in which the administration module 14 will perform the tasks of opening the existing accounts file named in the step 26, or to create a new client accounts file as requested by the requester unit 22 in the steps 30 and 32.

When creating a new client accounts file, the administration module 14 checks for whether accounts details for the new file are provided in the request and if not, whether there is a specified trading type in the request. If accounts details are present, the module 14 extracts the relevant information from the provided accounts details for incorporation into the new file. If the accounts details have not been provided and there is a specified trading type, the module 14 selects default accounts details for the trading type for incorporation into the new file. Where neither accounts details nor a trading type are provide, the module 14 prompts the requester for the required information.

A script maintenance step 36 is entered for performing accounts file maintenance tasks as illustrated in Figure 6A. Any of the following accounts fields can be added, edited or deleted as illustrated in steps 38 to 46.

Account Fields

Field	*Description*
Branch	The branch ID number for which this account belongs
Department	The department ID number for which this account belongs
COY	The company number for this account (reserved)
Account ID	The account identification number, the sub account number of this number will default to XXXX, clicking the (...) button inside this field will allocate it with the next available number for that header account.
Acc Descript	A short (1-40 chars) description of the account
DR_CR	This field should be DEBIT or CREDIT
Post	Does this account get included in the financial reports

Field	*Description*
EOY	There are four options for this field: RETAIN – Will carry the closing balance to the Retention account at the end of the financial year HOLD – This account will hold its closing balance at the end of the financial year ZERO – This account must have a balance of 0 at the end of the financial year, eg. Don't Know Or Not Listed accounts CLEAR – This account will automatically clear its balance at the end of the financial year
Comments	Any comments relevant to this account
GST Split	The Private Portion for this account expressed as a percentage
Group ID	What entity this account belongs to, see Appendix C
SP Status	Is this account a source account
Retention	The account where the closing balance is to be retained. See EOY above
Code	A code which determines how the information is stored for the transaction that occur when this account is used as a destination account , see Appendix D for a complete listing.
Code Ex	A code which determines any extended properties of this account, see Appendix E for a complete listing.
Open Status	Does this account require an opening balance
CR Total	Opening credits on this account
DR Total	Opening debits on this account
Saved Total	This field is used internally for reports to store a temporary balance for the account
Must Select	Does this account have to be included if its relevant entity is included as part of the project
Selected	Is this account selected to be included in the project
TA Percentage	This stores the Taxed Acquisition Percentage
Source	Determines if the account CAN be a source account, i.e. should it be listed in requester as part of the source account listing
Acc ID	A number that determines a unique identifier for this NEW account

Setup - Account Changes Fields

Field	*Description*
New Account Name	The new account name for this accounts

In step 48, additional information that is relevant to an account detail is presented in order to alert the user of the appropriate detail to be entered. Figure 6D shows examples of the additional information.

In step 50, the interface as shown in Figure 6B is used to enter client details for the client module. Below are some of the client details:

Owner Details Section

Field	*Description*
Username	The clients user name
Company	The clients company name
Phone	The clients phone number
Password	The administration password for the database
Serial Number	This generated field is the code needed to install
E-Mail	The clients e-mail

Company Details

Field	*Description*
Full Name	The full name of the clients company
Trading Name	The trading name of the clients company
Address	The address of the clients company
ABN	The ABN of the clients company
GST Percentage	The GST percentage for the clients business
Residency Rate	The long term commercial accommodation rate for the clients business
Accountant Version	This option is checked if the database is for an accountant
Template Version	The major version number of the database
Template Sub Version	The minor version number of the database

Accountant Details

Field	*Description*
E-Mail	The E-Mail address for the accountant to which this client belongs
Trading Name	The trading name for the accountant to which this client belongs
Phone	The phone number for the accountant to which this client belongs
Server Host Name	The name of the server for the live version (Phase 2)
IP Address	The IP Address of the server for the live version (Phase 2)
Server Logon Name	The initial logon name for the live server (Phase 2)
Server Logon Passy	The initial logon password for the live server (Phase 2)
Server Port	The port to use when connecting to the server (Phase 2)
Server Version	The minimum version number of the server that the database expects
Update OBs	This option should be checked if the opening balances need to be updated when the project is first opened in ECLAT

The step 52 allows the accountant to set up a new client module 12 and to add the account details to a template database, and any of the account details can be declared private and edited as illustrated in steps 54 to 58.

The step 60 is for maintaining reconciliation entries as shown below:

Reconciliation – Main Entry

Field	*Description*
Recon ID	An automatically filled field which represents the ID number for this reconciliation
	The company number for this reconciliation (reserved)
Recon Start	The starting date for the reconciliation
Recon End	The ending date for the reconciliation
Recon Acc Name	The account for which this reconciliation is for
Closing CR Balance	The closing credit balance for the reconciliation
Closing DR Balance	The closing debit balance for the reconciliation
OS Balance	The amount outstanding
Opening Balance	Opening balance
Closing Balance	Closing balance
Ledger Balance	Ledger balance

Reconciliation – Sub Entry

Field	*Description*
Payment	Amount of the payment
Receipt	Amount of the receipt
Date	Date of the balance

Field	*Description*
Reference	Reference information
OS	Hidden Field – Is this entry outstanding
Entry ID	A unique identifier for this entry

The group identification field in the account fields may be any of the followings:

Group IDs

ID	*Description*
0	Always included
1	Club or Association
2	Company
3	Consolidation Adjustment
4	Manufacturing Account
5	Partnership
6	Sole Trader
7	Superannuation Fund
8	Trading Account
9	Trust Discretionary
10	Trust Unit

The accounts codes has the following extensions identified as the "Code Ex" field in the accounts fields:

Account Codes

Code	*Description*
CA	Indicates whether the transactions for this account will be capital on the business activity statement
CG	Cost of Goods Sold
II	Indicates whether the transactions for this account will be instalment income on the business activity statement
NA	There is no extended functionality for this account
OB	Opening Balance (Private/Journal Use)
OI	Performs the same functionality as NA

A debugging process is used to debug and test the client module 12 before packaging for delivery to the client.

When the client receives the new client module 12 it can be installed on his computer and the module 12 is ready for use without the usual need to set up accounts and to allocate tax liabilities that is common in the prior art. Moreover, he needs not to learn new accounting terms as the account descriptions are the ones he is familiar with.

When the client module 12 such as a cash book module is set to operate, the module 12 performs a security check with the steps as shown in Figure 7A unless the security check procedure is disabled for this client. If the client is allow to continue, a main interface is presented for selection of any one of the operation options. For examples, the "Receipt Entry" and "Payment Entry" options when selected would present the interfaces as shown respectively in Figures 8A and 8B. The module 12 can

be operated in either a client mode or an accountant (advisor) mode. If the client mode is operating, When operating in the client mode the module 12 opens a local accounts database file for use and checks for opening balance update flag for performing the update operation when this flag is checked.

Figure 7B shows the operational steps for both the "Payment Entry" or the "Receipt Entry" options as respectively shown in Figures 8A and 8B. When in the "Receipt Entry" operation, a set of prompts appear such as the ones shown in Figure 8C for the client to provide appropriate information for calculating tax liabilities of the transaction. Figure 7C shows the steps for some of the prompts. Note that all the codes for the prompts are based on the I codes of the accounts codes. Embodiments of the receipt prompts are as follows:

Receipt Questions

Amount withheld for failing to provide ABN (Figure 8D)

Field	*Description*
Will a compliant Tax Invoice be Provided ?	Check box asking if a tax invoice will be provided, if it is provided you do not need to specify the Amount Withheld
Amount Withheld	Entry field for the amount which was withheld
Invoice Total	This is the total of the transaction

Amount withheld for failing to provide a Tax File Number (Figure 8E)

Field	*Description*
TFN Withholding?	Entry field for the amount which is withholding to your TFN
Total	This is the total ledger amount of the transaction

Tax Information (Figure 8E)

Field	*Description*
How much is taxable supply?	Entry field for the amount which is taxable supply
How much is PRE 1/7/2000?	Entry field for the amount which is pre 1/7/2000
How much is export supply?	Entry field for the amount which is export supply
How much is GST Free supply?	Entry field for the amount which is GST free supply
How much is input taxed?	Entry field for the amount which is input taxed
Amt Withheld for failing to provide ABN?	Entry field for the amount for failing to provide an ABN
Calculated Total	This is the total of all other entry fields
Original Total	This is the total of the transaction

Long-term Commercial Accommodation (Figure 8F)

Field	*Description*
How much from guests who have stayed less than 28 days?	Entry field for the amount which was from guests who have stayed less than 28 days
Original Total	This is the total of the transaction

Figure 7D shows some of the prompts for the "Payment Entry" operation and an example of the interface for the payment prompts is illustrated in Figure 8G. Note that all the codes for the payment prompts are based on the E codes of the accounts codes. Embodiments of the payment prompts are as follows:

Pay Questions

Amount Withheld (Figure 8H)

Field	*Description*
What is the amount withheld?	This is where the user types in the amount withheld
Calculated Total	This is the total of the transaction

Vehicle Details (Figure 8I)

Field	*Description*
How much is third party?	This is where the user types in the amount that was for third party
How much is registration?	This is where the user types in the amount that was for registration
Calculated Total	This is the total of the transaction

Payment Including Stamp Duty (Figure 8J)

Field	*Description*
How much is stamp duty?	Entry field for the amount paid that was stamp duty
How much is Taxed Acquisition?	Entry field for the amount paid that was taxed acquisition
How much is GST Free?	Entry field for the amount paid that was GST free
Calculated Total	This is the total of the transaction

Airfare Expenses (Figure 8K)

Field	*Description*
How much is airfare tax?	Entry field for the amount paid that was airfare
How much is Taxed Acquisition?	Entry field for the amount paid that was taxed acquisition
How much is GST Free?	Entry field for the amount paid that was GST free
Calculated Total	This is the total of the transaction

Taxed Acquisition (Figure 8L)

Field	*Description*
How much is Taxed Acquisition?	Entry field for the amount paid that was taxed acquisition
How much is Non Taxed Acquisition	Entry field for the amount paid that was non taxed acquisition
How much is PRE 1/7/2000?	Entry field for the amount paid that was before 1/7/2000
How much is other?	Entry field for the amount paid that does not belong in any other fields
Original Amount	This shows the entire amount for the current item
Calculated Total	This is the total of the transaction

Loan Details (Figure 8M)

Field	*Description*
How much is interest?	Entry field for the amount paid that was interest
How much is principal?	Entry field for the amount paid that was principal

Field	*Description*
How much is stamp duty?	Entry field for the amount paid that was stamp duty
Calculated Total	This is the total of the transaction

Hire Purchase Details (Figure 8N)

Field	*Description*
How much is interest?	Entry field for the amount paid that was interest
How much is principal?	Entry field for the amount paid that was principal
How much is stamp duty?	Entry field for the amount paid that was stamp duty
Calculated Total	This is the total of the transaction

Gross Wage (Figure 8HO)

Field	*Description*
What is the amount of tax withheld?	Entry field for the amount paid that was tax withheld
What is the amount of other withholdings?	Entry field for the amount paid that was other withholdings
Calculated Total	This is the total of the transaction

Voluntary Agreement (Figure 8P)

Field	*Description*
How max tax withheld?	Entry field for the amount paid that was tax withheld
Calculated Total	This is the total of the transaction

Instalment with all GST Paid up Front (Figure 8Q)

Field	*Description*
How much is stamp duty?	Entry field for the amount paid that was stamp duty
How much is GST?	Entry field for the amount of GST on the transaction
Instalment amount?	Entry field for the instalment amount
Calculated Total	This is the total of the transaction

Referring now to Figure 8R which shows an interface for the bank reconciliation operation. The steps for the reconciliation operation are shown in Figures 7E and Figure 7F.

The client module 12 has a report operation wherein the client can select any of a number of reports to be displayed or printed. Figure 8S shows an embodiment of an interface for configuring the module 12 to display a report for payments. As can be seen, the client can select a source account and nominates the period of weeks for the report. Where applicable, the report can be limited to payment transaction activities of a department or branch. Figure 8T is an example showing parts of the payment report. Other examples are Figure 8U for a Pay As You Go (PAYG) report, Figure 8V for a Summary report, Figure 8W for a GST audit report, Figure 8X for a BAS statement report and Figure 8Y for an accounts balance report.

The system 10 has a general ledger unit 20 for each advisor accountant module 13. The ledger unit 20 has a main interface as shown in Figure 9A. The

operational steps of the ledger main interface are shown in Figure 9B. The main interface has a journal edit option for the accountant to edit a selected journal entry as shown in steps 80 and 82. A journal report option in step 84 allows details of the journal entries to be reported as shown in Figure 9D. Figure 9E shows a GST audit report generated by selecting the step 86 option. Account opening balance reports as shown in Figure 9E are produced through step 88. A delete function 90 is provided for deleting the current journal entry.

Figure 10 shows an embodiment of the system 10 where the administration module 14 is also a transaction coordinator, and is arranged to transfer purchase orders from client modules 12 of clients wishing to place orders for products to be supplied from known suppliers who are also using the client modules 12 for transactions. The suppliers on receiving the purchase orders convert them to sales orders and then take steps to obtained the ordered products from warehouses or to place production orders. Delivery and transportation are then arranged for delivery of the products. Invoices are also generated and transferred to the coordinator 14. When the clients ordering the products have finally received them, they will flag that to the coordinator 14 and to add the products to inventory. In time, remittances would be sent to the accrual coordinator 14 for making payments to the suppliers.

Figure 10A shows a standard cost process which is used by the client (cashbook) modules 12 of the system 10 shown in figure 10 for checking variances between standard costs and actual costs of products.

Figure 10 B is an overview flow diagram of an accrual arrangement of the system 10. As can be seen, a user can select any of the operations connected with a customer list, an inventory, reports and transactions. When the transactions operation is selected, the client mules 12 can perform operations relating to debtors invoice generating, credit note generating and payments. Transaction balance is also calculated by adjustments thereof.

Figure 10C shows the operational steps for the invoice generating operation for ordered products. The invoice generating operation on receiving a "create Invoice" selection displays an interface from which a customer for invoicing can be selected. The products ordered by this customer are then selected from a product list with their unit price. Any discount arrangement for this customer is also retrieved. The module 12 then extracts GST payable for the products and determines the delivery address from the customer list. If the ordered products are for an overseas destination, GST is not applied. The general ledger is then updated with the net sale value and where

applicable allocated with the discount and the GST. Costs of sale are then posted to the general ledger and the inventory before saving the invoiced values to the module 12.

Figure 10D shows the steps of an debtor payment operation.

Figure 10E shows the steps of a debtor credit note operation. The steps include selecting and displaying the invoice for making adjustment, updating the inventory if the product is returned, and adjusting prices and quantity. The general ledger is also adjusted in respect of costs of sale, GST and net sale value. For overseas destinations, the export orders are reallocated. If the goods are for local delivery then the GST is readjusted before ouputting a debit note.

Figure 10F shows the steps in a debtor sales order operation. This operation allows an operator to select a customer making the order and to select the products and quantity thereof for delivery by a specified method and date. The system checks for availability of the ordered products. If available, a products pick list is created followed by a delivery docket for dispatch. If the ordered products are not available then a back order is created .

Figure 10G shows the steps of a purchase order operation.

Figure 10H shows the steps of a creditor payment operation.

Figure 10I shows an embodiment of the system 10 arranged for use as an extended point of sale. As can be seen the system 10 has some client module 12 functioning as customers and some functioning as suppliers. When a customer module 12 is used to make a purchase, the client selects products for the order as shown in Figure 10G. The customer module processes the selected products to build a purchase order with the customer's global identifier created as shown by the steps in Figure 10L.The purchase order is sent to the administration module 14 for processing as shown in Figure 10J.The module 14 extracts relevant information from the purchase order and forwards the order to the supplier module 12 identified in the order. The supplier module 12 on receiving the order coverts it into a sales order and processes it as shown in Figure 10F. A tax invoice is then raised and sent to the administration module 14. The invoice includes the supplier's global identity.

The administration module 14 extracts relevant details from the invoice and locate the customer module 12 for sending it to the customer. See Figure 10K.

When the customer module 12 receives the invoice, it performs a checking step for a match with the purchase order. GST details of the purchased products are extracted from a product list for updating the general ledger.

As shown in Figure 10M, any of the supplier modules 12 can build a product availability list and send it to the administration module 14 for processing it in a manner for access by the customer modules 12 as shown in Figure 10N.

Whilst the above has been given by way of illustrative example of the present invention many variations and modifications thereto will be apparent to those skilled in the art without departing from the broad ambit and scope of the invention as herein set forth in the following claims.

CLAIMS

1. An accounting system including at least one client module for use by a client and an administration module for administering said at least one client module, the administration module and the at least one client module being arranged for communication over a communications network, the at least one client module having transaction entry means for entering transaction records, pre-assigned transaction category codes being stored on a storage medium, means for selecting a pre-assigned category code to associate with a transaction record to be entered through the transaction entry means, and a client chart of accounts for selection of an account to which the transaction record is to be associated, the accounts being predetermined by the client or in accordance with accounts of at least one trading type prenominated by the client, each of said accounts including a pre-allocated unique account identification and an account description which is prescribed by the client or generally adopted by traders in said at least one trading type, and each of said category codes being pre-specified as a taxed or non-taxed, and as an expenditure or income transaction type, the administration module having a master chart of accounts from which the client chart of accounts is extracted, and chart generating means for generating said master chart of accounts in accordance with a user's determination.

2. The system according to claim 1 wherein said at least one trading type include trading activities involving the provision of goods and/or services relating to any class of business.

3. The system according to claim 1 or 2 wherein the at least one client module having means for obtaining information relevant to tax liabilities of the transaction records, said information obtaining means having one or more prompts associated with each of a plurality transaction category codes that have tax liabilities, and being arranged to present the associated one or more prompts for entering information relevant to tax liabilities when one of said category code is nominated for a transaction to be entered, and to extract the entered information for allocating tax liabilities of the transaction.

4. The system according to claim 3 wherein said one or more prompts are in the form of one or more leading questions for prompting the client to enter said relevant tax liability information in a designated location(s), and the at least one client module being arranged to extract the entered information at said designated location(s) and apply a tax liability determination procedure which is specific for the or each extracted information from said designated location(s).

5. The system according to any one of claims 1 to 4 wherein the at least one client module having report generating means arranged to access the entered transaction records for generating accounting reports.

6. The system according to claim 5 wherein the report generating means including a report selection arrangement for selecting any one of a number of accounting reports for generation.

7. The system according to claim 5 or 6 wherein at least one of said taxed category codes is pre-allocated to taxation segments for a taxation report, being one of the accounting reports.

8. The system according to claim 7 wherein said taxation report is a Business Activity Statement (BAS) that complies with the Goods and Services Tax (GST).

9. The system according to any one of claims 1 to 8 wherein where a taxed category code having a variable taxation allocation is entered, a window with appropriate prompts for specifying amounts to be allocated is presented for entering the amounts.

10. The system according to claim 9 wherein the category code is associated with a wage account in said client chart of accounts.

11. The system according to any one of claims 1 to 10 further having storage means for storing the transaction records and is arranged for accessing bank statement records over the communications network.

12. The system according to claim 11 wherein the at least one client module having reconciliation means for reconciling said stored transaction records with the bank statement records.

13. The system according to any one of claims 1 to 12 further including at least one adviser module having report generating means being arranged to access transaction records transferred from the at least one client module for generating accounting reports and management reports.

14. The system according to claim 13 wherein the report generating means including a report selection arrangement for selecting any one of a number of accounting and management reports for generation.

15. The system according to any one of claims 1 to 14 wherein the client chart of accounts is locked so that the account identifications and the account descriptions therein can not be altered by the user.

16. The system according to any one of claims 1 to 15 wherein the administration module having a transaction code generating means for generating the transaction

codes as specified by the user.

17[8]. The system according to any one of claims 1 to 16 wherein the at least one client module including a plurality of client modules in communication with the administration module, each of the client modules having a unique client reference and is adapted to transfer sales orders and/or purchase orders through the administration module, each of said sales orders and/or purchase orders including a client reference of a purchasing client module and a client reference of a supplier client module.

18. The system according to claim 17 wherein the administration module having a coordination unit arranged to use the client references to transfer a purchase order from the purchasing client module to the supplier client module and to transfer a subsequently received invoice from the supplier client module to the purchasing client module.

19. The system according to claim 18 wherein payment of the invoice is transfer through the administration module so that the coordination unit has a record that the invoice has been settled.

20. The system according to claim 19 wherein storage means being arranged to store transaction information between suppliers and purchasers, and the coordination unit being arranged to automate purchase orders when stocks for transactions are below predetermined levels.

21. The system according to any one of claims 17 to 20 wherein each said plurality of client modules is associated with said at least one adviser module which is also arranged to be in communication with the administration module so that the transaction records of the associated client(s) can be accessed remotely.

22. The system according to any one of claims 1 to 21 wherein the at least one client module is a cash book module or an accrual module or a combined cash book and accrual module, or a payroll module or a point of sale module, or any combination of two or more of said modules.

AMENDED SHEET
IPEA/AU