

# iLaw Accounts

## **Using Client Money paid in on Account to pay profit costs bill**

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You can use money paid by the client to pay all or part of outstanding profit costs bills and any disbursements or expenses incurred.

This guide is split into these main parts

1. Paying in Client Money
2. Raising the Client Invoice
3. Using money paid on account to pay the profit costs bill
4. Setting up Non-Clients for Paying Disbursement Monies
5. Paying the Suppliers Invoice for disbursements incurred from the Office Account

At the end of each part we'll look at how the key ledgers have been affected.



## 1. Paying in client money

Record the payment on Account received in Payments Wizard Option 1 Pay in client money.

Select *Client Bank Account* from the 'Client Bank Account' dropdown. The Nominal Code, 'NC' dropdown, will automatically select the 1250 nominal.

Select the client from the 'For which client' dropdown.



If you click on the dropdown arrow and start typing the client surname in the box you will see the list of clients narrow to the one you're looking for.

Enter the Amount paid in and the date when this was done.

### Client money ~ paid in on account

Client Bank Account	<input type="text" value="Client Bank Account"/>	NC	<input type="text" value="1250"/>
For which client	<input type="text" value="Dandy, Bobby : File-001"/>		
Amount	<input type="text" value="150.00"/>		
Payment Date	<input type="text" value="01/07/2011"/>		

These are the details you need to record the payment coming in to the Client Bank Account. You can provide further information by selecting the 'Payment Method' and entering any 'Payment Details'. If payment was made by cheque you can record the cheque number in the box provided. If you have set up departments you can select the relevant one from the 'Department' dropdown.



Entering additional text in the 'Details' field will show for the transaction on the client and Client Bank Account ledgers and in the Bank Reconciliation screen.

### Client Ledger Card Summary: Payment on Account

When the payment on account is made it will show as a credit on the Client side of the Client Ledger.

<input type="text" value="Dandy, Bobby : File-001"/>				
Date	Description	Debit	Credit	Client Balance
	Period Start Balance			0.00
01/07/11	Client Payment on account		150.00	(150.00)
	Period End Balance			(150.00)

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## 2. Raising the Client Invoice

An invoice must be raised in iLaw for services provided to a client. If the client is private paying you have the option to time record your work and raise a private invoice in the Private billing screen or you can raise an invoice to the client in the Accounts module by using the Invoices Wizard Option 2 'Raise office invoice against a client'.

Once you have selected the client the invoice is for and the nominal code (this will be in the 4000 – 4099 Sales section of the Profit and Loss account) you move on to the next screen where you can add a new row to represent your costs.

### Raise office invoice

Item Details	Date	Net Amount	VR	VAT Amount
Private Disbursement (subject to VAT) : I	25/11/2011	£41.67	T01	£8.33
Profit Costs Work for B. Dandy	25/11/2011	£83.33	T01	£16.67
Add				
<b>Totals :</b>		125.00		25.00

#### *Including Disbursements*

If the invoice has been raised in the iLaw billing screens it will have automatically included any disbursements or expenses raised in the iLaw Time Records screen or by using the Invoices Wizard. You can enter disbursements in the invoices wizard by using option 5 (posting a claim received for disbursements). Disbursements will show in the 'Disbursement Details' grid at the bottom of the Client Ledger.

If you raise an invoice using Option 2 of the invoices Wizard you must include the disbursements so that they are included in the invoice.



Look for the 'Include Disbursements' link on the navigation bar when you are raising the client invoice. This takes you to a screen where you can include some or all disbursements in a client invoice.

Disbursements included in an invoice will have an Invoice number show in the 'Inv. No.' column in the 'Disbursement Details' grid.

#### **Client Ledger Card Summary: Invoice Raised with Disbursements**

The office side of the client ledger will show the invoice as Debit along with any Vat element. Disbursements included in the invoice will show in grey text with 0.00 totals. This means that they have been included in the profit costs bill. The 'Inv No.' column in the disbursements grid will show the invoice number.

Dandy, Bobby : File-001					
Date	Description	Details / Reason	Debit	Credit	Office Balance
	Period Start Balance				0.00
01/07/11	Client Payment on account				
25/11/11	Invoice 14681 - Allocated disburser	Disbursement	0.00		0.00
25/11/11	Invoice 14681 - Allocated disburser	VAT Disbursement	0.00		0.00
25/11/11	Profit Costs for B. Dandy	B. Dandy File-001	125.00		125.00
25/11/11	Profit Costs for B. Dandy	B. Dandy File-001	25.00		150.00
	Period End Balance				150.00

#### Disbursement Details

Date	Inv No.	Disbursement Type	Reason	NET	VAT
25/11/11	14681	Private Disbursement (subject to VAT)	Disbursement	41.67	8.33

### 3. Using money paid on account to pay the profit costs bill

Money paid on account into the Client Bank Account can be transferred to the Office Bank Account paying off outstanding invoices raised to the Client. iLaw Accounts allows the part payment of invoices which will assist the payment of costs which are being met by someone else.



If you have been 'over-paid' for an invoice raised you will need to raise an additional invoice to the client for the difference and then pay each invoice separately in the payments wizard screen.

Use the Payments Wizard option 3. 4. 'Client to Office to pay outstanding profit costs bill'. Select *Client Bank Account* from the 'Client Bank Account' drop down. In the 'Office Bank Account' dropdown you can either select the default Bank Account or one you may have set up. When the client is selected you will see all outstanding profit cost bills they have outstanding. Any bill that has only been part paid will also be shown.

#### Client money ~ transfer against profit costs bill

Client Bank Account	Client Bank Account	NC	1250
Office Bank Account	Bank Account	NC	1200
Client	Dandy, Bobby : File-001		

Inv No	Description	Date	Total Due	Balance	Pay	Pay Amount
014681	Profit Costs for B. Dandy	25/11/2011	150.00	150.00	<input checked="" type="checkbox"/>	150.00

( Current Balance : 150.00 )

Place a tick in the 'Pay' column of the bill to be paid. The 'Pay Amount' box will automatically populate with the Balance. You can over-type the 'Pay Amount' if you want to part-pay the bill. Underneath the payment grid you can see the current balance of the Client Bank Account. You can only use the total amount shown in the current balance.

You can enter any relevant for the Payment Method and Details. To commit the transfer, click on 'Add'.

#### Client Ledger Card Summary: Invoice Paid using transfer of Client Money

The Client Ledger should now have a zero balance if no other invoices have been raised on this file reference. The client money paid on account also shows as a debit on the Client Side.

Dandy, Bobby : File-001								
Date	Description	Details / Reason	Debit	Credit	Office Bal	Debit	Credit	Client Bal
	Period Start Balance				0.00			0.00
01/07/11	Client Payment on account						150.00	(150.00)
25/11/11	Invoice 14681 - Allocated	Disbursement	0.00		0.00			
25/11/11	Invoice 14681 - Allocated	VAT Disbursemen	0.00		0.00			
25/11/11	Profit Costs for B. Dandy	B. Dandy File-001	125.00		125.00			
25/11/11	Profit Costs for B. Dandy	B. Dandy File-001	25.00		150.00			
28/11/11	Payment of invoice from Cl	Payment in full				150.00		0.00
28/11/11	Payment of invoice from Cl	Payment in full		150.00	0.00			
	Period End Balance				0.00			0.00

#### 4. Setting up Non Clients for paying disbursement monies

There are a few important things to remember when setting up a Non Client in order to pay out money to them for any disbursement incurred.

The 'Nominal Code' should be 5005 disbursements. You could set up different nominal codes for different types of work carried out such as Forensic Experts or Interpreters. The code will need to be within the 5000 – 5999 Overheads section.

**Add / Amend Non-Client**

Name

Nominal Code

Selecting the VAT rate is also important. Make sure you find out if the Non Client is Vat registered or not. If they are Vat registered simply select the 'Standard Vat Rate'. If not Vat

registered you should select 'Zero Vat Rate' so that although no Vat will be calculated when raising their invoices, a zero Vat entry will show in the Inputs section of the Vat Return.

VAT Rate	Standard VAT Rate
Vat Number	
Is A Supplier?	<input checked="" type="checkbox"/> Control Account ? <input type="checkbox"/>

Is a Supplier?

Make sure this checkbox is ticked. This is so the Non Client will appear in the relevant payment screens.

#### 4. Paying the Suppliers Invoice for disbursements incurred from the Office Account

The suppliers invoice is be paid from the office account. In Payments Wizard use option 2. 'Pay out office monies' and the option 2. 'Against a suppliers invoice'. Select your Bank Account from the 'Pay from which account' drop down and the Non Client from the 'In respect of who'.

#### Office money ~ payment out on suppliers invoice

Pay from which account	Bank Account	NC	1200
In respect of who	Mrs A. Expert	NC	5005 Dist

Description	Date	Amount Due	VAT Due	Balance	Pay	Pay Amount
Disbursement	25/11/2011	41.67	8.33	50.00	<input checked="" type="checkbox"/>	50.00

All outstanding disbursements will show in the grid. Like all invoice grids in iLaw you will need to tick the 'Pay' column before committing the payment by clicking 'Add'. Enter any payment details such as the cheque number is this is the method of payment.

#### Non-Client Ledger Card Summary: Payment out.

In the Non Client ledger the office payment is shown as a debit.

Mrs A. Expert					
Date	Description	Details / Reason	Debit	Credit	Office Balance
	Period Start Balance				0.00
25/11/11	Disbursement	Disbursement		41.67	(41.67)
25/11/11	Disbursement	VAT Disbursement		8.33	(50.00)
28/11/11	Office Payment against Invoice fro	Payment in full	50.00		0.00
	Period End Balance				0.00

