Lexpro Advanced Accounting Manual

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1. Link and Setoff Accounts

The Linking and Setoff functions are used for Debt Collection matters

Matters/Files belonging to a specific Client are linked and balances setoff to the Client's account at the end of the month

- The Client will receive a consolidated account showing amounts collected or fees/costs owned to Firm

  E.g. The Firm do Collections for a Bank
- Open a Main Account for the Bank
- Open Matters for each Handover
- Link all Matters to the Bank's Main account

The process above includes the following steps:

- Create a Template account for the Client
- Open Main account for the Client
- Open files for Matters
- Link Matter files to Client's Main account
- Setoff balances to Main account
- Invoice to Client

1.1 Create a Template /Account for the Client

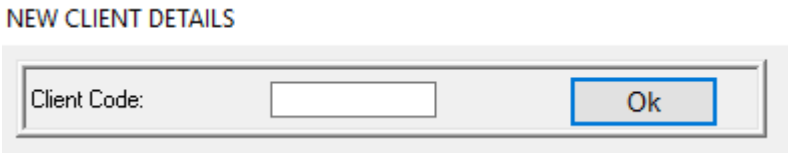
Although the menu item refers to Open/Amend Client File, the file opened is better described as a Template file

Use this function to create a Template for Client's detail and use to Open the Client's Main account and Sub matters

Where to create the Template account:

Or use the Shortcut key: Shift + F12

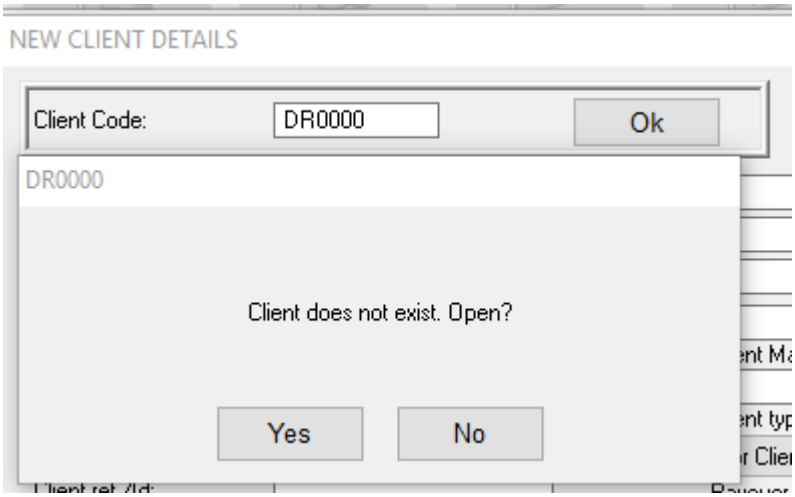
The screen to create the Template will open:



- The Client Code is a unique code for each client to separate from other clients. The Client Code will also be added to each of his sub matters (debtors) to be able to group them together for the Linking and Setoff

- Although it can be any 6 characters, it is advisable to use the same Client Code and Main Account number for each Client
    - E.g. DR Alberts is your Client with Main Account as DR0000
    - Create the Client code for Dr Alberts as DR0000
    - It will be easier to remember and control if both are the same numbers

- Type the Client Code and click OK
    - The message will display that the Client does not exist.



    - Click Yes to Open
    - Complete the remaining info
        - This information will pull through on new handovers/debtors and the more info completed here, the less will be needed when new handovers/debtors are opened

NEW CLIENT DETAILS

Client Code: DR0000 Ok

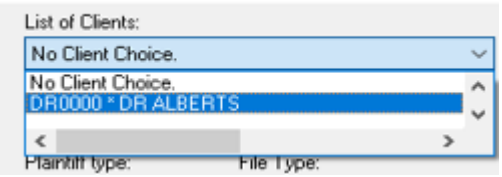
Client surname/name: DR ALBERTS
First names:
Client initials: Client Title:
Plaintiff/Applicant: DR ALBERTS
Plaintiff's occupation:
Plaintiff's Idno:
Client contact:
Client ref./Id:
Our reference:
Telephone No: 012 569 6543
Cell Number 082 698 4569
Fax Number: 012 569 6555
Client's email: info@dralberts.co.za
Client's bank: Absa Bank
Bank account no:
Branch code:
Account Holder:
Income Tax No:
Commission %: 15.00 %
Interest rate: 0.00 %
Account type:
Client's VAT no: 4062548855
Client's Letterhead: 00000000

Client Main Account: DR0000
Client type: For Clients only
Payover agreement: No agreement
Interest agreement: No agreement
Group/Section:
Group Code:
Save
End
Delete
Interest Rate Changes
Replace Client detail in Main File
Client's main address

List of Clients: No Client Choice.
List of Groups:
Plaintiff type: Unknown type
File Type: No Choice
First Action:
Get Capital from Litigation or Accounting? L
Auto Post Col Com: Y
Our client's language: E
Fees: Debit or Store: D
Add VAT to fees: Y
Monthly Statement?
Payment date:
Hourly Fee tariff: R 0.
Postal address:
Po Box 156
MONTANA
0159
Street address:
800 Zambesi ave
Montana
0159
Make a note: Send monthly invoices after setoff journals

- Complete relevant info for the Client
- Click Save

The name of the Client will now display in the list of Clients



The Client's Template has been created and can be used to open his sub matters

- You also need to open the Client's Main Account, as only the template exists

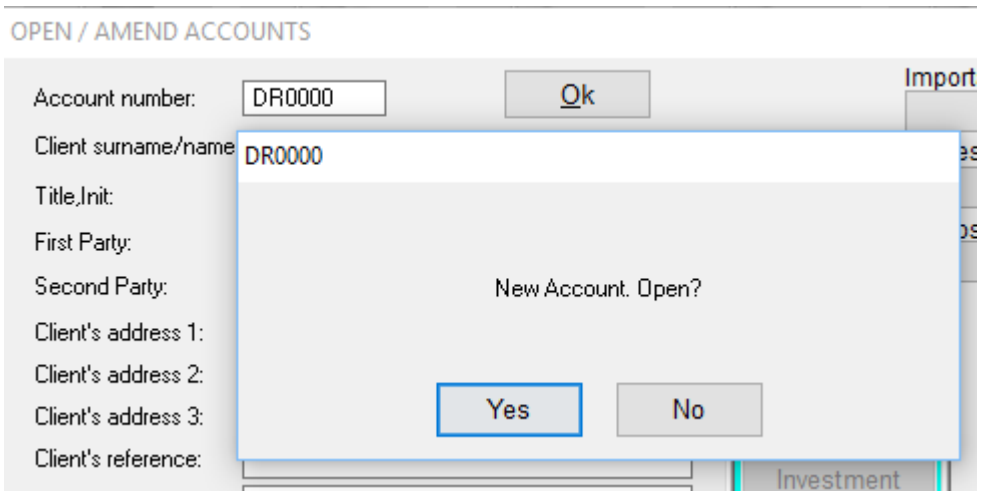
1.2 Open a Main Account for the Client

As explained earlier, only the Template has been created for the Client, and a F5 file must also be created

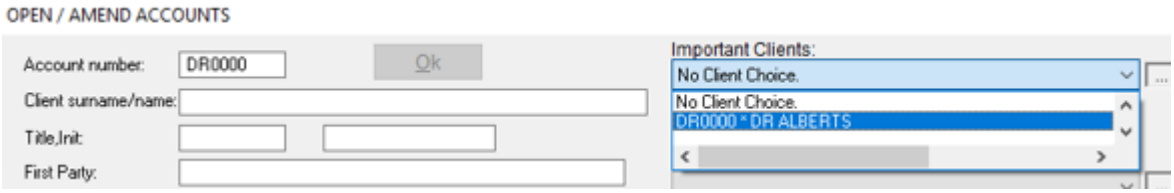
This will be the Client's Main account to receive Invoices

Press F5 or Open/Amend Accounts

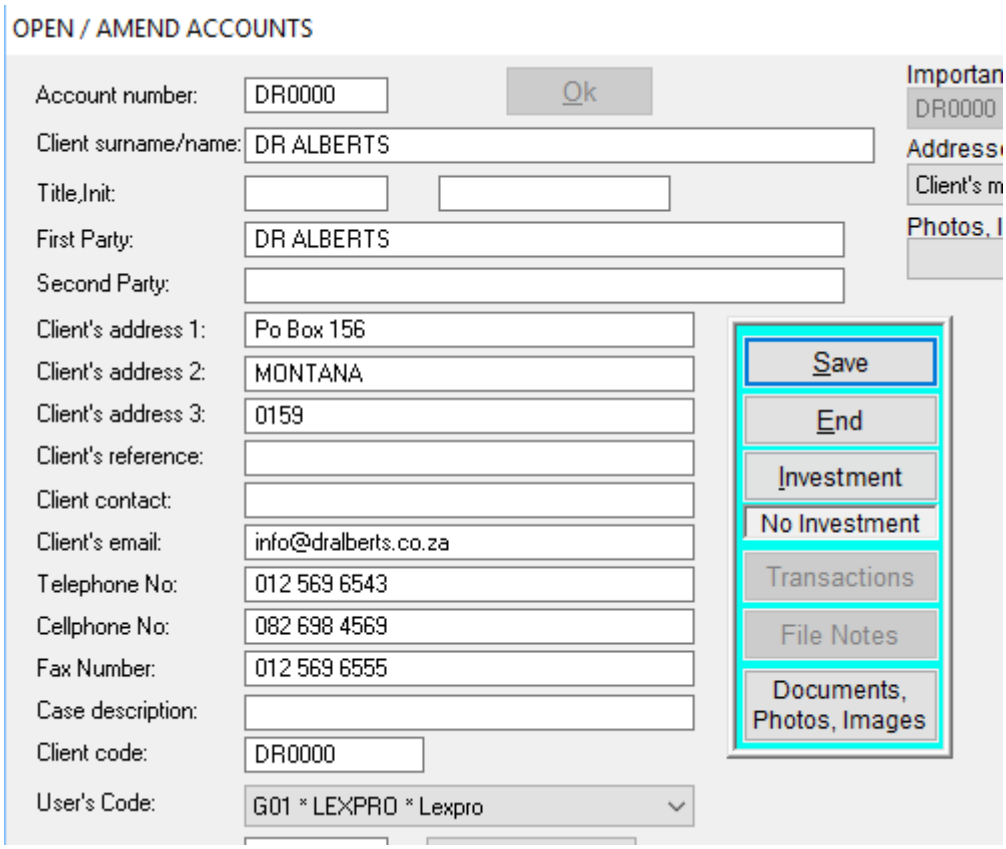
Type the same number as the Client Code, E.g. DR0000 and click OK



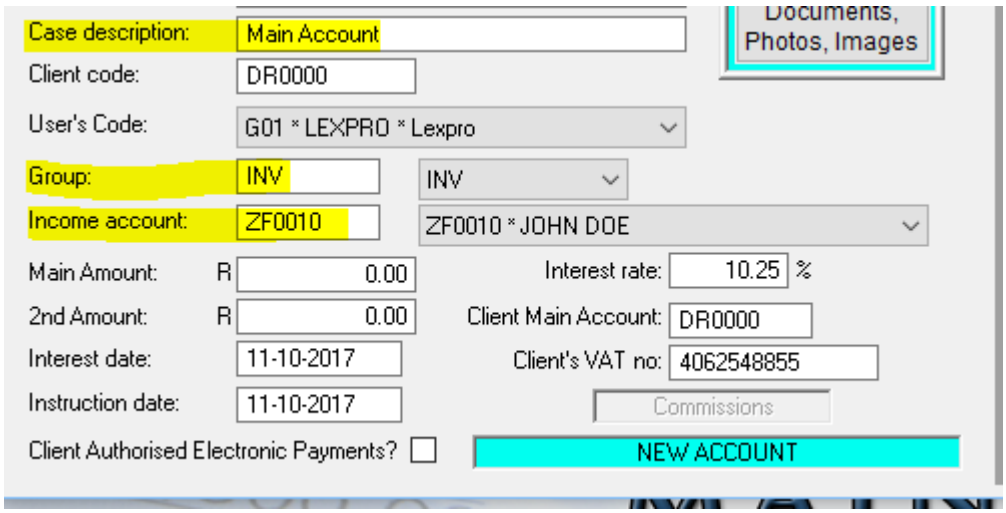
- The message will display that this is a new Account
- Click Yes to Open
- Select the Client in the list of Important Clients:



- The program will now import the details for the Client from the Template



- Complete the additional information that wasn't saved on the Template



- The case description can be ***Main account***
- The Client code and Client Main account will be inserted automatically
- Complete the Group and Income Account

This is the Client's Main account for Invoices and therefore there won't be any Parties, Claim Amounts, etc.

- Click Save

1.3 Open Matters/Debtor Files

The firm will now receive new instructions from the Client

The debtor files/matters should be opened to have the same Client code as the Client

Files will be normally be opened in the Litigation/Debt collection program and exported to the Accounting program

If your firm doesn't use the Lexpro Litigation/Debt Collection program, files can be opened directly in Accounting

To open this files, use the same method as in 1.2

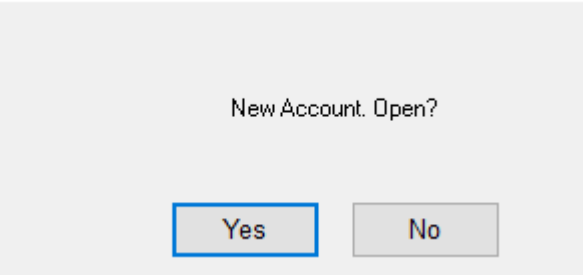
- Type the file number for the new file and click OK

  It is advisable to use the same range of file numbers as the Client's Main account

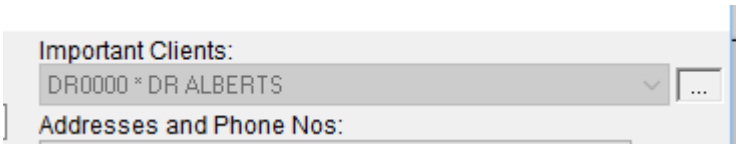
  E.g. the Client's main account and code is DR0000

  - Open all his matters starting with DR
  - E.g. DR0001 for the first new file, etc.

  The system will give the message that this is a new account

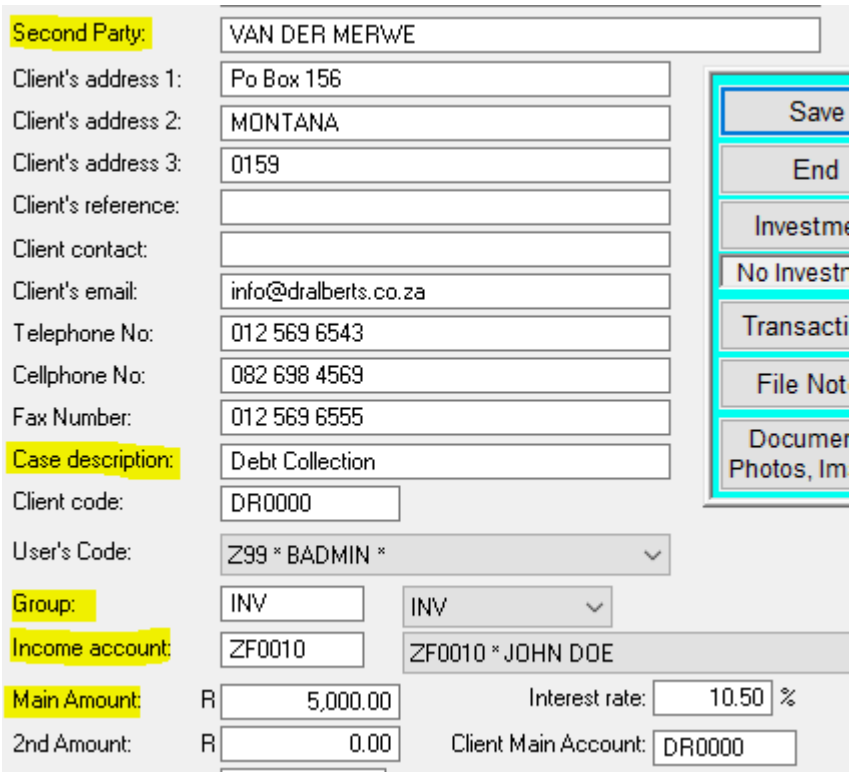


- Click Yes to Open
- Select the client's name from the list of Important clients:



- The client's information will be imported to the new matter
- Make sure that the Client code also imported:

- **Complete the additional information**



  - Second Party/Debtor's name
  - Case description
  - Group
  - Income account
  - Main Amount which is the Claim amount
    - This amount is important in order for the correct amounts to transfer to the client, when doing the setoff function

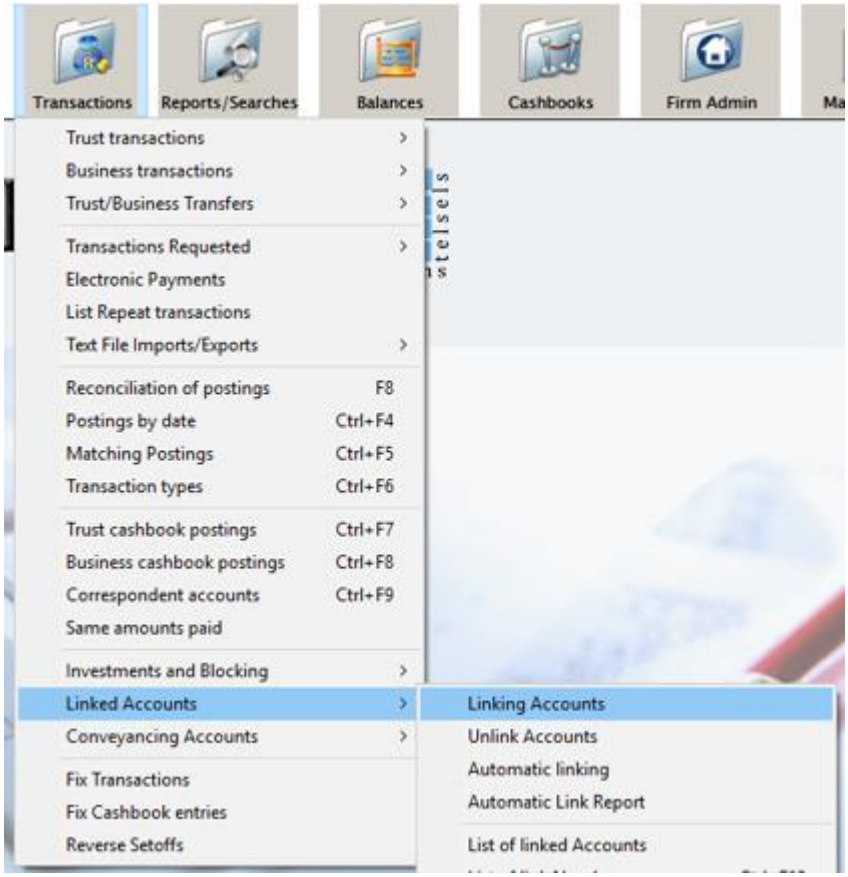
- Click Save
- Follow this procedure for all new matters

1.4 Link Matters to Main Account

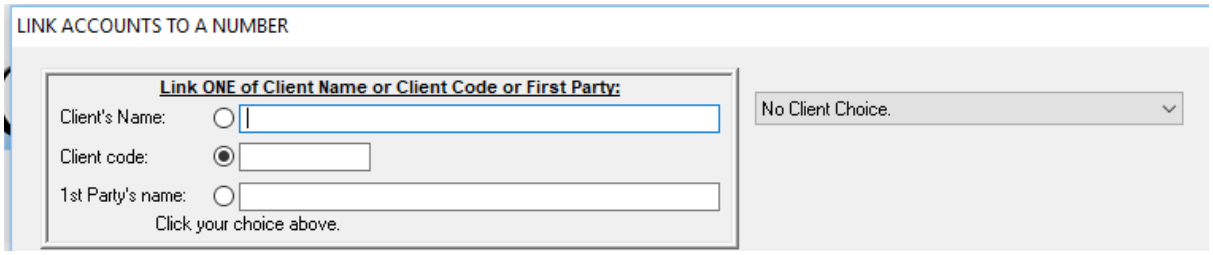
After all new debtor files are opened, they need to be linked to the Client's account with a unique link number

The Linking is necessary for the Setoff function to work

Where to Link:

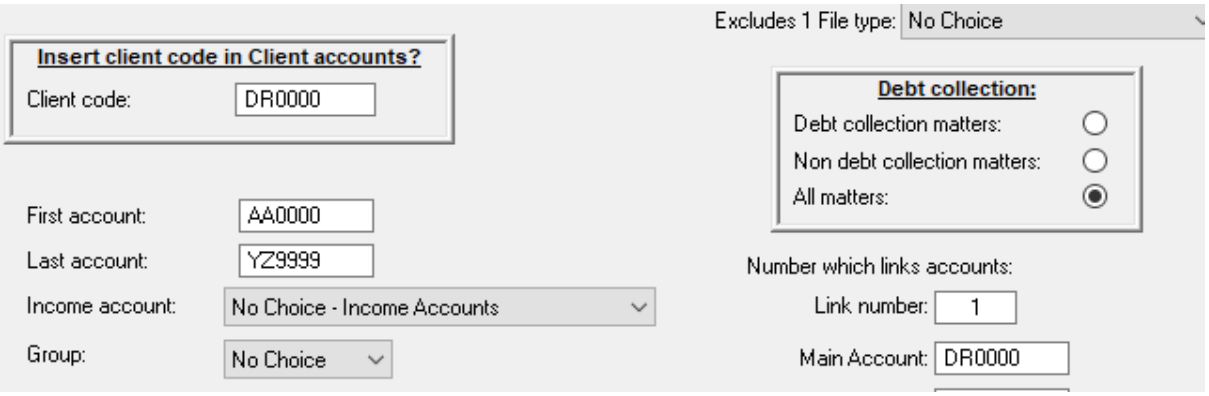


Select the Linking Accounts function to open the screen:



Select the Client's name from the List of Clients on the right

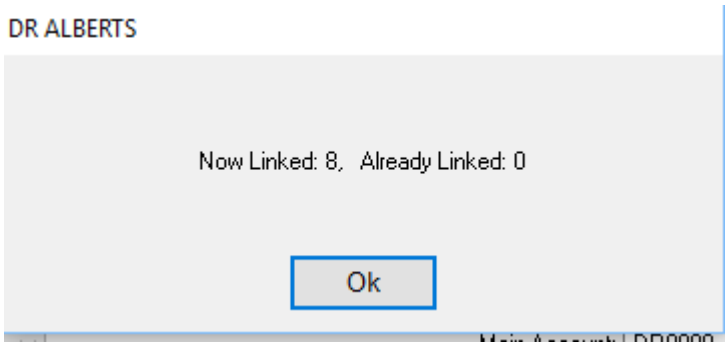
- The client's name and Code will display
- All files with the same Client Code will link



Complete the following information:

- Make sure that the Client Code is inserted
- Type the First and Last account
  - You can leave the default first and last account
    - All files with the same Client Code will be linked, regardless of the file number
- Choose All matters under Debt Collection options
  - This is to ensure that matters that wasn't opened as Debt Collection matters by mistake, will also link
- Allocate a Link number to this specific Client files
  - Start with Link number 1 and use the next available number for the next Client's files to be linked
    - i.e. All Dr Albert's files will now be linked to Link number 1
    - another client's files will be linked to Link number 2
    - etc.
- Type the Main account number (normally the same as the Client Code)
- Click OK

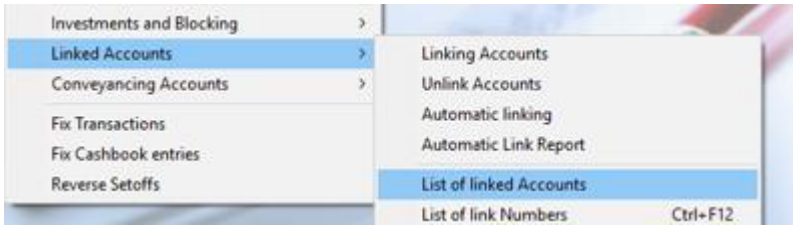
A message will display that the files are linked and it the number of files linked



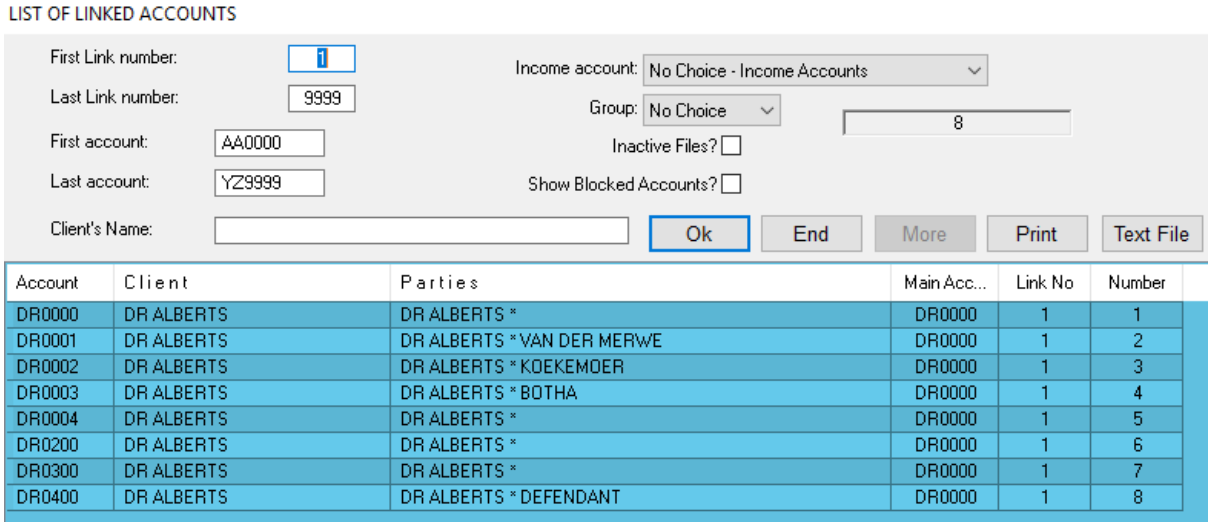
- The number next to Now Linked should be a good indication as to whether or not the correct amount of files was linked

List of Linked accounts

- To see a list of files that has been linked:



- Choose the First to Last Link number and the First and Last Account number and click OK



Account	Client	Parties	Main Acc...	Link No	Number
DR0000	DR ALBERTS	DR ALBERTS *	DR0000	1	1
DR0001	DR ALBERTS	DR ALBERTS * VAN DER MERWE	DR0000	1	2
DR0002	DR ALBERTS	DR ALBERTS * KOEKEMOER	DR0000	1	3
DR0003	DR ALBERTS	DR ALBERTS * BOTHA	DR0000	1	4
DR0004	DR ALBERTS	DR ALBERTS *	DR0000	1	5
DR0200	DR ALBERTS	DR ALBERTS *	DR0000	1	6
DR0300	DR ALBERTS	DR ALBERTS *	DR0000	1	7
DR0400	DR ALBERTS	DR ALBERTS * DEFENDANT	DR0000	1	8

- This report displays all files linked to the Main Account

1.5 Setoff Accounts

With the setoff function, balances from Debtor accounts are transferred to the Client's Main account

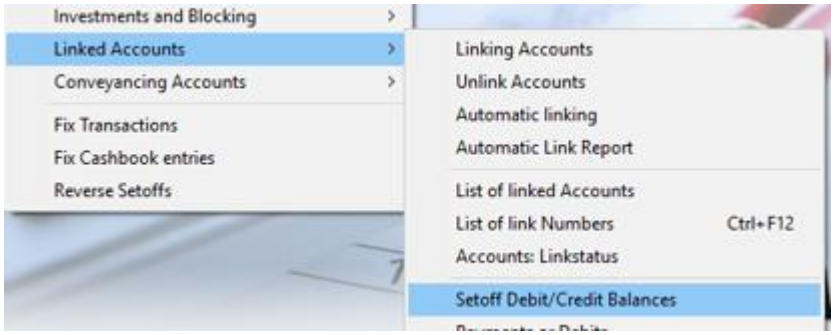
Eg.DR0001 receives a R100 payment

Collection commission of R11.40 is debited against the file

DR0001 has a trust credit of R86.60 left

With the Setoff function, R86.60 will transfer to DR0000 (Client's main account) and R11.40 will stay on DR0001 to be transferred from Trust to Business with the next Trust transfer

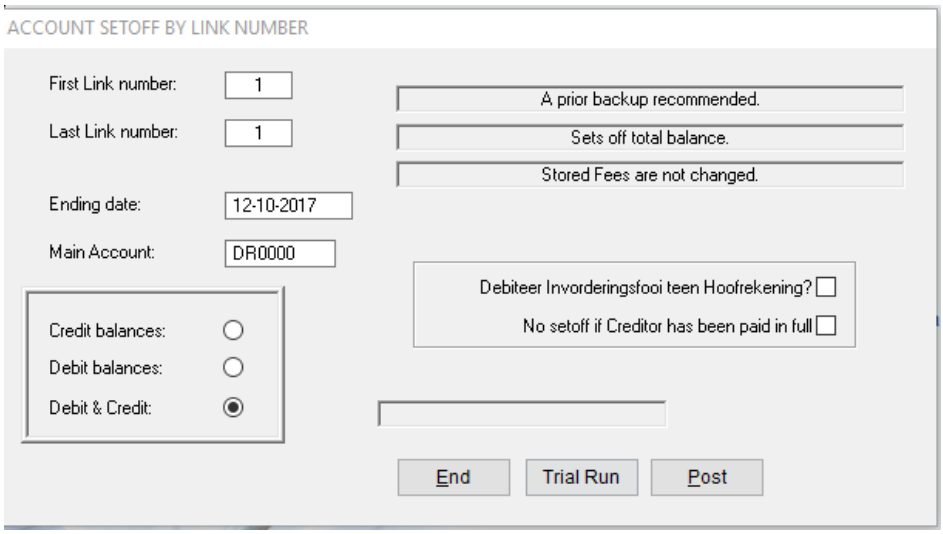
Where to find the function:



Remember to first do the Linking of accounts and new accounts opened

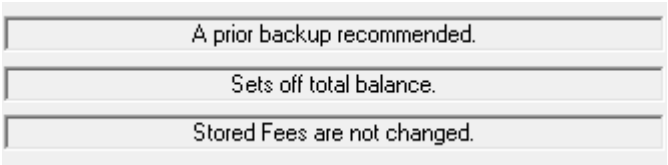
Setoff function:

Click the Setoff Debit/Credit Balances to open the screen:

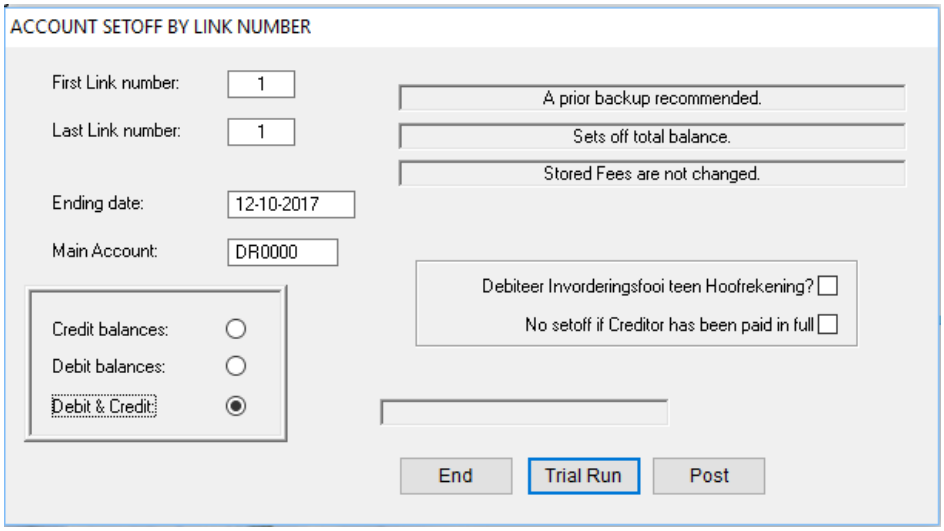


Backup:

It is important to do a Backup before the Setoff function



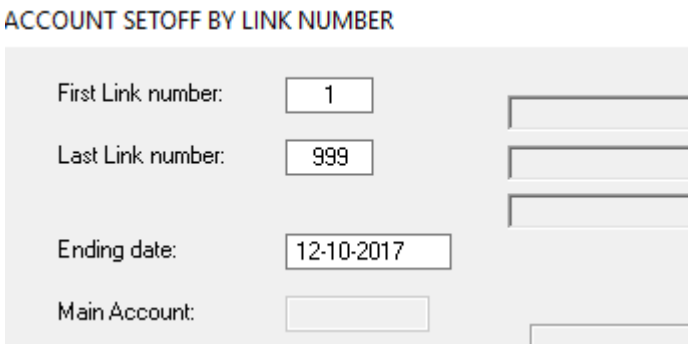
If the setoff function didn't work correctly, the backup can be restored



- Complete the range of Link numbers to setoff
  - You can choose individually, e.g. Only Link no. 1
    - Type both the First and Last Link number as 1
    - The Main Account for the Specific Link number will display

  OR

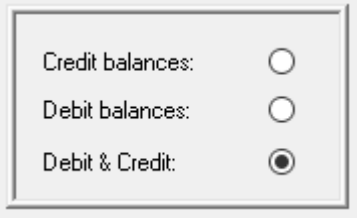
  - You can choose the whole range of Link numbers to do the Setoff for all Linked accounts:



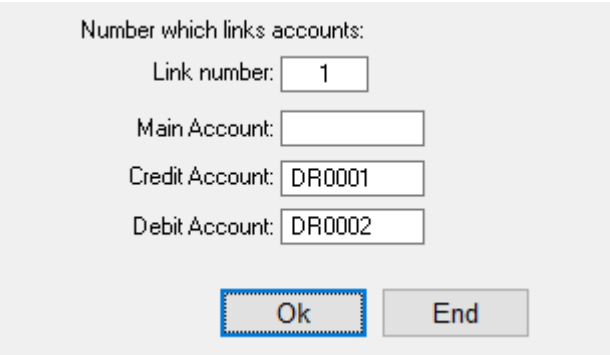
    - No Main Account will display, as it will Setoff to various Main Accounts

- Type the ending date
    - Balances up to the ending date will Setoff

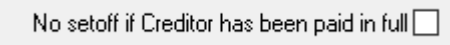
- Select the type of balances to setoff:
    - Only Credit balances
    - Only Debit balances
    - Both Debit and Credit balances



- **Note: Setoffs can be done to different Accounts**
    - Eg. Credit balances can setoff to one Account number
    - Debit balances can be setoff to another Account number
    - This is setup when files are linked eg.

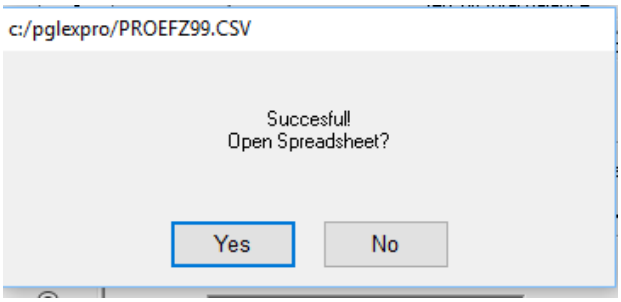


    - For this type of setoff, select the Debit balances first, do the setoff again and select Credit Balances
    - If you only use one Main account, select Debit & Credit balances

- 

  Mark this option to prevent a setoff/payment to the client when debtor's claim amount has been paid in full
- The trust credit will stay on the debtor's file and will be available to use for Costs and fees
    - Before selecting this option, make sure that all debtor files has a main claim and balance in their file details/F5

- **If you want to** do a Trial Run first, to see if the Setoff is correct, you can click on the Trial Run button
- The Setoff transactions that will take place, will open in a Excell spreadsheet



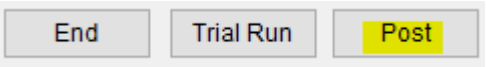
  - Click Yes to open the Spreadsheet

The setoff journals to take place will display in the spreadsheet:

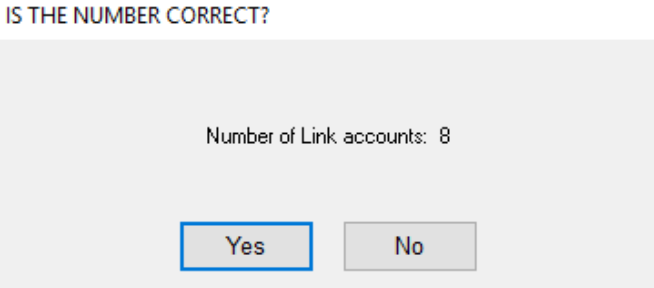
A	B	C	D	E	F	G	H	
20171012	1	1	12-10-17	DR0000	0	0	0	
DR0001	12-10-17	12-10-17	SJnl DR0000: credit acc.	SJnl	90	0	TJS	00
DR0000	12-10-17	12-10-17	SJnl DR0001: VAN DER MERWE	SJnl	0	90	TJS	00
DR0002	12-10-17	12-10-17	SJnl DR0000: debit acc	SJnl	0	680	BJS	00
DR0000	12-10-17	12-10-17	SJnl DR0002: KOEKEMOER :	SJnl	680	0	BJS	00
DR0004	12-10-17	12-10-17	SJnl DR0000: krediteer rek.	SJnl	3600	0	TJS	00
DR0000	12-10-17	12-10-17	SJnl DR0004:	SJnl	0	3600	TJS	00
DR0200	12-10-17	12-10-17	SJnl DR0000: krediteer rek.	SJnl	2500	0	TJS	00
DR0000	12-10-17	12-10-17	SJnl DR0200:	SJnl	0	2500	TJS	00
DR0300	12-10-17	12-10-17	SJnl DR0000: krediteer rek.	SJnl	1800	0	TJS	00
DR0000	12-10-17	12-10-17	SJnl DR0300:	SJnl	0	1800	TJS	00
	12-10-17	12-10-17	Total	SJnl	680	7990	0	

- This is only useful if you're not sure how the function works or if it will setoff correctly
  - You don't need to do a Trial Run, and can click on Post directly

- Click POST to Post the Setoff



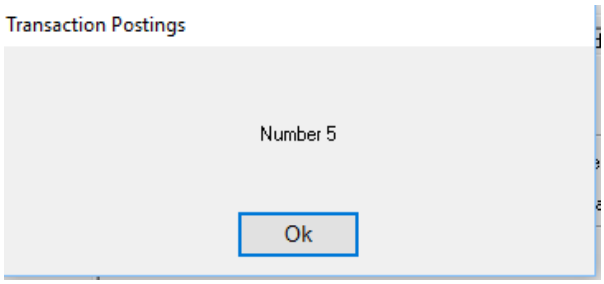
- The program will display the amount of Linked accounts



- Click Yes if the number of Linked accounts are correct
  - Click No if not, and correct the problem first, eg. new files are not Linked

- The message will display if you are sure to post
    - Click YES

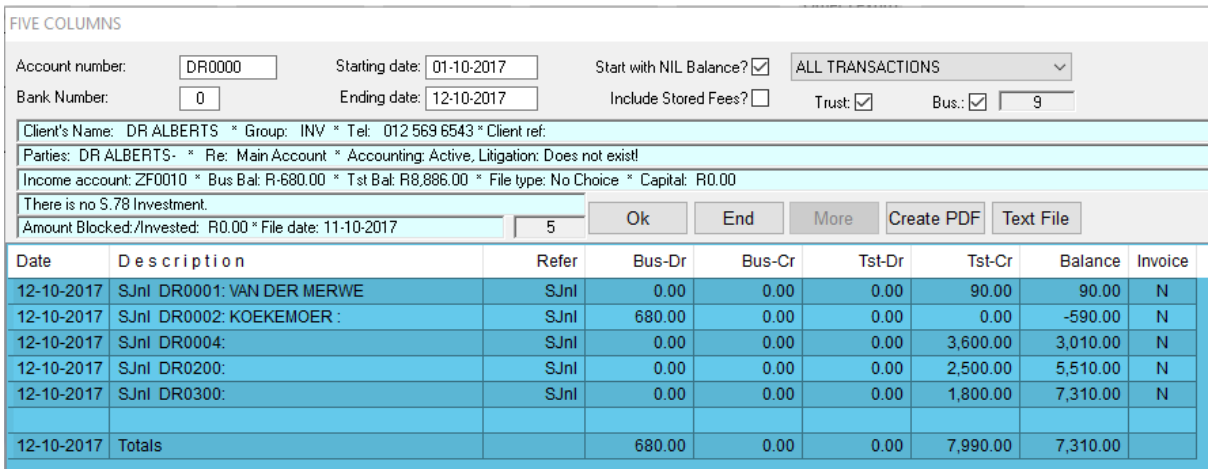
- The transactions will post and the number of Journals will show:



The Setoff function is completed

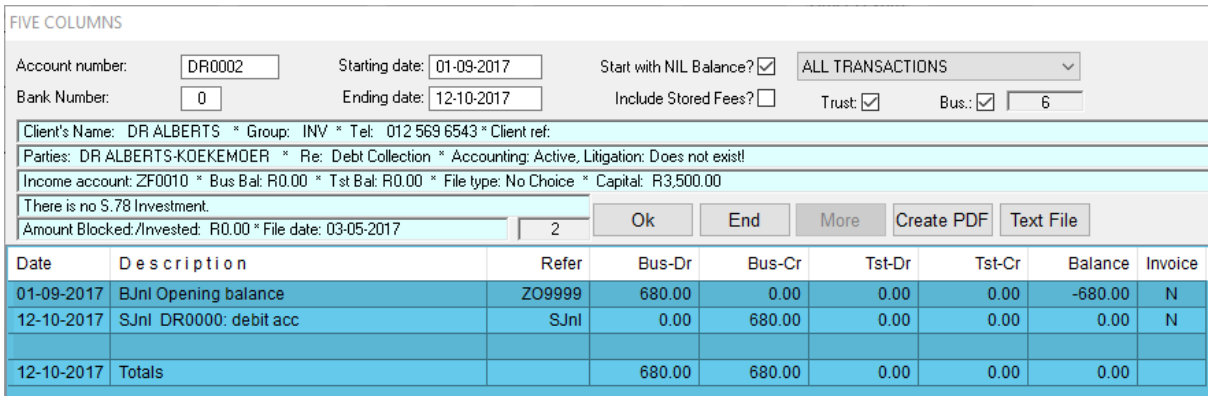
You can use the F4 shortcut key to see the transactions that took place on the different files:

The Main account (DR0000) received payments and debits from all the matters:



Date	Description	Refer	Bus-Dr	Bus-Cr	Tst-Dr	Tst-Cr	Balance	Invoice
12-10-2017	SJnl DR0001: VAN DER MERWE	SJnl	0.00	0.00	0.00	90.00	90.00	N
12-10-2017	SJnl DR0002: KOEKEMOER :	SJnl	680.00	0.00	0.00	0.00	-590.00	N
12-10-2017	SJnl DR0004:	SJnl	0.00	0.00	0.00	3,600.00	3,010.00	N
12-10-2017	SJnl DR0200:	SJnl	0.00	0.00	0.00	2,500.00	5,510.00	N
12-10-2017	SJnl DR0300:	SJnl	0.00	0.00	0.00	1,800.00	7,310.00	N
12-10-2017	Totals		680.00	0.00	0.00	7,990.00	7,310.00	

The Debtor's balance was setoff to the Main Account



Date	Description	Refer	Bus-Dr	Bus-Cr	Tst-Dr	Tst-Cr	Balance	Invoice
01-09-2017	BJnl Opening balance	ZO9999	680.00	0.00	0.00	0.00	-680.00	N
12-10-2017	SJnl DR0000: debit acc	SJnl	0.00	680.00	0.00	0.00	0.00	N
12-10-2017	Totals		680.00	680.00	0.00	0.00	0.00	

2. Correspondent Accounts

Use this method to capture transactions on Correspondent matters

There are 2 types of scenarios regarding correspondents. Each scenario has a different method to capture transactions

- Our Firm gives instruction to a Correspondent
- Our Firm receives instruction from a Correspondent

2.1 Our Firm gives Instruction

In cases where our Firm doesn't have jurisdiction to handle a certain matter, we can appoint a Correspondent (Attorney), who has jurisdiction, to handle the matter for us

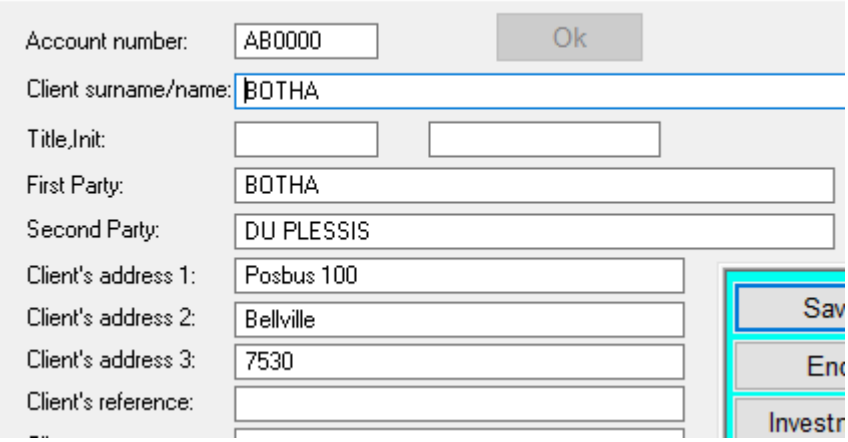
The following procedure will take place:

- Open a file for our Client
- Send instruction to the Correspondent
- Open a Z-account for the Correspondent
- Receive an Invoice from the Correspondent
    - Capture and post the transactions reflecting on the Invoice

2.1.1 Open a file for our Client

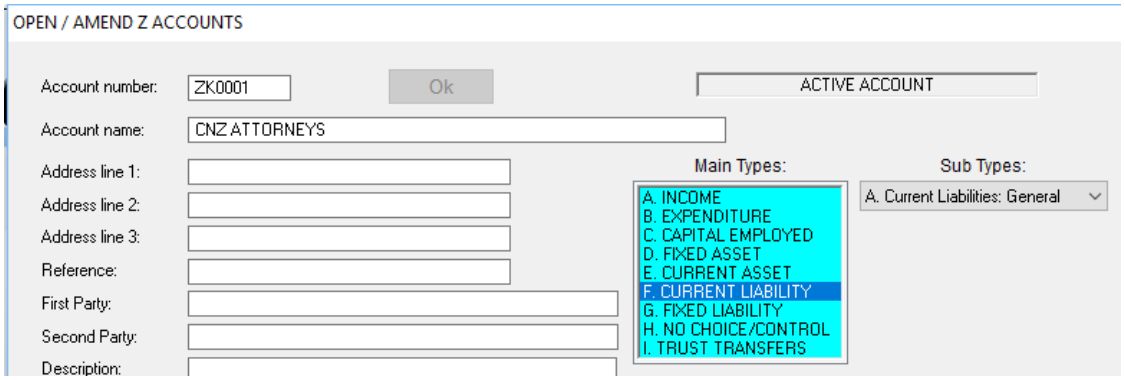
Use the F5 Open/Amend account function to open the file

OPEN / AMEND ACCOUNTS



2.1.2 Open a Z Account for the Correspondent

Open a Z account for each Correspondent used, e.g.



2.1.3 Capture the correspondent's Invoice

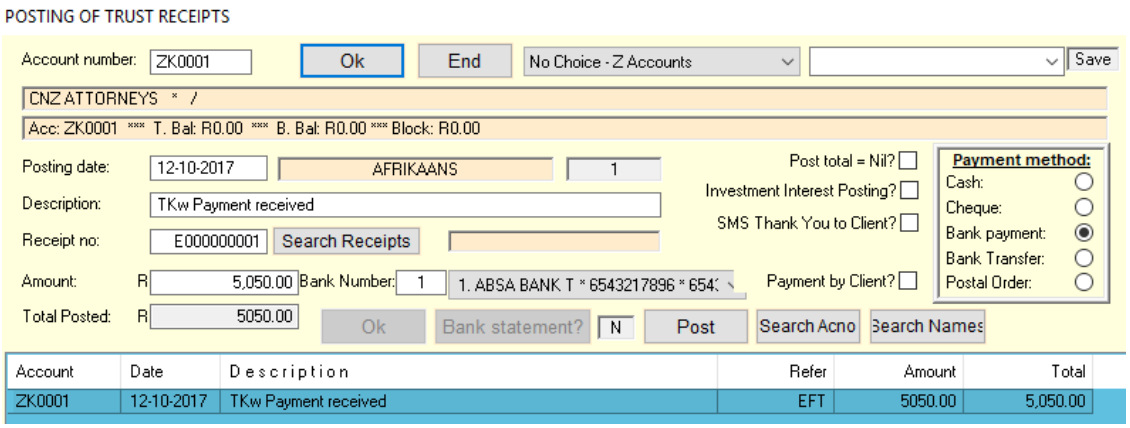
The firm receives an invoice from the Correspondent, e.g.

	CNZ Attorneys			
01-08-17	Instruction		250.00	
24-08-17	Payment			5800.00
25-08-17	Fees		500.00	
31-08-17	Payment to Correspondent		5050.00	
	Totals		0.00	0.00

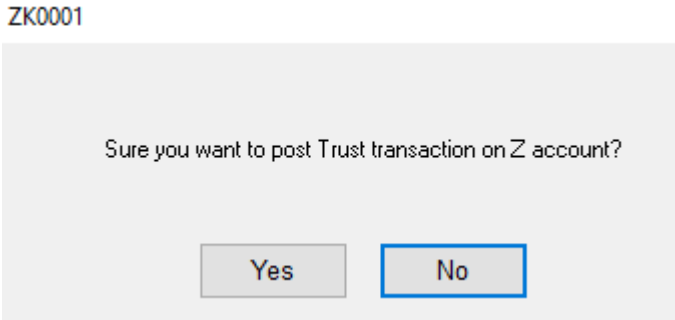
Capture the Invoice using the following transactions:

- **Payment received from the Correspondent: R5050.00**

Post a Trust receipt on the Correspondent's Z account for the amount received



The system will ask you if you are sure to post a Trust transaction on a Z account

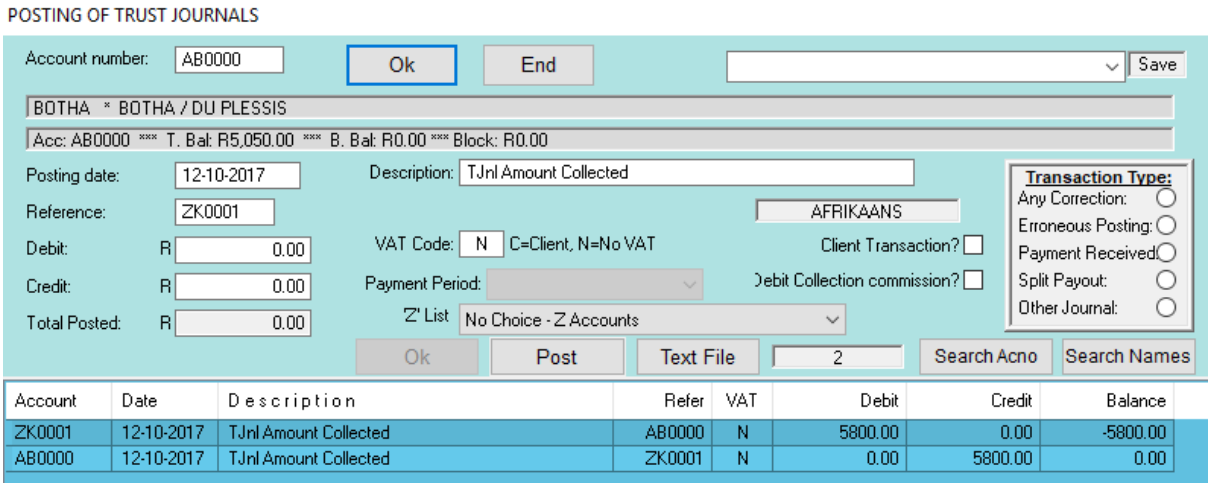


This is one of the exceptions when to post Trust transactions on Z accounts

- Click Yes

- **Payment received by the Correspondent from the Client:**

Do a Trust journal to capture the **payment received** by the Correspondent, between the Correspondent account and the Client's account



- Debit the Correspondent's Z-account
- Credit the Client's account with the same amount
- **Instruction received and fees:**

Fees and costs must be posted as Creditor's Journals between the correspondent's Z-account and the Client's account

CREDITORS' POSTINGS

Account number: AB0000 | Ok | End | Save

BOTHA * BOTHA / DU PLESSIS

Acc: AB0000 *** T. Bal: R10,850.00 *** B. Bal: R-750.00 *** Block: R0.00

Posting date: 12-10-2017 | Description: KJnl Fees

Reference: ZK0001 | AFRIKAANS

Debit: R 0.00 | VAT Code: N C=Client, F=Firm, N=None | Client Transaction? ☐

Credit: R 0.00 | Payment Period: No Choice

Total Posted: R 0.00 | 'Z' List: No Choice - Z Accounts

Transaction Type: Any Correction: ○ Erroneous Posting: ○ Payment Received: ○ Split Payout: ○ Other Journal: ○

Ok | Post | Text File | 4 | Search Acno | Search Names

Account	Date	Description	Refer	VAT	Debit	Credit	Balance
ZK0001	12-10-2017	KJnl Instruction received	AB0000	N	0.00	250.00	250.00
AB0000	12-10-2017	KJnl Instruction received	ZK0001	N	250.00	0.00	0.00
ZK0001	12-10-2017	KJnl Fees	AB0000	N	0.00	500.00	500.00
AB0000	12-10-2017	KJnl Fees	ZK0001	N	500.00	0.00	0.00

- Credit the Correspondent's Z-account with the fees and costs
- Debit the Client's account with the same amount

Allowance:

- If the correspondent gives a part of his fees (allowance) to the Firm, this allowance must also be posted with a Creditors Journal
  - Debit the Correspondent's Z account with the allowance amount
  - Credit the Fee earner's Z account with the Allowance amount

E.G.

CREDITORS' POSTINGS

Account number: ZF0100 | Ok | End | Save

FEES JOE SOAP * /

Acc: ZF0100 *** T. Bal: R0.00 *** B. Bal: R0.00 *** Block: R0.00

Posting date: 12-10-2017 | Description: CJnl Allowance

Reference: ZK0001 | ENGLISH

Debit: R 0.00 | VAT Code: N C=Client, F=Firm, N=None | Client Transaction? ☐

Credit: R 0.00 | Payment Period: No Choice

Total Posted: R 0.00 | 'Z' List: No Choice - Z Accounts

Transaction Type: Any Correction: ○ Erroneous Posting: ○ Payment Received: ○ Split Payout: ○ Other Journal: ○

Ok | Post | Text File | 2 | Search Acno | Search Names

Account	Date	Description	Refer	VAT	Debit	Credit	Balance
ZK0001	12-10-2017	KJnl Allowance	ZF0100	N	150.00	0.00	-150.00
ZF0100	12-10-2017	CJnl Allowance	ZK0001	N	0.00	150.00	0.00

After capturing and posting the Correspondent's Invoice, the relevant accounts will show as follows:

AB0000

FIVE COLUMNS

Account number: AB0000 Starting date: 01-10-2017 Start with NIL Balance? ☑ ALL TRANSACTIONS

Bank Number: 0 Ending date: 16-10-2017 Include Stored Fees? ☐ Trust: ☑ Bus.: ☑ 7

Client's Name: BOTHA * Group: INV * Tel: * Client ref:

Parties: BOTHA-DU PLESSIS * Re: * Accounting: Active, Litigation: Active

Income account: ZF0010 * Bus Bal: R-750.00 * Tst Bal: R10,850.00 * File type: No Choice * Capital: R0.00

There is no S.78 Investment.

Amount Blocked:/Invested: R0.00 * File date: 10-05-2017 3 Ok End More Create PDF Text File

Date	Description	Refer	Bus-Dr	Bus-Cr	Tst-Dr	Tst-Cr	Balance	Invoice
12-10-2017	TJnl Amount Collected	ZK0001	0.00	0.00	0.00	5,800.00	5,800.00	N
12-10-2017	KJnl Instruction received	ZK0001	250.00	0.00	0.00	0.00	5,550.00	N
12-10-2017	KJnl Fees	AB0000	500.00	0.00	0.00	0.00	5,050.00	N
16-10-2017	Totals		750.00	0.00	0.00	5,800.00	5,050.00	

The Client's balance is the same as the payment/EFT received from the Correspondent

The fees and costs will be available to transfer to Business with the next Trust to Business Transfer

ZK0001

FIVE COLUMNS

Account number: ZK0001 Starting date: 01-10-2017 Start with NIL Balance? ☐ ALL TRANSACTIONS

Bank Number: 0 Ending date: 16-10-2017 Include Stored Fees? ☐ Trust: ☑ Bus.: ☑ 9

Client's Name: CNZ ATTORNEYS * Group: * Tel: * Client ref:

Parties: - * Re: * Accounting: Active, Litigation: Does not exist!, Z Type: F. CURRENT LIABILITY

Income account: * Bus Bal: R750.00 * Tst Bal: R-750.00 * File type: No Choice * Capital: R0.00

There is no S.78 Investment.

Amount Blocked:/Invested: R0.00 * File date: 10-05-2017 4 Ok End More Create PDF Text File

Date	Description	Refer	Bus-Dr	Bus-Cr	Tst-Dr	Tst-Cr	Balance	Invoice
12-10-2017	TJnl Amount Collected	AB0000	0.00	0.00	5,800.00	0.00	-5,800.00	N
12-10-2017	KJnl Instruction received	AB0000	0.00	250.00	0.00	0.00	-5,550.00	N
12-10-2017	KJnl Fees	ZK0001	0.00	500.00	0.00	0.00	-5,050.00	N
12-10-2017	TKw Payment received	EFT	0.00	0.00	0.00	5,050.00	0.00	N
16-10-2017	Totals		0.00	750.00	5,800.00	5,050.00	0.00	

The Correspondent's Z-account has a 0.00 balance

Note the Business and Trust balances

The Business balance is a Debit of R750 and the Trust balance a credit of R750

This balances must be made 0.00 with a Z-transfer

Important:

The Trust transactions on the Correspondent's account will create a Trust shortage on the Short Trial balance

- For this reason, Z accounts should not have Trust balances/Transactions

SHORT TRIAL BALANCE

SHORT TRIAL BALANCE - 16-10-2017 12:16 - Z99, SQL 20170913, toets

Active Accounts: 29 (A-Y) + 26 (Z) = 55

VAT from 16-10-2017 to 16-10-2017 payable on 16-10-2017	R	0.00
Other Firm/Practice Creditors:	R	280.00
S.78(2)(a) Investments / Blocked Trust debits:	R	0.00
S.78(2A) Investments:	R	102,500.00
Cash flow from 01-04-2017: In: R682,605.87, Out: R46,561.60	R	636,044.27
Estimated Profit before tax since 01-10-2017:	R	0.00
Trust Creditors: Client balances A - Y (excl investments) (12-10-2017)	R	455,497.43
Trust cashbook balance: (all banks) (12-10-2017)	R	-454,747.43
Trust Shortage:	**R**	**750.00**

Run the Trust Transfer and Z-Transfer immediately after posting the Correspondent's Invoice

Trust Transfers

TRUST AND BUSINESS TRANSFERS

Trust Bank no: 0

29

Blocked Transfers NOT shown!

Ok | End | More | Print | Post | Text File

Count: 3

Account	Y/N	Names and Description	Fee Acc	Bus Balance	Trust Balance	Transfer
AA0000	Y	Transfer: Tst to Bus * KLIENT A * TWEEDE PARTY	ZF0010	-16,060.00	50.00	50.00
AB0000	Y	Oordrag: Tst na Bes * BOTHA * DU PLESSIS	ZF0010	-750.00	10,850.00	750.00
DR0000	Y	Transfer: Tst to Bus * DR ALBERTS *	ZF0010	-680.00	8,886.00	680.00

The Client's Account will transfer from Trust to Business

Z-transfer:

Z ACCOUNT TRANSFERS

Trust Bank no: 0

Posting date: 12-10-2017

2

Ok | End | More | Print | Post | Text File

0

Account- L	Y/N	Names and Description	Fee Acc	Bus Balance	Trust Balance	Transfer
ZK0001	Y	Oordrag: Bes na Tst * /		750.00	-750.00	-750.00
		Total Shortage in transfer:				-750.00

The amount will transfer between Business and Trust

F7/Short Trial balance:

SHORT TRIAL BALANCE

SHORT TRIAL BALANCE - 16-10-2017 12:22 - Z99, SQL 20170913, toets

Active Accounts: 29 (A-Y) + 26 (Z) = 55		
VAT from 16-10-2017 to 16-10-2017 payable on 16-10-2017	R	0.00
Other Firm/Practice Creditors:	R	280.00
S.78(2)(a) Investments / Blocked Trust debits:	R	0.00
S.78(2A) Investments:	R	102,500.00
Cash flow from 01-04-2017: In: R683,335.87, Out: R46,561.60	R	636,774.27
Estimated Profit before tax since 01-10-2017:	R	0.00
Trust Creditors: Client balances A - Y (excl investments) (16-10-2017)	R	454,017.43
Trust cashbook balance: (all banks) (12-10-2017)	R	-454,017.43
Trust Surplus:	**R**	**0.00**

The Shortage/Surplus is now correct and 0.00

2.2 Our Firm receives Instruction

In this scenario, our Firm receives instruction from another Attorney to do work for his Client

Use the following procedure:

- Open a Client Account (A-Y) for the Correspondent and not a Z-account as in 2.1
    - Our Correspondent is our Client
- Post transactions as usual
    - Where an Allowance was agreed on, post Fees less Allowance
- Send an Invoice to the Correspondent
- Receive payment from the Correspondent

2.2.1 Open A-Y Account for the Correspondent

Use the F5 Function, e.g.

OPEN / AMEND ACCOUNTS

Account number: DU1999 Ok

Client surname/name: DU PLESSIS ATTORNEYS

Title,Init:

First Party: DR VAN ASWEGEN

Second Party: TA FEREIRA

Client's address 1: PO Box 132

Client's address 2: Durban

Client's address 3:

Client's reference:

Client contact:

Save

End

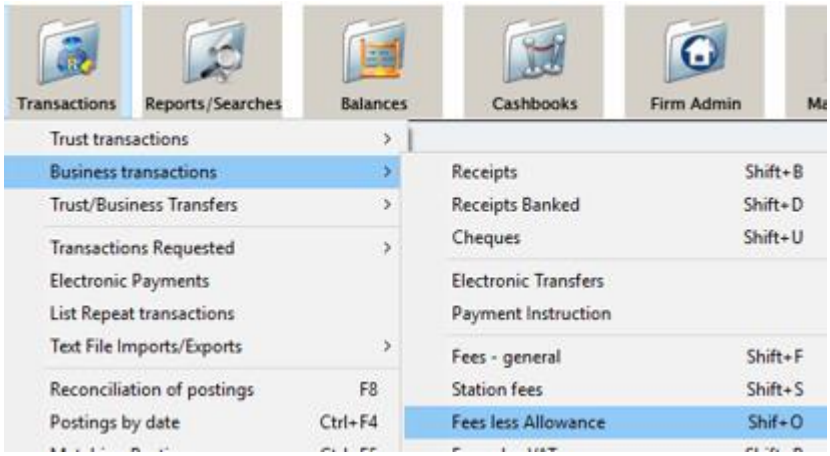
Investment

The Client Name will be the Correspondent's name and the Parties will be the actual Parties to the matter

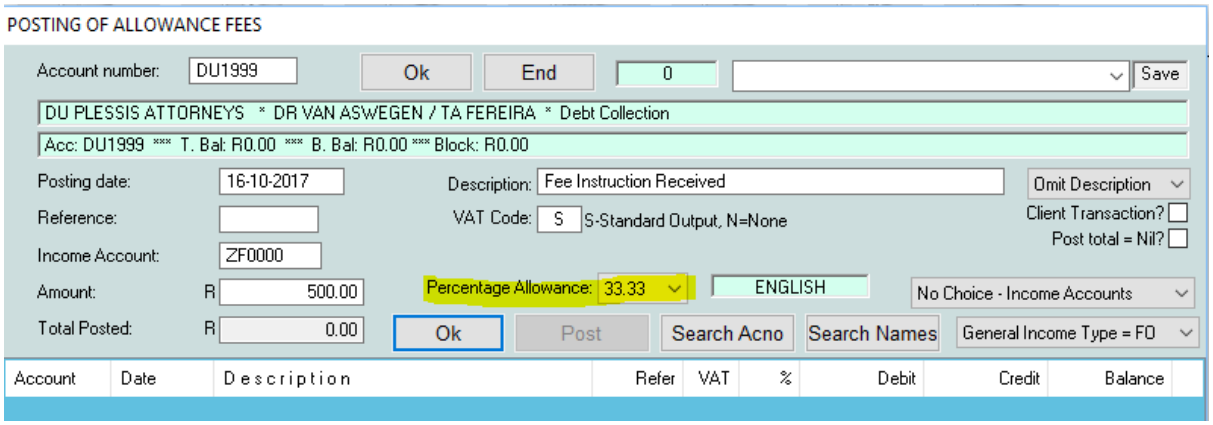
2.2.2 Post transactions

Capture transactions while working on the file, e.g. Receipts, Costs, Fees, etc.

If the Firm negotiated an Allowance on Fees, use the **Fees less Allowance** function when posting fees:

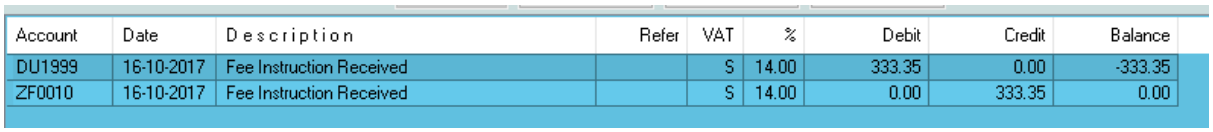


Select the Percentage Allowance:



In this example, a Fee for R500 is entered and the Allowance percentage is 33.33

The Fee account will be credited with the remaining 66.6% of the Fee amount:



Account	Date	Description	Refer	VAT	%	Debit	Credit	Balance
DU1999	16-10-2017	Fee Instruction Received		S	14.00	333.35	0.00	-333.35
ZF0010	16-10-2017	Fee Instruction Received		S	14.00	0.00	333.35	0.00

2.2.3 Send an Invoice/Statement to the Correspondent

LEXPRO systems

Statement

DU PLESSIS ATTORNEYS
PO Box 132
Durban

Acno:	DU1999
Date:	16-10-2017
Our VAT	
Your VAT	
Consultant	Charmaine
Page:	1

VAT @ 14% Included: @ = New Input, * = Old Input

DR VAN ASWEGEN
Ref: / TA FEREIRA

DATE	DESCRIPTION	REFER	DEBIT	CREDIT	BALANCE
01-10-2017	Saldo/Balance		0.00	0.00	0.00
16-10-2017	Fee Instruction Received		333.35	0.00	-333.35

2.2.4 Receive Payment from the Correspondent

When the Correspondent pays his Invoice, capture the payment with a Trust Receipt on his file:

POSTING OF TRUST RECEIPTS

Account number: DU1999 | Ok | End | No Choice - Z Accounts | Save

DU PLESSIS ATTORNEYS * DR VAN ASWEGEN / TA FEREIRA * Debt Collection

Acc: DU1999 *** T. Bal: R0.00 *** B. Bal: R-333.35 *** Block: R0.00

Posting date: 16-10-2017 | ENGLISH | 1

Description: TRec Payment received

Receipt no: D000000002 | Search Receipts

Amount: R 333.55 | Bank Number: 1 | 1. ABSA BANK T * 6543217896 * 654:

Total Posted: R 333.55 | Ok | Bank statement? N | Post | Search Acno | Search Names

Post total = Nil? ☐
Investment Interest Posting? ☐
SMS Thank You to Client? ☐
Debit Collection commission? ☐
Payment by Client? ☐

Payment method:
Cash: ○
Cheque: ○
Bank payment: ◉
Bank Transfer: ○
Postal Order: ○

Account	Date	Description	Refer	Amount	Total
DU1999	16-10-2017	TRec Payment received	D000000001	333.55	333.55

- With the next Trust transfer, the Trust amount will be transferred to Business and the Correspondent's account will be 0.00

3 Financial Year End

Do this function to Journalise all Income and Expense accounts' balances on the Year end data to a Profit/Loss Account

All Income and Expense accounts will therefor start on a 0.00 balance on the start date of the new Financial Year

Important:

- Ask your Auditors if you should do the Year end Function before or after Audit
    - After the Year end function is run, the Income and Expense accounts' balances will be 0.00 on the Year end date – this will influence the Auditors' figures
    - Auditors normally give correction journals to capture

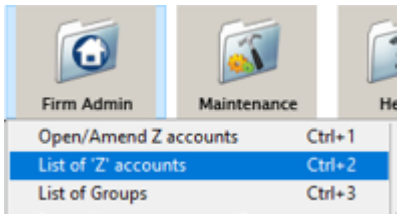
Procedure:

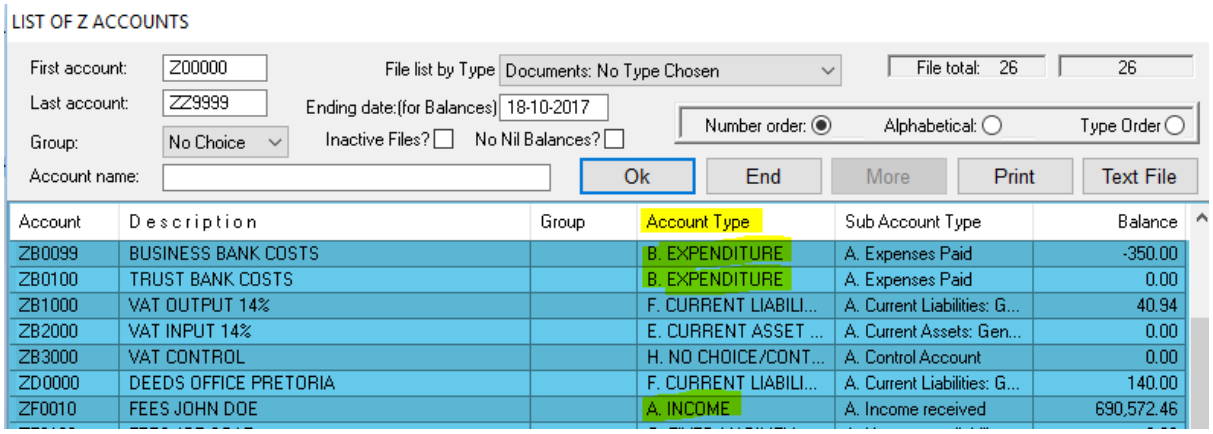
- Make sure Z accounts are opened with the correct type, e.g. Income/Expense
- Open a Profit/Loss account for the specific Financial Year
- Backup data
- Run the Year end function

3.1 Income and Expense Accounts correctly opened

Because the Year end function will journalise all Income and Expense accounts' balances to the Profit and Loss account, it is important to make sure they are opened correctly

Print a list of Z-accounts

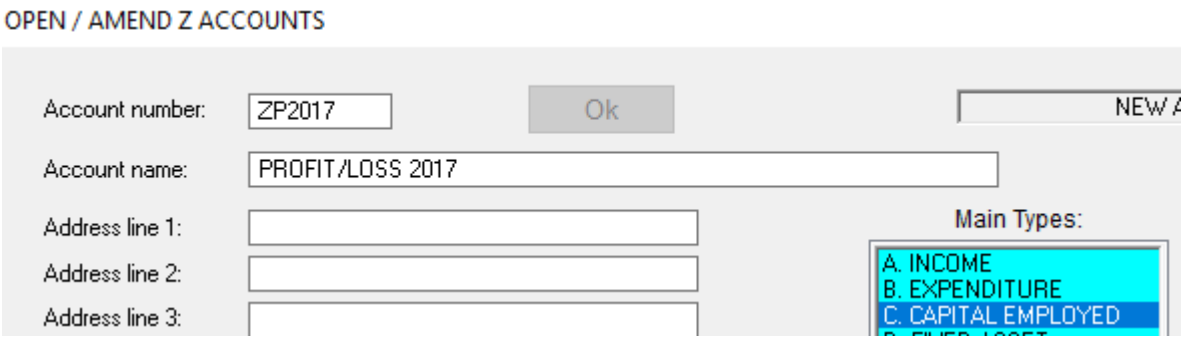




Go through the list. To make changes, click the file number of the specific file to change the type, name, etc

3.2 Open a Z-Profit/Loss Account

This account is the Contra entry for the Year end Journals and should be opened with the type Capital/Reserve

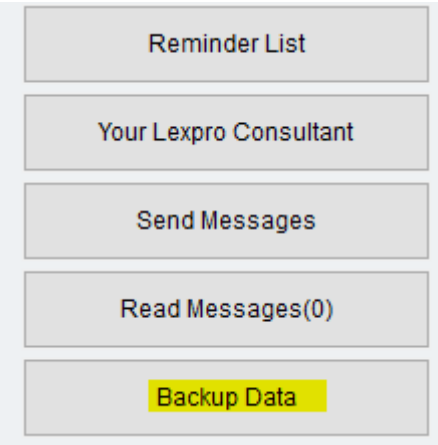


You can open different Z-accounts for each Year end specifically or open one to use for all Year ends

3.3 Backup Data

Run a Backup prior to the Year end function, if needed to restore

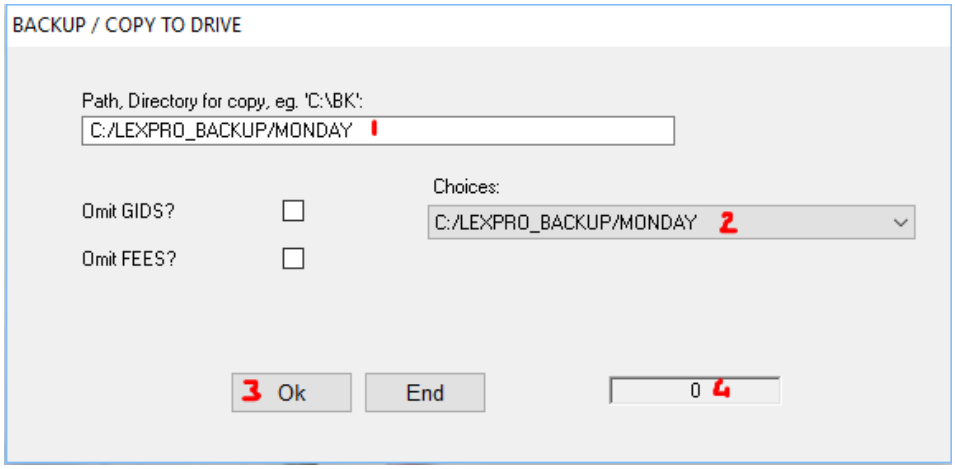
There are various options and functions to use for making backups, including the shortcut key on the Main Screen:



With this backup option, the database with all tables are saved in the specified folder as TXT files

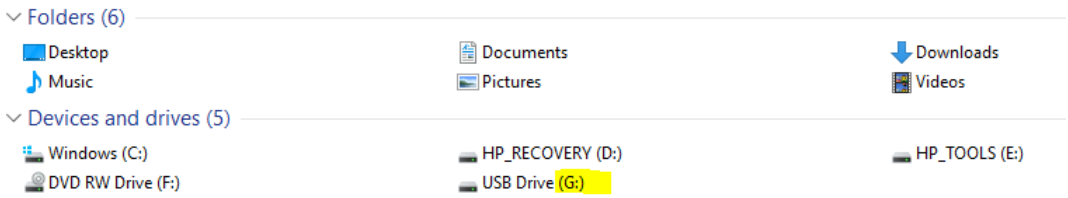
The TXT Files will be able to restore in the system if needed

Click the shortcut key: **Backup data** on the Main screen

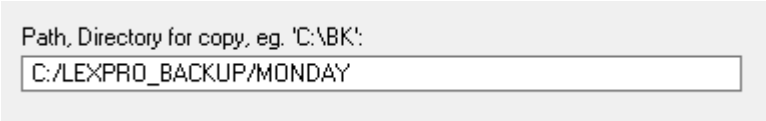


1. **Path, Directory for copy**
   - Type the path where the Backup files must be saved
   - The program will create the folder, if it doesn't exist
   - Remember to add the _ sign if the folder consist of 2 names, e.g. Lexpro_Backup
   - In the Example above, the backup will be stored in the C drive (Hard drive) of the computer where the backup is made
     - You can change the C to the Network drive (F or L or what the drive for the network may be)
     - You can also change C to the drive for the Memory stick or External hard drive

       If you're not sure what the drive is for the Memory stick or External hard drive, insert into your computer, and it will display in brackets next to the name of the external in Computer, e.g.



- In the example, the sub folder where the backup will be saved is the MONDAY folder



- Create a folder for Monday – Friday

  This way you will have 5 different backups and each Monday will overwrite the previous Monday backup, etc.

2. The **Choices** dropdown list will show all previous backups made
   - You can select the next backup path from this list

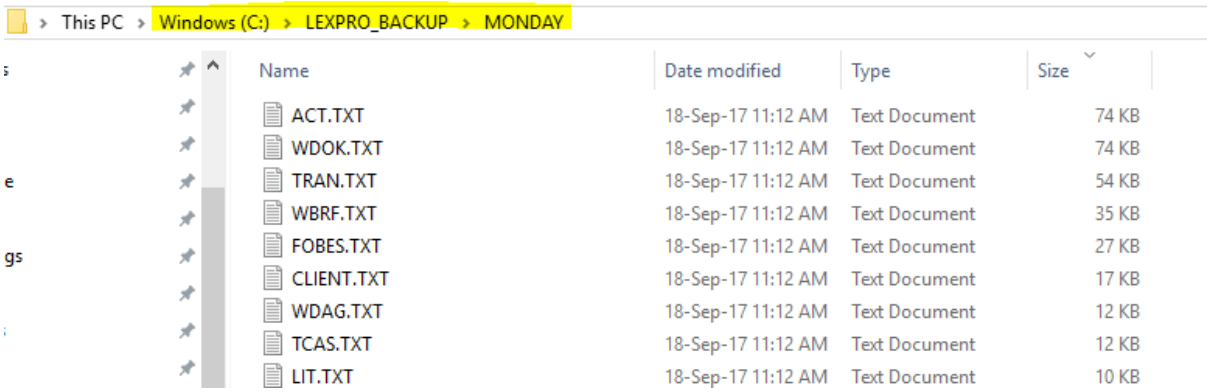
3. Click **OK** to Create the Backup

4. The **counter** will show the amount of backup files

The screen will close when the backup is done

Where to find the backup:

- Make sure the backup was done correctly by opening the backup folder with Computer or File Explorer:



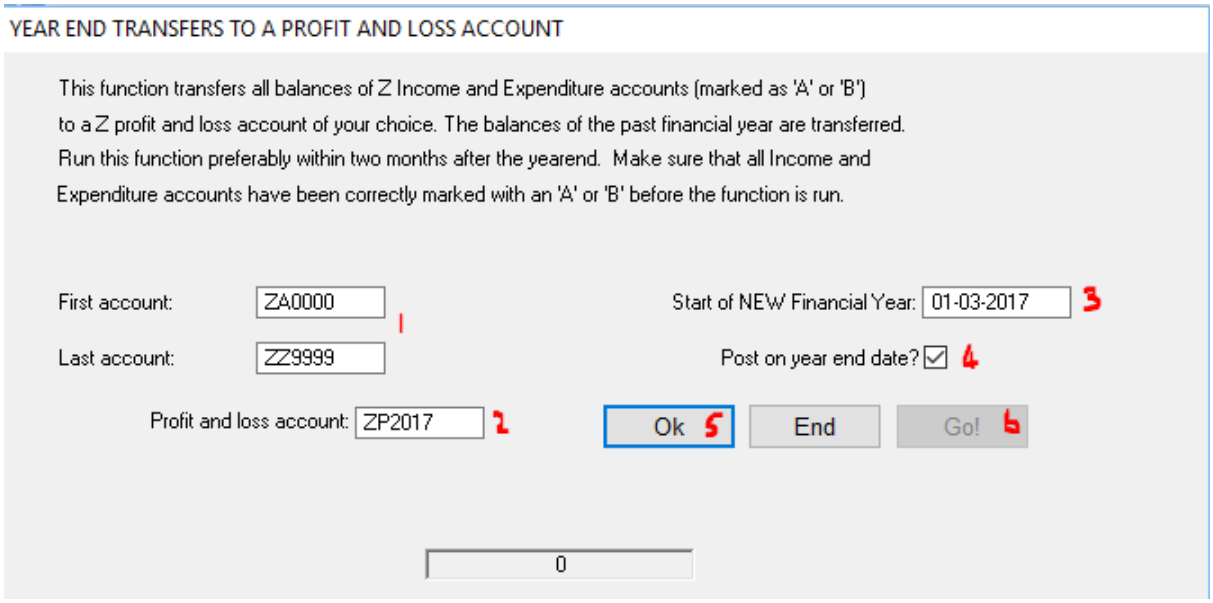
- The TXT files must display with the correct time and date
- This TXT files will be used to restore the data if necessary
- The files/folder can be copied to e.g. Dropbox or CD and saved outside the Office, in case something happens to the PC or Server

3.4 Year end Function

You can now do the Year End function

Where to find:

Select the function to open the screen to do the Journals:



1. Type the **First and Last Z-account** number: the default should be correct

2. Type the number of your Existing or New **Profit and Loss** account

3. **Start of New Financial Year** – i.e. if you're doing the Year end for 01/03/2016-28/02/2017, the new financial year will be 01/03/2017

4. **Post on Year end date:** Select if the Journals must be done on the last date of the Financial Year end, e.g. 28/02/2017

   - The starting balances will be 0.00 on 01/03/2017

   Or leave open to do the Journals on the first date of the new financial year, e.g. 01/03/2017

   - The starting balances on 01/03/2017 will not be 0.00, but the Ending balance will be 0.00

Use F4 to print a Five columns of the Profit/Loss account and Individual Income/Expense accounts to see the result of the Year End Function

ZP2017 Profit/Loss:

FIVE COLUMNS

Account number: ZP2017 Starting date: 01-10-2015 Start with NIL Balance? ALL TRANSACTIONS
Bank Number: 0 Ending date: 18-10-2017 Include Stored Fees? Trust: Bus.: 2
Client's Name: PROFIT/LOSS 2017 * Group: * Tel: * Client ref:
Parties: - * Re: * Accounting: Active, Litigation: Does not exist!, Z Type: C. CAPITAL EMPLOYED
Income account: * Bus Bal: R-10,456.66 * Tst Bal: R0.00 * File type: No Choice * Capital: R0.00
There is no S.78 Investment.
Amount Blocked:/Invested: R0.00 * File date: 18-10-2017 2 Ok End More Create PDF Text File

Date	Description	Refer	Bus-Dr	Bus-Cr	Tst-Dr	Tst-Cr	Balance	Invoice
28-02-2017	BJnl Year end profit/loss - ZF0010	ZF0010	10,576.66	0.00	0.00	0.00	-10,576.66	N
28-02-2017	BJnl Year end profit/loss ZP0001	ZP0001	0.00	120.00	0.00	0.00	-10,456.66	N
18-10-2017	Totals		10,576.66	120.00	0.00	0.00	-10,456.66	

The Income and Expense accounts' balances was journalised to this account

The program does the Journal and entry automatically

ZP0001 Expense account

FIVE COLUMNS

Account number: ZP0001 Starting date: 01-10-2015 Start with NIL Balance? ALL TRANSACTIONS
Bank Number: 0 Ending date: 18-10-2017 Include Stored Fees? Trust: Bus.: 5
Client's Name: PARKING * Group: * Tel: * Client ref:
Parties: - * Re: * Accounting: Active, Litigation: Does not exist!, Z Type: B. EXPENDITURE
Income account: * Bus Bal: R-225.26 * Tst Bal: R0.00 * File type: No Choice * Capital: R0.00
There is no S.78 Investment.
Amount Blocked:/Invested: R0.00 * File date: 13-03-2017 5 Ok End More Create PDF Text File

Date	Description	Refer	Bus-Dr	Bus-Cr	Tst-Dr	Tst-Cr	Balance	Invoice
28-02-2017	BJnl Year end profit/loss ZP2017	ZP2017	120.00	0.00	0.00	0.00	-120.00	N

The individual Income and Expense accounts will have the Journal entry as the last entry on the year end date and the balance will be 0.00

4 Archive

Use this function to transfer Inactive files and their transactions to a different table in the database.

All accounting records must be available for at least 5 years. For this reason, only files that are 5 years and older, should be archived

Reasons to archive:

- Data are smaller and make reports and searches faster
- Old records are removed from the active database

Important:

The data isn't lost and specific reports are still available for archived files

Process to follow:

- Inactive files
- Backup data
- Run the Archive function
- Build indexes
- Allocate Store numbers

4.1 Inactive files

Only inactive files can be archived

I.E the file had a 0.00 balance and was closed and made inactive

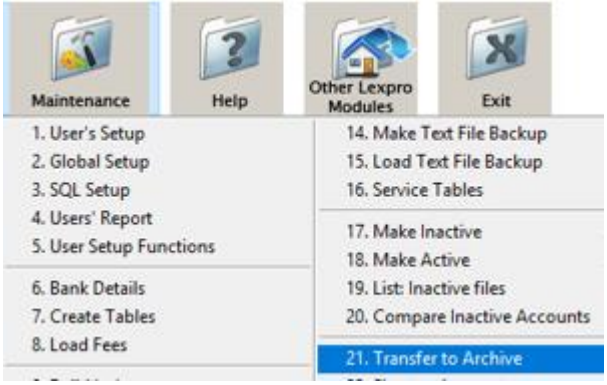
4.2 Backup data

Important: Do not run the Archive function, unless you made a prior backup

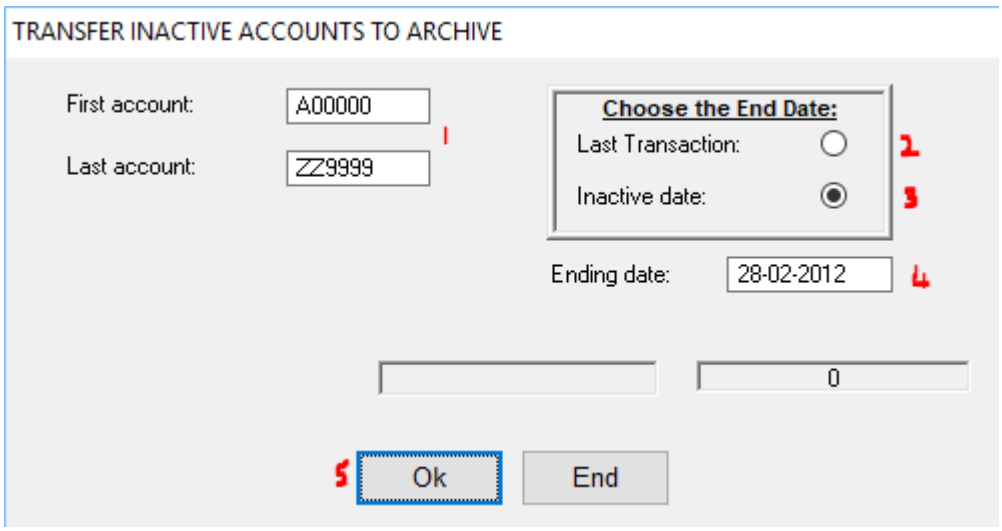
- See 3.3 Backup Data

4.3 Run the Archive function

Where to find:



Select the function to open the screen:



1. Complete the **range** of files to transfer to the archive by selecting the **First and Last** Account

   You can leave the range on the default. Only Inactive files from the specified date in 3 will transfer to the archive

2. Select the **filter that the Ending date in 4 is applicable to**

- The End date can either be the **Last transaction** date or the **Inactive date**

  If you choose **Last Transaction**, all files with a last transaction on or before the ending date will be transferred to the Archive

3. If you select **Inactive date**, all files that's been made inactive up to a specific date will be transferred to the archive
4. Type the ending date with point 2 and 3 in mind and the 5 years rule for keeping all financial records
5. Click **OK**

The files will now transfer to the Archive

A message will display that the files are transferred to the archive and the number of files transferred will show

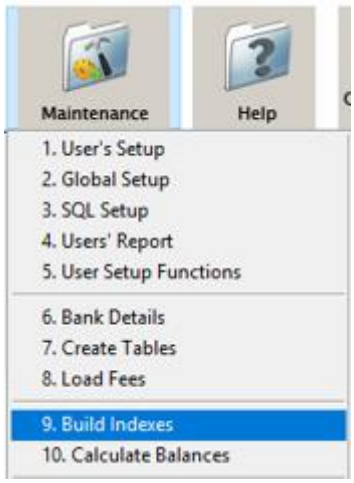
4.4 Build Indexes

With the archive function, the files and their transactions, are transferred (deleted) from the active table in the database to a different table in the database

This causes empty entries in the tables that affects accuracy and speed of reports, etc.

For this reason you need to run the Build Indexes function to reorder entries in the table to improve accuracy and speed

Where to Build Indexes:

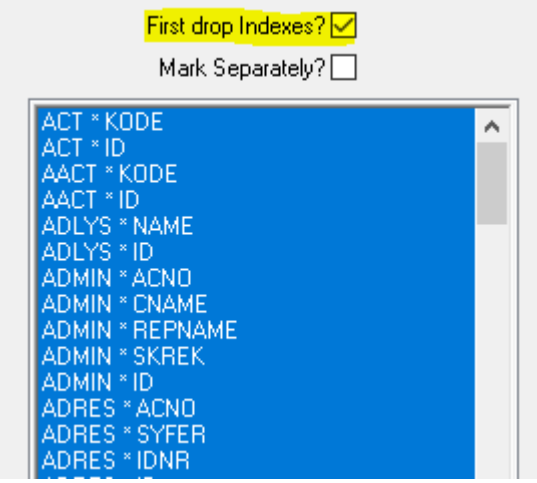


Very Important:

Make sure all Lexpro users (all programs, eg. Accounting, Receipts, Litigation/Debt Collection, Conveyancing, Administrations) are logged out of Lexpro programs

The indexes cannot rebuild if a table in the database is open and used by any user(s)

The screen to build indexes will open

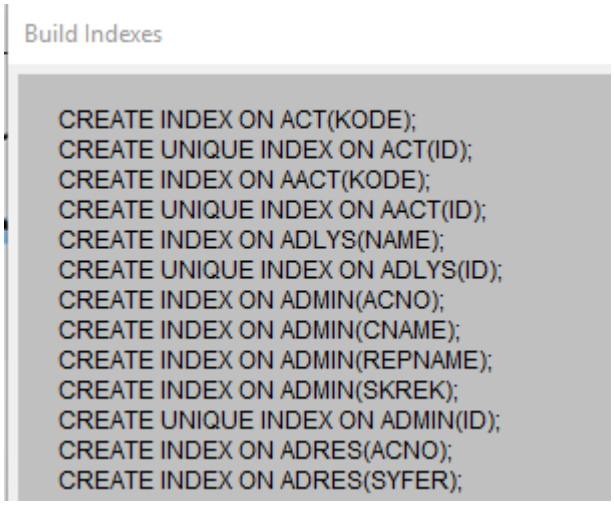


Make sure the checkbox next to “First drop Indexes” is marked

This should be marked as a default

Click OK

The indexes will start to rebuild and display on the left

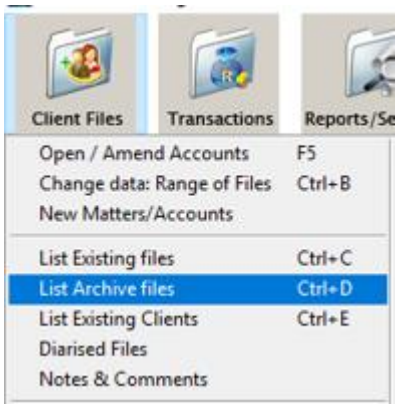


Wait for the message to display that all Indexes was build or the Main screen to appear

Users can now login to Lexpro programs

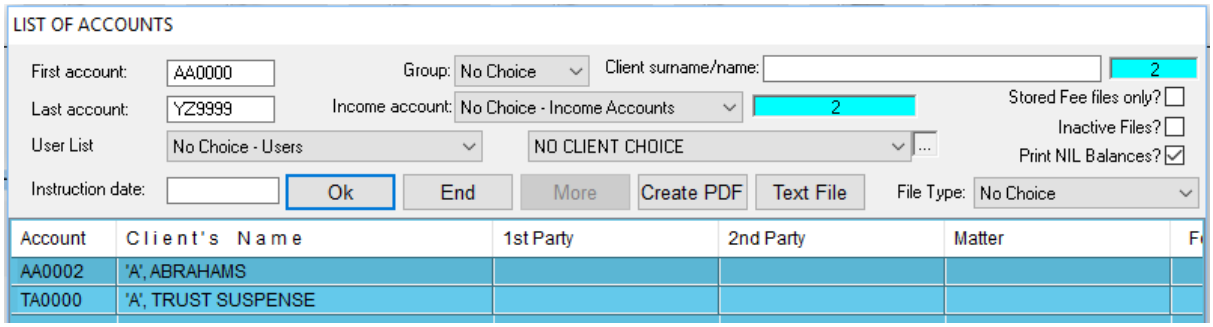
4.5 List of Archive files

To see a list of all the files in the archive:



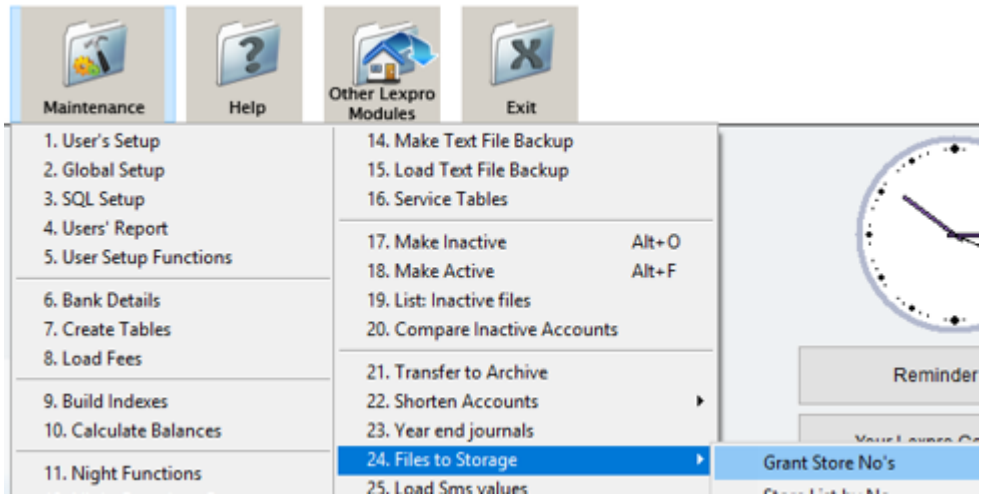
Type the filters and click OK

A list will display of all files in the archive:



4.6 Allocate Store numbers

Where to find:

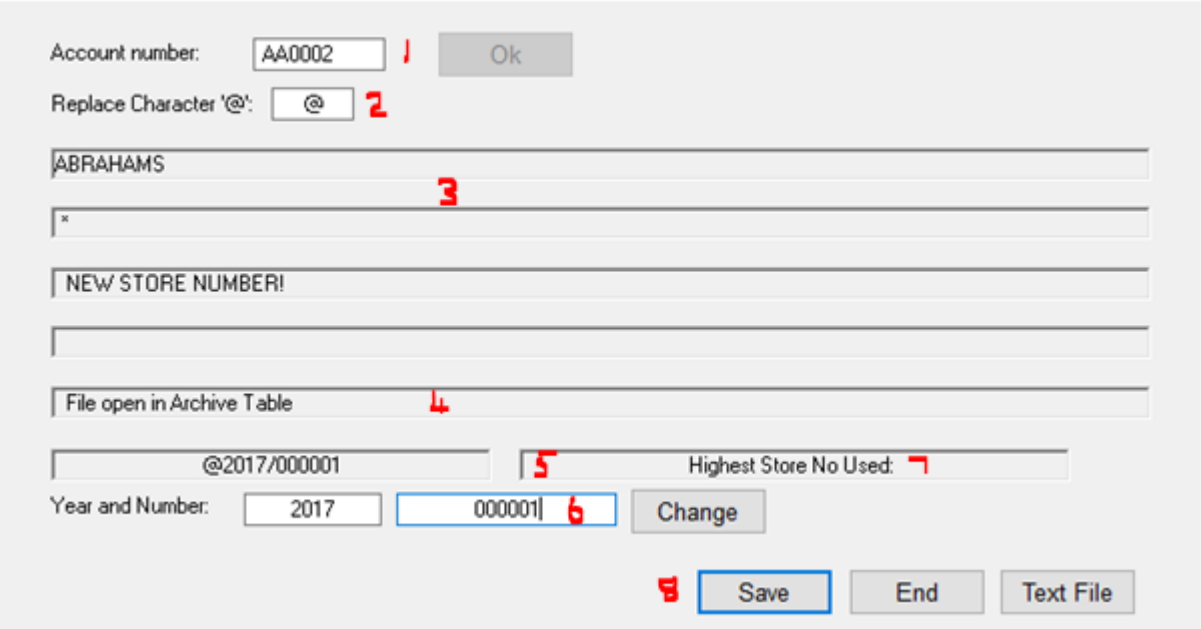


Files in the Archive will now be stored in a storage facility or cabinet, etc.

For this reason it is important to allocate a Store number to be able to find the file in the storage

1. Type the **Account number** to receive a Store number and click **OK**

GRANT STORE NUMBERS TO CLOSED FILES



2. The system uses the **@ sign** in the store numbers to differentiate from other numbers

   You can **replace** the @ sign with a different sign if needed, but it is recommended that you keep the default @

3. The **file details** will display and whether or not this is a new archive file to receive a Store number or an existing Archive file with an existing number

4. The program will show that the file is **Open in the Archive table**

   If the file is not archived, do not grant a store number

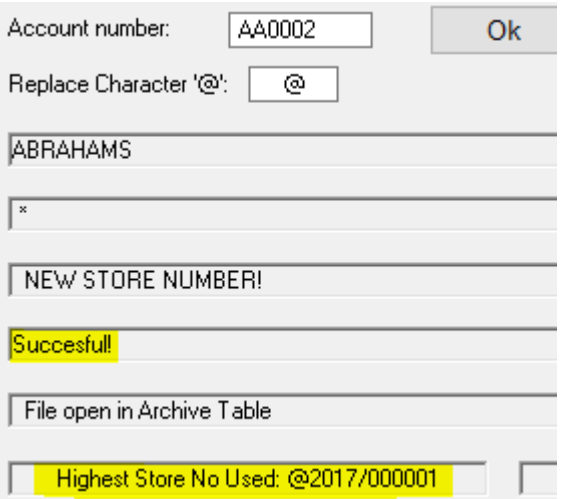
5. The **next available Store number** will display

6. The next available number will be allocated to the file, or you can click on Change next to the number to allocate a different number

7. The Highest store number already allocated will display here

8. Click Save to save the Store number to the specific file

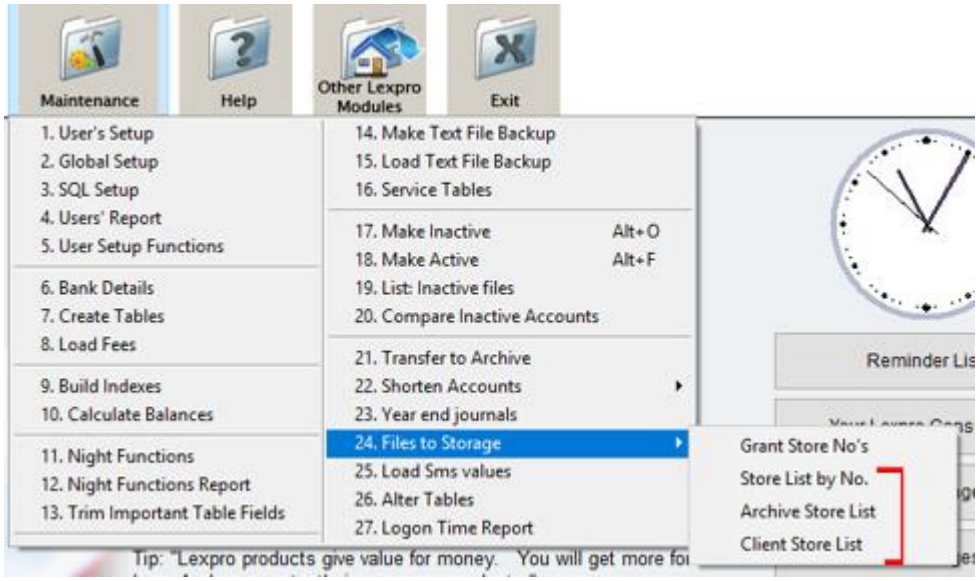
The word **"succesful"** will display if the store number was allocated sucessfully



The store number will start with the @ sign, followed by the year and then the number

4.7 List of Store numbers

Use one of the marked functions to print a list of files with their store numbers or to find a store number for a specific file



Use one of the following options:

- Store list by number
- Archive Store list
- Client Store list

5 Finding Trial Balance Errors

A Trial balance error is when the Trial balance doesn't balance and have an amount other than R0.00 at the end

When capturing transactions, the system will automatically post the debits and credits to the correct accounts or cashbooks

Therefore, there shouldn't be any trial balance error

Trial balance errors will arise when:

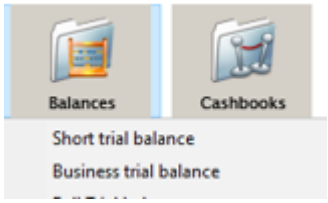
- Power outages while doing postings and either the debit or credit entry wasn't saved in the database
- Mistakes were fixed by the user, but only the credit or the debit and not both
- Transactions on files not opened in the Accounting system

How to find and fix the error:

We normally use the Short trial balance and Business Trial balance to find and fix a Trial balance error

Where to find:

- Short Trial balance (F7)
- Business Trial balance



5.1 Short Trial balance

Example of a Short Trial balance error:

SHORT TRIAL BALANCE

SHORT TRIAL BALANCE - 19-10-2017 15:09 - Z99, SQL 20171016, toets

Active Accounts: 29 (A-Y) + 27 (Z) = 56		
VAT from 01-09-2017 to 31-10-2017 payable on 30-11-2017	R	40.94
Other Firm/Practice Creditors:	R	280.00
S.78(2)(a) Investments / Blocked Trust debits:	R	0.00
S.78(2A) Investments:	R	102,500.00
Cash flow from 01-04-2017: In: R683,335.87, Out: R46,561.60	R	636,774.27
Estimated Profit before tax since 01-03-2017:	R	659,994.90
Trust Creditors: Client balances A - Y (excl investments) (19-10-2017)	R	453,220.98
Trust cashbook balance: (all banks) (19-10-2017)	R	-453,220.98
Trust Surplus:	**R**	**0.00**
Business Client balances: A - Y (19-10-2017)	R	-18,996.35
Business cashbook balance: (all banks) (12-10-2017)	R	-633,291.50
Business Cashbook plus A - Y Accounts:	R	-652,287.85
Z Trust Transfer Accounts:	R	-730.00
Z Business Transfer Accounts:	R	730.00
Other Z Trust balances:	R	0.00
Other Z Business balances:	R	652,248.82
Trial balance: Error	**R**	**-39.03**

Trust banks cashbook balances:-			Business banks cashbook balances:-		
1. ABSA BANK	R	-453,220.98	1. ABSA BANK	R	-633,291.50

The Trial balance should be 0.00 and it should say Trial balance: correct

In this case, the trial balance has an error of R39.03

Follow the procedure below to find out what caused the R39.03 error:

5.2 Business Trial balance

- Display the Business trial balance up to today's date to see if it has the same error as the Short Trial balance:

SUMMARY:	Business	Trust	Balance
Business and Trust Balances, A-Y	-18,996.35	453,220.98	434,224.63
Z Account Balances	652,978.82	-730.00	652,248.82
Cashbook Balances	-633,291.50	-453,220.98	-1,086,512.48
Difference: A-Y Accounts and Cashbooks	690.97	-730.00	-39.03
Trial Balance	690.97	-730.00	-39.03

The Business Trial balance has the same error amount as the Short Trial balance

Use the Business trial balance to trace the date of the error

- Change the ending date until you can find a date that the Business Trial balance was 0.00

See below:

The Business balance had a 0.00 balance on 31/05/2017

BUSINESS TRIAL BALANCE

Start date Financial Year: 01-03-2017

Ending date: 31-05-2017

Print NIL Balances? ☐ Inactive Files? ☑

Number order: ◉ Alphabetical: ○ Type Order

Ok | End | Print | More | Text File | 7 | 16

Account	Description	Month Totals	Year Totals	Business	Trust
No. 1	Bus Cashbook: ABSA BANK	0.00	0.00	3,482.77	0.00
No. 1	Tst Cashbook: ABSA BANK			0.00	-617,288.30
	Business and Trust Balances, A-Y			-4,087.35	617,288.30
	S78(2)(a) Investments			0.00	0.00
	S78(2A) Investments			0.00	0.00
	Difference: A-Y Accounts and Cashbooks			-604.58	0.00
ZA0300	AKTEKANTOOR	140.00	140.00	140.00	0.00
ZB1000	VAT OUTPUT 14%	36.52	36.52	36.52	0.00
ZF0010	FEES JOHN DOE	260.83	8,735.08	8,735.08	0.00
ZK1000	PETTY CASH	0.00	-380.00	-380.00	0.00
ZP0001	PARKING	0.00	-120.00	-120.00	0.00
ZP2017	PROFIT/LOSS 2017	0.00	0.00	-10,456.66	0.00
ZW2017	WINS VERLIES 2017	0.00	0.00	2,649.64	0.00
	Totals	437.35	8,411.60	604.58	0.00
	SUMMARY:	Business	Trust	Balance	
	Business and Trust Balances, A-Y	-4,087.35	617,288.30	613,200.95	
	Z Account Balances	604.58	0.00	604.58	
	Cashbook Balances	3,482.77	-617,288.30	-613,805.53	
	Difference: A-Y Accounts and Cashbooks	0.00	0.00	0.00	
	Trial Balance	0.00	0.00	0.00	

- We now know that the error occurred between 01/06/2017 and today's date
- Change the ending date a few times until you can find the exact date for the error amount
- In this case the Business Trial balance was 0.00 on 29/06/2017 but had the error of 39.03 on 30/06/2017

BUSINESS TRIAL BALANCE

Start date Financial Year: 01-03-2017 | Print NIL Balances? ☐ | Inactive Files? ☑ | Number order: ◉ Alphabetical: ○ Typ

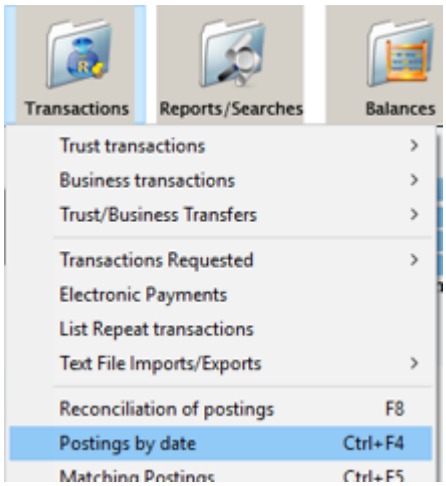
Ending date: 30-06-2017 | Ok | End | Print | More | Text File | 8

Account	Description	Month Totals	Year Totals	Business	
No. 1	Bus Cashbook: ABSA BANK	0.00	0.00	3,482.77	
No. 1	Tst Cashbook: ABSA BANK			0.00	-6
	Business and Trust Balances, A-Y			-4,637.35	7
	S78(2)(a) Investments			0.00	
	S78(2A) Investments			0.00	-1
	Difference: A-Y Accounts and Cashbooks			-1,154.58	
ZA0300	AKTEKANTOOR	0.00	140.00	140.00	
ZB1000	VAT OUTPUT 14%	-39.03	-2.51	-2.51	
ZF0010	FEES JOHN DOE	650,000.00	658,735.08	658,735.08	
ZK1000	PETTY CASH	0.00	-380.00	-380.00	
ZO9999	OPENING BALANCES - BUSINESS	-649,450.00	-649,450.00	-649,450.00	
ZP0001	PARKING	0.00	-120.00	-120.00	
ZP2017	PROFIT/LOSS 2017	0.00	0.00	-10,456.66	
ZW2017	WINS VERLIES 2017	0.00	0.00	2,649.64	
	Totals	510.97	8,922.57	1,115.55	
	SUMMARY:	Business	Trust	Balance	
	Business and Trust Balances, A-Y	-4,637.35	621,588.30	616,950.95	
	Z Account Balances	1,115.55	0.00	1,115.55	
	Cashbook Balances	3,482.77	-621,588.30	-618,105.53	
	Difference: A-Y Accounts and Cashbooks	-39.03	0.00	-39.03	
	Trial Balance	-39.03	0.00	-39.03	

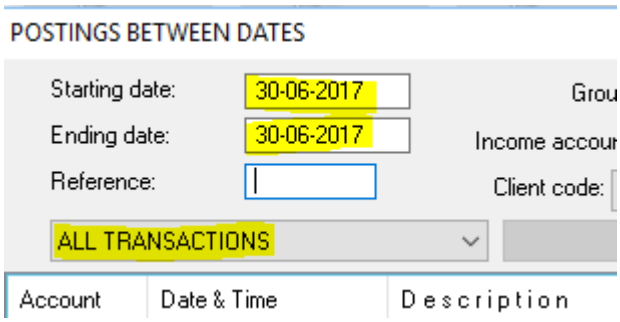
- We therefore know that the error occurred on 30/09/2017

5.3 Postings by date

Where to find:



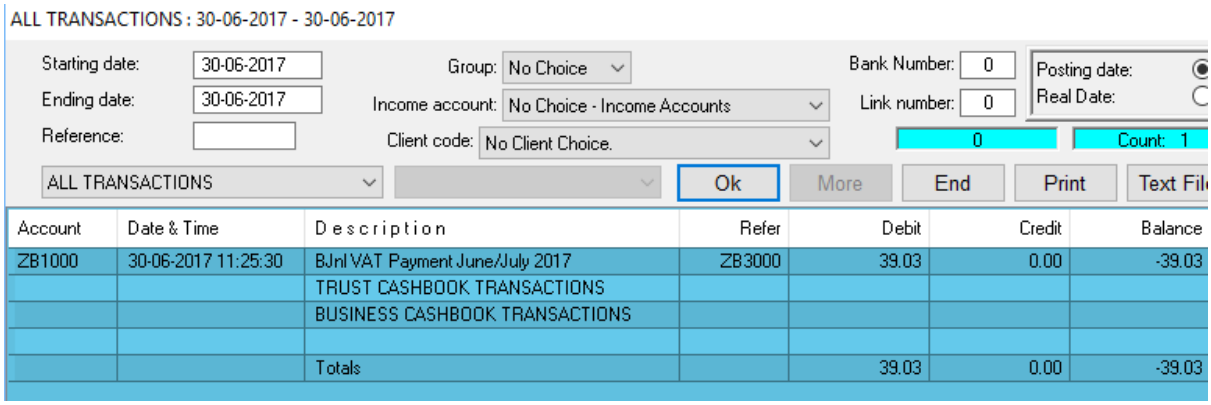
Use this function to find the specific transaction that caused the error



Type the starting and ending date the same date that the error occurred

- Choose All transactions
- Click OK

  If you don't have many transactions on that specific date, you should be able to see the transaction that caused the error

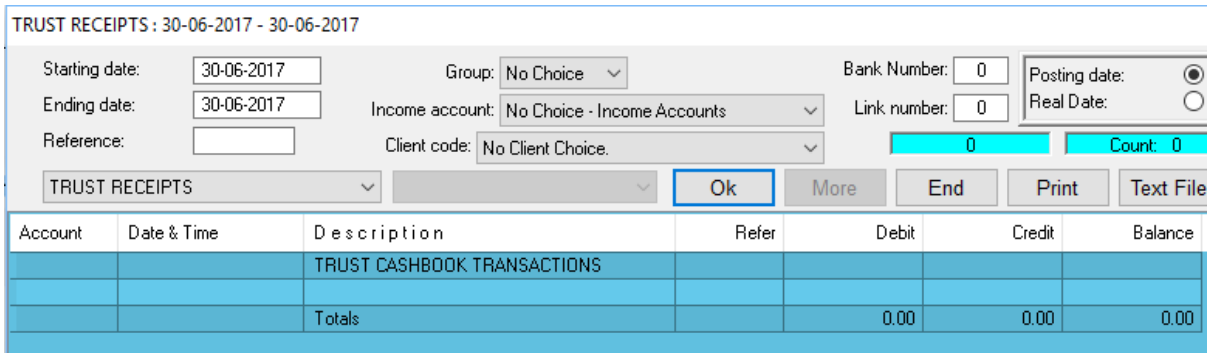


In this case, there aren't many transactions and we can see the entry immediately

If there were many entries, making it difficult to find the entry, you can change the type of transaction until you find the type with the error

E.g.

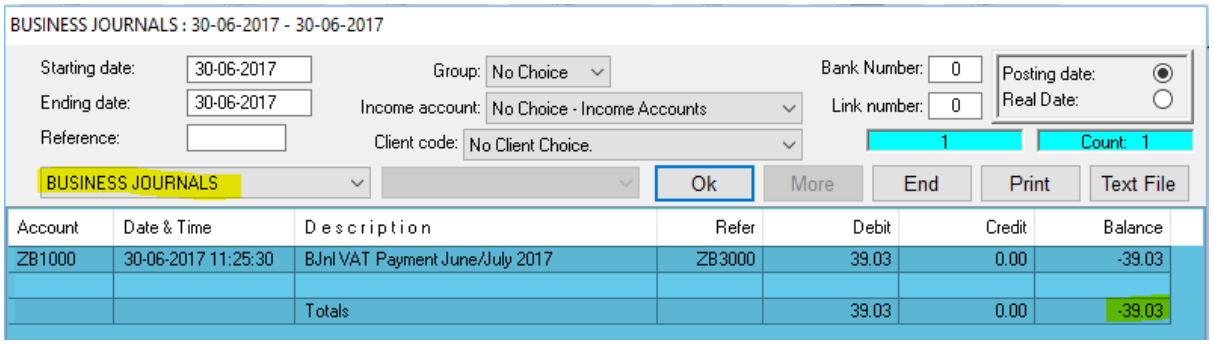
Start with Trust Receipts



- The Trust receipts have a 0.00 balance, therefore the error is not a Trust Receipt

Follow this process until you find the type of transaction with the error amount

E.g. Business Journals:



- The error amount displays in the Business Journals balance and therefore the incorrect entry was a Business Journal entry
    - The error occurred on 30/06/2017
    - The amount was 39.03
    - The error occurred because there isn't a Credit contra entry for the debit
    - And the type is a business Journal

5.4 Fixing the error

When you have all the information as mentioned above:

- Type of the Transaction
- Date of the Error
- Amount
- Specific transaction causing the error

Then you need to phone your Lexpro Consultant to help fixing the error

This error is a "One leg entry" and cannot be fixed with a reversal or journal

The contra entry can only be added by your Lexpro consultant