



Earnie Business Manager Link



OVERVIEW

The Earnie Accounts link enables payroll information from Earnie to be transferred to Business Manager. This produces payroll analysis and control accounts without the need to duplicate data. In order to operate the link it is important to understand the information produced by Earnie.

Once imported into the accounts, payroll data has two distinct elements; payroll costs (overheads) and money collected on behalf of other organisations i.e. HMRC, pension providers and of course money due to your employees.

E.G.

Employee has Gross Pay, from which Tax, NI and Pension contributions are deducted. This results in:-

Costs to the business: Gross Pay, Employer's NI and Employer's Pension contribution.

Outstanding Liabilities of: Net Pay due to employee(s), Tax & NI to HMRC and Employer Pension contributions to the Pension Provider.

The import into Business Manager allocates the wages cost to the business as a journal and the outstanding liabilities as either:-

1. General Purpose Journal using a control account in Current Liabilities
OR
2. A Purchase Invoice for each person money is owed to (*not available on Cash Manager*)

CONTROL ACCOUNTS JOURNAL (CURRENT LIABILITIES)

A 'control account' is a group of heading codes set up as temporary holding accounts for money collected on behalf of other organisations during the payroll run. This control account **does not** affect the profit & loss.

The import into Business Manager allocates both the wages costs and outstanding liabilities by means of a General Purpose Journal.

- Gross Pay and Employer's NI (direct costs) are **DEBITED** in the normal way to overhead codes in the P&L.
- Money due to employees, HMRC etc **CREDITED** to the Control Account in Current Liabilities. This will also include any refunds due such as Tax Credits.

When payments are subsequently made to employees, HMRC etc they are coded (**debited**) to these Control Account codes reducing the balance to zero. At this point cashflow is analysed against the current liability control account.

If you do not wish cashflow analysed in Current Liabilities, we recommend you use the outstanding invoice method of importing into BUSINESS MANAGER

EXAMPLE of journal

Allocation ~ Supplier ~ Customer ~ Ban	Description	Qty DR	Amount DR	Qty CR	Amount CR
Regular Labour / General 07	Earnie W1/M1	0.000	1683.50		
NI Employers Cost / General 07	Earnie W1/M1	0.000	165.77		
NI Employees Control / General 07	Earnie W1/M1			0.000	139.30
NI Employers Control / General 07	Earnie W1/M1			0.000	165.77
PAYE Control / General 07	Earnie W1/M1			0.000	268.31
Net Pay Control / General 07	Earnie W1/M1			0.000	1275.89
Totals		0.00	1849.27	0.00	1849.27

Overhead Codes

Current Liability Codes (PAYE and NI may be grouped together)

OUTSTANDING INVOICES

(NOT AVAILABLE FOR CASH MANAGER USERS)

Instead of creating a control account journal for the outstanding liabilities, the import creates a purchase invoice for each liability i.e. HMRC & Employee's Net Pay. The benefit of using this method is that when the invoice(s) are paid, cashflow is analysed against a 'wages control code' within your normal Wages Overhead Group instead of current liabilities.

The import creates the following entries:-

1. General Purpose Journal with Gross Pay and Employer's NI **DEBITED** to your normal wages overhead codes and money due to employees, HMRC etc allocated to a Wages Control Code **CREDITED** also in overheads.

Allocation ~ Supplier ~ Customer ~ Bank A/c	Description	Qty	Amount	+ or -	DR/CR
Regular Labour / General 07	Earnie W1.M1	0.000	1683.50	INC	DR
NI Employers Cost / General 07	Earnie W1.M1	0.000	165.77	INC	DR
Wages Control (OE) / General 07	Earnie W1.M1	0.000	1849.27	DEC	CR

Accounting Mode Office Mode

(DR) Debit (CR) Credit
1849.27 1849.27
DR & CR must equal

2. A purchase invoice is generated for each supplier for which money is due, these **DEBIT** the 'wages control code'. Therefore the net effect on this particular code is zero, leaving just the true wages cost in the P & L against your normal wages code(s). *Cashflow is analysed against this wages control code in overheads when the invoice(s) are subsequently paid.*

EARNIE OPERATING INSTRUCTIONS

This section deals with configuring Earnie to ensure the correct information is exported to BUSINESS MANAGER.

Company – Accounts Links – Configure Account Groups

The accounts link can be used with or without Account Groups however if you wish analyse wages within Business Manager by either enterprise/searchcode you will need to allocate employees to Account Groups in Earnie.

Account Groups are not the same as departments however they are used in a similar way and reports can be set to provide subtotals by account group. An employee can belong to a Department as well as an Account Group. **Each employee can be allocated to just one account group. To breakdown payslip information further you will need the Costings Module please contact Farmplan.**

Select **Add/New** and enter details for each Account Group required. It is not necessary to complete the location, description or group notes. To allocate employees to an account group go to **Employee – Select Employee – click on Costings Tab** and select the required account group. For employees that do not belong to an account group i.e. office staff, directors then you can allocate them to 'Company Level' or leave it blank.

No	Group Name
1	Dairy
2	Pigs
3	Estate

Group Location
The Estate Office
Mitcheldean
Glos.

Description

Group Notes
Include all maintenance, office and house staff

Buttons: Delete, Add New, Copy, Save, OK, Cancel

Company – Accounts Link – Configure Account Links

This section allows you to:-

- Establish a link with an external accounts package
- Create a Chart of Accounts (nominal headings for payroll items)
- *Set Analysis Levels for more detailed payroll analysis (costing module)*

CHART OF ACCOUNTS - NOMINALS

Every payroll item used by Earnie must be allocated a 'nominal' for data to be imported correctly into BUSINESS MANAGER. There are two types of headings:

- Costs to the business e.g. wages, salary, overtime, bonuses, employers NI
- Money collected on behalf of a third party i.e. PAYE, NI, Court Orders, Employees (net pay) etc.

Before proceeding you must decide whether you wish to use 'control accounts' or 'invoice' method (refer to pages 2, 3)

CONTROL ACCOUNT – outstanding liabilities are given the name of heading code in Business Manager i.e. PAYE/NI (CL)

INVOICE - liabilities are given the name of payees i.e. HMRC, Pension Company, Net Wages and must be preceded by an '&' sign.

CONTROL ACCOUNT METHOD

The examples given show the '**Nominals**' we recommend to achieve a clear and simple analysis in BUSINESS MANAGER using the control account method to identify outstanding balances. This assumes all payroll items are allocated to one overhead code e.g. WAGES.

Headings Factors Payments/Deductions Other	
Accounts Package <input type="text" value="Farmplan"/>	
Heading	Nominal
Salary	Wages (OE)
P.A.Y.E	HMRC control a/c (CL)
NI Employee	HMRC control a/c (CL)
NI Employer (credit)	HMRC control a/c (CL)
NI Employer (debit)	Wages (OE)
Net Pay	NET PAY control a/c (CL)
SSP	Wages (OE)
SMP, SAP & SPP	Wages (OE)
Holiday Pay	Wages (OE)
Rounding	Wages (OE)
Suspense	Suspense (CL)
SMP, SAP & SPP Recovered	HMRC control a/c (CL)
Tax Credits	HMRC control a/c (CL)
Student Loans	HMRC control a/c (CL)

However, if you wish to analyse wages further on BUSINESS MANAGER i.e. Employers NI separately, then a different 'nominal' would be required as shown below.

Heading	Nominal
Salary	Wages (OE)
P.A.Y.E	HMRC a/c (CL)
NI Employee	HMRC a/c (CL)
NI Employer (credit)	HMRC a/c (CL)
NI Employer (debit)	NI Employer (OE)
Net Pay	Net Pay control a/c (CL)

INVOICE METHOD

The examples given show the '**Nominals**' we recommend to achieve a clear and simple analysis in BUSINESS MANAGER by creating outstanding invoices. This assumes all payroll items are allocated to one overhead code e.g. WAGES.

Heading	Nominal
Salary	Wages (OE)
P.A.Y.E	&HMRC
NI Employee	&HMRC
NI Employer (credit)	&HMRC
NI Employer (debit)	Wages (OE)
Net Pay	&NET PAY
SSP	Wages (OE)
SMP, SAP & SPP	Wages (OE)
Holiday Pay	Wages (OE)
Rounding	Wages (OE)
Suspense	Suspense (CL)
SMP, SAP & SPP Recovered	&HMRC
Tax Credits	&HMRC
Student Loans	&HMRC

FACTORS

These relate to the 'overtime factors' assigned to the hourly rates set up in Company Details. If they are allocated to one Factor i.e. basic, they will be grouped together during the export to BUSINESS MANAGER. To separate different types of rates you must set up and allocate individual FACTORS as shown below by going to **Company Details – Rates**

Heading	Factor	Nominal
Basic	1.0000	Wages
Overtime	1.0000	Overtime
	0.0000	
	0.0000	

PAYMENTS & DEDUCTIONS

These are specific to your business. **Display Nominal** is only used for items such as Employer's Pension which although displayed on the payslip does not affect the employee's net pay. It is both a cost and an outstanding liability. The nominal updates the P & L, and the display nominal creates the invoice.

CONTROL ACCOUNT METHOD

Headings Factors Payments/Deductions Other		
Entries can only be made in the 'Display Nominal' column if the Payment/Deduction is for Display only.		
Description	Nominal	Display Nominal
Pension Employee	Pension Control a/c (CL)	
Pension Employer	Pensions (OE)	Pension Control a/c (CL)
Court Order	Court Control a/c (CL)	
Loan Repayment	Staff Loans (CA)	
Dog Allowance	Wages (OE)	
Net to Gross	Wages (OE)	

INVOICE METHOD

Headings Factors Payments/Deductions Other		
Entries can only be made in the 'Display Nominal' column if the Payment/Deduction is for Display only.		
Description	Nominal	Display Nominal
Pension Employee	&PENSION CO	
Pension Employer	Pensions (OE)	&PENSION CO
Court Order	&Court	
Loan Repayment	Staff Loans (CA)	
Dog Allowance	Wages	
Net to Gross	Wages	

If you set up a new payment/deduction and forget to enter a nominal, the value will be posted to the suspense code (see Headings)

OTHER - Account Group Breakdown. To analyse the wages journal by account group enter **Y**.

EXPORTING TO BUSINESS MANAGER

Run the payroll in the normal way and produce reports as required i.e. Company Cost Summary and Payroll Summary. You may print out the Company Cost Summary either by department as it will help reconcile the figures produced in the journal.

Create the Journal

The next step is to create the journal that will be transferred into BUSINESS MANAGER. Select the option File – Accounts Link – Create Journal File.

Costing Type – to select the correct payroll information to view and create a journal choose from:-

- Unposted – All. This will create a journal from all the unposted information. e.g. create the journal once a month as part of your month end routine even if you run a weekly payroll. If you select this option ignore the section of the screen headed Period Range.
- Unposted by Period – allows you to select the exact week or month number that you wish to post.
- Complete Period – if you need to recreate the journal you can select a previously posted period.

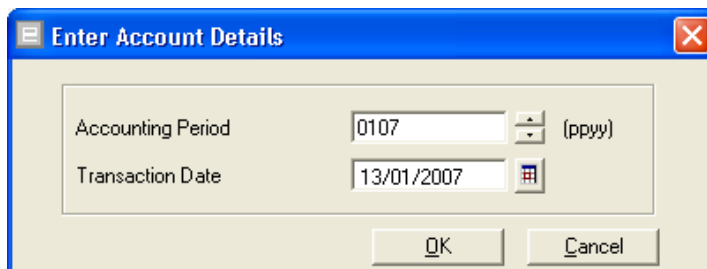
Costing Level – this controls the view/printout only. The journal will always be created by account group (if you selected Y for the account group breakdown) or for the whole company. However for your records you may wish to view the journal by employee/ nominal or both i.e. nominal with breakdown. *If using the Costings Module with analysis levels then the journal will automatically show as Analysis.*

Selection – if you have chosen to view the journal by account group or employee you may select individuals.

View - You should keep a printout of the journal with your other payroll reports for this period. Check that the journal balances and that there is nothing against the suspense code.

Create the journal – once you have printed all necessary reports and taken a backup you are ready to create the journal file that is going to be imported into BUSINESS MANAGER. Make sure that you have selected the correct periods and then click on 'Create'.

EXPORTING TO BUSINESS MANAGER



The screenshot shows a dialog box titled "Enter Account Details". It has a blue header bar with a close button on the right. The main area is light beige and contains two input fields. The first is labeled "Accounting Period" and contains the text "0107" followed by "(ppyy)". The second is labeled "Transaction Date" and contains the text "13/01/2007" with a small calendar icon to its right. At the bottom of the dialog are two buttons: "OK" and "Cancel".

The accounting period is not actually used by Business Manager but Earnie requires you to enter the month and year at this point.

Transaction date – this is the date that Farm Business Manager will use for the journal and will determine the accounting period used. It defaults to today's date but can be overwritten.

A file has now been created called '**Farmpn0x.txt**' where '**x**' is the number of your Earnie data. It will be located in the same place as your Earnie data – normally C:\Program Files\Earnie. You will need to know this location for the import into Business Manager.

WARNING. Once the payroll has been calculated and the journal created, you may wish to make amendments to your payroll figures. If you recreate the journal using 'unposted' for that period it will only export the adjustments and will overwrite the previously created journal, if you have not yet imported into BUSINESS MANAGER. Make sure you use the 'Complete Period' to prevent this happening.

We recommend that you do not create the journal until you are absolutely sure that the payroll is complete.

IMPORT INTO BUSINESS MANAGER

Before carrying out the import procedure, please ensure that you have taken a backup of your BUSINESS MANAGER data.

Payroll Heading Codes

Ensure that you have set up all the heading codes you require. The import procedure allows you to amalgamate several nominals from Earnie into one heading code but you should have the following:

- A Wages Code in the overheads to allocate all the gross payroll costs to e.g. salaries, overtime, holiday pay, SMP, SSP, employers NI and pension contributions. You may wish to have separate codes for some of these items.
- Suspense Code – probably in the current liability band to hold any values not allocated to a nominal in Earnie. This will only be used if a new payment has not been allocated correctly before the journal is created.

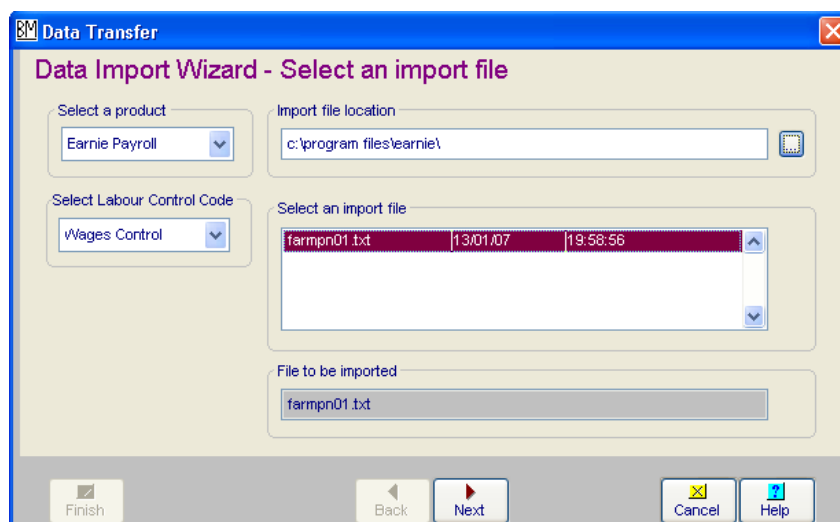
One of the the following is also required:

- Control Account Journal Method the relevant Payroll Control Account codes within Current Liabilities for money owed e.g. HMRC and Net Pay.

Or

- Suppliers for each of the outstanding invoices to be created and a '**wages control code**' within Overheads to allocate the 'wage control items' identified by the '&' within Earnie. The import routine automatically **debits** the wages control code for each invoice, and then **credits** it on the journal entry along with other payroll allocations.

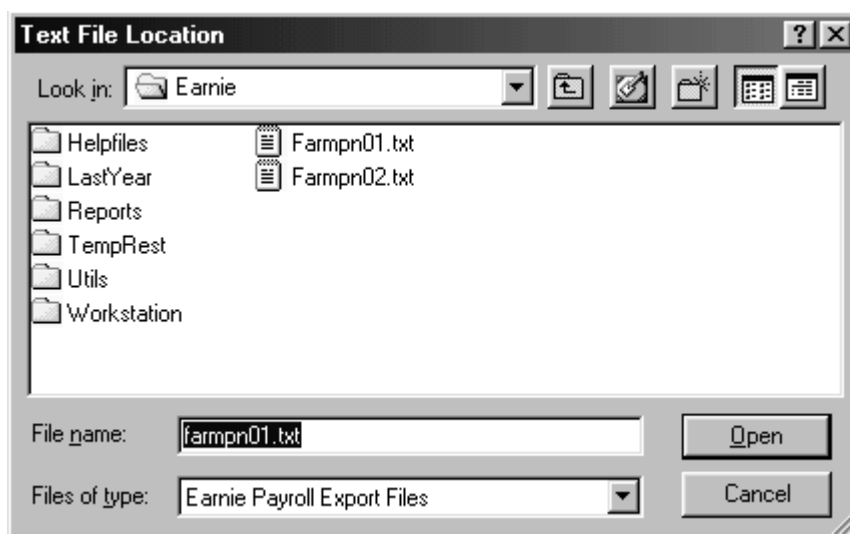
To start the import procedure, choose the option Import from the File menu. This creates a wizard that follows a series of steps in order to make the required links.



Select a Product – Select Earnie Payroll from the drop down list.

Locate the file to be imported – the first time you import data, you need to establish the data location by clicking on the 'browse' button to the right of the location box. This will

access your hard disk or network drive to find the appropriate data. The file will normally be located in the folder that holds the Earnie data. Ensure the 'Files of type' box is displaying 'Earnie Payroll Export Files'.



Import File Location – If the import has been carried out before, the location of the last imported file is displayed. Any data that has not been updated to BUSINESS MANAGER will be displayed under **Select an import file**. The import file will be called **farmpn0x.txt** where **x** is the number of the corresponding Earnie data. Once the import procedure is completed successfully it will be deleted.

Select an Import file – This will list all files exported from Earnie ready to be imported into Business Manager that have not yet been imported. Select the relevant file by highlighting it.

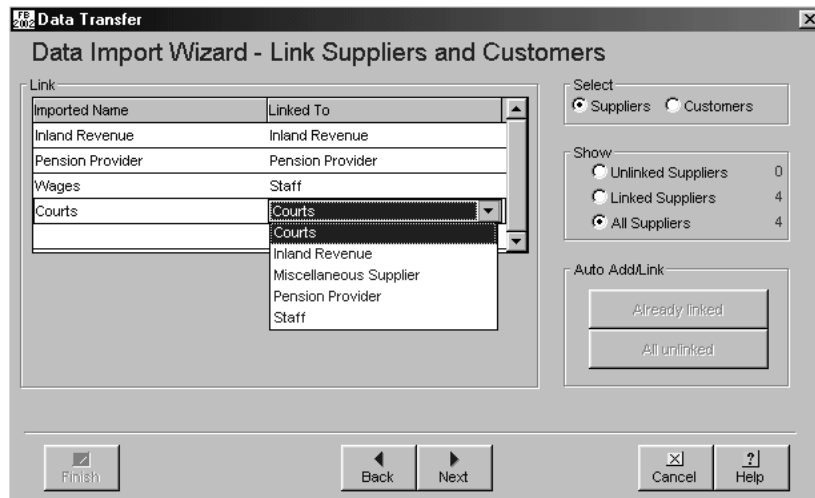
Select Wages Control Code (invoice basis only) – this code is for all money due due to third parties. The net effect on this code as a result of the import will be zero, although there will several credits and debits posted to it. It will be used for cashflow analysis once invoices are paid. You may wish to use a completely independent code or your normal wages code.

Click on 'Next' to continue.

Link Suppliers and Customers

Only relevant if you have used the 'Outstanding Invoice' method.

In this section any imported nominal must be linked to the correct supplier/customer in BUSINESS MANAGER. Each nominal heading name that you preceded with an '& sign' will be presented here and needs to be linked to an existing record. These items will normally be PAYE, Employers NI, Employees NI, Tax credits, Student Loans and SMP recovered will usually be shown as one nominal called HMRC. Additional items may be shown as Pension Company, Net Pay, Autopay etc.



Make sure that you have selected 'Suppliers'. You may find it easier to show 'All Suppliers'.

- To **add new suppliers** – Select the nominal from the left-hand column – 'Imported Name'. To set up this supplier as a new record within the BUSINESS MANAGER program click on the Auto Add/Link button displaying their name. All details including the supplier name may be edited in **SETUP – SUPPLIERS AND CUSTOMERS**.
- To link to an **existing supplier** record, select from the list of available supplier names on the right hand column 'Linked to'.

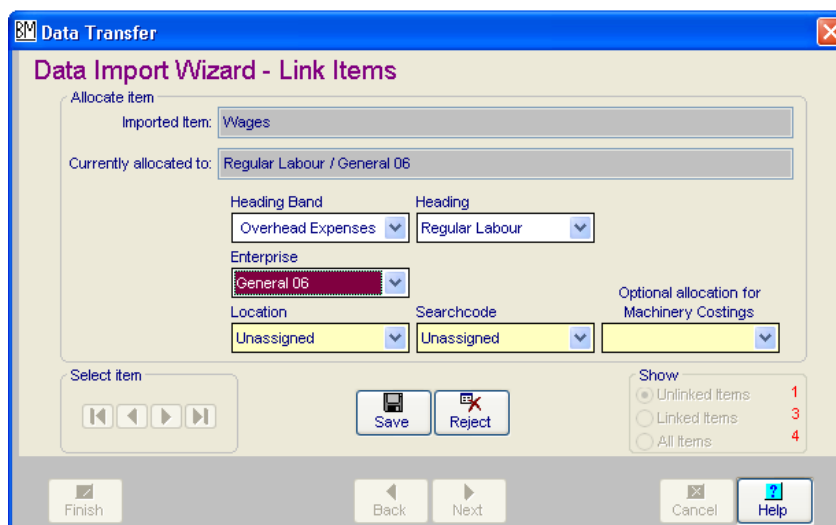
NB It is possible to leave the import procedure at this point by clicking on 'Cancel'. All previous links will be saved.

Click on 'Next' to continue.

Link Bank Accounts – this option is not relevant when importing from Earnie. Click 'Next' to continue.

Link Items

This step establishes the link between the items imported from the Earnie Payroll and the Heading Codes/Enterprises within BUSINESS MANAGER.

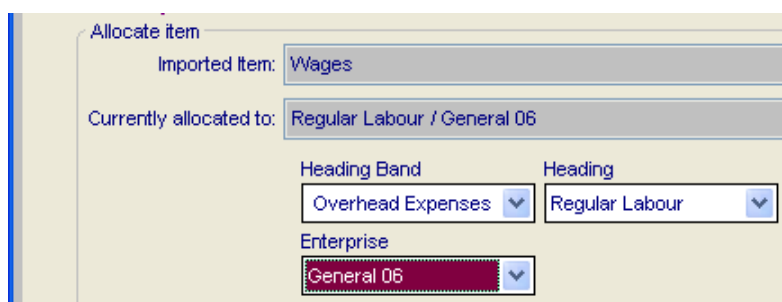


Show – This box displays how many records are waiting to be updated.

'Unlinked' displays the allocations that are not currently linked to a record within the BUSINESS MANAGER. 'Linked' displays the records previously linked, and 'All' shows both.

Imported item – This displays the name of the nominal codes allocated to payroll items within Earnie in the format nominal heading/account group.

Currently allocated to – Once a link to BUSINESS MANAGER has been established this box will display the current allocation. This may be amended for subsequent updates.



Allocation – From the drop down boxes you must select the Heading Band/Heading Code and Enterprise. If you have not used account groups within Earnie everything should be allocated to the General Enterprise. If relevant you may also allocate the item to farm codes, search codes and machinery running costs.

Select item – These buttons allow you to move through the list of all the coding allocations.

NB it is possible to leave the import procedure at this point in order to set up new codes/enterprises etc. within the Farm Business program by clicking on cancel. All previous links will be saved.

When all the items have been given an appropriate coding link, click on 'Next'.

Once all the appropriate links have been established you may proceed with the import into BUSINESS MANAGER by clicking on 'Finish'. If the 'Finish' button remains greyed out there are still some incomplete links. Use the 'Back' button to move back through the previous stages and check there are no unlinked categories.

You will be asked to confirm that you are ready to import now.

A series of bars will be displayed to show the progress of the import and you will be told when the import has been completed successfully. If for any reason the validation procedure fails, none of the data will be updated. The problem should be corrected within Earnie and re-exported.

After the Import – you may wish to keep a printout of the import to file with the journal printout from Earnie. Check the entry numbers created by looking in the Daybook option. Each entry can be drilled down and edited if necessary. Then go to the Items Inspector and print that entry number range using the Audit Report button. You can also view/edit the journal in the General Purpose Journals.

Payments to clear the liabilities –

- If you have used control accounts, the money due to the HMRC, Employees, Pension Provider etc will be held against the codes you allocated as part of the import procedure. Code the subsequent Cash Analysis Payment to these same Current Liability codes to reduce balance. At the end of the year any outstanding balances will be carried forward as opening creditors.
- If you have used outstanding invoices they should be cleared in the normal way either through Quick Pay or Ledger Payments.

GLOSSARY OF TERMS

CONFIGURE ACCOUNTS LINK – NOMINAL HEADINGS

Salary - gross wages allocated as salary in the Earnie, will be an cost to the business usually an overhead.

PAYE – calculated by the program. It is collected from employees by the employer and passed onto the HMRC. It not a cost to the business only a temporary liability. If you are using the control accounts method this will probably go to a current liability code. If you are using the invoice method put an & at the beginning of the description.

NI Employee – As PAYE either a liability or an invoice.

NI Employer (credit) – employer’s liability for NI is both a cost to the business and needs to be passed onto the HMRC. The credit column is one that affects the liability to the HMRC. Remember to put an & if you are using invoices.

NI Employer (debit) – this is the NI Employers contribution and will be a cost to the business usually set up as an overhead.

Net Pay – the money you owe to your employees and hence is a liability. Again this could be an outstanding invoice.

SSP –a wages cost to the employer (though you may be able to claim some of it back at a later date). If you are making up your employees pay to the normal amount this will be cancelled out by the SSP contra (in the payments/deductions tab).

SMP/SPP/SAP – the program will split the actual Statutory payment costs to the business (which may even be a refund in the case of a small employer) against this nominal and the SMP/SPP/SAP recovered code further down this list (which will reduce the liability to the HMRC).

Holiday Pay/Rounding – you may not be using either of these but both are normal wages costs.

Suspense – this is a ‘dump’ code for anything that you have forgotten to link e.g. if you set up a new payment/deduction code you should allocate it a nominal description. However if you forget the program will put any values calculated into this suspense code to keep the journal in balance. You will need a corresponding code within Business Manager – probably in the current liability band.

SMP/SPP/SAP recovered –the amount of SMP/SPP/SAP that is claimed back from the HMRC so will reduce the liability or be treated as a credit note (again use an &).

Tax Credits – will reduce the liability paid to the HMRC or use an &. This will default to the same code as PAYE if not filled in.

Student Loans – collected on behalf of employees and passed over to the HMRC so again will affect the liability or use an &. This will default to the same code as PAYE if not filled in.



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