

## Conveyancing And Trust Account System

### PROCESSING & POSTING TO THE TRUST ACCOUNT

The *Trust Account Processing* screen is accessed by opening the required file and selecting *Trust Account Processing* from the side menu.

#### Overview

This screen is the heart of the CATS trust accounting system.

After a settlement statement is compiled and items are committed for posting, they will appear in this screen. The items appearing are those items which are to be posted to the trust account for the relevant file.

If the text in any row is coloured, it means that that item represents a cheque. An unprinted cheque appears in blue, a printed cheque in green, and a cancelled cheque in red. Once the cheque has been posted, it appears black like the other items.

The screenshot shows the 'Trust Account Processing - 20773 King to Heaps' window. The main area contains a table with the following data:

Row	Item	Item Detail	L	Dest	Amount	P	Date Posted
1	Chq	SA Water	V	4	172.00	<input type="checkbox"/>	
2	Chq	Revenue S A	V	4	254.30	<input type="checkbox"/>	
3	31815	District Council of Black Stump (CANCELLED)	V	4	1,432.33	<input checked="" type="checkbox"/>	27/03/2011
4	700	Transfer Registration Fee	V	99997	121.00	<input type="checkbox"/>	
5	31814	ABC Real Estate Pty Ltd	V	4	9,325.12	<input type="checkbox"/>	
6	975	Water Consumption Allowance	V	10	400.00	<input type="checkbox"/>	
7	202	Disbursements	V	99998	110.00	<input type="checkbox"/>	
8	200	Conveyance Fee - Land	V	99998	440.00	<input type="checkbox"/>	

The right-hand panel contains several controls:

- Manual Cheque
- Posting date: 27/03/2011
- Buttons: Print selected chq, Print all cheques, Cancel cheque, Combine chqs, Select All, Post to Ledger
- Change file status to 'Closed' on exit
- Print ledger cards on exit
- Add / Edit Rows** section with buttons: New, Edit, Delete
- Destination: [Dropdown]
- Description: [Dropdown]
- Amount: [Text Box] GST applies:
- P or V: [Dropdown] OK, Cancel
- Balance Summary** table:
 

	Vendor	Purchaser
Balance	12,254.75	0.00
Less selected		
New balance	12,254.75	0.00

Statement item details displayed are;

- Item** If the row represents a cheque which has been printed, this will show the cheque number. If the row is not a cheque, the number appearing here is the system code for that item.
- Item Detail** Indicates the nature of the item to be posted or, if it is a cheque, the payee of the cheque.
- Ledger** Shows whether the item relates to the Vendor's (Lessor's etc) ledger or Purchaser's (Lessee's etc) ledger.
- Destination** Indicates the holding account to which the item will be automatically journalled. If a cheque the number 4 is displayed. To see the name of the destination rather than the number, let the mouse pointer hover over the destination number for a second or two and it will be displayed.

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<b>Amount</b>	The amount of the item.
<b>Post</b>	Click this box to select an item ready for posting to the client ledger
<b>Date Posted</b>	The date the item was posted to the trust account.

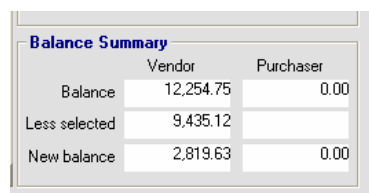
#### The Funds Summary

The *Funds Summary* panel displays the total amount held in trust for the vendor and/or purchaser at any given time and is summarised as follows;

**Balance** This is made up of any amounts receipted/journalled to the trust account ledger of the vendor and/or purchaser.

**Less Selected** As each item is selected for posting, the displayed available balance is reduced accordingly.

**New Balance** This is the balance remaining after selected items are deducted. If more funds are selected for posting than are available, the balance will be displayed as a negative.



Balance Summary		
	Vendor	Purchaser
Balance	12,254.75	0.00
Less selected	9,435.12	
New balance	2,819.63	0.00

Though items in excess of the balance available can be selected for posting, posting to the trust account will be prevented so that it does not overdraw.

#### Posting to the Trust Account

Items are selected for posting by clicking on the box in the column headed 'P'. They can be de-selected by clicking that box again.

All items capable of being posted to the trust account can be selected by a single click on the *Select All* button and can all be de-selected by clicking the *De-select all* button.

Post items to the trust account by clicking the button labeled *Post to Ledger*.

A cheque can not be selected for posting until it has been printed.

#### Selecting the Effective date for Posting

By default, the date that will be recorded as the date the item was posted, will be the current date.

If it is necessary to back date the posting date, pick the date to be recorded first.

*NB: You can not pick a date prior to or equal to the date of the last locked reconciliation.*

To minimise errors which can at this stage only be corrected by the support team, you will be asked to confirm the date, whether or not a different date has been picked.



De-select All

Posting date  
29/06/2010

Post to Ledger



**Trust Account Posting**

Please confirm date to post 29/06/2010 is correct

Yes No

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### TRUST ACCOUNT PROCESSING (Cont)

#### Editing Items to be Posted

The default destination of the items to be posted can be changed in the *Trust Processing* screen. For example, a cheque can be changed to an EFT, or a conveyancing fee to a cheque etc.

A posting item can also be directed to a holding account you have opened yourself.

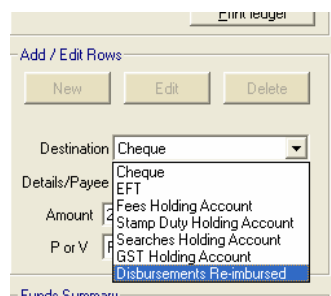
In the *Add / Edit Rows* panel click the *Edit* button.

From the drop down list called *Destination*, select Cheque, EFT or the holding account to which funds are to be auto journalled after being posted to the clients account.

Any user created holding accounts will appear in that list.

Enter the details as prompted then click *OK*.

In the example, the highlighted item 'Disbursements Reimbursed' is a user created holding account, and it has been selected to be the destination account for the item to be posted.

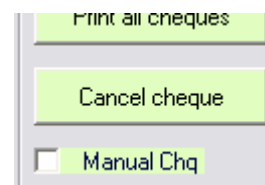


See the chapter headed "Holding Accounts" for more details on how to create and use them.

#### Processing Cheques

CATS can be set up so that loose leaf cheque forms can be printed electronically by the system, or hand written.

The check box labeled *Manual Chq*, This is used when cheques will be hand written and CATS will not send output to a printer. If *Manual Chq* is not selected, output will be sent to the nominated cheque printer connected to the network.



If there is no dedicated cheque printer, it will be sent to the default printer.

To avoid the risk of forgetting to select the *Manual Chq* option, it can be set by default in the *System / Customise/Preferences*. In the drop down list headed *Trust Account Cheque Type*, select *Manual*.

Otherwise, to default to system printed cheques, select the required cheque format from that list. Any of the other formats will set the default to auto printing.

#### Using Both Handwritten & System Printed Cheques

If hand written cheques are never or rarely required, the default should be set to machine printed cheques in the *System/Customise* menu.

However, if the need for a hand written cheque arises, just click the *Manual Chq* box, process the cheque, then de-select it again when finished.

#### Combining Cheques

Cheques can be combined into one cheque provided;

- The payee is identical
- They are to be debited to the same ledger

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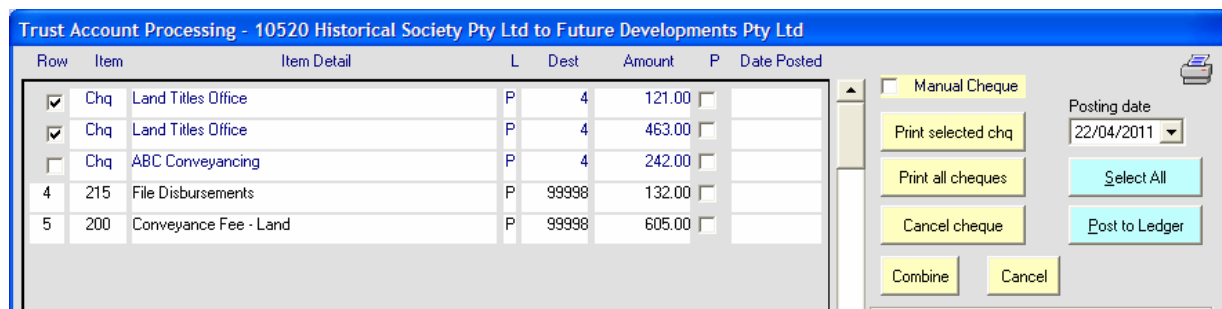
### TRUST ACCOUNT PROCESSING (Cont)

To select the cheques to be combined, click the *Combine chqs* button. A checkbox will appear immediately to the left of all rows representing cheques which have not yet been printed.

The caption of the *Combine chqs* button splits in two changes to *Combine* and *Cancel*.

Select the cheques you want to combine and click the *Combine* button.

To cancel click the *Cancel* button.



### Printing Cheques

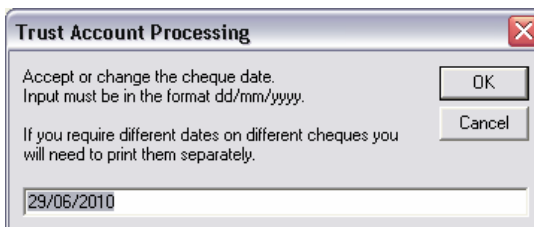
Cheques can be printed one at a time, or all together in sequence.

#### NOTE

*Before any cheques can be printed the cheque numbers must be registered in CATS. See the section of this manual headed Databases.*

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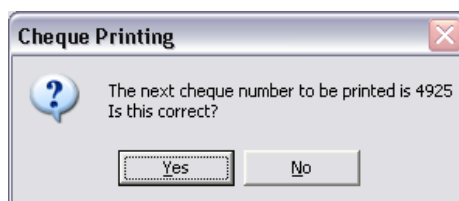
To print a single cheque, highlight its row by clicking on the row number. Click the *Print Selected* button. You will be asked to confirm that you want to proceed. You can change the date to appear on the cheque if required.



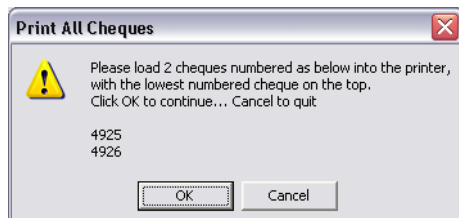
This date has no bearing on the date of posting, it is purely the date which is printed on the cheque

Once OK is clicked, the number of the next cheque to be used is displayed.

Click *Yes* to accept that number, *No* to enter a different number. It is important that you carefully check this number before printing as an error will result in throwing out the cheque numbering sequence.



If the *Print All* button is clicked, (not available if *Manual Chq* is selected), a message to load the required number of blank cheques into the printer and the expected cheque numbers will be shown. This ensures that the numbers allocated to cheque items by CATS match the physical numbers of the cheques



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### TRUST ACCOUNT PROCESSING (Cont)

that will be printed. CATS will automatically detect if a number is unavailable and omit it from the list.

Carefully check these numbers against the numbers of the physical cheques to be printed.

#### **Cancelling Cheques**

Select the row representing the cheque by clicking the row number. The row will be highlighted.

Click the *Cancel* button.

A cheque that has not yet been printed can not be cancelled. This is not necessary as it can be either edited or deleted anyway.

There are two different scenarios for a cancelled cheque.

1. A cheque has been printed but not yet posted to the trust account.

In this case, the cheque number becomes re-usable and the row merely turns from green to blue again, as if the cheque had not been printed in the first place. So if a cheque is manually changed after printing, it can be re-printed as a manual cheque, with the same cheque number.

2. The cheque has been printed and already posted to the trust account.

This leads to two further possibilities. Either the cheque has not yet been presented to the bank and remains unpaid, or it has been presented and appears on the bank statement.

For this reason, you should only attempt to cancel a cheque that has been printed if it is still in your possession. CATS can determine if it has been presented to the bank but only based on data that exists since the last reconciliation of the trust account was done. However, the cheque may have been presented and paid since.

If the cheque has been recorded in CATS as a presented cheque, it can not be cancelled.

If the cheque is recognised as unrepresented, it will be cancelled, but the previously allocated cheque number will not be re-usable.

In this instance, the details in the row will change to red and the client's ledger will be credited with the corresponding amount of the cancelled cheque.

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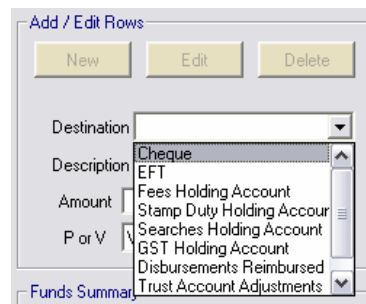
## TRUST ACCOUNT PROCESSING (Cont)

### Creating a New Cheque

New cheques can also be created in this screen which were not part of the original reconciliation.

In the *Add / Edit Rows* panel click the *New* button. From the drop down list called *Destination*, select *Cheque*. Enter the cheque details as prompted then click *OK*.

A cheque row will be added to the grid with blue text as if it was created in the settlement statements screen.

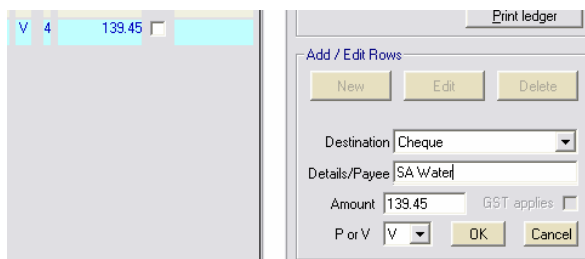


### Editing an Existing Cheque

Select the cheque to be edited by clicking its row number.

In the *Add / Edit Rows* panel click the *Edit* button.

From the drop down list under *Destination*, select *Cheque*. Change the displayed cheque details as required then click *OK*.



### Deleting a Cheque

Select the cheque to be deleted by clicking its row number.

In the *Add / Edit Rows* panel click the *Delete* button.

**NOTE**

*A cheque which has been cancelled or printed, can not be deleted, even if it hasn't been posted to the trust account.*

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### Combining Cheques

If there are two or more cheques with the same payee and which are to be debited to the same ledger (Vendor or Purchaser) they can be combine into one cheque.

Click the button at bottom left captioned *Select chqs to combine*. The caption of this button will change to *Combine chqs* and check boxes will appear next to each unprinted cheque row..

Select the cheques to be combined and click the *Combine chqs* button.



## Conveyancing And Trust Account System

### TRUST ACCOUNT PROCESSING (Cont)

#### Adding / Editing / Deleting EFT Items

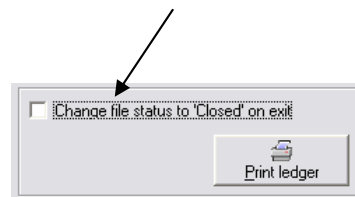
EFT items are added, edited or deleted in the same way as cheques.

Only items presented in the *Destination* list are available to be added.

#### Other Functions

##### Setting File Status to Closed

If the posting just done finalises the file, and the balance summary shows zero for both sides of the ledger, a check box will become visible giving you the option to mark the file status as *Closed* when exiting from this screen. This will have the same effect as going to the *Change File Status* in the *Clients* menu and marking it as *Closed* there.



For further information on file status, see the chapter in this manual headed "*Changing File Status*".

#### Printing Client Ledgers

The ledger file can also be printed from this screen by clicking the Print Ledgers button. If one side of the ledger (e.g. Vendor side) has no entries, it will be ignored. This will have the same result as printing ledgers from the View Ledger Ledgers screen accessed through the *Trust Account / View Client Ledgers* menu.

