



This document will explain: How to record the purchase of an asset, How to set up a loan for the purchase and record the unexpired interest How to record the repayments NOTE: We suggest you discuss these transactions with your accountant prior to recording in Jim2.

Your business may purchase a capital asset, such as a vehicle, and take out finance or a loan to pay for it. The setup to reflect this in Jim2 is as follows:

Setting up the General Ledger Accounts

Go to Accounts > General Ledger > 1. Assets, locate a relevant GL Account for the Capital Asset and ensure that it is ticked as an Expense PO account with a default Tax Code of C.

If there is not a suitable GL Asset Account, then add a new one.

Edit GL Account		
Type Header Account (r Detail Account (Po Detail Cheque Acc	ion Postable) stable) ount (Postable)	Active 📝 Expense PO Account 📝 🔓 Control Account 📄 🕞
Account Classification Account Number	Asset •	
Account Name	Motor Vehicles - at Cost	
Opening Balance	0.00	
Current Balance	0.00	
Default Tax Code	C Capital Acquisition	
Linked Accounts:		
		OK Cancel

Go to Accounts > General Ledger > 2. Liabilities, and add a new GL Account for the Finance/Loan under the Long Term Liabilities section.

Select Type = Detailed Credit Card Postable (so you can do bank reconciliations on this account if required), with the default Tax Code set to X (no GST on payments to the account).







General Ledger									
1 - Asset 2 - Liability 3 - Equit	ty 4 - Income 5 - Cost 0	Of Sales 6 - Expense	8 - Other Income	9 - Other Expense					
Account Name						Type			
2-0000 Liability						Header			
2-1000 Current Liabilitie	5					Header			
2-1100 Credit Cards						Header			
2-1110 Company Mast	terCard					Credit Card			
2-1200 Trade Creditors						Control			
2-1210 Tempory Creditors	s - POs on Received					Control			
2-1300 GST Liabilities						Header			
2-1310 GST Collected						Detail			
2-1330 GST Paid	Edit GL Account					Expense PO			
2-1335 Deferred GST	Trees					Detail			
2-1340 Withholding F	туре			Acti	ve 🗹	Detail			
2-1350 BAS Liability/	Header Account (n	ion Postable)		Expense PO Accou	unt 🔲	Detail			
2-1355 GST - Collecte	Oetail Account (Po	stable)		Control Accou	int 🔲	Credit Card			
2-1356 GST - Paid NZ	Detail Conditional	A				Credit Card			
2-1360 Import Duty Pay	Detail Credit Card	O Detail Credit Card Account (Postable)							
2-1370 Voluntary Withh						Detail			
2-1390 Luxury Car Tax	Account Classification	Liability	-			Detail			
2-1400 Payroll Liabil	Account Number	2 - 4310				Header			
2-1410 Payroll Deduc						Detail			
2-1420 PAYG Withho	Account Name	CBFC Finance				Detail			
2-1430 Guaranteed S	Opening Balance	0.00				Detail			
2-1435 Staff Contrib	Current Palaras	0.00				Detail			
2-1440 Staff Contrib	Current balance	0.00				Detail			
2-1450 Accruals	Default Tax Code	X T Exclude from	n GST			Detail			
2-1455 Accruals - Wa						Detail			
2-1500 Provisional Tax	Linked Accounts:					Detail			
2-1600 Customer Depos	en meer recounter					Detail			
2-1900 Other Current Li				OK Car	ncel	Detail			
2-4000 Long Term Liab						Header			
2-4200 Other Long Term I	Liabilities					Detail			
2-4310 CBFC Finance						Detail			
2-4312 Unexpired Interes	st					Detail			

Go to Accounts > General Ledger > 2. Liabilities, and add a new GL Account for the Unexpired Interest for the Finance/Loan under the Long Term Liabilities section.

Select Type = Detail Account, with the default Tax Code set to X (no GST on transactions to the account).

Asset 2 - Liability 3 - Equity 4 - Income 5 -	Cost Of Sales 6 - Expense	e 8 - Other Income 9 - Other Exp	ense
count Name			Туре
0000 Liability			Header
2-1000 Current Liabilities			Header
2-1100 Credit Cards			Header
2-1110 Company MasterCard			Credit Car
2-1200 Trade Creditors	E-RACE Assessed		
2-1210 Tempory Creditors - POs on Received	Edit GL Account		
2-1300 GST Liabilities	Туре		tettus II
2-1310 GST Collected	Header Account (r	on Postable)	Active 🗹
2-1330 GST Paid		in contraction cy	Expense PO Account
2-1335 Deferred GST	Oetail Account (Po	stable)	Control Account
2-1340 Withholding Payable	O Detail Credit Card	Account (Postable)	
2-1350 BAS Liability/Accrual			
2-1355 GST - Collected NZ	A service Classifier Har	-	
2-1356 GST - Paid NZ	Account Classification	Liability	
2-1360 Import Duty Payable	Account Number	2 - 4312	
2-1370 Voluntary Withholding Payable	Account Name	I nevoired Interest	
2-1390 Luxury Car Tax Payable	Account Name	onexpired interest	
2-1400 Payroll Liabilities	Opening Balance	0.00	
2-1410 Payroll Deductions Payable	Current Balance	0.00	
2-1420 PAYG Withholding Payable			
2-1430 Guaranteed Super Levy	Default Tax Code	X T Exclude from GST	
2-1435 Staff Contribution - Donations			
2-1440 Staff Contribution - Social Club	Linked Accounts:		
2-1450 Accruals			
2-1455 Accruals - Wages			OK Cancel
2-1500 Provisional Tax			
2-1600 Customer Deposits			Detail
2-1900 Other Current Liabilities			Detail
2-4000 Long Term Liabilities			Header
2-4200 Other Long Term Liabilities			Detail
2-4310 CBFC Finance			Detail







Go to Accounts > General Ledger > 6. Expenses section, and add a new GL Account for the Interest on the Finance/Loan with a default tax code of X.

Edit GL Account		
Type Type Header Account (no Detail Account (Po	ion Postable) stable)	Active 📝 Expense PO Account 🗌 Control Account 🗌
Account Classification Account Number	Expense •	
Account Name	Interest - Finance/Loan	
Opening Balance Current Balance	0.00	
Default Tax Code	X T Exclude from GST	
Linked Accounts:		
		OK Cancel

Close out of the General Ledger.

Adding the Vendors

Add a CardFile for the vendor where you purchased the vehicle, and for the finance provider.

Recording the Purchase

Add an Expense PO for the purchase of the vehicle from the Vendor, using Tax Code C.

After finishing the Expense PO, open the creditor record and click on EDIT

Click on Type = Payment and change to Type = CREDITORS ADJUSTMENT DOWN

Select the GL account for the new 2-XXXX Finance/Loan account for the full amount owing, using tax code X Add a comment 'Move to Finance/Loan Account' and save.

Add a Type = Payment, select 'Payment By' = CREDIT and apply the adjustment credit to the invoice, and save.

You have now moved the amount owed from the Creditor account to the Finance/Loan liability account.

Recording the Unexpired interest

Add a general journal to increase the 2-xxxx liability to include the interest component payable on the Finance/Loan.

V	iewing	Genera	l Journa	al 41										ت >
3	ournal #	41		Date	03/1	12/2012	<u>S</u> tatus	FINISH		Re <u>c</u> urring	BAS type Purchase (Acquisitic			
G	L Tran#	1426		<u>T</u> ax Tota	Line	Level TP	Apply to	o 13th period		<u>R</u> everse				
C	omment	Interest payable on finance Currency AUD Rate 1.0000												
	Branch					SubBranch				GL Dept				
+	Acc.Code	2	Branch	SubBr	anch	GL Dept.	Name					Debit Inc.	Credit Inc.	Tax
Þ	24310			•	•		CBFC Finar	nce				0.00	8000.00)	X 👻
	24312			•	•		Unexpired	Interest				8000.00	0.00)	х -







Recording the monthly repayments, and monthly interest expense

Go to Accounts > Cheque Book > Add

Select the CardFile for the loan provider

Enter the total amount of the repayment

If you have details of the monthly interest components, you can enter the amount of interest that is being expensed as per the example below.

Viewing	Chequ	e #18						CBFC FINANC	E 🗗 🗙
Tran#	135			Handwritten	Туре	heque 🔻	<u>S</u> tat	us FINISH	
Card Code	CBFC		Date 03/	12/2012	GL Acc.	1105 Cheque Account 1			
	CBFC F	INANCE			Payment By	heque 🔻			
	SYDNEY	T ST 7 NSW 1001			Cheque No	18			
					Chq Amt \$	Chq Amt \$ 850.00			iled
Eight Hundred and Fifty Dollars only						JD			
Comment	paymer	t of finance	/loan, and m	onthly interes	st exp	Invalid per Licence			
Acc.Cod	e	Branch	SubBranch	GL Dept	Name	Curr	Amount Ex.	Amount Inc.	Tax
24310			•		CBFC Finance	AUD	850.00	850.00	Х 🕶
24312		-	-	-	Unexpired Inte	st AUD	-150.00	-150.00	Х 👻
62110			•	•	Interest - Finar	/Loan AUD	150.00	150.00	Х 👻

NOTE: If you do not have all the information, or are unsure on how to record the interest, we suggest you discuss this with your accountant before you start recording the payments.

For further assistance or information please call Happen support on 02 9570 4696 or email support@happen.biz

