CPL SOFTWARE

BUDGET GUIDE 6: THE BUDGET RECONCILIATION PROCESS

TRAINING GUIDE

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CONTENTS

INTRODUCTION

This guide is the sixth in a series of guides to help you set up and run budgeted accounts for your developments. The guides in this series are:

1. Setting up your System for Budgeted Developments
2. Setting up a Budget on your Development
3. Billing Budget Invoices to your Clients
4. Posting the Actual Invoices that will be compared against your Budget
5. Creating Ad Hoc Invoices not linked to a Budget
6. **The Budget Reconciliation Process**

Once you have created your budget, sent out your budgeted invoices (based on whatever charge date code you selected) and processed your actual charges, when it comes to the end of the budget period you will be ready to run your budget reconciliation.

This will allow CPL to compare what you charged out to your clients on the budgeted invoices based on the budget you created, and what the actual charges posted against the development during the budget period were. These amounts may be exactly the same which would mean that your clients have already paid in advance for exactly what they owe. Alternatively, if your actual charges were more than your budgeted charges then there will be a deficit which your clients will be due to pay or if your actual charges were less than your budgeted charges then your clients will have paid a surplus and will be due a refund.

The Budget Reconciliation process will calculate this and allow you to send budget reconciliation statements out to your clients to inform them at the end of your budget period.
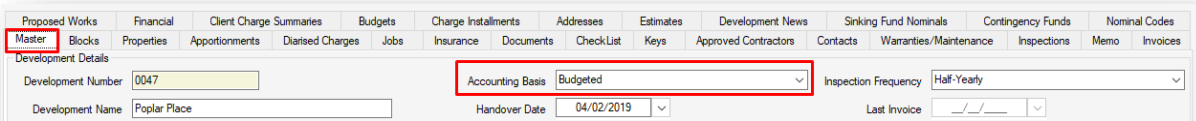
BUDGETED ACCOUNTS END TO END PROCESS

This diagram represents the end to end process for setting up and running budgeted accounts in CPL. This guide will concentrate on the two red segments of running the budget reconciliation at the end of the budget period and sending this out to your clients.
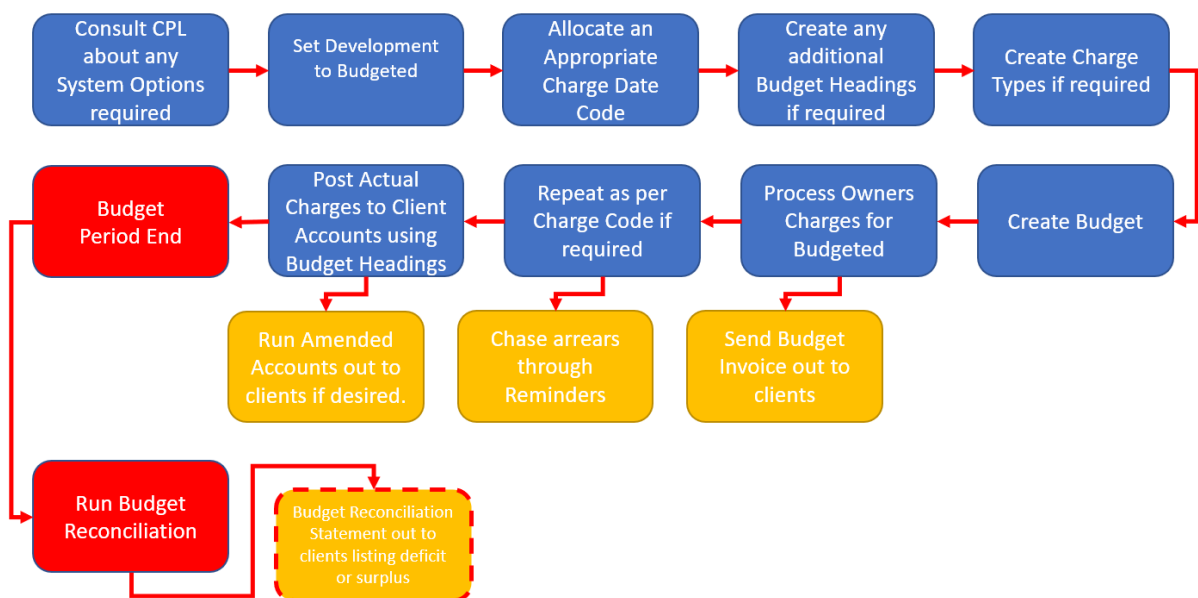
SETTING UP PRE-REQUISITES

This guide presumes you have already created your development in CPL and selected **Budgeted** in the **Accounting Basis** field on the **Master** tab.

It also assumes you have already selected an appropriate **Charge Date Code** for charging out the elements of your budget to your clients.

In addition, it assumes you have appropriate **Budget Headings** set up and that you have used these when you were creating the budget for your development.

You must have already set up a budget for your development and run all budget invoices covering the appropriate budget period to send out to your clients.

You must also have posted transactions with relevant actual charges from contractors for this period, against your development using the correct budget headings.

Please consult the following training guides on the CPL Knowledge Base for further information on these pre-requisite processes:

- Budget Guide 1: Setting up your System for Budgeted Developments
- Budget Guide 2: Setting up a Budget on your Development
- Budget Guide 3: Billing Budget Invoices to your Clients
- Budget Guide 4: Posting the Actual Invoices that will be compared against your Budget

PRIOR TO RUNNING THE BUDGET RECONCILIATION

As mentioned above, prior to running the budget reconciliation you will have processed **Owners Charges** on the **Process Owners Charges for Budgeted** tab in the Client Global screen and sent the resulting budget invoice(s) out to your clients. You will have done this based on whatever Charge Date Code you selected for the development in question. For example, if you have set up a budget for a year and you chose a yearly charge date code then you will have done this once at the start of the year; if you have set up a budget for a year and you chose a quarterly charge date code then you will have done this four times throughout the budget year. You can also still set up a budget for a particular period, for example a year, and have chosen a monthly or quarterly charge date code, and processed all periods in one go at the start of the year, rather doing your budget billing every month or every quarter.

The record of these invoices will be sitting in the **Transaction Activity** tabs for each client in your development.

In the example below, the charge date code has dictated that this is run once.

You must ensure that you have billed out your budget (processed owner charges) up to the last date for which the budget period runs before attempting to run your budget reconciliation.

You should also ensure that all actual expenditure invoices have been posted correctly, released in the hold file and processed to be sitting as charges in the clients' accounts.

If any of these charges were not part of what has been budgeted for then you will have had the option to bill for these on an amended account basis to your clients to charge them for these one-off charges as and when these occur. You may, for example, wish to do this for unexpected charges which were not part of your budget, rather than wait until you run the budget reconciliation at the end of the budget period. The budget reconciliation will process everything sitting in the clients' charge files within the dates of the budget period.

LOCATING THE PROCESS OWNERS CHARGES FOR BUDGETED TOOL

Haven taken note of the charge date code used by an individual development, you can close the development's amend screen and click to open the main **Clients** tab in CPL.
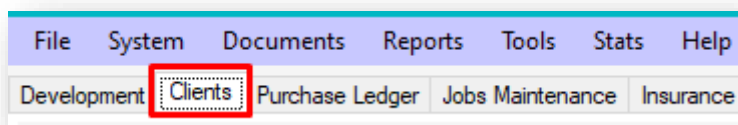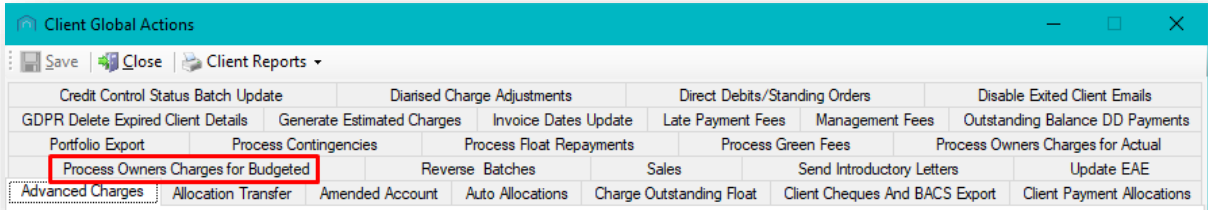

Click to select the **Global** icon from the blue action bar towards the bottom of the screen.
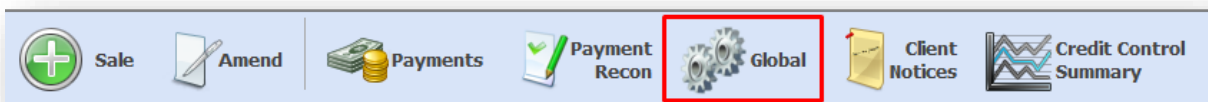
This will open the **Client Global Actions** window.

From the available tabs click to select the **Process Owners Charges for Budgeted** tab.

Please note that this tab may be located in a different position in your Client Global Actions window.

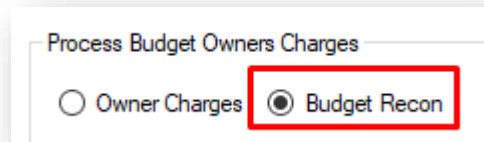This will open the **Process Budget Owners Charges** screen.
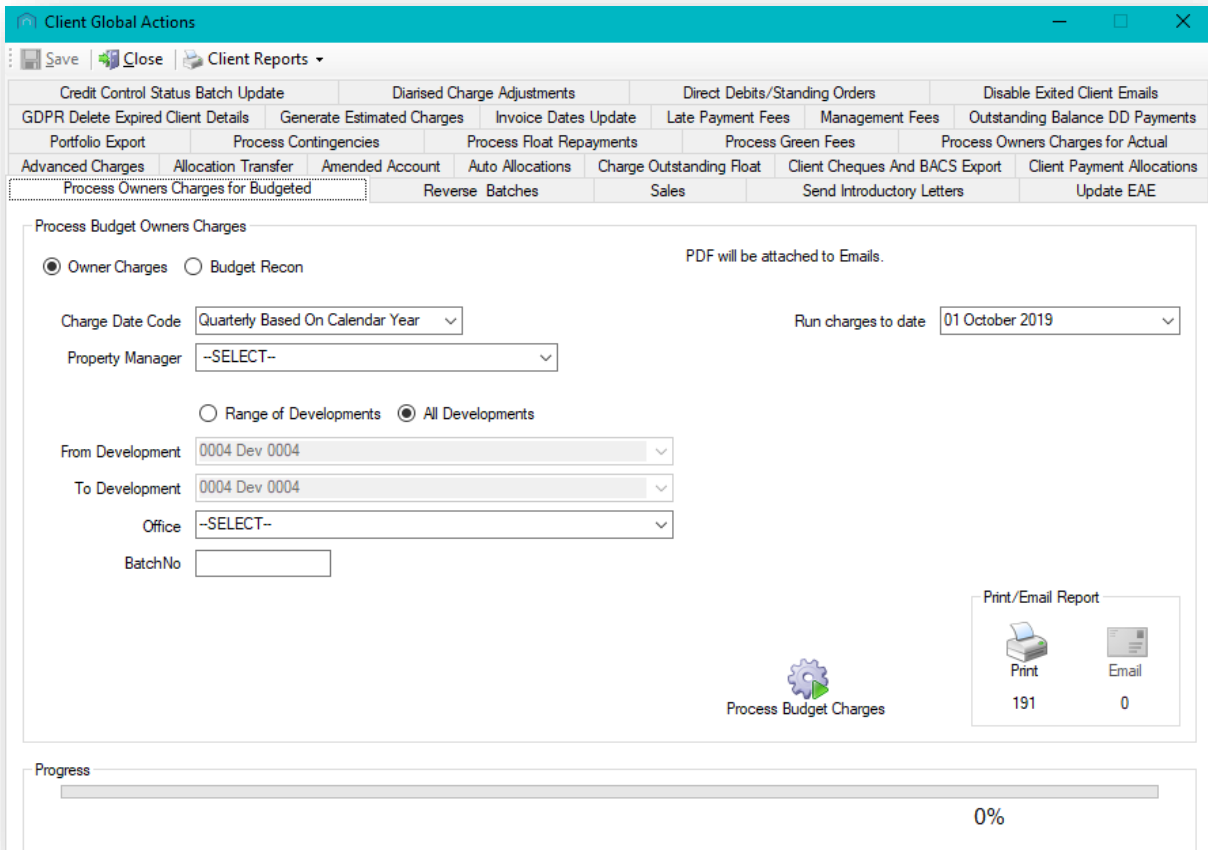
PROCESSING THE BUDGET RECONCILIATION

With this tab open, you can select the correct information from the available fields to enable the system to run the budget reconciliation.

This screen is used both to process owners charges (bill your budget invoices) and also to run your budget reconciliation process at the end of the budget period. You must therefore make the correct selection from the two radio buttons at the top of the screen.
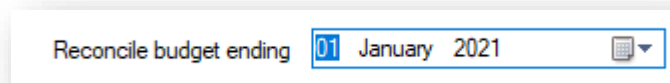
Make sure **Budget Recon** is selected.

In order to help you run your budget reconciliation process for the correct development(s), select the correct date from the **Reconcile budget ending** field on the right of the screen.
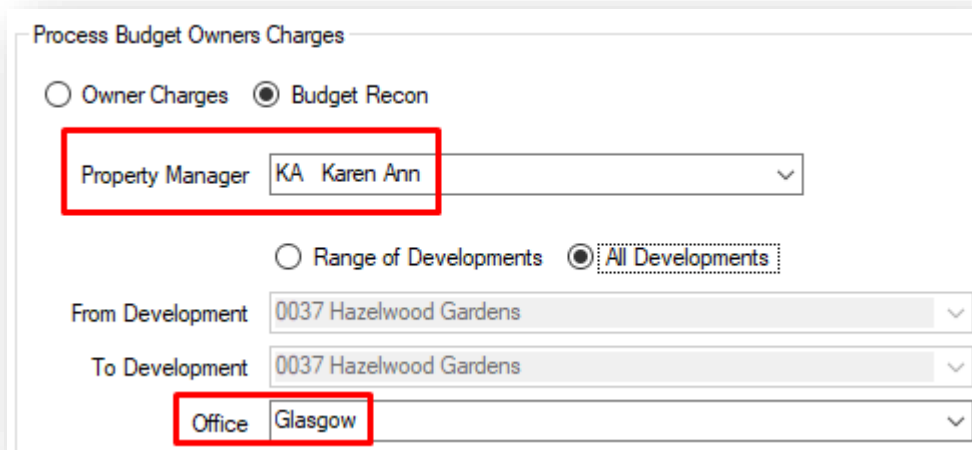
You must choose the correct end date for your budget to correspond to the date you selected when originally setting up your budget. This will ensure that all charges are selected correctly and that you are reconciling the correct budget.

You can use the additional fields to help you filter towards the developments you would like to run your budget reconciliation for.

For example, you may wish to use the **Property Manager** field to select an individual property manager or the **Office** filter to select developments listed against one particular office.
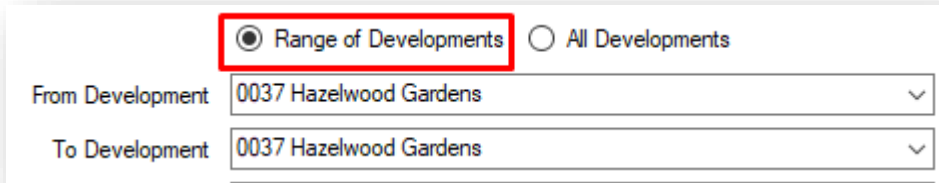
This would allow you only to process the budget reconciliation for developments listed against a particular office and for an individual property manager.

You can filter the data further by using the set of radio buttons beneath the Property Manager field which allow you to select from a **Range of Developments**.

If you choose this option then you can use the **From Development** and **To Development** fields to enable you to be specific about which developments you would like to run it for.


This allows you to split any budget reconciliations you are processing into smaller segments if you manage a large portfolio of clients and developments.

Once you have checked that all the selections you have made are correct, click on the **Budget Reconciliation** icon towards the lower right-hand corner of the screen.
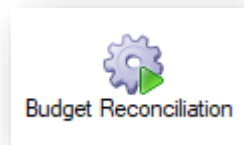

As long as you have budgets set up for developments covering the period you are choosing to run your reconciliation up to, the system will now process your budget reconciliation and you will be able to send this out to your clients.

Depending on how many clients and charges the system has to process, this may take some time. A progress bar will be present at the bottom of the screen.
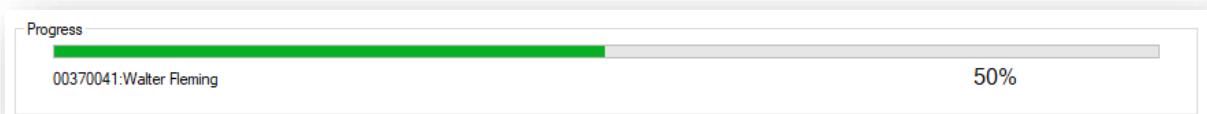
Once the process has completed you will see a **Complete** notification message.
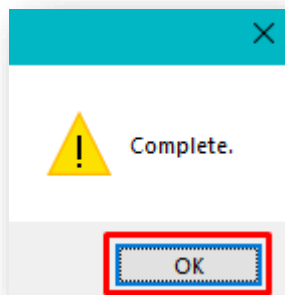
Clicking on the **OK** button will dismiss this pop-up message and you will notice that the system has now entered a number into the **Batch No** field.

Make a note of this batch number as you may need this at the next stage for printing/emailing your budget reconciliation invoices.

The system has now reconciled everything in your budget against the actual charges made against those budget headings and produced a budget reconciliation invoice or statement.

You will now be able to see the **Budget Reconciliation** listed on the **Transaction Activity** tab in your clients' accounts.

PRINTING YOUR INVOICES

Having made a note of your batch number, you can now open the **Print** menu to print out your budget reconciliation invoices for your clients who are due to receive paper copies.

Click on the **Print** icon in the lower right-hand corner of the screen.
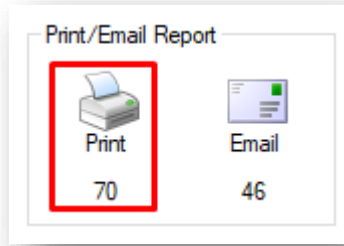
This will open the **Print Owners Charges – Client Budget Reconciliation** window.

You can use the highlighted arrows section to move between each client's budget reconciliation invoice for your clients.

In this budget reconciliation invoice example below you will see that it is divided into 3 columns. The first is the **Budget**; the second is the **Actual** charges processed against these headings and the third is whether there has been a surplus paid in the budget invoice or whether there is a deficit now due to be paid.


In this example, there is a surplus to be paid. This surplus is due to a float outstanding and some differing amounts in the actual charges against the projected budget. This could be miscalculation when the original budget was created, or simply an emergency repair required where an amended account wasn't run and the clients are due to pay this now that they are receiving their budget reconciliation invoice.

| Lift Maintenance | 137.50 | 137.50 | 0.00 |
| Maintenance Fund | 275.00 | 375.00 | 100.00 |

These amounts reflect that the standard maintenance fund budget was correct but an emergency roof repair was made during the year.

The example above is the standard vanilla template for the budget reconciliation. However, custom designed templates are available. If you do not already have an individually designed custom template for your budget invoices available to you then please speak to CPL Support if this is something you would be interested in.

If you are running off several batches at the one time you can use the buttons at the top of the **Print Invoices / Owners Charges** screen to skip between batches.
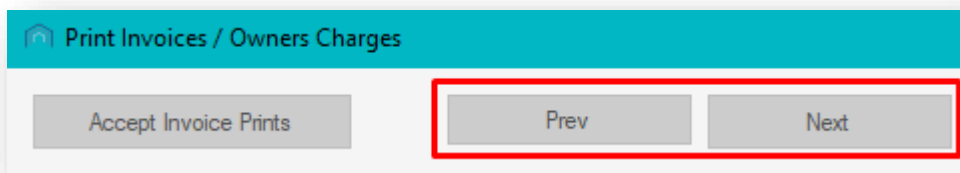
You can also use the **Accept Invoice Prints** button to accept each batch of invoices.
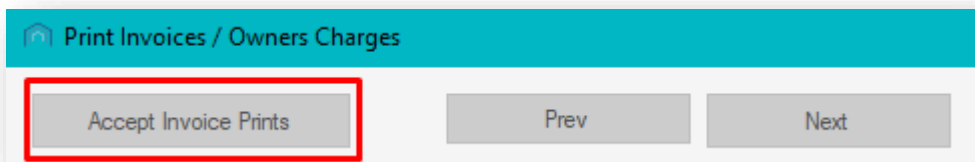
When you are satisfied with each page in the preview of your batch, and you wish to print your invoices immediately then click on the **Print** icon at the top of the page to send these to your printer.

If you wish to print these at a later time, you can return to this tab and repeat the process of clicking on the **Print** button and selecting an individual batch of invoices to print.

Close the preview window by clicking on the cross in the top right-hand corner when you have finished.

EMAILING YOUR INVOICES

The system will also email those clients who have opted to receive paperless invoices. They will receive the invoice as a pdf attachment to their email.
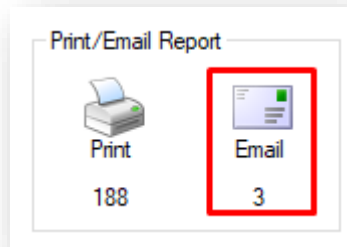
You can email these at the time you have processed them or choose to return and do this later.

To return to email these, make sure you have selected the **Process Budget Owners Charges** tab on the main **Client Global Actions** screen.

Click to select **Budget Recon** at the top of the screen.
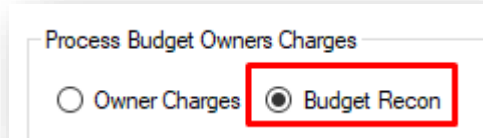
Click on the **Email** icon in the lower right-hand corner of the screen.

Clicking the icon opens up the **Email Invoice Prelist** screen.

This screen will display a list of all clients who are due to receive their budget reconciliation invoice by email. It will also display other clients whose invoices have been processed but not yet emailed.

You can inspect each individual invoice by double-clicking a client from the list to open up their invoice.

You can untick clients if you wish to email these individually or you can make sure all clients are ticked and click the **OK** button at the bottom of the window to send emails to all ticked clients.

CPL will bring up an option to **Attach File(s) to Email(s)** in case you wish to add any additional files.
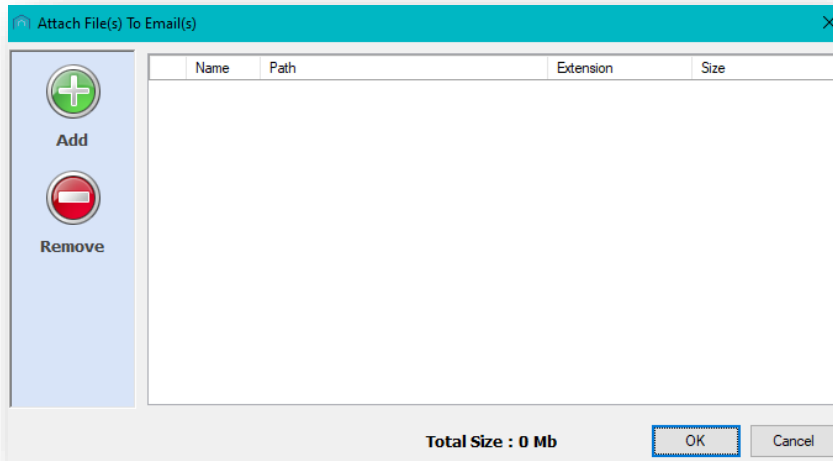
You can browse for these if you wish to add any by clicking on the **Add** button. If you have done this already, or you wish to send the invoice by email without adding any additional attachments then click on the **OK** button on this screen to proceed.

You will then see a **Send Email Confirmation** pop-up window appear.
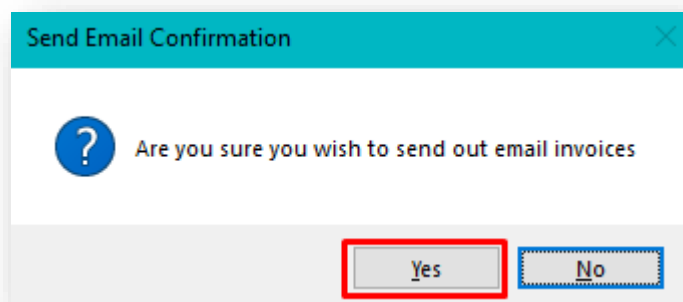
Clicking on **Yes** will send out your email invoices.

A progress bar will be displayed as the system processes these emails.

Sending Email

Sending ...   2/3 (67%)

Show Details

When this has reached 100%, you will be presented with an **Information** pop-up window which will let you know that your budget reconciliation invoice emails have been passed on by CPL to your email client for transmission to your clients.

Information   ✕

ⓘ   3 invoices have been sent via email.

OK
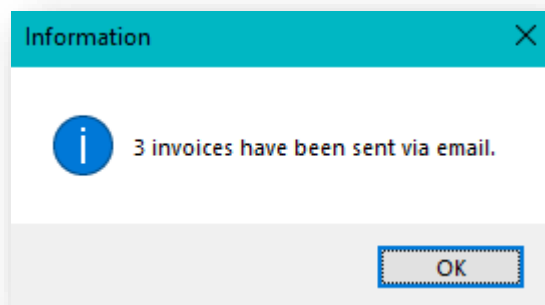
Clicking on **OK** will dismiss this window and you will have completed the process of processing your budget reconciliation and sending out your budgeted reconciliation invoices.

This training guide forms part of CPL's Knowledge Base which is available for all CPL users at https://contact.cplsoftware.com/portal/home

The CPL Knowledge Base will be continually updated with additional guides and information. If you have any questions or suggestions for further guides we'd be happy to hear from you. You can contact CPL Support by emailing us at support@cplsoftware.com or through our portal at https://contact.cplsoftware.com/portal/home or calling us on 0345 646 0240 (option 1).