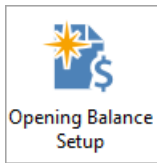


# Opening Balance Setup

Last Modified on 31/10/2024 1:30 pm AEST



The instructions in this article relates to **Opening Balance Setup**. The icon may be located on your [StrataMax Desktop](#) or found using the [StrataMax Search](#).

This menu is used exclusively during the setup of a new building in your portfolio and cannot be completed until after the owner details have been entered into the **Roll** screen. Refer to the [Create A New Building article](#) for the entire process.

**Opening Balance Setup** cannot be used if it has been processed previously. Any attempt to do so will display the following warning:

Transactions exist. Opening balances cannot be entered.

Similarly if transactions exist in the ledger with the descriptions 'Opening Balance' or 'Brought Forward', the fields in the **Opening Balance Setup** menu will be unresponsive. This is by design to help prevent opening balances being entered and processed twice.

If this is the case, **Journal Preparation** can still be used as an alternative, however this is a lot more complex, and will only allow for the creation of transactions for the current year as **Last Year Balance Edit** will no longer be available.

It is still recommended that the **Opening Balance Setup** menu is used to enter the opening balances for a new building before any other transactions are processed. These are just a few examples, but if uncertain, please contact our [StrataMax Support Team](#):

- Entering and saving **Receipts**.
  - Including the funds transfer from the previous management company, which is processed via the **Bank Reconciliation** menu.
- Generating levies (entering them in **Levy Management** and striking them is OK).
- Entering and saving **Creditor Invoices**.

- Entering *Invoices*.
- Processing *Management Fees*.

## Opening Balance Setup Features

- Simplified method of entering balances for the Current and Old Financial Years.
- Closing balances and creation of the prior (old) year.
- Real-time view of amounts entered to ensure that balancing amounts are entered.
- Highlighting of each line being entered for ease of data entry and minimising errors.
- Easy entry of lot balances by each fund.
- Levy generation of levies already issued and due for the current year can be generated to allow for accurate reporting and arrears processing.
- Add new accounts.
- Calculation and processing of funds for system accounts.
- Save the balances for review by others or later processing.
- Creates an Unpresented Receipt for Cash at Bank on the Bank Reconciliation pending the initial deposit.

## Handover Financial Reports

When entering the opening balances, the handover financial statements from the previous management company will be required. The financial reports should be checked to ensure that they balance. If the report doesn't balance, the previous management company will need to be consulted, otherwise it is recommended that qualified accountant be engaged. The reports will need to include:

1. Income & Expenditure / Profit & Loss.
2. Balance Sheet.
3. Lot Positions / Debtor Balances, which total to the same amount for Levy Arrears or Advance figures on the Balance Sheet.
4. Details for Balance Sheet accounts; Other Debtors, GST Reports, Unpaid Creditors, Bank Statement, etc.
5. All the same reports from the prior financial year if they need to be entered as well.

Prior year financials can be entered using the Opening Balance screen and completed at a later point if needed. The closing balances for each fund **MUST** match the Opening Balance for the Current Year to process.

# Before entering Opening Balances

In order to make the process quicker and easier, it is recommended to perform the below before entering the opening balances:

1. Review and mark up the Income & Expenditure / Profit & Loss statement on the handover financials with existing account codes in StrataMax.

Income & Expenditure Statement for the financial year-to-date 01/07/2019 to 20/11/2019				
Administrative Fund				
		Current period 01/07/2019-20/11/2019	Previous year 01/07/2018-30/06/2019	
<b>Revenue</b>				
10310	142000	Insurance Claims	0.00	3,285.00
1095	142500	Interest on Arrears--Admin	255.39	899.93
101	143000	Levies Due--Admin	100,000.00	200,280.18
	<b>Total revenue</b>		<b>100,255.39</b>	<b>204,645.11</b>
<b>Less expenses</b>				
12110	150200	Admin--Accounting	410.42	820.84
15020	153800	Admin--Agent Disbursements	49.36	635.73
12705	151400	Admin--Bank Charges	10.00	0.00
12510	152800	Admin--Income Tax--Admin	231.00	152.40
15015	154000	Admin--Management Fees--Standard	2,999.17	7,814.88
16180	154400	Admin--Other Expenses--Admin	100.00	0.00
12110	150900	Admin--Taxation Services	236.78	236.78
15010	157000	Admin--Telephone Charges	45.41	1,051.30
15010	184001	Building Management Services	3,922.76	0.00
14315	159201	Insurance--Building Valuation	0.00	331.82
16180	163110	Maint Bldg--Car Park Exhaust	0.00	270.00
16180	172000	Maint Bldg--Pest/Vermin Control	0.00	150.00
16350	172200	Maint Bldg--Plumbing & Drainage	0.00	2,625.83

2. If an account code is missing, use the Add Account to add from the Master Chart, if you need to create a new account code, use [Account Maintenance](#) menu.

# Using Opening Balance Setup

Open the **Opening Balance Setup** menu by searching for it or clicking the menu icon in the StrataMax icon (top left) > *Property Info* > *Property Setup*.

It's very important to not fill in the *012 Cash At Bank* fields until last. Reasons why are in the [Cash At Bank](#) section below.

# Income and Expenditure (both funds)

The below steps need to be completed for both funds; Admin and Capital Works/Sinking/Maintenance.

1. Enter all income under the **Income** section for the first fund to be entered (complete Old Year as well if entering) and ensure that the **Total Admin. Fund Income** figure matches the handover financials

		Balances:	Net Assets	0.00	0.00
			<b>Net Income</b>	<b>15,000.00</b>	<b>0.00</b>
				<b>-15,000.00</b>	<b>0.00</b>

Income & Expenditure		Assets & Liabilities
<b>Income</b>		
101	Administrative Fund Levy	15,000.00
1011	Administrative Fund Discount	
11015	Recov-Neighbour	
11300	Transfer From Reserve Fund	
11900000	Gst On Income	
<b>Total Admin. Fund Income</b>		<b>15,000.00</b>

Current year values do not balance. Account: Administrative Fund  Generate Due Levies

2. Enter all expenditure under the **Expenditure - Admin. Fund** section and ensure that the **Total Admin. Expenditure** figure matches the handover financials.

Expenditure - Admin. Fund		
12105	Accounting	500.00
12210	Admin. Ato/Bar-Drain Fee	90.00
16030	Insurance-Valuation	
16805	Telephone Charges	850.00
17035	Utility - Water Consumption	
<b>Total Admin. Expenditure</b>		<b>13,570.00</b>

Current year values do not balance. Account: Administrative Fund  Generate Due Levies

3. Check and ensure the **Surplus/Deficit** figure matches the handover figure.

<b>Total Admin. Expenditure</b>		
<b>Surplus / Deficit</b>		<b>1,430.00</b>
105	Opening Admin. Balance	6,500.00

4. Enter the *195 Opening Admin. Balance* figure. This is the prior year closing value and may be appear in the handover financials reports at the bottom of the Income & Expenditure statement, or under the Balance Sheet.

Surplus / Deficit	Current Year	Old Year
195 Opening Admin. Balance	6,500.00	
	7,830.00	

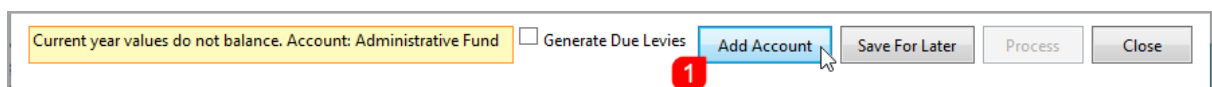
5. Ensure that the Administrative Fund Balance matches the handover financials. This will likely appear in the handover financials at the bottom of the Income & Expenditure statement as 'Total Fund Balance' or 'Closing Fund Balance'. It may also be on the Balance Sheet as an asset.
6. Click the *Save For Later* button.

If the above steps have been followed accurately, but the total balances do not match the handover financials, it is most likely due to a typo. We recommend double-checking each field again before contacting the StrataMax Support team.

## Add Account (button)

If an account code isn't displayed in the menu (although it is recommended that all required account codes are added before you start entering the figures), you can add it directly from within the **Opening Balance Setup** menu, provided it exists in the building's local chart of accounts.

1. Click the *Add Account* button, located at the bottom of the menu.



2. When the 'Account Code List' window appears, search for the account code by typing either the code number or part of the account code name into the *search* field in the top left.
3. Tag the account to add.

Account Code List - MASTER CHART 0000

tax

2

**Liabilities**

Code ^	Name	YTD Balance
061001	WITHHOLDING TAX ACCOUNT	

**Income -**

Code ^	Name	YTD Balance	Budget
11120	REFUND - INCOME TAX		

**Expense -**

Code ^	Name	YTD Balance	Budget
12325	ADMIN-AUDITORS-TAX'N SERVICES		
12510	AUDITORS - TAXATION SERVICES		
12605	ADMIN-INCOME TAX		

3

**Creditors**

Code ^	Name	ABN	YTD Balance
0820003	AUSTRALIAN TAXATION OFFICE	Exempt	
0820004	ATO - INCOME TAX	Exempt	
08200191	AUSTRALIAN TAXATION OFFICE 1	Exempt	

Count: 17

4

OK Cancel

- Click the **OK** button, and the account code will appear back in the **Opening Balance Setup** screen.

## Balance Sheet – Debtor / Lot Balances

The below steps need to be completed for both funds; Admin and Capital Works/Sinking/Maintenance. Refer to the Lot Balance Report or similar showing the Levy breakdown for each Lot Account for Arrears and Advance.

- Select the **Assets & Liabilities** tab.
- Under the Current Assets section, enter any investment account balances.
  - Do not enter the **012 Cash At Bank** figure yet!
- Click the icon next to **Lot Balances** to expand the list of lot accounts, and tick or untick each **Levy Fund** as needed.

01521 Investment A/C Additional 2

**Lot Balances**

Levy Funds:  Administrative Fund  Admin Fund Special  Overdue Interest  Other

02100001	A Owner	00001	Administrative Fund	-750.00	Advance
02100001	A Owner	00001	Other		
02100001	A Owner	00001	Overdue Interest		
02100002	B Owner	00002	Administrative Fund	1,500.00	
02100002	B Owner	00002	Other	49.00	Arrears
02100002	B Owner	00002	Overdue Interest	12.50	

- Enter the lot balance for each lot account and fund as per the handover financials. This could be the page

called 'Levy Positions' for example.

- Enter a negative figure (**red**) if the lot is in credit / made a payment in advance.
  - Enter a positive figure (**black**) if the lot is in arrears.
5. Ensure that the **Total in Advance** and **Total in Arrears** figures match the totals on the handover financials (Arrears = Assets, Advance = Liabilities).

02100006	F Owner	00006	Overdue Interest	
<b>Total in Advance</b>				<b>750.00</b>
<b>Total in Arrears</b>				<b>1,561.50</b>
02200001	Levies Billed Not Due			

Current year values do not balance. Account: Administrati...  Generate Due Levies

Add Account Save For Later Process Close

6. Enter any remaining assets as per the handover financials.
7. Under the **Liabilities** section enter any liability figures from the Balance Sheet on the handover financials, including clearing account balances if applicable.

For any outstanding GST amount, it is recommended to create a new account code with number *061004* called *GST Conversion Account* and entering the figure there. This amount should be reconciled with the prior GST reports (software / manager) and balanced to nil with a Creditor Invoice / Credit Note with the lodgement of the first period BAS.

It should not be entered in *061000 GST Clearing Account* as this is a system account used to accumulate GST and is used when calculating and saving the *Business Activity Statement*(BAS).

## Cash at Bank

The *012 Cash At Bank* fields for each fund should be left until after all other figures have been entered. The figure on the handover financials should also match the expected funds, which the previous management company either transfers by EFT or issues to you as a cheque. An Unpresented Receipt to *012 Cash At Bank* will sit on the Bank Reconciliation pending the initial deposit to process into the Bank Reconciliation and this will be Presented to this transaction.

If the figures are different, then it's possible that deposits or withdrawals have occurred after the handover financials were produced by the previous management company. This being the case, they should be engaged to provide details on any transactions so that adjustments can be made after the opening balances have been processed. These adjustments are made in the form of journals in the *Journal Preparation* menu or in the *Bank Reconciliation* menu using Add Allocation when the initial deposit downloads.

1. Once all other figures have been entered, each tab/fund will have an outstanding balance in the top right (highlighted in **red** below).

Opening Balance Setup

	Current Year	Old Year
<b>Balances:</b>		
Net Assets	-1,700.00	0.00
Net Income	5,110.00	0.00
	<b>-6,810.00</b>	<b>0.00</b>

Opening Balance Setup

	Current Year	Old Year
<b>Balances:</b>		
Net Assets	2,600.00	0.00
Net Income	6,000.00	0.00
	<b>-3,400.00</b>	<b>0.00</b>

$6,810 + 3,400 = 10,210$

- These figures must balance to **0.00** by entering the opposite amounts of what is displayed into the *012 Cash At Bank* field. However, a manual calculation should be done to check that the sum of those two figures (Admin and Sinking/Cap Works/Maint) equal the total *Cash at Bank* figure on the handover financials.

**Strata Plan No. [REDACTED]**

**HANDOVER FINANCIALS BALANCE SHEET**  
AS AT 30 JUNE 2019

	ACTUAL 30/06/2019	ACTUAL 28/02/2019
<b>OWNERS FUNDS</b>		
Administrative Fund	10,150.00	0.00
Sinking Fund	3,900.00	0.00
<b>TOTAL</b>	<b>\$ 14,050.00</b>	<b>\$ 0.00</b>
<b>THESE FUNDS ARE REPRESENTED BY</b>		
<b>CURRENT ASSETS</b>		
Cash At Bank	<b>10,210.00</b>	0.00
Levies In Arrears	4,700.00	0.00

THE SUM OF THE '012 CASH AT BANK' FIGURES FOR EACH FUND, SHOULD EQUAL THIS AMOUNT

- If this is the case, then all figures have been entered correctly, and it is safe to enter the opposite amounts into the *012 Cash At Bank* fields.

## Generate Due Levies

If levies have been entered, struck and generated for the current financial year and the due dates have passed for one or more of these, these can be generated to allow more accurate reporting for arrears, certificates, etc.

By ticking the *Generate Due Levies* box, additional fields will appear under the **Lot Balances** section called **Levy Balance** and **Levy Amount**. This is where adjustments should be entered to ensure the lot balance matches the handover financial reports, after the levies are generated.



**Lot Balances**

Levy Funds:  Administrative Fund  Admin Fund Special  Overdue Interest  Other

				Levy Balance	Levy Amount		
02100001	A Owner	00001	Administrative Fund	-2,500.00	1,000.00	-1,500.00	
02100002	B Owner	00002	Administrative Fund	-500.00	1,000.00	500.00	
02100003	C Owner	00003	Administrative Fund	-1,200.00	1,000.00	-200.00	
02100004	D Owner	00004	Administrative Fund	-1,000.00	1,000.00		
02100005	E Owner	00005	Administrative Fund	-1,000.00	1,000.00		
02100006	F Owner	00006	Administrative Fund	-1,000.00	1,000.00		

Current year values do not balance. Account: Administrative Fund  
Current year values do not balance. Account: Sinking Fund

Generate Due Levies

## Processing Opening Balance Setup

Before processing, always complete a Data Storage! Refer to our [Data Storage](#) article.

1. Click the *Save For Later* button
2. Close the **Opening Balance Setup** menu.
3. Complete the [Data Storage](#).
4. Open the **Opening Balance Setup** menu and click the *Process* button.

Process will complete the following steps:

- Old Year (if entered) will be created and transactions processed in the general ledger.
- Current Year transactions will be written in the general ledger to balance to the amount entered.
- If the *Generate Due Levies* box is ticked, levies will be generated for all periods that are entered and past their due date.
- Adjustment transactions will be processed to balance the lot/debtor accounts.

## Opening Balance Deposit Form (cheque)

Once the **Opening Balance Setup** screen has been processed and bank account details loaded into **Bank Account Setup**, a deposit form can be printed for the *012 Cash at Bank* account. By using this deposit form to deposit the cheque, the funds will be automatically processed in the **Bank Reconciliation** menu, once the funds have cleared into the SCM bank account.

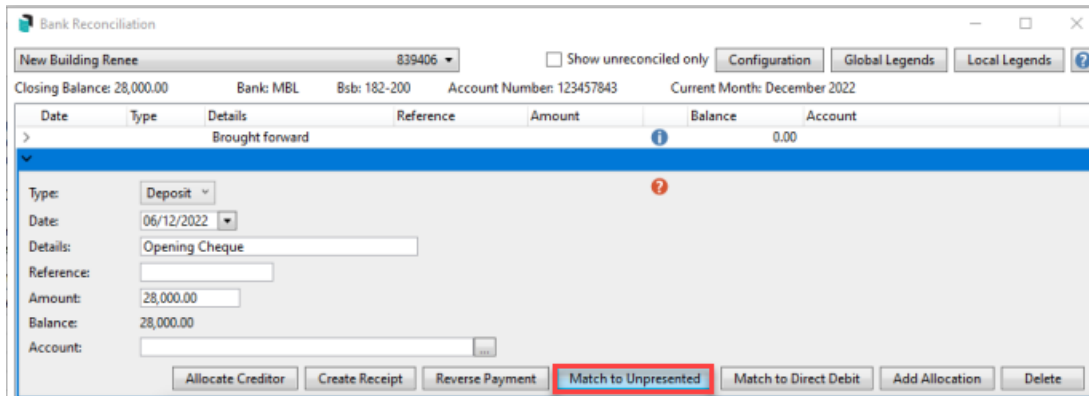
For guidance on deposit forms and how to print them, refer to our [Print Deposit Forms](#) article.

## Opening Balance Bank Reconciliation

If the Cash at Bank balance has been entered in account code *012 Cash At Bank* during the Opening Balance Setup process, and a deposit form was not created to deposit the funds, when the opening balance

transfer/deposit is presented in the **Bank Reconciliation**, the below instructions will apply. The other common account that can be used to post the bank balance to is *011 Cash on Hand (if the building was transferred)*. Producing the **Interactive Reports** will confirm the account code used if unsure.

1. Search or select **Bank Reconciliation**.
2. Highlight the opening balance transaction to expand the transaction information.
3. Click *Match to Unpresented*.
4. Tick the Receipt in the Select Unpresented window.
  - Note that it will post to either account code 012 or 011 automatically with no need to change it. The code used will depend on what was used in the **Opening Balance Setup** screen.
5. Click *Auto Reprocess* once all transactions have been allocated as required.
6. If the **Bank Reconciliation** is not reconciled, it is recommended to view the **Bank Reconciliation Report** and a **Transaction List** for A/c 012 to begin the **Bank Reconciliation process**.



## Transfer In Opening Balance

If the building has been transferred in and the funds are already reporting against 012 Cash at Bank the below can assist with matching this first deposit in the Bank Reconciliation.

1. Search or select **Process Bank Statements**.
2. Locate the new *Transfer In* building. There will be a variance displayed.

Process Bank Statements

Bank	Accounts	Last Imported	
ANZ	13	04/06/2024	↔
Commonwealth Bank	2		↔
Heritage Bank	2		↔
Macquarie Bank	126	17/06/2024	↔
MET	1		↔
Nab	1		↔
StrataCash Management	180	17/06/2024	↔
St George	3	04/06/2024	↔

Filter to Account Manager:  All Account Types  Show only Unreconciled, with a Variance, not generated or not in latest import file

All Banks Auto Reconciled and Manual Entry

Building Name	Building No.	Account	Generated	Bank Statement	Unpresented Payments	Unpresented Receipts	Unreconciled Items	General Ledger	Variance	Actions
		012		0.00	-810.00	0.00		-810.00		
		012	Manual	-75.00	-430.00	3,567.10	-50.00	3,444.10	-332.00	!
		012		0.00	0.00	0.00		0.00		
		01401		0.00	0.00	0.00		0.00		
		012	10/06/2024	78,964.88	0.00	0.00		78,964.88		
		012	16/06/2024	44,208.56	0.00	0.00	44,208.56	44,208.56	-44,208.56	!
		012	13/06/2024	170,528.58	0.00	0.00		170,528.58		
		012	30/11/2021	2,746.80	-337.65	0.00		3,609.15	-1,200.00	!
		012	13/06/2024	169,715.60	0.00	0.00		169,715.60		
		012	06/06/2024	386,637.92	-104.25	0.00		386,533.67		
		01401	06/06/2024	307,180.27	0.00	0.00		307,180.27		
		01402	06/06/2024	307,180.27	0.00	0.00		307,180.27		
		012	03/06/2024	106,471.70	0.00	0.00		106,471.70		
		012	12/06/2024	5,871.43	0.00	0.00		5,871.43		
		01301	12/06/2024	10,000.00	0.00	0.00		10,000.00		
		012	31/05/2024	26,610.60	0.00	0.00		26,610.60		

Other Investment Accounts Process Messages from Process Close

3. Click the red ! to open the Bank Reconciliation Balance window. From the unreconciled items area, tick this item to match the deposit received for the new bank account. There should be no difference. Click Save.

Bank Reconciliation Balance

Calculated Cash at Bank: 44,208.56 Represented By:

Balance on Bank Statement:	44,208.56
Less Unpresented Payments:	0.00
Plus Unpresented Receipts:	0.00

Unreconciled Items: 0.00

General Ledger Balance: 44,208.56 A/C Code: 012

Difference: 0.00

Unpresented Payments			Unpresented Receipts		
Date	Reference	Amount	Date	Reference	Amount

Unreconciled Items			Additional Allocations		
Date	Description	Amount	Account	Description	Amount
14/06/2024	TFR CLOSURE 2348	44,208.56	<input checked="" type="checkbox"/>	Matched	

Edit Allocations

Save Close