



## C9 Training Materials Backoffice processing with an external accounting product

### 1 Overview

This document provides a possible prescriptive approach for running c9 in conjunction with an external accounting product. It covers possible approaches to move data between the two platforms in order to facilitate back-office goals of compliance reporting.

This document is not accounting or bookkeeping advice. This is written to help appropriate professionals develop the processes you may require to operate c9 in conjunction with your preferred accounting product.

For remainder of this document the external accounting product will be considered to be 'Xero', to save keying in 'your accounting product' to make this document more readable.

#### 1.1 *Document Change history*

6 Nov 2020

- Initial draft

12 Nov 2020

- Fixup sales and purchase journaling to cover non GST/Non accruals txns
- Add a section on notional GST claims

31 Aug 2021

- Updated to reflect c9 v5 changes

#### 1.2 *Assignment of roles*

C9 and Xero will have opinions / domains about different aspects of the business. As much as possible you want a given role /function to be owned by one platform only. One source of truth / one authoritative opinion on a given thing. If both c9 and xero have an opinion on something, say what your creditors are, then you need to not only feed this information in twice but you need to make sure it is aligned. Work to be avoided.

The delineation of roles isn't really that critical. The rest of this document is written on following assumed breakdown on roles, which is historical / common delineation used by most c9 users that run two systems.

<b>C9</b>	<b>Xero</b>
Sales	Expenses
Inventory	Accounts payable
Accounts Receivable	Payroll
Deposits Held	Compliance Reporting : EOFY / BAS
Floorplan Management	Bank Reconciliation
Rebate Income	
Second hand unit management / notional GST	
Cash reconciliation	

### **1.3 *Modeling the flow of data between C9 and Xero***

In the general ledger, in both c9 and Xero we want to express codes that represent flow of information from one system to another, so we can confidently track integration points between the two systems.

This document assumes only one such code is required to help moderate balance sheet changes between the two.

In Xero we create a petty cash like bank to represent key sheet assets c9 is tracking.

This will correspond to our own code in c9 called 1-1200 : Bank.

This code will aggregate all of the following:

- Cash tracked in c9 that is subsequently banked
- Accounts receivable
- Deposits Held

So looking at high level information flow from c9 to Xero on a couple of typical scenarios. Those being:

In c9

- 1) Mix of deposit taking, sales
- 2) Banking of cash

In Xero:

- 3) Recording the banked cash
- 4) Journalling of sales into Xero

For 1) Mix of deposit taking, sale

Operation	GL Code	DR	CR
<b>Accept Deposits</b>			
	Asset - Cash	1000	
	Liability - Deposits Held		1000
<b>Sale – paid with mix of cash and deposits held</b>			
	Sale		4000
	Liability - GST Owing		400
	Liability – Deposits Held	800	
	Asset – Cash	3600	

For 2 ) we bank all the cash

Operation	GL Code	DR	CR
<b>Accept Deposits</b>			
	Asset - Cash		4600
	Asset – Bank	4600	

In Xero 3 ) we record cash banked from c9 and physically banked.

Operation	GL Code	DR	CR
<b>Accept Deposits</b>			
	Asset – C9 Software [bank]		4600
	Asset – Actual Real Bank	4600	

In Xero 4 ) finally we journal sales data across like so:

Operation	GL Code	DR	CR
<b>Manual Journalling of sales</b>			
	Sale		4000
	Liability - GST Owing		400
	Asset – C9 Software	4400	

Now lets consider what is shown in Asset – C9 Software in Xero and what this now represents.

Operation	GL Code	DR	CR
Banked Cash	Asset – C9 Software		4600
Journal Sales	Asset – C9 Software	4400	
<b>Totals</b>		4400	4600
<b>Total</b>			200

And in c9:

Operation	GL Code	DR	CR
Deposit Taking	Asset – Cash	1000	
Deposit Taking	Liability - Deposits		1000
Sales	Asset – Cash	3600	
Sales	Liability – Deposits	800	
Banked cash	Asset – Cash		4600
<b>Totals</b>		5400	5600
<b>Total</b>			200

So balance of the ‘C9 Software’ bank in Xero will represent the tally of key asset/liability codes in c9 and should be the same.

## 2 Workflows

### 2.1 Journaling sales and purchase data

Most of information required for journaling will be sourced from Business → Activity Report.

In c9 goto Business → Activity

Select period you want to journal, e.g. prior months sales data.

Setup options like so to aggregate and report on types and tax codes.



The green options are the options you need to minimally specify.

The orange options you might tick as it will breakdown the data based on department and transaction type. It will create a bigger report but you might prefer the breakdowns so you can journal things into xero based on department.

Experiment and see what works.

Using these options might be required to help disambiguate some transactions where there is overlap / duplication with xero, e.g. some but not all expenses in c9 need to be journalled across, like customer tradeins but not factory / floorplan purchases.

Export option can be used to export into excel for further handling. The following assumes not selected, so the simplest and most succinct.

Example output

<b>Business Activity Report</b>					
<b>Summary</b>					
<b>Tax Code</b>	<b>Type / Inv</b>	<b>Amount (+)</b>	<b>Amount (-)</b>	<b>GST (+)</b>	<b>GST (-)</b>
GST on Income		147,042.32	117.27	14,704.29	11.73
GST on Expenses		182.96	172,334.41	18.30	17,088.47
GST Free Items			25,495.76		
Input Taxed			25,582.60		
Floorplan GST			69,500.00		6,950.00
Floorplan GST Pending			97,078.00		9,707.80
Floorplan GST Payout		69,500.00		6,950.00	

<b>Tax Code</b>	<b>Amount (+)</b>	<b>Amount (-)</b>	<b>GST (+)</b>	<b>GST (-)</b>
GST on Income	147042.32	117.27	14704.29	11.73
GST on Expenses	182.96	172334.41	18.3	17088.47
GST Free Items		25495.76		
Input Taxed		25582.6		
Floorplan GST		69500		6950
Floorplan GST Pending		97078		9707.8
Floorplan GST Payout	69500		6950	

Not all codes need to be brought across. For example Floorplan GST payout is just a contra of Floorplan GST. Following is a list of all tax codes in c9 and c9's treatment of them in terms of its own reporting requirements.

<b>Tax Code</b>	<b>BAS</b>	<b>P&amp;L</b>	<b>Notes</b>
GST on Income	YES	YES	Standard Sales
GST Free Exports	YES	YES	Export Sales
GST Exempt Income	YES	YES	Medical Aids etc
BAS Excluded	NO	YES	Income but not on BAS. e.g. interest earned etc
GST on Expenses	YES	YES	Standard costs
GST on Capital Items	YES	NO	Capital Purchases
GST Free Items	YES	YES	Standard costs but no GST, e.g. imports
Input Taxed	NO	YES	Expenses but not on BAS. e.g. interest fees
Notional GST	YES	NO	Second hand purchases on sale, notional GST claim component
Floorplan GST	YES	NO	Floorplan units, on curtailment
Notional Tax Pending	NO	YES	On purchasing second hand units. See note 1 below
Floorplan GST Pending	NO	YES	New stock added under floorplan. See note 1 below
Notional Tax Payout	NO	NO	Contra to Notional GST. See note 1 below
Floorplan GST Payout	NO	NO	Contract to Floorplan GST. See note 1 below.
Notional GST (Consigned Sale)	YES	YES	Consigned unit that is sold. Purchase and sale realised on same day

Note 1 : when a unit is brought into stock as second hand under notional, or floorplan, the unit appears as inventory and as such it is reflected on P&L indirectly via trading statement. On sale The pending is reversed via a payout, which appears nowhere in order to now realise impact of subsequent event (sale for notional, or curtailment for floorplan) on the BAS as input credits that now can be claimed.

Sale items are inputted into zero, something like this:

Item	Description	Qty	Unit P...	Disc...	Account	Tax Rate	Amount A...
	Cash Sale - Spares	1.00	31,194.42		200 - Sales	GST None	31,194.42
	Cash Sale - Spares - GST	1.00	3,115.03		820 - GST	GST Full	3,115.03
	Cash Sale - Unit Sales	1.00	36,248.89		200 - Sales	GST None	36,248.89
	Cash Sale - Unit Sales - GST	1.00	3,617.01		820 - GST	GST Full	3,617.01
Subtotal							74,175.35
Includes GST 100.00%							3,366.01
<b>TOTAL</b>							<b>74,175.35</b>

Then record as paid against C9 bank.

## 2.2 Recording Banked Cash

In c9 Cash Till is where cash is reconciled. Describing reconciliation is out of scope of this document but essentially it is just daily till count process.

	FLOAT	IN	OUT	BANKED / SETTLED	BALANCE
Cash <input type="checkbox"/>	<input type="text" value="300.00"/>	<input type="text" value="30,020.00"/>	<input type="text" value="32.60"/>	<input type="text" value="30,000.00"/>	<input type="text" value="287.40"/>
EFT and Credit Card <input type="checkbox"/>	<input type="text"/>	<input type="text" value="58,993.15"/>	<input type="text" value="692.90"/>	<input type="text" value="58,300.25"/>	
Cheque <input type="checkbox"/>	<input type="text"/>				
<b>Totals :</b>	<b>300.00</b>	<b>89,013.15</b>	<b>725.50</b>	<b>88,300.25</b>	<b>287.40</b>

Now on saving this screen c9 will record that 88300.25 as having moved to bank.

In zero you now need to record a similar outcome, recording transfer of money from C9 bank to your real bank.

### Enter Transfer Details

Account  
**From**

Account  
**To**

Date  Amount AUD  Reference

## 2.3 Processing Accounts Receivable paid into your T/A

Trading account records on your bank statement first need to be moved from Trading account onto C9 Software. So opposite of above screen grab:



# Transfer Money

**Enter Transfer Details**

Account  
**From** Trading Account

Account  
**To** C9 Software

Date: 6 Nov 2020    Amount AUD: 300    Reference: Pay off AR: BARA6

**Transfer**    Cancel

Then in c9 you record payment, selecting the Blue 'Bank' option on payment method.

**Record a New Transaction**

Customer: BARA6 ANDREW BARNHAM  
View Customer Transactions  
Select Invoices to Pay

Transaction Type:  **Payment**     Refund     Deposit     Bad Debt     Credit Note  
 Payment Reversal     Invoice     Withdrawal     Debit Note

Invoice Reference:  Other     Workshop     Spare Parts  
Details: Reference:    Date: 6.11.2020

Amount: **\$300.00**    GST Component: \$0.00

**Record Payment \$300.00**  
**Balance \$0.00 - \$300.00 = \$-300.00**

**Bank**

Gift Card

**No Cash Collected**

## 2.4 **Handling Notional GST**

In c9 activity report there are two tax codes that are relevant to notional GST.

- Notional Tax Pending : which tracks the purchase of a second hand unit where GST input credits cannot be claimed yet
- 
- Notional GST: which tracks the sale of the unit and the computed GST that is claimable (lesser of purchase or sale GST component)

Notional Tax pending will need to be recorded as you work any other purchase, but taking care to tag that purchase line as being subject to notional GST. Tracking is important as the C9 Software bank still sees income relating to this line that will factor into assets c9 is tracking.

In xero you'll need to note and track the notional GST records for claiming these input credits. It is a bit beyond our hands on experience with external systems like Xero on exactly how to do this. This process will need to be proscribed by your accountant.

## 2.5 **Reconciliation**

Ordinary Reconciliation processes are done in respective platforms which are responsibility. i.e.

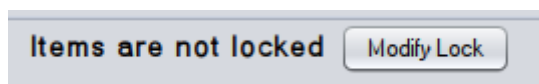
- Cash reconciliation as end of day cash till process in c9
- Bank reconciliation in Xero

In addition to this the 'C9 Software' bank in Xero needs to be cross checked against the 'Bank' Code in c9. Effectively creating an additional reconciliation process to cross check movement of funds between c9 and Xero. These are done just as normal manual reconciliation processes.

In terms of c9 you can just access Business -> Bank Rec in c9 to record reconciliation of money flowing to/from Xero.

## 2.6 **Locking things down**

Business -> activity, at bottom of the screen is this:



Use this to lock down modifications of c9 prior to a given date to protect against records being modified after journaling / reporting. Generally a good idea to do this before doing manual journals : at least before doing a reconcile.

## **2.7** *Other miscellaneous considerations*

There may be compliance requirements related to other information in c9 that isn't in Xero.

An obvious one is stock valuation as of July 1. You could as a process try and move this data across from c9 to Xero, but probably isn't strictly necessary. Instead you can just extract figure c9 reports for compliance purposes.