

HOW TO USE ASSET FINANCE

The purpose of this document is to describe the process for creating and processing finance schedules for hire purchases and lease payments.

Hire purchases are a schedule of periodic payments reflecting a contractual agreement with a bank or financier. These schedules show the breakup between interest and principal parts of each payment, and are used when creating the relevant supplier invoices.

Lease payments are payment schedules for recurring payments. Usually, lease payments do not include interest values. **For example:** Lease payment for office premises.

Software Version: 1803

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CREATING ASSET FINANCE INFORMATION

The *Asset Finance Information* screen contains information about the financed asset, such as amount owing, number of payments, payment amount and payment frequency. This information is used by the system to create the payment schedule.

Note: An asset can have multiple loans and a loan may comprise of multiple assets.

1. From the Menu, select **Assets > Asset Finance**
2. Click ADD NEW
3. Enter the loan number as per the finance contract in the **Loan Number** field
4. Select the relevant bank / financier from the **Supplier** drop down list
5. Enter the relevant **Finance Date**
6. Enter the relevant **Maturity Date**
7. Enter the relevant **Interest Rate**
8. Check the **First Payment on Finance Date** checkbox, if applicable

If checked, interest will not be calculated on the first payment

9. Enter the relevant **Payment Start Date**

This will automatically default to the **Finance Date** if the **First Payment on Finance Date** checkbox is checked.

10. Enter the relevant number of payments in the **Initial no of Payments** field
11. Select the relevant **Payment Frequency** from the drop down list
12. Select the relevant **GST Code** from the drop down list
13. Select the relevant **GST Amount on Payment Number** from the drop down list, if applicable

Note: This may be applicable when the GST is to be paid as a lump sum with a particular payment.

14. Select the relevant **Finance Type** from the drop down list
15. Select the relevant **GST Code for GST On Interest** from the drop down list, if applicable
16. Click on the *Entry / Edit Details (Alt E)* tab
17. Select the relevant **Asset ID/s** from the drop down list

18. Enter the **Loan / Finance Amount**

19. Enter the **Residual Value**

Note: Enter '0' in this field if the residual value is zero.

20. Enter the **Payment Amount**.

Note: This is the payment amount that will be paid per **Payment Frequency**; e.g. weekly, monthly

21. Click SAVE in the toolbar

This will save the asset finance record.

The **Status** will be updated to 'OPEN'.

CREATING PAYMENT SCHEDULES

This function creates a payment schedule based on the asset finance information entered.

1. From the Menu, select **Assets > Asset Finance**
2. Display the relevant asset finance record
3. Select **Actions > Create Payment Schedule**

Info: "Payment Schedule created successfully."

4. Click OK

The **Status** of the asset finance record will be updated to 'POSTED' and:

- Information on the *Asset Finance Information* screen will be locked for editing. When payments are made for the schedule, the system will update the relevant information in the *General Finance Details* panel.
- The following functions will be available from the **Actions** Menu:
 - Import Payment Schedule
 - Remove Payment Schedule
 - View Payment Schedule

IMPORTING PAYMENT SCHEDULES

A payment schedule may be imported from a spreadsheet.

1. From the Menu, select **Assets > Asset Finance**
2. Display the relevant asset finance record
3. Prepare the spreadsheet as provided by Baseplan

Please contact Baseplan Support for a copy of the spreadsheet.

4. Select **Actions > Import Payment Schedule**

Info: "Payment Schedule created successfully."

5. Click OK

The **Status** of the asset finance record will be updated to 'POSTED' and:

- Information on the *Asset Finance Information* screen will be locked for editing. When payments are made for the schedule, the system will update the relevant information in the *General Finance Details* panel.

VIEWING PAYMENT SCHEDULES

The *Assets Payment Schedule* screen lists each periodic payment for the term of the loan. As the supplier invoices and supplier payments are processed, information such as invoice numbers and payment numbers are updated on the relevant periodic payment line.

1. From the Menu, select **Assets > Asset Finance**
2. Display the relevant asset finance record
3. Select **Actions > View Payment Schedule**

Changing Payment Detail Lines

A periodic payment detail line may be changed if a payment has not been processed.

1. From the Menu, select **Assets > Asset Finance**
2. Display the relevant asset finance record
3. Select **Actions > View Payment Schedule**
4. Click EDIT in the toolbar
5. Double click on the payment detail line to be changed

This will display the payment detail line in the *Edit Details* panel.

6. Change the **Periodic Amount**, if required
7. Change the **Principal Amount**, if required
8. Check the **Rederive Payment Schedule** checkbox, if applicable

Note: This will recalculate the unpaid payment schedule detail lines according to the changes made to this detail line.

9. Click SAVE to save the payment detail line
10. Click SAVE in the toolbar to save the changes to the payment schedule

TERMINATING ASSET LOANS

A loan may be terminated earlier than the original term.

For example: To pay out the remainder of the loan as a lump sum or to refinance the loan. A loan can only be terminated when there are outstanding / unpaid payment lines in the payment summary.

When terminating the loan, a payout amount must be entered. This payout amount will be used as the periodic payment value of the last payment and all other payment summary lines after this will be deleted.

For example: A Loan Schedule has twelve periodic payments. To date, nine payments have been made. This loan is required to be terminated on the tenth payment. Clicking on the TERMINATE ASSET LOAN button on the *Assets Payment Schedule* screen for the relevant asset finance record, will allow the user to enter the payout amount. The tenth detail line will then be updated with this payout amount and any remaining schedule lines will be removed.

1. From the Menu, select **Assets > Asset Finance**
2. Display the relevant asset finance record
3. Select **Actions > View Payment Schedule**
4. Click TERMINATE ASSET LOAN
5. Enter the relevant **Payout Amount**
6. Click OK

The system will display a message that the asset loan has successfully been terminated.

7. Click OK

RECREATING PAYMENT SCHEDULES

1. From the Menu, select **Assets > Asset Finance**
2. Display the relevant asset finance record
3. Select **Actions > View Payment Schedule**
4. Click RECREATE PAYMENT SCHEDULE

This will recalculate the entire payment schedule based on the information entered on the *Asset Finance Information* screen, and can only be used if no supplier invoices have been created.

Note: Once supplier invoices are processed, the payment summary lines must be edited individually.

PROCESSING FINANCE PAYMENTS

The finance payment processing procedure creates supplier invoices for selected payments from the payment schedule.

If configured (Parameter: **Consolidate Finance Payments by Supplier**) multiple payments for one supplier can be consolidated into one invoice.

1. From the Menu, select **Assets > Procedures > Finance Payment Processing**

Payments may be selected using one or a combination of the following criteria:

- Due Date to
 - Payment Method
 - Supplier
2. Enter the relevant criteria
 3. Click FILTER

This will list the relevant payments.

4. Click SELECT on the payment schedule line(s) to be processed or click SELECT ALL if all payment schedule lines are to be processed

Note: As the required payment schedule lines are selected, the **Selected Total** field will tally up with the calculated payment amount.

5. Click CREATE INVOICES

Info: "Operations Finished"

6. Click OK

This will create supplier invoice(s) with the Status 'OPEN'.

Note: If the Supplier Master record has been configured with **Payment Method 'D'** (Direct Debit), the system will automatically post the supplier invoice, create and post the supplier payment and add the payment line into the cashbook.

7. Process supplier invoice(s) using the normal procedure, if required
8. Process supplier payment(s) using the normal procedure, if required

The payment schedule will be updated with the relevant supplier invoice number and the supplier payment number.

The figures in the *Asset Finance Information* screen will be updated according to the remaining payments.

REMOVING PAYMENT SCHEDULES

A payment schedule can be removed if none of the payment detail lines have been processed for payment.

1. From the Menu, select **Assets > Asset Finance**
2. Display the relevant asset finance record
3. Select **Actions > Remove Payment Schedule**

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