

# Preparing for the Financial Take-up of your Client Trust Account in CrossCheck Travel





## What is the financial take-up?

The financial take-up is a process whereby you enter your opening balances into the CrossCheck Travel accounting system, so that you can balance Crosscheck Travel with your Client or Trust bank account, as at a take-up date.



## The Take-up Date

In order to complete the financial take-up you will first need to establish when the Take-up date is. This can be any date you choose, however the end of the month or billing period is preferable, as this will mean less creditor balances to take-up. Let's presume the date you have chosen is 30 September.



## A Financial Snapshot

Once you decide on the date – think of it as drawing a line in the sand. Everything that happened **before** that date is entered in your previous accounting system. Everything that happens **after** that date will be entered into CrossCheck Travel (CCT). Therefore the take-up is a snapshot of the financial situation of your trust account as at midnight on the 30<sup>th</sup> of September.

## Your take-up figures fall into 5 categories

- **TRIPS**
- **CREDITORS**
- **DEBTORS**
- **BANK ACCOUNT**
- **OTHER GENERAL LEDGER ACCOUNTS**



## Trip File Balances

In CrossCheck Travel a trip file is created for each travel booking that you have. You need to establish what Trip file balances you are holding as at your take-up date. This is the money that you are holding in your trust bank account.

The balances may be a deposit received from a customer that you have not paid out to the supplier, or may be a balance left on file for future travel.

# Let's look at some examples

## Trip Number 1

Mr Matthews and his wife are travelling to London next summer. You have quoted them a total of \$6816.00 per person for Airfares, Tour and Insurance.

They have paid you the amount of \$1732.00.

You have paid \$1000.00 to Trafalgar tours and have issued an insurance policy for \$232.00

The remaining \$500.00 you are holding as a deposit for their airfares which you have not yet issued. In this case – your take-up balance is \$500.00.

Receipt	\$ 1,732.00
Deposit paid	- 1,000.00
Insurance Issued	- <u>232.00</u>
<b>Balance to be taken up</b>	<b>\$ <u>500.00</u></b>

## Trip Number 2

Mrs Patterson is travelling to Sydney with Virgin blue. She has paid you \$199.00 in cash for her airfare – but you have not yet received the statement from Virgin Blue – so you have not accounted for the sale or the GST on the commission for this ticket yet. You would enter her take-up figure as \$199.00 and process the Virgin Blue ticket in CCT after the take-up is completed.

## Trip Number 3

The Hastings family are taking a package with Qantas Holidays. They are charging the package to their credit card. You have advised Qantas Holidays of the credit card number and you are now awaiting your commission to come back. If you have not accounted for the sale or the GST on your commission then your take-up balance for this booking is \$0.00. The sales, commission & GST will be accounted for in CCT after the take-up is completed.



## Trip Number 4

Mr and Mrs Healy are going on a coach tour early next year. You have received a deposit from them and have paid this to the tour operator to secure their booking. Their take-up balance will be 0.00, therefore no entry is required.

## Trip Number 5

You issued a ticket for Mr Donaldson last month but the ticket was not processed correctly through BSP, and you were overcharged by \$32.00. You are now waiting for an ACM (Agency Credit Memo) to be issued from the airline to clear this balance. Your take-up balance would be a debit of \$32.00.

## Trip Number 6

Your local school bought a \$200.00 gift voucher to use as a raffle prize. The raffle has not yet been drawn. For this trip we can use today's date as the departure date and change it later, once the passenger books. The take-up balance is \$200.00

# Your Trip balances so far...

Client Name	Departure Date	Debit Balance	Credit Balance
Matthews/J Mr / A Mrs	15/6/04	\$	\$ 500.00
Patterson/ P Mrs	2/10/03	\$	\$ 199.00
Hastings/A Mr /F Mrs /T Mstr	19/10/03	\$	\$ 0.00
Healy/P Mr / G Mrs	18/1/04	\$	\$ 0.00
Donaldson/D Mr	18/7/03	\$ 32.00	\$
Morningside School	1/10/03	\$	\$ 200.00
<b>Total Balances</b>			<b>\$ 867.00</b>

## Debtor Take-up Balances

Debtors are companies that owe you money, however, in CCT they are more specifically corporate accounts that you invoice for travel. You should have created debtor files for any companies that you deal with. Be aware that you may be owed money by a wholesaler for commissions however they are still treated as creditors in CCT.

If you have raised any invoices for tickets issued to a corporate account that they have not yet paid, you will enter these amounts as take-up balances in the debtor account.

## American Express & Diners Cards

When a customer pays you on their American Express or Diners card, CCT treats Amex and Diners as Debtors.

Here's how it works...

A receipt is issued on the customer's trip file for \$1000.00

A table in CCT stores your merchant fee rate and GST on the merchant fee 3% + GST. You will need to set the merchant fee percentages in the credit card table in CCT.

CCT then raises an invoice to AMEX the debtor for the nett amount

Receipt	\$1000.00 (TRIP)
Merchant Fee	- 30.00 (CCEXPENSE)
GST on Merchant Fee	- <u>3.00</u> (GSTIN)
Invoice to Amex	<u>\$ 967.00</u> (AMEX)

Therefore in calculating your Debtor take-up figures you should include the nett amounts owing to you by Amex & Diners.

## Your Debtor balances so far

Debtor Name	Debit Balance	Credit Balance
Macro Engineering Firm	\$ 820.00	\$
Halls Chocolate Factory	\$ 1,200.00	\$
American Express	\$ 967.00	\$
Diners	\$ 0.00	\$
<b>TOTAL:</b>	<b>\$ 2,987.00</b>	

## Creditor Balances

Creditors are companies that you owe money to. For example, BSP, Travel Insurers, Wholesalers, Tour Operators etc.

If your take-up date is the end of the month then you may have paid your sales returns for some of your creditors such as Coach Tickets & Insurance Policies. You may have to wait until you receive the statements for others – such as Rail tickets, Virgin Blue, Consolidators, BSP etc.

## Example – BSP

It is important that the creditor take-up balances are entered as the **Nett** amounts owed to the creditor. You should enter a separate take-up balance for each payment that will be made.

For example

BSP – you may owe the total amount of \$5,633.04, however, this is made up as follows:

Billing from 15 – 21 September	\$1,893.22
Billing from 22 – 28 September	\$3,217.66
Part Billing from 28 – 30 September	<u>\$ 522.16</u>
	\$5,633.04

You will enter 3 separate take-up amounts in the creditor of BSP.

## Commission owed by Creditors

You may have a creditor that owes commission for a credit card booking. As long as you have accounted for the Sale and GST on Commission (if applicable) prior to the take-up date, then you would only show the commission amount owed as a debit take-up balance in the creditor file.

### Example

You processed a Sunlover holidays booking in August on the passenger's credit card. You accounted for your sales as follows:

Fare excl GST	1,800.00
GST on Sale	<u>180.00</u>
Passenger Paid	1,980.00
Comm 12%	216.00
GST on Comm	<u>21.60</u>
Amount owed by Sunlover	<u>237.60</u>



## Creditor Balances so far

Creditor Name	<u>NETT</u> Amount owing
BSP (3 periods)	\$ 5,633.04
Concorde International Travel	\$ 2,199.03
Sunlover Holdiays	( \$ 237.60)
Queensland Rail	\$ 189.22
<b>Total Creditors</b>	<b>\$ 7,783.69</b>

## The Bank Reconciliation

You must complete a detailed bank reconciliation of your Trust bank account. The Bank Reconciliation shows your actual bank account balance as at the take-up date. Add to this any outstanding deposits, and subtract any unrepresented cheques.

Your bank account shows a balance of \$6,380.86 as at the 30th September. You now need to list the outstanding deposits and the unrepresented cheques as at that date.

## Outstanding Deposit batches

These are the deposits that have been made but are not included on the bank statement as at 30 September. This includes cash/cheque deposits and EFTPOS transactions.

Deposit Date	Deposit Amount
29 September	\$ 3,218.15
30 September	\$ 1,214.25
EFT 30 Sept	\$ 2,820.00
<b>TOTAL</b>	<b>\$7,252.40</b>

# Unpresented Cheques

These are the cheques that you have written out that have not yet been presented at the bank. They should also include the cheques you have just written out to pay for your September sales returns that you are not taking up in the creditors, and may also include electronic payments (eg Money Direct) that have not been deducted from your bank account.

Payee	Cheque Number	Cheque Amount
Contiki Tours	8912	\$ 1280.65
Sunlover Holidays	8918	\$ 1240.00
Money Direct – 30 Sept	EFT 1098987	\$ 1284.19
Toursafe Insurance - Sept	8922	\$ 1823.22
McCaffertys Coaches	8923	\$ 322.16
	<b>TOTAL</b>	<b>\$ 5950.22</b>

# Completed Bank Reconciliation

<b>Bank statement Balance as at 30 September</b>	<b>\$ 6,380.86</b>
Add Outstanding Deposit Batches	\$ 7,252.40
Subtotal	\$ 13,633.26
Less Unpresented Cheques	-\$ 5,950.22
<b>Equals – Travel Account Balance as at 30 September</b>	<b>\$ 7,683.04</b>

## What else is held in my trust account?

### **GST**

In your trust account you may also be holding GST that has not yet been paid to the General or Working account. This is the GST that you have been paid on your domestic commissions. You need to know how much GST is held in your Trust account. It is preferable to pay this out before the take-up date, otherwise you will have to include this in your take-up figures.

### **COMMISSION**

You need to establish how much Commission you are holding in your trust account that has not yet been transferred to the General Account. This commission amount must be included in the take-up reconciliation.

## The Trust Account Reconciliation

Now that you have reconciled your bank account and established the balances that you are holding on trip, creditor and debtor files, you can now put it together to form the Trust Account Reconciliation.

	Trip file Balance	867.00
Plus	Creditor Balances	5,633.04
Less	Debtor Balances	<u>(2,987.00)</u>
		3,513.04
Plus	Commission	3,970.00
Plus	GST Held	200.00
	Reconciled Balance of Trust account	<u>7,683.04</u>
Equals	Trust Bank Balance	<u>7,683.04</u>



## Your figures are ready ...

You have now completed preparation of your take-up figures.

These figures must be transferred onto the Trust account reconciliation forms provided, signed and faxed to the GSC Client Service Executive – Business Applications.

Now please review the module, “Entering your take-up figures” to familiarise yourself with the next step.

We will contact you at the agreed time to assist with the process of entering the balances into CrossCheck Travel.