

Postings

The following outlines the postings to the general ledger for Work in Progress, Disbursements, Anticipated Disbursements and what happens upon billing.

Parameters

For postings to occur to the general ledger, the relevant option needs to be set on the Accounting → Procession Option parameter → WIP? Field.

- ❖ All (both Fees and Disbursements);
- ❖ Fees Only;
- ❖ Disbursements;
- ❖ None.

Figure 1: Accounting: Processing Options parameter

The general ledgers that are used are based on are based on the Work Unit – Accounting and Company Codes – Accounting parameters. These postings occur when an End of Day is processed.

Work Units - Accounting

Work Unit: Description:

Matter Costs

Fees Income:	<input type="text" value="141005"/>	<input type="text" value="Fees Income"/>	Disb'mts Control:	<input type="text" value="111700"/>	<input type="text" value="Unbilled Disbursements"/>
W.I.P.:	<input type="text" value="111650"/>	<input type="text" value="Work In Progress"/>	Addition to WIP:	<input type="text" value="141200"/>	<input type="text" value="Additions to WIP"/>
Antic. Disbm't:	<input type="text" value="121200"/>	<input type="text" value="Anticipated Disbursements"/>	Debtor Control:	<input type="text" value="111600"/>	<input type="text" value="Debtors"/>
Disbm't Write-Off:	<input type="text" value="156300"/>	<input type="text" value="Disbursements Write Off"/>	Unbilled Recoveries:	<input type="text" value="142010"/>	<input type="text" value="Disbursements Movement"/>
Fee Recovery Account:	<input type="text" value="12ZZZZZZ"/>	<input type="text" value="Clearing Account"/>	Fee Re-charge Account:	<input type="text" value="12ZZZZZZ"/>	<input type="text" value="Clearing Account"/>

Matter Debtors

Bill Fees:	<input type="text" value="156410"/>	<input type="text" value="Bad Debts Recovered"/>	Adj. Fees:	<input type="text" value="156400"/>	<input type="text" value="Bad Debts"/>
Bill Disbm'ts:	<input type="text" value="156410"/>	<input type="text" value="Bad Debts Recovered"/>	Adj. Disbm'ts:	<input type="text" value="156400"/>	<input type="text" value="Bad Debts"/>
Bill Interest:	<input type="text" value="156410"/>	<input type="text" value="Bad Debts Recovered"/>	Adj. Interest:	<input type="text" value="156400"/>	<input type="text" value="Bad Debts"/>

Payroll

Super. Account:	<input type="text" value="151200"/>	<input type="text" value="Staff Superannuation"/>
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OK Cancel Apply

Figure 2: Work Unit – Accounting parameter

Company Details

Company: Firm General Account

Cheque Trailer:

Profit/Loss Appropriation:

Depreciation Expense:

Payroll Net Control:

GST-I/P Credits:

W/Tax:

P & L Clearing Account:

Interfund Control:

Asset Account:

Payroll Deduction Control:

Payable:

Superannuation Control:

Payroll Group Number: Company Entity ID:

OK Cancel Apply

Figure 3: Company Codes – Accounting parameter

Work in Progress

The following general ledger codes are required to record the work in progress of the firm.

- Work in Progress (WIP) being an asset on the Balance Sheet.
- Additions to WIP or WIP Movement being an income account on the Profit & Loss Statement. The additions to WIP is the movement account and includes any reversals of the WIP.

When time is entered against the matter from the Lawyers Workbench or a Cost Journal Input:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111650	Work in Progress	Asset	COST
CR	141200	Additions to WIP	Income	COST

When WIP is billed:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111600	Debtors	Asset	DEBT
DR	141200	Additions to WIP	Income	DEBT
CR	111650	Work in Progress	Asset	DEBT
CR	141005	Fees Income	Income	DEBT
CR	121730	GST Received on Bills Raised	Liability	DEBT

When WIP is written on:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111650	Work in Progress	Asset	COST
CR	141200	Additions to WIP	Income	COST

When WIP is written off:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	141200	Additions to WIP	Income	COST
CR	111650	Work in Progress	Asset	COST

Example of WIP Postings

1. Enter a Cost Transaction for \$200.00.

Account No.	Name of Account	Narrative on Transaction	Amount
111650	Work in Progress	WIP Control for Office M	\$200.00
141200	Additions to WIP	Additions to WIP for Office M	-\$200.00

2. Write on \$20.00.

Account No.	Name of Account	Narrative on Transaction	Amount
111650	Work in Progress	WIP Control for Office M	\$20.00
141200	Additions to WIP	Additions to WIP for Office M	-\$20.00

3. Bill \$220.00 plus GST of \$22.00.

Account No.	Name of Account	Narrative on Transaction	Amount
111650	Work in Progress	WIP Control for Office M	-\$220.00
141200	Additions to WIP	Additions to WIP for Office M	\$220.00
111600	Debtors	Debtor Control for Office M	\$220.00
141005	Fees Income	Bills - Fees for Office M	-\$220.00
111600	Debtors	Debtor Control for Office M	\$22.00
121730	GST Received on Bills Raised	GST Transaction (BG) for matter nnnn and dated xx/x/yyyy (Ref No. BI000000)	-\$22.00

Disbursements

There are 3 ways to capture disbursements within LawMaster:

- Cash Disbursements
- Non-cash Disbursements
- Anticipated Disbursements (which are non-cash disbursements)

Cash Disbursements

Cash disbursements are 'hard' disbursements which are paid out of the general account and then billed to the client. When a payment voucher is entered into the system and allocated to a matter the following posting occurs:

Unpaid:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111700	Unbilled Disbursements	Asset	CRED
DR	121720	GST Paid on Purchases	Contra Liability	CRED
CR	121100	Creditors	Liability	CRED

Paid:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111700	Unbilled Disbursements	Asset	CRED
DR	121720	GST Paid on Purchases	Contra Liability	CRED
CR	121100	Creditors	Liability	CRED
DR	121100	Creditors	Liability	PAY
CR	111500	Bank	Asset	PAY

When the matter has been billed the following postings occur:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111600	Debtors	Asset	DEBT
CR	111700	Unbilled Disbursements	Asset	DEBT
CR	121730	GST Received on Bills Raised	Liability	DEBT

When cash disbursement written off at time of billing:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	142010	Disbursement Movement (Unbilled Recoveries)	Income	COST
CR	111700	Unbilled Disbursements	Asset	COST
DR	156300	Disbursement Write-offs	Expense	COST
CR	142010	Disbursement Movement (Unbilled Recoveries)	Income	COST

Example 1 of Cash Disbursement Postings:

- A. Enter a **paid** payment voucher for \$1,100.00 where GST is \$100.00 paying Dr Barker for a Medical Report by EFT.

Account No.	Name of Account	Narrative on Transaction	Amount
111700	Unbilled Disbursements	Medical Report (Dr Barker)	\$1,000.00
121720	GST Paid on Purchases	GST for firm invoices	\$100.00
121100	Creditors	Creditors control for invoices	-\$1,100.00
121100	Creditors	Electronic Funds Transfer – Pre-paid	\$1,100.00
111500	Bank	Dr Barker (EFT)	-\$1,100.00

- B. Bill Cash Disbursement with no write off at time of billing.

Account No.	Name of Account	Narrative on Transaction	Amount
111700	Unbilled Disbursements	Bills_Disbursements for Office M	-\$1,000.00
111600	Debtors	Debtor Control for Office M	\$1,000.00
111600	Debtors	Debtor Control for Office M	\$100.00
121730	GST Received on Bills Raised	GST Transaction (BG) for matter nnnn and dated xx/x/yyyy (Ref No. BI000000)	-\$100.00

Example 2 of Cash Disbursement Postings:

- C. Enter a **paid** payment voucher for \$550.00 where GST is \$50.00 paying Barristers Pty Ltd for a Barrister's fees by cheque.

Account No.	Name of Account	Narrative on Transaction	Amount
111700	Unbilled Disbursements	Barrister's fees (Barristers Pty Ltd)	\$500.00
121720	GST Paid on Purchases	GST for firm invoices	\$50.00
121100	Creditors	Creditors control for invoices	-\$550.00
121100	Creditors	Cheques	\$550.00
111500	Bank	Barristers Pty Ltd	-\$550.00

- D. Bill Cash Disbursement with write off at time of billing. This would be the same where you enter a Write-off Disbursement as part of the Cost Journal Input.

Account No.	Name of Account	Narrative on Transaction	Amount
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for office M	\$500.00
111700	Unbilled Disbursements	Unbilled Disbursements Control for Office M	-\$500.00
156300	Disbursement Write-offs	ZZM-Disbursements Write_offs	\$500.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for Office M	-\$500.00

Non-Cash Disbursements

These are the 'soft' disbursements that law firms try and recover from the client such as photocopying or telephone expenses.

When a non-cash disbursement is entered on the matter the following occurs. Please note GST is not taken into consideration at this stage of postings.

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111700	Unbilled Disbursements	Asset	COST
CR	142010	Disbursement Movement (Unbilled Recoveries)	Income	COST

When the matter has been billed the following postings occur:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111600	Debtors	Asset	DEBT
DR	142010	Disbursement Movement (Unbilled Recoveries)	Income	DEBT
CR	111700	Unbilled Disbursements	Asset	DEBT
CR	142000 (From DC parameter)	Disbursements Recovered	Income	DEBT
CR	121730	GST Received on Bills Raised	Liability	DEBT

When non-cash disbursement written off at time of billing:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	142010	Disbursement Movement (Unbilled Recoveries)	Income	COST
CR	111700	Unbilled Disbursements	Asset	COST
DR	156300	Disbursement Write Off	Expense	COST
CR	142000 (From DC parameter)	Disbursements Recovered	Income	COST

When non-cash disbursement written on at time of billing:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111700	Unbilled Disbursements	Asset	COST
CR	142010	Disbursement Movement (Unbilled Recoveries)	Income	COST
DR	111600	Debtors	Asset	DEBT
CR	121730	GST Received on Bills Raised	Liability	DEBT
CR	111700	Unbilled Disbursements	Asset	DEBT
DR	142010	Disbursement Movement (Unbilled Recoveries)	Income	COST
CR	156300	Disbursement Write Off	Expense	COST

Examples of Non-Cash Disbursements:

- A. Treatment of non-cash disbursement using code PH-Photocopy of \$300.00 plus GST of \$30.00 at time of billing:

Account No.	Name of Account	Narrative on Transaction	Amount
111600	Debtors	Debtor Control for Office M	\$300.00
111600	Debtors	Debtor Control for Office M	\$30.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for office M	\$300.00
111700	Unbilled Disbursements	Bills_Disbursements for Office M	-\$300.00
142000	Disbursements Recovered	PH-Photocopy	-\$300.00
121730	GST Received on Bills Raised	GST Transaction (BG) for matter nnnn and dated xx/x/xxxx (Ref No. BI000000)	-\$30.00

- B. Bill non-cash disbursement of \$200.00 plus \$20.00 using code IN-Incidentals and write on \$50.00 plus \$5.00 GST. Gross amount is \$275.00:

Account No.	Name of Account	Narrative on Transaction	Amount
111700	Unbilled Disbursements	Unbilled Disbursements Control for Office M	\$200.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for office M	-\$200.00
111700	Unbilled Disbursements	Unbilled Disbursements Control for Office M	\$50.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for office M	-\$50.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for Office M	\$250.00
142000	Disbursements Recovered	IN-Incidentals	-\$200.00
156300	Disbursement Write Off	ZZM-Disbursements Write_offs	-\$50.00
111700	Unbilled Disbursements	Bills_Disbursements for Office M	-\$250.00
111600	Debtors	Debtor Control for Office M	\$250.00
111600	Debtors	Debtor Control for Office M	\$25.00

121730	GST Received on Bills Raised	GST Transaction (BG) for matter nnnn and dated xx/x/xxxx (Ref No. BI000000)	-\$25.00
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C. Non-cash disbursement written off at time of billing of \$50.00 plus \$5.00 GST:

Account No.	Name of Account	Narrative on Transaction	Amount
111700	Unbilled Disbursements	Unbilled Disbursements Control for Office M	\$50.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for office M	-\$50.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for Office M	\$50.00
111700	Unbilled Disbursements	Bills_Disbursements for Office M	-\$50.00
142010	Disbursement Movement (Unbilled Recoveries)	Non-cash disbursement (recoveries) for Office M	-\$50.00
156300	Disbursement Write Off	ZZM-Disbursements Write_offs	\$50.00

Anticipated Disbursements

When an anticipated disbursement is entered on a matter through the cost journal input, the following postings occur:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111700	Unbilled Disbursements	Asset	COST
CR	121200	Anticipated Disbursements	Liability	COST

When the anticipated disbursement is billed the following occurs:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111600	Debtors	Asset	DEBT
CR	111700	Unbilled Disbursements	Asset	DEBT
CR	121730	GST Received on Bills Raised	Liability	DEBT

When a billed anticipated disbursement is being paid from the general bank account, the anticipated disbursement is reversed and a cost transaction entered as below:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	111700	Unbilled Disbursements	Asset	CRED
DR	121720	GST Paid on Purchases	Contra Liability	CRED
CR	121100	Creditors	Liability	CRED
DR	121200	Anticipated Disbursements	Liability	COST
CR	111700	Unbilled Disbursements	Asset	COST
DR	121100	Creditors	Liability	CRED
CR	111500	General Bank	Asset	CRED

When a billed anticipated disbursement is being paid from the trust bank account, the following postings occurs:

	Account No.	Name of Account	Type of Account	Transaction Type
DR	121200	Anticipated Disbursements	Liability	COST
CR	111700	Unbilled Disbursements	Asset	COST
DR	111700	Unbilled Disbursements	Asset	DEBT
DR	121730	GST Received on Bills Raised	Liability	DEBT
CR	111600	Debtors	Asset	DEBT

Example of Anticipated disbursements:

Anticipated Disbursement entered for Barrister's Fees of \$1,100.00 including GST of \$100.00 using code BAR – Barrister's Fees, which has been billed and then paid from trust by cheque. Postings are as follows:

Account No.	Name of Account	Narrative on Transaction	Amount
111700	Unbilled Disbursements	Unbilled Disbursements Control for Office M	\$1,000.00
121200	Anticipated Disbursements	Anticipated Disbursements for office M	-\$1,000.00
111600	Debtors	Debtor Control for Office M	\$1,000.00
111700	Unbilled Disbursements	Bills_Disbursements for Office M	-\$1,000.00
111600	Debtors	Debtor Control for Office M	\$100.00
121730	GST Received on Bills Raised	GST Transaction (BG) for matter nnnn and dated xx/x/xxxx (Ref No. BI000000)	-\$100.00

121200	Anticipated Disbursements	Anticipated Disbursements for office M	\$1,000.00
111700	Unbilled Disbursements	Unbilled Disbursements Control for Office M	-\$1,000.00
111600	Debtors	Debtor Control for Office M	-\$1,000.00
111700	Unbilled Disbursements	Bills_Disbursements for Office M	\$1,000.00
111600	Debtors	Debtor Control for Office M	-\$100.00
121730	GST Received on Bills Raised	GST Transaction (BG) for matter nnnn and dated xx/x/xxxx (Ref No. BI000000)	\$100.00