



**PRACTICAL FINANCIAL CONTROL &  
RECORD KEEPING**

# **FINANCIAL CONTROL, MANAGEMENT REPORTS & RECORD KEEPING**

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## FINANCIAL CONTROL

### BUDGET FORECASTS

Six weeks or so prior to start-up your Budget Forecast will be prepared. Every franchise must always have a Budget Forecast agreed.

The first one will be a two-year Plan and is always tailored to each franchisee's individual needs. The targets are agreed jointly. Your Regional Manager will advise you throughout the preparation and will also help you achieve the targets set once you are operating.

Thereafter a Budget Forecast will be prepared year on year. You may do your own but if Head Office has received no Budget from your location your Regional Manager will produce one for you (see Clause 10(g) in your Franchise Agreement). If it is complicated the cost of preparation will be charged to you.

Ideally the preparation of the figures of a Budget is a shared exercise.

Franchisees who fail to get within a reasonable distance of their budget targets put their franchise in jeopardy.

Your Revolution software contains rudimentary information on income and expense, summarised in the management report entitled "Statement of Income". This report lists out the direct cost associated with hiring out your vehicles and is a good way of tracking the effectiveness of your marketing and selling abilities and of keeping to Budget.

### KEY INDICATOR RPUPD

There are also two other key indicators to your success namely Revenue Per Unit Per Day (RPUPD) and % Utilisation. Both these key performance indicators are to be found on your monthly summary.

The higher the indicator the better.

Here are some examples of the Key Indicators and the negative and positive aspects of these ratios.

A high RPUPD will have a Positive effect and will indicate all or some of the following:-

Positive Effect
Your Competition has a poor fleet
You have a good Mixed varied fleet
You have more Vans than cars
You have a good Telephone Technique
You have responsible Trained Staff
You Offer and SELL extras
You send a lot of vehicles Overseas
You have a Strict adherence to the 24hr day rule
Charge lateness
Marketing

If your RPUPD is low the following Negative effects could be the problem:-

Negative Effect
You have Cheap Price led competitors
You have a Fleet of small cars only
You have a Poor Telephone Technique

Untrained Staff
No extras offered

## **KEY INDICATOR UTILISATION**

Things Which have a positive effect on Utilisation are :-

Positive Effect
The Weather
Your Signage, local awareness in your community
Your attitude to Marketing
Good W.O.M
Good Telephone Technique by quick witted staff

If your % Utilisation is low the following Negative effects could be the problem:-

Negative Effect
Weather
Badly looked after fleet
Poor signage
Hidden location
Badly handled complaints
Poor Telephone Technique
Untrained Staff
No price flexibility

However, you cannot manage your business without a system. You need the Key Indicators to hand, available for analysis, to compare to Budget and then to take action.

Good Record Keeping is the key.

## **ACCOUNTS AND RECORD KEEPING**

### **START UP**

You will be running your Practical Franchise business on your own computer.

You will use Revolution for all Primary bookkeeping. You will then be responsible for your accounts. Some sites use our Accounts package although the majority use Sage or an 'in – house' system. It is still necessary to keep some paperwork or 'hard copy' records and you will need a manual filing system as well as the data in the software.

Word and Excel are very useful as most of Revolutions Reports can be exported into

Excel when you see this icon



Revolution can link in with your Sage accounts package if you set up your nominal codes correctly. Each time an invoice is processed an extra line is added to file Sagelink.csv (C:\PCVRProg\). This line holds information about the invoice such as whether it was an invoice or a credit, the customer account number, nominal code, date, agreement number, vehicle reg, customer name and amounts. This file can be imported into Sage. See later in this chapter for more points on Sage.

## BACKING UP and LOOKING AFTER YOUR HARDWARE

### BACK UP WARNING

We have had locations that have not saved a back up of their Practical Revolution Software for sometime. In more than one case they have suffered a major crash, to the extent that the hard disk becomes completely unusable. This usually means all back ups are lost if they have not been saved to a safe place. We have seen disks (last backed up months ago) which are also unusable. Sites have been using the same disks for over a year and had them in a damp office. Even though Revolution does a daily back up automatically you must then copy and store the data safely away from the office.

### RULES

#### **Please ensure that:**

- You back up your software to an external place at least once a week, if not every day. Most use a memory stick for this purpose.
- Any CD's or DVD's used regularly are replaced with new known makes i.e., TDK, Maxell, Sony, 3M etc. (One for each day of the week) are recommended for storing daily Back ups.
- You store everything in a dry atmosphere.
- Finally but most importantly you need a member of staff or reliable Maintenance Company who can explain and MAINTAIN your system, hardware, your network set-up, including any Internet and printer issues.

### Connection Issues

In order to check connection to the remote server: select About from the main menu. This section displays some basic program and system information. If you have doubts that you are connecting to the server correctly, click on the Remote server tab. Make sure you are connected to the internet and click on the Check remote server connection button and Check internet connection button. Both should be successful. If you still have no success, call Head Office or your manager for advice.

The Revolution Support team is available for queries regarding the Revolution software and its use, but cannot assist with general hardware and functionality issues.

### General Office Equipment

A three drawer filing cabinet with hanging files and tabs will be needed and some cupboard space for bulky items.

The Purchase Ledger, Cash Book, Bank Reconciliation Book etc are NOT supplied by Practical and are your own responsibility to supply and maintain.

Practical will supply a Stationary Starter pack including Blank Terms and Conditions, Check- in slips and suchlike plus the following on Start Up:-

Reservations Diary

Ring Binders

Yellow folders (General files)

Red (Vehicle Maintenance & History)

Buff (Income & Cash Summaries, Month End)

Concertina File dated 1-31

Your Marketing Pack [This is covered in a separate section]

You will need some General Files. We advise Yellow ones have the following uses:-

- Accident Files (One per accident)
- Accounts Receivable/Debt File
- General Correspondence
- Head Office Memo's
- Advertising File
- Operational Reports
- Budget Forecasts
- Stationery & Order forms

We advise Red Files for Vehicle Maintenance & History. Each folder will be labelled by vehicle unit number these files contain:-

- Copy of Purchase invoice or Lease Agreement
- HPI search where present
- MOT (or a copy)
- Registration documents (or a copy)
- Original Check in Slip (& photo's if available)
- Job Sheets & Service details

**DO NOT KEEP SPARE KEYS IN HERE; LOCK THEM IN YOUR SAFE. DO NOT IDENTIFY THE VEHICLE BY REG NUMBERS - USE THE UNIT NUMBER**

Finally the Buff coloured Files – These files contain:-

- Closed invoices in date returned order
- Petty Cash Receipts
- Copy from Bank Paying in Book
- Cash Out Print Out
- Monthly Summary Report
- Insurance Declaration
- Statement of Income

You will need a couple of Ring Binders or Box files too for:-

- Original Rental Agreements, White copies, filed numerically
- Bingo Sheet for Audit purposes
- Customer Source Analysis grid.
- Utilisation Sheets
- Vehicle Demand Sheets

**SELF BILLING - ALL VAT REGISTERED FRANCHISEES**

Permission a.k.a Departmental Approval, to do a self-billing invoice is required from your local VAT Office and submission of the sample document must be made. This document is our Monthly Summary Report. It is your responsibility to ensure your VAT office is informed.

**1. Revolution Users**

The Monthly summary Report produced by Revolution is accurate and has been approved.

**2. Hand-written Users**

Ensure the white copy you send us and the green copy which is your VAT receipt are both stamped with your full name and address and your VAT number.

Once training is complete a day is fixed to install your Revolution software and help you to undertake your office set up. Installation involves setting up your Software with your Price List, extra charges, Customer analysis codes, Company details and defaults (e.g. mileage charges, excesses etc).



### General Advice when using Revolution.

Use the tab key on your keyboard (above CAPS LOCK) to navigate throughout Revolution. The tab key will automatically take you to the next box to be filled in. Shift and tab will allow you to move back a box.

When shift is highlighting a button, press enter to select it.

Red fields are mandatory and must be completed.

When making changes in Revolution, click on the Hand to save your changes or to reject them.



The blue book button will always take you back to the previous menu.



The F1 Key on the keyboard will display Help for your version of Revolution.

The F7 Key on the keyboard will display a quick conviction checker this is very useful to check quickly if a rental is likely to be accepted.

The F9 Key on the keyboard will assist you in calculating prices with or without VAT, to two decimal places.

If you are not sure what function a button performs, hover the mouse over it and a pop-up tool-tip will appear:

If you wish to reject a renter at any point while creating a Rental Agreement click on the No entry button.



You will be asked 'Do you want to decline this agreement'. Click on Yes and the following message will be displayed:



This is a good way to decline a renter you are not sure of as it appears that it is the program that has rejected the renter, not you!

When you click on a report from the menu you will be presented with the following buttons.



Click on this button to view the report on screen.



Click on this button to print the report on your printer.



Click on this button to return to the main menu.

If you select to view any report on screen you will see the following options:



View the report to fit the screen



Zoom to view the report at 100%



Skip to the first page of the report



Skip to previous page of report



Skip to the next page of the report



Skip to the last page of the report



Alter printer settings before printing the report to any printer



Print the report to the default printer



Save the report



Open a report that you have previously saved



Close the report

Charges will only appear on the reports once the agreements have been invoiced. Any charges showing on open agreements will appear on reports as WIP, Work In Progress.

## PUTTING A VEHICLE ON THE FLEET

All of your vehicles prepared for the rental fleet will need to be entered onto your Master Fleet List. In addition the following jobs need to be done for each vehicle:-

- Prepare a key ring with the unit number and model type (not Registration Number as this aids thieves).
- If this is an owned vehicle apply for Breakdown Cover (Autohome or similar). Don't forget to supply Breakdown phone numbers for the renter on the windscreen.
- Enter the vehicle details onto the Computer / Fleet Management.
- Open a Red File and mark it with the Unit Number and Reg. Number.
- Take a photograph from each side of the vehicle, particularly if a high value one.
- Note the vehicle details, its special selling benefits e.g. side loading doors, height and width, carrying capacity etc in your counter binder.

- Service/Repair the vehicle as necessary according to the Prefleet Instructions
- Ensure all stickers are in place i.e. Tracker stickers, Windscreen Replacement emergency number, next service/antifreeze due. Logo's and phone numbers must be in the correct places.
- Make sure the type of Fuel is clearly marked on the Fuel inlet lid. Mark NON BIO on all vehicles too.
- Make out a check-in slip and T Card and hang it on your keyboard with the keys.
- Clean the vehicle thoroughly and park it READY TO RENT.

### OWNED VEHICLES

If possible be accurate and input the purchase price of each vehicle excluding VAT. If you undertake pre-fleet work these costs can be capitalised. If this work is done by your own mechanic you may only capitalise the parts. If this work is contracted out the total cost may be capitalised.

You may choose to depreciate by a fixed amount or a % of the Purchase price. All other repairs will be expensed directly as repairs and maintenance or collision repairs and are input via General Maintenance under the appropriate 'Service History'. Through these fields Servicing, MOT's & RFL reminders are kept up to date.

Be prepared also to enter service due, MOT, date, RFL, date of purchase and date on fleet.

### NEW VEHICLES

If you purchase a new vehicle for your Rental Fleet you can claim back the VAT. The vehicle is not to be on rent for more than 30 days to the same customer and not for more than 90 days in 12 months. If you buy an 'ex' rental vehicle for your fleet you can claim back the VAT too.

### LEASED VEHICLES

When loading a leased vehicle onto the fleet they are treated differently from owned vehicles in order that the financial information generated is accurate. You will not enter Purchase costs but input the weekly cost excluding VAT in 'financial information', do not mistake this for the Standing Order amount.

#### Paying for Your Leased Vehicles.

Once you have ordered your leased vehicle a deposit is required; this is usually 6 weeks upfront or 12 weeks for a 12 month lease or over.

You will be sent a lease agreement and standing order mandate, which must be signed where indicated and returned with your deposit cheque immediately. Failure to do this will delay vehicle delivery. Your deposit cheque is not banked until the date of vehicle delivery. Your first standing order is set up to debit your account 4 weeks after delivery for and up to 12 months lease or 6 weeks if 12 months or over. The remaining cost of the lease is then divided by the lease period (in months) less one month.

e.g.	<u>6 months lease</u>		
	£42 per week + VAT=	£49.35	
	6 weeks deposit =	£296.10	
	20 remaining =	<u>£987.00</u>	= £197.40 D.D. for 5 months

You will receive a copy of the standing order mandate detailing your payment date and monthly amount. You are always advised of the date the standing order will be requested on your lease agreement. Make sure the p.c.m cost goes into Master Amendment.

Make sure the standing order is logged in your purchase book; you will receive only one invoice stating dates of each standing order.

Make sure too that you keep notes of the dates leased vehicles are due to be returned and mark your Reservations Book as slackness here will seriously affect your efficiency.

**NB** Leased vehicles must be returned to the supplier in excellent condition. Make sure you leave a week or so grace before a return date is due for refurbishments.

#### TEMPORARY VEHICLES

Any vehicle put on your fleet for one rental only needs the daily price excluding VAT.

## **ACCOUNTING FOR VEHICLE MAINTENANCE**

### JOB SHEETS/WORK ORDERS

Parts are always priced at your cost on job sheets. Minor stock items which you will hold such as oil and plugs will also be priced on the job sheet at cost.

Invoices for parts that are ordered for a particular repair and are not stock items should be attached to the back of the job sheet.

The labour should show on the job sheets as time spent and not in monetary cost.

These prices are entered in General Maintenance – Service History. You will be offered the choice of the type of service from a self-explanatory menu of 10 items. If you choose 1 or 2 this figure goes to the Statement of Income.

### ACCOUNTING REPAIRS

In most areas parts wholesalers offer a very efficient delivery service therefore it is not economical for you to tie up your capital in a parts inventory.

When parts are purchased, the invoices are coded to the R & M Account and then filed for payment in the accounts payable file.

When parts are purchased for stock instead of for a particular repair, i.e. a case of oil, fuses, etc., these invoices are coded to the same R & M Account.

If a vehicle needs to be sent out for repairs, this invoice should be treated in the same manner as a parts invoice and recorded on the job sheet coded to the R & M Account and then processed for payment.

### CONTRACT (Sub Let) REPAIRS

In locations that do not have a mechanic on staff, the major concern of sub-letting is to control the quality and cost of repairs.

If you are dealing with an independent repair shop, a very tight control is required to keep your maintenance in line. A repair order should still be used for each repair but an authorisation must be obtained before any major repairs are done. Review and approve each repair invoice as they are received.

Depending on the volume, batch the Repair Invoices weekly or monthly and Post the totals on the allocation sheet into the proper accounts, i.e. the repair and maintenance account or the rental vehicle inventory account

### ACCOUNT ENTRIES

Since all parts invoices are coded to the R & M Account that Account must be relieved by balancing entries on either the Rental Vehicle Inventory Account or the Profit and Loss Account. The balance remaining on the R & M Account will represent the parts inventory.

### VALETING AND CLEANING MATERIALS COSTS

These costs are not charged to the Repair and Maintenance Account. Instead they are coded to the Valeting and Cleaning Materials Account. This Account is relieved

monthly by a specific charge for such materials to the P & L Account. Any valeting work contracted out should also be coded to this Account.

#### SHOP PRODUCTIVITY ANALYSIS

Add the total number of hours worked in all areas, e.g:-

88 hours – R & M

26 hours – Pre-fleet

= 114 hours worked for month.

Then calculate the total available hours that you had in the month.

21 days worked

x 8 hours per day

=168 hours available

To calculate the % productivity divide 114 by 168 x 100 = 67.8%

The average percentage of productivity should range between 80 and 85%. The remaining 15 to 20% of unapplied time can be attributed to road testing and trouble shooting.

If your productivity is low, such as in the above sample (68%), analyse where the mechanic's time being spent.

You may have taken him away from the shop to appraise vehicles that you were buying.

There are job sheets in progress that may not have been completed.

There may not have been enough work to keep your mechanic busy for eight hours a day.

He may be disorganised.

He may be too involved in searching for parts and better prices.

He may be going out and picking the parts up from the suppliers himself.

When there is not enough work to keep your mechanic busy for eight hours a day you may consider taking on outside retail work to help supplement your income.

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#### AVERAGE MAINTENANCE COSTS – USED VEHICLES

Since maintenance is one of the larger expenses in our business and is open ended, it can very easily get out of control.

#### MECHANIC ON STAFF

To calculate the average maintenance costs on a monthly basis, take the total R & M plus the mechanic's wages and divide by the total number of vehicles on fleet, i.e.

If the total R & M is £1,240, the wages were £600 and the total number of vehicles serviced was 56.

$\frac{£1,240 + £600}{56} = £32.85$  per vehicle for that period

#### CONTRACT MAINTENANCE

On the contract basis where there is no mechanic on staff, the total invoice, i.e. parts and labour is used to calculate the average R & M for the month.

You should compare your own R & M per vehicle on fleet per month to both your own past month's averages and the national average. The current national average figure for used units is £40 per vehicle per month.

If your averages are higher than our average, this could be due to the following factors:

Your fleet is too old.

Mechanic is replacing all parts with new parts.

Job sheets are improperly priced by the mechanic

An isolated high month does not give cause for concern but a consistently high record over three or more months should be analysed closely.

#### ACCOUNTING FOR COLLISION DAMAGE COSTS

All collision costs will be coded to the Repairs and Maintenance Account.

On the P & L Account collision costs will be separated out from repairs and maintenance costs and will appear on their own.

Damage charged on the rental agreement will be posted to the Statement of Income. Damage repairs entered into the Inventory Card will be shown under direct costs.

#### ACCOUNTING WRITE OFFS – OWNED VEHICLES

If a vehicle is a write off it will probably be bought by our insurance company who will give us a trade price less the excess. Depending on the sum paid you will have a gain or loss on disposal just as with the disposal of a normal vehicle.

#### ACCOUNTING WRITE OFFS – LEASED VEHICLES

If a leased vehicle is written off it will be dealt with on an individual basis depending on the dates of your Direct Debits. You will delete the vehicle from the fleet once leasing advise that all payments are correct.

#### PARKING TICKETS – AND SPEEDING TICKETS – CONGESTION CHARGES ETC

It is vital to respond to these IMMEDIATELY. One of the uses of the computer is to show who at any time was renting a vehicle and therefore who was responsible for a ticket. On receipt of the form for payment by the Police or Local Authority you should complete the reply slip with the address details and copy of a signed R/A of the relevant renter. Although the owner of the vehicle is legally responsible for payment you will not be troubled after you have sent this information. Make sure the original Rental Agreement also shows the actual date and time back, and is signed by the renter.

Ensure the R/A is properly completed and states who the licence was issued by e.g. DVLA.

You are advised to send a copy of the renters signature on the original Rental Agreement if the offence occurred in Scotland, or if it was a continuation R/A.

#### ACCOUNTS PAYABLE

As you receive invoices and statements from your suppliers place them all in a folder.

You enter the amounts into your Purchase Ledger to give you a meaningful profit and loss, you still need to complete normal bookkeeping records as Revolution only copes with the Primary paperwork.

We recommend that you pay all your bills together at the end of each month. Be certain that you have all invoices as they are listed on the statement. If not, make a request for a duplicate invoice before you pay the statement in full. Never pay just on the evidence of a statement. You must have a supporting invoice. Often invoices are stuck to the part which was delivered, be observant.

## RENTAL OFFICE CONTROL

### BEFORE START UP

- You will need a float of £100.00 minimum – you do not need a till, a locking cash box is sufficient but a till might be better in the long run.
- You will need a triplicate receipt book for advance and additional deposits, also a book of petty cash vouchers.
- You are advised to ask the bank for a triplicate paying in book rather than the usual duplicate. Also ask your bank to supply 'second line narrative' on all the statements to make tracking payments easier.
- You must have loaded your vehicles onto the computer including costs, your price list needs to be complete also all company details and miscellaneous charges. There are other sections of this manual which deal specifically with setting up revolution and dealing with Reservations and Rental Agreements.
- You need to be ready to receive payments by as many methods as possible, especially a PDQ machine which takes MasterCard, Visa, Switch, Delta, etc. and allows you to Pre-authorise electronic payments. (It can still be useful to have the older "Hand Swipe" as well if you do deliveries). You may be as advanced as to have the PDQ handheld computers for taking payments. Whichever used always meet the cardholder/payee IN PERSON and check signatures carefully.
- All files must be prepared and titled.
- Make sure your printer(s) are working – you will be provided with Rental Agreement Terms and Conditions on A4 size paper.
- Check all month end reports and make sure show you are operating in the correct fiscal year and period.

### Reservations

When you take a reservation and load the information onto your computer, print a copy and give one part to your renter or email it to them.

If you take a Reservation Deposit give the customer a receipt from the triplicate receipt book as well to aid you in cash reconciliation. If you have taken an advance deposit the computer will note this. If a reservation is ever cancelled any Deposits will generate an Advance Deposit Refund which balances your till.

Take all the deposit required, the software will add in any advance money taken.

Record the amount on your Daily Banking Record or Swiping Record as appropriate.

### Rental Agreements

REMEMBER:- Rental Agreements MUST always begin at the time and date the vehicle is hired out. They are not done in advance.

### Deposits

Revolution will calculate all anticipated Rental charges, extras plus whatever Excess has been pre-set on your price list for whichever vehicle is concerned.

Accept the final screen if the amount showing matches the amount you are taking. Do not include Deposits you are not going to bank. Do not include amounts you Pre Authorise. Use the Triplicate receipt book to record the payment taken and record the amount on your Daily Banking Record or Swiping Record as appropriate.

Print 2 copies to Terms and Conditions paper, Renter signs both as do you. Give one to the Renter.

Keep one signed white copy (with the check in slip attached) in your concertina file.

If any renter wishes to extend the Rental, and you take more money – again use the triplicate receipt book (top one for the renter with a copy of the reprinted amended agreement, middle one for your till/cash box and one to stay in the book for reference purposes). Mark the receipt 'extended deposit'. Make sure also you amend the hire in the Agreement Processing menu.

KEEP THE AMENDED WHITE COPY WITH THE OTHERS IN THE CONCERTINA. GIVE ONE TO THE CUSTOMER. ALSO THE TOP COPY FROM RECEIPT BOOK.

If you wish to bank any money you may do so at any time. Put the second copy from the paying in book into the till/cash box immediately as this information is vital.

### Invoicing

Book in Rentals as soon as the vehicle returns.

Remove the Rental Agreement form the concertina file.

Calculate charges and note Revolution will charge an extra day if the 'time in' is logged 59 minutes over 24hrs.

Revolution will calculate the appropriate refund or send amounts still owing to the Aged Debt report.

Print 2 copies. Some sites use Blue Paper for invoices as it helps filing.

Give the customer a copy.

Place your copy into the appropriate place ready for bookkeeping.

Place the Rental Agreement and Check in slip into the appropriate place ready for filing into a Ring Binder in numerical order.

Prep a check in slip ready for the next rental.

REMINDER SERVICES VS COMPENSATIONS. All the extras you sell fall into the "Services" category except for Valeting and Damages, these items are compensations and as such do not attract VAT.

Services you sell as Extras to your renters e.g.: CDW, Overseas Cover (the amount you take to cover the European Travel Document [Green Card] which we sell you), plus charges for Collections & Deliveries are all subject to VAT.

Once the rental is complete all original Rental Agreements are to be filed numerically in a Ring Binder. These are normally kept for a min of 6 months in case of parking fines etc.

All Invoices are kept together in a buff folder ready for a Cash Out to be done. These are ultimately your account record and need to be kept for 7 years.

Any Petty Cash Vouchers, Receipt book copies, and records of Banking should be kept in the till/cash box ready for a Cash Out to be done.

Keep your handwritten Daily Banking and Swiping record up to date at all times.

Keep advance deposits separately in an envelope unless they are banked.

### RENTAL AGREEMENTS – COLOUR CODES

Every rental print 2 copies :-

WHITE WITH YELLOW STRIPE = ORIGINAL RENTAL AGREEMENT

One of these is your legal copy with the customers original signature. It is proof of a Deposit paid to you and The Terms and Conditions agreed front and back.

It is also the start of the Internal Audit trail and used for Customer Source Analysis.

It is filed numerically in a ring Binder

The other one is the customers copy of the Terms and Conditions, it is a receipt for the Deposit paid and acts like a cover note.

**At the end of a rental record in writing the actual date and time back in box 47 in case of any Traffic Violations.**

## INVOICES

Always print 2. One of these is your internal accounts copy, it closes the Audit Trail for this R/A number and is filed in date return order in the monthly Buff Folder. The other one is the customers VAT receipt.

## Regular Cash outs and Till Balancing

Once a week you need to do a Cash Out.

'Cash Out' is Revolution's name for a three-function report; it is number 9 in Reports, Management reports.

These functions are: -

Income summary (or Sales Ledger) – Page 1. This will display in sales ledger format.

Cash Received Analysis – Page 2. This will show all money received and refunded.

Banking summary – Page 3. This allows you to reconcile your till to paperwork.

You have a variety of choices here according to the information required.

The buttons available are to View on screen, Print and Return to main menu.

**ALWAYS CHECK YOUR CASHOUT USING VIEW ON SCREEN BEFORE DOING AN UPDATE.**

Current Cashout Number. Each cashout is numbered by the system to make tracing problems easier. Always print each updated cashout and file the invoices in a folder with the cashout number clearly marked as these relate to each month end you will run.

Update Cashout. Tick the box once you are satisfied with the information presented on screen. Once a cashout has been updated the system moves the cashout number on one. An updated cashout will always be produced at month end regardless of whether you ask for one or not.

Reprint from Cashout. This works like a trial. Complete the small boxes if you want to look back over a previous cashout for any reason starting with the number of the cashout you wish to view from.

Reprint to Cashout. This box will always offer the choice of looking at the most recent information; only alter this if you are looking at a previous cashout.

Advanced deposits held. Tick this box for a short report that shows the current Deposits both held and banked.

Please note: - if you already have a satisfactory method of till balancing it is possible to enter zero bankings, this will record a Discrepancy but will not affect the Month End or any other report at all. If you begin to use this system part way through the month some of the carried forward figures will not make sense until the month end has been run and your long-term rentals have been closed and reopened. Once you are happy that all the closed R/A's appear correctly on your cashout page one you can do an update.

### Running a Cashout

Tick the update box and be ready to enter all your bankings since the last cashout.

Then hit the printer icon. You will now see an unfamiliar screen headed 'Updating cashout number ----' the only data area you can edit is in the white boxes. Enter your Cash and Cheques paid in, then the value of swiped cards since last cashout. If you look for the word 'discrepancy' below the white boxes the system says how much it expects the value of the bankings to be. Enter your initials and those of any

manager who may be assisting you into the 'prepared and checked by' boxes and enter any reasons you may have for banking discrepancies. Click on the Enter key ONCE ONLY

Then use the mouse to click on the printer icon and your cashout will be printed. If you inadvertently hit Enter twice you will activate the reject button and will have to start again!

Check that all closed invoices are accounted for. If you have forgotten to close any Rental Agreements do so. These invoices are then kept in date returned order in a file for each cash out.

Calculate your £100 float and bank all money left over. Balance this amount to your Cash Summary.

#### FILING THE PRINT OUTS

Once the Cash Out is balanced file the following in a Buff Folder marked by month:-

- Closed Blue Rental Agreements
- Petty Cash Vouchers
- Paying in details
- Cash Out Summaries
- Copy Monthly Summary Report
- Copy Insurance Declaration

All original White Rental Agreements will be filed numerically in a Ring Binder. They can be used for Internal and External Auditing.

Numerical Check List (Bingo Audit Sheet)

Completing a numerical checklist ensures that all Rental Agreements are accounted for along with all revenue due. This is the Control used for any missing Rental Agreements.

Use diagonal line to show which white copies have been used and opposite lines to show the Closed Blue Rental Agreement has been summarised.

If any missing agreement is identified use LIST to locate the Invoice. You may have forgotten to close a long term renter.

#### Other Weekly Jobs

Meanwhile throughout the month you can keep the following jobs up to date in order to make the Month End cut off procedure very smooth running.

- Through 'Service History' in 'General Maintenance' log all work and expenditure undertaken on each vehicle.
- Keep your 'Aged Debtors' in 'Practical Reports' up to date, by posting cash to closed agreements.
- Manually record all expenditure in your Purchase Book – do not forget any Direct Debits or Standing Orders you may have. Highlight Capital expenditure.
- Amortise your quarterly bills eg. utilities and reconcile every 3 months.
- Update your Accident Control Log as a claim progresses. Do not forget the excess if your renter is at fault – this becomes a collision expense. Also remember claims are paid net of VAT, if you do your own repair work do not charge internal VAT.
- Send copies of the relevant Rental Agreement if you are notified of any Parking (etc) tickets to the issuing authority using the form provided.
- Keep your fleet list up to date with any sold or added vehicles and submit your MID reports every week.\*
- Check MOT's, RFL's and servicing is up to date.

- Respond immediately to a fax or email booking.

\*You must submit your MID once a week. Ensure you are connected to the Internet, Select Submit MID from the main menu. You will be prompted 'Do you want to submit the MID report?' click on Yes. A message will tell you that the file was sent successfully. If the MID report is due you will be asked if you want to submit it as soon as you enter Revolution.

## **TO PREPARE FOR MONTH END**

Get mileage's on any long rentals as these must be closed and reopened (interim invoice any COI rentals) before your month end update.

Invoice any CLOSED rentals you may have been holding in dispute.

Run a reprint Cash Out to check the figures are accurate.

All your reports can be viewed throughout the month also they will automatically be produced as part of the Month End Update and you are advised that there is little need to print them twice.

## **PRACTICAL REVOLUTION USERS – MONTH END PROCEDURE**

Note: Always run the month end at the end on the last working day of the month.

Before printing your Month End you will need to load your printer with PLAIN PAPER (about 3 sheets) and make sure you are connected to the Internet.

Do not miss out any part of this procedure. If you do, you will not complete your month end correctly. This is important, as a critical function of the Month End is to move on the accounting period. After the first time it will only take 2 minutes or so.

### **THE NEXT STEP**

Go to Main Menu, choose Month End and tick the Report Options and Optional Reports you require. Many crucial reports are mandatory.

Enter your bankings if you wish to do so and use the enter key to move between fields to through each white box.

The printer icon will light up – click it and wait! The data will be transferred via the internet data transfer system ready for HQ to download in Birmingham.

Your month end is now complete!

You will find that your period number has altered.

If your Year End is due the computer will cope invisibly. You will be advised by a message a screen if you need to do anything.

Head Office will Direct Debit you on the 15<sup>th</sup> of the month following.

Good Managers will compare their revenue to the Budget Forecasts and take appropriate remedial actions if this is under.

## **DIRECT DEBITS**

Many of your payments nowadays are made by Direct Debit (or BAC's). The body, which requests the Direct Debit (called the originator), is legally bound only to take the payments to which you have agreed. It is prudent to have a simple system to check they are correct.

When you agree to a Direct Debit you must sign a Bank Mandate which gives permission for the Originator to request payments from your bank. Some organisations require a separate mandate for each agreement while others ask you to sign a 'Master' mandate.

If you do not have a bookkeeping system set up to monitor this vital area we suggest you use the method where each page is designed for one financial year, you may need more than one page per year.

Mark the months appropriately according to your own financial year, (you will need to start the next 2 years sheets to accommodate 24 months leases and suchlike.)

When you order your goods, such as a leased vehicle, you will be sent a letter requesting a cheque for the first few weeks of the lease. You will also receive THE SCHEDULE; this has more detail and shows the terms of lease including the payment schedule. These must be returned within 7 days.

The "Advance Rental" is banked as near to the day your leased vehicle is delivered as possible.

"The Total Charge per Month" is DD'd on the same date the following month and for the appropriate number of months thereafter.

You will receive an Invoice Schedule in due course, which allows you to complete the check sheet.

When the invoice schedule arrives complete a row, filling in the amount of each direct debit you expect to be taken.

As you receive your bank statements mark each DD paid when you see it posted to your account. In this way you can ensure the money is available in your account ready for the date due and check each payment is correct. It will also aid you if a problem occurs.

### **Sage Accounts and Revolution.**

Points to remember when using Revolution with Sage:

Revolution can link in with your Sage accounts package if you set up your nominal codes correctly. Each time an invoice is processed an extra line is added to file Sagelink.csv (C:\PCVRProg\). This line holds information about the invoice such as whether it was an invoice or a credit, the customer account number, nominal code, date, agreement number, vehicle reg, customer name and amounts. This file can be imported into Sage. Points to remember when using Revolution with Sage:

All Sage nominal codes need to be set up in Revolution. Select **General**

**Maintenance, Setup and General Maintenance** from the main menu. The tabs where nominal codes are maintained are the **Location, VAT/Nominal** tab and also within the **Extras** tab.

Account numbers will need to be set up for companies within **General**

**maintenance, 7. Renter database.** The Sundry customer account code must also be set up in **General Maintenance, Setup and General Maintenance** on the **Location , Defaults** tab. Any company without a customer code will have its invoices posted to the sundry account code.

Any nominal or account codes changes made after closing a Revolution Agreement will not affect the data stored in a SAGELINK.CSV file

The SAGELINK.CSV file will be created if it doesn't exist and will be updated every time an invoice is generated using Revolution

If you are running on a network then a Sage link file will be created on each workstation that generates a Revolution invoice

It is not recommended to run the Sage import program at the same time as Revolution.

The SAGELINK.CSV file (from each workstation) can be imported into Sage. Once this has been imported it is your responsibility to delete the SAGELINK.CSV file. If this is not done then the existing contents of the SAGELINK.CSV file will be imported (along with any new data) the next time the import routine is run.

The SAGELINK.CSV file is verified before the data is imported into Sage and any incorrect data on the file (due to missing nominal codes or account numbers for example) will cause the import to fail. The import routine should be carried out regularly to keep the amount of imported data to a minimum, reducing the risk of losing data, particularly when first using the Sage link file.

## **Management Reports**

### **1. General reports**

1. Price tariff - Displays your price tariff on the screen, or it can be printed.
2. Full fleet list - Displays your fleet list. You can choose how you wish to order the report and whether you wish to view Vehicles currently live, Disposed vehicles or all vehicles by placing a dot next to your choice. You can also include temporary vehicles in the report by placing a tick in the box.
3. Service History Records - Displays service history records you have added in General maintenance, 5. Service History. Select the report order, what status of vehicle you wish to view and whether you want to see records for all vehicles or just one (allows you to select a single vehicle by registration number.) You can also enter a date range and choose to include temporary vehicles.
4. Extra charges list - Displays your extra charges and their settings.
5. Customer source code list - Displays the source codes set up in General maintenance, Setup and general information, Source codes.
6. Customer special rates list - Lists any special rates you have set up in General maintenance, 6. Customer special rates.
7. Vehicles due for servicing - This displays vehicles due for MOT/Service/RFL/Sell (depending on the options you select) according to how you have set up your

vehicles in General maintenance, 4.Fleet management. You can select the date you want to run the report from and a safety mileage.

8. Mailshot labels print tool - Produces labels of customer names and addresses to print onto labels for use in mail shots. Export a list of your renters to Excel for use in mail merges!

If you want to print labels for all private renters, just select your label format from the drop-down box and narrow down your selection using the Renter selection section.

If you want to print labels to individual renters, place a tick in the Check this box to select individual renters box and a list of your renters will appear. Double-click on the renters you require to build up your list.

If you want to print labels for all companies, place a tick in the Select companies box.

If you want to print labels for individual companies, place a tick in the Select companies box, place a tick in the Check this box to select individual companies box and a list of your companies will appear. Double-click on the companies you require to build up your list.

Click on the List the renters/companies on this label print run button to see a list of the names for which you will be printing labels.

9. Insurance Claims History - Displays claims within a given date range.

A. European Travel Document History - Displays all European Travel Documents (green cards) requested within a given date range.

## 2. Agreement reports

1. Unclaimed bookings - These are Reservations no one came to pick up by the time they were booked to start at, which can be deleted (via Agreement Analysis) or you could call the customer to see if they still want the vehicle.

2. Advanced bookings - Displays reservations up to a date that you specify.

3. Due in report - Displays vehicles due in on a date that you specify.

4. Agreement overdue/not invoiced - Displays vehicles that are overdue and not invoiced according to the Rental to date and time that you entered for the agreement.

5. Current vehicle status - Displays all vehicles which currently have the status that you specify e.g. all available vehicles.

6. Agreement analysis - Displays analysis of agreements. You can choose the order of the report using the Report sequence selection. You can also select the month and year for the report and whether to include detail and breakdown total by type. The report will show the rental (RA) number, invoice date, days on rent, days charged, charges, insurable revenue amount and VAT.

7. Extra charges analysis - Displays a breakdown of extra charges and the amounts you have charged for them. You can see if the extra gets added to the rental revenue and insurable revenue and see the total net amount that has been spent on the extra, the VAT and the gross value.

8. Agreement exceptions - These reports highlight agreements that require deeper investigation, such as agreements that have been rejected by the server.

## 3. Management reports

1. Holding cost and WIP report - This is the ultimate Fleet Managers tool. You can analyse costs associated with your fleet, including Work In Progress (WIP); how much each vehicle has made and how much it has cost. You can choose whether to print in unit number sequence, the dates to include in the report and whether to include either all or just your current fleet.

2. Monthly summary - This is the ultimate Rental Managers tool, this report displays every revenue generating aspect of the business for analysis and decision making. During the current month this report is kept up to date minute by minute, recording all fleet sizes and revenues accrued. If viewed or printed during the month it is entitled 'Interim'. At month end it is closed off, printed and restarted for the new month. The Cash out numbers will be displayed on this report too. When you run your month end it will be sent to Practical via the internet and is used to Direct Debit you for the month

3. Insurance declaration - This is the self-invoicing Insurance Declaration. You must keep a copy for your books. During the current month this report is kept up to date minute by minute recording all fleet sizes and premiums due. All details for this report are found in the Insurable Analysis Report.

If the Insurance Declaration is viewed or printed during the month it is entitled 'Interim'. At month end it is closed off and restarted for the new month. When you run your month end the insurance declaration will be sent to Practical via the internet and is used to Direct Debit you for the month.

4. Usability report - This report counts every vehicle on rent once per day. If an agreement is open, whether extended or not, this report counts the first day but not the last (unless the vehicle returns on the same day). You can select the date range that you require even if you are running the report just for today. The Monthly Summary report also shows the usability.

5. Master fleet list - Displays a basic list of either all vehicles or off-fleet vehicles and either vehicles not sold, or all vehicles, depending on the selections you make.

6. Fleet sales - Displays fleet sold during the current month.

9. Cash outs - This two- part report gives you an Income Summary (Sales Ledger) and is a part of your Primary bookkeeping, saving the need for handwriting or repeating entries into your accounts system. It can be exported to excel.

It also has a Cash Analysis allowing you to reconcile all bankings. It can be updated as often as you balance your till or will be left until the month end when it becomes part of the Month end processing.

A. Aged debtors list - A report of all renters who owe you money at the end of a rental once the invoice has been created. Using the 'post cash ' icon in Agreement processing clears the debt from this report . It shows aged debts for the last three months then accumulates them.

B. Agreement audit trail - Agreement Audit Trail. Normally these reports are used when tracing the history of a Rental Agreement with regard to your in house audit functions.

C. Nominal analysis - For use by sites who also incorporate the Evolution Accounts package.

D. Customer source analysis - An up to the minute report of the Marketing source analysis for the last thirteen months (from the month you specify) in numbers and percentage's.

E. Service history expenses report - A report used for budgeting which logs all the service history costs for the choices of fleet selected and date range chosen. The default is current month and current fleet.

G. Fleet Insurance/MID Report -

There is no insurance cover on any vehicle which has not been notified to your insurer, it is a legal and contractual requirement of our Licence agreement. If the MID report is due when you open Revolution, you will be prompted to send it, always say YES if prompted. Make sure you send Additions and Disposals, if the choice does not appear there is nothing to send.

There are a variety of reports available also in the drop-down box. If MID format is selected the report is a list in the legally approved style that is presented to your insurer. If Fleet Insurance style is selected the report gives a variety of essential information, including miles remaining on a leased vehicle (Provided this is correctly set up in Fleet maintenance), Non revenue miles, vehicles added or disposed and highlighted in yellow if on rent. The new Insurance Group Report will provide a listing of your vehicles and their insurance and pricing details.

You can choose to exclude temporary vehicles from the report by placing a tick in the box..

H. Insurable analysis - This is an analysis of every invoice generated during the current month, including revenue days declared and accrued. This report works in real time, if printed off half-way through a month it is called an Interim report. This report identifies any rental agreement 'under declared revenue according to the real days on rent'. The minimum premium is applied (with a comment) and revenue 'grossed up ' to reflect the revenue on which premium is calculated. COI rentals have a separate column, courtesy rentals are in grey and any rentals which were closed within the 59 minutes grace period are indicated.

#### 4. Stored month end reports

Use this section to reprint previous month end reports. Select the month end report you require from the drop-down box.