



# SERVICE CHARGE RECONCILIATION

## Frequently asked questions

**If you have entered it with the wrong service date and so it appears in the wrong year how do you correct this?**

The Service Date can always be amended on an invoice at any time. Even after it has been paid. Xero users need to edit the invoice in Re-Leased as Xero has no concept of a Service Date.

**With regards to the Budget Vs. Actual report; I see that the report shows your actuals vs a budgeted expense. Where do unbudgeted expenses show up in a report. Often time we have unbudgeted expense, and the clients would need to see this variance. In theory, should the actuals on this report tie to the P&L?**

Unbudgeted expense items can be viewed at the bottom section of the Service Charge Expenses Report.

**Can you please show me how to add a cost into the sinking fund as there won't be an actual invoice for this**

Please refer to the Sinking Fund Options document attached for instructions.

**Please can we send out a process, or point us to it, for accruals and prepayments**

Please refer to the Accruals and Prepayments document attached for instructions.

**Does "Mark as complete" do anything other than allowing you through the process? Does it lock? Can you do the reconciliation in parts - i.e mark the expenses as complete and then come back at a later date to do income?**

Mark as complete is saying you have checked and are happy with the figures, pressing next moves you to the next stage. As the reconciliation process is a wizard it is possible to leave part way through and come back to it later. You will be returned to the point you left it.

**On the balancing charges is there any provision to set a limit for this e.g. any charges under say £5 will not be credited or charged due to the admin this would involve for such a minimal cost?**

There is no automatic minimum limit, however as a user you have the option to not generate the balancing charges.

**Can you do the accrual invoice / credit note from the last year if you did not do it then?**

If you didn't produce an accrual in the last service charge year it would be incorrect to enter the reversal of that accrual in the current year. This will cause accounting issues in that the tenants didn't pay for it last year and they won't pay for it this year either.

**If a tenant has a capped amount and they have been invoiced for more than the cap how is the credit sorted out?**

A balancing credit will be generated for the difference between the cap set and amount already invoiced.

**If we are using the system as an owner not a managing agent the client is us, so where does this invoice go?**

As an owner you would be responsible for any shortfall in the service charge. For the service charge accounts the invoice would need to go to you. You would then create an income credit note coded to your service charge liability chart of account and allocate them.

**Does the client contribution invoice detail what it relates to by tenant?**

The client contribution invoice does not show the breakdown; however, this can be seen in the Client Contribution Statement.

**Where do you download the reconciled budget?**

You need to download the Service Charge Income Report, Service Charge Expenses Report, Budget v Actuals Report, Apportionments Report and the Tenant and Client Statements. We recommend that you save these in a dedicated folder against the Property Documents. The reports can be downloaded from either the Reports Tab, Service Charge by Area section or from within the Budget on the Reports Tab.

**After reconciliation is complete and you mentioned to save all reports at this stage, do you mean, Expense report, Income report? And are there reports you can print that show the area summary?**

You need to download the Service Charge Income Report, Service Charge Expenses Report, Budget v Actuals Report, Apportionments Report and the Tenant and Client Statements. We recommend that you save these in a dedicated folder against the Property Documents. The reports can be downloaded from either the Reports Tab, Service Charge by Area section or from within the Budget on the Reports Tab.

**At what point in the process of sending the balancing charge invoices can you attach the statements that you wish to send to the tenant with the invoice?**

At present there is no facility to automatically attach the statements to the balancing charges.

**When you raise the balancing charges will Released / Xero auto demand? Also, will they automatically attach the certificate?**

The balancing charges will be automatically generated and set to the status specified in your Company Settings for Balancing Service Charge Invoices. At present there is no facility to automatically attach the statements to the balancing charges.

**For the Client Contribution balancing charge, do we need to set up the Client then as a Tenant in order to invoice it and balance the Service Charge?**

Our recommendation is not to set the Client up as a Tenant. If the Client is setup as a Tenant then there will be no Client Contribution balancing charge unless there is a concession, as the balancing charge will have been raised as a Tenant balancing charge. If you are unsure and require further assistance, please contact Re-Leased Support.

**Once the service charge has been reconciled for the year, is it possible to calculate the amount of VAT that is being held, so that this can be transferred to the client at this point?**

The VAT Return will show you the amount of VAT that is being held in the Service Charge. If you are unsure and require further assistance, please contact Re-Leased Support

**Does the budget vs actual report show all expenses, including those which may have been coded to expense types outside of the budget?**

Unbudgeted expense items can be viewed at the bottom section of the Service Charge Expenses Report.