

EOFY Tips Manual

These tips will help make the End of Financial Year easier for users and get the best from our software.



EOFY Reminders and Tips

The end of the financial year for many is the 31st of March. For legal firms that have a March balance date, they often overlook their own practice needs and focus completely on their client’s business. It is important to dedicate time to your business and some financial housekeeping.

Bad Debts

To be deductible, bad debts must be written off during the income year. Written off means that the debts have been written out of the debtor’s ledger, but the firm need not have exhausted all actions to collect the debt.

In OnePractice a bill or bad debt can be written off by double-clicking on the fee, and then selecting the write-off option (see Figure 1 below). A reason can be given for the write-off.

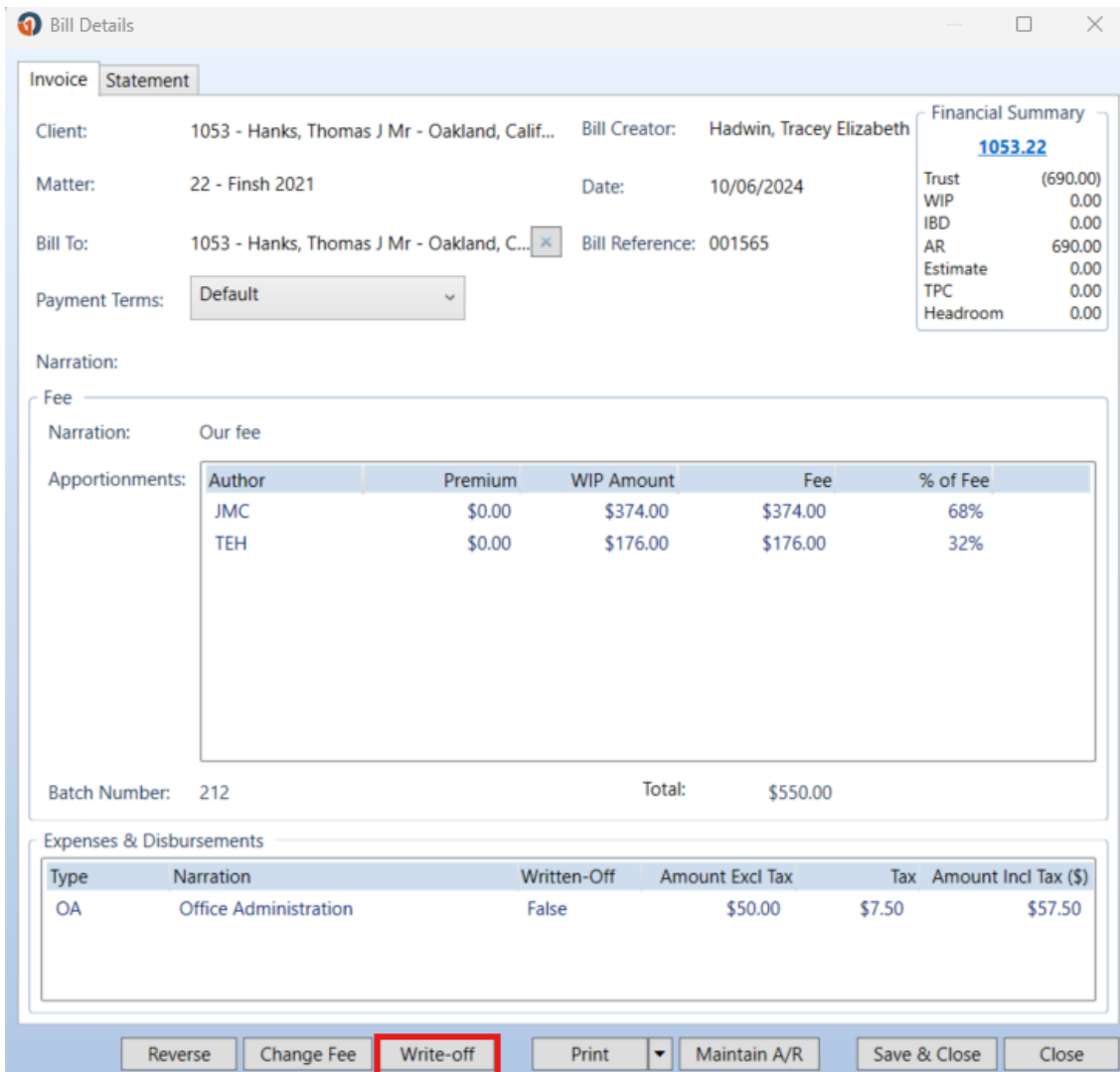


Figure 1.

Write-off reasons are loaded in the Administration Tab > Manage Codes > Write-off Reason Codes (see Figure 2 below).

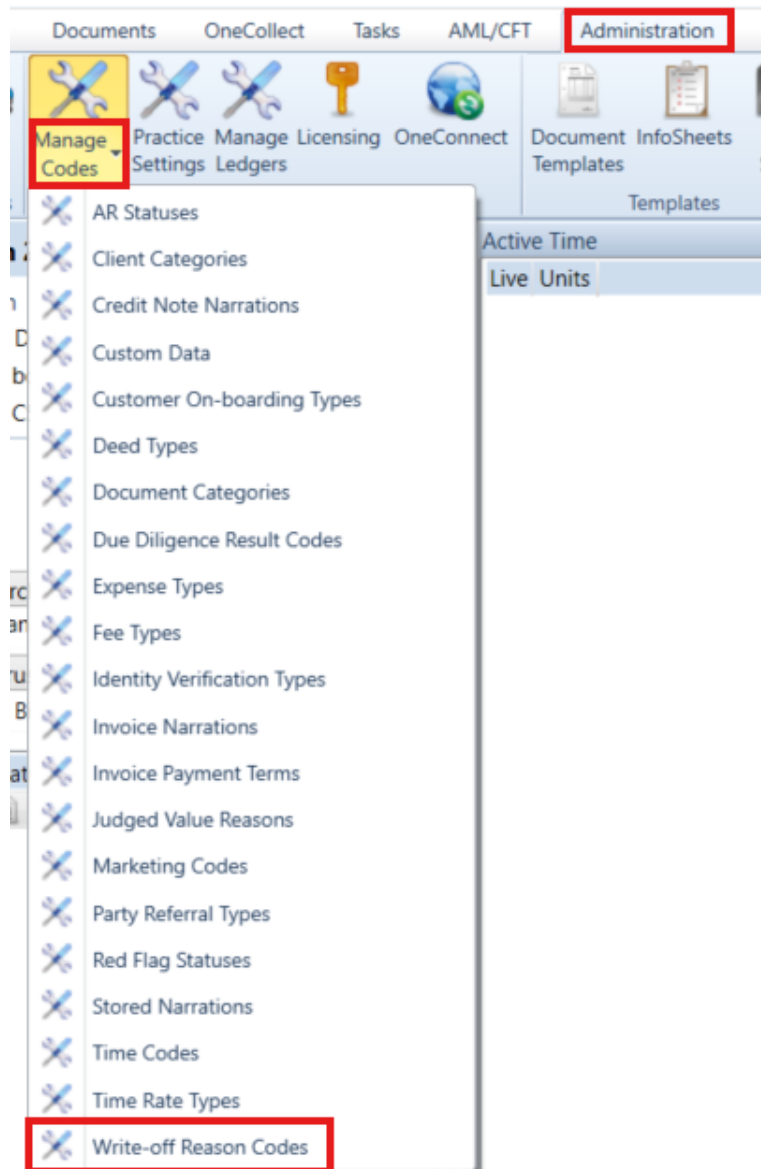


Figure 2.

We recommend that a separate list of all the debtors written off during the year is retained for further follow up, and a copy is given to your accountant.

Use the following reports if fees are written off (see Figure 3 below).

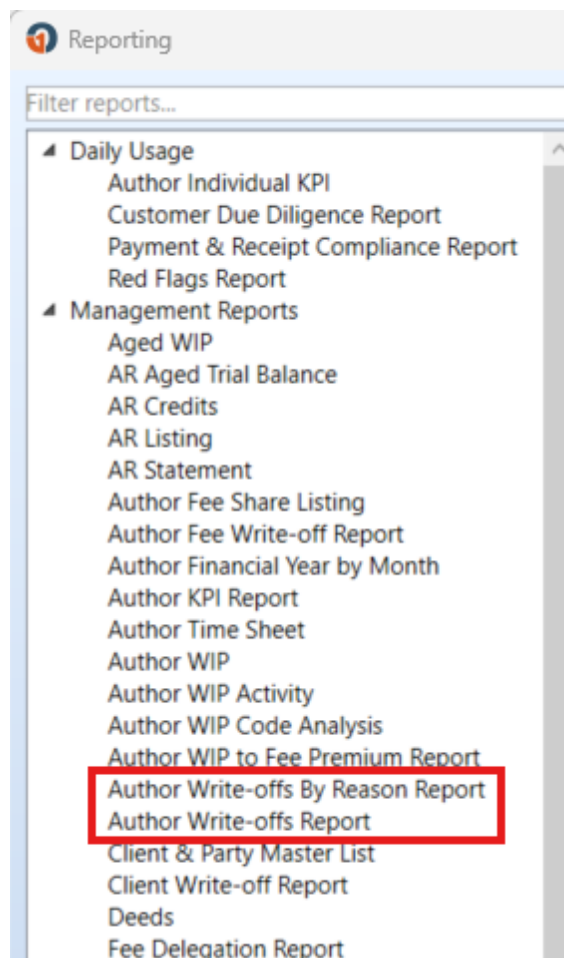


Figure 3.

It may be beneficial to enter a warning note on the client with the date of the bill and the amount outstanding. The client can be put on 'Stop Credit' to disable future work from being carried out for this client (see Figure 4 below).

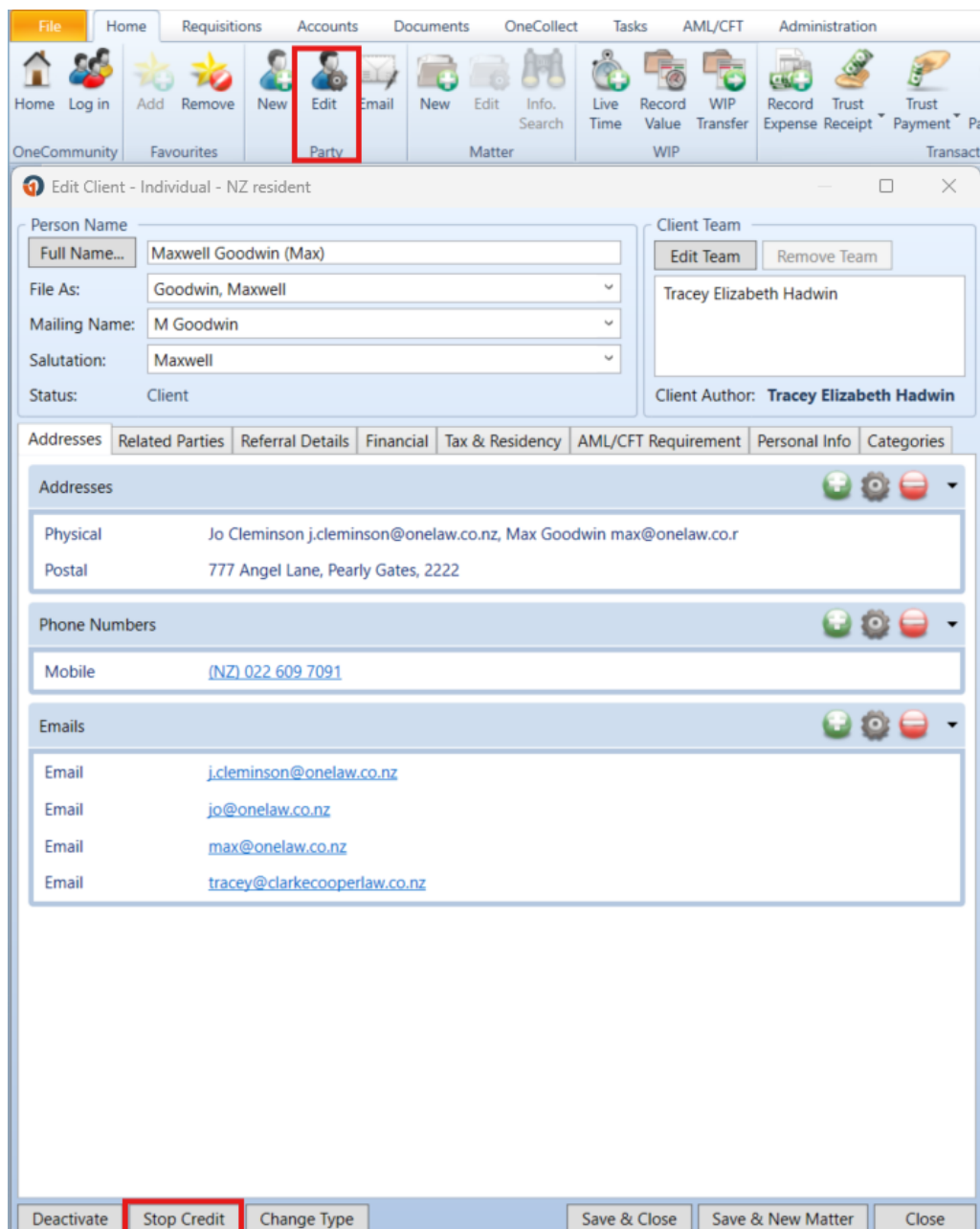


Figure 4.

It can also be a good idea to put a note in the OnePractice deeds system (see Figure 5 below), as sometimes a client may return to retrieve documents. When the client contacts the firm again, there is a choice on whether to act for them, knowing they didn't pay their last bill.

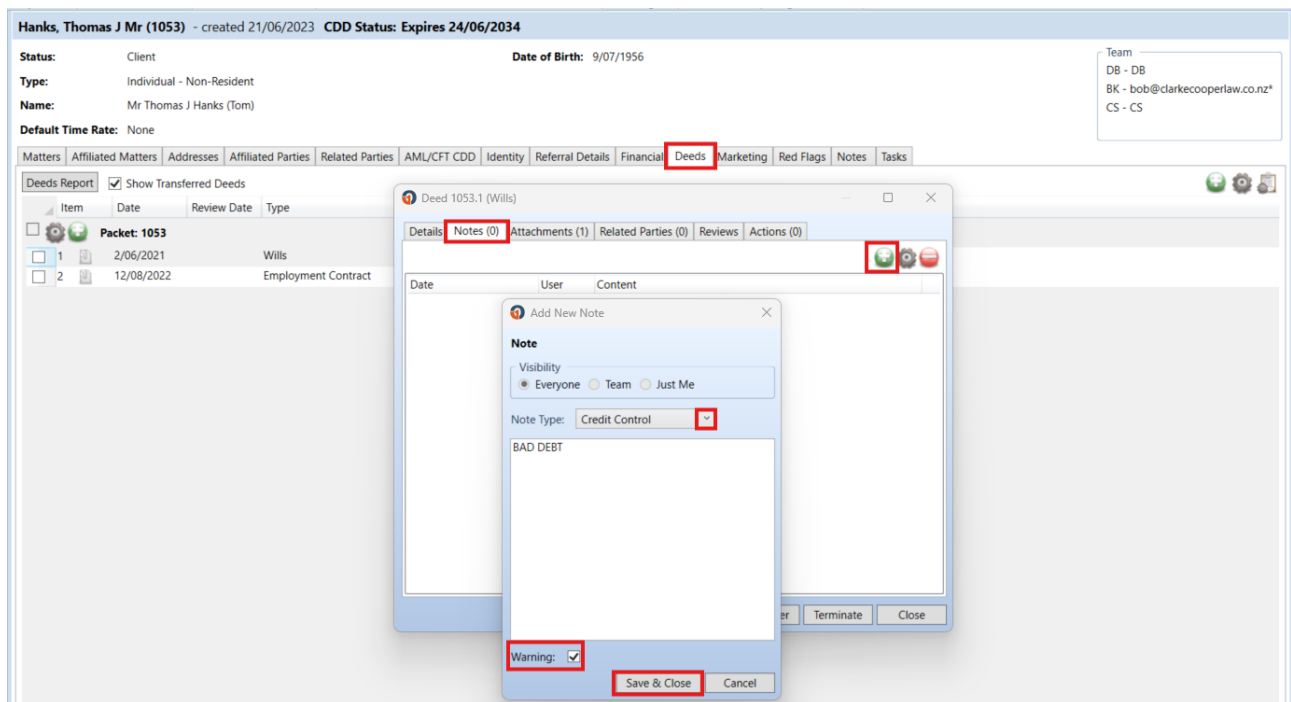


Figure 5.

Unbilled Disbursements and Debit Balances

We would also recommend a review of all unbilled disbursements and debit balances. Are there large disbursements that have not been billed, or are there some small debit balances remaining on old files that need to be written off? Use the 'Unbilled Trust Debit Balances' report to assist with this (see Figure 6 below).

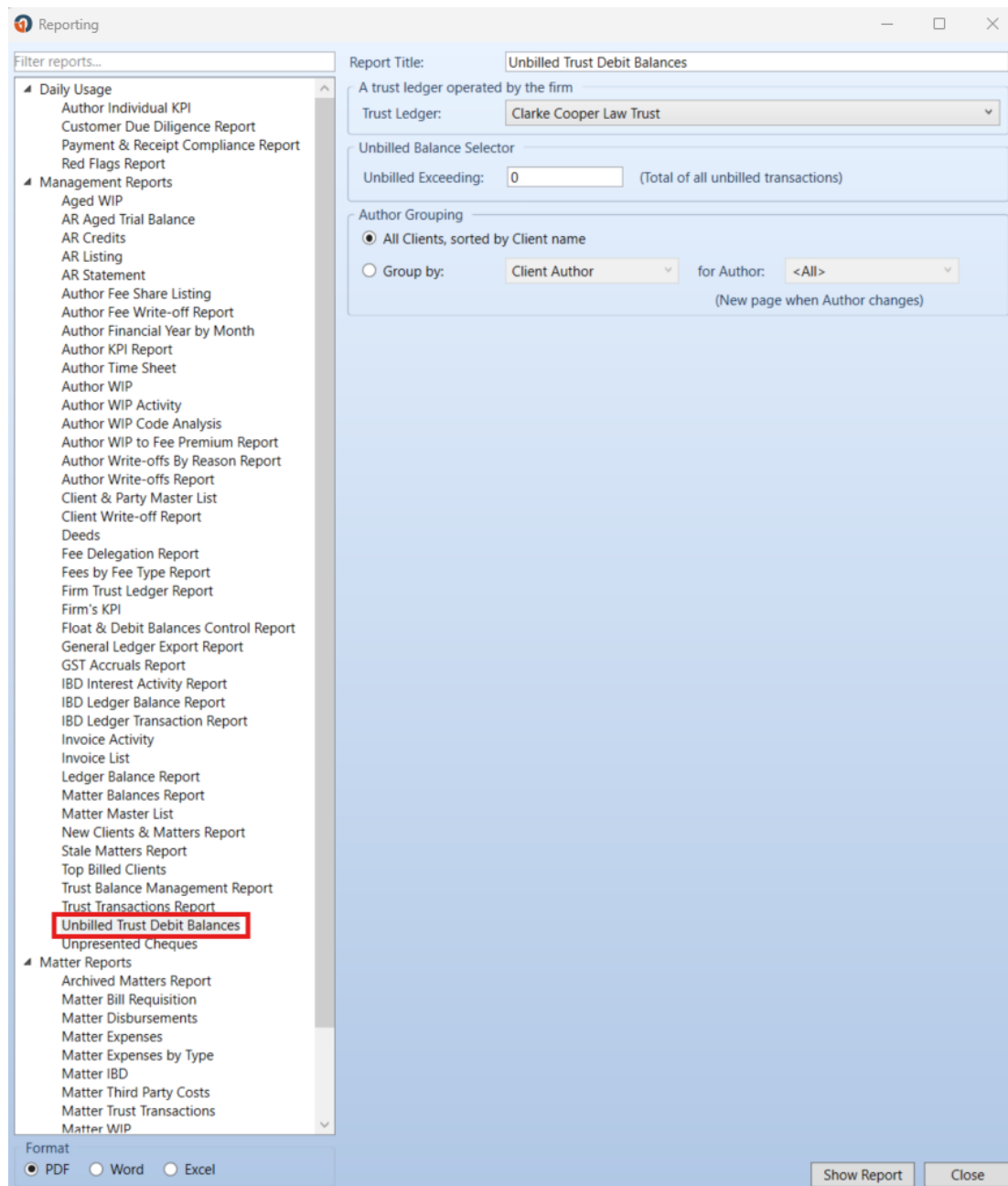


Figure 6.

Work in Progress

If your business clients have also got 31st March balance dates, they will appreciate being billed up to date so they can claim it in this financial year. It is a good excuse to interim bill matters that have gone on for a while, but there may not have been an appropriate time to bill. Now would be an ideal time to bill any clients that have rung up for small pieces of advice if time has been recorded for these.

Hopefully these days fewer firms have a build-up of WIP being saved “for a rainy day.” To review WIP there are a variety of reports. Run an ‘Aged WIP’ report (see Figure 7 below) for each author and if necessary, organise a peer review. Discuss those “stuck files” and what to do with the build-up of WIP.

NOTE: the Aged WIP report cannot be produced at a date in time, only live. We suggest printing at the end of the month before or after rolling month end.

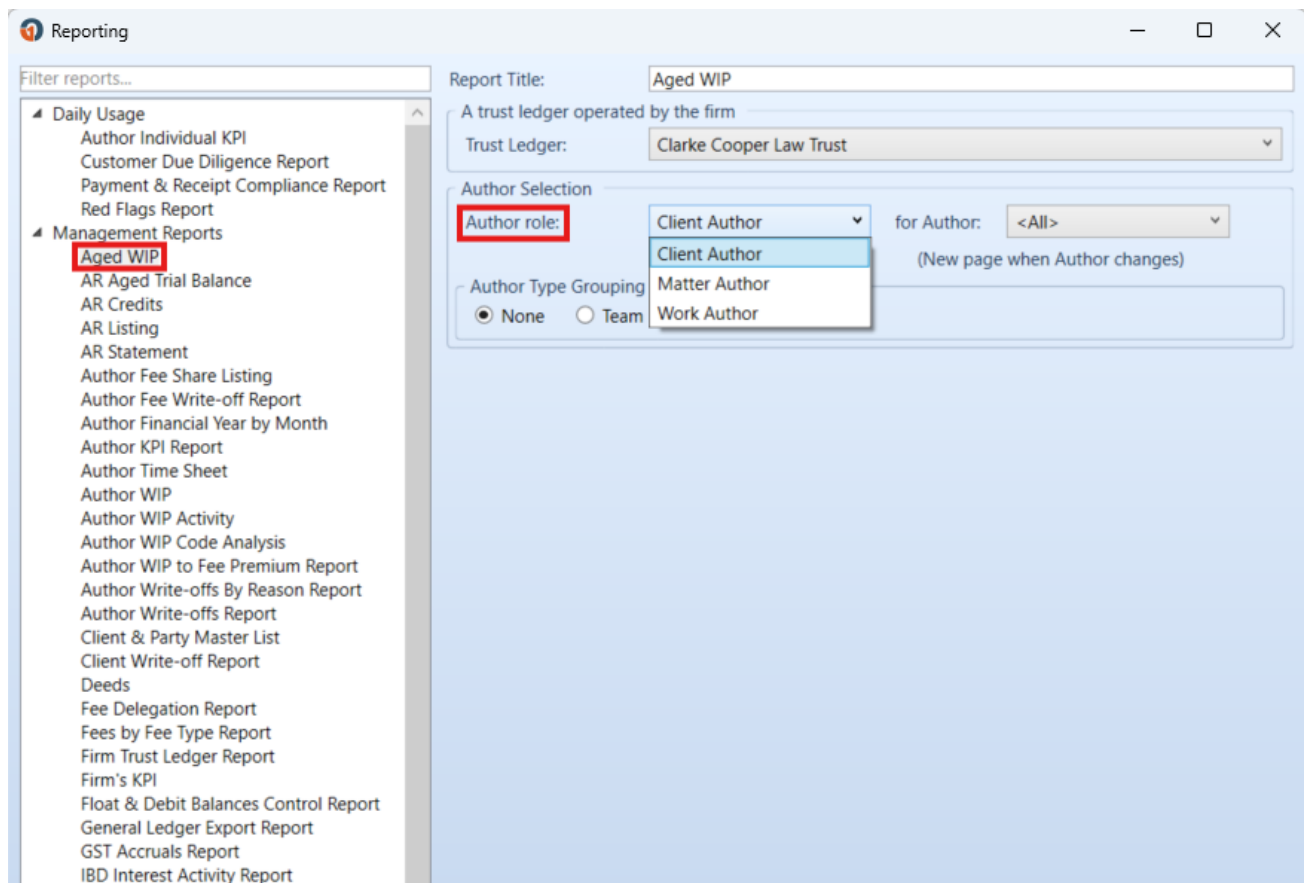


Figure 7.

What is the Value of the Remaining WIP?

OnePractice has a useful management report called the Author WIP Activity Report (see Figure 8 below).

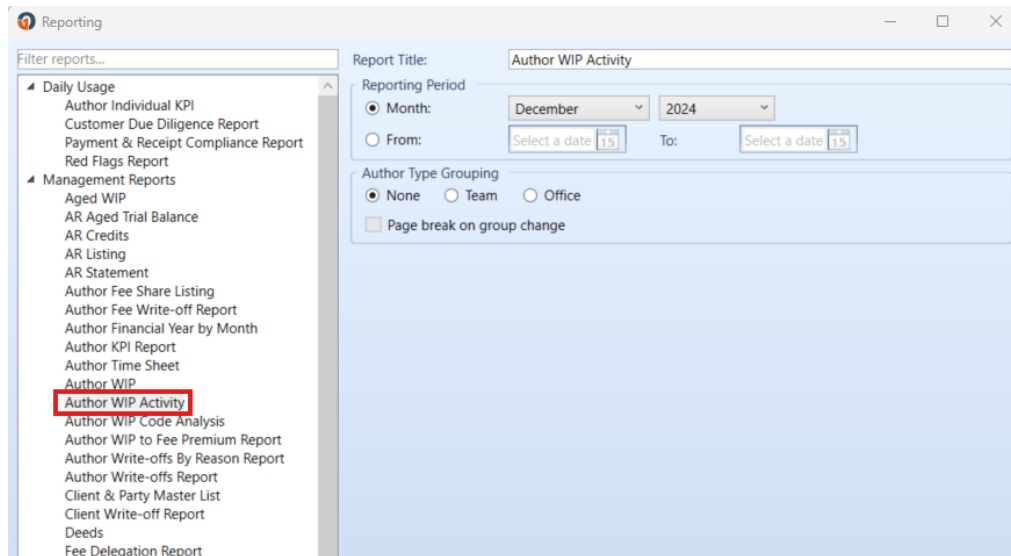


Figure 8.

The second last column of this report shows the Average 12-month Recovery rate for that author (see Figure 9 below). The last column of the report shows an Expected Recovery which is the balance of WIP multiplied by the average 12-month recovery rate. The 'Expected Recovery' is only a guide to the value, applying the theory that if an average of 80% of recorded time is recovered, then the value of the current WIP will only be recovered by that percentage. Obviously, the age and mix of work type is important. At least, this report will highlight areas to investigate further.

Author WIP Activity

Report Selections : Reporting Period: April 2024; Author type grouping: None

Author	WIP Activity for Period				Fees from WIP Billed		Average 12 Mth Recovery	Expected Recovery
	Opening	Added	Billed	Closing	Fees	Premium		
BF - Bex Falconer	418	0	0	418	0	0	100%	418
CS - Caio Souza	4,120	0	1,120	3,000	1,122	2	106%	3,179
DB - Dale Burton	840	0	0	840	0	0	101%	853
IAD - Isabel Duncan	500	0	0	500	0	0		500
JLS - Jackson Smith	570	0	0	570	0	0	100%	570
JH - James Hendrix	0	280	280	0	292	12	104%	0
JMC - Jo Cleminson	70,259	29,257	25,045	74,471	36,721	11,676	131%	97,225
JR - Johanna Ryan	775	0	0	775	0	0	121%	938
MC - Mark Conant	180	0	90	90	90	0	103%	93
MM - Marky Mark	1,613	0	0	1,613	0	0	159%	2,560
NB - Nadine Banfield	17,200	0	11,360	5,840	15,009	3,649	119%	6,924
PHB - Philippa Brothers	2,445	0	0	2,445	0	0	141%	3,459
RB - Rob Bob	340	0	0	340	0	0	143%	485
RS - Robyn Smillie	51,750	5,700	15,420	42,030	16,921	1,501	122%	51,350
SR - Sally Rossiter	7,325	0	1,760	5,565	1,760	0	105%	5,868
TH - Tom Holland	12	0	12	0	12	0	101%	0
TEH - Tracey Hadwin	78,823	27,915	12,932	93,806	12,398	(534)	121%	113,387
PB - xPhilippa Brothersx	31,767	6,657	12,407	26,017	12,674	267	128%	33,242
XX - xx	750	0	0	750	0	0	100%	750
Total	269,687	69,809	80,426	259,070	96,998	16,572	124%	321,800

WIP billed during this period may be included in bills dated outside of this period. As a result, the Fee amount reported may not match fees for the period on other reports.

Figure 9.

Accounts rendered – the Amount Owing to the Firm

At the end of the financial year, it is important that the firm’s accountant is given an accurate total balance owed to the firm. At any point in time, the amount owing to the firm is the total debit balances in trust plus the balance in the float account. This is the ‘Debtors’ or ‘Accounts Receivable’ balance.

If the firm is integrated with Xero, there will be a message to say OnePractice agrees with Xero balance when the batch is updated and exported to the GL. Run a ‘Ledger Balance Report,’ requesting debit balances only, to confirm this balance.

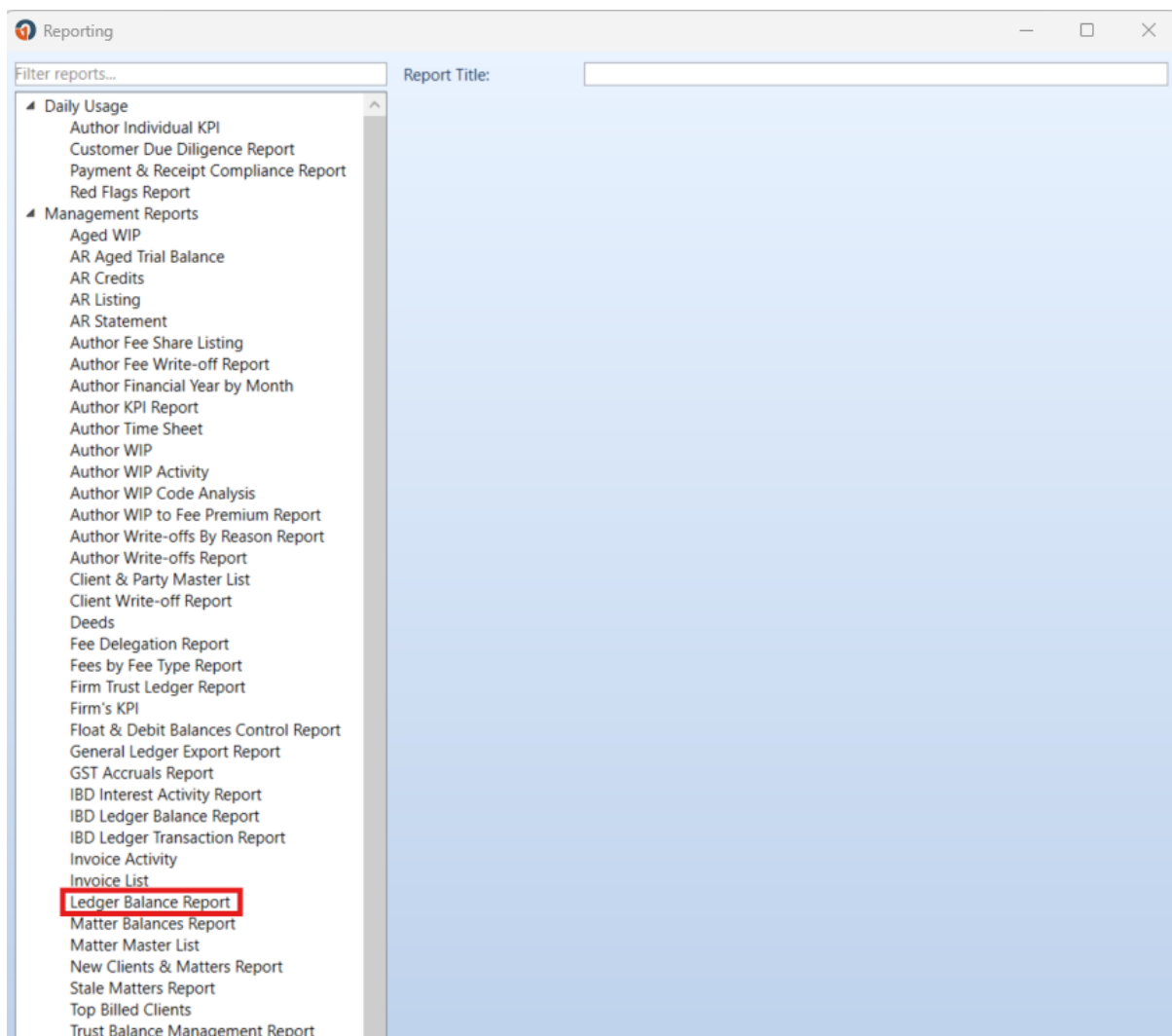


Figure 10.

If OnePractice is not integrated with a general ledger program like Xero, provide the firm’s accountant with an ‘AR Aged Trial Balance’ report (see Figure 11 below), which gives a list of outstanding bills. It is important to also advise the firm’s accountant of the balance of the float account, as at balance date, as this is also part of the firm’s debtors.

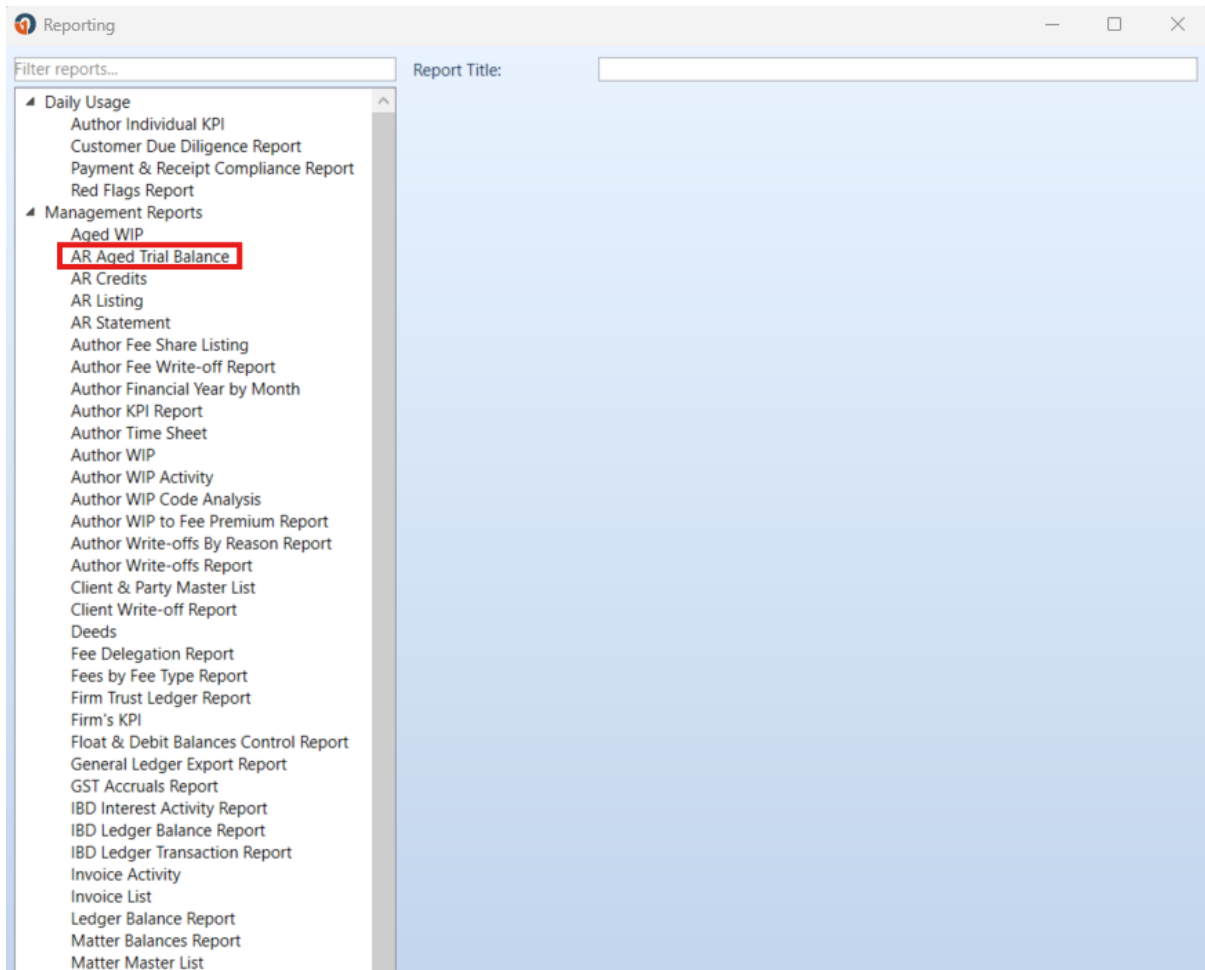


Figure 11.

We hope these suggestions help prepare your firm for EOFY. If any further support is needed, please feel free to contact our team.