

BrightBooks for C&C Schools

Quick Reference Guide

Operating the Online Payment Solution Clearing Account (1870)

What is the Online Payment Solution Clearing Account?

Where a school is operating an online payment solution system e.g., Easypayment Plus, MIT Education Solutions or Three Ireland (Way2pay), the Online Payment Solution Clearing Account allows you to efficiently record income received.

Instead of having to analyse each individual lodgement to the bank account, lodgements for a month can be accumulated and then analysed in bulk.

Outlined below are the steps on how to record bank lodgements to the clearing account and then record the analysis of this income to the various income accounts.



Step 1

Set up a nominal account code 1870 as the Online Payment Solution Clearing Account (if it is not already set up)

Click on 'General Ledger' on the menu bar and 'Chart of Accounts'

- Click on the 'New' button.
- The 'New Account' screen appears.
 - In the box 'Account group' click on the look up glass and select 'Bank'
 - In the 'Account Code' box type in 1870
 - In the 'Description' box type in 'Online payment solution clearing account'
 - Tick the box 'Is this a bank Account'.
 - Click Save

New Account

ACCOUNT GROUP Bank	ACCOUNT CODE 1870	
ACCOUNT TYPE Balance Sheet	CODE RANGE From 1800 To 1999	
DESCRIPTION Online Payments Solution Clearing Ac	<input checked="" type="checkbox"/> Is this a Bank Account	
BANK FEED TYPE Select option	CURRENCY EUR	
BIC	IBAN	BANK REFERENCE NUMBER
DEFAULT DEP AOD		
<input type="checkbox"/> Advanced		
<input type="button" value="Cancel"/>		<input type="button" value="Save"/>



Step 2

Accounting for the lodgements to the bank account

To record the individual lodgements from the online solution payment company into the school bank account, on the menu bar, click on 'Banking' and on 'Receipts'.

- Click on 'Quick Receipt'
- Select the bank account to which the receipts are lodged.
- Enter the details of the lodgement.
- Post the lodgement to nominal **code <1870>**

Quick Receipt

BANK ACCOUNT: 1800 Current Account 1

LODGE MENT NO.: Easy pay

LODGE MENT DATE: 30/10/2023

Date	Payment Type	DEP	Ref. No.	Customer	Notes/Paid by	Amount	VAT Code	VAT	Nom. Code
30/10/2023	EFT	AOD	Online Payment		Lodg from Online paym	564	Z 0.00% (Zero)	0.00	1870

Note: Where refunds have been processed through the online payments system and money has been paid out of the current account to the merchant services a bank payment to account <1870> should be recorded

You can use an excel template for quicker recording of your lodgements for the month,

[See here for further details.](#)



Step 3

Recording the income received from the Online Payments Solution at the end of the month.

At the end of the month, run a report from the online payment solution company showing the breakdown of the income received across the various income types.

To record the breakdown of the income received, on the menu bar go to 'Banking' and click on 'Receipts'.

- Click 'Quick Receipt'
- Select the online payment solution clearing **account 1870 from the list of bank accounts**
- Record a split payment, entering the breakdown of the income received per the report to the relevant income nominal codes

Quick Receipt

BANK ACCOUNT: 1870 Online Payments Solution Clearing

LODGE MENT NO.:

LODGE MENT DATE:

Date	Payment Type	DEP	Ref. No.
27/10/2023	EFT	AOD	

Splits

Amount	VAT Code	VAT Amount	Notes	DEP
265.00	Z 0.00%	0.00	3310 Transition Year Income	TY
150.00	Z 0.00%	0.00	3370 Locker Income	AOD
150	Z 0.00% (Zero)	0.00	3375	

Total of Receipt: 565.00
Total of Splits: 565.00
Unallocated Amount: 0.00

Note: In some set ups the full amount a parent pays is lodged to the bank account by the merchant services, and in others a payment solution or merchant services fee is held back.

- Where the fee is withheld the gross amount paid by parents should be recorded as income and the fee recorded as payment from the online payment solution clearing account 1870 to bank charges expense.
- Where there is a net refund in an income category the refund should be recorded as a payment out of <1870> to the relevant income nominal code.



Step 4

Reconciling the Online Payment Solution Clearing Account

Once all the transactions are entered you should be able to reconcile the closing balance on the online payment solution clearing account <1870> to your expected closing balance.

- Ascertain what your expected closing balance is. Were all monies received in the month lodged to the bank account during the month or were any amounts lodged after the month end e.g., the amount of income received on the 30th of September lodged to the current account on the 1st of October would be your closing balance at the 30th of September.
- The balance on nominal code 1870 at the month end should agree to this.
- You may record this on BrightBooks accounts by performing a bank reconciliation.
- On the menu bar go to 'Banking' and click on 'Bank Reconciliation'
- Enter the date for the end of the month, select account <1870>, enter your closing expected balance and select 'Save'.
- Tick off all transactions (as agreed to online payment solution report and merchant services statements) and you should be left with a 0 difference.

Practical Example:

Step 2:

A total of €17,000 was lodged to the current account from Online payments, in 22 different lodgements over the month of September.

These were recorded as receipts in the current account <1800> and coded to nominal code <1870>

Step 3:

An income report from the Online Payments system showed total income of €18,000 for September, less fees held by merchant services of €500. The total income for €18,000 was recorded as a split receipt to account <1870> at the month end against the relevant income codes e.g., <3310 Transition Year Income> etc. The fees withheld of €500 were recorded as a bank payment from <1870> to the bank charges expense. This left a balance of €500 on the online payments system of €500 (Income of €18,000 less fees of €500 less amounts lodged to the bank of €500)

Step 4:

The Online Payments system showed that €500 lodged the 1st day of the following month, October was received in September. Therefore, our expected closing balance at the 30th of September was €500.

When a bank reconciliation was performed and all transactions were ticked off, the balance per BrightBooks agreed to the expected balance and the difference was zero.

Bank Reconciliation ☐ Group un-presented Lodgements

1870 Online Payments Solution Clearing Account	30-Sep-2023	<input checked="" type="checkbox"/> Bank Reconciliation Complete
Balance as per BrightBooks on 30/09/2023	500.00	
Balance per Bank Statement	500.00	
Less un-presented Payments	0.00	
Plus un-presented Lodgment	0.00	
Reconciled Balance	500.00	
Difference	0.00	

[Click here for training videos on the Online Payments Solutions Clearing Account](#)