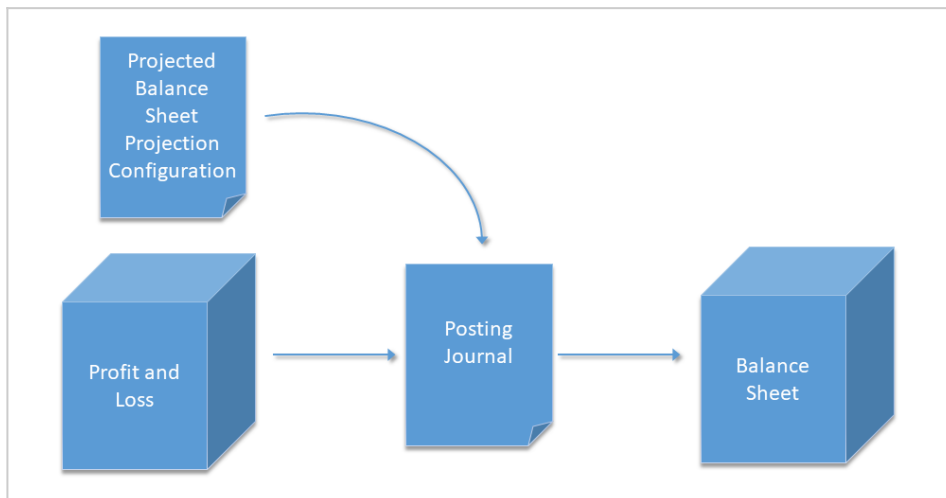


Projection

[Return to Projected Balance Sheet Model Overview](#)

The projection is a data processing procedure to populate parts of planned balance sheet statements. The projection uses amounts planned in the [Profit and Loss](#) cube. The projection configuration defines for all [PnL Account](#) elements how they affect the balance sheet. The configuration can be set up as well as executed using the [Projected Balance Sheet Projection Configuration](#) report. The projection procedure creates [Posting Journal](#) entries in the [Projected Balance Sheet](#) ledger and posts the totals to the [Balance Sheet](#) cube.



The Projected Balance Sheet model covers the following cases:

1. **Instant mapping of income or expenses without tax**
from an account in the profit and loss statement map to an account in the balance sheet statement (showing an

increase or decrease in a transaction).

2. **Instant mapping of income or expenses with tax** from an account in the profit and loss statement are the same as without tax plus mapping the computed tax in income or expenses to a tax account in the balance sheet statement (showing an increase or decrease in a transaction).
3. **Deferred proceeds** (alias inbound payments) **and payments** (alias outbound payments) from current receivables or accounts payables to a cash or cash equivalents account.
4. **Deferred proceeds and payments from tax assets and tax liabilities** to a cash (or cash equivalents) account. Document limits when due tax assets proceeds exceed tax payments.

1. Instant mapping of income or expenses without tax

Legal entity 17 (Best Bicycle USA LLC) has planned a total revenue of \$ 12,928,730 for December 2017. In the planned balance sheet this amount is booked as an increase of Total trade and other current receivables and an increase in Retained earnings. The booking takes instant effect – in the same period as the revenue.

The following diagram illustrates how the transaction in profit and loss

causes changes in the two balance sheet accounts:

Assets				Budget 2017-12
	Opening	Increase	Decrease	Closing
...
110000 - Total non-current assets
121200 - Total trade and other current receivables	...	12,928,730	...	...
...
120000 - Total current assets
Equity and liabilities				Budget 2017-12
	Opening	Increase	Decrease	Closing
211200 - Retained earnings	...	12,928,730	...	...
...
210000 - Total equity
...
220000 - Total liabilities
Profit and Loss				Budget 2017-12
	Opening	Increase	Decrease	Closing
311320 - Total revenue (entry)	12,928,730
...

The configuration for the PnL Account mapping is defined in the projection configuration:

PnL Account	Type	BS Account	Name	Type
311320 - Total revenue (entry)	Income	121200	Total trade and other current receivables	Assets

The retained earnings account is defined in Administration > Settings

> [Projected Balance](#)

[Sheet.Configuration.bs_account_retained_earnings](#).

The journal entry showing a debit in Total trade and other current receivables as well as a credit in Retained earnings within the BS Account is shown below:

BS Account (Transaction Type)	Debit	Credit
Total trade and other current receivables (Increase)	12,928,730	
Retained earnings (Increase)		12,928,730

2. Instant mapping of income or expenses with tax

The Jedox model features the projection of taxes on income and expenses. This may or may not be relevant for planning and control purposes, depending on the industry and customer preferences. The usage of tax projection is optional. It can be turned on per individual PnL Account by setting up a tax account and a tax rate.

The following diagram illustrates how the transaction in profit and loss causes changes in the two balance sheet accounts when a tax rate of 19% is applied to the net amount:

Assets				Budget
	Opening	Increase	Decrease	2017-12
				Closing
...
110000 - Total non-current assets	...	...	...	...
121200 - Total trade and other current receivables	...	15,385,188	←	Net + 19%
...
120000 - Total current assets	...	...	...	...
Equity and liabilities				Budget
	Opening	Increase	Decrease	2017-12
				Closing
211200 - Retained earnings	...	12,928,730	←	...
...
210000 - Total equity	...	...	...	...
222130 - Current tax liabilities, current	...	2,456,459	←	19%
...
220000 - Total liabilities	...	...	...	...
Profit and Loss				Budget
				2017-12
				Closing
311320 - Total revenue (entry)				12,928,730
...				...

The configuration for the PnL Account mapping is defined in the projection configuration:

PnL Account	Tax Account			Type
	Tax	Name		
311320 - Total revenue (entry)	L	222130	Current tax liabilities, current	Liabilities
	L	19		

The journal entry showing a debit in Total trade and other current receivables as well as a credit in Retained earnings and Current tax liabilities within the BS Account is shown below:

BS Account (Transaction Type)	Debit	Credit
Total trade and other current receivables (Increase)	15,385,188.34	
Retained earnings (Increase)		12,928,729.70
Current tax liabilities, current		2,456,458.64

3. Deferred proceeds and payments

Not all invoiced revenue is paid immediately but typically with some delay. Based on experience a payment schedule of payments can be defined. The model supports payment schedules with an arbitrary delay (in periods) and split in up to four portions. The payment schedule for this example is defined as follows:

Revenue Percentage Paid	Payment Schedule
60% of revenue	Paid within a delay of one month after invoice
25% of revenue	Paid within a delay of two months after invoice
10% of revenue	Paid within a delay of three months after invoice
Remaining 5 % of revenue	Paid within a delay of six months after invoice

The configuration for the PnL Account mapping is defined in the

projection configuration:

PnL Account	Term 1 ...	...	...	...	... Term 4
	Share 1 ...	...	...	...	... Share 4
311320 - Total revenue (entry)	1	2	3	6	Month
	60	25	10	5	%

For the December revenue \$ 12,928,730 this means 60% of this amount will be paid by January 2018, additional 25% in February, another 10% by March and the remaining 5% not later than May 2018. But wait - all these figures are not relevant to create the projected balance sheet for December 2017. To project the proceeds and payments happening in December one must look up the invoices raised in the months *before* December. 60% of the November revenue is projected as payment in December:

Assets	Budget 2017-11			Budget 2017-12		
	Opening	Increase	Decrease	Opening	Increase	Decrease
110000 - Total non-current assets
121200 - Total trade and other current receivable	...	11,530,859	...	...	12,928,730	6,918,515
1217221A - Current Payments	6,918,515	...
120000 - Total current assets
Equity and liabilities	Budget 2017-11			Budget 2017-12		
	Opening	Increase	Decrease	Opening	Increase	Decrease
211200 - Retained earnings	...	11,530,859	...	...	12,928,730	...
210000 - Total equity
220000 - Total liabilities
Profit and Loss	Budget 2017-11			Budget 2017-12		
	Opening	Increase	Decrease	Opening	Increase	Decrease
311320 - Total revenue (entry)	...	11,530,859	...	...	12,928,730	...

60%

60%

But that's not all. There is also 25% of the October revenue coming in December. And 10% of September and finally 5% of June:

Assets		Budget 2017-12			
		Opening	Increase	Decrease	Closing
110000 - Total non-current assets		...	...	...	...
			554,076	1,200,541	6,918,515
			1,200,541	2,620,650	6,918,515
121200 - Total trade and other current receivables		...	12,928,730	11,293,782	...
			554,076	1,200,541	6,918,515
			1,200,541	2,620,650	6,918,515
1217221A - Current Payments		...	...	11,293,782	...
120000 - Total current assets		...	...	...	...
Equity and liabilities					
		Opening	Increase	Decrease	Closing
211200 - Retained earnings		...	12,928,730	...	...
210000 - Total equity		...	...	...	...
220000 - Total liabilities		...	...	...	...
Profit and Loss					
		Budget 2017-06	Budget 2017-09	Budget 2017-10	Budget 2017-12
311320 - Total revenue (entry)		11,081,523	12,005,413	10,482,599	11,530,889
					12,928,730

Annotations in the table: 5% (June), 10% (September), 25% (October), 60% (November) for revenue; 554,076 (Deferred payment 5% of June), 1,200,541 (10% of September), 2,620,650 (25% of October), 6,918,515 (60% of November) for receivables.

The journal entries showing a debit in Current Payments, as well as a credit in Total trade and other current receivables within the BS Account, is shown below:

BS Account (Transaction Type)	Debit	Credit
Current Payments (Increase)	554,076.13	
Total trade and other current receivables (Decrease)		554,076.13

BS Account (Transaction Type)	Debit	Credit
Current Payments (Increase)	1,200,541.28	
Total trade and other current receivables (Decrease)		1,200,541.28

BS Account (Transaction Type)	Debit	Credit
Current Payments (Increase)	2,620,649.78	
Total trade and other current receivables (Decrease)		2,620,649.78

BS Account (Transaction Type)	Debit	Credit
Current Payments (Increase)	6,918,515.28	
Total trade and other current receivables (Decrease)		6,918,515.28

If the delay requires data older than the first period of the current version, data from the previous version (given by the [Previous Version](#) attribute of the [Version](#) dimension) is used.

4. Deferred proceeds and payments from tax assets and tax liabilities

The immediate projection of the additional tax is done together with the [instant mapping of income or expenses](#). The actual payments of the tax liabilities are due one month after the revenue (this schedule is independent of customer payments). The tax payments of December result from the revenue of November:

Assets	Budget 2017-11			Budget 2017-12				
	Opening	Increase	Decrease	Closing	Opening	Increase	Decrease	Closing
110000 - Total non-current assets	...	...	...	...	...	...	...	...
121200 - Total trade and other current receivables	...	13,721,722	...	...	...	15,385,188	...	...
1217221A - Current Payments	...	...	...	...	...	...	2,190,863	...
120000 - Total current assets	...	...	...	...	...	...	...	...
Equity and liabilities	Budget 2017-11			Budget 2017-12				
	Opening	Increase	Decrease	Closing	Opening	Increase	Decrease	Closing
211200 - Retained earnings	...	11,530,859	...	...	...	12,928,730	...	...
210000 - Total equity	...	...	...	...	...	...	...	...
222130 - Current tax liabilities, current	...	2,190,863	...	...	...	2,456,459	2,190,863	...
220000 - Total liabilities	...	...	...	...	...	...	...	...
Profit and Loss	Budget 2017-11			Budget 2017-12				
	Opening	Increase	Decrease	Closing	Opening	Increase	Decrease	Closing
311320 - Total revenue (entry)	...	...	...	11,530,859	...	...	...	12,928,730

19 % tax

The journal entry showing a debit in Current tax liabilities, current, as well as a credit in Current Payments within the BS Account, is shown below:

BS Account (Transaction Type)	Debit	Credit
Current tax liabilities, current (Decrease)	2,190,863.17	
Current Payments (Decrease)		2,190,863.17

The Projected Balance Sheet model creates the journal entries for payments of tax liabilities and proceeds from tax assets from the revenue and expenses in the past. In practice, the proceeds are deducted from the payments. However, if tax assets exceed the liabilities the net tax assets would remain until becoming deductible

from future tax liabilities.

For the sake of simplicity and transparency, this is not modeled in the projection. The Projected Balance Sheet model would just assume a proceed from net tax assets.

The configuration for the PnL Account mapping is defined in the projection configuration:

PnL Account	Tax Account				
	Tax	Name	Type	Term Tax	Cash
311320 - Total revenue (entry)	222130	Current tax liabilities, current	Liabilities	1	1217221A
	19				