

# OpenAIR

*Pension Accounting System*

OpenAIR Concept

Business Benefits

Dataflows

Database Structure

Reporting

Schemes

Accounting Features

Accounts

Postings

OpenAIR - Accounts Module

Administration Transactions Budgets Reporting Remote Sites Modules System Help

1 Main 2 Transactions

Categories: Groups Acct. Set Book Set Accounts Combin. Currency Banks Tax Vat

Reset

Details:

Show me all the Accounts

Associated with Book Sets ABC UK Staff Pension Scheme

Description	Short Code	Deleted
5 Year Guarantee Payment	52400	
Accruals	86150	
Accumulated Fund	16100	
Admin Fees	1200	
Administration Charges Ins Co	62000	
Administration direct to plc	57000	
Administration to plc	57100	
Annuities	44900	
AVCs Paid to ELAS	56100	
AVCs Paid to Nationwide	56200	
Bank Charges - National Westminster	56400	
Bank Interest	44800	
BGIM Market Value Unit Trusts	70650	
Cash Control - Credit Suisse	10180	
Cash Control - Schroders	10160	
Cash Control Custodian	10150	

To Do List: January 2002

Mon	Tue	Wed	Thu	Fri	Sat	Sun
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	1	2	3
4	5	6	7	8	9	10

Reminders:

## 'A Time For Change'

*With the introduction of the new SORP requirements, many pension fund accountants are finally starting to realise that there are emphatic advantages to using an accounting package that is designed specifically for pension funds.*

Professional Pensions, June 2001

Euraplan Limited  
 Suite 219, 2<sup>nd</sup> Floor  
 St Magnus House  
 3 Lower Thames Street  
 London, EC3R 6HD  
 Tel: 020-3146-8773  
 Email:sales@euraplan.co.uk  
 Web:www.euraplan.co.uk

# The OpenAIR Concept



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The 'OpenAIR' concept stems from a core objective of providing an **Open** System for **A**ccounts, **I**nvestment and **R**econciliation. OpenAIR consists of two modules, Investments and Accounts, both of which are fully compliant with Open Database Connectivity (ODBC) relational databases and standard report writers.

The two systems have been developed to interface with each other, although they can stand alone and have the flexibility to integrate with other systems, using leading-edge technology.

OpenAIR dovetails with ease into existing IT strategies. The software can operate on Windows 2000/XP/Vista/7 and Novell Netware platforms and is designed to operate with any Open Database Connectivity (ODBC) compliant Relational Database Management Systems (RDMS).

OpenAIR is Euraplan's flagship solution, it offers a revolutionary quality of pension accounting and investment monitoring to pension schemes.

### OpenAIR Accounts

Designed specifically with pension funds in mind, OpenAIR Accounts is a financial reporting system that provides complete control over all pension schemes' financial operations. It also produces the latest Statement of Recommended Practice (SORP) FRS102 accounts at the 'press of a button'.

The system integrates securely with administration systems, payroll systems and third-party reporting tools. It ensures that efficient and automatic data entry methods can be used to offer time and cost savings.



# The OpenAIR Concept



## OpenAIR Investments

The principal benefits which pension schemes will enjoy from OpenAIR Investments is meticulous, independent verification of their custodians' and fund managers' activities and a reduction in the time spent collating and reporting on the pension schemes' investments. OpenAIR Investments puts a particular spot light on income, market value, and realised and unrealised profit and loss on investments and currency.

OpenAIR Investments stores and reports all values in multi-currency. It has the ability to accrue outstanding trades, income and tax receivables on an ad-hoc basis. Input is secure and efficient through the automatic posting links Euraplan has with over 45 fund managers and custodians worldwide. Manual entries and automated postings are user, time and date stamped.

Independent checks are made on income received and receivable, corporate action entitlements and market valuations by taking the FT Information dividend, corporate action, exchange rate and pricing feeds.

## The Way Forward

Euraplan is in a unique position to address the information technology requirements of the pension fund industry. It will continue to develop state-of-the-art fund monitoring and accounting solutions as an industry-leading software supplier. Euraplan is also investing heavily in the very latest technology in order to deliver systems that will further strengthen the business operations of its clients. The organisation is committed to providing the industry standard for pensions accounting and investment monitoring systems.

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*Schemes*

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*Accounts*

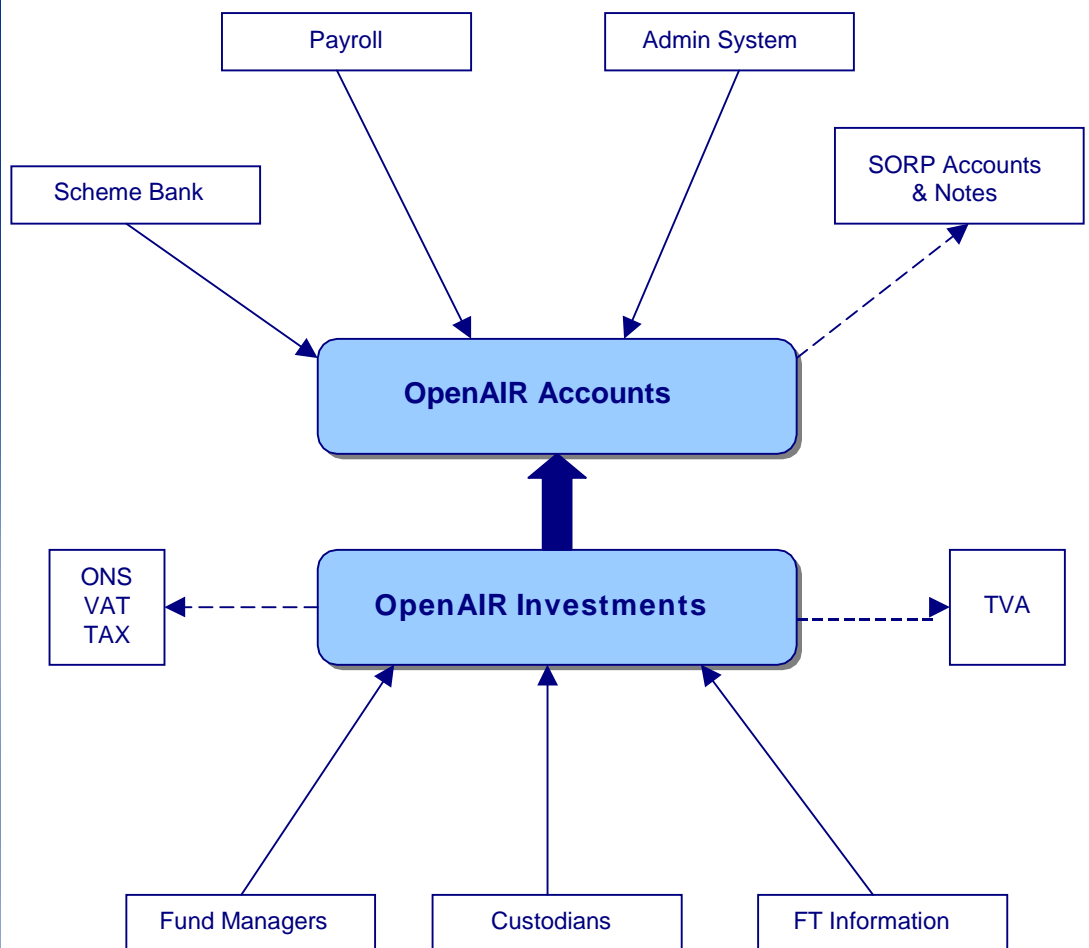
*Postings*

# The OpenAIR Concept



The OpenAIR solution can automate the pension investment and accounting process from the moment a trade has been performed until it is reported in the year-end SORP accounts and notes.

Through the technology used the solution can 'speak' to other systems used within the pension scheme process i.e. banks, payroll, administration, fund managers and custodians. It can also output data to reports or other systems i.e. ONS Returns, VAT, Analytics TVA - Transaction Value Analysis (see page 17 for detail).



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# Business Benefits



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## Financial control of the pension scheme operation

- Fully auditable.
- Secure payments:
  - Data collection for payment requests.
  - Separate payment entry and authorisation prior to actual payment.
- SORP compliant accounting.
- Sophisticated enquiry and analysis.
- Integrates with key business systems e.g. pensions payroll and pensions administration.
- Manual and automated bank reconciliation facility.
- Automated payroll import.

## Time & cost reductions

- Minimises data entry duplication.
- Information stored where required.

## IT strategy

- Technical compliance i.e. ODBC relational database and standard report writer.
- Future proof and Euro compliant.

## Usability

- Single Document Interface allows the user to view only what is required to complete the task.

## Security

- As all window components (e.g. menu items and buttons) are registered within the security system, it allows total control over which features individual users can access.
- This also applies to transaction entry; through posting templates which are attached to particular book sets/scheme accounts, posting errors are minimised.
- Payments can have controls applied to them through separate assignment of functions.

## Relational database

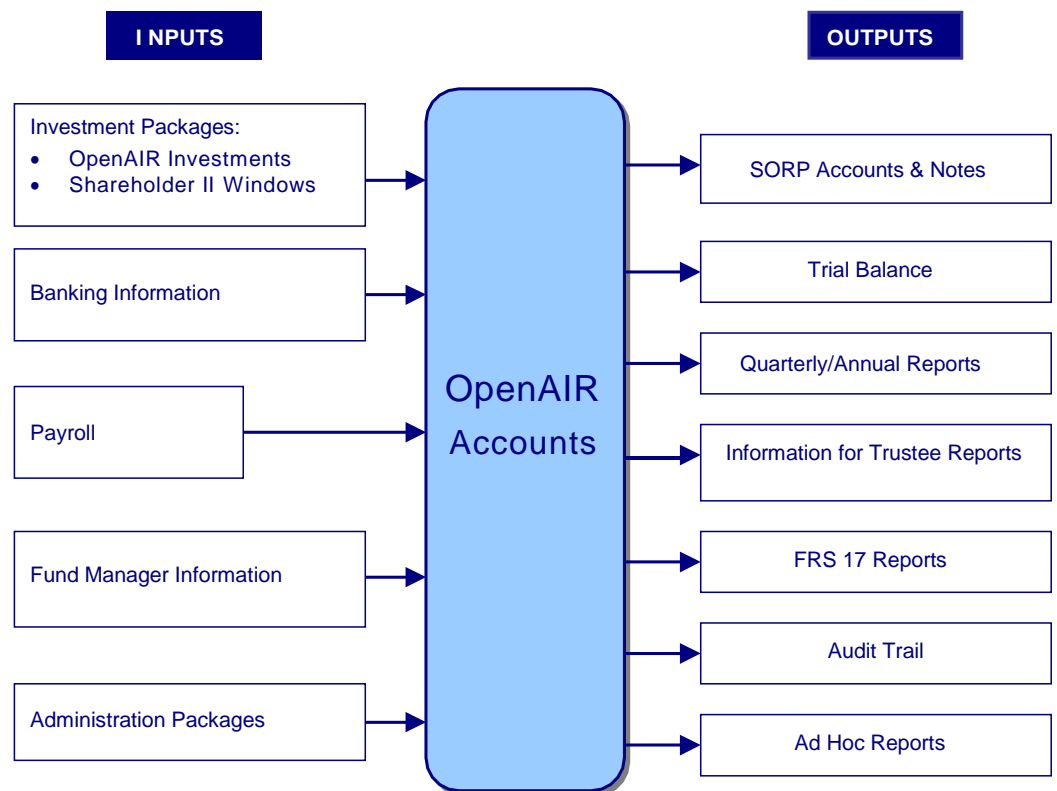
- Built in integrity checking.
- Reduces storage requirements.
- Reduces data redundancy.
- Easy data access and data manipulation.
- Configurable security.

# Dataflows



OpenAIR Accounts can interface with various systems. This activity ensures that data is taken directly from its source, instead of being re-entered. This can significantly reduce data-entry time without sacrificing vital control systems. The extensive reporting facilities within OpenAIR ensure that all parties receive reports that are accurate, detailed and meaningful.

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By using the latest technology, OpenAIR enables integration of all aspects of the pension scheme operation into a Financial Control Centre (FCC).

OpenAIR adds the accounting dimension to the operations of a pension scheme. By concentrating on the financial aspects of events, the trustees, through the pension accountant, can be assured that proper procedures are being followed.

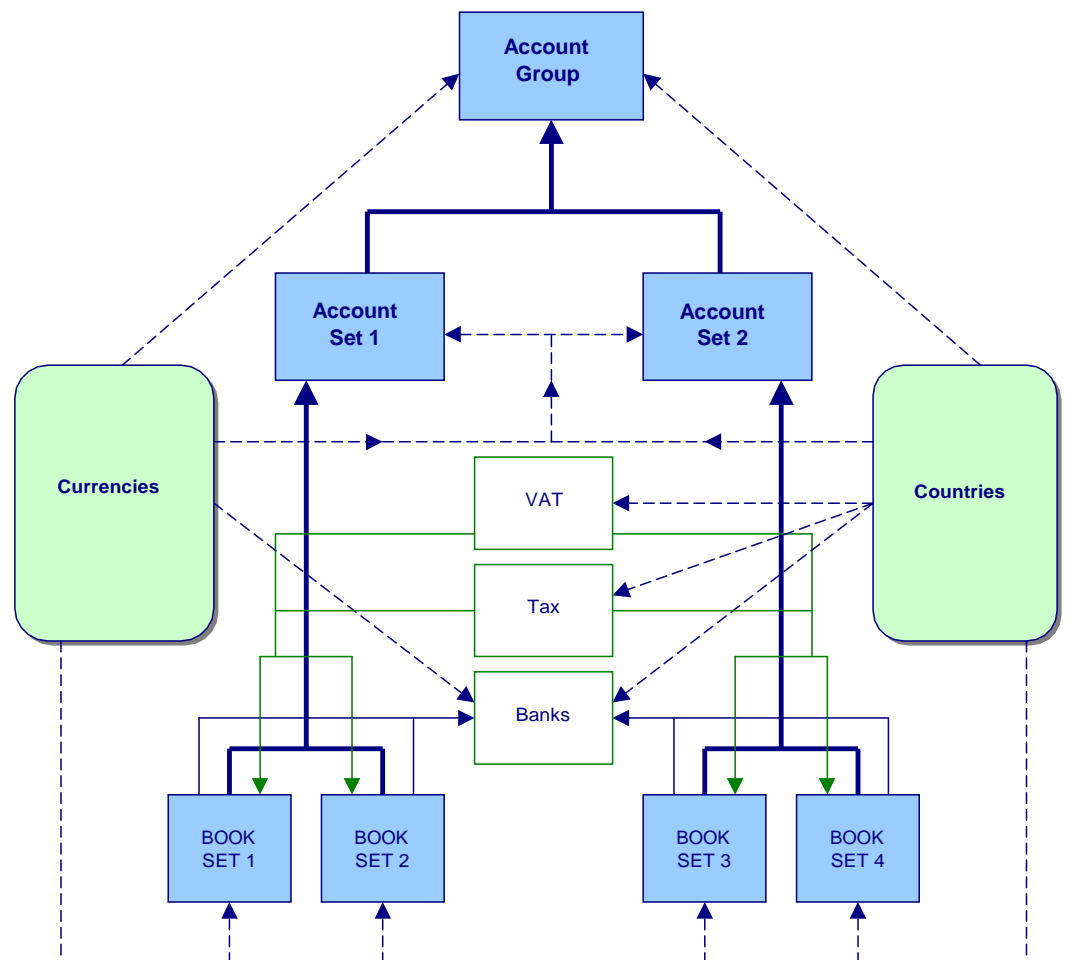
# Database Structure



OpenAIR Accounts is a financial recording and reporting system designed specifically for pension schemes. Advanced relational database technology and design creates a flexible system of components that can be connected in numerous combinations.

Future and present needs are met through the system's business functionality and flexibility. Components can be in different currencies to provide multi-currency reporting.





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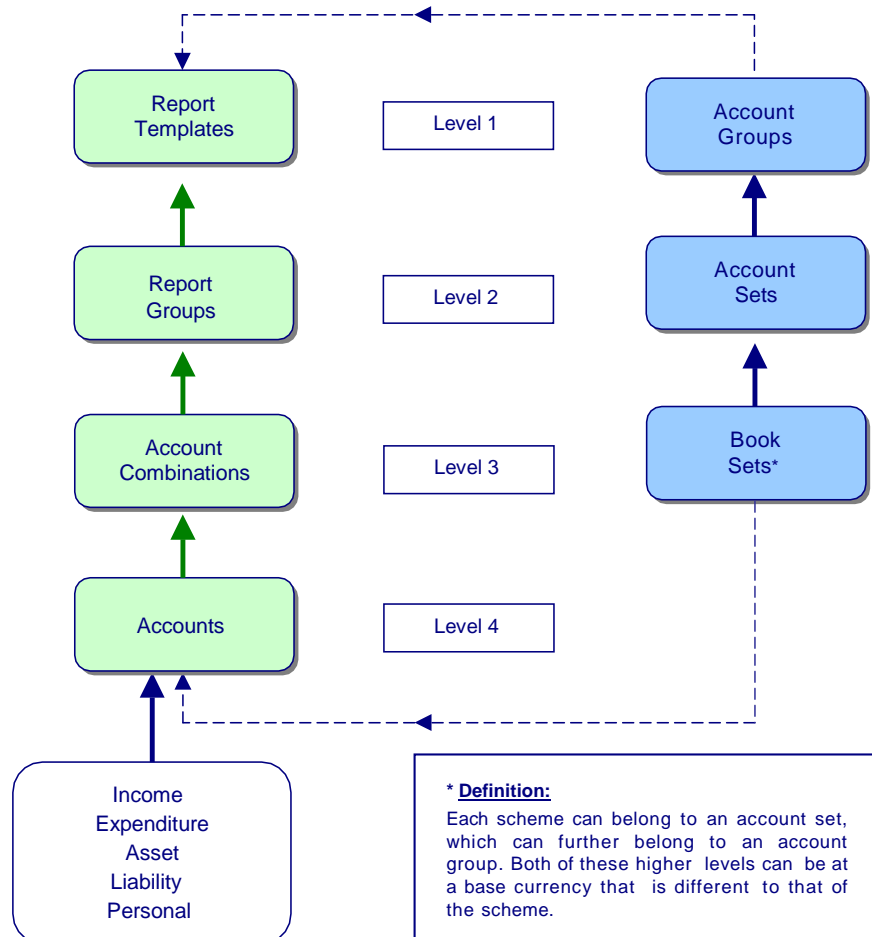


# Reporting



OpenAIR Accounts can create four different types of reports:

-  *Type 1: Hard coded* - SORP Accounts and notes, Trial Balance, Year-end and quarterly reports.
-  *Type 2: Ad hoc* - the creation of specific reports i. e. 'one-off' expense reports for trustees. These reports can also be saved for future use.
-  *Type 3: Output information* - the ability to send information in five varying formats including WORD and EXCEL. The data can then be manipulated into customised trustee reports.
-  *Type 4: Third Party Reporting* - information can be accessed via a third party reporting tool i.e. Infomaker or Crystal Reports.



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# Reporting



OpenAIR Accounts uses ODBC technology with a range of industry databases. Any industry standard reporting tool may be used to access the data.

The system also contains a number of pre-defined reports and a user-defined view facility for quick enquiries.

The Trial Balance display operates similar to Microsoft Explorer. The user sees the higher level and drills down to the detail.

The screenshot shows a software window titled "Trial Balance Results for Book Set - Demo Group Pension Scheme (as at 31/12/2001)". The window has two tabs: "Parameters" and "Results". The "Results" tab is active, showing a tree view of account types under "Demo Group Pension Scheme [GBP]". The tree view includes "Asset Accounts", "Expense Accounts", "Income Accounts", "Liability Accounts", and "Personal Accounts". Below the tree view is a table with columns for "Account Type", "Pre-Payments", and "Net". The table data is as follows:

Account Type	Pre-Payments	Net
Asset		45,833,193.97
Expense		39,202,143.64
Income		-84,428,483.19
Liability		-606,854.42
Personal		0.00

At the bottom of the window, there is a "TOTAL" row with two input fields, both containing "0.00". On the right side of the window, there are buttons for "Done", "Help", "Print", and "Run".

A full set of SORP reports created by using OpenAIR Accounts is available upon request.



# Schemes



The number of schemes that OpenAIR Accounts can retain is limited only by the disk space of the system and the chosen relational database.

Schemes can be based in any currency and Tax and VAT office details can be attached. Each scheme can operate with an unlimited number of bank accounts.

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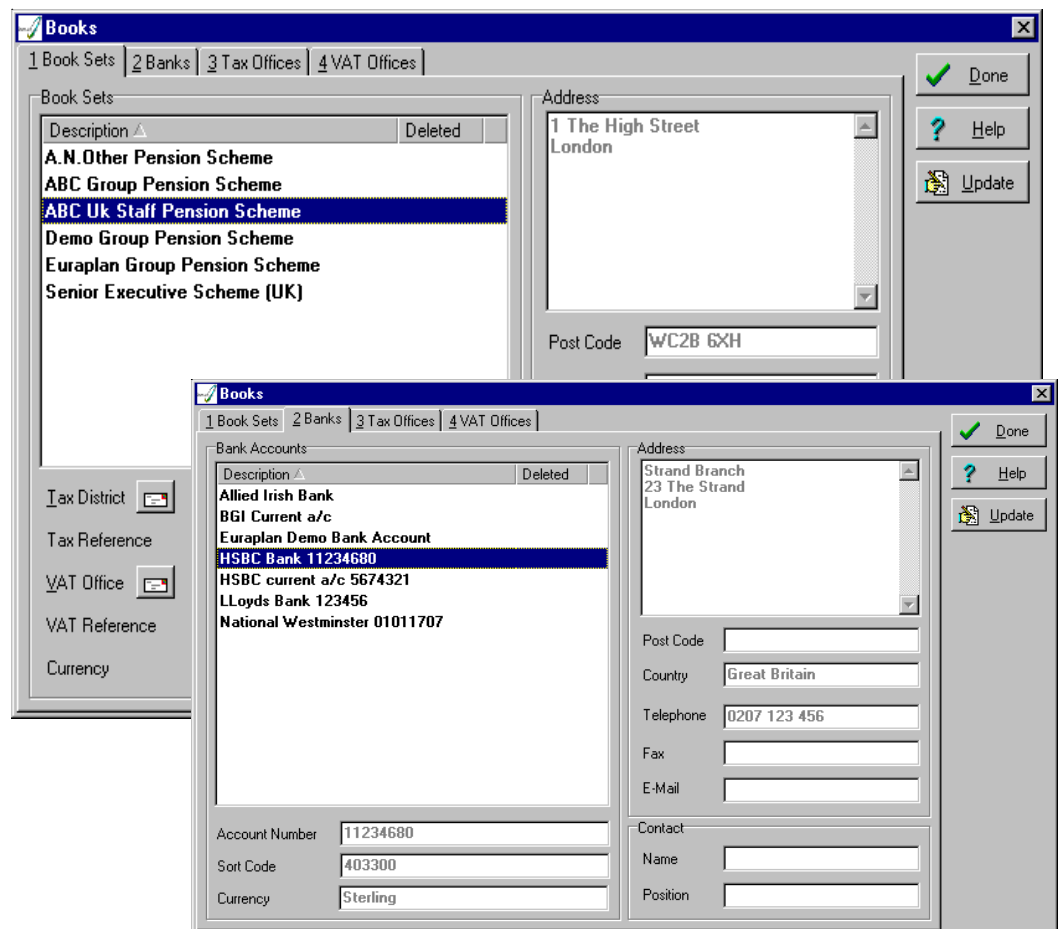
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# Accounting Features



OpenAIR Accounts provides for Single or Multiple Scheme formats, whether Defined Benefit, Defined Contribution or Hybrid design with multi-currency options.

All schemes have the following accounting features in common:

-  Multiple bank account details.
-  Accounts shared by schemes.
-  Multiple account types: - asset, liability, income, expense and personal.
-  Multiple posting types: - receipts, payments, request for payments, journals and supplier invoices.
-  Multiple payment/receipt methods: - bank transfer, cheque, direct debit and standing order.
-  Postings: - pre-defined template control and ad hoc user entry.
-  Transaction information: - effective date, transaction reference/ batch number, posting type, payment type, payment/ receipt method, payee/received from (address, bank account, sort code), cheque number, account transaction reference and transaction user/ date/ time stamped.
-  VAT control.
-  Request for payments: - authorisation, pay/hold, allocate cheque numbers, print cheques and review/ search for payments.
-  Bank reconciliation function, both manual and automated.
-  Automated payroll import facility.
-  Trial balance by account type.
-  Audit trail.
-  SORP Reporting: - fund account, net asset statement, notes to the accounts and ad hoc reports designed by user.
-  FRS 102 disclosure report.
-  Report writer and any other industry standard such as Crystal Reports. Views: - transactions by scheme, account by scheme, bank account or currency.
-  Security: - transactions user/date/time stamped, user functions defined by administration and password protected at different levels.
-  Budget control and user definable variance analysis reports.
-  Remote site data entry: - automatic update to main site.
-  Investment module: - investment recording and settlement.
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# Accounts



OpenAIR Accounts can retain an unlimited number of accounts. Each account has a unique description and short code. The short code is user definable and may be alpha, alpha-numeric or numeric.

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Account	Account Type	Short Code	Acc. Fund
5 Year Guarant	Expense	52400	
Account FB 37	Expense	FB3700	
Account SC 20	Expense	SC2000	
Accruals	Asset	86150	
Accum Fund	Asset	20000	
Accumulated Fund	Asset	16100	✓
Accumulated Fund	Asset	80100	✓
Actuarial Fees	Expense	1300	
Admin Fees	Expense	1200	
Administration Charges Ins Co	Expense	62000	
Administration direct to plc	Expense	57000	
Administration to plc	Expense	57100	
Amounts pre-paid	Asset	77750	
Annuities	Income	44900	
Annuities Recovered	Income	60800	
Audit Fees	Expense	1400	
Audit Fees - Pricewaterhouse	Expense	63200	
AVC MV change	Asset	9300	

For reporting purposes, an account can belong to multiple account combinations allowing multiple reports to access any individual account.

Description	Code	Deleted
Other Income -	N50THI	
Other Income Received	OTINC	
Other Income-	FAOTIN	
Other Insurance Policies	N110TH	
Other Investment Expenses	OTIEXP	
Other Investments	N110TI	
Other Investments1	NAOTMV	
Other Loans	N110L	
Other Payments	FAOTPA	

Description	Short Code	Type
DSS General	56300	Expense
Bank Charges - National Westminster	56400	Expense
Interest on Late Payment	56500	Expense

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# Accounts



Report groups use account combinations in order to consolidate the account balances.

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The 'Accounts' window displays account combinations and associated accounts. The 'Account Combinations' table lists various categories and their codes. The 'Associated Accounts' table shows the breakdown of 'Lump Sum Commutations' into three cash-based accounts.

Description	Code	Deleted
Irrecoverable taxation	N10IRR	
L & G Bookcost	BCLANG	
Leavers	FALEAV	
Leavers	LEAVER	
Legal & professional fees	N9LEG	
LEGAL FEES	LEGFEE	
LUMP SUM BENEFITS	LSUMS	
<b>LUMP SUM COMMUTATIONS</b>	<b>ALIASD</b>	
Lump sum death benefits	N6BEDB	

Description	Short Code	Type
Lump Sum Commutations FSB Cash	50100	Expense
Lump Sum Commutations AVC PMF	501150	Expense
Lump Sum Commutations PMF Cash	50000	Expense

The 'Edit Defined Report Group' window shows the 'BENEFITS PAYABLE' report group with a list of available account combinations. The 'Display Accounts for an Account Combination' window shows the breakdown of the 'LUMP SUM COMMUTATIONS' account into three sub-accounts.

**Available Account Combinations:**

- Other Insurance Policies
- Other Investment Expenses
- Other Investments
- Other Investments1
- Other Loans
- Other Payments
- OTHER PROFESSIONAL FEES
- Overseas quoted equities

**Selected Account Combinations:**

- PENSIONS PAID
- LUMP SUM COMMUTATIONS
- DEATH BENEFITS

**Display Accounts for an Account Combination (LUMP SUM COMMUTATIONS):**

Account	Code
Lump Sum Commutations AVC PMF	501150
Lump Sum Commutations FSB Cash	50100
Lump Sum Commutations PMF Cash	50000

# Postings



There are three methods of posting transactions within OpenAIR Accounts: Ad hoc

- postings, where accounts are chosen at the time of posting.
- Template postings, where accounts and the sign of the posting are preset.
- Automatic transactions, where transactions are entered at a remote site and sent to update the main database. Also includes an automated payroll import facility.

Pre-defined posting templates can be set up on just one occasion and then linked to various schemes so that only those schemes can use the template. This approach saves a great deal of time. Templates can also be set up for any regular posting type i.e. payments, receipts, request for payments, journals etc. For example, these could be monthly contributions, refunds, transfers out, commutations and investment postings.

Component	Sign	Amount	VAT Amount	VAT Rate	Account
Gross Lump Sum Commutation	+				50100
Gross Lump Sum Commutation	+				50000
Gross Lump Sum Commutation	+				501150
Tax Liability	-				17000
Net Lump Sum Commutation F	-				NET

The accounts and their treatment are preset. The user enters:

- Effective date.
- Transaction reference.
- Payment method.
- Cheque number (if it is an after event payment or receipt).
- Prepayment or accrual.
- Payee and payee details.

All transactions have a unique posting system number and are stored with the user details and a date/time stamp.