

Sage Pastel Accounting



Sage Pastel Support Document Transactions to Process when Purchasing an Asset

Please note that before processing the journal entries, you must check with your accountant so that he can advise you of his preferred procedure. Always make a backup before updating so that if corrections need to be made, they can be made easily.

1. Capturing the Journal Entries

When an asset is purchased, journal entries must be processed so that the VAT portion of the purchase can be claimed back from SARS. The transactions are processed from the document you receive when you buy the vehicle or asset.

Firstly, the liability accountant will be credited, as you owe money. The liability account will either be Pastel's account 5500/000 Long Term Liabilities, account 5600/000 Installment Sale Creditors or another account which you have set up for liabilities. The full amount which will need to be repaid is the liability, which includes any finance charges, interest and VAT.

The screenshot shows the 'Process Journals' window with the following data:

Per	Date	Account	Reference	Description	Tax	Exclusive	Inclusive	DC	Contra Account
01 - 01 /	31/03/05	5500/000	JOURNAL	Motor Vehicle	01	81,337.31	92,724.53	C	6200/010
01 - 01 /	31/03/05	5500/000	JOURNAL	Motor Vehicle - Finance Charges	00	22,083.11	22,083.11	C	3750/000
01 - 01 /	31/03/05	5500/000	JOURNAL	Motor Vehicle - Revenue Stamps	00	50.40	50.40	C	3800/000

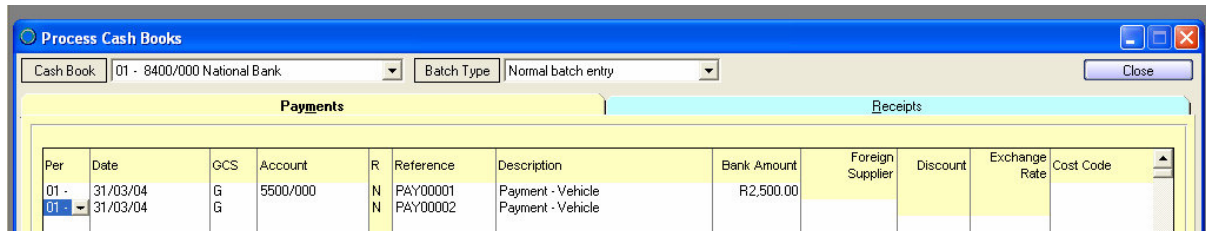
At the bottom of the window, there are buttons for 'Delete <Ctrl-D>', 'Match <F3>', 'Inc / Exc <F8>', 'Preview...', 'Print...', 'Update...', 'Batch...', and 'Settings...'. The status bar at the bottom shows 'JOURNAL=114,858.04C', 'Long Term Liabilities', and '114,858.04C'.

The asset accounts will be credited as a contra to the debit transaction. Generally, one of Pastel's Asset @ Cost accounts, such as 6200/010 Motor Vehicles at Cost, will be used, or any other account, which you have created for this reason.

The other lines of the transaction, for example Finance Charges and Interest will need to be processed as directed by your Accountant. Some companies process the finance charge to an expense account, for example, bank charges, and the interest to an accrual account that the Accountant specifies. In the example above the Finance Charge went to 3750/000 and the Stamp Duty to General Expenses.

2. Capturing payment made on the Asset

Any payments made on the vehicle are done through the cashbook to the Liability account used, so the balance of the account, which is the amount owed on the asset, becomes less month-by-month.



The screenshot shows the 'Process Cash Books' window with the following details:

- Cash Book: 01 - 8400/000 National Bank
- Batch Type: Normal batch entry
- Close button
- Payments tab selected
- Table with columns: Per, Date, GCS, Account, R, Reference, Description, Bank Amount, Foreign Supplier, Discount, Exchange Rate, Cost Code

Per	Date	GCS	Account	R	Reference	Description	Bank Amount	Foreign Supplier	Discount	Exchange Rate	Cost Code
01 -	31/03/04	G	5500/000	N	PAY00001	Payment - Vehicle	R2,500.00				
01 -	31/03/04	G		N	PAY00002	Payment - Vehicle					

As advised, you can process this transaction, but needs to be approved by your Accountant before you process the journal in this suggested manner.