

# Sage 50 Accounts

**#3 - Effortlessly  
complete and submit  
your VAT return.**

Jacqui Wilson

Sage



Sage



**VAT proficiency**

Sage 50 Accounts

# Housekeeping

The screenshot shows a Zoom meeting interface. On the left, a presentation slide for 'Session 3' is displayed. The slide text reads: 'Session 3', 'Effortlessly complete and submit your VAT return.', 'Jacqui Wilson', and the Sage logo. The main video area shows a woman in a white apron working at a laptop. On the right, the 'Questions' sidebar is open, showing a list of icons: a microphone (muted), a hand (raised), a question mark (submit question), and a document (download handouts). Three green callout boxes with arrows point to these icons: 'Automatically Muted' points to the microphone icon, 'Submit your questions' points to the question mark icon, and 'Download Handouts' points to the document icon. Below the icons, the sidebar contains the text 'Want answers?' with a dashed arrow pointing to the 'Ask the staff a question' input field, and a blue 'Send' button at the bottom.

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**Questions**

# VAT Proficiency

**Earn your digital badge by attending at least 4 different topics – 18-29 March.**

**#1** - Mastering tax codes (UK only)

**#2** - Prepare and reconcile your VAT Return with ease

**#3** - Effortlessly complete and submit your VAT Return

**#4** - Our top 5 questions answered

**#5** - Exploring the VAT verification checks

**#6** - Running reports for confident reconciliation

**#7** - Correcting VAT transactions

**Note:** badges will be issued by April 12<sup>th</sup>

[Register now](#)



# Poll

Are you submitting a

- **UK VAT Return?**
- **A ROI VAT return?**
- **Both?**

# VAT transfer journals



# Why do you need to post VAT transfer journals?

VAT transfer journals are used to transfer the values from the sales and purchase tax control accounts into the VAT Liability.

Payments cannot be made to sales and purchase tax control accounts due to the fact that they are **control accounts**.

Without running a VAT transfer journal, sales tax control, purchase tax control and VAT liability nominal codes would all accumulate large values.

This would not impact reporting on the balance sheet as usually they are grouped together for reporting purposes however, VAT Transfer journals are a good tidy up routine to complete post VAT submission.

2200	Sales Tax Control Account			5421.80
2201	Purchase Tax Control Account		3633.40	
2202	VAT Liability		1788.40	

# What do the VAT transfer journals move?

On the UK VAT return the VAT transfer journal moves the balances of the following boxes minus any VAT adjustments

**Sales tax** Box 1 – Total VAT on sales

**Purchase tax** Box 4 – Total VAT on Purchases

On the ROI VAT return the VAT transfer journal moves the balances of the following boxes minus any VAT adjustments

**Sales Tax** - This amount is from the first box on the VAT Return (VAT charged on supplies of goods and services)

**Purchase tax** - This amount is either:  
T4 plus the VAT charged on supplies of goods and services if a VAT reclaim is due from Revenue.

Or T2 minus the VAT due on intra-EU acquisitions and postponed VAT (the second box on the VAT return) if a VAT payment is due to Revenue.



# Manual Posting.

This can be done outside of the VAT Return in Nominal codes > Journal Entry

It is possible to memorise journals for future postings and change the values each time to reflect that periods VAT figures

The manual process is open to human error and can be time consuming.

Reference	Posting Date	Balance
	31/12/2023	0.00

N/C*	Name	Ex.Ref	Department*	Details	T/C*	Debit	Credit
2200	VAT on Sales		0	VAT Transfer	T9	662.80	0.00
2202	VAT Liability		0	VAT Transfer	T9	0.00	662.80
2201	VAT on Purchases		0	VAT Transfer	T9	0.00	224.60
2202	VAT Liability		0	VAT Transfer	T9	224.60	0.00

# Automatic posting.

Automatic posting takes care of these journals at the click of a button within the VAT return window.

As well as posting the transactions it marks the VAT Return as 'transferred' within the VAT return window.

It also marks the VAT return as transferred within the VAT ledger.

This option removes the likelihood of human error, automatically using the final date of the VAT period for posting and pulling the values direct from the VAT return.

### VAT transfer

Date	<input type="text" value="31/12/2023"/>	<input type="button" value="Calendar"/>
Sales tax amount	<input type="text" value="662.80"/>	<input type="button" value="Calculator"/>
Purchase tax amount	<input type="text" value="224.60"/>	<input type="button" value="Calculator"/>

### Submit to HMRC

Submit this VAT Return electronically to HMRC.

If you have already submitted this Return using another method, select Mark as submitted.  Mark as submitted

### Record payment

Bank	<input type="text" value="1200"/>	<input type="button" value="Dropdown"/>
Date	<input type="text" value="//"/>	<input type="button" value="Calendar"/>
Reference	<input type="text" value="123456789"/>	
Details	<input type="text" value="VAT Payment"/>	
Amount	<input type="text" value="438.20"/>	<input type="button" value="Calculator"/>

If you have already recorded this transaction in your accounts, select Mark as paid.  Mark as paid

### Attachments

# Bank Payment/ Receipt



# Why do you need to post the payment/receipt?

The payment to HMRC/Revenue or refund into your bank needs to be recorded in your Sage software to ensure your bank balance is correct.

This can be done by posting a simple bank payment or bank receipt to the VAT liability nominal code 2202.

This does not however mark the VAT return as 'paid' however this can be done manually

Manually processing the Bank payment/Receipt also opens up the opportunity for Human error during posting.

# Manual Posting.

This can be done in Bank > Bank Payment/ Bank Receipt.

This needs to be posted to the VAT liability nominal code (2202 by default) and using a T9 code.

You can then manually mark the VAT return as paid within the VAT return using the mark as paid tick box.

The screenshot displays the 'Bank Payments' window with the following elements:

- Toolbar: Clear form, Print Cheque, Insert row (F7), Remove row (F8), Copy cell above (F6), Copy cell above +1 (Shift + F6), Calculate net (F9), Memorise, Recall, Print list, Send to Excel.
- Form fields: Bank (empty), Tax Rate (0.00), N/C (empty).
- Table:

Bank*	Date*	Ref	Ex.Ref	N/C*	Departmer	Project Ref	Cost Code	Details	Net	T/C*	Tax	Gross
1200	31/12/2023			2202	0			HMRC Dece...	438.20	T9	0.00	438.20
↓												
- Summary: 438.20 (Net), 0.00 (Tax), 438.20 (Gross).
- Buttons: Save, Close.

# Automatic posting.

Automatic posting takes care of these journals at the click of a button.

As well as posting the transactions it marks the transaction as 'paid' within the VAT return window.

It also marks the VAT return as 'paid' within the VAT ledger.

### Record payment

Bank	1200	
Date	//	
Reference	123456789	
Details	VAT Payment	
Amount	438.20	

If you have already recorded this transaction in your accounts, select Mark as paid.  Mark as paid

### Attachments

# VAT Submission – UK



# Submit your VAT Return - UK.

Company Preferences

Opayo by Elavon Supplier Payments Microsoft 365 GoCardless for Sage 50

Details Labels Parameters Reporting Budgeting **VAT**

**VAT Details**

VAT Reg

Non-Vatable Tax Code   Item VAT Amendable

VAT Scheme   Validate VAT Number

Enable Making Tax Digital for VAT submissions

**EC Sales**

Error Threshold

Branch Identifier

Branch Postcode

**eSubmissions Credentials**

User ID   Show password

Password

Confirm

The VAT in the UK is submitted digitally under 'Making Tax Digital'

This first requires the software to be activated for an 'MTD' submission.

This can be activated within settings> company preferences> VAT.

In addition to ticking the 'Enable Making tax digital for VAT submissions' tick box the VAT registration must be entered.

VAT Returns can then be submitted directly from the software to the HMRC portal.



# VAT submission – ROI



# Submit your VAT Return - ROI.

VAT Return - NEW

1. Prepare VAT Return 2. Reconcile VAT Return 3. Complete VAT Return

## VAT Return

IRISH VAT

01/03/2024 - 31/03/2024

**RECONCILED**

VAT charged on supplies of Goods and Services		23.00
VAT due on intra-EU acquisitions and postponed VAT		0.00
<b>Total VAT on Sales</b>	<b>T1</b>	23.00
<b>Total VAT on Purchases</b>	<b>T2</b>	0.00
<b>Net Payable (Excess of T1 over T2)</b>	<b>T3</b>	23.00
<b>Net Repayable (Excess of T2 over T1)</b>	<b>T4</b>	0.00
<b>Total Goods TO other EU countries</b>	<b>E1</b>	0.00
<b>Total Goods FROM other EU countries</b>	<b>E2</b>	0.00
<b>Total Services TO other EU countries</b>	<b>ES1</b>	0.00
<b>Total Services FROM other EU countries</b>	<b>ES2</b>	0.00
<b>Value of goods imported under Postponed Accounting (net plus carriage, insurance and freight(CIF))</b>	<b>PA1</b>	0.00

0, For information only:

Total value of sales, excluding VAT	100.00
Total value of purchases, excluding VAT	0.00

Print Verification results Adjustments: €0.00 View adjustments

### VAT transfer

Date: 31/03/2024

Sales tax amount: 23.00

Purchase tax amount: 0.00

Post Journal

### Submit to the Revenue Commissioners

Your VAT Return has been saved as a file, which you can upload to the Revenue Online Service (ROS). [Open folder](#)

If you have already submitted this Return using another method, select Mark as submitted.  Mark as submitted

### Record payment

Bank: 1200

Date: / /

Reference:

Details: VAT Payment

Amount: 23.00

Post Bank Payment

If you have already recorded this transaction in your accounts, select Mark as paid.  Mark as paid

### Attachments

[Add Attachments](#)

Close

The VAT in ROI needs to be submitted manually.

When you reconcile the return and XML file is created in the VATRTNS folder within the company data.

This file is to be uploaded to the Revenue online service.

Once complete you can tick to mark as submitted.

# Summary



# Summary.

- Always ensure you have a backup.
- Vat Transfer is used to transfer sales and purchase tax values to the VAT liability.
- Without this, these 3 nominal codes would accumulate large balances
- VAT transfer wizard takes the pain out of posting the journal manually
- Post Payment/Receipt recognises whether a payment or a refund is required
- UK MTD submissions are sent digitally direct from your software to HMRC
- ROI submissions require a .XML file to be downloaded and uploaded to Revenue

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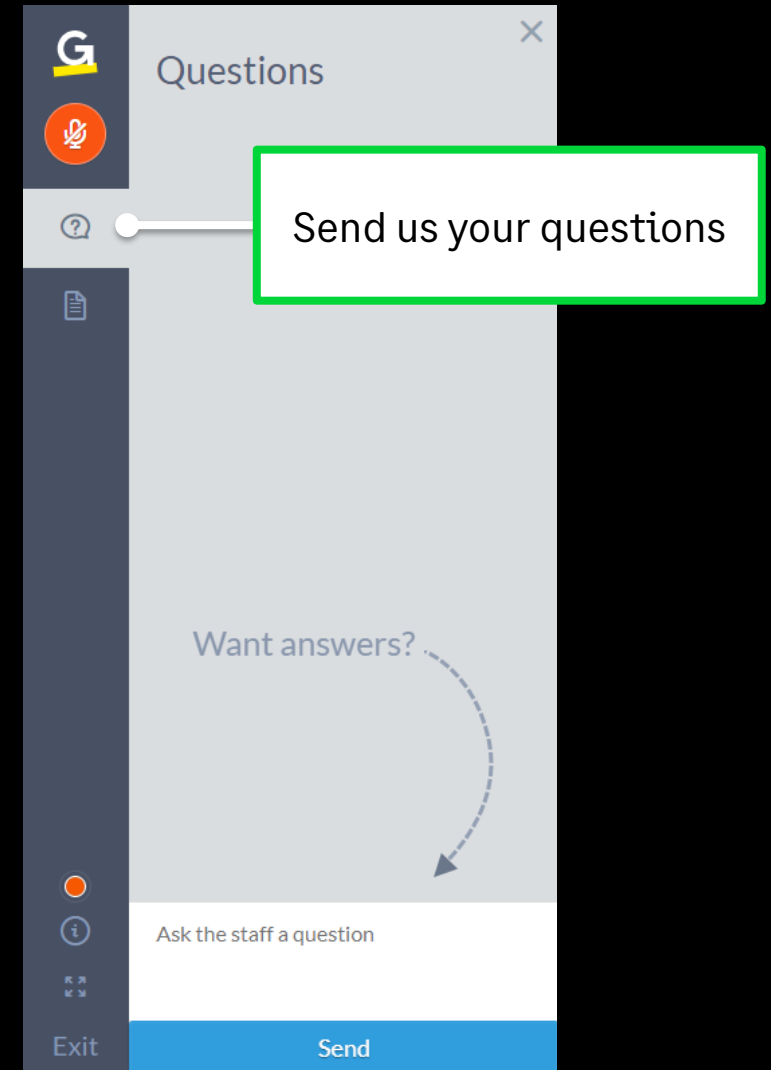


# Questions

Submit your questions in the Q&A now!

Note:

You'll receive an email later today containing links to register for future webinars and to watch recordings, including today's webinar.



# Thank you!

