Running reports to Reconcile your VAT Return

Jacqui Wilson

Sage

Housekeeping

Running reports to Reconcile your VAT Return

Tina Stewart

Questions

Automatically Muted

Submit your questions

Download Handouts

Want answers?

Ask the staff a question

Exit   Send

Agenda

- **POLL - VAT Schemes**

- **Drill-Down**

- **Detailed VAT report**

- **Day Book reports**

- **Reconciling differences**

- **Other VAT Schemes**

Poll

What VAT Scheme are you registered for?

- **Standard VAT**

- **VAT Cash Accounting**

- **Flat Rate**

- **Partial Exemption**

- **Other / I'm not sure**

Drill-Down

Drill-Down

- Click icon to right of each VAT box figure to analyse by each transaction type and tax code

Drill-Down

VAT Breakdown - VAT due in the period on sales and other outputs

VAT due in the period on sales and other outputs | 1 | 903.20

T/C	Sales Invoices	Sales Credits	Receipts	Journal Credits
T0	0.00	0.00	0.00	0.00
T1	633.20	-10.00	80.00	200.00
T2	0.00	0.00	0.00	0.00
T3	0.00	0.00	0.00	0.00
T5	0.00	0.00	0.00	0.00
T6	0.00	0.00	0.00	0.00
T15	0.00	0.00	0.00	0.00
T17	0.00	0.00	0.00	0.00
T18	0.00	0.00	0.00	0.00
T20	0.00	0.00	0.00	0.00
	633.20	-10.00	80.00	200.00

Subtotal | 903.20
Adjustment | 0.00
Total | 903.20

Double click on any cell in the grid above to see the transactions which make up the value.

To Excel | Close

- Results can be exported to Excel – for easier for manipulation and reconciliation

- Drill-down to transactional level by double clicking value

Drill-Down

VAT Breakdown - Transactions   ✕

Tax Code : [T1]   [Sales Invoices - VAT]

No	A/C	Date	Details	Amount
32	4000	28/06/2022		240.00
33	4000	01/09/2022		91.20
34	4000	01/09/2022		74.00
35	4000	01/09/2022		178.00
36	4000	01/09/2022		50.00

Total :   [633.20]

[Print List] [To Excel]   [Close]

Default Tax Codes - UK

ROI Tax Codes

Detailed VAT report

Detailed VAT report

- Select **Print VAT Return** to select from the available reports

- Run the **Detailed** report to help reconcile your VAT Return

- **Optional** – Run the **Earlier unreconciled transactions** report to see transactions prior to the dates of the return on a separate report
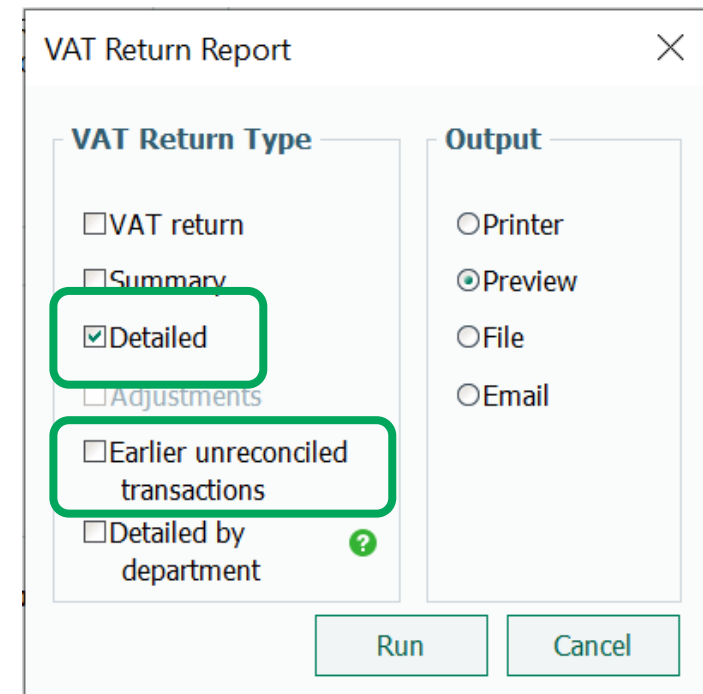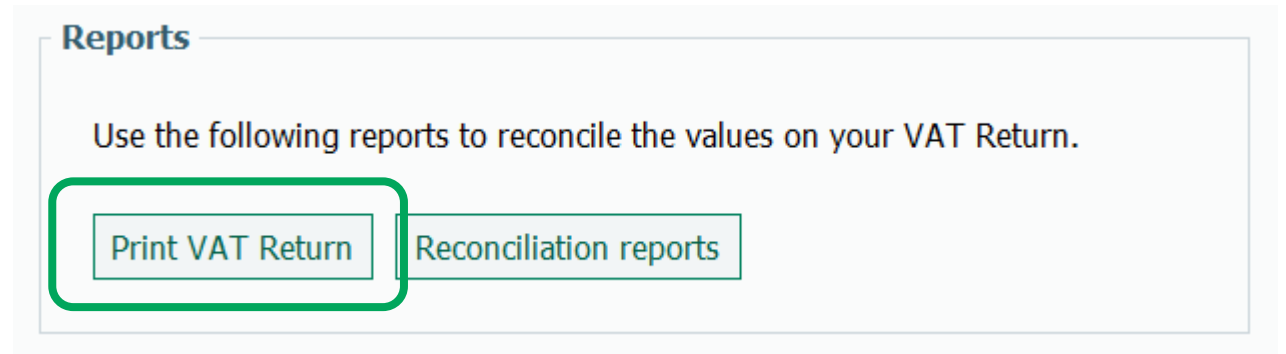
Detailed VAT report

Provides a box-by-box breakdown of every transaction impacting the VAT return by Transaction Type and Tax Code

Day Book reports

Day Book reports

- Select **Reconciliation reports** to access the day book reports

- The day book reports that appear will differ depending on your VAT scheme

Day Book reports – Box 1

VAT Breakdown - VAT due in the period on sales and other outputs ✕

VAT due in the period on sales and other outputs	1		903.20

T/C	Sales Invoices	Sales Credits	Receipts	Journal Credits
T0	0.00	0.00	0.00	0.00
T1	633.20	-10.00	80.00	200.00
T2	0.00	0.00	0.00	0.00
T3	0.00	0.00	0.00	0.00
T5	0.00	0.00	0.00	0.00
T6	0.00	0.00	0.00	0.00
T15	0.00	0.00	0.00	0.00
T17	0.00	0.00	0.00	0.00
T18	0.00	0.00	0.00	0.00
T20	0.00	0.00	0.00	0.00
	633.20	-10.00	80.00	200.00

903.20

Double click on any cel

To Excel

Day Books: Customer Invoices

Day Books: Customer Credits

Day Books:
- Bank Receipts
- Cash Receipts
- Credit Card Receipts

Day Books: Nominal Ledger (JC transactions only)

Sage

VAT report vs Day Book reports

VAT Reports
VAT Report (Detailed)

Date From: 01/07/2022
Date To: 30/09/2022

Inc Current Reconciled: No
Inc Earlier Unreconciled: Yes

Transactions Included In:
VAT Box 1   Sales Invoice   Tax Code   T1

No	Type	A/C	N/C	Ref	Date	Detail	Amount	VR
32	SI	CUST1	4000		28/06/2022		240.00	N
33	SI	CUST2	4000		01/09/2022		91.20	N
34	SI	CUST3	4000		01/09/2022		74.00	N
35	SI	CUST4	4000		01/09/2022		178.00	N
36	SI	CUST5	4000		01/09/2022		50.00	N
						Total for Tax Code	633.20	

Transactions Included In:
VAT Box 1   Sales Credit   Tax Code   T1

No	Type	A/C	N/C	Ref	Date	Detail	Amount	VR
40	SC	CUST2	4000	Refund	01/09/2022		-10.00	N
						Total for Tax Code	-10.00	

Transactions Included In:
VAT Box 1   Receipts   Tax Code   T1

No	Type	A/C	N/C	Ref	Date	Detail	Amount	VR
38	BR	1200	4000	Sales	01/09/2022		80.00	N
						Total for Tax Code	80.00	

Transactions Included In:
VAT Box 1   Journal Crd   Tax Code   T1

No	Type	A/C	N/C	Ref	Date	Detail	Amount	VR
43	JC		2200		01/09/2022		200.00	N
						Total for Tax Code	200.00	
						Total for Vat Box 1	903.20	

- **Day Books – Customer Invoices**

- **Day Books – Customer Credits**

- **Day Books – Bank Receipts**

- **Day Books – Nominal Ledger**

Reconciling differences

VAT Reports

VAT Report (Detailed)

Date: 17/10/2022
Time: 16:14:49

Page: 1

Date From: 01/07/2022
Date To: 30/09/2022

Inc Current Reconciled: No
Inc Earlier Unreconciled: Yes

Transactions Included In:

VAT Box   1   Sales Invoice   Tax Code   T1

No	Type	A/C	N/C	Ref	Date	Detail	Amount	VR
32	SI	CUST1	4000		28/06/2022		240.00	N
33	SI	CUST2	4000		01/09/2022		91.20	N
34	SI	CUST3	4000		01/09/2022		74.00	N
35	SI	CUST4	4000		01/09/2022		178.00	N
36	SI	CUST5	4000		01/09/2022		50.00	N

Compare transaction numbers and tax amounts

VAT Reports

Day Books: Customer Invoices (Detailed). Excluding Revaluations.

Date: 17/10/2022
Time: 16:13:08

Page: 1

Date From: 01/07/2022
Date To: 30/09/2022

Customer From:
Customer To: ZZZZZZZZ

Tran No.	Type	Date	A/C	Ref	N/C	Inv Ref	Dept.	Details	Net Amount	Tax Amount	T/C	Gross Amount	V	B
33	SI	01/09/2022	CUST2		4000		0		456.00	91.20	T1	547.20	N	-
34	SI	01/09/2022	CUST3		4000		0		370.00	74.00	T1	444.00	N	-
35	SI	01/09/2022	CUST4		4000		0		890.00	178.00	T1	1,068.00	N	-
36	SI	01/09/2022	CUST5		4000		0		250.00	50.00	T1	300.00	N	-
37	SI	01/09/2022	CUST3		4000		0		500.00	0.00	T0	500.00	N	-

Sage

Date: 17/10/2022   **VAT Reports**   **Page: 1**
Time: 16:14:49   **VAT Report (Detailed)**

Date From: 01/07/2022   **Inc Current Reconciled:** No
Date To: 30/09/2022   **Inc Earlier Unreconciled:** Yes

Transactions Included In:

VAT Box   1   Sales Invoice   Tax Code   T1

No	Type	A/C	N/C	Ref	Date	Detail	Amount	VR
32	SI	CUST1	4000		28/06/2022		240.00	N
33	SI	CUST2	4000		01/09/2022		91.20	N
34	SI	CUST3	4000		01/09/2022		74.00	N
35	SI	CUST4	4000		01/09/2022		178.00	N
36	SI	CUST5	4000		01/09/2022		50.00	N

Date: 17/10/2022   **VAT Reports**   **Page: 1**
Time: 16:13:08   **Day Books: Customer Invoices (Detailed). Excluding Revaluations.**

Date From: 01/07/2022   **Customer From:**
Date To: 30/09/2022   **Customer To:**   ZZZZZZZZ

Tran No.	Type	Date	A/C	Ref	N/C	Inv Ref	Dept.	Details	Net Amount	Tax Amount	T/C	Gross Amount	V	B
33	SI	01/09/2022	CUST2		4000		0		456.00	91.20	T1	547.20	N	-
34	SI	01/09/2022	CUST3		4000		0		370.00	74.00	T1	444.00	N	-
35	SI	01/09/2022	CUST4		4000		0		890.00	178.00	T1	1,068.00	N	-
36	SI	01/09/2022	CUST5		4000		0		250.00	50.00	T1	300.00	N	-
37	SI	01/09/2022	CUST3		4000		0		500.00	0.00	T0	500.00	N	-

Which transactions match?

Which transactions differ?

Date: 17/10/2022   Page: 1
Time: 16:14:49

VAT Reports
VAT Report (Detailed)

Date From: 01/07/2022   Inc Current Reconciled: No
Date To: 30/09/2022   Inc Earlier Unreconciled: Yes

Late Entry

Transactions Included In:

VAT Box 1   Sales Invoice   Tax Code   T1

No	Type	A/C	N/C	Ref	Date	Detail	Amount	VR
32	SI	CUST1	4000		28/06/2022		240.00	N
33	SI	CUST2	4000		01/09/2022		91.20	N
34	SI	CUST3	4000		01/09/2022		74.00	N
35	SI	CUST4	4000		01/09/2022		178.00	N
36	SI	CUST5	4000		01/09/2022		50.00	N

Date: 17/10/2022   Page: 1
Time: 16:13:08

VAT Reports
Day Books: Customer Invoices (Detailed). Excluding Revaluations.

Date From: 01/07/2022   *Tax Code not hitting Box 1 on VAT Return*   Customer From:
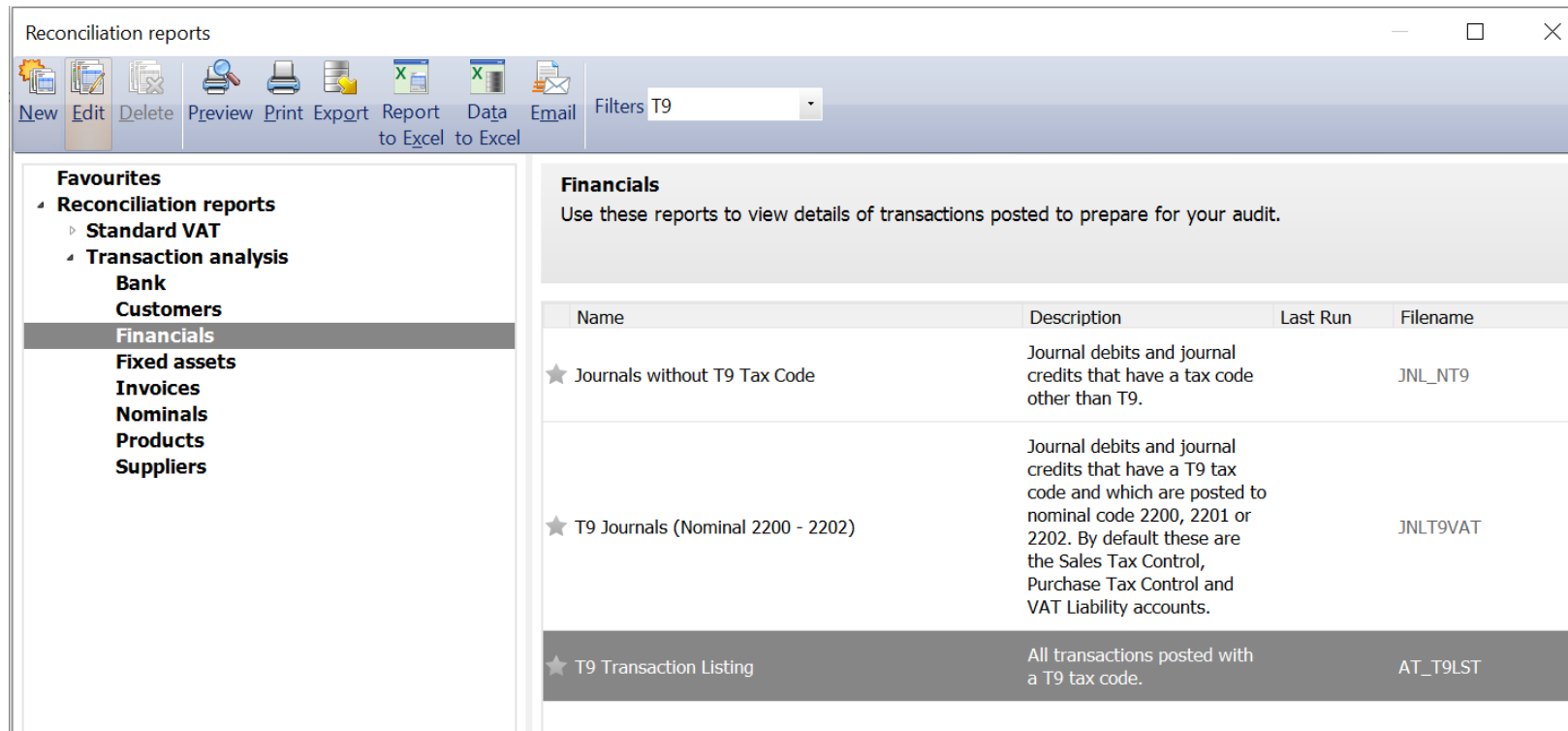Date To: 30/09/2022   Customer To: ZZZZZZZZ

Tran No.	Type	Date	A/C	Ref	N/C	Inv Ref	Dept.	Details	Net Amount	Tax Amount	T/C	Gross Amount	V	B
33	SI	01/09/2022	CUST2		4000		0		456.00	91.20	T1	547.20	N	-
34	SI	01/09/2022	CUST3		4000		0		370.00	74.00	T1	444.00	N	-
35	SI	01/09/2022	CUST4		4000		0		890.00	178.00	T1	1,068.00	N	-
36	SI	01/09/2022	CUST5		4000		0		250.00	50.00	T1	300.00	N	-
37	SI	01/09/2022	CUST3		4000		0		500.00	0.00	T0	500.00	N	-

Reasons for missing transactions

- **Earlier unreconciled transactions** – show on the VAT Return but *not* the Day Books

- **Tax codes with no tax value (i.e. T0 / T2)** – show on Day Books but *not* VAT Return boxes 1 and 4

- **T9 tax code transactions** – show on Day Books but *not* the VAT Return

Day Book reports – Box 4

VAT Breakdown - VAT reclaimed in the period on purchases and other inputs (including acquisitions in Northern Ireland from EU member states) ✕

VAT reclaimed in the period on purchases and other inputs (including acquisitions in Northern Ireland from EU member states)	4		0.00

T/C	Invoice	Cred	Payment	Journal Debits
T0	0.00	0.0	0.00	0.00
T1	0.00	0.0	0.00	0.00
T2	0.00	0.0	0.00	0.00
T3	0.00	0.0	0.00	0.00
T5	0.00	0.0	0.00	0.00
T6	0.00	0.0	0.00	0.00
T8	0.00	0.0	0.00	0.00
T15	0.00	0.0	0.00	0.00
T17	0.00	0.0	0.00	0.00
T18	0.00	0.0	0.00	0.00
	0.00	0.0	0.00	0.00

0.00

Double click on any ce

Day Books: Supplier Invoices

Day Books: Supplier Credits

Day Books:
- Bank Payments
- Cash Payments
- Credit Card Payments

Day Books: Nominal Ledger (JD transactions only)

To Excel

Close

Sage

Other VAT schemes

VAT Cash Accounting

- Select **Reconciliation reports** to access the day book reports

- The day book reports that appear will differ depending on your VAT scheme

Reports

Use the following reports to reconcile the values on your VAT Return.

Print VAT Return | Reconciliation reports

Reconciliation reports

New | Edit | Delete | Preview | Print | Export | Report to Excel | Data to Excel | Email | Filters All

Favourites
- ◢ **Reconciliation reports**
  - ◢ **VAT cash scheme**
    - Bank
    - **Customers**
    - **Nominals**
    - **Suppliers**
  - ▷ **Transaction analysis**

Customers
Use these reports to view information on specific transaction types.

Name	Description	Last Run	Filename
⭐ Customer Refunds	Refunds made, displaying details of each refund.		CUSTREF
⭐ Day Books: Customer Receipts (Detailed)	Sales Receipt transactions, shown itemised with additional lines to show which transactions the receipt is allocated to.		BNKSRD
⭐ Day Books: Revaluations - Invoices and Credit Notes (Detailed)	Revaluation transactions (invoices and credit notes), shown itemised.		CSTDYRVIVCRD
⭐ EC Sales Invoice and Credits List (VAT Cash Accounting)	Sales invoices or sales credits with a tax code of T4, most commonly used for EC transactions.		SL_ESL3
⭐ EC Sales List (VAT Cash Accounting)	Sales receipts or sales on account with a tax code of T4, most commonly used for EC transactions.		SL_ESL2

VAT Cash Accounting – Box 1

VAT Breakdown - VAT due in the period on sales and other outputs ✕

| VAT due in the period on sales and other outputs | 1 | | 0.00 |

T/C	Sales Receipts	Sales On Account	Receipts	Sales Payments	Journal Credits
T0	0.00	0.00	0.00	0.00	0.00
T1	0.00	0.00	0.00	0.00	0.00
T2	0.00	0.00	0.00	0.00	0.00
T3	0.00	0.00	0.00	0.00	0.00
T5	0.00	0.00	0.00	0.00	0.00
T6	0.00	0.00	0.00	0.00	0.00
T15	0.00	0.00	0.00	0.00	0.00
T17	0.00	0.00	0.00	0.00	0.00
T18	0.00	0.00	0.00	0.00	0.00
T20	0.00	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	0.00	0.00

Subtotal   0.00

Double click on any cell in t[...] which mak[...]

Day Books:
Customer Receipts

Day Books:
- Bank Receipts
- Cash Receipts
- Credit Card Receipts

Customer Refunds

Day Books:
Nominal Ledger
(JC transactions only)

To Excel   Close

VAT Cash Accounting – Box 4

FAQs

- **Why is Box 1 not 20% of Box 6, and Box 4 not 20% of Box 7?**

  Not every tax code has a tax value hitting box 1 for sales or box 4 for purchases. For example, T0 / T2 tax codes. This theory would only ever work if all transactions were on a tax code with a 20% rate

- **Why do my VAT figures not reconcile to my nominal balances?**
  The balances on your nominal accounts are always real-time as of today's date. As you would generally be running your VAT Return for a particular period in the past it would be very unlikely that the two would match.
  Also on VAT Cash Accounting this would never match as you may have unpaid invoices included in the nominal balances which won't be picked up on the VAT return until they are paid

- **How can I see any earlier unreconciled transactions?**
  In step 2 of your VAT Return > Print VAT Return, you will find the option to print these here

Penalties

A new penalty system will apply from **1 January 2023**. This is split into 2 different penalties: –

- **Late submission penalty** – A points-based system for missed submission deadlines

- **Late payment penalty** – Penalties applied based on how late a payment is made for tax owed to HMRC

These points and penalties are applied automatically, but HMRC, at its own discretion, may choose not to do so

Once a point or penalty has been applied HMRC cannot remove it unless you use the reviews and appeals process

Late submission penalty

Late submission penalties are based on a points system, once a certain number of points are reached by a business or individual a financial penalty of £200 is automatically applied

One point is applied each time a submission deadline is missed

The points threshold for the penalty is based on the frequency of VAT submissions

- **Monthly –** Five points are required for the penalty to be applied

- **Quarterly –** Four points are required

- **Annual –** Two points are required

These points are separate from any points received for income tax submissions and separate penalties can be applied

Late payment penalty

Like the points system for late submission, this is automatically applied as follows:

- **Up to 15 days late** –   No penalty

- **Between 16- 30 days overdue** –   2% of amount due

- **Day 31 after payment was due** –   2% of what was due on day 15, plus 2% of amount due on day 30.

- **Day 31 onwards** -   4% of the outstanding amount, applied daily

The standard 2.5% interest rate is also applied

Prepare for upcoming changes to VAT penalties and VAT interest charges – GOV.UK (www.gov.uk)

Summary

- The drill-down feature can be used to investigate how a VAT box is calculated

- The Detailed VAT report provides a breakdown of each VAT box separated into different transaction type and tax code

- The Day Book reports should be run for the same period as the VAT Return

- If a transaction is missing from either the Detailed VAT report or the Day Book reports, you need to investigate so you can reconcile the difference

Useful links

VAT reconciliation guides for different UK VAT schemes

Hints and tips when doing your VAT Return - UK

Webinars for Sage 50cloud Accounts

Upcoming Webinars

Upcoming	Key Topics
Inactive records

Clearing Records

Running your year end

Emailing invoices

Emailing statements

What's new in v29 | **Reconcile your VAT Return and submit it online**
Wed April 5 2pm

Learn how to use the VAT Return wizard to generate your VAT Return and submit it online |
| | **Clearing the audit Trail**
Tues April 11 2pm
The Clear Audit Trail option can be used to remove transactions from your customer, supplier, nominal and bank activities and this in turn can enhance the performance of your software.
Although optional, the audit trail is most often cleared immediately after running a year end.. |
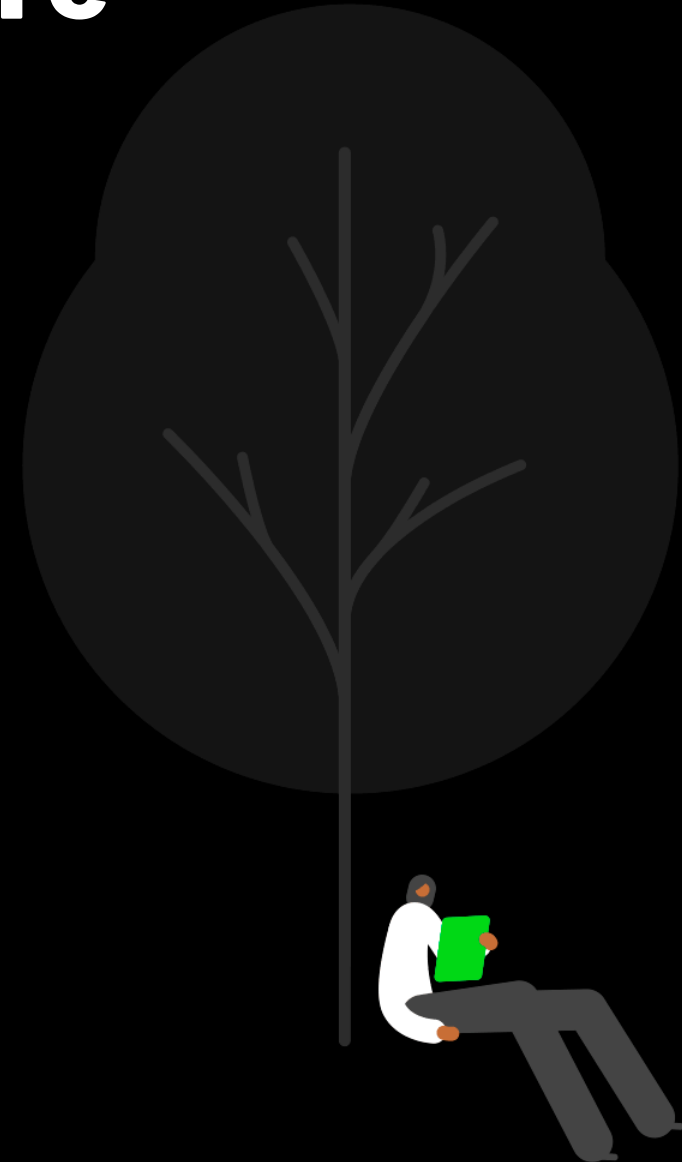
What's included as a Sage member?

More than just great software

We know that running a business can be tough and at Sage we want to help you and your business with the many challenges you face.

That's why Sage goes beyond great software solutions

As a valued Sage customer and member of the Sage community, you'll enjoy benefits that help you and your business by connecting with brilliant experts and industry peers.

Sage is here to help you grow and your business flow.

A member of the Sage community

All included as a member of Sage – FREE

Being a Sage member you get **great software solutions**, expert advise to **get the most from your solutions** and **more help with the business challenges you face**. All wrapped in the **human touch of Sage's community** of customers, partners and colleagues.

Exclusive member benefits include:

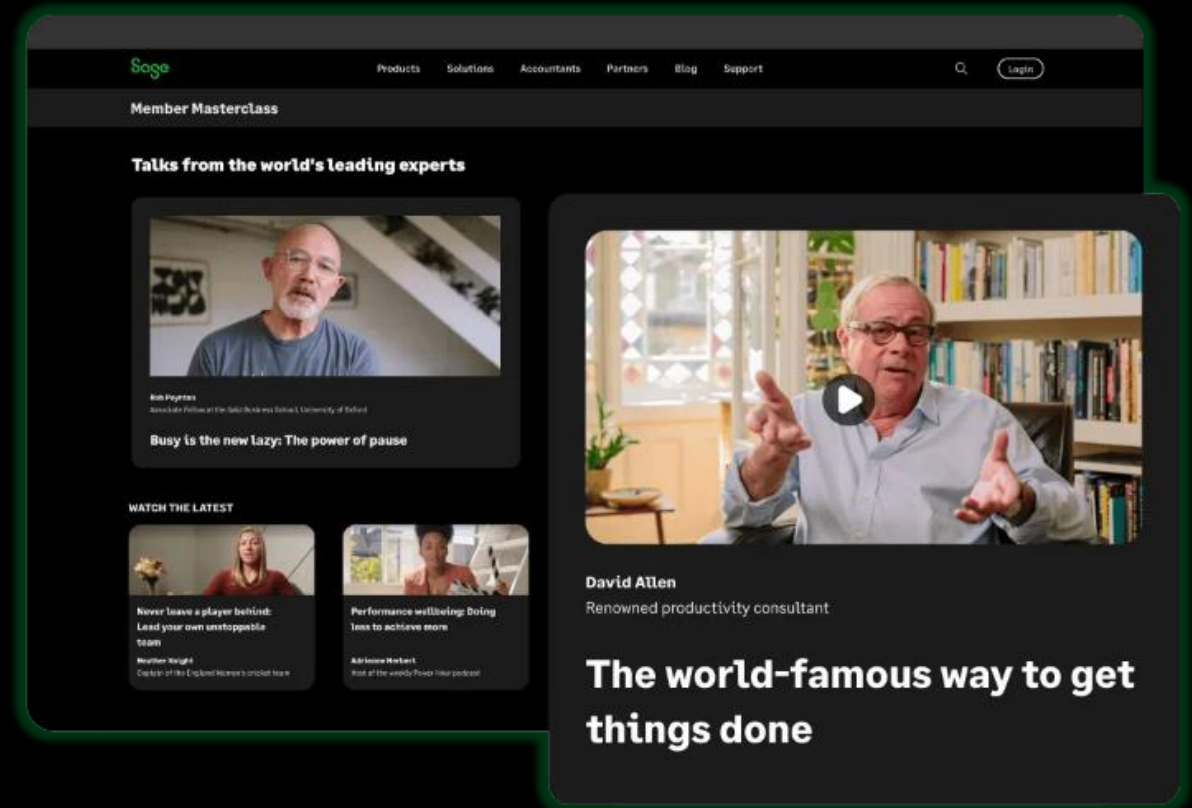|		
Member Masterclass	Learning	Community Forums
Award winning support	Business Advice	Software Certification

Find out more about these <u>exclusive benefits</u>.

Member Masterclass

As a Sage customer or partner you have automatic access to exclusive benefits, which includes expert human advice in Member Masterclass.

We asked customers what the most pressing issues and problems are that they face in their business and have built Member Masterclass to support you with the challenges you face and help your businesses grow.

Season 1 looks at finding and keeping great people, while Season 2 focuses on unlocking productivity.

Each season includes a keynote talk, plus new talks published each week alongside short articles providing a range of insights, advice and inspiration. Talks are around 15 minutes long and bitesize articles are only a 5-minute read.

Season 2: Learn how to unlock the power of productivity

David Allen
Renowned productivity consultant

The world-famous way to get things done

Go to Member Masterclass →

Rob Poynton
Associate Fellow at the Saïd Business School, University of Oxford

Busy is the new lazy: The power of pause

Go to Member Masterclass →

Heather Knight
Captain of the England Women's cricket team

Never leave a player behind: Lead your own unstoppable team

Go to Member Masterclass →

If you want to keep up to date with Member Masterclass, why not have the latest talks and articles delivered to your inbox by subscribing to the magazine.

Sage

Thank you!