

VAT – A perfect return in Sage 50 Accounts.

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Sage



Housekeeping

The image shows a presentation slide for 'Sage 50 Accounts Budgets' by Jacquie Wilson. The slide features a photo of a woman in a kitchen setting working on a laptop. To the right, a 'Questions' sidebar is open, containing a list of icons for presentation controls. Three green boxes with arrows point to the 'Muted' icon, the 'Question' icon, and the 'Download Handouts' icon. The sidebar also includes a 'Send' button at the bottom.

Automatically Muted

Submit your questions

Download Handouts

Contents

Activating MTD

Running the VAT return – Highlighting the features often Questioned

MTD submission

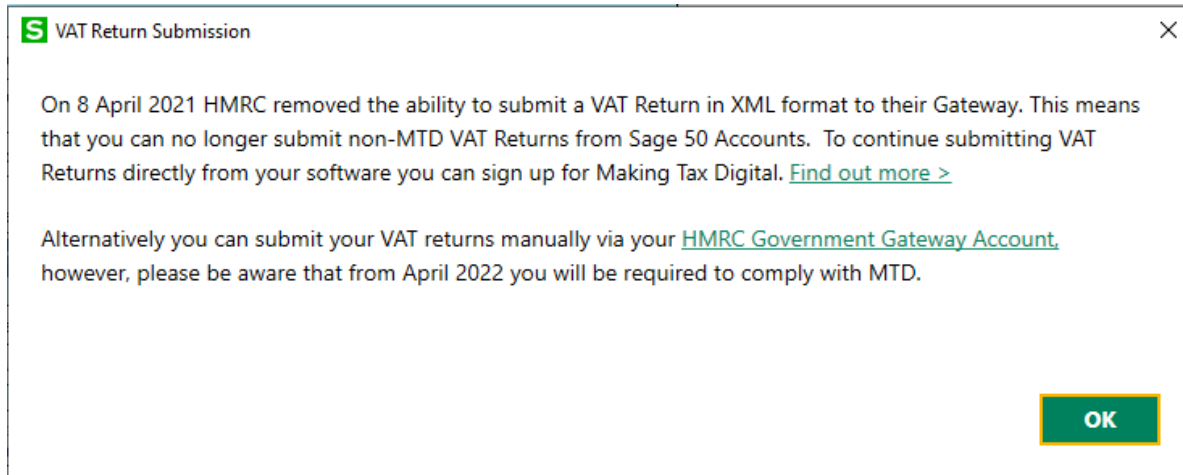
Questions

Poll

Are you submitting a

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

Activate MTD.



- You can no longer make a non MTD submission through your software.
- You need to ensure you are registered with HMRC for MTD and then activate your software.
- If you attempt to submit without activating, the program will not allow you to submit via your software
- If you are not yet registered for MTD with HMRC you can still submit manually however it will become mandatory from April 2022.

Running A VAT return



Step 1 – Prepare VAT return.

- Backup your data – Once reconciled the VAT return cannot be undone.
- Select your date range – Ensure this is in line with your HMRC obligation periods.
- VAT verification – Allow the software to check for ‘odd’ activity in your data.

VAT Return

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

Back up

No recent backup can be found.

You cannot reverse the VAT reconciliation process. We strongly recommend you back up before proceeding.

Back up

Date range

Enter the date range for the VAT Return: Use custom date range

From the start of: October 2021 To the end of: October 2021

01/10/2021 - 31/10/2021 (1 month)

Include reconciled transactions ?

VAT verification

8 checks run automatically to analyse your transactions and check their accuracy.

Settings

Calculate VAT Return

VAT Return VAT Demo

VAT due in the period on sales and other outputs	1	0.00
VAT due in the period on acquisitions of goods made in Northern Ireland from EU Member States	2	0.00
Total VAT due (sum of boxes 1 and 2)	3	0.00
VAT reclaimed in the period on purchases and other inputs (including acquisitions in Northern Ireland from EU member states)	4	0.00
Net VAT to pay to HMRC or reclaim	5	0.00
Total value of sales and all other outputs excluding any VAT	6	0.00
The total value of purchases and all other inputs excluding any VAT	7	0.00
Total value of dispatches of goods and related costs (excluding VAT) from Northern Ireland to EU Member States	8	0.00
Total value of acquisitions of goods and related costs (excluding VAT) made in Northern Ireland from EU Member States	9	0.00

Close

Step 2 – Reconcile your VAT return.

- Check your verification results.
- Where appropriate, make adjustments. This is normally due to a request from HMRC or your accountant or due to you being on a specialist VAT return.
- Check the figures on the return to ensure they are correct before submission.
- Reconcile the return.

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[Close](#)

Step 3 – Complete VAT return.

- VAT transfer –moves the sales and purchase figures from their respective control accounts onto VAT liability. To demonstrate what the liability is for this return.
- Submit your return figures direct to HMRC under MTD submission.
- Mark your return as paid and post the payment/ receipt within your software.

VAT Return

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

VAT Return VAT Demo
01/10/2021 - 31/10/2021 **RECONCILED**

VAT due in the period on sales and other outputs	1	0.00	
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Print Verification results Adjustments: £0.00 View adjustments

VAT transfer
Date: 31/10/2021
Sales tax amount: 0.00
Purchase tax amount: 0.00 Post Journal

Submit to HMRC
Submit this VAT Return electronically to HMRC. Submit online
If you have already submitted this Return using another method, select Mark as submitted. Mark as submitted

Record payment
Bank: 1200
Date: / /
Reference: 123456789
Details: VAT Payment
Amount: 0.00 Post Bank Payment
If you have already recorded this transaction in your accounts, select Mark as paid. Mark as paid

Attachments
Add Attachments

Close

Penalties



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 upon 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 for a penalty
- **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 \(www.gov.uk\)](https://www.gov.uk)

Summary



Summary.

- Always ensure you have a backup.
- Ensure the date range you enter matches the obligation period set with HMRC.
- Use the verification checks to your advantage by configuring them to the needs of your business.
- Avoid using the manual adjustments for transactional corrections. A journal is posted as a result of adding a manual adjustment.
- Complete the VAT return to ensure all balances are moved to the correct nominal codes and the returns marked as paid.

Upcoming Webinars.

Upcoming

VAT Return

Projects - Part 2

Invoicing

Report Designer
Edit your invoice layout

Recurring items

Tips and Tricks in
Sage 50cloud Accounts

Key Topics

Festive messaging using the letters feature

Dec 1st 2pm

How to add a festive message to your letters, this can also be used to inform your customers on upcoming offers, prices changes and discounts too.

Credit Control – Aged Reports

Dec 1st 3pm

How to run Aged reports in order to assist with getting paid on time.

What is Sage Membership ?

Sage University – [Sageu.com](https://www.sageu.com)

Sage City – [Sagecity.com](https://www.sagecity.com)

Sage Masterclass

Member Masterclass

Season 1: Finding and keeping great people

Built exclusively for Sage members and available to everyone for a limited time only.


Your greatest asset is your people. So, how do you find and keep the best?

Whether you're a one-person business or already lead a team, a great hire is game-changing.

In the very first season of Member Masterclass, you'll discover:

- How to create a world-class onboarding experience.
- How to develop and nurture your talent.
- How to retain the talent you have.

Visit sage.com/uk/masterclass now and learn from visionary leaders on how to hire and retain top talent.




SEASON 1: FINDING AND KEEPING GREAT PEOPLE

How to create a more human company


Join Michael Acton Smith, Co-Founder and Co-CEO of Calm, and discover techniques to help you build a happier, healthier and more productive workplace.

Watch the keynote




How to make your people thrive and come alive

Julia Jahn
Global Employee Experience Lead




Duke Stump
Chief Brand Officer at NewLab

Building a business with soul




Charlie Gladstone
Author and Creative Entrepreneur

The life-changing magic of emotional intelligence at work




How to create a deeper connection with your people

Bobette Buster
Author, Film Producer, and Professor of Storytelling



Why successful recruitment doesn't end with onboarding

Khalilah Olokunola
Chief People Officer at TRU Colors



How to spark inspiration and create a positive culture

Duke Stump
Chief Brand Officer at NewLab

And
more...

Thank you!

