

# How to record Relevant Contract transactions in Sage 50 including the recording of the related VAT & RCT

## Using the Supplier Module in Sage 50

### Overview of steps

- A. Enter supplier Invoice for net amount**
- B. Record supplier invoice for VAT amount**
- C. Enter supplier credit note for VAT coding to 2260**
- D. Match out credit notes against invoices**
- E. Recording RCT USING Supplier module**
- F. Match out RCT Credit note against supplier invoice**
- G. Paying the supplier**

Payment of the VAT and RCT through ROS is recorded in Sage using Bank Payments and the total payments are coded to codes 2260 and 2270 as appropriate.

The balances on the control accounts should be monitored as they should clear out to nil or reflect the balance due to the Revenue at any point in time.

**Each of the steps above are documented in the following pages using this example:**

*Smith Electrical, Electrical Repairs*

*Net Invoice = €5,000:*

- *Subcontractor to account for VAT*
- *VAT at 13.5% = 675*
- *RCT = 20% = €1,000*



## C. Enter supplier credit note for VAT AND CODE TO 2260

### Suppliers > Batch Credit

#### Select Batch Credit

The screenshot shows the Sage 50 Accounts Client Manager interface. The main window is titled "Batch Supplier Credit" and contains a table with the following data:

A/C*	Date*	Due On*	Credit No	Ex.Ref	N/C*	Department*	Details	Net	T/C*	VAT
SMI001	16/06/2017	16/06/2017	321v		2260	0	Transfer V...	675.00	19	0.00

Enter the VAT amount in the net box on line one and code to the VAT Control account code 2260

Save

If we look up an activity on the account the balance is now showing as 5,000

The screenshot shows the 'Activity' window for account SM1001, Smith Electrical. The account balance is 5000.00 EUR. The transactions table is as follows:

No	Type	Date	Due On	Ref	Details	Amount €	O/S €	Debit €	Credit €
28	PI	16/06/2017	16/07/2017	321	Electrical repair	5000.00	5000.00 *		5000.00
29	PI	16/06/2017	16/07/2017	321VAT	VAT E Repair	675.00	675.00 *		675.00
30	PC	16/06/2017	16/06/2017	321v	Transfer VAT to NL	675.00	675.00 *	675.00	

Below the main table, a detailed view of transaction 30 is shown:

No	Type	Date	Ref	N/C	Dept	Ex Ref	Details	Tax Co	Amount €	Debit €	Credit €	Trans. Balance €	Ext. t
30	PC	16/06/2017	321v	2260	0		Transfer VAT to NL	T9	675.00	675.00			

The invoice for VAT should now be matched out against the credit note for the same amount

## D. Match out credit note against invoice

### Supplier > Supplier Payment

Select the relevant supplier

For the Purchase Invoice relating to the VAT ( Transaction no 29), click to the Payment box and type in the amount of 675

For the Purchase Credit ( Transaction 30) click in the payment box and enter the same value of 675

Note that the payment amount on this screen will be zero

Save

Supplier Payment - Current Account

Bank A/C Ref: 1800 Current Account Date\*: 16/06/2017 Cheque No.:

Payee\*: SMI001 Smith Electrical € 0.00

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Show: All From: // To: // List Invoice/Credit by item line

No.	Type	A/C	Date	Due On	Ref	Ex.Ref	Department	Details	T/C	Amount €	Disputed?	Payment €	Discount €	Discount inc. VAT?
28	PI	SMI001	16/06/2017	16/07/2017	321		n/a	Electrical re...	n/a	5000.00		0.00	0.00	<input type="checkbox"/>
29	PI	SMI001	16/06/2017	16/07/2017	321VAT		n/a	VAT E Repair	n/a	675.00		675.00	0.00	<input type="checkbox"/>
30	PC	SMI001	16/06/2017	16/06/2017	321v		n/a	Transfer V...	n/a	675.00		675.00	0.00	<input type="checkbox"/>

Supplier Balance: 5000.00 Bank Balance: 52650.00 Analysis Total: 0.00

Save Close



## F. Match out RCT Credit note against supplier invoice

Activity

View transaction | View item | Unallocate | Hide detail | Show detail | View on OneDrive | Print list | Send to Excel

A/C: SMI001 | Balance EUR €: 4000  
 Name: Smith Electrical | Amount Paid EUR €: 0  
 Credit Limit EUR €: 0.00 | Turnover YTD EUR €: 4000

Show: All Transactions | Date: 01/01/1980 to 31/12/2099 | Type: All | O/S Only:  | Trans.: 1 to 10

No	Type	Date	Due On	Ref	Details	Amount €	O/S €	Debit €	Credit €
9	PI	30/06/2017	30/07/2017	123	Home Ec repairs	5000.00	5000.00 *		5000.00
10	PC	30/06/2017	30/06/2017	123c	RCT Electrical repair	1000.00	1000.00 *	1000.00	

No	Type	Date	Ref	N/C	Dept	Ex Ref	Details	Tax	Amount €	Debit €	Credit €	Trans. Balance €	View
9	PI	30/06/2017	123	5310	0		Home Ec repairs	T9	5000.00	5000.00	5000.00		

### Supplier > Supplier Payment

Credit note can be matched as per section D.

Alternatively, **select wizard**

Select Allocate all credit notes to invoices

Bank A/C Ref: 1800 | Current Account | Date\*: 17/07/2017 | Cheque

Payee\*: SMI001 | Smith Electrical

Payments & Receipts

**Payments and Receipts**

1 Select Option

**Select Option**

What do you want to do?

- Pay invoices
- Allocate all credit notes to invoices
- Allocate payments on account to invoices
- Post a payment on account only

No.	Type	A/C	Disputed?	Payment €	Discount €
9	PI	SMI001		0.00	0.00
10	PC	SMI001		0.00	0.00

Select the relevant supplier > Next

Verify that allocations are correct > Save

## G. Paying the Supplier

Supplier > Supplier Payment

Select the supplier

Enter the payment details for the €4,000

Supplier Payment - Current Account

Clear form | **Pay in full (F3)** | Wizard | Automatic | Department | Print list | Send to Excel

Bank A/C Ref: 1800 Current Account Date\*: 17/07/2017 Cheque No.: 300102

Payee\*: SMI001 Smith Electrical

Four thousand euro € 4000.00

FSSU Master

Show: All From: // To: //  List Invoice/Credit by item line

No.	Type	A/C	Date	Due On	Ref	Ex.Ref	Department	Details	T/C	Amount €	Disputed?	Payment €	Discount €	Discount inc. VAT?
9	PI	SMI001	30/06/2017	30/07/2017	123		n/a	Home Ec re...	n/a	4000.00		0.00	0.00	<input type="checkbox"/>

Click **Pay in Full ( F3 )**

Save