



FSSU
Financial Support
Services Unit

Accounting for VAT & RCT In Surf Accounts

AGENDA

- 🔄 Accounting for RCT and VAT on Surf Accounts
- 🔄 Step by step guide
- 🔄 Instructions for recording an RCT invoice
- 🔄 Instructions for record payment to supplier & Revenue
- 🔄 Checking control accounts after process is complete

Accounting for RCT and VAT

Step by step guide on accounting for RCT and VAT in Surf

1. Set up the supplier on Surf
2. Enter the invoice on Surf
3. Record the VAT journal on Surf
4. Record the supplier payment on Surf
5. Record VAT payment to Revenue
6. Record RCT payment to Revenue
7. Review the RCT control account on Surf
8. Review the VAT control account on Surf

Accounting for RCT and VAT

- Example for today's demo

ABC Windows

Invoice = €5,000

VAT at 13.5% = €675

RCT = 20% = €1,000



Accounting for RCT and VAT

- **Step 1: Set up supplier in the purchases module**
(Section 2.5 FSSU Surf Accounts Manual)

Go to 'Purchases' > select 'Suppliers' > open the supplier account details

General Info

- Enter supplier name, contact etc

Invoice Settings

- Ensure to tick the box for RCT subcontractor
- Choose the default nominal code (i.e 5310)
- Check the default VAT code is now RCT 0.00%
- Choose the default department (i.e NPG)

Accounting for RCT and VAT

General Info Invoice Settings Company Info

ACCOUNT INFORMATION

CREDIT TERMS
30 days(30)

VAT NO.
|

RCT Subcontractor

DEFAULT INFORMATION

View A/c History

SEND STATEMENTS
Always

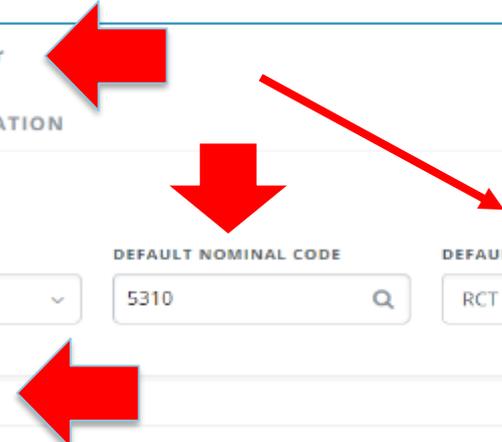
DEFAULT NOMINAL CODE
5310

DEFAULT VAT CODE
RCT 0.00% (RCT VAT CODE)

BIC

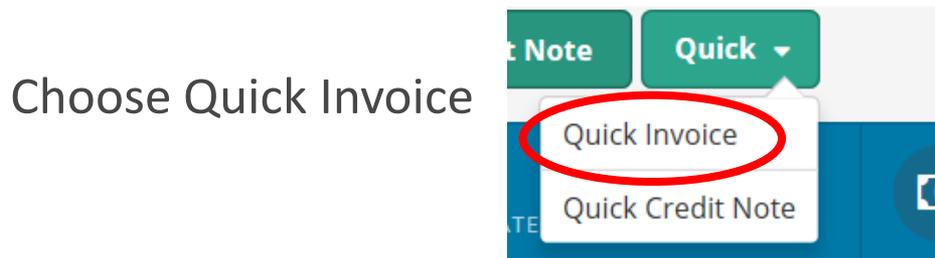
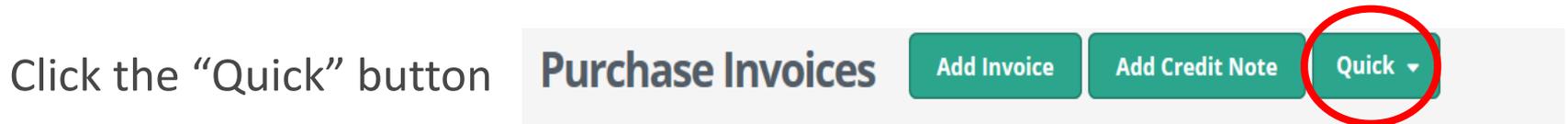
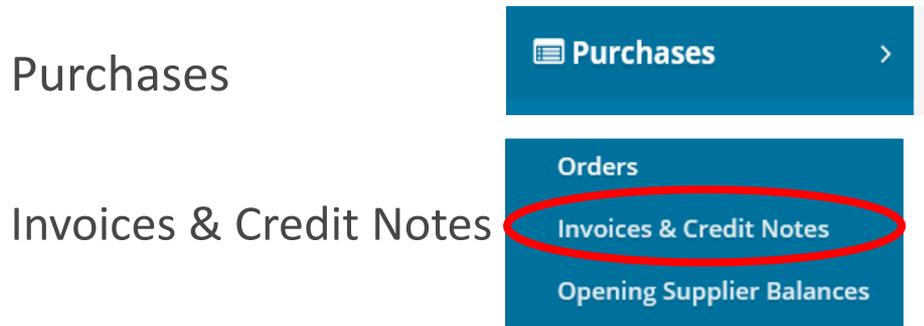
IBAN

DEFAULT DEPARTMENT
NPG - Non pay grant



Accounting for RCT and VAT

- **Step 2: Enter the invoice on Surf**
(Section 4.5 FSSU Surf Accounts Manual)



Accounting for RCT and VAT

Enter invoice details

* The VAT code should automatically default to RCT 0.00% after ticking the box in step 1 (setting up the supplier)

Quick Purchase Invoice

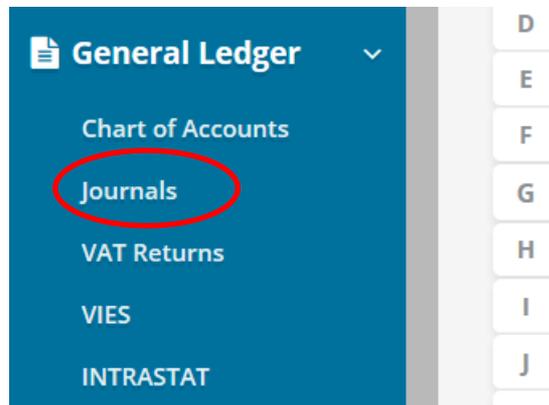
Date	Ref.No.	Inv. No.	Supplier	Supplier Name	Gross	VAT Code	VAT	Net	Code	Notes	DEP	
02/03/2020		1234	ABC001	ABC Windows	5,000.00	RCT 0.00% (RC	0.00	5,000.00	5310	ABC Windows	NPG	

Save Invoice

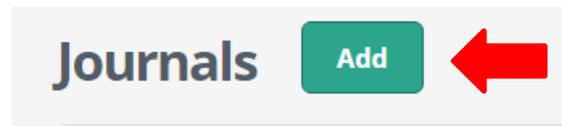
Accounting for RCT and VAT

- **Step 3:** Record the VAT journal
(Section 6.5 FSSU Surf Accounts Manual)

Go to General Ledger, and click on Journals



Click "Add"



Accounting for RCT and VAT

Journal details

1. Enter date, a reference no. and select a journal type
2. Enter nominal code to which the VAT relates to (today's example is '5310'- Repairs-Buildings/Grounds)
3. Enter description in 'Notes' (Vat on ABC Windows Inv. 1234)
4. Enter VAT amount on debit side - €675

Hit the 'Return' key to move onto the next line

1. Enter nominal code of VAT control account '2260'
2. Enter description in 'Notes' (Vat on ABC Windows Inv. 1234)
3. Enter VAT amount on credit side – €675

Accounting for RCT and VAT

Journals

JOURNALS DETAILS

DATE

01/04/2020



REF NO.

TYPE

Journal

Add Attachment

Max file size 4 MB.

Code	Description	Notes	Debit	Credit DEP
5310	Repairs-Buildings/Grounds	VAT on ABC Windows Invoice no. 1234	675.00	0.00 NPG
2260	VAT Control Account	VAT on ABC Windows Invoice no. 1234	0.00	675.00 NPG

Add New Line

Delete

Total Debit Amount 675.00

Total Credit Amount 675.00

Balance 0.00

Accounting for RCT and VAT

- **Copy journal function**

(Section 6.7 FSSU Surf Accounts Manual)

1. From 'General Ledger' > select 'Journals'.
2. Hover over the journal you want to copy.
3. The 'More' Icon will appear on the right-hand side.
Click on the arrow and select copy.

Date	Period	Tran Type	Doc. No.	Ref. No.	Nominal Account	Debit	Credit	
02 Mar 2020	Mar-2020	Journal	26	Inv 005	5310	60.75	60.75	⌵
11 Feb 2020	Feb-2020	Journal	25	Wk10/10/20	5010	50.00		Open
20 Nov 2019	Nov-2019	Journal	23	950	5310	60.75		Copy
20 Nov 2019	Nov-2019	Opening	7		1800	10,000.00	10,000.00	Remove

4. Update the journal with the current details.
5. Click save.

Accounting for RCT and VAT

- **Step 4:** Record the supplier payment on Surf
(Section 4.5 FSSU Surf Accounts Manual)

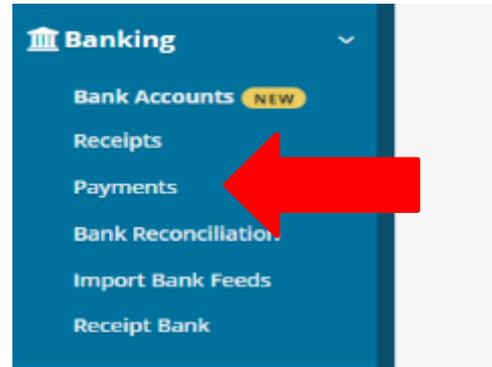
Today's example - ROS payment notification, RCT deduction rate of 20%;

$$\text{RCT @ 20\%} \rightarrow \text{€5,000} \times 20\% = \text{€1,000}$$

Invoice 1234	€5,000
Less RCT (20%)	<u>€1,000</u>
Payment to ABC Windows	€4,000

Accounting for RCT and VAT

1. Under 'Banking' > select 'Payments'



2. Select 'Quick Add'

3. Select bank account from dropdown menu

4. Enter payment date

5. Payment type i.e EFT

6. Enter applicable dept i.e NPG

7. Select supplier from dropdown menu – ABC Windows

8. Enter invoice amount in amount box i.e €4,000

9. Click the 'allocation' button at bottom left of screen

Accounting for RCT and VAT

You now have the option of selecting what rate the RCT was deducted at;
Select 20% RCT rate from dropdown (For today's example)

The screenshot shows the 'Allocations' form with the following data:

Date	Type	Doc No.	Notes	Amount	Paid to-date	Unpaid	Discount	Paid	RCT	✓	
30/03/2020	Invoice	1234	Repairs-Builc	5000.00	0.00	0.00	0.00	4,000.00	1000	<input checked="" type="checkbox"/>	
Totals				5,000.00	0.00	5,000.00	0.00	0.00	0.00	0.00	

Buttons: Auto, Reverse, Cancel, Save

Amount Left to Allocate: 0.00

10. You can allocate the payment and RCT deduction against the invoice, & save x2

Note: The RCT will automatically be posted to 2270 (RCT Control Account)

Accounting for RCT and VAT

- **Step 5: Record the VAT payment to Revenue
(Section 6.5 FSSU Surf Accounts Manual)**

To record the payment made to Revenue for VAT

- Go to 'Banking' > 'Payments' > 'Quick Add' > select bank a/c
- Enter the payment details and post it to nominal code 2260 (VAT control a/c)

Accounting for RCT and VAT

- **Step 6: Record the RCT payment to Revenue**
(Section 4.5 FSSU Surf Accounts Manual)

To record the payment made to Revenue for RCT

- Go to 'Banking' > 'Payments' > 'Quick Add' > select bank a/c
- Enter the payment details and post it to nominal code 2270 (RCT control a/c)

Accounting for RCT and VAT

- **Step 7:** Review the RCT control account monthly
Nominal '2270'

To check, go to;

'General Ledger' > 'Chart of Accounts'

Scroll down to nominal '2270'

Balance should be zero

(After payment is made to Revenue)

or current Revenue liability if there have been further transactions

Accounting for RCT and VAT

- **Step 8:** Review the VAT control account monthly
Nominal '2260'

To check, go to;

'General Ledger' > 'Chart of Accounts'

Scroll down to nominal '2260'

Balance should be zero

(After payment VAT bill is paid)

or current Revenue liability if there have been additional transactions

Thank You for Attending