

Guidance on calculating figures for the VAT Compensation Claim in Sage 50 Accounts

You will need the following amounts when submitting a claim:

- Total Income
- Qualifying Income
- Qualifying tax
- Claim amount

Total Income

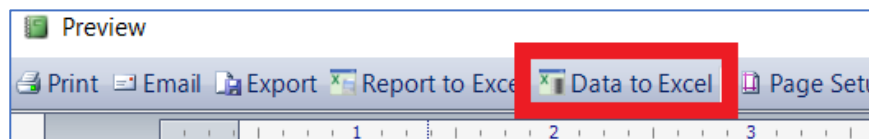
This is the total actual monies received during the calendar year 2021.

The following must be **excluded** when calculating total income:

- Monies collected for and transferred directly to another charity (e.g. Codes <3852/3853>)
- any repayable loans to a charity
- amounts received under TWSS/EWSS

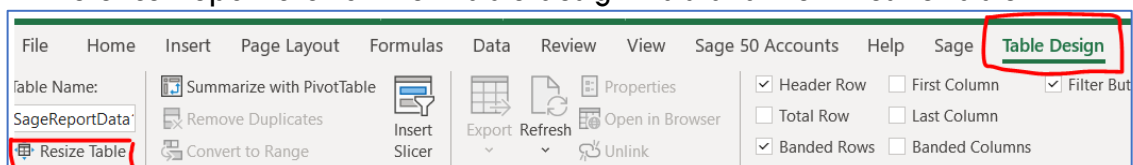
To calculate total income you will need to total all the bank receipts for the period excluding amounts detailed above. One way to do this is:

1. Generate a bank receipts report for the period 01/01/2021-31/12/2021 leaving all other fields blank. Export these reports to excel using the “Data to Excel” option (not the “Report to Excel”).

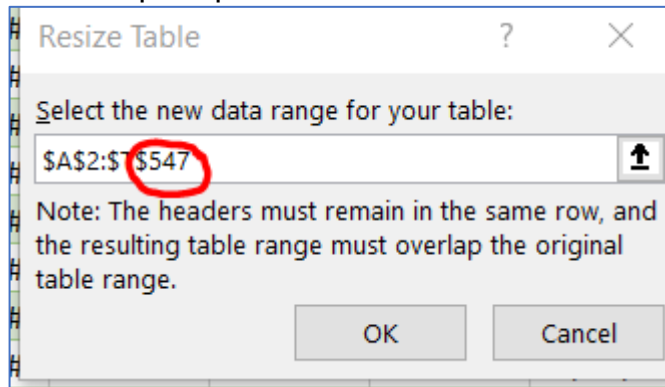


2. Do this for each bank account (including the online payment solution clearing account if you are operating this) and combine the data onto one page.
3. When you copy bank receipts from one excel report into another you will need to reformat the data table.

- a. In the excel report click on the “Table design” tab and then “Resize table”

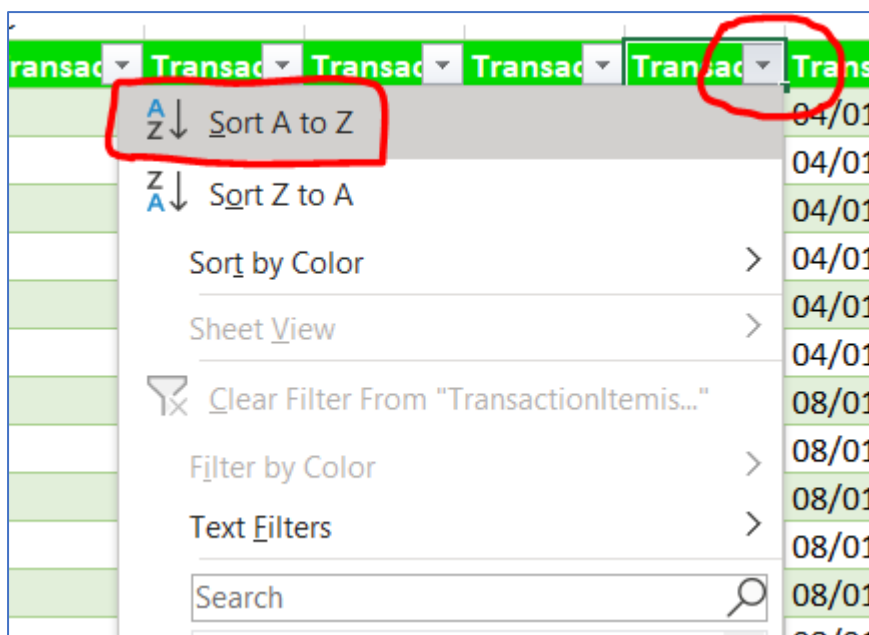


- b. This will open up a formula window:

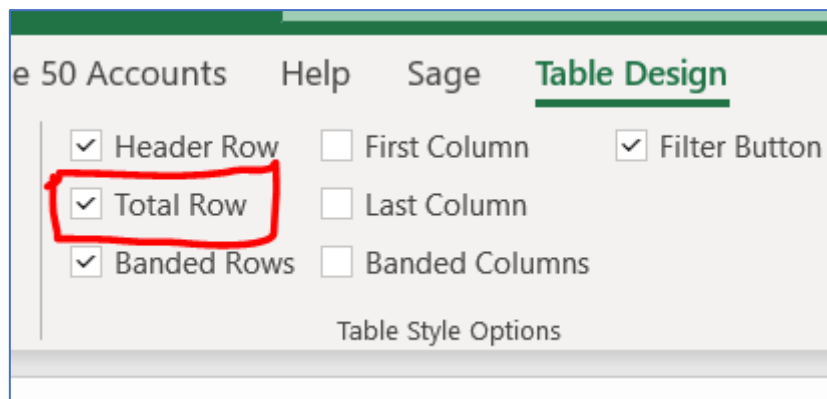


Make sure the end number in the formula is the last row number of your bank receipts.

4. You can now sort the data by nominal code. In the column named "TransactionItemised.NominalAccountReference" (this column shows the nominal codes the receipt was posted to) from the drop down filter tab you can "Select the sort A to Z option".



5. Delete any rows that should not be included in total income figure, i.e. monies collected for another charity, repayable loans, amounts received under TWSS/EWSS or duplicated amounts e.g., where you have a receipt recorded into the online payment solution clearing account and the current account this is double counting the lodgement. Delete the lodgement to the current account as this will not have the income analysis.
6. The value column should then be totalled to give the total income amount.
- a. Click on the table and in the table design tab tick the box "Total Row"



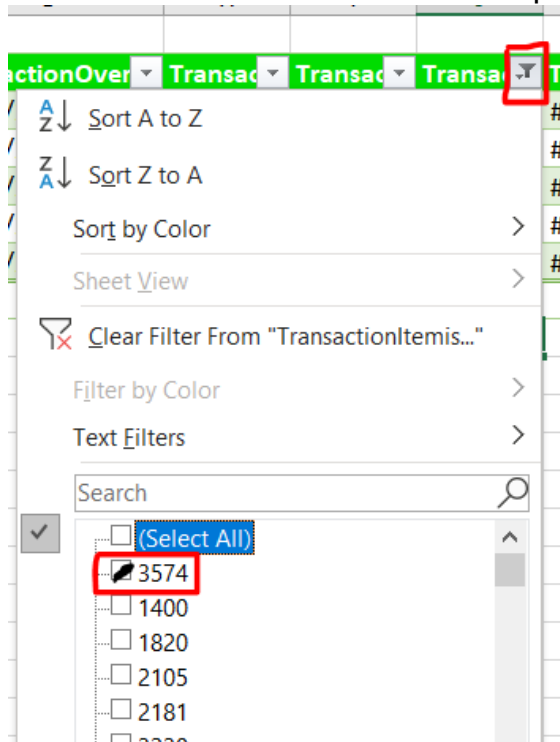
- b. Go to the end of the table and there will be a "Total" row. In the column showing the receipt values, click into the cell in the "Total" row and from the drop-down options, select sum. This will be your total income amount.
- c. Save this sheet.

Qualifying Income

The proportion of a charity's income that is privately funded is known as "qualifying income". This should be donations, fundraising income or voluntary contributions only. You cannot include any monies received from the State, school administration charges (3390), any monies received for services, shop (3430) or canteen income (3420).

To calculate the qualifying income:

1. In the column "TransactionItemised.NominalAccountReference" (i.e. the column showing the nominal account codes the receipt was posted to) click on the filter tab and select the codes for the relevant qualifying income codes.



Note where you have income that was recorded to a nominal code where it is not clear whether it is qualifying income or not e.g., <2105 School income received in advance> includes voluntary contributions, change the code on these items to the relevant income code for voluntary contributions <3650>. This way the filter will include them.

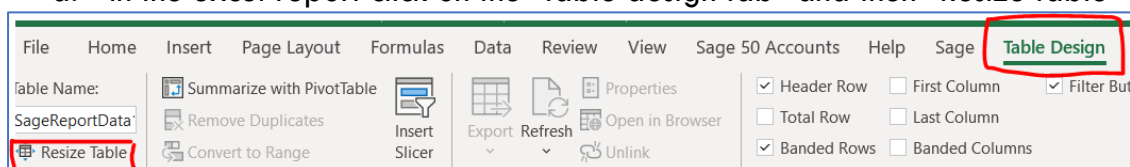
2. The total row will now show the qualifying income amount. Save a copy of this sheet as supporting evidence for the qualifying income amount.

Qualifying Tax

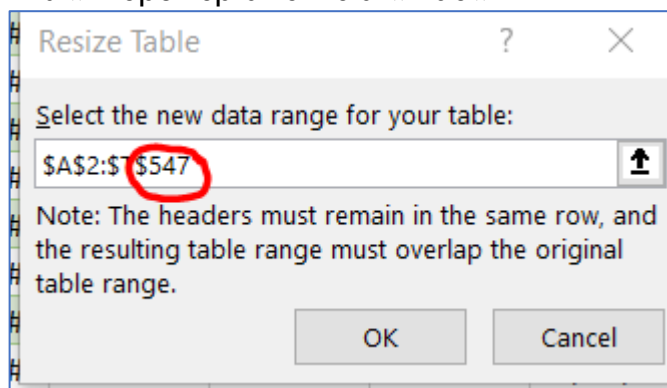
This is the VAT element paid on any goods or services for the provision of education.

To calculate the qualifying tax amount:

1. Generate a bank payments report for the period 01/01/2021-31/12/2021 for each bank account and combine them into one sheet.
2. When you copy bank payments from one excel report into another you will need to reformat the data table.
 - a. In the excel report click on the “table design tab” and then “Resize table”

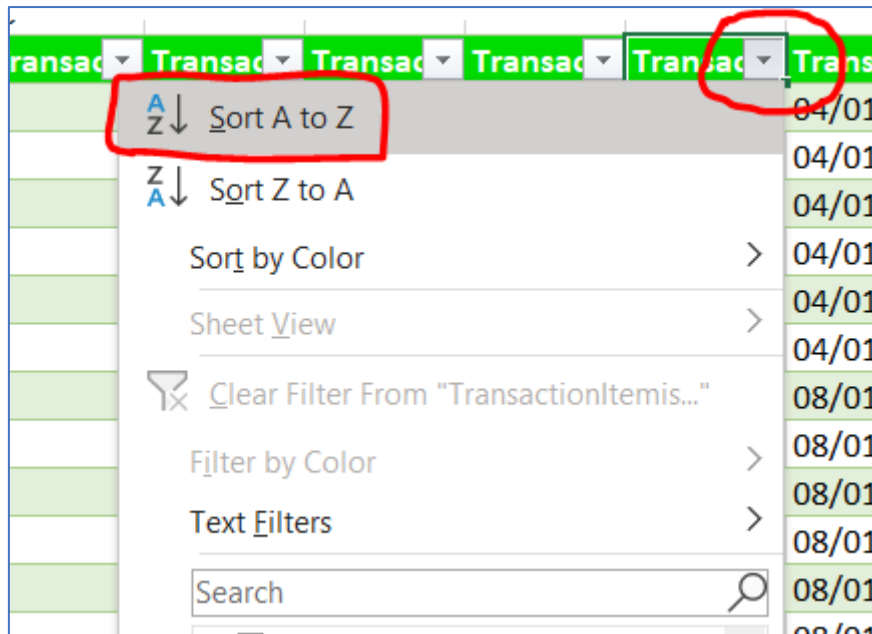


- b. This will open up a formula window:



Make sure the end number in the formula is the last row number of your bank payments.

3. In the header row next to the last column type in “VAT 23%” and hit the enter key. This will extend the table. Add another column “VAT 21%” and another “VAT 13.5%”.
4. You will need to go through each payment and enter the amount of qualifying VAT. To do this more efficiently sort the table by nominal code. In the column named “TransactionItemised.NominalAccountReference” from the drop down filter tab you can “Select the sort A to Z option”.



5. In the "VAT 23%" column enter a formula to calculate the VAT element of any payment at 23%. e.g., =O3/123*23, (where O is the payment amount column and 3 is the row number. For the "VAT 21%" enter a formula =O3/121*21, (where O is the payment amount column and 3 is the row number) and for "VAT 13.5%" =O3/113.5*13.5, where O is the payment amount column and 3 is the row number).

This will populate the entire column with a VAT figure. You will need to go through each column deleting the VAT amounts that do not apply. Make sure you are not including VAT on non-qualifying expenses such as shop (6830) or canteen expenses (Code 4915) or non-vatable expenses such as insurance (Code 5450) or wages.

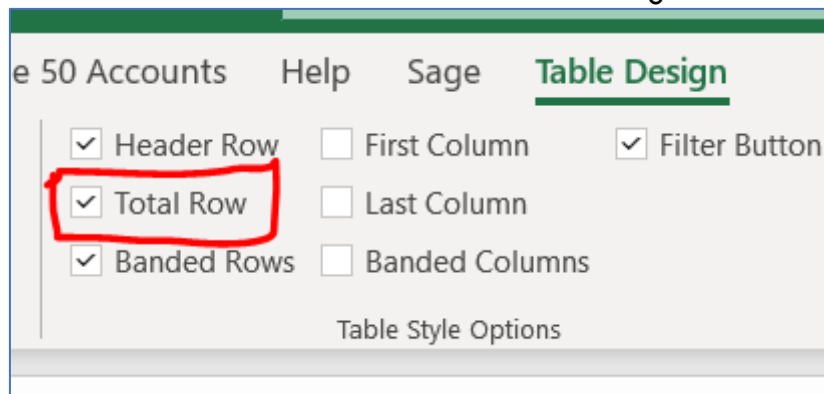
The relevant VAT rates for 2021 are:

Date effective from	Standard rate (%)	Reduced rate (%)	Second reduced rate (%)	Livestock rate (%)	Flat-rate compensation percentage for Farmers (%)
1 January 2022	23	13.5	9	4.8	5.5
1 March 2021	23	13.5	9	4.8	5.6
1 January 2021	21	13.5	9	4.8	5.6
1 September 2020	21	13.5	9	4.8	5.4
1 January 2020	23	13.5	9	4.8	5.4

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6. The VAT columns should then be totalled and added together to give the qualifying tax figure.

a. Click on the table and in the table design tab tick the box "Total Row"



- b. Go to the end of the table and there will be a "Total" row. In the value column click into the cell in the "Total" row and from the drop down options select sum. These will be your qualifying tax amounts.
- c. Save this sheet.

Claim amount

To calculate the VAT refund amount for the claim:

1. Divide the "Qualifying Income" by the "Total Income" figure to get the % allowable
2. Multiply the "Qualifying Tax" amount by the % allowable

E.G.

Total Income is €750,000. Qualifying Income is €25,000. Therefore the % allowable $(25000/750,000) = 3.33\%$.

Qualifying Tax = €65,000. The qualifying tax multiplied by the % allowable 3.33 is €2,165. This is the claim amount.