# Accounting Aids for RCT & VAT on BrightBooks

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

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

Example for demo: McBreen Environmental Ex-VAT €2600 VAT 13.5% €351 RCT 20% €520

	:Breen vironmental			McBreen	Environmental Dra	ain Services Ltd Lismagratty Cootehill Road avan, Co Cavan IE
BILL TO:	GERENAKKIKANA		Billing Type			Invoice
XBIBROOKSAKX XDUDBROCCCCCX XBIBROOKSAXX			Billing Number			50063467
xBRXXXXX			Billing Date			16/10/2023
			Billing Due Date			16/10/2023
			Job Name	CCTV surv	ey & report Drainag	e Works - Scoil Nik Rokestock
			Job Reference		\$10327#EX	0x0x0327X6X-2
			Amount Due			€ 2,600.00
"VAT will be acco	unted for by the Princip	pal Contractor."				
PRODUCT	COMMENT	QUANTITY	UNIT PRICE	SUB-TOTAL	TAX AMOUNT	TOTAL
	Mainline	1.00	€ 450.00	€ 450.00	€ 0.00	€ 450.00
	Mainline	1.00	€ 575.00	€ 575.00	€ 0.00	€ 575,00
	Per Tonne	2.00	€ 55.00	€ 110.00	€ 0.00	€ 110.00
	Mainline	1.00	€ 850.00	€ 850.00	€ 0.00	€ 850.00
	Branch Lines	1.00	€ 865.00	€ 865.00	€ 0.00	€ 865.00
	Discount	1.00	(€250.00)	(€250.00)	€ 0.00	(€250.00)
					ub-Total ales Tax	€ 2,600.00 € 0.00
					otal	€ 2,600.00
				A	mount Paid	(€ 0.00)
					redit Amount Amount Due	(€ 0.00) € 2,600.00

#### Step 1: Set up a new supplier in the purchases module

Go to 'Purchases' > select 'Suppliers' > 'select' new to open the supplier account details On general Info Enter supplier name, contact etc On Invoice Settings tab

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

Books	💥 Need Help?	0 ¢ \$ 0 Q
McBreen Environmental		0 Invoices oversoue
lit Supplier		
eneral Info Invoice Settings Company Info Sul	b-Contacts	
CREDIT TERMS		
VAT NO.		
RCT Subcontractor     DeFAULT INFORMATION		
View A/C History DEFAULT NOMINAL CODE DEFAULT	I VAT CODE BIC	18AN
	00% (RCT VAT CODE) v	
	00% (RCT VAT CODE) v	
S310 Q RCT 0.		

#### Step 2: Enter the invoice on BrightBooks

III 61	BrightBooks		S Need Help?			⊕ ¢ \$ (	C&C Demo School
Dverview	Purchases Suppliers Payees Order Invoices & C	redit Notes Opening Supplier Balances					
ustomers	€0.00 MONTH TO DATE	6587.00 YEAR TO DATE	€11,920.39 UNPAID			INVOICES DUE	
<u>命</u> anking	Purchase Invoices						Current (13) v
	Email Delete	Search	Q,		New Invoice	New Cred	lote Quick 👻
teral Iger	Date - Doc. No.	Supplier		Net	VAT	Gross Code	Quick Invoice
2 RM	18 Jan 2024 INV 8975*	Capital OIL Co CAP001		587.00	0.00	587.00 4310	Quick Credit Note
2	06 Dec 2023 CRN 987*	Egan Bus Co EGA001		45.00	0.00	45.00 4690	Paid

Choose Quick Invoice

- Enter invoice details
- The VAT code should automatically default to RCT 0.00% after ticking the box in step 1 (setting up the supplier) & Nominal code & Department will prefill as these were input on supplier set-up

18 verview	Quick Purcha	ase Invo	ce									
stomers	Date	Ref.No.	Inv. No.	Supplier	Supplier Name	Gross	VAT Code	VAT	Net	Code	Notes	DEP
(Thases	16/10/2023 🛍		J5440	MCB001 ~	McBreen Environm	2,600.00	RCT 0.00% ( 🗸	0.00	2,600.00	5310 Q	DRAINAGE Q	NPG
fff nking												
0												

Save Invoice

Step 3: Record the VAT journal

• Go to General Ledger, select 'Journals'

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Chart of Accounts Print New View • Budget • This Year • Suppress Zero Search   This Year •   Image: Code Description 2023 2022   Income and Expenditure Account Income   Income Income Debit Credit Debit Credit													STAT	VIES INTRA	leturns	rnals			Overview
Income and Expenditure Account     Debit     Credit     Debit     Gredit       Income     Income     Income     Income     Income     Income	٩	Q	ch	Searc	s Zero	ppres	Su				~	This Year	Budget 🔻	View 🔻	New	Print	Accounts	Chart of A	
Income and Expenditure Account Leon Urean Leon Urean Leon Urean			2022	:					3	202					on	Descrip		Code	盦
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General																		Income	General
Lager Department of Education																n	t of Education	Department	

U	BrightBooks		۲	Ų	\$ ?	٢	C&C Demo School
0verview	General Ledger Chart of Accounts Journals VAT Returns VIES INTRASTAT						
Customers	Journal New View - Delete All (4)	v	Current (	<del>1</del> )	•	Search	٩

## **Enter Journal details**

- Enter date, a reference no. and select a journal type
- Enter nominal code to which the VAT relates to (example is 5310 Repairs-Buildings/Grounds)
- Enter description in 'Notes' (Vat on McBreen Inv J5440)
- Enter VAT amount on debit side  $\notin$ 351
- Hit the 'Return' key to move onto the next line
- Enter nominal code of VAT control account '2260'
- Enter description in 'Notes' (Vat on McBreen Inv J5440)
- Enter VAT amount on credit side €351

view		dger					
,	Chart of Account	s Journ	als VAT Returns VIES INTRA	STAT			
ners	Journals						
ses							
	JOURNALS DI	ETAILS					
ng	DATE		REF NO.	ТҮРЕ			
	16/10/2023		<b>#</b>	Journal	v	Attachment file size 4 MB.	
ral							
er I	Code		Description	Notes	Debit	Credit	DEP
	5310		Repairs to Buildings and Grounds Expense	VAT on McBreen Inv J5440	351.00	0.00	AOD
	2260	Q	Reverse VAT Control Account	VAT on McBreen Inv J5440	0.00	351.00	AOD 🗸
ts							
ns							

## Copy journal function feature

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

8 view	General L	edger											
D	Chart of Accou	unts Jou	irnals V	AT Returns	VIES	INTRASTAT							
omers	Journals	New	View	•	elete				All (5)	v Current (5)	<ul> <li>✓ Search</li> </ul>	۹	
ti l	Dat	ie i	Period	Tran Type	Doc. No.	Ref. No.	Nominal Account				Debit	Credit	
king	01	Sep 2022	Sep-2022	Opening	1	OB	1800				180,554.87	180,554.87	
	05	May 2023	May-2023	Journal	1		5310				162.00	162.00	
eral ger	31	Aug 2023	Aug-2023	Journal	2	Y/e adj	3010				30,500.00	30,500.00	
a	12	Jan 2023	Jan-2023	Journal	3	VAT	5310				675.00	675.00	
м	16	Oct 2023	Oct-2023	Journal	4		5310				351.00	351.00	e
≂								1 - 5 of 5 Records			Items per page	Open	
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- Update the journal with the current details.
- Click save.

**Step 4**: Record the supplier payment on BrightBooks

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

RCT @ 20%	€2600 x 20% = €520
Invoice J5440	€2600
Less RCT (20%)	<u>€520</u>
Payment to McBreen	€2080

Banking Bank Accounts Receipts Payments Bank Reconciliation	Bank Feeds	
60.00 MONTH TO DATE	€1,052.00 VEAR TO DATE	€5,920.39 UNALLOCATED
Payments		Filter Payment v
Email Delete	Search Q	New Quick Payment Create SEPA File

- Under 'Banking'
- Select 'Quick Payments'
- Select bank account from dropdown menu
- Enter payment date
- Payment type i.e EFT
- Enter applicable dept i.e NPG
- Select supplier from dropdown menu McBreen
- Enter invoice amount in amount box i.e €2080
- Click the 'allocation' button at bottom left of screen You now have the option of selecting what rate the RCT was deducted at;
- Select 20% RCT rate from dropdown (For example)

1800 Current /	Account	1	•	·					
Date		Payment Typ	e	DEP	Ref. No.	Supplier		Notes/Payee	Amour
26/10/2023	Ċ	EFT	~	NPG 🗸		MCB001	~	McBreen Environment	2080.0
									2,080.0

### **Quick Payment**

On the allocation screen select the RCT rate 20% from dropdown for our example

Allocations										
RCT RCT20	0 20.00	~								
Date	Туре	Doc No.	Notes	Amount Pai	id to-date	Unpaid	Discount	Paid	RCT	~
16/10/2023	Invoice	J5440	DRAINAGE SURVEY & REPAIRS	2,600.00	0.00	2,600.00	0.00	0.00	0.00	
Totals				2,600.00	0.00	2,600.00	0.00	0.00	0.00	
Auto Re	everse						Amount Left to	Allocate		2,600.00
								Ca	ncel	Save

## Tick the RCT box on Right hand side

CT RCT2	20.00	~								
)ate	Туре	Doc No.	Notes	Amount	Paid to-date	Unpaid	Discount	Paid	RCT	1
6/10/2023	Invoice	J5440	DRAINAGE S	2600.00	0.00	0.00	0.00	2,080.00	520	✓
otals				2,600.00	0.00	2,600.00	0.00	0.00	0.00	
Auto F	leverse					ſ	Amount Left	to Allocate		0.
								_		
								Car		Save

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)

## Step 5: Record the VAT payment to Revenue

- To record the payment made to Revenue for VAT
- Go to 'Banking' > 'Payments' > 'Quick Payment' > select bank a/c

Banking Bank Accounts Receipts Payments Bank Reconciliation	Bank Feeds	
€0.00 MONTH TO DATE	€1,052.00 YEAR TO DATE	€5,920.39 UNALLOCATED
Payments		Filter Payment v
Email Delete	Search Q,	New Quick Payment Create SEPA File

• Enter the payment details and post to nominal code 2260 (VAT control a/c) – select Save to finish

ANK ACCOUNT										
1800 Current Acco	ount 1	~								
Date	Payment Type	DEP	Ref. No.	Supplier	Notes/Payee	Amount	VAT Code	VAT	Nom. Code	۹
3/11/2023	EFT 🗸			· · ·	Revenue VAT Sept	351	Z 0.00% (Zero)	• 0.00	2260 Q	

#### Step 6: Record the RCT payment to Revenue

- To record the payment made to Revenue for RCT
- Go to 'Banking' > 'Payments' > 'Quick Payment' > select bank a/c

Banking		
Bank Accounts Receipts Payments Bank Reconciliation	Bank Feeds	
€0.00 Month to date	€1,052.00 Vear to date	(2) €5,920.39 UNALLOCATED
Payments		Filter Payment v
Email Delete	Search Q,	New Quick Payment Create SEPA File

 Enter the payment details and post to nominal code 2270 (RCT control a/c) – select save to exit

Quick Payment

1800 Current	unt 1		~							
Date	Payment Type		DEP	Ref. No.	Supplier	Notes/Payee	Amount	VAT Code	VAT	Nom. Code
23/11/2023	EFT	•		October RCT	·	Revenue ~	520	Z 0.00% (Zero) 🗸 🗸	0.00	2270
Cancel	Save									

#### 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

General Leo 2270 - RCT Co Select Code	-	e Print Back	Run	Period ~	Custom ~	Sep-2022	~ No	w-2022 v
Date	Period	Description		Notes	Product	Debit	Credit	Balance
24 Oct 2022	Oct-2022	Payment 15 Dunne Electrical Ltd		Dunne Electrical Lte	d	-	520.00	-520.00
25 Oct 2022	Oct-2022	Payment 14 McBreen Environmental 🕑 789		McBreen Environmenta	al	-	520.00	-1,040.00
23 Nov 2022	Nov-2022	Payment 19 Revenue <b>()</b> October RCT		Revenue		1,040.00	-	0.00
					Total	1,040.00	1,040.00	0.00
								0.00 BALANCE

## 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

General Lec 2260 - Reverse Account Select Code	-	Print Back	Run	Period	~	Custom v	Sep-2023	~ A	ug-2024 v
Date	Period	Description			Notes	Product	Debit	Credit	Balance
16 Oct 2023	Oct-2023	Nominal Journal 4 VAT on McBreen Inv J5440			VAT on McBreen Inv J5440			351.00	-351.00
23 Nov 2023	Nov-2023	Payment 18 Revenue VAT Sept/Oct 🕄			Revenue VAT Sept/Oct		351.00	-	0.00
						Total	351.00	351.00	0.00
									0.00 BALANCE