FSSU Video Series

Preparing the Year-End Accounts Information

VAT and RCT

FSSU Financial Support Services Unit

Year-end Accounts Preparation checklist

Year End Accounts Preparation Checklist

Before you send your end of year accounts to your accountant for submission to FSSU, please ensure you have completed the following checklist.

	Action	Completed
11	VAT: Review ROS to ensure all VAT returns are filed. Remember you must file VAT returns even if liability is Nil. The VAT control account (nominal code 2260) should equate to the VAT that is owed to Revenue at 31st of August (if using VAT journals)	☐
12	RCT: Ensure all deductions made from Subcontractors for RCT purposes have been returned to Revenue. The RCT control account (nominal code 2270) should equate to the RCT that is owed to Revenue at 31st of August.	☐

FSSU Financial Support Services Unit

Agenda

- The RCT and VAT Control Accounts.
- RCT and VAT control account activity using the Banking Module.
- RCT and VAT control accounts activity using the Suppliers Module.
- Reconciling the RCT and VAT control accounts.
- Recording the RCT and VAT liability if not using the control accounts.
- RCT and VAT Folders .
- Year End File.
- ROS – RCT and VAT returns.

Control Accounts for RCT and VAT

- Summary Accounts
- Clear Audit Trail
- Help Avoid Processing Errors

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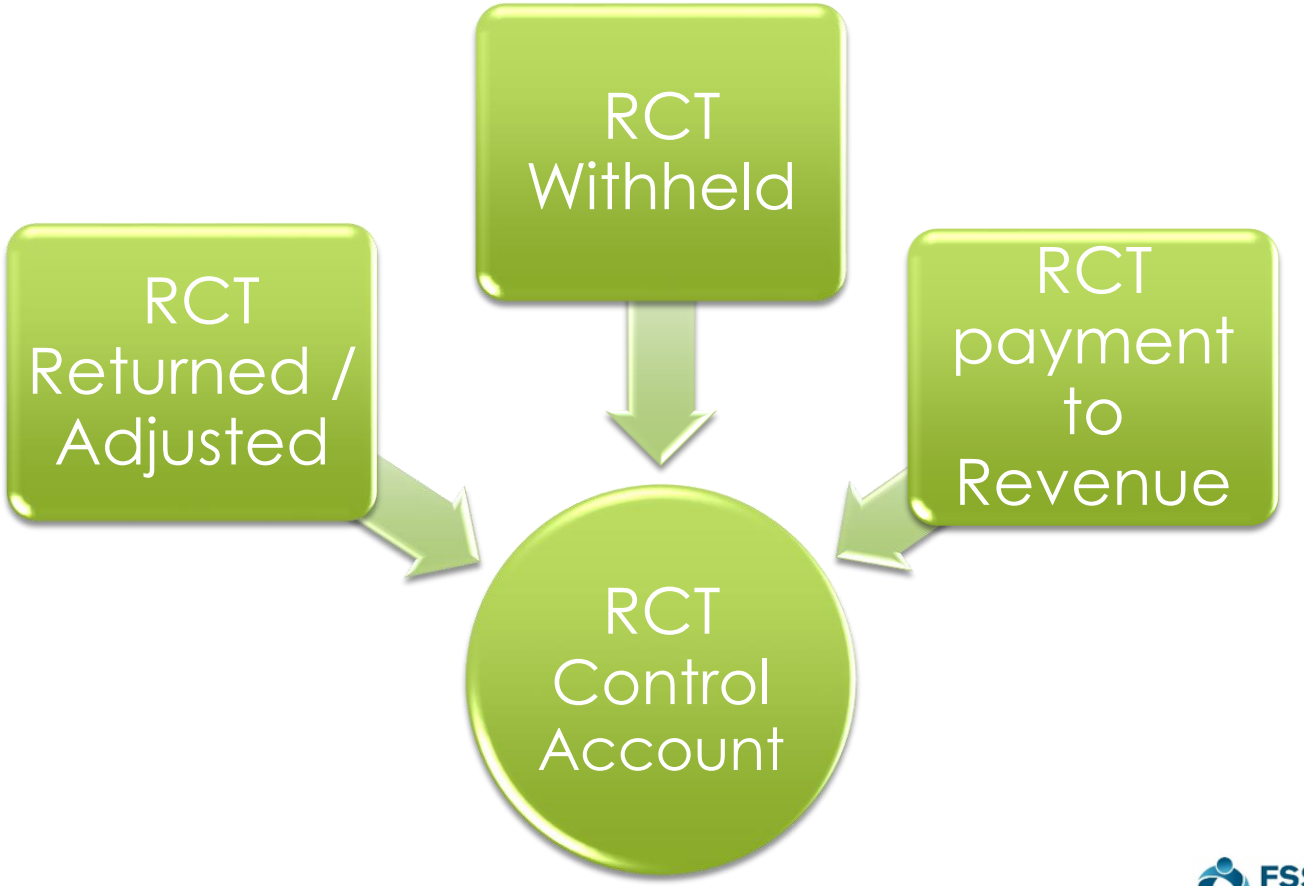
RCT Control Accounts

Nominal code 2270

Balance Sheet – Current Liability

Credit balance - Liability due to Revenue

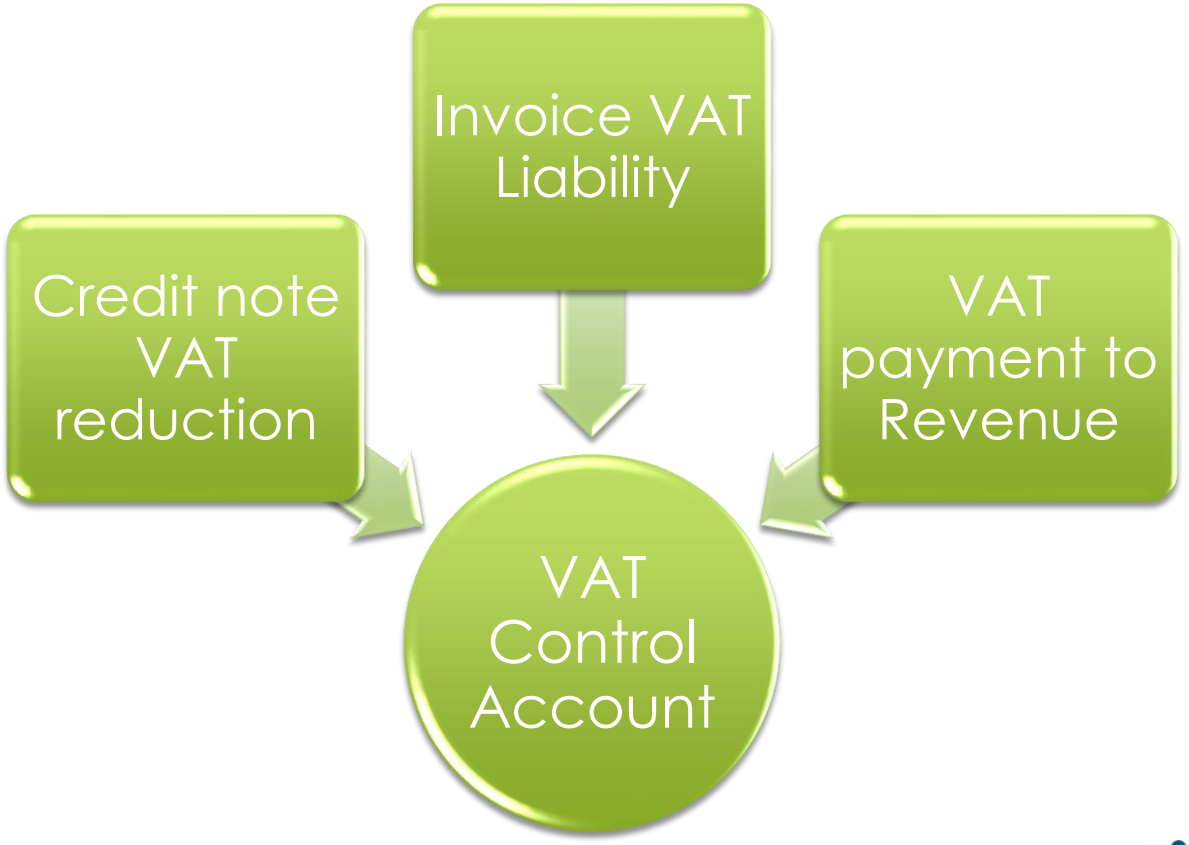


VAT Control Accounts

Nominal code 2260

Balance Sheet – Current Liability

Balance Reflect Liability due to Revenue



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RCT and VAT Control Accounts

Date: XX/XX/20XX

Time: 12:47:39

Demo School

Page: 1

Transactional Trial Balance

Tran Date From: 01/09/20XX

Tran Date To: 31/08/20XX

Tran No. From: 1

Tran No. To: 99999999

Dept From: 0

Dept To: 999

N/C	Name	Debit	Credit
2260	Reverse VAT Control Account		12825.00
2270	RCT Control Account		9500.00

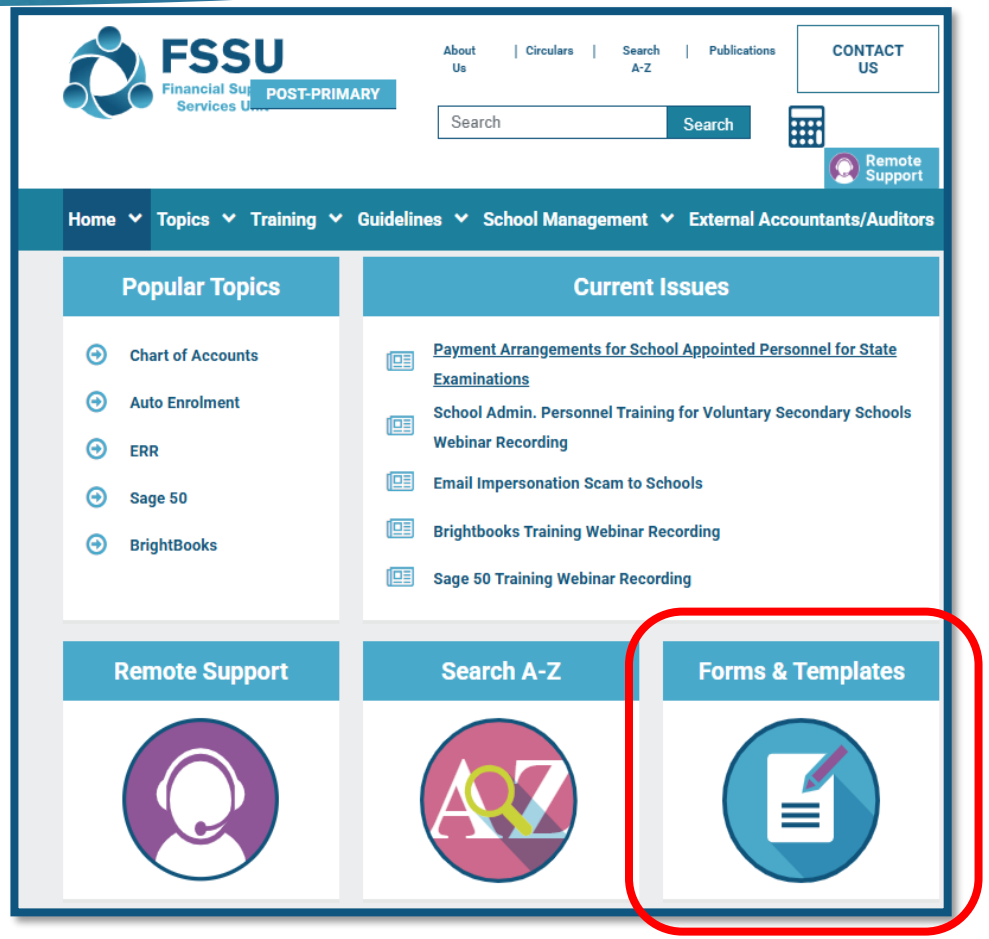
VAT3 Return

RCT Return

VAT and RCT Supporting Excel Sheet

School Name: Demo School
School Year: Sept XX-Aug XX

		Date of Inv	Supplier Name	Inv No	Invoice amount	VAT @ 13.5%	VAT @ 23%	VAT JNL Entered on Sage (Y/N)	Payment Date	Payment Amount	RCT Deducted (if any)	RCT accounted for on accounts package (Y/N)
VAT PERIOD	SEPT/OCT 20XX											
VAT PERIOD	NOV/DEC 20XX											
VAT Period	Jan/Feb 20XX											
		13.01.XX	Elliot Painters and Decorators	ELL1296	€ 1,650.00	€ 222.75	0	Y	13.01.XX	€ 1,485.00	€ 165.00	Y
VAT PERIOD	MAR/APR 20XX											
		25.03.XX	Johnston Plumbing	JOH645	€ 1,200.00	€ 162.00	0	Y	25.03.XX	€ 960.00	€ 240.00	Y
VAT PERIOD	MAY/JUN 20XX											
VAT PERIOD	JUL/AUG 20XX											
		20.08.XX	Carey Constuction Limited	CAR4156	€ 95,000.00	€ 12,825.00	0	Y	20.08.XX	€ 85,500.00	€ 9,500.00	Y



VAT Control Account Banking Module

Date:
Time:

Demo School Accounts

Page: 1

Nominal Activity - Excluding No Transactions

Date From: 01/09/20XX
Date To: 31/08/20XX

N/C From: 2260
N/C To: 2260

Transaction From: 1
Transaction To: 99,999,999

N/C: 2260 **Name:** Reverse VAT Control Account **Account Balance:** 12,825.00 CR

No	Type	Date	Account	Ref	Details	Dept	T/C	Value	Debit	Credit	V	B
233	JC	13/01/20XX	2260		VAT on the Elliot Painters	0	T9	222.75		222.75		-
238	BP	23/03/20XX	1800		VAT Return Jan/ Feb	0	T9	222.75	222.75		-	N
241	JC	25/03/20XX	2260		VAT on Johnson Electric	0	T9	162.00		162.00		-
245	BP	23/05/20XX	1800		VAT Return Mar / Apr	0	T9	162.00	162.00		-	N
247	JC	20/08/20XX	2260		VAT Carey Construction Inst 1.	20	T9	12,825.00		12,825.00		-
							Totals:		384.75	13,209.75		
							History Balance:			12,825.00		

VAT Liability at 31.08

Subcontractor Invoice

VAT3 Returns & Bank statements

VAT Control Account Banking Module

Date:
Time:

Demo School Accounts

Nominal Activity - Excluding No Transactions

Page: 1

Date From: 01/09/20XX
Date To: 31/08/20XX

N/C From: 2260
N/C To: 2260

Transaction From: 1
Transaction To: 99,999,999

N/C: 2260 Name: Reverse VAT Control Account Account Balance: 12,825.00 CR

Invoice Total €95,000.00 @ 13.5%
=€12,825.00

CAREY CONSTRUCTION

McBreen Environmental Drain Services Ltd
Lismagratty
Cootehill Road
Cavan, Co Cavan
IE

BILL TO:
Demo School

Billing Type	Invoice
Billing Number	XXXX
Date	
Billing Due Date	20/08/20XX
Job Reference	
Amount Due	€95,000.00

"VAT will be accounted for by the Principal Contractor."

PRODUCT	COMMENT	QUANTITY	UNIT PRICE	SUB-TOTAL	TAX AMOUNT	TOTAL
	Mainline	1.00	€	€39,000.00	€ 0.00	€39,000.00
	Mainline	1.00	€	€ 15,750.00	€ 0.00	€ 15,750.00
	Per Tonne	2.00	€	€ 5,125.00	€ 0.00	€ 10,250.00
	Mainline	1.00	€	€ 18,000.00	€ 0.00	€ 18,000.00
	Branch Lines	1.00	€	€ 12,000.00	€ 0.00	€ 12,000.00
	Discount					

Sub-Total	€95,000.00
Sales Tax	€ 0.00
Total	€ 95,000.00
Amount Paid	(€ 0.00)
Credit Amount	(€ 0.00)
Amount Due	€95,000.00

Revenue
Cáin agus Custaiméirí na hÉireann
Irish Tax and Customs

VAT 3
July / August
due by September 23rd.

FSSU Financial Support Services Unit ©

RCT Control Accounts Banking Module

Date:
Time:

Demo School Accounts
Nominal Activity - Excluding No Transactions

Page: 1

Date From: 01/09/20XX
Date To: 31/08/20XX

N/C From: 2270
N/C To: 2270

Transaction From: 1
Transaction To: 99,999,999

N/C: 2270 **Name:** RCT Control Account **Account Balance:** 9,500.00 CR

No	Type	Date	Account	Ref	Details	Dept	T/C	Value	Debit	Credit	V	B
228	BP	23/09/20XX	1800		RCT Liability July August	0	T9	5,000.00	5,000.00			N
235	JC	13/01/20XX	2270		RCT withheld on Elliot Painters	0	T9	165.00		165.00	-	-
237	BP	23/02/20XX	1800		RCT Return for Jan	0	T9	165.00	165.00		-	N
243	JC	25/03/20XX	2270		RCT on Johnson Electrical	0	T9	240.00		240.00	-	-
244	BP	23/04/20XX	1800		RCT Return - March	0	T9	240.00	240.00		-	N
249	JC	20/08/20XX	2270		RCT Carey Construction Inst 1.	20	T9	9,500.00		9,500.00	-	-

Totals: 5,405.00 9,905.00
History Balance: 4,500.00

RCT Liability at 31.08

Subcontractor Invoice & Deduction Authorisation

Deduction Summary (RCT Return) & Bank statements

RCT Control Account Banking Module

Date:
Time:

Demo School Accounts

Nominal Activity - Excluding No Transactions

Page: 1

Date From: 01/09/20XX
Date To: 31/08/20XX

N/C From: 2270
N/C To: 2270

Transaction From: 1
Transaction To: 99,999,999

N/C:	2270	Name:	RCT Control Account	Account Balance:	9,500.00 CR

Payment Notification Acknowledgement

Print All — View/Download in CSV or XML

The following payment notifications will be input.

Payment Notification ID	Sub Tax Ref	Sub Name	Date Input	Gross Payment	Net Payment	Deduction Amount
XXXX	XXXXX	Carey Constuction	20/08/20XX	95,000.00	85,500.00	9,500.00

20/8/20XX

You have notified the Revenue Commissioners that you are about to make a relevant payment of €95,000.00to the below subcontractor:

Carey Construction : XXXXX

You are hereby authorised to deduct from this payment, tax at the rate of 10%, which based on a payment of €95,000.00 results in a tax amount of €9,500.00

If you do not make this payment, you must withdraw the Payment Notification in your return for the period, or earlier.

Revenue Commissioners.

Print

Revenue
Cáin agus Custaiméirí na hÉireann
Irish Tax and Customs

RCT Return
August
due by September 23rd.

CAREY CONSTRUCTION

McBreen Environmental Drain Services Ltd
Lismagratty
Cootehill Road
Cavan, Co Cavan
IE

BILL TO:
Demo School

Billing Type	Invoice
Billing Number	XXXX
Billing Date	
Billing Due Date	20/08/20XX
Job Name	
Job Reference	
Amount Due	€95,000.00

"VAT will be accounted for by the Principal Contractor."

PRODUCT	COMMENT	QUANTITY	UNIT PRICE	SUB-TOTAL	TAX AMOUNT	TOTAL
	Mainline	1.00	€	€ 39,000.00	€ 0.00	€ 39,000.00
	Mainline	1.00	€	€ 15,750.00	€ 0.00	€ 15,750.00
	Per Tonne	2.00	€	€ 5,125.00	€ 0.00	€ 10,250.00
	Mainline	1.00	€	€ 18,000.00	€ 0.00	€ 18,000.00
	Branch Lines	1.00	€	€ 12,000.00	€ 0.00	€ 12,000.00
	Discount					

Sub-Total	€95,000.00
Sales Tax	€ 0.00
Total	€ 95,000.00
Amount Paid	(€ 0.00)
Credit Amount	(€ 0.00)
Amount Due	€95,000.00

FSSU Financial Support Services Unit ©

VAT Control Account Suppliers Module

Date:
Time:

Demo School Accounts

Page: 1

Nominal Activity - Excluding No Transactions

Date From: 01/09/20XX
Date To: 31/08/20XX

N/C From: 2260
N/C To: 2260

Transaction From: 1
Transaction To: 99,999,999

N/C: 2260 Name: Reverse VAT Control Account Account Balance: 12,825.00 CR

No	Type	Date	Account	Ref	Details	Dept	T/C	Value	Debit	Credit	V	B
233	PC	13/01/20XX	ELL1296		VAT on the Elliot Painters	0	T9	222.75		222.75	-	-
238	BP	23/03/20XX	1800		VAT Return Jan/ Feb	0	T9	222.75	222.75		-	N
241	PC	25/03/20XX	JOH645		VAT on Johnson Electric	0	T9	162.00		162.00	-	-
245	BP	23/05/20XX	1800		VAT Return Mar / Apr	0	T9	162.00	162.00		-	N
247	PC	20/08/20XX	CAR4156		VAT Carey Construction Inst 1.	20	T9	12,825.00		12,825.00	-	-
							Totals:		384.75	13,209.75		
							History Balance:			12,825.00		

FSSU Financial Support Services Unit

RCT Control Account Suppliers Module

Date:
Time:

Demo School Accounts
Nominal Activity - Excluding No Transactions

Page: 1

Date From: 01/09/20XX
Date To: 31/08/20XX

N/C From: 2270
N/C To: 2270

Transaction From: 1
Transaction To: 99,999,999

N/C: 2270 Name: RCT Control Account Account Balance: 9,500.00 CR

No	Type	Date	Account	Ref	Details	Dept	T/C	Value	Debit	Credit	V	B
228	BP	23/09/20XX	1800		RCT Liability July August	0	T9	5,000.00	5,000.00		-	N
235	PC	13/01/20XX	ELL1296		RCT withheld on Elliot Painters	0	T9	165.00		165.00	-	-
237	BP	23/02/20XX	1800		RCT Return for Jan	0	T9	165.00	165.00		-	N
243	PC	25/03/20XX	JOH645		RCT on Johnson Electrical	0	T9	240.00		240.00	-	-
244	BP	23/04/20XX	1800		RCT Return - March	0	T9	240.00	240.00		-	N
249	PC	20/08/20XX	CAR4156		RCT Carey Construction Inst 1.	20	T9	9,500.00		9,500.00	-	-
							Totals:		5,405.00	9,905.00		
							History Balance:			4,500.00		

Common Errors

Account is understated or has a debit balance

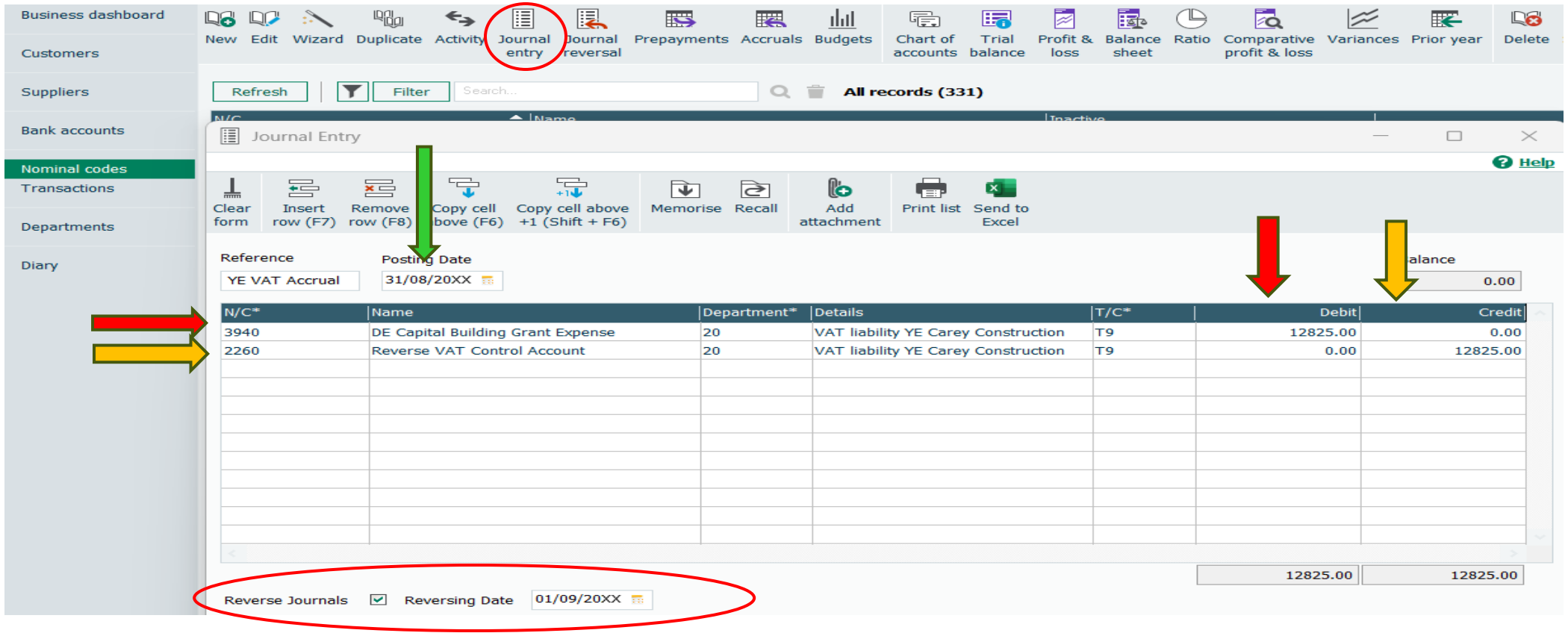
- RCT/ VAT journal not entered to record the liability.
- A payment to Revenue has been overstated in error.
- A payment to Revenue has been entered twice in error.

Account balance is overstated

- RCT/ VAT liability overstated or recorded twice in error.
- A subcontractor credit note missed.
- A payment to Revenue understated in error.
- A payment to Revenue posted to the incorrect account.

Recording the RCT and VAT liability if not using the control accounts

VAT liability 31st Aug



Recording the RCT and VAT liability if not using the control accounts

RCT liability 31st Aug

Reference: YE VAT Accrual

Posting Date: 31/08/20XX

Balance: 0.00

N/C*	Name	Department*	Details	T/C*	Debit	Credit
3940	DE Capital Building Grant Expense	20	RCT liability YE Carey Construction	T9	9500.00	0.00
2270	RCT Control Account	20	RCT liability YE Carey Construction	T9	0.00	9500.00
					9500.00	9500.00

Reverse Journals ☑ Reversing Date 01/09/20XX

Save Close

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RCT File

RCT file/Folder

Divided into monthly/quarterly periods

- Copy of contract notifications
- Copy of subcontractor invoices
- Copy of payment notifications
- Deduction Summaries
- RCT Return

VAT File

VAT file/Folder

Divided in to bimonthly/quarterly periods

- **Copy of VAT 3 Return printed from ROS**
- **Calculation of the VAT 3 liability**
- **Copy of subcontractor invoice**

Year End File

- Review ROS – All VAT returns filed
- VAT Control Account Balance 31.08 = Amount owed to Revenue for VAT
- All RCT deductions have been returned to Revenue
- RCT control account balance @ 31.08 = Amount owed to Revenue for RCT
- Copies all VAT returns and RCT Deduction Summaries

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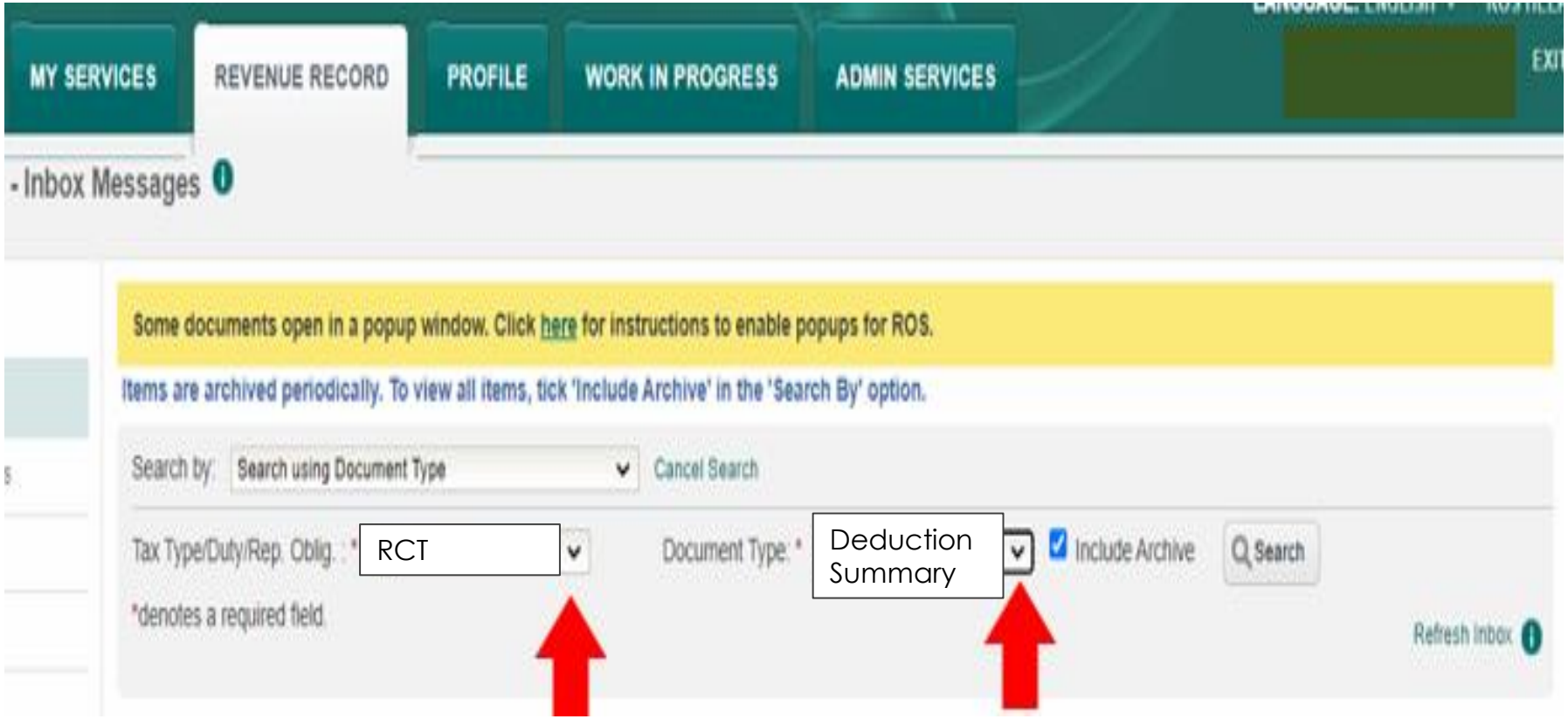
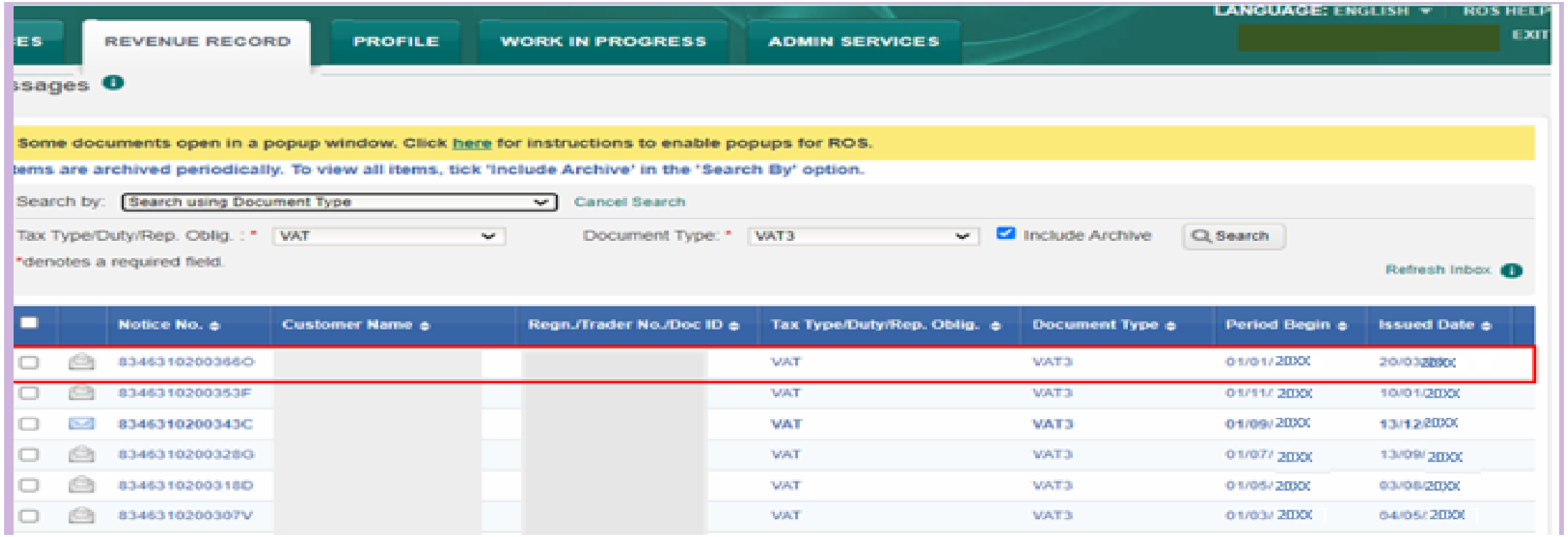
Revenue Online Returns



Revenue Online Returns



Further resources

Preparing for the Year-End

Preparing for the year end is an important part of the school's financial reporting process. The accounts personnel is responsible for completing the year-end accounts package and gathering the supporting documentation required by the school's accountant to prepare the annual accounts.

To help you with this process, we have developed a range of resources:

Year-End Guideline and Checklist

The Year-End Guideline includes a practical checklist to help you complete each stage of the year-end process and ensure all required information is available for the accountant.

- Guideline on preparation of the year end

Webinar – Preparing for the Year End

. It provides guidance on getting ready for the Year end process in terms of reviewing and gathering information for the accountant and making use of the FSSU Year end resources that are available.

- Presentation slides

Year-End Video Series

Our short videos follow the Year-End Guideline and Checklist, with each topic covered separately. You can watch the full series or go directly to the area where you need additional guidance

FSSU Financial Support Services Unit

FSSU Contact Details

Financial Support Services Unit

Phone

01 269 0677

Email

info@fssu.ie

Please contact the FSSU if you need support.

www.fssu.ie

Thank You

FINANCIAL SUPPORT SERVICES UNIT (FSSU)

FSSU Financial Support Services Unit