FSSU Video Series

Preparing the Year-End Accounts Information

VAT and RCT

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.	☐

Agenda

- The RCT and VAT Control Accounts.
- RCT and VAT Control account transactions and supporting documents.
- 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

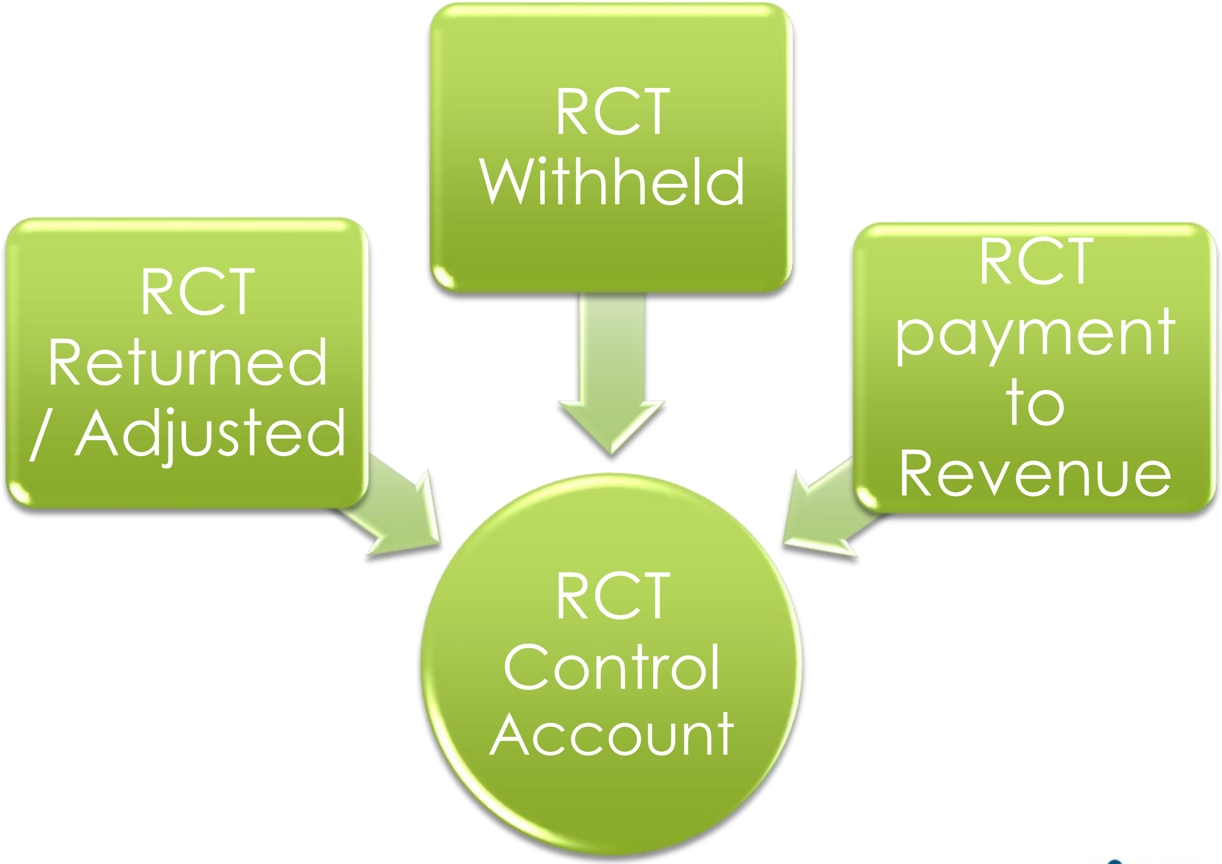
- Summary Accounts
- Clear Audit Trail
- Help Avoid Processing Errors

RCT Control Accounts

Balance Sheet – Current Liability

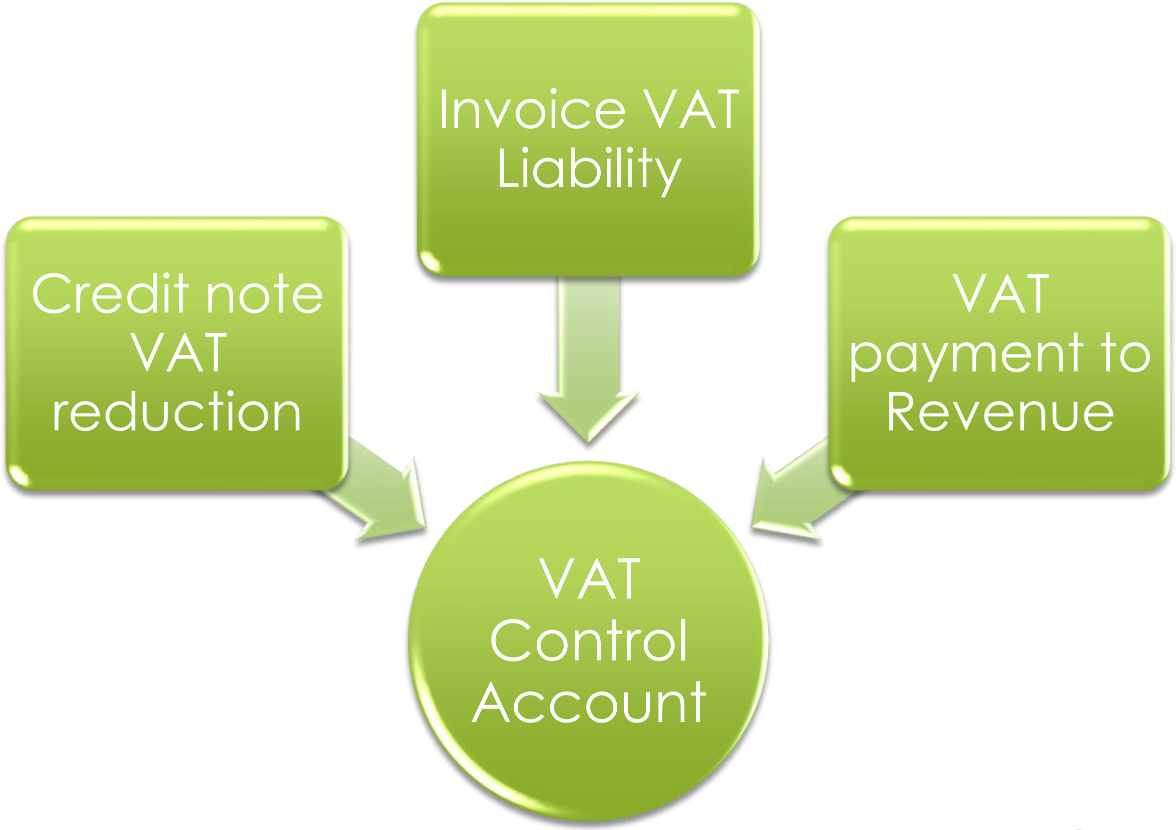
Nominal code 2270

Credit balance - Liability due to Revenue



VAT Control Accounts

- Balance Sheet – Current Liability
- Nominal code 2260
- Balance Reflect Liability due to Revenue



RCT and VAT Control Accounts

Trial Balance - Formatted

DEMO C&C School

Date Range 1st Sep 20XX To 31st Aug 20XX

Code	**Description**	**20XX Current €**	**20XX Comparative €**
Current Liabilities			
Creditors			
2100	Creditors Control Account	52,175.00	36,000.00
		€52,175.00	**€36,000.00**
Accruals			
2105	School Income Received in Advance	14,561.00	13,545.00
2150	Grants Received in Advance	85,960.00	73,590.00
2151	Book Grant Received in Advance	72,152.66	35,552.66
2160	Book Grant Unspent	2,505.49	4,350.00
2165	ICT Grant Unspent	676.45	676.45
2171	Other Ringfenced Grants Unspent	562.00	358.00
2250	PAYE/PRSI/USC/LPT Control Account	975.56	925.76
2260	Reverse VAT Control Account	351.00	1,620.00
2270	RCT Control Account	520.00	2,400.00
2440	Accruals	-	5,264.00

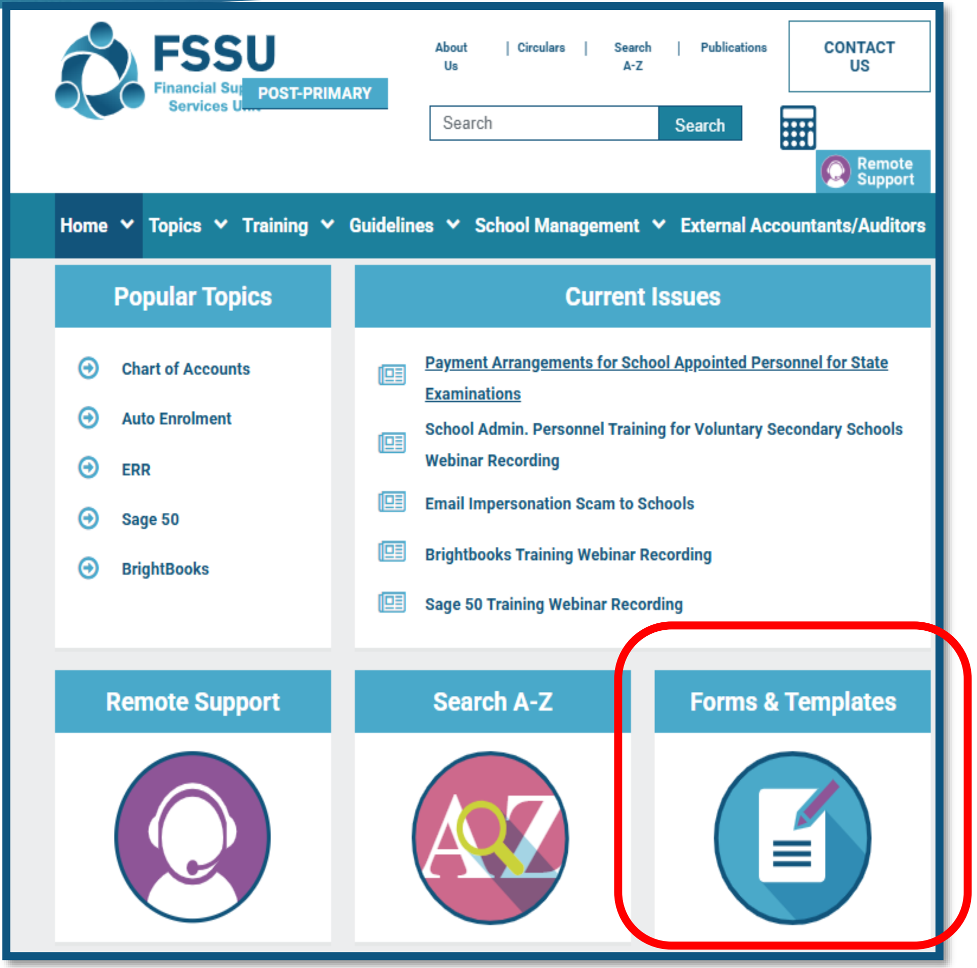
Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

VAT3 Return

RCT Return

RCT and VAT 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
		23.04.XX	Marsh	A562	€ 1,800.00	€ 243.00			23.04.XX	€ 1,170.00	€ 630.00	Y
VAT PERIOD	MAY/JUN 20XX											
VAT PERIOD	JUL/AUG 20XX											
		20.08.XX	Carey Constuction Limited	CAR4156	€ 2,600.00	€ 351.00	0	Y	20.08.XX	€ 2,080.00	€ 520.00	Y



FSSU Financial Support Services Unit ©

VAT Control Accounts

General Ledger Card

2260 - Reverse VAT Control Account

Select Code

Print Back Need Help? Run Period Financial Year Sep-20XX Aug-20XX

Date	Period	Description	Notes	Product	Debit	Credit	Balance
01 Sep 20XX	Sep-20XX	O/B TB Journal 1 Opening Balance OB	Opening Balance		-	1,620.00	-1,620.00
23 Sep 20XX	Sep- 20XX	Payment 77 VAT Return July/ Aug	VAT Return July/ Aug		1,620.00	-	0.00
13 Jan 20XX	Jan- 20XX	Nominal Journal 39 Elliot Inv 894 VAT	Elliot Inv 894		-	222.75	-222.75
20 Mar 20XX	Mar- 20XX	Payment 85 Jan/ Feb VAT3	Jan/ Feb VAT3		222.75	-	0.00
25 Mar 20XX	Mar- 20XX	Nominal Journal 40 Johnston Electrical 3492 VAT INV JOH3492	Johnston Electrical 3492		-	162.00	-162.00
23 Apr 20XX	Apr- 20XX	Nominal Journal 41 Marsh A562 VAT	Marsh A562		-	243.00	-405.00
23 May 20XX	May- 20XX	Payment 86 March/ Apr VAT 3	March/ Apr VAT 3		405.00	-	0.00
20 Aug 20XX	Aug- 20XX	Nominal Journal 38 VAT on McBreen Inv 5260	VAT on McBreen Inv 5260		-	351.00	-351.00
				Total	2,247.75	2,598.75	-351.00

VAT3 Returns & Bank statements

Subcontractor Invoice

VAT Liability at 31.08

VAT Control Accounts

20 Aug 20XX	Aug 20XX	Nominal Journal 38 VAT on McBreen Inv 5260	VAT on McBreen Inv 5260	-	351.00	-351.00

Invoice Total €2,600.00 @ 13.5% =€351

McBreen Environmental

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

BILL TO:

Billing Type	Invoice
Billing Number	
Billing Date	20.08.20XX
Billing Due Date	20.08.20XX
Job Name	
Job Reference	
Amount Due	€ 2,600.00

"VAT will be accounted for by the Principal 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)

Sub-Total	€ 2,600.00
Sales Tax	€ 0.00
Total	€ 2,600.00
Amount Paid	(€ 0.00)
Credit Amount	(€ 0.00)
Amount Due	€ 2,600.00

Revenue
Cáin agus Custaim na hÉireann
Irish Tax and Customs

VAT 3
July / August
due by September 23rd.

RCT Automatically recorded in Brightbooks

Quick Purchase Invoice

Date	Ref.No.	Inv. No.	Supplier	Supplier Name	Gross	VAT Code	VAT	Net	Code	Notes	DEP
20/08/20XX		5260	MCB001	McBreen Enviromental	2,600.00	RCT 0.00%	0.00	2,600.00	5310	Drainage	NPG

Allocations

RCT: RCT20 20.00

- N/A
- RCT0 0.00
- RCT20 20.00
- RCT35 35.00

Date	oc No.	Notes	Amount	Paid to-date	Unpaid	Discount	Paid	RCT	✓
20/0	260	Drainage	2,600.00	0.00	0.00	0.00	2,080.00	520.00	✓
Totals			2,600.00	0.00	0.00	0.00	2,080.00	520.00	

Auto | Reverse

Amount Left to Allocate 0.00

Cancel | Save

RCT Control Accounts

General Ledger Card
2270 - RCT Control Account
Select Code

Print | Back | Run | Period | Financial Year | Sep- 20XX | Aug- 20XX

Date	Period	Description	Notes	Product	Debit	Credit	Balance
01 Sep 20XX	Sep- 20XX	O/B TB Journal 1 Opening Balance OB	Opening Balance		-	2,400.00	-2,400.00
23 Sep 20XX	Sep- 20XX	Payment 78 RCT Return August	RCT Return August		2,400.00	-	0.00
30 Mar 20XX	Mar- 20XX	Payment 80 Johnson Electric	Johnson Electric		-	240.00	-240.00
23 Apr 20XX	Apr- 20XX	Payment 83 March RCT	March RCT		240.00	-	0.00
25 Apr 20XX	Apr- 20XX	Payment 81 Marsh Contracting	Marsh Contracting		-	630.00	-630.00
25 May 20XX	May- 20XX	Payment 84 April RCT	April RCT		630.00	-	0.00
20 Aug 20XX	Aug- 20XX	Payment 76 McBreen Enviromental	McBreen Enviromental		-	520.00	-520.00
				Total	3,270.00	3,790.00	-520.00

-520.00
BALANCE

Subcontractor Invoice & Deduction Authorisation

Deduction Summary (RCT Return) & Bank statements

RCT Liability RCT 31.08

RCT Control Accounts

20 Aug 20XX	Aug 20XX	Payment 76 McBreen Enviromental	McBreen Enviromental	520.00

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	McBreen Enviromental	20/08/20XX	2600.00	2080.00	520.00

20/8/20XX

You have notified the Revenue Commissioners that you are about to make a relevant payment of €2600.00 to the below subcontractor:

McBreen Enviromental: XXXXX

You are hereby authorised to deduct from this payment, tax at the rate of 20%, which based on a payment of €2600.00, results in a tax amount of €520.00

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 Custaim na hÉireann
Irish Tax and Customs

RCT
August
due by September 23rd.

McBreen Environmental

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

BILL TO:

Billing Type	Invoice
Billing Number	
Billing Date	20.08.20XX
Billing Due Date	20.08.20XX
Job Name	
Job Reference	
Amount Due	€ 2,600.00

"VAT will be accounted for by the Principal 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)

Sub-Total	€ 2,600.00
Sales Tax	€ 0.00
Total	€ 2,600.00
Amount Paid	(€ 0.00)
Credit Amount	(€ 0.00)
Amount Due	€ 2,600.00

Common Errors

Account is understated or has 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 controls accounts

VAT liability 31st Aug

JOURNALS DETAILS

DATE	REF NO.	TYPE
31/08/20XX	YE accrual VAT Liability	Accrual

Add Attachment

Max file size 4 MB.

Code	Description	Notes	Debit	Credit	DEP
5310	Repairs to Buildings and Grounds Expense	YE VAT liability accrual McBreen invoice 5260	351.00	0.00	SA
2260	Reverse VAT Control Account	YE VAT liability accrual McBreen Invoice 5260	0.00	351.00	SA

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

RCT liability 31st Aug

JOURNALS DETAILS

DATE	REF NO.	TYPE
31/08/20XX	YE accrual VAT Liability	Accrual

Add Attachment

Max file size 4 MB.

Code	Description	Notes	Debit	Credit	DEP
5310	Repairs to Buildings and Grounds Expense	YE RCT liability accrual McBreen invoice 5260	520.00	0.00	SA
2270	RCT Control Account	YE RCT liability accrual McBreen Invoice 5260	0.00	520.00	SA

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

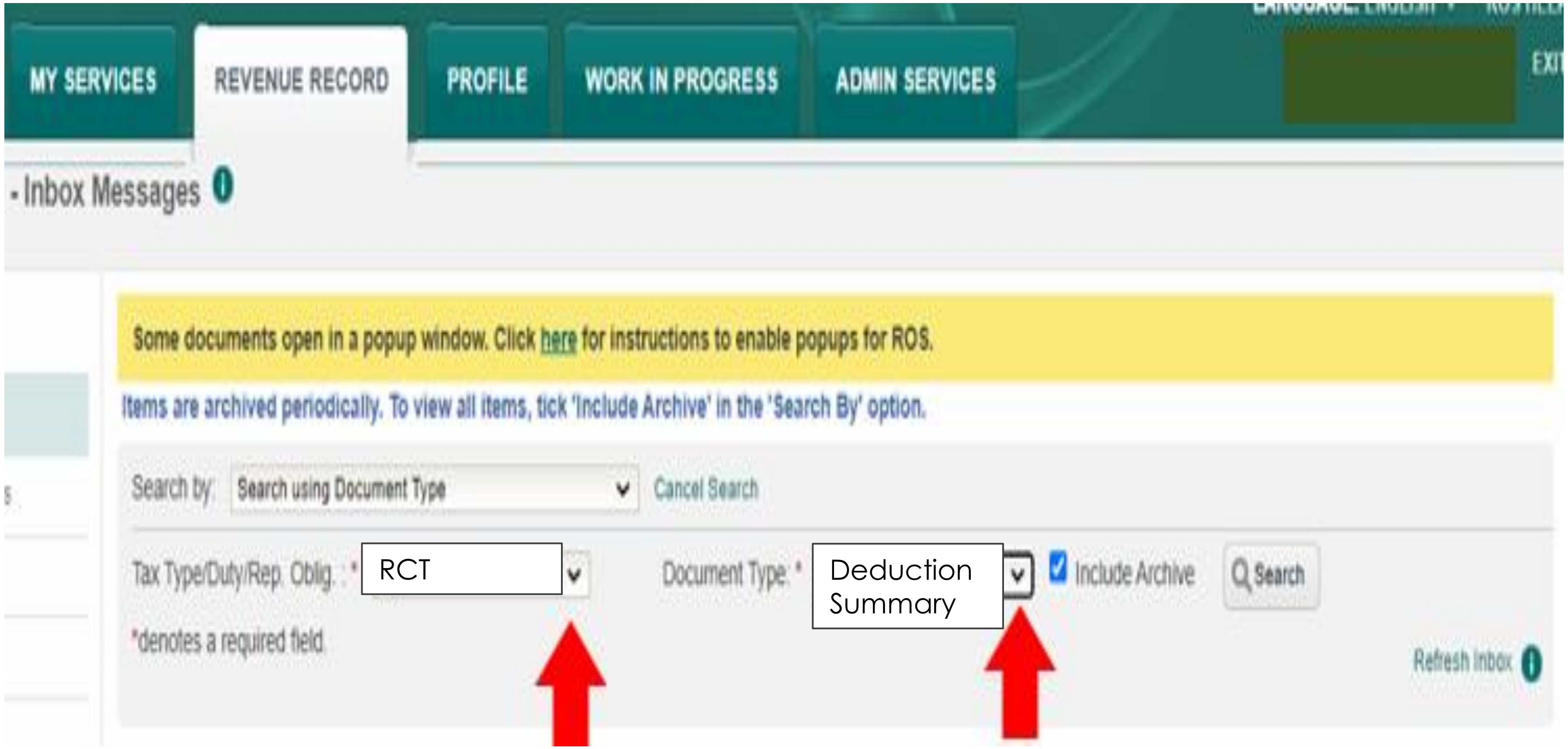
Divided in to bimonthly/quarterly periods

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

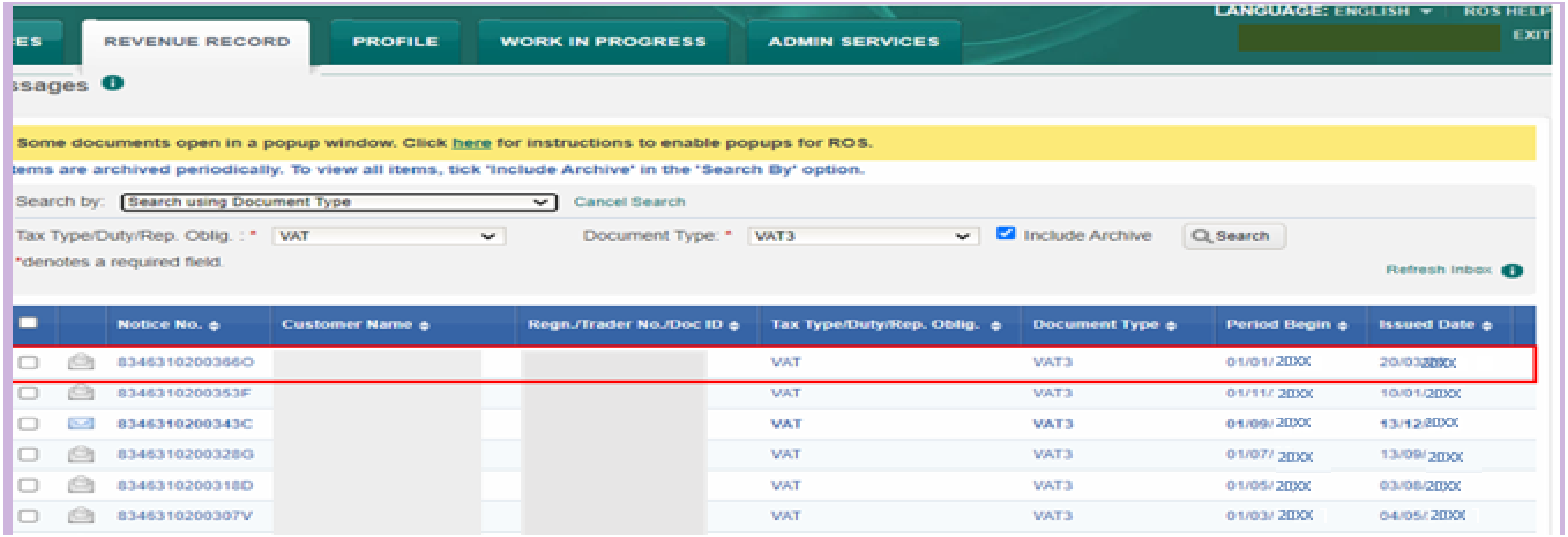
Year End File

- 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

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 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)