

How to record Relevant Contract transactions in Sage 50 including the recording of the related VAT & RCT

Using the Bank Module in Sage 50

Overview of steps in recording a relevant contract transaction

- A. Enter the payment to the supplier that the Revenue have notified on ROS
- B. Using a journal entry record the amount of VAT due on the transaction
- C. Using a journal entry record the amount of RCT due on the transaction

Payments to Revenue

To verify the amount owing to the Revenue for VAT :

- Nominal Codes > Activity > code 2260 > Date range for return period
- Verify the transactions in this activity report as the total due must be entered on the VAT 3 form in Ros on a bi-monthly basis
- The payment is entered in Sage using Bank Accounts > Bank Payment > nominal code 2260 > Save

To verify the amount owing to the Revenue for RCT:

- Nominal Codes > Activity > code 2270 > date range
- Verify the entries to the Revenue deduction summary
- The RCT is paid over to Revenue via ROS on the 23rd of the month following the payment to the contractor
- The payment is entered in Sage using Bank Accounts > Bank Payment > nominal code 2270 > save

The balances on both these control accounts should be monitored as they should clear out to nil or reflect the balance due to the Revenue at any point in time.

Each of the steps above are documented in the following pages using this example:

Smith Electrical, Electrical Repairs

Net Invoice = €5,000: Subcontractor to account for VAT, RCT = 20% = €1,000

D. Record the payment of VAT and RCT to the Revenue

Verify the credit balance as the amount due to Revenue on the Vat Control Account and the RCT Control account

In Sage

- Bank Accounts > Bank Payment
- Enter the relevant payments
- Save

The screenshot shows the Sage Bank Payments window. At the top, there is a toolbar with various icons for editing and printing. Below the toolbar, there are input fields for 'Bank' (Current Account) and 'N/C' (RCT Control Account). To the right, there are fields for 'Tax Rate' (0.00) and 'Total' (1675.00). The main area contains a table with the following data:

Bank*	Date*	Ref	Ex.Ref	N/C*	Department*	Details	Net	T/C*	Tax
1800	23/07/2017	ROS 07		2260	0	VAT May - June	675.00	T9	0.00
1800	23/07/2017	ROS 07		2270	0	RCT - June	1000.00	T9	0.00

At the bottom right of the window, there are two buttons: 'Save' and 'Close'. The total amount of 1675.00 is displayed in a box at the bottom right.