

# **SAGE BUSINESS CLOUD ACCOUNTING**

## **ACCOUNTANTS AREA - USER MANUAL**

[www.pwholdings.lk](http://www.pwholdings.lk)

+94 777 885 883

info@pwholdings.lk

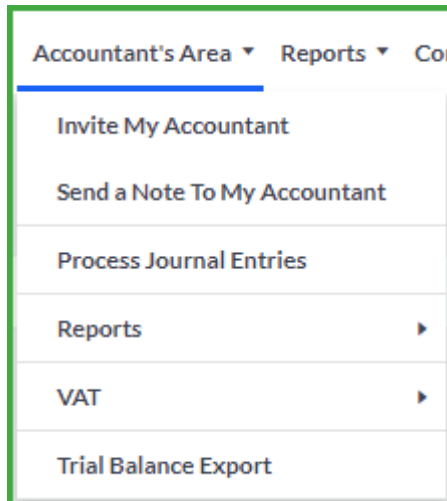
## Table of Contents

Accountants Area.....	3
VAT Transactions.....	4
VAT Returns and Reports.....	4
VAT Adjustments.....	8
VAT Payments and Refunds .....	9
The Different VAT Types.....	11
VAT Reports.....	14
Process Journal Entries .....	18
Trial Balance Export.....	21
Accountant Reports .....	25
Financial Statements .....	29
Profit and Loss Report.....	29
Balance Sheet.....	34
How does Accounting Calculate Financial Balances? .....	37

# Accountants Area

This area is exclusively for accountant processing such as Journal entries and VAT Adjustments. If you are not sure about how to process these transactions, we recommend that you seek the advice of a financial professional before proceeding. You can invite your Accountant by selecting the Invite My Accountant option.

You can access these functions by selecting the Accountant's Area menu option.



The following options available:

- Send a Note to My Accountant
- Process Journal Entries
- VAT
- Trial Balance Export

# VAT Transactions

The VAT section is split into three categories:

- VAT Returns and Reports
- VAT Adjustments
- VAT Payments and Refunds

## VAT Returns and Reports

In Accounting you are required to manage your VAT Returns using the VAT Returns and Reports screen.

To access the VAT Returns and Reports screen, click on the Accountant's Area...VAT...VAT Returns and Reports menu option.

### VAT Returns and Reports

View your VAT reports and manage your VAT returns

**1** Overview      **2** VAT Period and Submission Date      **3** Close your previous VAT period

Create and manage your VAT returns, view your VAT reports and process your VAT payments and refunds - all in one place.

Accounting will manage everything there is around your VAT submissions. You will be able to view reports, process VAT transactions like payments or refunds and more importantly, close each VAT Period as you submit your return.

Is this the first time you are running your VAT reports from here?

You will need to enter your last VAT period end date as well as your last VAT submission date. This information is only required once! Thereafter, Accounting will take care of your VAT dates.

[Next](#)

Click on the Next button to continue.

## VAT Returns and Reports

View your VAT reports and manage your VAT returns

1 Overview

2 VAT Period and Submission Date

3 Close your previous VAT period

Please provide the following VAT information:


Enter your VAT Number


Each VAT period requires a submission and typically ends on the last day of the month with the submission typically due on the 25<sup>th</sup> of the following month. Enter your last VAT Period End Date and your last VAT Submission Due Date. We will use these dates to determine your next VAT Period End Date and when your next VAT return is due.

For Example: If your last VAT return was submitted in May and it related to March and April, your Last VAT Period End Date would be 30 April and your Last VAT Submission Due Date would be 25 May.

Submitting VAT for the first time? If this is the first time you are preparing to submit a VAT return, set your VAT Period End Date to the last day of the month preceding your first VAT Period and your VAT Submission Due Date to the 25<sup>th</sup> or end of the following month.

For example: If your first VAT Period is March and April, set your Last VAT Period End Date to 28 February and your Last VAT Submission Due Date to 25 March. Any additional references to your previous VAT period and VAT submission dates in this wizard can be ignored.

Last VAT Period End Date  

Last VAT Submission Due Date  

Enter your VAT Reporting frequency (in months)

[Back](#) [Next](#)

Enter your Company VAT Number.

Each VAT period requires a submission and typically ends on the last day of the month with the submission typically due on the 25<sup>th</sup> of the following month. Enter your last VAT Period End Date and your last VAT Submission Due Date. We will use these dates to determine your next VAT Period End Date and when your next VAT return is due.

Click on the Next button:

## VAT Returns and Reports

View your VAT reports and manage your VAT returns

1 Overview

2 VAT Period and Submission Date

3 Close your previous VAT period

Congratulations - you are done!

Summary:

Your previous VAT period ended on 30 June 2017 and based on your reporting frequency, your next VAT period will end on 31 July 2017.

Your previous VAT submission was due on 07 June 2017. Your next VAT submission will be due on 07 July 2017.

What does this mean?

You will not be able to edit these transactions.

If you back date any transactions into a VAT Period for which a VAT return has been submitted, these transactions will be included in your next VAT return. **Note:** Your financial reports will still display any transactions in the correct financial period, but for VAT purposes they will be included in the next VAT return.

Any transactions that you process from now on will form part of your next VAT submission.

[Back](#) [Finish](#)

Click on the Finish button.

## Purpose of the VAT Returns and Reports Screen:

VAT is a strictly regulated area of any business and keeping your figures accurate, reliable and up to date is essential to avoid issues with the authorities. With the VAT Returns and Reports screen you will be able to control all of your VAT reporting from one central place.

Your VAT reporting does not always correlate to your financial reporting. Sometimes you will record transactions in one month and only account for the VAT in another month, this can often happen if you are behind on your processing.

With the VAT Returns and Reports Screen you will assigning transactions to particular VAT periods, and not specific date ranges.

### Benefits of VAT Periods:

- These should agree to what you actually submit to your local revenue authority.
- Amounts owing should agree with the VAT payments that you have made.
- No editing of transactions that have been submitted to the Revenue Authority.
- Back dated transactions will pull through to the current VAT Period (i.e. no missing of VAT Transactions).

The screen will display a list of all of your VAT Periods detailing relevant information pertaining to each period:

- VAT payable or refundable for the period
- Associated payments and refunds made for each period
- Quick links to the VAT 201 and VAT Report relevant to that period

The following screen will be displayed:

**VAT Returns and Reports**

Transactions Reports

Previous Next  
 VAT Period End Date 27/02/2013 27/04/2013  
 VAT Submission Due 25/03/2016 25/05/2016  
 VAT Reporting Frequency 2 months

Current VAT Period and Return  
 Close VAT Period

Status	Ref	VAT Period	Submitted	VAT Payable	VAT Refundable	VAT 201 Calc.	VAT Report	Out of Period
Open	02/2014	01/01/2016 - 29/02/2016	25/03/2016	R 643,196.80		view	view	R 729,128.80

Previous VAT Periods and Returns Start Over?

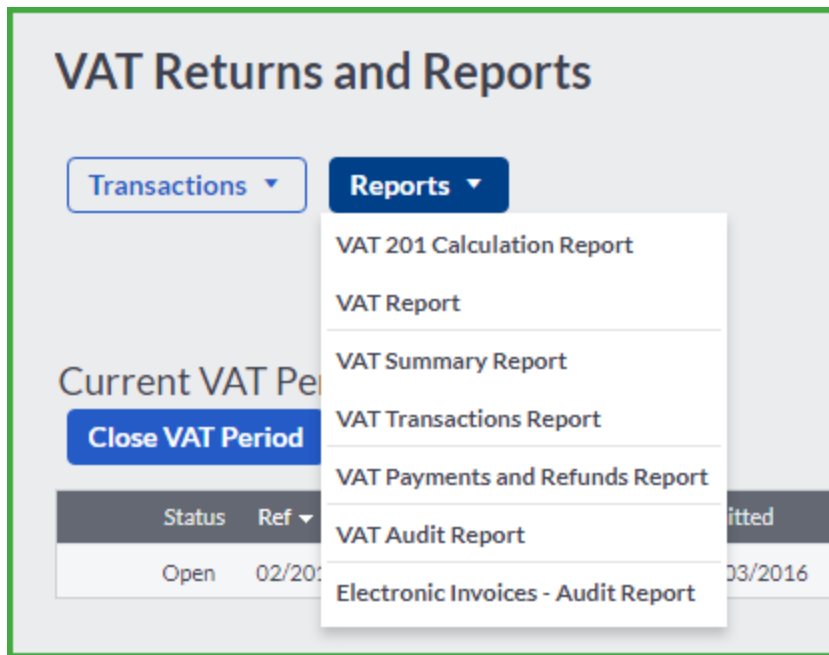
Status	Ref	VAT Period	Submitted	VAT Payable	VAT Refundable	VAT 201 Calc.	VAT Report	Out of Period	Payment/Refund
reopen	Closed	12/2013	01/11/2015 - 31/12/20...	25/01/2016	R 0.00	view	view		Link Payme
reopen	Closed	10/2013	01/09/2015 - 31/10/20...	25/11/2015	R 0.00	view	view		Link Payme
reopen	Closed	08/2013	01/07/2015 - 31/08/20...	25/09/2015	R 0.00	view	view		Link Payme
reopen	Closed	06/2013	01/05/2015 - 30/06/20...	25/07/2015	R 0.00	view	view		Link Payme
reopen	Closed	04/2013	01/03/2015 - 30/04/20...	25/05/2015	R 0.00	view	view		Link Payme

Save

The table below will explain all the fields on the screen above:

Field	Explanation
Close VATPeriod	If you select the Close VAT Period button, Accounting will close off the current VATperiod that you are working in and move over to the next VAT period.
Reopen (a previous VATPeriod)	Reopening a VAT return should only be done if your intention is to resubmit your VAT to your revenue authority. For Example: All transactions in the VAT return for 12/2013 will be unmarked as finalised and you will be able to edit these transactions. Any transactions that have been back dated prior to and including 31/12/2013 and that have not been included in any other VAT return will be included in the 12/2013 VAT return once you close this VAT period.
Start Over?	If you select this option, all of your VAT Returns will be removed and you will have to set it up again. The values for each return may differ to the actual returns you have submitted to your revenue authority. Please be careful before selecting this option. Consult with your financial practitioner.
View (Previous VAT 201 Calculation)	This option allows you to view the VAT 201 Calculation report for a previous VATPeriod.
View (Previous VAT Report)	This option allows you to view the VAT report for a previous VAT Period.
Payment/Refund	You can allocate your VAT Return amounts to the correct VAT period by selecting the Link Payment and Link Refund option.

You will also have access to your standard VAT Reports via the Reports button:



## VAT Adjustments

In the VAT Adjustments screen, you are able to adjust either the input or output VAT (explained earlier in the manual).

You can make adjustments to the amount of VAT that you owe or are owed. You should therefore be certain of the amount you enter. All VAT adjustments will be included on the VAT Report.

You will need to specify whether the adjustment you are processing will affect Input VAT or Output VAT.

The following table will help you remember when input and output VAT applies:

VATType	Explanation
Output VAT	If you sell items to customers, which means items (stock) are leaving your business, it is referred to as output VAT.
Input VAT	If you buy items from your suppliers, which mean you are receiving items (stock) into your business for resale or business use, it is referred to as input VAT.

Your accountant will process the required VAT adjustments for your business.

- Select the Accountants Area...VAT Adjustments menu option.
- The following screen will be displayed:



## VAT Adjustments

You can make adjustments to the amount of VAT that you owe or are owed. You should therefore be certain of the amount you enter. All VAT adjustments will be included on the VAT Report.

You will need to specify whether the adjustment you are processing will affect Input VAT or Output VAT. Processing an adjustment to Input VAT will decrease the amount of VAT you owe. Processing an adjustment to Output VAT will increase the VAT amount owed.

- Input VAT Adjustment  
 Output VAT Adjustment

Date

Description

Amount

**Process**

## VAT Payments and Refunds

VAT reports must be submitted to your local VAT authority on a regular basis, and will either indicate that you need to pay VAT over or receive a refund.

Since the VAT laws of your country govern VAT processing, it is of extreme importance to ensure that you process the adjustments, payments and refunds correctly.

Accounting will calculate your VAT for you as shown below. Your Input VAT is calculated by establishing the VAT included on all purchases – item and non-item based – that you have processed in Accounting. Next, your Output VAT is calculated by establishing the VAT included in all of the sales – item and non-item based – that you have processed in Accounting. The difference between the two is the amount of VAT that you owe. If your input VAT is higher than your output VAT, you will be due a VAT refund.

### VAT Payments and Refunds

Calculate and process your VAT payments or refund

- 1** Summary      **2** Details      **3** Finish

Welcome to the VAT Payment and Refund Wizard

You can process VAT payments and refunds that will automatically create a payment or receipt to your selected bank account.

Below is a VAT summary for the date range you have selected. To view any payments or refunds already processed print the VAT Payments and Refunds report. Any payment or refund processed in the date range you have selected will be excluded from this summary as they are considered to be payments or refunds pertaining to a previous VAT period.

View Report By

Display transactions marked for a specific VAT period and return.  
Transactions back dated and marked as part of a different VAT return  
will not be displayed.

VAT Period

**Refresh**

**Reports** ▾

<b>Output VAT</b>	
Total Output VAT	R 2,565,260.20
<b>Input VAT</b>	
Total Input VAT	R 3,208,457.00
Total VAT Refundable	R 643,196.80

**Back**

**Next**

You can process VAT payments and refunds that will automatically create a payment or receipt to your selected bank account.

You will see a VAT summary for the date range you have selected. To view any payments or

refunds already processed print the VAT Payments and Refunds report. Any payment or refund processed in the date range you have selected will be excluded from this summary as they are considered to be payments or refunds pertaining to a previous VAT period.

## VAT Payments and Refunds

Calculate and process your VAT payments or refund

1 Summary      2 Details      3 Finish

### Details

Specify the date of the VAT payment or refund. You will need to select the bank account and enter a reference and description for the payment or refund. You can change the payment or refund amount if necessary.

Click the next button to continue.

Type  Payment  Refund

Date

Bank Account

Reference

Description

Amount

In the Details screen, you will edit the date for the transaction and the bank account that will be affected. You will then enter the Reference and Description for the transaction. You are able to edit the value of the amount in the Detail section of the screen; however, this is not recommended.

## VAT Payments and Refunds

Calculate and process your VAT payments or refund

1 Summary      2 Details      3 Finish

### Accounting now has all the information required to process your VAT Refund

To process the VAT Refund, click the Finish button.

To review your changes click the Back button.

To process the VAT Payment, click the Finish button.

## The Different VAT Types

The supply of all goods and services attract VAT (standard rated supplies) unless the goods or services are zero-rated or VAT exempt. Certain goods and services attract VAT, but the purchaser is not allowed to claim the VAT input.

### Standard Rated Supplies

A standard-rated supply is a supply of goods or services, which is subject to VAT at the rate of 15%. The supply of all goods and services are taxable at the standard rate, unless it is specifically zero-rated in terms of section 11, or exempt in terms of section 12 of the VAT Act. The following are some examples of standard-rated supplies (the list is not exhaustive):

- Land and buildings (fixed property) – commercial or residential property bought from property developers, building materials, vacant land bought from a vendor etc.
- Fees for professional services – construction/building, estate agents, consultants, architects, engineers, project managers, doctors, private hospital services, lawyers, plumbers, electricians and accountants.
- Household consumables and durable goods – most grocery items and foodstuffs such as meat, fish, white bread, snacks, most canned foods, cigarettes, perfume, medicines, cool drinks, cleaning materials, clothing, footwear, microwave ovens and other household consumables and appliances.
- Municipal goods and services such as the supply of electricity, water and refuse removal.
- Accommodation, hospitality, tourism and entertainment – restaurant meals, hotel accommodation, liquor sales, arcade amusements, casino slot machines and gambling services, entrance fees to sporting events, theatre performances and film shows, guided tours, game drives and game hunting expeditions.
- Capital assets such as furniture, production machinery, installations, motor vehicles and equipment.
- Local transport of goods (all modes of transport) and transport of passengers by air or sea.
- Telephone, internet, computer and other telecommunication services.
- Rental of goods and commercial property such as office space.
- Motor vehicles, repair services, lubrication oils and spare parts.

When a standard rated supply is made, VAT (output VAT) must be charged at the prescribed rate (currently 15%) and input VAT may be deducted on any goods or services acquired in the course of making those taxable supplies. The net VAT due by a vendor is calculated by subtracting the input VAT incurred from the output VAT charged during the VAT period.

### Zero Rated Supply

Zero-rated supplies are taxable supplies on which VAT is levied at a rate of 0%. The application of the zero rate must be supported by documentary proof acceptable to the Commissioner. Some examples of zero-rated supplies are briefly explained below:

#### **Certain basic foodstuffs**

Certain basic foodstuffs are zero-rated, provided it is not supplied for immediate consumption (that is, as a meal or refreshment) or added to a standard-rated supply.

These include the following:

- brown bread
- dried mealies and mealie rice
- brown bread flour (excluding wheaten bran)
- samp
- hens eggs (that is, not from ostriches, ducks etc.)

- fresh fruit and vegetables
- dried beans
- lentils
- maize meal
- rice
- pilchards in tins or cans
- vegetable cooking oil (excluding olive oil)
- milk, cultured milk, milk powder and dairy powder blend edible legumes and pulses of leguminous plants (that is, peas, beans, peanuts etc.)

The zero rate will not apply where:

- Zero-rated foodstuffs are prepared for immediate consumption, for example:
  - a glass of milk served in a restaurant;
  - salad or fruit salad which is ready to eat; and
  - sandwiches and other take-away foods.
- A standard rated product or ingredient is supplied together with a zero-rated foodstuff, for example:
  - a pack of vegetables containing a pack of flavoured butter;
  - a pack of rice or beans containing a sachet of flavouring;
  - a gift hamper consisting of a basket of fruit;
  - flavoured cooking oil; and
  - a pack of salad to which salad dressing has been added.

### **Fuel levy goods**

Most motor fuels are subject to taxes such as the General Fuel Levy, the Road Accident Fund Levy as well as Excise duty. The VAT Act therefore provides that certain specified “fuel levy goods” are subject to the zero rate. These include crude oil and certain petrol and diesel based products, which are used as fuel in internal combustion engines.

Examples include:

Fuels used in motor cars, trucks, buses, ships, fishing boats, railway locomotives, farming and production machinery.

Petroleum oils and crude oil, which are refined for the production of fuel levy goods, are also zero-rated; however, aviation kerosene, motor oil, and oil lubricants are subject to the standard rate.

### **Exports**

The direct export of goods may be zero-rated. In certain instances, the indirect export of goods may also qualify for the zero rate. In both cases, certain documentary and other requirements must be met to support the application of the zero rate.

### **Services physically performed outside the Republic**

The supply of services physically rendered or performed outside the RSA qualifies for the zero rate. This provision will apply to both residents and non-residents.

For example, if a South African vendor constructs a building in Botswana for a RSA resident, those services are subject to VAT at the zero rate. This provision applies to services physically performed for a vendor in a customs controlled area.

## **Exempt Supplies**

Exempt supplies are supplies of goods or services where VAT is not chargeable at either the standard rate or the zero rate and will not form part of taxable turnover. If a person makes only exempt supplies, that person cannot register as a vendor or charge VAT on those supplies.

Accordingly, any VAT incurred to make exempt supplies may not be deducted as input VAT.

Some examples of exempt supplies include:

- financial services (such as, interest earned for the provision of credit, life insurance, the services of benefit funds such as medical schemes, provident, pension and retirement annuity funds);
- donated goods or services sold by non-profit bodies (such as, religious and welfare organisations);
- residential accommodation in a dwelling (but not holiday accommodation);
- passenger transport in South Africa by taxi, bus, or train;
- educational services provided by recognised educational institutions such as, primary and secondary schools, technical colleges, or universities which have been approved as public benefit organisations; and
- childcare services provided at crèches and after-school care centres.

Note that generally the liability to register for VAT does not depend on the status of the organisation itself, but rather on the type of supplies made. There is, however, an exception, which is applied in the case of public authorities.

## Non-allowable items

Sometimes, although the Vendor charged VAT output, the subsequent acquirer of the goods or service may not claim VAT input on them.

Some of these products/services include:

- Entertainment expenditure: Entertainment expenditure includes staff refreshments and other goods bought for the purposes of entertainment. SARS does not regard such items as necessities in producing VAT liable outputs, thus no VAT input claim will be allowed. There are exceptions to this rule, though: If the owner or an employee of a company is away on a business trip, then VAT input may be claimed on the hotel bill if the person stays over at the hotel for at least one night.
- Passenger vehicles: However companies makes use of sedan vehicles and can prove that this type of vehicle is crucial to the nature of its business, it may apply for a special concession. If adequate proof is supplied, the company may be granted a proportional claim by SARS.
- Club fees and subscriptions (with the exception of professional subscription fees in the case where a license is needed to trade).

The screen above will be displayed the first time you access this report.

The VAT 201 Calculation Report will assist you with the completion of your VAT 201 return. Please check the following before submitting your VAT return:

- The correct date ranges have been selected for the VAT Period you are submitting your VAT return for.
  - All transactions for the VAT period concerned have been processed.
  - All transactions have been assigned to the correct VAT types.
- Click on the Next button to continue.

### **View Audit Report**

You can drill down from your VAT 201 to the new VAT Audit Report to view transactions per VAT code.

## VAT Audit Report

### SuperCycle Wholesales

Date Range: 28/05/2017 → 27/06/2017

Show Report Options



Date	Reference	Account / Customer / Supplier	Description	VAT Period	Exclusive	Inclusive	VAT
<b>1 - Standard Rate (excluding capital goods and/or services and accommodation)</b>							
<b>Standard Rated</b>							
19/06/2017	00010194	* Morningview Bicycles	Tax Invoice	Current	R 1,425.00	R 1,624.50	R 199.50
22/06/2017	00010195	* Morningview Bicycles	Tax Invoice	Current	R 1,425.00	R 1,624.50	R 199.50
<b>Total for Standard Rated</b>					<b>R 2,850.00</b>	<b>R 3,249.00</b>	<b>R 399.00</b>
<b>Total for 1 - Standard Rate (excluding capital goods and/or services and accommodation)</b>					<b>R 2,850.00</b>	<b>R 3,249.00</b>	<b>R 399.00</b>
<b>1A - Standard Rate (only capital goods and/or services)</b>							
<b>Standard Rated</b>							
19/06/2017	00010194	* Morningview Bicycles	Tax Invoice	Current	R 1,425.00	R 1,624.50	R 199.50
22/06/2017	00010195	* Morningview Bicycles	Tax Invoice	Current	R 1,425.00	R 1,624.50	R 199.50
<b>Total for Standard Rated</b>					<b>R 2,850.00</b>	<b>R 3,249.00</b>	<b>R 399.00</b>
<b>Total for 1A - Standard Rate (only capital goods and/or services)</b>					<b>R 2,850.00</b>	<b>R 3,249.00</b>	<b>R 399.00</b>
<b>4 - VAT on Standard Rate Goods and Services</b>							
<b>Standard Rated</b>							
19/06/2017	00010194	* Morningview Bicycles	Tax Invoice	Current	R 1,425.00	R 1,624.50	R 199.50
22/06/2017	00010195	* Morningview Bicycles	Tax Invoice	Current	R 1,425.00	R 1,624.50	R 199.50
<b>Total for Standard Rated</b>					<b>R 2,850.00</b>	<b>R 3,249.00</b>	<b>R 399.00</b>
<b>Total for 4 - VAT on Standard Rate Goods and Services</b>					<b>R 2,850.00</b>	<b>R 3,249.00</b>	<b>R 399.00</b>

## VAT Reports

### VAT Report

A VAT report lists VAT transactions for reporting purposes. This report is also available in the Reports menu. You have the option to print the report in detail or in summary, with or without VAT adjustments. You can also include payments and/or refunds in the report. You can set if the report must offset all the credits on sales or purchases.

## VAT Report

View Report By

Display transactions marked for a specific VAT period and return.  
Transactions back dated and marked as part of a different VAT return will not be displayed.

VAT Period

VAT Type

Style  Summary  Detailed

Offset  Credits on Sales/Purchases

Include  VAT Adjustments  No VAT Transactions  VAT Payments and Refunds Total on Summary

[View Report](#)

Each VAT Report can be run either by VAT Period or by a selected Date Range. You have the selection to preview the report as monthly, quarterly, yearly, month to date, quarter to date, year to date, life to date, custom to date, last month, last quarter and last year. If you select the custom dates option, you can select the date ranges from the calendar look up fields.

Check the Offset Credits on Sales / Purchases check box to offset credits against sales or purchases. Uncheck the check box to show these separately. This option only applies to customer and supplier credit transactions.

## VAT Audit Report

This report lists all of the original Customer Tax Invoices and Credit Notes that were emailed and marked as Computer Generated.

Each VAT Report can be run either by VAT Period or by a selected Date Range.

## Electronic Invoices - Audit Report

### Report Options

View Report By

Display transactions processed in the date range selected.  
Transactions processed and marked as part of different VAT periods and returns may be displayed.

Date Range

01/07/2017 to 31/07/2017

[View Report](#)

[Print Report](#)

[Email Report](#)

## VAT Payments and Refunds Report

This lists the payments made and refunds received from the revenue service.

Each VAT Report can be run either by VAT Period or by a selected Date Range.

### VAT Payments and Refunds Report

**Report Options**

View Report By

Display transactions marked for a specific VAT period and return.  
Transactions back dated and marked as part of a different VAT return will not be displayed.

VAT Period

## VAT Summary Report

This report gives you an overview of your VAT position either per period or per month.

Each VAT Report can be run either by VAT Period or by a selected Date Range.

### VAT Summary Report

View Report By

Display transactions marked for a specific VAT period and return.  
Transactions back dated and marked as part of a different VAT return will not be displayed.

VAT Period Range  to

Credits on Sales/Purchases  Offset



## VAT Transactions Report

This is a detailed report showing the transactions making up your VAT Payable balance. Each VAT Report can be run either by VAT Period or by a selected Date Range.

### VAT Transactions Report

**View Report By**

Display transactions processed in the date range selected.  
Transactions processed and marked as part of different VAT periods and returns may be displayed.

**Date Range**

01/03/2017 → 28/02/2018

[View Report](#)

# Process Journal Entries

Journals are posted to adjust account balances.

In the Process Journal Entries screen, you will first enter the account that will increase in value. Enter the date and reference for the transaction and then enter an explanation for the journal. If the journal requires a corresponding decreasing account, you will enter the value in the by Affecting Acc column. You can select to include VAT on the journal if necessary.

- Select the Accountants Area...Journal Entries option.
- The following screen will be displayed:



You can select to show previous journal entries that have been made. This can assist you in processing journals because you can see how previous adjustments or transactions were done.

In the grid, you will enter the transaction's details. On the left side, you will process one side of the transaction. On the right side, you will select the other account that will be affected, if required. On the right, the system will automatically fill in the amount for you. Each of the fields in the lines are explained below.

The following table explains the grid columns:

Column	Content
Date	Enter the date on which you are processing the transaction.
Effect	In this field, you will select whether you want to enter a value to debit or credit the balance of the account.
Account	Here you will select the account that you need to adjust.

Reference	In this field, you will enter a reference for the transaction.
Description	In this field you will enter a description for the adjustment. Remember to enter a description that is meaningful when it appears on reports.
VAT Type	You are able to select whether the transaction has VAT on it or not.
Amount	Enter the VAT exclusive value of the adjustment here.
VAT	Enter the VAT amount only in this field.
Incl. VAT	Here the system will display the VAT inclusive amount. This is also the amount that will be added or taken away from the balancing account.
By Affecting Account	The “other” account affected when you post a transaction. The principle of accounting dictates that every debit should have a credit. In other words – every transaction affects at least two accounts. A main account and a contra account. The contra account is referred to as the by affecting account. For example: If you do a journal entry for depreciation for your Motor Vehicles. You will affect the depreciation account in the profit and loss – however, you need to affect a contra account as well. The By affecting account in this example would be The Motor Vehicles account which is an asset. In the example of a Customer Adjustment you would affect the Customer (or Accounts Receivable) but the by affecting account would be the other ledger account affected by the adjustment for example Interest Received.

Use the  or  buttons to add or delete lines in the journal processing grid. If you delete a transaction while you are processing or when you are viewing previous transactions, Accounting will not remove the deleted line immediately. The deleted lines will be displayed as deleted and an undo button will be available to un-delete the line. Once you click on the Process button, the transactions displayed as deleted will be deleted.

## Process Journal Entries

Show Previous Journal Entries

From Date

To Date

Select the account and enter the amount exclusive of VAT to be posted to that account. The amount inclusive of VAT will be posted to the "By Affecting Account".

Date ▲	Effect	Account	Reference	Description	VAT Type	Amount	VAT	Incl. VAT	by Affecting Acc.			
25/07/2017	Debit	Advertising	JNL-JAN-001	Transfer from Entertain...	No VAT	R 2,750.00	R 0.00	R 2,750.00	Entertainment			
27/07/2017	Credit	Bank Charges	VAT Journal	VAT Correction June	Manual VAT	R 0.00	R 28,000.00	R 28,000.00	VAT Penalties			
27/07/2017	Debit	Fixed Assets - Eq...	Ref	Desc	No VAT	R 5,000.00	R 0.00	R 5,000.00	Owners Capital			
27/07/2017	Debit											

# Trial Balance Export

In Accounting, you are able to export your trial balance to a .CSV file. This allows you to import the exported file into other .CSV compatible software. You can also select to assign account numbers.

You access this function via the Accountant’s Area menu option.

## Export without assigning account numbers

To export your trial balance, select your reporting period and viewing options.

### Trial Balance Export

You can export the Trial Balance to a CSV file. During this export process, you can also assign account numbers.

To export without assigning account numbers, select the export date range and choose Export Data. To assign account numbers before exporting, choose Assign Account Numbers.

Format

Date Range

01/03/2016 → 28/02/2017

Show

Display Reporting Group Detail

Cost of Sales is calculated based on Purchases for the period.  
 The difference between your opening and closing inventory needs to be accounted for.

Export Data
Assign Account Numbers

Your date range options are:

Monthly	Select this option if you want to run the trial balance for a selected month.
Yearly	Select this option if you want the trial balance to include only a year’s transactions.
Life to Date	Select this option if you want the trial balance to include all transactions from the start of the business.
This Year	Select this option if you want the trial balance to include only the current financial year’s transactions.
Last Year	Select this option if you want the trial balance to include only the previous financial year’s transactions.

Your viewing options are:

Options	Explanation	Calculation
---------	-------------	-------------

Closing Balances	Select this option if you want the trial balance to display account closing balances, including transactions from the beginning of the year up to the end of the selected month.	Closing Balances = Opening Balances + any debit and credit transactions (per account) from the beginning of the year up to the selected month
Movements	Select this option if you want the trial balance to only display accounts which had transactional activity for the selected date range. This will not include the opening balances of the accounts.	Movements = Debit and Credit Transactions (per account)

After you have made your selection, click on the Export Data button. A File Download screen displays, allowing you to Open, Save or Cancel the exported "TrialBalance.csv" file.

Click on the Open button to view the exported Trial Balance, click on the Save button to save the file or click on the Cancel button if you do not want to continue with the export process.

The exported .CSV file contains, by default, the following column headings:

- Account Code
- Account Name
- Date
- Debit
- Credit

The date that filters through to the .CSV file, is the last day of the selected date range.

If you wish to display your reporting group detail in the report, check the check box.

## Export and assign account numbers

To export your trial balance and assign account numbers to the list of accounts, complete the screen by selecting your date range and viewing options.

Click on the Assign Account Numbers button.

The following screen displays:

### Trial Balance Export Mappings

Enter an account number for each account listed. This account number will be saved for future exports. Choose Save to return to the Export Trial Balance screen.

Account Name	Account Number	Category
<b>Sales</b>		
Consulting Revenue	<input type="text"/>	Sales
Sales	<input type="text"/>	Sales
Sales - Time	<input type="text"/>	Sales
Sales Account	<input type="text"/>	Sales
<b>Cost of Sales</b>		
Cost of Sales / Purchases	<input type="text"/>	Cost of Sales
Item Adjustments	<input type="text"/>	Cost of Sales
Purchases	<input type="text"/>	Cost of Sales
Purchases Account	<input type="text"/>	Cost of Sales

Assign account numbers in the Account Number column by manually typing in a alphanumeric and/or numeric number.

<b>Current Assets</b>		
Credit Card Account	<input type="text" value="MBO9002"/>	Current Assets
Current Account	<input type="text"/>	Current Assets
Inventory	<input type="text"/>	Current Assets
Inventory Opening Balance	<input type="text"/>	Current Assets
Investment Account	<input type="text" value="MBO9003"/>	Current Assets
National Bank Current Account	<input type="text" value="MBO9001"/>	Current Assets
Petty Cash Account	<input type="text" value="MBO9004"/>	Current Assets
Trade Receivables	<input type="text"/>	Current Assets
<b>Non-Current Liabilities</b>		
Loan from Owner	<input type="text"/>	Non-Current Liabilities
<b>Current Liabilities</b>		
Loans	<input type="text" value="MBO100"/>	Current Liabilities
Trade Payables	<input type="text"/>	Current Liabilities

You do not have to assign account numbers to all of the accounts.

These assigned account numbers will be saved for future exports.

Click on the Save button to save your account numbers and the system will return to the Export Trial Balance screen.

Click on the Export button to export your trial balance.



# Accountant Reports

There are four reports available for accountants:

- Trial Balance
- Opening Balances and VAT Adjustments Report
- Journal Entries
- VAT Returns and Reports

You access these reports via the Accountant's Area menu option.

## Trial Balance

The trial balance is a list of all your accounts, including system accounts, for a selected date range. It is presented in a traditional accounting format and is used to ensure that your debit and credit transactions balance.

### Trial Balance Report

Date Range: Yearly (dropdown) Current Year (dropdown)  
01/03/2016 → 28/02/2017

Show:  Closing Balances  Movements

Compare with:  Last Year

Display:  [Reporting Group Detail](#)

**Do you have inventory on hand?**  
You will need to account for differences between your opening and closing inventory values.  
[How do I do this?](#)

[View Report](#)

Select your reporting period. Your options are:

Monthly	Select this option if you want to run the trial balance for a selected month.
Yearly	Select this option if you want the trial balance to include only a year's transactions.
Life to Date	Select this option if you want the trial balance to include all transactions from the start of the business.
This Year	Select this option if you want the trial balance to include only the current financial year's transactions.

Last Year

Select this option if you want the trial balance to include only the previous financial year's transactions.

Your viewing options are:

Options	Explanation	Calculation
Closing Balances	Select this option if you want the trial balance to display account closing balances, including transactions from the beginning of the year up to the end of the selected month.	Closing Balances = Opening Balances + any debit and credit transactions (per account) from the beginning of the year up to the selected month
Movements	Select this option if you want the trial balance to only display accounts which had transactional activity for the selected date range. This will not include the opening balances of the accounts.	Movements = Debit and Credit Transactions (per account)

## Trial Balance Report

### SuperCycle Wholesales

Date Range: 01/03/2016 → 28/02/2017

Show Report Options



Name	Category	Source	Debit	Credit
Sales Account	Sales	Sales/Purchases Account		R 10,910,835.65
Sales	Sales	System Account		R 10,724,498.86
Purchases Account	Cost of Sales	Sales/Purchases Account	R 6,233,307.00	
Purchases	Cost of Sales	System Account	R 8,176,508.00	
Unallocated Income	Other Income	Account Balance		R 53,912.66
Bad Debts	Expenses	System Account	R 4,608,346.00	
Bank Charges	Expenses	Account Balance	R 95.78	
Electricity	Expenses	Account Balance	R 1,000.00	
Unallocated Expense	Expenses	Account Balance	R 28,490.20	
Equipment	Non-Current Assets	Account Balance	R 215,980.00	
Motor Vehicles	Non-Current Assets	Account Balance	R 554,000.00	
Current Account	Current Assets	Bank Account Balance	R 16,484.51	
National Bank Current Account	Current Assets	Bank Account Balance	R 8,842.17	
Trade Receivables	Current Assets	System Account	R 40,922,747.80	
Loan from Owner	Non-Current Liabilities	Account Balance		R 100,000.00
Trade Payables	Current Liabilities	System Account		R 42,325,196.10
Loans	Current Liabilities	Account Balance		R 328,000.00
VAT				
VAT Payable	Current Liabilities	System Account		R 311,841.15
Retained Income	Owners Equity	System Account	R 4,359,462.96	
Owners Capital	Owners Equity	Account Balance		R 370,980.00
			R 65,125,264.42	R 65,125,264.42
Net Profit/Loss After Tax				R 2,641,500.19


Take note of the following:

- The trial balance consolidates the value of opening balances and VAT adjustments into the Opening Balances and VAT Adjustments account.
- This account serves as the contra account for the individual transactions in the system. Drill down to view the transactions making up this account.
- The trial balance uses the Cost of Sales based on Purchases calculation.
- The trial balance consolidates the item opening balances, not the current value of your items, into the Item Opening Balance account. We recommend that you seek the advice of a financial professional to process the Item movement journal entries required to correctly display Items and Cost of Sales.

## Opening Balances and VAT Adjustments

This report shows the transactions that make up the Opening Balances and VAT Adjustments system contra account displayed on the Trial Balance.

### Opening Balances and VAT Adjustments Report

Run At Date  

[View Report](#)

# Journal Entries Report

This report displays all journals captured as well as audit information on the drill down.

## Journal Entries Report

**Report Filter**

From Account

To Account

Active

From Category

To Category

**Report Options**

Date Range

01/07/2017 to 31/07/2017

[View Report](#) [Print Report](#) [Email Report](#)

# Financial Statements

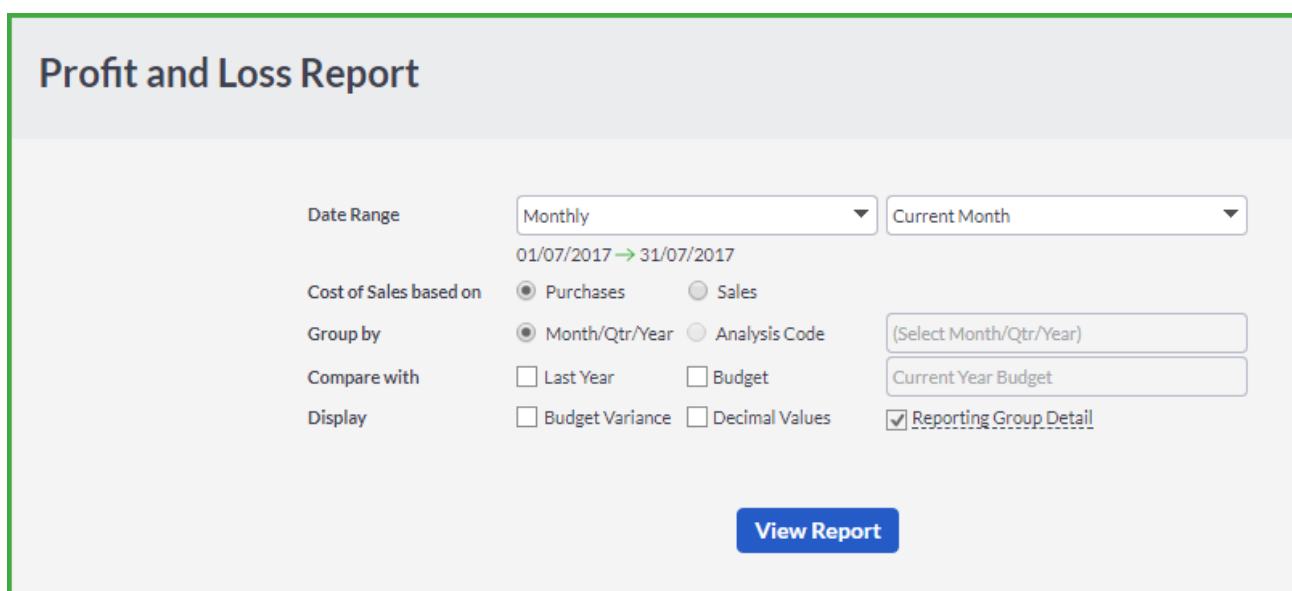
This section of the help file explains how account, customer and supplier transactions affect the different Financial Statements in Accounting.

The Financial Statements are the Profit and Loss Report and the Balance Sheet.

To know more about how Accounting Calculates the Financial Balances, click [here](#).

## Profit and Loss Report

When you generate a Profit and Loss Report the system will give you the option to calculate Cost of Sales based on Purchases or Sales.



The screenshot shows a web interface for generating a Profit and Loss Report. The title "Profit and Loss Report" is at the top. Below it, there are several configuration options:

- Date Range:** A dropdown menu set to "Monthly" with a date range of "01/07/2017 → 31/07/2017". To its right is another dropdown menu set to "Current Month".
- Cost of Sales based on:** Two radio buttons: "Purchases" (selected) and "Sales".
- Group by:** Two radio buttons: "Month/Qtr/Year" (selected) and "Analysis Code". To the right is a text input field containing "(Select Month/Qtr/Year)".
- Compare with:** Two checkboxes: "Last Year" (unchecked) and "Budget" (unchecked). To the right is a text input field containing "Current Year Budget".
- Display:** Two checkboxes: "Budget Variance" (unchecked) and "Decimal Values" (unchecked). To the right is a checked checkbox for "Reporting Group Detail".

At the bottom center, there is a blue button labeled "View Report".

If you are making use of Analysis Codes, select your project, departments and cost codes.

Select your date range in the date range drop down menu. You have the selection to preview the report as monthly, quarterly, yearly, month to date, quarter to date, year to date, life to date, custom to date, last month, last quarter and last year. If you select the custom dates option, you can select the date ranges from the calendar look up fields.

You can select to group the report by month or quarter in the Group By field. You can also compare all the amounts with the previous year amounts by ticking the Compare With Last Year tick box. If you want the report to display all your Reporting Group Detail, check the check box.

You can compare your profit and loss report with a budget that you created by ticking the Compare with Budget tick box.

You can also display a budget variance on the profit and loss report.

Select the Budget that you want to use in this report.

Select whether you want the cost of sales on the report to be displayed for Sales or Purchases.

If you are using Decimal Values, check this check box.

The Exclude Accounts option will only be available when running the profit and loss based on sales. When you run your Profit and Loss by sales, you have the option to exclude the Item Adjustments system accounts as well as any other Cost of Sales accounts you used to record your inventory movement on your balance sheet.

When you select to group the Profit and Loss report, the Print Report and Email Report options will grey out and you will only be able to view the report and export the amounts to Excel.

A PDF version of the report will not be available when you select Group By options or Comparatives.

**Profit and Loss Report**

Date Range: Monthly (dropdown) | Current Month (dropdown)  
01/07/2017 → 31/07/2017

Cost of Sales based on:  Purchases  Sales

Filter by  
Project 1: Project 1 (dropdown)

Group by:  Month/Qtr/Year  Analysis Code (Select Month/Qtr/Year)

Compare with:  Last Year  Budget | Current Year Budget (dropdown)

Display:  Budget Variance  Decimal Values  Reporting Group Detail

**View Report**

This is an example of a Profit and Loss Report generated by Accounting:

## Profit and Loss Report

**SuperCycle Wholesales**

Date Range: 01/07/2017 → 31/07/2017

Cost of Sales: Based on Purchases

Analysis Category: Project 1

[Show Report Options](#)

PDF XLS CSV Print Email

	Jul 17 Actual	Jul 17 Budget
<b>Sales</b>		
Consulting Revenue	0	0
Sales	0	0
Total for Sales	0	0
<b>Cost of Sales</b>		
Purchases	0	0
Total for Cost of Sales	0	0
Gross Profit	0	0
<b>Other Income</b>		
Discount Received	0	0
Interest Received	0	0
Total for Other Income	0	0

You can change the dates to preview the report for in the Date Range drop down menus. Click on the Refresh button to refresh the details on the report.

The following table explains the Profit and Loss Report's sections:

Sections	Explanation and Composition	Calculation
Sales	The Sales line reflects all of your items and service items that you have sold to your customers. This amount includes customers that are on a Cash on Delivery basis and customers that are 30 day accounts or more. The Sales section also includes all of the accounts that are assigned to the Sales Account Category, for example the Consulting Revenue.	$Sales = [Physical\ Item\ Sales + Service\ Item\ Sales] + Accounts\ assigned\ to\ Sales\ Category$
Cost of Sales / Purchases	The Cost of Sales / Purchases (COS) line reflects the amount you had to pay to acquire your physical or service items in order to sell them to your customers. These costs may	$COS = [Cost\ of\ Physical\ Items\ Sold + Cost\ of\ Service\ Items\ Sold] + Accounts\ assigned\ to\ COS\ Category$

	include delivery charges that you had to pay to get the items to your premises, and so on. The COS section also includes all of the accounts that are assigned to the COS Account Category including Purchases described below.	
Purchases	The Purchases line reflects the amount you paid to suppliers for items bought during the reporting period. These costs may include delivery charges that you had to pay to get the items to your premises, and so on.	Purchases = [Physical Item Purchases + Service Item Purchases]
Item Adjustments	The Item Adjustments line reflects the value of all the item cost and quantity adjustments.	Value of item adjustments
Gross Profit	The Gross Profit section is the difference between your Sales and COS. If this amount is a positive amount, it indicates that you have made money. If this amount is a negative amount, it indicates that your COS were more than your sales, which indicates that you have not made money. This is a simple calculation.	Sales – Cost of Sales = Gross Profit
Other Income	The Other Income section lists all of your other income accounts that generated income for the business. This may include additional services that you charged your customers for, such as delivery charges and so on. Accounting automatically includes discount received from suppliers for cash payment or for meeting payment terms.	Total of Accounts linked to the Other Income Category including discounts received
Expenses	The Expenses section lists all of your expenses that you have incurred to run the business such as salaries,	Total of Accounts linked to the Expense Category including








	operational costs (telephone, rent etc.) and it can also include monies that you had to pay suppliers for non-item based charges like penalty fees on late payments, interest on an overdue account, delivery charges and so on. Accounting automatically includes discounts allowed to customers for cash or early payment, as well as bad debts.	discounts allowed and bad debts
Net Profit/Loss before Tax	This section indicates if you have made a profit or loss after taking in account the Other Income and Expenses of your business before deducting Tax.	Gross Profit + Other Income – Expenses = Net Profit/Loss before Tax
Income Tax Expense	This line includes the total of all the accounts assigned to the Income Tax Expense Account Category.	Total of Accounts linked to the Income Tax Expense Account Category
Net Profit/Loss after Tax	This section indicates if you have made a profit or loss after taking the Tax payments of your business into account.	Net Profit/Loss before Tax – Tax = Net Profit/Loss after Tax

Remember that you can drill down to specific reports from the preview of the Profit and Loss Statement and any other report. From the Profit and Loss Statement, click on any line and a specific report will display detailing how the amount was calculated.

# Balance Sheet

This is an example of a Balance Sheet generated by Accounting:

Balance Sheet Report	
SuperCycle Wholesales	
Run At Date:	25/07/2017
<a href="#">Show Report Options</a>	
    	
	25/07/2017
<b>Assets</b>	
<b>Non-Current Assets</b>	
Equipment	R 215,980.00
Motor Vehicles	R 554,000.00
<b>Total Non-Current Assets</b>	<b>R 769,980.00</b>
<b>Current Assets</b>	
Credit Card Account	R 50,000.00
Current Account	R 16,484.51
Investment Account	R 4,500,000.00
National Bank Current Account	R 7,008,842.17
Petty Cash Account	R 750.00
Inventory Opening Balance	R 56,750.00
Trade Receivables	R 38,350,902.73
<b>Total Current Assets</b>	<b>R 49,983,729.41</b>
<b>Total Assets</b>	<b>R 50,753,709.41</b>
<b>Equity and Liabilities</b>	
<b>Owners Equity</b>	
Opening Balance and VAT Adjustments	R 15,567,049.93
Profit and Loss (This Year)	R -6,605,277.25
Retained Income	R -1,717,962.77
Owners Capital	R 370,980.00
<b>Total Owners Equity</b>	<b>R 7,614,789.91</b>
<b>Non-Current Liabilities</b>	
Loan from Owner	R 100,000.00
<b>Total Non-Current Liabilities</b>	<b>R 100,000.00</b>
<b>Current Liabilities</b>	
Trade Payables	R 42,344,334.10
Loans	R 328,000.00
VAT	
VAT Payable	R 366,585.40
<b>Total Current Liabilities</b>	<b>R 43,038,919.50</b>
<b>Total Equity and Liabilities</b>	<b>R 50,753,709.41</b>

The following table explains the Balance Sheets' sections:

Sections	Explanation and Composition	Calculation
Non-Current Assets	Your Non-Current Assets, previously known as Fixed Assets, are assets that are not easily converted into cash, such as property, motor vehicles and equipment. This section includes all of the accounts that are assigned to the Non-Current Asset Account Category.	Non-Current Assets = Accounts assigned to the Non-Current Assets Account Category
Current Assets	Current Assets are those assets that are expected to generate income for the business within a specified time frame, usually a year. This section includes Items, Trade Receivables and all your Bank and Credit Card Accounts. This section also includes all of the accounts that are assigned to the Current Asset Account Category.	Current Assets = [Items+Trade Receivables + Bank and Credit Card Accounts] + Account assigned to Current Asset Account Category
Non-Current Liabilities	A Liability is defined as an obligation of an entity arising from past transactions or events, such as loans and tax. A Non-Current Liability, previously known as Long Term Liability, is a liability that will not be settled within the next Financial Year. This section includes all of the accounts that are assigned to the Non-Current Liabilities Account Category.	Non-Current Liabilities = Accounts assigned to the Non-Current Liabilities Account Category
Current Liabilities	A Current Liability is a liability that is expected to be settled within the current Financial Year. This section includes Trade Payables, Tax Payable and all of the Accounts assigned to the	Current Liabilities = [Trade Payables + Tax Payable] + Accounts assigned to the Current Liabilities Account Category

Current Liability Account  
Category.

Nett Asset/Liability Value	This value represents the solvency of your business which means the ability of a business to cover its debts with its assets. Solvency can also be described as the ability of a business to meet its long-term fixed expenditure and to accomplish long-term expansion and growth. The better a company's solvency, the better it is financially. When a company is insolvent, it means that it can no longer operate and is undergoing bankruptcy. Solvency is a different concept from profitability, which refers to the ability to earn a profit. Businesses can be profitable without being solvent (for example, when they are expanding rapidly). Businesses can be solvent even while losing money.	Nett Asset/Liability Value = Total Assets – Total Liabilities
----------------------------	--	---

Remember that you can drill down to specific reports from the preview of the Balance Sheet and any other report. For example, from the Balance Sheet, click on the Tax Payable line for the Tax Report to display.

## How does Accounting Calculate Financial Balances?

Accounting maintains the following “system accounts” which are calculated for the financial reports based on processed transactions:

### Profit and Loss Report

System Accounts	Calculation
Sales	This is the total of all your Item sales, exclusive of VAT.
Cost of Sales/Purchases	This is the Cost of all physical Item Sales, based on the weighted average cost of the Item at the time of sale, plus the Cost of all service Item Purchases.
Purchases	This is the total of all your items bought, exclusive of VAT.
Item Adjustments	This is the total of all item adjustments.
Discount Received	This is the total of all discounts applied when processing payments to Suppliers.
Discount Allowed	This is the total of all discounts applied when processing receipts from Customers.
Bad Debts	This is the total of all Customer Write-Offs.

## Balance Sheet

System Accounts	Calculation
Trade Receivables	This is the total of all outstanding Customer balances.
Items	This is the value of all Items on hand. The value of an Item is calculated as: [The Quantity on hand at the time of the report] x [The Average Cost of the Item at the time of the report (calculated chronologically based on the date the transactions were processed) in Sage One Accounting]
Bank Accounts	This is the balance on the respective Bank and Credit Card Accounts. These balances are affected by Customer Receipts, Supplier Payments, Account Receipts and Payments, and VAT Payments and Refunds.
Trade Payables	This is the total of all outstanding Supplier balances.
VAT Payable (Invoiced Based)	This is the total of all Output VAT on Sales, less all Input VAT on Purchases and includes any VAT Payments or Refunds and VAT Adjustments.
VAT Payable (Payments Based)	This is the total of all Output VAT on Receipts, less all Input VAT on payments and includes any VAT Payments or Refunds and VAT Adjustments.
VAT Provision	When you use the Payment Based VAT system, the VAT provision account accumulates the VAT amounts of unpaid customer and supplier invoices.