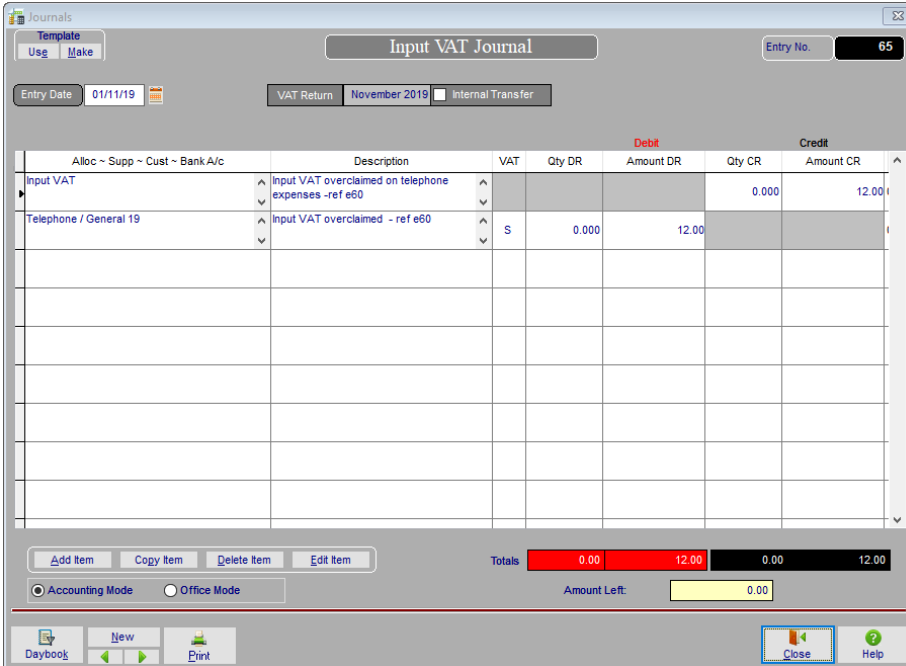


VAT adjustments

Input and Output VAT journals can be used to correct the amount of VAT that has been submitted on a VAT return, for example when there has been an over or under claim of VAT.

In this example we will look at an input VAT journal where VAT has been over claimed on telephone expenses:



Alloc	Supp	Cust	Bank A/c	Description	VAT	Qty DR	Amount DR	Qty CR	Amount CR
				Input VAT				0.000	12.00
				Telephone / General 19	S	0.000	12.00		
Totals						0.00	12.00	0.00	12.00

Go to **Data Entry – Journals – Input VAT journal:**

- Make sure the entry date is correct as this will determine which VAT period is adjusted.
- The first line of the journal will automatically default to Input or Output VAT depending on the type of journal selected.
- Click on edit to enter the description and amount. (A debit entry will increase Input VAT, a credit entry will reduce it).
- Click on Next to post the balancing entry needed to the relevant heading code. In this example too much VAT was claimed on telephone expenses so this entry would be posted against the telephone heading code.
- Make sure the VAT rate is correct.
- Click on Close and then Save.

This applies only for adjustments needed to correct the VAT for a return that has already been submitted - if the VAT return is still open you may go back to the original entry and edit accordingly.