

Enter payment details if you make multiple payments per period

TIP: We recommend you print out this document and keep it next to you as you work.

Follow these instructions if:

- You make multiple VAT payments (instalment payments); AND
- You have tracked instalment payments in a subaccount of the VAT liability account, or in any account other than the VAT liability account.

Have you ALWAYS used your VAT liability account to make instalment payments? If so, you do **not** need to follow the steps in this guide. In the VAT Filing window, just enter the payments made after the end of the last VAT period that apply to that period. (Do not include payments that apply to the current period.)

QuickBooks uses the information in the Before you file your VAT window to calculate your VAT in company files that were recently upgraded from an earlier version. The window appears the first time you try to view or access your VAT balance after upgrading a company file. It is **imperative** that you calculate and enter the correct payment details in this window as described below:

- Step 1:** Calculate the total amount of instalment payments not tracked to the VAT account.
- Step 2:** Add or subtract this amount from your last payment/refund, then enter the result on the VAT Filing window.
- Step 3:** Make an adjustment to your accounts so that the VAT liability account is properly credited for the payments that you made in the other account.

While following these instructions, if none of the cases fit your situation, or if you need further assistance, please visit our support site at <http://support.intuit.co.uk/>. In addition, we provide free phone support on this and some other upgrade issues for one company file within 60 days of activation¹ — just dial 0845 606 2161.

Step 1: Calculate the total amount of instalment payments not tracked to the VAT account

QuickBooks uses a standard VAT liability account (such as "VAT Liability" or "Vat Control") to track the VAT you collect and pay. Therefore, instalment payments made to another account (the "Instalment Account") aren't included in the balance of the VAT liability account. When entering amounts in the Before you file your VAT window, you must take into account the payments you made from the other account — otherwise, QuickBooks thinks you owe more tax than you should.

How you calculate this total depends on how you used the Instalment Account:

- A) You used the Instalment Account ONLY to track instalment payments
- B) You used the Instalment Account to track instalment payments , or for other types of transactions as well

¹ Free support is available only for certain upgrade issues and for only one company file. Additional limitations apply. Your support representative will explain any restrictions.

A) You used the Instalment Account ONLY for tracking instalment payments

In this case, you can simply look at the balance of the Instalment Account at the end of the last tax period and add any additional payments made since then.

1. Go to the **Lists** menu and click **Chart of Accounts** then double-click your Instalment Account.
2. Go to the latest transaction that took place **on or before** the end date of your last VAT period.

For example, if your last VAT period ended on Dec. 31, 2009, the desired transaction in the image below is the one dated 12/30/2009.

Date	Number	Payee		Payment	✓	Deposit	Balance
	Type	Account	Memo				
09/30/2009		HM Revenue & Customs		400.00			-1,200.00
	CHQ	Bank					
12/30/2009		HM Revenue & Customs		400.00			-1,600.00
	CHQ	Bank					
03/30/2010		HM Revenue & Customs		400.00			-2,000.00
	CHQ	Bank					
06/30/2010		HM Revenue & Customs		400.00			-2,400.00
	CHQ	Bank					
06/30/2010	Number	Payee	Memo	Payment		Deposit	
		Account					

3. Note the **Balance** at that date.
4. Add any payments made after that date which apply to the same filing period.
5. Write down the total as a **positive** number — this is the **“Total Instalments”** you need in Step 2.

Do not include payments that were already transferred to the VAT liability account. Also do not include payments that apply to the current VAT period.

This is the total amount of instalment payments that were not yet transferred to the standard VAT liability account.

B) You used the Instalment Account to track both instalment payments and other types of transactions

You will need to add the instalment payments you made to the Instalment Account that have not yet been tracked in the VAT liability account.

1. Go to the **Lists** menu and click **Chart of Accounts**.
2. Right-click your Instalment Account and choose **QuickReport**.
This report displays all transactions and amounts associated with that account.
3. Add up **all** instalment payments made **before** the end date of your last VAT filing period.

TIP: Typically, the Name for these transactions will be the VAT agency (e.g., “HMRC VAT”) and the Type will be “Cheque”.

Type	Date	Num	Name	Memo	Split	Amount	Balance
VAT Liability							
VAT Instalments							
Cheque	31/03/2007		HMRC VAT		Bank	-400.00	-400.00
Cheque	30/06/2007		HMRC VAT		Bank	-400.00	-800.00
Cheque	30/09/2007		HMRC VAT		Bank	-400.00	-1,200.00
General Journal	04/10/2007	1	HMRC VAT		VAT Liability	800.00	-400.00
Cheque	30/12/2007				Bank	-400.00	-800.00
Total VAT Instalments						-800.00	-800.00

4. Add any payments made after that date which apply to the same filing period.
Do not include payments that apply to the current VAT period.
5. Write down this total as a **positive** number.
6. If you made general journal entries that transferred your instalment amounts to your VAT liability account:
 - a. Identify the instalment payments that were included in these adjustments.
 - b. Subtract the amounts of these payments from the total payments you wrote down earlier.
7. Note the final total — this is the **“Total Instalments”** you need in Step 2.

Step 2: Add or subtract this amount from your last payment/refund, then enter the result on the Before you file your VAT window

You need to make different calculations depending on whether you made a payment or refund at the time of your last VAT filing.

The **Before you file your VAT** window appears when you attempt to file VAT or access a VAT report. When entering the date, make sure you use the **date of the payment you made to clear the balance owing for your last filed period**.

Typically, this will be within 15 days after the end of the last period. (If your last filing was for a refund, use the date at which you received the refund.)

What if I haven't made my final payment for the last VAT period yet? QuickBooks still needs a date and amount to properly reconcile your VAT. If it is in the future or you haven't entered it yet, choose the option **No, I haven't entered it but it was/will be a refund or payment**.

If this payment won't be enough to clear off your balance for the last period, the remaining amount will appear as an “Amount not reported or paid” the next time you try to file your VAT.

Your last filing was a payment

1. Tell QuickBooks whether you entered the payment in QuickBooks. Select either:
 - Yes, it was a payment, or
 - No, I haven't entered it, but it was/will be a payment.

Have you entered your refund or payment in QuickBooks? [Help](#)

Yes, it was a refund
 Yes, it was a payment
 No, I haven't entered it, but it was/will be a refund
 No, I haven't entered it, but it was/will be a payment

2. Add the Total Instalments amount (from Step 1) to the final payment you made for clearing your last VAT filing period.

In this example, you calculated a Total Instalments amount of £200, and your final VAT payment was £150.

last VAT payment	150
+ total instalments	+ 200
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total amount	350

3. Enter the amount of the payment and the date it was made.

The amount of payment/refund was/will be:

The date of payment/refund was/will be: [What](#)

Your last filing was a refund

Example A

Follow this example if your last filing amount was a refund and your Total Instalments amount (from Step 1) is **less** than your refund amount.

1. Tell QuickBooks whether you entered the refund in QuickBooks. Select either:
 - Yes, it was a refund, or
 - No, I haven't entered it, but it was/will be a refund.

Have you entered your refund or payment in QuickBooks? [Help](#)

Yes, it was a refund
 Yes, it was a payment
 No, I haven't entered it, but it was/will be a refund
 No, I haven't entered it, but it was/will be a payment

2. Subtract your Total Instalments (Step 1) from the refund amount made before your last VAT filing date.

In this example, you calculated a Total Instalments amount of £250, and you received a refund of £800 for your last filed VAT period.

last VAT refund	800
- total instalments	- 250
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total amount	550

3. Enter the amount of the payment and the date it was made.

The amount of payment/refund was/will be:

The date of payment/refund was/will be: [What](#)

Example B

Follow this example if your last filing amount was a refund and your total instalment amount (from Step 1) is **more** than your refund amount.

1. Tell QuickBooks whether you entered the refund in QuickBooks. Select either:
 - Yes, it was a refund, or
 - No, I haven't entered it, but it was/will be a refund.

Have you entered your refund or payment in QuickBooks? [Help](#)

Yes, it was a refund

Yes, it was a payment

No, I haven't entered it, but it was/will be a refund

No, I haven't entered it, but it was/will be a payment

2. Subtract your total instalment amounts (Step 1) from the refund amount made before your last VAT filing date.

In this example, you calculated a Total Instalments amount of £1,200, and you received a refund of £400 for your last filed VAT period.

last VAT refund	400
- total instalments	- 1200
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total amount	- 800

3. Enter the amount of the payment and the date it was made.

The amount of payment/refund was/will be:

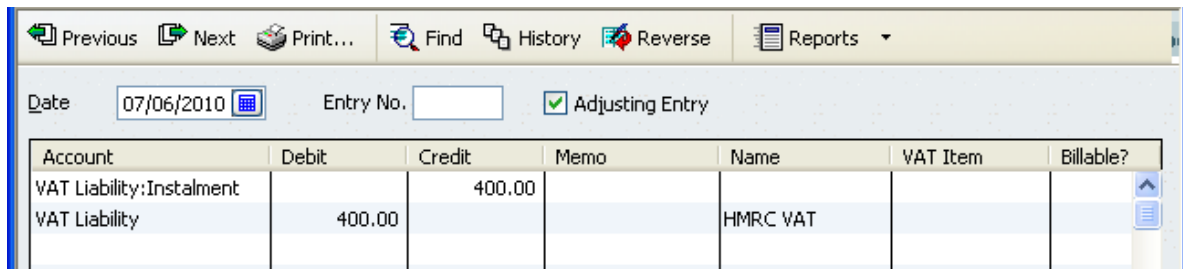
The date of payment/refund was/will be: [What](#)

Step 3: Make an adjustment for your instalment payment

After you close the VAT Filing window, you must transfer the amounts you calculated from the instalment account into the VAT liability account. This aligns the balance of the VAT liability account with the amounts that QuickBooks just reconciled.

To transfer these payment amounts, make a General Journal Entry as follows:

1. Open the General Journal (Go to the **Company** menu and click **Make General Journal Entries**).
2. Make a **Credit** to your non tax-account or sub account for the Total Instalments amount you calculated in Step 1.
3. Make a **Debit** to your VAT account for the total amount of instalment payments not tracked to a VAT account (Step 1).



The screenshot shows the QuickBooks General Journal Entry window. The date is set to 07/06/2010, and the 'Adjusting Entry' checkbox is checked. The entry table is as follows:

Account	Debit	Credit	Memo	Name	VAT Item	Billable?
VAT Liability:Instalment		400.00				
VAT Liability	400.00			HMRC VAT		

4. Click **Continue** when the posting warning appears.
5. Click **Save & Close**.

Congratulations! You adjusted your overpayment and underpayment for any instalment payments made before your last VAT filing period.

You might still need to resolve for any VAT amounts not reported and not paid, which can be done from the Upgrade Centre or the File VAT window.