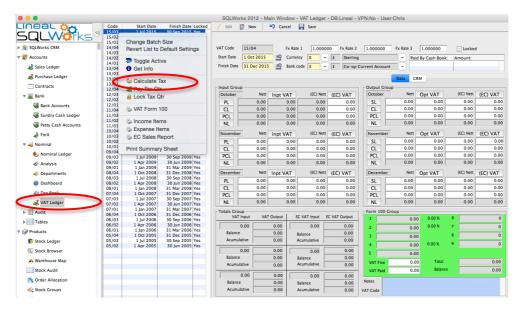## 1. How to calculate the VAT

Procedure

At the end of the VAT period, when all of the final Month's invoices and statements have been entered and processed on SQLWorks; when the Audit has been processed and the End of Period Reports have been printed and checked, you are ready to process and pay the VAT.

This procedure is step 1 of the 3-stage process – 1. Calculate, 2. Submit & 3. Process payment.

1. Click on 'VAT Ledger' found in the 'Nominal' section of 'Accounts' on the Navigation Bar. Select the Period you have just processed, right-click and select the 'Calculate Tax' option.

2. If you have recently signed up for MTD on the HMRC website, you may receive the following error message if it has not yet gone live, if you do please wait 72 hours from when you submitted your information with HMRC.

3. The following warning box will appear, if you are planning to submit your VAT period, select Yes which will lock the quarter, if you would just like to calculate, select No.
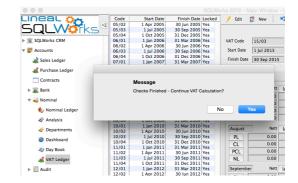

4. Messages will ask if you want to carry out optional checks on data integrity and Transactions for control accounts, before calculation. You can choose to say 'No' to these.

5. If you do wish to carry out the checks, entries such as nominal combinations not previously used or those with zero value, will be displayed for your approval. Click OK, then 'Yes' to continue.
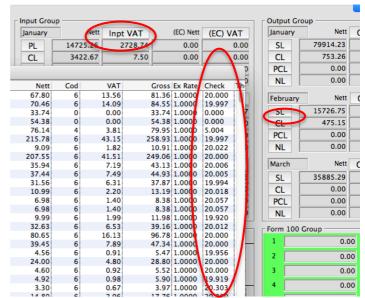
6. If these checks display entries that you wish to investigate or amend before calculating the tax, click 'No' and follow steps 1 to 3 when you are ready to proceed.

7. The results of the calculation are now prompted, A VAT difference box will then appear for you to click 'OK' to save the calculated values. If you click Cancel the Form 100 Values will still be withdrawn but not saved.

VAT Difference			
Box	Current	New	Difference
Box 1	0.00	26266.19	-26266.19
Box 2	0.00	0.00	0.00
Box 3	0.00	26266.19	-26266.19
Box 4	0.00	14687.15	-14687.15
Box 5	0.00	11579.04	-11579.04
Box 6	0.00	131455.00	-131455.00
Box 7	0.00	150969.00	-150969.00
Box 8	0.00	0.00	0.00
Box 9	0.00	0.00	0.00

9 Records

Cancel   OK

8. The VAT Ledger is now populated with the calculated values which can be also checked by clicking any of the buttons above or aside the monthly values on the input and output sides of the VAT Ledger window, such as 'Inpt VAT' for January circled in the diagram. Each button generates a report that can also be printed if required. These reports are particularly useful because they have a 'check' column which shows the % VAT for each entry, so that deviations from the current VAT rate can be easily spotted.

9. Print, preview or save the VAT Statement to file by right-clicking again on the VAT period and select 'VAT Form 100' which will allow you to print/save this doc. The diagram below has no values, but yours will have the amounts shown in each field.