Month March **PAYMENTS (VAT INPUT) SUMMARY** (For cheques, cards or direct banking) © P. Hingston

WORKED - & Guide

Date	Paid To	Ref	TOTAL (incl VAT)		VAT			Drawings, NI (or Salary)		Stock or Raw Material		Employee Costs	Premises Costs Rent/Rates			
2	Auto Repair Co	357	70	05	10	43										3
2	Self	358	150	00	—			150	00							4
3	To Petty Cash	359	50	00	—											5
3	ABC Co	360	17	50	2	61										6
4	XYZ Supplies	361	128	26	19	10										7
9	The Big Phone Co	362	189	87	28	28										8
12	Local Council	363	500	00	—								500	00		9
14	Auto Repair Co	364	139	99	20	85										10
14	Parcels Service	365	158	27	23	57										11
18	APR Co	366	400	00	59	57										12
29	Computer Supply Co	367	625	00	93	09										13
31	The Bigga Credit Card Co	D/D	562	58	83	79				125	00					14
			2991	52	341	29		150	00	125	00		500	00		15
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Total Payments for Month			2991	52	341	29		150	00	125	00		500	00		

Tax Returns
The column headings on these pages are similar to those found in your annual Tax Return.

The £50 cheque payment (left) also appears in the PETTY CASH column on the previous page.

"Premises Costs" also includes Cleaning and Property Insurance. Use the next blank column if necessary.

"Employee Costs" is for wages, NI (National Insurance) and PAYE, also Directors' salaries, though you may find it convenient to put your own salary under "Drawings (or Salary)". For sole traders and partners, record your "wages" under "Drawings".

This "Utilities" column is for Premises Costs that relate to any Electric, Gas, Heating or Water bills.

1st Column
The first column heading is blank. You could use it for a category of expenses that you have to pay often. Alternatively, you could use it as a second VAT column. This would allow you to use the first VAT column for Inputs that fall into your previous VAT period and this second VAT column for Inputs that fall into the current VAT period. That may help you to do your VAT Returns.

VAT
If there is VAT included in a payment, record it in the VAT column, then put the net amount (ie total less the VAT) in the appropriate expenses column to the right. Note: The VAT rate used in this Worked Example is 17.5% but the rate may be changed at any time by government.

CREDIT & DEBIT CARDS
As shown in the last entry above, you can use these pages not only for payments by cheque but also for payments made by those credit or debit cards that are deducted from your business bank account. This allows an "analysis" of the expenditure and the card payments can then be added easily to similar expenditure paid by cheque or direct banking.

PROCEDURE FOR BUSINESS CARDS
You could use one line for each card transaction, alternatively you could enter it all on one line when you receive your card statement - but using one line per transaction may be more appropriate for a VAT Input Summary.

PROCEDURE FOR PERSONAL CARDS
If you use your own card for a business purchase, then you need to re-imburse yourself. You could do this (every month or so) either by raising a business cheque made out to yourself or if using a credit card, you could use a business cheque (or direct banking) to pay for those business items when the card statement arrives.

PROCEDURE FOR CHEQUES
For each cheque: record the date (written on the cheque), the payee, the last 3 figures of the cheque number (as Reference) and the total paid. You then write the VAT (if any) in the VAT column. Then "analyse" the payment by entering the total (less any VAT) in the correct expenses column (or split it between two or more columns).

PROCEDURE FOR DIRECT BANKING
(This includes on-line and telephone banking and where you are paying your suppliers by Direct Debit) The procedure is the same as for cheques except you need to give the date when the payment is due to be deducted from your account. In the "Ref" column, "D/D" means a Direct Debit payment.

VAT on Imports
You must show a separate total for VAT on imports from outside the EC.

VAT Input Summary
For VAT purposes, you need to keep a record of all taxable goods and services that you receive - this is called a "VAT Input Summary". Space for this is provided in the VAT Section later in this book. For some businesses, this Payments Summary may in fact meet this requirement - ask your accountant or local VAT office.

If in any month you need more lines than there are here, then use the overflow pages which come after Month 12 in this book.

At the end of the month, total up each column. The overall TOTAL (£2,991.52 in this worked example) is then entered in the MONTH'S BANK BALANCE on the previous page.