

Completion of the VAT Return for Schools that do NOT use FMS6

Schools that use accounting packages other than FMS6 should complete the VAT forms, FD676/732 (see Appendix 2b).

- FD676 Analysis of VAT **Expenditure** for Month
- FD732 Analysis of VAT **Income** for Month

To provide the required analysis you need to:

- Split the transactions for the month between income & expenditure.
- Analyse the NET expenditure/income & VAT by the following categories:

Standard Rate (wef to 31 st December 2009)	E	15.0%
Standard Rate (wef 1 st January 2010 to 31 st December 2010)	F	17.5%
Fuel and Power Reduced Rate	G	5.0%
Standard Rate (wef 1 st January 2011)	H	20.0%
No VAT Reclaim	R	
Exempt	X	
Non-Business (Outside the Scope of VAT)	Y	
Zero Rate	Z	

To complete an FD676 or an FD732 return:

- Enter the **School Name**
- Enter the **Month and Year**
- Enter your **Cost Centre (school's DfE no)** for each line
- For each VAT code, the NET expenditure/income should be entered into the **Amount Exc. VAT** column, next to the relevant VAT Indicator
- For each VAT code, the **VAT** incurred/charged should be entered into the **VAT Amount** column, next to the relevant VAT Indicator.

Please check that the VAT falls within the 20p tolerance i.e. if the net expenditure/income is multiplied by the rate of VAT and divided by 100, the total should agree to the VAT in the VAT amount column +/- 20p.

APPENDIX 2a

- Expenditure entries should have a “+”
- Income entries should have a “-“
- Enter the GROSS expenditure /income on the bottom line under the **Amount Exc. VAT** column. If expenditure, this is shown as “-“, if income, this is shown as “+”.
- For each Return complete the **TOTAL Drs** i.e. all of the “+” entries in BOTH the Amount Exc. VAT & VAT Amount columns.
- For each Return complete the **TOTAL Crs** i.e all of the “-” entries in BOTH the Amount Exc. VAT & VAT Amount columns
- Check that the TOTAL Drs & TOTAL Crs agree for each form.
- Each form should be **authorised and dated by** the Head Teacher, Bursar or an authorised signatory.
- Finally, complete the Analysis at the bottom of the form. Enter the **TOTAL VAT Expenditure** i.e. the total of figures appearing in the VAT Amount column on the FD676 return.
- Enter the **TOTAL VAT Income** i.e. the total of the figures appearing in the VAT Amount Column on the FD732 return.
- Calculate the **VAT owed to/ by School for the Month** i.e. Line 1-Line 2.