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:

<table>
<thead>
<tr>
<th>Description</th>
<th>Code</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Standard Rate (wef to 31st December 2009)</td>
<td>E</td>
<td>15.0%</td>
</tr>
<tr>
<td>Standard Rate (wef 1st January 2010 to 31st December 2010)</td>
<td>F</td>
<td>17.5%</td>
</tr>
<tr>
<td>Fuel and Power Reduced Rate</td>
<td>G</td>
<td>5.0%</td>
</tr>
<tr>
<td>Standard Rate (wef 1st January 2011)</td>
<td>H</td>
<td>20.0%</td>
</tr>
<tr>
<td>No VAT Reclaim</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>Exempt</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>Non-Business (Outside the Scope of VAT)</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>Zero Rate</td>
<td>Z</td>
<td></td>
</tr>
</tbody>
</table>

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.
- 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.