



Osprey Approach: Use Purchase Ledgers with VAT Cash Accounting

This help guide was last updated on
Jul 10th, 2024

The latest version is always online at
<https://support.ospreyapproach.com/?p=2645>

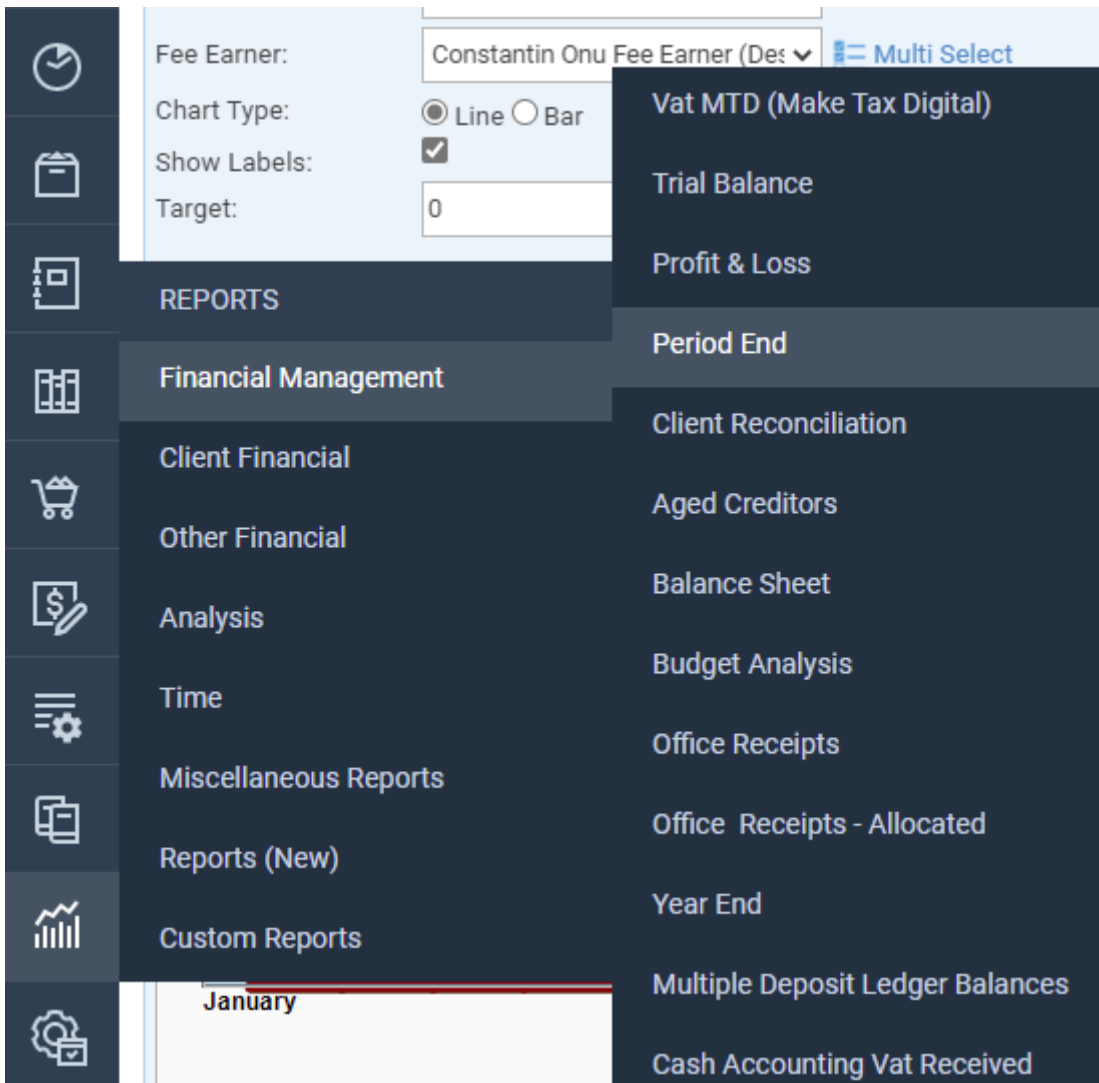


This guide will take you through how to use purchase ledgers when set up to use cash accounting

VAT Considerations

If you are currently set up to use the Cash Accounting method of VAT but want to use Purchase Ledgers. In Osprey, the purchase ledgers are not designed to work with the cash accounting style of VAT. Firms who use the cash accounting VAT style do not become liable for VAT on purchases until the invoice is paid.

If you always pay your supplier invoices in the same period as they are raised, the standard VAT Form produced in Period End reports should be accurate



Navigate to Reports > Financial Management > Period End

 Print

 Toggle Selection

Branch:

Currency:

Year: 01/05/2021 to 30/04/2022

Period: 01/06/2021 to 30/06/2021

Reports To Run:

<input type="checkbox"/> Period End Counsels Fees	<input type="checkbox"/> Period End Purchase Ledger Balance
<input type="checkbox"/> Period End Client Reconciliation	<input type="checkbox"/> Period End Provisional Bills
<input type="checkbox"/> Period End Day Book Listing	<input type="checkbox"/> Period End Trial Balance
<input type="checkbox"/> Period End Deposit Journal	<input type="checkbox"/> Period End Unpaid Disbursements
<input type="checkbox"/> Period End Fees Analysis	<input type="checkbox"/> Period End VAT Journal
<input type="checkbox"/> Period End Fees Analysis by Fee Earner	<input type="checkbox"/> Period End Cash Received
<input type="checkbox"/> Period End Fees Analysis by Work Type	<input type="checkbox"/> Period End VAT Summary
<input type="checkbox"/> Period End Fees Journal	<input checked="" type="checkbox"/> Period End Vat Form
<input type="checkbox"/> Period End Journals Journal	<input type="checkbox"/> Period End Write Offs
<input type="checkbox"/> Period End Matter Balance	<input type="checkbox"/> Accounting Summary
<input type="checkbox"/> Period End Multiple Deposits Journal	<input type="checkbox"/> Client Balances in Debit
<input type="checkbox"/> Period End Petty Cash Journal	<input type="checkbox"/> Office Balances in Credit
<input type="checkbox"/> Period End Profit & Loss	<input type="checkbox"/> Disbs Balances in Credit

Period End Client Banks

Period End Office Banks

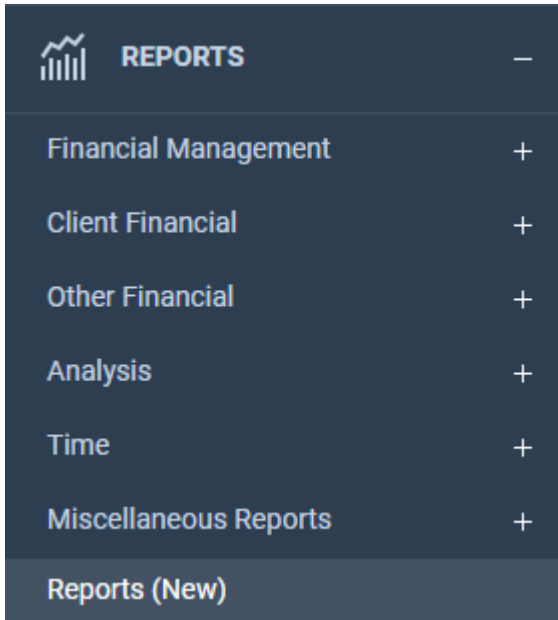
Select a Period at a quarter end and tick Period End Vat Form

If the invoices are paid in later periods, this could affect your VAT return. There is a report which you can use to manually adjust your VAT return however.

Please ensure that payment terms are correctly set within your purchase ledger suppliers. The system will assume that invoices from a supplier who gives 30 days credit are not due until 30 days after they are posted, so will not necessarily appear in the same period as they were posted.

VAT Cash Accounting Purchase Inputs Report

Navigate to the 'Reports' tab and select the option for Reports (New).



Under the Report Type 'Accounting Reports' there should be a report called VAT Cash Accounting Purchase Inputs.

Label	Report Type ▲	Description	Created By	Created Date	Last Modified By	Last Modified Da...
☰ Report Type: Accounting Reports						
VAT Cash Accounting Purchase Inputs	Accounting Repo...		Supervisor	21/09/2018 12:5...	Supervisor	21/09/2018 12:5...
Profit & Loss With Budgets	Accounting Repo...	Standard P&L re...	Supervisor	04/02/2019 12:2...	Supervisor	04/02/2019 12:2...
Bills Paid By Fee Earner With Costs Received	Accounting Repo...	Bills filterable by ...	Supervisor	02/05/2019 15:0...	Supervisor	02/05/2019 15:0...
Client Statement	Accounting Repo...	Produce a state...	Supervisor	21/05/2019 14:2...	Supervisor	21/05/2019 14:2...
Audit Trail	Accounting Repo...	Advanced Audit ...	Supervisor	16/10/2018 14:1 ...	Supervisor	08/05/2019 12:0...
CalibrateStatement	Accounting Repo...		mitzi	24/09/2018 13:3...	mitzi	30/10/2018 10:4...

Double click it to open the report.

Using the available filters on the left-hand side, run and print the report between the start and end dates of your VAT Quarter.

Pracctice Ltd

VAT Inputs Cash Accounts Quarterly report

Reporting Date: 12/09/2016
Quarter Ending: 30/09/2016
Year 5 Period 3

Input VAT Input Costs

VAT on Inputs this Quarter (should match VAT Summary)

1: £384.83 £22304.17

Check periods prior to this quarter for unpaid purchase invoices - enter totals here:

2: _____

Current Quarters unpaid purchases:

Date	PL	Supplier Name	Detail	Input	Costs
05/09/2016	PL1	BOSS	Third september invoice	133.33	800.00
This Quarter Purchase Totals					3: 133.33 800.00
This Quarter VAT Return Input Totals <i>Total box 1 minus box 2 minus box 3</i>					<hr/> VAT Return box 4 VAT Return box 7

Fill in box 2 manually. This should be the totals of any purchase invoices still unpaid prior to the beginning of the VAT quarter you are completing now. You can run the same report again using a date range of:

From Date: Oldest unpaid purchase ledger invoice

To Date: End of last VAT Quarter and taking the box 3 totals.

Work out the 'This Quarter VAT Return Input' totals using the formula shown on the report:

Box 1 – Box 2 – Box 3 = VAT Return figures