

## Recording a Mileage Claim

When an employee or director of a business claims a mileage allowance for the use of a private vehicle on a business activity, the value of the claim needs to be recorded. Liberty Accounts provides a specific transaction for this purpose which covers:

- ◆ Storing the mileage against a vehicle type and an employee and keeping totals
- ◆ Storing a mileage claim rate and calculating the amount of the reimbursement
- ◆ Automatically journalise the figures.
- ◆ Output a report which also shows any impact against the Approved Mileage Allowance Payments currently published by the Inland Revenue for tax allowance purposes.
- ◆ In the case of a VAT registered organisation that has in its possession relevant documents (VAT Invoice), recover the VAT on the deemed fuel element from rates published from time to time by the Inland Revenue.

To record a mileage claim:

- ◆ Ensure details of the employee are setup.
- ◆ If the business is subject to IR35, set up contracts
- ◆ If you are using Branch analysis, ensure branches are set up
- ◆ If you are collecting expense details for taxation P11D purposes, ensure the feature is activated and the appropriate employee is set up. (Please contact your accountant for more information.)
- ◆ Create the Mileage Claim

### IR35 Contracts

IR35 Contract Data is also set up via the **ADD-INS** menu.

**ADD-INS → IR35 → ADD CONTRACT**

Enter details in the IR35 Contract Maintenance Screen. More Information is available in the **Working with IR35** user guide.

### Branches

Sales Item Information is also set up via the **LISTS** menu.

**LISTS → BRANCHES → ADD BRANCH**

Enter details in the Branch Maintenance Screen. More Information is available in the **Using Branches** user guide.

### P11D and Employee

P11D recording is activated via the **Optional features** tab, under the **Profile**

**ENTITY NAME → PROFILE → OPTIONAL FEATURES**

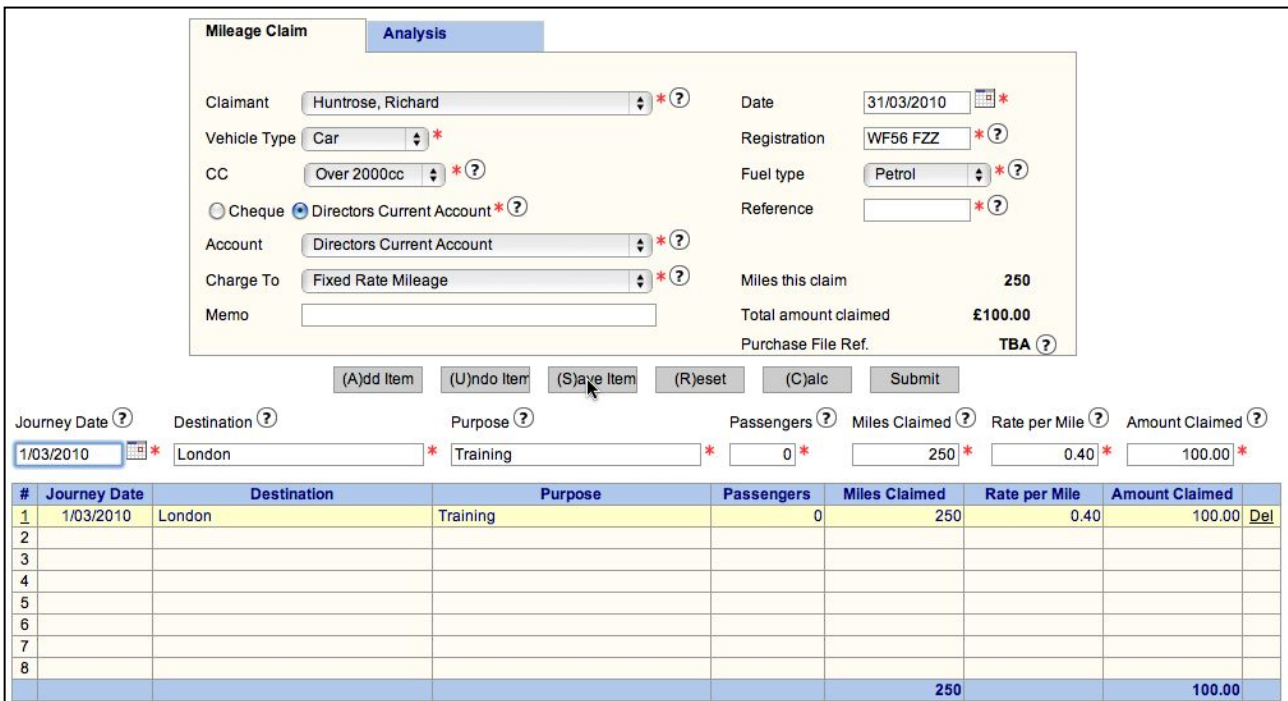
Activate P11D recording by ticking 'Track Employee Expenses and Branches' Payroll will also need to be activated (even if not being used for pay purposes) Further information is available both from your advisor and the P11D and On-line Filing and Setting up Officers & Employees user guides. Ensure that the appropriate employee is set up.

**LISTS → OFFICERS/EMPLOYEES → ADD NEW**

**Creating a Mileage Claim**

The mileage claim screen is accessed via the **Activities** menu.

**ACTIVITIES → STAFF EXPENSES → RECORD MILEAGE CLAIM → Mileage Claim Tab**



#	Journey Date	Destination	Purpose	Passengers	Miles Claimed	Rate per Mile	Amount Claimed
1	1/03/2010	London	Training	0	250	0.40	100.00
2							
3							
4							
5							
6							
7							
8							
					250		100.00

- ◆ From the **Claimant** dropdown, select the name of the claimant. Select the **vehicle type** and the **cc** of the vehicle.
- ◆ The payment options are to use a **Cheque** or a **Directors Current Account**, click on the button. The **Account** options will vary depending on the payment method. Selecting a cheque requires you to choose which bank account the cheque is drawn. If not a cheque the appropriate Directors Current Account needs to be selected.
- ◆ The **Charge to** is Fixed Rate Mileage.
- ◆ The **Memo** field can be used to enter a free format descriptive text, or it can be left blank.
- ◆ Enter a **Date**, the vehicle **Registration** number. The **Fuel Type** also needs to be chosen.
- ◆ If a cheque has been selected, enter the **Cheque No.**, if not a **Reference** can be entered.

**Note that the header details above will be recalled by the system the next time that the same claimant is selected. If any of the header details need to be amended simply change them. When the completed transaction is submitted then new header details will be saved by the system for the next occasion. Also If P11D recording is**

**activated then selection of the claimant will also pre-select the employee for P11D purposes in the analysis tab or vice versa.**

The line items that make up the transaction now need to be added. A line item is a particular journey mileage claim. In many instances there may only be the one.

- ◆ **ADD ITEM** accesses the detail input. Enter the **Journey Date** followed by the Destination and the **Purpose**.
- ◆ If business **Passengers** were carried enter the number. Note consult your advisor for if you are unsure.
- ◆ Enter the **Miles Claimed** and the **Rate per Mile**, the system will extend and enter the **Amount Claimed**.
- ◆ **SAVE EDIT** confirms the entry. Further Line items can be entered by clicking on **ADD ITEM** on each occasion. **UNDO EDIT** cancels the current line item data. **UNDO ALL EDITS** cancels all line item inputs.

Note the system will provide a **Purchase File Reference** number (that may be used is a document filing process) when the transaction is SUBMITTED and until that happens the field displays TBA (To be Assigned).

### Analysis Tab

The analysis tab allows for further details to be added for recording if the business is using the Branches and/or the IR35 features and/or P11D recording. If these features are not in use, nothing needs to be added in the analysis tab.

- ◆ Select an **Associated IR35 contract** if appropriate (consult your advisor if you are unsure.) Also see the **Working with IR35** user guide.
- ◆ Select an appropriate **Branch** if this invoice is to be analysed to a branch
- ◆ Select an **Employee for P11D purposes** from the drop down. Note that this field may be pre-selected if the claimant has already been selected or vice versa.
- ◆ When all line items have been entered as required, clicking on **(RE)CALCULATE** ensures that all value extensions are correct. When the debit card data is complete clicking **SUBMIT** saves and confirms the transaction.

A confirmation message appears at the top of the screen together with the unique **Purchase File Reference Number**.

If the entity is VAT registered, Liberty Accounts automatically records the VAT portion of Inland Revenue Advisory Fuel Rates, in the **VAT control account** as well as the **VAT100** report. The details can also be seen in the **VAT Transaction Report**. See **VAT & Liberty Accounts** user guide.

### Editing a Mileage Claim

After a mileage claim has been created it may be edited. If a mileage claim has been included in a VAT return or reconciled then the details of the transaction may only be viewed they cannot be changed or the transaction deleted. Likewise if a transaction is dated in a closed financial year it also cannot be changed.

It is easiest to locate a particular transaction by listing the mileage claim transactions.

**LISTS → MILEAGE CLAIMS**

- ◆ Locate the relevant transaction and click on **EDIT**
- ◆ The full **mileage claim** screen (see above) is displayed with the current data.
- ◆ The **Purchase File Reference** Number will also display on the screen.
- ◆ Edit the data as necessary
- ◆ When editing line item entries, highlight the appropriate line by clicking on it. The information appears in the edit line. Amend as necessary and **SAVE EDIT** to complete.
- ◆ When all changes have been made, clicking on **(RE)CALCULATE** ensures that all value extensions are correct. Clicking **SUBMIT** saves and confirms the transaction.

**Reporting Mileage Claims**

Reports of mileage claims by employee are available via the **Reports** menu

**REPORTS → MILEAGE ALLOWANCE PAYMENTS**

- ◆ Select the relevant **PAYE year** and the employee or employees for which you want a report.
- ◆ **GENERATE** prepares the report

Consulting Company Limited Mileage Allowance Payments 2004/2005 Tax Year							
Claimant: <b>Huntrose, Sandra</b>							
Journey Date	Destination	Purpose of Journey	Business Passengers	Rate per Mile	Miles	Amount Claimed	
Vehicle Type: Car/Van							
Registration: X877 TTY							
04/06/2004	Oxford	Exhibition	0	0.40	186		74.40
07/06/2004	Norwich	Client Visit	1	0.45	358		161.10
Total - Registration: X877 TTY						544	235.50
Total - Vehicle Type: Car/Van						544	235.50
						Allowed for Business Passengers	17.90
						Total Inland Revenue Allowed Amount	235.50