How to Enter Leases & Lease Interest
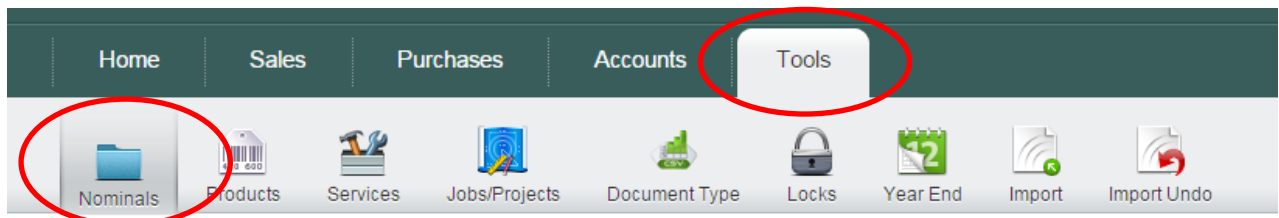
1. Select Tools and Nominals
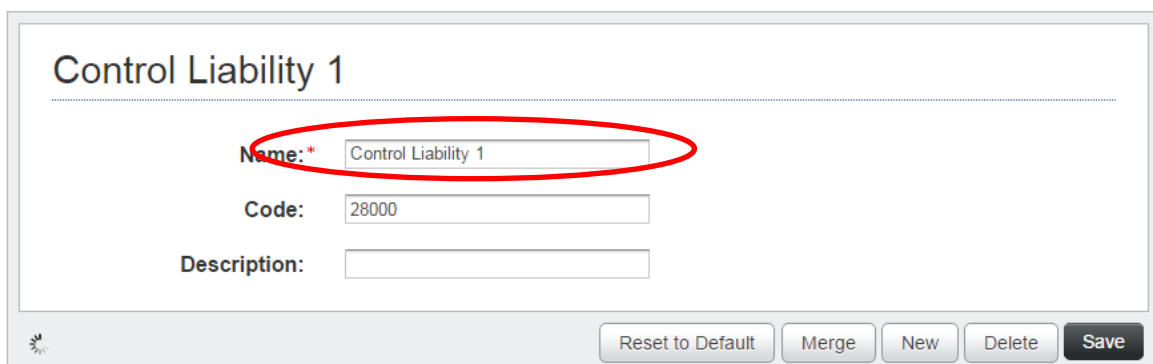

2. Scroll down to Current Liabilities and select "Control Liability 1"

3. When you select "Control Liability 1" the following appears

4. Change "Control Liability 1" to "Lease" and Press SAVE

5. Again Scroll down to Current Liabilities and select "Lease"

6. Select "New".

7. The following window opens. Enter in i.e. Car – VW 15D2256. The reason to add a new nominal is there may be several leases. If there are several car leases by entering the Car Registration it makes it easier to allocate the correct payments to the correct lease.

Add new nominal ✕

Parent: Lease(s)
Note: This action will create sub nominal Lease(s) and merge all existing data from Lease(s) to sub nominal Lease(s)

Name of new nominal: *

Lease Car – VW 15D2256.

[Ok] [Cancel]
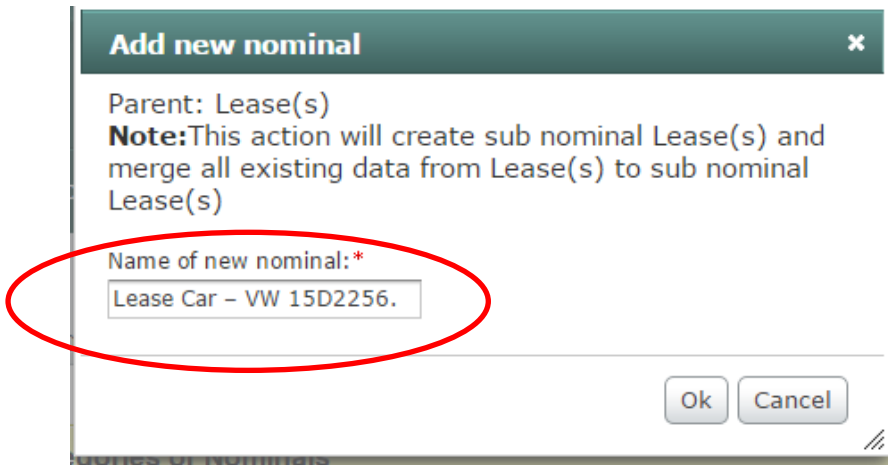
8. If you return to the Current Liabilities section you will see the new nominal "

Current Liabilites

- 📖 Creditors *(21000)*
- 📖 Payroll Tax *(22000)*
- 📖 VAT *(23000)*
- 📖 Corporation Tax Liability *(24000)*
- 📖 Credit card *(25000)*
  - 📙 AIB Credit Card 1590
- 📖 Accruals *(26000)*
- 📖 Short Term Loan *(21500)*
- 📖 Control Account Liability *(21600)*
- 📖 Lease(s) *(28000)*
  - 📙 Lease Car – VW 13KE5258
  - 📙 Lease Car – VW 15D2256.
- 📖 Control Liability2 *(28100)*
- 📖 Control Liability3 *(28200)*
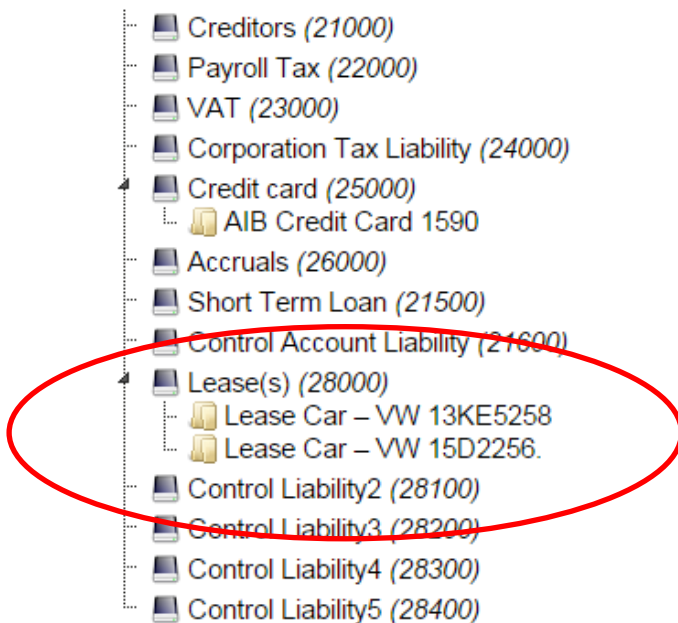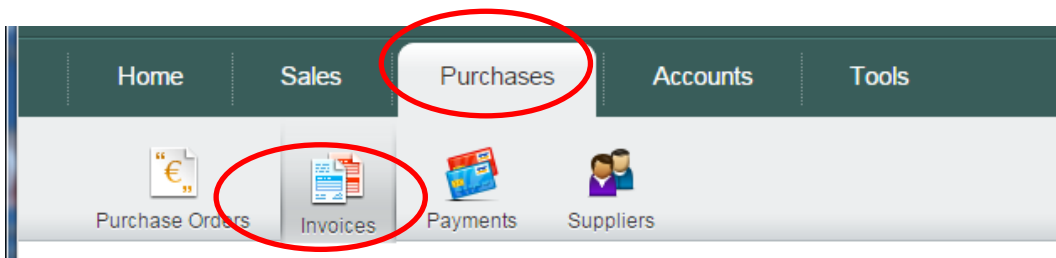- 📖 Control Liability4 *(28300)*
- 📖 Control Liability5 *(28400)*

9. To enter in the Lease payment and be able to reclaim the VAT - Go to Purchases

| Home | Sales | Purchases | Accounts | Tools |

Purchase Orders   Invoices   Payments   Suppliers

10. Enter in a Purchase invoice for the repayment for the Lease – VW 15D2256

11. Enter in the Lease repayment amount and select "Lease" in the Nominal box. As you can see as there are two leases you can select the correct one from the "Current Liabilites" in the Balance Sheet.

12. Summary – You have now Debited the VAT lease in the Balance Sheet (decreasing the value of the lease) and Credited the Creditors for "Lease – VW 15D2256"

13. We know this is paid from the bank and we do not want a Creditor so you can pay this invoice right away from the bank by clicking on "Add full payment" and selecting the relevant bank.

14. By completing sept 13 above you are crediting the Bank and Debiting the Lease. Therefore there are no creditors.

15. Go to the Simple Trial Balance Report and select "Supress 0's" and Apply. You can see that the full payment of €615 is made from the bank and the Net payment is set against the lease and the VAT element of the payment has gone to the VAT nominal.

SortMyBooks
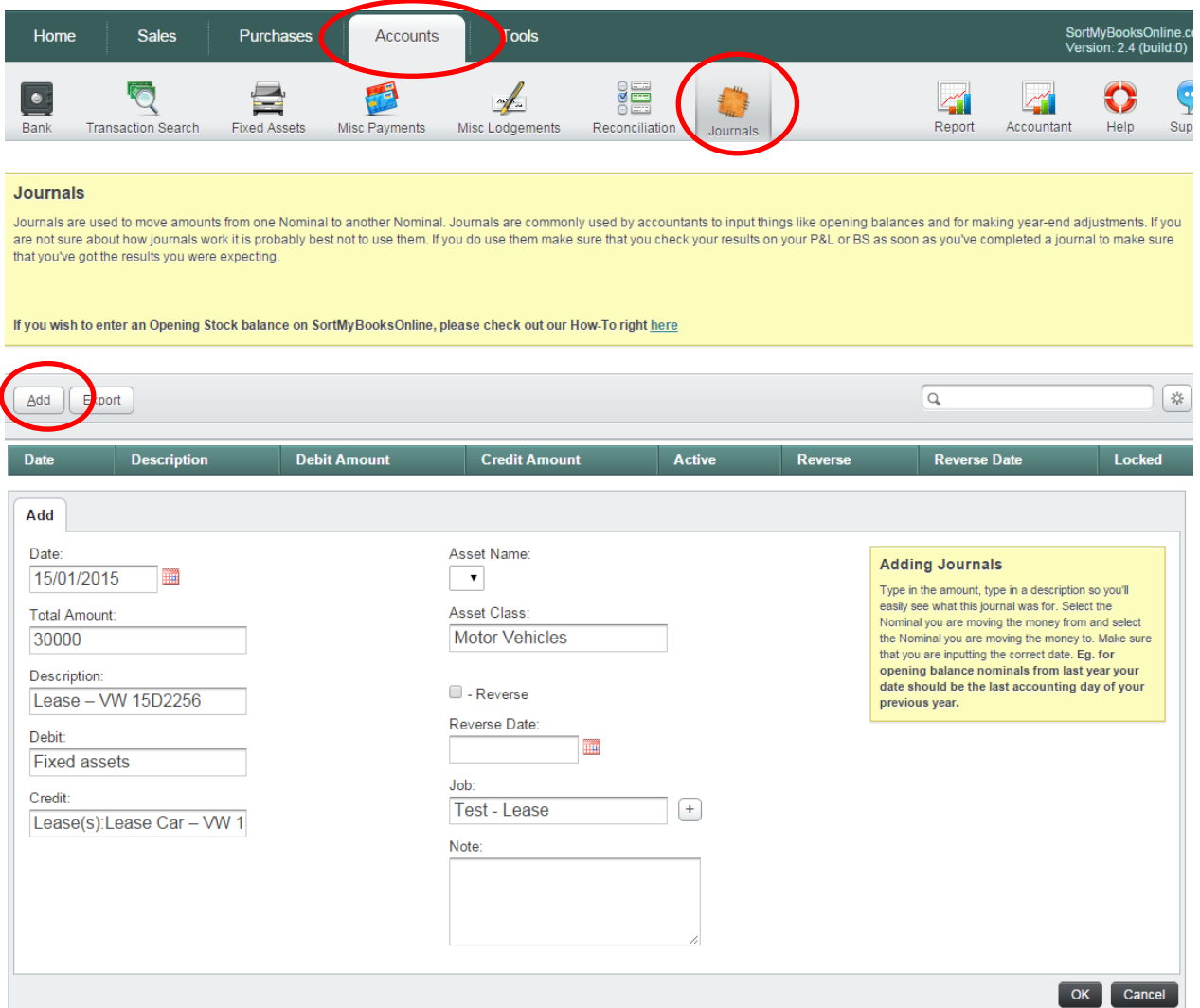
16. To enter in the Lease Liability – Select "Accounts", then select "Journals" and click add.
    a. Enter the date of purchase
    b. Enter in the total lease amount
    c. Enter Description – "Lease – VW 15D2256"
    d. Debit – Fixed Assets
    e. Credit – Lease – VW 15D2256
    f. Asset Class – Motor Vehicle
    g. Click "OK"

Home	Sales	Purchases	Accounts	Tools		SortMyBooksOnline.c Version: 2.4 (build:0)

Bank   Transaction Search   Fixed Assets   Misc Payments   Misc Lodgements   Reconciliation   Journals   Report   Accountant   Help   Sup

Journals

Journals are used to move amounts from one Nominal to another Nominal. Journals are commonly used by accountants to input things like opening balances and for making year-end adjustments. If you are not sure about how journals work it is probably best not to use them. If you do use them make sure that you check your results on your P&L or BS as soon as you've completed a journal to make sure that you've got the results you were expecting.

If you wish to enter an Opening Stock balance on SortMyBooksOnline, please check out our How-To right here

[Add] [Export]

Date	Description	Debit Amount	Credit Amount	Active	Reverse	Reverse Date	Locked

Add

Date:
15/01/2015

Total Amount:
30000

Description:
Lease – VW 15D2256

Debit:
Fixed assets

Credit:
Lease(s):Lease Car – VW 1

Asset Name:
▼

Asset Class:
Motor Vehicles

☐ - Reverse

Reverse Date:

Job:
Test - Lease [+]

Note:

Adding Journals

Type in the amount, type in a description so you'll easily see what this journal was for. Select the Nominal you are moving the money from and select the Nominal you are moving the money to. Make sure that you are inputting the correct date. **Eg. for opening balance nominals from last year your date should be the last accounting day of your previous year.**

[OK] [Cancel]

17. If you go back to the Simple Trial Balance Report and select "Supress 0's" and Apply. You can now see that there is a Fixed Assets of €30,000 and the remaining value of the lease (€30,000 - €500).

← Back		🗀 All reports	🖨 Print	🗋 Save as PDF	🗋 Save as Excel

details:
[Include Sub-Nominals ▼]

Select range:
[current accounting year]

Job:
[   ]

Nominal:
[   ]

☑ - Supress 0s

[Apply] [Reset]

Simple Trial Balance

Test - Lease

Period: from 01/01/2015 to 31/12/2015

Name	P/B	Debit	Credit
Motor Vehicles : Motor Vehicles Unallocated	B	30,000.00	0.00
Bank - 134	B	0.00	615.00
VAT	B	115.00	0.00
Lease Car – VW 15D2256	B	0.00	29,500.00
-		-	30,115.00	30,115.00

Grand Total

Name	Debit	Credit
GrandTotal	30,115.00	30,115.00

18. To enter Lease interest. Firstly, set up enter a nominal called "Lease Interest" under the "Finance Charges". Select "Tools" and "Nominals" and click on "Finance Charges".

Home	Sales	Purchases	Accounts	Tools

Nominals Products Services Jobs/Projects Document Type Locks Year End Import Import Undo

Income
- 📘 Sales *(41000)*

Cost of Sales
- 📘 Purchases *(51000)*
- 📘 Direct Labour *(52000)*
- 📘 Sub-contractors *(53000)*
- 📘 Other Direct Costs *(54000)*
- 📘 Opening Stock *(58000)*
- 📘 Closing Stock *(59000)*

Expenses
- 📘 Advertising and Promotion *(60000)*
- 📘 Employee Payroll *(61000)*
- 📘 Employer's PRSI. *(61888)*
- 📘 Directors Payroll *(62000)*
- 📘 Finance Charges *(63000)*
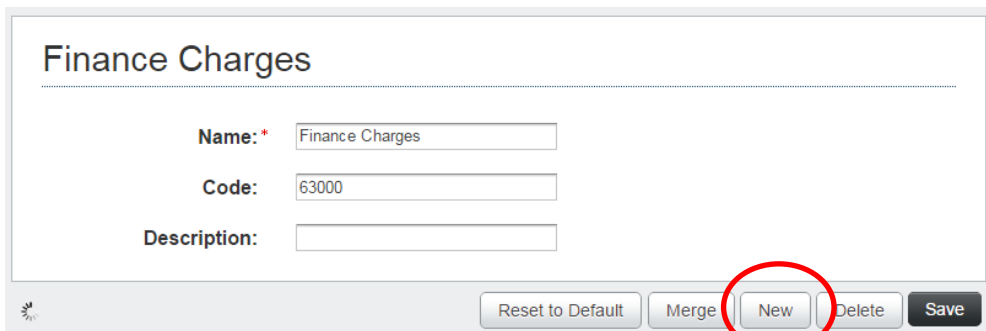 - 📘 Currency Difference *(63100)*

Categories or Nominals

To understand your business finances better, your day to day selling and spending is
etc.

This section lists all the nominals in the system, and how they are grouped.

To add or change these nominals, check out the How-To here.

To merge nominals, see the How-To here.
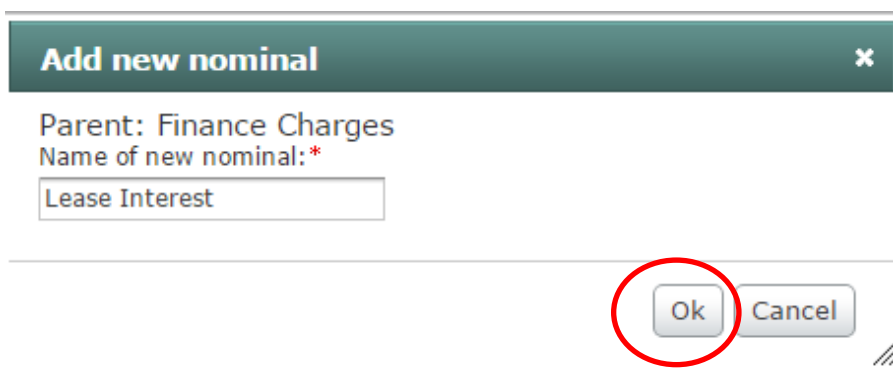
19. The following screen appears. Click "New"

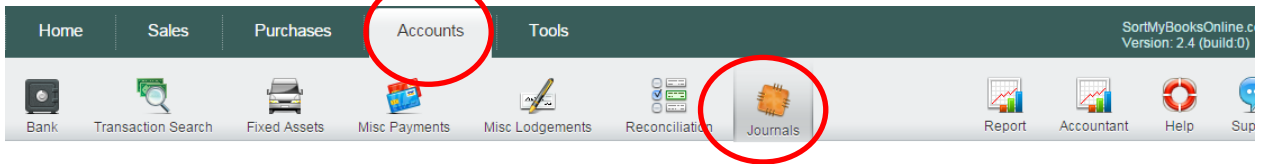20. The following window opens. Enter "Lease Interest" and click "OK"

21. If you return to the "Finance Charges" Section you will see the nominal "Lease Interest"

Expenses

- 📘 Advertising and Promotion *(60000)*
- 📘 Employee Payroll *(61000)*
- 📘 Employer's PRSI. *(61888)*
- 📘 Directors Payroll *(62000)*
- 📘 Finance Charges *(63000)*
  - 📙 Currency Difference *(63100)*
  - 📙 Lease Interest
- 📘 Insurances *(64000)*
- 📘 Legal and Professional Fees *(65000)*
- 📘 Office/Property *(66000)*
- 📘 Travel and Subsistence *(67000)*
- 📘 Motor *(68000)*
- 📘 Other *(69000)*
  - 📙 Software Subscription

22. Select "Accounts" and "Journals" and "Add". Once you know the monthly interest, it can be entered as a journal, by Debiting the "Lease Interest" in the Profit and Loss and Crediting the "Lease Car Lease – VW 15D2256" in the Balance Sheet.

23. Go to the Simple Trial Balance Report and select "Supress 0's" and Apply. You can see the Lease interest of €96.50 (Debit) and the Lease Car – VW 15D2256 (Credit) has increased by the same amount.

Back   📁 All reports   🖨 Print   📄 Save as PDF   📄 Save as Excel

details:
[Include Sub-Nominals ▾]

Select range:
[current accounting year]

Job:
[   ]

Nominal:
[   ]

☑ - Suppress 0s

[Apply] [Reset]

Simple Trial Balance

Test - Lease

Period: from 01/01/2015 to 31/12/2015

Name	P/B	Debit	Credit
Lease Interest	P	96.50	0.00
Motor Vehicles : Motor Vehicles Unallocated	B	30,000.00	0.00
Bank - 134	B	0.00	615.00
VAT	B	115.00	0.00
Lease Car – VW 15D2256	B	0.00	29,596.50
-	-	30,211.50	30,211.50