

How to record mileage and subsistence expenses incurred by employees

If the Employees are incurring mileage and subsistence expenses as per the Revenue's rates – see full information here for rules and rates <http://www.revenue.ie/en/tax/it/employee-expenses.html>

Remember you are not obliged to pay the Civil Service rates to your employees these are a guideline as to the maximum rates that can be used.

You are going to add the Employee as a Supplier – click on Purchases and Supplier and Add. Type in the Employee's Name + Expenses (if they are already in as an Employee then you won't be able to add the identical name here also, that's why I'm suggesting adding Expenses to the end of their name here to distinguish them from their Employee category.

Now we are going to attach an item called 'Expenses' to the Employee's Supplier record to make data entry faster. Click on the Plus symbol where you see Default Item.

Add

Name: *
Director Anne

Payee: *
Supplier

Credit Terms:
30

Address Line1:
Address Line2:
Address Line3:
City/Town:

County:
Post Code:
Country: *
Ireland

Default Item:
Service

National Currency: *
Euro

- VAT Exempt
 - VAT Registered

Adding Suppliers
This section can be used to add Suppliers, Sub-Contractors, Employees or any Other people that your company deals with.
Just use the Payee section to differentiate between each type.

Click on the Plus to add an item called 'Expenses'

OK Cancel

Select the Service from the dropdown and type in Name 'Expenses', select Zero% for the Purchases VAT Rate and select 'Travel and Subsistence' from the Purchase Nominal drop down list.

Adding new Default Item

Which: **1** Service

Service: **2** Expenses

Selling VAT Rate:

Purchase VAT Rate: **3** Zero

Purchase Nominal: **4** Travel and Subsistence

Supplier:

Add Products & Services

Use this section to add the various Products or Services your company buys and sells.

If you are buying in goods for resale then you can specify both purchase and sales prices here on the same item to give you accurate Profit Margins.

You can also specify which Nominals and Vat Rates they apply to, as well as the Supplier - if it is the same everytime.

Ok Cancel

Click on OK to complete the set-up.

You've completed the set-up so what you need to do now is every month or whenever you are recording the Employee's Expenses you should enter them in as a Purchase Invoice as follows:

Click on Purchases and Invoices and Add.

Select the Employee's name from the Dropdown list, type in the month as the Invoice Number and select the Date for the Expenses and click on OK.

Type into Gross the amount that is owed to the Employee.

Tick the 'Add Full Payment' box and select type the payment type that you are using to pay them and select the Account that you are paying them out of.

The Expenses will show in the Travel and Subsistence section of your Profit and Loss report.