

Triple-entry bookkeeping

It's a basic principle of single-entry accounting that incoming and outgoing payments are recorded on the date they are made. In contrast, double-entry accounting requires that an invoice be recorded for the period during which the service is performed, not when payment is made. As of April 1, the CR now has something that might be facetiously called triple-entry accounting. An invoice with an April 30 or May 1 issue date for services performed in April won't be recorded for VAT purposes until the invoice is actually received, which will usually be in May at the earliest. This means the recipient company won't be able to claim a VAT rebate on the invoice until it files its May return, and not on its April return as was heretofore the case. Companies wanting to maintain sanity in their books will have to add another entry, which might very well become known as the "Kalousek column." All it really does is "simplify" the tax system by giving the finance ministry a one-time loan and thousands of companies one big headache.

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