Statutory SMP/SPP/SPBP Journal Configuration

Journals · https://paiyroll.com/kb/statutory-smp-spp-spbp-journal-configuration/

Follow this guide to set up advanced journals for the **Pre-approval summary2** and **Bookkeeping** (Xero/Quickbooks/FreeAgent) submission reports.

General

Every company organises its journals differently, and it is therefore not possible to create a single journal for all cases. You should have a clear view of how you want the Journal Debits and Credits to appear first. Configuration can appear complex, but full power is required to be able to configure any journal which can be automatically generated and posted to online bookkeeping.

It is usually helpful to set up the Pre-approval summary2 configuration first in **Company Setup > Report Definitions > Pre-approval summary2 > Update**

Once this is working as expected, you can then set up the Bookkeeping configuration the same way e.g. **Company Setup > Report Definitions > GB Xero Journal > Update**

The typical flow involves configuration changes, followed by Pay run > Redo to see the resulting journals. This is repeated until the desired journal has been achieved.

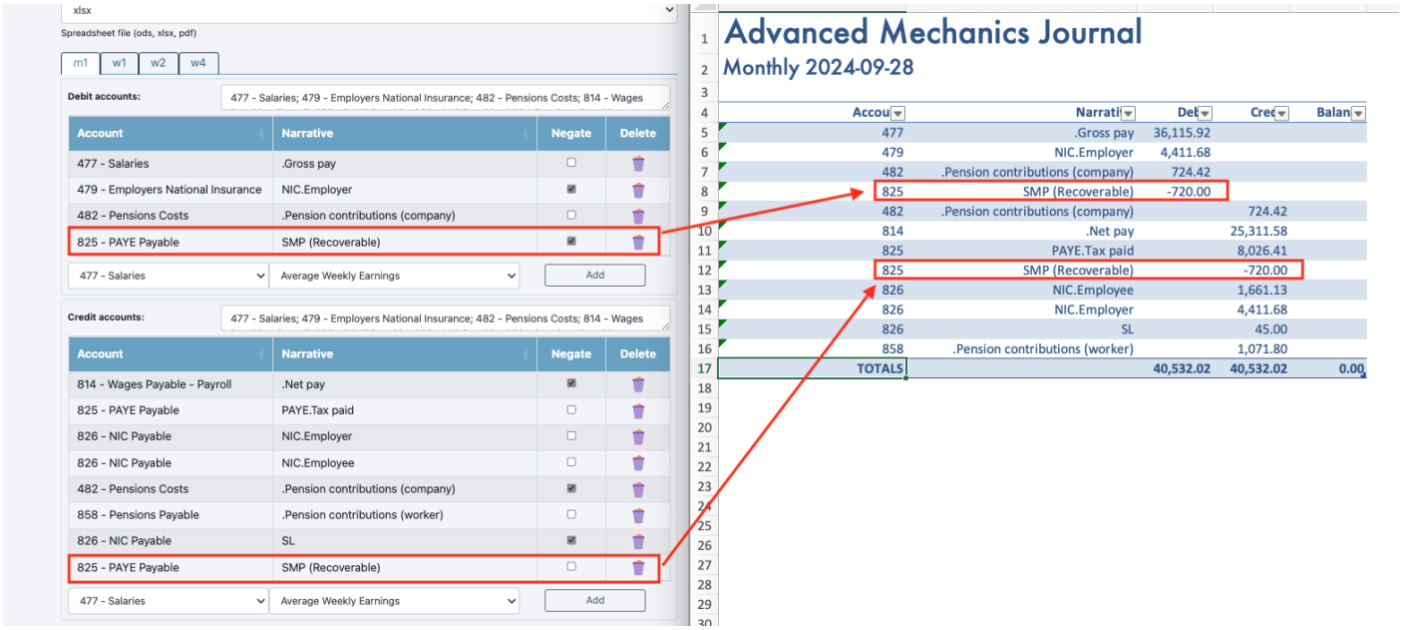
Simple Example

In the simple example below the company expects to receive a recoverable amount for SMP.

This amount will appear as a negative on the **Debit** side and therefore reduces the total P&L for the company.

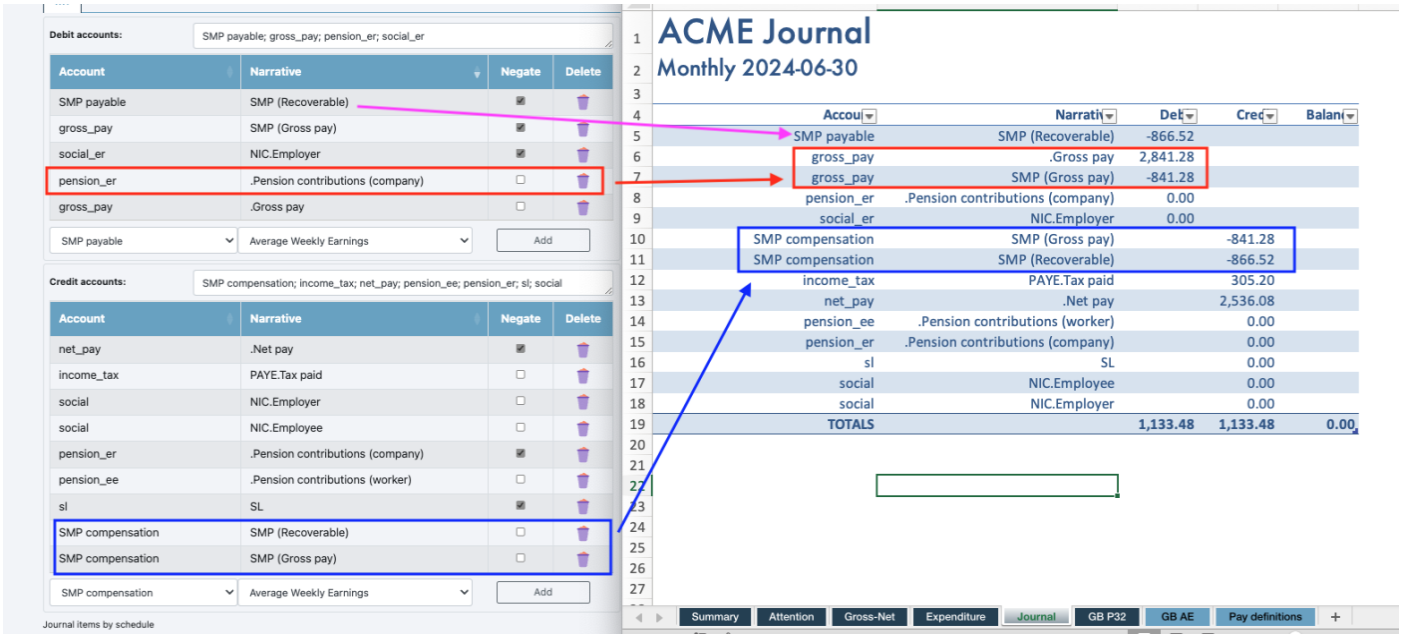
It also appears as a negative on the **Credit side because there will be an** amount effectively coming back from HMRC to offset the tax payments.

Her is The report **Configuration** is on the **left** and the resulting **Journal** on the **right**:



Complex Example

The next example below shows another scenario. The report **Configuration** is on the **left** and the resulting **Journal** is on the **right**:



Moving Statutory to a different Debit account

Statutory pay is generally included in Gross Pay which is helpful for the employee. If you need to post the Statutory pay to a separate account, you will need to:

1. Subtract Statutory pay from **the Gross Pay** account - see the red outlines in the example. Note how the **Negate** is used to switch the SMP (Gross Pay) positive into a **negative**.
2. Add Statutory recoverable pay to a new account - see purple arrow in the example

Adding recoverable difference to Credits

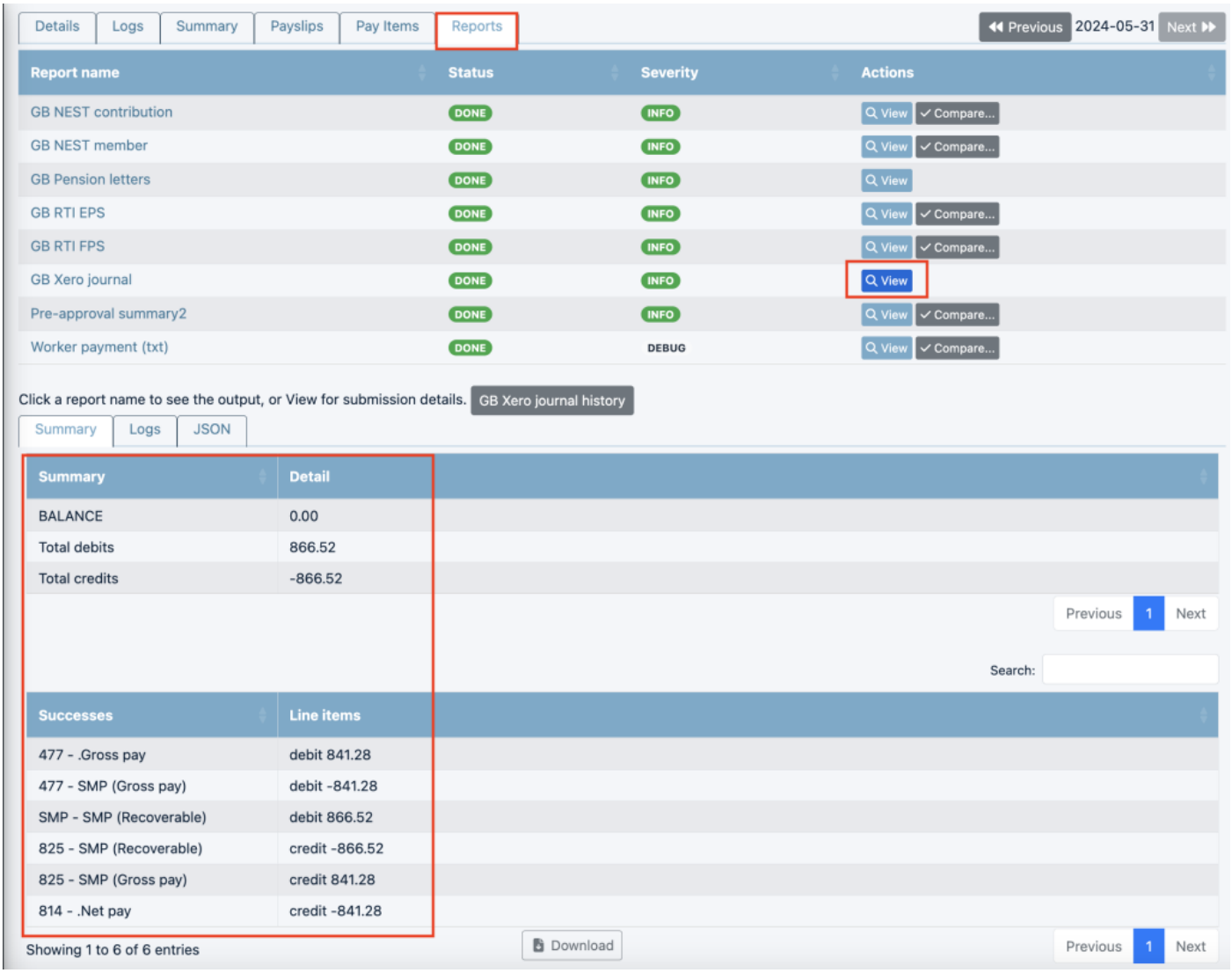
SMP has 2 different outputs: **SMP (Gross pay)** and **SMP (Recoverable)** which differ depending upon whether Small Employers' Relief is applicable:

	Standard	**Small Employers' Relief.**
SMP (Gross pay)	100	100
SMP (Recoverable)	92	103

See the blue outline in the example which adds the recoverable difference to the **SMP Compensation** credit account. This is accomplished by having one value as a positive and the other as a negative.

Bookkeeping Journal

Finally, to check the values that will be posted to online bookkeeping (Xero/Quickbooks/FreeAgent), complete a Payrun > **Redo** and then view the **Pay run > View > Reports** tab. When multiple values are posted to the same account, these are summed together first.



The bookkeeping journal will have an **Error** state if it does not balance which will need to be corrected before pay run approval.

If you create a journal configuration that needs to be copied onto a different company, then see this article Bulk copy definitions between companies