

Changes to UK VAT Rate December 2008

With the change in the standard rate of VAT from the 1st December 2008, it will be necessary to make changes to your Macola systems to allow for the new rate.

It is important no change should be made to the rate until all goods have been invoiced for despatches up to the end of November 2008. The VAT rate is assigned to the order at billing/invoicing time.

Once all the invoices for goods shipped have been produced in November, then the change(s) should be made before any goods are billed/invoiced dated on or after the 1st December 2008.

For AP Vouchers received there is not a problem, as when entered the anticipated value for VAT is calculated and displayed, and this can be overwritten to allow for the actual VAT value on the Voucher/Invoice to be used. This means Vendor Invoices received after the rate of VAT has been changed can still be entered correctly.

It is suggested you run your normal Tax/VAT reports and store them just before changing the VAT rate. This will be for reference only, unless the end of November coincides with your VAT reporting period.

To Change The Rate of VAT in Macola Progression (All Versions)

- System Manager >
- Maintain >
- VAT Detail Codes>
- VAT Code - Enter Code where Rate to be changed from 17.5% to 15%
- Change the VAT Percent from 17.5 to 15.0
- Save the Change
- Repeat the Process for all VAT Detail Codes that were set at 17.5%

VAT Detail Code Maintenance - [Change]

File Edit Window Help

VAT Code: SR

Description: Standard Rate

G/L Account: 200300 8000 000 CONTROL ACCOUNT - VAT

VAT Method: P=% of Sales/Purch Amt

VAT Percent: 17.5000

VAT Amount: 0.00

Minimum Amt: 0.00

Maximum Amt: 0.00

Apply Min/Max To: T=Total Sale/Purch

VAT Calc Basis: A=Sales/Purch Amt

Is This VAT VATable? VAT Freight?

VAT Misc Charges?

Accumulators

Sales PTD	327,413.02
Sales YTD	5,518,793.22
Misc Chg PTD	0.00
Misc Chg YTD	0.00
VAT PTD	57,297.54
VAT YTD	964,745.51

50-UK-SQL Wednesday, November 26, 2008

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To Change The Rate of VAT in Macola ES (All Versions)

- GL >
- Taxes >
- Tax Detail Codes >
- Select and Open Required Tax Code
- Change the Percent from 17.5000 to 15.0000
- Save the Changes
- Repeat the process for all Tax Codes which have a rate of 17.5%

002 Tax Detail Code Maintenance - [Change]

File Edit Help

SR - Standard Rate (17.5%)

Basics Accumulators Extra

> Tax code SR

Description Standard Rate (17.5%)

> Account 3060 10

VAT CONTROL

Method P=% of Sales/Purch Amt

Percent 17.5000

Amount 0.00

Calculate A=Sales/Purch Amt

Minimum 0.00

Maximum 0.00

Apply To T=Total Sale/Purch

Save New Delete Cancel

Lynq Limited GD Wednesday, November 26, 2008

(Note – If the description contains the rate (see screen print above), it will be necessary to change the description as well.

When these change processes have been completed, the system will be ready to produce invoices at the new rate of VAT.

There is one area where some care will be needed: if it is necessary to produce a debit or credit memo relating to an invoice produced with a VAT Rate of 17.5% after the change has been made, then the rate on the document will default to 15.0%. It will be necessary to make changes to the Tax Trx, or else produce VAT only Debit/Credit memos.

Please note any invoice dated the 1st December 2008 or later must have the new 15.0% VAT rate.

Gordon Downham

November 2008