

VAT – Change in the Standard Rate

Guidance and Upgrade Notes for WinAccs Users (SP10)

28th November 2008

With effect from 1st December 2008 – the standard rate of VAT will change from 17.5% to 15%.

If you have any technical issues on how to apply this in relation to your business, please read the relevant documents on the HMRC website, or ring your local HMRC office.

In order to help WinAccs users implement the change to VAT in their systems, we have produced a Service Pack (SP10), which contains amendments to a number of programs. Therefore this document explains how you should implement the changes in your WinAccs accounting system.

Firstly, your Company Details, VAT parameters will need amending to add the 15% rate to an unused code. We recommend that you take this action, rather than simply change your existing 17.5% code, as you will need to account for both rates during the changeover period. Also, remember that the reverse action will be taking place at the end of next year.

Secondly, as a result of the above, if you are using WinStock, you may need to change the default VAT code stored on each record of your stock items, and additionally reset the VAT code for all outstanding sales and purchase orders.

Service Pack 10 contains the necessary program updates to accomplish the above changes. As is normal, this Service Pack contains all the changes to v6.33 since its release earlier this year, and may be installed by all WinAccs/WinPay users.

If you have any queries, or require further assistance, please contact our Support Team on 01484 518899.

Detailed Instructions

Amending your VAT parameters

In Maintenance/Parameters/Company Details, select tab 4. VAT. You should select an unused VAT rate and set this to 15%.

For many users, it is likely that code A will currently be set to 17.5%, and code B set to the reduced rate for fuel of 5%, and no others set. Therefore code C may be ticked and set to 15%.

Additionally you will see a new section for Default VAT codes, for each of the Sales Ledger, Purchase Ledger and (if used) Subcontractor Ledger. This allows you to set the default code which will be displayed when entering invoices. It is likely that you will be able to commence sales invoicing at the new standard rate of 15% early in December, therefore you would set the Sales Ledger default to C at that time. However, it is also likely that you will continue to receive Purchase and/or Subcontractor invoices dated November for a further period, therefore you would only reset those defaults once you were happy that you had entered all those November invoices, and were happy to default to the new code.

The new 15% rate of VAT will now be available.

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Transaction Posting

At this stage there is nothing further to do, unless you are using WinStock for your stock items and Order Processing. In Transaction/Invoices and Credit Notes, when entering the Line Detail of each invoice or credit note, the VAT code displayed by default will be as set in the Parameters.

VAT reports

The standard Input and Output VAT reports have been amended to show as standard, the goods amount and VAT for codes A, B and C. This assumes that you are using VAT codes as set above. If you require a report which shows the analysis of other VAT codes, then you must amend the standard report in V-Rex and save the new version in your company folder. If you are unable to do this yourself, then please ring or email our Support Team, who will be able to assist you.

Amending your Stock file, Sales Orders and Purchase Orders (WinStock)

You may of course, simply amend all your existing codes and orders by using the standard maintenance routines in the WinStock system. However, in anticipation of you having a high volume of records on your system, we have provided a new program which will undertake this task for you automatically.

We recommend that you have a full data backup for all live companies on your system, before commencing this update.

In Maintenance, you will find a new button, Set VAT Codes. Once you are happy that you have completed your invoicing for November at the old rate, you may simply use this program to change all codes from the old standard rate code, to the new code. The program is self-explanatory, and will only amend stock items where the old VAT code is set as the old standard rate.

Selective options exist for updating only a section of records, and also the facility to 'Preview' the changes which will take place before 'Processing' the change.

In either of the 'From' and 'To' selection boxes, you do not need to enter a valid item. If you enter 'From' A and 'To' A, the program will include everything from 'Aardvark Table' to 'Aztec Placemats'.

The filter stock group is optional. If omitted, all stock records are included. Stock records will only be updated if they are not marked as obsolete.

Sales Orders and Purchase Orders will only be updated if they are set to New, Current or Hold. Individual lines on the order will only be updated if the invoiced quantity is less than the order quantity (something is still left to invoice). This may mean that the order total needs updating. If so, this will happen automatically.



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