

Gyrosoft Applied Solutions Limited

VAT Change Guidance January 2010

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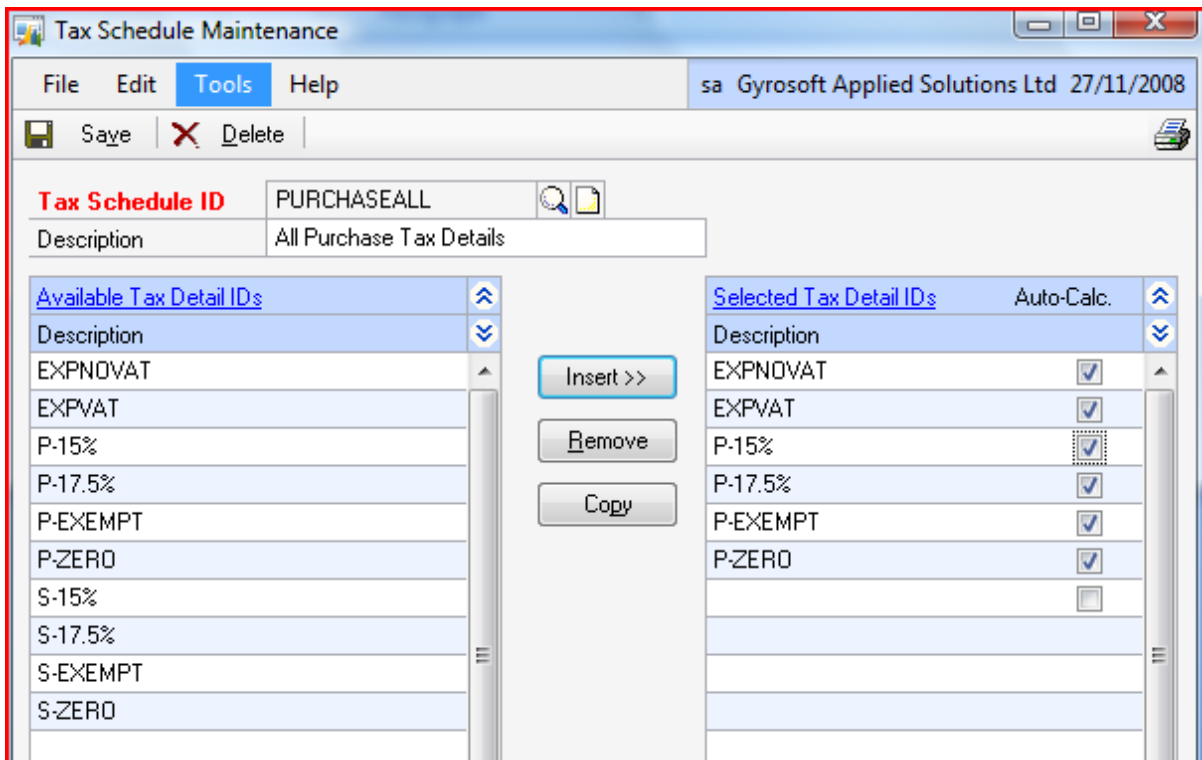
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1. If you have created new Tax Detail & Tax Schedule ID's

Ensure the 17.5% Tax Details are assigned to the existing SALESALL and PURCHASEALL Tax Schedules so that tax defaults correctly on transactions.

(Note: Your Tax Schedule may be named differently, but you should have a Tax Schedule with all Sales Tax Details that will need to be updated, and one for Purchases)

Tools->Setup->Company->Tax Schedules



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The screenshot shows the 'Tax Schedule Maintenance' window. The title bar includes the application name and standard window controls. The menu bar contains 'File', 'Edit', 'Tools', and 'Help'. The status bar shows the user 'sa Gyrosoft Applied Solutions Ltd' and the date '27/11/2008'. Below the menu bar are 'Save' and 'Delete' buttons. The main area is divided into several sections:

- Tax Schedule ID:** SALESALL
- Description:** All Sales Tax Schedules
- Available Tax Detail IDs:** A list of tax detail IDs with up/down arrows for sorting. The list includes: EXPNOVAT, EXPVAT, P-15%, P-17.5%, P-EXEMPT, P-ZERO, S-15%, S-17.5%, S-EXEMPT, and S-ZERO.
- Selected Tax Detail IDs:** A list of selected tax detail IDs with an 'Auto-Calc.' checkbox and up/down arrows for sorting. The list includes: S-15% (checked), S-17.5% (checked), S-EXEMPT (checked), and S-ZERO (checked).
- Buttons:** 'Insert >>', 'Remove', and 'Copy' buttons are located between the two lists.

Available Tax Detail IDs	Selected Tax Detail IDs	Auto-Calc.
EXPNOVAT	S-15%	<input checked="" type="checkbox"/>
EXPVAT	S-17.5%	<input checked="" type="checkbox"/>
P-15%	S-EXEMPT	<input checked="" type="checkbox"/>
P-17.5%	S-ZERO	<input checked="" type="checkbox"/>
P-EXEMPT		<input type="checkbox"/>
P-ZERO		
S-15%		
S-17.5%		
S-EXEMPT		
S-ZERO		

2. If you modified an existing tax detail

If you modified existing Tax Detail ID's to reflect the reduced vat percentage then you will need to reverse these changes.

Tools->Setup->Company->Tax Details

Select the standard rated tax detail for sales, change the tax rate to 17.5% and save your change. Repeat this step for the purchasing tax detail id.

3. Updating Existing Default Tax Schedules on Debtors & Creditors

Existing Default Tax Schedules can be changed manually through Debtor or Creditor Maintenance and Debtor or Creditor Address Maintenance if you have multiple addresses.

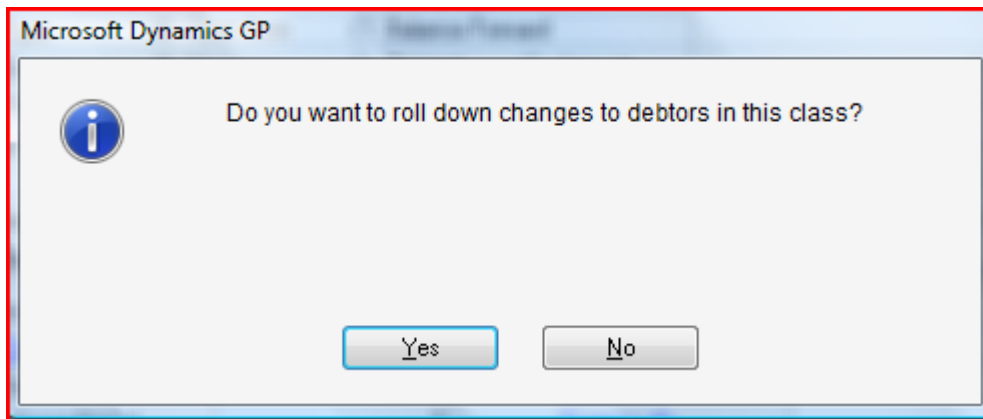
You can also change Tax Schedules by changing the Tax Schedule on the Debtor or Creditor Class and rolling down the changes:

Warning: If there are any other changes to the Debtor or Creditor Class (for instance Payment Terms, Currency, and Credit Limit) these will also be rolled down to the Debtors or Creditors in that class.

The screenshot shows the 'Debtor Class Setup' window with the following details:

- Class ID:** STD (with a search icon and a 'Default' checkbox)
- Description:** Standard Debtors
- Balance Type:** Open Item, Balance Forward
- Finance Charge:** None, Percent, Amount (Value: £0.00)
- Minimum Payment:** No Minimum, Percent, Amount (Value: £0.00)
- Credit Limit:** No Credit, Unlimited, Amount (Value: £0.00)
- Writeoff:** Not Allowed, Unlimited, Maximum (Value: £0.00)
- Revalue Debtor
- Post Results To:** Receivables/Discount Acct, Sales Offset Acct
- Order Fulfillment Shortage Default:** None (dropdown menu)
- Include in Demand Planning
- Trade Discount:** 0.00%
- Payment Terms:** 30 Days (with search icon)
- Discount Grace Period:** 0
- Due Date Grace Period:** 0
- Salesperson ID:** (with search icon)
- Territory ID:** (with search icon)
- Shipping Method:** (with search icon)
- Tax Schedule ID:** S-15% (with search icon)
- Price Level:** | (with search icon)
- Currency ID:** (with search icon)
- Rate Type ID:** (with search icon)
- Priority:** None (dropdown menu)
- Statement Cycle:** Monthly (dropdown menu)
- Maintain History:**
 - Calendar Year
 - Transaction
 - Financial Year
 - Distribution
- Buttons:** Intrastat, Accounts, Project
- Footer:** Navigation icons and 'by Class ID' dropdown

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Click Yes to overwrite your existing Debtor or Creditor settings.

You will need to perform this for each Debtor or Creditor Class that you want to change the default Tax Schedule for.

If you don't wish to use the Debtor or Creditor Class method then the default tax schedules can be updated through SQL Management Studio/SQL Query Analyser:

This must be performed by somebody familiar with SQL and it is recommended this is performed in your Test Company first so you can verify the results before running on your Live Company.

To update Debtors:

```
update RM00101
set TAXSCHID='S-17.5' where TAXSCHID='S-15%'
update RM00102
set TAXSCHID='S-17.5%' where TAXSCHID='S-15%'
```

To update Creditors:

```
update PM00200
set TAXSCHID='P-17.5%' where TAXSCHID='P-15%'
update PM00300
set TAXSCHID='P-17.5%' where TAXSCHID='P-15%'
```

N.B. You may need to modify the scripts to reflect the codes you have setup on your system.

4. VAT Daybook Reporting

If you have both the 15% & 17.5% Tax Details on your existing VAT Daybook report then no changes are required.

5. Other considerations for tax changes within Microsoft Dynamics GP

a) Saved Documents

Saved documents (sales transactions, purchase orders credit notes etc.) will have the old tax rate assigned to them. These will need to be manually changed on each document after you have set up the new tax details and assigned them to the appropriate tax schedules.

b) Form/Reports/Labels

Consider any forms, reports and labels where VAT rates have been previously hard coded and amend as appropriate.

c) Pre-printed stationery

Amend any pre-printed stationery where the rate of 15% appears to reflect the change.

d) Interfaces

Consider interfaces where VAT rates have been previously hard-coded.

6. Additional sources of information

- For further details on setting up GP tax information, you can refer to the Microsoft Dynamics GP Systems Setup| ser Guide.
- HMRC Guidelines
<http://www.hmrc.gov.uk/vat/forms-rates/rates/rate-changes.htm>