



Circle of
Excellence
Winner 2009



Customer
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Change of VAT Rate

to take effect from 4th January 2011

Sage Line 100

From 4th January 2011, the UK standard rate of VAT will increase from 17.5% to 20%. This factsheet explains how this change affects Sage Line 100 and what you need to do.

NOTE: *the following are not affected by the change in VAT rate:*

- Zero-rated goods, for example, basic food stuff, children's clothing and children's footwear.
- Goods and services subject to VAT at the reduced rate of 5%

NOTE: *We are unable to advise which VAT rate you should apply in specific circumstances. If you are unsure, please confirm the correct VAT rate with HMRC either by phone or by consulting the relevant guidance on the HMRC website.*

Changes for Sage Line 100 v7.6 and Line 100 Windows 8.5

We recommend you backup your data directory before implementing the VAT change. Also ensure that all sales and purchase postings are updated before proceeding.

To change the VAT Rate in Line 100

To change the standard rate of VAT you will need to do the following:

- Accounting System Manager
- System Parameters
- VAT Rates
- Go to the standard rate tax code and select
- Edit the VAT rate field and enter the rate of 20%

You should edit the EC Standard purchase ledger (PL) Code (Purchases, Goods and related Services) to 20%

To credit an invoice at the old Rate

There may be occasions when you need to credit invoices at the old VAT rate. If you need to do this, you should create a new tax code at the old rate of VAT. You can do this as follows:

- Accounting System Manager
- System Parameters
- VAT Rates
- Move down to locate an empty field and enter in a relevant tax code number and description
- Tick the option for include in VAT return
- Enter rate of 17.5%
- Ensure relevant Input/ Output Nominal Codes and also relevant cost centres

Please note that the EC purchase flag should not be selected.

Entering late suppliers invoices/ supplier Purchase Orders

1. If you receive an invoice from a supplier that you need to enter at the old rate of VAT, you must manually amend the VAT amount. To do this simply over type the VAT amount with the correct value on the Invoice / Order entry screen.
2. If you receive an order from a supplier that you need to enter at the old rate of VAT, ensure when entering the order that you select the relevant tax rate.

Create an invoice at the new rate of VAT

The invoice will post correctly at the rate 20% once the section "Change the VAT rate in Line 100" is complete.

Visit www.tsg.com/vatchange2011 for more details

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Observations

Existing Sales & Purchase Orders

Existing sales and purchase orders entered into the system can be viewed using the Screen Enquiries option. Caution should be used when selecting to Amend Order once you followed the section "Change the VAT rate in Line 100".

Re-printing invoices & backup

All invoices re-printed after changing the VAT rate to 20% will print at that rate even if the invoice was originally printed at 17.5%.

As a workaround we would suggest taking a backup of the data prior to changing the rate and use this backup to access the data via a new company to reprint any historical invoices.

Unposted invoices through Sales Order Processing (SOP)

Any invoices printed but not posted before you followed the section "Change the VAT rate in Line 100", will be posted at the new rate.

Unposted invoices through Invoicing

It is advisable to print and post invoices prior to following the section "Change the VAT rate in Line 100."

For further detailed information and HMRC guidance about the change, please visit the HMRC Website.



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