Global 3000
Service Pack Note

Tax - Outside Scope of VAT

Author	DCP	
Project	ZM60_000420.docx	
Version	1.0	1 of 8

INTRODUCTION

This service pack updates the system to handle sales and purchases of items that are outside of the scope of VAT.

Some items are classed as outside the scope of VAT, these should be excluded from the VAT Reconciliation report.

The changes include:

- The introduction of a revised format VAT Reconciliation Report.

- A new option (named 'Outside scope of VAT') will be added to the VAT Status within customer and supplier maintenance, this will allow the user to specify that (by default) transactions for the account are classed as outside the scope of VAT.

- A new option will be added to the Tax Options window (within system parameters). The new setting (named 'Code for items 'Outside the scope of VAT') is used as the default tax code for transactions entered for customers and suppliers whose tax status is set to 'Outside scope of VAT'.

- A new option will be added within Tax Code Maintenance. The new setting (labelled 'Exclude from VAT report') is used to indicate that transactions for the tax code (at zero rated VAT) are to be excluded from the VAT Reconciliation report.

- The tax class is set to 'NC' ('No Tax Class') for transactions that are outside the scope of VAT.

Also the way in which files are exported has changed, instead of prompting for the path and filename prior to exporting the details the following reports now use the windows 'save as' dialogue.

- Stocktake Report.

- General Ledger Report.

- General Ledger Trial Balance.

- General Ledger Journal Batch Report.

- Debtors Ledger Aged Debt Report.

- Creditors Ledger Aged Transactions Report.

- Intrastat Declarations.
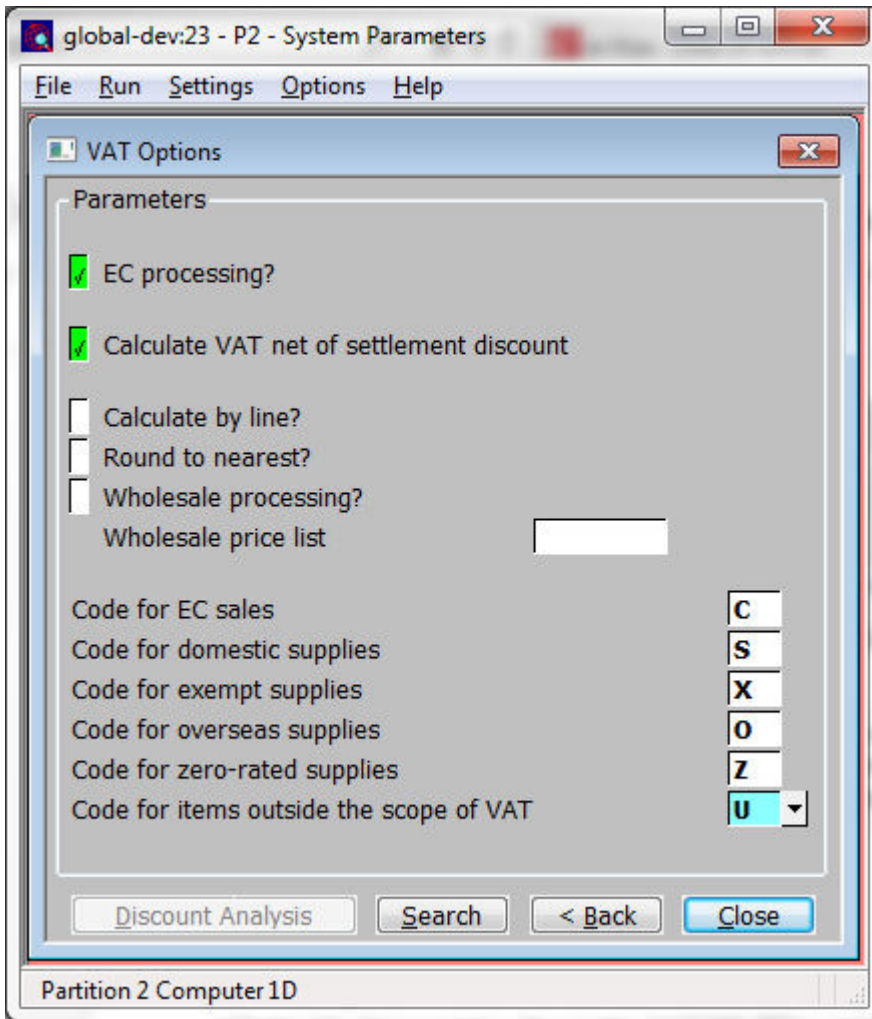
DOCUMENTATION CHANGES

Tax Code Maintenance Window
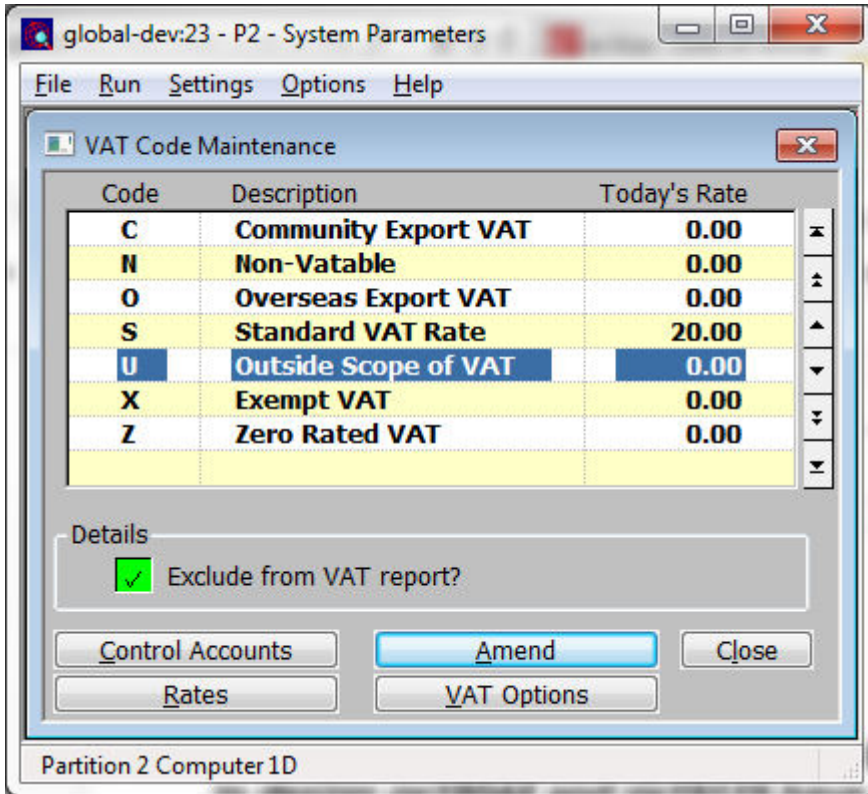
Exclude from VAT Report	*Only for tax codes where all current tax rates are set to zero percent.* When set transactions entered at a zero tax rate with this tax code are excluded from the VAT reconciliation report.

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Tax Options Window

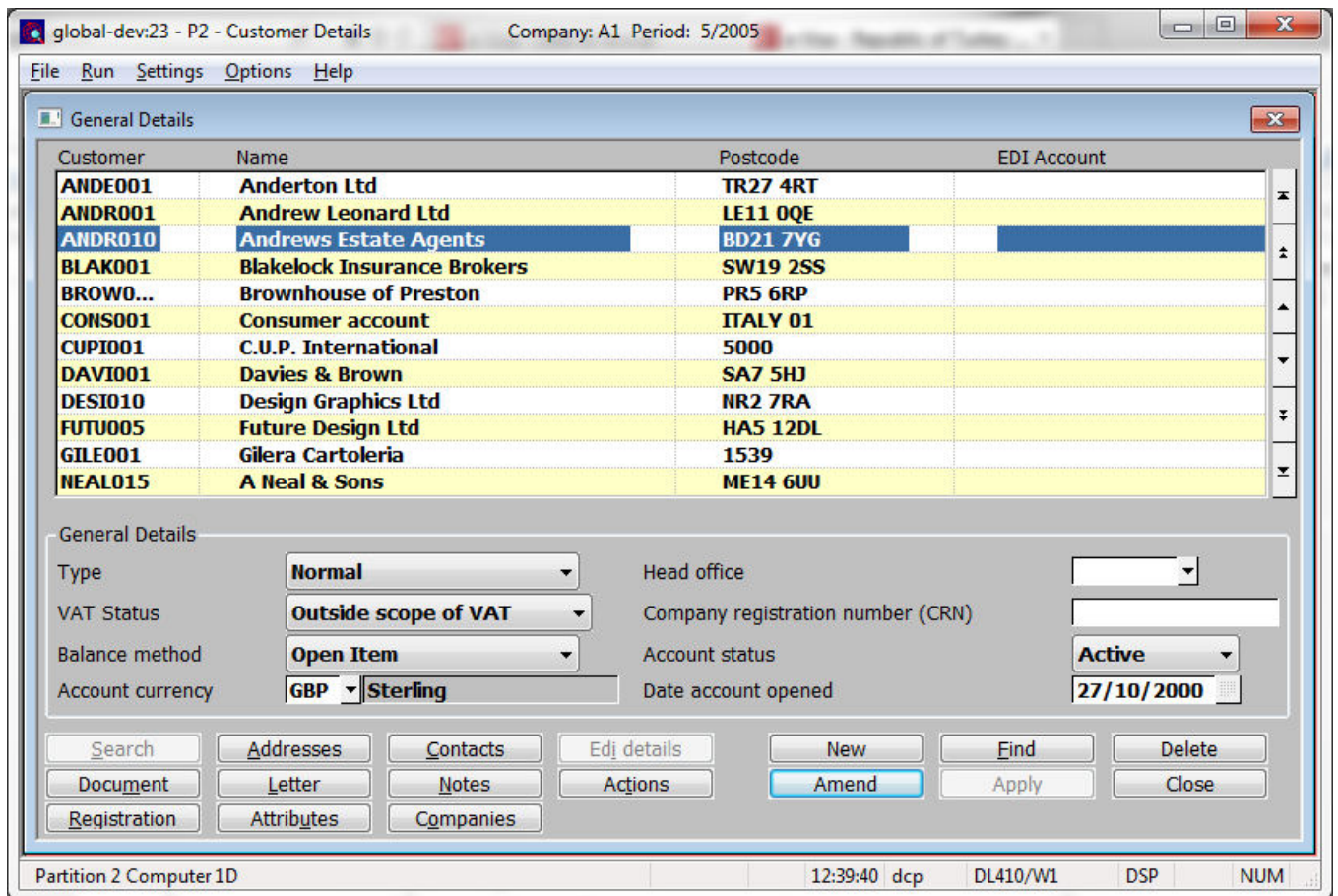|	
Code for items outside the scope of VAT	This is the default tax code used when transactions are entered for customers and suppliers whose tax status is set to 'Outside scope of VAT'. It must be a tax code that is excluded from the VAT report. A search is available.

Customer Maintenance Window
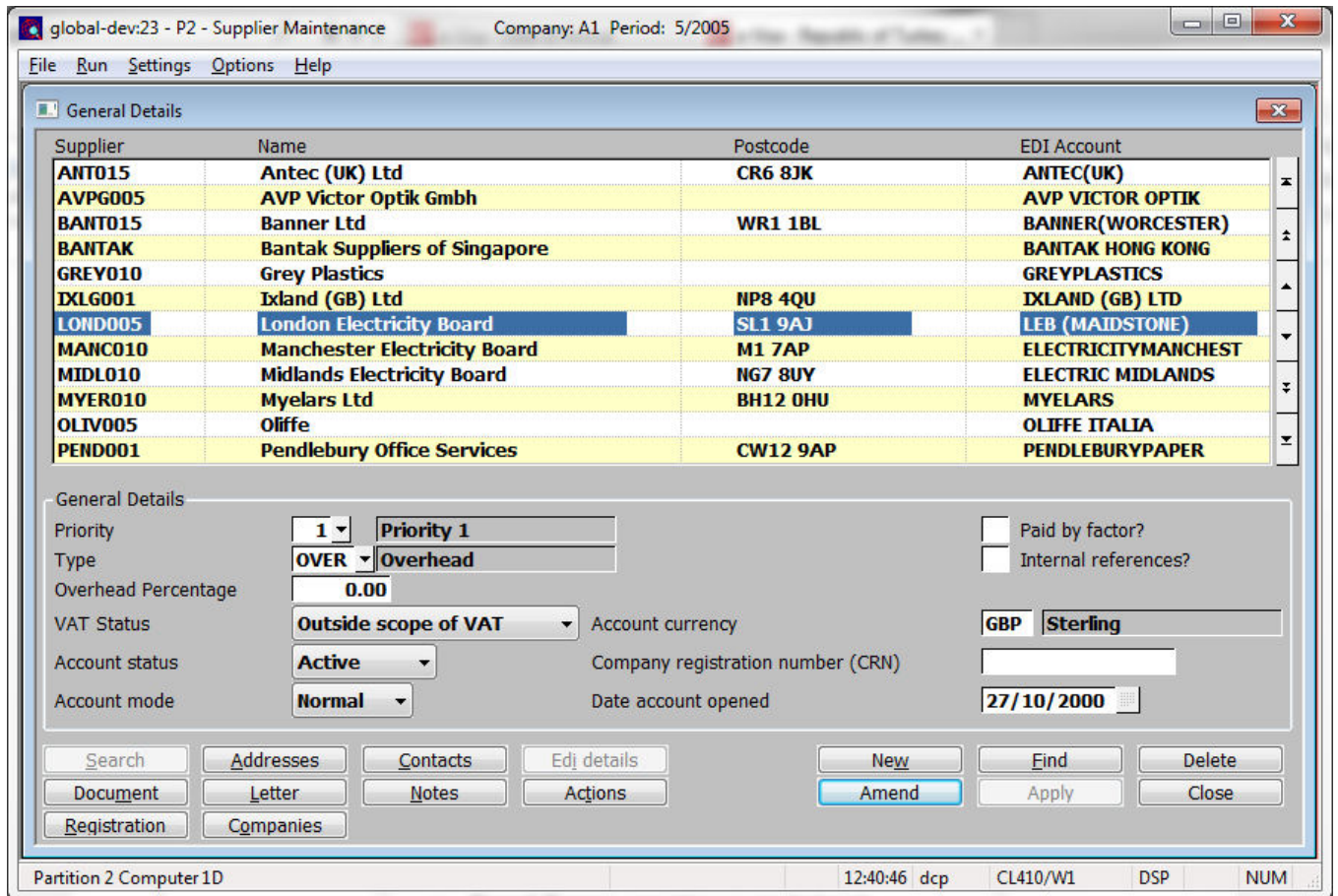

Tax status	This allows you to define the tax status for the account. Supplies can be Intra-EC, Overseas or Domestic (each supply type can be allocated a default tax code in the VAT Options window within system parameters). The tax status **only** affects domestic supplies and can be one of the following:

- **Normal.** Domestic supplies are standard rated.

- **Exempt.** Domestic supplies are exempt from Tax.

- **Zero-rated.** Domestic supplies are zero-rated.

- **Outside scope of VAT.** Domestic supplies are not taxed and the net amounts of transactions do not contribute to the tax return.

Supplier Maintenance Window


Tax status	This allows you to define the tax status for the account. Acquisitions can be Intra-EC, Overseas or Domestic (each supply type can be allocated a default tax code in the VAT Options window within system parameters). The tax status **only** affects domestic acquisitions and can be one of the following:

- **Normal.** Domestic acquisitions are standard rated.

- **Exempt.** Domestic acquisitions are exempt from Tax.

- **Zero-rated.** Domestic acquisitions are zero-rated.

- **Outside scope of VAT.** Domestic acquisitions are not taxed and the net amounts of transactions do not contribute to the tax return.

VAT Reconciliation Report Window
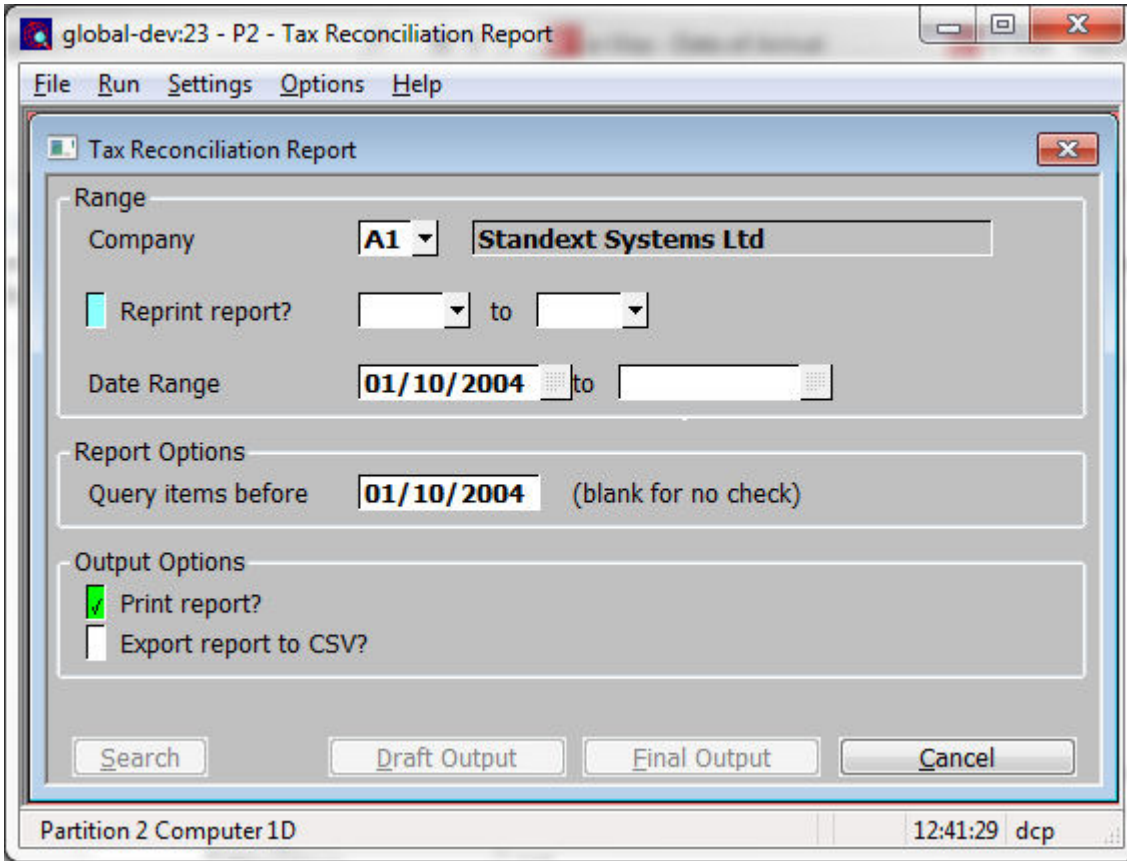
This window appears when you select VAT Reconciliation Report from the Financial Reports menu

Purpose   This window enables you to enter the selection criteria for the report.

Detailed - This format of the report contains up to 8 sections each beginning on a new page which list:-

1. Sales (Domestic/Overseas), Tax Classes NS, AN, AV.

2. Sales (to the EC), Tax Classes ES, CN, CV.

3. EC Acquisitions, Tax Classes EA, EV.

4. Purchases (Domestic/Overseas), Tax Classes NP, BN, BV.

5. Purchases (from the EC), Tax Classes EP, DN, DV.

6. Discount Adjustment on Sales, Tax Class OD.

7. Discount Adjustment on Purchases, Tax Class ID.

8. Digital Services, Tax Class DS.

If any of the first seven sections in the detailed format have no entries, the section is omitted completely from the report.

There is a further "format" known as the final report. This is actually the summary format of the report running in a mode in which it stamps each journal contributing to the summary with the VAT Reconciliation Report number shown on the final report.

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This ensures (a) that any journal included in the final report is not re-used in a later report and (b) any journal posted after the final report is printed that is dated before the closing date of the final report gets included in the next final VAT Return produced after it is posted.

To prevent discrepancies, you have to close all journal batches before you can print a final report however you can print non-finalised detailed and summary reports while batches are still open to aid in checking tax code and document reference settings etc. before closing the batches and locking the journal settings.

The prompts are:

Company — Enter the code of the company you want to print the report for. The default is the currently selected company. A search is available.

Reprint report — Set this to reprint a report. When set you can specify a range of report numbers to be reprinted. This allows the final reports to be printed on a monthly basis and then as single quarterly report to be produced and used to complete the VAT return. A search is available when specifying the report numbers to be reprinted.

Date range — *(Not available when reprinting reports).* Enter the start and end dates of the period for the report. The period for the report does not have to correspond to an accounting period.

Note — If you have already run a final report, the start date is set to the day after the end of the period of the previous final report and cannot be changed.

Query items before — *(Not available when reprinting reports).* Items dated before the date entered here (that have not already appeared on a final report) are displayed and you have the option to include or exclude them from the report. Once a queried item has been excluded from a report it cannot later be included.

Print report — Set this to produce a printed copy of the report.

Export report to CSV — Set this to export the report to a CSV format file.

Note — The above two options cannot be selected simultaneously.

On completion — If you are producing a final report you are warned that if you proceed, transactions dated on or before the report's end date will not be included in any future report. When you confirm you want to continue, the report is produced. If you have chosen to export the file you are prompted to name the CSV format file once the export completes.

The buttons are:

Draft Output — Enter the code of the company you want to print the report for. The default is the currently selected company. A search is available.

Final Report — Press this to produce the final report for the date range entered. You should only produce the final report once you are satisfied the figures are correct.

Each journal contributing to the report is marked with the VAT Reconciliation Report number shown on the final report. This ensures (a) that any journal included in the final report is not re-used in a later report and (b) any journal posted after the final report is printed that is dated before the closing date of the final report gets included in the next final VAT Return produced after it is posted.

Warning	Printing a final report means transactions appearing on the report will **not** be included in any future report.