

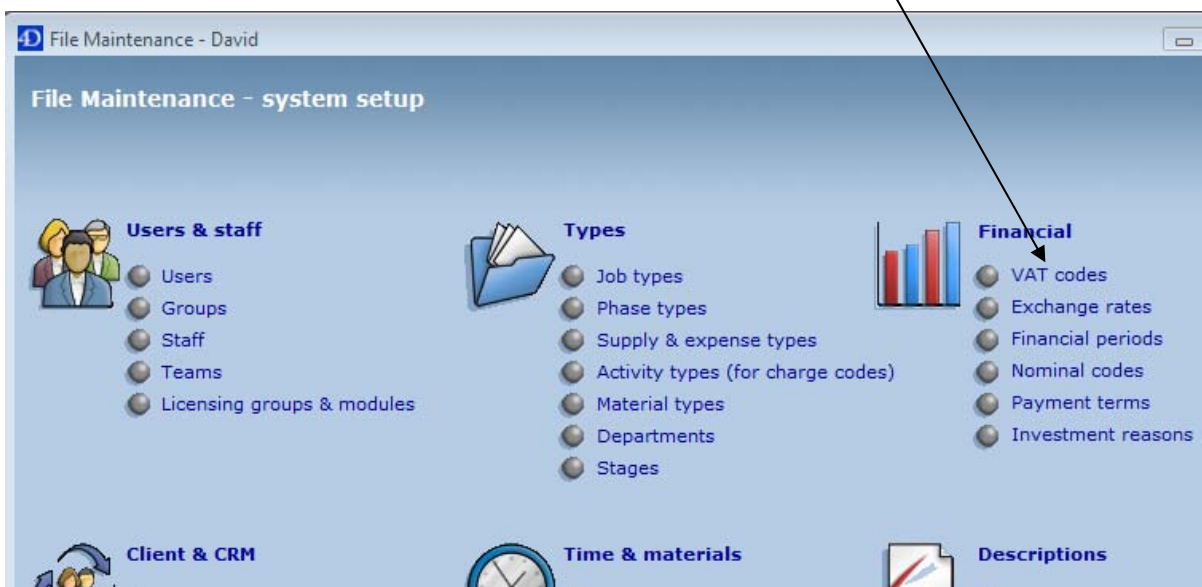
VAT rate change 1st January 2010

Standard rate for VAT is changing back from 15% to 17.5% as of 01/01/2010.
 Any sales invoices raised on or after this date which attract VAT will need to use the new rate.
 Any invoices you receive from your suppliers on or after this date may use the new rate.
 Any expenses incurred on or after this date should attract VAT at the new rate.

This document relates to Synergist versions 9 & 9.5 only.

What you should do.

Synergist VAT codes are created or amended in file maintenance:



If your Synergist system was implemented after December 2008 please refer to Option 1.

If you created a new VAT code in December 2008 for the 15% rate, and then used the Synergist VAT update utility please refer to Option 2.

If you decided not to create a new VAT code in December 2008, but rather edited your standard VAT code to use the 15% rate please refer to option3.

Option 1

You should have VAT codes already created in file maintenance for 15% VAT and 17.5% VAT
 If you do not have a VAT code for 17.5% VAT create one in file maintenance before proceeding to Option 2.

Option 2

- Process all December dated draft sales invoices, including media invoices where applicable, into real sales invoices
- Run the utility to update clients, jobs, and remaining draft sales invoices to the 17.5% VAT code

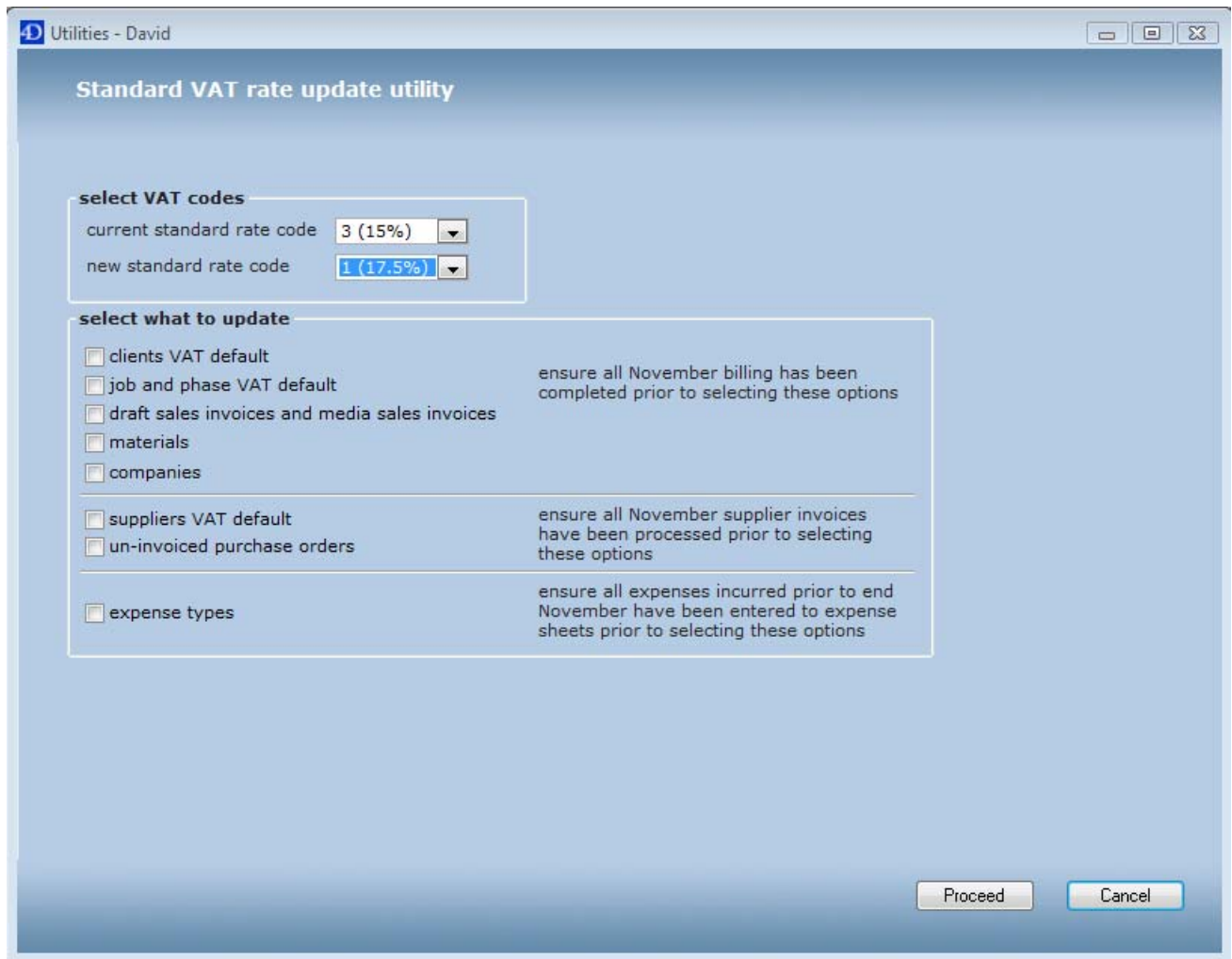
- Process all December dated supplier invoices through the PIR (purchase invoice register)
- Run the utility to update suppliers, open purchase orders to the 17.5% VAT code

- Ensure all expenses incurred in December and before have been entered onto expense sheets
- Run the utility to update expense types to use the 17.5% VAT code

The “Update records” utility is available in the “Utilities” section of Synergist:-



Here is a screenshot showing the available options in the utility:-



Expenses entered after this process that attract 15% VAT will need to have the VAT code adjusted manually either on submission or during approval.

Any sales credits to be raised relating to work done (and invoiced) prior to 01/01/2010 should be amended to use the old standard rate VAT code.

For any supplier invoices received after this process using the 15% rate code, the PO should be amended to use the 15% rate VAT code, prior to allocation to the purchase invoice. This will ensure that if you use the Analysis page "Auto" button, the analysis will be done correctly for you. Alternatively, if you don't amend the VAT code on the PO, the purchase invoice analysis will need to be entered/adjusted manually prior to posting.

Option 3

Amend the existing VAT code for standard VAT. Once this has been done you should note the following:

- Any existing draft sales invoices will use the new VAT rate when made real. The VAT amount cannot be amended manually.
- Any existing draft media sales invoices will use the new VAT rate when made real. The VAT rate can be amended manually.
- You will not be able to back-date any sales invoices prior to 01/01/2010 once you have changed the VAT rate. If this does become necessary you will have to create a new VAT code for 15% VAT.
- You will not be able to raise a sales credit note for work done (and invoiced) prior to 01/01/2010. If this does become necessary you will have to create a new VAT code for 15% VAT.
- Any purchase orders that are not supplier final invoiced will use the new rate by default when allocated to a supplier invoice. The VAT amount can be amended manually.
- Any new expenses will use the new VAT rate. The VAT amount can be amended manually either by the submitter or the approver.
- VAT analysis / audit may be more time consuming as you will need visibility of every transaction using "standard" VAT to establish the rate used.