

## VAT Cash Accounting from 1<sup>st</sup> December 2008

### Upgrading Sage

*Please refer to sage for full instructions and download their “Ask Sage Article 22856” any sage cover extra customers should receive a patch to automatically correct the changes. The following is a basic guide.*

To Change the VAT rate in Sage which should be done on 1<sup>st</sup> December 2008 before any transactions for the 1<sup>st</sup> December 2008 are generated, please follow the following instructions:

### Changing The VAT Rate

Open Sage as usual and log on as “Manager”

From the drop down menu’s at the top of program select “Help”>”About” and note the version number, if you are on version 9 or less as the instructions will differ slightly below.

- 1) From the drop down menu’s at the top of program select “Settings” > “Configuration” then click the “Tax Codes” Tab.

Sage accounts *version 9* and below is Settings > “Tax Codes”.

- 2) Select T1 then click “Edit”. The “Edit Tax Window” appears.
- 3) Where it displays 17.50 in Rate box, type in “15.00” and select “OK” (the “Edit Tax Window” closes)
- 4) Select “Apply” and then click “Close”
- 5) Do not select “Save Changes” if prompted
- 6) Once you are back on your Sage Desktop repeat step one to confirm the rate says 15 and not 17.5

### To edit existing Orders and Invoices

The following steps refer only to sales invoices prepared but not issued that require changing to the new rate:

- 1) From the drop down menu at the top of the program select “Modules”>”Invoicing”
- 2) The “Invoice Window” should appear
- 3) Double click/select and edit the relevant invoice
- 4) Once the invoice appears click on the first item that uses the standard VAT Rate then press “F3” on the keyboard (above the row of numbers on the keyboard)
- 5) Once the details window appears from the “Tax Code” drop down lists, choose the standard rate tax code again (T1).
- 6) **The VAT amount recalculates** using the new rate of VAT i.e. The VAT amount should decrease
- 7) To close the details window click “OK”.

- 8) Repeat steps 4-7 above for any other items on the invoice that are standard rated items
- 9) Save the changes made by clicking “Save” then “Close”.

**Purchase Invoices received with the Old VAT Rate**

Simply enter the invoice onto the system but you will have to type over the VAT figure that is automatically generated by sage to reflect the VAT amount on the invoice.