The PQS guide to switching to the new VAT rate (12.5%) as at February 1st 2016

Overview

This document seeks to outline the process for switching the VAT rate from 15% to 12.5% for January 2016. Since many companies may not be fully up to date as at February 1st 2016, simply changing the existing tax rate in Sage 50 may not be feasible. Also please note that with Sage 50, if you change the tax rate on an existing tax code, then accessing any past transactions using that tax code, the system will recalculate the tax if you click save. Thus to cater for our customers various data entry needs, we would like to propose the following process to deal with the issue:

- 1. **Backup your data**. Before making any significant change to your data file you should make a backup of your data.
- 2. *Create the new tax code*. Create a new tax code for example "VAT125", which is separate from the existing 15% code, so that you can verify using the sales tax reports what value is being used on your sales transactions in December and January. This can be done any time before the year end.
- 3. **Assign new Sales Tax to Customer default**. If your customers carry the old VAT code as a default, you can either manually change it to the new code, or use an import to load the new code. This is to avoided data entry errors from the automatic application of the old rate.
- 4. *Review Reports*. Use the List Reports to ensure that all defaults are properly set so that you get no surprises later on in the year.

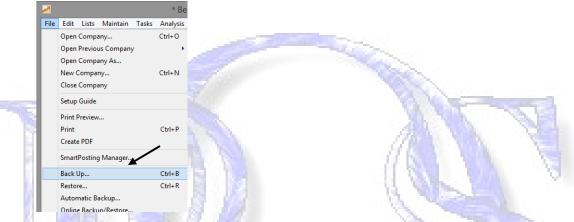
Hope this helps all concerned. If you still require assistance, please feel free to contact us at <u>info@pqsys.com</u> or call us on (868) 638-0959.

Performing a Backup in Sage 50

It is important that you back up your company data files on a regular basis in case information is accidentally deleted or corrupted. You can then restore your data, if necessary.

To back up your company data files and customized forms, use the following procedure:

1. From the File menu, select Back Up. Sage 50 displays the Back Up Company window.



2. Select the Include company name check box if you want Sage 50 to incorporate your company name in the name of the backup file it creates. Select the Include archives in the backup check box if you want Sage 50 to include your archived companies in the backup. Select the Include attachments in the backup if you want Sage 50 to include files you've attached to records and transactions in the backup. This option will be disabled if you do not have any attachments. Then click the Backup button.

Back Up Company	×
This process will back up your company data and customized forms.	
Remind me when I have not backed up in 7 day(s)	
─Local Backup Settings Iverset of the backup file name	
Include archives in the backup Include attachments in the backup	
Protect your data from PC failures. Free Online Backup for 1 year.	
Back Up Back Up Online Close Help	

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3. In the Save Back Up As window, the Save in field shows the location where your last backup was saved. You can change this location by selecting the path where you want to save your backup.

Save Backup for Bellwether Ga	rden Supply as:	×	
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4. At File name, enter the name for the backup copy. Sage 50 offers a default file name that includes the current system date—for example, Bellwether Garden Supply-111615.ptb. You can change this if you like. Sage 50 backup files use the *.ptb file extension.

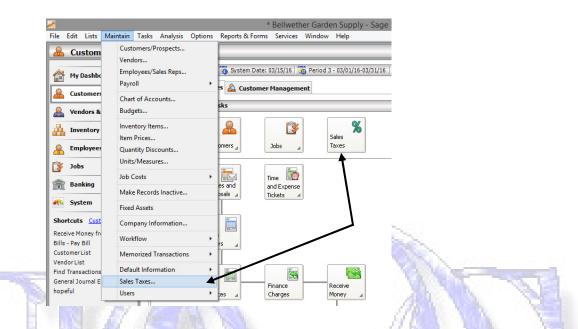
For increased security, avoid backing up data over existing backups.

- 5. Click the Save button. Sage 50 displays one of the following:
 - If you are backing up to your hard drive, the estimated size in megabytes (MB) of your backup.
 - If you are backing up to an external source such as diskette or ZIP drive, the number of diskettes needed.
- 6. Click OK. The system displays the progress of the backup until it is complete.

Create the New Tax Code

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- 1. Start and log into Sage 50
- 2. Go to Maintain, then Sales Tax or from the Customer & Sales Tab select the Sales Tax icon.



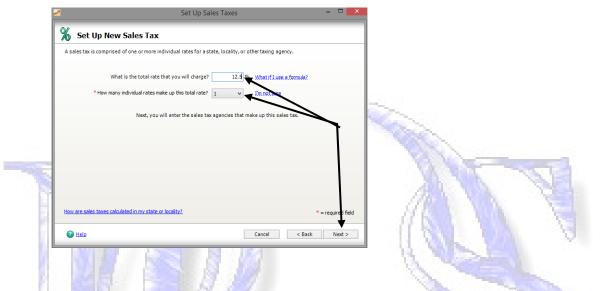
3. In the Set Up Sales Taxes window, select Set up a new sales tax. Click the Next button.

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Sales taxes are amo Most service-based	ints charged by a state, county, locality or other agency on items t ousinesses do not collect sales taxes.	that you sell to your customers.	~ 0	1
If you sell items, yo	will need to set up how these sales taxes are calculated.		13 13	
What	would you like to do?			
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	 Delete a sales tax or sales tax agency 			1.000
	O View all sales taxes and associated agencies		1.	
	 Close the sales tax wizard 		Contract of	NY LAY
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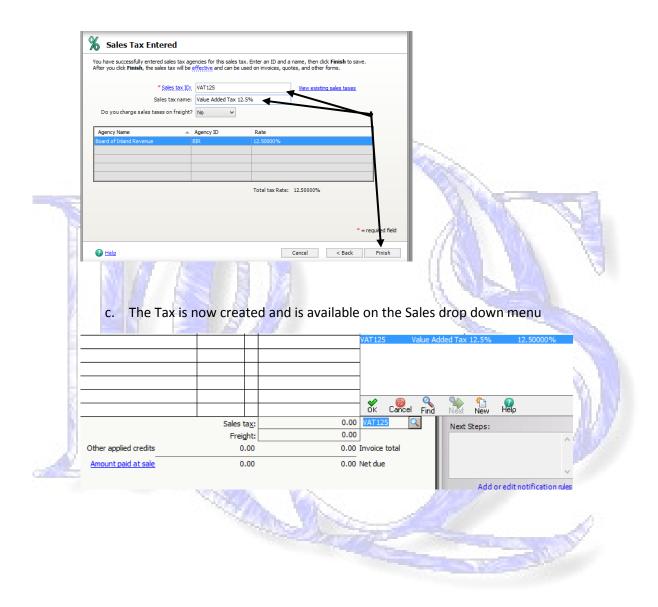
4. In the following window enter the 12.5% as the rate you will be charging. Leave the number of individual rates as 1. Then click Next



- 5. Next we create the Sales Tax Agency. Fill in the info as seen below.
 - a. Sales tax agency ID: BIR125
 - b. Sales tax agency name: Board of Inland Revenue
 - c. How are sales taxes calculated for this agency?: by single rate
 - d. Rate: 12.5%
 - e. Select an account to track sales taxes: (your account for tracking Vat on Sales). Then click the Next button.

	Set Up	Sales Taxes			-		
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Sales Tax Agency 1 of 1							
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* How are sales taxes calc	ulated for this agency?	by single rate	~				
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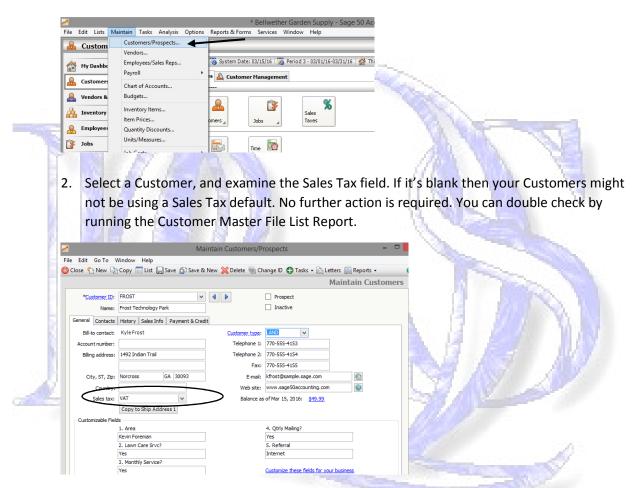
- 6. In the Sales Tax Entered Window, fill in the info as seen below:
 - a. Sales tax ID: VAT125
 - b. Sales tax name: Value Added Tax 12.5%. Then click the Finish button



Assigning the Sales Tax to the default on the Customer Screen

If your customers have the old VAT code as a default, you will have to change it either manually or by an upload. To check if your Customers have the old VAT rate as a default:

1. Go to Maintain, then select the Customer/Prospect option



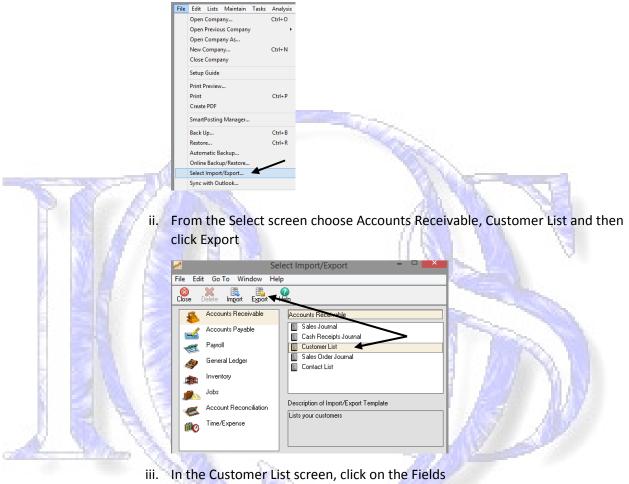
- 3. If the Sales tax is set to the old VAT value, you can switch the value either manually or via import.
 - a. Manual Process:
 - i. Select the customer in the maintenance screen.
 - ii. Click on the down arrow next to the Sales Tax field, and select the VAT125 code

Country:	Trinidad, W.I.			Web site:		
Sales tax:				of Dec 07, 20		
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	VAT125	VALUE ADDED	TAX	12.50000%		
-Customizable Field						

- iii. Click the Save icon
- iv. Select the next customer and repeat the process

b. Via Import Process:

i. Go to File, then select the Select Import/Export option



iv. Click the Show None button

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			📕 Bill to Contact First Name			· · · · ·
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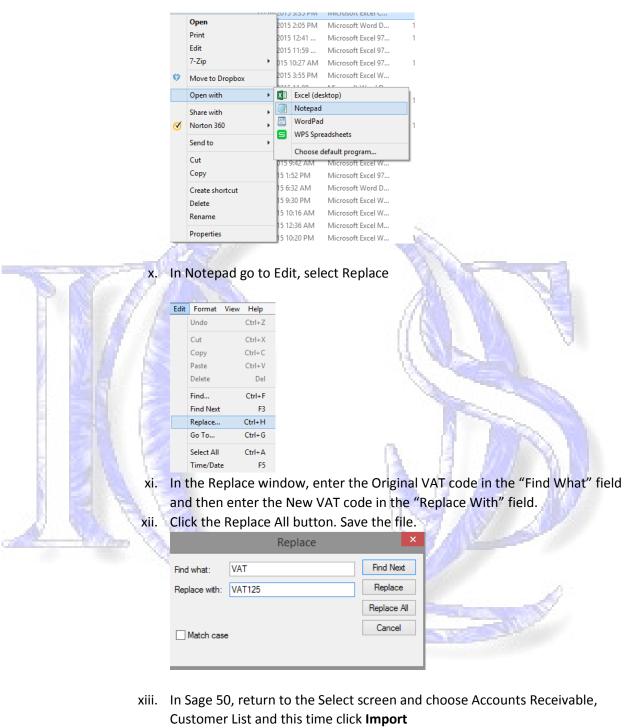


v. Then in the Show Column check ONLY the Customer ID and the Bill To Sales Tax Id

vi. Click on the Options tab, then on the Import/Export File Arrow and select where the file will be named and saved. You can leave the default CUSTOMER or change the name if you wish

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- vii. To save this export as a template for use later on click on Save. Call the template VAT fix.
- viii. Click OK to run the export
- ix. Go to where the file was saved and locate the file. Once you find it right click on the file and select open with Notepad



- xiv. In the Customer List screen, click on the Fields
- xv. Click the Show None button
- xvi. Then in the Show Column check ONLY the Customer ID and the Bill To Sales Tax Id

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