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 info@pqsys.com or call us on (868) 638-0959.

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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.
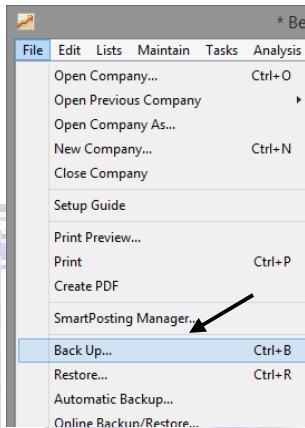
2. Select the Include company name check box if you want Sage 50 to incorporate your company name in the name of the backup file it creates. Select the Include archives in the backup check box if you want Sage 50 to include your archived companies in the backup. Select the Include attachments in the 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.
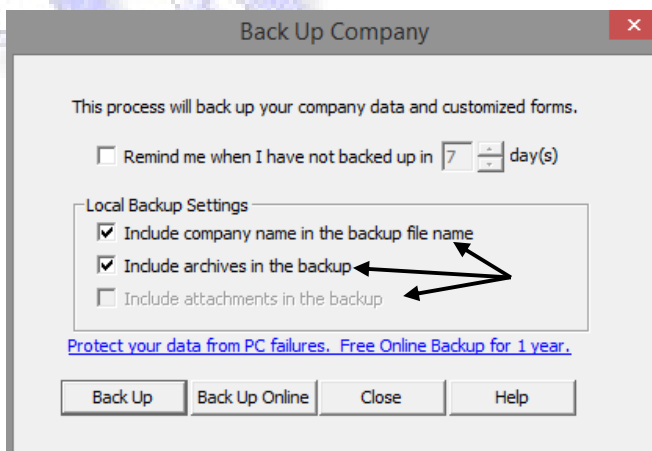
3. In the Save Back Up As window, the Save in field shows the location where your last backup was saved. You can change this location by selecting the path where you want to save your backup.
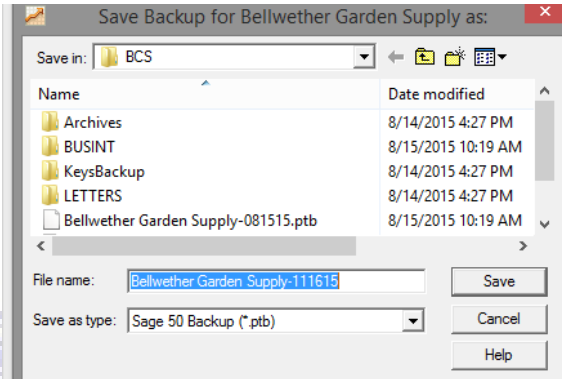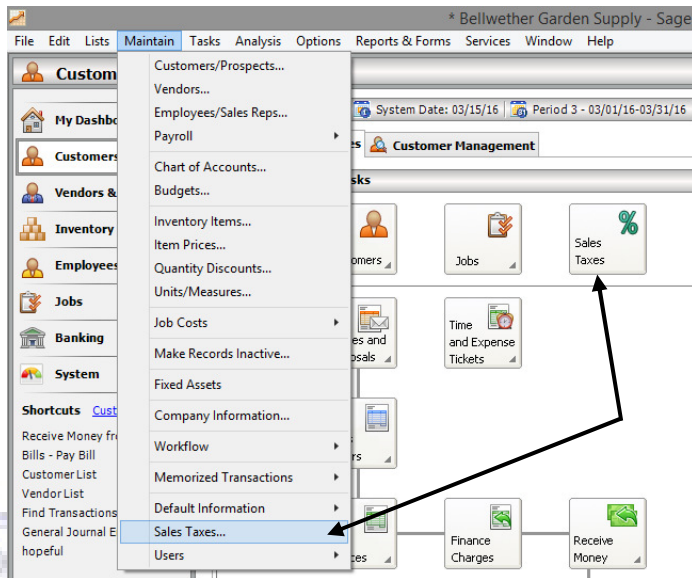

4. At File name, enter the name for the backup copy. Sage 50 offers a default file name that includes the current system date—for example, Bellwether Garden Supply-111615.ptb. You can change this if you like. Sage 50 backup files use the *.ptb file extension.

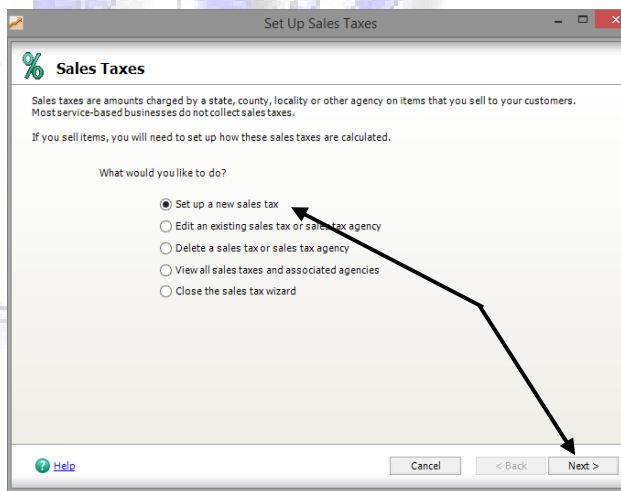   For increased security, avoid backing up data over existing backups.

5. Click the Save button. Sage 50 displays one of the following:

    o   If you are backing up to your hard drive, the estimated size in megabytes (MB) of your backup.

    o   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

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.

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

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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.

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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

   c. The Tax is now created and is available on the Sales drop down menu

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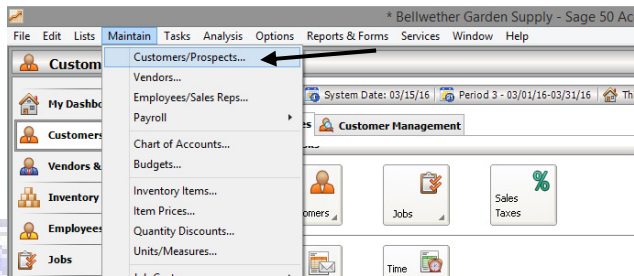   URL   :www.pqsys.com

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:

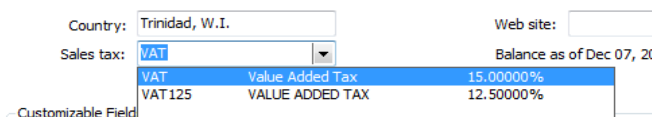1. Go to Maintain, then select the Customer/Prospect option

2. Select a Customer, and examine the Sales Tax field. If it's blank then your Customers might not be using a Sales Tax default. No further action is required. You can double check by running the Customer Master File List Report.
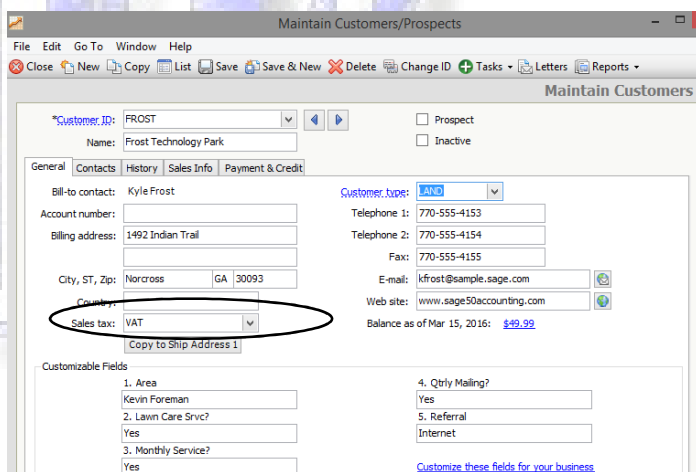
3. If the Sales tax is set to the old VAT value, you can switch the value either manually or via import.
   a. Manual Process:
      i. Select the customer in the maintenance screen.
      ii. Click on the down arrow next to the Sales Tax field, and select the VAT125 code

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

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b. Via Import Process:
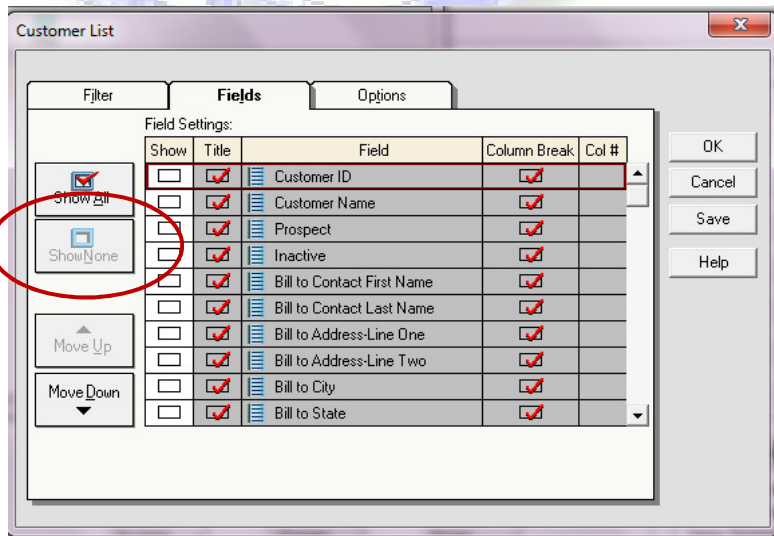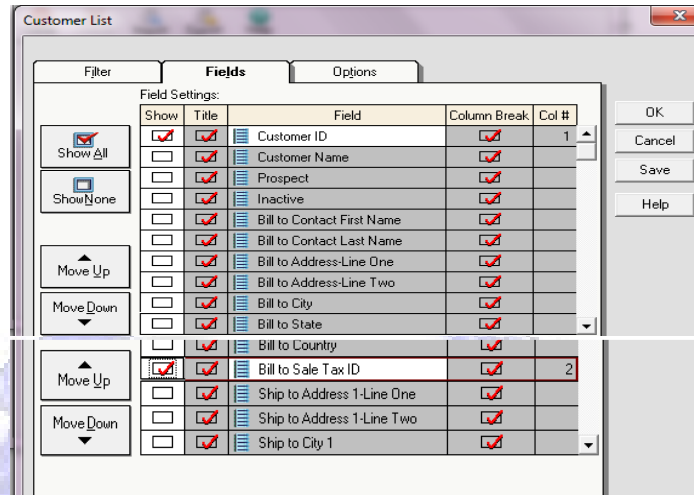   i. Go to File, then select the Select Import/Export option
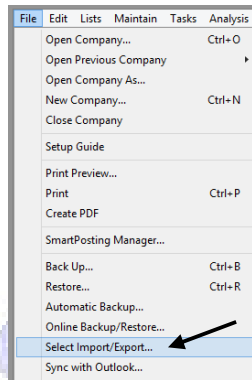
   ii. From the Select screen choose Accounts Receivable, Customer List and then click Export
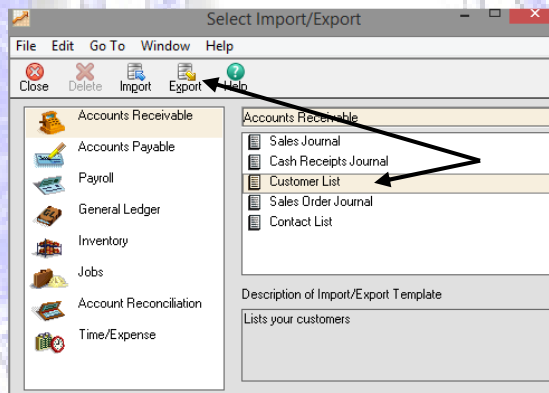
   iii. In the Customer List screen, click on the Fields
   iv. Click the Show None button

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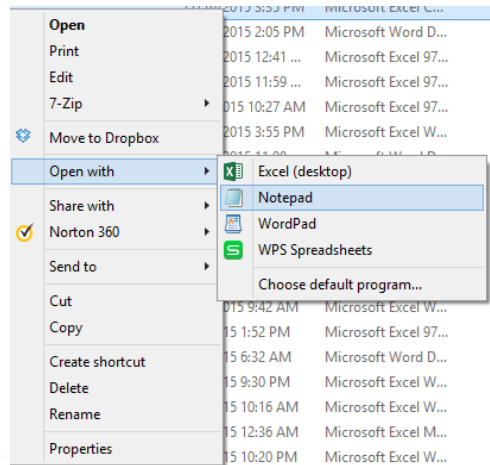   URL   :www.pqsys.com

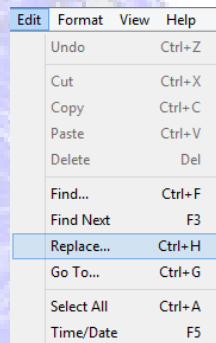v. Then in the Show Column check ONLY the Customer ID and the Bill To Sales Tax Id

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
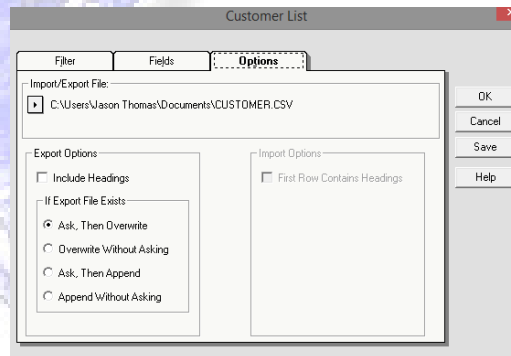

vii. To save this export as a template for use later on click on Save. Call the template VAT fix.

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

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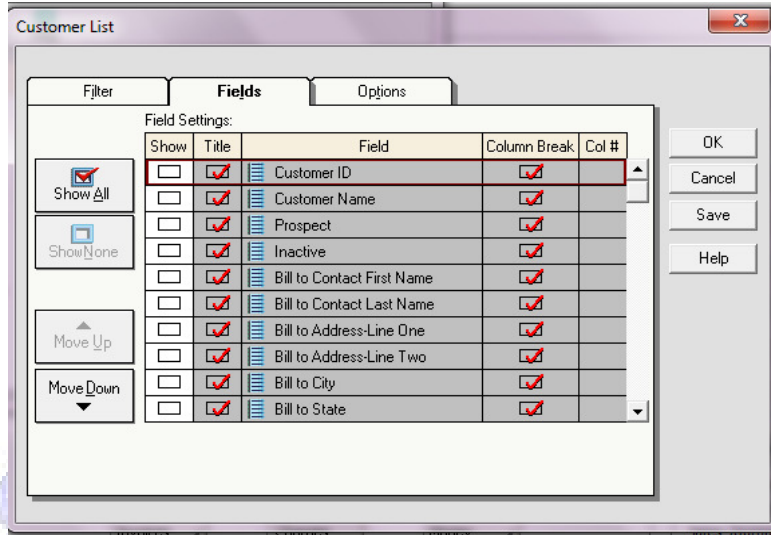
x. In Notepad go to Edit, select Replace

xi. In the Replace window, enter the Original VAT code in the "Find What" field and then enter the New VAT code in the "Replace With" field.

xii. Click the Replace All button. Save the file.
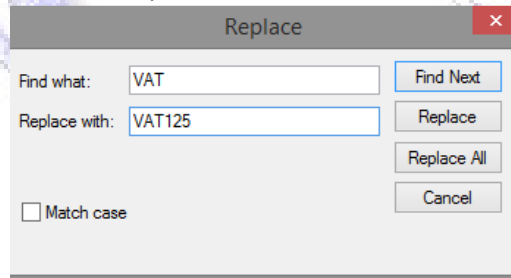
xiii. In Sage 50, return to the Select screen and choose Accounts Receivable, Customer List and this time click **Import**

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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xvii.   Click on the Options tab, then on the Import/Export File Arrow and select the file to be imported.
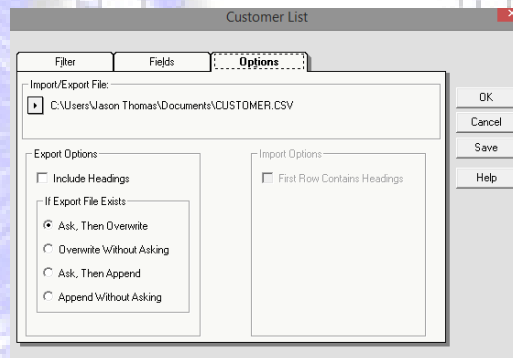
xviii. Click the OK button to begin the import.
xix.   Once completed go to Maintain, View/Edit Customer option to check the import.

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