

STAFF SYSTEM Newsletter

December
2010

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Welcome to our December Newsletter

1. Overview

This Newsletter contains information about the change to the VAT standard rate due for the 4th. January

2. Changing the VAT rate in the STAFF System Karen Miles <

You must carry out the following process in all branches in which you create Invoices and you must make the change after you have completed your invoicing for December (see below for further comments on the timing of the change). The Invoicing process simply uses the VAT rate that is held in the table at the time that the invoicing is run.

Run Super (the STAFF System Supervisor program), from the main menu choose option 3 – System Utilities, then option 4 – Invoicing Parameters; this will take you into the Parameter File Update screen.

(Note that you can also get to this screen from the normal STAFF System by using the RP facility: enter RP at a menu, for program name enter S2PMAINT, leaving Program Switch blank and the Parameter File Update screen is displayed)

On this first screen,

Branch ID – enter 0000 and press RETURN

STAFF will display the initial Invoicing details, but just press RETURN.

You will then be asked "Do you wish to see VAT codes ? Y/N", please enter Y and press RETURN.

STAFF will display the VAT table (see screen image below). Normally you will only have the first line set as non-zero, and that should read

VAT CODE LETTER [S]	VAT RATE [.175]
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please amend this to read

VAT CODE LETTER [S]	VAT RATE [.200]
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Then press RETURN

STAFF will ask "Accept of Change A/C", and you should reply "A" and press RETURN

STAFF will then ask "Do you wish to see Extract Fields", reply "N" and press RETURN

STAFF will then ask "Do you wish to see more parameters", reply "N" and press RETURN

STAFF will then ask "Enter 'Y' if this entry is deleted", you must leave the response blank and press RETURN

You are then returned to the initial, blank, Parameter File Update screen, leave the Branch ID field blank and press RETURN to return to the starting Menu.

You must repeat the process for each branch in which you run Invoicing.

The VAT Table screen should look something like the following after the VAT rate change:

```
STAFF STAFF
TEMP for 2003/04      ---*** THE STAFF SYSTEM ***---      19/12/10
PARAMETER FILE UPDATE
BRANCH I.D. [0000]
-----
UAT TABLE
UAT CODE LETTER [S]      UAT RATE [.200]
UAT CODE LETTER [Z]      UAT RATE [.000]
UAT CODE LETTER [A]      UAT RATE [.000]
UAT CODE LETTER [B]      UAT RATE [.000]
UAT CODE LETTER [C]      UAT RATE [.000]
UAT CODE LETTER [D]      UAT RATE [.000]
UAT CODE LETTER [E]      UAT RATE [.000]
AGED DEBT DIR A/D [A]    AGED DEBT LIMITS [30] [60] [90]
TURNOVER EXC VAT Y/N[Y] Y-Turnover is exclusive of VAT
LINES PER INVOICE [71] From top of form to top of next.
LINES INVOICE BODY [35] Number of available print lines on invoice
LINES PER STATEMENT [00] LAST CLIENT REF [ ]
CLIENT UPLIFT Y/N [N]  DEFAULT UPLIFT PERCENT [00.00]  CL-ADD REF [000002]
S2PMAINT/B03
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3. When should I make the change ?

In contrast to previous changes in VAT the HMR&C documents are fairly clear (see <http://www.hmrc.gov.uk/vat/forms-rates/rates/rate-increase.htm>). With the effective date being the 4th. January (and the 3rd. being a Bank Holiday) it is unlikely that anyone will have an invoice for the first week of January that has any work prior to the 4th. and consequently this means that the final invoice run for December will be at 17.5% and the first for January will be at 20%. Please call if you do have any queries.

Note that in their document HMR&C say:

"Sales that span the change in rate

There are special rules for sales which span the change of rate. If you provide goods or services before 4 January 2011 and raise a VAT invoice after that date you can choose to account for VAT at 17.5 per cent. You don't need to tell HM Revenue & Customs (HMRC) if you do this."

To summarise: you should be in a position to complete your payroll and invoicing for December and then make the changes to the VAT rate in preparation for the payroll and

invoicing for the first week of January. From the HMR&C comment above it will be perfectly in order if the invoices for the final week of December carrying VAT at 17.5% are dated 4th January (or later).

Late timesheets

When once you change the VAT rate it will apply to all invoices raised so if you find that in the next few weeks you have a timesheet from December (or earlier) the only way to process it at 17.5% is to temporarily change the VAT rate.

Manual Invoices and Credit Notes

These processes use the same VAT table as the main Print Invoice process so they will use whatever is the rate when the processes are run however in these cases there is an option to allow you to enter the amount of VAT manually (without the need to change the VAT table), please call if this is required.

If you do have any further queries please contact Support.

4. Effect of VAT on payroll

In the majority of cases the VAT changes will have no effect on payroll at all. This is certainly the case for PAYE employees but don't forget that if you have VAT registered companies on your payroll the payroll processing will add the standard VAT rate (it is this standard rate that we are changing) to the gross pay to calculate the amount due the the Temp company. Again the timing of the change is such that there should be no problems but, of course, late timesheets could be an issue.

5. Support between Christmas and the New Year

As usual we will offer cover during these days but you may find that you have to leave a message and we will call back. If you do have any particular queries relating to working in this period it would be worthwhile contacting us before the holidays.

Please note that the telephone number given above is the only valid one for the moment, we do now have an internet phone which offer a landline number and we will give full details of that in the new year.

Olympic Computers Limited

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