Managing Your VAT

Introduction

MyBusiness is can help make managing your VAT very easy, whether you are using Standard, Cash or Flat Rate.

This guide will take you through the simple steps for getting set up with the software (select the item to be taken to that section)

- Setting up and changing the VAT options in MyBusiness
- Entering VATable and non VATable transactions
- Producing VAT 100 forms
- Receiving and Paying VAT to HMRC
- VAT Reporting
- CIS4

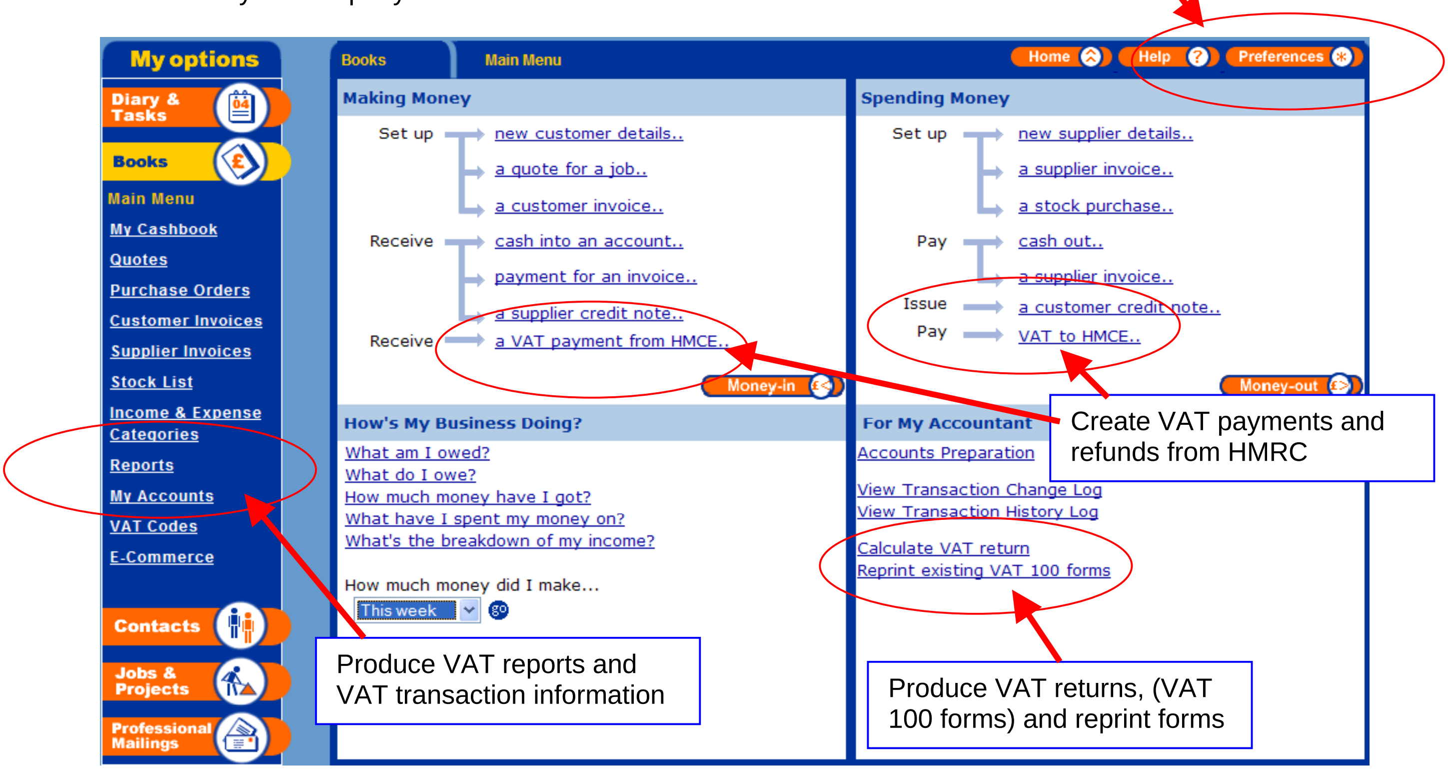
Note: These VAT functions will only be activated if you have selected to be VAT registered when you set up the software or later through Accounts Preferences. See setting your VAT options.

NOTE: For more information about VAT methods, legislation and codes visit the HMRC (previously HMCE) website at www.hmrc.gov.uk. This link can also be found at the top of the MyBusiness Home Page.

The MyBusiness Accounts Main Menu

You can run your company's VAT from the Accounts Main Menu.

Change the way you set up VAT in MyBusiness



Setting your VAT options in MyBusiness

You can set up and change the way MyBusiness handles VAT. You should get advice from your accountant before you make any changes.

Go to Accounts Main Menu / Preferences. In Preferences you will be able to choose whether you want to operate under a Cash, Standard, or Flat Rate VAT scheme.

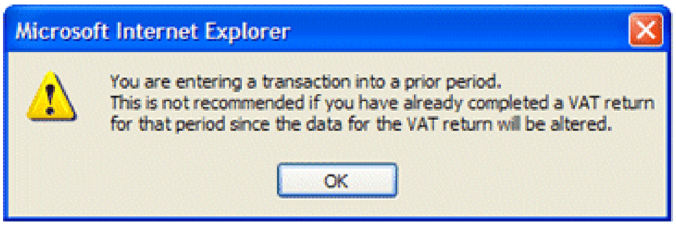
If you change your VAT scheme here this will change the historic data within MyBusiness to that scheme. If you do need to change your VAT scheme it is advisable to create an Accounts Preparation report for the dates prior to changing your scheme and save this as an Excel file.

If you select non-VAT registered then no VAT will appear in the software.

Entering VAT and non VAT Transactions

If you have selected the VAT option above, whenever you create a transaction you will have the option to select the VAT rate to use. You can then either enter the gross amount, and the VAT amount and net amount will automatically be entered into the relevant boxes, or enter the net amount, and the VAT and gross amounts will be completed. The VAT amount shown is the amount that will be added to the relevant section of your VAT return (VAT 100 form).

If you enter a transaction for a prior VAT period you will get a warning advising you that it is likely that you will already have produced a VAT return for that period, and that this new transaction may not have been included and accounted for on the VAT return for that period. The transaction will also be flagged and highlighted when you run your next VAT return (see later in this guide).



Notes regarding VAT Codes: VAT can be amended from the Accounts Main Menu under VAT Codes – but this should only be done upon the advice of your accountant.

The code “None” is to be used where a transaction should not appear as a VAT able transaction, for instance your payments to HMRC (previously HMCE).

Producing and retrieving VAT 100 forms

Select Calculate VAT 100 form from the Accounts Main Menu (See page 1). This will open the VAT return wizard.

- **Select the relevant period to report**

The next VAT return period should be highlighted along with details of your previous return. Alternatively you can select the period to run.

- **Unaccounted VAT transactions**

If you have subsequently added transactions in prior periods, which may not have been added to a VAT, return already these will be highlighted on the Unallocated Transactions page. If you want to add one of these unallocated transactions to your next VAT return check the “Include” box and the VAT amount will be included on your return.

If you have already added a transaction on the unaccounted transactions list to a VAT return you can select “Reconcile” and the transaction will be removed from this list permanently. Note that if you want to reproduce the VAT return for that period, that reconciled transaction will no longer appear in the unaccounted transaction list. Details of all the items contained in a VAT return are stored under "Reprinting Existing VAT Forms" on the Accounts Main Menu, below the relevant VAT return.

- **Produce your VAT 100 form**

Once you have included any items on the unallocated transactions select next and you will see your VAT 100 form with key data included. Note you should check this data and add or amend it if there are additional inclusions required.

When you select Save the VAT 100 form will be generated and saved to the system.

- **Retrieving and printing VAT 100 forms**

Go to Accounts Main Menu and select "Reprint existing VAT 100 forms". From here you can select the form to be printed. When you print the form it will include an invaluable checklist of all the items automatically included by the system (including any unallocated transactions added). Before you send this report this list should be removed by cutting along the dotted line. Only the VAT 100 form needs to be signed and sent to HMRC.

Receiving and Paying VAT to HMCE (HMRC)

You need to pay any VAT owing to HMRC prior to the due date on your VAT 100 form. You can do this by going to Accounts Main Menu, Selecting pay "VAT to HMCE". This will automatically select HMCE as the contact, and when you Add an item it will default to VAT of "None" and a Category of "VAT paid to HM Customs and Excise". To receive a rebate from HMRC go to "Receive a VAT payment from HMCE".

VAT reporting

You can easily access the key VAT information you might need from MyBusiness. From Accounts, Reports

VAT Summary	Displays a summary of VAT paid and charged.
VAT Summary Transactions	Displays a list of transactions used for the VAT summary report.
Predated VAT Transactions	Displays a list of transactions entered into a prior VAT period.

you will be able to obtain the following reports by date.
You can also find the same VAT information within the Accounts Preparation Report.

Details of previous returns, including details of the automatically generated data and transactions can be found on the Accounts Main Menu under "Reprint Existing VAT 100 reports".

A full list of all VAT returns, Amendments, Reconciled unallocated transactions and deletions can be obtained from the Transaction Change Log on the Accounts Main Menu page. To view VAT Transactions only go to the bottom of the page and select to filter the Log by VAT and choose the date required. If you select "Save" this file can be saved to Excel.

CIS4

MyBusiness software can facilitate the production of CIS4 based VAT for relevant industry sectors. If you check the CIS4 box when producing an invoice it will allow you to create a CIS4 invoice. Amounts owing can be tracked by setting up a CIS4 account and an Other Subcategory of "CIS4 owing to the business". See our guide to managing CIS4.

We hope that you have found this guide useful. If you would like more information or additional guides please ring 08451 20 30 40 or visit www.mybiz.co.uk

A guide for VAT with more illustrations is available. Please contact MyBusiness Support on 0845 1 20 30 40 or email support@mybiz.co.uk to request a copy.