

PURCHASE ORDER PROCESSING – ORDERS & RETURNS VAT CHANGES

Purchase orders do not hold the VAT rate code and this is dealt with during the invoice match process.

IMPORTANT NOTE:

PRIOR TO CHANGING THE VAT RATE BEFORE COMMENCEMENT OF WORK ON TUESDAY 4TH JANUARY 2011 ALL RECEIPTED PURCHASE ORDERS, WHERE POSSIBLE, SHOULD BE INVOICE MATCHED AND POSTED.

Note, that the details in this document only affect items entered on to a base currency account where the item has the VAT rate set to standard UK rate, normally VAT code 1.

Below is a set of examples illustrating before and after the VAT rate change.

Invoice with rate set to 17.5% (before)

The VAT amount is automatically calculated at the current rate of 17.5% against the total goods value.

The screenshot shows the 'MANUFACTURING-SYSTEM - Infor ERP Swan Offenham' window. It displays invoice details for Invoice No. 123, with a total goods value of 200.00 and a VAT amount of 35.00. A table at the bottom shows the VAT rate of 17.50% applied to the goods value. The VAT amount is calculated as 35.00, resulting in a gross amount of 235.00 and a net invoice of 235.00.

VAT Rate	Vatable Goods	Disc Y/N	Disc Amount	VAT Amount
17.50 % Standard	200.00			35.00

Totals: 200.00 (Goods), 0.00 (Disc), 35.00 (VAT)

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Invoice with rate set to 20% (After)

The VAT amount is again automatically calculated at the current rate, now 20% against the total goods value

The screenshot shows the 'MANUFACTURING-SYSTEM - Infor ERP Swan Offenham' window. It contains several data entry fields and a table. A red box highlights the VAT calculation details, and another red box highlights the VAT rate table.

Invoice No. 123 / 01 Account 004 Flex Ltd
Our Ref. 0000003037 Overall Disct Invoice Date 04Oct2010
Invoice Val. 200.00 Ex Rate 1.00000000 Due Date 03Nov2010
Matched Val. 200.00

Tran. Type Invoice Tot. Goods 200.00 Disc 0.00
Document Ref 0000003037 Extra Chrg 0.00 0 Days to Pay
Invoice No. 123 VAT Amount 40.00
Tran. Date 04Oct2010
Due Date 03Nov2010 Gross Amt. 240.00 Nett Invoice 240.00

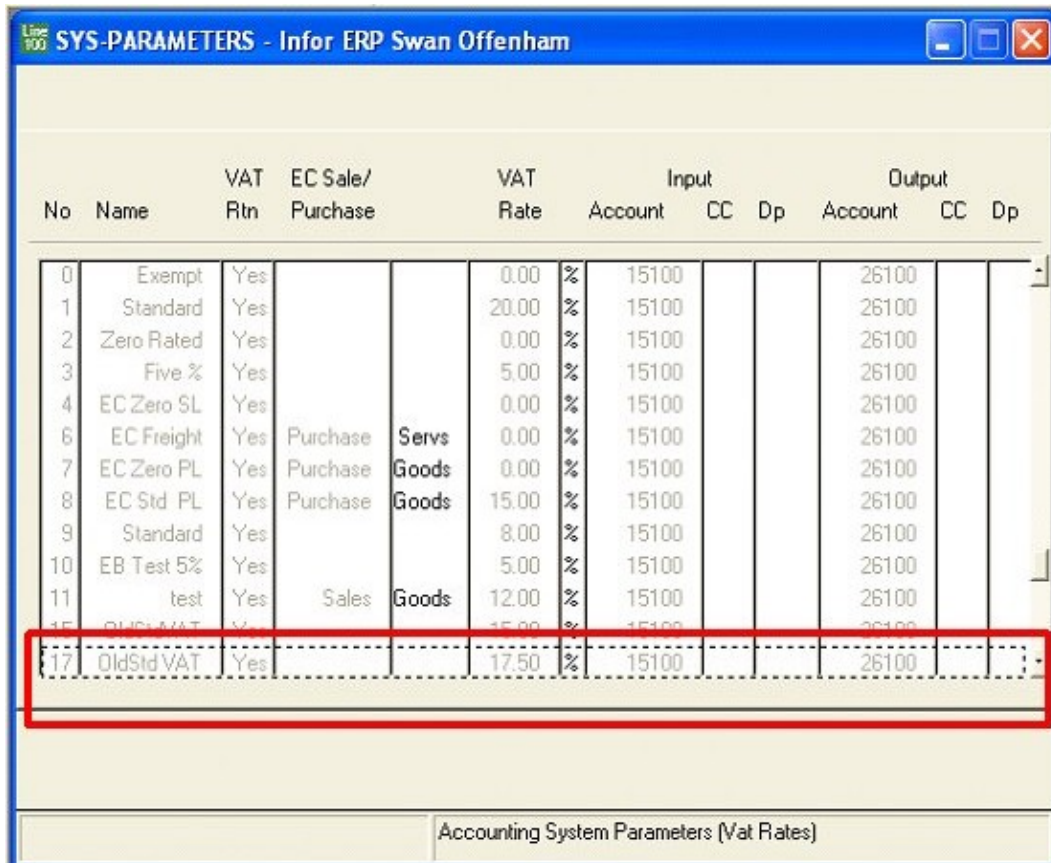
VAT Rate	Vatable Goods	Disc Y/N	Disc Amount	VAT Amount
20.00 % Standard	200.00			40.00

Escape if correct Totals 200.00 0.00 40.00

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Return Notes

When raising a return note, the VAT rate will default to the current standard percentage rate. If a return note needs to be raised against a purchase order raised prior to 4th January 2011, we suggest that a new temporary VAT rate is raised and set to 17.5%.



No	Name	VAT Rtn	EC Sale/ Purchase	VAT Rate		Input Account	CC	Dp	Output Account	CC	Dp
0	Exempt	Yes		0.00	%	15100			26100		
1	Standard	Yes		20.00	%	15100			26100		
2	Zero Rated	Yes		0.00	%	15100			26100		
3	Five %	Yes		5.00	%	15100			26100		
4	EC Zero SL	Yes		0.00	%	15100			26100		
6	EC Freight	Yes	Purchase	Servs	0.00	%	15100		26100		
7	EC Zero PL	Yes	Purchase	Goods	0.00	%	15100		26100		
8	EC Std PL	Yes	Purchase	Goods	15.00	%	15100		26100		
9	Standard	Yes		8.00	%	15100			26100		
10	EB Test 5%	Yes		5.00	%	15100			26100		
11	test	Yes	Sales	Goods	12.00	%	15100		26100		
15	OldStd VAT	Yes		17.50	%	15100			26100		
17	OldStd VAT	Yes		17.50	%	15100			26100		

Accounting System Parameters (Vat Rates)

Invoice to be matched at 17.5% when current rate is set to 20%

This section will show the situation when a December 2010 invoice is being matched in January 2011.

The screenshot displays the 'MANUFACTURING-SYSTEM - Infor ERP Swan Offenham' window. It contains several data entry fields and a table. A red box highlights the 'Tot. Goods', 'Extra Chrg', and 'VAT Amount' fields, which show values of 500.00, 0.00, and 100.00 respectively. Another red box highlights a table with VAT details, showing a 20.00% rate for 'Standard' goods, resulting in a VAT amount of 100.00. At the bottom, a 'Totals' section shows a gross amount of 500.00 and a VAT amount of 100.00. The status bar at the bottom right reads 'VSN 8.26 P.O.P. INVOICE MATCHING (ENTER INVOICE TOTALS)'.

VAT Rate	Vatable Goods	Disc Y/N	Disc Amount	VAT Amount
20.00 %	Standard			100.00

Escape if correct Totals 500.00 0.00 100.00

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The VAT code/rate and the VAT amount will default to 20%. The VAT code will need changing manually as below:

The screenshot shows the 'MANUFACTURING-SYSTEM - Infor ERP Swan Offenham' window. It displays invoice information for 'EFG / 01' with an invoice value of 500.00 and a VAT amount of 87.50. A table below shows the VAT calculation for a 17.5% rate on 500.00 of VATable goods, resulting in a VAT amount of 87.50. The totals at the bottom show a gross amount of 587.50 and a net invoice of 587.50.

VAT Rate	Vatable Goods	Disc Y/N	Disc Amount	VAT Amount
17	500.00			87.50

Totals: 500.00 (Goods), 0.00 (Disc), 87.50 (VAT)

IMPORTANT:

Overtyping VAT code 1 with your code for the old VAT rate, say code 17. Accept the VAT code; accept the VATABLE goods value and the VAT amount. Press enter then escape. Select Re-enter. Enter through the fields to ensure that the goods and VAT is calculated correctly at 17.5%

The same processes must be carried out when dealing with Returns once you get to the trailer when matching a credit note.

If you have any further queries, please call Infor ERP Swan support on 0121 615 8420