

Important Note from Datafile Software

Sales and Purchase Order VAT Values

On Monday 24th November the government announced a reduction in the standard VAT rate from 17.5% to 15% effective for the period 1st December 2008 through to 31st December 2009 after which VAT will revert to 17.5%

Users using Sales and Purchase Order Processing may have their systems configured to calculate VAT during order entry. These values are primarily for 'memo' purposes only and the 'true' VAT is calculated during invoice production so that if you have a sales order placed on Friday 28th November the order would record VAT at 17.5% but if don't invoice to Monday 1st December VAT would be calculated at 15% and would be updated to the ledger accordingly.

This will cause no system issues within Datafile – if you run check reports on Order Processing on the VAT inclusive totals though you would pick up a few orders with 'discrepancies' – i.e. order for £117.50, invoice £115.00. If you do not run such checks then no changes are required, if you do run these checks then you should consider re-confirming the VAT code on active order lines to recalculate VAT values at new rates (i.e. open the order, change order detail and <Enter> all the way through).

Payment and Deposit Processing – if SOP configured to take deposits or payments the VAT values are more important (although the system still calculates actual VAT for goods lines at point of invoice) so we would recommend that you re-confirm order lines for active orders so that the VAT values are recalculated.

As far as Deposits are concerned, if your deposits do include VAT, then the system does 'freeze' the VAT element at point of deposit creation so the 'less deposit' lines do have the same goods/vat values as the 'deposit taken' lines.

One further element of payment / deposit processing that needs to be reviewed is the counter-sales discount option which also freezes the VAT element at point of creation. If you have any active order lines for the counter-sales discount it is recommended that you delete and re-enter this line.