

Pastel Technical Bulletin

This technical bulletin explains what you need to do to revert back to the 17.5% VAT rate in Pastel Partner, when the 15% rate ceases on 31st December 2009

Enabling the 17.5% Tax Type

You will already have the 17.5% VAT Rate set up but you will need to enable it again. In order to do this, please go to “Setup...Tax” and click on the “Percentages” tab. The following screen will appear.

No	Description	Tax %	Start	End
1	Standard Rate	17.50	01/01/80	30/11/08
2	New Standard Rate	15.00	01/01/08	31/12/09
3	Zero Rated	0.00	01/01/80	31/12/20
4	Exempt	0.00	01/01/80	31/12/20
5	Special	100.00	01/01/80	31/12/20
6	Member State	0.00	01/01/80	31/12/20
7	True Export	0.00	01/01/80	31/12/20
8	True Import	0.00	01/01/80	31/12/20
9	Lower Rate	5.00	01/09/97	31/12/20
10		0.00	01/01/80	31/12/10
11		0.00	01/01/80	31/12/10

To enable the 17.5% rate, you will need to modify the start and end dates of your 17.5% VAT tax type. Change the start date to 01/12/2009 and enter an end date of a date well in the future (e.g. 31/12/2020).

Click “Ok” to save the changes.

Applying the 17.5% Rate

Pastel Partner allows you to enter default VAT types on Inventory Items, Customers, Suppliers and General Ledger accounts. The following procedure will allow you to change these defaults without having to manually alter them on each individual account.

For example, if you use the Inventory module, you may have default VAT rates setup on your inventory items. If you have Partner will look to inventory items to determine the rate of VAT. You can make global adjustments to inventory items by using the Tax Type Adjustment function using the procedure below:

- Click the Edit menu, select Tax Type Adjustment, click Next, select Inventory.

- You can adjust the tax types for all inventory items, or a range, enter the range of items to adjust, click Next.
- Select the existing tax type (15%) as the tax type to change. Select the new 17.5% standard rate as the tax type to change to.
- Choose whether to adjust just selling tax types, purchase tax types or both, click Next
- Confirm the adjustment by clicking Process

You can also set default VAT rates on customer, supplier or general ledger accounts. You may therefore also need to use the Tax Type Adjustment facility to adjust VAT settings on these accounts also. Simply follow the procedure above, but selecting customer or supplier or general ledger accounts rather than inventory items.

If you haven't setup VAT rates in either the inventory items, customer or supplier accounts or general ledger codes Partner can still obtain a basic VAT default. To check this basic default:

- Click the Setup menu, select Customers, select Control, the following screen is presented:

- Amend the VAT type in the Default Tax Type for Financial Lines field.
- Click OK to save your changes.
- Do the same for suppliers; Click the Setup menu, select Suppliers, select Control
- To check the basic default rate for Inventory items, click the Setup menu, select Inventory,
- Click the Integration/Groups tab, the following screen is presented:

Code	Description	Default Buy Tax	Default Sell Tax	Sales	Adjustment	Cost of Sales	Inventory	Count
001	Services	01	01	0150/000	2100/000	2000/000	2000/000	2150.
002	Inventory Goods	01	01	1000/000	2100/000	2000/000	7700/000	2150.
003		00	00	0000/000	0000/000	0000/000	0000/000	0000.
004		00	00	0000/000	0000/000	0000/000	0000/000	0000.
005		00	00	0000/000	0000/000	0000/000	0000/000	0000.
006		00	00	0000/000	0000/000	0000/000	0000/000	0000.
007		00	00	0000/000	0000/000	0000/000	0000/000	0000.

- Amend the VAT type in the Default Buy Tax and Default Sell Tax fields, click OK to save changes.

Once you have amended all VAT settings you can continue to process transaction in the normal way, you should find that the new VAT defaults will take effect, if they do not, try working through the hierarchy below to trace the problem.

1. Partner first checks the customer or supplier record to see if there is a VAT code to use for that record.
2. If it finds no VAT code in the customer or supplier record, and there is stock involved in the transaction it moves to the inventory item and looks for a VAT setting there.
3. If there is no VAT setting in the inventory item, Partner looks to the default VAT code in the inventory item group (see above).
4. If there are no VAT defaults on the inventory groups, Partner cannot determine which VAT code to use, therefore you must enter the VAT code on the transaction.
5. If the inventory module is not being used or general ledger codes are being applied to the document, Partner checks the general ledger code and uses the VAT setting there.
6. If there is no VAT setting in the general ledger code, Partner will look to the default VAT setting in the customer or supplier control (see above).

If you still have a problem, the Technical Support Department can assist further, they can be contacted between 08.45 and 17.30, Monday to Friday on 0845 456 3103.