

DRIVE

VAT Rate Change Guide

relate
software

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The Irish government recently announced a change to the standard rate of VAT as part of a business stimulus plan. The standard rate of VAT for the Republic of Ireland will be reduced from 23% to 21%, effective from the 1st of September 2020. From the 1st of September, the new rate should be used on all Standard rate VAT Bills. Full details about this change can be found on the Revenue website.

Please read the following instructions carefully on how to handle these changes in your DRIVE software.

SET UP OF NEW VAT RATE

You will need to setup a new VAT Rate. To do this go to **[Tools]**, **[Lookups]** and **[VAT Rates]** and select **[Add]**. Enter a VAT Code, a Description, and the Rate (21.00%).

DO NOT AMEND EXISTING RATES.

UPDATING 'DEFAULT VAT RATES' FOR CLIENTS, JOBS, SUPPLIERS AND NOMINALS

Each Client, Job, Supplier and Nominal can have a 'Default VAT Rate' associated with it. If this default is set to 23.00% it will need to change to 21.00%. This can be done in two ways.

AUTOMATED

We have written a routine with an option to do this, which (if selected) will automatically update the 'Default VAT Rates' for Clients, Jobs, Suppliers and Nominal Accounts.

MANUALLY

To change the 'Default VAT Rate' on a Client or Job, open each Client/Job and select the **[Practice]** tab and change the 'Default VAT Code' to the new VAT Rate. On a Supplier, open the supplier and select the **[Account Setup]** tab and change the 'Default VAT Code' to the new VAT Rate. On a Nominal code, open the nominal code and change the 'Default VAT Code' to the new VAT Rate.

RECURRING ENTRIES

Existing recurring entries will have been created using the 23.00% VAT Code, you will need to change these before the next batch of transactions is generated. This can be done in two ways.

AUTOMATED

The routine which we have written also has an option for this, which (if selected) will automatically update the 'VAT Rate' on all Recurring entries.

MANUALLY

From **[Fees Ledger]**, **[Recurring Bills]** or **[Recurring Receipts]**, open each recurring entry and change the 'VAT Rate' to the new rate.



BILL TEMPLATES – VAT RATE CHANGE – MANUAL ONLY

You will need to edit each Bill or Credit Note Template to refer to the new VAT Rate.

[**Tools**], [**Templates**], [**Bill Templates**] or [**Credit Note Templates**], select [**Design**] and insert the new VAT Rate merge field. Leave the old VAT Rate merge field as it may be required for previous bills.

UNPAID PROFORMA BILLS

You will need to update the VAT Rate on any Unpaid Proforma Bills. This can be done in two ways.

AUTOMATED

The routine which we have written also has an option for this, which (if selected) will automatically update the 'VAT Rate' on all unpaid proforma bills.

MANUALLY

From [**Fees Ledger**], [**Bills**], open each unpaid proforma bill and change the 'VAT Rate' to the new rate.

UNPAID PROFORMA CREDIT NOTES RECURRING RECEIPTS (NON-CLIENT) RECURRING PURCHASE INVOICES RECURRING PAYMENTS (NON-SUPPLIER) – MANUAL ONLY

If you have any of the following transaction types in use in the system you will need to manually update the VAT Rate on these.

Unpaid Proforma Credit Notes: From [**Fees Ledger**], [**Credit Notes**], open each unpaid proforma credit note and change the 'VAT Rate' to the new rate.

Recurring Purchase Invoices: From [**Purchase Ledger**], [**Invoices**], open each recurring purchase invoice and change the 'VAT Rate' to the new rate.

Recurring Receipts (Non-Client): From [**Bank and Cash**], [**Recurring Receipts**], open each recurring receipt and change the 'VAT Rate' to the new rate.

Recurring Payments (Non-Supplier): From [**Bank and Cash**], [**Recurring Payments**], open each recurring payment and change the 'VAT Rate' to the new rate.

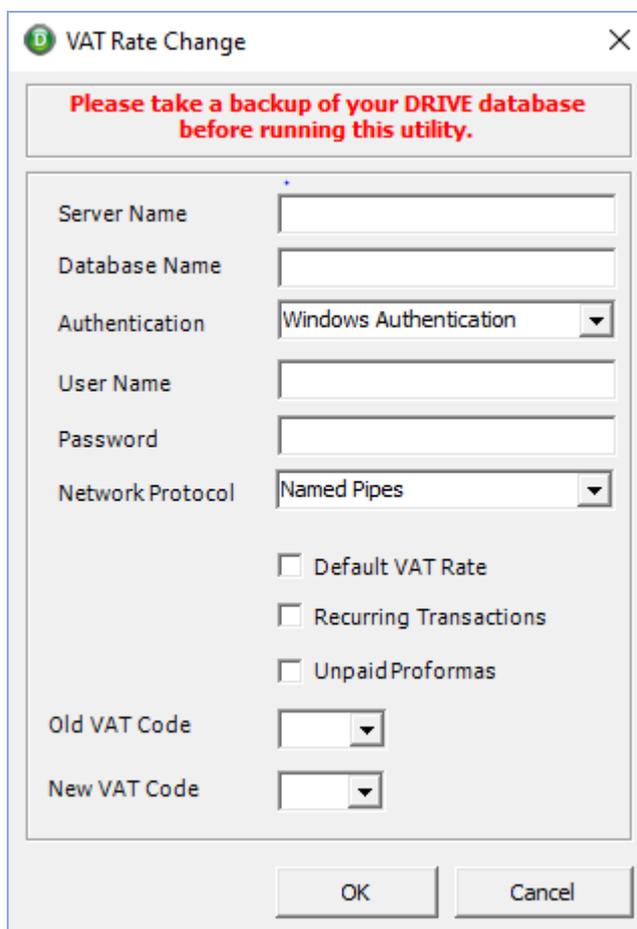
Note: This will not automatically change the 'Gross Amount' of the receipt/payment, if the Gross Amount should be changed then you should make a manual change to this also.



VAT RATE CHANGE ROUTINE

To run the routine you will need to first download it from the Relate Software website (www.relate-software.com). To download it from the website, you will need to login to the website. If you do not have login details for the website, then you will need to 'Sign Up'. You can sign up using the 'Sign Up' option at the top right of the home page.

1. Download the routine from the Relate Software website
2. Login to DRIVE and setup the new VAT Rate - 21.00%
3. Ensure all users are logged out of the appropriate DRIVE database
4. Backup your DRIVE database
5. Run the routine (from wherever you have downloaded it), the following screen will appear



The screenshot shows a dialog box titled "VAT Rate Change" with a close button (X) in the top right corner. At the top, a red warning message reads: "Please take a backup of your DRIVE database before running this utility." Below this, the dialog contains several input fields and options:

- Server Name: Text input field
- Database Name: Text input field
- Authentication: Dropdown menu with "Windows Authentication" selected
- User Name: Text input field
- Password: Text input field
- Network Protocol: Dropdown menu with "Named Pipes" selected
- Three unchecked checkboxes: "Default VAT Rate", "Recurring Transactions", and "Unpaid Proformas"
- Old VAT Code: Dropdown menu
- New VAT Code: Dropdown menu

At the bottom of the dialog are "OK" and "Cancel" buttons.

6. Enter in appropriate Server Name and Database Name
7. Select the appropriate Authentication type, Windows or SQL Server
8. Enter the username and password to access the database
9. Select the appropriate Network Protocol, Named Pipes or TCP/IP

Note: To find the correct Server Name, Database Name, Authentication Type, Network Protocol, Username and Password go to **[Tools]**, **[Change Database]**

10. Then 'Tick' the option(s) that you want to use

- 'Default VAT Rate' - changes the 'Default VAT Rate' on Clients, Jobs, Suppliers and Nominal Accounts
- 'Recurring Transactions' - changes the 'VAT Rates' and therefore VAT and Gross Amounts on Recurring Invoices and Receipts (It does NOT affect already generated transactions)
- 'Unpaid Proformas' - changes the 'VAT Rates' and therefore VAT and Gross Amounts on Unpaid Proforma bills

11. Then enter the Code of the Old 23.00% VAT Rate, you can use the drop-down arrow to select the appropriate rate

12. Then enter the Code of the New 21.00% VAT Rate, again you can use the drop-down arrow to select the appropriate rate

13. Check the details entered and then click the 'OK' Button

14. You will get a message asking you to confirm that you are happy to proceed, press 'Yes'

15. Once completed you will get a message that you must first run a 'Recalculation' in DRIVE, before you enter any additional transactions

16. Log back into DRIVE, run the Recalculation and then check your data thoroughly and confirm that you are happy with the updating of the relevant VAT Rates and only then allow other users to log back in

