

RELEASE NOTES

for DRIVE



Version 3.2 Build 2

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software

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INTRODUCTION

These release notes outline the enhancements introduced in DRIVE Version 3.2.2. We have made significant changes in the **VAT Returns area, to allow for Postponed VAT Accounting.**

Please take the time to read the notes and then apply the update.

If you have any queries, please contact support at support@relate-software.com or call +353 1 4597800 ROI or +44 871 284 3446 (UK).

The following program changes have been requested from both user feedback and internal quality control reviews. If you have any further changes you would like to see in DRIVE CRM & Practice Management, please send an email to enhancements@relate-software.com

IMPORTANT

Backup your database before running the update.

Relate Software recommend that you take regular backups of your database to minimise any loss of data.



VAT RETURN CHANGES

BACKGROUND TO VAT RETURN CHANGES

On 1 January 2021, the free movement of goods and services between the UK and the EU ended and new rules relating to trade and accounting for VAT came into effect.

At the same time, the Northern Ireland Protocol also came into effect. The protocol ultimately means that Northern Ireland remains within the scope of the European Union rules in relation to customs and regulations affecting goods. For the purposes of MTD Northern Ireland must be treated as if it also remains a member of the domestic UK market.

Northern Ireland (NI) will continue to be treated as an EU Member State concerning VAT on goods but will not be treated as a Member State concerning VAT on services.

POSTPONED VAT ACCOUNTING

To help alleviate potential cash flow issues for businesses Postponed VAT Accounting (PVA) has been introduced. PVA allows businesses importing goods to the UK from the rest of the world to account for VAT on the same Return as input VAT and output VAT, rather than paying it immediately and reclaiming it later.

Postponed VAT Accounting on import is now available to all VAT registered traders.

Traders may be excluded from availing of PVA where they do not fulfil certain conditions and requirements (details available on the relevant authority website).

This scheme provides:

- for postponed accounting for VAT on imports from non-EU countries
- enables you to account for import VAT on your VAT return
- allows you to reclaim VAT at the same time as it is declared in a return. This is subject to normal rules on deductibility.

The conditions and requirements which must be fulfilled will include compliance with tax and customs law. A business may also be required to satisfy Revenue/HMRC of the viability of their business operations and their capacity to pay their VAT liabilities.

Note:**Northern Ireland remains an EU Member concerning VAT on Goods.****Northern Ireland is NOT an EU Member concerning VAT on Services.**

HOW TO APPLY POSTPONED VAT ACCOUNTING IN DRIVE

To apply PVA in **DRIVE**, you will need to a) use Notional VAT and b) as this only relates to 'Goods' then you will need to make sure that the Nominal Code to which you are analysing your invoices is set to 'Goods' and not 'Services'. To check go to [**Nominal Ledger**], [**Nominal Accounts**] and [**Edit**] the specific Nominal Code.

Notional VAT allows you to report on VAT due on acquisitions from EC Member States and VAT reclaimed on purchases and other inputs from EC Member States. Notional VAT Rates should be setup through [**Tools**], [**Lookups**], [**VAT Rates**].

When posting a transaction where notional VAT is applicable you will use the 0% VAT Code. The transactions will be posted with 0 VAT.

Notional VAT Rates will only affect the VAT Return, not the posting or nominal code balance.

On the generated VAT Return the VAT on the Purchase Invoice will be calculated at the Notional VAT Rate (e.g., 20/23% and will show in the relevant box in the VAT Summary).

On the VAT Return Report, you will also see the Notional postings.

The **VAT Rate Breakdown** section will show you the Notional VAT Code separately, with Totals for Net, VAT & Gross for all notional VAT transactions.

The **VAT Input Details** section will show you all the individual notional VAT transactions along with their details [rate, %, doc & ref no's, date, customer/supplier, net, vat and gross amounts].

On the ROI VAT Returns Summary, the Notional VAT amounts will be displayed in Box T1 [VAT on Sales] and T2 [VAT on Purchases] and in Box PA1 [Total goods imported under postponed accounting].

On the UK MTD Vat Returns, the Notional VAT amounts will be displayed in Box 2 [VAT due on acquisitions from other EC Member States] and in Box 4 [VAT reclaimed on purchases and other inputs (including acquisitions from the EC)].



REPUBLIC OF IRELAND

For VAT Returns for periods commencing on or after 1 January 2021 the VAT Return screen will display a new section with the descriptions and the box numbers along with their respective values for each box required on the VAT 3 form, see below.

VAT Return

VAT Return Report Selections

Generate VAT Return ☒

Reprint VAT Return ☐

Cost Centre

From Month

To Month

Cumulative

Include Cumulative ☐

From Month

Include transaction details on report ☒

New section to show the VAT values

VAT on Sales	T1	0.00
VAT on Purchases	T2	0.00
Net Payable	T3	0.00
Net Repayable	T4	0.00
Total goods to other EU countries	E1	0.00
Total goods from other EU countries	E2	0.00
Total services to other EU countries	ES1	0.00
Total services from other EU countries	ES2	0.00
Total goods imported under postponed accounting	PA1	0.00

View Details Update Save Cancel

New section displaying the Box descriptions, numbers, and values for VAT 3

BOX NUMBERS & CONTENTS EXPLAINED

The amounts shown in the boxes will be rounded i.e., no cents. Boxes with no value will display as 0.

Box	Description
T1	VAT on Sales. This includes total VAT on Sales for the period from all the countries.
T2	VAT on Purchase. This includes total VAT on Purchase for the period from all the countries.
T3	Net Payable. The difference between the T1 and T2 is T3.
T4	Net Repayable. This indicates the difference between [T1-T2] when T2 is greater than T1, otherwise, it will show as blank.
E1	Total goods to other EU countries. The total value of all goods excluding VAT to EU countries where VAT For='Goods'. This includes goods to NI but does not include UK Sales.
E2	Total goods to from EU countries. The total value of all services excluding VAT to EU countries where VAT for Goods. This includes neither NI nor UK purchases.
ES1	Total services to other EU countries. The total value of all the goods excluding VAT to EU countries where the VAT for Goods. This includes good from NI, however, sales from the UK will be excluded.
ES2	Total services from other EU countries. The total value of all the services excluding the VAT from the EU countries. This does not include the UK or NI purchase records.
PA1	Total goods imported under postponed accounting. This is the total value of all goods excluding VAT where the notional VAT is used, and the supplier country is the UK. Note that, the transaction date should be after 1 st January 2021.

The screenshot shows the 'VAT RETURN' window in the DRIVE software. The window is titled 'VAT RETURN' and has a 'VAT PERIOD' of 'Jan/Feb 2021'. The window is divided into two main sections: 'VAT RETURN Report Selections' and 'VAT RETURN Summary'. The 'VAT RETURN Report Selections' section includes options for 'Generate VAT Return', 'Reprint VAT Return', 'Cost Centre', 'From Month', 'To Month', 'Cumulative', 'Include Cumulative', and 'Include transaction details on report'. The 'VAT RETURN Summary' section displays a table of VAT boxes and their corresponding values.

Box	Description	Value
T1	VAT on Sales	1,158.00
T2	VAT on Purchases	662.00
T3	Net Payable	496.00
T4	Net Repayable	0.00
E1	Total goods to other EU countries	1,607.00
E2	Total goods from other EU countries	1,280.00
ES1	Total services to other EU countries	400.00
ES2	Total services from other EU countries	225.00
PA1	Total goods imported under postponed accounting	1,250.00

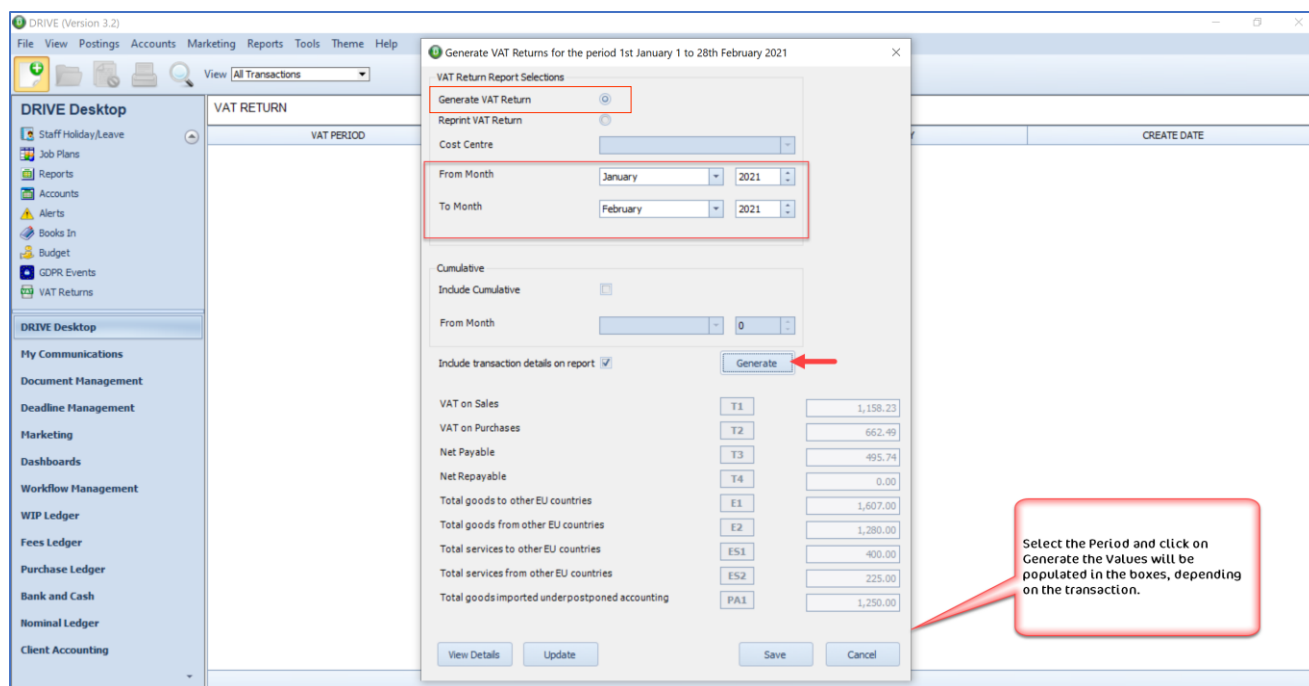
Sample VAT Boxes populated

TO GENERATE A NEW VAT RETURN

To generate a new VAT Return you must

- select the first option 'Generate VAT Return' (this will be the default option)
- select the period [**From Month – To Month**] and then
- click the [**Generate**] button.

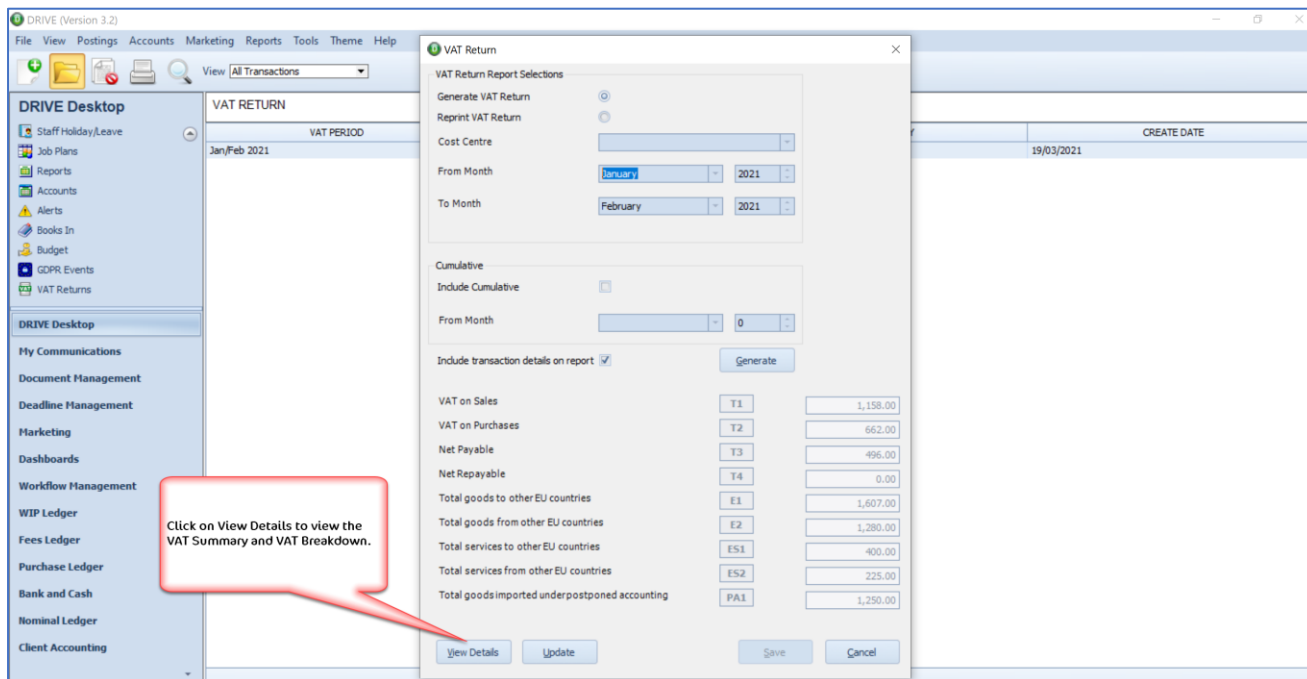
Based on the transactions you have entered within that specified period (and including any other transactions NOT included in earlier returns) the VAT figures will be populated in the boxes as appropriate.



Generating a new VAT Return

TO VIEW THE DETAILS OF THE TRANSACTIONS IN THE VAT RETURN

To view the details of every transaction included in the VAT Return, click on the **[View Details]** button. By viewing the detailed VAT return report, you can cross-check the figures before you update or finalise the VAT Return.



Click on View Details to view the VAT Summary and VAT Breakdown Report

The VAT Return Report will be generated. The top section of the report has been changed to show the same box breakdown as on the front screen, see below.

VAT Summary in the VAT Return Report. The values of the box is displayed in the summary section i.e. from T1 to PA1

VAT Return Report					
From Month : January/2021					
To Month : February/2021					
Summary					
VAT Payable/ (Repayable)					495.74
VAT on Sales/Outputs	T1		1158.23		
VAT on Purchases/Inputs	T2		662.49		
Net Payable	T3		495.74		
Net Repayable	T4		0.00		
Total goods to other EU countries	E1		1607.00		
Total goods from other EU countries	E2		1280.00		
Total services to other EU countries	ES1		400.00		
Total services from other EU countries	ES2		225.00		
Total goods imported under postponed accounting	PA1		1250.00		
VAT Rate Breakdown : Sales/Outputs					
VAT Code	VAT Description	VAT Rate	Net	VAT	Gross
A	Standard	23.00	2742.18	630.76	3372.89
A (Notional)	Standard	23.00	1310.00	301.30	1611.30
B	Reduced	13.50	1735.82	234.33	1970.15
B (Notional)	Reduced	13.50	-60.00	-8.10	-68.10
Totals			5727.92	1158.23	6886.15
VAT Rate Breakdown : Purchases/Inputs					
VAT Code	VAT Description	VAT Rate	Net	VAT	Gross
A	Standard	23.00	1095.00	251.85	1346.85
A (Notional)	Standard	23.00	1310.00	301.30	1611.30
B	Reduced	13.50	870.00	117.44	987.44
B (Notional)	Reduced	13.50	-60.00	-8.10	-68.10
Y	Zero-13.5	0.00	215.00	0.00	215.00
Z	Zero-23	0.00	3540.39	0.00	3540.39

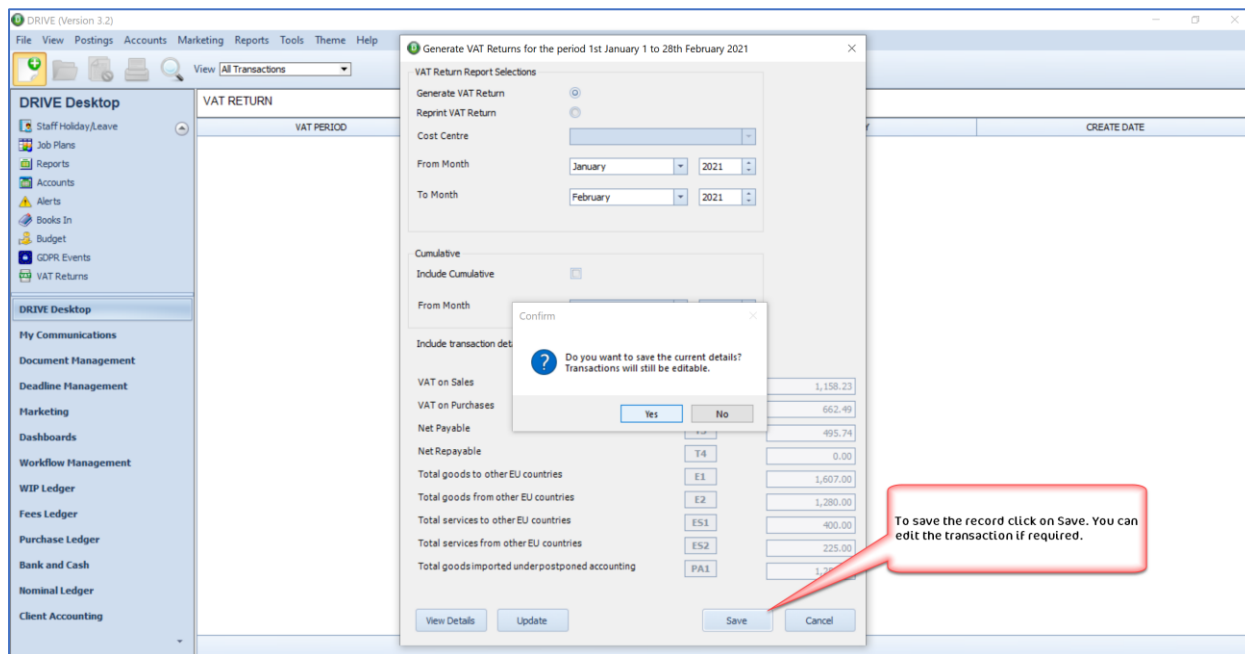
Summary, box by box, on the VAT Return Report



TO SAVE THE VAT RETURN RECORD

We recommend you save the VAT Return period record once you start preparing for the filing of that period return and before **[UPDATING]** the VAT Return. This will allow you to review the transactions included in this period return, as you may need to edit some of them and this will not be possible once you have updated.

To save the record, click the **[Save]** button. A message will appear asking you to confirm that you want to save the current details and advising you that the transactions are still editable at this time. Click **[Yes]** to save.



Saving the return to review or update later

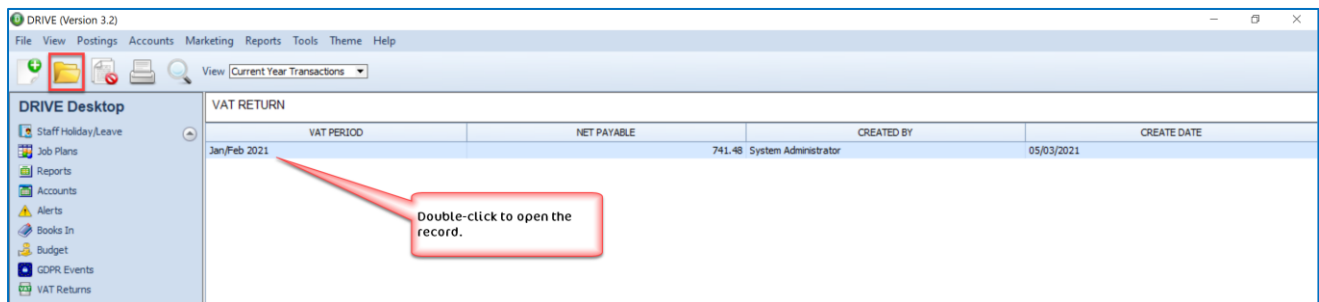
A record for this period will be displayed in the browse.

ADDITIONAL COLUMN AVAILABLE IN VAT RETURN BROWSE

We have added the 'Return Status' as an available column in the column chooser of the VAT Return browse. This will give you clarity as to whether the period has been 'Saved' or has been 'Updated'.

TO OPEN AN EXISTING VAT RETURN

To open a VAT Return record, double click on the record in the list of returns in the browse or click the **[Open]** icon from the drop-down menu.

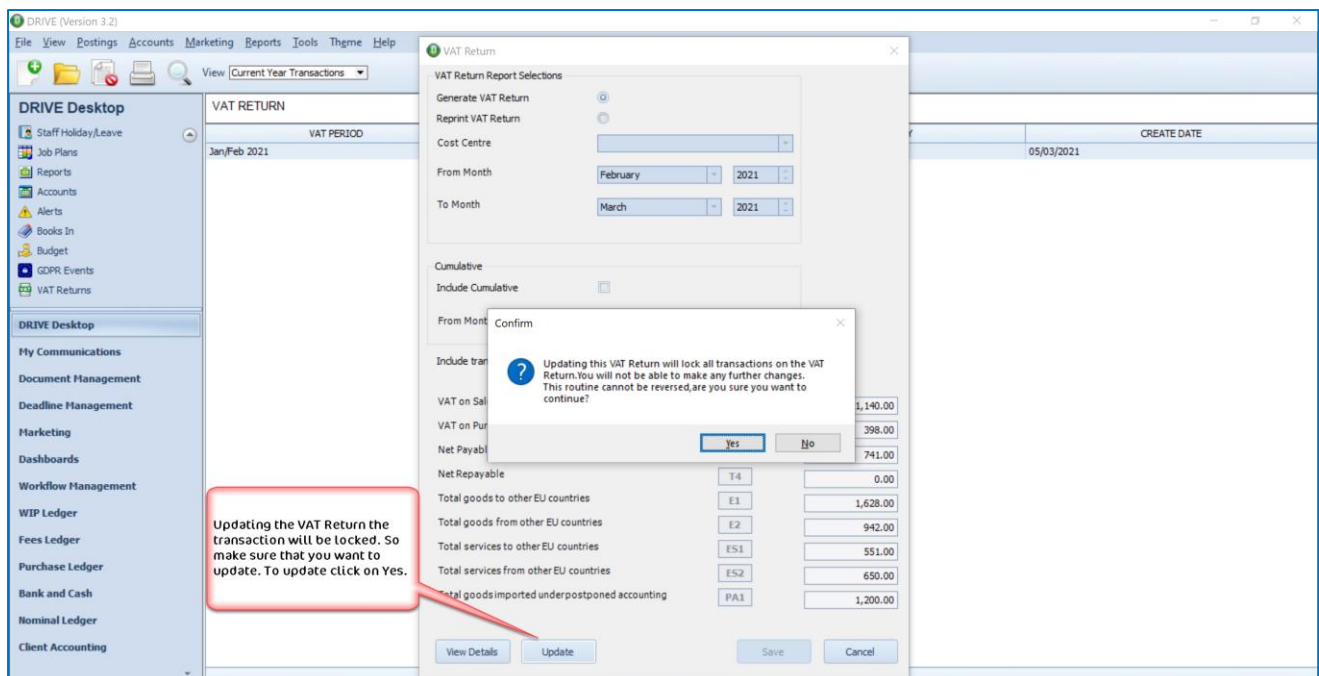


The 'Open' icon

UPDATING THE VAT RETURN

To update the VAT Return record for a selected period, click on the **[Update]** button, on the VAT Return screen, see below.

Before you update the VAT return, we strongly recommend you make sure that you have entered all the transaction for that period correctly. On updating the VAT Return all the transaction will be locked and you will not be able to modify or change those transactions. A confirmation message will appear on your screen. To proceed click on **[Yes]**.



Confirmation message on updating VAT Return

Note: You should **[UPDATE]** the return in the system when you have reported these figures to Revenue.

CHANGES IN MTD (UK & NI) VAT RETURN

CAPTION CHANGES IN MTD VAT

HMRC has requested a caption change on the MTD filed returns which will apply for VAT Returns made from 8th April 2021 onwards.

List of caption changes

Caption Before 8th April 2021	Caption on & after 8th April 2021
VAT due on acquisitions from other EC Member State: [Box 2]	VAT due in this period on intra-community acquisitions of goods made in Northern Ireland from EU Member States [Box 2]
Total value of all supplies of goods and related costs, excluding any VAT, to other EC member states: [Box 8]	Total value of intra-community dispatches of goods and related costs (excluding VAT) from Northern Ireland to EU Member States [Box 8]
Total value of acquisitions of goods and related costs excluding any VAT, from other EC member states: [Box 9]	Total value of intra-community acquisition of goods and related costs (excluding VAT) made in Northern Ireland from EU Member States: [Box 9]

DRIVE (Version 3.2)

File View Postings Accounts Marketing Reports Tools Theme Help

View Current Year Transactions

DRIVE Desktop

Staff Holiday/Leave

Job Plans

Reports

Accounts

Alerts

Books In

Budget

GDPR Events

VAT Returns

DRIVE Desktop

My Communications

Document Management

Deadline Management

Marketing

Dashboards

Workflow Management

WIP Ledger

Fees Ledger

Purchase Ledger

Bank and Cash

Nominal Ledger

Client Accounting

VAT RETURN

START DATE	END DATE	DUE DATE	DATE RECEIVED	ORIGINAL AMOUNT	OUTSTANDING AMOUNT	RETURN STATUS
01/07/2021	30/09/2021	07/11/2021		0.00	0.00	Open
01/04/2021	30/06/2021	07/08/2021		0.00	0.00	Open
01/01/2021	31/03/2021	07/05/2021		0.00	0.00	Open

Generate VAT Returns for the period 1st January 2021 to 31st March 2021

DRIVE

VAT due on sales and other outputs: 1,034.69

VAT due in this period on intra-community acquisitions of goods made in Northern Ireland from EU Member States: 0.00

Total VAT due: 1,034.69

VAT reclaimed on purchases and other inputs (including acquisitions from the EC): 695.60

Net VAT to be paid: 339.09

Total value of sales and all other outputs excluding any VAT: 5,478

Total value of purchases and all other inputs excluding any VAT (including exempt purchases): 6,088

Total value of intra-community dispatches of goods and related costs (excluding VAT) from Northern Ireland to EU Member States: 0

Total value of intra-community acquisitions of goods and related costs (excluding VAT) made in Northern Ireland from EU Member States: 0

View Details Include transaction details on report Save Close

New caption in MTD VAT return screen from 08.04.2021

New caption in MTD VAT return screen from 08.04.2021

New captions on and after 8th April 2021



VAT Return Report		Page No. 1			
From Month : January/2021					
To Month : March/2021					
Summary					
VAT Payable/ (Repayable)		339.09			
VAT due on sales and other outputs	1	1034.69			
VAT due on acquisitions from other EC Member States	2	0.00			
Total VAT due	3	1034.69			
VAT reclaimed on purchases and other inputs (including acquisitions from the EC)	4	695.60			
Net VAT Due	5	339.09			
Total value of sales and all other outputs excluding any VAT	6	5478.00			
Total value of purchases and all other inputs excluding any VAT (including exempt purchases)	7	6088.00			
Total value of all supplies of goods and related costs, excluding any VAT, to other EC member states	8	0.00			
Total value of acquisitions of goods and related costs excluding any VAT, from other EC member states	9	0.00			
VAT Rate Breakdown : Sales/Outputs					
Current Period					
VAT Code	VAT Description	VAT Rate	Net	VAT	Gross
A	Standard	20.00	2588.88	517.76	3106.64
A (Notional)	Standard	20.00	1975.00	395.00	2370.00
B	Reduced	5.00	2438.76	121.93	2560.69
Z	Zero-20	0.00	450.85	0.00	450.85
Totals			7453.49	1034.69	8488.18
VAT Rate Breakdown : Purchases/Inputs					
Current Period					
VAT Code	VAT Description	VAT Rate	Net	VAT	Gross
A	Standard	20.00	1270.84	254.16	1525.00
A (Notional)	Standard	20.00	1975.00	395.00	2370.00
B	Reduced	5.00	928.56	46.44	975.00
Y	Zero-5	0.00	728.03	0.00	728.03
Z	Zero-20	0.00	3160.78	0.00	3160.78
Totals			8063.21	695.60	8758.81

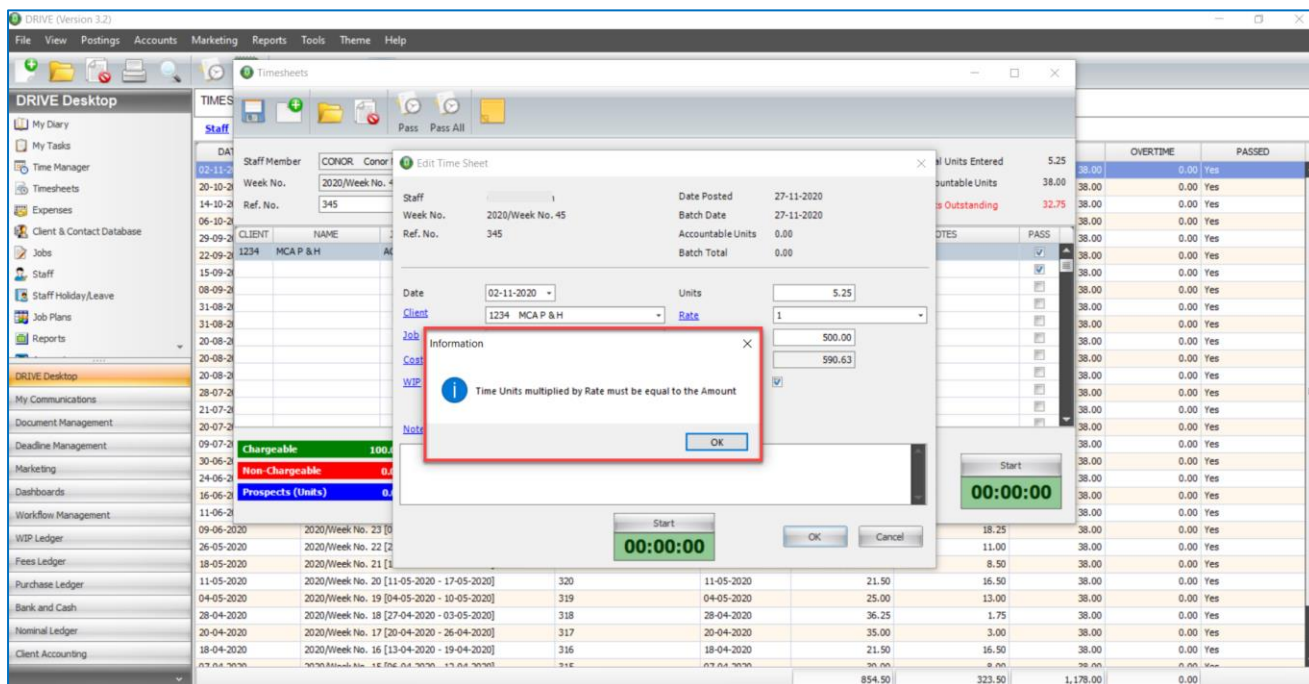
New captions on the Summary section of the VAT Return Report



TIMESHEET

VALIDATION ROUTINE IN TIMESHEET

We have added a new validation routine in the Timesheet posting. When you select to save and close the timesheet the system will check the units entered and the staff chargeout rates to make sure that they match with the amount of the time entry and if there is any inconsistency found you will receive the following message '**Time Units multiplied by Rate must be equal to the Amount**'. At which point you can go back and rectify any issues.



Validation message in Timesheet



REPORTS

STATEMENTS (MICROSOFT WORD), ADDITIONAL MERGE FIELDS ADDED

We have added 5 new merge fields to the **Statements (Microsoft Word)** report **[Reports]**, **[Fees Ledger]**, **[Statements (Microsoft Word)]**.

The new fields are as follows:

- JobDescriptions
- Total_Debit
- Total_Credit
- Total_AllocAmount
- Total_Outstanding

These fields will allow you to show totals for the debits (Invoices), credits (Receipts), allocated and outstanding amounts and using 'JobDescriptions' you can also display the jobs that the invoices were allocated to.

In **[Design]** you will need a new table, to align these totals properly with the individual entries, see below.

Date	Doc No	Type	Job	Debit	Credit	Amount Allocated	Outstanding	Balance
«Doc_Date»	«Doc_No»	«Doc_Type»	«JobDescriptions»	«Debit»	«Credit»	«AllocAmount»	«Outstanding»	«RunningOutstanding»
				«Total_Debit»	«Total_Credit»	«Total_AllocAmount»	«Total_Outstanding»	«Balance»

And when running the report, the statements of each client will display with totals, see below.

Statement of Account

To:

Gatsby Antiques
81 Yew Terrace
Middlemarch
SJR836
France

Date: 31/12/2021

A/C Code: GAT001

VAT No.: IE *****

Date	Doc No	Type	Job	Debit	Credit	Amount Allocated	Outstanding	Balance
01/01/2021	014	Fees Journal	Default	700.00		0.00	700.00	700.00
26/11/2021	180	Bill	Audit and Accountancy, Company Secretary, Corporation Tax	3,075.00		0.00	3,075.00	3,775.00
				3,775.00	0.00	0.00	3,775.00	3,775.00

