

GST Rate change - Upgrade (NZ Only)

Installation

- Version 4.2 contains changes specific to the GST rate change. This version must be installed before your next GST return – we recommend it is installed immediately.
- It will upgrade data from 4.1, 4.0 or version 3.7 (earlier versions require helpdesk assistance)
- To comply with IRD requirements, when a database is first opened in version 4.2 the GST rate for
 - Payments basis transactions dated on or after 1st October will be changed to 15%
 - Invoice basis transactions dated on or after 1st October will change to 15%
- To assist budget GST estimation, budget entries dated on or after 1st October will be changed to 15% GST
- No manual setup changes are required.

GST Payments Basis Cashbooks

In this mode GST returns are based on the date of payment.

Transactions

Transactions with a **payment date** prior to 1st October **must** have a GST rate of 12.5%

Transactions with a **payment date** on or after 1st October **must** have a GST rate of 15%: this is regardless of the original invoice GST rate.

Transitional Adjustment Schedule

This schedule is required to account for transactions where

- the transaction **payment date** is on or after 1st October
- the goods or services are business rated for GST
- the date the goods and services were **invoiced** at 12.5%

Cashmanager will include the Transitional Adjustment Schedule as part of the first GST return on or after 30 September 2010.

In order to appear on the schedule these transactions need to be

1. Entered into the cashbook
2. Tagged by entering a prefix 12.5% in the transaction note field of each transaction line.
[This is easily done by holding down the ctrl key and tapping the % key *ctrl + %*].

Code details			
Category	Extended	GST	Code amount
AH	D	B	(115.00)
Animal Health	Drench	Business	
Note			
12.5% Drench for calves			<input checked="" type="checkbox"/>

Transactions not entered at the time the GST return is printed will need to be dealt with manually as an adjustment in a subsequent return.

Budgets

- Budget items dated after 1st October 2010 will be assigned a GST rate of 15% (used in estimation of GST returns)

Invoicing

- When 4.2 is installed, run a spring clean to identify any invoices dated 1 Oct with an incorrect GST rate. Editing these invoices will automatically update the GST to 15%.
- New invoices dated on or after 1st October 2010 will automatically be assigned 15%

Debtors Module

- When 4.2 is installed, run a spring clean to identify any invoices dated 1 Oct with an incorrect GST rate. Editing these invoices will automatically update the GST to 15%.
- New invoices dated on or after 1st October 2010 will automatically be assigned 15%
- Where Invoices are dated before 1st October but paid after this date, as they are posted to the cashbook a prefix of 12.5% will be added to the note so that they appear in the GST Transitional Adjustment Schedule. NB. Where posting happens too late to be included in the Transitional Adjust Schedule, a manual adjustment in the next GST return is required.
- Once invoicing for September is complete, the price of each product will need to be reviewed, whether the product pricing is inclusive or exclusive.

NB. Do not use the Alt GST box in the product setup. This is only for rest homes.

GST Returns

- GST returns that span the 1st October 2010 changeover date must be split into separate transitional returns covering the period before and after the change in the GST rate. The GST Report Parameters screen is modified to manage this transition for you.
- In the GST return period ending 30th September 2010, businesses operating on the Payment date basis must prepare a 'Transitional Adjustment Schedule' and include an adjustment with the September GST return.
- The rules for including transactions in the 'Transitional Adjustment Schedule' are:-
 - The business is Registered for GST on the Payments basis
 - AND the Goods are Business (B) rated Goods or Services
 - AND the goods were invoiced before 1st October 2010 but were unpaid as at 30th September
 - AND for Cashmanager RURAL users – the transaction note has a prefix of 12.5%
- The purpose of the adjustment schedule is to calculate the difference between the original 12.5% on the transaction and the 15% that must be used in payments basis GST returns.
- The Cashmanager RURAL 4.2 GST reports that end on the 30th September 2010 include a 'Transitional Adjustment Schedule'. It will calculate the GST difference between 12.5% and 15%.
- IRD rules stipulate the adjustment must be done in the September GST return (furnished by the end of October). Completing the adjustment schedule will require you to enter qualifying October transactions (and possibly later) into you Cashbook, even if they are unpaid.

GST Invoice Basis Cashbooks

In this mode GST returns are based on the invoice date

Transactions

- All transactions dated with an Invoice date prior to 1st October will retain a GST rate of 12.5%
- All transactions with an Invoice date on or after 1st October will assigned a GST rate of 15%

Budgets

- Budget items dated after 1st October 2010 will be assigned a GST rate of 15%

Invoicing or Debtors (module)

- When 4.2 is installed, run a spring clean to identify any invoices dated 1 Oct with an incorrect GST rate. Editing these invoices will automatically update the GST to 15%.
- New invoices dated on or after 1st October 2010 will automatically be assigned 15%

Products (Debtors module only)

- Once invoicing for September is complete, the price of each product will need to be reviewed, whether the product is inclusive or exclusive.

NB. Do not use the Alt GST box in the product setup. This is only for rest homes.

GST Returns

- GST returns that span the 1st October 2010 must be split into transitional returns covering the period before and after the change in the GST rate
- The GST Report Parameters screen is modified to manage this transition
- GST reports reflect the new requirements