

VAT Health Check

This program checks the system for any anomalies that could cause issues when running the VAT Return.

It is recommended that the Health Check is run as soon as it is available to check and correct any issues.

After the initial run it is suggested that the health check is run periodically to ensure there are no new issues as a result of any system changes you may have made.

VAT Health Check

From the System Management, Housekeeping menu, Ledgers / E-Billing select "VAT Health Check".

Note - if the option is not visible on the menu it will be necessary to run the "Update Menu System" program from the Housekeeping, System Utilities menu with all users off the system.

A Summary screen will be displayed initially showing each step and the status.

Details for a step listed can be viewed using F6 Details.

.Step	Description	Result
1	Company Control General	PASS
2	Company Control Accounts - A/c Numbers	PASS
3	Company Control Accounts - VAT Codes	PASS
4	VAT Rates. EU/Non EU Sales/Purchase	PASS
5	Nominal - Standard Journals	PASS
6	Cashbook - Standing Orders	PASS
7	Customer Default VAT Code	FAIL - 38 Errors
8	Supplier Default VAT Code	FAIL - 60 Errors
9	Advisory - Customer Check	CHECK - 29 Items
10	Advisory - Supplier Check	CHECK - 56 Items

Items marked as "FAIL" need to be addressed prior to running a VAT Return.

Items marked "CHECK" should be reviewed but are not mandatory to change.

Steps

Step 1 - Company Control General

Have the following fields been populated in the Company Control File Maintenance, General tab, General 1?

- Country Code e.g. U.K.
- Base Country e.g. GB

General 1 - Amend

Currency Code/Decimal Place: GBP DP 2 Type: Live

VAT Breakdown Analysis: Right Orig. Company:

Use Separate line for Postcode: No

Euro Currency Code: EUR

Country Code: U.K.

Base Country eg. GB: GB

Retain Text Copy Invoices: Yes

Electronic Catalogue Link: Yes

Create Customers in POS or WSJ: Yes

Clear goldview list: No

Perform Catalogue Update at Year-End? No

Allocate Auto-Generated Credit Notes ? No

PPD to include settlement breakdown? No

Allow Quotations when Customer on Stop: No

OK Cancel

Step 2 - Company Control Accounts - A/c Numbers

Have Nominal Accounts been setup in Company Control File Maintenance, Accounts, Account Numbers?

- VAT Outputs - Sales VAT Account
- VAT Inputs - Purchase VAT Account
- VAT Control Account – this is the VAT Due/Owing Account

Account Numbers - Amend

Depot Accounting:	No	Profit and Loss:	2860100
Sales Control:	1850100	Stock Accrual:	268010*
VAT Outputs:	2470100	Stock Adjustment:	479902*
Input Bank Nominal:	1950100	Serial Stock Adj A/C:	479852*
Sales Discount:	534404*	Average Rounding:	479912*
Purchase Control:	2150100	Depreciation:	4392011
VAT Inputs:	2460100	Nom Accru/Prepayment:	2680600
Output Bank Nominal:	1950100	Net Assets (P & L):	2860100
Purchase Discount:	6004041	Deposit Control:	2058080
Bank Charges:	5844041	Parts Prepayment:	1930300
Delivery Charge:	475012*	Variance:	479912*
Suspense Account:	8888888	VAT Control Account:	2480100
WIP Control Account:	1800101		
Cash Nominal Account:			

OK Cancel

Step 3 - Company Control Accounts - VAT Codes

Have valid VAT Codes been entered for the following VAT Categories in Company Control File Maintenance, Accounts, VAT Codes?

- UK Default VAT Code
- UK Zero VAT Code
- Margin Scheme VAT Code
- VAT Code for Credit Charge

Has the number of months per VAT Return and the Start Month been set in Company Control File Maintenance, Accounts, VAT Codes?

- VAT Return Months
- VAT Return Start

Once set, the VAT Return Months/Start should not be changed.

VAT Codes - Amend

UK Default VAT Code: 1 ...

UK Zero VAT Code: 9 ...

EIRE Default VAT Code: 1 ...

Margin Scheme VAT Code: 8 ...

VAT Code for Credit Charges: 5 ...

Old VAT Code: 7 ...

VAT Return Months: 3

VAT Return Start: 3

OK Cancel

Step 4 - VAT Rates - EU/Non EU Sales/Purchase

For companies selling or purchasing outside of the UK.

Has a VAT Code been set up for "EU Sales / Purchases"

Has a VAT Code been set up for "Non EU Sales / Purchases"

These can be set up in System Management, Ledgers/Mapping/Currency, V.A.T. Rate Maintenance.

VAT Rate Maintenance - Amend Mode

Details

VAT Code: 18 Created Date: 14/05/2018

Description: EU Sales

Type: EU Sales/Purchases

Rate: 0.00

OK Cancel

Step 5 - Nominal - Standard Journals

Have all Standard Journals been allocated a valid VAT code if any entries refer to VAT Inputs or Outputs?

These can be checked in Nominal Ledger, Journals, Standard Journal Maintenance.

If VAT is applicable to the journal, the VAT nominal account needs to be specified as a separate line and an appropriate VAT code assigned.

The screenshot shows the 'Standard Journal Maintenance SUBSCR' window with the 'Journals' tab selected. It displays a table of journal entries:

Nominal	Description	Debit	Credit
1950100	BANK CURRENT ACCOUNT		120.00
5524041	DUES & SUBSCRIPTIONS	100.00	
2460100	VAT INPUT TAX	20.00	

Below the table, a summary row shows: [Totals] 120.00 | 120.00. An 'Automatic Journals Amending line 3 of 3' dialog box is open, showing 'Nominal A/c: 2460100' and 'VAT INPUT TAX' with a 'Debit' of 20.00. The dialog also includes 'VAT Code: 1' and buttons for 'OK', 'Cancel', 'List', and 'Qck Upd'.

Step 6 - Cash Book - Standing Orders

Have all Cash Book Standing Orders been allocated a valid VAT code? Once the standing order has been posted the VAT rate cannot be changed.

These can be checked in Cash Book, Standing Order Maintenance.

The screenshot shows the 'Standing Order Maintenance - Amend Mode' window with the 'Payments' tab selected. It displays the following details:

- Identity: ELEC
- Destination Ledger: Purchase
- Payment Direction: Payment
- Ledger No: 1107
- Heat & Light Supplies
- Total Amount(VAT Inc): 17616.00
- First Payment amount: 734.00
- Last Payment amount: 734.00
- All other Payments: 734.00
- VAT Code for Payments: 9
- VAT Amount: 0.00

The window also includes 'Details' and 'Payments' tabs, and 'OK' and 'Cancel' buttons at the bottom.

Step 7 – Customer Default VAT Code

Customer accounts where the "Apply VAT" option is set to 'No' are checked to validate the Default VAT Code.

- **U.K. Customers**

U.K. Customers set to Apply VAT 'No' can have a blank Default VAT Code provided they are identified by the characters GB as the first 2 characters of the VAT number.

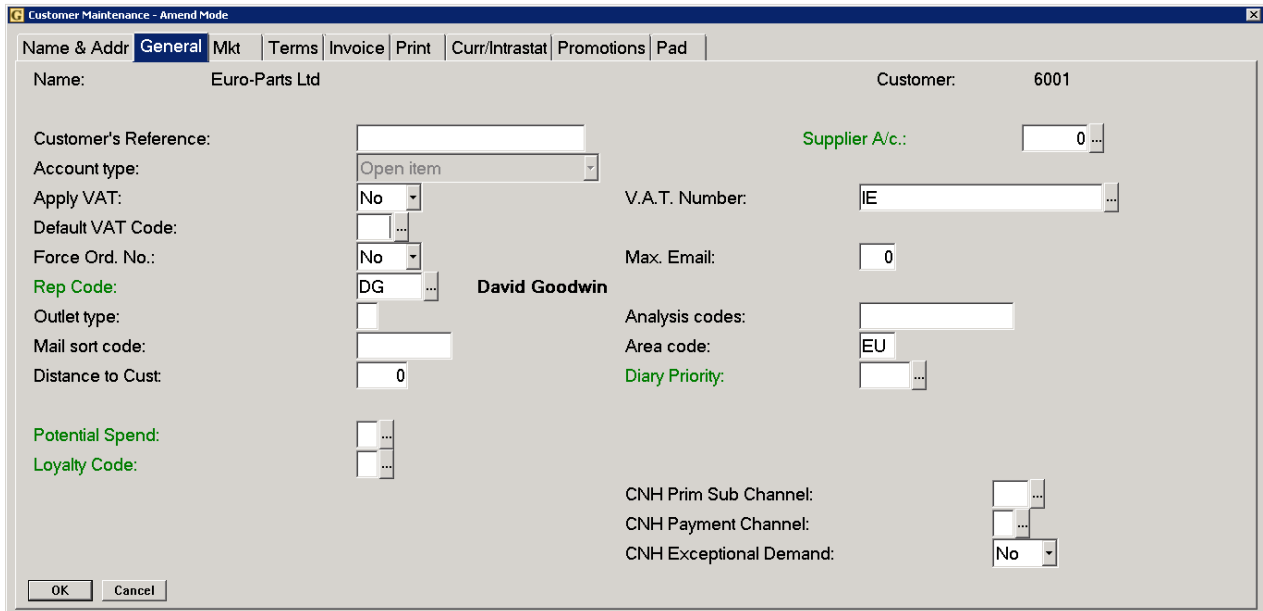
The VAT code used on the transaction will be taken from the Company Control File, Accounts, VAT Codes, "UK Zero VAT Code".

A default VAT code can also be set if required.

- **EU Customers**

For customers in the EU with Apply VAT 'No', a VAT Code specified for EU Sales/Purchases should be entered as Default VAT Code.

If this is not set, the sale is treated as a UK sale.

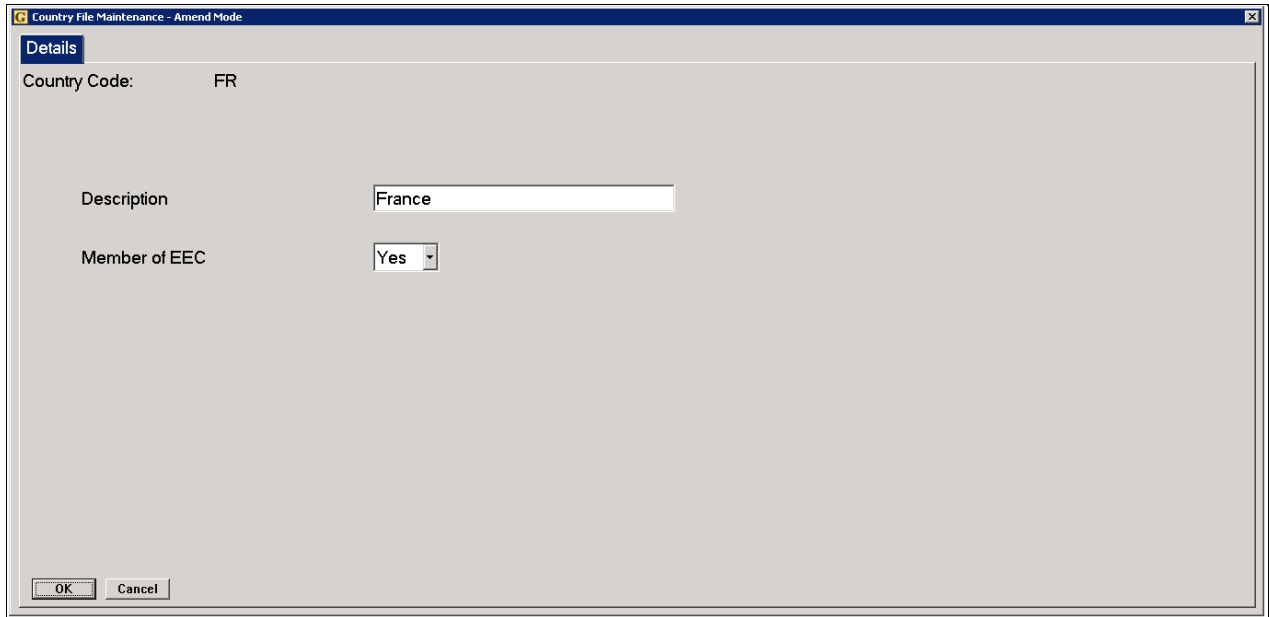


- **Non-EU Customers** For customers outside of the EU with Apply VAT 'No', a VAT Code specified for Non-EU Sales/Purchases should be entered as Default VAT Code. If this is not set, the sale is treated as a UK sale.

Gold can only determine the country code of the customer for true validation if the 2-character country code has been entered in the VAT number field on the customer account, e.g. GB, IE, FR etc.

It is recommended that the country code is added to the VAT number field for all accounts.

Country codes are set up and maintained in System Management, Ledgers/Mapping/Currency, Country File Maintenance.



Step 8 – Customer Check - Advisory

Customers set with Apply VAT 'Yes' are reported in the advisory section if there is no country code set or no VAT number at all.

It is recommended that the country code is set on all accounts, however this is not mandatory so therefore these are listed only as Advisory.

Step 9 – Supplier Check – Default VAT Code

Supplier accounts are checked to validate the Default VAT Code.

- U.K. Suppliers U.K. suppliers can have a blank Default VAT Code if VAT is not to be applied. The VAT code used on the transaction will be taken from the Company Control File, Accounts, VAT Codes, "UK Zero VAT Code". Enter GB as the first 2 characters of the VAT code to identify them as UK and/or set a default VAT code.
- EU Suppliers - suppliers in the EU where no VAT is applied need to have a Default VAT Code specified for EU Sales/Purchases. This is validated against the country code.
- Non-EU Suppliers - suppliers outside of the EU where no VAT is applied need to have a Default VAT Code specified for Non-EU Sales/Purchases. This is validated against the country code.

Gold can only determine the country code of the supplier for true validation if the 2 character country code has been entered in the VAT number field on the customer account, e.g. GB, IE, FR etc.

Country codes are set up and maintained in System Management, Ledgers/Mapping/Currency, Country File Maintenance.

Step 10 – Supplier Check –Advisory

Suppliers with a missing or invalid VAT number/country code are listed in this section.

It is recommended that the country code is set on all accounts, however this is not mandatory so therefore these are listed only as Advisory.