MUNSOFT

municipal financial software

6.4 CHANGES TO VAT POSTINGS ON MUNSOFT

INTRODUCTION

The following changes with regards to VAT postings will be implemented on the 6.4 chart.

These changes will ensure that the system posts to the correct body items on the chart, resulting in more accurate reporting.

OUTPUT VAT POSTING CHANGES

On the **6.3** chart, all Output VAT transactions posted to the below VAT Payable (Control): Receipts and VAT Payable (Control): Transfers items.

The internal breakdown will be removed from the below VAT Payable Control items and added to the Output VAT items.


In 6.4 all Output VAT transactions will now post to the below Output VAT Items on the chart.

** Please note that with year end roll over closing balances will migrate accordingly as per the above and therefore there will be no need for a journal to be processed.

When transactions are processed in the Income modules, they will still affect the Output Accrual Recognised items, respectively.
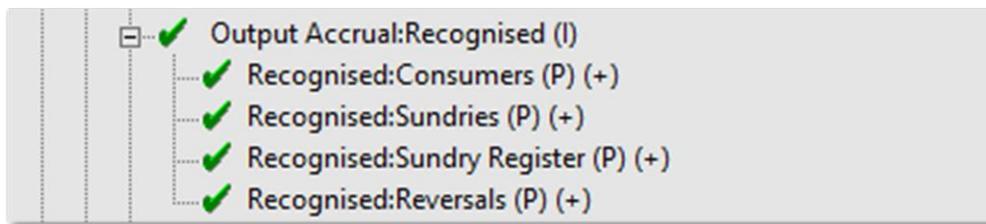

Once a payment is received it will use the Output Accrual: Transfers item to move the balance out of the Accrual, into the Output VAT Control account, affecting the Output Vat Recognised item.
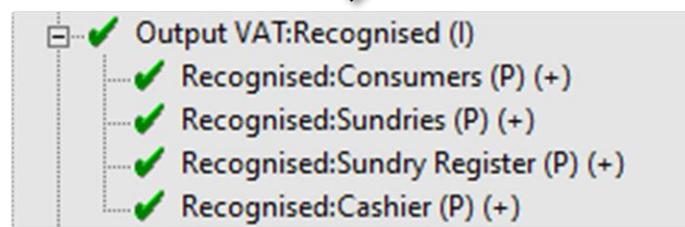
Once the VAT Consolidation Journal is processed, it will move the balance out of the Output VAT account using the Transfers item (Transfer Out):
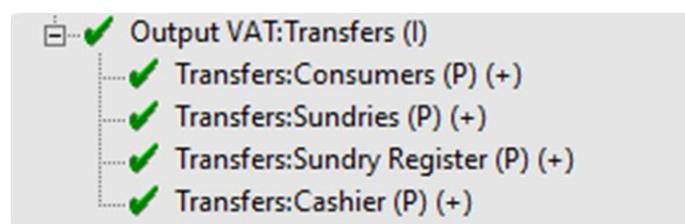
Moving it to the VAT Payable (Control): Transfers Item (Transfer In)
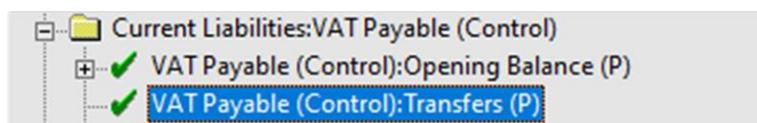
Before making the payment out of the Cash Book, ensure that a segment string exist with both below items.

	Version	Segment Description	Item Long Desc
00001	6.3|6.4|6.2	VAT Receipts FROM SARS	Assets:Current Assets:VAT Receivable:VAT Control:Receipts
00002	6.3|6.4|6.2	VAT Payments TO SARS	Liabilities:Current Liabilities:VAT Payable (Control):Payments

The Liabilities item will be used when a VAT201 payment is made to SARS using an EF or TO transaction.

When capturing a VAT201 related payment in the Cash Book, ensure that the VAT201 Pay/Rec option is selected.

This will then default to all the strings on the system with the VAT Control: Payable item for payments.

## INPUT VAT POSTING CHANGES

The system will still use the Input VAT Accrual: Recognised item when transacting.
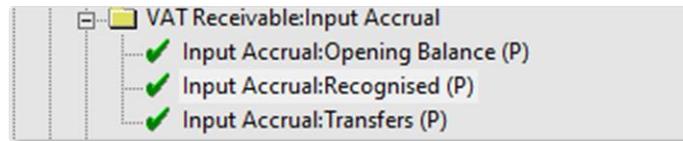

As soon as a payment is made to a supplier, the system will transfer the VAT amount from the Input Accrual account using the Input Accrual: Transfers item
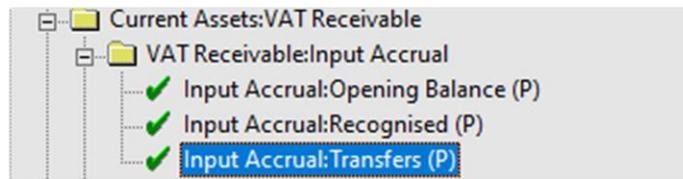
The balance will move to the Input VAT General or Input VAT Capital: Recognised items, depending on the type of expense.
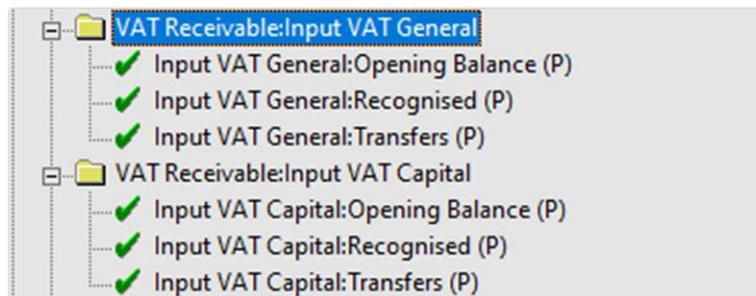
The VAT Consolidation Journal will then move the balance using the Input VAT General or Capital: Transfers item (Transfer Out) and move it into VAT Receivable: VAT Control item in order to be cleared with a receipt of payment from SARS.
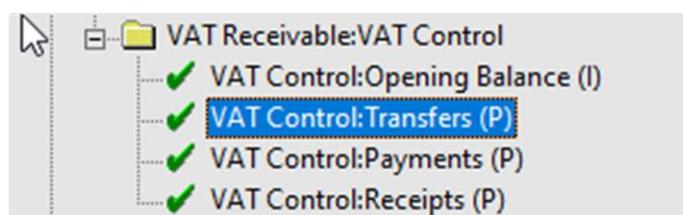
The Assets item will be used when a VAT201 payment is received from SARS using a DP or TI transaction. When capturing a VAT201 related receipt in the Cash Book, ensure that the VAT201 Pay/Rec option is selected.

This will then default to all the strings on the system with the VAT Control: Receipts item for receipts

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