TECHNICAL BULLETIN FROM GLOBAL BUSINESS SYSTEMS

BULLETIN NUMBER GT954, 23 MARCH 2015

VAT and Prompt Payment (Settlement) Discount

This bulletin describes the settings required to conform with the change of law in the UK when accounting for VAT on Prompt Payment (a.k.a. Settlement) Discount.

Please refer to the HMRC web-site for further details
https://www.gov.uk/government/publications/vat-prompt-payment-discounts

Global 3000 V6.0

Please apply service pack group ZM60_000416_000, ZP60_000339_000, ZD60_000348_000, ZG60_000148_000, ZO60_000106_000, ZS60_000255_000 and refer to http://www.global3000.co.uk/60dox/zm60_000416.pdf

Other Global Products

Global 3000 V5.0, Global 3000 V4.5 and Global 2000 have **NOT** been modified to correctly account for VAT on transactions where prompt payment discount is offered. Any customer using V5.0, V4.5 or Global 2000 who offers prompt payment discount should either make manual adjustments to ensure the correct VAT is reported and accounted for correctly, or upgrade to Global 3000 V6.0. However you should check the following parameters to ensure VAT is calculated correctly when settlement discount is offered.

Global 3000 V5.0 and V4.5

System Maintenance > System Parameters > Tax Codes

Key "End"

VAT Options

EC Processing ? (Y/N)	Y
Code for EC Sales	C
UK Processing ? (Y/N)	N
Calculate by Line ? (Y/N)	N
Round to Nearest ? (Y/N)	N
Wholesale Processing ? (Y/N)	N
Wholesale Price List	
Code for Domestic Supplies	S
Code for Exempt Supplies	X
Code for Overseas Supplies	O
Code for Zero Rated Supplies	Z
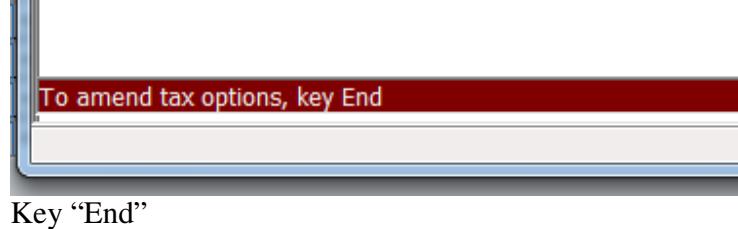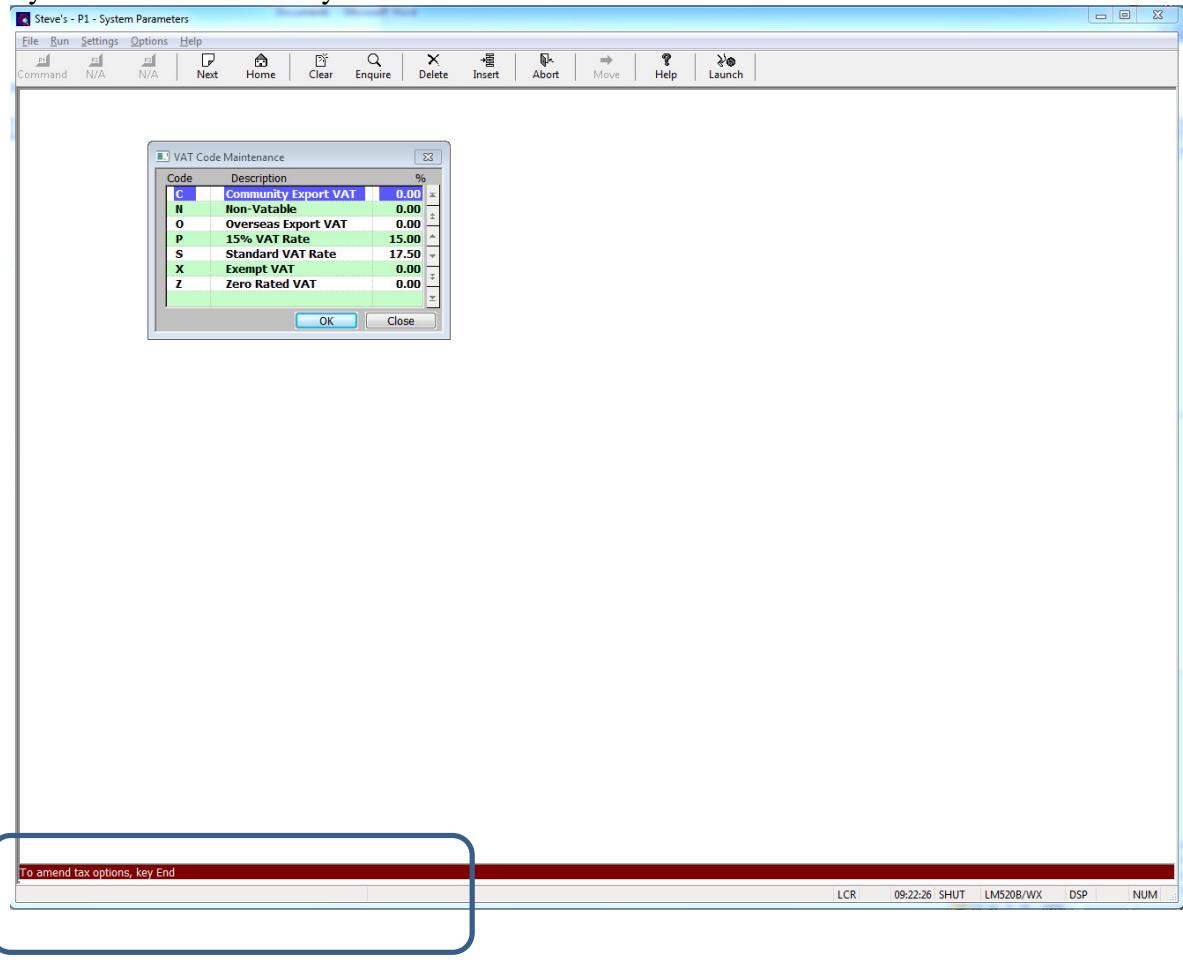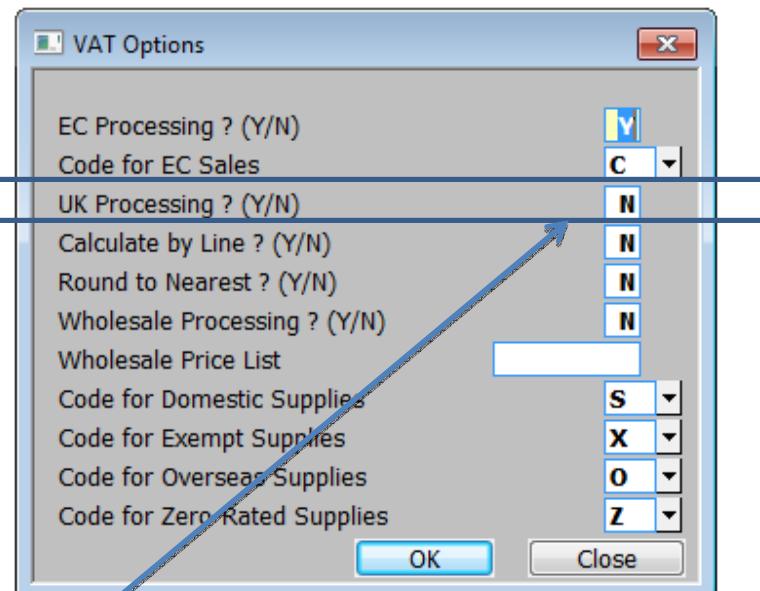
"UK Processing? (Y/N") must be set to "N".

Global 2000 Purchase Ledger V7.1

System Maintenance > System Parameters > <CR> to get to Page 2>

```
 Partition 1 -                                                              

             ┌──── SYSTEM PARAMETERS PART 2 - ACCOUNTING OPTIONS ────

   Options       Alphanumeric account codes?                    Y
   ───────       Auto-generate batch numbers?                   N
                 Suppress VAT completely?                       N
                 Suppress VAT analysis?                         N
                 Include cost centre analysis?                  Y
                 Allow settlement discount?                     Y
                 Take settlement discount if offered?           Y
                 U.K. VAT & discount processing?                N
                 Multi-currency in use?                         N
                 Multiple payment accounts in use?              N


   Ageing        Age by elapsed days from invoice
   ──────        date or calendar month (D/M)         M
                 Ageing intervals in elapsed days
                 from invoice date                           -    -    -



Key Amend, Cancel, Print, Back, <CR> to confirm, <ESC> to exit
```

"U.K. VAT & discount processing?" should be set to "N"

Global 2000 Sales Ledger V6.3

System Maintenance > System Parameters > <CR> to get to Page 2>

```
Partition 1 -                                                              ▣
──────────── SYSTEM PARAMETERS PART 2 ─ ACCOUNTING OPTIONS ────────────

  Operational options    Alphanumeric A/c code ?              N
  ──────────────────     Suppress zero reporting ?            Y
                         Suppress customer maintenance print? Y
                         VAT analysis required ? Y Multi-currency in use ? Y
                         Multiple payment account in use ?    Y
                         Payment account based on customer payment code
                                            or currency code   (P/C)    C
                         Amend payment codes in transaction entry ?     Y
                         Auto-generate batch numbers ?        Y
                         Repeat headings at bottom of report ? N

  Settlement details     Days from invoice date or day of month (D or nM) 2M
  ─────────────────      Standard days or day number      15
                         Discounts in use ?               Y
                         Discount period type (D/nM)      M
                         Discount days or day number      25  Percentage  5.00
                         Reduce VAT by settlement discount?    N

  Ageing parameters      Ageing from invoice date?        N
  ─────────────────      Ageing days interval of   30 - 60 - 90 - 120


Key Amend, Back page, Cancel, Print, <CR> to continue, <ESC> to exit ▮
```

"Reduce VAT by settlement discount?" should be set to "N"

Please contact Global Support if you have any questions relating to this bulletin.