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## Preparing for Troubleshooting

You will need the information listed below to complete many of the troubleshooting techniques:

In your previous version of QuickBooks, print the following reports:

- Trial Balance
- VAT 100
- VAT Detail

Identify the date of your last filed VAT return:

1. From the Suppliers menu, select VAT, and then Prior VAT Returns.
2. Select the last filed VAT return.
3. Click Display.
4. Click Print.

Determine which maintenance release (product update) of QuickBooks 2008 you have:

1. From the Help menu, select Update QuickBooks.
2. Select the Update Now tab.
3. Click the Maintenance Release link. The About QuickBooks Maintenance Releases page is displayed. This page lists the latest maintenance release (product update) you have. This page is updated whenever there is a new maintenance release (product update).

Read the sample upgrade walkthrough that corresponds to your situation:

Are you upgrading to QuickBooks 2008 from a previous version?

If so, select your situation:

- [I am upgrading a company file that reports VAT on an accrual basis to QuickBooks 2008](#)
- [I am upgrading a company file that reports VAT on a cash basis to QuickBooks R1 or R2 \(or File VAT never used\)](#)
- [I am upgrading a company file that reports VAT on a cash basis to QuickBooks R3 \(or File VAT never used\)](#)

Are you upgrading from QuickBooks 2008 R1 or R2 to R3 (or higher)?

If so, select your situation:

- [I am upgrading to QuickBooks 2008 R3 and have used have the File VAT feature in QuickBooks 2008](#)
- [I am upgrading to QuickBooks 2008 R3 and have \*\*not\*\* used the File VAT feature in QuickBooks 2008](#)

## I've upgraded to QuickBooks 2008 and now my VAT looks wrong. What do I do?

### Confirm VAT Liability is correct after upgrading

- Compare the VAT Control account balance in your previous version of QuickBooks against the account balance in QuickBooks 2008:

1. In your previous version of QuickBooks, go to the Reports menu, select Accountant & Taxes, and then select Trial Balance.

2. In QuickBooks 2008, go to the Reports menu, select Accountant & Taxes, and then Trial Balance.

**Note:** Use the same report date and reporting basis for both Trial Balance reports.

3. Compare the account balance on both reports. They should both be the same.

- In QuickBooks 2008, verify that the VAT Control balance matches the balance on the VAT 100 report (or File VAT window).

1. In QuickBooks 2008, go to the Reports menu, select Accountants & Taxes, and then Trial Balance.

2. Go to the VAT menu and select VAT 100 Report (or File VAT).

**Note:** Ensure the date and reporting basis for the VAT 100 report (or in the File VAT window) is the same as the Trial Balance report.

3. Using the VAT 100 report (or File VAT window), add the amount of Box 5 to the amount of Uncategorized Tax Amounts.

4. Compare the amount from Step 3 to the account balance on the Trial Balance report. The amounts should be the same.

If the amounts are not the same, call **0845 606 2161** for QuickBooks support.

## **I have uncategorised tax amounts. What do I do?**

If you upgrade to QuickBooks 2008, you will most likely have uncategorised tax amounts because of the new way VAT Items and VAT Codes work. To learn more about how VAT works in QuickBooks 2008, read more about [Improved VAT Handling in QuickBooks 2008](#).

Read [this FAQ](#) to learn how to resolve uncategorised tax amounts.

### **What causes uncategorised tax amounts?**

Causes of uncategorised tax amounts **during upgrade**:

- Cheques to the VAT agency created in a previous version of QuickBooks (in a cash-VAT file, or if the File VAT feature was never used, but manual cheques to HMRC were created)
- The general journal entry QuickBooks creates during the upgrade to QuickBooks 2008 factors in every historical transaction in your company file (up to the last filed VAT return date entered during upgrade). If there is any difference between the Tax on Sales and Tax on Purchases amounts, there will be an uncategorised tax amount.

Causes of uncategorised tax amounts in **every day use** of VAT:

<b>Cause</b>	<b>Affect on uncategorised tax amounts</b>
Deleting a sales transaction from a filed period	Decreases Uncategorised Tax Amounts
Deleting a purchase transaction from a filed period	Increases Uncategorised Tax Amounts
Adding amounts to a sales transaction in a filed period	Increases Uncategorised Tax Amounts
Adding amounts to a purchase transaction in a filed period	Decreases Uncategorised Tax Amounts
Removing amounts from a sales transaction in a filed period	Decreases Uncategorised Tax Amounts
Removing amounts from a purchase transaction in a filed period	Increases Uncategorised Tax Amounts
Manually marking a sales transaction as Filed in an un-filed period	Increases Uncategorised Tax Amounts
Manually marking a purchase transaction as Filed in an un-filed period	Decreases Uncategorised Tax Amounts
Removing Filed flag from a sales transaction in a filed period	Decreases Uncategorised Tax Amounts
Removing Filed flag from a purchase transaction in a filed period	Increases Uncategorised Tax Amounts

## Boxes 6 to 9 are reporting amounts even though I've filed VAT. What does this mean?

Determine what release of QuickBooks 2008 you have in order to determine how you resolve this problem.

[How do I know which release of QuickBooks 2008 I have?](#)

### If you have QuickBooks 2008 R1, upgrade to QuickBooks 2008 R3 (or higher)

1. In QuickBooks 2008, go to the Help menu and select Update QuickBooks.
2. Click Update Now. QuickBooks will prompt you to install the update when you exit, or the next time you open QuickBooks.
3. During upgrade, QuickBooks may display a [QuickBooks 2008 VAT Information window](#). Click the blue "here" link to open the VAT return for the last filed period. You must use the amounts from this PDF to fill in the amounts in the QuickBooks 2008 VAT Information window.

The image shows a dialog box titled "QuickBooks VAT Return Information". The text inside reads: "QuickBooks needs the following information before continuing the update process: VAT Agency: HMRC VAT. In this Release modifications have been made to ensure that for future returns the correct net balances (including those from journals) are reflected on VAT reports. To do so we require you to enter the figures from your last filed period. Click [here](#) to open the VAT return for the last filed period. Use this VAT return to obtain the amounts needed below. You must use the VAT return found in this location." Below this text are four bullet points, each with a text input field containing "0.00":

- Total net sales of VAT in QuickBooks. Enter the amount of Box 6 (Box 9 for Ireland) here: [0.00]
- Total net purchases of VAT returns in QuickBooks. Enter the amount of Box 7 (Box 10 for Ireland) here: [0.00]
- Total net supplies to other EC Member States of VAT returns in QuickBooks. Enter the amount of Box 8 (E1 for Ireland) here: [0.00]
- Total net acquisitions to other EC Member States of VAT returns in QuickBooks. Enter the amount of Box 9 (E2 for Ireland) here: [0.00]

At the bottom, there is a note: "We recommend that you run a VAT 100 report (VAT 3 for Ireland) after this update has completed to check that Net Sales and Net Purchase amounts are as expected." and a warning: "If you cancel or enter the wrong figures, you will need to restore a back up of your company file from before this update and repeat this process using the correct figures." At the very bottom are "OK" and "Cancel" buttons.

### **If you have QuickBooks 2008 R3 (or higher)**

1. In QuickBooks 2008, go to the Edit menu and select Find.
2. In the Choose Filter list, select Memo, and then enter "adjustment for VAT already filed" in the Memo field.
3. Confirm you entered the correct amounts in the [QuickBooks 2008 Return Information window](#). If the amounts for each box on the net amount journal do not equal the amounts for each box in the PDF, then you probably entered the wrong amounts.

**Note:** In QuickBooks 2008 R1 and R2, net amounts (boxes 6 to 9) are **period based**, which means the VAT 100 reports the net amount from all sales and purchase transactions within the given date range on the VAT 100 report (or File VAT window) even if you have filed for that particular VAT period. This was changed in R3. In R3, the net amounts are **balance based**.

## My Box 4 amount is wrong and I have a large uncategoryed tax amount. How do I fix this?

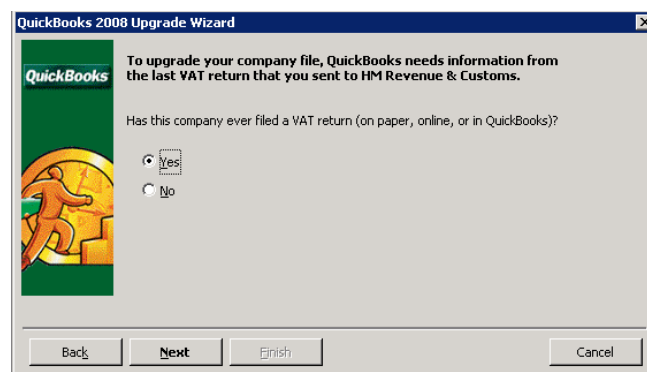
This may occur if you have upgraded a previous version of QuickBooks that uses cash VAT reporting or accrual VAT reporting, and if you have never used the File VAT feature.

Read [this FAQ](#) to learn how to resolve uncategoryed tax amounts.

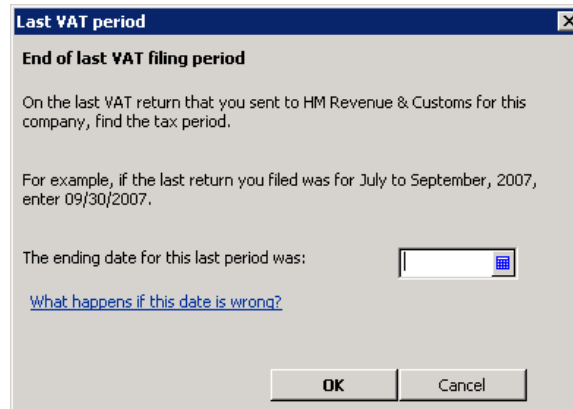
## Why does my VAT 100 have a large uncategoryed tax amount?

You may have a large amount of uncategoryed tax in your VAT 100 report for the following reasons:

- You selected **No** when upgrading to QuickBooks 2008 instead of **Yes** in the Upgrade Wizard. In this case, a journal entry to categorise cheques to the VAT agency was not calculated by QuickBooks 2008 during upgrade. Therefore, this amount appears in the Uncategoryed Tax Amounts section on the VAT 100 and VAT Detail reports.



- You entered the wrong Last VAT Period date during upgrade to QuickBooks 2008.



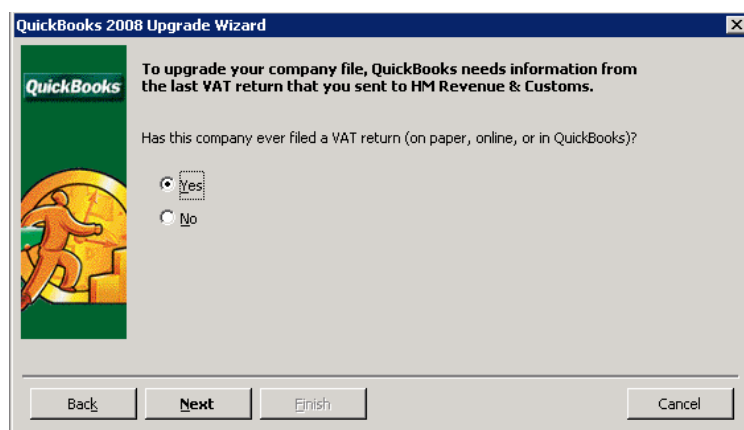
- Another reason for a large amount of uncategorised tax amount is you may be using cash reporting for VAT. For more information on this situation, see [My Box 4 amount is wrong and I have a large amount of uncategorised tax amounts.](#)

Read [this FAQ](#) to learn how to resolve uncategorised tax amounts.

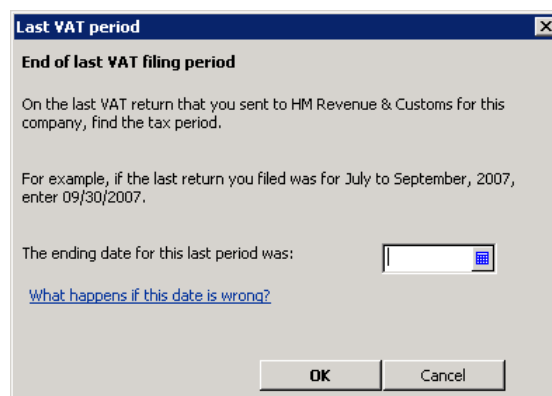
## Why does my VAT 100 report have very large amounts in boxes 1 to 5?

You may have large amounts in your VAT 100 report due to one of the following reasons:

- You selected **No** instead of **Yes** during upgrade when QuickBooks 2008 asked if you file VAT. If so, QuickBooks was unable to create a journal entry to summarise all previously filed VAT transactions so they don't appear in future filings.



- You entered the wrong last filed VAT date during upgrade (or forgot to enter a date).



### **If you didn't enter a filing date during upgrade**

1. In QuickBooks 2008, go to the Edit menu and select Find. In the Choose Filter field, select memo, and then enter "adjustment for VAT already filed" in the Memo field.

**Note:** If no results appear, you did not enter a filing date during upgrade (date of your last filed VAT return).

2. If this date is not the date of your last filed VAT period, you entered the wrong date during upgrade.

- Restore the backup in QuickBooks 2008 and enter the correct filing date

OR

- Manually create VAT adjustments so that VAT is filed (the VAT reports are reporting the correct figures)

### **If you entered an incorrect filing date during upgrade**

1. In QuickBooks 2008, go to the Edit menu and select Find.

2. In the Choose Filter field, select Memo, and then enter "adjustment for VAT already filed" in the Memo field.

3. Confirm that the date on the upgrade journal entry is the same date as the last filing you made in QuickBooks

4. If the date was not the same, complete one of the following:

- Restore the backup in QuickBooks 2008 and enter the correct filing date

OR

- Adjust VAT so the VAT reports are reporting the correct figures

## **Why does my VAT 100 report still have amounts even though I've filed for the VAT period specified in the report?**

This may occur for the following reasons:

- Cash-mode VAT reporting – the filing journal entry posts to Accounts Receivable or Accounts Payable on the last day of the filing period. However, the actual payment may fall outside the filing period (usually 1 month later), and so the filing general journal entry doesn't appear on the cash-basis VAT reports. This will only occur for the first period after you upgrade.

To correct this problem, find the filing journal entry and change Accounts Payable or Accounts Receivable to the VAT Control account.

- You have added, deleted, or modified a transaction in a previously reported VAT reporting period.

## What's the QuickBooks 2008 VAT Information window? I see it when I upgrade from QuickBooks 2008 R1 or R2 to QuickBooks 2008 R3 (or higher)?

**Important:** If you have filed VAT in QuickBooks 2008 before upgrading to Release 3 (R3), this information applies to you.

When updating your QuickBooks 2008 R1 or R2 company file to QuickBooks 2008 R3, a window titled QuickBooks VAT Return Information is displayed. This window contains a link to a copy of your last VAT return in PDF format ("Click here to open the VAT return for the last filed period."). The PDF that is launched by this link displays figures in boxes 6 to 9.

**QuickBooks VAT Return Information**

**QuickBooks needs the following information before continuing the update process:**

VAT Agency: **HMRC VAT**

In this Release modifications have been made to ensure that for future returns the correct net balances (including those from journals) are reflected on VAT reports. To do so we require you to enter the figures from your last filed period.

Click [here](#) to open the VAT return for the **last filed period**.  
Use this VAT return to obtain the amounts needed below.  
You **must** use the VAT return found in this location.

- Total net sales of VAT in QuickBooks.  
Enter the amount of Box 6 (Box 9 for Ireland) here:
- Total net purchases of VAT returns in QuickBooks.  
Enter the amount of Box 7 (Box 10 for Ireland) here:
- Total net supplies to other EC Member States of VAT returns in QuickBooks.  
Enter the amount of Box 8 (E1 for Ireland) here:
- Total net acquisitions to other EC Member States of VAT returns in QuickBooks.  
Enter the amount of Box 9 (E2 for Ireland) here:

We recommend that you run a VAT 100 report (VAT 3 for Ireland) after this update has completed to check that Net Sales and Net Purchase amounts are as expected.

If you cancel or enter the wrong figures, you will need to restore a back up of your company file from before this update and repeat this process using the correct figures.

### Why are the amounts on the PDF so large?

In many cases, these figures may contain very large amounts (hundreds of thousands or even millions of Pounds). These amounts are large because the amounts of box 6 to 9 on this PDF are **cumulative** totals for the net value of sales and purchases in your company file (they are for all historic periods from day 1).

<b>Paper Street Soap Company</b>	
<b>VAT 100</b>	
<b>As at 30 June 2007</b>	
	30 Jun 07
VAT due	
VAT due on sales (Box 1)	625.63
Total VAT due from EC acquisitions (Box 2)	35.00
Total VAT due (Box 3)	660.63
VAT reclaimed on purchases (Box 4)	563.51
Net VAT to pay (or reclaim if negative) (Box 5)	97.12
Total net value of sales (Box 6)	7,950.00
Total net value of purchases (Box 7)	7,830.00
Total net value of supplies to other EC Member ...	1,150.00
Total net value of acquisitions from EC Member ...	2,200.00
Uncategorised Tax Amounts	0.00

## **Why do I have to enter these amounts in the QuickBooks VAT Return Information window?**

This new upgrade window to QuickBooks 2008 R3 (or higher), addresses an issue with the product in QuickBooks 2008 R1.

This product issue was corrected in QuickBooks 2008 R3 (released in February 2008). To ensure that numbers in boxes 6 to 9 are correct in the future, you must enter the numbers from the PDF report in the QuickBooks VAT Return Information window. Do NOT use the numbers from any other source, such as your paper-based VAT return. **You must use the VAT figures from this PDF regardless of the amounts.**

In QuickBooks 2008 R1, **net amounts** (boxes 6 to 9) on the VAT 100 were based on transactions within the date range of the VAT report. This meant that transactions that were added or modified outside the date range— such as in a previously filed VAT reporting period — would not be reported in the current filing period.

QuickBooks 2008 R3 ensures that the net sales and purchase amounts reported in boxes 6 to 9 on the VAT 100 report include transactions that were added or modified in a previously filed VAT reporting period.

When opening a company file for the first time upon applying the R3 product update (maintenance release), QuickBooks will update the company file to work with the new release. During this process, you will be asked to enter amounts in the QuickBooks VAT Return Information window. The information you enter will be used to zero out the figures in box 6 to 9 on the VAT 100 report as of your last filing date, providing a clean starting point for all future VAT reports created in QuickBooks 2008 R3 (or higher). This clean start enables QuickBooks to accurately bring forward all back dated additions and changes to transactions into the current VAT reporting period.

## **What happens if I entered the wrong amounts in the QuickBooks VAT Return Information window?**

If you cancel or enter the wrong figures, you will need to restore a back up of your company file from before this update and repeat this process using the correct figures.