



Sample Upgrade – Joan’s Grangeworth Kitchens Basic Company

4 April, 2008

Note: File VAT feature HAS been used in QuickBooks 2008 R1 or R2

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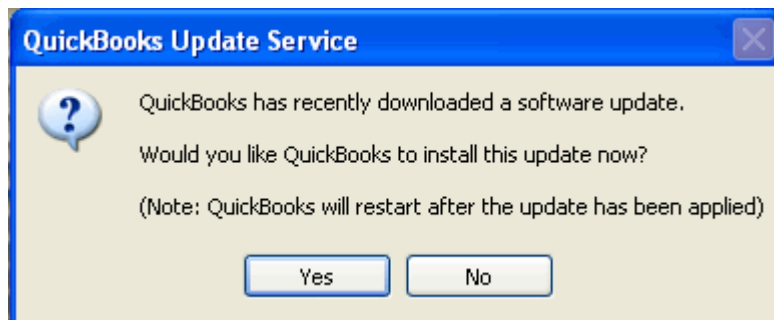
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Company Background

Joan runs a kitchen business in London. She uses QuickBooks 2008 (Pro version), has filed VAT in QuickBooks 2008, and is installing the latest QuickBooks product update (maintenance release).

[How does Joan know which product update \(maintenance release\) she currently has?](#)

She files VAT quarterly. In January, 2008, she used the File VAT feature to file her VAT return for the period ending 30 December, 2008. In February, 2008, she opens QuickBooks and is informed that QuickBooks has recently downloaded a software update.



Joan decides to install the update.

Installing the QuickBooks 2008 R3 (or higher) product update

First, Joan creates a backup of her company file.

When updating her QuickBooks 2008 company file to the latest QuickBooks 2008 product update, a window titled "QuickBooks VAT Return Information" is displayed.

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.

Joan clicks the blue "here" link on the VAT Return Information window to open the PDF version of the VAT 100 report for the last filed period.

12:05 PM
28/12/07
Accrual Basis

VAT 100
As at 31 March 2007

	31 Mar 07
VAT due	
VAT due on sales (Box 1)	545.88
Total VAT due from EC acquisitions (Box 2)	0.00
Total VAT due (Box 3)	545.88
VAT reclaimed on purchases (Box 4)	431.75
Net VAT to pay (or reclaim if negative) (Box 5)	115.13
Total net value of sales (Box 6)	4,275.00
Total net value of purchases (Box 7)	4,485.00
Total net value of supplies to other EC Member ...	1,550.00
Total net value of acquisitions from EC Member ...	2,000.00
Uncategorised Tax Amounts	0.00

She uses the amounts from the PDF and enters them in the QuickBooks VAT Return Information window.

The image shows two overlapping windows. The top window is the 'QuickBooks VAT Return Information' dialog box. It contains instructions for entering VAT data and four input fields, each containing '0.00'. A black circle highlights these fields. The bottom window is an Adobe Reader showing a PDF of a 'VAT 100' report for '31 Mar 07'. The report is on an 'Accrual Basis' and lists various VAT figures. A black circle highlights the bottom four rows of the report, which correspond to the input fields in the QuickBooks window. A vertical line connects the highlighted input fields to the corresponding rows in the PDF report.

QuickBooks VAT Return Information

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- Total net acquisitions to other EC Member States of VAT returns in QuickBooks.
Enter the amount of Box 9 (E2 for Ireland) here:

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VAT 100
As at 31 March 2007

Accrual Basis

	31 Mar 07
VAT due	
VAT due on sales (Box 1)	548.88
Total VAT due from EC acquisitions (Box 2)	0.00
Total VAT due (Box 3)	548.88
VAT reclaimed on purchases (Box 4)	437.75
Net VAT to pay (or reclaim if negative) (Box 5)	115.13
Total net value of sales (Box 6)	4,275.00
Total net value of purchases (Box 7)	4,485.00
Total net value of supplies to other EC Member ...	1,050.00
Total net value of acquisitions from EC Member ...	2,000.00
Uncategorised Tax Amounts	0.00

Note: You **must** use the PDF VAT 100 report provided through the QuickBooks VAT Return Information window to enter the amounts. Do **not** use any other source, for example, a paper return or printed report.

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

This new QuickBooks VAT Return Information window in the QuickBooks 2008 R3 (or higher) product update, addresses an issue with the product in QuickBooks 2008 R1 and R2. 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 VAT 100 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 and R2, **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.

The information you enter in the QuickBooks VAT Return Information window 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.

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). **You must use the VAT figures from this PDF regardless of the amounts.** Do not use the numbers from any other source, such as your paper-based VAT return.

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

If you cancelled the update process or entered the wrong figures, you will need to restore a backup of your company file from before this update and repeat this process using the correct figures.

After Updating QuickBooks 2008

After upgrading to QuickBooks 2008 R3, net amounts are zeroed out on the date VAT was last filed in QuickBooks 2008. Therefore, going forward, net amount balances are correct.

Down to Business – using your updated file

Joan makes sure she continues **using the File VAT feature** to file her returns in QuickBooks before she fills out her personalised paper return. The VAT reports are cumulative – in other words, they include all VAT amounts in QuickBooks. In order to start the reports for each new VAT period at zero, you need to use the File VAT feature.

For an overview of how VAT works in QuickBooks 2008, see [Improved VAT Handling in QuickBooks 2008](#).

For more information on VAT tracking and VAT features, see the in-product Help in QuickBooks.