

## Infusion Software GST Rate Change

On the 1<sup>st</sup> of October Infusion software Version 5.0 will automatically start using the GST rate of 15%

Infusion Version 5.0 and above are the only products which officially support the changes to GST.

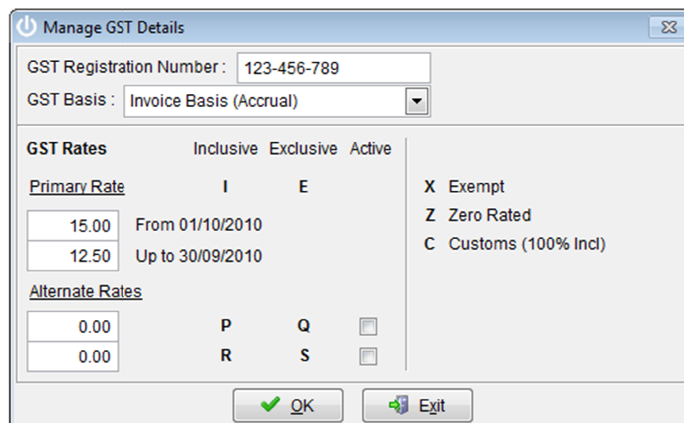
**If you continue to use an earlier version of Infusion then:**

- All GST reporting must be completed manually
- GST Rates on Invoices must be changed at the time the Invoice is created
- Supplier Invoices must be entered and again the GST rates changed

**Infusion Support staff will not provide free support to End Users to assist them in making the manual calculations.**

Once Version 5.0 has been installed the changes in the software will automatically take place. Check the GST settings under Admin / Defaults / Manage GST Defaults to make sure they match the rates for your business.

## GST – Changing the GST Defaults



If the old GST rate needs to be used on a transaction eg. a credit for a Customer Invoice dated prior to 01/10/10, selecting the **Force Old GST Rate** option in version 5 (which appears on a number of screens eg. Invoicing, Quoting) will allow this to be done.

## GST – Issuing a Pre 01/10/2010 Credit



Jobs that are still open and have unbilled items on them will have the GST rate changed on each line item at the time the Job is invoiced. There is a message at the bottom of the Job screen in red reminding the user of this.

Reports Note : The GST rate used is the rate applicable to the date of the cost entry. When invoiced it will be updated to the rate for the date of the invoice.

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### GST Returns

To assist with GST returns two new reports have been added under the Cashbook \ GST Menu.

- GST Adjustment Sheet
- GST One off Adjustment Return

#### **One Off Payments Basis GST Adjustment**

The Demonstration Company Ltd

GST No : 123-456-789

Period Ending : 01/10/2010

Printed : 02/09/2010 06:43:56 AM  
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The following adjustment is required by the New Zealand Inland Revenue Department as part of the change from 12.5% to 15% GST

This adjustment is only required for those filing their GST Return on a PAYMENTS Basis

This adjustment must be filed on the return ending 30/9/2010.

Outstanding Supplier Balance at 30/9/2010	0.00
Less Outstanding Customer Balance at 30/9/2010	0.00
Difference	0.00

GST needs to be claimed at 4 / 207 on this difference

This is the amount of the one off adjustment

**Adjustment Required 0.00**

*This amount should be added to any value in Box 9 of your 30/9/2010 GST Return*

Full details of how the Supplier and Customer Balances have been derived is available by viewing the Audit Trail under Admin / Other in Infusion. The transaction audit number is 1317 dated 02/09/2010.

For this adjustment to be valid, no further transactions should be entered until after the GST Return for the period 30/9/2010 has been closed off.

### What if I don't upgrade to version 5.0?

#### Invoice Basis GST

- You will need to ensure that the correct GST Rate for the transaction is loaded into the GST Defaults screen before keying the transaction.
- Multi User based system will be need to be extra vigilant adhering to the GST Rate limitation above.
- The GST Return will need to be calculated manually should there be a mix of GST rates used after 1 October. (Ones where force GST Rate would have been used) as these transactions should form part of an adjustment not part of the normal box's at the top of the income and expense sections.
- The GST Report will indefinitely show the incorrect values and will need to be calculated manually (will always show 1/9<sup>th</sup> rates)
- Assuming the GST rate was correct when key the invoice transaction, the General Ledger will be correct.

#### Payment Basis GST

- You will need to ensure that the correct GST Rate for the transaction is loaded into the GST Defaults screen before keying the Invoice side of a transaction.
- Multi User based system will be need to be extra vigilant adhering to the GST Rate limitation above.
- Payments received and made (via suppliers and customers) will only apply GST to the payment that was originally applied to the Invoice. To this end, the GST Return will need to be calculated Manually.
- The GST Report will indefinitely show the incorrect values and will need to be calculated manually (will always show 1/9<sup>th</sup> rates)
- Assuming the GST rate was correct when key the invoice transaction, the General Ledger will be correct.
- The one off adjustment will need to be calculated manually.

### When can I upgrade to version 5 update?

- You **MUST** upgrade to version 5 prior to keying any transactions for 1/10/2010 and beyond
- If transactions are keyed prior to loading the update, the update can still be loaded, however the GST Return **will need to be** checked manually prior to filing to IRD until all these transactions have been filed. (payment will need to be fully received if on payments basis)

### When can I rely on the figures of the GST Return reports?

- If you have loaded the Version 5 update prior to keying any transactions for 1 October and beyond then the GST Report will remain accurate continuously.
- If you have keyed transactions prior to loading the update then : On an invoice basis once the GST return(s) containing these transactions are filed.
- On a payments basis once **ALL transactions** entered prior to loading the update are **fully paid** and these have been included in a closed off GST Return

#### **Upgrades from Other Accounting Software**

- All transactions from prior accounting software should be treated in the same way. That is that **they must be manually verified** before they are returned to the IRD as part of a GST Return.
- General Ledger transactions will continue to be correct as long as the GST Rate was set correctly when the transaction was keyed (both in the old system and within Infusion.)

**If you require assistance with Infusion please contact your Infusion Certified Partner or our Help Desk on 0900 777 78**

**If you require information on GST and the associated changes please visit the IRD Website or talk with your Accountant**