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Hello again and welcome to our latest newsletter.

Do get in touch if there's anything you'd like to talk to us about.

Manual VAT Adjustments

Once Making Tax Digital is implemented for your firm, there will be no opportunity to make any manual changes to the VAT figures as HMRC's software will import the return figures direct from your Blue Tuesday VAT return.

We have been asked about how to deal with Fuel Scale Charges under the new system, and recommend the following method:

Create a nominal called, for example, Fuel Scale Charge. At the end of each VAT month, quarter, or year, make an office posting using this Fuel Scale Charge nominal as the bank account and also as the nominal. Post a payment (it has to be a payment to activate the VAT element) of *minus* the full charge value, including VAT, then enter the VAT element as a *minus* figure in the VAT box. This will reduce the purchases element of the VAT return by the net and VAT amounts in accordance with HMRC's guidelines.

Another query relates to part of the office being rented out. This time, we recommend that a client matter is created, called something like Office Rent Receivable. Then, in Admin and References, create a fee earner (a similar name would hopefully prevent that fee earner being used in error), and link it through to the nominal just created.

When the bill is raised for the rent, post it on the ledger, Likewise, the receipt. This way you and the Auditors will have clarity.

The next problem came from a firm who use a Consultant on a part-time basis, who then sends them an invoice. There are two options for dealing with this. You can set up the Consultant as a supplier within the Purchase Ledger, and log both invoices received and payment made.

The other option is to set up a Nominal for the Consultancy charges and simply post payments to that ledger.

We think the former will provide a more long-term record, but either way will cope with the VAT side of things.

Ask for help if you need more information on this.

Loss of Data

If you swap a pc, or if it fails and needs to be rebuilt for any reason, please speak to us because sometimes someone else trying to move or install the programme can result in loss of data. We know this from experience and would rather do it correctly in the first place than having to try to repair a situation.

Support

All incoming calls to us go to Angela's desk.

Hers is the only phone which rings when an external call comes in since programmers and technicians need concentration to do their jobs so we'd prefer not to disturb them unless their assistance is specifically required.

Some of our clients have taken to calling Angela's mobile if they don't get an instant answer, or to just keep ringing on the landline — and sometimes both. Please don't do it. Not getting an answer means that she's on another call and, with the best will in the world, she simply cannot deal with more than one call at a time.

However, when the phone is persistently ringing, she tries to excuse herself from the current call while telling a new caller that she'll ring them back. This means that the first call takes longer and subsequent call backs are further delayed.

We always note missed calls (our phone system shows all missed, received and dialled calls) and return them unless they're listed as anonymous.

There is also the option to leave a message, but again listening to messages takes time and so there is more of a delay in getting back to you.

Instead of ringing, please would you normally email support requests wherever possible as we all receive these messages and quite often you are likely to get an earlier response than being in the phone queue. Sometimes we can respond and resolve the issue by email in the time it takes to dial your number and be put through to the person raising the issue.

Thank you.

Making Tax Digital

We have now successfully submitted our most recent VAT return via MTD using the Blue Tuesday Software. In theory, that means our MTD software is signed off by HMRC and ready for release. However, as we have come to expect with HMRC, we have found some minor differences between their “sandbox” test system and their live system. Because of these differences, we would like to do a few more monitored VAT submissions before releasing our MTD submission software to everyone.

Therefore, **if you have not yet submitted your latest quarter’s figures, please would you consider becoming a tester for us? The same applies to February / April stagger firms.** If so, please give Angela a call on 02033 978797 or email us on support@bluetuesday.co.uk.

We simply want to closely observe you doing a VAT return using our MTD software. Sorry, but we can’t accept anyone who has already sent in their figures because you can’t do the same submission twice.

Please do not register for MTD until we have completed this further test and given you the go-ahead, as you cannot go back to the old system once registered.

What we know so far about MTD

- The Registration process crashed when we tried to register and it took a few emails to HMRC and a couple of attempts before we managed to successfully register.
- Making the return is actually a very simple process once the system is set up, much easier than the old online filing system.
- You will be able to view your returns from within MTD for at least three years, possibly four, but you can’t see any pre MTD returns.
- The MTD sections pulls the return data from Blue Tuesday’s VAT Report very quickly and you just have to click to submit
- We believe you can only use one pc within the firm to submit returns due to the Government Gateway’s anti fraud measures.
- HMRC’s live MTD system crashed last week and was down for over a day

Angela

Angela is taking time off again this summer. Yes, we agree it’s shocking and shouldn't be allowed, and understand your amazement at her audacity!

She will be off work on May 2nd and 3rd, plus the 23rd, and then for a whole two weeks from June 10th to 21st.

Please would you try to email us with your queries and suggestions instead of ringing. Thank you.

support@bluetuesday.co.uk

02033 978797