



## IMPORTANT DOCUMENT PLEASE READ

# Checklist for upgrading GST from QuickBooks 2007/08 to 2011/12

### Pre-Upgrade

To ensure GST is upgraded correctly, please check the following:

#### Ensure a **Default Tax Code** has been allocated

This should be set to 'S' (Edit → Preferences → Tax → Company Preferences)

#### Ensure all **Tax Codes** have the correct **Tax Type**

They should appear as below. If these are incorrect they must be changed. (Lists → Tax Codes List)

- S Goods & Services Tax
- E GST Free
- N GST Free
- Z GST Free
- I GST Free

### Z-Codes

- Ensure there are no Z-Codes assigned to any expense transactions. E-Codes should be used on exempt expenses and the Z-Codes should *only* be used on zero rated sales.

### Sales Tax

- Earlier versions of QuickBooks (eg version 5, 6 & 7.5 ) had a 'sales tax' code. Make sure that **ALL** tax codes are assigned to the tax return line Goods & Services Tax or GST Free (as above) **NOT** Sales Tax.

NB : We recommend that you start a new file rather than upgrading from these old versions.

### Inland Revenue Supplier

- Ensure that there is only **one 'Inland Revenue Office'** name in the supplier list. During the upgrade process, all GST portions of historical transactions get assigned to a new supplier in the 2011/12 version called '**Inland Revenue Office**'. This is then also enabled as a '**Tax Agent**' in 2011/12 which is further linked to the **Tax Payable** account used for your GST. If you have set up other suppliers names and used the wording *Inland Revenue* more than one name in your supplier list in an earlier version (i.e. Inland Revenue and Inland Revenue Dept) for your GST refunds and payments, it can cause problems in the upgrade.

We suggest you rename these suppliers. Eg IRD PAYE, IRD Terminal Tax etc.



**All** your existing **GST** payments **one** Inland Revenue name. If with payments and refunds going to different names, move **all** GST payments & refunds to the **one** Inland Revenue Office name. Doing this will put ALL GST transactions into the one supplier name for the 2011/12 version. The balance showing with this *Inland Revenue Supplier* name on the supplier list in 2011/12 should then reflect the *Outstanding* GST payment or refund which should balance to the *Tax Payable* account on the *Chart of Accounts*.

Any other IRD payments (ie PAYE or Provisional Tax) should be shown under a different supplier name ie 'IRD PAYE, IRD Provisional Tax'.

So:

- 1) Open up your supplier list in 07/08
- 2) Make sure you see ALL names, including inactive ones
- 3) Move all GST payments and refunds to the one Inland Revenue Supplier name
- 4) Rename any other names that have Inland Revenue in the title and move transactions to the respective names. Example IRD Tax & PAYE

**Print off all GST Reports** (These can be exported and kept in Excel)

- GST 101 at all Dates
- GST Summary Report at all Dates
- GST Detail Report at all Dates
- Tax Code Exception Report at all Dates

## Backup

Make an external backup of the database and keep this. Make sure it is clearly labeled as Pre 2011/12 Upgrade. This backup will also be used when upgrading to 2011/12, or if you need to reopen in QuickBooks 2007/08.

If you upgrade using the QBB file you will not be prompted to create a backup. However, if you upgrade using the QBW file a backup will be created during the upgrade process. This backup cannot be used again in QuickBooks 2007/08.

## Post Upgrade

Once the database has been upgraded you will need to check the following:

### **DO NOT ENTER ANY TRANSACTIONS UNTIL YOU ARE 100% SURE GST IS SET UP CORRECTLY AND IT BALANCES AS IT DID IN 2007/08**

- Go in to the *Supplier Centre*, right click on the *Inland Revenue supplier*, and select *Tax Agency Info*. Make sure there is an account assigned here. (ie Tax Payable, Current Liability account)
- Ensure the *Default Tax Code* is set to 'S'. (Edit → Preferences → Tax → Company Preferences) Note: this will not automatically update so just reset.
- In the same screen (Edit → Preferences → Tax → Company Preferences) ensure the correct *Tax Agency* is selected. Note: This should be the same one in your *Supplier Centre*.



## Check the Setup of the Tax

## Codes

Ensure the *Tax Codes* are set up correctly. Please see below:

Tax Code	Purchase Tax Item	Sales Tax Item
S	S-P	S-S
E	E-P	E-S
N	N-P	N-S
Z	Z-P	Z-S
I	I	N/a

## Check the setup of the Tax Items

Ensure the *Tax Items* are set up correctly. Please see below:

Tax Item Name	Tax Return Line	Used in transactions	Tax Agency
S-S	Goods & Services Tax	Sales	Inland Revenue
S-P	Goods & Services Tax	Purchase	Inland Revenue
E-S	GST Free	Sales	Inland Revenue
E-P	GST Free	Purchase	Inland Revenue
N-S	GST Free	Sales	Inland Revenue
N-P	GST Free	Purchase	Inland Revenue
Z-S	GST Free	Sales	Inland Revenue
Z-P	GST Free	Purchase	Inland Revenue
I	Import/Goods & Service tax	Purchase	Inland Revenue

## Reports

Compare the same reports you printed (or exported to Excel) prior to the upgrade with the reports being produced by QuickBooks after the upgrade. Ensure you are using the same date range as before.

- GST 101 at all Dates
- GST Summary Report at all Dates
- GST Detail Report at all Dates
- Tax Code Exception Report at all dates

## Backup

Make an external backup of the database and keep this. Make sure it is clearly labeled as Post 2011/12 Upgrade. This backup can be used if you need ever to reopen your newly upgraded QuickBooks 2011/12 file.