

Simply Accounting

by Sage

Premium 2010

Simply Accounting 2010 and the HST

Effective July 1, 2010 the provinces of British Columbia and Ontario have opted into the Harmonized Sales Tax. This additional handout is intended to provide an overview of how Simply Accounting 2010 and future versions will handle the conversion to the HST.

The CCI courseware is all based on the previous Sales Tax structure of GST and PST. At the time of the development of the courseware, there was still considerable controversy surrounding the implementation of the HST.

The makers of the Simply Accounting 2010 program have included a conversion wizard which will start automatically if a date close to or after the July 1, 2010 has been reached in the data file

Simply Accounting has created a brief on-line video that outlines how to use the HST Wizard. This video is pre-recorded, so watch it anytime! To find this video, open your browser to the Simply Accounting website: <http://www.simplyaccounting.com/>

Look for the Accounting Solutions window and select the **HST** option.



Accounting Solutions

Simply Accounting 2010 focuses on you:
We make your tasks simpler, your work more efficient, your business stronger.

- ▶ [Which Product is Right for You?](#)
- ▶ [HST | Tax and Compliancy](#)
- ▶ [Windows 7@ Compatibility](#)

Knowledgebase Articles

- ▶ [Frequently Asked Questions about the HST implementation in British Columbia and Ontario](#)
- ▶ [Updating the default tax codes for customers and vendors – HST](#)
- ▶ [HST implementation in Simply Accounting](#)
- ▶ [Remit Tax \(GST, HST\)](#)
- ▶ [Can not add a new tax in the First Step version](#)
- ▶ [How do I remit my taxes in my First Step version? How do I know how much money I owe?](#)
- ▶ [Video: Setting up HST](#)

To watch the video, select the last option in the Knowledgebase Articles: **Video: Setting up HST.**



In the following pages terminology in the screen shots and the written portion of this handout may not always be identical to what a user may see on his/her screen. This applies especially to **vendors** or **suppliers**. Depending on how the company was originally set up either term may be used.

Creating a new company from scratch in B.C. or Ontario

In this example we will create a new company from scratch, in British Columbia as well as Ontario.

The screen shots at the right are part of the New Company wizard in Simply Accounting 2010.

For both companies we used January 1, 2010 as the Fiscal Start Date and a Retail Chart of Accounts Template.

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For both companies we used January 1, 2010 as the Fiscal Start Date and a Retail Chart of Accounts Template.

Enter your company's name and address, as you wish it to appear on reports and forms.

Name:

Street 1:

Street 2:

City:

Province: British Columbia

Postal:

Country:

Phone 1:

Phone 2:

Fax:

Enter your company's name and address, as you wish it to appear on reports and forms.

Name:

Street 1:

Street 2:

City:

Province: Ontario

Postal:

Country:

Phone 1:

Phone 2:

Fax:

The British Columbia company shows the following Taxes and Tax Codes.

Taxes

Tax	Tax ID Included on Forms	Exempt from this tax?	Is this Tax taxable?	Acct. to track tax paid on purchases	Acct. to track tax charged on sales	Report on taxes
GST		No	No	2315 GST Paid on Purchases	2310 GST Charged on Sales	Yes
PST		No	No		2300 PST Payable	No
HST		No	No	2315 GST Paid on Purchases	2310 GST Charged on Sales	Yes

Tax Codes

Additional tax codes (such as HE) may be added, as required, in the normal manner.

To add a tax code, enter in a code and description.

To see tax code details, double-click on a tax code or description.

Code	Description	Use In
GP	No Tax	All journals
G	GST 5%, PST 7%	All journals
P	GST 5%	All journals
P	PST 7%	All journals
G0	GST 5%, PST Exempt for Purchases	Purchases
GE	GST 5%, PST Exempt for Sales	Sales
H	HST 12%	All journals

Assign Tax Codes...

The program has automatically created the correct taxes and codes.

The Ontario company uses identical Taxes and similar Tax Codes.

Tax	Tax ID Included on Forms	Exempt from this tax?	Is this Tax taxable?	Acct. to track tax paid on purchases	Acct. to track tax charged on sales	Report on taxes
GST		No	No	2315 GST Paid on Purchases	2310 GST Charged on Sales	Yes
PST		No	No		2300 PST Payable	No
HST		No	No	2315 GST Paid on Purchases	2310 GST Charged on Sales	Yes

However, for Ontario the appropriate Provincial Portion of the Tax (8%) is used.

To add a tax code, enter in a code and description.

To see tax code details, double-click on a tax code or description.

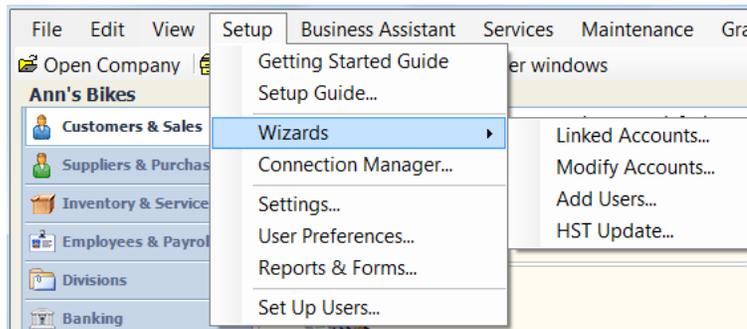
Code	Description	Use In
GP	No Tax	All journals
G	GST 5%, PST 8%	All journals
G	GST 5%	All journals
P	PST 8%	All journals
G0	GST 5%, PST Exempt for Purchases	Purchases
GE	GST 5%, PST Exempt for Sales	Sales
H	HST 13%	All journals

Assign Tax Codes...

Opening and updating an existing data file which had originally been set up under the GST/PST Sales Tax format.

Let's assume the data file had been set up in SA 2009 using GST & PST. After conversion to SA 2010 the program will provide the additional menu choice under the Wizards sub menu of the Setup menu.

To update your data file follow the wizard.



The three choices shown are available, with the default choice being the top one – to update now.

HST Update Wizard

Federal/Provincial Sales Tax Update

Effective July 1st, 2010, the British Columbia and Ontario governments are opting in to the federal HST program. If your business is located in BC or Ontario, your sales tax information needs to be updated.

Use this wizard to create a new tax called HST and to add basic tax codes for your province.

Your old taxes and tax codes will still be available to you in case you need to use them.

How do you want to proceed?

I want to update my tax information now
 I will update my tax information myself
 I have already updated my tax information

[Tell me more about setting up taxes and tax codes](#)
[Go to your provincial HST web page to learn more about the HST changes](#)

Clicking **Next** will produce this screen. In most situations there will only be two items available in the drop down list: GST and PST, and Simply Accounting will usually identify the correct choice (GST) automatically. Click **Next** to continue.

HST Update Wizard

Add HST Tax

Simply Accounting is going to create a new tax for HST using all of the information that is currently used for your company's GST tax. This includes the GST Tax ID and the accounts used to track the GST.

In order to add the HST tax, you need to select your current GST tax from the list.

GST tax:

You can rename or change the HST accounts at any time.

[Tell me how to re-name an account](#)
[Tell me how to change the accounts that track the HST](#)

Two new Tax Codes will now be added to the data file: H for HST at 12% and HE for HST at 5% with an exemption for the provincial portion.

Clicking **Next** will activate these additions.

HST Update Wizard

Add Tax Codes

The following tax codes will be added to your company:

Code	Description	Rate
H	HST 12%	12%
HE	HST 5% Exempt from provincial portion	5%

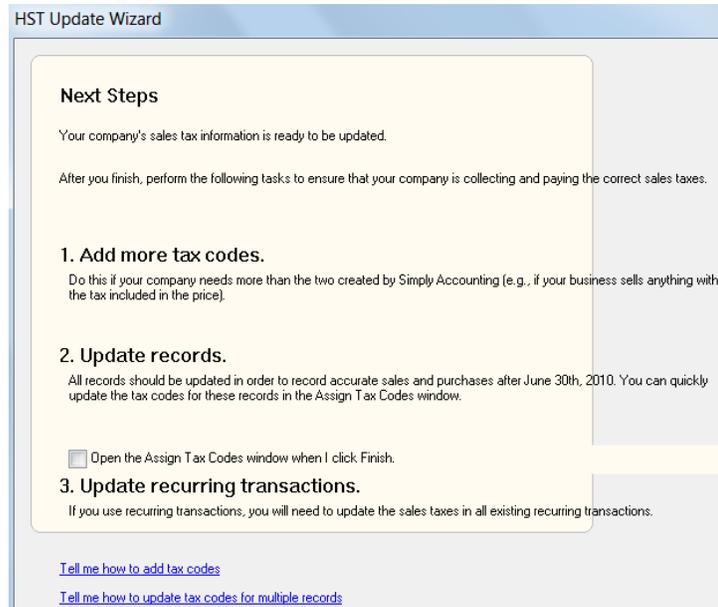
You can change this information or add more tax codes to your business at any time.

[Tell me how to add or modify tax codes](#)

The screen at the right advises of additional options that are not a requirement, but are a good idea to implement at this stage. Review particularly point 2 to update any records which had old tax codes assigned to them.

For example, suppliers and customers may have had tax codes assigned to them, making data entry quicker when such customer or supplier is selected for a transaction.

Click **Finish** to close the Wizard



Once the wizard has been utilized in a data file to update the tax codes, the HST Wizard option will no longer be available.

Now you must remember to also update your Chart of Accounts.

This	changes		to this.
2310 GST Charged on Sales	A	2310 HST Charged on Sales	A
2315 GST Paid on Purchases	A	2315 HST Paid on Purchases	A
2325 GST Adjustments	A	2325 HST Adjustments	A
2330 ITC Adjustments	A	2330 ITC Adjustments	A
2335 GST Owing (Refund)	S	2335 HST Owing (Refund)	S

The same account numbers will be used, but it is usually a good idea to update the names to avoid confusion.

After the final PST remittance has been made, the PST account will not be used again. It **cannot** be deleted until two year ends have come and gone.

Clicking the link at the bottom of *how to update tax codes for multiple records* will open the following Help window:

Assign a Tax Code to Multiple Records

▶ Before you can perform this task

To assign a [tax code](#) to multiple records:

1. In the Home window, on the Setup menu, select **Settings**. Click **Company, Sales Taxes**, and then **Tax Codes**.
2. Click **Assign Tax Codes**.
3. In the **Show** section, select the type of record that you are updating, and the old default tax code you are updating.
4. From the **New Default Tax Code** list, select the new tax code.
5. In the **Name** column, select the records that you want to update.
6. Click **Assign**.
7. Click **Close** to close the window.

We will follow the suggested thread to update our records. It must be remembered that this additional step will only work if your customers or suppliers had tax codes assigned to them in the first place. In our example we will update our supplier records.

To add a tax code, enter in a code and description.

To see tax code details, double-click on a tax code or description.

Code	Description	Use In
GP	No Tax	All journals
G	GST 6%, PST 7%	All journals
P	GST 6%	All journals
H	PST 7%	All journals
H	HST 12%	All journals
HE	HST 5% Exempt from provincial portion	All journals

Assign Tax Codes...

In the Tax Codes window, click **Assign Tax Codes**.

When the **Assign Tax Codes** window opens select either Customers or Suppliers as well as the Tax code which is to be updated.

Also select the code which is to replace the old tax code.

In this screen you have the option to Select All, or using the **(Ctrl)** key, select only those names which you wish to assign the new tax code.

We will select all names.

When the selection has been done, click the **Assign** button, which will remove all names from this screen (the selected names now have a different (H) tax code assigned to them.)

You may need to repeat the process if any of your suppliers have a different tax code assigned to them.

For example Telus will have GP code. The process is the same, and the tax code to be assigned will again be H for HST.

Show

Customers With this Default Tax Code: GP - GST 5%, PST 7%

Vendors

Select Records to Update... New Default Tax Code: H - HST 12%

Name	Province
Telus	

To review that the program has in fact assigned the required tax codes, open any supplier record, select the **Taxes** tab and note the new **Tax** code.

Vendor: Acme Key Supply

Address | Options | Taxes | Statistics | Memo | Import/Export | Additional Info

Indicate which taxes this vendor does not charge you by entering Yes for Tax Exempt.

Tax	Tax Exempt
GST	No
PST	No
HST	No

Choose the tax code that includes the taxes that this vendor normally charges you:

H - HST 12%

Using the HST in transactions

Once the HST tax code has been set up, it is ready to be used in Sales or Purchase transactions. We will display a Sales transaction for demonstration purposes.

Open the Sales Journal in the usual manner and select a customer. Note the assigned tax code is already displayed in the Tax column. Select the items in the normal manner.

Sales Invoice

Customer: * Larry's Travel Service
 Shipping Address: <Mailing Address>
 Valerie Singh
 3472 West 41st Avenue
 Vancouver, BC
 V5A 2G9

Invoice No.: * 1005
 Date: * 01/31/2010
 Order No.:
 Shipping Date:
 Salesperson:
 Ship from: Primary location

Item Number	Quantity	Unit	Item Description	Base Price	Discount	Price	Amount	Tax	Account	Projects
H501	1	Each	Keyboard	15.00		15.00	15.00	H	4020 Sales ...	
H502	1	Each	Mouse	10.00		10.00	10.00	H	4020 Sales ...	

Subtotal: 25.00
 Freight:
 Tax: 3.00
 Total: 28.00

Early Payment Terms: % Days, Net Days

Selecting the **Report** menu and **Display Sales Journal Entry** will show how Simply Accounting will treat the funds.

Sales Journal Entry 01/31/2010 (J45)

Account Number	Account Description	Debits	Credits
1200	Accounts Receivable	28.00	-
5020	Inventory Cost	14.99	-
1520	Inventory	-	14.99
2310	HST Charged on Sales	-	3.00
4020	Sales Inventory A	-	25.00
Additional Date:	Additional Field:		
		42.99	42.99

Remitting Sales Taxes

Remitting Sales Taxes to the government will become simpler under the HST. Since there is only one tax to be reported, documentation will be reduced. No longer will it be necessary to submit two reports, the PST to the Provincial Government (with the appropriate calculations for commissions) and the GST to the Federal Government.

Commencing July 1, 2010 all companies registered for the HST, will receive the new HST form on the appropriate date for their remittance schedule, monthly, quarterly, semi-annually or annually.