



RIFT

Safety in numbers



WHAT TO DO AFTER YOU REGISTER FOR VAT

RIFTACCOUNTING.COM

YOU'RE AT THE STARTING LINE; HERE'S HOW TO WIN THE VAT RACE

Good for you - you've shown the world you mean business by registering for VAT. Right now, it's all about making your VAT status work for you. Things are about to start changing in your business, so you need to make sure you're prepared. Here's a brief rundown:

- You're going to start charging 20% VAT on all your sales from now on.
- The VAT number you've been given is your ID badge. You won't get into any of the cool parties without it, so keep it handy.
- Follow your paper trails. Those VAT receipts and invoices are vital currency now.
- Missing an HMRC deadline is deadlier than insulting a crocodile, so keep your quarterly VAT returns in order.

WHICH VAT DID YOU JUMP INTO?

Crucially, you need to know your VAT scheme. All businesses with a turnover greater than £81,000 have to sign up for one, but many choose to do so voluntarily. Depending on the type of business you're running, you may have registered for:

THE STANDARD SCHEME

where you charge VAT to your customers and claim it back on your core business expenses from HMRC.

THE FLAT RATE SCHEME

where you charge the full amount but pay only part of it on to HMRC. In this scheme, you don't get to claim back VAT on your expenses.

In either case, RIFT Accounting can advise you on which scheme works best for you, and how to get the most from it. The records you have to keep are pretty specific and detailed, so make sure you're on top of those right from the start. Also, there are different rules for things like charities, so get in touch with RIFT Accounting if you need advice with those.

If it's already gone wrong and you've sent out invoices without VAT that should have included it, then you'll need to send an additional VAT-only invoice to cover those charges.

CHARGING IN

Not every type of business is covered by the standard 20% tax, so the first thing to know is the right rate to use. Once you're on the right track with that:

- Work out the amount of VAT the you're charging and make sure the invoice spells it out.
- Show the transaction in your VAT account.
- Make sure the transaction shows up in your VAT return.

As for the VAT you reclaim on your business expenses, remember that it has to be for the VAT-taxable goods or services that you supply. As always, get in touch and we'll make sure you never miss out.



PULLING YOUR VAT OUT OF THE FRYER

There are a few dangers that can trip you up if you're not careful. For example, even once you've registered, you can't start charging your customers VAT until you've got your VAT number - though you'll still be paying VAT yourself during that period. If you've raised your prices before your number arrives (which is probably not a bad idea), make sure your customers understand what's happening. Once you've got your VAT number, you can reissue those invoices to show the VAT. Again, talk to RIFT and we'll show you how that works.

THE V STANDS FOR VALUE

There's a lot more you need to know to make the most of your newfound VAT-registered prestige. You may be able to backdate claims for VAT you've paid before registering, for example - but if you pay the wrong amount of VAT on a purchase you won't be able to claim the full amount back. There's a lot of ground to cover and it's easy to get lost in it, so send up a smoke signal for a RIFT Accounting rescue team today!

CALL US ON

01233 653006

**TO SEE HOW WE CAN
HELP YOU TODAY**

CHECK OUT OUR YOUTUBE
CHANNEL FOR LOADS OF
HELPFUL VIDEOS INCLUDING :
SMALL BUSINESS FAQs

YOUTUBE /RIFTACCOUNTING

RIFTACCOUNTING.COM

RIFT
Safety in numbers

RIFT HOUSE

200 Eureka Park, Upper Pemberton,
Kennington, Ashford, Kent TN25 4AZ

Tel: 01233 653006

info@riftaccounting.com