



FAQ: AlphaVAT Calculation Options

Q: What are the VAT calculation options?

The VAT calculation options tab allow you to select the type of calculation you need to perform which are displayed under the following categories:

- Partial Exemption: This allows you to choose the standard or special methods
- Other: This allows you to select the Nil Return option for entities where every box
- General: This allows you to include provision for International and Domestic reverse charges in your VAT Return calculation

You can also select a template that you have previously created.

Q: What is the partial exemption standard method option?

This option should be selected where the standard method values-based recovery is relevant for a partially exempt entity. When this is chosen, AlphaVAT is prompted to present additional calculation inputs at the file mapping stage so that transactions can be filtered into taxable, exempt, excluded and residual for the purposes of the partial exemption calculation.

Q: What is the partial exemption special method option?

This option should be selected where the special method recovery is relevant for a partially exempt entity. After setting this flag to Yes, you must then specify whether the recovery method is a sectorised method.

Sectorised methods are those where the residual input tax is divided between the different areas of the business. Generally, these methods are used because the recovery of non-attributable input tax by reference to one calculation, via averaging, would not give a fair and reasonable result because the costs are used in each sector in different proportions.

Setting this flag to **Yes** will prompt AlphaVAT to present the **PESM builder** screen.

Q: What is the Nil return option?

This option allows you to prepare a VAT Return where all of the 9 box figures will be zero. By selecting this you will bypass the normal calculation process of uploading and mapping data and move direct to the final VAT Return.

Q: What is the international option?

Use this option where transitions have been made with countries in Europe and the rest of the world.

Selecting this option will prompt AlphaVAT to present additional calculation inputs at the Map files stage in order for any transactions to be filtered into imports, exports, acquisitions, distance sales, reverse charge, and dispatches in order to calculate and populate the overseas parts of the VAT return.

Please refer to the Transaction data help page for further details.

Q: What is the Domestic reverse charge option?

Use this option where goods and services have been purchased from suppliers located in the UK but VAT has to be self-accounted for by the customer.

Selecting this option will prompt AlphaVAT to present the additional calculation input at the Map files stage in order for any transactions to be filtered into the Domestic reverse charge for the purposes of self-accounting for VAT.

Q: What is the Domestic reverse charge option?

When you use the AlphaVAT calculation method to set up an entity's calculation requirements for the first time, you will be given the option create a template based on the calculation criteria you have selected.

This template can then be applied to other entities or future obligations where the VAT calculation criteria is the same. The default selection is set to none. If you wish to apply a template, click on the drop-down list, and select the template you wish to use.

For more information, see the **AlphaVAT Calculation Guide**.