



DATAFLOW

Financial Software Solutions

Making Tax Digital

User Guide

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Introduction

Using the Dataflow MTD Module you will be able to submit your VAT 100 Tax Return Digitally. Dataflow have aimed to make the procedure of submitting the VAT 100 Tax Return as seamless a process as possible. How to setup and maintain the newly mandated method of processing the MTD VAT 100 Tax Return follows.

When to sign up for MTD

DO NOT sign up with HMRC for MTD for VAT until the Dataflow MTD Module is installed and training provided.

Unless you are going to fall foul of the date on which you are mandated to make an MTD digital submission, do not attempt to sign up to MTD if your VAT return is due within 72 hours - submit it manually on the HMRC website and then sign up for MTD.

MTD VAT 100 Returns is not at the time of writing available to all.

Sign up for the pilot

You'll need to have:

- your Government Gateway user ID and password
- your VAT registration number

You may also be asked to confirm your details.

After you have signed up

We will send you a confirmation email within 72 hours of you signing up for this service.

Do not submit your VAT Return until you receive the email.

You must make sure that you either get [compatible software](#), or that the software you already use is suitable for Making Tax Digital before you [sign up for the pilot](#).

Sign up for MTD link:

<https://www.gov.uk/guidance/sign-up-for-making-tax-digital-for-vat#before-you-start>

Once you have successfully signed up you should receive a confirmation email from HMRC within 72 hours. Do not manually submit a VAT100 Return on the HMRC website in between signing up for MTD and receiving the confirmation email.

Once you have received the confirmation email from HMRC you should immediately log into Dataflow Accounts, navigate to the "Submit VAT100 Return to HMRC" menu option, select the appropriate company or VRN, and log into the HMRC website. Your outstanding VAT obligation(s) will be displayed.

Workflow

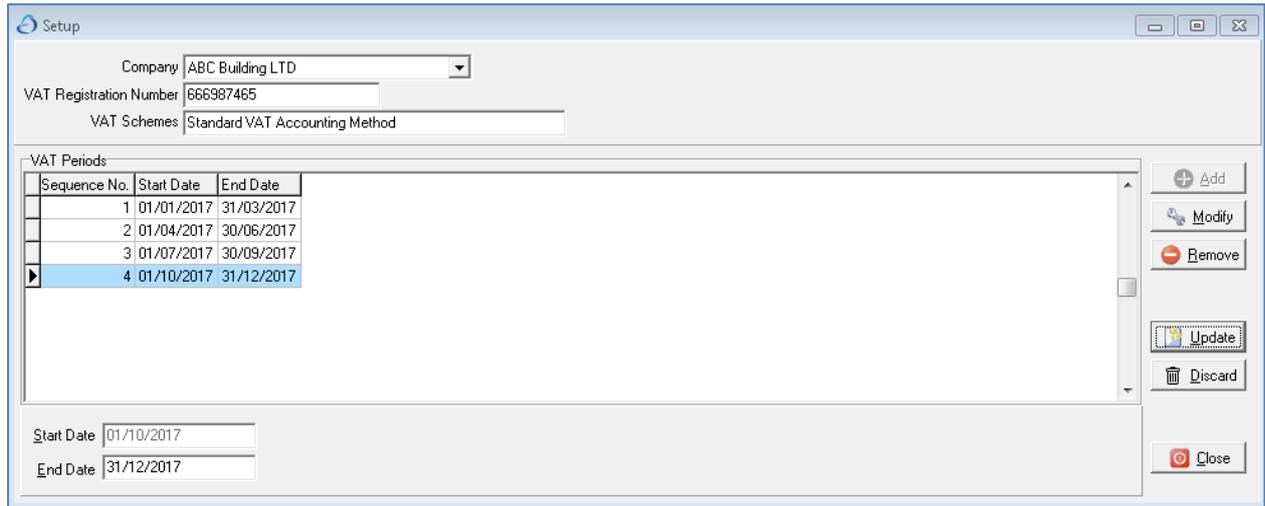
1. Login to Dataflow
2. Ledgers
3. VAT & Audit Trails
4. MTD
5. Setup - ([Setup the VAT Periods for the Company that will submit via MTD](#))
6. MTD Credentials – ([Setup MTD Credentials](#))
7. Close VAT Period - ([See Close VAT Period](#))
8. VAT Adjustments if required - ([VAT Adjustment Nominals are setup in the Nominal Ledger](#))
9. Submit VAT 100 to HMRC or Flag as submitted
(You don't need to login to HMRC to Flag as Submitted, ([Logging into HMRC](#)))

The above Workflow does not include granular detail such as which 'button' to click. It is an overview of the workflow and step by step instruction can be found for each routine within this document.

Setup of VAT Periods

When you are ready to start using Dataflow MTD you will have to 'Setup' VAT Periods for the Company. Dataflow may already have set these up for you during installation of Dataflow Accounts v10.

The start date will default to the date after the last Dataflow VAT Period closure. If no Dataflow Accounts VAT periods have ever been closed you will have to enter the start date of the first VAT period that you are going to process using Dataflow.



Sequence No.	Start Date	End Date
1	01/01/2017	31/03/2017
2	01/04/2017	30/06/2017
3	01/07/2017	30/09/2017
4	01/10/2017	31/12/2017

Steps

1. Dataflow Toolbar
2. VAT & Audit Trails
3. MTD
4. Setup
5. Click Add
6. Review the End Date pop-up
If happy with the Date click ok or amend as required
7. Repeat the above 5-6 until there is a whole years' worth of Periods
8. Update

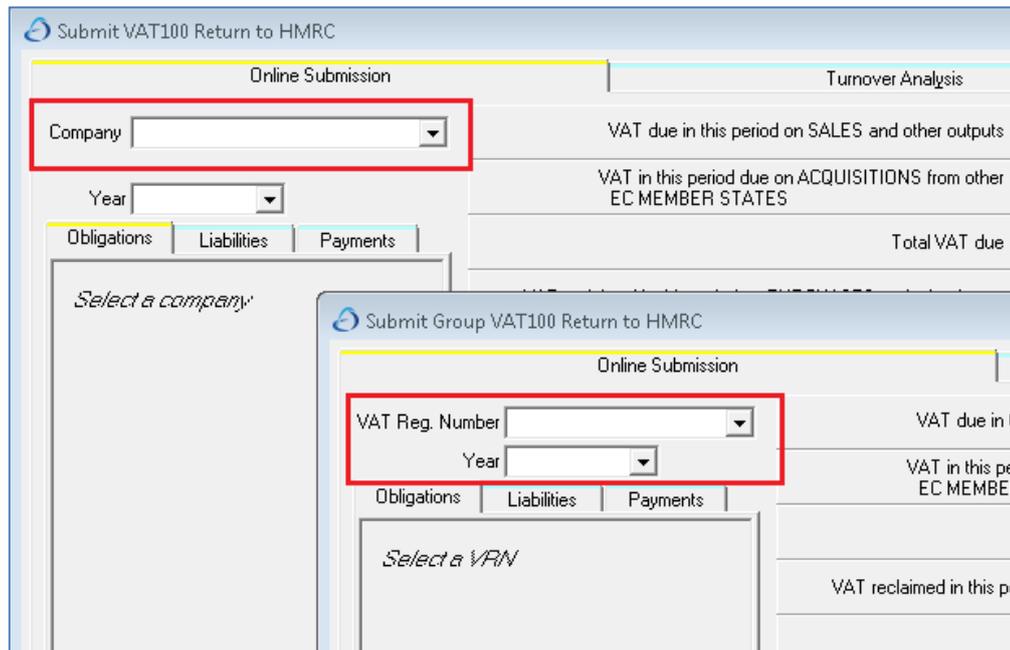
The Setup tries to be intuitive. Depending on whether the VAT Periods are Monthly or Quarterly the time between Start and End will adjust accordingly. However please control the End Date and enter the correct date for your organisation.

You must have a whole year's worth of VAT Periods before you can click update and complete the VAT Period Setup. Once the MTD VAT Periods are setup the Company will no longer appear in Standard Dataflow VAT Period Processing.

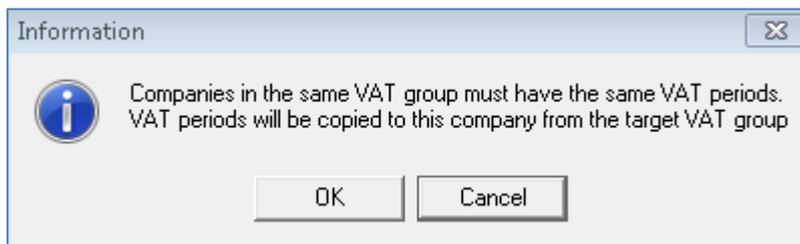
Setup of a VAT Group

“VAT Groups are defined by Companies with the same VRN (Vat Registration Number). Once VAT periods have been set up for the first entity in the VAT Group, each Company added to the group in the MTD Setup will automatically be assigned the same VAT periods.”

Note: that as there will be more than one Company in a VAT Group the Group identifier is the VRN of the Group



Note: Companies in the same VAT group must have the same VAT Periods.

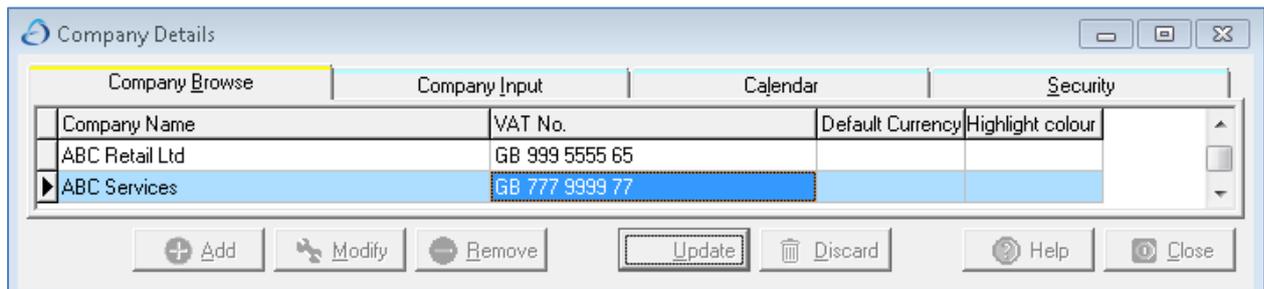


VAT Registration Numbers (VRN) in DF32 and MTD

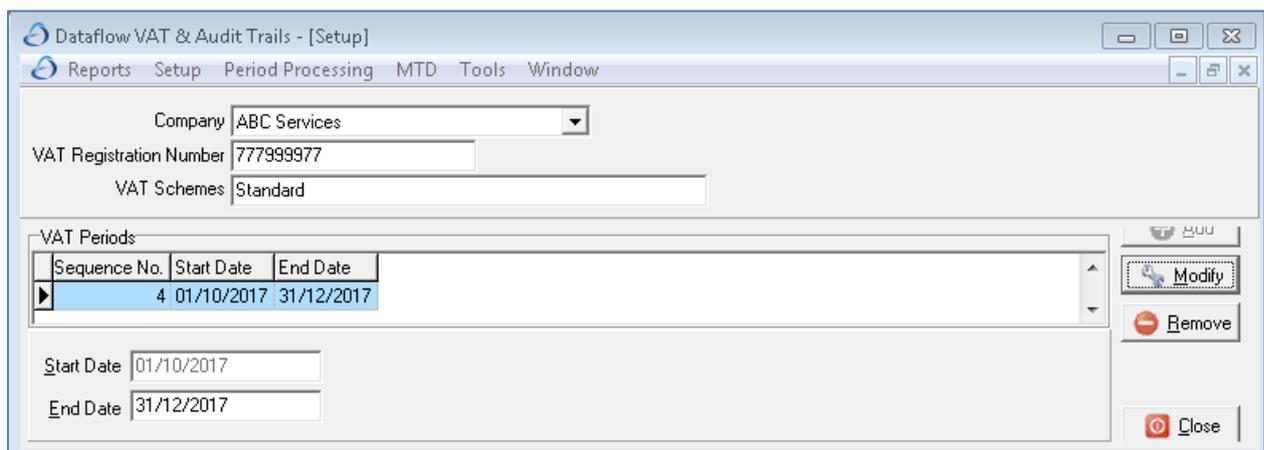
The MTD Module will only accept figures in the VRN field. In the Company Details setup window you may have letters and spaces in the VRN. Dataflow will strip the spaces and letters from the VRN in MTD. Company Details setup will maintain the VRN with spaces and letters.

Once MTD VAT periods have been setup for a Company, changing one will NOT change the other. This is so that the VRN in Company Details can be formatted for printing on documents.

Company Details Setup – VRN is Alphanumeric with space

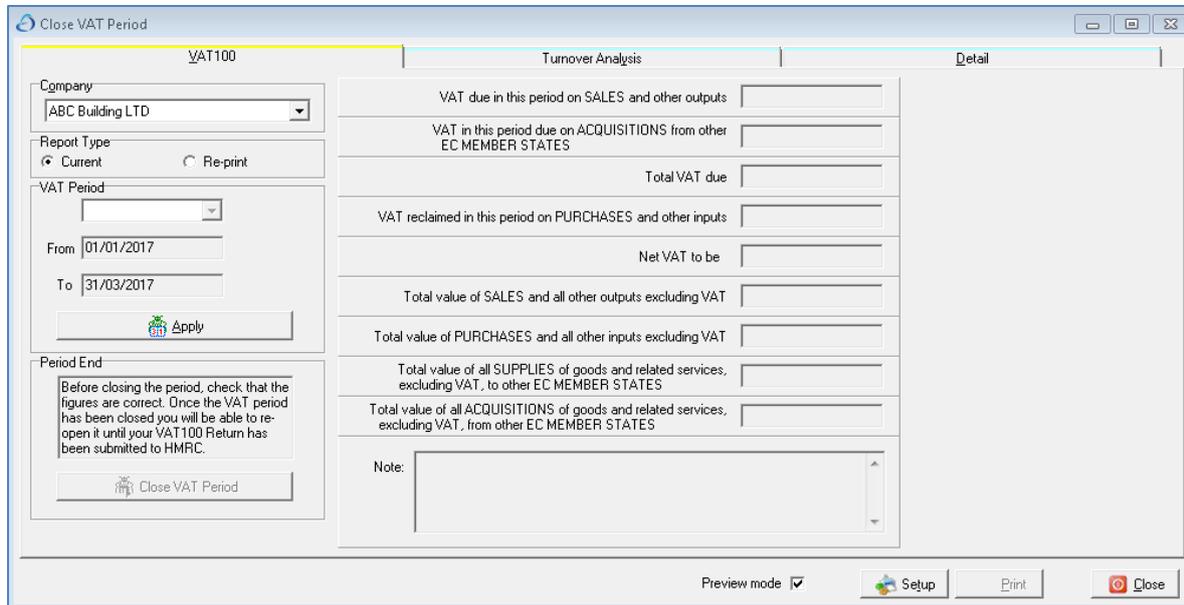


MTD Setup - Notice how letters and spaces have been stripped out.



Close VAT Period (MTD)

Once 'Setup' is complete the Company will be available for MTD VAT Period Processing (Close VAT Period). Closure of VAT Periods is in sequential order as per the setup.



Steps

1. Dataflow Toolbar
2. VAT & Audit Trails
3. MTD
4. VAT Period Closure
5. Select Company from drop down menu
6. Report Type = Current
7. Click Apply
8. Click Close VAT Period
9. Click OK
10. Click Close

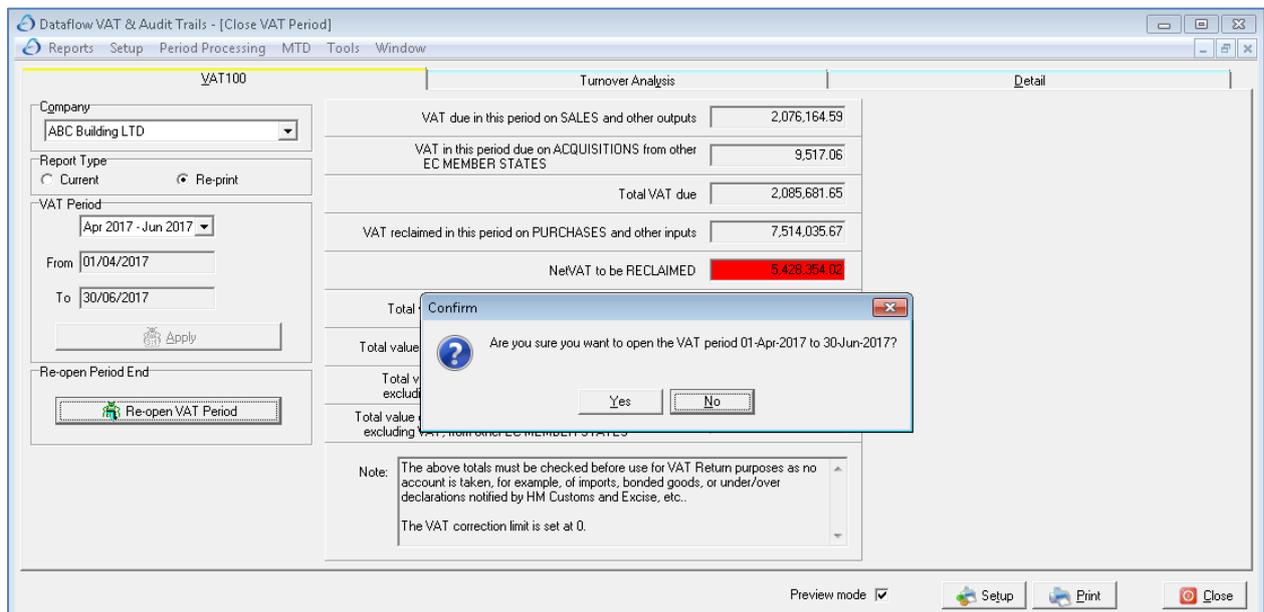
Normally, there are three tabs and a fourth being VAT 652 only if there are errors:

- **VAT 100**
This tab is where you enter which close or re-open VAT Periods.
- **Turnover Analysis**
Here you find a summary of what makes up the VAT 100
Highlight a VAT Code and Navigate to detail to view Transactional Lines
- **Detail**
In detail you have all the Transactions which make up a particular VAT Code

However, if there are errors (normally under declarations) that must be corrected using the form VAT652, a 4th tab will be displayed listing all the error transactions. VAT 652 is not submitted via the MTD Module.

Open a Closed VAT Period

Closed VAT Periods can be re-opened up to the point of Submission of the VAT 100. Once the VAT Period has been Submitted to HMRC (or flagged as submitted) you will no longer be able to re-open the VAT Period.



Steps

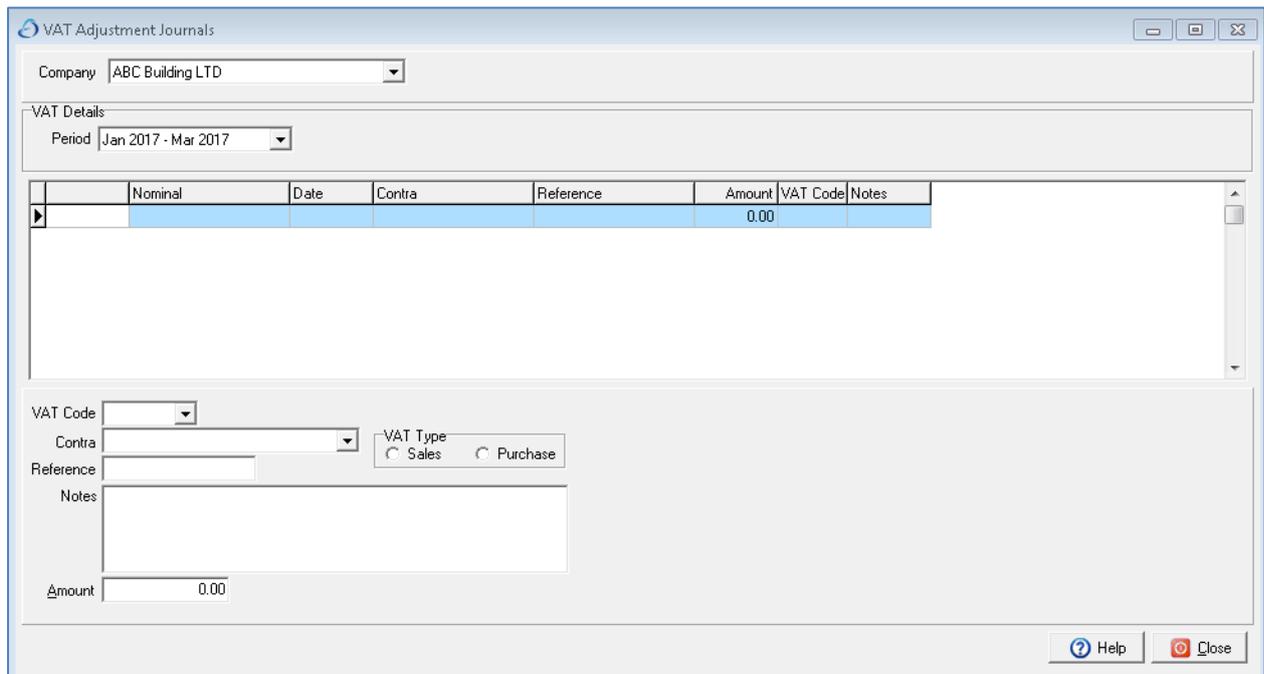
1. Dataflow Toolbar
2. VAT & Audit Trails
3. MTD
4. VAT Period Closure
5. Select Company from drop down menu
6. Report Type = Re-print
7. Select the most recently closed VAT Period from drop down menu
8. Click Apply
9. Click Re-open VAT Period
10. Click Yes
11. Click Close

Note: Just as closing VAT Periods is done in Sequential order so is Re-opening VAT Periods.

VAT Adjustments Journals

A VAT Period has to be closed before you can perform VAT Adjustments. VAT Adjustments are performed after VAT Period Closure and before VAT 100 Submission to HMRC.

Before you can make VAT Adjustments you must set 'Adjustment' Nominals against the VAT Code. Once Adjustment Nominals are set against the VAT Code the VAT Code will appear in VAT Adjustments Journals. ([Click here for steps on setting Nominal Codes against the VAT Code. Next page](#))



Steps

1. Dataflow Toolbar
2. VAT & Audit Trails
3. MTD
4. VAT Adjustments Journals
5. Using the Parameters provided write the Journal required to perform the Adjustment
6. Add as many Journal Lines as required
7. Update

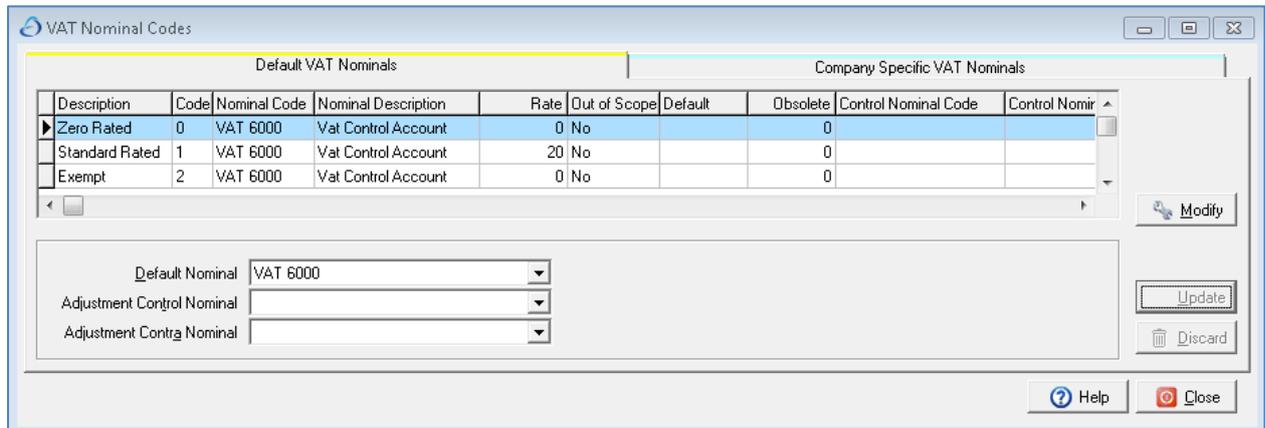
Add, Modify or Remove and Update when the Journal is complete.



Note: Positive Adjustments will increase the VAT Obligation for both Sales and Purchase VAT Types.

Setup VAT Adjustment Nominals

To be able to perform VAT Adjustments you must set Adjustment Nominals against VAT Codes



Default VAT Nominals						Company Specific VAT Nominals			
Description	Code	Nominal Code	Nominal Description	Rate	Out of Scope	Default	Obsolete	Control Nominal Code	Control Nomir
Zero Rated	0	VAT 6000	Vat Control Account	0	No		0		
Standard Rated	1	VAT 6000	Vat Control Account	20	No		0		
Exempt	2	VAT 6000	Vat Control Account	0	No		0		

Default Nominal: VAT 6000
 Adjustment Control Nominal:
 Adjustment Contra Nominal:

Steps

1. Dataflow Toolbar
2. Ledgers
3. Nominal
4. Setup
5. VAT Nominal Codes
6. Highlight VAT Code
7. Click Modify
8. Select:
 Default Nominal, Adjustment Control Nominal and Adjustment Contra Nominal from the Drop Down menu



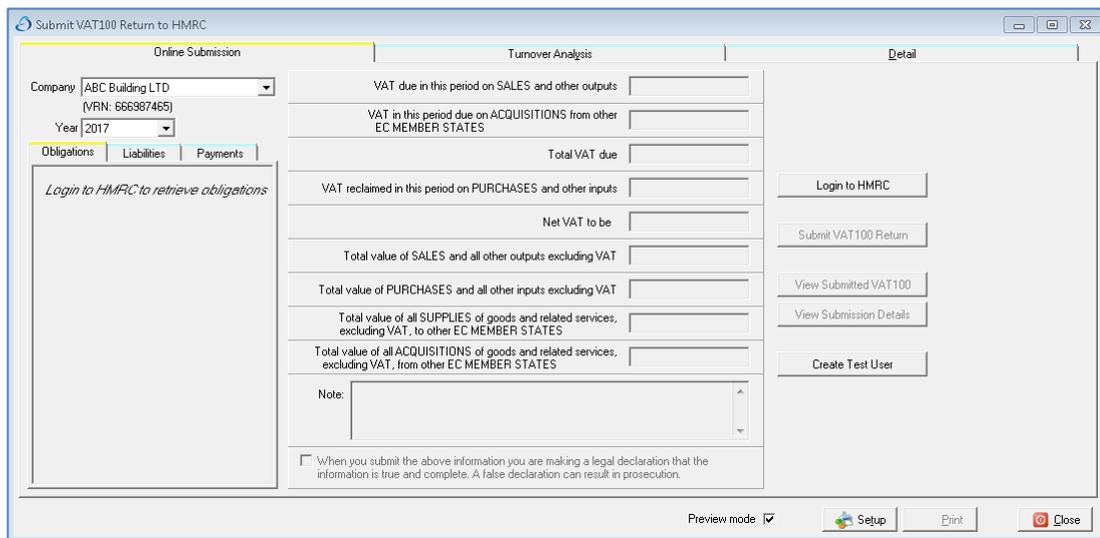
Default Nominal
 Adjustment Control Nominal
 Adjustment Contra Nominal

Explanation

Default Nominal	Is the VAT Default Nominal Code where VAT values will be posted during day to day transaction processing.
Adjustment Control Nominal	Is the Control Nominal. Can be the same as Default
Adjustment Contra Nominal	P & L Account

(The above Nominal Codes may have to be created and added to the Chart of Accounts and Account Level Security if implemented in the Nominal Ledger.)

Submit VAT 100 Return to HMRC



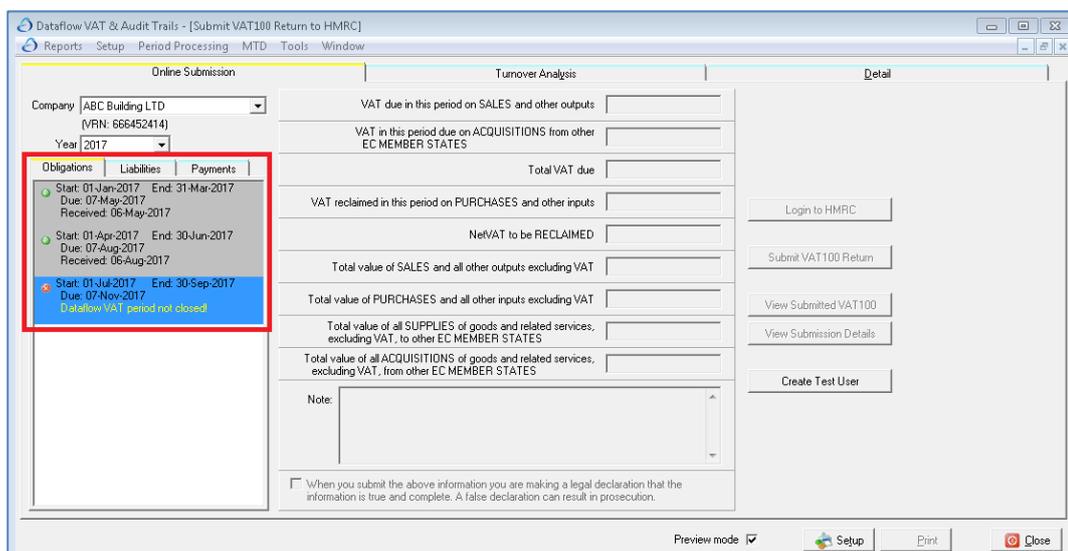
Steps

1. Dataflow Toolbar
2. VAT & Audit Trails
3. MTD
4. Submit VAT 100 Return to HMRC
5. Login to HMRC

Login to HMRC

To Submit a VAT 100 Return to HMRC you will have to Login to HMRC. This can be achieved in two ways. Either you enter login details each time there is a VAT 100 Return to submit or, in order to avoid having to enter your HMRC credentials every time you wish to access the Online Submission module you can save an "access token" provided by HMRC for up to 365 days. ([What are access Tokens? \(Link\)](#))

Obligations, Liabilities and Payments are returned values from HMRC. The successful submission will be listed as 'Received'.



In the image below we can see two Received Obligations and one Obligation where the VAT Period has not been closed in Dataflow.

Obligations	Liabilities	Payments
<ul style="list-style-type: none"> Start: 01-Jan-2017 End: 31-Mar-2017 Due: 07-May-2017 Received: 06-May-2017 Start: 01-Apr-2017 End: 30-Jun-2017 Due: 07-Aug-2017 Received: 06-Aug-2017 Start: 01-Jul-2017 End: 30-Sep-2017 Due: 07-Nov-2017 Dataflow VAT period not closed! 		

- Analyze your VAT 100 Return Details (Make any Adjustments before Submission)
- Tick

When you submit the above information you are making a legal declaration that the information is true and complete. A false declaration can result in prosecution.

- Click on the 'Submit VAT 100 Return' button which will become active.

Submit VAT100 Return

- Confirm you wish to proceed

Confirm

 You are about to submit your VAT100 Return for the period 01-Apr-2017 to 30-Jun-2017 to HMRC.
Do you wish to continue?

Yes No

- Enter your Dataflow User Password

Password confirmation

Enter your password

OK Cancel

- The Submission Succeeded (or Error details)

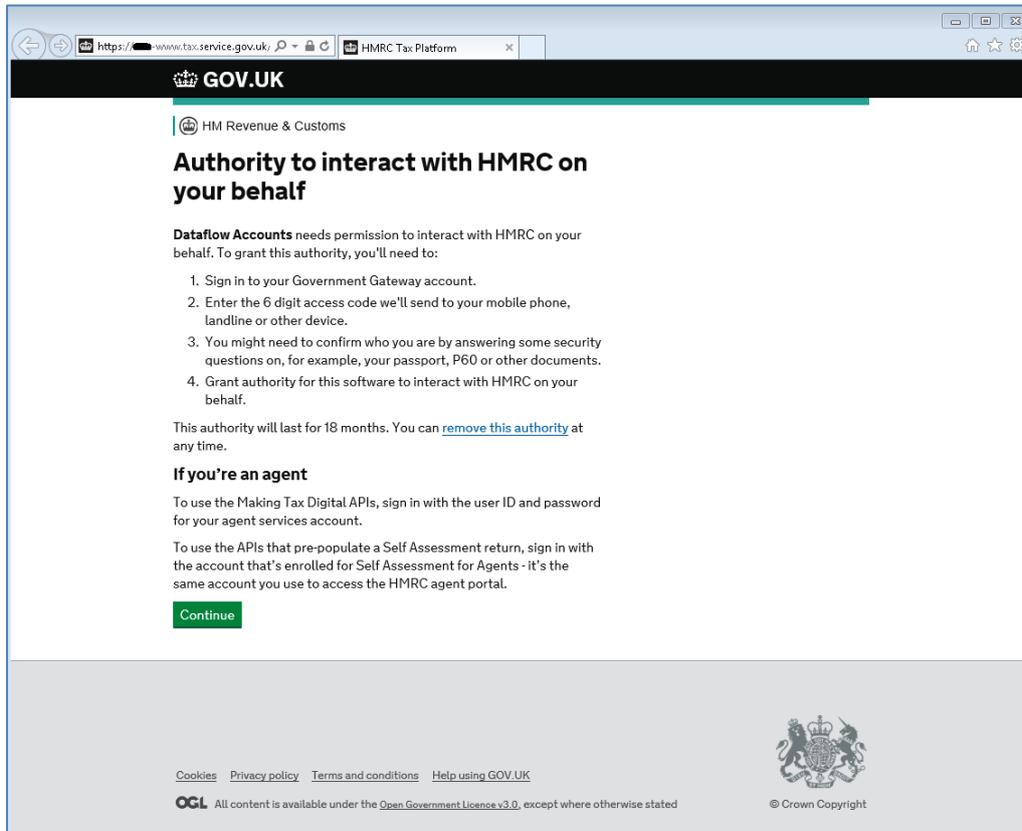
Information

 The submission succeeded

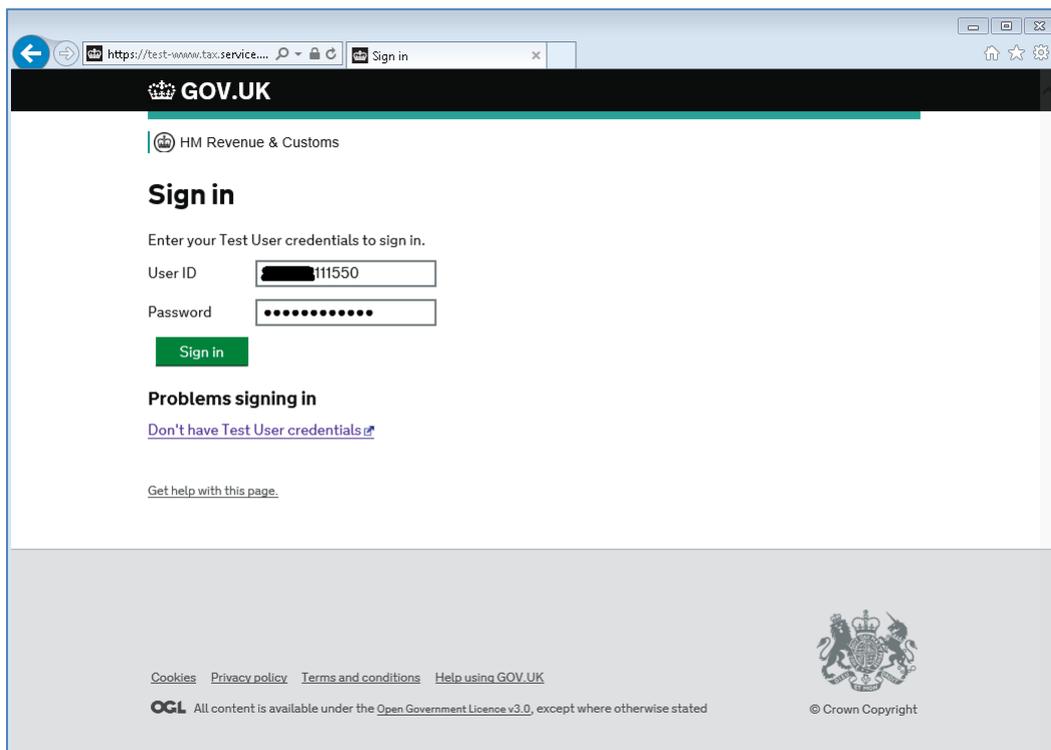
OK

Logging into HMRC via Dataflow

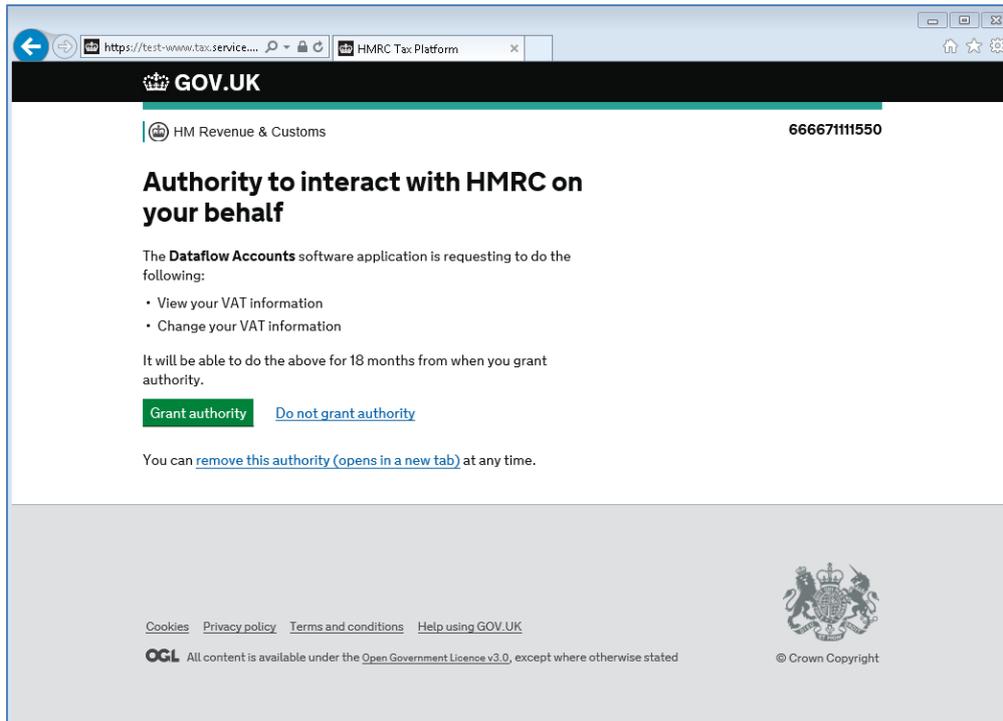
When you click on the Login button in Dataflow your default browser will be directed to the HMRC login page. HMRC provide user friendly step by step instructions on how to Login.



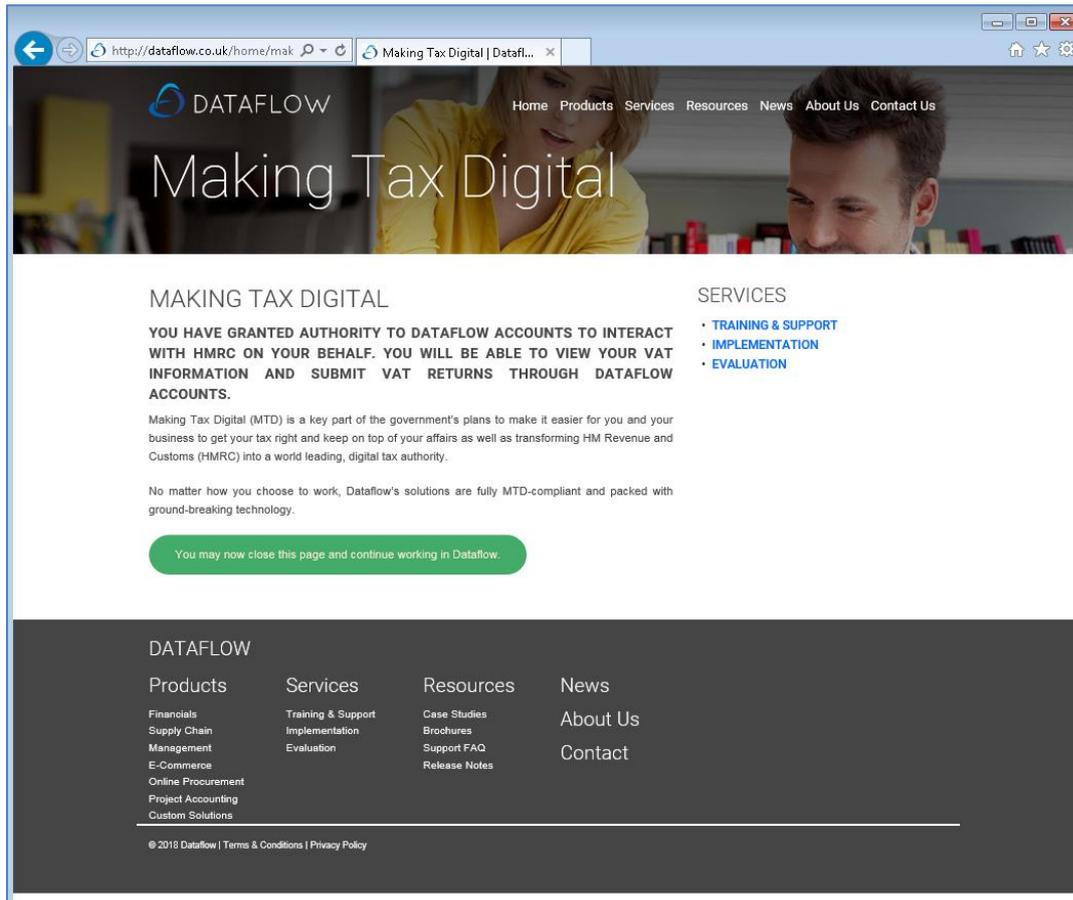
Enter Login details as required.



You must grant Dataflow Accounts authority to perform the actions listed below on the HMRC window.



Once you have logged in to HMRC and granted Dataflow authority you may return to Dataflow to process your VAT 100 Return. You no longer require the internet browser.



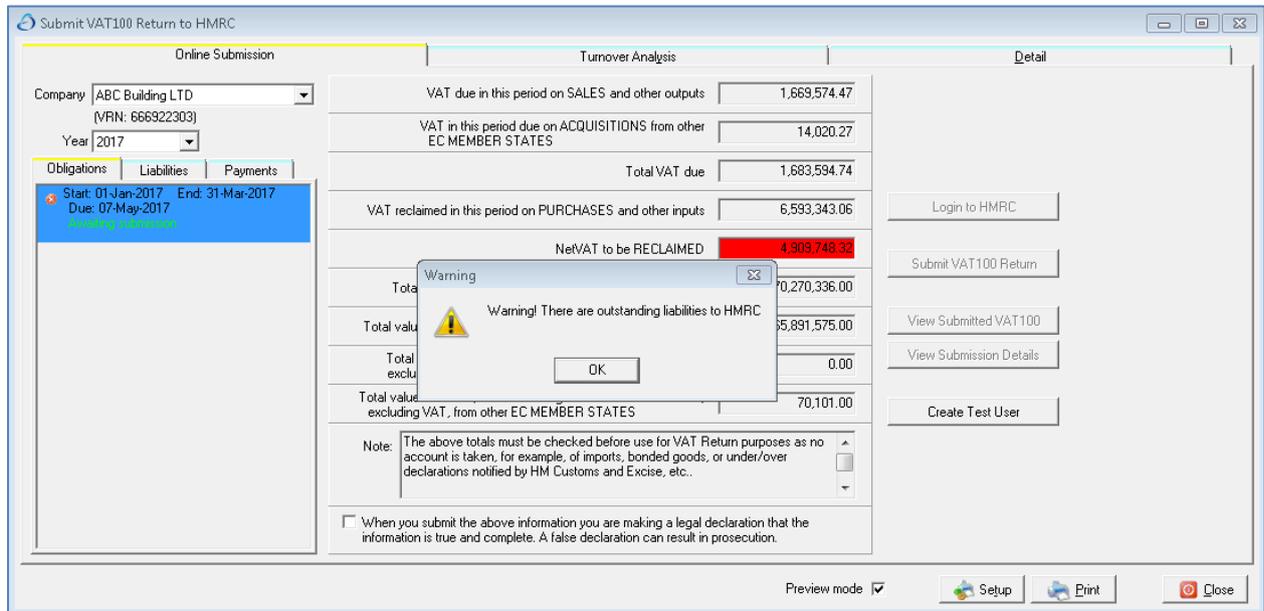
Timeout

The Dataflow Accounts default timeout period for logging into the HMRC website is 2 minutes. If you fail to login within this the 2 minute timeframe then you will have to re-start the login process. This timeout period should be sufficient unless you suffer from particularly bad connectivity issues, in which case Dataflow can extend the timeout period for you.

HMRC and Dataflow Interaction

Various prompts may appear. Please read the prompts carefully and once the message is understood click OK and continue.

HMRC will share key information with Dataflow Accounts to enable you to Submit the VAT 100 through Dataflow. This information includes Payments received, outstanding liabilities and obligations.



Explanation Submit VAT 100 Return to HMRC 'Tabs'

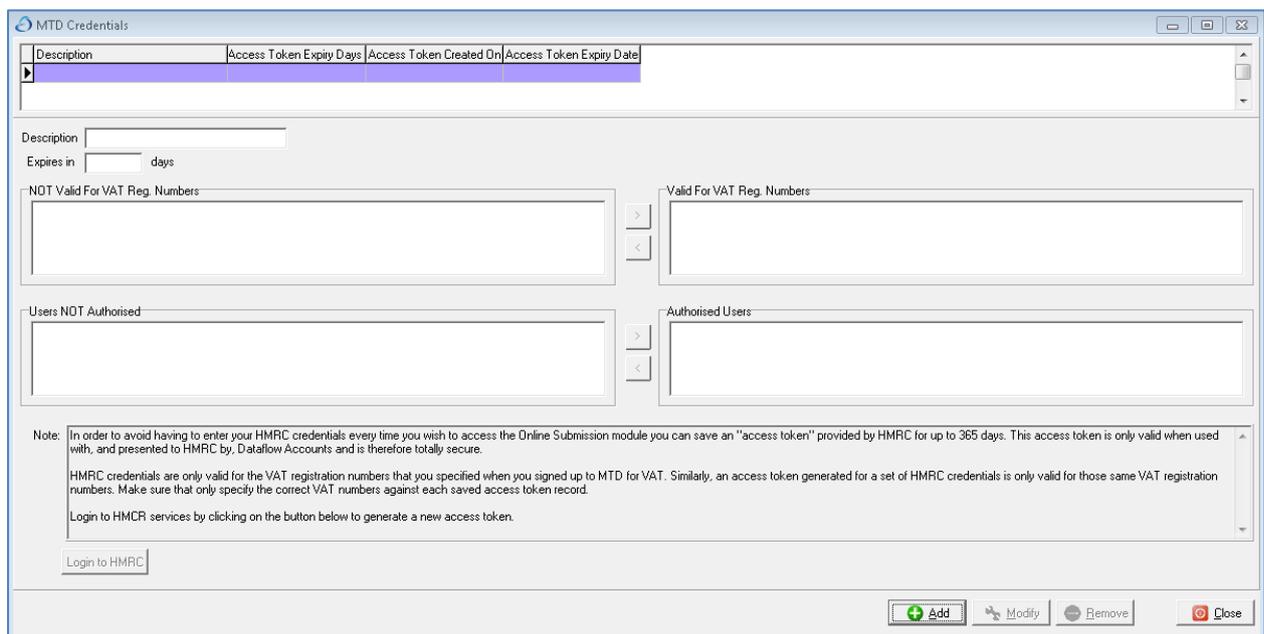
<p>'Online Submission' Tab</p> <p>Company</p> <p>Year</p> <p>Obligations</p> <p>Liabilities</p> <p>Payments</p>	<p>This is where Submit the VAT 100 Return is submitted.</p> <p>Drop down includes all Companies setup for MTD</p> <p>Select Year you wish to Process</p> <p>Obligations provides a Status update on the VAT Periods whether they are Awaiting submission, they have been Received or not closed.</p> <p>Liabilities are submitted VAT 100 Returns that are still to be paid</p> <p>Payments received by HMRC</p>
<p>Turnover Analysis</p>	<p>A breakdown of what makes up the VAT 100</p>
<p>Detail</p>	<p>Transaction Level of the Turnover Analysis</p>

MTD Credentials

In order to avoid having to enter your HMRC credentials every time you wish to access the Online Submission module you can save an "access token" provided by HMRC for up to 365 days. This access token is only valid when used with, and presented to HMRC by, Dataflow Accounts and is therefore totally secure.

HMRC credentials are only valid for the VAT registration numbers that you specified when you signed up to MTD. Similarly, an access token generated for a set of HMRC credentials is only valid for those same VAT registration numbers. Make sure that you specify the correct VAT numbers against each saved access token record. Users are set against the VAT Reg Number.

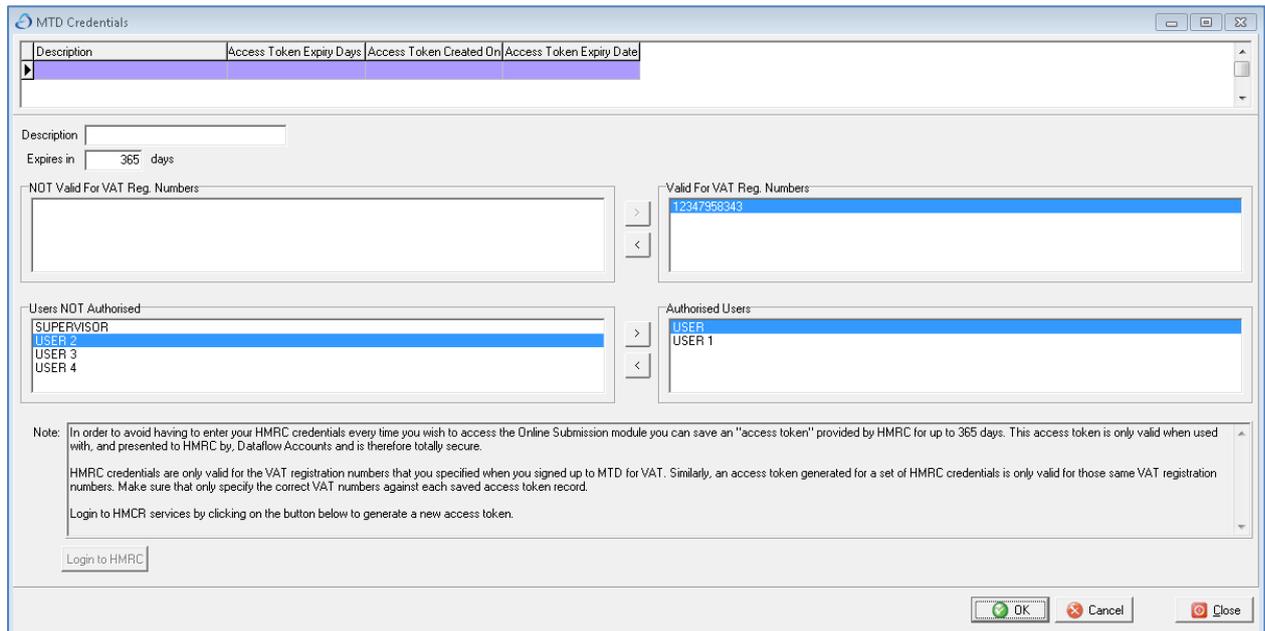
You can either login to HMRC services by clicking on the button 'Login to HMRC' to generate a new access token or when you first login to HMRC in the 'Submit VAT 100 to HMRC'.



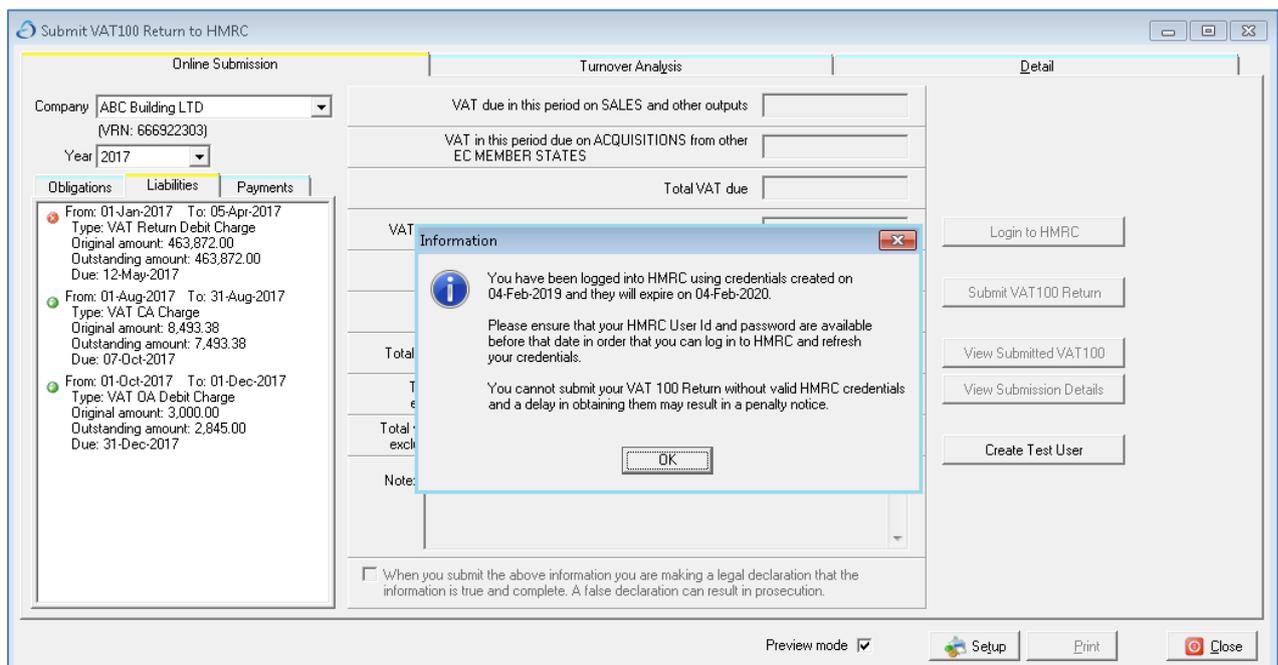
Steps

1. Dataflow Toolbar
2. VAT & Audit Trails
3. MTD
4. MTD Credentials
5. Click Add
6. Enter a Description
7. Enter an Expire number of days (Max 365)
8. Move the VAT code/s over to the 'right' (Valid For VAT Reg. Number)
9. Move Users over to the right who you wish to be able to login to the Submit VAT 100 Return
10. Click OK
11. Now Click Login to HMRC and login to HMRC to save the Access Token

In the image below we can see that for VAT Reg. Number 666922303 the Users 'User' and 'User 2' are authorised to use these credentials. The Access Token was created on 02/02/2019. The MTD Credentials will expire in 365 days which is 04/02/2020.



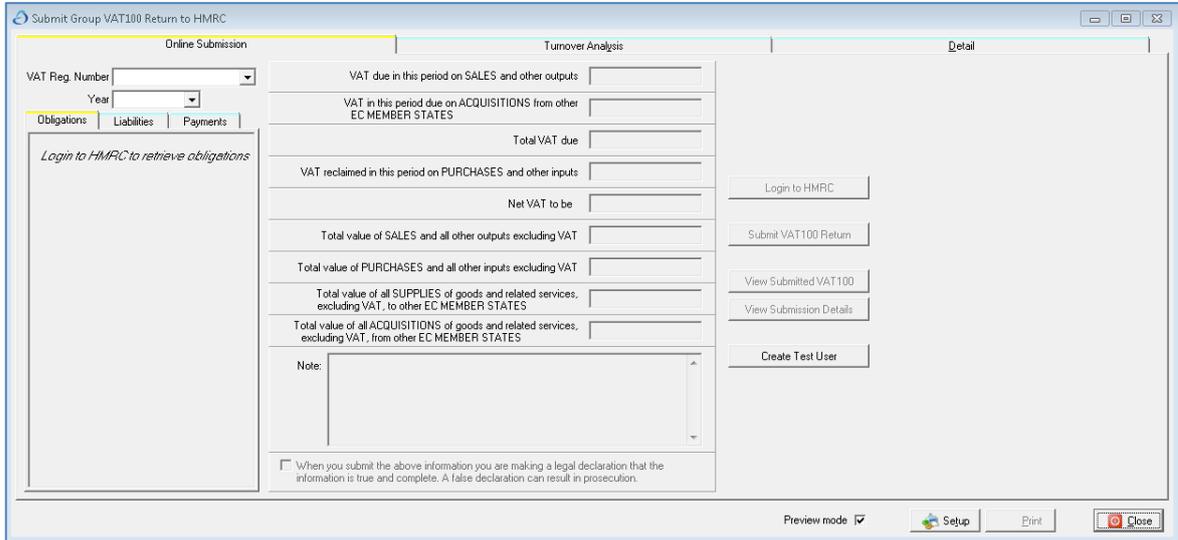
When Users who are authorised to use saved credentials navigate to 'Submit VAT 100 Return to HMRC' they will be automatically logged into HMRC once the Company they have an Access Token for is selected.



Submit Group VAT 100

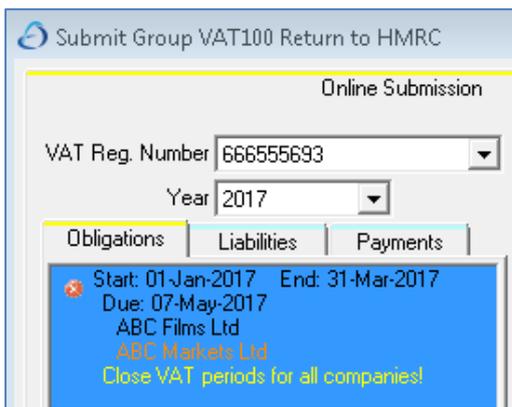
Submitting Group VAT 100 has a similar workflow as submitting VAT 100 for a single Company.

Submit Group VAT 100 Return to HMRC window



Steps

1. Dataflow Toolbar
 2. VAT & Audit Trails
 3. MTD
 4. Submitting Group VAT 100 to HMRC
 5. Follow same Instructions as per 'Submit a VAT 100 Return to HMRC'
- VAT Periods for all Companies must be closed to be able to process the VAT Period.

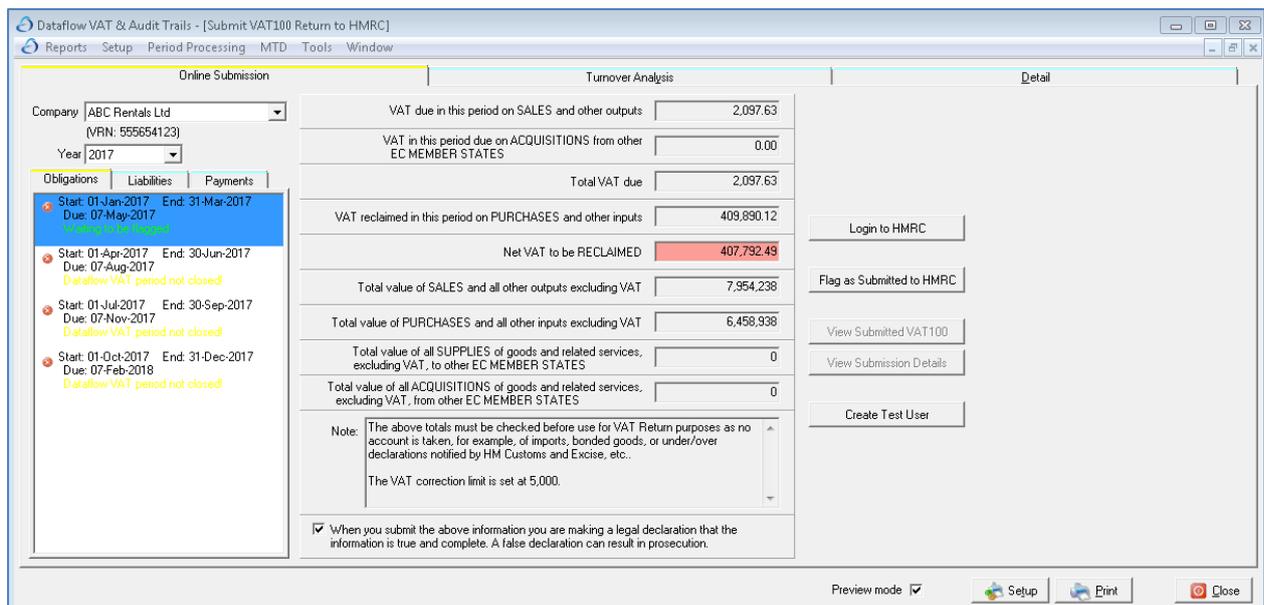


Flagged as Submitted vs Submit to HMRC

HMRC will decide when your Company can start submitting MTD VAT 100 Returns. Early adoption of the new VAT 100 Return regime is not available to all Companies. The 'Pilot' has not been made available for all.

Dataflow have accounted for the above scenario by allowing Users to utilise the MTD Module without Submitting the VAT 100 Return to HMRC.

How it works is you use the MTD Module and 'Flag as Submitted to HMRC' the VAT 100 Return as opposed to actually submitting to HMRC via Dataflow. The flagged VAT 100 Submission will need to be submitted to HMRC via the same method used prior to the introduction of MTD VAT Returns.



In the image to the left we see that a VAT Period is 'Waiting to be flagged' and the remaining VAT Periods have not been closed.

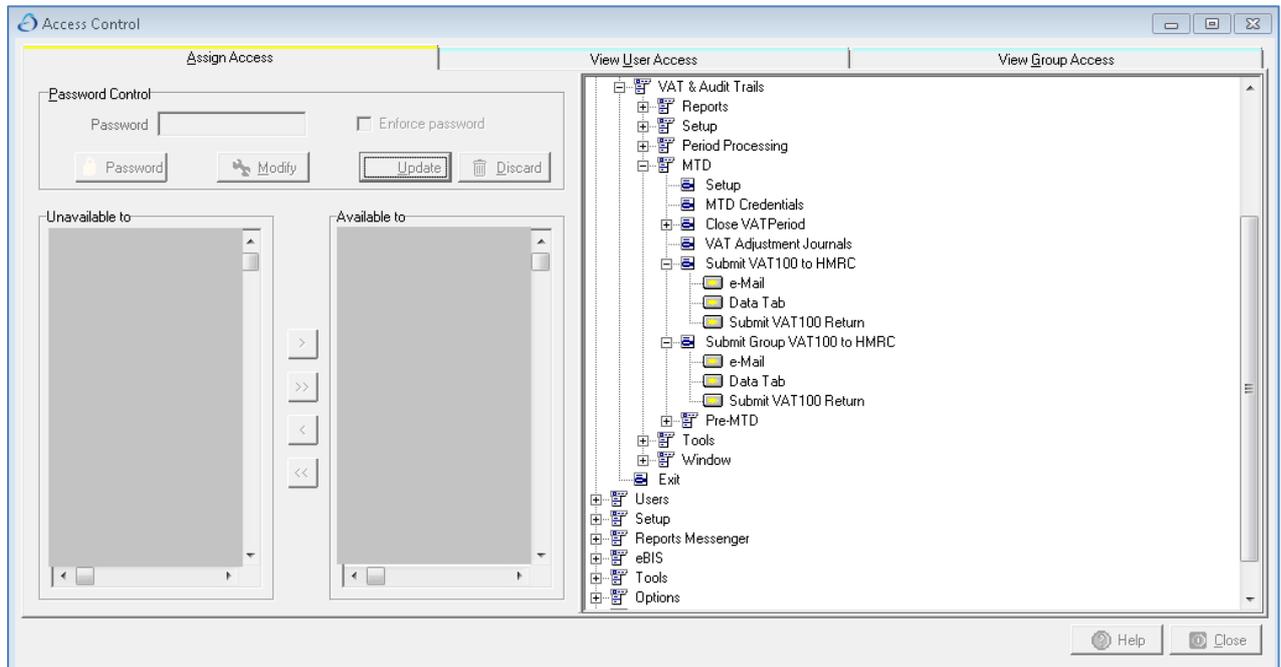
Above is the button 'Flag as Submitted to HMRC'. This Flag allows you to process the VAT periods using the MTD Module whilst you await your first MTD VAT period that can be submitted digitally.

You should only 'Flag as Submitted' up to the point of your first VAT period eligible for digital submission.

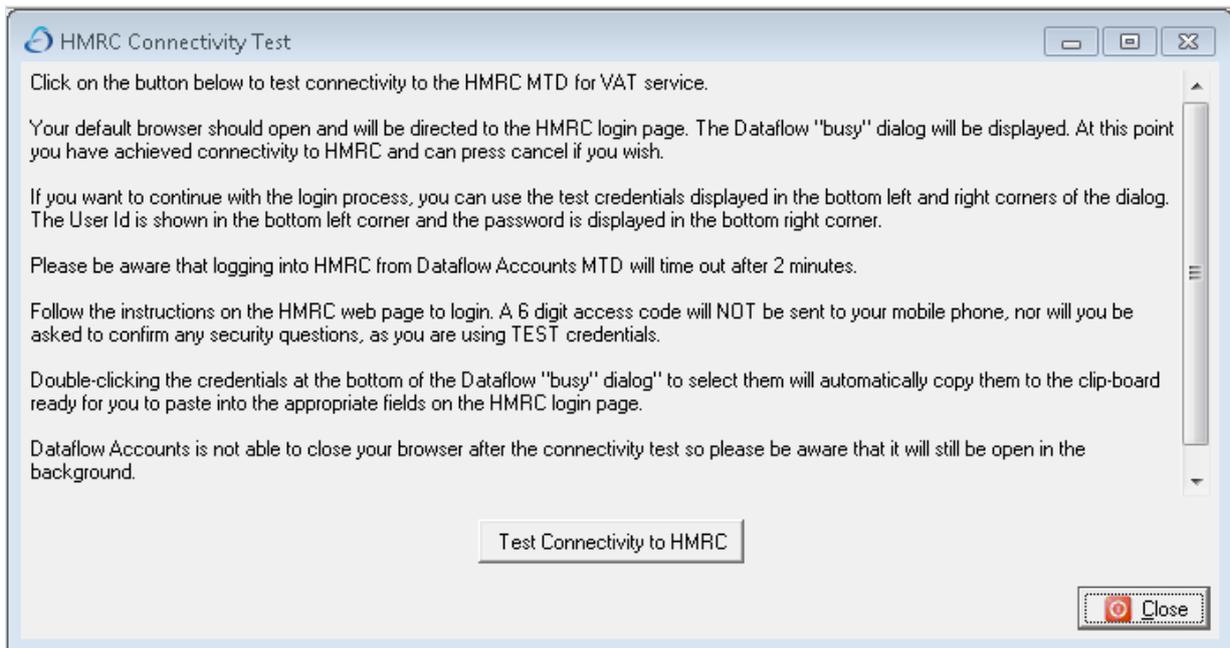
If you have signed up for MTD and successfully logged into the HMRC website via the Dataflow Accounts MTD options, but have Dataflow VAT periods that require "flagging" as submitted, you will have to be logged into the HMRC website in order to do so.

Access Control

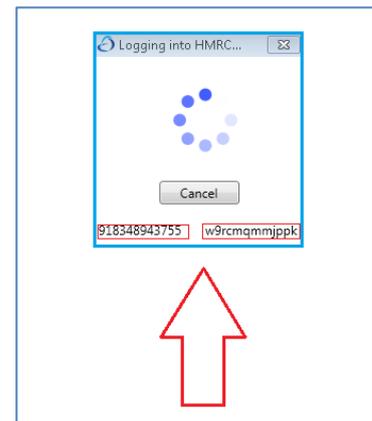
Access Control has been placed on the 'Submit VAT 100 Return' button.



Test Connectivity



- Click on the Test Connectivity to HMRC button
- Click on 'Continue' when the HMRC page is generated
- Copy the User ID found on the left hand side of the image below and the Password on the right



- Paste the User ID and Password into the Sign in window

