SIMIT

User Guide of
How to Setup GST from 6% to 0 %

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1. Tax Rate Adjustment/Maintenance

In order to support different tax rate in different period, system enhancement has been made to the “Add/Edit Tax” function to support configuration of effective date with different rate. Users are allowed to define the effective date for new tax rate and so when a subject is registered with different transaction date, it will get a different tax rate based on the settings preset.

Example:
1. Effective date: 2015-04-01 with Tax rate: 6%
2. Effective date: 2018-06-01 with Tax rate: 0%

1.1 How to Adjust Tax rate with effective date?

1. Go to Accounting Module

2. Go Master Data > Add / Edit Tax
3. Select a tax code that you would like to edit, click on 'Edit' icon

4. Click "Add Tax Effective" button
5. Edit the 'Effective date' and define its 'Tax Rate'.

6. Click 'Save'.

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2. How GST 6% turned 0% Affects on Registration?

After completed the setup of the previous settings (*Tax Rate Adjustment*), it will affect on registration part directly. As for the registration aspect, it can be separated to two parts which are:

1. Register Subject
2. Add Item/Charges

2.1 Effect on Register Subject Function

The affected GST rate is determined by TRANSACTION DATE of registered products/services/classes. Payment date (receipt date) will not affect the GST rate. For example, when the student has been registered to a class for the period of 2018-05 & 2018-06 and then, on 1st June 2018 tax rate has been substituted to 0%, the result will be as such 2018-05 registration will be 6% tax rate incurred and on the other hand, the subject registered for 2018-06 will be 0% rate incurred. When make payment, the system will calculate tax according to the tax rate from registration record instead of payment date.
2.2 Effect on Add Item/Charge Function

For Add Item or Charges, the GST rate will be based on the transaction date to be effective. For example, if in Add/Edit Tax setting is using below configuration:

Effective Date : 2015-04-01 Rate : 6%
Effective Date : 2018-06-01 Rate : 0%

- Student purchases item on such Transaction date : “2018-05-23”, GST is to be accounted at 6%.
- Student purchases item on such Transaction date : “2018-06-01”, GST is to be accounted at 0%.
3. What is Affected in Clone Class?

System will auto-capture the tax rate based on the target period and it will affect on the new registered date. If student is being registered to a subject on May 2018 in which there is GST (6%) incurred, then after class is cloned to June 2018 then the tax rate for June 2018 class will be 0% GST.

* Refer to Tax Adjustment setting of 0% tax rate
4. How to Handle Outstanding Payment Before 1st June 2018?

If tuition centre has registered student to class/charges before 1st June 2018 and students make payment after 1st June 2018. For such supply, it should be charged with 6%.

Example: Student A makes payment on 2nd June 2018 for May & June tuition fees, May tuition fees will be accounted with 6% GST and June will be accounted with 0% GST.

*If center implements GST Inclusive method, student will see the paid amount as such:
May 2018 Tuition Fees: RM 100.00 tax inclusive
- RM 100.00 = RM 94.34 Before Tax Amount & RM 5.66 Tax Amount.
- For student, the amount needs to be paid still remains at RM 100.00.

June 2018 Tuition Fees: RM 100.00 tax inclusive
- RM 100.00 = RM 100.00 Before Tax Amount & RM 0.00 Tax Amount.
- For student, the amount needs to be paid still remains at RM 100.00 as well.

*If center implements Exclusive GST method, student will see the paid amount as such:
May 2018 Tuition Fees: RM 100.00 tax exclusive
- RM 106.00 = RM 100.00 Before Tax Amount & RM 6.00 Tax Amount.
- For student, the amount needs to be paid still remains at RM 106.00.

June 2018 Tuition Fees: RM 100.00 tax exclusive
- RM 100.00 = RM 100.00 Before Tax Amount & RM 0.00 Tax Amount.
- For student, the amount needs to be paid is RM 100.00 only.
4.1 Special Method of Handle Outstanding Payment

If centre decides not to collect GST (6%) for tuition fees or charges before 1st June 2018, then here is some phase for how to set up:

* Please take note that if it is partial payment, system won't allow this action.

For this method called: Zerolize Outstanding Tax Amount.
This function allows user to zeroize the tax amount for outstanding payment.

Example:

[Tax Inclusive]

**May 2018 Outstanding Fees**: RM 100.00 tax inclusive
- RM 100.00 = RM 94.34 Before Tax Amount & RM 5.66 Tax Amount.
- After zeroize the tax amount, the total amount will become:
  > RM 100.00 = RM 100.00 Before Tax Amount & RM 0.00 Tax Amount.

[Tax Exclusive]

**May 2018 Outstanding Fees**: RM 100.00 tax exclusive
- RM 106.00 = RM 100.00 Before Tax Amount & RM 6.00 Tax Amount.
- After zeroize tax amount, the total amount will become:
  > RM 100.00 = RM 100.00 Before Tax Amount & RM 0.00 Tax Amount.

Therefore, when student makes payment after 1st June 2018, the tax will not be accounted in receipt anymore. Below is step for the function:

1. Go SimTrain Module

2. Go to Transaction > Zerolize Tax Process
3. Select ‘Date From’ and ‘Date to’ that you would like to assign the Zeroise Tax (0%) to and click on ‘Search’ button.

4. After that, it will display all outstanding information of the period that you have selected.

5. Choose the student that you would like to assign Zeroize Tax (0%) to by ticking the checkboxes on the right as shown in the diagram below.
6. Click on “Zeroise Tax Amount” button.

* Please take note that if is partial payment, system won’t allow this action.
5.0 How to check if transaction is comply with 0% tax rate?

If you would like to check if the transactions completed are comply with 0% rate, you can use Fees Collection Details report. To access the report, you must first configure the permission for users to be able to access the report.

1. Go to Setup module.

2. Click ‘Master Data’ and select ‘Add/Edit Permission’.

3. Select your User Group and ‘SimTrain’ as the module.
4. Search for and click ‘Fees Collection Details’ on the left. Then, click the icon next to ‘Fees Collection Details’ wording.

5. Now go to Joobox and click ‘SimTrain’ module.
6. Go to ‘Reports’.

7. Click ‘Accounting Reports’ and select ‘Fees Collection Details’ report.
8. Filter the report by its Transaction Date such as from 01-06-2018 onwards as to check if the receipt is using the correct tax rate. Then, click ‘Preview’ button.

Notes: You may filter the report by other aspect as well such as by Student.

9. The report will be shown as such below and you may rectify the receipt whether it is incurred with correct tax rate.
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