

ACCOUNTANCY + BUSINESS ADVICE CENTRE

Empowering Business Owners

YOUR GST INCREASE ACTION PLAN

Task No.	Consider...	Action Needed	By Whom	By When	Progress
1	Whether your system can cope with two GST rates for several months				
2	Whether your system can issue both debit & credit notes at both rates				
3	If you're on a Payments Basis, whether you are ready for the one-off adjustment required on 30 September 2009 for AR & AP to ensure GST is paid or received at 12.5% not 15%.				
4	Whether you have any old or legacy systems where GST is hard-coded or any templates or spreadsheets where the GST rate needs changing				
5	Testing any system changes before implementation				
6	Whether two GST returns will need to be filed if your GST return period spans 1 October				
7	Whether you need to train staff or issue guidelines to implement the new rate				
8	Checking contracts that span 1 October to ensure the correct GST treatment				
9	Ensure any contract templates reflect the new rate				
10	Whether documents are stated on an exclusive, inclusive or plus GST basis (this could impact on the price charged and amount received)				
11	Whether the price can be legally increased for continuous supplies				
12	Whether you can pass the GST rate increase onto your non GST-registered customers and how you will apply it. For example, whether you will increase the price of a product at \$19.95 to \$20.39, or increase other products more to compensate				
13	Do you need to inform your customers of the increases?				
14	The impact on profit margins				
15	The impact of the increase on consumer spending patterns before the rate increase and slump after for cash flow and warehousing				
16	Whether you can get your customers to pay early so the lower 12.5% rate applies				
17	Whether marketing materials need to be changed and changing the shelf prices of products overnight				

(continued on next page)

For exempt supplies only:

18	Whether any change of use adjustments will be affected and note the date of acquisition for which rate to use				
19	Whether the reverse charge regime is applicable				
20	The impact of the GST increase on your bottom line				

Following this action plan should prevent an accounting mess and nasty surprises a few months down the line. However, this information is not meant to replace the advice of a professional.

If you have any questions or experience difficulties with this list, contact the Accountancy + Business Advice Centre on **0800 ASK NICK** or email us (nick@abac.co.nz). We will provide a **free, no-obligation systems review**.

Don't wait till it's too late!