



For

Video Vendor Version 5

(DOS)

**For British Columbia & Ontario
Video Vendor Retailers**

***HST Transition
Instructions For June
Preparations and
& July 1, 2010 Change
Over***

June 14, 2010

TABLE OF CONTENTS

VIDEO VENDOR VERSION 5 (DOS)	1
HST TRANSITION INSTRUCTIONS FOR JUNE PREPARATIONS AND & JULY 1, 2010 CHANGE OVER	1
IS THIS THE RIGHT GUIDE FOR ME	3
JUNE 2010: PREPARE STOCK FOR ALTERNATE HST %	4
<i>Does This Section Apply To Me?</i>	4
<i>Examples Of Products Only Subject To GST Portion Of HST</i>	4
ENABLE ALTERNATE PST RATE	5
PERFORM REPORTS AND RENTAL OR STOCK FILE CHANGES FOR ITEMS THAT WILL NEED THE ALTERNATE TAX CODE	6
<i>Determine Which Department #s Will Be Impacted</i>	6
<i>Report On Rental and Stock Items In Specific Departments</i>	7
<i>Edit Rental and Stock File Items</i>	8
JUNE 15: PREPARE FOR REFUNDS OF GST/PST & TRAIN STAFF	9
<i>Return/Exchange Scenarios After July 1</i>	9
CREATE SPECIAL DEPTS & STOCK ITEMS TO MANAGE GST/PST RETURNS/EXCHANGES AFTER JULY 1, 2010.....	11
<i>Add New (Tax) Departments</i>	11
<i>Add New (Tax) Stock Items For Refunding GST/PST After July 1</i>	12
JUNE 30: END OF DAY CHANGES	13
<i>Change PST Name To HST & Edit Percentages</i>	13
DISABLE THE GST TAX RATE.....	14
EDIT CHARGE FILES AND COUPON FILES TO ENSURE PROPER TAX SETTINGS	15
JULY 1 – GOING FORWARD	17
<i>Remit All PST By July Filing Deadline</i>	17
<i>Viewing Sales & Cash Summary</i>	17
PICKING UP SPECIAL ORDERS	18
<i>Does This Section Apply To Me?</i>	18
<i>Correcting Old Tax Calculations</i>	18

IS THIS THE RIGHT GUIDE FOR ME

If you are using Video Vendor DOS, and your installation of Video Vendor is in the provinces of British Columbia or Ontario, then yes this is the right guide for you for the implementation of HST in these provinces.

This documentation is provided at no charge on our www.multipost.ca/support website in an effort to keep our retailers informed and to allow our retailers to proceed with updating their systems appropriately without needing to consult with the Multipost Support Centre.

Due to the number of Video Vendor installations in these two provinces, it would be a challenge to speak with each and every Retailer to address their specific questions. Hence, we have endeavored here to provide all the critical pieces of information that we are aware of that will impact your use of your Video Vendor Software in switching from GST/PST to HST, and help you prepare your systems.

While we have endeavored to provide solutions for the HST Transitional Rules, we are by no means the experts on the Canada Revenue Agency (CRA) policies. Recommendations herein are based on our interpretation and anticipating the Retailers needs within Video Vendor. It is the Business' responsibility to research and verify the CRA requirements and ensure any actions taken on your part are appropriate and sufficient to collect taxes and submit them as required, and to satisfy any future tax audits.

JUNE 2010: PREPARE STOCK FOR ALTERNATE HST %

Does This Section Apply To Me?

If you sell products that currently charge PST, and those products will only be subject to the 5% GST portion of the HST after July 1, 2010 then yes, this section applies to you.

Examples Of Products Only Subject To GST Portion Of HST

The following product categories (Departments) will be subject to only the GST percentage of 5% once the BC or Ontario store switches to HST.

Group 1: If you sell any of the following merchandise, you will need to enable the alternate taxation rate.

- Books, Book with CD-ROM (see CRA definitions)
- Newspapers (see CRA definitions)

Group 2: If you sell any of the following merchandise, you will need to research the HST requirements for one or more of the headings.

- Alcohol
- Admissions
- Accommodation

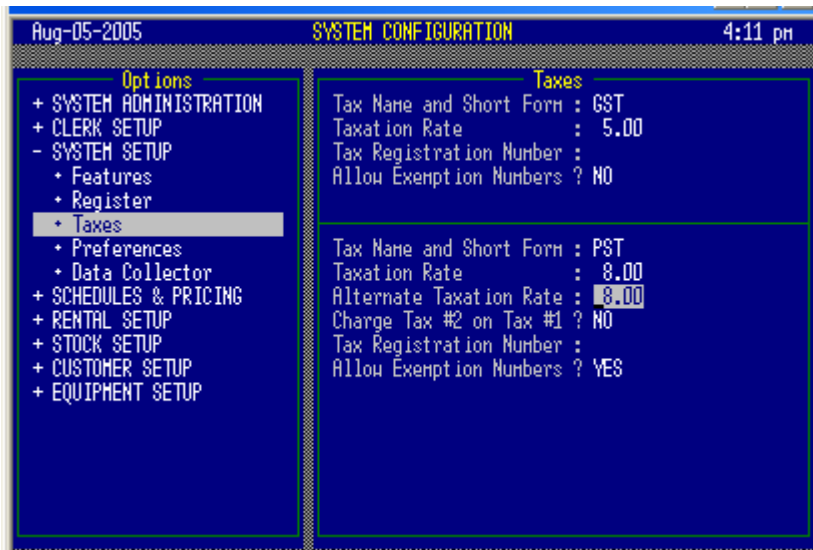
ENABLE ALTERNATE PST RATE

Enabling Alternate Tax Rate For PST

In this section we are recommending that stores who do not use the Alternate PST Tax Rate start setting up the Alternate PST Tax Feature now. Following these recommendations, you will be able to start applying the Alternate PST Code now to any items that will only charge the GST portion of the HST after June 30.

From the Video Vendor Main Menu:

1. Select **SYSTEM CONFIGURATION**
2. Login
3. Select **SYSTEM SETUP**
4. Select **TAXES**
5. Arrow down to the Alternate Taxation Rate under the second section
6. Input the Alternate Taxation Rate of 8%
7. Select **PGDN**
8. Select **SAVE CHANGES**
9. Exit Video Vendor back to the Black Menu



Hint: You will be coming back to this area on the evening of June 30th to edit all the PST headings to HST and disabling GST.

PERFORM REPORTS AND RENTAL OR STOCK FILE CHANGES FOR ITEMS THAT WILL NEED THE ALTERNATE TAX CODE

This chapter will guide you through printing a Report of all items in a specific Department to provide a list of the Stock Items that will need to be updated for the Alternate Tax Rate code and how to edit the Rental or Stock File to set the Alternate Tax Rate Code.

Determine Which Department #s Will Be Impacted

From the Video Vendor Main Menu:

1. Select **SYSTEM CONFIGURATION**
2. Login
3. Select **STOCK SETUP**
4. Select **DEFAULT VALUES**
5. Beside Default Department #, select F10-Lookup
6. Make note of any and all Department Codes related to the following Departments if on your list:
 - **BOOKS**
 - **NEWSPAPERS**
 - **ALCOHOL**
 - **ADMISSIONS**
 - **ACCOMMODATION**

Report On Rental and Stock Items In Specific Departments

From the Video Vendor Black Menu:

1. Select Report Generator
2. Login
3. Select the Rental Inventory topic
4. Select Use Existing Report (if offered)
5. Select the Rental Title Catalog report
6. Select Range Options
7. Select Erase Last Range until you are offered an Available Choices list
8. Highlight <<Rental Inventory By Copy>> and press ENTER
9. Select Department #
10. Select Is Equal To
11. Enter the appropriate Department # as recorded above (you will need to do a separate report for each Department)
12. Select No More Ranges
13. Select View On Screen
14. Select Ascending Order
15. Select Exit
16. Select Print Report
17. Select Details Only
18. ENTER through the Printer Options
19. Once the report finishes, repeat Steps 6-18 for any additional Departments that you need to update the Alternate Tax Rate for
20. Exit back to the Report Topics menu
21. Select the Stock Inventory topic
22. Select Use Existing Report (if offered)
23. Select the Stock Value Listing report
24. Select Range Options
25. Select Erase Last Range until you are offered an Available Choices list
26. Select Department #
27. Select Is Equal To
28. Enter the appropriate Department # as recorded above (you will need to do a separate report for each Department)
29. Select No More Ranges
30. Select View On Screen
31. Select Ascending Order
32. Select Exit
33. Select Print Report
34. Select Details Only

35. ENTER through the Printer Options
36. Once the report finishes, repeat Steps 24-35 for any additional Departments that you need to update the Alternate Tax Rate for
37. Exit back to the Selections Menu

Edit Rental and Stock File Items

From the Video Vendor Main Menu:

1. Select **FILE ENQUIRIES**
2. Select **RENTAL ENQUIRY**
3. Select **RENTAL FILE**
4. Login
5. Select the first Catalog # from your report
6. Select **EDIT**
7. Arrow down to the PST field (at the middle of the right column)
8. Type **2** to select the Alternate Tax Rate
9. Select **PGDN**
10. Select **SAVE CHANGES**
11. Select **ESC** to Exit back to the Rental Search
12. Repeat Steps 5-11 for each additional item on your Report
13. Exit back to the **FILE ENQUIRIES** Menu
14. Select **STOCK ENQUIRY**
15. Select **STOCK FILE**
16. Login
17. Select the first Stock # from your report
18. Select **EDIT**
19. Arrow down to the PST field (at the bottom of the left column)
20. Type **2** to select the Alternate Tax Rate
21. Select **PGDN**
22. Select **SAVE CHANGES**
23. Select **ESC** to Exit back to the Stock Search
24. Repeat Steps 17-23 for each additional item on your Report
25. Exit back to the Main Menu when finished

JUNE 15: PREPARE FOR REFUNDS OF GST/PST & TRAIN STAFF

Stores should anticipate the return/exchange scenario before the official July 1, 2010 transition date in order to prepare your cashiers. We recommend adding special Departments and Stock Items now to prepare for refunding GST/PST after July 1 and that you and your staff practice these recommendations in advance of July 1.

Return/Exchange Scenarios After July 1

This section will guide you through adding what will be required to perform those returns.

Scenario 1

If an item or service was purchased before July 1, and the customer is taking something else at a greater value, then you can perform the return and the sale on the same transaction and the customer will pay the difference in tax based on the new HST rules.

Important: If the taxability of the item changes under HST, we recommend Scenario 2 for processing a refund, and performing a new sale for items purchased after June 30. E.g. Adult shoes under \$30 versus children's shoes \$30 or more.

Recommendation Summary:

1. List the products or services to be returned
2. List the items being sold (which are worth more than the returned items)
3. Total the transaction with the net HST calculations and collect payment

Scenario 2

If an item or service was purchased before July 1, the customer is not taking anything else, and the customer paid GST and PST, then the client must be refunded their original taxes (GST/PST).

Recommendation Summary:

1. List the products or services to be returned
2. List the special GST stock #, manually calculate 5% and price the stock item
3. List the special PST stock #, manually calculate the old PST percentage and price the stock item
4. Total the transaction and refund payment according to store policy
5. You will waive the new HST calculated by selecting the HST option in the Total window

Scenario 3

If an item or service was purchased before July 1, the customer is taking something else of an equal value, and the customer paid GST and PST, then you may perform the exchange on the same transaction because the subtotal will be \$0.00.

Recommendation Summary:

1. List the products or services to be returned
2. List the products or services to be purchased
3. The subtotal is \$0.00 therefore there are no taxes due or to be refunded
4. Total the transaction

Scenario 4

An item or service was purchased before July 1, and the customer is taking something else at a lesser value.

Recommendation Summary:

We recommend that you perform the refund recommended in Scenario 2 above, and then make a new transaction for the items being purchased to manage the refunding of GST/PST appropriately

CREATE SPECIAL DEPTS & STOCK ITEMS TO MANAGE GST/PST RETURNS/EXCHANGES AFTER JULY 1, 2010

Add New (Tax) Departments

From the Video Vendor Main Menu:

1. Select **SYSTEM CONFIGURATION**
2. Login
3. Select **STOCK SETUP**
4. Select **DEFAULT VALUES**
5. Beside Default Department #, select F10-Lookup
6. Arrow down the list to determine 2 available Codes
Note: there is a maximum of 50 Departments, so you will need to locate 2 available Codes between 1 and 50

Add New Department For GST

7. Select **F2 ADD**
8. Replace the Code with an available code (located in Step 5 above)
9. Type a Department Name of GST
10. Select **PGDN**
11. Select **ADD RECORD**

Add New Department For PST

12. Select **F2 ADD**
13. Replace the Code with an available code (located in Step 5 above)
14. Type a Department Name of PST
15. Select **PGDN**
16. Select **ADD RECORD**

Add New (Tax) Stock Items For Refunding GST/PST After July 1

From the Video Vendor Main Menu:

17. Select **FILE ENQUIRIES**
18. Select **STOCK ENQUIRY**
19. Select **STOCK FILE**
20. Login

Add New Stock Item For GST

21. Select **F2 ADD**
22. Change the Stock # assigned by Video Vendor to **GST**
23. Arrow down to Description and type **GST**
24. Arrow down to Department
25. Select **F10 LOOKUP**
26. Select the Department Name for GST
27. You may leave the Supplier at Miscellaneous
28. Ensure that any tax options at the bottom left are set as **NO**
29. Leave all costs and selling values at \$0.00
30. Select **PGDN**
31. Select **ADD RECORD**

Add New Stock Item For PST

32. Select **F2 ADD**
33. Change the Stock # assigned by Video Vendor to **PST**
34. Arrow down to Description and type **PST**
35. Arrow down to Department
36. Select **F10 LOOKUP**
37. Select the Department Name for PST
38. You may leave the Supplier at Miscellaneous
39. Ensure that any tax options at the bottom left top right are set as **NO**
40. Leave all costs and selling values at \$0.00
41. Select **PGDN**
42. Select **ADD RECORD**

JUNE 30: END OF DAY CHANGES

Change PST Name To HST & Edit Percentages

From the Video Vendor Main Menu:

1. Select **SYSTEM CONFIGURATION**
2. Login
3. Select **SYSTEM SETUP**
4. Select **TAXES**
5. Arrow down to the second section on screen
6. Change the Tax Name And Short Form to HST
7. Change the Taxation Rate:
 - 12% for British Columbia
 - 13% for Ontario
 - 15% for Nova Scotia
8. Change the Alternate Taxation Rate to 5
9. Ensure that Allow Exemption Numbers is set as YES
10. Select **PGDN**
11. Select **SAVE CHANGES**

DISABLE THE GST TAX RATE

This will ensure that your store does not charge GST on items on the next business day (July 1 or 2).

From the Video Vendor Main Menu:

1. Select **SYSTEM CONFIGURATION**
2. Login
3. Select **SYSTEM SETUP**
4. Select **TAXES**
5. Set the Taxation Rate as 0.00
6. Select **PGDN**
7. Select **SAVE CHANGES**

EDIT CHARGE FILES AND COUPON FILES TO ENSURE PROPER TAX SETTINGS

The follow instructions are required for any Charge or Coupon items that were originally PST exempt that will now be charging the Full or the Alternate HST rate.

In addition, any Rental or Stock items that were originally PST Exempt which are now charging the Full or the Alternate HST rate will need to be edited to select the appropriate tax code.

From the Video Vendor Main Menu:

1. Select **FILE ENQUIRIES**
2. Select **STOCK ENQUIRY**
3. Select **CHARGE FILE**
4. Login
5. Select **ENTER** to bring up a list of the Charges
6. Highlight the first Charge in the list and press **ENTER**
7. Ensure that the HST at the bottom left is showing the appropriate code
 - N for No Tax
 - Y for Full HST Tax
 - 2 for the 5% GST portion only
8. If correct, proceed to Step # 14 below
9. If not correct, Select **EDIT**
10. Arrow down to the HST field at the bottom left
11. Type the appropriate Tax code
 - N for No Tax
 - Y for Full HST Tax
 - 2 for the 5% GST portion only
12. Select **PGDN**
13. Select **SAVE CHANGES**
14. Select **PGDN** to scroll to the next item in your Charge File
15. Repeat Steps 7-14 for each additional item in your Charge File (you will receive a prompt "Bottom Of File" when you are at the end of the file)
16. Exit back to the **STOCK ENQUIRY** menu
17. Select **COUPON FILE**
18. Login
19. Select **ENTER** to bring up a list of the Coupons
20. Highlight the first Coupon in the list and press **ENTER**
21. Ensure that the HST at the bottom left is showing the appropriate code
 - N for No Tax
 - Y for Full HST Tax
 - 2 for the 5% GST portion only

22. If correct, proceed to Step # 28 below
23. If not correct, select **EDIT**
24. Arrow down to the HST field at the bottom left
25. Type the appropriate Tax code
 - N for No Tax
 - Y for Full HST Tax
 - 2 for the 5% GST portion only
26. Select **PGDN**
27. Select **SAVE CHANGES**
28. Select **PGDN** to scroll to the next item in your Coupon File
29. Repeat Steps 21-28 for each additional item in your Coupon File (you will receive a prompt "Bottom Of File" when you are at the end of the file)
30. Exit back to the Main Menu

JULY 1 – GOING FORWARD

Remit All PST By July Filing Deadline

Be sure to check the Canada Revenue Agency site to find out critical dates for final PST remittances!

Viewing Sales & Cash Summary

You will need to disable the GST Tax setting, so that you do not continue to charge GST after July 1.

Disabling the GST will remove the GST Headings on the Sales & Cash Summary and sales receipts or full sized invoices.

This would prevent the owner/bookkeeper from seeing the complete financial totals for accounting and tax remittance purposes. When posting a General Journal entry from the Sales & Cash Summary, the missing original GST feature will result in an “out of balance” error for any periods where GST was collected and is now hidden.

For Management to obtain the proper printouts for periods prior to July 1, 2010 they will need to limit this reporting to after-hours. You would need to temporarily enable the GST (Primary Tax) setting under System Configuration to obtain the needed reports and then disable the GST setting right away once you have the required reports. If you do not disable the GST again, or attempt to do this during business hours, then you would accidentally (and incorrectly) be charging GST on new purchases.

PICKING UP SPECIAL ORDERS

Does This Section Apply To Me?

If your store has created Alternate Tax Rate codes for books, children's shoes, children's footwear, etc, this section applies to your store.

Correcting Old Tax Calculations

Any of these "in progress" transactions will have stored the taxability of the item when originally listed on the transaction.

This means that any "in progress" transactions created before you update the Inventory File have the old taxability settings saved, and if you simply "pickup all", you will be charging GST and PST, instead of HST.

Our recommendation to ensure that the correct taxability is applied when a customer picks up a Special Order after June 30, 2010 which was created prior to July 1, is to:

- Recall and cancel the "in progress" transaction
- Refund any deposits to a credit note or cash
- List the items from the refund receipt to make a normal sale, ensuring that the correct sales person is selected (for Commission purposes)
- Total the transaction
- Make sure the first payment uses the refund method issued from canceling the "in progress" transaction (where there had been deposits on file)

This approach will ensure that the Alternate Tax Rate is applied to the items if your store is affected by this. This will help you avoid any errors in tax reporting which may be observed during a tax audit.