



How to successfully select MTD accounting software solutions for your organisation and clients

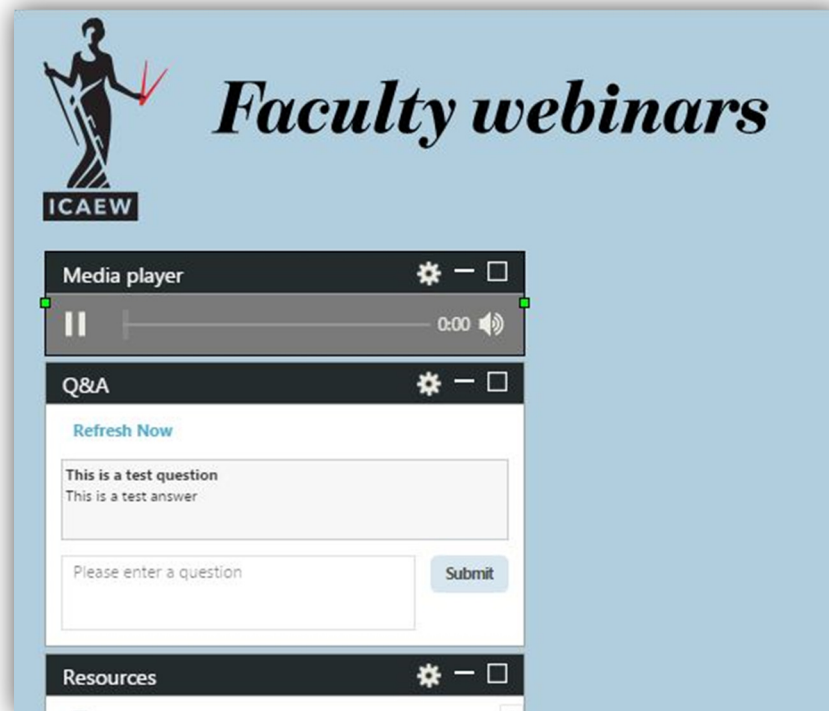
ICAEW IT FACULTY WEBINAR

15 FEBRUARY 2019

DANIEL MOSS, MY DIGITAL ACCOUNTS

JAMIE ROYSTON-SMITH, TAXCALC

Ask a question or download resources



Audio problems?

ENSURE YOUR SOUND IS TURNED ON

If you experience poor sound quality you may benefit from refreshing your page

Ask a question

Type your question into the question box then click submit.

Poll 1

- **How large is your organisation?**
 - Small (<50 employees)
 - Medium (50 to 250)
 - Large (>250)
 - Sole trader
- **Do you work in practice or business?**
 - Practice
 - Business
 - Other (e.g. student, consultant etc)

Today's presenters



Daniel Moss
My Digital Accounts



Jamie Royston-Smith
TaxCalc

Introduction

BASDA
The Voice of UK Business Software

- BASDA – the voice of UK Business Software
- Only industry association focused specifically on supporting the issues of business software development organisations
- Operates through representation and collaboration to ensure that the voice of the UK business software industry is heard by some of the highest levels within UK government, policy-makers and industry media
- Launched a series of complementary publications created specifically to support businesses, of all sizes, with their software selection processes and buying decisions
- **'10 Things to Consider'** checklist to purchase Making Tax Digital software solution
- www.basda.org/bsg

www.basda.org/bsg

BASDA
The Voice of UK Business Software

www.basda.org

10 things to consider when purchasing a Making Tax Digital software solution for VAT

It is vital to select the right software for your business or to recommend to your clients if you are an accounting practice. The Making Tax Digital (MTD) relates to new requirements for maintaining accounting and tax records and for how you will transmit and communicate with HMRC. You should check this functionality will be provided by any existing software you use. Especially for smaller businesses, MTD may act as a catalyst to change or select new software to digitalise your business.

The software providers who make up HMRC's ecosystem have been through thousands of software purchasing cycles. Our set of best practice software selection packs distil this experience to help your business make the right purchasing decisions and can be found at www.basda.org/bsg.

This guide focuses on Making Tax Digital for VAT. We suggest you read it in conjunction with either our [Selecting Business Software Guide](#) (for medium and large organisations) or our [Selecting Business Software for Small Business Software](#). These provide tips and advice relevant to selecting all types of business software. You may also find our [10 things to consider when purchasing Accounting Software](#) useful.

1. Do you need a full accounting software solution which includes MTD capabilities, or just software to file to HMRC (often called 'filing software')? Filing software uses Fast Traces to populate a VAT return for submission to HMRC. Transactions are not recorded in any accounting software. HMRC requires the transactions to be linked to MTD relevant periods from April 2019.
2. Can the software support other elements of operations? Software can be an 'efficiency enabler' in many business areas so consider whether the need to support HMRC's MTD software should kick-start a more fundamental review of your accounting and wider business software needs and use MTD as a catalyst for digitalisation and change throughout your or your client's business.
3. Is the software on HMRC's list? HMRC are regularly updating a list of MTD relevant software solutions which can be found at www.gov.uk/guidance/what-to-look-for-when-buying-income-tax-software. Solutions are listed as either:
 - Already available and compatible (only software that has submitted for VAT review successful)
 - In development. If your preferred solution is in this category seek clarification as to when a complete review will be available.
4. Are case studies and reference customers available? Can your prospective software provider supply relevant reference customers and case studies? This is especially important if you are purchasing a full accounting software solution to give you confidence that the solution performs as expected since in the MTD pilot period (prior to April 2019) and that the software is appropriately supported.
5. Can the software provide reports that meet your specific needs? Businesses and accountancy practices often have their own preferred reporting formats so it is important to understand what flexibility your chosen software has in the area of report writing. Simple software (especially smaller organisations) which might provide little in the way of report writing capabilities. Larger organisations may require a third tool (CRM/Finance Manager module) which will often provide bespoke report writing capability. Carefully check your prospective solution meets your reporting needs.
6. Is the software suitably secure? Storage and security are critical in a world of increasing cyber attacks. Make sure you know where your data is stored and ask your software provider what security arrangements are in place to prevent security breaches and for a copy of their disaster recovery plan. Ask where the data is stored. The country where your data is held may become increasingly relevant after Brexit.
7. Does the software easily enable you to extract your data? Where the software Intellectual Property is owned by the provider, the data regarding your transactions is yours and should you have a need to change software provider under a commercial contract, you should be sure that there is a clear procedure for downloading your data to store or transfer to another software solution.
8. Can you find time to trial the software with a 'live client' ahead of the MTD go-live date? When implementing any kind of software, it is always prudent to test the new process. Check with your software provider if you can participate in the HMRC MTD pilot. The software provider will need to be ready to join the pilot and HMRC will need to assess whether your VAT return is eligible to be filed as part of the pilot.

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10 things to consider when purchasing a Making Tax Digital software solution for VAT

Tip 1

Presenter:

Jamie Royston-Smith, Head of Sales and Account Management, TaxCalc

Do you need:

- a full Accounting solution (including MTD capabilities)

or

- 'bridging software' to link to Excel



- Records entered into software, typically cloud, with web/mobile access
- VAT return compiled from data
- Submitted directly to HMRC via API



- Records in spreadsheets (see VAT 700/22) and VAT totals compiled
- MTD Bridging Software used to import from Excel
- Submitted directly to HMRC via API

Can the software support other elements of operations?

No software will cover all areas of business operations, but which elements should be integrated and connected?

For Agents

- VAT Filer integrated in Practice Management software. Quarterly reminders and job tracking
- File Gov Gateway and MTD returns

The best of both worlds

VAT Filer supports multi-service VAT return submissions. So whether you need to file using the Government Gateway or through the MTD for VAT service, you can do so.



For Businesses

- Cloud accounting may provide other benefits, real time access, bank feeds
- Marketplace apps which can help with payment collection, timesheets, cash flow forecasting

Is the software on HMRC's list?

- <https://www.gov.uk/guidance/software-for-sending-income-tax-updates>

The screenshot shows a GOV.UK page with the following content:

- Header:** GOV.UK logo, search bar, and navigation links: Departments, Worldwide, How government works, Get involved, Publications, Consultations, Statistics, Announcements.
- Breadcrumbs:** Home > Money > Personal Tax > Income Tax
- Section:** Guidance: Find software suppliers for sending VAT Returns and Income Tax updates
- Text:** Find out which software packages support the Making Tax Digital pilots.
- Metadata:** Published 15 March 2018, Last updated 8 January 2019, From: HM Revenue & Customs
- Contents:** Overview, Software suppliers and available products
- Overview:** If you sign up to the Making Tax Digital pilots you'll need software packages that, depending on your needs, let you:
 - [submit VAT Returns](#)
 - [send Income Tax updates](#)
- Text:** If you're an agent and you sign clients up to the pilots you'll need one that lets you send these to HMRC on their behalf.
- Text:** You'll need this software to keep records of income and expenses for Income Tax, or sales and purchases for VAT. If you're already using software to keep records, check with your provider when the software will be ready to allow you to send updates and submit returns to HMRC throughout the year.
- Section:** Software suppliers and available products
- Text:** HMRC is working with a wide range of software suppliers to produce suitable software for businesses and their agents.
- Text:** Software which has been recognised by HMRC is now available, whilst other suppliers still have products in development.
- Text:** More suppliers and software will become available and added to the alphabetical lists below as the Making Tax Digital pilots progress.
- Find:**
 - [VAT compatible software - available now](#)
 - [software suppliers with VAT compatible products in development](#)
 - [Income Tax compatible software - available now](#)
- Related content:** Detailed guidance, [Help and support for Making Tax Digital](#), [Help and support for tax agents and advisers](#), [Use software to submit your VAT Returns](#), [Agents: use software to submit VAT Returns](#)
- Collection:** [Commercial software developers](#), [Making Tax Digital for VAT](#)

Software provider or product	Who can use this	Features
Acorah Software Products Ltd (TaxCalc)	Agents and businesses	Submit VAT Return (bridging software) View VAT Return View VAT Liabilities View VAT Payments
Capium Limited	Agents and businesses	Digital record keeping Submit VAT Return View VAT Return View VAT Liabilities View VAT Payments
De Facto Software Ltd	Businesses	Digital record keeping Submit VAT Return View VAT Return
My Digital Accounts	Agents and businesses	Digital record keeping Submit VAT Return View VAT Return View VAT liabilities View VAT Payments

Are case studies and reference customers available?

What to look for in a case study or what to ask a reference customer?

Is there a free trial?

Can the software provide reports to meet your specific needs?

Dashboard

Tasks assigned to me + ↻ ▾

Description	Task Type	Client	Due Date	
	VAT Return	Andrew Abbott	07/03/2019 09:00	⌵
	Annual Accounts	Craven Northmoor Design Limi...	01/07/2019 09:00	⌵
	Tax Return	Craven Northmoor Design Limi...	01/10/2019 09:00	⌵

[Open Work](#)
[Edit Task](#)
[Update Task](#)
[Open Task Management](#)

Task Summary + ↻ ▾

	Planned	In Progress	On Hold	Completed
Annual Accounts	1	0	0	0
Tax Return	1	0	0	4
VAT Return	1	0	0	1
Confirmation Statement	0	0	0	0

Are you looking for an MTD solution for a number of clients?

- Just your own organisation
- 1 - 10 clients
- 11 – 50 clients
- 50 - 100 clients
- >100 clients

Are you looking for MTD 'bridging software' or a wider solution which includes MTD?

- Solution which includes MTD
- Bridging software
- Both
- Not sure yet

Presenter:
Daniel Moss, Business Analyst, My Digital Accounts

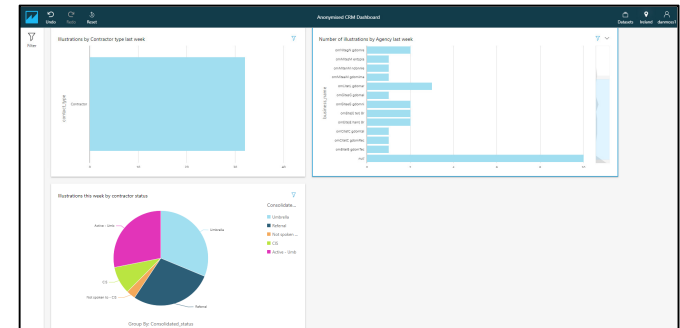
Is the software suitably secure?

- Where is the data stored? – Internal server or in the cloud
- Does it support user access control
- Are internal policies in place – Password reset, remote access policy, disaster recovery plan etc.
- What sort of data is stored? Transactional, personal etc



Does the software easily enable you to extract your data?

- Reasons to extract data – Reporting, analysis, moving providers etc.
- What data is available to extract – Bridging software or bookkeeping software
- Does it support ad hoc extraction to excel
- Does it interface with third party reporting packages
- Check the software providers policy for returning data to you



Can you trial the software with a live client?

- HMRC live beta program running until April
- Is the software provider participating in the beta?
- Test the end to end process – Is it scalable?
- Will the software provider help with set up?
- Get an idea of how long a migration will take

You can still choose to:

- get your agent to submit your VAT Returns
- view your next VAT Return deadline in your Business Tax Account

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](#).

Service availability

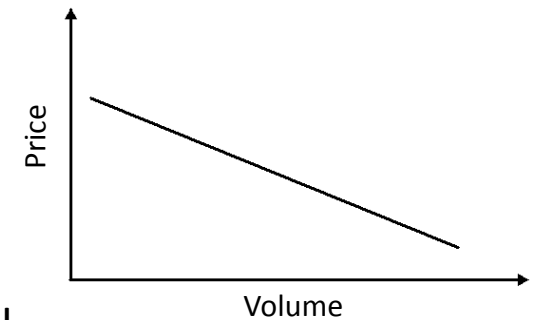
You can [check the availability and any issues affecting this service](#).

If you need help

Check with your software provider if you need help, for example with keeping your sales and purchase records, or submitting your VAT Returns.

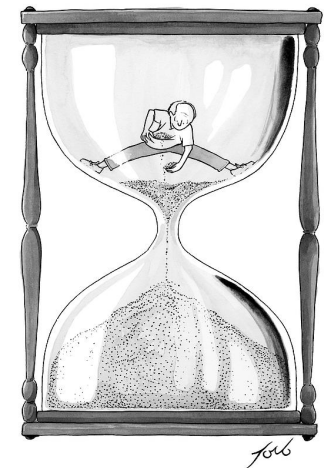
Is the software appropriately priced?

- Pricing important but should not be the sole consideration
- Full bookkeeping supported or bridging software
- Software provided under fixed contract or rolling SAAS model
- Fixed monthly/yearly cost or pay per VAT submission?
- Volume discounts
- Is support included?



Start ASAP to ensure you meet the deadline

- First mandatory quarterly VAT return due 7th August
- Only one VAT quarter left to submit before MTD
- Start to let your clients know about MTD
- If you are in practice set up an agent services account
- Start to gain an understanding of how long migration will take
- Join the public beta!



Do you feel better informed about selecting MTD software after this webinar?

- Not at all. I'm still confused.
- Better informed - but still need more information.
- I have the information I need to select software for MTD.

www.basda.org/bsg

- Selecting Business Software
- Selecting Business Software for Small Business Success
- 10 Things To Consider when purchasing:
 - Accounting Software
 - Payroll Software
 - MTD Software

www.basda.org/bsg

Guide 1 – Selecting Business Software



Download Guide

Guide 2 – Selecting Business Software for Small Business



Download Guide

Guide 3 – Top 10 Tips for Purchasing Accounting Software



Download Guide

Guide 4 – Top 10 Tips for Purchasing Payroll Software



Download Guide

Guide 5 – Top 10 Tips for Making Tax Digital Software



Download Guide





Future webinars



22 Feb – Financial modelling code

26 Feb – Understanding the Excel Community

25 Mar – Tech essentials – automating your practice

23 Apr – Excel Tip of the Week #6

07 May – The game changing modern Excel features

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Thank you for attending



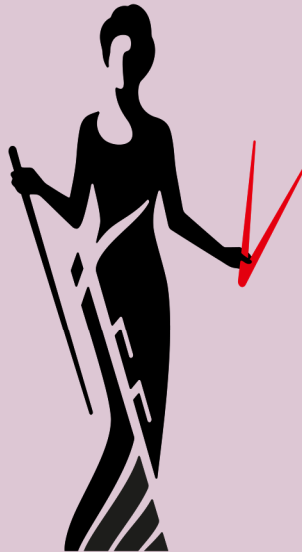
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Please take the time to fill out our short survey



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