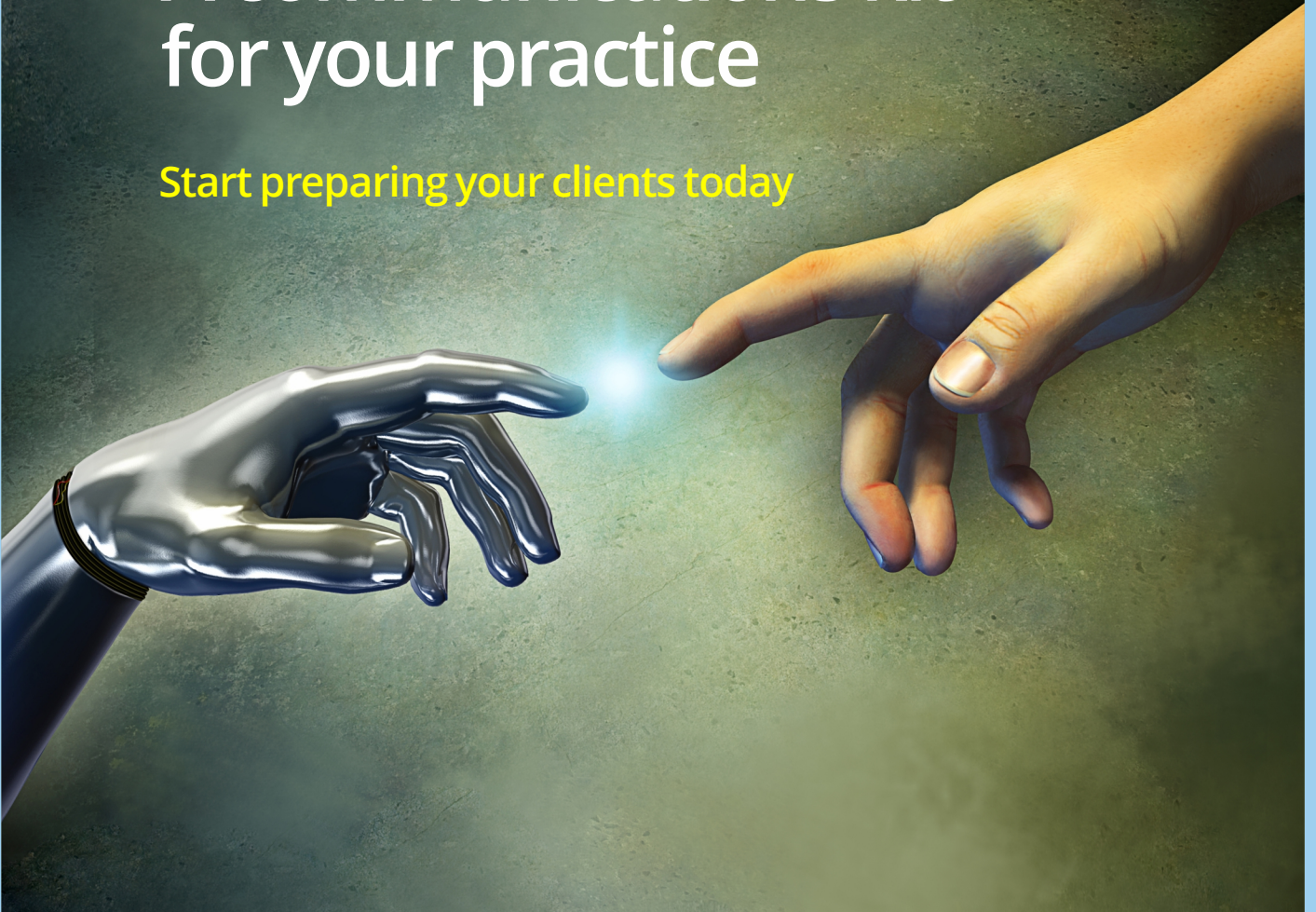




Making Tax Digital

A communications kit
for your practice

Start preparing your clients today



**Making Tax Digital
Ready**

Includes:

- Checklist: Prepare for Digital Tax
- Example letters to clients by category
- Why QXAS for Making Tax Digital

Introduction

The whole tax system is changing. HMRC proposals mean the end of the annual tax return for most tax payers and the filling of information digitally.

For accountants, this represents a new way of doing things and a complete change from the usual way of dealing with clients and HMRC. This will have a MASSIVE effect on UK accounting firms.

This action pack will help you communicate the change with your clients, so you can make sure they are MTD ready with minimum fuss well ahead of the April 2019 deadline.

In this toolkit, you will find guidance and resources to help you with your marketing and communications strategy, including:

- 1. Checklist: Prepare for Digital Tax**
- 2. Example letters to clients by category**
- 3. Why QXAS for Making Tax Digital**
- 4. Contact us**

1. Checklist: Prepare for Digital Tax

We have designed this checklist to help you prepare for Digital Tax. The checklist is here to help you start thinking about the changes you may need to make to your processes and procedures internally and to help you set an action plan early.

1. Review HMRC VAT notice 700/22 – “Making Tax Digital for VAT” and ensure all fee earners are aware of HMRC plans and deadlines.
2. Hold a meeting to discuss and ensure all fee earners understand that there will be changes in the way they bill, prepare accounts, file data and deal with clients.
3. Analyse your portfolio and identify exempt, above VAT threshold, and all other clients. Review all clients above the VAT threshold to ensure their year ends tie in with tax year and VAT quarters (if applicable) and to quarterly summary dates. Identify the problem clients early.
4. Be aware that technology will adapt over the next 2-3 years to accommodate digital tax and allow a flexible approach to the apps and software you currently use and could be using. For example, think about “best of breed” as opposed to current “all in one” practice management software.
5. Start a process to train fee earners on your preferred Cloud software and have “champions” trained on all the major packages NOW.
6. Show the certifications on your website with the major Cloud providers' logos to position the firm as a “Cloud Accounting Specialist”.
7. Prepare an initial marketing plan to educate clients about the changes ahead and the benefits of Cloud accounting packages.
8. And most importantly – move your firm's own accounts to a Cloud provider. Become an advocate! Have a demo company set up with all fee earners having access to the app on their phones so they can demo to clients.



PRO TIP

“Informing clients is vital at this stage as there's a lot of noise out there, and there are other firms that will take advantage of you if you haven't taken any action”

Glenn Collins
ACCA's Head of Advisory

2. Example Letters/Emails to clients by category

The following are examples of letters you could send as part of your marketing programme as outlined above.

It includes the following letters/emails:

- General Email/letter template: Announcing Making Tax Digital update
- Email/letter template: VAT registered clients above the threshold
- Email/letter template: VAT registered clients but below the threshold
- Email/letter template: Not VAT registered clients



PRO TIP

"It (Making Tax Digital) will help transform our business from compliance to one where people devote time to other things,"

Clive Stevens,
Executive Chairman, Kreston Reeves

General Email/letter template: Announcing Making Tax Digital update

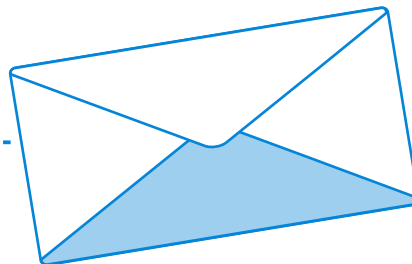
Good afternoon [Insert name]

Making Tax Digital for business is a Government project that will put all your tax information together in one place online. It's intended to help you keep better track of how much tax you owe – or how much you are due back – throughout the financial year.

The first to be affected will be small businesses and individuals with a turnover above the VAT threshold of £85,000, who will be required to keep digital records for VAT purposes from April.

If you have any questions about Making Tax Digital for Business, please do not hesitate to contact our team on [insert phone number]

Kind regards,
[Insert your name]
[Insert practice name]



Email/letter template: VAT registered above the threshold (to follow-up targeted letter above)

Dear [Insert client name]

MAKING TAX DIGITAL - COMING SOON!

The Government remains committed to the start of the roll out of Making Tax Digital (MTD) in April 2019 and the legislation to implement the changes has been passed.

What does this mean to your business?

You will need to ensure that your accounting records are “digital” and, starting from 1 April 2019, keep and file your VAT accounting records digitally. “Digital” excludes manual books and records.

I am writing to let you know that our preliminary assessment of your business means you are required to comply with the new law from April 2019.

Many of our other clients are already making the change to Digital Accounting records and what we've found so far is that our Cloud based accounting package is proving to be very popular.

So, I thought I would outline some of the benefits of changing the way you keep your records.

Our Cloud Accounting package allows you to:

- Capture receipts and payments from your bank account directly;
- Use your smart phone to photograph expenses and have them filed straight into your accounts;
- See your results 24/7 via an app on your phone;
- Create quotes and sales invoices easily; and
- Throw away all the paper you currently keep on file!

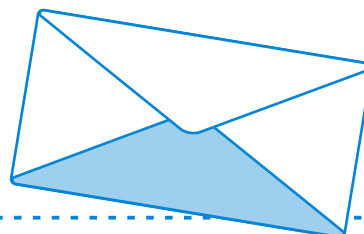
We are Cloud Accounting specialists and promise to help you make the transition to Digital Accounting as straightforward as possible.

I will be calling you later this week to make an appointment to show you the software and make recommendations on how you can comply with this new legislation.

Best wishes

[Insert your name]

[Insert practice name]



Email/letter template: VAT registered but below the threshold (to follow-up targeted letter above)

Dear [insert name],

MAKING TAX DIGITAL - NEW LAW ON DIGITAL RECORDS AND VAT FILING

The UK Government has confirmed the roll out of Making Tax Digital (MTD) in April 2019 for VAT, and the legislation has been passed by parliament. It is probable that this legislation will be expanded to cover income and corporation tax in the next few years.

What does this mean to your business?

You should start preparing now to ensure that your accounting records are "digital" and you can file information directly to HMRC. Digital excludes manual books and records.

Many of our other clients are already making the change to Digital Accounting records and what we've found so far is that our Cloud based accounting package is proving to be very popular.

So, I thought I would outline some of the benefits of changing the way you keep your records.

Our Cloud Accounting package allows you to:

- Capture receipts and payments from your bank account directly;
- Use your smart phone to photograph expenses and have them filed straight into your accounts;
- See your results 24/7 via an app on your phone;
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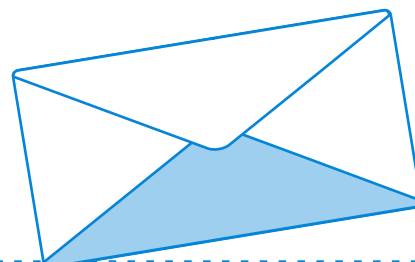
We are Cloud Accounting specialists and promise to help you make the transition to Digital Accounting as straightforward as possible.

I will be calling you later this week to make an appointment to show you the software and make recommendations on how you can comply with this new legislation.

Best wishes,

[Insert your name]

[Insert practice name]



Email/letter template: VAT registered but below the threshold (to follow-up targeted letter above)

Dear [Insert name]

At present, businesses keep their accounting records in a variety of ways – including paper records, spreadsheets and accounting software.

Under Making Tax Digital, certain businesses will be required to maintain their records digitally for VAT purposes, using Making Tax Digital compliant software. HM Revenue & Customs (HMRC) will start testing the system this April, when it launches a pilot scheme for digital VAT reporting.

When does Making Tax Digital apply to you?

As you are not registered for VAT, Making Tax Digital does not apply to you. However, HMRC has previously announced plans to apply Making Tax Digital to all businesses with a turnover above £10,000. While these plans have been scaled back for now, it is expected that HMRC will announce changes for businesses such as yours from 2020.

Your next steps

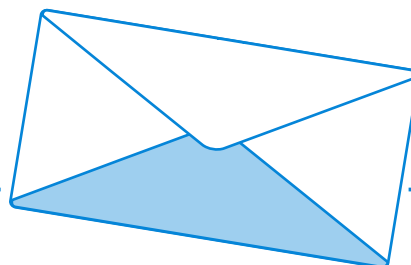
We recommend a review of your record-keeping processes at your earliest convenience and we invite you to contact our team to book [a meeting / conference call / skype meeting] on [insert phone number].

During the review, we will discuss the options available to you and help you to determine the best digital-compliant process to meet your needs. There are many benefits to adopting digital record-keeping early and a guide to these benefits, along with a more detailed explanation of Making Tax Digital, is available to download below:

If you have any questions about Making Tax Digital for Business, please do not hesitate to contact our team on [insert phone number].

Best wishes,

[Insert your name]
[Insert practice name]



3. Why QXAS for Making Tax Digital

With the introduction of Making Tax Digital (MTD) in April 2019 there is going to be a much greater workload for accountants and bookkeepers. In addition to that, finding and recruiting the right experts is hard work and office space is going to be a problem too.

Founded in 2006, QXAS is a trusted outsourcing partner of hundreds of accountants in the UK. All our accountants are professionally certified in both Xero and QuickBooks. Plus they have several years of experience in remote bookkeeping, university accounting degrees, and can produce their Xero and QuickBooks certifications at any time.

We have also tied up with QuickBooks to provide our clients free MTD-compatible software as long as you outsource your bookkeeping to us.

To help you prepare for Making Tax Digital, we can provide:

- 250+ staff trained and certified in QuickBooks and Xero
- Assistance with software selection
- Advice on segmenting your clients
- Free Making Tax Digital software
- Client education material including email templates
- Help with moving clients to the cloud
- Customised pricing plan to suit your practice

“ There's 250 of us. We specialise in working with UK accountants, where we do bookkeeping all the way to completion. Our biggest clients have a £10m turnover, the smallest one is £100,000. We have 190+ clients that we do bookkeeping for, and we tend to also do accounting, payroll and tax for them. For some we even manage their email inboxes and directly deal with clients. ”



Dishant Desai
Operations Director



4. Contact us

**Making Tax Digital is just around the corner
- now's the time to prepare.**

If you are an accountant and you want to get MTD ready with minimum fuss well ahead of the April 2019 deadline, you can take our [free, 30-minute consultation](#) to receive a customised action plan with next steps for your accountancy practice

Email: qxas@qxglobalgroup.com

Call: +44-845-838-2452

Visit: www.qxas.co.uk

**Discover how QXAS helps ambitious
accounting practices with accounting, bookkeeping, VAT
and payroll functions.**

Speak to a consultant today by
emailing qxas@qxglobalgroup.com or call [+44-845-838-2452](tel:+44-845-838-2452)