PeopleSoft®

EnterpriseOne B73.3.1
Global Solutions - Italy
PeopleBook

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J.D. Edwards Business Solutions for Italy

J.D. Edwards Country Information

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Tax Solutions Summary

J.D. Edwards solutions for tax requirements in Italy include:

- Fiscal identification number for company validation
- Monthly VAT reporting
- Summary VAT reporting
- Annual VAT reporting
- Suspended VAT processing
- Withholding tax processing
- Form 770 reporting
- Intrastat processing

Fiscal Identification Number for Company Validation

In Italy, the Tax Authority assigns a unique fiscal identification number to each company. All VAT-relevant documents and books compiled by a company must contain this identification number. The identification number is 11 characters long. The first seven digits are the progressive registration number. The next three digits are the identification code for the relevant VAT office. The last digit is a control digit used for validation.

Availability: B73.1

Monthly VAT Reporting

Businesses in Italy print monthly reports to document accounts payable and accounts receivable VAT. The report must be printed on a special legal form that is pre-numbered and approved by the local tax authorities.

Availability: B73.1

Summary VAT Reporting

VAT summary reports include the total amount that is due to the local tax authority based on register types and classes.

Availability: B73.2

Annual VAT Reporting

Annual VAT reports include summarized VAT information from customer invoices and supplier vouchers. The information must be summarized by the supplier or customer tax identification number. The system creates a cumulative record for customer and suppliers that have the same tax identification number, as in the case of a parent business with subsidiaries.

Availability: B73.3

Suspended VAT Processing

Italian law states that the VAT on the sale of goods to certain associations, such as hospitals and universities, is due only upon receipt of payment, not upon issue of the invoice. The VAT payable is accounted for when payment is received, not at the time of invoice entry. In J.D. Edwards software, the stand-alone tax calculation for suspended VAT tax is integrated with the invoice entry and cash receipts processes.

Availability: B73.2

Withholding Tax Processing

J.D. Edwards withholding tax solutions integrates with the voucher entry and payment processes. The withholding tax process includes the calculation and payment of withholding tax on vouchers that businesses receive from suppliers, in addition to delayed VAT on payment (Notula) and Instituto Nazionale Previdenza Sociale (INPS) withholding taxes for contractors.

Availability: B73.2

Form 770 Reporting

In Italy, businesses are required to submit information relative to tax withheld by the company on behalf of specific suppliers on the official 770 form for revenue declaration. You can use J.D. Edwards software to print or download this information as needed. J.D. Edwards provides you with the ability to report on withholding tax information in the appropriate 770 form sections.

Availability: B73.3 (for the 1997 record layout)

Intrastat Processing

To meet the reporting requirements of the European Union, J.D. Edwards software provides Intrastat processing to collect the import and export information from the distribution systems.

Availability: B73.1

Banking Solutions Summary

J.D. Edwards solutions for banking requirements in Italy include:

- Bank identification validation

Bank Identification Validation

In Italy, bank identification information consists of two numbers; a five-digit bank transit number (codice ABI) and a five-digit bank branch code (codice CAB). J.D. Edwards software validates this bank identification information during the draft generation and remittance processes.

Availability: B73.1

Accounts Receivable Solutions Summary

J.D. Edwards solutions for accounts receivables requirements in Italy include:

- ❑ Draft processing

Draft Processing

In addition to the standard draft process, J.D. Edwards provides the following draft processing localizations for Italy:

- Draft statements formatted to meet requirements in Italy
- Validation of bank identification information
- Electronic RiBa remittance
- Notification of non-sufficient funds formatted to meet requirements in Italy

Availability:

- B73.1 (base draft functionality)
- B73.3 (additional functionality)

Accounts Payable Solutions Summary

J.D. Edwards solutions for accounts payable requirements in Italy include:

- ❑ Automatic payment processing

Automatic Payment Processing

In addition to the standard payment formats that are included in the Accounts Payable automatic payment solution, J.D. Edwards provides the following country-specific payment components for Italy:

- Electronic payment format
- Checks
- Payment register

Availability: B73.1

General Accounting Solutions Summary

J.D. Edwards provides solutions for reporting requirements in Italy, including:

- General ledger date edit
- Sequential number report
- General ledger registration report
- General ledger report
- Trial balance report by category code

General Ledger Date Edit

In Italy, businesses are required to document each revenue and expense event in chronological order. Set up the system to edit the dates that you enter for original fiscal vouchers and invoices to ensure that the documents are entered into the system chronologically.

Availability: B73.2

Sequential Number Report

In Italy, businesses are required to number original fiscal documents sequentially as well as chronologically. You can run the Sequential Number Report to identify any document numbers that are out of sequence.

Availability: B73.2

General Ledger Registration Report

Run the General Ledger Registration report in proof mode to review a listing of all general ledger transactions for each month. Run the report in final mode to assign chronological and sequential registration numbers to your general ledger transactions.

Availability: B73.2

General Ledger Report

You can use J.D. Edwards general accounting software to maintain a local and corporate view of your chart of accounts simultaneously. Generate General Ledger reports for either view of the chart of accounts in the format used by businesses in Italy.

Availability: B73.2

Trial Balance Report by Category Code

You can use J.D. Edwards General Accounting software to maintain a local and corporate view of your chart of accounts simultaneously. Generate trial balance reports for either view of the chart of accounts to verify the accuracy of transactions in individual account ledgers.

Availability: B73.2

Reporting Solutions Summary

J.D. Edwards provides solutions for reporting requirements in Italy, including:

- Ledger reports for customers and suppliers
- Open amount reports for customers and suppliers

Ledger Reports for Customers and Suppliers

Generate and print supplier and customer ledger reports in the format used by companies in Italy.

Availability: B73.2

Open Amount Reports for Customers and Suppliers

Generate open amount reports for customers and suppliers. You can specify features of open amount reports to meet the information requirements of businesses in Italy.

Availability: B73.2

Additional Functionality for Italy

J.D. Edwards provides additional functionality for Italy, including:

- Alternate chart of accounts
- Asset depreciation
- Payment terms

Alternate Chart of Accounts

You can set up an alternate chart of accounts if your corporate reporting requirements are different than the local reporting requirements of the country in which you are doing business. For example, if you set up the local chart of accounts by object and subsidiary, but you need to provide fiscal reports that reflect a different chart of accounts, you can set up and maintain an alternate chart of accounts in category codes 21, 22, and 23.

Availability: B73.1

Asset Depreciation

J.D. Edwards standard depreciation solution is completely user defined to meet the depreciation needs of any business in any country. You can set up user defined depreciation to calculate the depreciation for assets based on depreciation methods that are used in Italy, including:

- Accelerated depreciation (Ammortamento accelerato)
- Reduced depreciation (Ammortamento ridotto)
- Anticipated depreciation (Ammortamento anticipato)
- Ordinary depreciation (Ammortamento ordinario)
- Complete depreciation (Ammortamento integrale)

Availability: B73.2 (standard depreciation)

Payment Terms

The enhanced payment terms provide you with the flexibility to define how the system calculates due dates and discount percentages for your invoices and vouchers.

Enhanced payment terms consist of the following:

- Due date rules
- Work day calendars
- Enhanced payment term codes

Availability: B73.1

Business Processes

This section contains maps for the business processes that J.D. Edwards software provides. Each map in the Global Solutions guide includes the country-specific solutions that apply to the process.

The maps indicate the tasks that are required for the successful completion of a business process. Country-specific tasks are specified by country and are documented in the Country-Specific Tasks section in this guide. All other tasks are specified by the base J.D. Edwards software guide in which the tasks are documented.

J.D. Edwards country-specific processes for Italy include the following:

- System setup
- Tax processes
- Banking processes
- Accounts receivable processes
- Accounts payable processes
- General accounting processes
- Reporting processes

System Setup

Before you use J.D. Edwards software, you must set up and define certain information that the system will use during processing. You use this information to customize the system for your business needs.

J.D. Edwards country-specific setup requirements for systems in Italy include the following:

- ❑ Setting up your system for localization
- ❑ Setting up payment terms
- ❑ Additional Information

Setting Up Your System for Localization

You must complete the system setup tasks detailed in the base guides as well as the following additional tasks for Italy:

- ❑ International: Setting up user display preferences
- ❑ Italy: Setting up user defined codes
- ❑ Italy: Setting up A/R electronic formats for the euro
- ❑ Accounts Payable: Setting up tax rates and areas for A/P
- ❑ Italy: Setting up your system for date edits
- ❑ International: Setting up an alternate chart of accounts
- ❑ Italy: Setting up the data dictionary to process withholding tax
- ❑ Italy: Setting up AAIs to process withholding tax
- ❑ Italy: Setting up withholding tax codes
- ❑ Italy: Setting up withholding tax information for suppliers
- ❑ Italy: Setting up to report on summarized VAT

- ❑ International: Setting up user defined codes for Intrastat reporting
- ❑ International: Setting up additional intrastat information
- ❑ International: Entering cross-references for items and suppliers
- ❑ International: Entering VAT registration numbers for customers and suppliers

Setting Up Payment Terms

You can set up codes for the various payment terms, such as net and due upon receipt, that your suppliers use. Setting up codes simplifies voucher entry.

When you enter a supplier record, you specify the payment terms that the supplier uses most frequently. Then, when you enter or release a voucher, you can either:

- Accept the default payment term
- Designate a different payment term

The system calculates discounts and payment due dates based on the payment terms you set up.

Payment Terms Codes

The system identifies payment terms by using codes. To set up payment terms codes, you use a one-, two-, or three-character combination of the following:

- Alphabetic (A – ZZZ)
- Numeric (1 – 999)
- Special characters (including blank)

You should set up a blank code for the most commonly used payment terms. If you do this, you must also set up a nonblank code for the same payment term in case you later need to change a supplier's payment term.

For example, you have a supplier with a default payment term code of D (due upon receipt). The supplier changes the terms to net 30 days, which is set up as a blank code. Because you cannot replace the existing code of D with a blank (because the D will continue to be the default from the Supplier Master table), you must use a nonblank code, such as N for net 30 days.

Setting up payment terms consists of the following tasks:

- ❑ Accounts Payable: Setting up standard payment terms
- ❑ Accounts Payable: Understanding advanced payment terms

- ❑ Accounts Payable: Working with advanced payment terms
- ❑ Italy: Setting up 30/60/90 end of month invoice date

Additional Information

Additional information about setup issues, technical considerations, and system use is available. When you set up your system, review the following:

- ❑ Italy: Periodic system maintenance activities
- ❑ International: Data integrity and the chart of accounts
- ❑ International: Multiple ledger types
- ❑ International: Translation considerations for multi-language environments
- ❑ International: J.D. Edwards multi-currency solution summary

Tax Processes

J.D. Edwards country-specific processes for tax requirements in Italy include the following:

- ❑ Processing withholding tax
- ❑ Processing VAT
- ❑ Working with European Union (EU) reporting

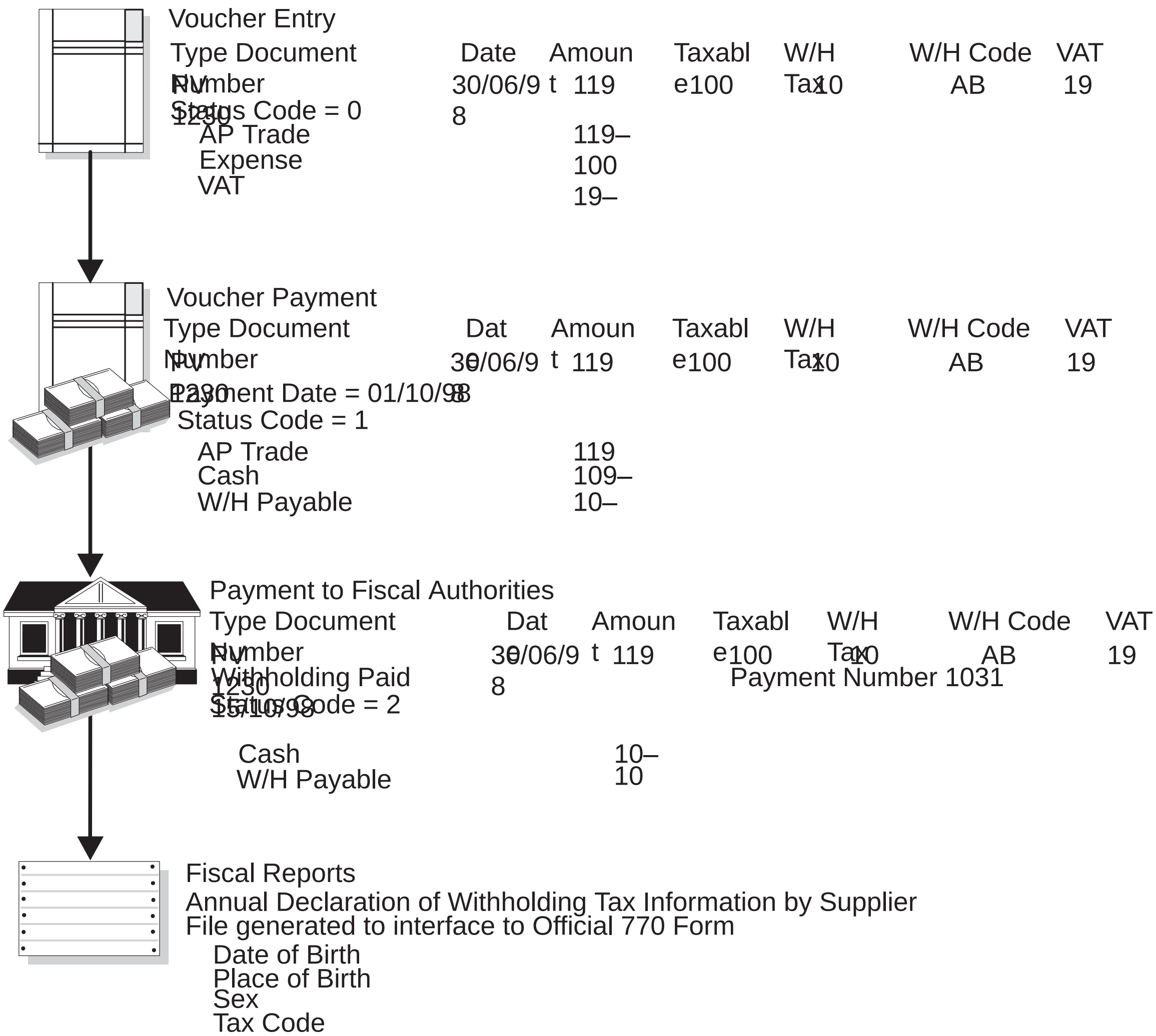
Processing Withholding Tax

In Italy, businesses must withhold taxes from payments to certain types of suppliers, such as self-employed and contract suppliers. These withholding taxes are remitted directly to the government. Each year, businesses must submit the Modello 770 form to the tax authorities. The Modello 770 form contains information about the suppliers from whom withholding tax has been collected.

In some cases, businesses can defer the recognition of A/P VAT receivable (input) on vouchers for suppliers that are subject to withholding tax until the voucher is paid. The document used to defer the VAT is called Notula.

Businesses must also give all their suppliers who are subject to withholding tax a certification of all of the amounts paid for their services, including detail of the tax withheld.

The following graphic illustrates the withholding tax process for Italy.



Processing withholding tax for Italy consists of the following tasks:

- ❑ Italy: Understanding INPS withholding tax
- ❑ Italy: Understanding Notula
- ❑ Italy: Understanding J.D. Edwards status codes for withholding tax
- ❑ Italy: Entering vouchers with withholding tax
- ❑ Italy: Processing withholding tax
- ❑ Italy: Revising withholding tax details
- ❑ Italy: Printing withholding tax reports

Before You Begin

- ❑ Set up data dictionary values for withholding tax processing. See *Italy: Setting Up the Data Dictionary to Process Withholding Tax.*
- ❑ Set up the PKD and PKL automatic accounting instructions. See *Italy: Setting Up AAIs to Process Withholding Tax*.
- ❑ Set up codes to identify the withholding tax rates that you use. See *Italy: Setting Up Withholding Tax Codes.*
- ❑ Set up withholding tax information for your suppliers. See *Italy: Setting Up Withholding Tax Information for Suppliers*.

Processing VAT

Value added tax (VAT) is a noncumulative tax that Italian tax authorities impose at each stage of the production and distribution cycle. If you work with VAT, you should understand the following terminology and principles:

Output VAT

Suppliers of goods and services must add VAT to their net prices. They must record output VAT for goods on the date that they issue invoices and for services on the date that they receive payment. The amount of VAT is determined by applying specific rates to the net selling prices of certain goods and services.

Output VAT is also called A/P VAT Receivable or Recoverable VAT.

Input VAT

Input VAT is the VAT paid by the purchaser of goods and services.

The purchaser can recover input VAT by offsetting it against output VAT. When input VAT exceeds output VAT, the purchaser can forward the VAT balance as a credit toward the tax authority for the next reporting period.

Input VAT is also called A/R VAT Payable.

Nonrecoverable Input VAT

Input VAT cannot be recovered for:

- Goods and services that are not necessary for running the business
- Expenses that are related to business entertainment
- Transport of persons
- Oil-based fuels and lubricants that are transformed and then resold
- Goods that are provided free of charge or at a substantially reduced price
- Purchase of cars
- Services related to goods that are normally excluded from the right of recovery

VAT Returns

VAT returns must be completed for each month on a special form and filed with the local tax office on the 20th of the month.

You must pay any excess output VAT over input VAT at the time of filing.

VAT Exemptions

To be exempt from VAT, your business must work within the following guidelines:

- Goods must be physically moved to another EU-member country.
- Customers must have VAT identification codes.
- Invoices must show applicable VAT numbers.
- Goods cannot be of a special category, such as vehicles.

Processing VAT in Italy consists of the following tasks:

- ❑ General Accounting: Entering journal entries with tax
- ❑ Italy: Understanding deferred invoices and VAT
- ❑ Italy: Printing monthly VAT reports
- ❑ Italy: Understanding summary VAT
- ❑ Italy: Revising VAT balances
- ❑ Italy: Printing the Summary VAT report
- ❑ Italy: Understanding annual VAT reporting
- ❑ Italy: Creating the year-end VAT table
- ❑ Italy: Printing the Annual VAT Control report

- ❑ Italy: Revising annual VAT information
- ❑ Italy: Creating the year-end VAT tape
- ❑ Italy: Printing annual VAT reports for customers and suppliers
- ❑ Italy: Understanding suspended VAT
- ❑ Italy: Generating suspended VAT amounts
- ❑ Italy: Printing the control report for suspended VAT
- ❑ Italy: Printing the Monthly Suspended VAT report
- ❑ Italy: Printing the VAT by Tax Area Code report

Working with European Union (EU) Reporting

As part of the EU, Italy observes the Single European Act of 1987. The Single European Act is an agreement that opens markets to an area without internal boundaries, in which free movement of goods, persons, services, and capital is assured in accordance with the provisions of the Treaty of Rome.

For the reasons mentioned above, businesses in Italy must adhere to EU requirements. For example, to help monitor the trade among members of the EU, businesses that exceed the limit of intra-union trade must submit the following reports to the customs authorities:

- EU Sales Listing
- Intrastat Report

Detailed statistical information regarding merchandise trade between members of the EU is used for market research and sector analysis. To maintain the statistics on trade between EU members, the statistical office of the EU and the statistical departments of member countries developed the Intrastat system.

In compliance with the Intrastat system, information on intra-union trade is collected directly from businesses. If you do business in a country that belongs to the EU and you use J.D. Edwards Sales Order Management and Procurement systems, you can set up your system to extract all the necessary information to meet EU Intrastat reporting requirements.

Working with EU reporting consists of the following tasks:

- ❑ International: Printing the EU Sales Listing
- ❑ International: Creating tax reports in the euro

- ❑ International: Understanding Intrastat requirements
- ❑ International: Understanding Intrastat reporting and the euro
- ❑ International: Updating Intrastat information
- ❑ International: Revising Intrastat information
- ❑ Italy: Printing the Intrastat report

Before You Begin

- ❑ Set up tax information for the Accounts Receivable system. See *Accounts Receivable: Setting Up Tax Rates and Areas for A/R*.
- ❑ Set up tax information for the Accounts Payable system. See *Accounts Payable: Setting Up Tax Rates and Areas for A/P*.
- ❑ Set up user defined codes for Intrastat reporting. See *International: Setting Up User Defined Codes for Intrastat Reporting.*
- ❑ Enter a VAT registration number for each of your customers and suppliers. See *International: Entering VAT Registration Numbers for Customers and Suppliers.*

Banking Processes

J.D. Edwards country-specific processes for banking requirements in Italy include validating bank information. In Italy, businesses that remit incorrect or incomplete bank identification or account information to the bank are subject to fees. To avoid these charges, businesses must carefully validate bank identification and account information that is entered into the system during data entry.

You can use J.D. Edwards software to validate the following bank information:

- Bank identification numbers
- Account information

The system validates bank information based on the Italian Bank Master Table (F74030).

Validating bank information for Italy includes the following tasks:

- ❑ Italy: Validating account information
- ❑ Italy: Validating bank identification information
- ❑ Italy: Uploading bank identification information to your system
- ❑ Italy: Revising bank identification information manually
- ❑ Italy: Converting bank numbers

Accounts Receivable Processes

J.D. Edwards country-specific processes for accounts receivable requirements in Italy include the following:

- ❑ Entering country-specific invoices
- ❑ Processing accounts receivable drafts

Entering Country-Specific Invoices

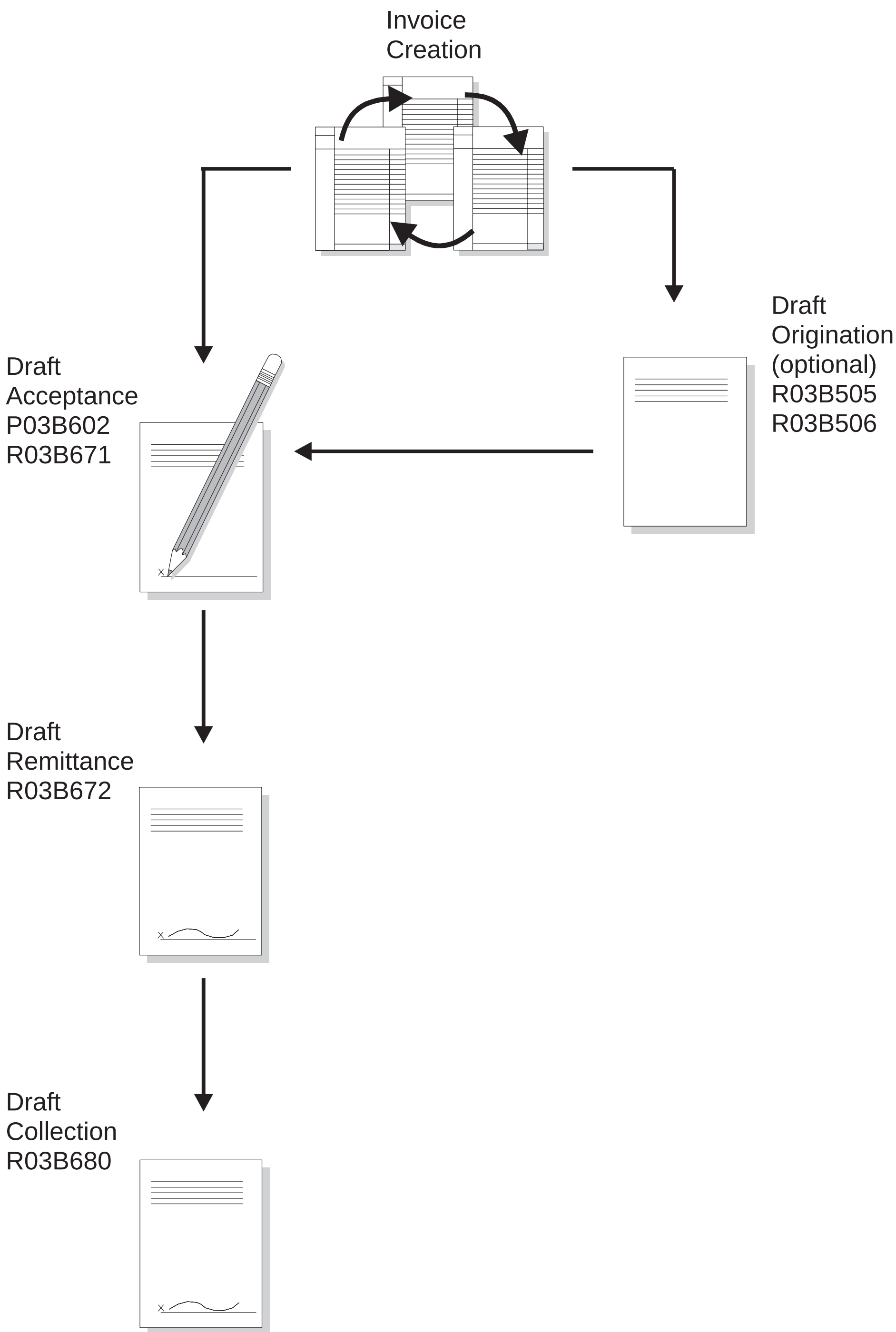
Invoices for free goods are invoices that have a zero value. In Italy, invoices for free goods must be entered into the system for fiscal and VAT reporting purposes. Entering country-specific invoices includes the following task:

- ❑ Italy: Working with invoices for free goods

Processing Accounts Receivable Drafts

In Italy, accounts receivable drafts can be remitted to the bank on paper or electronically.

The Accounts Receivable system provides an effective way to process drafts receivable. The following graphic illustrates the process flow for Accounts Receivable drafts in European countries.



Processing accounts receivable drafts consists of the following tasks:

- ❑ Accounts Receivable: What are the types of drafts?
- ❑ Accounts Receivable: What are the steps for processing drafts?
- ❑ Italy: Processing A/R drafts in Italy

- ❑ Accounts Receivable: Setting up A/R draft processing
- ❑ Accounts Receivable: Working with draft origination
- ❑ Accounts Receivable: Working with draft acceptance
- ❑ Accounts Receivable: Working with draft remittance
- ❑ Accounts Receivable: Working with draft collection
- ❑ Accounts Receivable: Approving and posting A/R drafts

Accounts Payable Processes

J.D. Edwards country-specific processes for accounts payable requirements in Italy include the following:

- ❑ Entering country-specific vouchers
- ❑ Processing automatic payments

Entering Country-Specific Vouchers

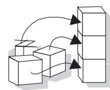
You can use J.D. Edwards software to work with voucher types that are specific to Italy. Entering country-specific vouchers includes the following tasks:

- ❑ Italy: Working with intra-Community VAT vouchers
- ❑ Italy: Entering VAT-only vouchers for the Customs Authority (Bolle doganali)

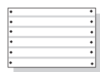
Processing Automatic Payments

Use automatic payment processing to pay vouchers during your usual payment cycle.

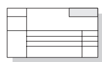
The following graphic illustrates the automatic payments process.



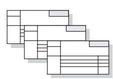
Step 1
Set up auto withholding.



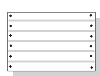
Step 2
Run Cash Requirements report.



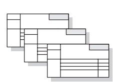
Step 3
Decide what to pay. Use Speed Release to put all other payments on hold.



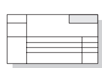
Step 4
Create payment groups.



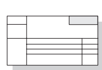
Step 5
Review the Payment Group Edit report and the Payment Analysis report (optional).



Step 6
Work with payment groups.

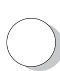


Step 7
Write payment/copy to tape.



Step 8
Update payment.

Step 9
Review payment register.



Step10
Post payments.

Processing automatic payments consists of the following tasks:

- ❑ Accounts Payable: Setting up bank account information for A/P
- ❑ Italy: Assigning formats to payment instruments
- ❑ Accounts Payable: Creating payment groups
- ❑ Accounts Payable: Working with payment groups
- ❑ Accounts Payable: Working with automatic payments

Before You Begin

- ❑ You must run the Italian Bank Number Conversion program (R74800). See *Italy: Converting Bank Numbers.*

General Accounting Processes

J.D. Edwards country-specific processes for general accounting requirements in Italy include the following:

- ❑ Italy: Accounting for petrol card expense reports
- ❑ Italy: Understanding the annual close
- ❑ Italy: Preparing for the annual close
- ❑ Italy: Verifying account balances
- ❑ Italy: Printing the Sequential Number report
- ❑ Italy: Printing the G/L Registration report
- ❑ Italy: Printing the General Ledger report
- ❑ Italy: Printing the Trial Balance report

Reporting Processes

J.D. Edwards localized solutions include additional reports to meet the information needs of businesses in Italy. For example, print ledger reports to review the detail of the transactions between your company and your customers and suppliers. Businesses are required by law to report customer and supplier open amounts at year-end.

J.D. Edwards country-specific processes for reporting requirements in Italy include the following:

- Italy: Printing Customer Ledger reports
- Italy: Printing Supplier Ledger reports
- Italy: Printing Open Amount reports for customers
- Italy: Printing Open Amount reports for suppliers

Country-Specific Tasks

System Setup

Setting Up User Defined Codes

On the System Administration Tools menu (GH9011), choose User Defined Codes.

Many fields throughout J.D. Edwards software accept only user defined codes. You can customize your system by setting up and using user defined codes that meet the specific needs of your business environment.

User defined codes are central to J.D. Edwards systems. You should be thoroughly familiar with user defined codes before you change them.

User defined codes are stored in tables that relate to specific systems and code types. For example, 12/FM represents system 12 (fixed assets) and user defined code list FM (finance methods). User defined code tables determine what codes are valid for the individual fields in your system. If you enter a code that is not valid for a field, the system displays an error message. For example, when you enter an invoice, you can enter a user defined code to specify the payment instrument. The system does not accept a payment instrument that is not in the user defined list of valid payment instruments.

You can access all user defined code tables through a single user defined code form. After you select a user defined code form from a menu, change the System Code field and the User Defined Codes field to access another user defined code table.

Set up the following user defined codes to process business transactions in Italy:

- Payment instrument (00/PY)
- Print/tape programs – payments (04/PP)
- VAT codes for year-end processes (00/IV)
- Register class (74/01)
- Register types (74/02)
- Suspended VAT document types (74/DT)
- Suspended VAT rates (74/SP)
- Section of 770 form (74/RA)
- Form 770 information (74/70)
- Country code for 770 form (74/CN)
- Withholding tax government (74/IM)
- Withholding tax fiscal code (74/WF)
- Withholding type (74/WT)

Payment Instrument (00/PY)

Set up user defined codes to identify each payment method that you use. You can associate payment instruments with document types so that you can process similar documents together. For example, you might set up payment instruments for automatic debits and automatic receipts.

In addition, you can associate a payment instrument with a bank account and with a print program in order to generate a check or a bank file. See *Italy: Assigning Formats to Payment Instruments*.

Print/Tape Programs – Payments (04/PP)

Set up a user defined code for each of the print or tape programs that you use to write payments. Use the following print and tape programs for Italy:

- P04572I1, diskette
- P04572I2, checks

VAT Codes for Year-End Processes (00/IV)

Set up VAT codes to associate a tax rate to a transaction. For example, you might set up codes for the following:

- VAT rate 0 percent
- Excluded
- Non-recoverable 50 percent
- Non-recoverable 100 percent
- VAT 4 percent
- VAT 20 percent

Register Class (74/01)

Set up register class codes to track and report VAT tax in a summarized format. For example, you might set up codes for the following register classes:

- Purchases
- Correspondent
- No deduction
- Sales

Register Types (74/02)

Set up register type codes to track and report VAT tax in a summarized format. For example, you might set up codes for the following register types:

- Purchases (Tax Italy)
- Purchases (Tax EU)
- Purchases (Tax extra EU)
- Tax not deductible
- Sales (Tax Italy)
- Sales (Tax EU)
- Sales (Tax extra EU)
- Suspended VAT

Suspended VAT Document Types (74/DT)

Set up document types to identify transactions that are subject to suspended VAT. The system uses this document type when you generate suspended VAT amounts.

You must also set up the codes for these document types on user defined codes 00/DT and 00/DI.

Suspended VAT Rates (74/SP)

Set up codes to identify the rate at which the system calculates suspended VAT amounts.

Section of 770 Form (74/RA)

Set up codes to identify the information that you want to use when you create your Model 770 form sections. For example, you might set up codes for the following information:

- Self employment revenue (SF 770 section)
- Self employment INPS subjected (SG 770 section)
- Sales commissions (SH 770 section)

Form 770 Information (74/70)

Set up codes to identify information for the 770 form. This code indicates whether the supplier is a resident of Italy and whether the supplier's revenue is partially, totally, or not subject to INPS withholding tax.

Set up the following codes:

- 0 – Resident
- 0A – Resident whose income is all subject to INPS
- 0B – Resident whose income is partially subject to INPS
- 0C – Resident whose income is not subject to INPS
- 1 – Nonresident whose income is all subject to INPS
- 1A – Nonresident whose income is partially subject to INPS
- 1B – Nonresident whose income is not subject to INPS
- 1C – Nonresident

Country Code for 770 Form (74/CN)

Set up the numeric country codes that have been defined by the fiscal authority for use on the 770 form. The Codes field must contain the same country codes as user defined code table 00/CN. The Description 01 field must contain the corresponding numeric code as defined by the fiscal authority. The system uses user defined code list 74/CN in conjunction with user defined code list 00/CN to convert country codes to the proper numeric format for the 770 form.

Withholding Tax Government (74/IM)

Set up user defined codes to further define withholding tax information for your suppliers. You specify the government withholding tax information for each code in the Special Handling Code field. The codes that you specify are for internal use to link the government information to withholding tax types (user defined codes table 74/WT).

Valid values for the Special Handling Code field include:

- 1 – Self-employed
- 2 – Sales commissions

Withholding Tax Fiscal Code (74/WF)

Set up codes to identify the withholding taxes that you process for your suppliers. For example, you might set up withholding tax fiscal codes as follows:

- 1038 – Fiscal Code 1038
- 1040 – Fiscal Code 1040

Specify a special handling code to indicate the conditions of the withholding tax. Valid values for the Special Handling Code field are as follows:

- A – Code applies to persons in receipt of sums subject to withholding tax as advanced payment
- B – Code applies to persons in receipt of sums subject to withholding tax by way of tax advance

Withholding Type (74/WT)

In Italy, suppliers can be eligible for different types of withholding tax. For reporting and processing purposes, set up user defined codes to identify the types of withholding tax that apply to your suppliers.

Set up the following codes:

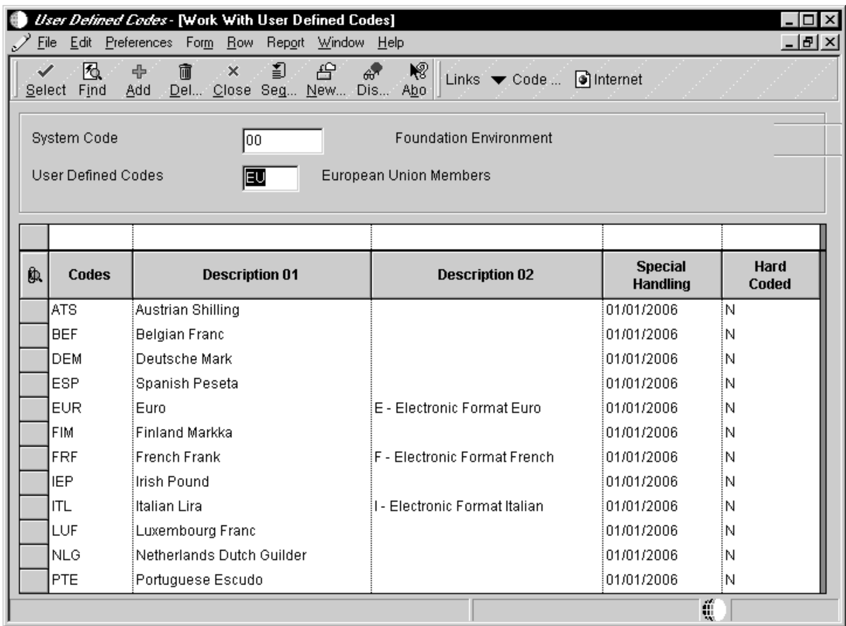
- E – Sales commissions withholding (*ENASARCO*)
- I – Social security withholding (*INPS*)
- R – Standard withholding tax

Withholding type codes are linked to an internal withholding tax code on the Withholding Tax Codes Revision form (P740405).

Setting Up A/R Electronic Formats for the Euro

French and Italian companies that use domestic electronic formats in accounts receivable have a special setup requirement. This setup allows domestic formats, which state bank file amounts in the domestic currency, to also state amounts in the euro. French and Italian companies can then state amounts in either the franc or lira and the euro, regardless of the company's domestic currency.

To state domestic format amounts in A/R in the domestic currency or the euro, French and Italian companies must assign a currency value to the corresponding currency code on the European Union Members UDC table (00/EU).



Codes	Description 01	Description 02	Special Handling	Hard Coded
ATS	Austrian Shilling		01/01/2006	N
BEF	Belgian Franc		01/01/2006	N
DEM	Deutsche Mark		01/01/2006	N
ESP	Spanish Peseta		01/01/2006	N
EUR	Euro	E - Electronic Format Euro	01/01/2006	N
FIM	Finland Markka		01/01/2006	N
FRF	French Frank	F - Electronic Format French	01/01/2006	N
IEP	Irish Pound		01/01/2006	N
ITL	Italian Lira	I - Electronic Format Italian	01/01/2006	N
LUF	Luxembourg Franc		01/01/2006	N
NLG	Netherlands Dutch Guilder		01/01/2006	N
PTE	Portuguese Escudo		01/01/2006	N

To set up A/R electronic formats for the euro, assign a one-character currency value in the Description 02 field as follows:

- E (for the euro currency code, EUR)
- Blank or F (for the French franc currency code, FRF)
- Blank or I (for the Italian lira currency code, ITL)

Assign the value blank to your default domestic currency.

Setting Up Your System for Date Edits

Use J.D. Edwards localized software to edit the dates that you enter for original fiscal vouchers and invoices. When you use J.D. Edwards standard data entry programs with date edit functionality and when your user preferences are set with the country preference code of IT (Italy), you automatically access the following business functions each time you enter a document.

Voucher and Invoice Entry Master Business Functions	The Voucher Entry and Invoice Entry Master Business Functions validate the information that you enter for invoices and vouchers.
Business Function for Italian Date Edits (B7400200)	Business function B7400200 validates that the G/L date that you enter for the document is the same or later than that of the document immediately preceding it.

You set the processing options for the business functions on the Country Specific Processing Options program (P7400IT). These processing options determine the type of date edit to perform for each of the documents you enter.

After you set up the processing options for the business function, you can set up different versions of the data entry programs for fiscal documents (invoices and vouchers that include VAT) and nonfiscal documents (other documents that do not include VAT). The versions are based on the processing options you set up for the business functions. Set up the version for fiscal documents to include the date editing feature. The version for nonfiscal documents can either issue a warning or not include the date editing feature.

Before You Begin

- ❑ Set up your user display preferences with a country preference code for Italy (IT). See *International: Setting Up User Display Preferences.*

Processing Options for Country-Specific Processing Options (P7400IT)

```
A/P

1. Enter a value to select G/L date
    validation. Values are as follows:
    Blank = No Validation; 1 = Warning;
    2 = Hard Error.

      G/L Date Validation                                    ____________

A/R

1. Enter a value to select G/L date
    validation. Values are as follows:
    Blank = No Validation; 1 = Warning;
    2 = Hard Error.

      G/L Date Validation                                    ____________
```

Setting Up the Data Dictionary to Process Withholding Tax

When you process withholding tax, the system uses the data item IRSA – Withholding Tax Status to track the status of the tax.

The following values are hard coded for the data item IRSA:

- 0 – Voucher entered with withholding tax information
- 1 – Payment for voucher entered (debt to fiscal authority)
- 2 – Withholding tax paid to fiscal authority
- 9 – Withholding tax cancelled

In addition, you can set up another user defined value to indicate that a Withholding Tax Certification report has been generated for the tax.

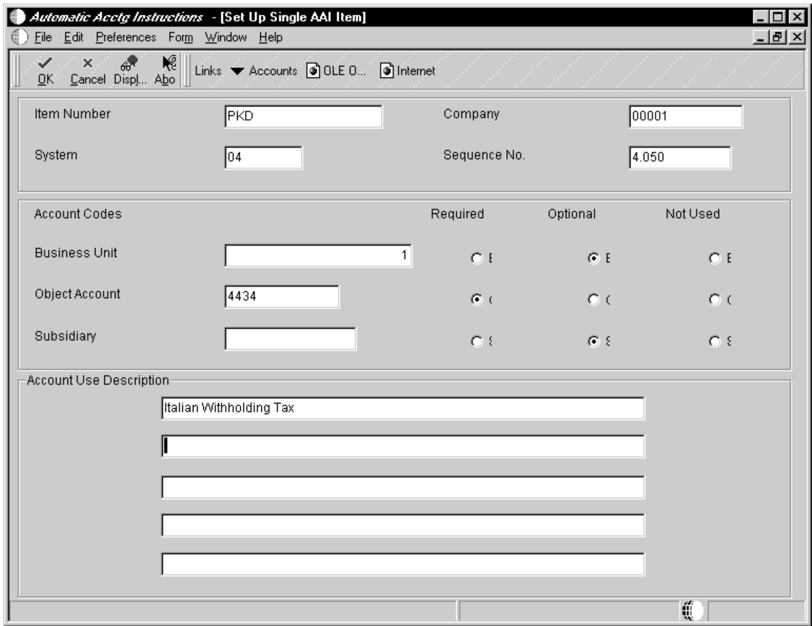
See Also

- *Italy: Understanding INPS Withholding Tax* for more information about the status of withholding tax records during the withholding process
- *OneWorld Foundation Guide* for general information about setting up and implementing the data dictionary

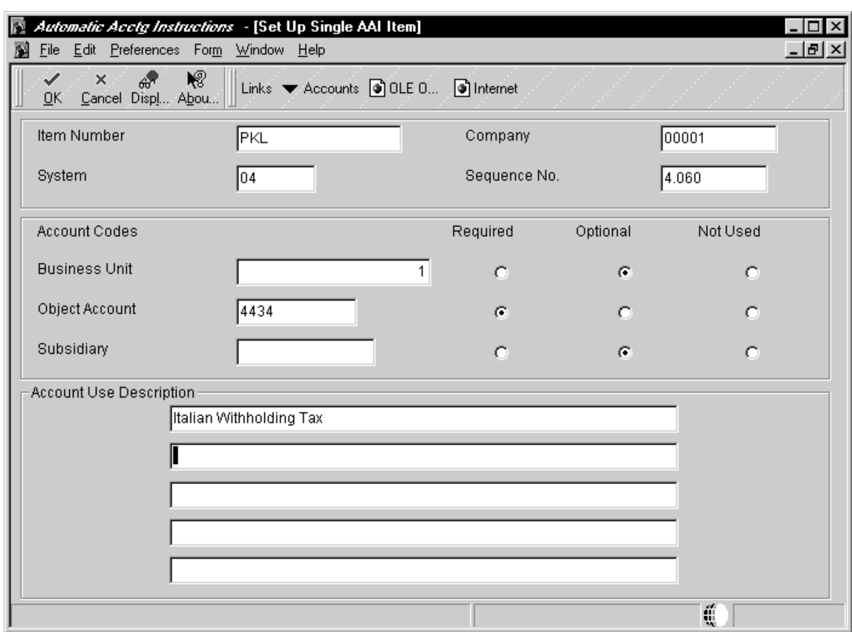
Setting Up AAIs to Process Withholding Tax

To identify the Withholding Tax account in your chart of accounts, set up the PKD and PKL automatic accounting instructions (AAIs) with the same object account.

Example: PKD Automatic Accounting Instruction



Example: PKL Automatic Accounting Instruction



See Also

- *General Accounting: Working with AAIs* for general information about setting up and implementing AAIs

Setting Up Withholding Tax Codes

If your suppliers are subject to withholding tax, define withholding tax rates so that the system can calculate the withholding tax when you enter supplier vouchers. To do this, you set up withholding tax codes.

When you set up codes for withholding tax, you specify, among other parameters, the withholding tax type, the percentage, and the base of computation for the tax. For example, the type of withholding tax to which a supplier is subject is *Ritenuta d'imposta*. Based on this type of withholding tax, vouchers for the supplier are subject to a withholding tax rate that is 20 percent of the total taxable amount.

You can also establish links between different withholding taxes and the user defined codes that you set up for Model 770 reporting.

Before You Begin

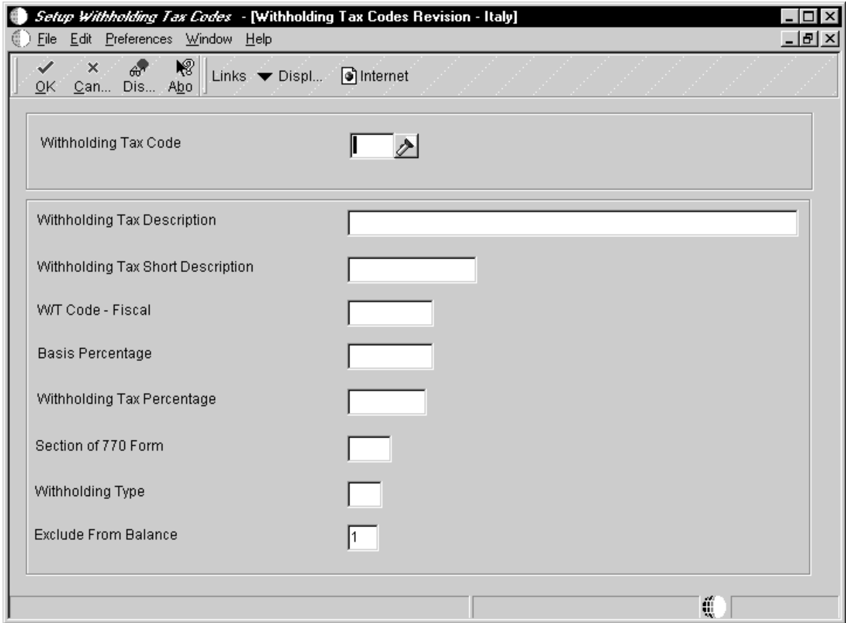
- ❑ Set up the user defined codes for Model 770 reporting on user defined codes table 74/RA. See *International: Setting Up User Defined Codes for Intrastat Reporting*.

▶ To set up withholding tax codes

From the Additional Italian Tax Processing menu (G002131), choose Setup Withholding Tax Codes.

On Work with Withholding Tax Codes - Italy

1. Click Add.



2. On Withholding Tax Codes Revision - Italy, complete the following fields to define a withholding tax code:
   - Withholding Tax Code
   - Withholding Tax Description
   - Withholding Tax Short Description
   - W/T Code – Fiscal
   - Withholding Type
   - Exclude From Balance
3. To define the withholding tax percentage and base of computation for the withholding tax code, complete the following fields:
   - Basis Percentage
   - Withholding Tax Percentage
4. To establish a link between the withholding tax code and the 770 Model reporting code, complete the following field:
   - Section of 770 Form

   You must complete this field when you define a new withholding tax code.

Field	Explanation
Withholding Tax Code	You set up withholding tax codes to define withholding tax rates with the Set Up Withholding Tax Codes program (P740405). The system uses this information to calculate withholding tax when you enter supplier vouchers for suppliers that are subject to withholding tax. When you set up this internal withholding tax code, you establish links between the following: • The withholding tax percentage • The percentage of the base amount that is subject to withholding tax • The type of withholding tax • The user defined codes for Model 770 reporting • The withholding tax fiscal codes
Withholding Tax Description	A long description of the withholding tax code entered on the Withholding Tax Codes Revision - Italy form (P740405).
Withholding Tax Short Description	A short description of the withholding tax code entered on the Withholding Tax Codes Revision - Italy form (P740405).
W/T Code – Fiscal	This is the fiscal withholding tax code assigned by the government for printing on official forms, not the internally-assigned two-digit withholding tax code (IRC1). You define the valid codes for the withholding tax fiscal codes on the user defined code table 74/WF. For example, you might set up withholding tax fiscal codes as follows: • 1038 - Fiscal Code 1038 • 1040 - Fiscal Code 1040
Withholding Type	This field identifies the type of withholding tax. The system uses the withholding type to distinguish between different types of withholding tax for reporting and processing purposes. In Italy, there are different types of withholding tax on supplier's vouchers, such as standard withholding and INPS withholding. You link a withholding type to each internal withholding tax code that you define on the Withholding Tax Codes Revision - Italy form (P740405).
Exclude From Balance	This flag is linked to a withholding tax code. Enter a value in this field to bypass the balance control when you enter a code for INPS withholding tax on the Withholding Tax Codes Revision form (P740405). The balance control calculation for withholding tax entries is as follows: Gross amount = Amount not subject to withholding tax + Amount subject to withholding tax + VAT amount Valid values are: 0 Amount excluded from balance 1 Amount included in balance

Field	Explanation
Basis Percentage	Percentage of the base invoice or voucher amount that is subject to withholding tax.
Withholding Tax Percentage	The withholding tax percent or rate.
Section of 770 Form	Section code of the 770 form for withholding tax declaration. The three sections relative to withholding tax are: SF Self Employment Revenues SG Self Employment INPS Subjected SH Sales Commissions

Setting Up Withholding Tax Information for Suppliers

Businesses in Italy are required to set up the following information about any suppliers that are subject to withholding tax:

- Fiscal group code
- Withholding tax code
- Individual tax identification number
- Country

You are required to include this information in your withholding tax reports.

When you set up withholding tax information for your suppliers, you associate suppliers with specific withholding tax rates. Then, when you enter vouchers for your suppliers, the system uses this default rate to calculate the withholding tax amounts. You can override default supplier information if necessary.

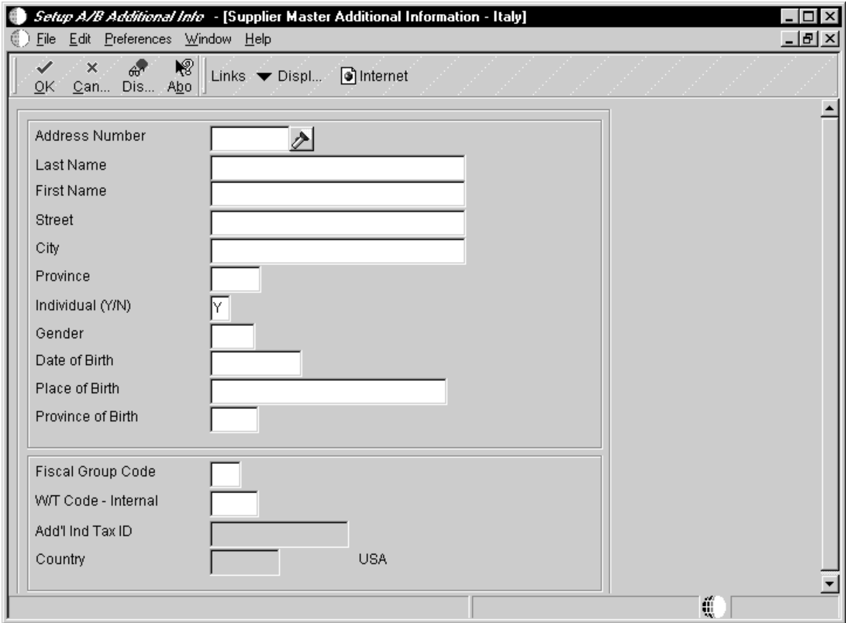
The system displays the individual tax identification number and country of the supplier based on the supplier’s record in the Address Book Master table (F0101).

▶ To enter withholding tax information for suppliers

From the Additional Italian Tax Processing menu (G002131), choose Setup A/B Additional Info.

On Work with Italian Suppliers

1. Click Add.



2. On Supplier Master Additional Information - Italy, complete the following field to locate a supplier:
   - Address Number
3. To enter withholding tax information for the supplier, complete the following fields:
   - Fiscal Group Code
   - W/T Code – Internal
4. Complete the following optional fields:
   - Individual (Y/N)
   - Gender
   - Date of Birth
   - Place of Birth
   - Province of Birth
5. Verify the information in the following fields:
   - Add'l Ind Tax ID
   - Country

Field	Explanation
Address Number	A number that identifies an entry in the Address Book system. Use this number to identify employees, applicants, participants, customers, suppliers, tenants, and any other address book members.

Field	Explanation
Fiscal Group Code	The fiscal group to which a company belongs. For example, you could assign code 0A to suppliers that reside in Italy whose income is completely subject to the INPS withholding tax. You define the valid values for the fiscal group code on user defined codes table 74/70. Valid values are: 0 Resident 0A Resident whose income is all subject to INPS 0B Resident whose income is partially subject to INPS 0C Resident whose income is not subject to INPS 1 Nonresident whose income is all subject to INPS 1A Nonresident whose income is partially subject to INPS 1B Nonresident whose income is not subject to INPS 1C Nonresident
W/T Code – Internal	You set up withholding tax codes to define withholding tax rates with the Set Up Withholding Tax Codes program (P740405). The system uses this information to calculate withholding tax when you enter supplier vouchers for suppliers that are subject to withholding tax. When you set up this internal withholding tax code, you establish links between the following: • The withholding tax percentage • The percentage of the base amount that is subject to withholding tax • The type of withholding tax • The user defined codes for Model 770 reporting • The withholding tax fiscal codes
Individual (Y/N)	Indicates whether the supplier or the customer is an individual (not a corporation). Y indicates this is an individual N indicates this is not an individual
Gender	Valid codes are: M – Male F – Female
Date of Birth	The employee's date of birth.
Place of Birth	Place of birth of the individual.
Province of Birth	Province of the place of birth of the individual.
Add'l Ind Tax ID	An additional identification number that a tax authority assigns to an individual.

Setting Up to Report on Summarized VAT

To report on summarized VAT, you must set up register types and classes to track and report VAT tax in a summarized format. Then, create a link between the register types and classes and the appropriate type of transaction (document type).

You specify different register types for sales and purchases. Register classes are subsets of register types. For example, the register classes for a sales register type might include:

- Sales within Italy
- Sales within the EU
- Sales outside the EU

When you link register types and classes to document types, you establish and maintain the relationships among document types, VAT rates, register types, and classes. You can use these relationships to create summarized VAT reports.

Before You Begin

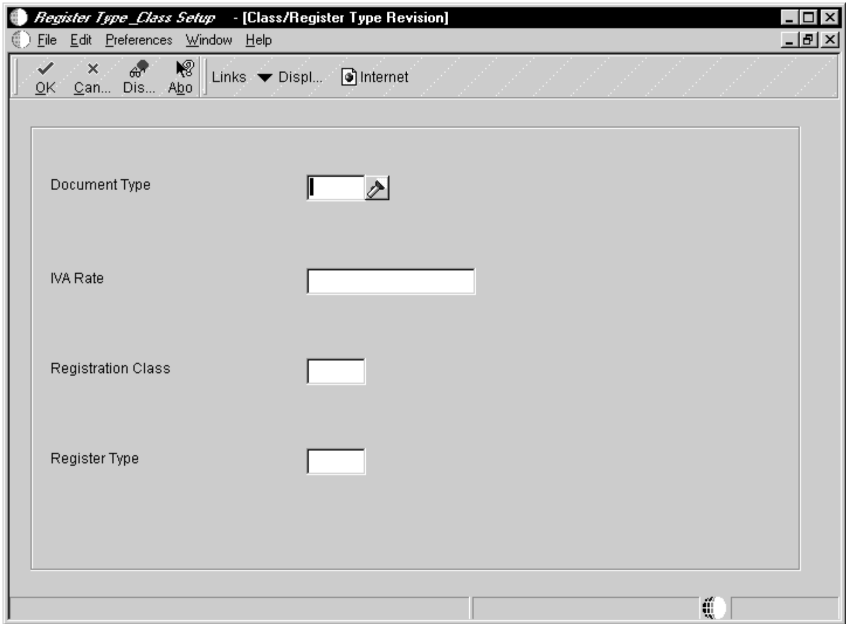
- ❑ Set up user defined codes for register classes (system 74, type 01) and register types (system 74, type 02). See *Italy: Setting Up User Defined Codes*.

▶ To set up to report on summarized VAT

From the Additional Italian Tax Processing menu (G002131), choose Register Type & Class Setup.

On Work with Class/Register Types

1. Click Add.



2. On Class/Register Type Revision, complete the following fields:
   - Document Type
   - IVA Rate
   - Registration Class
   - Register Type

Field	Explanation
Document Type	A user defined code (00/DT) that identifies the origin and purpose of the transaction. J.D. Edwards reserves several prefixes for document types, such as vouchers, invoices, receipts, and timesheets. The reserved document type prefixes for codes are: P Accounts payable documents R Accounts receivable documents T Time and Pay documents I Inventory conversion issues O Ordering document types The system creates offsetting entries as appropriate for these document types when you post batches.

Field	Explanation
IVA Rate	A code that identifies a tax or geographic area that has common tax rates and tax distribution. The tax rate/area must be defined to include the tax authorities (for example, state, county, city, rapid transit district, or province), and their rates. To be valid, a code must be set up in the Tax Rate/Area table (F4008). Typically, U.S. sales and use taxes require multiple tax authorities per tax rate/area, whereas value-added tax (VAT) requires only one simple rate. The system uses this code to properly calculate the tax amount.
Registration Class	You define the valid codes for VAT register classes on user defined codes table 74/01. For example, you might set up a register class for purchases and one for sales. You link document types, tax rates, register types and register classes on the Register Type and Class Setup form to meet your reporting requirements. Then, you can run the Summary VAT Report to print your VAT information, based on the register classes and types you link to various document types. You can group and classify transactions for reporting purposes by defining register classes and types in conjunction. For example, you might set up register types and classes as follows: • Register Class: Sales • Register Type A: VAT on Sales, Italy rate 20 percent • Register Type B: VAT on Sales, out of EU, not subject to VAT (art. 8/A)
Register Type	You define the valid codes for VAT register types on user defined codes table 74/02. For example, you might set up a register type for transactions that are eligible for VAT and another for transactions that are not eligible for VAT. You link document types, tax rates, register types, and register classes on the Register Type and Class Setup form to meet your reporting requirements. Then, you can run the Summary VAT Report to print your VAT information, based on the register classes and types you link to various document types. You can group and classify transactions for reporting purposes by defining register classes and types in conjunction. For example, you might set up register types and classes as follows: • Register Class: Sales • Register Type A: VAT on Sales, Italy rate 20 percent • Register Type B: VAT on Sales, out of EU, not subject to VAT (art. 8/A)

Setting Up 30/60/90 End of Month Invoice Date

In the following example, a payment is split into three installments. The first installment is due 30 days after the end of the month of the invoice date. The second installment is due after 60 days, and the third installment is due after 90 days. No matter what day of the month the invoice was created, the due dates are always calculated from the end of that month.

Invoice Amount	9.000,00 lire
Invoice Date	15 July
Based on Date	End of month invoice date (31 July)
First Installment	3.000,00 due 30 August
Second Installment	3.000,00 due 29 September
Third Installment	3.000,00 due 29 October

To pay the invoice in this example, you must set up an installment payment term based on three equal payments. To determine the due dates of the payments, you must first set up the date range to calculate the end of the month of the invoice date. You then set up the first installment to be due 30 days after the calculated end of the month, the second installment to be due 30 days after the first installment, and the third installment to be due 30 days after that.

Setting up an installment payment term for 30/60/90 end of month invoice date includes the following tasks:

- ❑ Setting up due date rules
- ❑ Setting up advanced payment terms
- ❑ Setting up installments

Setting Up Due Date Rules

From the Payment Terms Revisions menu (G00141), choose Due Date Rule Revisions.

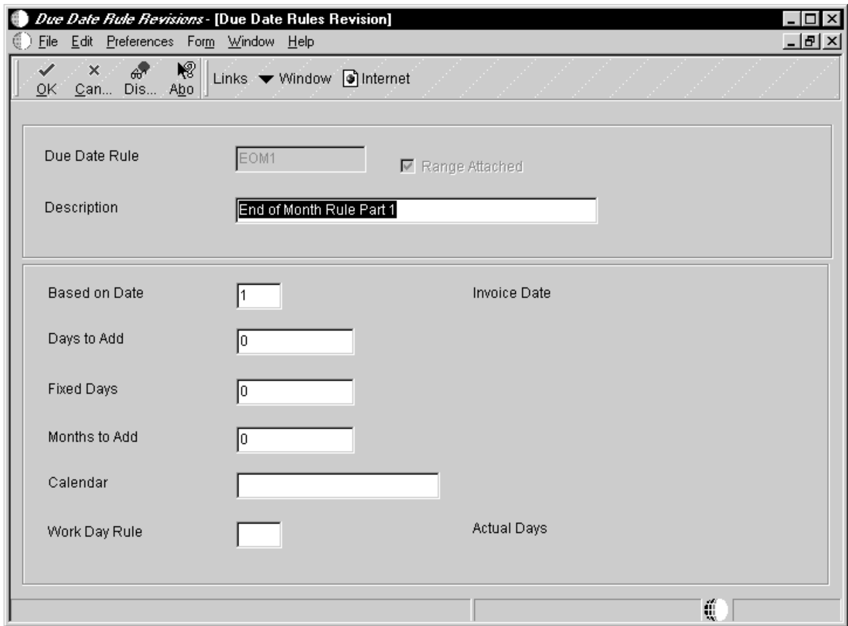
Setting up due date rules includes the following tasks:

- Setting up the End of Month Rule Part 1
- Setting up the date range

- Setting up the End of Month Rule Part 2

Setting up the End of Month Rule Part 1

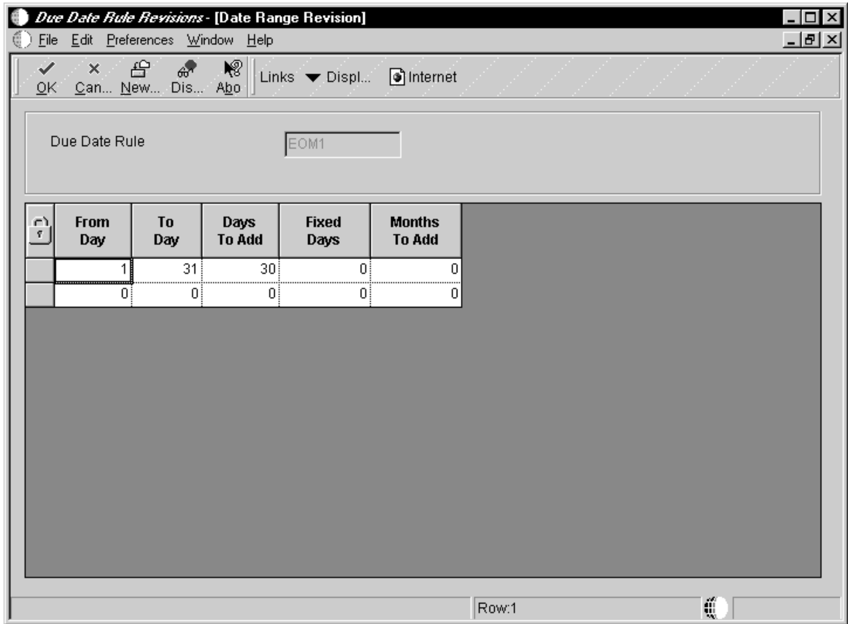
On Work with Due Date Rules, click Add and then set up the End of Month Rule Part 1 to calculate the invoice date.



Due Date Rule	EOM1
Description	End of Month Rule Part 1
Based on Date	1 (Invoice Date)

Setting Up the Date Range

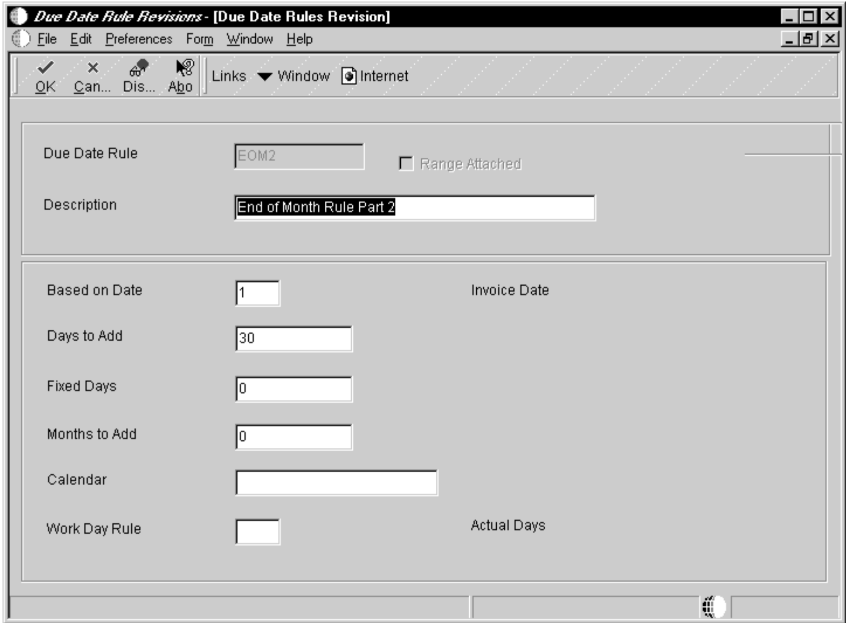
On Work with Due Date Rules, choose EOM1 in the detail area, and then choose Date Range from the Row menu to set up a date range on the End of the Month Rule Part 1. The system calculates the end of the month for the invoice date from the date range.



From Day	1
To Day	31
Days to Add	30

Setting up the End of Month Rule Part 2

On Work with Due Date Rules, click Add and then set up the End of Month Rule Part 3 to calculate due dates 30 days after the previous due date.

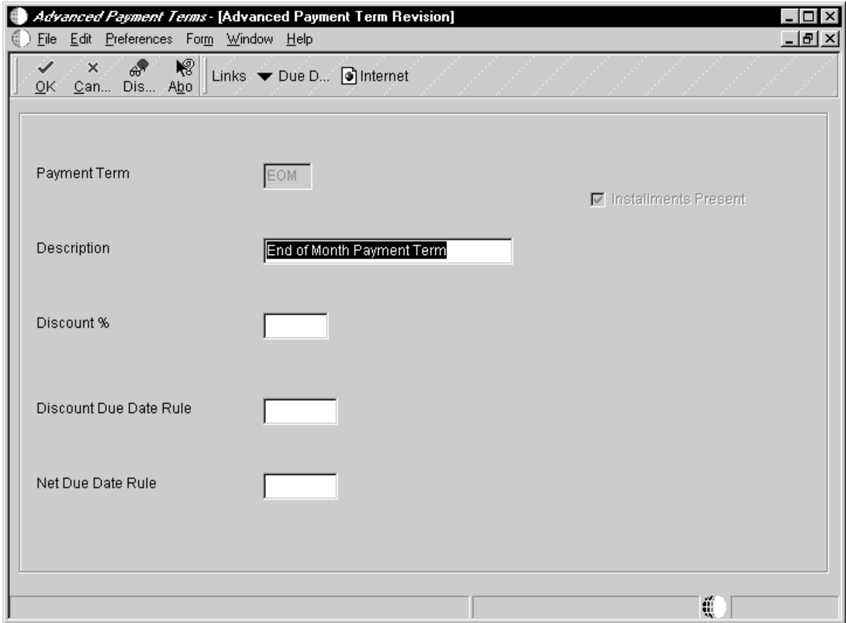


Due Date Rule	EOM2
Description	End of Month Rule Part 2
Based on Date	1 (Invoice Date)
Days to Add	30

Setting Up Advanced Payment Terms

From the Payment Terms Revisions menu (G00141), choose Advanced Payment Terms.

On Work with Advanced Payment Terms, click Add in order to add the end of month payment term.

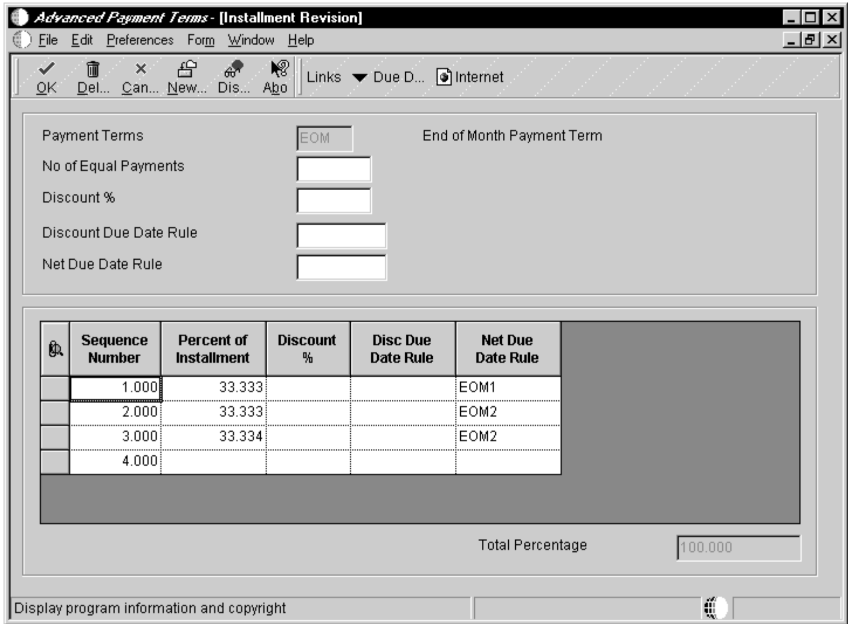


Payment Term	EOM
Description	End of Month Payment Term

Setting Up Installments

From the Payment Terms Revisions menu (G00141), choose Advanced Payment Terms.

On Work with Advanced Payment Terms, choose EOM in the detail area, and then choose Installments from the Row menu to set up the installment payments.



Sequence Number	1.000
Percent of Installment	33.333
Net Due Date Rule	EOM1
Sequence Number	2.000
Percent of Installment	33.333
Net Due Date Rule	EOM2
Sequence Number	3.000
Percent of Installment	33.334
Net Due Date Rule	EOM2

Periodic System Maintenance Activities

The following table lists periodic activities that J.D. Edwards recommends for daily operations. The table lists control reports and verification programs, with a brief description of each and the frequency with which J.D. Edwards recommends the procedures be executed.

Procedure	Program	Description	Frequency
Clean control headers	R007031	Run the Batch to Detail/Out of Balance Integrity Report to delete batch headers with no transactions from the Batch Control Records table (F0011). NOTE: If you do not want to erase the headers of certain types of batches even though no transaction details exist for the batch, enter X in the Description 02 field of the user defined codes table 98/IT for the batch type that should not be deleted. The program also updates any batch header to D (posted) if the individual transactions in the batch have already been posted, and indicates any out-of-balance batches.	Every night
Update Supplier Master Table	R04802	Run the Global Update A/P Records with A/B Information program to update the Accounts Payable Ledger based on the information in the Supplier Master table (F0401). The program updates the following data: • First 10 category codes of the master table • Parent company • Alpha name	Every night

Understanding INPS Withholding Tax

In addition to the standard withholding tax, payment to certain types of contractors is subject to a social security (INPS) withholding tax of ten percent. The INPS withholding tax is paid to the Italian social security office, Istituto Nazionale Previdenza Sociale (INPS).

The company must withhold 2/3 of the ten percent of the taxable amount due to the contractor and pay this amount by the 20th of every month. The supplier is liable for the remaining 1/3 of the ten percent.

The base amount for the calculation of INPS withholdings can be 95 percent or 100 percent depending on the type of contractor.

The company is liable for the debt to INPS from the time of payment to the contractor.

Understanding Notula

Notula is the document used by a company to defer VAT recognition until payment of a voucher is made. Notula is used for suppliers that are subject to withholding tax. You should use the prepayment process in the base software to process Notula.

You can use the system to process Notula for specific stages in the prepayment process as follows:

Enter prepayment voucher

When you enter prepayment vouchers for Notula, you:

- Use a version of the Voucher Entry program for prepayments
- Use a special document type
- Enter a tax explanation code of E for exempt
- Enter a tax rate/area with a zero percent tax rate

Record payment

To record the voucher as paid, you use manual payment with voucher match for the voucher without VAT.

Enter standard voucher

Enter a standard voucher with a normal tax explanation code and tax rate/area. When the system determines that the supplier for the voucher is subject to withholding, the system displays the withholding window.

Use the form to select the matching Notula document for the voucher. The system retrieves the VAT amount along with the withholding tax amount.

Distribute as normal. When you post the voucher, the system updates the tax table.

Close the amounts

Enter a second payment to close the amounts in the Accounts Payable Detail table.

The default document type for Notula is PF. You can set up a special document type for Notula in the processing options for Notula Browse – Italy (P7404074).

See Also

- *Accounts Payable: Entering Prepayments*

Understanding J.D. Edwards Status Codes for Withholding Tax

To track withholding tax records through the withholding tax process, refer to the Withholding Tax Status field. The system automatically updates this field for each tax record, based on where the record is in the withholding tax process.

Status	Description	Update Programs
0	Withholding tax amounts generated	Standard Voucher Entry (P0411) Speed Voucher Entry (P0411SV) Voucher Match (P4314) Batch Input (R04110Z2)
1	Voucher paid to supplier	Manual Payments (P0413M) Automatic Payments (P0457xx)
2	Withholding tax re-distributed	Distribute Withholding Tax Amounts (R7404530)
3	Withholding tax paid to government	Withholding Tax Payments (R7404500)
4	Certification printed	Withholding Tax Certification (R7404027)
5	770 form printed	Withholding Tax 770 Form (R74094)
9	Record deleted	

Entering Vouchers with Withholding Tax

You enter vouchers for suppliers that are subject to withholding tax just as you would enter any other voucher. After you complete the account distribution for the voucher on the A/R and A/P Journal Entries forms, the system displays the Withholding Tax Entry form (P740411) so that you can enter the withholding tax information for the voucher.

The system stores withholding tax information in the Withholding Tax Detail table (F74411).

Before You Begin

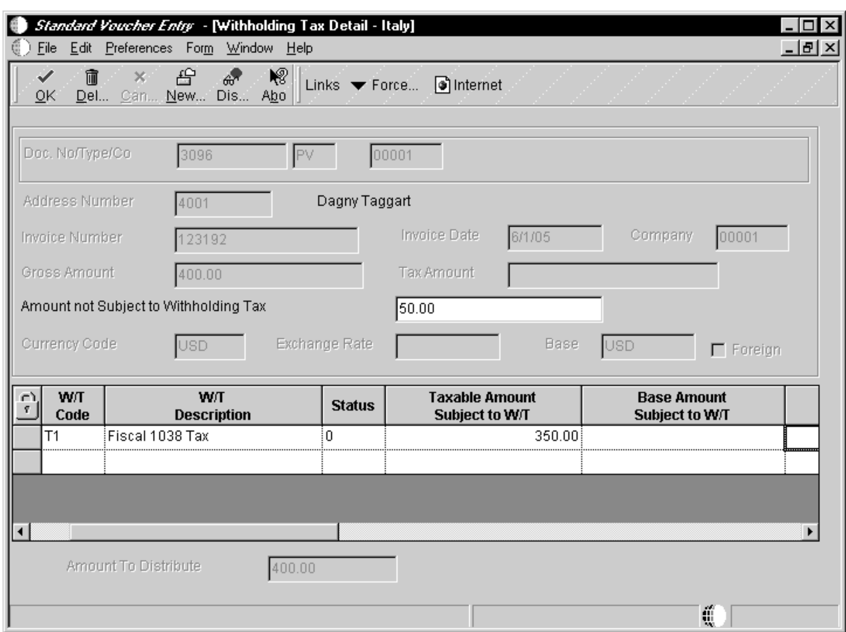
- ❑ Set up your user preferences with a country preference code of IT (Italy). See *International: Setting Up User Display Preferences.*
- ❑ Verify that you have set up withholding tax information for the supplier for whom you are entering vouchers. See *Italy: Setting Up Withholding Tax Information for Suppliers*.

▶ To enter vouchers with withholding tax

From the Supplier and Voucher Entry menu (G0411), choose Standard Voucher Entry.

On Supplier Ledger Inquiry

1. Complete the steps for entering a standard voucher.



2. On Withholding Tax Detail - Italy, complete the following fields:

- Amount not Subject to Withholding Tax
- W/T Code
- W/T Description
- Status
- Taxable Amount Subject to W/T
- Base Amount Subject to W/T
- Withholding Tax Amount
- Pay Itm

Field	Explanation
Amount not Subject to Withholding Tax	The portion of the taxable amount of an invoice/voucher which is not subject to withholding tax.
W/T Code	You set up withholding tax codes to define withholding tax rates with the Set Up Withholding Tax Codes program (P740405). The system uses this information to calculate withholding tax when you enter supplier vouchers for suppliers that are subject to withholding tax. When you set up this internal withholding tax code, you establish links between the following: • The withholding tax percentage • The percentage of the base amount that is subject to withholding tax • The type of withholding tax • The user defined codes for Model 770 reporting • The withholding tax fiscal codes
W/T Description	A user defined name or remark.
Status	Indicates the status of the withholding tax. This value is kept in the withholding tax detail file (F740411). Valid values are: 0 Withholding tax added during voucher entry 1 Voucher paid to supplier (debt towards fiscal authority) 2 Withholding tax paid to fiscal authority 9 Withholding tax cancelled The Italian Esattoria civile collects the withholding tax.
Taxable Amount Subject to W/T	Taxable amount of an invoice/voucher that is subject to Withholding Tax.
Base Amount Subject to W/T	This amount is calculated based on a Withholding Tax Code's Basis Percentage (IRPC) and the amount subject to Withholding Tax (IRSO). For Example: Withholding Tax Code (IRC1) = xx Basis Percentage (IRPC) = 50% Amount Subject to Withholding Tax (IRSO) = 1000 Base of Computation (IRBI) = 500

Field	Explanation
Withholding Tax Amount	Amount of the withholding tax calculated based on the amount subject to withholding tax entered and the withholding tax code (percentage).
Pay Itm	A number that identifies the pay item for a voucher or an invoice. The system assigns the pay item number. If the voucher or invoice has multiple pay items, the numbers are sequential.

Processing Withholding Tax Payments

The system calculates withholding tax amounts based on the information you enter during the voucher entry process.

After the system processes withholding taxes, you can calculate and print withholding tax payments for the government. Three aspects of processing withholding tax include:

- Manual payments
- Automatic payments
- Technical considerations

Manual Payments

When you record a payment, the system determines whether the supplier is subject to withholding tax based on the information you set up for the supplier. If the supplier is subject to the tax, the system displays the voucher information and updates the Discount Taken field with the withholding tax amount.

The Discount Taken field should be blank at the time you record the payment. If the Discount Available field contains an amount, the system replaces this amount with the withholding tax amount calculated at payment entry time.

When you post the transaction for the payment, the system uses the PKD AAI that you set up to define the withholding tax account. The PKD AAI associates the accounting entry to the withholding tax payable account.

Automatic Payments

The system processes withholding tax at specific stages of the automatic payment process as follows:

Create payment control groups	When you create a payment control group that includes vouchers that are subject to withholding tax, the system updates the Discount Taken field in the Payment Header (F04572) and Payment Detail (F04573) tables with the withholding tax amount from the Withholding Tax Detail table (F74411). The system calculates the payment amount by subtracting the withholding tax (discount) from the gross.

Work with payment control groups	When you reset or remove individual vouchers from the payment control group, the system removes the withholding tax amount from the Discount Taken field in the Payment Header (F04572) and Payment Detail (F04573) tables. At this point in the process, the system does not update the Accounts Payable Detail table (F0411) and there is no impact on the voucher records.
Update payment group	When you update the payment group, the system changes the payment status of the withholding tax to 1 (payment made to supplier) in the Withholding Tax Detail table. The system also updates the Accounts Payable Detail table (F0411) with the amount in the Discount Taken field for the withholding tax amount.

Technical Considerations

Prompt payment discounts	You cannot use prompt payment discounts with withholding tax because the withholding tax amounts are stored in the prompt payment discount fields. In Italy, A/P prompt payment discounts are not used.
Speed release	You cannot split vouchers for suppliers that are subject to withholding tax.
Split payment control groups	You cannot split a payment control group to exclude part of a voucher because this creates a new pay item on the voucher.

Revising Withholding Tax Details

You can can revise the withholding tax information that the system stores in the Withholding Tax Detail table (F74411) using the Withholding Tax Revisions program. You can also use the Withholding Tax Revisions form to review all of the withholding tax information for a specific voucher.

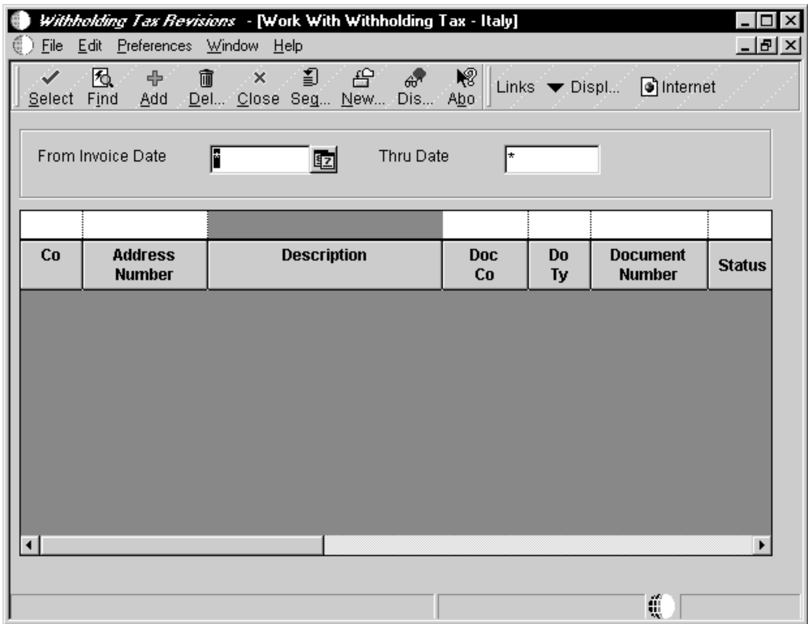
The information you revise using the Withholding Tax Revisions form immediately updates the Withholding Tax Detail table. The system does not recalculate taxes and related amounts. You should revise withholding tax information only in exceptional cases, such as when you must adjust the withholding tax information manually.

If you are implementing J.D. Edwards Accounts Payable system for the first time, you can use the Withholding Tax Revisions form to load open withholding tax information from your previous system.

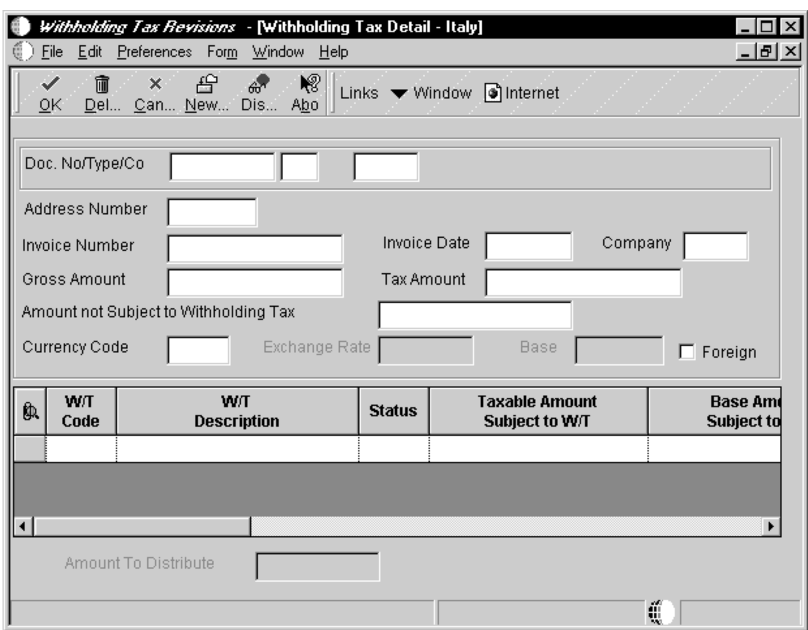
▶ To revise withholding tax details

From the Additional Italian Tax Processing menu (G002131), choose Withholding Tax Revisions.

On Work with Withholding Tax – Italy



1. Locate a record and click Select.



2. On Withholding Tax Detail – Italy, revise any of the following fields:
   - W/T Code
   - W/T Description
   - Status
   - Taxable Amount Subject to W/T
   - Base Amount Subject to W/T
   - Withholding Tax Amount
   - Withholding Tax Amount Paid
   - Withholding Tax Foreign Amount Paid
   - Payment Date
   - Government Date
   - Withholding Tax Payment Reference
   - Pay Item

Field	Explanation
W/T Code	You set up withholding tax codes to define withholding tax rates with the Set Up Withholding Tax Codes program (P740405). The system uses this information to calculate withholding tax when you enter supplier vouchers for suppliers that are subject to withholding tax. When you set up this internal withholding tax code, you establish links between the following: • The withholding tax percentage • The percentage of the base amount that is subject to withholding tax • The type of withholding tax • The user defined codes for Model 770 reporting • The withholding tax fiscal codes
W/T Description	A user defined name or remark.
Status	Indicates the status of the withholding tax. This value is kept in the withholding tax detail file (F740411). Valid values are: 0 Withholding tax added during voucher entry 1 Voucher paid to supplier (debt towards fiscal authority) 2 Withholding tax paid to fiscal authority 9 Withholding tax cancelled The Italian Esattoria civile collects the withholding tax.
Taxable Amount Subject to W/T	Taxable amount of an invoice/voucher that is subject to Withholding Tax.

Field	Explanation
Base Amount Subject to W/T	This amount is calculated based on a Withholding Tax Code's Basis Percentage (IRPC) and the amount subject to Withholding Tax (IRSO). For Example: Withholding Tax Code (IRC1) = xx Basis Percentage (IRPC) = 50% Amount Subject to Withholding Tax (IRSO) = 1000 Base of Computation (IRBI) = 500
Withholding Tax Amount	Amount of the withholding tax calculated based on the amount subject to withholding tax entered and the withholding tax code (percentage).
Withholding Tax Amount Paid	Amount of the withholding tax paid.
Withholding Tax Foreign Amount Paid	The foreign withholding tax amount paid in a given currency. This field can be maintained with the Withholding Tax Revisions program.
Payment Date	Date on which the withholding tax is paid to the government.
Government Date	The date the withholding tax was remitted to the fiscal authorithy (Italian Esattoria civile).
Withholding Tax Payment Reference	The number of the payment made to the fiscal authority (Italian Esattoria civile). This reference is entered in a processing option of the Generate Withholding Tax Payments program.
Pay Itm	A number that identifies the pay item for a voucher or an invoice. The system assigns the pay item number. If the voucher or invoice has multiple pay items, the numbers are sequential.

Printing Withholding Tax Reports

You can print reports to review withholding tax information that the system stores in the Withholding Tax Detail table (F74411) and the Additional Address Book Information table (F0091).

Printing reports for withholding tax includes any of the following tasks:

- ❑ Printing the Proposal of Payment report
- ❑ Printing a list of withholding tax payments due
- ❑ Printing the Withholding Tax Certifications report
- ❑ Printing the Model 770 report
- ❑ Printing the Supplier Ledger report with withholding tax details

Printing the Proposal of Payment Report

From the Additional Italian Tax Processing menu (G002131), choose Print W/T Payment Proposal.

You can print a cash requirement report that includes details about withholding tax amounts and Italian bank identification codes and descriptions. You can use this report to verify payment information before you write the actual payments for your suppliers. To do this, run the Print Withholding Tax Payment Proposal report.

The report includes the following information:

- Payment due dates, from dates, and through dates
- Supplier number
- Legal name of supplier
- Document type and number
- Pay item
- Supplier invoice number and invoice date
- Net due date
- Open amount
- Withholding tax amount
- Payment status
- Payment instrument
- Bank identification number and description
- Currency code

- Foreign amount

Processing Options for Proposal of Payment (R7404430)

```
Date

1. Enter the From and Through Due Date
    below. Blank will use system date as
    the through date.

      From Due Date                              ____________
      Through Due Date                           ____________

Print

2. Enter '1' to print the address of
    Supplier

      Print                                      ____________
```

Printing a List of Withholding Tax Payments Due

From the Additional Italian Tax Processing menu (G002131), choose Generate Withholding Tax Pmts.

You can print a list of the withholding tax amounts that you owe the Italian Revenue Tax office. To do this, print the Generate Withholding Tax Payments report. The report lists all of the vouchers that were paid to the suppliers that are subject to withholding tax. You can send the report to the Italian tax office as proof of amounts that were withheld from payments to suppliers.

You can run the report in proof or final mode. When you specify final mode and indicate the "paid" withholding tax status in the processing options, the system marks the withholding tax records as paid to the government. The system also updates the government payment reference and the government payment date for each record in the Withholding Tax Detail table.

The Generate Withholding Tax Payment report includes the following information:

- Withholding tax code
- Address Book number of the supplier
- Legal name of the supplier
- Supplier invoice number and payment date
- Withholding tax taxable amount
- Withholding tax amount
- Withholding tax progress status (specified in the report processing options)
- Government payment date (specified in the report processing options)

- Government Payment reference (specified in the report processing options)

You can run a version of the Generate Withholding Tax Payments report to change the status of withholding tax records after you print Withholding Tax Certifications for your suppliers. To do this, create a version of the report in final mode and indicate your user defined withholding tax status as “certified” in the processing options. Do not specify a payment date.

See Also

- *Italy: Setting Up the Data Dictionary to Process Withholding Tax* for more information about the data dictionary values that indicate withholding tax status

Processing Options for Withholding Tax Payments (R7404500)

```
Mode

1. Enter a ’1’ to run the report in
    Final Mode, if left blank, the
    report will run in Proof Mode.

      Proof or Final                                  ____________

Final

1. Specify the date of payment to the
    tax office. If left blank, the
    withholding tax payment date will
    not be updated.

      Payment Date                                    ____________

2. Enter the value to be used for the
    new W/T paid status. If left blank,
    the withholding tax status will not
    be updated.

      Withholding Tax Status                          ____________

3. Enter the number of the payment
    document. If left blank the payment
    reference will not be updated.

      Payment Reference                               ____________
```

Printing the Withholding Tax Certifications Report

From the Additional Italian Tax Processing menu (G002131), choose Print W/T Certifications.

You can print a certification of withholding tax paid. You are required to give these withholding tax certificates to your suppliers. To do this, print the Withholding Tax Certifications report.

You can print the Withholding Tax Certifications report on A4 paper. The report looks like a certification letter and includes the following information:

- Date
- Supplier name and address
- REGISTERED (to indicate that the letter is sent through registered mail)
- Default report titles that you can revise
- Certification number (specified in the processing options for the report)
- Data on the quota of the INPS contribution liable to the supplier

You can run the report in proof or final mode.

Processing Options for Withholding Tax Certifications (R7404027)

```
Dates

1. Enter the date to be printed on the
    certifications.

      Certification Date                           ____________

2. Enter the dates to process.

      From Date                                    ____________
      Thru Date                                    ____________

Number

3. Enter the number to be printed on the
    first certificate. If no number is
    entered, certificates will be
    printed without a number.

      Initial Number                               ____________

Mode

4. Enter '1' to run the certifications
    print in final mode. If left blank
    the report will be run in proof
    mode.

      Proof or Final Mode                          ____________

Status

5. Enter the value which will update the
    W/T file with the progress status
    "CERTIFIED". If left blank, even if
    the process is run in final mode, NO
    updates will be done on the W/T.

      Status                                       ____________

Company

6. Enter Company, Title and Name to
    print on the certifications.

      Company                                      ____________
      Title                                        ____________
      Name                                         ____________
```

Printing the Model 770 Report

From the Additional Italian Tax Processing (G002131) menu, choose Model 770 W/T Commissions.

In Italy, businesses are required to submit information relative to the income generated by self-employment or commissions for the suppliers they employ. They report this information on the official mandatory 770 form (sections SF, SG, and SH) for revenue declaration.

To print or download the information, you can run the Model 770 report. When you run the Model 770 report, the system prints two reports and generates two tables.

Reports

The Model 770 report generates the following reports:

- SF, SG, and SH sections of the 770 form (R74094)
- Error report (R74095)

Tables

The Model 770 report generates the following tables that you can download to a specialized software package:

- SF section (F74094)
- SH section (F74095)
- SG section (F74096)

The R74094 report includes the following information:

- Section (SF, SG, or SH)
- Address Book number
- Supplier name
- Withholding tax code
- Remark or description
- Total gross amount
- Amount not subject to withholding tax
- Net amount (DD/26 – DE/23)
- Withholding tax percentage

The B73.3 release includes the 1997 770 form format (DD and DE sections). The 1998 format is supported in the B73.3.1 release.

The error report prints the following error messages:

- Record does not exist in file F74405
- Record does not exist in file F0101
- Record does not exist in file F0091
- Record does not exist in file F0005
- Wrong date of birth
- At least one negative amount

Before You Begin

- ❑ Set up numeric country codes on user defined code table 74/CN. See *Italy: Setting Up User Defined Codes* for information on user defined code table 74/CN.

Processing Options for Model 770 (R74094)

```
Fiscal ID

1. Enter the fiscal ID of the
    withholding tax agent.

      Fiscal ID                                         ____________

Mode

2. Enter '1' to run the 770 Model print
    in final mode. If left blank the
    report will be run in proof mode.

      Proof or Final Mode                               ____________

Status

3. Enter the value which will update the
    W/T file with the progress status
    "770 Model". If left blank, even if
    the process is run in final mode, NO
    update will be done on the W/T.

      Status                                            ____________

Media

4. Enter  '1' if you want the 770 Model
    outputted to Diskette. If left blank
    the 770 Model will output to tape.

      Media                                             ____________

5. Enter the following default values:

      Device Name                                       ____________
      Tape Density                                      ____________
      Label Name                                        ____________

Media (cont.)

      Block Size                                        ____________
      New Volume                                        ____________
      New Owner ID                                      ____________
      File Name                                         ____________
```

Printing the Supplier Ledger Report with Withholding Tax Details

From the Additional Italian Tax Processing menu (G002131), choose Print Supplier W/T Ledger.

You can print a list of all the transactions for a supplier that are subject to withholding tax. To do this, run the Print Supplier Withholding Tax Ledger report.

The report includes the following information about the supplier and the transactions, including withholding tax details.

Supplier	• Address Book number • First and last name • Address (street and city) • Province • Fiscal ID • Date of birth • Place of birth • Province of birth • Gender
Transaction and withholding tax detail	• Supplier invoice date and invoice number • Abbreviated description of the withholding tax • Base of calculation for the withholding tax • Amount not subject to withholding tax • VAT amount • Total amount paid • Taxable amount subject to withholding tax • Internal withholding tax code • Fiscal withholding tax code • Withholding tax percentage • Withholding tax amount paid • Net paid amount • Supplier payment date • Government payment date • Payment reference

Understanding Deferred Invoices and VAT

A new VAT law (DL 29/9/97 n. 328) has been in effect in Italy since September, 1997. This law concerns deferred invoices in which the shipment date is prior to the invoice date. For deferred invoices, the VAT payable on sales should be declared with reference to the shipment date, not the invoice date. An example of deferred invoices is a product that is delivered daily and invoiced monthly.

There are two types of deferred invoices:

- The invoice date and shipment date are in the same reporting period, but the shipment date is prior to the invoice date.
- The invoice date and the shipment date are *not* in the same reporting period, and the shipment date is prior to the invoice date.

The second type of deferred invoice impacts summary VAT reporting. The VAT should be accounted for in the Summary VAT report (R74093) for the month of the shipment if that month is prior to the month of the invoice. To accomplish this, the system evaluates the shipment date of a sales order to determine if it is prior to the invoice date. This evaluation is performed during the Sales Update process (R42800) through the use of a country server. If the shipment date is prior to the invoice date, the system updates the Service/Tax Date field in the Customer Ledger table (F03B11).

When you run the Summary VAT report and select transactions by tax rate, the system uses the service/tax date rather than the G/L date for deferred invoices.

Printing Monthly VAT Reports

From the Italian VAT Processing menu (G00213), choose Monthly VAT Report.

In Italy, businesses are required to print monthly reports to document accounts payable and accounts receivable VAT. The report must be printed on a form following the guidelines of art. 27 of the DPR 26 ottobre 1972 n.633.

Processing Options for Monthly VAT Report (R004051)

```
Mode

1. Enter a ’1’ to run the report in
    Final Mode. Leave blank to run the
    report in Proof mode

      Final or Proof Mode                  ____________

Dates

1. Enter the From and Through G/L Dates
    below. Blank will use the system
    date as the through date.

      From G/L Date                        ____________
      Through G/L Date                     ____________

Print

1. Enter a ’1’ to have the report skip 2
    lines when document numbers are not
    sequential or when G/L dates are not
    sequential.

      Sequential Numbers and Dates         ____________

2. Enter a ’1’ to suppress report
    headings and page numbers. Default
    of blank will print headings and
    page numbers.

      Suppress Header                      ____________

3.  Enter a ’1’ to print the document
    type description from user defined
    codes instead of invoice remark.

      Document Description                 ____________

Form

1. Enter a ’1’ for A/P VAT Report.
    Default of blank will print A/R VAT
    Report. NOTE: version selection for
    Batch Type should be different for
    A/R and A/P reports.

      A/P or A/R Form                      ____________

2. Enter a ’1’ to reverse the sign of
```

the transaction. Select whether to reverse the sign for A/R or A/P in Processing Option 1.

Reverse Sign ____________

Currency

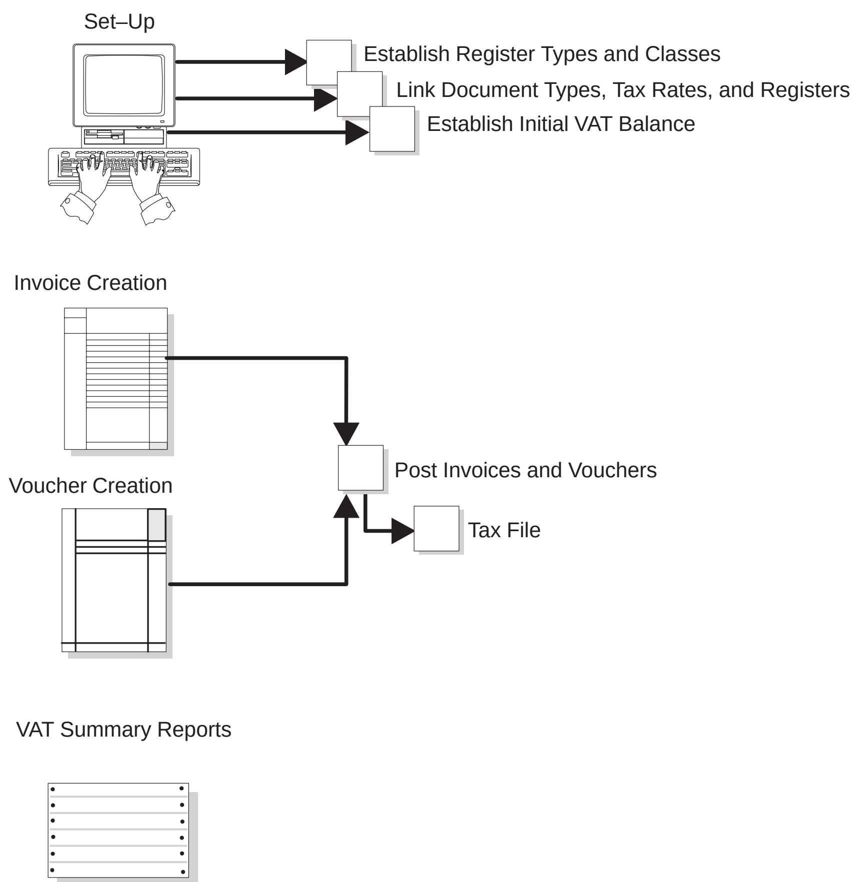
1. Enter the Currency Code for As-If currency reporting. This option allows for amounts to print in a currency other than the currency they are stored in. Amounts will be translated and print in this as-if currency. If left blank, amounts will print in their database currency. ____________

2. Enter the As-Of date for processing the current rate for the as-if currency. If left blank, the system date will be used. ____________

Understanding Summary VAT

In Italy, the government requires businesses to report VAT on accounts receivable and accounts payable transactions. You can meet this reporting requirement by assigning each transaction a register type and class.

The following graphic illustrates how you use J.D. Edwards software to process summary VAT.



Revising VAT Balances

You can review and revise the VAT balances that print on your summarized VAT report.

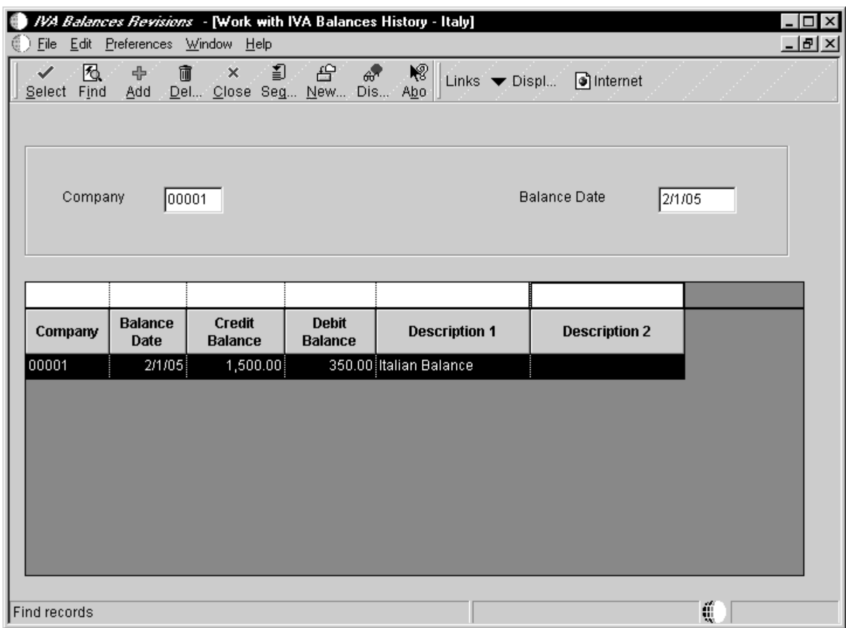
Before You Begin

- ❑ Establish the relationships between your document types and register types and classes. See *Setting Up to Report on Summarized VAT*.

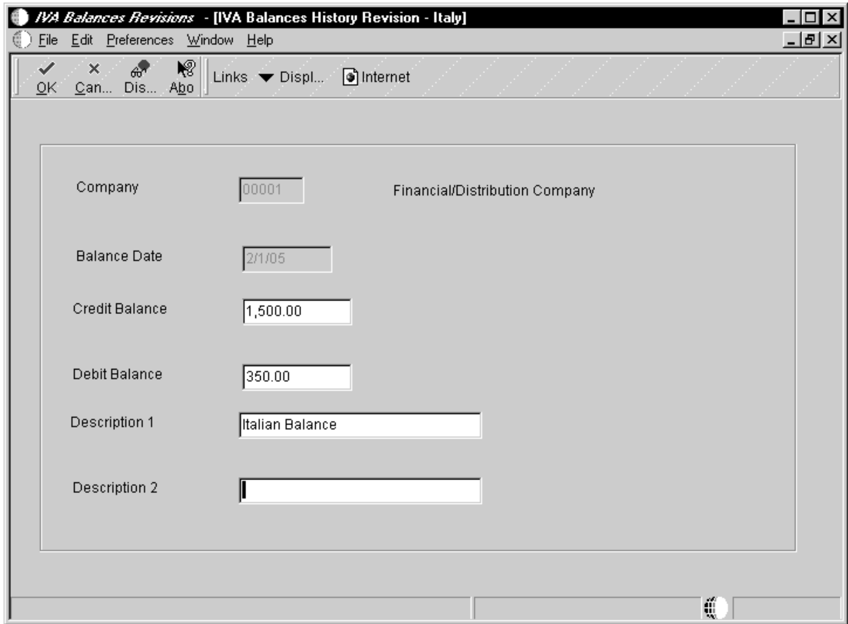
▶ To revise VAT balances

From the Additional Italian Processing menu (G002131), choose IVA Balances Revisions.

On Work with VAT Balances History - Italy



1. Locate a record and click Select.



2. On VAT Balances History Revision - Italy, revise any of the following fields:
   - Credit Balance
   - Debit Balance
   - Description 1
   - Description 2

Field	Explanation
Credit Balance	VAT Credit Balance. This VAT credit balance is maintained in the IVA Balances Revisions screen (P74092) and is used in the IVA Summary Report program (P74093).
Debit Balance	VAT Debit Balance. This VAT debit balance is maintained in the IVA Balances Revisions screen (P74092) and is used in the IVA Summary Report program (P74093).
Description 1	A user defined name or remark.
Description 2	Additional text that further describes or clarifies a field in the J.D. Edwards systems.

Printing the Summary VAT Report

From the Additional Italian Tax Processing menu (G002131), choose Print IVA Summary Report.

To review the total amount of VAT that is due to the Italian government, print the summary VAT report. The report prints VAT totals by:

- Register type
- Register class
- Previous balance

When you print the summary VAT report, the system:

- Creates a temporary workfile (F74093), based on the links you establish for document type, register class, and register and for the information in the Sales/Use/VAT Tax table (F0018)
- Prints an error report that lists records from the Sales/Use/VAT Tax table that do not include register type or register class information
- Prints the summary VAT report

You can use the processing options on the Currency tab to print the IVA Summary report (R74093) in the euro.

Rounding Considerations

Rounded lira amounts are reported in thousand lira increments. The rounding logic for the summary VAT report program is hardcoded as follows:

- If the last three digits of the total amount are greater than or equal to 500, then the rounding amount is the result of the subtraction of this value from the upper 1000 lire. For example, if the total is 1.154.750, the rounding amount is 250 and the total VAT to pay is 1.155.000.
- If the last three digits of the total amount are lower than or equal to 500, then the rounding amount is the difference between this value and the lower 1000 liras. For example, if the total is 1.154.350, the rounding amount is 350 and the total VAT to pay is 1.154.000.

Italian laws state that the invoice must include the VAT amount. The VAT amount must be rounded to the lira if it includes fractions. Although the law does not identify the rounding method to use, the common and current interpretation of the law is that mathematical rounding should be used to round to the nearest lira. This interpretation is supported by the laws regarding the payment and collection of VAT, which state that the amount should be rounded to the nearest thousand lira, as described above. J.D. Edwards supports this method of rounding.

Processing Options for Print Summary VAT Report (R74093)

Date Range

Enter the date range

From date ______
Thru date ______

Company

Enter the Company as your Data Selection

Company ______

Proof or Final

Enter a '1' to run in final mode, leave blank or anything else to run in proof mode.

Proof or Final Mode ______

Header Option

Enter a '1' to use the thru date as the report header. If left blank or anything else, the standard JDE report header will be used.

Print Header Option ______

Suppress Sign

Enter a '1' if you would like to suppress the printing of the negative sign. If left blank or anything else the sign will be printed.

Suppress the printing of the negative sign ______

Currency

1. Enter the Currency Code for as-if currency reporting. This option allows for amounts to print in a currency other than the currency they are stored in. Amounts will be translated and print in this as-if currency. If left blank, amounts will print in their database currency. ______
2. Enter the As-of date for processing the current rate for the as-if currency. If left blank, the system date will be used. ______

Understanding Annual VAT Reporting

Businesses in Italy are required to complete annual VAT reports. The report can be submitted to the tax authorities on paper or electronically, but it must conform to the legally required format.

Annual VAT reports include summarized VAT information from customer invoice and supplier voucher records. The information must be summarized by the supplier or customer tax identification number. The system creates a cumulative record for customers or suppliers that have the same tax identification number, as in the case of a parent businesses with subsidiaries.

The system stores summarized VAT information by supplier and customer in the Year-End VAT Revision table (F00900). The Year-End VAT Revision table is based on the Sales/Use/VAT Tax table (F0018), which includes all of the VAT information for invoices and vouchers in detail.

You can distinguish supplier vouchers and customer invoices in the Sales/Use/VAT Tax table by the Batch Type. You distinguish supplier vouchers and customer invoices in the Year-End VAT Revision table by Information Type.

The system uses the user defined codes table 00/IV (VAT codes) to determine whether amounts are considered taxable, nontaxable, or excluded. Records that include VAT codes that are not defined on the table are considered non-VAT. The system does not include these records in the Year-End VAT Revision table.

The Year-End VAT Revision table includes the following information for each customer and supplier:

- Total number of invoices or vouchers
- Total taxable amount
- Total tax amount
- Total nontaxable amount
- Total nontaxable “8 comma 2” (suppliers only)

You can update the summarized VAT information in the table by using a batch program or by manually entering each record. You can also revise summarized VAT information.

Creating the Year-End VAT Table

From the Italian IVA Processing menu (G00213), choose Annual IVA File Build.

To create the Year-End VAT Revision table (F00900), run the Year-End VAT File build program (R00911). The system summarizes the information in the Sales/Use/VAT Tax table (F0018) by invoice or voucher, based on the current year that you define in the processing options. You can run this program once a year or as many times as you need to update the records in the Year-End VAT Revision table.

Processing Options for Annual IVA File Build (R00911)

```
Year-End VAT

      1. Enter a '1' to specify                          ____________
      customers.  Enter a '2' to specify
      Suppliers and Custom Authorities.

Caution: Only '1' and '2' are valid
    entries.  Blank will default in a
    value of '1' for Customers.

      2. Enter a '1' to clear the Annual                 ____________
      IVA File (F00900). If left blank
      this file will be updated.

Caution: This processing option should
    be set to clear the file only once
    per year.

Currency

      1. Enter the Currency Code for                     ____________
      as-if currency reporting. This
      option allows for amounts to be
      translated and stored into F00900
      in a currency other than the
      currency they are stored in. If
      left blank, amounts will be stored
      into F00900 in their database
      currency.
      2. Enter the As-Of date for                        ____________
      processing the current rate for
      the as-if currency. If left blank,
      the system date will be used.
```

Printing the Annual VAT Control Report

From the Italian IVA Processing menu (G00213), choose Annual IVA Control Reports.

P0rint the Annual VAT Control Report to review a paper copy of the information in the Year-End VAT Revision table (F00900) before you transfer the Annual VAT Report to tape or print the Annual VAT Report on special forms.

You can use the control report to simulate figures as they will be printed on the special form or on a tape. You can also use the report to verify that the amounts in the Year-End VAT Revision table correspond to the amounts in the Sales/Use/VAT Tax table (F0018).

Processing Options for Annual IVA Control Reports (R00910)

```
Scaling Factor

    Enter a “1” if you want to use the          ____________
    scaling factor of 1000. Default of
    blank will not use a scaling
    factor.
```

Revising Annual VAT Information

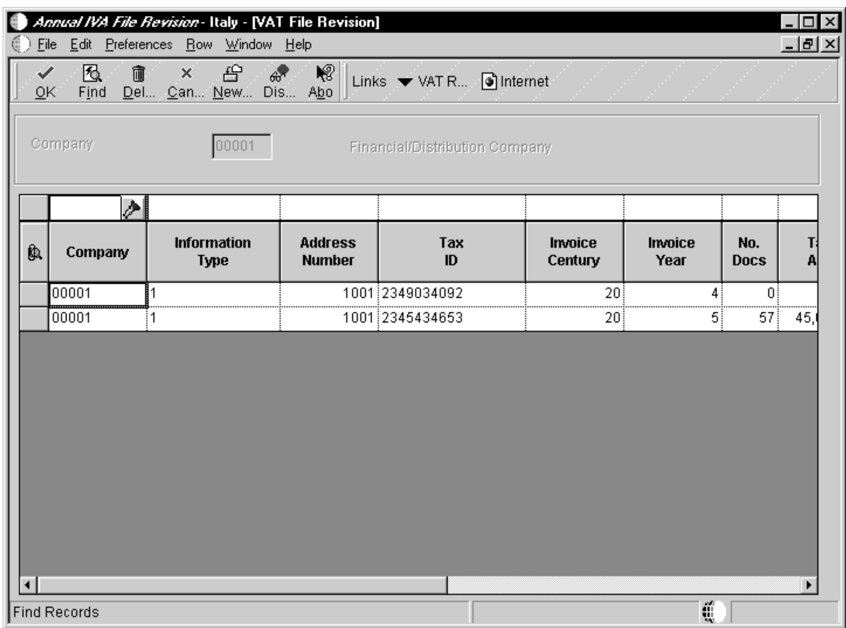
In exceptional cases, you might need to revise existing records or create new records in the Annual VAT Ledger table.

▶ To revise annual VAT information

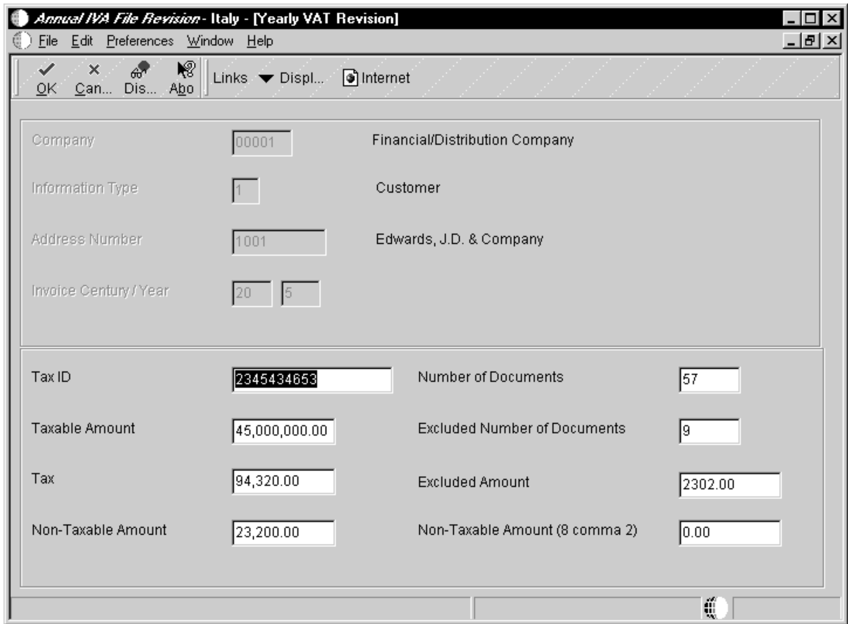
From the Italian IVA Processing menu (G00213), choose Annual IVA File Revision – Italy.

On Work With VAT File Revision

1. Locate a record and click Select.



2. On VAT File Revision, choose a row in the detail area and then choose VAT Revision from the Row menu.



3. On Yearly VAT Revision, revise the information in any of the following fields:
   - Number of Documents
   - Taxable Amount
   - Tax
   - Non–Taxable Amount
   - Excluded Number of Documents
   - Excluded Amount
   - Non–Taxable Amount (8 comma 2)

Field	Explanation
Number of Documents	Number of customer invoices or supplier vouchers. This number is accumulated throughout the year.
Taxable Amount	The amount on which taxes are assessed.
Tax	This is the amount assessed and payable to tax authorities. It is the total of the VAT, use, and sales taxes (PST).
Non–Taxable Amount	This identifies the amount upon which taxes are not assessed. This is the portion of the transaction not subject to sales, use, or VAT taxes because the products are tax-exempt or zero-rated.

Field	Explanation
Excluded Number of Documents	Number of customer invoices, or supplier vouchers which have been excluded in VAT year-end reports. Used only to balance on the Control Report.
Excluded Amount	Total amount of documents excluded from VAT year-end reports.
Non–Taxable Amount (8 comma 2)	Total amount of non-taxable vouchers for special code 8 comma 2.

Creating the Year-End VAT Tape

From the Italian IVA Processing menu (G00213), choose Year-End VAT Output File Generation - Italy.

Run the Year-End VAT Tape Creation program to transfer the information from the Year-End VAT Revision table to a file that you can copy to a tape in the format required by the tax authorities in Italy. If you decide to transfer the information to tape, you do not have to print the special form reports for suppliers and customers.

Processing Options for Year-End VAT Output File Generation – Italy (R00918)

```
R00918

1. Enter the year to process. This will
    determine the selection of records
    based on Invoice Date.

      Century                                   ____________
      Year                                      ____________
      2. Enter the address book line to         ____________
      be used for continuation of the
      name.
      3. Enter the address book line to         ____________
      be used for street information.
      4. Enter the code to be used for          ____________
      Person/Corporation Tax Code.
      5. Enter the appropriate number to        ____________
      designate the tape density.
      ’1’ – 800 bpi
      ’2’ – 1600 bpi
      ’3’ – 6250 bpi
```

Printing Annual VAT Reports for Customers and Suppliers

From the Italian IVA Processing menu (G00213), choose A/R Annual Report Customer Format - Italy or A/P Annual Rpt Supplier Format – Italy.

You can submit print copies of the annual VAT reports for customers and suppliers. You do not have to print paper copies of the annual VAT reports if you submit the reports on tape. To print copies of the annual VAT reports, run the Supplier VAT Form and the Customer VAT Form programs.

The annual VAT reports for suppliers and customers include the following information:

- Supplier or customer name
- Street
- Postal Code
- City
- Province
- Tax Identification Number
- Total taxable amount of vouchers or invoices for the current year
- Total taxable amount of vouchers or invoices for the previous year
- Total tax amount of voucher or invoices for the current year
- Total tax amount of voucher or invoices for the previous year
- Total nontaxable amount of vouchers or invoices for the current year
- Total nontaxable amount of vouchers or invoices for the previous year

Processing Options for Year-End VAT Report – Customer (R00916)

Dates

1. Enter the year to process. This will determine the selection of records based on invoice.

   Century ____________
   Year ____________

A/B

1. Enter the address book line to be used for continuation of the name. ____________
2. Enter the address book line to be used for street information. ____________

Header

1. Enter the information to prined on the top of the form.

   Enter Person/Corporation Code ____________
   Enter Business information ____________
   Enter Company Business ____________

Processing Options for Year-End VAT Report - Supplier (R00917)

Date

Century ____________
Effective Year ____________

Enter the year to process. This will determine the selection of records based on Invoice date.

Address

Enter the address book line to be used for continuation of the name. Blank will default to the current setup. ____________

Enter the address book line to be used for street information. Blank will default to the current setup. ____________

Tax Informatio

Enter the information to printed on the top of the form.

Personal/Corp. Code ____________
Business Information ____________
Company business ____________

Understanding Suspended VAT

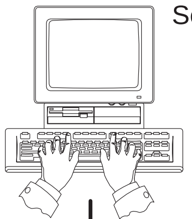
Italian law allows businesses that sell goods to certain government-owned or controlled institutions, such as hospitals and schools, to defer the booking of VAT payable until receipt of complete or partial payment for the invoice. This means that instead of booking VAT to an active VAT payable account at the time of the sale, the business must hold the VAT in suspense until payment is received. Typically, invoices that are subject to suspended VAT are for large amounts that are paid in installments over a long period of time.

In Italy, businesses report and remit taxes to the government on a periodic basis. The amount that a business owes is calculated as the difference between the VAT payable (generated in the Accounts Receivable system) and the VAT recoverable (generated in the Accounts Payable system) amounts.

You can use J.D. Edwards localized software for suspended VAT to:

- Identify which transactions are subject to suspended VAT
- Calculate and print VAT payable at the time of invoicing
- Hold the VAT payable in a suspense account until payment is received
- Generate the appropriate accounting transactions when payment is received
- Report on both VAT payable and suspended VAT

The following graphic illustrates the suspended VAT process.

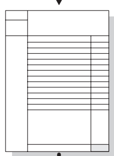


Setup

User Defined Codes

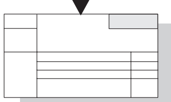
Document Type association, i.e., R9=R8
Tax Rate/Area association, i.e., SO20=IT20

Customer Setup with Special Tax/Rate Area, e.g., SO20
linked to Suspense VAT G/L Offset (AAIs)



Invoice Entry

Cust	DT	Number	Date	Tax Area	Tax Amt	Inv Amt
7001	R9	1234	03/04/96	SO20	2000	10000



Receipts of Payment

Cust	DT	Number	Date	Tax Area	Tax Amt	Inv Amt	Rcpt Amt
7001	R9	1234	03/04/96	SO20	2000	10000	
7001	RC	5011	04/10/96				5000

Batch Process

Identify paid R9 documents
Create tax file records for paid R9 documents
Create accounting transactions for taxes payable on those documents

Generating Suspended VAT Amounts

From the Additional Italian Tax Processing menu (G002131), choose Suspended IVA Generation.

You must identify and account for customer payments that are subject to suspended VAT. To do this, run the Suspense VAT Document Generation program. When you run this program, the system:

- Selects only the records in the the Accounts Receivable Ledger (F0311) that are subject to suspended VAT and that do not have matching records in the Suspended VAT Detail table (F74800). Records in the Accounts Receivable Ledger that are subject to suspense VAT have a specific user-defined document type.
- Creates an internal document in the Sales/Use/VAT Tax table (F0018) and the Suspended VAT Detail table (F74800). This document uses the normal tax code, based on the tax rates and areas you set up for your system. The program uses the values in user defined codes table 74/SP to determine the association between the suspense VAT code and the normal tax code.
- Creates journal entries in the Account Ledger (F0911). The journal entries credit the VAT suspense account and debit the VAT payable account.

The system also prints an internal control document that you can use as an audit trail of the new, system-generated entries in the VAT table (F0018). The control document includes the following information:

- Invoice header with supplier address
- Identifier of the internal document (type, number, and G/L date)
- Suspense invoice reference (type, number, and G/L date)
- Totals by VAT rate, taxable amount, and tax
- Internal document totals

Before You Begin

- ❑ Define user defined codes for suspended VAT document types (system 00, type DT; system 00, type DI; and system 74, type DT) and suspended VAT rates (system 74, type SP). See *Italy: Setting Up User Defined Codes.*
- ❑ Set up automatic accounting instruction RTSOSP.
- ❑ Link your customers to the Suspense VAT G/L Offset temporary account by assigning them a special tax/rate area, such as SO20. See *Accounts Receivable: Creating Customer Records*.

Processing Options for Suspended IVA Generation (R74076C)

PO_Date To

Enter the As OF G/L date. The receipts/rebates on vouchers with suspense iVA before this date will be included in the generation of new documents. IF blank, the current system date will be used. ____________

PO_G/L Date

Enter the G/L Dateto use to generate the documents with debit IVA. IF blanks, the receipts/rebate date will be used. ____________

Document Gene:

Enter 1 to run the document generation. IF left blank only the control will be performed with the relative notification ____________

Ledger Type

Enter ledger type. To post newly generated document . If left blank “AA’ will be used. ____________

Printing the Control Report for Suspended VAT

From the Additional Italian Tax Processing menu (G002131), choose Invoice List Control Report.

You can print a list of suspended VAT invoices that still need to be paid. To do this, print the Invoice List Control report. When you print the report, the system verifies that the invoice has not been paid on the "as of" date you specify for the report and calculates the open amount.

For each invoice, the report lists the following information:

- Identifying data (date, number, and pay item)
- VAT rate
- Original credit amounts (taxable, tax, and total)
- Advance receipts amounts and credit notes to be debited (taxable, tax, and total)

You can use the processing options on the Currency tab to run the Invoice List Control report (R74079) in the euro.

Processing Options for Suspended VAT – Invoice Control List (R74079)

```
As Of Date

      As of Date: Enter the As of Date.            ____________
      If Left Blank System Date Will Be
      Use.

Currency

      1. Enter the Currency Code for               ____________
      as-if currency reporting. This
      option allows for amounts to print
      in a currency other than the
      currency they are stored in.
      Amounts will be translated and
      print in this as-if currency. If
      left blank, amounts will print in
      their database currency.
      2. Enter the As-Of date for                  ____________
      processing the current rate for
      the as-if currency. If left blank,
      the system date will be used.
```

Printing the Monthly Suspended VAT Report

From the Additional Italian Tax Processing menu (G002131), choose Monthly Suspended IVA Report.

You can run three different versions of the monthly VAT report when using suspended VAT:

- Sales VAT Register, for documents that are not subject to suspense VAT
- Sales VAT Register, for documents that are subject to suspense VAT
- Sales VAT Register, including new documents that were generated after receipt

The report includes an additional line to reference the internal system-generated document number.

You can use the processing options on the Currency tab to run this report in the euro.

Processing Options for Monthly Suspended IVA Report (R004051)

```
Mode

1. Enter a '1' to run the report in
    Final Mode. Leave blank to run the
    report in Proof mode

      Final or Proof Mode                         ____________

Dates

1. Enter the From and Through G/L Dates
    below. Blank will use the system
    date as the through date.

      From G/L Date                               ____________
      Through G/L Date                            ____________

Print

1. Enter a '1' to have the report skip 2
    lines when document numbers are not
    sequential or when G/L dates are not
    sequential.

      Sequential Numbers and Dates                ____________

2. Enter a '1' to suppress report
    headings and page numbers. Default
    of blank will print headings and
    page numbers.

      Suppress Header                             ____________

3.  Enter a '1' to print the document
    type description from user defined
    codes instead of invoice remark.
```

Document Description ______________

Form

1. Enter a '1' for A/P VAT Report. Default of blank will print A/R VAT Report. NOTE: version selection for Batch Type should be different for A/R and A/P reports.

A/P or A/R Form ______________

2. Enter a '1' to reverse the sign of the transaction. Select whether to reverse the sign for A/R or A/P in Processing Option 1.

Reverse Sign ______________

Currency

1. Enter the Currency Code for As-If currency reporting. This option allows for amounts to print in a currency other than the currency they are stored in. Amounts will be translated and print in this as-if currency. If left blank, amounts will print in their database currency. ______________

2. Enter the As-Of date for processing the current rate for the as-if currency. If left blank, the system date will be used. ______________

Printing the VAT by Tax Area Code Report

From the Italian IVA Processing menu (G00213), choose IVA Report by Tax Area Code.

In Italy, businesses are required to print a report of VAT by Tax Area Code. The report must print the VAT for Accounts Payable and Accounts Receivable in two separate columns. In addition, the report must be printed on a special legal form that is prenumbered and approved by the Tax Authorities.

Processing Options for IVA Report by Tax Area Code (R00400)

```
G/L Date

Enter the From and Through G/L Dates:

      From Date                                   ____________
      Through Date                                ____________

Print Option

Enter '1' to surpress report headings
    and page numbers, Default of blank
    will print headings and page
    numbers.

      Print Option                                ____________

Blank Line

Enter a '1' to have report insert a
    blank line when Tax Area Codes are
    skipped.

      Insert a Blank Line Option                  ____________

Reverse Sign

Enter a '1' to reverse the sign on A/R
    transactions.

      Reverse the Sign Option                     ____________
```

Printing the Intrastat Report

You print Intrastat reports based on the information in the EU Intra-Community Tax workfile (F0018T). Although the information on the Intrastat report is common for most EU members, report formats vary from country to country.

To print an Intrastat report for Italy, you can use Enterprise Report Writer to create a custom report that meets the country-specific formatting requirements or you can use a specialized software package.

Banking

Validating Account Information

You can set up your system to automatically validate account information when you access the following forms during data entry:

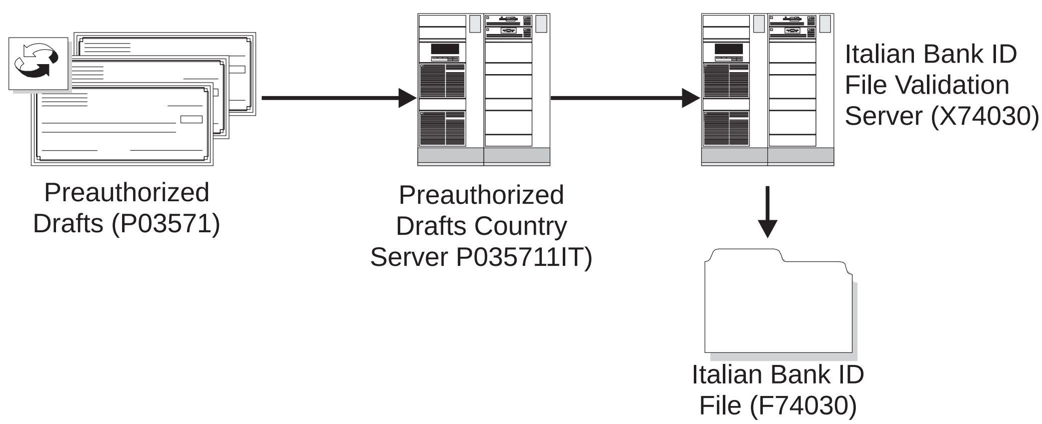
- Bank Account Cross-Reference
- Bank Account Cross-Reference Window
- G/L Bank Account Information

When you access these data entry forms, the system validates the bank account information based on the following bank account validation programs:

- Bank Account Cross-Reference Country Server
- Bank Account Cross-Reference Window Country Server
- G/L Bank Account Information Country Server

The system validates bank information based on the Italian Bank Master Table (F74030).

The following graphic illustrates how the system validates bank information for preauthorized drafts.



Validating Bank Identification Information

Italian banks assess a service charge when invalid account or bank identification numbers are included in the customer information that businesses remit for processing accounts receivable drafts (RiBa) and automatic payments.

Italian bank identification information consists of two 5-character numbers:

ABI	Bank transit number (Bank ID)
CAB	Bank branch code (Branch ID)

The Banca d'Italia maintains and updates valid bank identification numbers. Individual banks can provide their clients with the updated information on tape or diskette.

J.D. Edwards supports the COMIT format and ships a preloaded bank identification information table with the localized software for Italy. The table includes all the possible valid combinations of bank transit accounts and branches as provided by the Banca d'Italia. J.D. Edwards updates the bank identification information table with each release of the software. In addition, you can make your own revisions to update the bank table as needed.

If you use J.D. Edwards localized software to validate bank identification information, the system validates bank transit numbers and bank branch codes when you:

- Generate preauthorized accounts receivable drafts
- Create the accounts receivable drafts remittance table

During both processes, the system validates the customer bank information against the valid bank identification information in the Italian Bank ID table (F74030). The system creates drafts for all of the customers, even if the bank information is invalid. The system identifies the customers whose bank information is invalid with a warning message. If the bank information for a customer is missing from the Italian Bank ID table, the system prints a list of these customers on an exception report (R03571E).

J. D. Edwards software validates account and bank identification information throughout the draft process as follows:

Draft generation (R03B671)	The system prints an error report that lists customers with missing or invalid bank information. You can review the list to correct or update the bank information before you generate the drafts.

Draft remittance (R03B672)	When you remit drafts, the system validates bank information again, and includes the drafts for all of the specified customers in the electronic bank file. The system prints an error report that lists the customers with missing or invalid bank information.

Uploading Bank Identification Information to Your System

From the Italian Bank File Processing menu (G00215), choose Bank ID Table Upload – Italy.

You can automatically update bank identification information from a tape or diskette to your system. To do this, run the Bank ID Table Upload - Italy program (R74301). This program is a template that is based on the COMIT record layout. You might need to customize the program to meet your specific needs.

Revising Bank Identification Information Manually

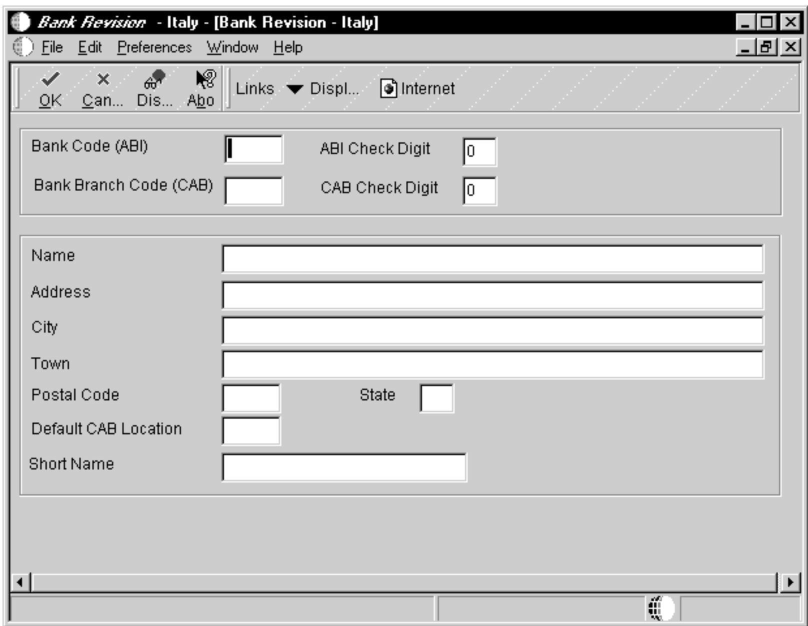
You can revise bank identification information manually on an as-needed basis.

▶ To revise bank identification information manually

From the Italian Bank File Processing menu (G00215), choose Bank Revision – Italy.

On Work with Bank – Italy

1. Click Add.



2. On Bank Revision – Italy, complete the following fields to locate a bank identification record:
   - Bank Code (ABI)
   - Bank Branch Code (CAB)
3. Revise any of the following fields:
   - Name
   - Address
   - City
   - Town
   - Postal Code
   - State

- Default CAB Location
- Short Name

Field	Explanation
Bank Code (ABI)	A code, assigned by the Bank of Italy, that identifies the bank. The ABI segment of the transit code (5 digits) identifies the bank (e.g., Banco di Napoli) and is followed by the CAB segment of the transit code (5 digits), which identifies the branch (e.g., Banco di Napoli – Positano). The values in these fields are pre-loaded into the Italian Bank File (F74030) and can be maintained with the Bank Revision - Italy program.
Bank Branch Code (CAB)	A code, assigned by the Bank of Italy, that identifies the branch. The CAB segment of the transit code (5 digits) identifies the branch (e.g., Banco di Napoli – Positano) and follows the ABI segment of the transit code (5 digits), which identifies the bank (e.g., Banco di Napoli). The values in these fields are pre-loaded into the Italian Bank File (F74030) and can be maintained with the Bank Revision - Italy program.
Name	The full name of the bank associated with a bank transit number (ABI/CAB). The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained in the Bank Revision - Italy program.
Address	The address (street and number) of the bank. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained with the Bank Revision - Italy program.
City	The administrative division of the municipality where the bank is located. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained with the Bank Revision - Italy program.
Town	The name of the town where the bank is located. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained with the Bank Revision - Italy program.
Postal Code	The postal code of the town where the bank is located. The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained with the Bank Revision - Italy program.
State	A user defined code (system 00, type S) for the state or province. This code is usually a postal service abbreviation.
Default CAB Location	The default location of the bank branch code (Italian CAB code). The value in this field is pre-loaded in the Italian Bank File (F74030) and can be maintained with the Bank Revision - Italy program. For example: CAB 1600 – Default Milano CAB CAB 1601 – Milano Centro CAB 1602 – Milano Duomo CAB 1603 – Milano Scala

Field	Explanation
Short Name	A user defined name or remark.

Converting Bank Numbers

From the Italian Bank File Processing menu (G00215), choose Italian Bank File Processing.

You must run the Italian Bank Number Conversion program (R74800) to move the SIA code from the Bank User Number field to the Reference/Roll Number field in the Bank Transit Number Master table (F0030).

This conversion is necessary because the SIA code, which formerly was a numeric value, is now an alphanumeric code.

You can run the conversion program in proof or final mode. Proof mode prints a report of all selected G/L bank accounts that shows the original value for the Bank User Number and Reference/Roll Number fields. Final mode clears the Bank User Number field, updates the Reference/Roll Number field, and prints the converted values on the report.

You now enter the SIA code in the Reference/Roll Number field when entering bank account information in the Bank Accounts by Address program (P0030A) and the Bank Account Information program (P0030G).

Processing Options for Italian Bank Number Conversion (R74800)

```
Process

1.  Enter ’1’ to process in final mode
    or leave blank for proof mode.
    Final mode will update selected G/L
    bank accounts in the Bank Transit
    Number Master (F0030).  Proof mode
    will print the original values for
    review.

      Proof or Final Mode                    ____________
```

Accounts Receivable

Working with Invoices for Free Goods

Invoices for free goods have a zero value. In Italy, invoices for free goods must be entered into the system for fiscal and VAT reporting purposes.

When you enter invoices for free goods into the system, the first pay item represents the taxable amount with the relevant tax rate. You enter this pay item with a tax explanation code of V (VAT). The second pay item represents the gross amount (negative). To calculate the gross amount, add the first pay item taxable amount and the VAT amount. Enter the second pay item with a tax explanation code of E (exempt) with a tax rate of zero.

The following table is an example of an invoice for free goods:

Pay Item	Gross Amount	Taxable Amount	Tax Amount	Tax Rate Code	Tax Explanation Code
001		1000	200	IT20	V
002	–1200			IT00	E

The total invoice value is zero and the invoice can be posted to update the tax table. The G/L distribution debits the Cost of Goods Sold account and credits a specific expense account for free goods.

To close the invoice, record a cash receipt through the Receipts Entry program (P03B102).

Processing A/R Drafts in Italy

Draft Remittance

J.D. Edwards provides several country-specific formats for electronic accounts receivable drafts remittance. You should specify the country-specific format that you want to use on the Print/Tape tab of the processing options for the Draft Remittance program (R03B672).

Specify one of the following programs for electronic accounts receivable drafts remittance for Italy:

R03B672IP	Paper RiBa format
R03B672IS	Stamp report format
R03B672IT	Magnetic RiBa tape format

Draft Collection

In Italy, companies typically do not consider a draft paid until the bank sends verification of the actual payment. In this case, the preferred practice for collecting a draft is to set the processing options for the Draft Collection program so that the program does not automatically create journal entries. Instead, it updates the payment instrument for the draft to an intermediate status. The intermediate status indicates that payment for the draft has been requested from the bank, but not actually received. When the bank verifies the payment of the draft, you can create and post a manual journal entry for the payment. Then, you run the Draft Collection program for the draft again to update the payment instrument for the draft to a “paid” status.

Processing Options for Magnetic RiBa Tape Format (R03B672IT)

```
Bank

1.  Enter the bank tape sequence number.
    (Optional)

      Sequence Number                          ____________

2.  Enter the Remittance Date.  If left
    blank the system date will be used.

      Remittance Date                          ____________

Italian Tape

3.  Enter the following information
    regarding RiBa authorization:
```

Province ____________
Number ____________
Date ____________

4. Enter line number from address book for client name continuation.

   Client Name ____________

5. Enter line number from address book for client street address.

   Client Street Address ____________

Create

6. Enter one of the following:
   ' ' = Create Tape Only (Final Mode)
   '1' = Print RiBa on pre-printed form
   '2' = Print RiBa AND Create Tape (Final Mode Only)

   Create Option ____________

Accounts Payable

Working with Intra-Community VAT Vouchers

Sales and purchases among EU members are not subject to VAT. In Italy, it is still necessary to obtain the necessary VAT entries for VAT reporting purposes. When a company within the EU imports goods from other EU countries, the transactions are not subject to VAT. Therefore, the VAT payable must be compensated with the VAT receivable, and both amounts must be shown in the relevant reports. J.D. Edwards Accounts Payable system compensates for the VAT amount when you enter the voucher for the supplier.

To do this, you must set up various tax rates for the different types of sales and purchases transactions. For example:

Purchase transactions

A purchase tax rate code might be CEEA4 or CEEA20. The codes are defined as follows:

- CEE = European Union
- A = Purchases
- 4 or 20 = tax rate percentage

Sales transactions

A sales tax rate code might be CEEV4 or CEEV20. The codes are defined as follows:

- CEE = European Union
- V = Sales
- 4 or 20 = tax rate percentage

For each type of tax rate code, you can set up specific G/L class codes. The system uses the G/L class codes to post your journal entries to different VAT accounts in your chart of accounts. For example, you might have a Domestic VAT account and an EU VAT account.

When you enter vouchers with intra-Community VAT, use a document type that is specific to the type of transaction and the appropriate currency code. The first pay item for the voucher represents the voucher amount with a tax explanation code of exempt (E). The subsequent pay items are used to compensate the VAT, as shown in the following example:

Pay Item	Gross Amount	Taxable Amount	Tax Amount	Tax Rate Code	Tax Explanation Code
001	1000				E
002	200	1000	200	CEEV20*	V
003	–200	–1000	–200	CEEA20*	V

Multi-Currency Considerations

When working with a voucher in a foreign currency, the exchange rate used to pay the voucher can be different than the exchange rate used during voucher entry. The system calculates currency gains and losses when the exchange rate is different.

When you pay foreign currency vouchers that include intra-Community VAT, a special procedure must be followed because of the way you enter these vouchers (see the example above). This procedure consists of making two separate payments for the same voucher: one to settle the actual pay item (001), and the other to settle the two offsetting pay items (002 and 003).

When you enter the payment for the actual pay item, you specify the real exchange rate, and the system calculates currency gains and losses, if applicable. When you enter the payment to settle the offsetting pay items, you must specify the same exchange rate that was used at the time the voucher was entered so that currency gains and losses are not created.

Reporting Considerations

You must print the information for sales and purchases that are applicable to VAT on separate Monthly VAT Reports (P004051). To do this, make the following data selections:

EU VAT Recoverable	Batch Type V and W
	Tax Rate Code CEEA4 and CEEA20
EU VAT Payable	Batch type V and W
	Tax Rate Codes CEEV4 and CEEV20

You should also set up your VAT Summary reports (R74093) using the same data selection.

Entering VAT-Only Vouchers for the Customs Authority (Bolle doganali)

In Italy, goods imported from outside the EU are subject to VAT. The Italian Customs Authority assesses VAT on goods imported from outside the EU at the relevant Italian domestic rate. To pay the required VAT, set up the Customs Authority as an address book record with a person/corporation code of 5 (customs authority). You can pay this type of VAT by creating VAT-only vouchers for the Customs Authority.

Normally in Italy, different document types are used for VAT-only vouchers and standard vouchers. The same next numbers are used for both types of vouchers and both are printed sequentially on the Monthly VAT report (P004051). Alternatively, you can print VAT-only vouchers separately on the Monthly VAT Report and with a separate numbering scheme. To do this, set up next numbers by document type and print the Monthly VAT Report by document type.

Set up a special version of the Voucher Entry program (P0411) to process VAT-only vouchers. Use the processing options for the program to default a specific document type for VAT-only vouchers.

You do not have to set up a special version of the Voucher Entry program if your company decides to use the same next number (Same As) for VAT-only vouchers and standard vouchers.

When you enter VAT-only vouchers for A/P, use the tax explanation code of VT. You can enter the tax amount, with the gross amount equal to the tax amount for vouchers with a tax explanation code of VT.

You enter two types of VAT-only vouchers:

- Vouchers with VAT payment by Carrier/Customs Agency
- Vouchers with VAT payment directly to the Customs Authority

For VAT-only vouchers with VAT payment by carrier or customs agency, the entries are posted as follows:

VAT-only vouchers	DR – VAT Recoverable account CR – Payable to VAT-only vouchers account
Customs agency voucher	DR – VAT Transit account DR – VAT Recoverable account CR – Debt to Customs Agency account DR – Customs Expenses account
Close the VAT-only voucher	DR – Payable to VAT-only voucher account CR – VAT Transit account NOTE: You create the entries to close the VAT-only voucher through the manual or automatic payment process. To do this, replace the bank account with the VAT Transit account previously debited when the Customs Agency voucher was posted.

For VAT-only vouchers with VAT payment directly to the Customs Authority, the entries are posted as follows:

VAT-only vouchers	DR – VAT Recoverable account CR – Payable to VAT-only voucher account
Payment to the Customs Authority	DR – Payable to VAT-only voucher account CR – Bank account
Close the VAT-only voucher	DR – Payable to VAT-only voucher account CR – VAT Transit account

Assigning Formats to Payment Instruments

You can specify various output formats for automatic payments by assigning the programs that generate the formats to user-defined payment instruments. Payment formats can be printed or electronic. Payment instruments can include checks, magnetic tapes, and drafts.

The programs that you assign to your payment instruments determine the formats for payments and any additional output that the system generates when you process payment groups. The additional output components can include:

- Payment registers – A printed list of payments.
- Attachments – A printed report that contains the detail information that does not fit on a payment stub.
- Debit statements – A printed list of debit balances. Debit statements list net amounts that can either decrease or clear the amount of a voucher.

To assign formats to payment instruments, you specify a format generation program for each component of a payment instrument. For example, you could assign program P04573 (for print standard attachments) to the attachments component of your payment instrument for drafts. Then, when you generate drafts, the system accesses this program to produce the appropriate type of attachment.

You can also define the specific uses for a payment instrument by assigning a specific bank account to the instrument. For example, you can set up two types of payment instruments for drafts, with each type drawn on a different bank account.

Assign the following programs to payment instruments for Italy:

Payment formats	Specify the following Write Programs to generate payment formats for Italy: • P04572I1 for electronic fund transfer format (diskette) • P04572I2 for check format Note: The electronic funds transfer format for Italy accepts a maximum of five payment details. This is because the Write Program P04572I1 writes a detail record in each record 60 of which there can be a maximum of five. You must manually control the number of payments that you include in the payment control group. The P04572I1 format has been enhanced to support the euro.
Registers	Specify Register Program P04576I to generate the payment register for electronic fund transfer and check formats in Italy.

Before You Begin

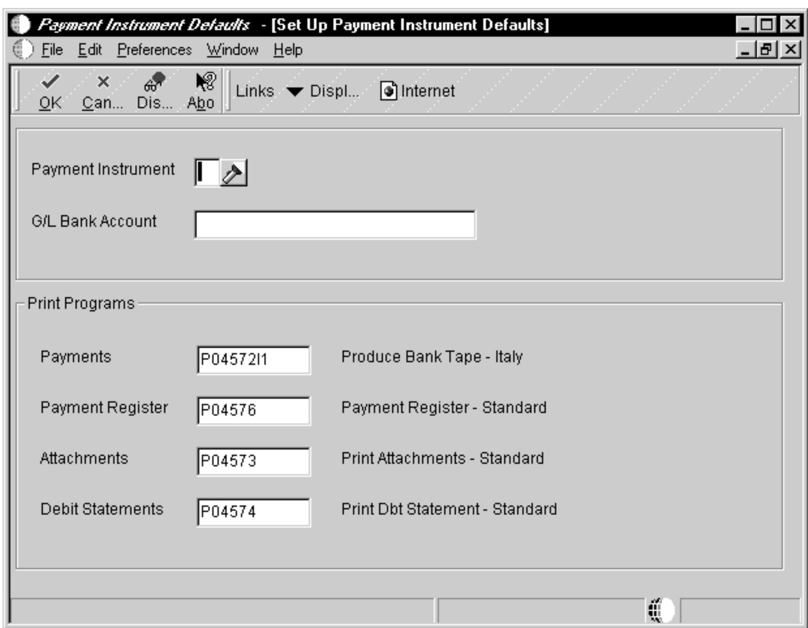
- ❑ Set up a code on user defined codes table 00/PY for each payment instrument that you use and user defined codes table 04/PP for your payment programs. See *Italy: Setting Up User Defined Codes*.
- ❑ Create a version of each program that you intend to set up. See *OneWorld Foundation: Creating (Adding) a Batch Version*.

▶ To assign formats to payment instruments

From the Automatic Payment Setup menu (G04411), choose Payment Instrument Defaults.

On Work with Payment Instrument Defaults

1. Click Add.



2. On Set Up Payment Instrument Defaults, complete the following fields:
   - Payment Instrument
3. Complete the following optional field:
   - G/L Bank Account
4. Under the Print Programs heading, complete the following fields:
   - Payments
   - Payment Register

- Attachments
- Debit Statements

Field	Explanation
Payment Instrument	The user defined code that determines the type of payment made to the supplier.
G/L Bank Account	A field that identifies an account in the general ledger. You can use one of the following formats for account numbers: • Standard account number (business unit.object.subsidiary or flexible format) • Third G/L number (maximum of 25 digits) • 8-digit short account ID number • Speed code The first character of the account indicates the format of the account number. You define the account format in the General Accounting Constants program.
Payments	A user defined program used to print A/P payments. Only programs set up in user defined codes for 04/PP may be entered.
Payment Register	A user defined program used to print the A/P payment register. Only programs set up in user defined codes for 04/PR may be entered.
Attachments	A user defined program used to print attachments in A/P Payment processing. Only programs set up in user defined codes for 04/PA may be entered.
Debit Statements	A user defined program used to print debit statements in A/P payment processing. Only programs set up in user defined codes for 04/PD can be entered.

See Also

- *Accounts Payable: Setting Up Payment Instruments*

Processing Options for A/P Payments – EFT for Italy (R04572I1)

Date

Enter a '1' to print value date.
Default = blank will print due date.

Due Date or Value Date ____________

Tape

1. Enter the following defaults

Device Name ____________
Tape Density ____________
Label Name ____________
Block Size ____________
New Volume Name ____________

Tape (more)

New Owner ID ____________
File Name ____________

Currency

Enter the currency code that is used in your system to identify the EURO. ____________

Processing Options for A/P Payments – Checks for Italy (R04572I2)

Translation

1. Enter the program name to translate payment amounts from numbers to words. (See User Defined Codes system '98', record type 'CT' for program names.) If left blank, the translation program associated with the payment currency will be used.

Translation Program ____________

Address

1. Enter an override address format to use for the payee and/or company addresses. If left blank, the country format will be used.

Address Format (FUTURE) ____________

Print

1. Enter the Forms Type for the payments spool file. If left blank the default is 'APCHECKS'

Form Type (FUTURE) ____________

Accounting for Petrol Card Expense Reports

In Italy, sales of petrol in petrol stations for cars and trucks do not have to be invoiced even though petrol is VAT taxable. Every time that VAT subjects (professionals or companies) buy petrol for business purposes at a petrol station, they have to fill out a form called “Scheda Carburante” (petrol card) that documents the amount of the sale including VAT.

Because petrol stations cannot issue invoices, the petrol card is the only document that allows VAT subjects to document the payable VAT. The card is also used when filing the annual tax declaration as proof of costs sustained by the subjects.

The petrol card is used when companies assign cars to employees. Every month employees using company cars must attach the petrol card for the period to an expense report. The law requires the subjects to enter the kilometers traveled by each vehicle during the period on the petrol card for fiscal audit purposes. Use the Units field on the Journal Entry form (P0911) to enter this amount.

The Accounts Payable employee responsible for expense reports management must enter all the data contained on the petrol card for VAT and tax declaration purposes. Assign a specific document type when entering petrol cards in J.D. Edwards Accounts Payable system.

There are many possible methods for accounting for petrol cards. See the following example for one method.

Enter the employee expense report	Debit – Transit account Credit – Payable to Employee account
Post the petrol card in Accounts Payable	Debit – Purchases (Petrol) account Credit – Petrol Card (dummy supplier) account
Close petrol debt	To close the debt to the dummy supplier (Petrol Card account), use the manual payment process and replace the Bank account with the Transit account that you used when entering the employee expense report. Debit – Petrol Card (dummy supplier) account Credit – Transit account

Understanding the Annual Close

You can use J.D. Edwards base software to complete the annual close for the fiscal year. When you close the fiscal year, you must:

- Close and calculate retained earnings
- Make adjustments
- Close profit and loss accounts
- Record the profit and loss for the fiscal year
- Close balance sheet accounts
- Print the G/L Registration Report with adjustments and closing entries
- Re-open balance sheet accounts
- Print the G/L Registration report with re-opening journal entries
- Print the General Ledger report

During the beginning months of the new fiscal year, you can make adjustments to the transactions of the previous year. To identify journal entries for adjustments in the system, the adjustment entries must include the following information:

- The G/L date must equal the end of the previous fiscal year.
- The document type must be ##, to indicate that the entry is an adjustment.

The system prevents you from recording journal entries in the previous year unless the entries have a document type of ##. In addition, when you update the beginning balance in the Account Balances table (F0902), the system includes journal entries with the document type of ##.

In Italy, businesses complete the following phases at the close of the fiscal year to prepare the year end balance sheet:

- Adjust and integrate journal entries
- Close profit and loss accounts for revenues and expenses that were recorded during the year without carrying over the balance
- Calculate retained earnings
- Close balance sheet accounts on a summary account "ending balance sheet" and reopen the same balance sheet accounts for the following fiscal year

During the close of the fiscal year and the preparation of the balance sheet, Italian businesses complete the following control reports:

- Trial Balance
- General Ledger

All the journal entries that the system generates for the close of the fiscal year are recorded on the G/L Registration report.

See Also

- *General Accounting: Closing a Fiscal Year*
- *Italy: Printing the G/L Registration Report* for information about assigning sequential registration numbers to closing and adjusting entries
- *Italy: Preparing for the Annual Close*

Preparing for the Annual Close

To prepare for the annual close, set up the following elements:

- Automatic accounting instructions
- User defined codes
- Ledger types
- Document types
- Chart of accounts

Automatic Accounting Instructions

The following table lists the AAIs that you must set up in preparation for the annual close.

GLG2	Identifies the first assets account.
GLG3	Identifies the first liabilities account.
GLG4	Identifies the account in which the financial year result is stored. You must set up this AAI for each company.
GLG5	Identifies the last balance sheet account. The last balance sheet account is a non-posting account.
GLG6	Identifies the first profit and loss account.
GLG12	Identifies the last profit and loss account.

User Defined Codes

The following table lists the user defined codes that you must set up in preparation for the annual close.

Ledger types for post balancing (09/LP)	Set up codes to define ledger types that are different from the AA ledger and for which you want to calculate the profit and loss for the financial year. For example, you might define a specific ledger type to record the financial year result for your Italian operation, including the entries required by local law and tax authorities. All of the adjustments related to the law and tax criteria would be recorded in that specific ledger.
Ledger types (09/LT)	Set up codes to define ledger types that you use for the opening and closing entries for accounts. You might even use separate ledger types for the closing and re-opening entries.
Annual close/spread ledger types (00/LT)	Set up codes to define ledger types that the account closing program uses to update amounts for subsequent periods according to the rules defined for each ledger. The first character that you enter in the Description 2 field determines the rules the closing program uses for the ledger.

Ledger Types

The following table lists the ledger types that you must set up in preparation for the annual close. All user defined ledger types should be identified with a U followed by a digit or a letter.

UX	Set up the UX ledger type for closing assets and liabilities and for profit and loss account entries. Although you can choose any client-reserved two-character code for the ledger type, set up the ledger type on the Ledger Types user defined codes table (09/LT).
UY	Set up the UY ledger type for re-opening assets and liabilities account entries. Although you can choose any client-reserved, two-character code for the ledger type, set up the ledger type on the Ledger Types user defined codes table (09/LT).

Document Types

The following table lists the document types that you must set up in preparation for the annual close. All user defined ledger types should be identified by a U followed by a digit or a letter.

##	Document type ## is system-defined. You can use the ## document type to post journal entries for adjustments in the previous fiscal year. Journal entries with the document type ## automatically update the account balance for the previous year.
UX	Document type UX is used for the re-opening of the assets and liabilities accounts. Although you can choose any client-reserved, two-character code for this document type, you must set up the document type on the Document Type user defined codes table (00/DT).

Chart of Accounts

The following table lists the accounts that you must define in your chart of accounts in preparation for the annual close.

Final balance sheet account	Define the final balance sheet account for all of the closing entries related to assets and liabilities.
Beginning balance sheet account	Define the beginning balance sheet account for all of the opening entries related to assets and liabilities.
Profit and loss	Define the profit and loss account for the sum of all of the closing entries related to assets and liabilities and to the year’s profit and loss entry.

Verifying Account Balances

The following table lists the standard procedures that should be used by companies before month-end reporting is completed. The table represents a series of control reports and balance verification programs, with a brief description of each and the frequency with which J.D. Edwards recommends the procedures be executed.

Procedure	Program	Description	Frequency
Verify that document numbers are in sequence	R74099	The Sequential Number report highlights any interruption in the document number sequence and general accounting registration date sequence.	Daily
Print a listing of all unposted accounting batches	R007011	The Unposted Batches Integrity Test highlights any unposted batches. The posting of all accounting batches is a prerequisite for the subsequent balance verifications.	Weekly
Verify that batch detail and batch header information match	R007021	The Transactions to Batch Headers Integrity Test highlights any mismatch between batch headers and the individual transactions within the batch. Mismatches might include transactions for which there is no batch header, or posted transactions that belong to unposted batches.	Weekly

Procedure	Program	Description	Frequency
Balance A/R against G/L	R03B701	Run the A/R to G/L by Batch Integrity Test to check the balance between the A/R Ledger (F0311) and the General Ledger (F0911) by batch number. The program also highlights anomalous situations regarding the payment status, such as payment status P against open amounts. If the A/R and General Ledgers are out of balance, the Customer Total by G/L Class Report (P09450) can be used as an additional verification tool.	Weekly
Balance A/R against G/L by accounting class	R03B7001A	Run the A/R to G/L by Accounting Class Integrity Test to match the A/R ledger (F0311) to the Account Balances table (F0902) by accounting class.	Weekly

Procedure	Program	Description	Frequency
Balance A/P against G/L	R04701	Run the A/P Original Documents to G/L by Batch Integrity Test to check the balance between the A/P Ledger (F0411) and the General Ledger (F0911) by batch number. The program also highlights anomalous situations regarding the payment status, such as payment status P against open amounts. If the A/P and General Ledgers are out of balance, the Suppliers Total by G/L Class report (P09450) can be used as an additional verification tool. NOTE: If the Bolle Doganali are entered as prepaid documents, the ledger and the Customs debit account might be out of balance.	Weekly
Balance A/P against G/L by accounting class	R047001A	Run the A/P Originals to G/L by Batch Integrity Test to match the A/P Ledger (F0411) to the Account Balances table (F0902) by offset account.	Weekly
Print Trial Balance reports	R7409C3 R7409C4	By object.subsidiary. By category code 21, 22, 23.	Monthly
Print Monthly VAT reports	R004051	Run a version of the Italian A/R – A/P VAT Tax Report for EU VAT purchases to list the currency amounts of your invoices. Run other versions of the report to print the rest of your VAT ledgers.	Per tax regulations

Printing the Sequential Number Report

From the Italian Reports menu (G093152), choose a Sequential Number Report option.

Businesses in Italy are required by law to number each original fiscal document both sequentially and chronologically. Fiscal documents include VAT taxes, such as accounts payable vouchers and accounts receivable invoices. Because each revenue and expense event must be documented in chronological order, businesses must include the numeric sequencing of each document number in the VAT registers.

Use the Sequential Number report to identify any document numbers that are out of sequence. When you print the report, the system checks the number for each document that includes a VAT amount in the following tables:

- Sales/Use/VAT Tax (F0018)
- Accounts Payable Ledger (F0411)
- Accounts Receivable Ledger (F0311)

The report prints the appropriate error message for each document that meets the following conditions:

- The document number is not sequential.
- The general ledger date is lower than that of the previous document.

J.D. Edwards recommends that you print the Sequential Number Report daily, and if not daily, at least before you change the G/L date.

You must manually correct any errors in the sequential numbering or justify the gap in the numbering of your documents. You can run one of the following sequential number reports to indicate which table you want to perform the sequential document number validation.

Sales/Use/VAT Tax (F0018)	When you run the Sequential Number Report - Tax File to verify that document numbers are in sequential order without interruptions, the system prints a report based on the Sales/Use/VAT Tax table (F0018).
Accounts Receivable Ledger (F0311)	When you run the Sequential Number Report - A/R to verify that document numbers are in sequential order without interruptions, the system prints a report based on the Accounts Receivable Ledger (F0311).
Accounts Payable Ledger (F0411)	When you run the Sequential Number Report - A/P Ledger to verify that document numbers are in sequential order without interruptions, the system prints a report based on the Accounts Payable Ledger (F0411).

Processing Options for Sequential Number Report (R74099A–D)

```
Date

1. Specify the date range to select the
    documents to be controlled.

      From Date                                  ____________
      Thru Date                                  ____________
```

Printing the G/L Registration Report

From the Italian Reports menu (G093152), choose G/L Registration Report.

Businesses in Italy are required to print a general journal report that lists all of the general ledger transactions for each month in chronological and sequential order. To do this, you can print a G/L Registration report.

You can print the G/L Registration report in proof or final mode. When you select final mode, the system assigns a chronological and sequential registration number to each general ledger transaction in the Account Ledger (F0911). The system stores the registration number for each transaction in a dedicated field (REG#). You can use a processing option to control whether the system assigns registration numbers to journal entries or to each individual journal entry line.

To ensure that the registration number for each transaction is sequential by date, run the G/L Registration Report/Update program in final mode only after:

- You enter all of the transactions for the month.
- You review the G/L Registration report generated in proof mode.

If your company implements J.D. Edwards software in the middle of a fiscal year, you will need to indicate the continuing registration number from your previous numbering system (manual or automated). To do this, access the Revise G/L Registration File form.

Printing Considerations for the G/L Registration Report

You can reprint the G/L Registration Report in proof mode to review transactions for which registration numbers are already assigned.

You can also print the G/L Registration report for multi-company environments, in which general ledger transactions are entered for different document companies that belong to the same legal entity. To do this, set the processing options so that you can enter the legal company that you want to print on the header of the report. Then, use data selection to identify the document companies that belong to the legal company.

Registration Numbers for Adjusting Journal Entries

After the year end, you might need to enter general ledger transactions to record adjustments for the previous fiscal year. You can enter these adjusting journal entries with a special document type (##) and the general ledger date for the end of the fiscal year, such as 31/12/98.

Italian law requires that the date on which you actually enter the adjustment is also included in the journal entry record. To satisfy this requirement, the system records both the general ledger date that you specify for the end of the fiscal year and the actual date that you enter the adjusting entry. You can use a processing option to control the actual date of the adjustment entry that prints on the G/L Registration report. In addition, adjusting entries must include a chronological and sequential registration number, as would any other general ledger transaction.

Print the G/L Registration report to assign registration numbers to adjusting journal entries for the previous fiscal year. You can specify registration numbers for adjusting journal entries based on the following numbering patterns:

- Start with the next available number for the previous fiscal year
- Start with the next available number for the current fiscal year

The practice of numbering adjustments using the next available number for the previous fiscal year can be disputed by the Italian fiscal authority. The option of using the next available number for the current fiscal year is legally acceptable and should be adopted by all Italian customers. Use processing option 2 on the Adjustments tab for the G/L Registration Report – Italy (R09404) to select a numbering pattern.

When you print the G/L Registration report for the adjusting entries in final mode, the system:

- Updates the Adjustments Registration Date with the date that you specify in the processing option for adjusting entries
- Assigns chronological and sequential registration numbers to each transaction

See Also

- *Italy: Setting Up Your System for Date Edits* for information about how to set up the system to edit vouchers and invoices for appropriate dates and to assign sequential numbering
- *Italy: Understanding the Annual Close* for more information about printing the G/L Registration report as part of the annual close procedure

Processing Options for G/L Registration Report – Italy (R09404)

```
Mode

1. Enter a '1'  for a final mode.
    Enter a '2'  for  final mode with
    headings and titles .      Leave
    blank for Proof Mode.      Default
    is Proof Mode.

      Processing Mode                                 ____________

Dates

      1. From Date                                    ____________
      2. Thru Date                                    ____________

Company
```

1. Enter the company number to be used to store and retrieve G/L balance values. If left blank, company ’00000’ is used.

   Legal Company ____________

Options

1. Enter the Account Number Category Code to print on the report. The only valid values are 21, 22 and 23. Leave blank to print account number.

   Select Account Number Category Code ____________

Registration

1. Enter a ’1’ to assign a registration numbers for each individual journal entry line. Leave blank to assign a registration number to each document . Default is blank.

   Registration Number Assignment ____________

Adjustments

1. Enter the Registration Date to print for the adjustment instead of the G/L Date printed for the regular transactions.

   Registration Date ____________

2. Enter ’1’ to number the adjustments starting with the next available number for the previous fiscal year. (NOT RECOMMENDED) Leave blank to use the next available registration number for the current fiscal year.

   Registration Number ____________

Currency

1. Enter the Currency Code for as-if currency reporting. This option allows for amounts to print in a currency other than the currency they are stored in. Amounts will be translated and print in this as-if currency. If left blank, amounts will print in their database currency. ____________
2. Enter the As-Of date for processing the current rate for the as-if currency. If left blank, the system date wil be used. ____________

Printing the General Ledger Report

From the Italian Reports menu (G093152), choose G/L by Category Code or G/L by Object & Subsidiary.

The General Ledger report includes detailed information about account transactions. You can use the report to:

- Review transactions within individual accounts
- Research accounts that are out-of-balance
- Verify account accuracy

You also use the General Ledger report to open and audit accounts with the same control totals as the journal report. The accounts and the totals are the basis of the trial balance.

In Italy, businesses use the General Ledger report as a basis for:

- Internal auditing, as a control of account accuracy
- External auditing by a third party, such as a fiscal authority or auditing firm

The General Ledger report includes the following information:

- Beginning and ending balances for each account
- Accumulation of amounts from different ledger types for the same account
- Transactions based on a period selection or a date range selection
- G/L registration numbers for each transaction
- Currency codes for each transaction
- Company codes and names on the header of the report
- Business units (optional)
- Accounts with zero balances (optional)

Businesses print the General Ledger report at least once a year for all accounts, typically at the end of the fiscal year. The total debits and credits that print on the report should equal the total debits and credits of the following:

- Trial Balance Report
- G/L Registration Report

You can use the processing options on the Currency tab to run the G/L by Object and Subsidiary report (R7409C1) in the euro.

You can print the General Ledger report by object and subsidiary or by category code, depending on whether your accounts are defined in the Account Master table by object and subsidiary, or in category codes 21, 22, or 23.

If you print General Ledger reports by object and subsidiary, you can review the accumulation of up to three ledger types for the same account. To do this, specify which ledger types you would like to include on the report in the processing options. The Ledger Type processing option replaces the user defined code 74/LT.

Processing Options for G/L by Object and Subsidiary (R7409C1)

Dates

1. Fiscal Year And Accounting Period:

Beginning Month: (Mandatory)
Beginning Year: (Mandatory)
Ending Month: (Mandatory)
Ending Year: (Mandatory)

Ledger Types

2. Enter the requested ledger type. By default, the ledger type is 'AA'. Otherwise, enter up to three Ledger Types.

Ledger Type – 1
Ledger Type – 2
Ledger Type – 3

Subledger

3. Enter a '1' to print the subledger and subledger type on the report. If left blank, the subledger and subledger type columns will not be printed.

Business Units

4. Enter a '1' to print the business unit on the report. By default, the business unit will not be printed.

5. Enter the model business unit to use to retrieve the account descriptions. By default, the transaction description will be used.

Model Business Unit

Posting

6. Enter a '1' to print unposted transactions. By default, only the

posted transactions will be printed.

7. Enter a ’1’ to print a total for posted transactions and a total for unposted transactions. By default, these totals will not be printed.

Zero Balances

8. Enter a ’1’ to print the accounts with a zero balance in the period and year requested. By default, these accounts will not be printed.

Selection

9. Enter a ’1’ to print the Italian Report. Leave blank to print the French Report.

Proof/Final

10. Enter a ’0’ to run report in Proof Mode. Enter a ’1’ to run report in Final mode. If left blank, the report will be run in Proof mode. If run in Final mode, only those records that have been printed in final mode on the Trial Balance report (R7409C3 or R7409C4) will be printed.

Proof/Final mode

Currency

1. Enter the Currency Code for as-if currency reporting. This option allows for amounts to print in a currency other than the currency they are stored in. Amounts will be translated and print in this as-if currency. If left blank, amounts will print in their database currency.
2. Enter the As-of date for processing the current rate for the as-if currency. If left blank, the system date will be used.

Processing Options for G/L by Category Code (R70470)

Column Format

1. Enter '1' to print the G/L Registration Number and Currency Code instead of Batch Number and Batch Type. ____________

Dates

1. Fiscal Year and Accounting Period

   From Period ____________
   From Year ____________
   Thru Period ____________
   Thru Year ____________

Selections

1. Enter the selected ledger type(s).

   Ledger Type – 1 ____________
   Ledger Type – 2 ____________
   Ledger Type – 3 ____________

2. Enter the Category Code used for the alternate chart of accounts. (R021, R022, or R023)

   Report Category Code ____________

3. Enter the first Profit and Loss Account for the alternate chart of accounts.

   First Profit and Loss Account ____________

4. Enter '1' to print unposted transactions. Leave blank to print only posted transactions. ____________

5. Enter '1' to print a total for the posted transactions and a total for the unposted transactions. By default, these totals will not be printed. ____________

Subledger

1. Enter '1' to print the Subledger and Subledger Type on the report. Leave blank to omit these columns. ____________

Business Units

1. Enter ’1’ to print the Business Unit on the report. Leave blank to omit this column.

Zero Balances

1. Enter ’1’ to print the accounts with a zero balance in the requested period. By default, these accounts will not be printed.

Mode

1. Enter ’1’ to run the report in final mode. In final mode, only the records that have been printed in final mode on the Trial Balance report (R7409C4) will be printed. If left blank, the report will run in proof mode.

Printing the Trial Balance Report

From the Italian Reports menu (G093152), choose T/B by Object & Subsidiary or T/B by Category Code.

Businesses in Italy use the Trial Balance report to verify the accuracy of transactions in individual account ledgers. When all the transactions are accurate, the totals in this report equal the totals in the General Ledger report and the General Ledger Registration report. Businesses often print the Trial Balance report to facilitate:

- Internal audits, to verify one or more accounts
- External audits, as required by a fiscal authority or auditing firm

You can print the Trial Balance report to review the total debit and credit amounts for each account in any given ledger. You can also find errors that cause the General Ledger to be out of balance. Possible errors might include incorrect entries or missing transactions.

When you print this report, you can use data selections to specify:

- The company chart of accounts (defined in the Account Master table) or an alternate chart of accounts (defined in category codes 21, 23, or 23)
- Business units and subsidiaries
- Totals by object account
- Beginning and ending dates
- Multiple ledger types
- Exclusion of accounts with a zero balance
- Account balance totals based on the level of detail of the account

You can use the processing options on the Currency tab to run the T/B by Object and Subsidiary report (R7409C3) in the euro.

If you print Trial Balance reports by object and subsidiary, you can review the accumulation of up to three ledger types for the same account. To do this, specify which ledger types you would like to include on the report in the processing options. The Ledger Type processing option replaces the user defined code 74/LT.

Processing Options for T/B by Object and Subsidiary (R7409C3)

```
Report Period

1. Enter the accounting period and the
    fiscal year.  Leave blank to use the
    period and fiscal year of the
    Financial Reporting Date.

      Period Number                    ____________
      Fiscal Year                      ____________
```

Ledger Type

2. Enter the requested ledger type(s). You may specify up to three ledger types. If all are left blank the default is 'AA'.

   Ledger Type 1 ______
   Ledger Type 2 ______
   Ledger Type 3 ______

Business Unit

3. Enter the model Business Unit to be used for retrieving the account descriptions. By default, the transaction descriptions will be used.

   Model Business Unit ______

Zero Balance

4. Enter '1' to print the accounts with a zero balance in the requested period. By default, these accounts will not be printed.

______

Totaling Level

5. Enter the totaling level for the account (1 to 4 characters). The default is level 2. Example:
   Totaling Level 2 =
   Class Total (1)
   Sub-class Total (10)

______

Mode

6. Enter a '1' to run the report in final mode. The default will run the report in proof mode. CAUTION: The report can be run in final mode ONLY ONCE for the selected period and fiscal year. The transactions printed will not appear again on subsequent executions.

______

Summarization

7. Enter a '1' to summarize all subsidiary accounts into one object account. The default of blank will not summarize subsidiary accounts.

______

Currency

1. Enter the Currency Code for as-if currency reporting. This option allows for amounts to print in a currency other than the currency they are stored in. Amounts will be translated and print in this as-if currency. If left blank, amounts will print in their database currency. ____________
2. Enter the As-Of date for processing the current rate for the as-if currency. If left blank, the system date will be used. ____________

Processing Options for Trial Balance by Category Code (R70472)

Dates

Enter the accounting period and the fiscal year

Period ____________
Fiscal Year ____________

Selections

Enter the ledger type up to a maximum of three

Ledger Type 1 ____________
Ledger Type 2 ____________
Ledger Type 3 ____________
Enter the Category Code to be used for the alternate chart of accounts (for example, R021, R022 or R023) ____________
Enter the first P&L account for the alternate chart of accounts ____________
Totaling Level ____________

Example: totaling level 2 =
class total (1)
sub-class total (10)

Enter a ’1’ to print accounts with a zero balance, otherwise these accounts will not be printed ____________

Mode

Enter ’1’ to run the report in final mode. CAUTION: The report can be run in final mode ONLY ONCE for the selected period and fiscal year. The transactions printed will not appear again on subsequent executions. ____________

Reporting

Printing Customer Ledger Reports

From the Italian Reports menu (G093152), choose A/R Localized Customer Ledger Refresh.

You print ledger reports to review the detail of the transactions between your company and your customers. When you print customer ledger reports for Italy, the system prints the transactions in the accounting format that is generally used by Italian companies, with debit and credit amounts in two separate columns. In addition, you can specify:

- Whether you want to print the reports based on main address book numbers or a parent number
- Currency totalling, where invoices and vouchers with similar currencies are totalled

The customer ledger report for Italy includes the following features:

- Debit and credit amounts are printed in separate columns, instead of in a single column in which the amounts are differentiated by a minus sign for a debit or reduction of the credit towards a customer.
- The amount of the A/R drafts that are generated for a batch of invoices is printed in the credit column the same as any other payment.
- You can print a report for all the transactions recorded for a certain customer based on a user-specified time lapse.

The system excludes the following documents from the customer ledger report:

- A/R draft transactions, identified by document type R1
- Gains and losses on foreign transactions, identified by document types RG and RL
- Adjustments that are made to original invoices, identified by document type RE

Processing Options for Customer Ledger Report (R7403B018)

Parameters

1. To Regenerate the Localization Customer Master Table enter a ’1’, otherwise the table will be appended to.

   Regenerate ____________

2. Enter the From and Through dates which will be used to populate the table.

   From Date ____________
   Through Date ____________

3. To summarize by Parent Number enter a ’1’, otherwise report will be by Address Book Number.

   Summarization ____________

Printing Supplier Ledger Reports

From the Italian Reports menu (G093152), choose Ledger Report - Localized.

You print ledger reports to review the detail of the transactions between your company and your suppliers. When you print localized supplier ledger reports, the system prints the transactions in the accounting format that is generally used by many European companies, with debit and credit amounts in two separate columns. In addition, you can specify:

- Whether you want to print the reports based on main address book numbers or a parent number
- Currency totalling, where invoices and vouchers with similar currencies are totalled
- Whether you want the report to convert amounts to the euro

The supplier ledger report for Italy includes the following features:

- Debit and credit amounts are printed in separate columns, instead of a single column in which the amounts are differentiated by a minus sign for a debit or reduction of the credit towards a supplier.
- The amount held when a voucher is paid for a supplier that is subject to withholding tax is printed in the line immediately after the payment, rather than in the Discount Available column.
- You can print a report for all the transactions recorded for a certain customer based on a user-specified time lapse.

The system excludes the following documents from the supplier ledger report:

- Voided payments, identified by document type PO
- Gains and losses on foreign transactions, identified by document types PG and PL
- Adjustments that are made to original vouchers, identified by document type PE

Processing Options for Supplier Ledger Report (R7404014)

Process

1.- Enter From and Thru dates which will be used to create the report.

From ____________

Thru ____________

2.- Enter ’1’ to calculate withholding.

Withholding ____________

3.- Enter ’1’ to print an Account Receivable Report. If left blank, an Account Payable Report will print.

Report Type ____________

Currency

1. Enter the currency code for as-if currency reporting. This option allows for amounts to print in a currency other than the currency they are stored in. Amounts will be translated and print in this as-if currency. If left blank, amounts will print in their database currency. ____________

2. Enter the As-Of date for processing the current rate for the as-if currency. If left blank, the system date will be used. ____________

Printing Open Amount Reports for Customers

From the Italian Report menu (G093152), choose A/R Inventory Book.

Businesses in Italy are required to report customer and supplier open amounts at year-end. To do this, print open amount reports for your customers. You are required by Italian law to include these reports as attachments to the Balance Sheet.

You can run several versions of the open amount reports. When you choose a version, you specify whether to include positive or negative balances. The system does not include positive and negative signs in the report and prevents you from including both positive and negative balances on the same report. You also specify whether you want to review:

- Total amounts
- Amounts as of a certain date
- Records sorted by customer name
- Records sorted by customer address book number

Processing Options for A/R Inventory Book (R7403B026)

```
Print

     1.  Enter ’1’ to print customers          ____________
     with negative balances.  Leave
     blank to only print customers with
     positive balances.
```

Printing Open Amount Reports for Suppliers

From the Italian Report menu (G093152), choose Italian Reports (R7404026).

Businesses in Italy are required to report supplier open amounts at year-end. To do this, print open amount reports for your suppliers. You are required by Italian law to include these reports as attachments to the Balance Sheet.

You can run several versions of the open amount reports. When you choose a version, you specify whether to include positive or negative balances. The system does not include positive and negative signs in the report and prevents you from including both positive and negative balances on the same report. You also specify whether you want to review:

- Total amounts
- Amounts as of a certain date
- Records sorted by supplier name
- Records sorted by supplier address book number
- Currency amounts in the euro

Processing Options for A/P Inventory Book (R7404026)

```
Print

1. Enter '1' to print only suppliers
    with negative balances. Leave blank
    to  print only suppliers with
    positive balances.

      Negative Balances :                          ____________

Currency

      1. Enter the Currency Code for               ____________
      as-if currency reporting. This
      option allows for amounts to print
      in a currency other than the
      currency they are stored in.
      Amounts will be translated and
      print in this as-if currency. If
      left blank, amounts will print in
      their database currency.
      2. Enter the As-Of date for                  ____________
      processing the current rate for
      the as-if currency. If left blank,
      the system date will be used.
```

Glossary

Glossary

52 period accounting. A method of accounting that uses each week as a separate accounting period.

AA ledger. The ledger type that the system uses for transactions in domestic amounts (actual amounts).

account status. The state or condition of a customer's A/R transaction account.

accounting period. One of the divisions of a fiscal year. A fiscal year can contain 12 to 14 accounting periods, or more rarely, 52 periods. There can also be an additional period for year-end adjustments and an additional period for audit adjustments.

activity priority. A code that you assign to an activity type to determine whether it requires attention during the credit collection process.

activity type. A code that represents an action that is to be taken when reviewing and working customer accounts for credit and collection management purposes. For example, credit review required and delinquency notice approval required.

aging. A classification of accounts by the time elapsed since the billing date or due date. Aging is divided into schedules or accounting periods, such as 0-30 days, 31-60 days, and so on.

algorithm. A predetermined set of instructions for solving a specific problem with a limited number of steps. For example, you define A/R algorithm methods to instruct the system about how to apply receipts during the automatic receipts process, such as invoice selection match, balance forward match, or a combination invoice match. You can use a given base method or create different versions of a base method through the use of processing options, selection criteria, and sequencing specifications.

allegato IVA clienti. In Italy, the term for the A/R Annual VAT report.

allegato IVA fornitori. In Italy, the term for the A/P Annual VAT report.

application. A computer program or set of programs used to accomplish a task. In OneWorld, there are interactive applications and batch applications. Interactive applications are made up of a set of forms through which the user interacts with OneWorld. Interactive application identifiers begin with "P." For example, Address Book Revisions (P01012) is an interactive application. Batch applications run without user interaction. Reports and table conversions are examples of batch applications. Batch application identifiers begin with "R." For example, the Print Mailing Labels report (R01401) is a batch application.

approver number. The user ID of the person who approves vouchers for payment.

As Of report. A report that lists information from the A/R Ledger and A/P Ledger tables in summary or detail for a specific point in time.

audit adjustments. The adjustments you make to G/L accounts following an audit. You generally enter these adjustments annually, following the close of the fiscal year.

audit trail. The detailed, verifiable history of a processed transaction. The history consists of the original documents, transaction entries, and posting of records and usually concludes with a report.

automatic accounting instruction (AAI). A code that refers to an account in the chart of accounts. AAIs define rules for programs that automatically generate journal entries, including interfaces between the Accounts Payable, Accounts Receivable, Financial Reporting, and General Accounting systems. Each system that interfaces with the General Accounting system has AAIs. For example, AAIs can direct the General Ledger Post program to post a debit to a specific expense account and a credit to a specific accounts payable account.

automatic debits. A payment instrument that authorizes a company to collect money directly from their client's bank account. The company sends an electronic file (EFT) to its bank, which collects the money from the client's account.

AZ ledger. The ledger type that the system uses for cash basis accounting.

BACS. Bank Automated Clearing System. An electronic funds transfer method used in the United Kingdom.

balance forward receipt application method. A receipt application method in which the receipt is applied to the oldest or newest invoices in chronological order according to the net due date.

bank tape (lock box) processing. The receipt of payments directly from a customer's bank by means of customer tapes for automatic receipt application.

batch control. A feature that verifies the number of transactions and the total amount in each batch that you enter into the system.

batch input. A group of transactions loaded from an external source.

batch job. A task or group of tasks you submit for processing that the system treats as a single unit during processing, for example, printing reports and purging files. The system performs a batch job with little or no user interaction.

batch processing. A method by which the system selects jobs from the job queue, processes them, and sends output to the outqueue. Contrast with interactive processing.

batch receipts entry. An alternative method (such as an optical reader or magnetic scanner) to load receipts into Accounts Receivable system.

batch type. A code assigned to a batch job that designates to which system the associated transactions pertain, thus controlling which records are selected for processing. For example, the Post General Journal program selects for posting only unposted transaction batches with a batch type of O.

bolla doganale. VAT-Only Vouncers for Customs. In Italy, a document issued by the customs authority to charge VAT and duties on extra-EU purchasing.

broadcast message. 1) An e-mail message that you send to multiple recipients. 2) A message that appears on a form instead of in your mailbox.

BTL91. In the Netherlands, the ABN/AMRO electronic banking file format that enables batches with foreign automatic payment instructions to be delivered.

business unit. A division of your business organization that requires a balance sheet or profit and loss statement. It is the lowest level of profitability reporting. Each business unit is unique and is owned by only one company. Also known as a cost center.

CAB. In Italy, the bank branch code or branch ID. A 5-digit number that identifies any agency of a specific bank company in Italy.

cash basis accounting. A method of accounting that recognizes revenue and expenses when monies are received and paid.

category code. A type of user defined code for which you can provide the title. For example, if you were adding a code that designated different sales regions, you could change category code 4 to Sales Region, and define E (East), W (West), N (North), and S (South) as the valid codes. Sometimes referred to as reporting codes. See also user defined code.

chargeback. A receipt application method that generates an invoice for a disputed amount or for the difference of an unpaid receipt.

chart of accounts. The structure for general ledger accounts. The chart of accounts lists types of accounts, describes each account, and includes account numbers and posting edit codes.

check. See payment.

ClieOp03. In the Netherlands, the euro-compliant uniform electronic banking file format that enables batches with domestic automatic direct debit instructions and batches with domestic payment instructions to be delivered.

ClieOp2. In the Netherlands, the uniform electronic banking file format that enables batches with domestic automatic direct debit instructions and batches with domestic payment instructions to be delivered.

consolidation. A method of grouping or combining financial statements for companies or business units. Consolidation is used for budgeting, inquiries, and reports.

consolidation reporting. The process of combining financial statements for companies or business units so that the different entities can be represented by a single balance sheet or income statement. If the different entities operate in different currencies, consolidation reporting may be complicated by the need for currency restatement.

constants. Parameters or codes that you set and that the system uses to standardize the processing of information by associated programs.

contra/clearing account. A G/L account used by the system to offset (balance) journal entries. For example, you can use a contra/clearing account to balance the entries created by allocations.

cost center. See business unit.

country servers. A server that provides country-specific processing. The server called by a program depends on the country code that is set up on the User Profile Revisions form (P0092).

credit message. A code that indicates information about a customer's account status, such as Over Credit Limit.

currency code. A code that designates the currency used by a customer, supplier, bank account, company, or ledger type.

currency restatement. The process of converting amounts from one currency into another currency, generally for reporting purposes. It can be used, for example, when many currencies must be restated into a single currency for consolidated reporting.

customer ledger. A detailed transaction history for a customer that includes invoices, receipts, chargebacks, write-offs, and so on. You use the customer ledger for in-depth analysis of A/R information for your customer accounts.

D.A.S. 2 Reporting (DAS 2 or DADS 1). In France, the name of the official form on which a business must declare fees and other forms of remuneration paid during the fiscal year.

data dictionary. A database table that OneWorld uses to manage the definitions, structures, and guidelines for the usage of fields, messages, and help text. J.D. Edwards has an active data dictionary, which means that it is accessed at runtime.

data types. Supplemental information attached to a company or business unit. Narrative type contains free-form text. Code type contains dates, amounts, and so on.

database. A continuously updated collection of all information that a system uses and stores. Databases make it possible to create, store, index, and cross-reference information online.

date pattern. A period of time set for each period in standard and 52-period accounting.

DEB. See déclaration d'echange de biens.

debit statement. A list of debit balances.

deduction. An amount by which a customer reduces payment for reasons that might be related to a specific invoice, such as damaged goods.

default. A code, number, or parameter that the system supplies when the user does not specify one.

delinquency policy. A common set of rules that the system applies equally to a class of customers when processing late fees and delinquency notices in the A/R system.

denominated–in currency. The company currency in which financial reports are based.

detail. The specific information that makes up a record or transaction. Contrast with summary.

detail area. An area of a form that displays detailed information associated with the records or data items displayed on the form. See also grid.

displacement days. The number of days calculated from today's date by which you group vouchers for payment. For example, if today's date is March 10 and you specify three displacement days, the system includes vouchers with a due date through March 13 in the payment group. Contrast with pay–through date.

display sequence. A number that the system uses to reorder a group of records on the form.

document number. A number that identifies the original document, such as voucher, invoice, unapplied receipt, journal entry, and so on.

draft. A promise to pay a debt. Drafts are legal payment instruments in certain European countries.

DTA. Datenträgeraustausch. A Swiss payment format that is required by Telekurs (Payserv).

déclaration d'echange de biens (DEB). The French term used for the Intrastat report.

effective date. The date upon which an address, item, transaction, or table becomes effective. Examples include the date a change of address becomes effective and the date a tax rate becomes effective. In the Address Book system, effective dates allow you to track past and future addresses for suppliers and customers.

EFT. Electronic Funds Transfer. A method of transferring funds from one company's bank account to that of another company.

Electronic Data Interchange (EDI). The paperless, computer-to-computer exchange of business transactions, such as purchase orders and invoices, in a standard format with standard content.

Enterprise Workflow Management. A OneWorld system that provides a way of automating tasks, such as notifying a manager that a requisition is waiting for approval, using an e-mail-based process flow across a network.

ESR. Einzahlungsschein mit Referenznummer. A pay slip with a reference number.

facility. An entity within a business for which you want to track costs. For example, a facility might be a warehouse location, job, project, work center, or branch/plant. Sometimes referred to as a business unit.

field. 1) An area on a form that represents a particular type of information, such as name, document type, or amount. 2) A defined area within a record that contains a specific piece of information. For example, a supplier record consists of the fields Supplier Name, Address, and Telephone Number.

file. A set of information stored under one name. See also table.

finance charge. An amount charged to a customer based on a percentage of an unpaid invoice exceeding the grace period associated with the due date.

financial reporting date. The user defined date used by the system when you run financial reports.

fiscal year. A company's tax reporting year. Retained earnings are generally calculated at the end of a fiscal year. It is often different from a calendar year. For example, a fiscal year may be a period October 1 through September 30.

flash message. A code that you define to describe the credit status of a customer. Examples include over credit limit, COD only, bad credit risk, and requires a purchase order.

float days. The number of days from the time you write a payment to the time the bank makes the payment and deducts the amount from your bank account.

form. The element of the OneWorld graphical user interface by which the user exchanges data with interactive applications. Forms are made up of controls, such as fields, options, and the grid. These controls allow the user to retrieve information, add and revise information, and navigate through an application to accomplish a task.

G/L offset. A G/L account used by the post program to create automatic offsetting entries.

G/L posted code. A code that indicates the posting status of individual documents. For example, P indicates that a voucher or invoice has been posted.

G/L receipt. A receipt for an amount that is not directly associated with a customer or an invoice. For example, you might receive a refund check from an insurance company that is not associated with an A/R account. These receipt types allow you to credit the appropriate general ledger account.

grid. A control that displays detail information on a form. The grid is arranged into rows, which generally represent records of data, and columns, which generally represent fields of the record. See also detail area.

GST. Goods, Services, and Taxes. A tax assessed in Canada.

hash total. A total produced by numbers with different units. For example, the total of amounts expressed in different currencies is a hash total.

header. Information at the beginning of a table or form. Header information is used to identify or provide control information for the group of records that follows.

indexed allocations. A procedure that allocates or distributes expenses, budgets, adjustments, and so on, amoung business units, based on a fixed percentage.

INPS withholding tax. Instituto Nazionale di Previdenza Sociale withholding tax. In Italy, a 12 percent social security withholding tax that is imposed on payments to certain types of contractors. This tax is paid directly to the Italian social security office.

install system code. See system code.

integrity test. A process used to supplement a company's internal balancing procedures by locating and reporting balancing problems and data inconsistencies.

interactive processing. Processing actions that occur in response to commands that you enter directly into the system. During interactive processing, you are in direct communication with the system, and it might prompt you for additional information while processing your request. Contrast with batch processing.

intrastat system. A system developed to help monitor intra-union trade in the European Union.

Participating countries are required to provide monthly statistical declarations regarding the movement of goods.

invalid account. A G/L account that has not been set up in the Account Master table (F0901).

invoice. A document that provides an itemized list of goods shipped or services rendered. An invoice might state quantities, prices, fees, shipping charges, taxes, and so on.

invoice match. A receipt application method where the receipt is applied to a specific invoice or group of invoices. A discount can be allowed or disallowed using invoice match.

job queue. A group of jobs waiting to be batch processed. See also batch processing.

language preference. An address book code that specifies a language for the computer to use when displaying information.

ledger type. A ledger used by the system for a particular purpose. For example, all transactions are recorded in the AA (actual amounts) ledger type in their domestic currency. The same transactions might also be stored in the CA (foreign currency) ledger type.

level of detail. The degree to which account information in the General Accounting system is summarized. The highest level of detail is 1 (least detailed) and the lowest level of detail is 9 (most detailed).

libro IVA. Montly VAT report. In Italy, the term for the report that contains the detail of invoices and vouchers registered during each month.

logged receipt. A receipt that is not applied to a specific customer or invoice. Instead, it is applied to a G/L suspense account, where it is held until you redistribute it to the correct G/L account or accounts.

logged voucher. A voucher that is not applied to a specific expense account. Instead, it is applied to a G/L suspense account, where it is held until you redistribute it to the correct G/L account or accounts.

LSV. Lastschriftverfahren. A Swiss auto debit format that is required by Telekurs (Payserv).

mail distribution list. A list of people to whom you send e–mail messages. This list enables you to quickly send notices, instructions, or requests to a predefined group of people.

master business function. A central system location for standard business rules about entering documents, such as vouchers, invoices, and journal entries. Master business functions ensure uniform processing according to guidelines you establish.

master table. A database table used to store data and information that is permanent and necessary to the system's operation. Master tables might contain data, such as paid tax amounts, supplier names, addresses, employee information, and job information.

matching document. A document associated with an original document to complete or change a transaction. For example, a receipt is the matching document of an invoice.

menu masking. A security feature that lets you prevent individual users from accessing specified menus or menu selections.

monetary account. An account with a balance in a currency other than the domestic currency of the company.

negative pay item. An entry in an account that indicates a prepayment. For example, you might prepay a supplier before goods are sent or prepay an employee's forecasted expenses for a business trip. The system stores these pending entries, assigning them a minus quantity as debit amounts in a designated expense account. After the prepaid goods are received or the employee submits an expense report, entering the actual voucher clears all negative pay items by processing them as regular pay items. Note that a negative pay item can also result from entering a debit memo (A/P) or a credit memo (A/R).

next numbers. A feature used to control the automatic numbering of items such as new G/L accounts, vouchers, and addresses. Next numbers provides a method of incrementing numbers.

next status. The next step in the payment process for payment control groups. The next status can be either WRT (write) or UPD (update).

notula. In Italy, the process whereby a business does not recognize value added tax until the payment of a voucher.

NSF receipt. Non-sufficient funds receipt. A procedure that designates that a customer's bank account does not have sufficient funds available to pay the receipt. Designating a receipt as NSF reverses (deletes) the receipt and reopens the associated invoice.

offsetting account. An account that reduces the amount of another account to provide a net balance. For example, a credit of 200 to a cash account might have an offsetting entry of 200 to an A/P Trade (liability) account.

original document. The document that initiates a transaction in the system.

originated–in currency. The currency in which transactions occur.

output queue. See print queue.

P&L. Profit and loss statement.

parameter. A number, code, or character string you specify in association with a command or program. The computer uses parameters as additional input or to control the actions of the command or program.

parent/child relationship. Hierarchical relationships among your addresses (suppliers, customers, or prospects). One address is the parent and one or more subordinate addresses are children for that parent. This relationship is helpful, for example, when you want to send billing for field offices or subsidiary companies (children) to the corporate headquarters (parent).

partita IVA. In Italy, a company fiscal identification number.

pay item. A line item in a voucher or an invoice.

pay status. The current condition of the payment or receipt, such as paid or payment-in-process.

pay–through date. A specific calendar date by which you group vouchers for payment. This date corresponds to the due dates on the vouchers. For example, you can choose to pay all vouchers with due dates through March 15. March 15 would then be your pay-through date. Contrast with displacement days.

payment. The financial settlement made to a supplier for services rendered or goods received.

payment group. A system-generated group of payments with similar information, such as a bank account. The system processes all payments in a payment group at the same time.

payment instrument. The method of payment, such as check, draft, EFT, and so on.

payment stub. The printed record of a payment.

payment terms. The amount of time allowed to pay a voucher or an invoice, with or without a discount.

posted code. A code that indicates whether a transaction or batch has been posted.

Postfinance. A subsidiary of the Swiss postal service. Postfinance provides some banking services.

pre–note code. A code that indicates whether a supplier is set up or in the process of being set up for electronic funds transfer (EFT).

print queue. A list of tables, such as reports, that you have submitted to be written to an output device, such as a printer. The computer spools the tables until it writes them. After the computer writes the table, the system removes the table identifier from the print queue.

processing option. A feature that allows you to direct the functions of a program. For example, processing options allow you to specify defaults for certain forms, control the format in which information prints on reports, and change how information appears on a form or in a report.

protocollo. See registration number.

PST. Provincial sales tax. A tax assessed by individual provinces in Canada.

purge. The process of removing records or data from a system table.

rate type. For currency exchange transactions, the rate type distinguishes different types of exchange rates. For example, you can use both period average and period-end rates, distinguishing them by rate type.

realized gain or loss. Currency gains and losses are incurred due to fluctuation currency exchange rates. A gain or loss is realized when you pay the invoice or voucher. Contrast with unrealized gain or loss.

receipt. The payment you receive from a customer.

receipt logging. See logged receipt.

record. A collection of related, consecutive fields of data that the system treats as a single unit of information.

recurring frequency. The cycle in which a recurring voucher or invoice becomes due for payment. For example, a payment cycle can be monthly or quarterly.

recurring invoice. An invoice that becomes due for payment on a regular cycle, such as a lease payment.

recurring voucher. A voucher that comes due for payment on a regular cycle, such as a lease payment.

recycle. A process that creates the next (for example, next month's) recurring invoice or voucher.

refresh. A process that updates a customer's credit and collection information, such as Credit Analysis Refresh.

register types and classes. In Italian VAT Summary Reporting, the classification of VAT transactions.

registration number. protocollo. In Italy, a number assigned to vouchers and invoices with VAT that is both sequential and chronological.

reset. The process of changing a payment from a next status of UPD (update) to a next status of WRT (write). This allows you to correct or reprint payments.

retainage. The amount of a payment withheld to ensure satisfactory contract or project performance. In many cases, a certain percentage is withheld until the project, or a percentage of the project, is completed or until a specified date.

reverse. A process that creates an opposite entry on the first day of the next G/L accounting period when the original accrual entry is posted to the G/L.

RIB. See rélevé d'identité bancaire.

RiBa. ricevute bancarie. In Italy, the term for accounts receivable drafts.

ricevute bancarie (RiBa). In Italy, the term for accounts receivable drafts.

riepilogo IVA. Summary VAT monthly report. In Italy, the term for the report that shows the total amount of VAT credit and debit.

ritenuta d'acconto. In Italy, the term for standard withholding tax.

routing/transit number. A number that uniquely identifies U.S. banks. This number is assigned by Federal Reserve Board. It consists of two parts: a routing number and a transit number.

rélevé d'identité bancaire (RIB). In France, the term that indicates the bank transit code, account number, and check digit used to validate the bank transit code and account number. The bank transit code consists of the bank code and agency code. The account number is alphanumeric and can be as many as 11 characters. J.D. Edwards supplies a validation routine to ensure RIB key correctness.

SAD. The German name for a Swiss payment format that is accepted by Postfinance.

self–reconciling item. An item that does not require reconciliation.

sequence ID. A code that defines the order in which payments print in a payment group. Each sequence review ID has its own data sequence and a code that indicates whether the system sorts each data item in ascending or descending order.

SIC. Standard Industry Classification. A U.S. government code that classifies U.S. companies according to their economic activity. Examples include agricultural services (0100), wholesale trade (5000), and services(7000).

SOC. The Italian term for a Swiss payment format that is accepted by Postfinance.

SOG. The French term for a Swiss payment format that is accepted by Postfinance.

special period/year. The date that determines the source balances for an allocation.

speed code. A user defined code that represents a G/L account number. You can use speed codes to simplify data entry by making G/L accounts easier to remember.

spool. The function by which the system stores generated output to await processing.

stop date. The date that an allocation becomes inactive.

summary. The presentation of data or information in a cumulative or totaled manner in which most of the details have been removed. Many systems offer forms and reports that summarize information stored in certain tables. Contrast with detail.

supplemental data. Different types of data for customers and suppliers. You can enter supplemental data for information such as notes, comments, plans, or other information that you want in a customer or supplier record. The system maintains this data in generic databases, separate from the standard master tables (Customer Master, Supplier Master, and Address Book Master).

supplier. An individual or organization that provides goods and services. Also known as a vendor.

supplier ledger. The record of transactions between your company and a particular supplier.

suspended VAT. VAT that is recoverable only after the receipt or payment of the invoice or voucher.

suspense account. A G/L account that holds funds until they can be allocated to the correct account. Also known as a transit account.

system. A group of related applications identified by a name and a system code. For example, the Address Book system code is 01. All applications, tables, and menus within a system can be identified by the system code.

system code. A code that identifies a system, for example, 01 for the Address Book system and 31 for the Shop Floor Management system.

table. In database environments, a two-dimensional entity made up of rows and columns. All physical data in a database are stored in tables. See also file.

Telekurs. The joint banking service company for all Swiss banks. Also called Payserv.

three–tier processing. The task of entering, reviewing and approving, and posting batches of transactions.

TI (type input) code. A code that identifies the type of receipt application, which directly affects the way the receipt is processed.

tolerance range. The amount by which the taxes you enter manually may vary from the tax calculated by the system.

transaction code. A code that distinguishes the type of transaction on a bank statement.

transit account. See suspense account.

translation adjustment account. An optional G/L account used in currency balance restatement to record the total adjustments at a company level.

unapplied receipt. A receipt that is applied to a customer's account balance instead of being matched to an invoice or group of invoices.

unrealized gain or loss. Currency gains and losses are incurred due to fluctuating currency exchange rates. A gain or loss is unrealized until you pay the invoice or voucher. Contrast with realized gain or loss.

update payments. A process that enters data in empty data fields or replaces existing data with current data. For example, updating payments adds new payments and void payments to the A/P Ledger (F0411), Accounts Payable Matching Document (F0413), and Accounts Payable Matching Document Detail (F0414) tables. The system updates these tables during payment processing and prints the payment register.

user defined code (UDC). A code that users can define, assign code descriptions, and assign valid values. Examples of such codes are unit-of-measure codes, state names, and employee type codes.

user defined code type. The identifier for a table of codes with a meaning that you define for the system, such as ST for the Search Type codes table in Address Book. OneWorld provides a number of these tables and allows you to create and define tables of your own.

variable numerator allocations. A procedure that allocates or distributes expenses, budgets, adjustments, and so on, amoung business units, based on variable.

VAT. Value-added tax. A recoverable tax assessed in some countries.

VAT registration numbers. Identification numbers assigned by the fiscal authorities to individuals and companies.

vendor. See supplier.

VESR. Verfahren Einzahlungsschein mit Referenznummer. The processing of an ESR pay slip with reference line through accounts receivable and accounts payable.

vocabulary overrides. A feature that you can use to override field, row, or column title text on forms and reports.

void. A process that creates a reversing entry for the original transaction. Voiding a transaction leaves an audit trail.

voucher. A document that provides a means by which the payor ascertains that goods or services were received and that payment is authorized. A voucher contains all information about an invoice to be processed and paid.

voucher logging. See logged voucher.

voucher match. A payment application method where the payment is applied to specific vouchers.

who's who. The contacts at a particular company. Examples include billing, collections, and sales personnel.

withholding tax. A tax that is withheld by the customer when paying a voucher. The withheld tax is paid each month by the customer to the government.

withholding tax code–fiscal. A code assigned by the government for printing on official forms to identify the type of withholding tax.

withholding tax codes. Codes that you set up to define withholding tax rates so the system can calculate the withholding tax when you enter supplier vouchers.

write payment. A step in processing payments. Writing payments includes printing checks, drafts, and creating a bank tape table.

write–off. A method for getting rid of inconsequential differences between amounts. For example, you can apply a receipt to an invoice and write off the difference. You can write off both overpayments and underpayments.

zusammenfassende meldung. In Germany, the term for the EU Sales Listing.

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