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### Glossary

### Index
Introduction

This introduction describes:

- Information about the reference guide
- JDE basics, such as
  - Signing on and off
  - Making menu selections
  - Commonly used function keys
  - Menu word search
  - Hidden selections
  - Fold area
  - Action codes
  - Error messages
- Help facilities
- DREAM Writer
- Functional servers
- User defined codes

You may already be familiar with this information if you have attended a Common Foundation class or read either the Common Foundation Guide or the Technical Foundation Guide.

About This Guide

This guide was written for release A7.3 of JDE software. The screens shown are taken from the AS/400 and are only examples. If your company operates at a different software level, you may find discrepancies between what is shown in the guide and what you see on your terminal.
Purpose of This Guide

This guide provides overviews, illustrations, procedures, examples, and guidelines for the taxes software. In addition, certain chapters may include information about processing options and automatic accounting instructions.

You may find accessing information about JDE systems easier using a reference guide, online documentation, or a combination of the two. Each has its advantages and complements the other.

The reference guide describes the big picture, how programs work together within a system, and includes a table of contents and an index to help you locate information quickly. It also includes screen examples with sample data. Use the reference guide when you need detailed screen examples or overviews not included in the online documentation.

Online program help is available and is quickly accessed from the program you are in. Field level help allows you quick access to a definition that is specific to a field on a screen. Use online documentation when the reference guide is not readily available and when you need to know what to enter in a field. See Using the Help Facilities later in this chapter for information about accessing the online documentation.

Terms Used in This Guide

The following terms have specific meanings when used in this guide.

- *Type* means to type the information in a field.
- *Enter* means to type the information and then press Enter.
- *A selection* is a numbered menu item.
- *Select* means to type the number of the selection specified and then press Enter.
- *An option* is an action you can take by using the Option field on a screen. You use options to access additional screens or windows or to perform some other action.
JDE Basics

This section reviews how to use JDE software. See the *Common Foundation Guide* or the *Technical Foundation Guide* for more detailed information.

**Signing On and Off**

To sign on, type your user ID and password on the Sign On screen and press Enter.

```
Sign On
System : JDED
Subsystem : QINTER
Display : FRESHOURS1
User
Password : FRESHOUR
           XXXXXXX
```

To sign off, type two periods (..) or 90 on the Selection line of any menu and press Enter.

```
Selection or command
=> 90
```

**Choosing a Menu Selection**

To choose a selection from a menu, type the number of your selection on the Selection line of any menu and press Enter.

**Accessing a Menu Quickly**

To travel quickly among menus, on the Selection line of any menu type the menu ID of the menu you want to access and press Enter.
Commonly Used Function Keys

Function keys provide easy access to related tasks within the system. Function keys let you:

- Access related information and return to the original screen
- Perform certain processing functions such as printing a list of user defined codes

JDE refers to function keys by the letter F followed by the appropriate number. For example, function key 3 is shown as F3.

To display a list of available function keys for any screen or menu, press F24 from the screen or menu.

<table>
<thead>
<tr>
<th>960IH</th>
<th>Available Functions/Options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Func/Opt</td>
</tr>
<tr>
<td>Field Sensitive Help</td>
<td>F1</td>
</tr>
<tr>
<td>Commitment Details</td>
<td>F2</td>
</tr>
<tr>
<td>Exit Program</td>
<td>F3</td>
</tr>
<tr>
<td>Update with Redisplay</td>
<td>F5</td>
</tr>
<tr>
<td>Display Error Message(s)</td>
<td>F7</td>
</tr>
<tr>
<td>Contract Search</td>
<td>F10</td>
</tr>
<tr>
<td>Exit to Address Book</td>
<td>F11</td>
</tr>
<tr>
<td>Toggle for Summary/Recap</td>
<td>F14</td>
</tr>
<tr>
<td>Refresh Contract Recap Amounts</td>
<td>F15</td>
</tr>
<tr>
<td>Contract Financial Status</td>
<td>F16</td>
</tr>
<tr>
<td>Opt: 4=Perform Enter=Exit</td>
<td>More...</td>
</tr>
</tbody>
</table>

The following tables describe many standard function keys available from menus and screens. Differences between access from an AS/400 keyboard and from a PC keyboard are noted.

Standard Function Keys Available from Menus

<table>
<thead>
<tr>
<th>AS/400 Keyboard</th>
<th>PC Keyboard</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>F4</td>
<td>F4</td>
<td>Displays the command entry prompt. If your menu displays a set of command entry lines and you type an IBM command, pressing this function key accesses the IBM command prompt screen, where you can add information applicable to the command you just typed.</td>
</tr>
<tr>
<td>F8</td>
<td>F8</td>
<td>Accesses the Menu Word Search window where you can search for menu selections. This function is further described in Menu Word Search.</td>
</tr>
<tr>
<td>F9</td>
<td>F9</td>
<td>Retrieves the previous command.</td>
</tr>
<tr>
<td><strong>AS/400 Keyboard</strong></td>
<td><strong>PC Keyboard</strong></td>
<td><strong>Function</strong></td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------</td>
<td>-------------</td>
</tr>
<tr>
<td>F12</td>
<td>F12</td>
<td>Returns to the previous menu. By pressing F12 repeatedly, you can reverse your path for up to 20 menus.</td>
</tr>
<tr>
<td>F13</td>
<td>Shift + F1</td>
<td>Displays a window that lists the mnemonic commands for fast path menu travel. You can select the menu or screen you want from the window or enter the command from a menu.</td>
</tr>
<tr>
<td>F14</td>
<td>Shift + F2</td>
<td>Displays details of a menu selection. By positioning your cursor on a menu selection and pressing F14, you can view the parameters associated with that selection.</td>
</tr>
<tr>
<td>F15</td>
<td>Shift + F3</td>
<td>Checks for waiting electronic mail messages (E-mail).</td>
</tr>
<tr>
<td>F16</td>
<td>Shift + F4</td>
<td>Displays the Index of Menus window where you can review a list of all menus available to you.</td>
</tr>
<tr>
<td>F18</td>
<td>Shift + F6</td>
<td>Accesses DREAM Writer processing options when you type a menu selection and press F18.</td>
</tr>
</tbody>
</table>

**Standard Function Keys Available from Screens**

<table>
<thead>
<tr>
<th><strong>AS/400 Keyboard</strong></th>
<th><strong>PC Keyboard</strong></th>
<th><strong>Function</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>F1</td>
<td>F1</td>
<td>Displays JDE field help. Move the cursor to the field you want help for, and press Enter. You will see one of the following types of information:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• An explanation of the field's purpose and any data entry considerations</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• A search screen that lets you find a valid code</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• A list of valid values for the field</td>
</tr>
<tr>
<td>F3</td>
<td>F3</td>
<td>Exits a function and returns to the original screen or menu, ignoring changes you just made.</td>
</tr>
<tr>
<td>F4</td>
<td>F4</td>
<td>Displays the fold area for more detailed information.</td>
</tr>
<tr>
<td>F7</td>
<td>F7</td>
<td>Displays error messages.</td>
</tr>
<tr>
<td>F12</td>
<td>F12</td>
<td>Returns to the previous screen. In some cases F3 and F12 work alike. However, there is an important difference between the two. If you perform a function that involves a number of different screens that are accessed in a logical progression and both F12 and F3 are available, F3 takes you out of that function entirely, while F12 takes you back to the previous step in that progression.</td>
</tr>
<tr>
<td>F22</td>
<td>Shift + F10</td>
<td>Clears the screen. All fields clear in preparation for further data entry. This key eliminates the need to clear a number of fields in order to enter new information.</td>
</tr>
</tbody>
</table>
Other Keyboard Differences

Some other differences between an AS/400 keyboard and a PC keyboard are noted below.

<table>
<thead>
<tr>
<th>AS/400</th>
<th>PC Keyboard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field Exit</td>
<td>Enter</td>
</tr>
<tr>
<td>Enter</td>
<td>Right Ctrl</td>
</tr>
<tr>
<td>Reset</td>
<td>Left Ctrl</td>
</tr>
<tr>
<td>Roll Up/Down</td>
<td>Page Up/Down</td>
</tr>
<tr>
<td>Help</td>
<td>Scroll/Lock</td>
</tr>
<tr>
<td>DUP</td>
<td>Shift/Insert</td>
</tr>
</tbody>
</table>

NOTE: Your PC keyboard may be mapped differently.

Menu Word Search

You can obtain information about any subject from any menu by using the Menu Word Search function. The method you use to perform a search is determined by whether you have command entry, a feature that allows you to enter commands from any menu.

- If you have command entry, you can enter unlimited search text on the Selection or command line. Enter a search topic and press F8. The system displays the Functional Word Search window which shows a list of matches if any were found.

```
0090WS Menu Word Search
  Question?  ADDRESSES
     __ Tax Authorities 02/A0021  
     __ Name Search 02/A01  
     __ Address Book Revisions 03/A01  
     __ Reports by Address 04/A01  
     __ Reports by Person (Who’s Who) 05/A01  
     __ Name Search 02/A031  
     __ Bank Account Addresses 04/A0331  
     __ Name Search 02/A041  
     __ Name Search 02/A0422  
     __ Print W-9 Exception Report 07/A0422  
     __ Establishments 20/A08G3  
     __ Tenant Information 02/A1511  
Opt:  4=Exec  5=Menu  6=Detail  7=HELP
```

- If you do not have command entry, your menu displays a field for selections only. You can enter up to ten characters of your search topic and press F8 to display the Functional Word Search window. Or you can press F8 to display the window, type a longer search topic, and press Enter to have the system start its menu search.

Search topics can be a single word, a phrase, or the actual program name or number. For example, to search and display all menu selections related to address records, enter any of the following:

- Addresses
- Address Entry
- How do I enter addresses
- Address Book Revisions
• P01051

The window displays all menu selections that satisfy the key words in your search. From the option field next to each selection, you can:

• Display the menu containing the selection
• Display the screen itself
• Display the help instructions

**Hidden Selections**

Hidden menu selections are selections in addition to what you see on the menu. They allow you to perform certain functions regardless of the menu. Hidden selections are grouped by:

• User tools
• Operator tools
• Programmer tools

To access a hidden menu selection, type the hidden selection number on the Selection line of any menu and press Enter. To see a list of all available hidden selections, enter HS.

**User Tools**

You use the hidden selections known as user tools to facilitate your daily operations.

<table>
<thead>
<tr>
<th>Selection</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>33</td>
<td>Displays all jobs you have submitted from your current workstation.</td>
</tr>
<tr>
<td>34</td>
<td>Displays any messages sent to your current workstation, such as whether your job completed normally.</td>
</tr>
<tr>
<td>39</td>
<td>Displays a window where you can change your print queue.</td>
</tr>
<tr>
<td>42</td>
<td>Displays a list of all jobs waiting to be processed in your job queue.</td>
</tr>
<tr>
<td>43</td>
<td>Displays a list of all spooled files waiting to be printed from your output queue.</td>
</tr>
<tr>
<td>82</td>
<td>Displays the Hold Submitted Jobs screen where you can specify a job that you want the system to hold, change your job queue, or schedule jobs for processing during evening hours.</td>
</tr>
<tr>
<td>85</td>
<td>Displays the User Display Preference Revisions screen where you can change default settings at a user level.</td>
</tr>
<tr>
<td>88</td>
<td>Displays the Change Password screen where you can change your signon password.</td>
</tr>
<tr>
<td>90</td>
<td>Signs you off the system and returns you to the Sign On screen.</td>
</tr>
</tbody>
</table>
Operator Tools

The operator tools facilitate computer operations.

<table>
<thead>
<tr>
<th>Selection</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>27</td>
<td>Displays the advanced and technical operations menu for the system.</td>
</tr>
<tr>
<td>29</td>
<td>Displays the setup operations menu for the system.</td>
</tr>
<tr>
<td>97</td>
<td>Displays the Install History Display screen where you can review the history of installs to your system.</td>
</tr>
</tbody>
</table>

Programmer Tools

Programmer tools provide quick access to common programming facilities and system information.

<table>
<thead>
<tr>
<th>Selection</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>Toggles the menu display between the title for each selection and the program number behind each selection.</td>
</tr>
<tr>
<td>40</td>
<td>Displays the File Field Descriptions window where you can review file field descriptions for a specified database.</td>
</tr>
</tbody>
</table>

Fold Area

Some screens have a fold area that adds specific fields to the screen. The fold area suppresses seldom-used details from normal screen operations, providing access as needed. Press F4 to see the fold area.

Action Codes

Most JDE entry screens let you enter an action code specifying the function you want to perform. Some screens are set up to limit certain users to specific action codes.

The standard action codes are:

- **A**: To add a new record, type A in the Action Code field, type data in the appropriate fields, and press Enter.
- **I**: To inquire on an existing record, type I in the Action Code field, type data in the appropriate fields, and press Enter.
- **D**: To delete an existing record, first inquire on a record. After the record appears, type D in the Action Code field and press Enter.
**Introduction**

**C**

To change an existing record, first inquire on it. After the record appears, type C in the Action Code field, modify the appropriate fields, and press Enter.

**Blank**

To clear the screen, enter a blank or one period (.) in the Action Code field and press Enter.

NOTE: You can also use numbers in the Action Code field.

<table>
<thead>
<tr>
<th>To</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add</td>
<td>1</td>
</tr>
<tr>
<td>Inquire</td>
<td>4</td>
</tr>
<tr>
<td>Change</td>
<td>2</td>
</tr>
</tbody>
</table>

**Error Messages**

After you type data on a screen and press Enter, the system edits the data for errors. When the system finds an error, it highlights the erroneous field and highlights line 24 of the screen. Press F7 and enter 4 in the untitled option field next to the message to display a detailed explanation of the error, or press F1 to display the definition or allowed values for the field. If the error is not readily apparent by a highlighted field, look for a highlighted field in the fold area of the screen. Correct the error and press Enter to resubmit the data.

**Using the Help Facilities**

JDE provides online help for fields and programs.

**Field Help**

You can access field help in two ways, online and in print.

**Online**

To obtain information about any field on a screen, move the cursor to that field and press F1. The system displays one of the following items, depending on the particular field:

- **Description explaining the purpose of the field.** This field description can be either generic (that is, its glossary definition is shared by other JDE systems) or specific to a system. In addition, program-specific information appears for those field definitions that are unique to a screen.

- **Search window.** From this window, press F9 to see the glossary definition for the field.

- **Window displaying user defined codes set up for the field.** From this window, press F9 to see the glossary definition for the field or press F10 to see the user defined code table.

- **Calendar (in a date field).** Use the roll keys to view other months. Press F9 to see the glossary definition for the field.
Introduction

Print

To print information about all fields on a specific screen, use Video Illustrations from the Documentation Services menu (G91). To print information about all fields in a system, use Glossary of Terms from the same menu. See the Technical Foundation Guide for detailed instructions.

Program Help

You can access program help in two ways, online and in print.

Online

To obtain detailed information and instructions for a specific program, do one of the following:

- From a menu:
  - Move the cursor to the desired menu selection number and press the Help key.
  - Type Help, a space, and the menu selection number on the selection line and press Enter.

- From a screen, press the Help key.

Print

To print information about a specific program, press F21 from the help screen for that program. A version list appears. Alternatively, you can access this list when you select Instructions from the Documentation Services menu (G91).
DREAM Writer

The Data Record Extraction and Management facility (DREAM Writer) is a powerful data manipulator and cataloging facility that you can use to generate reports. As a report preprocessor, it allows you to create unlimited versions of each report. For example, using the same report format as the Name and Address Report, you can set up the Name and Address by Employee Name, the Name and Address by Supplier Name, and the Name and Address by Employee Number reports. These versions have the same columns but different data, report titles, and data sequence.

Essentially, the DREAM Writer controls data records that you select for a specific version and the sequence of the records as they print on the report. You control printer parameters, special processing options, and report titles.
Introduction

The power of DREAM Writer extends beyond just selecting and sequencing data for different versions of a report. The DREAM Writer is also used to present different selections of data or different formats for screen displays, as well as to establish processing parameters for batch jobs.

The following paragraphs provide brief instructions for adding, changing, and printing DREAM Writer versions. For more information about DREAM Writer, see the Technical Foundation Guide.

Adding or Changing a Version

In the O (Option) field of the versions list screen:

<table>
<thead>
<tr>
<th>Enter</th>
<th>To</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Add/copy a version</td>
</tr>
<tr>
<td>2</td>
<td>Change a version</td>
</tr>
</tbody>
</table>
When you add a new report (option 3), you will generally review five screens, as illustrated below:

![Diagram showing the five screens]

1. Version identification
2. Additional parameters
3. Processing options
4. Data selection
5. Data sequencing

DREAM Writer Version List

When you use option 2 to change a version, the system displays a window from which you can access any of these screens to make changes.

The action you perform determines what the system displays next.

<table>
<thead>
<tr>
<th>If you</th>
<th>The system</th>
</tr>
</thead>
<tbody>
<tr>
<td>Added or copied a version</td>
<td>Displays the first DREAM Writer screen, the Version Identification screen, where you can start defining information for your version.</td>
</tr>
<tr>
<td>Changed a version</td>
<td>Displays a window in which it lists all DREAM writer screens. You choose the screen you want to display based on the information you want to change.</td>
</tr>
</tbody>
</table>
The DREAM Writer screens let you define or change information as follows:

<table>
<thead>
<tr>
<th>Screen</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Version identification</td>
<td>You can define an internal description as well as up to three lines of report heading information.</td>
</tr>
<tr>
<td>2. Additional parameters</td>
<td>You define parameters for the job, such as the based on file, whether you want the cover page to print, and in which job queue you want to process the job.</td>
</tr>
<tr>
<td>3. Processing options</td>
<td>Use processing options to control the type of report that the system prints. This information includes the format and print functions. Each form ID has a unique set of processing options.</td>
</tr>
<tr>
<td>4. Data selection</td>
<td>Data selection lets you select the information you want printed on the report. You can select records from any field in the based on file. If you do not specify data, the system will print every record on the report.</td>
</tr>
<tr>
<td>5. Data sequencing</td>
<td>Use data sequencing to specify how you want the system to sequence data, how you want to total the data, and where you want the system to create page breaks.</td>
</tr>
</tbody>
</table>

**Printing a Version**

To print a DREAM Writer version:

1. Verify the version of the report you want to print. You can review the preset criteria for the version by entering 5 in the O (Option) field, which displays the cover page.

2. Print the report by entering 1 in the O (Option) field next to the version you want to print.

3. If the system displays processing options, enter appropriate information.

4. If necessary, view the printer overrides screen by entering 6 in the O (Option) field or by pressing F5 from the processing options screen.
Functional Servers

Several JDE programs access functional servers. The purpose of functional servers is to provide a central location for standard business rules about entering documents such as vouchers, invoices, and journal entries. These business rules establish the following:

- Data dictionary default values
- Field edits and valid values
- Error processing
- Relationships between fields or applications

A functional server has many advantages:

- It reduces maintenance of entry programs since edit rules reside in one central location.
- You can standardize documents across all applications because you create them using the same business rules.
- Generally, the user interface (appearance and interaction) of a screen is now separate from how a program works.

The following briefly describes the steps for setting up business rules for an entry program:

1. Create a DREAM Writer version for a specific functional server program (for example, XT0411Z1 for voucher entry).
2. Set the processing options within the version according to your company requirements.
3. Specify the version you want the entry program to use in the processing options for that entry program.

You can have all your entry programs use the same DREAM Writer version (and thus, use the same rules) or you can set up different DREAM Writer versions. JDE provides DREAM Writer version ZJDE0001 as the default functional server version for your entry programs.

CAUTION: Only the person responsible for system-wide setup should make changes to the functional server version. For more information about how to set up DREAM Writer versions, see the Technical Foundation Guide.
Example

The following graphic shows the programs that use the voucher processing functional server. JDE provides two demo versions of the functional server, ZJDE0001 and ZJDE0002.
User Defined Codes

Some screens contain fields for which you define the valid codes. These fields are user defined code fields.

Within each install system, you can create unlimited types of user defined codes. For each code type, you can define unlimited codes, listing them in tables (shown in this guide as, for example, system 01, type LP).

For example, for the Address Book system (install system 01) two types of user defined codes are search type (ST) and language preference (LP). The following table lists these code types as well as examples of codes defined for the code type.

<table>
<thead>
<tr>
<th>Code Type</th>
<th>Codes</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Search Type</td>
<td>A</td>
<td>Applicants</td>
</tr>
<tr>
<td></td>
<td>C</td>
<td>Customers</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>Employees</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>Facilities</td>
</tr>
<tr>
<td></td>
<td>I</td>
<td>Investors</td>
</tr>
<tr>
<td></td>
<td>J</td>
<td>Jobs</td>
</tr>
<tr>
<td>Language preference</td>
<td>B</td>
<td>Flemish</td>
</tr>
<tr>
<td></td>
<td>D</td>
<td>Dutch</td>
</tr>
<tr>
<td></td>
<td>E</td>
<td>English</td>
</tr>
<tr>
<td></td>
<td>F</td>
<td>French</td>
</tr>
<tr>
<td></td>
<td>G</td>
<td>German</td>
</tr>
</tbody>
</table>

For a complete explanation of how to define codes, see the Technical Foundation Guide.
Understand Grade and Potency

About Grade and Potency

Manufacturers in the process industry need full control over the quality of products they make or buy. Examples are the food, chemical, and pharmaceutical industries. Grade and potency qualifications allow you to categorize your products more specifically and trace their movement through the manufacturing/distribution process.

In J.D. Edwards systems, grade and potency are mutually exclusive. You can only use one or the other to categorize an item. All items that are grade or potency controlled must also be tracked by lot number. Grades and potencies divide items by their specific makeup or characteristics without changing item numbers. Lots identify a specific group of items with the same item number.

For grade and potency controlled items, you can enter a standard (preferred) value for each item. You can also enter a range of acceptable values that allow you to continue operations with grades or potencies that are outside the standard value, but still acceptable for your use. This helps to establish and maintain quality levels in your products, but is flexible enough to keep your operations running when the standard level of product is not available.

The grade or potency for each lot is used by programs that calculate on-hand and available quantities. All items that are grade or potency controlled must be lot controlled.

Grade identifies an item’s particular specification makeup, and allows the system to separate one lot from other production lots without changing the item number. Examples are diamonds, lumber, and raw turquoise.

You can use grades to classify items by their characteristics, such as quality, strength, or integrity. If you activate grade control, certain functions edit for grades and will not perform transactions if the items involved do not meet the grade parameters.

Potency refers to the percentage of active ingredient within a solution, for example, 40% solution of hydrochloric acid, 3.2 beer versus standard percentages of alcohol, and coffee-varying strengths of caffeine.
Understand Grade and Potency

Only items that meet the grade or potency range requirements stated in the bill of material are issued to the shop floor for production. Components outside the range will not show as available or on-hand in the Shop Floor Control material inquiries.

The system records grade or potency and lot transfer transactions in the item ledger and the general ledger, so that accounting is incorporated into the tracking.

You can order only a certain grade or potency of an item. Sales order and purchase order systems accommodate grade and potency standards and ranges.

Setting Up Grade and Potency Control

Set up the following grade or potency control fields on the Manufacturing Data form:

- Grade/Potency Pricing — determines how to price grade or potency controlled items in Sales Order Management.
- Grade Control — identifies whether the item is grade controlled.
- Potency Control — identifies whether the item is potency controlled.
- Standard Grade — identifies the standard grade of the item, for example, premium or average. The value entered here provides the default for several forms in manufacturing.
- Standard Potency — identifies the standard percentage of active ingredients normally found in an item. The value entered here provides the default for several forms in manufacturing. The potency standard is used for the potent unit of measure conversion, in certain cases.
- From and Through Grade — defines the allowable grade ranges for an item.
- From and Through Potency — defines the allowable potency ranges for an item.

The system uses these values when you create a branch/plant record for the item.

Define grades you will use in the user defined code table 40/LG.

Define the user defined codes for the potent units of measure in the user defined code table 00/UM. For each potent unit of measure that you define, you must enter P in the second space of the Special Handling Code field, located in the fold area of the User Defined Code form.
Define a conversion for each potent unit of measure to a physical unit of measure in the Unit of Measure Conversions form. For example, 100 gallons of a solution at 80% potency = 80 potent gallons, 80 potent gallons of a solution at 80% = 100 gallons.

### Defining Lot Control Items

Use the Item Branch/Plant Information form to identify the item as a lot controlled item. Grade and potency controlled items must be lot controlled. Enter one of the following values in the Lot Process Type field:

- **Blank** = Lot assignment is optional. Numbers must be manually assigned. Quantity can be greater than one.
- **1** = Lot assignment is used. Numbers are assigned by the system using the system date in YYMMDD format. Quantity can be greater than one.
- **2** = Lot assignment is used. Numbers are assigned in ascending sequence using the next number convention. Quantity can be greater than one.
- **3** = Lot assignment is required. Numbers must be manually assigned. Quantity can be greater than one.

![Image of Item Branch/Plant Information form]

When you attach a parts list to a work order header, commitments are created for the components. How these commitments are created depends on the parameters of Commitment Method, Commitment Control, and Hard/Soft Commit. After you set up these parameters, commitments can be created in the same manner using both the Enter/Change Order or Order Processing programs.

When an item is defined as lot controlled, the system moves the grade or potency range to the parts list and allows only those lots within the range eligible for commitments. Any remaining quantities are committed to the primary location.
Value Added Taxes (VAT)

A value added tax is collected at each stage in the production and distribution of goods and services, as value is added. Each wholesaler, manufacturer, or retailer remits VAT on that portion of its selling price that has not yet been subject to the VAT. As a business adds value to a product (for example, packaging a product), the business must pay VAT on the added value (the value of the packaging). In other words, the business must pay tax on the difference between the selling price of the packaged product and the cost of materials and services purchased to produce the product.

NOTE: The term VAT in this guide encompasses all value added taxes. The guide generally does not use country-specific terms such as TVA for Belgium value added taxes, or GST for Singapore value added taxes.

Tax Categories

Value added taxes (VAT) are assessed on most sales and purchases. Only a few goods and services are tax-free or not taxable in full.

Goods and services belong in one of three categories:

- **Taxable.** A business that produces only taxable products must collect VAT on its sales and can request a tax credit for the VAT paid on its purchases (purchases of materials that make up the product).

- **Tax-exempt.** A business that produces only tax-exempt products does not need to collect VAT on its sales and cannot request tax credit for the VAT paid on its purchases. Since the business cannot recover any of the VAT paid on purchases, costs can increase. Businesses that provide services such as loans, mortgages, life insurance, and property insurance are examples in this category.

- **Zero-rated (tax-free).** A business that produces only zero-rated products is not required to collect VAT on its sales, but can obtain tax credit for VAT paid on its purchases. Businesses that produce basic food products or produce goods for export are examples in this category.

Businesses that produce a combination of the above categories must separately track the taxes paid for tax-exempt purchases and those paid for taxable or zero-rated purchases. This guide assumes that you know which categories your goods and services belong to.
**Value Added Taxes (VAT)**

**Tax Calculation Example**

A simple VAT example for the production and sale of a book is shown below:

<table>
<thead>
<tr>
<th></th>
<th>PURCHASE</th>
<th></th>
<th>SALE</th>
<th></th>
<th>*Paid to Govt</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Price Paid</td>
<td>VAT</td>
<td>Total</td>
<td>Price Charged</td>
<td>VAT</td>
</tr>
<tr>
<td>Forester (log)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>10.00</td>
<td>0.70</td>
</tr>
<tr>
<td>Mill (paper)</td>
<td>10.00</td>
<td>0.70</td>
<td>10.70</td>
<td>15.00</td>
<td>1.05</td>
</tr>
<tr>
<td>Printer (book)</td>
<td>15.00</td>
<td>1.05</td>
<td>16.05</td>
<td>30.00</td>
<td>2.10</td>
</tr>
<tr>
<td>Wholesaler</td>
<td>30.00</td>
<td>2.10</td>
<td>32.10</td>
<td>35.00</td>
<td>2.45</td>
</tr>
<tr>
<td>Retailer</td>
<td>35.00</td>
<td>2.45</td>
<td>37.45</td>
<td>40.00</td>
<td>2.80</td>
</tr>
<tr>
<td>Consumer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Tax to Government</td>
<td>2.80</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Paid to Govt = Sale VAT – Purchase VAT

The steps to calculate and pay VAT in the example above are summarized below:

1. Add VAT (7% of the selling price) to the selling price of the goods or services. For example, when the mill sells paper, it adds $1.05 (7% of the $15.00 price charged) to the $15.00 sale price and sells the paper for $16.05.

2. Add all VAT paid to suppliers. For example, the mill paid $.70 VAT to the forester.

3. For the current tax period, subtract the sum of the VAT amounts paid (step 2 above) from the sum of the VAT amounts received (step 1 above). This is the VAT owed to the government. For example, the mill remits $.35 to the tax authority ($1.05 added to its selling price less $.70 paid to the forester). If a business calculates a negative amount, it can request a refund from the government.

Depending on the product category (taxable, tax-exempt, or zero-rated), the business may or may not be able to take advantage of all three steps. A business can add 7% of the selling price (step 1) only for taxable products. A business can subtract the sum of the VAT paid to its suppliers from the VAT owed on the value added (steps 2 and 3) only for taxable products and zero-rated products.
United States Tax Structure

The United States has one primary type of tax, a sales tax. Sales taxes are calculated on the gross sales price of the goods.

Company Classifications

Companies in the United States are generally classified as either taxable or tax exempt.

Taxable Companies

Manufacturers, wholesalers, retailers, and customers that are end users (buy goods for their own use) pay sales taxes. Taxes are paid at the time the goods are bought (at the point of sale).

For example, companies must pay sales tax when they purchase pens and pencils for their employees. Customers must pay sales tax to book stores when they purchase books.

Tax Exempt Companies

Manufacturers, wholesalers, retailers, and customers that buy goods for resale (are not the end users of the goods) do not pay sales taxes. These companies obtain a tax exempt certificate.

For example, mills that buy logs to convert to paper do not pay a sales tax. Neither do the companies that buy the paper for printing books pay a sales tax. The companies are not the end users of the products.

Remitting Sales Taxes

When a company is the end user, it must pay all the sales taxes due. For example, in Denver, Colorado, a company must pay the state sales tax and also the Denver city sales tax. The remitter of the taxes can vary, however. Sales taxes can be remitted to the tax authorities by either the seller or the buyer.

Sales (Seller-Assessed) Tax

In most cases, the seller of the goods and services calculates and remits sales taxes to the appropriate tax authority.
Use (Self-Assessed) Tax

In a few cases, the buyer of the goods and services calculates and remits the sales tax. The sales tax is then called a use tax.

One example of a use tax is when a company keeps the goods it has manufactured and does not sell them. A company that manufactures pencils, for example, owes use tax when it keeps the pencils for the use of its own employees. Another example of a use tax is catalogue sales. A catalogue company based in New York may not collect sales taxes from buyers that live in Colorado. The buyers must pay the tax authorities directly.
Canadian Tax Structure

Canada has two primary types of taxes:

- Value added taxes (VAT) called a goods and services tax (GST). This is assessed by the federal government.

- Provincial sales taxes (PST). This is assessed by province governments. Provincial sales tax rates can vary from province to province and can be based either on the value of goods and services prior to the federal tax assessment or based on the value after the federal tax assessment.

The remitter of the taxes can also vary. Generally, the seller of the goods and services remits both the federal and province taxes to the tax authorities. However, it is also acceptable for the seller to remit only the federal tax and for the purchaser to remit the province tax (called a self-assessment tax). The JDE software accurately handles Canadian tax types and remitters.

Types of Taxes

The primary taxes for Canada are described below.

Goods and Services Tax (GST)

As of January 1, 1991, Canada changed from a federal sales tax to a federal value added tax, which is the Goods and Services Tax (GST). Provincial taxes are still computed as a sales tax.

The Canadian GST is modeled after European value added taxes (VAT). For more information about VAT, see the chapter Value Added Taxes (VAT). What differentiates GST from most other countries using VAT is the inclusion of Provincial Sales Tax (PST) in the total calculation.

Provincial Sales Tax (PST)

Each province can calculate PST in one of two ways. Although the PST is always calculated after the GST is calculated, in some cases it is based on the pre-GST dollar value and in other cases it is based on the value after GST has been added (in effect, a tax on a tax). In addition, each province may have different PST rates.
Canadian Tax Structure

Tax Calculation Examples

Examples of the two PST calculations are shown below. In both examples, GST is 7% and PST is 5%. The value of the product is $1000 and, for simplicity in the examples, the value added is the entire $1000.

Example 1  PST is calculated on the pre-GST value

GST  \[ = \text{Value of the product} \times \text{GST tax rate} \]
\[ = 1000 \times 0.07 \]
\[ = 70 \]

PST  \[ = \text{Value of the product} \times \text{PST tax rate} \]
\[ = 1000 \times 0.05 \]
\[ = 50 \]

Total tax due  \[ = \text{GST} + \text{PST} \]
\[ = 70 + 50 \]
\[ = 120 \]

Example 2  PST is calculated after GST is added (tax on tax)

GST  \[ = \text{Value of the product} \times \text{GST tax rate} \]
\[ = 1000 \times 0.07 \]
\[ = 70 \]

PST  \[ = (\text{Value of the product} + \text{GST}) \times \text{PST tax rate} \]
\[ = (1000 + 70) \times 0.05 \]
\[ = 53.50 \]

Total tax due  \[ = \text{GST} + \text{PST} \]
\[ = 70 + 53.50 \]
\[ = 123.50 \]
Remitting PST

PST can be remitted to the tax authorities by either the seller or the buyer.

Self-Assessed PST

In most cases, the seller of the goods and services calculates and remits both the GST and PST to the tax authorities. In a few cases, the seller calculates and remits only the GST. The purchaser of the goods and services must remit the PST. This last case is called a self-assessed tax in Canada (and called a use tax in the United States).

The self-assessed tax can apply to both PST calculations. It can apply when PST is based on the pre-GST value and when PST is based on the value after GST has been added (tax on a tax).

Seller-Assessed PST

In Canada, most PST is not self-assessed. The seller of the goods and services calculates and remits both the GST and PST to the tax authorities. Seller-assessed PST can apply to both PST calculations. The calculations apply when PST is based on the pre-GST value and when PST is based on the value after GST has been added (tax on a tax).
European Community Tax Structure

The members of the European Community signed a Single European Act in 1987 in which they agreed to open the markets to an area without internal frontiers (boundaries) in which the free movement of goods, persons, services and capital is assured in accordance with the provisions of the Treaty of Rome. This implies that the system of VAT payment between European Community (EC) members no longer exists.

Effective January 1, 1993, the act only regulates trade among EC members. VAT accounting is postponed (the recipient declares VAT). Internal trade within a country as well as trade to countries outside the EC is unchanged.

Companies registered in EC countries that deal in intra-community trade of goods and are over the threshold set by the tax authorities of that country must submit the following reports:

- EC Sales Listing (formerly called the Aggregate Sales List). This report must be filed quarterly unless other arrangements are made. The report lists the customer by VAT number, country of destination and the total amount in local currency.

- Intrastat Report (formerly called the Statistical Returns Listing). This monthly report is product based and shows statistics about intra-community transfers of goods.

To be exempt:

- The goods must be physically moved to another EC country
- The customer must have a VAT identification code
- The invoice must show the VAT number
- The goods cannot be of a special category (vehicles and so on)
Italian Tax Structure

Generally, the tax activities for Italy are the same as those for other countries. The IVA tax calculations (VAT calculations), automatic accounting instructions, general ledger accounting, and so on are the same.

Activities for Italy and those for other countries differ because Italian tax authorities require annual tax reporting for suppliers, customers, and customs authorities. The differences are described in detail in later chapters and summarized below.

- **Setup.** You must set up user defined codes (system 00, type IV) to indicate whether amounts are taxable, non-taxable “8 comma 2”, or tax exempt.

- **Annual IVA Reports.** You can submit either tapes or preprinted IVA forms to the tax authorities on an annual basis.

- **Periodic/Annual Activities.** Once a year, you must build the Annual IVA file (F00900) for the annual IVA reports. This file summarizes the detailed tax information in the Tax Work file (F0018).

As needed, you can add and change information in F00900 with the Annual IVA File Revision screen and can add and change information for tapes with the Address Book Additional Information screen.

**NOTE:** If you convert to the IDE software in the middle of a year, you can use the Annual IVA File Revision screen to manually enter/update tax information in the Annual IVA file (F00900). After you use the screen, you can perform standard processing.
Setup
Setup Overview

This chapter briefly describes the setup activities you must perform in order to process taxes correctly. The following chapters describe these setup activities:

- **Tax Authorities.** You must define each of the government agencies that assess and collect taxes.

- **Tax Rates and Areas.** You must define the tax rates and effective dates for the taxes that the government agencies assess. The Tax Rates & Areas screen provides the ability to set up compound taxes (assess a tax on a tax), to establish input credits, and (if you have the JDE Distribution software) to identify the maximum amount that an item can be taxed.

- **Tax Explanation Codes.** Tax explanation codes control how a tax is assessed and how it is distributed to the general ledger revenue and expense accounts. The JDE software provides a number of tax explanation codes. Because the tax explanation code is a user defined code (system 00, type EX), you can set up additional codes to meet your business needs.

- **Automatic Accounting Instructions (AAIs).** AAIs point to the appropriate accounts in the chart of accounts and define the rules for automatically-generated journal entries. The methods and naming conventions for AAIs differ for the A/R, A/P, Sales Order Management, Purchase Management, and General Accounting systems. To successfully process taxes, AAIs and accounts are critical.

- **Tax Rules by Company.** You can define tax rules for the A/R, A/P, Sales Order Management, Purchase Management, and General Accounting systems. When you enter transactions for these systems, the software automatically calculates taxes according to the rules you defined. The tax rules tell the system how to calculate discounts on a gross amount that already includes tax, how to calculate tax on a gross amount that includes the discount amount, and control when the system displays a warning message (or rejects a transaction altogether) when someone enters a tax that differs from the system-calculated tax.

- **Default Codes/Rates.** You can set up default values (tax explanation codes and tax rate/areas) for customers and suppliers. Then, when you use entry screens, the system will automatically display the defaults you defined. You can either accept or override the default values at the time you enter transactions.

- **European Community Setup.** If your company operates in a European Community country and you own the JDE Sales Order and Purchase Management systems, you must perform the setup activities described above and some additional setup activities. You must assign VAT registration numbers to your customers and suppliers, translate reports into the appropriate language, and modify a number of user defined codes.

- **Italian Setup.** If your company operates in Italy, you must perform the setup activities described above and some additional setup activities. You must set up user defined codes to indicate whether amounts are taxable, non-taxable (“8 comma 2”), or tax exempt.
Tax Authorities

This chapter describes how to set up tax authorities, the government agencies to which taxes are remitted. Later chapters describe how to establish tax rates for the authorities and enter taxable transactions.

The same tax authorities can be used by the Accounts Receivable, Accounts Payable, Sales Order Management, Purchase Management, and General Accounting systems.

The Tax Authorities screen is identical to the Address Book Revisions screen. Because the screen and procedures are the same, this guide only summarizes the features and functions. For more information, see the Address Book Revisions screen in the Address Book Guide.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Tax Authorities.

Because the Tax Authorities screen is identical to the Address Book Revisions screen, you can set up tax authorities with either screen.
### Tax Authorities

**Screen**

<table>
<thead>
<tr>
<th>01051</th>
<th><strong>Tax Authorities</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Long Addr No.</td>
<td></td>
</tr>
<tr>
<td>Resp. Bus. Unit</td>
<td></td>
</tr>
<tr>
<td>Action Code.</td>
<td>I</td>
</tr>
<tr>
<td>Address Number</td>
<td>5143</td>
</tr>
<tr>
<td>Alpha Name</td>
<td>Tax Authority for Belgium (BEL)</td>
</tr>
<tr>
<td>Search Type.</td>
<td>V</td>
</tr>
<tr>
<td>Payables Y/N/M</td>
<td>Y</td>
</tr>
<tr>
<td>Phone Number</td>
<td>(   ) 32–2–201.21.21 /</td>
</tr>
<tr>
<td>Receivable Y/N</td>
<td>Y</td>
</tr>
<tr>
<td>Employee Y/N</td>
<td>.</td>
</tr>
<tr>
<td>User Code.</td>
<td>.</td>
</tr>
<tr>
<td>Mailing Name</td>
<td>Ministere des Finances</td>
</tr>
<tr>
<td>Address</td>
<td>Administration des douanes et accises</td>
</tr>
<tr>
<td>Postal Code.</td>
<td>1010</td>
</tr>
<tr>
<td>City</td>
<td>. . . . . . Bruxelles</td>
</tr>
<tr>
<td>State.</td>
<td>. . . . .</td>
</tr>
<tr>
<td>Country</td>
<td>. . . . . BE Belgium</td>
</tr>
<tr>
<td>County</td>
<td>. . . . .</td>
</tr>
</tbody>
</table>

This screen is identical to the Address Book Revisions screen. For more information about the screen, see the *Address Book Guide*.

### Procedures

The procedures are the same as those for the Address Book Revisions screen described in the *Address Book Guide*. You can use this screen to add, change, delete, and inquire on tax authorities. Required fields for entry are Alpha Name, the first line of the Mailing Address, and Search Type.

### Guidelines

- You need to set up a tax authority for each government agency that assesses a tax.

- It may be helpful to set up a search type specifically for tax authorities. Search type is a user-defined code (system 01, type ST).

- For Canada, set up a tax authority for the federal government assessing GST and set up a tax authority for each province assessing PST.

- For the United States, set up a tax authority for each entity that assesses taxes. For example, set up authorities for states, cities, and special districts.
Tax Rates and Areas

This chapter describes how to maintain the current and anticipated tax rates and their effective dates. Use the Tax Rates & Areas screen to do the following:

- Set up a tax rate for each tax authority. For more information about tax authorities, see the chapter *Tax Authorities*.
- Set up a tax area. A tax area is a physical geographical area. Each geographical area can be assessed taxes by different tax authorities for different purposes and for different tax rates.

The screen also provides features for specialized situations. For Canada, you can set up PST (either as a tax on a tax or as a pre-GST tax) and set up GST input credits. For Tennessee, you can identify a maximum unit cost.

Definition of a Tax Area

Diagram

The diagram below shows how some tax areas could be organized.

The three circles represent three tax authorities. The seven numbered areas represent tax areas.

Notice that tax authority jurisdiction can overlap and that a tax area can be assessed taxes by one or more tax authorities. The tax rate for a tax authority does not vary from one tax area to another. Tax authority A assesses a 3% tax in tax areas 2, 3, 5, and 6.

For each tax area, however, the total tax burden can vary. It is the cumulative effect of multiple tax authorities for a single tax area that causes the tax burden to vary from one tax area to another. For example, the businesses located in tax area 5 must remit tax to only one tax authority (Tax Authority A for 3%). Businesses in tax area 2 remit taxes to two tax authorities (Tax Authorities A for 3% and B for 2%) and businesses in tax area 3 remit taxes to all three tax authorities.
Examples

In the United States, the states, cities, and special districts are tax authorities and can assess sales taxes. For example, the tax state of Colorado, the city of Denver, and the Regional Transportation District (RTD) each have a specific jurisdiction and those jurisdictions can overlap. The tax burden can vary, depending where the seller resides. For example, a seller in one part of Colorado could collect a Colorado state sales tax (3.5%), a Denver city sales tax (3.5%), and an RTD tax (.3%) to total 7.3% for the tax rate/area. A seller in another part of Colorado could collect a Colorado state sales tax (3.5%) and a Colorado Springs city sales tax (2.5%) to total 6% for the tax rate/area.

In Canada, the federal government and provinces are tax authorities. Their jurisdictions overlap.

In Belgium, there is only one tax authority for VAT (called TVA taxes). In Italy, there is also only one tax authority for VAT (called IVA taxes).

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Tax Rates & Areas.

Screen and Fields

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Tax Rate/Area</th>
<th>Desc.</th>
<th>Effective Date</th>
<th>Expiration Date</th>
<th>Item Number</th>
<th>Maximum Unit Cost</th>
<th>Tax Authority</th>
<th>Address</th>
<th>Rate</th>
<th>G/L</th>
<th>Off. Meth</th>
<th>Calc VAT</th>
<th>Exp</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>19</td>
<td>19.5% VAT Rate</td>
<td>01/01/90</td>
<td>12/31/99</td>
<td>12/31/99</td>
<td>19.500</td>
<td>5143</td>
<td>Tax Authority for Belgium</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Area Tax Rate: 19.500

F14=Memo F21=Print F24=More Keys
<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Rate/Area</td>
<td>A code that identifies a tax or geographical 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. Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate. Form-specific information For Canadian self-assessed PST and for United States use tax, do not enter more than eight characters.</td>
</tr>
<tr>
<td>Description – Tax Area</td>
<td>Text that names or describes the tax rate/area. You can use this 30-character field, for example, to identify a zip code for a tax area or to partially describe the geographic area.</td>
</tr>
<tr>
<td>Effective Date</td>
<td>The date that a transaction, text message, contract, obligation, or preference becomes effective. Form-specific information A date used in conjunction with the Expiration Date field to define the time period that the tax rate/area is to be in effect. If you leave this field blank, the default is the current date.</td>
</tr>
<tr>
<td>Expiration Date</td>
<td>The date that this item ceases to be in effect. Form-specific information The date used in conjunction with the Effective Date field to define the time period that the tax rate/area is to be in effect. If you leave this field blank, the default is 12/31/99.</td>
</tr>
<tr>
<td>Item Number</td>
<td>A number that the system assigns to an item. It can be in short, long, or 3rd item number format. Form-specific information Identifies either a group of items or a single item. Items that are assessed VAT generally use the group code number. Items that are assessed a luxury tax generally use a specific item number. NOTE: Only sales order and purchase management use this field. You can suppress this field with processing options.</td>
</tr>
<tr>
<td>FIELD</td>
<td>EXPLANATION</td>
</tr>
<tr>
<td>------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Maximum Unit Cost</td>
<td>Number that identifies the maximum amount that an item can be taxed. If the unit cost of an item is more than the amount you specify in this field, the maximum unit cost becomes taxable. NOTE: Only sales order and purchase management use this field. Tax laws in Tennessee (in the U.S.) have this requirement.</td>
</tr>
<tr>
<td></td>
<td><strong>Form-specific information</strong></td>
</tr>
<tr>
<td></td>
<td>You can suppress this field with processing options.</td>
</tr>
<tr>
<td>Tax Authority Address</td>
<td>The address book number of a tax authority that has jurisdiction in the tax area. This is an authority to whom you pay and report sales, use, or VAT taxes. Examples include states, counties, cities, transportation districts, provinces, and so on.</td>
</tr>
<tr>
<td></td>
<td>You can have up to five tax authorities for a single tax area.</td>
</tr>
<tr>
<td></td>
<td><strong>Form-specific information</strong></td>
</tr>
<tr>
<td></td>
<td>For Canada, the GST tax authority must be on the first line. PST tax authorities can be on lines 2 through 5. If a GST input credit is applicable, the authorities on lines 3 through 5 can identify the GST percentage not eligible for input credits.</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>A number that identifies the tax rate for a tax authority that has jurisdiction in the tax area. Tax rates must be expressed as a percentage and not as the decimal equivalent. For example, type 7% as 7. The system displays 7.000.</td>
</tr>
<tr>
<td>G/L Offset</td>
<td>A code that indicates how to locate the tax account for general ledger entries. This field points to automatic accounting instructions (AAIs) that, in turn, point to the tax account. Examples are: PTxxxx — for A/P (VAT only) RTxxxx — for A/R (VAT only) GTxxxx — for G/L (VAT only) 4320 — for Sales Orders 4400 and 4410 — for Purchase Orders Only PTxxxx, RTxxxx, and GTxxxx are valid for VAT and Canadian GST. For sales taxes, the Accounts Payable and Accounts Receivable systems ignore the values in this field. For the General Accounting system, VAT journal entries require values in this field. For sales taxes, the Sales Order Management and Purchase Management systems require values in this field. For use and Canadian PST, this field is ignored. At this time, however, the system only uses the first G/L offset.</td>
</tr>
<tr>
<td>FIELD</td>
<td>EXPLANATION</td>
</tr>
<tr>
<td>------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Calculation Method           | A code that indicates whether the tax rate for the tax authority is calculated pre-GST (taxable amount plus any GST for a previous tax authority) or calculated as a tax on a tax. Valid values are:  
Y Tax on a tax. Indicates that the tax is calculated after GST has been added to the product value. The taxable amount plus any GST calculated for a previous tax authority is added to calculate the basis for this authority.  
N Not on a tax. Indicates that the tax is calculated against the value of the product. The taxable amount is the basis for this authority.  
NOTE: This field is used in Canada. It is valid only with tax explanation codes that begin with the letters B and C.  
Form-specific information. |
| VAT Expense                  | A code that identifies the percentage of the VAT (GST) amount that is not eligible for input credits. Valid values are:  
R Not recoverable. The tax is an expense and is not a receivable.  
Blank Recoverable. The tax is a receivable. This is the default.  
NOTE: This field is used in Canada. It is valid only with tax explanation codes that begin with the letters C, B, and V.  
Form-specific information. |
| Tax Authority Description    | A brief description of a code or abbreviation.  
Form-specific information. |
| Total Area Tax Rate          | A number that identifies the sum of the tax rates for all tax authorities in the tax rate/area.  
Form-specific information. |
|                              | A system-displayed number that indicates the sum of the tax rates for all the tax authorities. If you type Y in the Calculation Method field, the total reflects compound taxes (tax on a tax). If you typed R in the VAT Expense field, the total does not include the input credit amount.
Processing Options

1-2. The first two options control which fields appear on the Tax Rates & Areas screen. You can suppress the Item Number field and the Maximum Unit Cost fields. They are used only for sales order and purchase management.

3. The third option controls whether the system validates the Item Number field.

Procedures

General Procedures

You can use this screen to inquire on, add, change, and delete tax rate/areas. When you add a tax rate/area, notice that the system identifies the total tax rate to be applied to goods and services. When you change a tax rate/area, you cannot change the Expiration Date field.

Create Memos For Tax/Rate Area

To create free-format text (memos) about the tax rate/area, press F14. This function key causes a window to display. Type memo information and press Enter.

To view a memo about the tax rate/area, press F14. A message to the right of the Action Code field on the Tax Rates & Areas screen indicates that memo text exists. In addition, the system highlights the Tax Rate/Area field and the message.

Print Tax/Rate Areas Information

To print the tax rate/area information, press F21. Note that this prints all tax rate/areas.
Canadian Considerations

How you set the Calc Meth (Calculation Method) field controls whether the system calculates PST as a tax on a tax or calculates PST pre-GST. The information on the following screens is illustrative only and may not be completely accurate.

Tax Area (Calculated as a Tax on a Tax)

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Quebec</th>
<th>Desc.</th>
<th>Canadian GST Tax (Quebec)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Rate/Area</td>
<td>01/01/90</td>
<td>12/31/99</td>
<td></td>
</tr>
<tr>
<td>Effective Date</td>
<td>01/01/90</td>
<td>12/31/99</td>
<td></td>
</tr>
<tr>
<td>Expiration Date</td>
<td>01/01/90</td>
<td>12/31/99</td>
<td></td>
</tr>
<tr>
<td>Item Number</td>
<td>Maximum Unit Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Authority</td>
<td>Tax</td>
<td>G/L</td>
<td>Calc VAT</td>
</tr>
<tr>
<td>5098</td>
<td>7.000</td>
<td>TXTX</td>
<td>15.560</td>
</tr>
<tr>
<td>5961</td>
<td>8.000</td>
<td>TXTX</td>
<td>Y</td>
</tr>
</tbody>
</table>

The GST tax authority must be the first tax authority. In other words, you must list the GST tax authority on the first line and PST tax authorities on the remaining lines.

Notice that the Calc Meth (Calculation Method) field is Y to indicate that tax rate is calculated as a tax on a tax. The Total Area Tax Rate field is 15.560. The system calculates PST as a tax on a tax.

NOTE: You can calculate a tax on a tax with tax explanation code C (GST + seller-assessed PST) and B (GST + self-assessed PST). For a tax on a tax, you must also set the Calc Meth (Calculation Method) field to Y. Another way to specify a tax on a tax is with tax explanation code V+. When you use V+, leave the Calc Meth field blank. It is not applicable. For more information about tax explanation codes, see the chapter Tax Explanation Codes.
Tax Area (Not Calculated as a Tax on a Tax)

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Tax Rate/Area</th>
<th>Desc</th>
<th>Effective Date</th>
<th>Expiration Date</th>
<th>Item Number</th>
<th>Maximum Unit Cost</th>
<th>G/L</th>
<th>Calc</th>
<th>VAT</th>
<th>Address</th>
<th>Rate</th>
<th>Off.</th>
<th>Meth</th>
<th>Exp</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>ONTR</td>
<td>Canadian GST Tax (Ontario)</td>
<td>01/01/90</td>
<td>12/31/99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The GST tax authority must be the first tax authority. In other words, you must list the GST tax authority on the first line and PST tax authorities on the remaining lines. Notice that the Calc Meth (Calculation Method) field is N to indicate that tax rate is not calculated as a tax on a tax. The Total Area Tax Rate field is 15.000. The system calculates PST against the value of the product.

Tax Area with GST Input Credits

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Tax Rate/Area</th>
<th>Desc</th>
<th>Effective Date</th>
<th>Expiration Date</th>
<th>Item Number</th>
<th>Maximum Unit Cost</th>
<th>G/L</th>
<th>Calc</th>
<th>VAT</th>
<th>Address</th>
<th>Rate</th>
<th>Off.</th>
<th>Meth</th>
<th>Exp</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>ONTR</td>
<td>Canadian GST Tax (Ontario)</td>
<td>01/01/90</td>
<td>12/31/99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

You can indicate the percent of GST that is not eligible for input credits. The GST tax authority must be the first line, PST tax authorities can be on lines 2 through 5. For PST tax authorities on lines 3 through 5, you can type R in the GST Exp field to indicate that the percentage is not eligible for input credits, and type the percentage in the Tax Rate field. Notice that the system does not add these percentages to the overall rate (the Total Area Tax Rate field). The system uses the percentage to calculate the GST portion in the G/L distribution.
## United States (Sales and Use Tax) Considerations

If your company deals only with sales and use taxes (such as companies in the United States), you need to evaluate which JDE systems your company owns. If you own only the A/R or A/P systems, you do not need to enter information in the G/L Offset field (these systems ignore values in this field). Generally, if you own the Sales Order or Purchase Management systems (or own these systems along with the A/R or A/P systems), you must enter information in the G/L Offset field.

### A/P and A/R Processing

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Tax Rate/Area</th>
<th>Desc</th>
<th>Effective Date</th>
<th>Expiration Date</th>
<th>Item Number</th>
<th>Maximum Unit Cost</th>
<th>Tax Authority</th>
<th>Address</th>
<th>Rate</th>
<th>Off.</th>
<th>Exp</th>
<th>VAT</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>CODEN</td>
<td>Denver Colorado</td>
<td>01/01/90</td>
<td>12/31/99</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>5071 Denver City and County Tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>2292 Colorado State Treasurer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3000 Regional Transportation Dist</td>
</tr>
</tbody>
</table>

Total Area Tax Rate . . . . 7.300

The tax rate/area above has three tax authorities for a total sales tax of 7.3%. Notice that the G/L Off (General Ledger Offset) field is blank. The A/R system does not create an entry to the sales tax payable account.
Purchase and Sales Order Management

<p>| | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Action Code . . . . . . . . . .</td>
<td>L</td>
<td>Tax Rate/Area . . . . . . .</td>
<td>CODEN2</td>
<td>effective Date . . . . .</td>
<td>01/01/90</td>
</tr>
<tr>
<td>Expiration Date . . . . . . .</td>
<td>12/31/99</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item Number . . . . . . . . .</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Unit Cost . . . . . .</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Area Tax Rate . . . . .</td>
<td>7.300</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notice that the G/L Off (General Ledger Offset) field specifies an offset account for the sales taxes that are payable.

Journal Entry Processing

Currently, the Journal Entry with VAT Tax screen does not support sales and use taxes or V+ tax on tax.

Guidelines

- Tax Authorities. You must set up tax authorities in the Address Book system (as described in the chapter Tax Authorities) before you can use this screen and set up tax rate/areas.

- Compound Taxes. You can define a compound tax for a tax rate/area.

  - In Canada, you can identify compound taxes with tax explanation code C (GST + seller-assessed PST) and B (GST + self-assessed PST). When you use tax explanation codes B and C, you must also set the Calc Meth (Calculation Method) field to Y.

    To view an example, see Tax Area (Calculated as a Tax on a Tax) in the section Canadian Considerations in this chapter.

  - Another way to specify a compound tax is with tax explanation code V+. When you use this code, leave the Calc Meth (Calculation Method) field blank. It is not applicable.

For more information about tax explanation codes, see the chapter Tax Explanation Codes. For information about how the system posts compound taxes, see the chapters Entry and Post Examples for A/R, A/R, and Sales Orders and Entry and Post Examples for Purchase Orders.
• European Communities. You must set up a tax rate/area for items taxable for European Community countries and items taxable from non-member countries. The EC Sales Listing uses this information for selection criteria.

• Tennessee Maximum Unit Cost. If you have the JDE Distribution software and operate in Tennessee, this field can be very useful. This identifies the maximum amount that an item can be taxed. If the unit cost of an item is larger than the value you type in this field, the maximum unit cost becomes taxable.

If you buy or sell in multiple units of measure, you need to define tax rate/areas for each unit of measure for an item number. The tax calculation will compare the item unit cost to the maximum unit cost. If the item unit cost is larger than the maximum, the system calculates the taxable amount using the maximum cost. The difference between the original taxable amount and the recalculated taxable amount is stored in the non-taxable field of the transaction and in the Tax Work file (F0018).

You can suppress this field with processing options.

• VAT Input Credits. You can indicate the percent of VAT that is not eligible for input credits. For the tax authorities you indicate, the system does not add the percentages to the overall rate (the Total Area Tax Rate field). The system uses the percentage to calculate the VAT portion in the G/L distribution.

To view an example of a VAT input credit, see Tax Area with GST Input Credits in the section Canadian Considerations in this chapter.

• Tax-Free Products. If your company deals with zero-rated (tax-free) products, you must establish a tax rate/area that has a tax authority with a 0% (zero percent) tax rate.

• Maximum Characters. For Canadian self-assessed PST and for United States use tax, do not set up a tax rate/area that has more than eight characters. The tax offset for self-assessed taxes can be made to the account with the tax rate/area as the subsidiary number (which is limited to eight characters).

• CAUTION: The Journal Entry With VAT Tax screen only posts to a single VAT tax authority. If you use this screen for a tax rate/area that has more than one tax authority, the system calculates the correct tax for the tax rate/area, but posts all taxes to the first tax authority in the tax rate/area. It ignores all other tax authorities.
Tax Explanation Codes

This chapter describes the tax explanation codes (codes that define how a tax is assessed and how it is distributed to the general ledger revenue and expense accounts). Later chapters describe how to do the following:

- Assign a tax explanation code directly to a supplier or customer. Transactions that involve the supplier or customer will use the assigned code to calculate taxes and make general ledger distributions.

- Assign a tax explanation code as you enter transactions (vouchers, invoices, sales orders, purchase orders, and so on). When you enter transactions, you can also override a tax explanation code that you assigned directly to the supplier or customer.

The JDE software provides a number of tax explanation codes. Because the tax explanation code is a user defined code (system 00, type EX), you can set up additional codes to meet your business needs. There are some restrictions when you set up additional codes because the first character has special significance. For more information, review Guidelines in this chapter.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Tax Explanation Codes.
This screen is the same as the User Defined Codes screen described in the *Technical Foundation Guide*. 
# Table of Tax Explanation Codes

<table>
<thead>
<tr>
<th>TAX EXPLANATION CODE</th>
<th>DESCRIPTION</th>
<th>DISTRIBUTION TO G/L AND GROSS (VOUCHER) CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>V</td>
<td>VAT (GST in Canada)</td>
<td>Distribution = Goods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = Goods + VAT</td>
</tr>
<tr>
<td>VT</td>
<td>Same as V, but taxes only</td>
<td>Distribution = 0</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = VAT</td>
</tr>
<tr>
<td>V+</td>
<td>Same as V, but calculated as a tax on a tax</td>
<td>Distribution = Goods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = Goods + VAT</td>
</tr>
<tr>
<td>U</td>
<td>Use (PST in Canada)</td>
<td>Distribution = Goods + Use tax</td>
</tr>
<tr>
<td></td>
<td>Self-assessed</td>
<td>Gross = Goods</td>
</tr>
<tr>
<td>UT</td>
<td>Same as U, but taxes only</td>
<td>Distribution = Self-Assessed Use tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = 0</td>
</tr>
<tr>
<td>S</td>
<td>Sales (PST in Canada)</td>
<td>Distribution = Goods + Sales tax</td>
</tr>
<tr>
<td></td>
<td>Seller-assessed</td>
<td>Gross = Goods + Sales tax</td>
</tr>
<tr>
<td>ST</td>
<td>Same as S, but taxes only</td>
<td>Distribution = Sales tax</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = Sales tax</td>
</tr>
<tr>
<td>E</td>
<td>Exempt</td>
<td>Distribution = Goods</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = Goods</td>
</tr>
</tbody>
</table>

Distribution is the dollar amount to be distributed to general ledger accounts, such as revenue and expense accounts. In A/P, for example, the distribution amount is the goods plus sales tax because this is the true cost of purchased goods. VAT is not included in the distribution amount because, typically, a company is reimbursed for VAT paid to suppliers when the company sells those goods.

Gross is the total invoice amount paid to a supplier or collected from a customer. For example, self-assessed PST and use taxes are never included in an invoice from a supplier.
Tax Explanation Codes

Canadian Codes

Canada uses four tax explanation codes in addition to those listed in the previous table.

<table>
<thead>
<tr>
<th>TAX EXPLANATION CODE</th>
<th>DESCRIPTION</th>
<th>DISTRIBUTION TO G/L AND GROSS (VOUCHER) CALCULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>B</td>
<td>GST + PST where PST is self-assessed</td>
<td>Distribution = Goods + Self-Assessed PST</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = Goods + GST</td>
</tr>
<tr>
<td>BT</td>
<td>Same as B, but taxes only</td>
<td>Distribution = Self-Assessed PST</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = GST</td>
</tr>
<tr>
<td>C</td>
<td>GST + PST where PST is seller-assessed</td>
<td>Distribution = Goods + PST</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = Goods + GST + PST</td>
</tr>
<tr>
<td>CT</td>
<td>Same as C, but taxes only</td>
<td>Distribution = PST</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Gross = GST</td>
</tr>
</tbody>
</table>

These are the only tax explanation codes for PST that can be calculated as a tax on a tax. (Remember that you must also set the Calc Meth field to Y on the Tax Rates & Areas screen to compute a tax on a tax.)

Systems and Tax Explanation Codes

Not all tax explanation codes are valid for all systems and accounting transactions.

Codes for A/R

The A/R system does not allow codes that begin with U or B (codes that identify self-assessed sales taxes). Since the purchaser of the product pays self-assessed sales taxes, the seller of the product cannot have a receivable for the sales tax.

Codes that are valid begin with V, C, S, and E. For tax explanation codes that begin with C or S, the A/R system does not create an entry to the sales tax payable account (for the sales tax collected from customers). You will have to manually do the G/L distribution to a sales tax payables account (or you can use tax explanation code V).

Codes for Sales Orders

The Sales Order Management system does not allow codes that begin with U or B (codes that identify self-assessed sales taxes). Since the purchaser of the product pays self-assessed sales taxes, the seller of the product cannot have a receivable for the sales tax. The system also does not allow any of the tax only-codes (VT, UT, ST, BT, and CT).

Codes that are valid are V, V+, C, S, and E.
Codes for A/P

The A/P system can use all codes.

Codes for Purchase Orders

The Purchase Management system does not allow tax-only codes (VT, US, ST, BT, and CT). Codes that are valid are V, V+, U, S, C, B, and E.

Codes for Journal Entries

The General Accounting system only allows VAT. Tax explanation codes V, VT, and others that you set up beginning with V are valid. V+, however, is not valid.

Table of Codes and Systems

The following table identifies which codes are valid for which applications.

<table>
<thead>
<tr>
<th>TAX EXPLANATION CODE</th>
<th>A/R</th>
<th>SALES ORDERS</th>
<th>A/P</th>
<th>PURCHASE ORDERS</th>
<th>JOURNAL ENTRIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>V (VAT taxes)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>VT (Same as V – taxes only)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>V+ (VAT taxes)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>U (Self-assessed sales taxes)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>UT (Same as U – taxes only)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>S (Seller-assessed sales taxes)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>ST (Same as S – taxes only)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>E (Exempt)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>B (GST + PST where PST is self-assessed and can be a tax on a tax)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>BT (Same as B – taxes only)</td>
<td>No</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>C (GST + PST where PST is seller-assessed and can be a tax on tax)</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>CT (Same as C – taxes only)</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

NOTE: Tax explanation codes B, BT, C, and CT apply to Canada. Note also that the tax-only codes cannot be used for sales orders and purchase orders.
Products and Tax Explanation Codes

VAT and Canadian Considerations

Taxable Products

A business that produces only taxable products must collect VAT on its sales and can request a tax credit for the VAT paid on its purchases (purchases of materials that make up the product). Most businesses produce goods and services that are taxable and all tax explanation codes can be used for them.

Zero-Rated Products

A business that produces only zero-rated (tax-free) products is not required to collect VAT on its sales, but can obtain tax credit for VAT paid on its purchases. Businesses that produce basic food products or produce goods for export are examples.

If your company deals with zero-rated (tax-free) products, you must establish a tax rate/area that has a tax authority with a 0% (zero percent) tax rate.

Tax-Exempt Products

A business that produces only tax-exempt products does not need to collect VAT on its sales and cannot request tax credit for the VAT paid on its purchases. Since the business cannot recover any of the VAT paid on purchases, costs can increase. Businesses that provide services such as loans, mortgages, life insurance, and property insurance are examples.

If your company deals with tax-exempt products, use the E (tax-exempt) tax explanation code.

United States Considerations

In the United States, the type of product (such as taxable, zero-rated, and tax exempt) is not relevant. The company itself is either taxable or tax exempt. Companies that are end users (buy goods for their own use) pay sales taxes. Companies that buy goods for resale (are not the end users of the goods) obtain a tax exempt certificate and do not pay sales taxes.

Procedures

You can use this screen to inquire, add, change, and delete values for the user defined code fields.

Although the screen is not named User Defined Codes (it displays the name of the specific table you request from the menu), the screen is the User Defined Codes screen described in the Technical Foundation Guide. Because the screens are identical, this chapter does not explain procedures. For more information, see the Technical Foundation Guide.
Guidelines

- **Description-2 Field.** Even though the Description-2 field states that the codes are hard-coded for use in the A/P system, you can use the codes for the A/R, Sales Order Management, and Purchase Management systems (except as noted on the previous pages).

- **Additional Codes.** You can set up additional tax explanation codes in user defined codes (system 00, type EX). The first character, however, has special significance. If you set up additional codes with V, B, C, U, S, or E as the first character, the system treats them the same as the original single-character code. The system treats a tax explanation code of VP, for example, as though it was V. If you set up additional codes with another letter as the first character, the system treats them as though they are exempt from taxes.

- **Compound Taxes (tax on a tax)**
  - In Canada, use tax explanation codes C and B to calculate PST as a tax on a tax. You must also set the Calc Meth (Calculation Method) field to Y on the Tax Rates & Areas screen.
  - Another way to specify a compound tax is with tax explanation code V+. When you use this code, leave the Calc Meth (Calculation Method) field blank on the Tax Rates & Areas screen. It is not applicable.

  For information about how the system posts compound taxes, see the chapters *Entry and Post Examples for A/P, A/R, and Sales Orders*.

- **Offset Accounts.** You must identify a G/L offset account (on the Tax Rates & Areas screen) for each VAT authority. The G/L offset accounts for the VAT authorities can all be the same or they can be different.

  For the A/R and A/P systems, the system ignores G/L offset accounts for sales taxes (PST). For the Sales Order and Purchase Management systems, the system uses G/L offset accounts for sales taxes (PST). For the General Accounting system, journal entries use only the first G/L offset.

  Because the A/R system does not create offsets to a sales tax payable account, you may want to manually offset the sales tax amount when you enter an invoice. Another option is to use tax explanation code V instead of S.
Vertex Tax System

If your company wants to apply sales taxes automatically, you can use Vertex software along with the J.D. Edwards system. Vertex software can coexist with the J.D. Edwards tax calculator software, which means that you can perform tax calculations using either or both of them. If, however, you want to perform a tax-only calculation, you must use the J.D. Edwards software.

When tax laws change, the Vertex software accesses the new requirements for each taxing authority so that you can apply the taxes correctly. Vertex software:

- Reduces the setup required for multiple tax rate areas
- Reduces processing time and rate maintenance
- Creates tax compliant records

Vertex software calculates the tax for customers and suppliers based on the GeoCode (U.S. jurisdictions) and other special considerations, such as tax-exempt status or non-standard tax rates.

Guidelines

- For tax-only calculations, use tax types ST (sales tax) and UT (use tax) along with the J.D. Edwards tax rate/area code. You cannot use these tax types with a GeoCode.

Vertex Activation

You must activate the Vertex feature before you can use GeoCodes to perform tax calculations.

For more information about installation, read the Vertex Sales Tax Compliance System Modules and Reference Manuals.

Navigation

From the Master Directory menu (G), type G73 and press Enter. From the M & D Strategic Complementary Products menu (G73), select Vertex Sales and Use Tax. From the Vertex Sales and Use Tax menu (G731), select Vertex Tax System Constants.
Vertex Tax System

Screen

7301 Vertex Tax System Constants

Action Code. . . . . A
Use Vertex System. . Y
Canada Country Code. CA
G/L Offset . . . . .

Sales Tax Category Codes
Address Book Categ . 01
Item Balance Categ .

Use Tax Category Codes
Address Book Categ . 01
Item Balance Categ .

F24=More Keys

Procedures

Use this screen to activate Vertex sales and use tax category codes.

The G/L Offset field is not applicable here.

Guidelines

Item balance categories are used by distribution clients who process sales and purchase orders.
GeoCode Global Assignment to Address Book Records

After you activate Vertex, you must assign GeoCodes to existing address book records. To accomplish this, you complete three steps that use a combination of J.D. Edwards and Vertex programs. The following describes the purpose of these steps and programs:

1. Populate the vertex disk file. This J.D. Edwards program moves the address book records for suppliers and customers to the Vertex CUSTEXT file. Vertex then uses this file to locate records that have matching GeoCodes.

   The address book records you want to move into the CUSTEXT file are defined by search type in a user defined code list (73/ST).

2. Populate the outfile with vertex information. These Vertex programs do the following:

   - Process records from the CUSTEXT file identifying GeoCodes
   - Move the information to the Vertex CUSTFO file
   - Create records with the GeoCodes assigned to them or records without GeoCodes that need to be researched

3. Update the address book with GeoCodes. This is a J.D. Edwards program that moves supplier and customer information with GeoCodes from the CUSTFO file to the customer master and supplier master records. It loads the Tax Rate/Area field on these records with the GeoCode. This program updates the Customer Master (F0301) and Supplier Master (F0401) files.

   The system produces reports that show both unmatched records and records that you might want to match. Use these reports to identify any address book records that did not get updated with GeoCodes. You will need to manually update those records.
The following graphic illustrates how the system updates the address book records with GeoCodes.

**Navigation**

From the Master Directory menu (G), type G73 and press Enter. From the M & D Strategic Complementary Products menu (G73), select Vertex Sales and Use Tax.

**Procedures**

1. Run Populate Vertex Disk File.
2. Select GeoCoder System Operations, and run the following Vertex programs, in sequence:
   - Reformat Customer File
   - Match GeoCoder File with Customer File
3. Run Update Address Book GeoCodes.
For additional information, see the following topics in the *Address Book Guide*:

- Setting Up User Defined Codes
- Working with Basic Address Book Information

**GeoCode Assignment to Customers**

After you globally assign GeoCodes to your existing customers, you might need to individually assign a GeoCode when you create a new customer record.

**Navigation**

From the Accounts Receivable menu (G03), select Customer & Invoice Entry. From the Customer & Invoice Entry menu (G0311), select Customer Master Information.

**Screen and Fields**

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action Code</td>
<td>I 2nd Alpha Name</td>
</tr>
<tr>
<td>Customer Number</td>
<td>8993 Wilson Enterprises</td>
</tr>
<tr>
<td>Long Address Number</td>
<td>8993 Wilson Enterprises</td>
</tr>
<tr>
<td>Credit Message</td>
<td></td>
</tr>
<tr>
<td>Temp Credit Msg</td>
<td></td>
</tr>
<tr>
<td>Factor/Special P</td>
<td>8993 Wilson Enterprises</td>
</tr>
<tr>
<td>Parent Number</td>
<td></td>
</tr>
<tr>
<td>Payment Terms</td>
<td>Net 30 Days</td>
</tr>
<tr>
<td>Credit Manager</td>
<td>Print Stmt(Y/N)</td>
</tr>
<tr>
<td>Collection Mgr</td>
<td>Send Stmt To</td>
</tr>
<tr>
<td>Last Cred Rvw</td>
<td>Statement Cycle</td>
</tr>
<tr>
<td>ABC (Sls/Marg/P)</td>
<td>Send Invoice to</td>
</tr>
<tr>
<td>Credit Limit</td>
<td>Delinquency Noti</td>
</tr>
<tr>
<td>Monthly Fin Chg%</td>
<td>Apply Fin Chgs</td>
</tr>
<tr>
<td>Tax Expl Code</td>
<td>Person/Corp</td>
</tr>
<tr>
<td>Tax Rate/Area</td>
<td>Currency Code</td>
</tr>
<tr>
<td>Tax ID</td>
<td>Add'l Tax</td>
</tr>
<tr>
<td>G/L Class</td>
<td>Model JE Type/Doc/Co</td>
</tr>
<tr>
<td>Default Rev Acct</td>
<td></td>
</tr>
<tr>
<td>F5=Who F6=Memo F8=Bank cd F9=Src Ch F11=Addr F13=Billing F14=Cat cd F24=More</td>
<td></td>
</tr>
</tbody>
</table>

**Customer Master Information**

Reference 11/96 (Release A7.3)
<table>
<thead>
<tr>
<th>Field</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Rate/Area</td>
<td>A code that identifies a tax or geographical 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. Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate. Form-specific information</td>
</tr>
<tr>
<td></td>
<td>If you use Vertex, the Vertex GeoCode appears in this field. The system retrieves the Vertex GeoCode based on the customer’s city, state, and zip code.</td>
</tr>
</tbody>
</table>

**Procedures**

Use this screen to enter basic customer information.

To automatically load information in the Tax Rate/Area field, choose Retrieve Vertex GeoCode (F15).

**Guidelines**

When you change an address for a customer, the system updates the GeoCode if one was previously entered.

**GeoCode Override on Invoices**

After you assign GeoCodes to your customers, the system uses the GeoCode to supply default tax information when you enter an invoice. If you want to override the tax information supplied by the system, you can do so when you enter the invoice.

**Navigation**

From the Accounts Receivable menu (G03), select Customer & Invoice Entry. From the Customer & Invoice Entry menu (G0311), select Standard Invoice Entry.
Screen and Fields

<table>
<thead>
<tr>
<th>Field</th>
<th>Explanation</th>
</tr>
</thead>
</table>
| Tax Explanation Code | A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions.

Do not confuse this with the taxable, non-taxable code. A single invoice can have both taxable and non-taxable items. The entire invoice, however, must have one tax explanation code.

Form-specific information

If you use Vertex, the system accepts only E (exempt), S (sales tax), and U (use tax) for GeoCodes. U is not used in Accounts Receivable. |

<table>
<thead>
<tr>
<th>Taxable Amount</th>
<th>The amount on which taxes are assessed.</th>
</tr>
</thead>
</table>

Form-specific information

You can either enter an amount in this field and the system will calculate the tax for you, or you can enter an amount in the Tax Amount field. If you decide to type an amount in the Taxable Amount field, the system will validate it according to the tax rules you set up on Tax Rules by Company.
Procedures

Use this screen to enter basic information for a standard invoice.

Toggle to the alternate tax format, if necessary.

Guidelines

The system makes accounting entries for sales taxes when you post invoices. The AAI item RC______ (no G/L offset) points to the sales tax account.

GeoCode Assignment for Suppliers

After you globally assign GeoCodes to your existing suppliers, you might need to individually assign a GeoCode when you create a new supplier record.

Navigation

From the Accounts Payable menu (G04), select Supplier & Voucher Entry. From the Supplier & Voucher Entry menu (G0411), select Supplier Master Information.

Screen and Fields

```
01054      Supplier Master Information
Action Code.   I  2nd Alpha Name.
Supplier Number.  9005 Carmen’s Catering
Long Address Number.

Payment Information
Factor/Special P    9005 Carmen’s Catering
Parent Number.
Approver Number.
Hold Payment.     N  Multiple Checks (Y/N/C).  N
Payment Terms.    Net 30 Days  Check Float Days . . . .
Payment Instr. .  Default ( Ledger Inq Sequence . . .

Withholding %.   Tax Authority. .
Tax ID . . . . . . . Person/Corporation Code. .
Add’l Ind Tax ID  Currency.
Accounting Distribution Information
G/L Class . . . . . . . . Model JE Type/Doc/Co
Default Exp Acct

F5=Who  F6=Memo  F8=Bank codes  F9=Src  F11=Addr  F14=Cat codes  F24=More
```
<table>
<thead>
<tr>
<th>Field</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Rate/Area</td>
<td>A code that identifies a tax or geographical 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. Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate.</td>
</tr>
<tr>
<td></td>
<td>The system uses this information as the default when you enter vouchers. If you use Vertex, the Vertex GeoCode appears in this field. The system retrieves the Vertex GeoCode based on the supplier’s city, state, and zip code.</td>
</tr>
</tbody>
</table>

**Procedures**

Use this screen to enter basic supplier information.

To automatically load information in the Tax Rate/Area field, choose Retrieve Vertex GeoCode (F15).

**Guidelines**

When you change an address for a supplier, the system updates the GeoCode if one was previously entered.

**GeoCode Override on Vouchers**

After you assign GeoCodes to your suppliers, the system uses the GeoCode to supply default tax information when you enter a voucher. If you want to override the tax information supplied by the system, you can do so when you enter the voucher.

**Navigation**

From the Accounts Payable menu (G04), select Supplier & Voucher Entry. From the Supplier & Voucher Entry menu (G0411), select Standard Voucher Entry.
### Screen and Fields

```

<table>
<thead>
<tr>
<th>Field</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Explanation Code</td>
<td>A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions. Do not confuse this with the taxable, non-taxable code. A single invoice can have both taxable and non-taxable items. The entire invoice, however, must have one tax explanation code.</td>
</tr>
<tr>
<td>Taxable Amount</td>
<td>The amount on which taxes are assessed.</td>
</tr>
</tbody>
</table>
```

Reference 11/96 (Release A7.3)
Procedures

Use this screen to enter basic information for a standard voucher.

Toggle to the alternate tax format, if necessary.

Guidelines

The system makes accounting entries for use taxes when you post the voucher. AAI item PT_ _ _ _ (no G/L offset) points to the use tax account.
Automatic Accounting Instructions (AAIs)

This chapter describes the automatic accounting instructions (AAIs) and accounts in the chart of accounts that you need for tax purposes.

An AAI is a code that points to an account in the chart of accounts. AAIs control how programs automatically generate journal entries. Each system that interfaces with the General Accounting system has AAIs. For example, AAIs can direct the Post to General Ledger program to post a debit to a certain expense account and an automatic credit to a certain accounts payable account.

The methods to set up AAIs are not the same for all systems. For example, the AAI naming convention differs for A/P vouchers, A/R invoices, sales orders, purchase orders, and journal entries.

AAI Screens for A/P, A/R, and Journal Entries

A/P, A/R, and journal entries use two AAI screens. Use the first screen (Automatic Accounting Instructions) to view AAIs. Use the second screen (Automatic Accounting Instruction Revisions) to add, change, and delete AAIs.

Note that the AAI screens for A/P, A/R, and journal entries differ from the AAI screens for purchase orders and sales orders.

Automatic Accounting Instructions Screen

Use this screen to view your AAIs.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Automatic Acctg Instructions.
# Automatic Accounting Instructions (AAIs)

## Screen

<table>
<thead>
<tr>
<th>O Sequence Number</th>
<th>Company</th>
<th>Bus. Unit</th>
<th>Object</th>
<th>Sub</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.320 Accrued Sales or VAT Tax</td>
<td>1</td>
<td>4431</td>
<td>RTTXTX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.320 Accrued Sales or VAT Tax</td>
<td>70</td>
<td>4431</td>
<td>RTTXTX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.320 VAT Payable on sales</td>
<td>70</td>
<td>4431</td>
<td>RTVATB</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.330 Realized Gain on Foreign Currency Payments</td>
<td>9</td>
<td>8991</td>
<td>RG</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.330 Realized Gain on Foreign Currency Payments</td>
<td>799</td>
<td>8991</td>
<td>RG</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Opt1=AAI Rev  F5=Acct Struct by BU  F15=AAI Rev  F21=Print  F24=More Keys**

Notice that the Company field is not required. You only need to specify a company when AAIs vary from company to company. If you do not set up company-specific AAIs, the system uses the AAIs set up for company 00000 (the default company). Notice also that the Bus.Unit (Business Unit) and Sub (Subsidiary account) fields are not required.

## Automatic Accounting Instructions Revisions Screen

Use this screen to add or change your AAI structure.

### Navigation

From the Automatic Accounting Instructions screen, press F15. Alternatively, you can type 1 in the OP (Option) field next to an AAI and press Enter.

## Screen

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Item Number</th>
<th>Company</th>
<th>Sequence Number</th>
<th>System Code</th>
<th>Account Codes</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td></td>
<td>00070</td>
<td>3.320</td>
<td>03</td>
<td></td>
</tr>
<tr>
<td>Option</td>
<td>Options:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>Optional</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R</td>
<td>Required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>Not Used</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**F21=Print Automatic Accounting Instructions  F24=More Keys**
AAIs for Accounts Payable

The Tax Rates & Areas screen has a field named G/L Off (General Ledger Offset). The code you enter in this field identifies an AAI. The AAI, in turn, identifies a tax account in the chart of accounts. For each G/L offset you set up (on the Tax Rates & Areas screen), you must also set up an AAI and one or more accounts.

AAI Naming Convention

You can name AAIs with a maximum of six letters. For taxes, the system generates the first two letters of the AAI and you specify the remaining four letters.

<table>
<thead>
<tr>
<th>System Type</th>
<th>Characters 1-2</th>
<th>Characters 3-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/P</td>
<td>Always PT</td>
<td>The four-character G/L offset field on the Tax Rates &amp; Areas screen.</td>
</tr>
<tr>
<td>A/P</td>
<td>PT</td>
<td>Blank for use tax (tax explanation codes U and B).</td>
</tr>
</tbody>
</table>

The screen below shows some examples. It shows an AAI item named PTVATB. The system prefix for a payable is PT and VATB is the code you entered in the G/L Off field on the Tax Rates & Areas screen.

It also shows an AAI item named PT___. This defines part of the use tax payable account (for tax explanation codes U and B, self-assessed sales taxes). PT defines the business unit and object. Subsidiary is the tax rate area. For example:

AAI PT points to account 1.4423. Use tax for a tax rate/area named ABCD would point to account 1.4423.ABCD. If account 1.4423.ABCD does not exist, however, the system posts to account 1.4423.

Examples

4.060 Realized Gain on Foreign
PG

4.070 Realized Gain on Foreign
Currency Payments
9 8991 GAIN

Opt1-AAI Rev  F5=Acct Struct by BU  F15-AAI Rev  F21-Print  F24=More Keys
A/P AAI for Tax Explanation Codes

For A/P, depending on which tax explanation code you specify, the system can use different AAI's and post differently. In other words, the system tries to find an AAI based on the tax explanation code.

AAI items for A/P are listed below. You can set up several per company. The lower case x identifies the offset from the Tax Rates & Areas screen and lets you define separate accounts for each VAT tax authority.

G/L distribution is the amount to be allocated to general ledger accounts, such as revenue and expense accounts. Generally, the distribution amount is the goods plus sales tax because this is the true cost of purchased goods. VAT is not included in the distribution amount because, typically, a company is reimbursed for VAT paid to suppliers when the company sells those goods.

Gross is the total invoice amount paid to a supplier or collected from a customer. For example, self-assessed sales taxes are never included in an invoice from a supplier.

V  VAT (GST in Canada). When you enter a voucher, you debit G/L distribution accounts (for the goods). The system debits a VAT receivable account and credits the accounts payable account. PTxxxx identifies the VAT receivable account and PCxxxx identifies the A/P account. Example:

Dr 1000  G/L distribution (goods of $1000)
Dr 100   PTxxxx (VAT receivable account for the tax rate/area)
Cr 1100  PCxxxx Gross (A/P account for goods of $1000 + VAT of $100)

V+ VAT (Calculated as a Tax on a Tax). The accounts are the same as those for V.

VT VAT (Taxes Only). The accounts are the same as those for V. Example:

Dr 0      G/L distribution (goods of $0)
Dr 100    PTxxxx (VAT receivable account for the tax rate/area)
Cr 100    PCxxxx Gross (A/P account for VAT of $100)

U Use Tax (PST in Canada), Self-Assessed. When you enter a voucher, you debit G/L distribution accounts (for the goods plus the sales tax). The system credits the self-assessed use tax payable account and credits the accounts payable account. PT... identifies the business unit and object of the use tax account and the tax rate/area is the subsidiary portion of the use tax account. PCxxxx identifies the A/P account. Example:

Dr 1050   G/L distribution (goods of $1000 + use tax of $50)
Cr 50     PT... +tax rate/area (self-assessed taxes payable account for the tax rate/area). If this account does not exist, uses PT...
Cr 1000   PCxxxx Gross (A/P account for goods of $1000)
**Automatic Accounting Instructions (AAIs)**

**tUT** Use Tax (PST in Canada), Self-Assessed. Taxes Only. The accounts are the same as those for U. Example:

- **Dr 50** G/L distribution (use tax of $50)
- **Cr 50** PT,.,., + tax rate/area (self-assessed taxes payable account for the tax rate/area). If this account does not exist, uses PT,.,.

**S** Sales Tax (PST in Canada), Seller-Assessed. When you enter a voucher, you debit G/L distribution accounts (for the goods plus the sales tax) and the system credits an accounts payable account. PCxxxx identifies the A/P account. Example:

- **Dr 1050** G/L distribution (goods of $1000 + sales tax of $50)
- **Cr 1050** PCxxxx Gross (A/P account for goods of $1000 + sales tax of $50)

**ST** Sales Tax (PST in Canada), Seller-Assessed. Taxes Only. The accounts are the same as those for S. Example:

- **Dr 50** G/L distribution (sales tax of $50)
- **Cr 50** PCxxxx Gross (A/P account for sales tax of $50)

**E** Exempt (Goods are Not Taxable). When you enter a voucher, the system performs no tax calculations. You debit G/L distribution accounts and the system credits an accounts payable account. Example:

- **Dr 1000** G/L distribution (goods of $1000)
- **Cr 1000** PCxxxx Gross (A/P account for goods of $1000)

**B** GST +self-assessed PST (Canada only). When you enter a voucher, you debit G/L distribution accounts (for the goods + PST). The system debits a GST receivable account, credits the self-assessed tax payable account, and credits the accounts payable account. PT,.,., identifies the business unit and object of the self-assessed tax account and the tax rate/area is the subsidiary portion of the self-assessed tax account. PTxxxx identifies the GST receivable account and PCxxxx identifies the A/P account. Example:

- **Dr 1030** G/L distribution (goods of $1000 + PST of $30)
- **Dr 70** PTxxxx (GST receivable account for the tax rate/area)
- **Cr 30** PT,.,., + tax rate/area (PST self-assessed taxes payable account for the tax rate/area). If this account does not exist, uses PT,.,.
- **Cr 1070** PCxxxx Gross (A/P account for goods of $1000 + GST of $70)

**BT** GST + self-assessed PST (Canada only). Taxes Only. The accounts are the same as those for B. Example:

- **Dr 30** G/L distribution (PST of $30)
- **Dr 70** PTxxxx (GST receivable account for the tax rate/area)
- **Cr 30** PT,.,., + tax rate/area (PST self-assessed taxes payable account for the tax rate/area). If this account does not exist, uses PT,.,.
- **Cr 70** PCxxxx Gross (A/P account for GST of $70)
Automatic Accounting Instructions (AAIs)

C  GST + seller-assessed PST (Canada only). When you enter a voucher, you debit G/L distribution accounts (for the goods + PST). The system debits a GST receivable account and credits the accounts payable account. PTxxxx identifies the GST receivable account and PCxxxx identifies the A/P account. For example:

Dr   1030  G/L distribution (goods of $1000 + PST of $30)  
Dr   70     PTxxxx (GST receivable account for the tax rate/area)  
Cr   1100  PCxxxx Gross (A/P account for goods of $1000 + GST of $70 + PST of $30)

CT  GST + seller-assessed PST (Canada only). Taxes Only. The accounts are the same as those for C. Example:

Dr   30     G/L distribution (PST of $30)  
Dr   70     PTxxxx (GST receivable account for the tax rate/area)  
Cr   100  PCxxxx Gross (A/P account for GST of $70 + PST of $30)

Defaults

You should set up the AAI for company 00000. If the system cannot find an AAI for a specific company, it uses the AAI from company 00000 as the default. In other words, you do not need to set up an AAI for each company if several companies use the same account.

The following example shows how the system searches for AAIs. The example applies to Company 00007 and PTxxxx. The system performs AAI searches in the sequence shown below.

1. Searches for Company 00007, item PTxxxx.
2. If not found in the previous step, searches for Company 00000, Item PTxxxx.
3. If not found in the previous step, displays an error message.
AAIs for Accounts Receivable

The Tax Rates & Areas screen has a field named G/L Off (General Ledger Offset). The code you enter in this field identifies an AAI. The AAI, in turn, identifies a tax account in the chart of accounts. For each G/L offset you set up (on the Tax Rates & Areas screen), you must also set up an AAI and one or more accounts.

You can set up new accounts in the chart of accounts either before or after you set up the AAIs.

AAI Naming Convention

You can name AAIs with a maximum of six letters. For taxes, the system generates the first two letters of the AAI and you specify the remaining four letters through G/L offsets.

<table>
<thead>
<tr>
<th>System Type</th>
<th>Characters 1-2</th>
<th>Characters 3-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>A/R</td>
<td>Always RT</td>
<td>The four-character G/L offset field on the Tax Rates &amp; Areas screen</td>
</tr>
</tbody>
</table>

For example, the screen below shows an AAI named RTVATB. The system prefix for a receivable is RT and VATB is the code you entered in the G/L Off field on the Tax Rates & Areas screen.

Examples

<table>
<thead>
<tr>
<th>Sequence Number</th>
<th>Company</th>
<th>Bus. Unit</th>
<th>Object</th>
<th>Sub</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>00121</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Automatic Acctg Instructions</td>
</tr>
<tr>
<td>Skip to Sequence Number. 3.32</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>P Number</th>
<th>Company</th>
<th>Bus. Unit</th>
<th>Object</th>
<th>Sub</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.320</td>
<td></td>
<td>1 4431</td>
<td>RTTXTX</td>
<td></td>
<td>Accrued Sales or VAT Tax</td>
</tr>
<tr>
<td>3.320</td>
<td></td>
<td>70 4431</td>
<td>RTTXTX</td>
<td></td>
<td>Accrued Sales or VAT Tax</td>
</tr>
<tr>
<td>3.320</td>
<td></td>
<td>70 4431</td>
<td>RTVATB</td>
<td></td>
<td>VAT Payable on sales</td>
</tr>
<tr>
<td>3.330</td>
<td></td>
<td>9 8991</td>
<td>RG</td>
<td></td>
<td>Realized Gain on Foreign Currency Payments</td>
</tr>
<tr>
<td>3.330</td>
<td></td>
<td>799 8991</td>
<td>RG</td>
<td></td>
<td>Realized Gain on Foreign Currency Payments</td>
</tr>
</tbody>
</table>

Opt1=AAI Rev  F5=Acct Struct by BU  F15=AAI Rev  F21=Print  F24=More Keys
A/R AAIs for Tax Explanation Codes

For A/R, depending on which tax explanation code you specify, the system can use different AAIs and post differently. In other words, the system tries to find an AAI based on the tax explanation code.

AAI items for A/R are listed below. You can set up several per company. The lower case x identifies the offset from the Tax Rates & Areas screen and lets you define separate accounts for each type of tax authority. Remember that codes U and B (for self-assessed taxes) are not valid for A/R. Because the purchaser of the goods pays self-assessed sales taxes directly to the tax authority, the seller of the goods cannot have a receivable for the sales tax.

G/L distribution is the amount to be allocated to general ledger accounts, such as revenue and expense accounts. Generally, the distribution amount is the goods plus sales tax because this is the true cost of purchased goods. VAT is not included in the distribution amount because, typically, a company is reimbursed for VAT paid to suppliers when the company sells those goods.

Gross is the total invoice amount paid to a supplier or collected from a customer. For example, self-assessed sales taxes are never included in an invoice from a supplier.

V VAT (GST in Canada). When you enter an invoice, you credit G/L distribution accounts (for the goods). The system debits an accounts receivable account and credits a VAT payable account. RTxxx identifies the VAT payable account and RCxxxx identifies the A/R account. Example:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>1100</td>
<td>RCxxxx Gross (accounts receivable for goods of $1000 + VAT of $100)</td>
<td></td>
</tr>
<tr>
<td>Cr</td>
<td>100</td>
<td>RTxxx (VAT payable account for the tax rate/area)</td>
<td></td>
</tr>
<tr>
<td>Cr</td>
<td>1000</td>
<td>G/L distribution (goods of $1000)</td>
<td></td>
</tr>
</tbody>
</table>

V+ VAT (Calculated as a Tax on a Tax). The accounts are the same as those for V.

VT VAT (Taxes Only). The accounts are the same as those for V. Example:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>100</td>
<td>RCxxxx Gross (accounts receivable for VAT of $100)</td>
<td></td>
</tr>
<tr>
<td>Cr</td>
<td>100</td>
<td>RTxxx (VAT payable account for the tax rate/area)</td>
<td></td>
</tr>
<tr>
<td>Cr</td>
<td>0</td>
<td>G/L distribution (goods of $0)</td>
<td></td>
</tr>
</tbody>
</table>

S Sales Tax (PST in Canada), Seller-Assessed. When you enter an invoice, you credit G/L distribution accounts (for the goods plus the sales tax). The system debits an accounts receivable account. RCxxxx identifies the A/R account. Example:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>1050</td>
<td>RCxxxx Gross (accounts receivable for goods of $1000 + sales tax of $50)</td>
<td></td>
</tr>
<tr>
<td>Cr</td>
<td>1050</td>
<td>G/L distribution (goods of $1000 + sales tax of $50)</td>
<td></td>
</tr>
</tbody>
</table>

ST Sales Tax (PST in Canada), Seller-Assessed. Taxes Only. The accounts are the same as those for S. Example:

<p>| | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dr</td>
<td>50</td>
<td>RCxxxx Gross (accounts receivable for sales tax of $50)</td>
<td></td>
</tr>
<tr>
<td>Cr</td>
<td>50</td>
<td>G/L distribution (sales tax of $50)</td>
<td></td>
</tr>
</tbody>
</table>
Exempt. When you enter an invoice, the system performs no tax calculations. You credit G/L distribution accounts and the system debits an accounts receivable account. Example:

Dr 1000  RCxxxx Gross (accounts receivable for goods of $1000)
Cr 1000  G/L distribution (goods of $1000)

GST + Seller-assessed PST (Canada only). When you enter an invoice, you credit G/L distribution accounts (for the goods + PST). The system debits an accounts receivable account and credits a GST payable account. RTxxxx identifies the GST payable account and RCxxxx identifies the A/R account. Example:

Dr 1155  RCxxxx Gross (accounts receivable for goods of $1000 + GST of $100 + PST of $55)
Cr 100  RTxxxx (GST payable account for the tax rate/area)
Cr 1055  G/L distribution (goods of $1000 + PST of $55)

GST + Seller-assessed PST (Canada only). Taxes Only. Accounts are the same as those for C. Example:

Dr 155  RCxxxx Gross (accounts receivable for GST of $100 + PST of $55)
Cr 100  RTxxxx (GST payable account for the tax rate/area)
Cr 55  G/L distribution (PST of $55)

Defaults

You should set up A/R AAs for company 00000. If the system cannot find an AAI for a specific company, it uses the AAI from company 00000 as the default. In other words, you do not need to set up an AAI for each company if several companies use the same account.

The following example shows how the system searches for AAs. The example applies to Company 00007 and RTVATB. The system performs AAI searches in the sequence shown below.

1. Searches for Company 00007, item RTVATB.
2. If not found in the previous step, searches for Company 00000, Item RTVATB.
3. If not found in the previous step, displays an error message.
AAIs for Journal Entries

The Tax Rates & Areas screen (described in the chapter with the same name) has a field named G/L Off (General Ledger Offset). The code you enter in this field identifies an AAI. The AAI, in turn, identifies a tax account in the chart of accounts. For each G/L offset you set up (on the Tax Rates & Areas screen), you must also set up an AAI and one or more accounts.

AAI Naming Convention

You can name AAIs with a maximum of six letters. For taxes, the system generates the first two letters of the AAI and you specify the remaining four letters through G/L offsets.

<table>
<thead>
<tr>
<th>System Type</th>
<th>Characters 1-2</th>
<th>Characters 3-6</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Ledger</td>
<td>Always GT</td>
<td>The four-character G/L offset field for the first tax authority on the Tax Rates &amp; Areas screen.</td>
</tr>
</tbody>
</table>

For example, the screen below shows an AAI named GTVATA. The system prefix for a receivable is GT and VATA is the code you entered for the first tax authority in the G/L Off field on the Tax Rates & Areas screen.

Examples

00121  Automatic Acctg Instructions
Skip to Sequence Number. . 1,700

<table>
<thead>
<tr>
<th>Sequence P Number</th>
<th>Company</th>
<th>Bus. Unit</th>
<th>Object</th>
<th>Sub</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,700 Journal Entry with VAT Tax</td>
<td>GTxxxx</td>
<td>1 1240</td>
<td>GT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,700 Journal Entry with VAT Tax</td>
<td>GTxxxx</td>
<td>45 SSS 1240 GT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,700 Journal Entry with VAT Tax</td>
<td>GTxxxx</td>
<td>50</td>
<td>GTVATA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,700 Journal Entry with VAT Tax</td>
<td>GTxxxx</td>
<td>1 1240</td>
<td>GTVATB</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Opt1=AAI Rev  F5=Acct Struct by BU  F15=AAI Rev  F21=Print  F24=More Keys
Defaults

You should set up general ledger AAI s for company 00000. If the system cannot find an AAI for a specific company, it uses the AAI from company 00000 as the default. In other words, you do not need to set up an AAI for each company if several companies use the same account.

The following example shows how the system searches for AAI s. The example applies to Company 00007 and GTVATA. The system performs AAI searches in the sequence shown below.

1. Searches for Company 00007, item GTVATA.
2. If not found in the previous step, searches for Company 00000, Item GTVATA.
3. If not found in the previous step, displays an error message.

If a business unit is not specified in the AAI, the system uses the business unit of the journal entry’s account number. For example, if you set up GTVATA (where the object is 4431 and the business unit is blank) and enter a journal entry with account 1.2010, the system creates the VAT offset with account 1.4431.
AAI Screens for Purchase Orders and Sales Orders

Purchase orders and sales orders use three AAI screens. You use one screen to view the AAI tables, the second to add AAI tables, and the third to define AAIs for AAI tables. For these orders, you must create AAIs for each unique combination of company, document type, and G/L class that you need and point each AAI to a specific a business unit, object, and subsidiary.

Note that the AAI screens for purchase orders and sales orders differ from the AAI screens for A/P, A/R, and journal entries.

Automatic Accounting Instructions Screen

Use this screen to view your AAI tables. The screen below shows AAI table 4300.

Navigation

There are several ways to access this screen. Two are listed below.

- Purchase Orders. From the Purchase Order Management menu (G43), type 29 and press Enter. From the Purchasing System Setup menu (G43A41), select Automatic Accounting Instr.

- Sales Orders. From the Sales Order Management menu (G42), type 29 and press Enter. From the Sales Order Management Setup menu (G42A1), select Automatic Accounting Instr.

Screen

<table>
<thead>
<tr>
<th>40901</th>
<th>Automatic Accounting Instr.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Skip To AAI. . . . 4300</td>
<td>Purchase Management</td>
</tr>
<tr>
<td>Description</td>
<td>Description-2</td>
</tr>
<tr>
<td>Purchase Management</td>
<td>Purchasing Activity</td>
</tr>
<tr>
<td>Receipts and Voucher Match</td>
<td></td>
</tr>
<tr>
<td>Inventory</td>
<td>GPI</td>
</tr>
<tr>
<td>Non-Inventory</td>
<td>GPN</td>
</tr>
<tr>
<td>Received not Voucher</td>
<td>GPR</td>
</tr>
<tr>
<td>Variances</td>
<td></td>
</tr>
<tr>
<td>Received/Voucher</td>
<td>OPV</td>
</tr>
<tr>
<td>Standard Cost</td>
<td>OPP</td>
</tr>
<tr>
<td>Exchange Rate</td>
<td>OPX</td>
</tr>
<tr>
<td>Tax Liabilities</td>
<td></td>
</tr>
<tr>
<td>Purchase Tax Accrual</td>
<td>OPT</td>
</tr>
<tr>
<td>Received not Voucher Tax</td>
<td>OPA</td>
</tr>
<tr>
<td>Receipt Routing</td>
<td></td>
</tr>
<tr>
<td>Prior to Recpt/Compl Liab.</td>
<td>NEW</td>
</tr>
<tr>
<td>Routing Operation</td>
<td>NEW</td>
</tr>
<tr>
<td>Disposition</td>
<td>NEW</td>
</tr>
</tbody>
</table>

Opt 1=AAI Revisions F5=AAI Types F14=Memo F21=Print F24=More Keys
Distribution AAI Record Types Screen

Use this screen to view table numbers. The screen below shows tables 4300-4375.

Navigation

From the Automatic Accounting Instructions screen, press F5.

Screen

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Description</th>
<th>Description-2</th>
<th>T</th>
</tr>
</thead>
<tbody>
<tr>
<td>4300</td>
<td>Purchase Management</td>
<td>Purchasing Activity</td>
<td></td>
</tr>
<tr>
<td>4305</td>
<td>Receipts and Voucher Match</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4310</td>
<td>Inventory</td>
<td>- OPI</td>
<td></td>
</tr>
<tr>
<td>4315</td>
<td>Non-inventory</td>
<td>- OPN</td>
<td></td>
</tr>
<tr>
<td>4320</td>
<td>Received not Vouchered</td>
<td>- OPK</td>
<td></td>
</tr>
<tr>
<td>4325</td>
<td>Variances</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4330</td>
<td>Received/Vouchered</td>
<td>- OPV</td>
<td></td>
</tr>
<tr>
<td>4335</td>
<td>Standard Cost</td>
<td>- OPP</td>
<td></td>
</tr>
<tr>
<td>4340</td>
<td>Exchange Rate</td>
<td>- OPX</td>
<td></td>
</tr>
<tr>
<td>4345</td>
<td>Tax Liabilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4350</td>
<td>Purchase Tax Accrual</td>
<td>- OPT</td>
<td></td>
</tr>
<tr>
<td>4355</td>
<td>Received not Vouchered Tax</td>
<td>- OPA</td>
<td></td>
</tr>
<tr>
<td>4360</td>
<td>Receipt Routing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4365</td>
<td>Prior to Receipt/Compl Liab.</td>
<td>- NEW</td>
<td></td>
</tr>
<tr>
<td>4370</td>
<td>Routing Operation</td>
<td>- NEW</td>
<td></td>
</tr>
<tr>
<td>4375</td>
<td>Disposition</td>
<td>- NEW</td>
<td></td>
</tr>
</tbody>
</table>

F14=Memo  F24=More Keys

Distribution Automatic Account Screen

Use this screen to define AAIs for the tables. The screen below shows AAIs for table 4350.

Navigation

From the Automatic Accounting Instructions screen, type 1 on the OP (Option) field next to an AAI and press Enter.

Screen

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Description</th>
<th>Account Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Bus. Unit</td>
</tr>
<tr>
<td>00000 OP IN20 Purchase Order / Inventory</td>
<td>1240</td>
<td></td>
</tr>
<tr>
<td>00004 OP IN20 Purchase Order / Inventory</td>
<td>1240</td>
<td></td>
</tr>
<tr>
<td>00004 OP IN20 Purchase Order / Inventory</td>
<td>1240</td>
<td></td>
</tr>
<tr>
<td>00004 OP IN20 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
<td></td>
</tr>
<tr>
<td>00043 OP IN10 Purchase Order / Inventory Tran</td>
<td>HJW 1240 OPT</td>
<td></td>
</tr>
<tr>
<td>00060 OP ** Purchase Order / Stock Inventor</td>
<td>SCT 1240 OPT</td>
<td></td>
</tr>
<tr>
<td>00084 OP ** Purchase Order / Stock Inventor</td>
<td>SCT 1240 OPT</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN20 Purchase Order / Inventory</td>
<td>1200 1240</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN20 Purchase Order / Inventory</td>
<td>1200 1240</td>
<td></td>
</tr>
<tr>
<td>00500 OP NS40 Purchase Order / Non-Inventory</td>
<td>30 1240</td>
<td></td>
</tr>
<tr>
<td>12345 OP IN10 Purchase Order / Stock Inventor</td>
<td>SJS 1240 OPT</td>
<td></td>
</tr>
<tr>
<td>12345 OP IN20 Purchase Order / Inventory</td>
<td>SJS 1240 OPT</td>
<td></td>
</tr>
</tbody>
</table>

F14=Memo  F21=Print  F24=More Keys

Reference 11/96 (Release A7.3)
Automatic Accounting Instructions (AAIs)

AAIs for Purchase Orders

AAI Table Naming Convention

The AAIs for purchase orders are in AAI tables that always begin with the numbers 43.

NOTE: You will use the AAIs for purchase orders at the time of the purchase order receipt and voucher match. You will use AAIs for A/P at the time you post the voucher in some cases.

Examples

The screen below shows two the AAI tables specifically for taxes.
Automatically Accounting Instructions (AAIs)

The screens below show AAIs for Purchase Tax Accrual and Received Not Vouched tax. For each unique combination of company, document type, and G/L class, an AAI points to a specific business unit, object, and subsidiary.

Example 1: The first screen below shows a purchase order with sales tax entered with document type OP for company 00043 and items on the order for G/L class IN10. It uses account HJW.1240.OPT for the purchase tax accrual entry.

Example 2: The second screen below shows a purchase order with sales tax was entered with document type OP for company 00040 and items on the order for G/L class IN20. It uses account 40.4431 for the received not vouchedered tax entry. Note that a blank business unit indicates the business unit on the purchase order (00040) and there is no subsidiary account.

### 40950 Distribution Automatic Account

<table>
<thead>
<tr>
<th>Action Code. . . . .</th>
<th>See Memo</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAI Table Number . .</td>
<td>4350</td>
</tr>
<tr>
<td>Company. . . . . . .</td>
<td>Purchase Tax Accrual</td>
</tr>
<tr>
<td>Document Type. . .</td>
<td>OPT</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Do G/L</th>
<th>Account Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Co. Ty Cls. Description</td>
<td>Bus. Unit</td>
</tr>
<tr>
<td>00000 OP IN20 Purchase Order / Inventory</td>
<td>1240</td>
</tr>
<tr>
<td>00001 OP IN20 Purchase Order / Inventory</td>
<td>1240</td>
</tr>
<tr>
<td>00002 OP IN20 Purchase Order / Inventory</td>
<td>1240</td>
</tr>
<tr>
<td>00003 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00004 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00005 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00006 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00007 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00008 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00009 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00010 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00011 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00012 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00013 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00014 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00015 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00016 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00017 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00018 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00019 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00020 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00021 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00022 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00023 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00024 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00025 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00026 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00027 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00028 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00029 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00030 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00031 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00032 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00033 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00034 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00035 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00036 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00037 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00038 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00039 OP IN10 Purchase Order / Stock Inventor</td>
<td>HJW 1240 OPT</td>
</tr>
<tr>
<td>00040 OP IN20 Purchase Order / Inventory</td>
<td>4431</td>
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<tr>
<td>00041 OP IN20 Purchase Order / Inventory</td>
<td>4431</td>
</tr>
<tr>
<td>00042 OP IN20 Purchase Order / Inventory</td>
<td>4431</td>
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<td>00043 OP IN20 Purchase Order / Inventory</td>
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<td>00050 OP IN20 Purchase Order / Inventory</td>
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<td>00081 OP IN20 Purchase Order / Inventory</td>
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<tr>
<td>00098 OP IN20 Purchase Order / Inventory</td>
<td>4431</td>
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<tr>
<td>00099 OP IN20 Purchase Order / Inventory</td>
<td>4431</td>
</tr>
<tr>
<td>00100 OP IN20 Purchase Order / Inventory</td>
<td>4431</td>
</tr>
</tbody>
</table>

| F14=Memo | F21=Print | F24=More Keys |
Automatic Accounting Instructions (AAIs)

Defaults

If the system cannot find an AAI for a specific company and a specific G/L class, it uses Company 00000 and G/L class **** as the defaults.

The following example shows how the system searches for AAIs. The example applies to Company 00040 and G/L class IN20. The system performs AAI searches in the sequence shown below.

1. Searches for Company 00040, G/L class IN20.
2. If not found in the previous step, searches for Company 00040, G/L class ****.
3. If not found in the previous step, searches for Company 00000, G/L class IN20.
4. If not found in the previous step, searches for Company 00000, G/L class ****.
5. If not found in the previous step, displays an error message.
AAIs for Sales Orders

AAI Table Naming Convention

The AAIs for sales orders are in AAI tables that always begin with the numbers 42.

Examples

The screen below shows one AAI specifically for taxes.

<table>
<thead>
<tr>
<th>Sales Order Management</th>
<th>Sales Activity</th>
<th>Description-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Goods Sold</td>
<td>- SOS</td>
<td>See Memo</td>
</tr>
<tr>
<td>Revenue</td>
<td>- SOT</td>
<td>See Memo</td>
</tr>
<tr>
<td>Inventory</td>
<td>- SQL</td>
<td>See Memo</td>
</tr>
<tr>
<td>Tax Liability</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inter Branch Revenue</td>
<td>- NEW</td>
<td></td>
</tr>
</tbody>
</table>

The screen on the next page shows AAIs for the tax table. For each unique combination of company, document type, and G/L class, an AAI points to a specific business unit, object, and subsidiary.
Example: The screen below shows a sales order with sales tax entered with a document type SD for Company 00048 and a G/L offset in the tax rate area of TXTX. It uses account 48.4550 for the sales tax entry.

Note: A blank business unit indicates the business unit from the sales order.

<table>
<thead>
<tr>
<th>Co.</th>
<th>Do G/L</th>
<th>Description</th>
<th>Account Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000</td>
<td>SD TXTX</td>
<td>Direct Ship / Tax Transaction</td>
<td>10 4550 1442</td>
</tr>
<tr>
<td>00000</td>
<td>SD TXTX</td>
<td>Sales Order / Tax Transaction</td>
<td>4550</td>
</tr>
<tr>
<td>00000</td>
<td>ST TXTX</td>
<td>Transfer Sale / Tax Transaction</td>
<td>4550</td>
</tr>
<tr>
<td>00048</td>
<td>SD TXTX</td>
<td>Direct Ship / Tax Transaction</td>
<td>48 4550</td>
</tr>
<tr>
<td>00048</td>
<td>SD TXTX</td>
<td>Sales Order / Tax Transaction</td>
<td>48 4550</td>
</tr>
<tr>
<td>00048</td>
<td>ST TXTX</td>
<td>Transfer Sale / Tax Transaction</td>
<td>48 4550</td>
</tr>
<tr>
<td>00080</td>
<td>SD ***</td>
<td>Sales Order / Tax Transaction</td>
<td>4550</td>
</tr>
<tr>
<td>00100</td>
<td>SD TXTX</td>
<td>Direct Ship / Tax Transaction</td>
<td>100 4550</td>
</tr>
<tr>
<td>00100</td>
<td>SD TXTX</td>
<td>Sales Order / Tax Transaction</td>
<td>100 4550</td>
</tr>
<tr>
<td>00100</td>
<td>SD TXTX</td>
<td>Sales Order - / Tax Transaction</td>
<td>100 4550</td>
</tr>
<tr>
<td>00100</td>
<td>ST TXTX</td>
<td>Transfer Sale / Tax Transaction</td>
<td>100 4550</td>
</tr>
<tr>
<td>00200</td>
<td>SD TXTX</td>
<td>Sales Order / Tax Transaction</td>
<td>200 4550</td>
</tr>
<tr>
<td>12345</td>
<td>SD TXTX</td>
<td>Direct Ship / Tax Transaction</td>
<td>10 4550</td>
</tr>
</tbody>
</table>

F14=Memo  F21=Print  F24=More Keys

**Defaults**

If the system cannot find an AAI for a specific company and a specific G/L class, it uses Company 00000 and G/L class **** as the defaults.

The following example shows how the system searches for AAIs. The example applies to Company 00040 and G/L class TXTX. The system performs AAI searches in the sequence shown below.

1. Searches for Company 00040, G/L class TXTX.
2. If not found in the previous step, searches for Company 00040, G/L class ****.
3. If not found in the previous step, searches for Company 00000, G/L class TXTX.
4. If not found in the previous step, searches for Company 00000, G/L class ****.
5. If not found in the previous step, displays an error message.
Procedures

For detailed information about AAI procedures, review other guides. The procedures for the AAI screens used for A/P, A/R, and journal entries are described in the Technical Foundation Guide. The procedures for the AAI screens used for purchase orders and sales orders are described in both the Purchase Management Guide and the Sales Order Management Guide.

These guides describe how to add new AAI, add new accounts, set processing options, and so on.

Guidelines

- Identifying which AAI to Set Up. For each VAT tax rate/area you set up, you can have up to five tax authorities. (The Tax Rates & Areas screen accepts up to five.) For each VAT tax authority, you can specify a different G/L offset and thus post to a different account.

- Accounts. You can set up new accounts in the chart of accounts either before or after you set up the AAI.

Verify that each AAI points to the appropriate general ledger account to ensure that programs post the taxes collected or paid to the proper accounts. You can have AAI points to asset accounts, contra-liability accounts (rather than an asset account), liability accounts, and so on.

- Business Unit, Object, Subsidiary. For A/P, the AAI item named PT defines part of the use tax payable account (for tax explanation codes U and B, self-assessed sales taxes). PT defines the business unit and object. Subsidiary is the tax rate area. For example:

  - AAI PT points to account 1.4423
  - Use tax for the tax rate/area named ABCD points to account 1.4423.ABCD. If 1.4423.ABCD does not exist, uses account 1.4423

For A/R, there are no use taxes. Tax explanation codes U and B are invalid.

- Examples. The chapters Entry and Post Examples for A/P, A/R, and Sales Orders and Entry and Post Examples for Purchase Orders describe how the system uses AAI to calculate and post tax amounts to the general ledger for each of the tax explanation codes. Although the procedures to use the entry screens and the names of the fields on the screens can differ for A/R invoices, purchase orders, and sales orders, the way that the system calculates and posts taxes does not differ.

- Authorization. Access to the Automatic Accounting Instructions Revisions screen should be limited to the people responsible for maintaining it.
Tax Rules by Company

This chapter describes how to define tax calculation rules for the A/R, A/P, Sales Order Management, Purchase Management, and General Accounting systems. Because these systems automatically calculate taxes when you enter transactions, it is important to accurately define the rules for these calculations.

You establish tax rules by company. The rules include the ability to do the following:

- Cause the system to display a warning message (or to reject a transaction altogether) whenever someone enters a tax entry that differs from the system-calculated tax. You identify the difference by which the entry can differ from the system calculation.
- Calculate discounts on a gross amount that already includes the tax.
- Calculate the tax on a gross amount that includes the discount amount.

The chapter also contains some examples to show how the system calculates the taxes using the tax rules you define.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Tax Rules by Company.
**Screen and Fields**

### Tax Rules by Company

**0022**

**Action Code**

**Company**

**System (A/R=1, A/P=2, G/L=3)**

<table>
<thead>
<tr>
<th>Tolerance Percentage for Warning</th>
<th>1.000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tolerance Percentage for Error</td>
<td>5.000</td>
</tr>
<tr>
<td>or</td>
<td></td>
</tr>
<tr>
<td>Tolerance Amount for Warning</td>
<td>0.00</td>
</tr>
<tr>
<td>Tolerance Amount for Error</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**F3=Exit  F24=More Keys**

<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company</td>
<td>A code that identifies a specific organization, fund, entity, and so on. This code must already exist in the Company Constants table (F0010). It must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions. NOTE: You can use company 00000 for default values, such as dates and automatic accounting instructions (AAIs). You cannot use it for transaction entries.</td>
</tr>
<tr>
<td>Tax Rules System</td>
<td>Number that indicates which systems the tax rules apply to. Numbers are:</td>
</tr>
<tr>
<td></td>
<td>1 A/R and Sales Orders</td>
</tr>
<tr>
<td></td>
<td>2 A/P and Purchase Orders</td>
</tr>
<tr>
<td></td>
<td>3 General ledger (journal) entries</td>
</tr>
<tr>
<td>FIELD</td>
<td>EXPLANATION</td>
</tr>
<tr>
<td>------------------------------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
</tbody>
</table>
| Tolerance Percentage for     | Percentage used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses this percentage to determine whether to display a warning message. Enter the percentage as a whole number. For example, enter 10% as 10. If you enter 10 in this field and there is a difference between the tax amount you entered and the system-calculated tax amount, the system handles it as follows:  
  Accept  
    difference is 9.99% or less  
  Warning  
    difference is 10% or more  
  The default (blank) causes a warning message to display if you enter a tax that does not exactly match the system-calculated amount tax.  
  NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts. |
| Warning                      |                                                                                                                                              |
| Tolerance Percentage for     | Percentage used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses the percentage to determine whether to reject the tax entry.  
  This percentage is used in conjunction with the Tolerance Percentage for Warning field. For example, a 10 tolerance percentage for warning and a 15 tolerance percentage for error works as follows:  
  Accept  
    difference is 9.99% or less  
  Warning  
    difference is between 10% and 14.99%  
  Reject  
    difference is 15% or more  
  The default (blank) indicates that no entry is to be rejected.  
  NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts. |
<p>| Error                        |                                                                                                                                              |</p>
<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tolerance Amount for</td>
<td>Amount used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses this amount to determine whether to display a warning message. For example, if you enter .50 and there is a difference between the tax amount you entered and the system-calculated tax amount, the system handles it as follows:</td>
</tr>
<tr>
<td>Warning</td>
<td>Accept – difference is .49 or less</td>
</tr>
<tr>
<td></td>
<td>Warning – difference is .50 or more</td>
</tr>
<tr>
<td></td>
<td>The default (zero) causes a warning message to display if you enter a tax that does not exactly match the system-calculated tax.</td>
</tr>
<tr>
<td></td>
<td>NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts.</td>
</tr>
<tr>
<td>Tolerance Amount for</td>
<td>Amount used only for A/R, A/P, and G/L processing (sales order and purchase order processing do not use it). When you enter a VAT or GST amount that differs from the system-calculated tax, the system uses this amount to determine whether to reject the tax entry.</td>
</tr>
<tr>
<td>Error</td>
<td>This amount is used in conjunction with the Tolerance Amount for Warning field. For example, a .50 tolerance amount for warning and a 1.00 tolerance amount for error works as follows:</td>
</tr>
<tr>
<td></td>
<td>Accept – difference is .49 or less</td>
</tr>
<tr>
<td></td>
<td>Warning – difference is between .50 and .99</td>
</tr>
<tr>
<td></td>
<td>Reject – difference is 1.00 or more</td>
</tr>
<tr>
<td></td>
<td>The default (zero) indicates that no entry is to be rejected.</td>
</tr>
<tr>
<td></td>
<td>NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts.</td>
</tr>
<tr>
<td>FIELD</td>
<td>EXPLANATION</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Calculate Tax on Gross (Including Disc)</td>
<td>A code that indicates whether to calculate the tax on a gross amount that includes the discount amount. Valid codes are:</td>
</tr>
<tr>
<td></td>
<td>Y Calculate the tax amount on the gross.</td>
</tr>
<tr>
<td></td>
<td>N Calculate the tax amount on the gross less the discount amount.</td>
</tr>
<tr>
<td></td>
<td>Blank Defaults to Y.</td>
</tr>
<tr>
<td></td>
<td>Self-assessed taxes are not included in discount calculations.</td>
</tr>
<tr>
<td></td>
<td>NOTE: This field does not apply to G/L processing. A/R, A/P, sales orders, and purchase orders use it.</td>
</tr>
<tr>
<td>Calculate Discount on Gross (Including Tax)</td>
<td>A code that indicates whether to calculate the discount on a gross amount that already includes the tax amount. Valid codes are:</td>
</tr>
<tr>
<td></td>
<td>Y Calculate the discount amount on the gross with tax.</td>
</tr>
<tr>
<td></td>
<td>N Calculate the discount amount on the gross less the tax amount.</td>
</tr>
<tr>
<td></td>
<td>Blank Defaults to N.</td>
</tr>
<tr>
<td></td>
<td>Self-assessed taxes are not included in discount calculations.</td>
</tr>
<tr>
<td></td>
<td>NOTE: This field does not apply to G/L processing. A/R, A/P, sales orders, and purchase order processing use it.</td>
</tr>
<tr>
<td>Tax Rules-Allow Understatement</td>
<td>Code that indicates whether you can enter a VAT or GST amount on the A/R Invoice Entry screen that is less than the system-calculated tax amount (less than the specified tax rate). Codes are:</td>
</tr>
<tr>
<td></td>
<td>Y Accept amount less than the specified tax rate.</td>
</tr>
<tr>
<td></td>
<td>N Reject amount less than the specified tax rate.</td>
</tr>
<tr>
<td></td>
<td>Blank Defaults to N.</td>
</tr>
<tr>
<td></td>
<td>NOTE: This field applies only to VAT and GST.</td>
</tr>
<tr>
<td></td>
<td>Form-specific information</td>
</tr>
<tr>
<td></td>
<td>This field appears on the screen only when the System field is 1, and it only applies to A/R.</td>
</tr>
<tr>
<td>Calculate Sales Order Taxes on Summary</td>
<td>Code that indicates whether the system calculates taxes and performs rounding for sales orders at the detail or the order level. Values are:</td>
</tr>
<tr>
<td></td>
<td>Y Calculate taxes and rounding at the order level.</td>
</tr>
<tr>
<td></td>
<td>N Calculate taxes and rounding at the detail level.</td>
</tr>
<tr>
<td></td>
<td>Blank Defaults to N.</td>
</tr>
</tbody>
</table>
Tax Rules by Company

Tax Rules and Systems

VAT and Canadian Considerations

For companies in countries that assess value added taxes, all fields on the Tax Rules by Company screen can apply. Which rules apply depends on which JDE systems your company owns. The following tables describe the systems and applicable rules.

Rules for A/R and Sales Orders

When you enter 1 in the System field, the rules apply to both the A/R and Sales Order Management systems.

For A/R invoice processing, the system uses the following tax rules:

- Tolerance percentage for warning and tolerance percentage for error
- Tolerance amount for warning and tolerance amount for error
- Calculate tax on gross (including discounts)
- Calculate discount on gross (including taxes)
- Allow understatement of tax amount

For sales order processing, the system uses the following tax rules:

- Calculate tax on gross (including discounts)
- Calculate discount on gross (including taxes)
- Calculate sales order taxes on summary

Rules for A/P and Purchase Orders

When you enter 2 in the System field, the rules apply to both the A/P and Purchase Management systems.

For A/P voucher processing, the system uses the following tax rules:

- Tolerance percentage for warning and tolerance percentage for error
- Tolerance amount for warning and tolerance amount for error
- Calculate tax on gross (including discounts)
- Calculate discount on gross (including taxes)

For purchase order processing, the system uses the following tax rules:

- Calculate tax on gross (including discounts)
- Calculate discount on gross (including taxes)

Rules for Journal Entries

When you enter 3 in the System field, the system uses the following tax rules:

- Tolerance percentage for warning and tolerance percentage for error
- Tolerance amount for warning and tolerance amount for error
United States (Sales and Use Tax) Considerations

For companies that deal only with sales and use taxes (such as companies in the United States), only the calculation rules are valid. The following tables describe the systems and applicable rules.

Rules for A/R and Sales Orders

When you enter 1 in the System field, the following rules apply to both the A/R and Sales Order Management systems:

For A/R invoice processing, the system uses the following tax rules:

- Calculate tax on gross (including discounts)
- Calculate discount on gross (including taxes)

For sales order processing, the system uses the following tax rules:

- Calculate tax on gross (including discounts)
- Calculate discount on gross (including taxes)
- Calculate sales order taxes on summary

The Allow Understatement of Tax Amount and variance tolerance fields apply only to VAT or GST.

Rules for A/P and Purchase Orders

When you enter 2 in the System field, the following rules apply to both the A/P and Purchase Management systems:

- Calculate tax on gross (including discounts)
- Calculate discount on gross (including taxes)

The variance tolerance fields apply only to VAT or GST.

Rules for Journal Entries

None of the rules apply.
System Calculation Examples

Simple examples are shown to clarify how two fields on the Tax Rules by Company screen work. The Calculate Tax on Gross (Including Disc) and Calculate Disc on Gross (Including Tax) fields are set differently in each example.

Assumptions:
The examples are for VAT taxable products. There are no non-taxable items.
$1000 = Taxable
10% = Tax rate
1% = Discount

Examples for Accounts Receivable

Examples 1 through 4 show the system calculations after you enter a taxable amount (typically what you enter for A/R). The system calculates the invoice amount, discount amount, and tax (if not entered).

Example 1

Calculate Tax on Gross (Including Disc) = Y
Calculate Disc on Gross (Including Tax) = Y

Tax = Taxable x Tax rate
= $1000 x .10 = $100

Invoice = Taxable + Tax
= $1000 + $100 = $1100

Discount = Invoice x Discount rate
= $1100 x .01 = $11

Example 2

Calculate Tax on Gross (Including Disc) = Y
Calculate Disc on Gross (Including Tax) = N

Tax = Taxable x Tax rate
= $1000 x .10 = $100

Invoice = Taxable + Tax
= $1000 + $100 = $1100

Discount = Taxable x Discount rate
= $1000 x .01 = $10
Example 3

Calculate Tax on Gross (Including Disc) = N
Calculate Disc on Gross (Including Tax) = N

Tax
\[ = \text{Taxable} \times \text{Tax Rate} \]
\[ = 1000 \times 0.10 = 100 \]

Discount
\[ = (\text{Tax} \times \text{Discount rate}) / ((1 - \text{Discount rate}) \times \text{Tax rate}) \]
\[ = (100 \times 0.01) / ((1 - 0.01) \times 0.10) = 10.10 \]

Invoice
\[ = \text{Taxable} + \text{Tax} + \text{Discount} \]
\[ = 1000 + 100 + 10.10 = 1110.10 \]

Example 4

Calculate Tax on Gross (Including Disc) = N
Calculate Disc on Gross (Including Tax) = Y

Tax
\[ = \text{Taxable} \times \text{Tax Rate} \]
\[ = 1000 \times 0.10 = 100 \]

Discount
\[ = ((\text{Taxable} + \text{Tax}) \times \text{Discount rate}) / (1 - \text{Discount rate}) \]
\[ = ((1000 + 100) \times 0.01) / (1 - 0.01) = 11.11 \]

Invoice
\[ = \text{Taxable} + \text{Tax} + \text{Discount} \]
\[ = 1000 + 100 + 11.11 = 1111.11 \]

Notice that the discount calculation in Example 3 is complex. Because the discount is the invoice amount multiplied by the discount rate (but the invoice amount is not known until the discount is calculated), the system must “back into” the discount calculation using known factors (tax, tax rate, and discount rate). The same kind of complexity also exists in Example 4.
Examples for Accounts Payable

Examples 5 through 8 below show the system calculations after you enter an invoice amount (typically what you enter for A/P). The system calculates the taxable amount, discount amount, and tax (if you did not enter it).

Although there may be a few cents difference due to rounding, these examples tie back to Examples 1 through 4.

**Example 5** (Ties back to Example 1):

Calculate Tax on Gross (Including Disc) = Y  
Calculate Disc on Gross (Including Tax) = Y  
Invoice is $1100.00

Discount $1100 x 0.01 = $11

Taxable $1100 / (1 + 0.10) = $1000

Tax $1000 x 0.10 = $100

**Example 6** (Ties back to Example 2):

Calculate Tax on Gross (Including Disc) = Y  
Calculate Disc on Gross (Including Tax) = N  
Invoice is $1100.00

Taxable $1100 / (1 + 0.10) = $1000

Tax $1000 x 0.10 = $100

Discount $1000 x 0.01 = $10
Example 7 (Ties back to Example 3)

Calculate Tax on Gross (Including Disc) = N
Calculate Disc on Gross (Including Tax) = N
Invoice is $1110.10

Net = Invoice / ((1 + Tax rate) - (Discount rate x Tax rate))
= $1110.10 / ((1+.10) - (.01 x .10)) = $1010.10

Taxable = Net x (1 - Discount rate)
= $1010.10 x (1-.01) = $1000

Tax = Taxable x Tax rate
= ($1000 x .10) = $100

Discount = Net x Discount rate
= $1010 x .01 = $10.10

Example 8 (Ties back to Example 4):

Calculate Tax on Gross (Including Disc) = N
Calculate Disc on Gross (Including Tax) = Y
Invoice is $1111.11

Discount = Invoice x Discount rate
= $1111.11 x .01 = $11.11

Taxable = (Invoice - Discount) / (1 + Tax rate)
= ($1111.11 - $11.11) / (1+.10) = $1000.00

Tax = Taxable x Tax rate
= $1000 x .10 = $100
Examples for Sales Orders and Purchase Orders

The previous examples showed calculations for A/R and A/P. Although the calculations are the same for sales orders and purchase orders, typically, you enter different data. Examples 9 through 11 show system calculations based on the invoice amount. The system calculates the tax amount, taxable amount, and the discount.

Assumptions:
The examples are for VAT taxable products. There are no non-taxable items.
$1000 = Invoice Amount
10% = Tax rate
1% = Discount

Example 9

Calculate Tax on Gross (Including Disc) = Y
Calculate Disc on Gross (Including Tax) = Y

Tax Amount =$90.91
Taxable Amount =$909.09
Discount =$10.00

Example 10

Calculate Tax on Gross (Including Disc) = Y
Calculate Disc on Gross (Including Tax) = N

Tax Amount =$90.91
Taxable Amount =$909.09
Discount =$9.09

Example 11

Calculate Tax on Gross (Including Disc) = N
Calculate Disc on Gross (Including Tax) = N

Tax Amount =$90.08
Purchase Order/Sales Order Amount =$909.92
Taxable Amount =$900.82
Discount =$9.10
Journal Entries

Tax = Taxable Amount x Tax Rate. Discounts do not apply.

Guidelines

- To set up rules for the A/R, A/P, Sales Order Management, Purchase Management, and General Accounting systems, you need to use this screen three times. Use it once to specify A/R and sales order rules. Use it a second time to specify A/P and purchase order rules. Use it a third time to specify general ledger rules for journal entries.

- You cannot enter both tolerance percentages and tolerance amounts.

- The system attempts to use the tax rules corresponding to the company number for your entry transactions. If there are no tax rules set up for the company, the system will use the rules for company 00000. If there are no tax rules set up for company 00000, the system uses the following defaults:
  
  - Calculate Tax on Gross field = Y
  - Calculate Discount on Gross field = N

- For companies that use only sales or use taxes (such as companies in the United States), only three fields on the screen are valid: Calculate Tax on Gross, Calculate Discount on Gross, and Calculate Sales Order Taxes on Summary. For companies in countries that assess VAT and GST, all fields on the Tax Rules by Company screen are valid.

- Two fields (Allow Understatement of Tax Amount field and Calculate Sales Order Taxes on Summary) display only when you inquire on a company that has 1 in the System field. The Allow Understatement of Tax Amount field is a tax rule for A/R invoices and Calculate Sales Order Taxes on Summary is a tax rule for sales orders.
Default Codes/Rates

This chapter describes how to set up default values (tax explanation codes and tax rate/areas) for suppliers and customers. When you use entry screens, the system will automatically display the defaults you defined.

Defaults are assigned with the following screens:

- For A/R and sales order processing, assign defaults with the Customer Master Information screen.
- For A/P and purchase order processing, assign defaults with the Supplier Master Information screen.

When you enter a transaction (voucher, invoice, sales order, or purchase order), the default tax explanation code and tax rate/area values appear. You can either accept or override the default values.

- For A/P vouchers, you can override the defaults with the Voucher Entry screen or the Speed Voucher Entry screen.
- For A/R invoices, you can override the defaults with the Invoice Entry screen or the Speed Invoice Entry screen.
- For sales orders, you can override the defaults with the Enter Sales Orders screen or the Order Detail Information screen.
- For purchase orders, you can override the defaults with the Enter Purchase Orders screen, the Purchase Order Detail screen, or the Match Voucher to Open Receipt screen.

NOTE: For journal entries using the Journal Entry With VAT Tax screen, there are no defaults. You must manually enter a tax explanation code and a tax rate/area.
You can specify default tax information for suppliers with the Supplier Master Information screen. A/P entry screens display the defaults you establish here.

Navigation

From the Accounts Payable menu (G04), select Supplier & Voucher Entry. From the Supplier & Voucher Entry menu (G0411), select Supplier Master Information.

Screen and Tax Fields

For more information about the Supplier Master Information screen, see the Accounts Payable Guide. This guide describes only those fields necessary for tax processing.
<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Explanation Code</td>
<td>A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions. Do not confuse this with the taxable, non-taxable code. A single invoice can have both taxable and non-taxable items. The entire invoice, however, must have one tax explanation code. Values for the Accounts Payable system are: V VAT VT Same as V, taxes only V+ VAT, calculated as a tax on a tax U Use tax, self-assessed (PST in Canada) UT Same as U, taxes only S Sales tax, seller-assessed (PST in Canada) ST Same as S, taxes only B GST + self-assessed PST (Canada only) BT Same as B, taxes only (Canada only) C GST + seller-assessed PST (Canada only) CT Same as C, taxes only (Canada only) E Exempt NOTE: B, BT, C, and CT are used in Canada. They can be assessed as a tax on a tax.</td>
</tr>
<tr>
<td>Tax Rate/Area</td>
<td>A code that identifies a tax or geographical 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. Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate. Form-specific information The system uses this information as the default when you enter vouchers. If you use Vertex, the Vertex GeoCode appears in this field. The system retrieves the Vertex GeoCode based on the supplier’s city, state, and zip code.</td>
</tr>
</tbody>
</table>

**Tax Default Override**

The system will automatically display the default tax explanation code and tax rate/area for the supplier when you use the Voucher Entry screen or the Speed Voucher Entry screen. You can either accept or override (type over) the default values.
Defaults for A/R

You can specify default tax information for customers with the Customer Master Information screen. A/R entry screens will automatically display the defaults you establish here.

Navigation

From the Accounts Receivable menu (G03), select Customer & Invoice Entry. From the Customer & Invoice Entry menu (G0311), select Customer Master Information.

Screen and Tax Fields

For more information about the Customer Master Information screen, see the *Accounts Receivable Guide*. This guide describes only those fields necessary for tax processing.
### Default Codes/Rates

<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
</table>
| Tax Explanation Code | A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions. Do not confuse this with the taxable, non-taxable code. A single invoice can have both taxable and non-taxable items. The entire invoice, however, must have one tax explanation code. Values for the Accounts Receivable system are:  
  
  **V**  
  VAT  
  **VT**  
  Same as V, taxes only  
  **V+**  
  VAT, calculated as a tax on a tax  
  **S**  
  Sales tax, seller-assessed (PST in Canada)  
  **ST**  
  Same as S, taxes only  
  **C**  
  GST + seller-assessed PST (Canada only)  
  **CT**  
  Same as C, taxes only (Canada only)  
  **E**  
  Exempt  
  
  NOTE: C and CT are used in Canada. They can be assessed as a tax on a tax. |
| Tax Rate/Area         | A code that identifies a tax or geographical 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.  
  
  Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate.  
  
  .................. Form-specific information ..................  
  
  If you use Vertex, the Vertex GeoCode appears in this field. The system retrieves the Vertex GeoCode based on the customer's city, state, and zip code. |

### Tax Default Override

The system will automatically display the default tax explanation code and tax rate/area for the customer when you use the Invoice Entry screen or the Speed Invoice Entry screen. You can either accept or override (type over) the default values.
Defaults for Purchase Orders

You can specify default tax information for suppliers with the Supplier Master Information screen. Purchase order entry screens display the defaults you establish here.

Screen and Fields

The Supplier Master Information screen was shown earlier in *Defaults for A/P* in this chapter. The screen and values you enter for A/P and purchase orders are the same.

<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Explanation Code</td>
<td>A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions. Do not confuse this with the taxable, non-taxable code. A single invoice can have both taxable and non-taxable items. The entire invoice, however, must have one tax explanation code. Values for purchase orders are: V VAT V+ VAT, calculated as a tax on a tax U Use tax, self-assessed (PST in Canada) S Sales tax, seller-assessed (PST in Canada) B GST + self-assessed PST (Canada only) C GST + seller-assessed PST (Canada only) E Exempt NOTE: B and C are used in Canada. They can be assessed as a tax on a tax. Note also that tax-only codes are not valid.</td>
</tr>
</tbody>
</table>
| Tax Rate/Area         | A code that identifies a tax or geographical 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. Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate. Form-specific information

The system uses this information as the default when you enter vouchers. If you use Vertex, the Vertex GeoCode appears in this field. The system retrieves the Vertex GeoCode based on the supplier’s city, state, and zip code.
Tax Default Override

The system will automatically display the default tax explanation code and tax rate/area for the supplier when you use the Enter Purchase Orders screen. You can either accept or override (type over) the default values.

NOTE: You can use the Supplier Master Information screen to set up information for supplier addresses and supplier ship-to addresses. The processing options you specify for the Enter Purchase Orders screen control whether tax information defaults from the supplier or the supplier ship-to address.
Defaults for Sales Orders

You can specify default tax information for customers with the Customer Master Information screen. Sales order entry screens display the defaults you establish here.

Screen and Fields

The Customer Master Information screen was shown earlier in Defaults for A/R in this chapter. The screen and the values you can enter for A/R and sales orders are the same.

<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Explanation Code</td>
<td>A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions. Do not confuse this with the taxable, non-taxable code. A single invoice can have both taxable and non-taxable items. The entire invoice, however, must have one tax explanation code. Values for sales orders are: V VAT V+ VAT, calculated as a tax on a tax S Sales tax, seller assessed (PST in Canada) C GST + seller assessed PST (Canada only) E Exempt NOTE: C is used in Canada and can be assessed as a tax on a tax. Note also that tax-only codes are not valid.</td>
</tr>
</tbody>
</table>

| Tax Rate/Area     | A code that identifies a tax or geographical 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. Typically, the U.S. sales and use taxes require multiple taxing authorities per tax rate/area, whereas value added taxes often require only one simple rate. Form-specific information If you use Vertex, the Vertex GeoCode appears in this field. The system retrieves the Vertex GeoCode based on the customer’s city, state, and zip code. |

Tax Default Override

The system will automatically display the default tax explanation code from the customer address and the tax rate/area from the ship-to address when you use the Enter Sales Orders screen. You can either accept or override (type over) the default values.
Guidelines


- There are no tax defaults for the Journal Entry With VAT Tax screen. You must manually enter a tax explanation code and a tax rate/area.
European Community Setup

In addition to the setup described in the previous chapters, European Community (EC) members must perform the setup activities described in this chapter. These activities apply only to clients that have the JDE Sales Order Management and Purchase Management systems.

If you do not have the JDE Sales Order and Purchase Management systems, you can either create a custom program to load information to the Extra Tax File Adjustments file (F0018T) or your supplier can provide the Intrastat report. Another alternative is to use the Direct Extra Tax File Adjustment screen (described in the chapter European Community Activities).

Assign VAT Registration Numbers

To be able to export free of VAT, you must have the VAT registration number of your customers in other EC countries and send your own registration number to your suppliers. You must specify the VAT registration numbers for customers, suppliers, and each of your companies. The length and format of these numbers varies by country.

- Suppliers and Customers. Specify VAT registration numbers (between 8 and 15 characters) in the Tax ID field on either of two screens. For your suppliers, use the Supplier Master Information screen (on menu G0411) and for your customers, use the Customer Master Information screen (on menu G0311). The system prints these numbers on your invoices. Note that you may need to use processing options to display the tax ID fields on the screens.

- Your Companies. For each of your companies, you should also have an address book record with the company number as the address number. For example, company number 1 should be set up as address number 1. Enter your company's VAT registration number in the Tax ID field. This prints on the EC Sales Listing and Intrastat report.

Set Up Tax Rate/Areas

You must set up a tax rate/area for items taxable for EC member countries and items taxable from non-member countries. The EC Sales Listing uses this information for selection criteria.
Modify Commodity Codes for EC

This user defined code (system 41, type E) identifies the products dispatched from or arriving in your country. To comply with EC requirements, you must modify the second description field for these codes. In the Description-2 field, type the commodity code that customs authorities require. The field allows up to 15 characters.

NOTE: To access the Description-2 field, inquire on system 41, type E. Press F5 (Code Types) and change the Action Code field to C. For item E, change the 2nd Line field to Y.

Determine Nature of Transaction Codes

These user defined codes identify whether the movement of products is for sales, leases, or other reasons. Some codes (system 41, types S1 to S5) are for sales orders. Others (system 41, types P1 to P5) are for purchase orders. Decide which sales order code and purchase order code you plan to use for EC requirements.

Assign Commodity Codes and Nature of Transaction Codes to Items

To assign the commodity codes and nature of transaction codes to items, access the Basic Item Master Data screen (on menu A411). Press F5 to access the Classification Codes screen.

Modify Freight Handling Codes (Add Conditions of Transport)

Freight handling codes (system 42, type FR) identify freight information. To comply with EC requirements, you must modify the second description field for these codes and indicate how freight is to be paid. In the Description-2 field, positions 1 to 3, type the code that customs authorities require. Some examples follow:

- EXW: Ex works
- FOB: Free on board
- CIF: Carriage, insurance, freight
- DDP: Delivered duty paid
- DDU: Delivered duty unpaid
- XXX: Other

Certain countries, such as France, need a condition of transport extension. COTX is used to meet this requirement. You must use the Direct Extra Tax File Adjustment screen (described in the chapter European Community Activities) and manually enter the X.

You can set up default conditions of transport on the Supplier Purchasing Instructions screen (on menu A43A322). Type the condition of transport in the Freight Handling Code field. When you enter purchase orders, this information appears in the purchase order header fields.

NOTE: To access the Description-2 field, inquire on system 41, type E. Press F5 (Code Types) and change the Action Code field to C. For item FR, change the 2nd Line field to Y.
Modify Freight Handling Codes (Add Modes of Transport)

Freight handling codes (system 42, type FR) identify freight information. To comply with EC requirements, you must modify the second description field for these codes and indicate how freight is to be shipped. In the Description-2 field, position 5, type the 1-character code that customs authorities require. Some examples follow:

1. Transport by sea
2. Transport by rail
3. Transport by road
4. Transport by air
5. Consignments by post
6. Fixed transport installations
7. Transport by inland waterway
8. Own propulsion

NOTE: To access the Description-2 field, inquire on system 41, type E. Press F5 (Code Types) and change the Action Code field to C. For item FR, change the 2nd Line field to Y.

Example for Conditions of Transport and Modes of Transport

The following screen shows the formats for the conditions of transport and the modes of transport.

<table>
<thead>
<tr>
<th>03 Character Code</th>
<th>Description</th>
<th>Description-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blank - Fgt Handling Code 42/FR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Carrier On-board Delivery</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>FOB - Our Dock</td>
<td>EXW 2</td>
</tr>
<tr>
<td>G</td>
<td>FOB - Their Dock</td>
<td>DDP 3</td>
</tr>
<tr>
<td>P</td>
<td>Pickup with our Truck</td>
<td>XXX 3</td>
</tr>
<tr>
<td>T</td>
<td>Super-Sonic Transport</td>
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F5=Code Types  F14=Memo  F15=Where Used  F18=Language  F21=Print  F24=More
Set Up User Defined Codes for EC

You set up EC information in the user defined code Description-2 field for two EC requirements: conditions of transport and modes of transport. F1 does not display information in the Description-2 field for user defined codes. If you need inquiry capability on these fields while using the Direct Extra Tax File Adjustment screen, you must maintain both the Description-2 fields and also the following user defined codes:

- Conditions of transport (system 00, type TC). Specify the same codes here that you maintain in the Description-2 field, positions 1 to 3, for the freight handling codes (system 42, type FR). Examples include: EXW (Ex works), FOB (Free on board), and CIF (Carriage, insurance, freight).

- Modes of transport (system 00, type TM). Specify the same codes here that you maintain in the Description-2 field for the freight handling codes (system 42, type FR). Examples include: 1 (Transport by sea), 2 (Transport by rail), and 3 (Transport by road).

A third user defined code table is for the nature of transaction codes (system 00, type NT). Specify the codes here that you decided to use for sales and purchases.
Italian Setup

In addition to the setup described in previous chapters, Italian companies must perform the setup activities described in this chapter.

User Defined Codes

You must set up user defined codes (system 00, type IV) to indicate whether amounts are taxable, non-taxable “8 comma 2”, or tax exempt. An example is shown below.

<table>
<thead>
<tr>
<th>10 Character Code</th>
<th>Description</th>
<th>Description-2</th>
</tr>
</thead>
<tbody>
<tr>
<td>ES15</td>
<td>Exempt article 15</td>
<td>3</td>
</tr>
<tr>
<td>FC</td>
<td>Non-VAT</td>
<td>3</td>
</tr>
<tr>
<td>NT</td>
<td>Non-taxable</td>
<td>3</td>
</tr>
<tr>
<td>NT108</td>
<td>Non-taxable ‘8 comma 2’</td>
<td>4</td>
</tr>
<tr>
<td>VAT19</td>
<td>Normal VAT 19%</td>
<td>3</td>
</tr>
</tbody>
</table>

Notice that the 10-character codes are the tax rate/areas you set up. The first position in the Description-2 field identifies how amounts are taxed. For example:

1    Taxable
3    Non-taxable
4    Non-taxable “8 comma 2” (appears on supplier reports)
9    Tax exempt (does not appear on reports)
Others Same as 9
Mid-Year Setup

If you convert to the JDE software in the middle of a year, you can use the Annual IVA File Revision screen to manually enter and update year-to-date tax information. This screen is described in the chapter Italian IVA Activities. It updates the Annual IVA file (F00900), a file necessary for all annual IVA reports.

After you use the screen, you can perform standard processing such as entering vouchers and invoices. When you enter the vouchers and invoices, the system adds tax information to the Tax Work file (F0018). At the end of the year, you build the F00900 file from information in F0018 for the annual reports.
Daily/Periodic
Daily/Periodic Activity Overview

This chapter briefly describes the daily and periodic activities you must perform in order to process taxes correctly. The next 12 chapters describe the following:

- **A/P Voucher Entry.** This chapter describes two A/P screens (Speed Voucher Entry and Standard Voucher Entry) that display tax information. When you enter vouchers, you can either enter the tax explanation code and tax rate/area for each voucher or, if you have set up this default information for your suppliers (as described in the chapter Default Codes/Rates), the system automatically displays this information.

- **A/R Invoice Entry.** This chapter describes two A/R screens (Speed Invoice Entry and Standard Invoice Entry) that display tax information. When you enter invoices, you can either enter the tax explanation code and tax rate/area for each invoice or, if you have set up this default information for your customers (as described in the chapter Default Codes/Rates), the system automatically displays this information.

- **Purchase Order Entry.** This chapter describes the following screens:

  Tax information fields for the supplier appear on the Enter Purchase Orders header screen, tax information fields for items on the order appear on the Purchasing Information screen (accessed via the Purchase Order Detail screen), and tax calculations for the entire order appear on the Summary Information screen. When you enter purchase orders, you can either enter the tax explanation code and tax rate/area for each purchase order or, if you have set up this default information for your suppliers (as described in the chapter Default Codes/Rates), the system automatically displays this information.

  The Match Voucher to Open Receipt screen also lists tax information.

- **Sales Order Entry.** This chapter describes the following screens:

  Tax information fields for the customer appear on the Sales Order header screen, tax information fields for items on the order appear on the Order Detail Information screen (accessed via the Sales Order Entry screen), and tax calculations for the entire order appear on the Online Invoice screen.

- **Journal Entry with VAT.** This chapter describes the Journal Entry With VAT Tax screen. It is a specialized version of the regular Journal Entries screen and functions in a similar manner. Currently, the only tax you can enter with this screen is VAT.

- **Posting Vouchers, Invoices, Purchase Orders, and Sales Orders.** This chapter describes how to set processing options for posting A/P vouchers, A/R invoices, sales orders, and purchase orders. If you do not set processing options correctly, tax information will not appear in the Tax Work File (F0018) and your tax reports will be incomplete.

- **Entry and Post Examples for A/P, A/R, and Sales Orders.** This chapter describes how the system calculates and posts tax amounts to the general ledger for each of the tax explanation codes.
Daily/Periodic Activity Overview

- Entry and Post Examples for Purchase Orders. This chapter describes how the system calculates and posts tax amounts to the general ledger for some commonly-used tax explanation codes. It shows both inventory and non-inventory examples.


- European Community Activities. If your company operates in a European Community country, you must perform the activities described in the chapter Tax Work File and also those described in this chapter to generate the EC Intrastat Report.

- Italian IVA Activities. If your company operates in Italy, you must perform the activities described in the chapter Tax Work File and also those described in this chapter to generate your annual IVA reports and/or tapes.

- Japanese Consumption Tax Activities. If your company operates in Japan, you must perform the activities described in the Tax Work File chapter and also those described in this chapter to generate consumption tax reports.

- Date Translation Generation. You can store your reporting date in various formats.
A/P Voucher Entry

This chapter describes how the setup activities function for the A/P system. When you enter vouchers, you can either enter the tax explanation code and tax rate/area for each voucher or, if you have set up this default information for your suppliers (as described in the chapter Default Codes/Rates), the system automatically displays the information.

This chapter describes tax information for the Speed Voucher Entry screen and the Standard Voucher Entry screen. The following describes when to use which screen.

- Speed Voucher Entry (A/P). You can use this screen to enter simple vouchers with a single pay item. You cannot use it to enter a voucher for multiple-pay items or for items that are taxed differently (for example, a voucher for a taxable item, a tax-exempt item, and a zero-rated item).

- Standard Voucher Entry (A/P). You can use this screen to enter vouchers with either a single pay item or multiple pay items, and also to enter items that are taxed differently (for example, a voucher for a taxable item, a tax-exempt item, and a zero-rated item).

For both the voucher entry screens, you must review the processing options to ensure that the tax information fields are not suppressed. JDE also recommends that you allow two-cycle data entry so that you can verify the system-calculated tax fields before accepting the transaction.

Speed Voucher Entry

Use the Speed Voucher Entry screen to enter simple vouchers. The voucher must include only one tax rate/area and one tax explanation code.

This guide describes only the tax features available on the Speed Voucher Entry screen.

Navigation

From the Accounts Payable menu (G04), select Supplier & Voucher Entry. From the Supplier & Voucher Entry menu (G0411), select Speed Voucher Entry.
If you need to review the highlighted fields on this screen, see the chapters *Tax Explanation Codes* and *Tax Rates and Areas* in this guide. If you need more information about this screen, see the *Accounts Payable Guide*.

**Processing Options**

The Speed Voucher Entry screen has a number of processing options. Only two are relevant for tax processing.

1. The first processing option controls whether the screen displays the tax fields.

4. The fourth processing option controls whether the system accepts the transaction the first time you press Enter or whether it displays system-calculated fields when you press Enter the first time and accepts the transaction the second time you press Enter. JDE recommends that you use two-cycle data entry so that you can verify the system-calculated tax fields.

**Procedures**

**General Procedures**

You can use this screen to add or inquire on vouchers. You cannot use it to change or delete vouchers. If you need to change or delete a voucher you have submitted through the Speed Voucher Entry screen, you must use the Standard Voucher Entry screen.

**Entry with Tax Defaults**

If you have set up default tax information (tax explanation code and tax rate/area) for a supplier with the Supplier Master Information screen, these defaults appear when you enter a voucher from that supplier. For more information about setting up defaults, see the chapter *Default Codes/Rates* in this guide.

After you enter a voucher amount, the system will automatically display the default tax explanation code and tax rate/area and will calculate the tax amount and taxable amount.
Overriding Tax Defaults

Type over the default information in the Tax Expl Code and Tax Rate/Area fields and blank out the system-calculated fields. Press Enter. The system will recalculate the taxes due.

Standard Voucher Entry

Use the Standard Voucher Entry screen to enter a voucher for multiple pay items or for items that are taxed differently (for example, a voucher for a taxable item, a tax-exempt item, and a zero-rated item). Because Speed Voucher Entry does not let you change or delete a voucher after you have submitted it, you must use Standard Voucher Entry to change or delete vouchers you entered with the Speed Voucher Entry screen.

This guide describes only the tax features available on the Standard Voucher Entry screen. If you need more information about this screen, see the Accounts Payable Guide.

Navigation

From the Accounts Payable menu (G04), select Supplier & Voucher Entry. From the Supplier & Voucher Entry menu (G0411), select Standard Voucher Entry.

Screen

Notice that, unlike Speed Voucher Entry, the Standard Voucher Entry screen shows Payment Schedule information. The screen above shows the tax format. If you need more information about this screen, see the Accounts Payable Guide.
**Processing Options**

The Standard Voucher Entry screen has a number of processing options. Only five are relevant for tax processing.

1. The first processing option controls whether the screen displays the tax fields.

2. The second option controls whether the screen displays the standard screen format or the tax format. You can either type 1 for this option or use F2 to toggle between the formats.

3. The third option controls whether the system accepts the transaction the first time you press Enter or whether it displays system-calculated fields when you press Enter the first time and accepts the transaction the second time you press Enter. JDE recommends that you use two-cycle data entry so that you can verify the system-calculated tax fields.

Functional server XT0411Z1 has additional processing options for taxes. For information about servers, review the chapter Before You Begin.

6. The sixth option controls whether VAT is charged on foreign transactions. If you leave this option blank, the system assesses VAT only on your domestic transactions. If you type Y, the system assesses VAT on all transactions, both domestic and foreign.

10. The 10th processing option is for Italian processing and lets you assign a different document type for customs taxes. The Italian customs tax authority collects taxes immediately (it does not wait until goods are paid to collect taxes). You can use a tax-only voucher (tax explanation code VT) and assign a different document type to track the taxes on goods for which you have not yet billed your customers.

**Procedures**

**General Procedures**

Use this screen to add, change, delete, or inquire on vouchers.

**Toggling Between Formats/Fold Area**

You can use the tax format screen to enter tax information. You can either set a processing option to display this format or use F2. F2 lets you switch back and forth between the Standard Voucher Entry format (standard format) and the Voucher Entry with Taxes format (tax format). F4 lets you use fields in the fold area of each format.

**Entry with Tax Defaults**

If you have set up default tax information (tax explanation code and tax rate/area) for a supplier with the Supplier Master Information screen, it appears when you enter a voucher from that supplier. For more information about setting up defaults, see the chapter Default Codes/Rates in this guide.

After you enter a voucher amount and press Enter, the system will automatically display the default tax explanation code and tax rate/area and calculate the tax amount and taxable amount.
**Overriding Tax Defaults**

Type over the default information in the Tax Expl Code and Tax Rate/Area fields and blank out the system-calculated fields. Press Enter. The system will recalculate the taxes due.

**Multiple Items and Tax Statuses**

Generally, you will enter items with different tax statuses when some of the items are taxable and some are tax exempt.

1. In the upper portion of the screen, type voucher information (supplier number, invoice number, invoice amount, invoice date, and so on) in the appropriate fields. In the Tax Expl Code field and Tax Rate/Area fields, type information only if you did not set up defaults (as described in the chapter *Default Codes/Rates*) or if you need to override the default tax information.

2. In the Gross Amount field, type the item amount.

3. In the Tax Area field, type a tax rate/area for the item only if it differs from the default tax rate/area for the supplier. In other words, if you leave this field blank, it will default to the tax rate/area you set up for the supplier.

4. In the Tx Cd field, type a tax explanation code for the item only if it differs from the default tax explanation code for the supplier. In other words, if you leave this field blank, it will default to the tax explanation code you set up for the supplier.

5. Repeat steps 3 – 5 for each item. An example is shown below.
6. Press Enter.

The system calculates tax information and displays default information for the supplier in tax fields.

Note that in the screen below, the system calculated the amounts for the Tax Amount and Taxable Amount fields. It also displays default tax explanation codes and tax rate/areas.

![A/P Voucher Entry Screen]

**Guidelines**

- **Tax Explanation Codes.** For A/P vouchers, you can enter tax explanation codes that begin with the letters V, U, S, and E.

- **Canadian Tax Explanation Codes.** For Canada, you can enter the tax explanation codes that begin with the letters V, U, S, and E and also those that begin with the letters B and C.

- **Multi-Currency Processing.** There is a processing option that controls whether VAT is allowed on foreign entries.

- **Tax Rules.** Depending on how you set up the tax rules for A/P (described in the chapter Tax Rules by Company), the system may do the following: (1) issue a warning message if you enter a tax that does not exactly match the system-calculated tax, (2) issue a warning message if you enter a tax that is not within a certain tolerance percentage or amount of the system-calculated tax, (3) issue a hard error (reject the transaction), (4) compute the system-calculated tax on a gross amount that includes a discount amount, and (5) compute the discount on a gross amount that already includes the tax amount.
A/R Invoice Entry

This chapter describes how the setup activities function for the A/R system. Because the screens and procedures for A/R invoice entry are almost identical to those for A/P voucher entry, this chapter is almost identical to the chapter A/P Voucher Entry.

When you enter A/R invoices, you can either enter the tax explanation code and tax rate/area for each invoice or, if you have set up this default information for your customers (as described in the chapter Default Codes/Rates), the system automatically displays the information.

This chapter describes tax information for the Speed Invoice Entry screen and the Standard Invoice Entry screen. The following describes when to use which screen.

- Speed Invoice Entry (A/R). You can use this screen to enter simple invoices that have only one tax explanation code and one tax rate/area. You cannot use it to enter an invoice with items that are taxed differently (for example, an invoice for a taxable item, a tax-exempt item, and a zero-rated item).

- Standard Invoice Entry (A/R). You can use this screen to enter invoices that have more than one tax rate/area and for items that are taxed differently (for example, an invoice for a taxable item, a tax-exempt item, and a zero-rated item).

For both the invoice entry screens, you should review the processing options to ensure that the tax information fields are not suppressed. JDE also recommends that you allow two-cycle data entry so that you can verify the system-calculated tax fields before accepting the transaction.

Speed Invoice Entry

You can use the Speed Invoice Entry screen to enter simple invoices. The invoice must include only one tax rate/area and only one tax explanation code.

This guide describes only the tax features available on the Speed Invoice Entry screen. If you need more information about this screen, see the Accounts Receivable Guide.

Navigation

From the Accounts Receivable menu (G03), select Customer & Invoice Entry. From the Customer & Invoice Entry menu (G0311), select Speed Invoice Entry.
If you need to review the highlighted fields on this screen, see the chapters *Tax Explanation Codes* and *Tax Rates and Areas* in this guide. If you need to review the other fields, see the *Accounts Receivable Guide*.

### Processing Options

The Speed Invoice Entry screen has a number of processing options. Only two are relevant for tax processing.

2. The second processing option controls whether the screen displays the tax fields.

3. The third option controls whether the system accepts the transaction the first time you press Enter or whether it displays system-calculated fields when you press Enter the first time and accepts the transaction the second time you press Enter. JDE recommends that you use two-cycle data entry so that you can verify the system-calculated tax fields.

### Procedures

#### General Procedures

Use this screen to add or inquire on invoices. You cannot use it to change or delete invoices. If you need to change or delete an invoice you have submitted through the Speed Invoice Entry screen, you must use the Standard Invoice Entry screen.

#### Entry with Tax Defaults

If you have set up default tax information (tax explanation code and tax rate/area) for a customer with the Customer Master Information screen, it appears when you enter an invoice for that customer. For more information about setting up defaults, see the chapter *Default Codes/Rates* in this guide.

After you enter an invoice amount, the system displays the default tax explanation code and tax rate/area and calculates the tax amount and taxable amount.
Overridding Tax Defaults

Type over the default information in the Tax Expl Code and Tax Rate/Area fields and blank out the system-calculated fields. Press Enter. The system recalculates the taxes due.

Standard Invoice Entry

Use the Standard Invoice Entry screen to enter an invoice that includes several tax areas or to enter an invoice that includes items that are taxed differently (for example, an invoice for a taxable item, a tax-exempt item, and a zero-rated item). Because Speed Invoice Entry does not let you change or delete an invoice once you've submitted it, you must use Standard Invoice Entry to change or delete invoices you entered with the Speed Invoice Entry screen.

This guide describes only the tax features available on the Standard Invoice Entry screen. If you need more information about this screen, see the Accounts Receivable Guide.

Navigation

From the Accounts Receivable menu (G03), select Customer & Invoice Entry. From the Customer & Invoice Entry menu (G0311), select Standard Invoice Entry.

Screen

Notice that, unlike Speed Invoice Entry, the Standard Invoice Entry screen shows Invoice Schedule information. The screen above shows the tax format. If you need to review the fields on this screen, see the Accounts Receivable Guide.
Processing Options

The Standard Invoice Entry screen has a number of processing options. Only three are relevant for tax processing.

1. The first processing option controls whether the screen displays the tax fields.

2. The second option controls whether the screen displays the standard screen format, the tax format, or the offset format. You can either type 1 to select the tax format or use F2 to toggle between formats.

3. The third option controls whether the system accepts the transaction the first time you press Enter or whether it displays system-calculated fields when you press Enter the first time and accepts the transaction the second time you press Enter. JDE recommends that you use two-cycle data entry so that you can verify the system-calculated tax fields.

Procedures

General Procedures

Use this screen to add, change, delete, or inquire on invoices.

Toggling Between Formats/Fold Area

Use the tax format screen to enter tax information. You can either set a processing option to display this format or use F2. F2 lets you switch between the Standard Invoice Entry format (standard format), the Invoice Entry with Taxes format (tax format), the Invoice Entry with G/L Offset format (offset format) and Standard Invoice Entry with Discount Due Date in the Fold Area. F4 lets you use fields in the fold area of each format.

Entry with Tax Defaults

If you have set up default tax information (tax explanation code and tax rate/area) for a customer with the Customer Master Information screen, it appears when you enter an invoice for that customer. For more information about setting up defaults, see the chapter Default Codes/Rates in this guide.

After you enter an invoice amount, the system displays the default tax explanation code and tax rate/area and calculates the tax amount and taxable amount.

Overriding Tax Defaults

Type over the default information in the Tax Expl Code and Tax Rate/Area fields and blank out the system-calculated fields. Press Enter. The system recalculates the taxes due.
Guidelines

- Tax Explanation Codes. For A/R invoices, you can only enter tax explanation codes that begin with the letters V, S, and E. Codes that begin with U identify self-assessed use taxes and are not valid.

- Canadian Tax Explanation Codes. For Canada, you can enter the tax explanation codes that begin with the letters V, S, and E and also those that begin with the letter C. Codes that begin with U and B identify self-assessed taxes and are not valid.

- Multi-Currency Processing. There is a processing option that controls whether VAT is allowed on foreign entries.

- Tax Rules. Depending on how you set up the tax rules for A/R (described in the chapter Tax Rules by Company), the system may do the following: (1) issue a warning message if you enter a tax that does not exactly match the system-calculated tax, (2) issue a warning message if you enter a tax that is not within a certain tolerance percentage or amount of the system-calculated tax, (3) issue a hard error (reject the transaction), (4) compute the system-calculated tax on a gross amount that includes a discount amount, (5) compute the discount on a gross amount that already includes the tax amount, and (6) allow you to understate the VAT amount due.

- Sales Taxes. The A/R system does not create offsets to a sales tax payable account. You can manually offset the sales tax amount when you enter the invoice. Another option is to use tax explanation code V instead of S.
Purchase Order Entry

This chapter describes how the setup activities function for the Purchase Management system. When you enter purchase orders, you can either enter the tax explanation code and tax rate/area for each purchase order or, if you have set up this default information for your suppliers (as described in the chapter Default Codes/Rates), the system automatically displays the information.

This chapter describes tax information for the Enter Purchase Orders screen and the Match Voucher to Open Receipt screen. The following describes when to use which screen.

- Enter Purchase Orders. You can use this screen to enter inventory and non-inventory items, requisitions, bids, purchase orders, subcontracts, and so on. With processing options, order activity rules, and line types, you can design the type of screen you need.

  Tax information fields for the supplier appear on the Enter Purchase Orders header screen, tax information fields for items on the order appear on the Purchasing Information screen (accessed via the Purchase Order Detail screen), and tax calculations for the entire order appear on the Summary Information screen.

- Match Voucher to Open Receipt. You can use this screen for both inventory and non-inventory environments. For inventory-based environments, you can use this screen to match or clear inventory already received but not yet vouchedered and also to create A/P vouchers and journal entries. For non-inventory-based environments, you can use this screen to record receipts against purchase orders or subcontracts and to create A/P vouchers and journal entries.

  NOTE: Before you can voucher inventory receipts, you must record the receipts. You can use either the Enter Receipts by PO screen or the Enter Receipts by Item screen. Both screens have processing options to display formats for entering receipts by purchase order, receipts by item, or receipts by general ledger account. The screens are selections from the Purchase Order Processing menu (G43A11).
Enter Purchase Orders

You can use the Enter Purchase Orders screen to enter requisitions, bids, purchase orders, and subcontracts. With processing options, order activity rules, and line types, you can design the type of screen you need.

When you enter purchase orders, you can view tax information with three screens:

- The Enter Purchase Orders header screen displays the tax explanation code and tax rate/area fields for the supplier.
- The Purchase Order Detail screen displays the taxable field. From this screen, you can access the Purchasing Information screen and view the tax explanation code and tax rate/area fields for individual items on the order.
- The Order Summary Information screen displays the amount taxable and the tax amount that the system calculated for the order.

Navigation

There are a number of ways to access the Enter Purchase Orders screen. The following is just one way.

From the Purchase Order Processing menu (G43A11), select Enter Purchase Orders.

Once you access the Enter Purchase Orders screen, you can access subordinate screens. Navigation for subordinate screens is described when the screens are shown later in this chapter.
The Enter Purchase Orders header screen displays the tax explanation code and tax rate/area fields. You can either enter values in these fields or let them default from the Supplier Master Information screen.

Your screen will appear as shown above when your processing options are set to display header information first. If your options are set to display detail information first, press F15 to display the header information and tax information fields.

Press Enter to view the Purchase Order Detail screen.

The Purchase Order Detail screen displays items in the order. The screen above shows the Item, Quantity, Cost format. If you need more information about the screen, fields, or formats, see the Purchase Management Guide.
To view the tax explanation code and tax rate/area fields for an item in the order, type 1 in the O (Option) field and press Enter. The screen below appears.

Press F3 to return to the Purchase Order Detail screen. Access the Order Summary Information screen in one of the following ways:

- If you first display the Enter Purchase Orders header screen, press Enter. The Purchase Order Detail screen appears. Press F6 to display the Order Summary Information screen.

- If you first display the Purchase Order Detail screen, press F6 to display the Order Summary Information screen.

The Order Summary Information screen displays the amount taxable and the system-calculated tax amount. This screen indicates how the system calculated the taxes for the entire order. If the order has items that are taxed at different rates, the system calculates the taxes and prints N/A (not applicable) instead of a tax rate.
Processing Options

The Enter Purchase Orders screen has a number of processing options. Only one is for tax processing.

7. The seventh option controls default tax information for the Enter Purchase Orders screen. If you plan to use the default tax information (and not manually enter the tax explanation code and tax rate/area for each purchase order) this option is critical. Type 1 in this option to use the defaults from the ship-to address and leave the option blank to use defaults from the supplier address.

Procedures

General Procedures

You can use the Enter Purchase Orders screen to add, change, or inquire about purchase orders.

Entry with Tax Defaults

If you have set up default tax information (tax explanation code and tax rate/area) for a supplier with the Supplier Master Information screen, it appears when you enter a purchase order for that supplier. For more information about setting up defaults, see the chapter Default Codes/Rates in this guide.

After you enter purchase order information, the system will automatically display the default tax explanation code and tax rate/area on the Enter Purchase Orders header screen. It will display the same default tax explanation code and tax rate/area for items on the order on the Purchasing Information screen.

Overriding Tax Defaults

Depending on your intentions, you will use different screens to override the tax defaults.

- To change tax information for all items on an order, use the Enter Purchase Orders header screen. Type over the default information in the Tax Expl Code and Tax Rate/Area fields, and press Enter. The system will recalculate the taxes due.

When processing option 10 is set to load header values to the detail lines, changing tax information on the Enter Purchase Orders header screen changes (1) the tax explanation code and tax rate/area for the header, and (2) the tax explanation code and tax rate/area for the detail items on the order. In other words, when you use the Purchasing Information screen and view individual items, they will all have the same tax explanation code and tax rate/area that you specified on the Enter Purchase Orders header screen.

If you do not have processing option 10 set to load header values to the detail lines, another alternative is to enter header information and then press F18 to update the detail items with header information.

- To change tax information for a single item on an order (such as changing an item to an exempt status), access the Purchasing Information screen from the Purchase Order Detail screen. Type over the information in the Tax Expl Code and Tax Rate/Area fields. Press Enter. The system recalculates the taxes due.
Match Voucher to Open Receipt

You can use the Match Voucher to Open Receipt screen for both inventory and non-inventory environments.

- For inventory environments, use this screen to match or clear inventory already received but not yet vouched and to create A/P vouchers and journal entries.

- For non-inventory environments, use this screen to record receipts against purchase orders or subcontracts and to create A/P vouchers and journal entries.

- You can also use this screen to add tax information if you did not add it at the time you entered the purchase order.

For inventory environments, you must record the receipts before you use the Match Voucher to Open Receipt screen. You can use either the Enter Receipts by PO screen or the Enter Receipts by Item screen. Both screens have processing options to display formats for entering receipts by purchase order, receipts by item, or receipts by general ledger account. The screens are selections from the Daily Operations menu (A43A1).

An inquiry screen, Open Receipts by Supplier, is also helpful. For each supplier, this screen shows the amount received and the amount to voucher. The Open Amount field shows the amount yet to voucher.

Navigation

There are a number of ways to access the Match Voucher to Open Receipt screen. The following is just one way.

From the Purchase Order Processing menu (G43A11), select Receipts Matching & Posting. From the Receipts Matching and Posting menu (G43A15), select Match Voucher to Open Receipt.
The Match Voucher to Open Receipt screen has tax information in several places. The tax explanation code and tax rate/area in the upper portion of the screen are the defaults from the purchase order header. The tax explanation code and tax rate/area in the fold area of the screen are those for each item on the purchase order.

Your screen will appear as shown above when your processing options are set accordingly. The information on the screen will differ depending on how you define the options. If you need more information about the screen, fields, or formats, see the *Purchase Management Guide*.

### Processing Options

There are no processing options specifically for taxes.

### Procedures

#### General Procedures

You can use this screen to add, change, delete, or inquire on vouchers.

#### Entry with Tax Defaults

If you have set up tax information (tax explanation code and tax rate/area) for a purchase order, it appears when a voucher is created for that purchase order.

After a voucher is created, the system automatically displays the default tax explanation code and tax rate/area from the purchase order, and calculates the tax and taxable amount.

#### Overriding Tax Defaults

You can change the tax explanation code or tax rate/area on this screen. The system creates the correct entries and adjustments.
Guidelines

- Tax Explanation Codes. For purchase orders, tax explanation codes V, V+, U, S, E, B, and C are valid. Tax-only codes are invalid.

- Order Summary Information Screen. This screen shows how the system calculated taxes for the entire order. If the order has items that are taxed at different rates, the system calculates the taxes and prints N/A (not applicable) instead of a tax rate.

- Tax Rules. For purchase orders, set the System field to 2 on the Tax Rules by Company screen. The tolerance percentages and tolerances amounts are not used. The method for calculating tax on gross and the method for calculating discount on gross can be set up as needed.

Depending on how you set up the tax rules for purchase orders (described in the chapter Tax Rules by Company), the system may do the following: (1) compute the system-calculated tax on a gross amount that includes a discount amount, and (2) compute the discount on a gross amount that already includes the tax amount.
Sales Order Entry

This chapter describes how the setup activities function for the Sales Order Management system. When you enter sales orders, you can either enter the tax explanation code and tax rate/area for each sales order or, if you have set up this default information for your customers (as described in the chapter Default Codes/Rates), the system automatically displays the information.

This chapter describes tax information for the Enter Sales Orders header screen. You can use this screen to enter and maintain sales orders. With processing options, order activity rules, and line types, you can design the type of screen you need.

When you enter sales orders, you can view tax information with three screens:

- The Enter Sales Orders header screen displays the tax explanation code and tax rate/area fields for the customer.
- The Sales Order Entry detail screen displays the taxable field. From this screen, you can access the Order Detail Information screen and view the tax explanation code and tax rate/area fields for individual items on the sales order.
- The Online Invoice screen displays the amount taxable and the tax amount that the system calculates for the sales order.

In other words, tax information fields for the customer appear on the Sales Order header screen, tax information fields for items on the order appear on the Order Detail Information screen (accessed via the Sales Order Entry detail screen), and tax calculations for the entire order appear on the Online Invoice screen.

Navigation

From the Sales Order Management menu (G42), select Sales Order Processing. From the Sales Order Processing menu (G4211), select Enter Orders (Page Mode).
The Enter Orders header screen displays the tax explanation code and tax rate/area fields. You can either enter values in these fields or let them default from the Customer Master Information screen.

Your screen will appear as shown above when your processing options are set to display header information first. If your options are set to display detail information first, press F15 to display the header information and tax information fields.

Press Enter to view the Sales Order Entry detail screen. Press F4 to view the Taxable field in the fold area.
The Sales Order Entry detail screen displays the items in the order. To view the tax explanation code and tax rate/area fields for a specific item in the order, type 1 in the O (Option) field and press Enter. The screen below appears.

Press F3 to return to the Sales Order Entry screen. Access the Online Invoice screen in one of the following ways:

- If you display the Enter Orders header screen first, press Enter. The Sales Order Entry screen appears. Press F6 to display the Online Invoice screen.

- If you display the Sales Order Entry detail screen first, press F6 to display the Online Invoice screen.

The Online Invoice screen displays the amount taxable and the tax amount. This screen indicates how the system calculated the taxes for the entire order. If the order has items that are taxed at different rates, the system calculates the taxes, but prints N/A (not applicable) instead of a tax rate.
Processing Options

There are no processing options specifically for taxes.

Procedures

General Procedures

You can use the Enter Orders header screen to add, change, or inquire on sales orders.

Entry with Tax Defaults

If you have set up default tax information (tax explanation code and tax rate/area) for a customer with the Customer Master Information screen, it appears when you enter a sales order for that customer. For more information about setting up defaults, see the chapter Default Codes/Rates in this guide.

After you enter sales order information, the system automatically displays the default tax explanation code for sold-to location and the tax rate/area for the ship-to location on the Enter Orders screen. The screen displays the same default tax explanation code and tax rate/area on the Order Detail Information screen for individual items on the order.

Overriding Tax Defaults

To change tax information for a single item on a sales order (such as changing an item to an exempt status), access the Order Detail Information screen. Type over the information in the Tax Code and Tax Rate/Area fields and press Enter. The system will recalculate the taxes due.

Guidelines

- Tax Explanation Codes. For sales orders, tax explanation codes V, V+, S, E, and C are valid. Codes U and B (identifying self-assessed taxes) and tax-only codes are invalid.

- Online Invoice Screen. This screen shows how the system calculated taxes for the entire order. If the order has items that are taxed at different rates, the system calculates the taxes and prints N/A (not applicable) instead of a tax rate.

- Tax Rules. For sales orders, set the System field to 1 on the Tax Rules by Company screen. The tolerance percentages and tolerance amounts are not used. The method for calculating tax on gross and the method for calculating discount on gross can be set up as needed. You also control whether calculations for taxes are rounded at the detail level or the order level.

Depending on how you set up the tax rules for sales orders (described in the chapter Tax Rules by Company), the system may do the following: (1) compute the system-calculated tax on a gross amount that includes a discount amount, and (2) compute the discount on a gross amount that already includes the tax amount.
Journal Entry with VAT

This chapter describes how the setup activities function for journal entries.

This chapter describes the Journal Entry with VAT Tax screen, a specialized version of the Journal Entries screen. Generally, you use this screen to enter accounting journal entries with VAT to the various ledgers in the Account Ledger file (F0911). You might need certain types of journal entries, for example, that also have applicable taxes (such as bank charges). You can add, change, and delete unposted journal entries. In addition, you can change selected fields of posted journal entries or void posted journal entries entirely.

The system automatically updates the Tax Work file (F0018) with the journal entries.

This screen has several limitations. The first limitation is that you can only enter VAT amounts. In other words, the only tax explanation codes that are valid are V, VT, and any other codes you set up that begin with the letter V. V+, however, is not valid.

The second limitation is that the system only posts to a single tax authority. If you have tax rate/areas with only one tax authority, the program allocates taxes correctly. If you have more than one tax authority, this program does not allocate taxes correctly. The program calculates the correct rate for the tax rate/area, but allocates all taxes to the first tax authority in the tax rate/area. The program ignores all other tax authorities.

Navigation

On the General Accounting menu (G09), type 27 and press Enter. On the G/L Advanced & Technical Operations menu (G0931), select Journal Entry With VAT Tax.
The Ex (Tax Explanation Code) field is the user defined code (system 00, type EX) that determines how a tax is assessed and how it is distributed to the general ledger revenue and expense accounts. Codes include:

- **V** VAT
- **VT** VAT (tax only)
- **V?** Any codes you set up that begin with the letter V

**NOTE:** V+ is not valid.

The fields in the fold area are the same as those for the regular Journal Entries screen. If you need information about these fields, see the *General Accounting I Guide*.

### Processing Options

The Journal Entry with VAT Tax screen has only one processing option. It lets you specify another version of the Journal Entry Functional Server. If you leave this option blank, the screen uses version ZIDE0001 which does the following: 1) deletes zero-amount journal entry lines, 2) uses the default ledger type, and 3) performs currency processing.
Comparison with Regular Journal Entry Screen

Different Functions

Because the Journal Entry With VAT Tax screen is a specialized version of the Journal Entries screen (P09101), JDE recommends that you review the General Accounting Guide for the Journal Entries screen. The screens function in the same way, except the Journal Entry with VAT Tax screen does not let you create model journal entries, reverse journal entries, or have multiple screen formats.

Identical Functions

The batch controls, account number formats, and account number duplication are the same as those for the regular Journal Entries screen. For detailed information about these, see the General Accounting I Guide.

Batch controls. Batch controls give you the ability to identify differences between the control totals for a batch and the actual transaction totals you enter for a batch.

Account Number Formats. You are not limited to one account coding format when you use this screen. You can enter short account IDs, structured account codes, user defined numbers, speed codes, and so on.

Account Number Duplication. You can save time and reduce the chance of error with this feature. Account number duplication works only when you add a journal entry.

Automatic Accounting Instructions (AAIs)

AAIs for journal entries are always named GTxxxx (where xxxx is the four-character G/L offset field for the first tax authority on the Tax Rates & Areas screen). If a business unit is not specified in the AAI, the system uses the business unit of the journal entry’s account number. For example, if you set up GTVATB (where object is 4431 and the business unit is blank) and enter a journal entry with account 1.2010, the system creates the VAT offset with account 1.4431.

Procedures

These procedures are very similar to those for the regular Journal Entries screen. You can add, inquire on, change, delete, reverse, and void journal entries.
Journal Entry with VAT

Add

To add a journal entry with VAT, you must always specify the taxable amount in the Amount field, a valid tax explanation code, and a valid tax rate-area. You can either specify the tax amount (in the Tax Amount field) or leave this field blank and let the system automatically calculate the tax amount.

You can enter an offsetting entry without tax information. The system creates a balancing entry per the amounts in the Amount and Tax Amount field and uses the account you specified in the automatic accounting instructions. For more information about AAIs for journal entries, see the chapter Automatic Accounting Instructions (AAIs) in this guide.

Examples:

A two-line entry for $1000 taxable and a 15% VAT, would appear as follows:

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Amount</th>
<th>Tax Amount</th>
<th>Ex</th>
<th>Tax Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.8720</td>
<td>1,000.00</td>
<td>150.00</td>
<td>V</td>
<td>AREA1</td>
</tr>
<tr>
<td>1.4110</td>
<td>1,150.00</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

A tax only entry (the taxable amount is zero) would appear as follows:

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Amount</th>
<th>Tax Amount</th>
<th>Ex</th>
<th>Tax Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.8720</td>
<td></td>
<td>150.00</td>
<td>VT</td>
<td>AREA1</td>
</tr>
<tr>
<td>1.240</td>
<td></td>
<td>150.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Change an Unposted Journal Entry

When you change an unposted journal entry, note that you cannot change the document type, document number, or general ledger date. You can only change the Explanation fields.

Reverse an Unposted Journal Entry

To reverse an unposted journal entry, add a journal entry that offsets (reverses) the original journal entry.
Change a Posted Journal Entry

When you change a posted journal entry, you cannot change the document type, document number, or general ledger date. You can only change the Explanation fields.

You must repost the batch.

Void a Posted Journal Entry

To void a posted journal entry, inquire on the entry and then change the Action Code field to C. Type V in the Void field and a date in the G/L Date field. Press Enter.

You must repost the batch.

Guidelines

- Multiple Tax Authorities. If you have tax rate/areas with more than one tax authority (as Canada does), you must manually correct the allocations to the tax authorities. This program calculates the correct rate for the tax rate/area, but allocates all taxes to the first tax authority in the tax rate/area. The program ignores all other tax authorities.

- Tax Explanation Codes. For journal entries, you can only enter tax explanation codes that begin with the letter V. You cannot, however, enter V+.

- Tax Rules. Depending on how you set up the tax rules for journal entries (described in the chapter Tax Rules by Company), the system may do the following: (1) issue a warning message if you enter a tax that does not exactly match the system-calculated tax, (2) issue a warning message if you enter a tax that is not within a certain tolerance percentage or amount of the system-calculated tax, (3) issue a hard error (reject the transaction), (4) compute the system-calculated tax on a gross amount that includes a discount amount, and (5) compute the discount on a gross amount that already includes the tax amount.

- Tax Work File. When you add a journal entry, change or delete an unposted journal entry, or void a posted journal entry, the system immediately updates the Tax Work file (F0018).

- Invalid Account Numbers. If you set up your General Accounting Constants accordingly, the regular Journal Entries screen accepts invalid accounts when a # (pound) sign precedes the account number.

The Journal Entry with VAT screen accepts invalid accounts preceded with a # only when the business unit exists in the Business Unit Master file (F0006). This ensures that the program updates the Tax Work file with the correct business unit and that the program can use a company-specific AAI and determine the correct account for the tax offset. It also ensures that the currency codes are correct for multi-currency processing.
• Model Journal Entries. While you cannot create a model journal entry with this screen (as you can with the regular Journal Entries screen), you can use F15 to access any model. The system displays the Index of Model Journal Entries screen and you can use option I to return the model's account numbers, amounts, and explanations. Since tax fields are not part of these models, you must enter these manually.

• Posting. If a journal entry has not been posted, you can change the fields in error or delete the entire entry. There is no audit trail when you delete an unposted journal entry.

If a journal entry has been posted, you cannot delete it. You can add entries to it or void it. In either case, the system opens the batch and you must repost it. The system creates an audit trail when you repost the voided entry.
Posting for A/P, A/R, Purchase Orders, Sales Orders

This chapter describes how to set processing options for posting A/P vouchers, A/R invoices, sales orders, and purchase orders. If you do not set processing options correctly, tax information will not appear in the Tax Work file (F0018) and your tax reports will be incomplete.

This chapter also reviews how tax amounts and distribution amounts are posted to the general ledger accounts.

A/P Vouchers

Navigation

From the Accounts Payable menu (G04), select Supplier & Voucher Entry. From the Supplier & Voucher Entry menu (G0411), select Post Vouchers to G/L.

Voucher Posting Processing Options

The post program for vouchers has a number of processing options. Only three are relevant for tax processing. If you do not set processing options correctly, tax information will not appear in the Tax Work file or on reports.

9. The ninth option controls whether the Tax Work file is updated. Values are:

1. Update the Tax Work file with VAT (GST) and self-assessed PST (use tax). Only tax explanation codes V, U, C, and B will update the file.

2. Update the Tax Work file with all non-zero tax amounts. The following will not appear: tax-exempt items, zero-rated items, and any items with a zero tax amount for tax explanation codes that begin with the letters V, B, C, U, or S.

3. Update the Tax Work file for all tax explanation codes. All tax explanation codes, regardless of amount, update the file. This setting is recommended for complete tax reports.

Blank Do not update the Tax Work file.

10. The 10th option controls whether the VAT amount is adjusted for cash receipts and write offs. The system will adjust VAT (both in the general ledger and in the Tax Work file). This applies only to tax explanation codes that begin with V. Values are:

1. Update only the VAT amount

2. Update the VAT amount, extended cost, and taxable amount
11. The 11th option controls whether the VAT amount is adjusted for discounts. The system will adjust VAT (both in the general ledger and in the Tax Work file) when a discount is taken on an invoice where tax was originally calculated on the gross amount.

This option applies when you set both the Calculate Tax on Gross field and the Calculate Disc on Gross field (on the Tax Rules by Company screen) to N. In addition, it applies only to tax explanation codes that begin with V. Values are:

1 Update only the VAT amount
2 Update the VAT amount, extended cost, and taxable amount

Voucher Posting

Because the posting process is the same, this guide does not describe it. If you need more information, see the Accounts Payable Guide.

A/R Invoices

Navigation

From the Accounts Receivable menu (G03), select Customer & Invoice Entry. From the Customer & Invoice Entry menu (G0311), select Post Invoices to G/L.

Invoice Posting Processing Options

The processing options for A/R invoices are identical to those for A/P vouchers. If you want posted invoice information to appear in the Tax Work file, you must set the processing options for A/R as described earlier in this chapter for A/P.

Invoice Posting

Because the posting process is the same, this guide does not describe it. If you need more information, see the Accounts Receivable Guide.
Purchase Orders

Navigation

There are a number of ways to access the post process. The following is just one way.

From the Purchase Order Management menu (G43), select Non-Stock Based. From the Non-Stock Purchasing menu (G43B), select End of Day Processing. From the End of Day Processing menu (G43B14), select G/L Receipt Post.

Purchase Order Posting Processing Options

The system creates two types of batches — one at the time you receive an order and one when you voucher the order. Both must be posted.

The batch created when you voucher the order has the same processing options as those for A/P vouchers. If you want posted voucher information to appear in the Tax Work file, you must set the processing options as described earlier in this chapter for A/P.

Purchase Order Posting

Initially, Purchase Orders information is stored in the Purchase Order file (F4311). After you use the Voucher Entry with Receipts Match screen, the system transfers tax and accounts payable information to the A/P Voucher file (F0411) and stores it along with the A/P vouchers.

When you post the A/P vouchers, the system also posts the purchase order taxes to the Tax Work file (F0018). The system posts purchase orders the same way that it posts A/P vouchers.

Sales Orders

Navigation

From the Sales Order Management menu (G42), select End of Day Processing. From the End of Day Processing menu (G4213), select Customer Sales Post.

Sales Order Posting Processing Options

The processing options for sales orders are identical to those for A/R invoices. If you want sales order information to appear in the Tax Work file, you must set the processing options for sales orders as described earlier in this chapter for A/R.
Sales Order Posting

Initially, sales order information is stored in the Sales Order Detail file (F4211). After you run the Update Sales batch program, the system transfers tax and accounts receivable information to the A/R Ledger file (F0311) and stores it along with the A/R invoices.

When you post the A/R invoices, the system also posts the sales order taxes to the Tax Work file (F0018). The system posts sales orders the same way that it posts A/R invoices.

Journal Entries

The Journal Entries With VAT Taxes screen automatically updates the Tax Work file. Because the Tax Work file is automatically updated when you enter a journal entry, it does not matter how you set the tax processing options when you post the journal entries. The system ignores the tax processing options.
Entry and Post Examples for A/P, A/R, and Sales Orders

This chapter describes how the system calculates and posts tax amounts to the general ledger for each of the tax explanation codes.

This chapter shows the Speed Voucher Entry screen to clarify transaction entry. It shows only a few of the entry screens for A/R invoices, sales orders, and journal entries. This is because the way that the system calculates and posts taxes does not differ (although the procedures to use the entry screens and the names of the fields on these screens can differ from those on the Speed Voucher Entry screen). To review calculations and posting for purchase orders, see the chapter Entry and Post Examples for Purchase Orders.

The examples include the following tax explanation codes:

- V  VAT (called GST in Canada)
- VT Same as V (tax only)
- V+ Same as V (calculated as a tax on a tax)
- U Use Tax, Self-Assessed (called PST in Canada)
- UT Same as U (tax only)
- S Sales Tax, Seller-Assessed (called PST in Canada)
- ST Same as S (tax only)
- E Exempt (product is not taxable)
- B GST + Self-Assessed PST (not calculated as a tax on a tax)
- BT Same as B (tax only)
- C GST + Seller-Assessed PST (not calculated as a tax on a tax)
- CT Same as C (tax only)
The examples do not show discounts. If you need to review how the system calculates discounts, see the chapter *Tax Rules by Company*.

The examples use the following AAI items for taxes:

<table>
<thead>
<tr>
<th>Sequence Number</th>
<th>O</th>
<th>Company</th>
<th>Bus. Unit</th>
<th>Object</th>
<th>Sub</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.060</td>
<td></td>
<td></td>
<td>1 4423</td>
<td></td>
<td></td>
<td>PT</td>
</tr>
<tr>
<td>4.060</td>
<td></td>
<td></td>
<td>1 4430</td>
<td></td>
<td></td>
<td>PTNS40</td>
</tr>
<tr>
<td>4.060</td>
<td></td>
<td></td>
<td>1 1240</td>
<td></td>
<td></td>
<td>PTTTXX</td>
</tr>
<tr>
<td>4.060</td>
<td></td>
<td></td>
<td>70 1240</td>
<td></td>
<td></td>
<td>PTVATB</td>
</tr>
<tr>
<td>4.060</td>
<td></td>
<td></td>
<td>1 1240 A</td>
<td></td>
<td></td>
<td>PTVAT1</td>
</tr>
<tr>
<td>4.060</td>
<td></td>
<td></td>
<td>1 1240 B</td>
<td></td>
<td></td>
<td>PTVAT2</td>
</tr>
</tbody>
</table>

The examples use three tax rate/areas:

- Area1 has a 7% tax and an 8% tax. Tax is not calculated as a tax on a tax and has an effective rate of 15%.

<table>
<thead>
<tr>
<th>Tax Rate/Area</th>
<th>Desc</th>
<th>Effective Date</th>
<th>Expiration Date</th>
<th>Item Number</th>
<th>Maximum Unit Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>AREA1</td>
<td>7% + 8% (not tax on tax)</td>
<td>01/01/91</td>
<td>12/31/99</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Authority</th>
<th>Address</th>
<th>Rate</th>
<th>Off</th>
<th>Meth</th>
<th>Exp</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td>1001</td>
<td>7.000</td>
<td></td>
<td></td>
<td>VAT1</td>
<td>Edwards, J.D. &amp; Company</td>
</tr>
<tr>
<td>1002</td>
<td>1002</td>
<td>8.000</td>
<td></td>
<td>N</td>
<td>VAT2</td>
<td>Edwards &amp; Edwards</td>
</tr>
</tbody>
</table>

Total Area Tax Rate: 15.000
- Area2 has a 7% tax and an 8% tax. Tax is calculated as a tax on a tax and has an effective rate of 15.56%.

<table>
<thead>
<tr>
<th>Tax Rate/Area. . . . . .</th>
<th>AREA2</th>
<th>Desc . .</th>
<th>7% + 8% (tax on tax)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date . . . . .</td>
<td>01/01/91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expiration Date . . . . .</td>
<td>12/31/99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item Number . . . . . .</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Unit Cost . . .</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Authority . .</th>
<th>Address</th>
<th>Rate</th>
<th>G/L</th>
<th>Calc</th>
<th>VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td></td>
<td>7.00</td>
<td>VAT1</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1002</td>
<td></td>
<td>8.00</td>
<td>VAT2</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>1003</td>
<td></td>
<td>0.00</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

Total Area Tax Rate . . . . 15.560

- Area3 has a 7% tax and an 8% tax. 30% of the 7% VAT is not eligible for input credits. Tax is not calculated as a tax on a tax and has an effective rate of 15%. This is the same as Area1, but with a 30% non-recoverable VAT/GST.

<table>
<thead>
<tr>
<th>Tax Rate/Area. . . . . .</th>
<th>AREA3</th>
<th>Desc . .</th>
<th>7% + 8% (30% nonrecoverable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date . . . . .</td>
<td>01/01/91</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expiration Date . . . . .</td>
<td>12/31/99</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item Number . . . . . .</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maximum Unit Cost . . .</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tax Authority . .</th>
<th>Address</th>
<th>Rate</th>
<th>G/L</th>
<th>Calc</th>
<th>VAT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1001</td>
<td></td>
<td>7.00</td>
<td>VAT1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1002</td>
<td></td>
<td>8.00</td>
<td>VAT2</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>1003</td>
<td></td>
<td>30.00</td>
<td>VAT1</td>
<td>R</td>
<td></td>
</tr>
<tr>
<td>1004</td>
<td></td>
<td>0.00</td>
<td></td>
<td>Y</td>
<td></td>
</tr>
</tbody>
</table>

Total Area Tax Rate . . . . 15.000
**Tax Explanation Code Examples**

### V VAT (GST in Canada)

#### Speed Voucher Entry

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Supplier Number</th>
<th>Invoice Number</th>
<th>Amount</th>
<th>G/L Date</th>
<th>Net Due Date</th>
<th>Pay Status</th>
<th>Taxable Amount</th>
<th>Approver Number</th>
<th>Payment Remark</th>
<th>Amt to Distribute</th>
<th>Batch Type</th>
<th>Post Out of Balance</th>
<th>Create Intercompany Settlements</th>
<th>VAT1</th>
<th>VAT2</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>7002</td>
<td></td>
<td>1,150.00</td>
<td>06/01/98</td>
<td>06/30/98</td>
<td>A</td>
<td>1,000.00</td>
<td></td>
<td></td>
<td></td>
<td>PV</td>
<td>N</td>
<td>*</td>
<td>$1000</td>
<td>$1000</td>
</tr>
</tbody>
</table>

The system posts the transaction above as shown on the report below.

#### Posting Journal

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>Debit</th>
<th>Credit</th>
<th>LT Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV 14185</td>
<td></td>
<td>Office Supplies Expense</td>
<td>00001</td>
<td>9.8720</td>
<td>1,000.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td>AE 14185</td>
<td></td>
<td>Accounts Payable-Trade</td>
<td>0001</td>
<td>1.4110</td>
<td>1,150.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td>AE 14185</td>
<td></td>
<td>VAT Recoverable - Auth. A</td>
<td>0001</td>
<td>1.1240.A</td>
<td>70.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td>AE 14185</td>
<td></td>
<td>VAT Recoverable - Auth. B</td>
<td>0001</td>
<td>1.1240.B</td>
<td>80.00</td>
<td>AA</td>
<td></td>
</tr>
</tbody>
</table>

**VAT1**
- $1000 goods x .07 tax rate = $70

**VAT2**
- $1000 goods x .08 tax rate = $80

**Dr** 1000
- G/L distribution

**Dr** 70
- VAT1 receivable account 1.1240.A
  - This is the account that AAI item PTVA1 points to.

**Dr** 80
- VAT2 receivable account 1.1240.B
  - This is the account that AAI item PTVA2 points to.

**Cr** 1150
- Accounts payable account 1.4110
  - This is the account that AAI item PCxxx points to.

\[ $1150 = $1000 goods + $70 - $80 VAT1 + $80 VAT2 \]
This page shows a journal entry for tax explanation code V.

```
09106  Journal Entry With VAT Tax

Action Code... I
Document Type... JE
Document Number/Co 68545
G/L Date... Daily Bank Charges
Gross Amount... 1000.00
Remaining... 150.00

Account Number  Amount  Tax Amount  Ex  Tax Area
9.9200       1000.00      150.00  V  AREA1
1.1110.BEAR  1150.00      -        -    

F4=Details  F13=Acct Master  F15=Model JE’s  F24=More
```

The system posts the transaction above as shown on the report below.

```
09801  J.D. Edwards & Company

Batch Type - G  General Ledger Post
Batch Number - 523993  General Accounting
Batch Date - 07/09/92  Posting Journal

Post Out of Balance : N
Create Intercompany Settlements: D

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>. . . . Amounts . . .</th>
<th>LT</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>JE</td>
<td>68544</td>
<td>06/15/92 00001 Other Expense</td>
<td>9.9200</td>
<td>1000.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Daily Bank Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JE</td>
<td>68544</td>
<td>06/15/92 00001 VAT Recoverable - Auth. A</td>
<td>1.1240.A</td>
<td>150.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Daily Bank Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JE</td>
<td>68544</td>
<td>06/15/92 00001 Bear Creek National Bank</td>
<td>1.1110.BEAR</td>
<td>1150.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Daily Bank Charges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

Batch Total                                  1150.00  1150.00  AA
```

For journal entries, the system posts the entire $150 VAT to the first tax authority in tax rate/area AREA1.
VT VAT (tax only)

<table>
<thead>
<tr>
<th>Account Number</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,8720</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The system posts the transaction above as shown on the report below.

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Date</th>
<th>Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>. . . Amount . . .</th>
<th>LT</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV</td>
<td>06/30/98</td>
<td>00001</td>
<td>Office Supplies Expense</td>
<td>9,8720</td>
<td></td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>JDE France</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AE</td>
<td>06/30/98</td>
<td>00001</td>
<td>Accounts Payable-Trade</td>
<td>1.4110</td>
<td>150.00- AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Offset by Document PV 00014187</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AE</td>
<td>06/30/98</td>
<td>00001</td>
<td>VAT Recoverable - Auth. A</td>
<td>1.1240.A</td>
<td>70.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Offset by Document PV 00014187</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AE</td>
<td>06/30/98</td>
<td>00001</td>
<td>VAT Recoverable - Auth. B</td>
<td>1.1240.B</td>
<td>80.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Offset by Document PV 00014187</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Batch Total | 150.00  | 150.00- AA |

VAT1 = $150 tax x (.07/.15) = $70
VAT2 = $150 tax x (.08/.15) = $80

Dr 0 G/L distribution
Dr 70 VAT receivable account 1.1240.A
This is the account that AAI item PTVAT1 points to.
Dr 80 VAT receivable account 1.1240.B
This is the account that AAI item PTVAT2 points to.
Cr 150 Accounts payable account 1.4110
This is the account that AAI item PCxxxx points to.
$1070 = $70 VAT1 + $80 VAT2
This page shows a journal entry for tax explanation code VT.

**Journal Entry With VAT Tax**

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Document Type</th>
<th>Document Number/Co</th>
<th>G/L Date</th>
<th>Gross Amount</th>
<th>Remaining</th>
<th>Account Number</th>
<th>Amount</th>
<th>Tax Amount</th>
<th>Ex Tax Area</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>JE</td>
<td>68545</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>9.9200</td>
<td>150.00</td>
<td>VT</td>
<td>P</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11110.BEAR</td>
<td>150.00</td>
<td></td>
<td>AREA1</td>
<td>P</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

F4=Details  F13=Acct Master  F15=Model JE’s  F24=More

The system posts the transaction above as shown on the report below.

**Journal Entry**

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Date</th>
<th>Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>Subldyr-Ty/Asset Number</th>
<th>Debit</th>
<th>Credit</th>
<th>LT Units</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>JE</td>
<td>06/15/92</td>
<td>00001</td>
<td>Other Expense</td>
<td>9.9200</td>
<td></td>
<td>AA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JE</td>
<td>06/15/92</td>
<td>00001</td>
<td>VAT Recoverable - Auth. A</td>
<td>1.1240.A</td>
<td>150.00</td>
<td></td>
<td>AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>JE</td>
<td>06/15/92</td>
<td>00001</td>
<td>Bear Creek National Bank</td>
<td>1.1110.BEAR</td>
<td>150.00-</td>
<td></td>
<td>AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>150.00-</td>
<td>AA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For journal entries, the system posts the entire $150 VAT to the first tax authority in tax rate/area AREA1.
V+ VAT (calculated as a tax on a tax)

The system posts the transaction above as shown on the report below.

VAT1 = $1000 goods x .07 tax rate = $70
VAT2 = ($1000 goods + $70 VAT) x .08 tax rate = $85.60

Dr 1000.00 G/L distribution
Dr 70.00 VAT receivable account 1.1240.A
This is the account that AAI item PTVAT1 points to.
Dr 85.60 VAT receivable account 1.1240.B
This is the account that AAI item PTVAT2 points to.
Cr 1155.60 Accounts payable account 1.4110
This is the account that AAI item PCxxx points to.

$1155.60 = $1000 goods + $70 VAT1 + $85.60 VAT2
Use Tax

= $1000 goods x .15 tax rate = $150

Dr 1150  
G/L distribution  
$1150 = $1000 goods + $150 use tax

Cr 150  
Self-assessed tax payable account 1.4423.AREA1  
This is the account that AAI item PT... points to (business unit and object 1.4423) plus the subsidiary account identifying the tax rate/area (Area1).

Cr 1000  
Accounts payable account 1.4110  
This is the account that AAI item PCxxxx points to.
**UT Use Tax, Self-Assessed (tax only)**

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Supplier Number</th>
<th>Invoice Number</th>
<th>Date</th>
<th>G/L Date</th>
<th>Net Due Date</th>
<th>Pay Status</th>
<th>Tax Amount</th>
<th>Taxable Amount</th>
<th>Approver Number</th>
<th>Payment Remark</th>
<th>Amt to Distribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>7002</td>
<td></td>
<td>06/01/98</td>
<td>06/30/98</td>
<td>07/01/98</td>
<td>P</td>
<td>150.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The system posts the transaction above as shown on the report below.

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>. . . . . . Amounts . . . . .</th>
<th>LT Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV</td>
<td></td>
<td>Office Supplies Expense</td>
<td>9.8720</td>
<td>150.00</td>
<td>AA</td>
</tr>
<tr>
<td>AE</td>
<td></td>
<td>Self Assessed Tax - AREA1</td>
<td>1.4423.AREA1</td>
<td>150.00 - AA</td>
<td></td>
</tr>
</tbody>
</table>

**Use Tax**

- **Dr 150**
- **Cr 150**

Self-assessed tax payable account 1.4423.AREA1

This is the account that AAI item PT... points to (business unit and object 1.4423) plus the subsidiary account identifying the tax rate/area (Area1).
S Sales Tax, Seller-Assessed (PST in Canada)

The system posts the transaction above as shown on the report below.

Sales Tax  = $1000 goods x .15 tax rate = $150

Dr 1150 G/L distribution
$1150 = $1000 goods + $150 sales tax

Cr 1150 Accounts payable account 1.4110
This is the account that AAI item PCxxx points to.
$1150 = $1000 goods + $150 sales tax

NOTE: For sales orders, the system posts to an offset account. The next page shows an example.
This page shows the sales order information.

### Enter Orders (Page Mode)

<table>
<thead>
<tr>
<th>Action</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sold To</td>
<td>4242 Office Systems Service Co</td>
</tr>
<tr>
<td>Ship To</td>
<td>4242 Office Systems Service Co</td>
</tr>
<tr>
<td>Requested</td>
<td>06/29/92</td>
</tr>
<tr>
<td>Promised Ship</td>
<td>06/29/92</td>
</tr>
<tr>
<td>Customer PO</td>
<td>06/29/92</td>
</tr>
<tr>
<td>Print Message</td>
<td>Ordered By: BANACH</td>
</tr>
<tr>
<td>Cust Price Group</td>
<td>Comm Code 1: Apply Freight: Y FOB.</td>
</tr>
<tr>
<td>Trade Discount</td>
<td>Comm Rate 1: Display WT/VM.</td>
</tr>
<tr>
<td>Payment Terms</td>
<td>Comm Code 2: Carrier Number</td>
</tr>
<tr>
<td>PaymentInstr</td>
<td>Comm Rate 2: Route/Stop/Zon</td>
</tr>
<tr>
<td>Tax Code/Area</td>
<td>S AREA1</td>
</tr>
<tr>
<td>Delivery Instr</td>
<td>F5=Credit Check F17=Order Address Information F24=More Keys</td>
</tr>
</tbody>
</table>

### Sales Order Entry

<table>
<thead>
<tr>
<th>Action Code</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sold To</td>
<td>4242 Office Systems Service Co</td>
</tr>
<tr>
<td>Ship To</td>
<td>4242 Office Systems Service Co</td>
</tr>
<tr>
<td>Requested</td>
<td>06/29/92</td>
</tr>
<tr>
<td>Ship</td>
<td>06/29/92</td>
</tr>
<tr>
<td>Customer PO</td>
<td>39811 SO</td>
</tr>
<tr>
<td>Detail Br/Plt</td>
<td>10</td>
</tr>
<tr>
<td>Quantity</td>
<td>Item</td>
</tr>
<tr>
<td>-------------</td>
<td>------</td>
</tr>
<tr>
<td>10</td>
<td>A1000</td>
</tr>
</tbody>
</table>

### Online Invoice

<table>
<thead>
<tr>
<th>Invoice</th>
<th>2500 RI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Number</td>
<td>39811 SO</td>
</tr>
<tr>
<td>Sold To</td>
<td>4242 Office Systems Service Co</td>
</tr>
<tr>
<td>Ship To</td>
<td>4242 Office Systems Service Co</td>
</tr>
<tr>
<td>Description</td>
<td>Order</td>
</tr>
<tr>
<td>FILE CABINET</td>
<td>06/29/92</td>
</tr>
</tbody>
</table>

Order Total: 1,000,000

Taxable Amount 1,000,00 @ 15.000 Tax 150,00

Invoice Total: 1,150,00

F24=More Keys
This page shows how the system posts the sales order.

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>. . . . Amounts . . . .</th>
<th>LT Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO 39811</td>
<td>06/29/92</td>
<td>00040 Sales Tax Authority A</td>
<td>10.4550.A</td>
<td>70.00- AA</td>
<td></td>
</tr>
<tr>
<td>AE 39811</td>
<td>06/29/92</td>
<td>00040 Trade Accounts Receivable</td>
<td>40.1210</td>
<td>1,150.00</td>
<td>AA</td>
</tr>
<tr>
<td>SO 39811</td>
<td>06/29/92</td>
<td>00040 Sales Tax Authority B</td>
<td>10.4550.B</td>
<td>80.00- AA</td>
<td></td>
</tr>
<tr>
<td>SO 39811</td>
<td>06/29/92</td>
<td>00040 Store Sales</td>
<td>20.5010</td>
<td>1,000.00- AA</td>
<td></td>
</tr>
<tr>
<td>SO 39811</td>
<td>06/29/92</td>
<td>00040 Estimated C.O.G.S.</td>
<td>20.6020</td>
<td>650.00</td>
<td>AA</td>
</tr>
<tr>
<td>SO 39811</td>
<td>06/29/92</td>
<td>00040 Inventory Activity</td>
<td>10.1401</td>
<td>650.00- AA</td>
<td></td>
</tr>
</tbody>
</table>

Batch Total: 1,800.00 1,800.00- AA

VAT1 = $1000 goods x .07 tax rate = $70
VAT2 = $1000 goods x .08 tax rate = $80

Dr 1150 Accounts receivable account 40.1210
This is the account that AAI item RCxxxx points to.
$1150 = $1000 goods + $70 VAT1 + $80 VAT2

Dr 650 Cost of goods sold

Cr 70 Tax account 10.4550.A
This is the account that AAI table 4250 points to.

Cr 80 Tax account 10.4550.B
This is the account that AAI table 4250 points to.

Cr 1000 G/L distribution (sales account)

Cr 650 Inventory for the cost of the goods sold
ST  Sales Tax, Seller-Assessed (tax only)

<table>
<thead>
<tr>
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<th>Prev Voucher:</th>
</tr>
</thead>
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<td>JDE France</td>
</tr>
<tr>
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<td></td>
</tr>
<tr>
<td>Date</td>
<td>06/01/98</td>
<td></td>
</tr>
<tr>
<td>G/L Date</td>
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<td></td>
</tr>
<tr>
<td>Net Due Date</td>
<td>07/01/98</td>
<td></td>
</tr>
<tr>
<td>Pay Status</td>
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<td></td>
</tr>
<tr>
<td>Tax Amount</td>
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<td></td>
</tr>
<tr>
<td>Approver Number</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amt to Distribute</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Account Number</td>
<td>9.8720</td>
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</tr>
<tr>
<td>Amount</td>
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<td>Explanation 2</td>
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</table>

| F9=Name Search F11=New Supplier F16=Ledger Inquiry F24=More Keys |

The system posts the transaction above as shown on the report below.

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<thead>
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<th>Page 11</th>
</tr>
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<tbody>
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</tr>
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<td></td>
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<tr>
<td>Post Out of Balance</td>
<td>N</td>
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<td>Create Intercompany Settlements:</td>
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<td>Do Document</td>
<td>G/L Co</td>
<td>Account Description</td>
</tr>
<tr>
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<td>JDE France</td>
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<tr>
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<td>14196 06/30/98 00001</td>
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<tr>
<td>Batch Total</td>
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</table>

Sales Tax = $150

Dr 150  G/L distribution
Cr 150  Accounts payable account 1.4110
This is the account that AAI item PCxxx points to.
E  Exempt (the product is not taxable)

The system posts the transaction above as shown on the report below.

| Dr  | 1000 | G/L distribution |
| Cr  | 1000 | Accounts payable account 1.4110

This is the account that AAI item PCxxxx points to.
## Canadian Tax Explanation Code Examples

### B  GST + Self-Assessed PST (not calculated as a tax on a tax)

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<thead>
<tr>
<th>Action Code</th>
<th>Speed Voucher Entry</th>
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<table>
<thead>
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<th>JDE France</th>
</tr>
</thead>
<tbody>
<tr>
<td>7002</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th>Date</th>
<th>G/L Date</th>
<th>Net Due Date</th>
<th>Pay Status</th>
<th>Tax Expl Code</th>
<th>Tax Amount</th>
<th>Taxable Amount</th>
<th>Serv/Tax Date</th>
<th>Approver Number</th>
<th>Amt to Distribute</th>
<th>Report Code</th>
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<tbody>
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</thead>
<tbody>
<tr>
<td>9.8720</td>
<td>1,080.00</td>
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</tr>
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F9=Name Search  F11=New Supplier  F16=Ledger Inquiry  F24=More Keys

The system posts the transaction above as shown on the report below.

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<thead>
<tr>
<th>Do Document</th>
<th>G/L Date</th>
<th>Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>. . . . Amounts</th>
<th>. . . . Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>PV</td>
<td>06/30/98</td>
<td>00001</td>
<td>Office Supplies Expense</td>
<td>9.8720</td>
<td>1,080.00</td>
<td>AA</td>
</tr>
<tr>
<td>AE</td>
<td>06/30/98</td>
<td>00001</td>
<td>Accounts Payable-Trade</td>
<td>1.4110</td>
<td>1,070.00</td>
<td>AA</td>
</tr>
<tr>
<td>AE</td>
<td>06/30/98</td>
<td>00001</td>
<td>VAT Recoverable - Auth. A</td>
<td>1.1240.A</td>
<td>70.00</td>
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<td>AE</td>
<td>06/30/98</td>
<td>00001</td>
<td>Self Assessed Tax - AREA1</td>
<td>1.4423.AREA1</td>
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| Batch Total | 1,150.00 | 1,150.00 | AA |

**GST**  
= $1000 goods x .07 tax rate = $70  
**PST**  
= $1000 goods x .08 tax rate = $80  

**Dr 1080**  
G/L distribution  
$1080 = $1000 goods + $80 PST  

**Dr 70**  
GST receivable account 1.1240.A  
This is the account that AAI item PTVAT1 points to.

**Cr 80**  
Self-assessed tax payable account 1.4423.AREA1.  
This is the account that AAI item PT__ points to (business unit and object 1.4423) plus the subsidiary account identifying the tax rate/area (Area1).

**Cr 1070**  
Accounts payable account 1.4110  
This is the account that AAI item PCxxxx points to.  
$1070 = $1000 goods + $70 GST
B  GST + Self-Assessed PST (calculated as a tax on a tax)

The system posts the transaction above as shown on the report below.

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<thead>
<tr>
<th>Document</th>
<th>G/L Co Account Description</th>
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<th>LT Units</th>
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<tbody>
<tr>
<td>PV</td>
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<td>1,085.60</td>
<td>AA</td>
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<tr>
<td>AE</td>
<td>06/30/98 Accounts Payable-Trade</td>
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<td>AA</td>
</tr>
<tr>
<td>AE</td>
<td>06/30/98 VAT Recoverable - Auth. A</td>
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<td>85.60</td>
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</table>

GST = $1000 goods x .07 tax rate = $70
PST = ($1000 goods + $70 GST) x 0.08 tax rate = $85.60

Dr 1085.60  G/L distribution
$1085.60 = $1000 goods + $85.60 PST
Dr 70.00   GST receivable account 1.1240.A
This is the account that AAI item PT1VAT1 points to.
Cr 85.60   Self-assessed tax payable account 1.4423.AREA2.
This is the account that AAI item PT.... points to (business unit and object 1.4423) plus the subsidiary account identifying the tax rate/area (Area2).
Cr 1070.00 Accounts payable account 1.4110
This is the account that AAI item PCxxx points to.
$1070 = $1000 goods + $70 GST
BT GST + Self-Assessed PST (tax only)

The system posts the transaction above as shown on the report below.

GST = $150 tax x (.07/15) = $70
PST = $150 tax x (.08/15) = $80

Dr 80 G/L distribution
$80 = $80 PST

Dr 70 GST receivable account 1.1240.A
This is the account that AAI item PTVAT1 points to.

Cr 80 Self-assessed tax payable account 1.4423.AREA1.
This is the account that AAI item PT__ points to (business unit and object 1.4423) plus the subsidiary account identifying the tax rate/area (AREA1).

Cr 70 Accounts payable account 1.4110
This is the account that AAI item PCxxxx points to.

Reference 11/96 (Release A7.3)
C GST + Seller-Assessed PST (not calculated as a tax on a tax)

<table>
<thead>
<tr>
<th>Action Code</th>
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<table>
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<th>Tax Amount</th>
<th>Taxable Amount</th>
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<td>9,8720</td>
<td>1,080.00</td>
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<table>
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<th>Amount</th>
<th>Explanation</th>
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<tbody>
<tr>
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The system posts the transaction above as shown on the report below.

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<th>Account Description</th>
<th>G/L Account</th>
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<th>Amount</th>
<th>LT Units</th>
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<tbody>
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<td>Office Supplies Expense</td>
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<td>AA</td>
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<td></td>
<td></td>
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<td>AE</td>
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<td>1,150.00</td>
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<td>AA</td>
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<tr>
<td></td>
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<td>1.1240.A</td>
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JDE France
AE Offset by Document PV 00014189
AE Offset by Document PV 00014189

Batch Total 1,150.00 1,150.00- AA

GST = $1000 goods x .07 tax rate = $70
PST = $1000 goods x .08 tax rate = $80

Dr 1080 G/L distribution
$1080 = $1000 goods + $80 PST

Dr 70 GST receivable account 1.1240.A
This is the account that AAI item PT VAT1 points to.

Cr 1150 Accounts payable account 1.4110
This is the account that AAI item PCxxxx points to.

$1150 = $1000 goods + $70 GST + $80 PST
C  GST + Seller-Assessed PST (calculated as a tax on a tax)

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The system posts the transaction above as shown on the report below.

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<tr>
<th>Do Document</th>
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<th>Account Description</th>
<th>G/L Account</th>
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<th>LT Units</th>
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<td>14190 06/30/98 00001</td>
<td>1.1240.A</td>
<td>70.00</td>
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</table>

Dr 1085.60  G/L distribution
$1085.60 = $1000 goods + $70 GST x .08 tax rate = $85.60

Dr 70.00  GST receivable account 1.1240.A
This is the account that AAI item PTVAT1 points to.

Cr 1155.60  Accounts payable account 1.4110
This is that account that AAI item PCxxxx points to.
$1155.60 = $1000 goods +$70 GST + $85.60 PST
CT GST + Seller-Assessed PST (tax only)

The system posts the transaction above as shown on the report below.

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<tbody>
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<td>Batch Date</td>
<td>- 05/06/92</td>
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General Ledger Post - Voucher Entry

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<th>G/L Ty</th>
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<th>Account Description</th>
<th>G/L Account</th>
<th>..... Amounts ......</th>
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<tr>
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<td>Accounts Payable-Trade</td>
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<td>AE</td>
<td>14191</td>
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</table>

JDE France

Offset by Document PV 00014191

Offset by Document PV 00014191

Batch Total 150.00 150.00- AA

GST = $150 tax x (.07/.15) = $70
PST = $150 tax x (.08/.15) = $80

Dr 80 G/L distribution
$80 = $80 PST

Dr 70 GST receivable account 1.1240.A
This is the account that AAI item PTVAT1 points to.
$70 = $70 GST

Cr 150 Accounts payable account 1.4110
This is the account that AAI item PCxxxx points to.
$150 = $70 GST + $80 PST
## GST Input Credits

### Credits for V (VAT)

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<tr>
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<tr>
<td>Date</td>
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<td></td>
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<tr>
<td>G/L Date</td>
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<tbody>
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</table>

| F9=Name Search | F11=New Supplier | F16=Ledger Inquiry | F24=More Keys |

The system posts the transaction above as shown on the report below.

<table>
<thead>
<tr>
<th>Document Type</th>
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<th>G/L Account</th>
<th>Amount</th>
<th>Description</th>
<th>Subldgr-Ty/Asset Number</th>
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<th>Credit</th>
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</thead>
<tbody>
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<td>00001</td>
<td>9.8720</td>
<td>Office Supplies Expense</td>
<td>JDE France</td>
<td>1,045.00</td>
<td></td>
</tr>
<tr>
<td>AE</td>
<td>06/30/98</td>
<td>00001</td>
<td>1.4110</td>
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</tr>
</tbody>
</table>

Batch Total | 1,150.00 | 1,150.00 |

VAT1 = $1000 goods x .07 tax rate = $70
VAT2 = $1000 goods x .08 tax rate = $80
Non-recoverable = $1000 goods x .15 tax rate x .30 = $45
Recoverable = $70 VAT1 - $45 non-recoverable = $25

Dr 1045 G/L distribution
$1045 = $1000 goods + $45 non-recoverable VAT

Dr 25 VAT receivable account 1.1240.A
This is the account that AAI item PTVA1 points to.

Dr 80 VAT receivable account 1.1240.B
This is the account that AAI item PTVAT2 points to.

Cr 1150 Accounts payable account 1.14110
This is the account that AAI item PCxxxx points to.

$1150 = $1000 goods + $70 VAT1 + $80 VAT2
Credits for B (GST + Self-Assessed PST)

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Supplier Number</th>
<th>Voucher Number</th>
<th>G/L Date</th>
<th>Serv/Tax Date</th>
<th>Taxable Amount</th>
<th>Tax Rate/Area</th>
<th>GST</th>
<th>PST</th>
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<tbody>
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<td>06/01/98</td>
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<td>$1000 goods x .08 tax rate = $80</td>
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<tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$70 GST x .30 = $21</td>
<td>$70 GST x .30 = $21</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$70 GST - $21 non-recoverable = $49</td>
<td>$70 GST - $21 non-recoverable = $49</td>
</tr>
</tbody>
</table>

Dr 1101 G/L distribution
$1101 = $1000 goods + $80 PST + $21 non-recoverable GST

Dr 49 VAT receivable account 1.1240.A
This is the account that AAI item PTVAT1 points to.

Cr 80 Self-assessed tax payable account 1.4423.AREA3.
This is the account that AAI item PT ... points to (business unit and object 1.4423) plus the subsidiary account identifying the tax rate/area (Area3).

Cr 1070 Accounts payable account 1.4110
This is the account that AAI item PCxxxx points to.
$1070 = $1000 goods + $70 GST

The system posts the transaction above as shown on the report below.
## Credits for C (GST + Seller-Assessed PST)

The system posts the transaction above as shown on the report below.

### Journal Entry

<table>
<thead>
<tr>
<th>G/L Account</th>
<th>Date</th>
<th>Amount</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>14201</td>
<td>06/30/98</td>
<td>9,872.0</td>
<td>Office Supplies Expense</td>
</tr>
<tr>
<td>00001</td>
<td>06/30/98</td>
<td>1,101.00</td>
<td>JDE France</td>
</tr>
<tr>
<td>14201</td>
<td>06/30/98</td>
<td>1,150.00</td>
<td>Accounts Payable-Trade</td>
</tr>
<tr>
<td>00001</td>
<td>06/30/98</td>
<td>1,150.00</td>
<td>JDE France</td>
</tr>
<tr>
<td>14201</td>
<td>06/30/98</td>
<td>1,240.0 A</td>
<td>VAT Recoverable - Auth. A</td>
</tr>
<tr>
<td>00001</td>
<td>06/30/98</td>
<td>1,240.0 A</td>
<td>JDE France</td>
</tr>
</tbody>
</table>

### Calculations

- **GST** = $1000 goods x 0.07 tax rate = $70
- **PST** = $1000 goods x 0.08 tax rate = $80
- **Non-recoverable** = $70 GST x 0.30 = $21
- **Recoverable** = $70 GST - $21 non-recoverable = $49

### Account Analysis

- **Dr 1101**: G/L distribution
  - $1101 = $1000 goods + $80 PST + $21 non-recoverable GST
- **Dr 49**: VAT receivable account 1.1240A
  - This is the account that AAI item PTVAT1 points to.
- **Cr 1150**: Accounts payable account 1.4110
  - This is the account that AAI item PCxxx points to.
  - $1150 = $1000 goods + $70 GST + $80 PST
Guidelines

- B and C Tax Explanation Codes (for Canada). Even though these codes have the same distribution amounts, notice that the system posts them differently. B posts the PST amount to a payables account and C does not. This is because self-assessed PST is not included in the invoice amount for the B tax explanation code and is not paid to the supplier but to the province tax authorities.

- Posting Problems. The system posts to the accounts you specified with AAIs. If you encounter posting problems, ensure that your AAIs point to the account you intend. For additional information about AAIs, see the chapter *Automatic Accounting Instructions (AAIs)*.

- General Ledger Distribution. G/L distribution is the amount to be allocated to general ledger accounts, such as revenue and expense accounts. Generally, the distribution amount is the goods plus sales tax because this is the true cost of purchased goods. VAT is not included in the distribution amount because, typically, a company is reimbursed for VAT paid to suppliers when the company sells those goods.

- Discounts. The examples in this chapter do not show discounts. See the chapter *Tax Rules by Company* to review discount examples.
Entry and Post Examples for Purchase Orders

This chapter describes how the system calculates and posts tax amounts to the general ledger for some commonly-used tax explanation codes.

The examples include the following tax explanation codes:

S  Sales Tax, Seller-Assessed (called PST in Canada)
    Inventory example
    Non-inventory example

U  Use Tax, Self-Assessed (called PST in Canada)
    Inventory example
    Non-inventory example

V  VAT (called GST in Canada)
    Inventory example
    Non-inventory example

C  GST + Seller-Assessed PST (calculated as a tax on a tax)
    Inventory example
    Non-inventory example

B  GST + Self-Assessed PST (not calculated as a tax on a tax)
    Inventory example
    Non-inventory example

Tax explanation codes C and B can be either seller-assessed or self-assessed. This chapter, however, only shows C as seller-assessed and B as self-assessed.
Entry and Post Examples for Purchase Orders

The examples do not show discounts. If you need to review how the system calculates discounts, see the chapter *Tax Rules by Company*.

The examples use the following AAI items for taxes:

**Distribution Automatic Account**

<table>
<thead>
<tr>
<th>Co. Ty Cls.</th>
<th>Description</th>
<th>Bus. Unit</th>
<th>Object</th>
<th>Sub</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000 OP IN20</td>
<td>Purchase Order / Inventory</td>
<td>4431</td>
<td></td>
<td></td>
</tr>
<tr>
<td>00050 OP NS40</td>
<td>Purchase Order / Non-Inventory</td>
<td>50 4431</td>
<td></td>
<td></td>
</tr>
<tr>
<td>00100 OP IN10</td>
<td>Purchase Order / Stock Inventor</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN20</td>
<td>Purchase Order / Inventory</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN30</td>
<td>Purchase Order / Components</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN40</td>
<td>Purchase Order / Inventory Tran</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP NS40</td>
<td>Purchase Order / Non-Inventory</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

F14=Memo  F21=Print  F24=More Keys

**Distribution Automatic Account**

<table>
<thead>
<tr>
<th>Co. Ty Cls.</th>
<th>Description</th>
<th>Bus. Unit</th>
<th>Object</th>
<th>Sub</th>
</tr>
</thead>
<tbody>
<tr>
<td>00000 OP IN20</td>
<td>Purchase Order / Inventory</td>
<td>4431</td>
<td></td>
<td></td>
</tr>
<tr>
<td>00050 OP NS40</td>
<td>Purchase Order / Non-Inventory</td>
<td>50 4431</td>
<td></td>
<td></td>
</tr>
<tr>
<td>00100 OP IN10</td>
<td>Purchase Order / Stock Inventor</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN20</td>
<td>Purchase Order / Inventory</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN30</td>
<td>Purchase Order / Components</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP IN40</td>
<td>Purchase Order / Inventory Tran</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>00100 OP NS40</td>
<td>Purchase Order / Non-Inventory</td>
<td>100 4431</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

F14=Memo  F21=Print  F24=More Keys

Reference 11/96  (Release A7.3)
The examples use two tax rate/areas:

- **Area PUR1** has a 4% tax and an 6% tax. Tax is not calculated as a tax on a tax and has an effective rate of 10%.

### Area PUR1

<table>
<thead>
<tr>
<th>Tax Rate/Area.</th>
<th>Description</th>
<th>Tax Authority</th>
<th>Address</th>
<th>Rate</th>
<th>Off.</th>
<th>Calc VAT</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUR1</td>
<td>Purchasing Tax</td>
<td>5098</td>
<td>4.000</td>
<td>TXTX</td>
<td></td>
<td>N</td>
<td>Revenue Canada</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5961</td>
<td>6.000</td>
<td>TXTX</td>
<td></td>
<td>Y</td>
<td>Treasurer of Ontario</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Area Tax Rate.</td>
<td>10.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Area PUR2** has a 4% tax and an 6% tax. Tax is calculated as a tax on a tax and has an effective rate of 10.24%.

### Area PUR2

<table>
<thead>
<tr>
<th>Tax Rate/Area.</th>
<th>Description</th>
<th>Tax Authority</th>
<th>Address</th>
<th>Rate</th>
<th>Off.</th>
<th>Calc VAT</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PUR2</td>
<td>Purchasing Tax (Tax on Tax)</td>
<td>5098</td>
<td>4.000</td>
<td>TXTX</td>
<td></td>
<td>X</td>
<td>Revenue Canada</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5961</td>
<td>6.000</td>
<td>TXTX</td>
<td></td>
<td>Y</td>
<td>Treasurer of Ontario</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Area Tax Rate.</td>
<td>10.000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
S Sales Tax, Inventory Example

**Order Summary Information**

<table>
<thead>
<tr>
<th>Description/Item Number</th>
<th>Quantity</th>
<th>Extended Volume</th>
<th>Extended Weight</th>
<th>Extended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Package</td>
<td>1</td>
<td>10.0000</td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Total**

<table>
<thead>
<tr>
<th>Amount Taxable</th>
<th>100.00 @ 10.000 Tax</th>
<th>10.00</th>
</tr>
</thead>
</table>

**Order Total**

110.00

**Journal Entries**

<table>
<thead>
<tr>
<th>Action Code. . .</th>
<th>I</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Type. . .</td>
<td>OV</td>
</tr>
<tr>
<td>Document Number/Co</td>
<td>1011 00100</td>
</tr>
<tr>
<td>G/L Date . . .</td>
<td>02/09/94</td>
</tr>
<tr>
<td>Batch Number</td>
<td>4446</td>
</tr>
</tbody>
</table>

**Skip to Line . . .**

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1411.20A</td>
<td>100.00</td>
<td>Software Package</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Software Package</td>
</tr>
<tr>
<td>100.4430.X</td>
<td>10.00</td>
<td>Software Package</td>
</tr>
<tr>
<td>100.4431</td>
<td>10.00</td>
<td>Software Package</td>
</tr>
</tbody>
</table>

**Posting Journal**

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>...</th>
<th>Amount</th>
<th>...</th>
<th>LT Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>OV</td>
<td>1011</td>
<td>02/09/94 00100 Inventory/Valle , P</td>
<td>100.1411.20A</td>
<td>100.00</td>
<td>AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV</td>
<td>1011</td>
<td>02/09/94 00100 Received Not Voucher</td>
<td>100.4111</td>
<td>100.00- AA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV</td>
<td>1011</td>
<td>02/09/94 00100 Other Sales/Use Tax Payab</td>
<td>100.4430.X</td>
<td>10.00</td>
<td>AA</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV</td>
<td>1011</td>
<td>02/09/94 00100 Received Not Voucher Tax</td>
<td>100.4431</td>
<td>10.00- AA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Batch Total**

110.00 110.00- AA

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that the entire tax amount is a debit to the 4350 (OPT) account and a credit to the 4355 (OPA) account.

TAX 3-66

Reference 11/96 (Release A7.3)
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the item plus the tax, and (2) the posting creates a balancing entry to the A/P Trade account.
**S  Sales Tax, Non-Inventory Example**

**430114  Order Summary Information**

<table>
<thead>
<tr>
<th>Description/Item Number</th>
<th>Quantity</th>
<th>Volume</th>
<th>Weight</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Total**  
Amount Taxable  
100.00 @ 10.000 Tax  
10.00  
Order Total  
110.00

**09101  Journal Entries**

<table>
<thead>
<tr>
<th>Action Code. . . .</th>
<th>DV</th>
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</thead>
<tbody>
<tr>
<td>Document Type. . .</td>
<td>OV</td>
</tr>
<tr>
<td>Document Number/Co</td>
<td>1012 00100</td>
</tr>
<tr>
<td>G/L Date . . . .</td>
<td>02/09/94</td>
</tr>
<tr>
<td>Batch Number</td>
<td>4449</td>
</tr>
<tr>
<td>Remaining. . . . .</td>
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</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Skip to Line . . .</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1105</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.1105</td>
<td>10.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4431</td>
<td>10.00</td>
<td>Nonstock</td>
</tr>
</tbody>
</table>

**09801  J.D. Edwards & Company**

<table>
<thead>
<tr>
<th>Batch Type</th>
<th>O</th>
</tr>
</thead>
<tbody>
<tr>
<td>Batch Number</td>
<td>4449</td>
</tr>
<tr>
<td>Batch Date</td>
<td>02/09/94</td>
</tr>
</tbody>
</table>

**Post Out of Balance**  
:N

**Create Intercompany Settlements:** Y

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>. . . Amounts . . .</th>
<th>LT</th>
<th>Units</th>
</tr>
</thead>
</table>
| OV          | 0102 02/09/94 00100 | Nonstock  
Vector Manufacturing Co | 100.1105 | 100.00 | AA |
| OV          | 0102 02/09/94 00100 | Received Not Vouchered  
Vector Manufacturing Co | 100.4111 | 100.00- | AA |
| OV          | 0102 02/09/94 00100 | Nonstock  
Vector Manufacturing Co | 100.1105 | 10.00 | AA |
| OV          | 0102 02/09/94 00100 | Received Not Vouchered Tax  
Vector Manufacturing Co | 100.4431 | 10.00- | AA |

**Batch Total**  
110.00  
110.00- AA

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that the entire tax amount is a debit to the expense account from the purchase order and a credit to the 4355 (OPA) account.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the material amount plus the entire tax amount, and (2) the posting creates a balancing entry to the A/P Trade account.
Use Tax, Inventory Example

**Order Summary Information**

<table>
<thead>
<tr>
<th>Description/Item Number</th>
<th>Quantity</th>
<th>Extended Volume</th>
<th>Extended Weight</th>
<th>Extended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Package</td>
<td>1</td>
<td>10.0000</td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Total**

- Amount Taxable: 100.00 @ 10.0000 Tax: 10.00
- Order Total: 110.00

**Journal Entries**

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Document Type</th>
<th>Document Number/Co</th>
<th>G/L Date</th>
<th>Batch Number</th>
<th>Batch Date</th>
<th>Explanation</th>
<th>Post Out of Balance</th>
<th>Create Intercompany Settlements</th>
<th>Document</th>
<th>General Ledger Post</th>
<th>P</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>09101</td>
<td>OV</td>
<td>1014</td>
<td>02/09/94</td>
<td>4452</td>
<td>02/09/94</td>
<td>Vector Manufacturing Co</td>
<td>N</td>
<td>Y</td>
<td>OV</td>
<td>PO Receipts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Posting Journal**

<table>
<thead>
<tr>
<th>Document</th>
<th>G/L Co Description</th>
<th>G/L Account</th>
<th>. . . Amounts . . .</th>
<th>LT Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>OV 014</td>
<td>02/09/94 00100 Inventory/Valley Forge, P</td>
<td>100.1411.20A</td>
<td>100.00</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV 014</td>
<td>02/09/94 00100 Received Not Vouchered</td>
<td>100.4111</td>
<td>100.00- AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV 014</td>
<td>02/09/94 00100 Other Sales/Use Tax Payab</td>
<td>100.4430.X</td>
<td>10.00</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV 014</td>
<td>02/09/94 00100 Received Not Vouchered Tax</td>
<td>100.4431</td>
<td>10.00- AA</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Software Package</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Batch Total**: 110.00

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that at receipt, the entire tax amount is a debit to the 4350 (OPT) account and a credit to the 4355 (OPA) account.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the item amount only, and (2) the posting creates two entries. One entry is to the A/P Trade account and the second is to the Use Tax Payable account for the tax amount. The Use Tax Payable account is the account that AAI PT... points to (business unit and object) plus the subsidiary account that identifies the tax rate/area (PUR1).
**U Use Tax, Non-Inventory Example**

<table>
<thead>
<tr>
<th>Description/Item Number</th>
<th>Quantity</th>
<th>Extended Volume</th>
<th>Extended Weight</th>
<th>Extended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Order Summary Information**

- **Order Number**: 2036 OP
- **Supplier**: 4343 Vector Manufacturing Co
- **Ship to**: 1063 Modesto Warehouse #10

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1105</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.1105</td>
<td>10.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4431</td>
<td>10.00</td>
<td>Nonstock</td>
</tr>
</tbody>
</table>

**Journal Entries**

- **Action Code**: I
- **Document Type**: OV
- **Document Number/Co**: 1015 00100
- **G/L Date**: 02/09/94
- **Batch Number**: 4453

<table>
<thead>
<tr>
<th>Do Document</th>
<th>G/L Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>G/L Account</th>
<th>. . . Amounts . . .</th>
<th>LT</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>OV</td>
<td>1015</td>
<td>02/09/94 00100</td>
<td>100.1105</td>
<td></td>
<td></td>
<td>100.00</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td></td>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV</td>
<td>1015</td>
<td>02/09/94 00100</td>
<td>100.4111</td>
<td></td>
<td></td>
<td>100.00</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td></td>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV</td>
<td>1015</td>
<td>02/09/94 00100</td>
<td>100.1105</td>
<td></td>
<td></td>
<td>10.00</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td></td>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>OV</td>
<td>1015</td>
<td>02/09/94 00100</td>
<td>100.4431</td>
<td></td>
<td></td>
<td>10.00</td>
<td>AA</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vector Manufacturing Co</td>
<td></td>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Batch Total**: 110.00

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that the tax amount is a debit to the expense account from the purchase order and a credit to the 4355 (OPA) account.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the material amount only, and (2) the posting creates two entries. One entry is to the A/P Trade account and the second is to the Use Tax Payable account for the tax amount. The Use Tax Payable account is the account that AAI PT.... points to (business unit and object) plus the subsidiary account that identifies the tax rate/area (PUR1).
V  VAT, Inventory Example

Order Summary Information

Order Number .  2031 OP
Supplier . . .  4343 Vector Manufacturing Co
Ship to. . . .  1063 Modesto Warehouse #10

<table>
<thead>
<tr>
<th>Description/</th>
<th>Quantity</th>
<th>Extended Volume</th>
<th>Extended Weight</th>
<th>Extended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Software Package</td>
<td>1</td>
<td>10.0000</td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

Total

Amount Taxable 100.00 @ 10.000 Tax 10.00
Order Total 110.00

Journal Entries

Action Code. . .  I
Document Type. . . OV
Document Number/Co  1019 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . 02/09/94 Batch Number 4455

Skip to Line . . .

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1411.20A</td>
<td>100.00</td>
<td>Software Package</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Software Package</td>
</tr>
</tbody>
</table>

Batch Total 100.00 100.00- AA

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that at receipt, the journal entries do not include taxes.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the item plus the tax, and (2) the posting creates two entries. One entry is to the A/P Trade account and the second is to the Sales & Use Tax Payable account. The Sales & Use Tax Payable account is the account that AAI item PTTTX holds points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen).
## Order Summary Information

<table>
<thead>
<tr>
<th>Description/Item Number</th>
<th>Quantity</th>
<th>Extended Volume</th>
<th>Extended Weight</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Total** 100.00

Amount Taxable 100.00 @ 10.00 Tax 10.00

Order Total 110.00

### Journal Entries

**Action Code**: I
**Document Type**: OV
**Document Number/Co**: 1023 00100
**G/L Date**: 02/09/94
**Explanation**: Vector Manufacturing Co

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1105</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
</tbody>
</table>

**Batch Total** 100.00

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that at receipt, the journal entries do not include taxes.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the material amount plus the tax, and (2) the posting creates two entries. One entry is to the A/P Trade account and the second is to the Sales & Use Tax Payable account. The Sales & Use Tax Payable account is the account that AAI item PTTTX2 points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen).
The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that at receipt, the system creates journal entries only for the PST portion of the tax, debits the 4350 (OPT) account, and credits 4355 the (OPA) account.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the item plus the entire tax (GST and PST), and (2) the posting creates two entries. One entry is to the A/P Trade account for the entire amount and the second is to the Sales & Use Tax Payable account for the GST amount. The Sales & Use Tax Payable account is the account that AAI PTTXTTX points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen).
C  GST + Seller-Assessed PST (Tax on a Tax), Non-Inventory Example

430114  Order Summary Information
Order Number .  2038  OP
Supplier . . .  4343  Vector Manufacturing Co
Ship to . . . .  1063  Modesto Warehouse #10

<table>
<thead>
<tr>
<th>Description/Item Number</th>
<th>Quantity</th>
<th>Extended Volume</th>
<th>Extended Weight</th>
<th>Extended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

Amount Taxable 100.00 @ 10.240 Tax 10.24
Order Total 110.24

Action Code. . . . I
Document Type. . . OV
Document Number/Co  1027 00100  Explanation Vector Manufacturing Co
G/L Date . . . . . 02/09/94  Batch Number  4459

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1105</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.1105</td>
<td>6.24</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4431</td>
<td>6.24</td>
<td>Nonstock</td>
</tr>
</tbody>
</table>

09801  J.D. Edwards & Company  Page 1
Batch Type - O  General Ledger Post - PO Receipts
Batch Number - 4459
Batch Date - 02/09/94

Posting Journal

Post Out of Balance : N
Create Intercompany Settlements: Y

<table>
<thead>
<tr>
<th>Document Ty</th>
<th>G/L Ty</th>
<th>Co</th>
<th>Account Description</th>
<th>G/L Account</th>
<th>. . . Amounts . . .</th>
<th>LT</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>O</td>
<td>V</td>
<td>00100</td>
<td>Vector Manufacturing Co</td>
<td>100.1105</td>
<td>100.00</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>V</td>
<td>00100</td>
<td>Received Not Vouchered</td>
<td>100.4111</td>
<td>100.00-</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>V</td>
<td>00100</td>
<td>Vector Manufacturing Co</td>
<td>100.1105</td>
<td>6.24</td>
<td>AA</td>
<td></td>
</tr>
<tr>
<td>O</td>
<td>V</td>
<td>00100</td>
<td>Received Not Vouchered Tax</td>
<td>100.4431</td>
<td>6.24-</td>
<td>AA</td>
<td></td>
</tr>
</tbody>
</table>

Batch Total 106.24  106.24- AA

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that at receipt, the system creates journal entries only for the PST portion of the tax. The tax amount is a debit to the expense account from the purchase order and a credit to the 4355 (OPA) account.

TAX  3—80  Reference 11/96  (Release A7.3)
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the item plus the entire tax (GST and PST), and (2) the posting creates two entries. One entry is to the A/P Trade account for the entire amount and the second is to the Sales & Use Tax Payable account for the GST amount. The Sales & Use Tax Payable account is the account that AAI PTTXTXT points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen).
The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that at receipt, the system creates journal entries only for the PST portion of the tax. The tax amount is a debit to the 4350 (OPT) account and a credit to the 4355 (OPA) account.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the item amount and GST portion of the tax, and (2) the posting creates three entries. One entry is to the A/P Trade account for the material and GST, the second is to the Sales & Use Tax Payable account for GST, and the third is to the Use Tax Payable account for PST. The Sales & Use Tax Payable account is the account that AA1 TT1TX points to (TX1TX is the G/L Offset field on the Tax Rate/Areas screen). The Use Tax Payable account is the account that PT_... points to (business unit and object) plus the subsidiary account that identifies the tax rate/area (PUR1).
B  GST + Self-Assessed PST (Not Tax on Tax), Non-Inventory Example

Order Summary Information

Order Number  2039 OP
Supplier  4343 Vector Manufacturing Co
Ship to  1063 Modesto Warehouse #10

<table>
<thead>
<tr>
<th>Description/ Item Number</th>
<th>Quantity</th>
<th>Extended Volume</th>
<th>Extended Weight</th>
<th>Extended Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonstock</td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

Total                                      100.00

Amount Taxable  100.00 @ 10.000 Tax  10.00
Order Total  110.00

Journal Entries

Action Code  I
Document Type  OV
Document Number/Co  1029 00100
G/L Date  02/09/94

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1105</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.1105</td>
<td>6.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4431</td>
<td>6.00</td>
<td>Nonstock</td>
</tr>
</tbody>
</table>

Remainder

Skip to Line

Account No. | Amount | Explanation 2 |
|-------------|--------|---------------|

Journal Entries

Action Code  I
Document Type  OV
Document Number/Co  1029 00100
G/L Date  02/09/94

<table>
<thead>
<tr>
<th>Account No.</th>
<th>Amount</th>
<th>Explanation 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.1105</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4111</td>
<td>100.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.1105</td>
<td>6.00</td>
<td>Nonstock</td>
</tr>
<tr>
<td>100.4431</td>
<td>6.00</td>
<td>Nonstock</td>
</tr>
</tbody>
</table>

Remainder

Skip to Line

Account No. | Amount | Explanation 2 |
|-------------|--------|---------------|

The purchase order, journal entries created at receipt, and posting of the journal entries are shown above. Note that at receipt, the system creates journal entries only for PST. The tax amount is a debit to the expense account from the purchase order and a credit to the 4355 (OPA) account.
The voucher, journal entries created at the time of the voucher, and posting of the journal entries are shown above. Note that (1) the system creates the voucher for the material and GST portion of the tax, and (2) the posting creates three entries. One entry is to the A/P Trade account for the material and GST, the second is to the Sales & Use Tax Payable account for GST, and the third is to the Use Tax Payable account for PST.
The Sales & Use Tax Payable account is the account that AAI PTTXTX points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen). The Use Tax Payable account is the account that PT8 points to (business unit and object) plus the subsidiary account that identifies the tax rate/area (PUR1).

Guidelines

- B and C Tax Explanation Codes (for Canada). Even though these codes have the same distribution amounts, notice that the system posts them differently. B posts the PST amount to a payables account and C does not. This is because self-assessed PST is not included in the invoice amount for the B tax explanation code and is not paid to the supplier but to the province tax authorities.

- Posting Problems. The system posts to the accounts you specified through AAIs. If you encounter posting problems, ensure that your AAIs point to the account you intend. For additional information about AAIs, see the chapter *Automatic Accounting Instructions (AAIs)*.

- General Ledger Distribution. G/L distribution is the amount to be allocated to general ledger accounts, such as revenue and expense accounts. Generally, the distribution amount is the goods plus sales tax because this is the true cost of purchased goods. VAT is not included in the distribution amount because, typically, a company is reimbursed for VAT paid to suppliers when the company sells those goods.

- Gross Amount. The gross amount (in these examples, the amount of the A/P account) is the total invoice amount paid to a supplier or collected from a customer. For example, self-assessed sales taxes are never included in an invoice from a supplier.

- Discounts. The examples in this chapter do not show discounts. See the chapter *Tax Rules by Company* to review discount examples.
Tax Work File

The system uses the Tax Work File (F0018) to generate the tax reports. This chapter describes how to update the Tax Work file and how to perform periodic purges to the file.

If your company operates in a European Community country or in Japan, you must perform the activities described in this chapter as well as those in other chapters to generate tax reports. For more information, see the chapters European Community Activities and Japanese Consumption Tax Activities.

The diagram below shows how the Tax Work file integrates with tax reports and the system files.


Corrections to the Tax Work file, however, do not correct the system files. Depending on the type of correction, you may need to enter a correcting A/P voucher, A/R invoice, sales order, purchase order, or journal entry to update those files.
Correct the Tax Work File

Use the Tax File Revisions screen to add, change, delete, and inquire on transactions in the Tax Work file.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Tax File Revisions

Screen and Fields

0018 Tax File Revisions

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Action Code</td>
<td>I</td>
</tr>
<tr>
<td>Doc Nbr/Typ/Co</td>
<td>1827 SO</td>
</tr>
<tr>
<td>Document Suffix</td>
<td>000</td>
</tr>
<tr>
<td>Line Number</td>
<td>3,000</td>
</tr>
<tr>
<td>Company</td>
<td>00040 A Model Distribution Company</td>
</tr>
<tr>
<td>Business Unit</td>
<td>10</td>
</tr>
<tr>
<td>Object Account</td>
<td></td>
</tr>
<tr>
<td>Subsidiary</td>
<td></td>
</tr>
<tr>
<td>Address Number</td>
<td>4242 Office Systems Service Co</td>
</tr>
<tr>
<td>Tax Expl Code</td>
<td>V Value Added (input) Tax</td>
</tr>
<tr>
<td>Tax Rate/Area</td>
<td>AREA1 7% + 8% (not tax on tax)</td>
</tr>
<tr>
<td>Tax Point Date</td>
<td>06/15/98</td>
</tr>
<tr>
<td>G/L Date</td>
<td>06/15/98</td>
</tr>
<tr>
<td>Taxable Amount</td>
<td>1000.00</td>
</tr>
<tr>
<td>Tax Amount</td>
<td>150.00</td>
</tr>
<tr>
<td>Non-Taxable Amount</td>
<td></td>
</tr>
<tr>
<td>Extended Cost</td>
<td>1150.00</td>
</tr>
</tbody>
</table>

F24=More Keys
<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Document Number</td>
<td>The number that identifies an original document. This can be a voucher, an invoice, unapplied cash, a journal entry number, and so on.</td>
</tr>
</tbody>
</table>
| Document Type  | A user defined code (system 00/type DT) that identifies the type of document. This code also indicates the origin of the transaction. J.D. Edwards has reserved document type codes for vouchers, invoices, receipts, and time sheets, which create automatic offset entries during the post program. (These entries are not self-balancing when you originally enter them.) The following document types are defined by J.D. Edwards and should not be changed:  
|                | P  Accounts Payable Documents  
|                | R  Accounts Receivable Documents  
|                | T  Payroll Documents  
|                | I  Inventory Documents  
|                | O  Order Processing Documents  
|                | J  General Accounting/Joint Interest Billing Documents  |
| Document Suffix| In the A/R and A/P systems, a code that corresponds to the pay item. In the Sales Order and Purchase Order systems, this code identifies multiple transactions for an original order. For purchase orders, this is always 000. For sales orders with multiple partial receipts against an order, the first receiver used to record receipt has a suffix of 000, the next has a suffix of 001, the next 002, and so on. |
| Line Number    | A number that identifies multiple occurrences, such as line numbers on a purchase order or other document. Generally, the system assigns this number, but in some cases, you can override it. |
| Company        | A code that identifies a specific organization, fund, entity, and so on. This code must already exist in the Company Constants table (F0010). It must identify a reporting entity that has a complete balance sheet. At this level, you can have intercompany transactions.  
|                | NOTE: You can use company 00000 for default values, such as dates and automatic accounting instructions (AAIs). You cannot use it for transaction entries. |

Reference 11/96  (Release A7.3)
<table>
<thead>
<tr>
<th>FIELD</th>
<th>EXPLANATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Unit</td>
<td>Identifies a separate entity within a business for which you want to track costs. For example, a business unit might be a warehouse location, job, project, work center, or branch/plant. The Business Unit field is alphanumeric. You can assign a business unit to a voucher, invoice, fixed asset, and so on, for purposes of responsibility reporting. For example, the system provides reports of open A/P and A/R by business units, to track equipment by responsible department. Business unit security can prevent you from locating business units for which you have no authority. NOTE: The system uses this value for Journal Entries if a value is not entered in the AAI table.</td>
</tr>
<tr>
<td>Object Account</td>
<td>The object account portion of a general ledger account. The terms “object account” and “cost type” are used synonymously. They refer to the breakdown of the Cost Code (for example, labor, materials, and equipment) into subcategories (for example, dividing labor into regular time, premium time, and burden). When you are using a flexible chart of accounts, if the object is set to 6 digits, J.D. Edwards recommends that you use all 6 digits. Here, entering 000456 is not the same as entering 456, because the system adds three blank spaces to fill a 6-digit object.</td>
</tr>
<tr>
<td>Subsidiary</td>
<td>A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.</td>
</tr>
<tr>
<td>Address Number</td>
<td>The address number you want to retrieve. You can use the short format, the long format, or the tax ID (preceded by the indicators listed in the Address Book constants).</td>
</tr>
<tr>
<td>Tax Explanation Code</td>
<td>A user defined code (00/EX) that controls how a tax is assessed and distributed to the general ledger revenue and expense accounts. You assign this code to a customer or supplier to set up a default code for their transactions. Do not confuse this with the taxable, non-taxable code. A single invoice can have both taxable and non-taxable items. The entire invoice, however, must have one tax explanation code.</td>
</tr>
</tbody>
</table>

*Form-specific information*

Codes B and C are used in Canada. They can be assessed as a tax on a tax.

| Tax Point Date | A date that indicates either when you purchased the goods or services, or when you purchased the goods and services and incurred the tax liability. Generally, when you leave this field blank, the system uses the G/L date you specified. |
**G/L Date**
A date that identifies the financial period that the transaction is to be posted to. The general accounting constants specify the date range for each financial period. You can have up to 14 periods. Generally, period 14 is for audit adjustments. The system edits this field for PBCO (posted before cutoff), PYEB (prior year ending balance), and so on.

<table>
<thead>
<tr>
<th>Taxable Amount</th>
<th>The amount on which taxes are assessed.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Amount</td>
<td>This is the amount assessed and payable to tax authorities. It is the total of the VAT, use, and sales taxes (PST).</td>
</tr>
<tr>
<td>Non-Taxable Amount</td>
<td>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.</td>
</tr>
<tr>
<td>Extended Cost</td>
<td>For accounts receivable and accounts payable, this is the invoice (gross) amount. For sales orders and purchase orders, this is the unit cost times the number of units.</td>
</tr>
</tbody>
</table>

**Procedures**

**General Procedures**

You can use this screen to inquire on and add transactions to the Tax Work file. You cannot use it to change or delete A/R and A/P transactions, however. You must use the appropriate entry screens to change or delete tax information.

Note that you can either inquire on a specific transaction or you can use the roll keys to scroll through the entire Tax Work file, one transaction at a time.

**Updating Tax Reports and Systems**

Depending on the type of correction you make, you may also need to update the appropriate system files. The Sales Order, Purchase Order, and General Accounting files are not updated when you update the Tax Work file.

For example, if you need to change only the Taxable Amount field and the Tax Amount field, but not the invoice amount, you would not need to update system files. If you needed to modify the Extended Cost (invoice amount) field, this would alter the amount owed to the supplier and you would need to update the system file.

**Guidelines**

To change or delete tax information for A/R and A/P transactions, use the appropriate entry screens.
Purge the Tax Work File

Because each post updates the Tax Work file, it can quickly become a large file. Periodically purging unneeded records from this file can save disk space and processing time.

Depending on how you set processing options, the Purge Tax File program can save the purged records to a purge library and remove any tax records you deleted on the Tax File Revisions screen.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Purge Tax File.
Procedures

After you select Purge Tax File from the menu, the processing option screen appears. Specify processing options and press Enter. The system submits the job for processing.

Dream Writer Considerations

Processing Options

1. The first processing option lets you save the purged records to a purge library. You can then use IBM commands to save the library to a tape or diskette. In addition, you can remove any Tax Work file records that you deleted with the Tax File Revisions screen.

2. The second option lets you reorganize the purged file. JDE recommends that you always reorganize.

Data Selection

The DEMO version that JDE provides purges all records posted prior to December 31, 1990 for all companies and business units. You may need to create other versions to purge specific companies, business units, or dates.

Data Sequence

The DEMO version that JDE provides sequences by company. You should not change the sequence.

Guidelines

- JDE recommends that you back up the Tax Work file (F0018) before purging records.

- You should run the File Reorganization after the purge finishes. See the help instructions for Reorganize Files on the Data Base Manager menu. Ensure that no one is using the Tax Work file when you run the purge program. The system cannot reorganize the file if someone is using it.
European Community Activities

Generally, day-to-day activities for European Community (EC) members are the same as those for non-members. The VAT calculations, automatic accounting instructions, and general ledger accounting are the same. When EC members receive accounts payable invoices from other EC countries and assign the appropriate tax rate/area, the system calculates VAT on the invoices at the applicable rate in the receiving country. The voucher enters and reverses VAT. Tax explanation code V enters a +(positive) rate and a – (negative) rate netting to zero. Each general ledger offset could be pointed to a different account. The posting to the general ledger correctly distributes tax entries to the appropriate accounts linked to the general ledger offset accounts and updates the Tax Work file (F0018).

There are, however a few differences for the European Community members. These are described below.

Purge for the Sales Order Management System

If you use the JDE Sales system and the Update Sales program (P42800), you cannot purge the detail to history files until after you run the VAT reports. The history file is not a keyed file and therefore cannot be used to upload information to F0018T. You have two options:

1. If you need to purge the Sales Order Detail file (F4211) frequently, run the Tax File Batch Update program (P0018G1) prior to the Update Sales program. You can then purge history through the Update Sales program. Consider using Sleeper to run the tax update prior to the sales update.

2. If you do not need to purge F4211 frequently, set the processing option in the Update Sales program to keep the records in F4211. This alternative lets you rerun the batch upload programs at any time. In addition, you can update F0018T on a daily basis and then purge the Sales Order Detail file (F4211).
Upload Information to F0018T for the Intrastat Report

The Intrastat reports use information from the Extra Tax File Adjustments file (F0018T). If you have the JDE Sales and Purchasing systems, you can extract and upload information from existing files and move it to F0018T. Two batch programs (on menu A0022) accomplish this.

- Update Extra Tax File-Sales. This program updates F0018T with information from the Sales Order Detail file (F4211).

- Update Extra Tax File-Purchases. This program updates F0018T with information from the Purchase Order Receiver file (F43121).

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select EC VAT Processing. From the EC VAT Processing menu (G0021), select either Update Extra Tax File-Sales or Update Extra Tax File-Purch.

Processing Options

The processing options for the two batch programs are identical.

1. The first processing option identifies the code for the nature of the transaction. Some codes (system 41, types S1 to S5) are for sales orders. Others (system 41, type P1 to P5) are for purchase orders.

2. The second option indicates whether information already in F0018T is to be updated when you run updates multiple times for the same date range. This option controls whether the batch programs overlay information that you manually entered with the Direct Extra File Adjustment screen.

NOTE: You can never overlay the following fields shown on the screen: Stat Value Amount, Port of Entry/Exit, Nature of VAT Regime, Nature Code, Process Indicator, and Transport Extension. This is because the Sales Order and Purchase Management systems do not carry this information.

Procedures

Select the program from the menu, specify processing options, and press Enter. The system displays a message that the program was submitted for batch processing.

Guidelines

Do not purge the Sales Order Detail file (F4211) when you run the Sales Update program (P42580). If you purge at that time, you cannot update F0018T. (This is because the history file is user defined and therefore has no key.) After you update F0018T, you can purge the detail to a history file.
Manually Enter/Update Information in F0018T

If you do not have the JDE Sales Order and Purchase Management systems, you can either create a custom program to load information to F0018T or your supplier can provide the Intrastat report. Another alternative is to enter information manually with the Direct Extra Tax File Adjustment screen.

The Direct Extra Tax File Adjustment Screen lets you add, change, and delete information in F0018T for the Intrastat report. You can use this screen for several situations:

- When you do not have the JDE Sales Order and Purchase Management systems (you cannot use the two batch programs described above to upload information to F0018T).
- When the countries involved in the transaction require information that cannot be uploaded with the two batch programs. This information includes: statistical value amount, port of entry/exit, nature of VAT regime, nature code, process indicator, and transport extension.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select EC VAT Processing. From the EC VAT Processing menu (G0021), select Direct Extra Tax File Adjust.

Screen and Fields

<table>
<thead>
<tr>
<th>Field</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order Number</td>
<td></td>
</tr>
<tr>
<td>Order Suffix</td>
<td></td>
</tr>
<tr>
<td>Line Number</td>
<td></td>
</tr>
<tr>
<td>Payment # (Purch)</td>
<td></td>
</tr>
<tr>
<td>Country of Origin</td>
<td></td>
</tr>
<tr>
<td>Original Country of</td>
<td></td>
</tr>
<tr>
<td>Region of Origin or</td>
<td></td>
</tr>
<tr>
<td>Mode of Trn.</td>
<td></td>
</tr>
<tr>
<td>Conditions of Transp</td>
<td></td>
</tr>
<tr>
<td>Nature of Transactio</td>
<td></td>
</tr>
<tr>
<td>Branch/Plant</td>
<td></td>
</tr>
<tr>
<td>Commodity Code</td>
<td></td>
</tr>
<tr>
<td>Net Mass in KG</td>
<td></td>
</tr>
<tr>
<td>Suppl U/M Units</td>
<td></td>
</tr>
<tr>
<td>Taxable Amount</td>
<td></td>
</tr>
<tr>
<td>Stat. Value Amount</td>
<td></td>
</tr>
<tr>
<td>Invoice Date</td>
<td></td>
</tr>
<tr>
<td>Port of Entry/Exit</td>
<td></td>
</tr>
<tr>
<td>Nature of VAT Regime</td>
<td></td>
</tr>
<tr>
<td>Nature Code</td>
<td></td>
</tr>
<tr>
<td>Process Indicator</td>
<td></td>
</tr>
<tr>
<td>Transport Extension</td>
<td></td>
</tr>
</tbody>
</table>

Fields Not Highlighted. If you have the JDE Sales Order and Purchase Management systems, you can use the batch upload programs described earlier. The programs load information for these fields to F0018T.

With processing options, you control whether the batch upload programs can overlay these fields.
Highlighted Fields. If the countries involved in the EC transactions require the highlighted information, you must manually enter it. At this time, the Nature Code and Process Indicator fields do not appear on the Intrastat report. The Transport Extension field is needed in certain countries such as France. You must manually specify the X (to append to the Condition of Transport field) in the Transport Extension field.

The batch upload programs never overlay these fields.

Procedures

You can inquire on, add, change, and delete information in F0018T. Specific information about procedures follows.

Inquire

To view information in F0018T, you can use the roll keys and scroll through all information in the file. Another alternative is to inquire on a specific order and type information in the following fields: Order Number, Order Type, Order Suffix, and Line Number. If you are unsure about the suffix or line number, these are generally 001 (suffix) and 1 (line number).

Add

By assigning numbers (beginning with the number 1), the Line Number field lets you specify multiple lines for the same document.

Change

If you rerun the batch update programs more than once for the same time period, you can overlay information in some fields (depending how you set the processing options for the batch update programs). You can never overlay information in the following fields: Stat Value Amount, Port of Entry/Exit, Nature of VAT Regime, Nature Code, Process Indicator, and Transport Extension.

Guidelines

Do not purge the Sales Order Detail file (F4211) when you run the Sales Update program (P42580). If you purge at that time, you cannot update F0018T. (This is because the history file is user defined and therefore has no key.) After you update F0018T, you can purge the detail to a history file.

EC Intrastat Tax File Batch Update

You use Extra Tax File Batch Update to enter or update certain types of information for the European Community 1993 Intrastat report (P0018I).

The Extra Tax File accommodates European Community 1993 VAT requirements for Intrastat Sales and Purchase reporting. The system updates the information in this file from the sales and purchase order detail information.
If you are not using the J.D. Edwards Sales or Purchasing systems, you might have to enter the information using Extra Tax File Revisions or your customized version of the Extra Tax File Batch Update - Sales (P0018G1) and Extra Tax File Batch Update - Purchasing (P0018G2) programs.

The Extra Tax file updates the Intrastat report (P0018I).

**Procedure Overview**

When you run the Batch Update programs (P0018G1 and P0018G2), some fields are not updated. You change these fields on Extra Tax File Revisions.

The system overrides any information that you enter when you regenerate the F0018T file. If you run the update more than once for the same date range, and the record already exists in the F0018T file, the information will not be updated.

You can update the fields if you assign a program to update the information to the F0018T file. The processing options are located on the two update programs.

**Procedures**

The following describes the guidelines for entering information on Extra Tax File Revisions. When the guideline includes the term “system supplies,” you can use Extra Tax File Batch Update to copy data to the Extra Tax File, provided you have performed the proper setup associated with that field. When the guideline includes the term “system does not supply,” the current database does not store the current information. If you need this information on your report, you must enter it manually using the maintenance program.

**Guidelines for Fields**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process Indicator</td>
<td>A field that defines whether goods were processed in a different EC member state. Use 1 if goods were processed in another state. Use 0 if they were processed domestically.</td>
</tr>
<tr>
<td>Nature Code</td>
<td>A field required for reporting in some EC member states. The system does not supply the values. They must be entered manually, if needed.</td>
</tr>
<tr>
<td>Commodity Code</td>
<td>A 15-character field on Extra Tax File used as an extension for the 8-character PRP1 user-defined code 41/E. because certain countries use up to nine characters plus imbedded blanks.</td>
</tr>
<tr>
<td>Statistical Value</td>
<td>The nominal cost covering the transportation and insurance costs of shipments to the exit point of a country. Traditionally, a statistical value is a fixed cost per order and/or percentage of the order amount. For EC tax-reporting purposes, the user must enter this data manually. It is a field often required for reporting in France but used by other countries as well.</td>
</tr>
</tbody>
</table>
European Community Activities
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,/1 ,$ 5'1 ,/ +1/6

TAXą3-100

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#+1/6 &# 0601#* ",#0 +,1 02--)6 1&'0 '+$,/*1',+ ,2
*201 #+1#/ '1 *+2))6

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### Mode of Transport

The mode is copied from the second description of the user defined code for freight codes 42/FR. The first three characters of the code are used to define the conditions of transport. Define the mode of transport in the fifth character of the second explanation of the freight codes. As a result, you create a unique code combining the condition of transport and mode of transportation.

Codes for mode of transport:

1. Transport by sea
2. Transport by rail
3. Transport by road
4. Transport by air
5. Consignment by post
6. Fixed transport installations
7. Transport by inland waterways
8. Own propulsion

### Region Origin/Destination

Copied from the region code (or State field in Address Book) of either the ship to address for a dispatch or the supplier for arrivals. Certain countries require the region of origin or destination for Intrastat reports.

### Original Country of Origin

Copied from the Country of Origin field in the Item Master (F4101). The system updates the Extra Tax File with the information from Extra Tax File Batch Update. In addition, you can enter the information manually.
Invoice for the A/R System

If you set up a VAT registration number for your customers and suppliers, the system prints them on accounts receivable invoices (P03505) and sales order invoices (P42565). All invoices must show both the VAT registration number of the supplier and customer. If the number is not present for the customer, the supplier should charge tax to the customer.

J.D. Edwards assumes that the supplier uses preprinted forms that include the correct VAT number. The only additional printing is for the customer’s VAT number. The system prints the ship to address (not the invoice address). The company must be registered in the country to which the goods are shipped or else tax should be charged.

Review of EC Responsibilities

You must assign VAT registration numbers to your customers and suppliers, set up tax rate/areas, translate the reports into the appropriate language, ensure that post processing options are set to update the Tax Work file (F0018), and modify user defined codes. In addition, you can use the batch upload programs and the Direct Extra Tax File Adjustment screen before generating the Intrastat report.
Italian IVA Activities

Generally, the tax activities for Italy are the same as those for other countries. The IVA tax calculations (VAT calculations), automatic accounting instructions, general ledger accounting, and so on are the same.

Activities for Italy and those for other countries differ because Italian tax authorities require annual tax reporting for suppliers, customers, and customs authorities. The differences are described in detail later in this chapter and summarized below.

- You must build the Annual IVA file (F00900). This file summarizes the detailed tax information in the Tax Work file (F0018) and is necessary for the annual IVA reports.

- Optional. You can add and change information in F00900 with the Annual IVA File Revision screen.

- Optional. You can add and change information for tapes with the Address Book Additional Information screen. You can submit either tapes or preprinted IVA forms to the tax authorities on an annual basis.

Build F00900 for Annual Reports

This DREAM Writer program uses information from the Tax Work file (F0018) and summarizes it by supplier, customer, and customs authority. For each supplier, customer, and customs authority, the program does the following:

- Creates a record with the total number of invoices or vouchers, the total tax amount, total taxable, and total non-taxable. For suppliers, the program also includes the total non-taxable “8 comma 2.”

- Uses user defined codes (system 00, type IV) to differentiate types of information. It assigns 1 to customer records, 2 to supplier records, and 5 to customs authority records.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Italian IVA Processing. From the Italian IVA Processing menu (G00213), select Annual IVA File Build.
Processing Options

1. The first processing option controls whether you process customer transactions or supplier and customs authority transactions. If you need to process all transactions, run this program twice - once for customers and once for suppliers and customs authorities.

2. The second option controls whether you clear previous transactions from F00900. Generally, you will clear the file when you begin a new fiscal year. If you run this program several times in a fiscal year, do not clear the file. The program adds amounts to the previous amounts in F00900.

Revise Information in F00900 for Annual Reports

You can use the Annual IVA File Revision screen to view, add, change, and delete information in the Annual IVA file (F00900).

If you convert to the JDE software in the middle of a year, you can use the Annual IVA File Revision screen to manually enter/update tax information in F00900. After you use the screen, you can perform standard processing.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Italian IVA Processing. From the Italian IVA Processing menu (G00213), select Annual IVA File Revision.

Screen

```
00900  Annual IVA File Revision
Action Code. . . . . . 
Company. . . . . . . . . 
Information Type. . . 
Address Number . . . 
Invoice Date - CTRY. 
Invoice Date - YR. . 
Tax ID. . . . . . . . . 
Number of Documents. 
Taxable Amount . . . 
Tax. . . . . . . . . . . 
Non-Taxable Amount . 
Amount (8 Comma 2). 
Excluded No. Docs. . 
Excluded Amount. . 

F22=Clear Screen   F24=More Keys
```
Procedures

You can view, add, change, and delete information in F00900. You can view information in the file in either of two ways: (1) by using the roll keys to scroll through all information or (2) by entering information in the required fields. Required fields are: Action Code, Company, Information Type, Address Number, Invoice Date - CTRY, and Invoice Year.

Tapes

After you build F00900, you can either send annual tax information to the Italian tax authorities on tape or on preprinted IVA forms. This chapter describes how to create a tape. To view the reports, see the chapter Italian IVA Tax Reports.

To send tax information on a tape: (1) mount a tape on your tape drive, (2) create a file for the tape, and (3) copy the file to the tape. You can optionally add supplemental address book information prior to creating the file.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Italian IVA Processing. From the Italian IVA Processing menu (G00213), select one of the following: Address Book Additional Info, IVA Tape File Creation, or Copy to Tape.

Add Supplemental Address Book Information

You can use the Address Book Additional Information screen to view, add, change, and delete address information for the tapes.

Screen

```
0091 Address Book Additional Info

Action Code. ______
Address Number ______
Last Name. ______
First Name. ______
Street. ______
City. ______
Province. ______
Indiv. (Y/N) ______
Gender. ______
Date of Birth. ______
Place of Birth. ______
Prov. of Birth. ______

F22=Clear Screen  F24=More Keys
```
Italian IVA Activities

Procedures

You can view, add, change, and delete address information in F00900. You can view information in the file in either of two ways: (1) by using the roll keys to scroll through all information or (2) by entering information in the required fields. Required fields are: Action Code and Address Number.

Create File for Tape

This DREAM writer program has five processing options. They identify the current year for processing, address book information, and supplier (or customer) master information. For example, they indicate which line in the address book is used for the continuation of the name and address, the person/corporate code, and tape density. Tape density can be 800, 1600, or 6250 BPI.

Copy File to Tape

After you create a file (as described previously), you can copy the file to the tape. This screen has two fields. One identifies tape density and the second identifies the tape drive. The tape density you specify on this screen must match the density you specified earlier when you created the file.

Before you use this screen, insert a tape in the tape drive.

A/P Year-End Report

Each year, Italian companies print IVA supplier totals on the Supplier IVA Form (P00917). The information on this form must be summarized. This summary must include the tax identification number of the supplier. When two customers have the same tax identification number, that is, when a parent company has several subsidiaries, you must enter all addresses on the same supplier record.

Other required information on the summary includes:

- The supplier name (address book line #1 or the parent and the address book line from P.O. #2)
- The street (address book line from P.O. #3)
- The postal code
- The city (the last non-blank address book line)
- The province
- The tax identification number
- The total taxable amount of vouchers for the current year
- The total taxable amount of vouchers for the previous year
- The total tax amount of vouchers for the current year
• The total tax amount of vouchers for the previous year
• The total non-taxable amount of vouchers for the current year
• The total non-taxable amount of vouchers for the previous year

**DREAM Writer Considerations**

There are four processing options:

• Processing option 1 - You enter the current year. This determines what the system calculates in the current year and what the system calculates for the previous year.

• Processing option 2 - You enter any additional name information on the address book line.

• Processing option 3 - You enter the street where your customer is located on the address book line.

• Processing option 4 - You determine what company information to print on the top of the form including:
  
  ○ Person/corporate code (2 characters)
  ○ Company/business (5 characters)
  ○ Business description (25 characters)

You determine whether the system prints a supplier or customer information type in Data Selection.
Japanese Consumption Tax Activities

Generally, day-to-day activities for Japan are the same as those for other countries. The consumption tax calculations (VAT calculations), automatic accounting instructions, general ledger accounting, and so on are the same.

Day-to-day activities for Japan and those for other countries differ because Japanese tax authorities require tax reporting by categories of business operations (generally broad categories in the income and expense accounts). The differences are summarized below.

- You must upload information to the Consumption Tax file (F00189). This file is necessary for all consumption tax reports. The Tax Work file (F0018) that is used for other VAT reports is insufficient because it does not include information at an account level. The Account Ledger file (F0911) is also insufficient because it does not contain tax information.

F00189 is a file that contains information from F0018 (transactions with tax explanation code, tax rate/area, tax authority, taxable amount, tax amount, non-taxable amount, and so on) and F0911 (transactions with account-level information).

- You need to balance the Consumption Tax file if there are data errors. For system-generated entries, everything should balance. For manually-generated entries (such as journal entries where you must enter a pay item), there may be data entry errors creating an imbalance. There may be an imbalance between F0018 and F0911 files for the same document number, document type, and pay item, for example.
### Upload Information to F00189 for Reports

This DREAM Writer program builds the Consumption Tax file (F00189) from information in the Tax Work file (F0018) and the Account Ledger file (F0911). To build the file, the program prorates information as shown below.

#### Balanced Example

**F0018:**

<table>
<thead>
<tr>
<th>Order Number</th>
<th>Order Type</th>
<th>Pay Item</th>
<th>Taxable</th>
<th>Non-Taxable</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>123</td>
<td>PV</td>
<td>001</td>
<td>500</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>002</td>
<td>2000</td>
<td>0</td>
<td>200</td>
</tr>
</tbody>
</table>

**F0911:**

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Doc Type</th>
<th>Pay Item</th>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>123</td>
<td>PV</td>
<td>001</td>
<td>1111−1</td>
<td>200</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>001</td>
<td>2222−2</td>
<td>300</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>002</td>
<td>3333−3</td>
<td>500</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>002</td>
<td>4444−4</td>
<td>600</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>002</td>
<td>5555−5</td>
<td>900</td>
</tr>
</tbody>
</table>

**F00189:**

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Doc Type</th>
<th>Pay Item</th>
<th>Account</th>
<th>Taxable</th>
<th>Non-Taxable</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>123</td>
<td>PV</td>
<td>001</td>
<td>1111−1</td>
<td>200</td>
<td>0</td>
<td>20</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>001</td>
<td>2222−2</td>
<td>300</td>
<td>0</td>
<td>30</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>002</td>
<td>3333−3</td>
<td>500</td>
<td>0</td>
<td>50</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>002</td>
<td>4444−4</td>
<td>600</td>
<td>0</td>
<td>60</td>
</tr>
<tr>
<td>123</td>
<td>PV</td>
<td>002</td>
<td>5555−5</td>
<td>900</td>
<td>0</td>
<td>90</td>
</tr>
</tbody>
</table>

The tax information from each F0018 record is distributed to F00189 according to the corresponding F0911 accounts’ percentage of the pay item total. An example for document 123, document type PV, pay item 001 is shown below.

**F0018** has $50 tax for pay item 001

**F0911** has two accounts (1111−1 and 2222−2) for pay item 001
- Account 1111−1 is 40% of the pay item total (200/500 = .40)
- Account 2222−2 is 60% of the pay item total (300/500 = .60)

**F00189** has two accounts (1111−1 and 2222−2) for pay item 001
- Account 1111−1 has $20 tax (.40 x 50 = 20)
- Account 2222−2 has $30 tax (.60 x 50 = 30)
Unbalanced Example

For system-generated entries, the workfile will always balance. For manual entries, (such as journal entries where you must enter a pay item), there may be data errors and the workfile may not balance for the document number, document type, and pay item. There are two types of data errors:

- The F0018 amount for the pay item exceeds the F0911 pay item amount. For this data error, the system creates a balancing entry in F00189 that has a blank account number. The example below shows an unbalanced taxable amount for $200 and an unbalanced tax for $18.

- The F0911 pay item amount exceeds the F0018 amount for the pay item. For this data error, the system creates a balancing entry in F00189 and lists the amount in a field called Unbalanced Tax. The example below shows an unbalanced taxable amount for $200.

F0018:

<table>
<thead>
<tr>
<th>Order Number</th>
<th>Order Type</th>
<th>Pay Item</th>
<th>Taxable</th>
<th>Non-Taxable</th>
<th>Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2794</td>
<td>RI</td>
<td>000</td>
<td>1000</td>
<td>0</td>
<td>90</td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>001</td>
<td>2000</td>
<td>0</td>
<td>180</td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>002</td>
<td>3000</td>
<td>0</td>
<td>270</td>
</tr>
</tbody>
</table>

F0911:

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Doc Type</th>
<th>Pay Item</th>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2794</td>
<td>RI</td>
<td>000</td>
<td>1111–1</td>
<td>800</td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>001</td>
<td>2222–2</td>
<td>1200</td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>001</td>
<td>3333–3</td>
<td>1000</td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>002</td>
<td>4444–4</td>
<td>2000</td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>002</td>
<td>1111–1</td>
<td>900</td>
</tr>
</tbody>
</table>

F00189:

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Doc Type</th>
<th>Pay Item</th>
<th>Account</th>
<th>Taxable</th>
<th>Tax</th>
<th>Unbal Taxable</th>
<th>Unbal Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2794</td>
<td>RI</td>
<td>000</td>
<td>1111–1</td>
<td>800</td>
<td>72</td>
<td>200</td>
<td>18</td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>001</td>
<td>2222–2</td>
<td>1200</td>
<td>108</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>001</td>
<td>3333–3</td>
<td>800</td>
<td>72</td>
<td>200</td>
<td></td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>002</td>
<td>4444–4</td>
<td>2000</td>
<td>180</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>002</td>
<td>1111–1</td>
<td>900</td>
<td>81</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2794</td>
<td>RI</td>
<td>002</td>
<td>2222–2</td>
<td>100</td>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

You can analyze both types of errors with the World Writer Consumption Tax Workfile Edit Report and correct them with the Direct Workfile Adjustment screen.
Japanese Consumption Tax Activities

Consumption Tax Workfile Edit Report

The system automatically prints this report if the information in the Tax Work file (F0018) and the Account Ledger file (F0911) do not balance.

<table>
<thead>
<tr>
<th>Ty</th>
<th>Number</th>
<th>Order</th>
<th>Pay</th>
<th>Taxable</th>
<th>Non-Taxable</th>
<th>Tax</th>
<th>Un-Balanced Taxable</th>
<th>Un-Balanced Tax</th>
<th>G/L Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>RI</td>
<td>321654</td>
<td>01218</td>
<td>000</td>
<td>88.30-</td>
<td>11.70-</td>
<td></td>
<td></td>
<td></td>
<td>05/01/94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From F0911</td>
<td></td>
<td>1218</td>
<td>Obj. 1215</td>
<td>Sub. 1215</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>321654</td>
<td>01218</td>
<td>001</td>
<td>132.45-</td>
<td>17.55-</td>
<td></td>
<td></td>
<td></td>
<td>05/01/94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From F0911</td>
<td></td>
<td>1218</td>
<td>Obj. 1218</td>
<td>Sub. 1218</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>321654</td>
<td>01218</td>
<td>002</td>
<td>176.60-</td>
<td>23.40-</td>
<td></td>
<td></td>
<td></td>
<td>05/01/94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From F0911</td>
<td></td>
<td>1218</td>
<td>Obj. 1222</td>
<td>Sub. 1222</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RI</td>
<td>321654</td>
<td>01218</td>
<td>003</td>
<td>44.15-</td>
<td>5.85-</td>
<td></td>
<td></td>
<td></td>
<td>05/01/94</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>From F0911</td>
<td></td>
<td>1218</td>
<td>Obj. 1224</td>
<td>Sub. 1224</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The report above shows some examples where the F0911 pay item amount exceeds the F0018 amount for the pay item. The system creates a balancing entry in F00189 that has a blank account number and the description From F0911.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Japanese Consumption Tax. From the Japanese Consumption Tax menu (G00212), select Build Consumption Tax Workfile.

Procedures

Select the program from the menu and press Enter. The system displays a version list. Type 1 next to the appropriate version and press Enter. The system displays a message that the program was submitted for batch processing.

If the system prints the Review the Consumption Tax Workfile Edit Report, correct the unbalanced amounts as described below with the Direct Workfile Adjustment screen.

Update Information in F00189 for Reports

You can use the Direct Workfile Adjustment screen to review or change an existing document in the F00189 file. You cannot use it to add or delete documents.

The screen shows data errors as follows:

- If the F0018 amount for the pay item exceeds the F0911 pay item amount, then the system creates a balancing entry in F00189 that has a blank account number. The Remark field is From F0018.
- If the F0911 pay item amount exceeds the F0018 amount for the pay item, then the system creates a balancing entry in F00189 and identifies the amount in the Un-balanced Tax field. The Remark field is From F0911.
Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Japanese Consumption Tax. From the Japanese Consumption Tax menu (G00212), select Direct Workfile Adjustment.

Screen

![Screen Image]

Procedures

With this screen, you can inquire on and change existing documents. You cannot add or delete documents. The fields you can change are the following: Taxable Amount, Tax Amount, Un-Balanced Taxable, and Un-Balanced Tax.

To correct an imbalance when F0018 exceeds the F0911 pay item amount, correct the amount for the non-blank account numbers and then blank out the entry without an account number. For pay item 000 on the screen above, for example, change the Taxable Amount field to $1000, change the Tax Amount field to $90, and blank out the Un-Balanced Taxable and Un-Balanced Tax fields.

To correct an imbalance when F0911 exceeds the F0018 pay item amount, correct the amount. For pay item 001 on the screen above, for example, change the Taxable Amount field to $1000, manually calculate the tax, change the Tax Amount field, and then blank out the Un-Balanced Taxable field.
Date Translation Generation

Date translation generation is useful when you use World Writer to print date information from the database.

With Date Translation Generation (P00365) you create a file that contains different date formats. These formats are derived from the julian date used by the system. For example, when you run a date translation generation, a system date of 010131 appears in the following formats:

<table>
<thead>
<tr>
<th>Month</th>
<th>01</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day</td>
<td>31</td>
</tr>
<tr>
<td>Year</td>
<td>01</td>
</tr>
<tr>
<td>Century</td>
<td>20</td>
</tr>
<tr>
<td>System Date</td>
<td>01/31/01</td>
</tr>
<tr>
<td>Month Name</td>
<td>January</td>
</tr>
<tr>
<td>Date Text</td>
<td>January 31, 2001</td>
</tr>
</tbody>
</table>
Tax Report Overview

Before You Run Reports

For all tax reports, you must perform the following actions to ensure that all transactions are in the Tax Work file (F0018). For more information, see the chapters Posting for A/P, A/R, Purchase Orders, Sales Orders and Tax Work File.

- For A/P vouchers and A/R invoices, you must ensure that the processing options for the post are set to update the Tax Work file.

- For purchase orders, the Tax Work file is updated after you post vouchers. (The purchase order vouchers were transferred to the A/P voucher file after you used the Voucher Entry with Receipts Match program.)

- For sales orders, the Tax Work file is updated after you post invoices.

- For journal entries, the Tax Work file is automatically updated after you enter a journal entry with the Journal Entry with VAT Tax program.

For the European Community Instrastat report, you must ensure that all transactions are in the Tax Work file and also upload information to the Extra Tax File Adjustment file (F0018T). For more information, see the chapter European Community Activities.

For the Japanese consumption tax reports, you must ensure that all transactions are in the Tax Work file and also upload information to the Consumption Tax file (F00189). For more information, see the chapter Japanese Consumption Tax Activities.

Reports

General Reports

- Use/VAT Tax Report. This report can be generated at a detail or a summary level. For each tax rate/area, the report lists tax information such as gross amount, taxable amount, and tax.

- Sales Tax Reports. This menu option automatically generates three reports: the Sales/VAT Tax Detail Report by Company, the Sales/VAT Tax Authority Report Summary by Company, and the Sales/VAT Tax Authority Report Detail by Sales Order.

- VAT Journal Report. This report can be generated for sales orders, for purchase orders, or for both sales and purchase orders. The report lists information in a user-defined format. You can define up to five column headings and each column can include up to 12 tax rate/areas. You can also control whether the columns lists tax amounts or taxable amounts.
Tax Report Overview

- VAT Exceptions Report. For each tax authority, the report lists any differences between the user-entered VAT/GST amount and the system-calculated VAT/GST amount.

Canadian Tax Report

GST and PST Tax Report. This report is specifically designed to meet Canadian reporting needs. For each address book number, the report lists GST and PST and subdivides PST into seller-assessed PST and self-assessed PST.

European Community Tax Reports

- EC Sales Listing. This report is required in some countries and must be submitted quarterly if your company exceeds the threshold of intra-community trade as defined by each country’s tax authority. The report lists the customer by VAT number, country of destination, and the total amount in local currency.

- EC Intrastat Reports. These statistical reports lists details about product dispatches and arrivals among the EC countries. They are submitted to the customs tax authorities on a monthly basis if your company exceeds the intra-community trade limits set in your country. In addition to the standard intrastat reports, there are formats specifically for Belgium, France, the United Kingdom, and Germany.

Italian Tax Reports

These reports list the same VAT information. The differences among the reports are the way information is sequenced. Reports include the following:

- IVA by Tax Area Code.

- Monthly IVA Reports. There are two versions of this report. One lists A/R transactions and the other lists A/P transactions.

- Annual IVA Control Reports. There are three versions of this report. One is for suppliers, one for customers, and one for customs authorities.

- Annual IVA Forms. There are two versions of this preprinted form. One summarizes voucher information by supplier number and the other summarizes invoice information by customer number.

Japanese Consumption Tax Reports

JDE does not provide these reports. Because government requirements vary widely, you must create these reports using World Writer and the Consumption Tax file (F00189).
Use/VAT Tax Reports

This report lists tax information by tax rate/area and tax explanation code. You can print either a detail or a summary level report and you can print all tax explanation codes or just the V (VAT/GST) tax explanation code.

The detail report lists each transaction and, for each tax rate/area, totals the taxes, the taxable amounts, and the non-taxable and tax-exempt amounts. The summary report lists only the totals.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Use/Vat Tax.

Reports

This report has four versions. You can print all tax explanation codes or only the V (VAT/GST) tax explanation code and you can print transactions in a detail or summary format. The following reports show all tax explanation codes.
## Use/VAT Tax Reports

### Detail Report

<table>
<thead>
<tr>
<th>Rate Code</th>
<th>Description</th>
<th>Gross Amount</th>
<th>Taxable Amount</th>
<th>Tax</th>
<th>Number</th>
<th>Date</th>
<th>Ex O Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>O NT1</td>
<td>GST/PST, 2% Non R</td>
<td>267.50–</td>
<td>250.00–</td>
<td>17.50–</td>
<td>26 RI 99993 000 02/28/94 02/28/94 C</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>ONT</td>
<td>GST/PST Tax on Ta</td>
<td>110.21–</td>
<td>100.00–</td>
<td>10.21–</td>
<td>25 RI 99993 000 02/25/94 02/25/94 S</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>Colorado State &amp;</td>
<td>5,885.00–</td>
<td>5,500.00–</td>
<td>385.00–</td>
<td>21 RI 99993 000 02/25/94 02/25/94 S</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>Colorado State &amp;</td>
<td>2,675.00–</td>
<td>2,500.00–</td>
<td>175.00–</td>
<td>24 RI 99993 000 02/28/94 02/28/94 S</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>CAN</td>
<td>GST/PST Tax</td>
<td>222.00–</td>
<td>200.00–</td>
<td>22.00–</td>
<td>23 RI 99993 000 02/28/94 02/28/94 C</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>BE14</td>
<td>Belgium – VAT Rate</td>
<td>176.25–</td>
<td>150.00–</td>
<td>26.25–</td>
<td>22 RI 99993 000 02/25/94 02/25/94 V</td>
<td>4001</td>
<td></td>
</tr>
<tr>
<td>Invoice</td>
<td>9,335.96–</td>
<td>8,700.00–</td>
<td>635.96–</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>O NT1</td>
<td>GST/PST, 2% Non R</td>
<td>2,195.29</td>
<td>2,110.86</td>
<td>147.76</td>
<td>15 PV 99993 001 02/28/94 02/28/94 B</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>Colorado State &amp;</td>
<td>1,007.75</td>
<td>1,007.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>Colorado State &amp;</td>
<td>107.00</td>
<td>100.00</td>
<td>7.00</td>
<td>1 PV 99993 001 02/25/94 02/25/94 S</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>Colorado State &amp;</td>
<td>150.05</td>
<td>150.05</td>
<td>10.50–</td>
<td>10 PV 99993 001 02/25/94 02/25/94 U</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>CO</td>
<td>Colorado State &amp;</td>
<td>251.10</td>
<td>248.59</td>
<td>17.40–</td>
<td>13 PV 99993 001 02/28/94 02/28/94 U</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>CAN</td>
<td>GST/PST Tax</td>
<td>2,140.46</td>
<td>1,981.72</td>
<td>217.99</td>
<td>12 PV 99993 001 02/28/94 02/28/94 B</td>
<td>1002</td>
<td></td>
</tr>
<tr>
<td>BE15</td>
<td>VAT Rate – Tax on</td>
<td>472.43</td>
<td>402.07</td>
<td>70.36</td>
<td>14 PV 99993 001 02/28/94 02/28/94 V</td>
<td>2727</td>
<td></td>
</tr>
<tr>
<td>BE14</td>
<td>Belgium – VAT Rate</td>
<td>235.20</td>
<td>200.17</td>
<td>35.03</td>
<td>11 PV 99993 001 02/25/94 02/25/94 V</td>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>Voucher</td>
<td>6,671.47</td>
<td>5,193.46</td>
<td>450.24</td>
<td>1,027.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A Model Company</td>
<td>2,664.49–</td>
<td>3,506.54–</td>
<td>185.72–</td>
<td>1,027.77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td>2,664.49–</td>
<td>3,506.54–</td>
<td>185.72–</td>
<td>1,027.77</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note that an * (asterisk) in the TO (Tax Override) field indicates that VAT/GST has been overridden.
### Summary Report

<table>
<thead>
<tr>
<th>Rate Code</th>
<th>Description</th>
<th>Gross Amount</th>
<th>Taxable Amount</th>
<th>Tax</th>
<th>Non-Taxable Amount</th>
<th>Ex</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ONT1</td>
<td>GST/PST, 2% Non Recoverable</td>
<td>250.00–</td>
<td>17.50</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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The fields on the detail and summary formats are almost the same. The summary report, however, has one additional field. The Tax Variance amount identifies the difference between the user-entered tax amount and the system-calculated tax amount.
Procedures

After you select this report from the menu, a version list appears. You can run an existing
version, change an existing version, or add a version. To run a version, type 1 next to the
version and press Enter. The system submits the job for batch processing. For information
about adding or changing a version, see the Technical Foundation Guide.

The versions are listed below.

- Version XJDE0001 lists all transactions in detail and includes all tax explanation
codes. This report was shown earlier in this chapter.

- Version XJDE0002 summarizes all transactions and includes all tax explanation
codes. This report was shown earlier in this chapter.

- Version XJDE0003 lists transactions in detail and includes only V tax explanation
codes (VAT/GST).

- Version XJDE0004 summarizes the transactions and includes only V tax explanation
codes.

Processing Options

1. The first option controls whether the system marks processed transactions so that
subsequent reports will not list them.

2. The second option controls whether you print a detail or summary report.

Guidelines

The report lists tax information for each transaction in the Tax Work file. To ensure that all
transactions are in the Tax Work file, set the processing options for the post appropriately.
For more information, review the chapters Posting for A/P, A/R, Purchase Orders, Sales Orders
and Tax Work File.
# Sales Tax Reports

When you select this report from the menu, the system automatically generates three reports: (1) the Sales/VAT Tax Authority Report Summary by Company, (2) the Sales/VAT Tax Detail Report by Company, and (3) the Sales/VAT Tax Authority Report Detail by Sales Order.

There are no processing options for these reports.

## Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Sales Tax.

## Reports

### Sales/VAT Tax Authority Report by Company

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### Sales Tax Reports

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Sales Tax Reports

Procedures

After you select the sales reports from the menu, the system displays a message that the reports were submitted for batch processing.

Guidelines

The reports list tax information for each transaction in the Tax Work file. To ensure that all transactions are in the Tax Work file, set the processing options for the post appropriately. For more information, review the chapters *Posting for A/P, A/R, Purchase Orders, Sales Orders* and *Tax Work File*.
VAT Journal Reports

This report lists VAT information in a five-column user-defined format. With the DREAM Writer Financial Statement Columns screen, you can identify up to five column headings and each column can include up to 12 tax rate/areas. With processing options, you control whether the columns lists tax amounts or taxable amounts.

This report has three versions. You can print the VAT taxes for sales, VAT taxes for purchases, or VAT taxes for both sales and purchases.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select VAT Journals.

Report

The following report shows VAT for both sales and purchases.
<table>
<thead>
<tr>
<th>Document D</th>
<th>Batch B</th>
<th>G/L Number</th>
<th>Address Name</th>
<th>Gross Amount</th>
<th>Taxable Amount</th>
<th>Total VAT Amount</th>
<th>French Area1</th>
<th>French Area2</th>
<th>Voucher</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 PV</td>
<td>26093 V</td>
<td>08/05/98</td>
<td>7002 JDE France</td>
<td>88,000.00</td>
<td>78,571.43</td>
<td>9,428.57</td>
<td>78,571.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4 PV</td>
<td>26093 V</td>
<td>08/05/98</td>
<td>7002 JDE France</td>
<td>9,900.00</td>
<td>8,319.33</td>
<td>1,580.67</td>
<td>8,319.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 PV</td>
<td>26093 V</td>
<td>08/06/98</td>
<td>7004 European Motors</td>
<td>45,600.00</td>
<td>38,319.33</td>
<td>7,280.67</td>
<td>38,319.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 PV</td>
<td>26093 V</td>
<td>08/06/98</td>
<td>7004 European Motors</td>
<td>7,890.00</td>
<td>7,044.64</td>
<td>845.36</td>
<td>7,044.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7 PV</td>
<td>26093 V</td>
<td>08/07/98</td>
<td>7004 European Motors</td>
<td>123,456.45</td>
<td>103,744.92</td>
<td>19,711.53</td>
<td>103,744.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8 PV</td>
<td>26093 V</td>
<td>08/07/98</td>
<td>7004 European Motors</td>
<td>7,897,878.90</td>
<td>6,636,873.03</td>
<td>1,261,005.87</td>
<td>6,636,873.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9 PV</td>
<td>26093 V</td>
<td>08/08/98</td>
<td>7005 De Vydt S.A./N.V.</td>
<td>456,560.00</td>
<td>405,857.14</td>
<td>48,702.86</td>
<td>405,857.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10 PV</td>
<td>26093 V</td>
<td>08/09/98</td>
<td>7005 De Vydt S.A./N.V.</td>
<td>789,000.00</td>
<td>663,025.21</td>
<td>125,974.79</td>
<td>663,025.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11 PV</td>
<td>26093 V</td>
<td>08/09/98</td>
<td>7005 De Vydt S.A./N.V.</td>
<td>7,894,560.00</td>
<td>6,634,084.03</td>
<td>1,260,475.97</td>
<td>6,634,084.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12 PV</td>
<td>26098 V</td>
<td>08/05/98</td>
<td>7002 JDE France</td>
<td>88,000.00</td>
<td>78,571.43</td>
<td>9,428.57</td>
<td>78,571.43</td>
<td></td>
<td></td>
</tr>
<tr>
<td>13 PV</td>
<td>26098 V</td>
<td>08/05/98</td>
<td>7002 JDE France</td>
<td>9,900.00</td>
<td>8,319.33</td>
<td>1,580.67</td>
<td>8,319.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>14 PV</td>
<td>26098 V</td>
<td>08/06/98</td>
<td>7004 European Motors</td>
<td>45,600.00</td>
<td>38,319.33</td>
<td>7,280.67</td>
<td>38,319.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15 PV</td>
<td>26098 V</td>
<td>08/07/98</td>
<td>7004 European Motors</td>
<td>7,890.00</td>
<td>7,044.64</td>
<td>845.36</td>
<td>7,044.64</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 PV</td>
<td>26098 V</td>
<td>08/07/98</td>
<td>7004 European Motors</td>
<td>123,456.45</td>
<td>103,744.92</td>
<td>19,711.53</td>
<td>103,744.92</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17 PV</td>
<td>26098 V</td>
<td>08/07/98</td>
<td>7004 European Motors</td>
<td>7,897,878.90</td>
<td>6,636,873.03</td>
<td>1,261,005.87</td>
<td>6,636,873.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18 PV</td>
<td>26098 V</td>
<td>08/08/98</td>
<td>7005 De Vydt S.A./N.V.</td>
<td>456,560.00</td>
<td>405,857.14</td>
<td>48,702.86</td>
<td>405,857.14</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19 PV</td>
<td>26098 V</td>
<td>08/09/98</td>
<td>7005 De Vydt S.A./N.V.</td>
<td>789,000.00</td>
<td>663,025.21</td>
<td>125,974.79</td>
<td>663,025.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 PV</td>
<td>26098 V</td>
<td>08/09/98</td>
<td>7005 De Vydt S.A./N.V.</td>
<td>789,000.00</td>
<td>663,025.21</td>
<td>125,974.79</td>
<td>663,025.21</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21 PV</td>
<td>26098 V</td>
<td>08/09/98</td>
<td>7005 De Vydt S.A./N.V.</td>
<td>7,894,560.00</td>
<td>6,634,084.03</td>
<td>1,260,475.97</td>
<td>6,634,084.03</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Voucher: 35,410,690.70

Invoice: 179,380.00

A Model Multi-National Company 35,231,310.70
Procedures

After you select this report from the menu, a version list appears. You can run an existing version, change an existing version, or add a version. To run a version, type 1 next to the version and press Enter. The system submits the job for batch processing. For information about adding or changing a version, see the Technical Foundation Guide.

The versions are listed below.

- Version XJDE0001 lists transactions in the VAT journal. This report was shown earlier in this chapter and lists all document types with V, V+, and VT tax explanation codes.

- Version XJDE0002 lists transactions in the sales journal. It lists only sales and receivable document types (SO and RI) with V, V+, and VT tax explanation codes.

- Version XJDE0003 lists transactions in the purchase journal. It lists only payable document types (PV) with V, V+, and VT tax explanation codes.

Processing Options

1.2 These options identify the general ledger date range for the report. If you leave the beginning date blank, the system prints transactions from inception through the specified ending date. If you leave the ending date blank, the system prints transactions from the specified beginning date through the current date. If you leave both the beginning and ending dates blank, the system prints all transactions.

3. This option controls whether the report lists the taxable amounts or the actual tax amounts in the five user-defined columns.

4. This option identifies the company for registration information. If you leave this option blank, the system prints registration information for company 00000 (the default company). Note that registration information is specified in the Additional Company Tax ID field on either the Customer Master or Supplier Master screens.

5. This option controls whether amounts include commas. If your amounts are large, ensure that amounts on the report are not truncated by omitting commas.

Guidelines

- If you have a transaction in a tax rate/area that is not included in one of the five columns you specified, the system prints the transaction and leaves the columns blank. Generally, this indicates that you have not set up your columns accurately or that your DREAM Writer data selections are not set up correctly.

- The report lists tax information for each transaction in the Tax Work file. To ensure that all transactions are in the Tax Work file, set the processing options for the post appropriately. For more information, review the chapters Posting for A/P, A/R, Purchase Orders, Sales Orders and Tax Work File.
VAT Exception Reports

For each tax rate/area, this report lists the differences between the user-entered VAT/GST amount and the system-calculated VAT/GST amount.

This report has no processing options.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select VAT Exceptions.

Report

<table>
<thead>
<tr>
<th>Document Number</th>
<th>Type/Code</th>
<th>G/L Date</th>
<th>Taxable Amount</th>
<th>VAT Amount</th>
<th>Calculated VAT</th>
<th>Variance Amount</th>
<th>Variance %</th>
</tr>
</thead>
<tbody>
<tr>
<td>11</td>
<td>PV 99993</td>
<td>02/25/94</td>
<td>200.17</td>
<td>35.03</td>
<td>35.03</td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>RI 99993</td>
<td>02/25/94</td>
<td>150.00–</td>
<td>26.25–</td>
<td>26.25–</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>PV 99993</td>
<td>02/28/94</td>
<td>1,007.75</td>
<td>185.00</td>
<td>176.36</td>
<td>8.64</td>
<td>.8</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Rate/Area</td>
<td></td>
<td></td>
<td>1,057.92</td>
<td>193.78</td>
<td>185.14</td>
<td>8.64</td>
<td></td>
</tr>
</tbody>
</table>

Note that the VAT Amount field identifies the amount of VAT/GST the user entered for the transaction. The Calculated VAT field identifies the amount of VAT/GST the system calculated for the transaction. The Variance Amount field identifies the difference between user and system amounts and the Variance % field indicates the percentage difference between the user and system amounts.

Procedures

After you select this report from the menu, the system displays a message that the report was submitted for batch processing.
Guidelines

- Source of Report Information. The report lists tax information for each transaction in the Tax Work file. To ensure that all transactions are in the Tax Work file, set the processing options for the post appropriately. For more information, review the chapters Posting for A/P, A/R, Purchase Orders, Sales Orders and Tax Work File.

- F0018 Fields Updated. The post program updates the tax variance amount (TXVA). It also updates the override tax amount flag (OVTX) in F0018 with an * (asterisk) if the user-entered amount differs from the system-calculated amount. The VAT Exception report updates the percentage variance amount (TXVR).

- Print Exceptions Only. If you want to print only the exceptions, on the Dream Writer Data Selection screen, specify a tax variance amount (TXVA) equal to zero.
Canadian GST and PST Tax Reports

This report lists information by company and tax explanation code. Within each tax explanation code, the report separates taxes into categories such as taxable, non-taxable, GST, seller-assessed PST, and self-assessed PST.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select GST/PST Tax.
<table>
<thead>
<tr>
<th>Document Number</th>
<th>Do</th>
<th>Co.</th>
<th>Itm</th>
<th>G/L Date</th>
<th>Taxable Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address Number</td>
<td>. . . . . .</td>
<td>1002</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>PV 99993 001 02/28/94 B</td>
<td>1,981.72</td>
<td>20.02</td>
<td>217.99</td>
<td>138.72</td>
</tr>
<tr>
<td>Value Added + Self-Assess</td>
<td>1,981.72</td>
<td>20.02</td>
<td>217.99</td>
<td>138.72</td>
<td>79.27–</td>
</tr>
<tr>
<td>Edwards &amp; Edwards</td>
<td>1,981.72</td>
<td>20.02</td>
<td>217.99</td>
<td>138.72</td>
<td>79.27–</td>
</tr>
<tr>
<td>Address Number</td>
<td>. . . . . .</td>
<td>2014</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>PV 99993 001 02/25/94 V</td>
<td>200.17</td>
<td></td>
<td>35.03</td>
<td>35.03</td>
</tr>
<tr>
<td>Value Added (input) Tax</td>
<td>200.17</td>
<td></td>
<td>35.03</td>
<td>35.03</td>
<td></td>
</tr>
<tr>
<td>Action Energy</td>
<td>200.17</td>
<td></td>
<td>35.03</td>
<td>35.03</td>
<td></td>
</tr>
<tr>
<td>Address Number</td>
<td>. . . . . .</td>
<td>2727</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>PV 99993 001 02/28/94 B</td>
<td>2,110.86</td>
<td></td>
<td>147.76</td>
<td>82.74</td>
</tr>
<tr>
<td>Value Added + Self-Assess</td>
<td>2,110.86</td>
<td></td>
<td>147.76</td>
<td>82.74</td>
<td>63.33–</td>
</tr>
<tr>
<td>23</td>
<td>RI 99993 000 02/28/94 C</td>
<td>200.00–</td>
<td></td>
<td>22.00–</td>
<td>14.00–</td>
</tr>
<tr>
<td>25</td>
<td>RI 99993 000 02/28/94 C</td>
<td>100.00–</td>
<td></td>
<td>10.21–</td>
<td>7.00–</td>
</tr>
<tr>
<td>26</td>
<td>RI 99993 000 02/28/94 C</td>
<td>250.00–</td>
<td></td>
<td>17.50–</td>
<td>9.80–</td>
</tr>
<tr>
<td>Value Added + Sales Tax</td>
<td>550.00–</td>
<td></td>
<td>49.71–</td>
<td>30.80–</td>
<td>18.71–</td>
</tr>
<tr>
<td>16</td>
<td>PV 99993 001 02/25/94 S</td>
<td>1,007.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Value Added Tax Exempt</td>
<td>1,007.75</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>PV 99993 001 02/25/94 S</td>
<td>100.00</td>
<td></td>
<td>7.00</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>RI 99993 000 02/25/94 S</td>
<td>5,500.00–</td>
<td></td>
<td>385.00–</td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>RI 99993 000 02/28/94 S</td>
<td>2,500.00–</td>
<td></td>
<td>175.00–</td>
<td></td>
</tr>
<tr>
<td>Sales or VAT (output) Tax</td>
<td>7,900.00–</td>
<td></td>
<td>553.00–</td>
<td></td>
<td>553.00–</td>
</tr>
<tr>
<td>10</td>
<td>PV 99993 001 02/25/94 U</td>
<td></td>
<td></td>
<td>10.50–</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>PV 99993 001 02/28/94 U</td>
<td>248.59</td>
<td></td>
<td>17.40–</td>
<td></td>
</tr>
<tr>
<td>Self-Assessment (use) Tax</td>
<td>398.64</td>
<td></td>
<td>27.90–</td>
<td></td>
<td>27.90–</td>
</tr>
<tr>
<td>14</td>
<td>PV 99993 001 02/28/94 V</td>
<td>402.07</td>
<td></td>
<td>70.36</td>
<td></td>
</tr>
<tr>
<td>Value Added (input) Tax</td>
<td>402.07</td>
<td></td>
<td>70.36</td>
<td></td>
<td>70.36</td>
</tr>
<tr>
<td>Acme Drilling</td>
<td>5,538.43–</td>
<td></td>
<td>356.69–</td>
<td></td>
<td>322.30</td>
</tr>
<tr>
<td>22</td>
<td>RI 99993 000 02/25/94 V</td>
<td>150.00</td>
<td></td>
<td>26.25–</td>
<td></td>
</tr>
<tr>
<td>Value Added (input) Tax</td>
<td>150.00–</td>
<td></td>
<td>26.25–</td>
<td></td>
<td>26.25–</td>
</tr>
<tr>
<td>Ready Mix Co</td>
<td>150.00–</td>
<td></td>
<td>26.25–</td>
<td></td>
<td>26.25–</td>
</tr>
<tr>
<td>Grand Total</td>
<td>3,506.54–</td>
<td></td>
<td>1,027.77</td>
<td></td>
<td>129.92–</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Amounts for the following fields are positive for vouchers and negative for invoices:

- **Taxable Amount**
- **Non-Taxable**
- **Tax-Exempt**
- **Tax** – This is the sum of GST, self-assessed PST, and seller-assessed PST.
- **GST**
- **Self-Assessment Tax** – This is the total payable to provincial governments for self-assessed PST.
- **Sales Tax** – This is the total payable to provincial governments for seller-assessed PST.

**TAX 4–18**
Procedures

Select this report from the menu, specify processing options, and press Enter. The system displays a message that the report was submitted for batch processing.

Processing Options

1. The first option controls whether the system updates the Print field with a Y so that subsequent reports will not list the previously printed transactions.

   NOTE: Your data selection must include the statement Print NE Y.

2. The second option controls how the tax identification appears. The report lists tax information by address book number (not customer and supplier number). You can choose whether to further identify the address with an ID number.

3. The third option controls whether self-assessed PST is identified as a debit or a credit (positive or negative sign).

Guidelines

The report lists tax information for each transaction in the Tax Work file. To ensure that all transactions are in the Tax Work file, set the processing options for the post appropriately. For more information, review the chapters Posting for A/P, A/R, Purchase Orders, Sales Orders and Tax Work File.
European Community Tax Reports

Before you generate the EC Sales Listing report or Intrastat reports, verify the following:

- Ensure that all transactions are in the Tax Work file (F0018) by setting the processing options for the post programs appropriately. For more information, see the chapter Posting for A/P, A/R, Purchase Orders, Sales Orders.

- For the Intrastat reports, upload sales and purchase order information to the Extra Tax File Adjustment file (F0018T) as described in the chapter European Community Activities.

You will need to translate these reports into the appropriate languages.

EC Sales Listing

This report is required in some countries and must be submitted quarterly if your company exceeds the threshold of intra-community trade as defined by each country’s tax authority. The report lists the customer by VAT number, country of destination, and the total amount in local currency.

You must submit the report if you are registered for VAT in an EC country and you: (1) make supplies of goods to a person registered for VAT in another EC country, (2) send goods to a person registered for VAT in another EC country for process, (3) return goods after processing them to a person registered for VAT in another EC country, or (4) transfer your goods from your EC country to another EC country in the course of your business.

NOTE: Make sure each customer has a VAT registration number and a country code. Also, because the report uses the Tax Work file (F0018), ensure that the processing options in the post program are set to automatically update this file.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select EC VAT Processing. From the EC VAT Processing menu (G00211), select EC Sales Listing.
### European Community Tax Reports

#### Report

**VAT Registration Number:** 84-0745393

- **Company:** 00001 A Model Company
- **Reporting Period From:** 01 / 94
- **To:** 02 / 94
- **Branch ID:**
- **Telephone:** 32 2 647 0800
- **Telefax:** 32 2 647 7992 FAX
- **Contact Person:**

<table>
<thead>
<tr>
<th>Line</th>
<th>Country</th>
<th>Customers</th>
<th>Sales Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>FR</td>
<td>123-456-789-0123</td>
<td>15,550.00-</td>
</tr>
<tr>
<td>2</td>
<td>A Model Company</td>
<td>150.00-</td>
<td></td>
</tr>
</tbody>
</table>

**Grand Total:** 15,700.00-

---

**VAT Registration Number**

Number assigned to the supplier or customer or one of your companies for VAT purposes. You assign this number on either the Supplier Master Information screen or the Customer Master Information screen.

**Company**

Address book number of the company responsible for submitting VAT reports to the appropriate agencies.

**Reporting Period From**

Dates that identify the period for which VAT is due. Reporting Period To is the last month of the quarter. You specify these dates in the processing options.

**Branch ID**

Field that identifies a branch. You specify information for this field in the processing options. This field is required for some countries.

**Telephone 1 and 2**

Fields that identify telephone numbers for the company responsible for submitting VAT reports.

**Contact Person**

Person at the company to contact for additional information.

**Line Number**

Number the system assigns. Numbering is sequential.

**Country of Destination**

User defined code (system 00, type CN) that identifies the EC country where goods were shipped. If you have not identified a country for the customer or supplier (on the Customer Master Information screen or Supplier Master Information screen), the system uses the country you set up for a blank code (the country specified in the Description-2 field).
European Community Tax Reports

| Customers VAT Registration Number | VAT registration number assigned to the customer for EC VAT purposes. You assigned this number on either the Customer Master Information screen or Supplier Master Information screen. |
| Sales Amount in Local Currency | Total value of the goods (excluding VAT). |

Processing Options

1. The first processing option identifies a branch ID. This is required for some countries.

2. The second option identifies periods and fiscal years (beginning and ending dates for a quarter). The period and fiscal year should correspond to the general ledger date range specified in the data selections. If they are not the same, you may encounter totaling difficulties.

Intrastat Reports

These are statistical reports that list details about product dispatches and arrivals among EC countries. The reports are submitted to the customs authorities on a monthly basis if your company exceeds the intra-community trade limits set in your country.

The reports list information in the Tax Work file (F0018) and Extra Tax File Adjustments file (F0018T).

NOTE: You can extract information for the reports from existing databases and move it to the Extra Tax File Adjustments file (F0018T). Two batch programs accomplish this. The Update Extra Tax File-Sales updates F0018T with information from the Sales Order Detail file (F4211) and Update Extra Tax File-Purchases updates F0018T with information from the Purchase Order Receiver file (F43121). You can manually enter information on the Direct Extra Tax File Adjustment screen.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select EC VAT Processing. From the EC VAT Processing menu (G00211), select any of the following: EC Intrastat Report, Belgian Format Intrastat, French Format Intrastat, German Format Intrastat, or U.K. Format Intrastat.

EC Intrastat Report

This report summarizes products by the Customs Tariff commodity code with the detailed dispatch/arrival information. Information for this report is from the JDE Sales Order and Purchase Management systems. JDE provides two versions of this report: one for sales orders and one for purchase orders.
European Community Tax Reports

Report

VAT Registration Number: 84-0745393

Company: A Model Manufacturing Company
Avenue Louise, 480
1050 Brussels

Reporting Period: 06 / 98

VAT Registration Number

Company: 99993

Branch ID: 

Telephone: 32 2 647 0800
Telefax: 32 2 647 7992

Sales Transactions

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Totals for 8,350.00 2,087.5000

Totals for 8,350.00 2,087.5000

Totals for Company. . . . . . . . . 99993 8,350.00 2,087.5000

Totals for 8,350.00 2,087.5000

VAT Registration Number

Number assigned to the supplier or customer or one of your companies for VAT purposes. You assigned this number on either the Supplier Master Information screen or Customer Master Information screen.

Company

Address book number of the company responsible for submitting VAT reports to the appropriate agencies.

Reporting Period

Date that identifies the period for which VAT is due. You specify this date in the processing options.

Branch ID

Field that identifies a branch. You specify information for this field in the processing options. This field is required for some countries.

TelephoneNumber 1 and 2

Numbers that identify the telephone number of the company responsible for submitting VAT reports.

Line Number

Number the system assigns. Numbering is sequential.
### Commodity Code
User defined code (system 41, type E) that identifies the products dispatched from or arriving in your country. The Description-2 field identifies the EC commodity code that customs authorities require. For more information, see *Modify Commodity Codes for EC* in the chapter *European Community Setup*.

NOTE: You maintain commodity codes on the Branch/Plant Item Information screen (on menu A411). From that screen, press F5 to access the Branch/Plant Class Codes screen and view the commodity codes.

### Country Orig or Destn (Country of Origin or Destination/Dispatch)
User defined code (system 00, type CN) that identifies the EC country where goods originated. For sales orders, this is the country code linked to the ship-to address. For purchase orders, this is the country code linked to the address of the supplier and is from the Purchase Order Receiver file (F43121). In the event of triangulation, you can change the country code on the purchase order header to reflect the true country of origin.

### Nature of Trans (Nature of Transaction)
User defined code that identifies whether the movement of goods is for sale, lease, or some other reason. You specify information for this field in the processing options. Some codes (system 41, type S1 to S5) are for sales orders. Others (system 41, type P1 to P5) are for purchase orders.

### Cond of Tran (Conditions of Transport)
User defined code (system 42, type FR) that identifies freight information. The Description-2 field, positions 1 to 3, identifies the conditions of transport and how freight is to be paid. For more information, see *Modify Commodity Codes (Add Conditions of Transport)* and *Example for Conditions of Transport and Modes of Transport* in the chapter *European Community Setup*.

### Transport Indicator (not labeled on the report)
Code that indicates the status of the goods. This field is required for some countries. Values are:

- 1 Work in process
- 0 Finished goods

You specify this information with the Direct Extra Tax File Adjustment screen. The batch programs do not upload this information from the Sales Order and Purchase Management systems.

### Mode of Tran (Mode of Transport)
User defined code (system 42, type FR) that identifies freight information. The Description-2 field, position 5, identifies the conditions of transport and how freight is to be shipped. For more information, see *Modify Commodity Codes (Add Conditions of Transport)* and *Example for Conditions of Transport and Modes of Transport* in the chapter *European Community Setup*. 
<table>
<thead>
<tr>
<th>Field Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Country Orig Origin</strong>&lt;br&gt; (Country of Original Origin)</td>
<td>Field that identifies the country in which the goods originated. This information is from the Item Master file (F4101).&lt;br&gt;NOTE: You maintain this information on the Branch/Plant Item Information screen (on menu A411).</td>
</tr>
<tr>
<td><strong>Values in local currency</strong></td>
<td>Number that identifies the value of the transaction in local currency. This is the invoice price excluding VAT.&lt;br&gt;For dispatches and sales, this is the price of the item multiplied by the quantity. The unit of measure is also considered for this calculation. For example, the item may be priced by the case but you sold one item. The system calculates the correct taxable value for the sales order line.&lt;br&gt;For purchasing, this information is from the Match Voucher to Open Receipt screen where the value of the arrival is registered. Conversion to local currency of foreign currency values is at the transaction rate.</td>
</tr>
<tr>
<td><strong>Net Mass in KG</strong>&lt;br&gt; (Quantity in Kilos)</td>
<td>Quantity specified in the receiver details for purchase orders&lt;br&gt;and in the sales order detail for sales orders. This information is from the Item Master file (F4101) which contains weights and measures information.&lt;br&gt;NOTE: You maintain this information with the Primary UOM (Unit of Measure) field on the U/M (Units of Measure) Conversion Information screen (on menu A41324).</td>
</tr>
<tr>
<td><strong>Supplemental Units (2nd quantity measure)</strong></td>
<td>Field that identifies a second quantity measure. The system uses supplemental units only if the Net Mass in KG field is zero. The total number of units on the order is calculated.</td>
</tr>
<tr>
<td><strong>Statistical Value</strong></td>
<td>Number that identifies the value of the dispatch or arrival that estimates the freight and insurance costs incurred in that country. In France, for example, the statistical value of a dispatch is the cost of freight and insurance up to the port of exit of the country. This is usually a nominal value. This field is required for some countries.&lt;br&gt;You specify this information with the Direct Extra Tax File Adjustment screen described in the chapter <em>European Community Activities</em>. The batch programs do not upload this information from the Sales Order and Purchase Management systems.</td>
</tr>
<tr>
<td>VAT Type (Regime Code)</td>
<td>Code that is similar to the Nature of Transaction code. This information is required only for France.</td>
</tr>
<tr>
<td>------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>You specify this information with the Direct Extra Tax File Adjustment screen described in the chapter <em>European Community Activities</em>. The batch programs do not upload this information from the Sales Order and Purchase Management systems.</td>
</tr>
<tr>
<td>Port Exit Entry (Port of Exit or Entry)</td>
<td>For shipments, this field identifies where the goods left the country. For arrivals, this field identifies where the goods entered the country. This can be a city, port, airport, and so on. This information is required for some countries.</td>
</tr>
<tr>
<td></td>
<td>You specify this information with the Direct Extra Tax File Adjustment screen described in the chapter <em>European Community Activities</em>. The batch programs do not upload this information from the Sales Order and Purchase Management systems.</td>
</tr>
<tr>
<td>Region Orig or Destn (Region Origin or Destination)</td>
<td>Field that identifies where goods originated or were shipped. For sales orders, this is the ship-to address. For purchase orders, this is the supplier’s address. This information is required for some countries.</td>
</tr>
<tr>
<td>Customers VAT Registration</td>
<td>Number assigned to the supplier or customer or one of your companies for VAT purposes. You assigned this number on either the Supplier Master Information screen or Customer Master Information screen. For suppliers, this is from the ship-to address.</td>
</tr>
<tr>
<td>Traders Reference</td>
<td>Document number (such as sales order number or purchase order number) that the system assigns. This information is required for some countries.</td>
</tr>
</tbody>
</table>

**Processing Options**

1. The first processing option identifies a branch ID. This is not required in all countries.

2. The second option identifies a period and fiscal year. These should correspond to the general ledger dates in the data selections. If they are not the same, you may encounter totaling difficulties.

3. The third option controls whether the report prints summary information for customs authorities or detailed information for auditing purposes.

**EC Intrastat Report (for Purchase Transactions)**

The report listing purchase transactions has the same format and processing options as those for sales transactions.
There are two versions of this report. One is for imports and the other for exports.

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<th>Port</th>
<th>Nature de Marchandise</th>
<th>Code</th>
<th>Poids Net</th>
<th>Unité</th>
<th>Valeurs Supplémentaire</th>
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**Processing Options**

1. The first processing option identifies a branch ID.

2. The second option identifies a period and fiscal year. These should correspond to the general ledger dates in the data selections. If they are not the same, you may encounter totaling difficulties.

3. The third option controls whether the report prints summary information for customs authorities or detailed information for auditing purposes.

4. The fourth option identifies controls whether the report prints import or export information.
French Format Intrastat Report

There are two versions of this report. One is for imports and the other for exports.

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Processing Options

This report has the same processing options as those for the Belgian Format Intrastat report.
**U.K. Format Intrastat Report**

There are two versions of this report. One is for imports and the other for exports.

Declaration - Arrivals

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Country of Origin.  
USA 25.00 100.0000

Canada 300.00 300.0000

Company. . . . . 325.00 400.0000

**Processing Options**

This report has the same processing options as those for the Belgian Format Intrastat report.
German Format Intrastat Report

You can either generate a printed report or a diskette for the German customs authorities. Because the German Intrastat report prints on a preprinted form, it is not shown here.

Processing Options

1. The first processing option identifies a branch ID.

1a. This option identifies the region code for the tax office that collects taxes from your company.

2. The second option identifies a period and fiscal year. These should correspond to the general ledger dates in the data selections. If they are not the same, you may encounter totaling difficulties.

3. The third option controls whether the report prints summary information for customs authorities or detailed information for auditing purposes.

4. The fourth option identifies controls whether the report prints import or export information.

5. The fifth option controls whether the report is in a format appropriate for paper or for diskette.

6. The sixth option is valid only if you specified a diskette format for the previous option. It identifies a library and file name for the report.
Italian IVA Tax Reports

The VAT reports (Imposta sul Valore Aggiunto or IVA reports) print on legal forms which have been approved by the tax authorities in Italy.

Navigation

From the Master Directory menu (G), type 29 and press Enter. From the General Systems menu (G00), select Tax Processing & Reporting. From the Tax Processing & Reporting menu (G0021), select Italian IVA Processing. From the Italian IVA Processing menu (G00213), select one of the following: By Tax Area Code, Monthly IVA Report, Annual IVA Control Reports, Supplier IVA Form, or Customer IVA Form.

Reports

IVA by Tax Area Code

Processing options specify a general ledger date range.

<table>
<thead>
<tr>
<th>Tax Area</th>
<th>% IVA</th>
<th>Description</th>
<th>Client Taxable Amount</th>
<th>Client Tax Amount</th>
<th>Vendor Taxable Amount</th>
<th>Vendor Tax Amount</th>
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</thead>
<tbody>
<tr>
<td>ITA12</td>
<td>12.000 Italy - 12% IVA rate</td>
<td>6,408,929-</td>
<td>769,071-</td>
<td>98,294,642</td>
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<tr>
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<td>69.000 Italy - 19% IVA 50% non-rec</td>
<td>7,516,807-</td>
<td>1,428,193-</td>
<td>221,320,413</td>
<td>42,050,877</td>
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<tr>
<td>ITA1900</td>
<td>19.000 Italy - 19% IVA 100% non-rec</td>
<td>1,525,210-</td>
<td>289,790-</td>
<td>2,661,855,278</td>
<td>505,752,502</td>
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<td><strong>Total</strong></td>
<td></td>
<td></td>
<td>15,450,946-</td>
<td>2,487,054-</td>
<td>2,981,470,333</td>
<td>559,598,737</td>
</tr>
</tbody>
</table>

Monthly IVA Reports

JDE provides two versions of this report — one for monthly A/R transactions and one for monthly A/P transactions.

A processing option lets you print the reports in either proof or final mode. JDE recommends that you always run the reports in proof mode and verify information before you run the reports in final mode and update files. Final mode marks transactions as processed in the Tax Work file (F0018) and does not print them on subsequent reports.

Other options control whether A/R transactions have a negative sign, control formatting (whether report headings and page numbers print) and control whether a blank line is inserted when the tax rate/area changes. When you print on legal forms, omit formatting and blank lines. An option also identifies a general ledger date range. If you leave the dates blank, the system processes information from inception through the current date.
### J. D. Edwards & Co
**MONTHLY A/P VAT REPORT**
***FINAL***

<table>
<thead>
<tr>
<th>Voucher</th>
<th>Do GL</th>
<th>Invoice</th>
<th>Description</th>
<th>Alpha Name</th>
<th>Gross Amount</th>
<th>Taxable Amount</th>
<th>Tax</th>
<th>Tax Amount</th>
<th>Code/Area</th>
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<td>Voucher</td>
<td>JDE France</td>
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<td>PV</td>
<td>01.08.98</td>
<td>Voucher</td>
<td>JDE Europe</td>
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<td>133,929</td>
<td>12</td>
<td>16,071</td>
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<td>Italy 12% – IVA</td>
</tr>
<tr>
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<td>Voucher</td>
<td>JDE France</td>
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<td>Italy 19% – IVA</td>
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Total

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<tr>
<th>Tax Area</th>
<th>Tax %</th>
<th>Taxable Amount</th>
<th>Tax Amount</th>
<th>Credit taxable</th>
<th>Credit tax</th>
<th>Non-recov.</th>
<th>Non-Rec. tax</th>
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<tbody>
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<td></td>
<td></td>
<td>42,227</td>
<td>8,023</td>
</tr>
<tr>
<td>ITA19   Italy 19% – IVA</td>
<td>19,000</td>
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<td>16,140,420</td>
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</tr>
<tr>
<td>ITA12   Italy 12% – IVA</td>
<td>12,000</td>
<td>135,929</td>
<td>16,071</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total

Credit

A/P Net Tax

---

**References:**

1196/Release A73
Annual IVA Control Reports

JDE provides three versions of this report - one for suppliers, one for customers, and one for customs authorities. A processing option controls whether amounts are scaled by 1000.

The reports can help you do the following: (1) balance amounts with those in the Tax Work file (F0018), (2) verify amounts before you create the annual IVA tape, and (3) verify amounts before you print on the preprinted annual forms.

Annual Supplier IVA Form and Annual Customer IVA Form

You can either send annual tax information to the Italian tax authorities on tape or on the preprinted IVA forms.

There are two preprinted forms. One summarizes voucher information by supplier number and the other summarizes invoice information by customer number. If two suppliers (or customers) have the same tax identification number (for a parent and subsidiary, for example), the program combines information for the two.

Before you run these forms, use the Annual IVA File Build program to build F00900. JDE also recommends that you run the Annual IVA Control reports to verify information and correct errors prior to printing on the forms.

There are four processing options. They identify the current year for processing, address book information, and supplier (or customer) master information. For example, they indicate which line in the address book is used for the continuation of the name and address, which is the address, and whether to print the person/corporate code, company business code, or business description at the top of the form.

The following information prints on the Supplier IVA Form:

- Supplier name (first line in Address Book or the parent plus the Address Book line indicated in the processing options)
- Street (Address Book line indicated in the processing options)
- Postal code
- City (the last non-blank line in the Address Book)
- Province
- Tax identification number
- Total taxable amount of vouchers for the current year
- Total taxable amount of vouchers for the previous year
- Total tax amount of vouchers for the current year
- Total tax amount of vouchers for the previous year
- Total non-taxable amount of vouchers for the current year
- Total non-taxable amount of vouchers for the previous year
- Total non-taxable “8 comma 2” for the current year
- Total non-taxable “8 comma 2” for the previous year

The same information (but for invoices) prints on the Customer IVA Form.
Procedures

After you select one of the reports from the menu, the system displays a message that the report was submitted for batch processing.

Guidelines

- Files for the IVA by Tax Area Code Report and the Monthly IVA Reports. These reports list tax information for transactions in the Tax Work file (F0018). To ensure that all transactions are in the Tax Work file, set the processing options for the post appropriately. For more information, review the chapters *Posting for A/P, A/R, Purchase Orders, Sales Orders* and *Tax Work File*.

- Files for the Annual IVA Control Reports, the Annual Supplier IVA Form, and the Annual Customer IVA Form. These reports list tax information in the Annual IVA file (F00900), a file created from the Tax Work file (F0018). Before you run these reports, use the Annual IVA File Build program to build F00900. If you find errors on the reports, you can use the Annual IVA File Revision screen or Address Book Additional Information screen to correct them. For more information, review the chapter *Italian IVA Activities*. 


Japanese Consumption Tax Reports

Before you generate Japanese consumption tax reports, verify the following:

- Ensure that all transactions are in the Tax Work file (F0018) by setting the processing options for the post programs appropriately. For more information, see the chapter Posting for A/P, A/R, Purchase Orders, Sales Orders.

- Upload information to the Consumption Tax file (F00189). This file is necessary for all consumption tax reports. The Tax Work file (F0018) that is used for other VAT reports is insufficient because it does not include information at an account level. The Account Ledger file (F0911) is also insufficient because it does not contain tax information.

  F00189 is a file that contains information from F0018 (transactions with tax explanation code, tax rate/area, tax authority, taxable amount, tax amount, non-taxable amount, and so on) and F0911 (transactions with account-level information).

  For more information, see the chapter Japanese Consumption Tax Activities.

- Correct any errors listed on the Consumption Tax Workfile Edit report with the Direct Workfile Adjustment screen. For more information, see the chapter Japanese Consumption Tax Activities.

Reports for Government

JDE does not provide these reports. Because the government does not require standard information from companies and requirements can differ widely, you must create the reports from the specifications that the government sends to you. JDE recommends that you use World Writer and the F00189 file to generate reports. For more information, see the World Writer Guide.

Navigation

From the Master Directory (G), select World Writer Reporting. From the World Writer menu (G82), select General Ledger. Create the report using the F00189 file and the appropriate fields.
Glossary
Glossary

This glossary defines terms in the context of your use of JDE systems and the accompanying user guide.

access. To get to the information or functions provided by the system through menus, screens, and reports.

alphanumeric character. Represents data by using letters and other symbols from the keyboard (such as * & #). Contrast with numeric character.

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 points to an account in the chart of accounts. AAIs define rules for programs that automatically generate journal entries. This includes interfaces between Accounts Payable, Accounts Receivable, and Financial Reporting and the General Accounting system. Each system that interfaces with the General Accounting system has AAIs. For example, AAIs can direct the Post to General Ledger program to post a debit to a certain expense account and an automatic credit to a certain accounts payable account.

backup copy. A copy of original data preserved on a magnetic tape or diskette as protection against destruction or loss.

batch. A group of like records or transactions that the computer treats as a single unit during processing. For identification purposes, the system usually assigns each batch a unique identifier, known as a “batch number.”

batch header. Information the computer uses as identification and control for a group of transactions or records in a batch.

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 computer performs these tasks with little or no user interaction.

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

batch type. A code that designates which JDE system the associated transactions pertain to, thus controlling what records are selected for processing. For example, in the Post General Journal process, only unposted transaction batches with a batch type of G for General Accounting are selected for posting.

Boolean logic operand. In JDE’s DREAM Writer, the parameter of the Relationship field. The Boolean logic operand tells the system to perform a comparison between certain records or parameters. Available operands are:

<table>
<thead>
<tr>
<th>Operator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>EQ</td>
<td>Equal To</td>
</tr>
<tr>
<td>LT</td>
<td>Less Than</td>
</tr>
<tr>
<td>LE</td>
<td>Less Than or</td>
</tr>
<tr>
<td>GE</td>
<td>Greater Than</td>
</tr>
<tr>
<td>GT</td>
<td>Greater Than</td>
</tr>
<tr>
<td>NE</td>
<td>Not Equal To</td>
</tr>
<tr>
<td>NL</td>
<td>Not Less Than</td>
</tr>
<tr>
<td>NG</td>
<td>Not Greater</td>
</tr>
</tbody>
</table>

CAD/CAP. Computer Assisted Design/Computer Assisted Programming. A set of automated programming tools for designing and developing systems. These tools automate system design, generate source code and documentation, enforce design standards, and help to ensure consistency throughout all JDE systems.

category code. In user defined codes, a temporary title for an undefined category. For example, if you are adding a code that designates 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. Category codes were formerly known as reporting codes.

character. Any letter, number, or other symbol that a computer can read, write, and store.

code. A character, word, phrase, or combination of keys you use to tell the computer to perform a defined activity.

constant. Parameters or codes that rarely change. The computer uses constants to standardize information processing by an associated system. Some examples of constants are allowing or disallowing out-of-balance postings and having the system perform currency conversions on all amounts. Once
Glossary

you set constants such as these, the system follows these rules until you change the constants.


cursor. The blinking underscore or rectangle on your screen that indicates where the next keystroke will appear.

cursor sensitive help. JDE’s online help function, which allows you to view a description of a field, an explanation of its purpose, and, when applicable, a list of the valid codes you can enter. To access this information, move the cursor to the field and press F1.

data. Numbers, letters, or symbols that represent facts, definitions, conditions, and situations, that a computer can read, write, and store.

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

data dictionary. A database file consisting of the definitions, structures, and guidelines for the usage of fields, messages, and help text. The data dictionary file does not contain the actual data itself.

default. A code, number, or parameter the system supplies when you do not enter one. For example, if an input field’s default is N and the you do not enter something in that field, the system supplies an N.

descriptive title. See user defined code.

detail. The individual pieces of information and data that make up a record or transaction. Contrast with summary.

display. (1) To cause the computer to show information on a terminal’s screen. (2) A specific set of fields and information that a JDE system might show on a screen. Some screens can show more than one display when you press a specified function key.

display field. A field of information on a screen that contains a system-provided code or parameter that you cannot change. Contrast with input field.

DREAM Writer. Data Record Extraction And Management Writer. A flexible data manipulator and cataloging tool. You use this tool to select and sequence the data that is to appear on a programmed report.

def. (1) To make changes to a file by adding, changing, or removing information. (2) The program function of highlighting fields into which you have entered inadequate or incorrect data.

execute. See run.

exit. (1) To interrupt or leave a computer program by pressing a specific key or a sequence of keys. (2) An option or function key displayed on a screen that allows you to access another screen.

facility. A collection of computer language statements or programs that provides a specialized function throughout a system or throughout all integrated systems. Some examples DREAM Writer and FASTR.


field. (1) An area on a screen that represents a particular type of information, such as name, document type, or amount. Fields that you can enter data into are designated with underscores. See input field and display field. (2) A defined area within a record that contains a specific piece of information. For example, a vendor record consists of the fields Vendor Name, Address, and Telephone Number. The Vendor Name field contains just the name of the vendor.

file. A collection of related data records organized for a specific use and electronically stored by the computer.

fold area. An area of a screen, accessed by pressing F4, that displays additional information associated with the records or data items displayed on the screen.

function. A separate feature within a facility that allows you to perform a specific task, for example, the field help function.

function key. A key you press to perform a system operation or action. For example, you press F4 to have the system display the fold area of a screen.

hard copy. A presentation of computer information printed on paper. Synonymous with printout.

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

help instructions. Online documentation or explanations of fields that you access by pressing the Help key or by pressing F1 with your cursor in a particular field.

helps. See help instructions.
hidden selections. Menu selections you cannot see until you enter HS in a menu's Selection field. Although you cannot see these selections, they are available from any menu. They include such items as Display Submitted Jobs (33), Display User Job Queue (42), and Display User Print Queue (43). The Hidden Selections window displays three categories of selections: user tools, operator tools, and programmer tools.

input. Information you enter in the input fields on a screen or that the computer enters from other programs, then edits and stores in files.

input field. An area on a screen, distinguished by underscores ( _ _ _ ), where you type data, values, or characters. A field represents a specific type of information such as name, document type, or amount. Contrast with display field.

install system code. The code that identifies a JDE system. Examples are 01 for the Address Book system, 04 for the Accounts Payable system, and 09 for the General Accounting system.

interactive processing. A job the computer performs in response to commands you enter from a terminal. During interactive processing, you are in direct communication with the computer, and it might prompt you for additional information during the processing of your request. See online. Contrast with batch processing.

interface. A link between two or more JDE systems that allows these systems to send information to and receive information from one another.

jargon. A JDE term for system specific help text. You base your help text on a specific reporting code you designate in the Data Dictionary Glossary. You can display this text as part of online help.

job. A single identifiable set of processing actions you tell the computer to perform. You start jobs by choosing menu selections, entering commands, or pressing designated function keys. An example of a computer job is check printing in the Accounts Payable system.

job queue. A screen that lists the batch jobs you and others have told the computer to process. When the computer completes a job, the system removes the job's identifier from the list.

justify. To shift information you enter in an input field to the right or left side of the field. Many of the facilities within JDE systems justify information. The system does this only after you press Enter.

key field. A field common to each record in a file. The system uses the key field designated by the program to organize and retrieve information from the file.

Key General Ledger Account (Key G/L). See automatic accounting instructions.

leading zeros. A series of zeros that certain facilities in JDE systems place in front of a value you enter. This normally occurs when you enter a value that is smaller than the specified length of the field. For example, if you enter 4567 in a field that accommodates eight numbers, the facility places four zeros in front of the four numbers you enter. The result would look like this: 00004567.

level of detail. (1) The degree of difficulty of a menu in JDE software. The levels of detail for menus are as follows:

- A = Major Product Directories
- B = Product Groups
- 1 = Basic Operations
- 2 = Intermediate Operations
- 3 = Advanced Operations
- 4 = Computer Operations
- 5 = Programmers
- 6 = Advanced Programmers

Also known as menu levels.

(2) 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).

master file. A computer file that a system uses to store data and information which is permanent and necessary to the system's operation. Master files might contain data or information such as paid tax amounts and vendor names and addresses.

menu. A screen that displays numbered selections. Each of these selections represents a program. To access a selection from a menu, type the selection number and then press Enter.

menu levels. See level of detail.

menu masking. A security feature of JDE systems that lets you prevent individual users from accessing specified menus or menu selections. The system does not display the menus or menu selections to unauthorized users.

menu message. Text that appears on a screen after you make a menu selection. It displays a warning, caution, or information about the requested selection.

next number facility. A JDE software facility you use to control the automatic numbering of such items as new G/L accounts, vouchers, and addresses. It lets you specify your desired numbering system and
provide a method to increment numbers to reduce transposition and typing errors.

**numeric character.** Represents data using the numbers 0 through 9. Contrast with alphabetic character and alphanumeric character.

**offline.** Computer functions that are not under the continuous control of the system. For example, if you were to run a certain job on a personal computer and then transfer the results to a host computer, that job would be considered an offline function. Contrast with online.

**online.** Computer functions over which the system has continuous control. Each time you work with a JDE system-provided screen, you are online with the system. Contrast with offline. See interactive processing.

**online information.** Information the system retrieves, usually at your request, and immediately displays on the screen. This information includes items such as database information, documentation, and messages.

**operand.** See Boolean logic operand.

**option.** A numbered selection from a JDE screen that performs a particular function or task. To select an option, you enter its number in the Option field next to the item you want the function performed on. When available, for example, option 4 allows you to return to a prior screen with a value from the current screen.

**output.** Information the computer transfers from internal storage to an external device, such as a printer or a computer screen.

**output queue.** A screen that lists the spooled files (reports) you have told the computer to write to an output device, such as a printer. After the computer writes a file, the system removes that file’s identifier from the online list.

**override.** The process of entering a code or parameter other than the one provided by the system. Many JDE systems offer screens that provide default field values when they appear. By typing a new value over the default code, you can override the default. See default.

**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.

**password.** A unique group of characters that you enter when you sign on to the system that the computer uses to identify you as a valid user.

**printout.** A presentation of computer information printed on paper. Synonymous with hard copy.

**print queue.** An online list (screen) of written files that you have told the computer to print. Once the computer prints the file, the system removes the file’s identifier from the online list. See output queue.

**processing options.** A feature of the JDE DREAM Writer that allows you to supply parameters to direct the functions of a program. For example, processing options allow you to specify defaults for certain screen displays, control the format in which information gets printed on reports, change the way a screen displays information, and enter “as of” dates.

**program.** A collection of computer statements that tells the computer to perform a specific task or group of tasks.

**program specific help text.** Glossary text that describes the function of a field within the context of the program.

**prompt.** (1) A reminder or request for information displayed by the system. When a prompt appears, you must respond in order to proceed. (2) A list of codes or parameters or a request for information provided by the system as a reminder of the type of information you should enter or action you should take.

**PTF.** Program Temporary Fix. A representation of changes to JDE software, which your organization receives on magnetic tapes or diskettes.

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

**record.** A collection of related, consecutive fields of data the system treats as a single unit of information. For example, a vendor record consists of information such as the vendor’s name, address, and telephone number.

**reporting code.** See category code.

**reverse image.** Screen text that displays in the opposite color combination of characters and background from what the screen typically displays (for example, black on green instead of green on black).

**run.** To cause the computer to perform a routine, process a batch of transactions, or carry out computer program instructions.

**scroll.** To use the roll keys to move screen information up or down a screen at a time. When you press the Rollup key, for instance, the system replaces the currently displayed text with the next screen of text if more text is available.

**selection.** Found on JDE menus, selections represent functions that you can access from a given menu. To make a selection, you type its associated number in the Selection field and press Enter.
**Glossary**

**softcoding.** A JDE term that describes an entire family of features that allows you to customize and adapt JDE software to your business environment. These features lessen the need for you to use computer programmers when your data processing needs change.

**software.** The operating system and application programs that tell the computer how and what tasks to perform.

**special character.** Representation of data in symbols that are neither letters nor numbers. Some examples are * & # /.

**spool.** The function by which the system puts generated output into a storage area to await printing and processing.

**spooled file.** A holding file for output data waiting to be printed or input data waiting to be processed.

**subfile.** An area on the screen where the system displays detailed information related to the header information at the top of the screen. Subfiles might contain more information than the screen can display in the subfile area. If so, use the roll keys to display the next screen of information. See **scroll**.

**submit.** See **run**.

**summary.** The presentation of data or information in a cumulative or totaled manner in which most of the details have been removed. Many of the JDE systems offer screens and reports that are summaries of the information stored in certain files.

**system.** A collection of computer programs that allows you to perform specific business tasks. Some examples of applications are Accounts Payable, Inventory, and Order Processing. Synonymous with **application**.

**user defined code.** The individual codes you create and define within a user defined code type. Code types are used by programs to edit data and allow only defined codes. These codes might consist of a single character or a set of characters that represents a word, phrase, or definition. These characters can be alphabetic, alphanumeric, or numeric. For example, in the user defined code type table ST (Search Type), a few codes are C for Customers, E for Employees, and V for Vendors.

**user defined code (type).** The identifier for a table of codes with a meaning you define for the system (for example, ST for the Search Type codes table in Address Book). JDE systems provide a number of these tables and allow you to create and define tables of your own. User defined codes were formerly known as **descriptive titles**.

**user identification (user ID).** The unique name you enter when you sign on to a JDE system to identify yourself to the system. This ID can be up to 10 characters long and can consist of alphabetic, alphanumeric, and numeric characters.

**valid codes.** The allowed codes, amounts, or types of data that you can enter in a specific input field. The system checks, or edits, user defined code fields for accuracy against the list of valid codes.

**video.** The display of information on your monitor screen. Normally referred to as the **screen**.

**vocabulary overrides.** A JDE facility that allows you to override field, row, or column title text on a screen-by-screen or report-by-report basis.

**window.** A software feature that allows a part of your screen to function as if it were a screen in itself. Windows serve a dedicated purpose within a facility, such as searching for a specific valid code for a field.
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