

Guide
June 1996



WORLD SOFTWARE®

Tax Reference Guide

Release
A7.3

JDEdwards®



Item # A73REATX960615

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Glossary

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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 . . . . . : FRESHOUR
Password . . . . . : 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

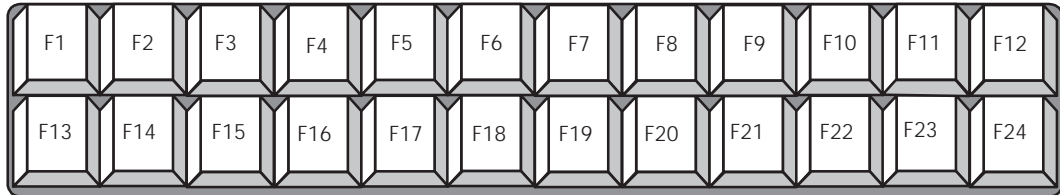
To travel quickly among menus, on the Selection line of any menu type the menu ID of the menu you want to access and press Enter.

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.

```

9601H      Available Functions/Options
Q Description                               Func/Opt
- Field Sensitive Help                         F1
- Commitment Details                           F2
- Exit Program                                 F3
- Update with Redisplay                        F5
- Display Error Message(s)                     F7
- Contract Search                               F10
- Exit to Address Book                          F11
- Toggle for Summary/Recap                      F14
- Refresh Contract Recap Amounts               F15
- Contract Financial Status                     F16
Opt: 4=Perform Enter=Exit                      More...
    
```

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

AS/400 Keyboard	PC Keyboard	Function
F4	F4	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.
F8	F8	Accesses the Menu Word Search window where you can search for menu selections. This function is further described in <i>Menu Word Search</i> .
F9	F9	Retrieves the previous command.

AS/400 Keyboard	PC Keyboard	Function
F12	F12	Returns to the previous menu. By pressing F12 repeatedly, you can reverse your path for up to 20 menus.
F13	Shift + F1	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.
F14	Shift + F2	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.
F15	Shift + F3	Checks for waiting electronic mail messages (E-mail).
F16	Shift + F4	Displays the Index of Menus window where you can review a list of all menus available to you.
F18	Shift + F6	Accesses DREAM Writer processing options when you type a menu selection and press F18.

Standard Function Keys Available from Screens

AS/400 Keyboard	PC Keyboard	Function
F1	F1	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: <ul style="list-style-type: none"> • • An explanation of the field's purpose and any data entry considerations • • A search screen that lets you find a valid code • • A list of valid values for the field
F3	F3	Exits a function and returns to the original screen or menu, ignoring changes you just made.
F4	F4	Displays the fold area for more detailed information.
F7	F7	Displays error messages.
F12	F12	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.
F22	Shift + F10	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.

Other Keyboard Differences

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

AS/400	PC Keyboard
Field Exit	Enter
Enter	Right Ctrl
Reset	Left Ctrl
Roll Up/Down	Page Up/Down
Help	Scroll/Lock
DUP	Shift/Insert

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.

Selection	Description
33	Displays all jobs you have submitted from your current workstation.
34	Displays any messages sent to your current workstation, such as whether your job completed normally.
39	Displays a window where you can change your print queue.
42	Displays a list of all jobs waiting to be processed in your job queue.
43	Displays a list of all spooled files waiting to be printed from your output queue.
82	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.
85	Displays the User Display Preference Revisions screen where you can change default settings at a user level.
88	Displays the Change Password screen where you can change your signon password.
90	Signs you off the system and returns you to the Sign On screen.

Operator Tools

The operator tools facilitate computer operations.

Selection	Description
27	Displays the advanced and technical operations menu for the system.
29	Displays the setup operations menu for the system.
97	Displays the Install History Display screen where you can review the history of installs to your system.

Programmer Tools

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

Selection	Description
25	Toggles the menu display between the title for each selection and the program number behind each selection.
40	Displays the File Field Descriptions window where you can review file field descriptions for a specified database.

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.

- 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.

To	Use
Add	1
Inquire	4
Change	2

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.

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:

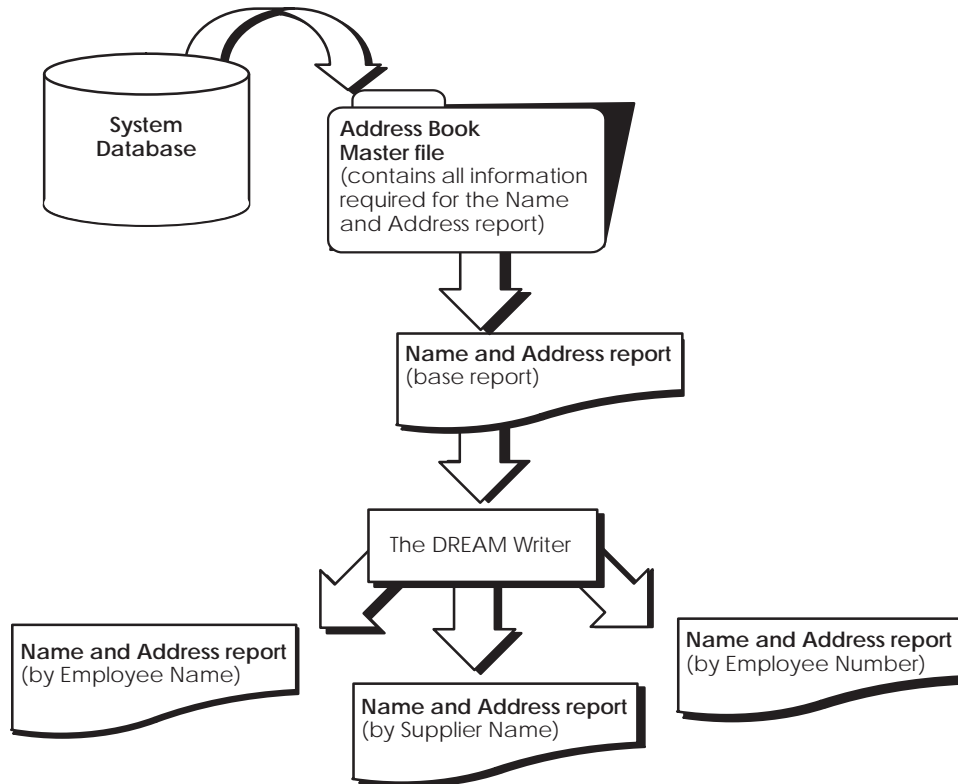
- From a menu:
 - Move the cursor to the desired menu selection number and press the Help key.
 - Type Help, a space, and the menu selection number on the selection line and press Enter.
- From a screen, press the Help key.

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).

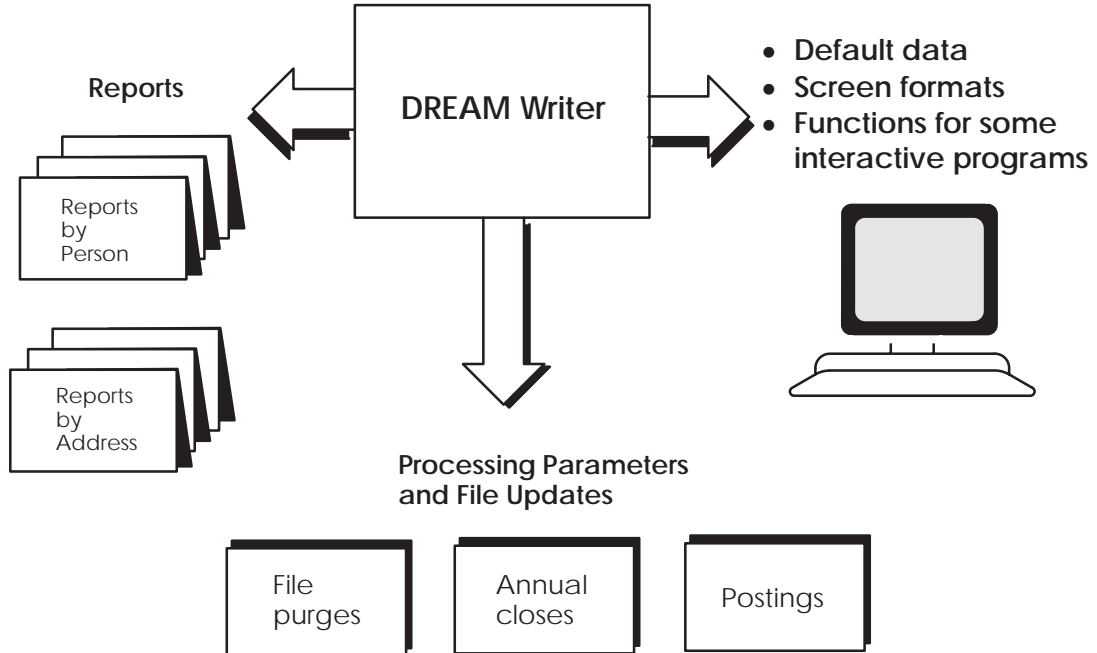
DREAM Writer

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.

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.



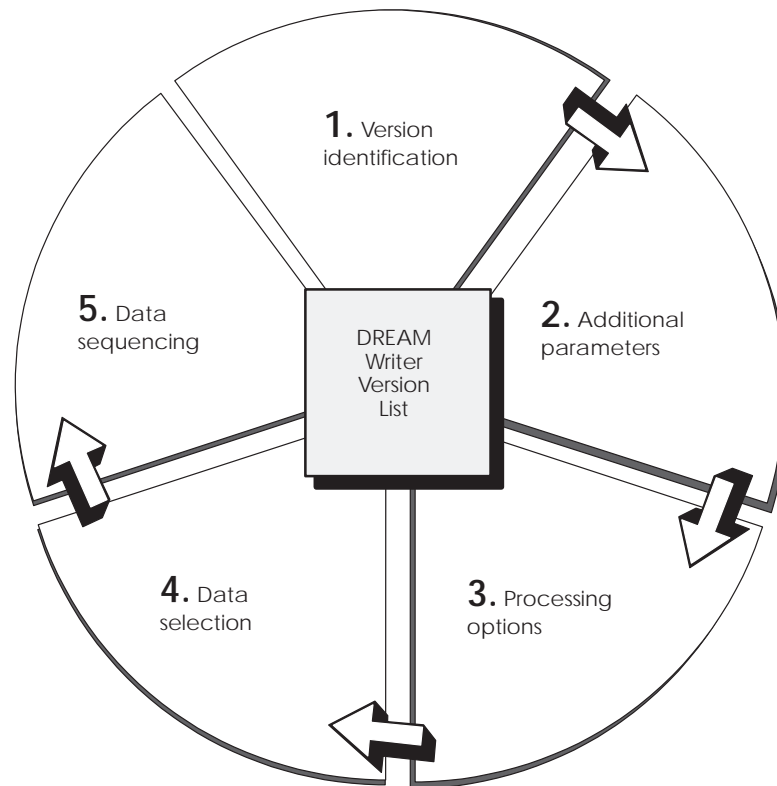
The following paragraphs provide brief instructions for adding, changing, and printing DREAM Writer versions. For more information about DREAM Writer, see the *Technical Foundation Guide*.

Adding or Changing a Version

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

Enter	To
3	Add/copy a version
2	Change a version

When you add a new report (option 3), you will generally review five screens, as illustrated below:



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.

If you	The system
Added or copied a version	Displays the first DREAM Writer screen, the Version Identification screen, where you can start defining information for your version.
Changed a version	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.

The DREAM Writer screens let you define or change information as follows:

Screen	Description
1. Version identification	You can define an internal description as well as up to three lines of report heading information.
2. Additional parameters	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.
3. Processing options	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.
4. Data selection	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.
5. Data sequencing	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.

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:

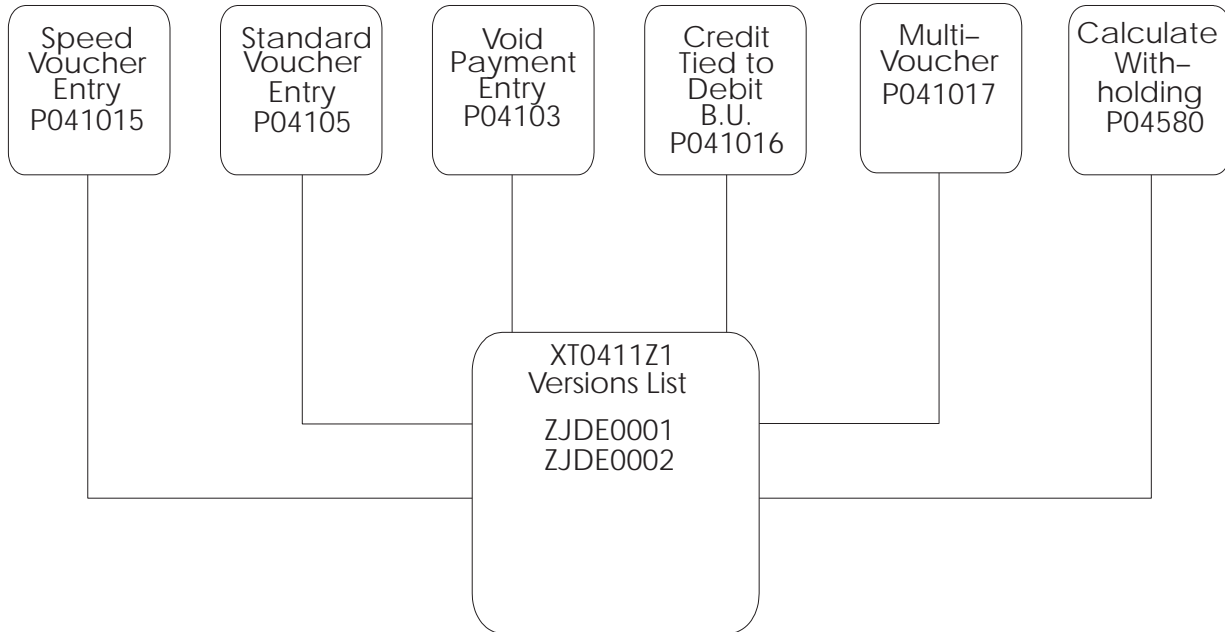
1. Create a DREAM Writer version for a specific functional server program (for example, XT0411Z1 for voucher entry).
2. Set the processing options within the version according to your company requirements.
3. Specify the version you want the entry program to use in the processing options for that entry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

Code Type	Codes	Description
Search Type	A	Applicants
	C	Customers
	E	Employees
	F	Facilities
	I	Investors
	J	Jobs
Language preference	B	Flemish
	D	Dutch
	E	English
	F	French
	G	German

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.

The screenshot shows the 'Item Branch/Plant Information' window for item 2434. The 'Branch/Plant' is M30. The 'Item Number' is 2434, and the description is 'CRT Chassis Subassembly'. The 'Lot Process Type' is set to 2. Other fields include Stocking Type (M), G/L Class (IN20), Item Price Group, Basket Reprice Group, Order Reprice Group, Backorders Allowed (Y), Check Availability Y/N (Y), Shelf Life Days (99999), ABC Codes (- - -), Margin Maintenance (%), Country of Origin (USA), Planner Number (9100), Buyer Number (8100), Supplier, and Print Message. The bottom of the window shows function keys: F5=Codes, F6=Cost, F9=Price, F10=Manufacturing, F15=Bulk Info, F24=Keys, and MW.

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:

	PURCHASE			SALE			
	Price Paid	VAT	Total	Price Charged	VAT	Total	*Paid to Govt
Forester (log)	0.00	0.00	0.00	10.00	.70	10.70	.70
Mill (paper)	10.00	.70	10.70	15.00	1.05	16.05	.35
Printer (book)	15.00	1.05	16.05	30.00	2.10	32.10	1.05
Wholesaler	30.00	2.10	32.10	35.00	2.45	37.45	.35
Retailer	35.00	2.45	37.45	40.00	2.80	42.80	.35
Consumer							
Total Tax to Government							2.80

* 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.

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

$$\begin{aligned}\text{GST} &= \text{Value of the product} \times \text{GST tax rate} \\ &= \$1000 \times .07 \\ &= \$70\end{aligned}$$

$$\begin{aligned}\text{PST} &= \text{Value of the product} \times \text{PST tax rate} \\ &= \$1000 \times .05 \\ &= \$50\end{aligned}$$

$$\begin{aligned}\text{Total tax due} &= \text{GST} + \text{PST} \\ &= \$70 + \$50 \\ &= \$120\end{aligned}$$

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

$$\begin{aligned}\text{GST} &= \text{Value of the product} \times \text{GST tax rate} \\ &= \$1000 \times .07 \\ &= \$70\end{aligned}$$

$$\begin{aligned}\text{PST} &= (\text{Value of the product} + \text{GST}) \times \text{PST tax rate} \\ &= (\$1000 + \$70) \times .05 \\ &= \$53.50\end{aligned}$$

$$\begin{aligned}\text{Total tax due} &= \text{GST} + \text{PST} \\ &= \$70 + \$53.50 \\ &= \$123.50\end{aligned}$$

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 JDE 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.

Screen

```

01051                               Tax Authorities
                                       Long Addr No. _____
                                       Resp. Bus. Unit . . . _____1
Action Code . . . I
Address Number . . . 5143
Alpha Name . . . Tax Authority for Belgium (BEL) Search Type . . . V
Phone Number . . ( ) 32-2-201.21.21 / _____ Payables Y/N/M . Y
                  ( ) 32-2-201.20.00 / _____ Receivable Y/N . Y
Mailing Name . . Ministere des Finances Employee Y/N . N
Address . . . . Administration des douanes et accises User Code . . . N
                  . Cite administrative de Plaat Subldgr Inact. . -
                  . Tour Finances - Boite 37
                  . Boulevard du Jardin Botanique 50
Postal Code . . . 1010 City . . . . . Bruxelles
                  State . . . . .
                  Country . . . . . BE Belgium
                  County . . . . .
F2=Fmt F5=Who F11=CIF Index F12=Phones F13=Add'l Info F24=More
    
```

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:

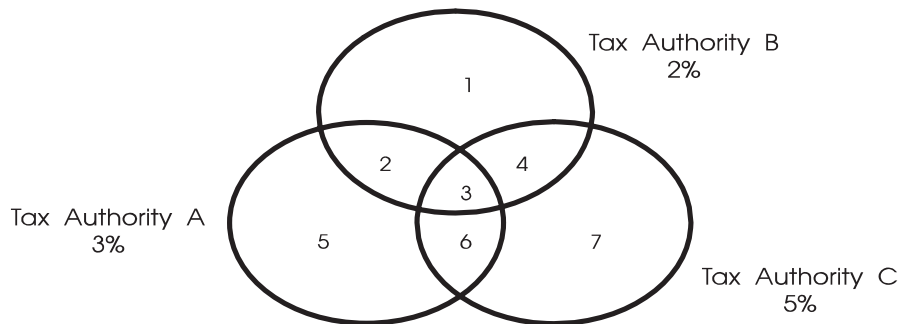
- Set up a tax rate for each tax authority. For more information about tax authorities, see the chapter *Tax Authorities*.
- Set up a tax area. A tax area is a physical geographical area. Each geographical area can be assessed taxes by different tax authorities for different purposes and for different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

Tax Rates and Areas

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

```
4008                               Tax Rates & Areas

Action Code. . . . . I                See Memo
Tax Rate/Area. . . . . 19              Desc . . 19.5% VAT Rate
Effective Date . . . . . 01/01/90
Expiration Date. . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . . 5143  19.500  VATB  Tax Authority for Belgium
_____
_____
_____

Total Area Tax Rate. . . . . 19.500

F14=Memo      F21=Print      F24=More Keys
```

FIELD	EXPLANATION
Tax Rate/Area	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>For Canadian self-assessed PST and for United States use tax, do not enter more than eight characters.</p>
Description – Tax Area	<p>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.</p>
Effective Date	<p>The date that a transaction, text message, contract, obligation, or preference becomes effective.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>
Expiration Date	<p>The date that this item ceases to be in effect.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>
Item Number	<p>A number that the system assigns to an item. It can be in short, long, or 3rd item number format.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p> <p>NOTE: Only sales order and purchase management use this field. You can suppress this field with processing options.</p>

Tax Rates and Areas

FIELD	EXPLANATION
Maximum Unit Cost	<p>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.</p> <p>NOTE: Only sales order and purchase management use this field. Tax laws in Tennessee (in the U.S.) have this requirement.</p> <p>..... <i>Form-specific information</i></p> <p>You can suppress this field with processing options.</p>
Tax Authority Address	<p>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.</p> <p>You can have up to five tax authorities for a single tax area.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>
Tax Rate	<p>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.</p>
G/L Offset	<p>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.</p> <p>Examples are:</p> <ul style="list-style-type: none">PTxxxx — for A/P (VAT only)RTxxxx — for A/R (VAT only)GTxxxx — for G/L (VAT only)4320 — for Sales Orders4400 and 4410 — for Purchase Orders <p>Only PTxxxx, RTxxxx, and GTxxxx are valid for VAT and Canadian GST.</p> <p>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.</p>

FIELD	EXPLANATION
Calculation Method	<p>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:</p> <p style="margin-left: 20px;">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.</p> <p style="margin-left: 20px;">N Not tax on a tax. Indicates that the tax is calculated against the value of the product. The taxable amount is the basis for this authority.</p> <p>NOTE: This field is used in Canada. It is valid only with tax explanation codes that begin with the letters B and C.</p> <p>..... <i>Form-specific information</i></p> <p>This code is available only for the second tax authority (line 2 in the list on this form) and must identify a non-GST tax authority.</p>
VAT Expense	<p>A code that identifies the percentage of the VAT (GST) amount that is not eligible for input credits. Valid values are:</p> <p style="margin-left: 20px;">R Not recoverable. The tax is an expense and is not a receivable.</p> <p style="margin-left: 20px;">Blank Recoverable. The tax is a receivable. This is the default.</p> <p>NOTE: This field is used in Canada. It is valid only with tax explanation codes that begin with the letters C, B, and V.</p> <p>..... <i>Form-specific information</i></p> <p>This code is available only for the third, fourth, fifth tax authorities (lines 3 through 5) on the form.</p>
Tax Authority Description	<p>A brief description of a code or abbreviation.</p> <p>..... <i>Form-specific information</i></p> <p>System-displayed field that names or describes the tax authority that corresponds to the address book number you specified.</p>
Total Area Tax Rate	<p>A number that identifies the sum of the tax rates for all tax authorities in the tax rate/area.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>

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)

```

4008                               Tax Rates & Areas

Action Code. . . . . I
Tax Rate/Area. . . . . QUEBEC      Desc . . Canadian GST Tax (Quebec)
Effective Date . . . . . 01/01/90
Expiration Date. . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . .
      Address      Tax      G/L  Calc VAT
      5098         7.000  TTX  Meth Exp
      5961         8.000  TTX  Y
      _____
      _____
      _____
Total Area Tax Rate. . . . 15.560

F14=Memo      F21=Print      F24=More Keys
    
```

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)

```

4008                                Tax Rates & Areas
Action Code. . . . . I
Tax Rate/Area. . . . . ONTN          Desc . . Canadian GST Tax (Ontario)
Effective Date . . . . . 01/01/90
Expiration Date. . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . .
      Address   Tax   G/L  Calc VAT
      5098     Rate  Off. Meth Exp  Description
      5800     7.000 TXXT N      Revenue Canada
      5800     8.000 TXXT N      Treasurer of Ontario
      _____
      _____
      _____
Total Area Tax Rate. . . . 15.000

F14=Memo          F21=Print          F24=More Keys
    
```

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

```

4008                                Tax Rates & Areas
Action Code. . . . . I
Tax Rate/Area. . . . . ONTR          Desc . . Canadian GST Tax (Ontario)
Effective Date . . . . . 01/01/90
Expiration Date. . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . .
      Address   Tax   G/L  Calc VAT
      5098     Rate  Off. Meth Exp  Description
      5800     7.000 TXXT N      Revenue Canada
      5800     8.000 TXXT N      Treasurer of Ontario
      5098     30.000  R      Revenue Canada
      _____
      _____
      _____
Total Area Tax Rate. . . . 15.000

F14=Memo          F21=Print          F24=More Keys
    
```

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

4008		Tax Rates & Areas				
Action Code	I	See Memo				
Tax Rate/Area	CODEN	Desc . .	Denver Colorado			
Effective Date	01/01/90					
Expiration Date	12/31/99					
Item Number						
Maximum Unit Cost						
	<u>Address</u>	<u>Tax Rate</u>	<u>G/L Off.</u>	<u>Calc Meth</u>	<u>VAT Exp</u>	<u>Description</u>
Tax Authority . .	5071	3.500				Denver City and County Tax
	2292	3.500				Colorado State Treasurer
	3000	.300		N	-	Regional Transportation Distr
Total Area Tax Rate	7.300					
F14=Memo		F21=Print		F24=More Keys		

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

```

4008                               Tax Rates & Areas

Action Code. . . . . I                See Memo
Tax Rate/Area. . . . . CODEN2         Desc . . Denver Colorado Sales Tax
Effective Date . . . . . 01/01/90
Expiration Date. . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . .
      Address   Tax      G/L  Calc VAT
      Rate     Off.  Meth Exp      Description
      -----
      5071     3.500  TXX  N      Denver City and County Tax
      2292     3.500  TXX  N      Colorado State Treasurer
      3000     .300   TXX  -      Regional Transportation Distr
      -----
      -----
      -----
      -----
      -----
Total Area Tax Rate. . . . . 7.300

F14=Memo      F21=Print      F24=More Keys
    
```

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/P, 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.

Table of Tax Explanation Codes

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

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.

Canadian Codes

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

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

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.

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

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.

Screen

```
7301                               Vertex Tax System Constants
Action Code. . . . . A
Use Vertex System. . Y
U.S. Country Code. .     
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:

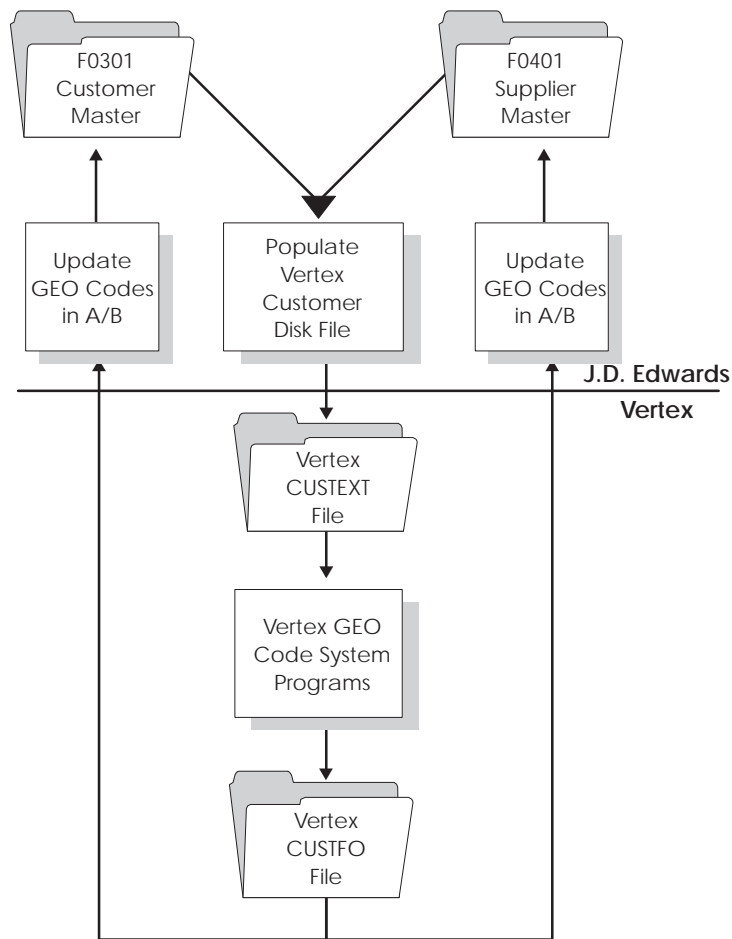
1. Populate the vertex disk file. This J.D. Edwards program moves the address book records for suppliers and customers to the Vertex CUSTEXT file. Vertex then uses this file to locate records that have matching GeoCodes.

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

```

01053                               Customer Master Information
Action Code. . . I   2nd Alpha Name.
Customer Number. ___ 8993 Wilson Enterprises
Long Address Number. _____
. . . . . Credit/Collections Information . . . . .
Credit Message . ___
Temp Credit Msg. ___
Factor/Special P ___ 8993 Wilson Enterprises
Parent Number. . ___
Payment Terms. . ___ Net 30 Days      Hold Invoices. . N   Ledger Inq Seq . 6
Credit Manager . _____          Print Stmt(Y/N). Y   Auto Receipt (Y/ Y
Collection Mgr . _____          Send Stmt To . . C   Auto Cash Alg. . U
Last Cred Rvw. . _____          Statement Cycle. W  Payment Instr. . _
ABC (Sls/Marg/P) C C C              Send Invoice to. C  Bal Fwd/Open Itm _
Credit Limit . . _____          Delinquency Noti Y  No. of Reminders _
Monthly Fin Chg% _____          Apply Fin Chgs . N  Collection Rpt. Y
. . . . . Currency & Tax Information . . . . .
Tax Expl Code S_ Tax Rate/Area V060310140 Person/Corp. _   Currency Code. USD
Tax ID _____ Add'l Tax. _____ Amt. Currency. USD
. . . . . Accounting Distribution Information . . . . .
G/L Class. . . . . Model JE Type/Doc/Co _____
Default Rev Acct _____
F5=Who F6=Memo F8=Bank cd F9=Srch F11=Addr F13=Billing F14=Cat cd F24=More
    
```

Field	Explanation
Tax Rate/Area	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>

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

```

03105                               Standard Invoice Entry      Prev Invoice:
                                      Mode (F) . . . D Wilson Enterprises

Action Code . . . . A
Account Number . . . . .8993 Wilson Enterprises
Invoice Number . . . . 2232 RI 00100 Business Unit . . . . 1
Invoice Amount . . . . 1,073.00 Payment Terms . . . . Pmt Instr _
Invoice Date . . . . 06/15/98 Company . . . . .00100 USD
G/L Date . . . . .06/30/98 P.O. Number . . . . .
Tax Amount . . . . .73.00 Tax Expl Code . . . . S
Taxable Amount . . . . 1,000.00 Tax Rate/Area . . . V060310140
                                      Serv/Tax Date . . . 06/30/98
Remaining Amount . . . . . Currency Code . . . USD
Batch Number . . . . 129181 Exchange Rate . . . .

Invoice Schedule . . . . .
Pay      Gross      Taxable      Tax      Tx Net Due
Itm  Amount      Amount      Amount      Area  Ex  Date
001  1,073.00    1,000.00    73.00    V060310140 S  07/15/98
-----
-----
-----

F4=Detail F6=E-Mail F9=NS F11=Addr Book F16=Ldgr Inq F13=J.E. Inq F24=More
    
```

Field	Explanation
Tax Explanation Code	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>
Taxable Amount	<p>The amount on which taxes are assessed.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>

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 . . . . .
Credit Message . ____
Factor/Special P ____9005 Carmen's Catering
Parent Number. . ____
Approver Number. ____
Hold Payment . . N
Payment Terms. . ____ Net 30 Days
Payment Instr. . _ Default (
Multiple Checks (Y/N/C). N
Check Float Days . . . ____
Ledger Inq Sequence. . . . 6
Pre-Note Code. . . . . P
. . . . . Currency & Tax Information . . . . .
Tax Authority. . ____
Person/Corporation Code. _
Currency. ____
Withholding % . . ____
Tax ID . . . . .
Add'l Ind Tax ID _____
Tax Expl Code. . U Tax Rate/Area. V060310140 Amt. Currency. . USD
. . . . . Accounting Distribution Information . . . . .
G/L Class. . . . . Model JE Type/Doc/Co _____
Default Exp Acct _____

F5=Who F6=Memo F8=Bank codes F9=Srch F11=Addr F14=Cat codes F24=More
```

Field	Explanation
Tax Rate/Area	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>The system uses this information as the default when you enter vouchers.</p> <p>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.</p>

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.

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

```

00121                Automatic Acctg Instructions
Skip to Sequence Number. . 3.32_____

O Sequence
P Number            Company
                   Bus. Unit  Object  Sub    Item
-----
-   3.320 Accrued Sales or VAT Tax
                                     1 4431
                                     RTTXX
-   3.320 Accrued Sales or VAT Tax
                                     70
                                     70 4431
                                     RTTXX
-   3.320 VAT Payable on sales
                                     70
                                     70 4431
                                     RTVATB
-   3.330 Realized Gain on Foreign
        Currency Payments
                                     9 8991 GAIN
                                     RG
-   3.330 Realized Gain on Foreign
        Currency Payments
                                     70
                                     799 8991 GAIN
                                     RG

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

```

0012                Single AAI Revisions

Action Code. . . . . I
Item Number. . . . . RTVATB
Company. . . . . 00070

Sequence Number. . . . . 3.320
System Code. . . . . 03

Account Codes
Business Unit. . . . . 70      Option
Object Account . . . . . 4431  R
Subsidiary . . . . .          Q

Options:
O = Optional
R = Required
N = Not Used

Account Use Description. VAT Payable on sales
_____
_____
_____

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.

System Type	Characters 1-2	Characters 3-6
A/P	Always PT	The four-character G/L offset field on the Tax Rates & Areas screen.
A/P	PT	Blank for use tax (tax explanation codes U and B).

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

```

00121                      Automatic Acctg Instructions
Skip to Sequence Number. . 4.060 _____

O Sequence
P Number      Company
- 4.060 Accrued Use/Self Assessment      Bus. Unit  Object  Sub  Item
  Tax                                     1 4423
- 4.060 Accrued Use/Self Assessment      1          1 4423      PT
  Tax
- 4.060 VAT Recoverable on Purchases      1 1240    A      PTNSNS
- 4.060 VAT Recoverable on Purchases      1 1240    B      PTNS40
- 4.060 VAT Recoverable on Purchases      1 1240    C      PTTXTX
- 4.060 VAT Recoverable on purchases      70       70 1240    A      PTVATB
- 4.070 Realized Gain on Foreign          9 8991 GAIN      PG
  Currency Payments

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


A/P AAIs for Tax Explanation Codes

For A/P, 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/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. PTxxx identifies the VAT receivable account and PCxxx identifies the A/P account. Example:

Dr 1000 G/L distribution (goods of \$1000)
Dr 100 PTxxx (VAT receivable account for the tax rate/area)
Cr 1100 PCxxx 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 PTxxx (VAT receivable account for the tax rate/area)
Cr 100 PCxxx 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. PCxxx 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 PCxxx Gross (A/P account for goods of \$1000)

- 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 AAIs 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.

System Type	Characters 1-2	Characters 3-6
A/R	Always RT	The four-character G/L offset field on the Tax Rates & Areas screen

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

```

00121                Automatic Acctg Instructions
Skip to Sequence Number. . 3.32 _____

O Sequence          Company          Item
P Number           Bus. Unit   Object   Sub
-----
-   3.320 Accrued Sales or VAT Tax          1 4431          RTTXTX
-   3.320 Accrued Sales or VAT Tax          70             RTTXTX
-   3.320 VAT Payable on sales              70 4431          RTVATB
-   3.330 Realized Gain on Foreign          9 8991 GAIN      RG
       Currency Payments
-   3.330 Realized Gain on Foreign          70 799 8991 GAIN  RG
       Currency Payments

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. RTxxxx identifies the VAT payable account and RCxxxx identifies the A/R account. Example:

Dr 1100 RCxxxx Gross (accounts receivable for goods of \$1000 + VAT of \$100)
Cr 100 RTxxxx (VAT payable account for the tax rate/area)
Cr 1000 G/L distribution (goods of \$1000)

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 100 RCxxxx Gross (accounts receivable for VAT of \$100)
Cr 100 RTxxxx (VAT payable account for the tax rate/area)
Cr 0 G/L distribution (goods of \$0)

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:

Dr 1050 RCxxxx Gross (accounts receivable for goods of \$1000 + sales tax of \$50)
Cr 1050 G/L distribution (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 RCxxxx Gross (accounts receivable for sales tax of \$50)
Cr 50 G/L distribution (sales tax of \$50)

E 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)

C 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)

CT 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 AAIs 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 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.

System Type	Characters 1-2	Characters 3-6
General Ledger	Always GT	The four-character G/L offset field for the first tax authority on the Tax Rates & Areas screen.

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

O Sequence
P Number      Company      Object  Sub  Item
- 1.700 Journal Entry with VAT Tax          1 1240      GT
      GTxxxx
      xxxx = G/L Class Code of
            Tax Rate/Area

- 1.700 Journal Entry with VAT Tax          45      SSS 1240 GT      GT
      GTxxxx
      xxxx = G/L Class Code of
            Tax Rate/Area

- 1.700 Journal Entry with VAT Tax          50      1 1240      GTVATA
      GTxxxx
      xxxx = G/L Class Code of
            Tax Rate/Area

- 1.700 Journal Entry with VAT Tax          1 1240      GTVATB
      1 1240
Opt1=AAI Rev  F5=Acct Struct by BU  F15=AAI Rev  F21=Print  F24=More Keys
    
```

Defaults

You should set up general ledger AAIs 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 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 (G4241), select Automatic Accounting Instr.

Screen

40901	Automatic Accounting Instr.		
Skip To AAI. 4300	Purchase Management		
	Purchasing Activity		
O			
P	<u>Description</u>	<u>Description-2</u>	
	Purchase Management	Purchasing Activity	
	Receipts and Voucher Match		
-	Inventory	- OPI	See Memo
-	Non-Inventory	- OPN	See Memo
-	Received not Vouchered	- OPR	See Memo
	Variances		
-	Received/Vouchered	- OPV	See Memo
-	Standard Cost	- OPP	See Memo
-	Exchange Rate	- OPX	See Memo
	Tax Liabilities		
-	Purchase Tax Accrual	- OPT	See Memo
-	Received not Vouchered Tax	- OPA	See Memo
	Receipt Routing		
-	Prior to Recpt/Compl Liab.	- NEW	See Memo
-	Routing Operation	- NEW	See Memo
-	Disposition	- NEW	See Memo
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

```

40900                                Distribution AAI Record Types

Action Code. . . . . -
Skip To AAI. . . . . 4300  Purchase Management
                               Purchasing Activity

AAI
Number  Description                Description-2          T
4300   Purchase Management          Purchasing Activity   Y
4305   Receipts and Voucher Match    Y
4310   Inventory                      - OPI                N See Memo
4315   Non-Inventory                  - OPN                N See Memo
4320   Received not Vouchered        - OPR                N See Memo
4325   Variances                      Y
4330   Received/Vouchered             - OPV                N See Memo
4335   Standard Cost                  - OPP                N See Memo
4340   Exchange Rate                  - OPX                N See Memo
4345   Tax Liabilities                 Y
4350   Purchase Tax Accrual           - OPT                N See Memo
4355   Received not Vouchered Tax    - OPA                N See Memo
4360   Receipt Routing                 Y
4365   Prior to Recpt/Compl Liab.    - NEW                N See Memo
4370   Routing Operation               - NEW                N See Memo
4375   Disposition                    - NEW                N See Memo

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

```

40950                                Distribution Automatic Account

Action Code. . . . . -           See Memo
AAI Table Number . . . 4350      Purchase Tax Accrual
Company. . . . . *
Document Type. . . . . *

Do G/L                                Account Distribution
Co. Ty Cls. Description                Bus. Unit Object Sub
00000 OP IN20 Purchase Order / Inventory 1240
00040 OP IN20 Purchase Order / Inventory 1240
00041 OP IN20 Purchase Order / Inventory 1240
00042 OP IN20 Purchase Order / Inventory 1240
00043 OP IN10 Purchase Order / Stock Inventor HJW 1240 OPT
00043 OP IN40 Purchase Order / Inventory Tran HJW 1240 OPT
00080 OP **** Purchase Order / SCT 1240 OPT
00080 OP IN20 Purchase Order / Inventory SCT 1240 OPT
00084 OP **** Purchase Order / SCTI 1240 OPT
00100 OP IN20 Purchase Order / Inventory 100 1240
00500 OP NS40 Purchase Order / Non-Inventory 50 1240
12345 OP IN10 Purchase Order / Stock Inventor SJS 1240 OPT
12345 OP IN20 Purchase Order / Inventory SJS 1240 OPT

F14=Memo                                F21=Print                                F24=More Keys
    
```

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.

40901	Automatic Accounting Instr.		
Skip To AAI. 4300	Purchase Management Purchasing Activity		
O			
P	<u>Description</u>	<u>Description-2</u>	
	Purchase Management	Purchasing Activity	
	Receipts and Voucher Match		
-	Inventory	- OPI	See Memo
-	Non-Inventory	- OPN	See Memo
-	Received not Vouchered	- OPR	See Memo
	Variances		
-	Received/Vouchered	- OPV	See Memo
-	Standard Cost	- OPP	See Memo
-	Exchange Rate	- OPX	See Memo
	Tax Liabilities		
-	Purchase Tax Accrual	- OPT	See Memo
-	Received not Vouchered Tax	- OPA	See Memo
	Receipt Routing		
-	Prior to Recpt/Compl Liab.	- NEW	See Memo
-	Routing Operation	- NEW	See Memo
-	Disposition	- NEW	See Memo
Opt	1=AAI Revisions	F5=AAI Types	F14=Memo F21=Print F24=More Keys

Automatic Accounting Instructions (AAIs)

The screens below show AAIs for Purchase Tax Accrual and Received Not Vouchered 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 vouchered 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

Action Code. . . . . -           See Memo
AAI Table Number . . . . 4350       Purchase Tax Accrual
Company. . . . . *                - OPT
Document Type. . . . . *
  
```

Do G/L				Account Distribution		
Co.	Ty	Cls.	Description	Bus. Unit	Object	Sub
00000	OP	IN20	Purchase Order / Inventory		1240	
00040	OP	IN20	Purchase Order / Inventory		1240	
00041	OP	IN20	Purchase Order / Inventory		1240	
00042	OP	IN20	Purchase Order / Inventory		1240	
00043	OP	IN10	Purchase Order / Stock Inventor	HJW	1240	OPT
00043	OP	IN40	Purchase Order / Inventory Tran	HJW	1240	OPT
00080	OP	****	Purchase Order /	SCT	1240	OPT
00080	OP	IN20	Purchase Order / Inventory	SCT	1240	OPT
00084	OP	****	Purchase Order /	SCTI	1240	OPT
00100	OP	IN20	Purchase Order / Inventory	100	1240	
00500	OP	NS40	Purchase Order / Non-Inventory	50	1240	
12345	OP	IN10	Purchase Order / Stock Inventor	SJS	1240	OPT
12345	OP	IN20	Purchase Order / Inventory	SJS	1240	OPT

F14=Memo F21=Print F24=More Keys

```

40950                                Distribution Automatic Account

Action Code. . . . . -           See Memo
AAI Table Number . . . . 4355       Received not Vouchered Tax
Company. . . . . *                - OPA
Document Type. . . . . *
  
```

Do G/L				Account Distribution		
Co.	Ty	Cls.	Description	Bus. Unit	Object	Sub
00000	OP	IN20	Purchase Order / Inventory		4431	
00001	OP	****	Purchase Order /	1	1105	
00040	OP	IN20	Purchase Order / Inventory		4431	
00041	OP	IN20	Purchase Order / Inventory		4431	
00042	OP	IN20	Purchase Order / Inventory		4431	
00043	OP	IN10	Purchase Order / Stock Inventor	HJW	4431	OPA
00043	OP	IN40	Purchase Order / Inventory Tran	HJW	4431	OPA
00050	OP	NS40	Purchase Order / Non-Inventory	50	4431	
00080	OP	****	Purchase Order /	SCT	4431	OPA
00080	OP	IN20	Purchase Order / Inventory	SCT	4431	OPA
00080	OP	NS40	Purchase Order / Non-Inventory	SCT	4431	OPA
00084	OP	****	Purchase Order /	SCTI	4431	OPA
00100	OP	IN20	Purchase Order / Inventory	100	4431	

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 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.

40901	Automatic Accounting Instr.		
Skip To AAI. 4200	Sales Order Management		
	Sales Activity		
O			
P	Description	Description-2	
	Sales Order Management	Sales Activity	See Memo
-	Cost of Goods Sold	- SOC	See Memo
-	Revenue	- SOS	See Memo
-	Inventory	- SOI	See Memo
-	Tax Liability	- SOT	See Memo
-	Inter Branch Revenue	- NEW	
Opt 1=AAI Revisions F5=AAI Types F14=Memo F21=Print F24=More Keys			

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.

Automatic Accounting Instructions (AAIs)

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.

```

40950                               Distribution Automatic Account

Action Code. . . . . _          See Memo
AAI Table Number . . . . . 4250      Tax Liability
Company. . . . . *                - SOT
Document Type. . . . . *

      Do G/L
      Co. Ty Cls. Description      Account Distribution
      --- -- --- --- ---          --- --- ---
00000 SD TXTX Direct Ship / Tax Transactio 10 4550 1442
00000 SO TXTX Sales Order / Tax Transactio 4550
00000 ST TXTX Transfer Sale / Tax Transactio 4550
00048 SD TXTX Direct Ship / Tax Transactio 48 4550
00048 SO TXTX Sales Order / Tax Transactio 48 4550
00048 ST TXTX Transfer Sale / Tax Transactio 48 4550
00080 SO **** Sales Order /              4550
00100 SD TXTX Direct Ship / Tax Transactio 100 4550
00100 SO TXTX Sales Order / Tax Transactio 100 4550
00100 SR TXTX Sales Order - / Tax Transactio 100 4550
00100 ST TXTX Transfer Sale / Tax Transactio 100 4550
00200 SO TXTX Sales Order / Tax Transactio 200 4550
12345 SD TXTX Direct Ship / Tax Transactio 10 4550

      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 AAIs, add new accounts, set processing options, and so on.

Guidelines

- Identifying which AAIs 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 AAIs.

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 AAIs point 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 AAIs 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

Fields that apply when the System field is 1, 2, or 3

Fields that apply when the System field is 1 or 2

Fields that appear only when the System field is 1

```

0022                               Tax Rules by Company
Action Code. . . . . 1
Company. . . . . 00000   J.D. Edwards & Company
System (A/R=1, A/P=2, G/L=3) . . . . . 1

Tolerance Percentage for Warning . . . . . 1.000
Tolerance Percentage for Error . . . . . 5.000
or
Tolerance Amount for Warning . . . . . .00
Tolerance Amount for Error . . . . . .00

Calculate Tax on Gross (Including Disc). Y
Calculate Disc on Gross (Including Tax). N
Allow Understatement of Tax Amount . . . N
Calculate Sales Order Taxes on Summary -

F3=Exit  F24=More Keys
    
```

FIELD	EXPLANATION
Company	<p>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.</p> <p>NOTE: You can use company 00000 for default values, such as dates and automatic accounting instructions (AAIs). You cannot use it for transaction entries.</p>
Tax Rules System	<p>Number that indicates which systems the tax rules apply to. Numbers are:</p> <ul style="list-style-type: none"> 1 A/R and Sales Orders 2 A/P and Purchase Orders 3 General ledger (journal) entries

FIELD	EXPLANATION
Tolerance Percentage for Warning	<p>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.</p> <p>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:</p> <p>Accept difference is 9.99% or less</p> <p>Warning difference is 10% or more</p> <p>The default (blank) causes a warning message to display if you enter a tax that does not exactly match the system-calculated amount tax.</p> <p>NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts.</p>
Tolerance Percentage for Error	<p>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.</p> <p>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:</p> <p>Accept difference is 9.99% or less</p> <p>Warning difference is between 10% and 14.99%</p> <p>Reject difference is 15% or more</p> <p>The default (blank) indicates that no entry is to be rejected.</p> <p>NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts.</p>

FIELD	EXPLANATION
Tolerance Amount for Warning	<p>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:</p> <ul style="list-style-type: none">Accept – difference is .49 or lessWarning – difference is .50 or more <p>The default (zero) causes a warning message to display if you enter a tax that does not exactly match the system-calculated tax.</p> <p>NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts.</p>
Tolerance Amount for Error	<p>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.</p> <p>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:</p> <ul style="list-style-type: none">Accept – difference is .49 or lessWarning – difference is between .50 and .99Reject – difference is 1.00 or more <p>The default (zero) indicates that no entry is to be rejected.</p> <p>NOTE: This field applies only to VAT and GST. You cannot enter both tolerance percentages and tolerance amounts.</p>

FIELD	EXPLANATION
Calculate Tax on Gross (Including Disc)	<p>A code that indicates whether to calculate the tax on a gross amount that includes the discount amount. Valid codes are:</p> <p style="margin-left: 20px;">Y Calculate the tax amount on the gross. N Calculate the tax amount on the gross less the discount amount.</p> <p style="margin-left: 20px;">Blank Defaults to Y.</p> <p>Self-assessed taxes are not included in discount calculations.</p> <p>NOTE: This field does not apply to G/L processing. A/R, A/P, sales orders, and purchase orders use it.</p>
Calculate Discount on Gross (Including Tax)	<p>A code that indicates whether to calculate the discount on a gross amount that already includes the tax amount. Valid codes are:</p> <p style="margin-left: 20px;">Y Calculate the discount amount on the gross with tax. N Calculate the discount amount on the gross less the tax amount.</p> <p style="margin-left: 20px;">Blank Defaults to N.</p> <p>Self-assessed taxes are not included in discount calculations.</p> <p>NOTE: This field does not apply to G/L processing. A/R, A/P, sales orders, and purchase order processing use it.</p>
Tax Rules–Allow Understatement	<p>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:</p> <p style="margin-left: 20px;">Y Accept amount less than the specified tax rate. N Reject amount less than the specified tax rate.</p> <p style="margin-left: 20px;">Blank Defaults to N.</p> <p>NOTE: This field applies only to VAT and GST.</p> <p style="text-align: center;">..... <i>Form-specific information</i></p> <p>This field appears on the screen only when the System field is 1, and it only applies to A/R.</p>
Calculate Sales Order Taxes on Summary	<p>Code that indicates whether the system calculates taxes and performs rounding for sales orders at the detail or the order level. Values are:</p> <p style="margin-left: 20px;">Y Calculate taxes and rounding at the order level. N Calculate taxes and rounding at the detail level.</p> <p style="margin-left: 20px;">Blank Defaults to N.</p>

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

$$\begin{aligned}\text{Tax} &= \text{Taxable} \times \text{Tax rate} \\ &= \$1000 \times .10 = \$100\end{aligned}$$

$$\begin{aligned}\text{Discount} &= (\text{Tax} \times \text{Discount rate}) / ((1 - \text{Discount rate}) \times \text{Tax rate}) \\ &= (\$100 \times .01) / ((1 - .01) \times .10) = \$10.10\end{aligned}$$

$$\begin{aligned}\text{Invoice} &= \text{Taxable} + \text{Tax} + \text{Discount} \\ &= \$1000 + \$100 + \$10.10 = \$1110.10\end{aligned}$$

Example 4

Calculate Tax on Gross (Including Disc) = N

Calculate Disc on Gross (Including Tax) = Y

$$\begin{aligned}\text{Tax} &= \text{Taxable} \times \text{Tax rate} \\ &= \$1000 \times .10 = \$100\end{aligned}$$

$$\begin{aligned}\text{Discount} &= ((\text{Taxable} + \text{Tax}) \times \text{Discount rate}) / (1 - \text{Discount rate}) \\ &= ((\$1000 + \$100) \times .01) / (1 - .01) = \$11.11\end{aligned}$$

$$\begin{aligned}\text{Invoice} &= \text{Taxable} + \text{Tax} + \text{Discount} \\ &= \$1000 + \$100 + \$11.11 = \$1111.11\end{aligned}$$

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

$$\begin{aligned} \text{Discount} &= \text{Invoice} \times \text{Discount rate} \\ &= \$1100 \times .01 = \$11 \end{aligned}$$

$$\begin{aligned} \text{Taxable} &= \text{Invoice} / (1 + \text{Tax rate}) \\ &= \$1100 / (1 + .10) = \$1000 \end{aligned}$$

$$\begin{aligned} \text{Tax} &= \text{Taxable} \times \text{Tax rate} \\ &= \$1000 \times .10 = \$100 \end{aligned}$$

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

$$\begin{aligned} \text{Taxable} &= \text{Invoice} / (1 + \text{Tax rate}) \\ &= \$1100 / (1 + .10) = \$1000 \end{aligned}$$

$$\begin{aligned} \text{Tax} &= \text{Taxable} \times \text{Tax rate} \\ &= \$1000 \times .10 = \$100 \end{aligned}$$

$$\begin{aligned} \text{Discount} &= \text{Invoice} \times \text{Discount rate} \\ &= \$1000 \times .01 = \$10 \end{aligned}$$

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

$$\begin{aligned}\text{Net} &= \text{Invoice} / ((1 + \text{Tax rate}) - (\text{Discount rate} \times \text{Tax rate})) \\ &= \$1110.10 / ((1 + .10) - (.01 \times .10)) = \$1010.10\end{aligned}$$

$$\begin{aligned}\text{Taxable} &= \text{Net} \times (1 - \text{Discount rate}) \\ &= \$1010.10 \times (1 - .01) = \$1000\end{aligned}$$

$$\begin{aligned}\text{Tax} &= \text{Taxable} \times \text{Tax rate} \\ &= (\$1000 \times .10) = \$100\end{aligned}$$

$$\begin{aligned}\text{Discount} &= \text{Net} \times \text{Discount rate} \\ &= \$1010 \times .01 = \$10.10\end{aligned}$$

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

$$\begin{aligned}\text{Discount} &= \text{Invoice} \times \text{Discount rate} \\ &= \$1111.11 \times .01 = \$11.11\end{aligned}$$

$$\begin{aligned}\text{Taxable} &= (\text{Invoice} - \text{Discount}) / (1 + \text{Tax rate}) \\ &= (\$1111.11 - \$11.11) / (1 + .10) = \$1000.00\end{aligned}$$

$$\begin{aligned}\text{Tax} &= \text{Taxable} \times \text{Tax rate} \\ &= \$1000 \times .10 = \$100\end{aligned}$$

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.

Defaults for A/P

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

```
01054                               Supplier Master Information

Action Code. . . I
Supplier Number. 7002 JDE France
Long Address Number. _____
. . . . . Payment Information . . . . .
Credit Message . 2 Requires P.O.
Factor/Special P 7001 JDE Europe
Parent Number. . 7001 JDE Europe
Approver Number. _____
Hold Payment . . N
Payment Terms. . _____ Net 30 Days
Payment Instr. . T Elec Funds Transfer(
Multiple Checks (Y/N/C). N
Check Float Days . . . . _____
Ledger Inq Sequence. . . 1
Pre-Note Code. . . . . P
. . . . . Tax Information . . . . .
Withholding % . . _____
Tax ID . . . . . 42937801649
Tax Authority. . . . . _____
Add'l Ind Tax ID _____
Person/Corporation Code. _
Tax Expl Code. . V Tax Rate/Area. . 10
. . . . . Accounting Distribution Information . . . . .
G/L Class. . . . 4110 Model JE Type/Doc/Co. _____
Default Exp Acct _____

F5=WWho F6=Memo F8=Bank codes F9=Srch F11=Addr F14=Cat codes F24=More
```

For more information about the Supplier Master Information screen, see the *Accounts Payable Guide*. This guide describes only those fields necessary for tax processing.

FIELD	EXPLANATION																								
Tax Explanation Code	<p>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.</p> <p>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.</p> <p>Values for the Accounts Payable system are:</p> <table style="margin-left: 20px;"> <tr><td>V</td><td>VAT</td></tr> <tr><td>VT</td><td>Same as V, taxes only</td></tr> <tr><td>V+</td><td>VAT, calculated as a tax on a tax</td></tr> <tr><td>U</td><td>Use tax, self-assessed (PST in Canada)</td></tr> <tr><td>UT</td><td>Same as U, taxes only</td></tr> <tr><td>S</td><td>Sales tax , seller-assessed (PST in Canada)</td></tr> <tr><td>ST</td><td>Same as S, taxes only</td></tr> <tr><td>B</td><td>GST + self-assessed PST (Canada only)</td></tr> <tr><td>BT</td><td>Same as B, taxes only (Canada only)</td></tr> <tr><td>C</td><td>GST + seller-assessed PST (Canada only)</td></tr> <tr><td>CT</td><td>Same as C, taxes only (Canada only)</td></tr> <tr><td>E</td><td>Exempt</td></tr> </table> <p>NOTE: B, BT, C, and CT are used in Canada. They can be assessed as a tax on a tax.</p>	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
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																								
Tax Rate/Area	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>The system uses this information as the default when you enter vouchers.</p> <p>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.</p>																								

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

```
01053                               Customer Master Information

Action Code. . I
Customer Number. ____7003 Euromart
Long Address Number. _____
. . . . . Credit/Collections Information . . . . .
Credit Message . _
Temp Credit Msg. _
Factor/Special P ____7003 Euromart
Parent Number. . ____7003 Euromart
Payment Terms. . 1 1/10 Net 30 Da   Hold Invoices. . N   Ledger Inq Seq . 1
Credit Manager . _____       Print Stmt(Y/N). Y   Auto Cash (Y/N). Y
Collection Mgr . _____       Send Stmt To . . C   Auto Cash Alg. . U
Last Cred Rvw. . _____       Statement Cycle. E  Payment Instr. . _
ABC (Sls/Marg/P) D A A           Send Invoice To. C  Bal Fwd/Open Itm _
Credit Limit . . _____3,000   Delinquency Noti Y  No. of Reminders _
Monthly Fin Chg% ____001000      Apply Fin Chgs . N  Collection Rpt.  _
. . . . . Tax Information . . . . .
Tax Expl Code. . V   Tax Rate/Area. . 10   Person/Corp. _
Tax ID. 37901684601   Add'l Tax _____
. . . . . Accounting Distribution Information . . . . .
G/L Class. . . . 1210   Model JE Type/Doc/Co _ _ _ _
Default Rev Acct _____
F5=Who F6=Memo F8=Bank cd F9=Srch F11=Addr F13=Billing F14=Cat cd F24=More
```

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

FIELD	EXPLANATION
Tax Explanation Code	<p>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.</p> <p>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.</p> <p>Values for the Accounts Receivable system are:</p> <ul style="list-style-type: none"> 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 <p>NOTE: C and CT are used in Canada. They can be assessed as a tax on a tax.</p>
Tax Rate/Area	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>

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.

FIELD	EXPLANATION
Tax Explanation Code	<p>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.</p> <p>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.</p> <p>Values for purchase orders are:</p> <ul style="list-style-type: none"> 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 <p>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.</p>
Tax Rate/Area	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>The system uses this information as the default when you enter vouchers.</p> <p>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.</p>

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.

FIELD	EXPLANATION
Tax Explanation Code	<p>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.</p> <p>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.</p> <p>Values for sales orders are:</p> <ul style="list-style-type: none">V VATV+ VAT, calculated as a tax on a taxS Sales tax , seller assessed (PST in Canada)C GST + seller assessed PST (Canada only)E Exempt <p>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.</p>
Tax Rate/Area	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>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.</p>

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

- If you need more information, see the *Accounts Receivable Guide*, *Accounts Payable Guide*, *Sales Order Management Guide*, *Purchase Management Guide*, or *General Accounting Guide*.
- 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.

```

00051                      General User Defined Codes
                                System Code. . . . . 42
                                User Defined Codes . . . . FR
Action Code. . . . . I          Skip To Code . . . .
                                Freight Handling Code

03 Character
  Code      Description          Description-2
  _____  _____          _____
  C          Blank -Fgt Handling Code 42/FR
  C          Carrier On-board Delivery
  F          FOB - Our Dock        EXW 2
  G          FOB - Their Dock      DDP 3
  P          Pickup with our Truck XXX 3
  T          Super-Sonic Transport
  _____  _____          _____
  _____  _____          _____
  _____  _____          _____
  _____  _____          _____
  _____  _____          _____
  _____  _____          _____
  _____  _____          _____
  _____  _____          _____
  _____  _____          _____

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.

10 Character Code	Description	Description-2
00051	General User Defined Codes	
	System Code	00
	User Defined Codes	IV
	Skip To Code	
	VAT Codes for Year-end Proc.	
ES15	Exempt article 15	3
FC	Non-VAT	9
NT	Non-taxable	3
NT108	Non-taxable '8 comma 2'	4
VAT19	Normal VAT 19%	1

F5=Code Types F14=Memo F15=Where Used F18=Language F21=Print F24=More

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.

- **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.
- **Tax Work File.** The tax reports list information contained in the Tax Work file (F0018). This chapter describes how A/P vouchers, A/R invoices, sales orders, purchase orders, and journal entries update the Tax Work file. It also describes how to correct and purge the Tax Work file.
- **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.

Screen

```

041015                               Speed Voucher Entry           Prev Voucher:
Action Code . . . . A                 Voucher/Type/Co. _____
Supplier Number . . _____         Business Unit . . _____
Invoice Number . . _____         Disc Available . . _____
"      Amount . . _____         Payment Terms . . _____
      Date . . . . _____         Company . . . . _____
G/L Date . . . . _____         P.O. Number . . . . _____
Net Due Date . . . . _____       Tax Expl Code . . _____
Pay Status . . . . _____         Tax Rate/Area . . _____
Tax Amount . . . . _____         Serv/Tax Date . . _____
Taxable Amount . . _____
Approver Number . . _____
Payment Remark . . _____
Amt to Distribute.
  Account Number      Amount      Batch      Report Code. ____
  _____          _____  _____  Explanation 2
  _____          _____  _____  _____
  _____          _____  _____  _____
  _____          _____  _____  _____
  _____          _____  _____  _____
  _____          _____  _____  _____
F9=Name Search   F11=New Supplier   F16=Ledger Inquiry   F24=More Keys
    
```

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

04105 Standard Voucher Entry Prev Voucher:

Prepayment . . . _
 Action Code . . . A Voucher/Type/Co. _____
 Supplier Number. _____ Business Unit. . . _____
 Invoice Number . . . _____ Payment Terms. . . ___ Pmt Instr. _
 " Amount . . . _____ Company. _____
 " Date . . . _____ P.O. Number. _____
 G/L Date . . . _____ Tax Expl Code. _____
 Tax Amount . . . _____ Tax Area. _____
 Taxable Amount . . . _____ Serv/Tax Date. _____
 Approver Number. _____

Remaining Amount Batch Number 3036

Pay Itm	Gross Amount	Taxable Amount	Tax Amount	Tax Area	Tx Cd	Net Due Date

F4=Details F9=Name Srch F11=New Supp F13=J.E. Inq F16=Ledger Inq F24=More

Tax Format (points to the table)

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.

Action Code . . .	<u>A</u>	Voucher/Type/Co. _____	_____	_____	_____	_____
Supplier Number.	<u>4706</u>	Business Unit . . .	_____	_____	_____	_____
Invoice Number .	<u>3X</u>	Payment Terms . . .	_____	Pmt Instr. _	_____	_____
" Amount .	<u>1200</u>	Company	<u>1</u>	_____	_____	_____
" Date . . .	<u>010498</u>	P.O. Number . . .	_____	_____	_____	_____
G/L Date . . .	<u>01/31/98</u>	Tax Expl Code . .	_____	_____	_____	_____
Tax Amount . . .	_____	Tax Area	_____	_____	_____	_____
Taxable Amount .	_____	Serv/Tax Date . .	_____	_____	_____	_____
Approver Number.	_____					
Remaining Amount .	_____	Batch Number . . .	3036			
		Payment Schedule				
Pay	Gross	Taxable	Tax	Tax	Tx	Net Due
Itm	Amount	Amount	Amount	Area	Cd	Date
	<u>100</u>	_____	_____	_____	<u>E</u>	_____
	<u>1100</u>	_____	_____	_____	_____	_____

A/P Voucher Entry

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.

```

Action Code . . . A                               Voucher/Type/Co. _____ PV _____
Supplier Number. _____ 4706                 Canadian Paper IncX
Invoice Number . 3X                               Business Unit . . . _____ 1
"      Amount . . . _____ 1,200.00          Payment Terms . . . _____ Pmt Instr. _
"      Date . . . 01/04/98                       Company . . . . . 00001
G/L      Date . . . 01/31/98                     P.O. Number . . . _____
Tax Amount . . . _____ 100.00              Tax Expl Code . . C_
Taxable Amount . . . _____ 1,000.00        Tax Area . . . . . VAT1
Approver Number. _____                     Serv/Tax Date . . 01/04/98

Remaining Amount . . . . . Batch Number . . . 3036
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount      Amount      Amount      Area      Cd      Date
____      _____      _____      _____      _____      _____      _____
_____      100.00      0            0            VAT1      E      05/01/98
_____      1,100.00      000.00      100.00      VAT1      C      05/01/98

```

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.

Screen

```

031015                               Speed Invoice Entry           Prev Invoice:
Action Code . . . . A
Account Number . . _____
Invoice Number . . _____ Business Unit . . . _____
Invoice Amount . . _____ Discount Available _____
Invoice Date . . . _____ Payment Terms . . . _____ Pay Instr. _
G/L Date . . . . . _____ Company . . . . . _____
Net Due Date . . . _____ P.O. Number . . . . . _____
Discount Due Date. _____ Tax Expl Code . . . _____
Pay Status . . . . . _____ Tax Rate/Area . . . _____
                               Serv/Tax Date . . . _____

Remark . . . . . _____
Amt to Distribute. _____ Batch 454244
  Account Number      Amount      Explanation 2
  _____          _____          _____
  _____          _____          _____
  _____          _____          _____
  _____          _____          _____
  _____          _____          _____
  _____          _____          _____
  _____          _____          _____
F6=E-Mail  F9=Name Search  F11=New Account  F16=Ledger Inq  F24=More Keys
    
```

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.

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.

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

03105 Standard Invoice Entry Prev Invoice:

Action Code _
 Account Number _____
 Invoice Number _____
 Invoice Amount _____
 Invoice Date _____
 G/L Date _____
 Tax Amount _____
 Taxable Amount _____

Business Unit _____
 Payment Terms _____ Pmt Instr _
 Company _____
 P.O. Number _____
 Tax Expl Code _____
 Tax Rate/Area _____
 Serv/Tax Date _____

Remaining Amount _____
 Batch Number 3040

Invoice Schedule			Tax	Tx	Discount	
Pay	Gross	Taxable	Amount	Area	Ex	Due Date
Itm	Amount	Amount				
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

F4=Full Dtl F6=E-Mail F9=NS F11=New Acct F16=Ldgr Inq F13=J.E. Inq F24=More

Tax Format

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 vouchered 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.

Purchase Order Entry

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.

```

430112          Purchasing Information

Action Code. . . . . C
Order Number . . . . . 1068 OP      Line Number. . . . . 1.000

Supplier . . . . . 4343          Vector Manufacturing Co
Ship To. . . . . 1063          Modesto Warehouse #10
Buyer Number . . . . . 1001      Edwards, J.D. & Company
Carrier Number . . . . . 5311    US Parcel Delivery

Reporting Code 1 . . . . . OFS      Office
Reporting Code 2 . . . . .        Blank - Comm Sub Class 41/P2
Reporting Code 3 . . . . .        Blank - Supplier Rebate 41/P3
Reporting Code 4 . . . . .        Blank-Master Plan Family 41/P4
Reporting Code 5 . . . . .        Blank - Landed Costs 41/P5

Tax Expl Code. . . . . S          Extended Weight. . . . . 25.0000 LB
Tax Rate/Area. . . . . CO        Extended Volume. . . . . 25.0000 LB
G/L Offset . . . . . IN20
Phase. . . . .
Freeze Code. . . . .
Evaluated Receipt. . . . .
Send Method. . . . .

F24=More Keys
  
```

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.

```

430114          Order Summary Information

Order Number . . . . . 1068 OP
Supplier . . . . . 4343 Vector Manufacturing Co
Ship to. . . . . 1063 Modesto Warehouse #10

Description/      Quantity      Extended      Extended      Extended
Item Number      Quantity      Volume        Weight        Amount
-----
Pen & Pencil Set      10          25.0000      25.0000      1.000.00

Total              1.000.00

Amount Taxable      1.000,00 @ 7,000 Tax      70.00

Order Total              1.070.00

F24=More Keys
  
```

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 vouchered 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.

Screen

4314 Match Voucher to Open Receipt Match Type . . . 1
 Branch/Plant . . . 10
 Action Code . . . A Prev Voucher:
 P.O. Number . . . 1068 OP Voucher/Ty/Co. . . PV
 Supplier . . . 4343 Vector Manufacturin Payment Terms. H Pay Instr. _
 Company . . . 00040

Invoice Number . . .
 " Amount . . .
 " Date . . .
 G/L Date . . .
 Tax . . .
 Taxable Amount . . .

Tax Expl Code. S
 Tax Rate/Area. CO

Open To Voucher . . .

O Line	Item/Account	Supplier	Quantity	Amount
1.000	1001	4343	10	1,000.00
Desc. . .	Pen & Pencil Set	Tax Area. S CO	Taxable . . .	Y
Pymt Rmk.		Tax . . .	Pay Status. . .	
G/L Bank.		Taxable	Pymt Hndlng . .	
Suppl Rmk		Document. 510 OV	Due. . .	
Subledger	Payment Term H	Order No. 1068	Order Type . OP	
Disc Avl.			U/M. EA	

Opt: 1=Match 7=Close 9=Cancel F10=Voucher F13=JE Revisions F24=More

Fold Area

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 lower portion 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).

Screens

```

4210                      Enter Orders (Page Mode)          Branch/Plant      10
                        Order Date . 02/04/94
                        Cancel Date .
                        Order Number. 1691 SO

Action . . . . . C

Sold To. . . . . 4242 Corporate Office Systems Company
Ship To. . . . . 4242 Corporate Office Systems Company

Requested. . . . . 02/04/94
Promised Ship. . . 02/04/94
Customer PO. . . .
Print Message. . .

Hold Code. . . .
Invoice Copies 00
Price Pickslip Y
Ordered By . . .
Taken By . . . CB691163

Cust Price Group WHOLES      Comm Code 1. 6651 Apply Freight. Y FOB.
Trade Discount .           Comm Rate 1. 10.000 Display WT/VM. LB CI
Payment Terms. .           Comm Code 2. Carrier Number 5311
Payment Instr. .           Comm Rate 2. Route/Stop/Zon 123 001

Tax Code/Area. . S CO      Acct No.
Tax Cert No. . . Exp Date Auth No.

Delivery Instr
F5=Credit Check      F17=Order Address Information      F24=More Keys
    
```

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.

```

42111                      Sales Order Entry              Branch/Plant.    10
                        Order Date . 02/04/94
                        Cancel Date.
                        Order Number 1691 SO
                        Prev. Order

Action Code. . C
Sold To. . . . . 4242 Corporate Office Systems
Ship To. . . . . 4242 Corporate Office Systems
Requested. . . . 02/04/94
Ship . . . . . 02/04/94
Customer PO. . .
Detail Br/Plt. 10
Amount . . . . . 100.00
Skip To Line #. .

Quantity  Item          UM  Unit Price  Extended Price  LT  O
-----  -
1  1001          EA  100.0000    100.00  S
1  S  Branch/Plant  10  Location . . .
   B  Lot. . . . . Unit Cost. . . 60.0000
   C  Pricing UOM. EA  Ext. Cost. . . 60.00
Desc 1 . . . Pen & Pencil Set Requested. . . 02/17/94
Desc 2 . . . Ship . . . . . 02/17/94
Last Status. 520 Pay Terms. . . Delivery. . . . 02/17/94
Next Status. 535 Print Msg. . . Cancel Date. .
Taxable. . . Y Line Number. 1,000 Item Price Grp
Part Ship. . S Stocking Ty. S Adj. Schedule

F6=Summary F15=SO Header F24=More Keys Opt: 1=Detail 2=Text 9=Del
    
```

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.

```

420120                      Order Detail Information

Action Code. . . . . -
Order Number . . . . . 1691 SO      Line Number. . . . . 1.000
Sold To. . . . . 4242              Corporate Office Systems Company
Ship To. . . . . 4242              Corporate Office Systems Company

Priority Code. . . . . 0              Cash Discount % . . . . .
Reason Code. . . . .                Tax Code/Rate. . . . . S CO
G/L Offset . . . . . IN20           Subledger. . . . .
Payment Instrument -
Apply Freight. . . . . Y            Apply Commission -
Shipping Commodity CSE              Salesperson Cd 1 6651 Rate 10.000
Shipping Condition -                Salesperson Cd 2 - Rate -
Carrier Number . . . . . 5311        Related Kit Item - Line -
Rate Code. . . . . 123              Component Line . -
Route/Stop/Zone. . . . . 123 001

Sales Catalog Sect SPO Supplies, Of Ext. Weight. . . . . 10.0000 LB
Sub Section. . . . . Blank - Sale   Ext. Volume. . . . . LB
Sales Category 3 . . . . . Blank - Sale Original Order . . . . .
Sales Category 4 . . . . . Blank - Sale Related Order. . . . .
Sales Category 5 . . . . . Blank - Sale
F24=More Keys
    
```

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.

```

42230                      Online Invoice                      From Status 520 Thru 600
Based On Status. . . . . 1
Date to Display. . . . .
Include Backorders . . . . .

Invoice. . . . .
Order Number . . . . . 1691 SO

Sold To. . . . . 4242 Corporate Office Systems Company
Ship To. . . . . 4242 Corporate Office Systems Company

O Description Order UM Quantity Extended Price T
- Pen & Pencil Set 02/04/94 EA 1 100.00 Y

Order Total. . . . . 100.00
Taxable Amount. . . . . 100.00 @ 7.000 % Tax 7.00
Invoice Total. . . . . 107.00
Opt: 5=Details F15=Tax Summary F16=Discounts F21=Print F24=More
    
```

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.

Screen and Fold Area

09106 Journal Entry With VAT Tax Void (V)

Action Code I
Document Type . . . JE
Document Number/Co 68544 Explanation Daily Bank Charges
G/L Date Batch Number 523993
Gross Amount
Remaining

Account Number	Amount	Tax Amount	Ex	Tax Area	P
9.9200	1000.00	150.00	V	AREA1	P
1.1110.BEAR	1150.00-				P

F4=Details F13=Acct Master F15=Model JE's F24=More

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.

Account Number	Amount	Tax Amount	Ex	Tax Area	P
9.8720	1,000.00				P
Units	UM	Ledger Type	AA	Sub Ledger	Ty
Reference 2	Asset ID		P.O.		000
Srvc 06/01/98	Desc Office Supplies Expense	Ln	1.0	Batch	506086
Explanation 2		G/L Date	06/30/98		

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 ZJDE0001 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.

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:

<u>Account Number</u>	<u>Amount</u>	<u>Tax Amount</u>	<u>Ex</u>	<u>Tax Area</u>	<u>P</u>
9.8720	1,000.00	150.00	V	AREA1	
1.4110	1,150.00-				

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

<u>Account Number</u>	<u>Amount</u>	<u>Tax Amount</u>	<u>Ex</u>	<u>Tax Area</u>	<u>P</u>
9.8720		150.00	VT	AREA1	
1.1240	150.00-				

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 1 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)
B	GST + Self-Assessed PST (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)
C	GST + Seller-Assessed PST (calculated as a tax on a tax)
CT	Same as C (tax only)

Entry and Post Examples for A/P, A/R, and Sales 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:

```

00121                Automatic Accounting Instr.

Skip to Sequence Number. . 4.060 _____

O Sequence
P Number              Company
- 4.060 Accrued Use/Self Assessment      Bus. Unit  Object  Sub  Item
  Tax                                     1 4423
- 4.060 VAT Recoverable on Purchases    1 4430
- 4.060 VAT Recoverable on Purchases    1 1240
- 4.060 VAT Recoverable on purchases    70 70 1240
- 4.060 VAT Recoverable on Purchases    1 1240 A
- 4.060 VAT Recoverable on Purchases    1 1240 B
Opt1=AAI Rev  F5=Acct Struct by BU  F15=AAI Rev  F21=Print  F24=More Keys
  
```

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%.

```

Tax Rate/Area. . . . . AREA1          Desc . . 7% + 8% (not tax on tax)
Effective Date . . . . . 01/01/91
Expiration Date. . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . .
  Address      Tax      G/L  Calc VAT
  Rate        Rate      Off. Meth Exp  Description
  1001        7.000  VAT1  N      Edwards, J.D. & Company
  1002        8.000  VAT2  N      Edwards & Edwards
  _____  _____
  _____  _____
  _____  _____

Total Area Tax Rate. . . . . 15.000
  
```

Entry and Post Examples for A/P, A/R, and Sales Orders

- 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%.

Tax Rate/Area.	<u>AREA2</u>	Desc . .	<u>7% + 8% (tax on tax)</u>		
Effective Date	<u>01/01/91</u>				
Expiration Date.	<u>12/31/99</u>				
Item Number.	_____				
Maximum Unit Cost.	_____				

	<u>Address</u>	<u>Tax Rate</u>	<u>G/L Off.</u>	<u>Calc Meth</u>	<u>VAT Exp</u>	<u>Description</u>
Tax Authority. .	<u>1001</u>	<u>7.000</u>	<u>VAT1</u>			Edwards, J.D. & Company
	<u>1002</u>	<u>8.000</u>	<u>VAT2</u>	<u>Y</u>		Edwards & Edwards
	_____	_____	_____			-
	_____	_____	_____			-
	_____	_____	_____			-

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.

Tax Rate/Area.	<u>AREA3</u>	Desc . .	<u>7% + 8% (30% nonrecoverable)</u>		
Effective Date	<u>01/01/91</u>				
Expiration Date.	<u>12/31/99</u>				
Item Number.	_____				
Maximum Unit Cost.	_____				

	<u>Address</u>	<u>Tax Rate</u>	<u>G/L Off.</u>	<u>Calc Meth</u>	<u>VAT Exp</u>	<u>Description</u>
Tax Authority. .	<u>1001</u>	<u>7.000</u>	<u>VAT1</u>			Edwards, J.D. & Company
	<u>1002</u>	<u>8.000</u>	<u>VAT2</u>	<u>N</u>		Edwards & Edwards
	<u>1001</u>	<u>30.000</u>	<u>VAT1</u>		<u>R</u>	Edwards, J.D. & Company
	_____	_____	_____			-
	_____	_____	_____			-

Total Area Tax Rate.	15.000					
------------------------------	--------	--	--	--	--	--

Tax Explanation Code Examples

V VAT (GST in Canada)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher/Type/Co. <u>14185 PV 00001</u>
Supplier Number . . <u>7002</u>		JDE France
Invoice Number		Business Unit . . <u>1</u>
" Amount <u>1,150.00</u>		Disc Available
" Date <u>06/01/98</u>		Payment Terms
G/L Date <u>06/30/98</u>		Company <u>00001</u>
Net Due Date <u>07/01/98</u>		P.O. Number
Pay Status <u>A</u>		Tax Expl Code . . <u>V</u>
Tax Amount <u>150.00</u>		Tax Rate/Area . . <u>AREA1</u>
Taxable Amount <u>1,000.00</u>		Serv/Tax Date . . <u>06/01/98</u>
Approver Number		
Payment Remark		
Amt to Distribute	Batch 508086	Report Code
Account Number	Amount	Explanation 2
<u>9.8720</u>	<u>1,000.00</u>	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company		Page	1				
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92				
Batch Number	- 506086							
Batch Date	- 05/06/92							
Posting Journal								
Post Out of Balance : N								
Create Intercompany Settlements: *								
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Credit	LT	Units
PV	14185 06/30/98	00001	Office Supplies Expense JDE France	9.8720	1,000.00		AA	
AE	14185 06/30/98	00001	Accounts Payable-Trade Offset by Document PV 00014185	1.4110		1,150.00-	AA	
AE	14185 06/30/98	00001	VAT Recoverable - Auth. A Offset by Document PV 00014185	1.1240.A	70.00		AA	
AE	14185 06/30/98	00001	VAT Recoverable - Auth. B Offset by Document PV 00014185	1.1240.B	80.00		AA	
Batch Total					1,150.00	1,150.00-	AA	

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 PTVAT1 points to.
 Dr 80 VAT2 receivable account 1.1240.B
 This is the account that AAI item PTVAT2 points to.
 Cr 1150 Accounts payable account 1.4110
 This is the account that AAI item PCxxxx points to.
 \$1150 = \$1000 goods + \$70 VAT1 + \$80 VAT2

Entry and Post Examples for A/P, A/R, and Sales Orders

This page shows a journal entry for tax explanation code V.

```

09106                               Journal Entry With VAT Tax                               Void (V) . . . . .
Action Code . . . . .                I
Document Type . . .                  JE
Document Number/Co                   68545           Explanation   Daily Bank Charges
G/L Date . . . . .                   _____       Batch Number   523993
Gross Amount . . . . .
Remaining . . . . .

Account Number      Amount      Tax Amount      Ex Tax Area      P
9.9200              1000.00         150.00         V AREA1          P
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 Page 1

Batch Type - G General Ledger Post Date 7/09/92
Batch Number - 523993 General Accounting
Batch Date - 07/09/92

Posting Journal

Post Out of Balance : N
Create Intercompany Settlements: D

Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Amounts Credit	LT	Units
JE	68544 06/15/92	00001	Other Expense Daily Bank Charges	9.9200	1000.00		AA	
JE	68544 06/15/92	00001	VAT Recoverable - Auth. A Daily Bank Charges	1.1240.A	150.00		AA	
JE	68544 06/15/92	00001	Bear Creek National Bank Daily Bank Charges	1.1110.BEAR		1150.00-	AA	
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.

Entry and Post Examples for A/P, A/R, and Sales Orders

VT VAT (tax only)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number 14187 PV
Supplier Number . . . 7002		JDE France
Invoice Number		Business Unit 1
" Amount 150.00		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status A		Tax Expl Code VT
Tax Amount 150.00		Tax Rate/Area AREA1
Taxable Amount		Serv/Tax Date 06/01/98
Approver Number		
Payment Remark		
Amt to Distribute.	Batch 506090	Report Code. ____
Account Number	Amount	Explanation 2
9.8720		
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company		Page	2				
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92				
Batch Number	- 506090							
Batch Date	- 05/06/92							
Posting Journal								
Post Out of Balance : N								
Create Intercompany Settlements: *								
Do Document Ty	G/L Date	Co	Account Description	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Credit	LT	Units
PV	14187 06/30/98	00001	Office Supplies Expense JDE France	9.8720			AA	
AE	14187 06/30/98	00001	Accounts Payable-Trade Offset by Document PV 00014187	1.4110		150.00	AA	
AE	14187 06/30/98	00001	VAT Recoverable - Auth. A Offset by Document PV 00014187	1.1240.A	70.00		AA	
AE	14187 06/30/98	00001	VAT Recoverable - Auth. B Offset by Document PV 00014187	1.1240.B	80.00		AA	
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 PCxxx points to.
 \$1070 = \$70 VAT1 + \$80 VAT2

Entry and Post Examples for A/P, A/R, and Sales Orders

This page shows a journal entry for tax explanation code VT.

```

09106                Journal Entry With VAT Tax                Void (V) . . . . .
Action Code. . . . . I
Document Type. . . . JE
Document Number/Co  68545      Explanation Daily Bank Charges
G/L Date . . . . .           Batch Number  523996
Gross Amount . . . .
Remaining. . . . .

Account Number      Amount      Tax Amount      Ex Tax Area  P
9.9200                150.00-      150.00      VT AREA1      P
1.1110.BEAR                150.00-      -            -            P

```

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			Page	1	
Batch Type	- G	General Ledger Post		Date	7/09/92	
Batch Number	- 523996	General Accounting				
Batch Date	- 07/09/92	Posting Journal				
Post Out of Balance	: N					
Create Intercompany Settlements:	D					
Do Document Ty	G/L Date	Co	Account Description	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit LT Units	
-----	-----	-----	-----	-----	-----	
JE	68545 06/15/92	00001	Other Expense Daily Bank Charges	9.9200		AA
JE	68545 06/15/92	00001	VAT Recoverable - Auth. A Daily Bank Charges	1.1240.A	150.00	AA
JE	68545 06/15/92	00001	Bear Creek National Bank Daily Bank Charges	1.1110.BEAR		150.00- AA
			Batch Total		150.00	150.00- AA

For journal entries, the system posts the entire \$150 VAT to the first tax authority in tax rate/area AREA1.

Entry and Post Examples for A/P, A/R, and Sales Orders

V+ VAT (calculated as a tax on a tax)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number 14188 PV
Supplier Number . . . 7002		JDE France
Invoice Number		Business Unit 1
" Amount 1,155.60		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status A		Tax Expl Code V+
Tax Amount 155.60		Tax Rate/Area AREA1
Taxable Amount 1,000.00		Serv/Tax Date 06/01/98
Approver Number		
Payment Remark		
Amt to Distribute	Batch 506091	Report Code
Account Number	Amount	Explanation 2
9.8720	1,000.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company		Page	3				
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92				
Batch Number	- 506091							
Batch Date	- 05/06/92							
Posting Journal								
Post Out of Balance	: N							
Create Intercompany Settlements:	*							
Do Document Ty	G/L Date	Co	Account Description	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Credit	LT	Units
PV	14188	06/30/98	00001 Office Supplies Expense JDE France	9.8720	1,000.00		AA	
AE	14188	06/30/98	00001 Accounts Payable-Trade Offset by Document PV 00014188	1.4110		1,155.60-	AA	
AE	14188	06/30/98	00001 VAT Recoverable - Auth. A Offset by Document PV 00014188	1.1240.A	70.00		AA	
AE	14188	06/30/98	00001 VAT Recoverable - Auth. B Offset by Document PV 00014188	1.1240.B	85.60		AA	
Batch Total					1,155.60	1,155.60-	AA	

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 PT VAT1 points to.
 Dr 85.60 VAT receivable account 1.1240.B
 This is the account that AAI item PT VAT2 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

U Use Tax, Self-Assessed (PST in Canada)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number . . . 14197 PV
Supplier Number . . . 7002		JDE France
Invoice Number . . . _____		Business Unit . . . 1
" Amount . . . 1,000.00		Disc Available . . . _____
" Date . . . 06/01/98		Payment Terms . . . _____
G/L Date . . . 06/30/98		Company . . . 00001
Net Due Date . . . 07/01/98		P.O. Number . . . _____
Pay Status . . . A		Tax Expl Code . . U
Tax Amount . . . 150.00		Tax Rate/Area . . AREA1
Taxable Amount . . 1,000.00		Serv/Tax Date . . 06/01/98
Approver Number . . _____		
Payment Remark . . _____		
Amt to Distribute.	Batch 506100 Report Code. ____	
Account Number	Amount	Explanation 2
9.8720	1,150.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company	Page 12
Batch Type - V	General Ledger Post - Voucher Entry	Date 5/06/92
Batch Number - 506100		
Batch Date - 05/06/92		
Posting Journal		
Post Out of Balance : N		
Create Intercompany Settlements: *		
Do Document	G/L Co	Account Description
Ty	Date	Explanation
		G/L Account
		Subldgr-Ty/Asset Number
	 Amounts
		Debit
		Credit
		LT Units

PV	14197 06/30/98 00001	Office Supplies Expense JDE France
		9.8720
		1,150.00
		AA
AE	14197 06/30/98 00001	Accounts Payable-Trade Offset by Document PV 00014197
		1.4110
		1,000.00-
		AA
AE	14197 06/30/98 00001	Self Assessed Tax - AREA1 Offset by Document PV 00014197
		1.4423.AREA1
		150.00-
		AA

		Batch Total
		1,150.00
		1,150.00- AA

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.

Entry and Post Examples for A/P, A/R, and Sales Orders

UT Use Tax, Self-Assessed (tax only)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number 14198 PV
Supplier Number 7002		JDE France
Invoice Number		Business Unit 1
" Amount		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status P		Tax Expl Code UT
Tax Amount 150.00		Tax Rate/Area AREA1
Taxable Amount		Serv/Tax Date 06/01/98
Approver Number		
Payment Remark		
Amt to Distribute.	Batch 506101	Report Code. ____
Account Number	Amount	Explanation 2
9.8720	150.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company		Page	13				
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92				
Batch Number	- 506101							
Batch Date	- 05/06/92							
Posting Journal								
Post Out of Balance	: N							
Create Intercompany Settlements:	*							
Do Document Ty	G/L Date	Co	Account Description	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Credit	LT	Units
PV	14198 06/30/98	00001	Office Supplies Expense JDE France	9.8720	150.00		AA	
AE	14198 06/30/98	00001	Self Assessed Tax - AREA1 Offset by Document PV 00014198	1.4423.AREA1		150.00-	AA	
Batch Total					150.00	150.00-	AA	

Use Tax = \$150

Dr 150 G/L distribution

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).

Entry and Post Examples for A/P, A/R, and Sales Orders

This page shows the sales order information.

```

4210                      Enter Orders (Page Mode)                Branch/Plant. 10
                                                                    Order Date. . 06/29/92
                                                                    Cancel Date. .
                                                                    Order Number. 39811 SO

Action . . . . . I

Sold To. . . . . 4242 Office Systems Service Co
Ship To. . . . . 4242 Office Systems Service Co

Requested. . . . . 06/29/92
Promised Ship. . . 06/29/92
Customer PO. . . . .
Print Message. . . . .

Hold Code. . . . .
Invoice Copies 00
Price Pickslip . Y
Ordered By . . . . .
Taken By . . . . . BANACH

Cust Price Group _____ Comm Code 1. _____ Apply Freight. Y FOB.
Trade Discount . _____ Comm Rate 1. _____ Display WT/VM. _
Payment Terms. . _____ Comm Code 2. _____ Carrier Number _____
Payment Instr. . _ _____ Comm Rate 2. _____ Route/Stop/Zon _ _ _

Tax Code/Area. . S AREAL _____ Acct No. _____
Tax Cert No. . . _____ Exp Date _____ Auth No. _____

Delivery Instr _____
F5=Credit Check F17=Order Address Information F24=More Keys
    
```

```

42111                      Sales Order Entry                    Branch/Plant 10
                                                                    Order Date . 06/29/92
                                                                    Cancel Date. _____
                                                                    Order No . . 39811 SO
                                                                    Prev. Order

Action Code. . I
Sold To. . . . . 4242 Office Systems Service Co
Ship To. . . . . 4242 Office Systems Service Co
Requested. . . . . 06/29/92
Ship. . . . . 06/29/92
Customer PO. . . . .
Detail Br/Plt. _____ 10

Amount . . . . . 1,000.00
Skip To Line #. . . . .

Quantity  Item          UM  Unit Price  Extended Price  LT  Q
-----  -
10  A1000          EA  100.0000  1,000.00  S  _
-----  -
    
```

```

420103                      Online Invoice                      From Status 520 Thru 600
                                                                    Based on Status. . . . .
                                                                    Date to Display. . . . .
                                                                    Include Backorders . . . . .

Invoice. . . . . 2500 RI
Order Number . . . . . 39811 SO

Sold To. . . . . 4242 Office Systems Service Co
Ship To. . . . . 4242 Office Systems Service Co

O  Description          Order  UM  Quantity  Extended Price  T
_  FILE CABINET          06/29/92  EA  10  1,000.00  Y

Order Total. . . . . 1,000.00

Taxable Amount          1,000.00 @ 15.000 Tax  150.00

Invoice Total. . . . . 1,150.00

F24=More Keys
    
```

Entry and Post Examples for A/P, A/R, and Sales Orders

This page shows how the system posts the sales order.

09801				J.D. Edwards & Company				Page 1
Batch Type	- I			General Ledger Post - Invoice Entry				Date 6/29/92
Batch Number	- 520979							
Batch Date	- 06/29/92							
Posting Journal								
Post Out of Balance : N								
Create Intercompany Settlements: D								
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit		LT	Units
SO	39811 06/29/92	00040	Sales Tax Authority A Office Systems Service Co FILE CABINET	10.4550.A			70.00-	AA
AE	39811 06/29/92	00040	Trade Accounts Receivable Offset by Document SO 00039811	40.1210	1,150.00			AA
SO	39811 06/29/92	00040	Sales Tax Authority B Office Systems Service Co FILE CABINET	10.4550.B			80.00-	AA
SO	39811 06/29/92	00040	Store Sales Office Systems Service Co FILE CABINET	20.5010		1,000.00-		AA
SO	39811 06/29/92	00040	Estimated C.O.G.S. Office Systems Service Co FILE CABINET	20.6020	650.00			AA
SO	39811 06/29/92	00040	Inventory Activity Office Systems Service Co FILE CABINET	10.1401			650.00-	AA
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

Entry and Post Examples for A/P, A/R, and Sales Orders

ST Sales Tax, Seller-Assessed (tax only)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number . . . 14196 PV
Supplier Number . . . 7002		JDE France
Invoice Number . . . _____		Business Unit . . . 1
" Amount 150.00		Disc Available . . . _____
" Date 06/01/98		Payment Terms . . . _____
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number _____
Pay Status A		Tax Expl Code . . . ST
Tax Amount 150.00		Tax Rate/Area . . . AREA1
Taxable Amount . . . _____		Serv/Tax Date . . . 06/01/98
Approver Number . . . _____		
Payment Remark . . . _____		
Amt to Distribute.	Batch 506099	Report Code. ____
Account Number	Amount	Explanation 2
9.8720	150.00	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801		J.D. Edwards & Company	Page	11
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92
Batch Number	- 506099			
Batch Date	- 05/06/92			
Posting Journal				
Post Out of Balance : N				
Create Intercompany Settlements: *				

Do Document Ty	G/L Date	Co	Account Description	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Amounts Credit	LT	Units
PV	14196 06/30/98	00001	Office Supplies Expense JDE France	9.8720	150.00		AA	
AE	14196 06/30/98	00001	Accounts Payable-Trade Offset by Document PV 00014196	1.4110		150.00	AA	
Batch Total					150.00	150.00	AA	

Sales Tax = \$150

Dr 150 G/L distribution
 Cr 150 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)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number . . . 14192 PV
Supplier Number . . . 7002		JDE France
Invoice Number . . .		Business Unit . . . 1
" Amount 1,070.00		Disc Available . . .
" Date 06/01/98		Payment Terms . . .
G/L Date 06/30/98		Company 00001
Net Due Date . . . 07/01/98		P.O. Number . . .
Pay Status A		Tax Expl Code . . . B
Tax Amount 150.00		Tax Rate/Area . . . AREA1
Taxable Amount . . . 1,000.00		Serv/Tax Date . . 06/01/98
Approver Number . .		
Payment Remark . .		
Amt to Distribute.	Batch 506095	Report Code . . .
Account Number	Amount	Explanation 2
9.8720	1,080.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company		Page	7				
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92				
Batch Number	- 506095							
Batch Date	- 05/06/92							
Posting Journal								
Post Out of Balance	: N							
Create Intercompany Settlements:	*							
Do Document Ty	G/L Date	Co	Account Description	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Credit	LT	Units
PV	14192	06/30/98	00001 Office Supplies Expense JDE France	9.8720	1,080.00		AA	
AE	14192	06/30/98	00001 Accounts Payable-Trade Offset by Document PV 00014192	1.4110		1,070.00	AA	
AE	14192	06/30/98	00001 VAT Recoverable - Auth. A Offset by Document PV 00014192	1.1240.A	70.00		AA	
AE	14192	06/30/98	00001 Self Assessed Tax - AREA1 Offset by Document PV 00014192	1.4423.AREA1		80.00	AA	
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)

041015		Speed Voucher Entry	Prev Voucher:
Action Code	<u>I</u>		Voucher Number <u>14193</u> PV
Supplier Number	<u>7002</u>		JDE France
Invoice Number			Business Unit <u>1</u>
" Amount	<u>1,070.00</u>		Disc Available
" Date	<u>06/01/98</u>		Payment Terms
G/L Date	<u>06/30/98</u>		Company <u>00001</u>
Net Due Date	<u>07/01/98</u>		P.O. Number
Pay Status	<u>A</u>		Tax Expl Code <u>B</u>
Tax Amount	<u>155.60</u>		Tax Rate/Area <u>AREA2</u>
Taxable Amount	<u>1,000.00</u>		Serv/Tax Date <u>06/01/98</u>
Approver Number			
Payment Remark			
Amt to Distribute.		Batch	506096
Account Number	Amount	Report Code.	___
9.8720	1,085.60	Explanation	2
F9=Name Search		F11=New Supplier	
F16=Ledger Inquiry		F24=More Keys	

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company	Page	8
Batch Type	- V	General Ledger Post - Voucher Entry	Date
Batch Number	- 506096		5/06/92
Batch Date	- 05/06/92		
Posting Journal			
Post Out of Balance : N			
Create Intercompany Settlements: *			
Do Document	G/L	Co	Account Description
Ty	Date		Explanation
			G/L Account
			Subldgr-Ty/Asset Number
		 Amounts
			Debit
			Credit
			LT
			Units

PV	14193	06/30/98	00001 Office Supplies Expense
			JDE France
			9.8720
			1,085.60
			AA
AE	14193	06/30/98	00001 Accounts Payable-Trade
			Offset by Document PV 00014193
			1.4110
			1,070.00-
			AA
AE	14193	06/30/98	00001 VAT Recoverable - Auth. A
			Offset by Document PV 00014193
			1.1240.A
			70.00
			AA
AE	14193	06/30/98	00001 Self Assessed Tax - AREA2
			Offset by Document PV 00014193
			1.4423.AREA2
			85.60-
			AA
Batch Total			
			1,155.60
			1,155.60-
			AA

GST = \$1000 goods x .07 tax rate = \$70
PST = (\$1000 goods + \$70 GST) x .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 PTVAT1 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 PCxxxx points to.
 \$1070 = \$1000 goods + \$70 GST

Entry and Post Examples for A/P, A/R, and Sales Orders

BT GST + Self-Assessed PST (tax only)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number 14194 PV
Supplier Number . . . 7002		JDE France
Invoice Number . . .		Business Unit 1
" Amount 70.00		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status A		Tax Expl Code . . . BT
Tax Amount 150.00		Tax Rate/Area . . . AREA1
Taxable Amount . . .		Serv/Tax Date . . . 06/01/98
Approver Number . .		
Payment Remark . . .		
Amt to Distribute.	Batch 506097	Report Code. ____
Account Number	Amount	Explanation 2
9.8720	80.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company		Page	9				
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92				
Batch Number	- 506097							
Batch Date	- 05/06/92							
Posting Journal								
Post Out of Balance : N								
Create Intercompany Settlements: *								
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Amounts Credit	LT	Units
PV	14194	06/30/98	00001 Office Supplies Expense JDE France	9.8720	80.00		AA	
AE	14194	06/30/98	00001 Accounts Payable-Trade Offset by Document PV 00014194	1.4110		70.00	AA	
AE	14194	06/30/98	00001 VAT Recoverable - Auth. A Offset by Document PV 00014194	1.1240.A	70.00		AA	
AE	14194	06/30/98	00001 Self Assessed Tax - AREAL Offset by Document PV 00014194	1.4423.AREA1		80.00	AA	
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.

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.

C GST + Seller-Assessed PST (not calculated as a tax on a tax)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number 14189 PV
Supplier Number . . . 7002		JDE France
Invoice Number		Business Unit 1
" Amount 1,150.00		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status A		Tax Expl Code C
Tax Amount 150.00		Tax Rate/Area AREA1
Taxable Amount 1,000.00		Serv/Tax Date 06/01/98
Approver Number		
Payment Remark		
Amt to Distribute.	Batch 506092	Report Code. ____
Account Number	Amount	Explanation 2
9.8720	1,080.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company	Page 4				
Batch Type - V	General Ledger Post - Voucher Entry	Date 5/06/92				
Batch Number - 506092						
Batch Date - 05/06/92						
Posting Journal						
Post Out of Balance : N						
Create Intercompany Settlements: *						
Do Document	G/L Co	Account Description	G/L Account	Amounts	LT	Units
Ty	Date	Explanation	Subldgr-Ty/Asset Number	Debit Credit		
PV	14189 06/30/98	00001 Office Supplies Expense JDE France	9.8720	1,080.00		AA
AE	14189 06/30/98	00001 Accounts Payable-Trade Offset by Document PV 00014189	1.4110		1,150.00-	AA
AE	14189 06/30/98	00001 VAT Recoverable - Auth. A Offset by Document PV 00014189	1.1240.A	70.00		AA
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 1150 Accounts payable account 1.4110
This is the account that AAI item PCxxx points to.
\$1150 = \$1000 goods + \$70 GST + \$80 PST

Entry and Post Examples for A/P, A/R, and Sales Orders

C GST + Seller-Assessed PST (calculated as a tax on a tax)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number 14190 PV
Supplier Number . . . 7002		JDE France
Invoice Number		Business Unit 1
" Amount 1,155.60		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status A		Tax Expl Code C
Tax Amount 155.60		Tax Rate/Area AREA2
Taxable Amount . . . 1,000.00		Serv/Tax Date . . . 06/01/98
Approver Number		
Payment Remark		
Amt to Distribute.	Batch 506093	Report Code. ____
Account Number	Amount	Explanation 2
9.8720	1,085.60	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company		Page	5
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92
Batch Number	- 506093			
Batch Date	- 05/06/92			
Posting Journal				
Post Out of Balance	: N			
Create Intercompany Settlements:	*			

Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Amounts Credit	LT	Units
PV	14190 06/30/98	00001	Office Supplies Expense JDE France	9.8720	1,085.60		AA	
AE	14190 06/30/98	00001	Accounts Payable-Trade Offset by Document PV 00014190	1.4110		1,155.60	AA	
AE	14190 06/30/98	00001	VAT Recoverable - Auth. A Offset by Document PV 00014190	1.1240.A	70.00		AA	
Batch Total					1,155.60	1,155.60	AA	

GST = \$1000 goods x .07 tax rate = \$70
PST = (\$1000 goods + \$70 GST) x .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 PTVAT1 points to.

Cr 1155.60 Accounts payable account 1.4110
This is that account that AAI item PCxxx points to.
\$1155.60 = \$1000 goods + \$70 GST + \$85.60 PST

CT GST + Seller-Assessed PST (tax only)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number . . . 14191 PV
Supplier Number . . . 7002		JDE France
Invoice Number		Business Unit 1
" Amount 150.00		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status A		Tax Expl Code . . . CT
Tax Amount 150.00		Tax Rate/Area . . . AREA1
Taxable Amount		Serv/Tax Date . . . 06/01/98
Approver Number		
Payment Remark		
Amt to Distribute.	Batch 506094	Report Code. ____
Account Number	Amount	Explanation 2
9.8720	80.00	

F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801							Page	6
Batch Type - V							Date	5/06/92
Batch Number - 506094								
Batch Date - 05/06/92								
Posting Journal								
Post Out of Balance : N								
Create Intercompany Settlements: *								
J.D. Edwards & Company								
General Ledger Post - Voucher Entry								
Do Document	G/L	Co	Account Description	G/L Account	Amounts		LT	Units
Ty	Date		Explanation	Subldgr-Ty/Asset Number	Debit	Credit		

PV	14191	06/30/98	00001 Office Supplies Expense	9.8720	80.00			AA
			JDE France					
AE	14191	06/30/98	000001 Accounts Payable-Trade	1.4110		150.00		AA
			Offset by Document PV 00014191					
AE	14191	06/30/98	00001 VAT Recoverable - Auth. A	1.1240.A	70.00			AA
			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

Entry and Post Examples for A/P, A/R, and Sales Orders

GST Input Credits

Credits for V (VAT)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number . . . 14200 PV
Supplier Number . . . 7002		JDE France
Invoice Number . . .		Business Unit . . . 1
" Amount . . . 1,150.00		Disc Available . . .
" Date . . . 06/01/98		Payment Terms . . .
G/L Date 06/30/98		Company 00001
Net Due Date . . . 07/01/98		P.O. Number . . .
Pay Status A		Tax Expl Code . . V
Tax Amount 150.00		Tax Rate/Area . . AREA3
Taxable Amount . . 1,000.00		Serv/Tax Date . . 06/01/98
Approver Number . .		
Payment Remark . .		
Amt to Distribute.	Batch 506103	Report Code . . .
Account Number	Amount	Explanation 2
9.8720	1,045.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801				J.D. Edwards & Company				Page	15
Batch Type - V				General Ledger Post - Voucher Entry				Date	5/06/92
Batch Number - 506103									
Batch Date - 05/06/92									
Posting Journal									
Post Out of Balance : N									
Create Intercompany Settlements: *									
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit		LT	Units	
PV	14200 06/30/98	00001	Office Supplies Expense JDE France	9.8720	1,045.00		AA		
AE	14200 06/30/98	00001	Accounts Payable-Trade Offset by Document PV 00014200	1.4110		1,150.00-	AA		
AE	14200 06/30/98	00001	VAT Recoverable - Auth. A Offset by Document PV 00014200	1.1240.A	25.00		AA		
AE	14200 06/30/98	00001	VAT Recoverable - Auth. B Offset by Document PV 00014200	1.1240.B	80.00		AA		
Batch Total					1,150.00	1,150.00-	AA		

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 PTVAT1 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 PCxxx points to.
\$1150 = \$1000 goods + \$70 VAT1 + \$80 VAT2

Entry and Post Examples for A/P, A/R, and Sales Orders

Credits for B (GST + Self-Assessed PST)

041015	Speed Voucher Entry	Prev Voucher:
Action Code <u>I</u>		Voucher Number . . . <u>14202</u> PV
Supplier Number . . . <u>7002</u>		JDE France
Invoice Number . . . _____		Business Unit . . . <u>1</u>
" Amount . . . <u>1,070.00</u>		Disc Available . . . _____
" Date . . . <u>06/01/98</u>		Payment Terms . . . _____
G/L Date <u>06/30/98</u>		Company <u>00001</u>
Net Due Date . . . <u>07/01/98</u>		P.O. Number _____
Pay Status <u>A</u>		Tax Expl Code . . . <u>B</u>
Tax Amount <u>150.00</u>		Tax Rate/Area . . . <u>AREA3</u>
Taxable Amount . . <u>1,000.00</u>		Serv/Tax Date . . . <u>06/01/98</u>
Approver Number . . _____		
Payment Remark . . . _____		
Amt to Distribute . . _____	Batch 506105	Report Code . . . _____
<u>Account Number</u>	<u>Amount</u>	<u>Explanation 2</u>
<u>9.8720</u>	<u>1,101.00</u>	
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company	Page 17				
Batch Type - V	General Ledger Post - Voucher Entry	Date 5/06/92				
Batch Number - 506105						
Batch Date - 05/06/92						
Posting Journal						
Post Out of Balance	: N					
Create Intercompany Settlements:	*					
Do Document	G/L Co	Account Description	G/L Account	Amounts	LT	Units
Ty	Date	Explanation	Subldgr-Ty/Asset Number	Debit Credit		
-----		-----		-----		
PV	14202 06/30/98	00001 Office Supplies Expense	9.8720	1,101.00		AA
		JDE France				
AE	14202 06/30/98	00001 Accounts Payable-Trade	1.4110		1,070.00-	AA
		Offset by Document PV 00014202				
AE	14202 06/30/98	00001 VAT Recoverable - Auth. A	1.1240.A	49.00		AA
		Offset by Document PV 00014202				
AE	14202 06/30/98	00001 Self Assessed Tax - AREA3	1.4423.AREA3		80.00-	AA
		Offset by Document PV 00014202				

		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
Non-recoverable = \$70 GST x .30 = \$21
Recoverable = \$70 GST - \$21 non-recoverable = \$49

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

Entry and Post Examples for A/P, A/R, and Sales Orders

Credits for C (GST + Seller-Assessed PST)

041015	Speed Voucher Entry	Prev Voucher:
Action Code I		Voucher Number 14201 PV
Supplier Number 7002		JDE France
Invoice Number		Business Unit 1
" Amount 1,150.00		Disc Available
" Date 06/01/98		Payment Terms
G/L Date 06/30/98		Company 00001
Net Due Date 07/01/98		P.O. Number
Pay Status A		Tax Expl Code C
Tax Amount 150.00		Tax Rate/Area AREA3
Taxable Amount 1,000.00		Serv/Tax Date 06/01/98
Approver Number		
Payment Remark		
Amt to Distribute.	Batch 506104	Report Code
Account Number	Amount	Explanation 2
9.8720	1,101.00	
F9=Name Search	F11=New Supplier	F16=Ledger Inquiry
		F24=More Keys

The system posts the transaction above as shown on the report below.

09801	J.D. Edwards & Company.		Page	16			
Batch Type	- V	General Ledger Post - Voucher Entry	Date	5/06/92			
Batch Number	- 506104						
Batch Date	- 05/06/92						
Posting Journal							
Post Out of Balance : N							
Create Intercompany Settlements: *							
Do Document	G/L	Co	Account Description	G/L Account	Amounts	LT	Units
Ty	Date		Explanation	Subldgr-Ty/Asset Number	Debit	Credit	
PV	14201 06/30/98	00001	Office Supplies Expense JDE France	9.8720	1,101.00		AA
AE	14201 06/30/98	00001	Accounts Payable-Trade Offset by Document PV 00014201	1.4110		1,150.00-	AA
AE	14201 06/30/98	00001	VAT Recoverable - Auth. A Offset by Document PV 00014201	1.1240.A	49.00		AA
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
Non-recoverable = \$70 GST x .30 = \$21
Recoverable = \$70 GST - \$21 non-recoverable = \$49

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 1150 Accounts payable account 1.4110
This is the account that AAI item PCxxxx 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:

```

40950                                Distribution Automatic Account

Action Code. . . . . _          See Memo
AAI Table Number . . . 4350      Purchase Tax Accrual
Company. . . . . *          - OPT
Document Type. . . . . *

      Do G/L
      Co. Ty Cls. Description Bus. Unit Object Sub
00000 OP IN20 Purchase Order / Inventory      1240
00050 OP NS40 Purchase Order / Non-Inventory    50 1240
00100 OP IN10 Purchase Order / Stock Inventor 100 4430 X
00100 OP IN20 Purchase Order / Inventory      100 4430 X
00100 OP IN30 Purchase Order / Components    100 4430 X
00100 OP IN40 Purchase Order / Inventory Tran 100 4430 X
00100 OP NS40 Purchase Order / Non-Inventory 100 4430 X
_____ /
_____ /
_____ /
_____ /
_____ /
_____ /

F14=Memo          F21=Print          F24=More Keys_____
  
```

```

40950                                Distribution Automatic Account

Action Code. . . . . _          See Memo
AAI Table Number . . . 4355      Received not Vouchered Tax
Company. . . . . *          - OPA
Document Type. . . . . *

      Do G/L
      Co. Ty Cls. Description Bus. Unit Object Sub
00000 OP IN20 Purchase Order / Inventory      4431
00050 OP NS40 Purchase Order / Non-Inventory    50 4431
00100 OP IN10 Purchase Order / Stock Inventor 100 4431
00100 OP IN20 Purchase Order / Inventory      100 4431
00100 OP IN30 Purchase Order / Components    100 4431
00100 OP IN40 Purchase Order / Inventory Tran 100 4431
00100 OP NS40 Purchase Order / Non-Inventory 100 4431
_____ /
_____ /
_____ /
_____ /
_____ /
_____ /

F14=Memo          F21=Print          F24=More Keys_____
  
```

Entry and Post Examples for Purchase Orders

```

00121                      Automatic Accounting Instr.

Skip to Sequence Number. . 4.060

O Sequence
P Number      Company
                Bus. Unit  Object  Sub      Item
- 4.060 Accrued Use/Self Assessment Tax                1 4433      PT
- 4.060 VAT Recoverable on Purchases                1 1240      PTNSNS
- 4.060 Use Tax Payable on Purchases                50 4433      PTNS40
- 4.060 Use Tax Payable on Purchases                1 4433      PTTXTX
- 4.060 Use Tax Payable on Purchases      100      100 4433      PTTXTX
- 4.060 VAT Recoverable on purchases            1                PTVATB

Opt: 1=AAI Rev  F5=Acct Struct by CC  F15=AAI Rev  F21=Print  F24=More Keys
    
```

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%.

```

Tax/Rate Area. . . . . PUR1          Desc . . Purchasing Tax
Effective Date . . . . . 01/01/90
Expiration Date . . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . .
                Address  Tax    G/L  Calc VAT
                5098    4.000 TXX  Meth Exp
                5961    6.000 TXX  N      Description
                Revenue Canada
                Treasurer of Ontario
                -
                -
                -

Total Area Tax Rate. . . . . 10.000
    
```

- 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%.

```

Tax Rate/Area. . . . . PUR2          Desc . . Purchasing Tax (Tax on Tax)
Effective Date . . . . . 01/01/90
Expiration Date . . . . . 12/31/99
Item Number. . . . .
Maximum Unit Cost. . . . .

Tax Authority. . . . .
                Address  Tax    G/L  Calc VAT
                5098    4.000 TXX  Meth Exp
                5961    6.000 TXX  Y      Description
                Revenue Canada
                Treasurer of Ontario
                -
                -
                -

Total Area Tax Rate. . . . . 10.000
    
```

Tax Explanation Code Examples

S Sales Tax, Inventory Example

430114 Order Summary Information				
Order Number . . .	2029	OP		
Supplier	4343	Vector Manufacturing Co		
Ship to.	1063	Modesto Warehouse #10		
<u>Description/ Item Number</u>	<u>Quantity</u>	<u>Extended Volume</u>	<u>Extended Weight</u>	<u>Extended Amount</u>
Software Package	1		10.0000	100.00
Total				100.00
Amount Taxable	100.00	@ 10.000	Tax	10.00
Order Total				110.00

09101 Journal Entries					Model (Y)
Action Code	I				Reverse or Void (R/V)
Document Type . . .	OV				
Document Number/Co	1011	00100	Explanation	Vector Manufacturing Co	
G/L Date	02/09/94	Batch Number	4446		
Remaining					
Skip to Line					
<u>Account No.</u>	<u>Amount</u>	<u>Explanation 2</u>			<u>P</u>
100.1411.20A	100.00	Software Package			
100.4111	100.00-	Software Package			
100.4430.X	10.00	Software Package			
100.4431	10.00-	Software Package			

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Batch Type	- 0	General Ledger Post - PO Receipts			Date	2/09/94
Batch Number	- 4446					
Batch Date	- 02/09/94					
Posting Journal						
Post Out of Balance	: N					
Create Intercompany Settlements:	Y					
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT Units
OV	1011 02/09/94	00100	Inventory/Valley Forge, P Vector Manufacturing Co Software Package	100.1411.20A	100.00	AA
OV	1011 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Software Package	100.4111		100.00- AA
OV	1011 02/09/94	00100	Other Sales/Use Tax Payab Vector Manufacturing Co Software Package	100.4430.X	10.00	AA
OV	1011 02/09/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Software Package	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 4350 (OPT) account and a credit to the 4355 (OPA) account.

Entry and Post Examples for Purchase Orders

```

04105                      Voucher Entry                      Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I
Supplier Number . . . 4343
Invoice Number. . . . .
"      Amount. . . . . 110.00
"      Date. . . . . 02/11/94
G/L Date. . . . . 02/11/94
Tax Amount. . . . . 10.00
Taxable Amount. . . . 100.00
Approver Number. . . . .

Remaining Amount. . . . . Batch Number . . . 4530
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx Net Due
Itm      Amount     Amount     Amount     Area     Cd  Date
001      110.00     100.00     10.00     PUR1     S  03/13/94
    
```

```

09101                      Journal Entries                      Model (Y). . . . . -
Reverse or Void (R/V). . . -
Action Code. . . . I
Document Type. . . PV
Document Number/Co . 19 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . Batch Number 4530
Remaining. . . . .

Skip to Line . . . . .
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
-----
100.4111         100.00            02/11/94      001
100.4431         10.00            02/11/94
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry		Date	2/11/94	
Batch Number	- 4530					
Batch Date	- 02/11/94					
Posting Journal						
Post Out of Balance		: N				
Create Intercompany Settlements:		Y				
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT Units
PV	19 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Software Package	100.4111	100.00	AA
PV	19 02/11/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Software Package	100.4431	10.00	AA
AE	4530 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004530	100.4110		110.00- AA
Batch Total					110.00 110.00-	AA

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.

Entry and Post Examples for Purchase Orders

S Sales Tax, Non-Inventory Example

430114 Order Summary Information				
Order Number	2035	OP		
Supplier	4343	Vector Manufacturing Co		
Ship to.	1063	Modesto Warehouse #10		
<u>Description/ Item Number</u>	<u>Quantity</u>	<u>Extended Volume</u>	<u>Extended Weight</u>	<u>Extended Amount</u>
Nonstock				100.00
Total				100.00
Amount Taxable		100.00	@ 10.000 Tax	10.00
Order Total				110.00

09101 Journal Entries		Model (Y)	Reverse or Void (R/V)
Action Code	I		
Document Type	OV		
Document Number/Co	1012 00100	Explanation	Vector Manufacturing Co
G/L Date	02/09/94	Batch Number	4449
Remaining			
Skip to Line			
<u>Account No.</u>	<u>Amount</u>	<u>Explanation 2</u>	<u>P</u>
100.1105	100.00	Nonstock	
100.4111	100.00-	Nonstock	
100.1105	10.00	Nonstock	
100.4431	10.00-	Nonstock	

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Batch Type	-	O	General Ledger Post - PO Receipts				Date	2/09/94
Batch Number	-	4449						
Batch Date	-	02/09/94						
Posting Journal								
Post Out of Balance		:		N				
Create Intercompany Settlements:		:		Y				
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit		LT	Units
OV	1012 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	100.00		AA	
OV	1012 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111		100.00-	AA	
OV	1012 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	10.00		AA	
OV	1012 02/09/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	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.

Entry and Post Examples for Purchase Orders

```

04105                               Voucher Entry           Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I                               Voucher/Type/Co. 32 PV 00100
Supplier Number . 4343                             Vector Manufacturing Co
Invoice Number. . . . .                               Business Unit. . . . . 100
"      Amount. . . . . 110.00                       Payment Terms. . . . . Payment Instr_
"      Date. . . . . 02/11/94                       Company. . . . . 00100
G/L Date. . . . . 02/11/94                       P.O. Number. . . . . 2035 OP 00100
Tax Amount. . . . . 10.00                           Tax Expl Code. . . . . S
Taxable Amount. . . . . 100.00                     Tax Area . . . . . PUR1
                                                Serv/Tax Date. . . . . 02/11/94

Approver Number. _____

Remaining Amount. _____ Batch Number . . . . . 4550
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx Net Due
Itm      Amount     Amount     Amount     Area     Cd   Date
001      110.00     100.00     10.00     PUR1     S   03/13/94
    
```

```

09101                               Journal Entries       Model (Y). . . . . -
                                                Reverse or Void (R/V). -
Action Code. . . . . I
Document Type. . . . PV
Document Number/Co 32 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . Batch Number 4550
Remaining. . . . .

Skip to Line . . . . .
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
-----
100.4111         100.00              02/11/94      001
100.4431         10.00              02/11/94
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry	Date	2/11/94				
Batch Number	- 4550							
Batch Date	- 02/11/94							
Posting Journal								
Post Out of Balance : N								
Create Intercompany Settlements: Y								
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Credit	LT	Units
PV	32 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111	100.00		AA	
PV	32 02/11/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	100.4431	10.00		AA	
AE	4550 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004550	100.4110		110.00-	AA	
Batch Total					110.00	110.00-	AA	

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.

Entry and Post Examples for Purchase Orders

U Use Tax, Inventory Example

430114 Order Summary Information				
Order Number . . .	2030	OP		
Supplier	4343	Vector Manufacturing Co		
Ship to.	1063	Modesto Warehouse #10		
<u>Description/ Item Number</u>	<u>Quantity</u>	<u>Extended Volume</u>	<u>Extended Weight</u>	<u>Extended Amount</u>
Software Package	1		10.0000	100.00
Total				100.00
Amount Taxable		100.00	@ 10.000 Tax	10.00
Order Total				110.00

09101 Journal Entries			Model (Y)	Reverse or Void (R/V) . . .
Action Code	I			
Document Type . . .	OV			
Document Number/Co	1014 00100	Explanation	Vector Manufacturing Co	
G/L Date	02/09/94	Batch Number	4452	
Remaining				
Skip to Line				
<u>Account No.</u>	<u>Amount</u>	<u>Explanation 2</u>		<u>P</u>
100.1411.20A	100.00	Software Package		
100.4111	100.00-	Software Package		
100.4430.X	10.00	Software Package		
100.4431	10.00-	Software Package		

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Batch Type		- 0	General Ledger Post - PO Receipts				Date	2/09/94
Batch Number		- 4452						
Batch Date		- 02/09/94						
Posting Journal								
Post Out of Balance		: N						
Create Intercompany Settlements:		Y						
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit		LT	Units
OV	1014 02/09/94	00100	Inventory/Valley Forge, P Vector Manufacturing Co Software Package	100.1411.20A	100.00		AA	
OV	1014 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Software Package	100.4111		100.00-	AA	
OV	1014 02/09/94	00100	Other Sales/Use Tax Payab Vector Manufacturing Co Software Package	100.4430.X	10.00		AA	
OV	1014 02/09/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Software Package	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 at receipt, the entire tax amount is a debit to the 4350 (OPT) account and a credit to the 4355 (OPA) account.

Entry and Post Examples for Purchase Orders

```

04105                               Voucher Entry           Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I                               Voucher/Type/Co. 20 PV 00100
Supplier Number . 4343                             Vector Manufacturing Co
Invoice Number. . . . .                               Business Unit. . . . . 10
"      Amount. . . . . 100.00                       Payment Terms. . . . . Payment Instr
"      Date. . . . . 02/11/94                         Company. . . . . 00100
G/L Date. . . . . 02/11/94                           P.O. Number. . . . . 2030 OP 00100
Tax Amount. . . . . 10.00                             Tax Expl Code. . . . . U
Taxable Amount. . . . . 100.00                       Tax Area . . . . . PUR1
                                                    Serv/Tax Date. . . . . 02/11/94

Approver Number. . . . .

Remaining Amount. . . . .                               Batch Number . . . . . 4533
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount     Amount     Amount     Area     Cd      Date
001      100.00     100.00     10.00     PUR1     U      03/13/94
    
```

```

09101                               Journal Entries       Model (Y). . . . . -
                                                    Reverse or Void (R/V). -
Action Code. . . . . I
Document Type. . . . PV
Document Number/Co 20 00100 Explanation Vector Manufacturing Co
G/L Date . . . . .                               Batch Number 4533
Remaining. . . . .

Skip to Line . . . . .

Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
-----
100.4111         100.00             02/11/94      001
100.4431         10.00             02/11/94
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry		Date 2/11/94			
Batch Number	- 4533						
Batch Date	- 02/11/94						
Posting Journal							
Post Out of Balance		: N					
Create Intercompany Settlements:		Y					
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number Amounts Debit Credit	LT	Units
PV	20 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Software Package	100.4111	100.00		AA
PV	20 02/11/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Software Package	100.4431	10.00		AA
AE	4533 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004533	100.4110		100.00-	AA
AE	4533 02/28/94	00001	Use Tax Payable Post Offset by Batc V 00004533	1.4433.PUR1		10.00-	AA
Batch Total					110.00 110.00-		AA

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).

Entry and Post Examples for Purchase Orders

U Use Tax, Non-Inventory Example

430114 Order Summary Information				
Order Number . . .	2036	OP		
Supplier	4343	Vector Manufacturing Co		
Ship to.	1063	Modesto Warehouse #10		
<u>Description/Item Number</u>	<u>Quantity</u>	<u>Extended Volume</u>	<u>Extended Weight</u>	<u>Extended Amount</u>
Nonstock				100.00
Total				100.00
Amount Taxable		100.00	@ 10.000 Tax	10.00
Order Total				110.00

09101 Journal Entries		Model (Y)	Reverse or Void (R/V) . . .
Action Code	I		
Document Type	OV		
Document Number/Co	1015 00100	Explanation	Vector Manufacturing Co
G/L Date	02/09/94	Batch Number	4453
Remaining			
Skip to Line			
<u>Account No.</u>	<u>Amount</u>	<u>Explanation 2</u>	<u>P</u>
100.1105	100.00	Nonstock	
100.4111	100.00-	Nonstock	
100.1105	10.00	Nonstock	
100.4431	10.00-	Nonstock	

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Batch Type	- 0	General Ledger Post - PO Receipts		Date	2/09/94	
Batch Number	- 4453					
Batch Date	- 02/09/94					
Posting Journal						
Post Out of Balance		: N				
Create Intercompany Settlements:		Y				
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT Units
OV	1015 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	100.00	AA
OV	1015 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111		100.00- AA
OV	1015 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	10.00	AA
OV	1015 02/09/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	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 tax amount is a debit to the expense account from the purchase order and a credit to the 4355 (OPA) account.

Entry and Post Examples for Purchase Orders

```

04105                      Voucher Entry                      Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I
Supplier Number . . . 4343
Invoice Number. . . . .
"      Amount. . . . . 100.00
"      Date. . . . . 02/11/94
G/L Date. . . . . 02/11/94
Tax Amount. . . . . 10.00
Taxable Amount. . . . 100.00
Approver Number. . . . .

Remaining Amount. . . . . Batch Number . . . . 4551
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount     Amount     Amount     Area     Cd      Date
001      100.00      100.00      10.00     PUR1     U      03/13/94
    
```

```

09101                      Journal Entries                      Model (Y). . . . . -
Reverse or Void (R/V). . . . . -
Action Code. . . . . I
Document Type. . . . PV
Document Number/Co . . 33 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . Batch Number 4551
Remaining. . . . .

Skip to Line . . . . .
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
-----
100.4111          100.00            02/11/94      001
100.4431          10.00             02/11/94
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry	Date	2/11/94			
Batch Number	- 4551						
Batch Date	- 02/11/94						
Posting Journal							
Post Out of Balance : N							
Create Intercompany Settlements: Y							
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT	Units
PV	33 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111	100.00		AA
PV	33 02/11/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	100.4431	10.00		AA
AE	4551 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004551	100.4110		100.00-	AA
AE	4551 02/28/94	00001	Use Tax Payable Post Offset by Batc V 00004551	1.4433.PUR1		10.00-	AA
Batch Total					110.00	110.00-	AA

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).

Entry and Post Examples for Purchase Orders

V VAT, Inventory Example

430114 Order Summary Information				
Order Number	2031	OP		
Supplier	4343	Vector Manufacturing Co		
Ship to.	1063	Modesto Warehouse #10		
<u>Description/</u> <u>Item Number</u>	<u>Quantity</u>	<u>Extended</u> <u>Volume</u>	<u>Extended</u> <u>Weight</u>	<u>Extended</u> <u>Amount</u>
Software Package	1		10.0000	100.00
Total				100.00
Amount Taxable	100.00	@ 10.000	Tax	10.00
Order Total				110.00

09101 Journal Entries				Model (Y)	Reverse or Void (R/V)
Action Code	I				
Document Type	OV				
Document Number/Co	1019	00100	Explanation	Vector Manufacturing Co	
G/L Date	02/09/94		Batch Number	4455	
Remaining					
Skip to Line					
<u>Account No.</u>	<u>Amount</u>	<u>Explanation 2</u>			P
100.1411.20A	100.00	Software Package			
100.4111	100.00-	Software Package			

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Batch Type	-	O	General Ledger Post - PO Receipts				Date	2/09/94
Batch Number	-	4455						
Batch Date	-	02/09/94						
Posting Journal								
Post Out of Balance	:		N					
Create Intercompany Settlements:	Y							
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit		LT	Units
OV	1019	02/09/94	00100 Inventory/Valley Forge, P Vector Manufacturing Co Software Package	100.1411.20A	100.00		AA	
OV	1019	02/09/94	00100 Received Not Vouchered Vector Manufacturing Co Software Package	100.4111		100.00-	AA	
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.

Entry and Post Examples for Purchase Orders

```

04105                      Voucher Entry                      Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I
Supplier Number . . . 4343
Invoice Number. . . . .
"      Amount. . . . . 110.00
"      Date. . . . . 02/11/94
G/L Date. . . . . 02/11/94
Tax Amount. . . . . 10.00
Taxable Amount. . . . 100.00
Approver Number. . . . .

Remaining Amount. . . . . Batch Number . . . . 4549
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount     Amount     Amount     Area     Cd      Date
001      110.00     100.00     10.00     PUR1     V      03/13/94
    
```

```

09101                      Journal Entries                      Model (Y). . . . . -
Reverse or Void (R/V). . -
Action Code. . . . . I
Document Type. . . . PV
Document Number/Co . . 31 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . Batch Number 4549
Remaining. . . . .

Skip to Line . . . . .
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
100.4111         100.00            02/11/94         001
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry		Date	2/11/94	
Batch Number	- 4549					
Batch Date	- 02/11/94					
Posting Journal						
Post Out of Balance		: N				
Create Intercompany Settlements:		Y				
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT Units
PV	31 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Software Package	100.4111	100.00	AA
AE	4549 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004549	100.4110		110.00- AA
AE	4549 02/28/94	00100	Sales & Use Tax Payable Post Offset by Batc V 00004549	100.4433	10.00	AA
Batch Total					110.00	110.00- AA

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 PTTXTX points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen).

Entry and Post Examples for Purchase Orders

V VAT, Non-Inventory Example

430114 Order Summary Information				
Order Number . . .	2037	OP		
Supplier	4343	Vector Manufacturing Co		
Ship to.	1063	Modesto Warehouse #10		
<u>Description/ Item Number</u>	<u>Quantity</u>	<u>Extended Volume</u>	<u>Extended Weight</u>	<u>Extended Amount</u>
Nonstock				100.00
Total				100.00
Amount Taxable		100.00	@ 10.000 Tax	10.00
Order Total				110.00

09101 Journal Entries			Model (Y)	Reverse or Void (R/V) . . .
Action Code	I			
Document Type	OV			
Document Number/Co	1023 00100	Explanation	Vector Manufacturing Co	
G/L Date	02/09/94	Batch Number	4456	
Remaining				
Skip to Line				
<u>Account No.</u>	<u>Amount</u>	<u>Explanation 2</u>		<u>P</u>
100.1105	100.00	Nonstock		
100.4111	100.00-	Nonstock		

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Batch Type	-	O	General Ledger Post - PO Receipts				Date	2/09/94
Batch Number	-	4456						
Batch Date	-	02/09/94						
Posting Journal								
Post Out of Balance			: N					
Create Intercompany Settlements:			Y					
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number Amounts		LT	Units
					Debit	Credit		
OV	1023 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	100.00		AA	
OV	1023 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111		100.00-	AA	
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.

Entry and Post Examples for Purchase Orders

```

04105                               Voucher Entry           Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I                               Voucher/Type/Co. 30 PV 00100
Supplier Number . 4343                             Vector Manufacturing Co
Invoice Number. . . . .                               Business Unit. . . . . 100
"      Amount. . . . . 110.00                       Payment Terms. . . . . Payment Instr
"      Date. . . . . 02/11/94                       Company. . . . . 00100
G/L Date. . . . . 02/11/94                           P.O. Number. . . . . 2037 OP 00100
Tax Amount. . . . . 10.00                             Tax Expl Code. . . . . V
Taxable Amount. . . . . 100.00                       Tax Area . . . . . PUR1
                                                    Serv/Tax Date. . . . . 02/11/94

Approver Number. _____

Remaining Amount. _____                          Batch Number . . . . . 4548
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount     Amount     Amount     Area     Cd      Date
001      110.00     100.00     10.00     PUR1     V      03/13/94
    
```

```

09101                               Journal Entries       Model (Y). . . . . -
                                                    Reverse or Void (R/V). -
Action Code. . . . . I
Document Type. . . . PV
Document Number/Co 30 00100 Explanation Vector Manufacturing Co
G/L Date . . . . .                               Batch Number 4548
Remaining. . . . .

Skip to Line . . . _____
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
100.4111         100.00                 02/11/94         001
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry		Date 2/11/94			
Batch Number	- 4548						
Batch Date	- 02/11/94						
Posting Journal							
Post Out of Balance		: N					
Create Intercompany Settlements:		Y					
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number Amounts Debit Credit	LT	Units
PV	30 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111	100.00		AA
AE	4548 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004548	100.4110		110.00-	AA
AE	4548 02/28/94	00100	Sales & Use Tax Payable Post Offset by Batc V 00004548	100.4433	10.00		AA
Batch Total					110.00 110.00-		AA

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 PTTXTX points to (TXX is the G/L Offset field on the Tax Rate/Areas screen).

Canadian Tax Explanation Code Examples

C GST + Seller-Assessed PST (Tax on a Tax), Inventory Example

430114 Order Summary Information				
Order Number	2032	OP		
Supplier	4343	Vector Manufacturing Co		
Ship to.	1063	Modesto Warehouse #10		
Description/ Item Number	Quantity	Extended Volume	Extended Weight	Extended Amount
Software Package	1		10.0000	100.00
Total				100.00
Amount Taxable		100.00	@ 10.240 Tax	10.24
Order Total				110.24

09101 Journal Entries				Model (Y)	Reverse or Void (R/V)
Action Code	I				
Document Type	OV				
Document Number/Co	1026 00100	Explanation	Vector Manufacturing Co		
G/L Date	02/09/94	Batch Number	4458		
Remaining					
Skip to Line					
Account No.	Amount	Explanation 2	P		
100.1411.20A	100.00	Software Package			
100.4111	100.00-	Software Package			
100.4430.X	6.24	Software Package			
100.4431	6.24-	Software Package			

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General Ledger Post - PO Receipts							Date	2/09/94
Batch Type	-	O						
Batch Number	-	4458						
Batch Date	-	02/09/94						
Posting Journal								
Post Out of Balance		: N						
Create Intercompany Settlements:		Y						
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number Amounts		LT	Units
					Debit	Credit		
OV	1026	02/09/94	00100 Inventory/Valley Forge, P Vector Manufacturing Co Software Package	100.1411.20A	100.00		AA	
OV	1026	02/09/94	00100 Received Not Vouchered Vector Manufacturing Co Software Package	100.4111		100.00-	AA	
OV	1026	02/09/94	00100 Other Sales/Use Tax Payab Vector Manufacturing Co Software Package	100.4430.X	6.24		AA	
OV	1026	02/09/94	00100 Received Not Vouchered Tax Vector Manufacturing Co Software Package	100.4431		6.24-	AA	
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, debits the 4350 (OPT) account, and credits 4355 the (OPA) account.

Entry and Post Examples for Purchase Orders

```

04105                      Voucher Entry_____ Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I                      Voucher/Type/Co. _____ 29 PV 00100
Supplier Number . . . 4343                 Vector Manufacturing Co
Invoice Number. . . . .                    Business Unit. . . . . 10
"      Amount. . . . . 110.24             Payment Terms. . . . . Payment Instr_
"      Date. . . . . 02/11/94             Company. . . . . 00100
G/L Date. . . . . 02/11/94             P.O. Number. . . . . 2032 OP 00100
Tax Amount. . . . . 10.24                Tax Expl Code. . . . . C
Taxable Amount. . . . 100.00             Tax Area . . . . . PUR2
                                           Serv/Tax Date. . . 02/11/94

Approver Number. _____

Remaining Amount. _____ Batch Number . . . 4547
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount     Amount     Amount   Area     Cd      Date
001      110.24      100.00      10.24   PUR2     C      03/13/94
    
```

```

09101                      Journal Entries                      Model (Y). . . . . -
                                           Reverse or Void (R/V). -
Action Code. . . . . I
Document Type. . . . PV
Document Number/Co _____ 29 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . Batch Number 4547
Remaining. . . . .

Skip to Line . . . _____
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
-----
100.4111         100.00                02/11/94      001
100.4431         6.24                  02/11/94
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry		Date	2/11/94	
Batch Number	- 4547					
Batch Date	- 02/11/94					
Posting Journal						
Post Out of Balance		: N				
Create Intercompany Settlements:		Y				
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number Amounts Debit Credit	LT Units
PV	29 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Software Package	100.4111	100.00	AA
PV	29 02/11/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Software Package	100.4431	6.24	AA
AE	4547 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004547	100.4110		110.24- AA
AE	4547 02/28/94	00100	Sales & Use Tax Payable Post Offset by Batc V 00004547	100.4433	4.00	AA
Batch Total					110.24 110.24-	AA

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 PTTXTX points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen).

Entry and Post Examples for Purchase Orders

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		
<u>Description/ Item Number</u>	<u>Quantity</u>	<u>Extended Volume</u>	<u>Extended Weight</u>	<u>Extended Amount</u>
Nonstock				100.00
Total				100.00
Amount Taxable		100.00	@ 10.240 Tax	10.24
Order Total				110.24

09101 Journal Entries		Model (Y)	Reverse or Void (R/V) . . .
Action Code	I		
Document Type	OV		
Document Number/Co	1027 00100	Explanation	Vector Manufacturing Co
G/L Date	02/09/94	Batch Number	4459
Remaining			
Skip to Line			
<u>Account No.</u>	<u>Amount</u>	<u>Explanation 2</u>	<u>P</u>
100.1105	100.00	Nonstock	
100.4111	100.00-	Nonstock	
100.1105	6.24	Nonstock	
100.4431	6.24-	Nonstock	

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Batch Type	- 0	General Ledger Post - PO Receipts		Date	2/09/94	
Batch Number	- 4459					
Batch Date	- 02/09/94					
Posting Journal						
Post Out of Balance	: N					
Create Intercompany Settlements:	Y					
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT Units
OV	1027 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	100.00	AA
OV	1027 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111		100.00- AA
OV	1027 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	6.24	AA
OV	1027 02/09/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	100.4431		6.24- AA
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.

Entry and Post Examples for Purchase Orders

```

04105                      Voucher Entry                      Prev Voucher:
Prepayment. . . . . -
Action Code . . . . I
Supplier Number . . . 4343
Invoice Number. . . . .
"      Amount. . . . . 110.24
"      Date. . . . . 02/11/94
G/L Date. . . . . 02/11/94
Tax Amount. . . . . 10.24
Taxable Amount. . . . 100.00
Approver Number. . . . .

Voucher/Type/Co. _____ 28 PV 00100
Vector Manufacturing Co
Business Unit. . . . . 100
Payment Terms. . . . . Payment Instr
Company. . . . . 00100
P.O. Number. . . . . 2038 OP 00100
Tax Expl Code. . . . C
Tax Area . . . . . PUR2
Serv/Tax Date. . . . 02/11/94

Remaining Amount. . . . . Batch Number . . . . 4546
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount      Amount      Amount      Area      Cd      Date
001      110.24      100.00      10.24      PUR2      C      03/13/94
    
```

```

09101                      Journal Entries                      Model (Y). . . . . -
Reverse or Void (R/V). . . . . -
Action Code. . . . . I
Document Type. . . . PV
Document Number/Co _____ 28 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . Batch Number 4546
Remaining. . . . .

Skip to Line . . . . .
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
-----
100.4111      100.00      02/11/94      001
100.4431      6.24      02/11/94
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry		Date	2/11/94	
Batch Number	- 4546					
Batch Date	- 02/11/94					
Posting Journal						
Post Out of Balance : N						
Create Intercompany Settlements: Y						
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT Units
PV	28 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111	100.00	AA
PV	28 02/11/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	100.4431	6.24	AA
AE	4546 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004546	100.4110		110.24- AA
AE	4546 02/28/94	00100	Sales & Use Tax Payable Post Offset by Batc V 00004546	100.4433	4.00	AA
Batch Total					110.24 110.24-	AA

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 PTTXTX points to (TXTX is the G/L Offset field on the Tax Rate/Areas screen).

Entry and Post Examples for Purchase Orders

B GST + Self-Assessed PST (Not Tax on Tax), Inventory Example

430114 Order Summary Information

Order Number . . . 2033 OP
 Supplier . . . 4343 Vector Manufacturing Co
 Ship to. . . 1063 Modesto Warehouse #10

Description/ Item Number	Quantity	Extended Volume	Extended Weight	Extended Amount
Software Package	1		10.0000	100.00
Total				100.00
Amount Taxable		100.00	@ 10.000 Tax	10.00
Order Total				110.00

09101 Journal Entries Model (Y) -
 Reverse or Void (R/V) -

Action Code I
 Document Type . . . OY
 Document Number/Co . . . 1028 00100 Explanation Vector Manufacturing Co
 G/L Date 02/09/94 Batch Number 4460
 Remaining

Skip to Line . . . _____

Account No.	Amount	Explanation 2	P
100.1411.20A	100.00	Software Package	
100.4111	100.00-	Software Package	
100.4430.X	6.00	Software Package	
100.4431	6.00-	Software Package	

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 Batch Type - 0 General Ledger Post - PO Receipts Date 2/09/94
 Batch Number - 4460
 Batch Date - 02/09/94

Posting Journal

Post Out of Balance : N
 Create Intercompany Settlements: Y

Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Amounts Credit	LT	Units
OV	1028 02/09/94	00100	Inventory/Valley Forge, P Vector Manufacturing Co Software Package	100.1411.20A	100.00		AA	
OV	1028 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Software Package	100.4111		100.00-	AA	
OV	1028 02/09/94	00100	Other Sales/Use Tax Payab Vector Manufacturing Co Software Package	100.4430.X	6.00		AA	
OV	1028 02/09/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Software Package	100.4431		6.00-	AA	
Batch Total					106.00	106.00-	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 4350 (OPT) account and a credit to the 4355 (OPA) account.

Entry and Post Examples for Purchase Orders

04105	Voucher Entry	Prev Voucher:
Prepayment		
Action Code	I	Voucher/Type/Co. _____ 27 PV 00100
Supplier Number	4343	Vector Manufacturing Co
Invoice Number		Business Unit 10
" Amount	104.00	Payment Terms Payment Instr_
" Date	02/11/94	Company 00100
G/L Date	02/11/94	P.O. Number 2033 OP 00100
Tax Amount	10.00	Tax Expl Code B
Taxable Amount	100.00	Tax Area PUR1
		Serv/Tax Date 02/11/94
Approver Number		
Remaining Amount		Batch Number 4545
Pay	Gross	Taxable
Item	Amount	Amount
001	104.00	100.00
		Tax
		Amount
		Tax
		Area
		Cd
		Date
		Tx
		Net Due
		Date
		Cd
		Date
		Date

09101	Journal Entries	Model (Y)
		Reverse or Void (R/V)
Action Code	I	
Document Type	PV	
Document Number/Co	27 00100	Explanation <u>Vector Manufacturing Co</u>
G/L Date		Batch Number 4545
Remaining		
Skip to Line		
Account No.	Debit Amount	Credit Amount
100.4111	100.00	G/L Date Sfx
100.4431	6.00	02/11/94 001
		02/11/94

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Batch Type - V	General Ledger Post - Voucher Entry	Date 2/11/94				
Batch Number - 4545						
Batch Date - 02/11/94						
Posting Journal						
Post Out of Balance : N						
Create Intercompany Settlements: Y						
Do Document	G/L Co	Account Description	G/L Account	Amounts	LT	Units
Ty	Date	Explanation	Subldgr-Ty/Asset Number	Debit Credit		
PV	27 02/11/94	00100 Received Not Vouchered Vector Manufacturing Co Software Package	100.4111	100.00		AA
PV	27 02/11/94	00100 Received Not Vouchered Tax Vector Manufacturing Co Software Package	100.4431	6.00		AA
AE	4545 02/28/94	00100 Accounts Payable-Trade Post Offset by Batc V 00004545	100.4110		104.00-	AA
AE	4545 02/28/94	00100 Sales & Use Tax Payable Post Offset by Batc V 00004545	100.4433	4.00		AA
AE	4545 02/28/94	00001 Use Tax Payable Post Offset by Batc V 00004545	1.4433.PUR1		6.00-	AA
Batch Total				110.00	110.00-	AA

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 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 PT_... points to (business unit and object) plus the subsidiary account that identifies the tax rate/area (PUR1).

Entry and Post Examples for Purchase Orders

B GST + Self-Assessed PST (Not Tax on Tax), Non-Inventory Example

430114 Order Summary Information

Order Number . . . 2039 OP
 Supplier . . . 4343 Vector Manufacturing Co
 Ship to. . . 1063 Modesto Warehouse #10

Description/ Item Number	Quantity	Extended Volume	Extended Weight	Extended Amount
Nonstock				100.00
Total				100.00
Amount Taxable		100.00	@ 10.000 Tax	10.00
Order Total				110.00

09101 Journal Entries Model (Y) -
 Reverse or Void (R/V) -

Action Code I
 Document Type . . . OV
 Document Number/Co . . . 1029 00100 Explanation Vector Manufacturing Co
 G/L Date 02/09/94 Batch Number 4461
 Remaining

Skip to Line . . . _____

Account No.	Amount	Explanation 2	P
100.1105	100.00	Nonstock	
100.4111	100.00-	Nonstock	
100.1105	6.00	Nonstock	
100.4431	6.00-	Nonstock	

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 Batch Type - 0 General Ledger Post - PO Receipts Date 2/09/94
 Batch Number - 4461
 Batch Date - 02/09/94

Posting Journal

Post Out of Balance : N
 Create Intercompany Settlements: Y

Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit	Amounts Credit	LT	Units
OV	1029 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	100.00		AA	
OV	1029 02/09/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111		100.00-	AA	
OV	1029 02/09/94	00100	Nonstock Vector Manufacturing Co Nonstock	100.1105	6.00		AA	
OV	1029 02/09/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	100.4431		6.00-	AA	
Batch Total					106.00	106.00-	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 PST. The tax amount is a debit to the expense account from the purchase order and a credit to the 4355 (OPA) account.

Entry and Post Examples for Purchase Orders

```

04105                      Voucher Entry                      Prev Voucher:
Prepayment . . . . . -
Action Code . . . . . I
Supplier Number . . . . . 4343
Invoice Number . . . . .
"      Amount . . . . . 104.00
"      Date . . . . . 02/11/94
G/L Date . . . . . 02/11/94
Tax Amount . . . . . 10.00
Taxable Amount . . . . . 100.00
Approver Number . . . . .

Remaining Amount . . . . . Batch Number . . . . . 4543
. . . . . Payment Schedule . . . . .

Pay      Gross      Taxable      Tax      Tax      Tx      Net Due
Itm      Amount     Amount     Amount     Area     Cd      Date
001      104.00     100.00     10.00     PUR1     B      03/13/94
    
```

```

09101                      Journal Entries                      Model (Y) . . . . . -
Reverse or Void (R/V) . . . . . -
Action Code . . . . . I
Document Type . . . . . PV
Document Number/Co . . . . . 26 00100 Explanation Vector Manufacturing Co
G/L Date . . . . . Batch Number 4543
Remaining . . . . .

Skip to Line . . . . .
Account No.      Debit Amount      Credit Amount      G/L Date      Sfx
-----
100.4111         100.00             02/11/94      001
100.4431         6.00               02/11/94
    
```

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Batch Type	- V	General Ledger Post - Voucher Entry		Date	2/11/94	
Batch Number	- 4543					
Batch Date	- 02/11/94					
Posting Journal						
Post Out of Balance : N						
Create Intercompany Settlements: Y						
Do Document Ty	G/L Date	Co	Account Description Explanation	G/L Account Subldgr-Ty/Asset Number	Amounts Debit Credit	LT Units
PV	26 02/11/94	00100	Received Not Vouchered Vector Manufacturing Co Nonstock	100.4111	100.00	AA
PV	26 02/11/94	00100	Received Not Vouchered Tax Vector Manufacturing Co Nonstock	100.4431	6.00	AA
AE	4543 02/28/94	00100	Accounts Payable-Trade Post Offset by Batc V 00004543	100.4110		104.00- AA
AE	4543 02/28/94	00100	Sales & Use Tax Payable Post Offset by Batc V 00004543	100.4433	4.00	AA
AE	4543 02/28/94	00001	Use Tax Payable Post Offset by Batc V 00004543	1.4433.PUR1		6.00- AA
Batch Total					110.00	110.00- AA

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.

Entry and Post Examples for Purchase Orders

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 PT_... points to (business unit and object) plus the subsidiary account that identifies the tax rate/area (PUR1).

Guidelines

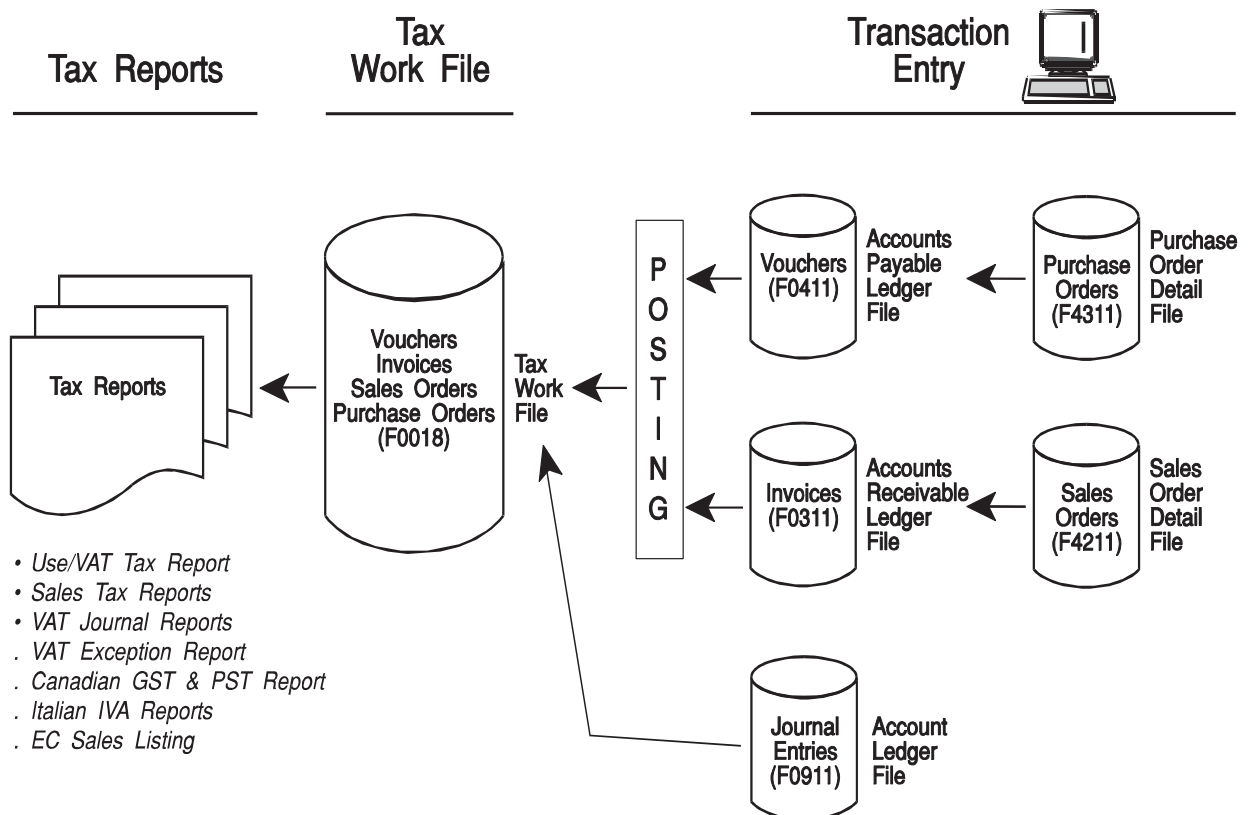
- B and C Tax Explanation Codes (for Canada). Even though these codes have the same distribution amounts, notice that the system posts them differently. B posts the PST amount to a payables account and C does not. This is because self-assessed PST is not included in the invoice amount for the B tax explanation 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.



Posting A/P vouchers, A/R invoices, purchase orders, and sales orders updates the appropriate system files and the Tax Work file. The Journal Entry with VAT Tax program updates the Tax Work file with journal entries. Tax reports reflect information in the Tax Work file. Corrections to the Tax Work file correct the tax reports.

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
Action Code. . . . I
Doc Nbr/Typ/Co . . . 1827 SO ____
Document Suffix. . . 000
Line Number. . . . 3.000

Company. . . . . 00040           A Model Distribution Company
Business Unit. . . . 10
Object Account . . . ____
Subsidiary . . . . ____

Address Number . . . 4242           Office Systems Service Co
Tax Expl Code. . . . V             Value Added (input) Tax
Tax Rate/Area. . . . AREA1         7% + 8% (not tax on tax)
Tax Point Date . . . 06/15/98
G/L Date . . . . . 06/15/98

Taxable Amount . . . 1000.00
Tax Amount . . . . . 150.00
Non-Taxable Amount _____
Extended Cost. . . . 1150.00

F24=More Keys
```

FIELD	EXPLANATION
Document Number	The number that identifies an original document. This can be a voucher, an invoice, unapplied cash, a journal entry number, and so on.
Document Type	<p>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.)</p> <p>The following document types are defined by J.D. Edwards and should not be changed:</p> <ul style="list-style-type: none"> 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	<p>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.</p> <p>NOTE: You can use company 00000 for default values, such as dates and automatic accounting instructions (AAIs). You cannot use it for transaction entries.</p>

FIELD	EXPLANATION
Business Unit	<p>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.</p> <p>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.</p> <p>Business unit security can prevent you from locating business units for which you have no authority.</p> <p>NOTE: The system uses this value for Journal Entries if a value is not entered in the AAI table.</p>
Object Account	<p>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.</p>
Subsidiary	<p>A subdivision of an object account. Subsidiary accounts include more detailed records of the accounting activity for an object account.</p>
Address Number	<p>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).</p>
Tax Explanation Code	<p>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.</p> <p>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.</p> <p>..... <i>Form-specific information</i></p> <p>Codes B and C are used in Canada. They can be assessed as a tax on a tax.</p>
Tax Point Date	<p>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.</p>

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.
Taxable Amount	The amount on which taxes are assessed.
Tax Amount	This is the amount assessed and payable to tax authorities. It is the total of the VAT, use, and sales taxes (PST).
Non-Taxable Amount	This identifies the amount upon which taxes are not assessed. This is the portion of the transaction not subject to sales, use, or VAT taxes because the products are tax-exempt or zero-rated.
Extended Cost	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.

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 uses 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 (G00211), 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 (G00211), select Direct Extra Tax File Adjust.

Screen and Fields

```

0018T                                Direct Extra Tax File Adjust.

Action Code. . . . . _
Order Number . . . . . _____
Order Suffix . . . . . _____
Line Number. . . . . _____
Payment # (Purch). . . _____

Country of Origin. . ____
Original Country of. ____
Region of Origin or. ____
Mode of Trn. . . . . _
Conditions of Transp ____
Nature of Transactio ____

Branch/Plant _____
Commodity Code . . . _____
Net Mass in KG . . . _____
Suppl U/M Units. . . _____
Taxable Amount . . . _____
Stat. Value Amount . _____

Invoice Date . . . . . _____
Port of Entry/Exit . _____
Nature of VAT Regime ____
Nature Code. . . . . _
Process Indicator. . . _
Transport Extension. _

F24=More Keys
    
```

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

Process Indicator	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.
Nature Code	A field required for reporting in some EC member states. The system does not supply the values. They must be entered manually, if needed.
Commodity Code	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.
Statistical Value	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.

European Community Activities

Nature of Transaction	Defines whether the movement of goods is for sale, lease, and so on. For EC VAT reporting, you can input the code using one of the user defined codes on Sales or Purchase Order Details. Use S1 and S5 for Sales. Use P1 and P5 for Purchases. Because you can use any of the category codes, the F1 inquiry feature on Extra Tax File Updates uses an alternate user defined code. UDC 00/NT should contain the Nature of Transaction code that you are using. Therefore, when you are reviewing or changing information, you can use F1 to view the allowable values.
Nature of VAT Regime	A code similar to the Nature of Transaction code, applicable to certain countries, such as France. The system does not supply this information. The codes should be entered using the maintenance program.
Net Mass in KG	Specifies the item weight.
Supplementary Unit of Measure	A total of the secondary unit of measure when the net mass in kilograms is zero.
Conditions of Transport	A one-character field used to define the conditions of transport, also known as the terms of delivery. To access the required three-character explanation for EC reporting, use the second explanation of the user defined code 42/FR. To access F1, enter 00/TC. The F1 function is valuable when reviewing or maintaining the information on Extra Tax File. It is difficult to use this form without allowed values and explanations. As a result, you must maintain the second explanation of F1 and 00/TC with correct information.
COTX	A one-character field used to provide further explanation of the conditions of transport, used in certain countries, such as France.
Port of Exit or Entry	Certain countries require information on the port of exit or entry. The system does not supply this information. You must enter it manually.

Mode of Transport	<p>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.</p> <p>Codes for mode of transport:</p> <ul style="list-style-type: none"> 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	<p>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.</p>
Original Country of Origin	<p>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.</p>

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
    
```

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:

<u>Order Number</u>	<u>Order Type</u>	<u>Pay Item</u>	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Tax</u>
123	PV	001	500	0	50
123	PV	002	2000	0	200

F0911:

<u>Document Number</u>	<u>Doc Type</u>	<u>Pay Item</u>	<u>Account</u>	<u>Amount</u>
123	PV	001	1111-1	200
123	PV	001	2222-2	300
123	PV	002	3333-3	500
123	PV	002	4444-4	600
123	PV	002	5555-5	900

F00189:

<u>Document Number</u>	<u>Doc Type</u>	<u>Pay Item</u>	<u>Account</u>	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Tax</u>
123	PV	001	1111-1	200	0	20
123	PV	001	2222-2	300	0	30
123	PV	002	3333-3	500	0	50
123	PV	002	4444-4	600	0	60
123	PV	002	5555-5	900	0	90

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 ($.40 \times 50 = 20$)
Account 2222-2 has \$30 tax ($.60 \times 50 = 30$)

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:

<u>Order Number</u>	<u>Order Type</u>	<u>Pay Item</u>	<u>Taxable</u>	<u>Non-Taxable</u>	<u>Tax</u>
2794	RI	000	1000	0	90
2794	RI	001	2000	0	180
2794	RI	002	3000	0	270

F0911:

<u>Document Number</u>	<u>Doc Type</u>	<u>Pay Item</u>	<u>Account</u>	<u>Amount</u>
2794	RI	000	1111-1	800
2794	RI	001	2222-2	1200
2794	RI	001	3333-3	1000
2794	RI	002	4444-4	2000
2794	RI	002	1111-1	900
2794	RI	002	2222-2	100

F00189:

<u>Document Number</u>	<u>Doc Type</u>	<u>Pay Item</u>	<u>Account</u>	<u>Taxable</u>	<u>Tax</u>	<u>Unbal Taxable</u>	<u>Unbal Tax</u>
2794	RI	000	1111-1	800	72		
2794	RI	000				200	18
2794	RI	001	2222-2	1200	108		
2794	RI	001	3333-3	800	72	200	
2794	RI	002	4444-4	2000	180		
2794	RI	002	1111-1	900	81		
2794	RI	002	2222-2	100	9		

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.

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.

00189		J.D. Edwards & Company						Page - 1
								Date - 2/22/94
The following records from Consumption Tax work file F00189 are out of balance								
Or Ty	Order Number	Pay Itm	Taxable Amount	Non-Taxable Amount	Tax Amount	Un-Balanced Taxable	Un-Balanced Tax	G/L Date
RI	321654	01218 000	88.30-		11.70-	11.70-		05/01/94
		From F0911		Business Unit.	1218	Obj. . . 1215	Sub. . .	
RI	321654	01218 001	132.45-		17.55-	17.55-		05/01/94
		From F0911		Business Unit.	1218	Obj. . . 1218	Sub. . .	
RI	321654	01218 002	176.60-		23.40-	23.40-		05/01/94
		From F0911		Business Unit.	1218	Obj. . . 1222	Sub. . .	
RI	321654	01218 003	44.15-		5.85-	5.85-		05/01/94
		From F0911		Business Unit.	1218	Obj. . . 1224	Sub. . .	

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*.

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:

Month	01
Day	31
Year	01
Century	20
System Date	01/31/01
Month Name	January
Date Text	January 31, 2001

Tax Reports

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 defined 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.

- **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

0018P	J.D. Edwards & Company		Page	-	2	
99993 - A Model Company	Tax Detail Report		Date	-	2/28/94	
. . . Tax Area . . .						
Rate Code	Description	Gross Amount	Taxable Amount	Tax	. . . Document Dates . . .	T Address
					Number Ty Co. Itm Service G/L Ex O	Number
ONT1	GST/PST, 2% Non R	267.50-	250.00-	17.50-	26 RI 99993 000 02/28/94 02/28/94 C	2727
	Tax Rate/Area. .	267.50-	250.00-	17.50-		
ONT	GST/PST Tax on Ta	110.21-	100.00-	10.21-	25 RI 99993 000 02/28/94 02/28/94 C	2727
	Tax Rate/Area. .	110.21-	100.00-	10.21-		
CO	Colorado State &	5,885.00-	5,500.00-	385.00-	21 RI 99993 000 02/25/94 02/25/94 S	2727
CO	Colorado State &	2,675.00-	2,500.00-	175.00-	24 RI 99993 000 02/28/94 02/28/94 S	2727
	Tax Rate/Area. .	8,560.00-	8,000.00-	560.00-		
CAN	GST/PST Tax	222.00-	200.00-	22.00-	23 RI 99993 000 02/28/94 02/28/94 C	2727
	Tax Rate/Area. .	222.00-	200.00-	22.00-		
BE14	Belgium - VAT Rat	176.25-	150.00-	26.25-	22 RI 99993 000 02/25/94 02/25/94 V	4001
	Tax Rate/Area. .	176.25-	150.00-	26.25-		
	Invoice	9,335.96-	8,700.00-	635.96-		
ONT1	GST/PST, 2% Non R	2,195.29	2,110.86	147.76	15 PV 99993 001 02/28/94 02/28/94 B	2727
	Tax Rate/Area. .	2,258.62	2,110.86	147.76		
CO	Colorado State &	1,007.75			16 PV 99993 001 02/28/94 02/28/94 E	2727
					Non-Taxable Amount -	1,007.75
CO	Colorado State &	107.00	100.00	7.00	1 PV 99993 001 02/25/94 02/25/94 S	2727
CO	Colorado State &	150.05	150.05	10.50-	10 PV 99993 001 02/25/94 02/25/94 U	2727
CO	Colorado State &	251.10	248.59	17.40-	13 PV 99993 001 02/28/94 02/28/94 U	2727
	Tax Rate/Area. .	1,485.49	498.64	20.90-	Total Non-Taxable -	1,007.75
CAN	GST/PST Tax	2,140.46	1,981.72	217.99	12 PV 99993 001 02/28/94 02/28/94 B	1002
					Non-Taxable Amount -	20.02
	Tax Rate/Area. .	2,219.73	1,981.72	217.99	Total Non-Taxable -	20.02
BE15	VAT Rate - Tax on	472.43	402.07	70.36	14 PV 99993 001 02/28/94 02/28/94 V	2727
	Tax Rate/Area. .	472.43	402.07	70.36		
BE14	Belgium - VAT Rat	235.20	200.17	35.03	11 PV 99993 001 02/25/94 02/25/94 V	2014
	Tax Rate/Area. .	235.20	200.17	35.03		
	Voucher	6,671.47	5,193.46	450.24	Total Non-Taxable -	1,027.77
	A Model Company	2,664.49-	3,506.54-	185.72-	Total Non-Taxable -	1,027.77
	Grand Total	2,664.49-	3,506.54-	185.72-	Total Non-Taxable -	1,027.77

Note that an * (asterisk) in the TO (Tax Override) field indicates that VAT/GST has been overridden.

Summary Report

0018P1	J.D. Edwards & Company		Page	-	2		
99993 - A Model Company	Tax Summary Report		Date	-	2/28/94		
. . . Tax Area . . .							
Rate Code	Description	Gross Amount	Taxable Amount	Tax	Non-Taxable Amt	Ex	Tax Variance Amount
ONT1	GST/PST, 2% Non Recoverable		250.00-	17.50-			
	GST/PST, 2% Non Recoverable	267.50-	250.00-	17.50-			
ONT1	GST/PST, 2% Non Recoverable		100.00-	10.21-		C	
	GST/PST Tax on Tax	110.21-	100.00-	10.21-			
ONT	GST/PST Tax on Tax		5,500.00-	385.00-		C	
CO	Colorado State & Regional Tax		2,500.00-	175.00-		S	
	Colorado State & Regional Tax	8,560.00-	8,000.00-	560.00-			
CO	Colorado State & Regional Tax		200.00-	22.00-		S	
	GST/PST Tax	222.00-	200.00-	22.00-			
CAN	GST/PST Tax		150.00-	26.25-		C	
	Belgium - VAT Rate	176.25-	150.00-	26.25-			
	Invoice	9,335.96-	8,700.00-	635.96-			
BE14	Belgium - VAT Rate		2,110.86	147.76		V	
	GST/PST, 2% Non Recoverable	2,258.62	2,110.86	147.76			
ONT1	GST/PST, 2% Non Recoverable				1,007.75	B	
CO	Colorado State & Regional Tax		100.00	7.00		E	
CO	Colorado State & Regional Tax		150.05	10.50-		S	
CO	Colorado State & Regional Tax		248.59	17.40-		U	
	Colorado State & Regional Tax	1,485.49	498.64	20.90-	1,007.75		
CO	Colorado State & Regional Tax		1,981.72	217.99	20.02	U	
	GST/PST Tax	2,219.73	1,981.72	217.99	20.02		
CAN	GST/PST Tax		402.07	70.36		B	
	VAT Rate - Tax on Tax	472.43	402.07	70.36			
BE15	VAT Rate - Tax on Tax		200.17	35.03		V	
BE14	Belgium - VAT Rate		1,007.75	185.00		V	8.64
	Belgium - VAT Rate	1,427.95	1,207.92	220.03			8.64
	Voucher	7,864.22	6,201.21	635.24	1,027.77		8.64
	A Model Company	1,471.74-	2,498.79-	.72-	1,027.77		8.64
	Grand Total -	1,471.74-	2,498.79-	.72-	1,027.77		8.64

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

Tax Auth	Description/Rate	Sales/Returns	Taxable/Non-Taxable	Tax Exempt	Tax Amount

1001	J.D Edwards & Company 5.000	3,695.00	3,500.00		150.00
	Tax Authority	3,695.00	3,500.00		150.00

1002	Edwards & Edwards 3.000	3,680.00	5,000.00	1,500.00	105.00
	Tax Authority	3,680.00	5,000.00	1,500.00	105.00

	Employee, Oregon	7,375.00	8,500.00	1,500.00	255.00

	A Model Distribution Company	7,375.00	8,500.00	1,500.00	255.00

	Grand Total -	7,375.00	8,500.00	1,500.00	255.00

Sales Tax Reports

Sales/VAT Tax Detail Report by Company

Tax Area		Ex	Taxable Amount	Tax	Non-Taxable Tax-Exempt	Document Ty	Number	Itm	Company	Dates GL/Srvc	Trans	Address Number
0018P2 J.D. Edwards & Company Page - 3 Sales/VAT Tax Detail Report Date - 2/28/94 99993 - A Model Company By Company												
CO	7.000	U Self-Asses	150.05	10.50-		PV	10	001	99993	02/25/94	02/25/94	2727
CO	7.000	U Self-Asses	248.59	17.40-		PV	13	001	99993	02/28/94	02/28/94	2727
Tax Rate/Area.			498.64	20.90-								
					1,007.75							
CAN	11.000	B Value Adde	1,981.72	217.99	20.02	PV	12	001	99993	02/28/94	02/28/94	1002
Tax Rate/Area.			1,981.72	217.99	20.02							
BE15	17.500	V Value Adde	402.07	70.36		PV	14	001	99993	02/28/94	02/28/94	2727
Tax Rate/Area.			402.07	70.36								
BE14	17.500	V Value Adde	200.17	35.03		PV	11	001	99993	02/25/94	02/25/94	2014
BE14	17.500	V Value Adde	1,007.75	185.00		PV	19	001	99993	02/28/94	02/28/94	2727
Tax Rate/Area.			1,207.92	220.03								
Voucher			6,201.21	635.24	20.02							
					1,007.75							
A Model Company			9,498.79-	590.72-	20.02							
					1,007.75							
Grand Total -			9,498.79-	590.72-	20.02							
					1,007.75							

Sales/VAT Tax Authority Report by Sales Order

Order No	Tax Authority / Rate	Sales/Returns	Taxable/Non-Taxable	Tax Exempt	Tax Amount
0018P5					
SALES/VAT Tax Authority Report					
J.D Edwards & Company					
Detail by Sales Order					
J.D Edwards & Company					
Date - 6/10/92					
Page - 2					
28433	J.D Edwards & Company 5.000	1,050.00	1,000.00		50.00
28450	J.D Edwards & Company 5.000	525.00	500.00		25.00
28468	J.D Edwards & Company 5.000	1,080.00	1,000.00		50.00
28476	J.D Edwards & Company 5.000	540.00	500.00		25.00
28484	J.D Edwards & Company 5.000	500.00	500.00		
Tax Authority		3,695.00	3,500.00		150.00

Order No	Tax Authority / Rate	Sales/Returns	Taxable/Non-Taxable	Tax Exempt	Tax Amount
0018P5					
SALES/VAT Tax Authority Report					
Edwards & Edwards					
Detail by Sales Order					
J.D. Edwards & Company					
Date - 6/10/92					
Page - 3					
28468	Edwards & Edwards 3.000	1,080.00	1,000.00		30.00
28476	Edwards & Edwards 3.000	540.00	500.00		15.00
28484	Edwards & Edwards 3.000		500.00	500.00	
28492	Edwards & Edwards 3.000	1,030.00	1,000.00		30.00
28505	Edwards & Edwards 3.000	1,030.00	1,000.00		30.00
28513	Edwards & Edwards 3.000		1,000.00	1,000.00	
Tax Authority		3,680.00	5,000.00	1,500.00	105.00
Employee, Oregon		7,375.00	8,500.00	1,500.00	255.00
A Model Distribution Company		7,375.00	8,500.00	1,500.00	255.00
Grand Total -		7,375.00	8,500.00	1,500.00	255.00

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.

J.D. Edwards & Company
VAT Journal

00320
Company 00000 J.D. Edwards & Company
VAT Registration Number

From Document Number	To Document Number	Batch Number	G/L	Date	Address Number	Name	Gross Amount	Taxable Amount	Total VAT Amount	French Area Tax/Taxable	French Area Tax/Taxable
3 PV	26093 V	08/05/98		7002	JDE France		88,000.00	78,571.43	9,428.57		78,571.43
4 PV	26093 V	08/05/98		7002	JDE France		9,900.00	8,319.33	1,580.67	8,319.33	
5 PV	26093 V	08/06/98		7002	JDE France		45,600.00	38,319.33	7,280.67	38,319.33	
6 PV	26093 V	08/06/98		7004	European Motors		7,890.00	7,044.64	845.36	7,044.64	
7 PV	26093 V	08/07/98		7004	European Motors		123,456.45	103,744.92	19,711.53	103,744.92	
8 PV	26093 V	08/07/98		7004	European Motors		7,897,878.90	6,636,873.03	1,261,005.87	6,636,873.03	
9 PV	26093 V	08/08/98		7005	De Vydt S.A./N.V.		454,560.00	405,857.14	48,702.86		405,857.14
10 PV	26093 V	08/09/98		7005	De Vydt S.A./N.V.		789,000.00	663,025.21	125,974.79	663,025.21	
11 PV	26093 V	08/09/98		7005	De Vydt S.A./N.V.		7,894,560.00	6,634,084.03	1,260,475.97	6,634,084.03	
12 PV	26098 V	08/05/98		7002	JDE France		88,000.00	78,571.43	9,428.57		
13 PV	26098 V	08/05/98		7002	JDE France		9,900.00	8,319.33	1,580.67	8,319.33	
14 PV	26098 V	08/06/98		7002	JDE France		45,600.00	38,319.33	7,280.67	38,319.33	
15 PV	26098 V	08/06/98		7004	European Motors		7,890.00	7,044.64	845.36	7,044.64	
16 PV	26098 V	08/07/98		7004	European Motors		123,456.45	103,744.92	19,711.53	103,744.92	
17 PV	26098 V	08/07/98		7004	European Motors		7,897,878.90	6,636,873.03	1,261,005.87	6,636,873.03	
18 PV	26098 V	08/08/98		7005	De Vydt S.A./N.V.		454,560.00	405,857.14	48,702.86		405,857.14
19 PV	26098 V	08/09/98		7005	De Vydt S.A./N.V.		789,000.00	663,025.21	125,974.79	663,025.21	
20 PV	26098 V	08/09/98		7005	De Vydt S.A./N.V.		7,894,560.00	6,634,084.03	1,260,475.97	6,634,084.03	
21 PV	26098 V	08/09/98		7005	De Vydt S.A./N.V.		35,410,690.70	29,814,703.33	5,595,987.37	29,330,544.76	484,158.57
Voucher											
146 RI	26080 I	08/01/98		7001	JDE Europe		100.00	89.29	10.71	89.29	
147 RI	26080 I	08/01/98		7001	JDE Europe		200.00	168.07	31.93	168.07	
148 RI	26080 I	08/01/98		7001	JDE Europe		300.00	252.10	47.90	252.10	
149 RI	26080 I	08/02/98		7003	Eurmart		4,480.00	4,000.00	480.00	4,000.00	
150 RI	26080 I	08/02/98		7003	Eurmart		5,950.00	5,000.00	950.00	5,000.00	
151 RI	26080 I	08/02/98		7003	Eurmart		5,950.00	5,000.00	950.00	5,000.00	
152 RI	26080 I	08/02/98		7006	International Tra		5,950.00	5,000.00	950.00	5,000.00	
153 RI	26080 I	08/02/98		7007	International Ent		5,950.00	5,000.00	950.00	5,000.00	
154 RI	26080 I	08/02/98		7007	International Ent		67,200.00	60,000.00	7,200.00	60,000.00	
155 RI	26080 I	08/02/98		7006	International Tra		83,300.00	70,000.00	13,300.00	70,000.00	
Invoice											
							179,380.00	154,509.46	24,870.54	94,509.46	60,000.00
A Model Multi-National Company											
							35,231,310.70	29,660,193.87	5,571,116.83	29,235,756.40	424,428.57

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

Tax Rate		BE14		Belgium - VAT Rate					
Document Number	Document Tp/ Co.	Expl Code	G/L Date	Taxable Amount	VAT Amount	Calculated VAT	Variance Amount	Variance %	
11	PV 99993	V	02/25/94	200.17	35.03	35.03			
22	RI 99993	V	02/25/94	150.00-	26.25-	26.25-			
19	PV 99993	V	02/28/94	1,007.75	185.00	176.36	8.64	.8	
Tax Rate/Area				1,057.92	193.78	185.14	8.64		

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.

Canadian GST and PST Tax Reports

Report

Document Number		Do Ty	Co.	Itm	G/L	Ex Date	Co	Taxable Amount	Non-Taxable Tax-Exempt	Tax	GST	Self Assessment Tax	Sales Tax
0018P8													
J.D. Edwards & Company GST and PST Tax Report										Page - . . . 3 Date - . . . 2/28/94			
Address Number 1002													
12	PV	99993	001	02/28/94	B			1,981.72	20.02	217.99	138.72	79.27-	
Value Added + Self-Assess								1,981.72	20.02	217.99	138.72	79.27-	
Edwards & Edwards								1,981.72	20.02	217.99	138.72	79.27-	
Address Number 2014													
11	PV	99993	001	02/25/94	V			200.17		35.03	35.03		
Value Added (input) Tax								200.17		35.03	35.03		
Action Energy								200.17		35.03	35.03		
Address Number 2727													
15	PV	99993	001	02/28/94	B			2,110.86		147.76	82.74	63.33-	
Value Added + Self-Assess								2,110.86		147.76	82.74	63.33-	
23	RI	99993	000	02/28/94	C			200.00-		22.00-	14.00-		8.00-
25	RI	99993	000	02/28/94	C			100.00-		10.21-	7.00-		3.21-
26	RI	99993	000	02/28/94	C			250.00-		17.50-	9.80-		7.50-
Value Added + Sales Tax								550.00-		49.71-	30.80-		18.71-
16	PV	99993	001	02/28/94	E				1,007.75				
Value Added Tax Exempt									1,007.75				
1	PV	99993	001	02/25/94	S			100.00		7.00			7.00
21	RI	99993	000	02/25/94	S			5,500.00-		385.00-			385.00-
24	RI	99993	000	02/28/94	S			2,500.00-		175.00-			175.00-
Sales or VAT (output) Tax								7,900.00-		553.00-			553.00-
10	PV	99993	001	02/25/94	U			150.05		10.50		10.50-	
13	PV	99993	001	02/28/94	U			248.59		17.40		17.40-	
Self-Assessment (use) Tax								398.64		27.90		27.90-	
14	PV	99993	001	02/28/94	V			402.07		70.36	70.36		
Value Added (input) Tax								402.07		70.36	70.36		
Acme Drilling								5,538.43-	1,007.75	356.69-	122.30	91.23-	571.71-
Address Number 4001													
22	RI	99993	000	02/25/94	V			150.00-		26.25-	26.25-		
Value Added (input) Tax								150.00-		26.25-	26.25-		
Ready Mix Co								150.00-		26.25-	26.25-		
Grand Total								3,506.54-	1,027.77	129.92-	269.80	170.50-	571.71-

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.

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

0018S	J.D. Edwards & Company EC Sales Listing		Page - 2 Date - 2/28/94
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 :			
Line Number	Country of Destination	Customers of VAT Registration Number	Sales Amount in local Currency
1	FR	123-456-789-0123	15,550.00-
2			150.00-
A Model Company			15,700.00-
Grand Total			15,700.00-

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 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 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).

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

0018I	J.D. Edwards & Company		Page -	2
	EEC Intrastat Tax Report		Date -	2/28/94
	Sales Transactions			
VAT Registration Number : 84-0745393				
Company	: 99993	A Model Manufacturing Company	Reporting Period : 06 / 98	
		Avenue Louise, 480		
		1050 Brussels	BE	
Branch ID	:			
Telephone	:	32 2 647 0800		
Telefax	:	32 2 647 7992		

Line Number	Commodity Code	Country Orig or Destn	Nature of Trans.	Cond of Tran	Mode of Tran	Country of orig.	Values in local currency	Net Mass in KG	Supplemental Units	Statistical Value	VAT Type	Port Exit Entry
1	0208 10 100	FR	10	FOB	3	BE	5,500.00	1,375.0000				
2	0208 10 100	GB	10	FOB	3	BE	150.00	37.5000				
3	0210 11 310	FR	10	FOB	3	BE	200.00	50.0000				
4	2008 20710	DE	10	FOB	3	BE	2,500.00	625.0000				
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.

Telephone 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	<p>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 <i>Modify Commodity Codes for EC</i> in the chapter <i>European Community Setup</i>.</p> <p>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.</p>				
Country Orig or Destn (Country of Origin or Destination/Dispatch)	<p>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.</p>				
Nature of Trans (Nature of Transaction)	<p>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.</p>				
Cond of Tran (Conditions of Transport)	<p>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 <i>Modify Commodity Codes (Add Conditions of Transport)</i> and <i>Example for Conditions of Transport and Modes of Transport</i> in the chapter <i>European Community Setup</i>.</p>				
Transport Indicator (not labeled on the report)	<p>Code that indicates the status of the goods. This field is required for some countries. Values are:</p> <table style="margin-left: 40px;"> <tr> <td>1</td> <td>Work in process</td> </tr> <tr> <td>0</td> <td>Finished goods</td> </tr> </table> <p>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.</p>	1	Work in process	0	Finished goods
1	Work in process				
0	Finished goods				
Mode of Tran (Mode of Transport)	<p>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 <i>Modify Commodity Codes (Add Conditions of Transport)</i> and <i>Example for Conditions of Transport and Modes of Transport</i> in the chapter <i>European Community Setup</i>.</p>				

Country Orig Origin (Country of Original Origin)	<p>Field that identifies the country in which the goods originated. This information is from the Item Master file (F4101).</p> <p>NOTE: You maintain this information on the Branch/Plant Item Information screen (on menu A411).</p>
Values in local currency	<p>Number that identifies the value of the transaction in local currency. This is the invoice price excluding VAT.</p> <p>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.</p> <p>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.</p>
Net Mass in KG (Quantity in Kilos)	<p>Quantity specified in the receiver details for purchase orders and in the sales order detail for sales orders. This information is from the Item Master file (F4101) which contains weights and measures information.</p> <p>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).</p>
Supplemental Units (2nd quantity measure)	<p>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.</p>
Statistical Value	<p>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.</p> <p>You specify this information with the Direct Extra Tax File Adjustment screen described in the chapter <i>European Community Activities</i>. The batch programs do not upload this information from the Sales Order and Purchase Management systems.</p>

VAT Type (Regime Code)	<p>Code that is similar to the Nature of Transaction code. This information is required only for France.</p> <p>You specify this information with the Direct Extra Tax File Adjustment screen described in the chapter <i>European Community Activities</i>. The batch programs do not upload this information from the Sales Order and Purchase Management systems.</p>
Port Exit Entry (Port of Exit or Entry)	<p>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.</p> <p>You specify this information with the Direct Extra Tax File Adjustment screen described in the chapter <i>European Community Activities</i>. The batch programs do not upload this information from the Sales Order and Purchase Management systems.</p>
Region Orig or Destn (Region Origin or Destination)	<p>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.</p>
Customers VAT Registration	<p>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.</p>
Traders Reference	<p>Document number (such as sales order number or purchase order number) that the system assigns. This information is required for some countries.</p>

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.

Belgian Format Intrastat Report

There are two versions of this report. One is for imports and the other for exports.

0018IB	J. D. Edwards & Co		Page . . . 2						
	INTRASTAT Report - Import - Belgian		Date - 10/14/94						
Nø de T.V.A. : PRIMARY TAX ID									
Société : 99991	Test Company		Période	: 10 / 94					
	Test Company								
	5052 Colorado Parkway								
Centre Cout:		991							
Telephone :	303	555-1100							
Telefax :									
No Ligne	Pays de Proven.	Pays de Origine	Mode de Tran.	Port	Nature de Trans.	Code Marchandise	Poids Net en KG	Unité Supplémentaire	Valeurs Statistiques
1	USA	UK	1	SANFRN	70	A118999A	100.0000	10.00	26.25
Total for Country of Origin. . . . USA							100.0000	10.00	26.25
2	Can	Can	4	NEWYRK	90	A12A899	300.0000	20.00	27.00
Total for Country of Origin. . . . Canada							300.0000	20.00	27.00
Total for Company. Test Company 1							400.0000	30.00	53.25

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.

0018IF		J. D. Edwards & Co INTRASTAT Report - Import - French										Page - 2 Date - 10/14/94	
Immatriculation TVA : PRIMARY TAX ID													
Société : 99991		Test Company										Période Déclaration : 10 / 94	
		Test Company											
Division :													
Téléphone :		303 555-1100											
Téléfax :													
Nø Ligne	Nomenclature de produit	Pays Dest/ Prov	Valeur fiscale (en Francs)	Régime	Valeur Statistique (en Francs)	Masse Nette en KG	Unites Suppléments.	Nature de Trans.	Cond en Livr	Mode de Trans	Départ Orig/ Dest	Pays origin	Imatriculation TVA Acquéreur C.E.E
1	A118999A	USA	25.00	AA	26.25	100.0000	10.00	70	FOB3	1	PE	UK	123467891011121
Total	Country of Origin . . . USA		25.00		26.25	100.0000	10.00						
2	A12A899	Can	300.00	TR	27.00	300.0000	20.00	90	DDP7	4	AB	Can	123467891011121
Total	Country of Origin . . . Canada		300.00		27.00	300.0000	20.00						
Total	Company Test Company 1		325.00		53.25	400.0000	30.00						

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.

0018IE	J. D. Edwards & Co		Page 2
	INTRASTAT Report - Import - English		Date 10/14/94
Declaration - Arrivals			
Tax ID	PRIMARY TAX ID	Business Unit. . .	991
Test Company Test Company 5052 Colorado Parkway			
Phone Number . . .	303 555-1100	Date	10/14/94
		G/L Period Number.	10 / 94

Line Number	Commodity Code	Value in local Currency	Deliv. Terms	Nature of Trans.	Net Mass in KG	Supplementa Units
1	A118999A	25.00	FOB3	70	100.0000	10.00
	CNTY of DESP	Mod of TRN	CNTY of ORIG	No. of CONS	Traders Reference	
	USA	1	UK		22933 SO	
Country of Origin. USA		25.00			100.0000	
2	A12A899	300.00	DDP7	90	300.0000	20.00
	Can	4	Can		4340 OP	
Country of Origin. Canada		300.00			300.0000	
Company.		325.00			400.0000	
Test Company 1						

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.

00400		J.D. Edwards & Company				Page - . . . 2	
		IVA Report by Tax Area Code				Date - . . . 2/21/94	
		Italy					
Tax Area	% IVA	Description	C l i e n t		V e n d o r		
			Taxable Amount	Tax Amount	Taxable Amount	Tax Amount	
ITAL2	12.000	Italy - 12% IVA rate	6,408,929-	769,071-	98,294,642	11,795,358	
ITAL9	69.000	Italy - 19% IVA 50% non-rec	7,516,807-	1,428,193-	221,320,413	42,050,877	
ITA19100	19.000	Italy - 19% IVA 100% non-rec	1,525,210-	289,790-	2,661,855,278	505,752,502	
Total			15,450,946-	2,487,054-	2,981,470,333	559,598,737	

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 ***

Voucher Number	Do GL Ty	Date	Invoice Number	Invoice Date	Description	Alpha Name	Gross Amount	Taxable Amount	Tax	Tax Code/Area	Tax Description
1020	PV	02.08.98	IT200	02.08.98	Voucher	JDE France	100.500	84.454	19	IT19100	Italy 19% - IVA
1021	PV	03.08.98	IT300	03.08.98	Voucher	European Motors	95.200.000	80.000.000	19	IT19	Italy 19% - IVA
1022	PV	01.08.98	IT1000	01.08.98	Voucher	JDE Europe	150.000	133.929	12	IT12	Italy 12% - IVA
1023	PV	02.08.98	IT2001	02.08.98	Voucher	JDE France	5.890.000	4.949.580	19	IT19	Italy 19% - IVA
Total . . .							101.340.500	85.167.963			16.172.537

J. D. Edwards & Co
 MONTHLY A/P VAT REPORT
 *** FINAL ***

Tax Area	Tax %	Taxable Amount	Tax Amount	Credit taxable	Credit tax	Non-recov.	Non-Rec. tax
IT19100	19,000	42.227	8.023			42.227	8.023
IT19	19,000	84.949.580	16.140.420				
IT12	12,000	133.929	16.071				
Total . . .		85.125.736	16.164.514			42.227	8.023
Credit							
A/P Net Tax		85.125.736	16.164.514				

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.

alphabetic character. Represents data by using letters and other symbols from the keyboard (such as *&#). Contrast with *numeric character*.

alphanumeric character. Represents data in a combination of letters, numbers, and other symbols (such as *&#).

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 outqueue. 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:

	EQ	= Equal To
	LT	= Less Than
	LE	= Less Than or
Equal To		
	GT	= Greater Than
	GE	= Greater Than or
Equal To		
	NE	= Not Equal To
	NL	= Not Less Than
	NG	= Not Greater
Than		

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.

command. A character, word, phrase, or combination of keys you use to tell the computer to perform a defined activity.

constants. 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

you set constants such as these, the system follows these rules until you change the constants.

Core. The central and foundational systems of JDE software, including General Accounting, Accounts Payable, Accounts Receivable, Address Book, Financial Reporting, Financial Modeling and Allocations, and Back Office.

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.

edit. (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.

FASTR. Financial Analysis Spreadsheet Tool and Report Writer. A report writer that allows you to design your own report specifications using the general ledger database.

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

provides 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.

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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