Procedures

Last updated: August 26, 2022

Use the procedures described in this chapter to complete Advanced VAT tasks. This chapter provides detailed explanations of each transactions windows and its fields as used in the Advanced VAT module.

This chapter provides information about how to enter VAT on purchase transactions and on General Ledger Journals.

In addition, this chapter contains information about completing routine procedures along with performing inquiries.

Before you begin using the procedures in this chapter, be sure you've installed and set up the necessary information within the Advanced VAT. For further information about setting up this module, refer to the "Setup" chapter earlier in this manual.

Procedure Checklist

The following checklist provides a general overview of the procedures you'll need to complete to operate your Advanced VAT module.

1. Enter Purchase Transactions

Refer to Purchase Transactions procedure for information on entering Purchase Transactions.

2. Enter General Ledger Journals

Refer to the General Ledger Journal entry procedure for information on entering General Ledger Journals.

3. Enter Purchase Order Information

Refer to the Purchase Order Entry procedure for information on entering Purchase Orders

4. Enter Receivings Information

Refer to the Receivings Entry procedure for information on entering shipment details

5. Enter Invoice Information

Refer to the Invoice Entry procedure for information on entering invoice details

6. Run Part Recoverable VAT Allocation

Refer to the Run Part Recoverable VAT Allocation procedure for information about Partial Recoverable –
Variable routines.

7. Run General Ledger VAT Update

Refer to the General Ledger VAT Update procedure for information about updating the VAT tables with the
General Ledger VAT information.

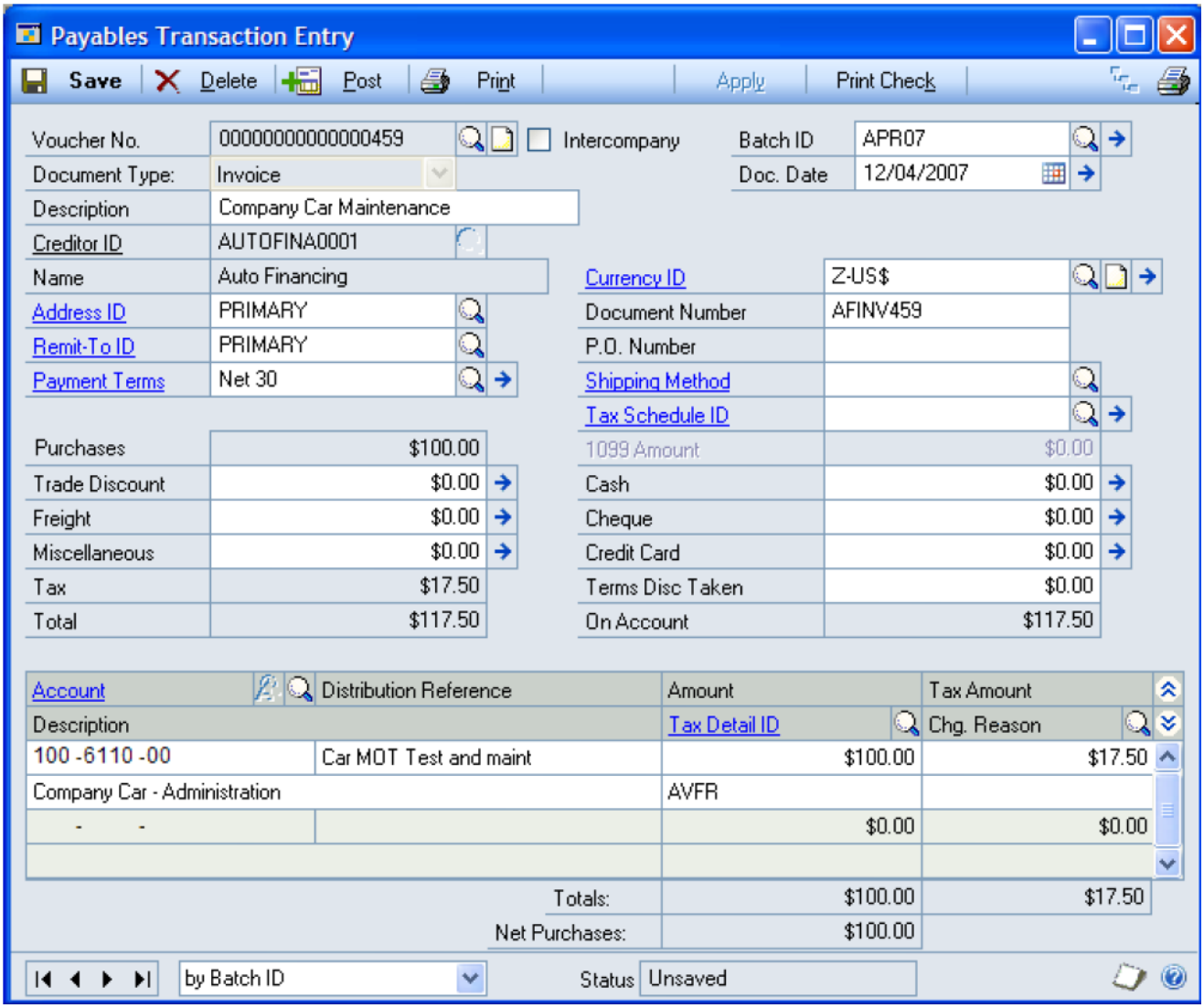
Enter Purchase Transactions

Use the Advanced VAT Purchase Transactions window to enter details of Purchase invoices and credit notes.

This information allows you to enter account and VAT information for purchase invoices and credit notes.

1. Open the Purchase Transactions window.

(Transactions >> Purchasing >> Transaction Entry)



2. Enter Purchase Transaction

Voucher Number - Enter a voucher number. The default number is taken from the Payables Set-up Options
window.

Document Type - Select Invoice as the document type

Description - Enter a description that will help identify the purchase. The description you enter will appear as the reference in the General Ledger Transaction Entry window, if you post to General Ledger.

Document Date - Enter a document date. This is the date that your Payables Management records will be updated. You can choose the expansion button in the Document Date field and enter a posting date, which will be used as the date your General Ledger records are updated. The user date will be the default entry. This date also determines which exchange rate is used, based on the currency ID and associated rate type that is entered for the transaction.

Creditor ID - Select a Creditor ID. To enter a temporary creditor for this invoice, place the insertion point in the Creditor ID field and from the Options menu, choose Temporary Creditor. The Creditor Maintenance window will open and you can enter as much information as you need for this temporary creditor. The number to identify the creditor appears as default from the Payables Set-up Options window.

Address ID - Enter an address ID.

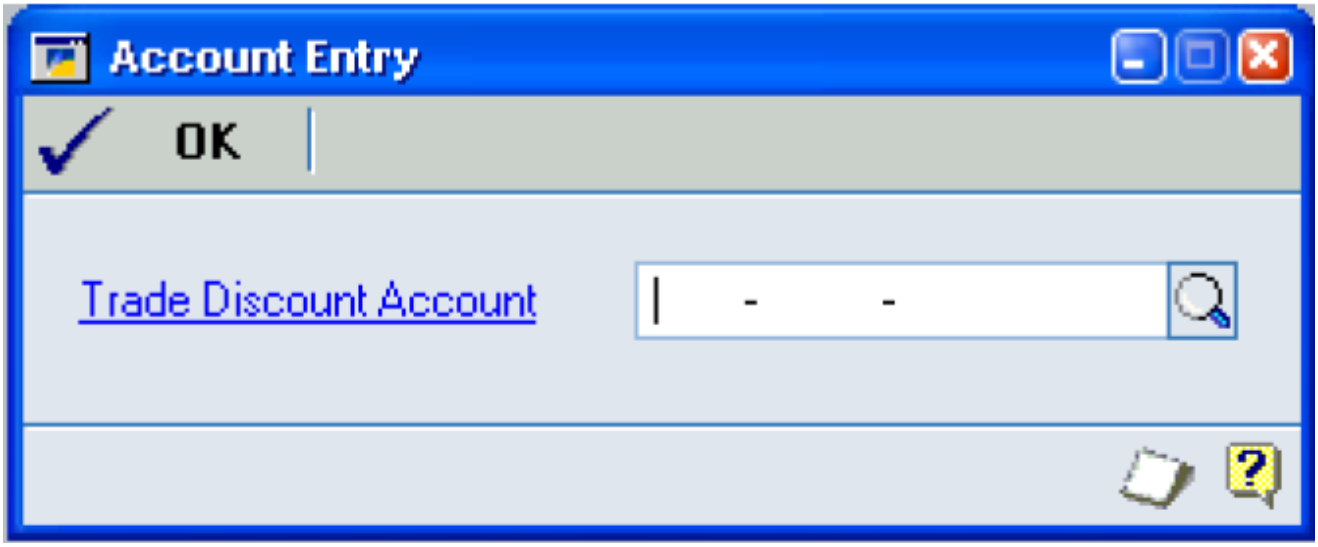
Payment Terms - Enter payment terms.

Currency ID - Enter a currency ID, if one hasn’t appeared as a default from the creditor, or if you want to change the default to a different currency on this transaction. For more information about exchange rates, refer to the Multicurrency Management manual, or the online help for the Exchange Rate Entry window. If the currency ID is a foreign currency, a rate type and associated exchange rate table will be assigned to the transaction. The rate type is based on the rate type you’ve assigned to the selected creditor; if you haven’t assigned a rate type to the creditor, the default rate type for the Purchasing series specified in the Multicurrency Set-up window is used. To view or modify the default exchange rate for this transaction, choose the currency ID expansion button to open the Exchange Rate Entry window.

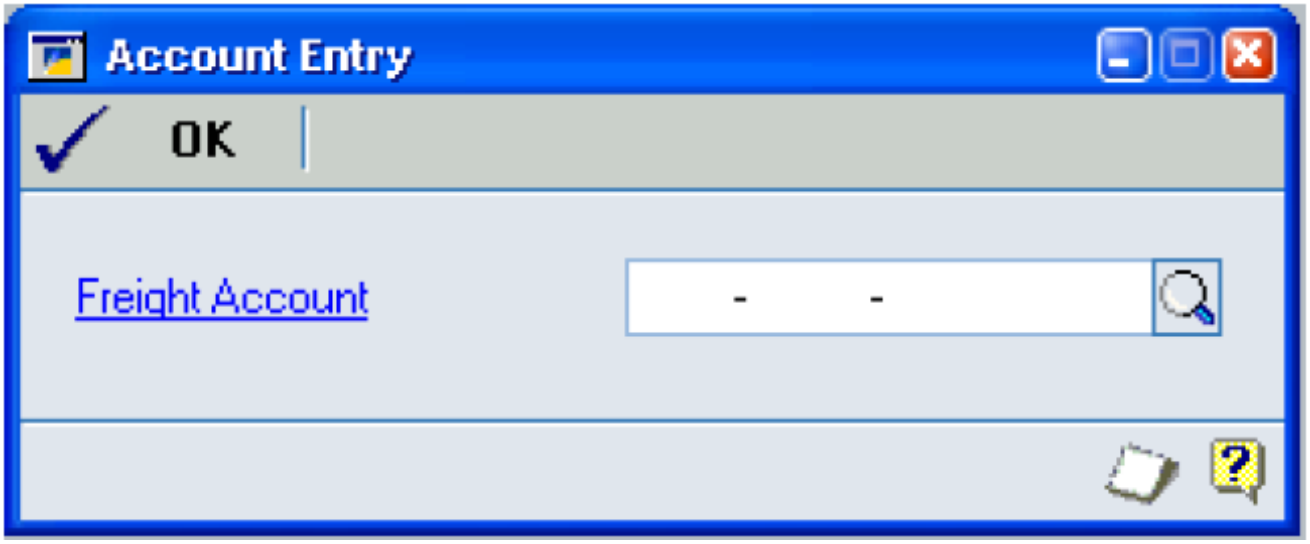
Document Number - Enter the document number assigned to this transaction by the creditor.

Shipping Method - Enter a shipping method. The entry you made for this creditor in the Creditor Maintenance window is the default.

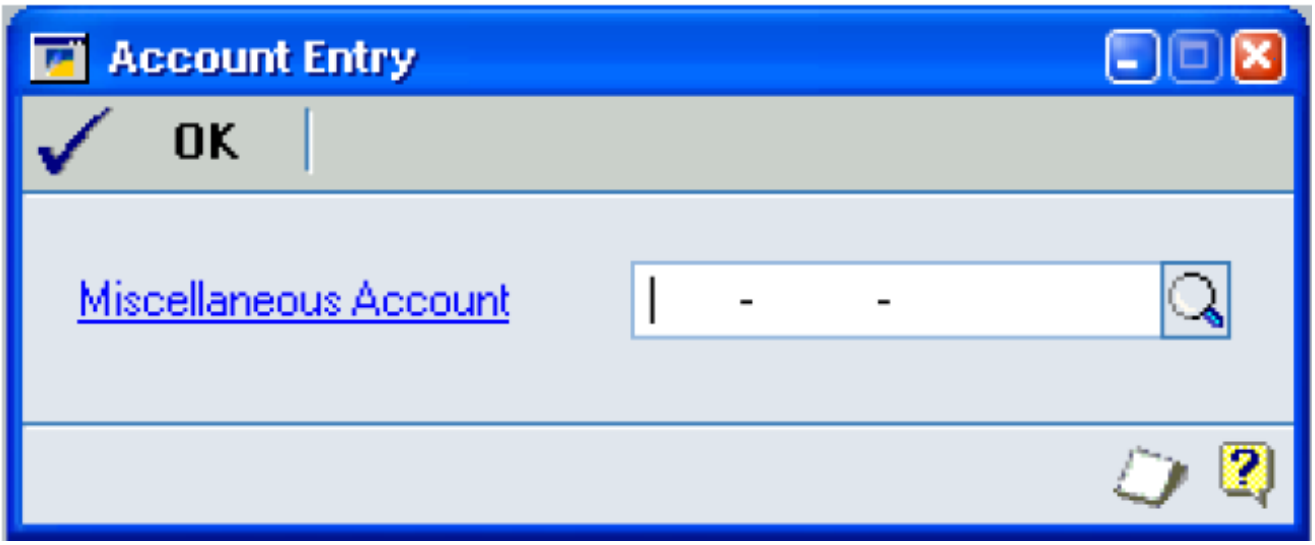
Trade Discount - The trade discount is calculated if you entered a trade discount for the creditor card. You may enter the General Ledger distribution account in the account entry window opened via the expansion button on the field.



Freight Amount - Enter additional amounts in the Freight field. You may enter the General Ledger distribution account in the account entry window opened via the expansion button on the field.



Miscellaneous Amount - Enter additional amounts in the Miscellaneous field. You may enter the General Ledger distribution account in the account entry window opened via the expansion button on the field.



Account - Enter the purchases expense account to which the value of the purchase invoice is to be posted.

Distribution Reference - Enter a reference against the distribution. This reference may describe the purchase goods or reference from the creditor.

Amount - Enter the value of the purchase distribution. This may be entered Net or VAT or including VAT depending on the VAT Calculation type entered against the Tax Detail ID.

Tax Amount - The Tax amount is defaulted from the Amount entered dependant on the Tax Detail ID.

Description - This defaults to the account description related to the Account Number entered on the line.

Tax Detail ID - The Tax Detail ID is defaulted from the Account Number entered on the line. The Tax detail ID may be changed if different VAT handling is to be applied to this transaction.

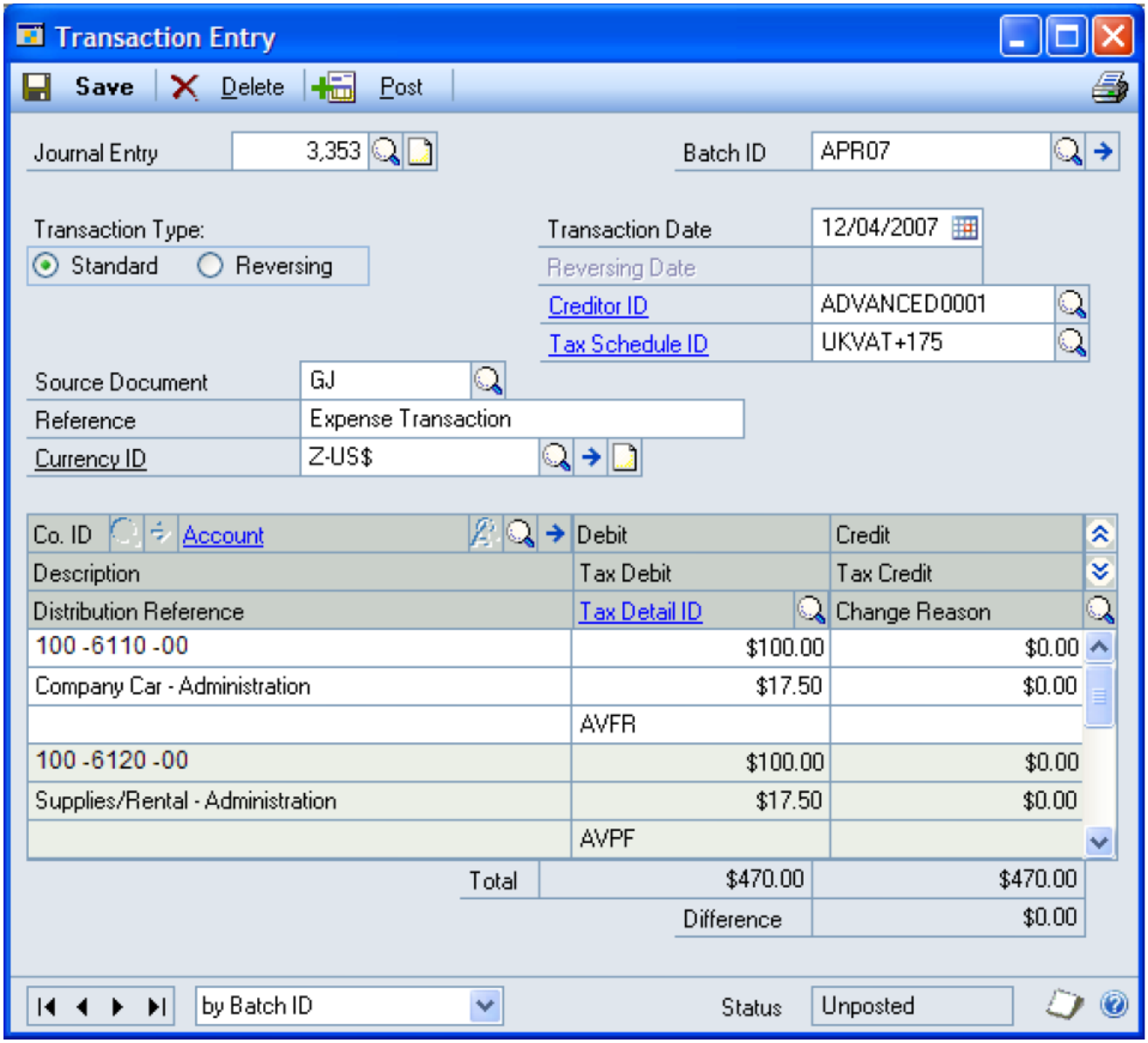
Change Reason - If the default Tax Detail ID is changed from one which has a mandatory change reason, a change Reason code must be entered. You may look the change reason up using the lookup button.

Enter General Ledger Journals

Use the Advanced VAT Transaction Entry window to enter General Ledger Journals.

1. Open the VAT Transaction Entry window.

(Transactions >> Financial >> VAT Trx Entry)



2. Enter General Ledger Journals with VAT

Journal Entry Number - Enter a journal entry number or accept the default number.

Batch ID - Enter or select a batch (optional).

Transaction Type - Enter a transaction type: standard or reversing.

Transaction Date, Source Document, Reference and Currency ID - Enter the transaction date, source document code, reference and currency ID.

Creditor ID - Enter the creditor ID associated with this journal if you are calculating VAT by Tax Schedule and the VAT treatment depends on the creditor.

Tax Schedule ID - The Tax Schedule ID defaults from the Creditor master record. Enter or change the Tax Schedule ID associated with this journal if you are calculating VAT by Tax Schedule and the VAT treatment depends on the creditor.

Account - Enter a General Ledger account to which the value is to be posted.

Distribution Reference - Enter a reference against the distribution. This reference may describe the transaction or reference from the debtor/creditor.

Amount Debit/Credit - Enter the value of the purchase distribution. This may be entered Net or VAT or including VAT depending on the VAT Calculation type entered against the Tax Detail ID.

Tax Amount Debit/Credit - The Tax amount is defaulted from the Amount entered dependant on the Tax Detail ID.

Description - This defaults to the account description related to the Account Number entered on the line.

Tax Detail ID - The Tax Detail ID is defaulted from the Account Number entered on the line. The Tax detail ID may be changed if different VAT handling is to be applied to this transaction.

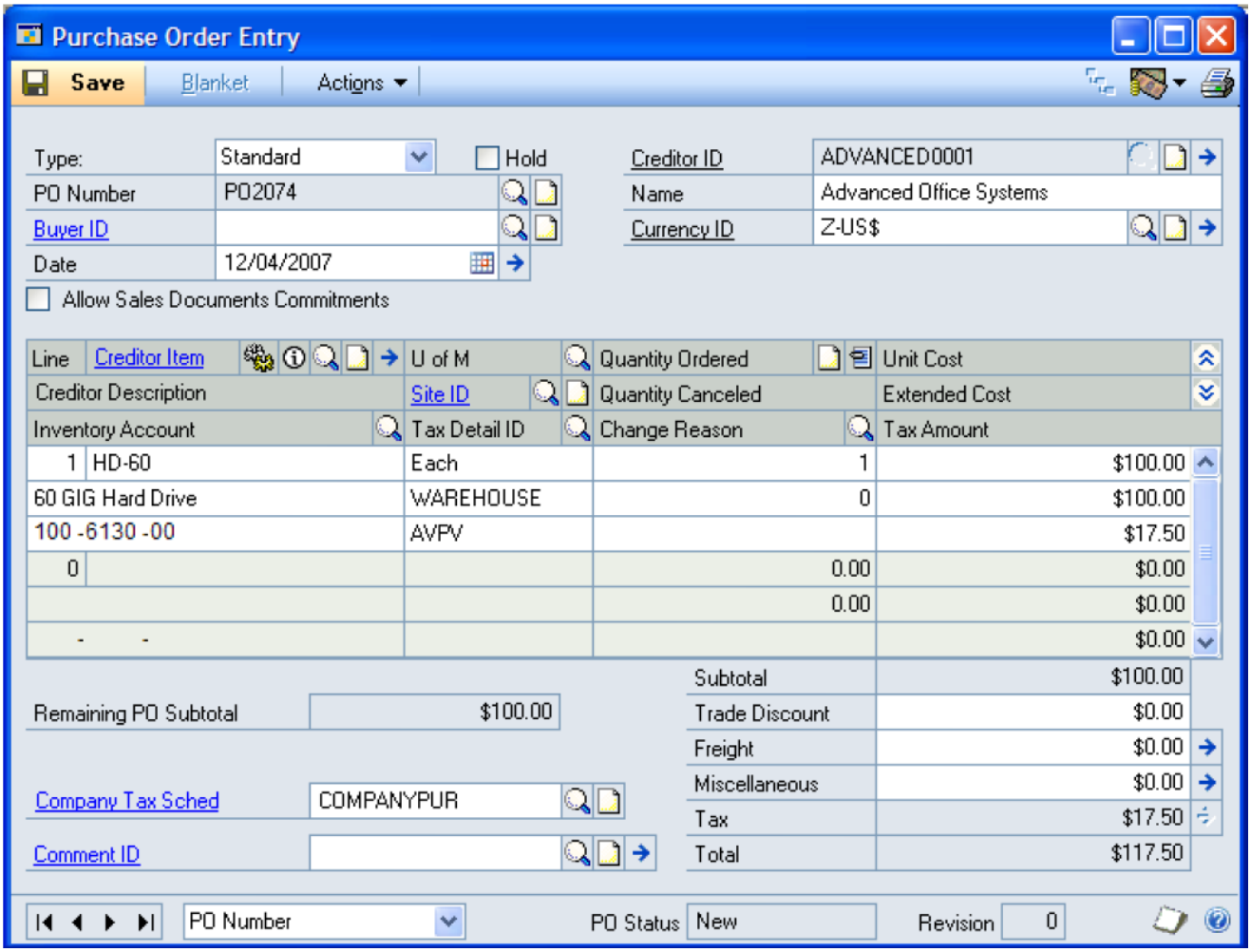
Change Reason - If the default Tax Detail ID is changed from one which has a mandatory change reason, a change Reason code must be entered. You may look the change reason up using the lookup button.

Enter purchase orders

Use the Purchase Order windows to enter new purchase orders.

1. Open the Purchase Order Entry window

(Transactions >> Purchasing >> Purch. Order Entry)



2. Enter the Purchase Order

Type - Choose between Standard and Drop-Ship

PO Number - Enter a unique PO Number or take the defaulted one. You can also view existing PO's by entering the number or use the lookup to select one.

Buyer ID - Enter a Buyer ID, or use the lookup to select one

Date - Enter the date of the Purchase Order or take the defaulted system date.

Creditor ID - Enter or use the lookup to select a Creditor that sells the required item. If the item is not assigned to a creditor, then you can use the Item Creditor Maintenance window (Cards >> Inventory >> Creditors) to do this, or alternatively on the Purchase Order Window un-tick the “Display Creditor Item” under the options menu and Microsoft Dynamics GP will let you assign a chosen item to the current creditor.

Currency ID - Enter or use the lookup to choose a currency id, or take the default.

(Creditor) Item - Enter or use the lookup to choose an item. If “Display Creditor Item” under options is ticked, then only items assigned to the creditor will be displayed.

U of M - Choose the unit of measure for this item.

Quantity Ordered - Enter the number of items to order.

Unit Cost - Enter the unit cost, or take the default.

Line Comment - Use this zoom to enter a comment for this line. The tick box next to the text shows whether there is currently a comment assigned to this line.

(Creditor) Item Description - Enter the item description or take the default

Site ID - Enter or use the lookup to choose which site the items should be delivered to.

Quantity Cancelled - Enter the number of items cancelled

Extended Cost - Enter the extended cost, or accept the default.

Inventory Account - Enter or use the lookup to select the account which should be used for the distribution of the purchases amount

Tax Detail ID - Enter or use the lookup to choose a tax detail id, or use the default one taken from the inventory account, that is to be used for this purchase order line.

Tax Amount - Enter or take the default calculated value of the tax amount.

Change Reason - If the default Tax Detail ID is changed from one which has a mandatory change reason, a change Reason code must be entered. You may look the change reason up using the lookup button.

Trade Discount - Enter the trade discount amount for this order.

Freight - Enter the freight amount for this order

Miscellaneous - Enter any miscellaneous amounts for this order

Tax - Enter the tax amount if it needs changing from the calculated values

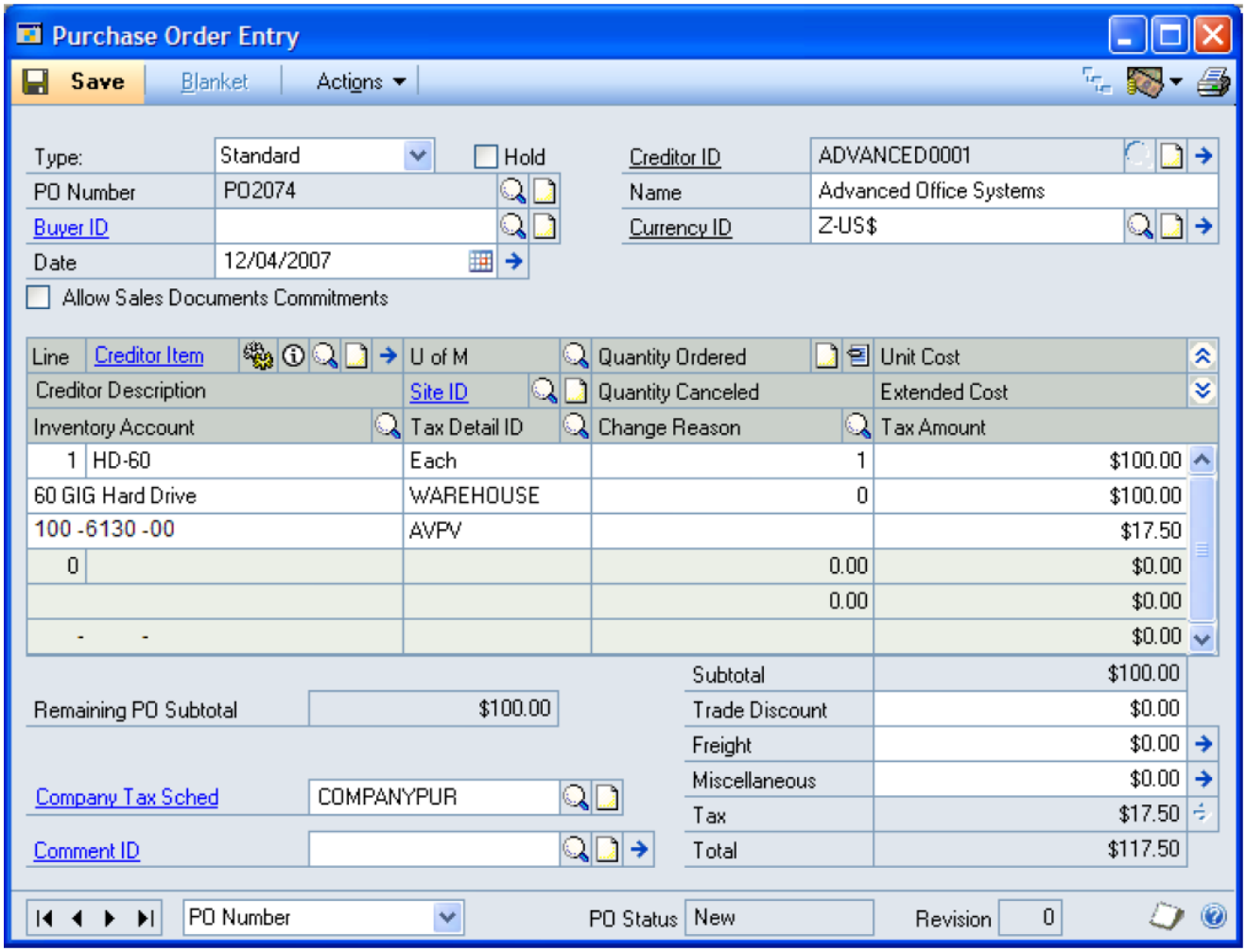
The Subtotals and VAT on the Purchase order entry window reflect the totals and recoverable VAT as they apply to your company. The Purchase Order report however will reflect the VAT as is applies to the supplier who will charge us the full VAT percentage.

Enter receivings information

Use the Receivings Transaction Entry window to enter the shipment details when the item arrives.

1. Open the Receivings Transaction Entry Window

(Transactions >> Purchasing >> Receivings Trn Entry)



2. Enter the shipment details

Type - Choose the type for this receipt. If the goods have been received without an invoice, then choose Shipment. If an invoice has been received with the goods then choose Shipment/Invoice.

Receipt No. - Enter a unique receipt number or take the default. You can also enter an existing number or use the lookup to view the details of receipts that have been saved.

Creditor Document Number - Enter the document number of the invoice/goods received note from the supplier.

Date - Enter the date of the receipt if you don't want to accept the default of the system date

Batch ID - Enter or use the lookup to choose a batch id to save the receipt to for batch processing

Creditor ID - Enter or use the lookup to choose the creditor for receipt

Currency ID - Enter a currency ID, if one hasn’t appeared as a default from the creditor, or if you want to change the default to a different currency on this transaction. For more information about exchange rates, refer to the Multicurrency Management manual, or the online help for the Exchange Rate Entry window. If the currency ID is a foreign currency, a rate type and associated exchange rate table will be assigned to the transaction. The rate type is based on the rate type you’ve assigned to the selected creditor; if you haven’t assigned a rate type to the creditor, the default rate type for the Purchasing series specified in the Multicurrency Set-up window is used. To view or modify the default exchange rate for this transaction, choose the currency ID expansion button to open the Exchange Rate Entry window.

PO Number - Enter or use the lookup to select the PO number for this receipt.

(Creditor) Item - Enter or use the lookup to select the line item for the selected purchase order

Qty Shipped - Enter the number of items that were shipped if it differs from the default (the number of items ordered)

Unit Cost - Enter the unit cost if it is different from the default

Line Comment - If the tick box is ticked, then you can use the zoom to look at the comment that was entered on the purchase order

U of M - Enter the unit of measure if it is different from the default

Site ID - Enter the site id if it is different from the default

Extended Cost - Enter the extended cost, or accept the default

(Creditor) Description - Enter the description of the item, or accept the default

Inventory Account - Enter or use the lookup to select the account number, if different to what is defaulted, to distribute the purchases amount to.

Tax Detail ID - Enter or use the lookup to select the tax detail id to use for this line if the one defaulted is not the required one.

Tax Amount - Enter the tax amount if it is different from the calculated amount

Change Code - If the default Tax Detail ID is changed from one which has a mandatory change reason, a change Reason code must be entered. You may look the change reason up using the lookup button

Trade Discount - Enter the trade discount amount for this shipment/invoice.

Freight - Enter the freight amount for this shipment/invoice

Miscellaneous - Enter any miscellaneous amounts for this shipment/invoice

Payment Terms - Enter or use the lookup to select the payment terms for this shipment/invoice

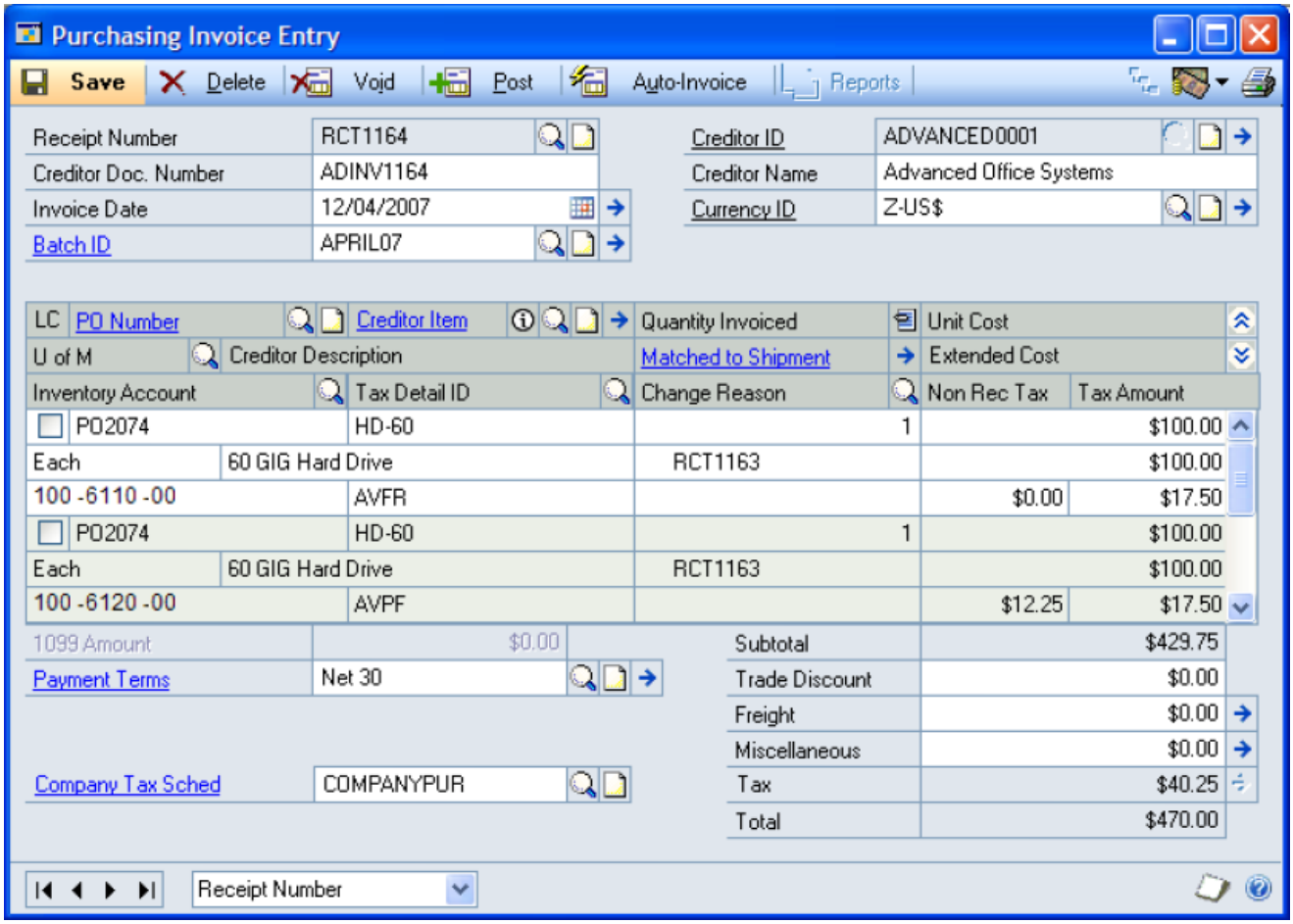
The Process will accrue for the value of the goods to the Accruals Account defaulted from the setup of the item in Microsoft Dynamics GPs. With Partial VAT recovery where the percentage recoverable is known (fixed), the value of the VAT is added to the goods total. The VAT value is accrued for separately into the account entered in the Tax Detail Setup.

Enter invoice information

Use the Enter/Match Invoices to enter invoice information for shipments that have been received without an invoice.

NOTE. The third line details are only displayed when the line is changed. This is because it takes the data from the Matched to Shipment field (in case details have changed between order and shipment)

1. Open the Enter/Match Invoices window



2. Enter the shipment details

Receipt No. - Enter a unique receipt number or take the default. You can also enter an existing number or use the lookup to view the details of receipts that have been saved.

Creditor Document Number - Enter the document number of the invoice/goods received note from the supplier.

Invoice Date - Enter the date of the invoice if you don't want to accept the default of the system date

Batch ID - Enter or use the lookup to choose a batch id to save the receipt to for batch processing

Creditor ID - Enter or use the lookup to choose the creditor for receipt

Currency ID - Enter a currency ID, if one hasn't appeared as a default from the creditor, or if you want to change the default to a different currency on this transaction. For more information about exchange rates, refer to the Multicurrency Management manual, or the online help for the Exchange Rate Entry window. If the currency ID is a foreign currency, a rate type and associated exchange rate table will be assigned to the transaction. The rate type is based on the rate type you've assigned to the selected creditor; if you haven't assigned a rate type to the creditor, the default rate type for the Purchasing series specified in the Multicurrency Set-up window is used. To view or modify the default exchange rate for this transaction, choose the currency ID expansion button to open the Exchange Rate Entry window.

PO Number - Enter or use the lookup to select the PO number for this receipt.

(Creditor) Item - Enter or use the lookup to select the line item for the selected purchase order

Qty Invoiced - Enter the number of items that were invoiced if it differs from the default (the number of items ordered)

Unit Cost - Enter the unit cost if it is different from the default

Line Comment - If the tick box is ticked, then you can use the zoom to look at the comment that was entered on the purchase order

U of M - Enter the unit of measure if it is different from the default

Site ID - Enter the site id if it is different from the default

Extended Cost - Enter the extended cost, or accept the default

(Creditor) Description - Enter the description of the item, or accept the default

Inventory Account - Enter or use the lookup to select the account number, if different to what is defaulted, to distribute the purchases amount to.

Tax Detail ID - Enter or use the lookup to select the tax detail id to use for this line if the one defaulted is not the required one.

Change Code - If the default Tax Detail ID is changed from one which has a mandatory change reason, a change Reason code must be entered. You may look the change reason up using the lookup button

Non Rec Tax - This is a display field which displays the non recoverable portion of the VAT.

Tax Amount - Enter the tax amount if it is different from the calculated amount

Trade Discount - Enter the trade discount amount for this shipment/invoice.

Freight - Enter the freight amount for this shipment/invoice

Miscellaneous - Enter any miscellaneous amounts for this shipment/invoice

Payment Terms - Enter or use the lookup to select the payment terms for this shipment/invoice

Run part recoverable VAT Allocation

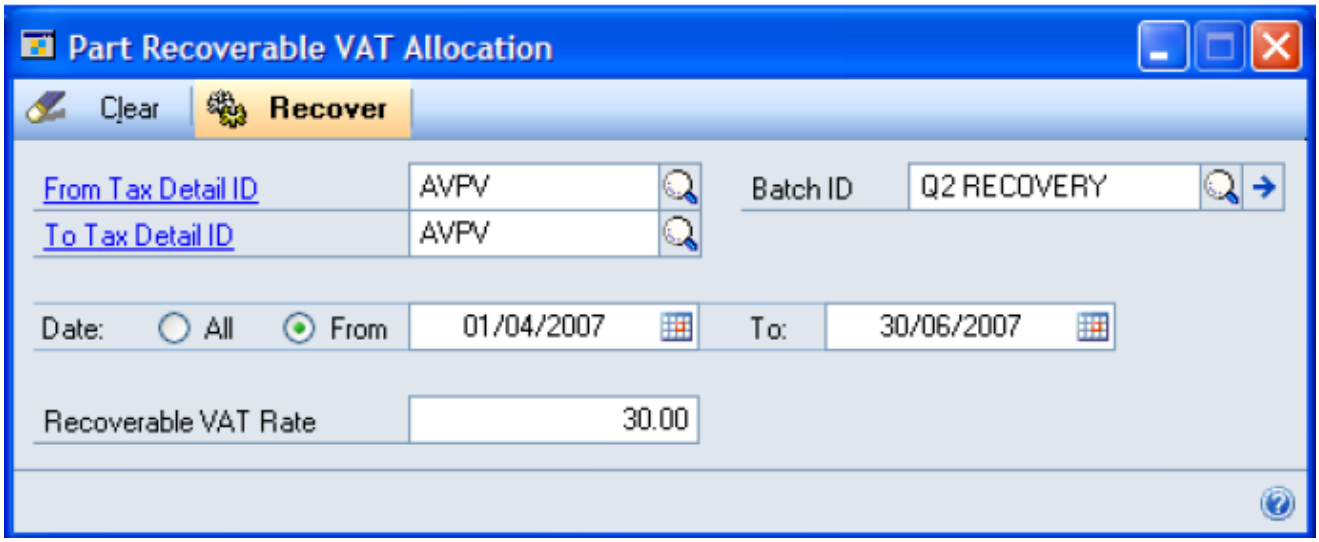
Use the Part Recoverable VAT Allocation window to allocate VAT which has been entered using a Tax Detail ID with a VAT Treatment of Part Recoverable – variable percentage.

This process takes a percentage and creates a General Ledger journal which moves the recoverable proportion to the designated Tax detail ID and associated General Ledger account. The irrecoverable portion is posted back to the expense account/non recoverable tax account.

The General Ledger transactions which are generated by this process have a reference prefixed by a “!” symbol. **NOTE.** These transactions must not be altered, doing so will affect the VAT reporting.

1. Open the Part Recoverable VAT Allocation window.

(Routines >> Financial >> VAT Reporting >> PR VAT Allocation)



2. Enter Restrictions

From/To Tax Detail ID - Enter a range of Tax Detail ID's which are to be processed.

Batch ID - Enter a batch ID to which the generated General Ledger transactions are to be saved.

Date Range - Enter a date range of transactions to be processed or select ALL to include all transactions.

Recoverable VAT Rate - Enter the percentage of the VAT amount that is recoverable.

Print Button - Press the print button to show a list of the transactions that will be recovered.

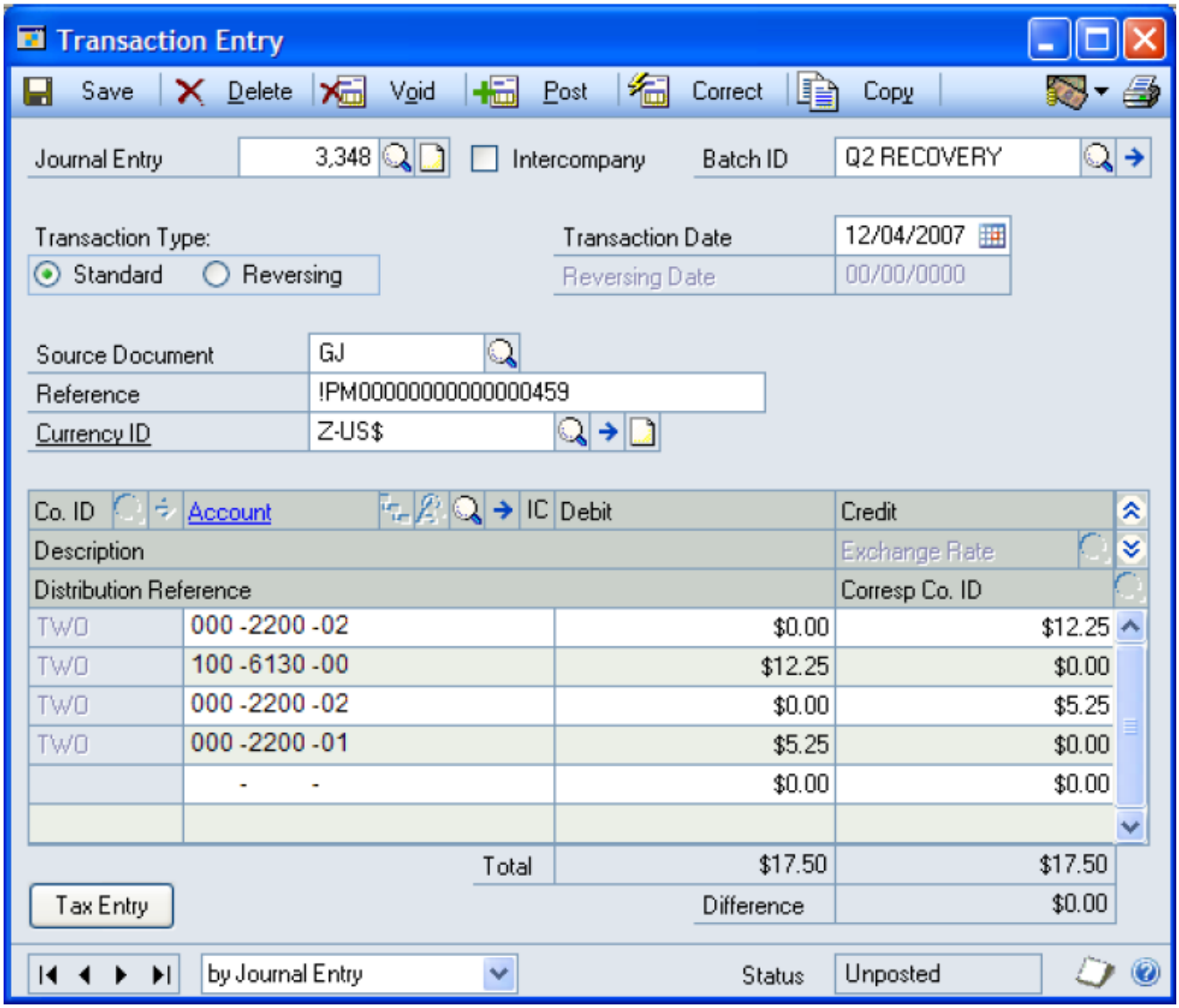
3. Run the process.

Choose Recover to start the process of creating the General Ledger postings to allocate the recoverable VAT

Choose Clear to clear the range inputs without processing.

Once the process is complete a message box appears saying ‘Process Complete’, you may then close the window.

As mentioned above, the process will create a General Ledger transaction using a !PM reference number. This transaction must be posted but should not be edited.



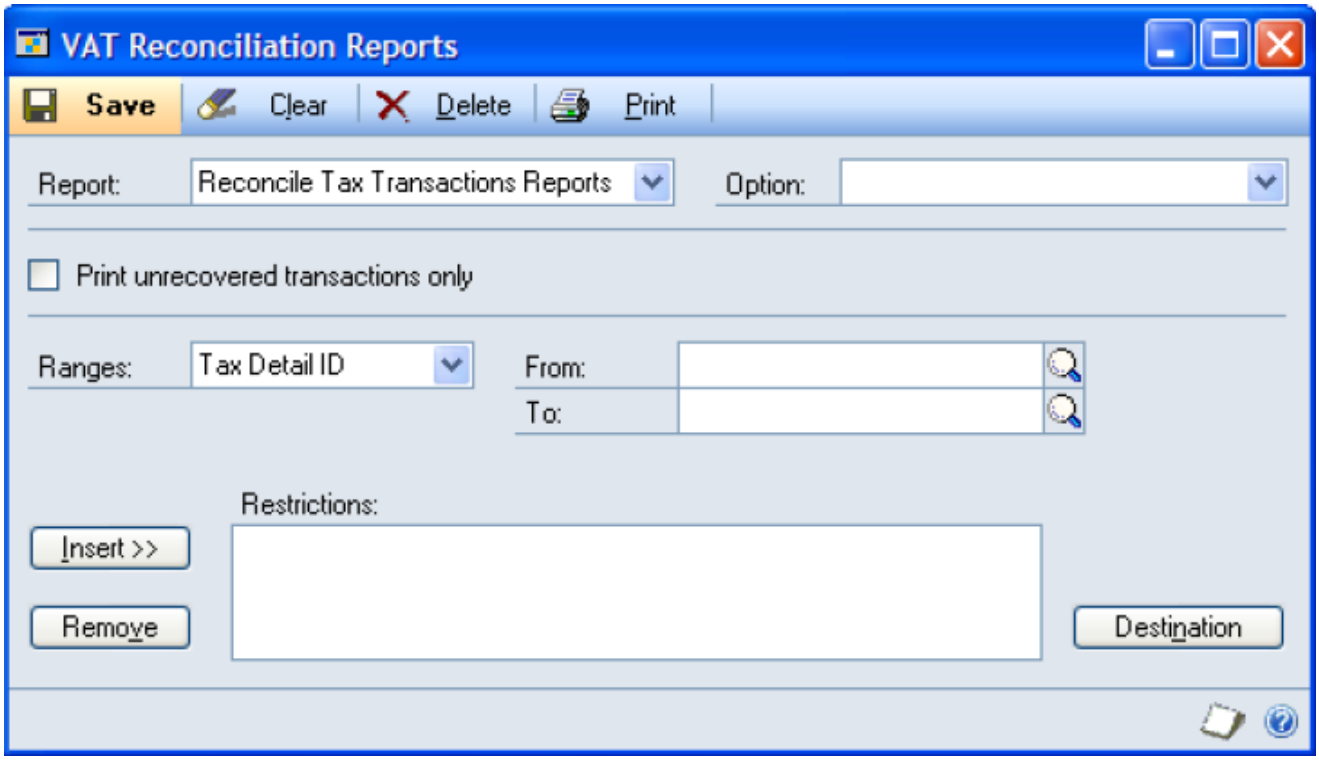
Print Options

Use the Print Options window to create report options for the Advanced VAT module.

For information about report options please refer to your Microsoft Dynamics GP Reporting manuals.

1. Open the Print Options window.

(Reports >> Financial >> VAT Reporting >> VAT Reconciliation Reports)



Report - Available reports are:

- Reconcile VAT Report

Range - The print options allow entry of ranges depending on the report selected. The ranges are:

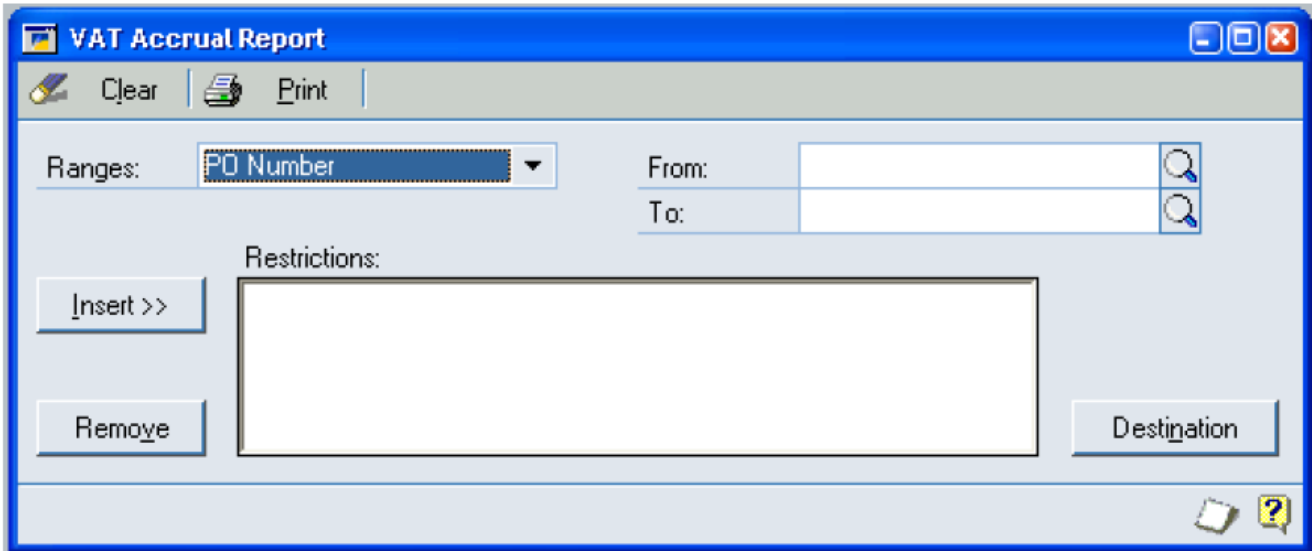
- Tax Detail ID
- Posting Date

VAT accrual report

The VAT Accrual Report will show all of the accrued VAT for purchase orders that have a VAT treatment of Partial Recoverable – Fixed Percentage.

1. Open the VAT Accrual Report Window

(Reports >> Purchasing >> VAT Accrual Report)



2. Select the required ranges

Ranges - Choose from PO Number, Vendor or Receipt Date

From/To - Enter the ranges required for the currently selected range and then press the “Insert >>” button

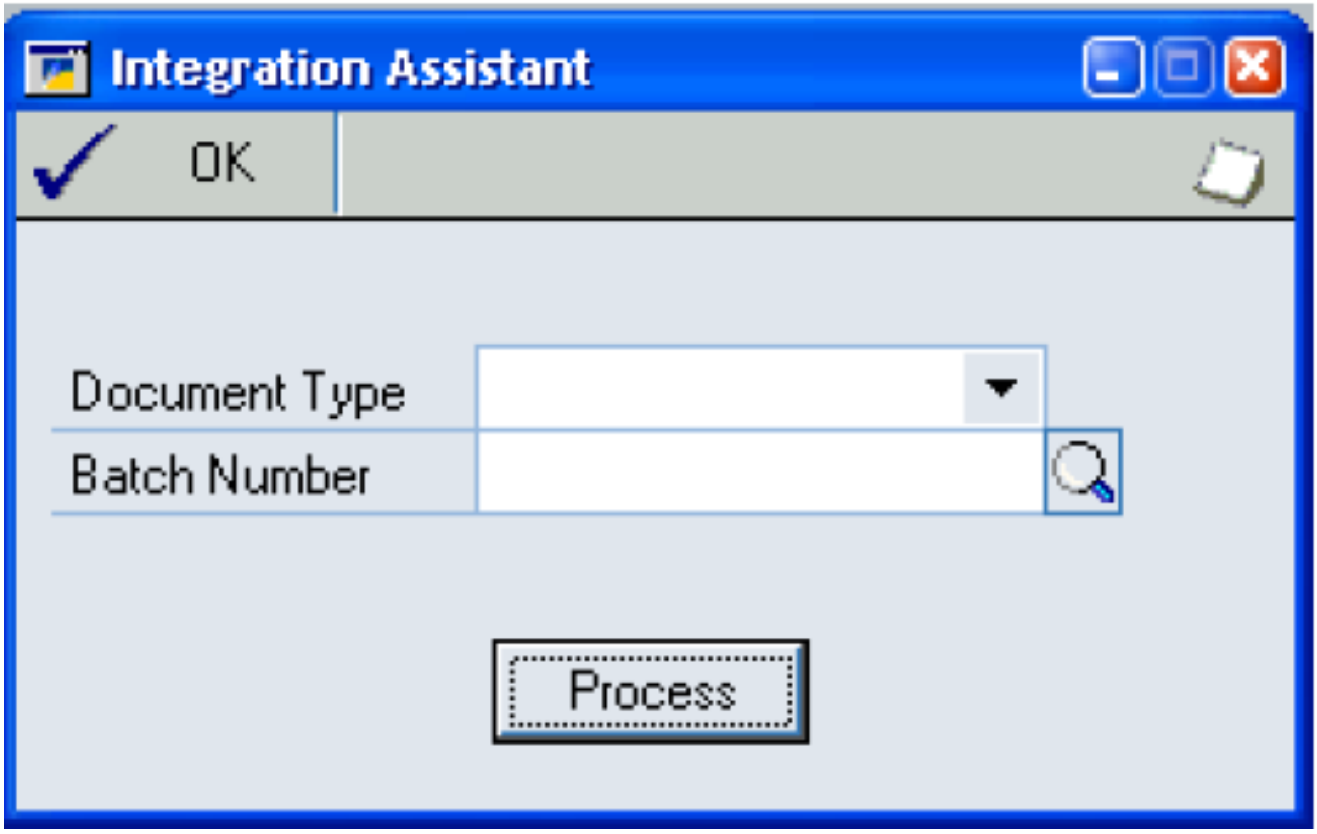
Destination Button - Select the destination for the report

Run the integration assistant

The integration assistant is used to add the additional data needed for Advanced VAT for General Ledger, Payables Transaction and Purchase Orders that have been imported from Microsoft Dynamics GPs Integration Manager.

1. Open the Integration Assistant Window

(Utilities >> Company >> Integration Assistant)



2. Select documents to process

Document Type - Choose the document type to process. The choices are GL Transaction, Payables Transaction and Purchase Order

Batch Number - For GL Transactions and Payables Transaction, choose the batch number that the documents were imported in to.