



Preliminary VAT code at Invoice register

Document Version 1.0

ExFlow AX 2012 R2

2014-11-20

INTRODUCTION

Handling of VAT differs between countries. In Norway the reigning procedure is to post sales tax at final posting of a vendor invoice (=after approval).

After some internal discussions and testing, SignUp recommends using VAT posting at Invoice register despite of this fact. By creating a dedicated item sales tax group and a dedicated sales tax code for the preliminary posting of vendor invoices, the requirements would still be met.

SETTINGS/PRE REQUISITES

Form/table/journal	Menu item/object	Setting
Journal name used for invoice register	Amount including sales tax	Checked
Journal name used for approval posting	Amount including sales tax	Not checked
General Ledger Sales tax code	A sales tax code is created to be used solely for preliminary posting of VAT amount ("PREL").	
General Ledger Item sales tax group	An item sales tax group is created to be used solely for preliminary posting of VAT amount ("PREL"). Sales tax code "PREL" is setup on the group.	
General Ledger Sales tax group	Sales tax code "PREL" is setup on all groups.	
Accounts Payable Setup Parameters	Time of sales tax posting	Invoice register

PROCESS**Data capture and interpretation**

OCR software capture the sales tax amount on all invoices – regardless if there is a PO reference or not.

ExFlow | Import form

When an invoice is imported into ExFlow Import form, the sales tax amount is separated on header level. On line level only the net amount (invoice amount minus the captured sales tax amount).

SignUp presumes the sales tax amount stated on the invoice always equal the sales tax amount to be posted – whether the posting is performed in connection with preliminary or final posting of an invoice.

Sales tax group will be determined (and automatically selected) by the settings on the identified vendor.

Item sales tax group will always be set to "PREL" – the item sales tax group created for this purpose (see pre-requisites, above).

At the time of posting, the sales tax amount will be posted according to standard AX and the posting profile set on the sales tax code. In order to clearly separate the

preliminary sales tax from the actual and final posted sales tax amounts, a separate balance account is setup for the sales tax code “PREL”.

Sales tax amount is separated in the ExFlow import form.

Please note in the above image, that sales tax group and item sales tax group are available on line level. The values in these fields are determined by AX standard with the extension that the item sales tax group is defaulted by finding the value first from the main account (if filled in), if not found it is fetched from ExFlow parameter Default item sales tax group and if still not found from standard AX default item sales tax group. The sales tax group is defaulted from the vendor setup.

ExFlow | Document form

During the approval process, the fields for sales tax group and item sales tax group are available – and editable – on line level.

After the last approval, the invoice is available for final posting in an invoice approval journal.

The values in line level fields for taxgroups are determined by AX standard with the extension that the item sales tax group is defaulted by finding the value first from the main account (if filled in), if not found it is fetched from ExFlow parameter Default item sales tax group and if still not found from standard AX default item sales tax group. The sales tax group is defaulted from the vendor setup.

ExFlow | Invoice approval journal

Sales tax was already posted at invoice register. That means that if no contradictory information is given, the sales tax will be final according to what was stated at invoice register.

However, since ExFlow has linked the sales tax group and item sales tax group to the lines, the preliminary posted sales tax will be adjusted according to values stated in these fields.

Journal voucher (1 - se) - Voucher: SE-000366, 2012-03-23, Journal batch number: SE-000940

File Post Validate Financial dimensions Find vouchers Remove vouchers Sales tax Functions Inquiries Print Documents Show invoice

Balance		Total debit		Total credit		Budget check results	
Journal:	0,00	Journal:	1 800,00	Journal:	1 800,00	Per voucher:	
Per voucher:	0,00	Per voucher:	1 800,00	Per voucher:	1 800,00		

Date	Voucher	Vendor account	Invoice	Pending vendor invoice	Approved by	Description	Currency	Amount in transaction currency
2012-03-23	SE-000366	SE-000007	PT01		000001	Dustin AB	SEK	1 000,00

Overview General Invoice Payment Bank Fixed assets Remittance History Invoice information 1099

Date	Voucher	Account type	Account	Description	Debit	Credit	Currency	Sales tax group	Item sales tax group
2012-03-23	SE-000366	Ledger	2448---	Dustin AB		800,00	SEK		
2012-03-23	SE-000366	Ledger	2440---	Dustin AB		1 000,00	SEK		
2012-03-23	SE-000366	Ledger	2441---	Dustin AB	1 000,00		SEK		
2012-03-23	SE-000366	Ledger	6212---	Dustin AB	800,00		SEK	SE-L	25

Sales tax will be coded according to what was approved in ExFlow.

The preliminary sales tax posting will be reversed and replaced by what was stated in the invoice approval journal.

PLEASE NOTE

- The sales tax fields on line level in the ExFlow import and document form. These are populated based on AX standard with the extension that the item sales tax group is defaulted by finding the value first from the main account (if filled in), if not found it is fetched from ExFlow parameter Default item sales tax group and if still not found from standard AX default item sales tax group. The sales tax group is defaulted from the vendor setup.
- It is possible to restrict approver's possibility to alter the information in the sales tax fields in ExFlow WEB.
- If the sales tax groups are not filled automatically from ExFlow in the invoice approval journal, AX standard setting for tax groups on line level in the journal will be applied with the extension that the item sales tax group is defaulted by finding the value first from the main account (if filled in), if not found it is fetched from ExFlow parameter Default item sales tax group and if still not found from standard AX default item sales tax group. The sales tax group is defaulted from the vendor setup.