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Course Overview

Purchase Taxes Module Description

The Purchase Taxes (PT) module allows you to calculate and report government taxes imposed on companies. The Purchase Taxes module works together with the Accounts Payable (AP) module. After you establish tax codes and rates within the PT module, the AP module uses that information in the process of entering and paying invoices. After you process invoices using AP, you may use the PT module to produce reports summarizing taxes paid.

Course Description

This class provides an overview of the IDEAS Purchase Taxes modules and then covers PT processing and standard Purchase Taxes reports.

Audience, Course Level and Prerequisites

This basic level class is recommended for those who use the IDEAS financial modules. The recommended prerequisite for this course is the IDEAS User Interface Navigation course or comparable experience.

What You Will Learn

- Purchase Taxes Overview
- Purchase Taxes Process
  - Tax Authority
  - Tax Types
  - Tax Codes
  - Reports
Lesson One: PURCHASE TAXES PROCESS

Tax Authority

To access the Tax Authority program, from the Tables menu select Tax Authority.

The Tax Authority screen displays.

Enter or select the Tax Authority. At the Primary Auth Desc field, enter the primary authority description. At the Secondary Auth Desc field, enter the secondary authority description.
Tax Types

To access the Tax Types program, from the **Tables** menu select **Tax Types**.

This program allows the definition of the Tax Types (usually predefined for you).

There are many tax types:
- I: Incremental Tax
• **B**: Both VAT and WH Taxes

• **W**: Withholding Tax

• **N**: No Tax

• **V**: VAT Tax
Tax Codes

To access the Tax Codes program, from the Tables menu select Tax Codes.

Use the Tax Codes program to create and maintain tax codes to use with the Accounts Payable module.
To create a tax code, enter or select the following fields:

**Entity:** If you have only one entity defined, it displays automatically. Otherwise, you must define a new tax code.

**Tax Code:** Select an existing tax code or create a new one.

**Long Description:** If you selected an existing code, a long description displays in the text box. If you created a new tax code, enter its long description.

**Short Description:** If you selected an existing code, a short description displays in the text box. If you created a new tax code, enter its short description.
Tax Rate: If you selected an existing code, the tax rate displays in the text box. If you created a new tax code, enter its tax rate.

Tax Type: If you selected an existing code, a tax type displays in the text box. If you created a new tax code, click on the search icon (the spyglass) and select a tax type from the pop-up window.

Ledger: Select the Ledger from the drop-down list.

Status:

Active – Allows the tax code to be used in invoices
Inactive – Disallows the tax code from being used in invoices

Tax Expense Accounts Tab and or Tax Payable Accounts tab
(Depending on the Tax type)

If you select an existing tax code, a tax expense fully qualified account displays in the grid. If you are creating a new tax code, enter the element IDs in the grid until you have completed the tax expense fully qualified account.

Tax Authority: If you select an existing tax code, a tax authority code displays in the grid. If you created a new tax code, enter the appropriate tax authority code into the grid for each Tax Expense FQA that displays in the grid.
Percent: If you select an existing code, a percentage number displays in the grid. If you created a new tax code, enter the appropriate percentage in the grid for each Tax Expense FQA that displays in the grid.

Example: VAT Tax Type

Tax Expense Accounts tab:
Example: Withholding Tax Type

Tax Payable Accounts tab:
Example: Incremental Tax Type

Tax Expense Accounts tab:

Tax Payable Accounts tab:
Lesson Two: PURCHASE TAXES REPORTS

Access all PT reports for the “Report” menu:

There are six reports available in the Purchase Taxes module.
Report 1: Tax Codes Detail Report

The Tax codes detail report provides a complete report of all taxes defined in the system.

Enter or select the **Entity** ID and **Description** and then click the spyglass to run the report.

**Example Report Output**

![Example Report Output](image-url)
This report displays the TAX:

- Code
- Type
- Description
- Rate
- Ledger
- Expense-FQA
- Payable-FQA
- Authority
- Authority rate

The VAT, Withholding and Incremental Tax Paid reports all display a listing of all taxes paid during a range of period per tax type (VAT, WITHHOLDING or INCREMENTAL).
Report 2: Value Added Tax Paid Report

The VAT Paid Report allows you to create a detailed report of VAT tax that was paid.

To run the report, enter or select the following fields:

- Entity ID
- Currency

Under Date Selected:

- One or Multiple Dates
- Range of Dates
- All Dates
Under **Selection Criteria**:  
- **Payment Date** – Select VAT Paid information based on check date(s) specified  
- **Invoice Date** – Select VAT Paid information based on receipt date(s) specified  
- **Accounting Period** – Select VAT Paid information based on accounting period(s) specified

**Enter:**
- Beginning Date
- Ending Date
- Date

Under **Accounting Period:**
- Beginning Period
- Ending Period
- Accounting Year

Then click the spyglass to run the report.
Two reports display, the Control Totals report first and then the AP VAT Input Report.

**a) Control Totals Report**  
The first report displays only the Tax:
- Code
- Rate
- Authority
- Total Basis
- Total Amounts
Example: First Report

The second report is more detailed and displays:

- Vendor Number
- Vendor Name
- Vendor Tax ID
- Invoice Number
- Invoice Date
- Invoice Amount
- Tax Basis
- Tax Rate
- Tax Code
- Tax Paid Amount
- Total Tax Paid
Example: Second Report

ACCOUNTS PAYABLE
VALUE-ADDED TAX PAID REPORT
FOR ALL CHECK DATES

ENTITY:  
CURRENCY: Egyptian Pound  
DATE: 7/31/2018 11:07:52 A7/P7

<table>
<thead>
<tr>
<th>VENDOR NAME</th>
<th>TAX ID</th>
<th>INVOICE</th>
<th>VALUE-ADDED TAX</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Travel</td>
<td>10028</td>
<td>INV1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>07/31/2018</td>
<td>1,694.32</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18.0000</td>
</tr>
</tbody>
</table>

Total For Tax Rate: 18.0000 1,694.32 305.08
Total For Tax Code: TVA18-TVA 18% 1,694.32 305.08
Total For Tax Authority: FM 1,694.32 305.08
Total For Vendor: 10028-A Trave 305.08
Total For Entity: 231-Delta Energy Group Ltd. JVs 305.08

The Value Added Tax Paid/unpaid Report allows users to create a detailed report of taxes paid and taxes still outstanding.

To run the report, enter or select the following fields:

- Entity ID
- Currency

Under **Date Selected**:
- One or Multiple Dates
- Range of Dates
- All Dates

Under **Selection Criteria**:
- **Payment Date** – Select VAT Paid information based on check date(s) specified
- **Invoice Date** – Select VAT Paid information based on receipt date(s) specified
- **Accounting Period** – Select VAT Paid information based on accounting period(s) specified
Enter:
- Beginning Date
- Ending Date
- Date

Under Accounting Period:
- Beginning Period
- Ending Period
- Accounting Year

Then click the spyglass to run the report.

The report lists the following:
- Vendor Name
- Vendor Number
- Invoice Number
- Invoice Total
- Check Number
- Check Date
- Tax Rate
- Tax Code
- Tax Amount Paid
- Total Tax Paid
- Total Tax Unpaid
Report 4: Withholding Tax Paid

The Withholding Tax Paid Report allows you to create a detailed report of withholding tax paid.

To create a report, enter or select the following fields:
- Entity ID
- Currency

Under **Date Selected**:
- One or Multiple Dates
- Range of Dates
- All Dates

Then click the spyglass to run the report.

The report displays the following:
- Vendor Name
- Vendor Number
- Invoice Number
- Invoice Total
- Check Number
Report 5: Withholding Taxes Paid/Unpaid Summary:

The Withholding Tax Paid/Unpaid Report allows users to create a detailed report of taxes paid and taxes still outstanding.

To create a report, enter or select the following fields:

- Entity ID
- Currency

Under Invoice Date Selected:
- One or Multiple Dates
- Range of Dates
- All Dates

Then click the spyglass to run the report.
The report lists the following:

- Vendor Name
- Vendor Number
- Invoice Date
- Entry Date
- Invoice Amount
- Total Tax – Percentage and Amount
- Tax Charged – Percentage and Amount
- Incremental Tax – Percentage and Amount
- Tax Code
- Tax Rate
- Total Invoice Amount
- Tax Paid Amount


The Incremental Tax Paid Report displays details about the paid incremental taxes.
To create a report, enter or select the following fields:
- Entity ID
- Currency

Under **Invoice Date Selected**:
- One or Multiple Dates
- Range of Dates
- All Dates

Then click the spyglass 🕵️‍♂️ to run the report.

The report displays the following:
- Vendor Name
- Vendor Number
- Invoice Date
- Entry Date
- Invoice Amount
- Total Tax (percentage and amount)
- Tax Charged (percentage and amount)
- Incremental Tax (percentage and amount)
- Tax Code
- Tax Rate