

Processing 100% TAX/VAT Transactions

This feature is available in all Versions.

Feature Overview:

A need may exist for you to post a 100% tax adjustment. This would arise when the tax charged on a document is not a standard % of the line or document total. An example of where this would be used in South Africa is to cater for the VAT on the total value of the Imported Value of all the goods on the document. With this feature you can simply override the TAX value on the line item.

How Does This Feature Help Your Business?

This feature allows you amend the tax and not have to post different transactions to cater for the additional Tax. This option is available on the Supplier Documents, Receipts and Payments Journal as well as the Standard General Ledger Journal function.

Feature Options:

Below is an example of a Supplier's Invoice reflecting a line for Customs Tax. In the example, the Invoice total excluding Vat is R56,154.28 and the total Customs Vat for the Invoice is R38,857.00, totalling R95,011.28.

CHARGES	FOREIGN AMOUNT	EX RATE	TAX FREE	TAXABLE
AIR FREIGHT	6681.40	USD 7.193100	48059.98	
CUSTOMS VAT			38857.00	
AIRLINE HANDLING			1444.95	
COMMUNICATION FEE			120.00	
FREIGHT COMMISSION FEE			206.00	
DOCUMENTATION FEE			200.00	
INSURANCE FEE			200.00	
PORT FEE			200.00	
STORAGE FEE			200.00	
TOTAL			52507.93	
TOTAL VAT THIS INVOICE			38857.00	
TOTAL INVOICE AMOUNT			91364.93	

An example of how the transaction can be processed is shown below, where the total invoice amount excluding Tax is processed on the first line. To process the 100% Tax entry, leave the Price field at 0, then Select the Relevant Tax type and enter on the Tax Override button as depicted with the dots, (02) and manually enter the tax amount we seen below. The transaction is now in balance and the entire tax amount will go to the selected Tax account and account.

Purchase Invoice

Vendor: TST001
Abercrombie Hardware
65 Arrow Street
London SW116TT
UK

Ship To: Sample Company
121 Lake View Road
Cnr Lake View & Hubbard Streets
Johannesburg Gauteng 1201
South Africa

Doc Number: PI-000000004
Date: Sunday, March
Required: Sunday, March
Vend Inv #: VINV_1001

Number	Location	Description	Qty	Unit	Price	Discount %	Tax Code	Tax	Amount
InvItem	DEFAULT	Inventory Item	1	EA	56,154.28	0.00	06	0.00	56,154.28
InvItem	DEFAULT	Inventory Item	1	EA	0.00	0.00	06	38,857.00	0.00

Status: COMPLETE
Department: - None -
Terms: 30 Days From Invoice

Subtotal: 56,154.28
Discount: 0.00
Tax: 38,857.00
Total: 95,011.28

Tax Definition	Status	Rate	Included	Item Exempt	Source Exempt	Tax Amount
VAT	Taxable	0.00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	38,857.00

OK Cancel

The Journal Entry for this transaction is detailed below:

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Journal Entries for Document: PI-000000004

		Debits	Credits
01-Mar-15	J17 PI-000000004, TST001 - Abercrombie Hardware, VINV_1001		
	15200000 Inventory A	56,154.28	0.00
	21000000 Accounts Payable	0.00	95,011.28
	21600000 Purchases VAT Payable	38,857.00	0.00
		95,011.28	95,011.28