

BW - Finance Report Name	BW Menu Path	<u>Notes</u> <i>Most agencies use the Sales and Use Tax report to prepare tax return form, and then the Tax Payable Detail GL report to summarize the account information for preparing the IDT and JE's needed.</i>
<p><i>Sales and Use Tax Report</i></p> <p>The report displays the Tax Base and Tax Amount for reporting Use Tax. It allows analysis of the Sales Tax paid to vendors and Use Tax payable to SC Dept. of Revenue (SCDOR) or other tax authorities. Similar to the ECC report S_ALR_87012394, this report can be used in preparation of the IDT (Interdepartmental Transfer) transaction to transfer funds to Dept. of Revenue. Additional fields that are available for sorting and drill-down include Business area, Cost Center, Functional Area, Fund, Fund Center, Grant and more.</p>	<p>(1) Roles→ General Ledger →Sales & Use Tax Report (2) Roles→ Accounts Payable →Sales & Use Tax Report</p>	<p>Helps preparation of SCDOR tax forms. Shows by tax jurisdiction (state, county) for each tax payable line item with document # and vendor information.</p>
<p><i>Sales/Use Tax Payable Detail G/LTxn Report</i></p> <p>Provides detailed general ledger activity of the Sales and Use Tax G/L accounts (2010010000 / 2010020000) for the requested fiscal year / fiscal period range.</p>	<p>Roles→ General Ledger →Sales/Use Tax Payable Detail G/L Txn Report</p>	<p>Report shows the account assignments (fund, functional area, cost center, grant) for each payable line item.</p>

CURRENT FLOW of USE TAX ENTRIES - General Ledger Postings

GL #	100002000, 1000040000 Cash	2000010000 Vendor payable	2000030000 IDT payable	2010020000 Use tax payable	5030010000 Supplies Expense	5030010000 (with grant) Supplies Exp. (Grant)
		\$ 500 (1)		\$ 35 (1)	(1) \$ 535	
		200 (2)		14 (2)	(2) 214	
		100 (3)		7 (3)		(3) 107
	800 (4)	(4) 800				
			49 (6)	(6) 35		
				(6) 14		
				(7.1.a) 7		7 (7.1.a)
			7 (7.1.b)			(7.1.b) 7
			11 (7.2)		(7.2) 11	
	49 (8)		(8) 49			
	18 (8)		(8) 18			
Net \$	\$ 867	\$0	\$0	\$0	\$ 760.00	\$ 107.00

Entry

- 1 Agency purchases \$500 of supplies from fund 10010000 from out-of-state vendor, subject to use tax.
\$ 35 owed to SCDOR for use tax.

When U1 tax code entered, system accrues use tax automatically: adds tax to expense amount
and creates use tax payable lines

- AP invoice recorded using tax code U1 (use tax). GL accounts posted as:

Supplies Expense (fund 10010000)	535	
Vendor payable		500
Use tax payable		35

- 2 Agency purchases \$200 of supplies from fund 30350000 subject to use tax.
\$ 14 owed to SCDOR for use tax.

- AP invoice created using U1 tax code and accrue tax. GL posted as:

Supplies Expense (fund 30350000)	214	
Vendor payable		200
Use tax payable		14

- 3 Agency purchases \$100 of supplies from GRANT and subject to use tax.
\$ 7 owed to SCDOR for use tax.

- AP invoice created using U1 tax code and accrue tax. GL posted as:

Supplies Expense (grant)	107	
Vendor payable		100
Use tax payable		7

- 4 Payment run for AP invoices (1, 2, 3).

- Payment document (ZP) created...STO issues check to vendor

Vendor payable	800	
Cash		800

- 5 Use tax \$ to be remitted to Dept of Revenue (R440 non-live funds)

BW report - Sales/Use tax: identifies tax jurisdictions for tax return

BW report - Tax Payable Detail GL: shows account details by line item

* Use JE method: ADJ TAX CODE DETAIL & ACCRUAL to adjust tax details

Run reports and review activity

Adjust tax details with JE, as needed*

Reconcile with tax return

Note: REMITTANCE (payment) of TAX to SC Dept. of Revenue:

Create **SEPARATE** entries (SAP documents) using ZIDT transaction for each type to avoid document posting (splitting) errors:

- (step 6) ONLY GL 2010020000: use tax payable, excluding all grant line items
- (step 7) Items for direct expense
- 7.1) Grants
 - 7.2) Additional items not already recorded as use tax to be directly expensed

6 • T-code: ZIDT

For all NON-GRANT items, debit the use tax payable a/c to reduce liability.

Total line amounts by fund-grant-funded program(functional area-cost center) combinations, if desired

Enter WBS, if applicable

Reminder: Do NOT enter GL 2010020000 lines with any other GL account; separate documents required

Use tax payable (fund 10010000)	35	
Use tax payable (fund 30350000)	14	
IDT payable - R440		49

7 You may combine items 7.1.b and 7.2 on same transaction, since all GL input are expenses.

- Tax code field should be "BLANK" to avoid changing tax details or making accrual

7.1 Grant accrual: Because of derivation and tax calculation processes used in SAP, the ZIDT process cannot process the payment to SCDOR from the liability (use tax payable account). Must remit as expense.

7.1.a (FV50) Reverse accrual of grant item with JE.

For example of JE- refer to separate tab: Split TxPay per Exp; No TxCode Calc

Use tax payable (fund 30350000)	7	
Supplies Expense (grant)		7

7.1.b (ZIDT) Process payment of use tax as 5xxxxxxx expense item

Supplies Expense (grant)	7	
IDT payable - R440		7

7.2 Additional use tax expense, if not already accrued.

Add lines to charge EXPENSE GL accounts. Leave tax code blank.

Supplies Expense	11	
IDT payable - R440		11

8 Automated payment program processes payment to R440

IDT payable - R440	49	
Cash		49
IDT payable - R440	18	
Cash		18

NOTE:

If separate ZIDT were required, reference all related SAP document #s to each other and tax return forms.

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- 9 DISCOUNT: *Tax regulations allow discount for timely payments/volume*
ONLY when your agency qualifies, select either 9.1 or 9.2 entry method below, whichever fits.

9.1 If you recorded expenses (as outlined in step 7) for more than discount,
you may record a credit to any appropriate expense(s) accounts for discount.

9.2 When GL 2010020000 - use tax payable accounts need to be affected (see step 6), then record:

9.2.1 In the ZIDT, create additional line for discount as CREDIT to the same GL 2010020000 (use tax payable).
Allocate discount to any fund-functional area-cost center combination.

9.2.2 Create JE to reallocate discount.
JE must zero out the discount line items and credit related expense GL.

Tcode: FV50

Document Type: ZX (or IJ, if interface)

USE TAX PAYABLE TOTAL SPLIT across EXPENSE AMOUNTS (by FUND-FUNDED PROGRAM-GRANT)

CRITERIA... Reverse tax accrual entries
...or when to use No update to tax detail records (jurisdiction or tax code) required
 No calculation or adjustment of tax expense and liabilities per tax jurisdiction or tax code required
 Allows reversal of accrued tax related to GRANT or not-Relevant grant items

SCENARIO: BA posted use tax accruals during accounts payable invoicing/PO processing
 Agency remitted \$ to SCDOR by charging expenses on ZIDT
 JE needed to reverse accrual to avoid duplication of tax expense

ENTRY **ZX** document type (**IJ** - interface)
METHOD: Enter expense lines - per fund, funded program, grant
 Determine net total for use tax payable
 Enter only ONE line for use tax payable just: only GL #, D/C indicator, \$

CAUTION: To create the proper document splitting results, shown below ---
 only combine these GL accounts for this entry method/document type:

- Expense 5xxxxxxx
- Use Tax Payable 2010020000
- NO** other payable, balance sheet or cash GL accounts may be used

Leave tax code "**blank**" (so there are no updates to tax reporting or computations)

ZX with Document Splitting of Use Tax Payable GL per Expenses ENTRY VIEW	Account	D/C	Amount	Cost Center	Functional Area	Fund	Grant	Order or WBS, if applicable	Tax Code
Enter multiple expense lines for reversal, as needed. Can include GRANTS expenses	5020070003	C	14.82	F030RBB009	F030_RB00	50550000	F0301RB01310		
	5030090000	C	102.06	F030RBB009	F030_RB00	50550000	F0301RB01210		
	5030010000	C	5.35	F030RBB009	F030_RB00	50550000	F0301RB01310		
	5033990000	C	16816	F030RBB009	F030_RB00	50550000	F0301RB01210		
	5033150000	C	32.93	F030RA0002	F030_RA00	30350001	NOT RELEVANT		
	5030060000	C	29.15	F030RBA003	F030_RB00	30350001	NOT RELEVANT		
	5030090000	C	0.5	F030RBA006	F030_RB00	30350001	NOT RELEVANT		
	5030090000	D	2.19	F030RBB009	F030_RB00	30350001	NOT RELEVANT		
	5020070000	C	4.12	F030REB000	F030_RE00	30350001	NOT RELEVANT		
Enter total on one line for USE TAX PAYABLE Only enter these fields: GL, D/C, \$ ZX document splitting rules for USE TAX PAYABLE will allocate by expense lines	2010020000	D	17002.74						

ZX with Document Splitting of Use Tax Payable GL per Expenses: GL VIEW	Entry Line	GL line	Account	DR / CR	Amount	Funded program	Fund	Grant	Order or WBS, if applicable	Tax Code
	1	1	5020070003	H	-14.82	F030RBB009_RB00	50550000	F0301RB01310		
	2	2	5030090000	H	-102.06	F030RBB009_RB00	50550000	F0301RB01210		
	3	3	5030010000	H	-5.35	F030RBB009_RB00	50550000	F0301RB01310		
	4	4	5033990000	H	-16816	F030RBB009_RB00	50550000	F0301RB01210		
	5	5	5033150000	H	-32.93	F030RA0002_RA00	30350001	NOT RELEVANT		
	6	6	5030060000	H	-29.15	F030RBA003_RB00	30350001	NOT RELEVANT		
	7	7	5030090000	H	-0.5	F030RBA006_RB00	30350001	NOT RELEVANT		
	8	8	5030090000	S	2.19	F030RBB009_RB00	30350001	NOT RELEVANT		
	9	9	5020070000	H	-4.12	F030REB000_RE00	30350001	NOT RELEVANT		
Document splitting/ balancing created multiple lines on GL view to allocate tax per BA, Fund, Funded program, grant	10	10	2010020000	S	32.93	F030RA0002_RA00	30350001	NOT RELEVANT		
	10	11	2010020000	S	29.15	F030RBA003_RB00	30350001	NOT RELEVANT		
	10	12	2010020000	S	0.5	F030RBA006_RB00	30350001	NOT RELEVANT		
	10	13	2010020000	H	-2.19	F030RBB009_RB00	30350001	NOT RELEVANT		
	10	14	2010020000	S	4.12	F030REB000_RE00	30350001	NOT RELEVANT		
	10	15	2010020000	S	16918.06	F030RBB009_RB00	50550000	F0301RB01210		
	10	16	2010020000	S	20.17	F030RBB009_RB00	50550000	F0301RB01310		

JE to Adjust Use Tax Accrual & Tax Details

Document type: **IJ (interface) or ZX (manual entry)**

Scenario: **When updates to use tax details (tax code or jurisdiction) and related accruals are needed**

- charged to wrong tax code
- charged to wrong tax jurisdiction

- 1) JE can be made to reverse a tax accrual or create an accrual.
- 2) Equivalent amounts of expenses (net of tax = "base" amount) are entered as debit and credit lines.
To **CREATE** use tax accrual: **DEBIT** expense with **U1**, credit as **I0**
To **REVERSE** a use tax accrual: **CREDIT** expense with **U1**, debit as **I0**
- 3) Users **must** select CALCULATE TAXES ON NET AMOUNT as their EDITING OPTION for document entry.
- 4) Do NOT combine use tax adjustments with any other journal entry scenario.
- 4) Only enter expenses (5xxxxxxx) GL accounts.

Example Scenario:

Line 1 item subject to use tax, but AP invoice not coded as such.

JE lines 1 & 2 will record tax payable and expense, updating the tax jurisdiction and U1 details.

Line 3 item charged to use tax in incorrectly on AP invoice.

JE lines 3 & 4 will reverse accrual and correct tax details and jurisdiction totals.

Line # (item below)	Base amount (cost of item, excludes tax)	Tax Amount (total per item)	Total Expenses: Base + tax
1	100.00	7.00	107.00
3	10.00	0.70	10.70

INPUT for FV50: Note that amounts will change when document is posted.

To preview and ensure correct results: SIMULATE GENERAL LEDGER

Line	GL line	Account	DR / CR	Amount	Cost Ctr	Func. Area	Fund	Grant	Tax code	Funded program
1		5030010000	Debit	100.00	J200BT0010	J200_0006	30370000	NOT RELEVANT	U1	} Increase U1
2		5030010000	Credit	100.00	J200BT0010	J200_0006	30370000	NOT RELEVANT	I0	
3		5030010000	Credit	10.00	J200CT0010	J200_0018	54600000	J2001SAPBG10	U1	} Reduce U1
4		5030010000	Debit	10.00	J200CT0010	J200_0018	54600000	J2001SAPBG10	I0	

ENTRY View (Changes appear when posted; not at SAC)

Note: EXPENDITURE amount adjusted for related tax amount with U1 tax code. ALSO, tax payable line created.

Line	GL line	Account	DR / CR	Amount	Cost Ctr	Func. Area	Fund	Grant	Tax code	Funded program
1		5030010000	D	107.00	J200BT0010	J200_0006	30370000	NOT RELEVANT	U1	J200BT0010_0006
2		5030010000	C	-100.00	J200BT0010	J200_0006	30370000	NOT RELEVANT	I0	J200BT0010_0006
3		5030010000	C	-10.70	J200CT0010	J200_0018	54600000	J2001SAPBG10	U1	J200CT0010_0018
4		5030010000	D	10.00	J200CT0010	J200_0018	54600000	J2001SAPBG10	I0	J200CT0010_0018
5		2010020000	C	-6.00					U1	
6		2010020000	C	-1.00					U1	
7		2010020000	D	0.60					U1	
8		2010020000	D	0.10					U1	

GL (general ledger) view of posted document

Line #	GL line	Account	DR / CR	Amount	Cost Ctr	Func. Area	Fund	Grant	Tax code	Funded program
1	1	5030010000	D	107.00	J200BT0010	J200_0006	30370000	NOT RELEVANT	U1	J200BT0010_0006
2	2	5030010000	C	100.00	J200BT0010	J200_0006	30370000	NOT RELEVANT	I0	J200BT0010_0006
3	3	5030010000	C	-10.70	J200CT0010	J200_0018	54600000	J2001SAPBG10	U1	J200CT0010_0018
4	4	5030010000	D	10.00	J200CT0010	J200_0018	54600000	J2001SAPBG10	I0	J200CT0010_0018
5	5	2010020000	C	-6.00			30370000	NOT RELEVANT	U1	J200BT0010_0006
6	6	2010020000	C	-1.00			30370000	NOT RELEVANT	U1	J200BT0010_0006
7	7	2010020000	D	0.60			54600000	J2001SAPBG10	U1	J200CT0010_0018
8	8	2010020000	D	0.10			54600000	J2001SAPBG10	U1	J200CT0010_0018

RESULTS - Summarized by GL-Fund -Grant-Funded program

1	5030010000	D	107.00		30370000	NOT RELEVANT	U1	J200BT0010_0006
2	5030010000	C	(100.00)		30370000	NOT RELEVANT	I0	J200BT0010_0006
			<u>\$ 7.00</u>	Net subtotal GL: EXPENSE per FUND/grant/FndP				
5	2010020000	C	(6.00)		30370000	NOT RELEVANT	U1	J200BT0010_0006
6	2010020000	C	(1.00)		30370000	NOT RELEVANT	U1	J200BT0010_0006
			<u>\$ (7.00)</u>	Net total - GL 2010020000 per FUND/grant/FndP				
7	2010020000	D	0.60		54600000	J2001SAPBG10	U1	J200CT0010_0018
8	2010020000	D	0.10		54600000	J2001SAPBG10	U1	J200CT0010_0018
			<u>\$ 0.70</u>	Net total - GL 2010020000 per FUND/grant/FndP				
3	5030010000	C	(10.70)		54600000	J2001SAPBG10	U1	J200CT0010_0018
4	5030010000	D	10.00		54600000	J2001SAPBG10	I0	J200CT0010_0018
			<u>\$ (0.70)</u>	Net subtotal GL: EXPENSE per FUND/grant/FndP				