

ONESOURCE™ INTEGRATION FOR MICROSOFT D3650

INSTALLATION AND USER GUIDE

2.0.0.X

Document Version 2

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
V1	February 15, 2019	Created first version of this guide for ONESOURCE Indirect Tax Integration for Microsoft D365O 2.0.0.x.
V2	February 28, 2019	Updated Assign Security Access (page 17) .

TABLE OF CONTENTS

Introduction	1
Who Should Read This Guide?	1
System Overview	1
Supported Business Processes	1
Unsupported Business Processes	2
Resources	3
Style Conventions	3
Prerequisites	5
Review System Requirements	5
Verify D365O General Ledger Parameters Tax Settings	5
Verify Address Master Data	7
Gather Administrative Information	8
Download the Integration	11
Install the Integration	13
Run the IDT Setup Wizard	13
Configure the Integration	17
Assign Security Access	17
Load the ONESOURCE IDT Product Tax Codes	18
Configure the IDT Parameters	19
Custom Attributes Setup	21
Offline Support Setup	24
Configure IDT Sales Tax Codes	27
Configure the IDT Ledger Posting Group	29
Assign the IDT Sales Tax Group to Customers	32
Method 1: Use the Customer Form to Assign the IDT Sales Tax Group	32
Method 2: Create a Custom View with a Column for Sales Tax Group	33
Assign the IDT Sales Tax Group to Vendors	36
Method 1: Use the Vendor Form to Assign the IDT Sales Tax Group	36
Method 2: Create a Custom View	37
Assign the IDT Item Sales Tax Group and IDT Product Tax Code to Items	37
Method 1: ONESOURCE IDT Item Taxability Form	37
Method 2: Released Products Form	38

Set up Posting Profiles	40
Additional Configuration	41
Configure D365O to Use Determination to Calculate Tax on Charges	41
Configure D365O to Use Determination to Calculate Tax for Sales Categories	41
Configure D365O to Use Determination to Calculate Tax for Purchasing Categories	42
Configure D365O to Use Determination to Calculate Tax for Project On-Account Transactions	44
Set Point of Title Transfer for Delivery Terms	45
Set up Tax Registrations	46
Configure Currency Conversions	49
Configure D365O Document Types to Accept IDT Invoice Descriptions and Jurisdictional Texts	49
Configure Recoverability for Purchases	49
Calculating Sales Tax	53
Addresses Used for Tax Calculation	53
Sales Documents	54
Temporary Sales Tax Transactions	55
Entering Credit Memos	55
Entering Return Orders	56
Tax Calculation on Header and Line Charges	56
Free Text Invoices	56
Sales Tax Groups and Exempt Status of Customers	57
Project Invoices	58
Specifying a Project to Use ONESOURCE to Calculate Tax on Related Transactions	59
Specifying ONESOURCE to Calculate Tax on a Project Sales Order	59
Specifying ONESOURCE to Calculate Tax on a Project On-account and Customer Advance Transaction	60
Viewing Invoice Descriptions and Jurisdictional Text for Project Invoices	61
Calculating Use Tax	63
Addresses Used for Tax Calculation	63
Purchase Orders and Vendor Invoices	63
Capture Vendor Charged Tax on Vendor Invoices	66
VAT Variances on Vendor Invoices	67
Purchase Requisitions	67
Request for Quotations	68
Vendor Invoice Journals	69
Vendor Invoice Pool	71

Invoice Registers	71
Tax Calculation Errors	75
Recalculate Tax on Transactions with Calculation Errors	75
Using The Address Validation Service	77
Triggering Address Validation	77
Validate an Address	77
Appendix A - Logging	83
Configure Logging Options	84
Appendix B - ONESOURCE-Specific Tax Groups and Tax Codes	87
Sales Tax Groups	87
Sales Tax Codes	88
Tax Code Qualifiers	91
IDT Sales Tax Codes	91
Reverse Charges	92
Reverse Charge on Purchase Transactions	92
Reverse Charge on Sales Transactions	93
Appendix C - Sales and Use Tax Reconciliation Reporting	95
Export the IDT ONESOURCE Reconciliation Extract to a CSV File	95
Appendix D - Custom Attributes Reference	98

INTRODUCTION

The ONESOURCE Indirect Tax Integration for Microsoft D365O enables seamless Order to Cash and Procure to Pay tax calculations between D365O and the Thomson Reuters tax service. You no longer need to maintain D365O tax codes, research tax laws, and enter tax rates. Tax-relevant transactions make a web service call to ONESOURCE Indirect Tax Determination, calculate tax, and then return the tax details back to D365O to be stored in the transaction record. Tax liabilities are stored in the ONESOURCE Indirect Tax databases for downstream reporting and compliance.

WHO SHOULD READ THIS GUIDE?

This guide is intended for use by ONESOURCE customers and partners who are implementing the Integration for Microsoft D365O. It covers preparing for installation, performing the installation, and the post-installation configuration steps. Users of D365O will find supported business processes and information on usage and maintenance of the integration.

Installation and configuration requires the coordination of people in various roles. If you are responsible for overseeing the installation, make this guide available to the following contributors:

- Application server administrator
- IT administrator
- Tax professional

SYSTEM OVERVIEW

The ONESOURCE Indirect Tax Integration for Microsoft D365O works within the framework of the client/server architecture of D365O. Calls to ONESOURCE Indirect Tax Determination originate directly from the server.

SUPPORTED BUSINESS PROCESSES

Tax calculation is supported for the following business processes:

- Credit Notes
- Free Text Invoices and Corrections
- Invoice Pool Excluding Details

- Invoice Register
- Project Invoices (Limited)
- Purchase Orders
- Quotations
- Requisitions
- Return Orders
- Sales Invoices
- Sales Journals
- Sales Quotes
- Sales Orders
- Shipment Orders
- Vendor Invoices
- Vendor Invoice Journals



All US address updates are supported by the address validation service.



The Sales Quotes and Sales Orders as accessed from the CRM module are also supported with this integration.

UNSUPPORTED BUSINESS PROCESSES

Tax calculation is not supported for the following business processes:

- General Journals
- Recurring Free Text Invoices
- Sales Basket Orders
- Service Orders
- Subscriptions

- Transfer Orders

RESOURCES

If you have questions that are not answered by this guide, you can get help from these resources:

ONESOURCE RESOURCES	
Resource	Description
ONESOURCE Customer Center https://tax.thomsonreuters.com/support/onesource/customer-center/	Search for answers in the Knowledge Base, enter product support tickets, and track support ticket history for you and your organization.
Indirect Tax Customer Center https://customercenter.sabrix.com/	Download ONESOURCE Indirect Tax software.
Other ONESOURCE Indirect Tax Products and Services https://tax.thomsonreuters.com/products/brands/onesource/indirect-tax/	Browse descriptions of other ONESOURCE Indirect Tax products and services.
Documentation Feedback onesource.indirect.tax.fb@thomsonreuters.com	Send feedback about ONESOURCE Indirect Tax documentation.

STYLE CONVENTIONS

We use the following special formatting throughout this guide:

Bold text indicates most user interface elements, such as:

- Data you are expected to enter, such as in a text field
- Pages, buttons, tabs, and field names
- Dialog boxes, drop-down lists, selections within lists, and check box titles
- Windows
- Menu items

Italic text indicates the following:

- File and folder names
- Java classes, PL/SQL objects and executable files
- Document titles

CAPITALIZED text indicates keyboard commands, such as ENTER, or database components.

`Courier` text indicates command-line input/output.

<brackets> indicate user entry. For example, <host> indicates you should replace the text and angle brackets with your server name.

Book titles are shown in italics and sections within a book are in quotation marks, such as “Tips and Tricks” in the *ONESOURCE Indirect Tax User Guide*.



This pencil symbol indicates suggestions or additional information.



This warning symbol indicates important text that you should review before proceeding.

```
1  /* Code snippets have numbered lines with a gray background.
   */
2  /* Be cautious if you copy lines from the code snippets—
   the line numbers are included! */
```

PREREQUISITES

Review the following sections and complete the listed tasks before installing the Integration for Microsoft D365O.

Review System Requirements	5
Verify D365O General Ledger Parameters Tax Settings	5
Verify Address Master Data	7
Gather Administrative Information	8
Download the Integration	11

REVIEW SYSTEM REQUIREMENTS

The integration requires the following:

- Microsoft D365O

VERIFY D365O GENERAL LEDGER PARAMETERS TAX SETTINGS

Before proceeding with your installation, review the **Sales tax** information on the **General ledger parameters** form. The integration requires that some of the parameters on this form be set to specific values.

To verify that your settings for each of the required parameters match those in the following table, go to **General ledger > Ledger setup > General ledger parameters**.

REQUIRED GENERAL LEDGER PARAMETERS	
Parameter	Value
Calculation date type	Invoice date
Calculation method	Line
Apply sales tax taxation rules	No
Conditional sales tax	No

REQUIRED GENERAL LEDGER PARAMETERS	
Parameter	Value
Auto sales tax search	No
Reverse sales tax on cash discount	No
Deduct cash discount before sales tax calculation	No
Cash discount is calculated on amount including sales tax	No



Bundles are supported only to the extent that pricing is assigned at the top level (kit level), not at the line level.



Tax is calculated on the gross amount. The sales price will not include tax. Therefore, no D365O fields should be set to **price includes sales tax**.

The following image is an example of the desired settings:

The screenshot displays the 'General ledger parameters' window in Dynamics 365 Finance and Operations. The left sidebar shows the navigation menu with 'Sales tax' selected. The main area is titled 'Set up sales tax and sales tax group information' and contains the following settings:

General			
Item sales tax group	Calculation method	Conditional sales tax	Validate tax code
IDT	Line	No	No
Calculation date type	Amounts include sales tax	Check sales tax groups	Auto sales tax search
Invoice date	No	None	No
Legal entity for intercompany tax posting	Apply sales tax taxation rules	Tax direction requirement	
Destination	No	No	
Tax options			
CASH DISCOUNT	CUSTOMER CASH DISCOUNT	VENDOR CASH DISCOUNT	INVOICE
Reverse sales tax on cash discount	Cash discount is calculated on amou...	Cash discount is calculated on amou...	Sales tax amount per invoice line
No	No	No	Yes
Deduct cash discount before sales tax...	Mandatory item tax groups	PAYMENT	SPECIAL REPORT
No	No	Sales tax on overpayment or underpa...	Include corrections
		No	No

VERIFY ADDRESS MASTER DATA

Your tax results are most precise when your master data is accurate. We recommend you make use of our one-time address validation service to update your addresses prior to installation. Please contact Thomson Reuters Professional Services if you are interested in using this service.

ONESOURCE Indirect Tax Determination calculates tax results using address data from the following areas of D3650:

- Legal Entity Address
- Customer Address
- Vendor Address
- Warehouse and Site Address


GATHER ADMINISTRATIVE INFORMATION

Before installing the integration, record your administrative information in the following tables:

INFORMATION REQUIRED FOR THE IDT SETUP WIZARD		
Item	Description	Your Value(s)
Settlement Period	<p>The D365O settlement period for sales tax.</p> <p>See D365O online help for more information.</p>	
Ledger posting group	<p>The D365O ledger posting groups are attached to individual sales tax codes, and the ledger posting groups determine the ledger accounts that the calculated sales taxes are posted to.</p> <p>See D365O online help for more information.</p>	
Currency	<p>The default currency used for tax calculation when one is not specified in the master data or transaction. Available values are USD or CAD</p>	

INFORMATION REQUIRED ON THE ONESOURCE IDT TAX PARAMETERS SCREEN		
Item	Description	Your Value(s)
ONESOURCE IDT URL	<p>The URL for Determination, provided by the implementation team. You will be provided with two URLs. One for your UAT environment and a second URL for your Production environment.</p>	

INFORMATION REQUIRED ON THE ONESOURCE IDT TAX PARAMETERS SCREEN		
Item	Description	Your Value(s)
ONESOURCE IDT Company ID	The unique identifier for your Determination company, provided by the implementation team.	
ONESOURCE IDT User Name	The user name for Determination, provided by the implementation team.	
ONESOURCE IDT Password	The password for Determination, provided by the implementation team.	
ONESOURCE Address Validation Enabled	Selecting this option enables the ONESOURCE Address Validation service.	
ONESOURCE Address Validation URL	The URL for the ONESOURCE Address Validation Service, provided by the implementation team. You will be provided with two URLs. One for your UAT environment and a second URL for your Production environment.	
ONESOURCE Address Validation Company ID	The unique identifier for your company, provided by the implementation team.	
ONESOURCE Address Validation User Name	The user name for the ONESOURCE Address Validation service, provided by the implementation team.	
ONESOURCE Address Validation Password	The password for the ONESOURCE Address Validation Service, provided by the implementation team.	

INFORMATION REQUIRED ON THE ONESOURCE IDT TAX PARAMETERS SCREEN		
Item	Description	Your Value(s)
ONESOURCE Default Item Product Tax Code	The default product tax code to use if no product tax code is assigned to the item.	
ONESOURCE Default Non-Inventory Product Tax Code	The default product tax code to use if no product tax code is assigned to a non-item type transaction.	
ONESOURCE Tax Summary by State	<p>By default, four authority buckets (State, County, City, and District) are used to represent tax results in D365O. Selecting this option assigns a single G/L account for each state instead.</p> <div>  <p>This setting does not affect how Determination calculates, stores, or reports tax results.</p> </div>	
ONESOURCE Default Currency	The default currency to apply to tax transactions. USD for a US company and CAD for a Canadian company.	
Source for determining exemptions	The default is Ship-To. Choose Ship-To to base exemptions on the customer Ship-To entity or choose Bill-To to base exemptions on the customer Bill-To invoice account.	
ONESOURCE Progress Bar	Selecting this option enables a progress bar during tax and address validation calls.	

INFORMATION REQUIRED DURING THE MANUAL CONFIGURATION PROCESS		
Item	Description	Your Value(s)
ONESOURCE Product Tax Codes	A list of the valid ONESOURCE IDT Product Tax Codes.	This is a .csv file provided by the implementation team.

DOWNLOAD THE INTEGRATION

If you have not already done so, download the Integration for Microsoft D365O installation file.

Download from ONESOURCE Customer Center

1. Open the Customer Center at <https://customercenter.sabrix.com/sabrixcc>.
2. Log on to the Customer Center by entering the user name and password assigned by Customer Support.
3. Locate the Integration for Microsoft D365O in the list of available products.
4. Select **None** for **Current Installed Version**.
5. Select **Download** for Integration for Microsoft D365O.
6. Save the file.
7. Complete the instructions at the following link to deploy the package: <https://docs.microsoft.com/en-us/dynamics365/operations/dev-itpro/deployment/apply-deployable-package-system>.

INSTALL THE INTEGRATION

This section provides the information required to install the Integration for Microsoft D365O.

Run the IDT Setup Wizard13

RUN THE IDT SETUP WIZARD

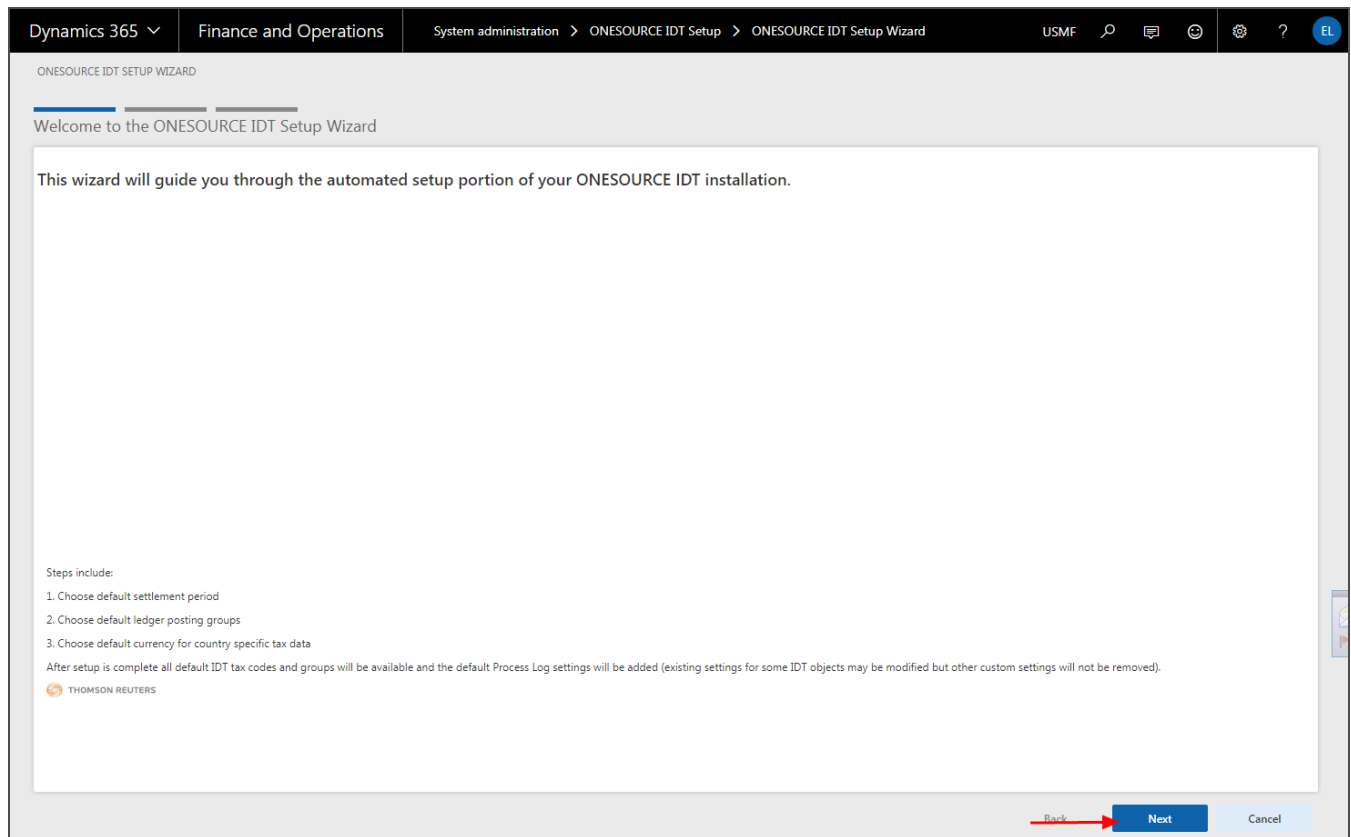
To complete the installation, you will run the IDT Setup Wizard. The wizard sets up the IDT tax codes and process log settings. Prior to running the wizard, you must manually create the following in your system:

- Settlement Period
- Default ledger posting group
- VAT non-recoverable ledger posting group
- VAT variance ledger posting group
- Not found ledger posting group

See the information regarding ledger posting groups found in the table under [Gather Administrative Information \(page 8\)](#) for a more detailed explanation.

To run the wizard and complete your installation complete the following steps:

1. Go to **System administration > ONESOURCE IDT Setup > ONESOURCE IDT Setup Wizard**.
2. Select **Next** when you are ready to proceed.



- Using the information you previously recorded (see [Gather Administrative Information \(page 8\)](#)), set the default values for **Settlement period**, **Ledger posting group**, and **Currency**.

ONESOURCE IDT SETUP WIZARD

Choose Defaults

A default settlement period, ledger posting group, and currency must be provided for proper setup.

Settlement period
IDT

Default ledger posting group
IDT

VAT non-recoverable ledger posting gr...
IDT NF

VAT variance ledger posting group
IDT VAT

Not found ledger posting group
IDT NF

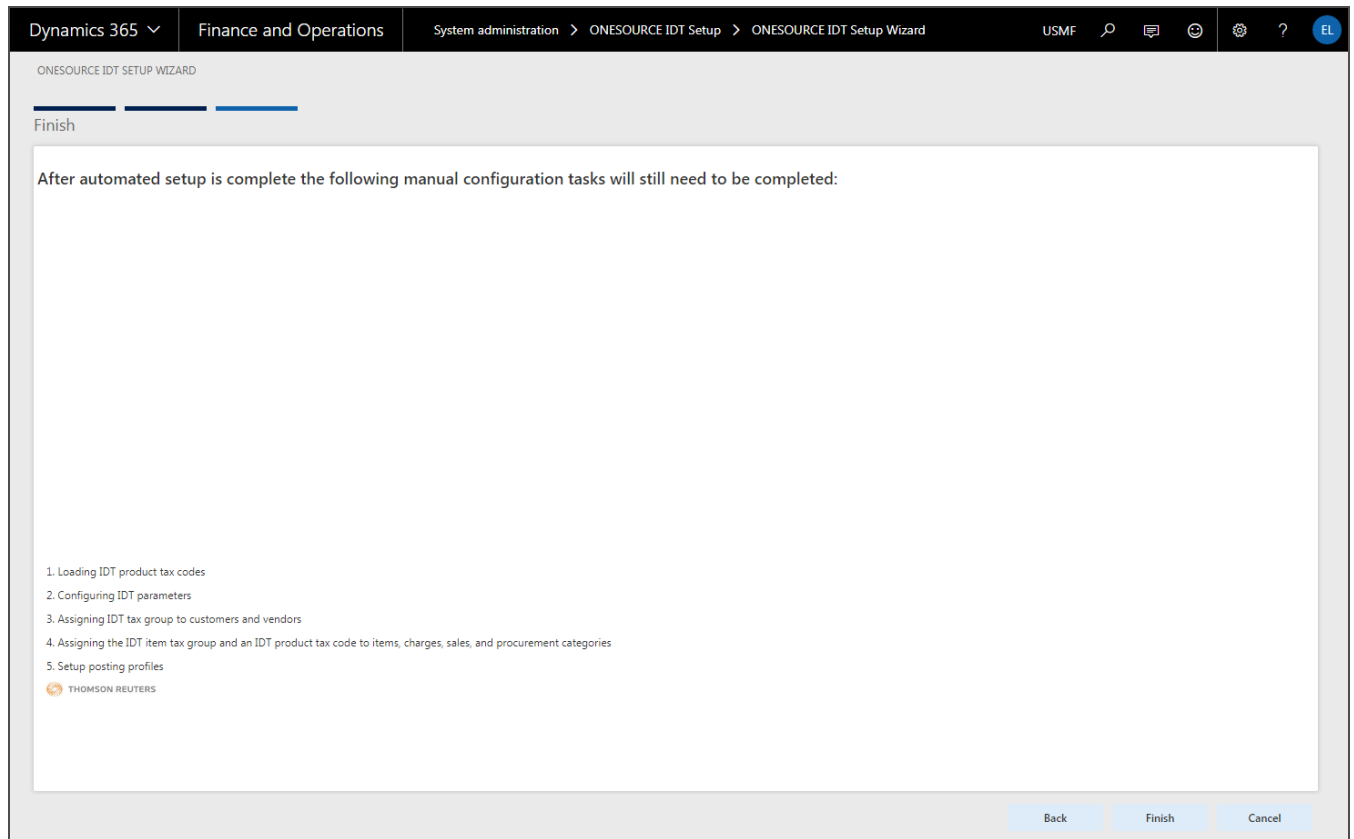
Currency
USD

Clear existing custom attribute configur...
No

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Back Next Cancel

4. Select **Next**. The **Finish** page describes the manual configuration that will be performed by the implementation team.



5. Select **Finish**.

CONFIGURE THE INTEGRATION

This section describes the steps required to configure the integration between Determination and D365O. The following configuration tasks are covered in this section:

Assign Security Access	17
Load the ONESOURCE IDT Product Tax Codes	18
Configure the IDT Parameters	19
Configure IDT Sales Tax Codes	27
Configure the IDT Ledger Posting Group	29
Assign the IDT Sales Tax Group to Customers	32
Assign the IDT Sales Tax Group to Vendors	36
Assign the IDT Item Sales Tax Group and IDT Product Tax Code to Items	37
Set up Posting Profiles	40
Additional Configuration	41
Configure Recoverability for Purchases	49

ASSIGN SECURITY ACCESS

The installation process creates three new security privileges and duties. Assigning these privileges or duties to a security role allows users linked to that security role to perform the configuration tasks listed below:

- **ONESOURCE IDT Address Validation:** Validate address updates with the ONESOURCE address validation feature.
- **ONESOURCE IDT Maintenance:** Access the ONESOURCE logs and configuration features.
 - Configure the IDT Parameters.
 - Assign the IDT item tax group and an IDT product tax code to items.
- **ONESOURCE IDT Setup:** Access to the ONESOURCE IDT setup features.
 - IDT Setup wizard.



System administrators already have the required access to perform the tasks listed above. All other configuration tasks must be completed by users with the proper native D365O security access.

LOAD THE ONESOURCE IDT PRODUCT TAX CODES

Please work with your ONESOURCE Professional Services representative to load the required ONESOURCE IDT Product Tax Codes.

The ONESOURCE IDT Product tax codes form shown below may be used to add or delete product tax codes. Use the following steps to add ONESOURCE IDT Product tax codes to your system.

1. Go to **Tax > Setup > Sales tax > ONESOURCE IDT Product tax codes**.

ONESOURCE IDT Pr...	ONESOURCE IDT Product tax code de...
✓ G150	Shipping
G6N3	Maintenance Agreements
GC66	Generic Taxable Product
GF3A	Generic Non-Taxable Product
GGC7	Taxable Gift Basket
SD9B	Maintenance Agreements

2. Choose **New** from the ribbon menu to add a new code and description. The code must correspond to an existing code in Determination.



Product tax codes may not be deleted if they are in use on the **ONESOURCE IDT Parameters** form, an item (for sell or purchase), a sales or procurement category, or a charge code.

CONFIGURE THE IDT PARAMETERS

The **ONESOURCE IDT Parameters** form is used to set your connection and system defaults.

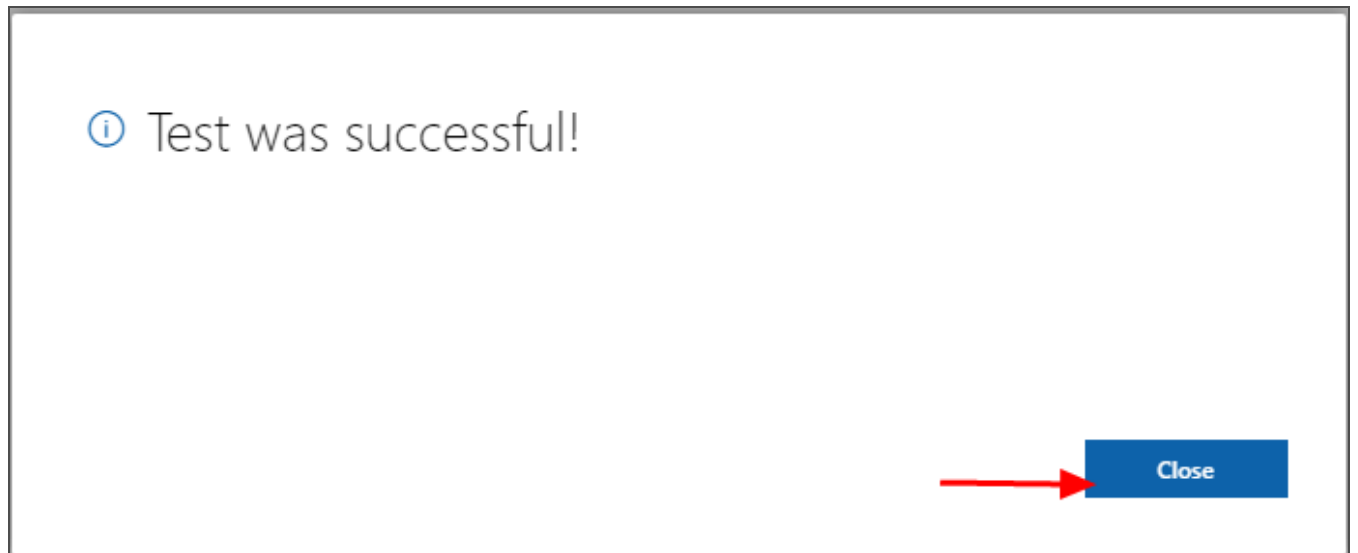
1. Go to **Tax > Setup > Sales tax > ONESOURCE IDT Tax Parameters**.
2. Enter the required information in the **ONESOURCE IDT Parameters** form, using the information you recorded earlier (see [Gather Administrative Information \(page 8\)](#)).

The screenshot shows the 'ONESOURCE IDT Parameters' form in the Dynamics 365 Finance and Operations interface. The breadcrumb navigation is 'Tax > Setup > Sales tax > ONESOURCE IDT Tax Parameters'. The form is divided into several sections: 'Tax Calculation Setup' (containing fields for URL, Company Id, Username, and Password), 'Address Validation Setup', 'Product Taxability Setup' (with dropdowns for GC66 and G6N3), 'Accounting Setup' (with a dropdown for USD), and 'System Setup'. The bottom right corner of the form displays the version '1.0.1.0.24002' and the 'THOMSON REUTERS' logo.

3. Once all of the required information is entered, select **Test Tax Calculation** and **Test Address Validation** on the **TOOLS** tab to verify that the URLs and credentials you entered are correct.

The screenshot shows the 'ONESOURCE IDT Parameters' form in the Dynamics 365 Finance and Operations interface, with the 'TOOLS' tab selected. The 'TOOLS' tab contains a 'TEST' section with two buttons: 'Test Tax Calculation' and 'Test Address Validation'. The 'COPY' section contains the text 'Copy Tax Calculation to Address Validation'.

4. Select **Close** to close the results pop-up.



5. Select **Close** at the bottom of the **ONESOURCE IDT Parameters** form.

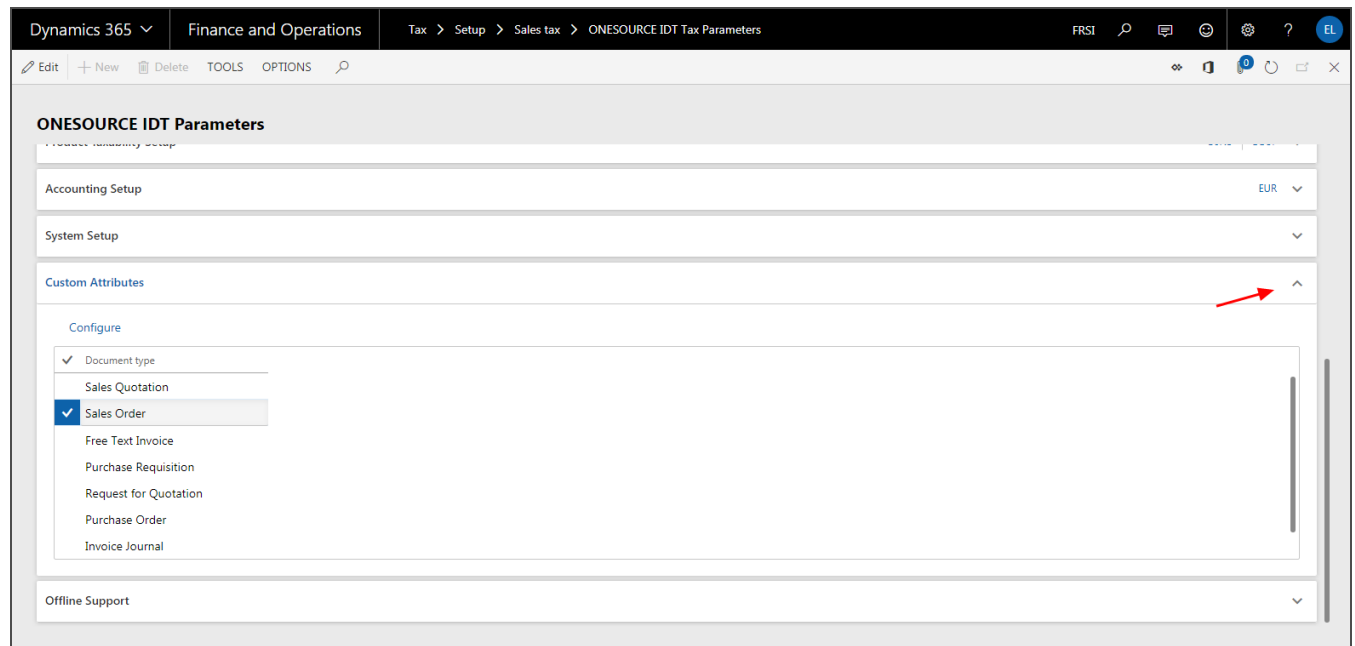


Updates to the **ONESOURCE IDT Parameters** form take effect immediately. You do not need to log out of D365O to save your changes.

Custom Attributes Setup

The custom attributes feature gives you the ability to include up to 40 additional header and 40 additional line elements in the tax calculation request. Custom attributes are configured using the **ONESOURCE IDT Parameters** form.

1. Go to **Tax > Setup > Sales Tax > ONESOURCE IDT Tax Parameters**.
2. Expand the **Custom Attributes** fast tab.



The screenshot shows the Dynamics 365 interface for the 'ONESOURCE IDT Parameters' form. The breadcrumb trail at the top indicates the path: 'Tax > Setup > Sales tax > ONESOURCE IDT Tax Parameters'. The form is divided into several sections: 'Accounting Setup', 'System Setup', 'Custom Attributes', and 'Offline Support'. The 'Custom Attributes' section is expanded, revealing a 'Configure' sub-section. Within 'Configure', there is a list of document types: 'Document type' (checked), 'Sales Quotation', 'Sales Order' (checked), 'Free Text Invoice', 'Purchase Requisition', 'Request for Quotation', 'Purchase Order', and 'Invoice Journal'. A red arrow points to the upward arrow icon on the right side of the 'Custom Attributes' section header, indicating that it is expanded.

3. Select a document type to configure using the table below for guidance.

DOCUMENT TYPE	RELATED DOCUMENT TYPES
Sales Quotation	Sales Quotation Confirmation, Sales Quotation Journal
Sales Order	Sales Order Confirmation, Sales Invoice, Return Order
Free Text Invoice	Free Text Invoice
Purchase Requisition	Purchase Requisition
Request for Quotation	Request for Quotation Reply, Request for Quotation Journal
Purchase Order	Vendor Invoice, Purchase Invoice
Vendor Invoice Journal	Vendor Invoice Journal
Project	Project Invoice


4. Select the **Configure** link at the top of the grid. The **ONESOURCE IDT Custom Attributes Config** form opens.

The screenshot shows the Dynamics 365 Finance and Operations interface. The breadcrumb trail is: Tax > Setup > Sales tax > ONESOURCE IDT Tax Parameters. The page title is 'ONESOURCE IDT CUSTOM ATTRIBUTES CONFIG | SALES ORDER'. Below the title is a search bar with the text 'Filter'. The main table has the following data:

Attribute name	Attribute level	Relation name	Field name	Active	Description
Attribute23	Header	OrderCustomer	SalesGroup	<input checked="" type="checkbox"/>	Sales group for the customer
Attribute24	Header	SalesTable	CustGroup	<input checked="" type="checkbox"/>	Customer Group
Attribute25	Header			<input type="checkbox"/>	
Attribute26	Header			<input type="checkbox"/>	
Attribute27	Header			<input type="checkbox"/>	
Attribute28	Header			<input type="checkbox"/>	
Attribute29	Header			<input type="checkbox"/>	
Attribute30	Header			<input type="checkbox"/>	
Attribute31	Header			<input type="checkbox"/>	
Attribute32	Header			<input type="checkbox"/>	
Attribute33	Header			<input type="checkbox"/>	
Attribute34	Header			<input type="checkbox"/>	
Attribute35	Header			<input type="checkbox"/>	
Attribute36	Header			<input type="checkbox"/>	
Attribute37	Header			<input type="checkbox"/>	
Attribute38	Header			<input type="checkbox"/>	
Attribute39	Header			<input type="checkbox"/>	

The bottom right corner of the interface shows the Thomson Reuters logo.

5. Using the configuration form, perform the following:
 - a. Select an unused header or line attribute.
 - b. Select the **Relation name**. Use the table found in [Appendix D - Custom Attributes Reference \(page 98\)](#) as reference.
 - c. Select the **Field name**.
 - d. To include the attribute in tax calls, select the **Active** check box.

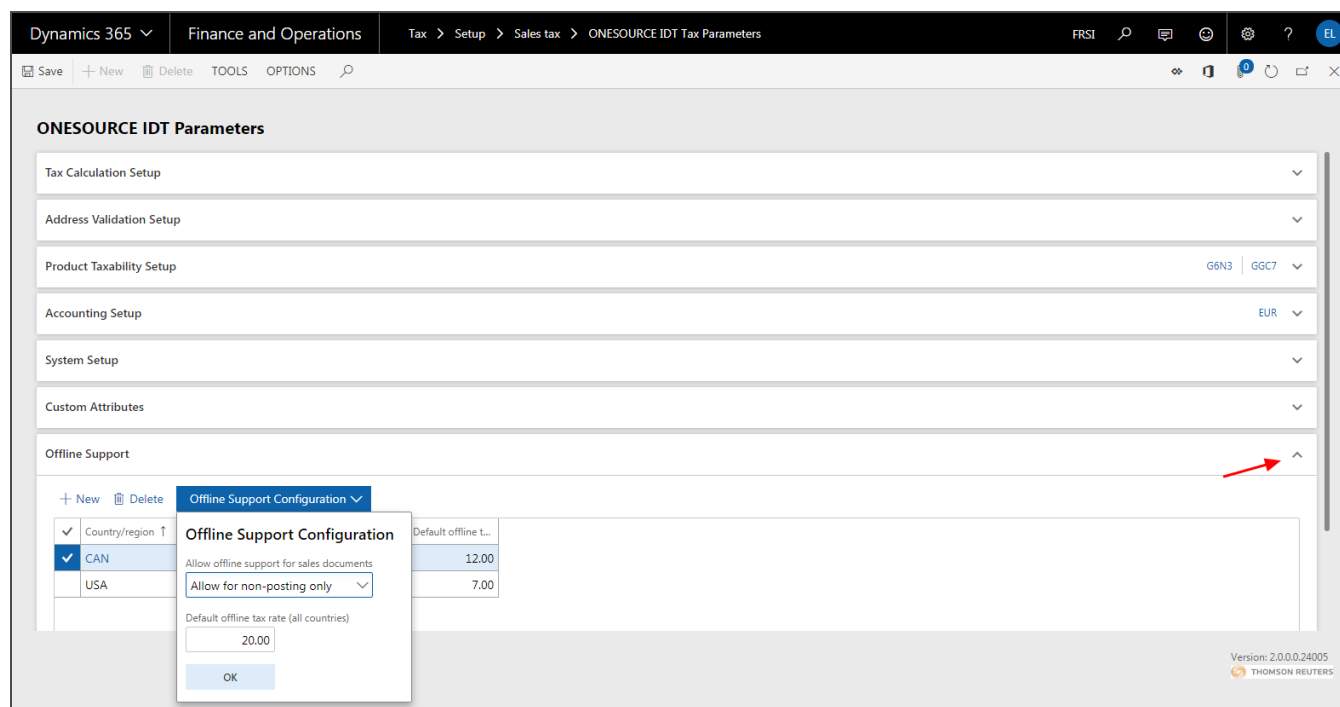


The **Active** check box may be cleared if you wish to temporarily remove the attribute from the tax call.
 - e. If desired, use the **Description** field to document how the attribute is used or why it is included in tax calls.
6. Repeat the process for each additional data element you wish to include in the tax call.

Offline Support Setup

This feature allows transactions to save with default tax rates that you choose when ONESOURCE is not available.

1. Go to **Tax > Setup > Sales tax > ONESOURCE IDT Tax Parameters**.
2. Expand the **Offline Support** fast tab.



ONESOURCE IDT Parameters

- Tax Calculation Setup
- Address Validation Setup
- Product Taxability Setup (G6N3 | GGC7)
- Accounting Setup (EUR)
- System Setup
- Custom Attributes
- Offline Support** (indicated by a red arrow)

Offline Support Configuration

Country/region	Allow offline support for sales documents	Allow for non-posting only	Default offline tax rate
CAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	12.00
USA	<input type="checkbox"/>	<input type="checkbox"/>	7.00

Default offline tax rate (all countries): 20.00

OK

Version: 2.0.0.0.24005
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3. Using the **Offline Support Configuration** menu, you may choose if you want to update sales documents with tax when ONESOURCE is offline. Purchase transactions are always saved without use tax when ONESOURCE is offline. The following table describes each of the options:

OPTION	DESCRIPTION
No offline support	<p>Sales transactions encounter an error and no tax is applied when ONESOURCE is offline.</p> <p>The Infolog error will state: "The IDT ONESOURCE Tax Service did not respond. The offline tax service is disabled."</p>
Allow for non-posting only	<p>Posting documents, such as Sales invoices, will not have tax applied or post. However, non-posting sales transactions are updated with a default tax rate when ONESOURCE is offline.</p> <p>The Infolog warning will state: "The IDT ONESOURCE Tax Service did not respond. Proceeding with default tax rates."</p>
Allow for all	<p>All sales documents are updated with a default rate when ONESOURCE is offline.</p> <p>The Infolog warning will state: "The IDT ONESOURCE Tax Service did not respond. Proceeding with default tax rates."</p>

4. You can set a default rate for all countries by entering one in the field directly under the drop-down menu. In addition, exceptions to the default rate may be configured for specific countries as your business needs require.

Dynamics 365 Finance and Operations Tax > Setup > Sales tax > ONESOURCE IDT Tax Parameters

Save | + New | Delete | TOOLS | OPTIONS

ONESOURCE IDT Parameters

- Tax Calculation Setup
- Address Validation Setup
- Product Taxability Setup G6N3 | GGC7
- Accounting Setup EUR
- System Setup
- Custom Attributes
- Offline Support

+ New | Delete | Offline Support Configuration

Country/region	Description	Default offline t...
CAN	Canada	12.00
USA	United States	7.00

CONFIGURE IDT SALES TAX CODES

Verify Default IDT Sales Tax Code Settings

During the installation process, the **ONESOURCE IDT Setup Wizard** was used to assign a default **Currency**, **Settlement period**, and **Ledger posting group** to the **IDT Sales tax codes**. You will now verify those assignments and make any necessary corrections.

1. Go to **Tax > Indirect taxes > Sales tax > Sales tax codes**.
2. Update any **IDT Sales tax codes** that do not have the correct **Sales tax currency**, **Settlement period**, or **Ledger posting group** assigned to them.

The screenshot shows the Dynamics 365 Operations interface for configuring sales tax codes. The breadcrumb navigation is **Tax > Indirect taxes > Sales tax > Sales tax codes**. The left pane lists various sales tax codes, with **IDT_OR_S** (IDT Oregon Sales Tax Code) selected. The main pane displays the configuration for this code. A red box highlights the **General** tab, which contains the following fields:

- Settlement period:** **idt**
- Ledger posting group:** **idt**
- Sales tax currency:** **USD**

Other tabs visible include **CONDITIONAL SALES TAX**, **PACKING DUTY**, **INVOICING**, **Calculation**, **Report setup**, and **REPORT LAYOUT**.

Add IDT Sales Tax Groups and Sales Tax Codes for Charges (Optional)

The **ONESOURCE IDT Setup Wizard** created a generic **IDT_CHARGE** sales tax group and sales tax code. To add additional sales tax groups and sales tax codes for different types of charges, perform the following steps:

1. Go to **Tax > Indirect taxes > Sales tax > Sales tax codes**.
2. Select **New** to create a new **Sales tax code**. The sales tax code must start with **IDT_**, for example. **IDT_FREIGHT**.
3. Go to **Tax > Indirect taxes > Sales tax > Sales tax groups**.
4. Select **New** to create a new **Sales tax group**. The sales tax group must start with **IDT_**, for example. **IDT_FREIGHT**.
5. Go to the **Setup** tab.

6. Select **Add** to assign the sales tax code created in step 2 to the sales tax group created in step 4 .



This should be the only sales tax code assigned to the sales tax group.

The screenshot displays the Dynamics 365 Finance and Operations interface for configuring sales tax groups. The left-hand navigation pane shows a list of IDT tax groups, including IDT_CHARGE, IDT_EX_05, IDT_EX_10, IDT_EX_15, IDT_EX_20, IDT_EX_25, IDT_EX_30, IDT_EX_35, and IDT_EX_40. The IDT_CHARGE group is selected. The main pane shows the 'General' and 'Setup' tabs. In the 'Setup' tab, the 'Add' button is highlighted with a red arrow. Below the 'Add' button, a table lists the assigned sales tax codes:

✓ Sales tax code	Exempt	Exempt code	Use tax	Percentage/Amount	Name
IDT_CHARGE				0.00000	IDT Charge Tax Code

CONFIGURE THE IDT LEDGER POSTING GROUP

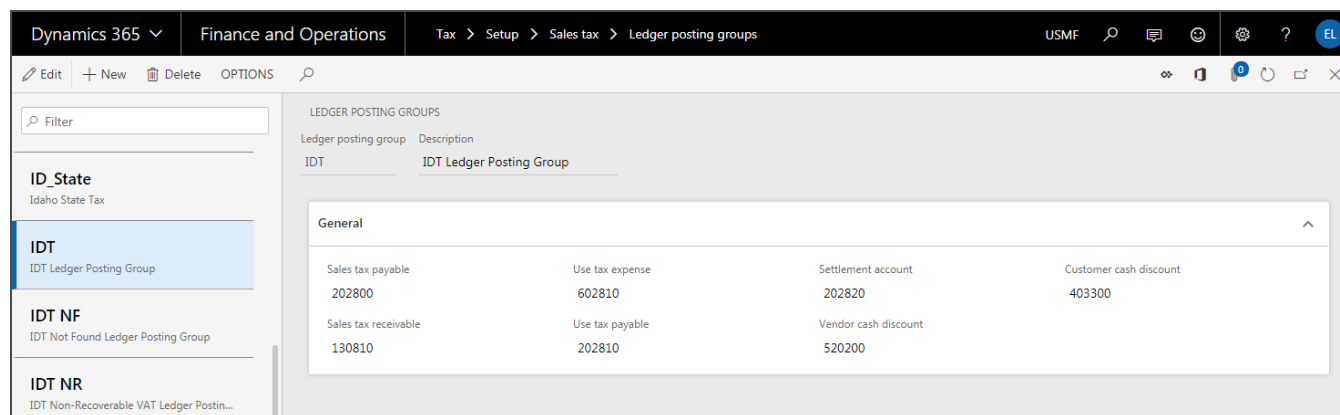
The ONESOURCE integration uses the D365O **Ledger posting groups** to specify the accounts to use during the posting of tax-related amounts for selling and purchasing transactions.



You must set up your main tax accounts before completing this section.

1. Go to **Tax > Setup > Sales tax > Ledger posting groups**.
2. Select the **IDT** Ledger posting group.

3. Select an account for each of the **Posting** accounts.



The **Posting** accounts are used for the following purposes:

- **Sales tax payable** - The credit entry for sales tax on a sales invoice.
- **Sales tax receivable** - The debit entry for the vendor-charged use tax on a vendor invoice.
- **Use tax expense** - The credit entry for the accrual of any difference between the vendor-charged tax and the use tax as calculated by ONESOURCE.
- **Use tax payable** - The debit entry for the accrual of any difference between the vendor-charged tax and the use tax as calculated by ONESOURCE.
- **Settlement account** - Not utilized by the ONESOURCE integration for posting purposes.

The following screen shot is an example of a sales invoice voucher:

Journal n...	Voucher	Date	Year closed	Ledger account	Account name	Description	Currency	Amount in trans...	Amount	Amount in repo...	Posting type
020953	FTV-30000028	11/29/2018		202800-001-	IDT Sales Tax Payable	Misc Product	USD	-16.50	16.50	-16.50	Sales tax
020953	FTV-30000028	11/29/2018		401100-001---	Product Sales	Misc Product	USD	-200.00	200.00	-200.00	Customer revenue
020953	FTV-30000028	11/29/2018		130100-001-	Accounts Receivable - Domestic	Misc Product	USD	216.50	216.50	216.50	Customer balance

The following screen shot is an example of vendor invoice with VCT, but no accrual:

Dynamics 365 ▾ Finance and Operations Accounts payable > Purchase orders > All purchase orders USMF

View subledger journal Transaction origin Transactions Audit trail Posted sales tax Original document Accounting source explorer Related vouchers All related vouchers

INV-54466 : 1001

Voucher transactions

Overview General

✓	Journal n...	Voucher	Date ↑	Year closed	Ledger account	Account name	Description	Currency	Amount in trans...	Amount	Amount in repo...	Posting type
	020955	PIV-110001016	1/10/2019		520100-001-023-...	Vendor Invoice Discounts	Vendor invoice	USD	-100.00	100.00	-100.00	Vendor invoice discoi
	020955	PIV-110001016	1/10/2019		200140-001-023	Accrued Purchases - Received N...	Vendor invoice	USD	100.00	100.00	100.00	Purchase, accrual
	020955	PIV-110001016	1/10/2019		130810-001-023	IDT Sales Tax Receivable	Vendor invoice	USD	7.65	7.65	7.65	Sales tax
	020955	PIV-110001016	1/10/2019		600180-001-023-...	Raw Materials Receipts	Vendor invoice	USD	0.00	0.00	0.00	Purchase expenditure
	020955	PIV-110001016	1/10/2019		200110-001-023	Accounts Payable - Other	Vendor invoice	USD	-7.65	7.65	-7.65	Vendor balance
	020955	PIV-110001016	1/10/2019		140200-001-023	Finished Goods Inventory	Vendor invoice	USD	100.00	100.00	100.00	Cost of purchased m
	020955	PIV-110001016	1/10/2019		140200-001-023	Finished Goods Inventory	Vendor invoice	USD	-100.00	100.00	-100.00	Cost of purchased m

The following screen shot is an example of a vendor invoice with an accrual:

Dynamics 365 ▾ Finance and Operations Accounts payable > Purchase orders > All purchase orders USMF

View subledger journal Transaction origin Transactions Audit trail Posted sales tax Original document Accounting source explorer Related vouchers All related vouchers

INV-8876 : 1001

Voucher transactions

Overview General

✓	Journal n...	Voucher	Date ↑	Year closed	Ledger account	Account name	Description	Currency	Amount in trans...	Amount	Amount in repo...	Posting type
	020957	PIV-110001017	1/10/2019		520100-001-023-...	Vendor Invoice Discounts	Vendor invoice	USD	-100.00	100.00	-100.00	Vendor invoice discoi
	020957	PIV-110001017	1/10/2019		202810-001-023	IDT Use Tax Payable	Vendor invoice	USD	-0.65	0.65	-0.65	Sales tax
	020957	PIV-110001017	1/10/2019		602810-001-023-...	IDT Use Tax Expense	Vendor invoice	USD	0.65	0.65	0.65	Sales tax
	020957	PIV-110001017	1/10/2019		200140-001-023	Accrued Purchases - Received N...	Vendor invoice	USD	100.00	100.00	100.00	Purchase, accrual
	020957	PIV-110001017	1/10/2019		130810-001-023	IDT Sales Tax Receivable	Vendor invoice	USD	7.00	7.00	7.00	Sales tax
	020957	PIV-110001017	1/10/2019		600180-001-023-...	Raw Materials Receipts	Vendor invoice	USD	0.00	0.00	0.00	Purchase expenditure
	020957	PIV-110001017	1/10/2019		200110-001-023	Accounts Payable - Other	Vendor invoice	USD	-7.00	7.00	-7.00	Vendor balance
	020957	PIV-110001017	1/10/2019		140200-001-023	Finished Goods Inventory	Vendor invoice	USD	100.00	100.00	100.00	Cost of purchased m
	020957	PIV-110001017	1/10/2019		140200-001-023	Finished Goods Inventory	Vendor invoice	USD	-100.00	100.00	-100.00	Cost of purchased m

ASSIGN THE IDT SALES TAX GROUP TO CUSTOMERS

Two methods are available to assign the **IDT Sales tax group** to customers.

Method 1: Use the Customer Form to Assign the IDT Sales Tax Group

This method uses the **Customer** form to edit the **Sales tax group**.

1. Go to **Accounts receivable > Customers > All customers**.
2. For each customer that you will use Determination to calculate tax for:
 - i. Select **Edit**.
 - ii. On the **Invoice and delivery** tab, set **Sales tax group** to **IDT**.

The screenshot shows the Dynamics 365 interface for a customer named 'US-004 : Cave Wholesales'. The 'Invoice and delivery' tab is active. In the 'SALES TAX' section, the 'Sales tax group' is set to 'IDT', which is highlighted with a red box. Other fields in the form include 'Invoice account', 'Invoice address', 'Number sequence group', 'Invoice template', 'Delivery terms', 'Mode of delivery', 'Delivery reason', 'Destination code', 'Receipt calendar', 'Prices include sales tax', 'Packing duty license number', 'E-INVOICE', 'Packing material fee', and 'Freight'.



Entering a **Tax exempt number** in the **Tax exempt number** field of the **Customer** form does not impact sales tax calculation. Only exemption certificates maintained in ONESOURCE Certificate Manager impact tax calculation.

Method 2: Create a Custom View with a Column for Sales Tax Group

This method involves creating a custom view for the **Customers** form with a **Sales tax group** column and then using the customized form to add the **IDT** sales tax group.

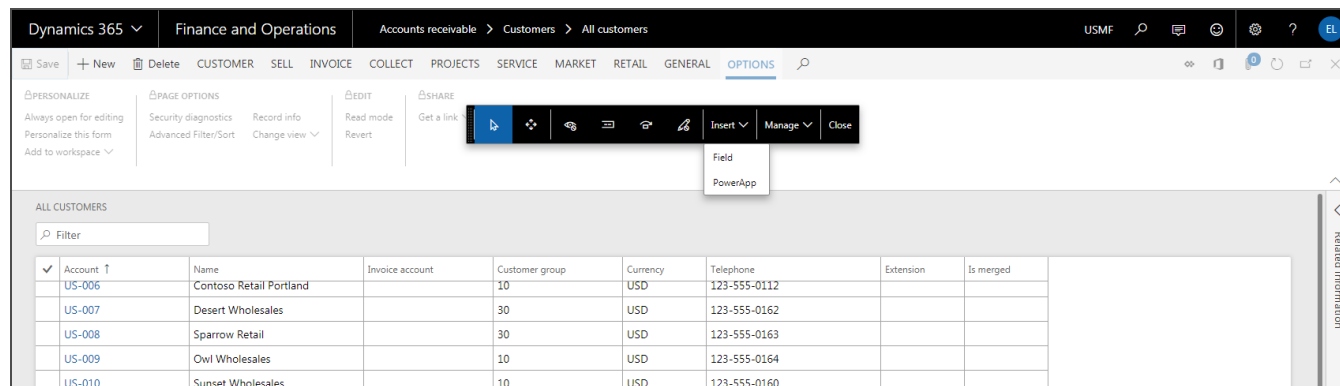
Create the Custom View

1. Go to **Accounts receivable > Customers > All customers**. The **Customers** form opens.
2. Select **Personalize this form**.

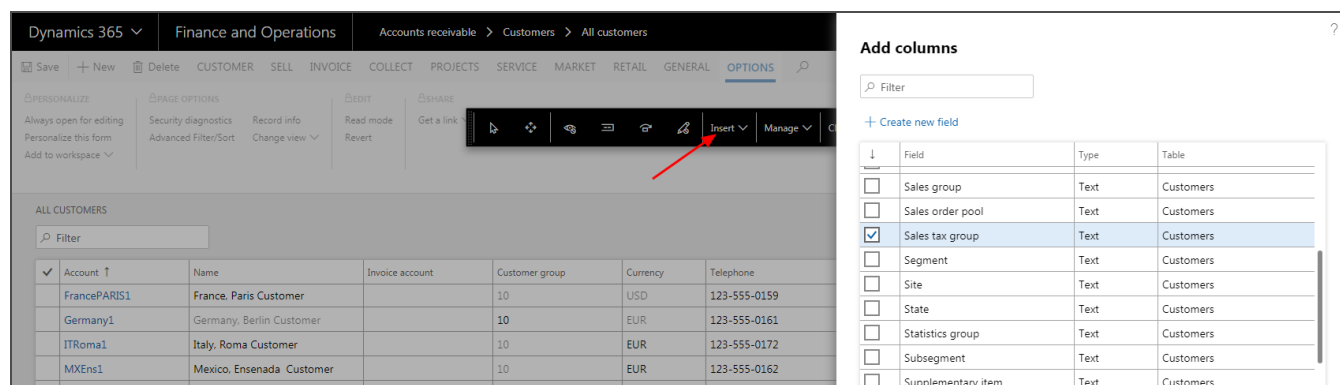
The screenshot shows the Dynamics 365 Finance and Operations interface for the Accounts receivable Customers form. The top navigation bar includes 'Dynamics 365', 'Finance and Operations', and 'Accounts receivable'. Below this, a ribbon contains tabs for 'Save', 'New', 'Delete', 'CUSTOMER', 'SELL', 'INVOICE', 'COLLECT', and 'PROJECT'. The 'PERSONALIZE' tab is active, displaying options like 'Always open for editing', 'Personalize this form' (highlighted with a red circle), and 'Add to workspace'. Other tabs include 'PAGE OPTIONS', 'EDIT', and 'SHARE'. Below the tabs, the 'ALL CUSTOMERS' view is shown with a search filter and a table of customer accounts.

✓	Account ↑	Name	Invoice account
	CANAB-1	Canada AB Customer	
	CANALLCUST-1	All Canada Customer (all reg & ...	
	CanBC-1	Canada BC Customer	

- Right click on any column in the grid and select **Personalize** to open the **Personalization** form.

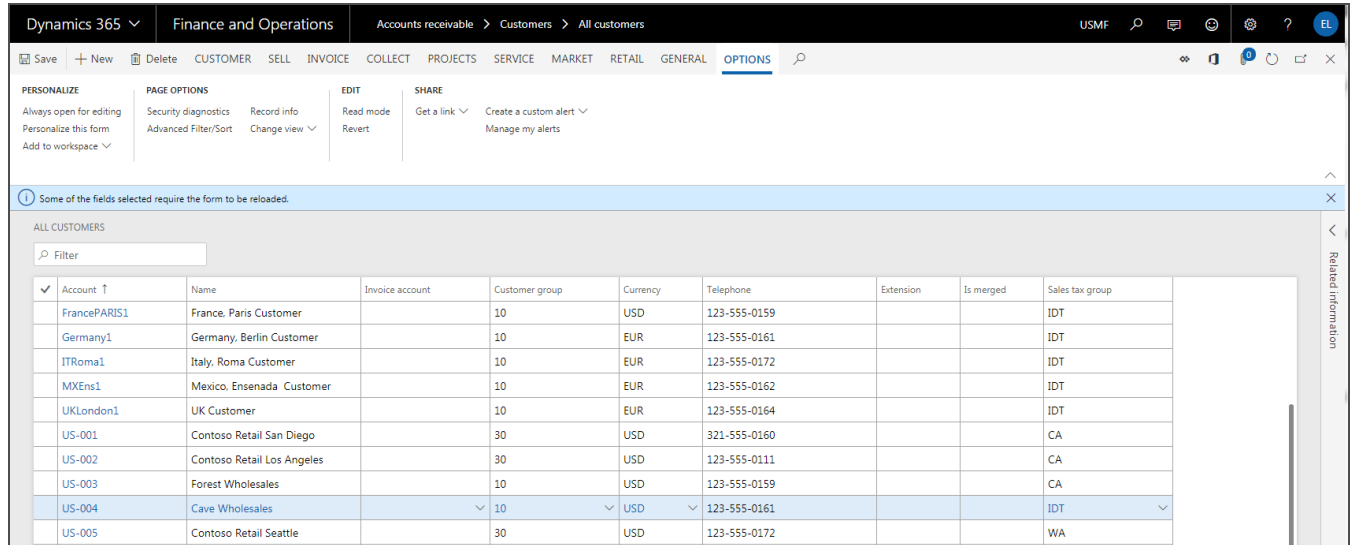


- Select **Insert a field** on the **Layout** tab.



- Expand **Customers**.
- Select **Sales tax group**.
- Select **Insert** and close the **Select Fields** form.
- Confirm that **Sales tax group** is listed under **Grid** in the **Layout** section.

9. Enter a name for the new custom view and select **OK**.

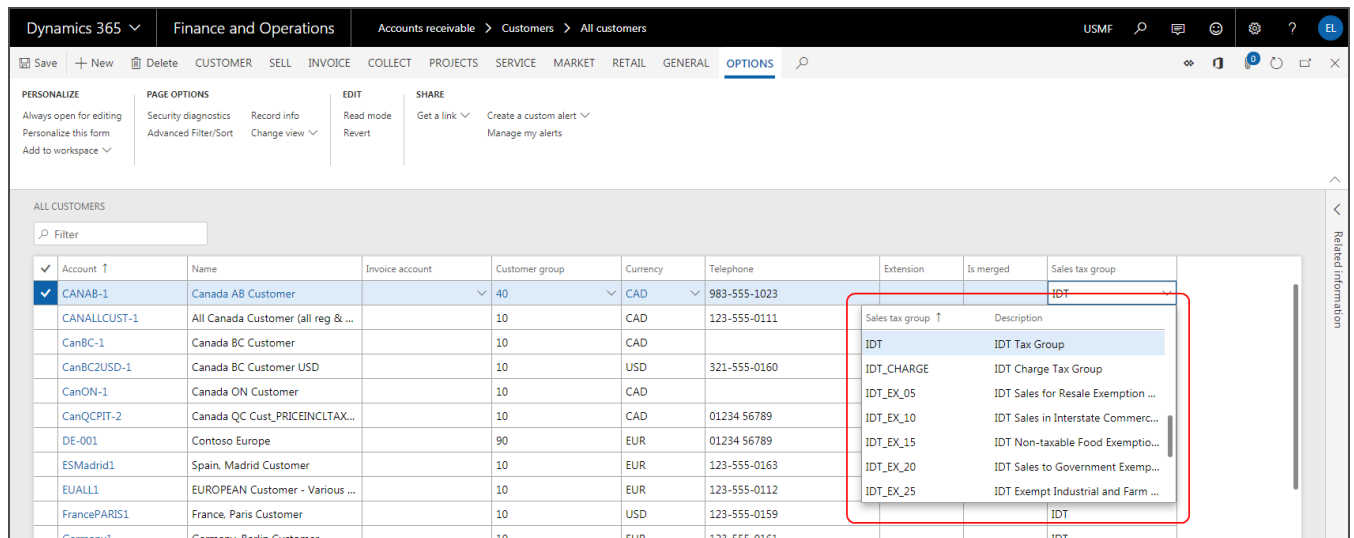


Account	Name	Invoice account	Customer group	Currency	Telephone	Extension	Is merged	Sales tax group
FrancePARIS1	France, Paris Customer		10	USD	123-555-0159			IDT
Germany1	Germany, Berlin Customer		10	EUR	123-555-0161			IDT
ITRoma1	Italy, Roma Customer		10	EUR	123-555-0172			IDT
MXEns1	Mexico, Ensenada Customer		10	EUR	123-555-0162			IDT
UKLondon1	UK Customer		10	EUR	123-555-0164			IDT
US-001	Contoso Retail San Diego		30	USD	321-555-0160			CA
US-002	Contoso Retail Los Angeles		30	USD	123-555-0111			CA
US-003	Forest Wholesales		10	USD	123-555-0159			CA
US-004	Cave Wholesales		10	USD	123-555-0161			IDT
US-005	Contoso Retail Seattle		30	USD	123-555-0172			WA

Assign the IDT Sales Tax Group to Customers

After you create the custom view you are ready to begin adding the **IDT** sales tax group to customers.

1. Use the drop-down menu in the new **Sales tax group** column to add **IDT** as the sales tax group to each of your customers you want to use Determination to calculate tax for.



Account	Name	Invoice account	Customer group	Currency	Telephone	Extension	Is merged	Sales tax group
CANAB-1	Canada AB Customer		40	CAD	983-555-1023			IDT
CANALLCUST-1	All Canada Customer (all reg & ...		10	CAD	123-555-0111			IDT
CanBC-1	Canada BC Customer		10	CAD	123-555-0111			IDT
CanBC2USD-1	Canada BC Customer USD		10	USD	321-555-0160			IDT
CanON-1	Canada ON Customer		10	CAD	123-555-0111			IDT
CanQCPT-2	Canada QC Cust_PRICEINCLTAX...		10	CAD	01234 56789			IDT
DE-001	Contoso Europe		90	EUR	01234 56789			IDT
ESMadrid1	Spain, Madrid Customer		10	EUR	123-555-0163			IDT
EUALL1	EUROPEAN Customer - Various ...		10	EUR	123-555-0112			IDT
FrancePARIS1	France, Paris Customer		10	USD	123-555-0159			IDT
Germany1	Germany, Berlin Customer		10	EUR	123-555-0161			IDT

2. After assigning **IDT** as the sales tax group for your customers, select **Close** to save your updates.

This opens a form asking if you would like to recalculate credit limit. Unless you want to perform this task, select **Cancel** to close the form.

3. Use the **All customers** form to confirm your updates.

ASSIGN THE IDT SALES TAX GROUP TO VENDORS

The two methods available to assign the **IDT** sales tax group to customers are also available to assign the **IDT** sales tax group to vendors.

Method 1: Use the Vendor Form to Assign the IDT Sales Tax Group

This method uses the **Vendor** form to edit the **Sales tax group**.

1. Go to **Accounts payable > Vendors > All vendors**.
2. For each vendor that you will use Determination to calculate tax for:
 - i. Select **Edit**.
 - ii. On the **Invoice and delivery** tab, set **Sales tax group** to **IDT**.

The screenshot shows the Dynamics 365 interface for the 'VENDOR' form, specifically the 'Invoice and delivery' tab. The vendor is '1001 : Acme Office Supplies'. The 'SALES TAX' section is highlighted with a red box, showing the 'Sales tax group' dropdown set to 'IDT'. Other sections visible include 'INVOICE', 'DELIVERY', 'OFFSET ACCOUNT', 'PURCHASE ORDER DEFAULTS', 'PAYMENT', and 'TAX 1099'.

Method 2: Create a Custom View

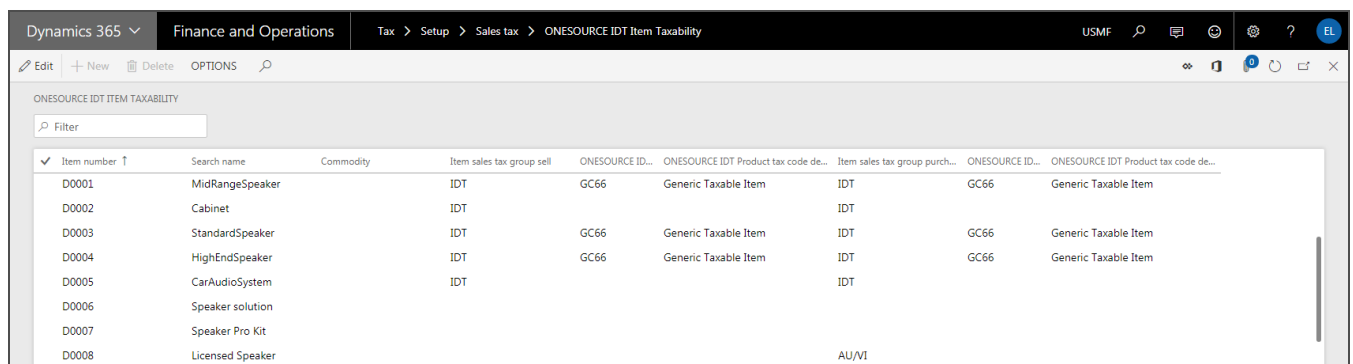
You may also create a custom view for vendors as you did to update the sales tax group for customers.

ASSIGN THE IDT ITEM SALES TAX GROUP AND IDT PRODUCT TAX CODE TO ITEMS

Two methods are available to assign the **IDT Item sales tax group** and an **IDT product tax code** to your items. You may assign different IDT Product tax codes for sales and purchases of an item.

Method 1: ONESOURCE IDT Item Taxability Form

1. Go to **Tax > Setup > Sales tax > ONESOURCE IDT Item Taxability**.
2. Select the desired item.
3. Set the **Item sales tax group** to **IDT**.
4. Set the **ONESOURCE IDT Product tax code** to the desired code for sales and purchases of the item.



Item number	Search name	Commodity	Item sales tax group sell	ONESOURCE IDT Product tax code de...	Item sales tax group purch...	ONESOURCE IDT Product tax code de...
D0001	MidRangeSpeaker		IDT	GC66	IDT	GC66
D0002	Cabinet		IDT		IDT	
D0003	StandardSpeaker		IDT	GC66	IDT	GC66
D0004	HighEndSpeaker		IDT	GC66	IDT	GC66
D0005	CarAudioSystem		IDT		IDT	
D0006	Speaker solution					
D0007	Speaker Pro Kit					
D0008	Licensed Speaker				AU/VI	



You may also use this form to set a commodity code.

5. Repeat these steps for each item for which Determination will be used to calculate tax.

Method 2: Released Products Form

1. Go to **Product information management > Products > Released products**.
2. On the **Action Pane** of the **Maintain** group, select **Edit**.
3. On the **Sell** tab, set the **Item sales tax group** to **IDT** and the **ONESOURCE IDT Product tax code sell** to the desired product code.

The screenshot displays the Dynamics 365 interface for the 'Released Product Details' form. The breadcrumb navigation at the top indicates the path: 'Product information management > Products > Released products'. The form is for a product named 'A0001 : HDMI 6' Cables'. The 'TAXATION' section is highlighted with a red box, showing the following settings:

- Item sales tax group:** IDT
- ONESOURCE IDT Product tax code sell:** GC66

Other visible sections include:

- ADMINISTRATION:** Commission group (dropdown).
- BASE SALES PRICE:** Price (0.00), Price quantity (1.00).
- CHARGES:** Price charges (0.00).
- DISCOUNTS:** Line discount group (dropdown), Multiline discount (dropdown), Total discount (Yes, selected), Supplementary item group (dropdown).
- ALTERNATIVE PRODUCT:** When to use (Never).
- INSTALLMENTS:** Installment eligible (No, selected), Pricing precision (dropdown).
- SELL DATES:** Sell start date (calendar icon), Sell end date (calendar icon).
- ITEM REBATE GROUP:** Item rebate group (dropdown).
- FREIGHT ALLOCATION:** Freight allocation group (dropdown).

Assign the IDT Item Sales Tax Group and IDT Product Tax Code to Items

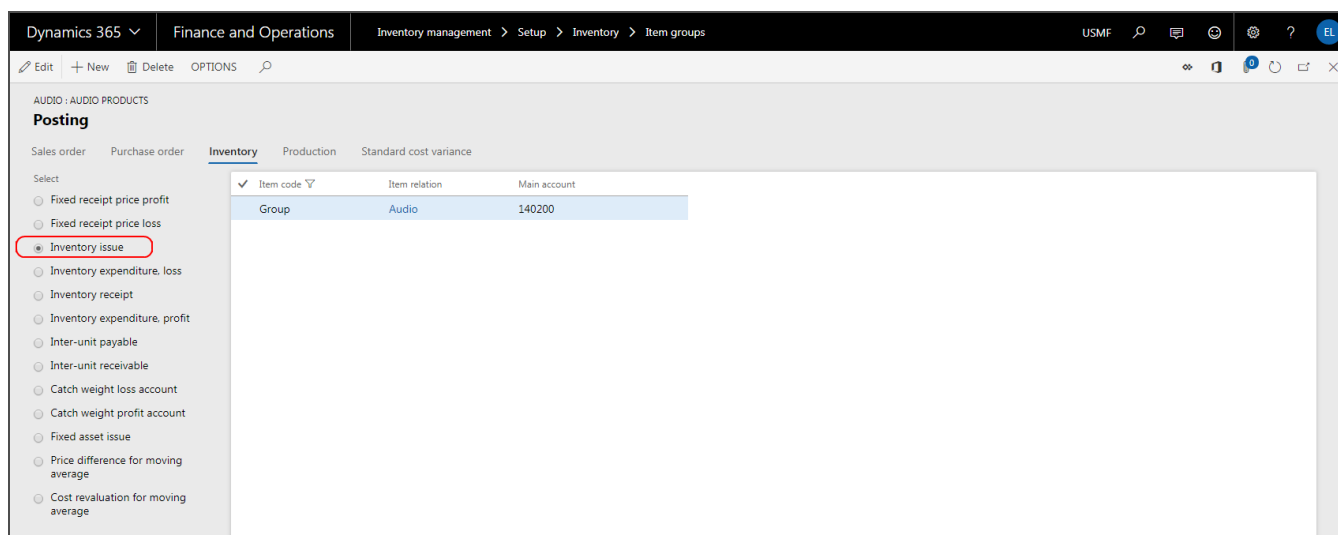
- On the **Product** tab, set the **Item sales tax group** to **IDT** and the **ONESOURCE IDT Product tax code purchase** to the desired product code.

The screenshot displays the 'Released Product Details' for 'A0001 : HDMI 6' Cables' in the Dynamics 365 Finance and Operations system. The interface includes a top navigation bar with 'Dynamics 365' and 'Finance and Operations' tabs, and a sub-navigation bar with 'Product information management' > 'Products' > 'Released products'. The main area is divided into several sections: 'MAINTAIN', 'NEW', 'PRODUCT MASTER', 'LANGUAGES', 'SET UP', and 'PRODUCT KIT'. The 'PRODUCT MASTER' section is active, showing 'Released product variants' and 'Product dimensions'. The 'TAXATION' section is highlighted with a red box, showing the 'Item sales tax group' set to 'IDT' and the 'ONESOURCE IDT Product tax code purchase' set to 'GC66'. Other sections include 'PRICES', 'CHARGES', 'DISCOUNTS', 'VENDOR REBATE', and 'APPROVED VENDOR'.

- Repeat these steps for each item for which Determination will be used to calculate tax.

SET UP POSTING PROFILES

1. Go to **Inventory management > Setup > Inventory > Item groups**.
2. Select the desired **Item group**.
3. Select **Posting**.
4. Select **Inventory issue** on the **Inventory** tab to verify that an account has been assigned.



The screenshot shows the Dynamics 365 Finance and Operations interface. The breadcrumb navigation at the top indicates the path: **Inventory management > Setup > Inventory > Item groups**. The main area is titled **Posting** and has tabs for **Sales order**, **Purchase order**, **Inventory** (selected), **Production**, and **Standard cost variance**. On the left, under the **Select** section, the **Inventory issue** option is highlighted with a red rectangle. On the right, a table displays the configuration for the selected item group:

Item code	Item relation	Main account
Group	Audio	140200



More information about how to use this form is available by selecting **Help** to open the Microsoft help wiki or by visiting the Microsoft [website](#).

ADDITIONAL CONFIGURATION

The configuration tasks in this section may be required depending on your business needs.

Configure D3650 to Use Determination to Calculate Tax on Charges

If you will use Determination to calculate tax for charges, you must assign the **ONESOURCE IDT Item sales tax group** and a **ONESOURCE IDT Product tax code** to the charges codes.

1. Go to **Accounts receivable > Charges setup> Charges code**.
2. For each **Charges code**:
 - Set the **Item sales tax group** to **IDT** if you are using the **Charges code** at the header level.
 - Set the **ONESOURCE IDT Product tax code** to the desired product tax code.

The screenshot displays the 'Charges code' configuration window in Dynamics 365 Finance and Operations. The breadcrumb trail is 'Accounts receivable > Charges setup > Charges code'. The 'Charges code' is 'FREIGHT' with a description of 'Freight'. The 'Item sales tax group' is set to 'IDT', and the 'ONESOURCE IDT Product tax code' is set to 'GC66'. The 'Posting' section shows 'Customer/Vendor' for Debit and 'Ledger account' for Credit. The 'Account' field is set to '403500'.

Configure D3650 to Use Determination to Calculate Tax for Sales Categories

If you will use Determination to calculate tax for sales categories, you must assign the **ONESOURCE IDT Item sales tax group** and a **ONESOURCE IDT Product tax code** to your sales categories.

1. Go to **Sales and Marketing > Setup > Categories > Sales categories**.
2. Set the **Item sales tax group** to **IDT**.

3. Set the **ONESOURCE IDT Product tax code** to the desired product tax code.

The screenshot shows the Dynamics 365 Finance and Operations interface. The left-hand navigation pane is open, showing the 'Sales hierarchy' with 'Auto accessories' selected. The main pane displays the 'SALES CATEGORIES' form for 'Auto accessories'. The 'General' tab is active, showing fields for Name, Active, Modified date, Friendly name, Code, Activated date, Classify as tangible product, Description, and Keywords. The 'Item sales tax group' section is expanded, showing a dropdown menu for 'Item sales tax group' set to 'IDT' and a dropdown menu for 'ONESOURCE IDT Product tax code' set to 'GC66'. A red box highlights these two dropdowns.

4. Repeat these steps for each sales category.

Configure D365O to Use Determination to Calculate Tax for Purchasing Categories

If you will use Determination to calculate tax for purchasing categories, you must assign the **ONESOURCE IDT Item sales tax group** and a **ONESOURCE IDT Product tax code** to your purchasing categories.

1. Go to **Procurement and sourcing > Consignments > Procurement categories**.
2. Set the **Item sales tax group** to **IDT**.

3. Set the **ONESOURCE IDT Product tax code** to the desired product code.

The screenshot shows the Dynamics 365 Finance and Operations interface. The navigation pane on the left lists 'CORP PROCUREMENT CATEGORIES' with sub-items like ADVERTISING, COMMISSIONS AND REBATES, INTERCOMPANY RESOURCES, OFFICE AND DESK ACCESSORIES, OFFICE MACHINES, PAYROLL, RENT, UTILITIES, VEHICLES, and WORKPLACE SERVICES. The main pane displays 'PROCUREMENT CATEGORIES: PROCUREMENT - OFFICE SUPPLIES'. The 'Buying legal entity' is set to 'Contoso Entertainment Syste...'. The 'Item sales tax groups' section is highlighted with a red box, showing 'IDT' selected for the 'Item sales tax group' and 'GC66' selected for the 'ONESOURCE IDT Product tax code'.

4. Repeat these steps for each procurement category.

The integration sources the expense account that is used in the tax request from the posting configuration. To confirm that an expense account is assigned to the procurement category, or to add one if needed, perform the following steps:

1. Go to **Inventory Management > Setup > Posting > Posting**.
2. Go to the **Purchase Order** tab and select the **Purchase expenditure for product** radio button.
3. Confirm that a expense account is assigned to the purchasing category or add a record to assign a expense account to the purchasing category.

Configure D365O to Use Determination to Calculate Tax for Project On-Account Transactions

If you will use Determination to calculate tax for Project On-account transactions, you must assign the ONESOURCE IDT Item sales tax group to On-account item sales tax group on the **Financial** tab of the **Project management and accounting parameters** form.

Assign the IDT Sales Tax Group to the On-account Item Sales Tax Group

1. Go to **Project management and accounting > Setup > Project management and accounting parameters**.
2. Set the **On-account item sales tax group** to IDT.

The screenshot shows the 'Project management and accounting parameters' form in Dynamics 365, specifically the 'Financial' tab. The form is titled 'Set up financial information for projects'. It contains several sections for configuring financial data:

- DETAIL LEDGER POSTING**: Includes fields for Invoice (Total), Adjustment (Total), and Accrue revenue (Total).
- DETAIL WIP LEDGER POSTING**: Includes fields for Post costs (Total) and Accrue revenue (Total).
- Subscription**: Includes fields for Total and Estimate.
- PROJECT - SALES TAX**: Includes fields for Sales tax group method (Project), Item sales tax group method (Item number), and On-account item sales tax group (IDT, highlighted with a red box).
- PAYMENT MODE**: Includes fields for Method of payment and Calculation date type (Invoice date).

The 'On-account item sales tax group' field is highlighted with a red box, indicating the required configuration step.

Set Point of Title Transfer for Delivery Terms

Delivery terms establish shipping responsibilities, payments of costs and duties, and when the risk of loss transfers. Delivery terms do not establish where the title transfers (the taxable event), which may be a different physical location than the delivery location. Therefore, for accurate tax calculation, it may be necessary to set a point of title transfer on the delivery terms.

Point of Title Transfer indicates where the title transfers. Each of the standard D365O delivery terms should be assigned a **ONESOURCE IDT Point of Title Transfer** code to specify where the transfer of the title of ownership takes place. This will be destination, origin or in-transit. Use the following relationship between the Delivery Terms and the point of title transfer code to assign the codes:

DELIVERY TERMS CODE	POINT OF TITLE TRANSFER CODE
CFR	None
CIF	None
DDP	Destination
DES	None
EXW	Origin
FAS	None
FCA	None
FOB	None

1. Go to **Sales and marketing > Setup > Distribution > Terms of delivery**.
2. Set the **ONESOURCE IDT Point of Title Transfer** to the desired value.

The screenshot displays the Dynamics 365 interface for configuring 'Terms of delivery'. On the left, a list of terms is shown, with 'CFR' (Cost and freight) selected. The main panel shows the configuration for this term. Under the 'General' section, the 'ONESOURCE IDT Point of Title Transfer' is set to 'None'. Under the 'Transportation' section, 'Add transportation charges to orders' is set to 'Yes', 'Add transportation charges to retail s...' is set to 'No', and 'COD' is set to 'No'.

Set up Tax Registrations

Follow the instructions in this section to set up your legal entity registrations in Determination and your customer and vendor registrations in D365O.

Legal Entity Registrations

To enable Determination to calculate tax on your non-US transactions, set up the registrations for your legal entities in Determination. Registrations for your legal entities that are configured in D365O are not sent to Determination for tax calculation.

Customer Registrations

Registrations for the buyer (customer) should be set on any addresses that may be shipped to (typically these addresses have a purpose of **Delivery**).

1. Go to **Accounts receivable > Customers > All customers**.
2. Select a customer, and then select **Edit**.
3. Go to the **Address** fast tab.

4. Select the desired address, and then select **Advanced** from the **More options** tab.
5. Go to the **Registration ID** tab.
6. Create the registration.

Dynamics 365 Finance and Operations Accounts receivable > Customers > All customers USMF ? EL

Edit + New Remove Map OPTIONS

MANAGE ADDRESSES | FRANCEPARIS1 : FRANCE, PARIS CUSTOMER

View	Location ID	Name or description	Purpose
Active	000003631	FrancePARIS	Business

FrancePARIS
 107 Avenue De France 75013 Paris FRA

Paris
 107 Avenue De France 75013 Paris FRA

Address

Contact information

Registration ID

+ Add Remove Edit

 Current records

Overview General

Registration type	Registration number	Description	Section	Issuing agency	Issued
FRA	FRAA123548787				

General

Delivery



To be considered during tax calculation, the registration must be associated with one address that is used as either a bill-to or a ship-to location on the sales transaction.

Vendor Registrations

Registrations for the seller (vendor) should be set on any addresses that may be purchased from (typically these addresses have a purpose of **Business**).

1. Go to **Accounts payable > Vendors > All vendors**.
2. Select a vendor, and then select **Edit**.
3. Go to the **Address** tab.
4. Select the desired address, and then select **Edit**.
5. Go to the **Registration ID** tab.
6. Create the registration(s).

Configure Currency Conversions

The configuration of currencies and exchange rates in D365O impacts the ONESOURCE IDT integration. All amounts in the tax request are converted from the transaction currency to company base currency using the **Default Exchange Rate Type** selected on the **Ledger** form under the menu path **General Ledger > Ledger Setup > Ledger**. As such, tax is calculated using the company base currency and returned to D365O where it is converted back to the transaction currency using the same rate. In ONESOURCE IDT, the transaction is recorded in the company base currency.

Configure D365O Document Types to Accept IDT Invoice Descriptions and Jurisdictional Texts

The Determination tax calculation and response returns invoice descriptions, relevant tax registration numbers, and jurisdictional texts to be attached to the transaction using the D365O document management feature. The document type "IDT" must exist in each legal entity to accommodate this feature.

1. Go to **Organization administration > Document management > Document types**.
2. Set up the IDT document type, or confirm that the IDT document type is set up, in each legal entity.

The screenshot displays the Dynamics 365 Finance and Operations interface for configuring document types. The navigation pane on the left shows the hierarchy: Organization administration > Document management > Document types. The 'IDT' document type is selected. The 'General' tab is active, showing the following configuration:

Field	Value
Type	IDT
Name	IDT Invoice Citation
Class	Simple note
Category	None
Group	Note
Location	Database

The 'DOCUMENT REMOVAL OPTIONS' section shows the following settings:

- Remove: Document only
- Ask for confirmation: No

CONFIGURE RECOVERABILITY FOR PURCHASES

Recoverability and partial recoverability for purchase transactions is supported by ONESOURCE. There are currently many partial recoverability rules included in standard Determination Content. If you need to configure partial recoverability for a product for which a rule is not provided you can create a custom rule in Determination.

By default, 100% of the input tax returned in a tax response is considered recoverable. You can override this behavior by configuring rules in Determination to define recoverability for items used in the course of your specific business activity. These custom rules determine the input recovery percent for a given line resulting in two tax blocks, one for recoverable and the other for the non-recoverable input tax. Generally the non-recoverable portion would be aligned with an expense account in your D365O Sales tax code configuration.

Without recoverability configured for the item in the following example, the Temporary tax lines would display a single line with a tax amount of €550. With recoverability configured with rules in Determination, the result is split into recoverable and non-recoverable amounts. In our example the €550 VAT is 25% recoverable. The non-recoverable portion is posted to a separate Ledger posting group called **IDT_NR** in our example seen in the following screen shots.

Dynamics

Save

+

ALL PURCHASES

000001

TAX

only

Sales tax transactions

Distribute amounts

OverviewGeneralAmount

✓ Sales tax code ↑	Quantity	Amount origin	Percent	Actual sales tax ...	Sales tax direction
IDT_FR_I	0.00	550.00	5.50000	7.56	Sales tax receivable
IDT_FR_LNR	0.00	550.00	5.50000	22.69	Sales tax receivable

GL postings for the recoverable and non-recoverable portions of the tax are controlled by the Ledger posting group assigned to the Sales tax code. Below is the Sales tax code for the non-recoverable tax and associated Ledger posting group.

Dynamics 365

Finance and Operations

Tax > Indirect taxes > Sales tax > Sales tax codes

FRSI

?

EL

EditNewDelete

SALES TAX CODEOPTIONS

Filter

Sales tax code ↑

Name

IDT_FM_P IDT Federated States of M

IDT_FM_S IDT Federated States of M

IDT_FR_I IDT France Input VAT Coc

IDT_FR_LNR IDT France Input VAT Coc

IDT_FR_O IDT France Output VAT C

IDT_GA_P IDT Georgia Use Tax Cod

IDT_GA_S IDT Georgia Sales Tax Co

IDT_GB_I IDT United Kingdom Inpu

IDT_GB_LNR IDT United Kingdom Inpu

IDT_GB_O IDT United Kingdom Outi

IDT_GST_P IDT Canada GST Purchase

IDT_GST_S IDT Canada GST Sales Ta

IDT_GU_P IDT Guam Use Tax Code

IDT_GU_S IDT Guam Sales Tax Code

IDT_HI_P IDT Hawaii Use Tax Code

IDT_HI_S IDT Hawaii Sales Tax Cod

SALES TAX CODES

Sales tax code	Name	Percentage/Amount
IDT_FR_I_NR	IDT France Input VAT Code (No...	0.00000

General

REFERENCES

Settlement period

IDT

Ledger posting group

IDT NR

Sales tax currency

EUR

CONDITIONAL SALES TAX

Payment sales tax code

PACKING DUTY

Sort code

INVOICING

Print

Print code

Print code

Calculation

Report setup

Report setup - credit note

ONESOURCE INTEGRATION FOR MICROSOFT D365O 2.0.0.X

INSTALLATION AND USER GUIDE V2

Ledger posting groups may be added, and assigned to the non-recoverable Sales tax codes, for each country if posting by country is desired.

Dynamics 365

Finance and Operations

Tax > Setup > Sales tax > Ledger posting groups

FRSI

EL

EditNewDeleteOPTIONS

Filter

EXONERE

Exonere TVA

IDT

IDT Default Ledger Posting Group

IDT NF

IDT Not Found Ledger Posting Group

IDT NR

IDT Non-recoverable Ledger Posting Gro...

IDT VAT

LEDGER POSTING GROUPS

Ledger posting group

Description

IDT NR

IDT Non-recoverable Ledger Po...

General

Sales tax payable	Use tax expense	Settlement account	Customer cash discount
202802	602812	202822	403300
Sales tax receivable	Use tax payable	Vendor cash discount	
130812	202812	520200	

CALCULATING SALES TAX

Once the ONESOURCE Indirect Tax Integration for D365O and ONESOURCE Indirect Tax Determination are installed and configured, taxes for sales transactions are calculated seamlessly. This section provides an overview of some of the common business processes executed with Determination.

This chapter contains the following topics to help you get started calculating and viewing sales tax with Determination:

Addresses Used for Tax Calculation	53
Sales Documents	54
Free Text Invoices	56
Project Invoices	58

ADDRESSES USED FOR TAX CALCULATION

The ship from address used by Determination to calculate tax will be one of the following locations (listed in order of priority):

1. The primary address of the Warehouse.
2. The primary address of the Site.
3. The primary address of the Legal entity (company) will be selected if there are no Warehouse or Site addresses with a purpose of "Primary".
4. For direct delivery shipments (drop shipments), the ship from address is sourced from the vendor's ship from address on the associated Purchase Order and Line Warehouse address. Direct delivery orders are triggered when the **Delivery Type** field on the **Delivery** tab of the sales order line is selected.



The ship to address used by Determination to calculate tax will be the address displayed on the **Address** tab for the sales order line. The supply address, as used by Determination, will be also be sourced from the **Address** tab.



The General Ledger account included in the tax request for the item sales line is sourced from the inventory issue. The General Ledger account for a line with a Sales Category is sourced from the sales order issue.



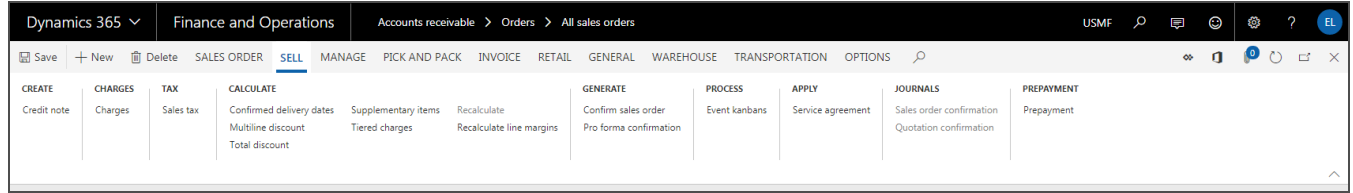
D365O offers both header level and line level credits. However, both credit levels use the header address as the ship to address by default. Review the ship to addresses for the header and line level credits prior to posting the credit to ensure an accurate tax calculation.




SALES DOCUMENTS

During sales order processing, Determination is called to calculate tax for your sales documents. The following example describes a Sales Order, but the process for Sales Quotes, Journals, Return Orders, Credit Notes, and Invoices is similar.

1. Go to **Accounts receivable > Orders > All sales orders**.
2. Open a **Sales order**.
3. Select a **Sales order line**.
4. Go to the **Line details** tab.
5. Verify the following:
 - **Sales tax group** is set to one of the following:
 - **IDT** for a default sales transaction.
 - **IDT_EX_**** for a default tax calculation of exempt when a customer claims to be exempt, but an exemption certificate is not yet configured in Determination. The "***" refers to a specific reason for the exemption. See the Sales Tax Exempt Codes table in [Appendix B - ONESOURCE-Specific Tax Groups and Tax Codes \(page 87\)](#) for more information.
 - **IDT_OVRRDE** to calculate tax on single line exemptions where the entity is usually exempt. This option is used when a customer has a tax-exempt certificate maintained in Determination, but you wish to override the exemption and charge tax for a particular line item. For example, you sell two items to a customer who holds a reseller's certificate. Normally, all transaction lines default to exempt. However, if one of the items in this sale is intended for the customer's own consumption, the sale of that item would not qualify for a resale exemption. To override the default taxability for this line, you can set the Sales tax group to **IDT_OVRRDE** to calculate tax for the item.
 - **Item sales tax group** is set to **IDT**.

6. Select **Sales tax** on the **Sell** ribbon (**Quotation** ribbon for quotes). Tax is calculated on the entire order.



-  You do not need to select **Sales tax** to view taxes before saving a sales document. Tax is calculated automatically when the document is saved.
-  Changing the delivery address on a transaction does not automatically trigger a new tax calculation. This behavior is consistent across all document types.
-  To view taxes by document line, select the **Financials > Sales tax** menu option.

Temporary Sales Tax Transactions

The quantity field will be "0" on each temporary tax line as shown in the following screenshot. However, the quantity for the line is considered in the tax calculation. In some cases, where a reduced basis is used by Determination to calculate the tax amount, the **Amount origin** multiplied by the tax percent may not equal the Actual sales tax amount.

Temporary sales tax transactions						
Overview General Amount Adjustment						
✓ Sales tax code ↑	Quantity	Amount origin	Percent	Actual sales tax ...	Sales tax direction	
IDT_TX_S	0.00	100.00	8.25000	8.25	Sales tax payable	

Entering Credit Memos

When entering credit memos, enter the **Invoice date** of the original invoice you are crediting to ensure that you receive a tax result consistent with the original invoice.

Entering Return Orders

Return orders are created using the standard D365O procedure. If the tax on the original order was calculated by Determination, the tax on the return order will also be calculated by Determination. No additional steps are required.

1. Go to **Sales and Marketing > Common > Return Orders > All Return Orders**.
2. To open the **Return Order** form, create a new Return Order.
3. Select **Find Sales Order** on the **Return Order** ribbon menu.
4. Select the original Sales Order and line(s) to return and then select **OK**.
5. Select the line(s) and then select **Registration** from the **Update Line** menu.
6. Confirm the registration and close the registration form.
7. Generate the packing slip by selecting **Packing Slip** from the **Generate** ribbon menu, then post and print the packing slip.
8. Process the credit memo created at **Sales and Marketing > Common > Sales Orders > All Sales Orders**. Tax will be calculated by Determination for the credit memo.

Tax Calculation on Header and Line Charges

ONESOURCE calculates tax for both header and line charges. Header charges are displayed as their own row in the **Temporary sales tax transactions** form. Tax is calculated using the header characteristics, such as the header delivery address, and the values for the Item sales group and IDT product code on the charge code.

Taxes for line-level charges are calculated using the addresses for the line they are associated with, and the IDT product tax code set for the charge code. The tax for the line charge is summarized with taxes for the item as a single row on the **Temporary sales tax transactions** form.



Line charges are limited to a total of 9 line charges per line. Additionally, line charges are not supported for the **price includes tax** calculation scenario.

FREE TEXT INVOICES

1. Go to **Accounts receivable > Invoices > All free text invoices**.
2. Open a **Free text invoice**.

3. Verify that the **Sales tax group** is set to **IDT** (or one of the groups that begins with **IDT_**).
4. Verify that the **Item sales tax group** is set to **IDT**.

The screenshot displays the Dynamics 365 Finance and Operations interface for a Free Text Invoice. The header section includes fields for Customer (US-010), Address (117 W 4th St, Austin, TX 78701 - 39 USA), Due date (1/13/2019), Payment terms (Net45), and Invoice date (11/29/2018). The Invoice lines section shows a table with columns for Description, Main account, Sales tax group, Item sales tax group, Quantity, Unit price, and Amount. The 'Sales tax group' and 'Item sales tax group' columns are highlighted with a red box, showing 'IDT' for both.

Description	Main account	Sales tax group	Item sales tax group	Quantity	Unit price	Amount
Misc Product	401100	IDT	IDT	1.00	200.00	200.00

5. Select **Sales tax** from the **Main** ribbon.



When entering a new **Free text invoice**, confirm your ship to address at the header level and enter your header level charges before calculating sales tax.



The document number sent to ONESOURCE Determination for a Free text invoice is an internal system number, not the invoice number. Take this into consideration when reconciling your D365O invoices against your ONESOURCE Determination Audit transactions.

Sales Tax Groups and Exempt Status of Customers

A **Sales Tax Group** of **IDT_EX_**** may be entered for a customer who claims to be exempt, but has not yet obtained the requisite exemption certificate required to configure exempt status in Determination. This will result in no tax being calculated on the customer's transactions. The ****** refers to a specific reason for the exemption, see [Appendix B - ONESOURCE-Specific Tax Groups and Tax Codes \(page 87\)](#).

A **Sales Tax Group** of **IDT_OVRRDE** may be used to override a customer's exempt status and calculate tax on an item you sell to that customer. For example, you sell two items to a customer who holds a reseller's certificate. Normally, all transaction lines default to exempt. However, if one of the items in this sale is intended for the customer's own consumption, the sale of that item would not qualify for a resale exemption.

To override the default taxability for a line, you can set the **Sales Tax Group** to **IDT_OVRRDE**. This will override the exemption in Determination and calculate tax for the item.

PROJECT INVOICES

During the project invoicing process, Determination is called to calculate tax for your sales documents. The standard project invoicing process is not altered by the use of IDT, however, the IDT code must be specified for the Sales tax group and Item sales tax group for Sales Orders and On-account transactions.



Project transaction types of Sales Order, On-account and customer advance on Time and Material type projects are supported as of the 1.0.1.0 release. Project transaction types of Hour, Expense, Item and Fee are not supported by ONESOURCE.

Specifying a Project to Use ONESOURCE to Calculate Tax on Related Transactions

1. Go to **Project Management and Accounting > Projects > All Projects** and open a project.
2. Open the **Setup** tab for the project and set **Sales tax group** to **IDT**.

The screenshot shows the Dynamics 365 Project Management and Accounting interface. The top navigation bar indicates the current location: **Project management and accounting > Projects > All projects**. The main header shows the project name **000184 : San Diego Subscriptions**.

The **General** tab is selected, displaying various project details. The **PROJECT** section shows the Project ID as 000184 and the Project name as San Diego Subscriptions. The **CUSTOMER** section shows the Project contract ID as 000182 and the Account as US-001. The **Project manager** is Prakash Kovvuru, and the **Project controller** is also Prakash Kovvuru. The **DATES** section shows the Date of creation as 1/26/2017, the Projected start date as 1/1/2017, and the Actual start date as 1/1/2017. The **Integration** section shows the Integration source as Not staffed.

The **Setup** tab is selected, displaying various setup options. The **REQUIRE ACTIVITY ON FORECAST** section has three toggle switches: Hour (No), Expense (No), and Item (No). The **REQUIRE ACTIVITY ON JOURNALS** section has three toggle switches: Hour (No), Expense (No), and Item (No). The **LINE PROPERTY** section shows the Search priority as Project and the Default as Project. The **OTHER INFORMATION** section shows the Ledger posting sort priority as Category, the Sales tax group as IDT (highlighted with a red box), and the Sales price group as 03.

Specifying ONESOURCE to Calculate Tax on a Project Sales Order

1. Go to **Project Management and Accounting > Item Tasks > Project Sales Orders**.
2. Create a new Sales Order and enter at least one sales order line

- Go to the **Setup** tab for the line and confirm that **IDT** is specified for **Sales tax group** and **Item sales tax group**.

The screenshot shows the Dynamics 365 Finance and Operations interface. The top navigation bar includes 'Dynamics 365', 'Finance and Operations', and a breadcrumb trail: 'Project management and accounting > Item tasks > Project sales orders'. The main menu bar contains 'Save', '+ New', 'Delete', 'SALES ORDER', 'SELL', 'MANAGE', 'PICK AND PACK', 'INVOICE', 'RETAIL', 'GENERAL', 'WAREHOUSE', 'TRANSPORTATION', and 'OPTIONS'. Below the menu, there are tabs for 'GENERATE', 'BILL', 'SETTLE', and 'JOURNALS'. The 'GENERATE' tab is active, showing 'Invoice' and 'Pro forma invoice' options. The 'BILL' tab shows 'Payment schedule' and 'Cash flow forecasts'. The 'SETTLE' tab shows 'Open transactions'. The 'JOURNALS' tab shows 'Invoice'. The main content area displays 'SALES ORDER' for '000860 : Contoso Retail San Diego'. Below this, there is a table with columns: 'T...', 'Variant number', 'Item number', 'Product name', 'Sales category', 'CW quantity', 'CW unit', 'Quantity', 'Unit', and 'Delivery type'. The table contains one row with 'A0001' as the item number and 'HDMI 6' Cables' as the product name. Below the table, there is a 'Line details' section with tabs for 'General', 'Setup', 'Address', 'Product', 'Packing', 'Delivery', 'Sourcing', 'Price and discount', 'Project', 'Foreign trade', 'Financial dimensions', and 'Loads'. The 'Setup' tab is active, showing various fields for 'INVENTORY', 'RETURNED ORDER', 'POSTING', 'COMMISSION', and 'DATE AND TIME'. The 'SALES TAX' section is highlighted with a red box, showing 'Item sales tax group' and 'Sales tax group' both set to 'IDT'.

Specifying ONESOURCE to Calculate Tax on a Project On-account and Customer Advance Transaction

- Go to **Project Management and Accounting > Projects > All Projects** and open a Project.
- Create a new On-account transaction.

3. Go to the **General** tab and confirm that **IDT** is specified for the **Sales tax group** and **Item sales tax group**.

Dynamics 365 Finance and Operations Project management and accounting > Projects > All projects USMF

Save + New Delete Invoice lines Select for credit note Ledger updates Voucher OPTIONS

000184 : SAN DIEGO SUBSCRIPTIONS
On-account

Filter Column display Price Invoice status All Show deductions

Overview General Financial dimensions Sales

IDENTIFICATION	TRANSACTION	SALES PRICE	PROJECT - SALES TAX	INVOICE
Project date 7/23/2018	Transaction ID 000666	Sales currency USD	Sales tax group IDT	Invoice proposal
Project ID 000184	Description 	Sales price 500.00	Item sales tax group IDT	Invoice
Transaction origin Prepayment journal voucher				

Viewing Invoice Descriptions and Jurisdictional Text for Project Invoices

VAT-related invoice descriptions, jurisdictional text, and relevant registrations for printing on customer invoices are accessed from the **Invoice Journal** form for each Project Invoice and line.

1. Go to **Project Management and Accounting > All Projects**.
2. Select and open a Project.
3. Select the **Invoice Journals** menu option from the **Manage group** ribbon menu option.
4. Select the **On-account** or **Sales Order** tab on the **Invoice Journals** form and then select a line.
5. Select the **Document handling** icon on the bottom of the **Invoice Journals** form to open the **Document Handling** form and view messages.

CALCULATING USE TAX

Once the ONESOURCE Indirect Tax Integration for D365O and ONESOURCE Indirect Tax Determination are installed and configured, taxes for purchase transactions are calculated seamlessly. This section provides an overview of some of the common business processes executed with Determination.

This chapter contains the following topics to help you get started calculating and viewing use tax with Determination:

Addresses Used for Tax Calculation	63
Purchase Orders and Vendor Invoices	63
Capture Vendor Charged Tax on Vendor Invoices	66
VAT Variances on Vendor Invoices	67
Purchase Requisitions	67
Request for Quotations	68
Vendor Invoice Journals	69
Vendor Invoice Pool	71
Invoice Registers	71

ADDRESSES USED FOR TAX CALCULATION

- The ship from address used by Determination to calculate use tax will be the primary address of the vendor.
- The ship to address used by Determination to calculate use tax will be the delivery address listed on the address tab of the line details.

PURCHASE ORDERS AND VENDOR INVOICES

During purchase order and invoice processing, Determination is called to calculate tax for your purchasing documents. The following example describes a Purchase order, but the process for Vendor invoices is similar. The process to view tax on these documents is the same as native D365O.

1. Go to **Accounts payable > Purchase orders > All purchase orders**.
2. Open a **Purchase order**.
3. Select a **Purchase order line**.

4. Go to the **Line details** tab.

5. Verify the following:

- **Sales tax group** is set to **IDT** or one of the groups that begins with **IDT_**.
- **Item sales tax group** is set to **IDT**.

The screenshot displays the Dynamics 365 Finance and Operations interface for a purchase order. The top navigation bar shows the path: Accounts payable > Purchase orders > All purchase orders. The main header indicates the purchase order number 00000201 and the supplier Acme Office Supplies. The 'Line details' tab is active, showing a table with one line item: 'HDMI 6' Cables' (Item number A0001) with a quantity of 1 and a warehouse of 11. Below the table, the 'Line details' section is expanded, showing various tabs like General, Setup, Address, etc. The 'Setup' tab is selected, and the 'SALES TAX' section is highlighted with a red box. In this section, both the 'Item sales tax group' and 'Sales tax group' are set to 'IDT'.

Line number	Item number	Product name	Procurement category	Variant number	Site	Warehouse	CW quantity	CW unit
1	A0001	HDMI 6' Cables			1	11		

Line details

General **Setup** Address Product Delivery Picking Price and discount Project Product packages Variants Foreign trade Fixed assets 1099 Financial dimensions Loads

INVENTORY
Lot ID

RETURNED ORDER
Return action

1099 amount
0.00

State/province

1099 state amount
0.00

1099 box

INVOICE MATCHING
Matching policy
Not required

SALES TAX
Item sales tax group
IDT
Sales tax group
IDT

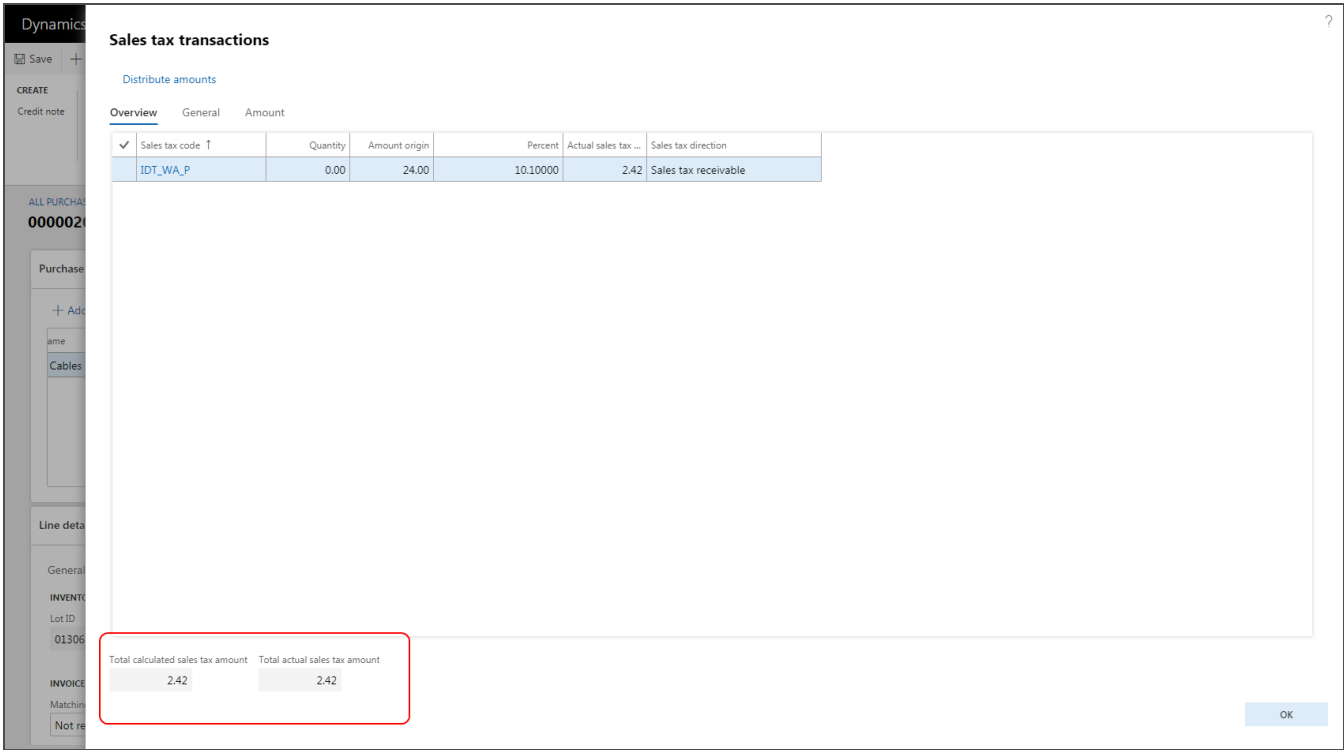
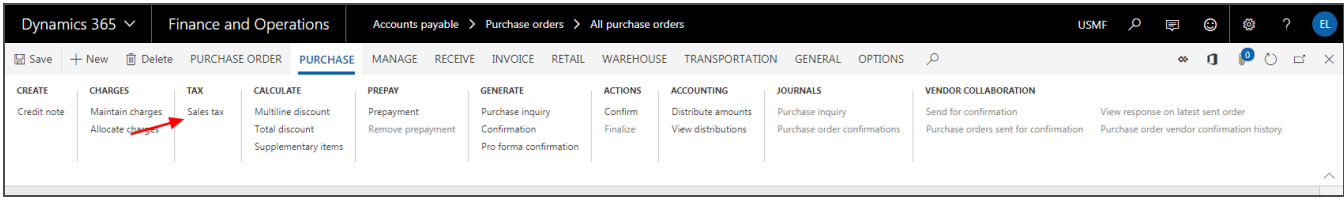
POSTING
Ledger account

DATE AND TIME
Created date and time

INVENTORY
Quantity
1.00
Invoice remainder

DELIVERY
Confirmed delivery date
Delivery type
Stock

6. Select **Sales tax** on the **PURCHASE** ribbon. Tax is calculated on the entire Purchase order.



To view taxes by document line, go to the **Financials > Sales tax** menu option.



You do not need to select the **Sales tax** menu option to view taxes before saving a sales document. Tax is calculated automatically when the Purchase order is confirmed.



If a new line is added to the invoice that was not on the original Purchase order D365O will default to the original delivery address. You must update the delivery address on the **Address** tab of the line details section.

CAPTURE VENDOR CHARGED TAX ON VENDOR INVOICES

The ONESOURCE integration has the ability to record the vendor charged tax (VCT) on vendor invoices and accrue the difference between the VCT and the tax as calculated by ONESOURCE.

1. Go to **Accounts payable > Invoices > Open vendor invoices** and open a new **Vendor invoice**.
2. Enter the invoice header information and add at least one taxable line.
3. Select **Sales tax** on the **Financials** tab of the form ribbon menu to calculate and display taxes on the **Sales tax transactions** form.
4. Enter the VCT in the **Total actual sales tax amount** field.

Sales tax transactions

Distribute amounts

Overview	General	Amount	Adjustment
✓ Sales tax code ↑	Quantity	Amount origin	Percent
IDT_ACC_P	0.00	0.00	0.00000
IDT_CO_P	0.00	100.00	7.65000
			Actual sales tax ...
			0.65
			Sales tax direction
			Use tax
			Sales tax receivable

Total calculated sales tax amount: 7.65

Total actual sales tax amount: 7.00

OK

5. Select the **ADJUSTMENT** tab and then select **Apply actual amount** or select **Ok** to close the form.



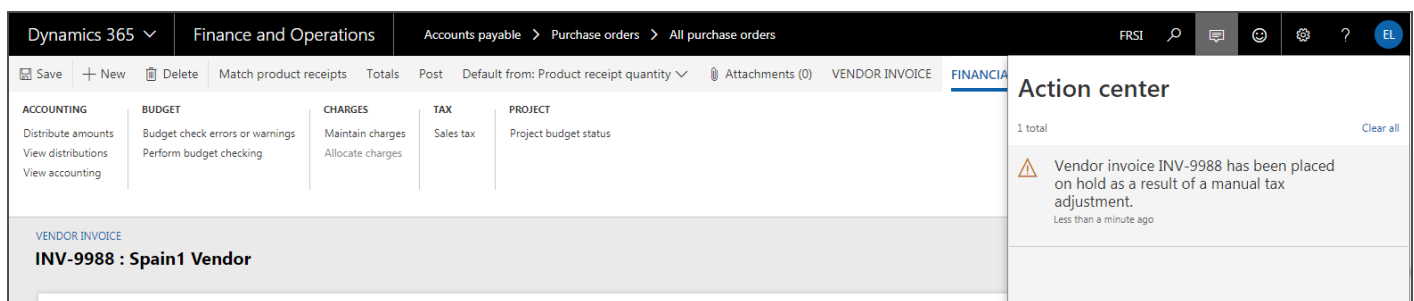
Notice that the ONESOURCE integration has created a second line to represent the difference, or accrual, between the VCT and the ONESOURCE calculated tax. This difference or accrual is only created for US invoices.

6. Close the **Sales tax transactions** form.

VAT Variances on Vendor Invoices

When processing your payables invoices, you may find that you have received a vendor invoice with a tax amount that is inaccurate for various reasons. The reasons could include a reduced rate that is not applied, an exemption not noted, or a failure to apply tax.

The **On hold** check box on the **Vendor invoice** form is used by the integration to prevent payments from being processed on vendor invoices and to prevent funds from inadvertently leaving the company. On hold status is triggered when the total tax calculated by Determination differs from the total tax entered manually using the tax shown on the vendor invoice.



PURCHASE REQUISITIONS

ONESOURCE may be used to calculate tax on purchase quotations. As with other documents, it is mandatory to set the **Item sales tax group** and **Sales tax group** to **IDT** on the **Details fast** tab for each line item.

1. Go to **Procurement and sourcing > Purchase requisitions > All purchase requisitions**.
2. Open a **Purchase requisition**.
3. Select a line on the requisition and select the **Details** tab for the line.

4. On the **Details** tab verify the following:

- **Item sales tax group** is set to **IDT**.
- **Sales tax group** is set to **IDT**.

The screenshot shows the Dynamics 365 Finance and Operations interface. The breadcrumb trail is: Dynamics 365 > Finance and Operations > Procurement and sourcing > Purchase requisitions > All purchase requisitions. The page title is 'PURCHASE REQUISITIONS' and the specific requisition is '000031 : Misc Supplies'. The 'Details' tab is selected, showing fields for 'Item sales tax group' (IDT) and 'Sales tax group' (IDT). Other fields include 'Prevent partial delivery' (No), 'Prepayment required' (No), 'Request for quotation case status' (Open), 'Purchase order status' (On hold), and 'Purchase agreement status' (On hold).

5. Select **Sales tax** from the **Financials** menu item for the lines to view tax for the line on the requisition. The **Sales tax** transaction form will display the estimated use tax.

REQUEST FOR QUOTATIONS

The ONESOURCE integration calculates tax on the **Request for quotations reply** (RFQ). After the RFQ has been entered and published to the vendor portal, a **Request for quotation reply** may be created.

1. Go to **Procurement and sourcing > Requests for quotations > All requests for quotations**.
2. Select an RFQ and select **Enter reply** from the **Quotation** tab on the **Form** ribbon menu.
3. Select **Edit** on the **Reply** tab of the **Form** ribbon menu, make any changes, and then select **Accept** on the **Reply** tab.

4. Select **Totals** on the **Reply** tab of the ribbon menu to view the calculated sales tax.

The screenshot shows the Dynamics 365 interface for a Request for Quotation (000014: Acme Office Supplies). The 'Reply' tab is selected, and the 'Totals' pane is open on the right. The 'Sales tax' field is highlighted with a red box, showing a value of 7.65. The 'Subtotal amount' is 100.00, and the 'Total discount' is 0.00. The 'Charges' are also 0.00. The 'Round-off' is 0.00. The 'Sales tax' is 7.65. The 'Vendor' information includes 'Credit limit' (0.00) and 'Credit available' (0.00). The 'Measurements' include 'Quantity' (1.00), 'Weight' (3.00), 'CW quantity', and 'Volume' (16.00).

VENDOR INVOICE JOURNALS

ONESOURCE can calculate tax on **Vendor invoice journals**. As with other documents, it is mandatory to set the **Items sales tax group** and **Sales tax group** to **IDT** for each line item.

1. Go to **Accounts Payable > Invoices > Invoice journal**.
2. Select an **Invoice journal**.
3. Select the **Lines** ribbon menu option.

4. Select a line and confirm the following on lower half of the form or on the **GENERAL** tab:

- a. **Item sales tax group** is set to **IDT**.
- b. **Sales tax group** is set to **IDT**.

The screenshot shows the Dynamics 365 'Vendor invoice journal' form. The 'GENERAL' tab is active. The form contains several sections: 'Voucher' (APIN000055), 'Invoice' (INV876), 'Date' (12/10/2018), 'Transfer' (No), 'ACCOUNT' (Company: usmf), 'Account type' (Vendor), 'Account' (1001), 'Description', 'Debit' (150.00), 'Credit', 'Currency' (USD), 'OFFSET ACCOUNT' (Offset company: usmf, Offset account type: Ledger, Offset account: 606300-001-***), 'SALES TAX' (Sales tax group: IDT), 'Item sales tax group' (IDT), 'Sales tax code', 'Use sales direction from main account' (No), 'Calculated sales tax amount' (0.00), 'CURRENCY' (Exchange rate: 1.00000000000000), 'Secondary exchange rate', 'Cross rate' (1.00000000000000), 'Calculation method' (USD - USD), 'REASON' (Reason code, Reason comment), and 'REPORTING CURRENCY' (Exchange rate: 1.00000000000000, Secondary exchange rate, Cross rate: 1.00000000000000, Calculation method: USD - USD). Two red arrows point to the 'Item sales tax group' and 'Sales tax group' dropdowns, both of which are set to 'IDT'.

5. Select the **Sales tax totals** option from the **Inquiries** ribbon menu option at the top of the form to view sales tax results.

VENDOR INVOICE POOL

There is no form to view tax results from this form. However, the **Item sales tax group** and **Sales tax group** codes may be set to **IDT** so that tax is calculated by ONESOURCE upon transferring the vendor invoice to a journal for posting.

1. Go to **Accounts payable > Invoices > Invoice pool**.
2. Select an invoice and click the **General** Tab.
3. Confirm the following:
 - a. **Item sales tax group** is set to **IDT**.
 - b. **Sales tax group** is set to **IDT**.

The screenshot shows the 'Invoice pool' form in Dynamics 365 Finance and Operations. The 'General' tab is selected. In the 'SALES TAX' section, the 'Item sales tax group' is set to 'IDT' and the 'Sales tax group' is set to 'IDT', both highlighted with red arrows. The 'Posting' section shows 'Posting profile' as 'GEN'. The 'Company' is 'usmf'. The 'Debit' field shows '176.00' and the 'Exchange rate' is '1.000000000000'.

INVOICE REGISTERS

ONESOURCE may be used to calculate tax on **Invoice registers**. As with other documents, it is mandatory to set **Item sales tax group** and **Sales tax group** to **IDT** for each line item.

1. Go to **Accounts payable > Invoices > Invoice register**.
2. Open an **Invoice register**.
3. Select a line and confirm the following:

- a. Item sales tax group is set to IDT.
- b. Sales tax group is set to IDT.

Dynamics 365 Finance and Operations Accounts payable > Invoices > Invoice register USMF

00634: APINVREG

Vendor invoice register

List General Cash discount Remittance History 1099 Foreign trade

+ New Delete Financial dimensions Sales tax Breakdown of voucher Voucher

	Account name	Invoice date	Invoice	Description	Debit	Credit	Currency	Purchase order	Sales tax group	Item sales tax group
	Acme Office Supplies	12/10/2018	INV-9987			160.00	USD		IDT	IDT

INVOICE

Approved by:

Terms of payment: Net30

Due date: 1/9/2019

SALES TAX

Calculated sales tax amount: 0.00

Actual sales tax amount: 0.00

CASH DISCOUNT

Cash discount: 0.5%D10

Cash discount date: 12/20/2018

Cash discount amount: -0.80

Company: usmf

Account type: Vendor

CURRENCY

	VOUCHER	DEBIT	CREDIT	BALANCE
JOURNAL	0.00	0.00	0.00	0.00

Budget check results: Budget check not performed

4. These two values may also be confirmed on the **General** tab for the line.

Dynamics 365 Finance and Operations Accounts payable > Invoices > Invoice register

00634 : APINVREG

Vendor invoice register

List General Cash discount Remittance History 1099 Foreign trade

OFFSET ACCOUNT
Offset account
200125-001-
Offset transaction text

POSTING
Tax exempt number
Posting profile
GEN

PAYMENT
Method of payment
CHECK
Payment specification
Payment ID
Invoice payment release date
Release date comment

THIRD-PARTY BANK
Account identification
PURCHASE
Purchase order
CURRENCY
Exchange rate
1.000000000000
Secondary exchange rate

Cross rate
1.000000000000
Transfer
Yes
Calculation method
USD - USD
REPORTING CURRENCY
Exchange rate
1.000000000000
Secondary exchange rate
Cross rate
1.000000000000
Calculation method
USD - USD

SALES TAX
Sales tax group
IDT
Item sales tax group
IDT
Sales tax amount
16.00

DOCUMENT
Document
Invoice date
12/10/2018

CURRENCY	REPORTING CURRENCY			BALANCE
	DEBIT	CREDIT		
VOUCHER	160.00	160.00	0.00	0.00
JOURNAL	160.00	160.00	0.00	0.00

Budget check results
Budget check not performed

5. Select the **Sales tax** menu item at the top of the form to view sales tax results.

TAX CALCULATION ERRORS

When a transaction generates a tax calculation error, a D365O Infolog dialog box is displayed.

For example, the error in the screen shot below is caused by failure of the connection between D365O and the ONESOURCE Indirect Tax Determination system. Other errors may be caused by missing data that is required to calculate tax.

The screenshot displays the Microsoft Dynamics 365 Finance and Operations interface. At the top, a red banner indicates an error: "Error calling GetTax". Below this, the "SALES ORDER" form for "000911 : Owl Wholesales" is shown. The "Line details" section is expanded, showing the "HDMI 6' Cables" line item with a quantity of 1.00 Pcs. The "Line details" section also shows various fields for "General", "Setup", "Address", "Product", "Packing", "Delivery", "Sourcing", "Price and discount", "Project", "Foreign trade", "Financial dimensions", and "Loads".

RECALCULATE TAX ON TRANSACTIONS WITH CALCULATION ERRORS

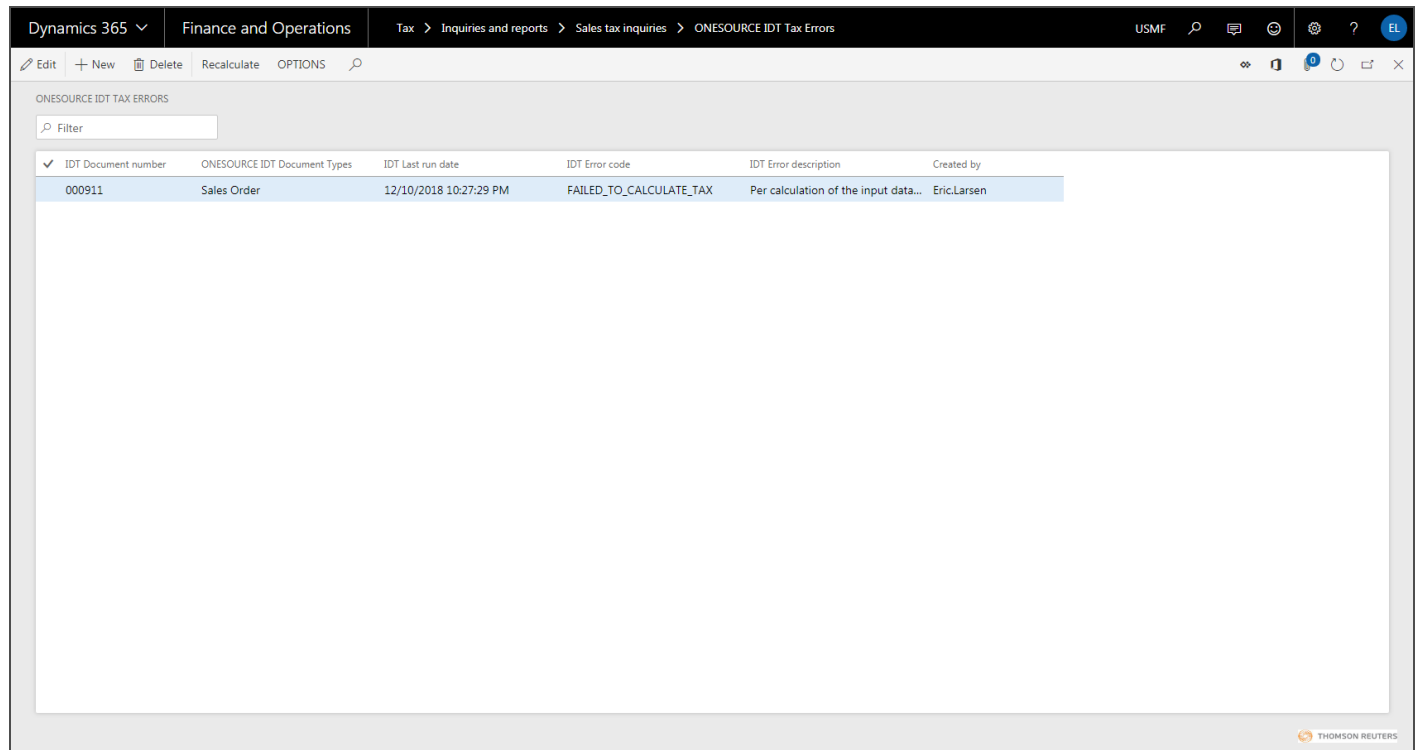
The **ONESOURCE IDT Tax Errors** form lists unposted transactions where tax calculation failed due to missing or invalid information. To access this form, go to **Tax > Inquiries and reports > Sales tax inquiries > ONESOURCE IDT Tax Errors**.

From the **ONESOURCE IDT Tax Errors** form you can do the following:

Recalculate Tax on Transactions with Calculation Errors

- View error details including the text of the error, the document that generated it, when it occurred, and who submitted the transaction.
- Rerun the tax calculation by selecting the document you wish to recalculate and selecting **Recalculate**.

Once tax has successfully been calculated on a transaction it is removed from the list.



IDT Document number	ONESOURCE IDT Document Types	IDT Last run date	IDT Error code	IDT Error description	Created by
000911	Sales Order	12/10/2018 10:27:29 PM	FAILED_TO_CALCULATE_TAX	Per calculation of the input data...	Eric.Larsen

USING THE ADDRESS VALIDATION SERVICE

For the most accurate US tax calculation, Determination requires complete and valid address information including the ZIP+4. The ONESOURCE Address Validation Service helps you maintain your addresses.

This chapter contains the following topics to help you use the address validation service:

Triggering Address Validation	77
Validate an Address	77



Address validation will only be performed for addresses with a **Country Code** of **US**. Canadian and other non-US addresses are not supported by the ONESOURCE Address Validation Service.

TRIGGERING ADDRESS VALIDATION

When address validation is enabled (see [Configure the IDT Parameters \(page 19\)](#)), you are given the option to validate addresses each time you create a new address or edit an existing US address for transactions where tax will be calculated by Determination.

The following events will trigger address validation:

- Adding a new address
- Changing an existing address

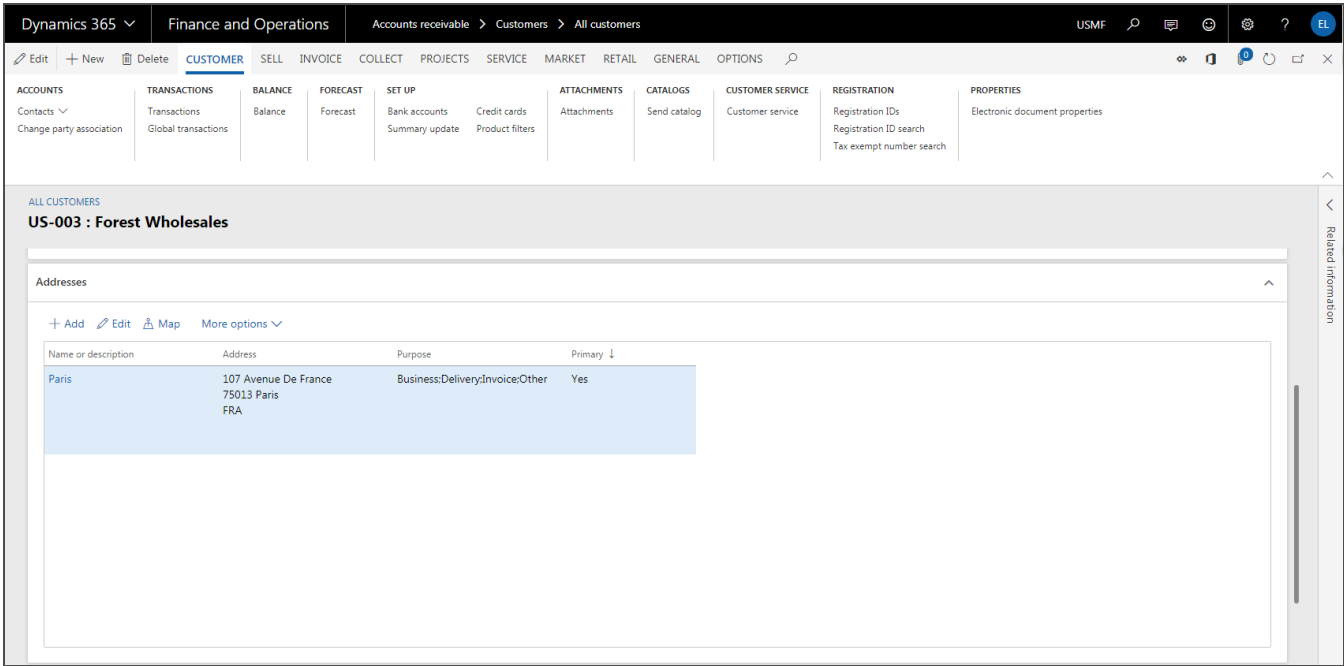


Once an address is validated, it will not be re-validated unless it is updated.

VALIDATE AN ADDRESS

The following example walks you through the process for adding an address to a customer, and then sending the address to Determination for validation.

1. Go to **Accounts receivable > Customers > All customers**.
2. Select a customer, then select **Edit** (You can also double-click the customer record with a mouse.).
3. Select the **Addresses** tab.
4. Select the **Add** button to bring up the **Manage addresses** form.



5. Enter a US address and select **OK**.

The screenshot shows the Dynamics 365 Finance and Operations interface. The main window displays the 'US-003 : Forest Wholesales' customer record. The 'Addresses' section is active, showing a table with two addresses:

Name or description	Address	Purpose	Primary
Paris	107 Avenue De France 75013 Paris FRA	Business:Delivery:Invoice:Other	Yes
California Address	326 5th Street Eureka, CA 95501 USA	Business	No

The 'Edit address' dialog box is open on the right, showing the details for the 'California Address'. The fields are filled with the following information:

- Location ID: 000004025
- Name or description: California Address
- Purpose: Business
- Country/region: USA
- ZIP/postal code: 95501
- Street: 326 5th Street
- City: Eureka
- State: CA
- County: HUMBOLDT
- Primary: No
- Private: No
- Primary for country/region: No

The 'OK' button is highlighted with a red arrow, indicating the next step in the process.

The following form will appear asking if you wish to validate the address or save the address without validating.

Dynamics 365

Finance and Operations

Accounts receivable > Customers > All customers

Edit

+ New

Delete

CUSTOMER

SELL

INVOICE

COLLECT

PROJECTS

SERVICE

MARKET

RETAIL

GENERAL

OPTIONS

ACCOUNTS

TRANSACTIONS

BALANCE

FORECAST

SET UP

ATTACHMENTS

CATALOGS

CUSTOMER SERVICE

REGISTRATION

PROPERTIES

Change party association

Transactions

Balance

Forecast

Bank accounts

Credit cards

Attachments

Send catalog

Customer service

Registration IDs

Electronic documents

Global transactions

Summary update

Product filters

Registration ID search

Tax exempt number search

ALL CUSTOMERS

US-003 : Forest Wholesales

Addresses

+ Add

Edit

Map

More options

Name or description	Address	Purpose	Primary
Paris	107 Avenue De France 75013 Paris FRA	Business:Delivery:Invoice:Other	Yes

Contact information

Miscellaneous details

Sales demographics

ONESOURCE IDT Validate Address?

You have made changes to the address information and it is not yet validated. Do you want to have it validated?

Validate

Save without validation

6. Choose **VALIDATE** to send the address to Determination. This opens the **ONESOURCE IDT Address Validation** form.

The screenshot shows the Dynamics 365 Finance and Operations interface. The top navigation bar includes 'Dynamics 365', 'Finance and Operations', and a breadcrumb trail: 'Accounts receivable > Customers > All customers'. The right side of the bar shows 'USMF' and several icons. Below the navigation bar is a ribbon with 'Save', '+ New', 'Delete', 'VALIDATE' (highlighted), and 'OPTIONS'. The main content area is titled 'CALIFORNIA ADDRESS : 326 5TH STREET EUREKA, CA 95501-0306 U' and 'ONESOURCE IDT Address Validation'. It features two columns: 'NON-VALIDATED ADDRESS' and 'VALIDATED ADDRESS'. Each column has fields for Street, City, State, ZIP/postal code, and Country/region. The 'VALIDATED ADDRESS' column also includes an 'ADDRESS VALIDATION STATUS' field showing 'CORRECTED'. The Thomson Reuters logo is in the bottom right corner.

NON-VALIDATED ADDRESS	VALIDATED ADDRESS
Street 326 5th Street	Street 326 5th St
City Eureka	City Eureka
State CA	State CA
ZIP/postal code 95501-0306	ZIP/postal code 95501-0306
Country/region USA	Country/region USA
	ADDRESS VALIDATION STATUS CORRECTED

Using this form, you can do the following:

- Compare the unvalidated address you entered to the validated address returned by the address validation service.
- View the status of the address validation:
 - **CORRECTED** indicates that a more exact address was identified by the address validation service.
 - **ERROR - Street not found** indicates that the street of the submitted address was not found.
 - **ERROR - Street number or box number is out of range** indicates that the house or box number was not found on the street of the submitted address.
- Update the non-validated address you entered and select **Revalidate** to resubmit the address if you received an error.
- Select **Accept** to save the **Validated Address**, or select **Save without validation** to save the non-validated address.



Using unvalidated addresses may impact the accuracy of your tax calculations.



A warning or error may occur during the address validation or revalidation process if the zip code does not match a zip code in the D365O zip codes master data.



US addresses must include valid street information in order to be validated. US addresses that are missing street information will result in an error during the validation process. If you choose to continue without street information, you must save the address without validation.

APPENDIX A - LOGGING

The ONESOURCE Indirect Tax integration includes configurable transaction logging capabilities. The **Process Log** captures information about each address validation and tax request triggered by the integration. This log allows you to see how a tax request is built and structured and how the response is returned to D365O. This is important when analyzing how a tax result is generated or for troubleshooting the integration.

Changing the default log level settings in the Integration for Microsoft D365O is only required if you wish to view a different level of detail for the tax calls made to Determination.

The following log settings are provided:

LOGGING LEVEL	DESCRIPTION
Error	Only errors are written to the process log. This option provides the least amount of information, but the highest performance. This is the recommended setting for production environments, unless actively troubleshooting an issue with the ONESOURCE integration.
Warning	Only errors and warnings are written to the process log.
Info	Errors, warnings, and tax requests and responses are written to the process log. This option is useful for viewing the raw tax request and response data for troubleshooting a tax result. This is the recommended setting for UAT environments during the initial phases of configuring and testing the IDT configuration in D365O and Determination.
Debug	Lists all information related to a tax or address call, including how each data element was sourced to build the call. This option provides the most information and consequently provides the slowest performance. This setting is useful for deep troubleshooting and analysis of the tax request and response. It should not be used as a default setting in a production environment.



You must be a D365O system administrator to change logging options.

CONFIGURE LOGGING OPTIONS

To change logging options:

1. Go to **System administration > Inquiries > ONESOURCE IDT Process Log > ONESOURCE IDT Process Log Settings**.
2. Use the **Logging Level** drop-down menu under **System Settings** to change the logging level for all objects.

ONESOURCE IDT Process Log Settings

System Settings

Logging Level: Info (selected)

Debug Logging User: ALICIA

The lowest logging level trumps. If an object has a lower logging level than the system, the object logging level is used. If the system has a lower logging level, the system logging level is used.
If the system logging level is set to Debug, ONLY the system debug logging user is referenced. So if the system logging level is set to Debug and the user is not set, debug logging will occur system wide for all users.

Object Settings

Object Name	Logging Level	Debug Logging User
Tables\ldtTaxTmp	Error	
Tables\ldtOrderInvoiceCitationT...	Error	
Classes\TaxSalesQuotationIDT_E...	Error	
Classes\TaxSalesInvoiceIDT_Ext...	Error	
Classes\TaxSalesIDT_Extension	Debug	ALICIA
Classes\TaxPurchaseIDT_Ext...	Error	
Classes\TaxPurchaseIDT_Extension	Error	



The logging level may be set either system-wide or by user. You can also set logging levels by object or process if you wish to troubleshoot a specific process such as sales quotations.

3. Go to **System administration > Inquiries > ONESOURCE IDT Process Log > ONESOURCE IDT Process Log**.

- View logs created by tax calls. The **Log Message** column contains complete XML SOAP messages that you can review to see the full content of tax requests and responses.

Dynamics 365 Finance and Operations System administration > Inquiries > ONESOURCE IDT Process Log > ONESOURCE IDT Process Log

USMF

Filter

Process Log Type	Object Name	Method Name	Line Number	Log Message	Additional Info	Infolog Message	Log Batch Number
Info	IdtTaxCalculationEngine	TaxServiceCall	1987	<soap:Envelope xmlns:soap="http://schemas.xmlsoap.org/soap/			2018121022420923936875
Info	IdtTaxCalculationEngine	TaxServiceCall	1987	<s:Envelope xmlns:s="http://schemas.xmlsoap.org/soap/envel	Sales Order JB001, Is Audit = false		2018121022420923936875
Warning	IdtTaxCalculationEngine	TaxResponseParseTest	1910	No response found to parse			2018121022410023867078
Info	IdtTaxCalculationEngine	TaxServiceCall	1987	<s:Envelope xmlns:s="http://schemas.xmlsoap.org/soap/envel	Sales Order JB001, Is Audit = false		2018121022410023867078
Info	IdtAddressValidationManager	ValidateAddress	232	<SOAP-ENV:Envelope xmlns:SOAP-ENV="http://schemas.xmlsoap.org/soap/envelop			
Info	IdtAddressValidationManager	ValidateAddress	232	<s:Envelope xmlns:s="http://schemas.xmlsoap.org/soap/envel			
Info	IdtAddressValidationManager	ValidateAddress	232	<SOAP-ENV:Envelope xmlns:SOAP-ENV="http://schemas.xmlsoap.org/soap/envelop			
Info	IdtAddressValidationManager	ValidateAddress	232	<s:Envelope xmlns:s="http://schemas.xmlsoap.org/soap/envel			
Info	IdtAddressValidationManager	ValidateAddress	232	<SOAP-ENV:Envelope xmlns:SOAP-ENV="http://schemas.xmlsoap.org/soap/envelop			
Info	IdtAddressValidationManager	ValidateAddress	232	<s:Envelope xmlns:s="http://schemas.xmlsoap.org/soap/envel			
Error	IdtAddressValidationManager	ValidateAddress	262	Severity: ERROR, Description: Street not found			2018121022360623573218
Error	IdtAddressValidationManager	ValidateAddress	243	Response status = ERROR - All addresses failed to validate. See individual addresses for details			2018121022360623573218
Info	IdtAddressValidationManager	ValidateAddress	232	<SOAP-ENV:Envelope xmlns:SOAP-ENV="http://schemas.xmlsoap.org/soap/envelop			
Info	IdtAddressValidationManager	ValidateAddress	232	<s:Envelope xmlns:s="http://schemas.xmlsoap.org/soap/envel			
Info	IdtTaxCalculationEngine	TaxServiceCall	1987	<soap:Envelope			2018121022303723243968

REFRESH PARAMETERS

Refresh Interval 10 LAST REFRESH 12/10/2018 10:43:14 pm

APPENDIX B - ONESOURCE-SPECIFIC TAX GROUPS AND TAX CODES

During the installation process, ONESOURCE-specific Sales Tax Groups and Sales Tax Codes are added to the native D365O Tax Groups and Codes.

SALES TAX GROUPS

Microsoft D365O uses the new ONESOURCE-specific Tax Groups to trigger tax calculations. Use the following table as reference when configuring your integration.

SALES TAX GROUPS		
Tax Group	Description	Use Case
IDT	ONESOURCE Tax	Used to provide a default taxable result. This Tax Group should be used for all customers including those who hold a valid exemption certificate. The customer's exemption certificate should be set up in Determination to return an exempt or reduced result.
IDT_EX_**	ONESOURCE Exempt Tax	Used to provide a default tax calculation of exempt when a customer claims to be exempt, but an exemption certificate is not yet configured in Determination. This Tax Group should not be used when a customer has an exemption certificate configured in Determination. The ** refers to a specific exempt reason code as listed under Sales Tax Exempt Codes .
IDT_OVERRIDE	ONESOURCE Exempt Override	Used for processing single line exemptions where the entity is usually exempt, to give a taxable result. This option is used when a customer has a tax exempt certificate maintained in the ONESOURCE Determination system and you wish to override the exemption and charge tax for a particular line item.

SALES TAX CODES

All Tax Codes in the following tables are installed, but some may not be used depending on your configuration. Use the tables below as reference when configuring your integration.

STATE LEVEL TAX CODES			
Tax Code	Tax Type	Description	Use Case
IDT_<StateCode>_S, where <StateCode> is the 2-digit state abbreviation	Sales	ONESOURCE <StateCode> Sales Tax	Single state detail tied directly to state-specific user defined GL code.

US TERRITORY AND ARMED FORCES LEVEL TAX CODES			
Tax Code	Tax Type	Description	Use Case
IDT_AS_S	Sales	IDT American Samoa Sales Tax Code	IDT American Samoa Sales Tax
IDT_FM_S	Sales	IDT Federated States of Micronesia Sales Tax Code	IDT Federated States of Micronesia Sales Tax
IDT_GU_S	Sales	IDT Guam Sales Tax Code	IDT Guam Sales Tax
IDT_MH_S	Sales	DT Marshall Islands Sales Tax Code	DT Marshall Islands Sales Tax
IDT_MP_S	Sales	IDT Northern Mariana Islands Sales Tax Code	IDT Northern Mariana Islands Sales Tax
IDT_PR_S	Sales	IDT Puerto Rico Sales Tax Code	IDT Puerto Rico Sales Tax
IDT_PW_S	Sales	IDT Palau Sales Tax Code	IDT Palau Sales Tax
IDT_VI_S	Sales	IDT Virgin Islands Sales Tax Code	IDT Virgin Islands Sales Tax
IDT_AA_S	Sales	IDT Armed Forces Americas Sales Tax Code	IDT Armed Forces Americas Sales Tax
IDT_AE_S	Sales	IDT Armed Forces Europe Sales Tax Code	IDT Armed Forces Europe Sales Tax

US TERRITORY AND ARMED FORCES LEVEL TAX CODES

Tax Code	Tax Type	Description	Use Case
IDT_AP_S	Sales	IDT Armed Forces Pacific Sales Tax Code	IDT Armed Forces Pacific Sales Tax

AUTHORITY LEVEL TAX CODES

Tax Code	Tax Type	Description	Use Case
IDT_CIT_S	Sales	ONESOURCE CITY Sales Tax	City Sales Tax Summary detail. If multiple city taxes are imposed in the authority, they will present as a single tax detail.
IDT_CTY_S	Sales	ONESOURCE COUNTY Sales Tax	County Sales Tax Summary detail. If multiple county taxes are imposed in the authority, they will present as a single tax detail.
IDT_DIT_S	Sales	ONESOURCE DISTRICT Sales Tax	District Sales Tax Summary detail. If multiple district taxes are imposed in the authority, they will present as a single tax detail.
IDT_STT_S	Sales	ONESOURCE STATE Sales Tax	State Sales Tax Summary detail. If multiple state taxes are imposed in the authority, they will present as a single tax detail.

CANADIAN TAX CODES

Tax Code	Tax Type	Description	Use Case
IDT_QST_S	Sales	ONESOURCE QST Sales Tax	Quebec Provincial Sales Tax
IDT_PST_S	Sales	ONESOURCE PST Sales Tax	Provincial Sales Tax
IDT_HST_S	Sales	ONESOURCE HST Sales Tax	Harmonized Sales Tax
IDT_GST_S	Sales	ONESOURCE GST Sales Tax	Canada Federal Goods and Services Tax

OTHER TAX CODES			
Tax Code	Tax Type	Description	Use Case
IDT_ZERO_S	Sales	ONESOURCE ZR NL ZE AC	Zero tax liability due to international export where the seller is unregistered.
IDT_DEFAULT_S	Sales	Tax code for offline rates	Default tax rate applied for when Determination is offline. See Offline Support Setup (page 24) .

SALES TAX EXEMPT CODES	
Code	Description
05	IDT Sales for Resale Exemption
10	IDT Sales in Interstate Commerce Exemption
15	IDT Non-taxable Food Exemption
20	IDT Sales to Government Exemption
25	IDT Exempt Industrial and Farm Machinery Exemption
30	IDT Non-taxable Labor or Service Exemption
35	IDT Prescription Drugs Exemption
40	IDT Returned Merchandise Exemption
45	IDT Bad Debts Exemption
50	IDT Gasoline Exemption
55	IDT Direct Pay Permit Exemption
60	IDT Sales to Exempt Organizations Exemption
65	IDT Food Stamps and WIC Sales Exemption
70	IDT Medical Equipment Exemption
75	IDT Broadcasting Exemption

SALES TAX EXEMPT CODES	
Code	Description
80	IDT Enterprise Zone Exemption
99	IDT Other Exemption

TAX CODE QUALIFIERS

The integration allows for detailed general ledger postings. These postings are performed by D365O when the record is saved, however configuration is required in both Determination and the integration for successful processing of tax results.

The first step is to create and setup Static Tax Code Qualifiers in Determination that map your chosen conditions to a predetermined D365O Sales tax code. This Sales tax code is returned in the tax result. For more information on how to configure Static Tax Code Qualifiers see Determination Help.

IDT Sales Tax Codes

The integration includes a list of default **IDT Sales tax codes**. These can be found at **Tax > Indirect taxes > Sales tax > Sales tax codes**. The **IDT Sales tax codes** you create or use must match the results from Determination, so while a default is available configuration is required.

The screenshot displays the Dynamics 365 Finance and Operations interface for configuring sales tax codes. The breadcrumb navigation shows: **Tax > Indirect taxes > Sales tax > Sales tax codes**. The left pane lists various sales tax codes, with **IDT_ES_I** (IDT Spain Input VAT Code) selected. The main pane shows the configuration for this code, with a percentage/amount of 0.00000.

SALES TAX CODES

Sales tax code	Name	Percentage/Amount
IDT_ES_I	IDT Spain Input VAT Code	0.00000

General

REFERENCES	Ledger posting group	CONDITIONAL SALES TAX	INVOICING
Settlement period IDT	Ledger posting group IDT	Payment sales tax code	Print Print code
	Sales tax currency EUR		Print code
		PACKING DUTY Sort code	

Calculation

Report setup

Report setup - credit note

The default **IDT Sales tax codes** include a large amount of detail and can get you started quickly. If desired, you can ignore or inactivate these default codes and replace them with your own custom **IDT Sales tax codes** that are configured with Determination results for your integration.

The GL postings related to the Sales tax codes are controlled by the associated Ledger posting group. The default configuration assigns the same posting group to both input and output Sales tax codes. If desired, this configuration can be changed.

REVERSE CHARGES

The integration supports reverse charge scenarios for both sales and purchase transactions.

By default, all transactions are sent to Determination with **Transaction Type = Goods**. Determination can be configured to recognize data elements in the XML (such as services commodity codes) and modify the line data sent so that **Transaction Type = Services**.



The integration does not recognize D365O service Items as services unless configured in Determination.

Reverse Charge on Purchase Transactions

The integration uses the tax registrations of the vendor and the company (stored in Determination), address data, and Commodity Codes to evaluate taxability on purchases.

Example:

An Invoice is created with a single line that has a value of €10,000 shipping from Spain to France. The invoice has the following additional attributes:

- The Buyer Primary Address is **France** and the Seller Primary Address is **Spain**.
- The buyer and seller are each registered in both countries.
- Terms of Delivery is set to **DDP**.
- The item **Commodity Code** is **330510** and there are no additional configurations or custom rules in Determination

A reverse charge does not apply to this transaction and the invoice is calculated to have €550 Input VAT.

Sales tax transactions						
Distribute amounts						
Overview General Amount						
✓ Sales tax code ↑	Quantity	Amount origin	Percent	Actual sales tax ...	Sales tax direction	
IDT_FR_I	0.00	10,000.00	5.50000	550.00	Sales tax receivable	

The same transaction but with a different **Commodity Code**, **S17.04.01**, and a rule configured to change the **Transaction Type** of the line to **Default Services** would result in €2,000 Output VAT and €2,000 Input VAT (a reverse charge) for a net amount of zero added to the transaction.

Sales tax transactions						
Distribute amounts						
Overview General Amount						
✓ Sales tax code ↑	Quantity	Amount origin	Percent	Actual sales tax ...	Sales tax direction	
IDT_FR_I	0.00	10,000.00	20.00000	2,000.00	Sales tax receivable	
IDT_FR_O	0.00	10,000.00	20.00000	-2,000.00	Sales tax receivable	

The Jurisdiction text summary for this transaction would include: "EUBS05: Recovery of reverse charge in Buyer's country under Articles 196 and 44 of EC Directive 2006/112."

Reverse Charge on Sales Transactions

The integration uses the tax registrations of the Customer and the Company (stored in Determination), address data, and Commodity Codes to evaluate taxability on sales.

Example:

An Invoice is created with a single line that has a value of €10,000 shipping from France to Spain. The invoice has the following additional attributes:

- The Buyer Primary Address is **Spain** and the Seller Primary Address is **France**.
- The buyer and seller are each registered in both countries.

- The item **Commodity Code** is **330510** and there are no additional configurations or custom rules in Determination.

A reverse charge does not apply here, so the invoice is calculated to have €550 in VAT. The same transaction, but with a different **Commodity Code**, **S17.04.01**, and a custom rule configured to change the **Transaction Type** of the line to **Default Services** would result in zero VAT because the buyer would be required to reverse charge.

The Jurisdiction text summary for this transaction would include: "EUSS28: No VAT liability in Seller's Country under Articles 44 of EC Directive 2006/112. Customer to reverse charge in Buyer's Country under Article 196."

APPENDIX C - SALES AND USE TAX RECONCILIATION REPORTING

This section describes mapping from D365O to ONESOURCE Indirect Tax Reconciliation Extract Output.

The D365O SSRS report, IDT ONESOURCE Tax Reconciliation Report, uses Sales and Purchasing transaction data from D365O. It can be exported to a .csv file for upload to ONESOURCE Indirect Tax Reporting to use in the Reconciliation Report.

EXPORT THE IDT ONESOURCE RECONCILIATION EXTRACT TO A CSV FILE

1. Navigate to **Tax > Inquiries and Reports > Sales tax reports > ONESOURCE IDT Tax Reconciliation Report**.

2. Select the desired criteria for **Trans Type**, **GL Year** and **GL Period**. The **GL From Date**, **GL To Date** and the **Trans From Date** and **Trans To Date** populate automatically.

The screenshot shows the Dynamics 365 Finance and Operations interface. On the left, there's a navigation pane with a calendar for December 2018 and a list of work items. The main area displays a grid of functional areas like Bank management, Cost control, Budget planning, etc. On the right, the **ONESOURCE IDT Tax Reconciliation Report** configuration window is open. It has two sections: **Parameters** and **Destination**.

Parameters:

- Trans Type: Receivable
- GL Year: 2018
- GL Period: December
- GL From Date: 12/1/2018
- GL To Date: 12/31/2018
- Trans From Date: 12/1/2018
- Trans To Date: 12/31/2018

Destination:

- Change: Screen
- Run in the background: (checked)

Buttons: OK, Cancel

3. Select **OK** to generate the report.
4. After the report prints to the screen, click **Export** and select **CSV (comma delimited)** to save the output as a .csv file.

The screenshot shows the Dynamics 365 Finance and Operations interface with the **Export** menu open. The menu options are: PDF, Word, Excel, XML, CSV, MHTML, and TIFF. The background shows a table of data with columns for various fields.

Go to	Find	Zoom	Export								
2_AXTest_US	TR365PU20TST-1 AxDB	PDF	ft Dynamics 365 for Finance	Seller	68719680288	CIV-00000716	SalesInvoice	Sales Invoice	INV-10000715	Or	
2_AXTest_US	TR365PU20TST-1 AxDB	Word	ft Dynamics 365 for Finance	Seller	68719681040	CIV-00000717	SalesInvoice	Sales Invoice	INV-10000716	U:	Ci
2_AXTest_US	TR365PU20TST-1 AxDB	Excel	ft Dynamics 365 for Finance	Seller	68719681041	CIV-00000718	SalesInvoice	Sales Invoice	INV-10000717	U:	Ci
2_AXTest_US	TR365PU20TST-1 AxDB	XML	ft Dynamics 365 for Finance	Seller	68719681042	CIV-00000718	SalesInvoice	Sales Invoice	INV-10000717	U:	Ci
2_AXTest_US	TR365PU20TST-1 AxDB	CSV	ft Dynamics 365 for Finance	Seller	68719681042	CIV-00000718	SalesInvoice	Sales Invoice	INV-10000717	U:	Ci
2_AXTest_US	TR365PU20TST-1 AxDB	MHTML	ft Dynamics 365 for Finance	Seller	68719681789	CIV-00000719	SalesInvoice	Sales Invoice	INV-10000718	U:	Ci
2_AXTest_US	TR365PU20TST-1 AxDB	TIFF	ft Dynamics 365 for Finance	Seller	68719681790	CIV-00000719	SalesInvoice	Sales Invoice	INV-10000718	U:	Ci

5. Save your .csv output file as *ReconInputFile.csv*. You must name this file exactly as shown, with the .csv extension in lower case.



Avoid editing the .csv file with spreadsheet applications. Their auto-correct features may affect your data.

The Reconciliation Report compares data imported from the D365O ONESOURCE IDT Tax Reconciliation Report with the data in Determination's Audit database. The Reconciliation Report indicates transactions missing in D365O, transactions missing in Audit, as well as differences in tax amounts.

Filters are provided for you to select either Sales, Purchases, or both transaction types. These are defined by the D365O Transaction Type as follows:

- Sales transaction types include:
 - Sales Invoices
 - Sales Journals
 - Sales Returns
 - Credit Notes
 - Free Text Invoices
- Purchase transaction types include:
 - Vendor Invoices
 - Vendor Invoice Journals



The ONESOURCE integration uses all of the standard D365O tables for managing tax related transactions. All posted sales tax transactions are stored in the standard D365O sales tax transaction table named TaxTrans. Please see the Microsoft documentation for detailed information regarding this table.

APPENDIX D - CUSTOM ATTRIBUTES REFERENCE



To view the Microsoft Developer Network documentation for these tables, enter the table name followed by **D3650** in your search engine of choice. For example, enter **SalesTable D3650** in the Google search window.

DOCUMENT TYPE: SALES QUOTATIONS

RELATED DOCUMENTS: SALES QUOTATION CONFIRMATION, SALES QUOTATION JOURNAL

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	SalesQuotationTable	SalesQuotationTable	SalesQuotationTable
Header	SalesQuotationTable	InvoiceCustomer	CustTable
Header	SalesQuotationTable	OrderCustomer	CustTable
Header	SalesQuotationTable	smmBusRelTable	smmBusRelTable
Line	SalesQuotationLine	SalesQuotationLine	SalesQuotationLine
Line	SalesQuotationLine	InventTable	InventTable
Line	SalesQuotationLine	InventDim	InventDim
Line	SalesQuotationLine	DlvTerm	DlvTerm
Line	InventTable	ecoResProduct	ecoResProduct

DOCUMENT TYPE: SALES ORDER

RELATED DOCUMENTS: SALES ORDER CONFIRMATION, SALES INVOICE, RETURN ORDER

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	SalesTable	SalesTable	SalesTable
Header	SalesTable	InvoiceCustomer	CustTable
Header	SalesTable	OrderCustomer	CustTable

DOCUMENT TYPE: SALES ORDER**RELATED DOCUMENTS: SALES ORDER CONFIRMATION, SALES INVOICE, RETURN ORDER**

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	SalesTable	CustGroup	CustGroup
Line	SalesLine	SalesLine	SalesLine
Line	SalesLine	InventTable	InventTable
Line	SalesLine	InventDim	InventDim
Line	SalesLine	DivTerm	DivTerm
Line	InventTable	ecoResProduct	ecoResProduct

DOCUMENT TYPE: FREE TEXT INVOICE**RELATED DOCUMENTS: FREE TEXT INVOICE, INVOICE**

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	CustInvoiceTable	CustInvoiceTable	CustInvoiceTable
Header	CustInvoiceJour	CustInvoiceJour	CustInvoiceJour
Header	CustInvoiceTable	CustTable_InvoiceAmount	CustTable
Header	CustInvoiceTable	CustTable_OrderAmount	CustTable
Header	CustInvoiceTable	CustGroup	CustGroup
Header	CustInvoiceTable	DivTerm	DivTerm
Line	CustInvoiceLine	CustInvoiceLine	CustInvoiceLine
Line	CustInvoiceTrans	CustInvoiceTrans	CustInvoiceTrans

DOCUMENT TYPE: PURCHASE REQUISITION

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	PurchReqTable	PurchReqTable	PurchReqTable

DOCUMENT TYPE: PURCHASE REQUISITION

Level	Relation Source Table	Relation Name	Relation Destination Table
Line	PurchReqLine	PurchReqLine	PurchReqLine
Line	PurchReqLine	InventTable	InventTable
Line	PurchReqLine	InventDim	InventDim
Line	PurchReqLine	VendTable	VendTable

DOCUMENT TYPE: REQUEST FOR QUOTATION**RELATED DOCUMENTS: REQUEST FOR QUOTATION REPLY, REQUEST FOR QUOTATION JOURNAL**

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	purchRFQTable	purchRFQTable	purchRFQTable
Header	purchRFQTable	VendTable	VendTable
Header	purchRFQTable	DlvTerm	DlvTerm
Line	purchRFQLine	purchRFQLine	purchRFQLine
Line	purchRFQLine	InventTable	InventTable
Line	purchRFQLine	InventDim	InventDim
Line	InventTable	ecoResProduct	ecoResProduct

DOCUMENT TYPE: PURCHASE ORDER**RELATED DOCUMENTS: PURCHASE INVOICE, VENDOR INVOICE**

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	PurchTable	PurchTable	PurchTable
Header	PurchTable	InvoiceVendor	VendTable
Header	PurchTable	OrderVendor	VendTable

DOCUMENT TYPE: PURCHASE ORDER**RELATED DOCUMENTS: PURCHASE INVOICE, VENDOR INVOICE**

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	PurchTable	VendGroup	VendGroup
Header	PurchTable	DlvTerm	DlvTerm
Line	PurchLine	PurchLine	PurchLine
Line	PurchLine	InventTable	InventTable
Line	PurchLine	InventDim	InventDim
Line	InventTable	ecoResProduct	ecoResProduct

DOCUMENT TYPE: VENDOR INVOICE JOURNAL

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	LedgerJournalTable	LedgerJournalTable	LedgerJournalTable
Line	LedgerJournalTrans	LedgerJournalTrans	LedgerJournalTrans
Line	VendTrans	VendTable_AccountNum	VendTable

DOCUMENT TYPE: PROJECT**RELATED DOCUMENTS: PROJECT INVOICE**

Level	Relation Source Table	Relation Name	Relation Destination Table
Header	ProjInvoiceJour	ProjInvoiceJour	ProjInvoiceJour
Header	ProjProposalJour	CustTable_Invoice	CustTable
Header	ProjProposalJour	CustTable_Order	CustTable
Header	ProjProposalJour	DlvTerm	DlvTerm
Line	ProjProposalCost	ProjProposalCost	ProjProposalCost
Line	ProjProposalEmpl	ProjProposalEmpl	ProjProposalEmpl

DOCUMENT TYPE: PROJECT**RELATED DOCUMENTS: PROJECT INVOICE**

Level	Relation Source Table	Relation Name	Relation Destination Table
Line	ProjProposalItem	ProjProposalItem	ProjProposalItem
Line	ProjProposalOnAcc	ProjProposalOnAcc	ProjProposalOnAcc
Line	ProjProposalRevenue	ProjProposalRevenue	ProjProposalRevenue
Line	ProjInvoiceCost	ProjInvoiceCost	ProjInvoiceCost
Line	ProjInvoiceEmpl	ProjInvoiceEmpl	ProjInvoiceEmpl
Line	ProjInvoiceItem	ProjInvoiceItem	ProjInvoiceItem
Line	ProjInvoiceOnAcc	ProjInvoiceOnAcc	ProjInvoiceOnAcc
Line	ProjInvoiceRevenue	ProjInvoiceRevenue	ProjInvoiceRevenue
Line	ProjProposalItem	InventTable	Inventtable
Line	ProjProposalItem	SalesLine	SalesLine