

ONESOURCE™ INDIRECT TAX INTEGRATION FOR SAP GLOBAL NEXT VCT-V FOR CANADA

USER GUIDE

PRODUCT VERSION 6.7.2.0

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DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
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INTRODUCTION TO VCT FOR GLOBAL NEXT

As of SAP for Global Next Release 6.7.2.0, Global Next is integrated with the ONESOURCE Indirect Tax Determination Enterprise Cloud Vendor Charged Tax Verification (VCT-V) solution for PST provinces (British Columbia, Manitoba and Saskatchewan) in Canada.

This new feature automates the decision-making process to support and handle differences between ONESOURCE Determination calculated tax and the vendor charged tax by using the ONESOURCE Determination VCT-V functionality for SAP vendor invoices.

The integration supports the full features provided by the ONESOURCE Indirect Tax Determination VCT-V solution; including option for trusted vendors, setting of minimum trigger amounts, tolerance ranges and accrual methods.

When the VCT verification results are sent back and processed in SAP, Global Next will either correct the adjustments automatically or provide guidance to handle the differences between the ONESOURCE Determination calculated amount and the vendor charged tax, depending on whether the difference is within the tolerance amount set up and the accrual methods configured.

Lastly, the amount accrued by ONESOURCE Determination will be recorded in the Audit database for reconciliation and compliance reporting.

FEATURES

The new Global Next Integration with ONESOURCE Determination VCT-V offers the following features:

- Seamlessly integrates with SAP Invoice processing screens and programs.
- Provides a Tax Code Independent solution, which eliminates the decision-making process of Accounts Payable personnel.
- Provides ONESOURCE IDT Guidance for the invoice amount to be entered if the vendor over charges.
- Compatible with ONESOURCE Indirect Tax Reports & Analytics VCT reports for reporting and reconciliation purposes.
- Facilitates reconciliation of the tax accrual amounts using the Global Next Tax Data table with a newly-added field.

- Tax response logs clearly show the accrual method determined by ONESOURCE Determination for each transaction.
- ERP code mappings can be configured based on the accrual method and VCT XML elements.
- Distributed VCT at GST and PST tax authority levels is returned to SAP.
- All transactions processed within the VCT-V solution are sent to the audit database.

SUPPORTED USE CASES

The following use cases are supported in this release for the vendor invoicing processes:

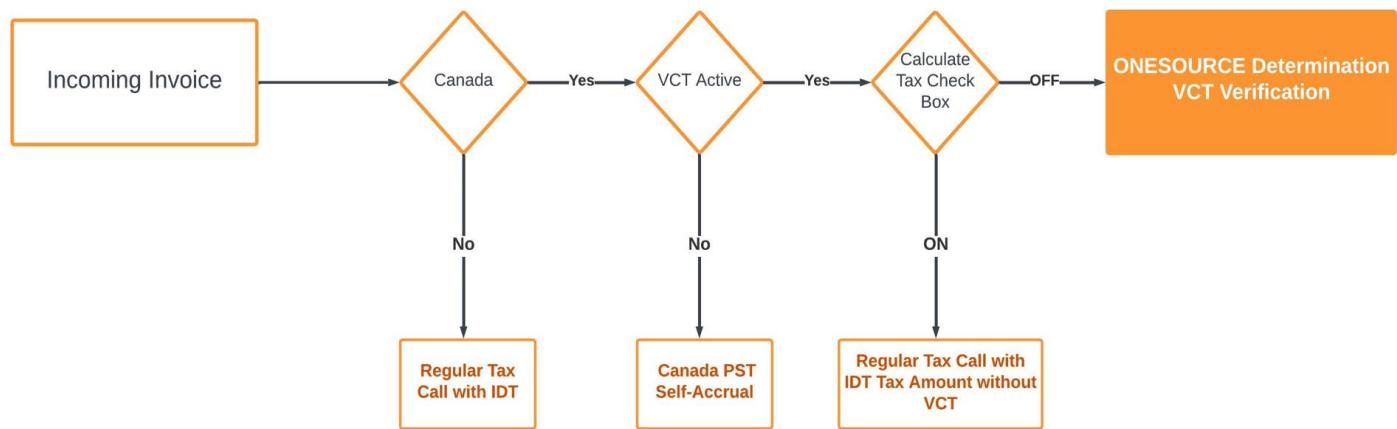
- Purchase Invoice
- Purchase Return/Credit Memo
- Purchase Non Inventory Invoice
- Purchase Non Inventory Credit Memo
- Cancel/Reverse Invoice

HOW INTEGRATION WORKS

At the company code level, VCT-V integration must be enabled and configured in both Global Next and ONESOURCE Determination.

Once Global Next and ONESOURCE Determination have been configured in SAP vendor invoice transactions, the integration will be triggered when you enter the vendor charged tax amount (or manual tax amount), which is available when the Calculate Tax checkbox is NOT checked.

When the following above conditions are met, the invoice will be processed with the Global Next VCT-V solution and, subsequently, go through the ONESOURCE Determination VCT-V flow.



REQUEST TO ONESOURCE DETERMINATION

To support and enable the calculation of VCT-V for ONESOURCE Determination, the following input XML fields are listed below:

TAX CALCULATION ELEMENT	O = Optional, Y = Required	COMMENT
INVOICE.VENDOR_TAX	O	Vendor Tax Amount on invoice transaction
INVOICE.VENDOR_NAME	O	Used if setting up Trusted Vendor in the IDT VCT- V solution
INVOICE.VENDOR_NUMBER	O	Used if setting up Trusted Vendor in the IDT VCT- V solution
INVOICE.CALCULATION_DIRECTION	Y	Supported Calculation Direction is F
INVOICE.COMPANY_ROLE	Y	Only Company Role = B (Buyer) is supported for VCT-V
INVOICE.DOCUMENT_TYPE	Y	Only those document types configured in VCT-V of ONESOURCE Determination will apply VCT-V

RESPONSE FROM ONESOURCE DETERMINATION

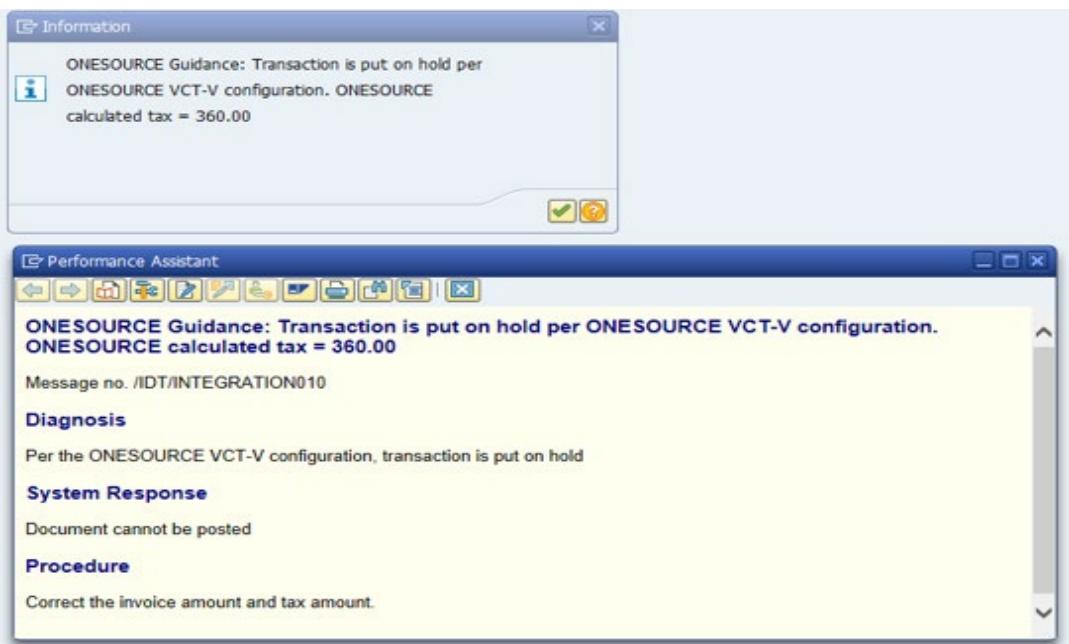
The following fields will be returned from ONESOURCE Determination specific to VCT-V and will be available for use in the Global Next integration to update the invoice and proposed IDT guidance of the vendor tax amount for Accounts Payable personnel to make adjusting General Ledger entries.

TAX CALCULATION ELEMENT
TAX_VARIANCE
VENDOR_TAX
THRESHOLD_RESULT.AMT_WITHIN_TOLERANCE_INDICATOR
THRESHOLD_RESULT.THRESHOLD_AMOUNT

TAX CALCULATION ELEMENT
THRESHOLD_RESULT.PERCENT
THRESHOLD_RESULT.PERCENT_WITHIN_TOLERANCE_INDICATOR
IS_TRUSTED_VENDOR
VCT_STATUS
ACCRUAL_METHOD
VCT_RESPONSE_CODE
VCT_DET_TAX_VARIANCE
IS_VCT_APPLIED
TAX.TAX_AMOUNT.DOCUMENT_AMOUNT
TAX.ACGRUAL_AMOUNT.DOCUMENT_AMOUNT
TAX.VENDOR_TAX.DOCUMENT_AMOUNT

INVOICE ADJUSTMENTS

Based upon the accrual method returned from ONESOURCE Determination, the Global Next integration will provide guidance to Accounts Payable personnel for vendor invoices to be modified within the vendor invoice transactions. The following adjustments will be required:

ACCUAL METHOD	MANUAL INVOICE ADJUSTMENT
Pay Vendor Charged Tax	No invoice adjustment required
Accrue Variance	No invoice adjustment required
Hold Payment	<p>Adjust the invoice; or cancel the transaction and request a new invoice from the supplier.</p>  <p>The screenshot shows two SAP Fiori components. The top component is an 'Information' dialog box with the message: 'ONESOURCE Guidance: Transaction is put on hold per ONESOURCE VCT-V configuration. ONESOURCE calculated tax = 360.00'. The bottom component is a 'Performance Assistant' dialog box with the message: 'ONESOURCE Guidance: Transaction is put on hold per ONESOURCE VCT-V configuration. ONESOURCE calculated tax = 360.00'. Below the message are sections for 'Message no. /IDT/INTEGRATION010', 'Diagnosis' (mentioning 'Per the ONESOURCE VCT-V configuration, transaction is put on hold'), 'System Response' (mentioning 'Document cannot be posted'), and 'Procedure' (mentioning 'Correct the invoice amount and tax amount.').</p>

General Ledger Postings

Based on the adjustment method returned from ONESOURCE Determination, the Global Next integration will update the document and general ledger distribution to reflect general ledger entries.

The following table lists examples of transactions with various accrual methods:

ACCRUAL METHOD	GENERAL LEDGER POSTING												
Pay Vendor Charged Tax	<p>Purchase Invoice transaction with vendor charged tax of \$5.00 and a ONESOURCE Tax Calculation of \$12.00. Invoice amount inclusive of taxes \$105.00.</p> <p>The results returned from ONESOURCE Determination:</p> <ol style="list-style-type: none"> Accrual Method: Pay VCT No Accrual VCT_STATUS: UC Tolerance Amount: \$10.00 Vendor Tax Amount: \$5.00 ONESOURCE Calculated Tax: \$12.00 Accrual Amount: \$0.00 <p>The invoice will require the following adjustments:</p> <ol style="list-style-type: none"> No invoice adjustment required by A/P personnel. Global Next will adjust the distribution to reflect the reduced invoice, adjustment to payables and accrual of total ONESOURCE calculated tax. <table border="1"> <thead> <tr> <th>Account</th><th>Debit</th><th>Credit</th></tr> </thead> <tbody> <tr> <td>Accounts Payable</td><td></td><td>\$105.00</td></tr> <tr> <td>Expense</td><td>\$105.00</td><td></td></tr> <tr> <td>Tax Liability (Accruals)</td><td></td><td>\$0.00</td></tr> </tbody> </table>	Account	Debit	Credit	Accounts Payable		\$105.00	Expense	\$105.00		Tax Liability (Accruals)		\$0.00
Account	Debit	Credit											
Accounts Payable		\$105.00											
Expense	\$105.00												
Tax Liability (Accruals)		\$0.00											

ACCRAUL METHOD	GENERAL LEDGER POSTING												
Accrue Variance	<p>Purchase Invoice transaction with vendor charged tax of \$5.00 and a ONESOURCE Tax Calculation of \$12.00. Invoice amount inclusive of taxes \$112.00.</p> <p>The results returned from ONESOURCE Determination:</p> <ol style="list-style-type: none"> a. Accrual Method: Accrue Variance b. VCT_STATUS: UC c. Tolerance Amount: \$10.00 d. Vendor Tax Amount: \$5.00 e. ONESOURCE Calculated Tax: \$12.00 f. PST Accrual Amount: \$7.00 <p>The invoice will require the following adjustments:</p> <ol style="list-style-type: none"> 1. No invoice adjustment required by A/P personnel. 2. Global Next will adjust the distribution to reflect the reduced invoice, adjustment to payables and accrual of total ONESOURCE calculated tax. <table border="1" data-bbox="311 1184 1503 1438"> <thead> <tr> <th data-bbox="311 1184 931 1248">Account</th><th data-bbox="931 1184 1258 1248">Debit</th><th data-bbox="1258 1184 1503 1248">Credit</th></tr> </thead> <tbody> <tr> <td data-bbox="311 1248 931 1311">Accounts Payable</td><td data-bbox="931 1248 1258 1311"></td><td data-bbox="1258 1248 1503 1311">\$107.00</td></tr> <tr> <td data-bbox="311 1311 931 1374">Expense</td><td data-bbox="931 1311 1258 1374">\$105.00</td><td data-bbox="1258 1311 1503 1374"></td></tr> <tr> <td data-bbox="311 1374 931 1438">Tax Liability (PST Accruals)</td><td data-bbox="931 1374 1258 1438"></td><td data-bbox="1258 1374 1503 1438">\$7.00</td></tr> </tbody> </table>	Account	Debit	Credit	Accounts Payable		\$107.00	Expense	\$105.00		Tax Liability (PST Accruals)		\$7.00
Account	Debit	Credit											
Accounts Payable		\$107.00											
Expense	\$105.00												
Tax Liability (PST Accruals)		\$7.00											

Determination of the tax G/L lines for this VCT-V solution utilizes the final tax code and account key defined within ONESOURCE Determination's ERP Tax Code Configuration. You can configure ERP Tax Codes based on the new VCT fields e.g., Accrual Methods and other VCT XML elements.

VCT-CA-PST-pay_vct		6	Static	SAP DEV - CA	SAP CA ERP TaxCodes(SAP D...	V2-NVV	01/01/2020
ELEMENT	OPERATOR			VALUE			
TAX.TAXABLE_COUNTRY	EQUAL TO (=)			CA			
INVOICE.COMPANY_ROLE	EQUAL TO (=)			B			
TAX.AUTHORITY_TYPE	EQUAL TO (=)			PST			
TAX.TAX_RATE	IS NOT NULL						
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)			true			
INVOICE.ACCRUAL_METHOD	EQUAL TO (=)			PAY_VCT_NO_ACCRUAL			

VCT-CA-PST		5	Static	SAP DEV - CA	SAP CA ERP TaxCodes(SAP D...	V2-VST	01/01/2020
ELEMENT	OPERATOR			VALUE			
TAX.TAXABLE_COUNTRY	EQUAL TO (=)			CA			
INVOICE.COMPANY_ROLE	EQUAL TO (=)			B			
TAX.AUTHORITY_TYPE	EQUAL TO (=)			PST			
TAX.TAX_RATE	IS NOT NULL						
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)			true			

Tax Code Independent

With this integration solution, Accounts Payable personnel would NOT be required to choose a special tax code, the tax code usage will be driven purely by the configuration within ONESOURCE Determination.

Audit Updates

All transactions processed within the VCT-V integration will update the audit database within Determination during postings to the GL. This includes transactions with Canada GST and PST.

Tax Data Table

The field **ACCRUAL_AMOUNT** has been added to this table to record the accrual amounts. This field will be populated against non-statistical entries for transactions requiring an accrual posting.

CoCode	Year	Doc Type	Doc Number	Doc Line #	Tax Line #	Det Inv/Coun	Statistical	Authority Name	Comp.Role	ERP	Tax Cd	NatureOfTx	Dir. of Tax	Tax Type	Is Credit	Gross Amt	Rate	Unit	Inv Desc	LC Tax Amount	Σ	LC Accrual Amount	Stat Cond	% Auth	Type
CA01	2023	BKPF	1900000175	2	1	1		Canada	B	V1-VST	P	I	S	F	1,000.00	CAD	GST		41.67		0.00	50.00	GST		
CA01	2023	BKPF	1900000175	2	2	1		British Columbia	B	V2-VST	P	I	S	SA	F	1,000.00	CAD	PST		58.33		20.00	70.00	PST	
CA01	2023	BKPF	1900000175	3	5	1		Canada	B	V1-VST	P	I	S	F	1,000.00	CAD	GST		41.67		0.00	50.00	GST		
CA01	2023	BKPF	1900000175	3	6	1		British Columbia	B	V2-VST	P	I	S	SA	F	1,000.00	CAD	PST		58.33		20.00	70.00	PST	
CA01	2023	BKPF	1900000175	4	9	1		Canada	B	V0-VST	E	I	S	F	1,000.00	CAD	GST		0.00		0.00	0.00	GST		
CA01	2023	BKPF	1900000175	4	10	1		British Columbia	B	V2-NVV	E	I	S	SA	F	1,000.00	CAD	Exempt Services		0.00		0.00	0.00	PST	
																		CAD		200.00		40.00			
CA01	2023	BKPF	1900000175	2	3	1	X	Canada	B	V1-VST	P	I	S	F	1,000.00	CAD	GST		50.00		0.00	50.00	GST		
CA01	2023	BKPF	1900000175	2	4	1		British Columbia	B	V2-VST	P	I	S	SA	F	1,000.00	CAD	PST		70.00		0.00	70.00	PST	
CA01	2023	BKPF	1900000175	3	7	1		Canada	B	V1-VST	P	I	S	F	1,000.00	CAD	GST		50.00		0.00	50.00	GST		
CA01	2023	BKPF	1900000175	3	8	1		British Columbia	B	V2-VST	P	I	S	SA	F	1,000.00	CAD	PST		70.00		0.00	70.00	PST	
CA01	2023	BKPF	1900000175	4	11	1		Canada	B	V0-VST	E	I	S	F	1,000.00	CAD	GST		0.00		0.00	0.00	GST		
CA01	2023	BKPF	1900000175	4	12	1		British Columbia	B	V2-NVV	E	I	S	SA	F	1,000.00	CAD	Exempt Services		0.00		0.00	0.00	PST	
																		CAD		240.00		0.00			
																		CAD		440.00		40.00			

SAP CONFIGURATION

To activate the VCT integration, you must configure additional items in your SAP system so that it works successfully with the ONE SOURCE Determination VCT-V solution.

VCT ACTIVATION CONFIGURATION

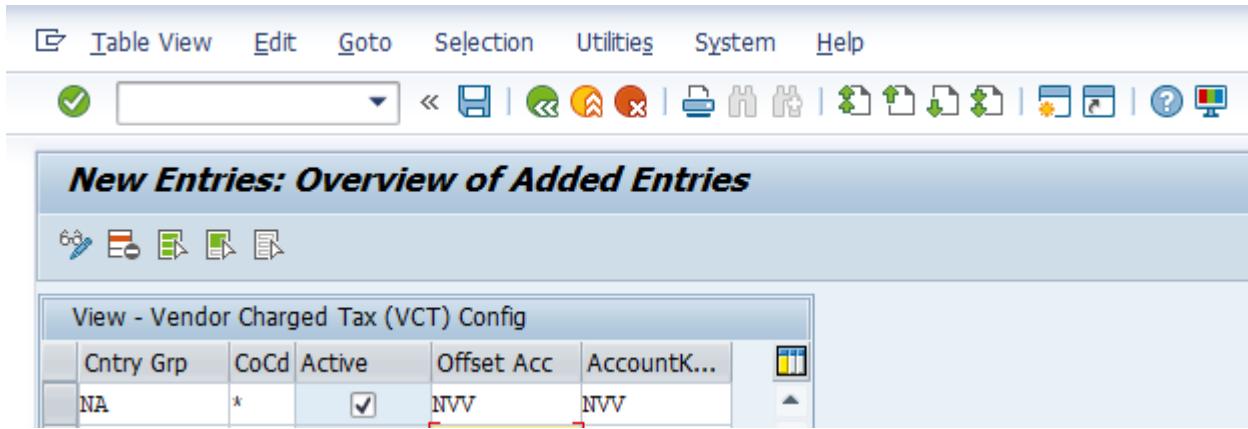
The SAP Global Next user menu has a configuration table to activate the integration for the ONE SOURCE Determination VCT-V solution and to configure offset account keys for accrual postings.

This configuration table is shipped blank. You must enter information for the fields as shown in the following table to work with the ONESOURCE Determination VCT-V solution.

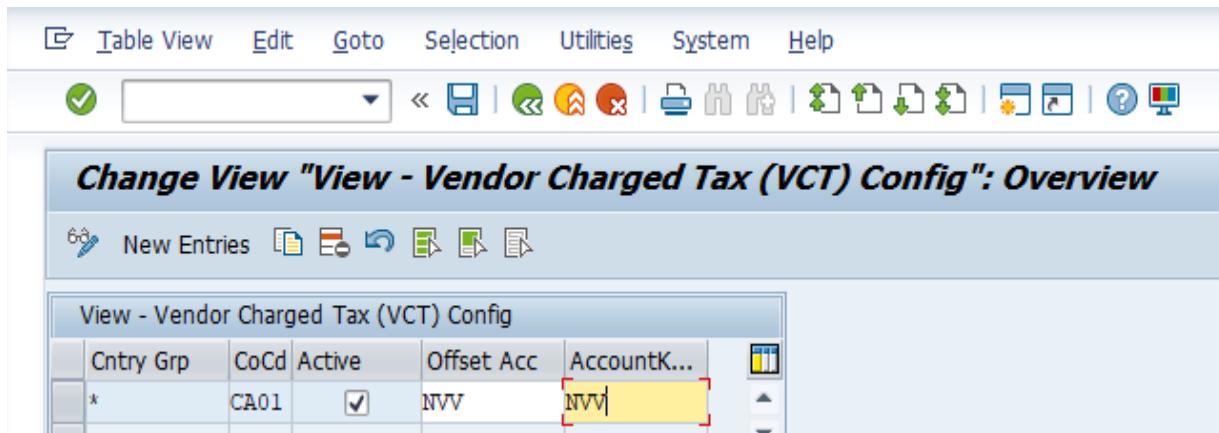
This configuration is required in addition to the VCT-V company setup on ONESOURCE Determination.

Transaction code: **/N/IDT/VCT_CONFIG**

FIELD	COMMENTS
Country Group	Enter a country group. Ensure you have enabled VCT-V in ONESOURCE Determination for all the corresponding company codes within the country group.
Company Code	Enter a company code. Enter * if activating for all company codes within a country group. Ensure you have enabled VCT-V in ONESOURCE Determination for all the company codes.
Active check box	Select this checkbox for your chosen options.
Off Set Account Key	This is to define an account key to be used for creating the offsetting entries for postings of accrual amounts. Use NVV or an account key with a standard SAP NVV type setting.
Account Key for Expense Line	This is to define an account key to be used for creating the offsetting entries for postings of expense amounts. Use NVV or an account key with a standard SAP NVV type setting.



The following screenshot illustrates a sample configuration when you are using individual CA company codes:



New BADI Option to disable VCT-V

A new **BADI /IDT/BADI_VCT_ON_OFF** function has been provided with this VCT-V solution to provide users the ability to turn off the VCT activation flag by sending the XML element **IS_VCT_ENABLED = FALSE**. This can be useful if you have transactions posted via BAPI from external systems and wish to disable the VCT verification process.

Usage of this new BADI option requires a customized implementation.

Switch error message FF724 to warning

In cases where the tax amount is determined to be zero, and the manual tax is \neq zero (such as when the VCT accrual method is **ACCRUE_TOTAL_TAX**), SAP will issue a standard error message **FF724** "Tax entry not possible in this item". The error message could be switched into a warning using transaction **OBA5**.

1. Go to transaction **OBA5**.
2. Enter Application area as "**FF**" on the pop-up screen.
3. Enter a new entry for message 724, and set it to warning.
4. Save the entry.

Change View " Message Control by User ": Overview						
 New Entries     						
Area	FF	FI Function Module Messages				
Message Control by User						
	MsgNo	Message Text	User Name	Online	BatchI	Standard
	724	Tax entry not possible in this item		-	-	E

Upgrade to new WSDL

You will need to upgrade the WSDL you implemented in your Global Next system because the XSD field structure has changed to include new fields to support the VCT-V process. Refer to the Install Guide for additional steps to implement the new WSDL.

ONESOURCE DETERMINATION SETUP

ERP CODE MAPPING CONFIGURATION

As with any set up of tax codes either within SAP or ONESOURCE Determination, you will first need to review the required tax codes and G/L accounts to account for all the accrual methods configured for the VCT-V solution.

Examples of `ERP_CODE_MAPPING`

- For VCT that is within the tolerance or threshold amount you configured, you may use some of the ONESOURCE Determination VCT-V response fields, such as the Response Code, to drive the Tax Codes.
- b.

<input checked="" type="checkbox"/> CA_VCT_Within_Toler... 5	Static	SAP DEV - CA	SAP CA ERP TaxCodes(SAP DEV ...	V2-NVV	01/01/2022	NO END DATE
ELEMENT	OPERATOR		VALUE			
INVOICE.COMPANY_ROLE	EQUAL TO (=)		B			
TAX.TAXABLE_COUNTRY	EQUAL TO (=)		CA			
TAX.AUTHORITY_TYPE	EQUAL TO (=)		PST			
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)		TRUE			
INVOICE.VCT_RESPONSE_CODE	EQUAL TO (=)		07			

- c. You may also use the Accrual Methods on the response XML to drive the postings to an NVV type account key when the accrual method is “Pay VCT No Accrual” or an account key with a posting key that creates an accrual line item when the accrual method is “Accrue Variance”.

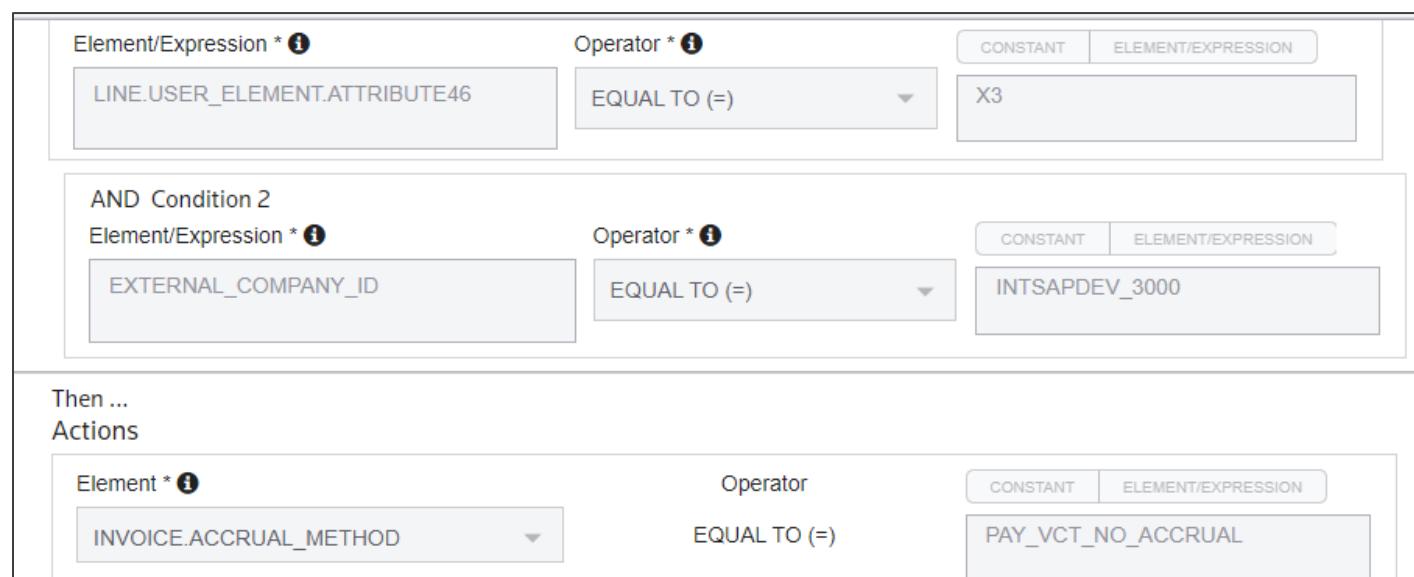
19	<input checked="" type="checkbox"/> VCT-CA-PST 5	Static	SAP DEV - CA	SAP CA ERP TaxCodes(SAP DEV ...	V2-VST	01/01/2020	NO END DATE
	ELEMENT	OPERATOR		VALUE			
	TAX.TAXABLE_COUNTRY	EQUAL TO (=)		CA			
	INVOICE.COMPANY_ROLE	EQUAL TO (=)		B			
	TAX.AUTHORITY_TYPE	EQUAL TO (=)		PST			
	TAX.TAX_RATE	IS NOT NULL					
	INVOICE.IS_VCT_APPLIED	EQUAL TO (=)		true			

<input checked="" type="checkbox"/> VCT-CA-PST-pay_vct 6	Static	SAP DEV - CA	SAP CA ERP TaxCodes(SAP DEV ...	V2-NVV	01/01/2020	NO END DATE
ELEMENT	OPERATOR		VALUE			
TAX.TAXABLE_COUNTRY	EQUAL TO (=)		CA			
INVOICE.COMPANY_ROLE	EQUAL TO (=)		B			
TAX.AUTHORITY_TYPE	EQUAL TO (=)		PST			
TAX.TAX_RATE	IS NOT NULL					
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)		true			
INVOICE.ACCRUAL_METHOD	EQUAL TO (=)		PAY_VCT_NO_ACCRUAL			

OVERRIDING VCT ACCRUAL METHODS

In some cases, you may want to override the VCT-V accrual methods that were configured in ONESOURCE Determination. For example, you have configured the accrual method ACCRUE_VARIANCE however, for a particular invoice you may just wish to pay the vendor charged tax on the invoice.

In this case, you would be able to override the VCT accrual method by using the input XML tag INVOICE.ACCTRUAL_METHOD. One example would be to set up specific tax codes to be used on the transaction to manually override the accrual method. Tax codes are sent on the payload as LINE.USER_ELEMENT.ATTRIBUTE46. You would then use the TransEditor functionality in ONESOURCE Determination to drive the accrual method based on the tax codes.



The screenshot shows a configuration interface for a rule. The rule consists of two AND conditions and an associated action.

Condition 1:

- Element/Expression: LINE.USER_ELEMENT.ATTRIBUTE46
- Operator: EQUAL TO (=)
- Value: X3

Condition 2 (AND Condition 2):

- Element/Expression: EXTERNAL_COMPANY_ID
- Operator: EQUAL TO (=)
- Value: INTSAPDEV_3000

Action:

- Element: INVOICE.ACCTRUAL_METHOD
- Operator: EQUAL TO (=)
- Value: PAY_VCT_NO_ACCRUAL

ONESOURCE DETERMINATION REPORTS

ONESOURCE Indirect Tax Reports & Analytics gives you the ability to customize reports using VCT-V fields.

Refer to the [Vendor Charged Tax Verification \(VCTV\)](#) and [Reports & Analytics](#) sections of the ONESOURCE Indirect Tax help system.

Document Number	Company Name	Taxable Country	Taxable Province	Tax Type	Authority Type	Total Gross Amount	Tax Amount	Accrual Method	Company Role Used For VCTV	Accrued Amount - Line	Accrued Amount - Tax	Vendor Tax	Pay To Vendor Amount	VCT Applied Flag
1900000176	SAP DEV CA CA01	CA	BRITISH COLUMBIA	PST		1,000.00	70.00	ACCRUE_VARIANCE		70.00	70.00	50.00	1,050.00	Y
1900000176	SAP DEV CA CA01	CA	BRITISH COLUMBIA	S	GST	1,000.00	50.00	ACCRUE_VARIANCE		70.00	70.00	50.00	1,050.00	Y

UNSUPPORTED FEATURES

The items listed below are restrictions and current unsupported transactions of which we are currently aware. This list is not exhaustive.

ONLY CANADA PST ACCRUAL SUPPORTED

If you enable and set up ONESOURCE Determination to verify Vendor Charged Tax for any country other than the US & Canada, the Global Next integration will not work correctly.

MIX OF DEBITS AND CREDITS

If you create an invoice with a mix of debit and credit lines, the allocation of the vendor tax and accrual amounts returned from ONESOURCE Determination might be incorrect.

TAX ONLY ADJUSTMENTS

This feature is currently not integrated with VCT-V.

PARKED DOCUMENTS FOR NON-PO INVOICES

You must simulate the transaction before saving/posting. If you enter the invoice information and directly post the document without first simulating the transaction, no tax calculation call is initiated.

GROSS UP AMOUNT (TAX INCLUSIVE)

VCT-V requires calculation direction F.

SUBSEQUENT CHANGES TO MANUAL TAX AMOUNT

If you set up your ERP_Tax_Code to return multiple tax codes within a line item and make subsequent changes to the distributed manual tax amount on the tax tab of the MIRO or FB60 transactions after the initial tax call, the system will not return correctly distributed accrual amounts. You may have the setup that uses different tax codes to post accrual amounts to different G/L accounts based on the authority level.

SAMPLE TRANSACTIONS OVERVIEW

This section shows how the transactions are posted for various accrual methods configured in the ONESOURCE Indirect tax Determination system.

Based on the configuration in VCT-V in the ONESOURCE Indirect tax Determination tool, the transaction posted in Global Next Integration accrues tax, pays vendor charged tax, holds payment, or provides guidance in case of a tax amount mismatch.

Refer to the Invoice Adjustments and General Ledger Postings sections of this guide for a detailed explanation of accounting entries for various accrual methods.

Entries are recorded in the table /IDT/D_TAX_DATA as statistical and non-statistical entries for the transactions processed using VCT logic.

- **Statistical:** Entries that show ONESOURCE Indirect tax Determination calculated amounts (TAX_AMOUNT)
- **Non-statistical:** These entries show the tax paid to vendor (TAX_AMOUNT) and the tax amount accrued (ACCRUAL_AMOUNT).

OVERCHARGE TRANSACTIONS

An overcharge occurs when the amount of tax that the vendor charged is more than the amount that ONESOURCE Indirect Tax determines to be the correct amount.

You can accrue the variance, hold the payment, or pay the vendor charged tax based on the configuration in ONESOURCE Indirect Tax.

Hold Payment

Accrual method configured in ONESOURCE Indirect Tax Accrual Settings for overcharge: **Hold Payment**

In this example, the vendor charged tax on the invoice is \$200.00 on an invoice total of \$1,000.00. The tax determined in ONESOURCE Indirect Tax is \$120.00.

ACCOUNT	AMOUNT
Invoice total	\$1,000.00

ACCOUNT	AMOUNT
Pay to vendor	Hold payment
Vendor charged tax	\$200.00
ONESOURCE Indirect Tax Determination calculated tax	\$120.00
Variance	\$0.00

In this scenario, the transaction is put on hold and the user will not be able to post the transaction until the tax amount is corrected according to the ONESOURCE Determination guidance amount.

Enter Vendor Invoice: Company Code CA01

Transactn: Invoice, Bal. 0.00, OC

Basic data: Vendor 4001, Sp.G/LI, Invoice date 06/29/2023, Reference VCT HOLD, Posting Date 06/29/2023, Document Type Vendor Invoice, Cross-CC Number, Amount 1,200.00 CAD, Calculate Tax, Text, Payment terms Due immediately.

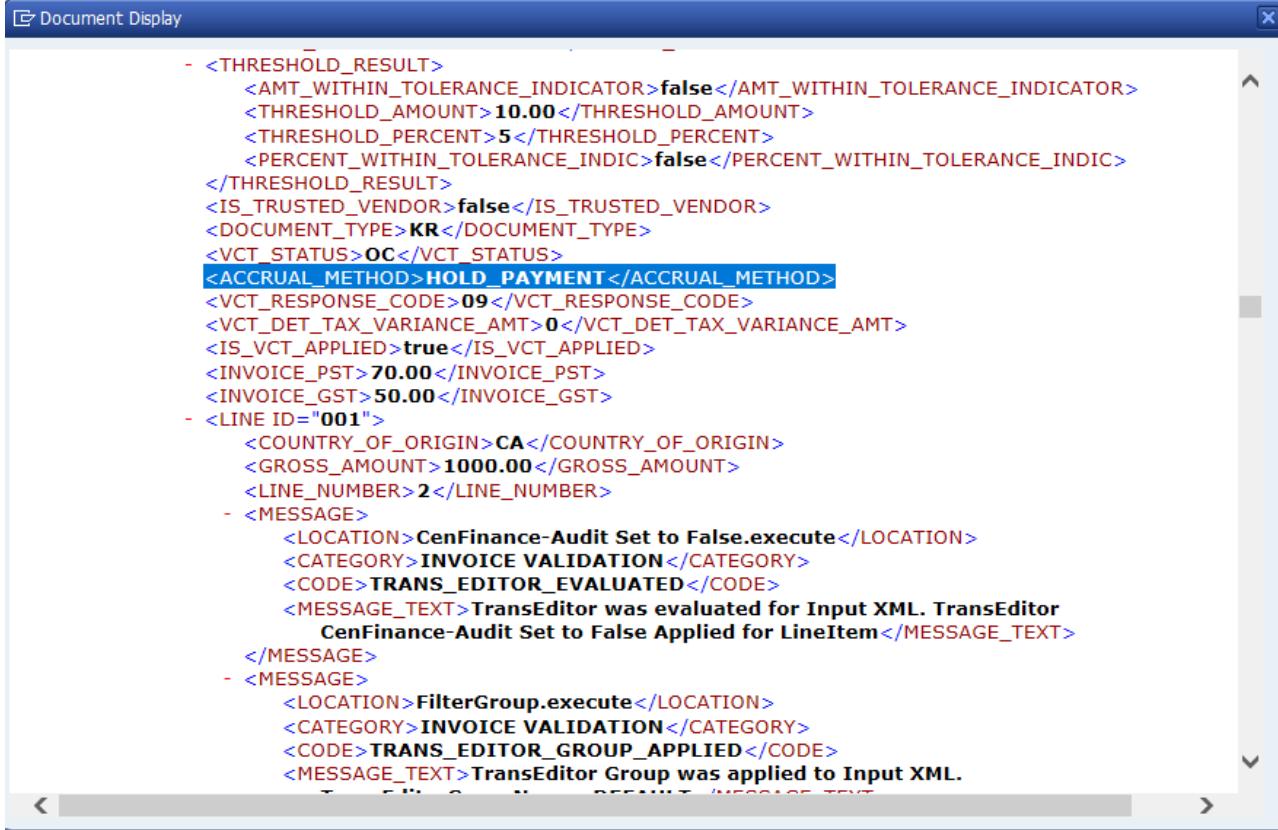
Vendor: Prestigious Motor Works, 8700 NW 5th street, WHISTLER BC VON 1B0, CANADA. Bank data: not available.

Information: ONESOURCE Guidance: Transaction is put on hold per ONESOURCE VCT-V configuration. ONESOURCE calculated tax = 120.00

Performance Assistant: ONESOURCE Guidance: Transaction is put on hold per ONESOURCE VCT-V configuration. ONESOURCE calculated tax = 120.00. Message no. /IDT/INTEGRATION010. Diagnosis: Per the ONESOURCE VCT-V configuration, transaction is put on hold. System Response: Document cannot be posted. Procedure: Correct the invoice amount and tax amount.

Log Entry

The accrual method that was triggered is shown in the XML log in Global Next (/N/IDT/LOG).



```

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    <THRESHOLD_AMOUNT>10.00</THRESHOLD_AMOUNT>
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  <IS_TRUSTED_VENDOR>false</IS_TRUSTED_VENDOR>
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  <VCT_STATUS>OC</VCT_STATUS>
  <ACCRL_METHOD>HOLD_PAYMENT</ACCRL_METHOD>
  <VCT_RESPONSE_CODE>09</VCT_RESPONSE_CODE>
  <VCT_DET_TAX_VARIANCE_AMT>0</VCT_DET_TAX_VARIANCE_AMT>
  <IS_VCT_APPLIED>true</IS_VCT_APPLIED>
  <INVOICE_PST>70.00</INVOICE_PST>
  <INVOICE_GST>50.00</INVOICE_GST>
  - <LINE ID="001">
    <COUNTRY_OF_ORIGIN>CA</COUNTRY_OF_ORIGIN>
    <GROSS_AMOUNT>1000.00</GROSS_AMOUNT>
    <LINE_NUMBER>2</LINE_NUMBER>
    - <MESSAGE>
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      <CATEGORY>INVOICE VALIDATION</CATEGORY>
      <CODE>TRANS_EDITOR_EVALUATED</CODE>
      <MESSAGE_TEXT>TransEditor was evaluated for Input XML. TransEditor CenFinance-Audit Set to False Applied for LineItem</MESSAGE_TEXT>
    </MESSAGE>
    - <MESSAGE>
      <LOCATION>FilterGroup.execute</LOCATION>
      <CATEGORY>INVOICE VALIDATION</CATEGORY>
      <CODE>TRANS_EDITOR_GROUP_APPLIED</CODE>
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  </LINE>
</Document Display>

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UNDERCHARGE TRANSACTIONS

An undercharge occurs when the amount of tax the vendor charged is less than the amount that ONESOURCE Indirect Tax determines to be the correct amount. Users can accrue tax or hold the payment or pay vendor charged tax based on the configuration in ONESOURCE Indirect Tax Determination.

Accrue Variance

Accrual method configured in ONESOURCE Indirect Tax for undercharge: **Accrue Variance**

In this example, the vendor charged tax is \$50.00 on an invoice of \$1000.00. The tax determined by ONESOURCE Indirect Tax is \$120.00.

ACCOUNT	AMOUNT
Invoice total	\$1050.00

Paid to vendor	\$1050.00
Vendor charged tax	\$50.00
ONESOURCE Indirect Tax Determination calculated tax	\$120.00
Variance (accrued tax)	\$70.00

In this scenario, the transaction accrues the tax variance as shown in the example.

Display Document: Data Entry View

Display Document: Data Entry View

Taxes Display Currency General Ledger View

Data Entry View

Document Number 1900000176 Company Code CA01 Fiscal Year 2023
 Document Date 06/28/2023 Posting Date 06/28/2023 Period 6
 Reference Cross-Comp.No.
 Currency CAD Texts Exist Ledger Group

CoCd	Itm	PK	S	Account	Description	Amount	Crcy	Tx
CA01	1	31		4001	Prestigious Motor Works	1,050.00-	CAD	V1
CA01	2	40		476000	Office Supplies	1,000.00	CAD	V1
CA01	3	40		154021	CA GST input tax	50.00	CAD	V1
CA01	4	50		154022	CA PST Input tax	70.00-	CAD	V2
CA01	5	40		154001	IDT Input tax St	70.00	CAD	V2

Display Document: Tax Data

Document Number 1900000176 Display In CAD

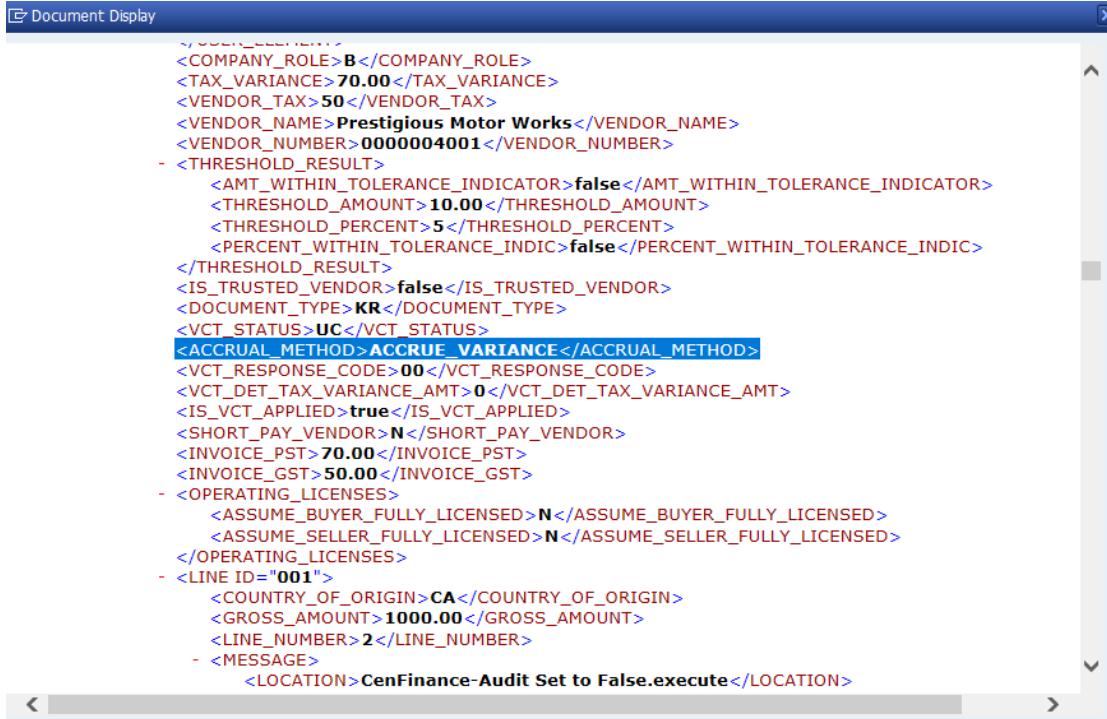
Tax items

G/L	Tax Amount	Tax Base	Tx	Tax Rate
154021	50.00	1,000.00	V1	5.000000
154022	70.00-	1,000.00-	V2	7.000000-
154001	70.00	1,000.00	V2	7.000000

Total 50.00

Display Currency

Log Entry



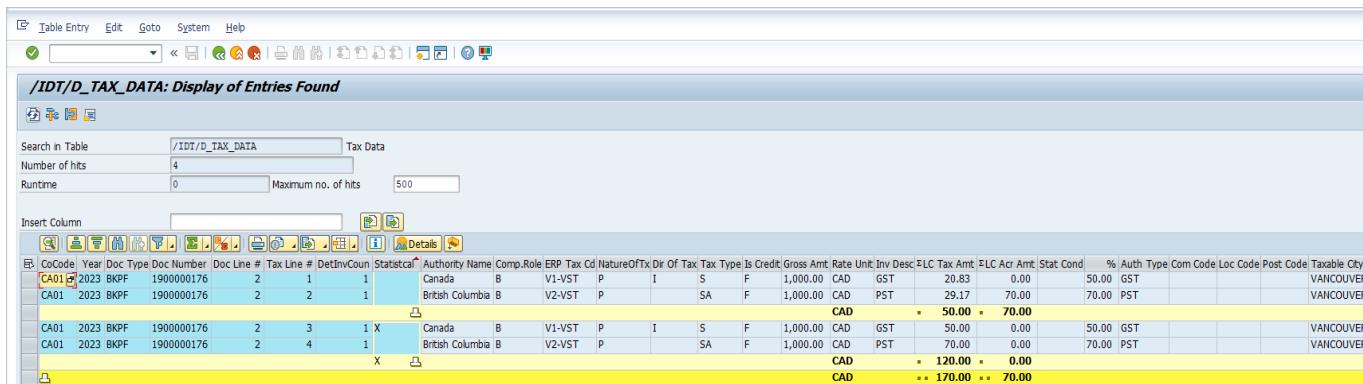
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</VENDOR>
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<VENDOR_TAX>50</VENDOR_TAX>
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  <THRESHOLD_PERCENT>5</THRESHOLD_PERCENT>
  <PERCENT_WITHIN_TOLERANCE_INDIC>false</PERCENT_WITHIN_TOLERANCE_INDIC>
</THRESHOLD_RESULT>
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<INVOICE_GST>50.00</INVOICE_GST>
- <OPERATING_LICENSES>
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  <ASSUME_SELLER_FULLY_LICENSED>N</ASSUME_SELLER_FULLY_LICENSED>
</OPERATING_LICENSES>
- <LINE ID="001">
  <COUNTRY_OF_ORIGIN>CA</COUNTRY_OF_ORIGIN>
  <GROSS_AMOUNT>1000.00</GROSS_AMOUNT>
  <LINE_NUMBER>2</LINE_NUMBER>
  - <MESSAGE>
    <LOCATION>CenFinance-Audit Set to False.execute</LOCATION>

```

/IDT/D_TAX_DATA table entries

The tax amount paid to vendor is \$50.00, accrual amount is \$70.00. These are recorded against non-statistical entries and distributed to each tax authority.



CoCode	Year	Doc Type	Doc Number	Doc Line #	Tax Line #	DetInvCoun	Statistical	Authority Name	Comp.Role	ERP Tax Cd	NatureOfTx	Dif Of Tax	Tax Type	Is Credit	Gross Amt	Rate Unit	Inv Desc	ELC Tax Amt	ELC Acr Amt	Stat Cond	% Auth	Type	Com Code	Loc Code	Post Code	Taxable City
CA01	2023	BKPF	1900000176	2	1	1		Canada	B	V1-VST	P	I	S	F	1,000.00	CAD	GST	20.83	0.00	50.00	GST					VANCOUVER
CA01	2023	BKPF	1900000176	2	2	1		British Columbia	B	V2-VST	P		SA	F	1,000.00	CAD	PST	29.17	70.00	70.00	PST					VANCOUVER
																	CAD	* 50.00 *	70.00							
CA01	2023	BKPF	1900000176	2	3	1	X	Canada	B	V1-VST	P	I	S	F	1,000.00	CAD	GST	50.00	0.00	50.00	GST					VANCOUVER
CA01	2023	BKPF	1900000176	2	4	1		British Columbia	B	V2-VST	P		SA	F	1,000.00	CAD	PST	70.00	0.00	70.00	PST					VANCOUVER
																	CAD	* 120.00 *	0.00							
																	CAD	** 170.00 **	70.00							

Within Tolerance

In this example, the vendor charged tax is \$10.00 on an invoice of \$100.00. The tax determined by ONESOURCE Indirect Tax Determination is \$12.00. The tolerance amount configured in ONESOURCE Indirect Tax Determination is \$10.00.

ACCOUNT	AMOUNT
Invoice total	\$100.00
Paid to vendor	\$110.00
Vendor charged tax	\$10.00
Indirect Tax calculated tax	\$12.00
Variance	\$2.00
GST Input Tax	5.00
PST Input Tax	7.00

The variance is within the tolerance amount configured in ONESOURCE Indirect Tax, and the transaction is posted with a vendor charged tax amount and no variance accrual. The amount paid to the vendor was \$110.00.

The screenshot displays the SAP Fiori interface for managing indirect tax documents. The main view shows the 'Display Document: Data Entry View' with the following details:

- Document Number: 1900000177
- Company Code: CA01
- Fiscal Year: 2023
- Document Date: 06/29/2023
- Posting Date: 06/29/2023
- Period: 6
- Reference: VCT OVER
- Cross-Comp.No.:
- Currency: CAD
- Texts Exist:
- Ledger Group:

Below this, a table lists transaction details:

CoCd	Itm	PK	S	Account	Description	Amount	Crcy	Tx
CA01	1	31		4001	Prestigious Motor Works	110.00	CAD	V1
CA01	2	40		476000	Office Supplies	100.00	CAD	V1
CA01	3	40		154021	CA GST input tax	5.00	CAD	V1
CA01	4	50		154022	CA PST Input tax	2.00	CAD	V2
CA01	5	40		154001	IDT Input tax St	7.00	CAD	V2

A separate 'Display Document: Tax Data' pop-up window is open, showing the following tax items:

Document Number	Display In	CAD		
1900000177				
Tax items				
G/L	Tax Amount	Tax Base	Tx	Tax Rate
154021	5.00	100.00	V1	5.000000
IDT CA Standard Input Tax				
154022	2.00-	100.00-	V2	7.000000-
IDT CA PST Input				
154001	7.00	100.00	V2	7.000000
IDT CA PST Input				
Total: 10.00				

/IDT/D_TAX_DATA table entries

IDT Log entries

GLOSSARY

TERM	DEFINITION
IDT	References in this guide to "IDT" refer to the ONESOURCE Indirect Tax Determination - Enterprise Cloud application.
Determination	References in this guide to "Determination" refer to the ONESOURCE Indirect Tax Determination - Enterprise Cloud application.
VCT	Vendor Charged Tax
VCTV or VCT-V	Vendor Charged Tax Verification; a function performed by ONESOURCE Indirect Tax Determination. VCT-V compares the tax collected by the vendor against the amount actually owed to the taxing authority.
ERP	Enterprise Resource Planning
PO	Purchase Order
A/P	Accounts Payable
BADI	Business Add-in
LIV	Logistics Invoice Verification
MM	Materials Management
MIRO	An SAP transaction code used for processing invoices.
WSDL	Web Services Description Language; a language for describing how to interface with XML-based services.
GR/IR	Goods Receipt/Invoice Receipt