ONESOURCE™ INDIRECT TAX INTEGRATION FOR SAP GLOBAL NEXT - VCT (VENDOR CHARGED TAX)

USER GUIDE

PRODUCT VERSION 6.7.X.X

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In compliance with the license agreements for the Open-Source Libraries leveraged by Thomson Reuters. Our customers can obtain copies of these libraries by contacting Technical Support at https://tax.thomsonreuters.com/support/ONESOURCE/indirect-tax/. The software documented within is Patent Pending in the United States.

DOCUMENT HISTORY

VERSION NUMBER	VERSION DATE	SUMMARY
1	July 2022	First release of ONESOURCE Indirect Tax Integration for SAP Global Next - Vendor Charged Tax (VCT) User Guide 6.7.X.X

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INTRODUCTION TO VCT FOR GLOBAL NEXT

As of SAP for Global Next Release 6.7.X.X, Global Next is integrated with the ONESOURCE Indirect Tax Determination Enterprise Cloud Vendor Charged Tax Verification (VCT-V) solution for Sales and Use tax in the United States.

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 options for trusted vendors, Direct Pay Permit (DPP), use of seller use tax or buyer use tax, setting of minimum trigger amounts, tolerance ranges, accrual methods and allocation 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 is to be short-paid.
- Hybrid solution using the US-specific logic within Global Next to provide an all-encompassing solution for the vendor invoice process.
- 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 various 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

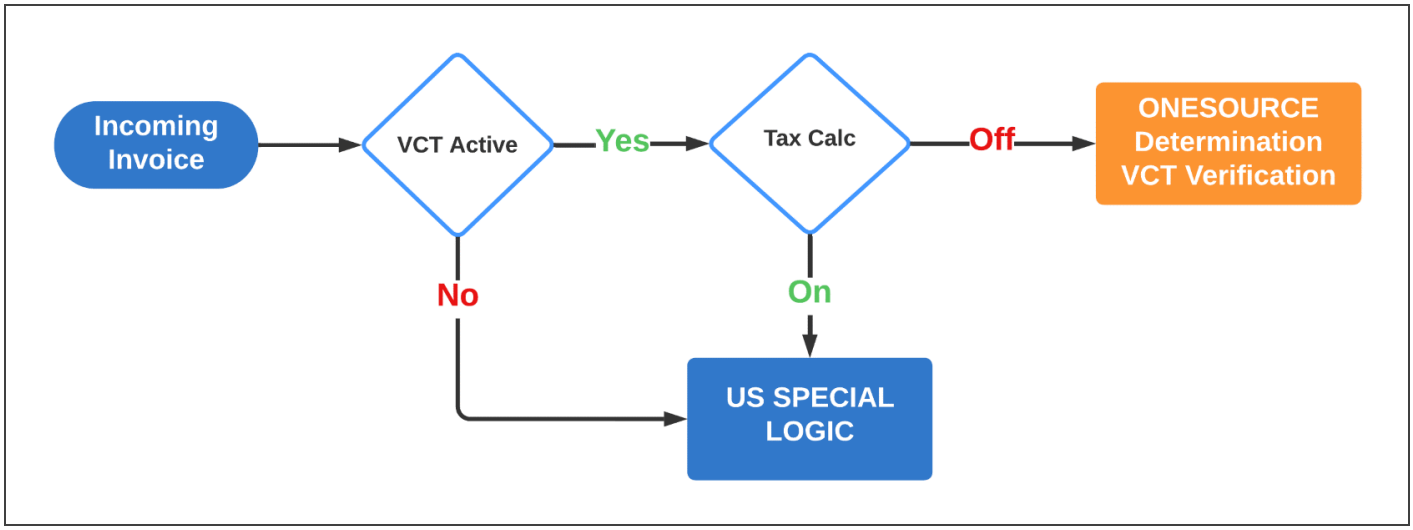
HOW INTEGRATION WORKS

The Integration works in tandem with the existing US Specific Logic Table to provide an all-encompassing solution for the vendor invoice process.

At the company code level, VCT-V integration must be enabled and configured in both Global Next and ONESOURCE Determination. If you decide not to use the VCT-V integration, the existing US Specific Logic will apply.

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. If you select the Calculate Tax checkbox, the US Specific Logic solution will apply.

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	REQUIRED?	COMMENT
INVOICE.VENDOR_TAX	O (Optional)	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

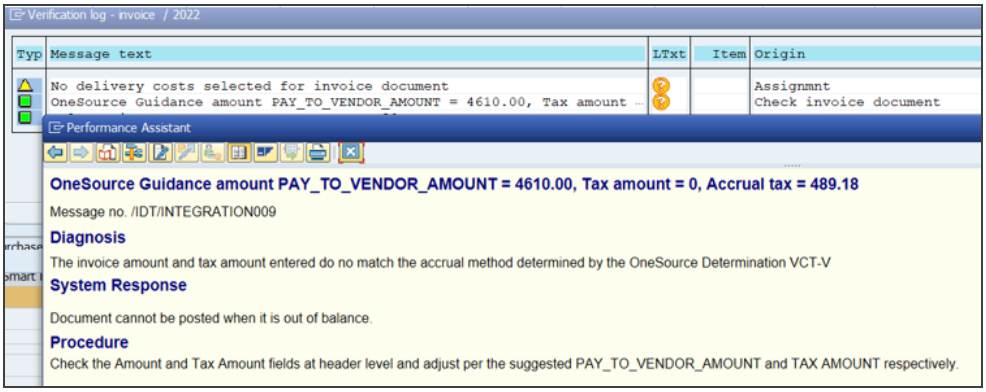
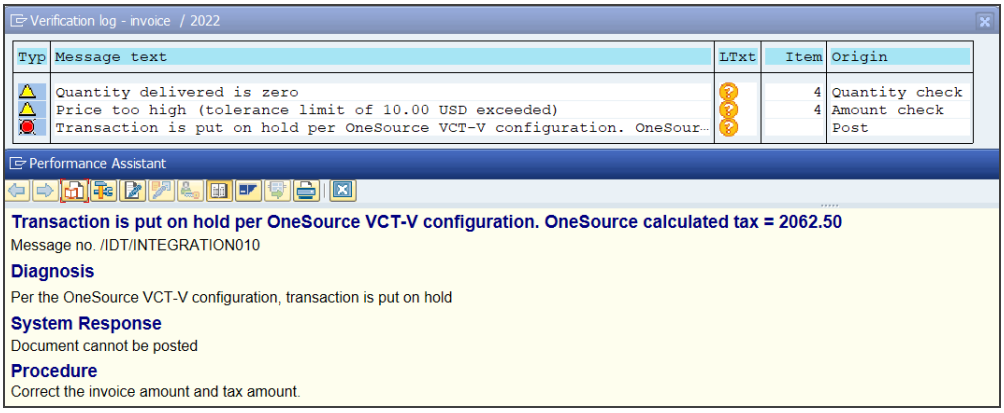
The following fields will be returned from ONESOURCE Determination specific to VCT-V and will be available for use in the Global Next integration to update the invoice and proposed IDT guidance of the vendor tax amount for Accounts Payable personnel to make adjusting General Ledger entries.

TAX CALCULATION ELEMENT
VCT_CALC_COMPANY_ROLE
TAX_VARIANCE
VENDOR_TAX
THRESHOLD_RESULT.AMT_WITHIN_TOLERANCE_INDICATOR
THRESHOLD_RESULT.THRESHOLD_AMOUNT
THRESHOLD_RESULT.PERCENT

TAX CALCULATION ELEMENT
THRESHOLD_RESULT. PERCENT_WITHIN_TOLERANCE_INDICATOR
IS_TRUSTED_VENDOR
IS_TRUSTED_VENDOR_AUDIT_INDICATOR
IS_DPP_APPLIED
VCT_STATUS
ACCRUAL_METHOD
VCT_RESPONSE_CODE
VCT_DET_TAX_VARIANCE
IS_VCT_APPLIED
SHORT_PAY_VENDOR
TAX.TAX_AMOUNT.DOCUMENT_AMOUNT
TAX.ACCRUAL_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:

ACCRUAL METHOD	MANUAL INVOICE ADJUSTMENT
Accrue Total Tax	Reduce invoice amount by the vendor tax amount 
Pay Vendor Charged Tax	No invoice adjustment required
Accrue Variance	No invoice adjustment required
Hold Payment	Adjust the invoice; or cancel the transaction and request a new invoice from the supplier. 

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:

<table>
<tr><th>ACCRUAL METHOD</th><th>GENERAL LEDGER POSTING</th></tr>
<tr><td>Accrue Total Tax</td><td>
Purchase Invoice transaction with vendor charged tax of $7.00 and a ONESOURCE Tax Calculation of $9.50. Invoice amount inclusive of taxes $107.00.

The results returned from ONESOURCE Determination:

a. Accrual Method: Accrue Total Tax
b. VCT_STATUS: UC
c. Tolerance Amount: $10.00
d. Vendor Tax Amount: $0.00
e. ONESOURCE Calculated Tax: $9.50
f. Accrual Amount: $9.50

The invoice will require the following adjustments:

1. A/P personnel will adjust the vendor invoice by reducing the amount by the amount of the vendor charged tax – invoice reduced by $7.00.
2. Global Next will adjust the distribution to reflect the reduced invoice, adjustment to payables and accrual of total ONESOURCE calculated tax.
<table>
<tr><th>Account</th><th>Debit</th><th>Credit</th></tr>
<tr><td>Accounts Payable</td><td></td><td>$100</td></tr>
<tr><td>Expense</td><td>$109.50</td><td></td></tr>
<tr><td>Tax Liability (Accruals)</td><td></td><td>$9.50</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>ACCRUAL METHOD</th><th>GENERAL LEDGER POSTING</th></tr>
<tr><td>Pay Vendor Charged Tax</td><td>
Purchase Invoice transaction with vendor charged tax of $7.00 and a ONESOURCE Tax Calculation of $9.50. Invoice amount inclusive of taxes $107.00.
The results returned from ONESOURCE Determination:
<ol type="a">
Accrual Method: Pay VCT No Accrual
VCT_STATUS: UC
Tolerance Amount: $10.00
Vendor Tax Amount: $7.00
ONESOURCE Calculated Tax: $9.50
Accrual Amount: $0.00

The invoice will require the following adjustments:

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>
<tr><th>Account</th><th>Debit</th><th>Credit</th></tr>
<tr><td>Accounts Payable</td><td></td><td>$107</td></tr>
<tr><td>Expense</td><td>$107</td><td></td></tr>
<tr><td>Tax Liability (Accruals)</td><td></td><td>$0</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>ACCRUAL METHOD</th><th>GENERAL LEDGER POSTING</th></tr>
<tr><td>Accrue Variance</td><td>
Purchase Invoice transaction with vendor charged tax of $7.00 and a ONESOURCE Tax Calculation of $9.50. Invoice amount inclusive of taxes $107.00.

The results returned from ONESOURCE Determination:

a. Accrual Method: Accrue Variance
b. VCT_STATUS: UC
c. Tolerance Amount: $10.00
d. Vendor Tax Amount: $7.00
e. ONESOURCE Calculated Tax: $9.50
f. Accrual Amount: $2.50

The invoice will require the following adjustments:

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>
<tr><th>Account</th><th>Debit</th><th>Credit</th></tr>
<tr><td>Accounts Payable</td><td></td><td>$107</td></tr>
<tr><td>Expense</td><td>$109.50</td><td></td></tr>
<tr><td>Tax Liability (Accruals)</td><td></td><td>$2.50</td></tr>
</table>
</td></tr>
</table>

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.

Mapping Name	Mapping Type	Company	Mapping Group	ERP Code	Start Date
VCT_V1-TX3 6	Static	SAP DEV US 3000 ECC-...	SAP US ERP TaxCodes(...	V1-TX3 [ATT]sales[ATT]	01/01/2020
ELEMENT	OPERATOR		VALUE	CONSTANT	
TAX.TAXABLE_COUNTRY	EQUAL TO (=)		US		
TAX.TAXABLE_STATE	EQUAL TO (=)		TEXAS		
TAX.TAX_RATE	IS NOT NULL				
INVOICE.COMPANY_ROLE	EQUAL TO (=)		B		
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)		TRUE		
INVOICE.ACCRUAL_METHOD	EQUAL TO (=)		ACCRUE_VARIANCE		

Tax Code Independent

With this integration solution, Accounts Payable personnel would NOT be required to choose between an I1 driver tax code (for sales tax or seller's use tax calculation) or U1 driver tax (for buyer's use tax calculation) when entering invoices in SAP. 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 US Sales Tax, which previously did not update the audit database.

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.

Table to be searched: /IDT/D_TAX_DATA Tax Data
Number of hits: 6
Runtime: 0 Maximum no. of hits: 500

CoCd	Year	Doc	Doc Number	Doc	Det	Statistcal	Co	ERP Tax	Natur	Dir Of T	Tax Type	Gross Amt	LC Tax Amt	%	Exempt_AuthAmt	LC Acr Amt
30	2022	BKPF	5100003234	1	1		B	V1-TX2	P		US	300.00	1.21	10.00	0.00	1.79
3000	2022	BKPF	5100003234	1	1		B	V1-TX3	P		US	300.00	1.21	10.00	0.00	1.79
3000	2022	BKPF	5100003234	1	1		B	V1-TX3	P		US	300.00	7.58	62.50	0.00	11.17
3000	2022	BKPF	5100003234	1	1	X	B	V1-TX2	P		US	300.00	3.00	10.00	0.00	0.00
3000	2022	BKPF	5100003234	1	1	X	B	V1-TX3	P		US	300.00	3.00	10.00	0.00	0.00
3000	2022	BKPF	5100003234	1	1	X	B	V1-TX3	P		US	300.00	18.75	62.50	0.00	0.00

SAP CONFIGURATION

In order to activate the integration, you must configure additional items in your SAP system so that it works successfully with the ONESOURCE Determination VCT-V solution.

VCT ACTIVATION CONFIGURATION

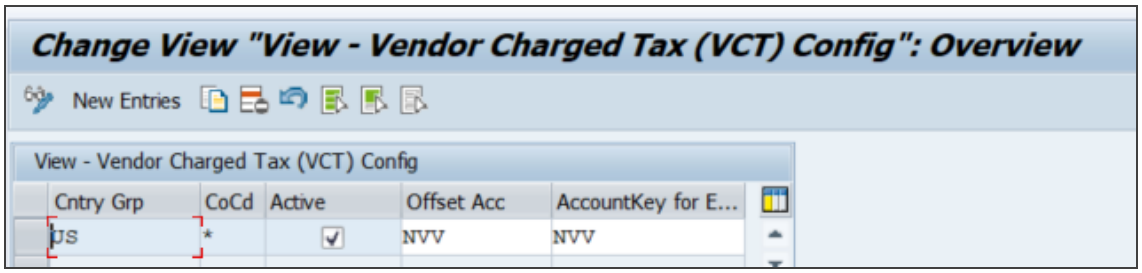
The SAP Global Next user menu has a configuration table to activate the integration for the ONESOURCE Determination VCT-V solution and to configure offset account keys for accrual postings.

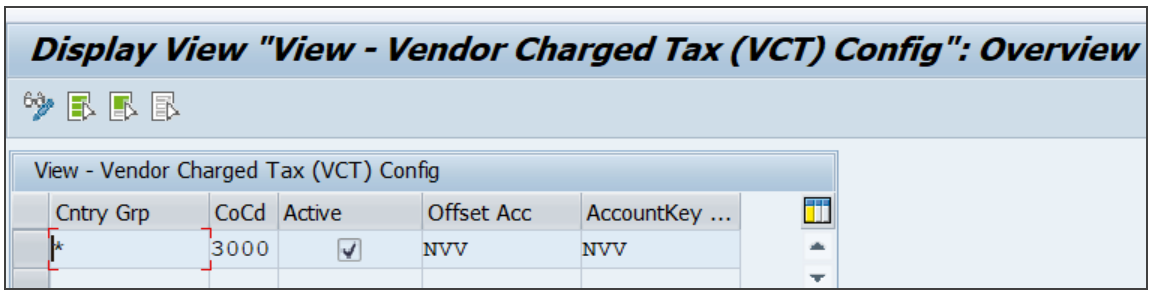
This configuration table is shipped blank. You must enter information for the fields as shown in the following table to work with the ONESOURCE Determination VCT-V solution.

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. Enter * if activating for specific US company codes. 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.





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.

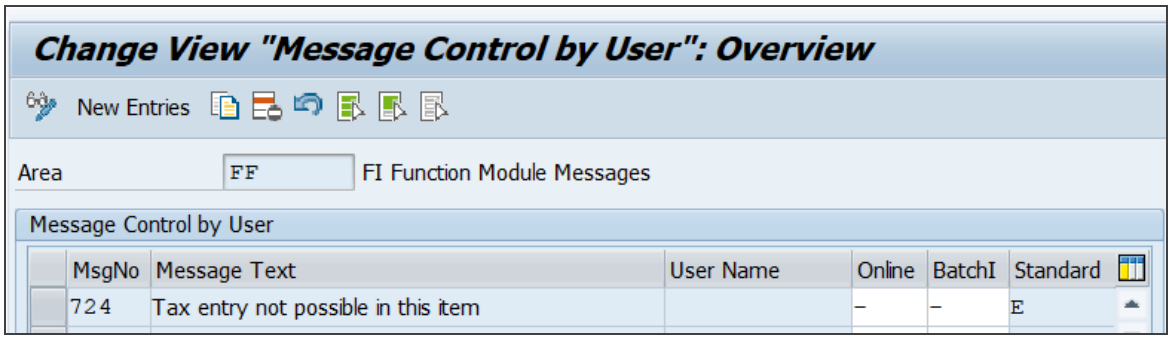
Usage of this new BADI option requires a customized implementation.

Switch error message FF724 to warning

In cases where the tax amount is determined to be zero, and the manual tax is <> 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.



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

a. 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.

VCT_Within Tolerance/ Threshold... 3	Static	SAP DEV US 3000 ECC-...	SAP US ERP TaxCodes(...	V1-NVV
ELEMENT	OPERATOR		VALUE	CONSTANT
INVOICE.COMPANY_ROLE	EQUAL TO (=)		B	
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)		TRUE	
INVOICE.VCT_RESPONSE_CODE	EQUAL TO (=)		07	

b. 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”.

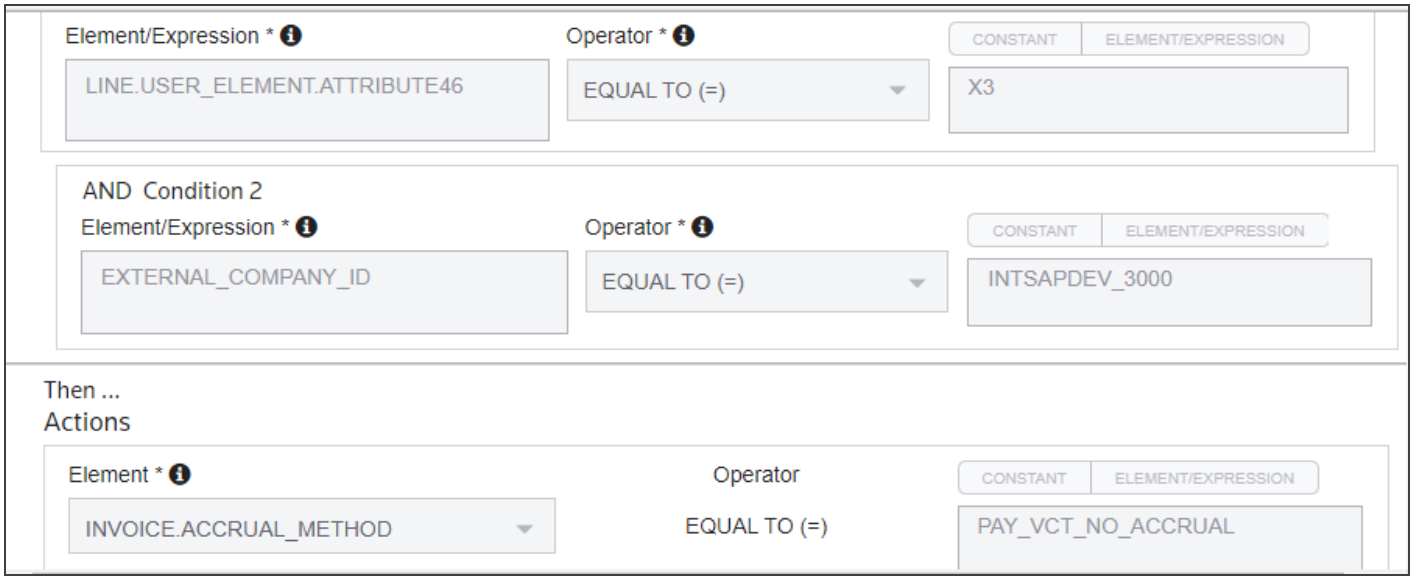
VCT_Accrue_Variance 7	Static	SAP DEV US 3000 ECC-...	SAP US ERP TaxCodes(...	V1-TX2
ELEMENT	OPERATOR		VALUE	CONSTANT
INVOICE.COMPANY_ROLE	EQUAL TO (=)		B	
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)		TRUE	
INVOICE.ACCRUAL_METHOD	EQUAL TO (=)		ACCRUE_VARIANCE	

VCT_S_Vendor charged ... 5	Static	SAP DEV US 3000 ECC-...	SAP US ERP TaxCodes(...	V1-NVV[ATT]sale...
ELEMENT	OPERATOR		VALUE	CONSTANT
INVOICE.VCT_CALC_COMPANY_R...	EQUAL TO (=)		S	
INVOICE.COMPANY_ROLE	EQUAL TO (=)		B	
INVOICE.IS_VCT_APPLIED	EQUAL TO (=)		TRUE	
INVOICE.ACCRUAL_METHOD	NOT EQUAL TO (!=)		ACCRUE_TOTAL_TAX	
INVOICE.ACCRUAL_METHOD	NOT EQUAL TO (!=)		ACCRUE_VARIANCE	

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_TOTAL_TAX; however, for a particular invoice you may just wish to pay the vendor charged tax on the invoice.

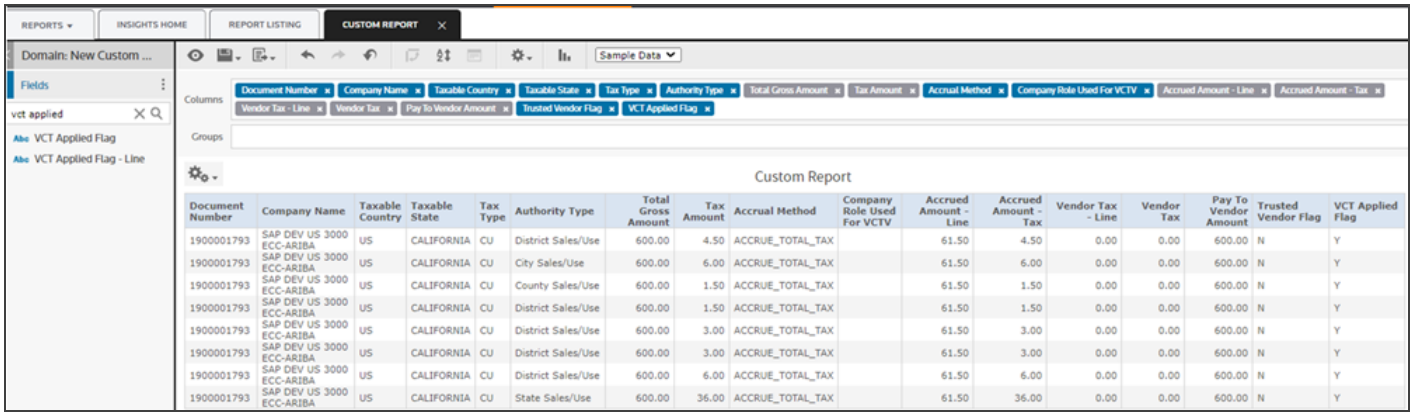
In this case, you would be able to override the VCT accrual method by using the input XML tag INVOICE.ACCRUAL_METHOD. One example would be to set up specific tax codes to be used on the transaction to manually override the accrual method. Tax codes are sent on the payload as LINE.USER_ELEMENT.ATTRIBUTE46.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



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 State	Tax Type	Authority Type	Total Gross Amount	Tax Amount	Accrual Method	Company Role Used For VCTV	Accrued Amount - Line	Accrued Amount - Tax	Vendor Tax - Line	Vendor Tax	Pay To Vendor Amount	Trusted Vendor Flag	VCT Applied Flag
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	District Sales/Use	600.00	4.50	ACCRUE_TOTAL_TAX		61.50	4.50	0.00	0.00	600.00	N	Y
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	City Sales/Use	600.00	6.00	ACCRUE_TOTAL_TAX		61.50	6.00	0.00	0.00	600.00	N	Y
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	County Sales/Use	600.00	1.50	ACCRUE_TOTAL_TAX		61.50	1.50	0.00	0.00	600.00	N	Y
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	District Sales/Use	600.00	1.50	ACCRUE_TOTAL_TAX		61.50	1.50	0.00	0.00	600.00	N	Y
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	District Sales/Use	600.00	3.00	ACCRUE_TOTAL_TAX		61.50	3.00	0.00	0.00	600.00	N	Y
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	District Sales/Use	600.00	3.00	ACCRUE_TOTAL_TAX		61.50	3.00	0.00	0.00	600.00	N	Y
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	District Sales/Use	600.00	6.00	ACCRUE_TOTAL_TAX		61.50	6.00	0.00	0.00	600.00	N	Y
1900001793	SAP DEV US 3000 ECC-ARIBA	US	CALIFORNIA	CU	State Sales/Use	600.00	36.00	ACCRUE_TOTAL_TAX		61.50	36.00	0.00	0.00	600.00	N	Y

UNSUPPORTED FEATURES

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

ONLY US IS SUPPORTED

If you enable and set up ONESOURCE Determination to verify Vendor Charged Tax for any country other than the US, 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

These require you to 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

It was observed that 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 total tax, hold the payment, or pay the vendor charged tax based on the configuration in ONESOURCE Indirect Tax.

Hold Payment

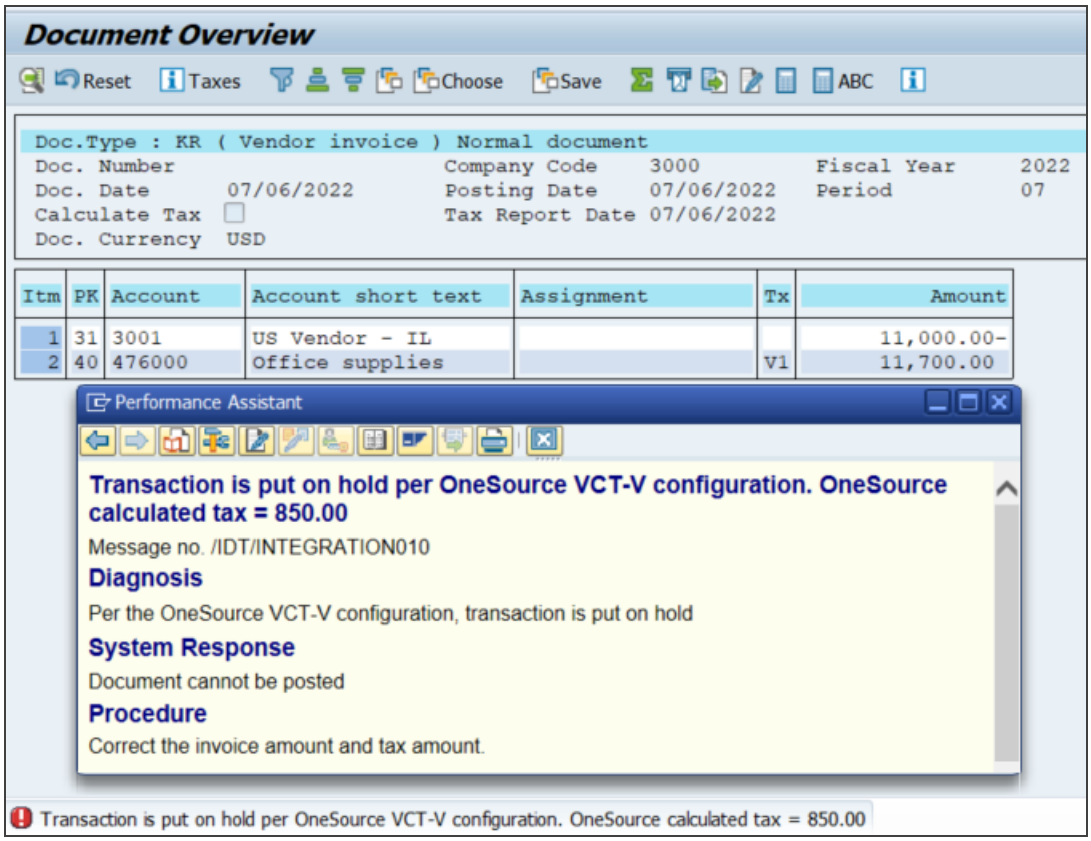
Accrual method configured in ONESOURCE Indirect Tax Accrual Settings for overcharge: **Hold Payment**

In this example, the vendor charged tax on the invoice is $1,000.00 on an invoice total of $11,000.00. The tax determined in ONESOURCE Indirect Tax is $850.00.

ACCOUNT	AMOUNT
Invoice total	$11,000.00
Pay to vendor	Hold payment
Vendor charged tax	$1000.00

ACCOUNT	AMOUNT
ONESOURCE Indirect Tax Determination calculated tax	$850.00
Variance	$150.00

A transaction can be 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.



Log Entry

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


```
  <TOTAL_TAX_AMOUNT>850.00</TOTAL_TAX_AMOUNT>
  <TRANSACTION_DATE>2022-07-06</TRANSACTION_DATE>
  <UNIQUE_INVOICE_NUMBER>INTSAPDEV_3000||B|2022</UNIQUE_INVOICE_NUMBER>
  <COMPANY_ROLE>B</COMPANY_ROLE>
  <VCT_CALC_COMPANY_ROLE>S</VCT_CALC_COMPANY_ROLE>
  <TAX_VARIANCE>-150.00</TAX_VARIANCE>
  <VENDOR_TAX>1000</VENDOR_TAX>
  <VENDOR_NAME>US Vendor - IL</VENDOR_NAME>
  <VENDOR_NUMBER>0000003001</VENDOR_NUMBER>
- <THRESHOLD_RESULT>
      <AMT_WITHIN_TOLERANCE_INDICATOR>false</AMT_WITHIN_TOLERANCE_INDICATOR>
      <THRESHOLD_AMOUNT>10.00</THRESHOLD_AMOUNT>
      <THRESHOLD_PERCENT>NA</THRESHOLD_PERCENT>
      <PERCENT_WITHIN_TOLERANCE_INDIC>NA</PERCENT_WITHIN_TOLERANCE_INDIC>
  </THRESHOLD_RESULT>
  <IS_TRUSTED_VENDOR>false</IS_TRUSTED_VENDOR>
  <DOCUMENT_TYPE>KR</DOCUMENT_TYPE>
  <IS_DPP_APPLIED>false</IS_DPP_APPLIED>
  <VCT_STATUS>OC</VCT_STATUS>
  <ACCRUAL_METHOD>HOLD_PAYMENT</ACCRUAL_METHOD>
  <VCT_RESPONSE_CODE>09</VCT_RESPONSE_CODE>
  <VCT_DET_TAX_VARIANCE_AMT>5.00</VCT_DET_TAX_VARIANCE_AMT>
  <IS_VCT_APPLIED>true</IS_VCT_APPLIED>
- <LINE ID="001">
      <COUNTRY_OF_ORIGIN>US</COUNTRY_OF_ORIGIN>
      <DISCOUNT_AMOUNT>0</DISCOUNT_AMOUNT>
      <GROSS_AMOUNT>10000.00</GROSS_AMOUNT>
      <LINE_NUMBER>2</LINE_NUMBER>
```


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.

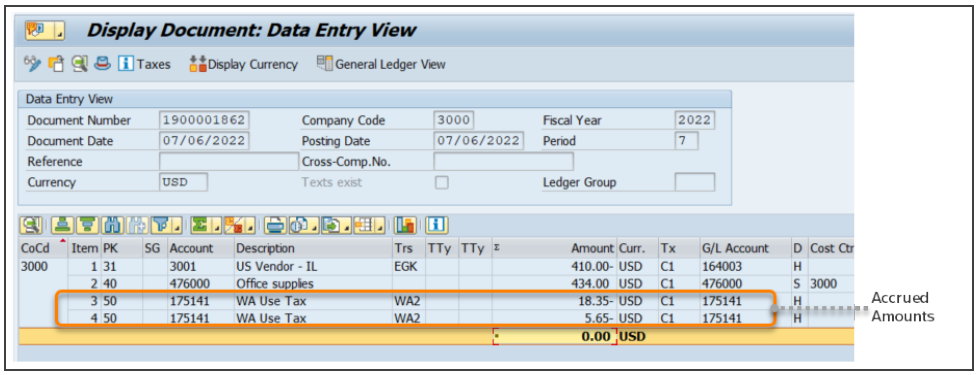
Accrue Variance

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

In this example, the vendor charged tax is $10.00 on an invoice of $410.00. The tax determined by ONESOURCE Indirect Tax is $34.00.

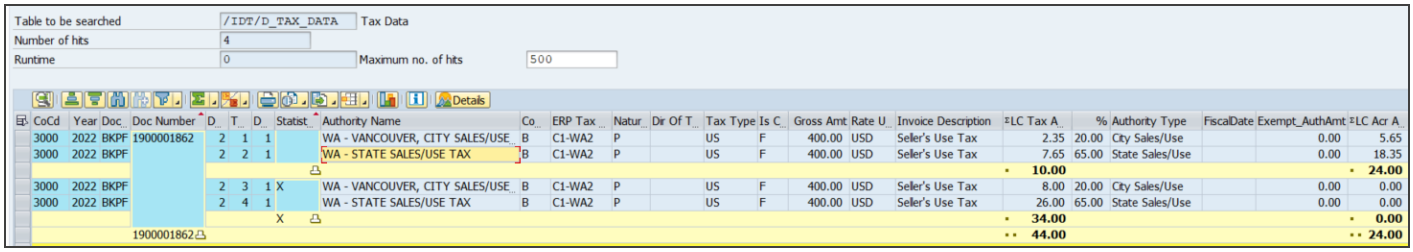
ACCOUNT	AMOUNT
Invoice total	$410.00
Paid to vendor	$410.00
Vendor charged tax	$10.00
ONESOURCE Indirect Tax Determination calculated tax	$34.00
Variance (accrued tax)	$24.00

A transaction can accrue the tax variance.



/IDT/D_TAX_DATA table entries

The tax amount paid to vendor is $10.00, accrual amount is $24.00. These are recorded against non-statistical entries and distributed to each tax authority.



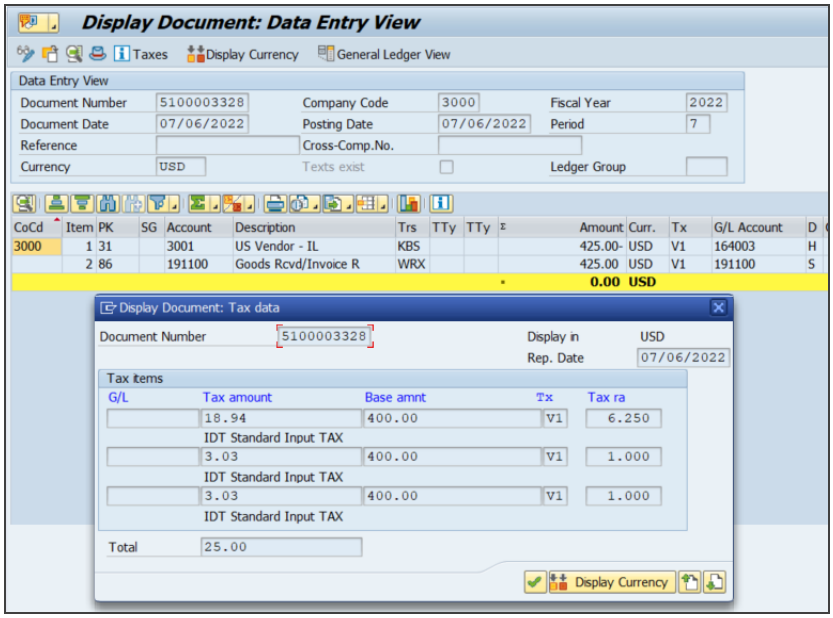
Within Tolerance

In this example, the vendor charged tax is $25.00 on an invoice of $425.00. The tax determined by ONESOURCE Indirect Tax Determination is $34.00. The tolerance amount configured in ONESOURCE Indirect Tax Determination is $10.00.

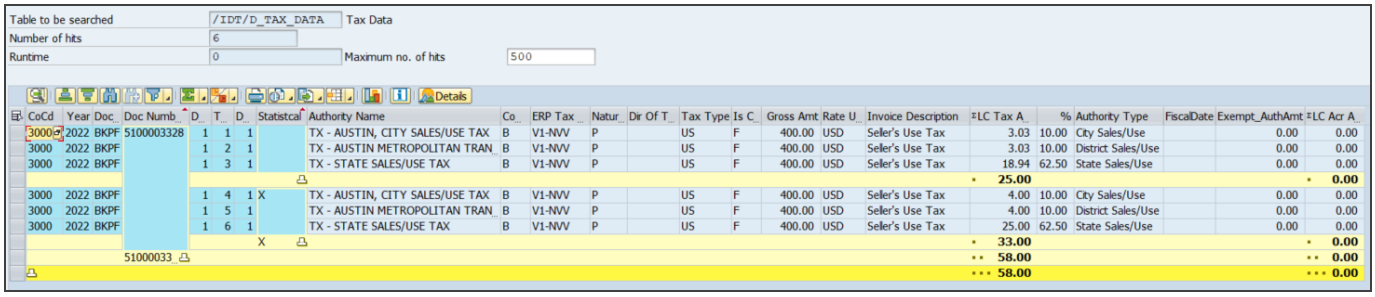
ACCOUNT	AMOUNT
Invoice total	$425.00
Paid to vendor	$425.00
Vendor charged tax	$25.00
Indirect Tax calculated tax	$33.00
Variance	$8.00

The variance is within the tolerance amount configured in ONESOURCE Indirect Tax, and the transaction is posted with a vendor charged tax amount without any accruals. The amount paid to the vendor was $425.00.

The transaction functions in the same way as vendor charged tax and for trusted vendors configured in ONESOURCE Determination.



/IDT/D_TAX_DATA table entries



Accrue Total Tax

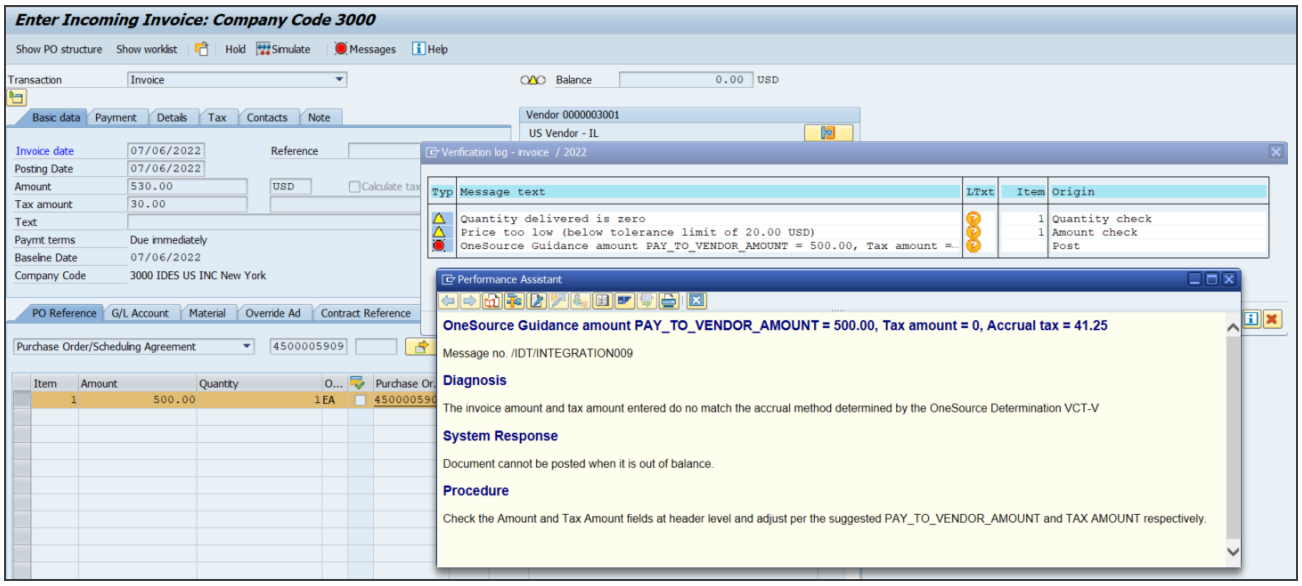
Accrual method configured in ONESOURCE Indirect Tax: **Accrue Total Tax** or a **Direct Pay Permit**.

When users configure a direct pay permit or define Accrue Total Tax as the accrual method in the ONESOURCE Indirect Tax Determination tool under the VCT-V configuration, the transaction should accrue the total tax amount. If the vendor charges tax on those kinds of transactions, a message is displayed during the invoice posting with the ONESOURCE Determination guidance amount advising to correct the invoice amount (reduce the tax amount from the invoice) so that the transaction accrues the total tax calculated.

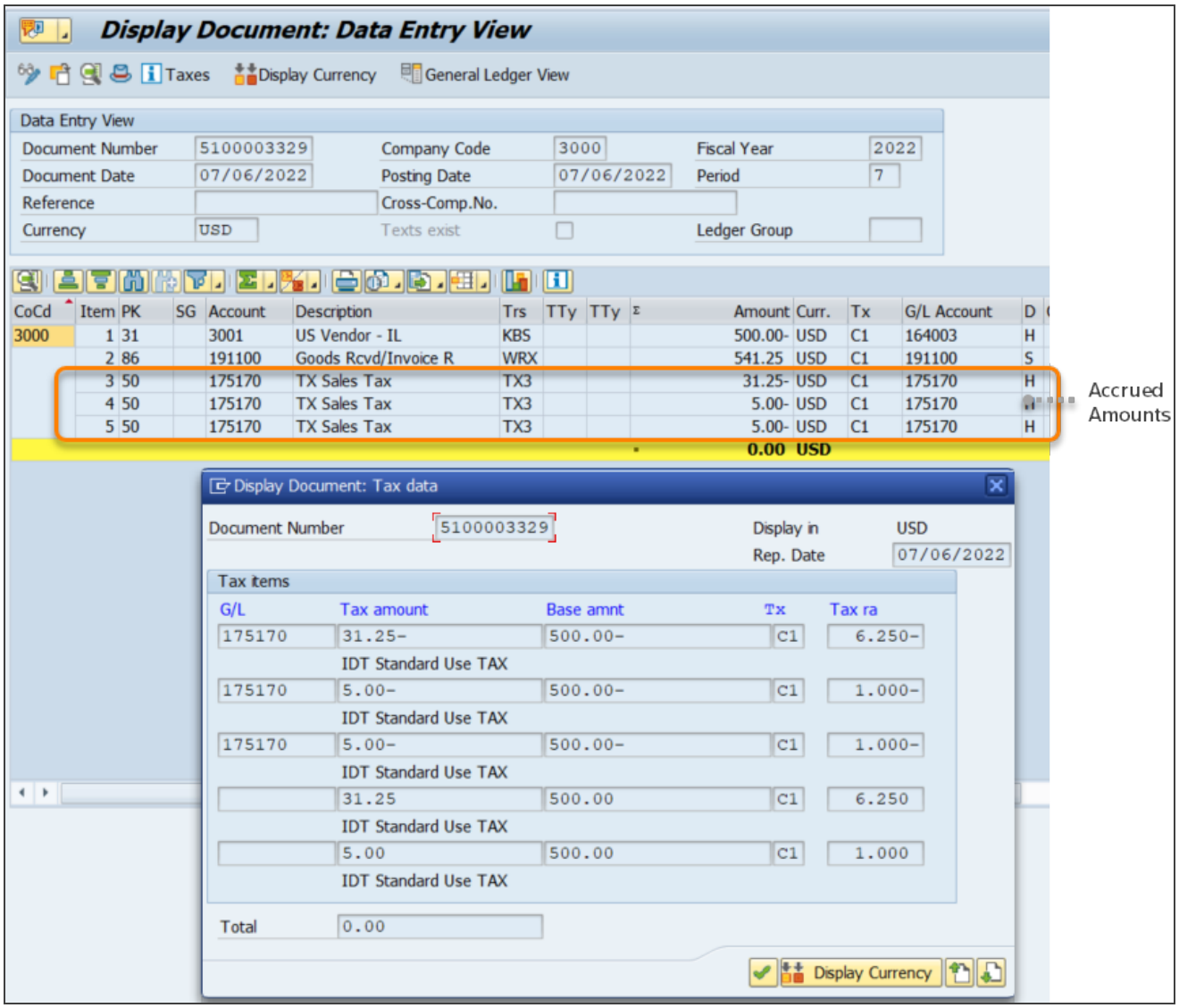
For example, a vendor charged tax is $30.00 on an invoice of $530. The tax determined by ONESOURCE Indirect Tax is $41.25.

ACCOUNT	AMOUNT
Invoice total	$530.00
Paid to vendor	$500.00
Vendor charged tax	$30.00
Indirect Tax calculated tax	$41.25
Accrued total tax	$41.25

For example, a guidance message is shown. Until the invoice is corrected according to the amount calculated in Indirect Tax, users will not be able to post the transaction.

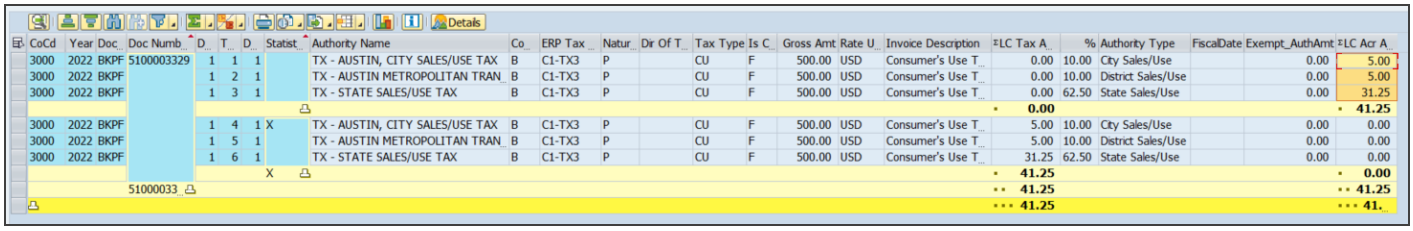


Once the invoice amount and tax amounts are corrected, the transaction is posted as shown in the example, accruing the total tax amount.



/IDT/D_TAX_DATA table entries

The tax amount paid to the vendor is $0.00. The accrual amount is $41.25. These are recorded against non-statistical entries and distributed to each tax authority.



CoCd	Year	Doc	Doc Numb	D	T	D	Statist	Authority Name	Co	ERP Tax	Natur	Dir Of T	Tax Type	Is C	Gross Amt	Rate U	Invoice Description	LC Tax A	%	Authority Type	FiscalDate	Exempt_AuthAmt	LC Acr A
3000	2022	BKPF	5100003329	1	1	1		TX - AUSTIN, CITY SALES/USE TAX	B	C1-TX3	P		CU	F	500.00	USD	Consumer's Use T	0.00	10.00	City Sales/Use		0.00	5.00
3000	2022	BKPF		1	2	1		TX - AUSTIN METROPOLITAN TRAN	B	C1-TX3	P		CU	F	500.00	USD	Consumer's Use T	0.00	10.00	District Sales/Use		0.00	5.00
3000	2022	BKPF		1	3	1		TX - STATE SALES/USE TAX	B	C1-TX3	P		CU	F	500.00	USD	Consumer's Use T	0.00	62.50	State Sales/Use		0.00	31.25
																		0.00					41.25
3000	2022	BKPF		1	4	1	X	TX - AUSTIN, CITY SALES/USE TAX	B	C1-TX3	P		CU	F	500.00	USD	Consumer's Use T	5.00	10.00	City Sales/Use		0.00	0.00
3000	2022	BKPF		1	5	1		TX - AUSTIN METROPOLITAN TRAN	B	C1-TX3	P		CU	F	500.00	USD	Consumer's Use T	5.00	10.00	District Sales/Use		0.00	0.00
3000	2022	BKPF		1	6	1		TX - STATE SALES/USE TAX	B	C1-TX3	P		CU	F	500.00	USD	Consumer's Use T	31.25	62.50	State Sales/Use		0.00	0.00
							X											41.25					0.00
			51000033															41.25					41.25
																		41.25					41.

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