

Great Plains Payables Management – Advanced Tips & Tricks – Part 2

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● **Track use Tax for P.O.'s**

- If you are not charged sales tax by a vendor and need to self-remit use tax for a P.O. use these steps:
 - Setup a USETAX Tax Detail ID and Tax Schedule for Purchases expensed to the Use Tax expense account.
 - Assign it to Vendors.
 - Let the system calculate Sales Tax as Use Tax by including this ID in the ALL DETAILS schedule.
 - When Receiving POs, offset the tax amount in the Trade Discount field offset to the Accrued Use Tax liability account. This will credit the purchase amount and reduce the Purchase, so use the Expansion arrow to open the Payables Tax Entry window and increase the Total Purchases back to normal.
 - Vendor gets paid properly because of the credit and tax gets recorded.
 - Use SmartList to track and report use tax data for later remittance.

● **Track Use Tax in AP**

- Use tax can be tracked for purchases made via AP as above for POs, but the credit to Accrued Use Tax can be triggered to a USETAX vendor attached to a Credit Card payment used as a Debit Card for purchases.
- Enter a voucher in AP and accrue the Use Tax expense under Miscellaneous to the Accrued Use Tax account instead of using Sales Tax as above. This has the disadvantage of not automatically calculating the Use Tax, but not having to reset the Purchase Amount.
- Setup a Credit Card used by Company to a Vendor ID for each Use Tax jurisdiction. Link Vendor's Accounts Payable to the Accrued Use Tax account for that taxing authority.
- Pay just the tax amount using the Tax Authority credit card.
- This creates a liability in AP to the Taxing Authority for future payment.
- Vendor gets paid correct amount and correct amount shows on vendor record.

● **Track use tax in P.O.'s (Option 2)**

- Enter P.O., Receipt and Invoice.
- Make a Manual Payment on the Invoice form using a Taxing Authority credit card like the one created in tip 14.
- Liability gets created in AP to Taxing Authority for future payment.

Vendor record holds correct amount.