



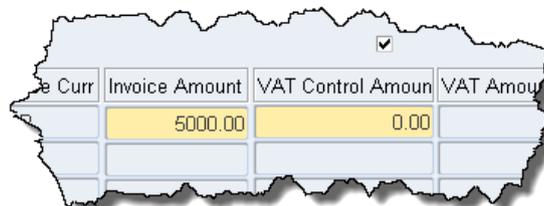
## Processing an EC Goods invoice

Goods purchased within the EC are subject to special international rules set by the EU to ensure fair trade across all the EC member states.

*When processing these invoices, a self-assessed tax charge equivalent to 20% is added if we are buying items that would have been standard rated for VAT in the UK. This is to ensure that there is no tax advantage in buying items from an EC supplier rather than a UK supplier.*

### Invoice Header

- a. Enter invoice header as with a standard/matching invoice. Check that no foreign VAT is charged by the supplier. 
- E.g. check that a French supplier has not charged TVA (the French equivalent of VAT) on the invoice.*
- b. Check the **Invoice Currency**. Make sure that this reflects the currency on the invoice, if not change it. 
- c. Complete the **Invoice Amount** and **VAT Control Amount**. Enter the total amount of the invoice and **zero** in the VAT Control Amount.



Curr	Invoice Amount	VAT Control Amount	VAT Amount
	5000.00	0.00	

- e. Complete the **Description** field. This is vital for reporting purposes. 
- f. Complete the **Match** process if applicable.



## In the Lines Tab

- g. Code the item line as normal, and select the correct EC rate in the **Tax Name** box and ensure you code to either GL or project.

*Reminder:*

- *If the item would have been standard rated if you purchased it in the UK then select EC20.0*
- *If the item is not subject to UK VAT, then you must select NO UK VAT as the tax name unless it is medical exempt.*

If the description is to be changed for any line then it must be changed before tax is calculated.



- h. Click on the **Calculate tax** button.

The tax line/s will appear, together with a corresponding negative tax line called “GB Tax -Acquisition Tax”

This line is necessary for the University VAT calculation and should not be amended or removed.

CUFS Invoice Lines		Total					
		Gross	Retained				
		5,000.00					
Num	Type	Net Amount	Tax Name	Charge Account	Track As Asset	Description	Item Desc
1	Item	5,000.00	EC20.0	U.ZZ.ZZCA.AAAA.EKFZ.0000	<input type="checkbox"/>	FAX MACHINE	
2	Tax	(1,000.00)			<input type="checkbox"/>	GB-Tax - ACQUISITION TAX	
3	Tax	1,000.00			<input type="checkbox"/>	GB-Tax - EC-VAT	

- i. Click **All Distributions**.
- j. Click **Actions ...1** and **Validate** your invoice. Check for holds.

The item and all associated tax lines (Acquisition and EC tax) will display. The supplier will be paid as per the value of their invoice.

However, unless you have charged the items to GL accounts/projects which are ‘VAT recoverable’, the self-assessed ‘acquisition tax’ will be an additional cost to your department in the same way that VAT is normally.

**Please remember to send a copy of invoices for goods purchased from the EC to the Tax section of the Finance Division, based at Greenwich House on Madingley Rise.**