



Processing an Invoice from an Import Agent

When goods are purchased from outside the EC, the invoice from the supplier will not be subject to VAT and should be entered into the invoice screen with a tax name of 'NO UK VAT'.

However, the import agent will usually send an invoice for their charges together with VAT charged by Customs on the value of the imported goods and any import duty that they paid on our behalf.

The way CUFS works is that the system will calculate tax and allocate it across the item lines within the import invoice. This is fine if all the VAT from the invoice is going to one code. However, it will need amending if the invoice relates to original purchases that were costed against more than one code.

For example:

An invoice is received for £397.97 that comprises of

Transportation Charges	£42.05
Fuel Surcharge	£6.52
Disbursement Fee	£22.00
Duty Amount	£50.22
VAT	£277.18
Total	£397.97

Completing the Invoice Header

1. In this example, you would enter the invoice in the normal way with the invoice amount as £397.97, and the tax amount in the VAT Control Amount box as £277.18 as per screen below. In the **Description** field also make reference to the *Customs No.*

Type	PO Number	Supplier	Supplier Num	Site	Invoice Date	Invoice Num	Invoice Curr	Invoice Amount	VAT Control Amount	VAT Amount	Discountable Amount	Description
Standard		UPS LTD	62454	FELTHAM	18-JUN-2014	TRAINING1	GBP	397.97	277.18		397.97	IMPORT AGENT INVOICE RE...

There are two different ways a department may enter information onto the *Lines* tab:

- (i) Entering a line on CUFS for each separate cost identified on the import agent's invoice (refer to next section); or
- (ii) Amalgamating costs that have the same VAT rate and are charged to the same account/project into one line (refer to page 4).

The end result is the same although the information that is displayed on the screen varies subtly at different points. Follow the steps relevant to the way your department process import agents' invoices.

Entering each cost from the invoice individually

Using the same example the invoice needs to be split between two codes as follows:

Transportation Charges	£42.05	all to code A and SR20%
Fuel Surcharge	£6.52	all to code A and SR20%
Disbursement Fee	£22.00	split equally between code A and code B both SR20%
Duty Amount	£50.22	£32.55 to code B and £17.67 to code A and NO UK VAT
VAT	£277.18	£91.08 to code A and £186.10 to code B

2. Per cost, enter an item line ensuring:

- a. **Net amount** is entered.
- b. The relevant **tax name** is selected.
- c. The GL/Project code is as per the original purchase
(NB. the GL transaction code for Import Duty is **EQEX**).
- d. The **Description** also includes the *Customs Number* from the invoice.

An example of what this would like look like for this scenario (please bear in mind that the screen only shows 5 lines at a time and this scenario would result in 6 item lines. Line no 1 is not displayed)

The screenshot shows the 'CUFS INVOICE LINES' window with the following data:

Num	Type	Net Amount	Tax Name	Charge Account	Track As	Description	Item Description
2	Item	6.52	SR20.0%	U.PF.PFAA.AAAA.EQCZ.0000	<input type="checkbox"/>	FUEL SURCHARGE CUSTOMS NO 05	
3	Item	11.00	SR20.0%	U.PF.PFAA.AAAA.EQCZ.0000	<input type="checkbox"/>	DISBURSEMENT FEE: CUSTOMS NO	
4	Item	11.00	SR20.0%	U.PF.PFBA.GAAA.EQCZ.0000	<input type="checkbox"/>	DISBURSEMENT FEE: CUSTOMS NO	
5	Item	17.67	NO UK VAT	U.PF.PFAA.AAAA.EQEX.0000	<input type="checkbox"/>	DUTY CUSTOMS NO. 058248G	
6	Item	32.55	NO UK VAT	U.PF.PFBA.GAAA.EQEX.0000	<input type="checkbox"/>	DUTY CUSTOMS NO. 045875A	

Summary: Total Gross 397.97, Retained, Net 397.97

Buttons: Discard Line 6, Distributions, Allocations

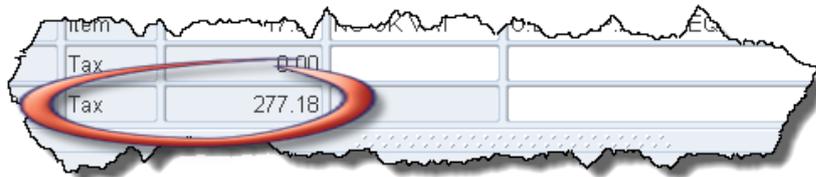
3. Once lines are entered **Calculate Tax**.

The system will allocate the amount of Import VAT proportionately across the handling costs that you have just entered from the import agent's invoice.

However, it is not uncommon for different imported items to have different associated handling costs. Thus, the allocations of VAT by this method will not necessarily reflect the true proportion of the VAT that is associated with that imported item, as the VAT will have been calculated on its purchase value.

Therefore, you will need to manually amend the VAT attributed to each account code/project.

4. Ensure you know the item line numbers that have SR20% tax name and the account code/project that you wish to charge the VAT to (in this scenario lines 1 and 4).
5. Click in the system generated **Tax** line on the *Lines* tab that shows a positive monetary value.



6. Click **Tax Details** to display a screen similar to below.

Tax Lines summary (Cambridge University) - TRAINING1

Line Number	Regime Code	Tax	Jurisdiction	Tax Status	Rate Name	Rate	Tax Amount	Inclusive	Can
1	GB-Tax	NOUKVAT-VAT		STANDARD	NO UK VAT	0.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>
2	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	277.18	<input type="checkbox"/>	<input type="checkbox"/>

Tax Regime	GB-Tax	Tax Regime Description	GB-Tax
Tax	SR-VAT	Tax Name	Sr-Vat
Tax Status	STANDARD	Tax Status Description	
Tax Amount	277.18		

7. Click in the line that has calculated a tax amount and click on **Detail Tax Lines**. The screen will display the item lines that had a tax name of SR20%.

It is important to remember which lines are being costed to the same code; in this scenario transaction lines 1-3 are to the same code and line 4 is to a different code.

Trans Line Number	Tax Line Number	Tax Regime Code	Tax	Jurisdiction	Tax Status	Rate Name	Rate	Tax Amount
1	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	165.15
2	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	25.61
3	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	43.21
4	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	43.21

- Click in the **Tax Amount** field for the relevant transaction lines and amend to the amount of VAT that you would like to charge against the account codes that were used for that line.

Trans Line Number	Tax Line Number	Tax Regime Code	Tax	Jurisdiction	Tax Status	Rate Name	Rate	Tax Amount
1	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	186.10
2	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	0.00
3	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	0.00
4	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	91.08

- Click **OK**, then **OK** again until you return to the *Lines* tab display.
- Click on **All Distributions** and you should see that the specified VAT amount is now allocated to the relevant line you selected in step 8.
- Actions ... 1 to Validate.**
- Click on the **Holds** tab.
- Override the **Tax Variance** hold by clicking on the **List of Values** in the *Release Name* field, the system will default in the relevant release name.
- Override the **Tax Amount Range** hold by clicking on the **List of Values** in the *Release Name* field and selecting **Natural Account Tax OK**.
- Save** and the hold should now be **Secondary Approval**.

Entering lines for amalgamated costs

16. Complete the following:

- a. Add together all of the costs that are applicable to *SR20%* that are being posted to the same GL/Project code (should be the same codes used as per the original purchase) and enter the one amount, the tax code, the account code and description (which includes reference to the *Customs Number*). Enter the relevant number of lines accordingly.
- b. Enter an item line for each of the duty amounts as *NO-UK VAT*. Code as per the original purchase. For GL codes the transaction code of **EQEX** is to be used for Import Duty lines. In the **Description** field enter any relevant information as well as the **Customs Number**.

An example of what this would like look like for this scenario

Num	Type	Net Amount	Tax Name	Charge Account	Track As Asset	Description
1	Item	59.57	SR20.0%	U.LJ.LJAA.AAAA.EQCZ.0000	<input type="checkbox"/>	DELIVERY ADM
2	Item	32.55	NO UK VAT	U.LJ.LJAA.AAAA.EQEX.0000	<input type="checkbox"/>	IMPORT DUTY C
3	Item	11.00	SR20.0%	U.LJ.LJBA.AAAA.EQCZ.0000	<input type="checkbox"/>	CUSTOM NO
4	Item	17.67	NO UK VAT	U.LJ.LJBA.AAAA.EQEX.0000	<input type="checkbox"/>	CUSTOM NO ...
5	Tax	0.00			<input type="checkbox"/>	IMPORT DUTY

17. Once all lines are correctly entered, **Calculate Tax**.

The system will allocate the amount of Import VAT proportionately across the handling costs that you have just entered from the import agent's invoice.

However, it is not uncommon for different imported items to have different associated handling costs. Thus, the allocations of VAT by this method will not necessarily reflect the true proportion of the VAT that is associated with that imported item, as the VAT will have been calculated on its purchase value.

Therefore, you will need to manually amend the VAT attributed to each account code/project.

18. Ensure you know the item line numbers that have *SR20%* tax name that you wish to charge the VAT too (in this scenario line 1 and 3).

- Once tax has been calculated, click in the system generated **Tax** line on the *Lines* tab.
- Click **Tax Details** to display a screen similar to below.

Tax Lines Summary

Line Number	Regime Code	Tax	Jurisdiction	Tax Status	Rate Name	Rate	Tax Amount	Inclusive	Can
1	GB-Tax	NOUKVAT-VAT		STANDARD	NO UK VAT	0.00	0.00	<input type="checkbox"/>	<input type="checkbox"/>
2	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	277.18	<input type="checkbox"/>	<input type="checkbox"/>

Tax Regime	GB-Tax	Tax Regime Description	GB-Tax
Tax	SR-VAT	Tax Name	Sr-Vat
Tax Status	STANDARD	Tax Status Description	
Tax Amount	277.18		

Buttons: Detail Tax Lines, Allocate, OK, Cancel

- Click in the line that has calculated a tax amount and click on **Detail Tax Lines**. The screen will display the item lines that had a tax name of SR20%.

Detail Tax Lines

For this Line

Trans Line Number	Tax Line Number	Tax Regime Code	Tax	Jurisdiction	Tax Status	Rate Name	Rate	Tax Amount	Inclu
1	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	233.97	<input type="checkbox"/>
3	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	43.21	<input type="checkbox"/>

- Click in the **Tax Amount** field for the relevant item lines and amend to the amount of VAT that you would like to cost against the codes that was used for the item lines.

Detail Tax Lines

For this Line

Trans Line Number	Tax Line Number	Tax Regime Code	Tax	Jurisdiction	Tax Status	Rate Name	Rate	Tax Amount	Inclu
1	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	186.10	<input type="checkbox"/>
3	1	GB-Tax	SR-VAT		STANDARD	SR20.0%	392.77	91.08	<input type="checkbox"/>

- Click **OK** until the *Lines* tab displays.

24. Click on **All Distributions** and you should see that the specified VAT amount is now allocated to the relevant line.

25. **Actions ... 1 to Validate.**

26. Click on the **Holds.**

27. Override the *Tax Amount Range* hold by clicking on the **List of Values** in the *Release Name* field and selecting **Natural Account Tax OK.**

28. Override the *Tax Variance* hold by clicking on the **List of Values** in the *Release Name* field, the system will default in the relevant release name.

29. **Save** and the hold should now be **Secondary Approval.**

Inputting the item lines to a single code

For a straight forward import invoice where you are coding the VATable and NO-UK VAT lines to the same codes (excluding the Transaction code), you enter the header and lines as you would a standard invoice:

- Add value of items that are all applicable to SR20% and enter the line information to the relevant code.
- Add value of items that are applicable to NO-UK VAT, which is the *Duty Amount* and code accordingly with a transaction code of EQEX.

Item	Type	Net Amount	Tax Name	Charge Account	Track As Asset	Description
1	Item	11.00	SR20.0%	U.LJ.LJAA.AAAA.EQCZ.0000	<input type="checkbox"/>	ADMIN IMPORT CU
2	Item	32.55	NO UK VAT	U.LJ.LJAA.AAAA.EQEX.0000	<input type="checkbox"/>	IMPORT DUTY
3	Tax	0.00			<input type="checkbox"/>	GB-Tax - NOUK
4	Tax	186.10			<input type="checkbox"/>	GB-Tax - SR-VAT

Once all lines are entered **Calculate Tax.** The system will allocate all of the tax to the code used for the VATable line. Override the holds following steps 27-29.