ABW Tax Codes and Tax System

This document describes the tax codes set up on ABW and how they work.

Tax Code Types
There are three types of tax code in Agresso:

Normal
These are available for manual user entry and comprise the Sales and Purchases VAT codes required for sales and purchase transactions. These are as follows:

Purchases
- P0  P Zero Rate Purchase
- PA  P EU Acquisition VAT Purchase
- PB  P International Acquisition Purchase
- PE  P Exempt Purchase
- PL  P EU Local Rate Purchase
- PM  P EU Acquisition VAT Purchase
- PO  P Outside Scope of VAT Purchase
- PS  P Standard Rate Purchase
- PU  P Lower Rate Purchase
- PV  P VAT Only Purchase

Sales
- GS  S Gross Standard Rate Sales
- SO  S Zero Rate Sales
- SE  S Exempt Sales
- SO  S Outside Scope of VAT
- SS  S Standard Rate Sales
- SU  S Lower Rate Sales

Generated
These codes are generated by specific Normal Tax Codes and are not available for manual user entry. Currently we have only one of these.

EC    GP EU Acquisitions VAT Generation

This code is a contra code for code PA (P EU Acquisition VAT Purchase) and creates an equal and opposite VAT entry when VAT is fully recoverable.

Category
These are similar to Generated codes in that they are generated by specific Normal Tax Codes and are not available for manual user entry. We have two “sets” of these one of which relates to EU acquisitions where the VAT is partially recoverable and another which relates to EU acquisitions where the VAT is not recoverable.
# ABW Tax Codes and Tax System

The partially recoverable codes are:

<table>
<thead>
<tr>
<th>Tax Code</th>
<th>Description</th>
<th>Generated by</th>
<th>VAT</th>
<th>Account code</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>CPR EU Acquisitions Contra (setup but may not be required)</td>
<td>PA when VAT is partially recoverable</td>
<td>Contra entry 20%</td>
<td>9513 VAT on Sales 20%</td>
</tr>
<tr>
<td>P2</td>
<td>CPR EU Local Rate Purchase Contra (setup but may not be required)</td>
<td>PL when VAT is partially recoverable</td>
<td>Contra entry 20%</td>
<td>9513 VAT on Sales 20%</td>
</tr>
<tr>
<td>P3</td>
<td>CPR Lower Rate Purchase Contra</td>
<td>PU when VAT is partially recoverable</td>
<td>Contra entry 20%</td>
<td>9512 VAT on Sales 5%</td>
</tr>
<tr>
<td>P4</td>
<td>CPR Standard Rate Purchase Contra</td>
<td>PS when VAT is partially recoverable</td>
<td>Contra entry 20%</td>
<td>9513 VAT on Sales 20%</td>
</tr>
</tbody>
</table>

The non recoverable codes are:

<table>
<thead>
<tr>
<th>Tax Code</th>
<th>Description</th>
<th>Generated by</th>
<th>VAT</th>
<th>Account code</th>
</tr>
</thead>
<tbody>
<tr>
<td>R1</td>
<td>CNR EU Acquisitions Contra (setup but may not be required)</td>
<td>PA when VAT is not recoverable</td>
<td>Contra entry 20%</td>
<td>Posted direct to expense</td>
</tr>
<tr>
<td>R2</td>
<td>CNR EU Local Rate Purchase Contra (setup but may not be required)</td>
<td>PL when VAT is not recoverable</td>
<td>Contra entry 20%</td>
<td>Posted direct to expense</td>
</tr>
<tr>
<td>R3</td>
<td>CNR Lower Rate Purchase Contra</td>
<td>PU when VAT is not recoverable</td>
<td>Contra entry 20%</td>
<td>Posted direct to expense</td>
</tr>
<tr>
<td>R4</td>
<td>CNR Standard Rate Purchase Contra</td>
<td>PS when VAT is non recoverable</td>
<td>Contra entry 20%</td>
<td>Posted direct to expense</td>
</tr>
</tbody>
</table>

## Tax System codes

Tax system codes are used to indicate whether VAT is recoverable by the University. VAT recoverability is determined at Subproject level. The link between Subproject and Tax System code is held in a Value Matrix. As a result Tax System codes are automatically populated by ABW once the subproject code is entered and therefore do not require user entry. The Tax System codes are as follows.

- **FR**: Fully Recovered VAT
- **NA**: Not Applicable
- **NR**: Non Recoverable VAT
- **PR**: Partially Recoverable VAT
- **RN**: Research Non Recoverable VAT
- **VO**: Vat only Transactions