

Concur Expense: Value Added Tax (VAT) / Tax Administration Setup Guide

Last Revised: April 21, 2022

Applies to these SAP Concur solutions:

- ☒ Expense
 - ☒ Professional/Premium edition
 - ☐ Standard edition
- ☐ Travel
 - ☐ Professional/Premium edition
 - ☐ Standard edition
- ☐ Invoice
 - ☐ Professional/Premium edition
 - ☐ Standard edition
- ☐ Request
 - ☐ Professional/Premium edition
 - ☐ Standard edition

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Revision History

Date	Notes / Comments / Changes
April 21, 2022	Removed content about Recaptured Input Tax Credit (RITC).
December 10, 2021	Added a note to clarify the tax code on the expense entry for Non Domestic Code.
January 7, 2021	Updated the copyright; added Concur to the cover page title; cover date not updated
April 9, 2020	Renamed the Authorization Request check box to Request on the guide's title page; cover date not updated
January 2, 2020	Updated the copyright; no other changes; cover date not updated
January 4, 2019	Updated the copyright; no other changes; cover date not updated
June 14, 2018	Changed copy-down to copydown; no other changes; cover date not updated
April 4 2018	Changed the check boxes on the front cover; no other changes; cover date not updated
March 17, 2018	Clarified the <i>UK VAT Reclamation for Mileage Expenses</i> beginning paragraphs and <i>Fuel Expenses</i> sections.
February 20 2018	Updated guide name in references to the <i>Expense: Tax Configuration Import Specification</i> guide.
January 9 2018	Updated the copyright; no other changes; cover date not updated
June 7 2017	Corrected reference to British Columbia.
January 10 2017	Added a note to the section <i>Create and Define the Tax Authorities</i> to clarify that a single expense can be influenced by a maximum of two tax authorities.
December 14 2016	Changed copyright and cover; no other content changes.
December 9 2016	Updated the guide content to new corporate style; no content changes.
May 13 2016	Added information about changes to the Overwrite Group option. With this release, selecting the Overwrite Group option will always cause the current effective date (for the tax group that is being modified) to be set and locked in the Effective Date columns on both the Group Name and Expense Types tabs. While the admin has the Overwrite Group option selected, adding and removing expenses will result in those expenses being added to, or removed from, the existing tax group. Updated instances of he/she to they.
March 18 2016	Added information about the new <i>Tax Rate Level/ Canada</i> Extraction Factors
January 24 2016	Changed references to the import/extract guides; no other changes
December 17 2015	Updated the Canadian VAT information in the Tax Amount Calculation and Tax Reclaim Calculation sections.
October 16 2015	The export function is used only to review the client's configuration; not for updates
September 16 2015	Updated the screen shots to the enhanced UI Removed information about the Import/Export function

Date	Notes / Comments / Changes
April 17 2015	Changed the name of Concur Insight to Analysis/Intelligence; no other content changes
April 14 2015	Added a note about the Receipt Status Default Option field and fixed meals or fixed lodging
December 26 2014	Added information about modifying and deleting an employee related configuration Changed the copyright
November 30 2014	Integration Administrator has changed to Import/Extract Administrator; no other content changes
September 24 2014	Added information about two user interfaces; no other content changes.
March 10 2014	Changed the name of Analysis/Intelligence to Concur Insight; no other content changes
September 20 2013	No Default is added as a new option for the Receipt Status Default Option field – this provides no receipt default for the user, forcing the user to consider if a receipt is, or is not, needed.
August 5 2013	Added new chapter called <i>UK VAT Reclamation for Mileage Expenses</i>
June 14 2013	The Effective Date and Overwrite Group options let the admin elect to allow overwriting of a tax group and adjust what dates the new tax group will be in effect for
December 28 2012	Made rebranding and/or copyright changes; no content changes
December 14 2012	Addition of Complex Distance as calculation method when adding tax rate types to a tax configuration.
June 22 2012	Addition of information about new Tax form in Forms & Fields that allows display of tax field(s) only under selected expense type and by locale of user - this field ("form") intended to collect country-specific tax data.
February 2012	Changed copyright; no content change
June 17 2011	Added information about Canadian RITC and Extraction factors
April 15 2011	Added information about the Calculate Tax link
February 25 2011	Added information about the Overwrite Group check box
January 21 2011	Added explanation about how Expense handles changes to the Tax & Reclaim groups
December 17 2010	Made the following changes: <ul style="list-style-type: none"> ♦ Updated the configuration information since configuration moved to the <i>current</i> user interface ♦ Combined the Tax Administrator Setup Guide with this guide, since the Tax Administration tool is used primarily for VAT
March 19 2010	Added information about user-editable tax fields
December 2009	Changed to stand-alone setup guide; no content change

Date	Notes / Comments / Changes
May 15 2009 (SU 43)	<p>Added information two new fields on the tax authority page (available for the <i>current</i> user interface):</p> <ul style="list-style-type: none"> ♦ Credit Card Tax Field: for obtaining VAT data from the credit card feed ♦ Non Domestic Code: for entering a non-domestic tax code ♦ Updated the information in the Canadian VAT and reclaim calculations
Mar. 2009 (SU 41)	Updated Processor view of VAT details
Jun. 2008 (SU 32)	<p>Added information about the two available user interfaces:</p> <ul style="list-style-type: none"> ♦ <i>Classic</i> user interface ♦ <i>Current</i> user interface
Jan. 2008 (SU27)	Addition of Copy city from company card transaction to expense option
Sept. 2007 (SU23)	Add tax configuration import/export content

Value Added Tax / Tax Administration

NOTE: Multiple SAP Concur product versions and UI themes are available, so this content might contain images or procedures that do not precisely match your implementation. For example, when SAP Fiori UI themes are implemented, home page navigation is consolidated under the SAP Concur Home menu.

Section 1: Permissions

A company administrator may or may not have the correct permissions to use this feature. The administrator may have limited permissions, for example, they can affect only certain groups and/or use only certain options (*view* but not *create* or *edit*).

If a company administrator needs to use this feature and does not have the proper permissions, they should contact the company's Concur administrator.

Also, the administrator should be aware that some of the tasks described in this guide can be completed only by Concur. In this case, the client must initiate a service request with Concur Client Support.

Section 2: Overview - Defining VAT

Value added tax (VAT) is a tax imposed on businesses at all levels of the manufacture and production of a good or service and is based on the increase in price, or value, provided by each level. In the case of manufacturing clothing, raw materials – for example, cotton – are not taxed. However, the value of the cotton is increased by turning it into fabric so the fabric is taxed as it is sold to the clothing maker. Then, the value of the fabric is increased by turning it into clothing so the clothing is taxed again as it is sold to the consumer.

Though VAT is levied at each level, it is generally offset with tax credits at each level so the end consumer ultimately pays the VAT when the consumer purchases the good or service.

A company that pays VAT on behalf of its employees may be able to *reclaim* the VAT paid. Typically, some or all of the VAT can be reclaimed for business travel expenses such as hotel, meal, car rental, fuel, parking, telephone, trade fair and conference-related expenses as well as general business supplies.

NOTE: *In this document, the term "VAT" is used though most countries use terms other than VAT.* For example, the French term is Taxe sur la Valeur Ajoutée (TVA), the German term is Mehrwertsteuer (MwST), and the Italian term is Imposta sul Valore Aggiunto (IVA), and so on.

VAT-Levying Countries

Canada and most European countries levy VAT; the United States does not.

Value Added Tax for Canada

Most European countries levy VAT at a *country* level but Canada levies VAT at *two* levels:

- **Country:** Goods and Services Tax (GST)
- **Province:** Provincial Sales Tax (PST)

In addition, there are some special considerations for Canadian VAT data:

- **Nova Scotia, New Brunswick, and Newfoundland (Canadian maritime provinces), British Columbia, and Ontario:** The GST and PST rates are combined into a single Harmonized Sales Tax (HST).
- **Quebec and Prince Edward Island:** The Quebec sales tax (QST) and the Prince Edward Island sales tax are calculated on the sum of the expense amount and the GST amount.

Companies operating in Canada can also use *extraction factors* method of calculating reclamations. It is a less intrusive, simpler application of factors, which nets the customer less than the full amount of the potential VAT reclaim but with considerably less tracking evidence and auditing by the government.

Track VAT

The need to track VAT depends on the location of the company:

- **Domestic:** For a company *operating in a VAT-levying country* (for example, a company based in Germany), tracking VAT is a domestic issue and is critical to day-to-day operations, just as tracking and reporting sales tax is critical for companies operating in the United States. **Reporting is mandatory;** these companies must report VAT data to their government on a periodic basis, most often monthly.

The company can use the VAT data provided by Concur (which can be transferred to the company's financial systems) to develop the required reports for reclamation.

- **International:** For a company with employees *traveling to VAT-levying countries* (for example, a company based in the United States with employees who travel to Europe), the company pays VAT but does not have to track VAT unless the company is interested in reclaiming. The amount available for reclamation may be substantial but – since the process is so complex – the cost for reclaiming VAT may be prohibitive. In addition, because of the complexity, companies tend to hire companies that specialize in the reclamation of VAT. This, too, adds to the cost of reclaiming.

The company can use the VAT data provided by Concur (which can be transferred to the company's financial systems) to evaluate whether or not to reclaim. If the company decides to reclaim, it can use Concur to assist in gathering the detailed information necessary for the reclamation process.

Sources of VAT Amounts

The actual VAT amounts are obtained from several different sources:

- The amounts are calculated by Expense based on the amount of the expense and current tax rates (as defined by the VAT configuration).
- The expense amount is either entered or edited manually by the user or processor.
- The VAT amount is one of the data items in imported company card transactions (generally used in Australia).

NOTE: In this case, the VAT amount is truly a data field in the card transaction – not calculated by Expense using the expense amount.

VAT Amount on the User's Receipt

VAT amounts are also calculated by the merchant and presented on the user's receipt. Regardless of the origin of the amount – system calculation or card transaction – the client can allow the user to edit the calculated/downloaded amount in case it does not exactly match the user's receipt.

NOTE: The reason the system calculates the amounts – instead of simply requiring the user to enter the VAT amount manually (based on the VAT amount shown on the receipt) – is to save time for the user and ensure the desired results for the company.

More information about VAT amounts:

- The calculation of VAT amounts by Expense is described in *Tax Amount Calculation* in this guide.
- Configuration for obtaining VAT amounts from company card transactions is described in the configuration section of this guide.

Special Cases

In some cases, it is impossible to calculate the right tax amount for an itemized expense based on the information captured in Concur and the information available to the user on the receipt or the data entry burden on the user to enter the information in exactly the manner needed for the calculation to work correctly is too great.

EXPLICIT TAX AMOUNT

Concur allows configuration of an expense type and accompanying tax calculation to take 100% of that expense amount as the tax. This allows the user to enter in the tax amount as an itemization of the expense.

An example of where this may be appropriate is a country where the hotel folio states the nightly room charges with a line item each for room rate, VAT, and other taxes. It would be unreasonable to ask the user to total the room rate and VAT

amounts so the system can correctly reverse-calculate the VAT amount. With this option, the user may simply enter the individual totals on the hotel wizard and the system will create a line item for each date's VAT amount.



Refer to the configuration section of this guide.

USER EDIT OF TAX AMOUNT

Concur allows configuration of the system-calculated tax amount to allow edit by the user. This allows the user to compare the system calculated tax amount to the receipt, and make corrections as needed.

An example of where this may be appropriate is a country where the mobile phone usage is taxed differently for domestic versus international calls. It would be unreasonable to ask the user to sum up the data to enter one itemization for domestic calls and a separate itemization for international calls. With this option, the user may simply edit the calculated VAT tax amount to match the amount stated on the invoice.



Refer to the configuration section of this guide.

Reclaim VAT

The legal requirements pertaining to the *reclamation* of VAT tend to be highly complicated and vary greatly from country to country. Companies can expect differences between countries in:

- Reclamation rates
- Documentation required for reclamation
- Expense types eligible for reclamation
- Time limits for filing for reclamation
- Minimum reclamation amounts that can be requested
- Length of time it takes to receive the refund (generally, three to nine months but it can take years)

Summary - System Requirements

The system needs this information in order to properly calculate VAT and reclaim:

- **Expense type:** VAT applies to some – but not all – expense types
- **Date:** The date the expense was incurred – though VAT rates do not change often, they are subject to change
- **Location:** The location where the expense was incurred – the system compares the expense location to the employee's home country to determine whether the expense is *domestic* or *foreign* and then uses that information to determine the applicable tax authority and rates
- **Expense amount**

- **Receipt:** Whether or not the user has a physical receipt, and in some cases, whether the physical receipt is a *qualified* "Tax receipt" – *qualified tax receipts* are required by some countries for reclamation

The system gathers all of this information from the expense entered manually in Expense by the user or from the company card import.

Configuration for VAT and Reclaim

The main elements in the implementation are:

- Tax hierarchy
- Configuration and rates
- Placement of certain tax fields

All of this information is discussed in this guide **after** the discussion of how VAT affects the Expense user and processor; how the system works; and so on. Once the administrator understands the system and the various options that are described in this guide, the administrator can make the appropriate VAT configuration choices for the company.

Section 3: What the Expense User Sees

VAT-Related Fields

VAT-related fields appear on the **Expense** (or **New Expense**) tab on the expense report page when the user enters or edits a VAT-related expense:

- **Tax Posted Amount / <Tax Name> Amount in <Currency>** such as **VAT Amount in GBP**
- **Receipt Status**

The screenshot shows the 'Expense' form with the following fields and values:

- Expense Type: Dinner
- Transaction Date: 09/02/2015
- Business Purpose:
- Enter Vendor Name:
- City: London Thamesport, Kent
- Payment Type: Cash
- Amount: 20.00
- Currency: GBP
- VAT Amount in GBP: 3.33
- Receipt Status: Tax Receipt
- Comment:
- Personal Expense (do not reimburse): ☐

Tax Posted Amount / <Tax Name> Amount in <Currency> Field

The **Tax Posted Amount / <Tax Name> Amount in <Currency>** field displays the total VAT amount for the expense – in the currency in which the expense was incurred.

WHEN TAX IS CALCULATED - USER NOT ALLOWED TO EDIT TAX AMOUNT

If the user is *not* allowed to edit the tax amount (configurable option), before the user saves the expense entry, the field is named **Tax Posted Amount** and the field is blank.

The screenshot shows the 'New Expense' form. The 'Expense Type' is 'Breakfast', 'Transaction Date' is empty, 'Business Purpose' is empty, and 'Enter Vendor Name' is empty. 'City' is empty, 'Payment Type' is 'Cash', 'Amount' is empty, and the currency is 'GBP'. The 'Receipt Status' is 'No Receipt'. The 'Comment' field is empty. The 'Tax Posted Amount' field is highlighted with a red circle and is currently blank. There is a checkbox for 'Personal Expense (do not reimburse)' which is unchecked.

During the **save** process, the system:

- Gathers the required information (tax authority, etc.)
- Calculates the tax
- Populates the field
- Changes the field label to **<Tax Name> Amount in <Currency>** such as **VAT Amount in GBP**

The screenshot shows the 'Expense' form after saving. The 'Expense Type' is 'Dinner', 'Transaction Date' is '09/02/2015', 'Business Purpose' is empty, and 'Enter Vendor Name' is empty. 'City' is 'London Thamesport, Kent', 'Payment Type' is 'Cash', 'Amount' is '20.00', and the currency is 'GBP'. The 'Receipt Status' is 'Tax Receipt'. The 'Comment' field is empty. The 'VAT Amount in GBP' field is highlighted with a red circle and contains the value '3.33'. There is a checkbox for 'Personal Expense (do not reimburse)' which is unchecked.

So, the user will see the tax amount and the revised field name only once the expense entry is saved and reopened.

WHEN TAX IS CALCULATED - USER ALLOWED TO EDIT TAX AMOUNT

If the user is allowed to edit the tax amount (configurable option), the **Tax Posted Amount** field does not appear. Instead, the **Calculate Tax** link appears.

The screenshot shows an expense entry form with the following fields and values:

- Expense Type:** Breakfast (dropdown)
- Transaction Date:** 09/01/2015 (calendar icon)
- Business Purpose:** (empty text field)
- Enter Vendor Name:** (empty text field)
- City:** London Thamesport, Kent (text field)
- State/Province:** Kent (dropdown)
- Country:** UNITED KINGDOM (dropdown)
- Payment Type:** Cash (dropdown)
- Amount:** 27.55 (text field) with a currency dropdown set to GBP
- Receipt Status:** No Receipt (dropdown)
- Comment:** (empty text field)
- Calculate Tax:** A blue link with a mouse cursor hovering over it.
- Personal Expense (do not reimburse):** (checkbox, unchecked)

When the user clicks the link, the system:

- Gathers the required information (tax authority, etc.)
- Calculates the tax
- Populates the field
- Changes the field label to **<Tax Name> Amount in <Currency>** such as **VAT Amount in GBP**

The user can edit the tax amount and **then** save.

The screenshot shows the same expense entry form, but with the following changes:

- Business Purpose:** (now has a blue border)
- Amount:** 27.55 (text field) with a currency dropdown set to GBP
- Calculate Tax:** A blue link.
- VAT Amount in GBP:** 4.59 (text field, circled in red)
- Receipt Status:** No Receipt (dropdown)
- Comment:** (empty text field)
- Personal Expense (do not reimburse):** (checkbox, unchecked)

NOTE: The user is not required to click **Calculate Tax**. If the user does not click the link, the tax amount is calculated when the expense is saved. The link provides the user the option to calculate (and perhaps edit) the tax before saving.

WHEN TAX IS CALCULATED – OTHER

Note the following:

- For imported company card transactions, the system calculates VAT when the expense is created for the transaction, which is when the user attaches the transaction to an expense report.

NOTE: This assumes that Expense calculates the VAT for company card imports and is **not** using the VAT data from the card transaction. Refer to the configuration section of this guide.

- The system recalculates the tax amount if the user changes any of contributing fields.
- For the "parent" entry of an itemized expense, this field displays the summary total of the taxes calculated for the individual ("child") itemized expenses.

CONFIGURATION

The system can be configured so that the tax field is hidden, visible but read-only, or editable by users/approvers, as described in the configuration section of this guide.

Receipt Status Field

The employee uses the **Receipt Status** list to indicate whether the employee has a receipt for the expense and whether the receipt is a qualified tax receipt.

- There are three choices:
 - ♦ No receipt available
 - ♦ Receipt available
 - ♦ Tax receipt available
- This field is displayed for the "parent" entry of an itemized expense but not for the individual ("child") itemized expenses.

CONFIGURATION

The system can be configured so that two or three options appear in the **Receipt Status** list, as described in the configuration section of this guide.

Attendee Requirements

The amount of VAT that can be reclaimed may be different if an attendee is a business guest rather than if an attendee is another employee or employee's spouse.

CONFIGURATION

If the company has already configured the system for attendees, then no additional configuration is required for VAT. If not, refer to the *Expense: Attendees Setup Guide*.

Car Travel (Miles/Kilometers)

For company or personal car expenses, in order for the system to calculate the appropriate VAT, the system needs the following information.

Required For Car Travel	Counties Other Than Canada	Canada
Employee location	Country in which the employee is based	Country <i>and province</i> in which the employee is based
Domestic / International	Whether the travel was inside or outside the employee's home country	Whether the travel was inside or outside the employee's home <i>province</i> and inside or outside Canada

The system collects the employee's location information from the employee's header record. The employee provides the domestic/international information by selecting either *Foreign* or *Domestic* from the **Type of Trip** list that appears on the **Expense** (or **New Expense**) tab on the expense report page.

NOTE: If the trip is both foreign and domestic, the user chooses based on the majority of miles traveled.

For the **Type of Trip** list, the choices available in the list are:

Counties Other Than Canada	Canada
<ul style="list-style-type: none"> Domestic International 	<ul style="list-style-type: none"> Home Province Different Province International

CONFIGURATION

The configuration options are described in the configuration section of this guide.

Section 4: What the Processor Sees

Back-office processors can view and edit all tax information to ensure it complies with tax regulations. The processor can review the physical tax receipts and edit the VAT amount as necessary on the expense report page. The **Expense** tab displays the tax amounts in the currency in which the expense was incurred. In the case of Canadian VAT, there may be two fields (as described previously in *VAT-Levying Countries*).

The screenshot shows the 'Expense' entry form. The 'VAT Tax' section at the bottom is highlighted with a red box. The fields in this section are: VAT Amount in GBP (4.59), Tax Rate (Standard), Reclaim Amount in GBP (0.00), VAT Tax Code (empty), and VAT Tax Reclaim Code (UK1). Other fields include Expense Type (Breakfast), Transaction Date (09/01/2015), Business Purpose (empty), Enter Vendor Name (empty), City (London Thamesport, Kent), State/Province (Kent), Country (UNITED KINGDOM), Payment Type (Cash), Amount (27.55), GBP currency, Reviewed (No), Approved Amount (27.55), Receipt Status (No Receipt), Comment (empty), and checkboxes for Personal Expense and Send Back Expense.

Section 5: Entry Validation and Exceptions

The system performs two validations when the user saves an expense. These actions are performed by audit rules that the administrator can turn off if desired (using Administration > Expense Admin > Audit Rules).

- **Country-Currency Mismatch Check:** The system checks to see whether the currency associated with the expense is the expected currency for the country identified by the location. If it is not the expected currency, the user receives a validation exception. The exception does not prevent submission. The message is visible to the employee, approver, and processor.
- **Receipt Required Check:** The system checks to see whether a physical receipt is required for the expense. The receipt requirement is determined by the expense type configuration settings or the expectation that a receipt is always required for a foreign expense with reclaimable VAT, combined with the user-entered value for the receipt status.

If the user has selected *No Receipt* from the **Receipt Status** list and the receipt is required, the system creates a validation exception. The exception does not prevent submission. The message is visible to the employee, approver, and processor.

Section 6: Configuration - Overview

Tax Administration Tool

The Tax Administration tool is used to configure and maintain:

- VAT
- - **and** -
- Fringe benefits tax

This guide describes how to configure and maintain VAT. For information about fringe-benefit tax, refer to the *Expense: Fringe Benefits Tax (FBT) Setup Guide*.

IMPORTANT!

It is the company's responsibility to understand the complexities and liabilities associated with VAT as well as the terms and requirements of reclaiming VAT.

If the company enlists Concur for assistance, it is the company's responsibility to provide Concur with the desired configuration information during the configuration process, for example, the names of tax authorities, calculation methods, and VAT rates. Though Concur can provide some general guidance about VAT, Concur takes no responsibility in defining the company's VAT reporting requirements or reclamation strategy.

It is also the company's responsibility to remain informed of changes in VAT requirements as they apply to the company.

The Basic Process

The basic process is described ***briefly*** here and then described ***in detail*** on the following pages.

Step	Description	Tool
1	Define the Tax hierarchy: The administrator defines the Tax hierarchy (such as Org Unit 1, Org Unit 2, and so on).	Administration > Expense > Feature Hierarchies
2	Create and define the tax authorities: Using this wizard, the administrator defines each tax authority (usually country) for which the company wants to track VAT. For <i>each</i> tax authority, the administrator defines the tax rate types (standard, reduced, and so on), the calculation method (percent and simple distance), the rate, and the effective date.	Administration > Expense > Tax Administration, Tax Authorities tab
3	Define the tax & reclaim groups: Using this wizard, the administrator sets tax and reclaim properties for groups of expense types that share the same tax and reclaim properties. The administrator also defines any conditions for the group, for example, in Germany, VAT is calculated at a different rate for a train trip under 50 km than for the train trip of 50 or more km. NOTE: Remember, not all expense types are eligible for VAT or reclaim.	Administration > Expense > Tax Administration, Tax & Reclaim Groups tab

Step	Description	Tool
4	<p>Define the employee-related configuration settings: Using this wizard, the administrator defines general configuration settings, such as whether the tax information is visible to the Expense user, whether receipts are required, and so on.</p> <p>Then, the administrator maps the company's organization to the configuration, using the segments of the Tax hierarchy.</p> <p>This allows a company to have different configurations for its employees in different parts of the organization, for example, employees in different countries, departments, or divisions.</p>	Administration > Expense > Tax Administration, Employee Related Configurations tab
5	<p>Configure the tax fields: Depending on the options selected by the company, the administrator may affect certain tax-related fields.</p>	Administration > Expense > Forms and Fields

Section 7: Configuration - Add VAT Configurations and Rates

Step 1: Define the Tax Hierarchy

The administrator uses the Feature Hierarchies tool in Expense Admin to define the Tax hierarchy, usually using Org Unit 1, Org Unit 2, and so on.

The **Country** field is not an option when defining the Tax hierarchy. When the system determines whether VAT applies, the system always looks at the employee's **Country** field first and then the fields defined in the Tax hierarchy. Therefore, the administrator must define the hierarchy knowing that Country is always **above** the first level of the hierarchy.



For more information about setting up the Tax hierarchy, refer to the *Shared: Feature Hierarchies Setup Guide*.

Step 2: Create and Define the Tax Authorities

Overview

The administrator defines all of the tax authorities that are configured in the system. A *tax authority* is the government body that levies the value added tax. In most tax jurisdictions, this is the country. However, in some countries, such as Canada, the tax authority includes the country as well as specific states/provinces.

Most companies define only those tax authorities for locations with domestic employees or those that are likely to provide a return. That is, a company pays enough VAT in that tax authority so that the reclaim available is greater than the cost of requesting the reclamation. This information is generally gathered from the company's tax accounting department.

NOTE: A single expense can be influenced by a maximum of two tax authorities.

Access the Tax Administration Page

VAT is configured and rates are entered using the Tax Administration tool.

► ***To access the Tax Administration page:***

1. Click **Administration** > **Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

2. Click **Tax Administration** (left menu). The **Tax & Reclaim Groups** tab appears by default.

The screenshot shows the 'Tax Administration' interface. At the top, there are several tabs: 'Tax Authorities', 'Tax & Reclaim Groups' (which is highlighted with a red circle), 'Employee Related Configurations', 'Export', 'Reports', and 'Fringe Benefits'. Below the tabs, there is a search section with a 'Tax Authority' dropdown menu and a 'with effective dates' dropdown menu set to 'Current'. A 'Search' button is located to the right of these dropdowns. Below the search section, there are three buttons: 'New', 'Modify', and 'Remove'. At the bottom, there is a table with the following columns: 'Group Name', 'Expense Types', 'Effective Date', 'End Date', and 'Rate Conditions & Reclaim Conditions'.

Add a New Tax Authority

Adding a new tax authority is a three-step process:

- Define the general settings
- Define the tax rates types
- Define the tax rates

DEFINE THE GENERAL SETTINGS

► ***To complete the General step:***

1. On the **Tax Administration** page, click the **Tax Authorities** tab.

Tax Administration

Tax Authorities | Tax & Reclaim Groups | Employee Related Configurations | Export | Reports | Fringe Benefits

New | Modify | Remove

Tax Authority	Country	State/Province	Tax Name
---------------	---------	----------------	----------

- Click **New**. The **General** step appears.

Tax Authorities | Tax & Reclaim Groups | Employee Related Configurations | Export | Reports | Fringe Benefits

1 General | 2 Tax Rate Types | 3 Tax Rates

Tax Authority Name:
United Kingdom

Country:
UNITED KINGDOM

State/Province:

Tax Name:
VAT

Non Domestic Code:

Credit Card Tax Field:
None

Cancel | Next>>

- Complete the appropriate fields:

Field	Description
Tax Authority Name	Type a unique name (generally the country name) for the tax authority.
Country	Select the associated country. NOTE: The tax authority and country will likely be the same, except for Canada, where there are multiple tax authorities associated with the country.
State/Province	Select the associated states/provinces from the helper pane. If the tax authority applies to the entire country, do not select any states/provinces . NOTE: The column will likely be blank except for Canada.

Field	Description
Tax Name	<p>Type a tax name.</p> <p>NOTE: The tax name is the name that the Expense user and processor see in the Expense user interface. The company should ensure that the name entered here is a term that is familiar to its users, typically the tax name is GST, MwSt, VAT, and so on</p>
Non Domestic Code	<p>Some financial accounting systems (such as JD Edwards) require a tax code for each transaction.</p> <p>When VAT and Fringe Benefit Tax are configured in Expense, Expense provides the appropriate tax code for all of a user's domestic transactions. However, it does not provide a tax code for non-domestic (foreign to the user) transactions – without extensive configuration involving conditional logic to assign one tax code for domestic transactions and another code for non-domestic transactions.</p> <p>The Non Domestic Code field allows the client to enter one single code that is understood by the client's financial system to mean "non-domestic." So, each transaction that is incurred outside the user's home country is assigned this specific tax code. This tax code is then extracted with the company's other financial data and imported into the company's financial system.</p> <p>NOTE: The code is specific to the financial system. For example, the code might be V0 for "VAT zero."</p> <p>Activation</p> <p>If a client wants to use this field, the client must contact Concur to:</p> <ol style="list-style-type: none"> Set two new site settings: <ul style="list-style-type: none"> TAX_NON_DOMESTIC_ENABLED to enable the feature TAX_NON_DOMESTIC_FIELD to map an entry-level custom field to the new Non Domestic Code field <p>NOTE: Though the tax code is entered in the new Non Domestic Code field, it is copied by the system to an entry-level custom field. Copying it to a custom field allows it to be viewed by the processor (if desired) and to ensure that the code is extracted properly with the company's other financial data.</p> Add the code to the Non Domestic Code field on the Edit Tax Authority page. <p>IMPORTANT: The tax code on the expense entry is set based on a comparison of the employee's user profile country against the country of purchase for the expense at the time the expense is saved. If a user transfers from one country to another while the report has not yet been sent to the financial system and the expense is saved again by the employee, approver, or processor, the non-domestic code will be updated based on the current country within the user profile.</p>

Field	Description
Credit Card Tax Field	Select the field in the company card import that contains the VAT information. In most cases, this field should be set to <i>None</i> . 📖 Refer to <i>Obtaining VAT Amounts from the Company Card Import</i> in this guide for more information about gathering VAT information from the company card import.

- Click **Next**. The **Tax Rate Types** step appears.


DEFINE THE TAX RATES TYPES

Tax rate types define the name of the tax rate for reference in the system and on any reports generated in Concur's business intelligence tools (Analysis/Intelligence). It is recommended (but not required) that these names match the name published by the tax authority.

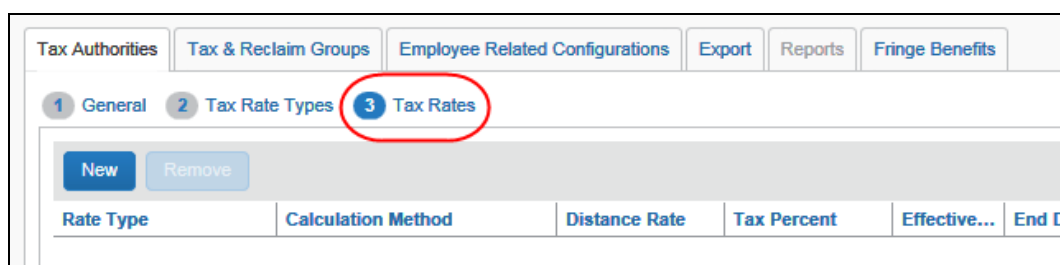
► To complete the Tax Rate Types step:

- On the **Tax Rate Types** step, click **New**. The **Add Tax Rates Types Configuration** window appears.

2. Complete the appropriate fields.

Field	Description
Tax Rate Type Name	Type the name of the rate, such as Standard, Reduced, and so on. NOTE: It is recommended (but not required) that these names match the name published by the tax authority.
Calculation Method	Select either: <ul style="list-style-type: none"> • Percentage • Simple Distance: This calculation method should be used only for expense types configured as Personal Car or Company Car. • Full: This calculation method should be used only for expense types intended to capture a separate VAT line item during itemization. Any expense types using this tax rate default to a 100% reclaim rate, and the expense amount is used as the tax transaction amount for tax calculations. • Complex Distance: This UK calculation method calculates the potential VAT based on the lower of the HMRC Fuel Advisory Rate (stored as Distance Rate) and the client reimbursable rate. • Extraction Factor: This Canada calculation method should be used only if you choose to use the Canada Revenue Agency's Simplified (Administrative Factors) Method, commonly called extraction factors.  This choice is not for companies that choose to use the Canada Revenue Agency's Exact (Prescribed) Calculation Method.

3. Click **Save**.
4. Add as many tax rate types as needed.
5. When done, click **Next**. The **Tax Rates** step appears.



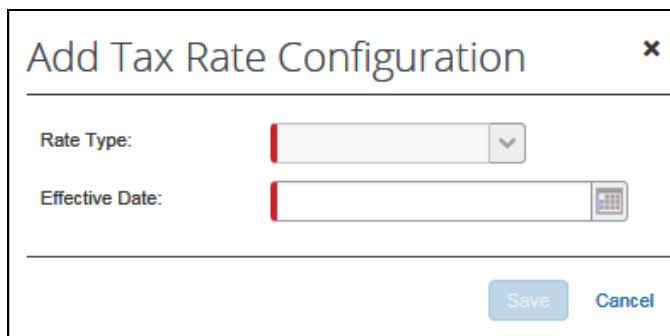
The screenshot shows the SAP configuration interface with the following elements:

- Top navigation bar: Tax Authorities, Tax & Reclaim Groups, Employee Related Configurations, Export, Reports, Fringe Benefits.
- Step indicators: 1 General, 2 Tax Rate Types, 3 Tax Rates (circled in red).
- Buttons: New, Remove.
- Table headers: Rate Type, Calculation Method, Distance Rate, Tax Percent, Effective..., End D.

DEFINE THE TAX RATES

► To complete the Tax Rates step:

1. On the **Tax Rates** step, click **New**. The **Add Tax Rate Configuration** window appears.

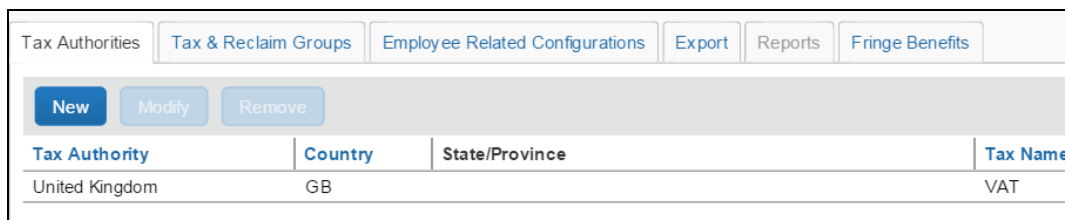


The dialog box is titled "Add Tax Rate Configuration" with a close button (X) in the top right corner. It contains two input fields: "Rate Type:" with a dropdown arrow and "Effective Date:" with a calendar icon. At the bottom right, there are "Save" and "Cancel" buttons.

2. Complete the appropriate fields.

Field	Description
Rate Type	Select the rate type. Once you select the type, one of these fields appears: <ul style="list-style-type: none"> • Distance Rate • Tax Percent
Effective Date	Enter the start date for the rate.
Tax Percent	This field appears only if the rate is based on the Percentage calculation method; enter the percentage.
Distance Rate	This field appears only if the rate is based on the Simple Distance calculation method; enter the amount per units of distance.

3. Click **Save**.
4. Add as many rates as needed.
5. When done, click **Done**. The new tax authority appears on the **Tax Authorities** tab.



The screenshot shows the "Tax Authorities" tab in a software interface. It includes navigation tabs: "Tax Authorities", "Tax & Reclaim Groups", "Employee Related Configurations", "Export", "Reports", and "Fringe Benefits". Below these are buttons for "New", "Modify", and "Remove". A table lists tax authorities with columns: "Tax Authority", "Country", "State/Province", and "Tax Name".

Tax Authority	Country	State/Province	Tax Name
United Kingdom	GB		VAT

Step 3: Define Tax & Reclaim Groups

Overview

Tax rates are applied per expense type: not all expense types are subject to VAT calculation or reclaim by all tax authorities. When defining the expense types for which VAT and reclaim applies, there is at least one tax rate and reclaim rate. In addition, the rate that is selected may depend on certain logical conditions. For example, in Germany, VAT is calculated at a different rate for a train trip under 50 km than for the train trip of 50 or more km.

These logical conditions are represented by an expression (like distance > 50 km). The expression may have one or more conditional clauses and uses values from fields on the expense entry. If the expression evaluates to TRUE, then one tax rate is used; if it evaluates to FALSE, then the next condition is evaluated. Typically, the configuration specifies both the rate to use when TRUE and the rate to use when FALSE.

DEFINITIONS

Term	Definition
Tax & reclaim group	Group of expense types for a specific tax authority for a specified date range that all use the same tax and reclaim conditions and their associated attributes
Tax configuration	General configuration settings, such as whether the tax information is visible to the Expense user, whether receipts are required, and so on
Tax conditions	Compares field values for the expense entries to determine the appropriate tax rate and associated attributes
Reclaim configuration	General configuration settings, such as the effective date range and one or more reclaim conditions
Reclaim conditions	Compares field values for the expense entries to determine the proper reclaim behavior

Understanding Conditional Expressions

While VAT *occasionally* includes conditions, reclaim *often* includes conditions. Tax conditions and reclaim conditions are defined using the condition editor. The editor allows the administrator to choose a field associated with the expense and compare it with another field or a fixed value.

Just like audit rules and workflow rules, these are if/then statements. The "if" portion is defined by the condition editor; the "then" portion is defined later.

NOTE: The condition editor for this feature works the same way as the condition editor for audit rules, workflow rules, etc.

For example, for the reclaim calculation for car rental:

- *If there is a tax receipt **and** if the car was rented for 10 days or less then reclaim 100%*

(If portion as represented in the condition editor)

	Data Object	Field/Value	Operator	
<input type="checkbox"/>	Entry	Receipt Status	Equal	
	Value	Tax receipt		<input type="checkbox"/>
And Or				
<input type="checkbox"/>	Entry	Custom 11-Number of Days	Less Than or Equal	
	Value	10		<input type="checkbox"/>

- *If there is a tax receipt **and** if the car was rented for more than 10 days then reclaim 50%*

(If portion as represented in the condition editor)

	Data Object	Field/Value	Operator	
<input type="checkbox"/>	Entry	Receipt Status	Equal	
	Value	Tax receipt		<input type="checkbox"/>
And Or				
<input type="checkbox"/>	Entry	Custom 11-Number of Days	Greater Than	
	Value	10		<input type="checkbox"/>

ALWAYS AND OTHERWISE

You can use the Always condition, which means "always do this."

If you do not use the Always condition, then you will likely use the Otherwise condition, which is used to handle all other situations. Using the sample of the card rental, we have:

- *If there is a tax receipt **and** if the car was rented for 10 days or less then reclaim 100%*
- *If there is a tax receipt **and** if the car was rented for more than 10 days then reclaim 50%*
- In this case, the Otherwise condition would be: if there is no tax receipt, then reclaim nothing.

Add a New Tax & Reclaim Group

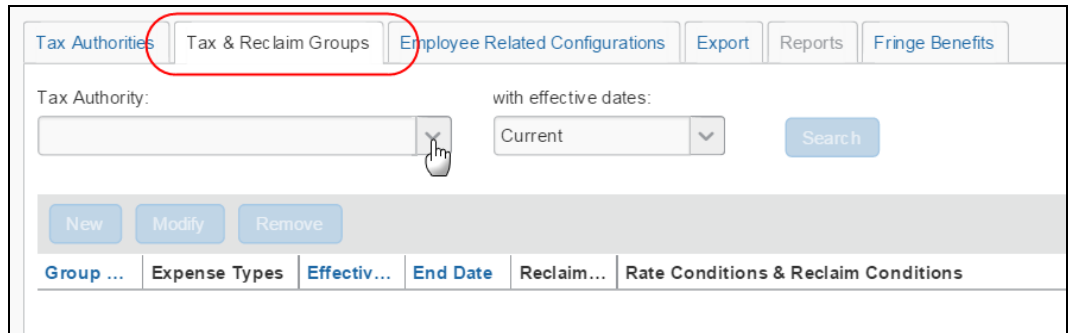
Adding a tax & reclaim group is a four-step process:

- Define the group settings
- Select the affected expense types
- Define the tax rates
- Define the reclaim rates

DEFINE THE GROUP SETTINGS

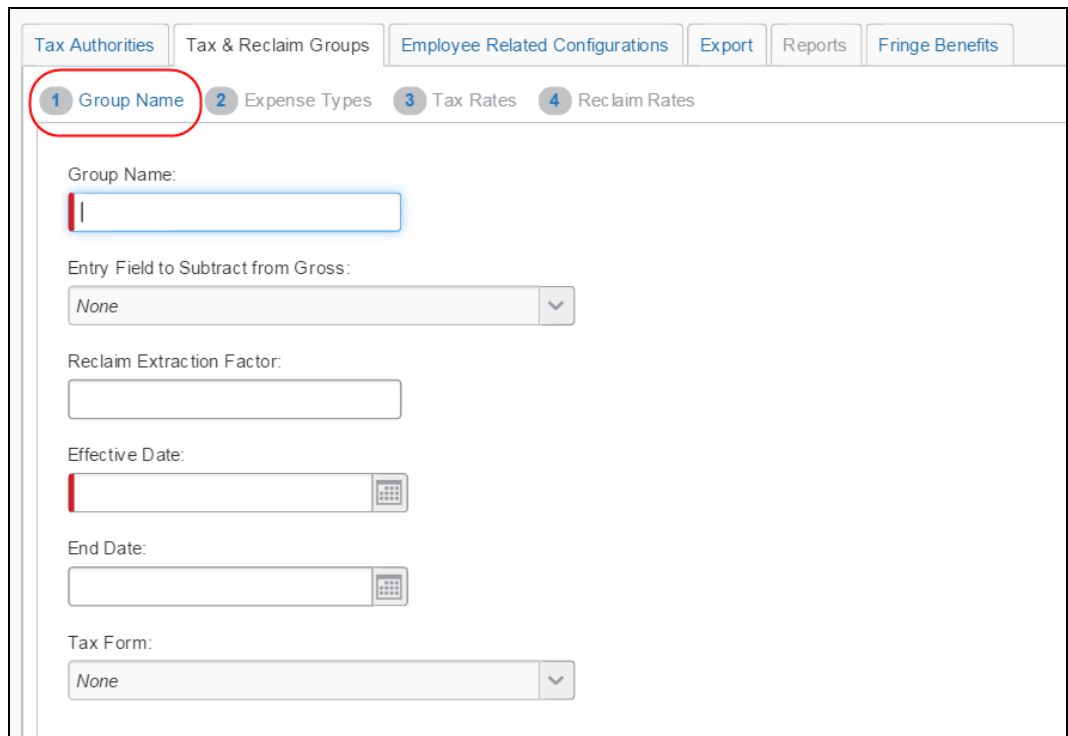
► To complete the Group Name step:

1. On the **Tax Administration** page, click the **Tax & Reclaim Group** tab, if it is not already selected.
2. In the **Tax Authority** list, select the desired tax authority.



The screenshot shows the 'Tax & Reclaim Groups' tab selected in the top navigation bar. Below the tabs, there is a 'Tax Authority:' dropdown menu with a downward arrow. To the right of this dropdown is a 'with effective dates:' dropdown menu set to 'Current'. A 'Search' button is located to the right of the 'with effective dates:' dropdown. Below these dropdowns are three buttons: 'New', 'Modify', and 'Remove'. At the bottom of the form, there is a table with columns: 'Group ...', 'Expense Types', 'Effectiv...', 'End Date', 'Reclaim...', and 'Rate Conditions & Reclaim Conditions'.

3. Select the desired date range in the **with effective dates** list.
4. Click **Search** (if necessary). The groups for the selected tax authority, if any, appear.
5. Click **New**. The **Group Name** step appears.



The screenshot shows the 'Group Name' step selected in the top navigation bar. Below the tabs, there is a 'Group Name:' text input field. Below this is an 'Entry Field to Subtract from Gross:' dropdown menu set to 'None'. Below this is a 'Reclaim Extraction Factor:' text input field. Below this is an 'Effective Date:' text input field with a calendar icon. Below this is an 'End Date:' text input field with a calendar icon. Below this is a 'Tax Form:' dropdown menu set to 'None'.

6. Enter the desired values for the group.

Field	Description
Group Name	Enter the display name for the group.
Entry Field to Subtract from Gross	Select the entry field that contains the amount that is to be subtracted from the entry amount prior to calculating taxes. The list of fields available for selection is limited to those fields configured as Amount fields. NOTE: A likely choice is Tips if the amount in a custom field labeled Tips should be subtracted from the gross expense amount prior to the system calculating VAT.
Reclaim Extraction Factor	Enter the extraction factor, if any. This field is typically used only for Canada. <ul style="list-style-type: none"> • If configured to calculate reclaim via extraction factor, type the percent of the gross entry amount to be used to calculate the reclaim amount. • If not configured to calculate reclaim via extraction factor, leave blank. The standard reclaim calculation will be used.
Effective Date	Select the effective date of the group.
End Date	Select the end date for the group's effective date range. Typically, the system will set this date when it is time to retire this group. Leave this blank unless there is a specific end date you want to enforce.
Tax Form	Optional: Include country-specific tax form that displays fields to collect country-specific tax data by expense type and relevant location. For example, a tax Custom Number of Rental Days field used to determine a car rental tax in England would not be displayed for a car rental expense with a location within Germany

7. Click **Next**. The **Expense Types** step appears.

The screenshot displays the SAP Concur configuration interface for Expense Types. The top navigation bar includes tabs for Tax Authorities, Tax & Reclaim Groups, Employee Related Configurations, Export, Reports, and Fringe Benefits. Below this, a sub-navigation bar shows four steps: 1 Group Name, 2 Expense Types (highlighted with a red circle), 3 Tax Rates, and 4 Reclaim Rates. The main content area for the 'Expense Types' step includes an 'Effective Date' field with a calendar icon and an 'Overwrite Group' checkbox. A list of expense types is shown with checkboxes: Expense Type Label (unchecked), AACD Certifications (checked), Awards (checked), Booking Fees (unchecked), Breakfast (checked), Bus (unchecked), Business Meals (Attendees) (unchecked), Car Rental (unchecked), Cash Advance Return (unchecked), and Cellular Phone (unchecked).

SELECT THE AFFECTED EXPENSE TYPES**► To complete the Expense Types step:**

1. On the **Expense Types** step, select the desired expense types.

NOTE: Any expense types that are already used in tax & reclaim groups appear in the **Unavailable Expense Types** pane with the name of the associated group.

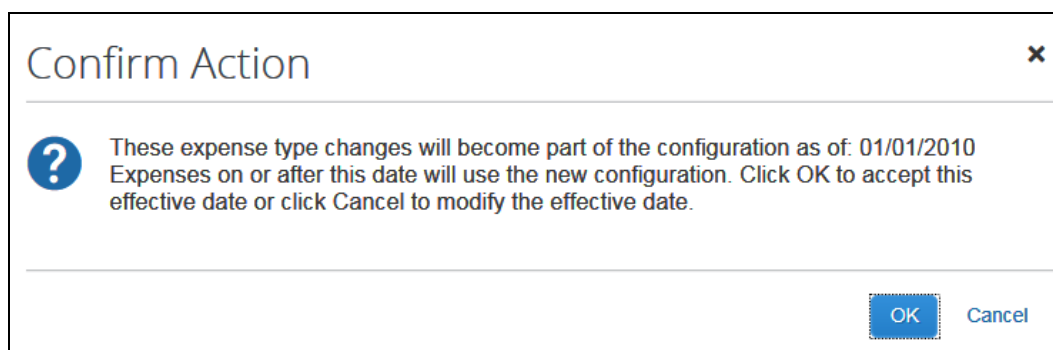
2. Select or clear the **Overwrite Group** check box to allow or prevent the overwriting of this group should it change anytime in the future.

The **Overwrite Group** option lets the administrator decide that, if the group is changed, it will be overwritten and the new group will apply to whatever dates are shown in **Effective Date**.

NOTE: About modifying an existing tax group, if the check box is selected, it will always cause the current effective date (for the tax group that is being modified) to be set and locked in the Effective Date columns on both the Group Name and Expense Types tabs. While the admin has the Overwrite Group option selected, adding and removing expenses will result in those expenses being added to, or removed from, the existing tax group. This functionality helps administrators avoid overlapping tax groups.

If the check box is *not* selected, the system will display a warning message indicating that the "new" tax group will now be in effect for all expenses going forward. The administrator can dismiss the message and adjust the dates to match the desired effective dates for the new tax group.

The warning is shown in the figure below:



3. Click **Next**. The **Tax Rates** step appears.

Tax Condition	Tax Code	Rate Type
Always		Standard

DEFINE THE TAX RATES

► To complete the Tax Rates step:

The **Tax Rates** step shows the default tax condition of Always – meaning this tax condition will always apply.



Refer to *Always and Otherwise* in this guide.

At this point, you will either:

- Use the Always tax condition
– or –
- Create one or more custom tax conditions and then use the Otherwise tax condition.

Both are described below.

► To use the Always tax condition:

1. To add a tax code, click the field in the **Tax Code** column to enter the accounting code value for the desired tax condition.

Tax Condition	Tax Code	Rate Type
Always		Standard

- ◆ This value is exported to external accounting systems and is not used for any other purpose in Expense.
 - ◆ Use only standard ASCII characters (those characters found on an English-language keyboard) in this field.
2. To change the rate type, click the field in the **Rate Type** column to select from the list, which displays the rate types available for the selected tax authority.

The screenshot shows the 'Tax Rates' configuration step. The 'Rate Type' dropdown menu is open, showing options: Standard, Exempt/Zero, Partial, and Standard. The 'Standard' option is selected.

3. Click **Next** to move to the **Reclaim Rates** step.

► **To create one or more custom tax conditions:**

1. Click **New**. The **Add Condition** window appears.

The screenshot shows the 'Add Condition' window. The 'Name' field is empty. The 'Data Object/Operator' dropdown is set to 'Select One'. The 'Field/Value' field is empty. The 'Operation' dropdown is set to 'Value'. The 'OK' button is highlighted.

2. Enter the desired tax condition.

NOTE: Employee data changes over time and may change between the time that an entry is created and when an entry is edited. Consider **not** creating conditions against employee fields. Instead, use the copydown functionality to copy the employee data to the report or entry level and then write the condition against the copied field to ensure consistent data.



Refer to the *Understanding Conditional Expressions* section of this guide for more information.

3. Click **OK**. The new condition appears along with the default Otherwise condition, which is used to capture any situation not covered by the other conditions.



Refer to *Always and Otherwise* in this guide.

4. To add a tax code, click the field in the **Tax Code** column to define the tax code for the new custom conditions as well as the Otherwise tax condition.

Note the following about multiple tax conditions:

- ◆ Tax conditions are applied in the order listed on this page.
- ◆ Conditions can be reordered by dragging and dropping the condition line.

5. Click **Next** to move to the **Reclaim Rates** step.

DEFINE THE RECLAIM RATES

► To complete the Reclaim Rates step:

1. For each tax condition entered in the **Tax Rates** step, there can be one or more reclaim configurations, which define the effective date range that reclaim conditions and properties apply.

Select the desired tax condition.

2. In the **Reclaim Configurations** section on the right side of the page, click **New** to create a new reclaim configuration.

The **Add Reclaim Configuration** window appears.

3. Enter the appropriate information:

Field	Description
Effective Date	Select the effective date for this reclaim condition.
End Date	Select the end date for the effective date range of the reclaim condition. Typically, the system will set this value when it is time to retire this reclaim configuration. Leave this blank unless there is a specific end date you want to enforce.

4. Click **OK**. The system will create a default set of reclaim conditions to handle the most common reclaim situations: Tax Receipt, Receipt, and Otherwise (i.e., no receipt).

5. Make any desired changes (for the effective date, end date, receipt required, reclaim rate) by clicking in the column and then editing.

6. Enter the reclaim tax code:

- ◆ This value is exported to external accounting systems and is not used for any other purpose in Expense.
- ◆ Use only standard ASCII characters (those characters found on an English-language keyboard) in this field.

7. At this point, you can:

- ◆ Add additional conditions to an existing reclaim condition
- ◆ Add another reclaim condition
- ◆ Remove an unwanted a reclaim condition

Note the following about multiple tax conditions:

- ♦ Tax conditions are applied in the order listed on this page.
- ♦ Conditions can be reordered by dragging and dropping the condition line.

8. To add additional conditions to an existing tax condition:

- ♦ Click the line with the desired reclaim condition and then click **Modify**.

The **Edit Condition** window appears.

- ♦ Make any desired changes.



Refer to the *Understanding Conditional Expressions* section of this guide for more information.

- ♦ Click **OK**.

9. To add another reclaim condition:

- ♦ Select the desired reclaim configuration by clicking the line with the effective/end dates.
- ♦ In the **Reclaim Conditions** section on the left side of the page, click **New** add a reclaim condition.

1 Group Name 2 Expense Types 3 Tax Rates 4 Reclaim Rates

Reclaim Conditions: New Modify Remove

Tax Condition	Effective Date	End Date	Reclaim Condi...	Receipt Required	Reclaim Rate	Reclaim
Always	01/01/2010					
			Tax Receipt	Tax Receipt	100%	Standard
			Otherwise	No Receipt	0%	Standard

The **Add Condition** window appears.

Add Condition

Name:

Insert Remove

Data Object/Operator: Field/Value: Operation:

Select One

Value

OK Cancel

- ◆ Enter the desired reclaim condition.



Refer to the *Understanding Conditional Expressions* section of this guide for more information.

- ◆ Click **OK**.

10. To remove an unwanted condition:

- ◆ Click the line you want to remove.

1 Group Name 2 Expense Types 3 Tax Rates 4 Reclaim Rates

Reclaim Conditions: New Modify Remove

Tax Condition	Effective Date	End Date	Reclaim Condi...	Receipt Required	Reclaim Rate	Reclaim
Always	01/01/2010					
			Tax Receipt	Tax Receipt	100%	Standard
			Otherwise	No Receipt	0%	Standard

- ◆ Click **Remove**.

11. Click **Done**. The system will now create the tax & reclaim group using the entered conditions and properties.

Step 4: Define the Employee-Related Configuration Settings

The company can have as many different VAT configurations as needed.

Overview - How a Configuration Maps to Employees

Part of this step is to map the configuration to employees (using the Tax hierarchy defined in *Step 1: Defining the Tax Hierarchy*).

A company can have different tax configurations for different parts of the company. When an employee creates an expense report, the system selects the correct configuration for that employee based on the country and the fields in the employee's header that match the Tax hierarchy.

Country	Org Unit 1	Org Unit 2	Org Unit 3	Org Unit 4	Org Unit 5	Org Unit 6	Configuration Name
Australia							UK and Australia operations
Germany	European Division	Banking					Germany Operations / No reclaim
Germany	European Division	Card Services					Germany Operations / Reclaim
United Kingdom							UK and Australia operations

In the table above, assume that the Tax hierarchy uses the fields of Org Unit 1 through 6:

- If an employee's header record shows that Country = *Germany*, Org Unit 1 = *European Division*, and Org Unit 2 = *Banking*, when the employee creates an expense report, the system selects the VAT configuration of *Germany Operations / No reclaim*.
- If an employee's header record shows that Country = *Germany*, Org Unit 1 = *European Division*, and Org Unit 2 = *Card Services*, when the employee creates an expense report, the system selects the VAT configuration of *Germany Operations / Reclaim*.

Add an Employee Related Tax Configuration

► **To add a new employee related tax configuration:**

1. On the **Tax Administration** page, click the **Employee Related Configurations** tab.

The screenshot shows the SAP Tax Administration interface. The 'Employee Related Configurations' tab is selected and highlighted with a red circle. Below the tabs, there are buttons for 'Save', 'New', 'Remove', and 'Assign'. The 'New' button is highlighted. Below the buttons, there is a table with columns: Configuration Name, Tax Data on User Form, Receipt Status Options, Receipt Status Default Option, Only Calcul. Domes, Re... Domes Tax, Extraction Factors, Copy Company Card's Location to Entry, and Applies To.

2. Click **New**.


The screenshot shows the SAP Tax Administration interface. The 'New' button is clicked, and a tooltip 'Add an Employee Related Tax Configuration.' is displayed. The 'Employee Related Configurations' tab is selected. Below the buttons, there is a table with columns: Configuration Name, Tax Data on User Form, and Receipt Status Options.

A blank row appears.

The screenshot shows the SAP Tax Administration interface. A blank row is added to the table. The 'Configuration Name' field is highlighted with a red circle. The 'Tax Data on User Form' field is 'Read-Only'. The 'Receipt Status Options' field is '2 - No Receipt / Receipt'. The 'Receipt Status Default Option' field is 'No Rec...'. The 'Only Calcul. Domes' field is 'Not Used'. The 'Re... Domes Tax' field is 'Not Used'. The 'Extraction Factors' field is 'Not Used'. The 'Copy Company Card's Location to Entry' field is 'Not Used'. The 'Applies To' field is 'Not Used'.

3. Click in each field to complete it.

Field	Description
Configuration Name	Type a unique name for the configuration

Field	Description
Tax Data on User Form	<p>This field indicates whether Expense users can see the tax amount field on the Expense (or New Expense) tab on the expense report page.</p> <p>For users and approvers:</p> <ul style="list-style-type: none"> If you select <i>Hidden</i>, users/approvers cannot see the tax amount field (regardless of the form field configuration). If you select <i>Read-only</i>, users/approvers can see but not edit the tax amount field (regardless of the form field configuration). If you select <i>Modify</i>, then Expense checks the form field settings, which must be set to <i>Modify</i>. <p> Refer to the <i>Expense: Forms and Fields Setup Guide</i>.</p> <p>Note the following:</p> <ul style="list-style-type: none"> If a user is allowed to modify tax amounts, the user can edit the amounts that are calculated by the system as well as the amounts from the company card import. This field does not affect the Expense processor. Whether the processor can see or edit the tax amount field is determined by the form field settings. A company may elect to have a European-based operation be able to see the VAT amount, while the employees of operations based in the United States may not.
Receipt Status Options	<p>On the Expense (or New Expense) tab on the expense report page, the Receipt Status list can show two or three receipt options. Select either:</p> <ul style="list-style-type: none"> 2 – No Receipt / Receipt 3 – No Receipt / Receipt / Tax Receipt
Receipt Status Default Option	<p>Select the default value that appears in the Receipt Status field for new entries</p> <p>- OR -</p> <p>Select <i>No Default</i> to provide no default value, and force the user to consider the need for a receipt.</p> <p>NOTE: The <i>No Default</i> option only works for out-of-pocket expenses. This currently does not work for corporate card expenses.</p> <p>IMPORTANT: If an expense entry has an expense type of mileage, Fixed Meals travel allowance, or Fixed Lodging travel allowance, it does not have a traditional receipt and, therefore, the Receipt Status Default Option is not used from the tax configuration.</p>
Only Calculate Domestic	<p>Select this check box for configurations that are used to track only domestic VAT.</p>

Field	Description
Reclaim Domestic Tax	Select this check box to indicate whether to calculate reclaim for domestic tax for this configuration. NOTE: This option enables different lines of business in a country to select whether or not to reclaim tax.
Use Extraction Factors	Select the desired extraction factor option: <ul style="list-style-type: none"> • Not Used: Extraction factors are not used by this group. • Tax and Reclaim Amounts: Extraction factors are used to calculate tax and reclaim amounts. • Reclaim Amount Only: Extraction factors are used to calculate reclaim amounts, but are not used when calculating tax amounts. NOTE: This option is used for Canadian tax authorities only.
Copy Company Card's City value to Entry's Location field	Clear this check box (it is selected by default) to prevent the city location specified in the company card feed from being copied to the expense report. The calculation based on city may be incorrect if the city location for a hotel chain (as an example) is not the same as the city where the employee incurred a lodging expense at the chain's hotel. NOTE: This option is often turned off for Canadian tax authorities where the supplier's card processing may be in a different province for the location the expense was incurred, resulting in the wrong location for the expense.
Applies To Organization	Read-only; lists of Tax Organizations assigned this configuration

4. To assign the new configuration to a tax organization, click **Assign**. The **Tax Organizations for Configuration** appears.

Tax Organizations for Configuration: UK Employees

New Remove

Country Organization

Country:
Org Unit 1-Division:
Org Unit 2-Department:
Org Unit 3-Region:
Org Unit 4:
Org Unit 5:
Org Unit 6:

Assign Cancel

Done

5. Select the desired **Country**. If there is a tax feature hierarchy for that country, the window will display a field for each level in the tax feature hierarchy.
6. Enter the desired values.

7. Click **Save**.
8. Click **Done**. The **Tax Administration** page appears.

Modify or Remove Employee Related Configurations

You can edit or delete these configurations. If modifying, the update is effective for all reports **created** after the point in time that the employee-related configuration change is saved.

► To modify an employee related tax configuration:

1. On the **Employee Related Configurations** tab, click the desired configuration. The fields become editable.

2. Make the desired changes, using the field definitions in *Adding an Employee Related Tax Configuration* in this guide.

NOTE: To make changes to the **Applies to Organization** field, click **Assign**. Be aware that you may be prompted to save other changes first.

3. Click **Save**.

► **To remove a configuration:**

1. On the **Employee Related Configurations** tab, click the desired configuration.
2. Click **Remove**.

Step 5: Configure the Tax-Related Fields

Overview

The administrator configures these fields:

- Tax Posted Amount / <Tax Name> Amount in <Currency>
- Receipt Status
- Type of Trip (for domestic/international for car mileage/distance)

These forms and fields work just like other forms and fields as described in the *Expense: Forms and Fields Setup Guide*. Additional helpful information is provided on the following pages.

Field: Tax Posted Amount / <Tax Name> Amount in <Currency>

This field appears:

- On the **Forms Fields** tab or the **Fields** tab (Administration > Expense > Forms and Fields) as **Tax Posted Amount**
- To users (on the **Expense** or **New Expense** tab of the expense report page):
 - ◆ Before the expense entry is saved, as **Tax Posted Amount**
 - ◆ After the expense entry is saved, as **<Tax Name> Amount in <Currency>** such as **VAT Amount in GBP**

Section 7: Configuration - Add VAT Configurations and Rates

Forms and Fields

Form Type: Expense Entry

Forms Form Fields Fields Connected Lists Conditional Fields Validations

Modify Form Fields Remove

Form Field Name

- Default
- Expense Type
- Transaction Date
- Business Purpose
- Enter Vendor Name
- City
- Currency
- Payment Type
- Foreign Amount
- Amount
- Exchange Rate
- Reviewed
- Foreign or Domestic
- Has VAT
- Tax Posted Amount
- Adjusted Amount
- Amount
- Receipt Status
- Comment
- Travel Allowance
- Personal Expense (do not reimburse)

New Expense

Expense Type: Breakfast Transaction Date: City: Payment Type: Cash Amount: GBP: Tax Posted Amount: Before Save

Expense Type: Dinner Transaction Date: 09/02/2015 City: London Thamesport, Kent Payment Type: Cash Amount: 20.00 GBP: VAT Amount in GBP: 3.33 After Save

Receipt Status: No Receipt Comment: Personal Expense (do not reimburse): Yes

Receipt Status: Tax Receipt Comment: Personal Expense (do not reimburse): Yes

LOCATION ON THE FORM

Define the **location** of this field on the form in Forms and Fields (Administration > Expense > Forms and Fields).



Refer to the *Expense: Forms and Fields Setup Guide*.

VISIBILITY TO USERS

Define the **visibility** of this field in Tax Administration (Administration > Expense > Tax Administration).

Tax Authorities Tax & Reclaim Groups Employee Related Configurations Export Reports Fringe Benefits					
Save New Remove Assign					
Configuration Name	Tax Data on User Form	Receipt Status Options	Receipt Status Default Option	Only Calcul: Domes	Re... Dome Tax
UK Employees	Read-Only	3 - No Receipt / Receipt / Tax Receipt	No Rec...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



Refer to *Adding an Employee Related Tax Configuration* in this guide.

USER CAN EDIT

Define whether a user or approver can edit the amount using the tax configuration **and** the form field settings.

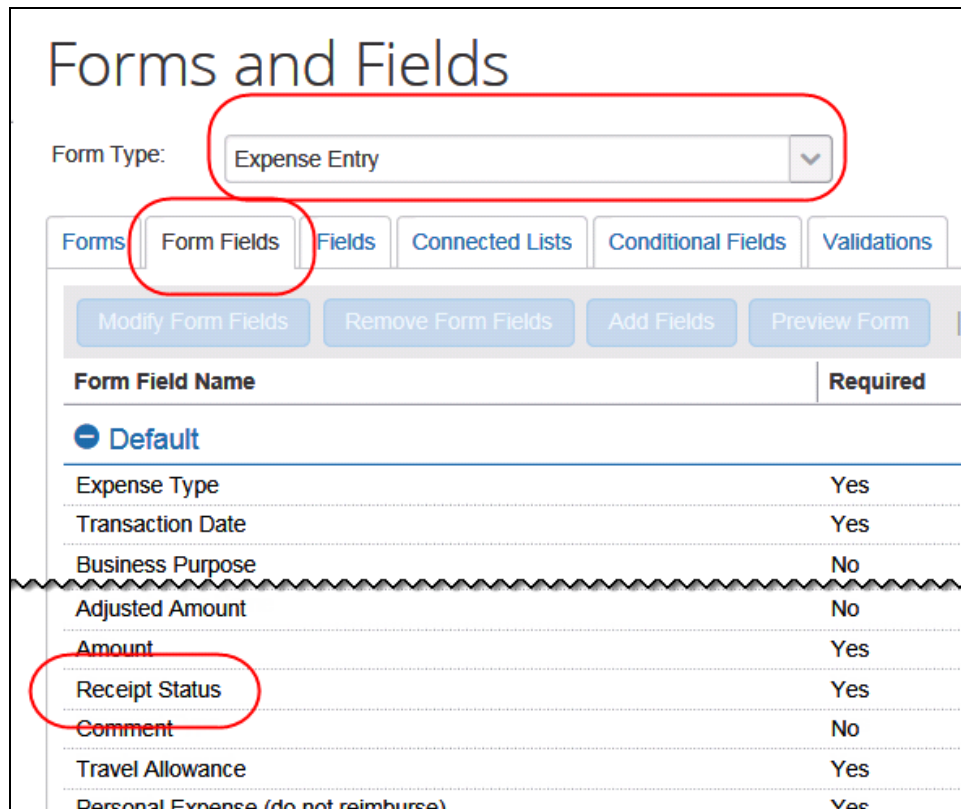
Note the following:

- **Users and Approvers:** If **Tax Data on User Forms** on the **Employee Related Configuration** tab is set to *Modify*, then for the **Employee Role** and/or **Approver Role** field on **Modify Form Fields** window:
 - ♦ If you select *Read-only* or *Hidden*, then the user cannot affect the VAT amount field.
 - ♦ If you select *Modify*, the VAT field is editable.
- **Processor:** Whether or not the Expense processor can edit the VAT amount field is based solely on the access rights defined in the form field. The **Tax Data on User Forms** field on the **Employee Related Configuration** tab has no effect on the processor's ability to edit the VAT amount.

Field: Receipt Status

LOCATION ON THE FORM; VISIBILITY TO USERS

Define the **location** and **visibility** of this list in Forms and Fields (Administration > Expense > Forms and Fields).



Forms and Fields

Form Type: Expense Entry

Forms Form Fields Fields Connected Lists Conditional Fields Validations

Modify Form Fields Remove Form Fields Add Fields Preview Form

Form Field Name	Required
Default	
Expense Type	Yes
Transaction Date	Yes
Business Purpose	No
Adjusted Amount	No
Amount	Yes
Receipt Status	Yes
Comment	No
Travel Allowance	Yes
Personal Expense (do not reimburse)	Yes



Refer to the *Expense: Forms and Fields Setup Guide*.

CHOICES AND DEFAULT OPTION

Define the **choices** that appear in the list and the **default option** in Tax Administration (Administration > Expense > Tax Administration).

Configuration Name	Tax Data on User Form	Receipt Status Options	Receipt Status Default Option	Only Calcul. Domes	Re... Dome Tax
UK Employees	Read-Only	3 - No Receipt / Receipt / Tax Receipt	No Rec...	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>



Refer to *Adding an Employee Related Tax Configuration* in this guide.

Field: Type of Trip

This field allows users to distinguish domestic and international for car distance (miles or km). This field appears:

- On the **Fields** tab (Administration > Expense > Forms and Fields) as **Foreign or Domestic**
- On the **Forms Fields** tab (Administration > Expense > Forms and Fields) as **Type of Trip**
- To users (on the **Expense** or **New Expense** tab of the expense report page) as **Type of Trip**

The first screenshot shows the 'Forms and Fields' configuration page. The 'Form Type' is set to 'Expense Entry'. The 'Fields' tab is selected. The 'Field Name' list includes 'Expense Type', 'Expense Type List Item Key', 'Foreign Amount', 'Foreign or Domestic', 'From Location', 'Fuel Type List Item Key', 'Has VAT', 'Hotel Check-In Date', and 'Hotel Check-Out Date'. The 'Foreign Amount', 'Foreign or Domestic', and 'From Location' fields are highlighted with red circles.

The second screenshot shows the 'Form Fields' configuration page. The 'Form Type' is set to 'Expense Entry'. The 'Form Fields' tab is selected. The 'Form Field Name' list includes 'Airfare', 'Car Mileage', 'Expense Type', 'Transaction Date', 'City', 'Purpose of the Trip', 'From Location', 'To Location', 'Type Of Trip', 'Currency', and 'Payment Type'. The 'Type Of Trip' field is highlighted with a red circle.

The third screenshot shows the 'New Expense' form. The 'Expense Type' is set to 'Personal Car Mileage'. The 'Transaction Date' is '08/31/2015'. The 'City' is 'Bellevue, Washington'. The 'Purpose of the Trip' is 'Vendor Visits'. The 'From Location' is empty. The 'To Location' is empty. The 'Type Of Trip' is set to 'Domestic'. The 'Payment Type' is 'Cash'. The 'Distance : Amount' is '0'. The 'Tax Posted Amount' is '0.00'. The 'Number of Rental Days' is empty. The 'Vehicle ID' is empty. The 'Number of Passengers' is '0'. The 'Distance to Date' is '20633'. The 'Type Of Trip' field is highlighted with a red circle.

LOCATION ON THE FORM; VISIBILITY TO USERS

Define the **location** and **visibility** of this list in Forms and Fields (Administration > Expense > Forms and Fields).

Additional Fields to Consider: Country and State/Province Entry-Level Fields

Two fields are available for placement on any of the entry-level Expense forms. They are:

- Country Code (may be named Country)
- Country Subdivision (may be named State/Province)

Though designed to be used by clients who track value-added tax (VAT), these fields can be used by any client.

With these fields, VAT clients can gather the required country information (or province, for example, for Canada) rather than having the user specify a city, especially if there is no other need for the city information. Also, for a traveler who only travels domestically, the country field can be set to copy down from the employee level so the user never has to change it - or even see it.

The screenshot shows the 'New Expense' form. The 'City' field is highlighted with a red circle, and a red line connects it to the 'State/Province' and 'Country' fields, indicating that selecting a city automatically populates these fields. The 'City' field is currently empty, 'State/Province' is 'None Selected', and 'Country' is 'Select one'.

HOW THEY WORK

City field: When the user selects a city, the **State/Province** field and **Country** field are automatically populated.

This screenshot shows the form after a city has been selected. The 'City' field now contains 'Bellevue, Washington', 'State/Province' is 'Washington', and 'Country' is 'UNITED STATES'.

State/Province field: If the user changes the **State/Province** field, the **City** field is cleared if the city is not in the newly selected state/province.

Country field: If the user changes the **Country** field:

- The **State/Province** field is populated with the appropriate choices.
- The **City** field is cleared.
- If the currency no longer matches the country, a message appears to the user and the currency fields change accordingly.

If the user selects a country that does not have subdivisions, then the **State/Province** field becomes unavailable, for example:

This screenshot shows the form when the 'Country' field is set to 'EGYPT'. The 'State/Province' field is now 'None Selected' and is disabled, indicating that Egypt does not have subdivisions.

HIDDEN AND READ-ONLY FIELDS

Like other fields, these new fields can be hidden, read-only, or editable by the user, approver, or processor. Fields that are *on the form* but are hidden or read-only perform as described above.

FIELDS NOT ON THE FORM

Fields that are not on the form **will not** perform as described above and will be null.

AUDIT RULES

For audit rules that use the Entry data object and the *Country Default Currency* or the *Country* option, the data is now collected from the **Country** field.

TAX (VAT) CALCULATION

The **Country** and **State/Province** fields will determine the Tax Authority if the **City** field is not on the form or is blank.

NOTE: The exception is for Car Mileage expenses, which use the user's home location for these calculations.

COPY DOWN

Copydown works the same as any other field. These will normally be copied down from the report level or from the employee level.

Section 8: Configuration – Changes to Tax & Reclaim Groups

You can elect to overwrite an existing group when you make these kinds of changes to tax & reclaim groups:

- Change the effective date of an existing group
- Add an expense type to an existing group
– or –
- Remove an expense type from an existing group

When editing a group:

1. On the **Tax Administration** page, click the **Tax & Reclaim Groups** tab, if it is not already selected.
2. In the **Tax Authority** list, click the desired name. The associated groups appear.

Group Name	Expense Types	Effective Date	End Date	Rate Conditions & Reclaim Conditions
Standard	AACD Certifications, Awards, Breakfast, Company Car Maintenance, Company Car Oil	08/31/2015		Always Standard

3. Either:

- ♦ Double-click the desired group name.
– or –
- ♦ Click the desired group name can click Modify.

The **Group Name** step appears.

4. On the **Group Name** step, make the desired changes (if any) and click **Next**.
5. On the **Expense Types** step, when **editing** a group, the **Overwrite Group** check box appears.

- ♦ If you select the **Overwrite Group** check box, the existing tax group configuration is updated; no new group is created. Effective dates for the group remain the same in the updated group.

If the check box is selected, it will always cause the current effective date (for the tax group that is being modified) to be set and locked in the Effective Date columns on both the Group Name and Expense Types tabs. While the admin has the Overwrite Group option selected, adding and removing expenses will result in those expenses being added to, or removed from, the existing tax group. This functionality helps administrators avoid overlapping tax groups.

- ♦ If you **do not** select the **Overwrite Group** check box, Concur creates two groups.

For the first group (basically, this is the historical information):

- Effective date: effective date of the original group
- End date: the day before the new effective date, as set by the administrator
- Expense types: original set of expense types

For the second group:

- Effective date: new effective date, as set by the administrator
- End date:
 - If the administrator set the end date, then that is the end date for this group.
 - If the administrator did not set the end date (blank), then there is no end date for this group.
- Expense types:
 - If expense types were added/deleted, then this is the new set.
 - If expense types were not added/deleted, then this is the original set.

These changes have no effect on the effective date, end date, or expense types in a group:

- Edit of the name of an existing groups
- Edit a tax rates condition or tax rates
- Edit a reclaim conditions or reclaim rates, add or remove a reclaim configuration
- Edit a reclaim extraction factor

Section 9: Configuration – Obtaining VAT Amounts from the Company Card Import

Clients *may* be able to collect VAT data from their company card feeds.

In certain countries, a card provider may have certified their card transaction feeds as an official source of VAT data. For example, American Express (AMEX) is a certified source for GST amounts in Australia.

! IMPORTANT!! Obtaining VAT data from the company card import is available **only** to clients whose card feeds use a Configurable Company Card Import (CCCI) format and use the Travel & Expense (*current*) user interface.

If the client elects to use this feature, the client must identify – *for each tax authority* – the field in the import that contains the VAT data. The client can determine the correct field by consulting with the Concur implementation team and the card provider.

How It Works

After configuration, when the card transactions are imported:

- The VAT data in that defined import field populates the tax amount field in Expense. Additional tax fields, such as reclaim amount or tax code, are then calculated/populated using the tax expense type configuration and this imported tax amount.
- If the VAT data is not provided in the company card import (for example, the defined import field is blank), Expense calculates the VAT amounts.
- For itemized expenses, Expense continues to calculate the tax amounts for each itemized entry and does not use the summary tax amount for the overall transaction.

IMPORTANT!

Be aware that if the VAT data provided in the card import is inaccurate or is otherwise corrupted, it is still imported into the VAT field(s) in Expense. ***There is no validation of the imported data supplied by the vendor or card provider.***

Also, be aware that using the company card data does not eliminate any configuration steps. Since Expense calculates the additional VAT data – and the tax amount itself if the VAT data is missing from the import – Expense must still be fully configured and the rates must be kept current.

Activating this Feature for Company Card

If a client wants to use the imported company card data for VAT, the client must:

1. Contact Concur Account Management to verify that the client's card feed supports this option.
2. Contact the card provider to see if the feed is a *certified* source of VAT data for the desired tax authorities.
3. Have Concur make the configuration changes for each affected tax authority (each one where the client wants to use the tax amount from the company card import).

Concur will use the **General** step of the **Tax Authority** tab in Tax Administration to make the desired selection from the **Credit Card Tax Field** list.



Refer to *Creating and Defining the Tax Authorities* in this guide.

4. Have Concur make the configuration changes for each affected company card import definition.

Concur will use the Import/Extract Administrator tool – for each affected company card import definition – and select **Allow use of value-added tax from the card transaction**.

Section 10: Tax Amount Calculation

VAT is calculated at the time the expense is saved, either from manual entry by the employee or from company card import. VAT is recalculated when the employee, approver, or processor edits the expense type, date, location, amount, or receipt status.

The system tracks the source of the tax amount (calculated by the system when the employee saves the expense or attaches a company card transaction to an expense report) or if the system-calculated amount was adjusted by a back-office processor. The system does not recalculate and overwrite the processor's edits to the tax amount.

The entry field to subtract from gross (**Entry Field to Subtract from Gross** field) configuration setting affects the tax calculation, described in the relevant sections below.

The basis of the tax calculations when the tax is a percent is that the system computes the *net* expense amount from the *gross* expense amount and the various tax rates. Unless otherwise specified, the assumption is always that the entry amount is the *gross* amount. The equation is derived as follows:

$$\text{GROSS} = \text{NET} + \text{SumOfTaxes}$$

or

$$\text{NET} = \text{GROSS} - \text{SumOfTaxes}$$

where

$$\text{TAX1} = \text{NET} * \text{TaxRate1}$$

$$\text{TAX2} = \text{NET} * \text{TaxRate2}$$

And so forth

and

$$\text{SumOfTaxes} = \text{TAX1} + \text{TAX2} + \dots$$

$$\text{SumOfTaxes} = (\text{NET} * \text{TaxRate1}) + (\text{NET} * \text{TaxRate2}) + \dots$$

$$\text{SumOfTaxes} = \text{NET} * (\text{SumOfTaxRates})$$

Therefore:

$$\text{NET} = \text{GROSS} - (\text{NET} * \text{SumOfTaxRates})$$

$$\text{NET} + (\text{NET} * \text{SumOfTaxRates}) = \text{GROSS}$$

$$\text{NET} * (1 + \text{SumOfTaxRates}) = \text{GROSS}$$

$$\text{NET} = \text{GROSS} / (1 + \text{SumOfTaxRates})$$

Once the system has the *net*, the system can calculate each of the individual taxes. For most countries, this is really a simple calculation, because tax is levied only at the country level. For other countries, such as Canada, this calculation should still arrive at the correct amounts for the various levels of tax.

UK Example (Applicable to all Single-Level VAT Countries)

From the point of sale:

```
NET expense = 125.32 (pre-tax sales total)
VAT rate = 17.5%
VAT = 125.32 * 0.175 = 21.931 rounded to 21.93
GROSS = NET + SumOfTaxes
GROSS = 125.32 + (21.93)
GROSS = 147.25
```

The transaction is entered into the application with the gross amount. The VAT tax rate already exists in the system as part of the UK tax configuration.

So, from the application:

```
GROSS expense = 147.25
VAT rate = 17.5%
NET = GROSS / (1 + SumOfTaxRates )
NET = 147.25 / (1 + 0.175)
NET = 147.25 / 1.175
NET = 125.31914 rounded to 125.32
```

Canadian Example

From the point of sale:

```
NET expense = 569.37 (pre-tax sales total)
GST rate = 5%
PST rate = 7%
GST = 569.37 * 0.05 = 28.4685 rounded to 28.47
PST = 569.37 * 0.07 = 39.8559 rounded to 39.86
GROSS = NET + SumOfTaxes
GROSS = 569.37 + (28.47 + 39.86)
GROSS = 637.70
```

The transaction gets entered into the application with the gross amount. The GST and PST tax rates already exist in the system as part of the VAT tax configuration.

So, from the application:

```
GROSS expense = 637.70
GST rate = 5%
PST rate = 7%
NET = GROSS / (1 + SumOfTaxRates )
NET = 637.70 / (1 + 0.05 + 0.07)
NET = 637.70 / 1.12
NET = 569.375
TAX = NET * TaxRate
GST = 569.375 * 0.05 = 28.46875 rounded to 28.47
PST = 569.375 * 0.07 = 39.85625 rounded to 39.86
```

It is possible that the computed *net* is not the same as the original sales *net* expense. This means that the following validity check will fail:

$$\text{GROSS} = \text{NET} + \text{SumOfTaxes}$$

To minimize this, when calculating the *net* amount for use in calculating the various *tax* amounts, the system does not round the *net* amount. The system uses the full-calculated value for *net* and then calculates the various *tax* amounts. Each *tax* amount must then be rounded to the number of decimal digits of the spend currency.

Later, when the tax tables are populated, the *net* amount is computed and stored based on the following (eliminating further rounding issues):

$$\text{NET} = \text{GROSS} - \text{SumOfTaxes}$$

Special Considerations

The entry may have an amount specified that should be subtracted from the gross entry amount prior to calculating the taxes. This allows for expenses that typically have an additional amount added on after the tax calculation, for example, tips on a meal transaction.

When a country has different taxes applicable to different provinces, as in Canada, the country-level tax authority has to be configured to identify the applicable provinces. For example in Canada, one country-level tax authority is defined for the maritime provinces that use HST and a different country-level tax authority is defined for the rest of the provinces that use GST.

Canadian Provincial Taxes

Canada has one or two levels of VAT, depending on the location: country and province. In addition, there are two special considerations for provincial tax data:

- Harmonization of the country and province-level tax in the maritime provinces; and
- Special calculation methods for Quebec and Prince Edward Island

Provincial Sales Tax

The provincial sales tax (PST) is a tax levied at the provincial level. In the majority of provinces, the system applies the country-level GST and a provincial-level PST to each expense. This is a straightforward calculation as described in the Canadian example above and requires no special handling.

Harmonized Sales Tax

The GST and PST rates are combined into a single Harmonized Sales Tax (HST) in the Canadian provinces Nova Scotia, New Brunswick, Newfoundland, Prince Edward Island and Ontario. For these provinces, the system creates and uses a single total for HST in place of PST and GST. This is fully addressed by the design of the Tax Authority and no special handling is required; the Tax administrator selects all applicable provinces for GST and HST so that each province is represented in one or the other but not both.

Tax Amounts for Distance Expenses

Tax for distance/mileage expenses may be published not as a percent but as an amount per unit of distance. The tax amount is derived as a simple multiplication of the distance and the tax amount per unit of distance. This simple calculation follows through for the reclaim amount per unit of distance as well.

$$\text{Distance} * \text{TaxAmountPerDistance} = \text{TAX}$$

Section 11: Tax Reclaim Calculation

The amount of the tax that is reclaimable is published as a percentage of the tax amount (except for distance expenses where the tax rate is an amount per unit of distance), so this is a simple calculation:

$$\text{ReclaimAmount} = \text{TAX} * \text{ReclaimPercent}$$

There are three considerations to the calculation of the reclaim amount:

- If the expense is domestic to the employee and **Reclaim domestic tax** is not selected, no reclaim amount is calculated (the reclaim is zero).
- If the tax authority is in Canada and **Use extraction factors to calculate reclaim** is selected, the system uses the formula described in the Canadian section below.
- If the entry is marked personal, the reclaim amount is always zero.

Canadian Reclaim Extraction Factors

The Canadian government allows the calculation of the reclaim amount by using special *extraction factors* that are published by the government. This is the most commonly used method of calculation. Even though it nets slightly less over time than the amounts as calculated using actual tax numbers, the administrative burden on the company to keep meticulous manual data overwhelmingly balances in favor of using the extraction factors.

If the tax authority has the country Canada and the Employee Related Configuration has **Tax and Reclaim Amounts** selected for the **Extraction Factors** field, the system uses the extraction factor calculation below in place of the standard reclaim calculation. If no extraction factor has been entered for the tax expense type, the system uses the standard reclaim calculation.

TAX AMOUNT

The basic calculation of the tax amount using extraction factors is very simple.

The tax amount calculation is as follows:

$$\text{TAX} = \text{GROSS} * \text{ExtractionFactor}$$

RECLAIM AMOUNT

The basic calculation of the reclaim amount using extraction factors is very simple.

The reclaim amount calculation is as follows:

$$\text{TAX} = \text{GROSS} * \text{ExtractionFactor} * \text{Reclaim Percent}$$

From the point of sale:

```
NET expense = 569.37 (pre-tax sales total)
HST rate = 13%
NET expense = 569.37 (pre-tax sales total)
HST = 569.37 * 0.13 = 74.0181 rounded to 74.02
GROSS = NET + SumOfTaxes
GROSS = 569.37 + (74.02)
GROSS = 643.39
```

The transaction is entered into the application with the gross amount. The extraction factors are configured in the system as part of the VAT tax configuration. The factors are published by the Canadian government and should always be obtained from that source. Note that the application may optionally calculate only reclaim or both tax and reclaim amounts using the factor. Best practice is to use factors for reclaim only. This is set in the **Extraction Factors** column on the **Employee Related Configurations** tab of the Tax Administration page.

So, from the application:

```
GROSS expense = 643.39
HST(Ontario) Extraction factor = 12/112 = 0.1071428
TAX = GROSS * ExtractionFactor
HST TAX = 643.39 * 0.1071428 = 68.934606 rounded to 68.93
RECLAIM = GROSS * ExtractionFactor * ReclaimPercent
HST RECLAIM = 643.39 * 0.1071428 * 50% = 34.467303 rounded to 34.
```

Domestic vs. Foreign Tax Calculation

The system tracks whether the tax authority is domestic or foreign to the employee based on the home country (and province) identified in the employee's header record.

- **Domestic:** The system calculates and stores the tax data for configured tax expense types in the employee's domestic location, even if the tax amount and/or reclaim amount is zero.
- **Foreign:** The system calculates the tax data for configured tax expense types in the employee's foreign location, but the record(s) does not need to be saved if the resulting reclaim amount is zero.

Reclaim Eligibility Calculation

Even though the reclaim amount is greater than zero, it is possible that the expense is not eligible for reclaim because it does not meet the physical receipt requirements for reclaim processing. This reclaim eligibility needs to be determined and recorded with the other reclaim data for each entry.

The entry is *never* eligible for reclaim if the entry is marked as personal.

If the expense is not marked as personal, the entry is eligible for reclaim if the expense receipt status field has a value equal to or higher than the reclaim mapping record receipt status.

Entry Receipt Status	Reclaim Mapping Record Receipt Status	Eligible for Reclaim
None	None	Yes
None	Receipt Required	No
None	Tax Receipt Required	No
Receipt Available	None	Yes
Receipt Available	Receipt Required	Yes
Receipt Available	Tax Receipt Required	No
Tax Receipt Available	None	Yes
Tax Receipt Available	Receipt Required	Yes
Tax Receipt Available	Tax Receipt Required	Yes

Section 12: Tax Configuration Export

The *export* function allows the Tax administrator to export a tax authority configuration to a comma-delimited .csv file. The admin can use the exported information to review and verify the configuration.

This feature is not used for updates or changes.



For more information about the file format, refer to the *Expense: Tax Configuration Import Specification*.

Section 13: UK VAT Reclamation for Mileage Expenses

The feature for fuel VAT reclaim allows the company to track and reclaim the taxes for fuel **and** for mileage.

NOTE: Concur designed this feature for the UK, but it can be used for other countries with similar needs.

The user records mileage expenses and fuel purchases on the same expense report (also known as a claim) to allow tracking of the reclaimable VAT paid on the fuel that will inevitably be used during mileage journeys. To accomplish this, a spend category called Fuel for Mileage is used.

Companies, who use reporting, may generate a report for missed VAT on mileage.

Fuel Expenses

Generally, a user claims mileage costs – not fuel costs – and never both. However, the tax on the fuel that will inevitably be used during mileage journeys can be subject reclaim. This feature allows the user to have mileage and fuel expenses on the same report, letting the company take advantage of the reclaim. The system reimburses the user for the mileage expenses as usual but not for the fuel expenses.

This section of this guide describes how to configure fuel expenses with a special spend category (Fuel for Mileage) as well as to be "personal" so the user is not reimbursed.

Mileage Expense

This section of this guide describes how to configure complex mileage rates.

What the User Sees

The user may enter the expenses individually or via the Quick Expenses grid. The description below is based on the use of the Quick Expenses grid as the one most likely to be used.

The user creates the report and then clicks **Quick Expenses** to enter their mileage-based expense entries and fuel purchases.

The screenshot shows a window titled 'Car'. At the top, there are two buttons: '+ New Expense' and '+ Quick Expenses'. The '+ Quick Expenses' button is highlighted with a red dashed box and a hand cursor. To the right of these buttons are 'Import Expenses' and 'Details' links. Below the buttons is a table with columns: 'Expenses', 'Date', 'Expense', and 'Amount'. The table is currently empty, and a message 'Adding New Expense' is displayed. At the bottom, it says 'No Expenses Found'.

The **Quick Expenses** appears. The user clicks the **Mileage Expenses** tab.

- On the top portion of the window – **Journey Details** – the user chooses a vehicle and expense type, and then enters the trip information.
- On the bottom portion of the window – **Receipt Details** – the user provides the receipt information and attaches receipts as necessary.

The screenshot shows the 'Quick Expenses' window. It has two tabs: 'Quick Expenses' and 'Mileage Expenses'. The 'Mileage Expenses' tab is selected. Under this tab, there are two sections: 'Journey Details' and 'Receipt Details'. The 'Journey Details' section is highlighted with a red circle. It contains a table with columns: 'Map', 'Transaction Date', 'City', 'Purpose of the Trip', 'From Location', 'To Location', 'Type Of Trip', and 'Business Distance'. The 'Receipt Details' section is also highlighted with a red circle. It contains a table with columns: 'Transaction Date', 'City', 'Country', 'Currency', 'Payment Type', 'Amount', 'Receipt Status', and 'Personal Expen...'. Both sections have an 'Add Row' button. On the right side of the 'Receipt Details' section, there is a context menu with options: 'Add a return Journey', 'Copy Journey', 'Delete Journey', 'Attach Receipt', 'Detach Receipt', and 'Delete Receipt Row'. At the bottom right, there are 'Save' and 'Cancel' buttons.

! IMPORTANT: The **Receipt Details** pane displays **only** if the client has an expense type assigned to the Fuel for Mileage spend category.

This **Receipt Details** panel provides additional information about the fuel receipt and transaction:

- **Transaction Date:** Date of the fuel transaction
- **Country:** Country in which the transaction occurred
- **Payment Type:** Method of payment (cash or credit)
- **Currency:** Currency used to pay for the fuel
- **Amount:** Amount paid for the fuel

- **Receipt Status:** If a receipt is available
- **Fuel Type:** The type of fuel purchased (this list requires additional configuration as described below)

NOTE: The user must enter Fuel for Mileage expenses even if the company does not reimburse the expense, as this is mandatory justification for the VAT reclaimed for the mileage entries per the UK's HMRC.

What the User Sees on the Individual Expense

The **Tax Amount** field shows the maximum potentially reclaimable amount of tax allowed for the journey and is compared to tax paid on Fuel for Mileage receipts on the same report. The **Reclaim Amount** is adjusted up to the available and unused amount of tax paid that has not yet been used on other mileage expenses.

Additional Information

As with other types of expenses, the fuel receipt rows become individual expenses when the user saves the information.

- If there are multiple expense types configured to represent fuel for mileage, the user must select the appropriate expense type from the list above the table grid.
- The **Send Back Expense** field should not be used on a Fuel for Mileage expense, as separating the expense from the corresponding mileage expenses will remove that amount of VAT from the available total for reclamation. Because of this, it is recommended that the **Send Back Expense** field should not be enabled for the **Fuel for Mileage** or **Mileage** expense types.

Configuration

The steps are listed here and described in detail on the following pages:

- **Part 1:** Enable the Quick Expenses grid (recommended)
- **Part 2:** Enable the Quick Expenses grid for mileage (recommended)
- **Part 3:** Associate an expense type with the Spend Category *Fuel for Mileage*
- **Part 4:** Modify the associated tax authority for the expense type associated with the spend category as well as the complex mileage
- **Part 5:** Modify or create a tax group for mileage

Part 1 and 2: Allow the Quick Expenses Grid for Mileage

The Quick Expenses entry grid is a rapid data-entry page that lets users quickly enter many simple expenses in an Excel-like format. While it is not required, it is strongly recommended that it be enabled.

The steps below describe how to allow the Quick Expense grid and how to allow it for mileage expenses.

► **To activate the Quick Expenses grid for mileage:**

1. Click **Administration** > **Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

2. Click **Site Settings** (left menu). The **Site Settings** dialog box displays.
3. Select (enable) these check boxes:
 - ◆ **Allow users to add expenses via Quick Expense grid**
 - ◆ **Allow users to add mileage expenses via Mileage grid**
4. Click **Save**.



Refer to the *Expense: Site Setting Setup Guide* for more information.

Part 3: Create a Fuel for Mileage Expense Type

In order to record fuel purchases, an expense type assigned to the Fuel for Mileage spend category is required. The admin can create a new expense type or use an existing one

NOTE: When the **Mileage Expense** pane is active, the presence of this expense type also activates a **Receipt Details** pane, which was described previously.

USE THE FUEL FOR MILEAGE SPEND CATEGORY

► **To use the Fuel for Mileage Spend category:**

1. Click **Administration** > **Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

2. Click **Expense Types** (left menu). The **Expense Types** page appears.
3. Click **New**, enter a desired expense type, and select the **Fuel for Mileage** spend category.

Expense Types | Expense Type Limits | Itemization Wizard

NEW EXPENSE TYPE

1 General | 2 Policies | 3 Formulas | 4 Attendees | 5 Accounting

Name: Fuel VAT Reclaim

Spend Category: |

Available for:

Has this Parent:

Show on Mobile device:

Itemization:

Itemization Wizard:

- Other
- Advertising/Marketing
- Airfare
- Car Rental
- Cash Advance - Not Partially Approvable
- Cash Advance - Standard
- Company Car - Fixed Expense
- Company Car - Mileage Reimbursement
- Computer
- Entertainment
- Fees/Dues
- Fuel For Mileage**
- Gas

- Fill in the rest of the steps as necessary.



Refer to *Expense: Expense Types Setup Guide* for more information on creating expense types.

CREATE LIST ITEMS FOR FUEL TYPE

The **Fuel Type** list appears on the **Receipt Details** panel. Here is where you populate that list.

► **To create the list items for Fuel Type:**

- Click **Administration** > **Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

- Click **List Management** (left menu). The **List Management** page appears.
- Create a new list (for example, *Fuel Type*), and add values (*Petrol* and *Diesel* as below).

☐ List is Vendor List

List Name:
Fuel Type

Default Search: TEXT Display Format: (CODE) TEXT

Save

Select a list item below. Edit the list item name and code in the right pane.
Click New to add a new list item.

New Remove | Filter By: TEXT

Fuel Type

- Diesel (DIESL)
- Petrol (PETRL)

Item Name: Petrol

Item Code: PETRL

- Click **Save**.



Refer to *Shared: List Management Setup Guide* for more information on creating expense types.

ASSOCIATE THE FUEL TYPE LIST TO THE FUEL TYPE FIELD

► To associate the list to the field:

- Click **Administration** > **Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

- Click **Forms and Fields** (left menu).
- Click the **Forms** tab.
- Select the form used for the *Fuel For Mileage* expense type and add a Custom field with a data type of List.
- Click **Form Fields** tab, open the Custom field, and label as appropriate.

Modify Form Fields

Field Name: Fuel Type (c-24)

Field Label: Fuel Type (c-24)

Data Type: List

List: Fuel Type

Tool Tip:

☒ Required

☐ Has Line Separator After This Field

Control Type: Drop-down List

Default Value Type: None

Itemization Field Source: None

Access Rights

Employee Role: Modify

Approver Role: Read-only

Expense Processor Role: Modify

Expense Processor Manager Role:

Save Cancel

- ◆ Associate the field to the Fuel Type list by selecting this under **List**.
- ◆ Click the **Required** check box.

MARK FUEL FOR MILEAGE AS PERSONAL

This step ensures that the user is not reimbursed for the fuel expenses. The user will be reimbursed for the mileage expense instead.

► **To mark Fuel for Mileage as a Personal Expense:**

1. Click **Administration > Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

2. Click **Forms and Fields** (left menu).

3. Click the **Forms** tab.
4. Open the form used for Fuel for Mileage.
5. Click **Form Fields** tab and open the *Personal Expense (do not reimburse)* field in the **Modify Form Fields** dialog box.
6. In this dialog box:
 - ◆ Select the **Required** check box
 - ◆ For **Default Value**, select Yes
 - ◆ *Best Practice*: Set **Access Rights** to *Read-Only* or *Hidden*

7. Click **Save**.

ADD FUEL FOR MILEAGE TO THE STANDARD TAX GROUP

► **Add the Fuel for Mileage expense type to the Standard Tax Group:**

1. Click **Administration** > **Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

2. Click **Tax Administration** (left menu).
3. Click the **Tax & Reclaim Groups** tab, if it is not already selected.

4. In the **Tax Authority** list, select the appropriate tax authority, probably United Kingdom.
5. Click the Standard group.

Tax Administration

Tax Authorities | Tax & Reclaim Groups | Employee Related Configurations | Export | Reports | Fringe

Tax Authority: United Kingdom with effective dates: Current **Search**

New **Modify** **Remove**

Group Name	Expense Types	Effective Date	End Date	Rate Conditions &
Standard	AACD Certifications, Awards, Breakfast, Company Car Maintenance, Company Car Oil, Company Car Wash, Dinner, Dues, Duplicating, Incidentals, Laundry, Local Phone, Long Distance, Lunch, Misc. Promotional Expense, Office Supplies, Pager, Postage, Seminar Fees, Taxi, Tolls, Trade Shows	08/31/2015		Always Standar
Zero	Airfare, Airfare Ticket Tax, Bank Fees, Subscriptions	01/01/2010		Always Exempt

6. Click **Modify**.
7. On the **Group Name** step, click **Next**.
8. On the **Expense Types** step:
 - ♦ Select (enable) the check box for the expense type that you associated with the Fuel for Mileage spend category.
 - ♦ Select (enable) the **Overwrite Group**.

Tax Authorities | Tax & Reclaim Groups | Employee Related Configurations | Export | Reports | Fringe Benefits

1 Group Name 2 Expense Types 3 Tax Rates 4 Reclaim Rates

Effective Date: 08/31/2015 **Overwrite Group: ☒**

☐ Expense Type Label

- ☒ Fixed Meals (gross)
- ☒ Fuel VAT Reclaim
- ☐ Gas
- ☐ Gifts
- ☒ Incidentals
- ☐ Japan Public Transportation
- ☒ Laundry

9. Click **Next, Next, Done**.

Part 4: Configure the Tax Authority

A tax authority must be modified to add a new tax rate type and tax group for use with mileage expense types. Depending on the country requirements, there may be a need for separate groups for Personal and Company mileage expenses. The following describes a typical configuration for the United Kingdom and assumes that the tax authority already exists.

ADD A TAX RATE TYPE

A new tax rate type must be added to the tax authority.

► To add a new Tax Rate Type:

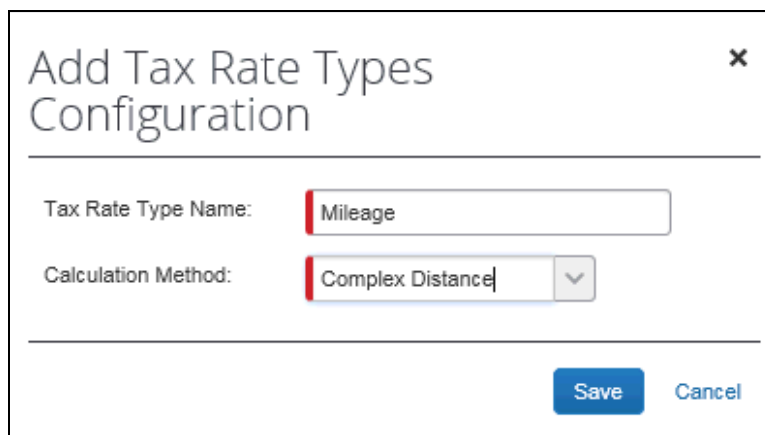
1. Click **Administration** > **Expense** (on the sub-menu).

NOTE: Depending on your permissions, the page may appear immediately after you click **Administration**.

2. Click **Tax Administration** (left menu).
3. Click the **Tax Authorities** tab.
4. In the **Tax Authority** list, either:
 - ♦ Double-click the desired tax authority.
 - or –
 - ♦ Click the desired tax authority and click **Modify**.

The **General** step appears.

5. On the **General** step, click **Next**. The **Tax Rate Types** step appears.
6. Click **New**. The **Add Tax Rate Types Configuration** window appears.



The screenshot shows a dialog box titled "Add Tax Rate Types Configuration". It contains two input fields: "Tax Rate Type Name" with the text "Mileage" and "Calculation Method" with a dropdown menu showing "Complex Distance". At the bottom right, there are "Save" and "Cancel" buttons.

7. Then:
 - ◆ Enter a name.
 - ◆ In the **Calculation Method** list, select *Complex Distance*.
 8. Click **Save** to save the new tax rate type.
- Repeat these steps as needed for additional rate types.
9. Click **Next**. The **Tax Rates** step appears.
 10. Click **New**. Fill in the needed rate information according to the country needs.

Add Tax Rate Configuration [X]

Rate Type: Mileage [v]

Effective Date: 08/01/2015 [calendar icon]

Tax Percent: 20

Distance Rate: 0.26

[Save] [Cancel]

11. Click **Save** to save the new tax rate configuration.
- Repeat these steps as needed for additional rate types.
12. Click **Done**.

Part 5: Create a New Tax & Reclaim Group

To create a proportional tax calculation, create a new **Tax & Reclaim Group** for the mileage expense types.

The following shows the admin how to set up the tax group and reclaim conditions in order to configure the proportional tax calculation.

► To create a new Tax & Reclaim Group:

1. On the **Tax Administration** page, click the **Tax & Reclaim Groups** tab.
2. With the United Kingdom tax authority still selected, click **New**.

3. On the **Group Name** step:

Tax Authorities

Tax & Reclaim Groups

Employee Related Configurations

Export

Reports

1 Group Name

2 Expense Types

3 Tax Rates

4 Reclaim Rates

Group Name:

UK Mileage Tax Group

Entry Field to Subtract from Gross:

None

Reclaim Extraction Factor:

Effective Date:

08/01/2015

End Date:

Tax Form:


None

- ◆ Enter a group name.
- ◆ Select the effective date.
- ◆ Click **Next**.

4. On the **Expense Types** step:

[Tax Authorities](#) |
 [Tax & Reclaim Groups](#) |
 [Employee Related Configurations](#) |
 [Export](#) |
 [Reports](#) |
 [Fringe Benefits](#)

1 Group Name |
 2 Expense Types |
 3 Tax Rates |
 4 Reclaim Rates

Effective Date: 
 Overwrite Group: ☐

☐ Expense Type Label

<input type="checkbox"/>	Cellular Phone	UNA
<input checked="" type="checkbox"/>	Company Car Mileage	Group
<input type="checkbox"/>	Currency Gain/Loss	Stand
<input type="checkbox"/>	Entertainment-Other	Zero
<input type="checkbox"/>	Fixed Lodging	Zero
<input type="checkbox"/>	Fixed Meals	Stand
<input type="checkbox"/>	Fixed Meals (gross)	Zero
<input type="checkbox"/>	Gas	Stand
<input type="checkbox"/>	Gifts	Stand
<input type="checkbox"/>	Japan Public Transportation	Stand
<input type="checkbox"/>	Limousine	Stand
<input type="checkbox"/>	Materials	Stand
<input type="checkbox"/>	Meetings	Stand
<input type="checkbox"/>	Miscellaneous	Stand
<input type="checkbox"/>	Online Fees	Stand
<input type="checkbox"/>	Overnight	Stand
<input type="checkbox"/>	Parking	Stand
<input type="checkbox"/>	Personal Car Expense	Stand
<input checked="" type="checkbox"/>	Personal Car Mileage	Stand
<input type="checkbox"/>	Provided Meals	Stand

- ♦ Select the car mileage expense types (typically *Personal Car Mileage* and *Company Car Mileage*) to the tax group.
- ♦ Click **Next**.

5. On the **Tax Rates** step:

Edit Condition

Name: Diesel: Over 2000cc

Insert Remove

Data Object/Operator	Field/Value	Operation
Entry Car	Engine Size	Greater Than
Value	2000	

- ♦ Click **New** and create the desired number of conditions.
- ♦ Click **Next**.

6. On the **Reclaim Rates** step:

Tax Authorities								
Tax & Reclaim Groups								
Employee Related Configurations								
Export Reports Fringe Benefits								
1 Group Name 2 Expense Types 3 Tax Rates 4 Reclaim Rates								
Reclaim Conditions:			Reclaim Configurations:					
New Modify Remove			New Remove					
Tax Condition	Effective Date	End Date	Reclaim Condi...	Receipt Requi...	Reclaim Rate	Reclaim Type	Proportional C...	Reclaim Tax C...
			Receipt	Receipt	0%		Otherwise	
			Otherwise	No Receipt	0%		Otherwise	
Petrol: Over 2000cc	08/01/2015							
			Tax Receipt	Tax Receipt	100%	Proportional	Otherwise	
			Receipt	Receipt	0%		Otherwise	
			Otherwise	No Receipt	0%	Standard	Otherwise	
Petrol: 1401 to 2000cc	08/01/2015							
			Tax Receipt	Tax Receipt	100%	Proportional	Otherwise	
			Receipt	Receipt	0%		Otherwise	
			Otherwise	No Receipt	0%	Standard	Otherwise	

- ♦ Make the desired changes.
- ♦ Click **Next**.

7. Set up the **Proportional Conditions** for reclaim by double-clicking in the *Proportional Condition* field for the row. There must be a condition identifying the Fuel for Mileage expense type that is used for the comparison of VAT paid to determine the reclaimable amount. Other conditions may also apply.

Edit Condition

Name:

Data Object	Field/Value	Operator
▼ Entry Compare	▼ Expense Type	Equal
Value	▼ Fuel for Mileage	

☒ And ☐ Or

▼ Select One

Value

Some typical proportional reclaim conditions for the UK:

- ◆ The country of purchase on the entry object must match the country of purchase on the Compare Entry object
- ◆ The transaction date on the Compare Entry object must be on or before the transaction date on the entry object
- ◆ The transaction date on the Compare Entry object cannot be more than a client determined number of days on the Entry Object
- ◆ The fuel type on the Compare Entry object must be the same fuel as the car criteria set up on the tax condition
- ◆ The Receipt Status on the Compare Entry object must be Tax Receipt

The screen shown below illustrates how to set up those conditions.

NOTE: A *separate* condition will need to be set up for each tax condition.

Edit Condition

Name:

Data Object	Field/Value	Operator
<input type="checkbox"/> Entry Compare	Expense Type	Equal
Value	Fuel For Mileage	
<input checked="" type="radio"/> And <input type="radio"/> Or		
<input type="checkbox"/> Entry	Country	Equal
Entry Compare	Country	
<input checked="" type="radio"/> And <input type="radio"/> Or		
<input type="checkbox"/> Entry	Transaction Date	Is Before
Entry Compare	Transaction Date	+ 46
<input checked="" type="radio"/> And <input type="radio"/> Or		
<input type="checkbox"/> Entry	Transaction Date	Is After
Entry Compare	Transaction Date	- 1
<input checked="" type="radio"/> And <input type="radio"/> Or		
<input type="checkbox"/> Entry Compare	Receipt Status	Equal
Value	Tax Receipt	
<input checked="" type="radio"/> And <input type="radio"/> Or		
<input type="checkbox"/> Entry Compare	Custom 20 - Fuel Type	Equal
Value	Diesel	

8. After the conditions are set up, click **Next**. The following configuration displays:

Petrol: Over 2000cc						
01/01/2010	Always	No Receipt	100%	Proportional	Proportional Condition	
	Otherwise	No Receipt	0%	Standard	Otherwise	
Diesel: 1600cc or less						
01/01/2010	Always	No Receipt	100%	Proportional	Proportional Condition	
	Otherwise	No Receipt	0%	Standard	Otherwise	
Diesel: 1601cc to 2000cc						
01/01/2010	Always	No Receipt	100%	Proportional	Proportional Condition	
	Otherwise	No Receipt	0%	Standard	Otherwise	

9. Click **Done**.

Audit

If the audit service is turned on, the audit profile must be configured to exclude audit on Mileage expense entries and include Mileage on Fuel for Mileage entries.

About Audit Rules

There are some audit rules considerations that the admin needs to be aware of when using this feature:

- Any audit rules that are created based on mileage tax forms will need to be removed because there are no longer any tax forms associated with mileage; the details that were contained on it is now part of the fuel for mileage expense type
- An audit rule can be created to ensure the user adds enough VAT receipts where the tax amount is greater than the reclaim amount for a mileage journey

For example:

Data Object	Field/Value	Operator
Expense Type	Expense Type	Is
Company Car Mileage/Personal Car Mileage	Company Car Mileage/Personal Car Mileage	Is
Country	Country	Is
UNATED KBGUDOM	UNATED KBGUDOM	Is
Transaction Date	Transaction Date	Is
Total Tax Adjusted Amount	Total Tax Adjusted Amount	Is
Total Reclaim Adjusted Amount	Total Reclaim Adjusted Amount	Is

Please note that the date is included to indicate the effective date of the tax group and is only necessary if it is within the likely timeframe of users making these claims.

- An audit rule can be created to ensure that the user enters receipts only on the Fuel for Mileage expense type and not the Mileage expense type



For more information about configuring audit rules, refer to the *Expense: Audit Rules Setup Guide*.

About Using Split Reports with VAT Calculations

Because the VAT calculations use both the mileage entries and the fuel for mileage entries to calculate the VAT, the admin must ensure that *Send Back Expense* option is not available for any Mileage and Fuel For Mileage expense entry forms. If either the mileage or fuel for mileage entries are being sent through or need to be sent back to the user, then these entries must go through together or sent back together.



For more information about how to configure this, refer to the section *Working with the Forms and Fields Page* of the *Expense: Forms and Fields Setup Guide*.

Section 14: Canada VAT Configuration of Tax Level Extraction Factors

As of March 2016, Concur now allows configuration of extraction factors at the tax rate level. All existing clients are encouraged by Concur stop using group-level configuration for extraction factors and instead to reconfigure extraction factors at the tax-rate level to improve the consistency of your company's VAT configuration.

To reconfigure CA VAT extraction factors from group-level to tax rate-level, follow these steps:

1. End the current Canada tax authority by setting an End Date for each group in that tax authority.
2. Create a new tax authority with extraction factors at tax rate level.
3. Create new tax groups that link to the new extraction factors tax rate.
4. Once the new Canada Tax Authority that uses extraction factors is in effect, remove the old Canada tax authority.

End the Current Canada Tax Authority

Decide on a date after which the pre-extraction factors Canada Tax Authority will no longer be effective. This retirement date needs to be far enough into the future to allow you time to complete the steps in this section.

▶ ***Set an End Date for the groups in your old Canada Tax Authority***

1. On the **Tax Administration** page, click the **Tax & Reclaim Groups** tab.

2. Select the first row and click **Modify**.

The screenshot shows the 'Tax Administration' configuration screen. At the top, there are three tabs: 'Tax Authorities', 'Tax & Reclaim Groups', and 'Employee Related Configurations'. Below these, there are four numbered steps: 1. Group Name, 2. Expense Types, 3. Tax Rates, and 4. Reclaim Factors. The 'Group Name' step is active. It contains the following fields: 'Group Name' with the value 'Zero', 'Entry Field to Subtract from Gross' with a dropdown menu set to 'None', 'Effective Date' with a date field set to '01/01/2010', 'End Date' with a date field set to '12/31/9999' (highlighted with a red oval and a mouse cursor), and 'Tax Form' with a dropdown menu set to 'None'.

3. Edit the **End Date**. Enter the date you desire to retire this tax authority.
4. Click **Next, Next, Done**.
5. Repeat the steps above for each group being use by this tax authority.

Create a New Tax Authority

Create a new tax authority with extraction factors at the tax rate level.

For numbered steps, refer to **Step 2** of *Section 7: Configuration - Add VAT Configurations and Rates* in this document.

Create New Tax Groups

Create new tax groups that link to the new extraction factors tax rate.

For numbered steps, refer to **Step 3** of *Section 7: Configuration - Add VAT Configurations and Rates* in this document.

Remove the Current Canada Tax Authority

► Remove the current Canada Tax Authority

1. On the **Tax Administration** page, click the **Tax Authorities** tab.

2. Select the existing Canada tax authority and click **Remove**.

Confirm Action

?

Remove selected tax authority and associated tax rates and reclaim groups?

Yes

No

3. Click **Yes**.

