

# Business One in Action – How to Record the Validity of Tax Exemption Certificates?



## Applies to:

SAP Business One, [Accounting](#), [General Finance](#), [Logistics](#), [Sales and Purchasing](#)

## Summary:

In many countries some organisations such as charities or churches are exempt from paying tax. These organisations may be in receipt of a tax exemption certification with a definite validity date range. Some localisations of SAP Business One have an integrated functionality that caters for this requirement, others do not. This article is aimed at the localisations where the functionality is not integrated.

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## Author Bio:

Kerstin Pauquet joined SAP in 2003 and is currently active as Global Topic Lead and Support Expert for SAP Business One. She has worked as both technical and business consultant. She authored this article as a direct response to a partner enquiry during the Expert-on-Phone project, where she consulted on mainly financial and banking related topics.

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## How to Record the Validity of Tax Exemption Certificates?

In many countries some organisations such as charities or churches are exempt from paying tax. These organisations may be in receipt of a tax exemption certification with a definite validity date range. Some localisations of SAP Business One have an integrated functionality that caters for this requirement, others do not. **The following workaround is for localisations where this functionality is not integrated.**

1. Create several *user-defined fields* (UDF) on the header level of the *Business Partner* (BP) master data as follows:
  - a. UDF 1:
    - i. Title: Cert
    - ii. Description: Tax Exemption Certificate Number
    - iii. Type: Alphanumeric
    - iv. Length: 20
    - v. Structure: Regular
  - b. UDF 2:
    - i. Title: Start
    - ii. Description: Valid From
    - iii. Type: Date/Time
    - iv. Structure: Date
  - c. UDF 3:
    - i. Title: End
    - ii. Description: Valid To
    - iii. Type: Date/Time
    - iv. Structure: Date

Category	Title	Description	Type	Dflt	Mand.	Index	Li...
▼ Master Data					<input type="checkbox"/>	<input type="checkbox"/>	
Activities					<input type="checkbox"/>	<input type="checkbox"/>	
Agent Name					<input type="checkbox"/>	<input type="checkbox"/>	
▼ Business Partner					<input type="checkbox"/>	<input type="checkbox"/>	
▼ Business Partner	Cert	Tax Certificate	Alphanumeric (20)		<input type="checkbox"/>	<input type="checkbox"/>	
Start	Start	Valid From	Date		<input type="checkbox"/>	<input type="checkbox"/>	
End	End	Valid To	Date		<input type="checkbox"/>	<input type="checkbox"/>	
Business Partners - Addresses					<input type="checkbox"/>	<input type="checkbox"/>	
Contact Persons					<input type="checkbox"/>	<input type="checkbox"/>	
Cargo Customs Declaration Numbers					<input type="checkbox"/>	<input type="checkbox"/>	
▶ Employees					<input type="checkbox"/>	<input type="checkbox"/>	
G/L Accounts					<input type="checkbox"/>	<input type="checkbox"/>	
Item Groups					<input type="checkbox"/>	<input type="checkbox"/>	

2. Enter the data into the *UDF* attached to the BP master data and assign the appropriate VAT Status:

Business Partner Master Data - General

Code: C1009 Customer  
 Name: Good Samaritan Foodhall  
 Foreign Name:   
 Group: Customers  
 Currency: British Pound  
 Federal Tax ID: GB121345678

Account Balance: Local Currency  
 Deliveries: 0.00  
 Orders: 0.00  
 Opportunities:   
 Tax Certificate: 123456789  
 Valid From: 01.05.09  
 Valid To: 31.05.10

Tax Status: Exempt  
 Tax Group: X0 Exempt Output

3. Save a query that will highlight imminent tax exemption certification renewal requirements, such that either the VAT status of the BP can be changed accordingly or the number of a new, valid tax certificate can be entered, for example:

Select

t0.cardcode, t0.cardname, t0.U\_End from

ocrd T0

where

T0.U\_cert is not null or T0.U\_cert <> "

and

datediff(d, getdate(), T0.U\_End) <= 30

for browse

The query result will display all BP codes, names and date where the expiry date of the tax exemption certificate is within the next 30 days (counted from the system date).

4. The query can then be linked to an alert for an appropriate user and set to trigger automatically at set intervals:

The Alerts Management dialog box is shown with the following configuration:

- Name: Tax Exemption Expiry
- Priority: High
- Active:
- Query: TaxExemptionCertificate
- Open Saved Query:
- Frequency: Every 1 Weeks, On Tuesday, At 08:00
- Save History:

#	To	Int.	E-Mai	SMS	Fax
5	Donna Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Doris Labour	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Fred Buyer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	James Chan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Jim Boswick	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	John Peterson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Linda Hudson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12	manager	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13	Michael Spear	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14	Sophie Klogg	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Buttons: OK, Cancel

5. The user to be notified will then receive an alert like such and can act upon it:

The Messages/Alert Overview dialog box shows the following details:

Inbox	Outbox	Sent Messages
Subject	Date	From
Tax Exemption Expiry	25.05.10	Server

  

#	BP Code	BP Name	Valid To
1	C1009	Good Samaritan Foodhall	31.05.10
2	C1010	Donkey Sanctuary	14.06.10

Buttons: Forward, Reply, Delete, Out of Office

## Related Contents

- [SAP Business One in Action Catalog Page](#)
- How-to-Guides are available from the [Documentation Resource Centre](#)
- [How to Create User-Defined Fields and Tables](#)
- For more information, visit the [Business One homepage](#).

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