Set tax for budgeting: inclusive or exclusive

Learn how to create a tax account for the budget, create a specific tax code to set the tax rate, ensure the supplier is set correctly and set the tax defaults in order defaults to be exclusive or inclusive for Stockitems in Amlib.

**Tax Exclusive**

It is possible to specify a separate Budget Account for GST Expenditure, which the system can then use to keep track of the amount used for Tax over the Budget year.

This is done by creating a Budget Account (for example: TAX or GST) and for this Budget Account to be allocated to a Tax Account in the Tax Accounts table (which in turn is linked to a Tax Code).

If a Tax Account is defined for a Tax Code and this Tax Code is entered in a Supplier record – any Order that uses this Supplier will have the committals adjusted in two places (this occurs at the point an Order Line is saved):

- The Tax exclusive amount is saved to the nominated Order Line (Budget) Account (for example: SF – the Account set up for Senior Fiction items)
- The Tax amount is saved to the specified Tax Account (for example: GST or TAX)

**Tax Inclusive**

If no Account is associated with the Tax Code, then the total value of an order (including GST) will posted to the specified Order Line (Budget) Account. Therefore, without a Tax Account all Accounts for the budget include GST.

If no Tax Code is set in a Supplier the cost at the Order Line window will only show as Tax Inclusive.

**Create a Tax Account for the Budget**

If the Tax is to be shown separately as a Budget Account, first set up the Tax or GST Account when creating the Accounts to be included in the Budget, as you would create other Accounts to be used.
1. Go to **Main > Finance > Budgets** – the Budgets Total table will display
2. From the Funds Menu select Accounts
3. The Fund Accounts and GL Codes window will display
4. Add a Tax accounts as required, by selecting **F1 New** and enter the details of the new Account
5. Select F3 Save

Create a specific Tax Code to set the Tax Rate

1. Launch the Amlib client
2. Go to Main > Orders > OrderHeader – the Order Header screen will display
3. From the menu, select Orders > Order TaxAccounts – the Tax Accounts screen will display:

4. Select the F1 New or F2 Insert button to create a new entry
5. Set the Code, Description, Rate and Account (which was created earlier)
6. Click the **F3 Save** button when complete

<table>
<thead>
<tr>
<th>FIELDS</th>
<th>EXPLANATION</th>
<th>EXAMPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code</td>
<td>Code for Tax description</td>
<td>GST</td>
</tr>
<tr>
<td>Description</td>
<td>Description of the Tax that is able to be applied</td>
<td>Goods and Services Tax</td>
</tr>
<tr>
<td>Rate</td>
<td>Rate at which the Tax is to applied</td>
<td>10% which would be a rate of 1.10</td>
</tr>
</tbody>
</table>
| Account  | Able to set up a Budget Account to hold Tax amounts separately. If no Account is entered here, the Budget amounts for other Accounts will contain the Tax component. If an Account is entered here, the Budget amounts for other Accounts will not contain the Tax component. | A Budget Category of **TAX** is created to hold amounts spent on Tax. **The items posted to the other Budget Accounts will not contain Tax.**  
**Note:** The Tax Code needs to be entered in the Supplier to enable this to be created |

**Ensure the Supplier is set correctly**

The Tax Code also needs to be defined in the Supplier details to indicate that Orders from this Supplier are Tax deductible.

https://help.oclc.org/Library_Management/Amlib/Finance_and_orders/Set_tax_for_budgeting_inclusive_or_exclusive

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Set the Tax Defaults in Order Defaults to be Exclusive or Inclusive for Stockitems

Whether this is set to Tax Exclusive or Tax Inclusive is determined by the Order Defaults screen:

1. Launch the Amlib client
2. Go to Main > Orders > OrderHeader – the Order Header screen will display
3. From the menu, select Orders > Order Defaults – the Order Defaults screen will display:
4. Click the **F1 New** or **F2 Insert** button to create a new entry

5. Set the Library Group, Location, Default Type, Default Condition, Item Locations and Process Code and Tax setup

6. Click the **F3 Save** button when complete

**Cost** to be used when entering the current cost into Stockitem

- **Tax Inclusive**

Select either to include or exclude Tax using the radio button – **Tax Inclusive** or **Tax Exclusive**
## Order Defaults

**F3 Update**

<table>
<thead>
<tr>
<th>Library Group</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>LIB</td>
<td>DEFAULT</td>
</tr>
</tbody>
</table>

**Order Header**

- **Default Type**: NORM
- **Default Condition**: APPRO

**Order Line - Item Locations**

- **Is the Permanent Location the same as the Login Location for all newly Ordered Items?**
  - Yes
  - No
  - Order Perm Location: EAS

- **Is the Temporary Location the same as the Login Location for all newly Ordered Items?**
  - Yes
  - No
  - Order Temp Location: EAS

**Order Line - Item Other**

- **Process Code**: IN PROCESS
- **Show In Opac**: Y
- Which cost is used when updating Stock Items associated with an Ordered Item?
  - Tax Inclusive
  - Tax Exclusive

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![Image](https://help.oclc.org/Library_Management/Amlib/Finance_and_orders/Set_tax_for_budgeting_inclusive_or_exclusive)