

Accounting Core: Accounts Payable – Apply Tax to Vendor Setup and Invoices

Introduction

Taxes, such as Use Tax, GST (PST or HST) Tax, VAT Tax, Sales Tax, and Withholdings, are used within the Accounts Payable module. Taxes are applied to invoices. Users can opt to incorporate default tax in vendor settings, allowing all created invoices for that vendor to include taxes or the user can add taxes during invoice creation manually, provided the Tax is accessible to the Company/Property, before finalizing the invoice.

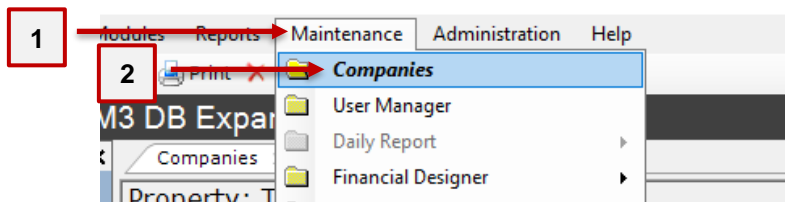
Objective

Understand how taxes are applied to vendor settings and invoices within Accounts Payable module.

Steps

Follow the steps below to apply use tax to vendors.

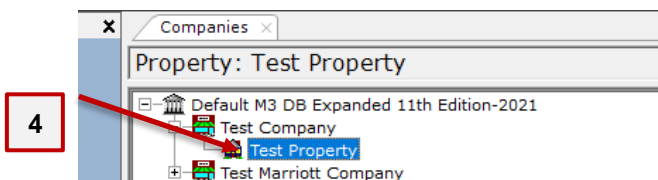
1. From the top menu bar, click on **Maintenance**.
2. Click on **Companies**. Note: if preferred to complete on property level, continue the next two steps. If not, click on desired Company level.



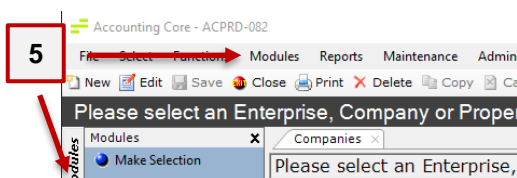
3. Expand the company / property tree by clicking on the (+) symbol.



4. Click on the desired **property**.

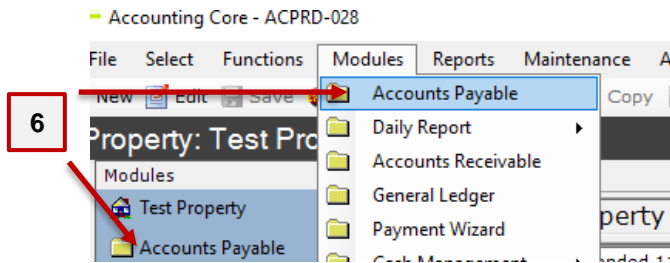


5. Click **Modules**.

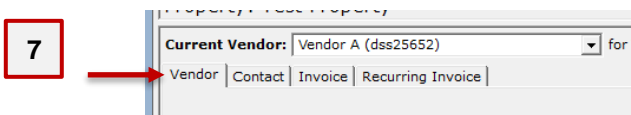


Accounting Core: Accounts Payable – Apply Tax to Vendor Setup and Invoices

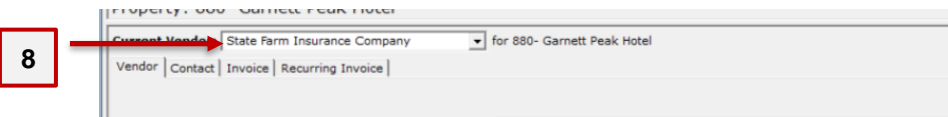
6. Click the **Accounts Payable** module.



7. Select the **Vendor** tab.



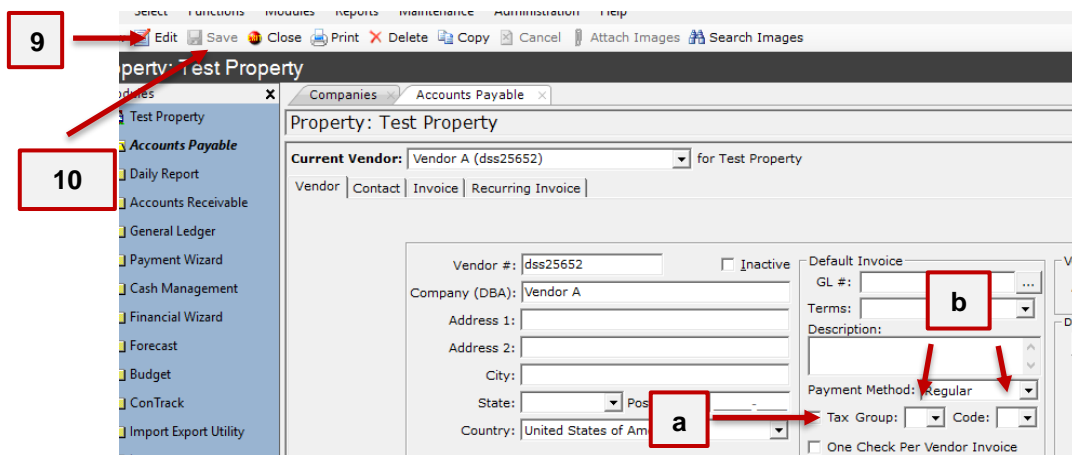
8. Choose the vendor from the **Vendor drop down** or from the bottom of the screen.



9. Click **Edit**.

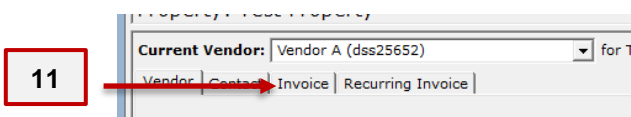
- Check the box that states **Tax Group**.
- Select the correct **Tax Group** and correct **Tax Code**.

10. Click **Save**.



Follow the steps below to apply the tax to an Invoice.

11. Click the **Invoice** tab.



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12. Click **New**.

- a. Enter all required fields including the amount next to the tax amount (Invoice #, Accounting Period Date, Invoice Date, Due On date, and coding [GL account # and amount]).
- b. The **tax box** field should be checked if taxes were set up on the vendor (steps 1-10 above). If not, complete the next 3 steps.

- i. Click the **three ellipses** in the column Tax Grp / Code
- ii. Select the correct **Tax Group and Tax Code**
- iii. Click **OK**

13. Click **Save**.

The screenshot shows the M3 Accounts Payable interface for 'Property: Rebecca's Inn Suites'. A red box labeled '12' points to the 'New' button in the top menu. A red box labeled '13' points to the 'Save' button. The main form contains several fields: 'Invoice #' (123), 'Amount' (100.00), 'Accounting Period Date' (5/9/2024), 'Invoice Date' (5/9/2024), and 'Due On' (5/9/2024). A red box labeled 'a' is around the 'Invoice #' field. To the right, there are checkboxes for 'Approved', 'Regular', 'Paid On', 'Bank Account', 'Notes', 'Check No', and 'Cleared'. A red box labeled 'b' is around the 'Approved' checkbox. Below the main form is a 'Ledger Accounts' table with columns: Account, Description, Amount, Tax Amount, Tax Grp/Code, and Tax. The first row shows '83550.000 Miscellaneous' with an amount of 100.00 and a tax amount of 0.00. A red box labeled 'bii' is around the 'Miscellaneous' description. A red box labeled 'bi' is around the 'Tax' column header. A red box labeled 'biii' is around the 'Tax Grp/Code' column header. At the bottom, there are sections for 'Tax Configuration', 'Invoice Details', 'Line Item Details', 'Taxes', and 'Construction Codes'. A red box labeled 'biii' is around the 'OK' button at the bottom of the 'Taxes' section.