



GST, PST, and HST Setup Procedures



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What this Handout Includes

The DDMS software incorporates several features designed to handle Canada's Goods and Services Tax (GST), Provincial Sales Tax (PST), and combined GST and PST (HST).

This handout gives instructions for setting up your system to calculate the GST, PST, and HST and describes the invoice formats and sales reports that show these figures.

What You Need To Set Up

Any feature that requires setup is shown below. If you are going to use GST, you must first set them up. Next to each feature listed below is the heading that gives instructions for enabling it.

1. Set up the local sales tax in the (AT) Tax District Tables screen. See the heading **Setting Up the (AT) Screen**.
2. Set up the local sales tax in the (AT) screen. See the heading **Setting Up Customers for PST and HST**.
3. Set up the taxing parameters. See the heading **Setting Up the (L4) Screen**.
4. Set up the parameters in the (LØ) Global Master Parameters screen. See the heading **Setting up the (LØ) Screen**.
5. You must add a GST Paid account to your chart of accounts. You must also add both a GST and HST Received account. See the heading **Setting Up the (J) Screen**.
6. After you create the accounts, you must add them to the G/L parameters. See the heading **Setting Up the (L2) Screen**.
7. There are two invoice formats that can be used with GST. See the heading **Setting Up GST Invoice Formats**.
8. Set up the sales reports for use with GST. See the heading **Setting Up GST Sales Reports**.

Setting Up the (AT) Screen

In the (AT) screen, you can set up any PST and HST districts to handle the tax. A tax district is a code that represents a percentage of tax. You set up tax districts and assign them to a customer to represent a taxing structure for that customer or for a geographic region. Use the following instructions to set up PST and HST districts:

- 1 Go to the (AT) screen and select the [A] Add action code.

- 2 The cursor moves to the Nbr field. Enter the PST or HST code you want to add. For example, if you are entering a PST code, you might want to enter an abbreviation for that province. If the province is Alberta, you might enter ALB. See Figure 1.

You can enter up to four alphanumeric characters in this field. If you enter fewer than four characters, press Tab. You must enter this code in the Dist field in the Order Entry Record in the (A) Customer Master screen to assign a customer to the tax district. (This is explained later in this handout.)

- 3 The cursor moves to the Description field. In this field, enter a description that helps you identify the district. You can enter up to 15 alphanumeric characters in this field.
- 4 In the Tax% field, enter the PST or HST percentage.
- 5 In the Amt field, enter the dollar limit (cap) that can be taxed for the tax district, if any. For example, to limit the amount that can be taxed to \$2000, enter 2000 in this field.
- 6 The cursor moves to the LU field. In this field, you specify whether you want the tax figured on individual units or on the extended dollar amount for each line item.

- Y** Base the tax in order entry on individual units for each line item.
- N (Default)** Base the tax in order entry on an extended dollar amount for each line item.

Figure 1: Setting Up PST Districts in the (AT) Screen

```

13:15:07          (AT) TAX DISTRICTS TABLES REV. (08/12/96)          09/06/96
-----
ACTION [C]      (A-Add, C-Change, D-Delete, I-Inquiry, B-Back To A)  Loc [  ]
-----
Nbr.  Description  Tax%  Amt  LU  Nbr.  Description  Tax%  Amt  LU
-----
ALB   ALBERTA     7.0   -   -
    
```

- The cursor returns to the Nbr field so you can continue to add tax districts. When you finish adding districts, press Esc.

Setting Up Customers for PST and HST

Once you've set up your PST and HST codes and percentages, you must assign the codes to the customers in the (A) Customer Master screen. Use the following instructions to set up customers for PST and HST:

- Go to the (A) screen and select the [C] Chg action code.
- The cursor moves to the Name field. Retrieve the customer who you want to set up with PST or HST, and press Enter.
- At the Correct Record prompt, type Y to specify that this is the correct customer.
- The cursor returns to the Name field. Press Enter until the cursor moves to the Taxable field in the Order Entry record.
- With the cursor in the Taxable field, press Tab until the cursor moves to the Dist field, as shown in Figure 2.
- In the Dist field, enter the PST or HST tax code you want to assign the customer and press Enter. For example, if you set the PST code to ALB (to represent the province of Alberta) in the (AT) screen, you would enter ALB here.
- The system displays the next customer in the database and repeats the Correct Record prompt so you can continue to assign PST and HST tax codes.

Figure 2: The Dist Field in the (A) Screen

```

13:10:35                (A) CUSTOMER MASTER REV. (08/12/96)                09/06/96
ACTION [C] -----
A-Add,C-Chg,D-Del,I-Inq,F-Card,G-Auto,L-List,H-His,Q-Serv,S-Sale,T-Tax,R-Reindex
----- Company Location [__] ----- S-H-I-P-P-I-N-G A-D-D-R-E-S-S ---
Acct # _____ Dept : _____ Suite : _____
Name : _____ Addr. : _____
Suite : _____ City : _____
Addr. : _____ State :__ Zip # _____ [____]
City : _____ Contact [ _____ ]
State :__ Zip # _____ [____] National Drop Ship Account Y/N ?_
Phone #__-__-__ Sic :#20 Prepay ?_ ----- ORDER ENTRY -----
Status O/E :_ Slsm # _____ Route : _____ Taxable Y/N :_ Dist : _____ Remote ID :__
Stat. Exempt [ ] Credit Limit $ _____ Status OE :_ TM1 :_ TM2 :_ OE Exmp :_
Entry Date :MM/DD/YY Start Limit $ _____ Catalog Price :_ Best Pricing :_
----- ADDITIONAL NAME & CONTACT ----- Disc Type :_ ._% Hold Type :_ #__
Name [ _____ ] Contracts [__] [__] [__] [__]
Contact [ _____ ] Type ?_ Cost M/W/A ?_ Cost Plus if Net :_
----- R-E-M-A-R-K-S ----- Up List ____.% Columns :_
Fax Number #__-__-__ P/O Required ?_ B/O ?_ Substitutes ?_
[ _____ ] Formats : Pick Ticket :__ Invoice :__
[ _____ ] Hold ?_ Invoice Copies :_
[ _____ ] Laundry List ID :__
-----

```

- When you finish assigning codes to your customers, press Esc.

Setting Up the (L4) Screen

In the (L4) Federal Payroll Tables screen you must set the fields that specifically affect GST, PST, and HST. Use the following instructions to set up the (L4) screen:

- Go to the (L4) screen and select the [C] Change action code. See Figure 3.
- The cursor moves to the Social Security Emp % field. Press Tab until the cursor moves to the Calculate State (GST) and District (PST) Taxes Separately field.
- The Calculate State (GST) and District (PST) Taxes Separately field lets you specify whether you want to combine the GST percentage and the PST percentage into one tax percentage.

This field works in conjunction with the Calculate By Line field in the (LØ) screen to calculate tax. There are four different ways you can specify that the system calculate GST and PST. The method you choose depends on the specific needs of your business.

For example, you must decide if you want the system to report and calculate the tax for each item on a line-by-line basis. You must also decide if you want the GST and PST to be calculated separately or together.

**Figure 3:
GST, PST, and
HST Fields in
the (L4) Screen**

Action [I] (C=Change, I=Inquiry)		Federal Tax Tables From Circ. E			
		From	To	Amt.	Tax%
Social Security	Emp % 6.20 Co % 6.20	S 1 \$ 0	\$ 2650	\$ 0	% 0.0
	Maximum SS Amount \$ 72600	I 2 \$ 2650	\$ 27300	\$ 0	%15.0
		N 3 \$ 27300	\$ 58500	\$ 3698	%28.0
		G 4 \$ 58500	\$131800	\$ 12434	%31.0
Medicare	Emp % 1.45 Co % 1.45	L 5 \$131800	\$284700	\$ 35157	%36.0
		E 6 \$284700	\$999999	\$ 90201	%39.6
		7 \$999999	\$999999	\$	%39.6
Federal Dependent Allowance (Annual)	\$ 2750	8 \$999999	\$999999	\$	%39.6
		These Tables Are Annual			
Calculate State(GST) and District(PST)	Taxes Separately Y/N ?	M 1 \$ 0	\$ 6450	\$ 0	% 0.0
Districts(PST) Exempt from State Tax:	From ? To ?	A 2 \$ 6450	\$ 47500	\$ 0	%15.0
(HST) Districts (Combined GST & PST):	From ? To ?	R 3 \$ 47500	\$ 98500	\$ 6158	%28.0
Item Depts Exempt from District(PST) Tax:	From ? To ?	R 4 \$ 98500	\$163000	\$ 20438	%31.0
		I 5 \$163000	\$287600	\$ 40433	%36.0
		E 6 \$287600	\$999999	\$ 85289	%39.6
		D 7 \$999999	\$999999	\$	%39.6
		8 \$999999	\$999999	\$	%39.6

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For the system to base the tax on unit price, the Calculate Tax by Line field in the (LØ) screen must be set to Y.

The following methods show the taxing options available:

Method 1 = The Calculate By Line field in (LØ) is set to **Y**

The Calculate State (GST) and District (PST) Separately field in (L4) is set to **N**

The tax for each item is calculated on a line-by-line basis. Tax can be reported by line. The total tax and GST are calculated separately. The system uses the following formula to print the tax amounts:

$$\text{Total Tax} - \text{GST} = \text{PST}$$

Method 2 = The Calculate By Line field in (LØ) is set to **Y**

The Calculate State (GST) and District (PST) Separately field in (L4) is set to **Y**

In this method, the tax for each item is calculated on a line-by-line basis. Tax can be reported by line. GST and PST are calculated separately. The system uses the following formula to print the tax amounts:

$$\text{PST} + \text{GST} = \text{Total Tax}$$

Method 3 = The Calculate By Line field in (LØ) is set to **N**

The Calculate State (GST) and District (PST) Separately field in (L4) is set to **N**

In this method, the tax is calculated on order totals. The tax cannot be reported by line. The total tax and GST are calculated separately. The system uses the following formula to print the tax amounts:

$$\text{Total Tax} - \text{GST} = \text{PST}$$

Method 4 = The Calculate By Line field in (LØ) is set to **N**

The Calculate State (GST) and District (PST) Separately field in (L4) is set to **Y**

In this method, the tax is calculated on order totals. The tax cannot be reported by line. GST and PST are calculated separately. The system uses the following formula to print the tax amounts:

$$\text{PST} + \text{GST} = \text{Total Tax}$$

In the Calculate State (GST) and District (PST) Separately field, specify whether you want to combine GST and PST into one tax. If you want the system to calculate GST and PST separately, type **Y**. If you want the system to combine GST and PST, type **N**.

- 4 In the Districts (PST) Exempt From State Tax From/To fields, you can specify a range of tax district codes to exempt from GST.

For example, if you have customers who are exempt from GST such as church affiliation customers, you would specify the tax districts in these fields.

- 5 In the (HST) Districts (Combined GST & PST) From/To fields, you can specify a range of tax district codes that you want to include for HST. You use these fields for those customers who you combine GST and PST for.

You assign your customers an HST tax district code in the (AT) screen.

- 6 In the Item Depts Exempt from District (PST) Tax From/To fields, you can specify any item departments that are exempt from PST.

Setting Up the (LØ) Screen

There are two fields in the (LØ) screen that specifically affect the GST: the State Tax % and the GST fields. The State Tax % field works in conjunction with the GST field and allows your system to track the GST separately from any tax districts you may have set up in the (AT) screen. You also specify whether you want the system to base the tax by line item or by invoice subtotal in the Calculate Tax by Line field. Use the following instructions to set up the (LØ) screen:

If you have separate parameters for multiple inventory locations, you must repeat these steps for each location.

- 1 Go to the (LØ) screen and select the [C] Change action code.
- 2 The cursor moves to the G/L Location field which displays the default location. To accept the default, press Tab. To set parameters for a different location, type in the number. For example, to set or change parameters for location 2, type 2.
- 3 When the cursor moves to the Name field, press Tab until the cursor is in the State Tax % field, as shown in Figure 4. Enter the GST percentage paid by taxable customers. You can enter any necessary tax districts for local sales tax in the (AT) screen.
- 4 In the GST field, type Y. At this point, the system tracks the GST separately from any tax districts that you may have set up in the (AT) screen. In addition, when you post invoices in the (D) Accounts Payable Posting screen, the system automatically calculates the GST amount and displays it as a separate line on the invoice. Press Tab to move the cursor to the Calculate Tax by Line field.
- 5 In the Calculate Tax by Line field, specify whether you want the system to base the tax by line item or by invoice subtotal. See Figure 4. This field works in conjunction with the Calculate State (GST) and District (PST) Taxes Separately field in the (L4) screen to calculate GST and PST

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tax. There are four different taxing methods you can use depending on how these two fields are set up.

- 6 To return to the action code field, press Enter.

Setting Up the (J) Screen

For the system to base the tax on unit price, the Calculate Tax by Line field in the (LØ) screen must be set to Y.

You must add a GST Received account and a GST Paid account to your chart of accounts. Use the following instructions to set up an account in the (J) screen:

- 1 Go to the (J) screen and select the [A] Add action code.
- 2 The cursor moves to the Account # field. Enter a unique general ledger (G/L) number for your GST Paid account.
- 3 In the Name field, specify a name that describes the account, GST Paid for example. Press Tab.
- 4 The cursor moves to the Carry Forward field. Type Y.
- 5 When the cursor moves to the Budgeted field for period 1, press Enter.
- 6 The cursor returns to the Account # field. Enter a general ledger (G/L) account number for the GST Received account.
- 7 In the Name field, specify a name that describes the account, GST Received for example. Press Tab.
- 8 The cursor moves to the Carry Forward field. Type Y.
- 9 When the cursor moves to the Budgeted field for period 1, press Enter.

Figure 4: The (LØ) Global Master Parameters Screen

```
15:34:13 (LØ) Global Master Parameters 04/11/02
=====
ACTION [I] (C=Change, I=Inquiry) G/L Location [ 1 ]
=====
Name :DOC TEST SYSTEM Save Parameter Changes Y/N ?Y
Suite :11111 Last Change 03/27/02
Street :P.O.BOX 507 Locations to Exclude From # To #
City :KELLER Stock Room Locations From #10 To #98
State :TX Zip #76248 Commissions/Taxes on Paid Invoices ?Z
(Y=Commissions, T=TaxeS, Z=Both)
Phone Number #817-431-0668 ===== VOLUME SERIALS =====
Federal #12-12345678 | Customer =IN?? | Order Ent. =SR??
State Tax #12-123456-1 | A/R =IN?? | P/O'S =IN??
State Tax % GST Y/N ? | Vendor =IN?? | G/L =IN??
Round Tax up to Higher Cent Y/N ?Y | A/P =IN?? | Salesman =IN??
Use Only State Tax for P.O.S. Y/N ?N | Inventory =IN?? | Personnel =IN??
Calculate Tax by Line Y/N ?N | Inv. Hist =IN?? | Payroll =IN??
| Inv. Aux =IN?? | Sales Jour =IN??
Set Order Writer in Main Menu Y/N ?N | Inv. Whl =W1?? | Sales Hist =IN??
Using Multiple UOM's for an Item Y/N ?Y | Serial =IN?? | Tele.Mark. =IN??
Using RoadRunner Y/N ?Y | Contract =IN?? | System =SR??
| Rpt.Writer =SR?? | Work =W2??
=====
```

- 10 When the cursor returns to the Account # field, enter a unique general ledger (G/L) account number for the HST Received account.
- 11 In the Name field, specify a name that describes the account, HST Received, for example. Press Tab.
- 12 In the Carry Forward field, type Y.
- 13 When the cursor moves to the Budgeted field for period 1, press Enter.
- 14 The cursor returns to the Account # field. Press Esc until the cursor returns to the Master Menu.

Setting Up the (L2) Screen

When you create the GST Paid account and the GST and HST Received accounts, you must add them to the G/L parameters. Otherwise, your general ledger application will not function properly. Use the following instructions to add the account:

- 1 Go to the (L2) G/L Master Numbers screen and select the [C] Change action code.
- 2 The cursor moves to the Current Period field. Press Tab until the cursor is in the GST Pay field on the A/P line.
- 3 Enter the number you created for the GST Paid account in the (J) screen. See Figure 5.
- 4 The cursor moves to the Discount field on the A/P line. Press Tab until the cursor is in the GST Rec field on the Taxes line and enter the number you created for the GST Received account in the (J) screen.

Figure 5:
Adding GST Information in the (L2) Screen

02:06:44		(L2) G/L Master Numbers				04/15/98			
Action [I] (C-Change, I-Inquiry)									
Ledger Numbers Used by System to Automatically Post to Ledger.									
	Current Period ? 10			Fiscal Year ?96			Auto Post Y/N ?Y		
	A/R	A/P	Payroll		Discount				
Cash	:101-01	:101-01	:101-01	:	-	:	-		
	Control				Discount Interest				
A/R	:102-01	:	-	:	-	:402-01	:901-25		
	Control				Gst Pay.	Discount			
A/P	:201-01	:	-	:	-	:220-32	:901-01		
	Control	Credit							
Sales	:401-01	:401-01	:	-	:	-	:	-	
	Control	Inv/Purch							
Cost	:500-00	:104-00	:	-	:	-	:	-	
	Co. SS	Emp.SS	Fed.With	S.With	Insur.	C.With	401K	E	
Payroll	:651-45	:220-11	:220-20	:220-21	:220-60	:220-22	:220-55		
	Co. MC	Emp.MC							
Payroll	:651-44	:220-16	:	-	:	-	:	-	
	State	Gst Rec.	Gst Rec.						
Taxes	:220-30	:220-31	:220-32	:	-	:	-		

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- 5 When the cursor moves to the HST Rec field, enter the number you created for the HST Received account in the (J) screen.
- 6 When you finish adding GST and HST information, press Enter until the cursor returns to the Master Menu.

Setting Up GST Invoice Formats

The following invoices are designed for use with the GST:

- 4C** This invoice format provides a breakdown of the GST and provincial taxes for each item on the invoice.
- 4G** This invoice format shows the total GST and provincial taxes for the entire invoice. It does not provide an item-by-item breakdown.

Use the following instructions to set up invoice formats:

- 1 Go to the (L1) Terminal and Ticket Parameters screen and select the [C] Change action code.
- 2 Press Enter to move the cursor to the correct logical terminal.
- 3 When the cursor moves to the correct logical terminal, press Tab until the cursor is in the Invoices Form field. Enter the invoice format you want to use: **4C** or **4G**, as shown in Figure 6. Press Tab.
- 4 In the Invoices P field, specify the logical name of the printer where you want the invoices to print. For example, if the logical name of the printer is P1, you would enter 1.

Figure 6:
Specifying
Invoice Formats
in the (L1)
Screen

```

03:22:00                (L1)  TERMINAL AND TICKET PARAMETERS                10/03/96
=====
ACTION [C] (C=CHANGE, I=INQUIRY, H=HELP, W=WINDOWS)
=====
Starting Terminal to have Order Entry as Master [TE]
KEY:  AHD=Ahead, ST.=Status, ONL=Print online, P=Printer number
LOG.  KEY  O/E  T-I-C-K-E-T-S  SLIP  LABELS  INVOICES
TER.  LOC. AHD TYPE ST.  ONL  FORM P  FORM P  FORM P  ONL  FORM P  OPTION
1 [T0] [ 1] [Y] [ ] [4] [Y] [4T  1] [   ] [   ] [Y] [4C  1] [   ]
2 [T1] [ 1] [Y] [ ] [6] [Y] [4T  1] [   ] [   ] [Y] [4C  1] [   ]
3 [T2] [ 1] [Y] [ ] [6] [Y] [4T  1] [   ] [   ] [Y] [4C  1] [   ]
4 [T3] [ 1] [Y] [ ] [6] [Y] [4T  1] [   ] [   ] [Y] [4C  1] [   ]
5 [T4] [ 1] [Y] [ ] [6] [Y] [4T  1] [   ] [   ] [Y] [4C  1] [   ]
6 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]
7 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]
8 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]
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15 [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ] [ ]

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- 5 When the cursor moves to the Option field, press Enter to move the cursor to the bottom of the screen.
- 6 Press Enter until the cursor returns to the action code field.

Setting Up GST Sales Reports

You can use modified versions of the Items Sold Restock Report, Monthly Invoice Register and Monthly Sales Tax Report with the GST.

- UBC** This version of the Items Sold Restock Report shows the GST and provincial taxes for each item sold.
- UCC** This version of the Monthly Invoice Register shows the total GST and provincial tax for each invoice.
- UDC** This version of the Monthly Sales Tax Report shows the total GST and provincial taxes that you owe for the specified month.

You print these reports in the (U) Sales Selectors screen. However, before you can print these reports, you must catalog them in the (LU) Standard Sales Reports screen.

Use the following instructions to catalog reports:

- 1 Go to the (LU) screen and select the [C] Change action code.
- 2 The cursor moves to the G/L Location field, which displays the default location. To accept the default, press Tab. To set parameters for a different location, type in the number. For example, to set or change parameters for location 2, type 2.
- 3 The cursor moves to the first line beneath the Select column. Press Tab until the cursor moves to a blank line beneath the Select column and type **UBC**. Press Enter.
- 4 The system displays the subtitle description of the report, along with the Catalog This prompt. Press Enter or type Y. The system catalogs the Canadian version of the Items Sold Restock Report.
- 5 When the cursor moves to the next blank line, type **UCC**. Press Enter.
- 6 The system displays the subtitle description of the report, along with the Catalog This prompt. Press Enter or type Y. The system catalogs the Canadian version of the Monthly Invoice Register.
- 7 When the cursor moves to the next blank line, type **UDC**. Press Enter.
- 8 The system displays the subtitle description of the report, along with the Catalog This prompt. Press Enter or type Y. The system catalogs the Canadian version of the Monthly Sales Tax Report and the cursor moves to the next blank line. Press Esc until the cursor returns to the Master Menu.

