**Prepayment Inc. Withholding Tax - FTDD**

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| --- | --- |
| **365 for Operations** | System |
| **Israel Localization** | Project |
| **Shimrit Snapir** | Functional Person |
| **Shimrit Snapir** | Technical Person |
| **271,272,276** | VSTS Story Id |
| Prepayment Inc. Withholding Tax | Design Name |
| 15.08.2017 | Date |

# *Business Overview*

## Background

Israeli regulation allows creation of prepayment for vendor that includes withholding tax

## Current process

Current prepayment journal does not allow withholding tax for vendor. The user is blocked when trying to create a payment that includes withholding tax and not settled with an invoice.

## Goals/Purposes

*Enable the functionality of withholding tax transaction when a prepayment is created.*

## Assumptions

# *Functional Overview*

## Create a prepayment journal

*When creating a vendor's payment journal a new functionality will be added to the journal lines.*

* *A new button will be added to the Payment Journal lines form (Accounts payable > Payments > Payment Journal > Lines button). The button will be added to the lines grid.*

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| --- | --- | --- |
| *Language* | *Button Name* | *Field Help* |
| *En-us* | *Prepayment Incl. withholding tax* | *This process enables creating a prepayment transaction with a withholding tax transaction.* |
| *He-il* | *תשלום מקדמה עם ניכוי מס* | *תהליך זה מאפשר להגדיר תשלום מקדמה עם שורת ניכוי מס במקור* |

* *Functionality Input:
Prepayment amount – Total amount for prepayment*
* *Functionality output:
Two lines will be created on the payment journal*
	+ *Prepayment amount excluding withholding tax*
	+ *Withholding tax amount according to the withholding tax group on the journal.
	Offset account for line will be the withholding account on the current withholding tax code.*

*A new line will be added to withholding tax transaction table to reflect the withholding tax amount.*

* *Functionality validations:*
	+ *Prepayment amount on input Is mandatory:
	"Prepayment amount is mandatory"*
	+ *Vendor account on journal line is required:
	"Please enter vendor account for prepayment transaction"*
	+ *Vendor account is subject to withholding tax calculation (Calculate withholding tax check box on vendors form):
	" Calculate Withholding tax is not marked for vendor. Withholding tax will not be calculated."*
	+ *Transaction date on journal line is required:
	" Please enter transaction date for prepayment transaction"*
	+ *Tax withhold group on journal line is required:
	" A valid Withholding tax group is mandatory for a vendor subject to withholding tax calculation."*
	+ *Tax deduction type on journal line is required:
	" A tax deduction type is mandatory for a vendor subject to withholding tax calculation."*
	+ *Tax withhold code and value is required:
	" Withholding tax code XXX has no withholding tax value"*
	+ *Tax withhold account on tax withhold code is required:
	" There is no account for the withholding code tax XXX"*

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## WHT Reverse prepayment transaction

## *All prepayment transaction will be blocked for reversal on vendor transaction form (Accounts Payable > All Vendors > Transaction button)Reverse transaction button will be disabled on prepayment transactions*

# *Technical Overview*

# *Test Cases*

Refer to VSTS Test Manager – **Prepayment For Vendor**

# *Security Definitions*

*A new privilege will be added to View and Manage Withholding Tax Approvals*

* *Manage prepayment incl. withholding tax process*