# Using AvaTax

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This guide explains how to utilize AvaTax. It is intended for advanced users.

#### After the system administrator configures the <u>AvaTax integration</u>

(https://aace6.knowledgeowl.com/help/setting-up-avatax), it is relatively seamless for end users. It can affect orders, invoices, address validation, and tax exemptions.

#### **Changes in Tax Rates**

Tax rates change periodically, often at the start of a new year. This may result in differences from the expected tax values. For example, an order may be processed in one year with a certain tax value. If that same order is duplicated exactly in the following year, the tax value might be different. Similarly, if an order is entered in one year, but invoiced in the following year, the tax values could be different.

## Orders

When you save an order that includes an AvaTax-enabled tax profile, aACE sends a request to AvaTax for tax amounts for each <u>AvaTax-enabled line item code</u> (https://aace6.knowledgeowl.com/help/setting-up-avatax#ConfiguringLineItemCodes) (LIC) in the order. These tax amounts are stored with the order.

Any edits to the LICs in the order (e.g. changes to the totals) will prompt a new request to AvaTax for an updated tax amount. You can also manually change tax settings by entering Edit mode, clicking the Actions icon ( , ) next to the tax information, and selecting an option: Update Tax Profile, Restore Default Tax Profile, or Refresh Tax.

Record: 1 of 19	Puiskasi										tions 🛪
Order: 60108	Brightsic	le Char	ter Schoo	)I				07/27/2	22	OPE	en 🔴
Sales Order Manage	ement Job Costs & Ap	provals					1	Notice 🔒 🛛 T	asks 🗹 🛛 Ema	ails 🔛	Docs 🙆
Bill To	*	Ship T	o End Custon	ner	No	packing peanuts	*	Activities &	Comments		
Customer (Bill To) >	Customer PO #	Ship To Co	ompany >	Ċ 9	Ship Type	Ship Date					
Brightside Charter School Luisa Ramos		Brightside Luisa Ran	e Charter School		Complete	07/27/22					
8767 Cherry Blossom Road	Rate Card > Disc %	8767 Che	8767 Cherry Blossom Road		Inventory Bin						
Sacramento, CA 94203	ຸ 5%	Sacramer	nto, CA 94203								
	Billing Terms Net 30				Shipping Ter	ms					
Description		Addition	al Info								
	κ <sub>M</sub>						к <sup>34</sup>				
Order Items											
Code	Description	Invtry Alts U	Upgs Opts	Cases	Quantity BO	DS SO	Unit Price	Unit Adj	Total	Margin	r,
1 > P-Oil15	Oil Paint - Set of 15	1,534 0	0 + ∃ ⊀		30		52.25	0.00	1,567.50	23%	~ FK
	Q.										
								ototal		23%	
							Adj Tot	iustment al	0.00		
Sales Billing Fulfillm	ent Shipping							pping 0.0		-	
	yment Account Recurrin	g Transaction >		Curren	cy	Ex Rate	Та				>
Order Type Pa Sales											

In the totals section, you can hover over the displayed tax info to display a popup with more detail. With your mouse pointer resting on the tax code (e.g. "CA" in the screenshot above), aACE displays information about the applicable tax profiles. When you hover over the current tax value (e.g. \$83.08 above), aACE displays dollar amounts for various subtotals. These summaries can also be helpful in identifying errors that could prevent accurate tax calculations (e.g. a typo in the shipping address State abbreviation).

## Invoices

There are many ways that AvaTax interacts with invoices in aACE. Depending on the status of the invoice, the process for translating it into AvaTax can vary.

#### **Invoices in Pending Status**

When you save an invoice record with an AvaTax-enabled tax profile to Pending status, an uncommitted sales invoice is created in AvaTax and the initial tax amount is returned. This tax amount is stored with the invoice. Editing the invoice will prompt a new request to AvaTax for an updated tax amount. Deleting a Pending invoice in aACE will delete the uncommitted sales invoice in AvaTax.

When the invoice is changed to Open status, a request is made to commit the sales invoice in AvaTax. If there are any <u>errors (https://aace6.knowledgeowl.com/help/troubleshooting-avatax-errors)</u>, the invoice is

kept in Pending status and AvaTax returns a message summarizing the issue (e.g. a typo in the shipping address State abbreviation). After you correct the issue, you can open the invoice.

#### **Invoices in Open Status**

In both aACE and AvaTax, an Open invoice *cannot* be edited. Changes must be entered in aACE as credit/adjustment records, which correspond in AvaTax to 'credit memos'. Saving a credit/adjustment in Pending status will request the applicable tax amounts and create an uncommitted credit memo in AvaTax. Posting a credit/adjustment will commit the credit memo in AvaTax.

To create a credit/adjustment on an invoice, navigate to the desired invoice's detail view, then click Actions > Credit/Adjust Invoice.

•				Invoices						
Record: 2 of 31							New 💠 Ed	t 🖋 Delete 🗙 🖌	Actions	
Invoice: 60	015   K	okomo	School Dis	trict			07/19	1/22	View Logs	
	010   1		School Dis				0//13	7	Find Related	Invoic
Invoice Details	1						Notices 😣	Tasks 🔽 🦯	Open Invoice	
Bill To	Dean still w	ants paper copies	of all invoices sent 📌	Description			Payment C		Credit/Adjust	Invo
Customer (Bill To) >	0	Cust PO #	Order >			22			Duplicate Inv	oice
Dean Smith		589583	60020							
		Billing Terms		Additional Info						
		Net 30		Additional Info		100				
		Invoice Due	Pmnt Expected							
		08/18/22	08/18/22							
Invoice Items Code	Invoice Item	Description		Order	Quantity	Unit Price	Unit Ac		ed Shipments > il Tax Profile	×
1 > <b>TB-LIT102</b>		The Complet	e Works of Shakespea	re 📃 > 60020	20	99.99	0.0	0 1,999.80	O OUT	26 *
		Refunds					Subtotal Adjustment Total	1,999.80 0.00 1,999.80	0	
<ul> <li>Receipt</li> </ul>	Date	Payment Ref	Memo		Amount		Tax O	.00 0.00 0/7 0.00	Exempt	
							Grand Total Balance	1,999.80 1,999.80		

#### **Posting Invoices**

If an invoice is posted in aACE, but not committed in AvaTax (e.g. due to a connectivity problem or if the AvaTax integration setting in aACE was disabled), you can manually trigger the process: Admin Actions ( 👳 ) > Post to AvaTax. This option is *not* available for already-committed sales invoices.

Also from the Admin Actions menu, you can select Refresh AvaTax Taxes. This will update a posted invoice to the latest values; any changes will be reflected in the GL. If an

uncommitted sales invoice is different from the final version, or if the taxes have changed, the updated tax amount will be returned and stored in aACE.

Invoice: 6		Vestbur	y Catholic	High School			07/26/2		CLOSE	D (
3ill To			*	Description			Payment Com	ments		
Customer (Bill To) >	\$	Cust PO #	Order >							
Selah Murphy		9573245	60052							
,		Billing Terms								
		Net 30		Additional Info						
		Invoice Due	Pmnt Expected							
		08/25/22	08/25/22							
Code 1 > <b>TB-LIT104</b>		Description Shakespeare		Order = > 60052	Quantity 30	Unit Price 49.99	Unit Adj 0.00	1,499.70		×
2 > <b>TB-LIT106</b>		Shakespeare	s Tragedies		30	49.99	0.00	1,499.70	NYS	×
Receipts (1)	Adjustments	Refunds				Ad	justment	date Balance	nunice	
	Date	Payment Ref	Memo		Amount		inning		Tronte	
Receipt	LABOR				3,209.36		x Pos	t to AvaTax		
Receipts (1)			Memo			Tol	tal Voi ipping Pos	d and Replace I	nvoice	

#### **Invoice Address Priority**

When the invoice is committed to AvaTax, it uses the shipping address even if the address noted on the invoice is the billing address. If the invoice was generated directly from a shipment, the address from the shipment is used. If the invoice was *not* generated from a shipment, then the shipping address on the order is used.

## **Address Validation**

When creating or updating company records, changes to the office address will allow the user to validate the address. If an address is invalid, it does not prevent you from saving the record; aACE simply returns a message identifying the issue.

In orders and invoices, users will be presented with an option to validate the address.

Company Info 📋	<b>•</b>			Conta	ct Info			Other Info						
Type				Phone			Alt Phone	Group		Subgroup				
Customer				(555)	412-6987									
Addess Validate			Residential	Fax		1	Phone / Fax Format	Parent Compar	ny >					
14698 Easton Road							(###) ###-####						0	
				Email				Referral Comp	any >					
								Textbook En	porium				0	
Dity	State / Prov Postal Code			Web Ar	idress			Referral Conta	ct >					
Allentown	MO		59716											
Country	Postal F				Email Format (using "John Q Public") 😧			Referral Team		Other Ref	erral			
United States	nited States American			j.publi	c@cbhs.cor	n			Q					
	Locations	Linked	Contacts	Linked Com	panies	Lists (1)								
<ul> <li>Contact Name</li> </ul>				Title					Phone			Default	Status	
> James Smith				Education Te	chnology				(555) 41		$\sim$		•	
> Phyllis Evans				Chair					(555) 41	2-6284	$\sim$	×		

# Exemptions

For companies that do business with tax-exempt organizations, you can configure aACE+ AvaTax to automatically mark related transactions as exempt:

- 1. Navigate from Main Menu > CRM & Sales > Companies and locate the desired organization.
- 2. Navigate to the **Finance & Accounting tab**, then click **Edit**.
- 3. In the Tax Details section, fill in the tax exemption details, then click **Save**.

										Tasks      Emails      Docs     Record Access Restricted		
Tax Details		Use Tax 10		Customer Setu			Approved 🗙 🖈	Vendor Setup			pproved 3	
Tax ID	W-9 W-9 Exp Date			Billing Terms Net 30	Shipping Ra	ite Type	Rate Value	Payment Terms Net 30	Free Shippin	g Type	Threshold	
Exemption No	Cert Cert Exp Date		- ノ	Rate Card >			Disc %	Default Template	for POs			
Chempson He	Ø 0		$\sim$	High School Cla	ssroom Tech		Q 2%				Q	
ACH Setup				Payment Accou		4 Digits Ex	Date Name on	Account	Office	P	referred	
bank name				Type	Last	4 Digits EQ	p Late Name on	Account	Omce	PI	^	
Routing Number	Account	t Number										
Account Type	Class											

The Exemption Code field maps to the AvaTax Exemption Reason. The Exemption Number field maps to the AvaTax Exemption Number. Click the Cert field paperclip icon to upload a copy of the organization's tax exemption certificate and provide a certificate expiration date.

# **CertCapture Integration**

aACE also offers an integration with Avalara's CertCapture for managing exemption certificates. For questions about CertCapture, please see <u>Using CertCapture</u> (https://aace6.knowledgeowl.com/help/using-certcapture) or contact your Avalara representative.