TRAVERSE®

Sales Tax Integration with AvaTax

Installation and User Guide

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Installation

The AvaTax integration installation is implemented through the standard Traverse update process.

It requires several simple steps:

- Contact Traverse and acquire the AvaTax update files

- Copy the AvaTax update files and folders into the root Traverse update folder on your server

- Run the Maintenance Update process in Traverse Server.
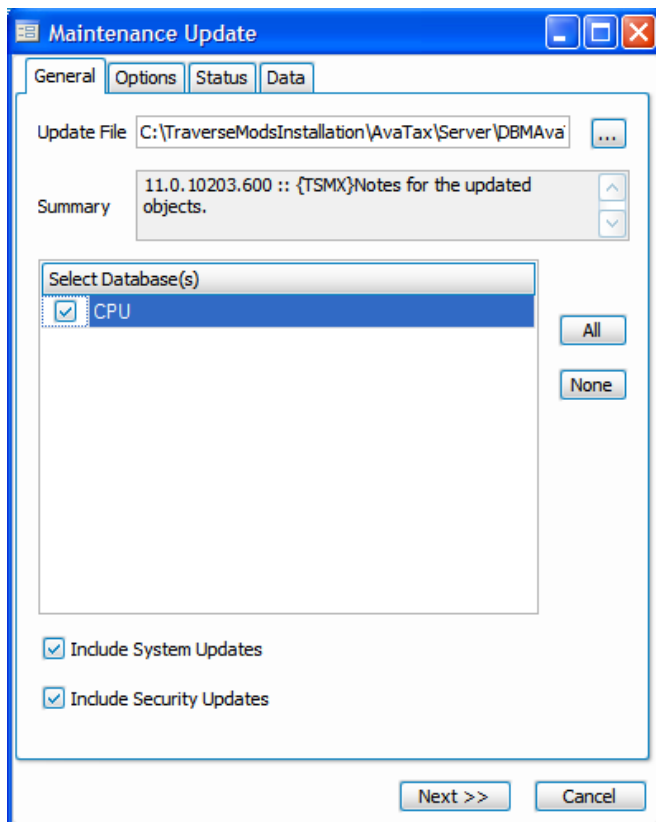
- o Select all of the companies you want to run AvaTax within.

- o Browse to the server folder and select DBMAvaTaxInstallation.TSMX file. Click Next.

- o Select all object types and click Ok to install the Server integration.

<u>Installation</u>

- Run the Update process from the workstation
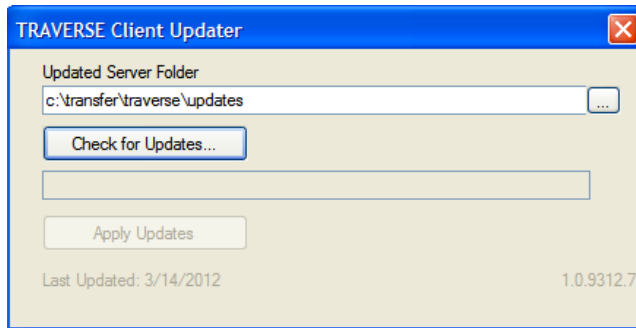
- o Run Check for Updates followed by Apply Updates after the update is found.

AvaTax Setup

Configuration of the AvaTax implementation requires a basic setup process for the Connector, Tax Group and Customer configurations.
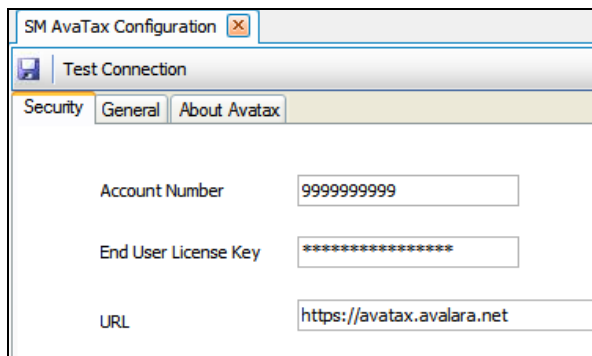
The first step is to configure the connector. Many of the options will be defaulted to standard settings. The primary configuration will concern the security settings to update your AvaTax credentials which will allow you to connect to the service.

Avatax Connector Configuration

Select the AvaTax Configuration option from the SM Tax Setup menu. Set up the Security and General settings for the AvaTax connector.

Note: AvaTax is a Web based service and as such requires an active Internet connection to set up and process.

- Security

- o Account Number
  - ▪ Enter your AvaTax account number as supplied by Avalara.

- o End User License
  - ▪ Enter your AvaTax End User License as supplied by Avalara.

- o URL
  - ▪ Enter the URL address for the AvaTax connection. This will default at installation to https://avatax.avalara.net.

- o Testing the connection

  - ▪ Once the credentials have been entered in the security tab click on the Test Connection button to verify that a valid connection can be made to the service.

AvaTax Setup

- If this verification fails
  - Verify that you have an active Internet connection.
  - Review the above three entries in the security fields make appropriate corrections and retry.
  - Contact Avalara support.

- General
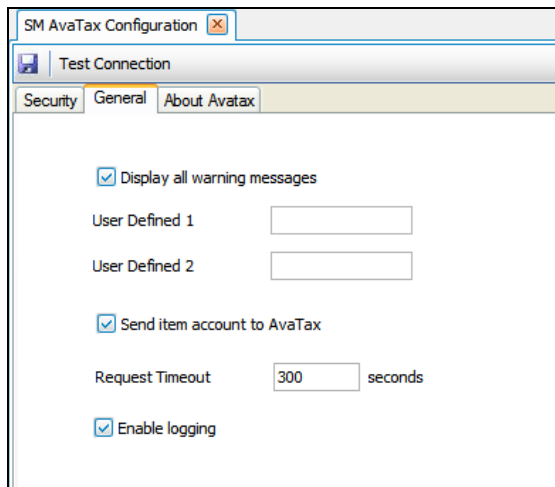
- o Display All Warning Messages – Future Use
  - This feature will be made available in future releases

- o User Defined 1 – Future Use
  - This feature will be made available in future releases

- o User Defined 2 – Future Use
  - This feature will be made available in future releases

- o Send Item Account to AvaTax
  - Send the item GL account number to the AvaTax database

- o Request Timeout
  - Controls the number of seconds an AvaTax call attempts a connection before timing out.

- o Enable Logging – Future Use
  - This feature will be made available in future releases

- o Disable Tax Calculation
  - Shut off AvaTax calls

AvaTax Setup

- o Always check addresses before tax calculation
  - Force address validations before every tax calculation

- o Disable address validation
  - Bypass address validation during tax calculations

- o Return results in uppercase
  - Return AvaTax results in uppercase

- o Header freight item
  - Define the item identifier to be sent to AvaTax when using header freight costs in SO and AR Transactions

- o Header freight item - Tax Code
  - Associated AvaTax item tax code with the header freight item

- o Header miscellaneous item
  - Define the item identifier to be sent to AvaTax when using header miscellaneous costs in SO and AR Transactions

- o Header miscellaneous item - Tax Code
  - Associated AvaTax item tax code with the header freight item
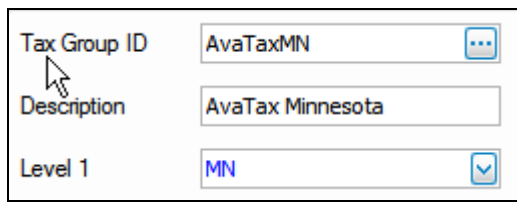
AvaTax Setup

Once the AvaTax connector has been configured the next step is to set up AvaTax Tax Groups within Traverse. These tax groups are used to identify the customers within the database that are set up to utilize AvaTax tax calculation calls.

Tax Group Setup

Select the Tax Location Groups from the Tax Setup option in the System Manager menu.

Note: AvaTax tax groups within Traverse are used specifically to identify customers and transactions that will be using the AvaTax service. When these group codes are assigned to transactions Traverse tax calculations will be bypassed and transactions will be written and reported from the AvaTax database.

- Add a new tax group

Tax Group ID	AvaTaxMN
Description	AvaTax Minnesota
Level 1	MN

- Enter a valid AvaTax tax group code.
  - Valid AvaTax tax groups begin with the first six letters 'AvaTax' followed by whatever unique designator you wish to use, usually the two character state abbreviation, i.e. AvaTaxMN could identify an AvaTax tax code for Minnesota.

- Enter a description, i.e. "AvaTax Minnesota"

- Select a Level code. To complete the above example you would probably select a Level code of MN.

- Save

You can enter as many AvaTax tax groups as you need.

AvaTax Setup

Item tax codes designate specific tax rules for particular commodities and services.

Item Tax Code Setup

Select AvaTax Item Tax Codes from the Tax Setup option in the System Manager menu. The tax code table will come preloaded with the AvaTax tax codes.

These codes are optional and only pertain to regions where there are extended tax rules for specific commodities and services.

The selected tax codes are available to be assigned to items within the Item Maintenance screen.

To activate them for use click on the Active check box or you can activate or deactivate all displayed records with the Activate All and Deactivate all buttons. The table can be filtered on Item Tax Code and Description.

Item Tax Code	Description	Detail	Active
0000000	Services	The rendering of knowledge expertis...	☐
0000001	Services (required to complete a sale...	Can be used as a general services c...	☐
A010000	Accounting Services	Accounting related services such as ...	☐
A010100	Accounting - Auditing		☐
A010200	Accounting - General		☐
A010300	Accounting - Other		☐
A010400	Accounting - Tax		☐

AvaTax Setup

Once Item Tax Codes have been activated they will be available for assignment to individual inventory items.

AvaTax Item Tax Code Assignment

Click on the browse button on the AvaTax Item Tax Code custom field. A list of activated item tax codes will be displayed. Select the appropriate code for the selected inventory item. If no tax item is selected specific commodity and service tax calculations will be bypassed in the AvaTax tax calculation service call.

Once the item is selected save the inventory record.

AvaTax Setup

Customer Setup

The final, and ongoing, step will be to set up your customers that will be using the AvaTax tax calculation service. Generally, this will be all of your customers but there could be situations, such as unsupported country designations etc. where you would want to bypass the AvaTax service.

The second portion of customer setup is optional. This regards the entry of a customer entity code. Customer entity codes designate customers as a particular type of entity which additional tax calculation considerations may apply.

These are controlled through the customer maintenance process in the Setup and Maintenance option in the AR menu.
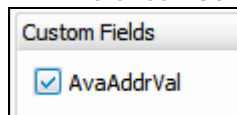
Assign the appropriate AvaTax tax group code and, if necessary Entity code to your customers.

In general this will be a simple one time setup for each customer.
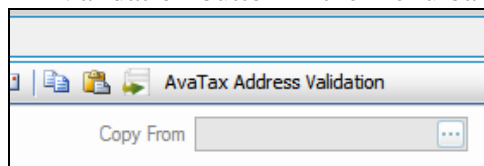
- Select the appropriate customer record.

- Click on the update button.

- Change the Tax Group id on the Defaults tab to the appropriate AvaTax tax group.code that was set up in the Tax Location Group setup.

- AvaAddrVal

    o This custom field is assigned when an address validation has been run. The check box will be assigned true if the address has been validated.
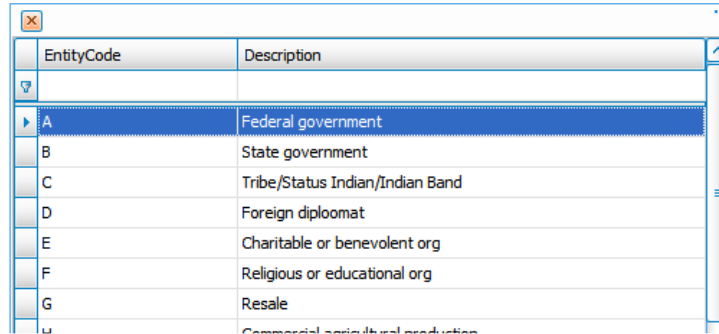

    o You can manually run the validation process with the on-demand Address Validation button in the menu bar.

AvaTax Setup

- Entity Code

    - The Entity Code list resides in the Custom Field section of the customer screen. Click on the pull down to see a list and assign an entity value to the record.

EntityCode	Description
A	Federal government
B	State government
C	Tribe/Status Indian/Indian Band
D	Foreign diploomat
E	Charitable or benevolent org
F	Religious or educational org
G	Resale
H	Commercial agricultural production

- Save

Batch Address Validation

The batch address validation utility is a tool that allows the verification of valid addresses within the database through a range of filter criteria.

The primary purpose of this tool would be during the initial implementation but could be used at any time.

The utility can be accessed through the Transaction menu option in either the Accounts Receivable or Sales Order modules.
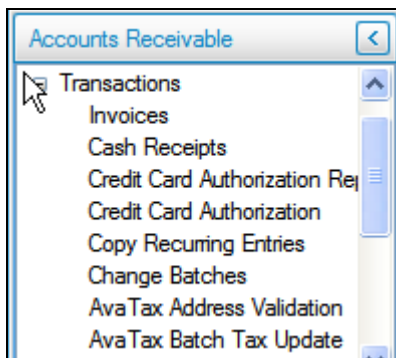
The batch process loads as a standard batch process within Traverse with filtering and individual record selectivity. Batch validations can be run on the Customer, Vendor or Inventory location files. The verifications on Customer and Inventory Location are pertinent to the way AvaTax determines tax locations and ultimately tax calculations. The vendor validation is provided for user convenience.

Batch Address Validation

Once the batch list has been loaded the records must be selected prior to validation. You can use the Select All and Select None features to flag the batch or you can select and unselect records individually for validation.

After selecting the desired records click the Ok button to process the batch validation. The process will return the results of the validations with appropriate messages. It will also flag the records AvaAddrVal field to indicated these records have passed validation and will not be processed the next time a validation call is made.

|	Select	Id	Name	Original Address	Validated Add...	Status	Description	Validated
▶	☑	Bur056	Burnhaven Softw...	8061 Kanpur Str...		Error	An exact street n...	☐
	☑	Cro003	Crowley Shoe M...	3749 Industrial P...				☑
	☑	Exc054	Excelcor Techno	1230 Rolling Hills		Error	An exact street n	☐

Select All | Select None |

Batch Tax Calculations

The batch tax calculation utility is a tool is used to calculate taxes for transactions within the database through a range of filter criteria.

The utility can be accessed through the Transaction menu option in either the Accounts Receivable or Sales Order modules.

There are two primary purposes for this tool.
Initially during a new implementation.
- Setting up a new implementation to calculate existing transactions
- Calculate tax transactions in the event that connection to the service has been interrupted.
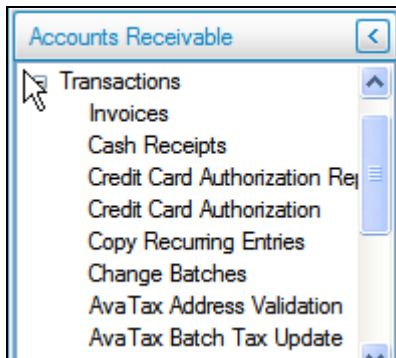
Upon selecting the Batch Tax Update option from the menu enter the appropriate filter criteria to load the transaction list. Select from the filter list, transaction type, batch and date range.

Once the batch list has been loaded the records must be selected prior to tax calculation processing. You can use the Select All and Select None features to flag the batch or you can select and unselect records individually for batch calculations.

Batch Tax Calculations

After selecting the desired records click the Ok button to process the batch calculations. The process will return the results of the validations with appropriate messages. It will also flag the records AvaTaxCalced field to indicated these transactions have passed already been calculated and will not be processed the next time a tax call is made.

The transactions processed with the batch calculation process will be updated in Traverse and in the AvaTax databases upon selection of the Update button.

Note: The only documents processed will be those that have been selected and have not been previously calculated. If you want to recalculate a document that has been previously calculated clear the Calculated check box prior to processing.

If an error is returned from the AvaTax service call you can display the detail by double clicking in the description column for individual records to view the error details.
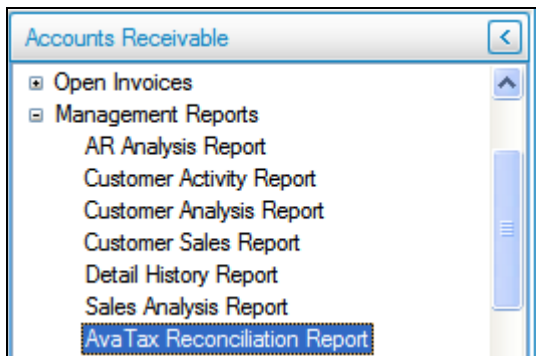
Reconciliation Report

In development

Note: The reconciliation report is currently in development and will be available with the next build release of the connector.

The Reconciliation Report is a tool for reconciling the tax transactions between the Travers and AvaTax databases.

It is available through the AR and SO Management Report menus.

Transaction Processing

AvaTax transaction processing occurs primarily from the AR Invoice and SO Order screens.

AvaTax tax calculation transaction overrides occur for customers that have been assigned an AvaTax tax group id.

Unlike the standard Traverse functionality where tax calculations are updated after every line item entry the AvaTax tax calculation call occurs at the end of data entry when the document is saved. This is done to limit the number of transaction calls to a minimum and reduce tax calculation costing.

Once the document is saved a calculation summary window will display with document, tax and exemption totals.

Transaction Processing

If any errors are encountered during the tax calculation a description of the error will be displayed and the transaction will not be processed. Make note of the document number, correct the error and resubmit the transaction either by saving the document again through the Invoice or Order transaction screens or through the Batch Tax Calculation process.
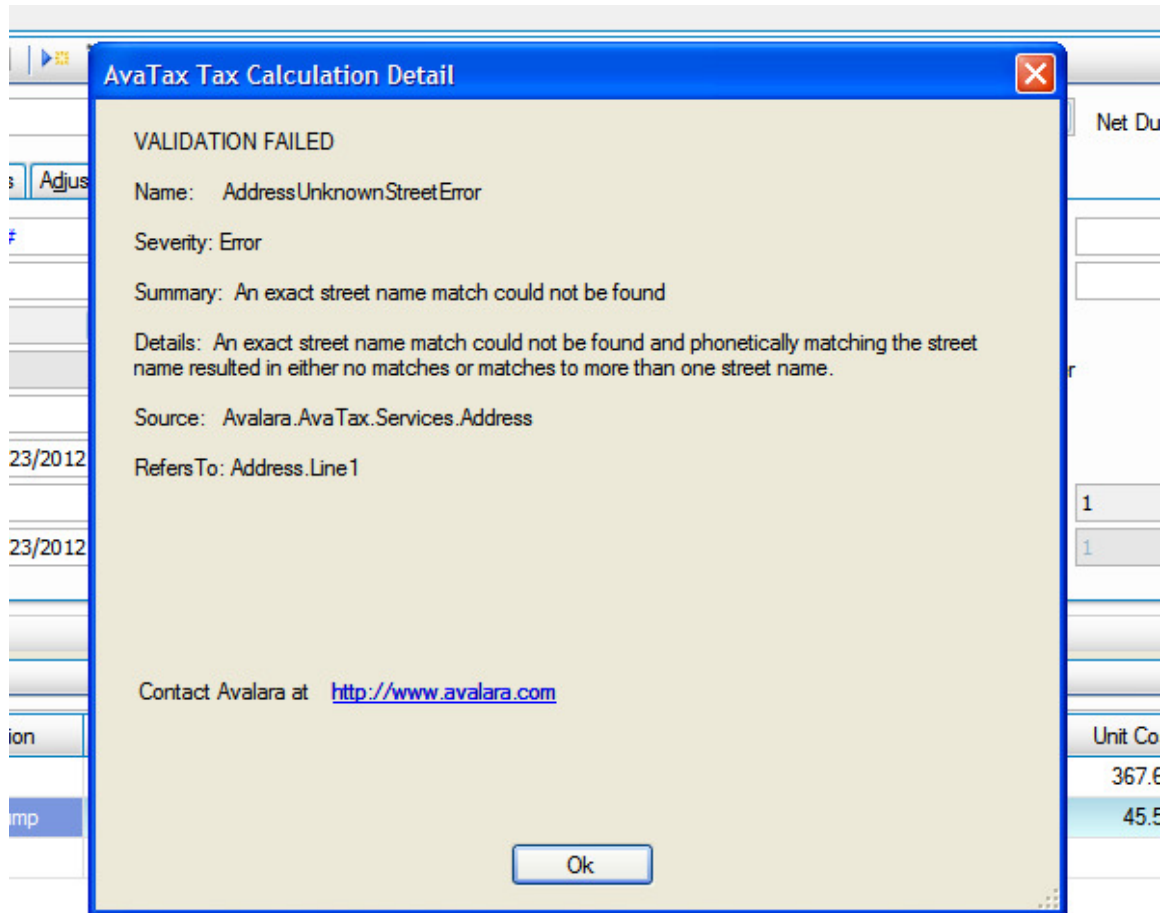

Orders that fail will also be available for listing through the Reconciliation Report.

On Demand Options

On Demand options are available from Transaction and Maintenance screens within Traverse. This allows for the user to force an immediate 'On Demand' service call to AvaTax for tax calculations and address validations.
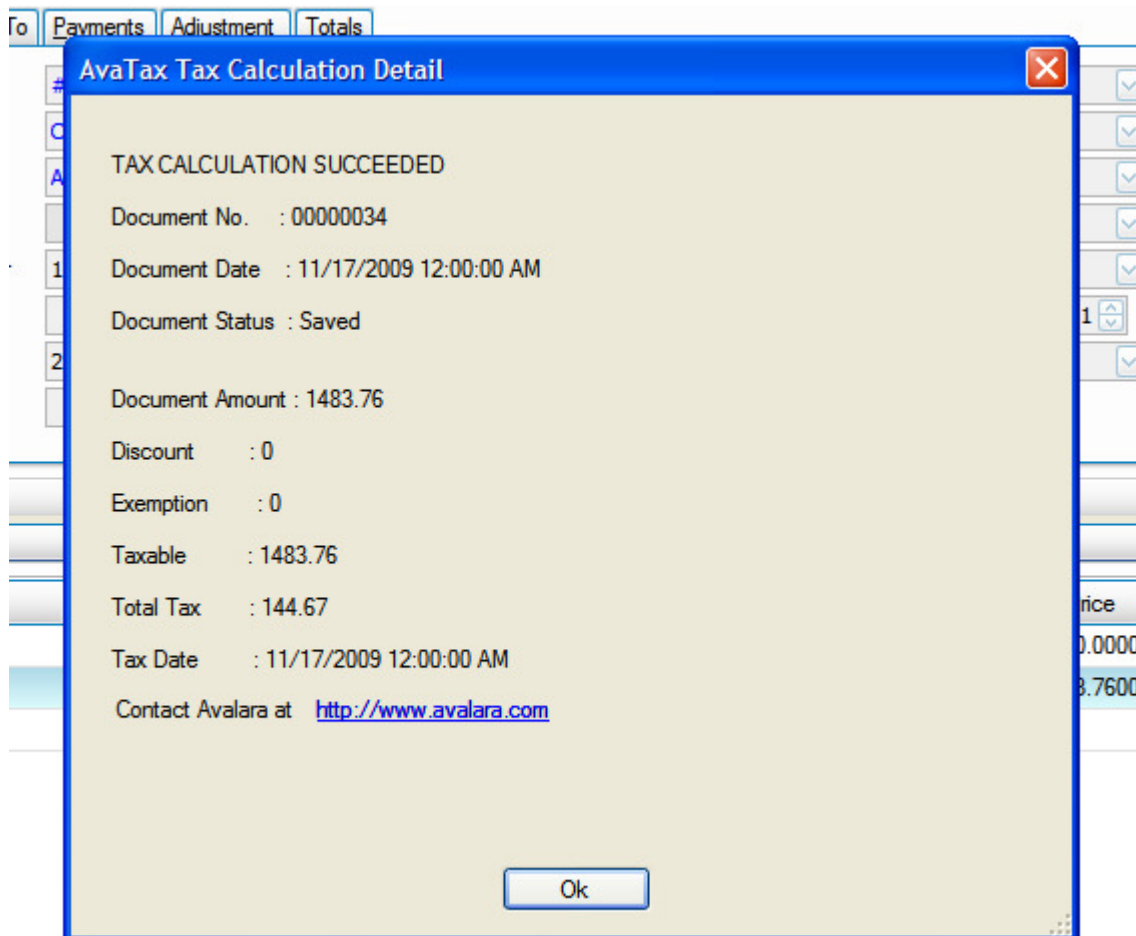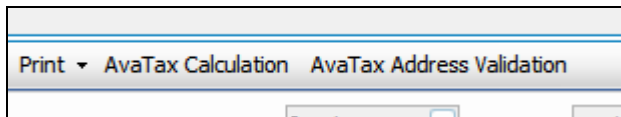
On-Demand Address Validation

Within the maintenance screens for Company, Customer, Vendor and Inventory Locations there will be an On Demand Address Validation option. This allows for immediate validation of addresses when a new record is added or changed. After the address has successfully been validated the AvaAddrVal flag will be set to true and further address calls will not be made for the selected record. This decreases the number of overall transactional calls made to the AvaTax service.
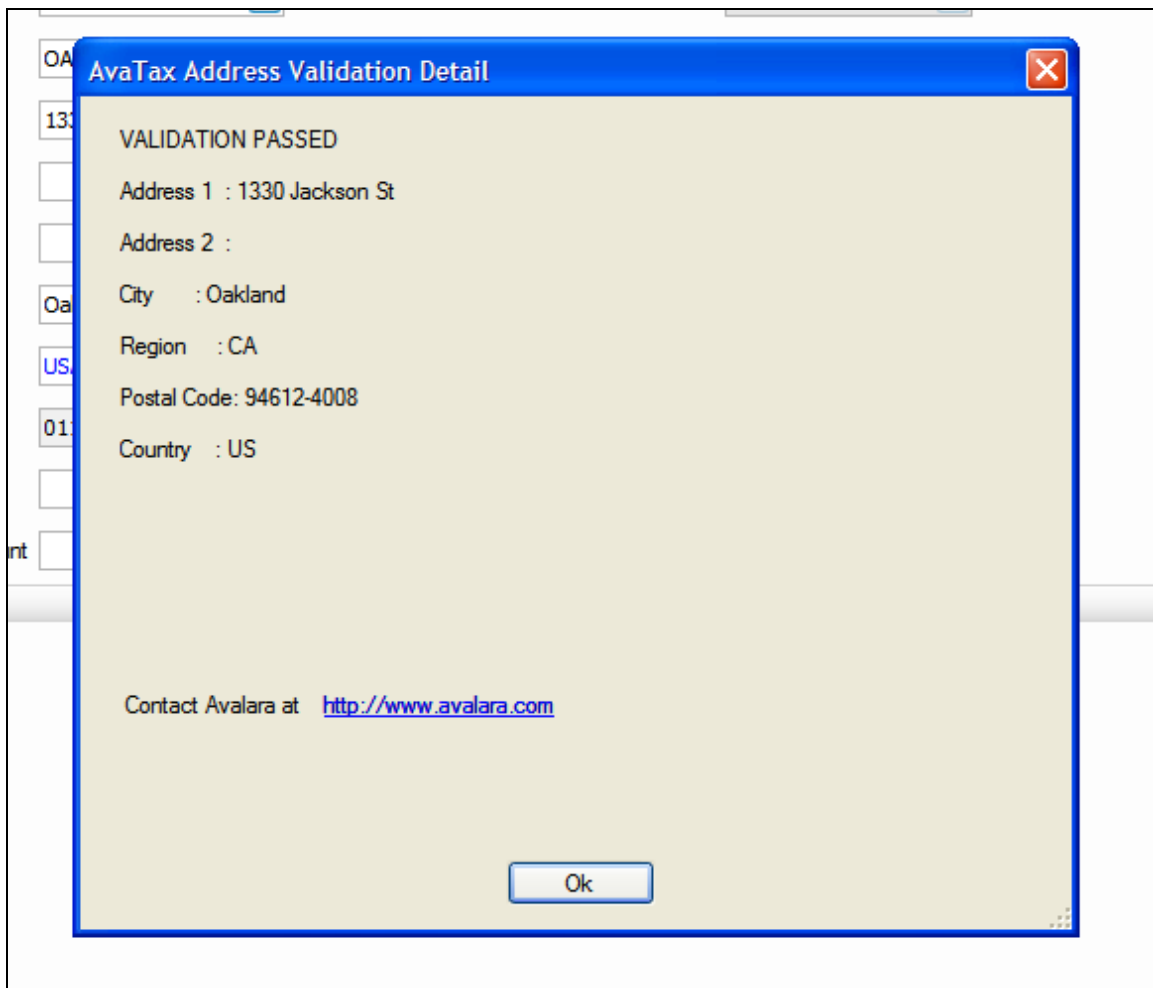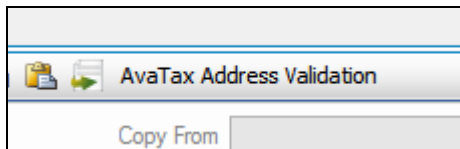
On Demand Options

On-Demand Tax Calculation

Within the transaction screens for Invoices and Sales Orders there will be buttons for both the On Demand Address Validation and Tax Calculation option. This allows the user to make the service calls any time during the transaction. The address validation process within the transaction screen validates the Billing, Ship-To and Ship-From addresses associated with the document. The On-Demand AvaTax Tax Calculation option makes an immediate tax call and returns the results.

Print ▾ AvaTax Calculation   AvaTax Address Validation

AvaTax Tax Calculation Detail

TAX CALCULATION SUCCEEDED

Document No.   : 00000034

Document Date   : 11/17/2009 12:00:00 AM

Document Status : Saved

Document Amount : 1483.76

Discount   : 0

Exemption   : 0

Taxable   : 1483.76

Total Tax   : 144.67

Tax Date   : 11/17/2009 12:00:00 AM

Contact Avalara at   http://www.avalara.com

Ok

AvaTax Dashboard

AvaTax transactions are posted to the AvaTax database when the document becomes an invoice in AR or SO. Document types such as Quotes do not generate an AvaTax transaction record.

When a document becomes an invoice it is posted but not committed to the database. This allows for ongoing modifications to the document within Traverse to be updated in the AvaTax database.

The AvaTax Dashboard allows the user to view the document and make additional modifications.

Note: If a document is deleted or modified in a way that affects tax calculations in AvaTax it will no longer be synchronized with the data in Traverse. Unsynchronized documents will be listed in the Reconciliation Report.

The Commit process occurs when the document is posted in Traverse. After this the document becomes an Open Invoice and can no longer be modified in either Traverse or AvaTax.

See your AvaTax documentation for instructions on how to navigate the AvaTax Dashboard