

Purchase to Pay

Raising Purchase Orders and VAT

Helpful tips no 2 – August 2013

1. Raising your requisition and VAT

We would like to remind all Agresso requisitions users that when raising a requisition you should always include the **net price** (for quantity orders) or **net value** (for call-off / value orders) – excluding VAT. When you select your produce code, the tax code defaults to P9 (20% VAT) – so the system will automatically take the VAT in to account and include it on your approved purchase order.

Note:

- If you incorrectly raise your Purchase Order for the gross amount (inclusive of VAT), this creates problems and delays at the invoice matching stage because there will be a mis-match between the Purchase Order amount (e.g. VAT will be included twice) and the invoice amount.
- There may be occasions when you need to select a different tax code e.g.
 - P3 - if the purchase is **zero rated** as medical goods / substances or advertising
 - PO - if your UK supplier is not VAT registered or
 - P6 - if your goods from a supplier in another EU country are eligible for medical zero rating

2. Approving requisitions and VAT

Agresso approvers – if you approve requisitions, please ensure you check that the requisition has been raised **net of VAT** and that the correct tax code has been selected, before you approve.

Note:

- The requisition approver is responsible for confirming that any zero rating conditions (medical / advertising) are met

3. Further help, guidance and advice

- You can find further guidance on VAT and tax codes on the Financial Accounting intranet page here

<http://qm-web.finance.qmul.ac.uk/vat/>

- If you require advice on how to raise purchase orders on Agresso you can find Agresso user notes here <http://qm-web.finance.qmul.ac.uk/agresso/training-notes-and-videos/> or contact the Financial Systems Team via the IT Helpdesk - Tel. 13-8888 or email its-helpdesk@qmul.ac.uk