Avalara Sales Tax Integration with Standard ERP

Avalara automates the processing of sales tax and transaction tax compliance. Avalara's sales tax management software, AvaTax, yields real time tax calculations and tax returns in the US, Canada and several other countries around the world.

The main benefit of using tax integration with Avalara is its simplicity to setup and use. All tax calculations are done in the product AvaTax and imported into StandardERP. Reporting to tax authorities is done through Avalara, which takes the burden off the customer's business and they do not have to maintain tax rates in SERP.

From Version 8.4 and above, we have fully integrated with AvaTax.

Getting Started

Setup in Avalara
- Customer needs to get an account with AvaTax and determine which product they wish to purchase, i.e just tax look up, sales tax returns to IRS etc

Setup in StandardERP
- In GL module we have created under Settings Tax Integration Avalara.

It requires the user to enter details for the integration
- **Host:**
  - sandbox-rest.AvaTax.com (for testing)
  - rest.AvaTax.com (for live)
- **Username:** username in Avalara
- **Password:** Password to login in Avalara
- **Company:** Company code that was registered in Avalara
- **Def. Outp A/C:** Paste special (cmd + enter) to the accounts register.
  - Select output tax account used when creating TAX codes. Make sure this field is filled in.
- **Def. Inp A/C:** Paste special (cmd + enter) to accounts register.
  - Select input tax account used when creating TAX codes. Make sure this field is filled in.
- **Enable Integration:** Check this field – This check box must be selected for tax calculation to be done through Avalara.
- **Log Communication:** Check this field – This check box must be selected to log on server all requests and replies from all clients.
- Select **Save** on the window and then select Test Connection. You should see a pop up window indicating that the connection is successful. Push this button to test the connectivity between company server and Avalara.
- All Tax templates need to be created with Avalara defined codes and left blank i.e no percentages added
  You can find these tax codes at https://taxcode.AvaTax.avalara.com
  - Examples
    - DA040000 - Digital Audio
    - FR020100 – Freight

There is a detailed user guide that can be used for the setup and to train customers on how to use the integration.

Setup is also required for Company information, AR (Sales) module, Countries and the individual Contacts also require some setup in order for the integration to work seamlessly.

Tax on freight charges will also be handled by the Avalara system and for this there needs to be an item code called Freight in SERP. Again please refer to the User guide for details. When you create invoices, sales orders or quotations, you would simply enter freight into the matrix field as an item.

How AvaTax Works with StandardERP

Example 1: Creating a Quotation and an Invoice
The Avalara system will allow the user to confirm the physical address of the contact when they click on Update Address on the contact card.
When you select Update Address, a request is sent directly to AvaTax to validate the address. If the contact and delivery addresses are validated, the all fields will become capitalized.
When creating a quotation
at the time of saving the quote, you will notice that the Sales Tax field at the bottom of the Quotation record will automatically populate. When you select save on the record window, StandardERP sends a request to AvaTax to automatically calculate the taxes for this quotation.

When you then Create Invoice from Quotation
At the time the record is OK'd the system will send the sales tax information for this invoice to AvaTax for reporting purposes.
If you want to see a breakdown of the sales tax that was calculated from AvaTax in the invoice, select the Operations icon and then select Open Tax Matrix. This will open up a matrix window showing the breakdown of the sales tax.

If your sales tax does not show on your invoice, or you want it recalculated because you added or changed items on an invoice, select the Operations menu, and then select Get Tax Rates. AvaTax will recalculate your taxes and it will be displayed in the Tax Matrix

Example 2: Creating an Invoice with Items from Different Locations and Freight Charges
StandardERP also communicates with AvaTax when creating invoices that contain items that are stored from different locations. Refer to the User guide for details on how to set this up

Example 3: Voiding an Invoice
To Void an Open Invoice you can use the Invalidate function. AvaTax will take note of this and the invoice will not be used for reporting purposes.

However, if your invoice has already been reported to tax services by AvaTax, you will receive an error message in StandardERP when you try to invalidate. As a workaround, you will have to apply a credit memo to this invoice and then create a new invoice reflecting the changes that you want to make.

Troubleshooting
All activity between StandardERP and AvaTax is documented in a folder called Avalara. This folder is located in the StandardERP folder of your operating system. If you contact customer support, they will ask you to refer to this folder for troubleshooting purposes.

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