



Caltech

Oracle Release 12

eBTax Overview For Procurement
February 9, 2011



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Agenda

- eBTax Overview
 - Diagram
 - Tax Exempt Attributes
- Impact to PO Processing
- Impact to AP Processing
- Q&A



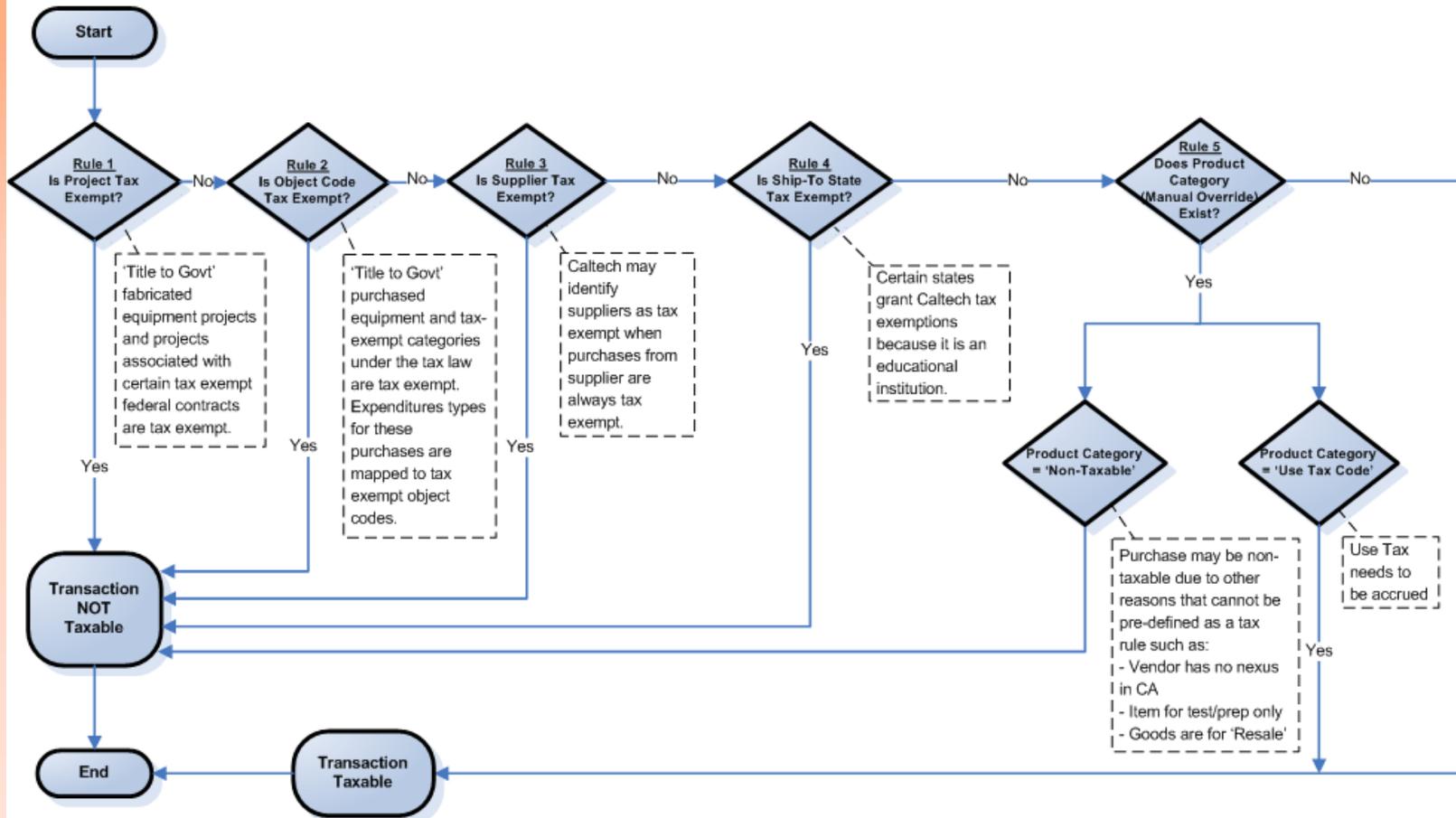
eBTax Overview

- eBTax is a new module in R12
- Must be set-up in order to process tax (sales and use) in Payables.
- Changes to sales and use tax process
 - 11i
 - Buyers and/or AP processors enter tax codes on POs and invoices
 - Tax calculated based on tax codes
 - R12
 - **Caltech-defined** business rules will determine the taxability of a transaction
 - If taxable, tax rate is then determined based on ship-to location



eBTax Rule Diagram

Tax Determination in e-B Tax





Rule #1: Project

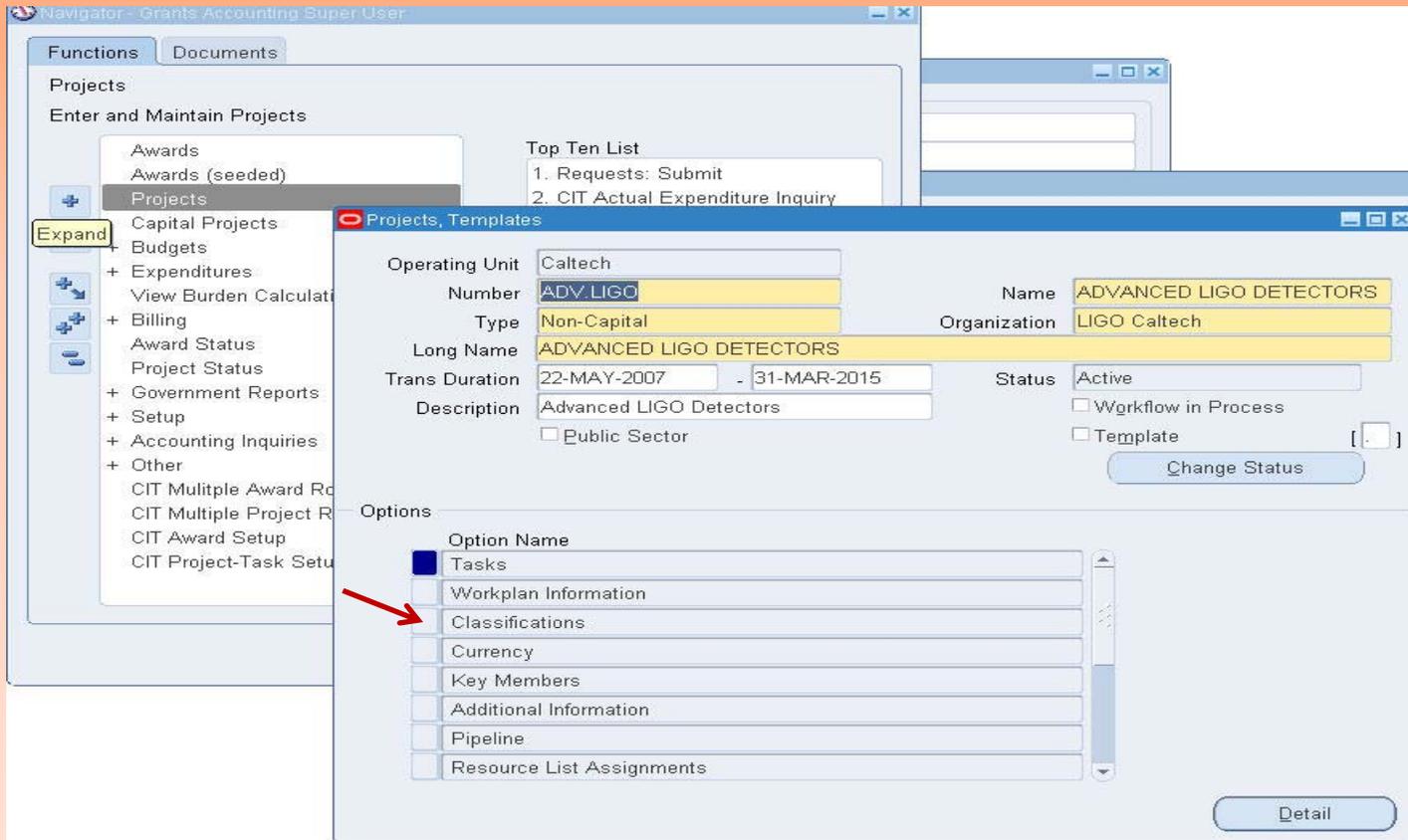
○ Tax Exempt Projects

- Government Owned Fabrications
 - Currently 20+ projects
 - Identified based on Project Classification
- JPL IAs
 - Currently 300+
 - Identified based on Award GL Funding Source (17230001, 18010001, 18040001, 18060001, 18070001)
- Special Cases
 - None currently
 - Must be approved by Tax Department first



Rule #1: Project

Government Owned Fabrications





Rule #1: Project

Government Owned Fabrications

The screenshot shows the 'Project Classifications - ADV LIGO' window. On the left, there are fields for 'Operating Unit', 'Number', 'Type', 'Long Name', 'Trans Duration', and 'Description'. The 'Description' field is set to 'Fabrication'. Below these are 'Options' including 'Tasks', 'Workplan Information', 'Classifications' (which is selected), 'Currency', 'Key Members', 'Additional Information', 'Pipeline', and 'Resource List Assignments'.

The main table in the window is as follows:

Category	Class Code	Code Description	Percentage
A21 Function	Excluded Costs	940	
DOD 35 PCT CAP	No	No	
Fabrication	Govt Owned Fabrication	Govt Owned Fabrication	
Function	Class Codes		

An 'Open' button is visible on the right side of the window.

A 'Class Codes' dialog box is open in the foreground, with a search field containing 'Find %'. It contains a list of class codes and descriptions:

Class Code	Description
CIT Owned Fabrication	CIT Owned Fabrication
Govt Owned Deliverables-IDC	Govt Owned Deliverables-IDC
Govt Owned Deliverables-NO IDC	Govt Owned Deliverables-NO IDC
Govt Owned Fabrication	Govt Owned Fabrication
None	Not a Fabrication
Other Owned Deliverable-IDC	Other Owned Deliverable-IDC
Other Owned Deliverable-NO IDC	Other Owned Deliverable-NO IDC
Others Owned Fabrication	Others Owned Fabrication

The 'Govt Owned Deliverables-NO IDC' row is highlighted with a red box. At the bottom of the dialog are 'Find', 'OK', and 'Cancel' buttons.



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Rule #1: Project

JPL IAs

The screenshot displays the 'Navigator - Grants Accounting Super User' interface. The main window is titled 'Award Management' and contains the following fields:

Operating Unit	Caltech	Template	<input type="checkbox"/>	Funding Source Name	JET PROPULSION LAB
Number	JPL000094	Funding Source Award Number	1211334	Sponsor Begin Date	
Short Name	IPAC	End Date	30-SEP-2014	Award Type	JPL Awards Issued to C
Full Name	IPAC	Status	Active	Funded Amount	395,487,878.42
Start Date	27-SEP-1999	Revenue Hard Limit	<input checked="" type="checkbox"/>	Invoice Hard Limit	<input checked="" type="checkbox"/>
Close Date	31-DEC-2014	Purpose	Sponsored Research	Commitment	Funding Summary
Organization	IPAC	Award Amount	395,487,878.42	[Nc]	

A red arrow points to the '[Nc]' button in the Award Management window.

The 'Award Management' window is overlaid on a 'Top Ten List' window and an 'Award Management' window. The 'Award Management' window is also overlaid on an 'Award's Descriptive Flexfield' window. The 'Award's Descriptive Flexfield' window contains the following fields:

1	Award May Total	Not Available	
3	GL Fund Type	Federal Agreements	Fed'l Agmts - Direct and Indirect
4	GL Fund Segment	17230001	JPL - NASA
	Contract Type		
	OSR Reporting		
	Major Project?		

A red box highlights the 'GL Fund Segment' field with the value '17230001'.



Rule #2: Exp Type

- Some Expenditure Types are set up as tax exempt.
- Some invoices are coded directly to GL accounts. Certain GL object codes are therefore set up as tax exempt as well.



Rule #3: Supplier

Tax Exempt Suppliers

Suppliers

- Quick Update
- Company Profile
- Organization
- Tax Details**
- Address Book
- Contact Directory
- Business Classification
- Products & Services

Suppliers >
Update NOVA UNIVERSITY - 67366: Tax Details

Income Tax

[Personalize "Income Tax"](#)
[Personalize Table Layout: \(SuppTaxDtrn\)](#)

Taxpayer ID Allow Withholding Tax

Reportable Federal
 State

Associated Fiscal Classifications

* Indicates required field
 ✓ TIP

[Personalize Advanced Table: \(ZxAssocFiscalClassifTableRN\)](#)

Fiscal Classification Type Code	*Fiscal Classification Code	Fiscal Classification Name	*Effective From	Effective To
SUPPLIER_TAX_CLASSIFICAT	Tax Not Applicable	Tax Not Applicable	01-Feb-2011	



Rule #4: Ship To

○ Tax Exempt Ship-to

- States that exempt Caltech from sales and use tax
 - TX
 - NY
 - IL
- Foreign Countries

Note: Sherri will be granted access to set up new ship-to locations in the HR Location set-up form



Tax Override

- Can only override one way
 - Allowed from taxable to non-taxable only
- When can you override the default taxability?
 - Refer to new guidelines set by the Tax Department and the Procurement Department



Caltech Impact to PO Processing

POs Entered in Oracle

The screenshot shows an Oracle web interface for a Purchase Order. The window title is "Purchase Orders - 1089115". The form contains the following fields:

Operating Unit	Caltech	Created	06-JAN-2011 14:21:55
PO, Rev	1089115	Type	Standard Purchase Order
Supplier	STANFORD UNIVERSITY	Site	PO-LOCKSS
Ship-To	CALTECH	Bill-To	FIN-PAY
Buyer	Borg, Nina	Status	Approved, Reserved
Contact	Reich, Victoria	Currency	USD
Total	132.00		[SL]
Description	P.O./Inv. - Inv. matched, Price Variance , PO line Cancelled, Invoice Reversed (cancel		



Caltech Impact to PO Processing

POs Entered in Oracle

To update category PO cannot be approved

Additional Tax Information: Standard Purchase Order 1089115

* Indicates required field

Legal Entity Name **Caltech**
 Taxation Country United States

Tax Determining Factors for Document

[Personalize "Tax Determining Factors for Document"](#)

Document Subtype

Tax Determining Factors for Lines

Search

Line	Description	Schedule	Location	Transaction Business Category	Product Fiscal Classification	Product Type	Product Category
1	P.O./Inv. - Inv. matched, Price Variance , PO line Cancelled, Invoice Reversed (cancelled)	1	CALTECH	Purchase Transaction	<input type="text"/>	GOODS	NONTAXABLE_ITEM





Caltech Impact to PO Processing

○ POs Imported From TechMart

- Tax Status Variance
 - TechMart Tax Status imported into a DFF at PO line.
 - Oracle eBTax determines the “true” tax status once PO is imported. This is what AP processors see during matching.
 - A tax status variance report is available to buyers for review.
- Tax Status Exception
 - eBTax cannot handle a PO line that has a mix of taxable PTAE and non-Taxable PTAE.
 - Mixed POs will be imported as “Incomplete” instead of “Approved”.
 - Buyers must split the PO line into two shipments.



Caltech Impact to PO Processing

POs Imported From TechMart

Purchase Orders - S106894

Operating Unit: Caltech Created: 15-DEC-2010 00:00:00

PO, Rev: S106894 Type: Standard Purchase Order

Supplier: AEROSHEAR AVIATION SERV Site: PO-VAN NUYS Contact: Customer Servic,

Ship-To: CALTECH Bill-To: FIN-PAY Currency: USD

Buyer: Salone, Regina (Gina) Status: Approved, Closed, Reserved Total: 21,414.49 [PC]

Description:

Lines Price Reference Reference Documents More Agreement

Num	Type	Item	Rev	Category	Description	UOM	Quantity	Price	Promised	[]
1	Goods			UNCATEGORIZE	Original PO was close	US D	1	21414.49		Ne

PO Lines

Equip. Screening Required? No

TechMart Tax Status **Non-Taxable - Other**

Transaction Source

OK Cancel Clear Help

Original PO was closed due to FY10 close-out period. Invoice will be paid on FY11 pta.

Catalog... Currency... Terms Shipments Approve...





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Impact to AP Processing

○ Key Tax-related Data Fields:

- Invoice Header
 - Invoice Sub-type: Flag for 11i Invoices and R12 zero-dollar cost transfer invoices associated with 11i Invoices
 - Supplier
- Invoice Line
 - Project
 - Expenditure Type
 - Tax Override
 - Apply exemption if legitimate; or
 - Accrue use tax
 - Tax Classification Code: Populate only if it is 11i Invoices or R12 zero-dollar cost transfer invoices associated with 11i Invoices



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Impact to AP Processing

Sample of R12 Invoice

Invoice Workbench (Payables Manager)

Batch Control Total Batch Actual Total

R12

Operating Unit	Type	Invoice Sub-Type	Trading Pa	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice	Invoice Amount	Tax Amount	Customer Taxpayer ID	Tax Contro
Caltech	Standard		ALLIED AL	26614	REMIT-PAS	18-JAN-2011	DDA1	USD	109.75	9.75		
Caltech	Standard		ALLIED AL	26614	REMIT-PAS	26-JAN-2011	ck-1	USD	109.75	9.75		
Caltech	Standard		DOLLAR, S	18381	PROVISION	26-JAN-2011	ck-1	USD	100.00			
Caltech	Standard		IMPACT PI	12043	REMIT-WLT	26-JAN-2011	ck-1	USD	0.00	0.00		

1 General | 2 Lines | 3 Holds | 4 View Payments | 5 Scheduled Payments | 6 View Prepayment Applications

R12

Total
Gross 109.75 Retained Net 109.75

Num	Type	Amount	Project	Task	Award Num	Expenditure Type	Expenditure It	Ship to	Tax Override	Tax Classification Code	PO Number	PO Releas
1	Item	100.00	IMSS.BSA	1.6	GB.IMSS	Supplies - Allocable	20-JAN-2011	CALTECH				
2	Tax	2.00										
3	Tax	7.25										
4	Tax	0.50										

Product Category

Find %

Product Category	Taxation Country
NONTAXABLE_ITEM	
LA-USE	
ALAMED-USE	
FRESNO-USE	
IC-USE	
MRIN-USE	
MONT-USE	
OC-USE	
SB-USE	
SCRUZ-USE	
SD-USE	
WA-PIER-USE	

Discard Line 1 | Distrib

Actions... 1 | Calculate Tax | Tax Details | Corrections | Quick Match



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Impact to AP Processing

Sample of 11i Invoice

Invoice Workbench (Payables Manager)

Batch Control Total Batch Actual Total

R12

Operating Unit	Type	Invoice Sub-Type	Trading Pa	Supplier Num	Supplier Site	Invoice Date	Invoice Num	Invoice	Invoice Amount	Tax Amount	Customer Taxpayer ID	Ta
Caltech	Standard	MIGRATED_TRANSACTION	ZEN MACH	10023	REMIT-LYON	01-AUG-201	7361	USD	650.00	0.00		
Caltech	Standard	MIGRATED_TRANSACTION	WORTHIN	10055	REMIT-NEW	03-AUG-201	286167	USD	100.50	0.00		
Caltech	Standard	MIGRATED_TRANSACTION	WESTERN	10079	REMIT-ARCA	03-AUG-201	39677	USD	13.53			
Caltech	Standard	MIGRATED_TRANSACTION	WESTERN	10079	REMIT-ARCA	02-AUG-201	39465	USD	138.30			

1 General 2 Lines 3 Holds 4 View Payments 5 Scheduled Payments 6 View Prepayment Applications

R12

Total
Gross Retained Net

Num	Type	Amount	Project	Task	Award Num	Expenditure Type	Expenditure Item	Ship to	Tax Override	Tax Classification Code	PO Number	PO F
1	Item	650.00	JZ.CASIMIR	1	UNSR.CASI	Supplies - Allocable	13-AUG-2010			09A-LA-USE	S098293	
2	Tax	(63.38)								09A-LA-OFF		
3	Tax	63.38	JZ.CASIMIR	1	UNSR.CASI	Supplies - Allocable	13-AUG-2010			09A-LA-USE	S098293	

Discard Line 1 Distributions Allocations

Actions... 1 Calculate Tax Tax Details Corrections Quick Match Match All Distributions



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Next Steps

- Training
- Testing
 - SIT
 - UAT
- Go Live



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Q & A