



## HOW TO RESOLVE SYSTEM DOES NOT REVERSE DEFERRED TRANSACTION

### Problem Scenario(s):

Upon payment of a transaction, user notices that in the Journal Entries of the transaction, there is no closing of Deferred VAT, being a deferred transaction in the Bills.

**Pay Bills**

Supplier: 301-A001 | Pay To: ALI MANUFACTURING INC | Doc Date: 03/26/2020  
 Currency: PHP | Purchaser: ALVIN | Payment No: PV2003/001  
 Rate: 1.00000000 | Payment By: BANCO DE ORO | Bank Charges: 0.00 | Amount: 120,000.00 Pay All

Type	Doc #	Date	Description	Refer...	Project	Amount	Outstanding	Payment	Ma...	Forex Pos...	Pay For WTa...
BIL	BIL2003/003	03/26/2020	PURCHASES	BIL20...		120,000.00		120,000.00	<input checked="" type="checkbox"/>		0.00
BIL	BIL2003/002	03/01/2020	PURCHASES	BIL20...		24,776.79	24,776.79	0.00	<input type="checkbox"/>		0.00
BIL	BIL20								<input type="checkbox"/>		0.00
BIL	BIL20								<input type="checkbox"/>		0.00
BIL	BIL17	03/26/2020	ALI MANUFACTURING INC	PV2003/001				120,000.00	<input type="checkbox"/>		0.00
BIL	BIL17	03/26/2020	BANCO DE ORO	PV2003/001				120,000.00	<input type="checkbox"/>		0.00

**Bills**

Supplier: 301-A001 | From: ALI MANUFACTURING INC | Doc Date: 03/26/2020  
 Currency: PHP | Purchaser: ALVIN | Bil #: BIL2003/003  
 Rate: 1.00000000 | Term: 60 DAYS | Supplier INV #: BIL2003/003  
 Description: PURCHASES | Reference No:  Tax Inclusive  Deferred VAT

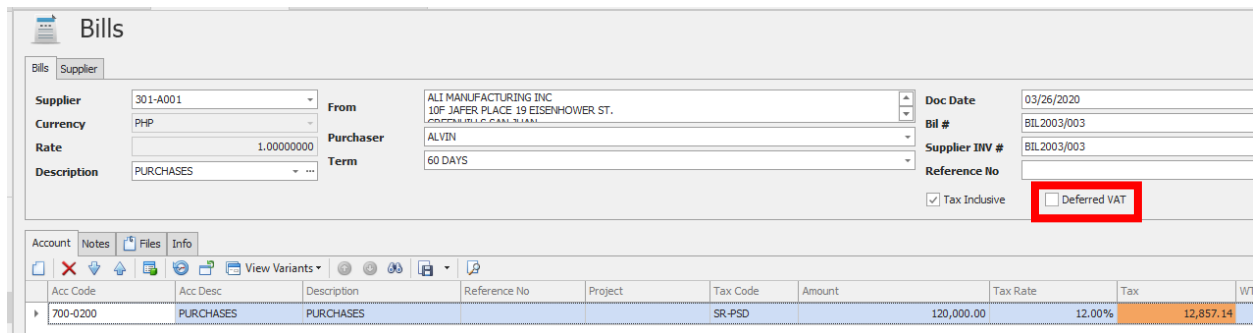
Acc Code	Acc Desc	Description	Reference No	Project	Tax Code	Amount	Tax Rate	Tax	WT%
700-0200	PURCHASES	PURCHASES			SR-PSD	120,000.00	12.00%	12,857.14	

Date	Account #	Account Name	Doc #	Reference No	Description	Debit	Credit
03/26/2020	700-0200	PURCHASES	BIL2003/003	BIL2003/003	ALI MANUFACTURI...	107,142.86	
03/26/2020	109-0000	DEFERRED INPUT VAT	BIL2003/003	BIL2003/003	ALI MANUFACTURI...	12,857.14	
03/26/2020	301-A001	ALI MANUFACTURING INC	BIL2003/003	BIL2003/003	PURCHASES		120,000.00

## Resolution(s):

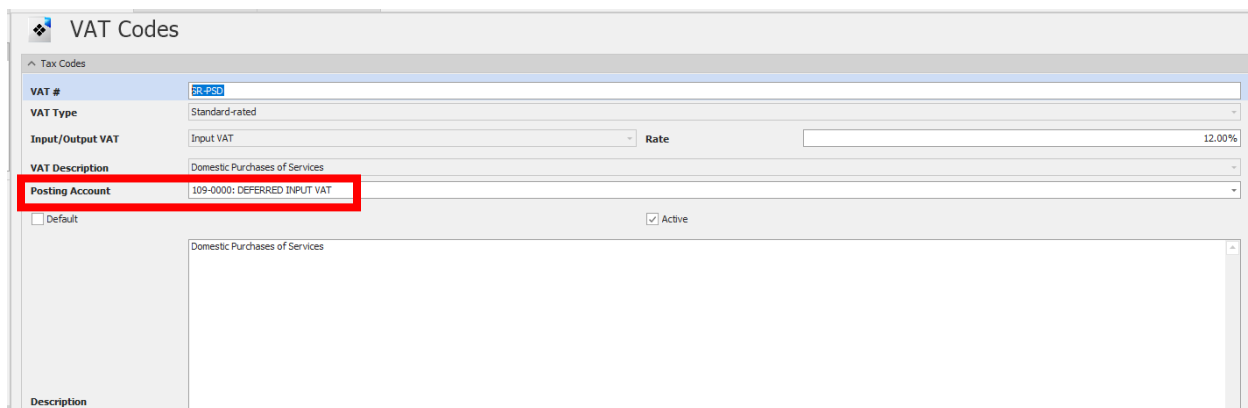
The main reason that the system does not reverse/closed a deferred entry is that, it does not see that a transaction is a deferred one. Based on the sample transaction above, the Deferred VAT is unticked.



Acc Code	Acc Desc	Description	Reference No	Project	Tax Code	Amount	Tax Rate	Tax	WT
700-0200	PURCHASES	PURCHASES			SR-PSD	120,000.00	12.00%	12,857.14	

How did the transaction have a deferred entry but the option for deferred is unticked? **With this, check the posting account of the VAT Code.**

In the transaction, user have used the SR-PSD code. Go to VAT > VAT Codes > Search > Double click on SR-PSD to open the settings. Notice the Posting Account field.



User may accidentally selected the wrong posting account for upon setup of the VAT Codes. To fix this, change the posting account to INPUT VAT only.

VAT Codes configuration screen showing VAT # SR-PSD, VAT Type Standard-rated, Input VAT, Rate 12.00%, VAT Description Domestic Purchases of Services, and Posting Account 107-0000: INPUT VAT (highlighted in red).

Once done, go back to the transaction in Bills and resave it to update the Journal Entries. The image below will be the updated entries.

Bills screen showing Supplier 301-A001, Currency PHP, Rate 1.00000000, Description PURCHASES, and Tax Inclusive checked. The GLTransaction window shows the following entries:

Date	Account #	Account Name	Doc #	Reference No	Description	Debit	Credit
03/26/2020	700-0200	PURCHASES	BIL.2003/003	BIL.2003/003	ALI MANUFACTURI...	107,142.86	
03/26/2020	107-0000	INPUT VAT	BIL.2003/003	BIL.2003/003	ALI MANUFACTURI...		12,857.14
03/26/2020	301-A001	ALI MANUFACTURING INC	BIL.2003/003	BIL.2003/003	PURCHASES		120,000.00

To make it a deferred transaction, tick the Deferred VAT

Bills screen showing Supplier 301-A001, Currency PHP, Rate 1.00000000, Description PURCHASES, and both Tax Inclusive and Deferred VAT checked. The GLTransaction window shows the following entries:

Date	Account #	Account Name	Doc #	Reference No	Description	Debit	Credit
03/26/2020	700-0200	PURCHASES	BIL.2003/003	BIL.2003/003	ALI MANUFACTURI...	107,142.86	
03/26/2020	109-0000	DEFERRED INPUT VAT	BIL.2003/003	BIL.2003/003	ALI MANUFACTURI...		12,857.14
03/26/2020	301-A001	ALI MANUFACTURING INC	BIL.2003/003	BIL.2003/003	PURCHASES		120,000.00

