

OpenERP AvaTax Module User Guide

by Kranbery

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Initial Setup & AvaTax Configuration

Overview

The purchase of AvaTaxERP connector software provides your organization with access to the AvaTax Calc service, including sales tax calculation for all US states and territories and all Canadian provinces and territories (including GST, PST and HST).

This guide includes instructions for the following elements:

- Activating your organization's AvaTax account and downloading the product
- Entering your AvaTax credentials into your ERP
- Configuring your ERP to use the AvaTax Calc service
- Using AvaTax features within your ERP

- * Note: It is recommended that you test the module before deploying in a production environment.
- * Note: All changes to AvaTax settings must be done by a user with administrative privileges.

Installation

Download the **AvaTax Module**: <http://kranbery.com/avatax>

Extract the downloaded file

Upload the extracted directory your configured **OpenERP modules directory**

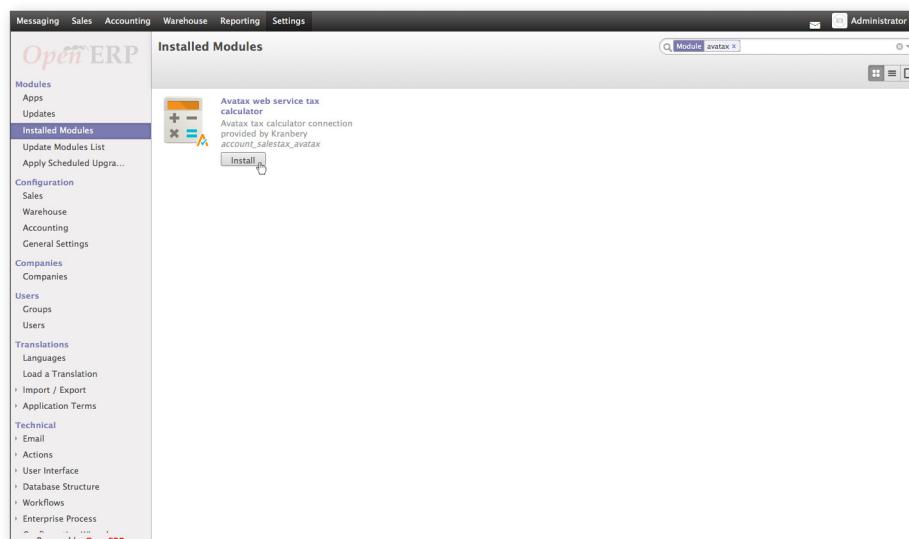
- * Uninstall any previous instances of the module before installing a new version of the module

Restart **OpenERP** service

Login as **Administrator**

Navigate to: **Setup > Installed Modules > Search for AvaTax**

Click “**Install**” button



Configure AvaTax API

Navigate to: **Accounting > Configuration > AvaTax > AvaTax API**

Click “**Create**” button

Fill out the form with **Company Code**, **Account Number** and **License Key** provided to you by Avalara

Fill out the proper service URL provided to you by Avalara

- * You may have two service URL's: One for development/testing server and another for production transactions.

Click “**Test Connection**” button

Click “**Save**” button

You can further configure the module on this screen.

Other configuration options are:

Adapter

- » Request Timeout - *Default is 300ms*
- » Enable Logging

Address Validation

- » Attempt automatic address validation – *Will perform automatic validation when performing tax computation. The other validation options (below) are not required and will be deselected but available.*
- » Validate on save for customer profile – *Automatically attempts to validate on creation of customer profile update and creation. Last validation date will be visible and stored.*
- » Force Address validation on customer profile save – *In the case validation for customer is required but not valid, the validation will be forced.*
- » Return validation results in upper case – *alidation results will return in upper case form.*

System Calls

- » Order-level - All items on order are calculated as one transaction
- » Line-level - Each item in an order is calculated, displayed and transacted separately

Countries

- » Add or remove applicable countries

Tax Calculation

- » Disable Tax Calculation

The screenshot shows the OpenERP interface for configuring the AvaTax API. The main window title is "AvaTax API / New". It contains several configuration sections:

- Company Code:** Fields for Account Number and License Key, with a "Test Connection" button.
- Connection:** Fields for Service URL and Service Expiration Date.
- Adapter:** Request Timeout set to 300, and an "Enable Logging" checkbox.
- Address Validation:** Checkboxes for Attempt automatic address validation, Validate on save for customer profile, Force Address validation on customer profile save, and Return validation results in upper case.
- System Calls:** Checkboxes for Order-level and Line-level.
- Countries:** A table showing countries where Avalara address validation is enabled, with rows for Canada (Country Name, Country Code CA) and United States (Country Name, Country Code US).

The sidebar on the left lists various modules: Customers, Customer Invoices, Customer Refunds, Sales Receipts, Customer Payments, Customers, Suppliers, Supplier Invoices, Supplier Refunds, Purchase Receipts, Supplier Payments, Suppliers, Bank and Cash, Bank Statements, Cash Registers, Journal Entries, Journal Items, Journal Entries, Journal Vouchers, Charts, Chart of Accounts, Chart of Taxes, Configuration, AvaTax (with sub-options: Exemption Code, Product Tax Codes, AvaTax API, Shipping Rate Config...), and another AvaTax API entry.

Configure Exemption Codes

Exemption codes are allowed for users where they may apply, e.g., Government entity.

Navigate to: **Accounting > Configuration > AvaTax > Exemption Code**

The module is installed with sixteen (16) predefined exemption codes

Add, remove and modify exemption codes

Name	Code
Federal Government	A
State Government	B
Tribe / Status Indian / Indian Band	C
Foreign Diplomat	D
Charitable or Benevolent Org	E
Religious or Educational Org	F
Resale	G
Commercial Agricultural Production	H
Industrial Production / Manufacturer	I
Direct Pay Permit	J
Direct Mail	K
Other	L
Local Government	N
Commercial Aquaculture	P
Commercial Fishery	Q
Non-Resident	R

Product Tax Codes

Create product tax codes to assign to each product and/or product category.

Navigate to: **Accounting > Configuration > AvaTax > Product Tax Codes**

Add, remove and modify product tax codes

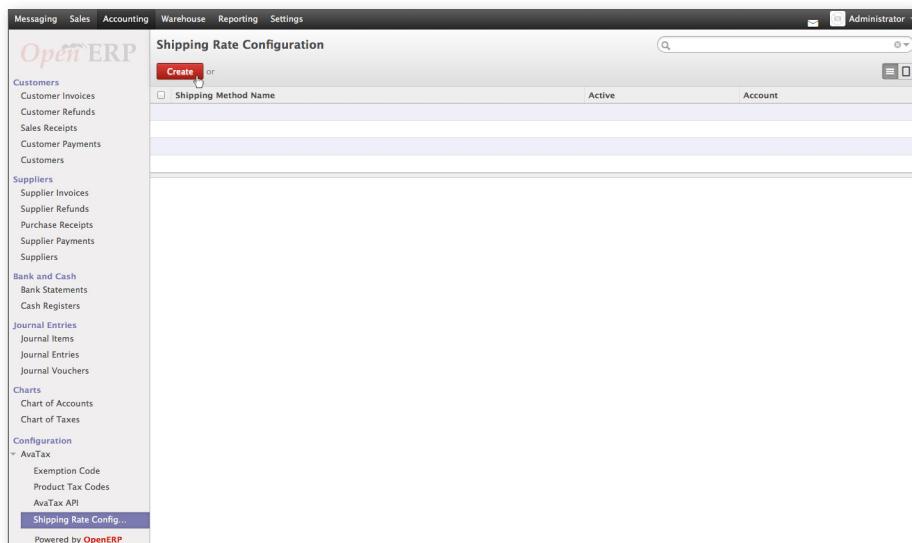
Code	Description	Type
PR	Default Product Code	Product
FR	Default Shipping Code	Freight

Shipping Rate Configuration:

Configure shipping rates to apply to each transaction/product.

Navigate to: **Accounting > Configuration > AvaTax > Shipping Rate Configuration**

Add, remove and modify shipping methods and rates



Configure Taxes

The AvaTax module is integrated into the Taxes of OpenERP. “AVATAX” is automatically added as a type of Taxes to be applied. You can configure how ‘AVATAX’ integrates into the OpenERP system.

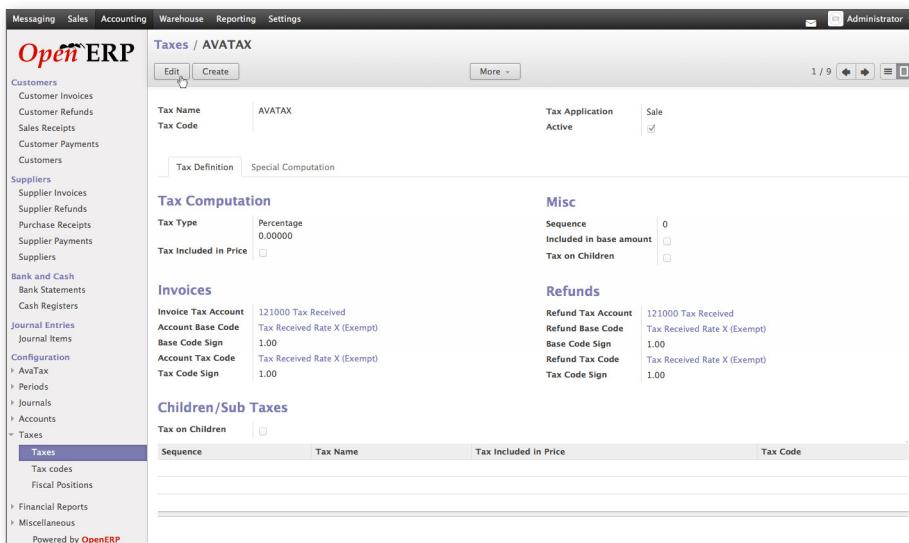
Configure AVATAX Tax Type

Navigate to: **Accounting > Taxes > Taxes**

Select AVATAX from the list view



Click the “Edit” button



Configure the AVATAX Tax Type

Click the “Save” button

* Upon initial install the settings will be blank. The above image shows an example configuration.

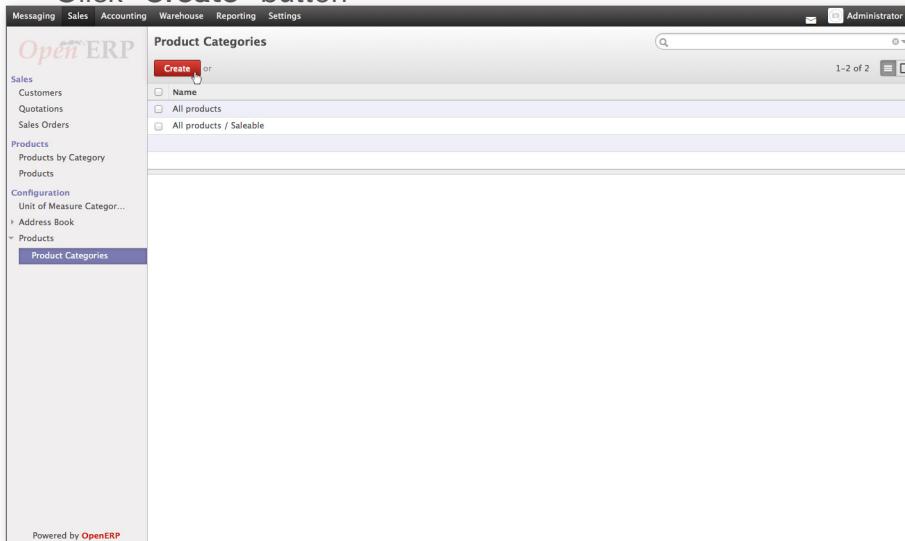
Product Category Configuration

OpenERP products are typically assigned to product categories. AvaTax settings can be assigned to the product category. The category default tax code will auto-populate when a product category is created

Create New Product Category

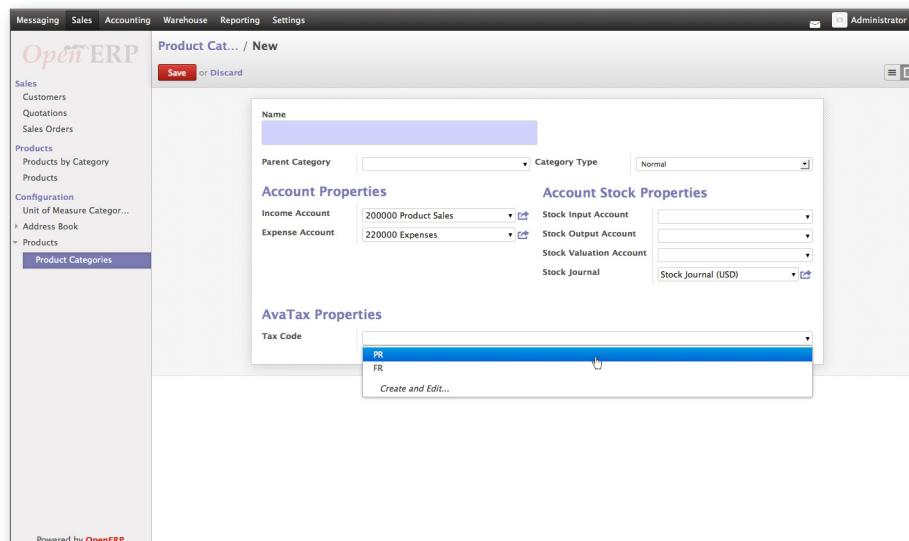
Navigate to: *Sales > Configuration > Products > Product Categories*

Click “Create” button



Configure Product Category Tax Code

Under *AvaTax Properties > Tax Code*, Select the desired Tax Code



Click “Save” button

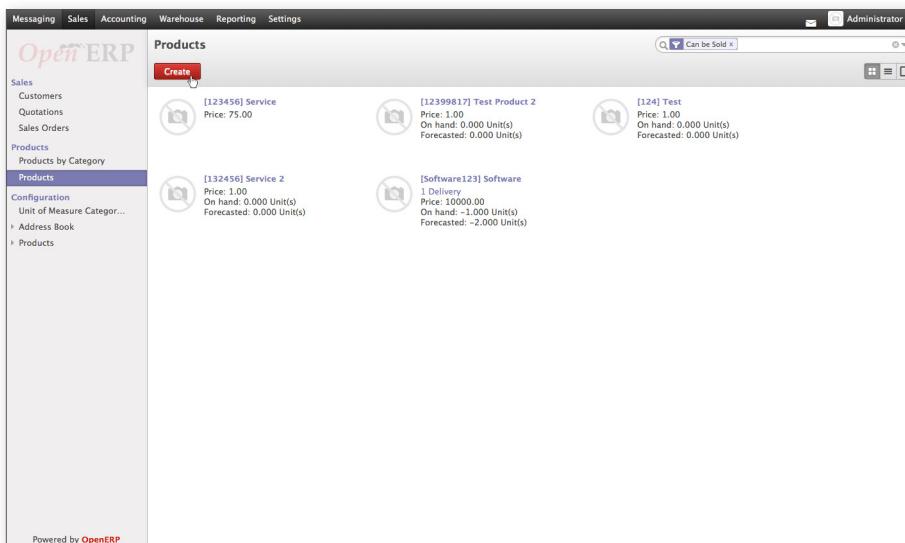
Product Configuration

Individual products default to the tax code assigned to its product category, however you can change the tax codes if necessary. Tax calculations for a specific product can be disabled as need.

Create New Product

Navigate to: **Sales > Products > Products**

Click “Create” button



Configure Product Tax Code

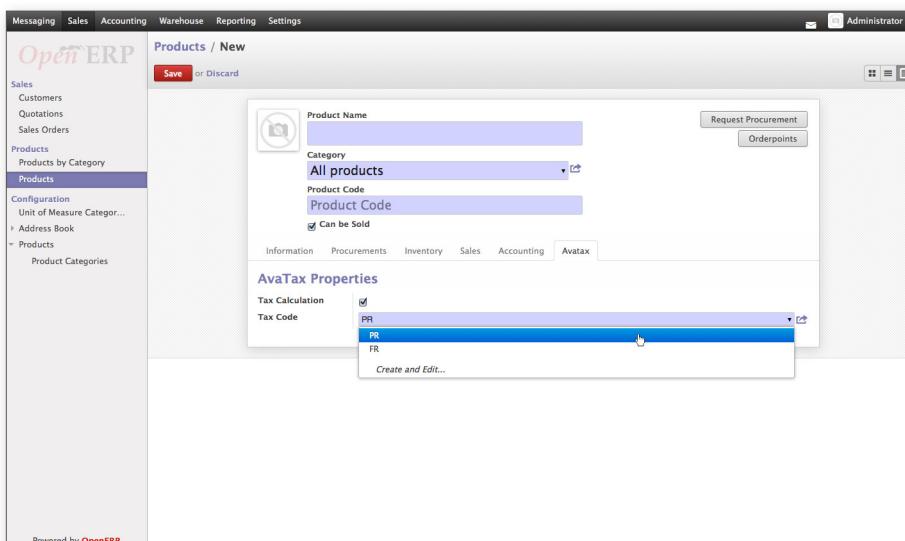
Under Category, select a **Product Category**

Under **AvaTax Properties**, the **Tax Calculation** check box is checked by default

If you wish to change the Tax Code defined by the Product Category, do so under **AvaTax Properties**

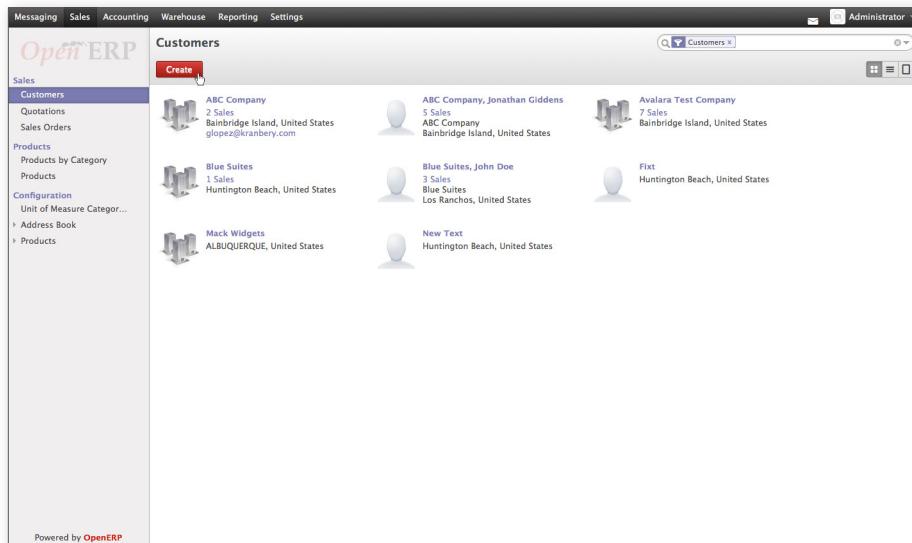
> **Tax Code**

Click “Save” button



Customer Configuration

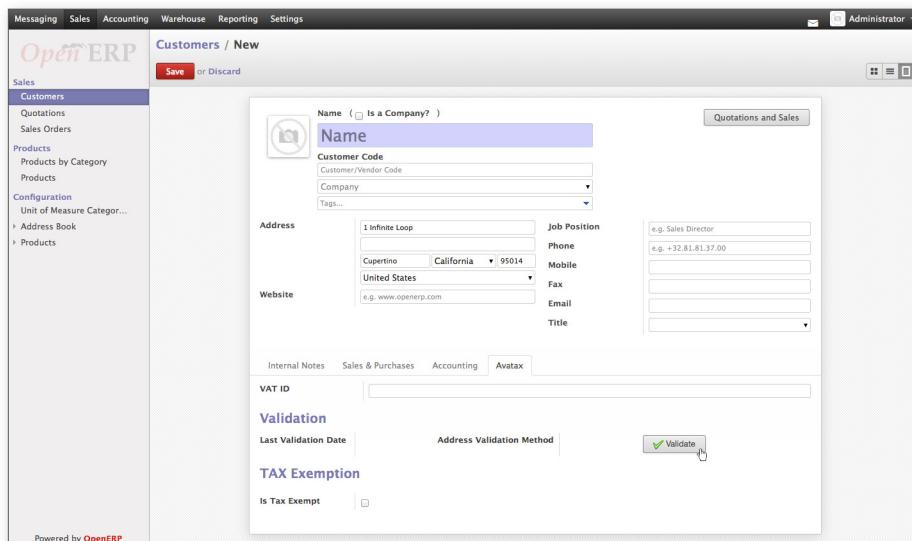
Properly configuring each customer ensures the correct tax is calculated and applied for all transactions.



Create New Customer

Navigate to: **Sales > Customers**

Click “Create” button



Configure Customer Address

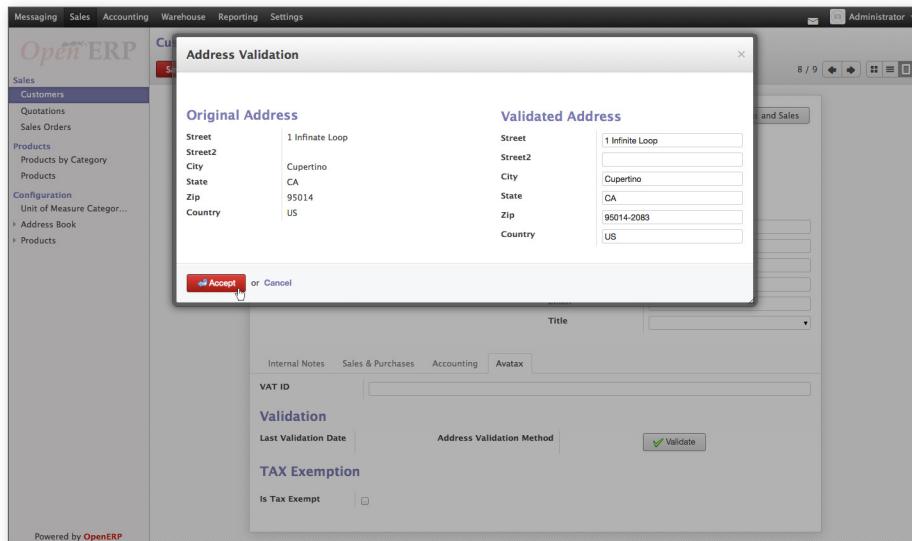
Enter Customer Address

Select the Avatax tab

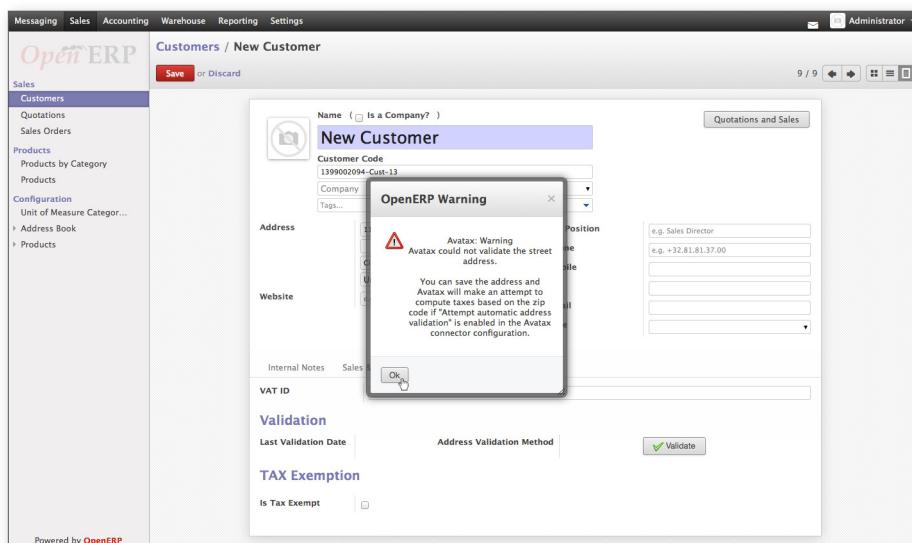
Click “Validate” button

Address Validation

AvaTax Module will attempt to match the address you entered with a valid address in it's database.
Click the “Accept” button if the address is valid



If the address is not found in the AvaTax database you can still continue and use the address you entered by clicking “OK” on the warning dialog box



Tax Exemption Status

If the customer is Tax Exempt, uncheck the box Under **Tax Exemption > Is Tax Exempt**
Select the desired **Tax Exempt Code** from the dropdown menu

Customer Invoices

The AvaTax module is integrated into Customer Invoices and is applied to each transaction. The transaction log in the AvaTax interface shows the invoice details and displays whether the transaction is an uncommitted or committed status. A validated invoice will show an “Uncommitted” and a paid Invoice will show a “Committed” status.

Create New Customer Invoice

Navigate to: *Accounting > Customers > Customer Invoices*

Click “Create” button

Compute Taxes with AvaTax

Fill out the customer invoice as normal for OpenERP

You will note that under Taxes you should see “AVATAX”

Click “Compute Taxes”

- * Note: There is a “Compute” button at the top of the window as well as the “Compute Taxes” button under the subtotal section of the invoice window. Both button and link return a tax calculation.

The screenshot shows the 'Customer I... / New' window in OpenERP. The left sidebar navigation includes 'Customer Invoices' under 'Customers'. The main 'Draft Invoice' screen shows a table with one row:

Product	Description	Account	Quantity	Unit Price	Taxes	Amount
[132456]	Service 2	200000 Product Sales	1.000	135.00	AVATAX	0.00

Below the table, the 'Payments' tab is selected, showing a total amount of \$0.00.

Validate Invoice

After the taxes have been computed click “Validate” button



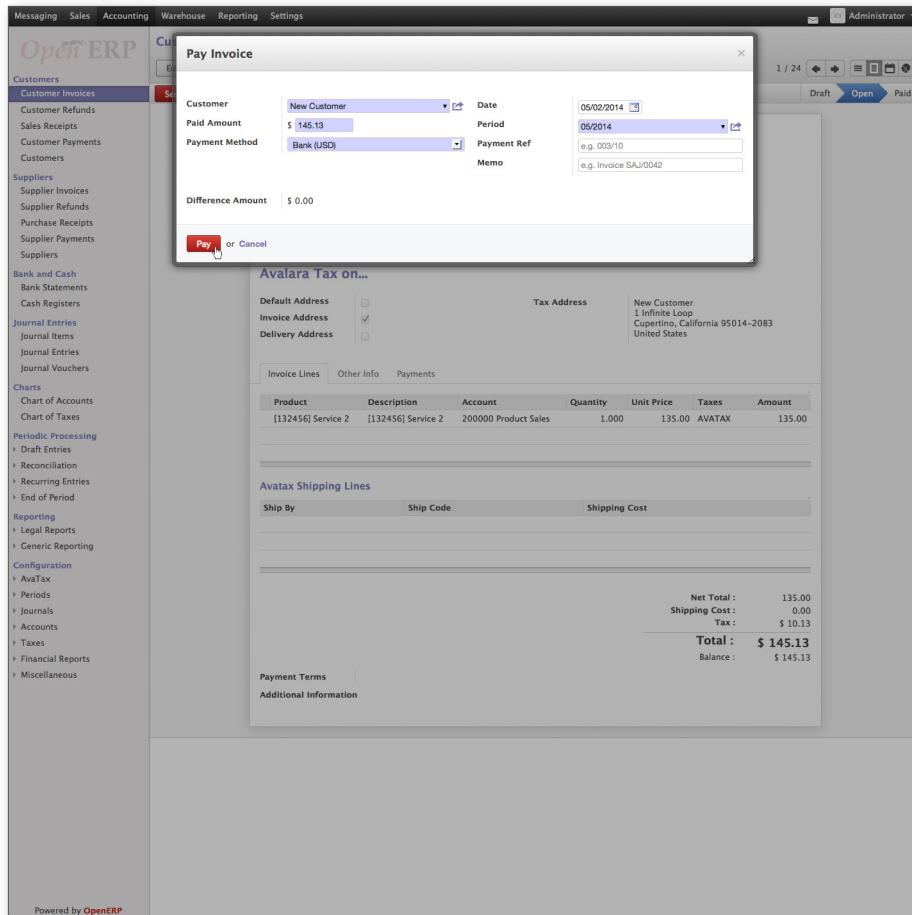
Register Payment

To complete the invoice click “Register Payment” button



Complete the Pay Invoice window

Click “Pay” button to finalize the Customer Invoice



Customer Refunds

OpenERP applies refunds as opposed to voids in its accounting module. As with customer invoices, the AvaTax module is integrated into Customer Refunds and is applied to each transaction. Refund invoice transactions will be indicated with a negative total in the AvaTax interface.

Initiate Customer Refund

Navigate to: **Accounting > Customers > Customer Invoices**

Select the invoice you wish to refund

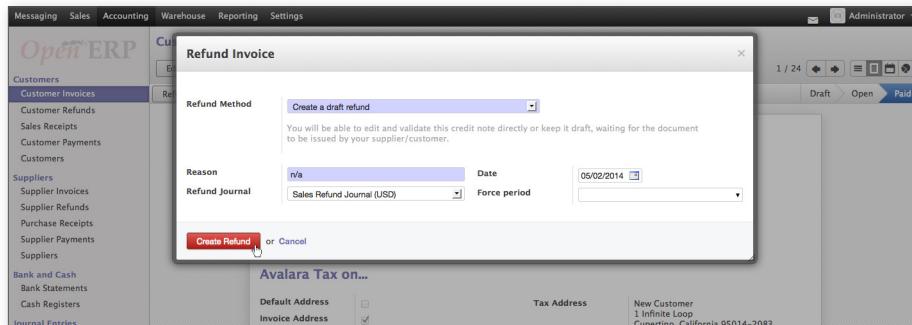
Click “**Refund Invoice**” button



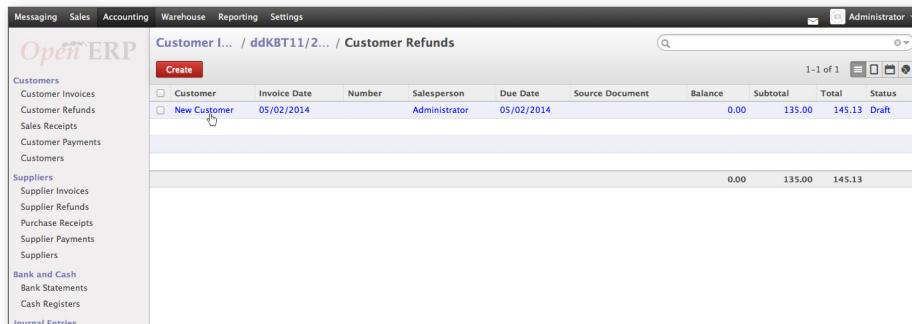
Create Refund Invoice

Under Refund Method select “Create a draft refund” from the dropdown

Click “**Create Refund**” button



You will be taken to the Customer Refunds list view



Validate Refund

Select the Customer Refund you wish to refund

Review the Draft Refund and click “Validate” button

The screenshot shows the 'Draft Refund' window in the OpenERP interface. The window contains the following fields:

- Customer:** New Customer, 1 Infinite Loop, Cupertino, CA 95014-2083, United States
- Invoice Date:** 05/02/2014
- Journal:** Sales Refund Journal (USD)
- Account:** 110200 Debtors
- Fiscal Position:** (empty)
- Avalara Tax on...:** Default Address (checkbox), Invoice Address (checkbox checked), Delivery Address (checkbox)
- Tax Address:** New Customer, 1 Infinite Loop, Cupertino, California 95014-2083, United States
- Invoice Lines:** A table showing one item: [132456] Service 2, Description: Service 2, Account: 200000 Product Sales, Quantity: 1.000, Unit Price: 135.00, Taxes: AVATAK, Amount: 135.00.
- Avatax Shipping Lines:** A table showing shipping costs.
- Total:** Net Total: 135.00, Shipping Cost: 0.00, Tax: \$ 10.13, Total: \$ 145.13, Balance: \$ 0.00.
- Payment Terms:** Invoice No: ddKBT11/2014/0017
- Additional Information:** (empty)

Register Refund Payment

Click “Register Payment” button to complete refund

The screenshot shows the 'Refund' window in the OpenERP interface. The window contains the following fields:

- Paid Amount:** \$ 145.13
- Payment Method:** Cash (USD)
- Difference Amount:** \$ 0.00
- Buttons:** Send by Email, Print, Register Payment (highlighted with a cursor), Refund Invoice, Cancel Invoice, Draft, Open, Paid

Complete the Pay Refund window

Click “Pay” button to finalize the Customer Refund

The screenshot shows the 'Pay Invoice' window in the OpenERP interface. The window contains the following fields:

- Customer:** New Customer
- Date:** 05/02/2014
- Period:** 05/2014
- Paid Amount:** \$ 145.13
- Payment Method:** Cash (USD)
- Memo:** e.g. Invoice SAJ/0042
- Difference Amount:** \$ 0.00
- Buttons:** Pay (highlighted with a cursor), or Cancel

Sales Orders

The AvaTax module is integrated into Sales Orders and allows computation of taxes. Sales Order transactions do not appear in the in the AvaTax interface.

Create New Sales Order

Navigate to: **Sales > Sales > Sales Orders**

Click “Create” button

Order Number	Date	CUSTOMER	Salesperson	Total	Status
SO010	03/25/2014	ABC Company	Administrator	81.53	Sales Order
SO007	02/13/2014	Avalara Test Company	Administrator	10870.00	Sales Order
SO006	02/13/2014	Avalara Test Company	Administrator	10870.00	Sales Order
SO004	02/13/2014	Avalara Test Company	Administrator	81.53	Sales Order

Compute Taxes with AvaTax

Fill out the customer invoice as normal for OpenERP

You will note that under Taxes you should see “AVATAK”

Click “Compute” in the subtotal section of the page

The screenshot shows the "Sales Orders / New" screen. The left sidebar has "Sales Orders" selected. The main area has a "Quotation /" header. It contains fields for Customer (set to "New Customer"), Date (05/01/2014), and Tax Address (New Customer, 1 Infinite Loop, Cupertino, California 95014-2083, United States). Below this is an "Order Lines" table with one row: Product [132456] Service 2, Description [132456] Service 2, Quantity 1.000, Taxes AVATAK, Unit Price 135.00, and Subtotal 0.00. There is also an "Add an item" button. Below the table is an "Avatax Shipping Lines" section with a "Ship By" field and a "Shipping Cost" table. At the bottom right is a "Total" section with a "Compute" button. The footer says "Powered by OpenERP".