

Is your procure-to-pay tax process manual or automated?

Streamline your P2P tax process with indirect tax automation



Manual tax process for procure-to-pay

A manual approach to the procure-to-pay (P2P) tax process can involve dozens of time-consuming steps that drain resources. From tax setup and maintenance to P2P processes such as requisition, approval, purchase order, reconciliation, and payment to end-of-month reporting and tax returns – these manual processes are lengthy, complex, and error-prone.

Tax Setup and Maintenance

1. Tax Content

- Run movement report
- Supplement missing data
- Calculate tax on movements
- Create GL entries for tax

2. Tax Setup in ERP

- Load tax rates
- Set up product treatments
- Program logic (if possible)

3. Process Training

- Train buyers and AP team
- Keep training up to date

Repeat these steps as tax law changes

P2P Process

1. Requisition

- Buyer checks tax cheat sheet
- Manually selects tax code
- *Or manually calculates tax
- *Or asks tax department

2. Approval

- Buyer/manager reviews total cost

3. Purchase Order

- Buyer checks tax cheat sheet
- Manually selects tax code
- *Or manually calculates tax
- *Or asks tax department
- Supplier informed of tax estimate

Goods Received

4. Invoice Reconciliation

- AP checks tax cheat sheet
- AP asks buyer for more detail
- AP manually selects tax code
- *Or AP manually calculates tax
- AP reconciles supplier tax
- AP manually accrues tax
- *Or parks for tax department

5. Pay Vendor

End of Month Reporting

1. Inventory Movements

- Run movement report
- Supplement missing data
- Calculate tax on movements
- Create GL entries for tax

2. Collect Data

- Run transaction reports
- Consolidate data
- Check for errors
- Make corrections
- Calculate tax if missing

3. Reconcile

- Run GL reports
- Compare GL to transaction data
- Create and post adjustments

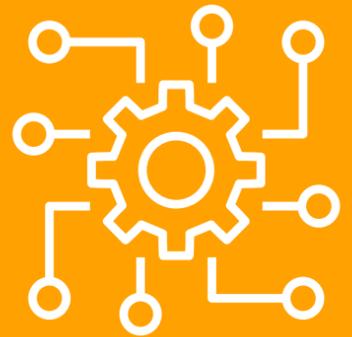
4. Tax Return

- Gather data (run reports or receive)
- Consolidate data
- Review data for accuracy
- Manually enter line data for each return
- File return (paper or e-file)
- Amend returns and repeat filing

With **ONESOURCE® Determination**, the P2P tax process is automated and streamlined, integrating seamlessly with your business applications and liberating your indirect tax professionals for more strategic work.

Automated tax process for procure-to-pay

Tax automation looks at invoice detail, other ERP data, and the company's tax policy – in effect acting like a tax professional, making sure the supplier charged the correct tax. With automated tax processes, your indirect tax teams will have more time to search for higher-value opportunities that improve your bottom line. You can also prevent the tax overpayments, underpayments, and penalties that can accumulate and weaken your organization's financial strength.



P2P Process

1. Requisition

2. Approval

3. Purchase Order

Goods Received

4. Invoice Reconciliation

5. Pay Vendor

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