

BE - VAT Reclassification

Tasks to be completed when documenting an operation (from creation to publication)

1. Enter the **Title of the operation / page**

2. Add the following Labels:

- Scope of applicability: ww, country_accounting
- Country or group of countries (if applicable): belux, china, france, italy, lam, nam,uk_ie, bulgaria, dach, netherlands, iberia, poland, latvia, australia, india, japan, south_korea, thailand, singapore
- Unit and Domain according to the [List of labels to be used in the Finance Service Line space](#)
 - E.g. 1: WW Operation in Financial Accounting under domain "Central Finance Processes & Compliance":
 - Labels to be used: *ww, financial_accounting, central_fin_proc_compliance*
 - E.g. 2: France Operation in Financial Accounting:
 - Labels to be used: *country_accounting, france, financial_accounting*
(for country operations, the Domain is always country_accounting)

3. Fill in all fields as described above

4. Once the description of the operation is completed, ensure it is approved and published by launching the [SBS-Finance approval workflow](#)

Domain: Country Accounting

Responsibility area: N/A

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Scope

? Unknown Attachment

ERP



Frequency

? Unknown Attachment

References

FB41; [FBL3N](#); S_ALR_87012277

Forms

[VAT reclass template](#)

Attachments

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1. Objective and Scope

1.1. Objective of this Operation

The purpose of this procedure is to ensure during the monthly closure, that the VAT accounts on the Balance Sheet are empty at the end of the month. The accountant transfers the open VAT-amounts to the Profit & Loss Statement.

1.2. Scope

This procedure applies to the following BE companies:

- 0003 - Solvay Participations Belgique SA
- 0007 - Hestia SA
- 4301 - RESOL & Cie
- 5990 - Solvay Stock Option

2. Definitions

See Finance Glossary:

- [GL](#)
- [P&L](#)

3. Tasks description

As companies 0003, 0007 and 4301 are not VAT entitled, the company cannot claim VAT from the Belgian Tax authorities. All VAT SAP GL-accounts should therefore be 0 EUR at month end.

During the monthly recurring accounting activities, it is however possible that VAT is not taken in P&L and has been recorded on the Balance Sheet. The open VAT-amount should be transferred to the Profit & Loss Statement.

Company 5990 is not VAT entitled **only regarding the VAT recoverable (2411*)**, for the VAT payable company stay entitled (2451*). During the monthly closing activities, the SLF team performs a control in SAP in order to ensure that all VAT-accounts are empty.

3.1. Responsibilities

Finance operations Team:

- Finalize the transaction input in SAP.
- Book VAT on all customers and suppliers invoices in the Profit & Loss Statement.
- Verify at month end if VAT accounts on the balance sheet accounts are empty and process reclassification in SAP.

3.2. Periodicity

This process should run on D+1.

3.3. I ensure that all VAT accounts are empty

1) Run report **S_ALR_87012277**, select variant **MO-VAT**, and update the company and period. Check if the VAT accounts (2411* and 2451*) have balance during the period.

2) Check the total balance of both accounts:

- a. If no movements occurred in the month, there is nothing to do;
- b. If only one account (2411030032) is available, the difference should be taken to account 6400100001 (see document 5010004476 in company 0007);
- c. If netting between the VAT asset and liability account is available, the netting should be performed, by creating a posting with one account against the other (2411020000/2451020000)

3) To perform the postings, transaction **FB41** should be used, with document type S1.

4) Check if the all VAT accounts are balanced:

- a. Insert transaction **FBL3N**;
- b. Select accounts **2411*** and **2451,***

G/L Account Line Item Display

Data Sources

Multiple Selection for G/L account

Select Single Values (2) | Select Ranges | Exclude Single Values | Exclude Ranges

Single value

2411*

2451*

Posting date

to

Type

☒ Normal items

☐ Noted items

☐ Parked items

List Output

Layout POSTINGDATE

Maximum number of items

- c. Select "All postings" starting from the first calendar day of the closing month, till the last calendar day of the closing month;
- d. Request all "posted" *and* "parked" items;
- e. Select layout type "**LBD2011**";
- f. If there's a 0 balance, the clearing of accounts should be performed;

G/L Account Line Item Display			
Data Sources			
G/L account selection			
G/L account	2411*	to	
Company code	0003	to	
Selection using search help			
Search help ID			
Search string			
Search help			
Line item selection			
Status			
☐ Open items			
Open at key date	31.10.2014		
☐ Cleared items			
Clearing date		to	
Open at key date			
☒ All items			
Posting date	01.09.2014	to	30.09.2014
Type			
☒ Normal items			
☐ Noted items			
☒ Parked items			
List Output			
Layout	LBD2011		
Maximum number of items			

Company 5990: tax code for "YU" transfer to P&L , EX:

- i. TAX code YT – use account 2451040032;
- ii. TAX code YU – use account 6400100001;

5) At D+2, check if the cost centers used are balanced, and if not, an analysis needs to be performed to identify and re-run the cycles.

End of document.