

US and CA - Tax Budget File

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, new_zealand, emea_transversal, apac_transversal
- 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. Name the title of each section using OPD methodology naming convention - **Infinitive verb without the "to", mainly action verb...something) -" I do something..."**

5. 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:

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Scope

? Unknown Attachment

ERP



Frequency



References

Forms

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[YYYY Tax Department_YTD MM'YY Act vs Budget - Example](#)

[Tax Budget File](#)

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1. Objective and Scope

1.1. Objective of this Operation

The purpose of this document is to explain how to perform the tax budget file for tax team.

With this report, it can be compared the budget vs actual costs in the tax cost centers in different company codes in US and Canada.

1.2. Scope

This procedure is applicable to companies below:

7424 - WP1;

4045 - PF1;

7008 - WP1;

6032 - WP1;

7752 - WP1;

This procedure is done on D+5 and reviewed and delivered on D+6 monthly for the previous period already closed.

The contact is the tax team - Damian Cioni (Head of US Tax Department).

2. Definitions

See [Finance Glossary](#):

- [ERP](#)
- [PF1](#)
- [SAP](#)
- [TE](#)
- [WP1](#)

3. Tasks description

3.1. *I Get the File and Retrieve the Data*

3.1.1. *I Get the Report File*

As this report is made every month and consists in the accumulated of actual costs items in the year, you need to download the last period report. You can find it on the last month's email or in the applicable tool, usually with the subject "US Tax - Budget File MM.YYYY".

Or it can be found in Gdrive folder [Tax Budget File](#).

When we send out the report to tax, it is reviewed and changed the tab "vendors" and sent back to us by the same email. With this, ALWAYS get the returned report from tax team to begin the next month report.

3.1.2. *I Understand the Report File*

The file have many tabs, but it is very organized.

The red tabs are the ones that compares the budget vs actual costs;

- Different costs are included here and so its budget. We need to include the actual costs for each line and update the formula to compare the budget vs actual;

The tabs that have cost centers indicated are related to the cost center line items (excluding the assessment lines) and categorized;

- These tabs have the SAP information;

The tabs in yellow are pivot tables for each of the cost center data, showing the categorization groups per month;

- These tabs are updated every month to be organized in the correct categories;

The tab vendor is not touched by us. It is used by the tax team to have a control of the invoices by vendor, etc;

- This is the one that tax team returns to us after their review;

An example of the file can be seen in this link [YYYY Tax Department_YTD MM'YY Act vs Budget - Example](#) this is only an example, as previously stated, get the correct file to continue updating it monthly.

3.1.3. *I Retrieve the Data*

You need to update the cost center tabs with the previous month closed.

to do that, go to SAP system (PF1 or WP1 according to the cost center), KSB1 transaction, insert the period, cost center and layout for each system:

PF1 - GE-TXBUDGET

Display Actual Cost Line Items for Cost Centers : Initial Screen

Further Selection Criteria...

Controlling Area

Cost Center to

or

Cost Center Group

Cost Element to

or

Cost Element Group

Posting Data

Posting Date to

Settings

Layout Geovany - Tax Budget layout

WP1 - /PVZ-BUDGET

Display Actual Cost Line Items for Cost Centers : Initial Screen

Further Selection Criteria...

Controlling Area

Cost Center to

or

Cost Center Group

Cost Element to

or

Cost Element Group

Posting Data

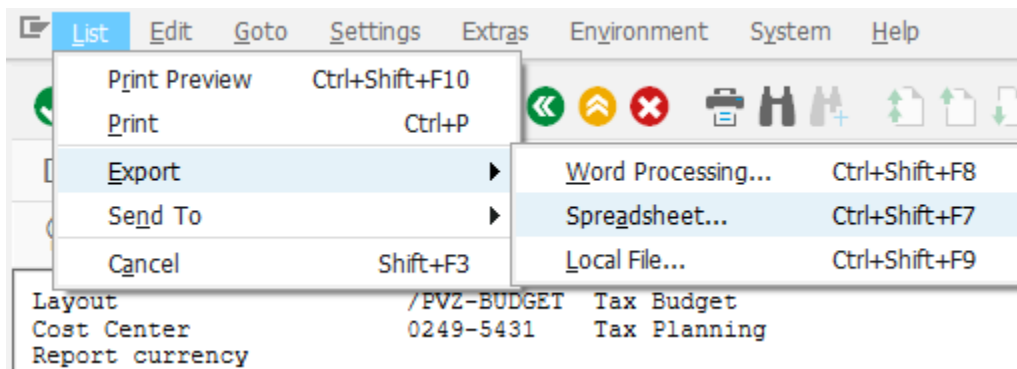
Posting Date to

Settings

Layout Tax Budget

extract the line items to excel and delete the lines that are P&L final cycles assessment.

To identify that, normally the document header tax begins with the cycle code. Do not delete the IAS19 cycle as it is not the P&L assessment cycle.



In this case delete the lines with 0249P2 (final cycle). Note that the 742419 cycle is there, so let it there (not final cycle to balance the cost center);

Q		
1	Document Header Text	P
2	PP0000109957	
2	PP0000109957	
2	PP0000109957	
2	PP0000109957	
2	74241920220101IAS19 Distribution	0%
2	0249P220220101	P
2	0249P220220101	P
2	0249P220220101	P
2	0249P220220101	P
2	0249P220220101	P
2	0249P220220101	P

Copy and paste it to the respective cost center tab in the report file;

Do it for every cost centers tab.

3.2. I Update the Report

3.2.1. I Categorize the Cost Centers Items

The first step after getting the data from SAP is to categorize the items in the cost centers tabs, column category at the right of the data.

You can categorize it with help from previous months files, but here are some examples:

Document Header Text:

PP* = payroll;

IAS19 Cycle = payroll;

Restructuring = payroll;

Bonus = payroll;

TE = T&E/Pcard;

Always take in consideration the document header text, the account, purchase order/invoice, case, etc. If there is a doubt, ask the person who requested the post.

3.2.2. I Update the Pivot Table

After categorizing the line items, go to Pivot table tab (yellow tabs) and update the data.

The Pivot table will show the category value per month:

Drag fields between areas below:

▼ FILTERS 	 COLUMNS Period ▼
≡ ROWS Category ▼ 	Σ VALUES Sum of Val.in ... ▼

Sum of Val.in rep.cur.	Column Labels	▼
Row Labels	▼ 1	Grand Total
E&Y	4.250,00	4.250,00
NEIL CORCORAN CPA PROFESSIONAL CORP	-	-
Office Supplies	52,04	52,04
Payroll	11.484,67	11.484,67
SRED	10.833,33	10.833,33
Grand Total	26.620,04	26.620,04

3.2.3. Update the Act vs Budget Tab

This is applicable for the red tabs:

1 - First of all, update the Header with the report month.

In this case, columns L, P, Q, R:

	J	K	L	M	N	O	P	Q	R
2022 Budget		YTD Jan '22 Actual	YTD Fav(Unfav) Var				YTD Jan '22 Budget	YTD Jan '22 Actual	Fav (Unfav)

2 - After that, update the formula in column "YTD Budget" in orange. The formula needs to get the YTD budget, but the current quarter needs to be updated according to each month.

Example in Q1

- 1st month = Q1 budget*1/3
- 2nd month = Q1 budget*2/3
- 3rd month = Q1 budget

Example in Q2

- 1st month = Q1 budget + (Q2 budget*1/3)
- 2nd month = Q1 budget + (Q2 budget*2/3)
- 3rd month = Q1 budget + Q2 budget

And so on.

	J	K	L	M	N	O	P	Q	R
		YTD Jan '22		YTD Fav(Unfav)		YTD Jan '22	YTD Jan '22		
	2022 Budget	Actual		Var		Budget	Actual	Fav (Unfav)	
\$	30.000	\$ -		\$ 30.000		\$ 2.500	\$ -	\$ 2.500	

Formula:

$$=F3*1/3$$

3 - Update the YTD Actual by getting the value from pivot table for the respective category.

For example, in this case the vendor is KPMG and the description is SRED Tax Credit Study:

	A	B	J	K	L	M	N	O	P	Q	R	S	T
	Vendors	Cost Center	2022 Budget	YTD Jan '22	YTD Fav(Unfav)		YTD Jan '22	YTD Jan '22					Description
				Actual	Var		Budget	Actual	Fav (Unfav)				
KPMG	7752-5806	\$ 30.000	\$ -	\$ 30.000	\$ 2.500	\$ -	\$ 2.500					Tax Return Preparation & RTP work	
KPMG	7752-5806	\$ 100.000	\$ 10.833	\$ 89.167	\$ 8.333	\$ 10.833	\$ (2.500)					SRED Tax Credit Study	
E&Y	7752-5806	\$ 51.000	\$ 4.250	\$ 46.750	\$ 4.250	\$ 4.250	\$ -					Transfer Pricing Study & Documentation	
WSIB (NEER)	7752-5806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -					WSIB (NEER) Payment	
7752-5806 TOTAL						\$ 15.083	\$ 15.083	\$ 0					

So, it will be taken the SRED category in the pivot table with the actual cost for that:

Sum of Val.in rep.cur.	Column Labels	Grand Total
Row Labels	1	
E&Y	4.250,00	4.250,00
NEIL CORCORAN CPA PROFESSIONAL CORP	-	-
Office Supplies	52,04	52,04
Payroll	11.484,67	11.484,67
SRED	10.833,33	10.833,33
Grand Total	26.620,04	26.620,04

With this, the column "Fav (|Unfav) Var" will generate a positive (favorable) or negative (unfavorable) number as it subtracts the budget - actual costs. It indicates the budget position YTD.

4 - Some costs are not considered in the budget as labor costs, fines and penalties, etc. So it is included below in the file, but the logic is the same:

Vendors	Cost Center	2022 Budget	YTD Jan '22	YTD Fav(Unfav)	YTD Jan '22	YTD Jan '22	Fav (Unfav)	Description
			Actual	Var	Budget	Actual		
Labor	7752-5806	\$ -	\$ 11.537	\$ (11.537)	\$ -	\$ 11.537	\$ (11.537)	Labor
Misc Tax	7752-5806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Misc Tax
Fines and Penalties	7752-5806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Fines and Penalties
Unclaimed Property	7752-5806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Unclaimed Property
Bank Fees	7752-5806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Bank LOC Fees
Total Subtotal above 7752-5806			\$ 11.537					

5 - At the end of each red tab, there is a check to ensure everything is being considered in the tab.

It compares the total included as actual and the total in the cost center tab.

The goal is to have no difference, if there is any difference, then something is missed to be included on the red tab or something is not being considered in the cost center tab.

Make sure to have the difference zero.

26			
27	Total to tie into John's Sheet		\$ 26.620
28			
29	Per Data Sheets	7752-5806	\$ 26.620
30			
31		Total	\$ 26.620
32			
33		Difference	\$ -

3.3. I Send the Report

3.3.1. I Send the Report to Tax Team

Normally it is sent on D+6, but make sure to review the file before sending it.

It can be sent by email or the applicable tool and the subject can be: "US Tax - Budget File MM.YYYY".

The contact is Damian Cioni - damian.cioni@solvay.com (Head of US Tax Department).

If you notice something inconsistent or if you had to add more lines, advise the tax team.

End of document.