**The Pennsylvania State University**



**SIMBA Hands-On Guide Alternative Format**

**FV60\_Park Vendor Invoice-Tax Withholding**



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# FV60\_Park Vendor Invoice-Tax Withholding

## Overview

**Transaction Description:**

This tile is used for non-PO A/P related invoices from vendors. This invoice document is routed to Central A/P.  The A/P department reviews the invoice to ensure it is in line with like invoices.

**Penn State Purpose:**

The purpose of this transaction is to enter non-PO related invoices. Please refer to the [Payment Decision Matrix](https://guru.psu.edu/resources/rates-and-schedules/simba-object-codes-new) for usage criteria. Invoices such as utilities, rents and car leases can be paid via the non-PO invoice.

If the vendor is 1042S or 1099 reportable, proper tax withholding needs to be completed at invoice entry.  This simulation will demonstrate the tax withholding steps.

## Process Steps

In this simulation, we will demonstrate how to pay an International Vendor. The payment is an Honorarium, requiring a 30% Tax Withholding. Refer to the [Non-U.S. Citizen Payment Guidelines](https://guru.psu.edu/resources/decision-tools/non-us-citizen-payment-guidelines/non-us-citizen-payment-guidelines) for guidance.

If the Vendor Number is unknown, refer to the Display Business Partner simulation for guidance.

1. **860008757**is typed in the **Vendor**field.

2. The **Vendor** is selected.

The original invoice date is entered.

3. **04/28/2020** is typed in the **Invoice date** field.

The Reference field should be populated with the Vendor Invoice Number (strictly the number itself without additional entry).

4. **567** is typed into the **Reference** field.

The invoice Amount is entered.

5. **7500.00**is typed in the **Amount** field.

The Text field can be filled with up to 50 characters.  This can be used to describe the reason for payment.

6. **Honorarium Payment** is typed in the **Text field.**

Note: The Text field can be used to help the vendor identify the reason for payment.  When entering an asterisk (\*) before the text, this information will be output on the payment advice.

**Enter** is pressed.

When Enter is pressed, the Vendor information is populated.  It is important to validate this information to ensure the correct vendor is being paid to the correct address.

System Status Bar Confirmation:

This Vendor is subject to withholding tax per the W-9 provided by the vendor.  This information is maintained on the vendor master record.

Now we will enter the payment information.

7. The **Payment** tab is clicked.

Payment terms will default from the vendor set-up. Only change payment terms if there is an exception which overrides the vendor master data for this invoice. For this invoice, we will update the payment terms.

8. The **Pyt Terms** field is clicked.

Terms of Payment options are displayed. For this demonstration we will select option 0001, Net due 30 days; .5% discount if paid in 10 days.

9. The **0001** **Terms of Payment** is clicked.

10. The **Apply** button is clicked.

The Payment Method field should be left blank in most situations.  A blank indicates the invoice will be paid by the payment method selected by the vendor.

Note: Payment method for international vendors should be Check (C), USD Fed Wire (W), or Foreign Currency Wire (F). Foreign vendors cannot be paid as Bank Transfer/ACH (D) due to compliance.

Next, we will enter the withholding tax information.

11. The **Withholding tax** tab is clicked.

The withholding tax base is the invoice amount in US currency. The withholding tax amount is 30% of that amount.

Refer to [Non-US Citizen Payment Guidelines](https://guru.psu.edu/resources/decision-tools/non-us-citizen-payment-guidelines/non-us-citizen-payment-guidelines) to determine when 30% withholding tax should be applied.

12. **7500** is typed into the **W/Tax Base FC** field.

13. **2250** is typed into the **W/Tax Amt in FC** field.

Remember, the withholding tax is 30% of the withholding tax base.

The Line Item information is completed.

14. **52600901** is typed into the **G/L acct** field.

The Honorarium amount should be entered in USD. Line items should total the amount displayed in the Header.

15. **7500** is entered into the **Amount in doc.curr.** field.

16. **Honorarium** is typed into the **Text** field.

Cost Center, Internal Order or WBS Element is required for a P&L G/L.

17. **6510801000** is typed into the **Cost center** field.

**Enter** is pressed.

When specifying a Cost Center, the Business Area, Fund Center, Fund, Grant, and Functional Area will populate when pressing Enter on the keyboard. This derivation of information also happens for an Internal Order or WBS Element.

If a Balance sheet G/L is used, Business Area, Fund, and Grant will need to be entered instead of a Cost Center, Internal Order, or WBS Element. The Grant value NOTRELEVANT is used when a Grant does not apply.

A parked document is saved, but not yet posted.

18. The **Save parked document** button is clicked.

System Status Bar Confirmation:

Document 1900013824 1855 was parked.

Note: The Park Vendor Invoice screen is cleared for the entry of another invoice after Saved parked document is clicked.

To add attachments before workflow is triggered, the document must first be parked.  We will open the newly created document.  Note the document number displayed in the System Status Confirmation Bar - 1900013824.

19. The **More** dropdown is clicked.

20. The **Document** menu item is selected.

21. The **Display** menu item is selected.

Document 1900013824 is now open.  The information is grayed out.

Clicking the Document button will change the display options, enabling us to edit the document before submitting it to the workflow.

22. The **Document** tab is selected.

The Services for Object dropdown is used to attach the invoice and any supporting documentation.

Refer to the following websites to determine which documents must be attached:

[Non-U.S. Citizen Documentation Chart](https://guru.psu.edu/resources/decision-tools/visa-document-chart)

[Non-U.S. Citizen Payment Guidelines](https://guru.psu.edu/resources/decision-tools/non-us-citizen-payment-guidelines/non-us-citizen-payment-guidelines)

23. The **Services for Object** dropdown is selected.

24. The**Create**menu item is clicked.

25. The **Create Attachment** menu item is selected.

The File Upload pop-up is displayed. The OK button is clicked to confirm we would like to upload a file to the SAP system.

26. The**OK** button is clicked.

27. The **01 Sample attachment** **File**is clicked.

28. The **Open** button is clicked.

The document attached should be verified as correct by selecting the Services for Object dropdown.

29. The **Services for Object** dropdown clicked.

30. The **Attachment list** item is selected.

The attached document is displayed. Multiple attachments can be created for this invoice.

31. The **Continue** button is clicked.

32. The **Save as Completed** button is clicked.

System Status Bar Confirmation:

Preliminarily posted document 1900013824 1855 was changed and workflow has been triggered.

Once workflow is kicked off, do not make any changes through the Park Vendor Invoice tile. Adjustments must be made by going through the Inbox.  Refer to the Business Workplace\_Inbox simulation for guidance with this process.

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