



**Traveller
VAT Processing**

**Notes
Version 2
21st December 2009**

Version	Date	Change History
1	1/Dec/09	First version
2	21/Dec/09	Added section for Travel Agent's Margin Scheme

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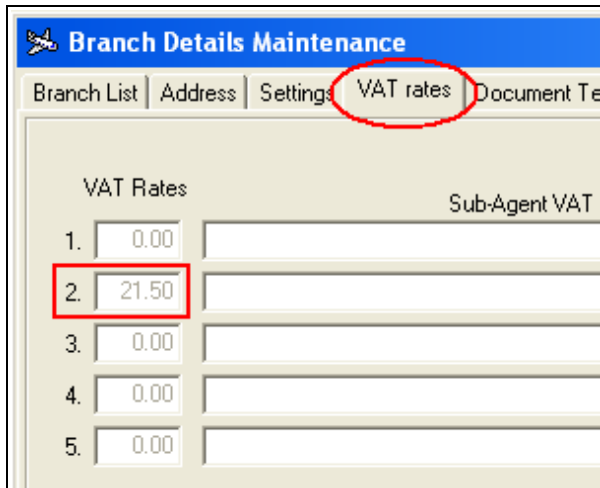
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1. Introduction

This document outlines VAT processing in Traveller. This is particularly to assist existing Traveller users in the Republic of Ireland where, from 1 January 2010, the services of travel agents are no longer exempt from VAT. Travel agents will be required to account for VAT at the standard rate of VAT (currently 21.5%) on commission received.

2. VAT Rates

The rate of VAT is set in Branch details:



The screenshot shows the 'Branch Details Maintenance' window with the 'VAT rates' tab selected. The window contains a table with two columns: 'VAT Rates' and 'Sub-Agent VAT'. The table has five rows, numbered 1 to 5. The 'VAT Rates' column contains the following values: 0.00, 21.50, 0.00, 0.00, and 0.00. The 'Sub-Agent VAT' column is empty for all rows. The '21.50' value in row 2 is highlighted with a red box. The 'VAT rates' tab label is also circled in red.

	VAT Rates	Sub-Agent VAT
1.	0.00	
2.	21.50	
3.	0.00	
4.	0.00	
5.	0.00	

Menu options: File – System Utilities – Branch Details – VAT rates (tab)

Rate 1 = 0.00%, ie: Zero rated

Rate 2 = 21.5%, ie: Standard rate

3. VAT Processing

There are three types of VAT Processing within Traveller:

- VAT on Commission
- Transaction VAT
- Sub-Agent VAT

These are described below

3.1 VAT on Commission

3.1.1 Conventional Document Entry

VAT on commission is input in Traveller Document Entry:

continued/

Mr G Black - Client Details

Address: 10 North View, Higher Hillingdon, EF45 8WX
 Office tel., Home tel., Mobile, Account, Reference
 Booking: 000003/001, Travel: 18/JAN/10, Lead
 Transaction Status: Agent
 Meals, Seat Request, Other Requests

Transactions | Addit. | Payments | Supplier | Documents | Ticket View | Memo | Gross I. | Profile | Client Details | Consultations

Doc Type	Description	Status / Tickets	Ref	Date Produced	Printed

Doc. Entry (circled in red) | Exit | Options

Document Type FIN or LAT:

Document Type: FIN (dropdown) Final invoice received

Commission Rate: V (dropdown) Commission Value: 100.00

VAT Rate: 2 (dropdown, circled in red) VAT Value: 21.50 (text box, circled in red)

Use VAT Rate 2 and the amount of VAT will be automatically calculated

3.2 Transaction VAT

Use this process if the transaction itself attracts VAT. This may be in addition to (or instead of) VAT on commission.

The amount in the transaction costing *includes* VAT

Operator: HERZ Hertz Rent A Car

Model: Compact

Group: B

From Date: 20/JAN/10 Time: []

To Date: 22/JAN/10 Time: []

Duration: 3 Day(s)

Destination: []

Pick Up At: Airport

Drop Off At: Airport

Total Cost: Costing 78.50 (circled in red) including VAT

You must make a VAT Document Entry in order to enter the VAT on the Transaction. Use the VAT Document Type:

Document Type	VAT Enter booking VAT	Commission Rate		Commission Value	0.00
		VAT Rate	2	VAT Value	13.89

Traveller will calculate the amount of VAT *within* the transaction total, ie:

64.61 Excluding VAT
 13.89 VAT = 21.5% of 64.61
78.50 Total including VAT

Document Keywords:

Keyword	Section	Description
NETOFVAT	Transaction	Line total before VAT
VAT	Transaction	Line VAT amount
TOTAL	Transaction	Line total including VAT
BOOKNETVAT*	Trailer	Document total before VAT
DOCVAT*	Trailer	Document VAT amount
TOTAMT	Trailer	Document total including VAT

* For refund documents, use NETVAT instead of BOOKNETVAT, use VATAMT instead of DOCVAT

3.3 Sub-Agent VAT

The Sub-Agent VAT Rate is set in Sales Account Maintenance

The screenshot shows the 'Sales Account Maintenance' window. The 'Sub-Agent' checkbox is checked, and the 'Sub-Agent VAT Rate' dropdown is set to '2'. Other fields include Account No. (SUB1), Account Name (Sub Agent Travel), and various checkboxes for CRS and document handling options.

Menu options: File – Master File Maintenance – Sales Accounts – Sales Account Details

Use VAT Rate 1 if VAT is not involved for this Sub-Agent account

Link the client to the Sub-Agent in the Client Details:

The screenshot shows the 'Client Details' window. The 'Name' field contains 'Mrs C Grey' and the 'Account' dropdown is set to 'SUB1'. The window also shows tabs for Transactions, Addit., Payments, Supplier, Documents, Ticket View, Memo, Gross I., Profile, Client Details, and Consultations.

The Sub-Agent VAT amount will be automatically calculated in the Detailed Costing window:

Item	Pax	Cost	Total
Adult Fare	1	3200.00	3200.00

Cost Centre:
 Sub-Agent Commission:
 Sub-Agent VAT:
 Sub Agent:
 Total Cost:

4. Fees

4.1 Quick Fees

The VAT Rate for each fee is set in the Quick Fees maintenance window:

Id	Tran. Type	Oper	Description	Fee Value	Adult	Child	Infant	VAT	Combine
1	SERV	SERV	Booking Fee	15.00	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	<input type="checkbox"/>

Transaction Type: Service Charge
 Operator Code: Service Charge
 Description:
 Fee value:
 Apply per adult Apply per child Apply per infant
 Please note. If none of the above boxes are ticked then the fee will be applied as a fixed value
 VAT Rate:
 Combine Fee (If ticked this fee could be combined with Air or Rail transactions in Documents)

Menu options: File – System Utilities – Costs and Fees – Quick Fees

Use VAT Rate 1 if VAT does not apply to this fee

The Fee value **excludes** VAT

VAT will be automatically applied when Traveller creates the fee transaction:

Mr P Brown - Service Charge

Operator: SERV Service Charge Booking Type: Definite booking

*** Service Charge - Total Cost Only Required ***

Date: 24/JAN/10

Total Cost: Costing 18.23

Book Ref: QFee 1

Comments:

15.00 Excluding VAT
 3.23 VAT = 21.5% of 15.00
18.23 Total including VAT

4.2 Rule Fees

The VAT Rate for each fee is set in the Fee Rules Editor window:

Fee Rules Editor

Rule Identification: Rule Code: RULE1 Description: Rule Fee 1

Airline Rule: Apply as Fee: Rebate Commission: VAT rate: 2

Basic Rule: Basic charge: 0.00 as a percentage / as a fixed value (selected)

Minimum Charge: 0.00 Maximum Charge: 0.00

Apply Basic Charge: per Booking per Passenger per Ticket per Sector

Sub-rule editor: IF TransactionType = BSP:Air Tickets

sub-rule continues: Basic sub-rule Charge: 12.00 as a percentage / as a fixed value (selected)

Minimum sub-rule Charge: 0.00 Maximum sub-rule Charge: 0.00

VAT rate for sub-rule: 2

Apply Sub-Rule: per Booking per Passenger per Ticket per Sector

Menu options: File – System Utilities – Costs and Fees – Rule-based fees

Use VAT Rate 1 if VAT does not apply to this fee

The Fee value **excludes** VAT

VAT will be automatically applied when Traveller creates the fee transaction during invoicing:

Ms T Fox - Payment Entry

Tran	Trans Type	Operator	Total Cost	Balance Due	Payment Value	Pay Type	Pay Method	Low Dep	ATOL No
1	BSP	BA	71.75	71.75	0.00			No	
2	SERV	SERV	14.58	14.58	0.00			No	

12.00 Excluding VAT
 2.58 VAT = 21.5% of 12.00
14.58 Total including VAT

5. Travel Agent's Margin Scheme

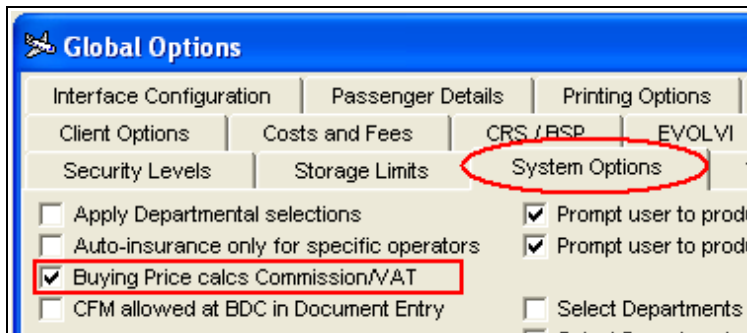
Our understanding is that the Travel Agent's Margin Scheme applies only when the agent is officially acting as a principal, ie: *not* acting as a conventional travel agent (intermediary).

In this situation, the VAT is calculated as the amount of VAT *within* the margin, ie:

246.91 Excluding VAT
 53.09 VAT = 21.5% of 246.91
300.00 Total margin including VAT

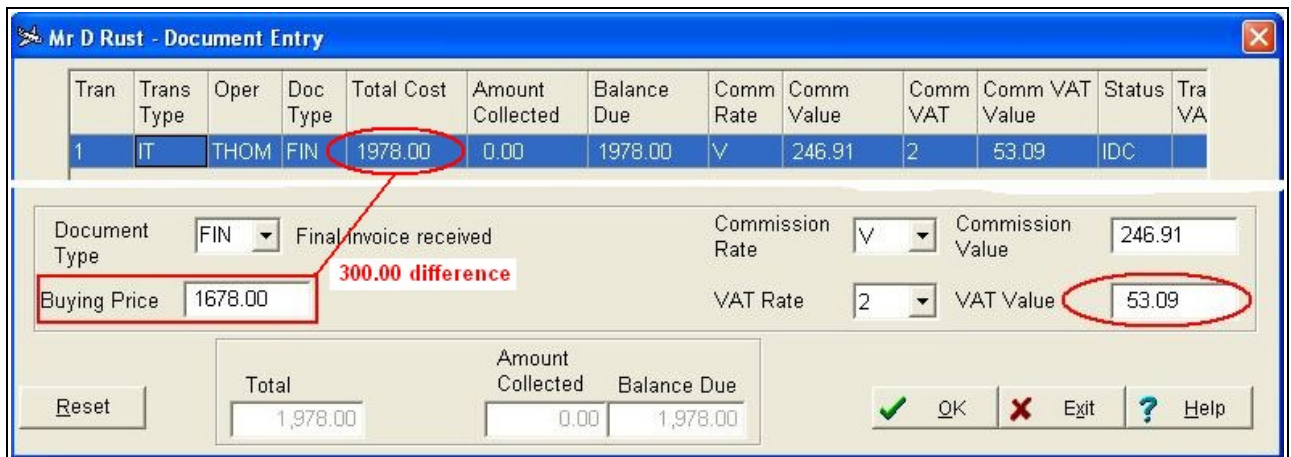
This can be input into Traveller Document Entry as Commission Value 246.91 and VAT Value 53.09

Traveller version 6829/05 provides a new facility to make this process easier. This is controlled by a new Global Option as shown below:



Menu options: Options/Tools – Global Options

The Buying Price can be input into Document Entry when this options is set:



Traveller will work out the margin and the appropriate commission and VAT values.