

Microsoft Dynamics™ AX

Features for Czech Republic

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Introduction

This information includes an overview of features that are specific to users in Czech Republic. It includes a description of each feature, a list of the forms and fields that are affected by each feature, and procedural information to help you use the feature in your business. The features are available only if the configuration key for Czech Republic is selected.

Refer here for feature information:

- [Advance invoices and prepayment handling](#)
- [Bank symbols](#)
- [Fixed asset depreciation](#)
- [General master data](#)
- [Ledger reports](#)
- [Transaction date for VAT register](#)

Advance invoices and prepayment handling

In accordance with Czech Republic legislation, there are specific procedures and documents to use for value-added taxes (VAT) for prepayment handling.

The **Sales tax on prepayment** check box must be selected and the **Prepayment handling** field must be set to **Advanced** in the **Accounts payable parameters** form (**Accounts payable** > **Setup** > **Parameters**) and the **Accounts receivable parameters** form (**Accounts receivable** > **Setup** > **Parameters**).

For more information, refer to the following topics:

- [Customer advance invoice](#)
- [Vendor advance invoice](#)
- [Create customer prepayments](#)
- [Create vendor prepayments](#)
- [Payment proposal from advance invoice](#)
- [Prepayment handling](#)
- [Tax document \(Tax credit memo\)](#)

Customer advance invoice

The advance invoice is a document created for a customer for the amount to be prepaid on a sales order. Usually, the payment must be made before the order is processed. The advance invoice is neither an accounting nor a tax document, but it can be used as a basis for prepayments. Refer to [Payment proposal from advance invoice](#).

To open the **Advance invoice** form, click **Accounts receivable** > **Advance invoice** or open the **Sales order** form (**Accounts receivable** > **Sales order**), select a sales order, click the **Functions** button, and select the **Create advance invoice** option. If you create an advance invoice from the **Sales order** form, the advance invoice has the reference to the sales order.

Note: You can create an advance invoice for only one sales order or one free-text invoice. You can reassign an existing advance invoice to another sales order or free-text invoice as long as there are no prepayments linked to the advance invoice.

To create an advance invoice for a free-text invoice, first create the advance invoice and the free-text invoice independently, and then click **Functions > Set free-text invoice** in the **Advance invoice** form to link the free-text invoice to the advance invoice.

An advance invoice can have one of the following statuses: **Opened**, **Partially paid**, or **Closed**. The status can be changed using the **Functions > Status** button at any time. You cannot process closed advance invoices in transactions. You can filter advance invoices using the following criteria in the **Show** list box: **All**, **Open**, **Non-closed**, **Paid**, or **Closed**.

An advance invoice can have several lines, and the lines can contain VAT specifications, taken from sales order lines. This allows you to post VAT from a prepayment in strict accordance to sales order lines. According to Czech legislation, companies must record VAT on prepayments from customers, although a sale has not been made.

Note: The VAT specifications will be copied to the advance invoice lines only if the **Type of tax** field in the **Sales Tax Codes** form (**General ledger > Setup > Sales tax > Sales tax codes**) is set to **Standard VAT** or **Reduced VAT**. If the **Type of tax** field has a different value, the line is copied to the advance invoice as if it has zero VAT amount.

Vendor advance invoice

Vendor advance invoice processing is similar to customer advance invoice processing.

To open the **Advance invoice** form, select **Accounts payable > Advance invoice** or open the **Purchase order** form (**Accounts payable > Sales order**), select a sales order, click the **Functions** button and select the **Create advance invoice** option.

Create customer prepayments

You can link prepayments received from customers to advance invoices, and you can link the prepayments to advance invoices before or after posting. You can link one prepayment to several advance invoices, and you can link one advance invoice to several prepayments. A warning is displayed if the advance invoice or the prepayment is already linked.

Use one of the following methods to link a prepayment to an advance invoice:

- For advance invoices that have not been closed, open the **Advance invoice** form and click **Functions > Link prepayments**.
- Open the payment journal lines form (**Accounts payable (receivable) > Journals > Payments > Payment journal > Lines**) and click **Functions > Link to advance invoice**.
- For open customer transactions, open the **Customer transactions** form (**Accounts receivable > Customers > Transactions**) and click the **Link to advance invoices** button.

Note: Before linking prepayments to an advance invoice, click the **Post** button in the **Advance invoice** form to post the advance invoice.

Create vendor prepayments

The process to create vendor prepayments is similar to creating customer prepayments.

Note: To prevent VAT posting in vendor journals select the **Prohibit in journals** check box in the **Accounts payable parameters** form.

Payment proposal from advance invoice

Payment journal lines can be generated automatically, based on an advance invoice.

1. Open the **Payment journal** form (**Accounts payable (receivable) > Journals > Payments > Payment journal**).
2. Create a new payment journal and click the **Lines** button.
3. Click **Payment proposal > Payment proposal from advance invoice**.
4. In the **Create payment proposal from advance invoices** form, click the **Select** button to select advance invoices.

Note: New prepayments will be linked automatically to advance invoices if the **Link prepayments** and the **Change status** check boxes are selected in the **Create payment proposal from advance invoices** form.

Prepayment handling

Prepayment handling allows you to change VAT posting in posted prepayments. Use prepayment handling to complete the following tasks:

- Convert a prepayment to a payment
- Convert a payment to a prepayment
- Change the payment posting date
- Change the tax amount
- Change the tax rate, which also includes creating several taxes with different rates for one prepayment

To change payments and prepayments, click the **Prepayment handling** button in the **Customer transactions** form (**Accounts receivable > Customers > Transactions**) or the **Vendor transactions** form (**Accounts payable > Vendors > Transactions**).

Tax document (Tax credit memo)

The receiver of a prepayment creates a tax document for the VAT liable delivery. The issuer of a prepayment can use the tax document to deduct VAT from the prepayment.

Note: In some cases, the receiver is free from issuing tax document, but usually it is mandatory to create a tax document not later than 15 days after receiving a prepayment.

You can use tax credit memos to correct tax documents. For example, a prepayment that exceeds the delivery amount cannot be used as a basis for VAT deduction. See the example below.

You can create the tax document for a posted prepayment from the **Customer transactions** form (**Accounts receivable > Customers > Customer transactions**) or from payment journal lines (**Accounts receivable > Journals > Payments > Payment journal > Lines**).

The following table shows an example of processing a purchase. Company 1 is purchasing goods from Company 2. Both companies use Microsoft Dynamics AX.

Step	Company 1	Company 2
0	Creates a purchase order.	
1		Registers the received order. Creates a sales order.
2		Creates a sales advance invoice.

3	Registers the received advance invoice. Creates a purchase advance invoice.
4	Posts the prepayment attached to advance invoice. Note: No VAT is posted in this step. The VAT can be claimed, based on the tax document only.
5	Posts the prepayment attached to advance invoice.
6	Posts (pays) VAT from the prepayment.
7	Creates and prints the tax document.
8	Registers the tax document. Posts VAT from the prepayment.
9	Issues a sales invoice with deducted the prepayment and deducted VAT, that was already paid.
10	Registers the invoice, settles the deducted prepayment, and reverses the deducted VAT that already was claimed.

Bank symbols

The constant symbol and the specific symbol are additional properties of a bank account. You can use these properties for invoice printouts.

To use this feature, the **Bank – CZ extension (CzBankSymbols)** configuration key must be selected.

For more information, refer to the following topics:

- [Constant symbol setup](#)
- [Specific symbol setup](#)

Constant symbol setup

Use the **Bank constant symbols** form (**Bank > Setup > Constant symbols**) to set up a list of constant symbols. When you set up a constant symbol for a bank account, it is copied to sales orders and free text invoices by default. From a sales order or a free text invoice, the constant symbol is transferred to customers' invoices.

Note: The constant symbol from the company bank account is used for free text invoices by default.

The constant symbol that you set up for the company's bank also is displayed on invoice printouts.

Specific symbol setup

Specific symbol is a new property of bank accounts. When you set up a specific symbol for a bank account, it is copied to the vendor invoice printout form by default.

Fixed asset depreciation

You can use one of the two new depreciation methods – **Accelerated** and **Regular** – that provide compliance with the Czech Republic legislation. Also, you can use the new asset **Acquired** status to specify fixed assets that were acquired, but are not in use yet.

To use this feature, the **Fixed assets (CzAsset)** configuration key must be selected.

For more information, refer to the following topics:

- [Accelerated and Regular depreciation methods](#)
- [Acquired asset status](#)
- [Tax depreciations](#)

Accelerated and regular depreciation methods

For each tangible fixed asset, you can select **Regular** or **Accelerated** for a depreciation method. Each fixed asset must belong to one of depreciation groups, defined by Czech Republic legislation. For each group, the legislation defines the fixed asset's service life, the percentage for depreciations with a **Regular** status, and the factor for depreciations with an **Accelerated** status. The depreciation percentages and factors are different for the first year and the next years of service life for a fixed asset. The legislation also defines special percentages and factors that are used for fixed asset acquisition adjustment.

You can set up depreciation rates and factors in the **Depreciation groups** form (**General ledger > Setup > Fixed Assets > Depreciation groups**).

Example of Accelerated depreciation calculation

Depreciation factors:

- First year: 4
- Next years: 5
- After acquisition adjustment: 4

Acquisition values

- Acquisition value: 100000
- Acquisition adjustment in 3 years: 50000
- Acquisition adjustment in 5 years: 60000

Refer to the following abbreviations for the calculations show in the table below:

- A — Acquisition value
- AA — Acquisition adjustment
- NV — Net book value
- DP — Already depreciated periods
- DPAA — Already depreciated periods after certain acquisition adjustment
- D — Depreciation amount
- C1 — Depreciation coefficient for one year
- CN — Depreciation coefficient for next years
- CAA — Depreciation coefficient after Acquisition adjustment

Year	Formula	Calculation
Year 1	$D = A / C1$	$25000 = 100000 / 4$
Year 2	$D = (2 * NV) / (CN - DP)$	$37500 = (2 * 75000) / (5 - 1)$

Year 3	$D = (2 * NV) / (CAA - DPAA)$	$43750 = (2 * 87500) / (4-0)$
Year 4	$D = (2 * NV) / (CAA - DPAA)$	$29167 = (2 * 43750) / (4-1)$
Year 5	$D = (2 * NV) / (CAA - DPAA)$	$37292 = (2 * 74583) / (4-0)$
Year 6	$D = (2 * NV) / (CAA - DPAA)$	$24861 = (2 * 37292) / (4-1)$
Year 7	$D = (2 * NV) / (CAA - DPAA)$	$12430 = (2 * 12431) / (4-2)$

Example of regular depreciation calculation

Depreciation factors

- First year: 14.2%
- Next years: 28.6%
- After acquisition adjustment: 25.0%

Acquisition values

- Acquisition value: 100000
- Acquisition adjustment in 3 years: 50000

Refer to the following abbreviations for the calculations show in the table below:

- A — Acquisition value
- AA — Acquisition adjustment
- D — Depreciation amount
- P1 — Depreciation percentage for 1.year
- PN — Depreciation percentage for next years
- PAA — Depreciation percentage after acquisition adjustment

Year	Formula	Calculation
Year 1	$D = A * P1$	$14200 = 100000 * 14.2\%$
Year 2	$D = A * PN$	$28600 = 100000 * 28.6\%$
Year 3	$D = (A + AA) * PAA$	$37500 = 150000 * 25\%$
Year 4	$D = (A + AA) * PAA$	$37500 = 150000 * 25\%$
Year 5	$D = (A + AA) * PAA$	32200

Acquired asset status

The Czech Republic Accounting Act allows you to calculate depreciation of the fixed assets that are currently in use. The new asset status **Acquired** is available, in which assets are not depreciable. In the **Open** status (asset in use), it is standard functionality to depreciate the asset. After acquisition of a fixed asset, its status changes to **Acquired**. Refer to the following information to change the status to **Open**.

Set up categorization

1. Open the **Fixed assets posting profiles** form (**General ledger** > **Setup** > **Fixed Assets** > **Posting profiles**).
2. Select the **Ledger accounts** tab.
3. Select the **Categorization** option and set up accounts for categorization.

Change fixed asset status from Acquired to Open

1. Open the **Fixed assets journal** (**General ledger** > **Journals** > **Fixed Assets**).
2. Press **CTRL+N** to create a new line.
3. Click the **Lines** button to open the **Journal voucher** form.
4. Select **Proposals** > **Categorization proposal** to open the **Categorization proposal** form.
5. Click **OK** to create a line with transaction type **Categorization**.
6. Select the line and click **Post** > **Open** to change fixed asset status to **Open**.

Tax depreciations

Czech Republic legislation requires two types of depreciation years – **Calendar** and **Fiscal**. The Czech depreciation methods (**Accelerated CZ** and **Regular CZ**) are supported for both the calendar and the fiscal year.

The **Depreciation year** field is active for both of the Czech depreciation methods in the **Depreciation profiles** form (**General ledger** > **Setup** > **Fixed Assets** > **Depreciation profiles**). If the **Regular CZ** or **Accelerated CZ** method is selected, the default value of the **Depreciation year** field is **Fiscal**.

Note: The **Period frequency** field for Czech depreciation methods is always set to **Yearly** and cannot be changed.

The values in the **Depreciation Year** and the **Period Frequency** fields are interdependent and use the same logic and functionality as for the standard **Straight-line** depreciation method.

If the **Depreciation year** field is set to **Calendar**, the end of the depreciation period is equal to the end of year. If the **Depreciation year** field is set to **Fiscal**, the end of the depreciation period is equal to the end of current fiscal period set up in the **Periods** form (**General ledger** > **Setup** > **Periods** > **Periods**).

To use tax depreciations, the **Fixed assets (CzAsset)** configuration key must be selected.

General master data

Czech financial documents must contain additional information, such as commercial register information and tax exempt numbers for companies, customers, and vendors.

The following table lists new fields added to the **Company information** form (**Basic** > **Setup** > **Company information**), the **Customers** form (**Accounts receivable** > **Customers**), and the **Vendors** form (**Accounts payable** > **Vendors**).

Field name	Description	Company information	Customers	Vendors
ID	Identification number	Existing	New	New
Tax exempt number	Tax exempt number	Existing	New	New
Section of CR	Section of Commercial register	New	New	New
Inset number	Inset number in Commercial register	New	New	New
Keep at CR	Keep at Commercial	New	New	New

These fields are used in standard reports where a company, a customer, or a vendor is mentioned, such as on invoices and picking lists.

Ledger reports

Two reports are added to General ledger for the Czech Republic:

- **Ledger balance sheet** (**General ledger** > **Reports** > **Transactions** > **Periodic** > **Balance sheet**)
- **Ledger profit and loss statement** (**General ledger** > **Reports** > **Transactions** > **Periodic** > **Ledger statement**)

For more information, refer to the following topics:

- [Ledger balance sheet](#)
- [Ledger profit and loss statement](#)

Ledger balance sheet

You can use the ledger balance sheet to see the ledger balance of individual accounts and the total amount for the accounts for a specified period in the **Balance sheet definition** form (**General ledger** > **Setup** > **Balance sheet definition**).

The **Ledger balance sheet** report consists of two major parts – **Assets** and **Liabilities** – and you can select either of those options in the **Line type** field in the **Balance sheet definition** form. The setup for assets and liabilities are identical – a line from one part can use information from a similar line in another part.

The **Balance sheet definition** form sections:

Form section	Description
Header Defines report lines.	Contents of Line , Mark , and Description fields are displayed in report.
Gross Defines calculation of the reporting value (report column Gross).	<p>If the Ledger account field is not blank, the balance of this account is added to the reporting value.</p> <p>Use the Group of accounts field to set up an account group. The balance is calculated for account with numbers starting with the symbols specified in this field.</p> <p>In the Total field, enter the number of the line to add to create a line, which will be a total of several other lines. Enter the minus sign (-) before line number to subtract the line amount.</p>
Adjustments Is set up the same way as Gross , but values calculated in this section are displayed in a separate Correction column and are subtracted from the Gross report column to produce the amount in the Net column.	<p>If the Ledger account field is not blank, the balance of this account is added to the reporting value.</p> <p>Use the Group of accounts field to set up an account group. The balance is calculated for accounts with numbers starting with the symbols specified in this field.</p> <p>In the Total field, enter the number of the line to add to create a line, which will be a total of several other</p>

lines. Enter the minus sign (-) before line number to subtract the line amount.

Note:

One line can contain both ledger account numbers and account groups at the same time.

One line cannot be a total amount and contain ledger accounts or account groups at the same time.

Ledger profit and loss statement

You can use the ledger profit and loss statement to see the ledger balance of individual accounts and the total amount for the accounts for a specified period in the **Ledger statement definition** form (**General ledger > Setup > Ledger statement definition**).

Setup is similar to the [Ledger balance sheet](#) report.

Transaction date for VAT register

This feature also is available for Hungary and Poland.

You can report tax information on a date that is different from the posting date, which complies with the Hungarian functionality for date deadlines, the Czech Republic functionality for fulfill dates, and the Polish functionality for the VAT register date.

The **Date of VAT register** field appears on over 20 forms, including the **Free text invoice** form, and also forms for updating invoices on purchase order lines of ledger journals, such as a general journal, customer journal, or vendor payment journal. When you update or post the documents, all taxes are posted with the corresponding date of the VAT register, and the date is on relevant forms, such as customer and vendor invoice journals.

This date is used in several tax reports, including the following reports:

- Sales tax payment by code (standard)
- Sales tax list (standard)
- Summary VAT report (Poland)
- Sales VAT register (Poland)
- Purchase VAT register (Poland)
- Tax report (Hungary)
- Project invoice (Czech Republic)
- Sales invoice (Czech Republic)
- Purchase invoice (Czech Republic)

To use this feature, the **Transaction date for VAT register period** (**LedgerBasiVatDueDate_W**) configuration key must be selected.

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