



DDMS[®]/DDMSPLUS[®]: GST, PST, and HST Setup Procedures

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Introduction

DDMS®/DDMSPLUS® has several features designed to handle Canada's Goods and Services Tax (GST), Provincial Sales Tax (PST), and combined GST and PST (HST).

This handout gives instructions for setting up your system to calculate the GST, PST, and HST and describes the invoice formats and sales reports that show these figures.

Setting Up GST, PST, and HST

Any feature that requires setup is shown below. Next to each feature listed below is the heading that gives instructions for enabling it.

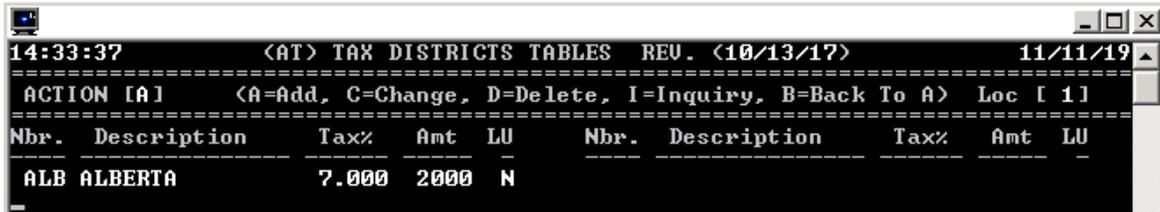
1. On your DDMS system, set up the local sales tax in the (AT) Tax District Tables screen. See the heading **Setting Up the (AT) Screen**. For DDMSPLUS, see the heading **Creating a Tax District in DDMSPLUS**.
2. Once you've set up your PST and HST codes and percentages, you must assign the codes to the customers. For DDMS, see the heading **Setting Up Customers for PST and HST**. For DDMSPLUS, see the heading **Assigning a Tax District to a Customer in DDMSPLUS**.
3. Set up the taxing parameters. See the heading **Setting Up the (L4) Screen**.
4. Set up the parameters in the (L0) Global Master Parameters screen. See the heading **Setting Up the (L0) Screen**.
5. You must add a GST Paid account to your chart of accounts. You must also add both a GST and HST Received account. For DDMS, see the heading **Setting Up the (J) Screen**. For DDMSPLUS, see the heading **Setting Up Chart of Accounts in DDMSPLUS**.
6. After you create chart of accounts, you must add them to the G/L parameters. See the heading **Setting Up the (L2) Screen**.
7. There are two invoice formats that can be used with GST. See the heading **Setting Up GST Invoice Formats**.
8. Set up the sales reports for use with GST. See the heading **Setting Up GST Sales Reports**.

Setting Up the (AT) Screen

In the (AT) screen, you can set up any PST and HST districts to handle the tax. A tax district is a code that represents a percentage of tax. You set up tax districts and assign them to a customer to represent a taxing structure for that customer or for a geographic region. (These instructions are for DDMS. For DDMSPLUS instructions, see the following heading.)

1. Go to the (AT) screen and select the [A] Add action code. The cursor moves to the Nbr field.
2. Enter the PST or HST code to add. For example, if you are entering a PST code, you can enter an abbreviation for that province. If the province is Alberta, you might enter ALB. You can enter up to four alphanumeric characters in this field. If you enter fewer than four characters, press Tab. You must enter this code in the Dist field in the Order Entry Record in the (A) Customer Master screen to assign a customer to the tax district. (This is explained later in this handout.)
3. In the Description field, enter a description that helps you identify the district. You can enter up to 15 alphanumeric characters in this field.
4. In the Tax% field, enter the PST or HST percentage.

5. In the Amt field, enter the dollar limit (cap) that can be taxed for the tax district, if any. For example, to limit the amount that can be taxed to \$2000, enter 2000 in this field.
6. In the LU field, specify whether you calculate the tax on individual units or on the extended dollar amount for each line item.
Type **Y** to base the tax in Order Entry on individual units for each line item.
Type **N** (default) to base the tax in Order Entry on an extended dollar amount for each line item.
7. The cursor returns to the Nbr field so you can continue to add tax districts. When you finish adding districts, press Esc.



14:33:37 <AT> TAX DISTRICTS TABLES REV. <10/13/17> 11/11/19									
ACTION [A] <A=Add, C=Change, D=Delete, I=Inquiry, B=Back To A> Loc [1]									
Nbr.	Description	Tax%	Amt	LU	Nbr.	Description	Tax%	Amt	LU
ALB	ALBERTA	7.000	2000	N					

Creating a Tax District in DDMSPLUS

You can set up any PST and HST districts to handle the tax. A tax district is a code that represents a percentage of tax. You set up tax districts and assign them to a customer to represent a taxing structure for that customer or for a geographic region.

1. From the Master Menu, click Databases and select Tax Districts. The Tax District window opens.
2. Click Add. The Tax District Detail dialog box opens.
3. Enter the PST or HST code for the new district in the District box. You can enter up to four characters. (You must enter this code in the District box in the Customer Order Entry tab to assign a customer to the tax district.)

Note: Do not begin district numbers with 0.

4. Enter a description for the new tax district in the Description box. You can enter up to 15 alphanumeric characters.
5. In the Cap box, enter the dollar limit (tax cap) on the amount you can tax, if any. For example, to limit the taxable amount to \$2000, enter 2000.
6. Enter the PST or HST tax percentage in the Percent box.
7. You have two options at this point:
 - You can click Line Item Cap on Unit Price to apply the tax rate by each line if the district is composed of more than one district.
 - You can click Multi-Tier Line Item Cap on Unit Price. This allows you to tax a different tax percentage on an item based on sell price.
8. After you finish entering the information for this single tax district, click OK to save the data.

Setting Up Customers for PST and HST

Once you've set up your PST and HST codes and percentages, you must assign the codes to the customers in the (A) Customer Master screen. (These instructions are for DDMS. For DDMSPLUS instructions, see the following heading.)

1. Go to the (A) screen and select the [C] Chg action code. The cursor moves to the Name field.
2. Retrieve the customer to set up with PST or HST and press Enter.
3. At the Correct Record prompt, type **Y** to specify that this is the correct customer. The cursor returns to the Name field.
4. Press Enter until the cursor moves to the Taxable field in the Order Entry record.
5. With the cursor in the Taxable field, press Tab until the cursor moves to the Dist field.
6. In the Dist field, enter the PST or HST tax code to assign the customer and press Enter.

For example, if you set the PST code to ALB (to represent the province of Alberta) in the (AT) screen, you would enter ALB here. The system displays the next customer in the database and repeats the Correct Record prompt so you can continue to assign PST and HST tax codes.

7. When you finish assigning codes to your customers, press Esc.

Assigning a Tax District to a Customer in DDMSPLUS

Once you've set up your PST and HST codes and percentages, you must assign the codes to the customers in the Customer database.



1. From the Master Menu, double-click . The Customer window opens and displays information for the last customer selected.
2. Select the Customer account for whom you are setting up a tax district.
3. After you select the customer's account, click the Order Entry tab. The Order Entry 1 tab opens.
4. In the Taxable box, type **Y**.
5. In the District box, enter the PST or HST tax code to assign this customer, or click  to query for it.
6. When finished, click  to save your changes.

Setting Up the (L4) Screen

In the (L4) Federal Payroll Tables screen, you must set the fields that specifically affect GST, PST, and HST.

1. Go to the (L4) screen and select the [C] Change action code.

Action [C] <C=Change, I=Inquiry>		Federal Tax Tables		From	Circ.	E
		From	To	Amt.		Tax%
Social Security	Emp % 6.20 Co % 6.20	\$ 1	\$ 0	\$ 2600	\$ 0	% 0.0
	Maximum SS Amount \$ 61200	I 2	\$ 2600	\$ 24750	\$ 0	% 15.0
		N 3	\$ 24750	\$ 51950	\$ 3322	% 28.0
Medicare	Emp % 1.45 Co % 1.45	G 4	\$ 51950	\$ 119350	\$ 10938	% 31.0
		L 5	\$ 119350	\$ 257900	\$ 31832	% 36.0
Medicare Wage Threshold Amt	\$ 999999 %	E 6	\$ 257900	\$ 999999	\$ 81710	% 39.6
		7	\$ 999999	\$ 999999		%
Federal Dependent Allowance <Annual>	\$ 2500	8	\$ 999999	\$ 999999		%
		9	\$	\$		%
Calculate State<GST> and District<PST> Taxes Separately Y/N ?		These Tables Are Annual				
	Districts<PST> Exempt from State Tax:	M 1	\$ 0	\$ 6400	\$ 0	% 0.0
	From ? To ?	A 2	\$ 6400	\$ 43050	\$ 0	% 15.0
	<HST> Districts <Combined GST & PST>:	R 3	\$ 43050	\$ 86550	\$ 5497	% 28.0
	From ? To ?	R 4	\$ 86550	\$ 147650	\$ 17677	% 31.0
	Item Depts Exempt from District<PST> Tax:	I 5	\$ 147650	\$ 260550	\$ 36618	% 36.0
	From ? To ?	E 6	\$ 260550	\$ 999999	\$ 77262	% 39.6
		D 7	\$ 999999	\$ 999999		%
		8	\$ 999999	\$ 999999		%
		9	\$	\$		%

2. Press Tab until the cursor moves to the Calculate State (GST) and District (PST) Taxes Separately field.
3. The Calculate State (GST) and District (PST) Taxes Separately field lets you specify whether to combine the GST percentage and the PST percentage into one tax percentage. This field works with the Calculate By Line field in the (L0) screen to calculate tax.

There are four different ways you can specify that the system calculate GST and PST. The method you choose depends on the specific needs of your business. For example, you must decide if the system should report and calculate the tax for each item on a line-by-line basis. You must also decide if the GST and PST should be calculated separately or together.

The following methods show the taxing options available:

Method 1:

- The Calculate By Line field in (L0) is set to Y.
- The Calculate State (GST) and District (PST) Separately field in (L4) is set to N.
- The tax for each item is calculated on a line-by-line basis. Tax can be reported by line. The total tax and GST are calculated separately. The system uses the following formula to print the tax amounts: Total Tax – GST = PST

Method 2

- The Calculate By Line field in (L0) is set to Y.
- The Calculate State (GST) and District (PST) Separately field in (L4) is set to Y.
- In this method, the tax for each item is calculated on a line-by-line basis. Tax can be reported by line. GST and PST are calculated separately. The system uses the following formula to print the tax amounts: PST + GST = Total Tax

Method 3

- The Calculate By Line field in (L0) is set to N.
- The Calculate State (GST) and District (PST) Separately field in (L4) is set to N.
- In this method, the tax is calculated on order totals. The tax cannot be reported by line. The total tax and GST are calculated separately. The system uses the following formula to print the tax amounts: Total Tax – GST = PST

Method 4

- The Calculate By Line field in (L0) is set to N.
- The Calculate State (GST) and District (PST) Separately field in (L4) is set to Y.
- In this method, the tax is calculated on order totals. The tax cannot be reported by line. GST and PST are calculated separately. The system uses the following formula to print the tax amounts: PST + GST = Total Tax

In the Calculate State (GST) and District (PST) Separately field, specify whether to combine GST and PST into one tax. For the system to calculate GST and PST separately, type **Y**. To combine GST and PST, type **N**.

4. In the Districts (PST) Exempt From State Tax From/To fields, you can specify a range of tax district codes to exempt from GST. For example, if you have customers who are exempt from GST such as church affiliation customers, you would specify the tax districts in these fields.
5. In the (HST) Districts (Combined GST & PST) From/To fields, you can specify a range of tax district codes to include for HST. You use these fields for those customers for whom you combine GST and PST. You assign your customers an HST tax district code in the (AT) screen.
6. In the Item Depts Exempt from District (PST) Tax From/To fields, you can specify any item departments that are exempt from PST.

Setting Up the (L0) Screen

There are two fields in the (L0) screen that specifically affect the GST: the State Tax % and the GST fields. The State Tax % field works with the GST field and allows your system to track the GST separately from any tax districts you may have set up in the (AT) screen. You also specify whether to base the tax by line item or by invoice subtotal in the Calculate Tax by Line field.

1. Go to the (L0) screen and select the [C] Change action code. The cursor moves to the G/L Location field which displays the default location. To accept the default, press Tab. To set parameters for a different location, enter the number. For example, to set or change parameters for location 2, type **2**.
2. When the cursor moves to the Name field, press Tab until the cursor is in the State Tax % field.

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=====
14:39:36          (L0) Global Master Parameters          11/11/19
=====
ACTION [C] <C=Change, I=Inquiry, G=GST> G/L Location [_1]
=====
Name      :DDMS TEST SYSTEM          Save Parameter Changes Y/N ?Y
Suite     :QA - MELISSA              Last Change 11/06/19
Street    :4400 ALLIANCE GATEWAY FWY Using RoadRunner Y/N ?N
City      :FORT WORTH               Locations to Exclude From #   To #
State     :TX Zip #76177            Stock Room Locations From #   To #
Phone Number #800-959-3367
===== UOLUME SERIALS =====
Federal #      : Customer =W2      : Order Ent. =W2
State Tax #    : A/R =W2          : P/O's =W3
State Tax %    : Vendor =W3       : G/L =W2
Round Tax up to Higher Cent Y/N ?N : A/P =W3       : Salesman =W2
Use Only State Tax for P.O.S. Y/N ?N : Inventory =IN : Personnel =W2
Calculate Tax by Line Y/N ?Y         : Inv. Hist =IN : Payroll =W2
Set Order Writer in Main Menu Y/N ?N : Inv. Aux =IN : Sales Jour =W2
Using Multiple UOM's for an Item Y/N ?Y : Inv. Whl =IN : Sales Hist =HI
Commissions/Taxes on Paid Invoices ?Z : Serial =IN   : Tele.Mark. =W3
(Y=Commissions, T=Taxes, Z=Both)     : Contract =IN : System =SR
                                        : Rpt.Writer =SR : Work =W1
                                        : Non. Mach. =
=====

```

3. Enter the GST percentage paid by taxable customers. You can enter any necessary tax districts for local sales tax in the (AT) screen.
4. In the GST field, type Y. At this point, the system tracks the GST separately from any tax districts that you may have set up in the (AT) screen. In addition, when you post invoices in the (D) Accounts Payable Posting screen or the Accounts Payable Posting window, the system automatically calculates the GST amount and displays it as a separate line on the invoice.
5. Press Tab to move the cursor to the Calculate Tax by Line field.
6. In the Calculate Tax by Line field, specify whether to base the tax by line item or by invoice subtotal. This field works with the Calculate State (GST) and District (PST) Taxes Separately field in the (L4) screen to calculate GST and PST tax. There are four different taxing methods you can use depending on how these two fields are set up.
7. To return to the action code field, press Enter.

Setting Up the (J) Screen

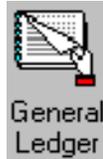
You must add a GST Received account and a GST Paid account to your chart of accounts. (These instructions are for DDMS. For DDMSPLUS instructions, see the following heading.)

1. Go to the (J) screen and select the [A] Add action code. The cursor moves to the Account # field.
2. Enter a unique general ledger (G/L) number for your GST Paid account.
3. In the Name field, specify a name that describes the account, GST Paid for example.
4. Press Tab.
5. In the Carry Forward field, type Y.
6. When the cursor moves to the Budgeted field for period 1, press Enter. The cursor returns to the Account # field.
7. Enter a general ledger (G/L) account number for the GST Received account.

8. In the Name field, specify a name that describes the account, GST Received for example.
9. Press Tab.
10. In the Carry forward field, type Y.
11. When the cursor moves to the Budgeted field for period 1, press Enter.
12. When the cursor returns to the Account # field, enter a unique general ledger (G/L) account number for the HST Received account.
13. In the Name field, specify a name that describes the account, HST Received, for example.
14. Press Tab.
15. In the Carry Forward field, type Y.
16. When the cursor moves to the Budgeted field for period 1, press Enter. The cursor returns to the Account # field.
17. Press Esc until the cursor returns to the Master Menu.

Setting Up the Chart of Accounts in DDMSPLUS

You must add a GST Received account and a GST Paid account to your chart of accounts.



1. From the Master Menu, double-click .



2. Double-click . The Chart of Accounts window opens.
3. In the Account # box, enter a unique general ledger (G/L) number for your GST Paid account.
4. In the Name box, specify a name that describes the account, GST Paid for example.
5. In the Carry Forward box, type Y.
6. Click .
7. Click .
8. In the Account # box, enter a unique general ledger (G/L) number for your GST Received account.
9. In the Name box, specify a name that describes the account, GST Received for example.
10. In the Carry forward box, type Y.
11. Click .
12. Click .
13. In the Account # box, enter a unique general ledger (G/L) number for the HST Received account.
14. In the Name box, specify a name that describes the account, HST Received, for example.

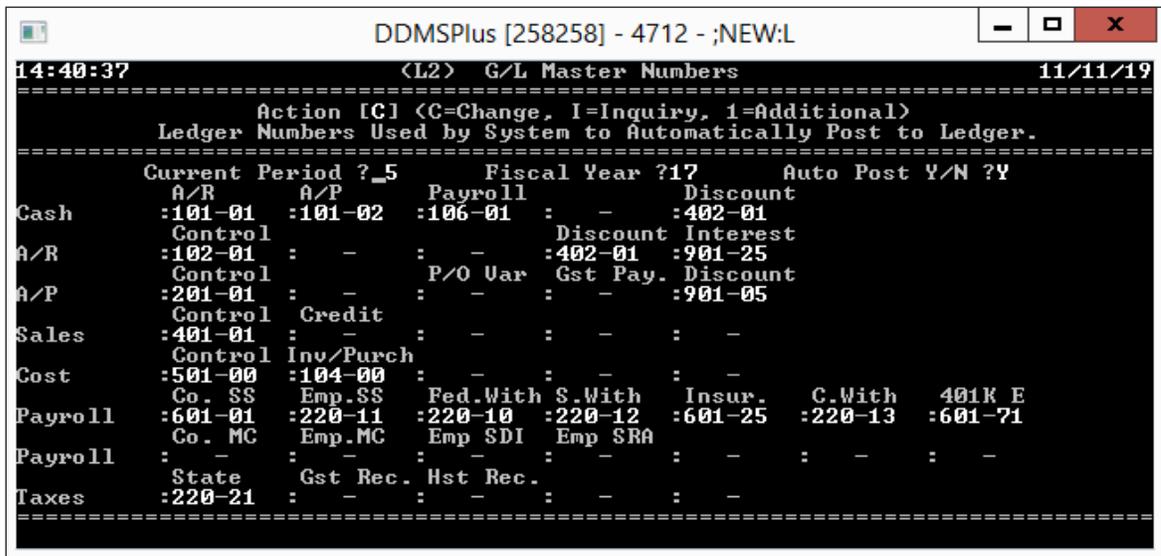
15. In the Carry Forward box, type Y.

16. Click

Setting Up the (L2) Screen

When you create the GST Paid account and the GST and HST Received accounts, you must add them to the G/L parameters. Otherwise, your general ledger application does not function properly.

1. Go to the (L2) G/L Master Numbers screen and select the [C] Change action code. The cursor moves to the Current Period field.
2. Press Tab until the cursor is in the GST Pay field on the A/P line.
3. Enter the number you created for the GST Paid account in the (J) screen or Chart of Accounts window. The cursor moves to the Discount field on the A/P line.



4. Press Tab until the cursor is in the GST Rec field on the Taxes line and enter the number you created for the GST Received account in the (J) screen or Chart of Accounts window.
5. When the cursor moves to the HST Rec field, enter the number you created for the HST Received account in the (J) screen or Chart of Accounts window.
6. When you finish adding GST and HST information, press Enter until the cursor returns to the Master Menu.

Setting Up GST Invoice Formats

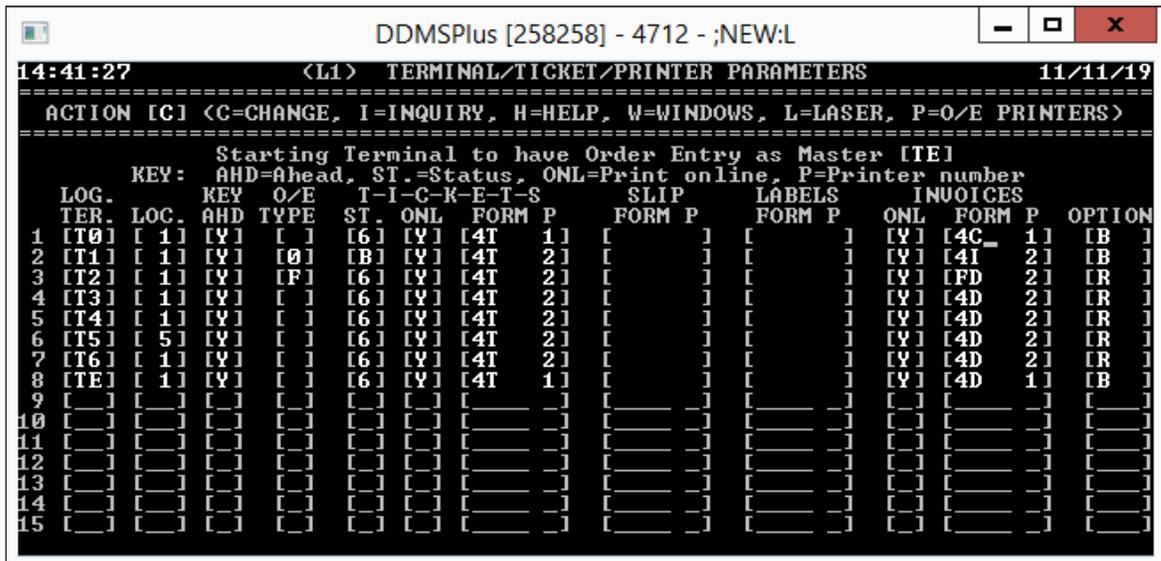
The following invoices are designed for use with the GST:

- 4C** This invoice format provides a breakdown of the GST and provincial taxes for each item on the invoice.
- 4G** This invoice format shows the total GST and provincial taxes for the entire invoice. It does not provide an item-by-item breakdown.

Use the following instructions to set up invoice formats:

1. Go to the (L1) Terminal and Ticket Parameters screen and select the [C] Change action code.

2. Press Enter to move the cursor to the correct logical terminal.
3. When the cursor moves to the correct logical terminal, press Tab until the cursor is in the Invoices Form field.
4. Enter the invoice format to use: 4C or 4G



5. Press Tab.
6. In the Invoices P field, specify the logical name of the printer where you print the invoices. For example, if the logical name of the printer is P1, you would enter 1.
7. When the cursor moves to the Option field, press Enter to move the cursor to the bottom of the screen.
8. Press Enter until the cursor returns to the Action field.

Setting Up GST Sales Reports

You can use modified versions of the Items Sold Restock Report, Monthly Invoice Register and Monthly Sales Tax Report with the GST.

- UBC** This version of the Items Sold Restock Report shows the GST and provincial taxes for each item sold.
- UCC** This version of the Monthly Invoice Register shows the total GST and provincial tax for each invoice.
- UDC** This version of the Monthly Sales Tax Report shows the total GST and provincial taxes that you owe for the specified month.

You print these reports in the (U) Sales Selectors screen. However, before you can print these reports, you must catalog them in the (LU) Standard Sales Reports screen.

Use the following instructions to catalog reports:

1. Go to the (LU) screen and select the [C] Change action code. The cursor moves to the G/L Location field, which displays the default location.

2. To accept the default, press Tab. To set parameters for a different location, enter the number. For example, to set or change parameters for location 2, type **2**. The cursor moves to the first line beneath the Select column.
3. Press Tab until the cursor moves to a blank line beneath the Select column.
4. Type **UBC** and press Enter. The system displays the subtitle description of the report, along with the Catalog This prompt.
5. Press Enter or type **Y**. The system catalogs the Canadian version of the Items Sold Restock Report.
6. When the cursor moves to the next blank line, type **UCC**.
7. Press Enter. The system displays the subtitle description of the report, along with the Catalog This prompt.
8. Press Enter or type **Y**. The system catalogs the Canadian version of the Monthly Invoice Register.
9. When the cursor moves to the next blank line, type **UDC**.
10. Press Enter. The system displays the subtitle description of the report, along with the Catalog This prompt.
11. Press Enter or type **Y**. The system catalogs the Canadian version of the Monthly Sales Tax Report and the cursor moves to the next blank line.
12. Press Esc until the cursor returns to the Master Menu.