E-invoicing with Avalara

Background

Electronic invoicing, or e-invoicing, is the process of exchanging invoices in a structured digital format. A growing number of countries mandated the use of e-invoices for business transactions. Avalara's e-invoicing solution is fully integrated into ***Priority*** to help your company comply with global e-invoicing requirements and automate your finance processes.

This module is automatically included in your country's ***Priority*** localization. If your country does not have a ***Priority*** localization, you must request this module.

If you have any additional questions regarding e-invoicing with Avalara, contact priority-orders@avalara.com.

Aim

This document describes how to use Avalara's integrated e-invoicing functionality in ***Priority***. Once completed, you can submit an invoice, check the status of a submitted invoice, download the available formats of an invoice, and upload incoming invoices from your vendors.

Working Assumptions

- Your company has an active account with Avalara and signed up for the Avalara E-Invoicing service.
- You generated a Token in the Avalara ELR user portal and received a Key (Client ID) and Secret (Client Secret).
- ISO codes are defined in ***Priority*** (in the **Currencies** form) for each currency you work with.

Setups

Setting Up a Connection to Avalara

1. Run the **Set Up Electronic Invoices** program.
2. To run the program for the main company, use the default value of "000." Otherwise, select the subsidiary for which to run the report. Click **OK**.

3. In the **Client ID** field, record the Key (Client ID) provided by Avalara.
4. In the **Client Secret** field, record the Secret (Client Secret) provided by Avalara.
5. If you want to connect to Avalara's test environment (sandbox) for testing purposes, mark the **Sandbox** checkbox.

   Note: Access to the sandbox environment requires a subscription separate from your production account. For more information, contact Avalara.
6. Once the program is completed, the company/subsidiary will appear in the **Avalara E-Invoicing Definitions** form.

Getting Mandates for E-Invoices

To begin working with e-invoicing in Avalara, you must import the current list of the e-invoicing country mandates into ***Priority***.

1. Run the **Get Mandates for E-Invoices** program.
2. To run the program for the main company, use the default value of "000." Otherwise, select the subsidiary for which to run the report. Click **OK**.
3. The mandates will appear in the **Electronic Invoice Mandates** form.
4. To set a default country mandate for a company/subsidiary:
   – Open the **Avalara E-Invoicing Definitions** form and go to the line of the relevant company/subsidiary.
   – Move to the **Country Mandate Mapping** subform, and for each country, fill in the default mandate to be sent and the sending criteria where applicable. You can configure the following criteria:
     - **Company** – Mark this checkbox if you wish to send only B2B invoices.

       Note: If you mark this checkbox, ensure you appropriately configured the customer's company status in the **Financ. Parameters for Customers** form.
     - **Threshold** and **Currency** – If only invoices above a certain amount must be sent, set the amount here and select the currency of the threshold amount.
     - **Only with Tax** – Mark this checkbox to send only invoices that include tax.
5. To set a default country mandate for a customer/vendor:

- Open the **Financ. Parameters for Customers** or the **Financial Parameters for Vendors** form and retrieve the relevant customer/vendor.
- In the **Mandate Code** field, select the desired mandate.

Changing Mandate Mapping

If you want to use a custom e-invoicing interface and not ***Priority***'s standard Avalara e-invoicing interface, you can copy the standard interface and create a new one based on the existing one.

1. Run the **Copy Interface** program.
2. In the **Interface to Copy** field, select one of the standard Avalara e-invoicing interfaces, **AVALARAPEPPOL** (for debit invoices) or **AVALARAPEPPOLC** (for credit invoices).
3. Enter a code and description for the new interface.

   Note: The code is generally comprised of English upper-case letters and must include the prefix of the private customization.
4. After the program is completed, open the **Form Load Designer** form and retrieve the new interface.
5. Make the desired changes to the interface in the subforms.
6. Open the **Electronic Invoice Mandates** form and retrieve the desired mandate.
7. In the **Custom Mapping Inf** field, select the new interface from the dropdown list.

Additional Setups

1. **Defining Payment Means:**
   - Open the **Payment Means** form and move to the line of the relevant means of payment.
   - In the **Tax Authority Code** field, select the relevant code, as the Peppol specification requires. You can find the Peppol payment means code listed **here**.
2. **Defining the Country's EAS (Electronic Address Schemes) Code**
   - Open the **Countries** form and move to the line of your company's country.

– In the **EAS** field, ensure the EAS code of your company's country (consists of 4 digits) appears. If it does not appear, add it manually from the country EAS codes listed **here**.

3. **Defining the Company's Address:**

   – Some country mandates require separate representation of the company's house number from the address. To submit the invoice properly to Avalara, Open the Company Data form and enter your company's house number (from the street address) in the **Address (Line 3)** field.

4. **Updating XML File Types for Invoices**

   – If the XML File Types for Invoices form has no data, run the Update Basic Data program and select **XML File Types for Invoices** in the **Forms to Load** field.

   Note: This step is only necessary if the XML File Types for Invoices form is empty.

Procedure

Submitting an E-Invoice to Avalara

You can submit a single e-invoice or a batch of e-invoices to Avalara. If the invoice is submitted successfully, Avalara will then send the invoice to the end recipient authority.

Note: The invoice processing time varies, depending on the end recipient authority. Sometimes, you can see feedback immediately as part of the sending process. At other times, the invoice sending status will remain "pending," and you can query for its status later (as described in the next stage).

To send a single invoice:

1. Retrieve the desired invoice in the relevant invoice form.
2. Run the **Send E-Invoices with Avalara** program from the Actions list.

To send a batch of invoices:

1. Run the **Send Electronic Invoices** program.
2. In the program dialog, click the magnifying glass in the **Invoices** field to drill down to the **List of Financial Documents** form. Retrieve all the invoices you want to submit to Avalara.
3. After retrieving the desired invoices, press **Esc** to return to the dialog. A red magnifying glass appears next to the **Invoices** field, indicating that the invoices were successfully added. Click **OK** to finish.

Results

- The invoice was sent to Avalara.
- In the **Electronic Invoices Log** form:
  - A record of the sent invoice will be added.
  - The sent invoice files will be stored in the **Attachments** subform.
  - A unique ID received from Avalara will appear in the **Authorities Number** field.
  - If the invoice was submitted successfully and received by the end recipient, a date will appear in the **Inv Rec Success Date** field.
  - If there is an error in the invoice submission, you will receive an error message, and a date will appear in the **Inv Rec. Error Date** field.

Checking the Status of a Pending E-Invoice

You can check the status of a single pending e-invoice or a batch of pending e-invoices.

To check the status of a single pending invoice:

1. Open the **Electronic Invoices Log** form and retrieve the desired invoice.
2. Run the **Check Invoice Status** program from the Actions list.

To check the status of a batch of pending invoices:

1. Run the **Check Invoice Status** program.
2. In the program dialog, click the magnifying glass in the **Avalara Invoices** field to drill down to the **Electronic Invoices Log** form. Retrieve all the invoices for which you want to check their status.
3. After retrieving the desired invoices, press **Esc** to return to the dialog. A red magnifying glass appears next to the **Avalara Invoices** field, indicating that the invoices were successfully added. Click **OK** to finish.

Results

- If the end recipient received the invoice, a date will appear in the **Inv Rec Success Date** field in the **Electronic Invoices Log** form.
- If there was an error in sending the invoice to the end recipient, a date will appear in the **Inv Rec. Error Date** field in the **Electronic Invoices Log** form.

Downloading a Final E-Invoice from Avalara

You can download a final e-invoice(s) in the format submitted by Avalara to the end recipient. This is particularly useful when working with pre-clearance mandates.

Note: You can only download an outbound invoice (the value **O** appears in the **Input or Output** field in the **Electronic Invoices Log** form).

To download a copy of a single invoice:

1. Open the **Electronic Invoices Log** form and retrieve the desired invoice.
2. Run the **Get Final Invoice from Avalara** program from the Actions list.
3. Choose the file type in which you want to download the invoice (XML or PDF).

To download a copy of a batch of invoices:

1. Run the **Get Final Invoice from Avalara** program.
2. In the program dialog, click the magnifying glass in the **Invoices Log** field to drill down to the **Electronic Invoices Log** form. Retrieve all the invoices you want to download.
3. After retrieving the desired invoices, press **Esc** to return to the dialog. A red magnifying glass appears next to the **Invoices Log** field, indicating that the invoices were successfully added. Click **OK** to finish.
4. Choose the file type in which you want to download the invoice (XML or PDF).

Result

- The downloaded invoice will be stored in the **Attachments** subform of the **Electronic Invoices Log** form for each invoice.

Downloading Incoming E-Invoices

As a customer, you can download incoming vendor e-invoices from Avalara.

Before you can download incoming vendor invoices, perform these settings:

1. **Assign default parts to tax groups**:

   When uploading an electronic invoice, the system tries to identify the correct part number for each invoice line based on the associated documents. Failing to find a relevant part in the XML of the incoming invoice, the system will use the default part assigned to each tax group.

   – In the **List of Tax Groups** form, for each tax group, assign a part number from the parts linked to this group.

   This part will be used as a default only if the invoice upload program cannot establish a part for the invoice line.

Note: Make sure the parts you choose here are marked for **Change Desc.** in the **Part Catalogue** form.

2. **Set the type of invoice that will be created in the system when receiving e-invoices:**
   - In the **Financial Constants** form, retrieve the **XmlUpload** constant.
   - Set the desired value for the constant:
     - **0** – Do not open a vendor invoice at all
     - **1** – Import as a vendor invoice
     - **2** – Import as a multi-GRV invoice
   - You can apply a different setting for each of your vendors that overrides the company-level setting:
     - In the **Financial Parameters for Vendors**, set the **Invoice Type to Load** field to the desired value.

To download incoming vendor invoices:

1. Run the **Load Electronic Invoices** program.
2. To run the program for the main company, use the default value of "000." Otherwise, select the subsidiary for which to run the report. Click **OK**.
3. Select a date range to download the incoming invoices in the **From Date** and **To Date** fields. Click **OK** to finish.

Results

- In the **Electronic Invoices Log** form:
  - If a temporary invoice was created due to the load, its number will appear in the **Invoice No. or Type** field with the **I** value in the **Input or Output** field.
  - The downloaded invoice files will be stored in the **Attachments** subform.
  - A date will appear in the **Inv Rec Success Date** field.
  - All fields extracted from the invoice file received and pieces of data identified based on the information received will appear in the **Import XML Invoice** subform and its subforms.
  - If there was an error in downloading the invoice, a date will appear in the **Inv Rec. Error Date** field.

Finalizing the Temporary Invoice

1. In the **Electronic Invoices Log** form, retrieve the relevant invoice.
2. Move to the **Invoice No. or Type** field and drill down to the **Vendor Invoices** form.
3. To finalize and/or print, run the **Finalize & Print Invoice/Memo** or **Finalize Invoice/Memo** programs from the Actions list.