

Escape Set-Up Recommendation regarding paying a Foreign Vendor and/or non-US vendor:

1. When setting up the initial requisition, set the Hold Payments flag to "Yes", and make sure to insert a comment. This will allow the AP Clerk to understand and review the payment/taxes prior to paying the invoice.
2. When paying the invoice manually calculate and deduct the 7% CA State Tax, and 30% Fed Tax. Deduct this amount from the amount being paid to the vendor. The District would need to establish a 95XX Liability account before making the payment. When the payment is made the full amount will go into the expense account, and the 95XX account with a negative dollar amount for the 7% State and 30% Federal. This will reduce the amount to the vendor
3. Set up a payment to the State of California for the 7% tax referencing the original req.
4. Set up a payment to the IRS for the Out of Country tax 30% (Fed Taxes) referencing the original req.
5. You would then need to manually create a form 1042-S and 592-B.