INSURANCE PREMIUM TAX MANUAL

Introduction

Insurance Premium Tax support in Chameleon is setup from site parameter. This is found from the main menu as :

> Option 23   Configuration Menu
>   5   Site Parameters

```
SITE PARAMETERS

Description
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Allow Invoice Credit Balance        Y    Allow Cascade Payment By Age          N
Exclude Debts Not in Bal Due Period N    Exclude Debts if Tickets Sent         N
Disallow RTD Less Than Today's Date N    Auto Raise to the PL                  N
Cross Ledger Audit Number           Y    Itin Depart Date Less Than Today      N
Check Itinerary Status on a Confirm N    Amendments Raised to the PL           Y
Down Load Tickets in PNR            N    Update Booked Date on Confirm         Y
Departure Date Posting              N    Hide Cost Values                      N
Auto Queue Invoices                 N    Tour Flt's priced on Dep Date         N
Queue Bookings to Reservac          N    Allow overpymnt for fully paid Bkng   N
Authorise - Send OK message         Y    Authorise - Send invoice prntd msg    Y
Show Invoice Header on All Pages     Y    Allocate Sales Credit on Manual PMT   N
Archive Printed Documents           Y    Auto queue authorization on Confirm   N
Allow Agent Commission on Flt Lines Y    Stop Price/Cost Adjst if PL payment   N
Skip Update Printed Chqs Prompt     N    Itinerary Values Inclusive of IPT     N
Insurance Report Itinerary Updated  Y    Allow User Logging                    N
Use Bkg Consultant on Itin          N    Update Bal Due on Tkt Collect         Y
Update Status Shopping Lists         Y    Always round up in Fares System       N
```

The fields pertaining to IPT are :

> Itinerary Values Inclusive of IPT
> Insurance Report Itinerary Updated

Itinerary Values Inclusive of IPT - Set to Y

When this flag is set to "Y", you are telling Chameleon that the Cost of Sales and Gross prices on the itinerary lines are Inclusive of IPT. When an inclusive system is in operation, Chameleon will take the higher of the Cost / Sales prices and work out the IPT figure. This will then be deducted from the Cost and Sales figures on the intinerary line to be reported nett on the IPT report.

E.g.	Cost	Price		
Itinerary Line	£ 15.88	£ 35.88	< = = higher	
IPT calculation	£ 35.88 / 102.5 x 2.5 = £ 0.88			

IPT Report	Cost	Price	IPT	Remit
	£ 15.00	£ 35.00	£ 0.88	**£ 15.88**

Itinerary Values Inclusive of IPT - Set to N

When this flag is set to "N", Chameleon calculates 2.5% of the higher of the Cost / Gross price on the itinerary line, and reports this value as the IPT on the report. In this mode it is necessary to either track IPT via a general line, or simply to add a manual invoice into the purchase ledger to the value

of total IPT due upon report. The deciding factor is dependant upon whether you are absorbing the cost of IPT yourself, or passing it onto the client.

Absorbing the IPT internally

The system is set to IPT exclusive. The IPT is then administered in either of the ways detailed below:

a   Place a general line for the IPT on the booking with the Cost of Sale equal to the value of IPT, and with Nil price. This will ensure that the profitability on the booking is correct, but will show a zero priced item on the invoice.

b   Run the IPT report for the period and place a manual invoice on the purchase ledger to the value of the IPT payment due, to be picked up by Raise Supplier cheques in the normal way when remitting to the supplier. The downside of this method, is that the booking profitability shown is higher by the value of the IPT.

Recharging the IPT

The system is set to IPT exclusive. The IPT is then administered in either of the ways detailed below:

a   A general line is placed into the booking where the Cost of Sale is equal to the Price which is equal the IPT Value. This ensures that the booking profitability is correct, and that the IPT is itemised out on the itinerary invoice.

b   A general line is place into the booking where the Cost of Sale is zero, and the Price is equal to the IPT Value. The IPT report is run for the period, and a manual invoice is placed into the purchase ledger to the value of the IPT due. This may then be picked up during Raise Supplier cheques in the normal way for remittance to the supplier. The disadvantage of this method is that the booking profitability is stated too high by the value of the IPT.

Insurance Report Itinerary Updated - Set to Y

If you wish to track all amendments to policies after they have been issued and reported to the Insurance companies, then you need to set this flag to "Y". As soon as an issued date is entered on an insurance line, the item is posted onto the report, and may be displayed / printed. Once an item has been reported to the Insurance company, subsequent changes will result in the "difference" being reported to the insurer.

Insurance Report Itinerary Updated - Set to N

If you do not amend insurance policies after issue, then you may wish to set the Insurance Report Itinerary Updated flag to "N". Under these circumstances, nothing hits the report file under normal operation. The file will merely contain the "last reported" items. The report in this mode is generated by running the program "ZPITPL", which takes in the response to a request for the "Last reported Date". Chameleon then inspects all itinerary lines searching for insurances lines whose issued dates are after the date specified. The report file is wiped clean and recreated to contain all such entries identified above. Once generated, the contents may then be displayed / printed in the normal way.

N.B.   This mode is only suitable if you do not amend policies after they have been issued, or you are prepared to manually administer such changes thereafter. All lines issued after the given date will be reported, so this report should be generated on the due date, although it is possible to onward report a subset to the Insurance company. The process of searching for insurance lines is a lengthy one, and hence ideally should not be run during the day.

Insurance Premium Report

The insurance report is driven from the IPT file, which contains details of all items to be reported. There are two methods of generation:

a)   Differential Mode
b)   Create and Report Mode

The two methods are controlled by the Itinerary Update flag described above. The Insurance Premium report is found from the main menu as :

Option **12**   Administration Menu
　　　　20   IPT Report

```
INSURANCE IPT REPORT                    Display, Print, Report, or History : D

From Date of Issue : First   From Supplier : First  Returns Date  : None    N/A/C
To Date of Issue   : Last    To   Supplier : Last   Booking Number: All      All
Supplier:
COLUMBUS TRAVEL INSURANCE    Start   Date Of
Booking Names                Date    Issue   Per  Nos of Pax   IPT    Cost
-------  -------------------  ------- ------- ---- ----------- ------- --------
004911  JACKSON J/MRS        24Mar94 17Feb94 32D  1A            0.00    0.00
004911  JACKSON J/MRS        24Mar94 18Feb94 60D  1A            0.00    0.00
004914  BEESLEY P/MR         26Feb94 21Feb94 45D  1A            0.00    0.00
004958  MATHESON C/MRS       13Jun94 21Feb94 45D  1A            0.00    0.00
004972  ODDY D/MR            03Mar94 21Feb94 31D  1A            0.00    0.00
004966  WALKER J/MRS         30May94 24Feb94 25D  2A            0.00    0.00
        WALKER K/MR
004991  COWLING A/MR         26Sep94 25Feb94 120D 2A            0.00    0.00
        COWLING R/MRS
004994  THOMAS M/MISS        14Mar94 25Feb94 34D  1A            0.00    0.00
004993  BROWNLIE W/MISS      09Mar94 26Feb94 31D  1A            0.00    0.00
005004  MAUGER R/MS          17Apr94 28Feb94 365D 1A            0.00    0.00
004917  CARROLL E/MISS       03Mar94 01Mar94 17D  1A            0.00    0.00
004929  DONOVAN A/MRS        18Apr94 01Mar94 45D  1A            0.00    0.00

More (Y/N)
```

The system will prompt you for :

```
Display, Print, Report or History
```
　　　　Enter either **D** for Display, **P** for Print, **R** for Report or **H** for History display / print

```
From Issue Date
To Issue Date
From Supplier
To Supplier
Returns Date
Booking Number
```
　　　　Enter a specific booking number or spaces to see all.

```
N / A / C
```
　　　　Enter either **N** for new items only, **A** for Amendment items only or **C** for Comments and messages only

Display Mode

Items which match the selection criteria are displayed to the screen. The following fields are shown:

```
Booking Number
Passenger Names          T.B.A. If not known.
Start Date
Issue Date
Period
Passenger Breakdown
IPT due / collected
Cost of Sales            Exclusive IPT
```

At the end of the display, a summary table is shown, giving:

```
Supplier
Supplier Name
Gross Sales              Excluding IPT
IPT collected / payable
Nett Supply              Excluding IPT
Remittance               Nett + IPT
```

Print Mode

In addition to the items displayed, Gross price per item and Consultants initials are shown. A final page is included on the report showing totals for all suppliers, which is also displayed on the screen above.

Report Mode

When you have reconciled all items to be reported by inspection of the report output in 3.1.2 above, you can "finalise" the report by using option (R). This stamps the itinerary line with the reported date. You should remit the total shown under the remittance column to the supplier.

NB If you are running in IPT inclusive mode, then the remittance amount should match the total value of the outstanding items in the purchase ledger for the supplier.

If you are running in IPT exclusive mode, and are not entering costs onto general lines within bookings, then you must place a manual invoice to the value of the Total IPT payable to the supplier directly into the purchase ledger. This should then bring the account to the correct level.

History Mode

This mode allows you to display / print all history for selected items to the screen / printer. Both reported and non-reported items are detailed for the given selection criteria. Totals are displayed / printed at the end of the display / report by supplier.

N.B. For systems running in report only mode, usually items will either be in new or reported categories.