

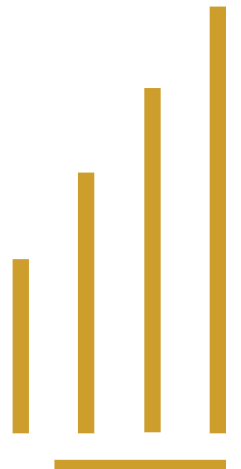
# STUDIO DE GIORGI e ASSOCIATI

*Dottori Commercialisti - Revisori Legali*  
*via Motta 10, Milano, Italy*

## BOOKKEEPING SERVICES

-

***KICK OFF***



# AGENDA

INTRODUCTION

INVOCES ISSUED

INVOICES RECEIVED

PAYMENT RECEIPTS

BANK STATEMENTS

EXPENSE REPORTS

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PAYROLL

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# INTRODUCTION





# INTRODUCTION

Established in 1974, STUDIO DE GIORGI e ASSOCIATI is a professional firm of accountants and auditors focused on providing **administrative assistance to foreign clients**, national and international tax and company law, and individuals' tax planning – as well as to Italian clients investing abroad.

This brief pamphlet is aimed at welcoming you within the perimeter of our **bookkeeping services**, guiding you in the monthly process of conveying information to us.

# INTRODUCTION

This presentation is meant to help with some general principles that govern the Italian accounting regulations, and some of the base lines and requirements.

**As well as some general guidelines on how things need to be dealt with.**

# INTRODUCTION

An Italian entity will typically have **13 main types of documents** relevant for bookkeeping purposes:

1. E-invoices issued
2. E-invoices received
3. Invoices issued (not in the electronic invoicing system)
4. Invoices received (not in the electronic invoicing system)
5. Receipts and other payment documents, different from invoices
6. Bank statements (or, list of bank transactions with the details of entries)
7. Travel expense reports
8. Petty cash reports
9. Credit card statement (or, list of credit card transactions with the details of movements)
10. Salary-related accounting information sheets
11. Details of payments made on behalf of the Italian entity by HQ or group companies
12. Details of intercompany transactions
13. General correspondence

# INTRODUCTION

Each of those categories generates documentation that needs to be conveyed to our bookkeeping department, **on a monthly basis**, for the performance of general ledger and VAT ledger entries.

Accounting documentation should be made available (original documents) at our premises **within the 5<sup>th</sup> calendar day of the following month**.

The deadline may vary in case trial balance reports are required at an earlier stage of the month.

# INTRODUCTION

Most of the documentation nowadays will have to be made available to us **via e-mail** (i.e. zipped pdf's, or with the use of a service such as Dropbox or the like).

In case some documents (e.g., correspondence) are delivered physically, those can be scanned to be safekept with the company's archives.



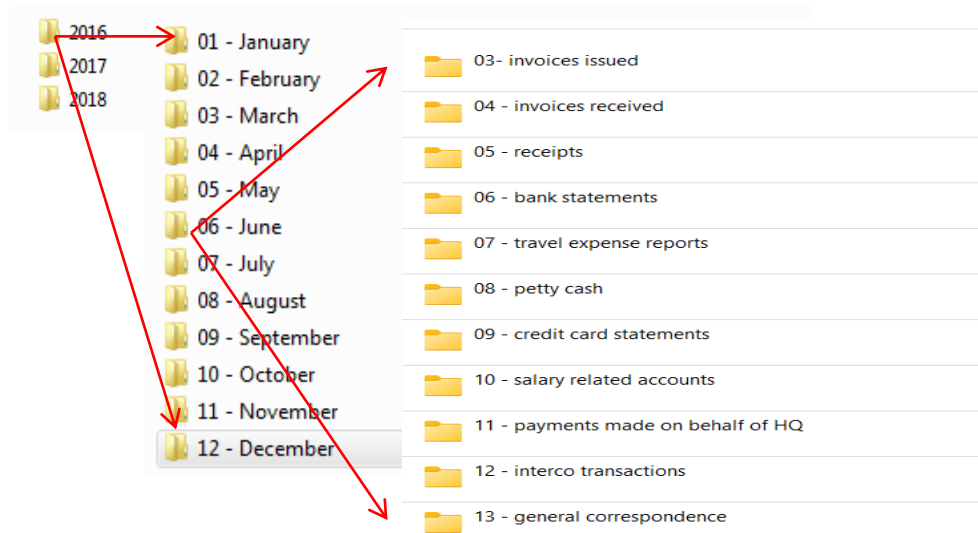
# INTRODUCTION

**PHYSICAL DELIVERY:** accounting documents are collected and sent to us on a monthly basis, with the use of the postal / courier service.



# INTRODUCTION

**ELECTRONIC DELIVERY:** accounting documents are zipped and sent to us via e-mail or uploaded on a portal, with the below folder content structure:





**INVOCES ISSUED**

# ELECTRONIC INVOICES

**COMPLIANCE:** For each taxable transaction, the supplier of goods or services issues an invoice, as a note, bill, receipt and the like, or, without prejudice to its responsibilities, ensures that it is issued, on its behalf, by the transferee or by the purchaser or by a third party.

Italy has adopted the “electronic invoice” system (i.e. “SDI”), which means that the invoice is issued and received in any electronic format via a governmental portal. Almost all invoices must be created electronically – even cross border ones; minor exceptions apply.

Electronic invoices must be prepared within 12 days from the execution of the operation; they can be corrected within 5 days of the issuing thereof.

If an invoice that was supposed to have been issued – electronically – via the SDI system is not issued electronically, it is considered as if it had not been issued.



# INVOCES ISSUED

## STUDIO DE GIORGI e ASSOCIATI

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via Mattei 10 - 20144 Milano

tel: +39 02 433 551  
fax: +39 02 495 9495

mail: dgtax.it  
www.dgtax.it

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VIA XXXXXXX 1  
20100 MILANO MI

Codice cliente 19180 Parita IVA 0000000000  
Codice fiscale 0000000000

Fattura	Numero	17 del	18/01/2017	Pagamento	Avvenuto
Descrizione		Onorario	Spese	Anticipazioni / Fondi	
Addebiti secondo le condizioni economiche concordate, come di seguito dettagliato. Fees charged as per our agreement, as detailed below. Quarto addobito trimestrale relativo all'anno 2016. Fourth quarterly charge for year 2016.					
Preparazione ed inoltro telematico di modelli F24. Preparation and filing of F24 forms.					
300,00					
Elaborazione delle buste paga e predisposizione della relativa modulistica fiscale e previdenziale; servizi di consulenza e gestione degli adempimenti correlati. Preparation of your payroll and related fiscal and social security documents; related consulting services and management of personnel-related obligations.					
5.445,00					
Contributo integrativo Cassa Naz.le Prev. e Ass. Dottori Commercialisti. Compulsory national social security contribution on professional services.					
229,80					
TOTALI DOCUMENTO				RIEPILOGO	
PRESTAZIONI	ONORARI	5.745,00	Totale documento		5.974,80
	SPESE	0,00	Totale IVA		1.314,45
	ANTICIPAZIONI	0,00			
	CASSA PREVIDENZA	229,80	TOTALE LORDO		7.289,25
Descrizione IVA		Imponibile IVA	Importo IVA	A DEDURRE	
22% - GENERICO		5.974,80	1.314,45	Ritenuta	1.149,00
				TOTALE NETTO EURO	
				6.580,25	
% rit.	Descrizione ritenute	Imponibile rit.	Ritenute		
20,00	Comp. prest. lav. auton.	5.745,00	1.149,00		

**COMPLIANCE:** Invoices must be sequentially dated and numbered; no skipped numbers are allowed. Numbers can start from 1 every year, or from the last number used in the prior year. Invoice numbers can include prefixes / suffixes. (i.e.: A-2017-1203-R). Multiple number series for different services or classes of goods are allowed (i.e.: A-2017-1203-R; B-2017-1203-R). Credit notes only cancel invoices; they cannot be used as an alternative to an invoice, but only as the reversing document. If a credit note is issued, it must refer to the specific invoice that it is reversing.

**JOURNAL LEDGER:** Outgoing invoices must be booked on the journal ledger in the month of issuance; they define the amount of taxable revenue. Forecast income should be accrued for at year end, in order to comply with the taxation requirements. Specific rules apply on exchange rates in case of currencies different than EUR.

**VAT LEDGER:** VAT treatment depends on the operation and client type (business vs private; national vs EU vs non-EU subject). VAT may have to be reverse-charged or subject to the split payment mechanism. VAT on sales invoices issued is due by the 16<sup>th</sup> day of the month following its issuance.

### OTHER OBLIGATIONS:

Information on invoices issued will have to be disclosed on the periodic VAT calculation reports as well as on the e-list of invoices and (condensed) on the yearly book of inventories.





**INVOICES RECEIVED**



# INVOICES RECEIVED

**FASTWEB**

**FASTWEB S.p.A.**  
Società a partecipazione  
e capitale azionario di diritto  
e controllo di FASTWEB S.p.A.

Sezione Legale e Amministrativa  
Via Cavallotti, 51  
20139 - Milano

Cap. Sociale - € 42.384.209,42 (i.e.)  
Codice Fiscale: 07878470157  
Registro di Milano: 12878470157

SIGNOR STUDIO DE GIORGI E ASSOCIATI OTHER  
VIA MOTTA EMILIO, 10  
20121 MILANO MI

Gentile Signor Studio De Giorgi E Associati Other,  
ti inviamo il tuo Conto Fastweb e ti ringraziamo per aver scelto i nostri servizi.

DATI	CONTO
<b>STUDIO DE GIORGI E ASSOCIATI OTHER</b> Partita IVA 09327590965 Codice Cliente 7912325 Codice di Migrazione FW012345678222A	Abbonamenti anticipati 15/02/2017 - 14/04/2017 € 74,00 Consumi effettuati nel periodo 15/12/2016 - 14/03/2017 € 0,00 Altri costi € 0,00 Totale IVA € 16,28 <b>Totale da Pagare € 90,28</b> Data di Scadenza <b>11 Mar 2017</b> Modalità di pagamento: Addebito su c/c bancario il possibile
<b>DETTAGLIO FATTURA</b> Fattura N. 937971 Emissa il 14 Feb 2017 Periodo di fatturazione dal 15 Dic 2016 al 14 Feb 2017 Data di Scadenza 11 Mar 2017 Indirizzo di Fatturazione VIA MOTTA EMILIO, 10 20121 MILANO (MI)	<b>RIEPILOGO IVA</b> RIEPILOGO IVA Aliquota IVA Imponibile IVA 22% 74,00 16,28 <b>Totale: 74,00 16,28 *</b>
	<b>NOVITÀ</b> Scopri la tua nuova MyFASTPage! Visita <a href="http://www.fastweb.it/myfastpage">www.fastweb.it/myfastpage</a> per tutte le novità.

**CONTATTI**

 <b>MyFASTPage</b> <a href="http://fastweb.it/myfastpage">fastweb.it/myfastpage</a>	 <b>Negoz FASTWEB</b> <a href="http://myfastpage.fastweb.it">myfastpage.fastweb.it</a>	 <b>Servizio Clienti 192.193</b> gratuito da rete fissa e mobile FASTWEB	 <b>FASTWEB Servizio Clienti</b> C.P. 125 - 20062 Cinisello Balsamo (MI)	 <b>FASTWEBhelp</b>
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**COMPLIANCE:** Invoices will have to be numbered and dated (within the month of booking) by the recipient, with an internal numbering system. Numbers can start from 1 every year, or from the last number used by the company and can include prefixes / suffixes. (i.e.: A-2017-1203-R). Multiple number series for different services or classes of goods are allowed (i.e.: A-2017-1203-R; B-2017-1203-R). No skipped numbers are allowed. The same other principles related to outgoing invoices apply. Your details (name, VAT number, address, fiscale code, etc.) have to appear clearly as the purchaser.

**JOURNAL LEDGER:** Incoming invoices determine the amount of deductible costs. The services or goods detailed on purchase invoices must be related to the company's activity. Expenses should be accrued for at year end, in order to allow deductibility in the correct fiscal year. Specific rules apply on exchange rates in case of currencies different than EUR.

**VAT LEDGER:** deductibility of VAT on purchase invoices is specific to the each business and expense type. Non-deductible VAT increases the cost of purchases. VAT on purchase invoices is deducted within the 16<sup>th</sup> day of the month following its entry on the ledger.

## OTHER OBLIGATIONS:

Information on invoices received have to be disclosed on the periodic VAT calculation reports as well as on the e-list of invoices and (condensed) on the yearly book of inventories.

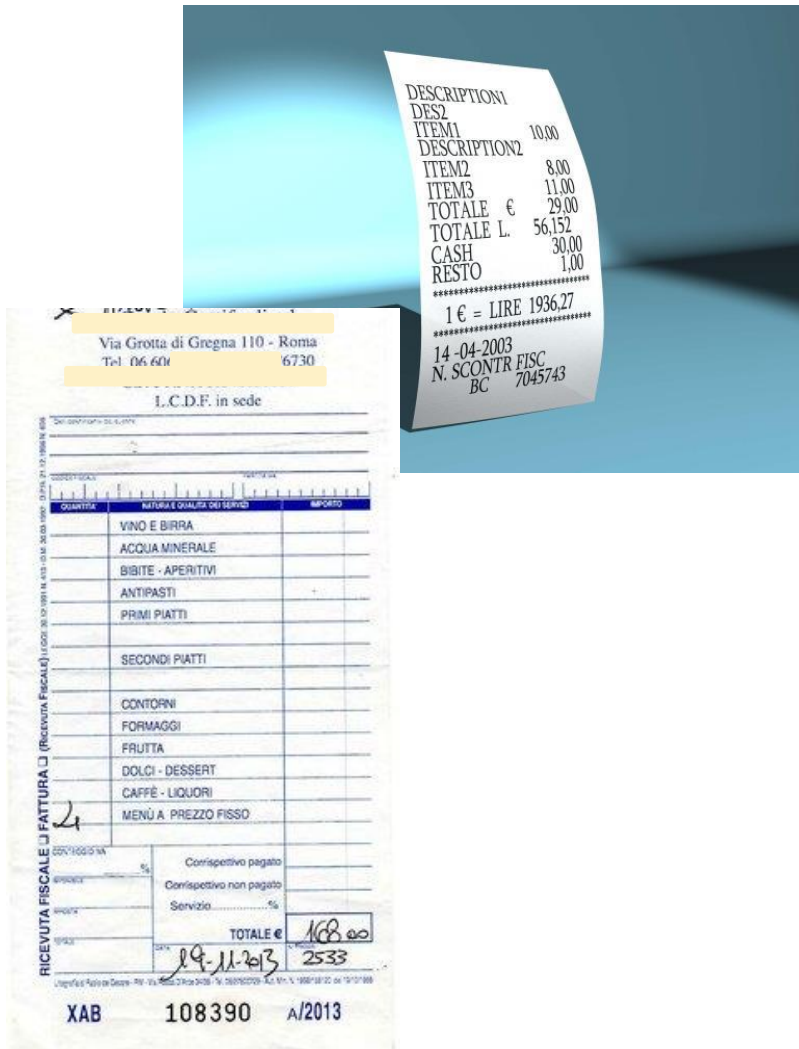




**PAYMENT RECEIPTS**



# PAYMENT RECEIPTS



**COMPLIANCE:** Payment receipts may be issued in lieu of purchase invoices, by some suppliers.

Typically, they would be related to supply of goods of small value, non repetitive purchases or purchases from retail shops.

Costs can be deducted if they mention the details of the purchasing party. VAT cannot be deducted, as it is not shown in detail.

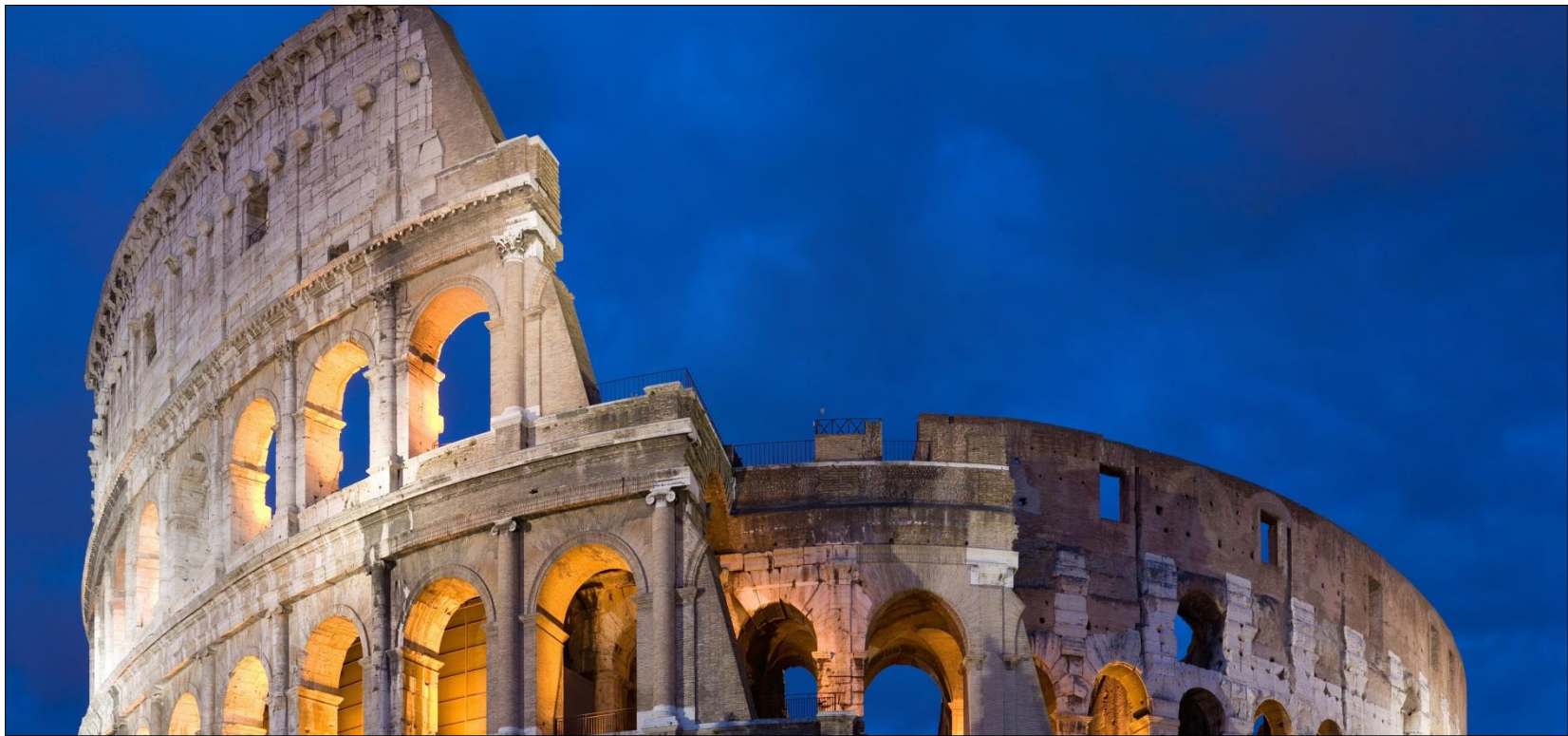
**JOURNAL LEDGER:** Payment receipts, unless they mention the details as outlined above, cannot be accounted as deductible costs.

**VAT LEDGER:** Receipts, as opposed to invoices, do not allow for the deduction of VAT on purchases, and are not reported on VAT ledgers.

## OTHER OBLIGATIONS:

If a receipt is collected by an employee in the course of a business trip, the document originating a booking entry is an expense report; the costs incurred are therefore deductible for the taxpayer; VAT never is.





# BANK STATEMENTS









# EXPENSE REPORTS



# EXPENSE REPORTS

EXPENSE CLAIM FORM						
BORN BY:						
ADDRESSSEE:						
TRIP TO:						
PERIOD:	from date:		to date:			
TRANSPORTATION EXPENSES	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
	TOTAL TRANSPORTATION EXPENSES			-	-	-
MEALS WITH CLIENTS	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
	TOTAL MEALS WITH CLIENTS			-	-	-
MEALS WITHOUT CLIENTS	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
	TOTAL MEALS WITHOUT CLIENTS			-	-	-
HOTELS	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
	TOTAL HOTELS			-	-	-
OTHER	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
	TOTAL OTHERS			-	-	-
TOTAL IN EURO				-	-	-
TOTAL IN FOREIGN CURRENCIES				exchange rate date	currency exchange 1	currency exchange 2
TO BE DEDUCTED:						
ADVANCES IN CASH						
PAYMENTS WITH CORP CREDIT CARD						
TOTAL TO BE REIMBURSED						

**COMPLIANCE:** An expense report is a document used by a representative of an entity – typically, an employee – to claim the reimbursement of expenses incurred while travelling on behalf of its employer.

It is filled in by the employee, approved by its employer, and booked into the accounts.

It has to include supporting documentation (receipts of payments made by the employee) and the report should make orderly reference to the accompanying vouchers.

**JOURNAL LEDGER:** The entries booked on the basis of the expense report sheets only have effects on the journal ledger; they have no relevance on VAT ledgers.

## GENERAL INFORMATION:

Expense reports may / should include, divided by expense categories:

- Amounts in currencies other than Euro, that have to be converted;

- Statement of advances received in cash by the employee;

- Information on payments made with corporate credit cards

- Approval signatures

Invoices addressed to the company and included in the expense reports should be included among the list of periodic VAT purchase invoices.





# PETTY CASH SHEET









# CREDIT CARD STATEMENTS



# CREDIT CARD STATEMENTS



**COMPLIANCE:** Credit card statements, just like bank statements, are specific periodic reports issued by credit card companies that recap the transactions incurred in a period (typically, a month or a quarter).

A credit card statement will detail the payments incurred with the credit card.

Details of credit card statements will typically be required (i.e.: copies of invoices / payment receipts for payments incurred).

**JOURNAL LEDGER:** Credit card payment information is disclosed by booking date and value date. Entries booked on the basis of the credit card statements only have effects on the journal ledger; they have no relevance on VAT ledgers.





# PAYROLL



# PAYROLL

Company 00000 XXX XXXXXXX XXX - XXX XXXXXXX		From X/2017 to X/2017		Date 23/02/2017 Page 1	
ACCOUNTING ENTRIES	DEBIT	CREDIT	ACCOUNT REFERENCE		
			DEBIT	CREDIT	
<b>SALARY ITEMS</b>					
<b>EMPLOYER ITEMS</b>	43.185,08				
Gross salary	40.811,82		CE		
Trips	1.095,00		CE		
Vacation days (on previous years accruals)	1.278,24		SP		
<b>INPS (SOCIAL SECURITY) ITEMS</b>	230,04				
Family reliefs	230,04		SP		
<b>SOC.SEC. WITHHELD (EMPLOYEES' SIDE)</b>	3.663,73-				
INPS		3.639,73		SP	
EST		24,00		SP	
<b>TAXES WITHHELD (EMPLOYEES)</b>	10.705,15-				
IRPEF		10.046,54		SP	
Regional IRPEF levy		531,27		SP	
Municipal IRPEF levy		207,34		SP	
Taxes Credit DL 60/14	80,00		SP		
<b>PAYSLIP ROUNDINGS (EMPLOYEES)</b>	1,55-				
Previous periods' roundings		6,87		SP	
Current period's roundings	5,32		SP		
<b>NET SALARY BALANCE</b>	29.044,67				
Net salary		29.044,67		SP	
<b>TOTAL - SALARY ITEMS</b>	43.500,42	43.500,42			
<b>SOC.SEC. AND OTHER ITEMS - EMPLOYER SIDE</b>					
INPS	8.908,40	8.908,40	CE	SP	
FONDO EST	120,00	120,00	CE	SP	
<b>TOTAL - SOC.SEC. AND OTHER ITEMS (EMPLOYER)</b>	9.028,40	9.028,40			
<b>LEAVING INDEMNITY (TFR) ACCRUALS - (EMPLOYER)</b>					
Accruals	2.329,58		CE		
Social security relief on TFR		194,04		CE	
TFR fund increases		2.135,54		SP	
<b>TOTAL - TFR ACCRUALS (EMPLOYER)</b>	2.329,58	2.329,58			
<b>NATIONAL COMPULSORY INSURANCE (INAIL) (EMPLOYER)</b>					
INAIL	969,97	969,97	CE	SP	
<b>TOTAL - INAIL</b>	969,97	969,97			
<b>MONTHLY ACCRUALS AND RELATED SOC.SEC. (EMPLOYER)</b>					
VACATION DAYS: amounts	2.640,46	2.640,46	CE	SP	
VACATION DAYS: social security	718,79	718,79	CE	SP	
HOURLY LEAVES: amounts	492,30	492,30	CE	SP	
HOURLY LEAVES: social security	148,23	148,23	CE	SP	
13TH MONTHLY INSTALLMENT: amount	2.591,06	2.591,06	CE	SP	
13TH MONTHLY INSTALLMENT: social security	670,36	670,36	CE	SP	

**COMPLIANCE:** Payroll costs, when personnel is employed, are typically booked on the basis of a payroll accounting sheet, monthly.

The salary of employees may be calculated in 12, 13, 14 or 15 monthly installments.

The right to receive the payments of those installments in excess of 12 is accrued on a monthly basis; payment thereof typically happens at specific periods (i.e. 13<sup>th</sup> monthly salary is paid during the month of December; the 14<sup>th</sup> during June).

**JOURNAL LEDGER:** The entries booked on the basis of the salary report sheets only have effects on the journal ledger; they have no relevance on VAT ledgers.

**GENERAL INFORMATION:**

Monthly salary accounting sheets can also include monthly accruals of costs. The balance of the monthly sheets have to be compared with year end entries. Year end entries include:

Accruals for leaving indemnity + revaluation thereof

Tax on leaving indemnity revaluation

Accruals for extra monthly installments

Accruals for unused vacation time (days and hours)





**CLOSING COMMENTS**





# CLOSING COMMENTS

## **GENERAL INFORMATION:**

As part of the year-end accounts closing process, a certain number of transactions should be considered and implemented to give a true and fair representation of the PL and BS. Among these:

- Comparing intercompany balances (commercial and financial transactions)
- Performing the amortization of tangible / intangible assets
- Evaluating debits and credits
- Analyzing tax reimbursement positions (including accrual of interest)
- Booking the value of unsold stock
- Considering year end exchange rate fluctuations
- Finalizing accruals and deferrals of costs and revenue (i.e. opex, personnel, etc.)



# CLOSING COMMENTS

The forms are set up in sections

## SEZIOINE ERARIO

**1001:** withholding taxes on employee salaries

**1040:** withholding taxes on professional services received (2nd column: month of relevance; 3rd column: year of relevance)

**60xx:** VAT, last 2 digits the month to which the payment refers, 6001 January, 6002 February etc. 6013 will be the advance on VAT December

**1991:** interest on overdue VAT payments

**8904:** penalties on late VAT payments

**3802/3848/1001/1012/1701/1713/6781:** wage tax deductions

All "sezione **INPS**": codes social charges relating to employees

**INAIL:** INAIL is the National compulsory employee insurance institute against accidents on the job, is a non-profit public body that manages compulsory insurance against accidents at work and occupational disease.

In general, the "**erario/regioni/tributi locali**" sections refer to payroll tax deductions, while the "INPS" section refers to social security charges.



# STUDIO DE GIORGI e ASSOCIATI

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