#### **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** 

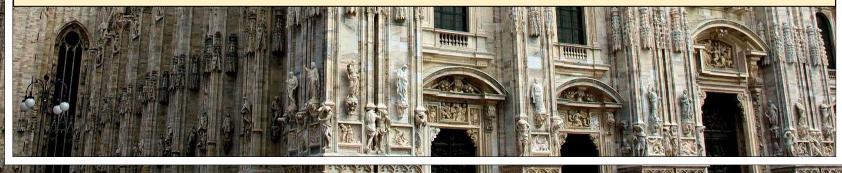
**PETTY CASH SHEET** 

**CREDIT CARD STATEMENTS** 

PAYROLL

**CLOSING COMMENTS** 





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.

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.

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

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.

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).

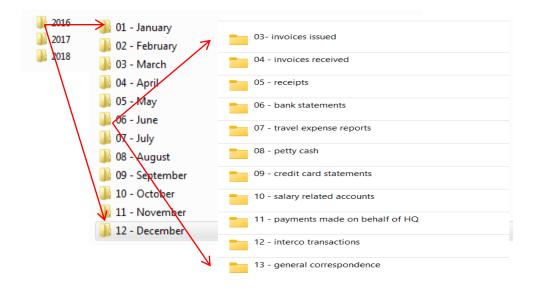
In case some documents (e.g., correspondence) are delivered physically, those can be scanned to be safekept with the company's archives.

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



**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

Dottori Commercialisti - Revisori Legali via Mona 10 - 20144 Münne

ris Motts 10 - 20144 M2							
ni: +39 02 433 551 im : +39 02 455 5440							anii@dgto vvv.dgto
				VIA XX	ble DOXX S.R.L. DODDOX 1 MILAND		м
Codice cliente	19160				Partita IVA Codice fiscale	0000000000	
Fattura	Numero	17	del	18/01/2017	Pagamento A	lavenuto	
Descrizione					Onorario	Spese	Anticipazio Fondi
Preparation and filing o Elaborations delle but fiscale e previdenziale preparation of your pa documents: related on personnel-related oblig Contributo integrativo i Compulsory national s	te paga e predispor ; servizi di consulen yroli and related fiso nsulting services an jations. Cassa Naz.le Prev.	alzione d za e geo cal and s id manaj e Ass. D	tella relati stone deg social secu gement of Dottori Cor	l adempimenti rity nmercialisti.	300,		229.
Preparation and filing of Elaboratione delle bus fincale e previdenziale correlati. Preparation of your pa documents: related oblig Contributo integrativo i Compulsory national s TOTALI DOCUME	of #24 forms. the page a predispor : servici di consulen yroll and related fiss racting services racting security contri Cassa Naz.le Prev. cocial security contri NTO	alzione d za e geo cal and s id manaj e Ass. D	tella relati stone deg social secu gement of Dottori Cor	I adempimenti rity nmercialisti. onal services.			229.
Preparation and filing of Elaborazione delle bus fincale e previdenziale, orrelati. Preparation of your pa documents: related on personnel-related oblig Contributo integrativo I Compulsory national s TOTALI DOCUME PRESTADON ONO	of F24 forms. te page a predispo : servici di consulen yroli and related fisi nations cassa Naz.le Prev. colal security contri otro MTO RARE	alzione d za e geo cal and s id manaj e Ass. D	tella relati stone deg social secu gement of Dottori Cor	I adempimenti rity nmercialisti. onal services. 5.745.00	5.445	.00	229.
Preparation and filing of Elaboratione delle bus fiscale e previdenziale Preparation of your par documents: related cobig Contributo integrativo i Compulsory national s TOTALI DOCUME PRESTADOM ONO SPEI	of F24 forms. te page a predispo : servici di consulen yroli and related fisi nations cassa Naz.le Prev. colal security contri otro MTO RARE	alzione d za e geo cal and s id manaj e Ass. D	tella relati stone deg social secu gement of Dottori Cor	I adempimenti rity nmercialisti. onal services.	5.445. REPLOGO	00.	
Preparation and filing of Elaborations delle bus fincale a prevail Preparation of your pa documents, related on personnel-related oblig personnel-related oblig controluto integrativo Compulsory national s TOTALI DOCUME RESTADON ON SPEI	of F24 forms. te page a predispo : servici di consulen yroli and related fis- routing services an jations. Cassa Naz.ie Prev. ocial security contri NTO RAR IE	alzione d za e geo cal and s id manaj e Ass. D	tella relati stone deg social secu gement of Dottori Cor	i adempimenti vity nmercialisti. onal services. 5.745.00 0.00	5.445, REPILOGO Totale document	.00 10 1	.974,90
Preparation and filing of Elaboratione delle bus fincale e previdenziale correlati. Preparation of your pa documents: related on personnel-related oblig Contributo integrativo i Compulsory national s TOTALI DOCUME PRESTADONE OND SPEC ANT CA2	of #24 forms. te page a predispor servici di consulen yroli and related fiss nations patiens. Cassa Naz.le Prev. Cassa Naz.le Prev. Colal security contri NTO NTO RAR SE CIPAZIONI GA PREVIDENZA	alzione d iza e ges cal and s id manaj e Ass. D bution or	tella relati stone deg social secu gement of Dottori Cor	I adempimenti rity nmercialisti. onal services. 5.745.00 0.00 0.00	5.445, REPLOGO Totale document Totale IVA	.00 10 1	.974,90 .314,45
Preparation and filing of Elaboratione delle bus fincale e previdenziale correlati. Preparation of your pa documents: related on personnel-related oblig Contributo integrativo i Compulsory national s TOTALI DOCUME PRESTADONE OND SPEC ANT CA2	of #24 forms. te page a predispor servici di consulen yroli and related fiss nations patiens. Cassa Naz.le Prev. Cassa Naz.le Prev. Colal security contri NTO NTO RAR SE CIPAZIONI GA PREVIDENZA	alzione d za e get oal and s d manaj e Ass. D bution of	tella relati stone deg iocial secu gement of Dottori Cor n professi	I adempimenti rity nmercialisti. onal services. 5.745.00 0.00 0.00 229.80	5.445. REPILOGO Totale document Totale IVA TOTALE LORDO	.00 10 5 1 7	.974,90 .314,45
Preparation and filing of Elaborazione delle bus fincale e previdenziale oorrelati. Preparation of your pa documents: related oblig Contributo integrativo i Compulsory national s TOTALI DOCUME PRESTAZION OPE SPEC Desotatione I 22% - GENERICO	of F24 forms. te page a predispor servici di consulen yroli and related fiss nations. Cassa Naz.le Prev. colal security contri NTO RARE SE CIPADONI SA PREVIDENZA VA ione fitemule	alizione d za e gen di and aj di manaj e Ass. D bution or Imponi	tella relati stone deg iocial seos gement of bettori Con n professio	i adempimenti vity mmercialisti. onal services. 5.745.00 0.00 229.80 Importe IVA	5.445. REPILOGO Totale document Totale IVA TOTALE LORDO A DEDURNE	.00	.314,46

Pagina 1 di 1

**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**

FASTIVEB	FALTHER La.A. Sociel a secondist a suggest of which is dominant a construments of Salacoto His	Sanda Lagado e Alfonizamentea Valo Gambricko, St 20108 - Milanto	Cap. Sociales & 42.344.208.4276 Golden Franke, P. & Gills & Register Improve at Millerer, 12879478/37	the me
				system used b
		SIGNOR STUDIO DE GIORG VIA MOTTA EMILIO 10 20121 MILANO MI	E ASSOCIATI OTHER	1203-R
				are allo
Austra Obach Da Aland C Australia	-			are allo
Genti le Studio De Giorgi E Associati ti inviamo il tuo Conto Pastweb e ti	ringraziarno per aver scelto	i nottri servizi.		Your
DATI	<u>_</u> &_) c	- 00010		appear
STUDIO DE GIORGI E ASSOCIATI Partita IVA 09327590965		Abbonamenti anticipati 19/02/2017 - 14/04/2017 Consumi ettettuati nei perk	€ 74,00 ado	JOUR
Codice Cliente 7912325 Codice di Migrazione		15/12/2016 - 14/02/2017 Altri costi Totale IVA	€ 0,00 € 0,00 € 16,28	deduci
PW012345678222A		Totale da Pagare	€ 90,28	be rela
		Data di Scadenza Vodalità di pagamenta: Ad	11 Mar 2017	year er
		a postale		rules a
DETTAGLID FATTURA	- D	RIEPILOGO IVA -		VAT 1
Fattura N. 987971 Emenua II		Aliqueta INA Imperi	ble WA 1,00 16,28	the ea
14 Feb 2017 Periodo di tatturazione	II	Totali 74	.00 16,28 *	cost of
dai 15 Die 2006 al 14 Feb 2017 Data di Scadenza 11 Mar 2017		2		day of
Indirizzo di Fattunazione VIA MOTTA EMILIO 10	6	NOVITA		OTH
20121 MILANO (MI)		Icopri la bua nuovo MyFAS www.fastweb.it/myfastplage		Inform
commentant ::				VAT
MyFASTFage Negozi FASTN mendlor.taz			IC	(conde

**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 deducible 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**



### **BANK STATEMENTS**

west?



Estratto conto al 31.05.2017

Parese Eur Din Ab Cath N°Conta Baen IT 94 F 02008 05434 000104035890 Doriso BC BWFT-UNCESTREMOMM Conto Comente: 0001045959590 - Valute in EURD

а.	~	~	~	-	÷	**	**	
	Δ.	Δ×	A XX	A XXX	A XXXX	A XXXXXX	A XXXXXXX	A XXXXXXX P

Dentile Charter

le inverso featrato del s	uo conto comente	e Telenco, in	ordine cronologico,	della	openation	affettuate	nel periodo
01.05.2017 - 31.05.2017							

	060		

Sal	do iniziale i	#30.04.3017	Unite	Extrate	Saldo Sinale al 3	1.08/2017
12	890,29		8,22	8.516,00	23.398,87	
ELE	NCO MON	MENTI				
Oata	Valuta	Descrizione			Usello	Entrate
30,04.17	1 2	SALIDO INUDA	OTRESPONDENCES			13.690.79
Q2.0s.1r	30.04.17			NTE (IPR642/12-()M24/6/2012	8.22	
00.08.17	09.08.17	SOAF-CO-AT SOAF-CO-BE 100 COMM S		E 114864 00/02/17 COMM: 0.00 SPE	EBE	4.758.00
31.0e.17	91.08.17	100 - 200 A	DETROTAVOR DA DA XXX S.P.A.P.			4.798.00
31.84.17	1		LEAVE CREDITO	5041055520	10	23.396.07

Vi trasmettiano l'estratto del vostro conto comente.

Vi rearrandame che ai sensi delle norme compativali che regolano i rapporti di conto consoto, l'astrato conto di chivaura edi il conto scalare di chivaura si intendone senzi altra approvati dal comentida con piero effetto riguando a tutti gli elementi che humo. conconso a l'ormenne le mutanza, lacidove siene trascorre sissanatta giori dal ricontinento degli stessi senza che il contentiata modessine abitato tatto pervenino alla tance per isotto un reclamo appecticato, e contento formati.

Eventuali chiarimenti potranno assare richiesti preseo lo sportello dove è operto il conto.

Cordiali saluti

Sended alles Journald According contractive like

۲	Per Eticoco della sua meta di debito può chiarmere anche il servizio Clienti 800 a dall'estero +39 02.33.40.89.73	0.67.6P.87	G vaveurisedit
- 66.64		desiring and the strength instance and strength of	and states of lands of Septem 197 Mar.
1000	ET ACCORT - MINIMUM INSPIRATO DI INSUCCESSIONE INSULATIVES PET CARE S.	Elence n. t	Pagina 1di 1

**COMPLIANCE:** Bank statements are specific periodic reports issued by banks that recap the transactions incurred in a period (typically, a month or a quarter). A bank statement differs from a list of bank entries because the former includes the detail of credit interest and withholding taxes there onto (which is deductible from income taxes).

Details of bank transactions may be required (i.e.: details of "grouped" payments; information on receipts).

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

#### **GENERAL INFORMATION:**

Any operator that needs to work with an Italian bank account needs to receive an Italian fiscal code.

Typically, an Italian bank account is subject to the following charges, irrespective of the number of transactions:

- Periodic stamp duty
- General bank account charges
- Internet banking charges

### **EXPENSE REPORTS**





#### **EXPENSE REPORTS**

			EXPENSE CLAIM FORM			
BORN BY:						
ADDRESSEE:						
TRIP TO:						
PERIOD:		n date:		to date:		
SES	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
DEN						
ă						
UI0					ļ	
NT A						
1spc						
TRAN SPORTATION EXPENSES			TOTAL TRANSPORTATION DURING CO		ļ	
	Date	#attachmt	TOTAL TRANSPORTATION EXPENSES Document type	- Euro	CURRENCY 1	- CURRENCY 2
S						
IENT					ļ	
보					Į	
EN						
MEALS WITH CLIENTS						
Β						
			TOTAL MEALS WITH CLIENTS	-	<u> </u>	-
2	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
IENT					ļ	
5						
Ð						
MEALS WITHOUT CLIENTS						
					[	
ME						
			TOTAL MEALS WITHOUT CLIENTS		-	-
	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
S					Į	
HOTELS						
Ŧ						
					ļ	
			TOTAL HOTELS	-		
	Date	# attachmt	Document type	Euro	CURRENCY 1	CURRENCY 2
					ļ	
					<u> </u>	
OTHER					ĺ	
Б					ļ	
					<u> </u>	
			TOTAL OTHERS	-		-
	1		TOTAL IN FOREIGN CURRENCIES	-	currency	currency
TOTAL I	IN EURO		-	exchange rate date	exchange 1	exchange 2
TO BE DEDUC						
	ADVANCES I	N CASH				-
	PAYMENTS	WITH CORP CF	REDIT 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**



ereinig er

### PETTY CASH SHEET

	PETTY CASH		
	Company:	Janua	ry
DATE	DESCRIPTION	N	OUT
		Euro	)
	BEGINNING BALANCE	100,00	
01/01/2017	Payment registered letter		2,20
	TOTAL	100,00	2,20
	BALANCE	97,80	

**COMPLIANCE:** Petty cash sheets are used to report the usage of cash in a corporate environment.

The sheet should bear all the information that is needed to reconcile the periodic (monthly) movements, including the name of the company and its full details (fiscal code, legal seat, VAT registration number).

Cash should be used in compliance with the local anti money laundering provisions, including limited to the use thereof.

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



#### **CREDIT CARD STATEMENTS**

in in it

H H H



### **CREDIT CARD STATEMENTS**

	Der bloch Gele PLALINE Gree / Der Marken Gener / Der Marken Gener / Der Marken Gener / Der Marken Credito Numero: 12*** **** *456	Maganathis driamanag 5,0 ingana anna anna 500,0 bith chair anna anna anna 1,02200	ante -		
3		arta manaika in mur	1	(Index Three	8000456785
	CAL STREET.	No. of the second secon	LADE MEDDORYX A VL DEBTO	/	2.00.0
	910 440 00 168 (20060:02140:060 140 (400610:060:060 25 1600:08	15-0.000 51-01-000 10-00-000 91-01-000	August of Decision and Decision	u /	10.0
	ter hange balance best constrained of approximiting included a factor of here a factor factor of the factor of policy commend of sector of a factor	12/12/10/8 17/05/00/8 11/02/00/8 12/02/00/8 27/02/00/8 22/02/00/8 25/02/00/8	Codice Ti	tolare 00034	56789

**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	XXXXXXXX	(	From	X/2017	to X/2017
				Date	e 23/02/2017	Page 1
A	CCOUNTING ENTRIES		DEBIT	CREDIT	SP=FINANCIA CE=PROFIT AND	REFERENCE AL STATEMENT D LOSS ACCOUNT
					DEBIT	CREDIT
		SALARY IT	EMS		1	1
EMPLOYER ITEMS		43.185,06	10 011 02			
Gross salary			40.811,82		CE	
Trips			1.095,00 1.278,24		SP	
Vacation days (on pre INPS (SOCIAL SECUR		230.04	1.2/8,24		0P	
Family reliefs	arry riems	230,04	230,04		SP	
SOC.SEC. WITHHELD		3.663.73-	230,04		0F	
INPS	(EMPLOTEES SIDE)	3.003,73-		3.639,73		SP
EST				3.639,73		SP
TAXES WITHHELD (E		10.705,15-		24,00		~
IRPEF	MFLOTEES	10.705,15-		10.046,54		SP.
Regional IRPEF levy				531,27		SP
Municipal IRPEF levy				207,34		sp
Taxes Credit DL 66/14			80.00	201,34	SP	<u> </u>
PAYSLIP ROUNDING		1,55-	00,00		<u>.</u>	
Previous periods' rour	. ,	1,00-		6.87		SP
Current period's round	•		5,32	0,07	SP	<u> </u>
NET SALARY BALAN	•	29.044.67	0,02		<b>u</b> -	
Net salary		20.011,01		29.044,67		SP
TOTAL - SALARY ITE	ws		43.500.42	43.500.42		~
	SOC.SEC. AND (	THER ITEN				
INPS	300.320. AND (	JIIIEKITEI	8,908,40	8,908,40	CE	SP
FONDO EST			120,00	120,00	CE	SP
	ND OTHER ITEMS (EMPLOYER)		9.028,40	9.028,40		
	LEAVING INDEMNI	TY (TER) AC				
Accruais			2.329.58		CE	
Social security relief	on TFR		,	194,04		CE
TFR fund increases				2.135,54		SP
TOTAL - TFR ACCRU	ALS (EMPLOYER)		2.329,58	2.329,58		
	NATIONAL COMPULS	ORY INSUR			R)	I
INAIL			969,97	969,97	CE	SP
TOTAL - INAIL			969,97	969,97		
	MNTHLY ACCRLS A	ND RELATE			2)	
VACATION DAYS: am			2.640,46	2.640,46	CE	SP
VACATION DAYS: 500	cial security		718,79	718,79	CE	SP
HOURLY LEAVES: an			492,30	492,30	CE	SP
HOURLY LEAVES: 50			148,23	148,23	CE	SP
13TH MONTHLY INST	•		2.591,06	2.591,06	CE	SP
	ALLMENT: 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)





#### **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.)

#### PAYMENT OF TAXES AND THE LIKE

In general terms, Italian taxes are paid via an ad hoc payment form, called "F24", that can be processed only by authorized banks.

An example is provided here to show the features of the form.

Payment forms are typically due by the 16<sup>th</sup> day of the month following the moment of relevance of the transaction.

In the next slide, we're showing a list of some of the most common tax codes appearing on the F24 forms.

resentazione I		iario entr	o il 18/03/202	24				MOD NUM: 1 Mod. F24
	ate							
				DELEGA	RREVOCABILE	A: CITIBANK N.	Α.	
ODELLO D	IPAG	AMENTO	)		ACENT		DET MERCANTE 12	Depay MT
NIFICATO				PER L'AC		TESORERIA COMPETEN	DEI MERCANTI,12	PROV. MI
				TER LAN	CONCEPTIO ALLA	TESORERIA COMPETEIX		
	ALE					1	barrare in cas	o di anno d'imposta ante con anno solare X
		cognome, deno	minazione o ragione	sociale			nome	ente con anno solare
DATI ANAGR	AFICI							
		data di nascita giorno me	ese (2000)	sesso (M o F)	comune (o Stato es	tero) di nascita		prov.
		comune				prov. via e numero c	ivico	
DOMICILIO FI	ISCALE	FIRENZE	E			FI		
CODICE FISCA			rede,					
genitore, tutore o		fallimentare					codice	identificativo
EZIONE ERA			and installed	rateazione/regione/	anno di	In a set of the law of the	terest a sudde server of	
			codice tributo 1001	prov./mese rif. 0002	riferimento 2024	importi a debito versati 71.730,68	importi a credito compensati	
IMPOSTE DIRI	ETTE - IN		1001	0002	2024	3.922,20		
RITENUTE ALL			1701	0002	2024	540,67	,	
ALTRI TRIBUTI			1701	0002	2023	540, 07	471,79	
			1/01	0002	2024	•	471,75	
dice ufficio co	odice atto						+/-	SALDO (A-B)
1.1	1.1	1.1.1		то	TALE A	76.193.55 <sub>8</sub>	471,79+	75.721.76
							,	, ,
odice causale iede contributo		natricola INPS/ filiale az	codice INPS/ tienda	periodo di ri da mm/aaaa	ferimento: a mm/aaaa	importi a debito versati	importi a credito compensati	
000 C10	501	L27FIRE	NZE	02 2024		1.512,00		
000 CXX	501	L27FIRE	NZE	02 2024		239,00		
000 DM10		20558085	-	02 2024		122.003,00		
000 EST1	302	20558085	5	02 2024		1.920,00	+/-	SALDO (C-D)
				то	TALE C	125.674,00 <b>p</b>	, +	125.674,00
EZIONE REG	SIONI			rateazione/	anno di			
gione			codice tributo	mese rif.	riferimento	importi a debito versati	importi a credito compensati	
) 4			3802 3802	0002	2023	9,55	,	
0 4 L 7			3802	0002	2024	5, 59 13, 63	,	
. 9			3802	0002	2024	21, 87		SALDO (E-F)
			3602		TALE E	50, 64r	+	50,64
EZIONEIMU		RI TRIBUT			OPERAZIONE			
dice ente/ dice comune Rave	Innah	numero Saldo immobili	codice tributo	rateazione/ mese rif.	anno di riferimento	importi a debito versati	importi a credito compensati	
0 0 6			3848	0002	2023	9,01		
0 7 1			3848	0002	2023	69,50		
			3848	0002	2023	4,46		
1 6 6			3848	0002	2023	3,14	+/-	SALDO (G-H)
1 6 6			3040	0002				
		<b>—</b> ,,,	5646		TALE G	86,11H	, +	86,11

#### 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**

Dottori commercialisti – Revisori legali

via Motta 10, Milano, Italy

mail@dgtax.it

www.dgtax.it

www.dgtax.it