



How Is TTB Calculated?

A lot of questions pop up when it comes to taxes and how the TTB is calculated in the database.

Below is a diagram that shows transactions in/out of the brewery/distillery, tap room or offsite warehouse. A few definitions are important to go over first:

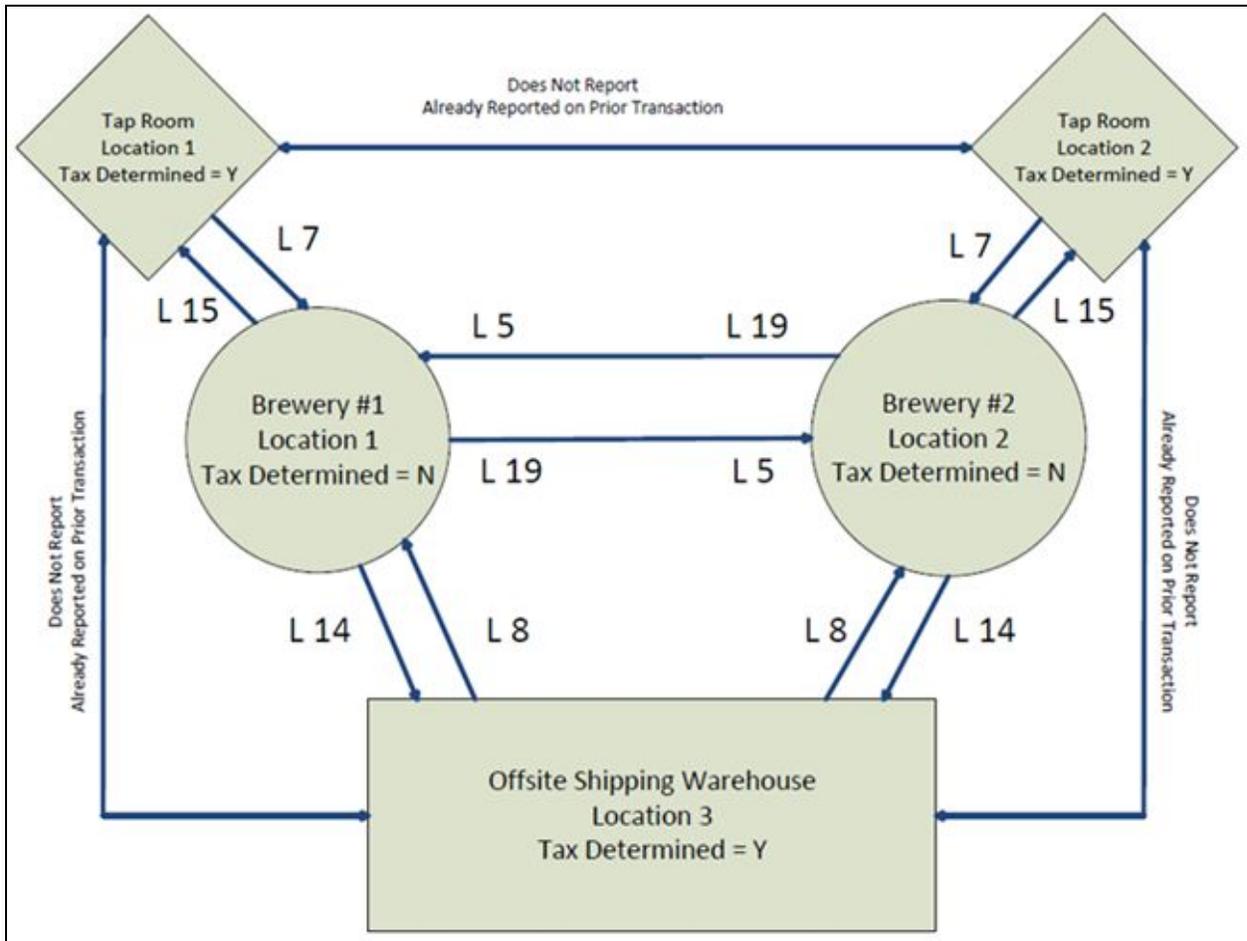
1. The most important things to pay close attention to aren't the names of the buildings listed below, but rather the "Location" and "Tax Determined" status.
2. Both "Location" and "Tax Determined" status is set on the warehouse level (under View > User Defined Fields).
3. The "L" numbers next to the arrows below refer to the lines on the TTB that are affected. For example, if you transfer product from brewery 1 to Tap Room 1 (same location) then Line 15 is affected. If the same product is returned to brewery 1, Line 7 is affected. Same is true whether this product is inventory transferred or if the product is sold/goods receipted back in (line 15/line 7 respectively). If it's transferred from brewery 1 to brewery 2 (different location) then line 19 is affected; returning it back to brewery 1 posts to line 5.



4. "Location" is a data table set up in SAP and is used for TTB purposes, not what you'd otherwise assume a "location" would be. For example, you might say to a prospective customer "our tap room is in the same location as our brewery." From Orchestra's perspective, though, a tap room physically in the same property of a brewery could still both be "Location 1" or the same taproom could be considered "Location 2" *depending on how you want it to hit the TTB*. Contract warehouses could be seen as the same or different locations for the same reason. The most important thing is understanding which lines the TTB should be affected and set up the items/warehouses accordingly.

5. "Tax Determined" status is either "Yes" or "No". As the diagram shows, product sold/transferred from a "No" warehouse to a "Yes" warehouse has different effects than transfers between "No" warehouses or "Yes" warehouses. In the last example, transferring from a "Yes" to a "Yes" warehouse has no effect on the TTB since this product was already previously reported on the TTB. Bottom line: transferring from "No" to "No" with the same location has no effect (product is transferred "internally" and not sold yet), "No" to "Yes" for the same location hits line 15, "Yes" to "No" for the same location posts the credit back through Line 7, and "Yes" to "Yes" means no effect since taxes were paid when the product was initially transferred from "No" to "Yes".

One way to think of "Yes" vs "No" is whether tax has been paid ("Yes") or tax has yet to be paid ("No").



6. It's important to remember that the TTB is a very dynamic report. If the offsite warehouse above had been listed as "No" for Tax Determined status and we changed it to "Yes" and re-ran the report, all prior transactions would post as if it was Tax Determined from the beginning. Same is true for locations.



The real key to making the TTB report in Orchestrated work for you will be to run the report, verify the numbers displayed (i.e. 26 production orders show in the calculation of 2585.90 BBLs which matches what is expected for the period) and then diligently auditing the data over time to ensure that the report continues to run as expected. Although the TTB report should be much easier to run than in the past, it will by no means be a "click one button and assume all is correct" type scenario. I'm sure I don't have to tell you that we're talking about the payment of taxes here and you're relying on multiple people to do their job correctly in order for these numbers to populate as expected. :) As much as we want to trust everyone is doing their job and new items/warehouses are created correctly, we must "trust, but verify" until we're very comfortable with how the system is running.

The first few times the TTB is run it can be a bit time consuming learning how it's set up and how to resolve issues that we come across, but *over time this should get easier* (meaning if it doesn't, contact your Orchestra Software Consultant or Support because our goal is always to make your lives as easy as we possibly can. If it's not getting easier, we need to determine why and do what we can to correct that). There will always be a need to audit the database periodically, though, to ensure that the data is flowing as expected. The addition of new items or BOMs to the database, new employees hired/trained, etc. leads to more need to ensure all the i's are dotted and t's are crossed.



Sample TTB Report:

	A	B	C	D	E	F	G	H	I	J	K	L
13	(Number and Street)		(City)			(County)		(State)		(ZIP Code)		
14	Reporting Period (Enter Year)		2017									
15	Monthly Report for (Enter Month)		October		OR Quarterly Report for:				<input type="checkbox"/> January - March		<input type="checkbox"/> July - September	
16	(See instruction 4.)				<input type="checkbox"/> April - June				<input type="checkbox"/> October - December			
Part 1 - Beer Summary (Barrels)												
19	Operations					Cellar	Racking		Bottling		Totals	
20							Bulk	Keg	Bulk	Case		
21	(a)					(b)	(c)	(d)	(e)	(f)	(g)	
Additions to beer inventory (round your entries to the nearest second decimal)												
23	1. On hand beginning of the report period					941.18		1824.64		3184.09	5949.91	
24	2. We produced by fermentation					2585.90					2585.90	
25	3. We added water and other liquids in cellar operations										0.00	
26	4. Beer received from racking and bottling										0.00	
27	5. Beer received in bond from other breweries and pilot brewing plants of same ownership										0.00	
28	6. Beer received from cellars						859.65		1934.45		2794.10	
29	7. Beer returned to this brewery after removal from this brewery					0.00		4.50		0.00	4.50	
30	8. Beer returned to this brewery after removal from another brewery of the same ownership										0.00	
31	9. Racked							850.78			850.78	
32	10. Bottled									1923.19	1923.19	
33	11. Physical inventory disclosed an overage										0.00	
34	12.					0.00		0.00		0.00	0.00	
35	13. Total beer					3527.08	859.65	2679.92	1934.45	5107.28	14108.38	
Removals from beer inventory (round your entries to the nearest second decimal)												
36	14. Removed for consumption or sale					0.00		831.28		1788.84	2620.12	

When the TTB report is run in Orchestrated, remember that the individual fields with populated data (e.g. G24 in image above) can be drilled in to by double clicking in the cell. This will open a new tab in Excel which will show us the transactions that led to that figure:



	A	B	C	D	E	F	G	H	I	N	O	P	Q
1	ObjectType	Doc#	Applic	PdOEntry	DocumentType	DocumentNbr	DocLine	DocDate	PdONumber	ItemName	Units	PackType	Volume
2	'59	68	202	137	Production Receipt	10067	1	2017-10-02	10136	Bright Beer -	198.5	UsM-BBL	198.50
3	'59	70	202	138	Production Receipt	10069	1	2017-10-02	10137	Bright Beer -	98.5	UsM-BBL	98.50
4	'59	55	202	136	Production Receipt	10054	1	2017-10-03	10135	Bright Beer -	50	UsM-BBL	50.00
5	'59	56	202	134	Production Receipt	10055	1	2017-10-03	10133	Bright Beer -	100	UsM-BBL	100.00
6	'59	57	202	135	Production Receipt	10056	1	2017-10-03	10134	Bright Beer -	80	UsM-BBL	80.00
7	'59	42	202	92	Production Receipt	10041	1	2017-10-04	10091	Bright Beer -	50	UsM-BBL	50.00
8	'59	43	202	93	Production Receipt	10042	1	2017-10-04	10092	Bright Beer -	100	UsM-BBL	100.00
9	'59	44	202	94	Production Receipt	10043	1	2017-10-04	10093	Bright Beer -	132	UsM-BBL	132.00
10	'59	54	202	64	Production Receipt	10013	1	2017-10-05	10063	Bright Beer -	155	UsM-BBL	155.00
11	'59	37	202	117	Production Receipt	10036	1	2017-10-06	10116	Bright Beer -	94.7	UsM-BBL	94.70
12	'59	38	202	118	Production Receipt	10037	1	2017-10-06	10117	Bright Beer -	42	UsM-BBL	42.00
13	'59	39	202	119	Production Receipt	10038	1	2017-10-06	10118	Bright Beer -	97.7	UsM-BBL	97.70
14	'59	16	202	51	Production Receipt	10015	1	2017-10-09	10030	Bright Beer -	80	UsM-BBL	80.00
15	'59	17	202	52	Production Receipt	10016	1	2017-10-09	10031	Bright Beer -	50	UsM-BBL	50.00
16	'59	34	202	76	Production Receipt	10033	1	2017-10-09	10075	Bright Beer -	50	UsM-BBL	50.00
17	'59	35	202	77	Production Receipt	10034	1	2017-10-09	10076	Bright Beer -	156.5	UsM-BBL	156.50
18	'59	36	202	78	Production Receipt	10035	1	2017-10-09	10077	Bright Beer -	90	UsM-BBL	90.00
19	'59	281	202	60	Production Receipt	10180	1	2017-10-10	10039	Bright Beer -	110	UsM-BBL	110.00
20	'59	251	202	62	Production Receipt	10150	1	2017-10-11	10061	Bright Beer -	80	UsM-BBL	80.00
21	'59	252	202	63	Production Receipt	10151	1	2017-10-11	10062	Bright Beer -	50	UsM-BBL	50.00
22	'59	257	202	5	Production Receipt	10256	1	2017-10-12	10004	Bright Beer -	46	UsM-BBL	46.00
23	'59	271	202	87	Production Receipt	10270	1	2017-10-12	10086	Bright Beer -	100	UsM-BBL	100.00
24	'59	272	202	88	Production Receipt	10271	1	2017-10-12	10087	Bright Beer -	200	UsM-BBL	200.00
25	'59	281	202	68	Production Receipt	10280	1	2017-10-13	10067	Bright Beer -	85	UsM-BBL	85.00
26	'59	282	202	116	Production Receipt	10281	1	2017-10-13	10115	Bright Beer -	200	UsM-BBL	200.00
27	'59	283	202	168	Production Receipt	10282	1	2017-10-13	10167	Bright Beer -	90	UsM-BBL	90.00

Here you can confirm that the volume in column Q does, in fact, add up to 2585.90 (as posted in G24 of the report). You can also double-click the Document Number or PdO Number to drill directly in to those documents in OBeer. Unfortunately, those of us from OBeer can't tell just from looking at it if these numbers look right (since we don't work there, we don't know if it should be 2585 or 25850 or any other figure). But by looking at these numbers you should be able to determine if these numbers look right or not due to past reporting, forecasted production and actual numbers generated for the period. If something is there that shouldn't be, or vice versa, we will need to take the appropriate steps to resolve it. As I mentioned, the TTB report is dynamic, though, so if it's determined that a PdO is missing we can create a backdated PdO that was missed and it will populate on this page when the report is re-run.

Excise Tax Reporting



Once the TTB looks good we can then run the Excise Tax Report itself under Report Generation >
Create Excise Tax Form.