

Original Article

Research on Manufacturing Cash Flow Risk Control Based on the VAT deduction system

Bao Zhenbo

College of Economics and Management, Heilongjiang Bayi Agricultural University, Daqing City, China

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Abstract - In view of the objective reality that the implementation of vat tax deduction method is easy to cause the purchase price to deviate from the actual payment of funds, resulting in the business cash flow risk out of control, combined with the provisions of the current VAT legal system, list the relevant business data of manufacturing, adopt the judgment reasoning, the case analysis, the equilibrium point index measurement, and the comparative analysis method, etc. A brief analysis of the impact of value-added tax on the cash flow of the company by virtue of the invoice deduction system expounds the policy basis of manufacturing VAT voucher deduction, explores the identification, evaluation and control strategy of the cash flow risk caused by VAT in the risk management process, and focuses on the method and application of cash flow risk assessment that enterprises can't obtain the special VAT invoice for purchasing. In order to develop a purchasing price strategy and strengthen cash flow management for enterprises to provide an innovative theoretical basis.

Keywords - VAT; manufacturing industry; Cash flow risk management.

As we all know, the value-added tax is the largest tax paid by enterprises, and its tax payment has a great impact on the flow of enterprise funds, thus affecting the turnover of enterprise funds. As a manufacturing industry of physical products, more than half of the funds are used for the procurement of materials and equipment and fixed assets. The procurement of funds occupied a large proportion^[1]. As a result, manufacturing is more sensitive to cash flow risk and more responsive than in other industries. In the context of the "invoice-controlled tax" policy, if the multiple purchases does not fully obtain a special VAT invoice or cannot use the electronic invoice correctly, the value-added tax paid for the purchase will not be deductible, thereby implying the cash flow risk of overpayment of taxes. To this end, the study of cash flow risk management derived from the value-added tax will be of great theoretical significance and practical guidance value to help enterprises recognize the relationship

between value-added tax and cash flow, and to correctly use the methods of identifying, evaluating and responding to the hidden cash flow risk of purchasing a business.

I. THE IMPACT OF VALUE-ADDED TAX ON MANUFACTURING CASH FLOW RISK

A. Relationship between VAT and corporate cash flow

VAT is a kind of tax on the value-added generated in the course of sales of goods and services, which has the basic characteristics of continuous taxation without repeated collection. The concrete embodiment of its "tax does not impose" is that the amount of value-added tax paid in the purchase link is allowed to be deducted from the sales tax. At the same time, there is the value-added tax is "out-of-price tax," requiring accounting should be "price tax separation"; that is, the basis of vat should not include tax. Usually, the price of goods traded in manufacturing is tax-inclusive. Then, the accounting is required to convert it to "sales" without tax, and then the amount of VAT payable is calculated. VAT "transparency" is higher than "in-price tax," where taxes are implied in prices such as goods and services^[2]. It gives taxpayers a clear idea of how much "use value" they achieve for each purchase and sale, and how much tax is generated for the government.

Low cost and high-profit margins are the consensuses of the manufacturing industry, especially in the heavy machinery processing manufacturing industry. The purchase fund occupies a large amount, the actual need for sales quick turnover, to ease its financial tension. VAT is a turnover tax, and tax is paid or paid for in each purchase and sale link. And value-added tax is an extra-price tax when its tax obligation occurs, the tax should be "diverted" from the product sales revenue. From the accounting books, the value-added tax "output tax" is to avoid operating income and end-of-period profit and loss, the use of the government "debt" account "tax payable - VAT payable" separately reflected, and then directly through the "bank deposits" into the treasury. Explain that VAT generally does not "provoke" profit and loss, but at all times, "disturb" the taxpayer's cash flow. The more VAT payments (including supplements), the greater the cash flow of the business.



B. Cash flow risk derived from VAT

Taxpayers often ignore the stronger economic effect behind the extra-price tax, that is, the value-added tax effectively avoids the accounting gains and losses that most taxpayers pay more attention to, and quietly "swallows" the taxpayer's money in the name of tax. Paying taxes for the state is a tax obligation that an enterprise should fulfill according to law, and it is also an important social responsibility of the enterprise.^[2] But it is also impossible to avoid the parallelity of VAT regulations and "business reform" policies, as well as the complex content of the tax system, policy frequency changes and other influences, accounting operations misoperation, error or information asymmetry, resulting in enterprises to pay more taxes or less VAT. Although not reflected in profit or loss, but lurking in the inevitable cash flow risk.

C. The cause of cash flow risk caused by VAT

The analysis shows that the VAT caused by cash flow risk of the main causes of two aspects: First, the value-added tax "out-of-price tax" characteristics, so that the sales link of vat on value-added tax accounting once can not be fully controlled, or enterprise-related business units can not seriously cooperate, there will be a miscalculation of more or less tax risk. Donna is hard to go back, and it's easy to get a penalty. The material manifestation of this tax risk is the increase of corporate tax cash flow. Thus, the enterprise VALUE-added tax risk will eventually evolve into cash flow risk. The second is the impact of the policy of deduction by invoice. "By invoice deduction" is an important method of tax administration by tax authorities to implement "invoice control tax control," which is mainly applied to the input tax deduction behavior of ordinary taxpayer enterprises (hereinafter referred to as "enterprise" or "taxpayer"). According to the VAT Law and the Policy Of the Ministry of Finance, the General Administration of Taxation and the General Administration of Customs, the Announcement on The Policy on Deepening the Reform of Value Added Tax (The Tax and Taxhai Bulletin No. 39) and other policies, taxpayers shall purchase in China by virtue of the special VAT invoice obtained, the unified invoice for the sale of tax-controlled motor vehicles, Customs import value-added tax special payment letter, tax payment certificate, export goods resale certificate, toll road toll invoice, did not obtain the special VAT invoice but obtained the electronic free text invoice, air transport e-invoice itinerary with passenger identification information, railway road and waterway invoices, etc., may be directly deducted according to the invoice the amount of tax^[3]; Where an invoice for the purchase of agricultural products and an invoice for the sale of agricultural products are obtained, the amount indicated in the invoice shall be deducted according to the prescribed deduction rate. Any invoice that can be deducted as A VAT is referred to as a "special invoice," and the other invoice is called a "universal invoice." It can be seen that the purchase of goods and services in the manufacturing industry must obtain an invoice in order to deduct the input tax amount; This shows that in the vat "with-invoice

deduction" policy environment, it is difficult for manufacturing enterprises to ensure that all the special invoices in the large procurement business, which inevitably implies the cash flow risk of overpayment of VAT.

Fundamentally, the cash flow risk of the VALUE-added tax belongs to the "endogenous risk" of the enterprise. Value-added tax and coupons are both irreversible tax legal system provisions that provide a unified and fair objective basis and standard for all taxpayers. Enterprises can not fully and deeply grasp the provisions of the legal system of value-added tax, are not good at accurately grasping and applying the essence of VAT policy, can not correctly use the rights of taxpayers, can not reasonably control the accounting operation technology of value-added tax, so that enterprises can not pay taxes reasonably according to law, the risk of cash flow is inevitable.

II. CASH FLOW RISK MANAGEMENT OF MANUFACTURING UNDER THE INVOICE DEDUCTION SYSTEM

A. VAT Cash Flow Risk Identification

The cash flow risk of payment caused by VAT with the deduction is mainly the "endogenous risk" of enterprises, which mainly has two aspects:

a) Cash Flow Risk for Small-Scale Taxpayer Special Invoice Purchases.

On the face of it, enterprises can deduct the input tax amount by obtaining special invoices from small-scale taxpayers, but because small-scale taxpayers apply a simple tax method with a lower collection rate (3%), the share of input tax deducted from small-scale taxpayers in the sales chain is bound to decrease, increasing the cash outflow of VAT paid. [4]. Although, in theory, the extra-price tax and the in-price tax only reflect the huge difference between tax recessed and accounting method, there is no essential difference in tax design and tax stickiness. However, through the analysis of the characteristics of value-added tax ex-pricing, it can be proved that the value-added tax paid by the enterprise can not reflect the achievements of CSR and tax contribution through the accounting profit and loss index information. From the occurrence of its tax obligation to the whole accounting business processing process from the tax payment into the treasury, it also shows that the value-added tax is to bypass the profit and loss and make direct cash. Therefore, when purchasing from small-scale taxpayers to obtain timely special invoices, even including as sales, inventory losses, and product losses, as well as accounting miscalculation of tax or excessive exercise of tax discretion, enterprises exceed the tax obligation and overpay value-added tax phenomenon is inevitable.

b) Cash flow risk of general taxpayer general invoice purchase.

The VAT tax law divides taxpayers into general taxpayers and small-scale taxpayers and stipulates different tax rights and behavior limits. The general taxpayer may deduct the amount of input tax paid from the general taxpayer enterprise (hereinafter referred to as the "special invoice enterprise") and purchase from the enterprise or self-employed person (hereinafter referred to as the "universal invoice enterprise") which provides the special invoice and reasonable price, and cannot deduct any input tax amount. It can be seen that for VAT, the withholding tax or the coupon is the only valid voucher that limits the VAT first invoice as the input tax amount or purchases tax deduction. In real life, procurement can not all get special invoices is a problem that most enterprises face; listed companies can not be completely exceptional. These enterprises purchase to obtain a general invoice; the purchase tax paid can not be deducted, resulting in enterprises through the value-added tax channels more outflow of funds. If enterprises can not detect or ignore this quiet tax outflow promptly, the accumulation of year-round will inevitably cause financial constraints. And because of the procurement of general votes and unobtained invoices formed by the additional outflow of cash, there are no clear financial income and expenditure indicators information shows, so it is more hidden. From a deeper level, the tax-bearing costs of this link constitute new product entities and become sales revenue, thereby increasing the tax base of the sales tax, resulting in a reduction in the amount of surplus generated by the cycle. These taxes, either explicit or implicit, are not met by conventional income and will inevitably erode capital.

B. VAT Cash Flow Risk Assessment

a) The design of the Assessment method.

Risk assessment is the degree to quantify the likelihood of assessing the impact or loss of an event or thing, and is therefore also called a "risk assessment" or "risk measure." Many risk assessment methods should be flexible in determining qualitative or quantitative approaches based on elements such as the objectives, purpose, and environment of risk assessment, or a combination of qualitative and quantitative approaches in the context of complexity^[5]. The formation of enterprise cash flow risk caused by VAT procurement invoice is a single link, but it is closely linked with the provisions of THE VAT regulations and policies. The information reflects the enterprise procurement requirements is sensitive, so it is most suitable to use the "equilibrium point index calculation method" to measure the flow risk level of different invoice conditions and tax rate environment.

Equilibrium point index calculation method, that is, the purchase cost price of the special invoice enterprise or the purchase payment cash flow as the factor variable, the preferential purchase price given by the general invoice enterprise is an argument, combined with the purchase object applicable tax rate or collection rate, establish the

equilibrium equation of the total amount of cash outflow due to the variable and the purchase of the general invoice enterprise because the amount of tax paid over vat is not deducted, It is used to measure the level of cash flow risk brought to the purchasing enterprise by the supply price of the global invoicing enterprise, and to provide a reasonable supply price method by the general invoice enterprise in which the enterprise can control the cash flow risk. Because the special invoice enterprise sits in full compliance with the operating requirements stipulated in the invoice control tax, it can save the enterprise's cash flow to the maximum extent. Therefore, it can be used as a regular basis to control the cash flow level of the purchase and payment of general invoice enterprises. Expressed in publicity:

The first step, measure the cash outflow of purchase expenses of special invoice enterprises.

Cash flow from the purchase expenses of the special invoice enterprise = purchase agreement price - input tax,inside:

$$\text{Input tax} = \text{purchase agreement price} \times [1 - \text{applicable rate} / (1 + \text{applicable rate})]$$

The second step is to determine the purchase agreement price of the general invoice enterprise.

Cash flow from procurement expenses of general-invoice enterprises = purchase agreement price.

If the general invoice enterprise sits on the price of the special invoice enterprise to give a certain discount,so:

Cash flow from the procurement expenses of the general invoice enterprise = special-invoice purchase agreement price – discount

The third step is to establish a cash flow equilibrium equation based on the special-vote enterprise.

Cash flow from the purchase expenses of the special-invoice enterprise = Cash flow from general invoice enterprise procurement payments

According to the equation, it can be measured that under the influence of value-added tax, the taxpayer's purchase to the general invoice enterprise shall be controlled at the standard level of supply preferential price of the purchase cash flow of the special invoice enterprise. That is, what preferential supply price to the general invoice enterprise, the vat tax cash flow can be equal to the cash flow of the special invoice enterprise purchase.

b) Application of evaluation methods

In the evaluation application of equilibrium point index calculation method, we should first consider the cash flow paid by the taxpayer to the invoice enterprise, that is,

the purchase agreement price. (set as χ_1) Amount of purchase costs after deducting the tax included, set as Y_1 ; The second is the cash flow paid by the taxpayer for the purchase of the general invoice company, i.e., the agreed price with tax, 设为 Y_2 ; Usually, the general invoice ingress enterprise can not provide a special invoice to make a certain sales discount, after the discount the agreed preferential supply price χ_2 . According to the current VAT policy, the applicable tax rate for the purchase of goods, services and rental movables by special-invoice enterprises is 13%, the preferential tax rate is 9%, the service tax rate is 6%, the above formula can be expressed as follows in the functional equation:

①Cash flow paid for purchase by a special invoice enterprise

Purchase cash flow at the 13% tax rate:

$$Y_1 = \chi_1 \cdot [1 - 13\% / (1 + 13\%)] = 0.885 \chi_1 \quad (1)$$

Purchase cash flow at the 9% tax rate:

$$Y_1 = \chi_1 \cdot [1 - 9\% / (1 + 9\%)] = 0.9174 \chi_1$$

Purchase cash flow at the 6% tax rate:

$$Y_1 = \chi_1 \cdot [1 - 6\% / (1 + 6\%)] = 0.9434 \chi_1$$

②Cash flow from general invoice enterprise procurement payments

$$Y_2 = \chi_2 \quad (2)$$

③Establish ingress saints for cash flow equilibrium points $Y_1 = Y_2$, Substitute (1) and (2), results can be obtained respectively:

$\chi_2 = 0.885 \chi_1 ; 0.9174 \chi_1 ; 0.9434 \chi_1$. Or as a percentage:

$$\chi_2 = 88.5\% \chi_1 ; 91.74\% \chi_1 ; 94.34\% \chi_1$$

The formula shows that under the policy of invoice deduction, the taxpayer's tender or purchase of taxable items with different tax rates to the general invoicing enterprise, the tender price, or the preferential price of the agreement reached 88.5% χ_1 , 91.74% χ_1 , and 94.34%

χ_1 respectively. The cash flow of the two procurement modes is exactly equal. This ratio is a "tipping point" for cash flow risk for the purchase of general-invoice companies. As the value-added tax is a "positive tax," the payment process is accompanied by additional taxes such as urban construction tax (urban 7%, county 5%, other areas 1%), education fee surcharge (3%) and local education surcharge (2%); Therefore, the supply price of the general invoice enterprise at the threshold level of cash payment should be determined as medium cash flow risk, when the preferential price of the general invoice enterprise is lower than the critical point level, the space of continuous preferential offer is small, the possibility of wasting purchase funds is not great, so it should be judged as a mild risk if the supply price of the general invoice enterprise significantly exceeds the threshold level or the purchase does not obtain the invoice, its cash flow will be much greater than the purchase of the special invoice enterprise, should be classified as a serious risk. The situation is shown in Table 1.

Procurement target	Program	Applicable tax rate			risk levels	remarks
		13%	9%	6%		
Special invoice enterprise	The standard of critical point price	88.5	91.74	94.34	Mild Risk	Normal procurement
General invoice enterprise	The relationship between preferential prices and critical point prices	(=)	(=)	(=)	moderate risk	lower price procurement
		<	<	<	Mild Risk	Accept procurement
		>	>	>	Serious risk	Refuse to purchase

In table 1, the special invoice enterprise procurement Pro is also listed as a light risk management objectives, mainly to consider the taxpayer to obtain the special invoice damage lost, not in accordance with the prescribed time limit (360 days) through the tax platform for certification and the failure to carry out timely input tax deduction processing caused by the possibility of increased cash flow. For financial management-oriented enterprises, this risk should be a small probability event, but it is necessary to solemnly put forward, as an early warning of the enterprise cash flow risk management^[6]. Therefore, it will be classified as a mild risk.

c) Application case of the VAT cash flow risk assessment method with an invoice.

The DT boiler factory is located in the urban area in September, the sales tax amount of 2.574 million yuan, the value-added tax payable amount of 1.9 million yuan. According to the workshop and other departments of the procurement application form, the material supply department summary needs to purchase angle steel, steel plate, welding rod, steel pipe and other main materials and safety valves, energy savers and other accessories, accessories, according to the historical price calculated the total purchase amount of 10.17 million yuan. In the actual procurement, the main material sits by the "access" special invoice enterprise supply, the total purchase of 585.86 million yuan, of which the special invoice indicates the tax

amount of 674,000 yuan, the amount of 5.1846 million yuan. Due to the access of auxiliary materials and accessories, special invoice enterprises by the environmental protection organs ordered to stop production and rectification can not be timely delivery, in order to ensure the urgent need for production, approved by the factory leadership, accessories and accessories procurement plan 431.14 million yuan (about 4958 million yuan including tax) can be purchased from the general invoice enterprises but should try to lower prices. After the inquiry and consultation, the general invoice enterprise procurement can be given a special discount of 210,000 yuan.

① *Determine the standard cash outflow of the invoice company.* If purchasing from an invoice company, according to the evaluation formula (1), Substitute the proposed purchase amount and get the cash flow paid:

$$Y_1 = 4311384.61 \times 0.885 = 3815575.38 \text{ yuan}$$

If the boiler factory chooses to purchase from the special invoice enterprise, the actual cash flow will be saved from the planned purchase amount - 495809.23 yuan (3815575.38 - 4311384.61). If you consider the additional 12% (7% in urban construction tax, 3% in education fee, 2% of local education fee), there will be a cash outflow of RMB 59,497.11 (495809.23 × 12%), the savings are expected to reach RMB 55306.34. Even if the general invoice enterprise gives the discount of 210,000 yuan, the boiler factory can save 534306.34 yuan.

② *Determine the cash flow paid by the general invoice company's purchases.* If the boiler factory will purchase the remaining portion of the purchase plan from the special invoice enterprise to the general invoice enterprise, get a preferential discount of 210,000 yuan, according to the formula (2), the purchase payment cash flow can be calculated:

$$Y_2 = X_2$$

③ *Cash flow equilibrium point for purchase payments.* Set the cash flow of the purchase payment of the special invoice enterprise equal to the cash flow paid by the general invoice enterprise, and according to the formula (3), the boiler factory data will be replaced by the equilibrium point equation $Y_1 = Y_2$, Substitute for relevant data:

$$3815575.38 = X_2 - 210000, \text{ draw a conclusion:}$$

$$X_2 = 4025575.38 \text{ yuan} \approx 402.56 \text{ million yuan}$$

$$Y_2 - Y_1 = 4311384.61 - 3815575.38 = 495809.23 \text{ yuan} \approx 495 \text{ thousand and } 800 \text{ yuan}$$

It is shown that purchasing from a general invoice enterprise is more than purchasing 495809.23 yuan. The cash flow risk of yuan is exactly the result of 4311384.61 × 11.5% of the VAT input tax paid because the special invoice is not allowed to be deducted. Because the general invoice enterprises give a 210,000 yuan discount, the boiler factory still to bear more cash flow risk reached 285809.23 yuan. That is to say. The boiler factory plans to

purchase the amount of 10.17 million yuan, if all to the special invoice enterprises, you can obtain the purchase agreement price of 11.5 input tax deduction, the actual cash flow paid is 900.05 million yuan (1017 × 88.5%), equivalent to the correct operation of compliance with the "financial subsidy" return of more than 1.16 million yuan (1017 × 11.5%). However, due to the boiler factory material supply department made procurement behavior or decision contrary to the provisions of the VAT policy, resulting in the actual payment of 928.6 million yuan (518.46, 431.14 - 21) cash outflow, more than the planned procurement funds to pay 2655 million yuan (928.6 - 900.05), if plus tax amount of 12% additional taxes, cash outflow will reach 319.8 million yuan (26.55 × 1.12). Only to the general invoice enterprise procurement part, on the surface of the boiler factory saved 210,000 yuan procurement funds, but because of the value-added tax included 4958 million yuan can not be deducted, the boiler factory lurks 3453 million yuan (49.58 × 1.12 - 21) tax cash outflow risk, cash risk sensitivity reached 8% (34.53/431/14). Although the book does not reflect the impact of profit and loss, it is not pay attention to financial management enterprises often hard to operate and always can not earn "money" important risk hazards.

III. RECOMMENDATIONS FOR THE PREVENTION AND CONTROL OF VAT CASH FLOW RISK

Boiler enterprise product production cycle is long, capital consumption is large and slow turnover, cash flow management is very important, and cash flow risk management is the most important financial management. Focus on the response to cash flow risk based on identification and evaluation. As far as VAT-based cash flow risk is concerned, the procurement of universal invoice enterprises that are balanced with the purchase price of the special invoice enterprise should be strongly controlled, and the purchase cash flow and general invoice procurement of the special invoice enterprise should be subject to financial support.

A. Strictly grasp the management of procurement invoices

Purchase invoice management, including invoice requests, certification, and account processing use. Strengthening invoice control is the most basic and important financial management of enterprise shopping business. Under the guidance of the tax deduction policy, the company's procurement management must take the request for special invoices as the basic grasp. No matter what kind of supply object to the implementation of procurement, should be "inquiry first ask for invoices", the adoption of entrusted purchasing enterprises, to establish a special invoice agency responsibility and purchase commission or fee-linked system, entrusted to purchase agricultural products, should seriously carry out the purchase of agricultural by-products to issue special invoices for professional technical guidance and responsibility training, to ensure that one household one vote; The accounting personnel are required to assume the responsibility to handle the special invoices obtained in a

timely manner for platform certification, through the certification of special invoices must be recorded within the prescribed time, unauthorized pressure on the invoice and delay accounting behavior, to firmly bear the responsibility for tax risk loss, in violation of the financial system provisions of unauthorized purchase of unauthorized purchase of business refused to pay the purchase price. In this way, strive for each procurement business to obtain a special VAT invoice, to ensure that all the procurement of all aspects of the enterprise has been paid tax can be deducted from the sales tax, resolutely block the disregard of financial requirements and arbitrary no invoice procurement or general invoice procurement practice. At the same time, enterprises are required to take invoice control as an important part of financial management, and to ensure that the enterprise's cash flow management forms innovative synergies and mechanisms through the establishment of internal control measures and internal audit supervision system of the "purchase-invoice-payment" cycle.

B. Strengthen supplier management

The centralized procurement of materials and materials and equipment of large and medium-sized enterprises should establish the "access system" for the implementation of special invoice suppliers, and when issuing the procurement notice and the project tender announcement, it should be clear that the special invoice should be provided as the basic "access qualification" to participate in the tender, strictly check the customs; Small and medium-sized enterprises in the implementation of procurement plans, should be preferred special invoice enterprises, secondary popular vote enterprises, in principle do not choose non-voting small micro-enterprises, individual industrial and commercial households and self-employed; The finance department shall designate material accounting or tax accounting custody and regularly check and supervise with the procurement information to adjust the information of the change of the filing object.

C. Actively develop new supplier markets

Generally speaking, new suppliers to occupy the market, will be high-quality, low-cost cage customers. DT Boiler Factory is a professional manufacturer of oil and gas industry boilers, the main production capacity of 10 t/h oil and gas boilers, the market prospects are broad, the sustainable development space is huge. In this regard, in addition to strict implementation of the material supplier "access system," we must continue to strengthen the new supplier access flexible management mechanism, make full use of network information tools, find new manufacturers and has not yet opened up a market in the enterprise location of the continuous operating suppliers, take the initiative to extend the procurement needs of the "olive branch," Will induce it to join the enterprise supplier information management system. In this way, the procurement supplier archive consists of two parts, from the access supplier and the alternative supplier, and strives to promote free competition through the procurement

information communication strategy. Thus, to avoid the supply failure of limited access and blindly choose the general invoice enterprise procurement or even invoice less procurement and bring the phenomenon of cash flow risk loss, at the same time can ensure that suppliers in their superior demand platform to carry out the low-cost competition, to win more opportunities and space to save cash flow from the purchase price reduction.

D. Establish and implement the control of purchase price responsibility

First, the enterprise shall issue material procurement by the procurement, accounting, auditing three parties to participate in price negotiations or bidding, and clear the responsibilities of all parties; Accept a pre-assessment of the price of the special invoice enterprise and the preferential price of the general invoice enterprise which is significantly lower than the critical point price, and so on, according to which the financial instruction information on whether the purchase can be implemented under the price conditions of the supplier shall be issued. If the preferential price offered by the general invoicing enterprise is the same or similar to the critical point price, the finance shall propose that the material procurement department shall not accept the procurement conditions easily, and shall further make the relevant requirements in the areas of transportation expenses, distribution of goods, technical support, unpaid services and repurchase of goods, in order to obtain more preferential commitments, Recommendations to reduce or avoid cash flow risk; finally, enterprises should require all general invoice enterprises to purchase intentions, should implement financial demonstration procedures, without financial procurement feasible instructions to purchase, accounting will not handle the settlement of payment; The accountant shall not settle the payment price, and the enterprise leader shall request the processing of the qualifications such as the deduction of the performance allowance or performance salary of the parties concerned, the cancellation of the award and the due diligence salary increase.

IV. CONCLUSION

All investments and operations are to "make money," as a private enterprise DT boiler factory, in particular, can not be an exception. To this end, the normal implementation of cash flow risk identification, assessment, and actively take effective prevention and control measures, DT boiler plant to strengthen cash flow risk management of the top priority. This paper advocate that the financial department of the enterprise regularly carry out the value-added tax risk identification of the procurement and sales business, and go deep into the acquisition cash flow risk identification, and take a scientific and practical method to carry out a more realistic assessment of the level of risk, in order to take rapid and effective risk prevention and control measures to ensure the resolution and elimination of risks. To promote the cash flow of enterprises to become the driving enterprise production and operation of healthy operation of the "golden chain", at the same time, enterprises really comb

the core position of financial management, give full play to the role of accounting supervision, support the accounting system to establish and implement procurement funds management system and responsibility internal control measures, and strictly control the procurement of special invoices, To ensure that the VAT tax deduction policy is fully and thoroughly implemented in enterprises, and finally, efforts should be made to carry out VAT tax planning, improve the ability to control tax policies, and ensure that tax obligations are recognized in accordance with the law, especially as special economic business such as sales, mixed sales and asset disposal, Accurate accounting and timely and full payment of value-added tax, avoid miscalculation of taxes, actively protect enterprise funds, from the source of financial management to prevent and eliminate cash flow risks.

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