NATSOFT USER INFORMATION

BUSINESS ACTIVITY SYSTEM

VERSION 3.00

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GST Transaction Codes & Types

When entering an invoice or transaction a tax code will be required in most areas. (i.e. Debtors, Stock & etc). The following codes are available to use:

G = GST, this will add the ten percent GST to the amount that has been entered.

I = Included, this means that the amount entered already includes GST.

Q = For Export sales, this means that the transaction is an export transaction and that it does not attract any GST.

T = For InputTaxed sales, and for purchases that are to be used for making InputTaxed sales. The GST cannot be claimed on purchases that are being used to make input taxed sales, this probably would only be used for finance institutions.

R = Related, this means that the transaction is a transaction between two related companies. Transactions between related companies are GST free and are not shown on the Business Activity Statement. R can be used when transactions are not to be shown on the Business Activity Statement.

P = For private use purchases, this is where the purchase is an item for private use. No input tax credit applies.

E = For GST Exempt sales, and for purchases that are Exempt/Input Taxed, this is where the item is exempt(free) of GST or when GST cannot be claimed.

The Cash Book System has an extra option:

A = Accounted for, this means that the GST on the transaction has been accounted for in another package. There are transactions that occur in the cash book system that you do not want to affect the business activity system. This option would be used for deposits of amounts that have been receipted via the debtors system so that you do not remit GST on sales twice. Cheques for payment of creditors that have been processed through the creditors ledger will be flagged with a Tax code of A. You would also use the A option for tax remitted for PAYG or GST. You would place the A option on your payment & receipt clearing accounts.

When entering expense transactions in to the system you will be asked for a second code:

C = Capital, this means that the expense is of a capital nature. (asset to the business).

O = Other, this means that it is an other purchase, in other words the purchase is not of a capital nature.

Default GST transaction codes may be placed on debtors sales analysis, creditors purchase analysis, cash book expense/receipt analysis and job cost master files. When transactions are entered the default code will be displayed.

WITHHOLDING PAYMENTS FROM CREDITORS INVOICE

If a creditor does not supply you with a valid tax invoice you can not claim the GST that is on that invoice. You must also deduct 48.5% tax from the payment and reimburse it to the ATO, if the invoice does not have an ABN. The withholding, and the transfer to the BAS, is done at the time of payment.

On the Creditors master file there is an option W/H.Tax , if you need to deduct tax from your payment to the creditor then enter Y here. Then the system will ask for the tax percentage to be deducted. If you leave the rate at zero, the system will use the rate that is set in the business activity, which is currently 48.5%. If you enter another percentage at this option the system will use that percentage instead of the one on the business activity system. There is a provision in the new tax system to alter the withholding percentage.

TRANSACTION POSTING IN THE BUSINESS ACTIVITY STATEMENT

The business activity statement has eight different transaction postings available to use.

1. GST Sale Adjustment Posting

This job allows you to process GST adjustments relating to sales. Amounts entered here are included in the adjustment area on the BAS. Any GST that was collected in the last financial year can be entered here.

BAS Code – This is the business activity statement that the transaction is to affect.

Period 1-13 – This is asking for the period that you would like this adjustment to affect.

Quarter 1-4 – The system will put in the quarter that the system will affect.

Customer Code – This is for the customer code if applicable.

Customer Name – This is the name of the customer that the GST was collected from.

Date – This is asking for the date of the transaction.

Reference – A reference number can be entered here if required.

Tax/ABN# - The customers tax or ABN number can be entered here.

Detail – A description of the transaction can be entered here.

Taxable – The taxable amount needs to be entered here.

Tax – This is the amount of GST that was collected.

2. WET Adjustment Posting

This job allows you to enter in adjustments relating to WET sales. The option entries at option 1 apply here also.

3. LCT Adjustment Posting

This job allows you to enter in adjustments relating to LCT sales. The option entries at option 1 apply here also.

4. GST Purchase Adjustment Posting

This job allows you to enter in any GST adjustments relating to purchases. Amounts entered here are included in the adjustment area on the BAS. Any GST that was paid in the last financial year can be entered here.

BAS Code – This is the business activity statement that the transaction is to affect.

Period 1-13 – This is asking for the period that you would like this adjustment to affect.

Quarter 1-4 – The system will put in the quarter that the system will affect.

Supplier Code – This is the supplier code if applicable.

Customer Name – This is the name of the supplier that the GST was paid to.

Date – This is asking for the date of the transaction.

Reference – A reference number can be entered here if required.

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Tax/ABN# - The supplier's tax or ABN number can be entered here.

Detail – A description of the transaction can be entered here.

Taxable – The taxable amount needs to be entered here.

Tax – This is the amount of GST that was paid.

5. W/Sale Sales Tax Credit

This job is used to claim back the sales tax content of stock on hand at 30th June and also the sales tax content of credit notes raised after 30th June. Amounts entered here are included in the W/Sales tax credit area on the BAS.

BAS Code – This is the business activity statement that the transaction is to affect.

Period 1-13 – This is asking for the period that you would like this adjustment to affect.

Quarter 1-4 – The system will put in the quarter that the system will affect.

Customer Code – This is the customer code if applicable.

Customer Name – This is the name of the customer that the sales tax credit relates to.

Date – This is asking for the date of the transaction.

Reference – A reference number can be entered here if required.

Tax/ABN# - The customers tax or ABN number can be entered here.

Detail – A description of the transaction can be entered here.

Tax – This is the amount of tax that is to be claimed back.

6. Withholding Tax Posting

Withholdings from the creditors and payroll systems are posted into the BAS by these modules. This job is used to post any other withholdings into the BAS.

BAS Code – This is the business activity statement that the transaction is to affect.

Period 1-13 – This is asking for the period that you would like this transaction to affect.

Quarter 1-4 – The system will put in the quarter that the system will affect.

Type SIP – Type of withholding (Salary,Investment,Payment).

Supp/Emp Code – Supplier or employee code if applicable.

Supp/Emp Name – Name of supplier or employee.

Date – This is the date of the transaction.

Reference – A reference number can be entered here.

Tax/ABN# - The supplier's ABN number or employee tax file number can be entered.

Detail – A line of detail can be entered here.

Gross Amount – This is the gross amount of the transaction.

Tax withheld – This is the amount of tax has been withheld from the gross amount.

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7. Set Income Tax Installment For Quarter

This job is used to set the income tax installment for the quarter, and must be run prior to producing the quarter BAS in order to set the 'Income Tax Installment' on the BAS. Most of the entries required below are filled in from the BAS defaults entered during setup.

BAS Code – This is the business activity statement that the transaction is to affect

Period 1-13 – This is asking for the period that you would like the transaction to affect. While in this posting you must select 3,6,9 or 12 as this is processing the income installments for the quarter.

Quarter 1-4 – The system will put in the quarter that the system will affect.

Install Income – The installment income for the quarter (usually gross sales).

ATO Install% - The Tax Office assigned installment rate.

New Install% - Blank or the new varied installment rate.

Reason For New – The reason for the new installment rate.

Install Credit – Credit adjustment for previous income tax installments.

Deferred Inst$ - Deferred company/fund installment.

8. Set FBT Installment For Quarter

This job is used to set the fringe benefit tax installment for the quarter, and must be run prior to producing the quarter BAS in order to set the 'Fringe Benefits Tax Installment' on the BAS. Most of the entries required below are filled in from the BAS defaults entered during setup.

BAS Code – This is the business activity statement that the transaction is to affect

Period 1-13 – This is asking for the period that you would like the transaction to affect. While in this posting you must select 3,6,9 or 12 as this is process the FBT installment for the quarter.

Quarter 1-4 – The system will put in the quarter that the system will affect

ATO FBT Inst$ - The Tax Office FBT installment.

Est.New.TotFBT – Blank or your estimated new total FBT.

New FBT Inst$ - Blank or your new varied FBT installment.

Reason for new – The reason for the new varied FBT installment.

Install Credit – Variation credit from prior FBT installments.

END OF MONTH PROCEDURES

1. Print The Business Activity Statement

This job is used to print the business activity statement. A BAS will be printed at least quarterly. A monthly BAS will be required should you be remitting GST monthly, or if you are paying withholdings monthly. This report should be printed after the debtors, creditors and cash book programs, and any other modules have been updated. This will ensure that the correct figures are used to fill in your business activity statement supplied by the government.

BUSINESS ACTIVITY STATEMENT SYSTEM

Job 6 Business Activity Statement Report

Job 1 Business Activity Statement

Printer # - This is asking for the printer number for the report to be printed to

Period Number (1 – 12) – This is asking for the period that the report is to be printed for

Round To Whole Dollars YN - This is asking whether the report is to round to whole dollars or not. A report with whole dollars is required to complete the BAS, where one without is required for general ledger entries.

The transaction listings may be printed as required, these listings provide an audit trail should you be audited by the Tax Office. Option 8 on the reports menu will print every transaction for the month/quarter.

2. Perform A Month Update

The Business Activity system must be updated on a monthly basis regardless of whether you report your GST on a monthly or quarterly basis, or whether a BAS has been produced for the month. The timing of the update is very important. Once an update has been performed then nothing can be recorded for that particular month. This update should be run after printing the BAS report. Once a period is updated then posting will be disabled into that period.

BUSINESS ACTIVITY STATEMENT SYSTEM

Job 7 End of Period Update

Job 1 Month Update

Confirm Y

At the end of June 2001 and subsequent years the Month and Year Update should be performed instead.

NOTES

When you are updating Debtors, Creditor, Cash Book, Payroll, and any other modules the following options will appear on the screen.

BAS New Period - This is asking for the new Business Activity System month.

Fut.Per0-13 - This is asking for the future period number

Year - This is asking for the new Business Activity System year.

The system will automatically have the next month's options appear so there should be no need to alter these options unless they are wrong for some reason. If you operate a weekly or fortnightly ledger then the **Fut Per** could well be the same as the **CurMonth** BAS period.

If you record transactions outside of the Natsoft System (i.e. Cash book, payroll) you will need to manually include these figures on your Business Activity Statement.

For the accrual method of GST the GST is payable in the period in which the sale is made. For laybys the GST is paid when the last payment is made. This layby ruling was made at the end of May 2000, and National Software Pty Ltd is working on modifying the software to cater for this new ruling, ie the GST will have to be deferred until the layby is completed. Prior to a June 2000 the ruling was that the GST was to be paid when the first payment was made.

For the cash method of GST the GST is payable in the period in which the payment is received. If payment is received for a supply that occurred prior to July 2000 then this is GST free. For laybys GST is paid in the same period as the payments are received. GST is also paid in the first BAS period for payments received prior to July 2000.

For GST purposes laybys are deemed not to be supplies until the layby is finalized, therefore the stock is deemed as stock on hand for GST purposes. For laybys commenced prior to July 2000 that remain uncompleted on July 1st, because the stock is stock on hand the supplier is entitled to a w/sale sales tax credit on this stock. This saving must be passed on to the customer and GST must be paid on the full sale value. National Software Pty Ltd is working on a routine to reduce laybys by the sales tax component and to add 10% GST. This routine will also give a report showing the sales tax credit.

Should you require the layby modifications then please contact National Software Pty Ltd to organize an upgrade. National Software Pty Ltd apologizes for any inconvenience, but the Government making changes this close to GST implementation is out of our control.