

A step by step approach to Carrying out business activity and instalment activity statement tasks current as at 1 July 2014

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Software Publications Pty Ltd (ABN 75 078 026 150)
Unit 3, 25 Gibbes Street
Chatswood NSW 2067



www.softwarepublications.com.au

ISBN 978-1-922241-78-8
FNSBKG404 Carry out business activity and
instalment activity statement tasks



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FNSBKG404A Carry out business activity and instalment activity statement tasks

This workbook is designed to provide the competencies in FNSBKG404A Carry out business activity and instalment activity statement tasks.

This unit describes the performance outcomes, skills and knowledge required to process business taxation requirements related to Business Activity Statements (BAS) and Instalment Activity Statements (IAS), including the completion of Activity Statements.

This unit has application to a variety of financial services sectors. It is applicable to individuals working within enterprises and job roles subject to licensing, legislative, regulatory or certification requirements, including various aspects of taxation law (including but not limited to the *Income Tax Assessment Act 1936*, and the *Income Tax Assessment Act 1997*), other relevant legislation and Goods and Services Tax (GST) rulings.

The Tax Practitioner's Board (TPB) administers specific educational and experience requirements for registration of BAS agents and sets specific assessment requirements that must be met.

The varying Commonwealth, State or Territory requirements should be confirmed with the relevant body.

Element	Performance Criteria	Workbook content
1 Identify individual compliance and other requirements	1.1 <i>Legislative and regulatory requirements and organisational and industry requirements</i> relating to Activity Statements are researched, documented and expert advice is sought to clarify issues where applicable.	Units 2, 3, 5 and 6
	1.2 Requirements for information, advice or services outside the individual's scope of operation are identified and additional information, advice or services are accessed, and networks are established and used where necessary.	Units 2, 3 and 7
	1.3 Lodgement schedule requirements are identified and documented	Units 2, 7 and 10
	1.4 Entity's cash flow and <i>payment options</i> are assessed and discussed with management to ensure sufficient funds	Unit 7

Element	Performance Criteria	Workbook content
2 Recognise and apply GST implications and code transactions	2.1 <i>GST</i> principles are identified applied and recorded	Units 4 and 6
	2.2 Purchases and/or payments are identified, coded as per <i>GST classifications</i> and split into capital and non capital as appropriate	Units 4 and 6
	2.3 Sales and/or receipts are identified and coded as per <i>GST classifications</i>	Units 4 and 6
	2.4 Accounting data is processed to comply with tax reporting requirements	Unit 4
3 Report on payroll activities	3.1 Total salaries, wages and <i>other payments</i> for the accounting period are identified and reconciled	Unit 8
	3.2 <i>Amounts withheld</i> from salaries, wages and other payments for the accounting period are identified and reconciled in conjunction with payroll department if applicable	Unit 8
4 Report on <i>other amounts withheld</i> , pay as you go (PAYG) instalments and taxes	4.1 Amounts withheld from other payments for the accounting period are identified and reconciled in conjunction with other departments if applicable	Units 6 and 8
	4.2 PAYG instalment amount is verified or where applicable calculated or, where applicable calculated <i>for other taxes</i>	Unit 9
5 Complete and reconcile the activity statement	5.1 Activity statement reports are generated where required, checked and validated	Units 4, 10 and 12
	5.2 Errors are identified and correctional bookkeeping entries are generated with any errors identified and correctional bookkeeping entries made	Units 11 and 12
	5.3 Adjustments for previous quarters, months or year end are made where necessary	Units 11 and 12
	5.4 BAS and/or IAS return is completed in accordance with up to date statutory, legislative, regulatory and organisational schedule	Units 4, 10 and 12
	5.5 Figures completed on the BAS/IAS form are reconciled to journal entries, profit and loss statement, GST and other control accounts	Units 4, 10 and 12

Element	Performance Criteria	Workbook content
6 Lodge activity statement	6.1 Activity statement is checked and signed off by an appropriate person as identified by statutory, legislative and regulatory requirements	Units 4, 10 and 12
	6.2 Activity Statement is despatched in accordance with statutory legislative and regulatory requirements	Units 9 and 10
	6.3 Payment/refund is processed and recorded.	Unit 10

Required skills and knowledge

Required skills	Workbook content
<ul style="list-style-type: none"> • communication skills to: <ul style="list-style-type: none"> • confirm work requirements, using questioning and active listening as required • liaise with others, share information, listen and understand • use language and concepts appropriate to cultural differences 	Liaising with trainer and other learners
<ul style="list-style-type: none"> • numeracy and IT skills to: <ul style="list-style-type: none"> • accurately analyse, code, record and store data in accordance with organisational requirements • identify and make adjustments as necessary to any inconsistencies in numerical data • access and use appropriate financial management software, spreadsheets and databases • use internet information 	Spreadsheet in Excel Unit 11 and 12 – identify and make adjustments Research on internet throughout workbook Data entry calculations
<ul style="list-style-type: none"> • analysis for accessing, interpreting and managing relevant financial data 	Interpreting report – reconciliations, cashflow in Units 4, 10 and 12
<ul style="list-style-type: none"> • literacy skills for interpreting documentation and compiling reports 	Throughout workbook
<ul style="list-style-type: none"> • self-management skills for complying with ethical, legal and procedural requirements 	Throughout workbook
<ul style="list-style-type: none"> • problem solving skills to identify any issues that have the potential to impact on the Activity Statement compilation and lodgement process and to develop options to resolve these issues when they arise or refer to other professionals as appropriate 	Finding errors in company file, fixing and lodging BAS in Units 10 and 12

Required skills	Workbook content
<ul style="list-style-type: none"> organisational skills, including the ability to plan and sequence work to meet statutory, legislative, regulatory and organisational deadlines particularly with relation to the lodgement of Activity Statements 	Units 8, 10 and 12
<ul style="list-style-type: none"> teamwork skills to identify activities required with business owners and tax agents 	Teamwork with trainers and other learners throughout workbook

Required knowledge	Workbook content
<ul style="list-style-type: none"> Australian Taxation Office requirements, including meeting of deadlines in relation to Activity Statement 	Unit 2 and throughout workbook
<ul style="list-style-type: none"> current statutory, legislation and regulatory requirements related to the preparation of Activity Statements 	Unit 2 and throughout workbook
<ul style="list-style-type: none"> current terminology in order to understand and maintain knowledge of stator, legislative, regulatory and other requirements 	Throughout workbook
<ul style="list-style-type: none"> GST terminology, classifications, regulations and obligations 	Throughout workbook
<ul style="list-style-type: none"> characteristics of software necessary for research or to record information electronically 	Workbook uses MYOB and Excel and Internet
<ul style="list-style-type: none"> TPB requirements in relation to registration as a BAS agent 	Unit 2
<ul style="list-style-type: none"> The obligations of a BAS agent under the Tax Agent Services Act 2009 (TASA 2009) including the Code of Professional Conduct and the Civil Penalty provisions 	Unit 2

Range statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

		Workbook content
<i>Legislative and regulatory requirements</i> must include:	• BAS/IAS requirements including the time requirements and cash versus accrual reporting requirements	Unit 2 and throughout workbook
	• GST Act and related public rulings, determinations and regulations	Units 2, 3 and 7
	• Income Tax Act, regulations rulings and determinations	Units 2, 7 and throughout workbook
	• Privacy Act	Unit 8
	• use of IT software and equipment	Workbook uses MYOB, Excel and internet
<i>Payment options</i> must include:	• maintaining an estimate of amount payable on BAS and IAS	Printing GST report Unit 4
	• Pay as you go instalments (PAYGI) and Pay as you go withholding (PAYGW)	Units 8 and 9
	• set up of a provision account	Unit 10
<i>GST principles</i> must include:	• GST collected	Throughout workbook
	• GST input tax credits	
	• net GST payable	
<i>GST classifications</i> must include	<ul style="list-style-type: none"> • GST • GST-free • input taxed • no tax • input taxed supply • exports 	Throughout workbook
<i>Other payments</i> may include:	<ul style="list-style-type: none"> • Fringe Benefits Tax (FBT) • Fuel Tax Credits (FTC) • luxury car tax • wine equalisation tax 	Units 5 and 6
<i>Amounts withheld</i> may include:	<ul style="list-style-type: none"> • amounts withheld where no ABN is quoted • other amounts withheld such as W2 and W3 on Activity Statements 	Units 2, 5, 6 and 8

Evidence guide

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

		Workbook content
Critical aspects for assessment and evidence to demonstrate competency in this unit	Evidence of the ability to: <ul style="list-style-type: none"> • interpret and comply with relevant provision in the following Acts and their associated regulations: • Tax Agent Services Act 2009 [TASA 2009] • Fringe Benefits Tax Assessment Act 1986 • Superannuation Guarantee [Administration] Act 1992 • Superannuation Guarantee Act 1992 • A New Tax System [Goods and Services Tax] Act 1999 • Income Tax Assessment Act 1997 • Income Tax Assessment Act 1936 • Taxation Administration Act 1953 • Privacy Act 1988 	Units 2, 3 and 5–11
	<ul style="list-style-type: none"> • interpret and comply with relevant ATO and TPB requirements, including TPB registration requirements where applicable 	Unit 2
	<ul style="list-style-type: none"> • apply GST terminology and appropriate application to financial transactions 	Unit 6
	<ul style="list-style-type: none"> • meet taxation requirements for business purposes and taxation parameters related to a range of business types 	Throughout workbook
	<ul style="list-style-type: none"> • use relevant accounting terminology when maintaining accounting records for a variety of business types for taxation purposes 	Throughout workbook
	<ul style="list-style-type: none"> • accurately complete all sections of both BAS and IAS for multiple entity types 	Units 4 cashbook Units 10 and 12 MYOB
	<ul style="list-style-type: none"> • lodge statements within the allocated timeframe 	Units 2 and 9

Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • competency is demonstrated in the context of the financial services work environment and conditions specified in the range statement either in a relevant workplace or a closely simulated work environment • access to and the use of a range of common office equipment, technology, software and consumables • access to an integrated financial software system • access to relevant legislation and industry material • access to the ATO and TPB and materials available from the ATO and TPB, including through the internet.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"> • evaluating an integrated activity which combines the elements of competency for the unit or a cluster of related units of competency • oral or written questioning on underpinning knowledge and skills • setting and reviewing workplace projects and business simulations or scenarios • evaluating samples of work • accessing and validating third party reports. <p>Assessment methods approved by the Tax Practitioners Board must be met for BAS agent registration.</p>
Guidance information for assessment	<p>If undertaking this unit for processing BAS and IAS, including the completion of Activity Statements, the following items in the Range Statement must be assessed to be considered as having fulfilled some of the educational requirements for registration with the TPB:</p> <ul style="list-style-type: none"> • Legislative and regulatory requirements • Payment options • GST principles • GST classifications

Assessment

Competency in FNSBKG404A should be assessed using the assessment tool on the training resource CD corresponding to this workbook which is available to trainers/assessors.

@ **Gathering GST and BAS information**

In the following units you will need access to:

NAT 3014 – GST for small business

Search the internet for **NAT 3014**.

Download a copy and save to your USB memory stick or computer. Do not print.

 **Questions to answer referring to GST for small business**

(i) Briefly explain the meaning of ‘registered for GST’.

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(ii) What records do you need to keep?

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(iii) When are you entitled to claim GST credits for the GST included in your business purchases?

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.....

NAT 7392-07.2013 – GST - completing your activity statement

Search the internet for NAT 7392-07.2013.

Download a copy and save to your USB memory stick. Do not print.

Printed below and on the following page is a sample of what a business activity statement could look like.

Office use only

141680606

Business activity statement

Document ID
ABN
Form due on
Payment due on
GST accounting method
Contact phone number
Contact person who completed the form

When completing this form, please:
■ print clearly using a BLACK pen
■ DO NOT include cents (record whole dollars only)
■ DO NOT use symbols such as +, -, /, \$
■ leave boxes blank if not applicable (do not use N/A)
■ If reporting a zero amount write '0' (do not use NIL)

Goods and services tax (GST)

Complete one of the three options below (place in ONE option box only)

Option 1: Calculate GST and report quarterly OR

Total sales **G1** \$
Does the amount shown at G1 include GST? Yes No
Export sales **G2** \$
Other GST-free sales **G3** \$
Capital purchases **G10** \$
Non-capital purchases **G11** \$
Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page and then complete the other sections

Option 2: Calculate GST quarterly and report annually OR

Total sales **G1** \$
Does the amount shown at G1 include GST? Yes No
Report GST on sales at 1A and GST on purchases at 1B in the Summary section over the page and then complete the other sections

Option 3: Pay GST instalment amount quarterly

G21 \$
Write this amount at 1A in the Summary section over the page (leave 1B blank)
OR if varying this amount, complete G22, G23, G24
Estimated net GST for the year **G22** \$
Varied amount for the quarter **G23** \$
Write the G23 amount at 1A in the Summary section over the page and then complete the other sections (leave 1B blank)
Reason code for variation **G24**

PAYG tax withheld

Total salary, wages and other payments **W1** \$
Amount withheld from payments shown at W1 **W2** \$
Amount withheld where no ABN is quoted **W4** \$
Other amounts withheld (excluding any amount shown at W2 or W4) **W3** \$
Total amounts withheld (W2 + W4 + W3) **W5** \$
Write the W5 amount at 4 in the Summary section over the page and then complete the other sections

NAT 14168-06.2006

Methods of payment



BPay: contact your financial institution to make this payment from your cheque or savings account. Quote biller code 75556 and your EFT code (shown on the front of the payment slip) as the customer reference number.

Direct credit: you can electronically transfer funds to the Tax Office's direct credit bank account using online banking facilities. Use BSB 093 003, Account number 316 385 and your EFT code. Phone 1800 815 886 for assistance if required.

Direct debit: have your payment deducted from your financial institution account (not credit cards). Phone 1800 802 308 for a direct debit request form and/or details.

Mail payments: mail the payment slip together with your cheque or money order using the envelope provided. Please do not use pins or staples. Do not send cash. See below for cheque information.

Post office: payments can be made at any post office by cash, cheque or EFTPOS (where available and subject to daily limits). A \$3,000 limit applies to cash payments. Your payment slip must be presented with your payment.

Cheques/money orders should be for amounts in Australian dollars and payable to 'Deputy Commissioner of Taxation'. Cheques should be crossed 'Not Negotiable'. Payments cannot be made by credit card, or in person at any Tax Office branch or shopfront.

PAYG income tax instalment

Complete one of the two options below (place in ONE option box only)

Option 1: Pay a PAYG instalment amount quarterly

T7 \$

Write the T7 amount at 5A in the Summary section OR if varying this amount, complete T8, T9, T4

Estimated tax for the year T8 \$

Variied amount for the quarter T9 \$

Write the T9 amount at 5A in the Summary section

Reason code for variation T4

OR

Option 2: Calculate PAYG instalment using income times rate

PAYG Instalment Income T1 \$

T2 %

OR

New varied rate T3 %

T1 x T2 (or x T3) T11 \$

Write the T11 amount at 5A in the Summary section

Reason code for variation T4

Fringe benefits tax (FBT) Instalment

F1 \$

Write the F1 amount at 6A in the Summary section OR if varying this amount, complete F2, F3, F4

Estimated FBT for the year F2 \$

Variied amount for the quarter F3 \$

Write the F3 amount at 6A in the Summary section

Reason code for variation F4

Declaration: I declare that the information given on this form is true and correct, and that I am authorised to make this declaration. The tax invoice requirements have been met.

Signature _____ Date ____/____/____

Summary

If you are using GST Option 3 leave 1B, 1C, 1D, 1E, 1F blank

Amounts you owe the Tax Office

GST on sales or GST Instalment 1A \$

Wine equalisation tax 1C \$

Luxury car tax 1E \$

PAYG tax withheld 4 \$

PAYG income tax instalment 5A \$

FBT Instalment 6A \$

Fuel tax credit over claim (Do not claim in litres) 7C \$

1A + 1C + 1E + 4
5A + 6A + 7C 8A \$

Amounts the Tax Office owes you

GST on purchases 1B \$

Wine equalisation tax refundable 1D \$

Luxury car tax refundable 1F \$

Credit from PAYG income tax instalment variation 5B \$

Credit from FBT instalment variation 6B \$

Fuel tax credit (Do not claim in litres) 7D \$

1B + 1D + 1F + 5B + 6B + 7D 8B \$

Payment or refund? Is 8A more than 8B?

Yes then write the result of 8A minus 8B at 9. This amount is payable to the Tax Office.

No then write the result of 8B minus 8A at 9. This amount is refundable to you (or offset against any other tax debt you have).

Your payment or refund amount

9 \$

If we do not have your current financial institution account details your refund may be delayed.

Please return this completed form to

HRS MINS

Please estimate the time taken to complete this form. Include the time taken to collate any information.

Activity statement instructions are available from www.ato.gov.au or can be ordered by phoning 13 28 66. The Tax Office is authorised by the tax laws to collect this information to administer those laws and may pass information to other government agencies. More information about privacy and access to your tax information is available from www.ato.gov.au



Questions to answer referring to NAT 7392-07.2013

Refer to pages 6 and 7 of NAT 7392-07.2013.

- (i) What guidelines must you follow when completing this form (manually, not electronically)?

.....

.....

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.....

.....

If you make an error on the business activity statement, use correction tape, NOT liquid paper.

- (ii) After completing the business activity statement, how can you pay the amount owing?

.....

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.....

- (iii) When writing out a cheque, who should the cheque be made payable to?

.....

.....



Entering the finance company payment

- (i) Select the **Purchases** Command Centre.
- (ii) Select **Pay Bills**.
- (iii) Key in the following payment by the finance company to purchase the Hilux.

Pay from Account: 2-6000 Finance Company - Hilux 887.43 Balance ⇄: \$0.00
 Group with Electronic Payments:

Supplier ⇄: Burton Toyota	Cheque No.: 1
Payee ▾: Burton Toyota	Date: 1\month
	Amount: \$52,596.64
Fifty Two Thousand Five Hundred and Ninety Six Dollars and 64 Cents	
Memo: Payment; Burton Toyota	<i>Enter your name/Enterprises Pty Ltd</i>

Supplier's #	Status	Date	Amount	Discount	Total Owed	Amount Applied
1515	⇄ Open	1/ month	\$52,596.64		\$52,596.64	\$52,596.64

Include Closed Purchases
 Cheque Already Printed

Total Applied:	\$52,596.64
Finance Charge:	\$0.00
Total Paid:	\$52,596.64

- (iv) **Record** the payment.
- (v) Return to the Command Centre.

Viewing the chattel mortgage in your Balance Sheet

- (i) In **Reports**, select **Accounts** tab.
- (ii) Double-click **Standard Balance Sheet**.
- (iii) In the **As of** field enter **1/month you are using**.
- (iv) **Display** your Balance Sheet.

Your chattel mortgage accounts should look like this:

Finance Company - Hilux 887.43	\$52,596.64
less Unexpired Term Charges	-\$9,614.14

- (v) Return to the Command Centre.



Entering the trade-in of the ute

- (i) Select the **Sales Command Centre**.
- (ii) Select **Enter Sale**.
- (iii) Create a customer card for Burton Toyota and enter the trade-in like this:

INVOICE

Customer ⇄: Burton Toyota Terms ⇄: Net 30 Tax Inclusive

Ship to ⇄: Burton Toyota Invoice #: 00000004
Date: 1/month
Customer PO #:

Description	Acct#	Amount	Job	Tax
Trade in - Toyota Ute Reg 222 CMN	1-5210	\$3,000.00		GST

Salesperson : Subtotal: \$3,000.00
Comment: Freight: \$0.00 GST
Ship Via: Tax ⇄: \$272.73
Promised Date: Total Amount: \$3,000.00

Journal Memo: Sale; Burton Toyota Paid Today: \$0.00
Referral Source: Payment Method: Details...
Invoice Delivery Status: To be Printed Balance Due: \$3,000.00

Note

- The tax code GST is used so that the amount of GST collected is reported in G1.
- The calculation of the loss or gain on sale is the responsibility of the tax agent, not the bookkeeper.

- (iv) In **Paid Today** enter **3000**.
- (v) In **Payment Method**, select **Other**.
- (vi) In **Details** select **Group with Undeposited Funds**.

Paid Today: \$3,000.00
Payment Method: Other Details...
Balance Due: \$0.00

Applied Payment Details

Payment Details for Burton Toyota

Deposit to Account:
 Group with Undeposited Funds: 1-1200 Undeposited Funds

- (vii) Select **OK** and record the sale.

A copy of this invoice should be printed and handed to Burton Toyota.

- (viii) Return to the Command Centre.



Entering the monthly chattel mortgage payment

At the end of each month a chattel mortgage payment is made usually by a direct debit from the Cheque A/c of the business to Finance Company.

This payment consists of a principal amount payment plus interest.

Monthly payment is: \$887.43

Number of payments: 48

- (i) Create a new supplier card for **Finance Company**.
- (ii) Select the **Banking** Command Centre.
- (iii) Select **Spend Money**.
- (iv) Enter the first monthly payment like this:

You will need to create a new expense account for the Term Charges Account #6-7200.

<input checked="" type="radio"/> Pay from Account: 1-1100 Cheque A/c		Balance ⇄: \$5,079.50	
<input type="radio"/> Group with Electronic Payments:		<input checked="" type="checkbox"/> Tax Inclusive	
Card ⇄: Finance Company		Cheque No.: DD Hilux	
Payee ⇄: Finance Company		Date: end/month	
		Amount: \$887.43	
Eight Hundred and Eighty Seven Dollars and 43 Cents			
Memo: Finance Company		<i>(Enter your name) Enterprises Pty Ltd</i>	

Acct #	Name	Amount	Job	Memo	Tax
2-6000	Finance Company - Hilux 887.4	\$887.43			N-T
2-6100	less Unexpired Term Charges	(\$308.03)			N-T
6-7200	Term Charges - Hilux	\$308.03			FRE

Total Allocated:	\$887.43	<input checked="" type="checkbox"/> Cheque Already Printed
Tax ⇄:	\$0.00	Remittance Advice Delivery Status:
Total Paid:	\$887.43	To be Printed
Out of Balance:	\$0.00	

The amount of interest (\$308.03) is sourced from payment 1 of the amortization schedule reprinted on page 135.

To save this transaction as a **recurring** payment:

- (v) Select the **Save as Recurring** button  at the bottom of your window.

(vi) Complete the following details for this recurring payment.

Recurring Transaction Name: Finance Company Hilux payment

Schedule

Frequency: Monthly Starting on: end/next month

Continue indefinitely

Continue until this date

Perform this # of times 47 Remaining: 47

Alerts

Remind Administrator to record this transaction never

Automatically record this transaction when due and notify Administrator

Transaction

Use the next sequential number as the Cheque #

Use the following as the Cheque # (no warning for duplicate IDs): DD Hilux

Save my changes when I record this recurring transaction

(vii) Select **Save** to save the recurring transaction and return to **Spend Money**.

(viii) Select **Record** to record the payment for this month.

This payment will now be automatically recorded at the end of each month.

You can recall the payment and amend the term charges according to the schedule.

(ix) Return to the Command Centre.



Running the Company Data Auditor

Before preparing the BAS, run the Company Data Auditor to check the following:

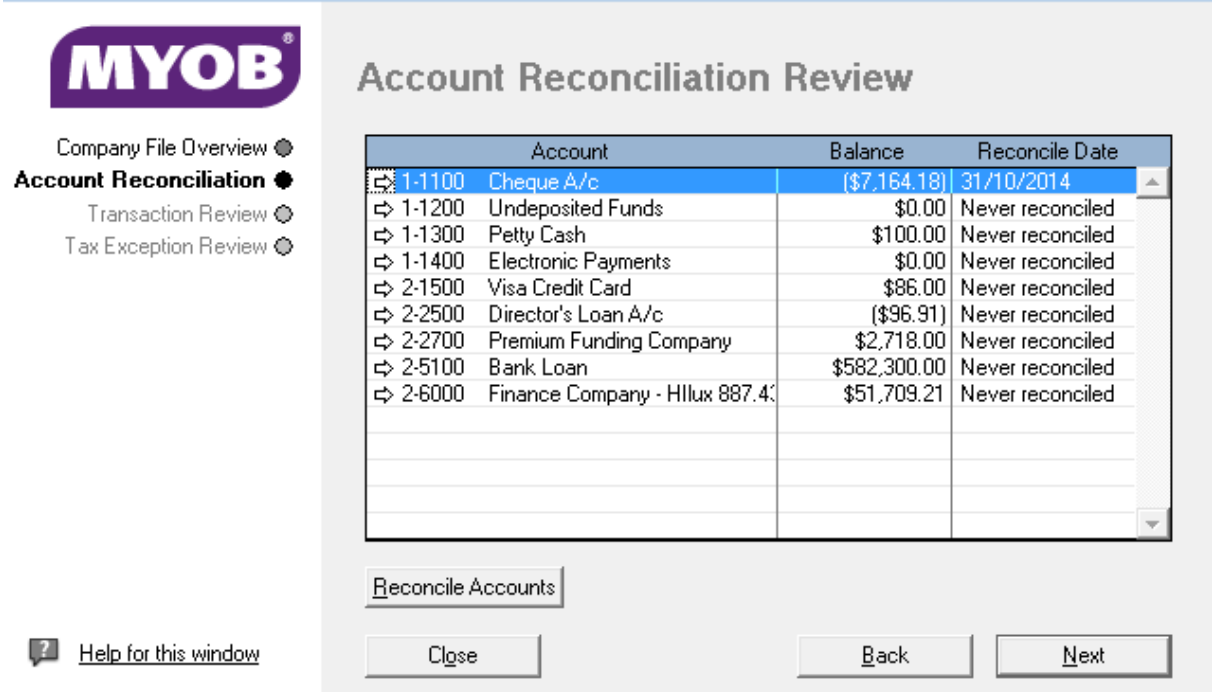
- bank accounts reconciled (already done)
 - accounts receivable reconciled (already done)
 - accounts payable reconciled (already done)
 - all transactions have been allocated a tax code
 - amount of GST is equal to $\frac{1}{11}$ of amount
 - correct tax codes used
 - no future dated transactions exist
 - prepaid transactions and
 - check deposits on orders.
- (i) In the **Accounts** Command Centre, select **Company Data Auditor**.
- (ii) In **Company File Overview** you can check information about your file.

The screenshot shows the MYOB software interface. On the left is a navigation menu with 'Company File Overview' selected. The main area displays file details for 'BASUnit51910a.MYO'. The details include: File Name, Release Version (Australia 19.10.0), Location (C:\Users\Amanda\Desktop\SOFTW20 Current\), Size (1.69 MB), Last Backup Date (14/09/2014), Last Verified Date (14/09/2014), Current Financial Year End (June 2015), Locked Period (01/07/2014), and Payroll Tax Tables Date (01/07/2014). On the right side, there are buttons for 'Back Up', 'Verify', 'Lock Period', and 'Load Tax Tables'. At the bottom, there are buttons for 'Close', 'Back', and 'Next'. A 'Help for this window' link is visible in the bottom left corner.

- (iii) Click on **Next**.

(iv) In **Account Reconciliation Review**, check that all accounts have been reconciled.

In this workbook you have reconciled the Cheque A/c; however in your business you should also reconcile ALL cheques, petty cash, undeposited funds, electronic clearing account, clearing account, loan accounts and credit card accounts.

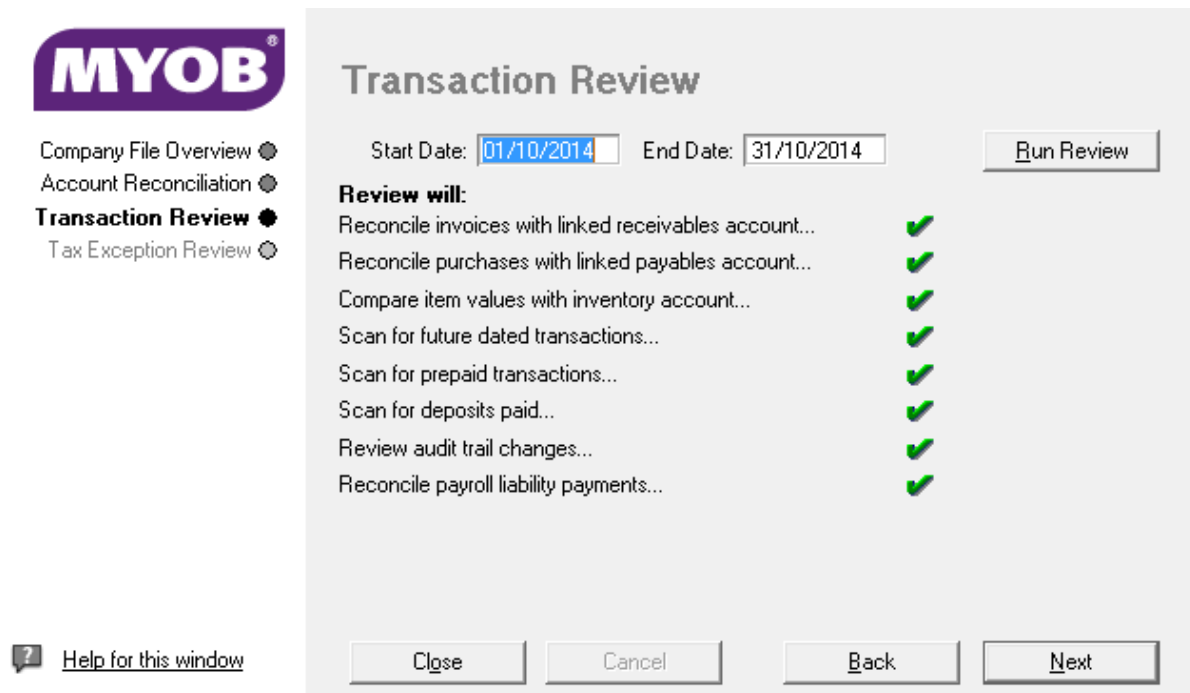


The screenshot shows the MYOB software interface for 'Account Reconciliation Review'. On the left, there is a navigation menu with 'Account Reconciliation' selected. The main area displays a table of accounts with their balances and reconciliation dates. The 'Cheque A/c' is highlighted as reconciled on 31/10/2014, while all other accounts are listed as 'Never reconciled'. At the bottom, there are buttons for 'Reconcile Accounts', 'Close', 'Back', and 'Next'.

Account	Balance	Reconcile Date
1-1100 Cheque A/c	(\$7,164.18)	31/10/2014
1-1200 Undeposited Funds	\$0.00	Never reconciled
1-1300 Petty Cash	\$100.00	Never reconciled
1-1400 Electronic Payments	\$0.00	Never reconciled
2-1500 Visa Credit Card	\$86.00	Never reconciled
2-2500 Director's Loan A/c	(\$96.91)	Never reconciled
2-2700 Premium Funding Company	\$2,718.00	Never reconciled
2-5100 Bank Loan	\$582,300.00	Never reconciled
2-6000 Finance Company - Hllux 887.4	\$51,709.21	Never reconciled

(v) Click on **Next**.

- (vi) In the **Transaction Review** window, enter the month you have been using and click on **Run Review**.



The following will be reviewed:

- Debtors Ledger reconciles with the Trade Debtors in the Balance Sheet
 - Creditors Ledger reconciles with the Trade Creditors in the Balance Sheet
 - Inventory Ledger reconciles with the Inventory A/c in the Balance Sheet
 - no entries have been entered dated after end/month you are using
 - there are no prepaid transactions, i.e. an invoice is dated 4/next month and the payment is dated 6/this month
 - there are no deposits paid on orders
 - payroll reconciles.
- (vii) If you have any ? displayed:
- These are not necessarily errors.
 - display the report and note the possible error. Examples of errors are given on the following page.
- (viii) Fix the problem and run the Company Data Auditor again.



Examples of errors displayed in the Company Data Auditor



- Company File Overview ●
- Account Reconciliation ●
- Transaction Review ●**
- Tax Exception Review ●

Transaction Review

Start Date: End Date: **Review will:**Reconcile invoices with linked receivables account... ✓Reconcile purchases with linked payables account... ? Compare item values with inventory account... ✓Scan for future dated transactions... ? Scan for prepaid transactions... ✓Scan for deposits paid... ✓Review audit trail changes... ? Reconcile payroll liability payments... ✓

Payables Reconciliation Exceptions

31/10/2012

Page 1

ID#	Src	Date	Memo	Debit	Credit	Job No.
Total Amount Outstanding:			\$3,146.17			
Linked Payables Account Balance:			\$506.17			
Out of Balance Amount:			\$2,640.00			
Possible causes of exceptions						
00000005	PJ	1/10/2012	Purchase; Premium Funding Compa	\$2,640.00		
Total:				\$2,640.00	\$0.00	
Difference:				\$2,640.00		

In this example, the expense was allocated to the Trade Creditors account instead of a Cost of Sales account. You would call up the above entry and fix this error.

Future Dated Transactions

31/10/2012

Page 1

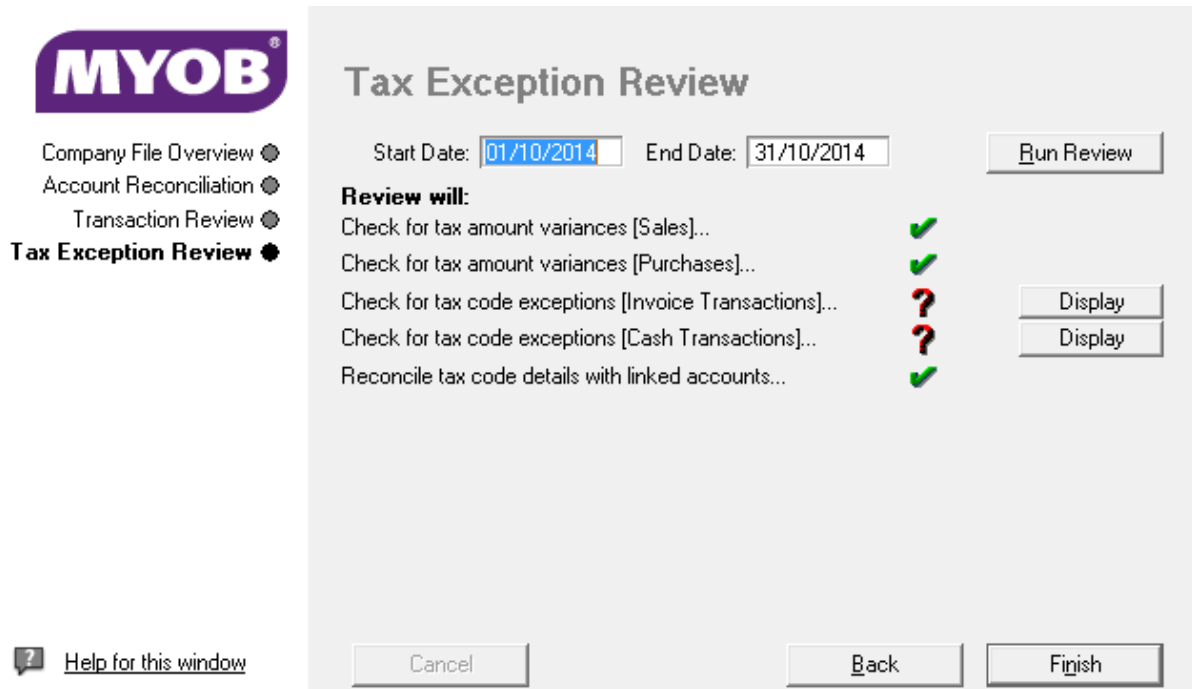
Date	Src	ID#	Name	Amount
31/10/2029	CD	16	Telstra	\$200.00

In this example, you would call up the **future dated transactions**, check on the correct date and amend or delete if a double entry.

When the future dated transaction and payables error is fixed, run the Transaction Review again to see if the errors have been fixed.

- (ix) Select **Next**.
- (x) In the **Tax Exception Review** window select **Run Review**.

Your Tax Exception Review could look like this:



- (xi) If you have a ?, select **Display**.

Your Tax Amount Variances [Purchases] report could look like this:

Tax Amount Variance Report

1/10/2012 To 31/10/2012

Page 1

Date	ID#	Src Name	Tax Basis	Rate	Posted Tax	Calc. Tax	Variance
GST	Goods & Services Tax						
1/10/2012	00000001 PJ	SDS Supplie	\$110.16	10.000%	\$11.01	\$11.02	\$0.01

This report displays where the user has selected the Tax ⇄: and changed the amount of GST. (Remember 1 cent and 2 cent roundings are OK.)

FNS Financial Services Training Package Supplement

This workbook can be used by learners completing a qualification in the FNS Financial Services Training Package.

FNSBKG404 Carry out business activity and instalment activity statement tasks

Application

This unit describes the skills and knowledge required to identify and apply compliance requirements to effectively process and complete business activity statements (BAS), instalment activity statements (IAS) and other required reports.

It applies to individuals who use a range of organisational and analytical techniques to work within organisations or to supply specific bookkeeping services as a small business owner or contractor.

Work functions in the occupational areas where this unit may be used are subject to regulatory requirements. This unit is designed to meet the educational requirements of the Tax Practitioner Board (TPB). Refer to the FNS Implementation Guide Companion Volume or the relevant regulator for specific guidance on requirements.

Elements and Performance Criteria

Element <i>Elements describe the essential outcomes.</i>	Performance criteria <i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>	Workbook reference	Assessment task option 1	Assessment task option 2
1. Identify individual compliance and other requirements	1.1 Research and document legislative, regulatory, industry and organisational requirements relating to activity statements and seek expert advice to clarify issues where applicable	Units 2, 3, 5 and 6	A1, A3, A9, A10, C14	A1, A3, A9, A10, C14
	1.2 Review, interpret and apply legislation related to taxes reported on activity statements, using relevant materials when required and other resources supporting legislation	Throughout workbook	A1, A3, A9, A10, C14	A1, A3, A9, A10, C14
	1.3 Identify and document policies in relation to compliance with Code of Professional Conduct as stipulated in relevant legislation	Unit 2	A5, A6	A5, A6
	1.4 Identify and access information, advice or services outside individual's scope of operation and establish and use networks where necessary	Units 2, 3, 5 and 6	C13 – FBT C14 – LCT A4	C13 – FBT C14 – LCT A4
	1.5 Identify and document lodgement schedule requirements	Units 2, 7 and 10	C1	C1
	1.6 Assess entity's cash flow and payment options and initiate discussion with management to ensure sufficient funds are available	Unit 7	Part B – GST estimation C2, C29, C35	Part B – GST estimation C2, C29, C35
2. Recognise and apply GST implications and code transactions	2.1 Identify, apply and record goods and services tax (GST) principles	Units 4 and 6	Throughout Parts B, C and D	Throughout Parts B, C and D
	2.2 Identify and code purchases and/or payments as per GST classifications	Units 4 and 6	Throughout Parts B, C and D	Throughout Parts B, C and D
	2.3 Identify and code sales and/or receipts as per GST classifications	Units 4 and 6	Throughout Parts B, C and D	Throughout Parts B, C and D
	2.4 Process accounting data to comply with tax reporting requirements	Unit 4	Throughout Parts B, C and D	Throughout Parts B, C and D

Element <i>Elements describe the essential outcomes.</i>	Performance criteria <i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>	Workbook reference	Assessment task option 1	Assessment task option 2
3. Report on payroll activities and amounts withheld	3.1 Identify and reconcile total salaries, wages and other payments for accounting period	Unit 8	C5, C6, C7, C9, C7, C18, C21	C5, C6, C7, C9, C7, C18, C21
	3.2 Identify and reconcile amounts withheld from salaries and wages for accounting period in conjunction with payroll department if applicable	Unit 8	C7, C21	C7, C21
	3.3 Identify and reconcile amounts withheld from other payments for accounting period in conjunction with other departments if applicable	Units 6 and 8	C7, C21	C7, C21
	3.4 Verify or calculate pay as you go (PAYG) instalment amount where applicable, or calculate for other payments where applicable	Unit 9	C28	C28
4. Complete and reconcile activity statement	4.1 Generate, review and validate activity statement reports, identify any errors and correct bookkeeping entries where required	Units 6, 8, 11 and 12	Parts B, C and D	Parts B, C and D
	4.2 Make adjustments for previous quarters, months or year-end where necessary	Unit 11 and 12	C24	C24
	4.3 Complete BAS and/or IAS return in accordance with current statutory, legislative, regulatory and organisational schedule	Units 4, 10 and 12	Parts B, C and D	Parts B, C and D
	4.4 Reconcile figures completed on BAS and/or IAS form with journal entries, financial statements, GST and other control accounts	Units 4, 10 and 12	Parts B, C and D	Parts B, C and D
5. Lodge activity statement	5.1 Check activity statement and ensure sign off by appropriate person as identified by statutory, legislative and regulatory requirements	Units 4, 10 and 12	A3 Part D	A3 Part D
	5.2 Lodge activity statement in accordance with statutory, legislative and regulatory requirements	Units 9 and 10	C1	C1
	5.3 Process and record payments and refunds as required	Unit 10	C4, C30, C31, Di	C4, C30, C31, Di

Foundation skills

Skill	Performance Criteria	Description	Workbook reference
Reading	1.1-1.6	<ul style="list-style-type: none"> Analyses and interprets relatively complex regulatory and legislative texts and other sources of information to identify and clarify requirements 	Throughout workbook
Writing	2.1, 4.3, 5.3	<ul style="list-style-type: none"> Documents research information and accurately records required tax data and financial transactions 	Throughout workbook
Oral communication	1.6	<ul style="list-style-type: none"> Elicits the views and opinions of others and obtains information by questioning and active listening, and uses clear and detailed language to clarify and confirm understanding 	Through liaising with trainer and other learners
Numeracy	3.1-3.4, 4.1, 4.2, 4.4	<ul style="list-style-type: none"> Uses developed mathematical skills to interpret and assess business accounting records, identify, reconcile and correctly process relevant data and calculate required taxation instalments in compliance with reporting requirements 	Throughout workbook
		<ul style="list-style-type: none"> Prepares accurate numerical data for activity statements that is adjusted and corrected as required and reconciled to bookkeeping system entries 	Throughout workbook
		<ul style="list-style-type: none"> Defines timeframes in accordance with schedule requirements 	Units 2, 7 and 10
Navigate the world of work	1.2-1.4, 5.1, 5.2	<ul style="list-style-type: none"> Takes responsibility for adherence to legal and regulatory requirements 	Throughout workbook
		<ul style="list-style-type: none"> Uses research and consultation to ensure fully informed and compliant work practice 	Throughout workbook
Interact with others	1.6, 5.1	<ul style="list-style-type: none"> Cooperates and collaborates with others as part of familiar routine activities and contributes to activities requiring joint responsibility and accountability 	Through liaising with trainer and other learners
Get the work done	2.1-2.4, 4.1-4.3, 5.2, 5.3	<ul style="list-style-type: none"> Plans, organises and completes work according to defined requirements, taking responsibility for sequencing tasks to meet organisational deadlines and legislative requirements 	Throughout workbook
		<ul style="list-style-type: none"> Uses systematic, analytical processes in complex, routine and non-routine situations, gathering information and identifying and evaluating potential solutions 	Units 10 and 12
		<ul style="list-style-type: none"> Uses digital tools to conduct research, design work processes and to complete work tasks 	Throughout workbook

Range of Conditions

<i>This section specifies different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.</i>		Workbook reference
Legislative and regulatory requirements must include:	<ul style="list-style-type: none"> BAS and/or IAS requirements including time requirements and cash versus accrual reporting requirements 	Unit 2 Throughout workbook
	<ul style="list-style-type: none"> GST Act and related public rulings, determinations and regulations 	Units 2, 3 and 7
	<ul style="list-style-type: none"> income tax legislation 	Units 2, 3 and 7
	<ul style="list-style-type: none"> privacy legislation 	Unit 8
	<ul style="list-style-type: none"> tax agent services legislation 	Unit 2
	<ul style="list-style-type: none"> use of information technology software and equipment. 	Throughout workbook
Payment options must include:	<ul style="list-style-type: none"> maintaining an estimate of amount payable on BAS and IAS 	Print GST reports Unit 4
	<ul style="list-style-type: none"> pay as you go instalments (PAYGI) and pay as you go withholding (PAYGW) 	Units 8 and 9
	<ul style="list-style-type: none"> set up of a provision account. 	Unit 10
GST principles must include:	<ul style="list-style-type: none"> GST collected 	Throughout workbook
	<ul style="list-style-type: none"> GST input tax credits 	
	<ul style="list-style-type: none"> net GST payable. 	
GST classifications must include:	<ul style="list-style-type: none"> GST 	Throughout workbook
	<ul style="list-style-type: none"> GST free 	
	<ul style="list-style-type: none"> input taxed 	
	<ul style="list-style-type: none"> no tax (not reportable) 	
	<ul style="list-style-type: none"> input taxed supply 	
	<ul style="list-style-type: none"> exports. 	

Assessment requirements v1.0

Performance evidence

Evidence of the ability to:	Assessment task option 1	Assessment task option 2
<ul style="list-style-type: none"> research, critically evaluate and apply any changes to current or new legislative or professional conduct requirements relevant to the preparation of activity statements 	Part A C1 Set up of BAS in Parts B, C and D	Part A C1 Set up of BAS in Parts B, C and D
<ul style="list-style-type: none"> identify financial transactions required to prepare activity statements and apply goods and services tax (GST) principles and classifications 	Parts B, C and D	Parts B, C and D
<ul style="list-style-type: none"> prepare both business activity statements (BAS) and instalment activity statements (IAS) for a range of legal entities that comply with: <ul style="list-style-type: none"> Australian taxation law, Australian Taxation Office (ATO) rulings, Tax Practitioner Board (TPB) requirements and any lodgement schedules 	Parts B, C and D	Parts B, C and D
<ul style="list-style-type: none"> accounting principles and practices 	Parts B, C and D	Parts B, C and D
<ul style="list-style-type: none"> organisational policy and procedures 	Parts B, C and D	Parts B, C and D
<ul style="list-style-type: none"> present activity statements for verification and approval. 	A3 Part D	A3 Part D

Knowledge evidence

To complete the unit requirements safely and effectively, the individual must:	Assessment task option 1	Assessment task option 2
<ul style="list-style-type: none"> outline the research methods and sources of information used to update knowledge of professional and legislative requirements relating to activity statements 	Throughout assessment	Throughout assessment
<ul style="list-style-type: none"> identify the key requirements of current legislation, regulations and industry codes of practice related to the preparation of activity statements, including: <ul style="list-style-type: none"> Tax Agent Services Act (TASA), including Code of Professional Conduct and civil penalty provisions 	A5, A6	A5, A6
<ul style="list-style-type: none"> Fringe Benefits Tax Assessment Act 	A13 Part C	A13 Part C
<ul style="list-style-type: none"> Superannuation Guarantee (Administration) Act 	Part C	Part C
<ul style="list-style-type: none"> Superannuation Guarantee Charge Act 	Part C	Part C
<ul style="list-style-type: none"> A New Tax System (Goods and Services Tax) Act 	Part C	Part C
<ul style="list-style-type: none"> Income Tax Assessment Act 	Part C	Part C
<ul style="list-style-type: none"> Taxation Administration Act 	Part C	Part C
<ul style="list-style-type: none"> other taxation laws, including wine equalisation tax, luxury car tax and fuel tax 	Part C	Part C
<ul style="list-style-type: none"> Privacy Act 	Part C	Part C
<ul style="list-style-type: none"> describe the ATO requirements and relevant accounting terminology for the preparation and submission of BAS and IAS related to a range of business types 	Part A	Part A
<ul style="list-style-type: none"> describe GST terminology, classifications, regulations and obligations with reference to relevant materials 	Throughout assessment	Throughout assessment
<ul style="list-style-type: none"> explain the TPB requirements for registration as a BAS agent. 	A1, A2	A1, A2