



GST Reconciliation - Payments basis

Situation: You are on the Payments basis for GST & want to know if the general ledger account balances are correct.

Reconciliation example (Oct 08 - Mar09)

GST balance as per MYOB as at 31/3/09 (Note 1)	<u><u>2,642.37</u></u> credit
<u>Is Represented By:</u>	
GST on debtors ledger as at 31/3/09 (Note 2)	2,131.41 credit
GST on creditors ledger as at 31/3/09 (Note 3)	-968.25 debit
GST return for Oct-Mar 09 not due til 30/4/09 (Note 4)	1,479.21 credit
Any other GST in the general ledger which has not been returned	0 debit or credit
	<u><u>2,642.37</u></u> credit

- Note 1: Total of all GST accounts in general ledger ie Accounts List
- Note 2: (Receivables Reconciliation report total minus any debtors with no GST) divided by 9
- Note 3: (Payables Reconciliation report total minus any creditors with no GST) divided by 9
- Note 4: The actual GST Return on the Payments Basis for any return periods not yet filed. (If it's a refund it will be a debit.)
- Note 5: Example of other GST in the general ledger that has not been returned:
 a vehicle purchase with loan where there is a residual "balloon payment" to be paid in the future; the GST on the full vehicle purchase has been recorded in the general ledger but it is not all claimable until the final installment is made.

Note 1: Balance sheet extract as at 31/3/09

2-3000	GST		
2-3100	GST Collected		\$4,257.04
2-3200	GST Paid		-\$1,614.67
	Total GST		<u>\$2,642.37</u>

Note 2: 19,232.69 - 49.96 (Zero rated sale) = 19182.73 / 9 **2,131.41**

Receivables Reconciliation [Summary]				
31/03/2009				
Page 1				
Total Due	0 - 30	31 - 60	61 - 90	90+
\$227.81	\$227.81	\$0.00	\$0.00	\$0.00
\$613.69	\$0.00	\$613.69	\$0.00	\$0.00
\$759.38	\$759.38	\$0.00	\$0.00	\$0.00
\$455.63	\$455.63	\$0.00	\$0.00	\$0.00
\$493.59	\$493.59	\$0.00	\$0.00	\$0.00
\$2,231.81	\$2,231.81	\$0.00	\$0.00	\$0.00
\$903.09	\$903.09	\$0.00	\$0.00	\$0.00
\$493.59	\$0.00	\$493.59	\$0.00	\$0.00
\$49.96	\$0.00	\$0.00	\$0.00	\$49.96
\$2,618.41	\$2,618.41	\$0.00	\$0.00	\$0.00
\$3,177.80	\$2,840.30	\$337.50	\$0.00	\$0.00
\$5,506.93	\$5,506.93	\$0.00	\$0.00	\$0.00
\$303.75	\$0.00	\$303.75	\$0.00	\$0.00
\$569.53	\$569.53	\$0.00	\$0.00	\$0.00
\$303.75	\$303.75	\$0.00	\$0.00	\$0.00
\$523.97	\$0.00	\$523.97	\$0.00	\$0.00
\$19,232.69	\$16,910.23	\$2,272.50	\$0.00	\$49.96
	87.9%	11.8%	0.0%	0.3%
\$19,232.69				
\$0.00				

Note 3: 8714.33 / 9 = 968.25

Payables Reconciliation [Summary]				
31/03/2009				
Page 1				
Total Due	0 - 30	31 - 60	61 - 90	90+
\$8,714.33	\$8,714.33	\$0.00	\$0.00	\$0.00
\$8,714.33	\$8,714.33	\$0.00	\$0.00	\$0.00
	100.0%	0.0%	0.0%	0.0%
\$8,714.33				
\$0.00				

GST return for Oct-Mar 09 not due til 30/4/09 (Note 4)

1,479.21 credit

<div style="border: 1px solid black; width: 100%; height: 40px;"></div>		Period covered by the return from <input type="text" value="01/10/2008"/> 2 to <input type="text" value="31/03/2009"/>	
GST Accounting Basis: Payments (cash)		This return and any payments are due <input type="text" value="07/05/2009"/>	
Copy the figures from this report to the GST return supplied by the Inland Revenue Department. Do NOT send this report to the Inland Revenue Department.			
If your correct postal address for GST is not shown above, print it in Box 3.		3 Client Copy Only Do NOT Send to IRD	
If your correct daytime phone number is not shown here, print it in Box 4		4 <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
		Area code Telephone number	
Goods and services tax on your sales and income		Total sales and income for the period (including GST and any zero-rated supplies) 5 \$ 19,130.58	
		Zero-rated supplies included in Box 5 6 \$ 0.00	
		Subtract Box 6 from Box 5 7 \$ 19,130.58	
OFFICE USE ONLY		Divide the amount in Box 7 by nine (9) 8 \$ 2,125.62	
Operator code Corresp. indicator		Adjustments from your calculation sheet 9 \$ 0.00	
Payment attached cat.		Add Boxes 8 and 9. This is your total GST collected on sales and income. 10 \$ 2,125.62	
Goods and services tax on your purchases and expenses		Total purchases and (including GST) for which tax invoicing requirements have been met, excluding any imported goods 11 \$ 5,817.69	
		Divide the amount in Box 11 by nine (9) 12 \$ 646.41	
		Credit adjustments from your calculation sheet 13 \$ 0.00	
		Add Box 12 and Box 13. This is your total GST credit on purchases and expenses. 14 \$ 646.41	
Declaration I declare that the information given in this return is true and correct Signature _____		Print the difference between Box 10 Box 14 here 15 \$ 1,479.21	
Date / / _____		If Box 14 is larger than Box 10 the difference is GST refund (Tick one) If Box 10 is larger than Box 14 the difference is GST to pay Refund GST to pay X	
		Has payment been made electronically? Yes <input type="checkbox"/> No <input type="checkbox"/>	

Other Issues:

This reconciliation is easy for most small businesses and is best performed from the beginning of the MYOB file.

If the reconciliation doesn't work it means errors may have been made on past returns. It is worth checking the year just completed by re-running the GST reports on the payments basis and checking how much GST was actually paid. If there are no errors in the year just completed there may have been errors in previous years. Talk to your accountant.

Another reason it may not work is if there have been wrong entries made to the GST general ledger accounts. It may be worth checking them to see if there are any 'foreign' entries. The other possibility is if the opening balance was wrong.

Can't find the out of balance amount?

What do do with the out of balance amount? If it's immaterial, write it off (talk with your accountant first)

If it's out by a large amount raise this with your accountant for their advice, and leave the out of balance amount in the general ledger. When the reconciliation is performed next time the out of balance amount should be the same.

GST Reconciliation - Invoice basis

Situation: Assume you're on 6 monthly Invoice basis for GST & you want to know if the general ledger account balances are correct

Reconciliation example (Apr 09 - Sep09)

GST balance as per MYOB as at 31/03/09 (Note 1) 0 credit

is Represented By:

2-3100 GST Collected as at 30/09/09 (Note 2)	8,114.14 credit
2-3200 GST Paid as at 30/09/09 (Note 2)	1,918.16 debit
2-3300 Customs GST Paid (if any)	0.00 debit
	<u><u>6,195.98 credit</u></u>

Note 1 - Opening GST balances as per Balance Sheet

2-3000	GST			
2-3100	GST Collected		\$0.00	
2-3200	GST Paid		\$0.00	
2-5000	GST to/from IRD		\$0.00	
	Total GST			<u>\$0.00</u>

Note 2 Closing GST Balances as per Balance Sheet

2-3000	GST			
2-3100	GST Collected		\$8,114.14	
2-3200	GST Paid		-\$1,918.16	
2-5000	GST to/from IRD		\$0.00	
	Total GST			<u>\$6,195.98</u>

This should match the GST (Summary - Invoice) report. (GST Collected minus GST Paid)

GST [Summary - Invoice]						
01/04/2009 To 30/09/2009						
21/09/2009						Page 1
5:09:17 p.m.						
Code	Description	Rate	Output Value	Input Value	GST Collected	GST Paid
E	Exempt	0.000%	\$160.59	\$64.47		
N-T	No Tax	0.000%	\$25,678.85	\$92,195.53		
S	Standard	12.500%	\$73,026.21	\$17,263.50	\$8,114.14	\$1,918.16
Total:					<u>\$8,114.14</u>	<u>\$1,918.16</u>

