

## BAS PREPARATION AND PAYMENT TO ATO

### BAS Verification Checklist

Step	Query	Action
1	Have all transactions been completed for the BAS period	
2	Has Approve Trade-in's been run for Outstanding unclaimed transactions?	Go to Approve Trade-in's menu item to check for any unclaimed transactions
3	Open Marlin BAS Statement and select the BAS period required.	Make sure that the period is still Open to allow further transactions if needed
4	On the Summary page, check the following Sales items	
5	Are any Sales shown at G2 (Exports and Other Exempt) or G3 (Other GST-Free)?	If any figure is shown, go to the Sales page and find the Invoice or Credit that is showing; then check that it is a sale to a returned veteran
6	Are any Adjustments shown at G7?  NB: Adjustments are grouped in G7 or G18 to ensure that the total is positive as negative figures can't be entered on the BAS form.	Go to Adjustment page for details
7	On the Summary page, check the following Purchase items	
8	Are any Capital Purchases shown at G10?	Check that an asset has been purchased (e.g. Motor vehicle)
9	Are there any Purchases with no GST in the price shown at G14?	
10	Are any Adjustments shown at G18?  NB: See note above on 6	Go to Adjustment page for details
11	Check GST Payable or Refund	
12	Check the GST balances in Marlin General Ledger agree with the totals in BAS report	
13	Close BAS report	After any adjustments have been entered
14	Enter payment to ATO (incl. PAYG, etc)	

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15	Close General Ledger	
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### What Accounts in Marlin relate to the BAS

(Account numbers shown as standard Megabus Chart of Account codes)

**Remember:** All figures in the BAS Report Summary are inclusive of GST and Sales figures in Marlin are exclusive of GST.

G1 Total Sales ⇒ Relates to Movements in Marlin for the relevant BAS reporting period.

Account	Description
10064	Sales – Stocked Items
10128	Sales – Non Stocked Items
80150	GST – Tax Collected

G7 Adjustments ⇒ Relates to Movements in Marlin for the relevant BAS reporting period

**NB:** There will be only one entry in the BAS Report for Adjustments as Marlin will report the net total of the adjustments where it is a positive figure for the report.

Account	Description
80130	GST – Tax Paid Adjustments
80160	GST – Tax Collected Adjustments

G9 GST Payable ⇒ Relates to Movements in Marlin for the relevant BAS reporting period.

Account	Description
80150	GST – Tax Collected

Plus either or the Adjustment accounts if G7 has a value

G10 Capital Purchases ⇒ Relates to Movements in Marlin for the relevant BAS reporting period. 1/11<sup>th</sup> of the value in G10 must equal the amount in 80140

Account	Description
80140	GST – Paid Capital Acquisitions

G18 Adjustments ⇒ Relates to Movements in Marlin for the relevant BAS reporting period.

**NB:** There will be only one entry in the BAS Report for Adjustments as Marlin will report the net total of the adjustments where it is a positive figure for the report.

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Account	Description
80130	GST – Tax Paid Adjustments
80160	GST – Tax Collected Adjustments

G20 GST Credits ⇒ Relates to Movements in Marlin for the relevant BAS reporting period.

Account	Description
80120	GST – Tax Paid
80140	GST – Tax Paid Capital Acquisitions

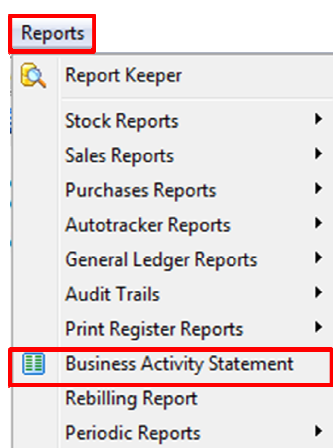
Plus Adjustment accounts if G18 has a value

## Checking the Marlin BAS return

All the necessary Marlin transactions involving GST will appear in the Business Activity Report but you need to check for obvious errors in the entry of the transactions before you can use the report as the basis of your return to the Australian Tax Office.

**The Marlin BAS report is prepared on the “Accrual” basis ( not “Cash”).**

### 1. Open the Marlin Business Activity Statement



This will open the BAS statement; then select the period of the report

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GST Period	Status
July - September 2014	Closed
October - December 2014	Closed
January - March 2015	Closed
April - June 2015	Closed
July - September 2015	Open
October - December 2015	Open

Usually the period will be "Open" to enable you to enter additional transactions to correct the report and Marlin. If it is closed, any additional entries will be processed into the next nearest "Open" period.

### 2. Review the Marlin Business Activity Statement before the BAS period is closed.

Marlin will display a reminder on the Opening Navigator screen to remind you when the BAS Report should be reviewed and actioned.

The ATO allows 28 days in the case of Quarterly (plus 1 month for the December quarter) and 21 days for monthly returns, (but your accountant may have some additional time for lodgement).

Marlin will only automatically close a BAS period when the end of the next BAS period is reached (only 2 BAS periods can be open as any time).

### **For Example: (assume you lodge BAS quarterly)**

On the 15<sup>th</sup> October you enter a transaction back into September. This transaction will update the Marlin General Ledger for September and also post the transaction into the July - September BAS.

Should the same transaction take place on the 29<sup>th</sup> October this transaction will be posted into September within the Marlin GL ( assuming the GL period has not been closed ) although this transaction will appear on the October - December BAS.

- A transaction within Marlin cannot appear in more than one BAS.
- Invoicing (sales) and stock purchases cannot be posted into a prior period once EOM has been closed.

### **To Review BAS items**

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- Click on the "Sales" page to check
  - Have any amounts appeared under "GST Free Items" ?

If there are you need to check each invoice where an amount shows as there could be Product codes that have a Tax code of "N" when it should be "Y"
  - Have any amounts appeared under "GST Exempt Sales" ?

The only transactions that can be in this column are Export sales, Sales to TPI veterans or transfers between branches of the same entity.
- Click on the "Purchases" page to check
  - Are there any entries in the "GST Free Items" column ?

There are some transactions that do not involve GST but you must check that you have correctly claimed and not missed on a claim.
- Click on the "Adjustments" page to check

This page contains items such as Merchant Fees, Discounts Allowed and Received so these need to be checked to ensure correct entry.
- Click on the "Exceptions" page to check

This page contains any transaction that has GST greater than 1/11<sup>th</sup> of the transaction total as entered and was previously shown on one of the pages above.

They are displayed in **RED** to highlight that there is a possibility that GST has been incorrectly entered. You need to check these items.

**NB: These transactions are also shown on the Sales, Purchases or Adjustments pages but are shown here to highlight them.**

### 3. Make adjustments resulting from your review.

You should enter any adjustments into Marlin to correct any errors that you have found and then Re-open and Re-generate the BAS report to ensure that the corrections have had the desired effect.

Any adjustments made will appear at the bottom of the relative lists and should effectively offset the amount of any error noted.

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### Check the Marlin General Ledger balances

#### 1. GST items in the General Ledger

##### Check the balances of each GST account in Marlin (Main, Accounts, and Enquiry)

GST Account Code	Description	Debit	Credit
	GST Tax Paid	Amount will always be a debit  When looking at the GL Account enquiry it appears without a sign	Journal will be entered as a credit to clear the balance
	GST Tax Paid Adjustments	In this account, the balance could be either a Debit or a Credit.  If Credit the GL Account enquiry will show CR after the amount	As this account could be either a Debit or a Credit, the journal will be the opposite to clear the balance.  Eg. If CR then you would do a Journal for a DR
	GST Paid Capital Acquisitions	Amount will always be a debit	Journal will be entered as a credit to clear the balance
	GST Tax Collected	Amount will always be a credit entered as a debit to clear the	Journal will entered as a Debit
	GST Tax Collected adjustments	In this account, the balance could be either a Debit or a Credit.  If Credit the GL Account enquiry will show CR after the amount	As this account could be either a Debit or a Credit, the journal will be the opposite to clear the balance.  Eg. If CR then you would do a Journal for a DR

##### Check Net GST Liability account and GST Payable on the BAS

All of the above GST accounts add to a total account (Net GST Liability) which is the Net GST payable (CR Balance) or refund (DR Balance).

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The two figures should equal each other.

Significant differences should be investigated and corrected.

### Reasons for differences between BAS Report and General ledger

1. Have you done any entries that affect this BAS report today (i.e. since the last End of Day was run)?

All entries done up to the generation of the BAS report will be included, but if they are Purchase entries the General ledger posting is not done until the End of Day is run. So there will be a difference until End of Day is run.

2. Has the BAS been closed at any time?

- a. You may have elected to close the Marlin BAS at some time after the end of your tax period, before the BAS Report was generated, although the Marlin GL period is still open or
  - b. You may have closed the Marlin GL period after the Marlin BAS was closed.
- Either of these actions would allow postings to your Marlin General Ledger for the selected period but they will appear on the next Marlin BAS report.

**We strongly advise that you close the Marlin GL period at the same time the Marlin BAS is closed.**

The closing for both the Marlin BAS and the Marlin General Ledger should be performed after end of day is run, thus ensuring all postings appear in the correct General Ledger period.

3. Did you have a balance in your Marlin General Ledger from the previous tax period?

This carries forward into the current balance of your Marlin General Ledger for your current tax period. You should be checking the movements in the General Ledger for the 3 months of the Tax period for the correct figure to compare to the Marlin BAS. If you did have a balance brought forward, you may have to adjust the amounts in the Marlin BAS in your return to the ATO.

4. Did you answer **NO** to "Should this transaction appear on the BAS?" when you posted a journal entry or Cashbook entry into the Marlin General Ledger?

This means the journal has posted to the GST accounts nominated in your Marlin general ledger although the transaction will not appear on the Marlin BAS Report.

5. Do you have any Control Total Errors at the end of the Tax period that has not been corrected?

It is possible that entries to the GST accounts in the General Ledger may not be correct or incomplete. These errors have to be corrected before you can complete your reconciliation to the Marlin BAS.

6. Was the Marlin GL balance for the GST Liability zero for the end of the BAS quarter?

If it was posted into the last General Ledger period of the last Tax period the balance in the General Ledger should be zero. If it was posted into the first period of the current Tax period, check to ensure that the net effect of the entry was to clear the General Ledger balance from the last Tax period

## **BAS PREPARATION AND PAYMENT TO ATO**

### **Prepare the payment to ATO**

The payment to ATO contains usually more than the GST amounts.

Usually other items included are

- Withholding Tax deducted from Salaries (PAYG)
- Withholding Tax deducted from Suppliers with no ABN
- Fringe Benefits tax
- Income Tax instalment.

If you are paying Withholding Tax deducted from Supplier's because there was no ABN available from the Supplier, you **MUST** use the Journal option.

- Check your Payroll records to establish the amount of the PAYG to be paid with this return.
- The amount of Fringe Benefits Tax and Income Tax instalment is shown on the printed BAS return sent to you by ATO.
- The amount of Withholding Tax deducted is the balance of the Supplier WHTAX.

### **Processing Payment to ATO**

You can process the payment by Journal or Cashbook Payment.

The journal is done in the period of the return and clears the GST accounts balances to zero and moves the amount payable to another GL account (e.g. 80170 – GST Payable/Paid) or a Supplier (e.g. ATO).

Then the ATO is paid in the period in which the payment is made, leaving the liability in the General Ledger until the payment is made with the other amounts involved (e.g. PAYG).

#### **By Journal**

1. Select Main > Data Entry > Journals from the Marlin menu
2. Enter Date
3. Enter GL Period as the last GL period covered by the BAS Report
4. Enter Salesperson
5. Enter Narration as "PAYMENT TO ATO - Re GST period ended xxxx"
6. Enter Journal Lines as displayed for the GST accounts and obtain the Debit/Credit entries and amounts as explained on the previous page.



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**Enter Journal**      Finalise   Park   Void   **Last Document:**

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Date: 28/10/2016   ☐ Remember  
 GL Period: September   ☐ Last Year  
 Salesperson \*: SALES3   JACK  
 Narration: PAYMENT TO ATO - Re GST period ended 30/09/2016

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**Line Details**

Account	Name	Subledger	Debit	Credit	Narration
80120	GST - TAX PAID			2000.00	Narration
80130	GST - TAX PAID ADJUSTMENT		50.00		Narration
80140	GST - PAID CAPITAL ACQUISITION			200.00	Narration
80150	GST - TAX COLLECTED		4000.00		Narration
80160	GST - TAX COLLECTED ADJUSTMENT			150.00	Narration
80064	CREDITORS CONTROL	ATO		1700.00	

- Select Creditors Control and select ATO as the supplier code and enter the journal balance.

**NB:** Megabus suggests using ATO as a Supplier to collect all the amounts (e.g. GST, PAYG, etc) and make one entry to pay the total amount to ATO.

- Make sure Journal equals ZERO
- Click on Finalise (or press **F10**)

**NB: A question will appear when a GST account code is used – “Should this transaction appear on the Business Activity Report” – Answer No**

If you are using the Supplier ATO to collect all the different elements of the amount due on the ATO BAS form, you should now check that the amount outstanding in that Supplier is the value expected. You can then process a Suppliers Payment for the amount when it is paid.

### By Cashbook Payment

1. Select Main > Data Entry > Cashbook or Bank Reconciliation from the Marlin menu
2. Select the Salesperson
3. Enter the Date and GL Period (Enter the last GL period in the BAS return being paid - e.g. if paying July – September enter September)
4. Enter Details (eg. "JUL TO SEP BAS PAYMENT")
5. Enter the Amount (total amount payable for all items)
6. Click on the Split Account Lines icon (or press F2)
7. Enter the Accounts to be paid (these amounts will be entered as positive amounts)

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8. Enter the Accounts being claimed back (these amounts will be entered as negative amounts)
9. Confirm that the Split Balance (in red) is 0 and that the total in the Amount column matches the payment Amount above.

**Cashbook** Finalise | Park | Void | Attach

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Bank Account \* 60064 ANZ BANK  
Salesperson \* SALES3 JACK  
Total Balance 3500.00 DR

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**Line Details** + X | Print | Save

Date	GL Period	Last	Type	Reference	Name	Details	Amount	Account	Allocation	Tax Account	Tax																																																																		
7/10/2016	September		Payment	ATO		JUL TO SEP BAS PAYMENT	3500.00		3500.00		0.00																																																																		
							<div style="display: flex; justify-content: space-between;"> <span>+ X   Print   Save</span> </div> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Account</th> <th>Description</th> <th>Amount</th> <th>Allocations</th> <th>Tax Account</th> <th>Tax</th> </tr> </thead> <tbody> <tr> <td>80150</td> <td>GST - TAX COLLECTED</td> <td>4000.00</td> <td>4000.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td>80340</td> <td>PAYG TAX TO PAY</td> <td>1100.00</td> <td>1100.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td>60360</td> <td>PRE PAID INCOME TAX INSTALMENT</td> <td>700.00</td> <td>700.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td>80130</td> <td>GST - TAX PAID ADJUSTMENT</td> <td>50.00</td> <td>50.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td>80120</td> <td>GST - TAX PAID</td> <td>-2000.00</td> <td>-2000.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td>80160</td> <td>GST - TAX COLLECTED ADJUSTMENT</td> <td>-150.00</td> <td>-150.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td>80140</td> <td>GST - PAID CAPITAL ACQUISITION</td> <td>-200.00</td> <td>-200.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td>ACCOUNT</td> <td></td> <td>0.00</td> <td>0.00</td> <td>TAX ACCOUNT</td> <td>0.00</td> </tr> <tr> <td colspan="2"></td> <td colspan="2" style="color: red;">Split Balance: 0.00</td> <td></td> <td></td> </tr> <tr> <td colspan="2"></td> <td>3500.00</td> <td>3500.00</td> <td></td> <td>0.00</td> </tr> </tbody> </table>					Account	Description	Amount	Allocations	Tax Account	Tax	80150	GST - TAX COLLECTED	4000.00	4000.00	TAX ACCOUNT	0.00	80340	PAYG TAX TO PAY	1100.00	1100.00	TAX ACCOUNT	0.00	60360	PRE PAID INCOME TAX INSTALMENT	700.00	700.00	TAX ACCOUNT	0.00	80130	GST - TAX PAID ADJUSTMENT	50.00	50.00	TAX ACCOUNT	0.00	80120	GST - TAX PAID	-2000.00	-2000.00	TAX ACCOUNT	0.00	80160	GST - TAX COLLECTED ADJUSTMENT	-150.00	-150.00	TAX ACCOUNT	0.00	80140	GST - PAID CAPITAL ACQUISITION	-200.00	-200.00	TAX ACCOUNT	0.00	ACCOUNT		0.00	0.00	TAX ACCOUNT	0.00			Split Balance: 0.00						3500.00	3500.00		0.00
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10. Finalise the Cashbook Payment.