

## Recording a BAS Payment/Refund – With Integrated Payroll

### Question:

*“How do I correctly enter the BAS Payment/Refund into QuickBooks?- If I am also using Integrated Payroll”*

### Answer:

Once the BAS has been lodged with the ATO, we recommend entering a journal entry at the end of the month, or quarter, to allocate the various sections of the BAS to the appropriate account. This will enable your Tax Accounts to be cleared out at the end of the period. (\*) Then, when you write the cheque to the ATO, or receive a deposit from the ATO, which could be several days after the end of the period, you can allocate this transaction back to the BAS Account.

### Step 1

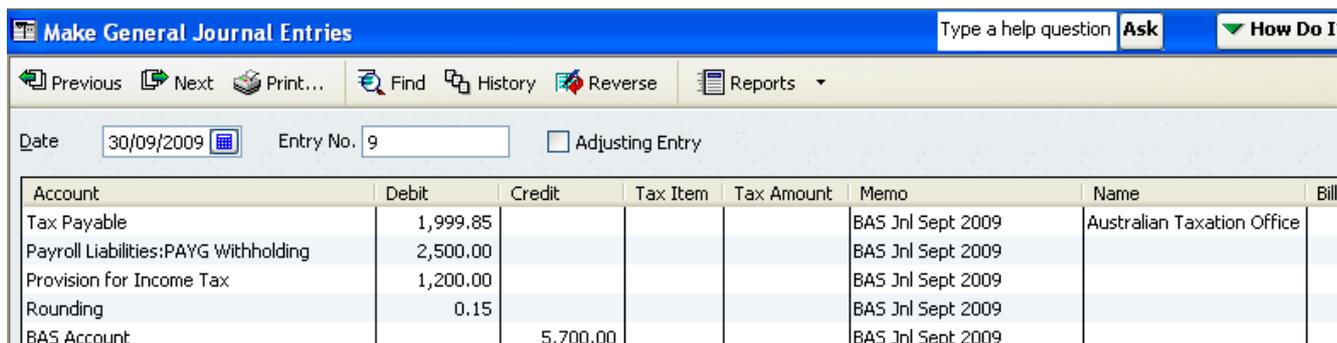
From the **Lists** menu select **Chart of Accounts**. Click on the **Account** button and select **New**. The **Account Type** is **Other Current Liability** and the **Account Name** is **BAS Account**. Click **OK** to save.

### Step 2

From the **Company Drop Down Menu** select **Make Journal Entry**. The date is the last day of the BAS Period, the memo should read BAS Journal Sept 2009. (i.e. indicate the BAS period the journal is for eg Sept 2009). Find a copy of the completed BAS form that was lodged with the ATO. Enter the journal, per the example below:

The following example is the journal required for a BAS Payment of \$5,700.00, comprising the following details:

Tax Payable	\$1,999.85
PAYG Withheld	\$2,500.00 (^)
PAYG Instalment	\$1,200.00
Rounding	<u>\$ 0.15</u>
<b>Total BAS Payment</b>	<b><u>\$5,700.00</u></b>



The screenshot shows the 'Make General Journal Entries' window in QuickBooks. The date is set to 30/09/2009 and the entry number is 9. The journal entry is as follows:

Account	Debit	Credit	Tax Item	Tax Amount	Memo	Name	Bill
Tax Payable	1,999.85				BAS Jnl Sept 2009	Australian Taxation Office	
Payroll Liabilities:PAYG Withholding	2,500.00				BAS Jnl Sept 2009		
Provision for Income Tax	1,200.00				BAS Jnl Sept 2009		
Rounding	0.15				BAS Jnl Sept 2009		
BAS Account		5,700.00			BAS Jnl Sept 2009		

### Step 3

From the **Banking Drop Down Menu** select **Write Cheques or Make Deposits** (depending on whether you are making a payment or receiving a refund). The date is the date you wrote the cheque, or the date the deposit was made. Enter the total amount to be sent/received from the ATO and allocate the transactions to the BAS Account.

Bank Account: ABC Bank Ending Balance: \$0.00

No. 1  
Date: 21/10/2009  
Pay to the Order of: Australian Taxation Office \$ 5,700.00  
Five thousand seven hundred dollars and 0 cents\*\*\*\*\*  
Address: Australian Taxation Office  
Mr Tax Man  
Locked Bag 101  
Sydney  
NSW  
Memo: BAS payment for Sept 2009 Qtr

Expenses: \$5,700.00 Items: \$0.00

Account	Tax	Net Amt	Tax Amt	Memo	Customer:Job	Billa...
BAS Account		5,700.00	0.00	BAS payment for Sept 2009 Qtr		

**Please Note:** In the case of a BAS refund from the ATO the Journal should be modified so that the BAS Account is a Debit, rather than a Credit. In the event of interest being credited on the refund then the refund will need to be entered via the **Sales Receipts** Screen with the interest portion being split out with an "Input Taxed Sale – INP" tax code being applied to it.

(\*) Businesses Reporting GST on an accruals basis should check that the Tax Payable Account now has a zero balance after the entering of the BAS Journal.

(^) The PAYG Withholding amount should be agreed to the both the Payroll Summary report for the period together with the credit transactions in the PAYG Withholding account in the General Ledger for the same period. Businesses Not using integrated QuickBooks Payroll system will not be required to adjust the PAYG Payroll Liabilities – Refer QuickBooks Answer Sheet #001

### Step 4 – Clear Out the PAYG Payroll Liabilities

From the **Employees Drop Down Menu** select **Payroll Taxes & Liabilities**, then click **Adjust Payroll Liabilities**. Set the **Date** to the date of the BAS Payment or Refund, set the **Effective Date** to the last day of the BAS period being adjusted for (eg 30 September 2009). Set the adjustment for **Company** and the **Item Name PAYG Tax** with the **Amount** being negative the total of the PAYG for the period (eg -2,500) and include a **Memo** (eg Clear out PAYG liability for the Quarter ended 30 September 2009).

Also it is very important that the **Accounts Affected** tab is selected and set to **Do not affect accounts**.

Liability Adjustment

Date: 30/09/2009 Effective Date: 30/09/2009

Adjustment is for:  Company  Employee

Taxes and Liabilities

Item Name	Amount	Memo
PAYG Tax	-2,500.00	Clear out PAYG Tax for September 2009

Affect Accounts?

These amounts will affect the Payroll Liabilities report.

In addition do you want to affect liability and expense account balances?

Do not affect accounts  
 Affect liability and expense accounts

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