Business Activity Statement

The instructions in this article relate to **Business Activity Statement** and **Income Activity Statement** and the tax types available in StrataMax. The icon may be located on your *StrataMax Desktop* or found using the *StrataMax Search*.
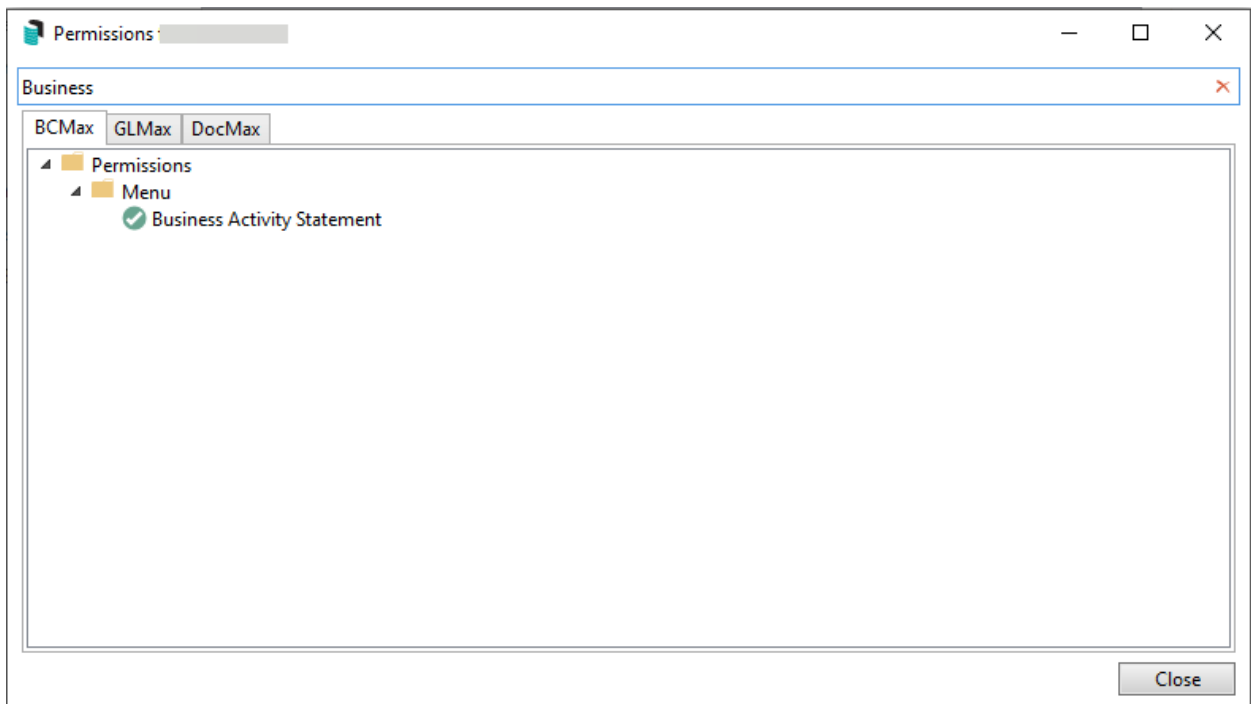
Business Activity Statement | Security

To access the **Business Activity Statement**, the user must have permission set to 'Allow' for Business Activity Statement under the 'Menu' category in **Security Setup**.

Business Activity Statement (BAS) | Overview

Businesses registered to report their tax obligations to the Australian Taxation Office can report the following tax types on either a BAS or IAS depending on which tax type has been registered:

- GST - GST on Sales, Expenses or Capital Acquisitions.
- PAYG Instalment - Instalment for Income Tax, based on the prior year's income tax return and non-mutual income.
- PAYG Withholding - Tax held from Wages to be paid on behalf of an employee.

If the registration is only for Instalment Tax, the form for lodgement is called an IAS or Income Activity Statement. The setup / registration for the above tax types is completed in Building Information.

The preparing of the BAS will report the data for the current period, allow the details to be reviewed, tax codes edited, variance to be checked, all in preparation for the finalising of the BAS ready for lodgement. There will now be validation between the current BAS that is being prepared, to the total of the GST Clearing Account for the same closing date. **You will not be able to finalise the BAS if there is a variance larger than the configured tolerance set.**

The finalising of the BAS will process the required Creditor Invoice transactions for the payment / refund to the Australian Taxation Office, provided the period is complete, payment references entered and within the set variance..

The *BAS Reconciliation Report* can be prepared for all buildings and sent as one PDF to be used for lodgement by a tax agent / accountant. The alternative option, is to use the *Search BAS*, to report all the required details for lodgement by the exporting to Excel for use by the lodging person.

Business Activity Statement Status

- Advanced filters for Building selection.

- Filters for Status for buildings that may be overdue or have issues, or to show all buildings.

- Building Name and Number.

- Account Group - will display the Account Group Name if is an Account Group Building (VIC) and not using a consolidated BAS.

- Status - current status to determine there are issues or if a building is overdue for lodgement or ready to prepare or finalise - see below for examples.

- Next End Date - displays the end of the next reporting period, determined by the registered tax and the frequency from tax setup.

- GST / PAYGW / PAYGI Start Date - will display the start date for the current period, if the tax is currently registered in tax setup.
- Actions - see below for details.

Status Information

These are examples of some of the various status messages that may be displayed and require action.

- Next BAS is Due to be prepared by - will display date (not overdue).

- BAS is Due by - will display if close to due date (not overdue) and waiting to be Finalised.

- Set the 'Don't Process before Due Date' in Tax Setup - the date must be set for the end of the prior period so the current period can be calculated. i.e. 30.06.24 will set the current BAS period to 01.07.24 - 30.09.24
- BAS has not been prepared by <date> - will display if the BAS is overdue, based on the number of days entered in the 'Configuration' screen, in the *Number of days after the end of a period that the BAS is due.*
- Variance - A BAS will not finalise if the variance is higher that the configured tolerance.
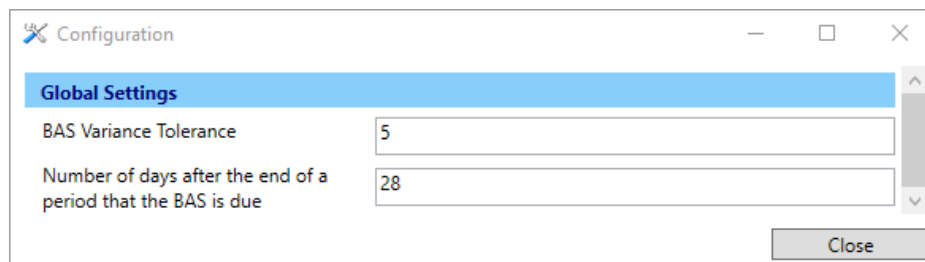
Actions available on the BAS

- *View Last BAS* - The last BAS will be displayed and the option to print the report for selected building will be available, either with the default template or to Excel. This view will also show the transactions posted to the defined ATO Creditor as set in Tax Setup.
- *Reopen Last BAS* - This option will allow the prior BAS period to be reopened so important transactions

that were not included can be updated, the re-finalise of the BAS will create adjusting Creditor transactions.

- *Prepare a New BAS* -The report for the current period will be prepared. The BAS can be edited, saved or printed. If the BAS is already prepared, a prompt to 'Edit the In Progress BAS' will be displayed to make selection to update any recent or updated transactions. An 'In Progress' BAS can also be deleted to allow the prepare to be completed again for the period to refresh all transactions.
- *BAS Reconciliation Report* - Will display the selected building **BAS Reconciliation Report**.
- *Tax Setup* - This shortcut will display the **Building Information**, BAS / IAS (GST) Registrations which can also be updated and saved.
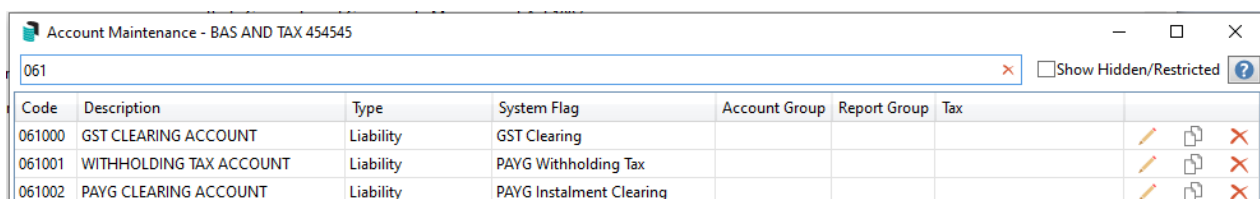
BAS | Configuration

1. Search or select **Business Activity Statement**.
2. Click the *Configuration* button in the top right of the BAS window.
   - *BAS Variance Tolerance:* This amount is the variance between the Clearing Account balance at the end of the reporting peirod compared to the expected BAS / IAS amount for the same period. The BAS will not be able to be finaiised if tne amount is greater that the set tolerance. (StrataMax recommends a tolerance of $5.00 be set to allow for rounding as the BAS is reported to the ATO in whole dollars).
   - *Number of days after the end of a period that the BAS is due:* Set the number of days to help with the timing for lodgement. Once the number of days is exceeded, the BAS will report as overdue with a red warning icon.

GST Account Code Setup

The setup of the Clearing Accounts is completed in **Account Maintenance**. The system flag will define which tax type and this will be used to process transactions to when the BAS is finalised.

ATO Default Creditor

The ATO defined Creditor is set in the *New Building* Setup screen for all new buildings and amended in *Building Information* - GST / Tax Setup. The Creditor reference numbers for payment for BPAY or EFT are set in *Creditor Maintenance*.

Prepare the Current Period BAS / IAS

1. Search or select **Business Activity Statement**.
2. Select advanced filter options:
   - *Current building:* Only the BAS for the current selected building (noted at the top of the window) is displayed.
   - *My Buildings (Account Manager):* To select an individual Account Manager name and the properties they are listed for.
   - *Management Office:* Select from drop down list if being utilised.
   - *All Buildings:* Displays all registered Buildings requiring lodgement.

   Select Status filter options:
   - *Show all:* All buildings based on above selection.
   - *Show due or with issued only:* Buildings that are due for review for the BAS period completed but not yet prepared or have issues.
   - *Show overdue or with issues only:* Buildings that are overdue (based on configuration) for the BAS period completed but not yet prepared or have issue.
3. Click the *Prepare a new BAS* button (small blue circle with white arrow) to update to the current reporting period.
4. Review the Status column to resolve any issues and amend. If there is a *GST Variance* see below for guidance on how to investigate and resolve.

> If the **ATO SBR** has been setup, in your office, with the appropriate credentials, once the BAS is finalised use **ATO SBR** to continue with lodgement direct to the ATO.

Distribute the Prepared BAS Reports

The now completed BAS / IAS reports can now be easily distributed to be used with the lodgement with the ATO. There are two options for distribution. Either or both may be used:

1. Report Distribution will allow for the *BAS Reconciliation Report* to be produced as one global PDF to be sent with the normal distribution options.

2. *Search BAS* allows for easy setup to report the current period for lodgement and options to view the BAS or export to Excel for all information to be populated on the ATO portal.

> **It is important that the finalised BAS figures are lodged exactly the same when completed with the ATO.**
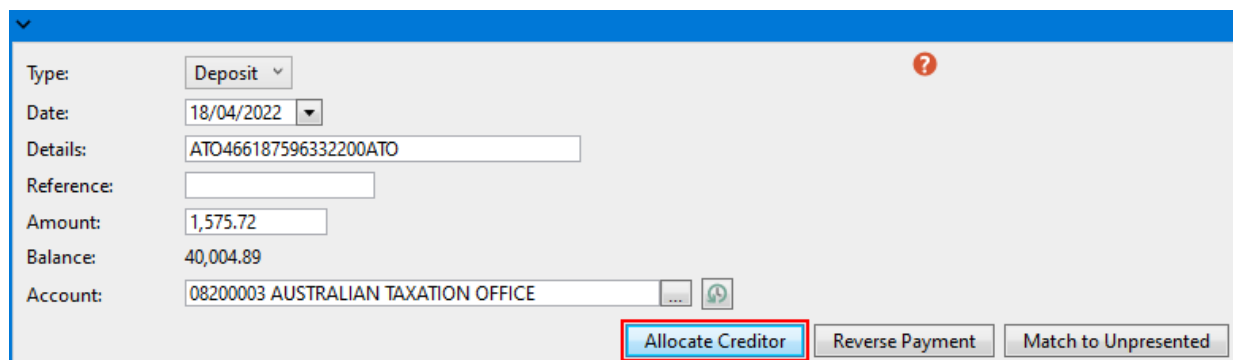
Finalise the BAS

Once the BAS has been lodged, ensure all balances are exactly as per the ATO lodgement report, then finalise to process Creditor Invoices or Credit Notes for refund.

1. Search or select **Business Activity Statement**.
2. Select required Filter options for Buildings / Status.
3. Select Prepare and Finalise to process all displayed buildings that have no issues, this will process the Creditor Invoices / Credit notes to the ATO Creditor as defined in the tax setup.

ATO Payments & Refunds

The payment method selected for the ATO Creditor may be either BPay or EFT and will require the CRN or EFT Reference number to be entered for the BAS to be finalised. This information is entered into Creditor Maintenance in the local building section. When the BAS is finalised, it will automatically create the Creditor Invoices for Payment or Credit Notes for refund. ATO Payments can be processed via *Payments* once lodgement is completed and the amounts are exactly the same**.**

 If a refund is due, once received in Process Bank Statements, it can be applied to the credit notes using Allocate Creditor for the ATO Creditor. The refund should be reviewed to ensure that the amount is the expected value to make the ATO Creditor account balance back to $0.00.

Type:	Deposit ∨
Date:	18/04/2022
Details:	ATO466187596332200ATO
Reference:	
Amount:	1,575.72
Balance:	40,004.89
Account:	08200003 AUSTRALIAN TAXATION OFFICE

[Allocate Creditor] [Reverse Payment] [Match to Unpresented]

Individual Business Activity Statement

There may be times when a current period BAS for a specific Building / Plan requires review and amendments to be made. Once the current period has been prepared it can be reviewed and updated / amended. There may also be the odd occasion that the recently finalised BAS may need to be re-opened or possibly deleted - see below for further details for the most appropriate action for these scenarios.

Edit Current period

The most common adjustments required for the current / prepared BAS will be the adjustment for tax codes that may need to be updated if incorrectly entered on the original transactions. These amendments can be completed while the period is incomplete or after the end of the reporting period before the BAS is finalised.

1. Search or select **Business Activity Statement**.
2. Locate the Building to be Edited.
3. Select the *Prepare New BAS* action.
4. Select the section of the BAS to be reviewed - i.e. Tax Free Purchases.
5. Locate the code to be amended in the section below and select either the:
    a. Code section to update all transactions in the selected code or,
    b. Select the individual transaction in the list once the code is selected.

1. Use the pencil icon to display the current tax code and then amend as necessary.

2. Select Save.

3. Repeat for further tax code changes.

4. Save and Close the BAS once complete.

If there are tax code changes required for a prior period, please complete in *Local Transactions*- *Edit Tax Code*.

GST Variance

The GST Clearing account total balance on the Balance Sheet at the end of each period, should match what is also being lodged. The GST Clearing account is only for transactions automatically created by the System. If manual entries have been allocated to this account, over time, you may have a variance. You may need to review with your BAS Agent or Accountant to assist.

If there is a variance on the GST, this will need to be investigated and resolved prior to finalising the current / next reporting period.

Why is there a Variance?

This is often due to transactions that are in the GST Clearing account in error or were manually entered and possibly not in the correct format.

There are likely to be three outcomes:

1. The **GST Clearing Account is wrong** and a transaction/s need to be removed to resolve the variance. This is likely to be journal to be completed in Journal Preparation. i.e. Income Tax refund in GST Clearing Account.

2. The **GST Clearing Account is correct**, however a manual amount entered into the GST Clearing Account previously should have be included on the BAS Lodgement. This is likely when an entry was created but not with the correct system details GST *** and would have then not been reported on the BAS. This variance will have been an issue since the original transaction occurred, however the prior BAS did not check the variance, which is a new feature. This variance, should only require investigation and resolution on the first period using the new GST / BAS enhancements. This scenario will require a manual entry to the ATO Creditor for payment / refund and should also be manually included on the ATO lodgement, either for a prior period or added to the current period.

3. Unable to determine reason for the variance, journal to resolve this at a later time. This is a interim solution, as the above investigation is highly recommended. This option will leave a balance on the financial statements for reconciliation at a later time - this may need to be discussed with your BAS Agent / Accountant. A new balance sheet code may be added in *Account Maintenance*, for example "GST Adjustment", or "GST Variance" or similar. The date of the the journal **must** be in the current GST reporting period to correct the variance.

NOTE: It is not recommended that journals are completed to the GST Clearing Account after the variance is resolved, all adjustments can now be easily done in the *BAS* or using *Local Transactions*, *Edit Tax Code*.

There are only two types of transactions that should be in the GST Clearing Account – what are these?

- GST (Account Code) Transactions – automatically created
- ATO Creditor account invoices / credit notes, posted when the BAS was saved.

Amount	Running Balance	Invoice Code	Description	Reference	Extra Details	Fund Name
9.49	-1,185.59		GST 1011	J0044035	J0044033	Admin Fund
4.88	-1,180.71		GST 2011	J0044038	J0044036	Sinking Fund
9.49	-1,171.22		GST 1011 GST	J0044046	J0044044	Admin Fund
4.88	-1,166.34		GST 2011 Transactions	J0044049	J0044047	Sinking Fund
10.44	-1,155.90		GST 1011	J0044057	J0044055	Admin Fund
5.36	-1,150.54		GST 2011	J0044060	J0044058	Sinking Fund
0.48	-1,150.06	Creditor	GST 1272	J0044067	B0002213	Admin Fund
14,212.04	13,061.98 18	Invoice	GST for 30/06/24	DA006271	004	Admin Fund
-13,241.04	-179.06 18		GST for 30/06/24	DA006272	005	Sinking Fund

How do I locate the manual Transactions?

Use *Local Transactions* to identify any entries that are not the above two system transactions – noting you may have to review old & historic year data. Use the Running Balance column to help and ensure that you increase

transactions in Advanced if there are more than 1000 transactions.

Use the Running Balance to check the amount for the prior BAS – i.e. last June transaction running balance (rollover amount) should be the total for the June ATO Creditor amount.

What are some examples of the manual transactions?

- GST Refund – if allocated from the Bank Reconciliation, but the original BAS entry is already posted to the ATO Creditor
- Income Tax Refund – incorrectly coded from the Bank Reconciliation and possibly should have been allocated to an income account or ATO Income Tax Creditor if a Credit Note was entered for the Refund.
- Journals manually applied to the GST Clearing Account – check the description and possibly extra details to identify

Example

Manual transaction & ATO Refund

Account Description	Type	Hidden	Amount	Invoice Code	Invoice Code Description	Description	Reference	Extra Details
G S T CLEARING ACCOUNT		☐	-4,753.91			GST 101	J0000416	J0000414
G S T CLEARING ACCOUNT		☐	-6,001.09			GST 201	J0000421	J0000419
G S T CLEARING ACCOUNT		☐	14,686.06			Opening bal GST adj	J0000444	
G S T CLEARING ACCOUNT		☐	-7,788.00			ATO596358820531001AT	R0000021	Direct Dep.

You will not be able to finalise the BAS if there is a variance larger than the configured tolerance set. Also review the GST, Tax and Wages FAQ which is constantly being updated.

Check the *Local Transactions* for the GST Clearing Account code for any strange looking items that may have been manually applied to the account in error. Example:

- ATO Refund (if should have been applied to the ATO Creditor instead).
- Opening Balances, should be reconciled to $0.00 for the first period after the setup of the Building / Plan.
    - Opening Balances should always be applied to a separate account at setup so as to not be missed on the first reporting period as these are manual entries to be lodged with the StrataMax BAS.
- Manual transactions that are not the same as the system created GST entries, as these will not have been included on the BAS.

Re-Open Last BAS

If a finalised BAS needs to be amended, the ReOpen Last BAS action can be used. Only the most recent / last period can be re-opened. It is recommended that this option is used with care and by guidance from your administrator / accountant / BAS Agent. As Creditor Invoices are created, when the original BAS was finlaised, there will be new adjusting Creditor Invoices / Credit Notes transacted when the BAS is re-finalised.

Scenarios that may require the BAS to be reopened:

- Tax code updates required for one or more transactions that must be reported in the recently closed period
    - (Note: these amendments, if minor can be completed in the current / next period by updating with *Local Transactions*).
- Auditor / Accountant adjustments
- Lodgement for PAYG Instalment had a varied rate or percentage
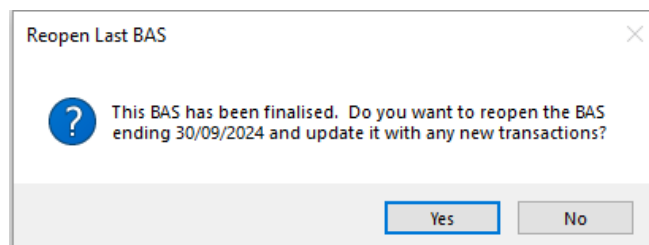
Delete Last Period

If a finalised BAS needs to be amended, the ReOpen Last BAS action must be used, to access the Delete option. This option should be considered as a last option as the RE-Open BAS should assist to include any additional changes. Please discuss with your administrator if this is the correct action.

Scenarios that may require the BAS to be reopened then deleted:

- If incorrect balances are included and possibly are items that should be excluded.

GST Conversion Account

GST Conversion Account is an account used to record the GST amount from opening balances from a prior manager. This amount should be reported to the ATO in the first period that the BAS is lodged, which will usually also include amounts that have been transacted in StrataMax for the remaining portion of the same period. This amount should have accompanying reports / documentation from the prior manager, so can be lodged correctly with the ATO for Income / Expenses. Please refer to your accountant / administrator should you not be able to determine how to resolve this opening balance amount, this is external to StrataMax transactions and GST calculations.